



# **SBF SURVEY ON THE IMPACT OF EXTENDED CIRCUIT BREAKER PERIOD TILL 1 JUN 2020**

**(Based on responses collected from 30 April to 15 May. )**



# Overview of Key Findings of SBF's Survey on Impact of Extended Circuit Breaker Till 1 Jun 2020

- Most large companies experienced a **decline in productivity** of between 20-50%, while most SMEs indicated that their productivity fell by >80%.
- Large companies & SMEs alike found the **Govt's support measures helpful in staying afloat & minimising retrenchments**.
- The global lock-down impacted businesses the most by way of a **disruption in the supply chain**.
- While most large companies (48%) do not need to obtain additional funding, a **notable percentage of SMEs are still not able to obtain their required funding amount (9%), and are unable or yet to obtain funding (27%)**.
- If the 'Circuit Breaker' period is to be extended beyond 1st June, an extension of the 'Solidarity' support measures would suffice for large companies (67%), but **SMEs would need more help (56%)**.

# Overview of Key Findings of SBF's Survey on Impact of Extended Circuit Breaker Till 1 Jun 2020

## Upon Conclusion of the 'Circuit Breaker' Period

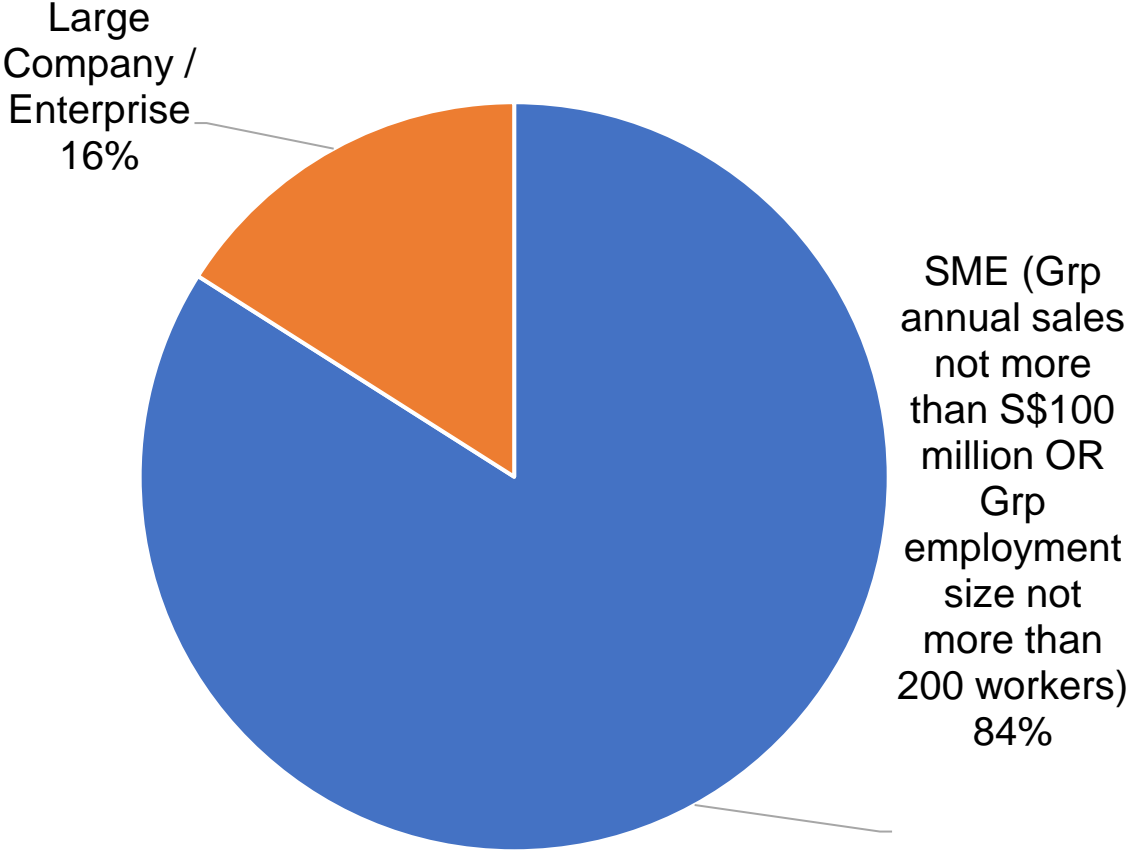
- While most businesses indicated that they might continue with their existing strength of workers, we remain mindful of this sentiment:
  - While providing a general flavour, the relatively small survey sample does not comprehensively capture the entire spectrum & depth of business sentiment.
  - Large firms disproportionately indicated that they might continue with their existing strength of workers & understandably so, given their resources.
  - SMEs indicated that they are **looking to lay off some or most workers (18%) & require workers to take no-pay leave (30%)**.

