

DPM Heng Swee Keat at the Debate on the Motion of Thanks to the President 2023

Transcript of Speech by Deputy Prime Minister and Coordinating Minister for Economic Policies Heng Swee Keat at the Debate on the Motion of Thanks to the President's Address in Parliament on 21 April 2023.

Mr Speaker Sir,

Over the past few days, we have heard diverse views on how we can take Singapore forward in a more uncertain and contested world.

PM spoke about the grave geopolitical and economic outlook, and how we must stay united, be go-getting, and uphold our standing in the world.

DPM Lawrence laid out five key shifts to create a stronger social compact to take Singapore forward.

And Members have offered perspectives and suggestions across a range of issues and concerns.

I will not attempt a sum-up, which will not do justice to the range and quality of ideas that have been raised in this House.

But allow me commend Members on two counts:

First, for identifying difficult issues early, putting forward ideas and solutions to address them, and highlighting the trade-offs.

Second, that even in proposing changes, many Members abide by certain fundamentals precious to Singapore, such as fairness, multi-racialism, and our approach of tripartism.

This is what Forward Singapore is about – building on strong foundations, and at the same time, having the courage to do things differently from before if needed.

It is befitting that this debate is taking place in that year that we commemorate the 100th birth anniversary of Mr Lee Kuan Yew.

Some thirty years ago, I was at a meeting where Mr Lee asked a successful American venture capitalist why he had asked to meet with him.

The American replied that Mr Lee was the “ultimate entrepreneur” – while he (the venture capitalist) helped build successful companies, Mr Lee built a new nation. Two remarkable lifelong learners learning from each other.

Indeed, the newly-independent Singapore was akin to a startup – figuring out our economic strategy, attracting companies to invest, building up our workers’ capabilities, while ensuring national cohesion and security.

Mr Lee didn’t do it alone – he had a team of capable comrades like Dr Goh Keng Swee, Mr Rajaratnam, Encik Othman Wok, and many more.

Together, they laid a strong foundation for Singapore to take off. The best way for us to remember Mr Lee and our founding fathers is to learn from and build on this.

Indeed, this is what DPM Lawrence and the 4G team are doing, to refresh our social compact and bring Singapore forward.

Like Mr Lee and the founding fathers, the 4G team must win the trust of Singaporeans, by setting out a clear plan to secure a better future for all.

Our plans must address Singaporeans’ aspirations and concerns, given today’s context of an ageing population, greater economic disruption, a worrisome international environment, and differences in starting points.

This is why the Forward Singapore agenda sets out the shifts we need to make to refresh our social compact.

This unity and clear sense of purpose is crucial, if we are to continue to secure our place in the world.

As President said in her address, we must “take the world as it is, and not what we wish it to be”.

Over the years, our policies and hard work have earned Singapore and Singaporeans a good reputation.

The next lap will see new challenges, as geopolitics become more unsettling, technology and innovation disrupt jobs more rapidly, and our constraints of land, labour and carbon become tighter.

But I am optimistic that we can once again turn challenges into opportunities, and secure a bright future for Singapore and Singaporeans.

Within our short history, we have managed to survive and thrive through even more difficult circumstances.

A key lesson is that to continue to succeed, we must stay relevant and useful to the world, while deepening our social cohesion and national unity.

So as we look forward towards the future, allow me to touch on three things we need to get right, in addition to the many that many of you have suggested:

First, we must grow a vibrant and innovative economy.

Second, we must develop every Singaporean to their fullest potential, and empower each one to thrive and succeed; and third, we must remain open as an economy, as a society and as a people.

Growing a Vibrant and Innovative Economy
Why the need for growth?

Let me start with growing the economy.

Some may ask whether we should move beyond economic growth, to focus on other pressing domestic issues such as caring for our seniors, and uplifting those with disadvantages.

Afterall, we are almost at full employment, and the constant call to upgrade and reskill can be tiresome.

