

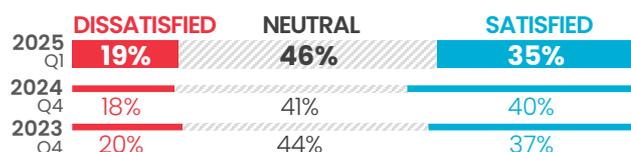
SBF NATIONAL BUSINESS SURVEY 2025 SINGAPORE BUDGET EDITION

The National Business Survey (NBS) is the flagship survey of the Singapore Business Federation (SBF). Into its 18th annual edition, the SBF National Business Survey 2025 – Singapore Budget Edition provides fresh insights on business sentiments regarding the Singapore Budget 2025, financing-related issues and the type of Government support required.



Section 1: Business Outlook

CURRENT SG BUSINESS CLIMATE



Base: n=526, Q1 2025 | n=519, Q4 2024 | n=1056, Q4 2023

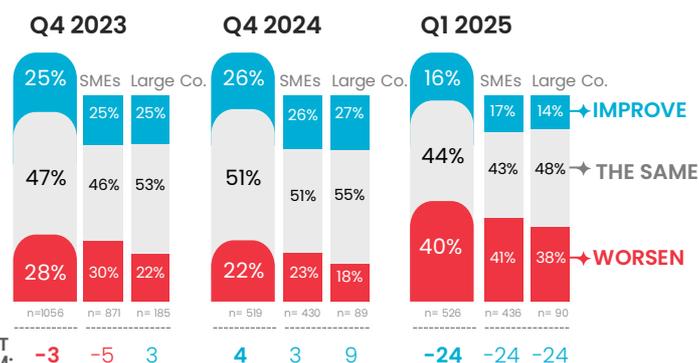
Business Outlook Weakens in Q1 2025 Amid Rising Economic Uncertainty

Business sentiment towards current business conditions remains stable, but forward-looking confidence has weakened in Q1 2025. The proportion of businesses expecting the economy to worsen in the next 12 months has nearly doubled from 22% in Q4 2024 to 40% in Q1 2025.

Both SMEs and large companies are increasingly bearish about the economic outlook for the next 12 months.

The proportion of SMEs expecting economic conditions to worsen increased from 23% in Q4 2024 to 41% in Q1 2025, while the proportion of large companies with the same view increased from 18% in Q4 2024 to 38% in Q1 2025.

SG ECONOMY IN THE NEXT 12 MONTHS



NET OPTIMISM:

Most Optimistic Sectors



Most Pessimistic Sectors

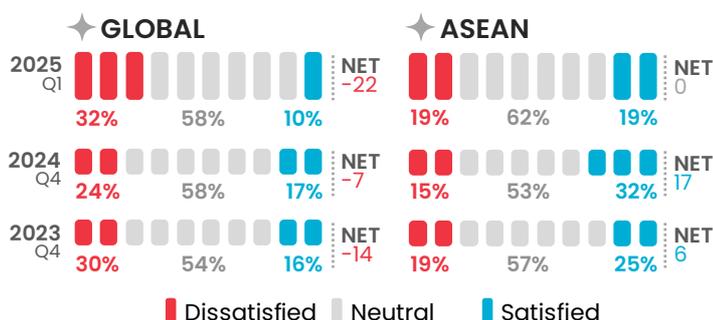


Base: n=526, Q1 2025

Businesses More Pessimistic of Global Compared to Regional Conditions

More businesses express dissatisfaction (32%) with the global business climate compared to satisfaction (10%), whereas an equal proportion of businesses express dissatisfaction and satisfaction with the ASEAN business climate (19%).

Sentiment towards the Economic Climate For...



Base: n=526, Q1 2025 | n=519, Q4 2024 | n=1056, Q4 2023

Decimal points have been rounded up. The total may not add up to 100%.

Section 2: SBF Business Sentiment Index (BSI)

What is the BSI?

The SBF Business Sentiment Index measures business sentiment and confidence among businesses in Singapore.

The index tracks business sentiment across 11 dimensions covering areas such as revenue expectations, hiring plans, and capital investment. It enables stakeholders to better understand business climate and shifting business sentiment in the evolving economic landscape. Continuous tracking in future editions of the BSI will provide a clearer understanding of the impact of these developments on business confidence.

How is it surveyed?

Respondents were asked to rate their sentiments on the 11 key dimensions. For indicators such as cost expectations, the scale is inverted, where higher scores indicate rising costs, which reflect negative sentiment.

National Business Survey

Q1. How do you anticipate your company's revenue will change over the next six months?



How is it calculated?