## Should the 'Circuit Breaker' / 'Stop Work Period' be Extended

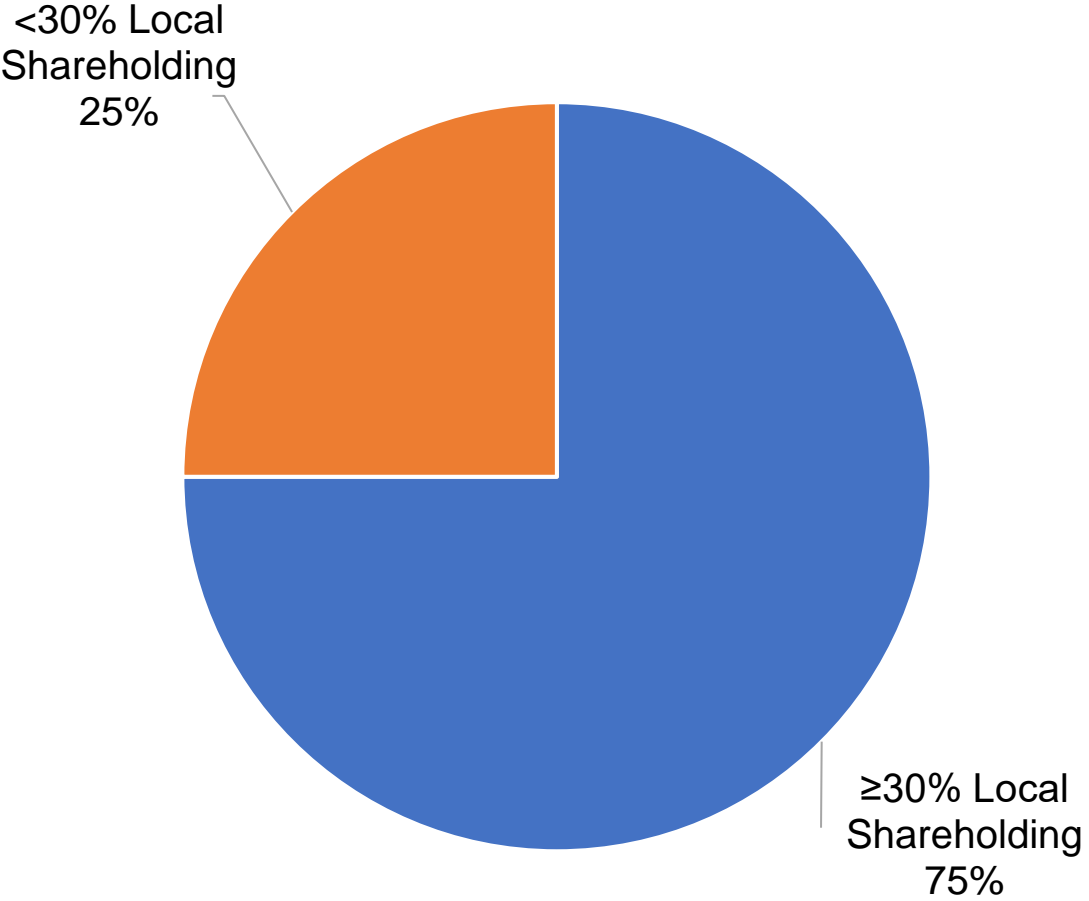
- Most large companies (57%) & SMEs (70%) **would like the level of support for the 'Job Support Scheme' to be increased.**
- An **increase in the duration of support is needed most in the areas of the 'Job Support Scheme' (for SMEs) & the 'Foreign Worker Levy Rebate' (for large companies).**

