

Intuc this week

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Anatomy Of An Economy

After being in recess since 13 April 2009, President SR Nathan opened the second session of the 11th Parliament when he delivered the President's Address on 18 May 2009. It set the tone for the remainder of this legislative term and puts much to do on the Government's plate.

He went straight to the point. Growth averaged 8 per cent in 2006 and 2007 before the world economy went into a coma. In 2008, growth was 1 per cent and this year the Gross Domestic Product is expected to contract by 6-9 per cent with rising unemployment.

Nevertheless, there are still good reasons to count our blessings. President Nathan said that in the 50 years of self-governance, as compared with dozens of other ex-colonies who gained independence around the same time, Singapore has done better than most. For the most part, Singapore has put in sterling reports year in, year out, and "our success has been the result of right policies, good government, and a united people."

"The present world situation is graver than any in our experience. We are well prepared for it. We have been through crises before, and always emerged stronger. This adversity is another opportunity to temper and bond our people."

One plus factor is that Singapore made hay while the sun shone as "we restructured the economy, upgraded our workforce and attracted many new investments and high-value jobs. We also strengthened our social safety nets."

Of added significance is the fact that Singapore shunned like the plague "fly now, pay later" practices and stuck closely to prudent fiscal policies. In this crisis, it has meant Singapore is able to roll out big ticket counter-measures like the \$20.5 billion Resilience Package, the \$650 million Skills Programme for Upgrading and Resilience (SPUR) and drawing \$4.9 billion



President Nathan giving a message of hope. On his right is Chief Justice Chan Sek Keong and on his left is Speaker of Parliament Abdullah Tarmugi.

from past reserves to fund the Jobs Credit scheme and the Special Risk Sharing Initiative for bank lending.

"In this crisis, our immediate priority is to see Singapore through. Our best strategy is still to help companies to stay viable and continue employing workers. We must keep up the effort to up-skill and re-skill our workers to become more employable and productive, in a changing economy."

"NTUC is at the forefront of these efforts, working shoulder to shoulder with Government and employers. Meanwhile, our economic agencies are continuing to draw in new investments and jobs. Our response to the crisis has strengthened Singapore's reputation, is yielding results, and will put us in a strong position for the future," said President Nathan.

Though the world may never be the same again when this crisis blows over and there will be new challenges seen and unseen, such as protectionism rearing its ugly head, President Nathan added: "But remember that all countries are also facing serious challenges of their own in this environment, and we are better equipped and prepared than most countries to tackle ours."

"We enjoy high international standing, and our success and capabilities are widely admired. If any country can surmount these problems and turn adversity into advantage, Singapore can. We must take steps to emerge from this global crisis stronger economically, socially, and politically."



By
Marcus Lin

Picture by **Victor Chick**

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**Guess Who
Came To
Parliament?**