

# Business Sentiment Quarterly Survey

**Q2  
FY20**

July-August 2020

991 business leaders from Wholesale trade, Retail, Food services, ICT, Environmental services, Logistics and Security.

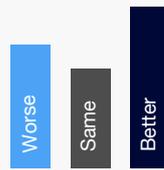
This is an abridged version of the findings. A detailed version has been shared with the participants of this study.

The negative impact of the Circuit Breaker (Phase 1) closures on companies and the disruption brought about by the pandemic was underscored by the overwhelming decline in revenue. Despite uncertainty and supply chain disruptions, some SMEs are seeing this as an opportunity to pivot by leveraging technology and adapting business models with new partners. Driven by the pandemic, many SMEs are now embracing digitalisation with more urgency than ever before and this is a key priority in budget allocation.

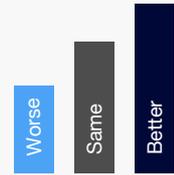
## Heavily impacted but companies holding on

2 in 5 companies thought the economy would be better a year from now

More companies had a positive outlook of their industry situation in a year's time



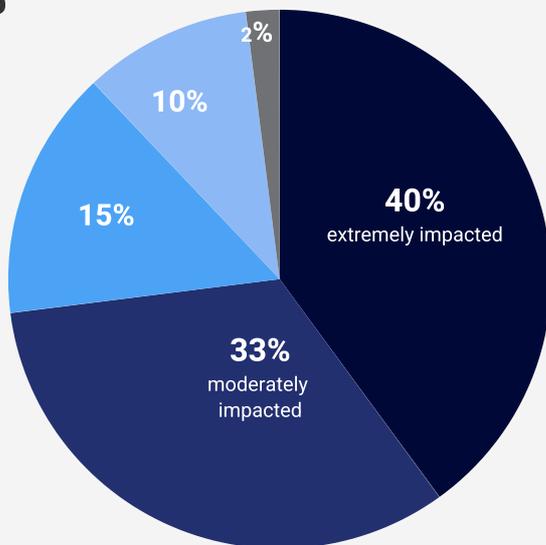
**42%**



**44%**

## COVID-19 and businesses

**73%** of companies were at least moderately impacted by COVID-19



**47%** experienced sharp revenue decline by  $\geq 20\%$  in Apr-Jun

**61%** foresee consecutive revenue decline in Jul-Sep

- Extremely impacted
- Moderately impacted
- Somewhat impacted
- Slightly impacted
- Not impacted at all

## Manpower changes

3 in 5 employers neither created nor reduced jobs between April and June. A similar proportion of companies plan to keep headcounts unchanged from July to September.

## Plans in Jul-Sep

In line with keeping their workforce stable, more companies preferred alternatives to layoffs, relocation or winding down. Among the top plans included reorganising the existing workforce, and reducing compensation.

## Business strategies in Jul-Sep

Some sectors may grow even as Singapore is in the midst of a recession. Despite the poor economic and industry situation, more companies are planning to increase budgets for business expansion and digitalisation. As going digital is now imperative for companies across industries, budget increment in digitalisation of business processes is a priority, especially for companies more impacted by COVID-19.

### Digitalisation



**46%**

Companies planned to increase spending for digitalisation of business processes.

### Business Expansion



**41%**

Business expansion is the second priority for most companies.

### Training



**24%**

Increasing investment in training or R&D are other spending priorities for companies.

### Investment in R&D



**18%**

## Digitalisation Programmes

### Automation Support Package

Until 31 March 2021, businesses can tap on grant, tax and loan support to defray the cost of deployment of large-scale automation solutions.

### E-invoicing Grant

Businesses registered on the nationwide e-invoicing network on/before 31 Dec 20 will receive a one-time grant of \$200.

### Productivity Solutions Grant (PSG)

Helps SMEs implement safe distancing and business continuity measures. These include tools for online workplace collaboration, virtual meetings, queue management and temperature screening.

### SMEs GO Digital Programme

Enables SMEs to adopt digital technologies and build stronger digital capabilities. Step-by-step guide via sector-specific Industry Digital Plans (IDPs).

# August Ministerial Statement: Additional support for firms

## Jobs Support Scheme (JSS) extension up to March 2021

Wage support ranges from 10% to 50%  
30% over 7 months for Arts and entertainment, food services, land transport, marine and offshore, and retail sectors  
10% over 7 months for majority of sectors  
10% over 4 months for biomedical sciences, financial services, and ICT sectors

## Jobs Growth Incentive (JGI)

\$1 billion support for firms to increase local headcount from Sep 2020 to Feb 2021.  
One year of salary support provided for each new local hire  
Up to 25% for those < 40 years old  
Up to 50% for those ≥ 40 years old

## Enhanced Startup SG Founder programme

Up to \$150 million dollars set aside to provide continual support for innovation and entrepreneurship

## Temporary Bridging Loan Programme

Eligible enterprises may borrow up to \$5 million with a cap of 5% interest per annum. 90% risk-share will be provided by the Government on these loans for new applications initiated from 8 April until 31 March 2021.

## Enhanced Enterprise Financing Scheme (EFS)

Eligible enterprises may apply to address six areas of enterprises' financing needs throughout their various stages of growth. Enterprise Singapore will share the loan default risk in the event of enterprise insolvency with the Participating Financial Institutions.

Readily accessible financing needs for:

- Daily operational cashflow needs
- Investment of domestic and overseas fixed assets
- Growth of innovative enterprises using Venture Debt and Warrants
- Trade needs
- Fulfilment of secured overseas projects
- Acquisition of target enterprises with the intent of internationalisation

IndSights Research is a not-for-profit industry research company conducting studies on various issues affecting businesses in all key industries in Singapore.

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