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MINISTERIAL STATEMENT IN PARLIAMENT BY
THE MINISTER FOR NATIONAL DEVELOPMENT

In a speech to community leaders on 6 January, I referred to the trend in some HDB housing estates where concentrations of racial groups are beginning to form. The President, in his Address at the opening of Parliament, also highlighted the gravity of this problem.

I would like to inform the House today of the measures that the Government is going to introduce to ensure that each estate will have a good racial mix.

The Government will set limits on the maximum proportions of each racial group allowed in each HDB neighbourhood. It will also set a separate limit on the maximum proportions allowed in each HDB block. These limits are set out in Table 1. They will cover both the allocation of new flats and the resale of flats. They will take effect from 1 March 89.

I would like to give the assurance that no HDB resident, whether he is Chinese, Malay or Indian will be required to move from his present flat. The measures that we are introducing to ensure a good racial mix will only affect the future allocation of new flats and the resale of flats from 1 March 89.

Let me now explain the reasons for the measures and how they will work. I have distributed to Members Annexes I and II. Annex I shows the racial distribution of applications for new flats. It shows that proportionately

more Chinese applied for new flats in Ang Mo Kio/Hougang Zone while more Malays applied for Bedok/Tampines Zone. Annex II shows the position for resale flats. Malays bought more than half the resale flats in Bedok/Tampines Zone. In the case of Bedok, if present trends continue, the Malay proportion will reach 30 per cent by 1991, and exceed 40 per cent in 10 years' time.

Similar trends are emerging in other estates, largely through open-market resale of HDB flats. This is illustrated by a more detailed analysis of the purchases of resale flats by race and estate, as shown in Annex III. You can see from Annex III that a high proportion of the buyers of resale flats in 1988 in Bukit Merah, Redhill and Henderson were Chinese. In Bedok, Eunos, Teban Gardens and Taman Jurong, more than half the buyers were Malays. In parts of Yishun and in Kampong Java, Indians formed a high proportion of buyers.

There are clear signs that racial congregations are re-emerging. Although the problem has not reached crisis proportions, the experience of other multi-racial societies such as the United States shows that the process begins slowly, but once a certain point is passed, racial groupings accelerate suddenly.

With the slowing down of HDB's Building Programme, resale flats will have an increasing influence on the ethnic distribution in the HDB estates. We must therefore introduce open and clear policies early, to stop these trends.

In the late fifties and early sixties, various sections of our population were gathered in different pockets distinguishable by their racial or dialect groups. The Malays were concentrated in Geylang Serai, Eunos and a few other areas. The Indians were found in disproportionate

numbers in the Serangoon Road and Naval Base areas. The Chinese gathered in dialect groups: the Cantonese in Kreta Ayer, the Hokkiens in Telok Ayer, the Teochews in the Upper Serangoon area and in Boat Quay, and the Hainanese in the Beach Road/Middle Road area. Each group was fiercely proud of its own identity and defended its narrow interests stoutly. Each clung to its own race or dialect community for security and mutual assistance.

The Government seized the opportunity of the massive public housing programme to mix the population. We made sure that every HDB new town and estate reflected the racial mix in the general population.

With few exceptions, we have made each electoral constituency representative of the racial and social mix in Singapore. Each HDB new town has a cross-section of Singaporeans. Each has its share of talent and community leaders. Each MP is familiar with the problems of every ethnic, economic and social group in Singapore. Grassroots leaders too are familiar with such problems and can therefore play a more effective community development role among the residents.

Most importantly, each racial group has developed an understanding of the other racial groups making up our nation. This explains how we have been able to forge a consensus on social issues, and carry the population with us. Mixing the various communities in proportions that approximate the general population has given us racial tolerance and harmony for more than 20 years. To allow them to regroup will be to go back to the pre-1965 period which saw racial riots.

We will therefore, set limits on the maximum proportions of each racial group allowed in each HDB neighbourhood. These are set out in Table 1. These

proportions take into account the existing racial composition of our population, and the projected demand for HDB flats by each racial group. The projected demand is based on the rate at which new households are formed and on recent trends in applications.

