

**SURVEY ON BUDGET 2010
SUMMARY REPORT**

The Budget 2010 was announced on 22nd February, with 3 key thrusts (i) Raising productivity (ii) Growing globally competitive companies and (iii) Inclusive growth.

The SBF Members' Survey & Feedback Unit conducted a survey on Budget 2010 over a period from **9 March to 24 March 2010** to find out how members felt about this year's Budget.

The survey was divided into 3 parts: Raising Productivity: Skills, Innovation & Economic Restructuring, Growing Globally Competitive Companies and Business Sentiments.

A total of **133 companies** took part in the survey.

Below are the key findings:

(1) Raising Productivity: Skills, Innovation & Economic Restructuring

- 85.6% of the companies felt that key measures under Budget 2010 will be effective in helping workers and businesses raise productivity.
- The top 3 initiatives companies plan to leverage on to enhance productivity are Continuing Education & Training System (62.4%), Productivity & Innovation Credit (43.6%) and Workfare Training Scheme (36.1%)

Main initiatives Under Raising Productivity	Percentage (%)
Continuing Education & Training (CET) System	62.4
Productivity & Innovation Credit	43.6
3 years Workfare Training Scheme (WTS)	36.1
National Productivity Fund	21.1
National Productivity and Continuing Education Council	20.3
One - off tax allowance & stamp duty relief	16.5
Phased increase in foreign worker levy	9.8
Land Intensification Allowance	3
Total	-

(1a) Training / Upgrading

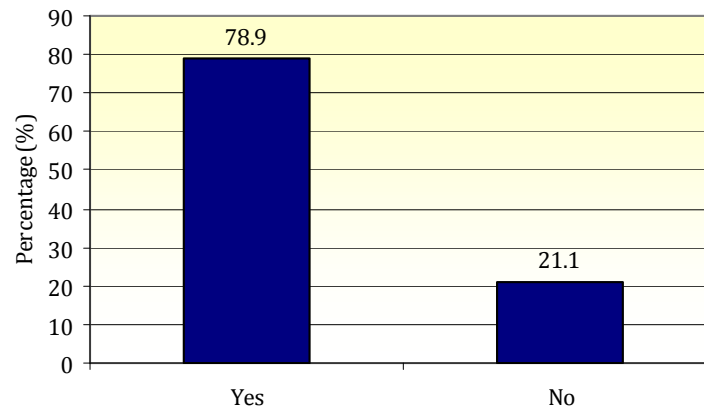
- 81.8% of the companies are supportive of sending workers for training / upgrading whilst 18.2% are not. Some concerns of companies are: (1) Disruption at work resulting in delay in operations; (2) Problems in staff retention when workers leave for better jobs; and (3) Cost of sending staff for training.

(1b) Foreign Worker (FW) Levy

- About half (51.6%) of the companies indicated that the FW levy has minimal impact on their companies whilst the other half (48.4%) indicated otherwise.
- Three-fifths (62.9%) of the companies felt that the incentives will offset the phased increase in FW Levy whilst 37.1% felt otherwise, with reasons given: (1) Increase in the levy is setting in too early for companies to take measures and implement productivity improvement solutions; (2) It is dependent on the type of industries; and (3) Not all companies hiring FW are eligible for the incentives, thus not benefitting from the incentives.

(2) Growing Globally Competitive Companies

- 78.9% of the companies felt that the key measures introduced under Budget 2010 will be effective in helping businesses grow into globally competitive companies.



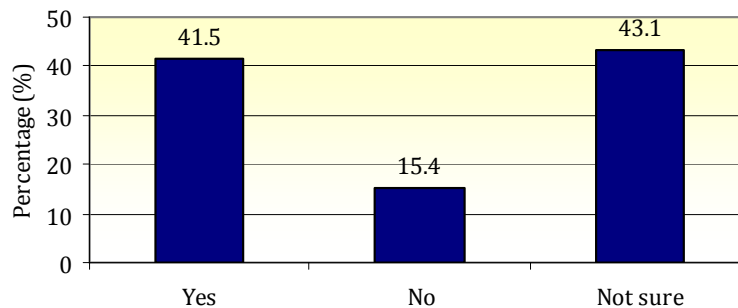
- The top 3 initiatives companies plan to leverage on to grow into globally competitive companies, are Nurturing future business leaders (30.8%), Cross border financing (30.8%) and Business Associations as growth champions (28.6%).

	Percentage (%)
Nurturing Future Business Leaders	30.8
Cross border financing (under study)	30.8
Business Associations as Growth Champions	28.6
Partnerships for Capability Transformation (PACT)	26.3
Boost Private Sector R & D	23.3
Public - Private Co - Innovation Partnership	15.8
National Research Fund Top - up	11.3
Tax Deduction for Angel Investors	10.5
Catalyse Growth Capital through Co - Investment	9
Total	-

(2a) Overall view of Budget 2010

- About two-fifths (43.1%) of the companies were unsure if Budget 2010 is useful in meeting their business needs. Another two-fifths (41.5%) felt that Budget 2010 is useful whilst 15.4% of the companies felt that Budget 2010 is not useful.

Budget 2010 is useful in meeting the business needs in the current economic environment



(3) Business Sentiments

- Near two-thirds (65.4%) of the companies indicated that business will grow in Year 2010 whilst one-tenth (10.5%) indicated otherwise. 24.1% of them were unsure if their business will grow.
- Near two-thirds (61.7%) of the companies indicated that their business will be profitable in Year 2010 whilst 6% indicated otherwise. About one-third (32.3%) of them were unsure if their business will be profitable.
- Half (52.7%) of the companies indicated that their business will be making investments in Year 2010 whilst 18.0% indicated otherwise. 29.3% of them were unsure if their business will be making investments.
- About three-quarters (73.7%) of the companies indicated that business costs have gone up significantly whilst one-tenth (12%) indicated otherwise. 14.3% of them were unsure if their business cost have gone up significantly.