



SBF Survey on Business Sentiments & Support that Businesses May Require in the On-going Phase 2 Post-Circuit Breaker Period

(Based on survey conducted from 7 to 21 August 2020.)

31 August 2020



Overview of Key Findings (1/3)

- **Large Companies (66%) and SMEs (61%) and alike expect continued uncertainty with economic activities continuing at present pace over the next 12 months.**
- **70% of businesses indicate that they are able to sustain their business operations with thinner profit margins or small operating losses, but 1 in 4 (25%) businesses expect to either downsize by folding a segment of their business or to shut their operations entirely.**
- **Top Challenges faced by businesses: Managing manpower (i.e. employees well-being, wages and staffing), Demand to sustain business is still uncertain, & Coping with the expected withdrawal of Government fiscal support for business.**
- **Top Priorities for businesses: Business survival (i.e. managing costs & cashflow) & HR management (i.e. wages, staffing, employee upskilling & re-training).**
- **Top Areas of Assistance required: Cost relief & Rental assistance.**
- **3 in 5 companies find the Government schemes to be at least 40% effective in buffering business costs that cannot be covered by revenue.**
- **Additional Major Costs from combating COVID-19: Costs related to foreign manpower (e.g. lodging and levies).**

Overview of Key Findings (2/3)

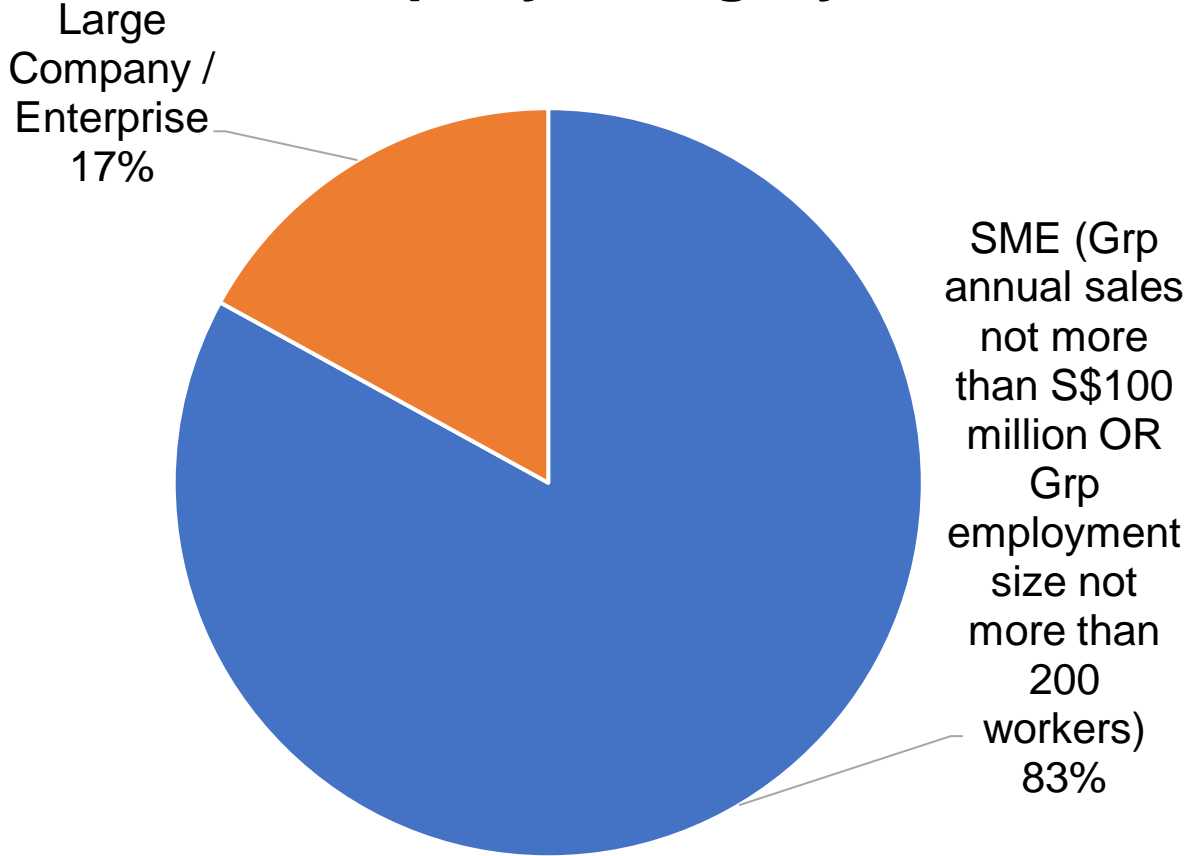
- **Large Companies (84%) and SMEs (63%) conducted headcount reviews as part of their overall strategy to cope with the current COVID-19 situation.**
- **Upon conclusion of the headcount review, most businesses (35%) stuck to the status quo. A proportion of Large Companies (18%) and SMEs (2%) adopted retrenchment as part of this review.**
- **Over the next 12 months, most SMEs (64%) and Large Companies (53%) expect to maintain their employee numbers in Singapore.**
- **Top role that businesses intend to increase hiring over the next 12 months, if they intend to do so: Professionals/ Managers/ Executives (Full time/Part time).**
- **Top role that businesses intend to reduce hiring over the next 12 months, if they intend to do so: Clerical Support, Service and Sales Workers.**
- **2 in 3 (66%) companies are prepared to hire mid-careerists.**
- **Top reason for not hiring mid-careerists: Cannot meet wage expectations of these mid-careerists.**
- **JSS has been useful to both SMEs (58%) and Large Companies (43%), in delaying retrenchment considerations.**
- **Most businesses' (32%) productivity level declined by large extent in Phase 2, as compared to last year.**

Overview of Key Findings (3/3)

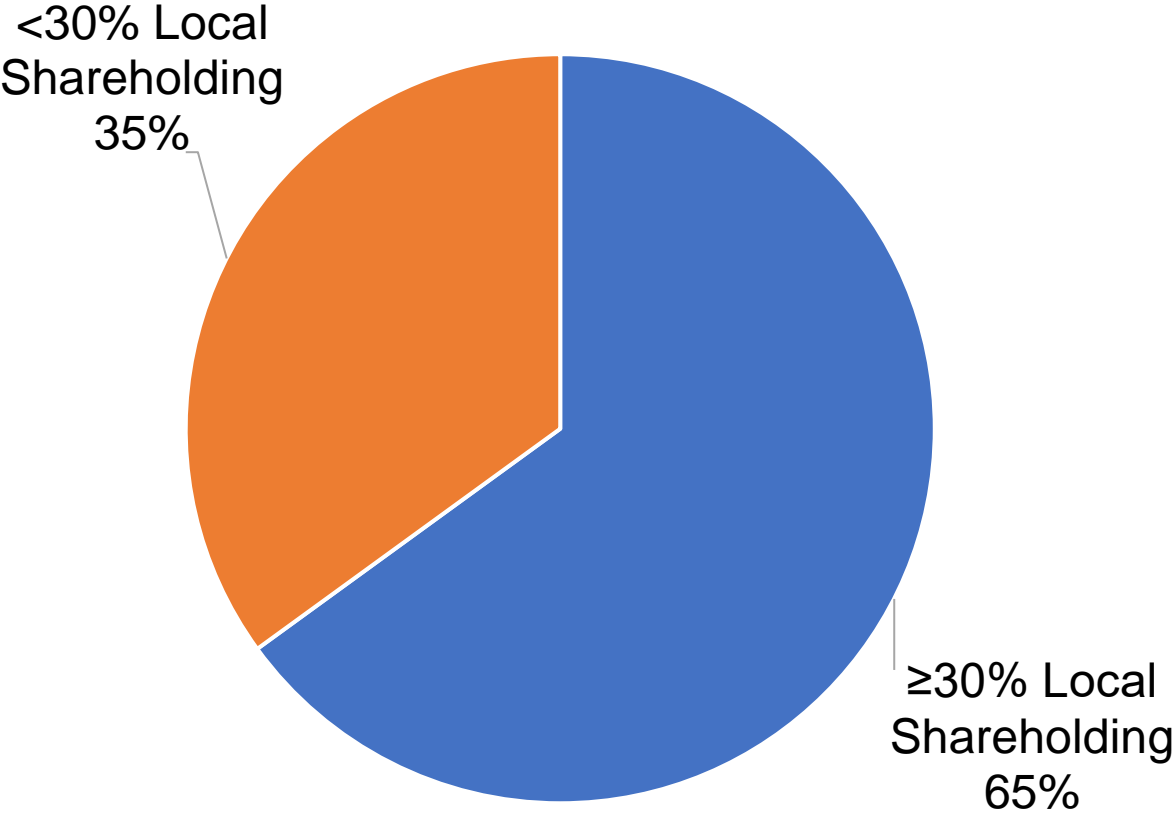
- **Top 3** major steps taken/plans to take to upgrade and transform: **Digitalisation and/or Automation (49%), Building financial resilience (48%), & Innovation (45%).**
- **Top Upgrading and Transformation Challenges** : **Uncertainty of demand for products/services (48%), Lack of employees/workers with the right skillset (40%), & Operational issues (37%).**
- **Business travel is important to both Large Companies (76%) & SMEs (66%).**
- **Top Internationalisation Challenges**: **Overseas markets are still affected by COVID-19 (73%), & Physical presence required in markets of interest but hindered by travel restrictions (57%).**
- **Top Key Markets** that businesses hope will reopen for essential business travel, in addition to China and Malaysia: **Indonesia (41%), Thailand (28%) and Vietnam (27%).**

Profile of Respondents: 225 responses, 83% of which were SMEs.

Company Category



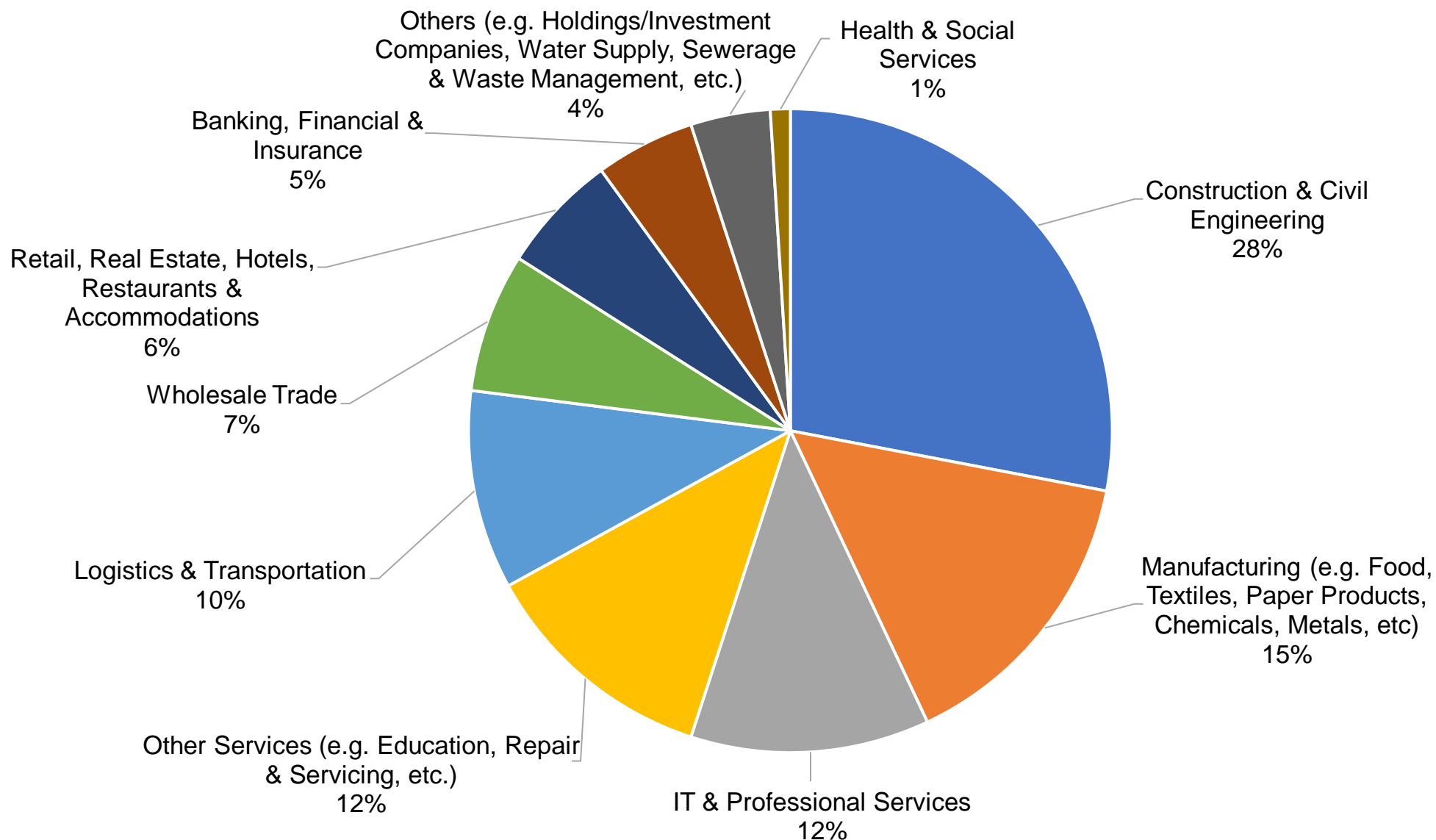
Company Shareholding



n = 225

Most companies were from 'Construction & Civil Engineering' (28%) & 'Manufacturing' (15%).

