



新加坡中華總商會  
Singapore Chinese Chamber of Commerce & Industry

# 2020 Annual Business Survey

2 October 2020

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# RESPONDENT PROFILE



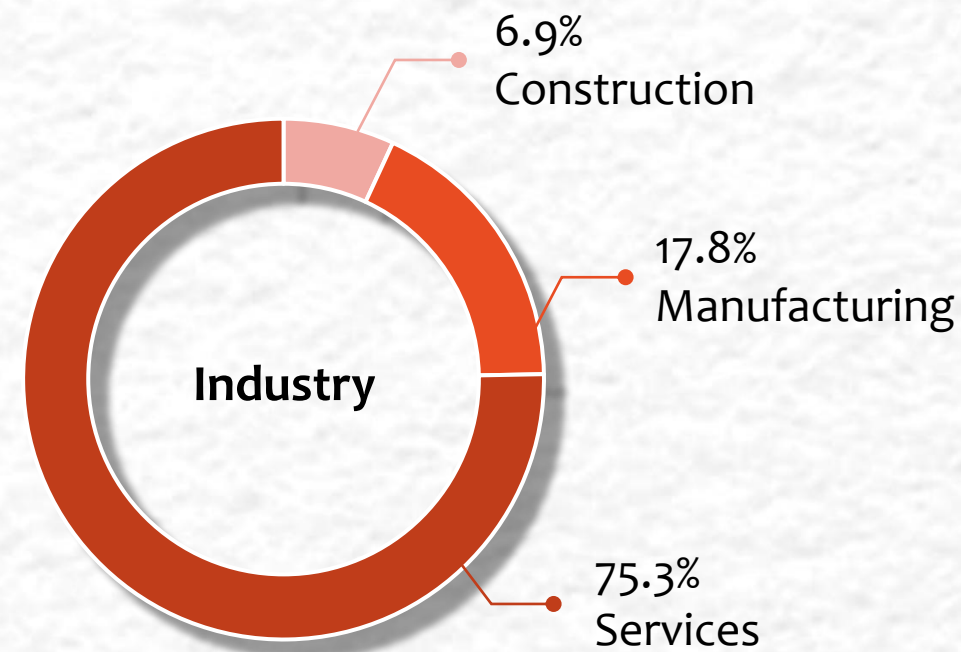
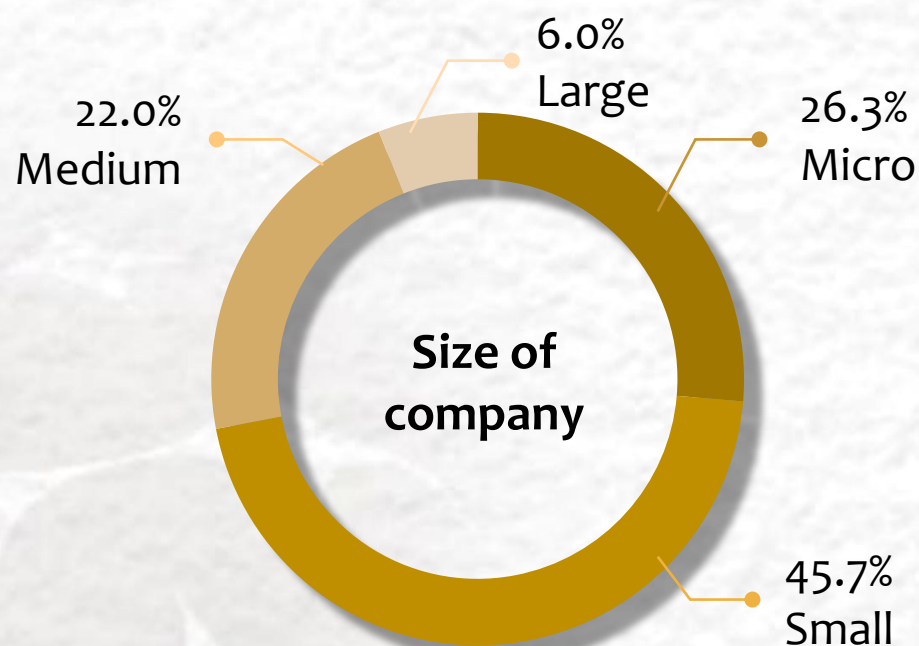
# Voices from the business community

**1,025**

**Respondents**

**94%**

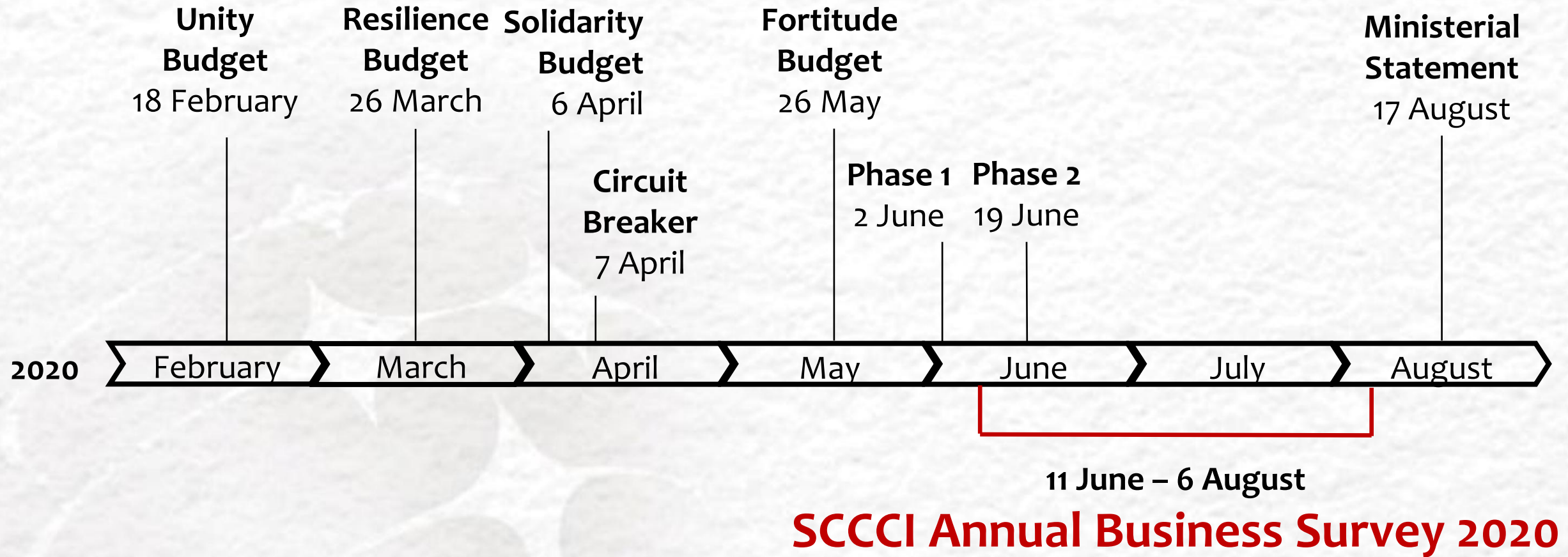
**SMEs**



Survey period: 11 June to 6 August 2020



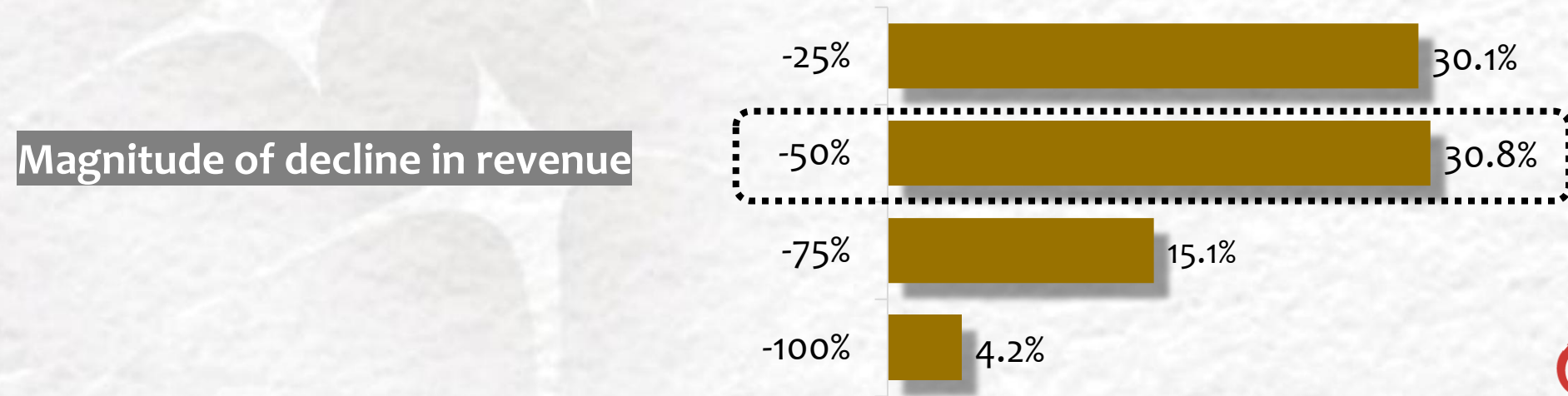
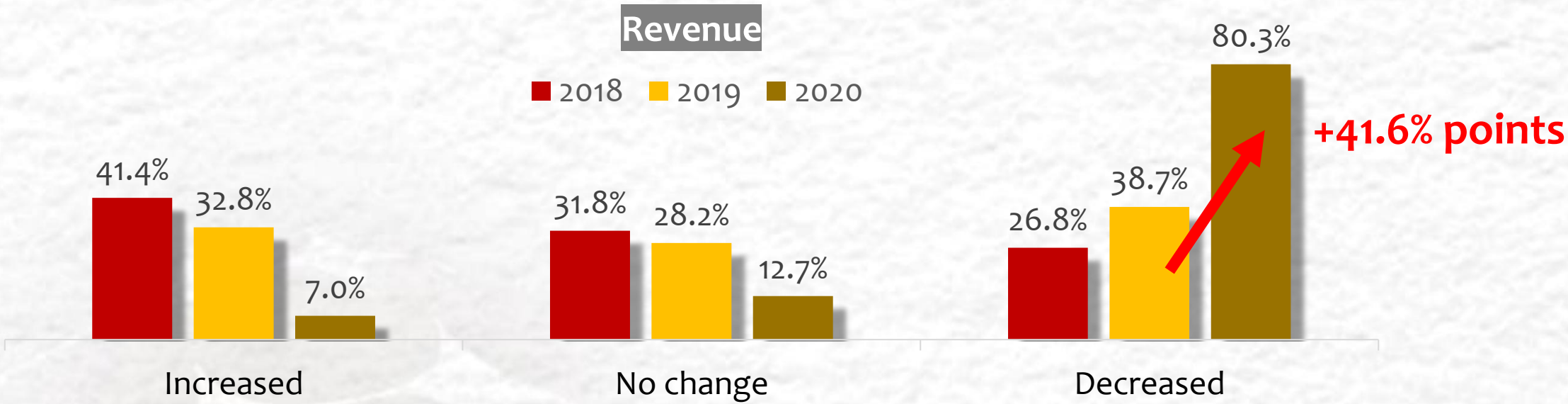
# Context of the survey



