**Essay for Term 3 – Economic Growth**

**Question 1**

Going digital is now an imperative for companies across all sectors, and workers are nudged to pick up new skills as the economy embraces more technology. Digitalisation enables small countries like Singapore to transcend size and geography and helps enterprises to penetrate new markets. The burgeoning digital economy is estimated to increase Singapore’s GDP growth rate by 0.6 per cent annually.

*Channel News Asia, 13 Jan 2020*

1. Explain how technology can help a country like Singapore to achieve economic growth.
2. Discuss whether prioritising technological pursuit to achieve economic growth would cause challenges for Singapore’s economy. (15)

**Question 2**

After years of surging foreign manpower growth, the Singapore government moved to tighten the labour market in 2009 as part of its efforts to reduce reliance on low-skilled labour to encourage innovation and automation, especially among small and medium enterprises. In 2017, the Singapore economy grew 3.5%, more than double the initial forecast.

Source: The Business Times, 5 February 2018

(a) Explain the factors that are likely to contribute to Singapore’s actual and potential economic growth. [10]

# [10]