

**POPULATION WHITE PAPER:**  
**“A SUSTAINABLE POPULATION FOR A DYNAMIC SINGAPORE”**

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Singapore has reached a demographic turning point, as our first batch of baby boomers turned 65 last year. We face the prospect of a shrinking citizen population & workforce. As such we have to address our population issues in the best interest of Singapore and Singaporeans. A sustainable population for a dynamic Singapore rests upon the following 3 key pillars:

1. A strong & cohesive society with Singaporeans at the **“heart”** of our nation
2. A dynamic economy that creates good jobs & opportunities for Singaporeans with **“hope”** for the future
3. A quality living environment and a **“home”** for all Singaporeans

**FREQUENTLY ASKED QUESTIONS**

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**A. About the White Paper**

**B. Population and Immigration Rates**

**C. Infrastructure (Infrastructure Land Use Plan)**

**D. Economy and Employment**

**E. Ethnic Ratios, International Marriages and Integration**

**F. Our Singapore Conversation**

**A. About the White Paper**

Q1. *What does this Population White Paper set out to do?*

A: The White Paper sets out the key considerations and roadmap for Singapore’s population policies to address our demographic challenge. It outlines the Government’s policies to:

- Maintain a strong Singaporean core in the population
- Regulate how many new Singapore Citizens and PRs we take in
- Build a high quality living environment
- Strengthen our identity and society

Q2. *What does this shrinking and ageing population mean for Singapore and Singaporeans?*

A: A shrinking and ageing population means a **smaller and less energetic workforce**, and a **less vibrant and innovative economy**. More importantly with slower business activity and employment opportunities, it will become more difficult to match the higher aspirations of a better educated and mobile Singaporean population. This may hollow out our population and workforce and worsen our ratio of younger to older Singaporeans.

With our growing number of senior citizens, healthcare and long term care spending is expected to increase. As a result, the smaller number of people in the workforce may have to pay higher taxes to support the ageing population and their growing needs

As the economy stagnates, it will be a strain on our resources to invest in infrastructure, or to address the needs of lower-income Singaporeans. Without economic growth, social and welfare programmes can quickly become unsustainable.

## **B. Population and Immigration Rates**

Q3. *Are the population figures of 5.8M to 6.0M by 2020 and 6.5M to 6.9M by 2030 planning parameters, population targets or projections?*

A: The population ranges are **not** targets but projections. These are possible paths that Singapore could take to meet the needs and aspirations of Singapore and Singaporeans. The actual population will depend on factors such as our birth rate and life expectancy, global and regional environment, our economic structure and social needs.

Q4. *The planning parameters embedded in the White Paper seem to suggest that all other alternatives would lead to a foregone conclusion of decline for the nation. Is this true? Is there no other future for Singapore, other than the one painted by the White Paper?*

A: In writing the paper, the Government has extensively engaged the public from different walks of life and age groups since March 2012.

The feedback has helped shape the population vision and policies in the paper and these are things we need to do to ensure a strong Singaporean core as well as a good living environment for ourselves and for our children in the future.

Our impending demographic shifts will result in an ageing population and a smaller base of working-age citizens to those aged above 65.

This means rising taxes and a heavier economic load on a smaller base of working-age Singaporeans. As our population ages, we could also have a

