

Coronavirus: Weathering the storm



Shopping belt Orchard Road is unusually quiet these days as people stay home amid the coronavirus pandemic. Mr Kurt Wee of the Singapore Business Federation urged landlords to pass on property tax rebates in full to their tenants and also to match the government rebates dollar for dollar. ST PHOTO: JOEL CHAN

Business leaders, experts hail \$48b surprise package

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Labour chief says it is a strong signal that Government will stand by workers and businesses in challenging times

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Business leaders, experts and labour MPs welcomed the coronavirus stimulus package unveiled by Deputy Prime Minister Heng Swee Keat in Parliament yesterday, expressing surprise at its unprecedented size of over \$48 billion.

National Trades Union Congress (NTUC) secretary-general Ng Chee Meng said he agreed with Mr Heng that these were “extraordinary measures for an extraordinary situation” and that the size of the package, dubbed the Resilience Budget, was a “strong signal that we will stand by our workers and businesses in these challenging times”.

Singapore International Chamber of Commerce chief executive Victor Mills called it the “big dose of medicine” sorely needed by the economy in the wake of the Covid-19 crisis.

“It is a sign of a Government which is close to workers and businesses with the competence to respond appropriately,” he said. “It is also another sign of the decades of prudent financial management which has enabled today’s Government to respond to the extraordinary circumstances we find ourselves in.”

Landlords, however, need to do their part too. Mr Mills said that private sector landlords should sign fair tenancy agreements with tenants. “This is long overdue and now is the time for them to step up and do the right thing.”

Mr Kurt Wee, who chairs the Singapore Business Federation’s small and medium-sized enterprises committee, urged landlords to not only pass on property tax rebates in full to their tenants during this critical time, but also to match the government rebates dollar for dollar.

“This will potentially have a larger impact on saving our retail and F&B front-line industries,” he said. “Through this crisis, we hope landlords and tenants can work together to build a more sustainable and better future.”

Singapore Chinese Chamber of Commerce and Industry president Roland Ng said: “We are heartened that the Government has responded to our feedback and recommendations to help businesses tackle their immediate cash-flow challenges, business costs such as rentals and access to short-term financing.”

Mr Douglas Foo, president of the Singapore Manufacturing Federation, said measures such as the

Enhanced Property Tax Rebate, increased rental waivers and deferment of income tax payments to help with business cash flow would provide members with relief.

But he cautioned that this level of support cannot be taken for granted and may not be repeated.

“It is therefore essential that companies and businesses relook their business models, train and upskill their workers and look to digitalisation as the new norm for doing business when the effects of Covid-19 blow over.”

Industry experts commended efforts to help employers keep workers on by allaying wage costs, such as the enhancements to the Jobs Support Scheme.

Mr Samir Bedi, Asean workforce advisory leader for professional services firm EY, said: “This Resilience Budget should help enterprises and workers to tide through this period of volatility and also be ready to spring back into shape once the situation stabilises.”

He added that the extension of the 90 per cent absentee payroll rates to all employers, not just those in the aviation, tourism, food services and retail trade sectors, is “timely in supporting businesses to invest in and support employees’ development”. The scheme provides additional cash-flow relief to employers when they send their workers for training.

Labour MPs said they were glad to see more help for workers, particularly self-employed persons, who will receive direct cash assistance and topped-up training allowances.

Mr Zainal Sapari (Pasir Ris-Punggol GRC) called the budget “mind-boggling”, but stressed that it would be key to get financial relief as quickly as possible to hard-hit workers. “The self-employed and low-wage workers in affected industries are especially vulnerable as they may have a massive, sudden drop in income, without much savings to tide them over.”

Mr Melvin Yong (Tanjong Pagar GRC) said he was heartened to hear that Singaporeans would be able to make early use of the SkillsFuture credit top-up for their courses from April 1, ahead of the full implementation date in October. This, he said, could turn Covid-19 into “an opportunity to help our most vulnerable groups of workers emerge stronger than before”.

The assistance in the budget extends beyond businesses and workers.

The Singapore Muslim Women’s Association said in a statement that it appreciated the help given to

STRATEGIC, PRUDENT ACTION

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SINGAPORE INTERNATIONAL CHAMBER OF COMMERCE CHIEF EXECUTIVE VICTOR MILLS, on the Resilience Budget.

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MR DOUGLAS FOO, president of the Singapore Manufacturing Federation, cautioning against taking government support for granted.

women, families and children in the form of the enhanced Care and Support Package.

“As an agency that works closely with those in need, the enhanced cash disbursement to this group would greatly help ease their daily burden in weathering this period,” it said, adding that it anticipated those seeking assistance from social service agencies will increase as the pandemic drags on.

National University of Singapore economics, finance and real estate professor Sumit Agarwal said that on a whole, the package will provide a much-needed boost of confidence to corporate leaders, employees and financial markets.

“I think other countries in the region can look at the bold stimulus package announced by Singapore and do something similar to rescue their own economies from going through a deep recession. But the situation is still fluid, so we cannot rule out further action by the Government in a few months.”

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