

FOURTEENTH PARLIAMENT OF SINGAPORE

First Session

SECOND REPORT OF THE ESTIMATES COMMITTEE

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ESTIMATES COMMITTEE

Members

Mr Ang Wei Neng (Chairman)

Mr Lim Biow Chuan

Assoc Prof Jamus Jerome Lim

Ms Rachel Ong

Mr Sitoh Yih Pin

Mr Vikram Nair

Mr Yip Hon Weng

Mr Zhulkarnain Abdul Rahim

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SECOND REPORT OF THE ESTIMATES COMMITTEE

OVERVIEW

1 The Estimates Committee considered the Ministerial Statement made by the Minister for Finance on 5 July 2021 on “Support Measures for Phase 2 (Heightened Alert) and Phase 3 (Heightened Alert)” and the Budget for the Financial Year (FY) 2022/2023 (Paper Cmd 12 of 2022).

2 In the consideration of the various matters and initiatives related to the Ministerial Statement on 5 July 2021 and the Budget for the FY 2022/2023, the Committee decided to focus its enquiry in the following two areas:

- (a) Monitoring the impact of the COVID-19 pandemic on the implementation of the Industry Transformation Maps (ITMs); and
- (b) Monitoring efforts on lifelong learning and job placement.

3 Over the course of its enquiry, the Committee received three memoranda from the Ministry of Finance (MOF) on 13 June 2022, 1 September 2022 and 30 September 2022. On 8 September 2022, the Committee also heard evidence from the Permanent Secretary and officials of MOF. The Committee’s queries to MOF, and the latter’s responses, have been consolidated in Section A and Section B of this report.

MONITORING THE IMPACT OF THE PANDEMIC ON THE IMPLEMENTATION OF INDUSTRY TRANSFORMATION MAPS

4 One of the key thrusts in Budget 2022 was the investment in new capabilities. The strengthening of digital capabilities was identified as the top priority, with other objectives such as increasing support for innovation, research and development (R&D) as well as productivity, and strengthening the local enterprise ecosystem. The Committee noted that in Budget 2016, the ITMs were launched to map out growth plans for 23 sectors across Singapore’s economy. Read against this backdrop, the Committee inquired how Budget 2022’s initiatives to invest in new capabilities have been integrated in the ITMs, supported the acceleration of industries’ transformation, and developed new capabilities to stay ahead of the competition in a more unpredictable and fast-paced global environment. These inquiries fit within the Committee’s remit of scrutinising how the Government’s annual Budget initiatives are implemented and whether the intended results and outcomes have been achieved by the underlying policy instruments.

5 Additionally, the COVID-19 pandemic would have had some consequences on the implementation and progress of the ITMs. Hence, the Committee asked MOF for an update on the progress of the ITMs and about the impact of the COVID-19 pandemic on the developments and achievements of the ITMs. In particular, the Committee asked for an update on the budget of \$4.5 billion set aside from FY2016 to FY2020 for the ITMs.

6 Following up on the Third Report of the Estimates Committee [Parl. 16 of 2018] wherein it was shared that MOF was tracking outcome indicators to measure the effectiveness of the various ITMs, the Committee also asked MOF for updates to the tracking outcome indicators for the ITMs.

Summary of MOF's Response to the Committee

Updates and Outcomes of the ITMs

7 MOF shared with the Committee that the ITMs were launched in 2016 and cover 23 industries to restructure the economy and build capabilities for the future. From 2016 to 2019, Singapore's overall labour productivity grew by 2.7% per year, up from 2.3% in the preceding three years. Over the same period, real median income of full-time employed residents improved, growing by 3.4% per year, higher than 3.1% in the prior three years. For the two-year period ending 2021, income growth was significantly affected by COVID-19, with real median income of full-time employed residents growing by 0.2% per annum. Our overall labour productivity grew by 3.9%, but this was uneven between different sectors of the economy.

8 The COVID-19 pandemic disrupted the global economy and Singapore's economy was also severely affected. In 2020, the economy shrunk by 4.1%, the worst full-year recession since independence. Given the severe impact that the pandemic has had on the Singapore economy, the progress of the ITMs was disrupted. The pandemic has also accelerated trends such as digitalisation and triggered a global rethink of supply chain resilience. To ensure that the ITMs remained relevant and COVID-19 resilient, the Future Economy Council (FEC) has been refreshing each of the 23 ITMs under ITM 2025, with the refreshed ITMs being launched progressively.

9 In MOF's second memorandum, the Committee learnt that all 23 ITMs would be refreshed by end-2022 and launched progressively by mid-2023. It was shared with the Committee that under ITM 2025, each of the 23 ITMs was being reviewed and their sectoral strategies updated, to address the lessons from the COVID-19 pandemic and changes to the external environment. These changes include accelerating digitalisation, and a renewed focus on resilience and sustainability. For instance, the refreshed Food Services ITM 2025 called for enterprises to make further investment in R&D to produce ready-to-eat (RTE) meals. This followed the observation that enterprises which carried RTE products and retailed them on- and offline during the Circuit Breaker period remained resilient. The refreshed ITM would also support food services enterprises to enter new markets, deepen overseas presence and internationalise through cloud kitchens and/or exports of food retail products.

10 On monitoring the outcomes of the ITMs, it was also shared in MOF's second memorandum that while productivity and real median income growth are important outcomes of economic transformation, including from the ITMs, it was not possible to isolate the impact of ITMs on these two outcomes due to other macroeconomic factors beyond industry transformation, such as external demand and global trade structures. These cyclical factors also significantly influence changes from year to year. Additionally, apart from productivity and real median income growth indicators, each ITM has its own sector-specific indicators and targets to measure the effectiveness of strategies best suited to each ITM. The Committee noted that MOF would be monitoring the targets set in place, and the ITMs' overall productivity and real median income growth, as part of the ITM 2025 implementation.

11 The Committee also learnt from MOF, as announced in Budget 2022, that the Government would be investing in areas of (i) digital capabilities for businesses and workers, (ii) support for local firms to undertake R&D activities, (iii) schemes to improve productivity for SMEs and (iv) schemes to help local enterprises scale up and invest in overseas markets.

These were aligned with the focus areas of the ITMs, including digitalisation, innovation, productivity, internationalisation, and jobs and skills.

12 For more details on the enquires and responses, please refer to paragraphs A1 to A18 in Section A.

Updates and Impact of the Funds for the Industry Transformation Programme

13 Following up on the \$4.5 billion earmarked for the Industry Transformation Programme announced in Budget 2016 together with the ITMs, the Committee noted that it was used to fund schemes and initiatives driven by Enterprise Singapore (EnterpriseSG) and the Economic Development Board (EDB), including those designed, enhanced, or implemented in line with the recommendations of the ITMs, which cut across various industries.

14 MOF shared that the initial budget of \$4.5 billion was planned for use from FY2016 to FY2020. Due to uncertainties caused by COVID-19 which affected projections for future needs, the budget was given a bridging top-up for one year until FY2021. As of end-FY2021, a total of \$6.55 billion, which cuts across all ITMs, has been committed under the Enterprise Development Fund (EDF) (\$3.5 billion) and the Economic Development Assistance Scheme (EDAS) (\$3.05 billion) since FY2016. This comprised \$6.19 billion for capability development, \$175.51 million for market access, and \$180.54 million for financing.

15 At the meeting with MOF representatives on 8 September 2022, the Committee asked what had been the impact and outcomes achieved on the utilisation of these funds. MOF shared in the third memorandum that between FY2016 and FY2021, over 420,000 projects were approved under EDF and EDAS. Of these projects, around 99% were from SMEs and 1% from multinational corporations.