Each component is assigned a fixed weight to ensure consistent interpretation and comparability. The weighted scores are then computed into an overall Index score.

★ 56.5 Overall BSI Score

The overall Business Sentiment Index (BSI) reflects a cautious sentiment among businesses. The broadly moderate outlook suggests that businesses are maintaining a steady stance amid ongoing global economic volatility.

★ 53.7

Profitability Expectations

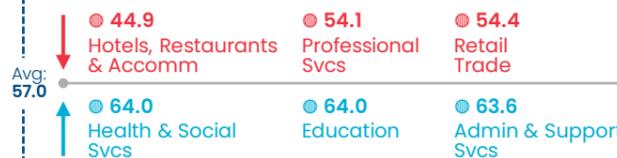
The score reflects broad confidence in maintaining margins over the next six months. Slightly stronger optimism is seen in the Education, Real Estate and Banking & Insurance sectors.



★ 57.0

Outlook on Capital Investment

The score reflects broadly neutral outlook with most businesses planning to maintain, rather than significantly increase, their current infrastructure and systems investment over the next six months.



★ 59.1

Supply Chain & Operational Resilience

Businesses indicate some degrees of preparedness to manage supply chain disruptions. Banking & Insurance is the most prepared sector, while Health & Social Services is the least prepared sector.



★ 68.0

Note: Higher scores indicate higher cost expectations among businesses.

Cost Expectations

The score indicates that businesses generally expect cost pressures to rise over the next six months—particularly in Real Estate, Hotels, Restaurants & Accommodations and Education sectors.



★ 61.6

Outlook on Business Expansion

The score reflects a moderate expansion confidence, with stronger sentiments seen in Education, Banking & Insurance, and Admin & Support Services sectors.



★ 57.7

Outlook on Hiring

Hiring outlook sentiment is moderate, suggesting that most businesses intend to maintain their current workforce size over the next six months. Stronger hiring intent is seen in Hotels, Restaurants & Accommodations, IT & Related Services, and Education sectors.



★ 58.6

Government Support Sentiment

Most businesses are moderately upbeat about government support policies for their sectors. Banking & Insurance sector has the most confidence in government policies, while Health & Social Services sector has the least confidence.



★ 55.3

Revenue Expectations

The score indicates that businesses generally anticipate revenue stability over the next six months. A slightly more positive sentiment is seen in the Banking & Insurance, Education, and Real Estate sectors.



★ 56.5

Operational Capacity Utilisation

The score suggests that businesses are operating near optimal levels without major strain. However, to support future growth, some may need to scale resources or manpower.



★ 55.4

Access to Financing

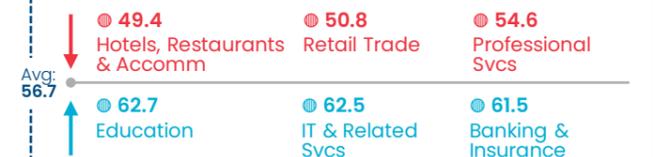
Businesses indicate moderate accessibility of financing. Financing is more readily accessible to the Banking & Insurance, Education and Retail Trade sectors, as compared to the Health & Social Services sector.



★ 56.7

Confidence in Growth Prospects

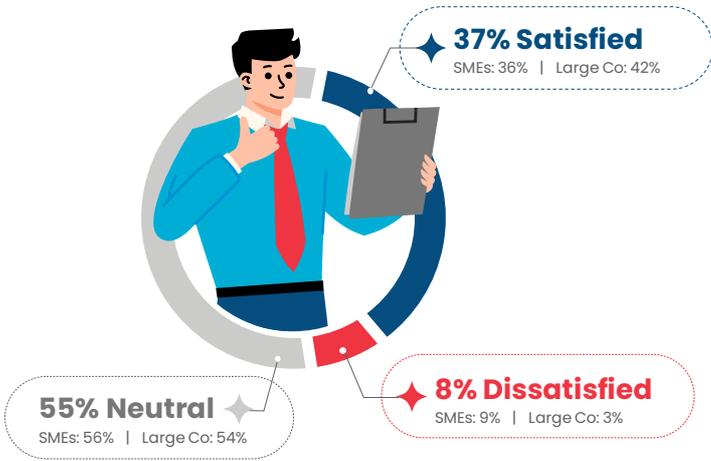
Overall, growth confidence is cautious but stable. Sectors with the most confidence in growth prospects are Education and IT & Related Services sectors, while sectors with the least confidence are Hotels, Restaurants & Accommodations and Retail Trade.



