

FOR IMMEDIATE RELEASE

10 December 2019

SNEF MEDIA STATEMENT ON PRIVATE SECTOR RESPONSE TO PUBLIC SERVICE DIVISION'S ANNOUNCEMENT

In light of the announcement by the Public Service Division on 2 Dec 2019 on the year-end bonus for civil servants, some employers have enquired about the appropriate approach for the private sector.

2. SNEF notes that sectoral performances in 2019 have been varied. Businesses in Manufacturing, and Wholesale and Retail Trade, have faced economic contractions while those in sectors like Finance and Insurance, and Information and Communications, are expected to remain healthy.

3. Earlier in May 2019, the National Wages Council (NWC) had affirmed that wage increases will need to be sustainable and fair. They should commensurate with employers' performance, productivity gains and employee contributions. The NWC had recommended that:

- a. Employers that have done well and have good business prospects should reward their employees with built-in wage increases and variable payments commensurate with the employers' performance and employees' contributions.
- b. Employers that have done well but face uncertain prospects may exercise moderation in built-in wage increases, but should still reward employees with variable payments commensurate with the employers' performance and employees' contributions.
- c. Employers that have not done well and face uncertain prospects may exercise wage restraint, with management leading by example. These employers should make greater efforts to improve business processes and productivity, especially by investing in upskilling their employees.

4. SNEF believes employers will be responsible and urges them to be guided by the NWC recommendations, and in particular, to take into account their company performance when they decide on their company bonus.

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The Singapore National Employers Federation (SNEF) is a trade union of employers. Our mission is to advance tripartism and enhance labour market flexibility to enable employers to implement responsible employment practices for sustainable growth. SNEF has a membership of over 3,300 companies with a combined workforce of over 800,000. For more information, please visit www.snef.org.sg