# Profile of Respondents: 129 responses, 84% of which were SMEs

## Company Category



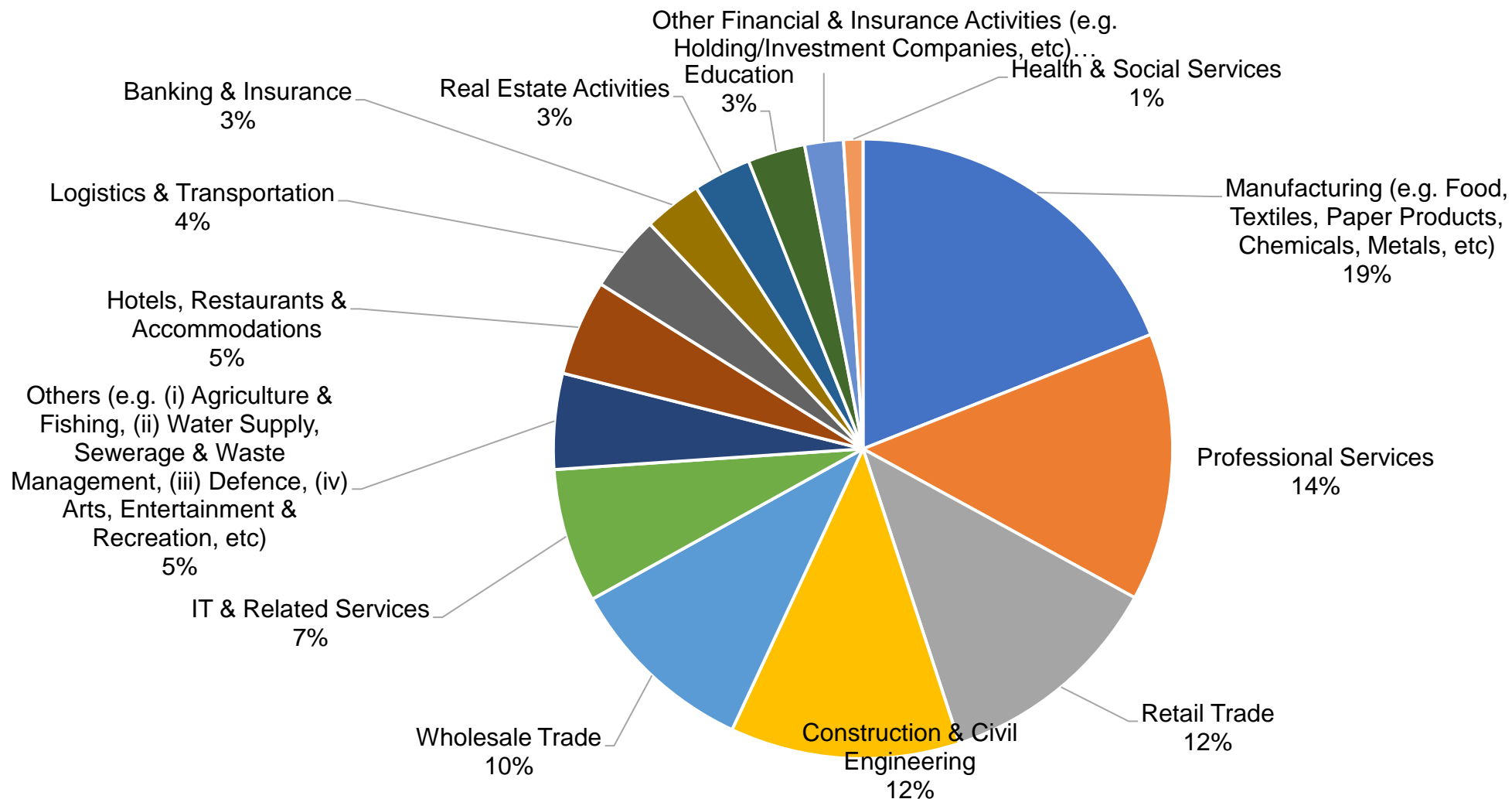
## Company Shareholding



n = 129

# Most companies were from the Manufacturing (19%) and Professional Services (14%) sectors

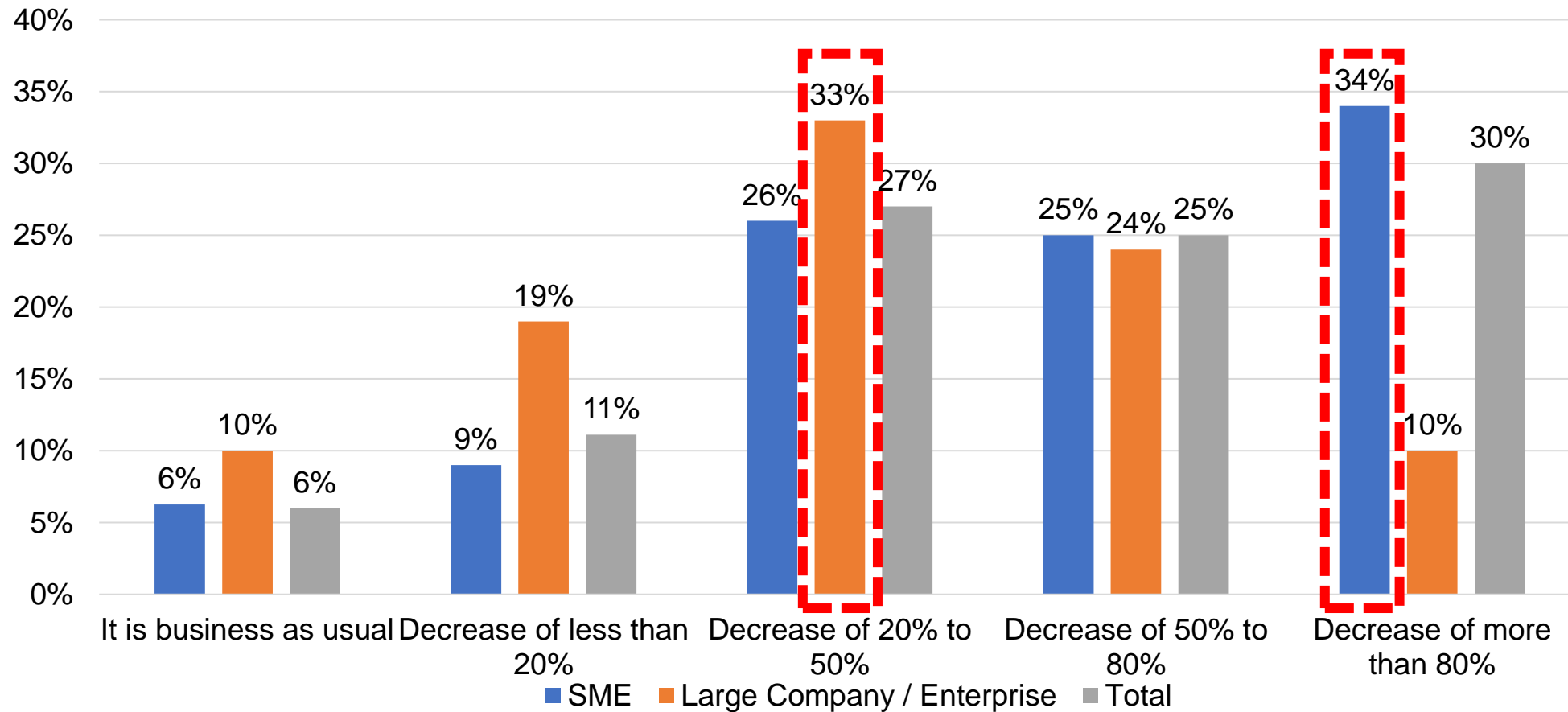
## Main Industry



n = 129

# Most large companies experienced a decline in productivity of between 20-50%, while most SMEs indicated that their productivity fell by >80%

