



SURVEY ON IMPACT OF PHASE 2 (HEIGHTENED ALERT) MEASURES ON BUSINESSES

(Based on responses collected from 17 to 21 May 2021.)

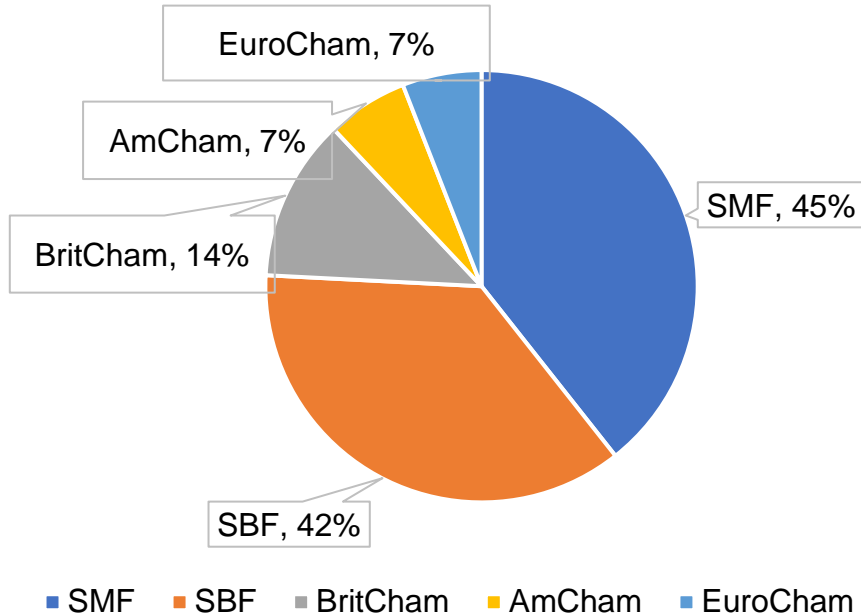


Overview of Key Findings

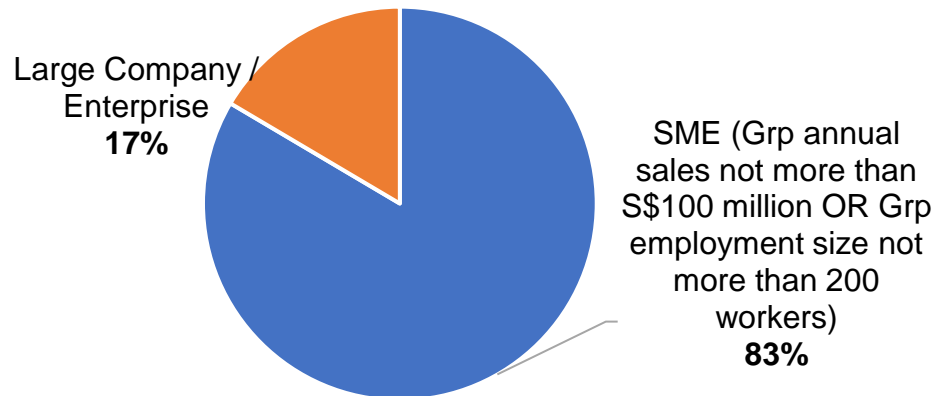
- Most businesses
 - **expect continued uncertainty with economic activities continuing at present pace** over the next 3 to 6 months.
 - either strongly agree or somewhat agree that the current tightened measures are sufficient in addressing the recent increase in community case.
 - are largely **confident in Singapore Government's handling of the current COVID-19 situation.**
 - remain **operational** during the Phase 2 (Heightened Alert) period.
 - will **continue with their existing strength of workers and continue to pay their salaries** during the Phase 2 (Heightened Alert) period.
- The number of **SMEs that are more confident in Singapore Government's handling of the COVID-19 situation now compared to a year ago is larger than those who are less confident (37% versus 29%), but for large companies, it is the reverse (22% versus 44%).**
- **Almost half of SMEs (53%) expect their overall business revenues to decline by more than 25%.**
- **Top short-term challenges** for businesses: **Decline in demand which leads to slowdown in business revenue and Unsteady cashflow.**
- **Top medium-term challenges** for businesses: **Uncertainty in Local and Global environment and Rise in business cost.**
- **Top 3 strategies adopted by businesses** to cope with Phase 2 (Heightened Alert) measures: **Allow all/more employees to consider working from home; Continue to look for opportunities to invest in business transformation and innovation initiatives; and Continue to look for opportunities to diversify supplier sources/markets and strengthen business model.**

The survey drew responses from 805 companies across key industries.

Most respondents are SMF (45%) and SBF (42%) members.



83% of the respondents are SMEs.



Most are from the Information and Communications & Professional Services (21%) sector.

