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Singapore needs to base its growth on productivity and innovation: Ong Ye Kung



Mr Ong speaking at a roundtable organised by the Lee Kuan Yew Centre for Innovative Cities yesterday. The heart of the Committee on the Future Economy, he said, is not just a thriving economy, but making sure every Singaporean shares the benefits of growth. ST PHOTO: LIM SIN THAI

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Nation bound by small size, so can't increase size of labour force to boost growth: Ong Ye Kung



Pearl Lee (mailto:leepearl@sph.com.sg)

Singapore's economic growth cannot be achieved through man- power-led growth, but should be based on productivity and innovation, Minister for Education (Higher Education and Skills) Ong Ye Kung said yesterday.

He was giving a preview of an upcoming report on how Singapore can gear its economy for a more uncertain, challenging future.

Speaking at a roundtable organised by the Singapore University of Technology and Design's (SUTD) Lee Kuan Yew Centre for Innovative Cities, Mr Ong said the country faces challenging demographic trends, is bound by its small size and cannot pump up growth by increasing the size of its labour force.

"We need to protect our sense of belonging that we are Singaporeans, and develop our unique Singapore identity," he said.

"We are on an irreversible journey to pursue growth based on productivity and innovation."

MR ONG YE KUNG, ON LIMITS TO SIZE OF THE LABOUR FORCE

We need to protect our sense of belonging that we are Singaporeans, and develop our unique Singapore identity. We are on an irreversible journey to pursue growth based on productivity and innovation.

ON FOSTERING ENTREPRENEURIAL SPIRIT

Enterprise is in our blood and DNA. We will have to build upon it further - to make our system more capable, more productive and more enterprising.



The report of the Committee on the Future Economy (CFE), which will be released soon, will focus on how Singapore can maximise limited resources through greater productivity and innovation, he said. "It is no longer regulating the amount of resources, but diving deeper into the algorithms and mechanisms of their allocation, achieving quantum leaps in optimisation," he added.

Over the past year, the CFE has been discussing how workers and businesses can prepare for the future. Mr Ong co-chairs its sub-committee on future jobs and skills.

Yesterday, he noted that past economic committees have put attention on productivity, skills and innovation, and recent schemes have helped companies restructure.

The CFE builds on these efforts, but its recommendations will require much deeper changes that can take a generation or more to realise. They seek to answer the question: How do we do more with less? Mr Ong gave four broad responses.

One, Singapore has to identify areas of future growth where it has a comparative advantage, like trade, its airport and seaport, and the digital economy, and allow ground-up innovation in unexpected areas.

Two, it has to deepen the skills base of workers, and rethink education by broadening what success means, away from purely academic grades and towards skills mastery.

Three, its people and companies must be encouraged to tap and enter regional and global markets.

Four, deep skills and the desire to venture out can be foundations for an enterprising spirit, that ought to be nurtured.

Mr Ong said the Government can foster an environment that facilitates enterprise, but society has to "play an even bigger role, in the way it views failures, celebrates successes and decides who to honour". "We need to honour entrepreneurs as we do scholars today," he said.

Mr Ong said he sees the spirit of entrepreneurship in students today, adding that parents too should support youth wanting to be pioneers.

Singapore, he added, has a natural advantage in its geography that drew enterprising people from the region and beyond to its shores, to form its diverse population today.

"We were not just a sleepy fishing village before our founding in 1819. We had been a vibrant emporium," he said, adding that this foundation was built upon to grow industries from manufacturing to logistics.

"Enterprise is in our blood and DNA. We will have to build upon it further - to make our system more capable, more productive and more enterprising."

The heart of the CFE, he added, is not just a thriving economy, but making sure every Singaporean shares the benefits of growth.

Mr Ong cited how on a walkabout, he met a Hokkien-speaking middle-aged man who worked at Google, manning its cafeteria.

"This is an example of how the digital economy and other growth industries will create jobs. This is inclusive growth," he said.

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