

IPS-SBF CONFERENCE

GLOBAL-CITY SINGAPORE: SG60 AND BEYOND

22-29 JULY 2025



REPORT (EXECUTIVE SUMMARY)

30 OCTOBER 2025



About the Institute of Policy Studies (IPS)

The Institute of Policy Studies (IPS) was established in 1988 as an independent think-tank to study and generate public policy ideas in Singapore. IPS became an autonomous research centre of the Lee Kuan Yew School of Public Policy at the National University of Singapore in 2008. Today, IPS continues to analyse public policy, build bridges between thought leaders, and communicate its findings to a wide audience. The Institute examines issues of critical national interest across a variety of fields, and studies the attitudes and aspirations of Singaporeans through surveys of public perception. It adopts a multi-disciplinary approach in its analyses and takes the long-term view in its strategic deliberation and research.

For more information about IPS, please visit: www.lkyspp.nus.edu.sg/ips.

About Singapore Business Federation (SBF)

Singapore Business Federation (SBF) is the apex business chamber with over 32,000 members across diverse industries. With a vision to advance Singapore towards a globally competitive and sustainable economy, SBF mobilises the business community to be future-ready and magnify transformation opportunities through policy advocacy, partnership platforms and capability programmes.

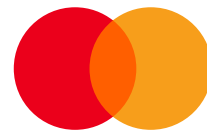
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Energy Market Authority

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Lian Huat Group

Makino Asia Pte Ltd

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EXECUTIVE SUMMARY

1. The IPS-SBF Conference, “Global-City Singapore: SG60 and Beyond” delivered a clear and urgent message: Singapore was navigating into what was an irreversible shift into an era defined by the twin disruptions of geoeconomic fragmentation and the Artificial Intelligence (AI) Revolution.
2. The consensus among policymakers, business leaders, academics and students at the Pre-Conference Forum and Conference was unequivocal: the predictable, multilateral order led by the United States (US) was not returning, and the pace of technological change was fundamentally reshaping the foundations of economic value. The “bumpier ride” ahead, described by the Prime Minister (PM) and Minister for Finance, Mr Lawrence Wong at the Conference, demanded a strategic reset in economic strategy — from adaptation to mitigation and even proactive agenda-shaping at the national, regional and international levels of action.
3. The primary driver of this new reality was the emergence of an aggressive, unilateral and transactional trade policy by the US under the administration of President Donald Trump. As articulated by speaker and Vice President of the Asia Society Policy Institute, Ms Wendy Cutler, the US no longer wanted to be “the caretaker of the global trading system,” which resulted in weakened traditional institutions like the World Trade Organization (WTO) and a more contested and uncertain global environment.
4. This long-term structural change necessitated a fundamental reconfiguration of global supply chains and economic alliances, argued Dr Indermit Gill, Chief Economist and Senior Vice President for Development Economics, World Bank Group, who provided trade data to demonstrate how the rest of the world benefited far more than the US over the past decades of economic development.
5. Among others, Professor (Prof) Jia Qingguo from the School of International Studies and Institute for Global Cooperation and Understanding at Peking University, noted that economic security and geopolitical alignment now rivalled efficiency and comparative advantage as primary drivers of business and economic planning.
6. Both Dr Chatib Basri, former Minister of Finance of Indonesia, and Mr Ravi Menon, Singapore’s Ambassador for Climate Change, said it was critical to take heed of the concerns of national communities and policy elites in designing more flexible, issue- and sector-based coalitions of trading nations that are emerging.
7. Also, the next phase of globalisation would succeed only if it fostered domestic economic integration. Businesses had to redesign industries to become more economically inclusive, ecologically sustainable and resilient. This was the policy trilemma that confronted key stakeholders, stated Temasek Board Director, Mr Tan Chong Meng as well as Amb Menon.
8. With specific regard to the sustainability imperative, research by Prof Edward Malesky of Duke University’s Sanford School of Public Policy suggested that context mattered in shaping which mechanisms worked best in shifting businesses towards that goal. Government legislation worked in some places, while activating consumer preferences or civil society activism worked in others.

