



Aerospace And Aviation

Following worldwide trends, the aerospace and aviation sectors took big hits during the downturn which was made worse by the (Influenza A) H1N1 virus outbreak. Less passenger and cargo traffic meant less demand for aerospace and aviation services with a corresponding decline in revenue, business and infrastructure development, job creation and its sustainability.

The skies are clearing somewhat for travel business but a clear and sustained recovery can only be ascertained at least six months later. Companies with headquarters in the United States and some other countries are still feeling the pinch as the parent companies there are still laying off workers and cutting costs.

On the whole, companies are giving variable bonuses early in the year in smaller quantum, but it remains to be seen how

the bigger economies will perform when their respective economic stimuli are removed as it will have a direct impact on the industries. To remain competitive, companies are streamlining their operations, enhancing productivity and developing new product capabilities. Most importantly, H1N1 must be kept in check because if it makes a big comeback the recovery could be back to square one again.

Marine



One industry whose fortunes for 2010 are much dependant on a sustained and strong economic recovery is the marine sector. A global economic recovery will push up demand for oil and its price which will give a push in demand for marine products and services.

Many companies in the sector have cleared the backlog in their order books and the big shipyards still face a challenge of a lack of new big orders for rigs or ship conversions. Currently, some departments among the small companies don't have enough work to keep their workers busy.

Prospects for new orders in 2010 are hazy and, unlike in the past, the lead time for orders is shorter as customers don't confirm their orders too far ahead of delivery dates. However, no major retrenchments are expected over the next few months though one or two smaller companies may retrench a few workers because of right sizing. Most companies will continue to have a hiring freeze unless it's for replacements but there is still demand for skilled machinists and those with polytechnic diplomas in mechanical and electrical engineering.

Electronics

“The electronics sector as a whole has picked up with orders flowing in especially in the last two quarters of last year as companies began to restock. Many workers are doing overtime which is a good sign as their earnings had declined because of the downturn. The worst is definitely over for the sector which is not likely to see the kind of sharp fall in orders that we had witnessed in 2009 but, at the same time, the challenge is to ensure a sustainable recovery which will depend on higher demand from American consumers who are now facing one of the worst unemployment rate in decades.

“We must also expect that competition will continue to intensify from cheaper locations such as China, and margins to be squeezed. The electronics sector will continue to be a good source of employment for Singaporeans but the nature of work will change with greater technology and innovation which makes higher skills acquisition even more important.”

Halimah Yacob, NTUC Deputy Secretary-General and United Workers of Electronic and Electrical Industries Executive Secretary

