

APPENDIX E

PRIME MINISTER LEE HSIEN LOONG'S NEW YEAR MESSAGE ON 1 JANUARY 2012

2011 was a significant year for Singapore. Singaporeans went to the polls twice, and elected a new government and President. Having made a significant political transition, we are all now adjusting to new norms in a changed environment.

We achieved steady growth of 4.8% this year. The external environment is uncertain. Debt problems in Europe are far from solved. Next year looks like being difficult for the global economy. As a small, open country, Singapore will inevitably be affected.

Amid this flux, we need to be confident of our position, and clear about our priorities and plans to build a better Singapore. We are working hard to tackle our immediate challenges.

The Government is committed to keeping homes affordable to all Singaporeans. We launched 25,000 BTO [Build-To-Order] flats this year, enabling many first timers to book their HDB flats. In 2012 we are launching another 25,000 BTO flats. In the private property market, the Additional Buyer's Stamp Duty will moderate capital inflows and foreign demand, and help to stabilise prices.

We will redouble efforts to improve our public transport system and expand the train and bus network. We will identify and put right the causes of the recent MRT disruptions. The Circle Line, completed in October, now transports 300,000 commuters daily. More MRT lines are on the way. We will also continue to enhance bus services to improve the daily commuting experience. However, these improvements will take time, so meanwhile please bear with us.

Beyond these pressing concerns, we are attending to long-term issues to improve Singaporeans' lives.

Healthcare must stay affordable and accessible to give Singaporeans peace of mind. We are enhancing our education system to give young Singaporeans the best possible start in life. We must uphold inclusive growth and social mobility as pillars of a united Singapore. This calls both for upgrading our skills and productivity to improve wages, and for strengthening our social safety nets.

Population is a particularly complex and critical challenges. Like most other developed societies, Singaporeans are having too few babies, and our population is ageing. We must find workable solutions to keep our society vibrant and forward-looking, maintain our economic vitality and strengthen our Singapore core.

There are many factors to consider. Singaporeans need to have enough children to replace ourselves, yet getting married and having children are ultimately personal decisions.

A vibrant economy needs enough workers and talent, yet we run into physical and social constraints if we admit too many foreign workers too quickly.

Diversity enriches our society, but only provided new arrivals adopt our values and culture. We need to balance all these conflicting factors, make judicious compromises, and accept the unavoidable trade-offs.

These are real and present issues. We are tightening the inflow of foreign workers to a more sustainable rate. Companies are already feeling the pinch, especially SMEs. Individual Singaporeans will feel it too, because many foreign workers do jobs that serve citizens. Admitting fewer foreign workers also means forgoing business opportunities and accepting slower growth.

This is one reason why we only expect 1-3% growth next year, and why we must do our utmost to raise productivity, to make up in quality what we will miss in quantity.

These population issues affect us all. We will discuss them over the next year, so that we can understand better what is at stake, and what choices we must make as a nation.

How we manage difficult trade-offs like the population issue reflects the strength of our community. Our society is increasingly diverse. The public debate has become more open and robust. This expected and natural, as our nation matures.

However, just as important is how well we relate to one another in our shared home. This applies not only in good times when there are fewer frictions and it is easier to get along, but also when we encounter tough issues, passions run high and different points of view have to be bridged.

Our success as a nation is increasingly defined not just in economic terms but also by our social capital. We need to strengthen our values of tolerance, mutual respect and empathy.

This goes beyond being civil and considerate to one another. It involves us actively appreciating others' perspectives, caring for our fellow citizens, conducting a constructive public discourse and accepting the need to make compromises that benefit the majority. These are essential attributes of a mature, gracious society, which I believe we all want for Singapore.

I am glad to see signs of such positive engagement emerging. For example, nature, heritage and other interest groups are working closely and enthusiastically with the MND [Ministry of National Development] on the project to redevelop the former KTM railway land. Interested Singaporeans are making innovative suggestions on how to balance development and nature along the rail corridor.

We need to handle other more contentious issues as constructively too, such as when we have to build new expressways, train lines or nursing homes, affecting residents nearby.

Much as we would like to, it is not possible to please everyone completely. If all sides refuse to budge, Singapore will be gridlocked and nothing will move. Hence, we need to uphold a spirit of give and take, and actively search for creative and practical outcomes that serve the common good. And, after the final decision has been made, I hope that all parties will rally behind this collective decision.

Overall, we have every reason to be confident and optimistic. We pulled together as one nation to overcome the 2008 Global Financial Crisis. We are transforming our living environment. Punggol 21 Plus is taking shape. Marina Bay has become an international icon, and the Gardens by the Bay will soon be another jewel on our skyline.

We continue to invest in our future: the Singapore University of Technology and Design is enrolling its first batch of students in April, and ITE Central's campus in Ang Mo Kio is taking shape.

We will strengthen the SAF [Singapore Armed Forces] and Home Team to protect our security and our harmonious way of life. We are enhancing our social compact too: nurturing our children's values and characters, strengthening support networks for our elderly and improving our social safety nets to help Singaporeans help themselves. All these will contribute to making Singapore the best home for ourselves and our families.

Because we have been successful, Singapore's international standing is high. Many foreign visitors commend the Singapore spirit and how well we work together.

When I travel abroad, people often congratulate me on Singapore's achievements and want to emulate what we have done. I recently met a young Singaporean participating in an APEC [Asia-Pacific Economic Cooperation] event in Honolulu. She was amazed at how respected Singapore was among her fellow international participants. Businesses know about and benefit from this Singapore premium, but Singaporeans in general are less conscious of this important fact. It is a tremendous asset, based on our track record, reputation, and justified confidence in our people and our institutions.

We must never lose these strengths. I am confident that in a changing world, we will continue to bond as one people and walk shoulder to shoulder into a brighter tomorrow. Let us cherish our dreams, look forward with optimism and resolve, and work together to achieve the best we can for all our people, and for our Singapore.

I wish all Singaporeans a very Happy New Year.