16 For more details on the enquires and responses, please refer to paragraphs A19 to A26 in Section A.

Prudent and Proper Utilisation of Funds

17 In response to the Committee's query on the measures used to monitor the prudent and proper utilisation of these funds, particularly in exercising fiscal prudence in the disbursement of public monies in relation to the ITMs, MOF assured the Committee that Government continually emphasises the importance of prudence and value-for-money in spending across all programmes, including schemes and initiatives driven by EnterpriseSG and EDB based on the recommendations of the ITMs and shared the details of the various checks and controls. (See paragraph A27 for more details)

Observations and Recommendations

18 The Committee thanked MOF for the comprehensive updates on the ITMs. The Committee noted that key thrusts in Budget 2022 are aligned with the ITMs launched in Budget 2016, and continue the work to restructure Singapore's economy to build up capabilities for the future. The Committee acknowledged the work and effort by the Government to spearhead and partner with the various stakeholders on these transformative efforts to map out growth plans for 23 sectors across the entire economy. As transforming the economy would always be

a work in progress, the Committee encouraged the Government to pursue such efforts to prepare Singapore for the future.

19 Being the central facilitator, the Government tracks the development and progress of the ITMs, and would be aware of useful experience or learning lessons within each sector's ITM, especially those learnt during the COVID-19 pandemic. Such learning lessons may then be applicable or useful to other ITMs as well. As such, the Committee suggested that the Government could consider exploring plans for sharing the achievements of the ITMs among the different stakeholders across the ITMs and also explore the plans for the ITMs beyond 2025 such as collaboration between the ITMs to galvanise and develop future capabilities. This would then allow for possible collaborations between the ITMs to seek innovative solutions to a range of issues and provide greater synergy for restructuring and building capabilities for the future.

20 Additionally, the Committee was encouraged by how ITMs updated their strategies to address challenges and seize new opportunities from the COVID-19 pandemic and shifts in global supply chains. An example is the refreshed Sea Transport ITM launched in April 2022 which was shared by MOF in its third memorandum to the Committee. The Committee urged the Government to support the continuous refreshing of ITMs to address challenges and seize new opportunities arising from the COVID-19 pandemic so as to put Singapore in a better position for future challenges.

21 On prudent and proper utilisation of the funds for the schemes and initiatives driven by EnterpriseSG and EDB for the ITMs, the Committee noted that the Government emphasises the importance of these principles across all these schemes and initiatives. The Committee took note of the checks and balances implemented, including the tracking of the control measures.

MONITORING EFFORTS ON LIFELONG LEARNING AND JOB PLACEMENT

22 In his Budget 2022 speech, Minister for Finance Lawrence Wong informed Parliament that Singapore's social spending almost doubled from \$17 billion to \$31 billion over the last decade. The increase was for programmes that have made a difference in Singaporeans' lives, like higher subsidies in the healthcare system and in tertiary education, as well as schemes like SkillsFuture, Workfare, and Silver Support. Noting that the Government has introduced and enhanced a wide variety of programmes and initiatives to support Singaporeans in their lifelong learning journey, the Committee enquired into the efforts that have been taken to ensure that all Singaporeans are supported in their lifelong learning and assistance for job placement when needed. The Committee asked for an update on the targets or indicators that had been established for lifelong learning and job placement efforts and how the outcomes were monitored.

23 Additionally, the Committee asked for details of the annual spending by the Government to support lifelong learning and job placement efforts for Singaporeans since 2019, and the estimated spending needed in the medium term. The Committee also inquired into the efforts that have been taken and/or commitments by the employers to support their Singaporean workers in their lifelong learning journey.

Summary of MOF's Response to the Committee

Supporting Singaporeans in Lifelong Learning and Assistance for Job Placement

24 In MOF's first memorandum, it was shared with the Committee that the Government has introduced and enhanced a wide variety of programmes and initiatives to support Singaporeans in their lifelong learning journey, with clear employability outcomes in mind.

25 For lifelong learning, the Government has been expanding the range of opportunities and pathways under SkillsFuture for Singaporeans to pursue lifelong learning for skills mastery, to enable them to adapt to the evolving needs of the economy and stay employable. These were supported by efforts to strengthen the Continuing Education and Training (CET) ecosystem, comprising Institutes of Higher Learning (IHLs), private training providers, and enterprises.

26 The Government has been supporting jobseekers in finding employment. For instance, the Career Conversion Programmes (CCPs) provide training and salary support for mid-career individuals to move into new occupations or sectors that have good prospects and opportunities for progression. Through career matching services, the Ministry of Manpower (MOM) and Workforce Singapore (WSG) have also been helping jobseekers navigate the job market and explore new career options that suit their skillsets.

27 When asked by the Committee on the assistance to those between 40 to 55 years of age, MOF shared that the Government recognises that workers in their 40s and 50s generally face greater challenges in the labour market, and there have been concerted and enhanced efforts to better support them to upskill or reskill to remain employable and access good jobs. For example, the SkillsFuture Mid-Career Support Package introduced in Budget 2020 includes a slate of measures specifically targeted at supporting mature workers and would contribute towards the Government's aim to place around 5,500 workers in their 40s and 50s into jobs each year by 2025. The Government also strengthened support for mid-career workers and other vulnerable workers through the Budget 2022 measures, such as the SGUnited Mid-Career Pathways Programme, which provides full-time company attachments for mid-career individuals aged 40 and over.

28 For more details on the enquires and responses, please refer to paragraphs B5 to B9 and B14 to B19 in Section B.

Utilisation of Funds to Support Lifelong Learning and Job Placement Efforts

29 The Committee learnt that from FY2019 to FY2021, the Government spent an average of \$1.2 billion per year on Jobs and Skills (JS) programmes implemented by MOE, MOM, SkillsFuture Singapore (SSG), and Workforce Singapore (WSG). This level of investment is expected to be sustained in the medium term.

30 Additionally, the Government had set aside \$8.4 billion over FY2020 to FY2021 for workforce training and job placement programmes, to preserve human capital and protect the labour market during the COVID-19 pandemic. Of the \$8.4 billion set aside over FY2020 to FY2021 for workforce training and job placement programmes that will run up to FY2023, 34% has been utilised as of FY2021. MOF shared that they expected expenditure to increase as the Government continues to implement these programmes.

31 From April 2020 to April 2022, about 200,000 places were taken up under the jobs and skills programmes and initiatives of the SGUnited Jobs and Skills package. The JGI has supported close to 709,000 local hires by 83,000 firms between September 2020 and February 2022.

32 For more details, please refer to paragraphs B1 to B4 in Section B.

Update on Targets or Indicators for Lifelong Learning and Job Placement Efforts

33 MOF informed the Committee that good progress has been achieved in encouraging greater participation in lifelong learning in Singapore. The individual Training Participation Rate of the labour force, which is reported annually in MOM's Labour Force report, increased from 48.5% in 2019 to 49.9% in 2021. In 2021, about 660,000 individuals and 24,000 enterprises benefitted from SSG-supported programmes, up from about 500,000 individuals and 14,000 enterprises in 2019.

34 On job placement efforts, WSG placed around 68,000 individuals into jobs at the height of the pandemic in 2021, which is more than double that achieved in 2019. WSG is targeting 60,000 placements in 2022. The FY2021 cohort-based placement rate is forecasted to be 70%, which is 1.2 percentage points higher than in FY2019. WSG will maintain the same target rate for FY2022.

35 MOF took the view that the lifelong learning and job placement efforts, such as the SGUnited Jobs and Skills programme, helped to bring down unemployment back to pre-COVID-19 levels. It was shared with the Committee that with the recovery of Singapore's economy, the labour market has become tight. The ratio of vacancies to unemployed persons stood at over 2.42 as of March 2022 as compared to 0.98 in March 2021, 0.66 in March 2020 and 1.02 in March 2019. As such, Government efforts would be focused on easing shortages in certain critical areas like IT through programmes like the Infocomm Media Development Authority's TechSkills Accelerator, and improving employment for vulnerable groups.