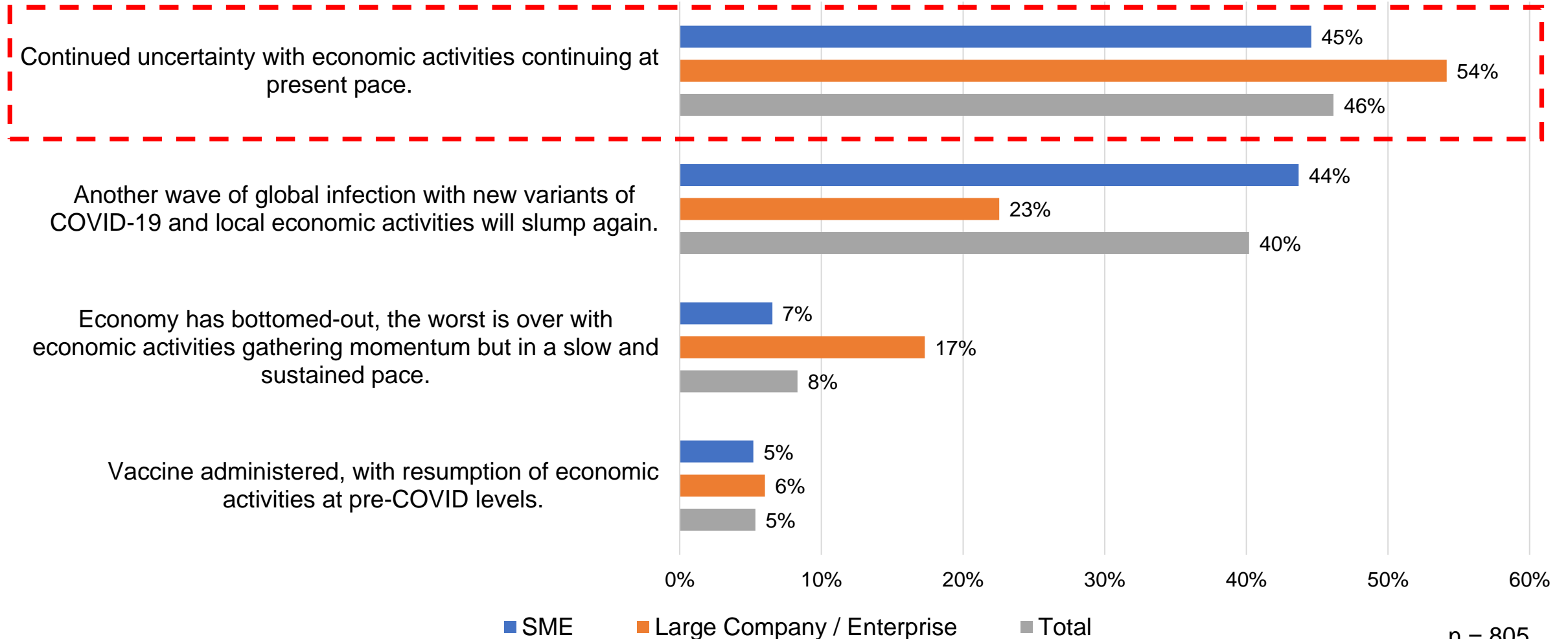
Industries	%
Information and Communications & Professional Services	21
Retail, Hotels & Food and Beverages	20
Manufacturing	16
Wholesale Trade	9
Health & Education	8
Other Services (e.g. Repair, Servicing, etc.)	8
Construction & Civil Engineering	6
Banking, Finance, Insurance & Accounting	4
Others (e.g. Arts & Culture, Social Services, etc.)	4
Logistics & Transportation	4
Real Estate	2

72% of respondents have ≥30% local shareholding

Company Shareholding	%
≥30% Local Shareholding	72
<30% Local Shareholding	28

Most Large Companies (54%) and SMEs (45%) expect continued uncertainty with economic activities continuing at present pace over the next 3 to 6 months.

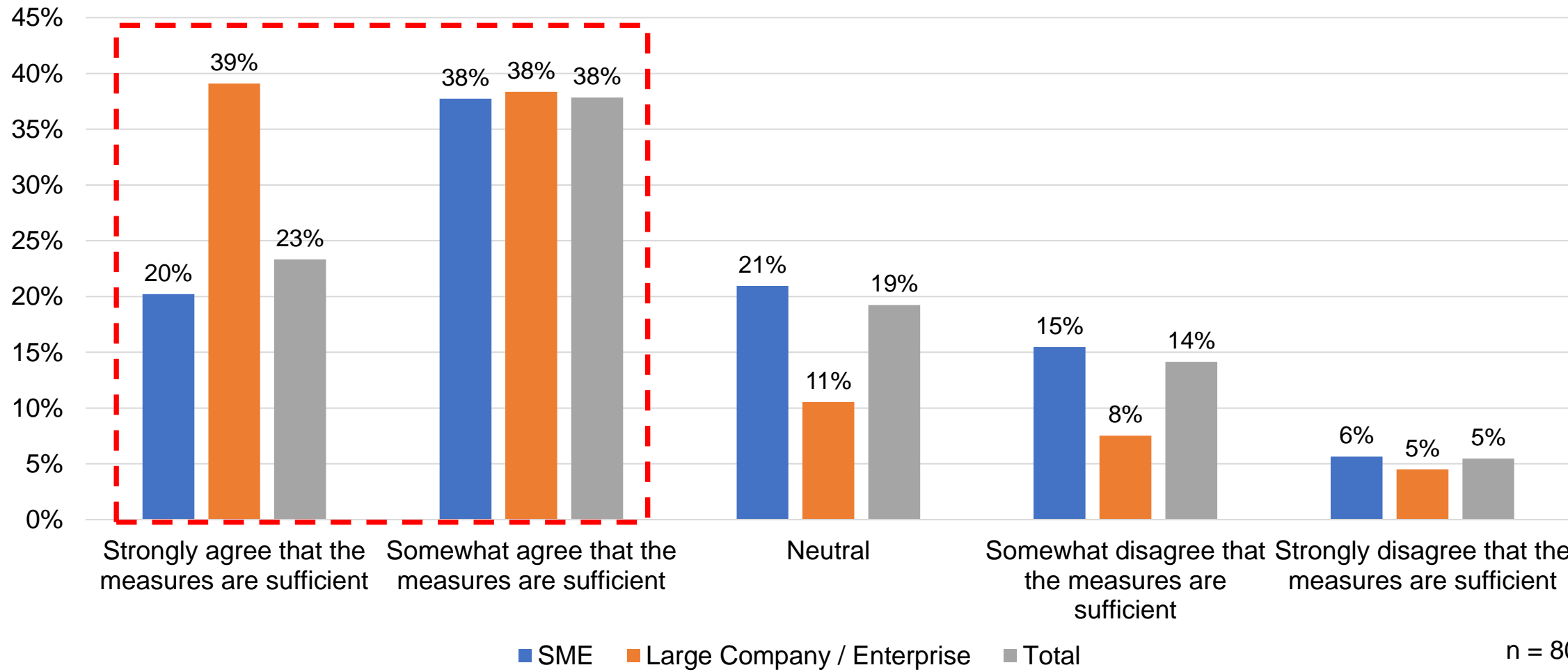
View of the Local Economy over the Next 3 to 6 Months



Q: Which option best describes your view of the local economy over the next 3 to 6 months? (Please select one option only.)

