

**OPENING REMARKS BY DEPUTY PRIME MINISTER AND MINISTER FOR
TRADE AND INDUSTRY GAN KIM YONG AT THE MEDIA INTERVIEW ON THE
ECONOMIC STRATEGY REVIEW (ESR) MID-TERM UPDATE
29 JANUARY 2026**

Opening Remarks Delivered by DPM/Min(T&I) (English)

First, let me thank all the media for coming here to join us this morning.

This is an update of the work of the Economic Strategy Review that has worked over the last few months to come up with several key recommendations. This is not all, more details will be shared over the next few months. The final report will come out in the middle of the year, and the Government will give a full(er) response then. And during the Budget debate and Committee of Supply discussions, the Government will also be responding to some of the measures and recommendations, (but) the full response will be done towards the middle of the year when the full report is ready.

Just to provide the context before I ask my two colleagues to speak. First, Singapore is now entering a new phase of our economic journey. As you can see, many things are changing globally. Geopolitical tensions, great power competition, as well as the rise of protectionism and nationalism, which have resulted in many companies and businesses in many industries rethinking their business models, reorganising and reconfiguring their supply chains. This has created a lot of uncertainty and volatility, as all of you would appreciate.

Second, the advances in technologies like AI has also created challenges for companies who have to adapt to new technology, to learn how to make use of this technology. But at the same time, there are also opportunities that are being created, so business will be done differently, even work - the nature of work may change over time because of AI, productivity, innovation and automation. So I think this is the second challenge, that has been introduced through technology.

The third area is climate change. Climate change will continue, and I think we are already feeling the physical impact of climate change. Many companies are also being affected by climate events. Companies and businesses will have to think about how to transition into a low carbon future. This journey is going to be challenging, and companies will have to take it seriously.

Lastly, we are also seeing an ageing population. All of us are very aware of this issue, and that also means that our workforce growth will also slow down over time.

So, these are key challenges. This is one reason why we have set up this Economic Strategy Review. But what is even more important, and may not be so obvious to many people, is that the growth will be a lot more difficult to achieve going forward. In the earlier years, when Singapore started our economic journey, we started from a lower base and growth was easier to achieve. Now that we are relatively mature,

growth is already hard to achieve. And with the challenging external environment, growth will become even more difficult (to achieve).

The second issue is that we can no longer assume that growth will automatically generate jobs. With automation, AI and productivity, as all of us hope to achieve, there will be higher value-adding industries and business activities. That means with higher value-add per workers, you will not need as many workers. So job creation will be another challenge.

These twin challenges are what we are facing today. First, we need to continue to grow our economy under this very challenging global environment. Second, we need to make sure that our economy creates new jobs, creates good jobs, so that Singaporeans can continue to be gainfully employed and continue to see growth, prospects and opportunities in this new economic journey.

So these twin challenges are what we are confronted with. And we need to be quite deliberate in our policies and our economic strategy, to focus on these two twin objectives, to make sure that both of them can be achieved. This is what we have set up the five committees to look into. At the same time, we are also thinking about how we can continue to achieve our medium to long-term growth of between 2% to 3%. It is going to be very challenging, but we will work very hard to do that. And with the recommendations of these committees, we hope to be able to push ourselves towards growth on the higher end of the 2% to 3% over the next decade.

So this is what we hope to be able to achieve. This is something that we will need to think about. At the same time, let me also share that in order for us to achieve that, we will need to look at several strategies, the key thrusts that we have to focus on.

The first is on building on our existing strengths. One of our key strengths is that we are a business hub. And we are not just an ordinary business hub - we are a business hub that is built on trust. With global volatility and uncertainty, many businesses are looking for places that can offer them certainty, predictability and consistency. So, I think Singapore has demonstrated that despite these changes, we have been principled, our policies are clear and consistent, and our practices and our support for businesses are also consistent. This, I think, is a main competitive advantage for Singapore. When we combine this together with our hub status, I think this is going to be our strength.

So the first strategy, thrust, that we are going to focus on is to deepen our strength as a trusted global hub. We will be a hub for business transactions, a hub for people, a hub for trade and shipping, and we will also be a financial hub for many sectors of the industry. This position is very important for us, (and) we will continue to strengthen our position. It is also important for us to continue to expand our connectivity with countries around the world. We have been talking about free trade agreements, which we are continuing to explore, and new forms of trade agreements that will allow us to further strengthen this hub position. So that is the first part.

The second part is on enterprise development. We do want to grow enterprises. Singapore has been a very attractive place to bring in global MNCs to invest in, and I just announced a groundbreaking of a major MNC a couple of days ago. This shows that Singapore continues to be an attractive place for MNCs to operate in. This is important because these MNCs create a lot of jobs for us. I also announced (a couple of days ago) that this investment (by the major MNC) will create 1,600 jobs over time. These are important job creators, and we want to continue to anchor them here and help them to grow in Singapore.

At the same time, we are mindful that there are promising and emerging companies around the world. They are not quite MNCs yet, but they have great potential to become MNCs one day. These are companies we also want to attract to Singapore. If they are able to anchor themselves in Singapore and grow into MNCs over time, then we can grow together with them as an economy, and jobs will be created as they grow into MNC status. This is something that we will be looking at, over and above our traditional investment promotion efforts with the global MNCs.

