Singapore's higher education landscape is set to undergo a dramatic transformation that will provide students more variety.

Prime Minister Lee Hsien Loong says this is expected over the next 5 years.

Speaking at the official opening of the Singapore Management University's new city campus on Friday, Mr Lee said about 10 specialised institutions will be set up.

Some will even partner polytechnics to offer degrees in applied and creative disciplines to give polytechnic graduates more options.

23-year-old Muhd Yusuff Shah is also a first-year undergraduate at the Singapore Management University.

He said: "It gives me a whole different perspective when I come into the school. The SMU teaching style is more of an American-style, so we are very much independent, on our own but they present us with real-life situation. When you go into the workforce, no one will feed you and guide you all the way so it teaches us independence."

Lauding SMU's innovative educational approach, Mr Lee said this has played a part in making SMU graduates highly sought after in the job market.

Other new institutions like UniSIM and the University of New South Wales are also making their mark in the tertiary sector.

Looking ahead, tie-ups between specialised institutions and polytechnics are also expected to ensure a good mix of graduates to meet the diverse manpower needs of the economy.

Mr Lee said: "Taken together, these changes will dramatically transform our higher education landscape. We will create a whole new thriving industry of tertiary education, catering to both Singaporeans and foreigners alike. This will keep Singapore at the forefront of research, promote a cross-fertilisation of ideas and help to nurture creativity and diversity in our small but vibrant cosmopolitan city."

The SMU's new city campus is at the very heart of the city - and Mr Lee said he believes the university can add life and youthful energy to the city just like other urban universities in London, Paris and New York.

And with neighbours like the Nanyang Academy of Fine Arts and the new Singapore Arts School, with more than 16,000 students - the area is expected to become a lively arts culture and learning centre. - CNA/ch