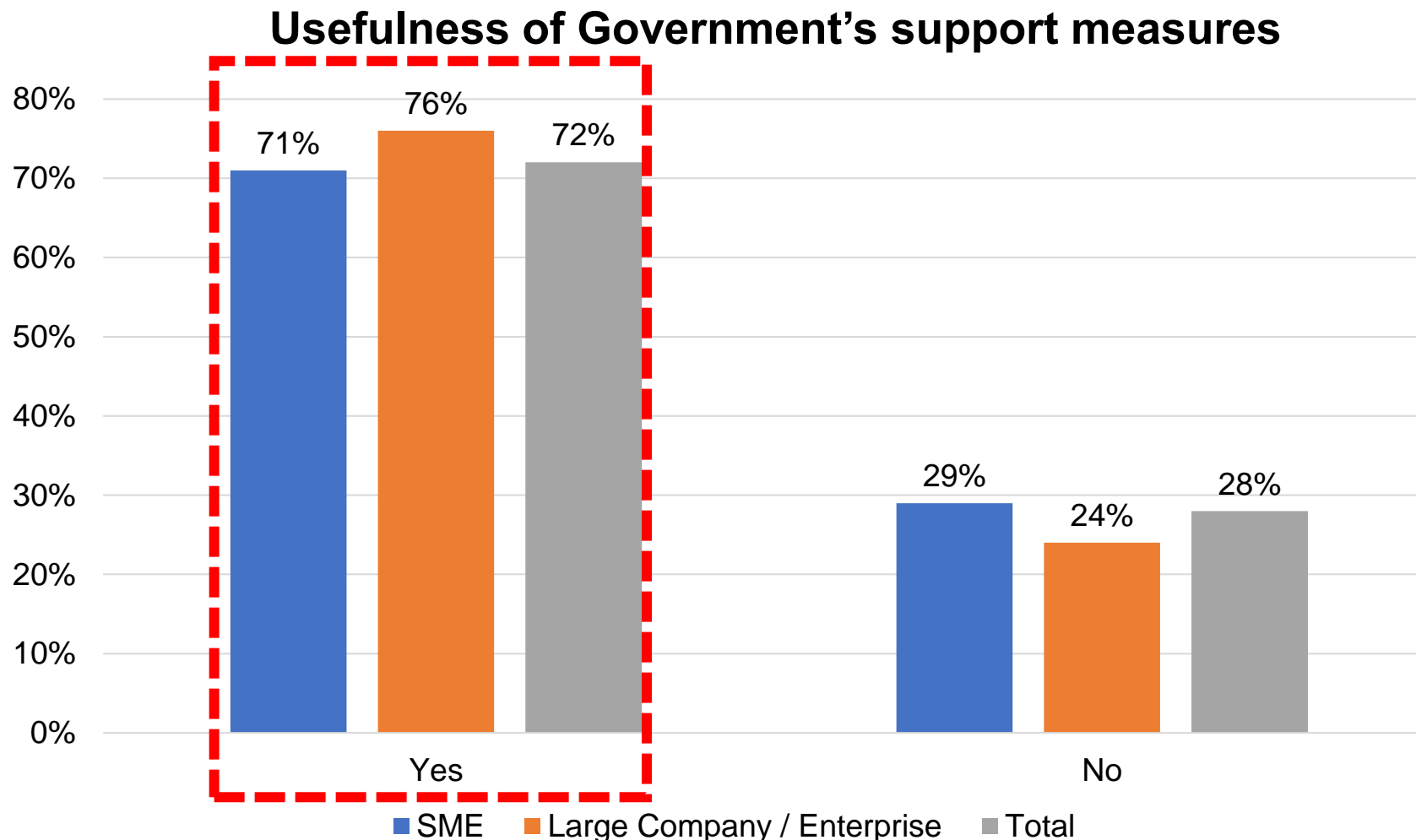
## Impact on Productivity



Q: What impact to productivity (i.e. the ability to still function efficiently) is your company experiencing as a result of the COVID-19 situation and Circuit Breaker's measures implemented?

n = 129

# Large companies and SMEs alike found the Government's support measures helpful in staying afloat and minimizing retrenchments