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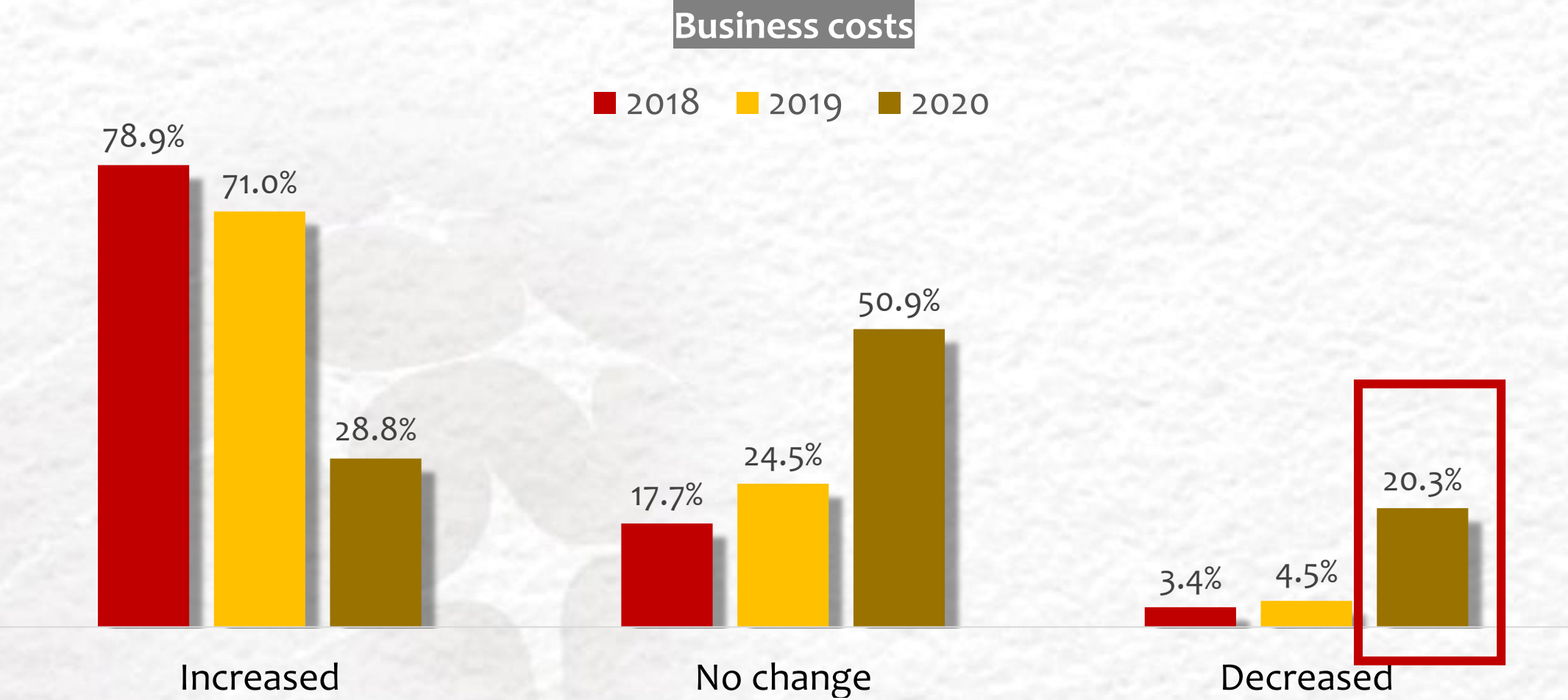
# BUSINESS SENTIMENTS

# Significant number of businesses experience decline in revenue



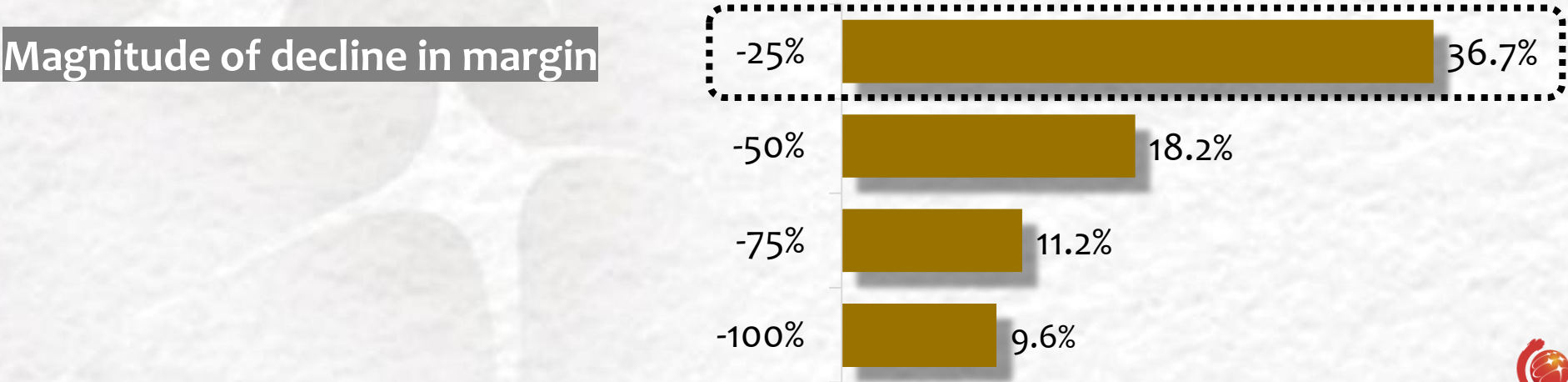
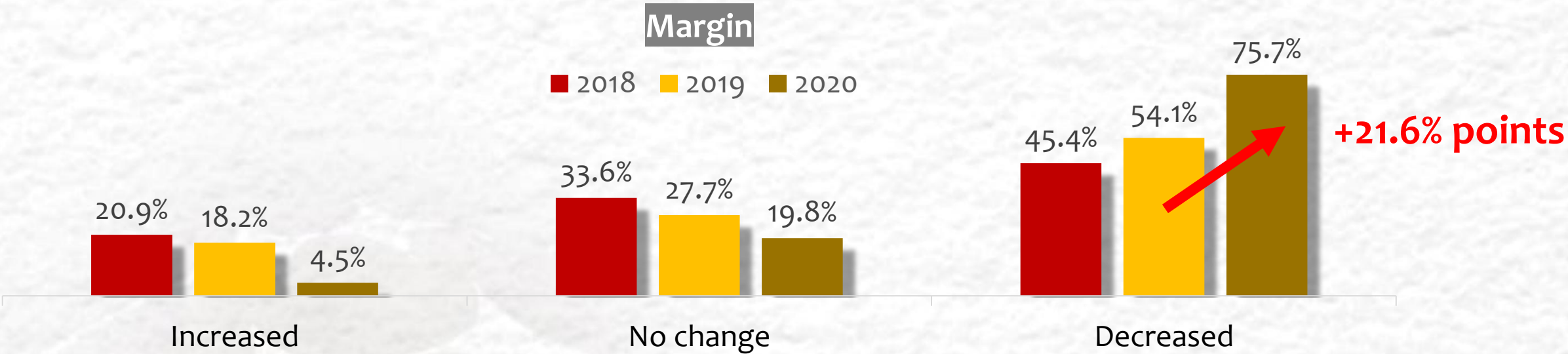


