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10 JUN 1978

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MC/JUN/9/78 (Labour)

SPEECH BY MR SIA KAH HUI, ACTING MINISTER FOR LABOUR,  
AT THE OPENING OF THE 2ND IMF ASIAN ELECTRICAL AND  
ELECTRONIC SEMINAR ON 8 JUN 78 AT 9.30 AM AT THE  
CRYSTAL BALLROOM, HYATT HOTEL

I am pleased to see this congregation of Asian and Oceanic trade unionists at this Seminar on the electrical and electronics industry. It is apt that this industry should at this point of time occupy our utmost concern in view of its growth potential and its contribution to the development of countries of Asia. Commencing with simple assembly where relatively unskilled workers may be deployed, the problems of the industry is beginning to emerge as higher technology from the advanced industrialised countries is progressively being transplanted in the region where traditional prejudices are still strong and workers relatively untrained. For the first time, the population is confronted with the choice of accepting the new technology and modernisation and therefore subjecting themselves to the acquisition of new skills or to remain shackled to their old ways of life.

In Singapore, we have chosen the former and have progressed as a result. The electrical and electronics industry played a major role in this development. It is an industry constantly in search of innovative products and better ways of producing these. This suited our industrialisation strategy which is to constantly seek to upgrade our skills and improve upon our products to maintain our competitive edge. Although this industry in Singapore is relatively young its growth has been rapid. The majority of firms were established only within the last ten years. Today, it stands as one of the largest sector in terms

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of output and employment with output totalling \$2.8 billion last year giving employment to a work-force of about 50,000 workers.

Technological change is both the cause and effect of greater competition in price and quality. Competition in this industry is often narrowed down to technology and innovations. If the industrialised countries are examples to go by, developing countries who are developing their electrical and electronics industry must be alert to the danger that their products face the possibility of being priced out of competition and obsolescence if there is no improvement in quality or innovations. The United States, Japan and the EEC countries have all lost the advantage of low-cost labour and have resorted to protectionism, in varying degrees, to protect some of their cost-ineffective industries at the expense of the developing countries. But they have retained their comparative advantage through research and development to upgrade the quality and range of their products. Developing countries who want to be freed from the wage-price spiral and continued dependence on technological innovations of the developed countries and raise the standard of living for their people must devote more attention to research and development and upgrading the skills of their work-force. The danger of depending on technology transfer from the industrialised countries is that technology has a high rate of obsolescence and in most cases it is obsolete technology that is transferred.

The solution calls for a greater measure of cooperation among the developing countries in the exchange of ideas and expertise. It calls also for joint effort in penetrating markets. Finally it calls for joint effort, through governments and unions, to counter the forces of protectionism which still threaten the well-being of this industry in the developing countries.

In this Seminar, you will no doubt take stock of these issues. As trade unionists, you will have a major role to play in fostering among yourselves the spirit of cooperation and bring back to your respective countries the experience and knowledge that you will have acquired through this Seminar. In your own way, I am confident, you will be able to create the environment for greater cooperation in the development of the electrical and electronics industry.

Before I declare the Seminar open, may I express a warm welcome to our friends from overseas and wish them a pleasant and fruitful stay in Singapore.

It is now my pleasure to declare the Seminar open.