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18-0/80/11/25 - 6 DEC 1980

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**ADDRESS BY MR LIM CHEE ONN, MINISTER WITHOUT PORT-
FOLIO AND NTUC SECRETARY-GENERAL, AT THE NTUC WELCOME
BUKIT MERAH SUPERMARKET OPENING CEREMONY
ON 25 NOVEMBER 1980**

It has been seven years since the first NTUC WELCOME Supermarket was established at Toa Payoh in March 1973. During this period NTUC WELCOME has increased its market share of the retail trade in Singapore and extended considerably its network of retail outlets. At the same time, its internal organisation and management have grown to take on the task at hand. NTUC WELCOME has indeed come of age. As it poises at the crossroads in the beginning of this new decade, it is apt to review the past progress achieved and to chart its future course.

In order to assess the performance of NTUC WELCOME, we must first understand the fundamental objectives that the labour movement wanted to achieve by establishing this Co-operative in 1973. NTUC WELCOME was formed at a time when global inflationary pressure threatened the pockets of consumers in Singapore. As nearly all our consumer products and foodstuffs were imported, we were very susceptible to price increases caused by a variety of factors at the sources of our imports. What was worse was that in the midst of such unfavourable market conditions at that time, there was the tendency by some unscrupulous retailers to engage in profiteering and hoarding of goods in short supply. If left unchecked they would have made unjust profits at the expense of consumers.

The NTUC, in order to protect the interest of our workers, therefore stepped in to attempt to correct this situation. The aim was to set up retail outlets at population centres to sell essential commodities at reasonable prices. This would reduce the

opportunities for unscrupulous retailers to profiteer or make excessive profits. More specifically, the objective was to stabilise the prices of five essential items namely, rice, sugar, cooking oil, milk powder and detergent. The pursuit of this objective by NTUC WELCOME has enabled it to contribute significantly towards keeping inflation in Singapore relatively low. According to our Consumer Price Index, Singapore has enjoyed relatively stable prices over the past few years compared to other countries where annual inflation rates of 15 per cent to 20 per cent were considered usual.

NTUC WELCOME has grown from strength to strength as a result of the support given by our consumers. From a mere three supermarket outlets in 1974, NTUC WELCOME has matured to a sizeable 15 retail branches at present. These retailing outlets coupled with a network of some 1,000 Fair Price shops are scattered all over the island thus bringing basic commodities at reasonable prices to a large number of households. The growth of NTUC WELCOME's supermarket outlets, sales and membership strength can be traced from the following table:

GROWTH OF NTUC WELCOME, 1974-1980

Year	1974	1975	1976	1977	1978	1979	1980
Number of NTUC WELCOME Supermarket outlets	3	4	7	10	11	13	15
Sales for year ending June	\$9.0m	\$9.6m	\$20.6m	\$30.7m	\$44.0m	\$56.0m	\$82.9m
Membership Strength as at	May 11,391	January 13,759	January 16,302	January 20,247	January 21,703	January 23,702	September 24,802
Number of Fair Price Shops	-	-	-	75*	650	1,020	998**
Sales of Fair Price Shops***	-	-	-	0.35m	4.1m	13.0m	20.6m

* Fair Price Shops started in February 1977

** As at 30 June 1980

*** These sales figures are included in WELCOME's sales figures in line 3

The sales of WELCOME increased by 9.1 times from 1974 to 1980 while membership strength more than doubled. On rice alone, WELCOME sold 3,340 metric tons in October 1980 through its supermarkets and Fair Price shops. This accounts for about 24 per cent of the total market for rice in Singapore.

While it is safe to say that NTUC WELCOME has, over the past seven years, achieved the objectives for which it was set up, we must guard against the tendency to be complacent. Efforts must incessantly be made to look out for new opportunities and better operational efficiency to maintain or even lower the cost of operation so that more benefits can be passed over to shareholders and consumers. Emphasis should particularly be placed on reducing the cost of procurement of goods as well as increasing labour productivity.

The setting up of a centralised purchasing unit for all supermarkets operated by unions will help us to reap the economies of volume in our purchases. This is being examined by NTUC. Greater operational efficiency will require greater attention to be given to our staff's development. For instance, if sales assistants are better trained and motivated, each of them can look after a larger sales area thus increasing labour efficiency and lowering operating cost. These measures will help to ensure that NTUC WELCOME can continue to provide to the public an efficient and courteous service as well as a wide range of goods at a reasonable price level.

With the higher income levels which Singaporeans now enjoy, it is expected that more money will be spent by households on the purchase of consumer durables. This offers NTUC WELCOME the opportunity to diversify its range of products which it deals with. So far, the principal activity of NTUC WELCOME has been the retail of supermarket goods such as foodstuff. It is widely acknowledged that NTUC WELCOME has been a price leader of many products in this range, particularly the basic commodities mentioned earlier. But with increasing affluence the essential needs of every household in Singapore will stretch beyond those for rice, sugar, cooking oil, milk powder and detergent. In other words, NTUC WELCOME should explore the possibility of expanding its range of products beyond the traditional supermarket items. This expansion is being considered in the planning of the WELCOME Supermarket in Woodlands to be opened some time next year.

This diversification strategy will strengthen NTUC WELCOME's ability to maintain the cost of living for our workers. The possibility of profiteering and exploitation of consumers by some

unscrupulous retailers is ever present. NTUC WELCOME, by expanding its scope to include basic consumer goods such as clothes, toiletries, kitchen utensils, toys, general household items, and other consumer durable goods, is in fact pursuing the same objective for which it was first established. This development is both logical and necessary.

If it is to meet its wider areas of responsibilities, NTUC WELCOME will have to develop its management skills to cope with the challenges of new opportunities and expanded horizons. This entails the introduction of new expertise in all areas of operation ranging from purchasing, merchandising, display and marketing of departmental store goods to management and administrative systems. I am confident that with proper leadership and management, NTUC WELCOME will rise to the occasion and expand successfully into this new venture, thereby enhancing its services to workers in Singapore.

NTUC WELCOME will continue to be guided by the maxim to which it has adhered all these years, and that is, its usefulness to consumers is retained only if its financial viability as a Cooperative is maintained. Within this framework, NTUC WELCOME will continue to strive in retailing quality products at reasonable prices and with courteous service.

Finally, it gives me great pleasure this evening to declare the Bukit Merah Branch of NTUC WELCOME open. This will extend NTUC WELCOME's effort to bring fair price and good service to residents in Bukit Merah and its vicinity.
