

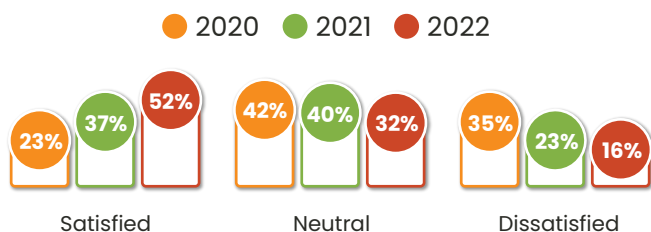
The National Business Survey 2022/2023 is currently into its 15th edition. This annual survey was carried out from 29 August to 23 November 2022, and drew responses from 931 businesses across all key industries. 73% of the responses were from small and medium-sized enterprises (SMEs) and 27% of the responses were from large companies.

## Business Sentiments

### 01. Business Sentiment has Improved

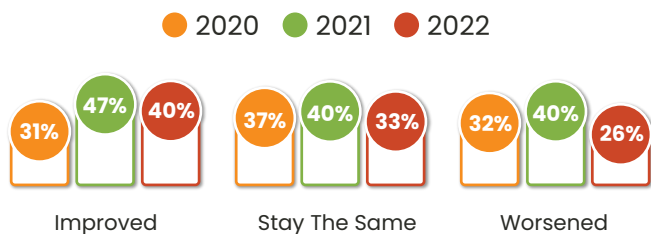
Business sentiments are more positive now compared to last year. Looking ahead, businesses remain cautiously optimistic about the Singapore economy.

#### Current Business Climate in Singapore



Base: N = 931 (2022) 1096 (2021)

#### Singapore Economy – Next 12 Months

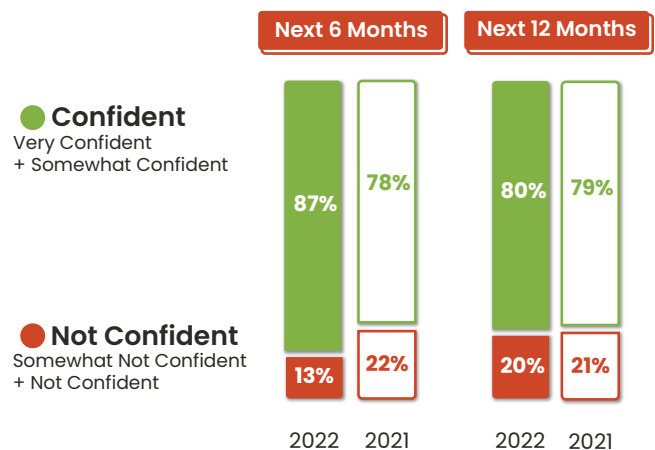


Base: N = 931 (2022) 1096 (2021)

### 02. Confidence Level has Risen

While there is high level of confidence in sustaining operations over the next 6 months, businesses are nonetheless more cautious over the longer term. Large companies are relatively more confident compared to the SMEs.

#### Confidence in Sustaining Business



SMEs

85% 78% 77% 77%



Large Companies

90% 81% 89% 88%

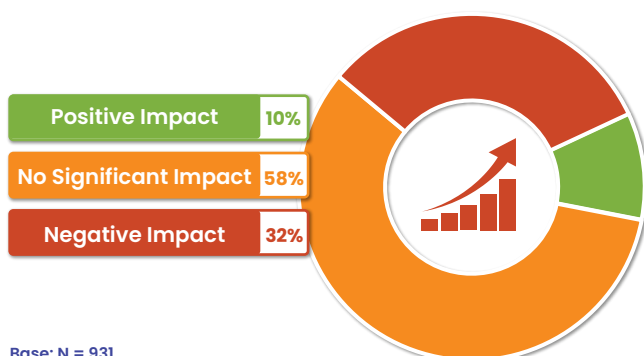
Base: N = 931 (2022) 1096 (2021)

## Mitigating Business Risks

### 03. Inflationary Pressures

Businesses remain impacted by inflation and most expect the current inflationary climate to continue into 2023.