36 For more details, please refer to paragraphs B10 to B13 and B14 to B18 in Section B.

Role of Employers in Lifelong Learning Journey

37 Responding to the Committee's query on the efforts or commitments taken by employers to support their Singaporean workers in their lifelong learning journey, MOF shared that on the whole, the Government observed that more enterprises are doing their part to contribute to employee training. In 2021, about 24,000 enterprises participated in SSG-supported programmes, up from about 14,000 enterprises in 2019. The overall Establishment Training Participation Rate, which records the proportion of private establishments that provide structured training for their employees, has consistently been above 70% since 2010, though it fell below 70% in 2020 due to COVID-19.

38 Additionally, the Government agreed with the Committee that employers play a key role in supporting workers in their lifelong learning journey. Policies and programmes to facilitate this include:

- (a) Skills Development Levy (SDL) - a compulsory levy that employers must pay for all employees (including foreigners) working in Singapore, in addition to CPF contributions. The SDL collected is channelled to the Skills Development Fund, which supports workforce upgrading programmes and provides training grants to employers when they send employees for training under the National CET system; and
- (b) Absentee Payroll (AP) funding - all locally registered/incorporated organisations in Singapore are eligible for AP funding when they sponsor their Singaporean and Permanent Resident employees for training courses funded by SSG to invest in their workers. In the third memorandum, it was shared with the Committee that the amount of approved AP claims by companies was approximately \$16 million annually, on average, from FY2016 and FY2019. Of the \$16 million in annual claims, about 40% went to SMEs. Between FY2016 and FY2019, the number of SMEs that received AP funding per year remained stable at around 5,500.

39 It was shared with the Committee that the Next Bound of SkillsFuture announced at Budget 2020 supports efforts to build a highly skilled workforce and enable enterprise transformation. A key focus of Next Bound of SkillsFuture is to strengthen the role of employers and enterprises in supporting lifelong learning and skills upgrading of their workers. This is being done through the initiatives such as SkillsFuture Enterprise Credit (SFEC), SkillsFuture Queen Bees (SFQBs) and National Centre of Excellence for Workplace Learning. The Government also supports the Labour Movement’s Company Training Committee (CTC) initiative, which has been in place since April 2019. As at 1 September 2022, the Labour Movement has worked with companies to set up over 800 CTCs to drive workforce and enterprise transformation at the company level. In addition, a \$70 million CTC Grant was announced at Budget 2022, which firms can tap on to implement CTC-endorsed training and transformation plans. The grant was officially launched on 1 August 2022.

40 The Committee delved into the SFQBs initiative in which the Government identifies and supports industry-leading companies in various sectors to be “Queen Bees”. MOF informed the Committee that SFQBs provide skills advisory and support to guide organisations in identifying and acquiring skills needed for business transformation. Companies that participate in an SFQB network will receive support from a skills manager, who will work with them to understand skills needs and introduce relevant training programmes. They will also receive guidance on relevant jobs and skills resources and government schemes that support their skills development plan. Responding to the Committee’s query for an example of how local SFQBs benefitted SMEs, MOF shared that besides local SFQBs such as Singtel (Infocomm Technology), Grab (Food Services), CapitaLand, Shopee (Retail), and DBS (Financial Services), Sheng Siong took on the role of SFQB to help its suppliers build up workforce capabilities to accelerate the adoption of digital technologies. With support from skills managers and training providers, Sheng Siong reached out to over 60 suppliers to customise skills development interventions based on their business needs and skills gaps. SkillsFuture courses and resources were also integrated into their supplier portal to encourage their wide network of suppliers to engage in continuous learning.

41 For more details on the enquires and responses, please refer to paragraphs B20 to B33 in Section B.

Aligning Lifelong Learning and Job Placement Efforts with National Long-term Climate Goals

42 With the launch of the Singapore Green Plan 2030 in 2021 to bring all Singaporeans on board the sustainability movement, the Committee asked MOF whether lifelong learning and job placement efforts could align with the national long-term climate goals and support manpower needs in areas such as green technologies.

43 In reply, MOF shared that the Government recognises that a strong and skilled workforce is critical to securing Singapore's competitive advantage in the fast-developing area of sustainability. This recognition undergirds ongoing efforts to align lifelong learning and job placement efforts with national long-term climate goals.

44 The Committee learnt that as part of the Singapore Green Plan 2030, Singapore's IHLs have made sustainability a strategic priority in their curricula. They are refreshing specialised course offerings and launching new programmes to provide students with necessary skills for emerging green jobs and existing jobs that will be transformed due to the green transition. Furthermore, the Government is working to identify the "green skills" needed across the economy, to inform efforts to develop training pathways to prepare and equip workers for the green transition.

45 MOF assured the Committee that the ITMs are continually being refreshed to take into account the impact of sustainability and the green economy on manpower and skills needs. It was also shared with the Committee that in 2021, MOM launched Jobs Transformation Maps (JTM) to provide detailed, job-level insights on the impact of technology and automation on the industry and workforce. The Government also incorporated the green dimension in the reskilling/upskilling support. For example, WSG is developing a CCP for Sustainability Professionals, which companies can tap on to reskill their local employees to kickstart their green transition.

46 For more details, please refer to paragraph B34 in Section B.

Observations and Recommendations

47 The Committee expressed their appreciation to MOF for their sharing and acknowledged the efforts by the Government to help Singaporeans in their lifelong learning journey. Noting that progress has been achieved in encouraging greater participation in lifelong learning in Singapore, the Committee urged the relevant Ministries and agencies to continue in their efforts to push for lifelong learning and to anticipate shortages in certain critical areas which could be identified by the industries in their ITMs. The Committee also urged the Government to continue with the efforts and initiatives to encourage Singaporeans to utilise their SkillsFuture Credit given that as of June 2022, only about 29% of eligible Singaporeans aged 25 and above have utilised their Credit. One suggestion to be explored could be to encourage employers to urge their Singaporeans employees to tap on their SkillsFuture Credit.

48 The Committee agreed with MOF that more enterprises are observed to be doing their part to contribute to employee training. The Committee supported the various policies and programmes such as SDL, AP Funding, the Next Bound of SkillsFuture, SFQBs, National Centre of Excellence for Workplace Learning and the Labour Movement's CTC initiative. Encouraged by examples of how local "Queen Bees", such as Kwong Wai Shiu Community Hospital (KWSH), have helped local SMEs, the Committee urged the Government to continue identifying and supporting the industry-leading companies in various sectors to be "Queen Bees".

49 Paying attention to job placements of mature workers during the COVID-19 pandemic, the Committee agreed with the initiatives taken by the Government to invest in human capital for labour market recovery by gearing up its offerings in job placement and employment facilitation, company-based traineeships, attachments, and skills upgrading. Having about 200,000 places taken up under the different programmes of the SGUnited Jobs and Skills package which encompassed both job placement and skills training opportunities, was a good sign that unemployed jobseekers and workers who were at risk of becoming unemployed found these programmes and initiatives useful. For the SGUnited Traineeships, SGUnited Mid-Career Pathways, and SGUnited Skills programmes, which comprised traineeships, attachments and training programmes of longer duration, 22,600 unemployed trainees found employment after their programmes. The Committee noted that 7,600 of these trainees were aged 40 and over. The Committee was of the view that these programmes and traineeships had made a meaningful difference to those who participated and helped to improve their lives and careers.

50 On utilisation of the funds to support lifelong learning and job placement efforts, the Committee urged MOF to continually emphasise the importance of prudence and value-for-money in spending across all programmes, including schemes and initiatives.

SECTION A

Impact of the Pandemic on the Implementation of Industry Transformation Maps

Committee's Queries to MOF:

For an update on the outcome indicators for the 23 ITM and the impact, if any, of the COVID-19 pandemic on the developments and achievements of the ITMs.

Reply from MOF on 13 June 2022:

A1 Launched in 2016, the Industry Transformation Maps (ITM) cover 23 industries. Between the start of the launch of the ITMs and onset of COVID-19, we made the following progress:

- (a) From 2016 to 2019, Singapore's overall labour productivity grew by 2.7% per year, up from 2.3% in the preceding three years.
- (b) Over the same period, real median income of full-time employed residents improved, growing by 3.4% per year, higher than 3.1% in the prior three years.

