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The government must pay attention to segments within the population that are at greater risk of being left behind as artificial intelligence changes the labour market, said Deputy Prime Minister Gan Kim Yong.



SINGAPORE: With greater economic volatility ahead, the government is studying the need for "broader, system-level support" to help those involuntarily unemployed bounce back, Deputy Prime Minister Gan Kim Yong said on Monday (Aug 25).

"We must pay attention to segments within our population who are at greater risk of being left behind," said Mr Gan.

"These include PME (professionals, managers and executives) roles that may be replaced by AI, and rank-and-file workers in sectors that are undergoing restructuring."

Mr Gan, who is also the Trade and Industry Minister, noted that the SkillsFuture Jobseeker Support Scheme that was introduced earlier this year provides temporary financial support for those who may be involuntarily unemployed.

Under this scheme, eligible individuals can receive support of up to S\$6,000 over six months to help them find a job that is relevant to their skills and experiences.

"We are studying the need for broader, system-level support to help them bounce back into gainful employment," he said in his opening remarks at the Ministry of Trade and Industry's Economic Dialogue 2025 at Singapore Management University (SMU).

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In his speech, Mr Gan spoke about how economic progress can become divisive if the benefits and opportunities are not shared.

"This is especially so if our society becomes more stratified and less mobile, which may not only entrench the disadvantages faced by the less well-off but also entrench advantages faced by the more well-to-do," he said.

The Singapore Economic Resilience Taskforce, which was convened in April, needs to go beyond the immediate uncertainties and position Singapore well, said Mr Gan, who leads the taskforce as its chairman.

From the start, the taskforce had focused on the immediate concerns following the US administration's announcement that it would impose a 10 per cent baseline tariff on all goods entering the country and reciprocal tariffs on goods from certain countries.

This included helping businesses make sense of the changes collectively, as well as to address the initial impact of the tariffs announced by US President Donald Trump.

"Even as we manage the immediate uncertainties, we also need to position Singapore well for the new economic landscape," said Mr Gan.

To that end, the taskforce recently convened an Economic Strategy Review to develop a forward-looking economic blueprint for Singapore, he noted.

It has also announced plans to launch the Business Adaptation Grant and traineeships for fresh graduates. Both will be rolled out in September and October, respectively.

Singapore is subject to the baseline 10 per cent tariff rate imposed by the US.

The US has hinted that it will impose further sectoral tariffs for pharmaceuticals and semiconductors, which would have an impact on Singapore, the deputy prime minister said.

Said Mr Gan: "The effects of the tariffs will take time to flow through our supply chains, and we can expect these costs to exert margin and price pressures in time to come.

"This will impact both consumer and corporate spending, and slow down growth in the global economy."

DIALOGUE WITH STUDENTS

Mr Gan then participated in a dialogue moderated by SMU Professor of Economics Hoon Hian Teck and took questions from junior college and university students in the audience.

One student asked about whether AI will be able to solve the problems arising from Singapore's declining birth rate.

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To this, Mr Gan said jobs will evolve and workers may not have the right skills to take on those roles. Hence, upgrading and training helps to bridge the gap and minimise disruption.

"If you don't succeed in doing so, then you will have an unemployment problem.

"So it's not a perfect solution, it's not a perfect match, but we need to continue to work very hard to do the matching so as to minimise the disruption to the employment," said Mr Gan.

Earlier in the dialogue, Mr Gan also encouraged attendees to be nimble and ready to adapt to a new environment.

"We want ... our workers to be able to master AI so that you are not afraid of being replaced, and in fact, you will be able to become more productive, more relevant, and will be more resilient," he said.

He also spoke about how tariffs can have secondary and tertiary effects on Singapore.

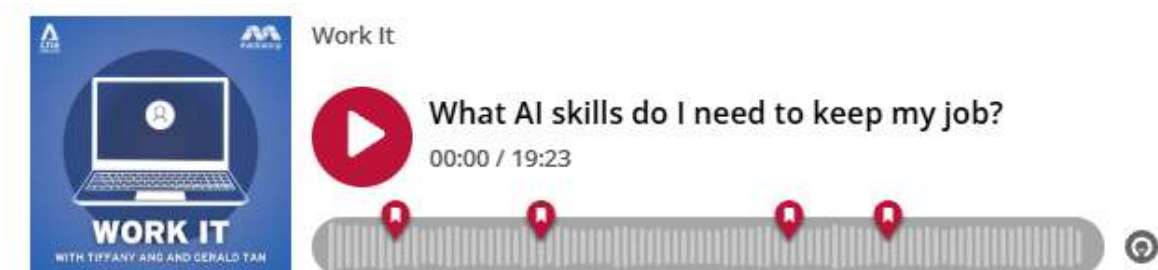
"One of our neighbouring countries has already decided that it's going to buy more oil from the US and therefore less from Singapore, quite explicitly," he said.

Countries that are subject to higher tariff rates from the US may also export less, and hence import less from Singapore, he said.

"But it's not all gloom and doom because Singapore is in a strong position to be able to find opportunities even in the midst of these challenges," he said, noting that Singapore is nimble, has built a strong foundation over the last 60 years and has many free-trade agreements with other countries.

"We have a very highly skilled, highly adaptable workforce, which many countries have told us that this is our strongest value proposition," said Mr Gan, reiterating why Singapore invests in education and skills upgrading.

"We are not training you for the skills of ... yesterday. We are not even training you for skills of today. We are preparing you for the skills that will be needed in the future," he said.



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