

Budget Speech 2009

(I) CONCLUSION

I.1. Singapore is tied to the fortunes of global markets. We are hit when the global economy goes down, and we move back up when it recovers.

I.2. But being a global city works well for Singapore. Even including 2008, when our economy fell, we grew by about 7% per annum in the last five years. This is faster than the other Asian Newly Industrialising Economies (NIEs) (Hong Kong, South Korea, Taiwan), and well above growth in other countries with similar income levels. And it is also a strategy that has kept unemployment at amongst the lowest rates in the world.

I.3. There is no reason why we cannot sustain this superior performance once the global economy recovers from this recession. Singapore has fundamentals that are going for it. Investors trust us. They see advantage in our tripartite system, our open and cosmopolitan society, and a Government that they know will work with businesses and Singaporeans to keep our economy competitive and our society cohesive. Our schools and tertiary institutions prepare Singaporeans well for opportunities at all levels requiring different skills. Our public housing policies give Singaporeans an asset that can appreciate over the long term. And the CPF gives them assurance that their retirement monies are safe and earn a guaranteed return, unlike many elsewhere who have seen the value of their pension plans fall in the crisis.

I.4. These are fundamentals which will continue to set us apart. But our real strength is in our flexibility, our ability to shift policy gears when required, and the way our people and companies respond to changes in the world by learning something new.

I.5. Qioptiq Singapore has a factory in Jurong with 900 employees. It competes globally in the market for the highest specification optical products. When they first began production in 1975, things were a little simpler. Their key competitive advantage over competitors in the West was that Singaporeans could use wooden chopsticks to handle delicate lenses without damaging them. Thirty-four years later, its production lines require the most advanced optics technology as well as the most experienced craftsmen and engineers. Qioptiq succeeds because it keeps developing its people: locals who have grown their expertise with the firm and foreigners bringing in more. Many of the Singaporeans have been with the firm since its early days. Tom Chan is one of them. He started off as an apprentice in the company, armed with a Trade Certificate in Fitting from Pasir Panjang Vocational Institute. He is now a Plano Production Manager, overseeing 60 workers in one of the most exacting tasks - producing plano prisms, where the standards of precision are measured in nanometres¹⁰.

I.6. Qioptiq's good labour relations have helped it ride through the ups and downs of the business. Every worker on the production line is trained in at least two different jobs. This way, when the demand for products changes, they can be quickly re-deployed to different production lines. Even in the current economic climate, Qioptiq did well enough to pay good year-end bonuses to its staff, in fact just yesterday.

I.7. Qioptiq is, like many of our companies, a description of how Singapore works - flexible, always learning, always improving as a team, so that we move up together.

I.8. This global crisis will see a reshuffling of the deck. Some countries will move up, while others falter and fall behind. We will do everything we need to ensure that Singapore emerges stronger and more competitive, and we open up space against the rest of the field.

I.9. Mr Speaker, I beg to move.

¹⁰A nanometre is one-millionth of a millimetre.