

**PRIME MINISTER LEE HSIEN LOONG'S NATIONAL DAY RALLY 2008
(ENGLISH TEXT OF SPEECH IN CHINESE), SUNDAY, 17 AUGUST 2008, AT
THE UNIVERSITY CULTURAL CENTRE, NATIONAL UNIVERSITY OF
SINGAPORE**

Introduction

1. After several good years, this year will be more challenging
 - a. US financial crisis yet to be resolved, affecting the rest of the world
 - b. Fuel and food prices have risen sharply, causing global price inflation

Inflation concerns

2. Singaporeans are concerned about rising cost of living
 - a. This year, inflation has gone up by 6-7%, the highest in 26 years
 - b. Middle-income households have seen their dollar shrunk. Low-income households feel a heavier burden
3. Government fully understands this serious concern of Singaporeans
 - a. We have been monitoring prices since last year
 - b. We have taken concrete measures to help Singaporeans to cope
4. Special package in Budget to address cost of living
 - a. The Ministry of Finance has distributed part of the Growth Dividend and GST Offset. A further Growth Dividend package will be given out in Oct
 - b. Given out \$3 bn – enough to make big impact
 - c. Total benefits for a 3-roomer household is about \$5,000. This is a substantial sum. If spent carefully, the benefits can help a great deal in this time of inflation
 - d. Govt cannot give “hongbaos” every year, but fortunately this year we have the budget surplus to do it
5. Govt is also focusing its efforts on helping low-income families
 - a. CCCs in each ward can tap on “ComCare Fund” to help poor families
 - b. Many grassroots organisations give out hampers, food and other assistance. They will give more this year, to help combat the increase in cost of living
 - c. Some CDCs even install energy-saving light-bulbs for poor families, to help them save on electricity bills
6. Despite Govt help, there is still anxiety. Some even blame the Govt for not doing enough. Why is this so?
 - a. Perhaps because Govt did not make a big show that it was giving out help
 - b. Perhaps because Govt help is indirect, people do not connect what we have done with the prices that they see going up, and do not realise that Govt help was precisely to help them cope with inflation

- c. Some even feel that Govt policies have contributed directly to price inflation
 - i. Many Singaporeans would like Govt to restrain increases whenever possible
 - ii. Indeed we do this, where it is possible
 - iii. Some increases have been held back
 - (1) No increase in Town Council and S&C charges in PAP wards this year
 - (2) Increases in water tariffs have been held off
- d. But some increases cannot be prevented
 - i. Because energy and other operating costs have increased
 - ii. Workers also need salary increments
 - iii. Govt will try its best to keep any increase small
- e. E.g. Healthcare costs
 - i. Hospitals – control costs stringently
 - ii. Each year, doctors have to prescribe new medicines and use new procedures requiring new machines. All these are more expensive
 - iii. Govt has increased its medical subsidy; MOF has given MOH a higher budget for this
 - iv. But the subsidy can only meet part of the costs, so users will see some increase

- 7. The increase in ERP has generated debate
 - a. I will talk about the broad concepts behind the ERP policy, and not go into the details
 - b. But do not misunderstand: The ERP is a Cabinet decision, not just MOT policy
 - c. Since 2000, the Government has progressively reduced vehicle-related taxes, and released more COEs. As a result, many more Singaporeans can now own cars.
 - d. With more cars on the road, we need to increase ERP to keep traffic flowing
 - e. Jack Neo’s “Money No Enough II” featured the ERP issue. Jack Neo is quick to make use of topical issues. The Govt may not be as fast, but is certainly “I Not Stupid”, and had taken steps to mitigate the impact of the increase
 - f. When ERP was increased, we also reduced road tax and improved public transport
 - g. Jack Neo did not mention the overall picture nor the steps by Government to help Singaporeans, so I will explain further in my English speech

Foreign workers and new immigrants

- 8. On top of cost of living pressures, Singaporeans also feel the pressure from foreign workers and new immigrants
 - a. Some say that foreign workers and new immigrants take away jobs for Singaporeans and depress wages
 - b. NTUC has given me the same feedback
 - c. There has been hot debate on this in Lianhe Zaobao, with some advocating “pro-local” policies
 - d. I can understand these sentiments

9. I want to reassure Singaporeans that
 - a. The Government's responsibility is to Singaporeans. Our duty is to improve the lives of Singaporeans
 - b. We allow in foreign workers and new immigrants because doing so will benefit Singaporeans

10. Our economy has become more vibrant and diversified because of foreign workers. Without their participation, there will not be enough Singapore workers to grow the economy

11. Our problem is not enough workers
 - a. Our unemployment rate is only 2.3% - considered by economists to be full employment
 - b. Elderly workers have also found it easier to find employment
 - c. This shows that foreign workers have not taken away the rice-bowl of Singaporeans, but have instead helped to enlarge the pie.

