

## 2017 BUDGET DEBATE

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### **MOM: Workforce Needs of Businesses in Restructuring**

Madam Speaker, Members of Parliament, Good afternoon! Chinese characters always contain deep insights. In the character“企”which stands for “enterprise”, it is made up of “人” or “people” on top, while the bottom part consists of “止” which means “cease”, In other words, when there are people there will be enterprises; if there are no people, then everything would come to a standstill. Currently, our workforce is saddled with two big challenges; the first being an ageing population, with the growth in the workforce shrinking every year; the second is the restructuring economy, bringing about changes to the labour force structure and skills.

The ageing population and low fertility rate has forced enterprises to leverage on technology to lessen the reliance on manual labour. While technology could improve productivity, workers need to be trained up to use new technology. For the older workers in particular, they need to make greater adjustments to attitude and mindset, to cope with the demands of new skills. Now, even the government is encouraging civil servants to pick up digital technology. This is an outcome arising from the current environment. Economic restructuring has created structural unemployment. Some industries would gradually vanish, while some new industries would emerge. The workforce needs to change its knowledge, skills and concept as quickly as possible in response to this transforming environment, and restructure, making the shift to new industries according to market needs.

It is impossible to solve the current manpower shortage in the short-term. We need to treasure every person. As far as possible, we need to cater to society’s needs – starting from basic education all the way to continuing education. The government has already done much in the area of training. Last year, it allocated \$37 million to training programmes under SkillsFuture Credit. However, only 6% out of those eligible had utilised these funds. May I ask the Minister for the reason behind this low take-up rate? Besides, the unemployed claim they cannot find jobs, while businesses perpetually say they cannot find workers. How should we solve this?

For many years now, the Workforce Development Agency and now SkillsFuture Singapore, has been working closely with SCCCI, helping many working people to upgrade their skills. Going forward, we will continue to work with even more trade associations and industry associations to design training courses based on practical needs. As long as companies are supportive, and employees who attend courses benefit from them, skills upgrading would form a trend, the quality of our entire workforce would be upgraded accordingly.