

JOINT RELEASE

Foreign Workers in Singapore

EMBARGOED TILL AFTER RELEASE

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Introduction

1. Following the outbreak of the Covid-19 virus amongst the foreign worker ("FW") community here in Singapore, there have been calls to improve their housing conditions. Some have also called for a reduction on the numbers of FWs.
2. As trade associations representing the marine, process and manufacturing industries, we would like to share certain facts relating to our FWs so that there is a better understanding of the situation.

FWs in Singapore

3. FWs are present in many countries around the world and have historically supported the economic growth of the countries they work in, while at the same time, being able to provide for their families back home. Like any job seeker, FWs are presented with job opportunities here in Singapore and have a choice whether or not to take the role. In addition, employers are responsible under the law for providing safe housing conditions for our FWs.
4. It is encouraging to see that Singapore employers generally have a good reputation among our FWs. A vast majority of our FWs voluntarily stay on in Singapore to work after they complete their initial contracts. Many stay for over 10 years and encourage their family members and friends to come to Singapore to work. These two facts are perhaps the strongest among others to refute reports or claims that living conditions in Singapore for FWs are dire.
5. We are proud that in Singapore, we have a housing system for FWs, which is not always a normal practice elsewhere. The housing and amenities we provide for FWs in Singapore are among the best. Many of our employers also offer benefits like healthcare as part of the overall package. It is in the interest of our employers to ensure that our migrant workers are kept safe, healthy and productive.
6. Our FWs also know that they have channels to seek recourse if they feel that they have been unfairly treated. The confidence in the rule of law in Singapore

gives our FWs an added assurance that their rights are protected, and, at the same time provides an added deterrence to any potential errant employer.

Reduction Of FWs in Singapore

7. Following reports of the Covid-19 outbreak among the FW community here in Singapore, there have also been calls by some non-governmental organisations to reduce the number of FWs in Singapore. We are aware that the Singapore Government has always taken a considered and calibrated approach in our FW policies and we urge the Government to continue to do so. Singaporeans must also contemplate the implications of the reduction of FWs on Singapore's economy, business viability as well as the impact it will have on jobs.
8. Fertility and birth rates have been falling below replacement level in Singapore for a while now. We are also an ageing society and unlike some countries, do not have a hinterland to draw additional workers from. FWs play an important role in our industries and keep Singapore's economy going.
9. In addition, Singaporeans are fortunate to have a thriving economy over the years. This has enabled the majority of our local workforce to choose the jobs they want and avoid some. Moreover, the unemployment rate in Singapore is low, and our employers sometimes face challenges attracting Singaporean employees. It is in this context that FWs here play an integral part in our marine, process and manufacturing sectors as well as many other industries. Given Singapore's limited manpower resources, we would not be able to stay competitive if there are insufficient FWs to complement the local workforce in our sectors.
10. The manufacturing sector in Singapore ranges across a wide range of industries and accounts for about 20% of the nation's GDP. Workers are an integral part of the production process and are key for Singapore to continue to play a critical role in the region's supply chain. Labour is required in numerous stages of the manufacturing process, from movement of material, stock taking, machine management to logistics fulfilment. A large number of these roles are supported by FWs. To keep up with the production capacity as a key contributor to the nation's GDP, manufacturers are grateful to the access to the pool of foreign labour. In a recent survey of manufacturers, even in the light of the challenges of the Covid-19 pandemic, more than 75% of respondents express importance in retaining their foreign workforce.
11. In the marine sector, Singapore shipyards are able to compete internationally for marine and offshore and oil and gas projects because we have the technical competencies and manpower resources to do so. With a limited pool of Singaporeans joining our heavy engineering industry, we are fortunate to be backed by a pool of FWs to augment our total workforce. With the support of these FWs, our marine sector has been able to contribute to the construction and maintenance of vessels to sustain sea trade and oil & gas exploration and production globally. As an export sector, we also create a multiplier effect for

some domestic sectors in our economy such as food and beverage, hospitality, and transport among others.