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|                                                                | <p>smaller, less energetic workforce, and a less vibrant and innovative economy. It may become more difficult to match the higher aspirations of a better educated and mobile population, and young people would leave for more exciting and growing global cities. This would hollow out our population and workforce, and make it more difficult to generate growth needed for good wage growth and employment, and more difficult to support the good well-being of Singaporeans.</p> <p>We need to find a balance. If we do too little to address the demographic challenge, we risk becoming a steadily greying society, losing vitality and verve, with our young people leaving for opportunities elsewhere. But if we take in too many immigrants and foreign workers, we will weaken our national identity and sense of belonging, and feel crowded out of our own home.</p> <p>The recommendations in the Population White Paper aim for a careful balance to achieve our sustainable population objectives.</p>                                                                                   |
| Q5.                                                            | <p><i>Why are we taking in 30K new PRs and 15-25K new citizens each year when Singaporeans are already complaining about having too many foreigners in our midst?</i></p> <p>A: Singapore has tightened up significantly on the number of PRs granted each year. We have <b>come down from a high of 79,000 new PRs in 2008 to about 30,000 each year currently</b>. We need to continue to welcome immigrants who intend to sink roots and have a long term stake in Singapore so as to stop our citizen population and workforce from shrinking.</p> <p>At the same time, the government has also since tightened foreign workforce policies to moderate the demand for foreign workers. While we do not want to be overwhelmed by more foreign workers than we can absorb, a complementary workforce of Singaporeans and foreigners are needed to keep Singapore dynamic.</p> <p>We will continue reviewing foreign manpower policies to reduce reliance on foreign labour in the long run, but welcome immigrants who can contribute to our country share our values and integrate into our society.</p> |
| Q6.                                                            | <p><i>What is the impact on population density when the total population hits 6.9 million?</i></p> <p>A: If the total population reaches 6.9 million, which is the higher end of the projection, population density will be 13,700* persons / km<sup>2</sup>. This is still substantially lower than cities such as Hong Kong (22,000* persons / km<sup>2</sup>) and Seoul (27,000* persons / km<sup>2</sup>).</p> <p>[*Calculated based on developable areas and not total land area.]</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <p><b>C. Infrastructure (Infrastructure Land Use Plan)</b></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Q7.                                                            | <p><i>What does the Infrastructure Land Use Plan set out to do?</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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|            | <p>A: It outlines our land use plan to support the population projections in the Population White Paper, while preserving a high quality living environment for all Singaporeans. It outlines the Government's plans on:</p> <ul style="list-style-type: none"> <li>○ Building Good and Affordable Homes</li> <li>○ Becoming A City in a Garden</li> <li>○ Increasing Mobility with Enhanced Transport Connectivity</li> <li>○ Sustaining a Vibrant Economy with Good Jobs</li> <li>○ Ensuring Room for Growth and a Good Living Environment in the Future</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p>Q8.</p> | <p><i>The White Paper details a possible population trajectory of 5.8M to 6.0M by 2020 and 6.5M to 6.9M by 2030. With the current strain on our infrastructure, are we sure that we are able to support such population numbers?</i></p> <p>A: With sound planning, close inter-agency coordination and timely implementation we are able to support the larger population while preserving a high quality living environment for all Singaporeans. We can meet the physical needs by:</p> <ul style="list-style-type: none"> <li>○ Reclaiming additional land</li> <li>○ Developing some of our reserve land</li> <li>○ Intensifying new developments</li> <li>○ Recycling land with lower intensity uses such as old industrial areas and some golf courses to achieve higher land productivity</li> </ul> <p>By 2020, there will be 4,100 additional hospital beds. The number of beds in <b>acute hospitals</b> (additional 2,200) will <b>increase by 30%</b> and the number of bed in <b>community hospitals</b> (additional 1,900) will <b>increase by over 200%</b>.</p> <p>By 2030, there will be enough land to develop an <b>additional 700,000 housing units</b>, almost a <b>60% increase from today</b>. In comparison, our population could increase by 30% should we reach a 6.9M population.</p> <p><b>85% of homes will be within 400m of a park.</b></p> <p><b>900ha of reservoirs and 100km of waterways</b> will be opened up for recreational activities, compared to about 800ha and 80km today.</p> <p>The <b>rail network will double</b> from 180km today to 360km by 2030, and <b>8 in 10 households will be within a 10 minute walk of a train station</b> compared to 6 in 10 today.</p> <p>There is sufficient capacity to support a higher population but developments will take time to come on-stream.</p> |
| <p>Q9.</p> | <p><i>How long will it take for infrastructure development to match up to the pace of population growth? OR [How long should the population expect to bear with the “catching up” on infrastructure development now that population growth has outstripped the capacity of infrastructure?]</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

