

## **Keynote Address by Deputy Prime Minister and Minister for Trade and Industry Gan Kim Yong at SBF Future Economy Conference 2026**

Distinguished guests,  
Members of the Economic Strategy Review Committees,  
Partners from industry, unions, academia and the community,

### **Introduction**

1. A very good morning to all of you.
2. About a year ago, we launched the Economic Strategy Review, or ESR, to chart the path forward, as Singapore was entering a new phase in our economic journey.
3. For many decades, Singapore benefited from globalisation and a rules-based international order.
4. We succeeded and thrived by making ourselves useful to others, as a trusted, connected and reliable partner.
5. But the conditions that shaped our success have shifted.
  - a. Geopolitical tensions are rising. Economic decisions are increasingly shaped by national security considerations, focusing on resilience, self-sufficiency and strategic control.
  - b. Technology is advancing rapidly, especially AI. This will create new opportunities, but also disrupt industries, business models and jobs.
  - c. Climate change and the low-carbon transition will reshape costs, investments and competitiveness.

- d. And the nature of work itself is changing. We can no longer assume that economic growth will naturally generate as many good jobs as before.
6. These are not passing headwinds. They are structural shifts in the global operating environment.
7. The developments of the past year have reaffirmed and reinforced this new reality.
8. The ongoing energy crisis has shown how quickly disruptions can cascade through the global economy, affecting energy markets, shipping routes, production costs, inflation and business confidence around the world.
9. For Singapore, such disruptions are not distant events. We are deeply connected to the global economy. That connectivity gives us opportunities, but it also exposes us to volatility.
10. This is why the ESR matters.
  - a. It is not simply a response to immediate challenges.
  - b. It is about how Singapore positions itself for the longer term to stay competitive, create good jobs, and remain relevant in a more fragmented, contested and fast-changing world.
11. At its heart, the ESR asks a fundamental question: How should Singapore respond to this new environment?
12. The ESR sets out three strategic imperatives.
  - a. First, we must sharpen Singapore's value proposition, so that the world continues to need Singapore and value what we offer.

- b. Second, we must become more agile and adaptable, so that our firms and workers can move with change, rather than be overtaken by it.
- c. Third, we must build resilience while driving competitiveness, so that Singapore remains open and connected, yet better prepared for shocks.

13. Let me take each in turn.

### **Sharpening Singapore's value proposition**

- 14. The first imperative is to sharpen Singapore's value proposition.
- 15. Singapore has never competed on size. We do not have a large domestic market, abundant land or natural resources. That means, we cannot try to do everything.
- 16. Our strategy has always been to focus on areas that matter, and to do them well.
- 17. It will no longer be enough for Singapore to be efficient, stable and well-run. These remain essential strengths. But in a more competitive world, we must go further.
- 18. We must be clear where Singapore can lead, where we can anchor differentiated capabilities, and where we can offer value that others cannot easily replicate.
- 19. This begins with our core sectors.
- 20. Singapore has already built strong foundations in advanced manufacturing, modern services, logistics, finance and technology.
  - a. These sectors do not just contribute to our economy.

- b. They are drivers for innovation, capability-building and good jobs.
21. We want to deepen and extend our lead in these areas.
- a. That means continuing to attract high-quality investments and frontier activities in these sectors.
  - b. But it also means doing more with firms that are already here to support their growth – helping them to transform their operations, adopt AI and digital technologies, strengthen sustainability, improve productivity, and deepen partnerships with our research institutions, suppliers and workers.
22. We must go beyond hosting economic activities just for our companies here towards anchoring their higher value capabilities in Singapore, such as innovation, supply chain coordination, regional leadership and talent development.
- a. This way, Singapore becomes more than just a location. We become a critical node in their global operations.
  - b. And that is how we make our ecosystem more valuable, more trusted and more difficult to replace.
23. At the same time, we cannot only defend today's strengths. We must also build tomorrow's.
- a. This means taking calculated bets in emerging areas where Singapore has a credible right to play.
  - b. To be clear, not every bet will succeed. But if we only choose traditionally safe options, we will not break new ground or grow new industries.