# However business costs have not declined proportionately in tandem with revenue decline



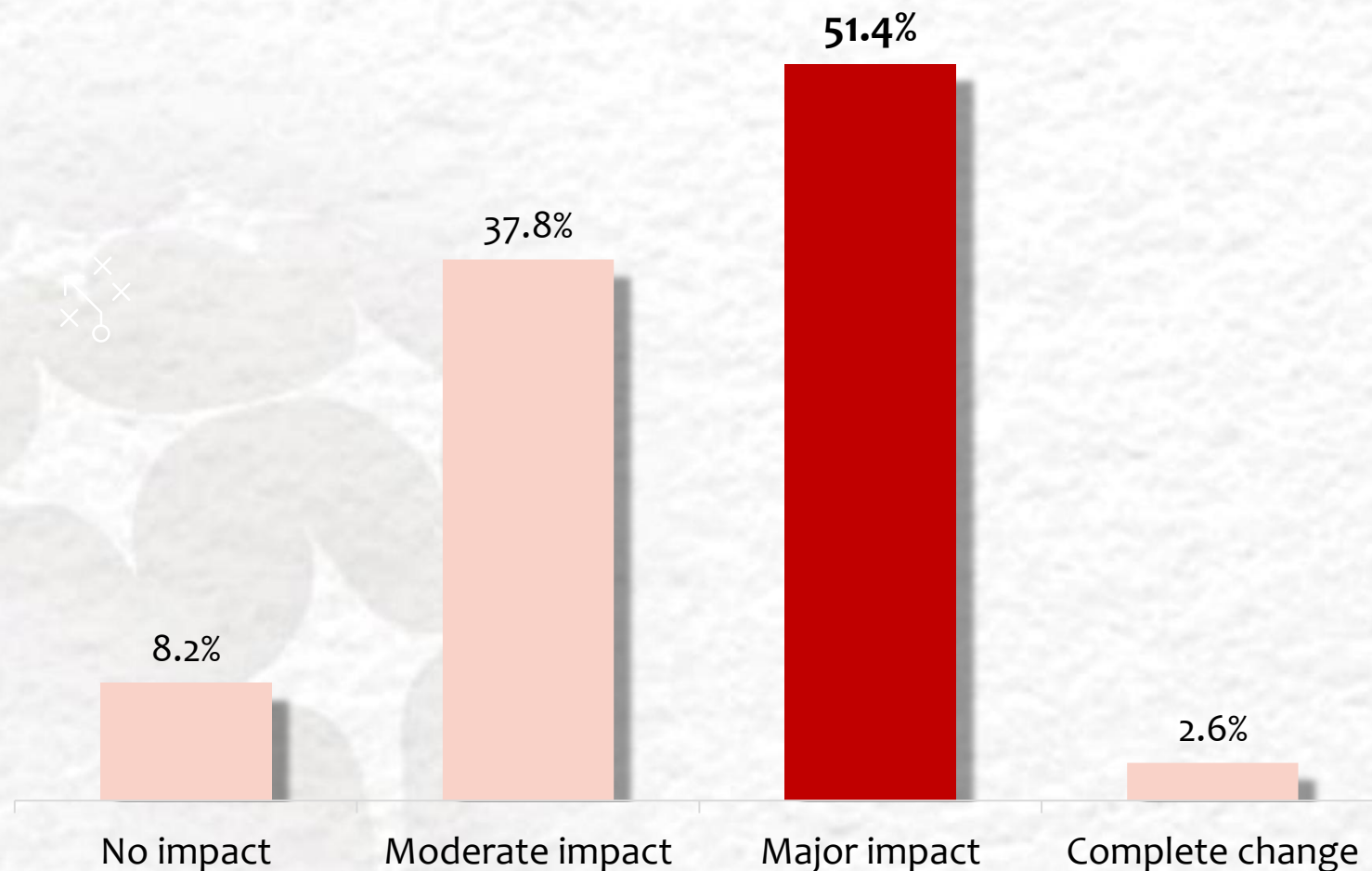


# Significant number of businesses experience decline in margin



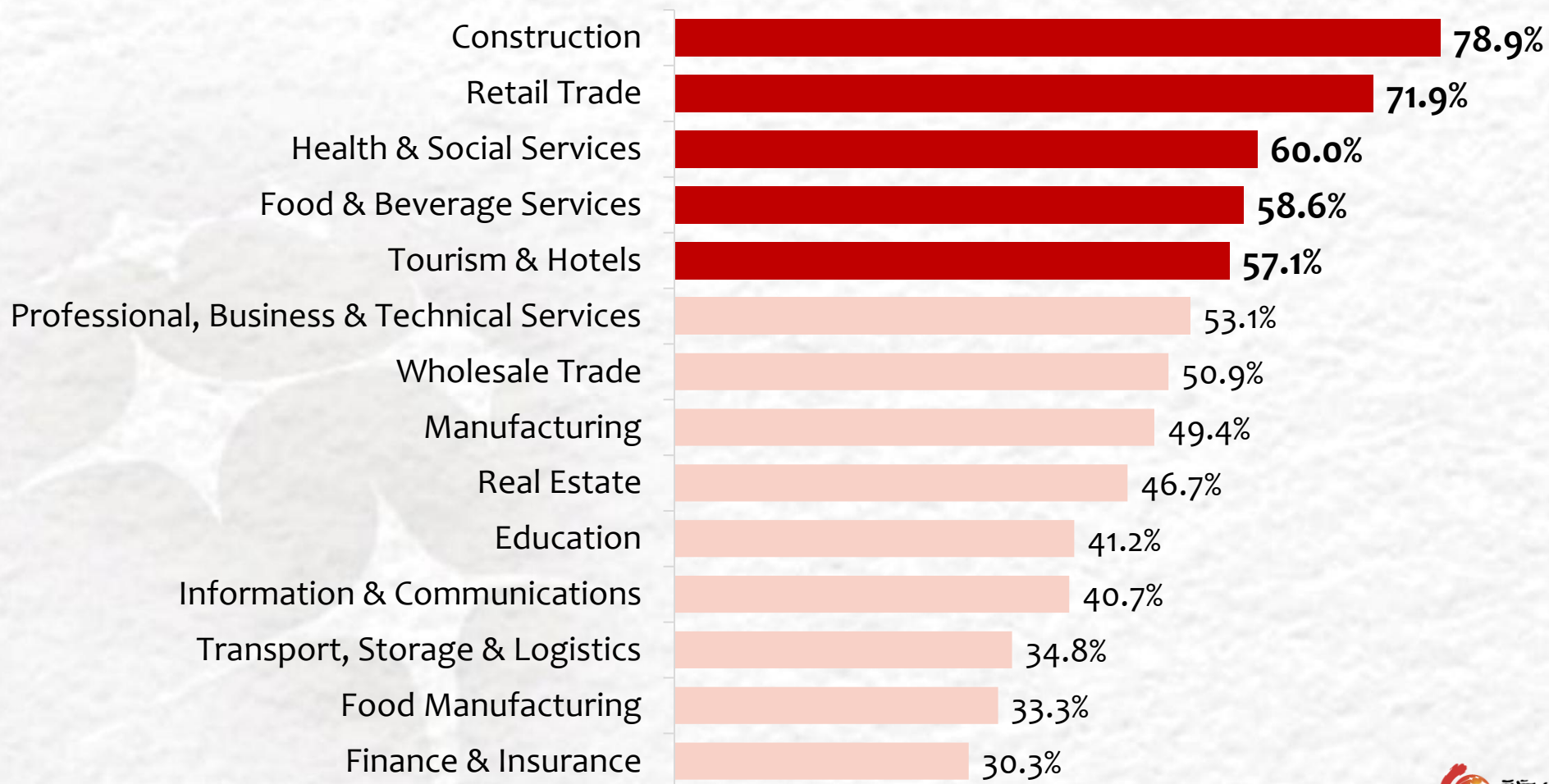
# Half of respondents indicated Covid-19 has brought major impact to their business model

Impact of Covid-19 on your business model



# Top sectors indicating major impact: Construction, Retail Trade, Health & Social Services, F&B Services, and Tourism & Hotels

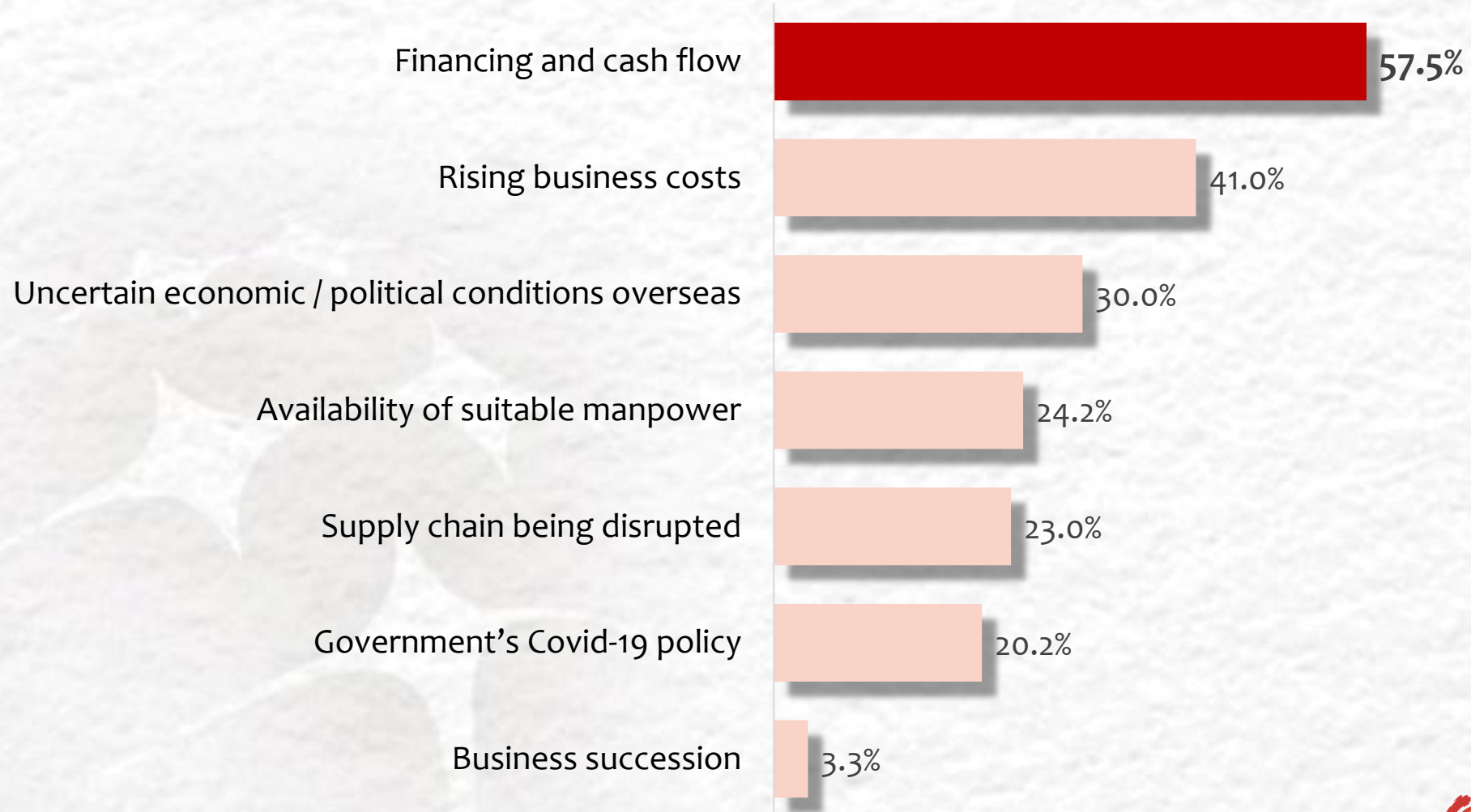
Percentage of respondents who indicated major impact of Covid-19 on business model (by sector)