Section 3: Sentiment towards Singapore Budget 2025

Most Businesses Express Satisfaction with Singapore Budget 2025

BUSINESS SATISFACTION WITH BUDGET 2025



Majority of businesses (92%) were either satisfied or neutral with Singapore Budget 2025, with more large companies (96%) satisfied or neutral as compared to SMEs (92%).

Base: Overall n=526, SMEs n= 436, Large Co. n= 90, Q1 2025

Top Budget Measures: Tax Relief and Wage Support Take Priority

TOP 5 MOST USEFUL MEASURES

- 58% 50% Corporate Income Tax Rebate, capped at \$40,000, for the Year of Assessment 2025
- 44% Enhancement of the Progressive Wage Credit Scheme & increase co-funding for wage increases
- 37% CPF Transition Offset to support rise in employer CPF contributions for senior workers
- 30% Extend Senior Employment Credit to 2026 to offset wages for hiring senior workers
- 16% New SkillsFuture Workforce Development Grant, with up to 70% funding support for job redesign

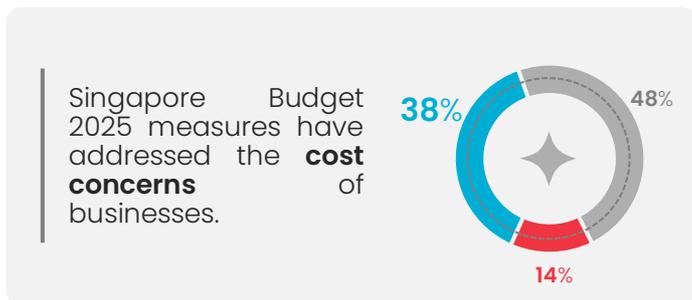
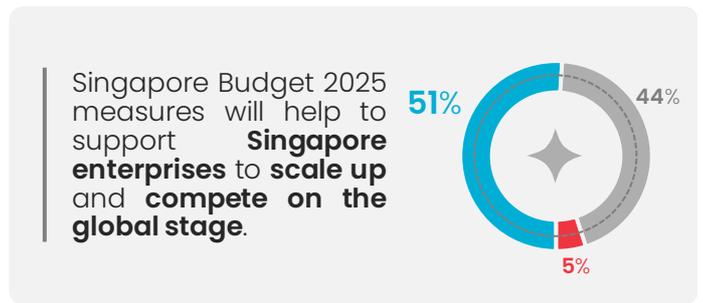
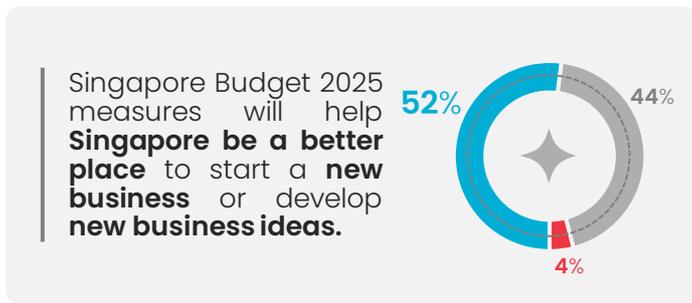
Base: n=526, Q1 2025

Singapore Budget 2025 Seen as Growth-Oriented by Businesses

Around 1 in 2 businesses believe that the Singapore Budget 2025 measures will help Singapore be a better place to start new business or develop new business ideas (52%) and support Singapore enterprises to scale up and compete on the global stage (51%).

More than 1 in 3 businesses opine that Singapore Budget 2025 has addressed the cost concerns of businesses (38%) and has improved their confidence in Singapore's business environment over the next 12 months (37%).

PERCEPTION OF SINGAPORE BUDGET 2025



Base: n=526, Q1 2025

■ Agree ■ Neutral ■ Disagree | ■ Increased ■ No Change ■ Decreased

Decimal points have been rounded up. The total may not add up to 100%.

Section 4: Supporting Enterprise Workforce Transformation

Around Half of Businesses Have Taken Steps Toward Enterprise Transformation

Around 1 in 2 businesses (52%) have taken steps to support enterprise transformation. Key implementation challenges include high costs of adopting new technologies or business processes (47%), difficulty in getting staff appropriately skilled and aligned with transformation plans (31%) and uncertainty about return on investment for transformation efforts (30%).

52% Of businesses have taken steps to support enterprise transformation

24% planning to implement

25% Not applicable/Unsure



Base: n=526, Q1 2025

Nearly Half of Businesses Have Initiated Workforce Transformation

49% of businesses have taken steps to support workforce transformation. Key implementation challenges include shortage of manpower in covering duties when staff attends training (36%), difficulty in attracting or retaining talent with the right skills (33%) and concern that employees will not stay long enough for workforce transformation to be useful (27%).

