

Saving jobs a top priority: DPM Heng

By Choo Yun Ting

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Preventing retrenchments amid the economic uncertainty, both for the sake of workers and companies in the long run, is a foremost priority of the Government, Deputy Prime Minister and Finance Minister Heng Swee Keat said yesterday.

Laying off workers at the slightest sign of problems will create longer-term issues for the company as well, as these workers take with them experience and know-how, he added.

This would make any future upturn harder for these companies as they would have reduced their own capabilities, Mr Heng said.

"It is important for companies to take that long view," he stressed.

At the same time, it is important for companies to release workers to new, growing industries if they find that their business model is no longer viable, he added.

Mr Heng was at the Budget 2020 Roundtable jointly organised by The Straits Times and The Business Times, with OCBC Bank as the presenting sponsor. On the panel moderated by ST associate editor Vikram Khanna were OCBC head of global commercial banking Linus Goh, Ademco Security Group managing director Toby Koh and Institute of Policy Studies senior research fellow Faizal Yahya.

Mr Heng said the Government is looking at specific measures to help workers who are retrenched over this period of economic uncertainty. Details will be announced as part of a second stimulus package.

In a separate radio interview with Money FM 89.3's Elliott Danker, who asked about plans to tackle a potential rise in unemployment, Mr Heng noted the National Trades Union Congress has started a Job Security Council that will match retrenched workers to vacancies.

"There will be companies which... as they restructure, may need to let go of some workers. And that is where, if we have a good training system, we can begin to retrain workers," he said.

It is not all doom and gloom, said Mr Heng in the radio interview, noting the Economic Development Board has brought in strong investments, and banks are ready to support viable enterprises. "We should not be pessimistic, we should have the grit to go for the long haul and look at what we can do to support one another in this process."

This is not limited to between the Government and its people and businesses, but should also be between enterprises, he added.

During the discussion, Dr Faizal asked if there can be further salary support in the form of an "absentee payroll" for firms whose employees go for training courses, especially for professionals, managers and executives, who are increasingly displaced and find it harder to get jobs.

Mr Koh suggested measures to encourage firms to increase hiring and create jobs in the downturn, noting there are "healthy" small and medium-sized enterprises that want to hire but are "holding back".

Mr Heng highlighted enhanced schemes announced in the Budget. These include \$1,000 SkillsFuture Credit top-ups for mid-career workers in their 40s and 50s, and the SkillsFuture Enterprise Credit that can help employers defray up to 90 per cent of out-of-pocket costs for business transformation, job redesign and skills training.

"I hope that companies that are looking at the long term will take this opportunity to hire, and in particular for this group of people (aged)... 40 to 60, many of whom may have been displaced from existing jobs," he said.