



SBF SURVEY ON BUDGET 2022 MEASURES

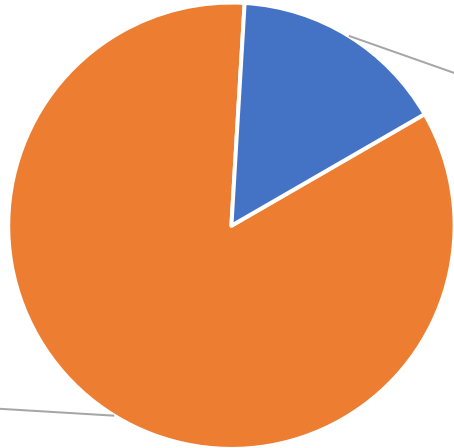
(Based on responses collected from 22 February to 6 March 2022.)



The survey drew responses from 159 companies across key industries.

84% of which were SMEs.

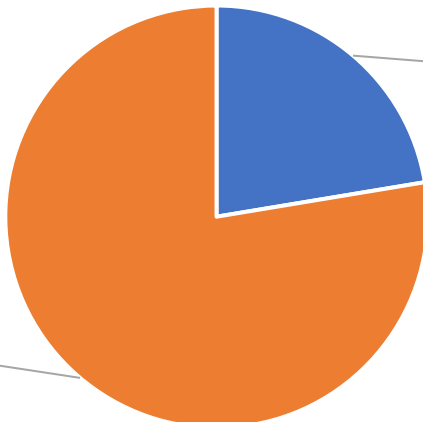
Company Category



Large Company / Enterprise (For companies that do not meet the criteria stated above) **16%**

SME (Company's Group annual sales not more than S\$100 million OR Company's Group employment size not more than 200 workers) **84%**

Company Shareholding



<30% Local Shareholding **22%**

≥30% Local Shareholding **78%**

Most were from the manufacturing industry (21%).

Industries	%
Manufacturing (e.g. Food, Textiles, Paper Products, Chemicals, Metals, etc)	21
Wholesale Trade	11
IT & Related Services	10
Others (e.g. (i) Agriculture & Fishing, (ii) Water Supply, Sewerage & Waste Management, (iii) Defence, (iv) Arts, Entertainment & Recreation, etc)	9
Professional Services	8
Other Financial & Insurance Activities (e.g. Holdings/Investment Companies, etc)	8
Retail Trade	8
Construction & Civil Engineering	8
Logistics & Transportation	6
Hotels, Restaurants & Accommodations	4
Education	3
Health & Social Services	2
Administrative & Support Service Activities	2
Banking & Insurance	1
Real Estate Activities	1

Note: As the respondents contained only 25 Large Companies/Enterprises, the results for Large Companies/Enterprises should be read with caution.

Overview of Key Findings (1/2)

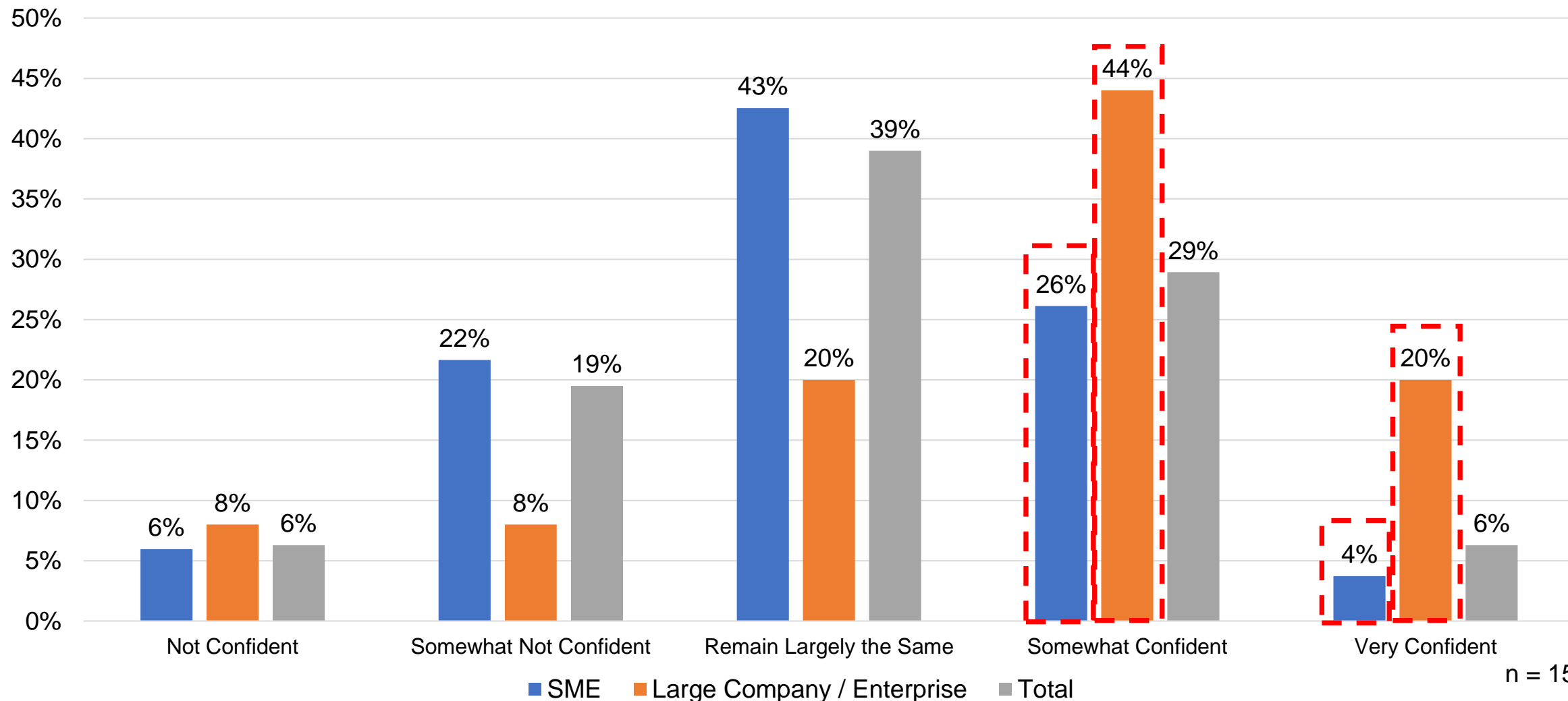
- **64% of Large Companies and 30% of SMEs are confident that their businesses will pick up in the next 6 months, given Singapore's road to recovery.**
- **Top-Most Area of Focus for SMEs in Next 6 Months:** Growing Revenue (50%); Attracting and Retaining Staff (15%); Reducing Costs (7%).
- **Top-Most Area of Focus for Large Companies in Next 6 Months:** Growing Revenue (28%); Attracting and Retaining Staff (16%); Reducing Costs (16%).
- **Compared to 6 months ago, while about an equal proportion of SMEs have experienced either an increase (36%) or decrease (37%) in revenue, a greater proportion of Large Companies have experienced an increase in revenue (52%).**
- **72% of Large Companies and 34% of SMEs are ramping up digitalisation efforts to a large extent, given the acceleration of digital adoption during the Covid-19 pandemic.**

