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SPEECH BY DR YEO NING HONG, MINISTER FOR COMMUNICATIONS AND INFORMATION AND SECOND MINISTER FOR DEFENCE (POLICY) AT PSA'S FUNCTION TO CELEBRATE THE WINNING OF THE AFIA AWARDS AT WTC AUDITORIUM ON SATURDAY, 28 APRIL 1990 AT 10.00 AM

Last month, during the 1990 Asian Freight Industry Awards ceremony, Singapore was voted the Best Seaport in Asia. Singapore also won the Best Seaport Terminal Operator Award and the Best Warehouse Operator Award. That makes three premier awards each year, three years in a row.

The voters are port users, familiar with the operations of all the ports in Asia. By their awards, they have accorded recognition of our efforts to continually provide efficient, reliable, and value-for-money services. All of you in the port and ancillary services have worked hard. You deserve this recognition. I congratulate all of you on your achievement.

All ports in the world, compete one with another for business. Many of them have the advantage of large captive national catchment of imports and exports. We are not so blessed. So we make up with determination and discipline. And we turned adversity into advantage. We created a strategic catchment which transcends national boundaries by providing service par excellence. Rational port users find efficiency and low cost difficult to resist. The result: We became the world's busiest port from 1982 to 1989, with the exception of 1985 when we were set back by the recession.

We have done well in other areas also. In total cargo tonnage, Singapore ranked 7th internationally in 1987. 1988, we moved up two places to 5th in the world.

1988, Singapore was the 2nd busiest container port in the world. We were 650,000 TEU's behind Hong Kong. (3.38 million TEU's against HK's 4.03 million TEU's.) Last year we were still second to Hong Kong. But we have closed the gap to 100,000 TEUs. (4.36 million TEU's against HK's 4.46 TEU's.)

Regardless of our achievements, we cannot rest on our laurels. We must press on. There is still room for improvement. There is more investment to make to increase our competitiveness. Most important of all, we must do more for our customers. Last year, I inaugurated the ground works for Phase I of Singapore's second container terminal at Pulau Brani. Growth continues to be strengthened. Today, I am pleased to announce that PSA has decided to proceed with Phase II of the Brani Terminal development. It will cost $270 million. To further improve our productivity, PSA has also purchased 45 cranes at a total cost of about $83 million for the Tanjong Pagar Terminal.

Whilst investment in infrastructure is essential, it is just as important that staff productivity must also continue to increase. Here I am happy to note that PSA's value-added per employee has increased by 22 per cent last year.

With these increases in productivity in hand, I have asked PSA to review its tariffs to pass on some of its productivity gains and savings to the port users; and to do it in a manner that will further enhance our efficiency and cost-effectiveness. Tariffs will be structured to encourage port users to optimise the use of PSA's services and facilities. For example, fees and charges for operations in the port during the night or offpeak hours should be reduced to make better use of our capital intensive infrastructure.

PSA will also restructure some of its tariffs to maximise the utilisation of its limited land and sea resources. Port dues, for example, can be restructured to a

daily basis so that vessels which leave the port as soon as they have completed their activities or operations pay less. So too with containers and cargo that do not over-stay in the port. Such revision will again result in an overall reduction in cost for the shipping community.

In conclusion let me congratulate all who have contributed to the success of our port. They include: The Board, Management and staff of PSA, for their diligence and dedication; The port workers, who operate the facilities; The unions, who cooperated with Management to run the port efficiently; And last but not least, the port users, whose unfailing patronage and support has been a source of inspiration and motivation for PSA. Congratulations to all of you for your consistently outstanding performance.

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