



新加坡中華總商會

Singapore Chinese Chamber of Commerce & Industry

ANNUAL BUSINESS SURVEY 2025 & Budget 2026 Recommendations

3 December 2025

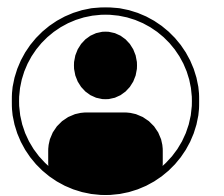
SCCCI Annual Business Survey 2025



Aim

Ascertain prevailing business trends associated with sentiments towards the economic/business climate, manpower issues, internationalization, business transformation, sustainability, and government schemes. Recommendations for Budget 2026 are then formulated based on the survey findings, feedback and suggestions from SCCCI's members.

A total of **N = 711** respondents who participated in the survey are primarily senior representatives (C-Suite level) of local businesses and SMEs from diverse sectors that represent the Singapore economy.



Respondent Base



Survey Period

June 2025 – August 2025

Survey was administered through personalized phone calls as well as online survey tool (SurveyMonkey) and physical survey questionnaires distributed to the respondents.



Survey Administration

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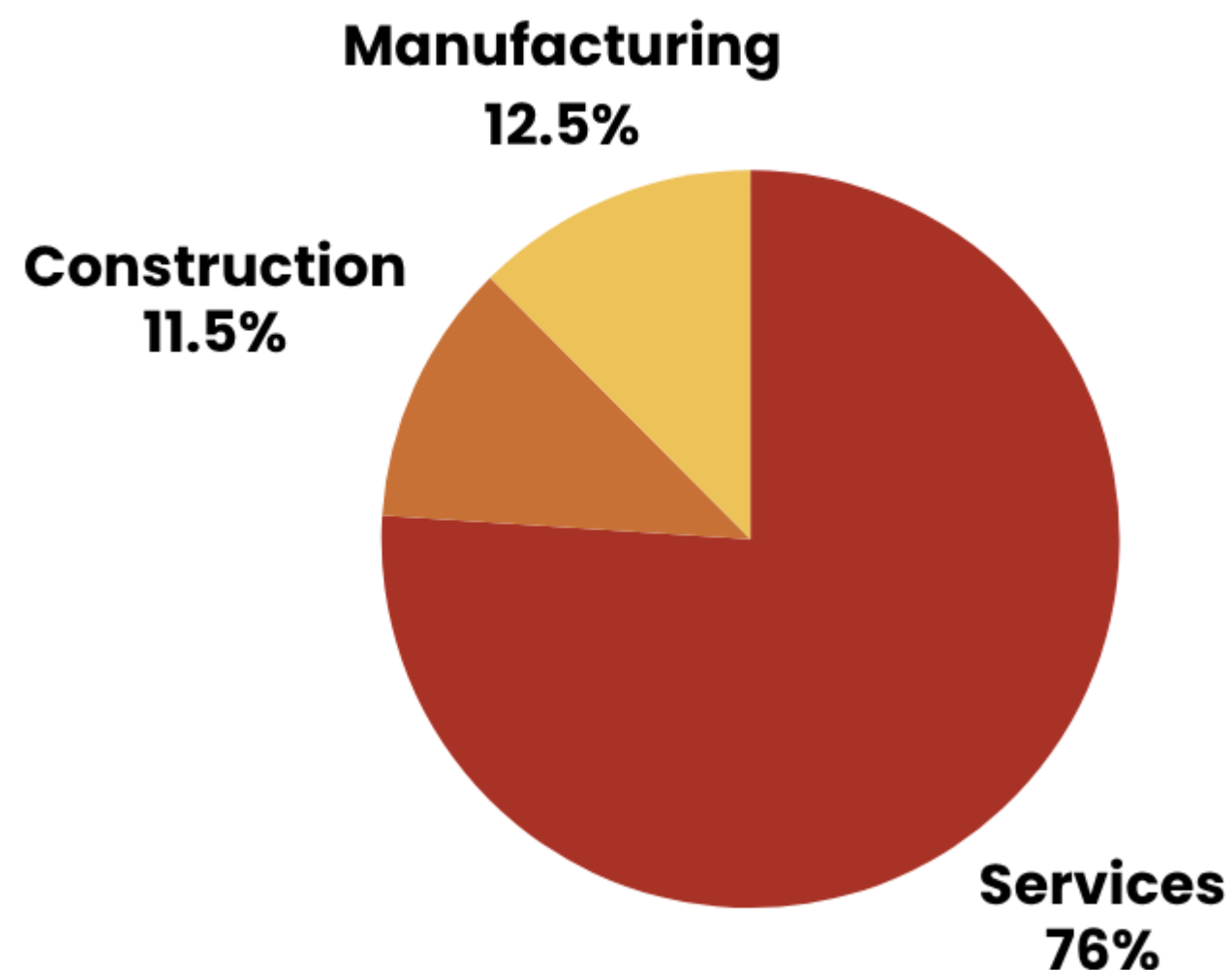


Respondents' Profile

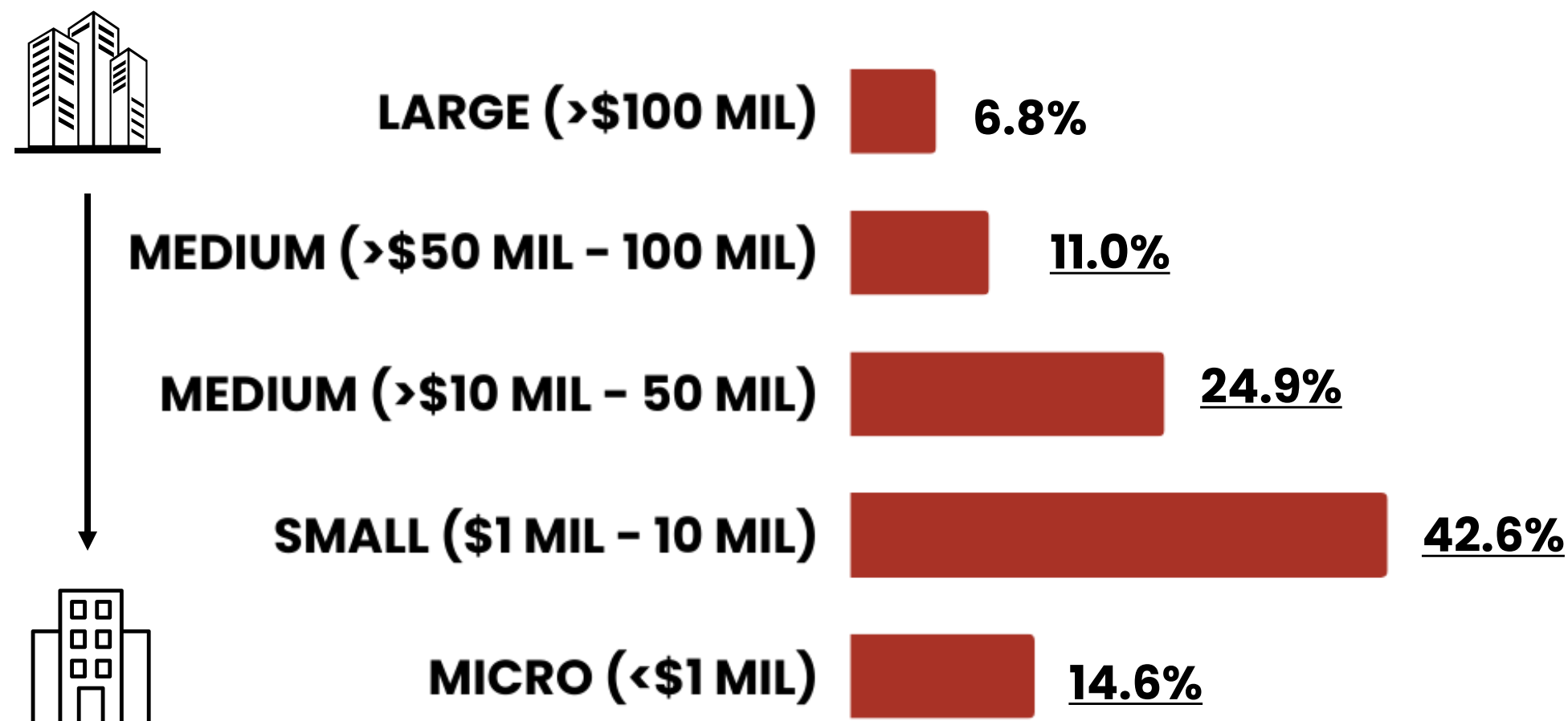
711 Respondents Across All Industry Sectors

93% Respondents from SMEs

Composition of Respondents (by Sector)



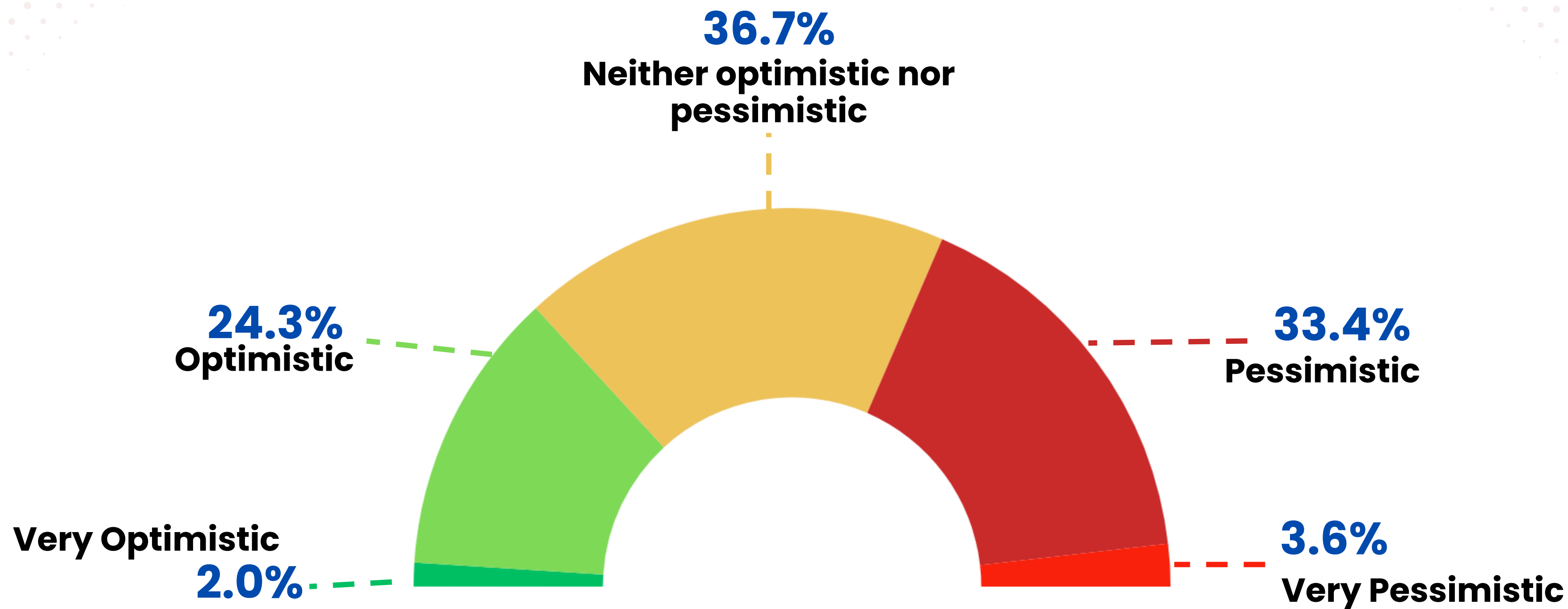
Composition of Respondents (Revenue Size)



