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**SPEECH BY DR YEO NING HONG, MINISTER OF STATE (DEFENCE)
AT THE OFFICIAL OPENING OF CHARTERED MACHINE TOOLS PTE LTD
AND INCORPORATIONS OF SINGAPORE TECHNOLOGY CORPORATION
AT 249 JALAN BOON LAY ON 15 JUNE '83 AT 11.00 AM**

All commercial enterprises seek to produce quality products and services at competitive prices. They seek to meet the need of their customers and consumers, and to do it efficiently, effectively and profitably. Mindef companies are no exception.

But over and above this basic free enterprise principle, Mindef companies have an additional responsibility. They must share the same basic philosophy and role of Mindef.

Mindef's role in Singapore is obvious to all Singaporeans, that is to look after the interest of Singapore, to ensure peace and security, and hence contribute to the prosperity of our Island Republic and to enable a higher standard of living and a better quality of life for all our citizens. It is in the second context that the activities of Mindef companies including Chartered Machine Tools Pte Ltd (CMT) can be better understood.

Fifteen years ago, when Chartered Industries of Singapore (CIS) was established in 1968, there was a small tool room. A staff of eight and 30 pieces of simple machine tools produced tools and dies for the manufacture of ammunition and coins. Over the years, CIS has expanded both in scope and sophistication. The little tool room has also expanded to keep pace with the needs of CIS.

In February '82, the tool room was incorporated as a separate entity as CMT. The company presently has 280 employees and 160 pieces of sophisticated machine tools including computerised numerical controlled machines and industrial robots.

In Singapore today, we must upgrade our economy to survive the increasingly difficult international economic markets. Our manufacturers and industries must increase productivity to improve our international competitiveness. They must mechanise, automate, computerise and robotise as rapidly as possible. Prior to recruiting any additional personnel, every manager worth his salt, should ask himself if the extra worker is necessary, if the work cannot be reorganised, if it cannot be automated, or computerised or robotised. Only if he is satisfied that this is so, should he go out and recruit. The old-style knee-jerk reflex of employing more people simply because there is more work to be done is no longer satisfactory or appropriate. This new approach of thinking through our labour requirements must be put into practice by all companies in Singapore. I am happy to note that this approach is being practised by all Mindef companies.

CMT, with its extensive capital investment in precision engineering, technology, and expertise must assist the smaller industries and manufacturers. CMT must help them overcome the fear of the unknown concerning automation and robotisation. To do this effectively, CMT has set up an automation consultancy service to share the experience it has gained in the areas of mechanisation and automation in CIS and her subsidiaries, and to share its manufacturing expertise and know-how with local industries. The consultancy services include research and development, feasibility studies, system design and engineering and fabrication in all areas of automation and production systems. This service is timely as evidenced by the large numbers of enquiries received since the

launching of the automation consultancy services two months ago, in April '83. Parallel to this effort, the management of CMT has also spearheaded efforts to establish the Singapore Robotic Association to help our manufacturers better understand this new and important field.

Given a small population of two-and-a-half million people in Singapore, our talent pool is also limited. Therefore we must be as effective as possible in pooling together our human resources and resourcefulness. Last year, the Singapore Aircraft Industry (SAI) was incorporated to bring under one organisation, Mindef companies in the aerospace industries. The successful operation of the SAI for the past year demonstrates the positive benefits achieved in pooling scarce resources. This morning I am pleased to officially announce the formation of the Singapore Technology Corporation (STC), the Corporate Headquarters to group together the ordnance group of Mindef companies, namely CIS, Singapore Automotive Engineering (SAE) and Ordnance Development & Engineering (ODE). This corporate body will coordinate and integrate their efforts, to provide direction to the companies in such strategic areas as R & D in products and processes, acquisition of high technology know-how to establish a framework for exercising technological leadership, and pooling of vital scarce resources to create synergistic progress. STC shall have a workforce of some 4,500 employees with 800 of them engineers, technical officers and executives. The companies will bring together their technological, financial, international marketing and other managerial expertise and experience, to enhance business effectiveness and achieve economies of scales that are essential for high technology industries. As in the case of SAI, I am confident that STC will make a significant and direct contribution to the peace, progress and prosperity of Singapore.

Now, it is my pleasure to declare the official incorporation of STC and the opening of CMT. @@@@@@@@