Most SMEs (58%) and Large Companies (77%) either strongly agree or somewhat agree that the current tightened measures are sufficient in addressing the recent increase in community cases.

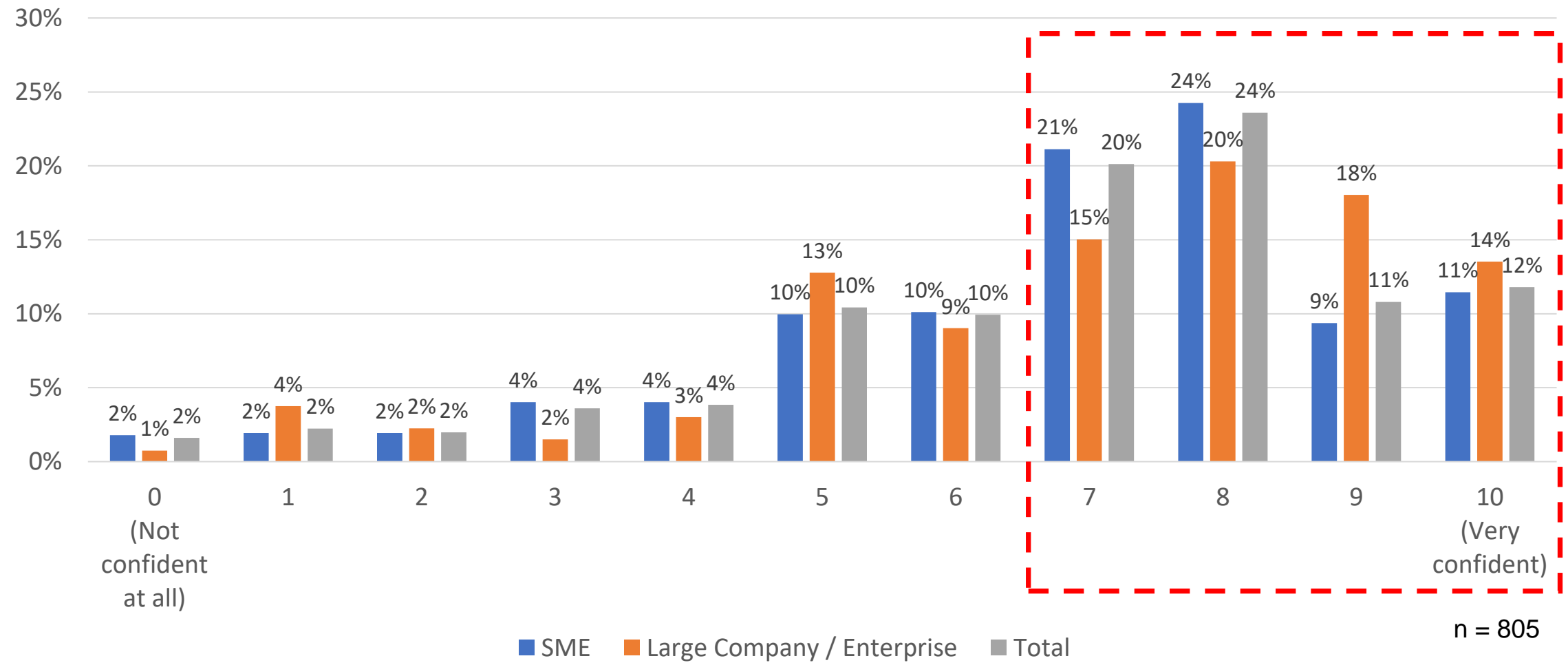
Are the latest measures for Phase 2 (Heightened Alert) sufficient?



Q: Do you think the latest tightened COVID-19 measures introduced under Phase 2 (Heightened Alert) are sufficient to address the increase in community cases? (Please select one option only.)

Most respondents (67% of Large Companies and 65% of SMEs) are largely confident in Singapore Government's handling of the current COVID-19 situation.

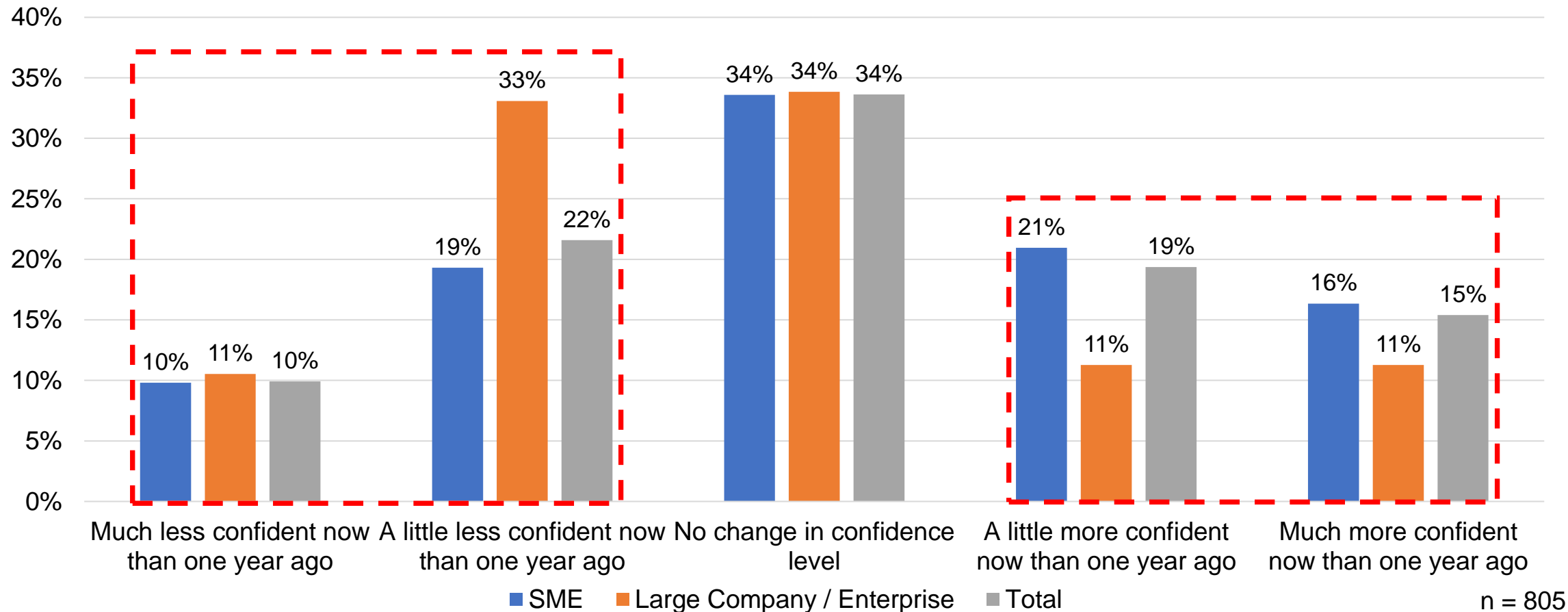
Level of Confidence in Singapore Government's Handling of the COVID-19 Situation