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|      | <p>A: The strain we feel today is due to a mismatch between our population size and infrastructure capacity. The Government is doing its best to close the gap and ease the strain on our facilities.</p> <p>HDB figures show that first-timer applicants' demand has been mostly met. MND's Land Use Plan details plans to build ahead of demand and include a buffer for future growth.</p> <p>MOT will also increase the capacity, reach and reliability of rail networks and to manage on- and off-peak travel. <b>Rail networks will double by 2030</b> as announced. Accessibility and walkability between MRT stations will be improved to reduce people's reliance on feeder services.</p> <p>The housing supply will catch up with demand much faster than transport infrastructure. Singaporeans will need to be patient as these developments require time.</p> |
| Q10. | <p><i>Given Singapore's land scarcity, where will the land for the 700,000 more homes come from?</i></p> <p>A: 200,000 of the homes are currently being built, which leaves 500,000 more homes. A few new towns will be created, such as Bidadari, Tengah and Tampines North, and there are also plans to build more homes in Punggol. All these are detailed in MND's Land Use Plan.</p> <p>Furthermore, The National Research Foundation has allocated \$135M for research and development into land and liveability, and we will explore new technology and innovative solutions to increase our physical capacity and ensure that Singapore remains highly liveable.</p>                                                                                                                                                                                               |
| Q11. | <p><i>Would public housing sizes and affordability be affected by the space limitations caused by a dense population?</i></p> <p>A: Houses would be sized according to the needs and aspirations of current Singapore family size trends while the supply of public housing will continue to be ramped up to help cool the housing market to ensure public housing remains in the reach of Singaporeans.</p> <p>While the prices of resale flats have been rising, <b>HDB has de-linked the prices of new BTO flats from the resale flat market</b> to ensure that BTO flats remain affordable to Singaporeans. BTO prices across the past 18 months have been stable.</p>                                                                                                                                                                                                 |
| Q12. | <p><i>How will the Government maintain the quality of life within a mature estate throughout its redevelopment to accommodate the growing population?</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

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|             | <p>A: While the population figure seems high, the landscape of Singapore will not be affected drastically. Punggol may be seen as an example of a typical Singapore town of the future.</p> <p>Good urban design and creative designs contribute to the liveability of mature estates, where green spaces will also continue to be balanced. While there may be slight disruptions when building in public green spaces next to residential areas, such spaces are accounted for and will be well balanced with other infrastructural uses in the master plan.</p> <p>Residents stand to benefit from the redevelopment of existing towns, as this helps to improve the standard of living. Also, new units in such towns will cater to Singaporeans who may aspire to stay in central locations or near their family.</p>                                                                                                                                                                                                                                                                 |
| <p>Q13.</p> | <p><i>Will Singapore become as congested and polluted as Hong Kong in the future/ by 2030? Will our quality of life decrease?</i></p> <p>A: No. If the total population reaches the higher limit of the projection, population density will be at 13,700* persons / km<sup>2</sup>. This is still substantially lower than cities such as Hong Kong (22,000* persons / km<sup>2</sup>) and Seoul (27,000* persons / km<sup>2</sup>).</p> <p><b><i>Singapore often ranks among the most liveable cities globally</i></b> and we hope to continue to ensure a high quality living environment for all Singaporeans. The fact that there are highly liveable cities with high population densities in other parts of the world shows that with good urban planning, we can maintain a high quality of life. The Government is also committed to ensure that 10% of Singapore's land remains reserved for green spaces as well as provide greater access to reservoirs and waterways for recreational activities.</p> <p>[*Calculated based on developable areas and not total land area.]</p> |
| <p>Q14.</p> | <p><i>Would the development of homes and commercial centres be staged concurrently so as to provide adequate support for the surge in population in new towns?</i></p> <p>A: The Government will assess and stage developments according to the needs and circumstances of the current market. The new towns that are slated for development are as below:</p> <ul style="list-style-type: none"> <li>○ Punggol: Projected ultimate of 96,000 dwelling units (triple its current size)</li> <li>○ Bidadari: 10,000 - 11,000 new public and private housing units (2-3 years)</li> <li>○ Tampines North: 20,000 – 21,000 new public and private housing units (2-3 years)</li> <li>○ Tengah: 55,000 new public and private housing units (3-5 years)</li> </ul> <p>Commercial centres would be phased in the future, when there is sufficient catchment of population in the areas and market conditions are suitable for</p>                                                                                                                                                               |

