

20 OCT 1987

Singapore Government

PRESS RELEASE

Information Division, Ministry of Communications & Information, 36th Storey, PSA Building, 460 Alexandra Road, Singapore 0511. Tel: 2799794/5.

87-48-16

Release No. 11/OCT

15-3/87/10/05

**SPEECH BY MR EUGENE YAP, SENIOR PARLIAMENTARY SECRETARY
(TRADE AND INDUSTRY, AND THE ENVIRONMENT), AT THE
OFFICIAL OPENING OF CONTECH'S FIBRE CONCRETE PLANT
AT 21 SUNGEI KADUT ST 2 ON MONDAY, 5 OCTOBER 1987 AT 10 AM**

If ever there was a company that has succeeded through the dedication and devotion of its workers and managers; through the intelligent use of technology; and through the extraordinary ability of its leader, then Contech is the company.

Contech was incorporated in 1980 to spearhead the upgrading of the local construction industry. It has done this very well by harnessing new construction technologies, using highly mechanised construction systems and operations, and employing modern management concepts. Today, the company has evolved into a leading building contractor, specialising in both low rise and high rise buildings, particularly for public housing.

Furthermore, it is very heartening to learn that Contech has also diversified its business operations. It has ventured into the manufacture of construction materials, such as precast concrete components and wood fibre concrete partition panels utilizing fibrecon. First developed in Finland, fibrecon is a revolutionary building material which makes use of mineralized natural fibres and concrete.

I have been told that Fibrecon products constitute a low cost substitute for traditional construction materials. An example is the fibrecon partition panel which

your company has successfully used to develop a cheap low-rise prefabricated housing system. This fibrecon housing system has since gained acceptance among many developers for its good quality and low cost.

It also has market potential overseas, especially in the Asia Pacific countries where the demand for low-rise public housing is substantial and where the extensive use of local materials in fibrecon panels will be an advantage. Fibres which are readily available in these countries such as rice husk, sugar cane fibre, sisal and coconut fibre can be used in place of wood fibre. Cement for holding the fibres together can also be partially replaced with industrial by-products such as fly ash, rice husk ash and other natural pozzolan products.

Besides wall panels, other building products such as hollow blocks, corrugated roofing sheets and roof tiles, and light structural floor and roof systems can also be developed from fibrecon technology.

We have arrived at a point where in order to further succeed, we have to become more innovative and develop new construction materials and related services which will improve our competitiveness. This we can only achieve, if we continue to give emphasis to relevant and purposeful R&D. Our companies should keep pace with foreign competition such as that from the Japanese and Korean construction firms that are known to spend between 0.4 per cent to one per cent of their turnover on R&D.

It is only when we can stay competitive that we can hope to look beyond the horizon and venture into overseas markets where competition for business is bound to be very keen indeed. However, if we possess the acumen, the skills and the relevant technology, then we should be able to

outpace our competitors. Given the exceptional ability of both management and workers of Contech, I am sure you can succeed equally well in overseas markets. I am glad to note that your company has initiated attempts to secure contracts in the Asia Pacific region, mainly with overseas joint venture partners.

Other companies have also begun to venture overseas. Many have been successful. Some have secured prestigious projects amid intense competition. Such overseas ventures are in line with the government's policy of promoting services as an area of growth for the economy. It is for this reason that the government has put in place various incentives such as the Export Incentive for services and Trade Development Board's (TDB's) Market Development Assistance Scheme. I would like to urge more construction companies to come forward and make use of these incentives.

It is now my pleasure to declare open Contech's fibrecon plant. I wish the company, its management and staff every success in the years to come.