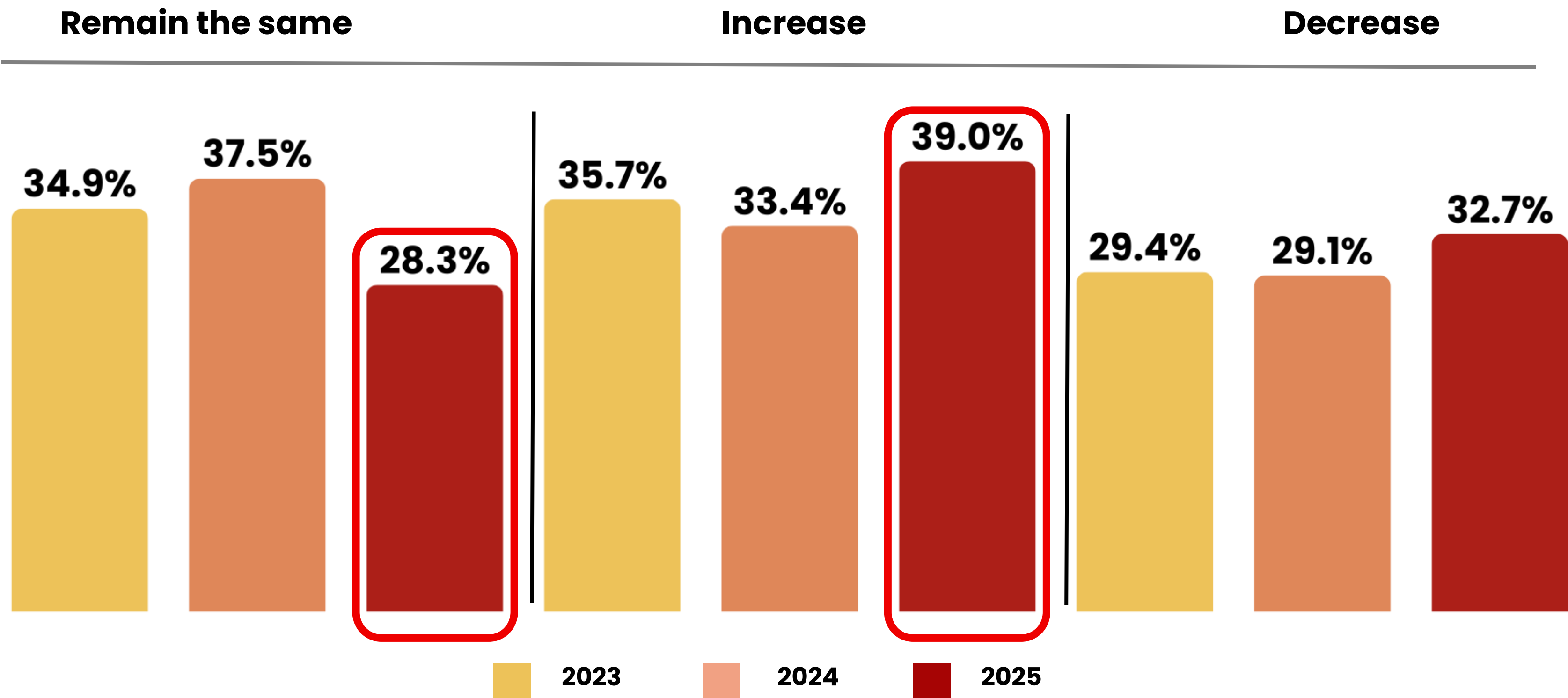


Business Sentiments

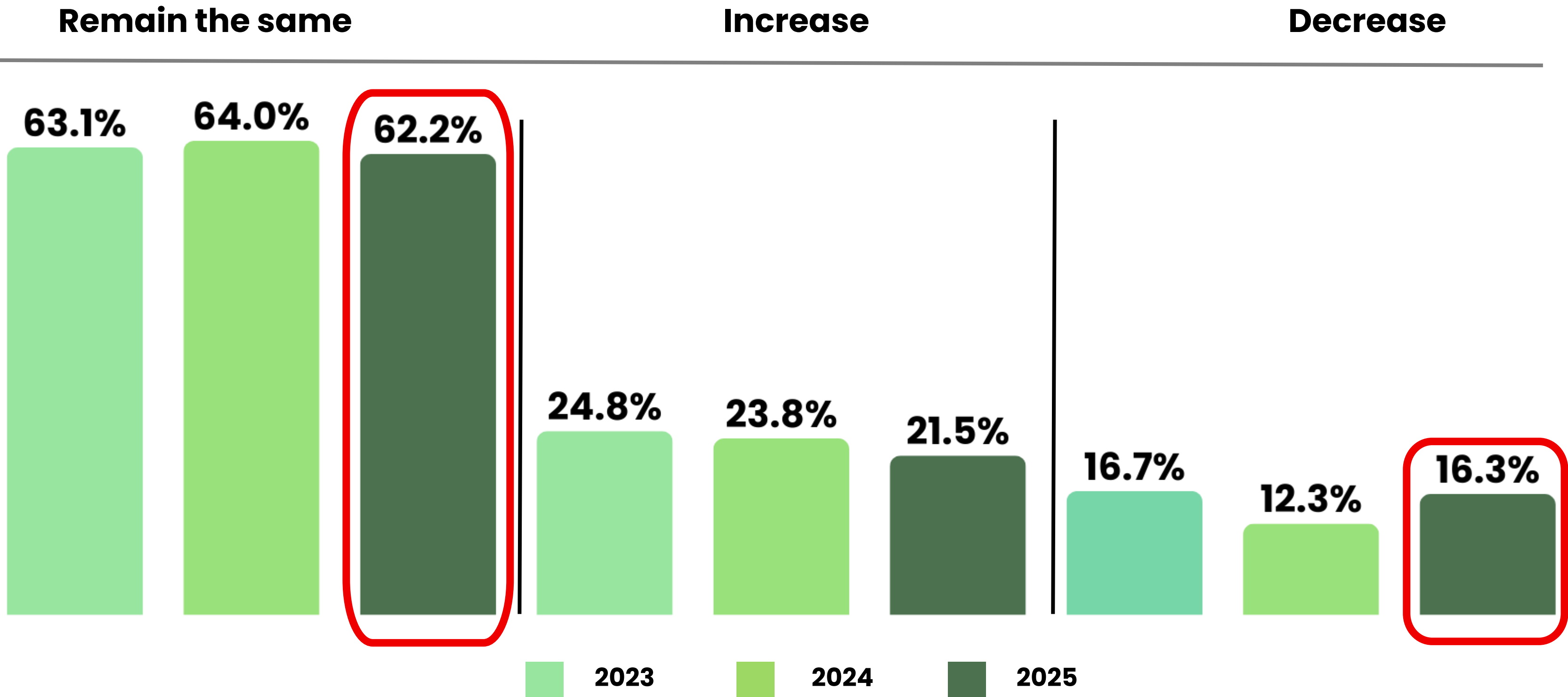
Businesses signal a cautious outlook for 2025



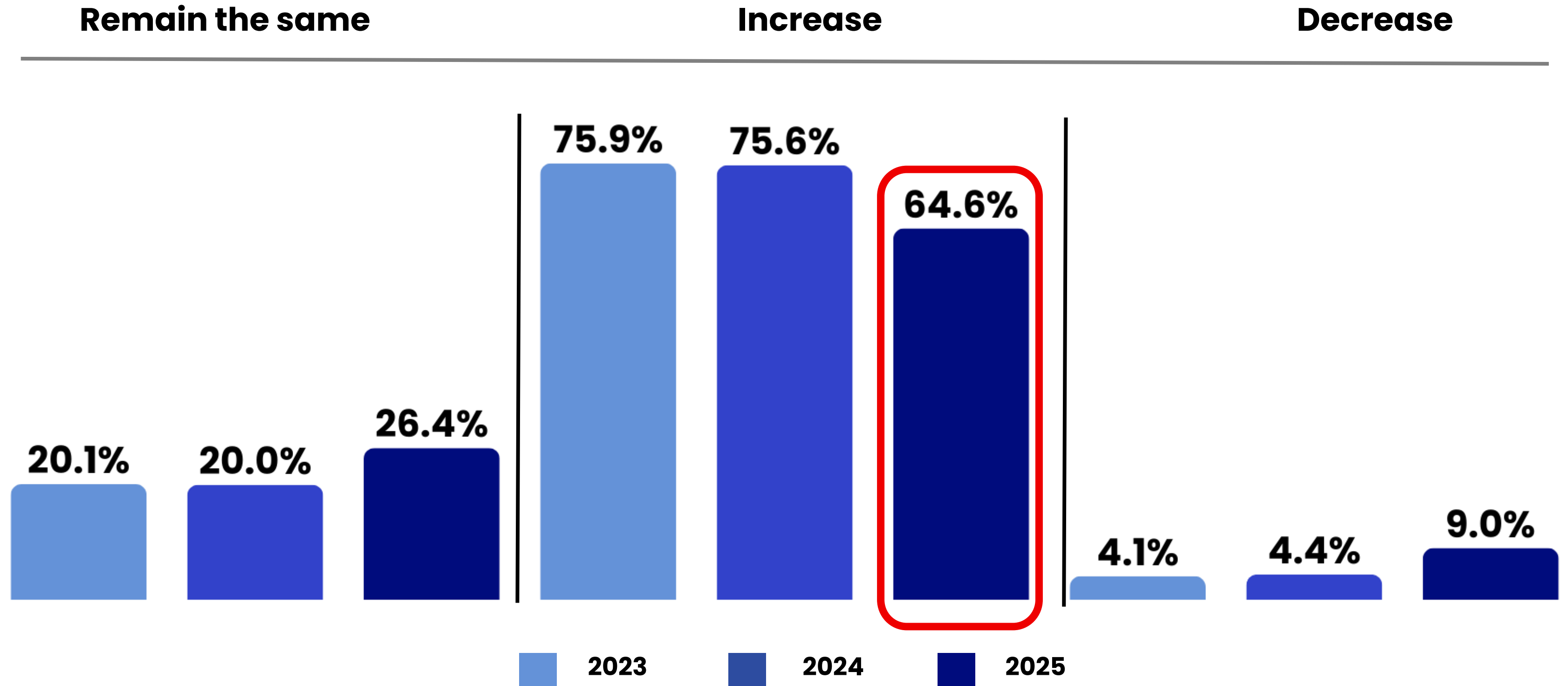
Business revenue: 67% projected revenue to be stable or rising