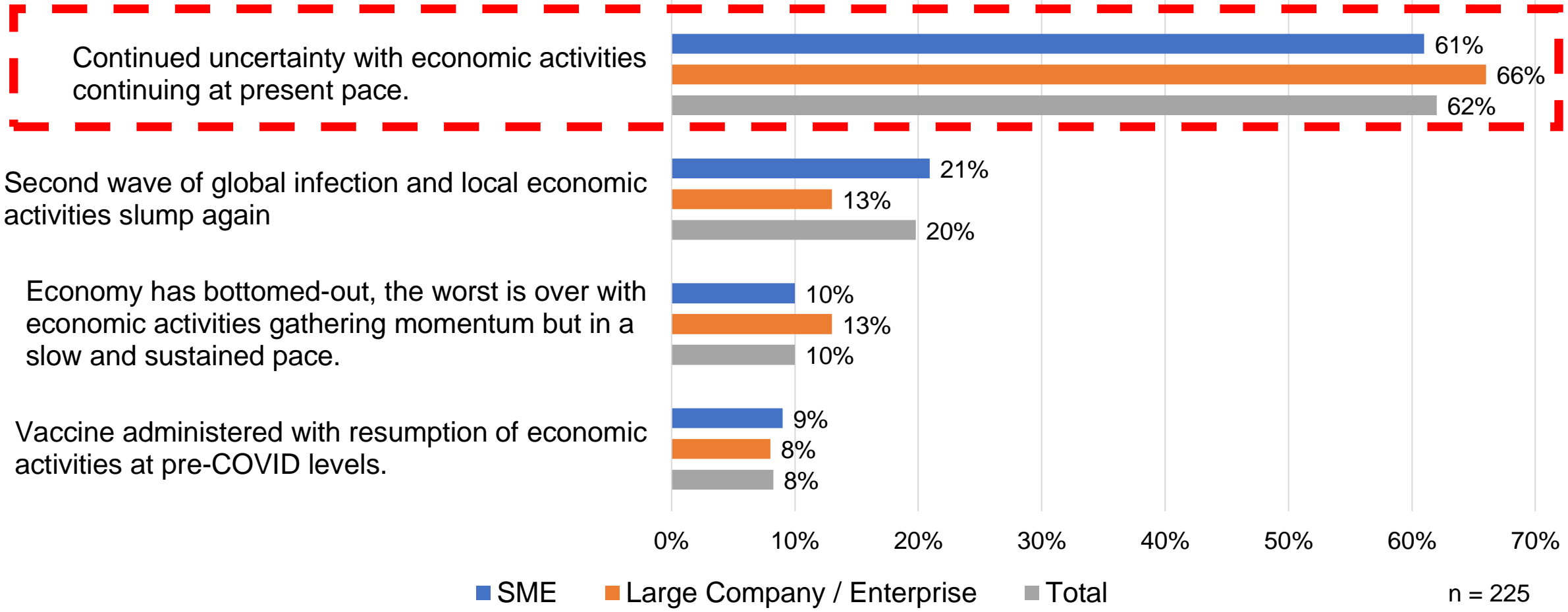
Main Industry



n = 225

Large Companies (66%) and SMEs (61%) alike expect continued uncertainty with economic activities continuing at present pace over the next 12 months

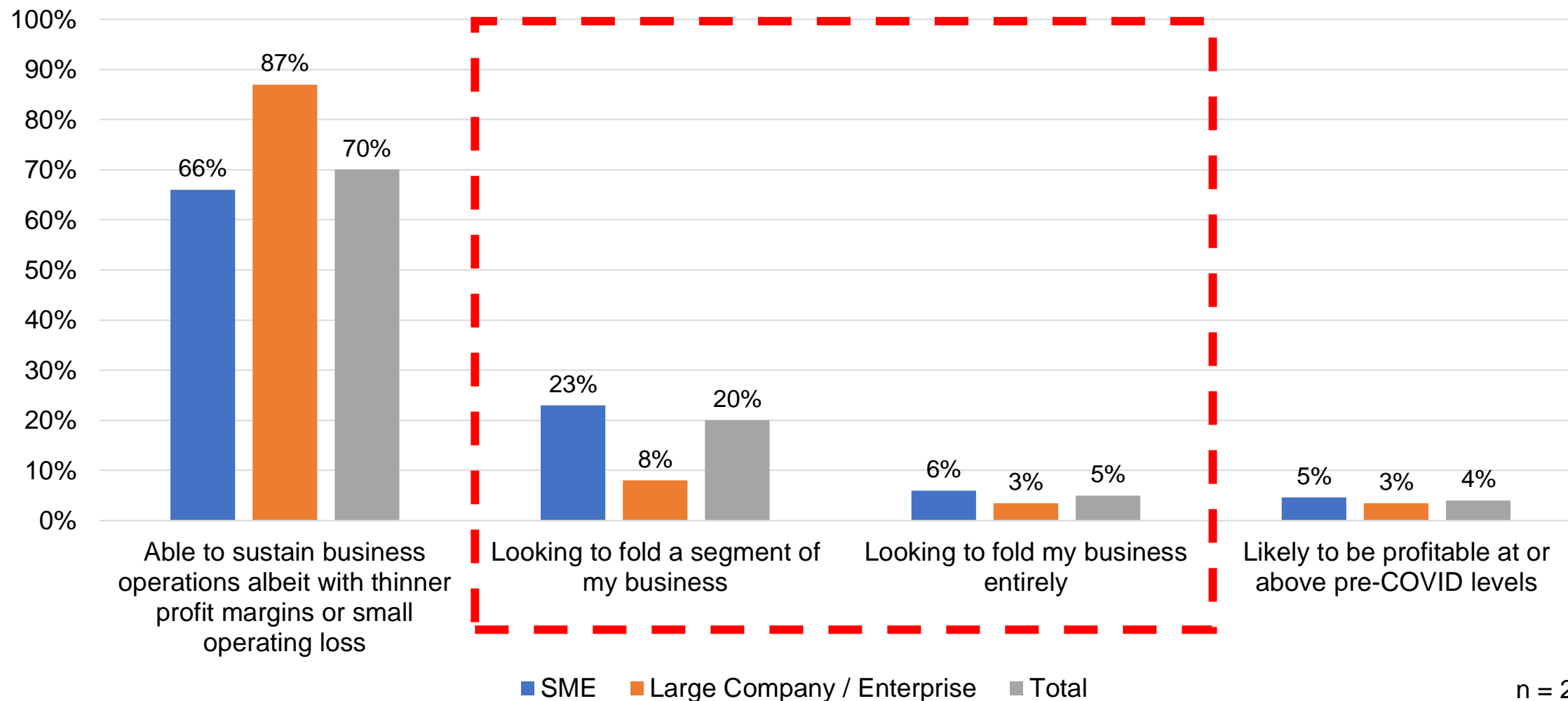
View of the local economy over the next 12 months



Q: Which option best describes your view of the local economy over the next 12 months? (Select one option only)

A significant percentage of SMEs (29%) & Large Companies (11%) are looking to fold either a segment or all of their businesses.

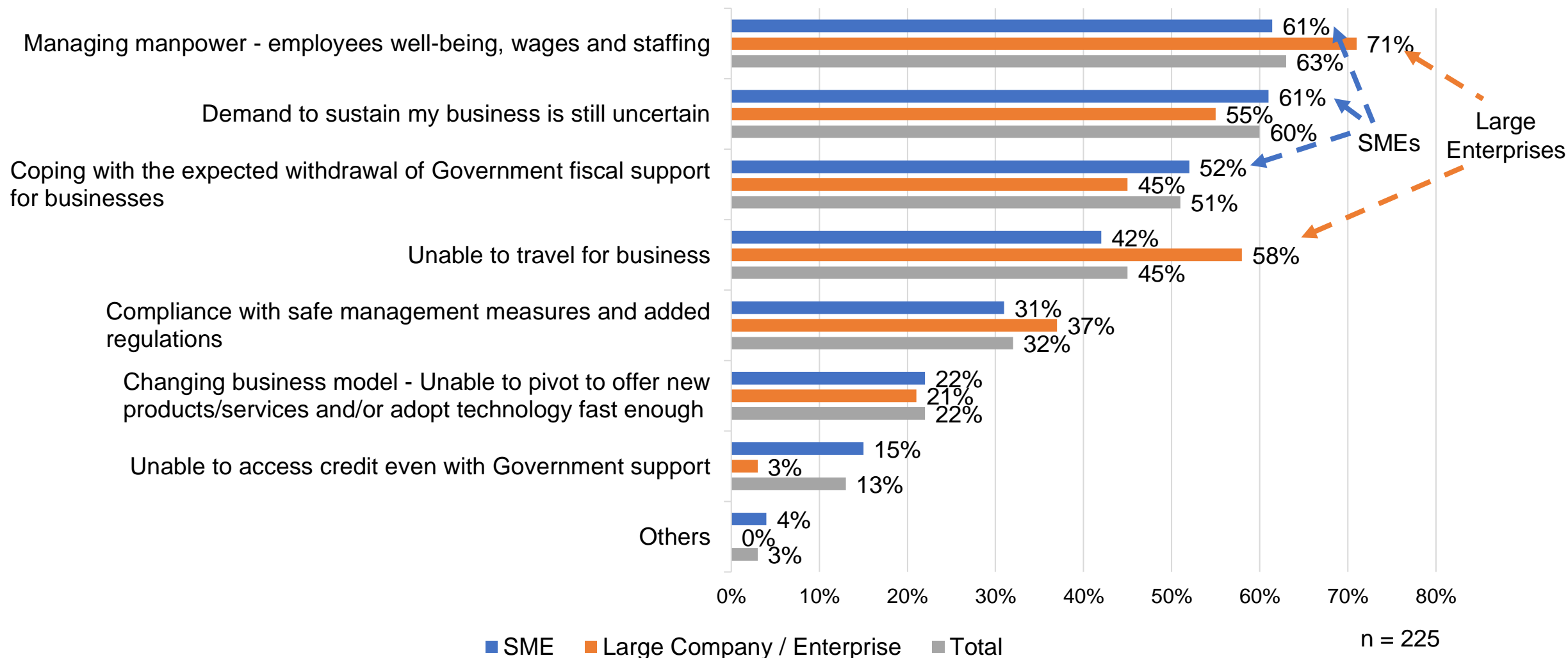
Scenarios that best describe the state of business over the next 12 months



Q: Which option would best describe your business over the next 12 months? (Select one option only.)

