

# THE STRAITS TIMES

---

FOR SUBSCRIBERS

## *A well-skilled workforce is key to attracting foreign investments to Singapore*

To anchor MNCs and generate new job and business opportunities, ensuring the success of our national reskilling agenda will be key.

Jacqueline Poh

---



Singapore has secured a place in global value chains, offering Singaporeans opportunities to secure good jobs and continue or embark on new careers. ST PHOTO: AZMI ATHNI

UPDATED FEB 26, 2024, 05:42 AM ▾

Ms Isdiyanah Dulkifli, 28, works at French multinational company Schneider Electric in a role that cuts across the digital and green economies. A graduate of NUS Business School, she has bolstered her skills with on-the-job training and courses in analytics and automation.

From Schneider Electric's East Asia headquarters in Singapore, she uses digital tools to improve efficiency and sustainability at smart and sustainable factories across Asia.

At Swiss healthcare manufacturer Lonza, Mr Soundararajan Selvaraj, 64, oversees operational excellence at its Tuas site.

He chose to make a mid-career switch from electronics about 20 years ago and devoted personal time to attain a Workforce Skills Qualification (WSQ) certification. This allowed him to join pharmaceuticals, an industry set to keep expanding in Singapore.

These career stories show how Singapore has secured a place in global value chains, offering Singaporeans opportunities to secure good jobs and continue or embark on new careers, even as the economy evolves, restructures and grows.

As at 2022, there were 60,300 majority foreign-owned companies registered in Singapore, employing 1.2 million Singaporeans. Surveys indicate that most Singaporeans want to work for multinational companies (MNCs), due to the international exposure and the experience of performing at a globally competitive level. Those with extensive MNC experience have been sought after for leadership roles in local enterprises, government entities and start-ups.

There is a good pipeline of investment projects in Singapore. In 2023, the Economic Development Board (EDB) secured investment commitments expected to create over 20,000 new jobs within the next five years.

The majority will be jobs for locals as professionals, managers, executives and technicians – with more than half in services industries, more than a quarter in research and development and the rest in manufacturing.

But Singapore's external operating environment is becoming more challenging. With Base Erosion and Profit Shifting (BEPS) 2.0 rules and the rise of industrial policies in many economies, tax incentives will become less effective, making competition to anchor high-quality investments stiffer.

We are refining our playbook to stay ahead of the competition. This means doubling down on what has worked well for us, strengthening Singapore's industry capabilities to enhance our overall competitiveness and developing new growth sectors.

The good news is that we are doing this from a strong position. Budget 2024 measures will boost our toolkit and help businesses alleviate near-term cost concerns.

As interest-rate rises moderate and demand for key exports improves, I am also cautiously optimistic that 2024 will yield positive investment and economic outcomes, barring any major shocks.

## Growth by design

Many factors have worked in our favour. As an investment destination, Singapore remains unique in offering businesses a combination of stability, innovation, a skilled workforce and connectivity to a fast-growing regional market. Many hubs have one or two of these attributes but rarely a combination of four.

### MORE ON THIS TOPIC

[Economic restructuring on steroids: Retrenchments as annual cost-cutting exercises in tech firms?](#)

For adult workers hoping for a career reset, can 40 really be the new 20?

Stability is critical to anchoring Fixed Asset Investments (FAI) in physical facilities, equipment and machinery. The FAI commitments secured by EDB in 2023 were spread out across 10 sectors, with strong showings in chemicals, electronics and biomedical manufacturing, reinforcing Singapore's value as a global manufacturing site for high-value products and a critical node in global supply chains.

Our connectivity and location in the heart of Asia is why many MNCs – from US hypermarket chain Meijer to Indian tech leader InMobi – choose to put their regional or international headquarters in Singapore, locating decision-making and managerial control functions responsible for meeting business targets. MNC projects involving headquarters in 2023 doubled over 2022.

Innovation accounted for the larger 2023 investment commitments in R&D activities, supporting product development in Singapore and helping companies to stay competitive. Projects came from a mix of different industries.