This is a false choice. Throughout our history, growth has never been for growth's sake. Growth is critical for giving us the means to build a better Singapore, and better lives for Singaporeans.

Growth allows our people to access good jobs, fulfil their aspirations, and raise their families.

It generates the resources for our nation to fund needs and priorities, such as supporting families, caring for our seniors, and uplifting those with disadvantages.

Thinking longer term, growth coupled with prudence has enabled us to build a buffer to weather many storms.

Our national reserves were created through the surpluses generated by strong economic growth. Our founding fathers and successive governments were disciplined about saving for a rainy day.

Within my career, I have experienced many of such rainy days – the Asian Financial Crisis, the dot.com bubble, the Global Financial Crisis, and the COVID-19 pandemic, which plunged us into one of the worst recessions.

We supported our workers and companies through these crises and retained their capabilities. This enabled Singapore to bounce back quickly.

During the COVID-19 crisis, we rolled out five Budgets in one year, and eventually drew down around \$40 billion from past reserves to save lives and livelihoods.

Most remarkably, we did not borrow a single cent, which would have burdened future generations.

I am grateful, as a citizen, that we could do this. Without strong growth and the discipline of setting aside resources to provide a buffer against the unexpected, Singapore and Singaporeans would have been worse off.

So let us resolve to not just think about the next election, but to think long-term, about the future of Singapore and Singaporeans.

We must do our best to build up the capability and resources for future generations of Singaporeans, just as the previous generations had done for us. This is why we should think carefully when the WP says that they reject the GST hike because one alternative that they have been constantly offering is to

increase the proportion used from returns on investments. This will slow down the rate of accumulating reserves, leaving future generations with less resources.

Addressing structural changes

Sustaining growth and creating good jobs for our people will become harder in the years ahead. Besides getting our fiscal and monetary policies right, we must address structural changes that are sweeping across the world. Let me mention just three.

First, scientific and technological innovation will reshape every sector of the economy even more rapidly than before.

Industry 4.0 is reshaping jobs and skills. Today, robots can enable factories to operate round-the-clock – in fact, I have seen for myself several dark factories where it is not even lighted up because the robots were all doing the job and they dimmed the lights; and an AI can spot disease on x-rays as accurately as a human radiologist. Ms Mariam Jaafar spoke about the impact of AI earlier.

New sectors – like the digital economy and renewables, biotech and a whole range of others – are advancing rapidly. There is now a more dynamic corporate landscape in Singapore of startups and smaller companies, pushing the frontiers with greater agility.

Many traditional firms and workers will find this competition unsettling. Competition not just from other countries or from foreigners, but from greater automation and AI.

Yet these advances also offer the best hope for addressing global challenges like climate change and ageing populations, from extending healthy longevity, to new low-carbon technology that can bring us closer towards a net-zero world.

We must learn to harness the best of science, technology and innovation, while supporting our workers and companies to ride these advances and blunting the sharp edges that they bring.

Second, as countries realise the critical importance of technology, technological supply chains will increasingly bifurcate and fragment into competing blocs.

The shift towards national security considerations and industrial policy will reverse the past three decades of globalisation and free trade. These will reduce efficiency and innovation. What does this mean for Singapore?

Singapore's small open economy, which has benefited from an open, multi-lateral framework, can be badly affected.

We must stay nimble and adapt quickly.

Third, ageing populations, especially in the developed world, will be a challenge for many governments.

Ageing can significantly affect personal consumption, retirement adequacy, healthcare consumption and economic dynamism.

In many countries, the social compact is being strained as societies confront these issues.

Singapore is facing similar challenges, and will have to make difficult policy moves like raising taxes to support growing social needs.

More fundamentally, we need to grapple with the difficult but critical issue of talent and immigration, which I will speak more about later.

Transforming our economy

These three structural changes will transform the global economy. To succeed, we must press on with efforts to transform our economy, with the government, businesses and workers working closely together.

