



SBF SURVEY ON BUDGET 2023 MEASURES

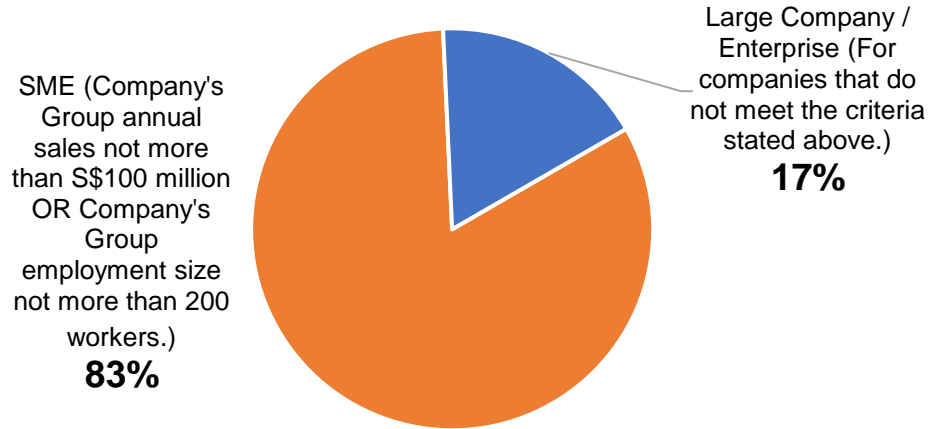
(Based on responses collected from 13 February to 24 February 2023.)



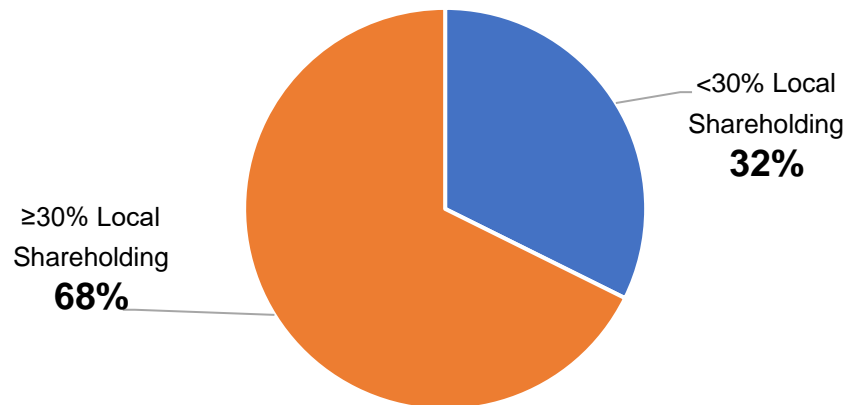
The survey drew responses from 161 companies across key industries.

83% of which were SMEs.

Company Category



Company Shareholding



Most were from the manufacturing industry (20%).

Main Industry	Total
Manufacturing (e.g. Food, Textiles, Paper Products, Chemicals, Metals, etc.)	20%
Wholesale Trade	19%
Construction & Civil Engineering	16%
IT & Related Services	7%
Retail Trade	5%
Logistics & Transportation	5%
Hotels, Restaurants & Accommodations	4%
Professional Services	4%
Banking & Insurance	4%
Other Financial & Insurance Activities (e.g. Holdings/Investment Companies, etc.)	4%
Real Estate Activities	4%
Others (e.g. (i) Agriculture & Fishing, (ii) Water Supply, Sewerage & Waste Management, (iii) Defence, (iv) Arts, Entertainment & Recreation, etc.)	4%
Health & Social Services	2%
Administrative & Support Service Activities	1%
Education	1%

Note: As the respondents contained only 28 Large Companies/Enterprises, the results for Large Companies/Enterprises should be read with caution.

Overview of Key Findings (1/2)

- **46% of SMEs and 43% of Large Companies** indicated that the **local economic climate will remain the same over the next 6 months.**
- **Almost half of the SMEs (47%)** indicated that their businesses will remain largely the same in the next 6 months. An equal proportion of **Large Companies** opined that their businesses will remain largely the same (39%) or are somewhat confident (39%) that they will pick up in the next 6 months.
- **Top-Most Areas of Focus for Businesses in Next 6 Months:** Growing Revenue (50%) and Reducing Costs (14%).
- Compared to 6 months ago, **most SMEs (64%) and Large Companies (68%)** have since experienced an **increase in business costs of up to 25%.**
- Compared to 6 months ago, **43% of Large Companies** experienced an increase in business revenue of up to 25%, while **37% of SMEs** experienced a decrease in business revenue of up to 25%.

