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Retrenchment

SOME 10,000 WORKERS EXPECTED TO BE RETRENCHED IN SINGAPORE

KUALA LUMPUR, Jan 30 (Bernama) -- Some 10,000 workers including foreigners in Singapore are likely to be retrenched this year due to the anticipated slowdown in the US economy, Singapore Minister of State without portfolio Matthias Yao said today.

He said Singapore was however ready to face the impact in the event of an American economic downturn and move very fast to retrain the affected workers and help them find alternative jobs.

"If we look at the Asian financial crisis in 1997-98, we have very severe retrenchment, like more than 20,000 workers per year. Even at the most severe, the workers actually found alternative jobs," he told reporters after calling on Deputy Human Resources Minister Dr Abdul Latiff Ahmad, at his office, here.

Yao, who is also deputy secretary-general of the National Trade Union Congress (NTUC), is here attending a trade union meeting organised by the International Confederation of Trade Union-Asia Pacific Regional Office (ICFTU-APRO) and the Malaysian Trades Union Congress (MTUC).

Yao said that although job creation in the republic during a situation of an economic downturn may not be as high as during normal situation, there were enough jobs to absorb the retrenched workers.

"In previous years, job creation may be about 70,000 to 80,000 per year. At the (Asian economic) downturn, maybe about 30,000 to 40,000 per year," he said.

Yao said in any retrenchment exercise, Singaporean workers were more worried than perhaps the foreign workers because they know that they were actually expensive and were most likely to be retrenched.

"We have no law or regulation which says who has to be retrenched first," he said indirectly referring to the law in Malaysia which requires that in any retrenchment exercise, foreign workers would be the first to be retrenched.

According to Yao, Singapore offers training programmes at subsidised cost to all workers in the republic and some of the foreign workers were taking advantage of the opportunity.

"We welcome this because a better trained worker will help Singapore's economy and if they (the foreign workers) return home, they can help their own economy. That's good for everybody," he said.

Asked whether the issue of the Central Provident Fund (CPF) was discussed with Dr Abdul Latiff during the meeting, Yao said they did not because the issue had been included in the overall package which the Singapore and the Malaysian governments were negotiating.

Entrepreneur Development Minister Datuk Mohamed Nazri Abdul Aziz told the Dewan Rakyat in April last year that Singapore Prime Minister Goh Chok Tong, in a meeting with Prime Minister Datuk Seri Dr Mahathir Mohamad, stated that Singapore was prepared to relax on CPF withdrawals to enable contributors to withdraw in instalments of over two years.

However, Goh said that it could only be done after a comprehensive agreement on the negotiation package between the two countries, which means that Singapore wants Malaysia to settle the water issue first, according to Nazri.

An estimated RM2.26 billion in CPF contributions by Malaysian workers in Singapore as at April last year was not allowed to be withdrawn although they have stopped working in that country.

However, they could withdraw their savings upon reaching the age of 50 if they have not worked in the republic for the preceding two years.

Meanwhile, Dr Abdul Latiff said Malaysia would be able to absorb Malaysian workers who may be affected in the retrenchment exercise in Singapore because at present job availability in Malaysia was more than demand for jobs.

-- BERNAMA

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