VIRUS OUTBREAK

# Three new cases confirmed; a 'small number may succumb'

**Panic buying stabilises; retailers expected to return to normal stocking after resolving manpower, logistics issues**

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**Singapore**

THE government on Wednesday declared that the panic buying seen last Friday as Singapore moved to Dorscon Orange has "stabilised", even as three more new cases of Covid-19 – also known as the coronavirus – were uncovered.

Dorscon is short for Disease Outbreak Response System Condition.

While some retail outlets might not be fully stocked on all food and essential items, it is not because of shortage of supplies, said National Development Minister Lawrence Wong, the co-chairman of the Multi-Ministry Taskforce on Covid-19.

"It's simply a manpower and logistic issue in order to get the restocking done," he said at a press conference. "We expect all outlets of the major retailers to have normal stock levels in a day or two."

When it comes to food and grocery items, Singapore's supply chains remain robust, according to the minister. "Our diversification strategy ensures that we are protected from any sudden stocks. That has been proven, even with this last wave of sudden surge in demand."

While three more new cases have come to light, Health Minister Gan Kim Yong, the other co-chairman of the multi-ministry task force, said six more Covid-19 patients have been discharged.

To date, a total of 50 people in Singapore have been found to be infected with the virus first detected in December in Wuhan, the capital city of central China's Hubei province. Fifteen of them have recovered.

Mr Gan said of the 35 confirmed cases still in hospital, most are in stable condition or improving while eight are in the intensive care unit and in critical condition.

As at noon on Wednesday, 638 suspect cases have tested negative. Test results for 125 cases are pending, according to the Ministry of Health (MOH) in a press release. It added that it has identified 1,090 close contacts of the confirmed cases, of whom 984 are in Singapore.

Of the latter, MOH said 961 have been contacted and are being isolated or quarantined. Efforts are ongoing to contact the remaining 23 contacts in Singapore, it said.

The latest three confirmed cases are all men and Singapore citizens who have no recent travel history to China. Two of the men work at Grace Assembly of God and were at the church's sites in Tanglin and Bukit Batok.

The third man works at DBS Asia Central at Marina Bay Financial Centre. The approximately 300 DBS staff at this location vacated their office on Wednesday, when it was confirmed that their colleague caught Covid-19.

"While most infected patients will recover, some may become seriously ill and a small number may succumb to the infection ultimately," Mr Gan said. "We have to be prepared for the worst."

Kenneth Mak, director of Medical Services at MOH, said: "We have established several links to previous clusters . . . made possible with assistance from (the) police."

There are now five known clusters: five of the cases are linked to The Life Church and Missions Singapore at Paya Lebar; nine are linked to the cluster associated with Yong Thai Hang on Cavan Road; three cases are linked to the private business meeting at Grand Hyatt Singapore; two cases are linked to the Seletar Aerospace Heights construction site; and two are linked to the Grace Assembly of God.

"Many people have asked how this situation will unfold over the next few weeks," Mr Wong said. "We don't know. It's still early to tell. We really can't say whether it will get better or worse."

Assoc Prof Mak is "not confident" that the Covid-19 outbreak will die out in April, as some experts predicted. "We continue to see new cases. It's still too early to predict," he said.

# 200 DBS staff vacate MBFC after case confirmed

**By Natalie Choy**
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**Singapore**

DBS on Wednesday sent home dozens of employees as a precaution after one of its staff working at the bank's main Marina Bay Financial Centre (MBFC) office was found to be infected with the novel coronavirus.

The individual was tested on Tuesday, and the bank was informed of the confirmed diagnosis on Wednesday morning, DBS said in a statement.

As a precautionary measure, DBS vacated the affected floor at MBFC Tower 3. The evacuation was completed by 12pm on Wednesday.

*The Business Times* understands that not more than 200 employees were affected, including about 20 asked to take a 14-day leave of absence due to direct contact with the confirmed case.

"We are also currently conducting detailed contact tracing with all employees and other parties that the infected employee may have come into contact with," DBS said.

