

Population hits 5.47m but growth slowest in a decade No conclusive evidence rapidly ageing citizenry will lead to falling productivity: Analyst

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Singapore — Singapore society continued to age in the past year, as the Republic's total population grew at its slowest in a decade, rising 1.3 per cent to reach 5.47 million in June.

The proportion of citizens aged 65 and above inched up to 12.4 per cent this year, up from 11.7 per cent last year. Citizens' median age increased to 40.4 years, up from 40 last year.

The statistics were released yesterday by the National Population and Talent Division (NPTD) in its the annual Population in Brief report.

It also showed that the number of citizens rose by 0.9 per cent in the past year to 3.34 million, through births and immigration. There were 20,572 individuals granted citizenship last year, and 31,017 citizen births. The number of permanent residents held steady at 0.53 million.

The number of non-residents — largely comprised of foreigners working here and their families, as well as students — rose by 2.9 per cent, slower than the 4 per cent the previous year.

The NPTD said foreign employment growth — driven mainly by the construction sector — was 3 per cent, “a more sustainable pace” compared with the 5.9 per cent the previous year. Two-thirds of the increase in foreign labour in the past year, or about 22,000 out of about 33,000, was from construction, statistics showed.

Businesses will face a tight labour market going forward as the economy restructures, but Singapore will remain business-friendly and the Government will help businesses to grow and succeed here, said the NPTD. The slowdown in total population growth was the result of moderation in foreign employment growth, which the Government has taken concrete steps to achieve, it added.

Asked if Singapore's economic growth projections -- 3 to 5 per cent annually until 2020 -- were sustainable in the face of slowing inflow of non-residents and a rapidly ageing citizen population, economist Shandre Thangavelu said the impact of an ageing population was felt even with a rapid increase in the foreign population. “In fact, there is no conclusive evidence that ageing will lead to slower or falling productivity growth as older workers have inherent acquired skills that will allow them to adapt and adopt to economic situations much better,” said Associate Professor Shandre, Regional Director of Southeast Asia at the University of Adelaide's Institute of International Trade, who is based in Singapore. Slower diffusion of technology is possible, but the workforce is getting more educated. Singapore is reaching a stage of growth that requires effective use of all available resources including older workers, to maintain competitiveness and sustainable growth, he said.

Whether economic growth projections can be sustained depends a lot on achieving higher productivity, said DBS economist Irvin Seah. But instead of measuring productivity by output per worker, Singapore could use real median income instead. “In a small country where the economy is largely driven by external demand, (using a) GDP-per-worker measurement is

totally off,” he said. “If you believe a person should be paid based on his productivity, his work rate, then wages is a measurement of his productivity.”

Immigration helps to balance the shrinking and ageing of the citizen population, said the NPTD. Four in 10 of new permanent residents last year were aged 21 to 30, while just over four in 10 new citizens last year were aged 20 and below. The number of overseas Singaporeans, meanwhile, increased to 212,200 this year, up from 207,000 last year.

On the population trends, National University of Singapore sociologist Tan Ern Ser said: “There are obvious benefits to having smaller population growth, but there are costs as well. We cannot always have our cake and eat it, sadly.”