We had made a good start seven years ago. The Industry Transformation Maps (or ITMs) mobilise companies and workers in every sector to prepare for the future.

We are now into our second iteration. ITM 2.0 includes two additional pillars – resilience and sustainability.

Resilience to address shocks in the supply chains, and sustainability to address carbon constraints.

There is also a sharper focus on the future of jobs and skills, to better deploy technology, and prepare for an ageing workforce.

I visited two companies which leveraged technology to redesign higher-value and better jobs for their older workers.

One automated their entire processes. The founder explained to me that he trained a staff in his 60s to supervise a new automated system. I should tell Mr Leong that the founder was a foreigner who has been working here for many years and the older worker was a Singaporean whom he cared. This staff was very qualified to do this because he had gone through the difficult manual work before and if there was any breakdown in the system, he will be the best person to fix it. He (the founder) was thoughtful and caring enough to redesign the whole job and train him to do it.

Another company adopted the use of exoskeletons to enable their staff to lift objects safely.

The broader point is that job redesign can be empowering and inclusive; a point Ms Rachel Ong mentioned yesterday about helping persons with disabilities. Besides enabling older workers who wish to continue working to do so in a fulfilling and safe manner, it can enable differently-abled workers to take on good jobs and fulfil their potential.

With science and technology determining the next bound of growth and competitiveness, we must deepen Singapore's investments in R&D, and tighten the linkage between our R&D and industry transformation efforts. In a more contested world, we should position Singapore as a Global-Asia node of technology, innovation and enterprise.

This way, we can attract, create and capture value in Singapore, which will benefit not just ourselves, but the region and the world.

Over the years, we have invested in and grown our research, innovation and enterprise (or RIE) capabilities.

We have strengthened our research capabilities in our universities. NUS and NTU are now ranked among the best in the world.

Besides anchoring multi-national enterprises, we have also developed a lively startup ecosystem, connecting venture capital and private equity with innovative startups and companies.

Our efforts have yielded good outcomes. Singapore is ranked among the top ten most innovative economies in the world.

In an age of contestation, we must build bridges, not walls. Positioning Singapore as a Global-Asia node is of strategic importance.

We seek to be a trusted partner with strong regulatory frameworks and rules, and connected to different parts of the world.

We can be the place that facilitates collaboration between like-minded partners and countries.

We must continue to welcome the best researchers, scientists and entrepreneurs from around the world.

As several Nobel laureates who were in Singapore for the Global Young Scientists Summit earlier this year told their audience, 'Science is Global'.

By building bridges, we can stay relevant and useful to the world. So I was glad to hear Mr Pritam Singh say earlier on that the Workers' Party is not xenophobic.

Developing Our People

I have spoken about growing our economy. Let me now move on to my next point.

Ultimately, economic growth is about creating tangible benefits for all. To do this, we must develop every Singaporean fully, and enable each to maximise his or her potential, and seize opportunities.

The World Bank ranks Singapore as the best place in the world for a child to realise his or her potential.

It reflects our investments and shifts particularly in education, to support different pathways, skills and inclinations.

And we plan to further widen the notion of meritocracy, as Minister Chan Chun Sing said earlier.

Through our education system, we prepare our young people to navigate shifts and seize opportunities with confidence.

One aspect is nurturing “Asia-Capable” students who can operate and build connections in the region, which is a vast and growing market.

Bilingualism and the experience of growing up in a multi-racial society bring advantages.

We nurture competencies like global awareness, cross-cultural literacy, communication and collaboration skills.

And we provide opportunities for overseas exposure throughout the schooling journey, from internships to immersion programmes.

These enable us to shape an outward orientation and acceptance of diversity from young.

We also prepare our young people to harness and complement technology, by building skills that machines and AI cannot yet deliver well.

For example, creativity, empathy and building connections are areas where human endeavour remains superior, at least for now.

