

# BUSINESS SENTIMENTS (FY19 Q4)

The Business Sentiment survey (FY19 Q4) provides insights on how ICT companies in Singapore are adjusting to the current global and domestic economic environment, especially amidst the ongoing coronavirus (COVID-19) pandemic.

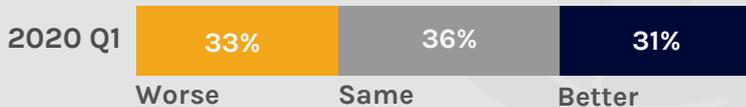
This quarter's survey collected views from 463 business leaders of ICT companies from January - February 2020.

This is an abridged version of the findings. A detailed version has been shared with participants of this study.

## ECONOMIC OUTLOOK

The net perception of Singapore's current economic situation dipped 2 percentage points compared to two quarters ago. More are relatively optimistic about the economy in the next 12 months, compared to in 2019 Q3. However, we are likely to see the impact of the COVID-19 pandemic on business sentiments in the next quarter.

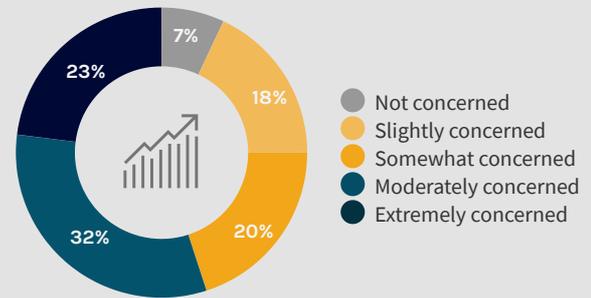
### SG economy in a year's time



The net percentages are calculated by subtracting the percentage of respondents perceiving poor/worse from the percentage perceiving good/better.

55% of companies are moderately/extremely concerned about the current economic situation in Singapore.

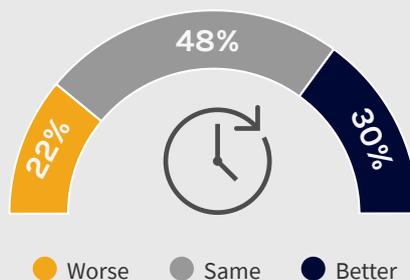
### Concern about current SG economy



## INDUSTRY & BUSINESS OUTLOOK

Sentiments on the ICT industry's business situation are slightly more positive than those on Singapore's economic situation.

### ICT industry business situation in a year's time



## MANPOWER CHANGE

**61%**

of companies had new positions created last quarter

In the growing ICT industry, 6 in 10 companies saw a net increase in their Singapore-based employment in the last quarter, with a majority of them being tech-heavy positions.

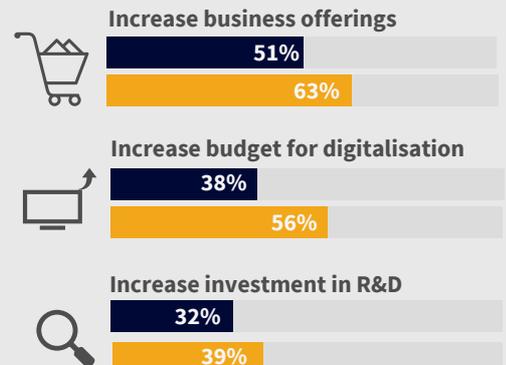
## COMPANY STRATEGY

Despite the slowing economy, 80% of companies have allocated budgets for training, research and development (R&D) and/or digitalisation plans. Businesses also continue to innovate, with half of the companies surveyed looking to increase their business offerings and 1 in 3 companies planning to increase investment in R&D.

Companies were also polled on their possible plans to re-organise existing workforce, relocate business lines or lay off staff.

### Top 3 business strategies in the next quarter:

- SMEs
- Non-SMEs



# IMDA PROGRAMMES

ICT companies intending to expand their business portfolio can consider support programmes offered by IMDA.

## SMEs Go Digital

Assists SMEs to improve their digital capabilities and transform business processes.

More than 20,000 companies have digitalised with IMDA.

## GoSecure

A training programme to develop the cybersecurity capabilities of SMEs and identify security gaps in their products and solutions.

IMDA co-funds the manpower, software, and hardware requirements.

## TeSA Mid-Career Advance

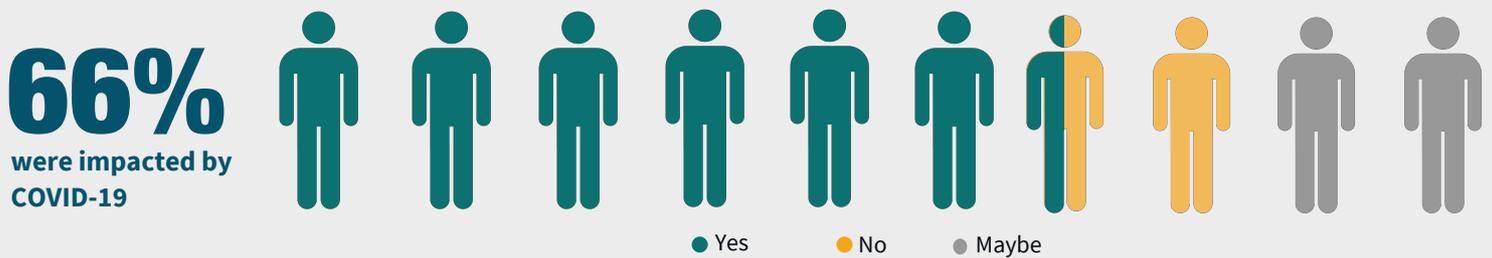
A new initiative under TechSkills Accelerator (TeSA) to reskill or upskill Singapore's ICT or non-ICT professionals over the age of 40.

Over 100,000 professionals have been trained with TeSA.

## COVID-19 & BUSINESSES

The COVID-19 outbreak evolved into a global pandemic, significantly impacting the global economy. The DORSCON level in Singapore was raised to "ORANGE" on 7 Feb and the Government has since implemented a financial relief and support package as well as control measures to mitigate its impact on businesses. A second stimulus package is to be announced on 26 Mar 2020.

### Businesses impacted by COVID-19



### Impact of COVID-19 on business operations

Most businesses had their operations impacted by the COVID-19 outbreak with slowing demand and supply chains affected, coupled with disrupted manpower. That aside, 7 in 10 companies said they were at least somewhat prepared for the situation. Companies were also implementing control measures to deal with the situation.

## BUDGET 2020: STABILISATION & SUPPORT PACKAGE



### Jobs Support Scheme (JSS)

\$1.3 billion payout to offset 8% of the wages of Singaporean or Permanent Resident employees for three months, with a monthly cap of \$3,600.



### Wage Credit Scheme (WCS)

Wage increments for Singaporeans earning up to \$5,000 monthly will be co-funded by the Government. The co-funding levels will be increased to 15-20%, benefiting over 700,000 Singaporeans.



### Corporate income tax rebates

To assist firms with cash flow, a 25% corporate income tax rebate capped at \$15,000 would be granted to each company.



### Enterprise Financing Scheme

The maximum working capital loan quantum will be raised from \$300,000 to \$600,000, with the government's risk-share increased to 80%.

For more information on Budget 2020 please visit [this link](#).

### ABOUT US

IndSights research is a not-for-profit organisation commissioned by the Ministry of Communications and Information to conduct research on the Infocomm and Technology (ICT) sector in Singapore, to better understand issues facing companies and improve government schemes relevant to you.

