

SINGAPORE GOVERNMENT PRESS RELEASE

PUBLICITY DIVISION · MINISTRY OF CULTURE · CITY HALL SINGAPORE 6

MC/AUG/18/77 (Labour)

SPEECH BY MR SIA KAH HUI, MINISTER OF STATE FOR LABOUR
AT THE OPENING CEREMONY OF MK ELECTRIC (SINGAPORE) PTE
LTD AT BLK 1, 1200 DEPOT ROAD ON 10 AUGUST 77 AT 4 PM.

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It is indeed a great pleasure for me to officiate at this ceremony inaugurating MK Electric (Singapore) Pte Ltd. I am especially glad to learn that this \$1 million facility of MK Electric is its first manufacturing plant overseas. Its location in Singapore reflects the company's confidence in the continued growth and stability of our island Republic. I would like, on this auspicious occasion, to welcome MK Electric into the fold of our growing international manufacturing community here.

MK Electric's line of high quality electric wiring accessories is very well-known in this region. Its decision to manufacture these accessories here represents a further benchmark in the development of the electrical industry in Singapore.

Yesterday we celebrated the 12 Anniversary of our young and robust nation. Within this short period of 12 years, the electrical industry has made remarkable strides. In the early sixties, there were only a handful of small domestic electrical installation and repair establishments. Now there are numerous modern sophisticated factories whose output is exported all over the world. Over the six-year period from 1971 to 1976, the output of the electrical industry increased from \$106 million to about \$410 million.

The number of companies grew from 48 in 1971 to about 100 companies in 1976, and employment more than doubled from 4,000 to 9,200 workers. It is significant to note that over this six-year period, output increased nearly 4 times while employment increased only 2.3 times. This reflects the increased productivity in the industry. There is still considerable scope for further expansion and integration in the electrical industry, and Singapore will continue to welcome new manufacturing investments in this sector.

This new company is a joint venture between MK Electric of the United Kingdom and Tan Kwang Seng & Co (Pte) Ltd of Singapore, MK's sole agent for Singapore, Malaysia, Indonesia and Brunei for many years. Tan Kwang Seng has accumulated over the years a wealth of marketing contacts and an intimate knowledge of markets in this region. This marriage of technology and manufacturing skills from MK and the marketing expertise of Tan Kwang Seng in this region will, I am sure, lead to a very successful operation in Singapore. We have been a nation of traders for the past one and a half centuries and there is therefore much that our traders can offer to foreign enterprises eager to further consolidate their share of the regional market through the establishment of manufacturing concerns. Singapore will gain from these joint ventures through the skills and technology brought in by such companies.

Joint venture operations between foreign and local companies such as MK Electric Singapore Pte Ltd have played

a significant role in fostering the growth of the manufacturing sector in Singapore. There are presently 385 such joint ventures within the sector employing 70,000 workers, or about 34% of our total manufacturing workforce last year. Together this group of joint venture companies accounted for 24% of total manufacturing output. Their role in the further industrialisation of Singapore is therefore significant and necessary.

I would like to take this opportunity to encourage more local traders to consider diversifying into manufacturing. Over the years, local traders have been able to build up an intimate knowledge of the regional market and an extensive network of contacts in this region, as well as earn the goodwill and trust of their suppliers in the developed nations. These are very valuable assets and should be fully utilised to speed up the process of industrialisation in Singapore. It is heartening to note that an increasing number of our local traders such as Tan Kwang Seng & Co Pte Ltd have entered the field of manufacturing. In line with its stated long-term objective of promoting a strong indigenous capability in all facets of manufacturing, the Government, through the Economic Development Board, will continue to encourage more local traders and businessmen to diversify into manufacturing by the establishment of joint venture operations with their suppliers in the developed nations.

On this hopeful note, I now take pleasure in declaring open MK Electric (Singapore) Pte Ltd and wish it every success in the years ahead.