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|      | businesses.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Q15. | <p><i>Would the transport infrastructure be able to accommodate the population growth? How would traffic congestion be eased?</i></p> <p>A: Planning infrastructure ahead of population growth will help to mitigate the effects of congestion. Given Singapore’s limited land, we will have to continue to restrain private transport usage and invest heavily in a more extensive public transport system.</p> <p>Doubling the rail network to about 360km by 2030 will allow 8 in 10 homes to be within a ten-minute walk of a MRT station. New rail lines will also increase public transport accessibility in the country. Enhanced public transport programmes such as more frequent and reliable bus services and the Walk2Ride programme will improve the first- and last-mile connectivity for commuters.</p> <p>An expanded road network would also ease the transit journey for Singaporeans. The North Coast Innovation Corridor will help cater for easier transit toward the north.</p> |

#### D. Economy & Employment

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| Q16. | <p><i>With the projected decrease in our GDP growth, what are the chances of Singapore’s economy slipping into a recession?</i></p> <p>A: These are long-term averages and not year-to-year fluctuations (eg recessions), which are affected by external circumstances. Our priority is to <b>continue the productivity drive and achieve high quality growth</b>. Slow growth is not necessarily poor growth. If we are able to restructure our economy and improve productivity, Singaporeans will have access to higher skilled jobs in more exciting and interesting sectors.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Q17. | <p><i>As we strive to help businesses restructure and move up the value-chain, will this result in structural unemployment for the elderly and lower-skilled Singaporeans? With a projected higher ratio of PMET to non-PMET jobs, will the low-wage and older workers be left behind?</i></p> <p>A: We hope to keep structural unemployment at current levels of 2-3% which is very low by international standards.</p> <p>The Government is committed to help low wage and older Singaporeans raise their wages over the long terms and contribute more productively. The Continuing Education and Training (CET) Master plan develops skill training programmes for all workers. Workfare Training Support (WTS) Scheme and the Workfare Income Supplement (WIS) are avenues for older low wage workers to improve their employability, upgrade to better jobs and earn more.</p> <p>In addition the Inclusive Growth Programme helps companies improve work processes so that they can offer higher value, higher-paying jobs. The</p> |

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|      | <p>Government has set aside \$100million for this programme, which is expected to benefit 100,000 low wage workers.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Q18. | <p><i>How would the Government help businesses handle cost pressures that result from economic restructuring?</i></p> <p>A: Businesses will have to improve productivity and streamline their processes. <b><i>Singapore needs to aim for high quality, productivity driven growth in order to create the right kind of jobs that meets Singaporeans' aspirations.</i></b> To help businesses cope with the pressures of restructuring, the National Productivity and Continuing Education Council champions national productivity initiatives. A \$2 billion National Productivity Fund supports initiatives such as the Productivity and Innovation Credit and enhanced Capability Development Schemes which businesses can tap on.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Q19. | <p><i>It seems that our foreign workforce will make up about 1/3 of our total workforce by 2030. What is the Government's thinking behind this 1/3 cap?</i></p> <p>A: The Economic Strategies Committee recommended maintaining our foreign workforce at the current level of about one-third within this decade. The 1/3 foreign worker cap is in tandem with the drive towards productivity. We should reduce reliance on foreign workers, especially through technological innovations, though there is a limit to how far technology can help. For example, with an ageing population, foreign labour is needed to ensure quality healthcare for our seniors. The Government will continue monitoring the proportion of foreigners in our workforce.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Q20. | <p><i>Countries like Germany, Japan and the Nordic countries have made do with even less workforce growth and continue to grow GDP by 2% to 3%. Cities like Hong Kong and London are growing their labour force at a slower rate than us, yet are still economically vibrant. Why do we need to grow our labour force faster than them in order to be economically vibrant?</i></p> <p>A: Workforce growth in developed countries may be low, but a significant proportion of their economic growth comes from their major cities which experience faster workforce and productivity growth than the rest of the country. For example, according to OECD statistics, Inner London's estimated employment growth rate from 2000 to 2009 was 1.7% per annum, higher than the overall UK's employment growth rate of 0.6%. Correspondingly, Inner London's GDP growth was 3.9%, higher than the national figure of 3.5%. And in Japan, while national employment shrunk by 0.14% from 2000 to 2008, Tokyo's employment grew by 0.6%, leading Tokyo's GDP to grow by 1.0% as compared to 0.7% across Japan in the same period.</p> <p>In addition, most cities tend to attract a disproportionate number of working-age individuals into the city, while those below the age of 15 and above the age of 65 are more likely to reside outside of cities. A bigger pool of working age people contributes to a more vibrant and innovative economy. Our lack of hinterland also means that we face additional challenges compared to other</p> |