Large Companies identified the Management of Manpower & Inability to Travel as top challenges; SMEs cited Management of Manpower, Demand Issues & Coping with Withdrawal of Government Support as top challenges.

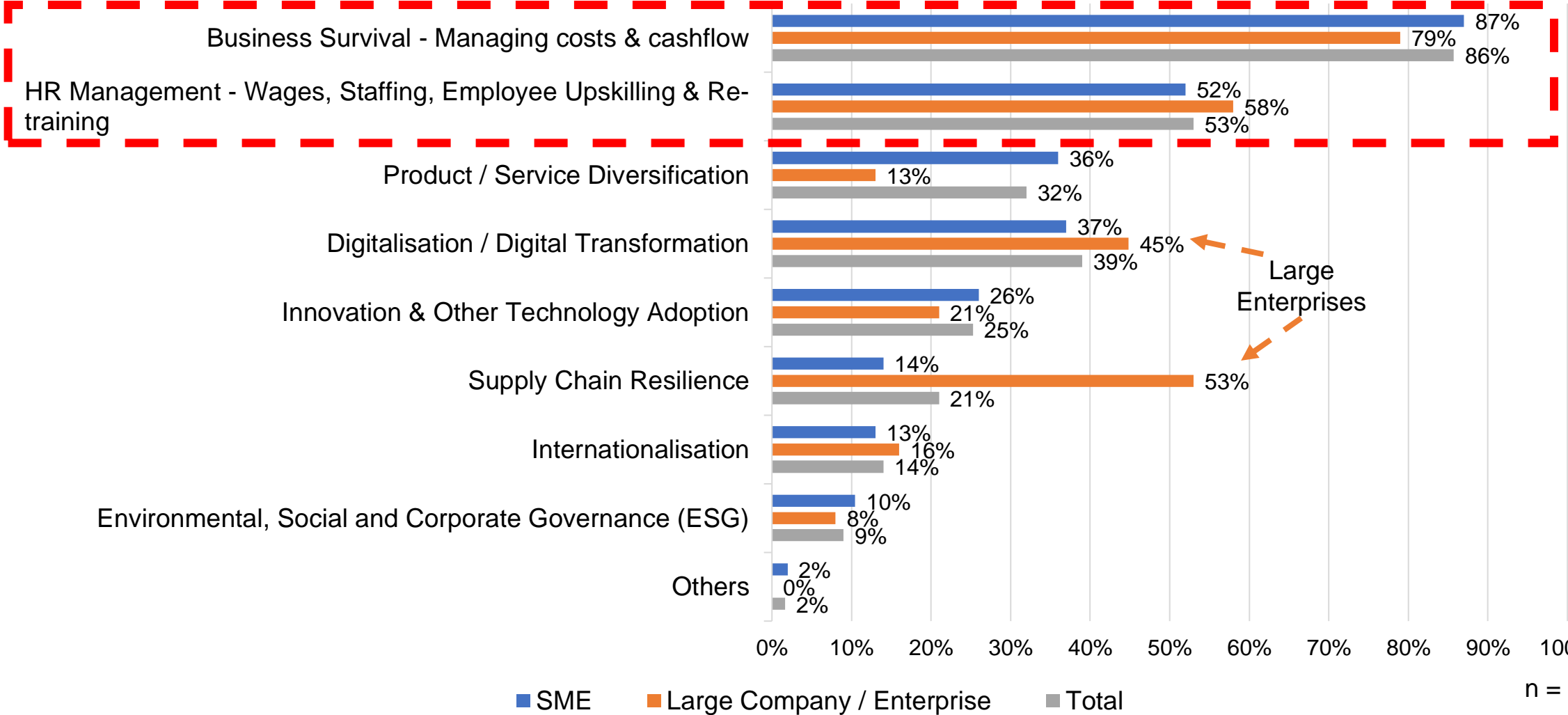
Top challenges faced by businesses over the next 12 months



Q: Please identify your company's top 3 challenges over the next 12 months.

Business Survival (86%) & HR Management (53%) are top priorities for most businesses; Digitalisation & Supply Chain Resilience were also cited as major priorities for Large Companies.

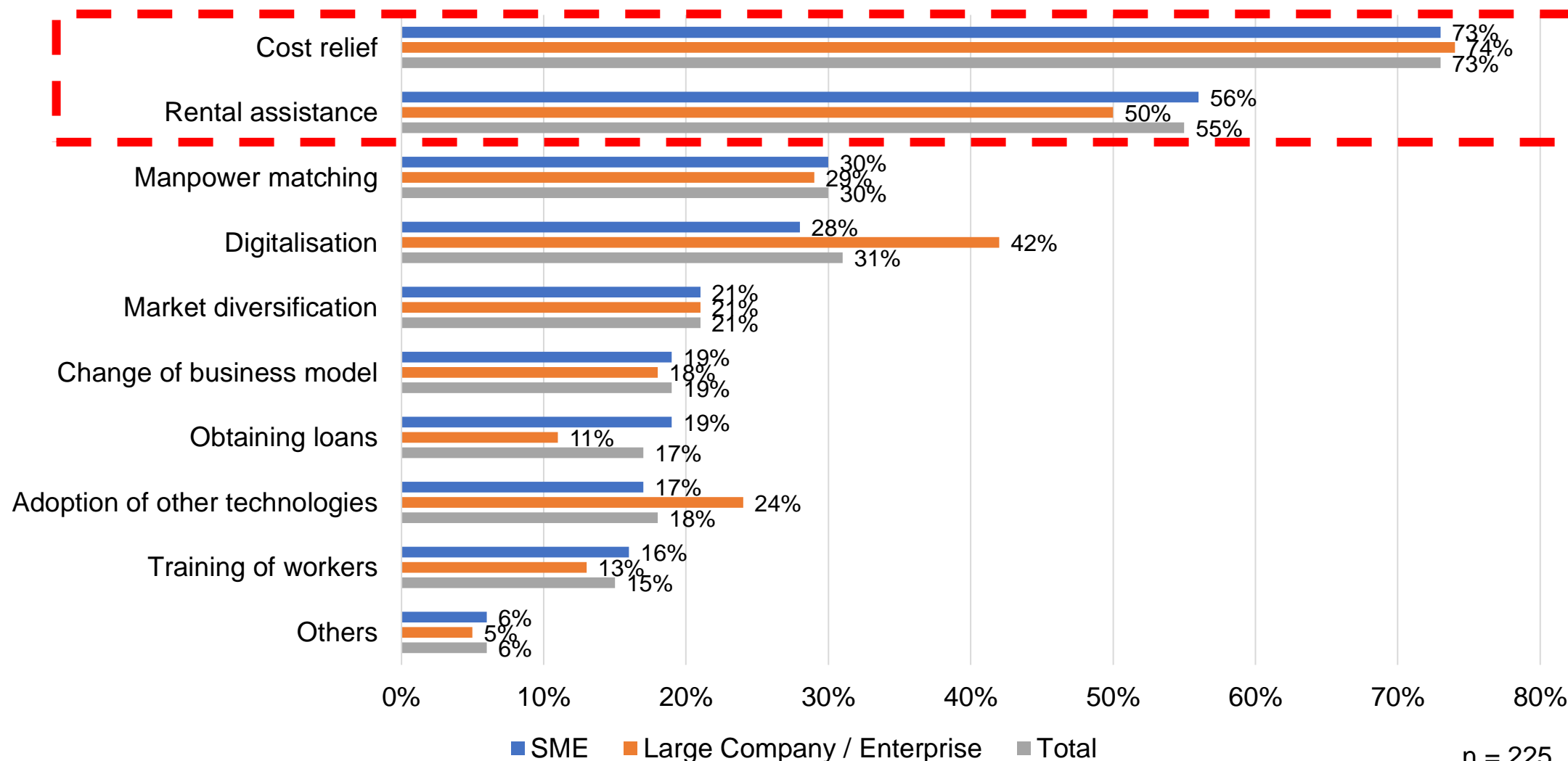
Top priorities for businesses over the next 12 months



Q: What will be your company's top 3 business priorities over the next 12 months?

Top 2 areas of assistance required are Cost Relief (73%) & Rental Assistance (55%).

Areas that require assistance over the next 6 to 12 months

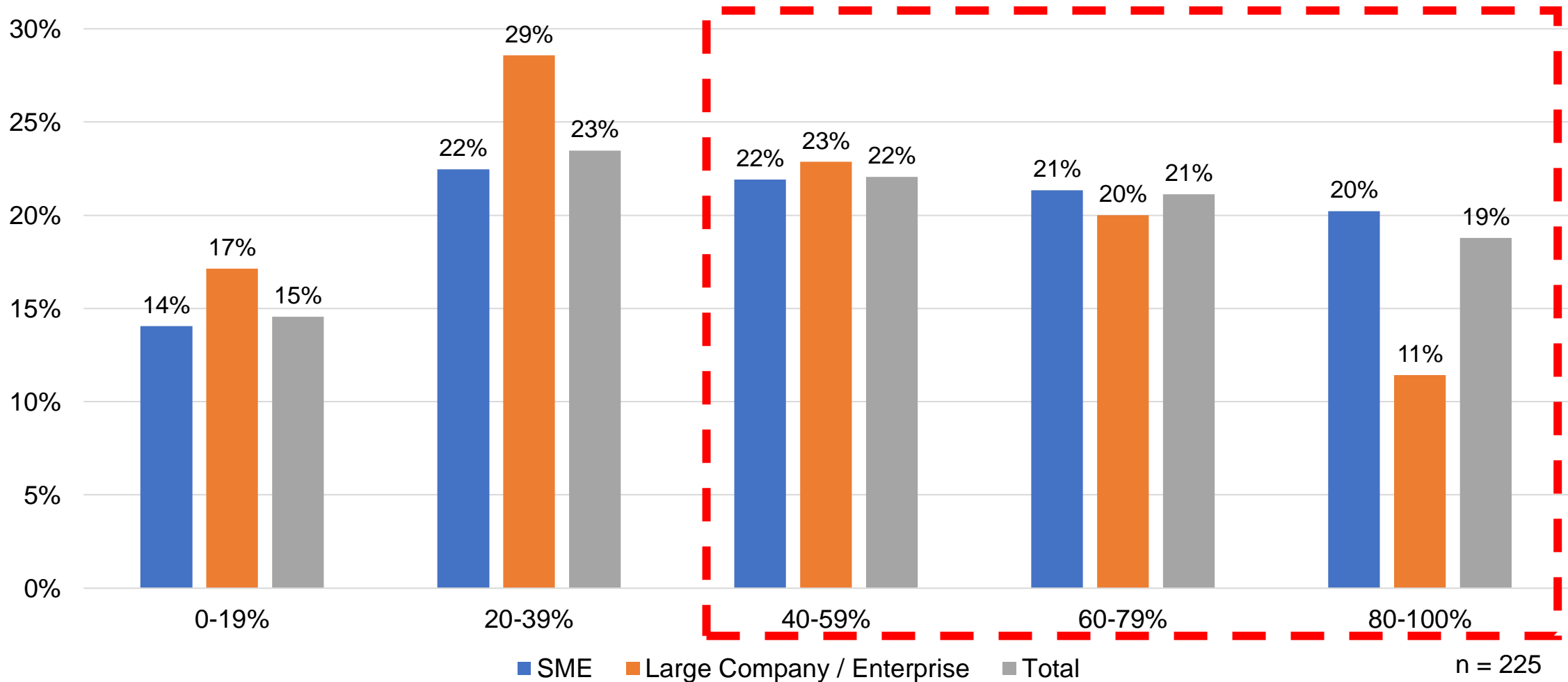


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Q: If your business still requires some support over the next 6 to 12 months, which are the top 3 areas would you wish to be assisted in?

