

## Now for action all round to save jobs

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Govt measures call for response from banks, employers and landlords

A DAY after the Government unveiled a \$20.5 billion package to deal with the downturn, this message rang out to employers, banks and retail landlords: It's your turn to take the help given and do the right thing.

For employers, it means keeping workers on the payroll, now that the Government is pitching in to subsidise wage bills.

For banks, it means lending to companies, now that the Government will bear more risk of the loans defaulting.

And for landlords, it means passing savings from property tax rebates to their shop tenants.

Saving jobs was uppermost on Minister Mentor Lee Kuan Yew's mind, when asked his reaction to this year's Budget.

'The Budget is meant to save jobs,' he told reporters during a visit to the East Coast Park.

'That's the first thing we have to do because there's no better way of fighting this recession than to save jobs.'

He said there was a big question over when the downturn would end.

'We're prepared for all eventualities. It might last one year, two years, may go on to three years. We don't know, but we've got to be prepared for it,' he said.

The lower-income and those out of work or retrenched would need help to get through this rough patch, he noted. The \$2.6 billion worth of measures to help them were neither over-generous nor ungenerous, he said.

A key plank of the Budget is a novel \$4.5 billion Jobs Credit Scheme through which the Government will pay a portion of employers' wage bill - 12 per cent of the first \$2,500 of the monthly wage of Singaporeans and permanent residents.

But the question is whether employers will, in turn, help their workers.

'With the Government doing its part, there is now a great deal of moral responsibility put onto businesses to do their part - keep jobs intact,' said political observer Gillian Koh from the Institute of Policy Studies.

Mr Koh Juan Kiat, executive director of the Singapore National Employers' Federation, said the subsidy could mean a 5 to 10 per cent cut in wage costs, which was 'quite significant'. But he felt it was too early to judge how employers will act.

The labour movement was optimistic.

In a statement, labour chief Lim Swee Say and NTUC president John De Payva said that the \$20.5 billion 'resilience package' would have a significant impact on workers, companies and the economy.

'This is reflective of the Government's clear commitment and best efforts to save jobs for Singaporeans,' they added.

'It gives us tremendous assurance, encouragement and confidence to stay the path of tripartism, a unique advantage Singapore has over other nations.'

Pasir Ris-Punggol GRC MP Ahmad Magad thinks it will all boil down to companies' cash flow.

'It will undoubtedly save some jobs, especially in bigger organisations which have deeper pockets,' he said.

But for smaller companies, he added, much would depend on how much revenue they can generate.

This is where the second plank of the Budget - access to bank credit - comes in.

The Government introduced a Special Risk Sharing Initiative yesterday which will see it set aside \$5.8 billion in capital to take on more risk in bank lending to companies.

Giving details yesterday, Trade and Industry Minister Lim Hng Kiang said he hoped banks would now play their part and extend credit to companies that need working capital.