Overview of Key Findings (2/2)

▪ Most Useful Budget 2023 Measures:

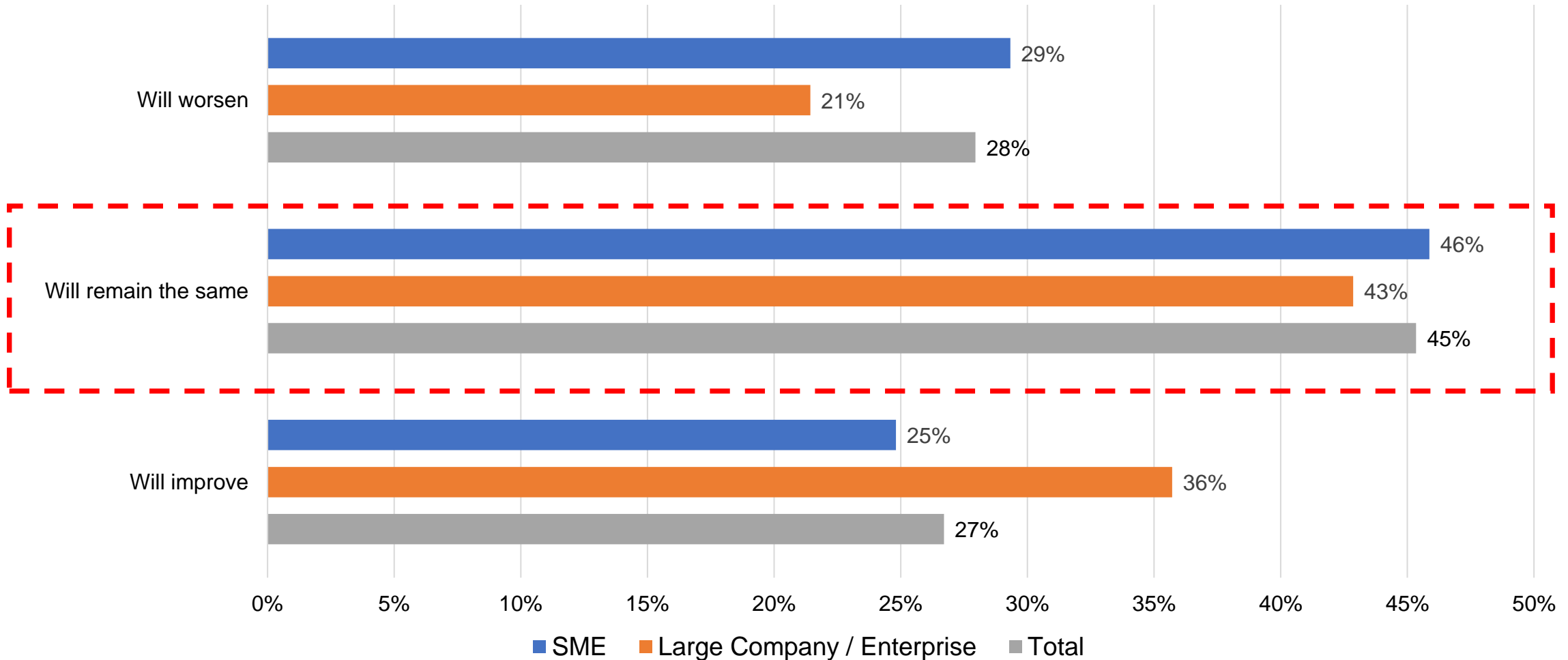
- Senior Employment Credit and Part-time Re-Employment Grant (67%).
- Increase CPF contribution rates for senior workers in 2024 and provide CPF Transition Offset to employers (64%).
- Progressive Wage Credit Scheme fund for lower-wage workers (60%).

▪ Top Views of Budget 2023:

- Balanced in addressing both long-term and immediate-term challenges (65%).
- Comprehensive enough to help workers build capabilities for the future (63%).
- Targeted and enable business transformation to be achieved (45%).

46% of SMEs and 43% of Large Companies indicated that the local economic climate will remain the same over the next 6 months.

