



## COVID-19: The Real Battle for Singapore Continues.

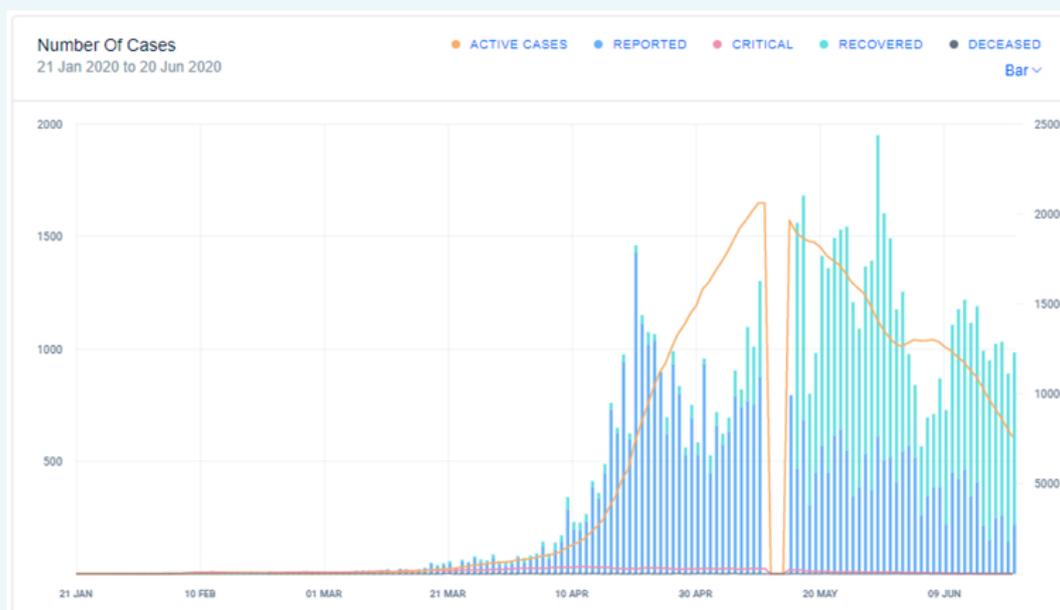
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***Even as the country wide circuit breaker in Singapore has resulted in a gradual decline in Covid-19 cases, the battle has left many casualties and the road to recovery could be a long and an uphill task.***

Today, June 24 2020, marks Day 6 of Phase 2 as Singapore reopens after the Covid-19 circuit breaker was first announced on April 7, 2020. This slow transition to normalcy was met with much jubilation among the people as they once again headed to their favorite restaurants, shopping malls, gymnasiums, beaches and embraced social life after a long hiatus. While the cheers and chatter fill the air, the obvious questions stare at the face of many of the 5.6 million people in city nation – has Singapore finally won the Covid-19 battle and will things ever go back to pre-Covid era?

Singapore was one of the first few countries in the world after China that was exposed to the Corona Virus in late January 2020. It deployed timely and tight measures such as extensive screening, testing, contact tracing and almost contained the outbreak by March 2020. However, it could not retain the much coveted ‘Gold Standard’ as the community cases saw an upswing, particularly amongst the foreign workers’ community which brought immense embarrassment to the Singapore Government.



Source: *Dashboard of the COVID-19 Virus Outbreak in Singapore, covid19 SG*

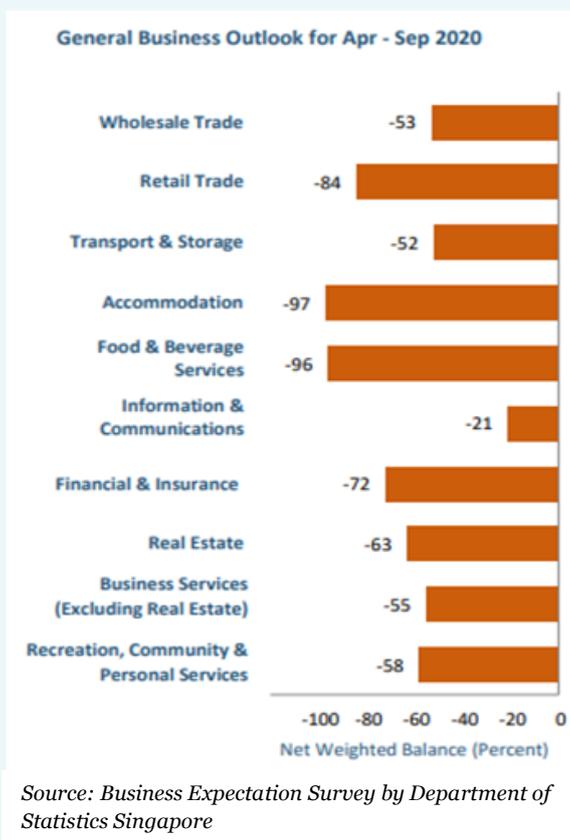
What followed though was truly unprecedented. The Government announced the circuit breaker which halted all economic and social activities barring the essential services. The small size of the country and the discipline among the masses due to stringent laws of the land aided Singapore in managing the situation well.

As days went by, the spread of the virus in the community dropped substantially. But so did the GDP, retail sales and employment levels.

Singapore Prime Minister Lee Hsien Loong predicted that the economic hit will “likely be more serious than the Global Financial Crisis and longer-lasting too, even beyond the end of the pandemic.” Singapore’s economy had contracted 0.7% YoY in March 2020, which makes it the first negative quarter since the global financial crisis in 2009. In the latest macroeconomic review, the economy is expected to contract between 4 and 7 per cent this year which could result in a worst ever recession since the Asian Financial Crisis in 1998 which brought economic growth down by 2.2%.

Unlike the many economic crisis that the world has seen in the past, what differentiates the aftermath of the Covid-19 perpetrated pandemic is that trade and demand and supply forces have been impacted like never before. With globalization, business revival is dependent on not just robust domestic demand but also the ability of trade partner countries to thrive and survive in this situation and achieve normalcy at the earliest. Singapore is no exception to this unfortunate reality. A majority of its imports from the US, Japan, and China, that are further processed and exported to foreign countries, are now subjected to the supply side shocks in these large economies due to Covid-19. Moreover, Singapore’s recovery is much dependent on China’s reopening, which emerged as an important upstream and downstream partner for Singapore in the past 20 years.

Lockdown and travel restrictions have directly afflicted hospitality, travel, tourism and F&B sectors. With



Phase 2 re-opening F&B and hospitality sectors are expected to see an uptick but will be limited in operations by safe distancing and crowd control measures. Aviation and tourism sectors which contribute 12% and 5% respectively to Singapore’s GDP are still vulnerable as international travel remains suspended due to varying degrees of severity and recovery from the pandemic globally. Visitor arrivals dropped from 239,899 in March 2020 to mere 748 in April 2020 which threatened the existence of many enterprises in related sectors. Overall business continuity and outlook is expected to remain strained in the coming months as the full impact of Covid-19 is unfurled.

The Government, faced with a huge challenge of protecting both lives and livelihood, is leaving no stone unturned to restore the economy to pre-virus levels. It unveiled Resilience and Solidarity Budgets and other support packages amounting to almost S\$ 100 billion in the form of wage subsidies, tax rebates, job creation and rent relief to give companies and workers the much-needed cushion. As Singapore re-opens, the battle against Covid-19 continues and one can only hope that the virus transmission remains under control, domestic and global business cycle takes off yet again and the economy sees a rapid and full recovery.

Afterall, ‘There was never a night or a problem that could defeat sunrise or hope.’

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