

Be Better To Beat The Rest



Petroleum industry aims to beat the heat.



By **Naseema Banu Maideen**

The beat now should be for workers and employers to explore ways of doing businesses better to maintain competitiveness. To achieve this, business enterprises in Singapore should tap on her unique brand of tripartism.

NTUC Assistant Secretary-General Josephine Teo brought lessons from Taiwan that spurred on companies here to progress further in these efforts towards a Cheaper Better Faster economy in her speech at the 49th anniversary celebrations of the United Workers of Petroleum Industry on 9 January 2010.

She cited two companies that shine as good examples of Cheaper Better Faster models in Taiwan – Formosa Plastics Group and HTC Corporation.

Formosa Plastics Group, which specialises in biotechnology, petrochemical processing and production of electronics components, employs about 94,000 workers. What first caught ASG Josephine Teo's attention was the scale of engineering feats and land reclamation that the company had carried out in the building of its naptha cracker – the sixth petrochemical processing plant of its kind in Taiwan.

"A tremendous spread of ideas on energy and water conservation was placed on this venture. There were more than 1,000 projects on water conservation and more than 2,000 projects on energy conservation across the whole company. In total, the amount that was invested in creating this improvement was more than US\$400,000. But, savings to the company resulted in more than US\$500,000. They do everything they can to be more productive and more efficient, thereby decreasing their costs," said ASG Teo.

With similar drive is HTC Corporation, a company that designs, manufactures and

markets smartphones, she said.

Although it stepped into the industry about 10 years ago when the market was already saturated with major players, the company had a big dream and had a great level of commitment to develop its capabilities that will help to outsmart its competitors. It focused on building up its engineering as well as research and development capabilities. Today, half of its 5,000 staff based in Taiwan are research and development engineers.

Said ASG Teo: "The remarkable thing is that not only did the company build up its capabilities, it also focused on integrated in-house production capabilities and has not turned to out-sourcing. With this, the company has flexibility to respond to the market more quickly than its competitors. It also took a lot of steps to improve production efficiency."

Production capacity was at 600,000 handsets a month at the beginning of 2009. The company then invested great efforts to de-bottleneck the process and is now able to produce 1 million handsets a month, without any increase in facility and headcount. Moving ahead, its managers expect a potential increase of 1.8 million handsets to be produced per month in the near future.

While these companies have done well in enhancing their capabilities, they could not ride on good tripartite ties in their country. But companies in Singapore have that advantage, said ASG Josephine Teo.

"I am confident that UWPI in close cooperation with its over 30 management partners will be able to overcome challenges that come its way," she added.

She also warned that competition will intensify this year and growth is not guaranteed, hence the need for companies in petroleum industries, like all other sectors, to keep finding ways of improving business competitiveness.

Our United Stand

“ UWPI appreciates the quick response of many management partners in updating the union of challenges and actions that had to taken on in the recent crisis. Timely information sharing helped members understand the positions on the demand cycle. We also thank companies that led by example in wage freeze and wage cuts. This consistent and constant sharing and discussion is the hallmark of good Labour-Management Relations and should be nurtured even as the current recession fades. As we move to the upturn, UWPI remains committed to helping companies meet their business targets while remaining relevant to members of all collars, all ages and all nationalities.”

Benedict Chan, United Workers of Petroleum Industry President