

**OPENING REMARKS BY DEPUTY PRIME MINISTER  
AND MINISTER FOR TRADE AND INDUSTRY GAN KIM YONG  
AT THE PRESS CONFERENCE ON THE ECONOMIC STRATEGY REVIEW (ESR)  
4 AUGUST 2025**

- Let me start by saying a few words about the most recent tariff developments.
- Last Friday, the US announced the new tariff rates that would take effect from 7 August.
  - The baseline rate for Singapore remains at 10%, but for close to 70 countries, the US will impose tariffs ranging from 15% to 40%.
  - The US will also levy an additional 40% on goods that they have deemed to be transhipped to avoid applicable tariffs.
  - These latest tariffs will raise the aggregate US tariff rates from about 2% at the start of the year to about 15% or higher.
- Even with this latest announcement on the reciprocal tariffs, there remain significant uncertainties.
  - Negotiations with several key countries, including China and India, are still ongoing;
  - Details on how these tariffs will be implemented are still pending
    - The US may also announce further sectoral tariffs, such as on pharmaceuticals, semiconductors as well as aerospace, in time to come.
    - How supply chains are likely to shift as companies factor in these tariffs into their calculations is also yet to be known.
    - There will be long-term implications on the multilateral, rules-based trading order that will inevitably affect Singapore and the rest of the world.
- We intend to continue to engage the US Administration on these matters.
- At the same time, we will also step up our engagements with businesses to assess the impact of these latest developments on them.
  - We had earlier announced a Business Adaptation Grant that will be rolled out in October to help businesses adapt to the new tariff environment.
  - We had also worked closely with SBF to study if we need to develop additional measures to help our companies, in particular our SMEs.
- We will also monitor closely the impact of these developments on our workers, and work with SNEF and NTUC to step up our support where needed.
- Even as we manage the immediate uncertainties, we must start planning for the longer-term to position our economy, our businesses and our workers so that they are able to adapt to the new economic landscape.

- We have been providing regular updates on the work of the Singapore Economic Resilience Taskforce (SERT). Last month, we focused on the first two workstreams, on information sharing and – the second workstream – on planning for the immediate term response to the impact of the tariff. We said that we will share more on the third area of work, particularly on the longer-term economic strategy later.
- Today, I would like to announce that we will convene an Economic Strategy Review (ESR), to chart an economic blueprint that will enable us to stay globally competitive over the longer term, and in doing so, secure good opportunities for Singapore and Singaporeans.
- Let me highlight five focus areas under the ESR.
- First, we must build on our fundamentals to stay relevant and competitive.
  - Amidst a more protectionist and competitive landscape, we must strengthen our value proposition to continue to attract and anchor new investments.
  - We must also encourage and support our companies to grow and expand into our region. This will also allow our companies to capture new opportunities amidst the reshuffling of production and supply chains.
  - And to do both well, we must reinforce Singapore's competitive positioning as a key hub for trade and investment, and remain relevant to the global economy.
  - Jeffrey and Yen Ling will lead a Committee on Global Competitiveness to look into each of these areas.
- Second, we must harness new engines of growth and innovation in the future economy. We want to develop, deploy and diffuse new technologies and innovation, including AI, across the whole of our economy. Jasmin and Hanyan will lead a Committee on Technology and Innovation to look into this.
- Third, we want to deepen our ecosystem for entrepreneurs and start-ups.
- We have made good progress in positioning Singapore as a leading start-up hub in Asia, by building a conducive ecosystem for entrepreneurs to grow their businesses here.
- We want to not only attract global founders to set up new businesses in Singapore, but also nurture our own entrepreneurs. Alvin and Dinesh will lead a Committee on Entrepreneurship to look into this area.
- Fourth, we must prepare our workers and enterprises to be ready for the shifts in the global economic landscape.
- We must ensure that our workers can access opportunities in the future economy. This will require us to empower them with the relevant skills needed for the future. This will also ensure that we have a skilled workforce for Singapore to stay globally competitive. David and Poh Koon will lead a Committee on Human Capital to look into these areas.

