



Media Release

ASME supports Resilience Budget measures

Singapore, 26 March 2020 – The Association of Small & Medium Enterprises (ASME) supports the Government on the measures that have been pushed out in the Resilience Budget. To assist Singaporeans and businesses through the COVID-19 global pandemic, the Government has announced a supplementary budget of S\$48 billion. Along with the Budget released on 18 February 2020, it amounts to an estimated total of S\$55 billion in support.

The Jobs Support Scheme (JSS) will be enhanced from 8 per cent to 25 per cent, with a raise in the monthly qualifying wage ceiling to S\$4,600 from S\$3,600. The scheme will also run for nine months, up from three months previously. ASME is especially heartened that the JSS has been further enhanced for the food and beverage sector, with wage support pegged at 50 per cent. This enhancement will greatly benefit businesses in alleviating manpower costs during this difficult time, resulting in jobs saved.

With regard to rental rebates, property tax will be waived for qualifying commercial properties that have been severely affected by COVID-19, an increase from the previous 15 to 30 per cent. For tenants, this could amount to one to one-and-a-half months of rental rebates. ASME would like to urge institutional landlords and real estate investment trusts (REITs) to pass these rebates down to their tenants and match it dollar-for-dollar. This could potentially double tenants' rental rebates to a total of three months. A dollar-for-dollar matching by the REITs will send a strong signal that the whole ecosystem is weathering the storm as one.

In terms of credit support, the maximum loan quantum of the SME Working Capital Loan has been increased to S\$1 million from S\$0.6 million. The Temporary Bridging Loan has also been expanded to cover all sectors, with the maximum supported loan raised to S\$5 million from S\$1 million. There will also be a push to keep lending rates at 5% or less. These measures will inject much needed liquidity to help businesses with their cash flow. With the one-year moratorium on loan repayments,



businesses will only need to pay for interest cost in the first year, thus helping the business ecosystem retain its liquidity.

Further enhanced support is being provided to enterprises, with up to 90 per cent support under the Enterprise Development Grant (EDG), and up to 80 per cent for the Productivity Solutions Grant (PSG). Apart from retaining jobs, reducing costs and transforming business processes, ASME encourages all enterprises to utilise the available help and resources to develop a tactical plan to ride out till the end of the year. At the same time, SMEs should build strong capabilities through the available schemes, so that they would be able to bounce straight back and take advantage of the upturn when the crisis ends.

Mr Kurt Wee, President of ASME, said, “We applaud the government for its timely and bold move regarding the Resilience Budget. It is not just a resilience budget, but a budget that re-instills business confidence, as well as job confidence back in our workers. This is truly an extraordinary time and we have the benefit of a tripartite framework between government, workforce and businesses to enable us to ride this out in a unified manner. We urge all enterprises to press on, and fully leverage the resources provided to strengthen their business and create good jobs.”

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ABOUT ASME

ASSOCIATION OF SMALL & MEDIUM ENTERPRISES (ASME)

The Association of Small & Medium Enterprises (ASME) is a not-for-profit organisation established in 1986 for entrepreneurs, by entrepreneurs. With wide-ranging services and programmes, ASME strives to equip member SMEs with the business knowledge and market opportunities to help them grow their businesses.

ASME, as the champion of a pro-enterprise Singapore, bridges the public and the private sectors to promote a more conducive business environment which facilitates the start-up, growth and development of a larger pool of SMEs. The two ASME flagship awards – The Entrepreneur of the Year Award and Singapore Prestige Brand Award – are in recognition of SMEs' successes.

ASME will continue to roll out new SME-relevant programmes to enhance its position as THE business association For Entrepreneurs, By Entrepreneurs.

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