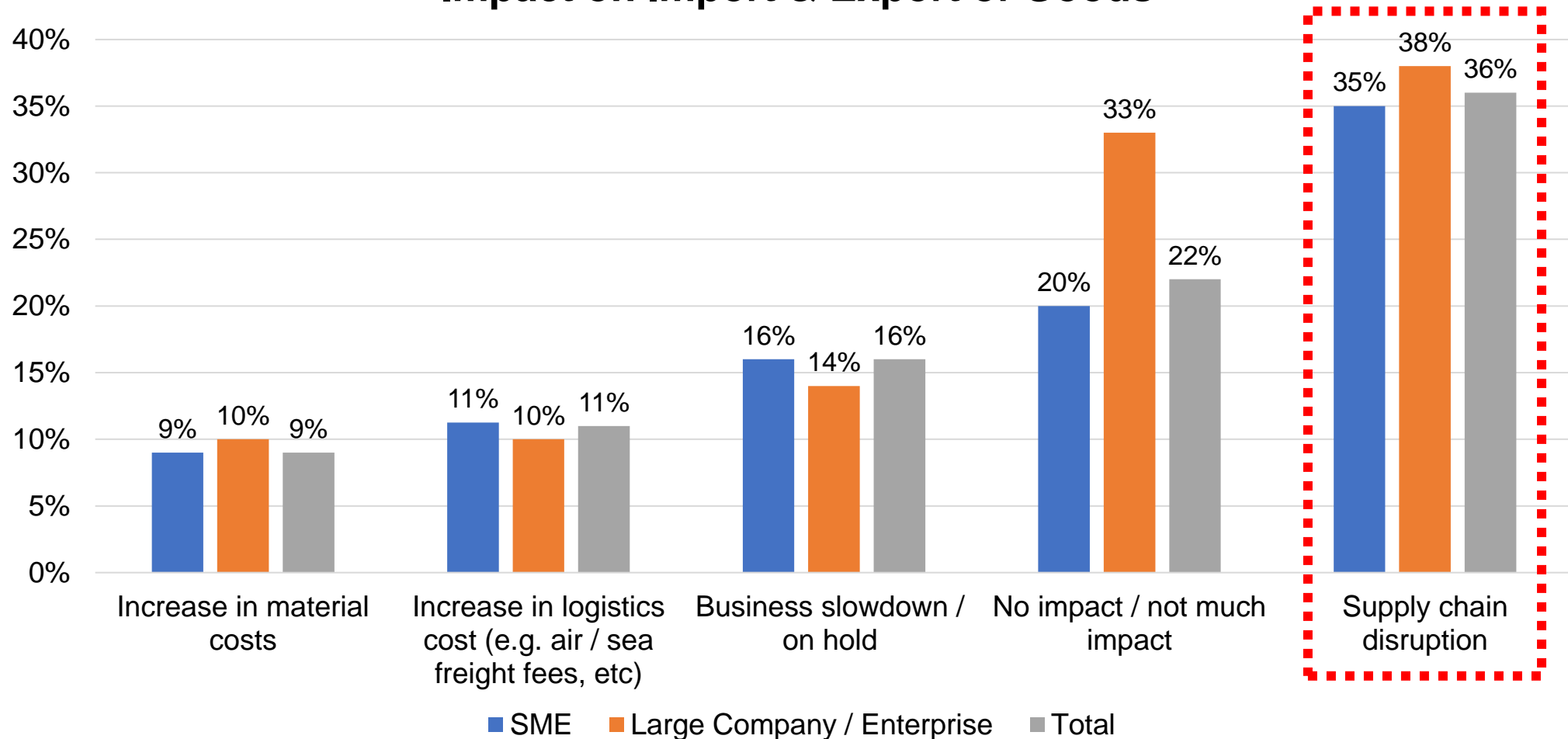


Q: Have the Government's support measures helped your company to stay afloat and minimise downsizing / retrenchments?

n = 129

# The global lock-down impacted businesses the most by way of a disruption in the supply chain

## Impact on Import & Export of Goods



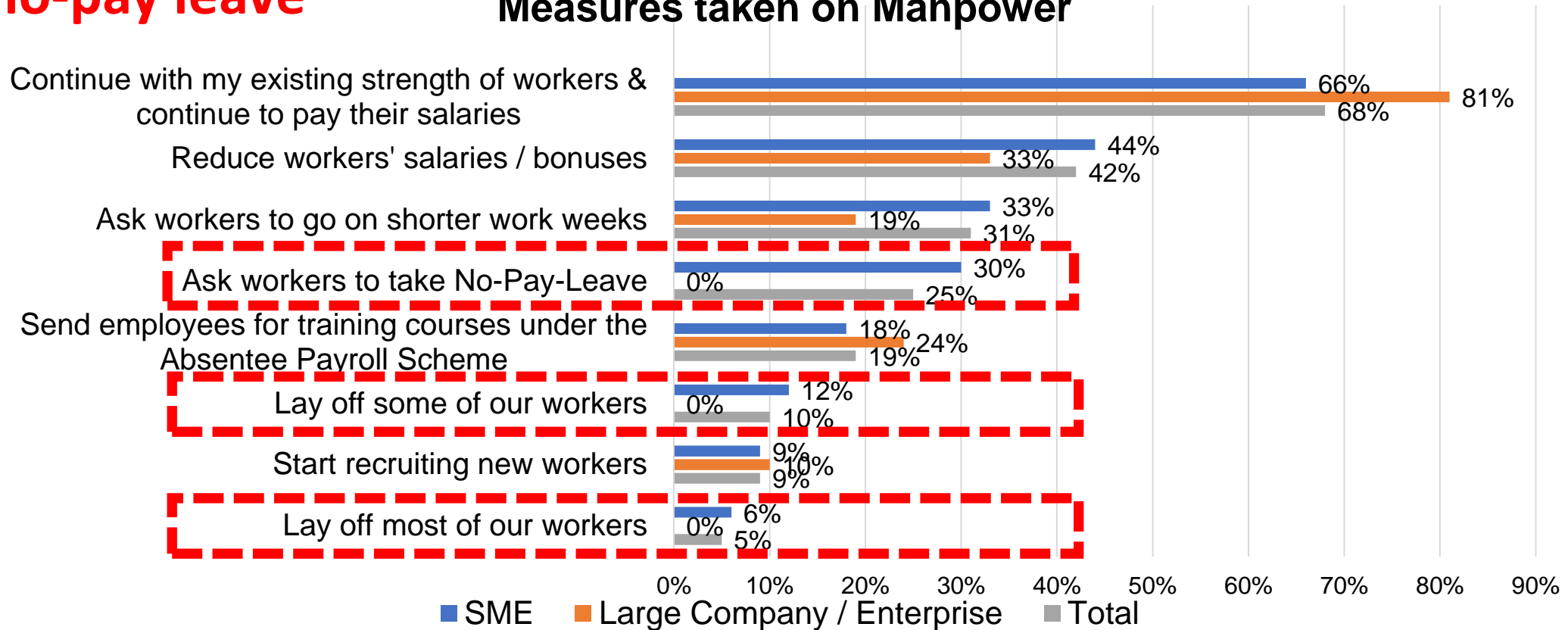
Q: Given the global lock-down, how is your business affected in the import and export of goods, raw materials and intermediate products?  
(Please be specific & concise)

n = 129



# Upon conclusion of the 'Circuit Breaker' period, a significant percentage of SMEs will look to lay off workers & require staff to take no-pay leave

## Measures taken on Manpower



Q: How will your company manage its workers after the extended circuit breaker period?

