

POST-BUDGET SURVEY 2018 YOUR VOICE ON THE SINGAPORE BUDGET

Introduction

1 As part of SBF's ongoing role as the bridge between businesses and our Government, we conducted two surveys to obtain feedback from our business community on their views on the Singapore Budget 2018. The surveys were:

- (a) An electronic poll of the company attendees that attended our Seminar on Budget 2018 held on 8 March. This poll was conducted after the FY2018 Budget Statement was delivered on 19 February, and after the Committee of Supply Debates for the Ministries of Communications & Information, Finance, Manpower and Trade & Industry were held; and
- (b) A more detailed electronic-based survey that was conducted from 12 March to 6 April. We approached companies through our membership database as well as SBF corporate website and social media platforms. A total of 230 responses were collated.

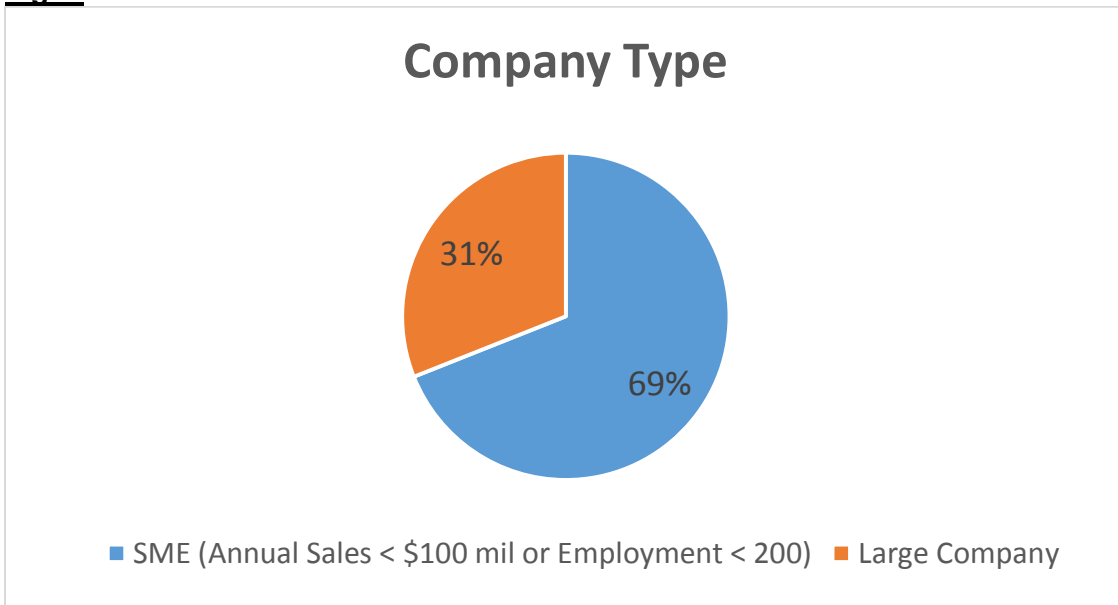
Results of the Electronic Poll Conducted at our Seminar on Budget 2018 Held on 8 March

Profile of the Respondents

2 There were about 600 attendees at the Seminar and up to 380 participants took part in the electronic poll.

3 About 70% of the respondents were from SMEs and the rest from large companies.

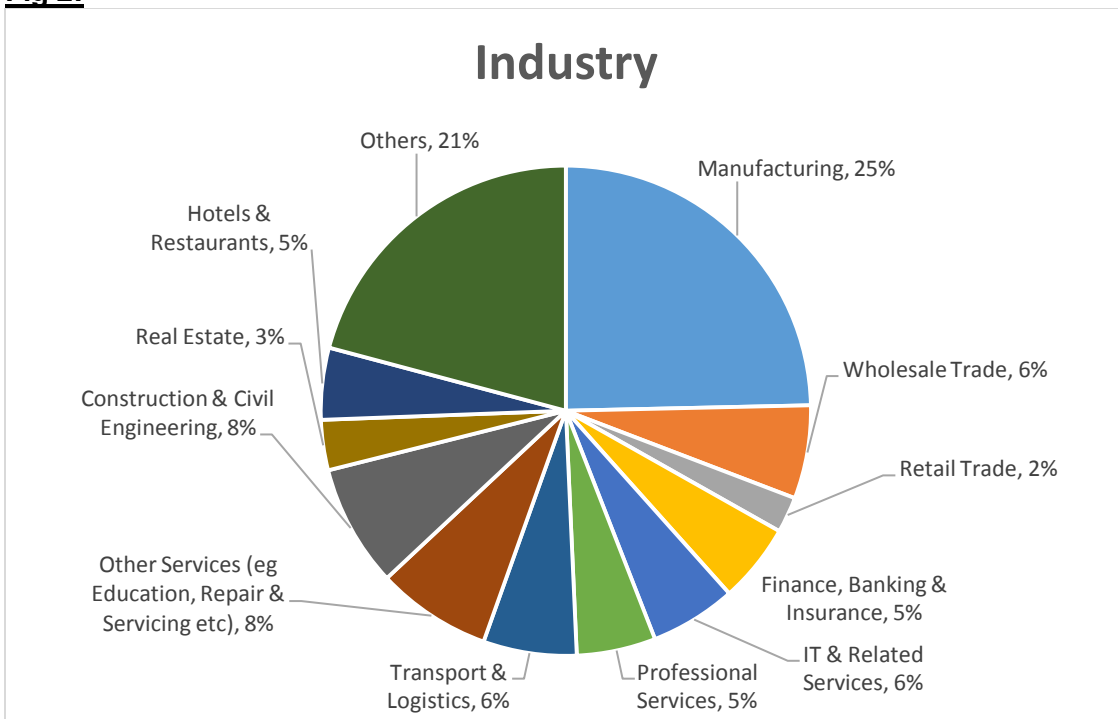
Fig 1:



n = 216

4 The breakdown of the respondents by industry was as follows:

Fig 2:

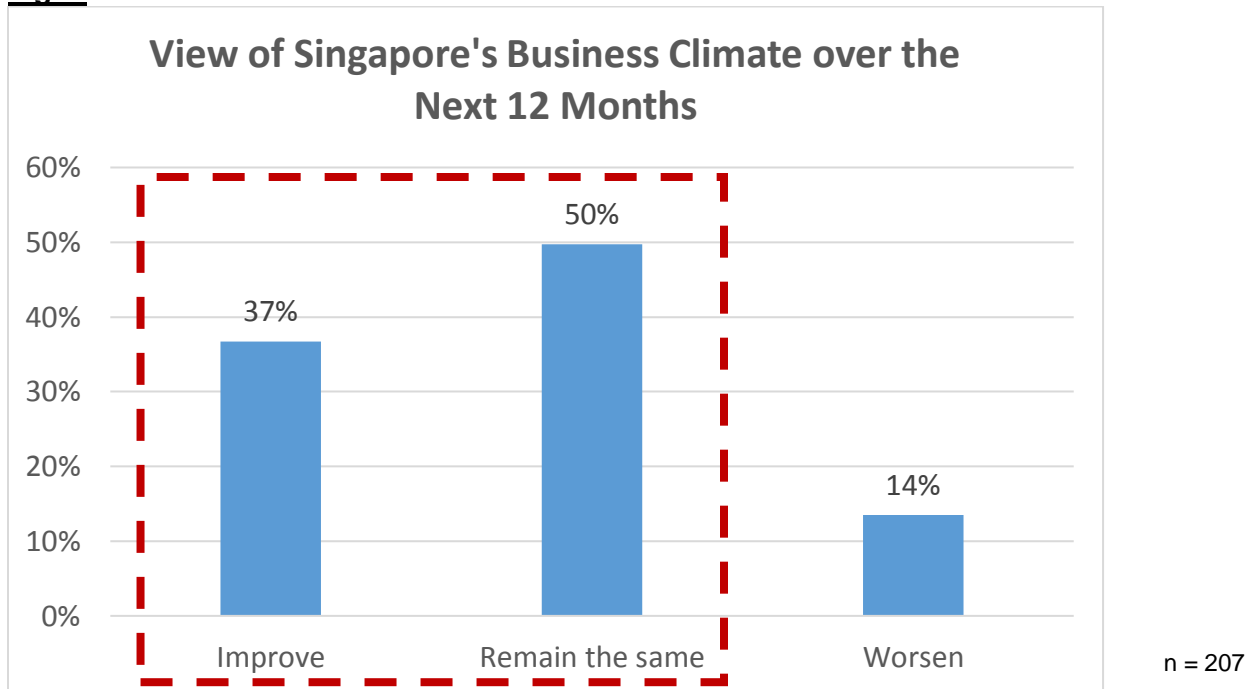


n = 211

Business Outlook

5 A majority of the respondents expected Singapore's business climate to remain the same or improve over the next 12 months.

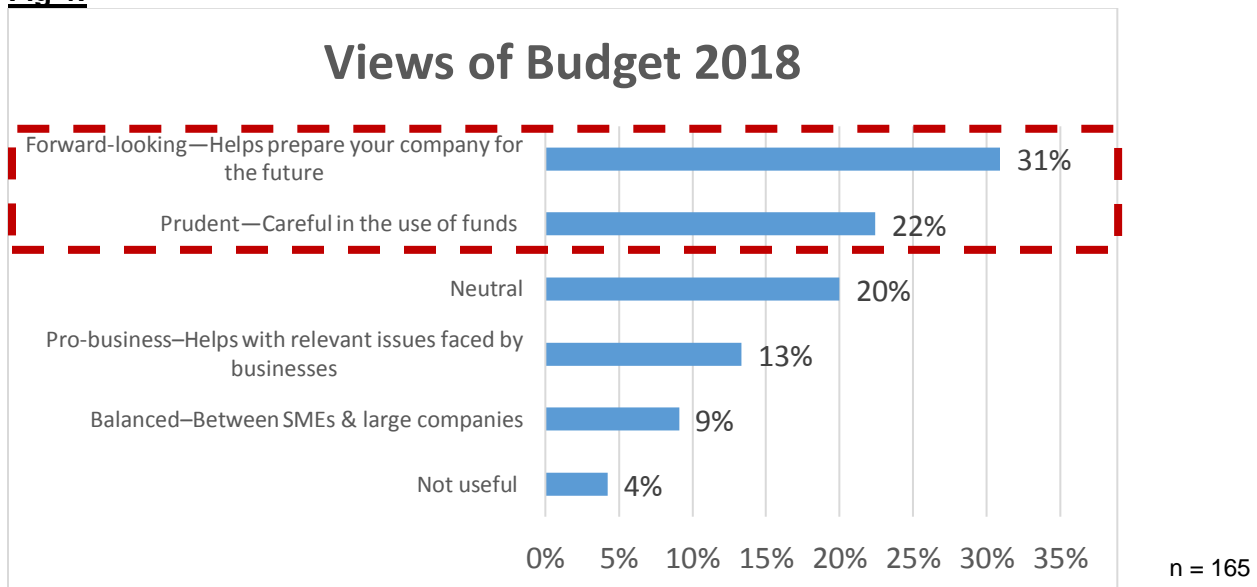
Fig 3:



Overall Sentiments

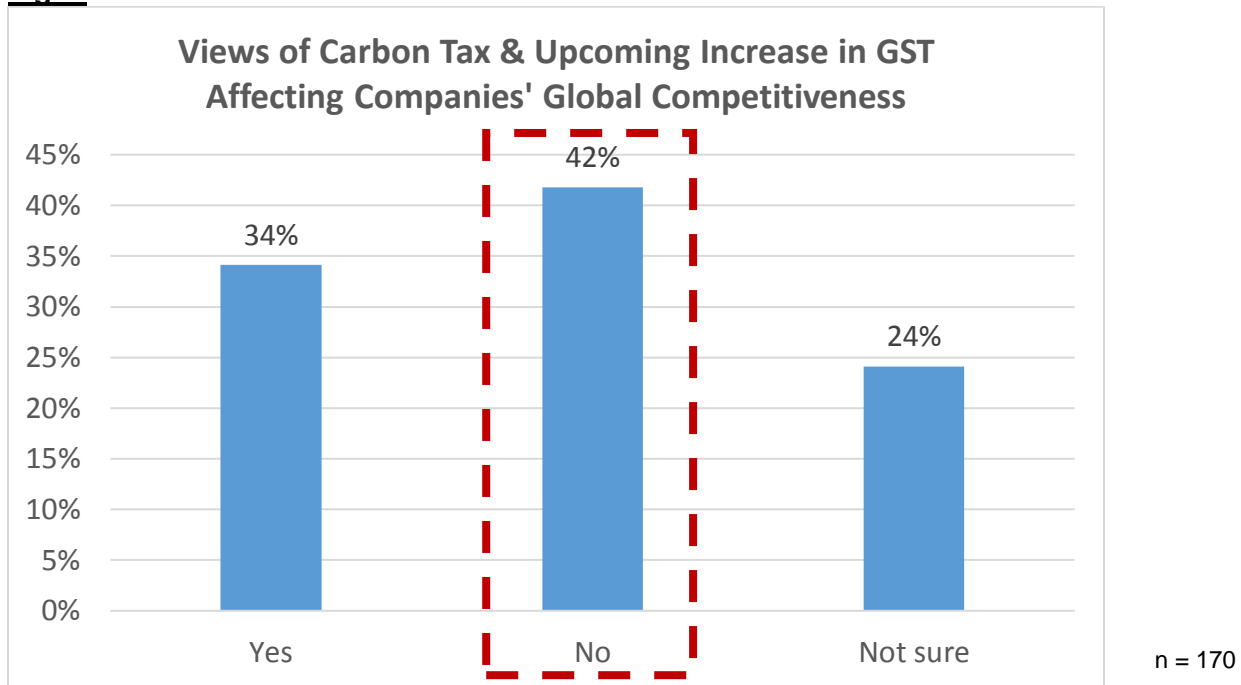
6 Based on the respondents' indications, most viewed Budget 2018 as forward looking and prudent.

Fig 4:



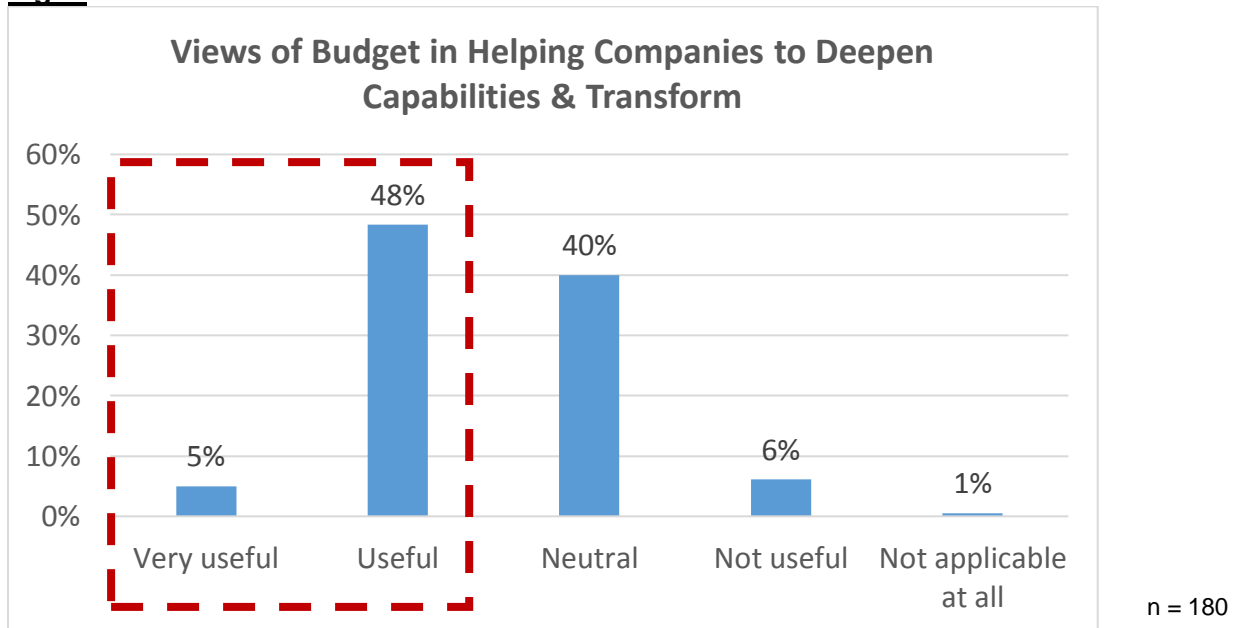
7 When asked about the introduction of the carbon tax and upcoming increase in GST, most of the respondents (42%) thought they will not significantly affect companies' global competitiveness.

Fig 5:



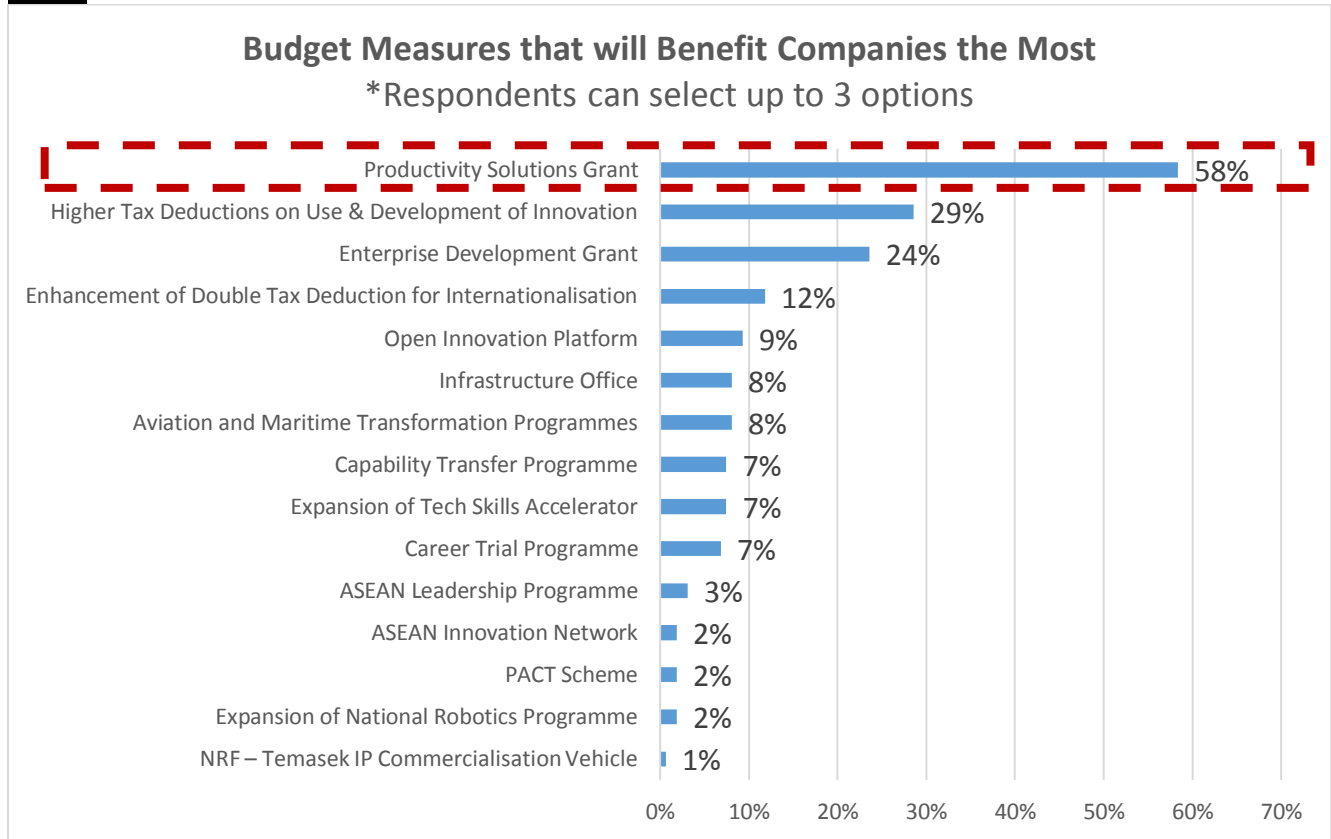
8 Majority of the respondents found the Budget useful or very useful in helping companies deepen capabilities and transform.

Fig 6:



9 When asked about the Budget measures that will benefit their companies the most, the Productivity Solutions Grant emerged as the most commonly selected option.

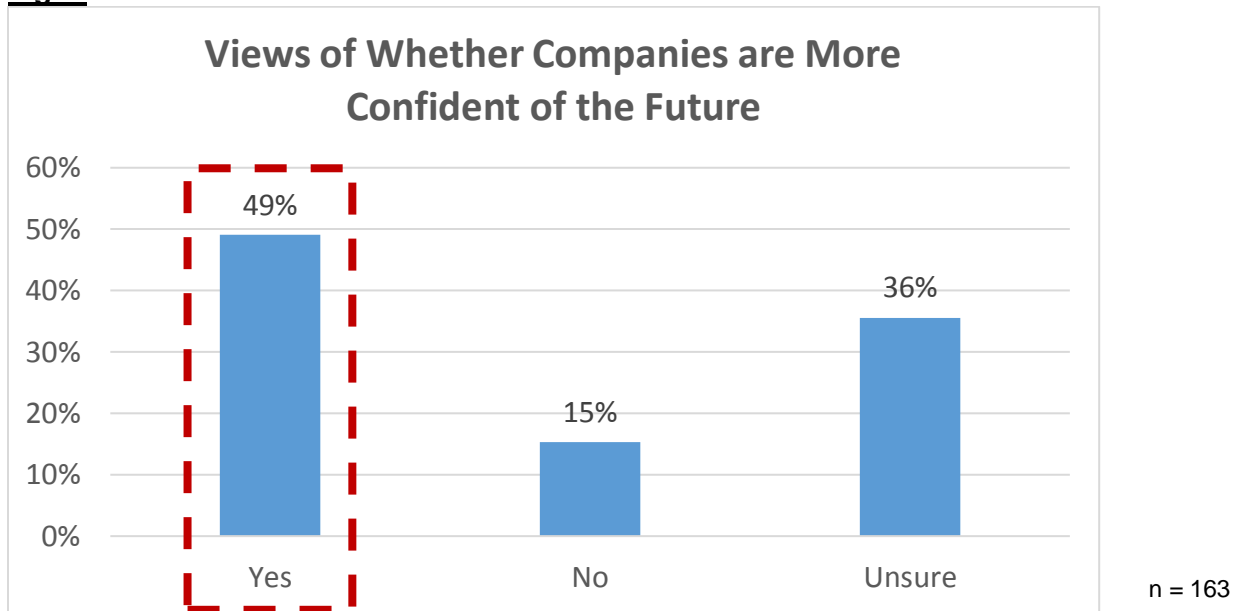
Fig 7:



n = 180

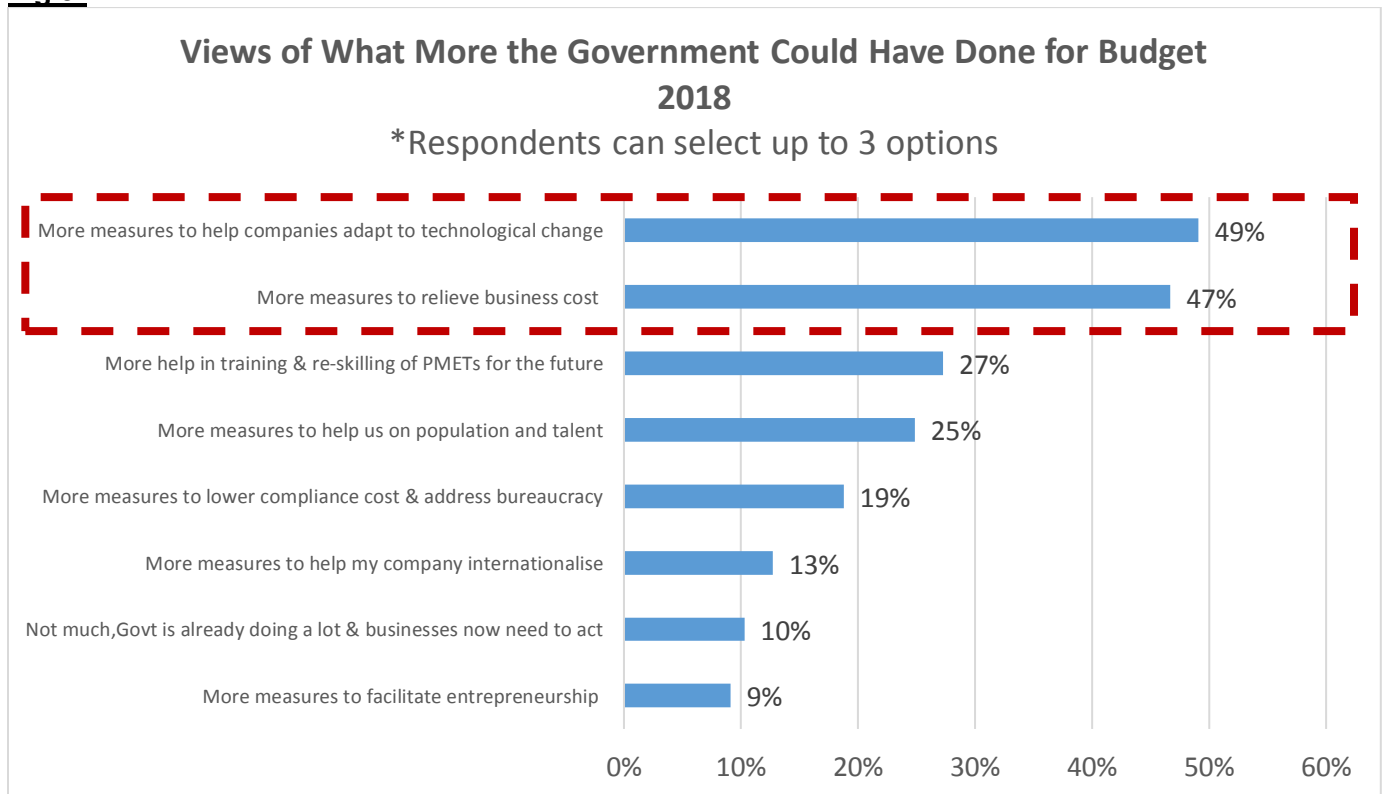
10 A majority of the respondents (49%) were more confident of the future given the Budget 2018 measures.

Fig 8:



11 When asked what more do the respondents think that the Government could have done for Budget 2018, a majority wanted more measures to help companies adapt to technological change (49%) and relieve business costs (47%).

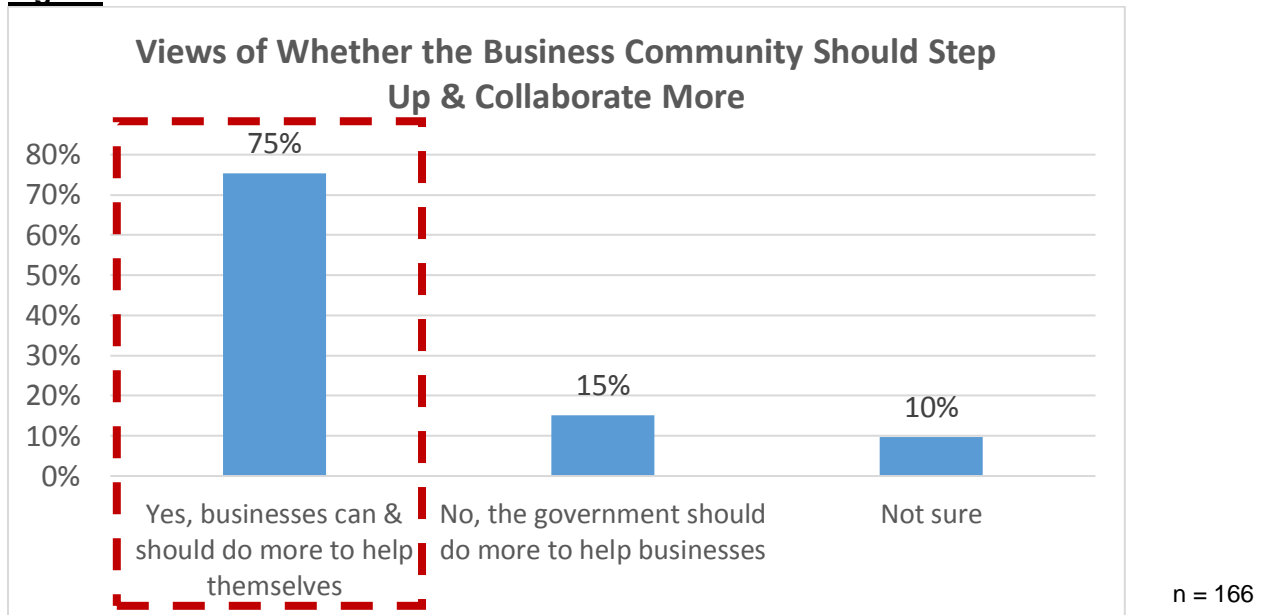
Fig 9:



n = 165

12 A majority agreed that the business community should step up and collaborate more with one another as well as with Trade Associations and Chambers to create a more promising future.

Fig 10:



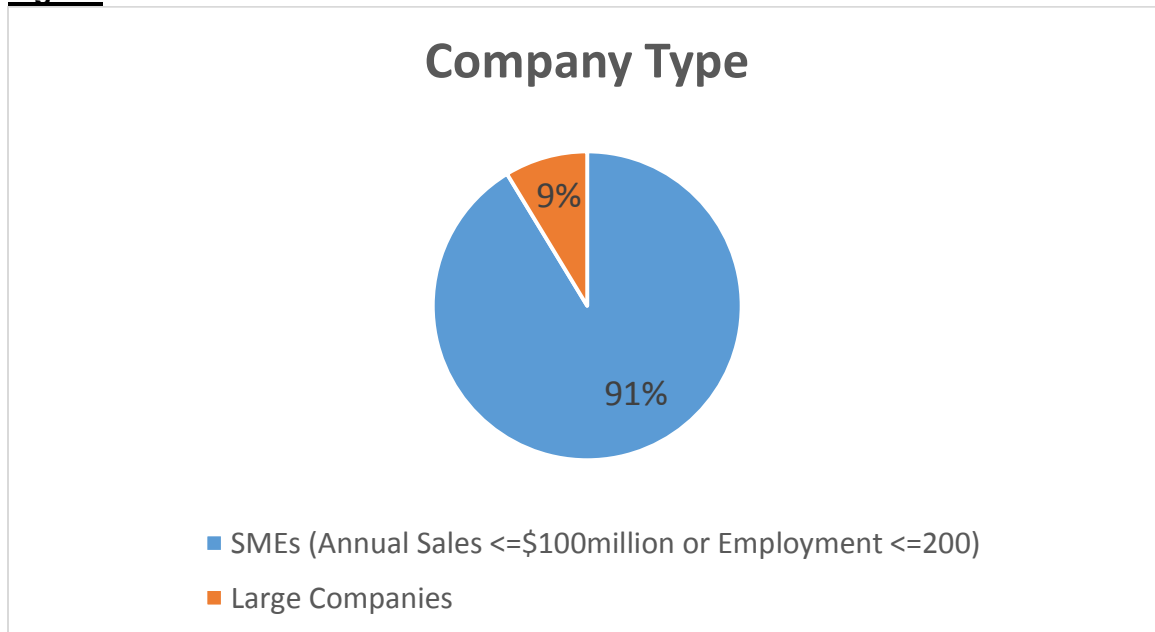
Results of the Detailed Electronic-based Survey Conducted from 12 March to 6 April

13 We started to administer this survey on 12 March and closed the survey on 6 April. A total of 230 responses were collated. Respondents could select only one option per question unless otherwise stated.

Profile of the Respondents

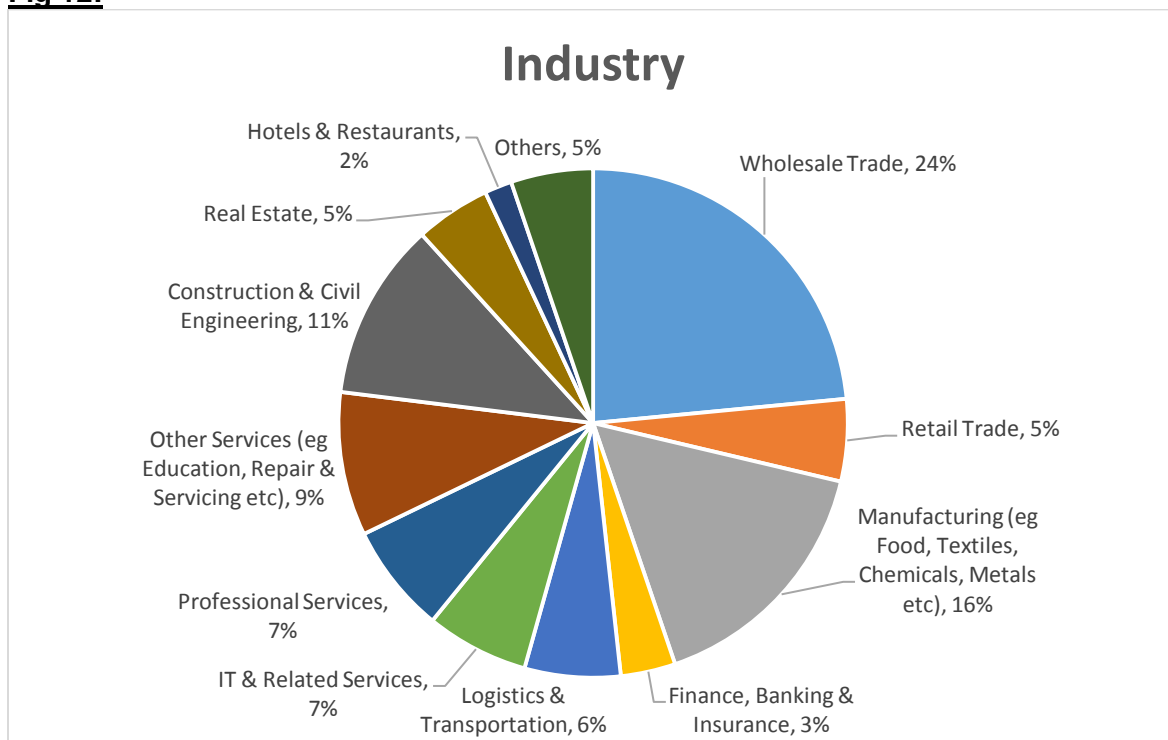
14 By company type, about 90% were SMEs and the rest were large companies.

