Chee Hong Tat: Signals, sails, and stewardship - turning headwinds into tailwinds

Speech by Mr Chee Hong Tat, Minister for National Development, and Deputy Chairman of the Monetary Authority of Singapore, at the DBS event "Gearing up for 2026: a conversation with Minister Chee Hong Tat and DBS CEO Tan Su Shan", Singapore, 22 October 2025.

* * *

Ms Tan Su Shan, CEO, DBS Bank
Distinguished Guests
Ladies and Gentlemen

Good morning. Thank you for inviting me to join you for this session.

Signals in a changing world

We are living through a period of uncertainty and change. The rules-based global order is fraying, and the global economic map is being redrawn.

a. Rising protectionism and growing geopolitical contestation are reshaping the world to one that is more fragmented, more unstable and more difficult, especially for smaller countries.

b. At the same time, rapid advancements in technology, including Artificial Intelligence (AI), are transforming the way we live, work, and do business.

c. We also have global challenges like dealing with climate change and pandemics which can affect the whole planet, and will require countries to continue working together.

Global uncertainty has become our new reality. Yet, as the old saying reminds us, "We cannot command the wind, but we can adjust our sails." The question for us is: how do we navigate the stormy seas ahead and importantly find new ways to grow?

Even amidst global headwinds, I believe that Singapore - as part of Asia, including ASEAN - and the region can continue to offer resilience and opportunities.

a. ASEAN is currently the world's 5th largest economy, with a consumer market of over 700 million people and annual investment flows of more than S$290 billion. It is on track to become the 4th largest economy by 2030.

b. ASEAN remains a dynamic region, with real GDP growth averaging 5.3% annually since 2015 outside the COVID-19 pandemic years. Due to the tariff uncertainty, IMF's latest forecast shows that ASEAN-5 economic growth would moderate, but is still expected to grow at a respectable rate of 4.2% in 2025 and 4.1% in 2026[1].

c. ASEAN's growth rests on solid foundations - a young population, rising affluence and an expanding middle-class, as well as fast-growing digital and green economies, underpinned by deepening economic ties within the region.

Singapore is well-positioned to be a trusted hub and gateway to ASEAN to support the region's growth. To play this important role, we need to maintain our economic competitiveness, remain open to global talent and capital, and stay connected with the world.

Adjusting our sails to harness the winds

As we navigate these uncertainties, it is important to build on our strengths. Singapore's financial services sector remains a cornerstone of our economy, anchored on our reputation as a stable, trusted, and well-regulated hub.

We continue to attract global investors, businesses, and talent to our shores. And there are many opportunities to further deepen our role in intermediating global capital flows.

In 2024, the financial services sector accounted for around 14% of our GDP and grew by 6.8% year-on-year - more than twice the rate of the previous year. This growth has been broad-based, spanning banking, insurance, capital markets, and asset and wealth management.

a. Total assets in the banking sector grew at a 6.8% CAGR over the past three years. The insurance industry also saw healthy expansion, with total assets rising by 3.6% year-on-year to exceed S$450 billion.

- At the same time, we continue to see global financial institutions - both banks and insurers - expanding their regional business functions and investing in new capabilities here in Singapore.
- For example, more than 30 financial institutions have set up AI functions in Singapore, with some serving as Global AI Competency Centres. Many are developing and piloting AI solutions here before scaling them to other markets.

b. In the capital markets space, Singapore continues to strengthen our position as the largest FX market in Asia.

- Based on the Bank for International Settlements (BIS) Triennial FX Survey, average daily trading volumes hit a new high of almost S$2 trillion in April 2025, increasing by 60% from April 2022. This was double the growth rate of other key FX centres.
- Our corporate debt market also grew strongly, with new debt issuance jumping over 30% to surpass S$300 billion.

c. Our asset and wealth management industry also performed well. Assets Under Management (AUM) in Singapore reached over S$6 trillion for the first time, representing a 12% year-on-year[2] growth or 50% increase over the past five years.

d. This has been supported by strong growth momentum across both traditional and alternative assets, reinforcing our role as a gateway for global managers and investors seeking exposure to Asia.

