

RIKVIN[↑]CONNECT



The Manpower Issue

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FOREWORD

The Masterplan & Your Manpower

Singapore Prime Minister Lee Hsien Loong has this month announced that the government will lead the country down a different road in order to navigate an uncertain future together.

The new masterplan includes four strategic areas of development i.e. infrastructure, healthcare, housing and education and would probably be supplemented by an increase in income taxes.

At the same time, there have been many announcements this month regarding raising capabilities as well as industry standards so that companies can yield the best out of their workers. Additionally, the focus on PMEs has been distinct. The labour movement has offered its strategies and workers have voiced their opinions.

As entrepreneurs and seasoned business people, what do you make of this conversation? Are these policies important to you? Is it really hard to find the right talent? What would you do or want to see happen? In this issue, we share with you some perspectives on this topic.

If you have some thoughts to contribute on this issue, please contact us at media@rikvin.com. We'd love to hear from you.

Yours sincerely,

Christine Lim
General Manager, Rikvin

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Singapore Firms Urged to Make Flexi-Work Options More Accessible

“FWAs have a great bearing on the happiness and productivity of Singaporeans.”

According to a report by the Straits Times, almost half of 100 organisations surveyed by the Land Transport Authority (LTA) said that they offer flexible work options so that their employees can travel during off-peak hours. Unfortunately, less than 1 in 10 employees of these firms were aware of flexi work schemes or were allowed access to them.

Analysis by Rikvin shows that the recently-implemented Early Travel program, which offers free travel on the MRT for all commuters who tap out at 16 city areas before 7.45am on weekdays, is an effort towards staggering the peak hour crowd and implementing flexi-work arrangements (FWAs) on a more macroscopic level.

FWAs has also become a talking point as the government tries to field related population issues such as work-life balance, inclusive growth and Singapore’s persistently low fertility rate. In addition, FWAs is part of the 2013 Marriage and Parenthood (M&P) package, designed

to improve the standard of living of Singaporeans and encourage them to set up nest – also an effort towards improving the city state’s fertility rate.

“It may seem like an innocuous topic, but FWAs have a great bearing on the happiness and productivity of Singaporeans. Culture dictates behavior and actions, and an effort towards adjusting work culture is an effort towards creating more happiness so Singaporeans become less stressed and more inclined to set up nest,” said Ms. Christine Lim, General Manager at Rikvin.

To learn more, please visit:
www.rikvin.com/blog/singapore-firms-flexi-work/



Aussie Listed Firms Have 174 Singapore Subsidiaries: Study

A recent report on the Global Mail, Tax Dodgers Sans Frontières, has brought to light that as many as 61 of the ASX100 (Australian Securities Exchange) listed companies have subsidiaries in “financial secrecy jurisdictions” such as Singapore, Hong Kong, the Cayman Islands and Jersey.

The data was provided by the Uniting Church of Australia, in its Secrecy Jurisdictions, the ASX100 and Public Transparency report in May 2013. The UCA report revealed that 40 corporations listed in the ASX100 have 174 subsidiaries in Singapore, making it the most popular destination for subsidiary setup.

The author of the report, Dr. Mark Zirnsak, said the

report sought to promote greater transparency and is not suggesting that ASX100 firms are using their offshore subsidiaries for unethical purposes. He affirmed that there were many legitimate reasons for ASX100 corporations to opt for Singapore subsidiary formation.

To learn more, please visit
rikvin.com/blog/asx100-174-subsidaries-singapore/



3 Strategies to Deal with Singapore's Manpower Challenges

Mr. Lim Swee Say, Secretary-General of Singapore's labour movement, the National Trades Union Congress (NTUC), has recently pointed out three manpower challenges that Singapore needs to tackle in order to stay ahead of the competition.

They include working on ways to deal with a widening income gap, an ageing workforce and the potential rise of structural unemployment. He shared three strategies to work on these issues and in turn, have a better economy.

Commenting further, Ms. Christine Lim, General Manager of Rikvin said, "The move to strengthen the Singapore core in key and flourishing sectors is an effort to enhance citizen participation in nation building. This may have a positive effect on building a sense of pride and belonging

to the country and is in line with the 2013 Budget's agenda to create a more inclusive society and workforce for citizens."

Further analysis by Rikvin shows that Singapore is seeking to attract more bona fide startups.

This is reflected in the updated Singapore Entrepass Scheme,

which is due to come into effect early next month.

Startups and SMEs employ 7/10 workers in Singapore.

To learn more, please visit:

www.rikvin.com/blog/3-strategies-singapore-manpower-challenges/



Culturally Diverse Teams Important to Jobseekers: Survey



According to online job portal jobsDB's National Day Survey, workers in Singapore want to be a part of culturally diverse

teams, as well as have the opportunity to progress and earn higher incomes. The survey, which was conducted between 9 and 12 July this year collated responses from 2,000 respondents.

94% of respondents believed that working with people of different cultures is important to securing a job in the citystate. As many as 67% found culturally-diverse teams an important quality of a company. The ability to work in stressful situations was also ranked highly, by as many as 95% respondents, when it comes to securing a job in Singapore.

On the matter of moving jobs, as many as 77% of respondents would look for positions that pay better. Work life balance was also important, as rated by 88% of the respondents. However, 67% admitted that the

willingness to accept a lower salary will help in securing a job in Singapore.