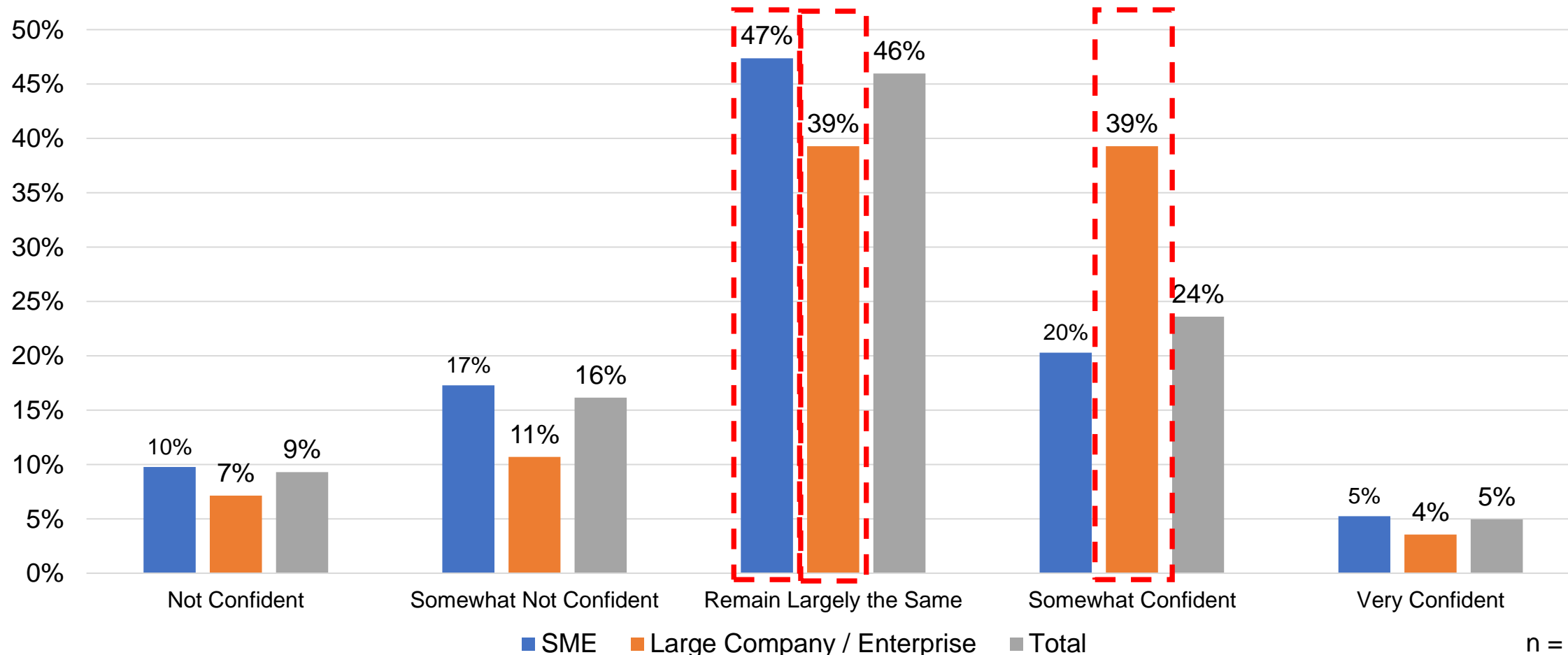
View of the local economic climate over the next 6 months



n = 161

Almost half of the SMEs (47%) indicated that their businesses will remain largely the same in the next 6 months. An equal proportion of Large Companies opined that their businesses will remain largely the same (39%) or are somewhat confident (39%) that they will pick up in the next 6 months.