- Fifth, our enterprises will need to adapt to the shifts in our economy; some companies, especially those in less productive sectors, may need help to restructure and transform. Desmond and Pei Ming will lead a Committee on Restructuring to help companies to transform, focusing on sectors at greater risk of disruption.
- This Committee will also support workers at risk of being disrupted, so as to help them manage the transition and find new opportunities for employment.
- The ESR will be a tripartite effort. These Committees will also engage widely with businesses, workers and other key stakeholders, to tap on their collective wisdom and ensure that our strategy is relevant and effective.
- Before I invite my colleagues to share more on each of their respective Committees, let me say a few words in Mandarin.
- 上个星期五，美国宣布将于 8 月 7 日生效的新关税税率。
  - 新加坡须遵守的基本税率维持在 10%。
- 但总体的局势仍存在着许多的不确定因素。
  - 包括中国和印度在内的几个主要国家仍在与美国进行谈判。目前，我们还不清楚各国将如何对于这些关税作出反应。
  - 实施关税的细节也有待确定。
  - 美国也可能会在未来宣布对制药、半导体和航空航天等行业征收更多关税。
  - 这些举措将对以规则为基础的多边贸易秩序产生长期影响，也会对新加坡和世界其他地区产生不可避免的影响。
- 我们会继续与美国政府保持联络，继续更进。
- 我们在处理眼前的不确定因素的同时，我们也必须从更长远的角度进行规划，为我国的经济、企业和员工做更好的准备，以应付新的经济形势。
- 今天，我宣布我们将展开经济策略检讨（Economic Strategy Review，简称 ESR），为我国制定长远的经济发展蓝图，让我国在全球能够保持竞争力，同时为我国的企业和工友争取更好的机会。
- 让我重点介绍 ESR 的五个主要的方向。
  - 首先，Jeffrey 和燕玲将领导全球竞争力委员会。
  - Jasmin 和函燕将领导技术和创新委员会来探讨我们如何使用更新的技术。
  - 第三，Alvin 跟 Dinesh 将领导一个创业委员会。
  - 第四，David 和宝琨将领导一个人力资源委员会。

- 第五，我们的企业将需要适应我国经济的转变。其中有一些公司，尤其是生产力较低的公司，可能需要通过协助来进行重组和转型。Desmond 和培铭将领导重组委员会。这个委员会也将协助因转型而面临失业风险的工友应付且寻找新的就业机会。
- 通过 ESR，我们将利用我们的优势，例如我们的长远规划能力等等、来重新规划我们的经济未来。同样重要的是，我们必须继续拥有大胆的想法，保持灵活变通，以便在新的经济环境中为我们的企业和员工争取更好的机会。
- Now, I would like to call upon my colleague, Jeffrey, to share with us, about the Committee on Global Competitiveness.
- Thank you. As you have heard, my colleagues have shared about the five key Committees under the Economic Strategy Review, and the five key focus areas. We hope to be able to provide an update of the work of the five Committees sometime early next year, together with some of the key recommendations, and we hope to be able to publish the final report sometime by the middle of next year. That is the rough timeline of the work of the five committees. And now I will be happy to open the floor for questions.
- **[Closing]** First, let me thank all the media for joining us this afternoon. As you know, we are facing a very challenging and uncertain future because of the tariffs being introduced by the US. It is not just because of the impact of the tariff directly, but because it has created a lot of uncertainty in the global economic landscape.
- First, the impact on the rules-based global trading system, [which] is something that we have been dependent on for our growth and development. Now the rules have been changed, and we will need to find our way forward on how we can work together to continue to grow Singapore's economy.
- And we talked about how we can work with like-minded countries to come together to strengthen our integration within ASEAN, and how can we develop a closed working relationship, partnership, between ASEAN and different groups of economies, whether it is EU, GCC or CPTPP, I think all these different groups of economies will come together and discuss how we can work closer together to chart the way forward.
- But it also signals a new landscape going forward. That is why it is important for us to take a longer-term view to undertake this overall, comprehensive economic strategy review. And this review will take some time, hopefully by early next year we will be able to give an update together with a list of key recommendations. And we aim for the final report to be ready by middle of next year.
- So we look forward to working with our various key stakeholders to formulate this pathway forward for Singapore's economy. Thank you very much for being here.