

Singapore Government

PRESS RELEASE

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SPEECH BY DR SEET AI MEE,
ACTING MINISTER FOR COMMUNITY DEVELOPMENT,
AT TEE SINGAPORE SHIPBUILDING AND ENGINEERING (SMEEU)
NATIONAL DAY OBSERVANCE CEREMONY AT 7, BENOI ROAD
ON MONDAY, 12 AUGUST 1991 AT 8.00 AM

The marine industry in Singapore is enjoying its fifth consecutive year of double digit growth. Strong demand in the shipbuilding and shiprepair sectors has brought about record orders.

Singapore has emerged as a world leader in shiprepair, rig building and in shipbuilding. With an ageing fleet worldwide, and increased demand for new ships, prospects for the marine industry appear bright. We are well placed to take advantage of the increased demand to enhance our position as a world leader in the marine industry.

In tandem with the rapid growth in recent years, employment in the marine industry has soared. Employment has reached a record level of 11,500. In the present tight labour situation, there is a temptation to employ more foreign workers to fill demand. Operationally, this is the easiest route to take. Orders come in today, and have to be fulfilled next week.

But, over the longer term, it may be wise to use this period of upswing to consolidate and move towards the higher value added segments of the marine industry. Past experience has shown that the marine industry is a highly cyclical industry. Consolidation in good times will stand yards in good stead, whatever the shipbuilding and shiprepair demand pattern in the future. A tight labour situation will remain a characteristic

of the Singapore economy for some time. It is better to take this into account.

The marine industry has already taken steps to strengthen its technology base. Shipyards have already embarked on computer aided lofting, CAD/CAM in design, the employment of numerical control and semi-automated welding. This will help speed up product and process development and make the shipbuilding industry less labour intensive.

But ultimately, it is the people who run a shipyard, from the general manager to the welder, which make the distinctive mark of excellence. The quality of the workforce should be what distinguishes Singapore from our competitors and make shipowners want to send their ships here over and over again. It is that which makes foreign shipyards want to relocate their operations here. And it should be what makes the Singaporean worker command a higher salary than his counterparts elsewhere.

Automation and mechanization will give us the edge in product and process development. It is new skills and knowledge that will enhance individual effectiveness. Industrial peace based on our tried and proven tripartite formula of unions, management and government working together will be the foundation on which prosperity and wealth can be built. But to scale new heights and build the best ships and rigs in the world, we need a few extra factors.

The first is "Identification", identification with fellow workers and one's union, identification with one's company and ultimately, identification with our nation. Identification with Singapore, pride in our work and in our workers - these are what enable a team of Singapore workers to produce a better ship than workers elsewhere.

Then there is commitment, commitment which leads to giving of one's best. It may be an intangible factor, but it is

a factor which shows up very easily and affects the production of a company. A company in which the workforce gels together and works together will have high morale. Low morale is often identified with companies where workers do not identify with fellow workers and their managements. Low morale leads automatically to lower productivity and lower output.

Automation, the use of robots, improved process and skills training are important. So are the important factors of identification and commitment. It is these which form the gel that binds our workforce together.

The success of Singapore as a leading marine and offshore centre can be attributed to the following factors:-

- (i) strategic location:
- (ii) proximity to major offshore exploration and development areas and the local focal point to complement these activities especially in the Asia-Pacific basin:
- (iii) political stability, industrial harmony and good infrastructural support:
- (iv) good track record for broad spectrum of services;
- (v) relatively stable exchange rate:
- (vi) a highly disciplined and competent workforce.

It is this last factor - our workforce and the good relationships which exist among union, workers, management and government which have contributed much to Singapore's economic success.

I am pleased to learn that in Singapore Shipbuilding and Engineering, relationship between management and union is good. I have been told that there is good dialogue and understanding among workers, union and management. I commend you on your industrial relations.

I am happy to be here to share with you the observance of our 26th National Day. My National Day wish for you and for Singapore is that we may have more good years ahead. Together let us run the next lap.

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