

Speech by Minister Grace Fu at the Yuhua Mega Toss

A very warm welcome to our *Guest-of-honor*:

Mr Desmond Lee, Advisor to Jurong GRC Grassroots Organisations & Minister of State for National Development

Special Guests:

Miss Heather Grant, High Commissioner of Canada

Ms Yuriko Kawaguchi, Professor, Meiji University

Ladies and Gentlemen,

Welcoming the Year of the Horse with Optimism

Introduction

Gong Xi Fa Cai and Happy Year of the Horse!

Global Economic Outlook - “Money No Enough”

Globally, we see countries facing up to the problem of “Money No Enough”. In Europe, governments have, for decades, been generous in handing out social benefits to their citizens, even spending beyond what they can afford. This has resulted in a structural deficit leading to large amounts of debt. The resulting bailout and austerity measures imposed on these countries as well as their high tax rates have made them less competitive economically. Restrictive labour conditions in some countries have also resulted in high youth unemployment. Youths with good university degrees are not able to get jobs. Morale is low and the situation is expected to persist.

In the US, the government has been running budget deficits for years. Last year, political gridlock in the US Congress resulted in not approving the budget in time, thus forcing the shutdown of the US government. After years of Quantitative Easing (QE), the US economy has begun to show positive signs. Federal Reserve has tapered its bond buying, increasing interest rates. Capital is now flowing back into the US from the emerging markets.

Emerging economies like India, Mexico, Argentina, Indonesia, South Africa and Turkey have all recently experienced significant depreciation of their currencies. This was an effect of QE tapering, but it was worsened by the countries’ current account deficits caused by overgenerous subsidies to their citizens on items like fuel and basic staples. Growth in China has slowed. They face issues like a money shortage in the banking system and significant imbalances between the major sectors of the economy.

Addressing Concerns of “Money No Enough” in Singapore

In Singapore, I understand that many Singaporeans are also worried about “Money, No Enough”. Cost of living is a constant concern. The Government recognises this and will continue to support

Singaporeans, especially those who need more help. We will also ensure that our growth is inclusive and that the fruits of growth will be shared with our people.

For instance in housing, we have ramped up HDB flat supply, delinked new flat prices from the resale market, increased housing grants, and put in place several rounds of cooling measures to moderate speculative demand. These measures have helped to restore balance in the market, meet the wide range of housing needs and make homes more affordable.

In transport, the Government will continue to ensure that our public transport system remains affordable and accessible. We are building more MRT lines and putting in more buses and trains to improve the public transport network. We have introduced several concession schemes for the disabled, the elderly and students. The Public Transport Fund also helps needy families with their transport costs. As we enhance our public transport network and services, we hope that it will provide a viable alternative to cars.

Medical costs are also a constant worry, particularly for our older generation. The Ministry of Health (MOH) is reviewing its financing policies to provide greater support and subsidies to Singaporeans in need. For example, it will be introducing MediShield Life to better protect Singaporeans against large bills with the assurance that they will be covered for life at affordable premiums. Earlier this year, MOH also expanded the Community Health Assist Scheme (or CHAS) to benefit more Singaporeans. More middle and low-income families can now receive subsidies for medical and dental care near their homes.

To ensure inclusive growth, the Government will continue to provide greater help to lower-income Singaporean families. There are various schemes to cater to the specific needs of these families, ranging from GST vouchers, Utilities rebates (U-Save), ComCare and Workfare to supplement the incomes of low-wage Singaporeans. Last year, close to half a million Singaporean workers benefitted from Workfare.

As with many Asian societies, we also believe in the need to take care of our elderly. The Singaporeans who form our Pioneer Generation have made significant contributions and sacrifices during the early years of our nation building. Many of them had raised good families through sheer hard work. We understand that they may be anxious about their future and the future of their children. We recognize their contributions and will be doing more for them.

We are fortunate to be in our position today because we have been prudent in the past. We have saved up some money and have the means to use it now to help our fellow Singaporeans. Even as we do so, we still need to manage our funds well, to avoid being in the same situation as some countries in Europe – where “Money, No enough” and the future generations end up paying for the bills of the present generation.

Families, No Enough

As the saying goes, “No man is an island”. We are happy when we are in good relationships with our friends, colleagues, our community and most importantly, our life partners and family. For many of us, family and children are a key source of our happiness and we want more Singaporeans to be able to experience a fulfilling family life. To do so, we as a society need to make some changes in how we prioritise our lives and define success.

Our young Singaporeans today are better educated than the previous generation. Naturally, many aspire towards individual achievements like good educational qualifications and a successful career. But personal happiness goes beyond these. A strong support network of friends and family is equally, if not more, important to share both our joys and sorrows. As a society, we need to celebrate families, be supportive, caring and look beyond the tangibles like the money you make. These are important values that we need to impart to our children when they are young, so that they learn to live not just for themselves but also see the need to care for others.

Last year, we saw a dip in our Total Fertility Rate (TFR) compared to the Dragon Year, though it was a gentler dip compared to previous post-dragon years. There were 31,155 citizen births registered. While lower than the 2012 dragon year, it is higher than in 2011. This is encouraging and we hope that the year of the horse will reverse this downward trend. To do so, we need whole-of-society support. Beyond Government measures, family support is critical to help young parents manage both careers and family. In fact, many grandparents are involved in the raising their grandchildren in some way. I recently met a young polytechnic student who is staying with his bed-ridden grandmother to look after her. When he was young, his grandmother had raised him and he developed a very tight bond with her that it felt natural for him to now take care of her.

With dual income families becoming the norm, husbands and wives will also have to share the responsibilities of child care and family care more evenly. We have introduced paid paternity leave and shared parental leave for fathers to support and encourage fathers to care for their newborns. This is in addition to child care leave which both husband and wife can take till the child is 12 years old.

Employers can help too. Traditionally, bosses treated their employees as family members. They will match-make their single employees and give extra angpows to celebrate the births of their employees' babies. They will also lend money when the employee's family has an urgent need. There is a strong family spirit present in the workplace and reciprocated in the form of employee loyalty. We need this to continue. Employers should be encouraged to be profamily, flexible with work arrangements so that employees can feel that they can get both work and life "right". This will enhance their commitment and loyalty to the job.

Conclusion

To be able to continue providing and supporting our fellow Singaporeans, we need to ensure that our economy remains strong and vibrant. We need to anchor businesses here and attract new and emerging industries. We need to provide support our businesses to raise productivity and reduce reliance on foreign workforce, while at the same time create good jobs for our people.

I am confident that Singapore is in a strong position going forward to 2014. This is possible because of the hard work of our people. Let us together look forward to a prosperous year of the horse, and a season of happiness. Some of the Chinese astrologers have said that the year of the horse is favorable for romance and marriages. I hope that they are right on this count and I hope to see more Singaporeans making the decision to get married and start their families.

Thank you.