This is why we focus on building socio-emotional competencies, and enable our students to put scientific principles into practice through the Applied Learning Programme.

Coupled with scholarships and study awards that span industries and sectors, our young people receive a continuum of support to build relevant competencies, pursue their passions, and join the workforce with confidence.

But developing our people must go beyond the schooling years. Success in a more disruptive world requires continuous reskilling throughout life. We must, as DPM Lawrence said, strive to be a “Learning Society – from cradle to grave”.

We will strengthen our SkillsFuture movement to ensure Singaporeans are resilient and well-equipped to face the future.

This goes hand-in-hand with the jobs and business transformation that we mentioned earlier.

It also complements ongoing efforts at the industry level to develop Singaporeans, including ongoing efforts by the Singapore Business Federation.

And there is scope to partner companies to develop Singaporeans for regional and global leadership roles.

Staying Open

What does success look like when we put the efforts to develop our economy and our people together? Let me cite two concrete examples.

In our universities and research institutes, we have top academics and scientists working alongside Singaporeans who studied in the best universities in the world.

This builds a strong ecosystem that attracts collaboration with the best researchers and universities.

Our students benefit because they get to learn from top professors, interact with peers from all over the world, and strengthen their cross-cultural skills.

Overseas, we are seeing enterprising Singaporeans and Singapore companies chasing opportunities and building new partnerships.

When I visited Ho Chi Minh City last year, I met a startup formed by a young Singaporean and his Vietnamese friend. They studied together in Singapore, and the both of them gamely ventured forth – the Singaporean staying in Singapore to run the business operations, and the Vietnamese in Vietnam running the IT operations.

These two examples illustrate the final point I would like to raise, that is for Singapore to continue thriving, government-led efforts to deepen collaboration, be it in free trade, investments, or research, is not enough. To reap the full benefit of these collaborations, Singapore and Singaporeans must remain not just open and connected, but relevant and useful.

Remaining open in this era of contestation enables Singapore to capture new value and flows, and strengthen our capabilities.

An open mindset and eagerness to venture beyond our shores enables Singaporeans to capture opportunities in the region and beyond.

We must continually think about how Singapore and Singaporeans can be relevant and useful, and what special role we can play.

Our value proposition is building connections across cultures and economies, and we must strengthen this.

Openness is not new to Singapore. In fact, it is core to our identity and values.

Our plural, multi-racial society reflects this open-mindedness – we chose to organise ourselves to ensure opportunities for all, regardless of race, language, or religion. And just a few minutes earlier, we heard from Mr Sitoh Yih Pin a very moving account of his personal experience as a young student.

It is an extraordinary principle, as the eminent historian, Prof Wang Gungwu pointed out. Singapore, Prof Wang said, is the only nation he knows of where the majority accepted that they had to treat everyone as equal, and that a plural society was the foundation of her nationhood.

This open-mindedness, coupled with our stable environment and strong governance, no doubt has resonance in today's more fractured and fractious world.

I am happy to see many of our people, especially our youth, venturing abroad. Our Global Innovation Alliance (or GIA) – a network of 17 innovation hotspots around the world has enabled our entrepreneurs to incubate their ideas and find partners overseas.

Many local companies are also internationalising and finding success overseas.

Our companies tap on their diverse workforce to navigate foreign markets.

This spirit of adventure and entrepreneurship in our people is commendable.

The value of being a Singaporean will rise, if we remain dynamic, outward-looking, and effective in building connections with people around the world.

We must continue to encourage Singaporeans to venture out, and to integrate the foreigners who are studying and working here, so that we can draw energy and capabilities from diverse sources.

At the same time, we must recognise that when the old encounters the new, this could spark off both opportunities and friction. While we pursue opportunities, we must also address frictions.

Growing up in Singapore with fellow Singaporeans, we have developed a certain set of norms and behaviours.

