

## **56th APO Workshop Meeting of Heads of National Productivity Organizations**

20 – 22 October 2015, Singapore

### **Inaugural Address Parliamentary Secretary Ministry of Trade and Industry and Ministry of Education Low Yen Ling**

APO Governing Body Chair Muhammed Arif Azim,  
APO Secretary-General Mari Amano,  
Heads of National Productivity Organizations and Delegates,  
Distinguished Guests, and  
Ladies and Gentlemen:

Good morning and a very warm welcome to Singapore. It is an honor and privilege for Singapore to host the 56th APO WSM. We last hosted some of you in 2012 for the 54th APO Governing Body Meeting and are pleased to welcome you again.

#### **Importance of Productivity and Productivity Trends**

Productivity growth is critical in sustaining a country's economic growth. It enables an economy to produce more value while using its resources more effectively, thus increasing its competitiveness. It is also a means for an economy to provide sustainable wage growth for its citizens.

Globally, productivity performance has been weak. In advanced economies like the USA, labor productivity growth has slowed since the early 2000s. While labor productivity in Asian economies grew more than in the advanced economies, the level of labor productivity in many Asian economies remains only a fraction of that in the USA. Thus, there is scope for us to accelerate productivity growth.

#### **Singapore's Productivity Drive**

In Singapore, one key challenge we face is a tightening labor market. Hence, it is imperative that we shift away from labor force-driven growth toward productivity-driven growth in order to sustain long-term economic growth. To make this shift, the National Productivity Council (NPC) was set up in 2010 with the aim of achieving national productivity growth of 2% to 3% per annum from 2010 to 2019. The NPC adopts a two-pronged approach. The first prong is to develop sector-specific productivity improvement strategies (i.e., verticals), which takes into account the different operating conditions and unique challenges of each sector. The second prong is to develop supporting capabilities and programs (i.e., horizontals), which enhances productivity across the board.

Thus far, we have achieved productivity growth of 2.5%, but most of the gains were made in 2010 after the rebound from the global financial crisis. We are not letting up in our efforts to raise productivity. Our priorities over the next five years will be to upgrade our low-productivity domestic sectors such as food services and construction. At the same time, we are deepening the available expertise on productivity to guide companies on their journey. We have set up three special productivity centers dedicated to the service, manufacturing, and construction sectors. These centers are one-stop competence centers to help our SMEs raise

their productivity. SMEs will receive help in diagnosing the areas for improvement and support for implementing productivity solutions.

### **Singapore's Partnership with the APO**

Through its programs and networks, the APO has supported Singapore's productivity drive since we became an APO member country in 1969. Over the last five years, APO programs assisted close to 240 private- and public-sector participants from Singapore in developing productivity competencies. One such program is the APO's Bilateral Cooperation Between NPOs (BCBN). Under the BCBN Program, our productivity centers, the Singapore Productivity Centre, and the Singapore Innovation and Productivity Institute, have a partnership with the Japan Productivity Center for building our centers' capabilities. These capabilities include deep sector-specific productivity knowledge and skills among the centers' consultants which enable them to provide better and more relevant advice to companies.

Through its programs, the APO also assisted Singapore in identifying 60 regional productivity and industry experts. From 2011, these experts have trained our SME Centre business advisors in providing broad-based productivity advisory services to SMEs. I am pleased to share that about 36,000 SMEs have been helped per year by our SME Centres.

The APO has also leveraged its extensive networks to create collaboration opportunities between Singapore and fellow APO member countries. For instance, through an APO link-up, the Singapore Chinese Chamber of Commerce & Industry and the Restaurant Association of Singapore invited an expert from the China Productivity Center to conduct a workshop and in-depth diagnostic consultation for food companies. This expert guided more than 30 food companies on how to grow their enterprises through various strategies such as internationalization, innovation, service differentiation, and workflow redesign.

Singapore is also committed to supporting the APO's work. SPRING Singapore received the honor of being appointed as the APO's first Center of Excellence for Business Excellence. Since then, APO member countries have shown keen interest in leveraging SPRING Singapore's business excellence framework to drive quality and productivity in their respective countries as well as share knowledge and best practices with other NPOs. We hope this has benefited APO member countries and look forward to contributing further.

### **The APO's Future Direction**

The APO's 2020 vision is to transform into a leading international organization for productivity enhancement and to enable member economies to become more productive and competitive. This mission will benefit APO members tremendously, especially the developing countries. However, as APO member countries have increasingly diverse needs, it would mean that customized programs for each country would better meet their needs. I am glad that the APO is already looking to refine its pipeline of programs for 2017 and 2018 to cater to the varying needs of its members.

As a regional body, the APO is well positioned to help member countries gain better access to global productivity expertise, best practices, resources, and networks. This will enable APO members to learn from global forerunners. With the APO's support, we have arranged for an expert from the American Productivity & Quality Center to conduct a master class for NPOs and delegates here.

**Conclusion**

This week's WSM will convene a wealth of experience and expertise in productivity, economic development, and policymaking. We look forward to greater collaboration with the APO and APO members in driving productivity in our respective countries and across the Asia-Pacific region.

I wish all of you many productive and fruitful discussions and a pleasant stay in Singapore. Thank you.