major cities like Hong Kong, London and Shanghai which are able to leverage on their larger economic hinterlands for resources and workers.

As our labour force growth slows in the future, it will become more similar to the current growth rate seen by global cities around the world. Cities such as Seoul, Sydney or Hong Kong all saw labour growth rate of about 1-2% from 2000 to 2008, with GDP growth of 2-4%. Our target of growing GDP by 2-3% is thus a realistic one.

Our solutions to our challenges must take into account our unique circumstances. Only by remaining economically vibrant, can we create good job opportunities and higher wages for Singaporeans, and have more resources to help lower-income households.

Q21. *Can the Government share which are industries we need and will further develop? This will enable businesses to better plan their operations.*

A: Singapore is well-placed to leverage the growth opportunities from a rising Asia to strengthen both our manufacturing and services sectors. Growing consumer affluence and demand in Asia will also provide growth opportunities for Singapore-based manufacturing companies, and generate demand for international services like financial and professional services.

It is important to maintain a good mix of sectors within our economy. A diversified economic structure adds resilience to our economy and enables us to better weather volatility in the economic climate.

We have developed a strong manufacturing sector that is globally competitive and produces high-end value-added products, and we will continue to anchor this manufacturing core here. Manufacturing had provided many good jobs for Singaporeans; for example in the biomedical manufacturing sector, Medical Device Innovation's MedTech IDEAS (Innovate, Design and Engineer for Asia in Singapore) programme will train multidisciplinary medical device innovators to develop products and technologies to meet healthcare needs in Asia. Trainees will spend one year in a company's headquarters to gain hands-on experience in the medical device product development cycle and a second year in Asia (e.g. China, India, Indonesia) to gain exposure to Asian clinical and market needs. Companies that have come on board this programme include Covidien, Becton Dickinson and Draeger. 32 training places have been allocated to companies, and 19 trainees have already been hired.

High value and complex manufacturing will therefore continue to be a pillar of the Singapore economy as it allows companies to generate good jobs, provides workers with opportunities for constant upgrading, and create demand for sophisticated services. Manufacturing activities in Singapore also generates substantial spillover benefits into other sectors of the economy. Services like logistics works directly with our manufacturers; so do business and professional services. A study by MTI has previously found that every dollar of VA in manufacturing generates an additional 35 cents in other sectors of the economy. As a city-state, Singapore cannot afford to outsource manufacturing

