

Singapore PM Warns Risk Of Relapsing Into Second Global Recession

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SINGAPORE, Sept 2 (Bernama) -- Singapore Prime Minister Lee Hsien Loong says the global economy is deeply troubled and in the short-term, there is a risk of relapsing into a second global recession.

He said the economic problems in the United States and in the European Union would take years to resolve, even assuming they muster the political will and consensus needed.

"Singapore is vulnerable to these external problems, so we should be prepared for turbulence ahead. Fortunately, Singapore is in a good position. We have a vibrant economy, a capable and hard-working people and substantial reserves built up prudently over many decades.

"These give us the resilience and the resources to see us through the worst storms," he said in his speech at the swearing-in ceremony of the republic's seventh President Dr Tony Tan Keng Yam at the Istana last night.

On Dr Tan's responsibility, Lee said: "You are taking office at a critical point in Singapore's economic and socio-political development."

"Indeed, protecting our Past Reserves was a major reason for creating the institution of the Elected Presidency.

"Our Past Reserves are our rainy day funds, which are not just for today's Singaporeans, but also for our future generations, our children today and their children tomorrow," he said.

Lee said the president holds the second key and must agree before the government can draw upon Past Reserves.

He said drawing on "our reserves should only be an absolutely last resort. Our first strategy is to ensure a resilient and dynamic economy."

"But our reserves give us confidence that we can weather any crisis, however severe it may be. My Government will continue to be prudent and build up our reserves year-by-year," Lee said.

He said there will surely be future occasions when the government will have to seek the president's approval to draw on our hard-earned Past Reserves again.

"It could conceivably happen within your term as president, if the dangers facing the world economy escalate and precipitate a major crisis.

"In such an eventuality the government will work with you, Mr President, to handle the request and decision deliberately, systematically, and in the best interests of Singaporeans," Lee added.

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