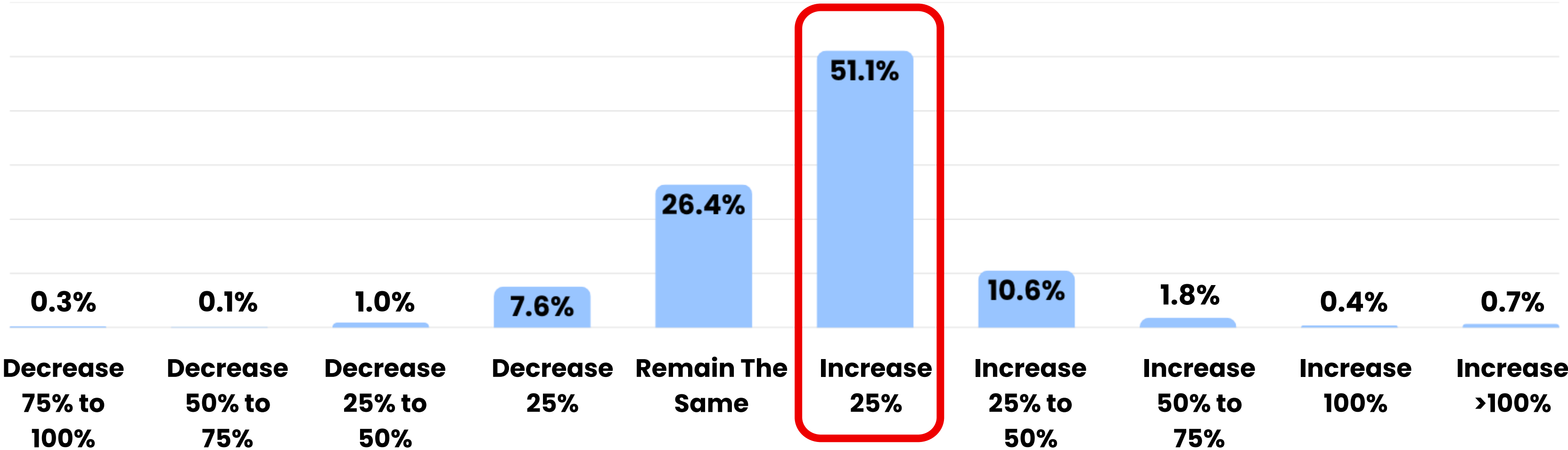
62% keeping manpower stable in 2025; Only 16% plan cuts



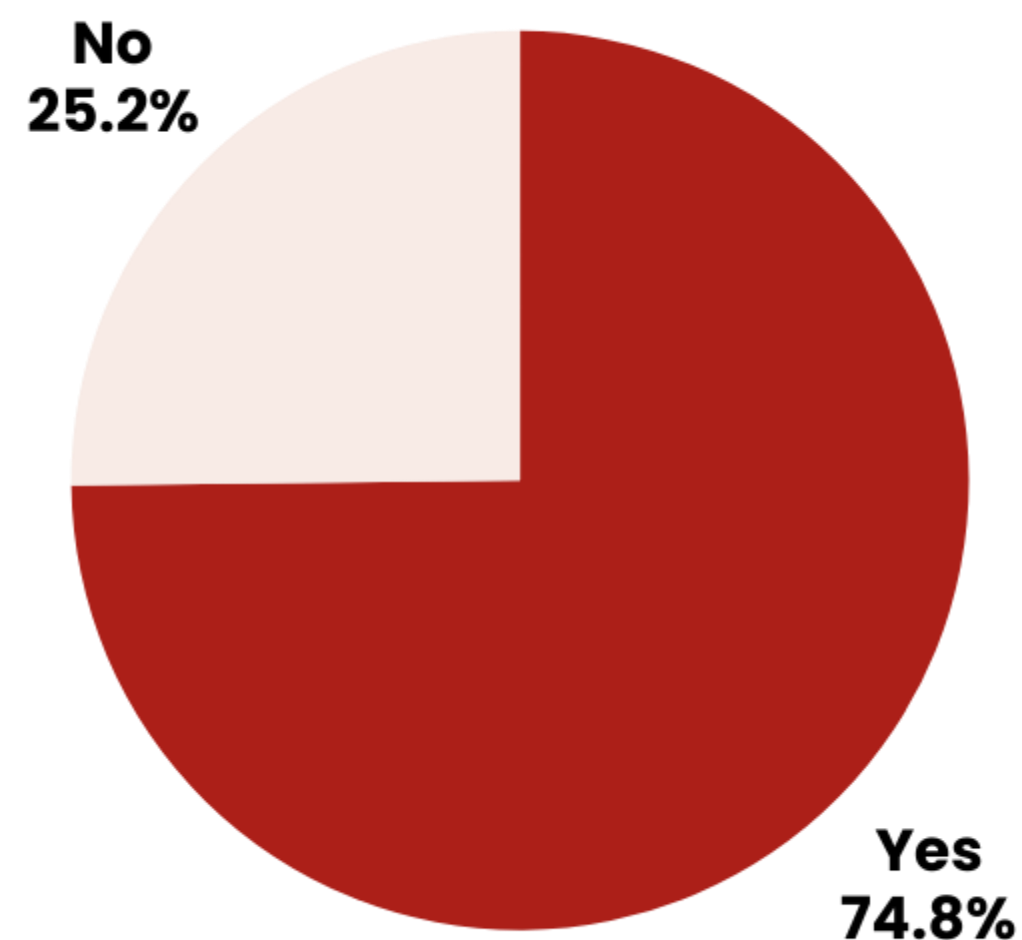
Rising business costs remain a key concern for 65% of respondents



