

Covid-19: Some firms say extended Job Support Scheme won't save ailing business, others surprised by continued support

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Companies in the aerospace, aviation and tourism sectors will continue to receive wage support until September 2021, a six-month extension from the original March 31 expiry date.

- Finance Minister Heng Swee Keat had announced that the Job Support Scheme will be extended for up to another six months for ailing sectors
- Businesses hit badly by the pandemic said the scheme will not alleviate much of their financial burdens
- Sectors that will not be supported by the extension said they were disappointed, but not surprised by the move

SINGAPORE — It was a pleasant surprise for some businesses to hear the news that the Government will be extending the Job Support Scheme for up to another six months to help ailing industries pummelled by the Covid-19 crisis.

One in the food services sector said that he knew of those in the same line that have more or less clawed back to nearly what they were earning before the crisis.

On the other hand, there were those for which the benefits of the scheme will not help much because they are in dire straits.

And for businesses in sectors that will not be receiving an extension — such as the nightlife and entertainment sector — they were disappointed to be left without support, even though they were expecting it.

During his Budget speech on Tuesday (Feb 16), Deputy Prime Minister and Finance Minister Heng Swee Keat announced that the [Job Support Scheme will be extended](#), but only for sectors that are still affected by the economic disruption brought about by the global pandemic. The scheme allows companies to receive subsidies for at least 10 per cent of the wages they paid out for mo of last year.

For example, companies in the aerospace, aviation and tourism sectors will continue to receive wage support until September this year, a six-month extension from the original March 31 expiry date.

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From July to September this year, there will be a 10 per cent support for wages, which will be disbursed in December.

These companies are now receiving 50 per cent in wage subsidies.

The scheme will also be extended by three months for firms in the retail, food services, built environment and arts and culture sectors. They are now receiving 30 per cent subsidies until March this year.

For wages to be credited between April and June this year, these firms will receive 10 per cent subsidies, which will be paid out in September.

This scheme will stop after that for firms in these sectors.

For all other sectors still receiving help under the scheme, support will not be extended after end-March.

UNEXPECTED

Some businesses from the built environment and food-and-beverage (F&B) sectors interviewed by TODAY said that they were pleasantly surprised to be eligible for the extension. They were not expecting to see any help targeted at their industries in this year's Budget.

Mr Alvin Gho, 39, co-founder and director of wine bar RVLTL, said that the extended support is "very generous" because there are many F&B operators, including himself, whose businesses have already recovered to close to pre-pandemic levels.

"But I think what the Government is trying to do is to soften the blow for the restaurants that are not doing so well or are on the verge of closing," Mr Gho said.

For the built environment sector, Mr Nelson Tee, 67, managing director of construction firm CHH Construction System, said that the primary issue most companies in his industry are facing is meeting project deadlines. Productivity has slowed due to the need to adhere to safe management rules at work sites.

The extended 10 per cent wage subsidy is not much, but Mr Tee is not that concerned because the Government has already provided enough help for the industry in previous Budgets.

"At some point, you have to plough your own land," he said.

ON THIN ICE

For some money-changer operators, they appreciate the benefits from the Job Support Scheme but said that the wage support is not enough to help keep them afloat.

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With borders closed and travelling limited, money changers are struggling to keep up business. TODAY file photo

Business has still not picked up due to the border closures and has fallen by at least 90 per cent since the pandemic hit last year, they said.

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Mr Anwar Deen, owner of Central Exchange Money Changer in Suntec City mall, said: “We don’t think that we can take it for much longer. In a few months, we may have to decide if we have to shut down or suspend (our business) if things are still as bad.”

Agreeing, one employee who works at a money changer located on Orchard Road said that the situation for them is getting worse due to the lack of travellers, and he may soon have to lay off some of his six workers.

“We thought that borders will slowly open in March... and that after borders open, business will pick up and times will change. But it’s gotten worse,” the employee said without wanting to reveal his name because he is not authorised to speak to the media.

NO QUICK SOLUTION

For businesses that have not been included in the extension of the Job Support Scheme, some said that they were not surprised to be left out but they still wished that the Government had offered them some form of support to cope with the pandemic.

Mr Marvin Tan, 42, co-founder and group executive director of technology company Adera Global, observed that many in the tech sector are doing quite well due to the pandemic and these are usually firms that operate in the business-to-customer area, such as in e-commerce.

The recovery has not been as swift for his company, which services other businesses, because many of its clients are from overseas and so it is dependent on the reopening of borders.

Still, Mr Tan acknowledges that the Government has only so much resources and priority should be given to the strategic industries such as aviation and tourism that have been more badly hit by this global crisis.

These sentiments were echoed by businesses in the nightlife sector. They will not be receiving any more wage subsidies but can apply for grants from the Ministry of Trade and Industry and trade agency Enterprise Singapore to [pivot their business or wind down operations](#).

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Nightclubs have remained closed since the coronavirus outbreak in early 2020. Photo: Nuria Ling/TODAY

Some nightlife operators pointed out that accepting the grant to pivot their business would mean missing out on the pilot for the reopening of nightclubs and karaoke outlets, which was supposed to kick start last month but [has been postponed](#) due to a rise in Covid-19 cases in the community.

Because of this, many of them are in limbo — still banking on the pilot scheme coming to fruition.

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Mr Frank Per, 48, owner of Sing My Song Family Karaoke located in Paya Lebar Quarter Mall, said: “From the start, we have been hit the hardest by Covid. We have been on lockdown for close to a year and until now, we are waiting for the pilot... And as of now, there is no light at the end of the tunnel.”

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