

## Singapore's new immigration policy

Written by james woo

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The recent National Day Rally speech by Singapore's Prime Minister Lee Hsien Loong, where he talked about tightening of norms for foreign workers with middle-level skills, has raised concerns over Singapore removing the welcome mat for Indians.

"The middle, the lower middle level – foreigners are here, many on employment pass. Singaporeans are working – they are probably graduates or diploma holders, not hard up, not unskilled but not so confident of themselves that they are ready for unrestrained competition... I think at this middle level, we need to tighten a little bit further," is what the Singapore Prime Minister said in his speech.

The policy announcement is seen as the first step to rein in the unchecked inflow of foreign workers and to address the concern of the local workforce. The expats in Singapore are, in fact, not very surprised over the announcement since the government had warned about tougher immigration norms. Further, there are likely to be more changes in the policy requirements for foreign workers in the coming months.

### Tougher for the Mid-segment

Under the new rules, the details of which have been unveiled by Singapore's ministry of manpower, starting January 2012, foreigners seeking employment in Singapore, in certain categories, will find it tougher to get work permits. The changes will apply to Q1 pass holders, which is the lowest category of employment passes, who have to earn at least S\$3,000, up from the current S\$2,800. The qualifying salary for P2 employment pass will go up from S\$4,000 to S\$4,500.

So is there reason for Indians to worry? "We can expect a moderate impact on Indian workers who apply under the Q1 and P2 categories. These are middle-level professional, managerial, engineering and technical talents. Although accurate figures are not available, Indians do comprise a significant portion of the foreign talent in this segment," says Satish Bakhda, manager with Rikvin Group, a firm which specialises in immigration and visa services.

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However, typically, workers from India come with better qualifications and complement the local talent; therefore they command a relatively better salary. "The objective of the change in regulations is to tighten the eligibility requirements for entering lower and mid-level jobs. The more stringent requirements will include better educational qualifications and higher qualifying salaries. This will eventually have positive impact on the economy of Singapore," says Vijay Bajaj, principal, Positive Moves Consulting, an HR and executive search firm.

The changes are also likely to impact small and medium enterprises. With global slowdown already affecting many of them, the minimum salary threshold, will push up wage cost. Indian companies in Singapore, apart from employing significant number of local workers also employ foreign workers, especially from India.

Small companies like those engaged in trading or services with less than 10 employees are likely to tighten their recruitment process. Nina Alag Suri, president & CEO of executive search company Nastrac Group, doesn't see the new rules making a very big difference for highly skilled Indian workers.

"The Singapore government is being more selective than before in granting employment permits to foreigners and their requirements have been made more stringent with regards to education qualifications, type of college/university, experience etc. If a company feels the person has the required skills, the additional salary requirement is not going to be a deal breaker," she says. For now, the highly skilled professionals from India – especially in the IT and banking sectors – probably don't have a reason to worry.

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Source: <http://www.rikvin.com/blog/singapores-new-immigration-policy-makes-work-permits-tougher-for-indian-workers-with-middle-level-skills/>