

Fewer Foreigners Hired Here

Tham Yuen-C

MyPaper, 26 September 2014

Singapore's population grew at its slowest pace in 10 years for the 12 months ending this June, as fewer foreign workers were hired.

It crept up 1.3 per cent to 5.47 million people, including permanent residents and foreigners working here, according to figures released yesterday by the National Population and Talent Division (NPTD). In the previous year, the rise was 1.6 per cent.

The trend brings population growth numbers in line with projections in the White Paper on population, published in January last year, and is likely to continue, said Kang Soon-Hock of SIM University, who does research on demography.

If maintained, Singapore's population will cross the six-million mark in 2022.

"This means it would have taken 12 years to add one million people, compared to the 10 years it took previously," said CIMB economist Song Seng Wun.

Experts attribute the dip to government policies aimed at reducing the inflow of foreigners.

The NPTD noted that the Government had taken "concrete steps...to slow the growth of our foreign workforce to a more sustainable pace".

But Chua Hak Bin, Bank of America Merrill Lynch economist, warned that the slowdown, coupled with Singapore's low birth rate and rising number of elderly people, could have an impact on the economy.

"The effects of the ageing population would be felt more keenly with the tightening of immigration policies leading to fewer younger people being allowed here on work passes," he said.

NPTD said growth in the non-resident population, made up mostly of foreign workers, had let up. It fell to 2.9 per cent this year, compared to 4 per cent last year, mainly because fewer foreigners were hired by companies here in the services sector.

In the same period, foreign employment growth dipped to 3 per cent, compared to 5.9 per cent last year.

Meanwhile, Singapore's citizen population grew at the same pace as last year by 0.9 per cent, to 3.34 million.

And with increasing life expectancy and low fertility rates, the citizen population has continued to age, said the NPTD.

Singapore residents, across all ethnicities, are also having fewer babies. The total fertility rate was 1.19 last year, compared to 1.29 recorded the year before – during the Dragon Year. The replacement rate is 2.1.

Tan Ern Ser, National University of Singapore sociologist, said if Singaporeans want to maintain the current standard of living, the country would need people to take up jobs for which there are insufficient workers to sustain "some minimal level of economic growth", he said.

"There are trade-offs and we have to make difficult choices. We can't always have our cake and eat it, sadly," he added.