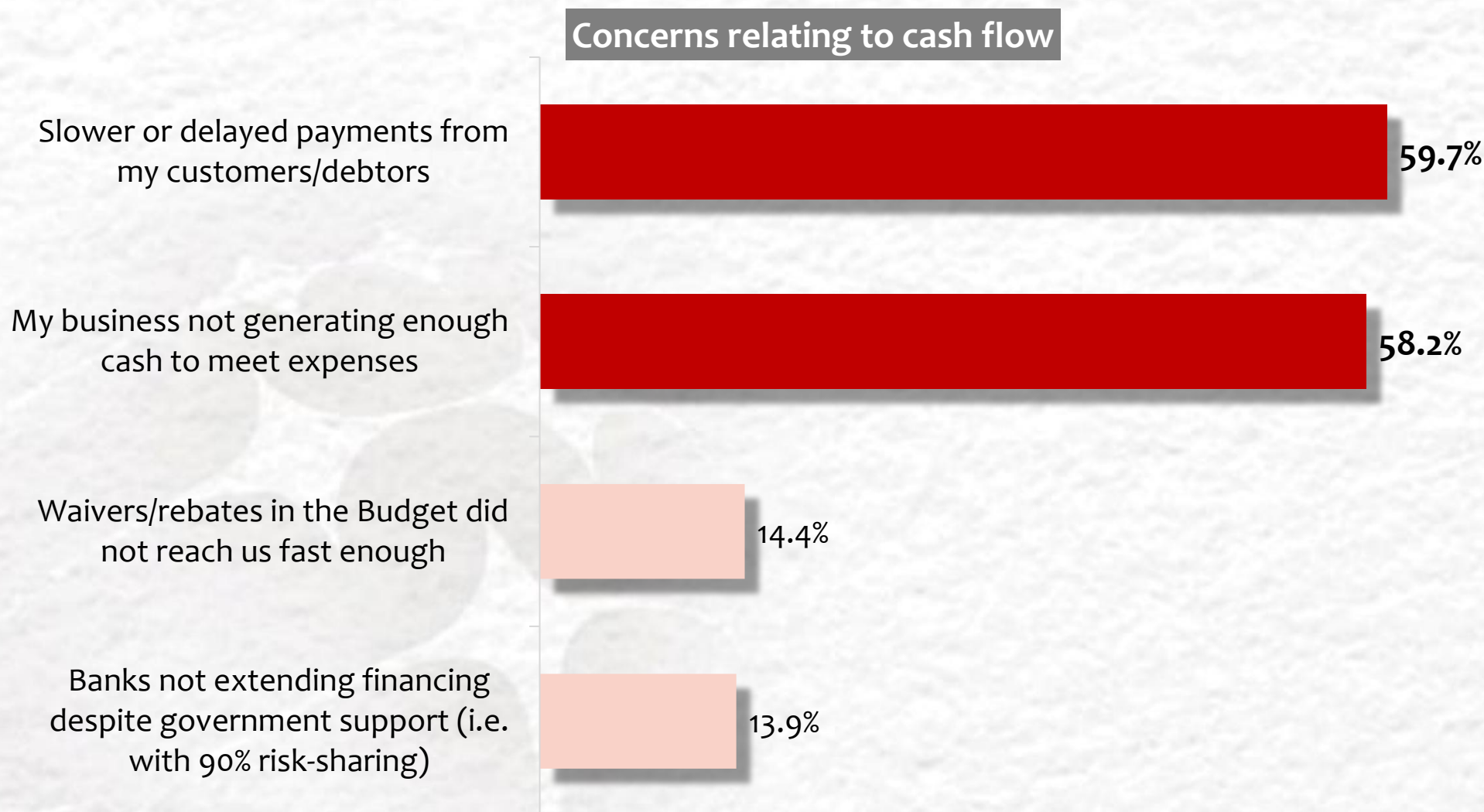


# Top business concern: Financing and cash flow

## Business challenges / concerns

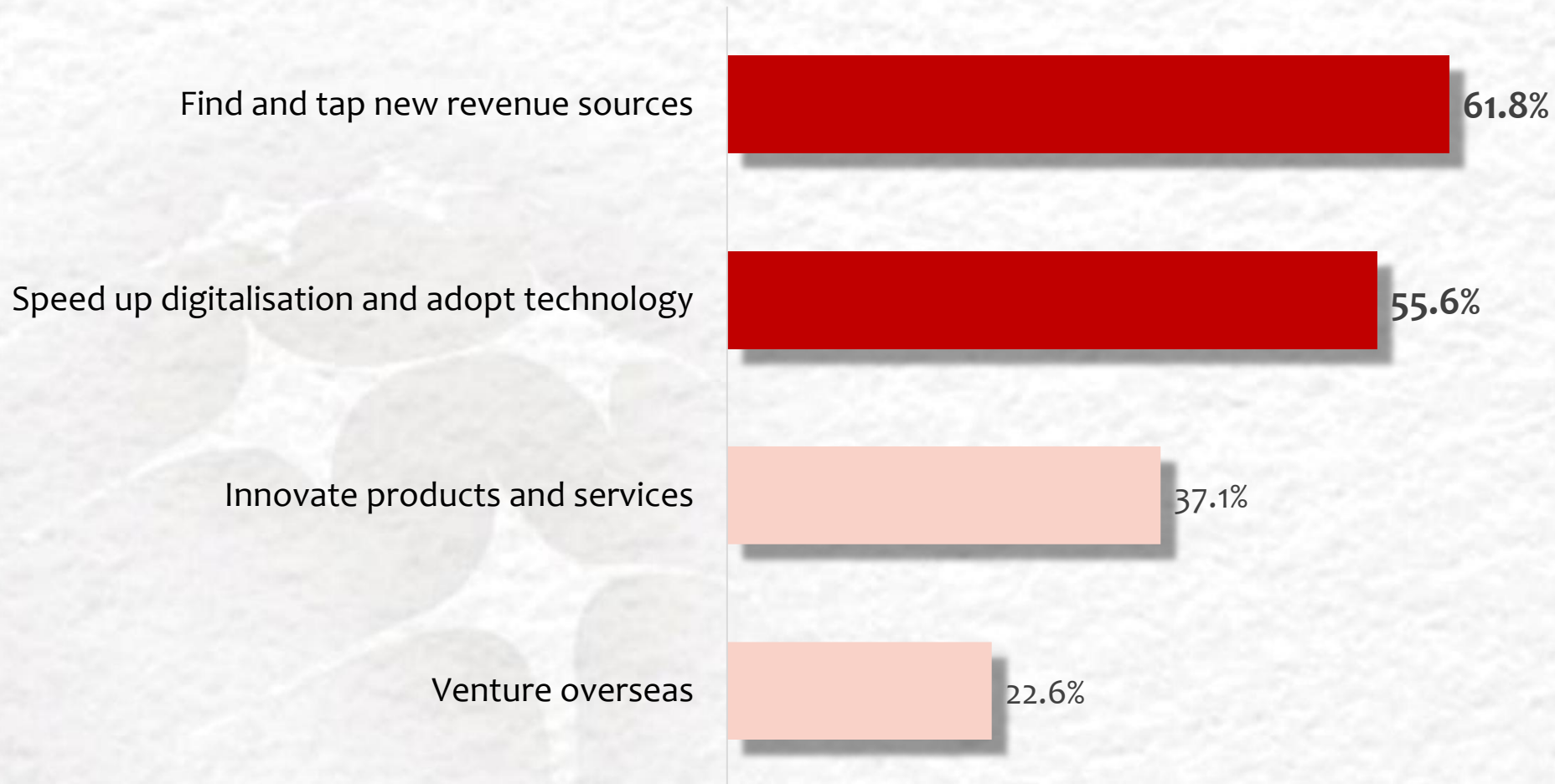


## Top concerns on cash flow: Delayed payments; Business not generating enough cash to meet expenses



# Top 2 strategies to tackle business revenue: Finding new revenue sources and speed up digitalisation

## Strategies to tackle business revenue



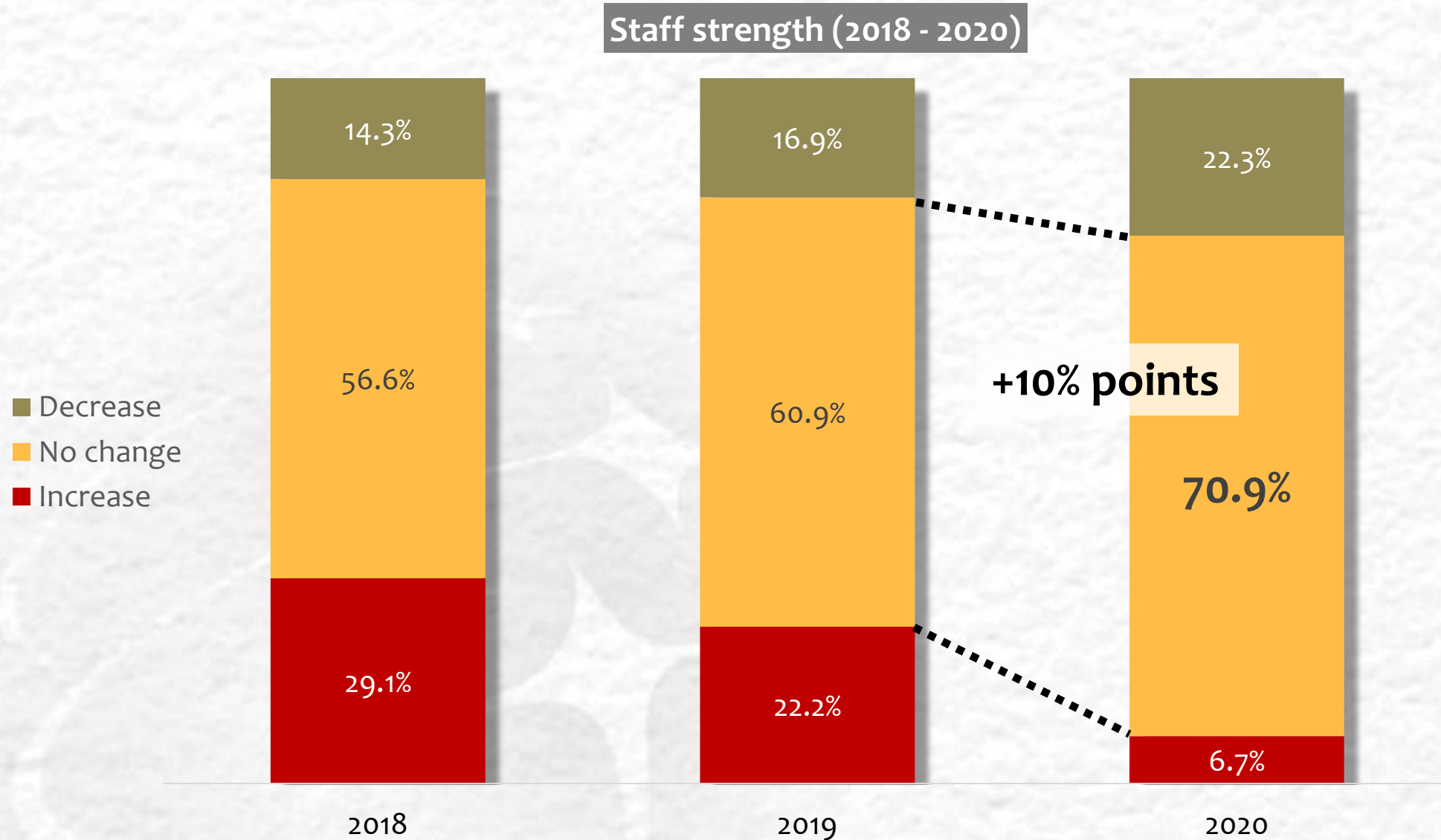


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# MANPOWER

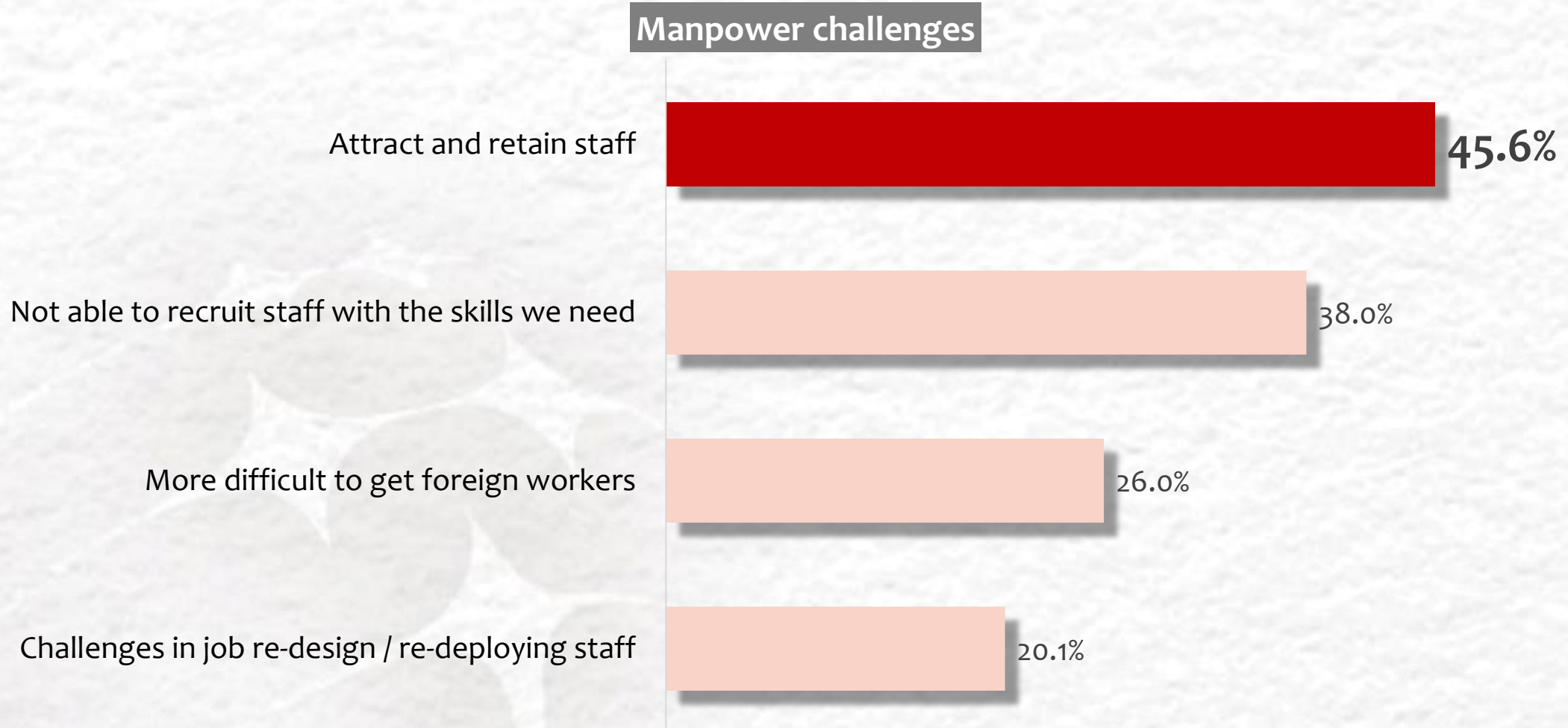