A2 The COVID-19 pandemic has disrupted the global economy. Singapore's economy was also severely affected – in 2020, the economy shrunk by 4.1%, the worst full-year recession since independence. Certain industries, like those related to travel, were much more adversely impacted, with sharper declines in output and workforce.

A3 Given the severe impact that the pandemic has had on the Singapore economy, the progress of the ITMs was disrupted. The pandemic has also accelerated trends such as digitalisation and triggered a global rethink of supply chain resilience. Our economy will need to adapt in order to stay ahead of the competition.

A4 To ensure that the ITMs remain relevant as we move towards COVID-19 resilience, the Future Economy Council is refreshing each of the 23 ITMs under ITM 2025. ITM 2025 is currently in progress, and will take into account the work done so far. The refreshed ITMs are being launched progressively. For example, the Sea Transport and Food Services ITMs were launched in April and May 2022 respectively.

A5 Restructuring the Singapore economy is a long-term effort. The Government will continue to work with tripartite partners to press on with our transformation efforts.

Committee's Further Queries to MOF:

For the list of the ITMs to be refreshed and the estimated scheduled timeline for the refresh to take place and how major lessons learnt from the COVID-19 pandemic were incorporated in the revised ITMs.

Reply from MOF on 1 September 2022:

A6 There are 23 Industry Transformation Maps (ITMs), as indicated in Table 1. All 23 ITMs will be refreshed by end-2022 and launched progressively by the middle of 2023.

Table 1: List of 23 Industries under ITMs

S/N	Industries
1.	Aerospace
2.	Electronics
3.	Energy & Chemicals
4.	Food Manufacturing
5.	Logistics
6.	Marine & Offshore Engineering
7.	Precision Engineering
8.	Wholesale Trade
9.	Air Transport
10.	Sea Transport
11.	Land Transport
12.	Education
13.	Healthcare
14.	Construction
15.	Real Estate
16.	Security
17.	Environmental Services
18.	Financial Services
19.	ICT & Media
20.	Professional Services
21.	Food Services
22.	Hotels
23.	Retail

A7 Under ITM 2025, each of the 23 ITMs are being reviewed and their sectoral strategies updated, to address the lessons from the COVID-19 pandemic and changes to the external environment. These changes include accelerating digitalisation, and a renewed focus on resilience and sustainability. The Sea Transport and Food Services ITMs were the first two refreshed ITMs to be publicly launched, although several more ITMs have been finalised at the time of writing and will be publicly launched soon.

A8 For example, recognising the shift in consumer behaviour towards e-commerce and the adverse impact of supply chain disruptions, the Food Services ITM 2025 will focus efforts on innovating new business models to capture emerging opportunities. For instance, the refreshed ITM calls for enterprises to make further investment in research and development (R&D) to produce ready-to-eat (RTE) meals. This is in line with observations that enterprises which carried RTE products and retailed them on- and offline during the Circuit Breaker period remained resilient. The refreshed ITM will also support food services enterprises to enter new markets, deepen overseas presence and internationalise through cloud kitchens and/or exports of food retail products.

A9 COVID-19 also demonstrated the critical role that seaports played in securing global supply chains. To maintain the relevance and resilience of Maritime Singapore as a key node in global supply chains, the refreshed Sea Transport ITM sets out how the sector will future-proof our port's capacity and capabilities through enhancing connectivity, building a net-

zero emissions port, and supporting port automation to increase productivity. To support Singapore's ambition to grow into a leading MarineTech Hub for companies and startups, the refreshed ITM guides how maritime R&D capabilities will be deepened to improve productivity and meet the future needs of international shipping. Examples include carrying out R&D on marine fuels of the future, as well as drone technologies that can support manual tasks that are carried out today such as ship resupplying and ship inspections.

Committee's Further Queries to MOF:

For the impact of the ITMs on the two indicators of productivity and real median income and the data for the two indicators for 2020 and 2021 respectively.

Reply from MOF on 1 September 2022:

A10 Productivity and real median income growth are important outcomes of economic transformation, including from the ITMs. However, it is not possible to isolate the impact of ITMs on these two outcomes because they are also influenced by other macroeconomic factors beyond industry transformation, such as external demand and global trade structures. These cyclical factors also significantly influence changes from year to year. For example, the labour productivity of the Electronics sector, as measured by Value-Added (VA) per Actual Hour Worked (AHW), increased by 9.8% from 2016 – 2019. However, viewing 2019 in isolation, the sector's labour productivity declined by 12% in part due to a global semiconductors down-cycle. As ITMs are meant to guide medium-term industry transformation, it is more meaningful to look at progress of such indicators holistically and over a period of time.

A11 Apart from productivity and real median income growth indicators, each ITM has its own sector-specific indicators and targets to measure the effectiveness of strategies best suited to each ITM. For instance, the refreshed Sea Transport ITM aims to grow the sector's value-add by \$2 billion between 2020 and 2025; attract more than \$25 million of Venture Capital investments into Port Innovation Ecosystem Reimagined @ Block 71 (PIER71TM) startups; and create another 1,000 good jobs for locals. As the ITMs are in the process of being refreshed, we will be monitoring the targets set in place, and the ITMs' overall productivity and real median income growth, as part of the ITM 2025 implementation.

A12 For the two-year period ending 2021, productivity and income growth were significantly affected by COVID-19. Singapore's overall labour productivity and real median income of full-time employed residents grew by 3.9% and 0.2% per annum respectively.

Committee's Further Queries to MOF:

For a preliminary update on the current progress to achieve the aims outlined in the refreshed Sea Transport ITM.

Reply from MOF on 30 September 2022:

A13 The refreshed Sea Transport ITM was recently launched in April 2022. It updates our strategies to address the challenges and seize new opportunities from the COVID-19 pandemic and shifts in global supply chains. Specifically, taking into account these changes, the refreshed Sea Transport ITM aims to create increased opportunities in physical and

digital connectivity for greater resilience, technological advancements, and global efforts for the green transition of the maritime sector.

A14 To spearhead the transformation and achieve the aims outlined in the refreshed Sea Transport ITM, the **Maritime Industry Transformation Tripartite Committee (MITTC)**¹ was established in April 2022 to:

- (a) Strengthen the innovation ecosystem;
- (b) Promote digitalisation;
- (c) Develop new business growth area; and
- (d) Cultivate a future-ready maritime workforce.

A15 As one of the key follow-ups by the MITTC, MPA and the Singapore Maritime Foundation announced in September 2022 that they would partner Pacific Carriers Limited, Pacific International Lines and American Bureau Shipping to establish the Alliance for Future Maritime Talent, to equip the maritime workforce with new skills as the industry transforms.

A16 Given the recent launch of the refreshed Sea Transport ITM, it is premature to measure progress at this stage. The MITTC will share further details on other key initiatives to achieve their refreshed ITM priorities and outcomes, when ready.

Committee's Queries to MOF:

How initiatives announced in Budget 2022 to invest in new capabilities are integrated in the ITMs

Reply from MOF on 13 June 2022:

A17 In Budget 2022, MOF announced that we would invest in the following:

- (a) Digital capabilities for businesses and workers;
- (b) Support for local firms to undertake R&D activities;
- (c) Schemes to improve productivity for SMEs; and
- (d) Schemes to help local enterprises scale up and invest in overseas markets.

These are aligned with the focus areas of the ITMs, including digitalisation, innovation, productivity, internationalisation, and jobs and skills.

A18 As each sector faces its unique set of challenges and circumstances, the ITMs take a sector-specific approach to develop the corresponding strategies to help each sector transform and remain competitive. For instance, under the Productivity Solutions Grant, ITM lead agencies work with industry stakeholders to ensure that pre-scoped solutions remain relevant to the needs of their specific industries.

