Singapore – Supporting SMEs During the COVID Pandemic

IMF–Singapore Regional Training Institute
July, 2020
### SMEs in the Singapore Economy

<table>
<thead>
<tr>
<th>Enterprises (220k)</th>
<th>Employment</th>
<th>Nominal value added</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SMEs</strong> 99% Non-SMEs 1%</td>
<td><strong>SMEs</strong> 65% Non-SMEs 35%</td>
<td><strong>SMEs</strong> 49% Non-SMEs 51%</td>
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<tr>
<td>Local Enterprises 85% Foreign Enterprises 15%</td>
<td>Local Enterprises 68% Foreign Enterprises 32%</td>
<td>Local Enterprises 43% Foreign Enterprises 57%</td>
</tr>
</tbody>
</table>

Source: Singapore Department of Statistics (2018)
SME Support Facilities: Subsidized Loans

**Temporary Bridging Loan Programme**
- Loan up to S$5mn; govn’t risk share 90%
- 5-year repayment and interest rate capped at 5%

**SME Working Capital**
- Loan up to S$1mn; govn’t risk share upped to 90%
- 5-year repayment; interest rate subject to risk assessment

**SME Trade Loans**
- Loan up to S$10mn; govn’t risk share upped to 90%
- 1-year repayment; interest rate subject to risk assessment
SME loan deferrals and insurance assistance

Deferred loan payments
- SMEs may opt to defer principal payments on their secured term loans up to December 31, 2020.

Insurance Assistance
- Corporates, including SMEs, holding general insurance policies that protect their business and property risks may apply to their insurer for instalment payment plans.
FinTech Sector Support
MAS Financial Sector Development Fund S$125mn

- Supporting workforce training and manpower costs
- Strengthening digitalization and operational resilience
- Enhancing FinTech firms’ access to digital platforms and tools