49% Of businesses have taken steps to support workforce transformation

25% planning to implement

26% Not applicable/Unsure



Base: n=526, Q1 2025

KEY IMPLEMENTATION CHALLENGES

- **47%** High costs of new tech or processes
- **31%** Difficulty in getting staff skilled & aligned with transformation plans
- **30%** Uncertainty about ROI for transformation
- **21%** Lack expertise to identify the right tech/strategies
- **20%** Difficulty accessing relevant support schemes
- **19%** Operational disruptions during implementation

Base: n=526, Q1 2025

KEY IMPLEMENTATION CHALLENGES

- **36%** Shortage of manpower in covering duties when staff attends training
- **33%** Difficulty in attracting or retaining talent with the right skills
- **27%** Concern that employees will not stay long enough for transformation to be useful
- **27%** Lack of time to attend training
- **26%** Cost of training, even with grants/ subsidies

Base: n=526, Q1 2025

Businesses Prioritise Internationalisation and AI Support Measures to Drive Enterprise Transformation

Among businesses that intend to tap on Enterprise Transformation measures announced during Singapore Budget 2025, 51% plan to leverage support schemes for internationalisation and overseas expansion, while 36% intend to tap on the Enterprise Compute Initiative.

INTENT TO TAP ON ENTERPRISE TRANSFORMATION MEASURES

Base: n=246



51% Government support schemes for internationalisation to expand overseas



36% Partner major cloud service providers under the Enterprise Compute Initiative to access AI tools and computing power, as well as expert consultancy services

SkillsFuture Measures Appeals to Those Seeking Support for Workforce Transformation

Among businesses that intend to tap on Workforce Transformation measures announced during Singapore Budget 2025, 69% plan to use the redesigned SkillsFuture Enterprise Credit, while 59% plan to use the new SkillsFuture Workforce Development Grant.

INTENT TO TAP ON WORKFORCE TRANSFORMATION MEASURES

Base: n=262



69% Redesigned SkillsFuture Enterprise Credit to offset costs for eligible workforce transformative initiatives



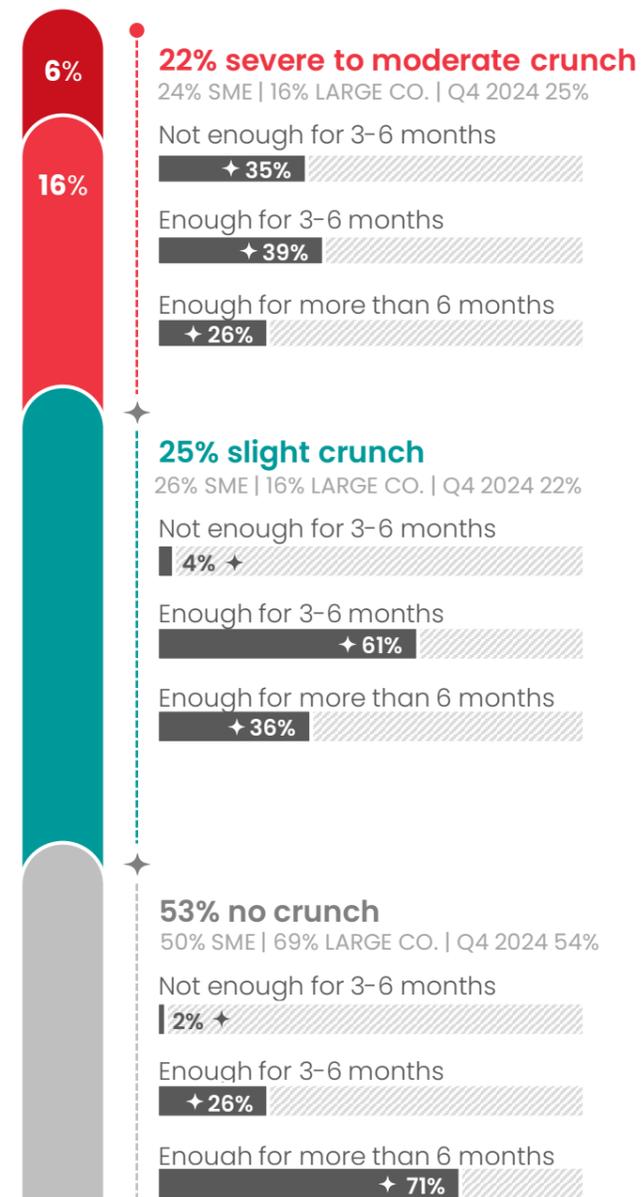
59% New SkillsFuture Workforce Development Grant, with up to 70% funding support for job redesign

Section 5: Business Financing & Credit Challenges

Despite Overall Stability, Credit Crunch Affects a Quarter of Businesses

Majority (53%) of businesses have no liquidity issue but 1 in 4 (22%) face moderate to severe credit crunch, with 35% among them reporting not having enough cash to operate for 3-6 months.

