

## DPM'S SPEECH ON POPULATION AT COMMITTEE OF SUPPLY, 2 MAR 2007

### OVERVIEW

Mr Speaker, Sir. I thank the Members for raising important issues concerning our population growth, immigration and integration between Singapore-born citizens and our new compatriots this afternoon, as well as during the Budget Debate. Members have raised many key issues, including the impact of significant increases of foreigners in our midst competing for jobs with Singaporeans, the impact of immigration on the social fabric of Singapore and the value of citizenship. Many Singaporeans have also given suggestions on how to deal with our population challenge. I am encouraged that they have taken a personal interest in this serious challenge that we face today.

2. Let me begin by putting the population challenge and our strategies in their proper context.

### A BETTER LIFE FOR ALL SINGAPOREANS

3. Indeed, attracting the right talent into Singapore is an important part of our overall population strategy.

#### Economic growth is key

4. We have developed our economy rapidly, and very successfully, in the past 40 years. Now, we have to scale new and multiple peaks; to keep our economy going, to create more jobs and to provide a better life for Singaporeans.

5. The only way for this to happen is to ensure continued economic growth. To do this, we need a critical mass of **able** and **willing** Singaporeans. **Able** to adapt to and meet the changing needs of the global economy; and **Willing** to do what is needed to ensure a better life for themselves, their children and fellow Singaporeans.

6. Singaporeans are indeed able and willing. But, there is just one problem – there aren't enough of us and our population is fast ageing. We have not been replacing ourselves through local births since 1976 – 31 years ago. Even assuming current immigration trends with an average of 8,000 new citizens a year between 2001 and 2005, the number of deaths each year could outstrip births as early as 2030. In fact, if we do not have an inflow of new immigrants, our population will start to decline even earlier, by 2020, like Japan's in 2005. This is why we have decided that encouraging immigration has to be a key strategy in tackling our population challenge.

7. Indeed, we are now in what I call a “BBC” world, one that is “Boundless, Borderless and Competitive”. There will be “**Boundless**” opportunities for many in an increasingly “**Borderless**” world; at the same time, the stakes are much higher and a lot more “**Competitive**”. Many countries are trying hard to attract people to sink roots in their country. Why? The answer is simple – immigrants have helped many economies grow beyond their inherent potential.

- a) The US has attracted waves of immigrants since the 17<sup>th</sup> century. Europeans, Africans, Latin Americans and in the last few decades, Asians – they have all come to call the US home over the years. What have they brought to the US?
  - First, more jobs – a Pew report found that in most states in the US where immigration levels were high, employment prospects were above national average.
  - Second, a stronger economy – back in 1997, the National Academy of Science had already concluded in its report for the US Congress that immigration had brought a net benefit of US\$10 billion to the US economy.
  - Third, more births – the US Centre for Immigration Studies estimated that 23% of all babies born in the US in 2002 had a foreign-born mother.
- b) Australia’s net overseas immigration has accounted for more than 45% of its population growth since 1998. In 2005, 24% of Australians were born overseas. Yet in the same year, it embarked on its biggest recruitment drive for skilled workers such as hairdressers, mechanics, pharmacists and accountants, in more than 40 cities worldwide, including Chennai, Seoul, Manila, Bangkok and even Singapore – targeting not only our university or polytechnic graduates, but also our ITE graduates.

### **Implications for Singapore**

8. What does this mean for Singapore, or more to the point, can Singapore afford to close its doors to immigrants?

- a) ***People are our key and only resource.*** Let me put it bluntly – we need all the talents we can get, be they locals or immigrants. We are not producing enough babies; we do not produce enough engineers, bankers, technicians, artists and even chefs of our own.
- b) ***Who gets to benefit at the end of it? Locals.*** Look at our wafer fabrication industry. As of 2005, there were 15,000 positions in the industry – 8,000 operators and 7,000 engineers. Singaporeans and PRs could only fill 80% of the higher-skilled engineer positions and one-third of the positions for operators. If we did not have qualified foreign engineers and operators here, these wafer fabs will relocate elsewhere.

- c) ***Thus far, the outcome of our open-door policy to support and stimulate economic growth has been positive.*** Many Singaporeans have benefited from this. In 2006, a record of more than 173,000 jobs was created. Locals took up more than half of them. With the upcoming IRs, we can expect more job opportunities in the services sector such as tourism and entertainment, finance and hospitality. In the maritime sector, the labour shortage is so acute that Keppel Corp had to tie up with MediaCorp to profile this industry in a local TV serial. There are jobs available – but we must have the critical mass of able and willing people. Where we lack local manpower, we have to bring in new immigrants. Even if we do not bring them in, they can and will still compete against us from their home countries.