24. AI will be a key part of this. It is likely to reshape economies in the way electricity or the internet once did.
25. Singapore does not need to compete by building the biggest frontier models or the largest data centres. Our advantage lies elsewhere.
26. We can become one of the best places in the world to develop, test and deploy AI solutions that solve real-world problems at scale.
27. Our AI strategy must be grounded in real use cases – especially in advanced manufacturing, finance, healthcare, logistics and connectivity, where Singapore already has strengths. We will work with leading Singapore-based companies to become pathfinders and help SMEs to benefit from AI through shared platforms, sector-level solutions and stronger support ecosystems.
28. We must diffuse AI across the whole economy to lift productivity, strengthen enterprises, create better jobs, and provide more opportunities for Singaporeans.
29. This is how Singapore stays relevant – by building capabilities, trust and innovation that the world values.

### **Becoming more agile and adaptable**

30. The second imperative is to become more agile and adaptable.
31. In a world of rapid change, competitiveness will depend not only on the strengths we have today, but on how quickly we can respond, renew and redeploy.
  - a. Firms must be able to seize new opportunities.
  - b. Workers must be able to acquire new skills.

- c. Capital and talent must move to more productive areas.
  - d. Institutions must adapt quickly and effectively.
32. Agility must therefore become a core capability for our economy.
33. This starts with our enterprise ecosystem.
34. Singapore has built a strong startup ecosystem over the past decade. But we need more firms to make the leap from startup to scale-up, and from local enterprise to regional or global players.
- a. This requires better access to growth capital, deeper management capabilities, stronger market connections and more pathways for companies to expand beyond Singapore.
  - b. Internationalisation will be especially important.
    - i. Our domestic market is small. For many Singapore-based firms, growth must come from overseas – not just by exporting to foreign markets, but also by investing in these economies to benefit from their growth.
    - ii. But internationalisation has become more complex and fragmented. Companies must navigate geopolitical tensions, everchanging regulations, and shifting supply chains.
    - iii. We need to help firms identify opportunities, manage risks, build partnerships, and compete internationally with confidence.
35. Agility also means accepting that renewal is part of a healthy economy.
36. Besides, business models cannot be static.

37. A more agile economy is one that renews itself continuously, and redeploys capital and talent to where they create the most value.
38. For workers, agility must mean more than coping with disruption. It must mean access to better and broader opportunities.
39. Our economic strategies must translate into meaningful opportunities for Singaporeans. But good jobs will not emerge automatically. We must design for them deliberately.
  - a. As firms adopt AI and automation, we must ensure that technology complements workers, improves job quality and supports career progression. We will not be able to protect every job, but we aim to protect every worker.
  - b. As enterprises transform, we should also be mindful of workforce outcomes – how firms redesign jobs, upgrade workers and create stronger career pathways.
40. We must also broaden the range of good jobs.
  - a. Domestic-facing and essential sectors – such as healthcare, early childhood education, social services and skilled trades – will continue to provide important employment opportunities.
  - b. Many of these roles rely on judgement, empathy, trust and human interaction. They can be augmented by AI but not easily replaced by it.
  - c. We must make these jobs better through productivity improvements, stronger skills recognition, clearer career and wage progressions.
41. We must also be prepared that career transitions will become more common.

42. Our support for workers must therefore become more integrated and more anticipatory.
  - a. We should build career bridges before disruption hits.
  - b. We should intervene and help retrenched workers early to better prepare them for the next step.
  - c. We should provide workers with effective career guidance, skills assessment, training and job-matching support.
43. Finally, we must make lifelong learning more effective and regular.
  - a. This means more modular pathways, closer alignment between training and employer needs, and more opportunities for workers to reskill and upgrade throughout their careers.
44. A more agile Singapore is one where enterprises renew themselves before disruption becomes decline, and where workers are supported not only to adapt to change, but to progress through it.

