

It's about qualitative growth

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For productivity to double from the current average of 1 per cent per year, Singapore must focus on "qualitative growth", so that the income per capita of Singaporeans can keep growing, said Prime Minister Lee Hsien Loong, a day after Senior Minister Goh Chok Tong too highlighted the productivity issue.

A key component of the Economic Strategies Committee's report to be released Monday - to which the Government will respond in its Budget on Feb 22 - is that workers will need to upgrade their skills, while businesses must innovate with unproductive ones phased out, Mr Lee reiterated. And with Singapore unlikely to continue growing by 5 per cent per annum as it did over the past decade, the Trade and Industry Ministry is studying what a more realistic target would be, Mr Lee added. "We must acknowledge that we're now more developed economically than we were 10 or 15 years ago, and we can no longer grow as rapidly as before."