

# *Singapore Government*

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**ADDRESS BY DR LEE BOON YANG, MINISTER FOR MANPOWER,  
AT THE LAUNCH OF THE NATIONAL SKILLS RECOGNITION  
SYSTEM ON TUESDAY, 5 SEPTEMBER 2000 AT 9.30AM AT SUNTEC  
CITY BALLROOMS 2 & 3**

Distinguished Guests  
Ladies and Gentlemen

### **National Skills Recognition System - Our Workforce's Passport to Competitiveness and Employability**

1 We have done well as a country and people over the last 35 years. Our income level has risen from about \$1,300 per capita in the 1960s to almost \$40,000 today. We have been rated as one of the most competitive economies by international agencies, such as the World Economic Forum and the International Institute for Management Development. Our workforce has been assessed as the best in the world by the Business Environment Risk Intelligence since 1980.

2 The current system and infrastructure for developing our workforce have served us well. But the world is changing. What we have done successfully in the past may not necessarily guarantee us success in the future. The New Economy requires a different type of worker – one who is able to create or acquire and apply knowledge in flexible and innovative ways to generate greater value.

3 Our schools had done well in preparing young Singaporeans. However, with the accelerating pace of change, the pre-employment education system can at best provide a broad-based foundation for our people to learn new skills. Schools, ITE, polytechnics and even universities cannot provide students with everything that they would need for their working life. A complementary system is required to enable workers to acquire new skills and update their stock of knowledge regularly, as well as motivate them to continuously learn and upgrade their skills. What is required is a parallel system that provides recognition for skills upgrading.

4 We have over 500,000 workers without secondary education, who make up about one-third of our resident workforce. These workers face difficulties in accessing the formal education system, which is based on fixed and specific entry requirements. In addition, the broad-based education system does not cater to their need for upgrading job-specific skills at the workplace.

5 These workers are most vulnerable to structural unemployment as industries and companies reconfigure their activities in response to forces of globalisation and technological changes. Although our economy grew by about 8.8% in the first half of this year, the unemployment rate was 3.5% -- higher than the pre-crisis figure of 2%. This is an indication that structural unemployment is already happening. Given the many corporate restructurings taking place and the radical shifts in the economy, structural unemployment is inevitable and will get worse if we do not prepare our workers for the New Economy. Retrenched workers will have more difficulties getting a new job if they did not upgrade their skills and if there is no system in place to recognise their job competency.

6 The lack of work performance standards and clear recognition of job competencies is an inadequacy which must be addressed. This is particularly so in the services sector, which employs about 1.3 million workers. Many service sector companies do not have specific work performance standards and job competencies. At the same time, we also lack a national system to recognise job-specific skill competencies.

7 Owing to our emphasis on industrialisation in the last three decades, over 90% of the skills certification that exists today is for specific skills in the manufacturing sector. Hence there is no skills certification for most of the service workers in our economy. But services and manufacturing sectors are Singapore's twin engines of growth. We cannot just focus on manufacturing.

We also need to improve skill recognition and certification in the services sector to enhance employability.

## **Launch of NSRS**

8 To enhance the competitiveness of our companies and workers, I am pleased to announce the launch of the National Skills Recognition System or NSRS. This new initiative, which is a key component of our lifelong learning system under the Manpower 21 Plan, will propel skills development in Singapore to a new height. It will transform our workforce and contribute to the reinvention of our organisations to respond effectively to the changing skill requirement at the workplace.

9 The new system will provide a national framework for the establishment of job skills competencies, alternative skills acquisition routes and the certification of workforce skills. The Productivity and Standards Board (PSB) has been appointed by the Ministry of Manpower as the programme manager of the new system. PSB has worked closely with industry lead bodies, the Ministry of Manpower and the Ministry of Trade & Industry. It had spent two years studying various systems worldwide. Consultative discussions were held with public and private sector agencies, including the Singapore National Employers Federation, National Trades Union Congress and the Ministry of Education.

## **Key Features**

10 Our NSRS incorporates the best features from the British and Danish systems. The five key features are:

Firstly, the system is industry-driven. This will ensure that the skill standards developed are relevant to the workplace.

Secondly, skills will be certified in bite-size units of competence. This will enable companies and their workers to select units directly relevant to them.

Thirdly, the system caters for workers to be re-certified when work requirements and performance standards change. This will ensure that skill standards are current.

Fourthly, the system is accessible to all. This will ensure that workers without academic or formal training, will have opportunities for skill certification based on their work competencies.

Lastly, the system provides for skill progression for workers. This will ensure that people have opportunities to progress to their highest skill level.

11 A high-level tripartite National Skills Council will oversee the implementation of the NSRS. I am glad to announce that Professor Hang Chang Chieh, Deputy Vice-Chancellor of the National University of Singapore, has been appointed as the Council's first Chairman. The ITE, polytechnics and universities have agreed in principle to accredit the NSRS certificates.

### **Industry Response**

12 Response from industry to the NSRS has been encouraging. It has already been successfully piloted in three industries – cleaning, representing the domestic services sector; hotel, representing the commerce sector; and marine, representing the manufacturing sector.

13 Thirty industries have signed up to implement the system. These include key industries like retail, electronics, food, mechatronics and telecommunications. Another seventy industries are discussing participation with the PSB.

### **Target**

14 The initial target is to establish 1,000 skills standards in the 100 key industries identified by the Strategic Economic Plan and Industry 21, and to certify 300,000 workers by 2005.

15 About \$166 million have been budgeted for the implementation of the system over five years. The Ministry of Manpower will provide a \$40-million grant through the Manpower Development Assistance Scheme (MDAS) to develop the infrastructure of the system – skills standards, assessment centres and training courses. The remainder will come from the Skills Development Fund, which will provide enhanced support for company staff to acquire NSRS-certified skills. In addition, all NSRS training will be supportable under the Skills Re-development Program, which will offset the payroll incurred by employers in sending workers for NSRS training.

### **Conclusion**

16 In conclusion, the NSRS is a key component of the Manpower 21 vision of developing Singapore into a Talent Capital, where the knowledge, skills and attitudes of our people are our key competitive advantage. By defining competencies and providing recognition to learning achievements, the NSRS

will serve as a pillar of our national lifelong learning initiative.

17 On this note, I commend the 27 organisations that assisted in piloting of the NSRS and welcome the new industries that are coming on board. I urge all industries to implement the NSRS. It is our workforce's passport to competitiveness and employability.

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