Half of respondents hit by 25% surge in business costs

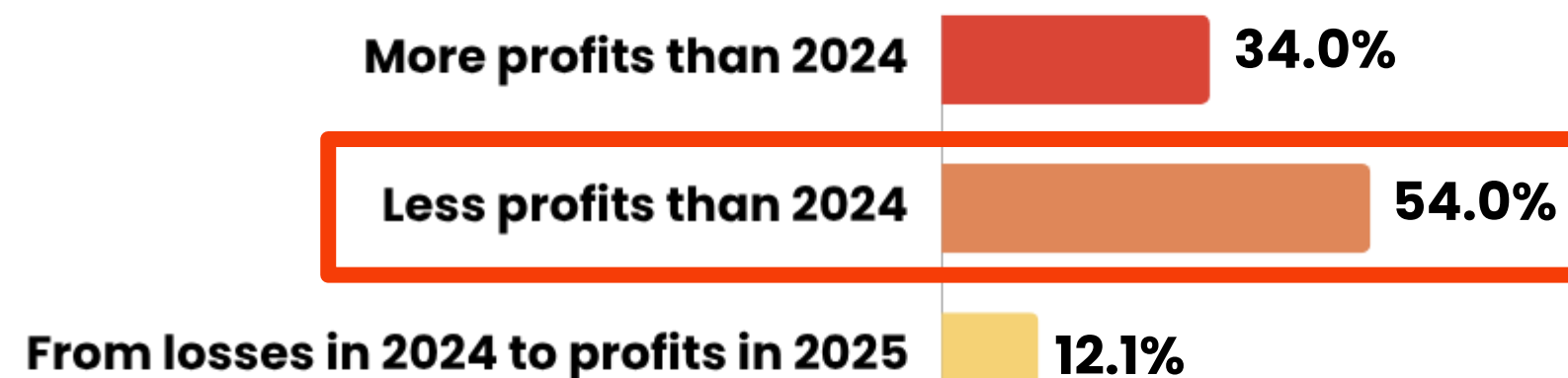


75% expect profits, but over half foresee decline

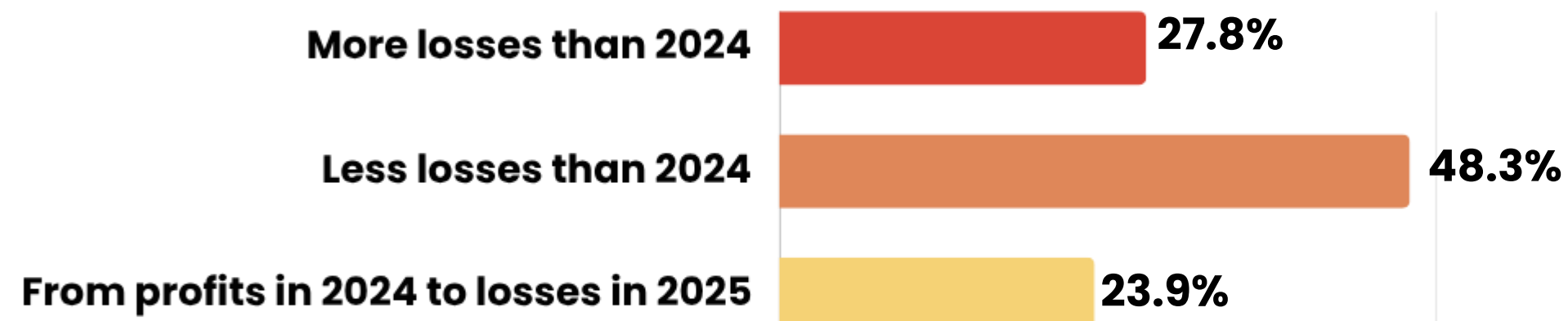


Expects profit in 2025

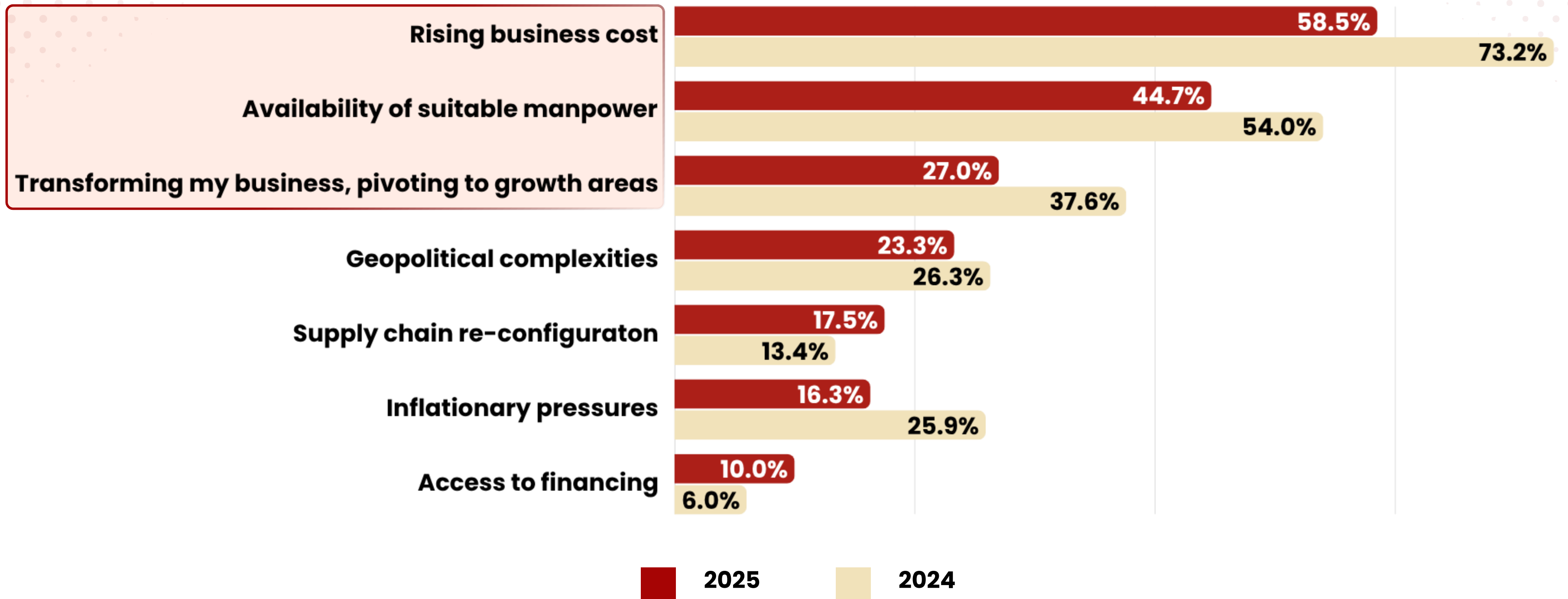
Anticipating Profits in 2025



Anticipating Losses in 2025



Top business challenges: Rising cost; Manpower shortage, Need for transformation



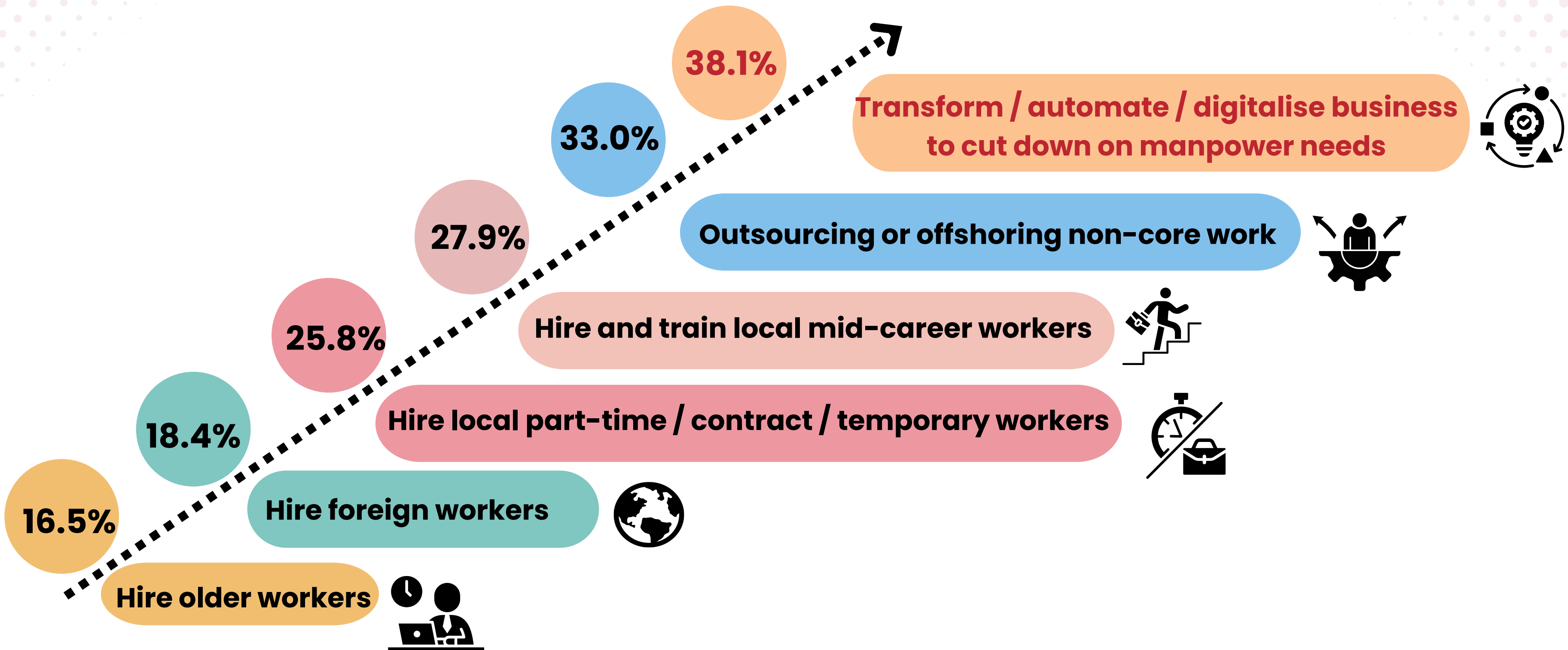


Manpower Issues

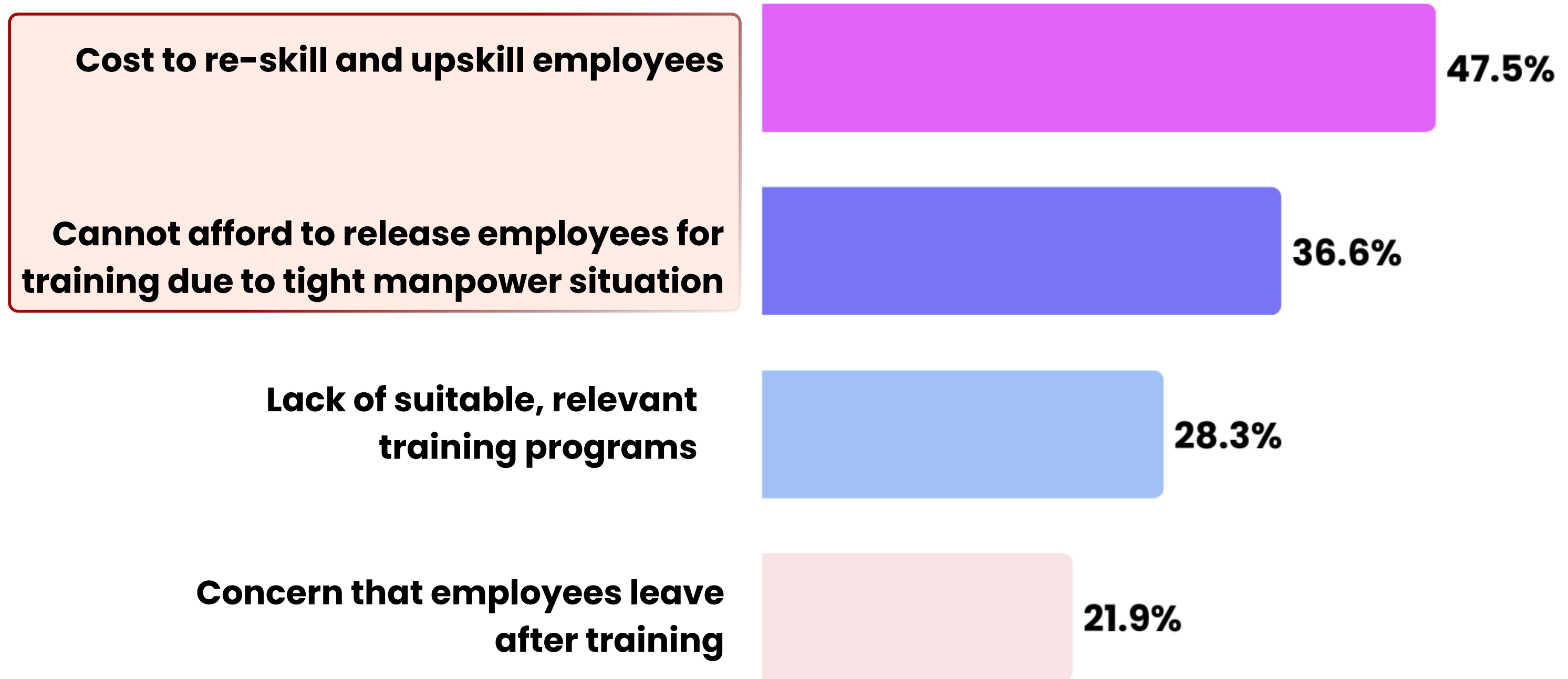
Top manpower challenges: Rising Cost and Attracting & retaining skilled staff



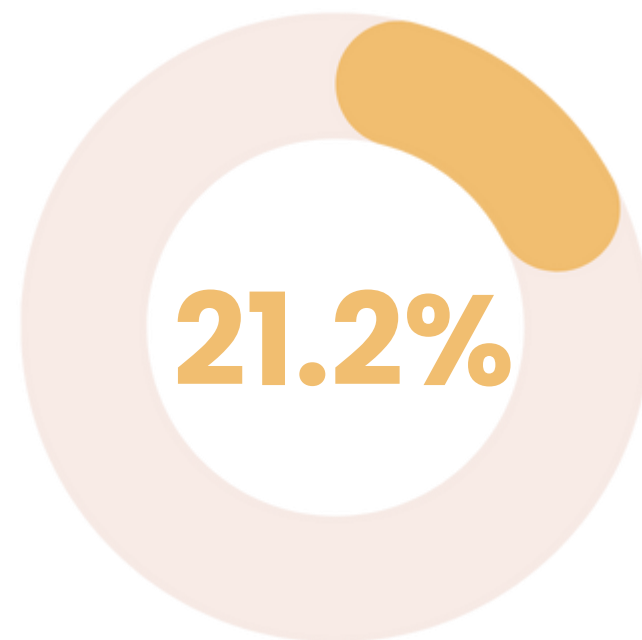
Close to 40% of respondents transform, automate and digitalise to ease manpower challenges



