

What challenges lie ahead in the next...

10 years

Economy

Singapore needs to find a way to continue growing its economy, to improve the lives of its people.

The country's growth has been high, with its real gross domestic product soaring 40 times since independence in 1965.

But this growth is slowing. Singapore's GDP is forecast to grow by 2 per cent to 4 per cent a year going forward.

How will this growth happen? There are two ways: by growing the workforce, and by boosting workers' productivity.

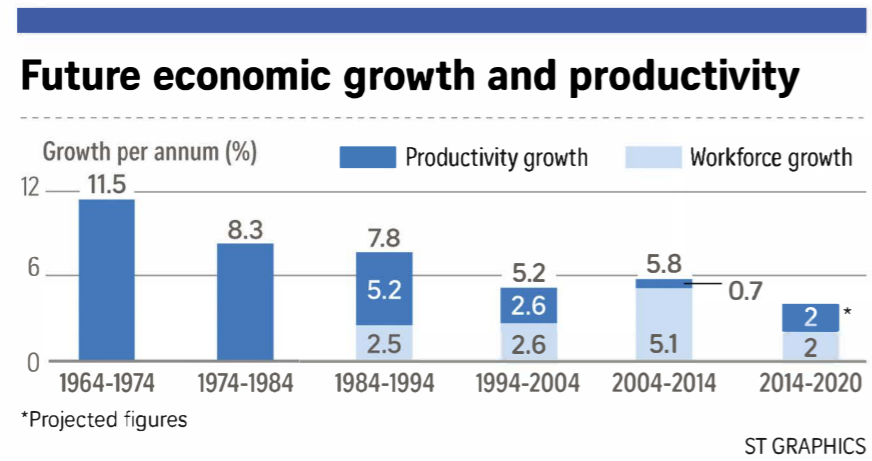
Employment growth from now until 2020 will be about 2 per cent. This is because baby boomers are retiring, fewer young people are entering the workforce, and Singapore cannot continue taking in foreign workers at a high rate. This

means that its productivity must grow by 2 per cent – a hard slog that requires transforming businesses and helping individuals master workplace skills under the SkillsFuture programme.

For example, in the PSA's older container yards, one operator was needed for each rail-mounted gantry crane which stacks containers.

But with automated cranes now being used in its expanded Pasir Panjang terminals, one operator can oversee five cranes. So productivity has gone up.

Mr Lee said constant improvement is needed to stay ahead of its competitors. Workers will benefit from this because if PSA's business grows, their wages will go up. If it fails to grow, four out of five operators will be made redundant.



25 years

Population

Singapore needs to boost its falling birth rate.

Like the economy, the population experienced a boom, growing from 1.9 million to 5.5 million over the past 50 years.

But the population growth is now slowing. This year's population growth will be the slowest in 10 years, said Prime Minister Lee Hsien Loong, who noted that the population grew by 1.3 per cent last year.

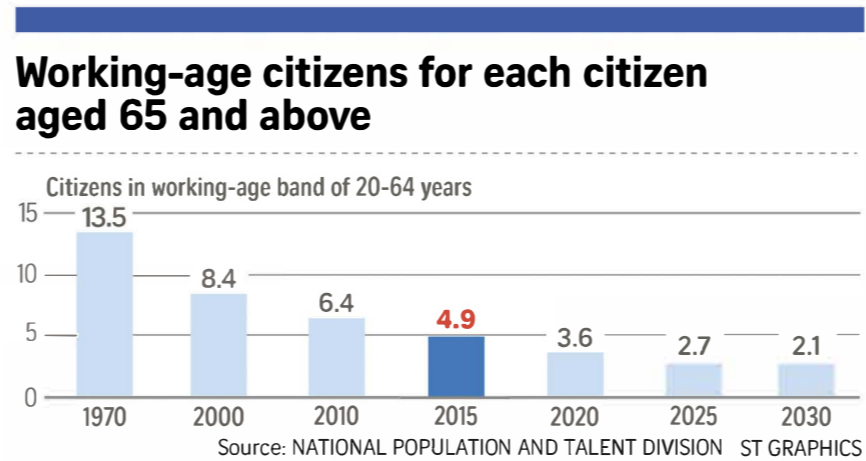
At the same time, the population is ageing rapidly. Singapore will have 900,000 seniors by 2030, twice the 440,000 it has this year. Today, every five working adults support one senior citizen. In 2030, two adults will support one senior citizen.

The consequences of this are

wide-ranging – in terms of taxes that are paid and how taxes are used, how the economy can stay vibrant and even how the armed forces can be manned.

Already, the effects can be felt today: There are greater demands on healthcare and social services, for instance. And more working adults feel "sandwiched" having to support their children as well as their parents.

The way forward is for Singaporeans to marry and have more children, he said. The Government is helping them do so by helping young couples get housing, providing childcare and reducing stress in the education system. The early signs are encouraging, he said, with marriages and births last year the highest in the past 10 years.



50 years

Singapore identity

Singapore needs to forge a common identity among its people, so that the country can hold itself together and succeed.

This bond is needed because as Singapore progresses, there is the danger of becoming so globalised that there is no distinctive identity that sets Singaporeans apart from non-Singaporeans.

"If we become so comfortable abroad that we lose the sense that only Singapore is truly home... if a large part of our talent goes overseas seeking challenges or fortunes, then I think we will be depleted, our centre will not hold... we will just melt away, dissolved by globalisation."

On the flip side, Singapore could be divided along the lines of race, religion and values.

But a unity and common identity can arise when people share values – such as meritocracy, multi-racialism and fairness and justice in society. These bonds are born when they share experiences such as going to schools and national service together, or celebrating successes like the SEA Games.

Overcoming crises such as the outbreak of Sars in 2003, or grieving together at the death of founding Prime Minister Lee Kuan Yew, or in the face of tragedies like the deaths of schoolchildren and teachers on Mount Kinabalu last month, also brings people together, said PM Lee.

There will be hard times in the 50 years ahead, but these tests will also be an opportunity for Singaporeans to bond, he said.



When Singaporeans celebrate the Republic's sporting successes, they bond. (Left) Fans celebrating the Singapore team's win against Cambodia in a match during the recent Sea Games. ST FILE PHOTO