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**SPEECH BY MR GAN KIM YONG,
MINISTER FOR MANPOWER,
AT THE MAY DAY AWARDS DINNER AT
ORCHID COUNTRY CLUB ON 29 APRIL 2009 AT 7.35PM**

Prime Minister Lee Hsien Loong

President of NTUC, John De Payva

Secretary-General of NTUC, Lim Swee Say

Comrades, Distinguished Guests, Ladies and Gentleman

First, let me thank you for inviting me to this May Day Awards dinner. It is most appropriate that as we celebrate Labour Day, we also pay tribute to those who have made significant contributions to the labour movement, especially the 60 May Day Award recipients. I congratulate you on your achievements.

GLOBAL ECONOMIC DOWNTURN IS UNPRECEDENTED

2. We are in the midst of an unprecedented global economic downturn, and facing the worst recession in Singapore since our independence. The recent outbreak of the Mexican Swine Influenza will add uncertainty to the outlook. How severe is the impact, how deep will this recession be and how long will it last? It is still too early to tell. Retrenchment in the first quarter of 2009 is likely to exceed 10,000, higher than in the fourth quarter of 2008. The labour market will remain weak for quite some time.

3. But we can remain confident as we are well positioned to weather this downturn. Our fundamentals are strong and we responded to the challenges swiftly and decisively through the Resilience Package. There are at least three reasons for us to be optimistic despite the economic downturn: a robust CET system, continued creation of jobs, and of course, a strong tripartism spirit.

4. Over the last four years, we have been building our CET system. Today, we have a network of 46 CET centres in various industries, delivering more than 220,000 training places in more than

800 courses under the Skills Programme for Upgrading and Resilience (SPUR). We have set up and enhanced Career Centres at e2i and the CDCs, where workers can get comprehensive advice on jobs and training that are suitable and relevant for them. We introduced the Professional Skills Programme to target our PMETs specifically and help them upgrade themselves and if necessary, switch to new careers. As the economic situation changes and the labour market evolves, we will continue to fine-tune and expand our programmes to respond to the challenges.

5. The second reason is that there are still good jobs available, in both the public and private sectors. There will be at least 45,000 jobs created over the next two years. In terms of immediate vacancies, there are about 20,000 job vacancies registered with career centres at CDCs and e2i spanning various industries and at different levels. If jobseekers do not have the skills to take up these jobs, SPUR will help them reskill and upskill.

6. Last but not least, we have developed a strong tripartite relationship. Built on mutual trust, cooperation and shared purpose,

the tripartite partners have taken a collaborative rather than confrontational approach to achieve win-win outcomes for all. This relationship was not built overnight, but painstakingly cultivated and strengthened over the years. It is a unique feature of the Singapore landscape, and one of our most sustainable advantages.

TRIPARTISM IS SINGAPORE'S UNIQUE ADVANTAGE

7. The current recession presents us with an opportunity to deepen this tripartite relationship. The theme for this year's May Day is "Upturn the Downturn". Already, we have focused our energies collectively in responding decisively to upturn the downturn.

8. Through close collaboration, the tripartite partners introduced a range of initiatives including SPUR and the Tripartite Guidelines on Managing Excess Manpower (MEM) to help companies and workers manage the impact of the recession. As at end-March 2009, more than 77,000 workers and 1,100 companies have committed to SPUR. But we have not stopped there. We continue to keep our finger on the pulse of the economy, and get feedback from the ground to

constantly fine-tune our programmes so that they remain relevant and effective.

9. To help more companies implement the various help measures, we will be forming tripartite teams to reach out to companies and sectors. The Tripartite Upturn Strategy Teams (or “TRUST” Teams) will include officers who are familiar with the various tripartite initiatives and measures. They will engage and advise companies on how best to leverage on the various measures to manage the impact of the downturn and position for the upturn. One example is helping employers implement the Tripartite Guidelines for Managing Excess Manpower.