Fig 11:



15 The breakdown by industry was as follows. Most of the companies were from the Wholesale Trade (24%), Manufacturing (16%) and Construction & Civil Engineering (11%) industries.

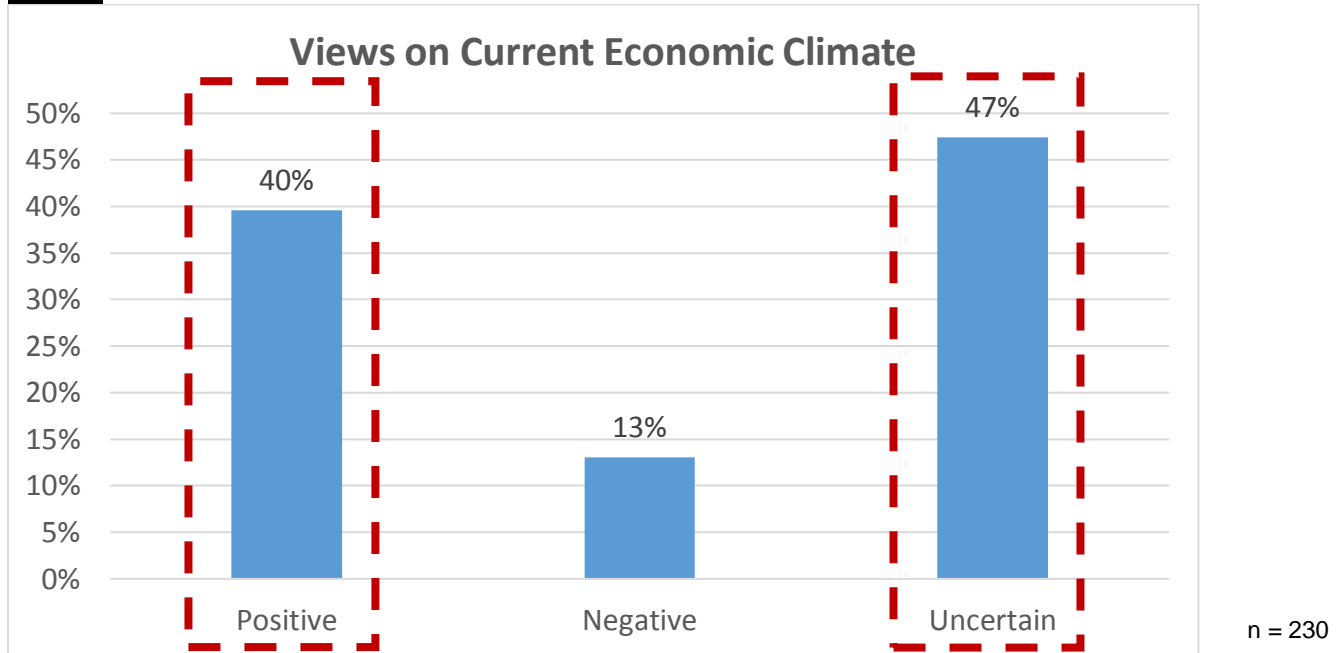
Fig 12:



Business Outlook

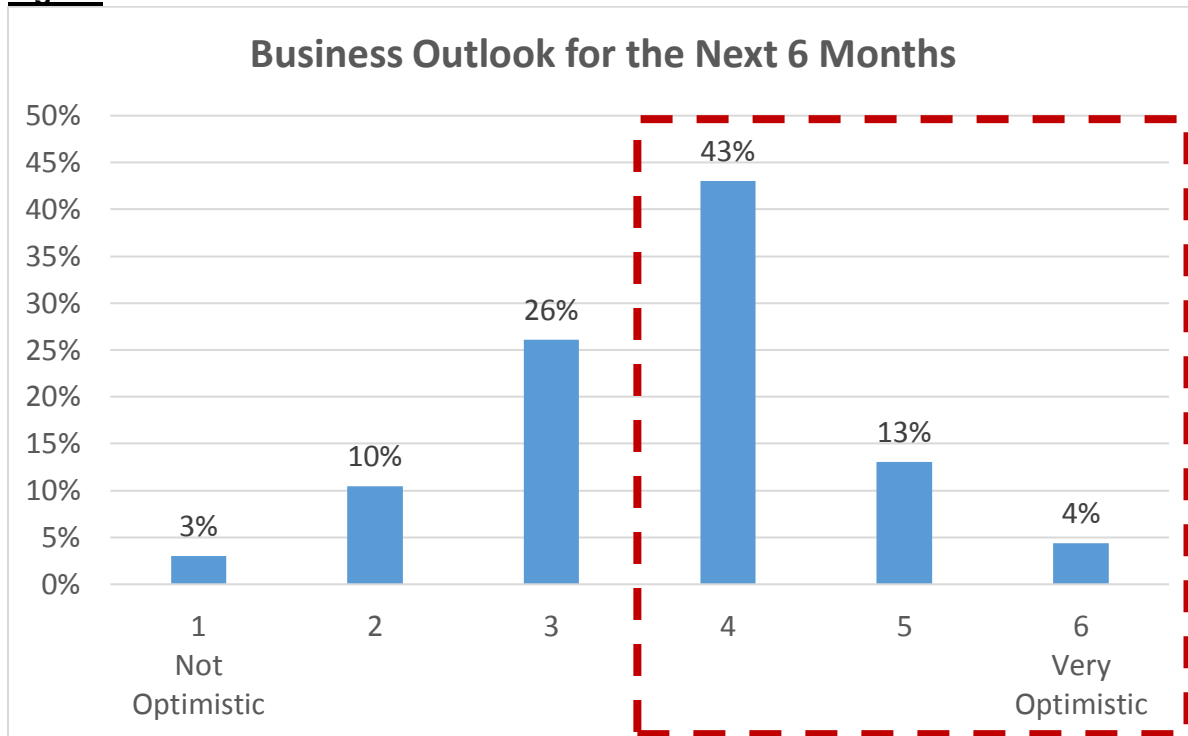
16 While a majority of the companies (47%) viewed the current economic climate as uncertain, there was a sizeable proportion (40%) with positive sentiments.

Fig 13:



17 A majority of the companies (60% indicating a rating of 4, 5 or 6) had an optimistic business outlook for the next 6 months.

Fig 14:



Budget 2018 Measures

18 The new or enhanced Budget measures where a large proportion of companies indicated they were likely to find useful include (i.e., instances where at least 40% of the companies indicated that the measures were likely to be useful, listed in order of highest to lowest percentage):

- (a) Enhancement and Extension of Corporate Income Tax (CIT) Rebate (75.9%);
- (b) Extension of Wage Credit Scheme – Co-funding of wage increases over the next 3 years to Singaporeans with gross monthly wages of up to \$4,000. (74.1%);
- (c) Proposed enhancements to current Employment Act framework by removing the salary cap to cover more employees, extending additional protection on work hours and overtime pay to more workers, and improving how employment disputes are settled (50.9%);
- (d) Enterprise Development Grant – Up to 70% funding support for firms to build a range of capabilities including innovation, talent development and internationalisation (46.9%);
- (e) Extend maximum period of employment for Work Permit Holders from Non-Traditional Sources and the People’s Republic of China by 4 years across higher skilled (R1) and basic skilled (R2) workers in all sectors (46.7%);
- (f) Productivity Solutions Grant – Up to 70% funding support for the adoption of pre-scoped, off-the-shelf solutions to improve productivity (45.2%); and
- (g) Double Tax Deduction for Internationalisation (DTD_i) – From YA2019, expenses that can qualify for DTD_i without prior approval will increase from \$100,000 to \$150,000 per YA (42.5%).

19 The responses for each of the new or enhanced Budget 2018 measures are shown in the table below: (Note: The highlighted cells show the responses which exceeded 25%.)

Fig 15:

Which of these new or enhanced Budget 2018 measures will likely benefit your company?	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company
Extension of Wage Credit Scheme – Co-funding of wage increases over the next 3 years to Singaporeans with gross monthly wages of up to \$4,000. (n=228)	74.1%	10.1%	9.6%	6.1%
Enhancement and Extension of Corporate Income Tax (CIT) Rebate. (n=228)	75.9%	11.0%	8.3%	4.8%
Defer earlier-announced increases in Foreign Worker Levy rates for the Marine Shipyard and Process sectors for another year. (n=226)	22.6%	12.4%	3.5%	61.5%
More help for workers to try out new careers through the Career Trial Programme. (n=226)	24.3%	20.4%	23.9%	31.4%
Productivity Solutions Grant – Up to 70% funding support for the adoption of pre-scoped, off-the-shelf solutions to improve productivity. (n=228)	45.2%	14.5%	23.7%	16.7%
Open Innovation Platform – Virtual crowd-sourcing platform where companies can list challenges and be matched with ICT firms and research institutes to co-develop solutions. (n=223)	20.2%	19.7%	26.9%	33.2%
Higher Tax Deductions from YA2019 to YA2025 - Raise the tax deduction on licensing payments for the commercial use of intellectual property (IP) from 100% to 200%, capped at \$100,000 of licensing payments per year. (n=225)	22.2%	19.6%	17.8%	40.4%
Higher Tax Deductions from YA2019 to YA2025 - Raise the tax deduction for IP registration fees from 100% to 200%, capped at \$100,000 of IP registration fees per year. (n=226)	21.7%	21.7%	14.2%	42.5%
Higher Tax Deductions from YA2019 to YA2025 - Raise the tax deduction for qualifying expenses incurred on R&D done in Singapore from 150% to 250%. (n=225)	24.9%	20.0%	13.8%	41.3%
Aviation and Maritime Transformation Programmes – For companies to develop, test and use advanced automation and digital technologies to improve operations and enhance traffic management in our airports and seaports. (n=224)	6.7%	12.1%	7.1%	74.1%

Which of these new or enhanced Budget 2018 measures will likely benefit your company?	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company
National Research Foundation – Temasek IP Commercialisation Vehicle – New investment venture to support commercialisation of publicly-funded intellectual property developed in Singapore. (n=219)	9.1%	18.3%	10.5%	62.1%
National Robotics Programme (NRP) – Expand the NRP to encourage greater use of robotics, especially in construction. (n=224)	10.7%	12.9%	14.7%	61.6%
Enterprise Development Grant – Up to 70% funding support for firms to build a range of capabilities including innovation, talent development and internationalisation. (n=226)	46.9%	10.6%	24.3%	18.1%
ASEAN Leadership Programme – Help Singapore business leaders better understand, build networks in and plan business expansions to Southeast Asian markets. (n=226)	38.9%	14.2%	25.2%	21.7%
Double Tax Deduction for Internationalisation (DTD _i) – From YA2019, expenses that can qualify for DTD _i without prior approval will increase from \$100,000 to \$150,000 per YA. (n=226)	42.5%	15.0%	20.4%	22.1%
Tech Skills Accelerator – Scale up to develop more ICT professionals in new sectors, and in emerging digital skills such as data analytics and artificial intelligence. (n=224)	26.8%	15.6%	20.5%	37.1%
Capability Transfer Programme – Support skills transfer from foreign specialists to Singaporeans. (n=223)	31.8%	18.8%	18.4%	30.9%
PACT Scheme – Funding support for collaborations and partnerships between firms of all sizes, e.g. knowledge transfer, capability building, co-innovation and accessing overseas opportunities. (n=224)	36.2%	15.6%	29.0%	19.2%
ASEAN Innovation Network – Strengthen linkages between innovation ecosystems in the region and spark new collaborations and solutions. (n=224)	25.4%	19.6%	25.4%	29.5%
Infrastructure Office – New office to connect infrastructure demand in Asia to infrastructure financing, services and expertise. (n=226)	23.9%	20.4%	24.8%	31.0%
Smart Nation – Embark on strategic national projects such as Smart Nation Sensor Platform, National Digital Identity System, e-payments, and sharing of more data. (n=225)	32.0%	15.6%	21.3%	31.1%