¹ Comprising PSA Corporation, Jurong Port Private Limited, the Singapore Shipping Association, Singapore Maritime Foundation, the Singapore Maritime Officers' Union and the Maritime and Port Authority of Singapore.

Committee's Queries to MOF:

For an update on how much of the \$4.5 billion earmarked for the Industry Transformation Programme and what portion allocated to the ITMs has been used for the furtherance of the Industry Manpower Plan (IMP).

Reply from MOF on 13 June 2022:

A19 The \$4.5 billion announced for the Industry Transformation Programme as part of Budget 2016 included new tranches of funding for the Enterprise Development Fund and the Economic Development Assistance Scheme. These were used to fund schemes and initiatives driven by EnterpriseSG and EDB, including those designed, enhanced, or implemented in line with the recommendations of the ITMs. These cut across various industries and funding cannot be attributed neatly to each industry.

A20 Total commitment exceeded \$4.5 billion. We will continue to set aside sufficient funds to ensure that the industries are adequately supported.

A21 The Industry Manpower Plan has been renamed as the Jobs and Skills (JS) pillar. Each ITM has a JS pillar. The JS programmes are funded over and above the \$4.5 billion committed under the Industry Transformation Programme, and cost \$1.2 billion per year, on average.

Committee's Further Queries to MOF:

For the reasons why total commitment exceeded \$4.5 billion.

Reply from MOF on 1 September 2022:

A22 The initial budget of \$4.5 billion was planned for use from FY2016 to FY2020. Due to uncertainties caused by COVID-19 which affected projections for future needs, the budget was given a bridging top-up for one year until FY2021.

A23 As of end-FY2021, a total of \$6.55 billion has been committed under the Enterprise Development Fund and the Economic Development Assistance Scheme since FY2016. This comprised \$6.19 billion for capability development, \$175.51 million for market access, and \$180.54 million for financing. This funding cuts across all ITMs.

Committee's Further Queries to MOF:

For the distribution of the funds committed under the EDF and EDAS and the number of beneficiaries.

Reply from MOF on 30 September 2022:

A24 Between FY2016 to FY2021, \$3.5 billion was committed under the Enterprise Development Fund (EDF) and \$3.05 billion was committed under the Economic Development Assistance Scheme (EDAS).

A25 Between FY2016 and FY2021, over 420,000 projects² were approved under EDF and EDAS. Of these projects, around 99% were from SMEs and 1% from MNCs.

A26 Across the same time period, enterprises projected more than 180,000 jobs created from investment promotion and enterprise capability schemes in EDF and EDAS.³

Committee's Further Queries to MOF:

For the measures used to monitor the prudent and proper utilisation of funds, particularly in exercising fiscal prudence in the disbursement of public monies in relation to the ITMs.

Reply from MOF on 1 September 2022:

A27 The Government continually emphasises the importance of prudence and value-for-money in spending across all programmes, including schemes and initiatives driven by EnterpriseSG and EDB based on the recommendations of the ITMs.

- (a) Initiating new/enhancing existing programmes: Before programmes are introduced/enhanced, agencies will seek feedback from industry stakeholders, supplemented by international studies and research where relevant. This is meant to validate the hypothesis and need for these new/enhanced programmes. Existing schemes are also reviewed regularly for their effectiveness so that timely refinements can be made. For new programmes or significant enhancements to existing programmes, policy and funding approval must be sought from the relevant approving authorities. Agencies are also required to set KPIs that measure the success of the proposed programme and establish the reporting structure to monitor outcomes.
- (b) Instituting controls: All forms of funding, including funds committed under the ITMs, are subject to the rules laid out in Government Instruction Manuals and Finance Circulars, which are updated to share best practices across agencies. Agencies have standard operating procedures and governance controls such as designated approval authorities and segregation of roles and responsibilities to ensure that funds are disbursed with proper due diligence. As Statutory Boards, EnterpriseSG and EDB are also required to submit their annual audited financial statements to MTI for review. Each Permanent Secretary, as the Accounting Officer of the respective ministry, is ultimately accountable for the financial functions and other duties laid out in the Financial Procedure Act.
- (c) Monitoring performance: Ministries and agencies (as scheme owners) are accountable for the KPIs for their programmes, and responsible for monitoring their governance and performance. The performance of key programmes is published by Ministries for their respective areas, and the performance indicators are consolidated and reported in the Annual Revenue and Expenditure Estimates. In addition, MOF regularly reviews Ministries' functions and their ongoing programmes. This includes working with agencies to review whether resourcing is optimised and intended

² MOF was unable to provide enterprise count, as enterprises can tap on multiple schemes, grants, and services within a year and across different years. Number of projects include the sum supported by SPRING and IE Singapore (before the formation of EnterpriseSG), EnterpriseSG, and EDB.

³ Economic agencies are unable to provide the number of workers impacted under schemes funded from EDF and EDAS, as enterprises are not always required to declare the number of workers when applying for a grant/incentive.

outcomes are met. Good practices, guidelines, and case studies from reviews are shared across the Public Service.

- (d) Third-party Checks: The AGO is an important part of our system of checks to uncover areas of improvement. AGO adopts a risk-based approach in determining which areas to cover in an audit. AGO takes into consideration factors such as materiality and potential impact. Areas selected for audit could include areas with higher value expenditure, higher volume of transactions and key IT systems that deal with financial transactions. For example, as part of AGO's annual audit of the Government Financial Statements, it examines the controls in place for payments to government suppliers, and audits the key IT systems used to process financial transactions, including those administered by MOF. AGO audits complement the role of Internal Audit functions in public agencies.

SECTION B

Efforts on Lifelong Learning and Job Placement

Committee's Queries to MOF:

For the annual spending and funds set aside to support lifelong learning and job placement efforts.

Reply from MOF on 13 June 2022:

B1 From FY2019 to FY2021, the Government spent an average of \$1.2 billion per year on Jobs and Skills (JS) programmes implemented by MOE, MOM, SkillsFuture Singapore (SSG), and Workforce Singapore (WSG). We expect to sustain this level of investment in the medium term.

B2 In addition to the above, the Government set aside \$8.4 billion over FY2020 to FY2021 for workforce training and job placement programmes, to preserve human capital and protect the labour market during the COVID-19 pandemic.

- (a) \$2.2 billion was set aside for the SGUnited Jobs and Skills (SGUJS) package – a set of training schemes¹ for workers to upskill during the economic downtime.
- (b) \$6.2 billion was set aside for the Jobs Growth Incentive (JGI), to encourage firms to boost hiring of local workers.²

Committee's Further Queries to MOF:

For the utilisation of the \$8.4 billion set aside over FY2020 to FY2021 for workforce training and job placement programmes.

Reply from MOF on 1 September 2022:

B3 Of the \$8.4 billion set aside over FY2020 to FY2021 for workforce training and job placement programmes that will run up to FY2023, 34% has been utilised as of FY2021. We expect expenditure to increase as we continue to implement these programmes.

B4 From April 2020 to April 2022, about 200,000 places were taken up under the jobs and skills programmes and initiatives of the SGUnited Jobs and Skills package. The JGI has supported close to 709,000 local hires by 83,000 firms between September 2020 and February 2022.

Committee's Queries to MOF:

For the efforts to ensure that all Singaporeans are supported in their lifelong learning and assistance for job placement when needed, especially in the mature age group of between 40 to 55 years of age.

Reply from MOF on 13 June 2022:

¹ The SGUJS schemes comprised: (a) SGUnited Skills; (b) SGUnited Traineeships; (c) SGUnited Mid-Career Pathways – Company Training; and (d) SGUnited Mid-Career Pathways – Company Attachment.

² The Government subsequently set aside an additional amount of around \$2.9 billion for JGI extensions, which is expected to be disbursed from FY2022 onwards.