Level of confidence for the next 6 months

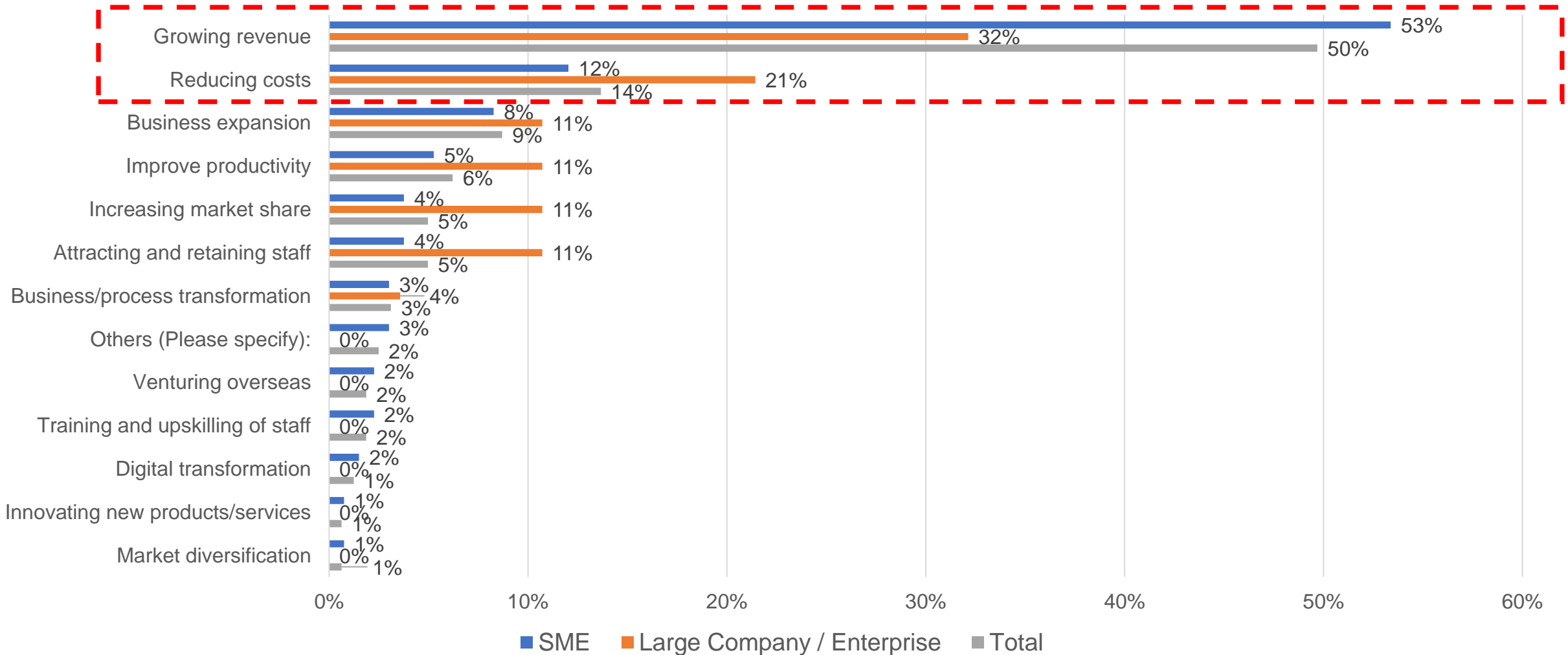


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Q: With the reopening of China against the backdrop of inflation, how confident are you that your business will pick up in the next 6 months?

In the next 6 months, most businesses remain focused primarily on 'Growing Revenue' (50%) and 'Reducing Costs' (14%).