Q: On a scale from “0 – Not confident at all” to “10 – Very Confident”, how confident are you of the Singapore Government's handling of the current COVID-19 situation?

The number of SMEs that are more confident in Singapore Government's handling of the COVID-19 situation now compared to a year ago is larger than those who are less confident (37% versus 29%), but for large companies, it is the reverse (22% versus 44%).

Change of Confidence Level in Singapore Government's Handling of the COVID-19 Situation



Q: How has your confidence in the Singapore Government's handling of the pandemic changed compared to a year ago? (Please select one option only.)

Change in confidence level in Singapore Government's handling of the pandemic.

Verbatim Responses (1/2)

“The Singapore government has shown that economic interests heavily influence the decisions rather than the safety of the people.” – *SME, Information and Communications & Professional Services*

“Government uses reactive approach, and they should be more proactive approach in managing the raising covid cases.” – *SME, Health & Education*

“Very slow vaccination programme.” – *Large Company, Manufacturing*

“More stringent controls on borders from high risk countries should have been enforced much earlier.” – *Large Company, Information and Communications & Professional Services*

“Strict measures disproportionate to actual situation.” – *Large Company, Real Estate*

“Weak vaccination push and irrational timelines.” – *Large Company, Construction & Civil Engineering*

“Disagree with the opening up of air travel which is a high risk of virus transmission.” – *SME, Wholesale Trade*

“Government uses reactive approach and they should be more proactive approach in managing the raising covid cases.” – *SME, Health & Education*

“The government has not communicated it's plan for opening up the borders and re-establishing international business upon which Singapore is so reliant.” – *Large Company, Information and Communications & Professional Services*

“Government continues to take a more reactive stance vs more proactive & decisive moves to curb the situations.” – *SME, Other Services (e.g. Repair, Servicing, etc)*

Change in confidence level in Singapore Government's handling of the pandemic.

Verbatim Responses (2/2)

“The government has definitely improved in the way of handling the situation compared to last year in a more structured manner taking into the learnings from last year.” – *Large Company, Wholesale Trade*

“Great in handling local pandemic but can do better with imported cases.” – *SME, Retail, Hotels & Food and Beverages*

“They have shown their support for SME in term of financial aid and helping to retain employment.” – *SME, Manufacturing*

“They have learn from other countries and successfully customised solutions to suit Singapore.” – *Large Company, Manufacturing*

“The reaction is fast and policies are calculated.” – *SME, Information and Communications & Professional Services*

“Singapore has one of the lowest cases in the world and the situation is well controlled. Supermarkets are stocked up, businesses have resumed, people are used to the wfh scheme. Residents also feel safe to head out.” – *SME, Banking, Finance, Insurance & Accounting*

“Implementation of HA and change of strategies (eg like getting more people for first job by delaying second job) are faster compared to a year ago.” – *SME, Retail, Hotels & Food and Beverages*

“Our Government is willing to hear industry feedback on the challenges and make adjustment/support.” – *SME, Construction & Civil Engineering*

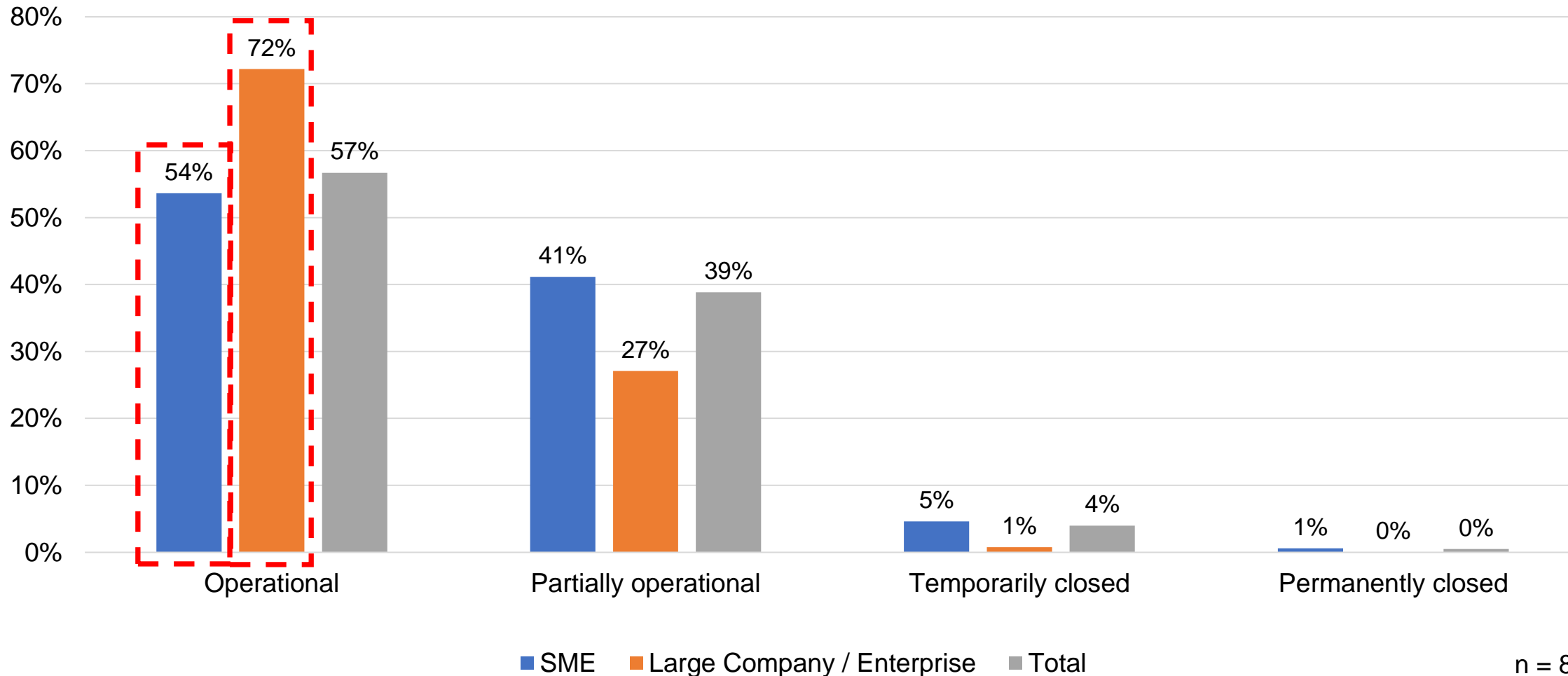
“They respond speedily and expedite safety management measures to curb the local transmission of the Covid-19 virus.” – *SME, Real Estate*