9. The Conference highlighted a strategic path forward amidst global disruptions. Globalisation was indeed evolving into a complex, multi-layered ecosystem of alliances, particularly in digital and green economies. Dr Gill suggested that the softer norms- and consensus-oriented approach to multilateralism like that of ASEAN would be better suited in this reset of the global economy than the hard, judicial systems of the WTO and the European Union.

10. For now, businesses were confronted by a “spaghetti bowl” of overlapping free trade agreements (FTAs) and regional partnerships, each with their distinct set of rules and requirements. The research presented by Associate Professor (Assoc Prof) Soo Yeon Kim, Chair of the Korea Foundation Chair at the University of British Columbia, underscored the practical difficulties of this situation.

11. The primary barriers to thriving were not the lack of agreements, but the lack of awareness of these, the procedural complexities in using their provisions and the fact that the export volumes of small and medium enterprises (SMEs) so dominant in Southeast Asian economies were too low to meet the thresholds for preferential treatment. This reality underscored the need for simplification and harmonisation. Assoc Prof Kim proposed practical solutions, such as raising the *de minimis* value thresholds for certificates of origin and consolidating rules under broader frameworks like the Regional Comprehensive Economic Partnership (RCEP) within the region. Better yet would be the introduction of a structured engagement process among key stakeholders in designing the provisions, trade rulebooks and implementation details of such free trade agreements.

12. As for Singapore, an important strategy to pursue was that of “active alignment,” or the engagement of major powers based on trust and reimagined bases for mutual benefit, argued Dr Basri as well as Chief Executive Officer of DBS Group, Ms Tan Su Shan. Ms Tan emphasised that Singapore's reputation for stability, rule of law and integrity was its “secret sauce” which made it a safe harbour for capital, a reliable node in supply chains and a credible leader in setting global standards for emerging areas of growth.

13. Parallel to these geoeconomic shifts reshaping the global economy was the rise of AI, which the Conference elevated from a mere efficiency tool to a foundational technology ushering in a “Second Cognitive Revolution”, in the words of Mr Russell Tham, Managing Director and Head of Emerging Technologies at Temasek. With the potential to add up to 30 per cent more output to the workforce, according to Global Managing Partner at McKinsey & Company Mr Bob Sternfels, AI had to be seen not merely as a disruptor but as the core engine of future competitiveness.

14. This revolution was characterised by AI's ability to operate in multimodal systems that fused language, audio and text, and — crucially — generated new data and reasoning beyond their initial training sets. Mr Jefferson Chen, Co-Founder of Advance Intelligence Group, reinforced this view, stating that AI had to be treated as a “foundational platform” capable of driving progress, transforming one sector to the next.

15. Executive Chairman of Hitachi Asia Ltd, Mr Kojin Nakakita described AI as a central force in the “great redesign” of the global economy. The narrative needed to shift from what AI could do (i.e., automates tasks) to what it could enable (i.e., new business models, new

forms of value creation and new workforce structures). He laid out a vision of the “Omni-Sentient World” in the year 2038 where he expected a synthesis between the developments in intelligence and sustainable energy would have taken place. Cities that did best in such a world would be the those that had an advantage not because of their size or location but for being part of this sustainable value chain driven by intelligence.

16. The strategic imperative for Singapore was therefore not necessarily to be the first in developing frontier technology and innovation, but to leverage the rapid and widespread diffusion of this AI technology across the economy, particularly within the SME and start-up spaces not weighed down by legacy investments in older technology.

17. This point of enabling a more pervasive and appropriate application of AI was also made by PM Wong. However, a discussion of merely the cost of automation seemed to make such an ambitious transition to AI, daunting. Mr Lennon Tan, President of the Singapore Manufacturing Federation said that the high cost of automation — up to an average of S\$3–5 million for a full production line — made it difficult for SMEs to justify the investment. Such costs as well as the limits on expertise and mindsets were barriers to broad-based diffusion of these new technologies, including AI.