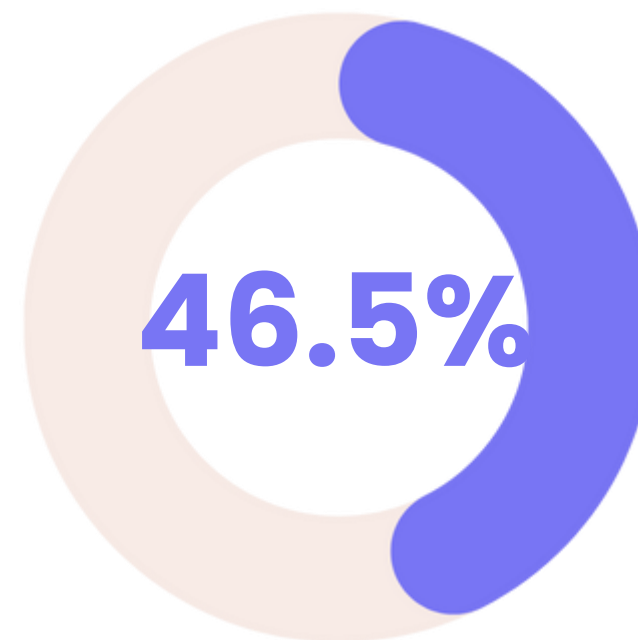
Training costs and manpower constraints hinder workforce upskilling



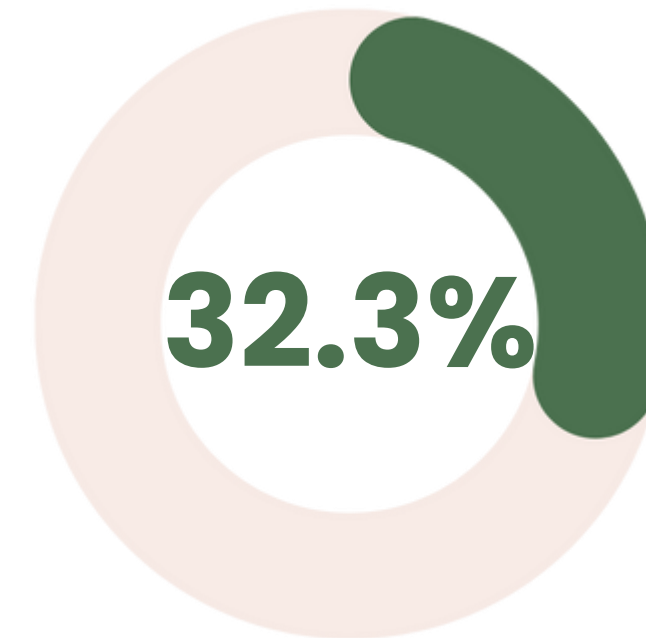
Close to 80% of respondents struggle to hire locals for rank-and-file roles *



**Small
extent**



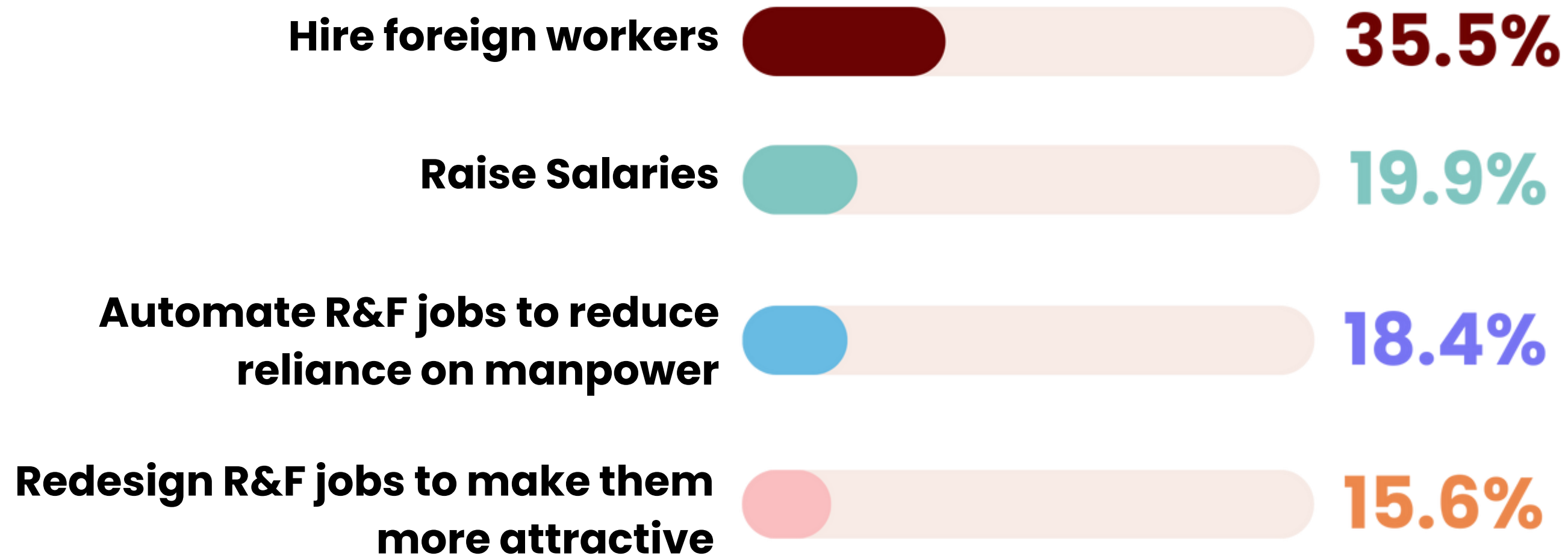
**Moderate
extent**



**Large
extent**

* From among the 68% of respondents who expressed challenges hiring locals for rank-and-file jobs.

To tackle rank-and-file hiring challenges: 36% hire foreign workers while 20% raise pay to fill such roles

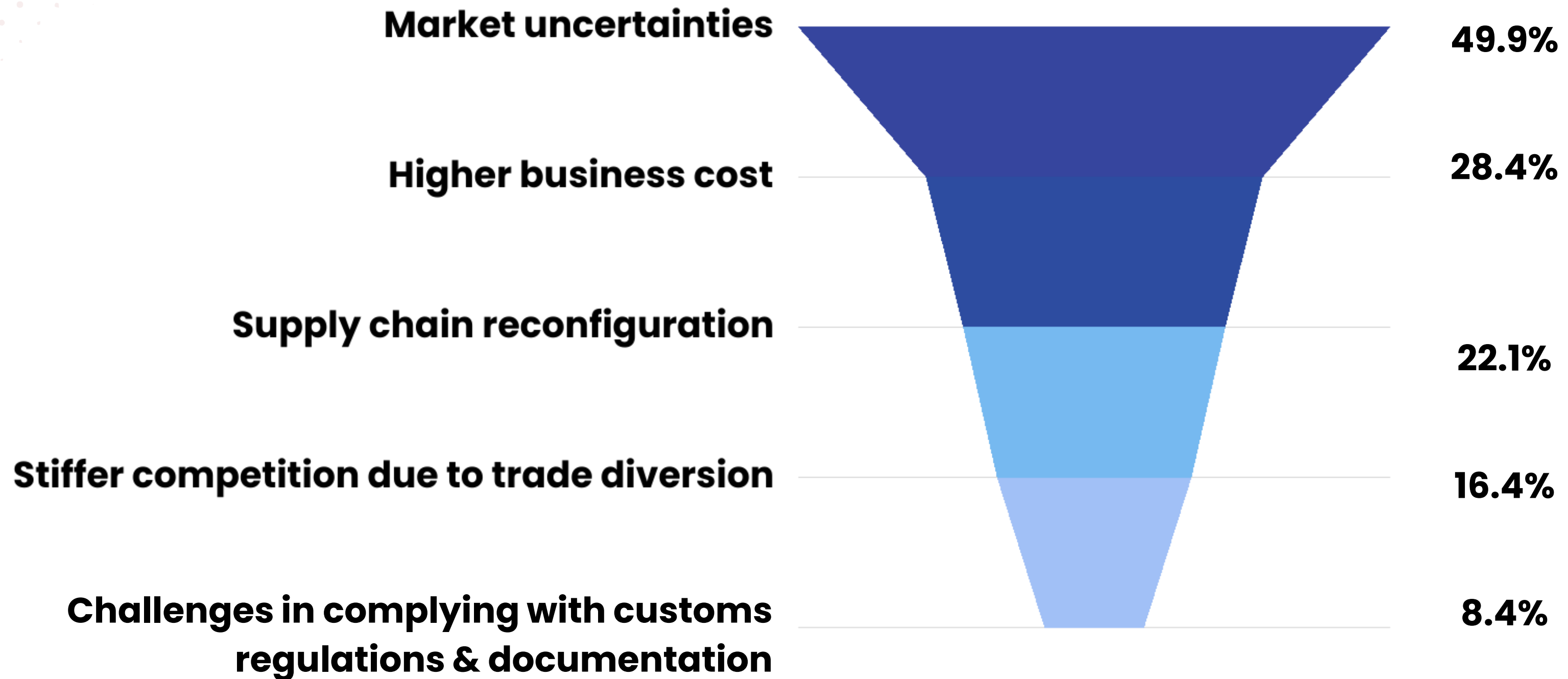




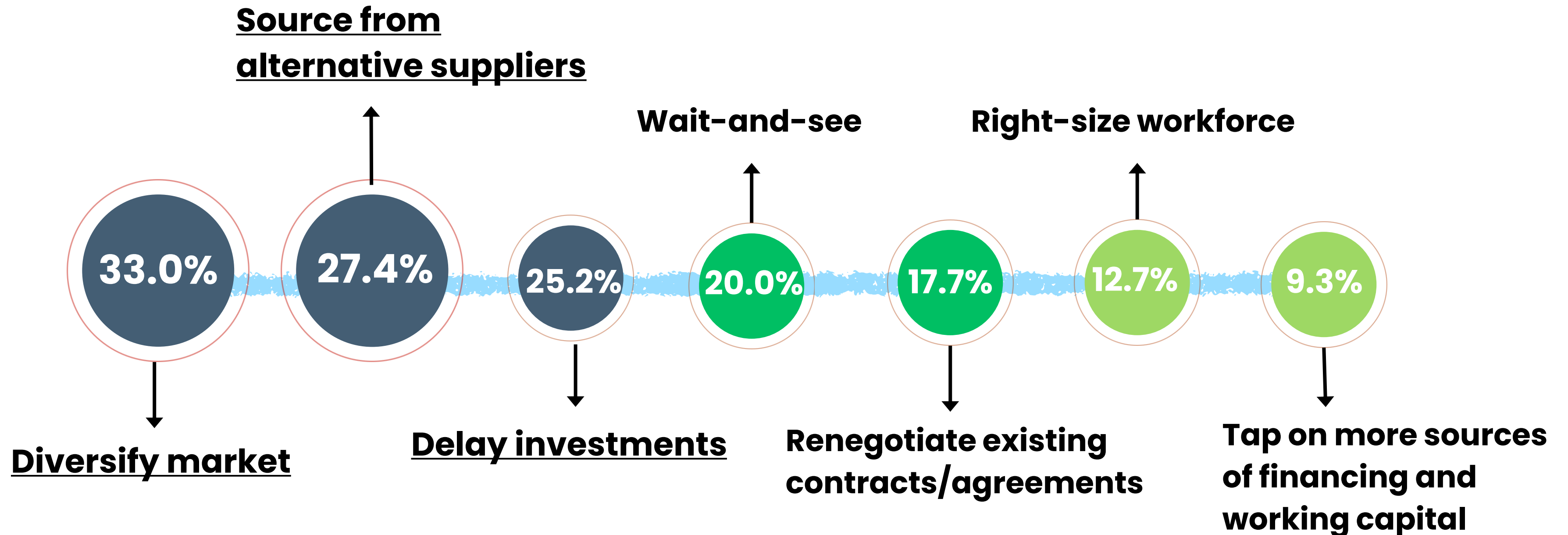
Impact of US Tariffs

TAX

Key impact of US tariffs: Market uncertainties; Higher costs and Supply chain adjustments