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|             | <p>activities, like what Hong Kong has done with its access to Shenzhen and the greater Chinese hinterland.</p> <p>We will continue our efforts to shift into complex manufacturing, including areas where know-how and intellectual property are crucial.</p> <p>Singapore is also a leading international services hub, providing an array of world-class services. As economies in Asia grow and prosper, their expanding middle classes will seek high-end, better-quality services. We are well-placed to meet part of this demand. Singapore will continue to upgrade and develop established industries like trading, logistics, information, communication and media (ICM), financial services and tourism, and promote promising new areas such as the creative industries. We will also grow manufacturing-related services such as headquarters activities, R&amp;D, IP management and product lifecycle management.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <p>Q22.</p> | <p><i>Beyond 2020, our SC workforce will plateau. Why then are we creating all these new jobs for foreigners?</i></p> <p>It is important to note that we are creating higher value-added jobs for Singaporeans. Even if our SC workforce plateaus, there will be a strong compositional shift within the workforce which needs to be addressed in order to generate the necessary jobs to meet the aspirations of Singaporeans.</p> <p>Singaporeans are becoming increasingly more educated – by 2030, 2 in 3 Singaporean workers will be working at the PMET level, compared to 1 in 2 today. In most economies around the world, PMET workers need to be supported by non-PMETs. We expect fewer young Singaporeans to fill these non-PMET jobs. In addition, many older, less educated Singaporeans will also exit the workforce in the next 20 years. With this compositional shift, the lower-skilled jobs they used to fill will progressively have to be filled by foreigners, more so than today. For example in the logistics sector, workers are still required in essential lower-skilled positions such as ground handling roles to support and complement higher level positions such as distribution and freight forwarding managers.</p> <p>Foreign workers are also needed to support our social, domestic and construction needs so that Singaporeans can enjoy a good quality of life. Higher-skilled foreign workers can also complement our Singaporean workforce to ensure that we can still provide good jobs to Singaporeans.</p> <p>Lastly, in order to ensure diversity in the economy, it is necessary to have foreign talent in Singapore to complement the Singaporean workforce. Foreign talent can help Singapore tap new markets and grow new sectors, sustaining Singaporean jobs in the process.</p> |
| <p>Q23.</p> | <p><i>Are SMEs unfairly disadvantaged by the Government's policies? Being small, they cannot easily mechanise. Will we get to a point where all SMEs will be forced to close, and only larger enterprises and Multi-National Corporations (MNCs) can survive? What are the Government's plans to help the business sector, especially</i></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |

SMEs?

A: We recognise that SMEs are a critical part of our corporate ecosystem. 99% of all enterprises in Singapore are SMEs, and they employ 7 out of every 10 workers while contributing over 50% of national GDP.

However, all companies, regardless of size, must upgrade and transform in order to remain competitive. It is not true that SMEs are disadvantaged or that they cannot make this transformation. In fact, many SMEs do make the transformation successfully, through mechanisation and other ways. The Government has provided resources to help SMEs achieve this, and has different programmes to help SMEs upgrade.

Through agencies like SPRING Singapore, the Government has introduced several measures to support our SMEs in raising their capabilities and improving their productivity, so that they can restructure for more sustained growth. These schemes cover a wide range of activities, and are not restricted to mechanisation alone. The recent \$200 million boost to SPRING and IE Singapore's capability development schemes, for example, will help SMEs build up their capabilities in the areas of automation, technology adoption, innovation service quality and branding, and restructure their businesses. For the next three years from 2012, this boost has increased the grant subsidy rate from 50% to 70% under schemes managed by SPRING and IE Singapore.

In addition, SPRING has also rolled out the Innovation & Capability Vouchers (ICV) programme, which provides a \$5000 voucher to eligible companies to offset costs for upgrading capabilities. The programme aims to encourage smaller companies to upgrade, strengthen their core business operations and enhance efficiency in four capability areas: Innovation, Productivity, Human Resource Development, and Financial Management. SPRING has committed \$32m over 5 years for the ICV.

Q24. *Our income inequality is increasing. How can our growth be considered 'inclusive'? What should the Government do to help low-wage Singaporeans?*

A: Income inequality has only happened in this past decade in Singapore. For example, in the 1960s and 1970s, our rapid growth was accompanied by falling inequality when our industrialisation created jobs with relatively high wages to a large number of unskilled and semi-skilled workers. However, over the past decade, our gini coefficient before government transfers and taxes has increased from 0.45 in 2001 to 0.47 in 2011. Such a general increase in inequality has been seen in most developed countries of the OECD since the mid-1980s<sup>1</sup>, driven to a large extent by global developments, such as industrial shifts putting a premium on skills, and the introduction of low-skilled workers from India and China into the global market, depressing wages of low-skilled workers in developed countries.

