

Singapore Government

PRESS RELEASE

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SPEECH BY DR YEO NING HONG, MINISTER OF STATE FOR DEFENCE, AT THE OFFICIAL OPENING OF SUNDSTRAND PACIFIC (PTE) LTD'S PRODUCTIVITY THROUGH QUALITY CAMPAIGN AT 18 BEDOK SOUTH ROAD ON TUESDAY, 19 OCTOBER 1982 AT 9.30 AM

Industrialised countries all over the world are experiencing record unemployment rates. Collectively, these countries have more than 30 million people out of work. If we exclude Japan, where the unemployment rate is about 2.5 per cent, the rest of the industrialised world has an average unemployment rate of more than 10 per cent. Britain leads with 14.3 per cent, Canada 12.2 per cent, US 10.1 per cent, France 8.3 per cent and West Germany 7.8 per cent.

It all sounds very depressing indeed. So far, for most of us in Singapore, all the bad news only sound depressing. Few of us have been affected by them. But not for long.

Unemployment at such high levels forces industrialised countries to look for quick fixes - one of them is protectionism. Although every country knows that protectionism is not a solution in the long run, nevertheless, in democratic countries, Presidents and Prime Ministers need to be re-elected. So they bow to the pressures from workers and some trade unions. In the foreseeable future, protectionism will get worse, notwithstanding all the pious talks one hears.

So how will such international situations affect us in Singapore? What should we do? All of us know that Singapore's products are meant for export. We have a very small home market. Manufacturers must therefore export to survive. If the developed countries increase their protectionist measures it would mean that our products will find it harder to penetrate these international markets. We can make the products but we may be unable to sell them.

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This situation cannot be allowed to get out of hand. So, we must make sure that Singapore-made products can sell - i.e. they must be of the best quality and at the best price. The answer obviously lies in increased productivity - in our ability to produce goods **faster**, cheaper and more efficiently than our competitors.

In Singapore, we do not possess any technological edge over the industrialised countries. Our only edge is in the quality and discipline of our workers, eager to learn new skills and upgrade their present ones, willing to do more, willing to work together as a team for better results.

Sundstrand Pacific (Pte) Ltd is a company with production experience in many countries, a world leader in its field. So far, it has invested some \$60 million in Singapore. Future investments for modernisation and upgrading of technology would probably be around \$5 million to \$6 million a year. Sundstrand invests in Singapore because of its confidence in our country, our Government and our workers. Such foreign investments in high technology industries are essential for our economic growth for the next decade. It is in our interest therefore that companies like Sundstrand succeed and succeed well. Our Government plays its part by providing infrastructure and organisational support for manufacturers to set up their operations. Our workers must also play their part, by giving good value for the cost of their labour.

In a high technology manufacturing operation like Sundstrand, quality control is absolutely critical. Faulty parts in an aerospace industry can cost lives and money in very big numbers. Sundstrand's production processes are very modern. But they do not take quality for granted. Their management is committed to quality because the Company's reputation and survival depends on it. But management commitment by itself is not enough. Workers' attitude towards work and towards their company is just as important. Productivity increases are dependent on work environment, technical factors and workers' attitudes.

I am glad to hear that in Sundstrand, productivity and quality improvements are not dependent on campaigns organised for a month once a year. Productivity and quality are daily issues. Everyday is productivity day. Everyday is quality day. This is a lesson that many other companies in Singapore can profitably learn from you.

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To the 500 workers in Sundstrand, I want to tell you that our performance is being watched by the rest of the world. If Sundstrand and other multinationals continue to succeed in Singapore, our economy restructuring will be successful. More and more high technology companies will come to invest in Singapore. This means better jobs for ourselves and for our children in days ahead. We can make our productive image the best in the world. After all, we have nothing to offer except our human resources. These resources when applied diligently, will provide us with the advantage that we need to sell our products and services inspite of protectionistic measures.

It is now my pleasure to declare open Sundstrand Pacific (Pte) Ltd's Productivity through Quality Campaign. I wish you all every success.