# 71% of respondents are maintaining their workforce



**Jobs Support Scheme has helped SMEs to preserve jobs**

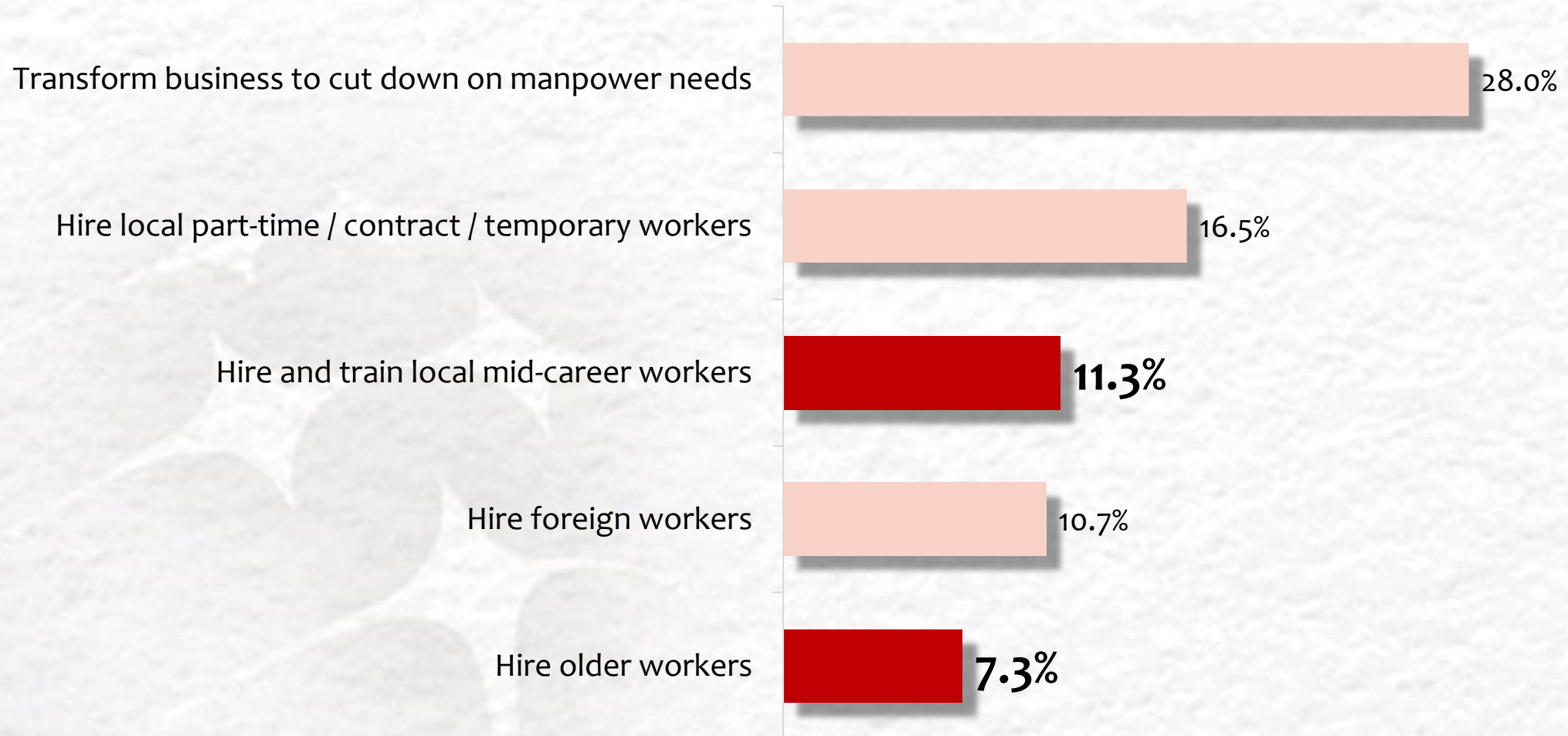
## Medium-term manpower challenge: Attracting and retaining staff





# A key challenge lies in how to transition mature workers into growth sectors

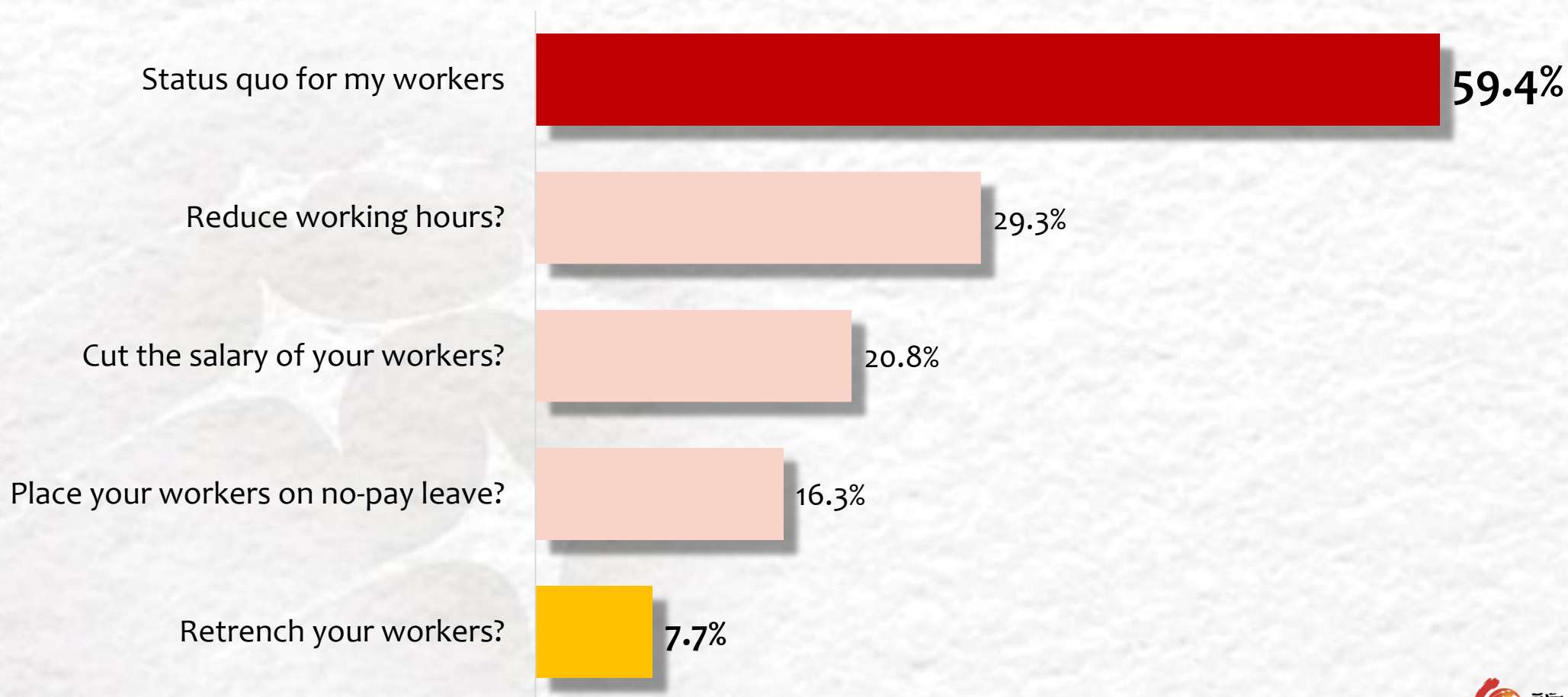
## Strategies to manage manpower needs



# Majority of SMEs are keeping their workforce with the support of JSS

## Only about 8% of respondents had to retrench workers

With the challenges arising from Covid-19, did you have to:



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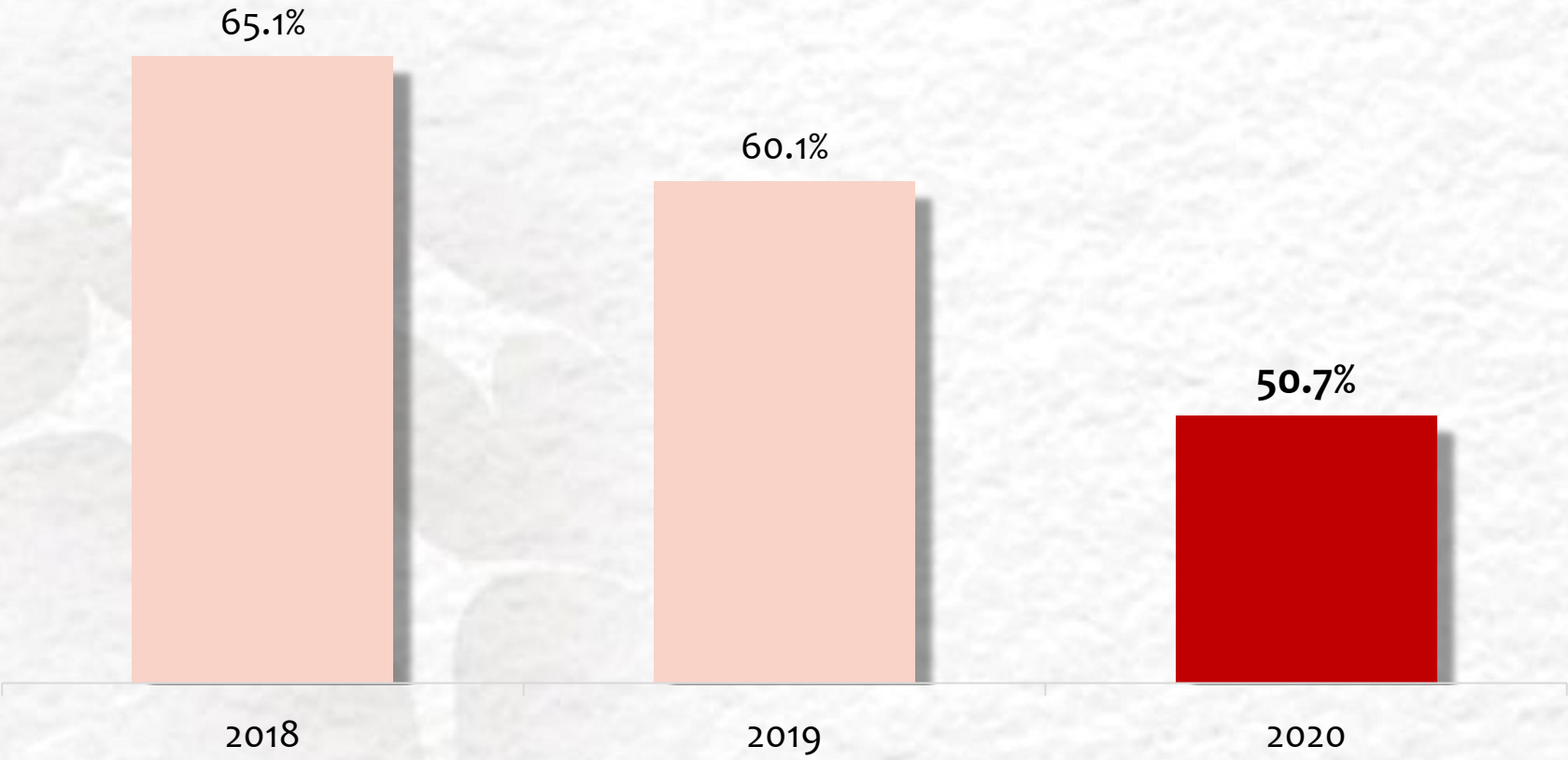
# INTERNATIONALISATION