<sup>1</sup> OECD (2008) "Growing Unequal" Income Distribution and Poverty in OECD Countries." The study found that over the last 20 years, the average increase in inequality has been around 2 gini points.

The challenge then is to ensure that we can continue to grow in an inclusive manner, despite these global forces. Keeping our economic vibrancy is a necessary condition to do this. We need to maintain our competitiveness and continue bringing in new, creative enterprises, and upgrading domestic industries to create skilled jobs that Singaporeans want to do.

At the same time, we need to keep our citizens employed, relevant and socially mobile. Initiatives like Continuing Education and Training (CET) help our workers up-skill and build capabilities, while Workfare keeps our low-wage workers employed. Helping people to get back or stay on their feet helps cultivate self-reliance and engender hope.

The Government has committed \$2.5 billion in CET over the five years from 2010. We are reviewing the Workfare schemes for Budget 2013. The Special Employment Credit encourages employers to hire lower-wage Singaporeans above 50 years old. Together with tripartite efforts to promote good employment practices and job redesign, these efforts will address the challenges faced by low-wage workers.

Q25. *What is the projected impact of population growth on property prices? COE prices? Overall cost of living?*

A: Population growth is one of the many factors which could influence demand, and hence the prices for various goods. However, the final price depends also on supply and many other factors. It will be difficult to say how prices may move in the future in relation to population growth.

While we cannot say with certainty how property prices may be affected, as shared in the Land Use Plan, the Government is prepared to release land to provide for around 700,000 dwelling units between now and 2030. This supply will be sufficient to cater to the housing demand of a larger population in 2030. Beyond the provision of sufficient housing in tandem with population growth, the Government remains ready to implement measures to stabilise the property market when there is a need to.

Likewise, even as our population grows, COE premiums may be moderated due to more people switching to public transport as we ramp up our public transport capacity. MOT has announced details of the new rail lines to be built by 2030 last week, and will announce other transport measures to support a high quality living environment for our future subsequently as part of the Land Transport Masterplan 2013.

With slowing population growth and a tighter labour market, labour costs will rise and firms will raise prices to cope with cost increases. This is especially so in domestic services, where productivity gains may be more difficult. While prices may rise, how much they affect overall cost of living will, in part, depend on how Singaporeans react. For instance, while Singaporeans currently enjoy the benefits of cheap domestic services (e.g., eating out is very affordable), as firms raise prices, DIY type activities may pick up (e.g. cooking).

Q26. *The White Paper mentions workforce growth rates of 1-2% for the rest of this decade, and about 1% till 2030. Are these rates sustainable for continued economic competitiveness and vibrancy, in particular for businesses and SMEs? Will this adversely impact employment and wages of Singaporeans?*

A: Workforce growth is important, to cater for business expansion, to anchor new industries, and to generate sustainable economic growth to create good job opportunities for Singaporeans. However, we cannot grow our workforce indefinitely as we also have to account for our constraints such as our limited land area, and the social frictions arising from congestion.

Balancing these two key considerations, we think that workforce growth rates of 1-2% p.a. for the rest of this decade and about 1% p.a. till 2030, will allow us to maintain a dynamic economy with sustainable and balanced economic growth. These are realistic targets, in that other global cities around the world have grown at similar rates in the past decade, and maintain their vibrancy.

Beyond the slowdown in workforce growth rates however, it is also important to remember that productivity growth is the other key component to maintain our economic competitiveness and vibrancy.

In the long-run, Singapore's comparative advantage is not in low-cost production. Instead, to remain competitive, firms will need to restructure and move up the value-chain.

Restructuring will create higher-VA jobs (like R&D, IP management etc.) which are (i) commensurate with the aspirations of our increasingly educated Singaporeans; and (ii) generate better wage and wage growth.

