

A Neglected Burden: Ongoing Economic Cost of COVID-19 in Singapore



Thanks to effective public health measures taken by the authorities to suppress and contain the virus in the early days of the pandemic¹, the number of reported COVID-19 cases and deaths in Singapore were among the lowest in the OECD.²

Singapore has done well in protecting both lives and livelihoods throughout the pandemic, as compared to other markets.

However, COVID-19 infections have and continue to impose economic burden in Singapore through **direct costs to the health system**, and **indirect productivity losses** to working age individuals, families and businesses.



The estimated economic cost of COVID-19 in Singapore is around SGD 3.6 billion per year

Equivalent to around **0.6% of Singapore's GDP per year**.

COVID-19 will cost the Singapore health system around **SGD 142 million** per year in **direct costs**.

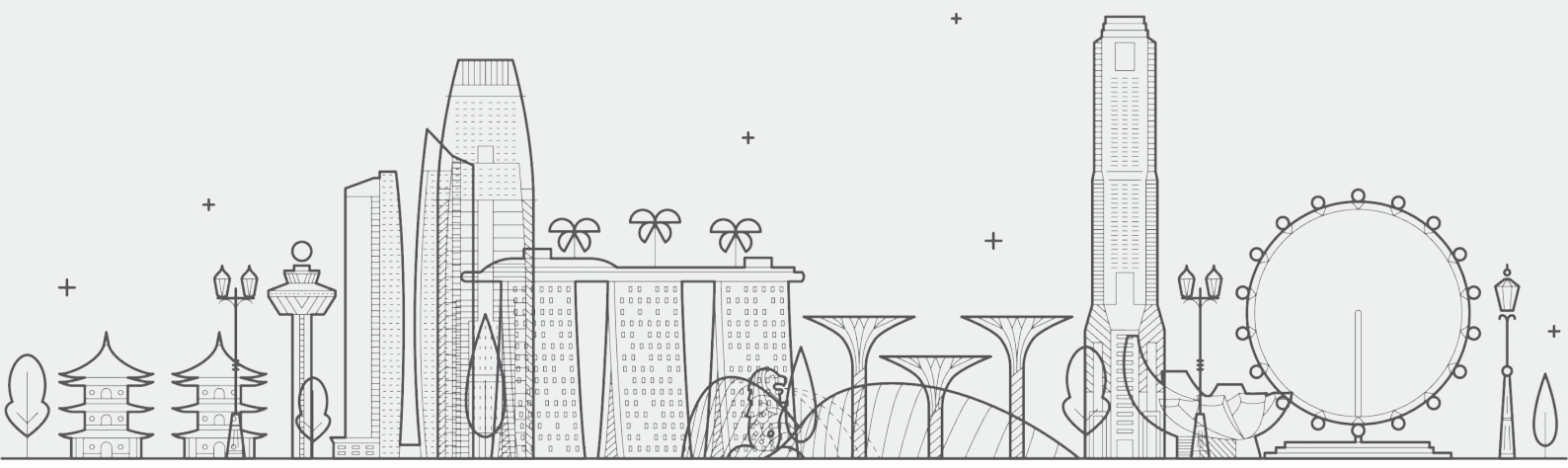
However, the majority of the costs are productivity losses (**indirect costs**), of approximately **SGD 3.4 billion** per year.

4%

DIRECT COSTS

96%

INDIRECT COSTS



Five critical industries contribute disproportionately high indirect economic costs in terms of productivity losses



Travel and Tourism

Due to workforce shortages, workforce levels in the aviation sector increased to **only 80%** of pre-COVID times in late 2022.³



Healthcare Workers

Healthcare workers who become infected with COVID-19 represent a potential minimum cost of around **SGD 101 million** per year.



Food and Beverage Workers

Workers in this sector continue to be impacted by revenue declines and layoffs.



Logistics

COVID-19 has resulted in a significant labor shortage in the logistics industry (which has approximately **SGD 255.5 billion** in annual revenue).⁴



Education

The shift to home-based learning for students and absence by teachers caused by illness have significantly impacted the quality of education. This has also resulted in increased burnout by teachers as a result of additional workload.

Economic costs on vulnerable populations⁵

Vulnerable populations infected with COVID-19 could cost the economy around **SGD 1.7 billion** per year at the minimum.

People who develop long COVID tend to rely on health services and could also experience productivity losses. In Singapore, these costs amount to approximately **SGD 1.3 billion** per year.



A better understanding of the direct and indirect economic costs of COVID-19 may improve how the nation navigates the course of this and other potential health crises in Singapore.

1. From 2020 to 2021
2. Our World in Data, cumulative reported cases and deaths for Singapore from 2020 to 2021. (ourworldindata.org).
3. Ministry of Trade and Industry, Economic Survey of Singapore Second Quarter 2022. Recovery of Air Travel and Tourism in Singapore. 2022 Aug. (mti.gov.sg).
4. Department of Statistics Singapore, Transport and Storage Industry, 2021. (singstat.gov.sg).
5. This includes older adults aged 65 and above and adults above 18 years with comorbidities.
6. Figures not separately cited in this release have been derived from the report: *A Neglected Burden: The Ongoing Economic Costs of COVID-19 in Australia, Taiwan, South Korea, Singapore, and Hong Kong*. 2023 May 5.