

**OPENING REMARKS BY ACTING MINISTER FOR TRANSPORT
AND SENIOR MINISTER OF STATE FOR FINANCE JEFFREY SIOW
AT THE MEDIA INTERVIEW ON THE
ECONOMIC STRATEGY REVIEW (ESR) MID-TERM UPDATE
29 JANUARY 2026**

- Good morning everybody. DPM has set out the context for why we need the Economic Strategy Review (ESR). What David and I are going to do now is to go into the detailed recommendations of the sub-committees of the ESR.
- I will cover the recommendations that pertain to growth. David will cover those that relate to jobs.
- The first thing I want to say is that these should not be taken in isolation.
 - As DPM says, there is, in fact, a very strong nexus between our growth strategy and our jobs strategy.
 - When we think about economic growth, the outcome is that we want to create good jobs for Singaporeans.
- The second thing I want to say is that this is a whole of society effort. It is not a top-down initiative from the government. In fact, we have been consulting across the board with many stakeholders.
 - For example, my Committee on Global Competitiveness has participation from a wide range of business leaders, including a new generation of Singapore business leaders who are on the front line, making decisions on how to grow and where to invest. Their inputs are very instrumental in shaping the recommendations.
- The third thing I want to say is that we are starting from a position of strength. We have a strong, diversified economy. We have resources, in particular, much more educated and skilled Singaporeans. Some of the characteristics that the Singapore economy is well known for – trustedness, connectivity - are in fact even more important in this changed economy. So, we should be confident that with change lies opportunity.
- With this as the backdrop, I will talk about four key moves in our ESR recommendations that underpin our growth strategy.
- **The first key move is to extend our lead and establish global leadership in growth sectors.**

- These growth sectors are in advanced manufacturing and modern services. Singaporeans are familiar with them because they comprise a large part of our current economy.
- They provide good jobs and they continue to grow.
- Some of these sectors include semiconductors, specialty chemicals, biotech, and finance.
- Many global MNCs are in these sectors. They are already doing good things, but they want to do more in the new economy. We want to work with them to deepen their investments here to do more interesting things and in some instances, even take more risks.
- For example, a few days ago, we had the groundbreaking of Micron's \$30 billion facility. It will help us continue to maintain our edge in the semiconductor industry.
- Singapore is one of the largest semiconductor producers in the world. We produce one in 10 of the semiconductors worldwide. And so, these are examples of the things we want to do to deepen our investments and collaborations.
- **The second key move that we want to make is to push up our growth frontiers, and there are a few ideas.**
 - One is we want to boldly pursue new technologies - technologies such as quantum computing, decarbonisation opportunities, space technologies, amongst others.
 - Now it may surprise you that space is one of them, but actually we do have a nascent space industry here. There are 70 companies already in Singapore employing 2000 professionals doing very interesting work here.
 - Minister Tan See Leng will make an interesting announcement later on next week at the Air Show. But these are examples of industries where we may not have the right to win yet, but we want to win the right to play.
- The second group of ideas is around nurturing the next generation of global leading businesses.
 - As DPM said, there are a group of fast-growing companies, not quite MNCs, but fast-growing companies, some of them in these new sectors I talked about; some of them disrupting existing sectors.

- They tend to be technology and innovation driven, and they are looking for stable places to grow, with good governance, with copious amounts of human capital and financial capital.
- Singapore, for them, ticks a lot of these boxes and what we want to do is to actively try to work with them, persuade them to come to Singapore, land here, and then continue to grow and operate from here.
- The third cluster of ideas is around strengthening our startup ecosystem and entrepreneurship.
 - Singapore has already one of the best startup ecosystems in the world, but I think we can do more to help our startups scale, especially regionally and globally.
 - We can also try to support our founders to facilitate better exits for them, at better valuations, so that then they can recycle their capital and re-invest them in new companies and new ideas.
- If we are able to do these first two key moves right: first, to double down on your strengths, second, to push out our growth boundaries, then the outcome should be that Singapore will move from a landing pad for foreign investment, to a launch pad for global companies. That is our objective.
- **The third key move is about building Artificial Intelligence (AI) capability.**
 - AI is going to be a fundamental transformational force, not just for the economy, but even for society. **Our ambition is, when someone thinks about AI leadership in the world, they think about Singapore. We want Singapore to be one of the AI leaders in the world.**
 - We already have a strong base. In fact, we have been investing in AI for many years. We have a National AI Strategy, as some of you know. We refreshed that recently. Many companies have their Centres of Excellence here.
 - But again, I think we can do more. End to end, investing in research in AI, building up industry applications, portfolio of problem statements, interesting things for people to do, strengthening our talent pipeline, and also uplifting our broad base of SMEs to encourage them to adopt and benefit from AI.
- **The fourth key move is for us to deepen connectivity with the world.**
 - DPM talked about pushing up into new markets to secure new opportunities. And here, I think **what we can do is to more aggressively support our companies to go abroad and internationalise.**

- Overseas markets are going to be harder. They are more protected. More countries are doing industrial policies, so it is much harder for our firms to be able to compete.
- But I think **there is scope for us to support them, to take more risk, invest in bigger projects, so that the benefits that we will bring back to Singapore, which includes profits from overseas operations, creating good jobs, both locally and overseas, across their overseas operations, as well as having strategic influence in some industries that matter to us.**
- **If we can achieve that, that means Singapore companies succeed on the world stage, it will be a win for Singaporeans as well as for Singapore.**
- Let me summarise what I have just said. For growth, the ESR is recommending four key moves:
 - First, double down our strengths and growth centers;
 - Second, to push out our growth frontier;
 - Third, to build up our AI capability; and
 - Fourth, to deepen our connectivity with the world.
- When we are able to achieve this, Singapore will be in a better position for us to compete in a changed world. This is a whole of society effort. We are working very closely with stakeholders from business leaders to workers, and we need to do that in order for us to achieve our outcomes. With that I am going to pass over to David to talk about our jobs strategy.