3 out of 5 businesses find the government support schemes to be at least 40% effective in buffering business costs that cannot be covered by revenue.

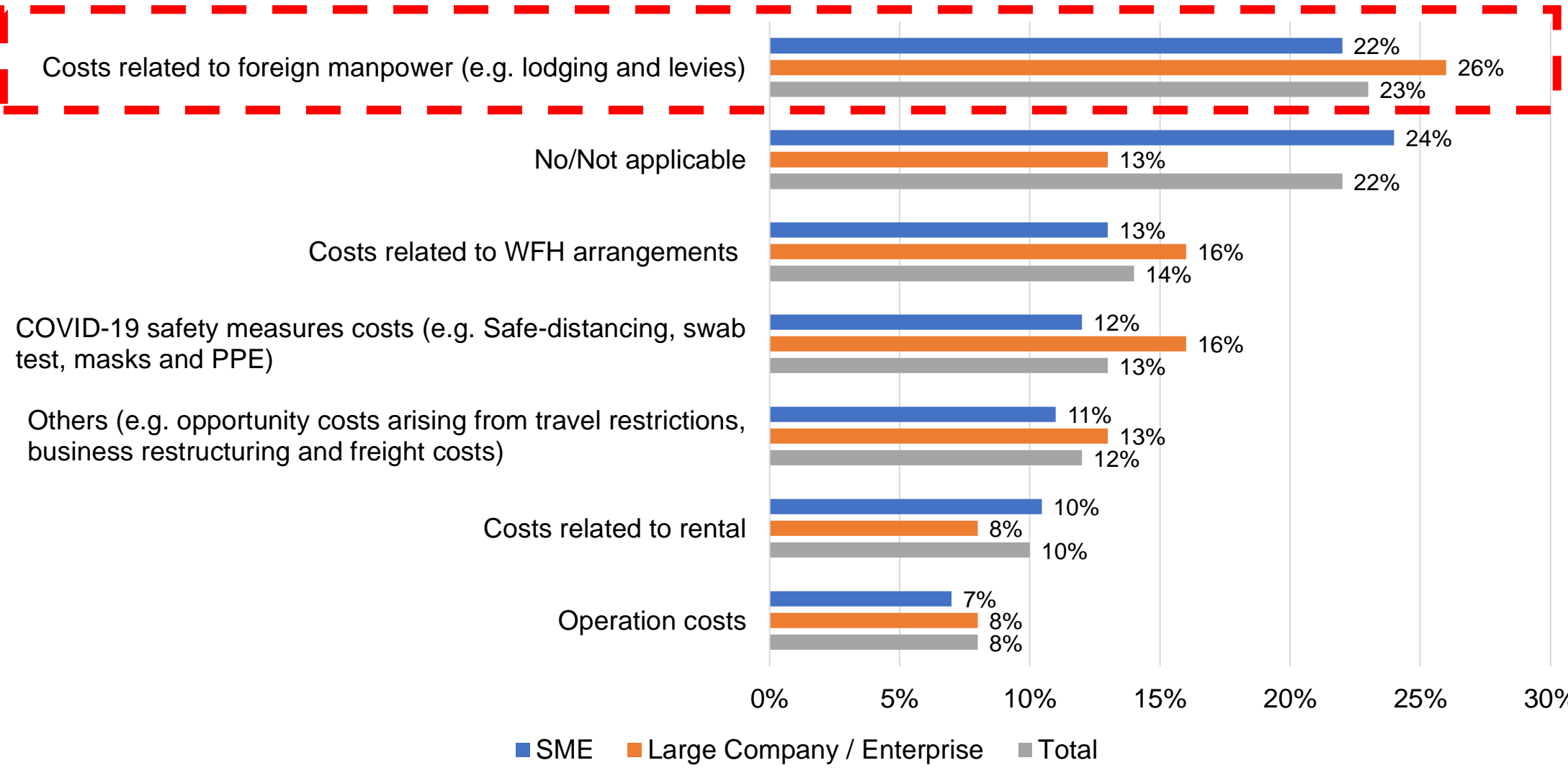
Effectiveness of Government schemes in buffering business costs



Q: The Government has rolled out various support schemes for businesses, such as the Jobs Support Scheme (JSS), rental relief and Government-assisted loans. Approximately how effective have these schemes been in buffering your business cost that cannot be covered by revenue, in terms of a percentage? (0% being least effective and 100% being most effective)

Most businesses cited Costs Related to Foreign Manpower as the additional major cost that had arisen from combating COVID-19.

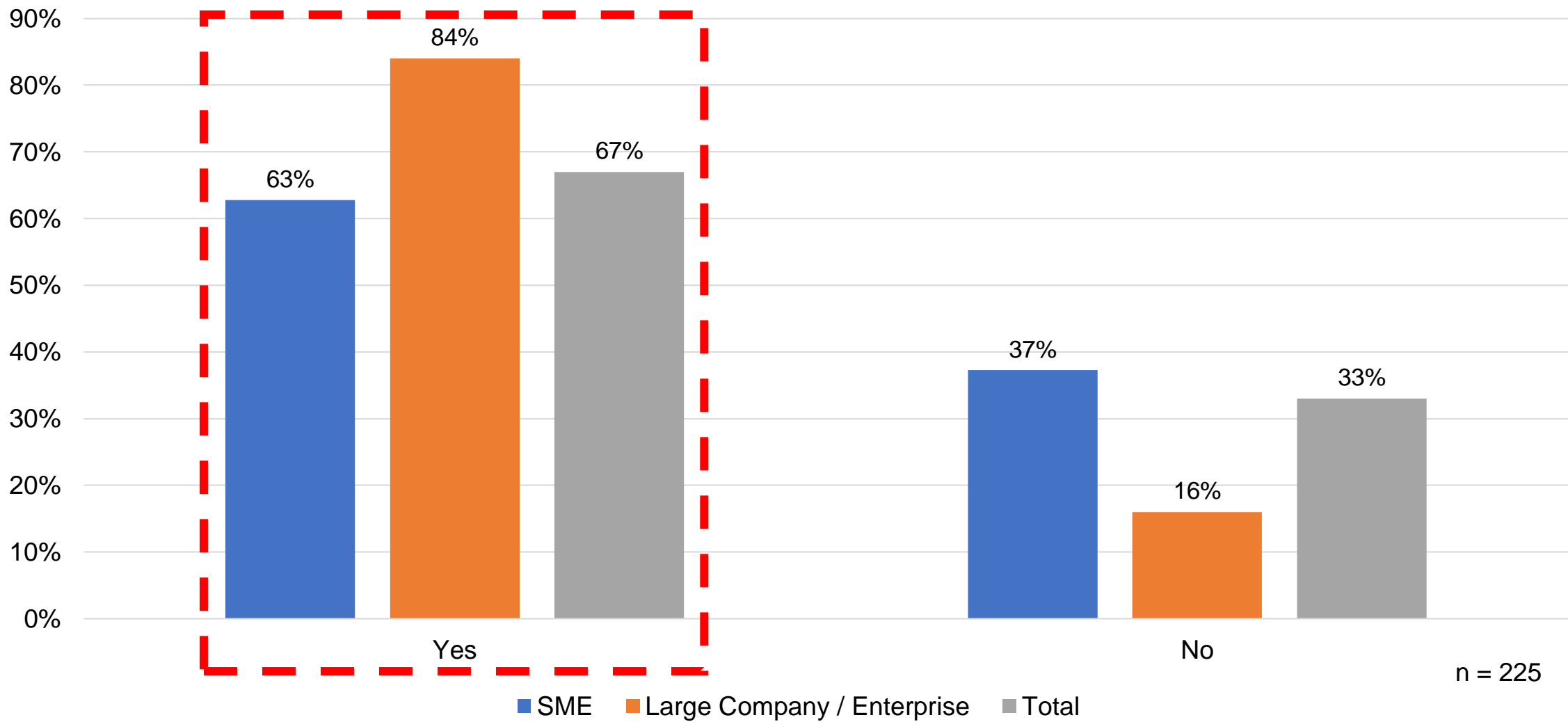
Additional major costs that had arisen from combating COVID-19



Q: Please specify if there is/are any additional major cost(s) that has/have arisen from combating COVID-19 during this period.

Large Companies (84%) and SMEs (63%) conducted headcount reviews as part of their overall strategy to cope with the current COVID-19 situation.

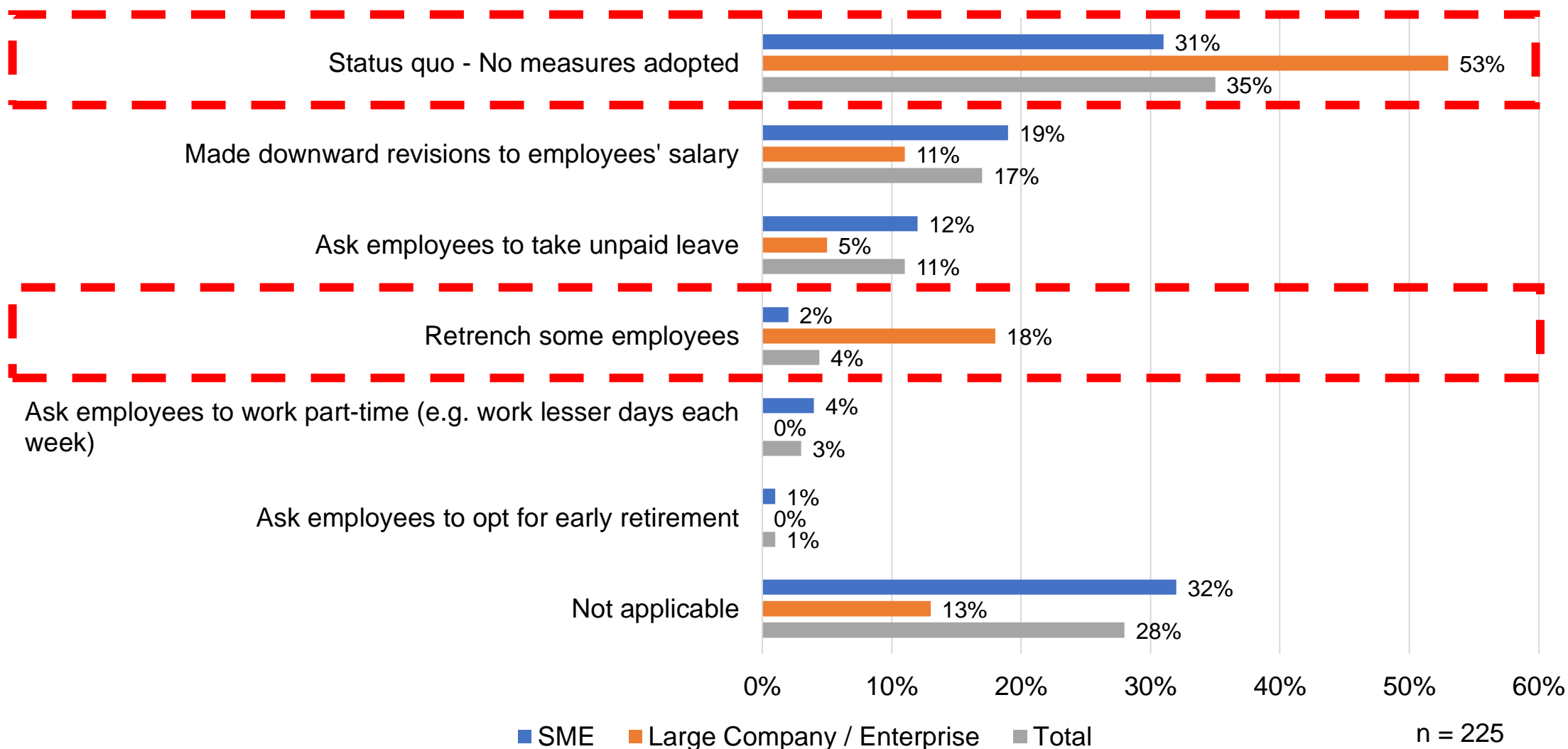
Headcount review to cope with COVID-19 situation



Q: Did your company conduct a headcount review as part of the overall strategy to cope with the COVID-19 situation?