18. The success of these efforts would also turn on a critical enabler: human capital. Deputy Prime Minister (DPM) and Minister for Trade and Industry, Mr Gan Kim Yong stated that with technical skills’ half-life diminishing to under two years, the approach to talent development had to become continuous and lifelong. Several speakers said the same, urging all to focus on cultivating uniquely human skills — creativity, critical judgment and communication — that could work symbiotically with AI.

19. However, whether it was motivating firms or workers to adopt these technological changes, Ms Phyllis Ong, Group Chief Executive Officer of Armstrong Industrial Corporation Limited said that future development at the macro- and micro-level would boil down to a question of the corporate value system and where “People Intelligence (PI)” stood in relation to it rather than “Artificial Intelligence”. It would be PI that would provide the sense of purpose and drive towards innovation on a sustained basis.

20. Secretary-General of the International Chamber of Commerce, Mr John Denton said that while the world was at an inflection point, there was an opportunity to make it a moment of transformation and not of breakdown. Given Singapore's agility, trustworthiness, sheer grit and determination, as well as the sense of agency among its people and leaders as evident since Independence, the country had the wherewithal to achieve greater success, SG60 and beyond.

21. The following are recommendations derived from the programme for key stakeholders:

For corporate and finance leaders

22. ***Mandate AI adoption as a core C-suite priority*** specifically by establishing dedicated, cross-functional teams to drive diffusion across all business units. Performance metrics should be tied to the successful deployment of AI in enhancing productivity, creating new revenue streams and improving customer outcomes.

23. ***Proactively consider reconfiguring supply chains for resilience and regional opportunity, which may entail operating dual supply chains*** — one designed for the US market and another for the rest of the world — to withstand future disruptions.

24. ***Lead public-private partnerships in talent reinvention*** where programmes focus on the symbiosis of technical AI literacy and uniquely human capabilities like creativity and critical thinking, ensuring a talent pipeline that would be directly aligned with the evolving needs of the modern economy.

For technology and innovation leaders

25. ***Develop and scale “AI-as-a-service” platforms for the SME sector*** to shift the focus from bespoke enterprise solutions to creating affordable, scalable and user-friendly ones. Tailored to SME needs, these platforms could offer turnkey solutions for common business functions (e.g., marketing, finance), thereby democratising access to advanced technology and accelerating the broad-based diffusion.

26. ***Champion the development of interoperable standards for new economic alliances*** by participating in and leading initiatives in digital identity, cross-border data flows, AI governance, carbon accounting and so on. By building “coalitions of the willing,” Singapore’s technology ecosystem could set de facto global standards that would enhance its position as an indispensable business hub.

27. ***Invest in research and development efforts focused on the human-AI symbiosis*** where the greatest value is created at the intersection of machine intelligence and human creativity and purpose. This could include creating AI “co-pilots” that assist with research, as well as interfaces that foster the non-linear, innovative thinking that are a uniquely human and highly valuable capability.

For government and regulators

28. ***Double down on “active alignment” by expanding the network of digital and green agreements and across emerging intelligence-driven growth poles***, designed as open, “plurilateral” platforms other economies can join. This should allow Singapore to serve as a nucleus for a new, more flexible international economic architecture. Cities that could achieve the synergy between AI and sustainable energy yet ensure that growth would be inclusive for their domestic constituents, would become the new growth poles of the next phase of globalisation. Singapore should ensure its place in such networks and start building more.

29. ***Evolve national talent initiatives to embrace a lifelong, modular learning model*** ensuring that curricula would be dynamically updated to reflect the urgent demands of the job market, particularly in AI-related fields. Education systems should shift away from purely credential-based outcomes towards equipping individuals with the more crucial ability to learn-unlearn-relearn as well as enhance the uniquely creative and critical thinking abilities of human capital.

30. ***Design “smart regulation” to lower the barriers to SME technology adoption*** by expanding sandboxes that would allow SMEs to experiment with new technologies like AI. By co-creating clear and simplified guidelines for AI ethics and data governance, the compliance burden could be reduced. Enhancing financial support schemes, possibly through risk-sharing loan models, could lower the capital investment hurdles for SMEs seeking to innovate.

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Click [here](#) to read the full conference report.