Key responses to US tariff impact: Diversifying market; Sourcing from alternative suppliers and Delaying investments





Business Transformation

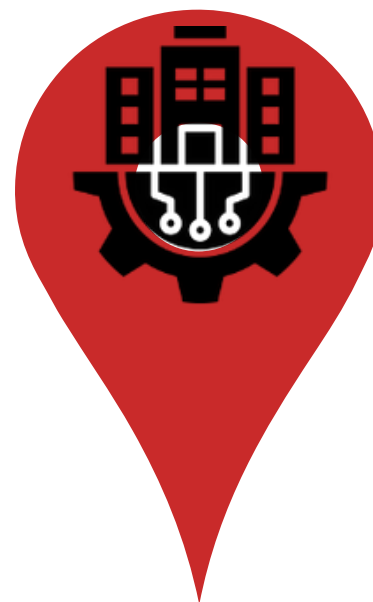
95% of respondents will retain all or part of their operations in Singapore

Notwithstanding the business cost and manpower & resource constraints in Singapore



65.7%

**Remain in S'pore but
transform business to
harness local
competitive advantages**



29.6%

**Relocate part of
business/business functions
overseas to complement
S'pore-based operations**



2.5%

**Relocate entire
business overseas;
Other plans**

Key Challenges in Transforming Business

