

# Singapore committed to be a ‘society of opportunities’ amid strong global headwinds: Heng Swee Keat

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Deputy Prime Minister Heng Swee Keat said Singapore has a network of 27 free trade agreements in force with partners like Asean, Japan, the EU and the US.

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SINGAPORE – Singapore is pressing on with efforts to build a “society of opportunities” where everyone can maximise their potential and pursue their aspirations, amid sharp changes to the global economy and world order, Deputy Prime Minister Heng Swee Keat said on April 29.

At the 2025 International Conference on Societies of Opportunity, he said Singapore continues to invest heavily in housing, education and healthcare, providing lower-income Singaporeans with \$4 of support for every dollar of tax that they pay.

The Republic will continue to develop a “fair and just” society even as it strengthens economic partnerships and invests in human capital, he said.



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At the inaugural conference organised by the Ministry of Social and Family Development and the Institute of Policy Studies, DPM Heng outlined how [Singapore is keeping social mobility alive](#) and tackling challenges, from the decline of globalisation to digital disruption and demographic shifts.

He spoke about the uncertainties in the global economy caused by recent tariff wars, rapid technology advances, and challenges brought about by ageing populations and a shrinking workforce.

He said Singapore is building partnerships with countries that “believe in the global division of labour”, even as the “largest economy in the world is retreating from globalisation”.

Such partnerships to integrate Singapore’s economy and markets would create new opportunities for the country’s companies and workers. This is critical, DPM Heng said, as trade is three times of Singapore’s gross domestic product.

The two-day conference, on April 29 and 30, is held at Sands Expo and Convention Centre. Close to 700 people, including those from the social service, academic and public sectors, attended the conference on the first day.

In off-the-cuff remarks, DPM Heng said DPM Gan Kim Yong had asked if he could stand in for him to give the opening address at the conference. DPM Heng said he “readily agreed” so that DPM Gan could engage his constituents.

DPM Gan is anchoring the PAP team contesting the new Punggol GRC against a team from the Workers’ Party in the May 3 General Election.

DPM Heng said Singapore has a network of 27 free trade agreements in force, with partners like Asean, Japan, South Korea, India, China, the European Union and the US.

The Republic is also part of the largest free trade bloc in the world, the Regional Comprehensive Economic Partnership.

Singapore’s 28th free trade agreement, with the Pacific Alliance – which comprises Chile, Colombia, Mexico and Peru – will come into force this week, DPM Heng added.

To create opportunities in the digital age, for example, Singapore has signed three bilateral Digital Economy Agreements with Australia, South Korea and Britain.

Singapore wants to create opportunities by also harnessing advances in technology to develop products and solutions which are more efficient, useful and relevant, said DPM Heng.

The country is seeking to position itself as the global-Asia node for science, technology and innovation, he said, adding that the Government committed \$28 billion to strengthen research, innovation and enterprise between 2021 and 2025.

He also described the various ways Singapore is developing its human potential, such as by diversifying pathways for higher learning and enabling working adults to continue learning and stay relevant.

For instance, the Government has enhanced the SkillsFuture scheme with the Level-Up Programme, under which Singaporeans aged 40 and older get a top-up of \$4,000 to their SkillsFuture credits to pursue courses to stay relevant in a changing economy.

DPM Heng also spoke about the Government’s efforts to build a “fair and just society”.

He noted that the National Trades Union Congress played an integral role in the introduction of the Progressive Wage Model in 2012. Lower-wage workers in nine sectors today, including cleaners and security guards, benefit from skills upgrading and higher wages under this model.

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DPM Heng noted that the salaries of lower-wage workers in Singapore have risen at a quicker pace compared with those of the workforce as a whole.

The real wages of workers at the 20th percentile rose by 5.8 per cent from 2019 to 2024, faster than those of median workers, which rose by 3.5 per cent.

DPM Heng said: "This meant that even though the cost of living rose, the wages of lower-wage workers rose even more."

But, at the same time, there are vulnerable groups in society, such as people with disabilities or those who have fallen into difficult situations, he said. "So while we teach the vast majority to fish, we must also take care of our vulnerable."

Professor Danny Quah, dean of the Lee Kuan Yew School of Public Policy, who gave the first keynote speech at the conference, pointed out that social mobility in Singapore is among the highest in the world.

For example, Singaporeans whose parents are in the bottom half of the income group have an income 2.7 times that of their parents, based on data from 1993 to 2023 that Prof Quah calculated. This is compared with 1.4 times for those in Denmark and 1.3 times for those in the US.

Another way of measuring social mobility that Prof Quah highlighted is examining how unrelated a person's income is to his parents' income, or what he describes as intergenerational income independence.

For Singapore, the figure is 0.81, compared with 0.73 in Denmark and 0.66 in the US. A higher figure means the child’s income is less tied to the parents’ income, suggesting greater social mobility.

When asked by The Straits Times why Singapore is doing well in social mobility, Prof Quah said this is because Singapore’s economic growth is “strong, inclusive and distributed quite widely”.

## Sharp changes to world order

DPM Heng said that, in the US and many advanced economies, the benefits of globalisation have not been evenly distributed. Factory jobs, which used to be the bedrock of middle-income employment, are on the decline.

Thus, the US is trying to bring manufacturing back to “Make America Great Again”, DPM Heng said.

The tariffs the US has imposed on China and its allies and trading partners, including Singapore, and the resultant reciprocal tariffs imposed by some countries have led to significant uncertainties for the global economic order, he added.

He pointed out that the International Monetary Fund has downgraded the forecasts for global growth from a projected 3.3 per cent in January to 2.8 per cent in 2025 and 3 per cent in 2026.

Digital disruption is another major threat, where technology can lead to a “winner takes all” economy as market leaders develop huge benefits through economies of scale, among other things.

“Developing countries will need to find new growth models as abundant and cheaper labour may no longer be a strong, competitive advantage,” DPM Heng said.

In its latest Future of Jobs report, the World Economic Forum projected that almost 40 per cent of existing skill sets of workers will be transformed or obsolete by 2030.

In addition, demographic challenges posed by falling fertility rates and longer life expectancies will lead to ageing populations and a shrinking workforce, said DPM Heng.

One in four Singaporeans will be aged 65 and older by 2030, as the Republic joins the ranks of super-aged societies.

DPM Heng said: "The three Ds that I spoke about – deglobalisation, digital disruption and demographics – will reshape our economies and societies in the years ahead.

"There will be winners and losers. But just as humanity rose to the challenges of the 20th century to create new opportunities for all, so can we."

- Theresa Tan is senior social affairs correspondent at The Straits Times. She covers issues that affect families, youth and vulnerable groups.

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