B5 The Government has introduced and enhanced a wide variety of programmes and initiatives to support Singaporeans in their lifelong learning journey, with clear employability outcomes in mind:

- (a) Under SkillsFuture, we are expanding the range of opportunities and pathways for Singaporeans to pursue lifelong learning for skills mastery, to enable them to adapt to the evolving needs of the economy and stay employable. These are supported by our efforts to strengthen the Continuing Education and Training (CET) ecosystem, comprising Institutes of Higher Learning (IHLs), private training providers, and enterprises.
- (b) We are also supporting jobseekers in finding employment. For instance, the Career Conversion Programmes (CCPs) provide training and salary support to employers who hire and reskill mid-career jobseekers for new occupations with good long-term prospects. Through career matching services, MOM and WSG are also helping jobseekers navigate the job market and explore new career options that suit their skillsets. In 2021, WSG placed around 68,000 individuals into jobs, which is more than double that achieved in 2019.

B6 The Government recognises that mature workers in their 40s and 50s generally face greater challenges in the labour market. We are making a concerted effort to better support them to upskill or reskill to remain employable and access good jobs. For example, the SkillsFuture Mid-Career Support Package introduced in Budget 2020 includes a slate of measures specifically targeted at supporting mature workers and will contribute towards the Government's aim to place around 5,500 workers in their 40s and 50s into jobs each year by 2025. The Mid-Career Support Package comprises:

- (a) Increased capacity of reskilling programmes such as CCPs and sector-specific programmes like the TechSkills Accelerator Mid-Career Advance for ICT jobs;
- (b) The SkillsFuture Career Transition Programme (SCTP), a train-and-place programme ranging from three to 12 months to support mid-career individuals in acquiring industry-relevant skills to improve employability and pivot to new sectors or job roles;
- (c) Additional \$500 of SkillsFuture Credit (Mid-Career Support), which can be used for the SCTP; courses delivered by SSG-appointed CET centres; courses that fulfil training requirements for Progressive Wage Model sectors; and full qualifications programmes delivered by our IHLs; and
- (d) Volunteer Career Advisors, assembled from professional communities, to provide peer-level support and career guidance to local workers in navigating professional pathways.

B7 In addition, the Government has a range of programmes to support employers in their job redesign efforts, such as the Productivity Solutions Grant – Job Redesign. Such measures enable employers to make jobs better, safer, and more productive, so that mature workers can be gainfully employed for a longer duration.

B8 We further strengthened our support for mid-career workers and other vulnerable workers through the Budget 2022 measures. This includes extending the JGI to September 2022 for mature workers who have not been working for at least six months, persons with disabilities, and ex-offenders. Between September 2020 and November 2021, the JGI has supported close to 600,000 local hires by 74,000 firms. MOM has also streamlined and made the SGUnited Mid-Career Pathways Programme permanent to provide more options for mature jobseekers; from its launch until January 2022, over 7,200 locals have been placed into attachments. In addition, the Government will retain the SGUJS Centres in all 24 HDB towns, as well as the deployed Careers Connect On-the-Go programme. This ensures that our employment facilitation services remain readily accessible for Singaporean jobseekers across a broad spectrum of learning and employment facilitation needs.

B9 As Singapore's workforce continues to age and business cycles shorten due to rapid technological developments, the imperatives for lifelong learning and effective job placement assistance will strengthen further. The Government will continue to work with all stakeholders, including workers, unions, and businesses, to develop and refine initiatives to ensure the continued relevance and employability of Singaporean workers, especially our mature workers.

Committee's Queries to MOF:

For an update on the targets or indicators that had been established for lifelong learning and job placement efforts and how the outcomes were monitored.

Reply from MOF on 13 June 2022:

B10 We have achieved good progress in encouraging greater participation in lifelong learning in Singapore. The individual Training Participation Rate of the labour force, which is reported annually in MOM's Labour Force report, has increased from 48.5% in 2019 to 49.9% in 2021. In 2021, about 660,000 individuals and 24,000 enterprises benefitted from SSG-supported programmes, up from about 500,000 individuals and 14,000 enterprises in 2019.

B11 In 2021, WSG placed around 68,000 individuals into jobs, which is more than double that achieved in 2019. WSG is targeting 60,000 placements in 2022. The FY2021 cohort-based placement rate³ is forecasted to be 70%, which is 1.2 percentage points higher than in FY2019. WSG will maintain the same target rate for FY2022.

B12 Overall, resident employment has continued to expand notwithstanding the pandemic, and the resident unemployment rate has recovered to pre-COVID levels at 3.0% in March 2022.

B13 The tracking and monitoring of outcomes is done through survey and administrative data.

³ Refers to the proportion of jobseekers who were placed within 6 months after registering with WSG/e2i for career coaching.

Committee’s Further Queries to MOF:

For the impact of the structural programmes by Government in support Singaporeans in their lifelong learning journey according to age bands.

Reply from MOF on 1 September 2022:

B14 The Government offers a range of structural programmes to support Singaporeans in their lifelong learning journey. During COVID-19, the Government significantly geared up its offerings in job placement and employment facilitation, company-based traineeships, attachments, and skills upgrading. This was with a view to invest in human capital for labour market recovery.

B15 From April 2020 to April 2022, about 200,000 places were taken up under the different programmes of the SGUnited Jobs and Skills package, which encompassed both job placement and skills training opportunities. These programmes and initiatives support both unemployed jobseekers and workers who are at risk of becoming unemployed.⁴ A breakdown of the employment status of those who were placed into jobs through these programmes is not available. Specifically for the SGUnited Traineeships, SGUnited Mid-Career Pathways, and SGUnited Skills programmes, which comprised traineeships, attachments and training programmes of longer duration, 22,600 unemployed trainees found employment after their programmes. 7,600 of them were aged 40 and over (see Table B1).

Table B1: Number of Unemployed Trainees Who Found Employment ^{[a][b]}

Number	Age Band				Total
	Below 40	40-49	50-59	60 and over	
	15,065	4,143	2,786	662	22,656

[a] MOM’s labour market statistics use 10-year age bands.

[b] Unemployed trainees refer to those who participated in the SGUnited Traineeships, SGUnited Skills, SGUnited Mid-Career Pathways Programme – Company Attachment, and SGUnited Mid-Career Pathways Programme – Company Training.

B16 These programmes helped to bring down unemployment back to pre-COVID-19 levels. In March 2022, there were 65,000 unemployed residents, of which 36,800 were aged 40 and over (see Table 3). This is comparable to December 2019 (pre-COVID-19), and a significant improvement from September 2020 in the midst of COVID-19.

Table B2: Number of Unemployed Residents

Month	Age Band				Total
	Below 40	40-49	50-59	60 and over	
Dec 2019	27,000	12,000	15,400	9,600	63,900
Sep 2020	45,900	21,500	19,200	15,100	101,700
Mar 2022	28,200	13,300	11,700	11,800	65,000

⁴ For example, Job Redesign Reskilling Career Conversion Programmes help companies upskill existing workers for enhanced job scopes, so that these workers can be retained with their current companies.

B17 With the recovery of our economy, the labour market has become tight, with the ratio of vacancies to unemployed persons standing at over 2.42 as of March 2022. Government efforts are now focused on easing shortages in certain critical areas like IT through programmes like IMDA’s TechSkills Accelerator, and improving employment for vulnerable groups (for instance through the Jobs Growth Incentive, which benefits ex-offenders, persons with disabilities, and mature workers who have been unemployed for at least six months).

B18 The number of unemployed trainees who found employment after going through the SGUnited Traineeships, SGUnited Mid-Career Pathways, and SGUnited Skills programmes is a cumulative figure reflecting total placements for the entire duration of these programmes (which ran from June 2020 to March 2022). The number of unemployed residents is a snapshot of resident unemployment at a particular time. As such, the two sets of numbers are not comparable.

Committee’s Further Queries to MOF:

For the number of unemployed SGUnited Jobs and Skills programme trainees in each age band who found employment.

