

Durability over hype: Assuring our talent edge

Behind Singapore's lower standing in the latest IMD World Talent Ranking is a drop in sentiment, not a structural fall. BY MA QI XIANG AND YI XIN

"TOGETHER, we are not afraid of storms," declared Hong Kong Chief Executive John Lee at the 2025 Hong Kong-Asean Summit on Sep 9.

The line was well-timed, spoken just as Hong Kong climbed five places in the International Institute for Management Development (IMD) World Talent Ranking, overtaking Singapore for the first time in recent memory. Lee touted the jump "a clear testament" to his government's talent push.

The IMD World Talent Ranking assesses how well countries develop, attract and retain talent. It is closely watched by businesses and makes headlines each year.

But beneath the hype, the IMD data tells a different story.

Singapore's talent fundamentals still lead. What shifted was perception, nudged by a deliberate transition in our manpower regime. Hong Kong's strategy, geared for speed, yielded immediate results in the rankings. That flatters optics, but strains durability.

Singapore, meanwhile, chose to build institutions. That takes longer, but holds firmer.

A drift in perception

The IMD World Talent Ranking confirms this: Singapore continues to outperform Hong Kong on all fundamentals of talent competitiveness, including education outcome, appeal to top talent, executive pay and quality of life.

Both economies suffered cost-of-living pressures, but these were not decisive in the ranking.

What dented Singapore's standing was not a structural fall, but a drop in sentiment: IMD surveys reveal growing concerns over skilled labour availability, leadership depth, international exposure and brain drain.

Such drift in perception matters. A small state survives by understanding the world better than the world understands it. To sustain that edge, we need managers who can read markets such as Asean and China, where political literacy and cultural intelligence matter as much as technical expertise.

Nevertheless, these doubts reflect a short-term cost of transition rather than decay.

Two metropolises, two calculations

Singapore chose the harder path: slower inflows, but a system the public can trust.

This outcome was not incidental; it reflected a deliberate recalibration.

In 2024, the number of Employment Pass (EP) holders in the Republic declined even as total employment rose. This coincided with the introduction of Compass, a point-based framework designed to align foreign talent with national priorities. It offers employers greater clarity, but like any quality control mechanism, it also adds decision layers and may temper the pace of recruitment.

Hong Kong chose speed. Its Top Talent Pass Scheme and other headline programmes led to a sharp surge in non-local arrivals. That may have helped stem its brain drain and lifted optics in IMD Ranking, but inflows at that pace raise a differ-



To stay ahead, Singapore needs a more coherent system, one that keeps the core strong, while letting fresh talent and ideas flow in, say the writers. PHOTO: ST

ent question: Are new arrivals building Hong Kong's future, or just leveraging its system?

Many residents voice growing anxiety over the influx of mainland Chinese. They worry that these arrivals treat Hong Kong as a stepping stone, tapping its education, healthcare and identity card benefits without intending to work or integrate.

Former city leader Leung Chun-ying also warned that if newcomers do not settle, the policy itself fails.

Singapore has faced this tension before. After the global financial crisis in 2008, rapid foreign inflows ran ahead of absorption capacity. The 2011 General Election was a reminder that openness without trust loses public support fast.

That lesson still holds: Singapore does not chase numbers that fade, but builds institutions designed to last. And institutions endure only when they are trusted.

When the long game wavers

Still, the IMD survey surfaced a more serious fault line that needs attention: corporate hesitation around long-term talent renewal.

Apprenticeships, employee training priority and worker motivation all declined sharply. Employers are losing confidence in whether universities are producing industry-ready graduates.

A recent Singapore Business Federation survey also found that companies want to train, but cite manpower crunch and uncertainty over returns.

This data points to a deeper erosion in firms' willingness to invest in skills, compounded by a growing misalignment between universities and industry. Left unchecked, this means weaker mid-career pathways and a talent base that drifts behind market needs.

In a city-state with no margin for error, drift accumulates into fragility fast.

To counter this, Singapore needs a stronger tripartite framework where individuals, firms and universities co-invest in capability renewal. At present, SkillsFuture remains skewed towards individuals, leaving firm-level incentives and university-industry collaboration underpowered.

Addressing this imbalance requires both expanding the SkillsFuture Enterprise Credit to spur firm-level training and building stronger company-university partnerships. Only then can renewal be embedded as an institution-wide responsibility, rather than collapsed back onto individuals to carry alone.

But these moves alone are not enough. To stay ahead, Singapore needs a more coherent system, one that keeps the core strong, while letting fresh talent and ideas flow in.

The core and the flows

Singapore's talent system was built for durability. Frameworks such as Compass do what they are designed to do: filter with discipline, uphold meritocracy, and assure citizens that inflows are not arbitrary.

In a small state, legitimacy is infrastructure. Once eroded, it is difficult to rebuild.

Durability, however, is only one side of statecraft. Singapore also needs room for dynamism. That means quicker pathways for project-based talent, more fluid exchanges between firms and universities, and sector-specific passes that bring in niche expertise before bottlenecks harden.

The challenge is not trade-off, but architecture. A trusted core must remain predictable and durable, yet it cannot become a gate. It must reinforce a platform that others can count on.

In Asean, storms are not a metaphor. They are structural realities that we weather daily without fanfare. The real test is not speed, but who can keep building institutions that last.

Singapore's answer lies in alignment: building a core that commands trust, working in tandem with vibrant flows that keep the economy a credible anchor in the region.

This delivers the dynamic yet predictable long-term growth that markets value most. That is how Singapore endures any storm, while others court the spotlight.

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