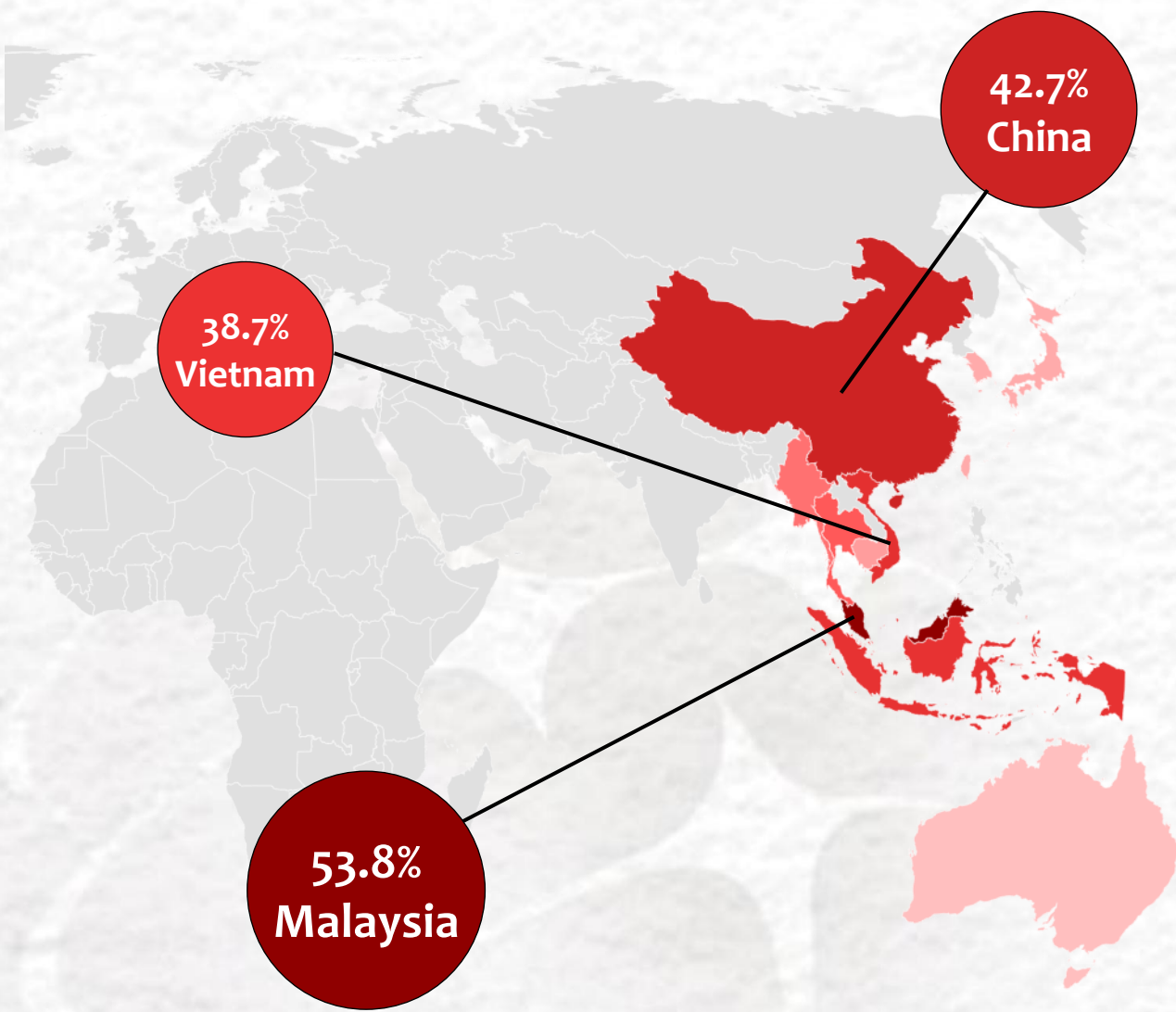


# COVID-19 and uncertain economic conditions have affected plans to venture overseas

Respondents who indicated that they plan to venture overseas



# Top 3 overseas markets of interest to businesses: Malaysia, China, Vietnam



Top 10 markets for overseas ventures

Countries	2018	2019	2020	Change (2019 v 2020)
Malaysia	59.5%	53.1%	53.8%	+0.7%
China	39.7%	42.0%	42.7%	+0.7%
Vietnam	33.4%	40.9%	38.7%	-2.2%
Indonesia	39.2%	49.0%	38.1%	-10.9%
Thailand	28.3%	37.3%	29.8%	-7.5%
Myanmar	26.0%	31.8%	26.0%	-5.8%
Cambodia	17.5%	24.8%	19.0%	-5.8%
North Asia	4.4%	10.4%	16.9%	+6.5%
Australia / New Zealand	11.2%	13.0%	13.7%	0.7%

05

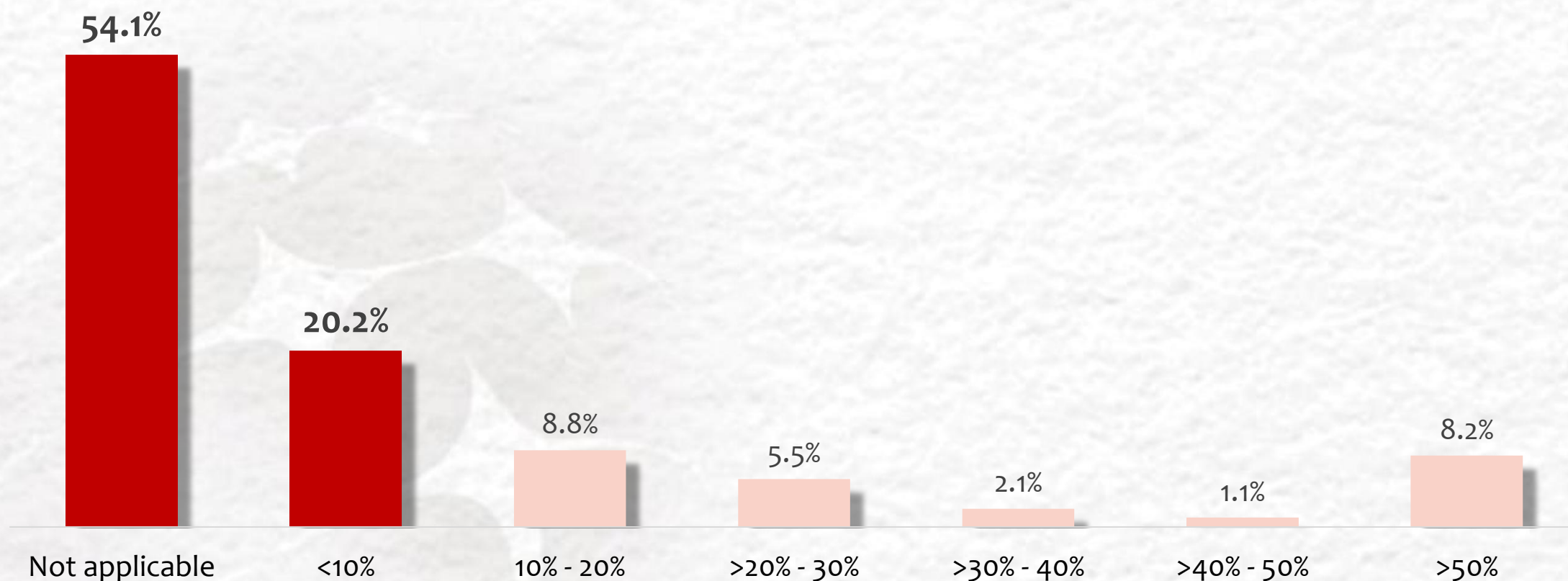
# **DIGITALISATION**





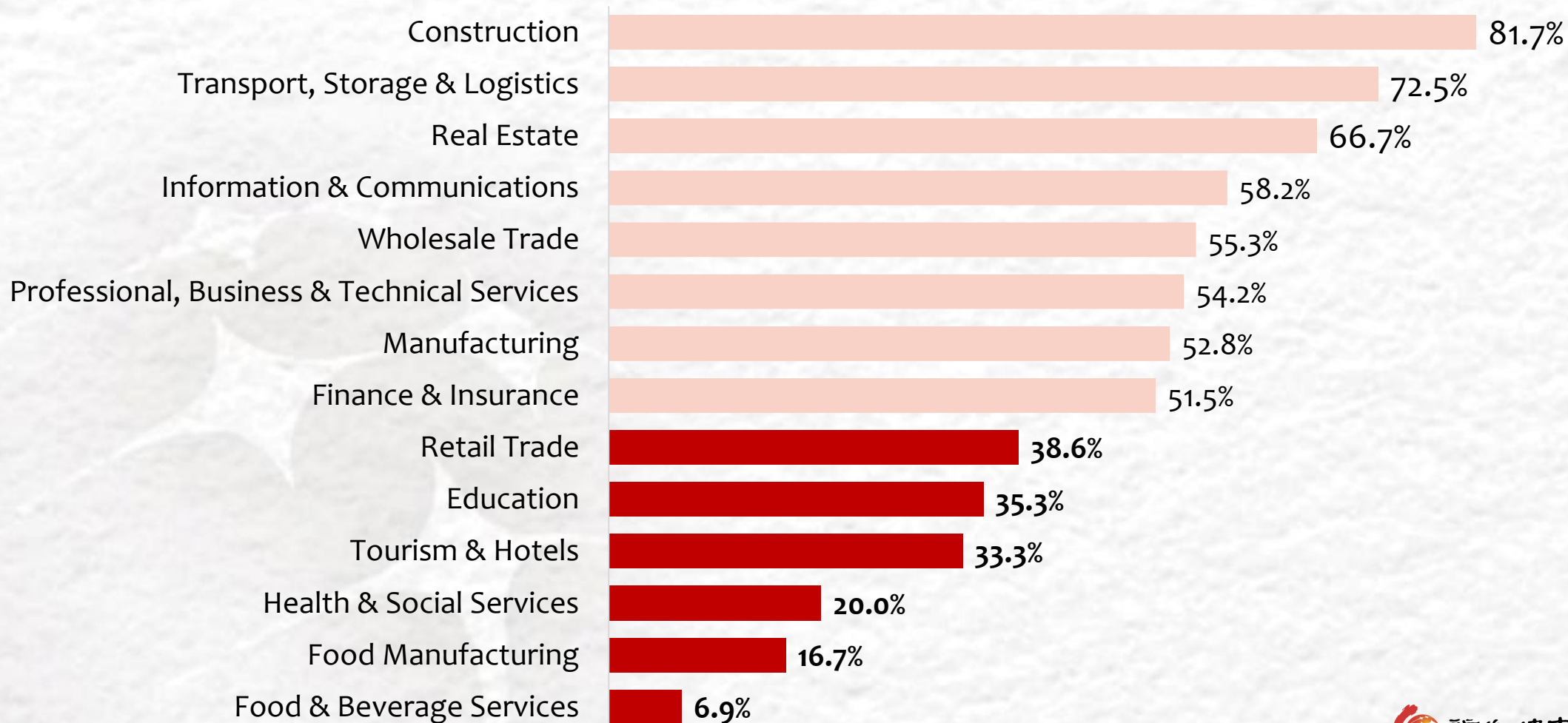
# While businesses embrace digitalisation, they are still not generating their mainstream revenue from online sources

