**Extract 10: Singapore to increase labour force productivity to counter ageing demographics**

According to Singapore’s Ministry of Manpower (MOM),labour productivity refers to real output per worker. Within the changing economic landscape, coupled with challenges posed by an ageing population, Singapore needs to correctly position its labour force moving forward. With the transformation of industries, new job scopes requiring new skills would also become available, and residents would only be able to harness these opportunities if they receive the right training. This is because a jobs-skills mismatch has been identified by the MOM as a continuing structural challenge in face of the economic restructuring.

The Singapore government has allocated a portion of its budget to launch the Professional Conversion Programs in 2016 to develop specialised skillsets needed, with the aim of increasing labour productivity in 23 fields. This year, new programs will be launched in the areas of internet audit and building information modelling, among other knowledge fields. Employees are recommended to be trained in the areas of science, the use of technology and automation to increase their employability and productivity at work. Meanwhile, it is also crucial to ensure that there are mechanisms in place for older Singaporeans to be retrained in new skills.

“Ultimately, I think it is important for our employers and also the older workers to recognise one thing. That in this day and age of rapid development globally, I think companies and workers will have to rejuvenate themselves; reinvent themselves, to be able to compete effectively, globally,” said Sam Tan, Minister of the State for Manpower.

Source: Adapted from *The Asean Post*, 29 January 2018

**(d)** With the aid of a Production Possibilities Curve diagram, explain how the ‘Professional Conversion Programs’ (Extract 10) will impact Singapore’s economic growth **both** in the short run **and** long run.