Reply from MOF on 30 September 2022:

B19 The employment outcomes for unemployed trainees of the SGUnited Traineeships and SGUnited Mid-Career Pathways Programme – Company Attachment programmes can be found in Table B3. For the other two SGUnited programmes (i.e. SGUnited Skills and SGUnited Mid-Career Pathways Programme – Company Training), SSG did not check trainees’ employment status, as these two programmes were open to any individuals who could fulfil the full-time training requirements (including those who may already be employed), and therefore does not have tracking data on employment status prior to enrolment.⁵

Table B3: Employment Outcomes for Trainees of SGUnited Traineeships and SGUnited Mid-Career Pathways Programme – Company Attachment

Age Group	Proportion of Unemployed Trainees who Found Employment within six months of programme exit/completion (as of end-March 2022)⁶
Below 40	81%
40-49	65%
50-59	60%
60 and above	46%
Overall	79%

Committee’s Further Queries to MOF:

⁵ The employment figures of SGUnited training programmes provided in Table 2 of MOF’s Second Memorandum to the Estimates Committee had included the total number of trainees who were employed within six months of completion and/or exit of the SGUnited Skills and SGUnited Mid-Career Pathways Programme – Company Training. SSG does not have employment status data for the trainees before they started these programmes.

⁶ Calculated by dividing no. of unemployed trainees who found employment within six months of completing/exiting in Feb 2022 or earlier by no. of unemployed trainees who completed/exited in Feb 2022 or earlier. If a trainee found employment more than six months after completion/exit, this would not be captured in the data.

For the efforts taken or commitments by the employers to support their Singaporean workers in their lifelong learning journey.

Reply from MOF on 1 September 2022:

B20 The Government agrees that employers play a key role in supporting workers in their lifelong learning journey. We have put in place policies and programmes to facilitate this, including:

- (a) **Skills Development Levy (SDL).** This is a compulsory levy that employers must pay for all employees (including foreigners) working in Singapore, in addition to CPF contributions. The SDL collected is channelled to the Skills Development Fund, which supports workforce upgrading programmes and provides training grants to employers when they send employees for training under the National Continuing Education Training system.
- (b) **Absentee Payroll (AP) funding.** To encourage employers to invest in their workers, all locally registered/incorporated organisations in Singapore are eligible for AP funding when they sponsor their Singaporean and Permanent Resident employees for training courses funded by SSG. From FY2016 to FY2019, the amount of approved claims by companies for AP was approximately \$16 million annually, on average. These employers who sponsor their Singaporean employees for training courses funded by SSG are eligible for fixed AP funding at \$4.50 per hour, subject to a \$100,000 funding cap per organisation per calendar year, with effect from 1 January 2022.

B21 **Next Bound of SkillsFuture.** Announced at Budget 2020, the Next Bound of SkillsFuture will support efforts to build a highly skilled workforce and enable enterprise transformation. A key focus is to strengthen the role of employers and enterprises in supporting lifelong learning and skills upgrading of their workers. This is being done through the following initiatives:

- (a) **In the area of funding: SkillsFuture Enterprise Credit (SFEC).** The SFEC is a broad-based initiative to encourage employers to invest in enterprise transformation and upgrading employee capabilities. Eligible employers receive a one-off \$10,000 credit to cover up to 90% of out-of-pocket expenses on qualifying costs for supportable initiatives, over and above support levels of existing schemes. Of the \$10,000, \$3,000 is ringfenced to workforce transformation, e.g., training courses aligned to SSG's Skills Frameworks, Career Conversion Programmes, and Job Redesign initiatives. Since its launch in 2020, over 20,000 employers have utilised the SFEC, with over 12,000 using the credit for workforce transformation initiatives as of 30 June 2022.
- (b) **Ecosystem enablers have also been put in place to better support enterprises' capability development efforts, on top of broad-based SFEC funding.**
 - **SkillsFuture Queen Bees (SFQBs).** The Government has identified, and supported, industry-leading companies in various sectors to be SFQBs to drive skills development. SFQBs are industry leaders that support other enterprises (whether vertically through their own supply chain, or horizontally across their

sector) in skills development for their workers. To date, SSG has partnered more than 20 SFQBs across seven ITM clusters, and over 1,100 enterprises (~90% SMEs) have benefited through SSG-supported, SFQB-run training programmes. SSG targets to partner up to 40 SFQBs to benefit 4,000 enterprises by 2025.

- **National Centre of Excellence for Workplace Learning.** To build capabilities of companies, especially SMEs, in conducting workplace training, the National Centre for Excellence in Workplace Learning (NACE), led by Nanyang Polytechnic, was launched in 2018. NACE helps companies set up structures and processes to optimise learning at work, to enhance job performance. To scale up these capability building efforts, six NACE Centres have been set up across our Institutes of Higher Learning. Since its launch in July 2018 until June 2022, NACE Centres have supported more than 1,700 companies in building workplace-based learning capabilities, of which around 1,200 are SMEs.

B22 The Government also supports the Labour Movement's Company Training Committee (CTC) initiative, which has been in place since April 2019. To date, the unions have worked with companies to set up over 800 CTCs to drive enterprise transformation and workforce training at the company level. To facilitate the scale-up of CTCs, a \$70m CTC Grant was announced at Budget 2022, which firms can tap on to implement CTC-approved training and transformation plans. The grant was officially launched on 1 August 2022.

B23 Overall, we have observed that more enterprises are doing their part to contribute to employee training. In 2021, about 24,000 enterprises participated in SSG-supported programmes, up from about 14,000 enterprises in 2019. The overall Establishment Training Participation Rate, which records the proportion of private establishments that provide structured training for their employees, has consistently been above 70% since 2010, though it fell below 70% in 2020 due to COVID-19.

Committee's Further Queries to MOF:

For the budget allocated towards the range of programmes to support employers in their job redesign efforts and current utilization rate.

Reply from MOF on 1 September 2022:

B24 The Government supports a range of programmes to help employers in their job redesign efforts. Apart from programmes specific to job redesign, job redesign can also be supported as part of enterprise transformation projects, which are supported under various enterprise and industry-specific grants.

B25 The following programmes are specific to job redesign:

- Support for Job Redesign under Productivity Solutions Grant (PSG-JR). This grant encourages companies to work with pre-approved Job Redesign consultants to redesign work processes, tasks and responsibilities.
- Industry 4.0 Human Capital Initiative (IHCI). This helps companies strengthen strategic Human Resource planning, workforce development and job redesign

capabilities, to augment the implementation of Industry 4.0 solutions in a sustainable manner.

- Service Industry Transformation Programme (SITP). This programme supports lifestyle sector enterprises in their transformation efforts, and uplifts organisational capabilities in innovation, job redesign and manpower planning.

B26 The approved budget for these three initiatives is over \$60 million, of which approximately 15% has been utilised as of FY2021.

Committee's Further Queries to MOF:

For a breakdown of how much the annual average of the \$16 million for AP funding for the period of FY2016 to FY2019 were claims by SMEs and whether any of the SMEs have reached the AP funding cap.

Reply from MOF on 30 September 2022:

B27 Of the \$16 million in annual claims from FY2016 and FY2019, about 40% went towards SMEs. Between FY2016 and FY2019, the number of SMEs that received AP funding per year remained stable at around 5,500.

B28 In FY2020, SSG approved \$37 million in AP claims by all enterprises. The spike in AP claims can be attributed to the introduction of enhanced AP rates under the Enhanced Training Support Package (ETSP), which was a time-limited scheme rolled out in May 2020 to support worker training in sectors directly and severely affected by COVID-19. At Budget 2021, the ETSP was extended to cover eligible courses beginning before 1 January 2022.

B29 Prior to January 2022, there was no cap on the total AP funding a company could claim per calendar year. An annual AP cap, set at \$100,000 per company per calendar year, was introduced in January 2022. As of 22 September 2022, two companies (non-SMEs) have approved AP claims that have reached the cap.

