

S'pore 'risks being Asean's slowest growing country'

Republic could fall behind in world's fastest growing region: Shanmugam

By THAM YUEN-C

FACED with a low replacement rate and a fast-ageing population, Singapore risks becoming in future the slowest growing country in the world's fastest growing region, said Law Minister K. Shanmugam last night.

Speaking to some 300 students at the Singapore Management University Ministerial Forum, he painted a stark picture of how demographic trends combined with rising costs and external competition could cause Singapore to fall behind its neighbours in Asean.

"All our neighbours will be growing faster and we will be

growing slowly," he said. "When you look for jobs, and in neighbouring countries, salaries are rising much faster, then the best and the brightest will gravitate out, and whoever is left behind simply can't compete internationally, and your economy is dragged down."

This, he said, could have implications on how the country supports its growing number of retirees. Citing statistics to back up his point, he said that by 2030, each retired person will be supported by just two working adults, down from the current six.

For the working population to better support this larger pool of retirees, he added, the country's

economy must continue to grow. Therefore, the Government aims to bump up the number of citizens who, as professionals, managers, executives and technicians (PMETs), hold higher-paying jobs.

For now, there is one PMET worker for each non-PMET worker. By 2030, the Government hopes the ratio will go up to 2:1. This means growing the number of PMET workers to 1.25 million from the 850,000 now. To do that, the country needs foreign workers to do the lower-skilled jobs, said Mr Shanmugam.

The projected population of up to 6.9 million by 2030 in the Government's White Paper took that into account. Many of the foreigners would be work permit holders who would be here only if there were jobs to be done, he said.

"If Singaporeans need to have



Mr Shanmugam speaking at the SMU Ministerial Forum last night. He cited demographic trends, rising costs and external competition as factors that could cause Singapore to fall behind its Asean neighbours. ST PHOTO: CHEW SENG KIM

jobs at the top or near the top... then you need a base of people who will do the other jobs. If you don't have a foreign worker population to support the base, how do you become middle management? Who's going to work for you?"

Besides the challenges Singapore faces from its neighbours, the region also presents opportunities, said Mr Shanmugam who is

also Foreign Minister.

Talking about an integrated Asean, he said that Singapore could aim to be a hub that attracts talent and capital and provides services for the region, as New York does.

The minister was also asked questions by students on the haze, foreign affairs, education, population and freedom of

speech.

One student asked to be invited to the next Asean ministerial meeting on the haze so he could contribute his ideas.

To that, Mr Shanmugam quipped: "You send me an e-mail setting out what your suggested solution is, and if you can, then I will invite you to the next forum."

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