

**54th Session of the APO Governing Body**  
17–19 April 2012, Singapore

**Inaugural Address**

**Minister of State for Ministry of Trade and Industry &  
Ministry of National Development Lee Yi Shyan**

APO Chair Somdy Inmyxai,  
APO Secretary-General Ryuichiro Yamazaki,  
APO Directors and Delegates,  
Distinguished Guests, and  
Ladies and Gentlemen:

Good afternoon. A very warm welcome to Singapore. Singapore last hosted the Governing Body Meeting 16 years ago, in 1996. It is our honor to host you once again.

Singapore has long been associated with the APO. In fact, we became a member of the APO in 1969. In 1981, with the assistance of the APO and Japan Productivity Center, Singapore developed its first-ever national productivity campaign. We are grateful to the APO and its members for their strong support over the years. The APO's programs have helped us build capacities for productivity gains and sustainable growth. Fast forwarding to 2012, three decades later, the need for the productivity drive remains as relevant as before, if not more.

In 1981, when we started on our first-ever productivity drive, Singapore's GDP was \$43.6 billion. Our workforce then was 1.2 million. As a developing economy, we felt the need to help workers acquire some basic but important mindsets about quality, zero defects, teamwork, and continual improvement. Our need then was to grow out of labor-intensive industries into higher value-added activities.

Three decades later, Singapore's GDP has reached \$300 billion, with our per capita GDP at S\$63,000 (or US\$50,000), and our workforce has grown to 3.2 million people. The need for further productivity gains has not waned but grown stronger. We are competing at a different level but the basic ingredient for competitiveness remains the same. We need productivity-driven growth.

One of the most pronounced changes we have seen in the past three decades has been the way the world economy has become interconnected. Goods are no longer manufactured in one country behind the high wall of tariffs. Instead, supply chains are distributed geographically, taking advantage of the competitive advantages the various locations offer.

The huge supply of seemingly inexhaustible quality labor from India, PR China, and other developing economies during this period has also redefined job worth and opportunities for the unskilled and low-skilled workers in developed economies. There is now a great redistribution of economic roles among cities and countries as all compete in a "flat" world. The process of redistribution and specialization is taking place swiftly and is not without discomfort and pain as firms close and factories relocate.

It is against this backdrop that Singapore is redoubling its efforts to raise the productivity of our workforce. Going forward, Singapore will need to rely less on factor inputs such as labor

supply, but more on productivity gains and innovation to drive sustainable growth. The Singapore government in 2010 set a target of achieving productivity growth of 2% to 3% per year over the next 10 years. To achieve this productivity growth target, the government set up the National Productivity & Continuing Education Council (NPCEC) to spearhead the national productivity drive. The NPCEC draws its members from the workers' unions, employer sector, and the public sector to focus on three priorities: first, drive productivity initiatives at the sectoral, enterprise, and worker levels; second, develop a comprehensive, first-class national continuing education and training system; and third, promote and entrench a culture of productivity, innovation, and continuous learning and upgrading among Singaporeans. To date, the NPCEC has drawn up productivity roadmaps and action plans for 11 of the 16 priority sectors. It has set aside a S\$2 billion National Productivity Fund to help industries with many customized capacity-building programs.

Having been a beneficiary of the APO's work, Singapore stands ready to make contributions back to the APO to benefit other members. For instance, in 2009, SPRING Singapore was appointed by the APO as the first center of excellence for business excellence. In this capacity, SPRING will endeavor to share best practices of management systems and business processes with participating APO members. SPRING is also organizing this year's Business Excellence Sharing Conference over the next two days in conjunction with this meeting. I hope that many will benefit from the exchange of best practices in furthering their work in business excellence.

For the last 50 years, the APO has played an important role in helping its members in their national productivity efforts. Going forward, we have no doubt that the APO will continue to catalyze productivity development among its member economies. Given the diverse nature of the economies of APO members, a one-size-fits-all approach will not be sufficient. I am glad that the APO has introduced customized programs to meet the needs of its individual members.

Ladies and gentlemen, the APO Governing Body Meeting brings together APO leaders and members and their wealth of experience and knowledge in the areas of productivity, economic development, and policy making. It is our chance to map out an exciting future together. Let me wish you many productive and fruitful discussions ahead.