Upon conclusion of the headcount review, most businesses (35%) stuck to the status quo. A proportion of Large Companies (18%) and SMEs (2%) adopted retrenchment as part of this review.

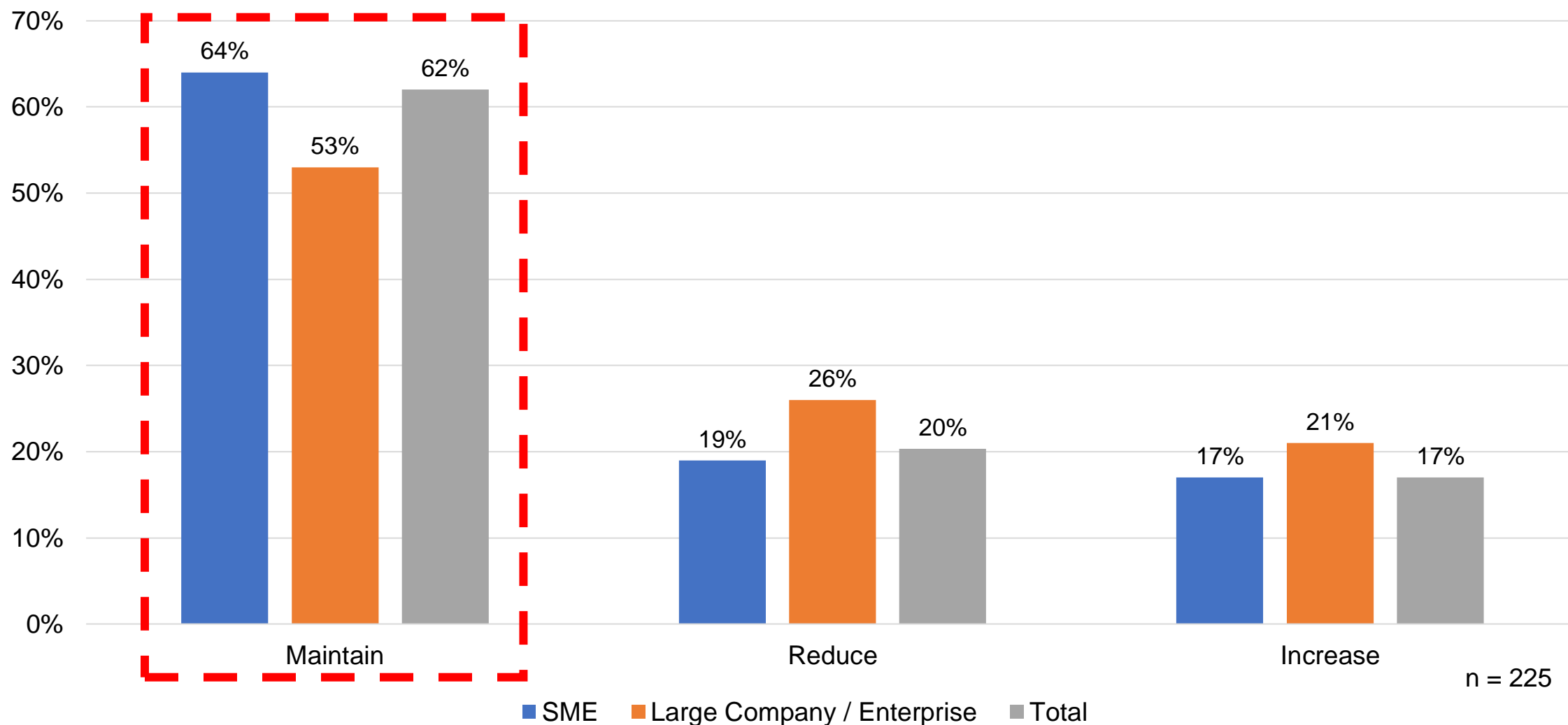
Measures taken by businesses as part of the headcount review



Q: Which is the primary measure that your company employed as part of the headcount review? (Select one option only.)

Over the next 12 months, most SMEs (64%) and Large Companies (53%) expect to maintain their employee numbers in Singapore.

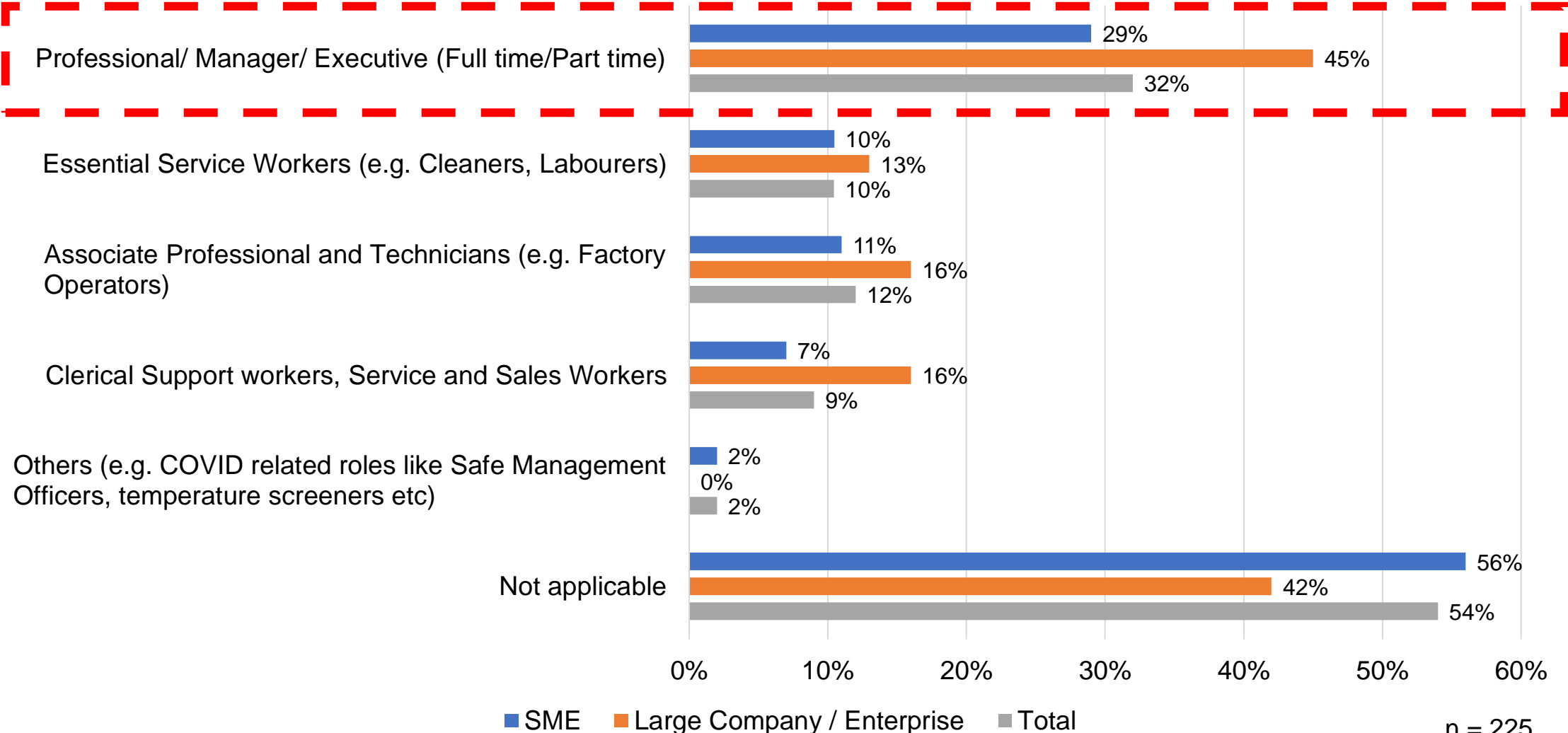
Proportion of employees over the next 12 months



Q: Do you expect your company to increase, maintain or reduce the number of employees in Singapore over the next 12 months?

If companies intend to hire over the next 12 months, companies intend to increase hiring in the Professionals, Managers and Executives job roles.

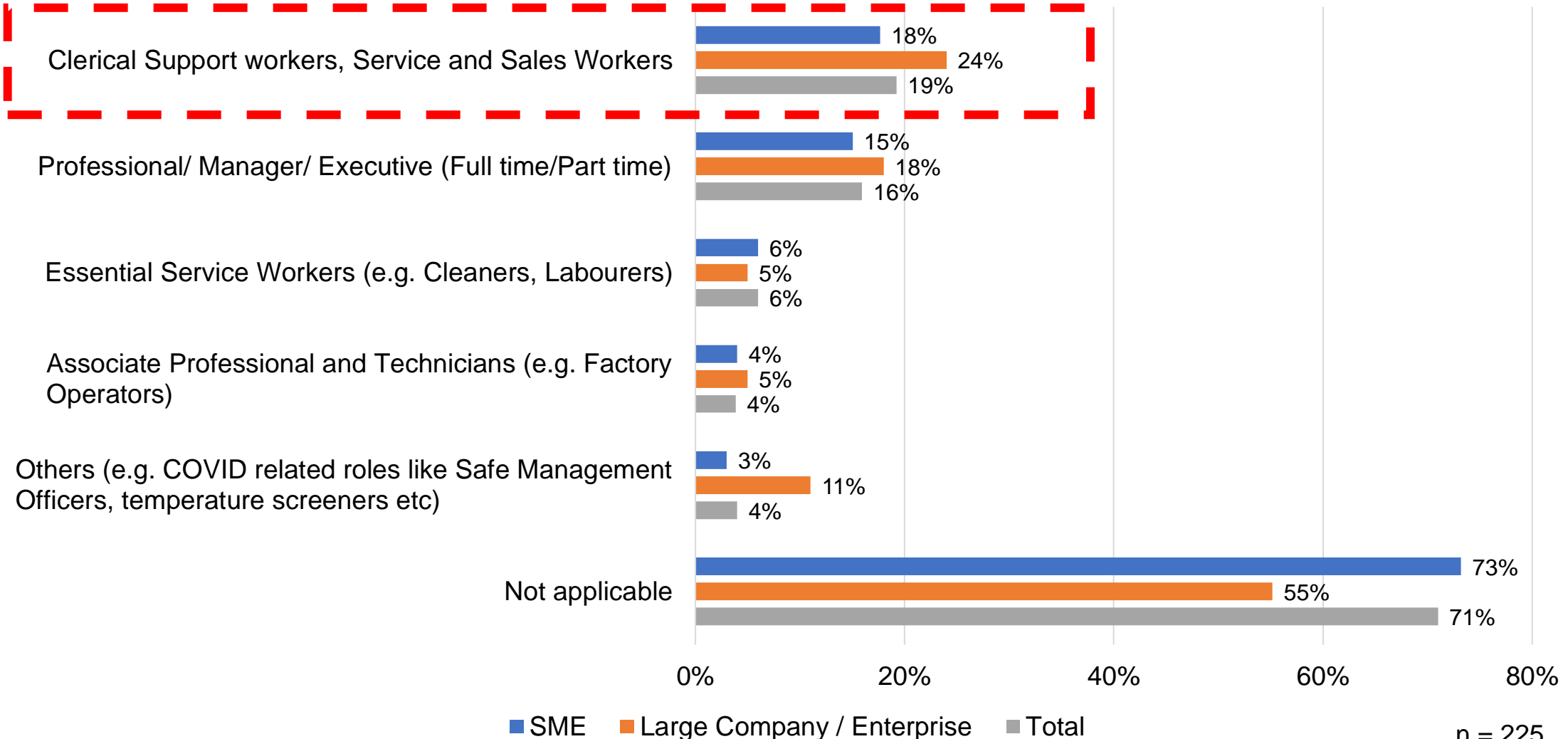
Roles that businesses intend to increase hiring in



Q: What are the roles that your company intends to increase hiring in? (Pls select options that are applicable.)