**A DBS staff working at its main MBFC office was infected with Covid-19, prompting the bank to evacuate the affected floor at MBFC Tower 3.**

The affected office space, as well as common areas such as lifts and toilets, are being deep cleaned and disinfected in accordance with Ministry of Health guidelines.

DBS is an anchor tenant at MBFC Tower 3, occupying over 600,000 sq ft of office space.

"During this difficult time, the bank will be providing the (infected) employee and his family with every support and guidance," said the lender.

From next week, all employees will receive a personal hygiene and protection pack that includes masks, a thermometer, hand sanitiser and vitamin C. This is in addition to the medical helpline and complimentary virtual doctor services that are already in place.

DBS said it will also roll out webinars for medical health professionals to update DBS employees on the latest developments on the virus, and answer any medical-related concerns that they might have.

This is the second confirmed case at MBFC. The first was an employee at a tenant housed in Tower 1, where Standard Chartered is a key tenant. The three MBFC towers house financial institutions and large corporates.

Over at Clifford Centre, a staff of United Industrial Corporation (UIC) – which has its office there - was confirmed to have been infected with the virus on Feb 7. The building has since been disinfected.

Business continuity plans have kicked in for most banks, and employees and visitors at banking premises must declare their travel history and undergo daily temperature screening processes.

The novel coronavirus was officially named "Covid-19" on Tuesday by the World Health Organization.

# Corporates rally to thank healthcare workers with food, transport vouchers

**By Olivia Poh**
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**Singapore**

COMPANIES in Singapore have rallied together to show appreciation for healthcare staff on the frontlines of battling the Covid-19.

Some corporates have started delivering hot meals, snacks and beverages to the Singapore General Hospital (SGH), Tan Tock Seng Hospital (TTSH) and the National University Hospital (NUH), hoping to boost the morale of those working there – doctors, nurses, ambulance drivers, cleaners and administrators.

"We are just doing a small part to encourage the frontline medical staff at TTSH-NCID (National Centre for Infectious Diseases) and NUH. We want them to enjoy a good meal in the midst of handling this virus situation," said Amy Ng, Mapletree's regional chief executive for South-east Asia and group retail.

On Wednesday, the real estate giant sent some 200 bento boxes to TTSH and will continue to do so daily till next Friday. The group will do likewise for NUH from Thursday onwards till next Friday.

Private property developer Far East Organization will carry on the initiative, supplying meals to the two hospitals the week after, from Feb 24 to Feb 28.

Over at TSMP, managing partner Stefanie Yuen-Thio said she is co-ordinating an effort to send 100 packed lunches daily to SGH. These meals, she says, are sponsored by various family offices, lawyers and other professionals who reached out to chip in.

The law firm also delivered 2,000 packets of salted fish skin to SGH on Wednesday in a joint effort with gourmet snack company Golden Duck. Ms Yuen-Thio told *The Business Times* that the same delivery to Tan Tock Seng Hospital will follow next week.

"We are heartened to receive such sweet and appreciative gestures from members of the public and organisations," said Dominic Tung, assistant director of human resource in TTSH.

"These are morale boosters for our frontline staff and the various departments within our main hospital and NCID who are tirelessly working to ensure that patients and staff are well taken care of in this global fight against Covid-19," he said, adding that they are grateful to all donors and well-wishers.

Beverage companies Yeo Hiap Seng, Tiger Sugar, Red Bull and Monster Energy have also been sending their drinks to hospitals, staff at TTSH and SGH confirmed. ComfortDelgro has pledged an initial 1,000 taxi vouchers.

Mumtaj Ibrahim, SGH's senior community relations manager, said: "Singaporeans have shown that they are a very gracious lot through their outpouring of support, with many looking at different ways to recognise healthcare workers, and we appreciate that."

Drinks, food and snacks that companies have sent over are things that our staff really appreciate, she added.

Since last week, schools and individuals have also taken to the hospitals' Facebook pages to send encouraging notes and video messages to frontline staff, which Ms Ibrahim says is very heartwarming.

Ground-up initiatives have also been set up by StandUpFor.SG on its Facebook page to share notes of encouragement with healthcare workers, through the hashtag #braveheartsg.