Top-Most Areas of Focus in Next 6 Months

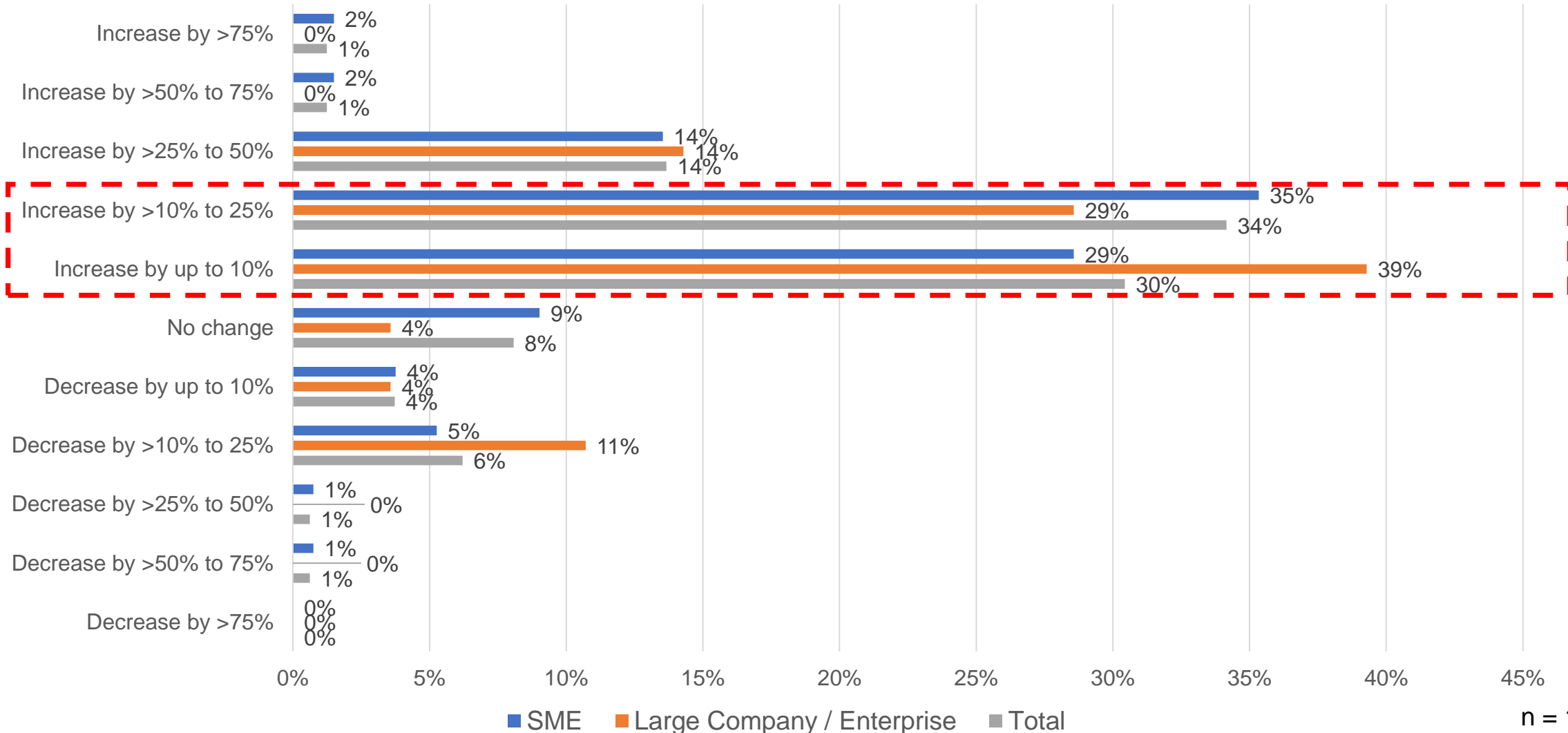


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Q: What is your business' top-most focus in the coming 6 months? (Please ✓ the top option that applies.)

Compared to 6 months ago, most SMEs (64%) and Large Companies (68%) have since experienced an increase in business costs of up to 25%.

Change in business cost compared to past 6 months

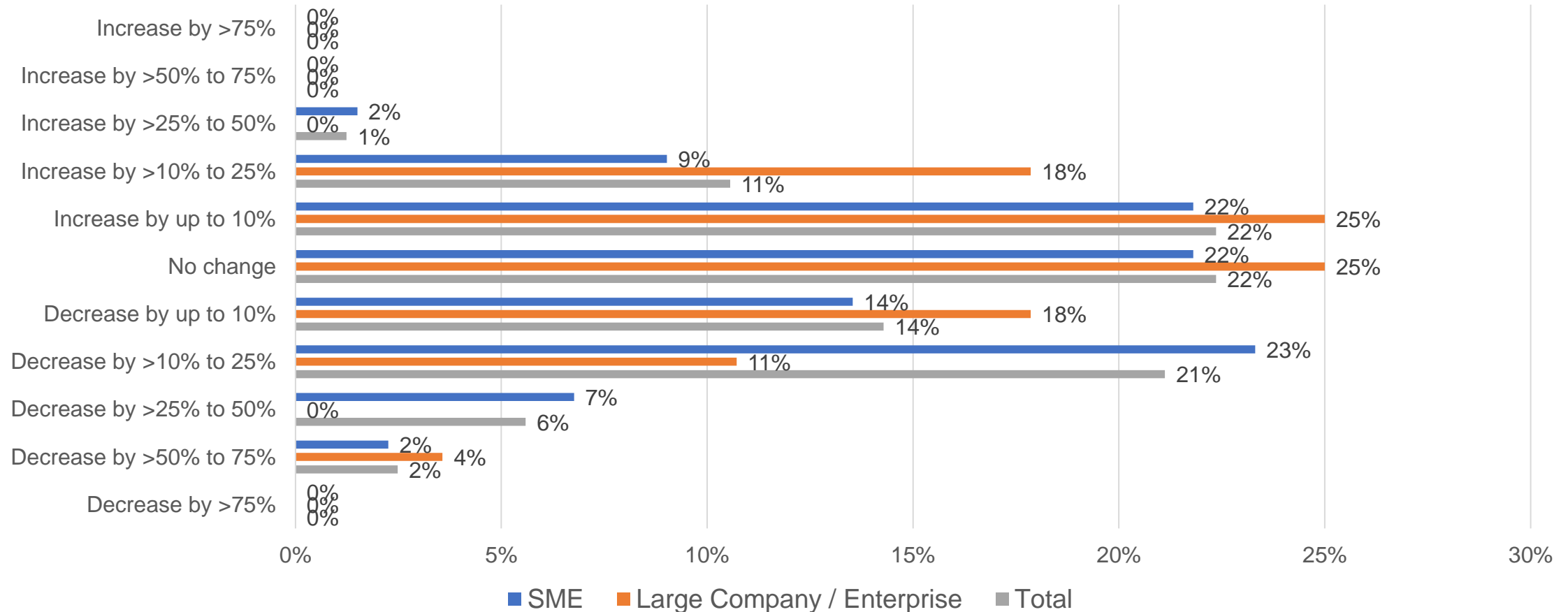


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Q: How has your business cost changed compared to 6 months ago? (Please ✓ the top option that applies)

Compared to 6 months ago, 43% of Large Companies experienced an increase in business revenue of up to 25%, while 37% of SMEs experienced a decrease in business revenue of up to 25%.