Overview of Key Findings (2/2)

- In the next 6 months, the top plans for internationalisation are the usage of overseas distributors (18%) and leveraging upon digital channels (16%). A quarter of businesses are not planning to internationalise (25%).
- **Most Useful Budget 2022 Measures:** No increase in Government fees and charges for 1 year from 1 January 2023 (77%); Jobs Growth Incentive (55%); SkillsFuture Enterprise Credit (SFEC) Scheme (55%); SkillsFuture Career Transition Programme (55%); Productivity Solutions Grant (PSG) (54%).
- **Top Views of Budget 2022:** The measures are balanced in addressing both long-term and immediate-term challenges (50%). The measures are sufficient in helping businesses to get on the road to recovery and emerge stronger (38%). This Budget aims to develop a resilient workforce with a Singapore core supported by foreign manpower supplement (38%).
- **Most respondents (54% of SMEs and 44% of Large Companies) require assistance in understanding and tapping on various government schemes.**

About two-thirds of Large Companies (64%) and about a third of SMEs (30%) indicated that they are either somewhat or very confident that their businesses will pick up in the next 6 months.

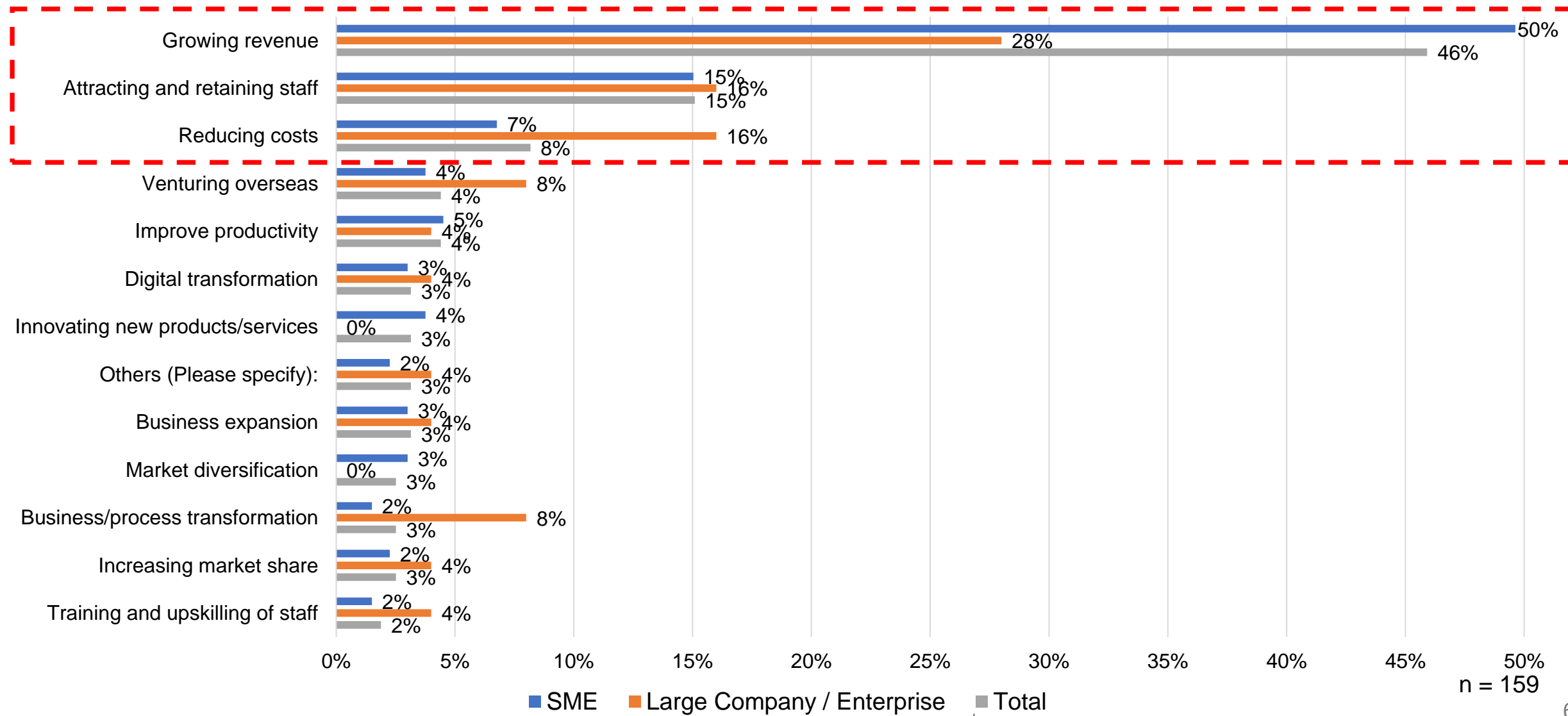
Level of Confidence in Next 6 Months



Q: On the scale of 1 to 5: How confident are you that your business will pick up in the next 6 months?

In the next 6 months, as Singapore's economy recovers, most businesses are focused primarily on 'Growing Revenue' (46%), with a smaller proportion placing emphasis on 'Attracting and Retaining Staff' (15%) and 'Reducing Costs' (8%).

Top-Most Focus in Next 6 Months

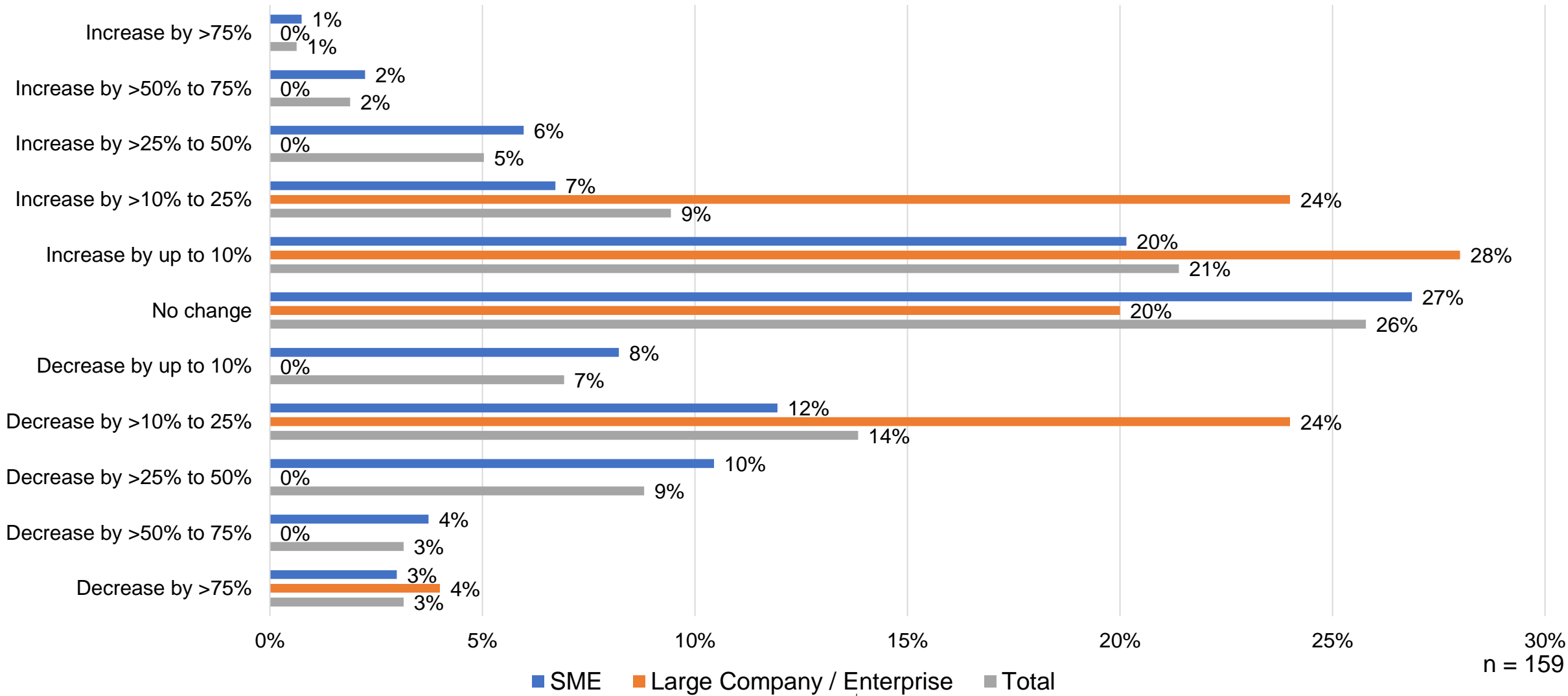


n = 159

Q: As Singapore's economy recovers, what is your business' top-most focus in the coming 6 months? (Please select the top option that applies)

Compared to 6 months ago, while about an equal proportion of SMEs have experienced either an increase (36%) or decrease (37%) in revenue, a greater proportion of Large Companies have experienced an increase in revenue (52%).