The Community Foundation of Singapore (CFS) has meanwhile set up the Sayang Sayang Fund to provide support for frontline healthcare workers as well as vulnerable communities impacted by the Covid-19 outbreak.

"Many people have approached us asking how they can help. They want to recognise and show appreciation to the healthcare staff who work tirelessly during this period of the novel coronavirus outbreak," said Catherine Loh, chief executive of CFS.

CFS has secured S$84,000 in donations to-date. The first S$250,000 raised will be given in the form of S$5 transport vouchers to healthcare frontline staff in public healthcare institutions such as hospitals and polyclinics to ease their commute to and from work, said CFS.

ComfortDelGro, the first transport provider to support the fund, has pledged an initial batch of 1,000 taxi vouchers.

"We read with some distress that healthcare staff in uniforms have been ostracised, not just by the public but by the cabbies. Whilst we have yet to receive any complaints about such incidents, we want to reinforce the message that we appreciate all that the medical profession has been doing. Our gesture is small compared to what they have been contributing on a daily basis," said Tammy Tan, group chief corporate communications officer of ComfortDelGro Corporation Ltd.

SINGAPORE BUDGET 2020

OPINION

# Tax jab against the novel coronavirus

**By Liew Li Mei and Chua Kong Ping**

THE ink on the finance minister's Budget 2020 statement would likely be moist when he delivers the speech next Tuesday, as measures to manage the novel coronavirus (Covid-19) situation in Singapore are continually refined to help businesses and Singaporeans tide over this difficult period.

Some of these measures may be retrieved from the 2003 playbook. That was the year when Singapore was affected by an outbreak of severe acute respiratory syndrome (Sars). As recently stated by Minister for Trade and Industry Chan Chun Sing, help will be directed to the hardest-hit tourism and transport-related sectors. Such assistance may, as they have during the Sars period, come in the form of property tax rebates for commercial property (particularly hotels), a reduction in the foreign worker levy for unskilled workers employed by hotels and the easing of working capital through a temporary bridging loan for tourism-related small and medium enterprises.

The broader impact of Covid-19 on non-tourism and non-transport related businesses may be equally severe, if the spread of the virus is not contained and evolves into a global pandemic. Supply chains, already under stress from the ongoing trade war between the United States and China, would suffer major disruptions if Covid-19 cannot be contained. The impact on Singapore will be acute.

On top of any broadbased measures that could be introduced to support businesses faced with a volatile economic outlook, some immediate targeted support for businesses and Singaporeans to cope with Covid-19 could come in the form of:

**Incentives to encourage employees to work remotely**

Most businesses have schemes in place that allow employees to work remotely. In the coming weeks, it is expected that more employees would be asked to avoid congregating in the office and instead work remotely from home as part of business continuity measures.

Beyond containing the spread of Covid-19, potential longer-term benefits of working from home include helping businesses rein in expenses through reduced need for office space, minimised congestion on our roads and public transportation, and the attendant decrease in pollution – all long-term concerns that space-constrained Singapore is trying to address.

The authorities have established grants to employers that support flexible-work arrangements (FWA), which include flexi-place arrangements. The scheme is currently limited to local employees (Singaporeans or permanent residents) that adopt FWA and the grant amount effectively covers a maximum of 35 employees per employer over a two-year period. To "move the needle" in respect of working from home, the authorities can perhaps consider relaxing the local employee criteria and, instead, provide a tax credit to businesses based on the number of employees that are required to work from home. Structuring assistance in the form of tax credits may also alleviate incidences of abuse that are usually more prevalent when cash is handed out.

For employees, the increased consumption of utilities, such as electricity and Internet usage, and where relevant, capital expenditure incurred to facilitate working remotely, such as turning part of the home into an office, should be granted either as a deduction or allowance.