Which of these new or enhanced Budget 2018 measures will likely benefit your company?	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company
Carbon Tax - Carbon tax of \$5 per tonne of greenhouse gas emissions in the first instance, from 2019 to 2023 on facilities producing 25,000 tonnes or more of greenhouse gas emissions a year, to encourage reduction of emissions. (n=225)	11.1%	24.9%	15.6%	48.4%
Energy Grid 2.0 – Develop next-generation grid architectures that can respond quickly and reliably to changes in energy demand and supply. (n=224)	15.6%	16.1%	19.2%	49.1%
Improving Energy Efficiency – Grants and support to help companies with worthwhile projects to enhance energy efficiency and reduce emissions. (n=228)	21.5%	16.7%	20.6%	41.2%
Broaden Fair Consideration Framework job advertising requirement to require advertising of job vacancies if (a) firm has 10 or more employees and (b) applying for a position paying a fixed monthly salary of less than \$15,000. (n=225)	29.8%	30.7%	21.8%	17.8%
Update to S Pass Salary Criteria by raising the minimum qualifying salary from \$2,200 to \$2,400 over two steps. (n=224)	31.3%	43.8%	8.0%	17.0%
Extend maximum period of employment for Work Permit Holders from Non-Traditional Sources and the People’s Republic of China by 4 years across higher skilled (R1) and basic skilled (R2) workers in all sectors. (n=225)	46.7%	15.6%	10.2%	27.6%
Extend additional pathway to recognise higher skilled (R1) workers for manufacturing and marine shipyard sectors if they meet minimum period of employment and salary requirements through Market-Based Skills Recognition Framework. (n=225)	24.0%	10.2%	11.6%	54.2%
Proposed enhancements to current Employment Act framework by removing the salary cap to cover more employees, extending additional protection on work hours and overtime pay to more workers, and improving how employment disputes are settled. (n=226)	50.9%	18.1%	18.6%	12.4%

[Legend: refers to responses >25%]

Further Analysis by Industry

20 A large majority of the respondents (75.9%) indicated that the Enhancement and Extension of Corporate Income Tax (CIT) Rebate was likely to be useful. An above average percentage of the respondents (more than 75.9%) within the “Construction & Civil Engineering”, “Professional Services”, “Real Estate” and “Wholesale Trade” sectors indicated that this measure was likely to be useful.

Fig 16a:

Enhancement and Extension of Corporate Income Tax (CIT) Rebate. (n=228)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	8.8%	1.3%	1.3%	0.0%	11.4%
Finance, Banking & Insurance	2.6%	0.4%	0.0%	0.4%	3.5%
Hotels & Restaurants	0.9%	0.9%	0.0%	0.0%	1.8%
IT & Related Services	4.8%	0.4%	0.4%	0.9%	6.6%
Logistics & Transportation	3.9%	0.9%	0.9%	0.4%	6.1%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	12.3%	1.8%	1.3%	0.9%	16.2%
Other Services (eg Education, Repair & Servicing etc)	6.6%	1.3%	0.4%	0.9%	9.2%
Others	3.9%	0.9%	0.4%	0.0%	5.3%
Professional Services	5.7%	0.9%	0.0%	0.0%	6.6%
Real Estate	3.5%	0.0%	0.4%	0.4%	4.4%
Retail Trade	3.5%	0.9%	0.4%	0.4%	5.3%
Wholesale Trade	19.3%	1.3%	2.6%	0.4%	23.7%
Grand Total	75.9%	11.0%	8.3%	4.8%	100.0%

Fig 16b:

Enhancement and Extension of Corporate Income Tax (CIT) Rebate. (n=228)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	76.9%	11.5%	11.5%	0.0%	100.0%
Finance, Banking & Insurance	75.0%	12.5%	0.0%	12.5%	100.0%
Hotels & Restaurants	50.0%	50.0%	0.0%	0.0%	100.0%
IT & Related Services	73.3%	6.7%	6.7%	13.3%	100.0%
Logistics & Transportation	64.3%	14.3%	14.3%	7.1%	100.0%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	75.7%	10.8%	8.1%	5.4%	100.0%
Other Services (eg Education, Repair & Servicing etc)	71.4%	14.3%	4.8%	9.5%	100.0%
Others	75.0%	16.7%	8.3%	0.0%	100.0%
Professional Services	86.7%	13.3%	0.0%	0.0%	100.0%
Real Estate	80.0%	0.0%	10.0%	10.0%	100.0%
Retail Trade	66.7%	16.7%	8.3%	8.3%	100.0%
Wholesale Trade	81.5%	5.6%	11.1%	1.9%	100.0%
Grand Total	75.9%	11.0%	8.3%	4.8%	100.0%

21 A large majority of the respondents (74.1%) indicated that the Extension of Wage Credit Scheme comprising co-funding of wage increases over the next 3 years to Singaporeans with gross monthly wages of up to \$4,000 was likely to be useful. An above average percentage of the respondents (more the 74.1%) within the “Hotels & Restaurants”, “IT & Related Services”, “Manufacturing”, “Other Services”, “Others”, “Professional Services” and “Retail Trade” sectors indicated that this measure was likely to be useful.

Fig 17a:

Extension of Wage Credit Scheme - Co-funding of wage increases over the next 3 years to Singaporeans with gross monthly wages of up to \$4,000. (n=228)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	7.5%	0.9%	2.6%	0.4%	11.4%
Finance, Banking & Insurance	2.2%	0.9%	0.4%	0.0%	3.5%
Hotels & Restaurants	1.8%	0.0%	0.0%	0.0%	1.8%
IT & Related Services	5.3%	0.4%	0.9%	0.0%	6.6%
Logistics & Transportation	3.1%	1.8%	0.9%	0.4%	6.1%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	13.2%	1.3%	0.9%	0.9%	16.2%
Other Services (eg Education, Repair & Servicing etc)	7.0%	0.4%	0.9%	0.9%	9.2%
Others	4.4%	0.0%	0.0%	0.9%	5.3%
Professional Services	5.7%	0.9%	0.0%	0.0%	6.6%
Real Estate	2.6%	0.4%	0.4%	0.9%	4.4%
Retail Trade	4.4%	0.4%	0.4%	0.0%	5.3%
Wholesale Trade	17.1%	2.6%	2.2%	1.8%	23.7%
Grand Total	74.1%	10.1%	9.6%	6.1%	100.0%

Fig 17b:

Extension of Wage Credit Scheme - Co-funding of wage increases over the next 3 years to Singaporeans with gross monthly wages of up to \$4,000. (n=228)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	65.4%	7.7%	23.1%	3.8%	100.0%
Finance, Banking & Insurance	62.5%	25.0%	12.5%	0.0%	100.0%
Hotels & Restaurants	100.0%	0.0%	0.0%	0.0%	100.0%
IT & Related Services	80.0%	6.7%	13.3%	0.0%	100.0%
Logistics & Transportation	50.0%	28.6%	14.3%	7.1%	100.0%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	81.1%	8.1%	5.4%	5.4%	100.0%
Other Services (eg Education, Repair & Servicing etc)	76.2%	4.8%	9.5%	9.5%	100.0%
Others	83.3%	0.0%	0.0%	16.7%	100.0%
Professional Services	86.7%	13.3%	0.0%	0.0%	100.0%
Real Estate	60.0%	10.0%	10.0%	20.0%	100.0%
Retail Trade	83.3%	8.3%	8.3%	0.0%	100.0%
Wholesale Trade	72.2%	11.1%	9.3%	7.4%	100.0%
Grand Total	74.1%	10.1%	9.6%	6.1%	100.0%

22 A large majority of the respondents (50.9%) indicated that the proposed enhancements to the current Employment Act framework by covering the salary cap to cover more employees, extending additional protection on work hours and overtime pay to more workers, and improving how employment disputes are settled was likely to be useful. When comparing among industries, the bulk of the respondents with this view were from the “Construction & Civil Engineering”, “Manufacturing”, “Other Services” and “Wholesale Trade” sectors. An above average percentage of the respondents (more than

50.9%) within the “Construction & Civil Engineering”, “Hotels & Restaurants”, “Logistics & Transportation”, “Other Services”, “Others”, “Real Estate” and “Retail Trade” sectors indicated that this measure was likely to be useful.

Fig 18a:

Proposed enhancements to current Employment Act framework by removing the salary cap to cover more employees, extending additional protection on work hours and overtime pay to more workers, and improving how employment disputes are settled. (n=226)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	6.2%	1.8%	2.2%	0.9%	11.1%
Finance, Banking & Insurance	0.9%	0.4%	0.9%	1.3%	3.5%
Hotels & Restaurants	1.3%	0.4%	0.0%	0.0%	1.8%
IT & Related Services	3.1%	0.9%	0.9%	1.8%	6.6%
Logistics & Transportation	3.5%	0.0%	0.4%	2.2%	6.2%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	7.5%	3.5%	4.0%	0.9%	15.9%
Other Services (eg Education, Repair & Servicing etc)	5.3%	1.3%	1.8%	0.9%	9.3%
Others	3.1%	0.9%	1.3%	0.0%	5.3%
Professional Services	2.7%	1.3%	0.9%	2.2%	7.1%
Real Estate	2.7%	0.0%	1.8%	0.0%	4.4%
Retail Trade	4.0%	0.9%	0.4%	0.0%	5.3%
Wholesale Trade	10.6%	6.6%	4.0%	2.2%	23.5%
Grand Total	50.9%	18.1%	18.6%	12.4%	100.0%

Fig 18b:

Proposed enhancements to current Employment Act framework by removing the salary cap to cover more employees, extending additional protection on work hours and overtime pay to more workers, and improving how employment disputes are settled. (n=226)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	56.0%	16.0%	20.0%	8.0%	100.0%
Finance, Banking & Insurance	25.0%	12.5%	25.0%	37.5%	100.0%
Hotels & Restaurants	75.0%	25.0%	0.0%	0.0%	100.0%
IT & Related Services	46.7%	13.3%	13.3%	26.7%	100.0%
Logistics & Transportation	57.1%	0.0%	7.1%	35.7%	100.0%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	47.2%	22.2%	25.0%	5.6%	100.0%
Other Services (eg Education, Repair & Servicing etc)	57.1%	14.3%	19.0%	9.5%	100.0%
Others	58.3%	16.7%	25.0%	0.0%	100.0%
Professional Services	37.5%	18.8%	12.5%	31.3%	100.0%
Real Estate	60.0%	0.0%	40.0%	0.0%	100.0%
Retail Trade	75.0%	16.7%	8.3%	0.0%	100.0%
Wholesale Trade	45.3%	28.3%	17.0%	9.4%	100.0%
Grand Total	50.9%	18.1%	18.6%	12.4%	100.0%

23 A large majority of the respondents (61.5%) had indicated that the measure to defer earlier-announced increases in the Foreign Worker Levy rates for the Marine Shipyard and Process sectors for another year was not applicable to their companies. This is a targeted scheme that applies to the marine shipyard and process related sectors.

