

ST-BT Budget Roundtable: Govt's priority is to prevent retrenchments to protect both workers and firms, says DPM Heng

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SINGAPORE - The Government's foremost priority is to prevent retrenchments amid the economic uncertainty, both for the sake of workers and companies in the long run, said Deputy Prime Minister Heng Swee Keat on Wednesday (March 11).

Laying off workers at the slightest sign of problems will create longer-term issues for the company too, 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.

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, who is also Finance Minister, was speaking at a Budget 2020 Roundtable jointly organised by The Straits Times and The Business Times, with OCBC Bank as the presenting sponsor.

Addressing a question from the moderator, ST associate editor Vikram Khanna, he noted that the Government is looking at specific measures to help workers who are retrenched over this period of economic uncertainty, and details of these measures will be announced as part of a second stimulus package.

The other panellists 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.

In a separate Money FM 89.3 radio interview, where he was asked about the Government's plan to tackle a potential rise in unemployment, Mr Heng noted that the National Trades Union Congress has started a Job Security Council, which will match retrenched workers to vacancies.

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

It is not all doom and gloom, Mr Heng said in the radio interview, noting that 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," he said.

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

During the panel discussion, Dr Faizal asked if there could be further salary support in the form of an "absentee payroll" from the Government for companies whose employees undergo

training courses, especially for professionals, managers, executives and technicians, who are increasingly displaced and find it harder to get jobs.

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

In response, Mr Heng highlighted the enhanced schemes announced at this year's Budget, including \$1,000 SkillsFuture Credit top-ups for mid-career workers in their 40s and 50s, as well as the SkillsFuture Enterprise Credit, which can be used to help employers defray up to 90 per cent of their 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, (from) this group of people aged 40 to 60, who many of them may have been displaced from existing jobs," he said.

Companies should take this opportunity to train, develop new skills and prepare for the upturn, Mr Heng added.