Change in business revenue compared to past 6 months

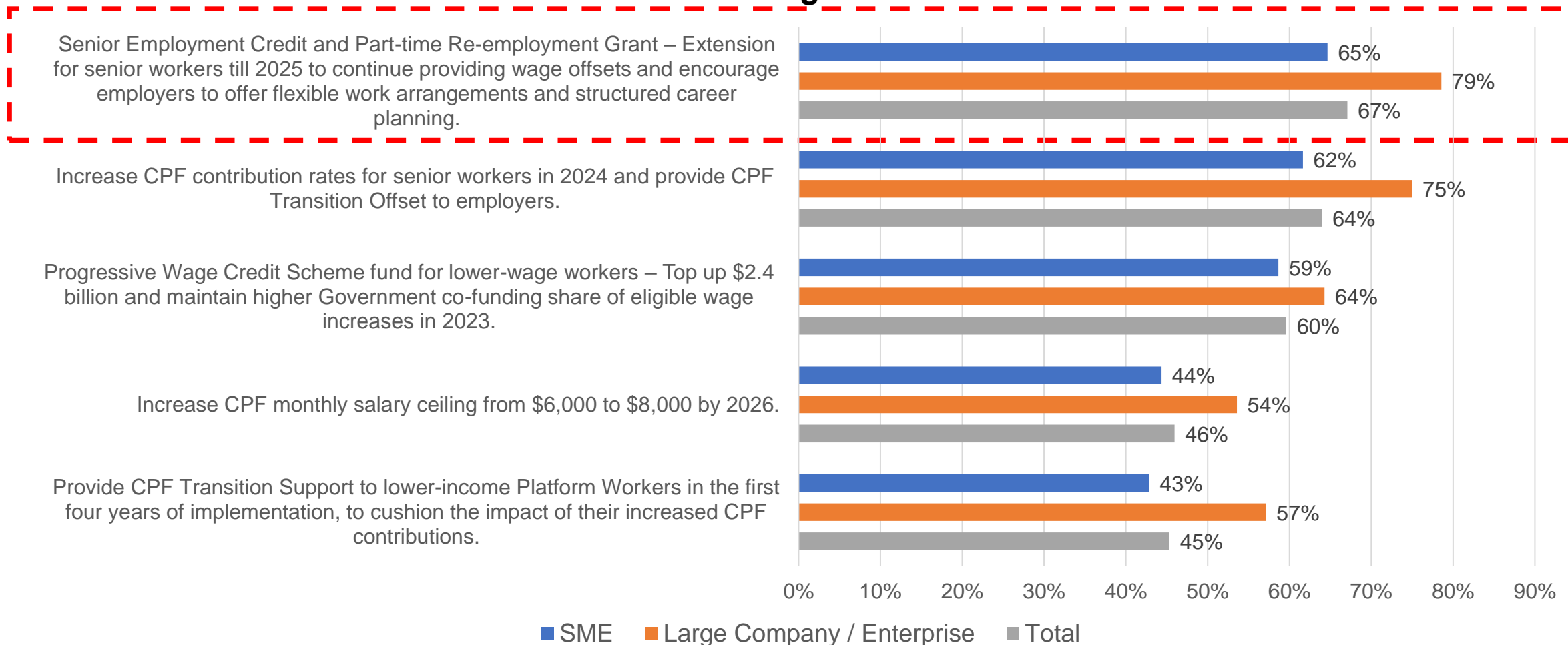


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Q: How has your business revenue changed compared to 6 months ago? (Please ✓ the top option that applies)

While respondents find ‘Senior Employment Credit and Part-time Re-employment Grant’ to be most useful (67%), other measures related to the strengthening of retirement adequacy also resonate well with them.

