Next: Remaking economy

Help schemes: What will happen

**JOBS CREDIT**

**What it is:** One-year wage subsidy, with Government giving employers 12 per cent of the first $2,500 of a local worker's monthly wages. Payouts made every three months. Government tapped into the country's reserves to fund the $4.5 billion bill.

**What will happen:** Extended for another six months, from January 2010, but at a lower rate.

First payout will be 6 per cent of the first $2,500, based on the company's January payroll; second payment will be 3 per cent, based on the April payroll.

Extra $675 million needed will come from the normal Government Budget.

**SPUR (Skills Programme for Upgrading and Resilience)**

**What it is:** A $550 million Government-funded scheme that pays part of workers' wages while they are on training. It also subsidises their training fees.

**What will happen:** It will go on for the entire two years, up to December next year.

After that, there will be new incentives to further encourage companies and workers to upgrade their skills.

**SPECIAL RISK-SHARING INITIATIVE**

**What it is:** Government set aside $5.6 billion to help businesses get loans in the recent credit crunch. It took on as much as 80 per cent of the risk.

**What will happen:** Government will decide its fate when the scheme ends in January.

It will continue to support companies in getting access to credit, but the terms of support may be reviewed.

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Jobs Credit scheme until June: incentives to boost productivity in the works

BY SUE-ANN CHIA
SENIOR POLITICAL CORRESPONDENT

EMPLOYERS received good news yesterday, not just a six-month extension of Jobs Credit but also more goodies that await them in next year's Budget.

The upcoming offerings are aimed at helping companies boost productivity and devise better ways to do business to bolster Singapore's efforts to transform and grow its economy.

Prime Minister Lee Hsien Loong made the promise yesterday when he also said that companies which spur job creation over the medium to longer term will be rewarded.

He did not elaborate on the new incentives in his 45-minute speech at a labour movement conference, but identified broadly the critical steps that needed to be taken for Singapore's post-recession economy.

"We have to pursue higher productivity and build better capability, and move workers from less competitive businesses into newer, expanding ones.

"We have to foster restructuring, not try to hold it back," said Mr Lee.

His message for an economic makeover was delivered to 1,000 people at the National Trades Union Congress' ordinary delegates conference, held every two years for NTUC to take stock of its achievements and chart its future course.

Mr Lee, in looking ahead, envisions a shift from saving jobs, which was critical during the recession, to a new phase of growth that will focus on shaping businesses to stay competitive in a new world economic order.

This means companies have to be weaned off the $4.5 billion Jobs Credit, a wage subsidy scheme that has helped avert massive layoffs.

"Strictly speaking, it is no longer needed," said PM Lee, citing the recent rebound in the economy and renewed hirings by some companies.

"But if we withdraw the Jobs Credit completely and suddenly, companies may have difficulties adjusting."

Hence, the one-year scheme will be extended for another six months to next
Employers urged to shift gears to boost job creation

Three new initiatives will lift the Government's job-creation efforts. The move was cheered by employers and union leaders, as well as analysts who believe it offers the economy's recovery a shot in the arm.

President of the National Trades Union Congress (NTUC) Ng Cher Ming and Mr. Ng Chee Meng, the minister for Manpower and Trade and Industry, said the new initiatives would focus on boosting productivity and job creation.

The danger of keeping the Jobs Credit for too long will delay the necessary restructuring, in the longer term, cannot prosper and spur our growth by keeping workers under-employed and under-productive.

Singapore has taken steps to find new ways to grow the economy. The high unemployment rate of 842,000 people (as of October 2009) is an indicator of the Government's successful efforts to combat high unemployment.

President of the National University of Singapore (NUS) Subra Suresh said the NUS will continue to be a leader in the field of research and development.

In his speech, PM Lee also touched on the issue of foreign workers, saying Singapore needs them to grow and develop in the future.

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