“They've proven to be capable of controlling the first wave of infections, and they have experience under their belt.” – *Large Company, Health & Education*

“They have learn from other countries and successfully customised solutions to suit Singapore” – *Large Company, Manufacturing*

Most businesses (72% of Large Companies and 54% of SMEs) remain operational during the Phase 2 (Heightened Alert) period.

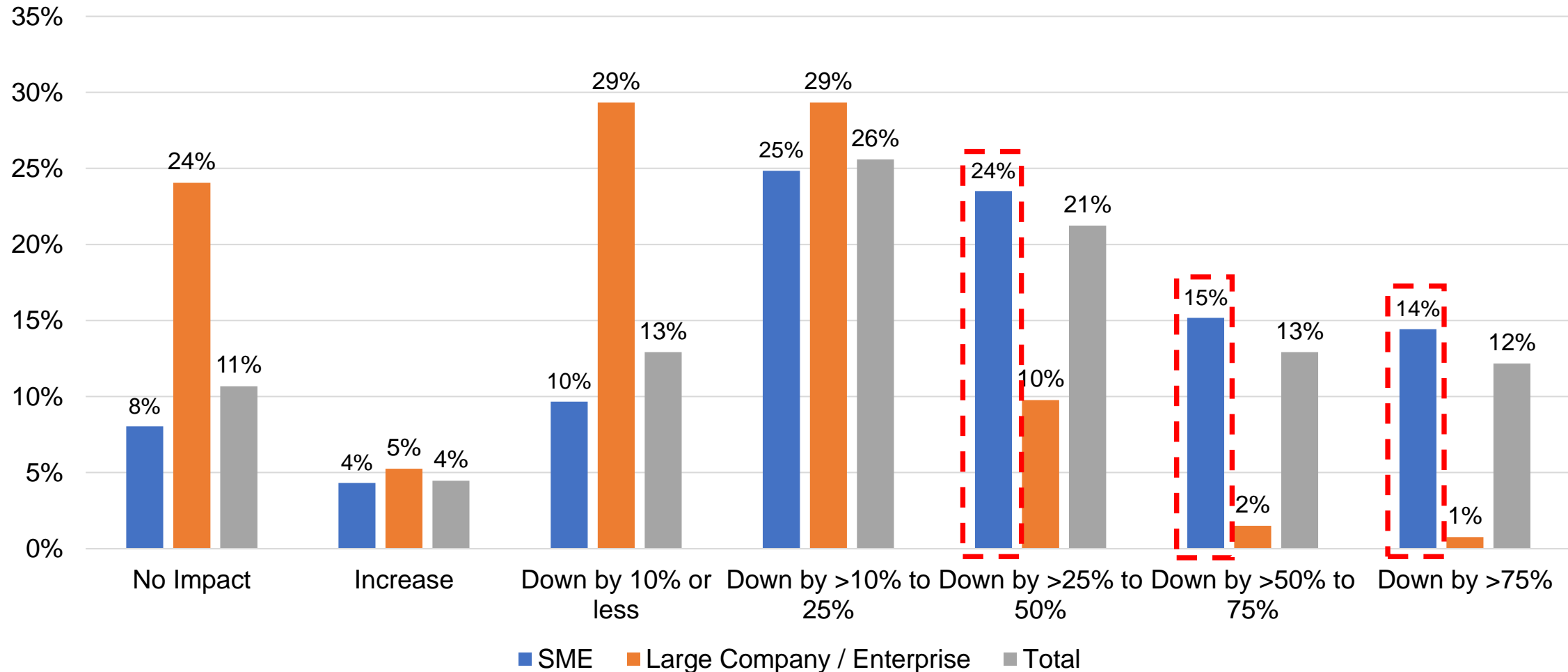
Status of Business Operations during Phase 2 (Heightened Alert)



Q: Is your business operational during Phase 2 (Heightened Alert)?(Please select one option only.)

More than half of SMEs (53%) expect their overall business revenues to decline by more than 25%.