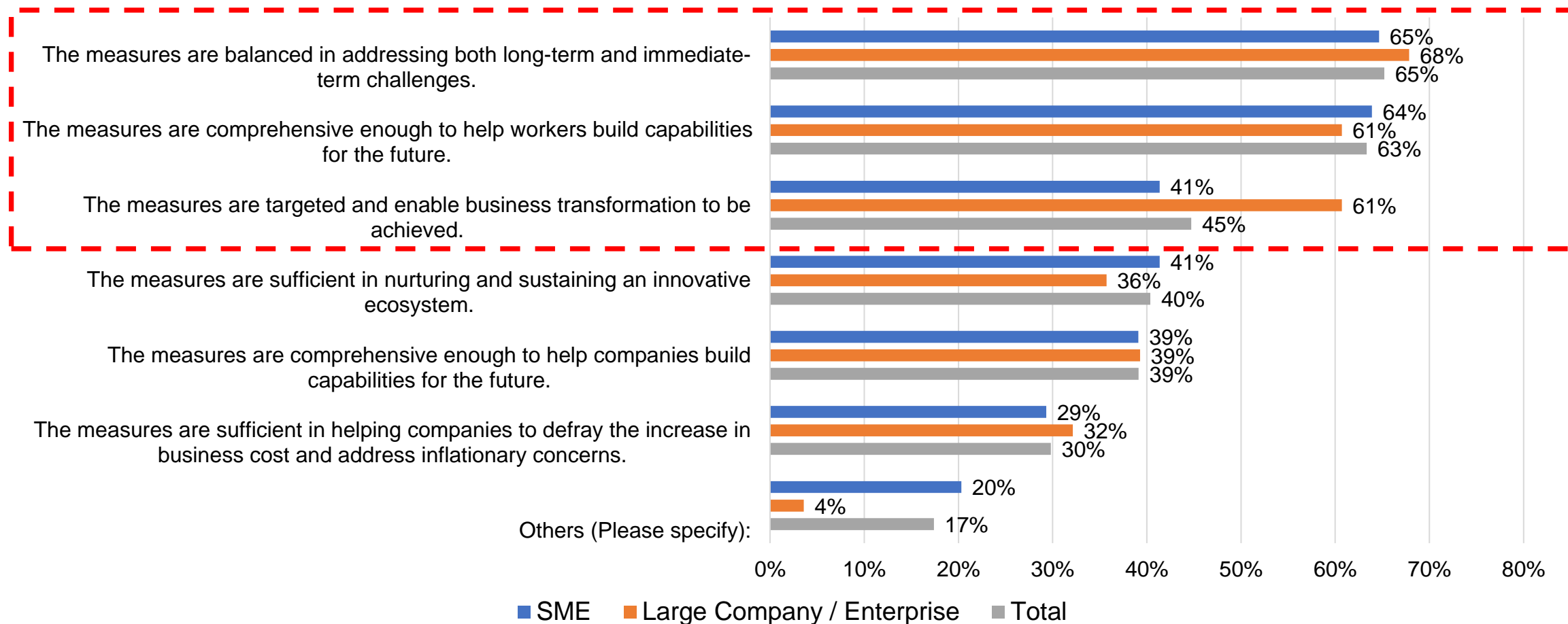
Most Useful Budget 2023 Measure



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Respondents find that Budget 2023 addresses both long-term and immediate-term challenges (65%), is comprehensive in helping workers build capabilities for the future (63%) and enables business transformation to be achieved with targeted measures (45%).

Overall View of Budget 2023



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Q: Overall, what is your view of Budget 2023? (Please ✓ the top 3 that apply.)

Business Challenges for Budget 2023 that have not been addressed.

Verbatim Responses

Rising costs

“Business are facing intense rising business costs and falling revenue as market tightens. There should be more measures to assist in curbing rising inflationary costs.” – *SME, IT & Related Services*

“More can be done to address increase in business cost and inflationary concerns.” – *SME, Wholesale Trade*

“The increasing inflation, raw material and manpower cost result in much higher construction cost.” – *SME, Construction & Civil Engineering*

“Government should address costs of operating in Singapore. Salaries and inflation (property and rental) are key concerns.” – *SME, Manufacturing*

“In view of the rising cost environment, it would be helpful if there can be some broad base temporary tax relief / rebates given to businesses.”
– *Large Company, Real Estate Activities*

Manpower

“Shortage of skilled staff such as doctors, nurses and allied healthcare workers. Allow more skilled foreign workers into Singapore .” – *Large Company, Health & Social Services*

“Manpower issue and difficulties in employing locals.” – *SME, Construction & Civil Engineering*

Business Expansion

“Enhanced support for SMEs to expand locally and overseas in terms of providing them with more business opportunities in Singapore and greater financial support for overseas expansion for a longer period of at least 3 years instead of the current one year.” – *SME, Logistics & Transportation*

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Thank You

If you need any clarifications, kindly contact:

 research@sbf.org.sg

Annex

Measures	Not Applicable to my company	Likely Useful	Likely NOT Useful	More details needed
Growing Our Economy and Equipping Our Workers - Supporting Businesses				
Developing Local Enterprises				
Singapore Global Enterprises – Initiative for larger local enterprises to innovate and internationalise. Set aside \$1 billion to provide customised support for promising local companies.	48%	22%	19%	10%
SME Co-Investment Fund – Additional \$150 million to invest in promising SMEs.	45%	19%	19%	17%
Building Capabilities and Anchoring Quality Investments				
National Productivity Fund – Top up \$4 billion and expand scope to support investment promotion.	29%	30%	20%	21%
Nurturing and Sustaining Innovation				
Enterprise Innovation Scheme - Annual tax deductions / allowances of 400%, each capped at \$400,000 of qualifying expenditure, from Year of Assessment (YA) 2024 – YA 2028, for: <ul style="list-style-type: none"> • Local research and development activities. • Registration of Intellectual Property (IP). • Acquisition and licensing of qualifying IP Rights, for taxpayers with a revenue less than \$500 million. • Qualifying courses that are aligned with the Skills Framework. 	29%	37%	22%	11%

