Singapore Eases Labor Rules To Attract More Foreign Talent

November 28, 2007
Vittorio Hernandez - AHN News Writer

Singapore City, Singapore (AHN) - Population-challenged Singapore is raising the ante on its battle against an aging population and to win the talent war in the region. The city-state's Ministry of Manpower announced Wednesday the revision of its labor rules to attract more skilled foreign workers.

On top of the amendments is a 10 percent increase in S pass quota beginning January 1, 2008. It will also hike the dependency ceiling by 5 percent for the construction, process, manufacturing and services sectors. The MOM also expanded the coverage of the Personalized Employment Pass scheme to include professionals whose last monthly salary was $7,000 and former P1-type of pass holders.

The S pass is given to foreigner whose educational qualifications are deemed on par with Singapore's, instead of the standard Work Permit granted migrant workers. The S pass, used to be pegged at 15 percent of the annual Work Permit allocated by Singapore, will be 25 percent on 2008.

To bring more foreign laborers, the MOM brought up the local-to-foreign worker dependency ratio from the current one local worker to every five foreigners, to 1:7 in the construction and process sectors and from 1:3 to 1:5 for the marine sector.

The higher ratio for the construction sector is in anticipation of its annual output rising by $19 billion to $22 billion, said the Building and Construction Authority.

The labor rule amendment, announced Wednesday by Minister of Manpower Ng Eng Hen, followed a Tuesday MOM report that Singapore's employment rate tipped at a record high 2.6 million as of June, while its unemployment rate dropped to a decade low of 1.7 percent on September.

To cope up with more jobs being created by Singapore's buoyant economy, the Lion City has opened its door to specific group of foreign professionals and skilled workers, mostly coming from neighboring Asian countries that have deeper manpower pools.