If companies intend to reduce hiring over the next 12 months, the inclination would be more towards reducing Clerical Support, Service & Sales Workers

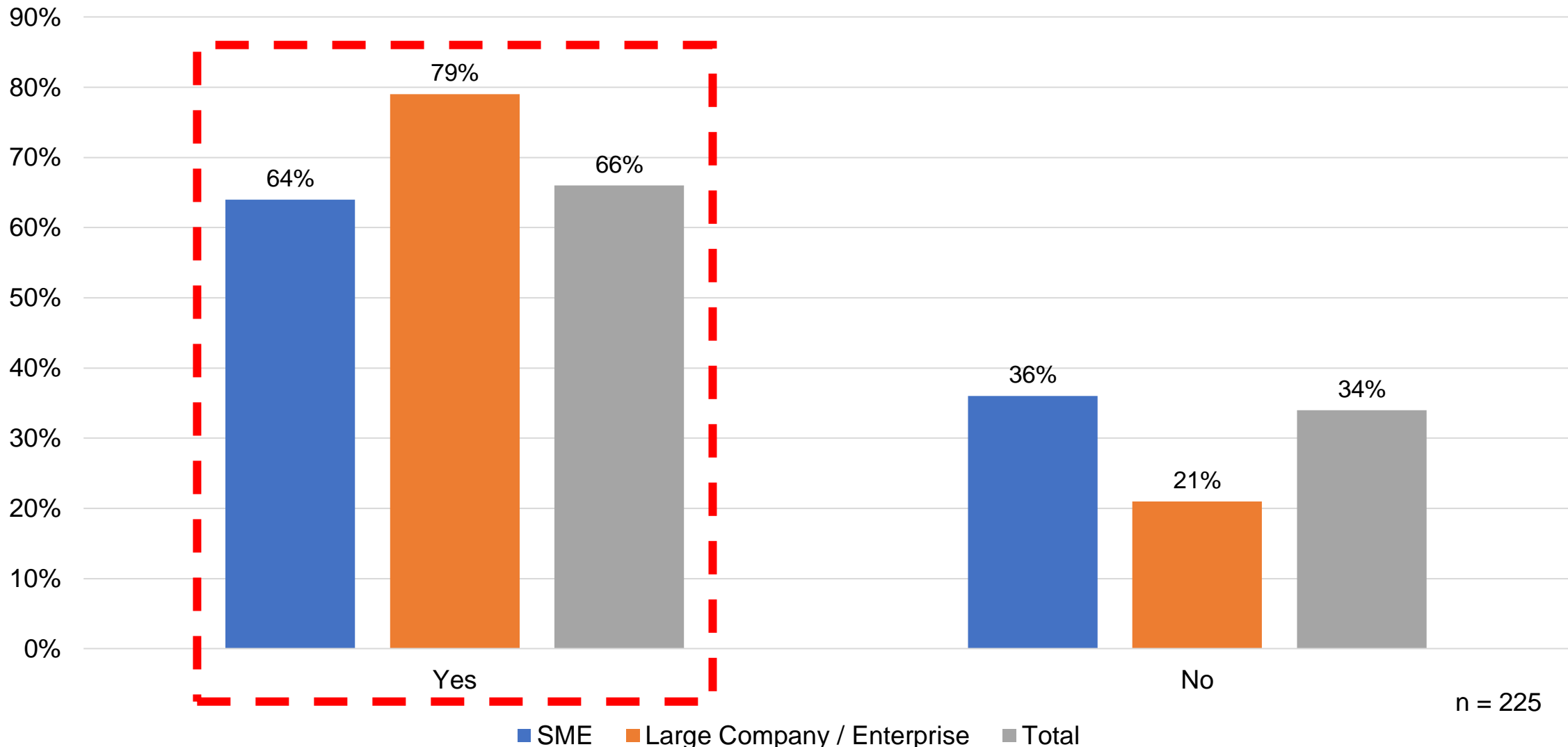
Roles that businesses intend to reduce hiring



Q: What are the roles that your company intends to reduce hiring in? (Pls select options that are applicable.)

Most Large companies (79%) & SMEs (64%) are prepared to hire mid-careerists.

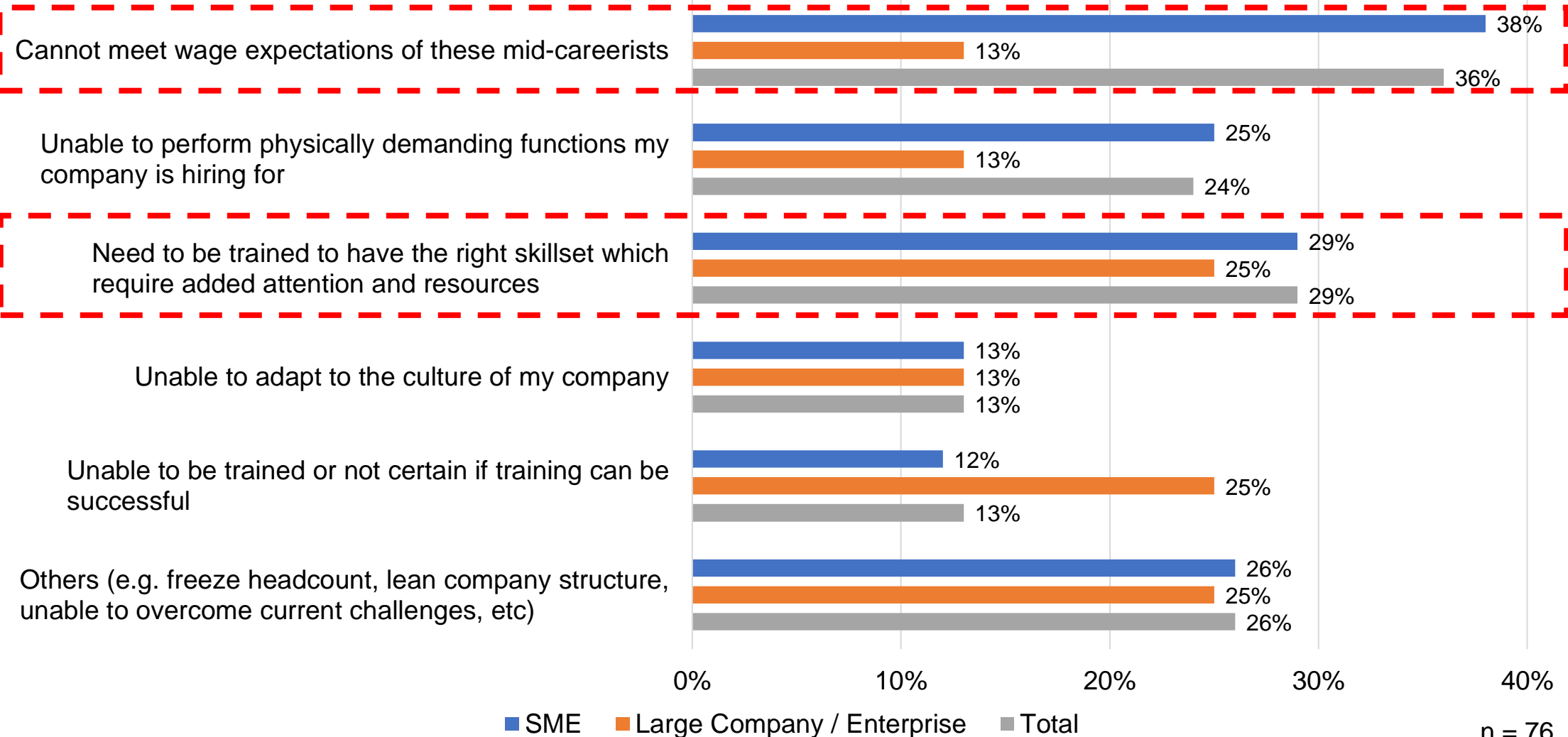
Likelihood in hiring mid-careerists



Q: Are you prepared to hire mid-careerists for the roles in your company?

For businesses that do not wish to hire mid-careerists, the inability to match wage expectations (36%) & the need to train mid-careerists to have the right skillsets, which require attention and resources, (29%) were the top reasons cited

Reasons why businesses do not wish to hire mid-careerists

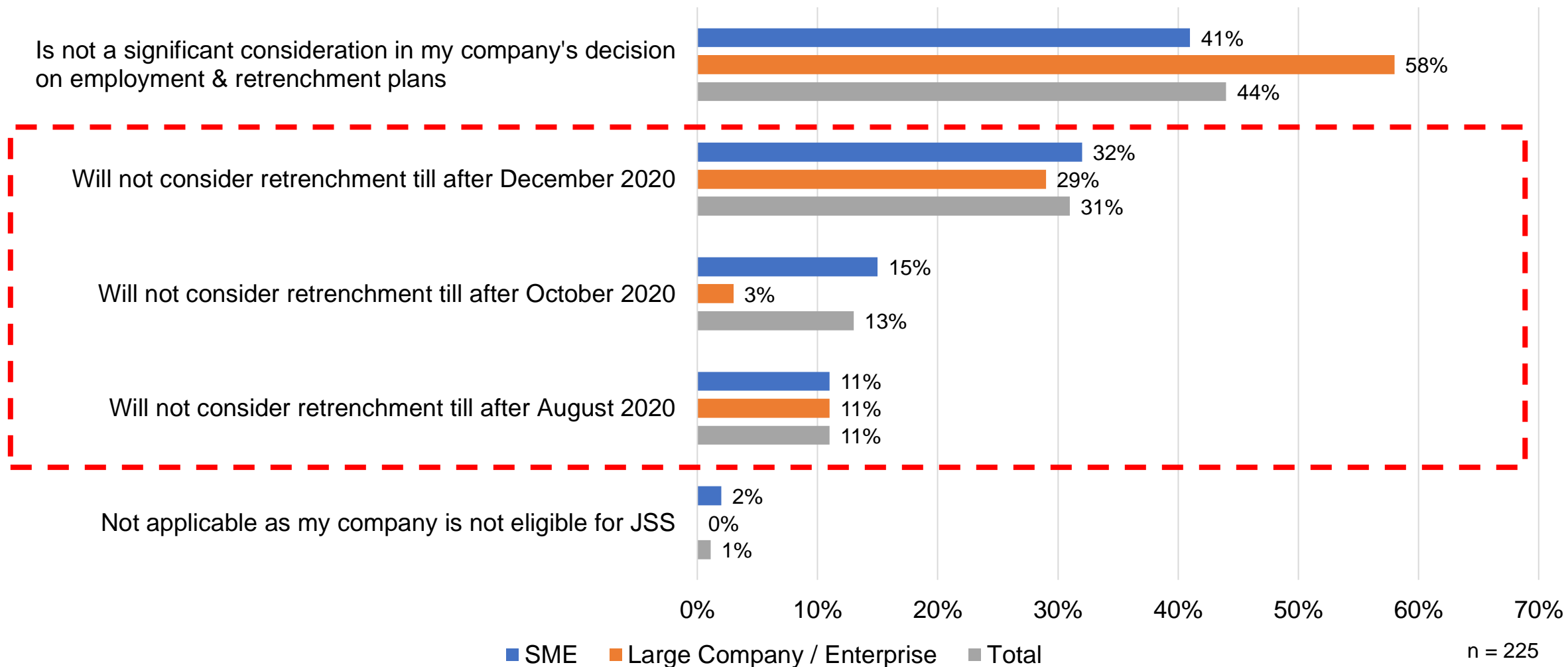


n = 76

Q: What are the reasons your company does not wish to hire mid-careerists? (Pls select the options that are applicable.)