Committee's Further Queries to MOF:

For examples of local SkillsFuture Queen Bees (SFQBs) and how SFQBs have helped "smaller worker bees" or SMES.

Reply from MOF on 30 September 2022:

B30 Other local SFQBs include Singtel (Infocomm Technology), Grab (Food Services), CapitaLand, Shopee (Retail), and DBS (Financial Services).

B31 SFQBs provide skills advisory and support to guide organisations in identifying and acquiring skills needed for business transformation. Companies that participate in an SFQB network will receive support from a skills manager, who will work with them to understand skills needs and introduce relevant training programmes. They will also receive guidance on relevant jobs and skills resources and government schemes that support their skills development plan. Specific examples of how SFQBs have helped SMEs are below.

- (a) **Sheng Siong** took on the role of an SFQB to help its suppliers build up workforce capabilities to accelerate the adoption of digital technologies. With support from

skills managers and training providers, Sheng Siong reached out to over 60 suppliers to customise skills development interventions based on their business needs and skills gaps. SkillsFuture courses and resources were also integrated into their supplier portal to encourage their wide network of suppliers to engage in continuous learning.

- (b) **Kwong Wai Shiu Community Hospital (KWSH)** worked with other Community Care Organisations (CCOs) to develop pilot solutions for technology and process innovation projects, to transform the community care sector, enhance skills, and improve the standard of care. KWSH also conducts workshops on an array of topics relevant to CCOs such as change management and agile thinking, to strengthen service delivery models in CCOs.

Committee’s Further Queries to MOF:

For the utilization rate of SkillsFuture Credit for those who are unemployed and aged 40 to 55 years old and the trend of Training Participation Rate of the labour force.

Reply from MOF on 1 September 2022:

B32 As of 31 December 2021, the SkillsFuture Credit utilisation rates for Singapore Citizens aged 40 to 49 and 50 to 59 are 33% and 31% respectively. The overall SkillsFuture Credit utilisation rate by eligible Singapore Citizens is around 27%. We do not have data on the utilisation rate for the unemployed.

B33 SkillsFuture Credit was introduced in 2016. The individual Training Participation Rates (TPRs) of the labour force from 2016 onwards are set out in the table below. The individual TPR, defined as the proportion of residents who engaged in some form of job-related structured training or educational activities over the 12-month period ending in June of each year, is reported annually in MOM’s Labour Force in Singapore report.

Table B4: Labour Force TPR, 2016-2021

	2016	2017	2018	2019	2020	2021
TPR (%)	42.0	47.9	48.0	48.5	49.1	49.9

Committee’s Queries to MOF:

Whether lifelong learning and job placement efforts can align with the national long-term climate goals to support manpower needs in areas such as green technologies.

Reply from MOF on 13 June 2022:

B34 The Government recognises that a strong and skilled workforce is critical to securing Singapore’s competitive advantage in the fast-developing area of sustainability. This undergirds ongoing efforts to align lifelong learning and job placement efforts with national long-term climate goals.

- (a) As part of the Singapore Green Plan 2030, our IHLs have made sustainability a strategic priority in their curricula. They are refreshing specialised course offerings and launching new programmes to provide students with necessary skills for

emerging green jobs and existing jobs that will be transformed due to the green transition.

- (b) The Government is working to identify the “green skills” needed across the economy, to inform efforts to develop training pathways to prepare and equip workers for the green transition. In 2021, MOM launched Jobs Transformation Maps (JTMs) to provide detailed, job-level insights on the impact of technology and automation on the industry and workforce. The JTMs serve as a useful compass for employers and workers to prepare for emerging jobs and skills in areas such as the green economy.⁷ This enables the Government and relevant stakeholders to ensure that necessary training is available for workers to either move into new sustainability-related roles, for example in sectors that are expected to face significant disruption due to sustainability-related megatrends, or refresh their skills to take on sustainability-related tasks in their existing jobs.
- (c) The ITMs are continually being refreshed to take into account the impact of sustainability and the green economy on manpower and skills needs.
- (d) We also incorporate the green dimension in our reskilling/upskilling and redeployment support. For example, WSG is developing a CCP for Sustainability Professionals, which companies can tap on to reskill their local employees. This CCP will not only help companies develop “Sustainability Champions” to kickstart their green transition, but also support the reskilling and redeployment of local workers who might otherwise be displaced in the process.

⁷ Examples of JTMs that consider the sustainability angle include Logistics, Wholesale Trade, In-house Finance and Accounting, and Human Resources.

APPENDIX

MINUTES OF PROCEEDINGS

6th Meeting

Friday 29 April 2022

10.00 am

PRESENT

Mr Ang Wei Neng (*in the Chair*)
Mr Lim Biow Chuan
Assoc Prof Jamus Jerome Lim
Ms Rachel Ong
Mr Vikram Nair
Mr Yip Hon Weng
Mr Zhulkarnain Abdul Rahim

ABSENT

Mr Sitoh Yih Pin

-
1. The Committee deliberated.

Adjourned to a date to be fixed.

7th Meeting

Thursday 7 July 2022

10.00 am

PRESENT

Mr Ang Wei Neng (*in the Chair*)
Mr Lim Biow Chuan
Assoc Prof Jamus Jerome Lim
Ms Rachel Ong
Mr Sitoh Yih Pin
Mr Vikram Nair
Mr Yip Hon Weng
Mr Zhulkarnain Abdul Rahim

1. The Committee considered a Memorandum submitted by the Ministry of Finance in respect of (a) monitoring the impact of the COVID-19 pandemic on the implementation of the Industry Transformation Maps; and (b) monitoring efforts on lifelong learning and job placement.
2. The Committee deliberated.

Adjourned to a date to be fixed.

8th Meeting

Thursday 8 September 2022

10.00 am

PRESENT

Mr Ang Wei Neng (*in the Chair*)
Mr Lim Biow Chuan
Ms Rachel Ong
Mr Sitoh Yih Pin
Mr Vikram Nair
Mr Yip Hon Weng
Mr Zhulkarnain Abdul Rahim

ABSENT

Assoc Prof Jamus Jerome Lim

1. The Committee deliberated.
2. The Committee considered a Memorandum submitted by the Ministry of Finance in respect of (a) monitoring the impact of the COVID-19 pandemic on the implementation of the Industry Transformation Maps; and (b) monitoring efforts on lifelong learning and job placement.
3. The following officials were examined on matters contained in the Memorandum:
Ministry of Finance
(a) Mrs Tan Ching Yee, Permanent Secretary
(b) Ms Lai Wen Lin, Second Permanent Secretary
(c) Mr Yee Ping Yi, Deputy Secretary
(d) Mr Kwa Chin Lum, Director (Fiscal Policy)
(e) Mr Rodney Huang, Deputy Director (Economic Programmes)
4. The Committee further deliberated.

Adjourned to a date to be fixed.

9th Meeting

Thursday 17 November 2022

10.00 am

PRESENT

Mr Ang Wei Neng (*in the Chair*)
Assoc Prof Jamus Jerome Lim
Ms Rachel Ong
Mr Sitoh Yih Pin
Mr Vikram Nair
Mr Yip Hon Weng
Mr Zhulkarnain Abdul Rahim

ABSENT

Mr Lim Biow Chuan

1. The Committee considered another Memorandum submitted by the Ministry of Finance in respect of (a) monitoring the impact of the COVID-19 pandemic on the implementation of the Industry Transformation Maps; and (b) monitoring efforts on lifelong learning and job placement.
2. The Committee deliberated.
Report
3. The Chairman's report brought up and read the first time.
4. Resolved, "That the Chairman's report be read a second time paragraph by paragraph."
Paragraphs 1 to 50 and Sections A to B inclusive read and agreed to.
5. Resolved, "That this report be the report of the Committee to Parliament."
6. Agreed that the Chairman do present the Report to Parliament when copies are available for distribution to Members of Parliament.

Adjourned sine die.
