

PRIME MINISTER'S NATIONAL DAY MESSAGE 2008

My fellow Singaporeans,

1. We celebrate National Day this year in a somewhat guarded mood. The last twelve months have been a period of economic uncertainty worldwide. Considering the external challenges, Singapore's economic results are good. For the first half of the year, growth was 4.5%. For the whole year, we expect growth to be between 4 and 5%. We added 144,000 jobs in the first half, and unemployment remains low, at 2.3%.

External Challenges

2. The US economy is still facing serious problems. The housing crisis is adding further stress to its financial system. US consumers are spending less, and that is affecting the whole global economy. The difficulties will probably drag on well into next year before getting better.

3. Singapore's economy has so far been partly buffered, because we have been carried along by the vibrancy of the Asian region. But Asian economies are starting to feel the impact of America's problems, and so are we. We must therefore prepare ourselves for a bumpy year ahead.

4. In Southeast Asia, ASEAN has become less prominent on the radar screen of investors, who are more focussed on opportunities in China and India. Several ASEAN countries are pre-occupied with domestic economic and political problems. However, all ASEAN countries know that we must work together resolutely as a group. Singapore will do our part. But we must also maintain our reputation in a turbulent region as an economy that is competitive, a society that is cohesive, and a government that is honest and competent.

5. Against this backdrop we have the problem of inflation, which I am sure is at the top of your minds. We are paying more for the food we eat, the electricity we use, the fuel for our cars, taxis and buses, and many other things too. We cannot prevent these prices from going up, when prices are rising worldwide, and we import all our energy and food. But we are lightening the burden on Singaporeans, through the Growth Dividends, U-Save, Workfare, Medifund and ComCare. These measures are aimed especially at the poor, the elderly, and the sick, but middle-income Singaporeans are getting something too, to help tide over this period.

6. Some government policies do raise the cost of living, like the GST and ERP increases. But they are essential; otherwise we would not do them: the GST allows us to finance Workfare and other schemes to help lower-income Singaporeans over the long term, and the ERP keeps our roads free flowing. Also please remember that the Government has given GST rebates and road tax reductions, which more than offset the cost increases for most citizens, especially the poor.

7. I know that Singaporeans wish that prices did not have to rise, or that these policies were not necessary. Unfortunately this is not possible. But we are doing the next best thing: to put in place effective relief measures, and provide the poor and needy with the help they need.

Building for the Long-Term

8. We must look beyond immediate problems like the cost of living, to understand what is happening in the world around us, discover new opportunities and tackle our longer-term challenges. Then we will strengthen ourselves and be more ready to deal with future crises. In particular, we need to develop our economy, reproduce our population and keep evolving our system to stay abreast of the changing world.

9. To achieve our aspirations, we must develop and grow. Unless we can create wealth, we will not have the resources to do anything else. Because we have pushed hard over the last few years when conditions were favourable, we can now look forward to many major projects: the Formula One Grand Prix, the integrated resorts, and huge manufacturing investments like the world's largest solar cell plant. These projects will create many good jobs, and keep our momentum up despite the uncertainties ahead.

10. To upgrade our economy, we must invest in our people, especially through education. We are improving our polytechnics and ITEs, where most of our students go. We are also expanding university places. The Government has approved plans for a new publicly-funded university. Its campus will be in Changi, with good bus and train access from around the island. It will admit its first

intake in 2011. This new university will open up more opportunities for Singaporeans to develop themselves and to advance.

11. To secure our long-term future, we also need enough babies to replace ourselves. Year by year, fewer Singaporeans are getting married, and those who do are having fewer children. We have implemented one measure after another over the years, but we have not succeeded in reversing the trend.

12. We have to take this very seriously. Marriage and parenthood are personal decisions. But we can create an environment where Singaporeans see them as a natural and important part of life, and where young couples get support in starting families. We have looked at this comprehensively and will take further steps to address the practical problems which couples face. I hope more Singaporeans will find fulfilment in bringing up children and setting up a happy family. Let us make Singapore a good home where citizens lead full, meaningful lives, and experience the joys of bringing up a new generation.

13. This new generation will grow up in a digital world. The Internet is transforming societies and economies everywhere. It will change the way we work, learn and live our lives. We must adapt ourselves to it, and use it to educate and engage our cyber-citizens. We will evolve our policies and rules, our economy and society, to take full advantage. We will continue to open up our system progressively. This is the right way to go. But we must also be careful to avoid the dangers that lurk in cyberspace, and learn to protect ourselves from them.

14. All these are long-term issues. Not many countries tackle such issues well. Sometimes, the politics forces the government to focus on fire-fighting, and ignore what happens after the next election. In other countries, "money politics" corrupts the whole system. Singapore is unique in having a clean and stable, responsible and responsive government. We have avoided the political turbulence that has engulfed several countries around us. We have not had strident protests from minority communities who feel unfairly treated. Nor have we had unruly demonstrations for all kinds of reasons real or imagined. Instead we choose leaders on merit, build trust between leaders and the people, and work together for the good of all Singaporeans. This is how Singapore has outperformed other countries.

15. As we open up, we must preserve these strengths. Please understand that all freedoms come with responsibilities to uphold social stability and security. Then Singapore will stay attractive to investors, our economy will keep growing, and we can continue achieving the best for our nation.

Conclusion

16. Despite the uncertainties in our region, and in the world economy, Singapore is in a strong position. In good times and bad, we have stayed united, looked over the horizon, and moved carefully but resolutely forward.

17. On this anniversary of our independence, let us take pride in our achievements, tackle the challenges together and continue to build an even better and more vibrant Singapore.

18. I wish all Singaporeans a Happy National Day.