

Singapore – Foreign Manpower Quota Increased, Says Singapore Company Setup & Migration Specialists

By Rikvin Consultancy Pte Ltd

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The recent announcement on relaxed foreign worker policy brings good news for SMEs in marine and construction industry facing severe manpower shortage. It is estimated that the booming industry will escalate the demand for skilled and semi skilled workers in the next few years. After a careful analysis of the demand and supply gap, the Ministry of manpower (MOM) has declared the relaxation, because the local talent pool will not suffice the demand.

From 1 January 2008, the quota of S-Pass holders will be increased from 15% to 25% for all sectors to help meet the growing demand for mid-skilled, mid-level foreign workers. Companies can therefore employ more S-Pass holders in lieu of Work Permit holders. The 10% increase is expected to bring in another 50,000-100,000 new workers into Singapore.

In the construction industry MOM will raise the dependency ratio of local to foreign workers from 1:5 to 1:7. Workers in the construction industry will only require 2 years of working experience from next March, down from the current 4. The dependency ratio of local to foreign workers for the Marine sector will also be raised from 1:3 to 1:5 next year. The Manufacturing sector will be allowed to employ 6.5 foreign workers for every 10 Singaporeans, while the figure for the Services sector is 5 foreign workers to 10 locals.

The overall unemployment rate fell to 1.7 percent in September this year, the lowest in almost a decade. The Manpower Ministry (MOM) said far more jobs are being created than locals can fill. The staff shortage problem will be magnified when the two integrated resorts (IRs), which are opening in 2009 and 2010, start hiring. The Manpower Ministry is also removing the two-year requirement for higher-paid workers eyeing a personalized employment pass (PEP). From March 1 next year, those whose last-drawn fixed salary abroad is \$7,000 a month can apply straightaway for the PEP.

Labor situation is getting tight in all key markets of Asia, as the economies record faster growth rates the associated developments heightens the demand across the board for skilled labor force. In such a close to crisis situation, it is important to attract, train and retain talent across the border this calls for protocol relaxation. MOM has come forward to take a timely action to ease the situation and many industry operators have let a sigh of relief, because the shortage of labor was feared to cause delay in project which would hit their bottom line. Yet it has to be noted that in order to secure a Spass for a prospective employee the company has to shell out a significant sum to meet the minimum salary criterion. But being proximate to labor source markets such as India, Bangladesh, Pakistan, Philippines etc employers are confident that they could find competitively qualified workers who would justify such coss to company.

Lauding the move of MOM Ms. Ragini Dhanvantray of Rikvin Consultancy says “One prime question that hangs in background for businesses setting up in Singapore is the availability of manpower. Singapore being a small country, they doubt if they could find enough local skills which meet their needs as well as fit their bill. Manpower crunch is becoming a common scenario in developing and developed countries. The

Singapore government is rolling out proactive strategies to address these challenges. In the face of the rapid economic development the key industries like construction marine and manufacturing are expected to record bombarding growth rates. So companies both big and small rendering key and supporting services needs a perennial pool of talent to successfully accomplish their project commitments. MOMs move to widen the quota comes at the right time before the squeeze tightens. In the World Competitiveness Yearbook for 2007 released earlier this year, Singapore topped the list as the most competitive labour market, perhaps it is an outcome of such foresighted policy changes and adaptability of the government. This also boosts the confidence of businesses that setup their ventures in Singapore, because competent manpower is the key to success”.

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Rikvin consultancy started in 1995 is an incorporation specialist specializing in company incorporation, registration and administration processing for all business types and sizes in Singapore and throughout the world. Rikvin facilitates foreign entrepreneurs’ immigration into Singapore by assisting in obtaining Entrepass for themselves and their families and employment pass for their employees. Rikvin also provides a full range of accounting services for companies who require a complete and properly constructed set of financial statements for their business purposes. For further information visit <http://www.rikvin.com>

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