

“European Business Community Welcomes and Supports CFE Recommendations on Future Jobs and Skills”

SINGAPORE — The European Chamber of Commerce (EuroCham), Singapore, welcomes the recommendations by the Committee on the Future Economy (CFE). European businesses remain ready to contribute to Singapore’s next phase of growth for the next decade and are eager to provide support.

Singapore is host to over 11,000 European companies that often establish their regional headquarters in the city-state because of its strategic location, infrastructure, and business-friendly legal and financial institutions. These businesses contribute in bringing expertise, innovation, and play an important role in the cultivation and development of young Singaporean talent.

EuroCham notes that the CFE’s Subcommittee on Future Jobs and Skills’ recommendations are aligned with the findings made by EuroCham’s HR Committee Report conducted in 2016. In particular, the CFE Report’s recommendations on the enhancement of skills and international exposure of Singaporeans and the need to develop a more differentiated foreign workforce policy.

The EuroCham HR Committee, with the support of the European National Chambers of Commerce, conducted a research Study highlighting how the recent changes in Singapore’s Foreign Manpower regulations are expected to affect European businesses; the **“Impact Report on Singapore Talent Policy”**. The Study uses both qualitative and quantitative research methods drawing conclusions from over 250 survey replies from business leaders from European Multinational Corporations (MNCs) and Small & Medium Enterprises (SMEs). In addition, 7 in-depth interviews with HR professionals from European companies were conducted.

The study found that MNCs and SMEs are coping differently with the Ministry of Manpower (MOM) policy changes. The large MNCs report that they are adapting to the changes although they require a longer term vision by the government given the nature of their investments, while the SMEs seem to be more adversely affected. 1 out of 3 SMEs indicated that they intend to increase total headcount but are limited by the new regulatory restrictions.

The EuroCham report states that most European businesses regard Singapore as their regional hub and the majority of European SMEs underlines the need for a diverse workforce in Singapore that has experience and expertise for the Asean region. **The current foreign manpower regulations mean that the very important human capital strategy of rotating their regional workforce in Singapore has to be reconsidered as they can no longer have a clear vision of policy.** The CFE’s Subcommittee addresses this issue by stressing the need for both Singaporean students and professionals to deepen the knowledge of regional markets and increase their international exposure using the SkillsFuture Leadership Development

Initiative (LDI) or the establishment of more international courses with foreign universities for students can require 'Global-Asia market insights'.

In the EuroCham report, over 50% of respondents ranked the tightening of salary and education-level requirements for foreigners holding Employment Passes as the most impactful policy. One of the key findings of the study suggested that better **harmonization of government agencies** might be the way forward as, occasionally, there seems to be a mismatch between agencies promoting Singapore's economy and business, and regulations related to foreign manpower. The CFE's Subcommittee recommendations address this challenge noting that the Government should consider greater differentiation when granting EPs, to also take into account the firm's commitment to fair consideration, as well as the economic spin-offs from and growth potential of the firm's activity. This is in line with the findings of the EuroCham report in which MNCs stated that they plan to grow their headcount by increasingly targeting Singaporean University graduates and young professionals.

In its report, EuroCham found that European businesses **do not contest the need to control the inflow of foreign employees but encourage further dialogue and consultation** with business when new regulations and policies are being considered allowing for long term predictability and long term workforce planning. Thus, EuroCham welcome's the Subcommittee's recommendation to expand upon the Fair Consideration Framework to also take into account efforts by companies to hire based on competencies and skills, as well as have an active role in cultivating young talent by instituting internship programs and participation in SkillsFuture initiatives.

You may access the EuroCham report, [here](#).

About the European Chamber of Commerce, Singapore

The European Chamber of Commerce in Singapore, known as EuroCham, has the mission to represent the common interests of the European business community in promoting bilateral trade, services and investments between Europe and Singapore and Asia-Pacific.

EuroCham is a non-profit membership fee based organization with a membership composed of the European National Business Groups in Singapore as well direct corporate members.

EuroCham provides its members with an information and exchange forum and a lobbying channel to Singaporean and European political & economic circles. EuroCham is the sole European representative at the Singapore Business Federation (SBF) Council.

For further information, please contact:

Lina Baechtiger, Executive Director (lina.baechtiger@eurocham.org.sg, or +656836 6681)