Analysis by Rikvin shows that Singaporean and Singapore PR workers are more expensive than their foreign counterparts to companies due to the mandatory pension payments or CPF contributions. Enterprises that have opted for Singapore company incorporation must make additional CPF contributions for every citizen and PR employee earning more than S\$50 per month.

For workers up to the age of 50 and earning at least S\$1,500 per month, employers must contribute 16% of the employee's wage while employees contribute 20% of their wage to their own CPF fund. The contributions decrease for both parties as workers age. In any case, for two candidates who command the same salary but come from different countries, the Singapore candidate would be pricier.

To learn more, please visit:

www.rikvin.com/blog/diverse-teams-important-singaporean/

Singapore to Look Out for Professionals Amid Restructuring

During the recent National Day Observance Ceremony, Acting Manpower Minister Tan Chuan Jin announced that Singapore needs to look out for professionals, managers and executives (PMEs) as they will be increasingly affected as the country shifts its economic gears.

Mr. Tan added that the city-state's Employment Act is undergoing a second review to protect more workers as well as PMEs. He also stressed that job-matching services would become more vital to help displaced PMEs get back to work.

Analysis by Rikvin shows that the move to look out for PMEs is not new. Following MOM's Labour Market 2011 report, which showed that 84,800 out of 122,600 jobs created during the year were filled by Singapore work visa holders, the Singapore government tightened foreign manpower controls in 2012. Measures included reducing the Dependency Ratio Ceilings (DRCs) in various industries and raising the bar for overseas professionals who wish to secure the Singapore work pass.

As a result, foreign employment eased to 70,400 and

local employment grew to 58,000 in 2012. Excluding construction and foreign domestic workers, foreign employment grew by 32,200

last year. Nonetheless, overseas workers made up 33.6% of the workforce last year, slightly up from 32.8% in 2011.

While the Singapore government asserted that there will be no regression of its manpower policies, it has introduced various initiatives such as the PIC Scheme, ICV and most recently, the "360 Productivity Framework" to help Singapore companies cope with the country's economic restructuring. The current focus on resident PMEs is therefore part of this larger strategy.

To learn more, please visit:

www.rikvin.com/press-releases/singapore-professionals-restructuring/



More Jobs, but Higher Unemployment & Layoffs in Q2 2013

"Analysis by Rikvin shows that a rise in job vacancies reflects business confidence and that companies are bracing for growth."

Data from the latest Ministry of Manpower Employment Situation report shows that unemployment and layoffs have risen in the second quarter of 2013 (Q2 2013).

Overall unemployment has risen to 2.1% in June 2013, representing an increase from 1.9% in March 2013 and 1.8% in December 2012.

However, more jobs were also created during the period. In fact, employment creation in Q2 2013 improved vis-a-vis Q1 2013. In Q2 2013, 32,500 jobs were created while only 28,900 were formed in Q1 this year.

Analysis by Rikvin shows that a rise in job vacancies reflects business confidence and that companies

are bracing for growth. The rise in unemployment and redundancies could be attributed to Singapore's restructuring efforts, which have in turn compelled businesses to become manpower-lean.

To read more, please visit:

www.rikvin.com/blog/more-jobs-higher-unemployment-layoffs-q22013/



Singapore Rolls Out New Productivity Initiative for SMEs

“We anticipate that SMEs are in good stead to benefit from this initiative and hope to see it take flight.”



In a bid to help SMEs (small and medium sized enterprises), the Workforce Development Agency (WDA) and Human Capital Singapore (HCS)

have launched the 360 Productivity Framework. The framework has been designed for local enterprises to understand and utilise productivity from every angle, in order to up their ante amidst a tight labour market.

Rikvin recognizes this program will help many SMEs that have not been able to grasp the national drive towards higher productivity.

The framework consists of three components – an Annual Productivity event, a series of four Productivity Masterclasses and eight Productivity Practice Sessions (PPS). Some 700 SMEs stand to benefit from the scheme.

Commenting on the initiative, Mr. Satish Bakhda, Head of Operations at Rikvin said, “Many SMEs understand the benefits of productivity and how it can help scale up the business. However, moving up the value chain requires companies to invest time and energy. Given the tighter labor market, this new initiative is an effort to bolster the support network towards this national aim. We anticipate that SMEs are in good stead to benefit from this initiative and hope to see it take flight.”

To learn more, please visit:

www.rikvin.com/press-releases/singapore-productivity-initiative-smes/

Singapore Seeks to Raise the Bar for Financial Reporting Standards

Singapore’s Accounting and Corporate Regulatory Authority (ACRA) has recently held the 8th Public Accountants Conference. The conference, which was attended by over 800 delegates, discussed key challenges to conducting value-adding external audits as well as ways to improve the quality of financial reporting in companies.

In a bid to improve financial reporting standards, ACRA and ACCA (the Association of Chartered Certified Accountants) conducted a Survey on Preparers of Financial Statements with a base of 400 accountants from large listed to small companies.

In addition, they conducted a focus group which saw participation from directors, auditors and preparers

of financial reports. Altogether, they found that companies and preparers need to take ownership of their financial statements, instead of deflecting the responsibility to auditors.



To learn more, please visit

www.rikvin.com/press-releases/singapore-seeks-to-raise-the-bar-for-financial-reporting-standards/