12. Singapore's Process Sector provides plant construction and plant maintenance services to over 100 chemical firms, enabling Singapore's vibrant mix of refining, olefins production and chemical manufacturing, making it one of the world's leading energy and chemicals hubs.
13. Ms. Grace Chia, Deputy Executive Chairman of Rotary Engineering Pte Ltd, highlights the importance of migrant workers in the Process Sector: "Migrant workers have played an instrumental role in our industry. Through the years, we have been facing an aging, shrinking local workforce in the worksites, and we have come to rely on the migrant community for roles such as welders, fitters and even foremen. With their contribution, we are able to provide services in both maintaining and building new process plants and storage facilities for our clients. We see training as essential for these workers, as it enables them to upskill and provide a better life for their families."
14. Without the support of FWs, increased construction costs will also make it significantly more difficult to compete for strategic projects such as new manufacturing facilities and chemical plants.
15. Should Singapore lose its competitive edge in various industries, demand for labour will fall and jobs, livelihoods and businesses will be at stake. Consequently, there will also be fewer PMET jobs for Singaporeans, such as those in the export oriented industries.
16. It is therefore paramount that the Government should continue to exercise careful calculations in deciding FW policies. Singaporeans should also examine the implications of reducing FWs without careful thought and consideration.

Conclusion

17. The global economic climate has been uncertain and challenging since the US-China trade conflict. Now exacerbated by the Covid-19 pandemic, businesses in Singapore are already being tested severely.
18. Businesses are looking forward to when the effects of Covid-19 gradually recede and pent up demand worldwide could potentially make up for the loss of earnings during this period. However, when demand for goods and services return, we will need workers to keep businesses going and recover.
19. As Singaporeans, we are proud of the good reputation Singapore has globally as a destination of choice for FWs. Our associations, together with our members, are committed to work with our Government to ensure the well-being of our FWs as we prepare our respective sectors and workforce (locals and FWs alike) on the journey for economic recovery.

20. We acknowledge it is not that there are no errant employers or dormitory operators in Singapore. However, they are much the exception than the norm and we will support the Government to take firm action against these 'black sheep' in the industry. Without sufficient FWs working alongside Singaporeans in key sectors, our economy will be at stake. Our businesses and Singaporeans' jobs will be at stake.
21. Together, we believe that we will overcome this Covid19 crisis and will come out stronger from this pandemic. This is SGUnited.

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About the Singapore Manufacturing Federation

Established since 1932, the Singapore Manufacturing Federation (SMF) represents the interest of the manufacturing community in Singapore, driving its competitiveness and sustainable growth through serving industry-specific needs. Supported by 10 industry groups and its Associated Services, the SMF enhances the competitiveness of the manufacturing community by encouraging capacity development and capability building, innovation and productivity. SMF provides opportunities for companies to collaborate, network and to grow and expand both locally and internationally. Current membership stands at about 3,000 corporate members, consisting of SMEs, MNCs and Affiliated Members. For more information, please visit www.smfederation.org.sg.

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About the Association of Singapore Process Industries

Established in 1997, the Association of Process Industry (“ASPRI”) is a membership-based trade association that represents the interests of more than 500 companies across Singapore’s Process Industry comprising of petroleum, petrochemical, specialty chemical and pharmaceutical sectors. With a vision to be a Visible and Credible Partner in the Process Industry, ASPRI’s mission is to Connect, Engage and Grow; ASPRI collaborates closely with various stakeholders in the Process Industry; government and statutory boards, plant owners, Institutes of Higher Learning (“IHLs”) and affiliated Trade Associations and Chambers (“TACs”) to connect, engage and propel the industry’s growth by fostering a strong tripartite Public – Private Partnership. For more information, please visit <http://www.aspri.com.sg>

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About the Association of Singapore Marine Industries

The Association of Singapore Marine Industries (ASMI) is a non-profit trade organisation formed in 1968 to promote the interests and advancement of the marine and offshore engineering industry in Singapore. ASMI represents companies in the business of ship repair, ship conversion, ship building, rig building and offshore engineering. Its membership comprises shipyards, manufacturers and suppliers of marine & offshore equipment and components. ASMI members also include marine & offshore engineering companies, marine consultants and contractors as well as classification societies. The Association has a membership strength of 250 corporate members. For more information, please visit www.asmi.com.