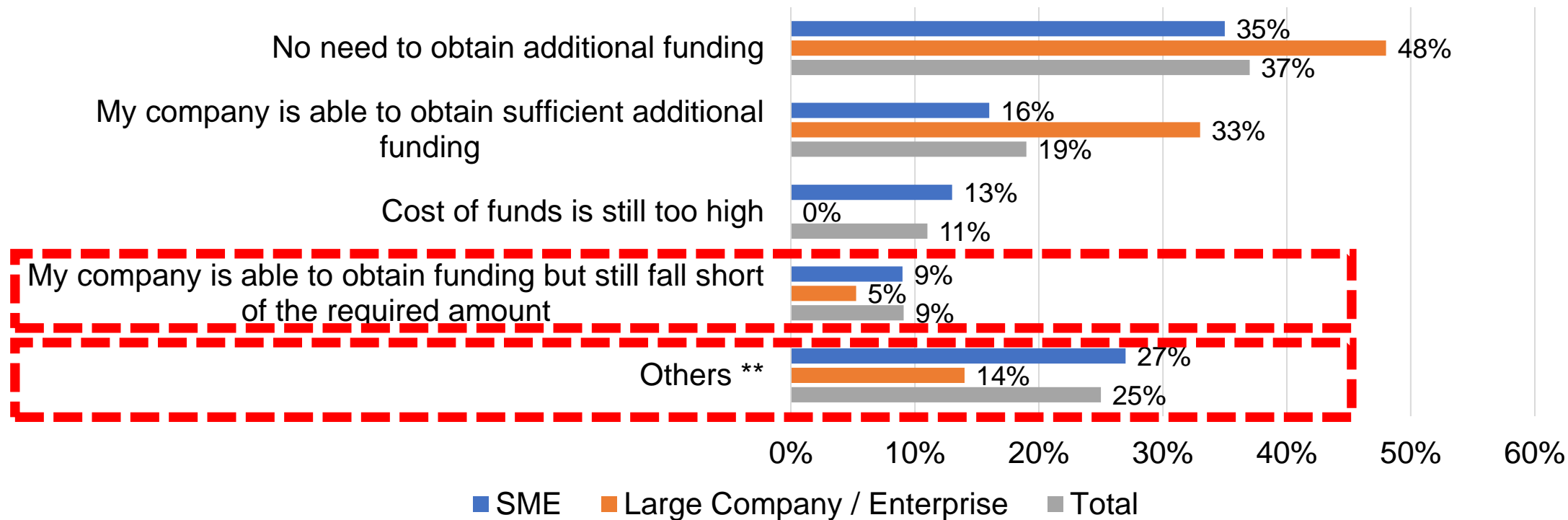
n = 129

Note: While most businesses indicated that they might look to continue with their existing strength of workers, we remain mindful of the following considerations:

- While providing the general flavour, this relatively small survey sample does not comprehensively capture sentiments of the entire spectrum and depth of business interests.
- Large firms disproportionately indicated that they might look to continue with their existing strength of workers and understandably so, given their bandwidth and depth of resource.
- SMEs had also indicated that they are looking to lay off some or most workers (18%), as well as require workers to take no-pay leave (29%).

**While most large companies (48%) do not need to obtain additional funding, a notable percentage of SMEs are still not able to obtain their required funding amount (9%), and are unable or yet to obtain funding (27%)**

### In the Area of Funding

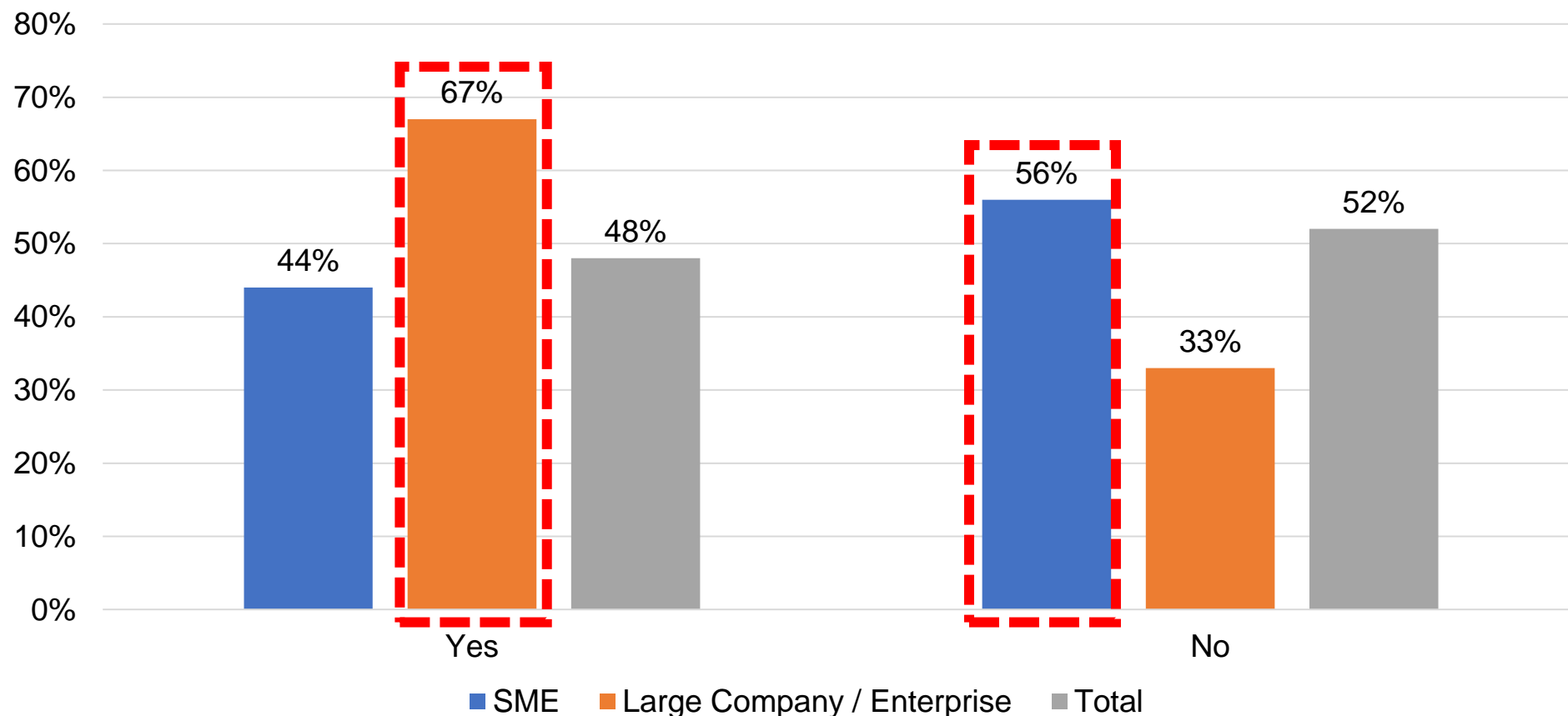


\*\* Others: e.g. applied but no response, awaiting approval, do not qualify, no access to loans as the directors are elderly, afraid to take loans as banks require personal guarantees on larger sums borrowed, do not want a loan from bank and if unable to get rental waiver then will have to close business, loans do not come in fast enough, no experience, an R&D company having no revenue and hence cannot afford loans. n = 129