We have chosen the HDB neighbourhood as our basic unit to apply the racial proportions because it is a distinct entity with a well-defined physical boundary. A neighbourhood comprises an average of 50 blocks and has about 5,000 flats. Every new town is made up of a number of neighbourhoods, each designed around a neighbourhood centre, which is a focal point for community activities.

The neighbourhood limits set out in the table will ensure that each neighbourhood has a good racial mix of residents. In addition, the limits on individual blocks will prevent any single block from developing a concentration of a single racial group. The limits on blocks are set three percentage points higher than the limits on neighbourhoods, to allow some variation in ethnic proportions from block to block. For example, Chinese can occupy 87 per cent of the flats in a block, but they may not exceed 84 per cent in the neighbourhood as a whole.

In the sale of new flats, the HDB will use the proportions as a guide to allocate the flats within its existing first-come first-served policy.

I would like now to explain how these proportions will be applied in the resale of flats. If the existing proportions are within the limits set in Table 1, there will be no restrictions. Anyone can sell his flat to any buyer, regardless of race.

Suppose, however, that Malays already occupy 22 per cent of the flats in a neighbourhood. The limit set for Malays would therefore have been reached. A Malay in this

neighbourhood may sell his flat to a buyer from any ethnic group, because by doing so, he does not further increase the percentage of Malays in the neighbourhood. A non-Malay however who intends to sell his flat will have to sell it to another non-Malay. He cannot sell to a Malay because if he does so, he would be increasing the percentage of Malays in the neighbourhood.

Similarly, suppose in a neighbourhood the Chinese occupy 90 per cent of the flats and thus exceed the neighbourhood limit for Chinese. A non-Chinese in this neighbourhood may only sell his flat to another non-Chinese. A Chinese however is free to sell his flat to a buyer from any ethnic group. If a Chinese sells to a non-Chinese, the proportion occupied by Chinese will move down. The proportion will not be allowed to go back to 90 per cent as this exceeds the neighbourhood limit for Chinese.

Now suppose the proportion of Chinese in a neighbourhood is 80 per cent, below the neighbourhood limit, but there is a block within this neighbourhood with 95 per cent Chinese, which is higher than the block limit. Then a non-Chinese owning a flat in this block will only be allowed to sell to another non-Chinese, whereas a Chinese in this block can sell to anybody.

This way we will contain the problem. Where the limits have already been exceeded our measures will prevent the situation from deteriorating. However, these measures will not force the proportions down.

Out of 125 HDB neighbourhoods in Singapore, the HDB has identified 35 which will be immediately affected by the new measures. Table 2 shows where they are located. These are the neighbourhoods where the lessees are eligible to sell their flats in the open market, and where the ethnic proportions already exceed those given in Table 1. However, not all who own and want to sell their flats in these

neighbourhoods will be affected. Resale statistics show that most such lessees who sold their flats did so to persons of their own ethnic group. Based on this trend, the HDB estimates that fewer than 1,200 lessees in these 35 neighbourhoods who want to sell their flats are likely to be affected by the new measures.

If as a result of this policy to ensure a balanced racial mix in HDB estates, anyone finds it difficult to sell his flat in the open market, the HDB is prepared, as a last resort, to buy back the flats at prevailing HDB posted price.

I would like to repeat the assurance that no one will be required to move from his present flat. In neighbourhoods which have exceeded the ethnic proportions to be introduced, we will allow time and re-development to bring about a better mix.

Our multi-racial policies must continue if we are to develop into a more cohesive, better integrated society. Singapore's racial harmony, long-term stability, and even viability as a nation depend on it.