**Uncertainties
about outcome of
transformation**

**Lack of Internal expertise
and resources to transform**

**Internal resistance
from staff**

**No succession
for business
continuation**

**Do not
encounter
any challenges**

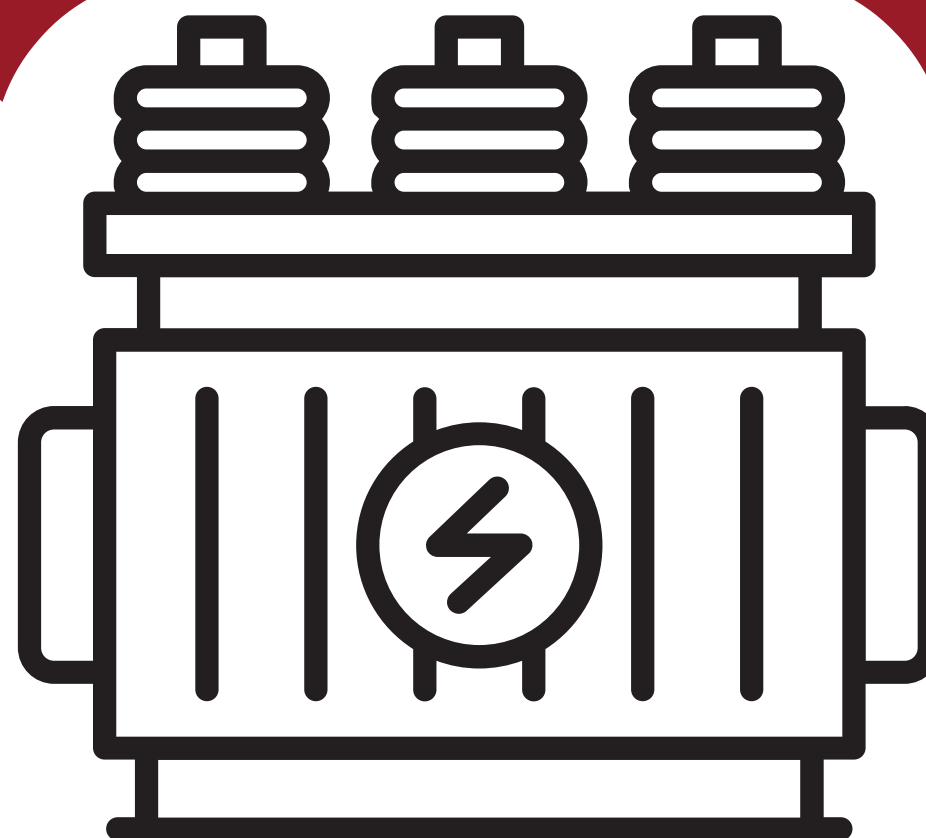
34.6%

40.9%

36.7%

12.1%

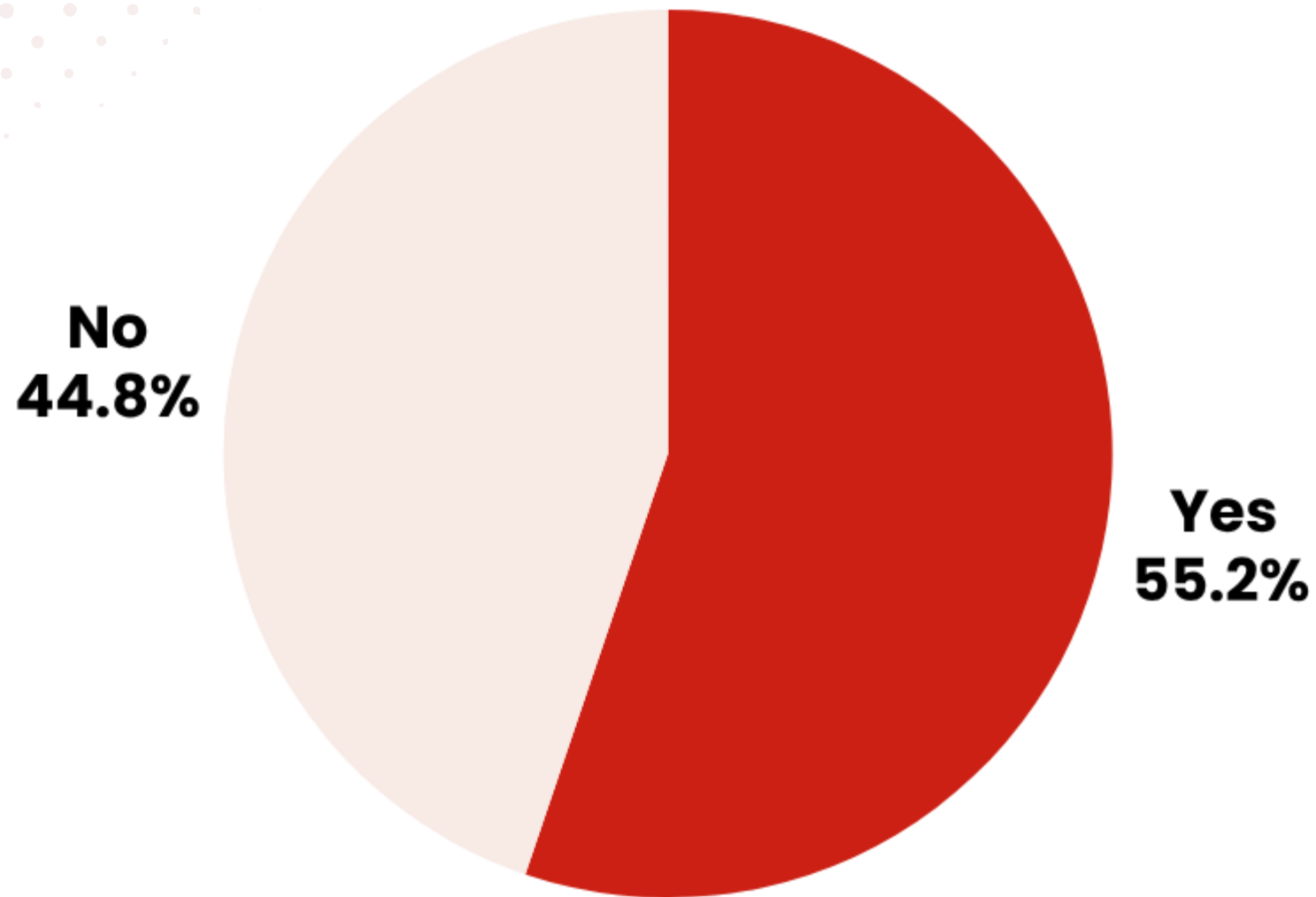
15.1%



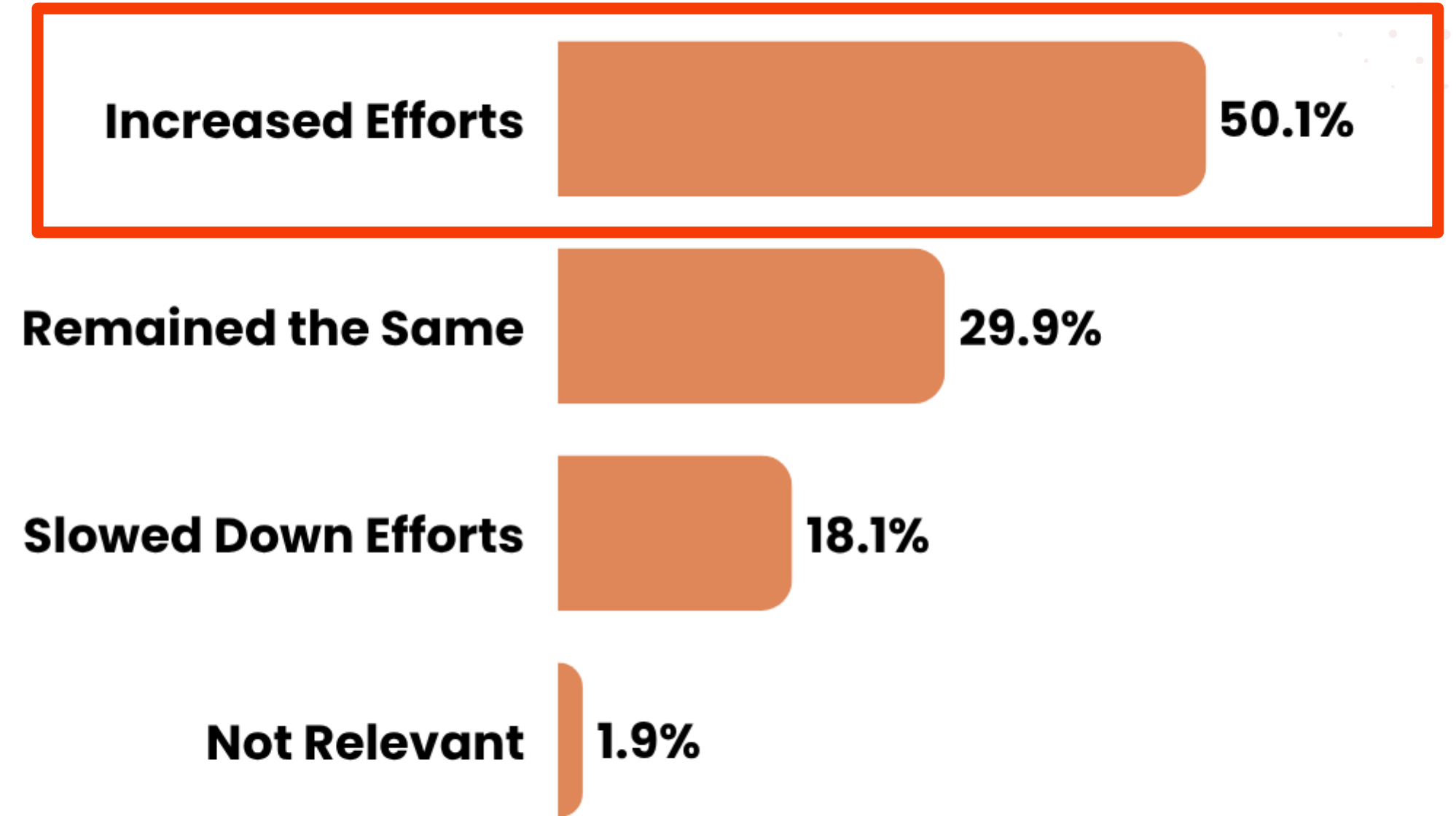


Internationalisation

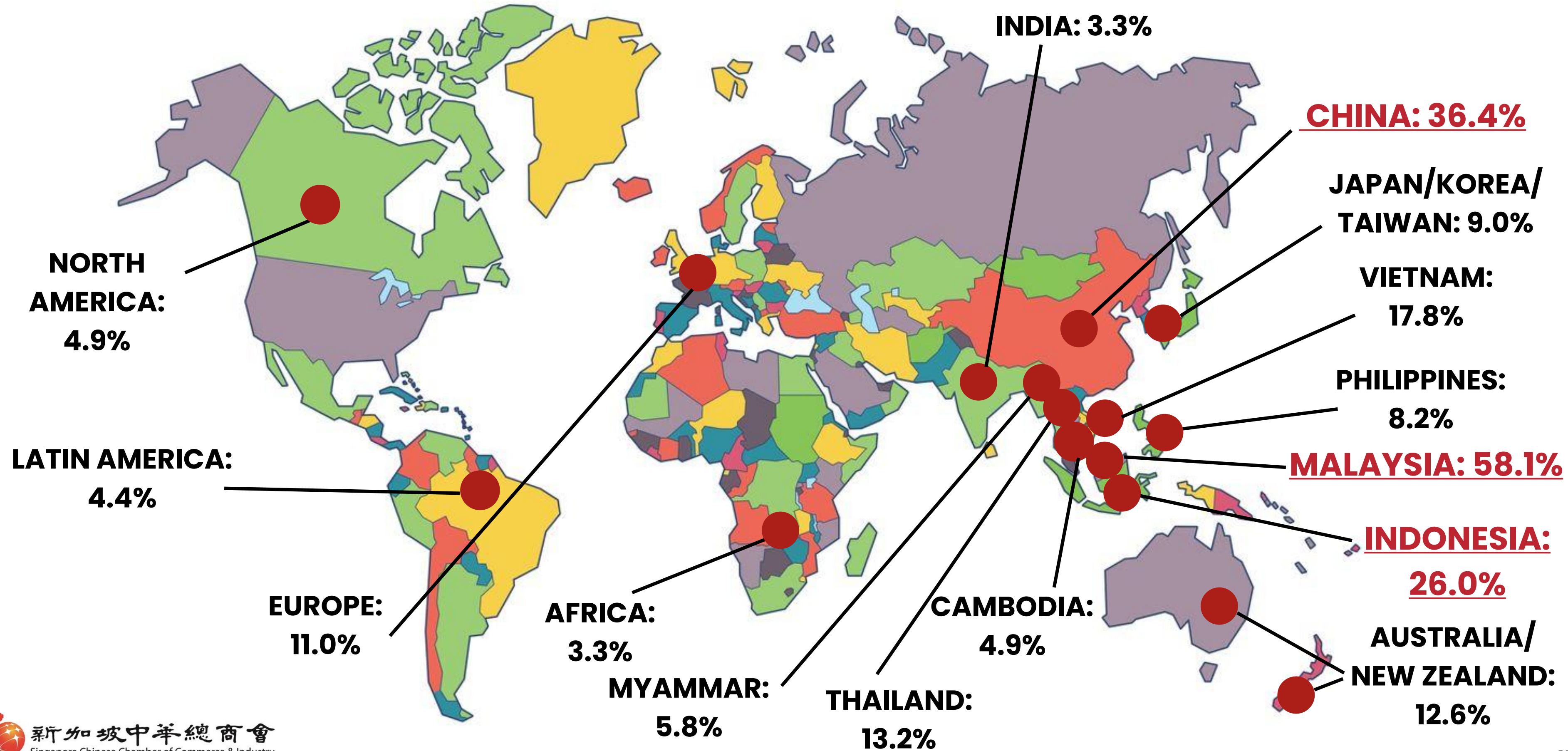
55% of respondents eye overseas growth, with half accelerating efforts



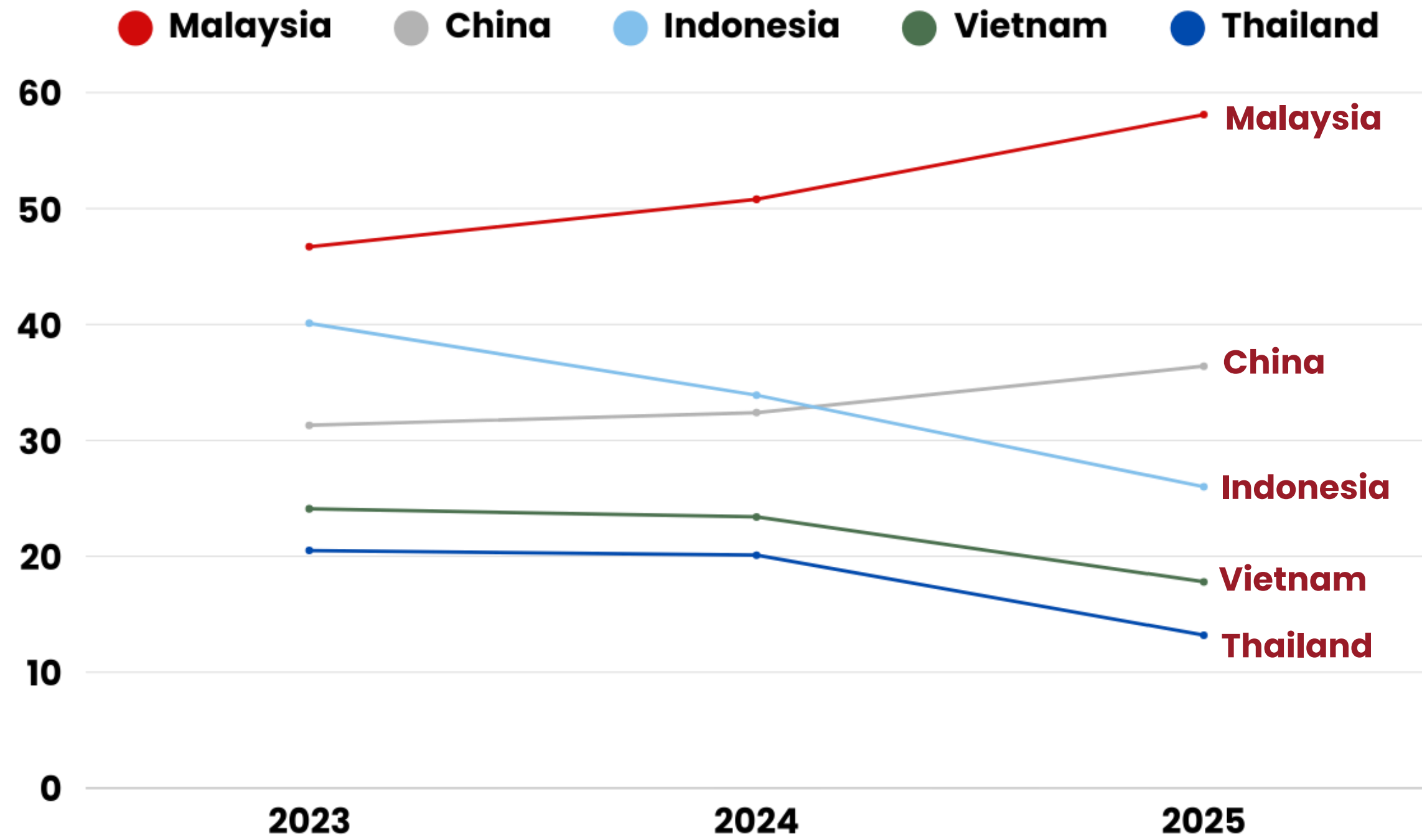
55% of respondents planning to venture overseas