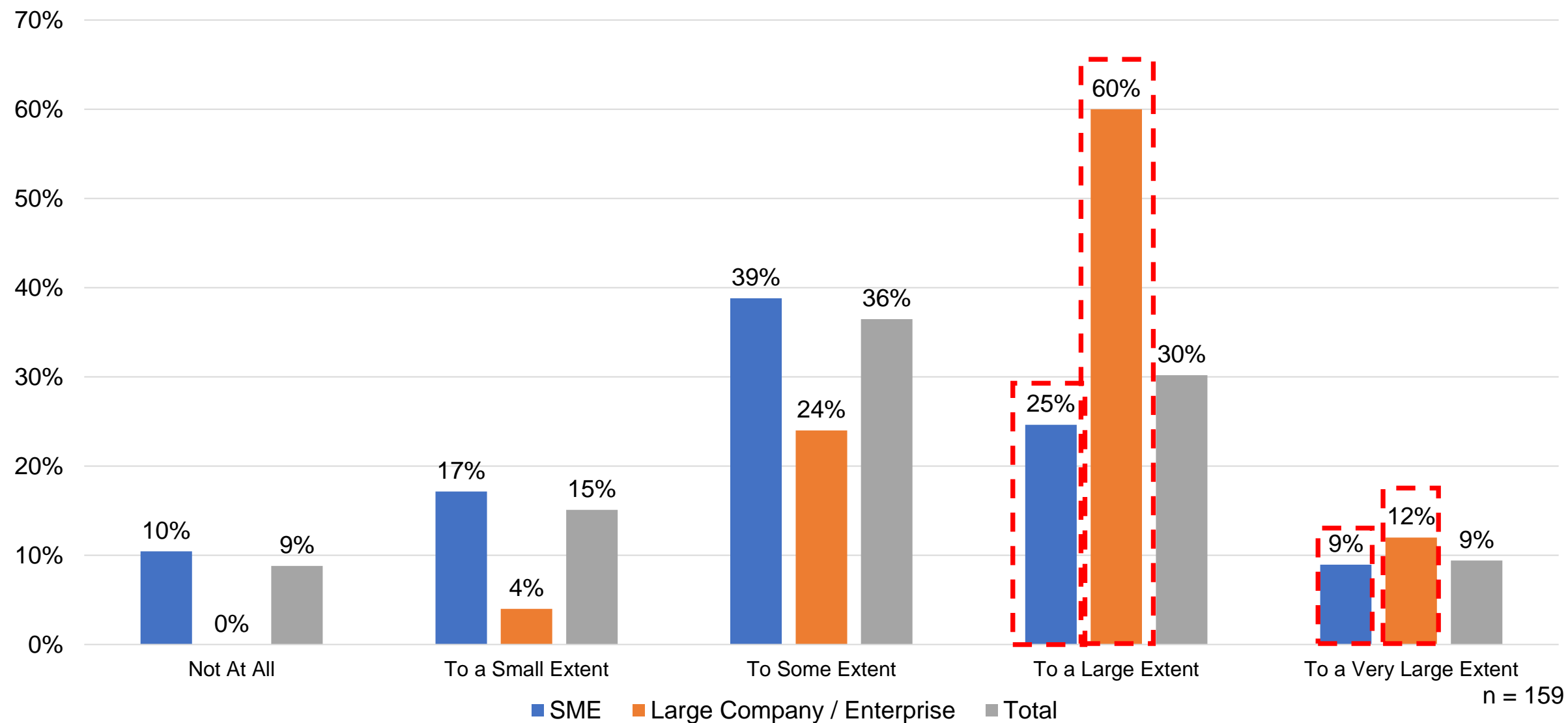
Extent of Business Revenue Change Compared to 6 Months Ago



Q: To what extent has your business revenue changed as compared to 6 months ago? (Please ✓ the top option that applies)

More than two-thirds of Large Companies (72%) and more than a third of SMEs (34%) indicated that they are increasing digitalisation efforts to a large extent post-pandemic.