JSS has been useful to both SMEs (58%) and Large Companies (43%), in delaying retrenchment considerations.

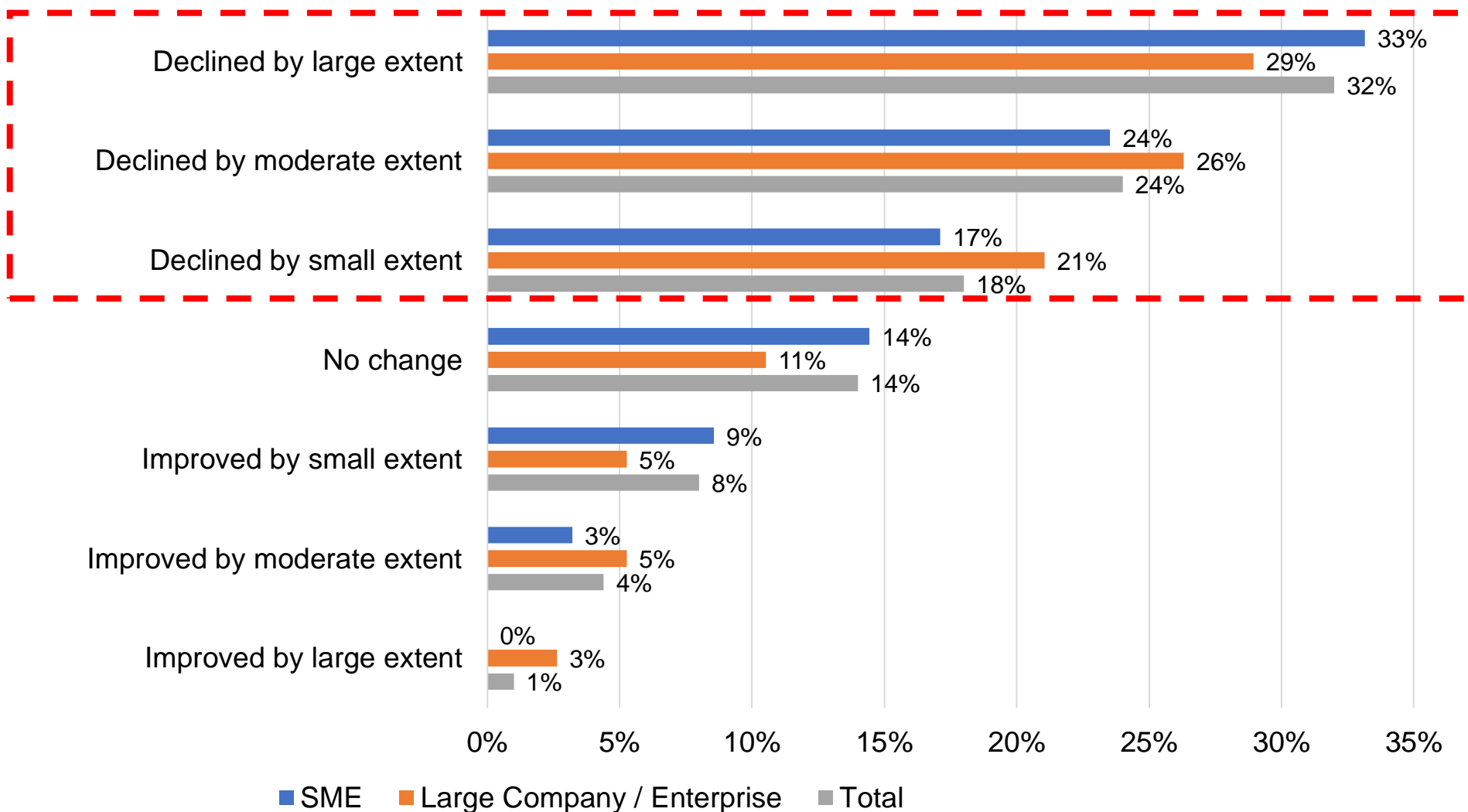
Jobs Support Scheme's (JSS's) influence on businesses' retrenchment decision



Q: How has the Jobs Support Scheme (JSS) that your company received from June 2020 to August 2020, influenced your company's decision on retrenchments?

As compared to last year, a third of SMEs indicated that their productivity levels fell by a large extent; Large Companies' responses were more mixed.

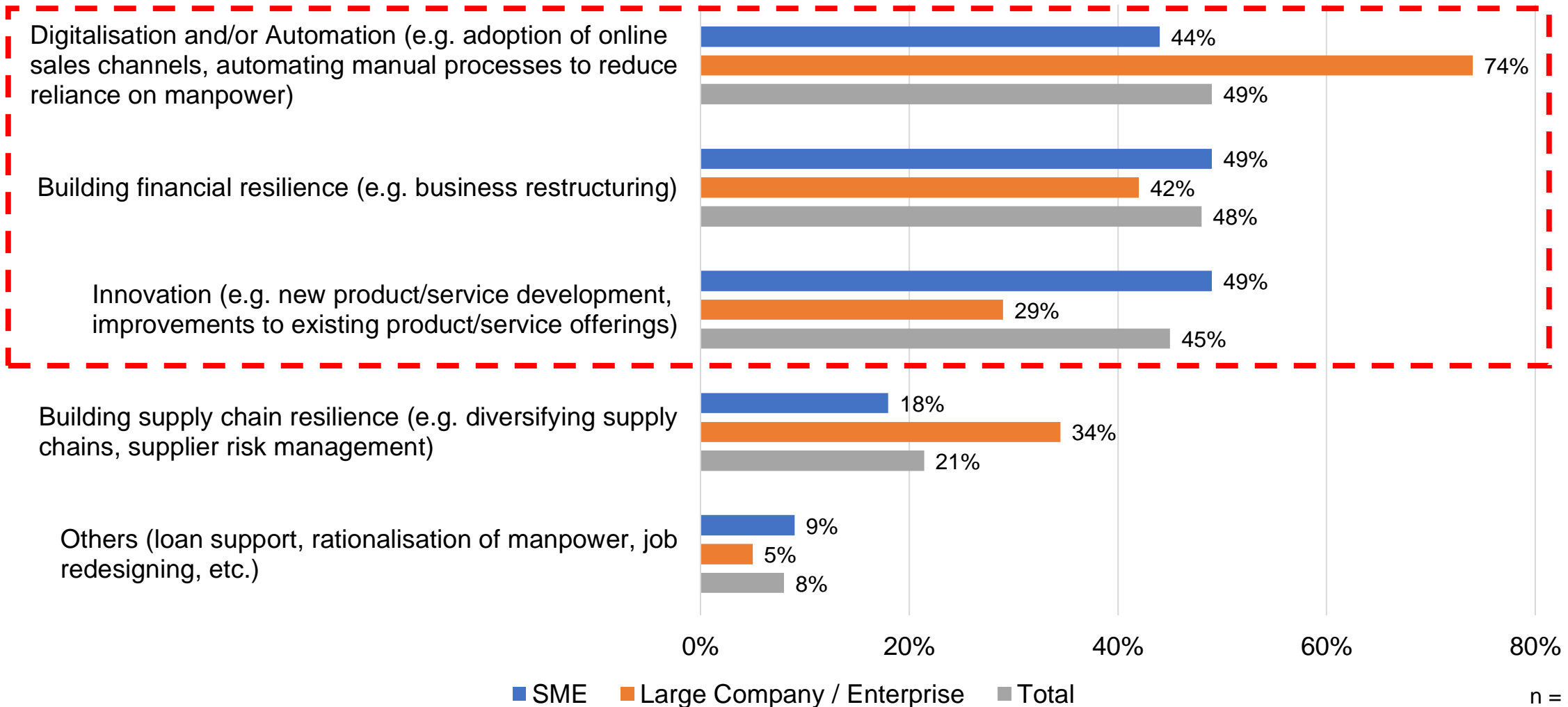
Productivity level in Phase 2



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Regarding major steps taken to upgrade & transform, while most SMEs' responses are a mix of Digitalisation, Building Financial Resilience & Innovation; most Large Companies overwhelmingly cited Digitalisation as key.

Major steps taken / plans to upgrade and transform

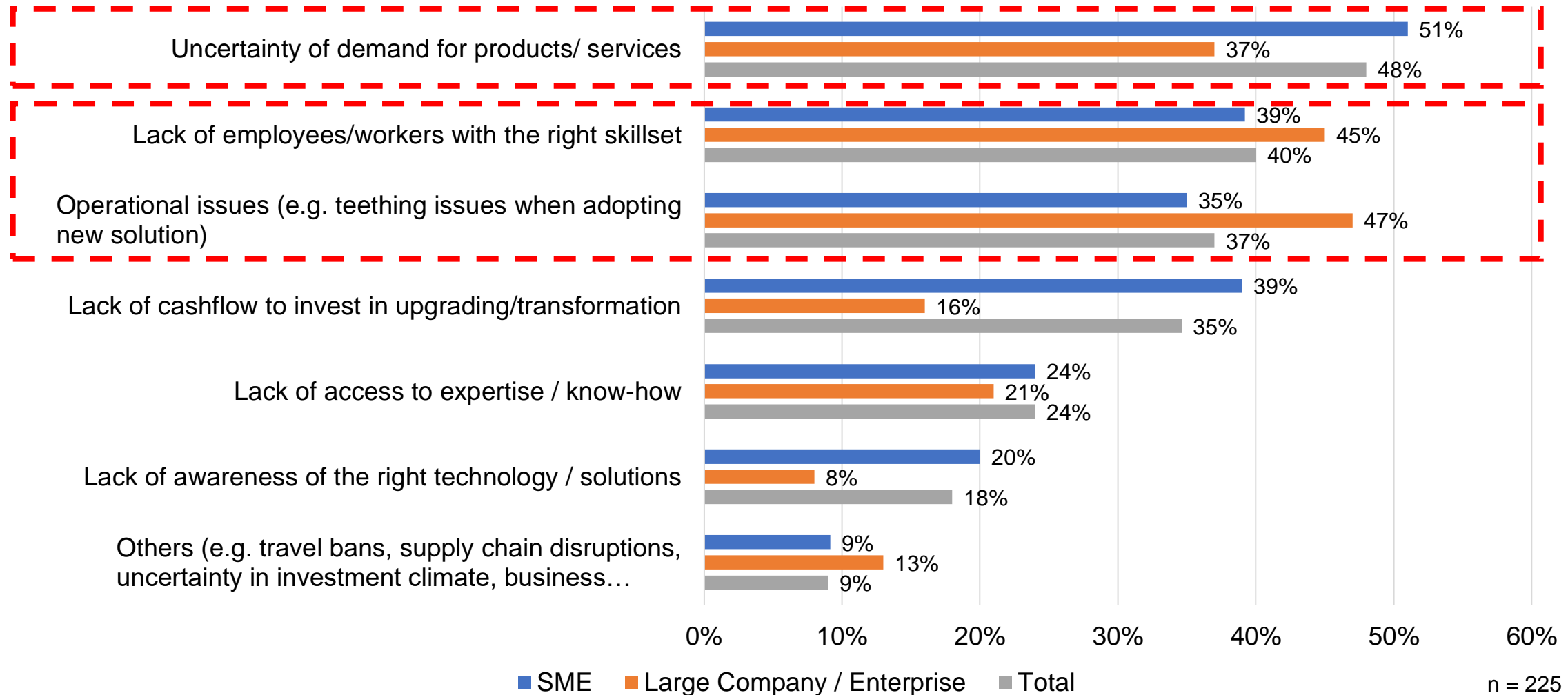


n = 225

Q: In light of COVID-19, what are some of the major steps your company have taken / plans to take to upgrade and transform? (Pls select the options that are applicable.)

In terms of challenges faced when upgrading / transforming, while most SMEs (51%) face Uncertainty of Demand for Their Products & Services, Large Companies mostly face Operational Issues (47%) and lack of employees with the right skillset (45%).