9. I empathise with Singaporeans who cannot find a job, or have lost their jobs to foreigners. Our economy today is different from that of 10 years ago. Some Singaporeans have found it difficult to adjust. Their concerns and frustrations are completely understandable. But they are not forgotten. Although the Government cannot insulate them from competition, we will do our best to mitigate their problems. They must skill up and keep up. MOM has facilitated various skills upgrading and training programmes. Some of my residents faced problems finding jobs too and I advised them to learn new skills or upgrade, using the Government schemes available. Those who heeded the advice were appreciative.

10. There are those who say that Singapore is constrained by our physical space; we are after all just a “little red dot”. Can we cater to a larger population size, say 6.5 million? This is a question posed by several members in the last few days. In early February, MND announced a planning parameter of 6.5 million people for its new Concept Plan. In order to accommodate 6.5 million people some time in the future, we need to make plans now.

11. Let me emphasise that 6.5 million is not a population target. Since MND released its planning parameter, many Singaporeans have assumed that the Government has set a 6.5 million target population size going forward. This interpretation is incorrect. Instead, it is an assurance from our town planners that we remain two, three steps ahead of the game – if our population grows, because we start producing more babies and attract more new immigrants to set up home here, we will be ready. While our population growth will continue to be fuelled by both local births and immigrants, it is unlikely that we will have a sudden influx of foreigners. Even as we welcome more immigrants, the Government will monitor our population growth closely to ensure that the quality of life and well-being of Singaporeans will not be compromised.

12. Many also ask how many immigrants Singapore should bring in. I think the more pertinent question should be how many immigrants Singapore can attract. My bigger concern now is that we are not even replacing ourselves and we need to prevent our population from ageing too rapidly and from shrinking. We now have a window of opportunity to attract immigrants who can contribute to Singapore. We had a good run of economic growth in the past three years. We are well-positioned to ride on this momentum to create an even more positive and exciting future. But we cannot just sit back and expect new immigrants to automatically come here without us making the effort to attract them. On

21 February, I hosted lunch for about 20 Chairmen/CEOs in Singapore. One of them told me that it was increasingly difficult to attract middle-level managers from India and China to work and live in Singapore. Why? Because many of them now believe that their own countries have better long-term economic prospects. So, it is not a given that even though we have an open and welcoming economy and society, we can attract the potential immigrants we need. I do not share the view of those who fear being overwhelmed by new immigrants; I fear that they will instead bypass Singapore.

13. Do we care about the quality of immigrants? Yes, of course. We do not want to bring in any Tom, Dick or Harry who wants to come here. We have to be selective and choose only those who can contribute to Singapore.

a) ***We need people with the relevant skill-sets, experience and know-how, in Singapore.*** They need not all be PhDs. They can be specialists such as aircraft technicians, or have other skills that add value to our economy. This is why we have broadened our eligibility criteria to attract more skilled immigrants to sink roots in Singapore.

b) ***We need to move beyond simply attracting talent to retaining talent.*** Steven Spielberg, creator of ET and countless Hollywood classics – his parents were Hungarian immigrants in the US. All over the world, immigrant talents have in turn contributed significantly to the community that first welcomed them to stay. This is so in Singapore too. For example, Wong Ngit Liong, Chairman and CEO of Venture Group, which has global sales of more than \$3 billion, employs about 13,000 staff and has operations throughout Asia, America and Europe. In Singapore alone, Venture employs 2,300 staff. We also have Harish Nim from Emerio Corporation, an IT services company employing 1,000 people with a strong presence across Asia Pacific and Europe. For some, it is not just the economic value that they bring to Singapore, but also the culture and tradition. One of the oldest carpet shops in Singapore, Hassan's Carpets, was set up in the 1930s and is now run by the third generation in the family – Suliman Hamid, grandson of the founder. When asked why he took up Singapore citizenship, Suliman, who was born in Pakistan, responded "But this is home!". Immigrants such as Wong Ngit Liong, Harish Nim and Suliman Hamid, and even NMP Gautam Banerjee, have made Singapore their home, and added much to Singapore. We must welcome more of them.

14. We have done well so far. In 2006, about 13,200 new Singapore citizens and 57,300 new PRs were granted. We must continue to attract the right people to join our team.

15. We have taken steps to pro-actively reach out to potential PRs/SCs. ICA recently launched the online self-assessment eligibility test – called the Naturalisation Eligibility Tool – for interested PR/SC applicants. Anyone in Singapore or overseas can access the Tool to assess if they could be eligible for PR/SC. Information packages to promote naturalisation will follow in the middle of the year. ICA has also been sending personal invitation letters to suitable working adults to apply for PR/SC since 1994. Grassroots leaders have also been actively encouraging those interested to take up PR/SC by welcoming them to the

neighbourhood and sharing relevant experiences with them. We also value feedback and ideas from all who have a stake in and wish to contribute to Singapore. There are many existing channels such as REACH. We will study how we can improve on this.

