

Economic Strategy Review (ESR)

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Strategy
Review**

Securing Growth, Good Jobs and Resilience for Singapore's Future

The ESR sets out how Singapore can secure growth and create good jobs for Singaporeans in the next bound of our economic journey.

THREE IMPERATIVES

- Sharpen Singapore's value proposition
- Enhance agility and adaptability
- Build resilience alongside efficiency



EIGHT THRUSTS AND THEIR RECOMMENDATIONS

These eight thrusts will help Singapore achieve the three imperatives. We need to work together to translate these directions into actions.

Thrust 1 Build global leadership in areas of strength and take bold bets for future growth

We need to extend our lead in areas we have existing strengths, and take bold bets in new and emerging areas to sustain future competitiveness:

- Sharpen our ability to attract and anchor leading industries, increase 'stickiness' of these investments by embedding them in strong ecosystems
- Accelerate transformation of existing operations to be best-in-class
- Invest in new technologies e.g. quantum and space, to create new growth engines
- Expand into high-value trust-based services e.g. cybersecurity and risk assurance

Thrust 2 Make Singapore a global leader in AI solutions and an AI-empowered economy

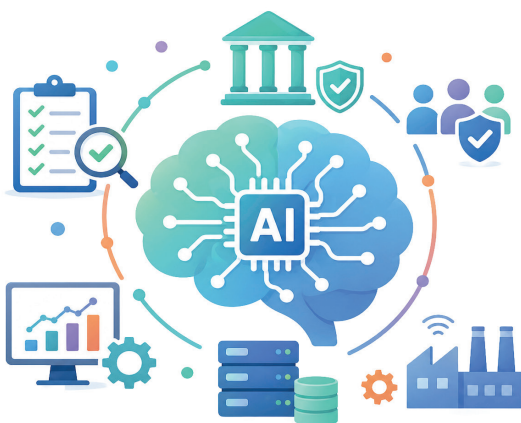
We should be a trusted hub where AI solutions are developed, tested, and deployed to tackle real-world problems at scale. We need to:

- Set ambitious sectoral problem statements for AI to solve, and marshal resources (e.g. datasets, compute, regulatory sandboxes) to enable breakthrough innovation
- Develop leading firms as "Champions of AI", as reference model for the rest
- Accelerate adoption across wider economy by developing shared sector-level AI-solutions

Thrust 3 Strengthen Singapore's role as a connected and trusted hub

We need to be a hub where existing and new flows are orchestrated, governed and financed from. We should:

- Develop next-generation sea and air hubs, by integrating physical infrastructure with digital and AI-enabled systems, and deepening air-sea-land connectivity
- Capture more value from orchestrating flows, through activities like supply chain management and global procurement
- Build leadership in trusted data flows and digital infrastructure, by strengthening data governance and facilitating secure cross-border data sharing
- Reinforce and extend Singapore's role as an energy hub, including for low-carbon energy flows e.g. hydrogen, sustainable aviation fuels





Thrust 4 Foster a more dynamic enterprise ecosystem so more Singapore-based companies can start, scale and succeed globally

A dynamic ecosystem facilitates continual renewal and transformation, so capital, talent and resources can be recycled into new ventures. We need to:

- (i) Expand access to growth capital e.g. develop private capital market and strengthen Singapore's public equities market
- (ii) Anchor and grow the next generation of leading enterprises, by developing new investment and partnership tools
- (iii) Strengthen support for Singapore-based firms to internationalise, including for more ambitious ventures that involve larger capital outlays and higher-risks
- (iv) Enable firms to restructure and transition more smoothly, by supporting early assessment of business health and facilitating transition pathways

Thrust 5 Create more and a broader range of good jobs

As growth may not create the same level of jobs, we need to be more deliberate in shaping job creation outcomes. We need to:

- (i) Stay open while deepening local capabilities in growth sectors, through more structured capability transfers and leadership development
- (ii) Advance an AI strategy that complements workers, by investing in AI where human capabilities remain central, and tying firm support to clear worker outcomes (e.g. job redesign and training)
- (iii) Raise quality and attractiveness of jobs in AI-resilient sectors e.g. early childhood education, allied health and social services
- (iv) Strengthen entrepreneurship as a viable pathway by fostering entrepreneurial mindsets and improving founders' access to mentorship, infrastructure and other resources



Thrust 6 Establish a stronger system for career transitions and worker support

As career transitions increase, our support structures must be redesigned to provide more anticipatory and integrated support across Singaporeans' working lives. We need to:

- (i) Create "career bridges" for workers in at-risk roles, by developing targeted workforce transition plans that places affected workers into skills-adjacent roles
- (ii) Enable earlier intervention in retrenchment support, through advance notification
- (iii) Strengthen transition support for PMEs e.g. review SkillsFuture Jobseeker Support Scheme
- (iv) Closely monitor the impact of AI on workers and adjust policies to ensure that gains from AI translate to improved prospects for workers



Thrust 7 Empower workers to learn for life and take charge of their careers

With skills becoming obsolete more quickly, we need to reshape our learning and workforce development systems for workers to build skills continually. We should:

- (i) Deepen SkillsFuture support e.g. expand funding for post-graduate programmes, scale up modular, stackable learning pathways
- (ii) Integrate learning with work and employer needs, through more work-study programmes and work-based learning stints
- (iii) Invest in future-ready skills – AI, human skills such as critical thinking and communications, and global exposure to different cultural contexts
- (iv) Build a more nimble ecosystem of career and employment services, supported by the new Skills and Workforce Development Agency and by leveraging private sector providers

Thrust 8 Build economic resilience as a core capability

We need to diversify risks, build strategic buffers, and deepen partnerships to strengthen our resilience. The ability to combine resilience with efficiency is a key competitive advantage. We should:

- (i) Build energy resilience through strategic buffers and import diversification
- (ii) Prepare for a low-carbon and climate-resilient future e.g. make sustained investments to address heat and coastal risks, build capabilities in civilian nuclear power
- (iii) Identify and mitigate critical supply chain vulnerabilities, working with key industries in Singapore
- (iv) Expand Singapore's network of trusted partnerships to secure continued flow of essential goods



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