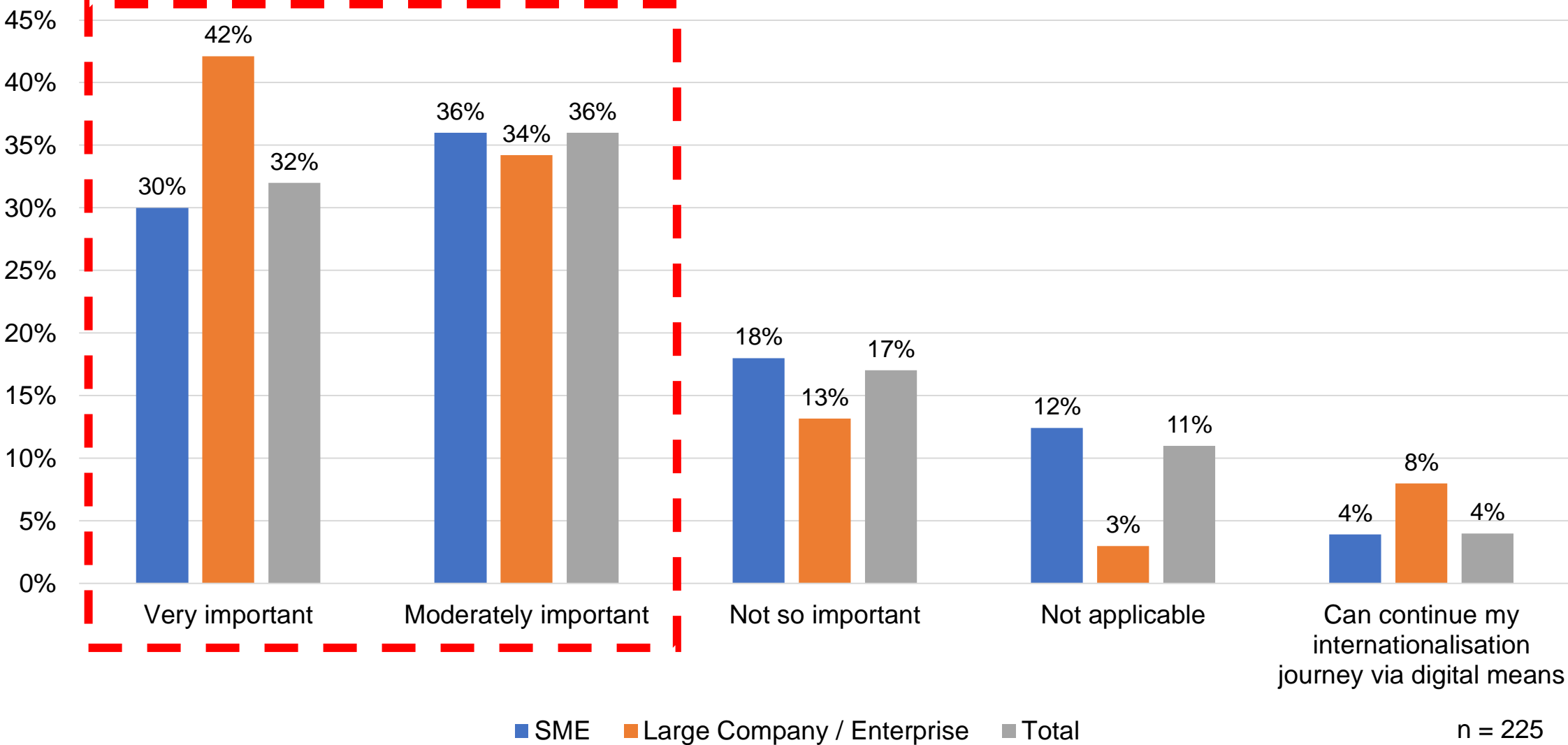
Challenges faced in implementing steps to upgrade / transform



Q: What are the some of the challenges your company faced / is facing in upgrading and transforming? (Pls select the options that are applicable.)

Business travel is important to both Large Companies (76%) & SMEs (66%).

Importance of business travel

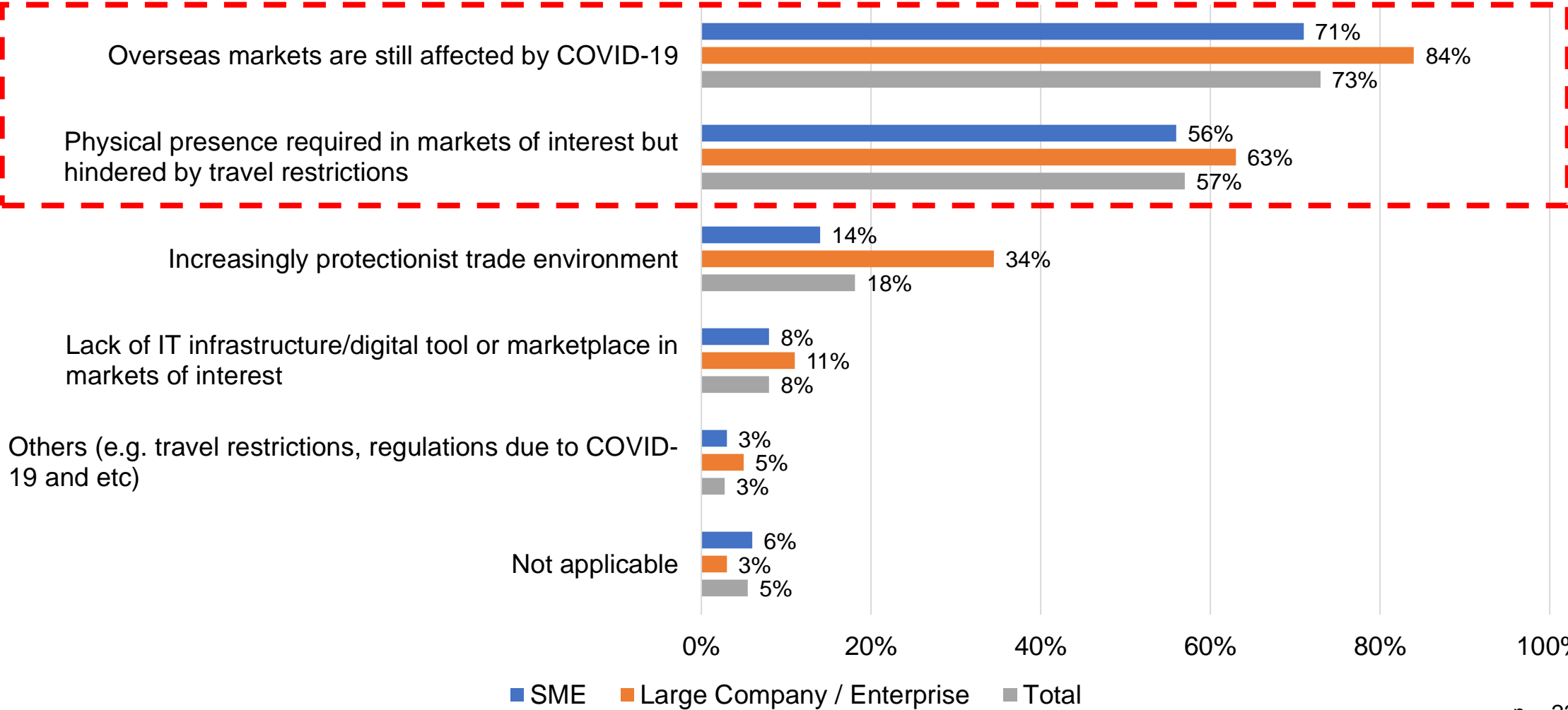


n = 225

Q: How important is business travel to your company?

Challenges faced when internationalising in the current environment include 'Overseas Markets Still Being Affected by COVID-19' & 'Travel Restrictions'.

Challenges faced in the area of internationalisation

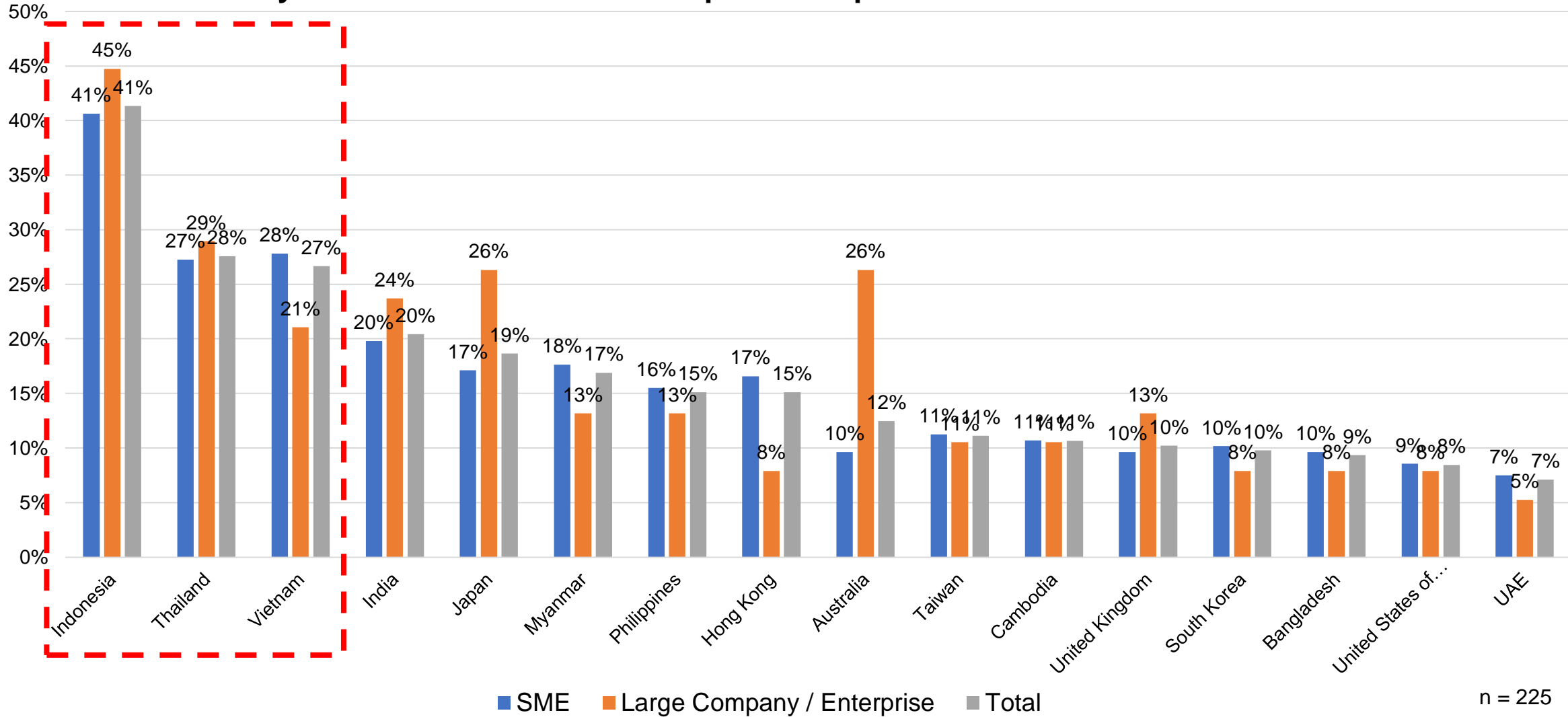


n = 225

Q: What are the challenges faced by your company in internationalisation in the current COVID-19 environment? (Pls select the options that are applicable.)

Indonesia (41%), Thailand (28%) & Vietnam (27%) are the top key markets that businesses hope will reopen for essential travel, in addition to China & Malaysia; Large Companies also cited Japan, Australia & India as top key markets.

Key markets that businesses hope will reopen for essential business travel



n = 225

Q: What are the top 3 key markets that your company hopes to be opened for essential business travel in addition to China and Malaysia?

Thank You

If you need any clarifications, kindly contact:



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