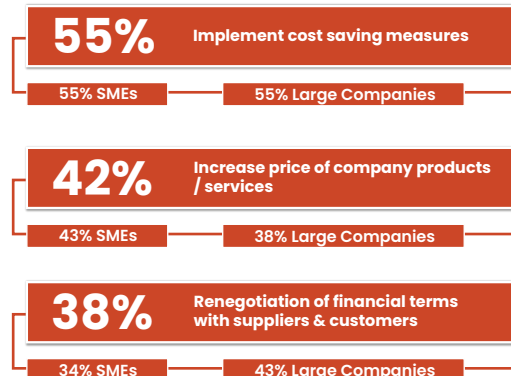
#### Impact of Inflationary Climate



Base: N = 931

### 04. Actions Taken to Manage Inflationary Risks

Top 3 strategies adopted by businesses to mitigate inflationary risks include implementing cost saving measures, increasing price of products or services and renegotiation of financial terms with suppliers and customers.



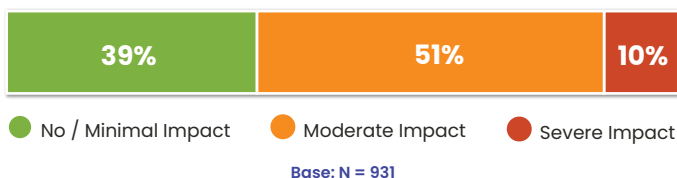
Base: N = 931 SMEs N = 683 Large Companies N = 248

## Mitigating Business Risks

### 05. Supply Chain Disruptions

Most businesses have been moderately impacted by supply chain disruptions in the past 12 months, while 10% of them experienced severe impact.

#### Impact of Supply Chain Disruptions



### 06. Actions Taken to Mitigate Supply Chain Risks

Primary strategies to mitigate supply chain risks are price renegotiation (61%), diversification of suppliers or markets (55%) and minimising delays with logistics companies (43%). The top 3 actions taken are similar for both the SMEs and large companies.



## Business Challenges & Priorities

### 07. Key Business Challenges

The two primary categories of challenges faced by Singapore businesses are largely related to the increase in overall business costs and manpower.

#### Key Challenges for Businesses (%)



### 08. Top Manpower Challenges

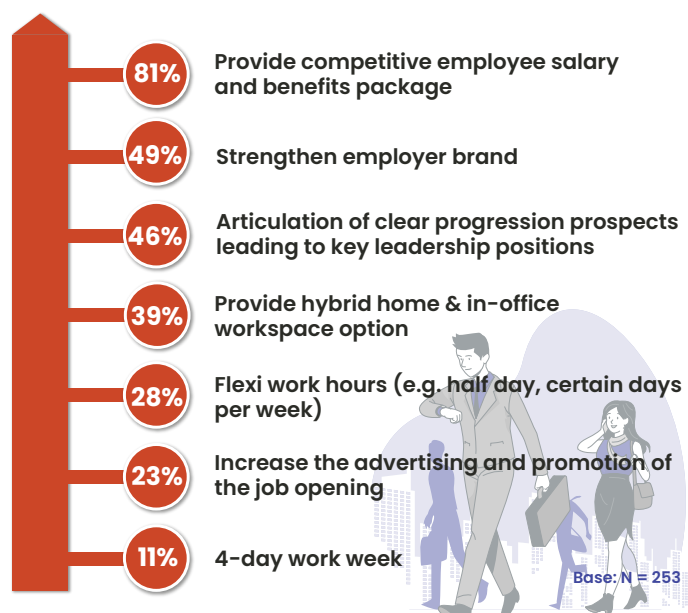
The top 3 manpower challenges are rising manpower cost (75%), attracting and/or retaining younger workers (51%), and the new foreign manpower policies (48%). These concerns are felt by both SMEs and large companies.

