



Singapore Manufacturers'  
Federation

新加坡制造商联合会

Celebrating **80<sup>th</sup>** Anniversary  
Singapore Manufacturers' Federation  
Since 1932

## NEWS RELEASE

### **SMa endorses SME-friendly and pro-older workers Budget**

Singapore –February 17, 2012 – The Singapore Manufacturers' Federation (SMA) endorses Budget 2012. It is SME-friendly and pro-older workers, which are in line with SMA's drive to promote sustainable growth in the manufacturing sector.

In general, the reduction of the Dependency Ratio Ceilings (DRCs) may be difficult to be replaced by locals in the near to mid-term as they may not be interested in many of these jobs. This impact on SMEs is probably not as significant as compared to the larger companies, considering that SMEs employ relatively fewer foreign workers. However, the reduction of the 'S' pass holders from 25% to 20% may be rather drastic even with the two-year phasing in period. The skillsets of these workers may not be easily replaced in such a short period of time.

In addition, there may also be a gap between these jobs that are phased out because of the reduction of DRCs, versus the interest/mindset of Singaporeans to take up such jobs over the next few years.

To the SMEs, the enhanced PIC cash payout and the fact that this payout is paid within the quarter will help to improve productivity through automation and technology. The increase in training grant from 70% to 90%, coupled with the increase in absentee payroll will, in the mid to long-term, help improve productivity and reduce the dependency on foreign workers.

### **Engaging older workers**

To attract and retain older workers to continue to work productively, there is a need to re-design current workplace and factory layout to make it more ergonomic for older workers.

SMa has already embarked on our Silver Productivity programme and the first intake is targetted to kick-off on 26 Mar 2012. This programme will help HR and line managers to re-design the workplace to cater to older workers, as well as equip these workers with the right knowledge to work more productively.

SMa has been championing productivity improvement through many of our programmes. With the increase in funding for WSQ programmes from 70% to 90%, more SMEs will be encouraged to participate in such programmes.

SMa is positive on the introduction of in-house training and believe that it will play an important role in plugging the gap created by the reduction of DRC.

### **Conclusion**

Overall, SMa endorses and is positive of this budget. It addressses several concerns of SMEs and older workers. It would be even more encouraging if other business issues like high operating and rental costs, and corporate tax were addressed.

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*Note: Please use “SMa” if an acronym for “Singapore Manufacturers’ Federation” is required. The “a” in “SMa” does NOT stand for “Association”.*

### **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](http://www.sma.sg).

### **About SMa Centre for Corporate Learning (SMa CCL)**

SMa CCL is one of SMa’s Centres of Excellence, and is the preferred corporate training and development centre, reaches out to companies and individuals beyond the manufacturing industry and conducts more than 400 training programmes and trains over 10,000 people annually. As an accredited Continuing Education and Training (CET) Centre, SMa CCL established CET@SMa to facilitate job matching between employers and job-seekers in the manufacturing and related industries. Registered with the Council for Private Education (CPE), SMa CCL actively colloborates with government agencies and has established training cetnres to deliver nationwide quality programmes.

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## Glossary

<b>Singapore Manufacturers' Federation</b>	新加坡制造商联合会
<b>SMa Centre for Corporate Learning</b>	新加坡制造商联合会企业学习中心
<b>Dr Moh Chong Tau (PBM)</b> <b>Deputy President</b> <b>Singapore Manufacturers' Federation</b>	莫壮涛博士 署理会长 新加坡制造商联合会
<b>Gwee Seng Kwong</b> <b>Secretary-General</b> <b>Singapore Manufacturers' Federation</b>	危森光 秘书长 新加坡制造商联合会