12. Let me give some practical examples.
 - a. The two IRs will need another 20,000 workers. They will not be able to recruit Singaporeans to fill all these positions. In fact, they would not have decided to invest here had we required them to recruit only Singaporeans
 - b. Foreign finance specialists help us to grow our financial centre. London and New York are global financial centres because they draw talent from all over the world. Tokyo is in a lower league because it does not have the same draw
 - c. Foreign workers keep many SMEs in business, by lowering their cost. Without them, local workers and SME bosses will also lose their jobs

13. Outside of economics, foreign talent also strengthen our ranks in sports
 - a. Out of 25 Singaporean athletes participating in the Beijing Olympics, half of them are new Singapore citizens
 - b. China has 1.3 billion people, we have 4 million. Based on populations, China would have to win 300 medals before Singapore has the chance to win a single medal. So we cannot rely on only local talent
 - c. Our performance at the Beijing Olympics demonstrates this. We now have Tao Li reaching the swimming finals and the Table-Tennis team playing for either Gold or Silver in the finals tonight
 - d. Because we welcome talent, we can compete above our class. So we can all take pride in Team Singapore, and cheer for our athletes
 - e. Team Singapore all the way!

Encouraging Singaporeans to Start Families

14. Inflation and foreign workers are immediate concerns. But we must not neglect long term challenges

15. One important concern is our low birth rate
 - a. In 10 years' time, we may not remember the inflation rate in 2008
 - b. But we will still be thinking about how we can have more babies

16. The numbers are worrying
 - a. 2.1 is the replacement level
 - b. But Singapore's TFR is only 1.29
 - c. Problem is acute for Chinese, whose TFR is 1.14
 - i. This means each family only replacing either the father or mother
 - ii. Numbers will decline rapidly in a few generations!

17. Low birth rate is a problem in many societies
 - a. Many East Asian societies face the same problem
 - b. Japan, Hong Kong, Taiwan and South Korea all have lower birth rates than Singapore
 - c. South Korea has a slogan: "get pregnant within a year of marriage and have two babies by 35". Reality is much harder

18. Powerful social and economic forces are affecting all these Confucian societies
 - a. Men used to be masters of their households
 - b. Some even take a few wives
 - c. That time is past
 - d. Women want to be treated as equals. They are no longer satisfied with traditional role of staying at home to look after the family
 - e. But men have not changed their mindsets fast enough
 - Relate experience of a single man looking for a partner
 - Dating agency noticed he had not found anyone interesting after several dates, a asked him about his expectations
 - Man: I want someone who is also doing well in her career
 - Dating agency: OK, should not be a problem; what else?
 - Man: I want her to be independent
 - Dating agency: Also OK, most career women are also independent; any other requirements?
 - Man: She must also be submissive!
 - f. Luckily, such conservative men are less common nowadays
 - g. More men today do their share of housework. They also help to look after children – feeding them and changing nappies

19. On the other hand, attitudes of many modern women have seen astonishing changes
 - a. In major Chinese cities, young women are not in any rush to get married
 - i. A Canadian academic interviewed 3 young women graduates from Beijing, and published an article about it
 - ii. He asked the 3 Beijing young women: If you found a good job in Southern China, but your boyfriend is in Beijing, what would you do?
 - iii. They told him: We will choose the job

- iv. He further asked: What if he is an intimate boyfriend? Would you leave him for the job?
 - v. They said: We will still choose the job
 - vi. He then asked: What if he is your fiancé?
 - vii. Their answer was the same: We will choose the job
20. Men or women, young people need to see marriage as an important stage in life
- a. Achieve the right balance between career and marriage
 - b. Otherwise, may miss out on chances to find love and happiness
 - c. May miss best window to have children and the happiness of family life
21. Some people are marrying later, not because they want to wait, but because they find it harder to find the right partner
- a. They may have smaller social circles, and a busy work schedule
 - b. Not everyone knows how to woo the opposite sex
22. In the old days, parents arranged marriages for young people, and relied on the “mei po” to find the right partner
- a. Young people today say marriage as a private matter, and that parents should not get involved
 - b. And the “mei po” has become extinct
23. But many young people still cannot find partners. What do worried parents do?
- a. In Beijing, parents secretly go to “Parental Matchmaking Sessions” to find suitable partners for their children. They exchange photos and educational qualifications of their children, and take down phone numbers. Such activities attract thousands of parents
 - b. We do not have “Parental Matchmaking Sessions” in Singapore. Perhaps we ought to ask PA to organise something
24. I hope parents will encourage their children in a sensitive manner
- a. And that children will see take this matter seriously
 - b. Ultimately, this is a personal matter, and Govt can only facilitate

Conclusion

25. I have spoken at length about cost of living concerns. This is on the minds of many Singaporeans
26. But we must not ignore the long term problems
- a. Not just our low birth rate
 - b. Also how to deal with challenges brought about by the Internet
 - c. And how to promote gracious living
27. We need to pay attention to both short term and long term challenges
- a. This is the Singapore model

b. This is how we will tackle all challenges that come our way