Overall Businesses Revenue Level

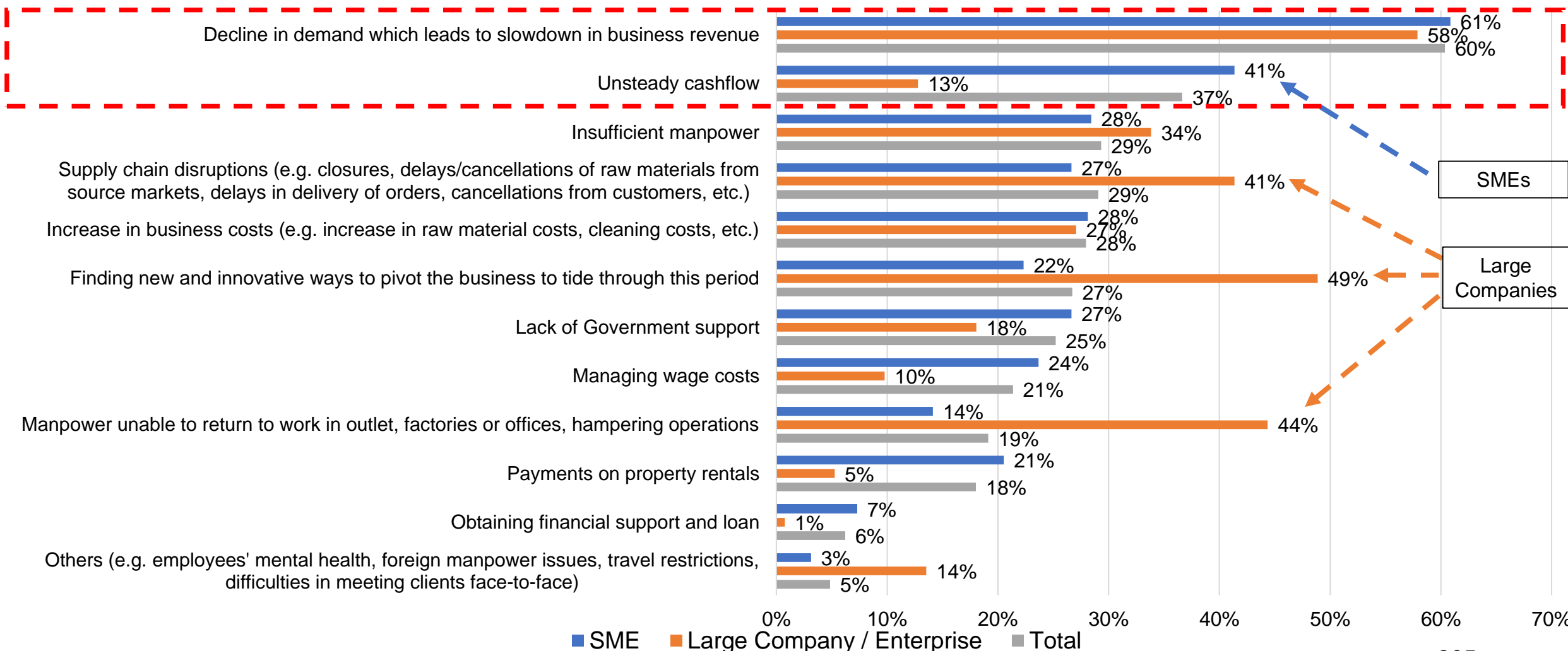


n = 805

Q: How do you see your overall business revenue being affected with the implementation of the new tightened measures introduced under Phase 2 (Heightened Alert)? (Please select one option only.)

Top 2 short-term challenges faced by businesses are ‘Decline in demand which leads to slowdown in business revenue’ (60%) and ‘Unsteady cashflow’ (37%). Other top short-term challenges faced by Large Companies include ‘Finding new and innovative ways to pivot the business to tide through this period’, ‘Manpower unable to return to work, hampering operations’ and ‘Supply chain disruptions’.

Top short-term challenges faced during Phase 2 (Heightened Alert)

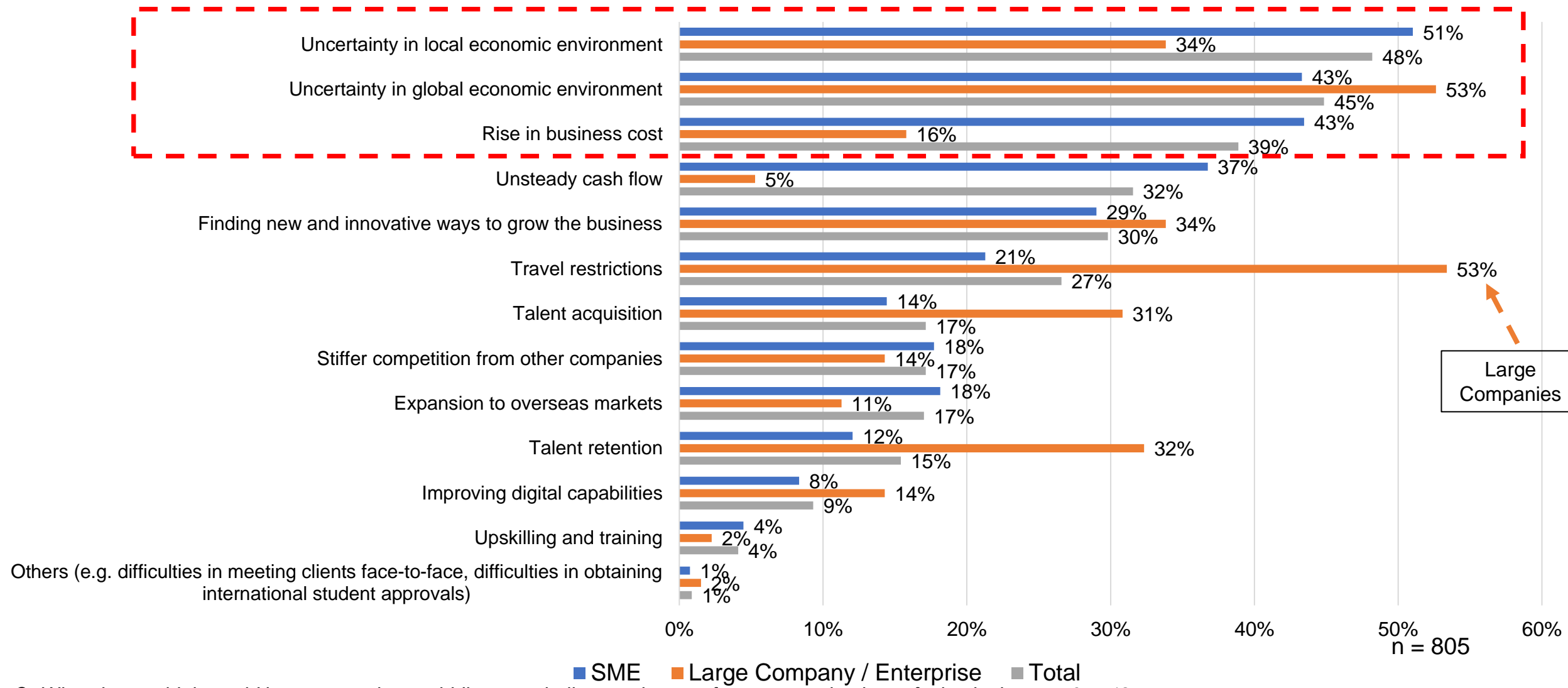


Q: What do you think would be your top three short-term challenges as a result of the tightened measures introduced during this period of Phase 2 (Heightened Alerts)? (Please select the top three options.)

n = 805

Top 3 middle-term challenges that businesses foresee facing in the next 6 to 12 months are 'uncertainty in local and global economic environment' and 'rise in business cost'. Large Companies are also concerned with 'travel restrictions'.