### **Building resilience while driving competitiveness**

45. The third imperative is to build resilience while driving competitiveness.
46. For Singapore, resilience cannot mean turning inward. Our resilience must come from being competitive and connected, but connected in a more trusted, reliable and diversified way.
47. This is why Singapore's role as a hub remains so important. But that role must also evolve.
  - a. In the past, Singapore succeeded by being a place through which goods, capital, people and ideas moved efficiently.

- b. In the next phase, we must do more. We must become a reliable and trusted partner, a place where flows are orchestrated, financed, governed and translated into higher economic value.
  - i. For goods, this means strengthening our sea and air hubs – not just through more capacity, but through greater reliability, digitalisation, specialisation, integration and coordination.
  - ii. For capital, Singapore must go beyond being a destination for funds. We must be a place where capital is raised, structured, deployed and managed across the region and beyond.
  - iii. For data, Singapore must become a trusted node for digital flows. In an AI-driven economy, cross-border data flows will become critical infrastructure. We must strengthen governance, facilitate secure sharing, and help shape international standards.
  - iv. For energy, we must reinforce Singapore’s role as a reliable energy hub even as the energy system changes over time. This means strengthening our role in existing energy flows, while building capabilities in emerging areas such as LNG, hydrogen, ammonia, sustainable aviation fuels and low-carbon technologies.

48. At the same time, resilience must be built into our economic system.

- a. Energy security is one of Singapore’s critical challenges. We must continue diversifying sources, strengthening buffers, and planning ahead for disruptions.
- b. Supply chain resilience will also become more important. We need to understand where our key dependencies lie, and work with industries on

practical responses – whether through diversification, substitution, stockpiling or trusted partnerships.

- c. Climate resilience will matter more as well. Singapore must prepare for heat, coastal and other climate risks, while balancing decarbonisation with energy security and competitiveness.

49. We must also deepen partnerships with like-minded economies on supply chain resilience, so that essential flows can continue even during disruptions.

50. Allow me to say a few words in Mandarin.

51. 新加坡正处于经济发展的新阶段。全球地缘政治紧张、人工智能迅速崛起、气候变化加剧——这些都是结构性的改变，而非短暂挑战。

51. 因此，我们的经济策略检讨（ESR）必须积极应对这些结构性转变。

52. **首先，我们必须强化新加坡的价值定位**，在先进制造、金融、物流、科技等核心领域深化我们的优势，加强我们的领导地位，吸引高价值投资，并将人工智能广泛应用于整体经济，提升生产力、创造更好的就业机会。

53. **第二，提高灵活度及应变能力。** 企业必须加快转型的步伐，从本地扩大至区域乃至全球。员工也需要获得更完善的技能提升与职业转换的支持。我们的目的，不仅是帮助国人适应变化，更希望大家能在变化中持续进步。

54. **第三，在保持竞争力的同时，也巩固我们的韧性。** 新加坡必须保持可信赖、多元的国际枢纽地位——在货物、资金、数据与能源的流动中，发挥更大的协调与增值作用，建立不可取代的关键地位。

## Conclusion

55. Ladies and gentlemen, the global environment will become more contested, fragmented and fast-moving.

- a. Growth will be harder to achieve.
- b. Jobs will change more quickly.
- c. Shocks will happen more frequently.

56. But Singapore is starting from a position of strength.

- a. We are trusted. We are connected.
- b. We have capable institutions, competitive industries and strong partnerships between Government, businesses and workers.

57. The ESR has outlined our strategy for this new phase. In a changed world, Singapore cannot assume that yesterday's strengths will automatically become tomorrow's place.

58. We must keep renewing our economy.

- a. By building capabilities that matter and bring value to the world.
- b. By developing enterprises and workers that are nimble and adaptable;  
and
- c. By strengthening trusted connections that make us reliable and resilient.

59. This is how Singapore can continue to grow, create good jobs, and provide strong opportunities for our people. This is how we can look to the future with confidence.

60. Thank you.