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ADDRESS BY MR ONG TENG CHEONG, MINISTER FOR COMMUNICATIONS AND LABOUR, AT THE OFFICIAL OPENING OF NTUC WELCOME, WOODLANDS ON WEDNESDAY, 2 SEPTEMBER 1981 AT 7.30 PM.

In 1973 the world economy suffered from the shock of rampant inflation fuelled by the quadrupling of oil prices. Singapore which depended heavily on imports for most of its daily necessities was not spared. Prices of rice and sugar soared. But the situation was aggravated by unscrupulous trade practices such as hoarding to create artificial shortages to drive prices higher. If left unchecked such profiteering actions would have severely damaged our economy. It was in such circumstances that the first NTUC Welcome Supermarket was established in Toa Payoh in 1973 to help stabilize prices of essential commodities.

Since then, NTUC Welcome has grown and developed. It has restored a good measure of stability to the prices of basic commodities through its growing network of supermarkets located strategically in major housing estates and its policy to import rice direct and stockpile to meet contingent shortages. Indeed, prices of rice and sugar were brought down and successfully maintained at lower levels. For instance, in 1973 and 1974 the price of Thai Rice 100% increased by an average of 85% a year to reach $1.85 per kilogram in 1974. It fell subsequently by an average of seven per cent a year till it was $1.05 per kilogram in 1980. Similarly, the price of sugar which shot up by an average of 25 per cent a year between 1973 and 1975 to $1.24 per kilogram has stabilized around the 1975 price level.

It is heartening to note that yet another supermarket has joined the chain of NTUC Welcome Supermarkets in helping Welcome continue its fight against unjustified price hikes and to promote stability in the prices of basic commodities. We must continue to find ways and means of holding down cost of living with inflation a world-wide phenomenon and a part of everyday life.

A key element ..... /2.

A key element in the retail trade business is turnover. High turnover of goods is possible only if prices are competitive, and to maintain price competitiveness, operating costs must be continually kept trim. I note that labour costs are a major cost component, accounting for 45 per cent of total operating expenses in NTUC Welcome Supermarkets in 1980. While supermarket operations are labour intensive, areas where manpower could be reduced or better utilised should not be overlooked. This need to rationalise manpower demand is all the more urgent in view of rising labour costs and a shrinking labour supply in the future.

Wherever possible, operations should be mechanised and computers installed to take over functions otherwise performed manually. Quite apart from reducing labour costs in the long run, such actions could lead to an improved system of management information so necessary for sound corporate planning. There is a need, therefore, for supermarkets to keep abreast of technological and other innovative developments in the industry in the West. Tried and tested methods which improve operational efficiency or save manpower could be adopted or modified to suit local conditions. Here, the Singapore Retail Merchants' Association could take the lead in disseminating information and introducing new developments in the retail trade industry. It could also start to educate consumers on the need to accept a different level of service now that labour is expensive and not plentiful. For example, it could promote among consumers the concept of self service to include packing of goods by consumers themselves. Once the consumers accept the reality of increasing labour scarcity and resultant higher costs, they are less likely to demand the extra service which they now expect.

Rationalisation or streamling of procedures and systems at the workplace would also help to improve manpower utilisation. Another alternative is to increase the current level of employment of part-time workers. Supermarkets with business peaking and slackening at different times of the day lend themselves easily to part-time employment. Manpower demand during peak hours could be satisfied by employing more part-time help. It benefits the country too as availability of part-time employment attracts into the labour force housewives who would otherwise be economically inactive.

Apart from ..... /3.

Apart from taking measures to reduce the physical size of the workforce through increased mechanisation, computerisation and rationalisation, supermarkets could also look to increased productivity from existing workers to retain their competitiveness. Increased productivity can only come about if workers are adequately trained for the job and motivated to do the work well. Training and skills upgrading however should not be confined to the shop assistants, cashiers and other service workers alone. It is just as relevant for staff at management level. At higher levels, skills upgrading, in fact is even more important as dynamic and professional management will ensure that the supermarket will remain in business despite keen competition. Motivating workers to give of their best is also a skill management and supervisors must cultivate. Theories and concepts of human relations and management can be learnt. More important, however, is practising these ideas and theories so that in any given situation workers perceive themselves as part of a team striving towards an objective which is in the company's and their interests to attain.

Increased productivity will also come about with improved labour-management relations. Thus, it appears that there is a need to establish a personnel department for the chain of NTUC Welcome Supermarkets employing some 650 workers and to develop appropriate personnel policies and programmes.

The Committee on Productivity which has recently concluded its study on improving productivity, work attitudes and labour-management relations has made a number of recommendations on measures for developing company welfarism. NTUC Welcome may wish to consider offering itself as a company prepared to try out the recommendations of the Committee on Productivity. For example the Committee recommended the formation of house unions to promote company identification. Workers of NTUC Welcome are presently represented by the Food, Drinks and Allied Workers Union. It enjoys stable and harmonious industrial relations. With a sufficiently large number of workers and a trade union management, NTUC Welcome may want to consider this recommendation by the Committee. The management of NTUC Welcome may wish also to look into the introduction programmes for joint consultation and small group participation in its supermarkets.

On this happy occasion of the official opening of NTUC Welcome at Woodlands, I wish the supermarket cum departmental store every success for the future. ##########