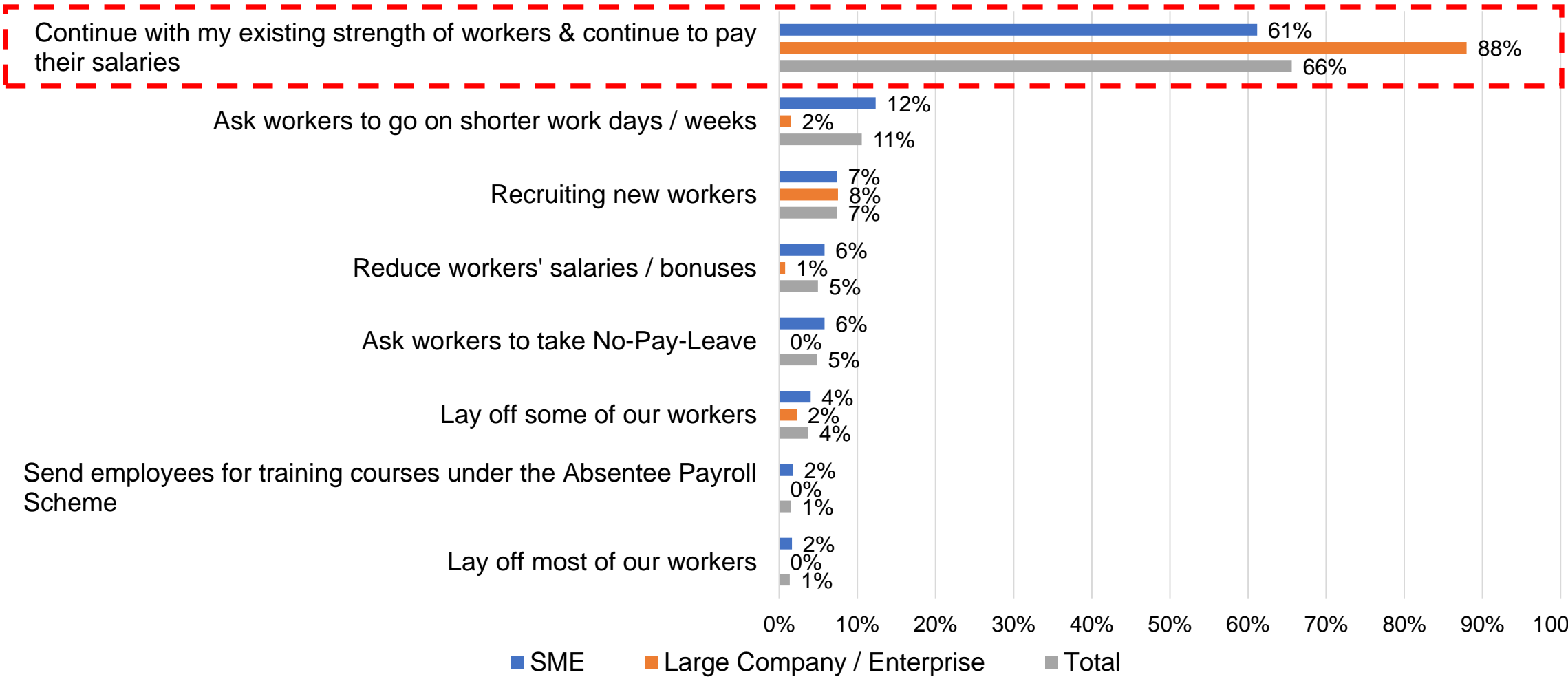
Top middle-term challenges in the next 6 to 12 months



Q: What do you think would be your top three middle-term challenges that you foresee your business facing in the next 6 to 12 months?(Please select the top three options.)

Majority of Large Companies (88%) and two-thirds of SMEs (61%) will continue with their existing strength of workers and continue to pay their salaries during the Phase 2 (Heightened Alert) period.