10. The National Wages Council (NWC) is a key tripartite mechanism. As the economic situation deteriorated quickly late last year, the NWC reconvened ahead of time, in January this year. It revised its guidelines and recommended a wage freeze or wage cut for companies adversely affected by the downturn. Next month, the Council will convene again to discuss the wage guidelines for 2009/2010 effective from 1 July 2009. The Council will take into

account the economic conditions and outlook, labour market situation as well as the impact of the measures taken to address the downturn.

EVERYONE HAS A PART TO PLAY

11. We must face the crisis together as a team. Let me share with you a story. Once upon a time a tortoise and a hare were competing in a race. The hare ran very fast and was way ahead. He decided that he would take a break and soon fell asleep. The tortoise plodding on overtook him eventually and finished the race as the winner. This is the part of the story that we are familiar with. A couple of years ago, I saw this story put together in a skit with a refreshing twist. The hare was sick and tired of always being the loser in the story so he decided that this time, he would run as fast as he could and he would not fall asleep. So the race started and in no time, the hare was way ahead. But soon he came to a river, and he could not cross it.

Slowly the tortoise came along and they negotiated for a win-win strategy. The tortoise carried the hare on his back as he swam across the river. After the swim, the hare in turn carried the tortoise on his back and they finished the race together, to the applause of all

the animals in the jungle. This underscores the importance of teamwork to bring about a win-win outcome for all.

12. Everyone has a part to play in upturning the downturn. Employers should adopt the Tripartite Guidelines and do their best to look at ways to cut costs, stay viable and save jobs. They should also be responsible and fair to workers. Workers on the other hand, must be flexible and adaptable, willing to make adjustments, to try different jobs, and have realistic expectations. Take advantage of the downturn to go for training, by leveraging on the enhanced training support from SPUR. I am confident that if we work together, we can and we will overcome this crisis as we have done so in the past.

13. Tonight, we are gathered here to recognise those who have made significant contributions towards the labour movement. Allow me to cite two examples.

14. Dr Kannappa Inkararan (PRONO: Kan-nap-pa In-ka-ran) first joined the Ngee Ann Polytechnic Academic Staff Union in 1986. In 1996, he was elected Honorary Treasurer of the union's Executive

Council and served two terms till he retired in 2008. At NTUC, Dr lynkaran also served in the Care and Share Committee, where he contributed programme suggestions to benefit the less-privileged. In recognition of his long-standing commitment and contributions, Dr Kannappa lynkaran will be awarded the Veteran of Labour Award. May I invite Dr lynkaran to stand up to be recognised, please.

15. Another award winner is a company, Prosec Services Private Limited. The company was unionised in 2005 by joining the Union of Security Employees. It has pioneered efforts to attract more women to the workforce by introducing flexible work arrangements. In addition, it was one of the first companies to introduce placement opportunities to job-seekers under the Screen-Train-Place-Train programme. Prosec Services Private Limited is being awarded the Plaque of Commendation tonight for its support of our programmes.

May I invite the representatives from Prosec to stand up and be recognised, please.

16. As we celebrate the contributions of both unionists and employers towards Singapore's progress, we must also remember

workers who are in need of help, especially during these difficult times. I commend the labour movement's U Care fund initiative as mentioned by Mr John De Payva earlier.

17. Indeed, the labour movement has been a crucial partner in Singapore's success over the last 49 years. NTUC has worked tirelessly to help workers weather the downturn and seize opportunities in the upturn. I wish to take this opportunity to thank NTUC for their support and contributions to the tripartite efforts.

TRIPARTISM WILL SEE US THROUGH THE FUTURE

18. Even as we manage the recession in the short term, we should stay focused on our longer term vision of building a globally competitive workforce so that we can seize new opportunities when the economy recovers. The spirit of tripartism we have here in Singapore has served us well and it will continue to be a cornerstone of our social and economic progress. The world may be very different when we emerge from the recession. We need to strengthen our economy's resilience, upgrade our workforce, improve our

productivity, and reposition ourselves so that we do not just survive the downturn, but emerge stronger during the upturn.

19. Once again, I congratulate the winners of tonight's May Day Awards and wish all workers in Singapore a happy May Day.

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