Fig 19a:

Defer earlier-announced increases in Foreign Worker Levy rates for the Marine Shipyard and Process sectors for another year. (n=226)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	4.9%	0.0%	0.4%	6.2%	11.5%
Finance, Banking & Insurance	0.0%	0.0%	0.0%	3.5%	3.5%
Hotels & Restaurants	0.0%	0.0%	0.0%	1.8%	1.8%
IT & Related Services	0.9%	1.8%	0.4%	3.5%	6.6%
Logistics & Transportation	0.9%	0.4%	0.9%	4.0%	6.2%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	4.4%	2.2%	0.9%	8.4%	15.9%
Other Services (eg Education, Repair & Servicing etc)	0.4%	2.7%	0.0%	6.2%	9.3%
Others	0.9%	0.4%	0.0%	4.0%	5.3%
Professional Services	1.3%	0.0%	0.0%	4.9%	6.2%
Real Estate	0.4%	1.3%	0.4%	2.2%	4.4%
Retail Trade	1.3%	0.9%	0.0%	3.1%	5.3%
Wholesale Trade	7.1%	2.7%	0.4%	13.7%	23.9%
Grand Total	22.6%	12.4%	3.5%	61.5%	100.0%

Fig 19b:

Defer earlier-announced increases in Foreign Worker Levy rates for the Marine Shipyard and Process sectors for another year. (n=226)	Likely NOT Useful	Likely Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	0.0%	42.3%	3.8%	53.8%	100.0%
Finance, Banking & Insurance	0.0%	0.0%	0.0%	100.0%	100.0%
Hotels & Restaurants	0.0%	0.0%	0.0%	100.0%	100.0%
IT & Related Services	26.7%	13.3%	6.7%	53.3%	100.0%
Logistics & Transportation	7.1%	14.3%	14.3%	64.3%	100.0%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	13.9%	27.8%	5.6%	52.8%	100.0%
Other Services (eg Education, Repair & Servicing etc)	28.6%	4.8%	0.0%	66.7%	100.0%
Others	8.3%	16.7%	0.0%	75.0%	100.0%
Professional Services	0.0%	21.4%	0.0%	78.6%	100.0%
Real Estate	30.0%	10.0%	10.0%	50.0%	100.0%
Retail Trade	16.7%	25.0%	0.0%	58.3%	100.0%
Wholesale Trade	11.1%	29.6%	1.9%	57.4%	100.0%
Grand Total	12.4%	22.6%	3.5%	61.5%	100.0%

24 A large majority of the respondents (74.1%) had indicated that the Aviation and Maritime Transformation Programmes for companies to develop, test and use advanced automation and digital technologies to improve operations and enhance traffic management in our airports and seaports was not applicable to their companies. This is a targeted scheme that applies to the aviation and maritime related sectors.

Fig 20a:

Aviation and Maritime Transformation Programmes - For companies to develop, test and use advanced automation and digital technologies to improve operations and enhance traffic management in our airports and seaports. (n=224)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	0.4%	0.4%	1.3%	8.9%	11.2%
Finance, Banking & Insurance	0.0%	0.0%	0.0%	3.6%	3.6%
Hotels & Restaurants	0.0%	0.0%	0.0%	1.8%	1.8%
IT & Related Services	0.0%	1.3%	0.9%	4.0%	6.3%
Logistics & Transportation	0.4%	0.4%	1.8%	3.6%	6.3%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	1.3%	2.7%	1.8%	10.3%	16.1%
Other Services (eg Education, Repair & Servicing etc)	0.0%	1.8%	0.0%	7.6%	9.4%
Others	0.0%	1.8%	0.0%	3.6%	5.4%
Professional Services	0.4%	0.4%	0.0%	5.8%	6.7%
Real Estate	0.4%	0.4%	0.4%	3.1%	4.5%
Retail Trade	0.0%	0.4%	0.0%	4.9%	5.4%
Wholesale Trade	3.6%	2.2%	0.9%	17.0%	23.7%
Grand Total	6.7%	12.1%	7.1%	74.1%	100.0%

Fig 20b:

Aviation and Maritime Transformation Programmes - For companies to develop, test and use advanced automation and digital technologies to improve operations and enhance traffic management in our airports and seaports. (n=224)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	4.0%	4.0%	12.0%	80.0%	100.0%
Finance, Banking & Insurance	0.0%	0.0%	0.0%	100.0%	100.0%
Hotels & Restaurants	0.0%	0.0%	0.0%	100.0%	100.0%
IT & Related Services	0.0%	21.4%	14.3%	64.3%	100.0%
Logistics & Transportation	7.1%	7.1%	28.6%	57.1%	100.0%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	8.3%	16.7%	11.1%	63.9%	100.0%
Other Services (eg Education, Repair & Servicing etc)	0.0%	19.0%	0.0%	81.0%	100.0%
Others	0.0%	33.3%	0.0%	66.7%	100.0%
Professional Services	6.7%	6.7%	0.0%	86.7%	100.0%
Real Estate	10.0%	10.0%	10.0%	70.0%	100.0%
Retail Trade	0.0%	8.3%	0.0%	91.7%	100.0%

Wholesale Trade	15.1%	9.4%	3.8%	71.7%	100.0%
Grand Total	6.7%	12.1%	7.1%	74.1%	100.0%

25 A large majority of the respondents (62.1%) had indicated that the National Research Foundation – Temasek IP Commercialisation Vehicle comprising a new investment venture to support commercialisation of publicly-funded intellectual property developed in Singapore was not applicable to their companies. The bulk of the respondents with this view were from the “Construction & Civil Engineering”, “Manufacturing”, “Other Services”, “Professional Services” and “Wholesale Trade” sectors. An above average percentage of the respondents (more than 62.1%) within the “Construction & Civil Engineering”, “Finance, Banking & Insurance”, “Hotels & Restaurants”, “Logistics & Transportation”, “Professional Services” and “Retail Trade” sectors indicated that this measure was not applicable to their companies.

Fig 21a:

National Research Foundation - Temasek IP Commercialisation Vehicle - New investment venture to support commercialisation of publicly-funded intellectual property developed in Singapore. (n=219)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	0.0%	1.4%	2.3%	7.3%	11.0%
Finance, Banking & Insurance	0.0%	0.0%	0.0%	3.7%	3.7%
Hotels & Restaurants	0.0%	0.0%	0.0%	1.8%	1.8%
IT & Related Services	1.4%	1.8%	0.5%	2.3%	5.9%
Logistics & Transportation	0.5%	0.0%	0.9%	4.6%	5.9%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	1.4%	4.1%	1.8%	9.1%	16.4%
Other Services (eg Education, Repair & Servicing etc)	0.9%	2.3%	0.9%	5.5%	9.6%
Others	0.9%	2.7%	0.5%	1.4%	5.5%
Professional Services	0.9%	0.5%	0.0%	5.5%	6.8%
Real Estate	0.5%	0.5%	0.5%	3.2%	4.6%
Retail Trade	0.5%	0.5%	0.5%	3.7%	5.0%
Wholesale Trade	2.3%	4.6%	2.7%	14.2%	23.7%
Grand Total	9.1%	18.3%	10.5%	62.1%	100.0%

Fig 21b:

National Research Foundation - Temasek IP Commercialisation Vehicle - New investment venture to support commercialisation of publicly-funded intellectual property developed in Singapore. (n=219)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	0.0%	12.5%	20.8%	66.7%	100.0%
Finance, Banking & Insurance	0.0%	0.0%	0.0%	100.0%	100.0%
Hotels & Restaurants	0.0%	0.0%	0.0%	100.0%	100.0%
IT & Related Services	23.1%	30.8%	7.7%	38.5%	100.0%
Logistics & Transportation	7.7%	0.0%	15.4%	76.9%	100.0%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	8.3%	25.0%	11.1%	55.6%	100.0%
Other Services (eg Education, Repair & Servicing etc)	9.5%	23.8%	9.5%	57.1%	100.0%

Others	16.7%	50.0%	8.3%	25.0%	100.0%
Professional Services	13.3%	6.7%	0.0%	80.0%	100.0%
Real Estate	10.0%	10.0%	10.0%	70.0%	100.0%
Retail Trade	9.1%	9.1%	9.1%	72.7%	100.0%
Wholesale Trade	9.6%	19.2%	11.5%	59.6%	100.0%
Grand Total	9.1%	18.3%	10.5%	62.1%	100.0%

26 A large majority of the respondents (61.6%) had indicated that the measure to expand the National Robotics Programme to encourage greater use of robotics, especially in construction, was not applicable to their companies. An above average percentage of the respondents (more than 61.6%) within the “Finance, Banking & Insurance”, “Hotels & Restaurants”, “Logistics & Transportation”, “Other Services”, “Professional Services”, “Retail Trade” and “Wholesale Trade” sectors indicated that this measure was not applicable to their companies. It is also noteworthy that a sizeable proportion of the respondents (30.0% or more) from the “Construction & Civil Engineering”, “IT & Related Services” and “Real Estate” sectors indicated that more details were needed for this measure.

Fig 22a:

National Robotics Programme (NRP) - Expand the NRP to encourage greater use of robotics, especially in construction. (n=224)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	1.8%	0.9%	4.0%	4.9%	11.6%
Finance, Banking & Insurance	0.0%	0.0%	0.0%	3.6%	3.6%
Hotels & Restaurants	0.0%	0.0%	0.0%	1.8%	1.8%
IT & Related Services	0.0%	0.9%	2.2%	3.1%	6.3%
Logistics & Transportation	0.4%	0.0%	0.9%	4.5%	5.8%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	2.7%	1.8%	2.7%	8.5%	15.6%
Other Services (eg Education, Repair & Servicing etc)	0.9%	0.9%	0.9%	6.7%	9.4%
Others	0.4%	3.1%	0.0%	1.8%	5.4%
Professional Services	1.3%	0.4%	0.0%	4.9%	6.7%
Real Estate	0.4%	0.4%	1.3%	2.2%	4.5%
Retail Trade	0.0%	0.4%	0.4%	4.5%	5.4%
Wholesale Trade	2.7%	4.0%	2.2%	15.2%	24.1%
Grand Total	10.7%	12.9%	14.7%	61.6%	100.0%

Fig 22b:

National Robotics Programme (NRP) - Expand the NRP to encourage greater use of robotics, especially in construction. (n=224)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	15.4%	7.7%	34.6%	42.3%	100.0%
Finance, Banking & Insurance	0.0%	0.0%	0.0%	100.0%	100.0%
Hotels & Restaurants	0.0%	0.0%	0.0%	100.0%	100.0%
IT & Related Services	0.0%	14.3%	35.7%	50.0%	100.0%
Logistics & Transportation	7.7%	0.0%	15.4%	76.9%	100.0%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	17.1%	11.4%	17.1%	54.3%	100.0%

Other Services (eg Education, Repair & Servicing etc)	9.5%	9.5%	9.5%	71.4%	100.0%
Others	8.3%	58.3%	0.0%	33.3%	100.0%
Professional Services	20.0%	6.7%	0.0%	73.3%	100.0%
Real Estate	10.0%	10.0%	30.0%	50.0%	100.0%
Retail Trade	0.0%	8.3%	8.3%	83.3%	100.0%
Wholesale Trade	11.1%	16.7%	9.3%	63.0%	100.0%
Grand Total	10.7%	12.9%	14.7%	61.6%	100.0%

27 A large majority of the respondents (54.2%) had indicated that the measure to extend additional pathway to recognise higher skilled (R1) workers for manufacturing and marine shipyard sectors if they meet the minimum period of employment and salary requirements through Market-Based Skills Recognition Framework was not applicable to their companies. The bulk of the respondents with this view were from the “Construction & Civil Engineering”, “Other Services”, “Professional Services” and “Wholesale Trade” sectors. An above average percentage of the respondents (more than 54.2%) within all the sectors except the “IT & Related Services”, “Manufacturing”, “Others”, “Real Estate” and “Wholesale Trade” sectors indicated that this measure was not applicable to their companies.