Key manpower challenges	Total (%)
Rising manpower cost	75
Attracting and / or retaining younger workers	51
New foreign manpower policies will raise costs	48
Limited pool of local high-skilled labour	47
Stricter policies that limit the supply of foreign workforce	43

Base: N = 894

### 09. Ways to Attract & Retain Staff

Companies' key approach to attract and retain staff include providing competitive salary and benefits (81%), strengthening employer brand (49%) and articulation of clear career progression prospects (46%).



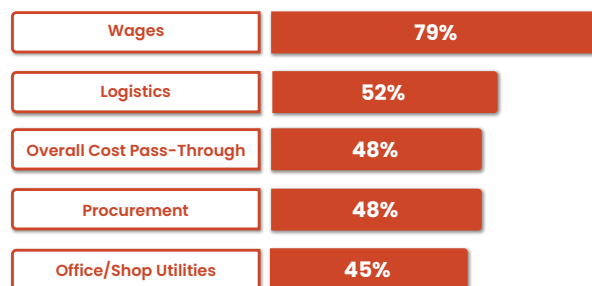
## Business Challenges & Priorities

### 10. Wage is the Biggest Cost Challenge

Businesses' top cost challenges are those related to wages. This is followed by logistical costs, overall cost pass-through and procurement costs. There is also some concern on utilities cost.