New citizens, PRs and workpass holders will likewise bring different sets of norms and behaviours.

It may be uncomfortable experiencing these differences when we encounter newcomers.

We may also be concerned about wealth inequality, more severe competition for jobs, or even unfair workplace practices.

These are issues that the Government is addressing, by adjusting our policies, strengthening our frameworks, and developing Singaporeans fully.

Our commitment to openness remains unchanged, but we too can refine our approach to openness, to ensure it is fit for the times.

Mr Rajaratnam, in the early days of nationhood, said that “being a Singaporean is not a matter of ancestry, it is a conviction and choice”.

Conviction and values remain fundamental when we consider newcomers who seek to be a part of Singapore.

If there are those who share in our convictions and values, let us encourage them to contribute and invite them to grow Singapore together.

Many already are, and we will further nurture the philanthropy ecosystem.

At the same time, having developed a set of norms and behaviours that is precious to us, we should set out these expectations and exhort newcomers seeking to sink roots in Singapore to adapt to these norms and behaviours.

On the part of Singaporeans born and raised here, we must have the patience and empathy to help newcomers settle in and integrate better.

This is how we can remain open yet cohesive as a society; open-minded yet proud of our Singapore identity; and successful as a nation and a people.

Mr Speaker Sir, let me say a few words in Mandarin.

建国以来，新加坡成功的关键是开放与多元。

今天，新加坡要在动荡世界中继续立足，关键在于我们的胸怀有多宽阔。

我们要给新加坡打造更大的舞台，首先必须全力培养本地人才，与此同时，也必须继续吸引最好的企业和顶尖的人才。

外来人才和本地劳动队伍之间是相辅相成的。

当我们争取到更多优质的企业在本地上户，就能为新加坡人创造更多的工作。

但是，外籍员工和本地员工也可能互相竞争。

一些本地员工如果失去受聘或者升职的机会，可能会觉得自己受到不公平的待遇。

另一方面，一些外籍员工和他们的家人如果还没有完全融入本地社会，对新加坡的社会规范还不熟悉，就会与新加坡人发生摩擦。

我能够理解，国人担心并且关注这方面的问题。

政府已经调整政策，我们对外籍员工的素质，以及他们在某一些领域里的人数都有明确的要求。

政府也在国人的培养与培训方面，加大力度，提高国人的竞争条件。

与此同时，我们要鼓励外籍人才和新移民：只要你们有心以新加坡为家，以实际行动融入新加坡大家庭，做出贡献，建立归属感，你们是我们的一分子。

如此一来，新加坡社会才能继续保持凝聚力、人民才能继续同心同德，为国家的繁荣与进步，共同努力。

新加坡社会的开放与多元，让我们同世界接轨，是我们独具的特色。

唯有保持我国社会的开放和多元，新加坡才能继续体现我们的价值，国人更能够在国际大舞台上发光发亮。

Conclusion

Let me conclude in English.

Mr Speaker Sir, as we debated the Motion of Thanks these past few days, I am struck by President's reminder to this House, of our responsibility to steward Singapore for the next generations, just as the previous generations have done for us.

I started this speech with a story of a venture capitalist calling Mr Lee Kuan Yew the 'ultimate entrepreneur', for building a nation out of a colonial outpost.

Since our independence, we have navigated major changes well, and innovated in many areas.

In the coming years, securing our future will require us to continue transforming our economy, and creating new opportunities for our people.

We must continue to have this spirit of pushing our frontiers to harness technology and innovation to improve the lives of Singaporeans.

We must take care of the most vulnerable segments of our society, while ensuring that our broad middle continue to see improvements in their lives.

Most importantly, we must continue to build on the foundation of our national pledge – ‘regardless of race, language or religion’ – to stay united in this contested world, while deepening connections with people around the world.

This way, Singapore and Singaporeans will stay relevant and useful to the world, and stay united and successful.

Mr Speaker Sir, I support the Motion.