

60% of Singapore firms say they'll need 1-2 years to recover

Companies face challenges in areas such as financing and cash flow

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Singapore

FOR nearly six in 10 Singapore firms, business will take one to two years to recover to pre-Covid-19 levels, even as they seek new revenue sources, speed up digitalisation and innovate in products and services.

Revenues and profit margins have declined as a result of the pandemic. Yet, firms also face key challenges in financing and cash flow, rising business costs, and the uncertain economic and political conditions overseas, according to preliminary findings from the Singapore Chinese Chamber of Commerce and Industry's (SCCCI) annual business survey released on Tuesday.

The chamber polled 1,020 members over June and July. Of those, 95 per cent are small and medium-sized enterprises (SMEs).

"This has been an extremely challenging year for businesses," said SCCCI president Roland Ng at the chamber's annual conference on Tuesday. He noted that 80 per cent of members have seen a fall in revenue and about 76 per cent of them saw their profit margin decline as a result of the pandemic.

Businesses surveyed said they are seeking new revenue sources, speeding up digitalisation and innovating in terms of products and services to address the decline in revenue.

"As businesses, we will continue to enhance our competitiveness and build new capabilities. However, the economic outlook is still very uncertain, and the recovery is likely to be uneven across industries," said Mr Ng.

"Therefore, we hope that the government will continue to help businesses where necessary, through ways beyond the four rounds of budget measures."

Even so, 70 per cent of the firms told SCCCI that they have maintained their staff strength. Only 8 per cent of companies have retrenched workers.

On Monday, Deputy Prime Minister and Finance Minister Heng Swee Keat announced a further S\$8 billion in continued Covid-19 support, including up to seven more months of wage subsidies.

The extended measures come amid what's set to be Singapore's worst recession since independence, with the economy is projected to shrink between 5 per cent and 7 per cent this year.

The forecast also means that the growth generated over the past two to three years will be "negated", Minister for Trade and Industry Chan Chun Sing has said.

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Source: Preliminary findings of SCCCI Annual Business Survey 2020

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