

Parliamentary Reply by DPM Teo Chee Hean on optimum old-age support ratio and number of people required for sustainable old-age support ratio

TWELFTH PARLIAMENT OF SINGAPORE
WRITTEN ANSWER
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Mr Pritam Singh:

To ask the Prime Minister with reference to NPTD's Issues Paper "Our Population, Our Future" (a) what is the optimum old-age support ratio that is required to keep the Singapore economy vibrant up to 2030; and (b) how many additional nonresidents, PRs and/or Singaporeans are projected to be required for a reasonably sustainable old-age support ratio and what is the basis of this calculation

Mr Teo Chee Hean (for the Prime Minister):

Our demographic changes will result in a smaller pool of working-age citizens and lower citizen old-age support ratio within the next decade. A multipronged approach is needed to overcome the challenges of a shrinking and ageing citizen workforce.

First, we are working towards raising our productivity through business restructuring and the retraining of our workforce through initiatives like the Productivity and Innovation Credit and Capability Development Scheme. Second, we are also encouraging more residents, including older workers and women, to enter and stay in the workforce through job-redesign and flexi-work schemes. Third, we need calibrated levels of foreign manpower to complement our resident workforce.

With current birth rates and no immigration, there will only be 2.1 workingage citizens (aged 20-64) to each citizen aged 65 and above in 2030. If our citizen population is supplemented by immigrants and a foreign workforce, the old-age support ratio in the total population will improve.

However, there are no international targets or recommended standards for the old-age support ratio. A declining ratio will mean a greater fiscal burden borne by working-age citizens. There will also be fewer citizens looking after their parents and elderly relatives. Issues regarding the sustainability of our citizen workforce will also arise.

A comparison of old-age support ratios of many developed countries today is in [Table 1](#).

[Table 1](#): International Comparison of Old-Age Support Ratio Country

Country	Old-Age Support Ratio (2010)
Japan	2.6
Germany	3.0
Sweden	3.2
Finland	3.5

Denmark	3.6
Japan	2.6
United Kingdom	3.6
Switzerland	3.7
Netherlands	4.0
Norway	4.1
Luxembourg	4.5
United States of America	4.6

Source: United Nations, World Population Prospects: The 2010 Revision

The Government is engaging the public on these issues and is preparing to release a White Paper on Population in January 2013. We have invited Singaporeans, including all Members of Parliament, to provide their views.