

Establishment of the Economic Review Committee (ERC), 3 Dec 2001

Introduction

In October, Prime Minister Goh Chok Tong announced the establishment of the Economic Review Committee (ERC) to fundamentally review our development strategy and formulate a blueprint to restructure the economy, even as we work to ride out the current recession.

Singapore faces major new challenges. The world economy is undergoing dramatic changes driven by rapid technology advances and globalisation. After 11 September, the international situation has changed even more radically, affecting trade and investment. China's growing importance as a major competitor increases pressure to shift out of those industries in which we are no longer competitive, and to nurture and grow new and promising sectors. Uncertainties in the region call for new strategies to develop Singapore as a hub, for the region and the broader Asian economy. In short, Singapore must upgrade, transform and revitalise its economy. This is the only way to sustain economic growth, create new jobs and increase the wealth of Singaporeans.

Composition of the ERC

The ERC will comprise the following members from the government, labour movement and private sector, in order to solicit as wide a range of views and inputs as possible:

Government Representatives

- a. BG (NS) Lee Hsien Loong (Chairman)
Deputy Prime Minister & Minister for Finance
- b. Dr Tony Tan
Deputy Prime Minister & Minister for Defence
- c. BG (NS) George Yeo
Minister for Trade and Industry
- d. Mr Khaw Boon Wan
Senior Minister of State (Transport, and Information, Communications & the Arts)
- e. Mr Tharman Shanmugaratnam
Senior Minister of State (Trade & Industry and Education)
- f. Mr Raymond Lim
Minister of State (Foreign Affairs and Trade & Industry)
- g. Dr Ng Eng Hen
Minister of State (Education and Manpower)
- h. Mr Teo Ming Kian
Chairman, EDB
- i. Prof Shih Choon Fong
President & Vice-Chancellor
National University of Singapore

Union Representatives

- j. Mr Heng Chee How
Deputy Secretary-General, NTUC
- k. Mdm Halimah Yacob
Assistant Secretary-General, NTUC

Private Sector Representatives

- l. Mr Stephen Lee
Chairman, Pro-tem Committee of the Singapore Business Federation and President, SNEF
- m. Dr Loo Choon Yong
Executive Chairman, Raffles Medical Group
- n. Prof Arnoud De Meyer
Dean of the Asia Campus, INSEAD
- o. Mr Ong Peng Tsin
Founder and Chairman, Interwoven
- p. Mr Johan van Splunter
Chairman & CEO, Philips Electronics Singapore
- q. Mr Rob Stein
Chief Executive Officer (Asia Pacific), Deutsche Bank Group
- r. Mr Sunny Verghese
Managing Director, Olam International Ltd
- s. Mr Wong Kok Siew
CEO, SembCorp Industries
- t. Mr Wong Ngit Liong
Managing Director, Venture Manufacturing

Terms of Reference

The ERC will have the following terms of reference:

- a. To review government policies with economic implications, including taxation, the CPF system, land allocation, and the framework for wage competitiveness;
- b. To recommend ways to strengthen the spirit of entrepreneurship and innovation among Singaporeans, and foster the growth and internationalisation of Singapore-based companies;
- c. To recommend measures to enhance our human capital, to support all sectors of the economy;
- d. To recommend ways to upgrade the manufacturing sector and move into higher value added, knowledge intensive activities including R&D and biomedical science, to build on the successful record of MNC investments in Singapore;
- e. To recommend strategies to promote service industries where we enjoy or can develop a competitive edge, including information & communications technology, education, healthcare, tourism, financial services, logistics and legal services;
- f. To recommend measures to upgrade the operations and raise the productivity of businesses that serve mainly the domestic market, especially the smaller ones; and
- g. To assess the impact of economic restructuring on Singaporeans, and recommend measures to prepare workers to adapt to the changes, particularly through education, skills upgrading and training, to ensure continued employability.

7 sub-committees will be set up, one for each term of reference, to review the specific issues in greater detail and seek views from the public. The sub-committees will be chaired by ERC members and will involve further representation from both the private and public sectors, so as to achieve wider participation in the Committee's work (the list of the sub-committees to be formed and the sub-committee chairmen is attached at Annex 1).

Time Frame

The ERC hopes to complete its work and issue its final report within 9 months. However, the ERC aims to have a first set of recommendations ready by April 2002, especially recommendations on fiscal policies, so that the Government can take them into account when it presents the FY 2002 Budget in May.

Sub-Committee	Chairman
Sub-committee on policies related to taxation, the CPF system, wages and land	Mr Tharman Shanmugaratnam
Sub-committee on promoting entrepreneurship, and the growth and internationalisation of Singapore-based companies	Mr Raymond Lim
Sub-committee on enhancing human capital	Dr Ng Eng Hen
<p>Sub-committee on the manufacturing sector</p> <p>Including working groups on:</p> <ul style="list-style-type: none"> a. R&D activities b. Biomedical science 	Mr Johan van Splunter
<p>Sub-committee on service industries</p> <p>Including working groups on:</p> <ul style="list-style-type: none"> a. ICT b. Education services c. Healthcare services d. Tourism e. Financial services f. Trading and Logistics g. Legal services 	Mr Khaw Boon Wan
Sub-Committee on domestic enterprises	Mr Stephen Lee
Sub-Committee on dealing with the impact of economic restructuring	Mr Heng Chee How

Prime Minister's Office
3 December 2001