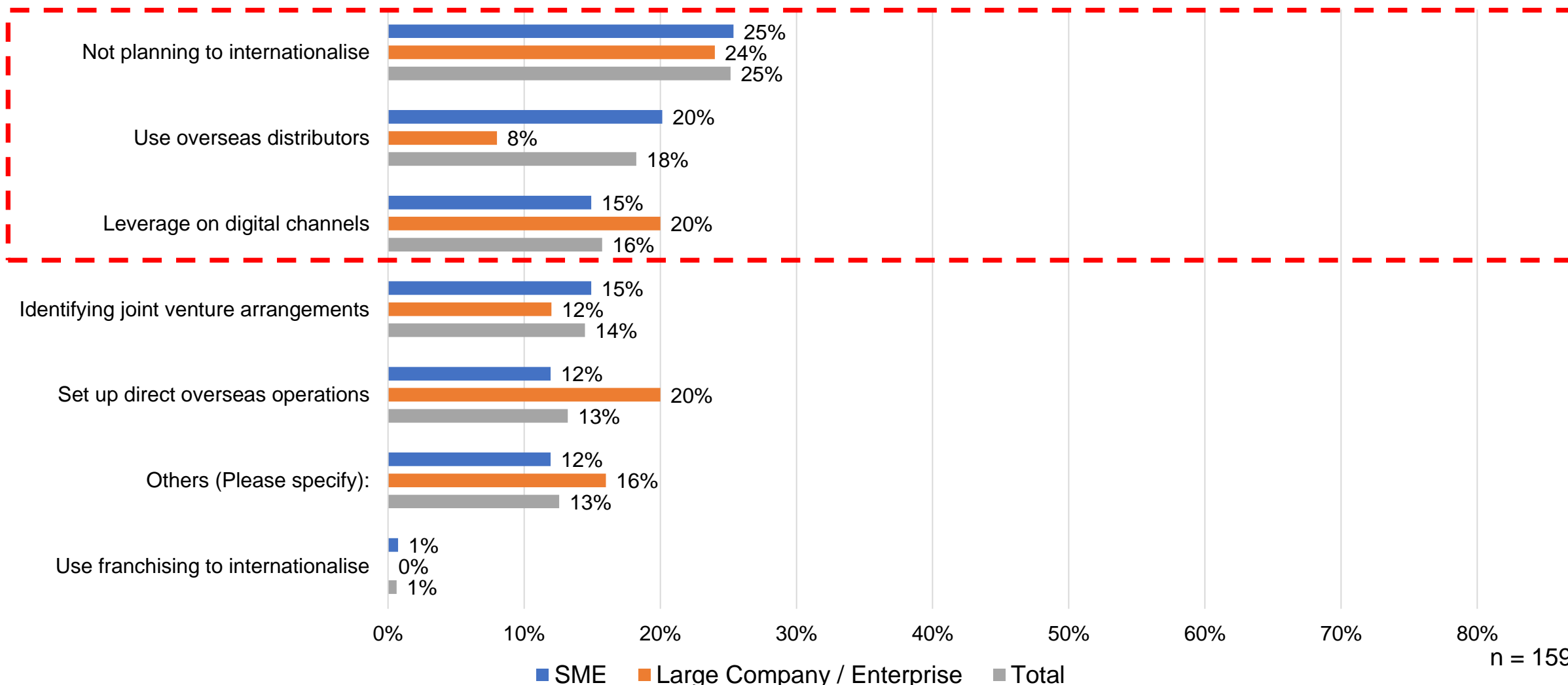
Extent of Digitalisation Uptake



Q: On the scale of 1 to 5: Given the acceleration of digital adoption during the Covid-19 pandemic, to what extent is your business ramping up digitalisation efforts?

In the next 6 months, the top plans for internationalisation are the usage of overseas distributors (18%) and leveraging upon digital channels (16%). A quarter of businesses are not planning to internationalise (25%).