LEVEL OF CREDIT CRUNCH EXPERIENCED BY BUSINESSES



As a result, businesses are prioritising cutting non-essential outflows (46%), considering using credit facilities (25%), and boosting collection capability to address liquidity requirements (22%).



46% Controlling flow of outgoing payments by **minimising non-essential outflows**



25% Consider using **credit facilities**



22% Boosting collection capability by **assessing customer credit risk** and determining any required actions

Base: n=526, Q1 2025



Base: n=526, Q1 2025
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Growth and Workforce Development are Key Drivers behind Financing Demand

27% of businesses have sought financing in the last 12 months, and the top reasons for seeking finance are expanding operations in Singapore (37%), hiring and workforce development (22%) and offering new products/services (20%).

27%

Businesses have **sought financing** in the **past 12 months**

Base: n=526, Q1 2025

TOP 5 REASONS FOR SEEKING FINANCING

37% Expanding operations in Singapore

22% Hiring and workforce development

20% Offering new products/services

19% Expanding operations overseas

19% Supporting sustainability & green initiatives

Base: n=142

SME Working Capital Loan is the Most Utilised Enterprise Financing Scheme

The 3 Enterprise Financing Scheme Loans applied are SME Working Capital Loan (63%), Trade Loan (33%), and Project Loan (17%).

Top challenge faced when applying for the Enterprise Financing Scheme is the high interest rates or financing costs (46%).

TOP ENTERPRISE FINANCING SCHEME LOANS



Base: n=24

KEY CHALLENGES WITH LOAN APPLICATION



Base: n=24

Strong Reliance on Government Support Seen in Financing Preferences

Key financing support needed are government support programmes (59%), flexible repayment terms for loans (18%), access to alternative financing solutions (15%), and support from industry (15%).

59% Government support programmes

18% Flexible Repayment Terms For Loans

15% Access to **alternative financing** solutions

15% Support from **industry**, such as through trade associations and industry network

Base: n=526, Q1 2025

ABOUT SBF NATIONAL BUSINESS SURVEY 2025

Singapore Budget Edition

	SBF Database	Survey Sectoral Breakdown
Wholesale Trade	20%	20%
Other Financial & Insurance Activities	14%	13%
Manufacturing	11%	14%
Professional Services	11%	9%
IT & Related Services	8%	7%
Construction and Civil Engineering	8%	11%
Banking & Insurance	7%	2%
Logistics & Transportation	5%	7%
Administrative and Support Service Activities	4%	4%
Retail Trade	3%	3%
Hotels, Restaurants & Accommodations	3%	2%
Real Estate Activities	2%	1%
Others*	1%	1%
Health and Social Services	1%	1%
Education	1%	3%
Other Service Activities	1%	2%
TOTAL	100%	100%

83% SMEs



17% Large Companies

37% NO



63% YES

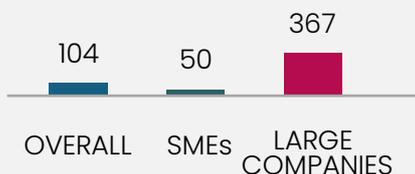
42% More than \$S10 mil



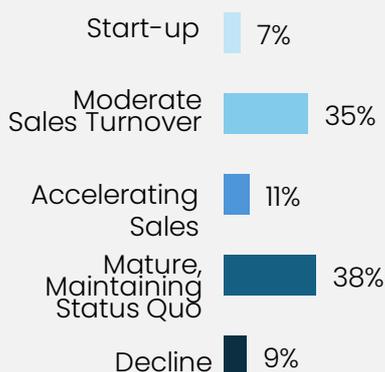
20% Less than \$S1 mil

38% \$S1 mil to \$S10 mil

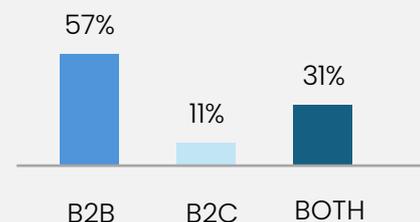
Avg. Employee Size



Stage of Development



Main Mode of Business



Survey Conducted By:
Research & Publishing
Advocacy & Policy Division
Singapore Business Federation

If you require any clarification, kindly contact research@sbf.org.sg.

Conducted in collaboration with Blackbox Research