Measures	Not Applicable to my company	Likely Useful	Likely NOT Useful	More details needed
Growing Our Economy and Equipping Our Workers - Supporting Businesses				
Nurturing and Sustaining Innovation				
Enterprise Innovation Scheme - Annual tax deductions of 400%, capped at \$50,000 of qualifying expenditure, from Year of Assessment (YA) 2024 – YA 2028, for: - Innovation projects carried out with polytechnics, ITE or other qualified partners.	34%	33%	19%	14%
Enterprise Innovation Scheme - Option to convert 20% of total qualifying expenditure per YA across qualifying activities in lieu of tax deductions / allowances, into cash payout of up to \$20,000.	32%	33%	18%	17%
Dealing with Cost Pressures				
Enterprise Financing Scheme – Extension of enhancements till 31 March 2024 to facilitate access to credit: <ul style="list-style-type: none"> • 70% Government risk-share for trade loans. • Enhanced maximum quantum for trade and working capital loans. • Support for domestic construction projects via project loans. 	40%	33%	19%	8%
Energy Efficiency Grant – Extension till 31 March 2024 for SMEs in Food Services, Food Manufacturing, and Retail sectors to adopt energy-efficient equipment, given higher electricity prices.	52%	27%	16%	6%

Measures	Not Applicable to my company	Likely Useful	Likely NOT Useful	More details needed
Growing Our Economy and Equipping Our Workers - Supporting Workers				
Integrate Training and Job Placement				
Pilot Jobs-Skills Integrators in Precision Engineering, Retail, and Wholesale Trade sectors to bring together key players to develop industry-relevant training and facilitate job matching.	45%	29%	12%	14%
Enhance Employment Support				
Progressive Wage Credit Scheme fund for lower-wage workers – Top up \$2.4 billion and maintain higher Government co-funding share of eligible wage increases in 2023: <ul style="list-style-type: none"> • Wages up to \$2,500: increase from 50% to 75%. • Wages above \$2,500 and up to \$3,000: increase from 30% to 45%. 	20%	60%	10%	10%
Senior Employment Credit and Part-time Re-employment Grant – Extension for senior workers till 2025 to continue providing wage offsets and encourage employers to offer flexible work arrangements and structured career planning.	13%	67%	9%	11%
Enabling Employment Credit – Enhancement to encourage employment of persons with disabilities.	24%	43%	22%	11%
Uplifting Employment Credit – To encourage employment of ex-offenders.	28%	40%	22%	10%

Measures	Not Applicable to my company	Likely Useful	Likely NOT Useful	More details needed
Strengthening Our Social Compact - Providing Assurance in Our Silver Years				
Strengthen Retirement Adequacy				
Provide CPF Transition Support to lower-income Platform Workers in the first four years of implementation, to cushion the impact of their increased CPF contributions.	36%	45%	12%	7%
Increase CPF contribution rates for senior workers in 2024 and provide CPF Transition Offset to employers.	12%	64%	14%	10%
Increase CPF monthly salary ceiling from \$6,000 to \$8,000 by 2026.	6%	46%	35%	12%
A Competitive, Resilient, and Fair Tax System				
Our Resilience as a People				
Enhance Corporate Volunteer Scheme to deepen partnerships between businesses and Institutions of a Public Character (IPCs). <ul style="list-style-type: none"> • Extension to end-2026 and expand eligible activities. • Double the claims per IPC to a cap of \$100,000 per calendar year. 	39%	30%	20%	11%
Social service sector – Review salary benchmarks and raise salary guidelines for the social service sector to attract and retain talent.	57%	20%	18%	6%

Measures	Not Applicable to my company	Likely Useful	Likely NOT Useful	More details needed
A Competitive, Resilient, and Fair Tax System				
Corporate Income Tax				
Base Erosion and Profit Shifting Initiative (BEPS 2.0) – Implement Global Anti-Base Erosion (GloBE) rules under BEPS Pillar 2 and Domestic Top-up Tax (DTT) for large Multinational Enterprises (MNE) groups from businesses’ financial year starting on or after 1 Jan 2025.	50%	19%	13%	17%
Buyer’s Stamp Duty and Additional Conveyance Duties for Buyers				
Increase Buyer’s Stamp Duty (BSD) rates for higher-value properties, with effect from 15 Feb 2023. For non-residential properties, the portion of the property value: <ul style="list-style-type: none"> • In excess of \$1 million and up to \$1.5 million will be taxed at 4% (up from 3%). • In excess of \$1.5 million will be taxed at 5% (up from 3%). 	57%	14%	25%	4%