### **Focus on integration**

16. Let me now talk about the need for Singaporeans to welcome immigrants and for immigrants to integrate into our society. This is an important subject. Singapore is a multi-racial society – to maintain this harmony, we must all accommodate and adapt.

- a) The Sunday Times' survey published on 14 Jan 2007 on Singaporeans' attitudes towards foreigners revealed that Singaporeans do not mind foreigners to come and work here, but some continue to harbour certain prejudices against them, while some foreigners have not adapted to local norms. There were accounts of how some Singaporean landlords refused to lease their properties to some foreigners. Ms Sandhya Reddy related her unhappy experience in the TODAY newspaper on 31 Jan 2007 that a landlord refused to rent her the flat simply because she was an Indian immigrant. There was also this case of a new immigrant who moved into a private housing estate and held a house warming party with loud music late on a weeknight. The neighbours were understandably upset.
- b) There were also instances of stereotyping and social prejudices of foreigners against Singaporeans. I am told of a road rage incident where a Caucasian, who drove into a yellow box junction and blocked the path of others, started swearing in an exaggerated Singlish accent, only for a vocal Singaporean motorist to respond in an equally exaggerated foreign accent.
- c) Of course, all such behaviour should not be condoned, funny as some may seem to third parties. It just goes to show that both sides need to make the right effort to build a shared community we can call our very own.

17. The issue of integration – of welcoming new immigrants and of them adapting to the local environment – is not something unique to Singapore. Yet, as a former immigrant and now multi-racial society, Singaporeans should be more adept at handling such relationship issues and have a higher level of understanding and tolerance for this.

- a) If we look back into history, when our parents, grandparents, great grandparents first came here to work, they did not think of sinking roots here. They were here for economic opportunities, and wanted to retire in their motherland. But eventually, most stayed on and made this their home. If they had been dissuaded from sinking roots, we would not be here today. Acceptance and integration take time and effort. We all must make the effort.

- b) We do not have to pretend that there are no differences between new immigrants and native Singaporeans. Such differences existed even during the time of our forefathers when they were here as immigrants. They too found it hard to integrate with the locals. They preferred to be with their own clansmen and ethnic communities. But over time, they and their children integrated. We should acknowledge that there are differences between Singaporeans and the new immigrants. We may speak different languages. But one thing will hold us together – our common destiny as Singaporeans, new or native. It is not an easy decision for someone to come here and choose to make this his new permanent home. We must support and encourage them; that will accelerate their integration into our community and soon, the differences that seemed so stark before, would diminish. This is especially so for the children and grandchildren of immigrants here, as they would have grown up in the Singaporean milieu.

18. The Government hence takes the issue of integration seriously and recognises that more efforts need to be focused in this area.

- a) There are already some ongoing efforts: The People’s Association (PA), through its grassroots leaders, has organised activities at the community level to facilitate integration between locals and new citizens, e.g. Marine Parade GRC has a sub-committee to reach out to new citizens by organising gatherings for them and sharing information on Singapore. There are also expatriate organisations such as the Kowloon Club, Hua Yuan and India Club that help new immigrants settle into Singapore. MOE also plans to enhance the integration of foreign students in Singapore through structured activities and programmes for them to interact with local students and familiarise themselves with our culture.
- b) United as One: To encourage all Singaporeans, whether they are newly-minted citizens or indigenous citizens, to embrace our common identity as one community, we are studying the possibility of having a “Citizenship Day”, like what the Australians have. A “Citizenship Day” will mark and celebrate our coming together, as citizens of Singapore. MCYS will drive this effort as part of its mandate to build a cohesive and resilient society.
- c) Citizens will always be valued more than foreigners: Singaporeans can rest assured that they will always come first. In fact, all our policies are targeted at improving the lives of our citizens – we have recently reduced healthcare and education subsidies granted to foreigners and PRs to ensure that citizens enjoy the fullest support from the Government. Many Government surplus sharing schemes – CPF top-ups, New Singapore Shares, Economic Restructuring Shares, Workfare – favour only Singaporeans. But let us also remember that the value of citizenship cannot be measured by “dollars and cents”. Singapore is our home; it is what we have to call our own. You cannot put a price on the feeling of being in a place that belongs to us, where we belong. Home, as it is often said, is where the heart is.