Plans for Internationalisation in Next 6 Months



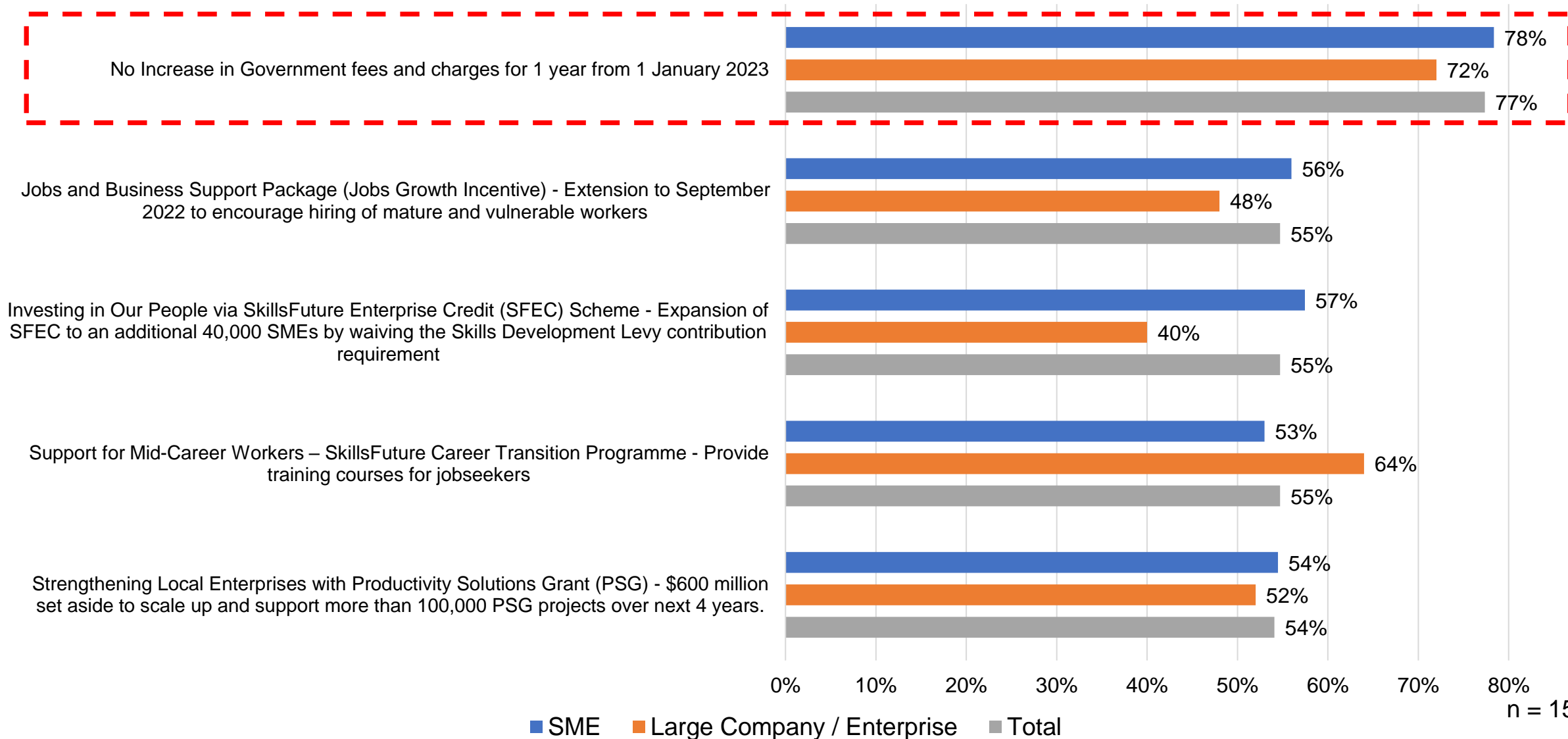
n = 159

■ SME ■ Large Company / Enterprise ■ Total

Q: With the gradual reopening of borders, what plans do you have regarding internationalisation in the next 6 months? (Please ✓ the top option that applies)

While respondents find ‘No increase in Government fees and charges for 1 year’ to be most useful (77%), other measures related to jobs and skills also resonate well with them.

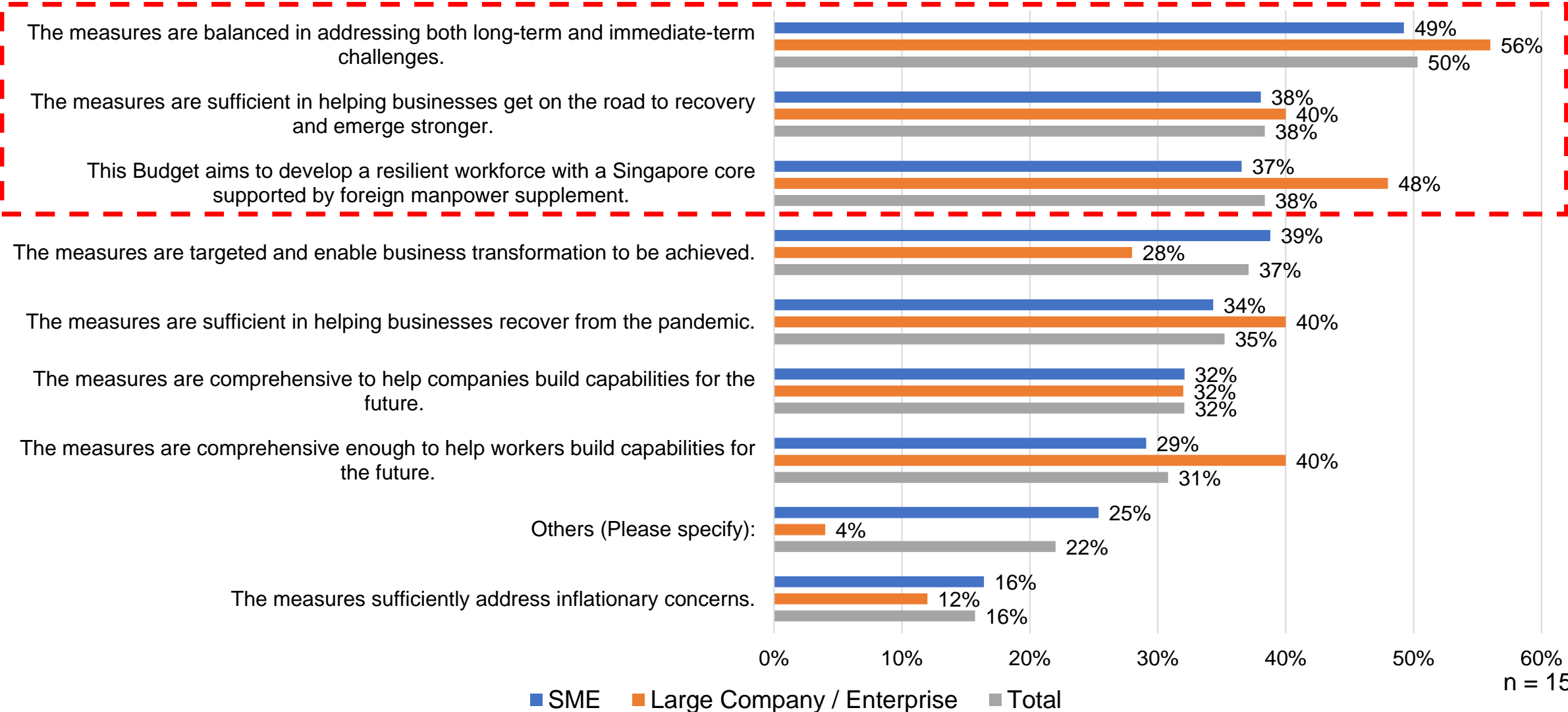
Most Useful Budget 2022 Measures



Q: Which new or enhanced Budget 2022 measures will likely benefit your company? (Please ✓ accordingly)

Respondents find that Budget 2022 is balanced in addressing both long-term and immediate-term challenges (50%), is sufficient in helping businesses get on the road to recovery (38%) and aims to develop a resilient workforce with a Singapore core supported by foreign manpower (38%).