Estimated percentage of revenue from online sources



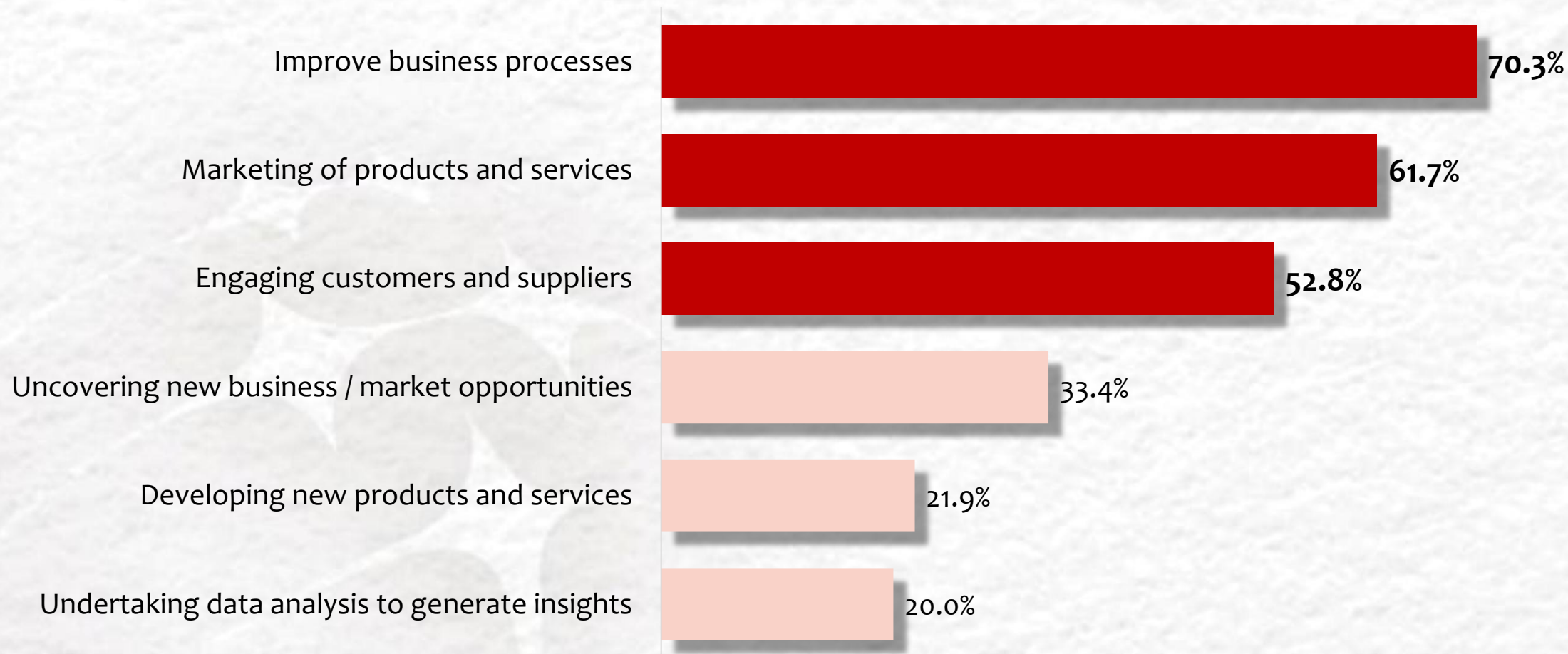
# Sectors that do better in deriving revenue from online sources include F&B, food manufacturing, hospitality, education and retail

Respondents indicating they do not derive revenue from online sources (by sector)



# Respondents stepped up digitalisation to improve business processes, marketing and engagement of customers/suppliers

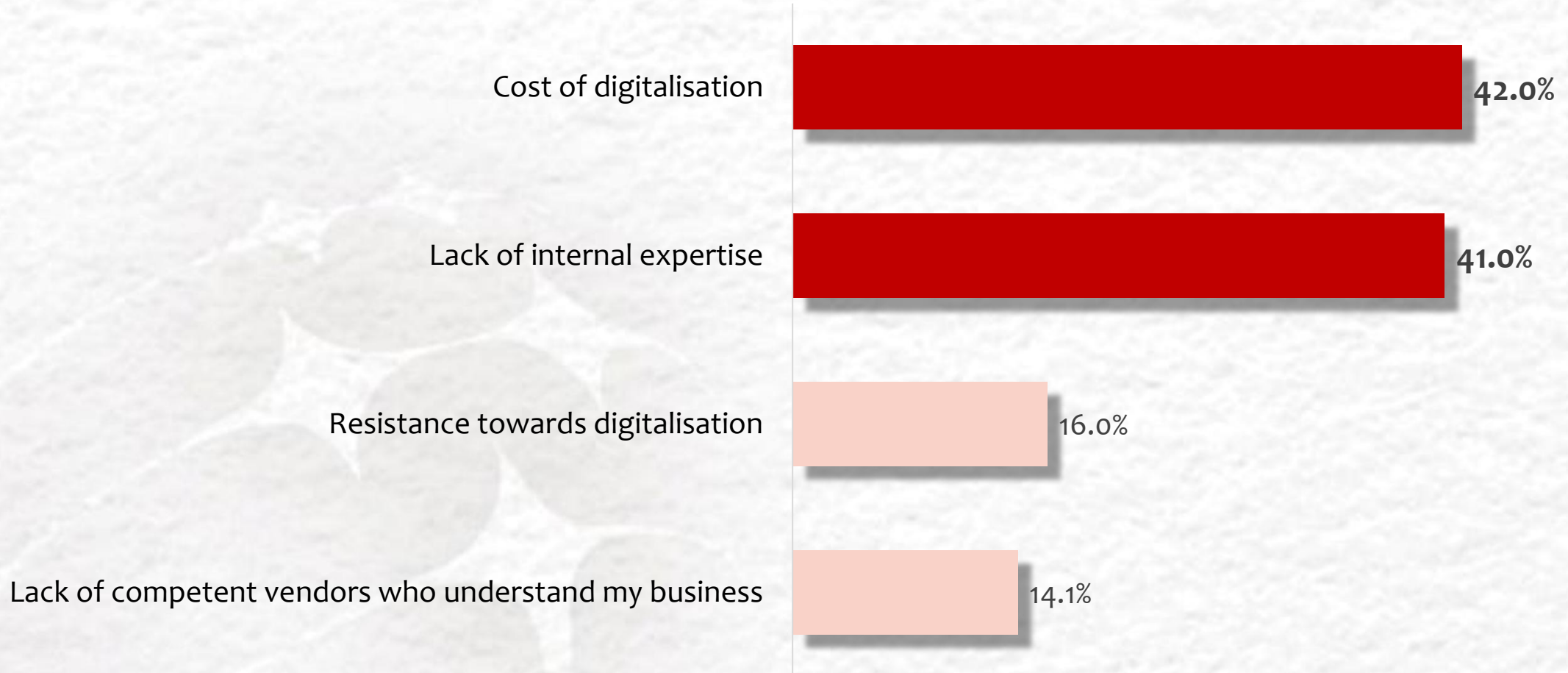
Businesses have stepped up digitalising the following areas:





# Top challenges in digitalisation: Cost and Lack of internal expertise

## Challenges encountered in digitalisation

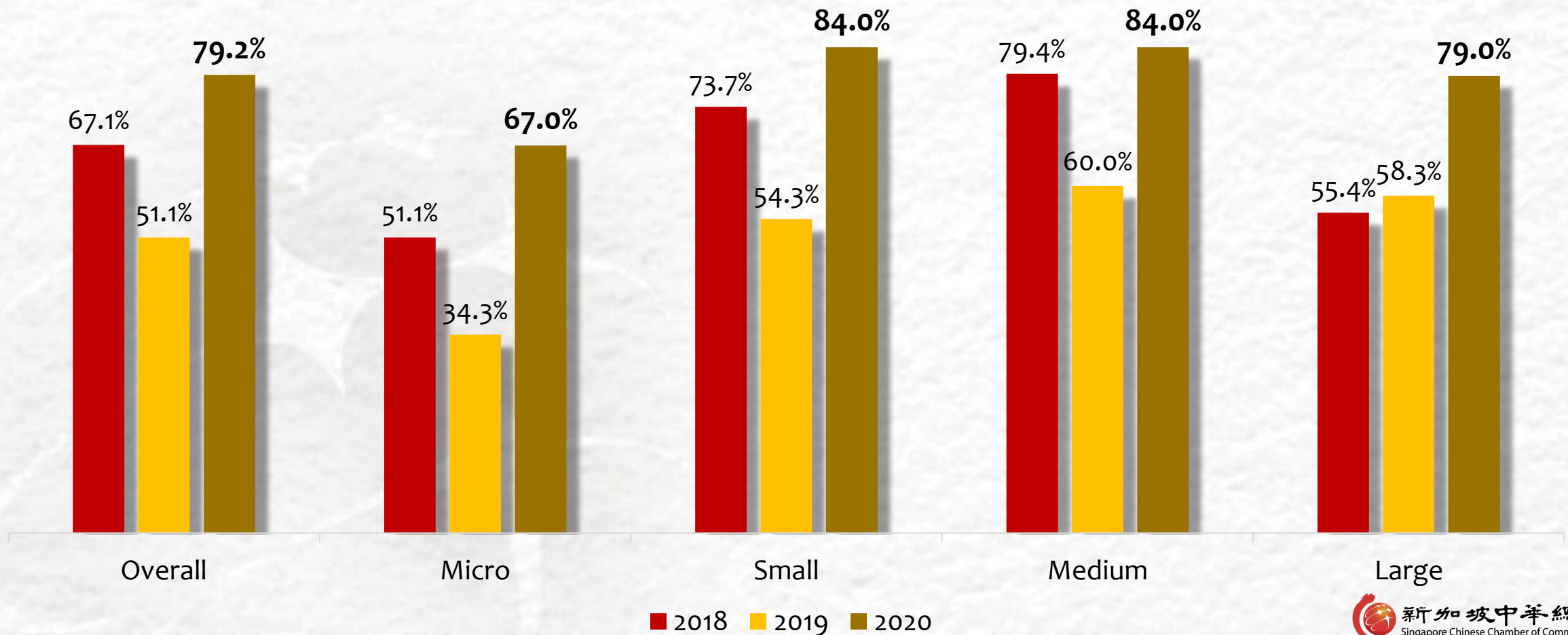


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# GOVERNMENT SCHEMES

# Significantly more businesses have tapped on government schemes to address COVID-19 challenges

Respondents that have applied for Govt schemes (by size of company)



