

ERC/PR/2018

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**Immediate Past President of Singapore Chinese Chamber of Commerce &  
Industry and Nominated Member of Parliament Thomas Chua**  
**Budget 2018 Speech**  
**5 March 2018**

**Ministry of Manpower**

**Topic: Channelling foreign worker levies towards foreign workforce  
upgrading**

**Gig economy**

Mr Speaker, my topic for today is “Channelling foreign worker levies towards foreign workforce upgrading; Gig economy”.

Foreign workers form an integral part of Singapore’s workforce. In many sectors of the economy, foreign workers supplement the types of functions that local workers are not equipped to undertake, and thus perform an indispensable role in our economic development.

Based on the trend of the government’s manpower policy, businesses need to bring in foreign workers with a higher level of technical proficiency. While they are working, they also need to receive continual training, particularly in an environment characterized by rapid technological advances and industry transformation. However, training requires expenses. As many enterprises are striving hard to transform, I hope the government could support enterprises to manage these expenditures.

In his speech at the Budget debate, Mr Heng Chee How, Senior Minister of State cum NTUC’s Deputy Secretary-General emphasized that as our enterprises transform and upgrade, apart from the local workers, our foreign workers should also not be neglected.

In fact, the government need not worry too much on how to support skills upgrading of foreign workers. I would like to raise a suggestion: a portion of foreign worker levies collected could be channelled back to the business sector, to help enterprises in training of foreign workers. This suggestion is based on the example of how the government plans to use carbon tax in this year’s Budget. In the first

five years of implementing the carbon tax, the government plans to use the tax revenue to provide more grants and support to help enterprises enhance energy efficiency and reduce emissions. In the same way, instead of channelling foreign worker levies into other areas, I would suggest that the government channels a portion of this levy towards training of foreign workers, to uplift the overall skills level of the workforce.

Further, the gig economy is rapidly emerging and has become a trend to be paid attention to. To date the number of self-employed persons has already reached 200,000. Self-employed persons do not have regular employers, but this is precisely why many employers do regard them as a welcome addition to the workforce during the current manpower shortage. This is because companies always have certain projects which need to be managed by people with special expertise or talents. If companies can find people with suitable criteria, and both parties agree to this flexible arrangement where the work is completed within a designated period, everyone would be perfectly happy. Often this is also a more cost-effective solution.

Not long ago, in order to protect the rights of self-employed persons, the government set up a Tripartite Workgroup on Self-employed Persons to identify recommendations. The Minister for Manpower has given his in-principle acceptance of these recommendations. We look forward to having these solutions rolled out as quickly as possible.

Helping to alleviate the worries of these self-employed persons, and building an even stronger and balanced employer-employee relationship, is certainly good news to the business community all round!