At the same time, we are also looking at growing our own enterprises in Singapore. We talk about Singapore Global Enterprises, and we want to see how we can help them go global - first into regional markets, and then into global markets - to sell their products and services regionally and globally. We also want them to think about setting up a presence in these markets so that they, too, over time, become MNCs. (They will be) not just based in Singapore, (although) they will be anchored in Singapore, with (their) headquarters in Singapore, but with operations around the world. Some of these companies are already doing that - whether in new energy projects, logistics or shipping, they are already operating internationally. So we hope to be able to grow some of our local companies into global MNCs in time to come. So that is on enterprise development.

We have also not forgotten our SMEs. It is important for us to level up our SMEs and help them to achieve greater value-add in their businesses, so that they are competitive, resilient and relevant in this new economy. AI plays a very important part in this. We want to help our enterprises to be AI-ready, to embrace AI - not just SMEs, but also our larger and leading companies. This is not just about using basic level AI tools, but about helping them leverage AI to transform their businesses and become even more competitive globally. This will be a major topic in our discussion on the AI-enabled economy and the AI-empowered economy. All these are part and parcel of our strategy to grow enterprises locally. We also need to explore new sectors of growth, which my colleagues will go into later.

The last part is a very important one, and that is on labour, on our workforce, on our human capital. We need to continue investing in our human capital. There is anxiety around this transition, this change - how is it going to affect our workforce. Whether it is AI, geopolitics or competition, these forces will cause our industries to change, our business and our economy to transform and restructure. This is part and parcel of

the economic development journey. But what is important is to make sure that in this journey, we do not leave out our workers. The way to help them to adapt to this new environment is through skills upgrading and education. We will double down on our efforts to support them in their upgrading journey, so that they will be AI-ready, job-ready, and future-ready.

So, in a nutshell, let me just quickly summarise. Going forward, it is going to be very challenging to achieve economic growth. It will not be the same as we have done before, because the environment is very different today - it is a new world, a changed world. At the same time, not only achieving economic growth is difficult, we can no longer assume that economic growth will generate jobs. Therefore, we need to pay particular attention to job creation and ensure that the jobs created are good jobs for Singapore and Singaporeans. These are the twin objectives that we will be pushing ahead (with). And now I will say a few words in Mandarin.

Opening Remarks Delivered by DPM/Min(T&I) (Chinese)

今天新加坡正在朝向一个新的经济发展的一个旅程。在这段旅程当中，我们会面对许多新的挑战。

第一个挑战就是，国际局势的转变非常的迅速，非常的瞬息万变。在这样的环境之下，我们将面对很大挑战。我们要推动我们经济的增长，会遇到更大的阻力。

另一方面，因为科技迅速地发展，也会造成许多行业转变它们经营的方式，许多工作也会改变它们的性质。这些转变对经济会有一些影响，它们一方面会有挑战，另一方面也会为我们的经济提供新机遇。

第三方面，我们也知道气候变化这一个课题是一个严峻课题。我们的企业和各行各业都要为新的低碳经济做好准备，这个过程当中也会有许多的挑战。

第四方面，我们也面对老龄化社会这一个问题。我们劳动力的增长也会放缓。

那么这是经济上所面对的挑战。

除了经济发展会遇到阻力，我们也必须了解，在未来的经济发展中，不能把新工作的产生视为理所当然。通过人工智能和自动化等，新行业所需的劳动力会减少，可能不再需要那么多的劳动力就能达到经济增长。那么，如何确保在经济增长当中仍能为新加坡人创造更好的就业机会，这是个非常重要的课题。

这是个双重目标：一方面，继续推动经济增长，希望能够达到长期的 2%至 3%的增长，那么，希望通过我们的努力，能够推到 2%至 3%的顶端。同时，创造新的就业机会，让新加坡人有更好的发展。

在这样的大前提下，我们三个重要方向：

第一，是基于我们的诚信。因为新加坡一向以诚信闻名，许多企业都喜欢到新加坡投资。他们知道新加坡政府和人民都有诚信。这对我们的枢纽地位非常重要。如果能加强新加坡在国际上的枢纽地位，就能持续吸引更多的企业来到新加坡，为我们创造更好的就业机会。

第二，除了加强枢纽地位，我们也希望提升企业发展。一方面继续吸引外资投资，特别是大型跨国公司，因为他们会为新加坡人创造许多就业机会。同时，我们也希望吸引一些有潜能但还未成为跨国公司的企业来新加坡投资，与他们一起成长，创造新的就业机会。我们也不会忘记本地中小型企业，希望通过人工智能等科技帮助他们提升，过渡到新的经济局面，在新环境中继续蓬勃发展。

第三，我们必须关注工作和劳动力问题。我们需要努力创造新的就业机会，同时预备员工适应新的环境。比如在人工智能方面，我们希望提升国人对人工智能的熟悉程度，让他们不必害怕，能够操作和使用人工智能提升他们的生产力。在这个过程中我们会持续投资于员工的提升和培训，通过劳资政三方合作为他们提供更多培训与资讯，帮助他们在新经济环境中持续发展。

总结来说，我们的经济前景有两个重要目标：第一，必须继续推动经济发展，希望在长期能够保留 2%至 3%的增长，而推动到这范围内的顶端，接近 3%。同时，我们也要持续重视工作岗位的创造，希望为新加坡员工创造更多就业机会，让他们的生活持续改善。