

FREQUENTLY ASKED QUESTIONS

Q1. Why is the Lean Enterprise Development (LED) Scheme support – in particular manpower policy adjustments – temporary?

It remains crucial for Singapore that we restructure towards reducing our reliance on manpower, and find new and more innovative ways to do business. As growth of our local labour force slows and we continue to maintain our tight foreign workforce policies, we need to catalyse industry-level transformation towards manpower-lean growth. Manpower policy adjustments under the LED Scheme are intended to help firms transit towards more manpower-lean business models and practices, and transfer skills to Singaporeans. Transitional and targeted manpower policy adjustments are offered, where needed, only to help firms in making this transformation and not as a permanent arrangement.

Q2. Why must proposals involve so many companies / support from industry associations and unions? My firm cannot find enough willing partners / will not be able to retain a competitive edge against others in the industry.

The LED Scheme is designed to help accelerate transformation across the industry, so that all firms which are willing to restructure can have a feasible roadmap to become more competitive even as labour growth slows. If a firm wishes to seek individual / smaller group support on more firm-specific improvements, they can explore tapping on existing Government schemes by contacting the relevant administering agency.

We also prioritise projects that have union support, as that provides greater assurance that the proposal has factored in plans to strengthen the Singaporean core, and to create better-paying jobs that will attract Singaporean workers.

Q3. What are some examples of proposals which can be considered for temporary manpower policy adjustments?

Some possible (but non-exhaustive) examples are:

- Company is adopting more productive technologies and needs a temporary increase in workforce to cope with the increased output. This will allow the company to enjoy economies of scale while it plans to hire local replacements for these foreign workers, and / or re-design jobs to better attract locals.

- Company needs to upgrade locals to operate more productive machinery, but will require additional skilled foreign workers in the interim to train locals, and / or operate equipment while locals are being trained.

Q4. Will the proposal be disqualified if any one of the participating firms is not a Small and Medium Enterprise (SME)?

As the LED Scheme is focused on assisting SMEs, priority will be given to proposals from SMEs. Nonetheless, should a proposal include non-SME participation and commit to impactful improvements in productivity and developing the Singaporean core, we will consider it.

Q5. What happens if a company supported on the LED Scheme subsequently fails to meet its commitments?

If a firm fails to meet its commitments, support will be withdrawn from that firm. If this support involves temporary manpower policy adjustments, the errant firm will have to let some of its foreign workers leave. This is similar to what happens today for firms which have exceeded the prevailing Dependency Ratio Ceilings for their respective sectors.