This shows how MNCs and foreign start-ups in Singapore find our research ecosystem and talent pool – made up of highly skilled, technically proficient local and global talent – valuable in developing higher-value offerings for customers worldwide.

### Doubling down on our priorities

With manufacturing making up a sizeable one-fifth of gross domestic product today, strengthening Singapore's position as an advanced manufacturing hub will be a priority.

Our focus will be on key sectors like semiconductors, biopharmaceuticals and medical technology, complex equipment and aerospace. Our strategy is to attract investments that make Singapore an indispensable part of global supply chains that have shifted and evolved in this new era of volatility.

Through expanding Singapore's connectivity, logistics and supply chain management capabilities, we will attract more MNCs to use us as a base to serve South-east Asia, and partner Asian conglomerates that want a springboard for international growth.

We will also attract more innovation projects and anchor these through further developing the ecosystem, while growing new sectors like the digital economy, including artificial intelligence, healthcare and the green economy.

Budget 2024 measures to catalyse AI activities, drive R&D, improve productivity and enhance energy efficiency and security will strengthen EDB's investment promotion capabilities.

Specifically, the new Refundable Investment Credit – essentially a tax credit with a refundable cash feature – gives us an additional tool to encourage companies to make sizeable investments in Singapore in key economic activities such as the expansion of manufacturing, new innovation and R&D and activities in support of the transition.

Enhancements to the Partnerships for Capability Transformation (Pact) scheme will help our small and medium-sized enterprises (SMEs) raise their capabilities to be suppliers and innovation partners of MNCs, making our ecosystem more competitive and attractive.

Since Pact was introduced in 2010, it has benefited more than 2,500 Singapore companies. Besides improving productivity and acquiring new technologies, SMEs have become qualified suppliers of a broader range of MNCs in growth sectors like healthcare and aerospace.

#### MORE ON THIS TOPIC

---

[Singapore SMEs need MNC contracts to escape 'the small size trap'](#)

---

[Budget 2024: Short on expertise, small local firms face challenges in utilising schemes](#)

## Preparing for the future of work

EDB looks for leading companies across the world in growing industries to invest in Singapore and create jobs.

Securing these investments has required the collective effort of government, industry and society to ensure the right policies, infrastructure, ecosystem and manpower capabilities are in place. As investments land, additional work goes into strengthening the ecosystem to further anchor companies already here, and to attract future investments.

With more countries stepping up efforts to attract foreign direct investments, the collective will of Singaporeans – to seize opportunities that have presented themselves, work hard and give each other a helping hand – is crucial in ensuring that Singapore retains its sweet spot with investors in the long term.

From our conversations with global leading companies, we know the availability of talent and a quality workforce with up-to-date skillsets are among the key deciding factors in locating investments.

Besides traditional corporate functions, new jobs created by 2023 investment commitments were shaped by trends in sustainability, strengthening procurement and supply chain resilience, rising digitalisation and automation. Amid the rapid pace of technological change, we should expect the need for continuous upskilling and reskilling to accelerate across all industries.

This requires workers taking charge of refreshing and updating their own skills to stay relevant in the changing world of work in order to fully benefit from the new roles and opportunities in their midst.

Enhancements to the SkillsFuture ecosystem for mid-career workers will offer additional pathways to level up and acquire skills to take on jobs of the future. For young Institute of Technical Education graduates, there will now be increased government support to upskill via a diploma course while being part of the workforce.

EDB will continue to work with companies, training partners and industry associations on different upskilling options so that any worker who is keen to upgrade – regardless of background – will find that support is available.

With more MNCs anchoring their regional operations in Singapore, they will need to build up their “A-teams” in Singapore, meaning more opportunities for Singaporeans to take up leadership roles.

Beyond stepping up efforts to develop capabilities for key sectors and new growth areas, EDB is also working to build a stronger Singaporean leadership pipeline. One ongoing initiative is the Singapore Leaders Network, which is run by the Human Capital Leadership Institute to prepare up-and-coming Singaporeans for global corporate leadership roles. Since its launch in July 2022, it has grown to more than 1,000 members, including established corporate leaders who are paying it forward as mentors.