#### Areas that Businesses Faced Increased Operating Costs



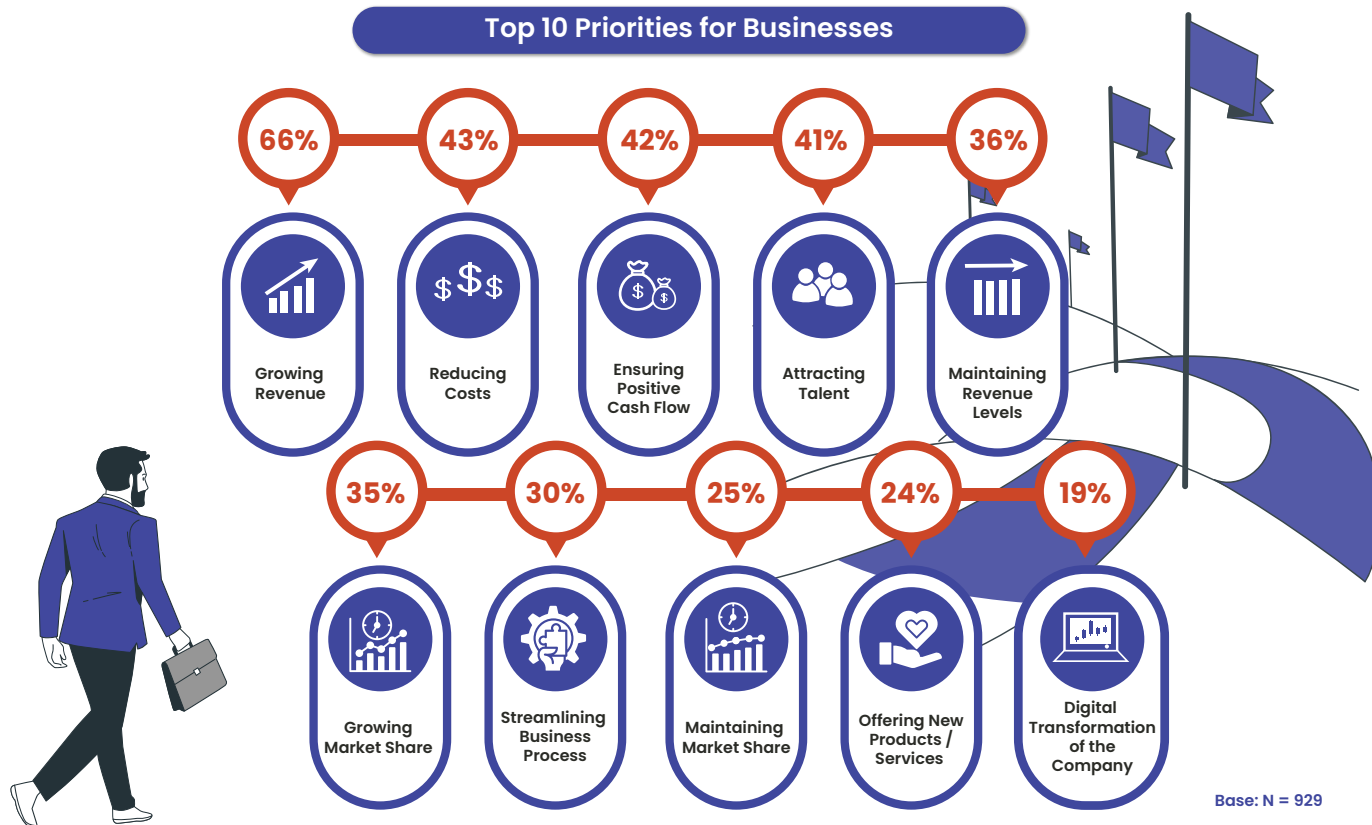
Base: N = 618

Note: Examples of overall cost pass-through include expenses for insurance, security and cleaning, property tax and other business expenses.

### 11. Priorities of Singapore Businesses

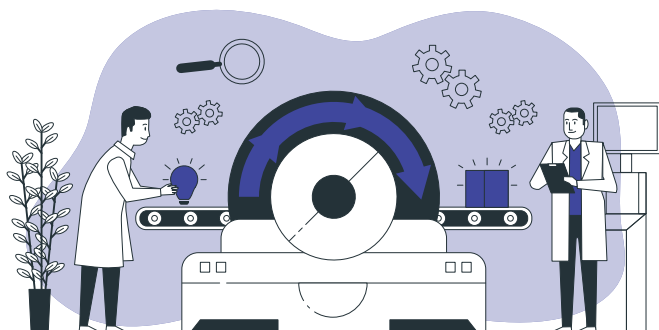
Businesses are focused on building financial resiliency and strengthening business continuity.

#### Top 10 Priorities for Businesses



### 12. Key Actions Taken

Businesses are more likely to push ahead with offering new products or services and collaborating with other companies.



● Currently Doing (%) Base: N = 483 ● Planning To Do Next Year(%) Base: N = 466

#### Offer new products / services



#### Collaboration with Other Companies



#### Obtain Loans to Meet Cash Flow Needs

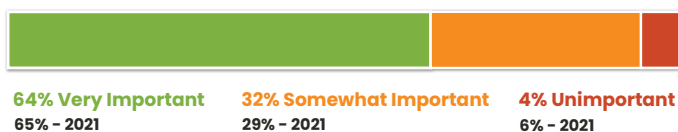


## 13. Business Transformation Continues

Businesses remain committed to driving business transformation, with 96% rating it as either very important or somewhat important. This focus cuts across all businesses, including SMEs (94%) and large companies (98%).

## Importance of Business Transformation

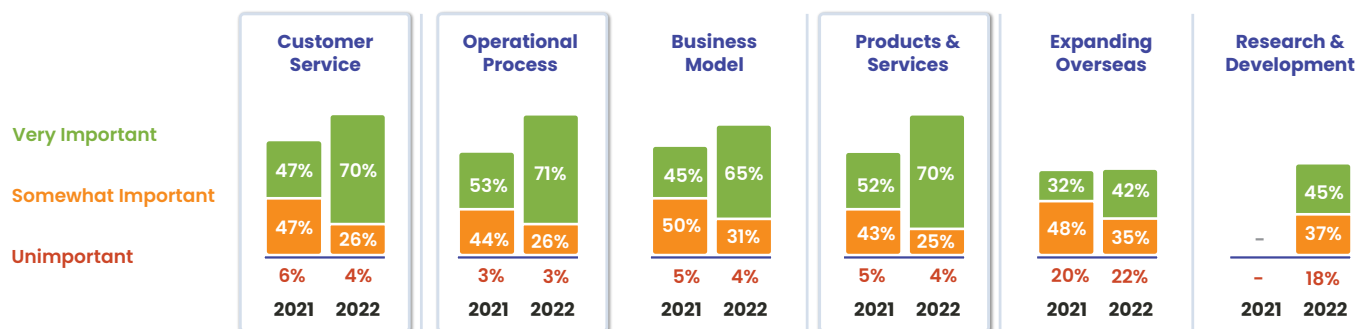
Base: N = 931 (2022) 1096 (2021)