**Temporarily increasing medical expenditure deduction caps**

Since Year of Assessment 2005, deductions for medical expenditure incurred by a business are typically capped at 1 per cent of its total employee remuneration. Where a business adopts certain portable medical schemes, that cap is increased to 2 per cent. Businesses have long lamented that the deduction limits for medical expenditure have not kept pace with the cost of medical care, but it is perhaps for the same reason that the authorities have been reluctant to increase medical expense deductions to avoid a vicious cycle of ever-increasing costs due to an overconsumption of healthcare. That said, the Covid-19 outbreak represents, pardon the pun, a novel situation for Singapore and businesses would be expected to incur increased medical expenditure as more employees seek medical treatment during this period. The authorities may consider temporarily increasing the medical deduction cap for the Year of Assessment 2021 (and beyond, if necessary) to provide some relief for businesses in these trying times.

**Tax exemption of remuneration received by persons involved in epidemic prevention and control**

A broad spectrum of personnel, from medical and healthcare workers to persons serving quarantine orders, are currently down in the trenches combating Covid-19. In China – the epicentre of the outbreak – measures have been introduced to exempt from individual income tax, contingent remuneration derived by medical personnel and workers involved in epidemic prevention and control. The Singapore authorities may consider introducing similar benefits as a form of appreciation for those that risk their lives daily to keep the wider populace safe.

It is hoped that these suggestions will be considered and will provide some relief to those whose lives and livelihoods are impacted by the Covid-19 situation. As a nation, Singapore was not expected to survive from the very day it won independence but has since overcome many existential challenges in the last 55 years. This too shall soon pass. Singapore, *jia you!*

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# Businesses look to targeted help measures in Budget

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In fact, the Monetary Authority of Singapore divided the trade-reliant economy into three groups late last year, based on their links to electronics industries hard hit by both a cyclical slump and global trade woes.

The central bank also said in an October report that weakness in electronics-related industries in Singapore could persist in the near term.

To address this, Soh Pui Ming, Ernst & Young Solutions' tax head, proposed tailoring help to "specific issues faced by these industries, such as manpower costs and driving automation". For example, last year's Budget saw the launch of a two-year pilot Innovation Agents Programme, which helps businesses get advice on innovation from industry experts.

The SMEs Go Digital scheme, announced in Budget 2017, was also expanded to new sectors and solutions, while the ASP, which defrays the cost of rolling out large-scale automation, was extended for two years, to 2021.

But "given that these enhancements were announced only a year ago, it remains to be seen if they will achieve the objectives of promoting innovation and productivity among businesses", Ms Soh added.

Meanwhile, Ho Kok Yong, financial services industry leader at Deloitte, mentioned the risk of financial institutions being left behind by disruption.

Citing developments like the recent application exercise for digital banking licences, he said: "While it may be a bit premature to announce any tax incentives, some initial help for both the existing brick-and-mortar banks... to give them a head start will go some way to keep the ecosystem vibrant and competitive." Such support could include tax breaks for R&D or investment, Mr Ho added.

Similarly, Barnabas Gan, an economist at United Overseas Bank, suggested in a recent report that the Budget is likely to feature R&D incentives "across the corporate sector, which will in turn help companies move up the innovation ladder".

"Moreover, in a highly digitalised businesses environment, tax incentives to encourage companies to invest in digital solution and tools could also materialise," Mr Gan wrote.

Dr Chua also noted that the expansion of productivity schemes may help companies as they adjust to tighter foreign manpower rules.

When asked what uplift the Budget could provide, James Ong, chief investment officer of homegrown logistics player YCH Group, called for support in testing new technologies. "A lot of our internal resources are needed on testing ideas and proof of concepts on the applicability of new technology on its suitability for operations," Mr Ong told *The Business Times*, while adding that funds to train workers in the use of the new tech tools would also be welcome.

Still, DBS senior economist Irvin Seah warned that "perhaps some of the existing schemes are more relevant for larger projects" or focus on tech investments, such as the ASP.

"Many of the solutions are more suitable for medium-sized companies," he said in a Jan 30 report, calling smaller firms' needs "more micro in nature and less sophisticated".

Mr Seah suggested "a one-off cash voucher for bite-sized productivity enhancement projects", similar to the PIC scheme, but with enhanced safeguards to oversee funding approval.

Also on the cards could be a return of the SME Cash Grants handed out in Budget 2011, he later told BT. At the time, the cash grant scheme offered up to S$5,000 to small businesses that were paying very little in taxes.