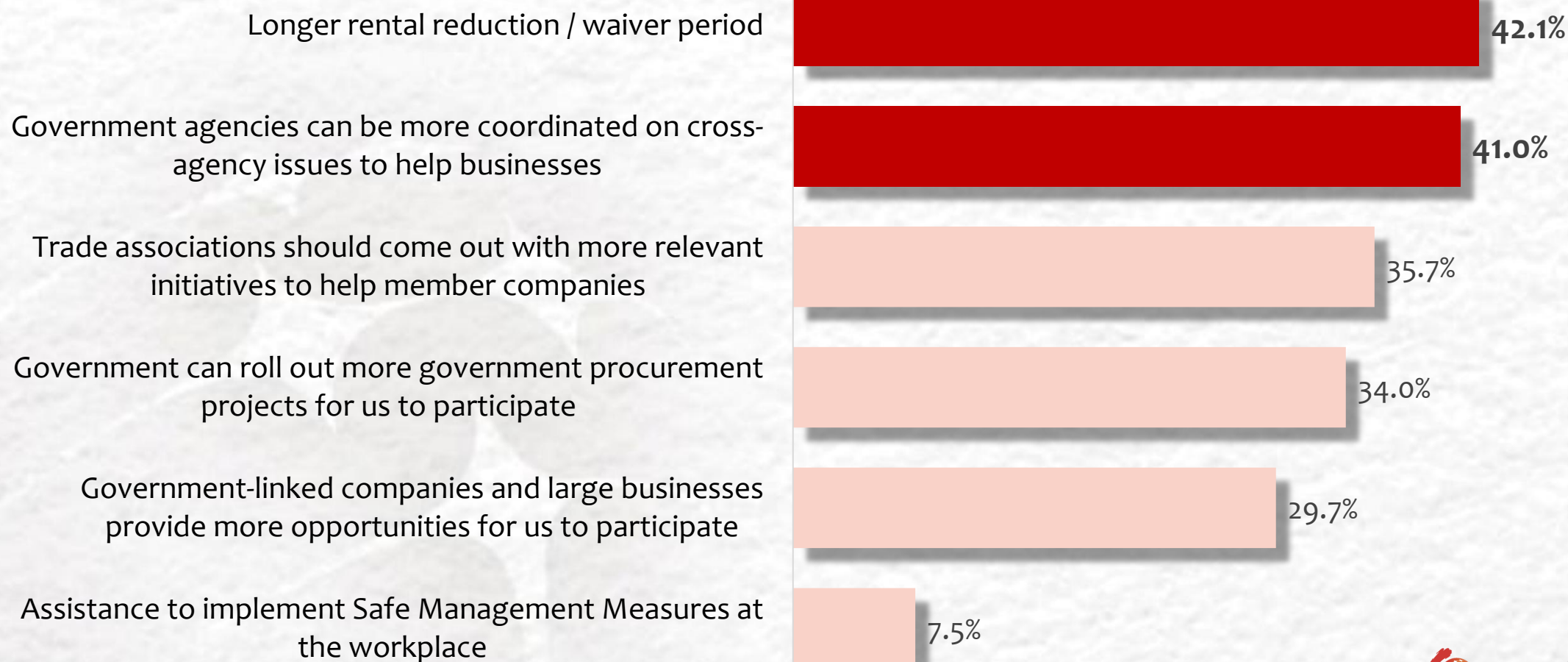


## Top 2 Govt schemes: Jobs Support Scheme and Wage Credit Scheme

1	Jobs Support Scheme (JSS)	89.7%
2	Wage Credit Scheme	61.7%
3	Productivity Solutions Grant (PSG)	33.5%
4	Training subsidies by SkillsFuture Singapore	17.9%
5	Enterprise Development Grant (EDG)	14.8%
6	Temporary Bridging Loan	11.3%
7	SkillsFuture Enterprise Credit	7.1%
8	Enterprise Financing Scheme (SME Working Capital Loan)	6.7%
9	Market Readiness Assistance (MRA)	4.6%
10	SMEs Go Digital Programme	3.9%
11	Incentive to hire local workers after training	2.1%
12	E-Commerce Booster Package	1.7%
13	Adapt & Grow	0.9%

# Businesses wanted more rental reduction / waiver; Govt agencies to be more coordinated

Apart from govt schemes, what form of help does your business need most?



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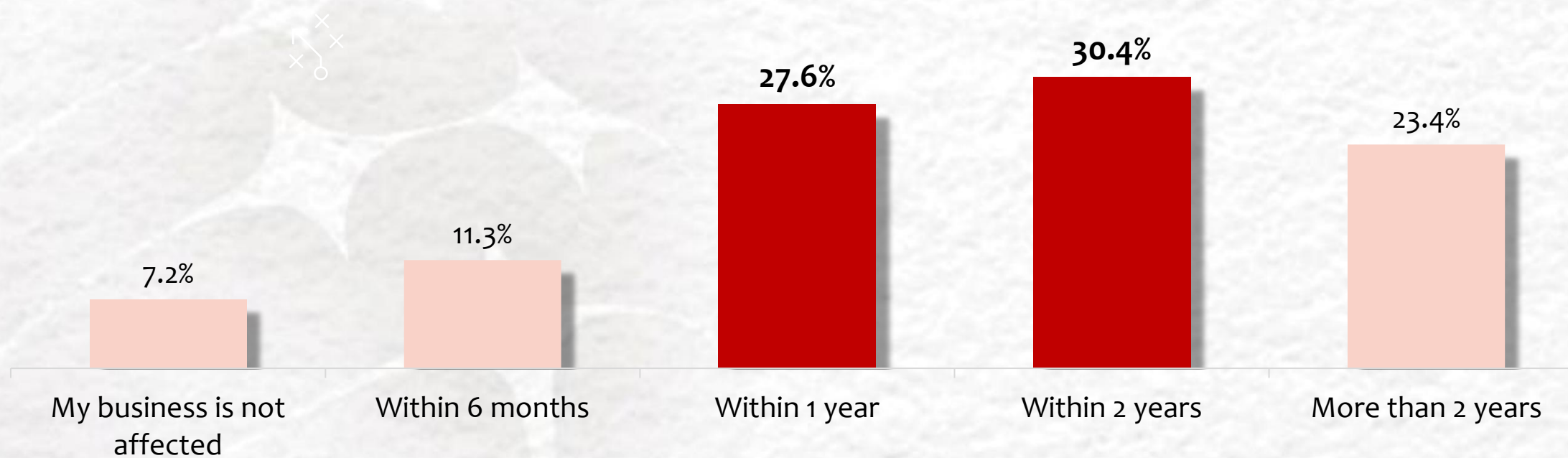
# POST-COVID-19





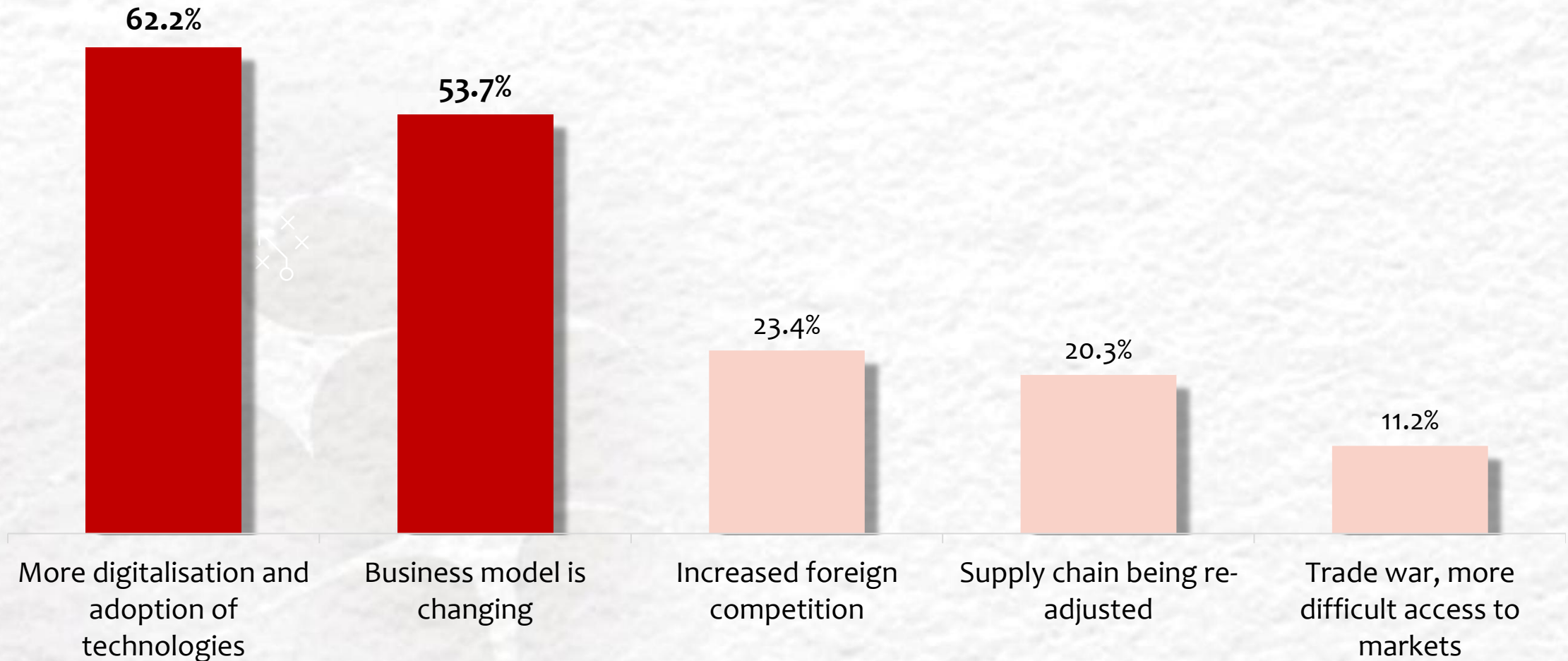
## Close to 60% of respondents estimated that their business will recover to pre-Covid-19 levels only within 1 to 2 years

How long do you estimate your business to recover to pre-Covid-19 level?



# Key shifts observed amid Covid-19: Accelerated digitalisation and Changing business model

Key shifts observed in your business sector



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# RECOMMENDATIONS





# Recommendations

## 1. Govt to put in place measures to facilitate opening up the economy as quickly as possible

- While the 5 rounds of government support measures have been very helpful, companies want to resume and grow their businesses as quickly as possible.
- Urge government to put in place and significantly expand the testing and contact tracing capacity so that infected cases can be identified and isolated swiftly and effectively. This will allow the Singapore economy to continue to re-open at a faster pace.
- Urge government to speed up working out bilateral protocols to facilitate the resumption of international business travel in a manner that is conducive for businesses (e.g. shortening the quarantine period; recognition of Covid-19 tests). This will help businesses to develop and tap on new business opportunities more effectively.

# Recommendations

## 2. Govt to be more coordinated and integrated to tackle complex cross-agency issues

- Business landscape has increasingly become more complex, volatile and uncertain.
- Addressing the issues and challenges arising from Covid-19 has further brought out the importance of a “Whole-of-Government” approach to tackle and resolve issues.
- Urge for a better alignment and coordination between the economic and regulatory agencies, businesses are not made to navigate between various government agencies, encounter conflicted treatment, and can seize new business opportunities that arise in a timely manner.

# Recommendations

## 3. Help SMEs to speed up transformation through digitalisation by tackling the high cost

- Arising from and accelerated by Covid-19, SMEs are increasingly being convinced of the merits of using digitalisation to transform their businesses, but are deterred by the costs.
- Government to provide 90% funding support for trade associations to organize their SME members together to embark on digitisation, including through a shared approach, with a view to keep the costs of digitalisation lower for individual SMEs.
- Higher support quantum that is outcome-based for SMEs to speed up leveraging digital platforms to increase their revenue streams and uncover new growth opportunities.



# Recommendations

## 4. Do more to encourage and support businesses to hire mid-career and mature workers

- While businesses are open to tap more fully on mid-career and mature workers to address their manpower needs, these workers have certain job expectations.
- Offer greater support to businesses that favourably consider and hire mid-career and mature workers.
- Workers correspondingly should understand the challenging business environment faced by employers and adjust their job expectations.
- Promote more awareness and understanding of relevant manpower schemes that help to defray hiring and training costs associated with hiring mid-career and mature workers:
  - Adapt & Grow; Jobs Growth Incentive; SkillsFuture Earn and Learn

# THANK YOU

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