## 14. Key Business Transformation Areas

More than half of businesses believe that business transformation initiatives are very important for "Operational Process" (71%), "Customer Service" (70%) and "Products & Services" (70%).

## Business Transformation Areas: 2021 vs 2022



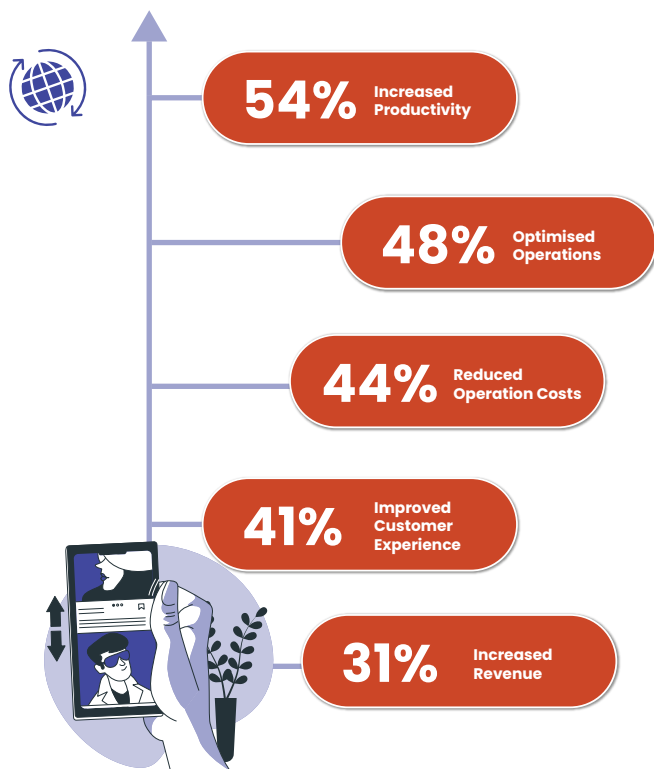
Base: N = 931 (2022) 1096 (2021)

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

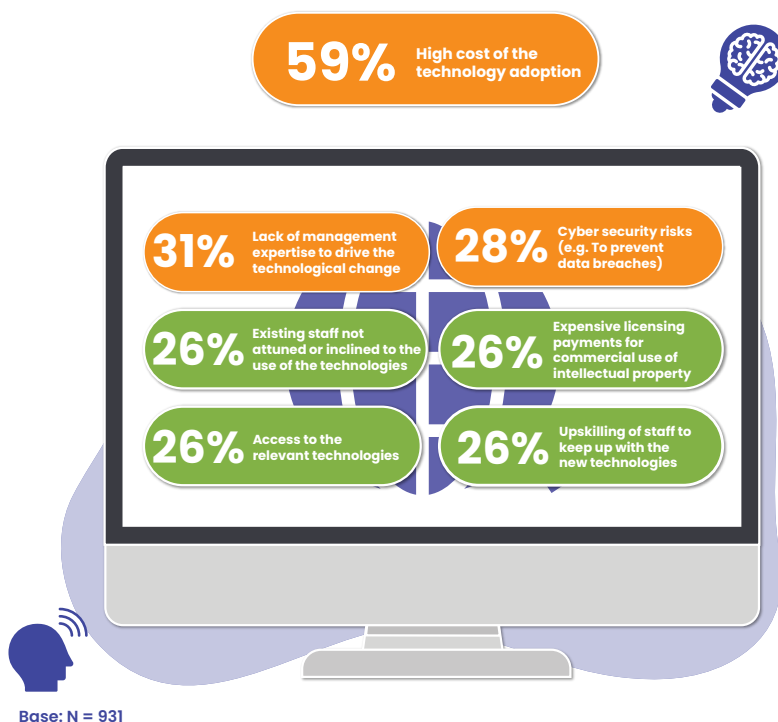
## 15. Benefits and Challenges of Digital Transformation