Q: Along with the Government's increased risk-share of loans at 90%, the Monetary Authority of Singapore (MAS) and Enterprise Singapore (ESG) also launched the MAS SGD Facility for ESG Loans at an interest rate of 0.1% to help banks and finance companies lower the cost of loans to businesses. Please share with us your company's experience in the area of funding.

# If the 'Circuit Breaker' period is to be extended beyond 1<sup>st</sup> June, an extension of the 'Solidarity' support measures would suffice for large companies, but SMEs would need more

## Is an Extension in 'Solidarity' Support Measures Sufficient?

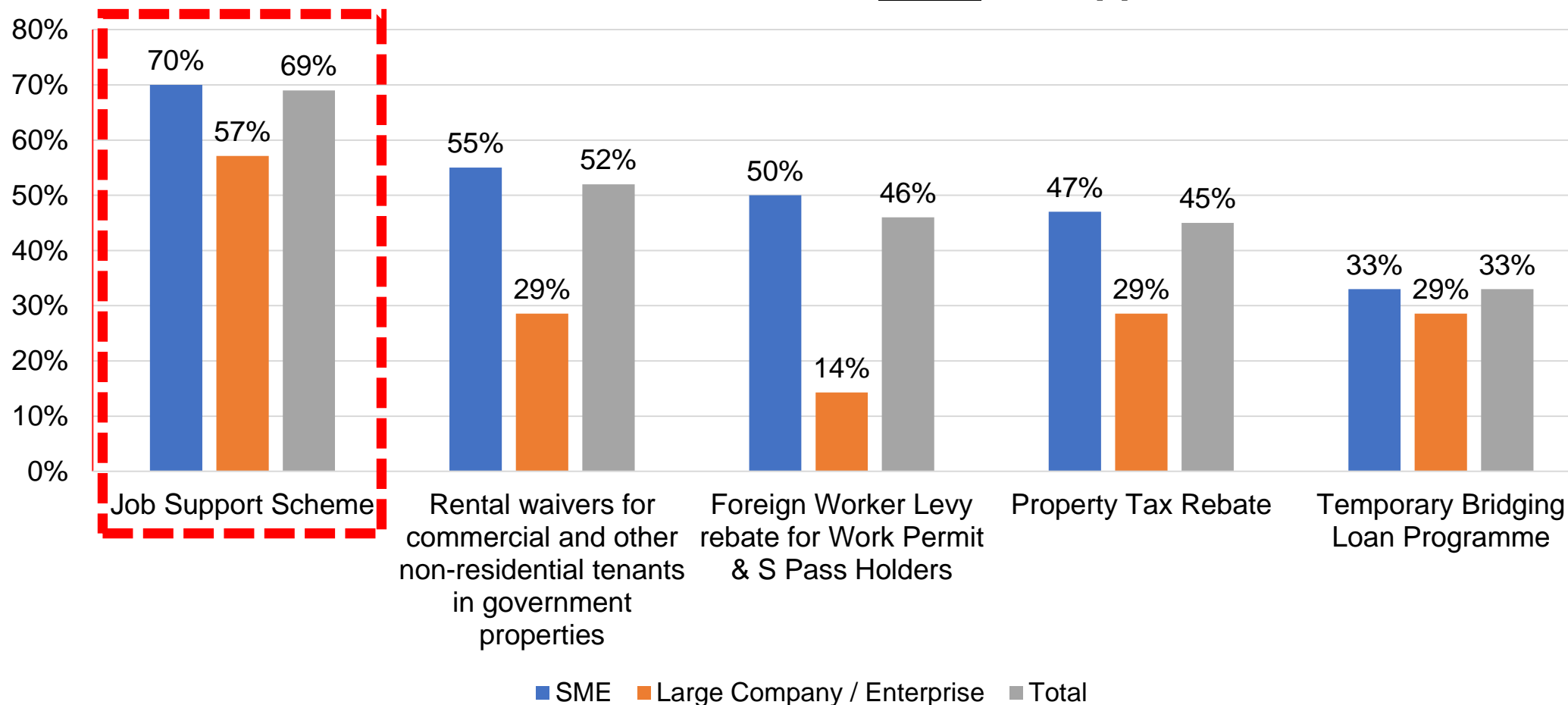


Q: If the circuit breaker period is extended beyond 1 June, would an extension of the assistance measures in the Solidarity Budget be sufficient to help your business tide over the extension?

n = 129

# Should the 'Circuit Breaker' period be extended beyond 1st June, most large companies and SMEs would like the level of support for the 'Job Support Scheme' to be increased