These efforts will complement the facilitative talent policies that many MNCs appreciate – such as the Overseas Networks and Expertise Pass and Tech.Pass for top talent – and the ease with which key personnel adapt to living in a safe and enjoyable city.

Ultimately, for Singapore to stay ahead of the competition and for Singaporeans to grow their careers by harnessing new opportunities, we will need to embrace a mindset of continuous upgrading and develop “career resilience”.

This will entail continuous learning; making good use of available government programmes to upskill and improve employability; maintaining our openness to global business and talent flows; and leaving’s one comfort zone for overseas stints to build career capital for corporate leadership roles.

In a more complicated global environment, let’s work together to capitalise on the silver linings and build a vibrant economy for Singapore and Singaporeans.

- Jacqueline Poh is managing director of the Economic Development Board.

#### MORE ON THIS TOPIC

---

[Budget 2024: Middle-income workers get their day in the sun](#)

---

[Budget 2024: Staying ahead of the curve in a slow-growth environment](#)



In Your Opinion

### Young hawkers talk: Cost pressures from food, rental and manpower

00:00 / 31:18

Young



#### In Your Opinion

Follow podcast ▲

Synopsis: Every second and fourth Monday of the month, The Straits Times takes a hard look at Singapore's social issues of the day with guests. Podcaster: Ernest Lu...


- Young hawkers talk: Cost pressures from food, rental and manpower** 31:18  
Two young hawkers chat about the profession in this era of high inflation - how to maintain profitability while still serving that affordable meal. Syn... Feb 26
- First impressions of Budget 2024 for the youth** 19:05  
This Budget 2024 special analysis examines how measures announced would benefit Singaporean youth, from education, to housing, childcare and ... Feb 16
- The great communication catch-up: Is Singapore SimplyGo-ing too fast?** 25:53  
Empathy for the generation divide and user behaviour patterns may need to be studied more as Singapore digitalises itself rapidly. Synopsis: Every ... Feb 12
- Play in shared spaces: How can S'pore balance competing needs?** 29:53  
How can community spaces co-exist with competing demands while fostering spontaneous and free play? Synopsis: Every second and fourth Monda... Jan 22
- What do safer transport options for workers have to do with the cost of a BTO flat?** 39:58

**THE STRAITS TIMES**

**Discover the world of subscriber-exclusive deals and privileges.**

Opt in to let us keep you up to date on the latest rewards

[I want to be notified!](#)



Join [ST's Telegram channel](#) and get the latest breaking news delivered to you.



### Subscribe today

Get unlimited access to exclusive stories and analyses by the ST newsroom

[Choose your plan](#)

E-paper	Podcasts
Facebook	RSS Feed
Instagram	Telegram
Twitter	Youtube
LinkedIn	TikTok

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• SINGAPORE</li> <li>• ASIA</li> <li>• WORLD</li> <li>• OPINION</li> <li>• LIFE</li> <li>• BUSINESS</li> </ul> | <ul style="list-style-type: none"> <li>• TECH</li> <li>• SPORT</li> <li>• VIDEOS</li> <li>• PODCASTS</li> <li>• MULTIMEDIA</li> </ul> |
|---|---|

<p><a href="#">About Us</a></p> <p><a href="#">Terms &amp; Conditions</a></p> <p><a href="#">Privacy Policy</a></p> <p><input checked="" type="checkbox"/> Sign up for our daily newsletter</p> <p><input type="text" value="Enter your e-mail"/> <a href="#">Sign up</a></p> <p><small><a href="#">More newsletters</a> By registering, you agree to our T&amp;C and Privacy Policy.</small></p>	<p><a href="#">Need help? Reach us here.</a></p> <p><a href="#">Advertise with us</a></p>
---	---

MCI (P) 066/10/2023. Published by SPH Media Limited, Co. Regn. No. 202120748H. Copyright © 2024 SPH Media Limited. All rights reserved.