

Singapore must become more cohesive as global outlook remains uncertain: PM Wong

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The Business Times, Page 3, Section: TOP STORIES

Tuesday 9 June 2026

1044 words, 726cm² in size

42,600 circulation



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SINGAPORE'S first-quarter growth was solid and reflects the diversity and strength of its economy, but the global outlook remains uncertain, said Prime Minister Lawrence Wong on Monday (Jun 8).

The country is making broad adjustments in areas like economic planning to deal with the uncertainty and technological change, but what is most important is its ability to maintain solidarity and unity, he noted.

"We cannot fully control how the world changes, but we can choose how we respond, and that response must come from Singaporeans ourselves," he said at a dialogue with the Singapore Press Club held at the SPH Media auditorium in Toa Payoh.

Singapore is more diverse than ever before, with people from different backgrounds, different aspirations and perspectives. That diversity is a tremendous source of strength, PM Wong pointed out.

"Our greatest strength remains the same – and that's our ability to stay united and move forward together as one people," he said.

And as the world becomes more

fractured, Singapore must become more cohesive, he added.

"That's how we continue to thrive and flourish in this next phase," said PM Wong at the dialogue titled 'Singapore at 61: What's ahead?'

But while Singapore beat the initial first-quarter estimate of 4.6 per cent to grow 6 per cent year on year, the full effects of the Middle East conflict have yet to be felt here, he noted.

He was speaking as the guest-of-honour at the dialogue which was part of the Singapore Press Club's Eminent Speaker Series, presented by the SPH Foundation.

The government still expects inflationary pressures to rise, and there is also uncertainty about how artificial intelligence will impact the job market, said PM Wong, who is also the finance minister.

He raised the example of electricity prices, and said that current tariffs do not yet reflect the full increase in oil prices due to the crisis which began in February 2026.

The global economy has also been able to adapt better than most people expected, he pointed out. This is because of alternative supplies, rerouting and drawing down inventories. "These buffers

have helped to cushion the impact up to now."

But it is still an open question on how long the disruption and these buffers will last, he said at the session moderated by *The Straits Times*' associate editor Zakir Hussain.

If the disruption continues and buffers start to dwindle, at some point the impact on the global economy will be more severe, and there may be more shortages, PM Wong said. This will result in more impact on demand, and Singapore's growth. Rising costs in areas like food and fertiliser are also not yet fully accounted for, he added.

Singapore will also have to navigate a world that is in the midst of "the most important transition to the global order since the end of the Cold War", he said. This transition will take time and be marked by more distributed centres of power.

The US remains the dominant power for the foreseeable future, while China has risen to be its "peer competitor". Europe remains a major force while India is rising rapidly, he said. There are also rising middle powers including regional groupings like Asean, he added.

Fortunately, Singapore is mov-



PM Lawrence Wong (left) speaking at the dialogue which was part of the Singapore Press Club's Eminent Speaker Series. The session was moderated by Zakir Hussain (right), the associate editor of *The Straits Times*. PHOTO: ST

ing from a position of strength, because the country has built trusted institutions, deep capabilities, and a strong reputation, he noted.

But the government is aware that it cannot stand still and must adapt and change to stay relevant. That is why it recently undertook a major review of its economic strategies, PM Wong said.

Recommendations from this include sharpening Singapore's value proposition to the world, and building more resilience across the public and private sectors. It also means continuing to step up assurance and support for Singaporeans, especially in an era of rapid change, PM Wong added.

This is not new and the government has been doing this consistently over the years, but going forward, it expects change to be faster and more frequent, he pointed out.

It is considering what additional moves it can make to strengthen support systems for households,

families and workers. Ultimately, its belief is that the best form of social protection for Singaporeans is to enable them to stay adaptable, capable, and employable throughout life, PM Wong said.

When asked about the better-than-expected economic growth, he replied: "We start out by providing as objective an outlook as we can, sometimes, and in fact, many times, we end up doing better than expected."

That does not mean the government's assessment was initially wrong, he said, but rather that Singapore has performed better than expected. "That's something we should be proud of, and that's something we should be happy about."

The prime minister added that he hopes growth for the rest of the year is better than initial assessments – current forecasts are for growth at 2 to 4 per cent – but there continues to be uncertainty also

from the potential impact of AI on the job market.

When asked about jobs going to non-residents and what this means for the government's "report card", PM Wong explained that one should not look at quarterly job data but at the overall labour market. "Look across the entire society and see at the end of the day whether or not Singaporeans are indeed having a better life."

Ultimately, Singaporeans will decide whether or not the government has done a good job or not, he said. "In our system of democracy, we have a strong and decisive government, but it is always held to account. We, at the end of the day, show Singaporeans what we have achieved, and Singaporeans decide which government they want to serve them."

"That's how Singapore works, and that's how Singapore has continued to succeed all these years."

THE STRAITS TIMES