We have to be clear that even though we have done well so far, we should not be complacent with our past successes, as this is a dynamic and competitive industry. We can take our past successes as a strong foundation for us to build on, but we must have the ambition to build our strengths and grow even further. Looking ahead, we will focus on four strategic priorities to strengthen Singapore's position as an international financial centre in Asia.

a. First, building on our competitive strengths in key areas - including asset and wealth management, insurance, foreign exchange and capital markets - to deepen our capabilities and enhance our resilience as a hub.

b. Second, proactively establishing new growth pillars. As our financial sector matures and global competition intensifies, we must proactively identify new and emerging opportunities such as in AI. And importantly, take concrete steps to prepare our companies and workers to embrace AI and integrate AI in their daily operations. There is no point talking about AI as a broad concept to make our speeches sound nicer or to make ourselves sound more intelligent when we talk to other people. That is not going to achieve anything for us and for our companies. We must take concrete steps to integrate AI into our daily operations, and we must help our workers to be able to upskill themselves, to be ready to use AI.

c. Third, strengthening our regional and global connectivity by deepening trade, payment, and financial linkages. Within ASEAN, the Johor-Singapore Special Economic Zone is one example of how businesses can tap into the complementary strengths of both sides to optimise and scale operations across the region. Of course, this is not the only region. We also have Batam, Bintan and Karimun (BBK), and links with other parts of ASEAN. As I mentioned earlier, strengthening economic integration within ASEAN is a priority.

d. Fourth, strengthening our talent pipeline. We will continue to invest in growing and upskilling our local workforce, ensuring that they are equipped with the skills and knowledge needed to thrive in the new environment. At the same time, we must remain open to attracting and integrating global talent that can complement our local workforce, so that we can further strengthen the overall competitiveness of our financial services industry.

- The competition is global. If we don't bring the best global talent here in Singapore, how are we going to compete with other financial centres? We want to bring global talent here to complement our local workforce so that our financial services industry can grow and the economic pie becomes larger. There is more that we can share with our key stakeholders, including our local workers. I believe that is the better and more sustainable way to help our local workers to have better jobs and higher pay.

These priorities reflect our broader objective - to grow our economy, to create value for businesses and investors, and ultimately to create more good jobs for Singaporeans.

Strengthening our capital markets

I have talked about the strong growth in our FX and corporate debt market. Let me now touch on how we are strengthening our equities market.

Over the past year, we have worked closely with the industry to come up with proposals that could enhance the liquidity and competitiveness of Singapore's equities market. We decided not to go for quick fixes, such as asking GIC or Temasek to pump-prime the market by mandating them to invest a certain amount in local equities. I explained in Parliament previously, in response to similar calls by the Workers' Party, that I do not believe such superficial measures will be effective and sustainable. It is what the Chinese call , solutions that may sound good in theory but actually do not solve the underlying problems facing our equities market.

Instead, we canvassed widely for practical ideas from the industry and have introduced a range of different measures - across demand, supply, regulation, and connectivity, with more to come when we finalise our review by end of the year. These initiatives seek to increase investor participation and encourage quality companies to list here. Please allow me to give a brief update on a few examples.

a. First, we are on track to make a second batch of manager appointments later this year, under the S$5 billion Equity Market Development Programme (EQDP). We expect this second batch to include a mix of global, regional and local managers with good capabilities in Singapore equities, such as proven track records in attracting institutional flows and broadening market liquidity. We are committed to growing our asset management ecosystem's capabilities in Singapore equities, including in small- and mid-caps.

b. Second, we will announce more details in November on measures to support listed companies to deliver greater shareholder value and to actively engage shareholders on their business plans. This follows from what I shared at the Singapore Institute of Directors' Conference in September on introducing a "Value Unlock" programme. This will include government grants, toolkits, and an expanded suite of engagement platforms to support our companies in unlocking shareholder value and improving their investor engagement capabilities.

c. Third, on the regulatory front, we are committed to a more pro-enterprise regulatory approach while strengthening investor protection and confidence.