## The Need to Increase the Level of Support?

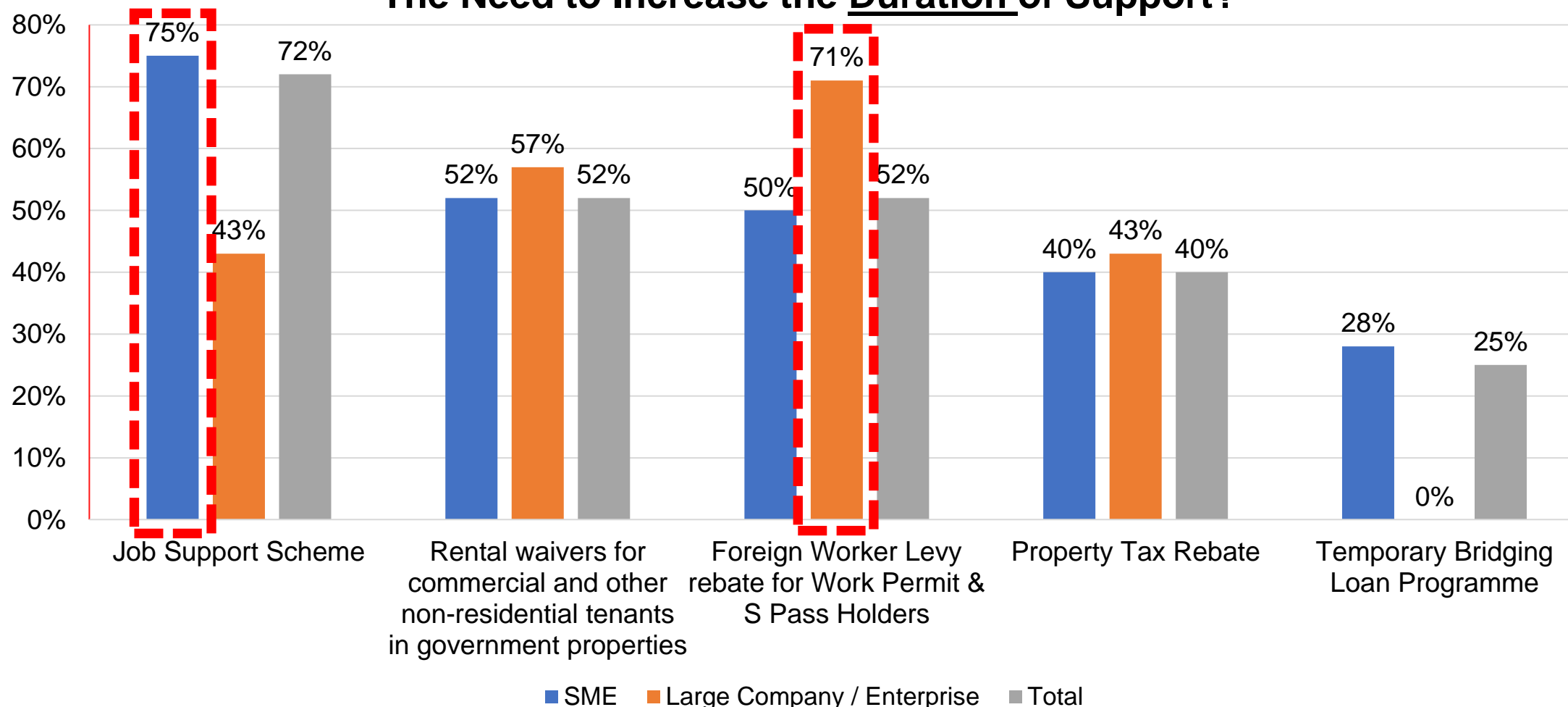


Q: If your answer is "No", what further support measures would your company require?

n = 67

Should the 'Circuit Breaker' period be extended beyond 1<sup>st</sup> June, an increase in the duration of support is needed most in the areas of the 'Job Support Scheme' (for SMEs) and the 'Foreign Worker Levy Rebate' (for large companies)

The Need to Increase the Duration of Support?



Q: If your answer is "No", what further support measures would your company require?

n = 67

# Other forms of support required by businesses – selected verbatim responses

- “As we are a critical supplier to the global supply chain with more than 90% of customers in the semiconductor industry and sited overseas, the reduced workforce at premises if continues will cripple our business. We will risk losing these businesses to our overseas competitors.”
- “Persuade landlord to accept premature lease exit without unreasonable penalty if brand/ business loss is beyond salvage.”
- “We need rental support from private landlord, Govt has been very supportive, but insufficient to cover cost with no revenue.”
- “Extend Job Support Scheme to Directors of companies with annual income of \$100K and above.”
- “Allow more Private Education Institutions to be funded by WSG or SSG courses so that more Singaporeans / PRs can attend courses.”
- “Faster approvals for PSG and ESG grants, easier to get interim payout, make the claims process less onerous.”
- “Allow minimum number (1 or 2) to actively function at office.”

*Q: If other forms of support are required (Please be specific & concise):*

# Other forms of support required by businesses – selected verbatim responses

- “Developments that under government should consider making advance payment to the contractor to help with the cash flow during this critical period.”
- “As we are a R&D company with zero revenue, we need grant support.”
- “Support to pay the wages of S-pass and EP staff. The nature of the construction industry is as such that we just don’t have that many Singaporeans and the levy rebates. Singaporean salary support are only minimal compared to the cost of our company's salary overheads.”
- “Foreign Worker accommodation subsidy during circuit breaker, food allowance during stay home notice.”
- “Easier process to obtain pre-qualified vendor status for PSG grants to support SMEs. Extension of PSG and EDG grants for another 2 years as economy will take time to recover and SMEs take time to adopt new technologies. Or introduce relevant grants to encourage SMEs to adopt innovations and technology.”
- “Reduction in bank overdraft interest charges during and for some time after the circuit breaker, to allow business to pick up.”
- “Request my clients (mostly government agencies) to expedite the payments due for our completed projects to our company”

*Q: If other forms of support are required (Please be specific & concise):*

# Thank You

If you need any clarifications, kindly contact:



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