Overall View of Budget 2022



n = 159

Q: Overall, what is your view of Budget 2022? (Please select the top 3 that applies)

Business Challenges for Budget 2022 that have not been addressed.

Verbatim Responses

Manpower & Skills

“Addressing shortfall in staffing for service industries.” – *Large Company, Defence*

“There are jobs that are avoided by Singaporean workers like Prime Mover drivers and warehouse personnel. To ease getting permits to employ foreign workers.” – *Large Company, Logistics & Transportation*

“Talent crunch in tech sector remains. It’s good to build Singaporean core. However, tech skills take time to build beyond existing skillsfuture programmes. Propose for government to look into a more comprehensive approach to increase chances of success of new talents into tech.” – *SME, IT & Related Services*

“Locals don’t want to do the job and that is why companies have to turn to S-passes and E-passes! Raising the salary only makes Singapore more attractive to foreigners and does not help the locals.” – *SME, Construction & Civil Engineering*

“I think the budget should invest more in education as this is also a long term for the Nation. The work force of the future is how we educate our next generation..” – *SME, Hotels, Restaurants & Accommodations*

“Companies need a good balance between foreigners and locals, and Singapore must be attractive for foreigners and their families, otherwise the business will develop in different countries.” – *SME, IT & Related Services*

Carbon Tax

“Cost of energy/utilities/Manpower cost. Existing and future carbon tax policy/laws do not address the passing-on of the tax onto other downstream businesses and manufacturers. Eg in the highly integrated Jurong Island supply chain, one manufacturer will pass on carbon tax onto the next local manufacturer who uses its raw materials. There is no recourse, and no alternative source of supply in most cases.” – *SME, Manufacturing*

Investments

“Strategies to attract more FDIs into Singapore. Measures to boost domestic consumption and also guide the local businesses in reformulating their strategies to be resilient in coping with the pandemic and inflationary pressures (aside from incentive/funding support).” – *Large Company, Manufacturing*

Thank You

If you need any clarifications, kindly
contact:



research@sbf.org.sg

Annex

Budget 2022 Measures	Not Applicable to my company	Likely Useful	Likely NOT Useful	More details needed
Economy – Support for Businesses				
Immediate Support for Businesses – Jobs and Business Support Package				
New Small Business Recovery Grant - \$1,000 payout per local employee (up to \$10,000 per firm) for Small and Medium-sized Enterprises (SMEs) in sectors most affected by COVID-19 restrictions, such as food and beverage, retail, tourism, and hospitality sectors.	63%	27%	6%	4%
New Small Business Recovery Grant - \$1,000 payout to local sole proprietors and partnerships in eligible sectors, as well as Singapore Food Agency licensed hawkers, market and coffeeshop stallholders, who do not hire local employees.	81%	11%	6%	2%
Jobs Growth Incentive – Extension to September 2022 to encourage hiring of mature and vulnerable workers who face greater difficulties in finding jobs; with stepped-down support rates reflecting the improved labour market conditions.	23%	55%	13%	10%
Temporary Bridging Loan Programme and Enterprise Financing Scheme (EFS) - Trade Loan – Extension of support with revised parameters for another six months from 1 April to 30 September 2022.	45%	31%	18%	6%
Enterprise Financing Scheme – Project Loan – Extension and enhancement of Project Loan to support domestic construction projects for another year, from 1 April 2022 to 31 March 2023.	60%	21%	13%	6%

Budget 2022 Measures	Not Applicable to my company	Likely Useful	Likely NOT Useful	More details needed
Economy – Support for Businesses				
Immediate Support for Businesses – Jobs and Business Support Package				
Aviation Support Package - To preserve core capabilities and enhance status as an international aviation hub.	79%	11%	8%	2%
Digitalisation and Innovation				
Building Digital Capabilities - Additional \$200 million over the next few years to enhance schemes that build capabilities in our businesses and workers.	17%	53%	13%	17%
Innovation Centres – Increase the capacity of centres that engage in technology, innovation and enterprise activities over the next 5 years; to undertake close to 2,000 innovation projects across five pilot sectors, including Agri-Tech, Construction, Food Manufacturing, Precision Engineering and Retail.	41%	28%	13%	18%
Strengthen Local Enterprises				
Productivity Solutions Grant (PSG) - \$600 million set aside to scale up and support more than 100,000 PSG projects over next 4 years.	16%	54%	10%	19%

Budget 2022 Measures	Not Applicable to my company	Likely Useful	Likely NOT Useful	More details needed
Economy – Support for Businesses				
Strengthen Local Enterprises				
Singapore Global Enterprises – Initiative for larger local enterprises to innovate and internationalise.	42%	35%	13%	10%
Singapore Global Executive Programme – To attract more local young talent to join Singapore global enterprises.	36%	38%	15%	10%
Enterprise Financing Scheme				
Merger & Acquisition (M&A) Loan – To include domestic M&A activities from 1 April to 31 March 2026, supporting growth and expansion through M&As; maintain 70% risk-share under enhanced Trade Loan beyond 30 September 2022 for enterprises trading in nascent markets.	49%	26%	17%	8%
Research & Development				
Research, Innovation and Enterprise (RIE) 2025 Strategy - \$25 billion set aside under the RIE2025 Strategy; more support will be provided for local firms to undertake Research & Development activities.	43%	27%	16%	14%