Digital transformation has led to an increase in productivity (54%), optimisation of operations (48%) and reduction in operation costs (44%). The top challenge to technology adoption is the high cost (59%).

## Key Benefits of Digital Transformation



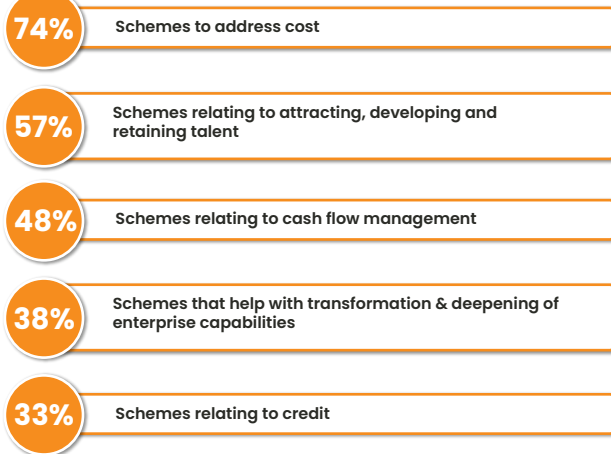
## Key Challenges in Adopting Technology



Base: N = 931

## 16. Businesses' Wishlist for Singapore Budget 2023

In the face of an inflationary climate and ongoing manpower issues, businesses hope that the Singapore Budget 2023 will support them in addressing costs and manpower challenges.



Base: N = 931

## 17. Key Areas of Support Needed

To enhance business resilience, companies require assistance in financial management (41%), business strategy development advisory (41%) and financial support (33%).



Base: N = 920

## Green Transition of Businesses

### 18. Top Environmental, Social & Governance (ESG) Areas Implemented

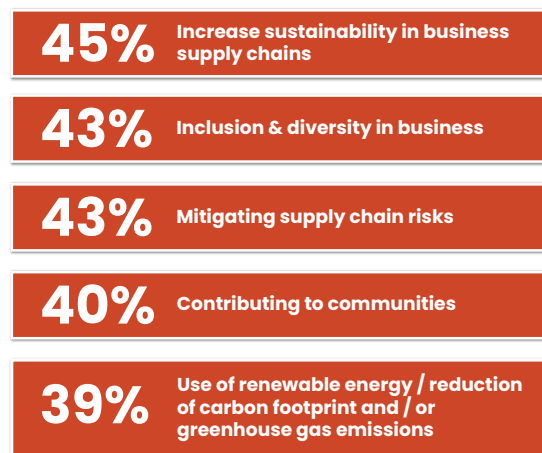
Singapore businesses are incorporating ESG as part of their company activities, with 75% having implemented at least one ESG area.



Base: N = 931

### 19. Top ESG Areas that Companies Plan to Implement

The drive to incorporate ESG into their businesses continues, with a focus on sustainability and contribution to communities.



Base: N = 611

### 20. Challenges Encountered in "Green" Transition

The top challenges faced by businesses include not knowing how to kick-start the process, lack of clear strategy to drive transition and lack of management expertise to drive transition.