To raise productivity, a high-level National Productivity and Continuing Education Council (NPCEC), was established to oversee and drive the national effort to boost productivity to meet a productivity growth target of 2-3% p.a. from 2010 to 2020. With robust productivity growth, our GDP growth will be about 2-3% from 2020 to 2030, similar to better performing OECD countries. For instance, from 2000 to 2010, real GDP grew at 2.2% p.a in Sweden (source: OECD).

## E. Ethnic Ratios, International Marriages and Integration

Q27. *How will the Government ensure a "Singaporean First" policy in employment opportunities given the keen competition from foreign talent?*

A: The Government is **committed to ensuring a strong Singaporean core**. The Singaporean workforce is becoming progressively better educated and qualified. The government will continue to provide opportunities to non-PMET Singaporeans, to help them to upgrade and upskill so that they can remain competitive in the labour market. We will also ensure that they are treated fairly and their pay recognises the increases in their contributions.

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| Q28. | <p><i>Would our ethnic ratio/composition change in the future?</i></p> <p>A: <b>Ethnic ratio in the resident population will remain stable</b>; this is defined partly by our immigration policies. Racial harmony is core to Singapore's survival.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Q29. | <p><i>Will the Government make it easier for foreign spouses of Singaporeans to obtain citizenship to prevent Singaporeans from moving overseas to their spouses' country?</i></p> <p>A: Citizenship applications are assessed on a rigorous and holistic set of criteria. This includes the applicant's family background and circumstances.</p> <p>While we do not automatically guarantee citizenship to those who are married to citizens and have citizen children, their family ties to Singaporeans are taken into consideration when their applications are assessed.</p> <p>We recognise the need for families to remain together. Foreign spouses who do not yet qualify for PR status may be granted a Long Term Visit Pass instead. Those who have been married to citizens for some time or have citizen children may be granted a Long Term Visit Pass-Plus, which provides healthcare and employment benefits. Eventually, they may become PRs and eventually naturalise as citizens.</p> |
| Q30. | <p><i>How will the Government maintain racial harmony and social cohesion with a bigger foreign workforce complementing the Singaporean core?</i></p> <p>A: The National Integration Council (NIC) will implement more programmes to help new immigrants adapt to life in Singapore and Singaporean customs and norms. For example, the NIC is developing videos and booklets to better orientate newcomers to Singapore, and raise awareness of and adapt to our local norms and culture. The NIC is also looking at utilising various platforms such as the arts and sports to engage new immigrants and facilitate stronger bonds between new immigrants and fellow Singaporeans.</p>                                                                                                                                                                                                                                                                                                                 |
| Q31. | <p><i>With so many foreigners projected for the future, what will become of the Singapore identity?</i></p> <p>A: Our immigrant heritage has shaped the Singapore of today, including the values that we hold dear. The Singapore identity will continue to evolve as we mature as a society. It is not just based on where we came from, but also the common experiences we share.</p> <p>Singaporeans have highlighted that it is important for our new immigrants to fit into our society. Today we see more, Singaporeans marrying non-Singaporeans. About 40% of Singaporean marriages each year are between Singaporean and non Singaporeans. Their children and subsequent generations are likely to be well integrated having grown up here and shared formative experiences.</p>                                                                                                                                                                                                                |

We will continue to welcome immigrants at a controlled pace who can contribute to Singapore, share our values and integrate into our society. We will also continue to enhance our integration efforts to help new citizens adapt to our Singaporean way of life and sink deep roots, while adding to Singapore's rich diversity.

## **F. Our Singapore Conversation**

**Q32.** If the government has already planned the future for Singaporeans, with a certain economic growth projection in mind, then what is the point of having a Singapore conversation?

**A:** Even before the OSC started, the government has been engaging and consulting Singaporeans on a wide range of issues, population being one of them. So even as the OSC progresses, other major reviews to address priority areas will continue to take place. The government needs to plan ahead to address Singapore's needs in the areas of infrastructure and land transport development.

The Population White Paper will contribute to the overall shared vision that Singaporeans have a key stake in shaping.