

British businesses aiming to retain full workforce, working to limit salary reductions as they address the ongoing impacts of COVID-19

May 14, 2020: Almost three-quarters of respondents to the British Chamber of Commerce Singapore's latest edition of their Impacts of COVID-19 member survey are retaining their full workforce, with half able to maintain salaries at current levels following support from the government's Enhanced Jobs Support Scheme and other measures.

In the latest survey, taken between 5-12 May, 23% of respondents were planning to make or have made cuts. Just under two-thirds of those reducing headcount reported the impact could be up to 10% of their workforce; 33% said it could be as high as 25%. The decisions are driven by local management (41%), global headquarters (37%) or regional management (22%).

Just under half of all respondents to the survey reported no plans to reduce salaries. Over three-quarters of respondents received funding from the JSS scheme, and half of these companies confirmed it had provided a significant assist to their finances.

Those who may have to consider salary reductions include the healthcare and professional services sectors. Nearly three quarters of all respondents have suspended recruitment activity, a trend seen across all sectors and sizes of business.

Confidence in Singapore and ASEAN at an all-time high

99% of members indicated their continued confidence in Singapore as a long-term business hub, a further increase from March and April's response rate of 97%. Only 9% of companies are considering repatriating employees, a similar response when asked in March. 87% of members state that ASEAN remains a high priority for their business.

Just under half of all respondents have not yet set a framework or plan for a return to the workplace, indicating that they were waiting for further guidance from the government. The Chamber will continue to support members by distributing all guidance and safety measures provided by the government.

Member David Mackerness, Senior Manager for Customer Success at Kaer states:

"COVID-19 has put a massive strain on businesses, economies and communities. And although it has separated us physically, in many ways it has brought us closer together with colleagues and customers. As an essential service we have managed to continue to operate safely across the region and support from governments, employees and customers has allowed us to maintain and even improve service level offerings through digitalisation."

A significant shift in expected revenue results for 2020

In early March, just 16% of respondents anticipated a decrease in revenue of more than 20%. That number has now risen in our latest results to 42%. Similarly, 30% expect a reduction in income of 11-20% (18% in March), with 13% expecting a decrease of up to 10% (18% in March). Members are more confident of the outlook, with just 12% reporting they were unsure of the expected revenue change, compared to 32% in March.

Rising impacts on business

There has been a marked increase in those impacted significantly by the virus since March. In the first survey two months ago the proportion was 26%, rising to 59% last month and standing today at 61%. A combined 97% reported an impact either somewhat or to a great extent, rising from 94% in April and 77% in March.

In the Asia Pacific region, those reporting an impact has remained steady, with a combined 82% response for May, in comparison to 79% in April and 88% in March. Logistics firms reported a significant impact to their regional business, with professional services firms reporting similar concerns.

Ongoing support from the British Chamber

Since the start of the outbreak of COVID-19, the Chamber has pivoted to providing digital support to members, particularly through the circuit breaker period. We swiftly launched a series of live webinars, continuing our high standards of expert speaker. Our webinars are currently free for members across the British Chamber global network to join, open to non-members, and are made available to watch at a later date at www.britcham.org.sg/webinars. We have also launched regular podcasts, introducing our audience to our committees, British Chamber counterparts around South East Asia and special guests covering various topics. These are available on all mainstream podcast platforms, or on our website at www.britcham.org.sg/podcasts.

Our membership team, committee facilitators and management team continue to listen to our members feedback, questions and concerns and support them as needed. We are working closely with the British High Commission, Ministry for Trade and Information, Ministry of Manpower, Economic Development Board and Enterprise Singapore to maintain the flow of communication between our members and government, and working with the Department for International Trade and our British Chamber colleagues in the UK to encourage future exports to Singapore and ASEAN through sector webinars and virtual trade missions.

David Kelly, Executive Director at the British Chamber of Commerce Singapore commented:

"It is pleasing to see confidence in Singapore is at an all time high among the British business community, and that ASEAN remains a high priority. What is evident is that whilst 75% of businesses are retaining their full workforce, future revenue forecasting is less positive. The Chamber has put in place various programmes to support the future growth of business in Singapore and is committed to supporting the business eco-system going forward. We are also working closely with our members to communicate the steps and advice provided by the Singapore Government to help companies put a return to work plan in place."

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About the British Chamber of Commerce

The British Chamber is an independent membership organisation with almost 4,000 members committed to strengthening the ties between the UK and Singapore. We have done so since 1954. Our goal is to deliver member value through the services we offer, that all work towards supporting our members in achieving their business objectives and aligning with our mission of Building Networks, Connecting Businesses and Creating Opportunities. Whether a company is just starting research into ASEAN by scoping the market opportunities in Singapore, have established their business and seeking growth, building connections to the UK Government, or looking for brand exposure and employee development activities, the Chamber is available to support their needs at every stage of the journey. With a full calendar of activities throughout the year including events, publications and opportunities to collaborate with our members, the Chamber team is available to help as a point of resource, introductions, networking,

learning and profile-raising. Ultimately, our entire network benefits from our leading position as a strong and credible voice for our members and British businesses in Singapore and beyond. For further information visit <http://www.britcham.org.sg>.

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