Base: N = 931

#### Don't Know Where/How to Start (%)



#### Lack of Clear Strategy to Drive Transition



#### Lack of Management Expertise to Drive Transition



#### Access to Relevant Technology

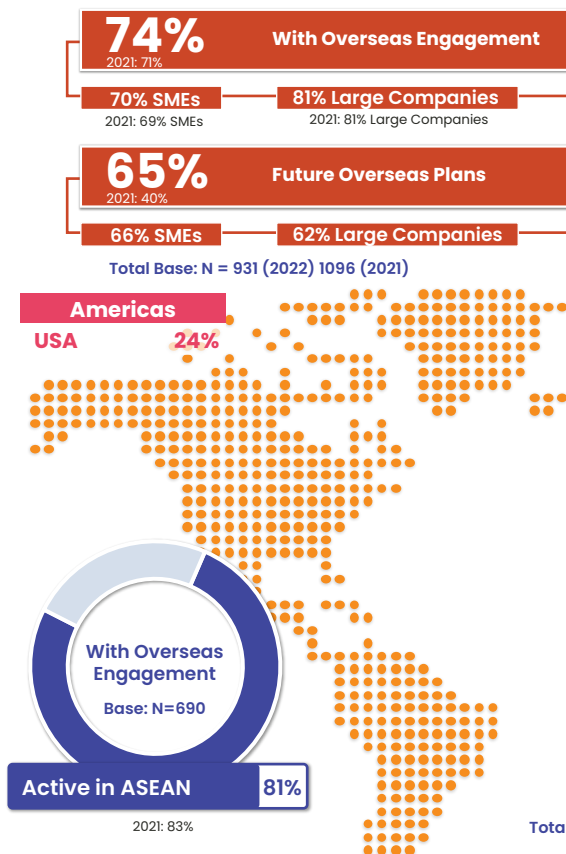


#### High Cost of Adoption



## Venturing Overseas

### 21. Businesses are Increasing Their Presence Overseas



### 22. ASEAN and China Remain the Top Regions for Overseas Expansion

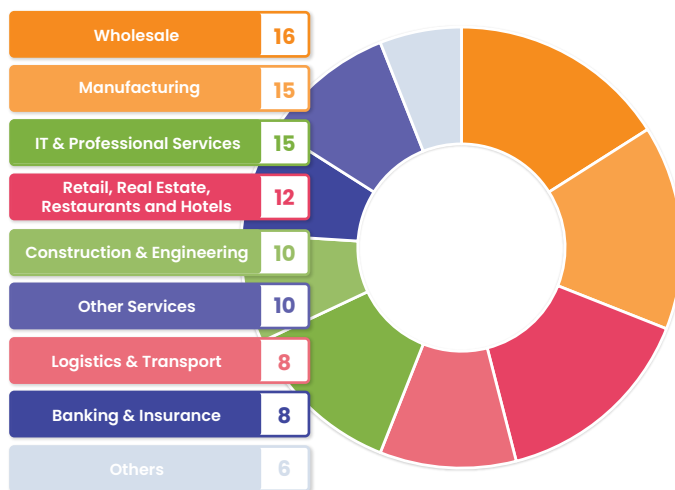
Singapore businesses' current overseas ventures remain focused on ASEAN, with Malaysia and Indonesia being top destinations. Beyond ASEAN, China is another popular region for overseas expansion.

#### 2021 Top Countries

65% Malaysia  
51% China  
51% Indonesia

## About National Business Survey 2022 / 2023

### Respondents by Sectors (%)



### Survey conducted by

Research & Publishing  
Advocacy & Policy Division  
Singapore Business Federation



If you require any clarifications,  
kindly contact [research@sbf.org.sg](mailto:research@sbf.org.sg).



73% SMEs



27% Large Companies

### Stage of Development (%)

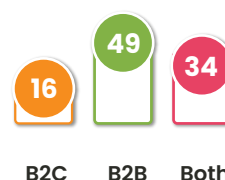


### 30% Local Shareholding

68% Yes

32% No

### Business Mode (%)



### Annual Sales 2021 (%)



Base: N = 931

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