

Foreign labour pool will grow, but at slower pace: DPM Teo

By CHIA YAN MIN

THE pool of foreign labour will keep growing, but at a slower, more sustainable pace, Deputy Prime Minister Teo Chee Hean said yesterday.

The process has been painful for companies, but is necessary to raise productivity in sectors that are still lagging, he added.

The minister was responding to questions at a luncheon during the Singapore International Chamber of Commerce's (SICC's) 173rd annual general meeting (AGM).

Manpower issues were the foremost concern among chamber members and senior business leaders at the event, held at the Grand Copthorne Waterfront Hotel and attended by about 200 people.

"We have no intention of cutting back the total number or freezing the total number (of foreign workers), but each company has to look at its own business operations and become more productive and efficient," said Mr Teo.

He was replying to Mr Arnoud De Meyer, the moderator and president of Singapore Management University, who noted the business community's concerns that the Government might be moving too quickly in its push for higher productivity.

Mr Teo reiterated the Government's intention to help companies lift productivity in traditionally labour-intensive sectors like food and beverage by encouraging firms to take on best practices from around the world.

The Government has been providing support, but "companies themselves have to do the work" of making sure their businesses are sustainable, he said.

"Those which are not (productive) have to move on – not because the Singapore Government says so, but because the international competitive environment

says so," he added.

Mr Teo, who is also the Home Affairs Minister, said in his speech that Singapore needs to continue positioning itself as the first port of call for both global and Asian businesses seeking to expand their regional reach.

To do this, it will have to build on the key attributes of its business environment – trust, knowledge, connectivity and liveability.

Foreign businesses are an important part of Singapore's economy, and there are about 60,000 registered here, the minister said.

As Asia rises in importance on the global stage, it is especially vital that Singapore maintains its competitive edge, he added.

In response to a question from the floor about whether the implementation of the Asean Economic Community might be derailed by political unrest in Thailand and the Indonesian elections, Mr Teo said the endeavour requires time and patience, and is a work in progress.

Successfully implementing an economic community in Asean will also not spell the end of efforts to boost integration, he added.

Mr Teo also said recent turmoil in the Middle East might directly affect Singapore in the event of oil supply disruptions, and poses security concerns due to "the potential for growing a generation of people who have extreme, violent tendencies, and have formed networks and built up skills through combat".

Mr Victor Mills, who was previously SICC's acting chief executive but officially took on the position after yesterday's AGM, said the chamber was encouraged by the minister's speech and his "remarks on working in partnership with business to achieve win-win outcomes".

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