Fig 23a:

Extend additional pathway to recognise higher skilled (R1) workers for manufacturing and marine shipyard sectors if they meet minimum period of employment and salary requirements through Market-Based Skills Recognition Framework. (n=225)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	3.1%	0.0%	1.3%	6.7%	11.1%
Finance, Banking & Insurance	0.0%	0.0%	0.4%	3.1%	3.6%
Hotels & Restaurants	0.0%	0.0%	0.0%	1.8%	1.8%
IT & Related Services	0.4%	1.3%	1.3%	3.6%	6.7%
Logistics & Transportation	2.2%	0.0%	0.0%	4.0%	6.2%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	7.6%	2.7%	4.4%	1.3%	16.0%
Other Services (eg Education, Repair & Servicing etc)	0.4%	1.3%	0.0%	7.6%	9.3%
Others	1.8%	0.9%	0.4%	2.2%	5.3%
Professional Services	0.9%	0.4%	0.0%	5.3%	6.7%
Real Estate	1.8%	0.4%	0.4%	1.8%	4.4%
Retail Trade	0.0%	0.4%	0.4%	4.4%	5.3%
Wholesale Trade	5.8%	2.7%	2.7%	12.4%	23.6%
Grand Total	24.0%	10.2%	11.6%	54.2%	100.0%

Fig 23b:

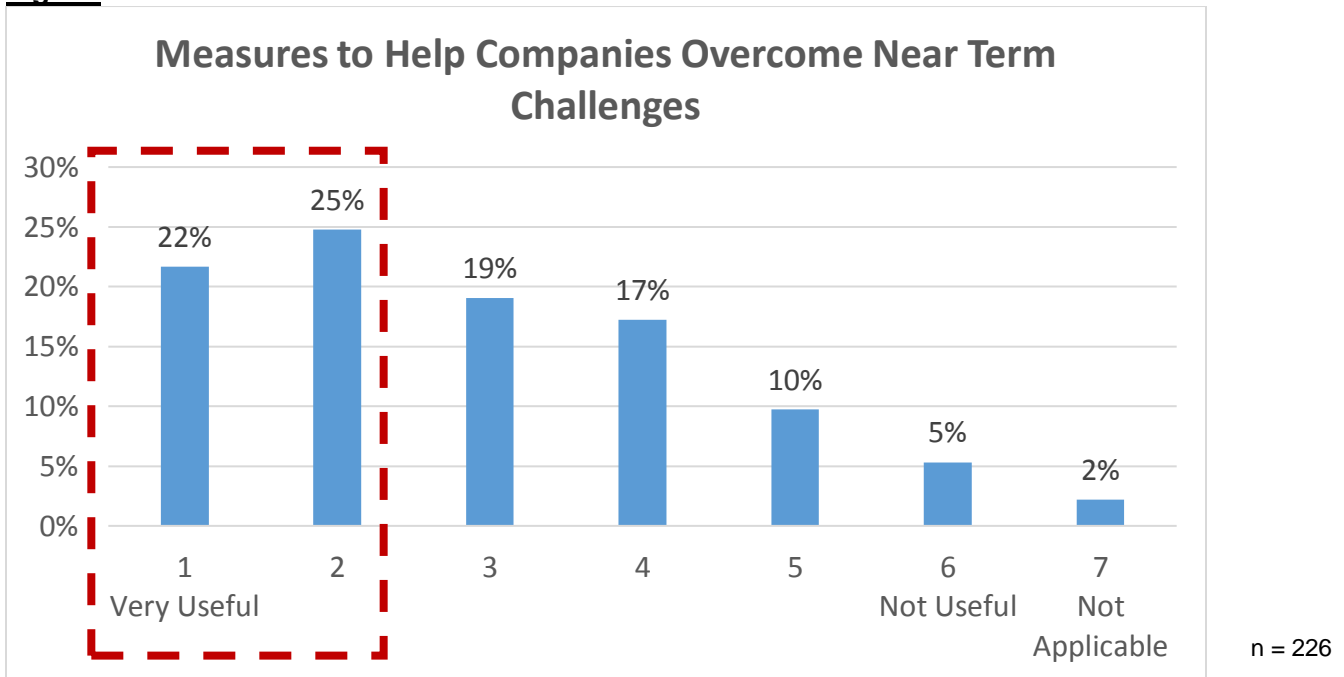
Extend additional pathway to recognise higher skilled (R1) workers for manufacturing and marine shipyard sectors if they meet minimum period of employment and salary requirements through Market-Based Skills Recognition Framework. (n=225)	Likely Useful	Likely NOT Useful	More Details Needed	Not Applicable to My Company	Grand Total
Construction & Civil Engineering	28.0%	0.0%	12.0%	60.0%	100.0%

Finance, Banking & Insurance	0.0%	0.0%	12.5%	87.5%	100.0%
Hotels & Restaurants	0.0%	0.0%	0.0%	100.0%	100.0%
IT & Related Services	6.7%	20.0%	20.0%	53.3%	100.0%
Logistics & Transportation	35.7%	0.0%	0.0%	64.3%	100.0%
Manufacturing (eg Food, Textiles, Chemicals, Metals etc)	47.2%	16.7%	27.8%	8.3%	100.0%
Other Services (eg Education, Repair & Servicing etc)	4.8%	14.3%	0.0%	81.0%	100.0%
Others	33.3%	16.7%	8.3%	41.7%	100.0%
Professional Services	13.3%	6.7%	0.0%	80.0%	100.0%
Real Estate	40.0%	10.0%	10.0%	40.0%	100.0%
Retail Trade	0.0%	8.3%	8.3%	83.3%	100.0%
Wholesale Trade	24.5%	11.3%	11.3%	52.8%	100.0%
Grand Total	24.0%	10.2%	11.6%	54.2%	100.0%

Measures to Help Companies Overcome Near Term Challenges

28 Most of the companies (47% indicating a rating of 1 or 2) found the measures (i.e., Wage Credit Scheme extension, Corporate Income Tax enhancement and extension, Foreign Worker Levy increases in specific sectors as well as Career Trial Programme) useful or very useful in providing some relief in the near term.

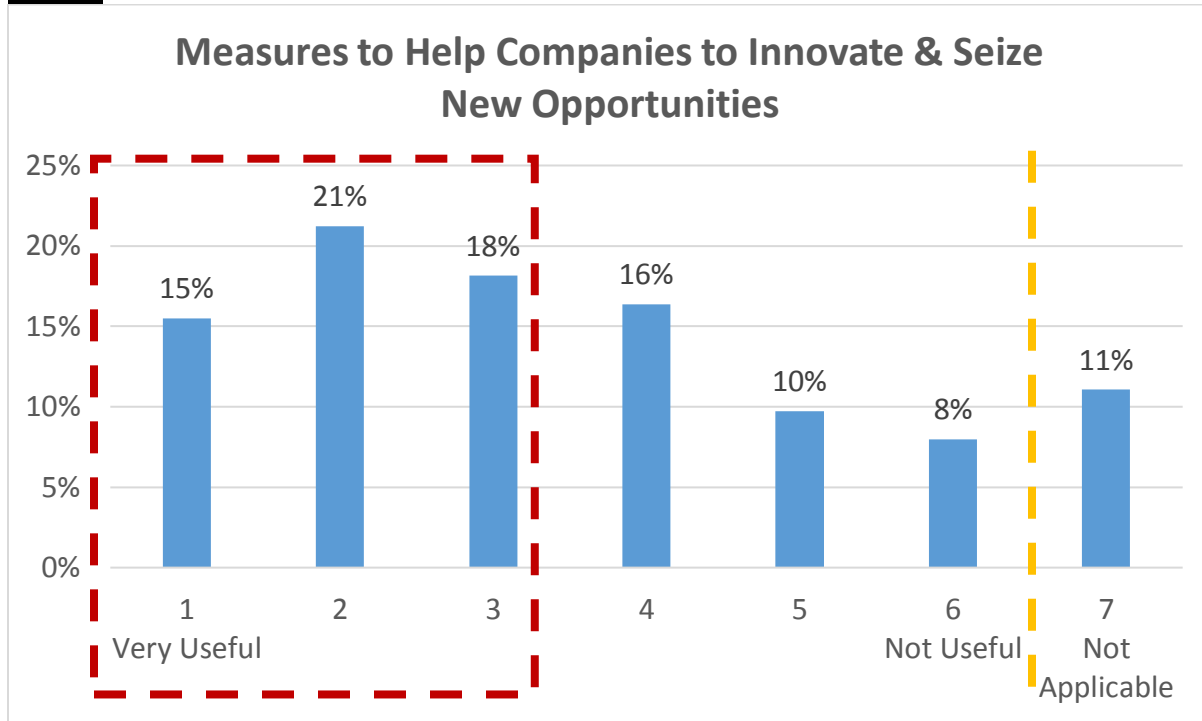
Fig 24:



Measures to Help Companies to Innovate and Seize New Opportunities

29 About half of the companies (54% indicating a rating of 1, 2 or 3) found the measures (i.e., Productivity Solutions Grant, Open Innovation Platform, Enterprise Development Grant and higher tax deduction to support the use and development of innovation) in helping them to innovate and seize new opportunities useful.

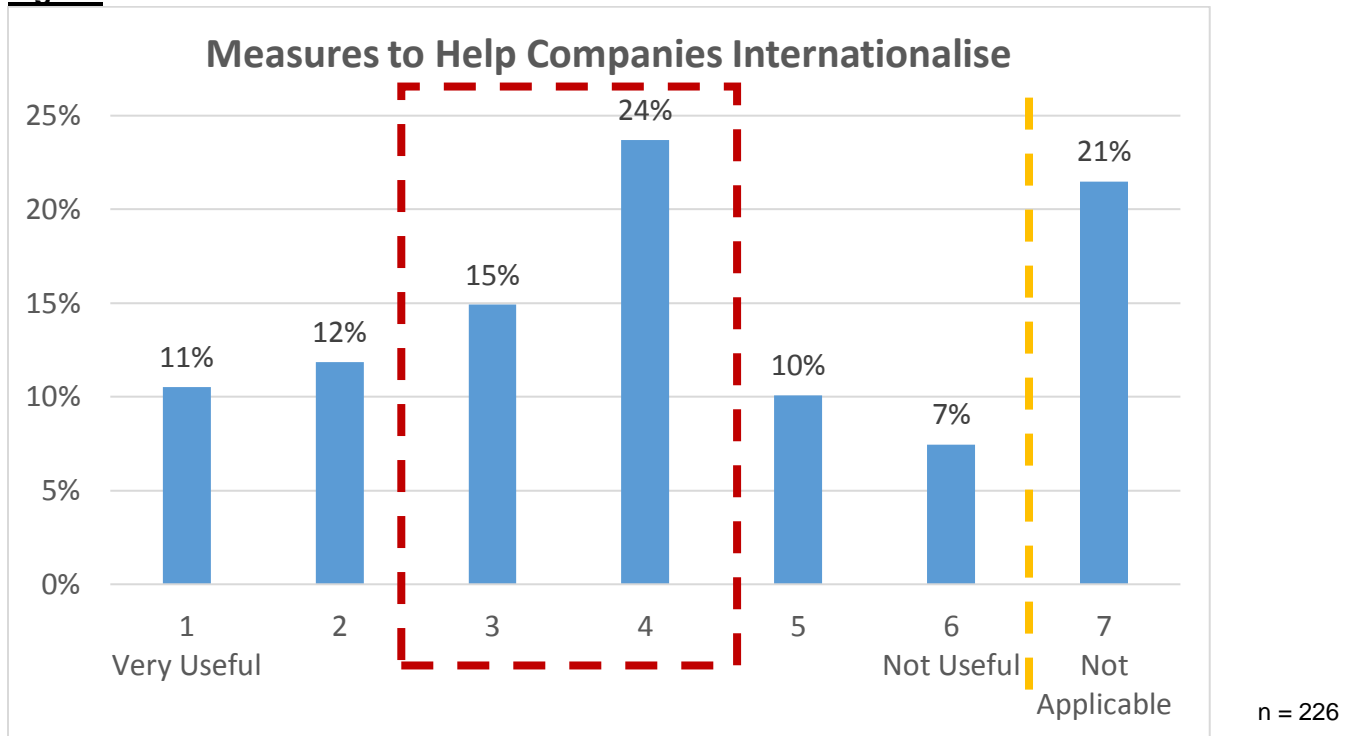
Fig 25:



Measures to Help Companies Internationalise

30 A majority of the companies (39% indicating a rating of 3 or 4) was neutral about the measures (i.e., ASEAN Leadership Programme and Double Tax Deduction for Internationalisation (DTDi) enhancement to increase the expenses that can qualify for DTDi without prior approval) to help companies to internationalise. This could signify that more could be done to communicate the benefits of these schemes.