Budget 2022 Measures	Not Applicable to my company	Likely Useful	Likely NOT Useful	More details needed
Economy – Support for Businesses				
Invest in Our People				
Institutes of Higher Learning (IHL) -Transformation of IHLs, including autonomous universities, into institutes for continual learning to support lifelong learning.	31%	42%	14%	13%
SkillsFuture Enterprise Credit (SFEC) Scheme – Expand SFEC to an additional 40,000 SMEs by waiving the Skills Development Levy contribution requirement for the qualifying period of 1 January 2021 to 31 December 2021, to better support our smaller and micro enterprises.	24%	55%	9%	12%
Better Skills Matching				
Company Training Committees (CTC) – Bring together unions and employees together to develop concrete firm-level transformation plans that will be implemented with support of relevant Government agencies; \$100 million to support NTUC to scale up CTC and introduce new grant to support companies' transformation plans.	44%	30%	13%	14%
Extended Outreach to Smaller Companies - Partnering with industry leaders or Queen Bee companies, Trade Associations and Chambers and Singapore Business Federation to provide training and advice to smaller companies.	34%	37%	12%	17%

Budget 2022 Measures	Not Applicable to my company	Likely Useful	Likely NOT Useful	More details needed
Economy – Support for Businesses				
Support for Mid-Career Workers				
SGUnited Mid-Career Pathways Programme – Company attachments made permanent with full-time attachments and training allowances.	18%	53%	11%	18%
SkillsFuture Career Transition Programme – Provide high-quality, industry-oriented training courses for jobseekers.	20%	55%	11%	14%
Adjustments to Foreign Worker Policies				
New Employment Pass (EP) Applicants – Minimum qualifying salary will be raised from the current \$4,500 to \$5,000 from September 2022, and renewal applications from September 2023.	21%	16%	57%	6%
New Employment Pass (EP) Applicants for Financial Service Sector – Minimum qualifying salary will be raised from the current \$5,000 to \$5,500 from September 2022, and renewal applications from September 2023.	55%	13%	29%	3%
New S Pass Applicants - Minimum qualifying salary will be raised from current \$2,500 to \$3,000 from September 2022, and renewal applications from September 2023.	22%	19%	53%	6%

Budget 2022 Measures	Not Applicable to my company	Likely Useful	Likely NOT Useful	More details needed
Economy – Support for Businesses				
Adjustments to Foreign Worker Policies				
New S Pass Applicants for Financial Services Sector - Minimum qualifying salary will be raised from current \$3,000 to \$3,500 from September 2022, and renewal applications from September 2023.	60%	13%	25%	3%
S Pass Applicants – Will progressively raise the Tier 1 levy from the current \$330 to \$650 by 2025.	23%	17%	53%	6%
Work Permit Holders - Work permit policies in the construction and process sectors will be adjusted. Lower Dependency Ratio Ceiling from 1:7 to 1:5 from 1 Jan 2024. New levy framework will be replaced from 1 January 2024 that will encourage firms to support more offsite work and employ more higher-skilled work permit holders.	57%	15%	24%	4%

Budget 2022 Measures	Not Applicable to my company	Likely Useful	Likely NOT Useful	More details needed
Sustainability – Advance Our Green Transition				
Net Zero Ambition				
Raise Singapore’s ambition to achieve net zero emissions by or around mid-century.	26%	40%	14%	19%
Singapore Green Plan				
Green growth opportunities and jobs, e.g. Green finance, carbon services.	36%	35%	13%	16%
Increase public sector green bonds issuance to \$35 billion by 2030; publish Singapore Green Bond Framework by 2022.	45%	29%	13%	13%
Accelerate adoption of Electric Vehicles by having more charging points near homes.	43%	38%	11%	9%
Carbon Tax Adjustments				
Carbon tax rate adjustments (From current rate of \$5 per tonne): - Increase to \$25 per tonne in Year 2024 to 2025. - Increase to \$45 per tonne in Year 2026 to 2027. - Increase to \$50 to \$80 per tonne by 2030.	42%	24%	24%	10%
Allow carbon tax-liable businesses to use carbon credits to offset up to 5% of taxable emissions from 2024.	47%	28%	16%	9%

Budget 2022 Measures	Not Applicable to my company	Likely Useful	Likely NOT Useful	More details needed
Tax – Build a Fairer & More Resilient Tax System				
Corporate Income Tax				
Explore a top-up tax called the Minimum Effective Tax Rate (METR) regime, in line with the global minimum effective tax rate under the Base Erosion and Profit Shifting (BEPS) 2.0 Pillar 2.	20%	32%	21%	27%
Goods and Services Tax (GST)				
GST increase will be delayed to 2023 and staggered over two steps: - GST rate of 8% from 1 Jan 2023 - GST rate of 9% from 1 Jan 2024	9%	42%	42%	7%
No increase in Government fees and charges for 1 year from 1 January 2023.	6%	77%	13%	3%
Additional \$15 million per year for Town Councils to absorb additional GST payable on Service and Conservancy Charges.	39%	38%	19%	4%