What drives the Singapore economy

Foreign investment was, and will be a significant stimulus for the Singapore economy, said SMU economist Prof Hoon Hian Teck, Professor and Associate Dean of SMU’s School of Economics.

The question of how Singapore can sustain its growth going forward is one of three big questions about the economy, Prof Hoon said. The list includes: how Singapore has fought recessions in the past and how it will do so in the future. The third is how Singapore’s past and future sources of growth.

Singapore started at just over 30 per cent of the US GDP in the 1960s, but by the 2000s, it had surpassed that figure. On the latest effort to encourage Singaporeans to save, Prof Hoon, who is also Associate Dean of Faculty at SMU, said that Singaporeans are fought by lowering costs, said Prof Hoon.

An interesting tidbit from historical data was that the economic growth was not at odds with social equity. A widening wage gap will cause social strains, said Prof Hoon. High-income earners have benefited from living in such a society, he argued. Just take a look at other societies where security cannot be taken for granted for a moment. And Singapore is a very good example of such a society, he argued. “Just take a look at other societies where security cannot be taken for granted for a moment. And Singapore is a very good example of such a society,” he argued.

Looking ahead, Singapore needs to be wary of the chances of MNCs coming here. If they were efficient. So we need to tap these advantages, he said. “You don’t want to go the direction of saying, ‘I’ll welcome you only if you give our Singaporeans jobs, people to look up to, he said. A widening wage gap will cause social strains, said Prof Hoon. High-income earners have benefited from living in such a society, he argued. “Just take a look at other societies where security cannot be taken for granted for a moment. And Singapore is a very good example of such a society,” he argued.

Three big questions

The question of how Singapore can sustain its growth going forward is one of three big questions about the economy, Prof Hoon said. The list includes: how Singapore has fought recessions in the past and how it will do so in the future. The third is how Singapore’s past and future sources of growth.

The first question, said Prof Hoon, is about what drives the Singapore economy. On the first, Prof Hoon pointed out that growth was driven by foreign investment. Total investment as a proportion of the economy was double that of the US in the 1970s and 1980s, before declining in the 2000s to levels more similar to the US. The same thing was true of investment, which was not driven by the domestic government spending but by external investment needs.

On the second, Prof Hoon said, “You can’t run away from that. If you don’t, the ladder will be harder on some individuals, this will result in higher job losses.” So you opened the ladder up. Everybody holds down their wage increases, so they can still contribute to the CPF for retirement adequacy.”

One way in which Singapore citizens can utilize the opportunities arising from the presence of MNCs is to take up professional development courses. The government launched the SkillsFuture initiative to give cash grants for professional development courses.

In any line of production, there are some low-skill jobs, some middle-skill jobs, and some high-skill jobs, said Prof Hoon. Singapore has always had a competitive advantage in the lower end of the skill spectrum, he said. And Singapore is able to offer better-quality jobs, with better pay.”

An interesting tidbit from historical data was that the economic growth was not at odds with social equity. A widening wage gap will cause social strains, said Prof Hoon. High-income earners have benefited from living in such a society, he argued. “Just take a look at other societies where security cannot be taken for granted for a moment. And Singapore is a very good example of such a society,” he argued.

In order for Singapore to keep growing, it needs to be able to attract foreign investment. On the latest effort to encourage Singaporeans to save, Prof Hoon, who is also Associate Dean of Faculty at SMU, said that Singaporeans are fought by lowering costs, said Prof Hoon.

An interesting tidbit from historical data was that the economic growth was not at odds with social equity. A widening wage gap will cause social strains, said Prof Hoon. High-income earners have benefited from living in such a society, he argued. “Just take a look at other societies where security cannot be taken for granted for a moment. And Singapore is a very good example of such a society,” he argued.

In the recent Budget, the government boosted CPF contribution rates for older workers and announced that it will pay out more interest on the returns of their CPF savings. Going forward, Singapore will have to fight recessions by drawing on its reserves and tinkering with its exchange rate policy, Prof Hoon said. For example, the wage experiment in the 2008 Budget when a wage subsidy called Job Credit was given to businesses to encourage them to hire local jobs. Job Credit was financed by drawing billions of dollars from Singapore’s reserves. The government returned the money it winnowed in 2011, after an economic recovery. The government not only has to invest in education to narrow the income gap, but also to create new success stories for people not feeling good about their education. An interesting tidbit from historical data was that the economic growth was not at odds with social equity. A widening wage gap will cause social strains, said Prof Hoon. High-income earners have benefited from living in such a society, he argued. “Just take a look at other societies where security cannot be taken for granted for a moment. And Singapore is a very good example of such a society,” he argued.

In the recent Budget, the government boosted CPF contribution rates for older workers and announced that it will pay out more interest on the returns of their CPF savings. Going forward, Singapore will have to fight recessions by drawing on its reserves and tinkering with its exchange rate policy, Prof Hoon said. For example, the wage experiment in the 2008 Budget when a wage subsidy called Job Credit was given to businesses to encourage them to hire local jobs. Job Credit was financed by drawing billions of dollars from Singapore’s reserves. The government returned the money it winnowed in 2011, after an economic recovery. The government not only has to invest in education to narrow the income gap, but also to create new success stories for people not feeling good about their education. An interesting tidbit from historical data was that the economic growth was not at odds with social equity. A widening wage gap will cause social strains, said Prof Hoon. High-income earners have benefited from living in such a society, he argued. “Just take a look at other societies where security cannot be taken for granted for a moment. And Singapore is a very good example of such a society,” he argued.

On the latest effort to encourage Singaporeans to save, Prof Hoon, who is also Associate Dean of Faculty at SMU, said that Singaporeans are fought by lowering costs, said Prof Hoon.

In the recent Budget, the government boosted CPF contribution rates for older workers and announced that it will pay out more interest on the returns of their CPF savings. Going forward, Singapore will have to fight recessions by drawing on its reserves and tinkering with its exchange rate policy, Prof Hoon said. For example, the wage experiment in the 2008 Budget when a wage subsidy called Job Credit was given to businesses to encourage them to hire local jobs. Job Credit was financed by drawing billions of dollars from Singapore’s reserves. The government returned the money it winnowed in 2011, after an economic recovery. The government not only has to invest in education to narrow the income gap, but also to create new success stories for people not feeling good about their education. An interesting tidbit from historical data was that the economic growth was not at odds with social equity. A widening wage gap will cause social strains, said Prof Hoon. High-income earners have benefited from living in such a society, he argued. “Just take a look at other societies where security cannot be taken for granted for a moment. And Singapore is a very good example of such a society,” he argued.

In the recent Budget, the government boosted CPF contribution rates for older workers and announced that it will pay out more interest on the returns of their CPF savings. Going forward, Singapore will have to fight recessions by drawing on its reserves and tinkering with its exchange rate policy, Prof Hoon said. For example, the wage experiment in the 2008 Budget when a wage subsidy called Job Credit was given to businesses to encourage them to hire local jobs. Job Credit was financed by drawing billions of dollars from Singapore’s reserves. The government returned the money it winnowed in 2011, after an economic recovery. The government not only has to invest in education to narrow the income gap, but also to create new success stories for people not feeling good about their education. An interesting tidbit from historical data was that the economic growth was not at odds with social equity. A widening wage gap will cause social strains, said Prof Hoon. High-income earners have benefited from living in such a society, he argued. “Just take a look at other societies where security cannot be taken for granted for a moment. And Singapore is a very good example of such a society,” he argued.