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SPEECH BY DR ONG CHIT CHUNG, PARLIAMENTARY SECRETARY FOR  
LABOUR, REPUBLIC OF SINGAPORE, AT THE 13TH CONFERENCE OF  
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Mr Chairman

Excellencies

Ladies and Gentlemen

1. I wish to thank the Government of the Islamic Republic of Iran for hosting this Conference and for the warm hospitality extended to us.

Under your able leadership, Mr Chairman, I am confident that this Conference will be a success.

2. The Asia and Pacific region is the premier growth area in the world today.

It is rich in natural resources. The people are industrious and keen to improve themselves. The economies are also plugged into the world market. With peace and stability, the region has enjoyed rapid economic growth and rising standards of living.

### Free and Open Trade

3. In the past four decades, the world economy has benefitted from free and open trade.

The total value of world trade has grown to approximately US\$4,000 billion a year. Under this system, global competition is "niche" competition - to borrow a term from the MIT economist Lester Thurow. Each country produces goods and services at its comparative advantage and trades them with other countries. The end result is all countries are better off.

4. However, the world trading system is under siege.

The Uruguay Round under the General Agreement on Tariffs and Trade is still pending after numerous years of negotiation. Large trade imbalances also emerge among the OECD countries. In addition, some industrialised nations have advocated trade protectionism to guard their own interests because the dynamic Asian economies are catching up with them. It worries me because the world could fall into the clutches of managed trade.

5. Mr Chairman, it is important to preserve the free and open trading system.

This is a time-tested institution which has fuelled economic growth in many countries. Let us take Singapore as an example. We are a small open economy with a limited domestic market. We have been fortunate to achieve robust economic growth because we have adopted an outward looking strategy. Our success is largely attributed to free trade. Today, the value of our total external merchandise trade is 3.2 times that of our Gross Domestic Product.

6. The Asia and Pacific region has also ridden on the back of free and open trade.

As a result, the region has some of the world's fastest growing economies. I am sure they will also testify to the benefits of free and open trade.

7. It is our duty to ensure that international trade remains free and unfettered.

There is enough room for all of us to prosper and for each one of us to carve a niche for ourselves. The way ahead is not for countries to shield themselves from global competition, but rather to remain competitive and produce goods and services that meet the test of

international competition.

**Skills Training For Workers**

8. To remain competitive in the global market, countries need to upgrade the skills of their workers. Countries which give high priority to investment in human capital are likely to achieve higher economic growth. Their productivity and industrial relations performance are also likely to be better than those which do not invest in human resources.

9. Mr Chairman, the skills requirements of jobs are changing very rapidly because of diffusion of new technologies, changes in work processes, and increased globalisation of products and skills markets. The complexity, variety and meaning of skills are also undergoing constant change. There are three discernible trends. First, a general increase in the minimum skills demanded at work. Next, a swifter obsolescence of skills resulting in an increasing need for frequent retraining of large number of workers. Lastly, a shift in emphasis among categories of skills. Qualities such as problem-solving, versatility and the ability to communicate across functions now command a premium.

10. A survey that was published in the November 91 edition of "Asian Business" concluded that Asia lags behind most Western countries in the volume and level of training.

Fortunately, some Asian countries are starting to realise the strategic importance of training and are investing substantially in it.

11. We should take note of these developments and respond positively to them.

Increasingly, the competitiveness of a country will depend on the quality of its workforce. Countries which invest in training are likely to be better poised to succeed in the global competition in the 1990s.

12. I wish you a fruitful and rewarding Conference. Thank you.

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