- Earlier in May, the Monetary Authority of Singapore (MAS) consulted on proposals to streamline prospectus requirements and broaden investor outreach channels for initial public offerings. We are pressing ahead with these moves.
- MAS will soon consult on proposals to enhance investor recourse avenues, with proper safeguards so we do not become an overly litigious society. These proposals seek to facilitate investor self-organisation and access to funding to defray costs.
- MAS and the Singapore Exchange Regulation (SGX RegCo) will also be issuing public consultations in the next few weeks, that will lay out proposals to

consolidate the listing review functions within SGX RegCo. These proposals seek to streamline the listing process which currently involves both MAS and SGX RegCo.

d. Fourth, on connectivity. I am pleased to note the progress made towards deepening ASEAN market integration.

- Last week, SGX and Indonesia Stock Exchange (IDX) launched the Indonesia-Singapore Depository Receipt (DR) Linkage. This enables Singapore investors to access IDX-listed companies via local brokers and in Singapore dollars.
- This is SGX's second such collaboration in ASEAN, following the successful launch of the Thailand-Singapore DR Linkage in 2023.
  This is another meaningful step towards greater ASEAN market connectivity, and is in line with our broader efforts to strengthen cross-border partnerships.

The Review Group will complete our review by end of the year, and we are encouraged to see some green shoots emerging from our initial proposals. Trading activity in Singapore equities including in small- and mid-cap stocks has picked up, with average daily turnover in 3rd quarter of 2025 increasing by 16% to S$1.53 billion, the strongest level since Q3 FY2021.

These positive outcomes are the result of our collective efforts with industry partners and stakeholders, including DBS. I wish to thank everyone who has participated in our focus group discussions and provided valuable feedback and suggestions. Thank you so much for your support and contributions. Please continue to work closely with us on this ongoing journey. Even after the Review Group has completed our report later this year, it does not mean our work stops there. In fact, the work must continue as there will be new ideas, new areas to be improved, and things that we need to implement effectively. So, it is an ongoing journey, and I would like to count on your continued support and contributions.

It is therefore timely that DBS is publishing its Singapore 2040 Report, which provides an assessment of the outlook for Singapore, amidst today's global uncertainty. The Report reaffirms the financial sector's role as a high-value multiplier and underscores the need to deepen linkages between finance, technology, and the real economy, because that is the key to our next phase of growth.

The Report's emphasis on digitalisation and talent also aligns closely with our national priorities to raise productivity and sustain Singapore's position as a leading international financial centre.

Conclusion

Ladies and gentlemen, in the face of global shifts and uncertainty, Singapore's approach remains trusted, consistent and reliable. We mean what we say, and we say what we mean. And what we commit, we will do. And we will continue to take a long-term view on developing and growing our economy and our financial services industry, focusing on strengthening our fundamentals and capabilities, so that our comparative advantages are sustainable and long-lasting.

Over the past six decades, we have weathered many storms. Each time, we responded by navigating effectively in rough waters, keeping our bearings when visibility was low, and making calculated bets even before the storm cleared. And most importantly, keeping the crew and passengers as a united team as we sail through turbulent seas together in the same boat.

This is how we turn challenges into opportunities. By trimming our sails wisely, we can harness the winds of change and turn headwinds into tailwinds. We will stay open, stay connected, and stay competitive.

In times like these, what matters is not just where capital flows, but where it finds confidence. I agree with Su Shan that in times of uncertainty and turbulence, trust has an added premium.

Singapore will continue to offer that confidence, through our stable, trusted environment that enables long-term value creation, including in turbulent times.

Thank you once again for having me. I look forward to our fireside chat.

---

[1] IMF World Economic Outlook, October 2025.

[2] MAS Asset Management Survey 2024.