- d) We care for Singaporeans who are overseas too. Some of our best and brightest Singaporeans are similarly attracted to study and work overseas. This is not necessarily a bad thing. What we can do is to ensure that they remain connected to Singapore. The Overseas Singaporean Unit was set up for this purpose and it has a dedicated online portal for OS – [www.overseasingaporean.sg](http://www.overseasingaporean.sg) – to keep in touch with one another and Singapore. The Government will do its part. As most of our overseas Missions have very few staff who have many duties to attend to as well, our Overseas Singaporeans must not rely solely on them but take the initiative to help each other and stay in touch with Singapore too. I know some of our Singapore Associations or Business Groups overseas are very active, and many of them also make contributions back to the communities they are in, e.g. Vietnam, the Philippines, China and the US.

## **PROMOTING MARRIAGE AND PARENTHOOD**

19. Let me now touch on this other key strategy to tackle our population challenge. The statistics that I would be referring to are contained in handouts, which I will ask the Clerk of Parliament to distribute.

### **Positive responses**

20. The parenthood package was first introduced in April 2001 and enhanced in August 2004. In FY2005, the Government spent \$575m to support the various incentives and benefits in the package. The take-up for the various schemes has been encouraging.

- a) Since the Baby Bonus scheme was introduced in April 2001, the Government has disbursed \$420 million to the parents of 133,000 newborns, and co-funded 89,000 co-savings accounts that were opened, which amounted to another \$270 million.
- b) Since government-paid maternity leave was extended from eight to 12 weeks in August 2004, 28,000 mothers have benefited from it.
- c) For the year of assessment 2006, 46,000 parents have claimed \$70 million under the Parenthood Tax Rebate; 131,000 mothers have claimed Working Mothers' Child Relief amounting to \$111 million in foregone revenue; and 26,000 parents have claimed Grandparent Caregiver Relief amounting to \$4 million in foregone revenue.
- d) Started in August 2004, the Work-Life Works! or the WoW! Fund of \$10 million is expected to be fully committed by the middle of this year. The Minister for Manpower will be giving more details on this.

21. Overall, there have been some positive indications in birth figures:
- a) Although we have not increased the level of our total fertility rate, we have arrested its decline.
  - b) In 2005, 35,500 babies were born – 400 more than in 2004. In 2006, 36,200 babies were registered – 570 more than in 2005.
  - c) A survey by MCYS in 2006 also showed some encouraging signs: 56% of married persons indicated that they would consider having (more) children (earlier) and 83% indicated that the package had helped to make Singapore a more family-friendly place.

### **But, some worrying trends**

22. However, some worrying trends remain:
- a) **More Singaporeans are remaining single:**
    - 37.4% of male citizens in the key age group of 30-34 were single in 2005, up from 33.9% in 1990; that for females was 26.3%, up from 20.9%.
    - 22.2% of male citizens in the age group of 35-39 were single in 2005, up from 17.8% in 1990; that for females was 17.2%, up from 14.7%.
    - More males than females remain single.
  - b) **Singaporeans are marrying later:** The median age of citizen males getting married was about 30 in 2005, up from 28 in 1990; that for females was close to 27, up from 25 in 1990.
  - c) **Singaporeans are having their first child later:** The median age of a Singaporean mother at first birth had also increased from 27.5 years in 1990 to 29 in 2005.
  - d) **Singaporeans are having fewer babies:**
    - On average, a married Singaporean woman had 2.2 children in 2005, down from 2.8 in 1990. While it is still above the replacement level of 2.1, it is on a clear downward trend.
    - Among ever-married female Singaporeans aged 40-49 years, 6.6% of them were childless in 2005, up from 4.4% in 1990.
    - Having to juggle work and family life, and the cost of raising a child, remain the key considerations for many in deciding whether to have children.
23. From the statistics, it seems that a typical Singaporean has a high probability of staying single, and if he or she does get married, is getting married later, and will have his/her first child at a later age (if at all) and have fewer children.

### **Scope to do more**

24. Having a supportive workplace and social environment play an important role. Indeed, many countries have pro-family policies. We will continue to study them and see what works for Singapore.

25. We need to do more to encourage more and earlier marriages and births. We will monitor the implementation of the current package. We will also study how we can be more targeted in some of our incentives to raise our fertility rate.

26. I think we can do this through a more targeted effort in three areas – better support for Singaporeans to achieve work-life balance, creating opportunities for more socialisation, and providing more targeted incentives for earlier marriages and earlier first births. We are also open to other ideas and would welcome suggestions from the public. This is and has to be a collective effort.

### **ROUND-UP**

27. Mr Speaker, Sir. We have an enormous strategic challenge ahead of us. Our population challenge is not to be taken lightly. It is easy to be lulled into complacency; our economy is doing well, many Singaporeans are better off today than they were 10 years ago. We need to look forward, but only if we are able to keep going as a vibrant and productive community. We know what needs to be done. Three things. One, get married and have more babies. Two, welcome suitable immigrants and help them integrate into our society. And, three, keep our Overseas Singaporeans connected. I hope our people will work together with the Government to get the job done.