Manpower Measures

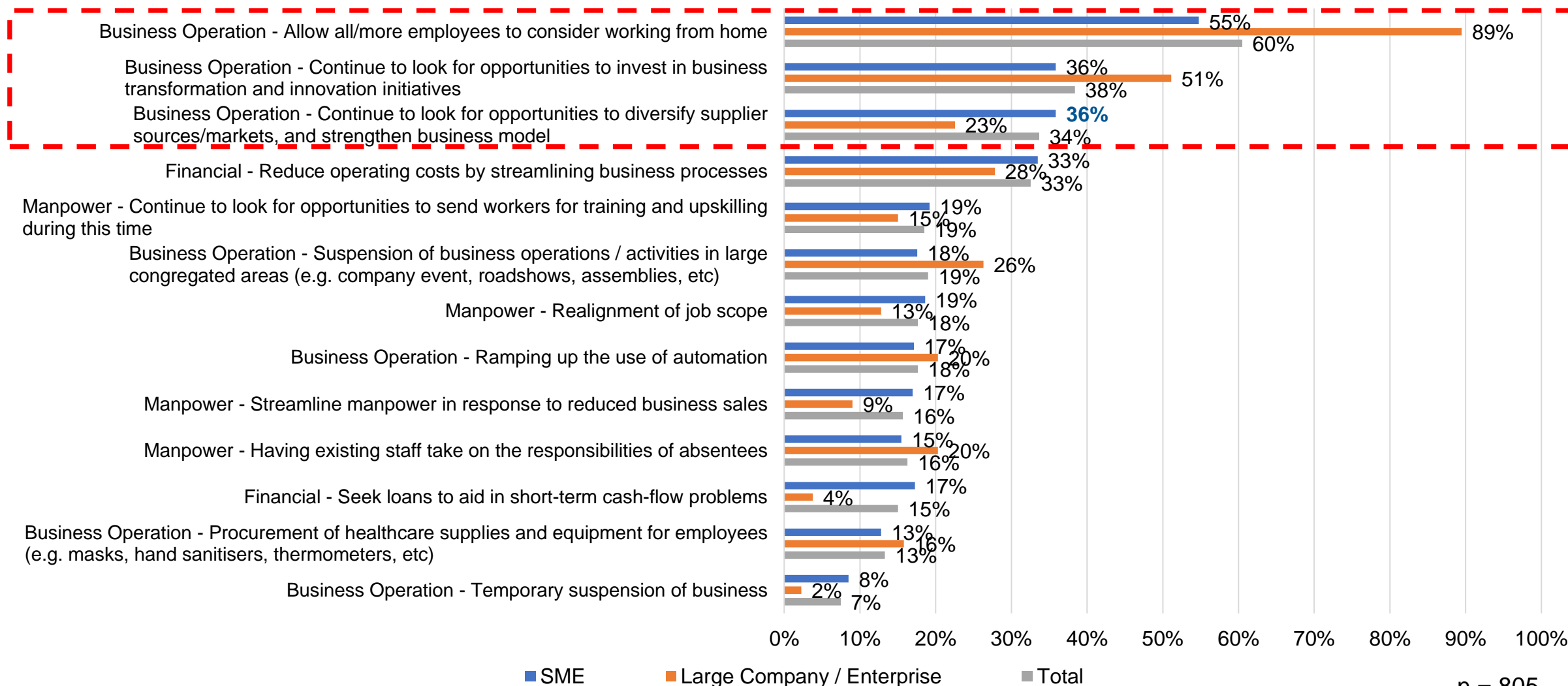


n = 805

Q: How will your company manage its workers during Phase 2 (Heightened Alert) Period? (Please select one option only.)

Top 3 strategies adopted by businesses are ‘allowing all/more employees to consider working from home’ (60%), ‘continuing to look for opportunities to invest in business transformation and innovation initiatives’ (38%) and ‘continuing to look for opportunities to diversify supplier sources/markets and strengthen business model’ (34%).

Top strategy(ies) adopted by businesses in view of current measures



n = 805

Q: What strategy(ies) would your company be adopting to cope with the measures introduced under Phase 2 (Heightened Measures)? (Please select all options that apply.)

Companies' wish list for affected businesses that have not been addressed.

Verbatim Responses (1/2)

General

“Government should not only focus on one sector, but all other sectors are also affected.” – *SME, Other Services (e.g. Repair, Servicing, etc.)*

“It should be allowed for retail business to remain open (under consideration of all safe management measures).” – *Large Company, Logistics & Transportation*

“Greater encouragement and availability of vaccine roll-out.” – *Large Company, Banking, Finance, Insurance & Accounting*

“Increase vaccinations to reopen borders.” – *Large Company, Banking, Finance, Insurance & Accounting*

Digitalisation

“Expand the Covid-IT support to cover more laptops subsidy, video conferencing platform to cover cost for remote working. Continue to allow industry that can work to continue operation.” – *SME, Construction & Civil Engineering*

“Digital marketing training support is the most we needed in current situation besides the above mentioned. Which can helps a lot of retailers move on to the platform from now on.” – *SME, Others (e.g. Arts & Culture, Social Services, etc.)*

“Clear policy for those vaccinated and incentives to digitalize business creating a new ecosystem with partnerships.” – *Large Company, Other Services (e.g. Repair, Servicing, etc.)*

“Wages support and help SME to further innovate and transform through digitalisation and others.” – *SME, Wholesale Trade*

“More support in digitalisation development including equipments such as laptops, etc. – *SME, Retail, Hotels & Food and Beverages*

Companies' wish list for affected businesses that have not been addressed.

Verbatim Responses (2/2)

Manpower

“Allow re-enter of all EP, WP and DP holders, with SHN (vaccinated and negative) or SHN at dedicated facilities.” – *Large Company, Logistics & Transportation*

“Greater support for allowing staff to return from abroad, scrap the reduction on new employment passes being issued.” – *Large Company, Others (e.g. Arts & Culture, Social Services, etc.)*

Business Cost

“Reduction in Levies paid for foreign workers.” – *Large Company, Construction & Civil Engineering*

“To provide continual JSS support for manufacturing relating to construction sector. Construction sector has been badly hit, but JSS only considered manufacturer of construction equipment under tier 3, which is insufficient support for the firm. – *SME, Manufacturing*

“Property rental rebate with the proof of loss in revenue during this Phase 2 Heightened Alert period.” – *SME, Health & Education*

“Direct funding to SME's rather than underwriting bank loan schemes. Banks are not going to loan to our business sector given the current risks. So, the gov't program is rather pointless for us. We do however need support beyond the JSS. Working Capital Grants (Direct), Rental relief etc... are desperately needed.” – *SME, Construction & Civil Engineering*

“Would be great to have more support from government to extend the jobs support scheme to all other industries and also the rental rebates for commercial office tenants too.” – *Large Company, Wholesale Trade*

“Mandate Landlords to provide Rental relief for all affected businesses not just F&B. Provide JSS to all affected businesses. Extend bank loan principal repayment moratoriums.” – *SME, Retail, Hotels & Food and Beverages*

Q: The Government has provided targeted support measures for affected businesses, such as increase of Jobs Support Scheme support for Food & Beverages establishments and one month of rental waiver for hawker stall and coffeeshop tenants of Government agencies. What other Government support measures would you require to help cope with the impact of Phase 2 (Heightened Measures)? (Please be specific & concise.)

Thank You

If you need any clarifications, kindly contact:



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