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SINGAPORE — Economic restructuring in Singapore is picking up pace despite uneven improvements across different sectors, Minister of State for Trade and Industry Teo Ser Luck said today (Oct 8) during the SME Convention.

“Our economic restructuring is gaining momentum and we are proceeding at a steady, sustainable pace,” Mr Teo said, citing improving take-up rate of government’s support schemes. The number of companies tapping the Productivity and Innovation Credit scheme, for instance, grew by over 50 per cent between 2011 and 2013, reaching around 40,000 businesses last year.

The SME Convention, organised by the Singapore Business Federation, is part of the ongoing National Productivity Month launched by Prime Minister Lee Hsien Loong yesterday. In his

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speech, Mr Lee voiced optimism that Singapore can be successful in reaching a target of growing productivity by 2-3 per cent annually by 2020.

But at a panel discussion today, Mr Augustine Tan, an economics professor at the Singapore Management University, said he was “astonished” by the government target. Noting a “huge gap” between aspiration and reality, Mr Tan said that the restructuring comes a time when Singapore’s economic competitiveness is hurt by a strong Singapore Dollar and the tightening of labour supply.

Responding to Mr Tan’s concerns, OCBC economist Ms Selena Ling said that there is no ‘right’ timing for restructuring, and companies may in fact want to weather the pressure now when economic conditions are still soft and demand has yet to pick up.

Mr Teo agreed, stressing that “there’s no turning back” for a productivity push, and that businesses must now take that “leap of faith” as Singapore prepares itself for the next phase of economic growth.