



PRESS RELEASE

Clustering as the way forward for Singapore manufacturers

Singapore – October 17, 2011 – Individual companies banding together as a cluster was one of the key ways in which President of the Singapore Manufacturers' Federation (SMa), Mr George Huang, suggested in resolving several manpower issues of the manufacturing sector. This was brought up at a dialogue session attended by over 150 SMA members at the SMA premise last Thursday, where Minister of State (Manpower & National Development) Tan Chuan-Jin was in attendance.

The top three labour concerns raised by the members included: difficulty in attracting local employees; increase in cost of hiring foreign workers; and dependency ratios imposed on companies for hiring foreign workers. In response, MOS Tan strongly urged the manufacturing community to take up SMA President's suggestion.

Within SMA, clusters in terms of Industry Groups (IGs), already exist. As such, Mr Huang called for SMA's 11 IGs to build their respective industries' capabilities by leveraging assistance rendered by EDC@SMA, who will in turn work closely with SPRING and WDA to get the relevant funding to jumpstart the industry's effort.

MOS Tan also took into account SMA's suggestion to brand manufacturing as a desirable career. He agreed that "branding and image is something the sector has to think about", however, while the government can render support, the industry has to take the initiative in this effort.

Mr Huang added, "Back in the 60s, work in manufacturing was deemed stable and desirable. Now, times have changed and manufacturing is viewed differently. Hence, clustering together to re-brand and re-invent its image is an imperative in light of the tight labour market."

Raising productivity

Beyond clustering, raising productivity of the existing workers was brought up, in particular for the mature workforce and foreign workers.

SMA's Silver Productivity programme, which was announced recently, was highlighted as a mean to mitigate manufacturers' labour concerns. Still in its developmental stage, the programme aims to re-design workflow processes and systems in order to raise productivity of mature workers.

Another innovative suggestion brought up by members during the discussion was the flexibility in expanding foreign workers' job scope. Currently, employers cannot assign

work that is beyond the stipulated job scope in the foreign workers' work permit. However, there are instances whereby their assistance beyond their job scope will be very beneficial to the efficiency. For example, if a foreign worker in the production line can double up as a driver during peak period, companies would be able to do more without an increase in manpower.

In support for this idea, Executive Director of Harvest Link International, Ms Christina Koh said, "Should there be flexibility in this rule and foreign workers are allowed to multi-task occasionally, I believe productivity and efficiency will certainly improve. Moreover, employers like me will be more inclined to invest in training for them."

Note: Please use "SMa" if an acronym for "Singapore Manufacturers' Federation" is required. The "a" in "SMa" does NOT stand for "Association".

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About Singapore Manufacturers' Federation (SMa)

Established since 1932, SMa represents the interest of the Singapore manufacturing community, driving its competitiveness and sustainable growth through serving industry-specific needs.

Supported by 11 industry groups and Centres of Excellence, SMa offers a holistic approach towards enhancing competitiveness of its members. Current membership stands at more than 2,800 corporate members ranging from SMEs to MNCs.

For more information, please visit www.sma.sg.

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