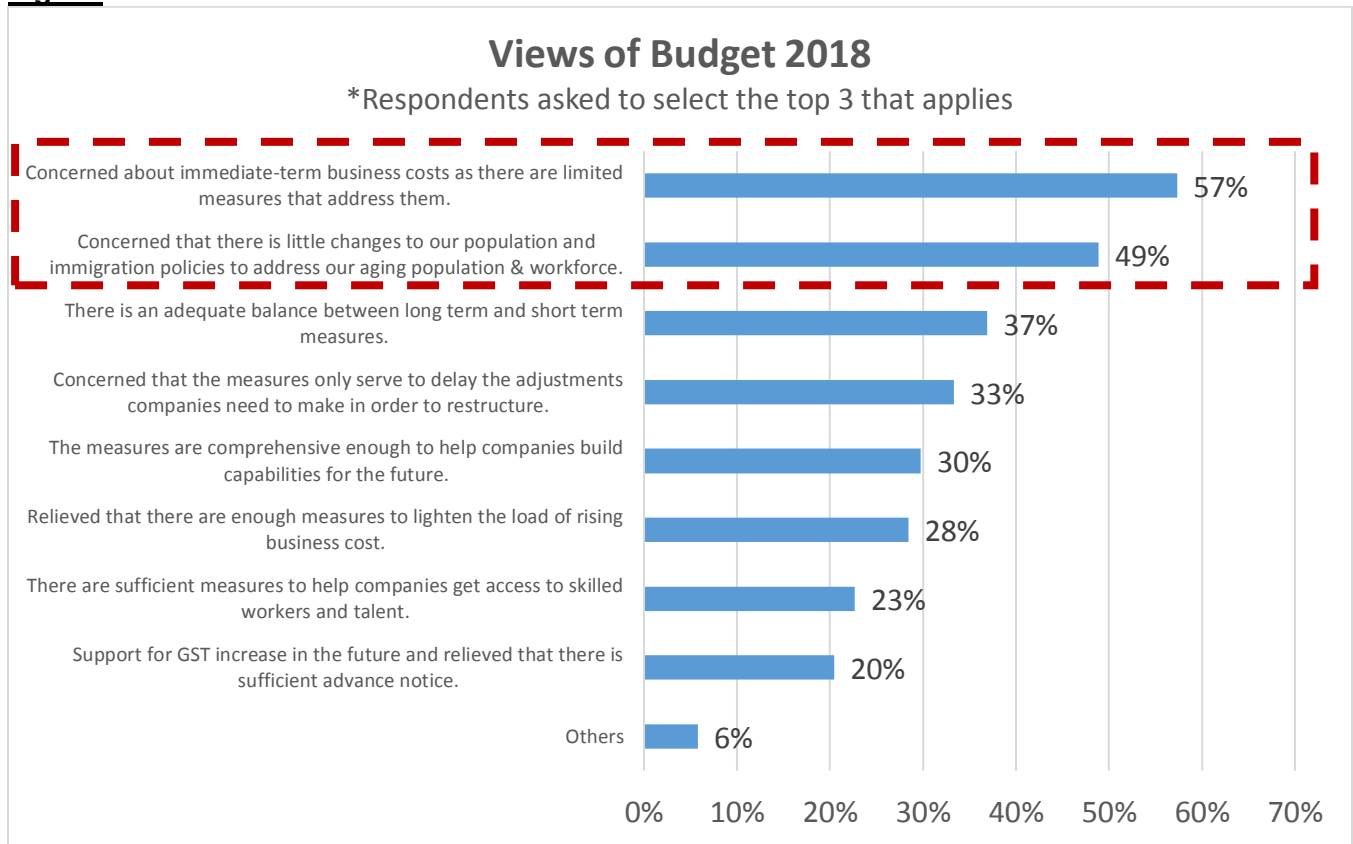
Fig 26:



General Impact of the Budget

- 31 The top five views on Budget 2018 were as follows (listed from highest to lowest percentage):
- (a) 57% were concerned about immediate-term business costs as there are limited measures that address them;
 - (b) 49% were concerned that there is little changes to our population and immigration policies to address our aging population and workforce;
 - (c) 37% were of the view that there is an adequate balance between long term and short term measures;
 - (d) 33% were concerned that the measures only serve to delay the adjustments companies need to make in order to restructure; and
 - (e) 30% were of the view that the measures are comprehensive enough to help companies build capabilities for the future.

Fig 27:



n = 225

32 The key responses for the open-ended question on business challenges or items in companies' wish lists that were not addressed in Budget 2018 include:

- (a) Manpower related concerns such as a lack of local talent, manpower shortages as well as foreign worker quota and levy (19 respondents provided such comments); and
- (b) Business cost related concerns such as rental, renovation and compliance costs (10 respondents provided such comments).

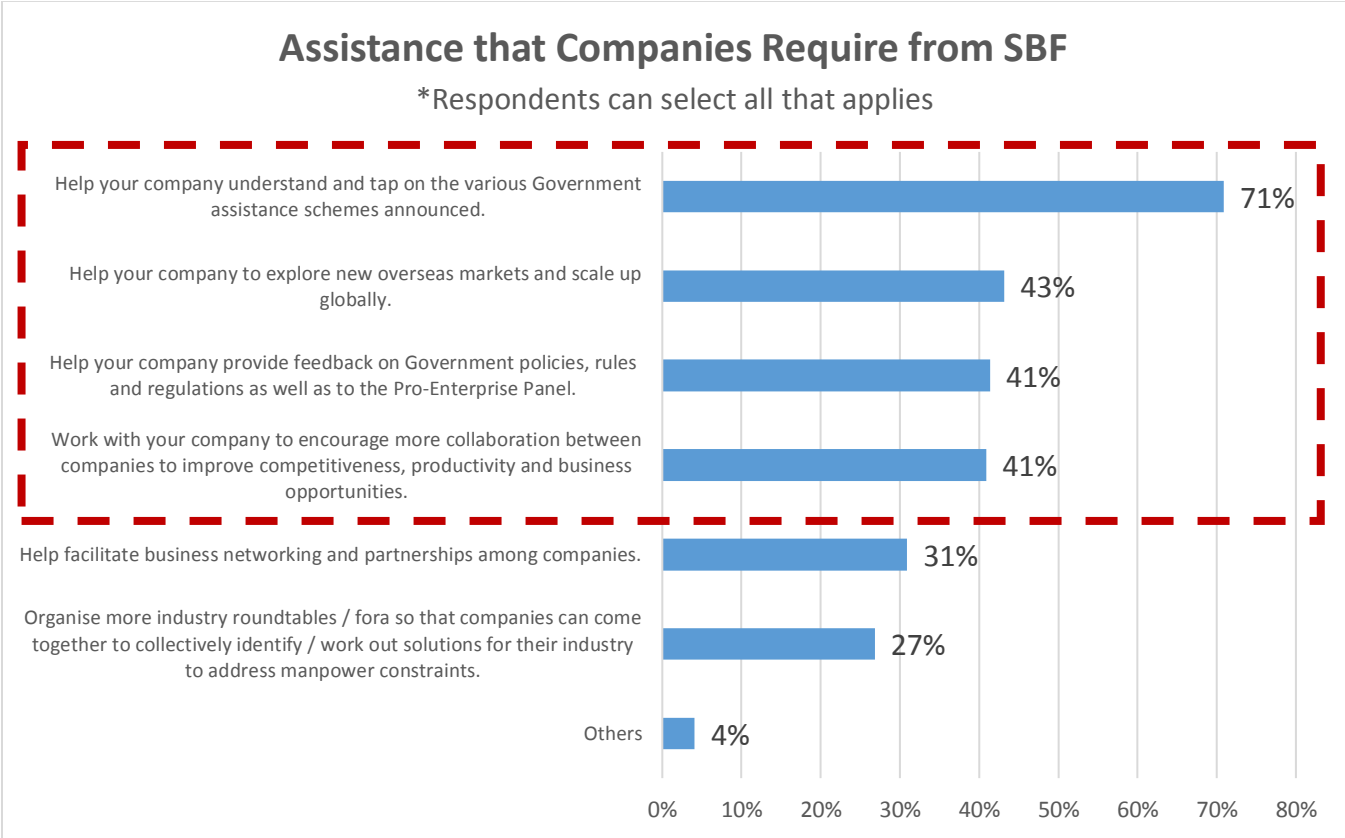
Assistance Required

33 Most of the respondents felt that SBF could assist them in the following areas:

- (a) Help companies understand and tap on the various Government assistance schemes announced (71%);
- (b) Help companies to explore new overseas markets and scale up globally (43%);
- (c) Help companies provide feedback on Government policies, rules and regulations as well as to the Pro-Enterprise Panel (41%);

(d) Work with companies to encourage more collaboration between companies to improve competitiveness, productivity and business opportunities (41%).

Fig 28:



n = 220

Conclusion

34 The electronic poll and the detailed electronic-based survey showed that businesses generally found the Budget 2018 measures facilitative to help companies overcome near term challenges, prepare for the future, deepen capabilities and transform as well as innovate and seize new opportunities. Among the Budget 2018 measures, the enhancement and extension of CIT Rebate, extension of Wage Credit Scheme and proposed enhancements to the current Employment Act framework were deemed the most useful.

35 Internationalisation remains a key engine of growth for Singapore companies. With the majority of the companies indicating that they were neutral about the usefulness of the measures to help them internationalise, this could signify that more could be done to communicate the benefits of these schemes to the business community.

36 In terms of what more could have been done for Budget 2018, businesses want more help to adapt to technological change and more measures to relieve business costs. These views arise amid concerns about little changes to our population and immigration policies to address our aging population and workforce.

37 It is encouraging that the majority of respondents agreed that the business community should step up and collaborate more with one another as well as with Trade Associations and Chambers to create a more promising future. The coming together of the business community – to collaborate among themselves and with the Government and unions will stand us in good stead to navigate through the challenges ahead and seize new opportunities in a complex and volatile global economic landscape.

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