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APPLICATIONS FOR NEW FLATS BY RACE AND ZONE
(SEP 87 TO SEP 88)

RACE	ANG MO KIO/ HOUGANG	BEDOK/ TAMPINES	BUKIT BATOK/ CHOA CHU KANG	JURONG	YISHUN
Malay	303 (5%)	1,876 (20%)	919 (16%)	444 (14%)	1,114 (15%)
Chinese	5,714 (90%)	7,257 (76%)	4,433 (79%)	2,476 (80%)	5,727 (78%)
Indian & Others	359 (5%)	393 (4%)	263 (5%)	177 (6%)	523 (7%)
TOTAL	6,376 (100%)	9,526 (100%)	5,615 (100%)	3,097 (100%)	7,364 (100%)

**APPLICATIONS FOR RESALE FLATS BY RACE AND ZONE
(SEP 87 TO SEP 88)**

RACE	ANG MO KIO/ HOUGANG	BEDOK/ TAMPINES	JURONG
Malay	. 908 (37%)	1,278 (55%)	987 (34%)
Chinese	1,244 (51%)	924 (40%)	1,729 (60%)
Indian & Others	305 (12%)	106 (5%)	197 (6%)
TOTAL	2,457 (100%)	2,308 (100%)	2,913 (100%)

PURCHASES OF RESALE FLATS BY RACE AND ESTATE IN 1988

ESTATE	RACE WITH RELATIVELY HIGH PROPORTION*	BREAKDOWN OF PURCHASERS BY RACE			
		MALAY	CHINESE	INDIAN & OTHERS	TOTAL NO. OF BUYERS
Bedok	Malay (23%)	1,297 (59%)	833 (38%)	75 (3%)	2,205 (100%)
Eunos	Malay (23%)	59 (51%)	55 (48%)	1 (1%)	115 (100%)
Teban Gardens	Malay (26%)	80 (56%)	52 (36%)	11 (8%)	143 (100%)
Taman Jurong	Malay (21%)	79 (68%)	32 (28%)	5 (4%)	116 (100%)
Hougang	Chinese (85%)	42 (20%)	159 (76%)	7 (4%)	208 (100%)
Bukit Merah	Chinese (83%)	11 (9%)	110 (87%)	6 (4%)	127 (100%)
Redhill	Chinese (88%)	-	11 (85%)	2 (15%)	13 (100%)
Henderson	Chinese (87%)	2 (3%)	57 (97%)	-	59 (100%)
Yishun	Indian & Others (9%)	44 (62%)	10 (14%)	17 (24%)	71 (100%)
Kampong Java	Indian & Others (15%)	5 (9%)	28 (50%)	23 (41%)	56 (100%)

* Expressed as a percentage of total number of households in the estate.

Table 1

PROPORTIONS OF FLATS PERMITTED FOR EACH
RACE IN EACH NEIGHBOURHOOD AND BLOCK

Race	Percentage in Population*	Permissible Proportion of flats in each neighbourhood	Permissible Proportion of flats in each block
Malays	15.1%	22%	25%
Chinese	76.0%	84%	87%
Indians and others	8.9%	10%	13%

* June 88 population estimates by Department of Statistics.

NEIGHBOURHOODS AFFECTED BY LIMITS SPECIFIED IN TABLE 1
AS AT 15 FEB 89

NEW TOWN	NUMBER OF NEIGHBOURHOODS AFFECTED	NAMES OF NEIGHBOURHOODS AFFECTED	TOTAL NUMBER OF NEIGHBOURHOODS
Ang Mo Kio	1	N3/7	6
Bedok	5	N1, N3, N4, N5, N8	10
Bishan	-	-	2
Bukit Batok	1	N7	7
Bukit Merah	5	N3, N4, N5, N7, N8	8
Bukit Panjang	-	-	3
Central	2	N2, N3	4
Choa Chu Kang	-	-	2
Clementi	2	N1, N5	6
Geylang	3	N1, N4, N7	7
Hougang	2	N1, N3	7
Jurong East	2	N1, N4	4
Jurong West	1	N1	8
Kallang/Whampoa	3	N1, N2, N7	7
Kangkar	-	-	1
Lim Chu Kang	-	-	1
Pasir Ris	-	-	2
Queenstown	4	N0, N1, N3, N4	8
Seletar	-	-	1
Sembawang	-	-	1
Serangoon	-	-	4
Tampines	1	N2	7
Toa Payoh	1	N5	7
Woodlands	1	N2	5
Yishun	1	N1	7
TOTAL	35		125

Note : N denotes neighbourhood

16 Feb 89