Top 3 Overseas Markets of Interest: Malaysia, China, Indonesia

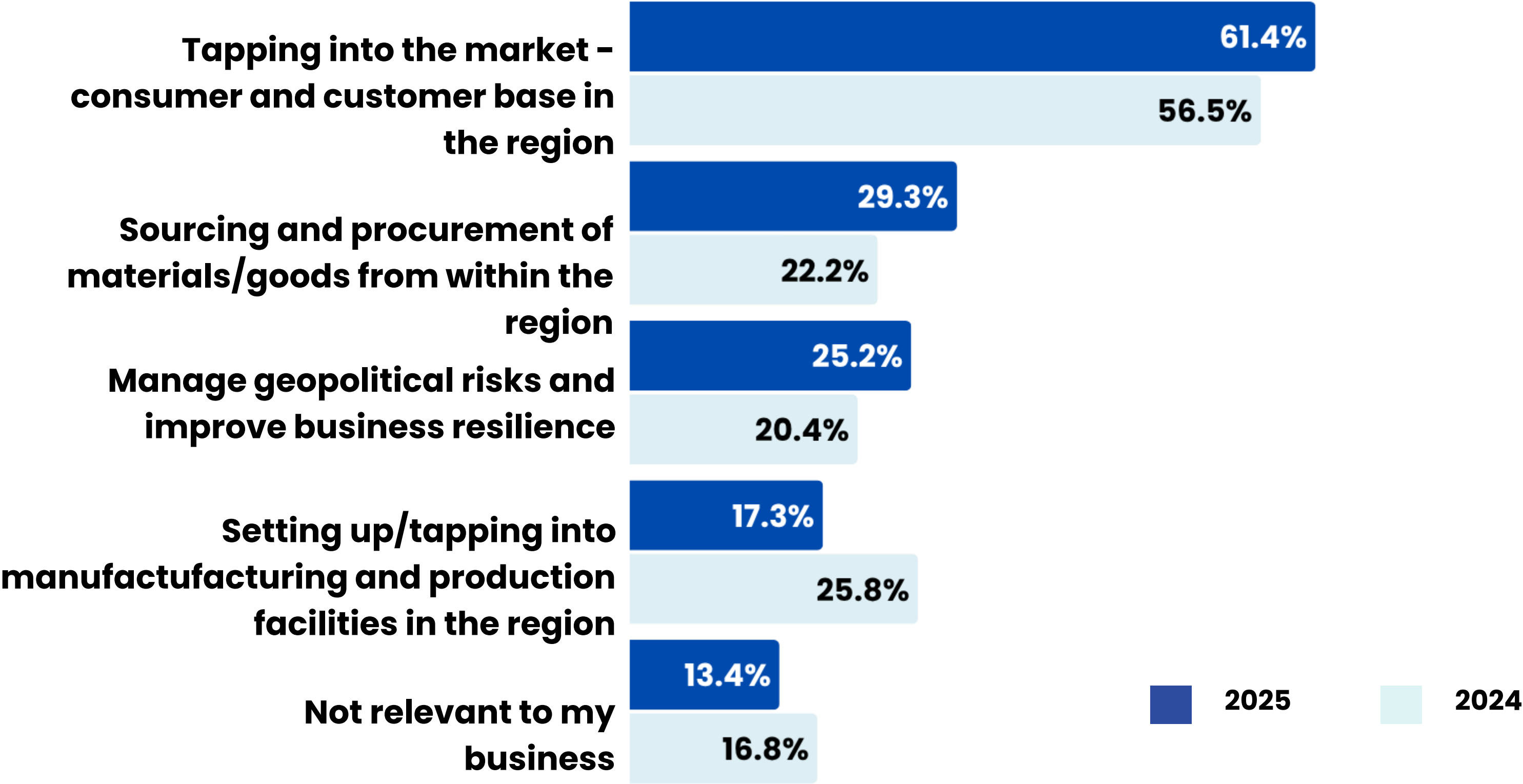


Rising momentum for Singapore businesses venturing into Malaysia

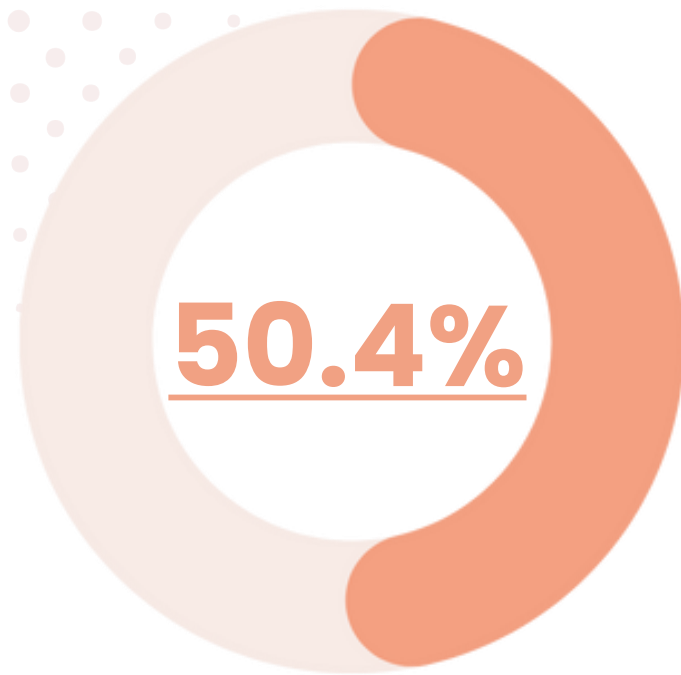


	2023	2024	2025
Malaysia	46.7%	50.8%	58.1%
China	31.3%	32.4%	36.4%
Indonesia	40.1%	33.9%	26.0%
Vietnam	24.1%	23.4%	17.8%
Thailand	20.5%	20.1%	13.2%

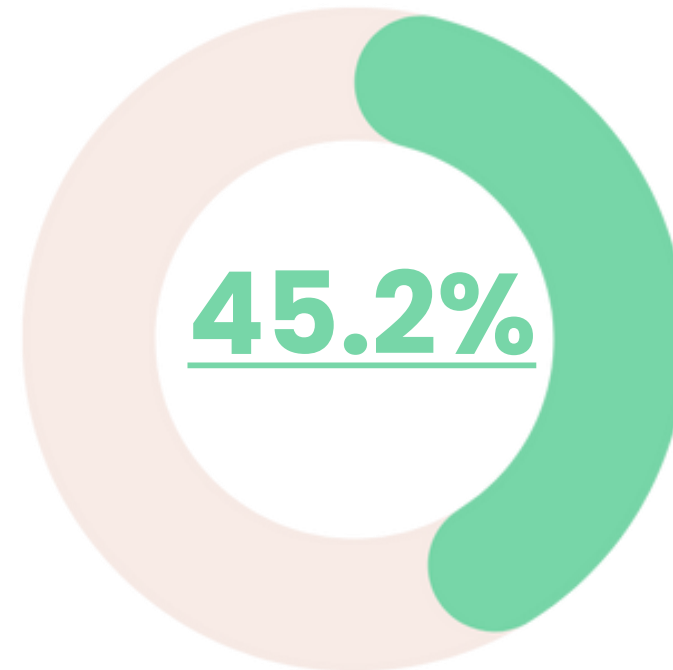
Market potential fuels Singapore businesses' pivot to Southeast Asia



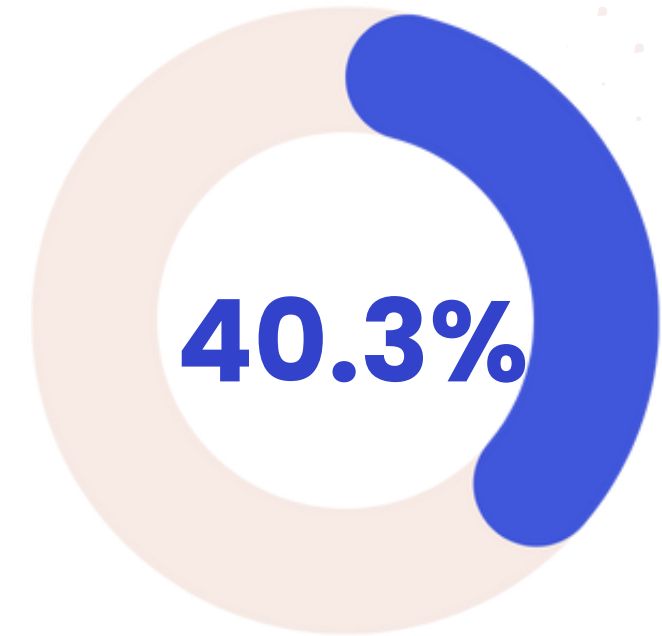
Top Challenges Encountered in Internationalisation



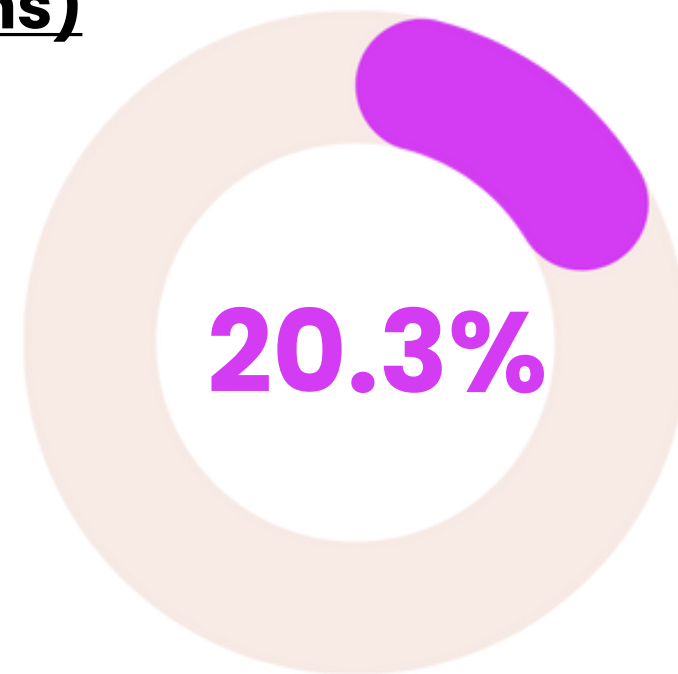
Lack of understanding of overseas market (e.g. market size, competitive landscape, regulations)



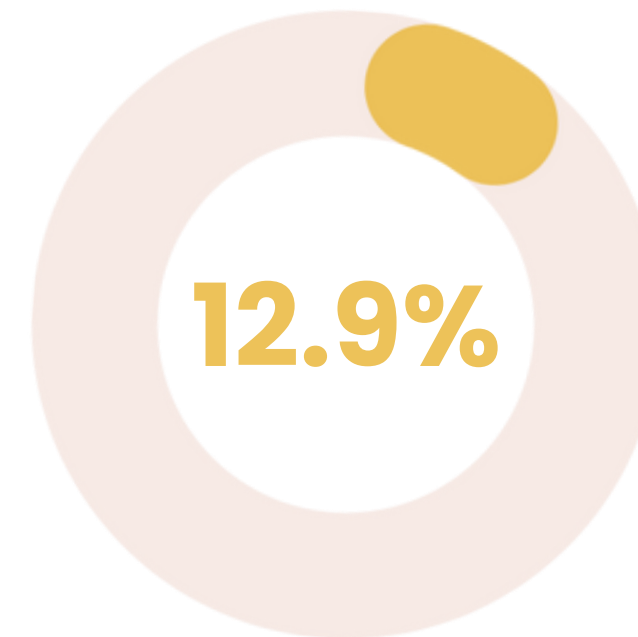
Uncertainties in overseas economic environment



Lack of suitable manpower to develop overseas markets



Lack of financing



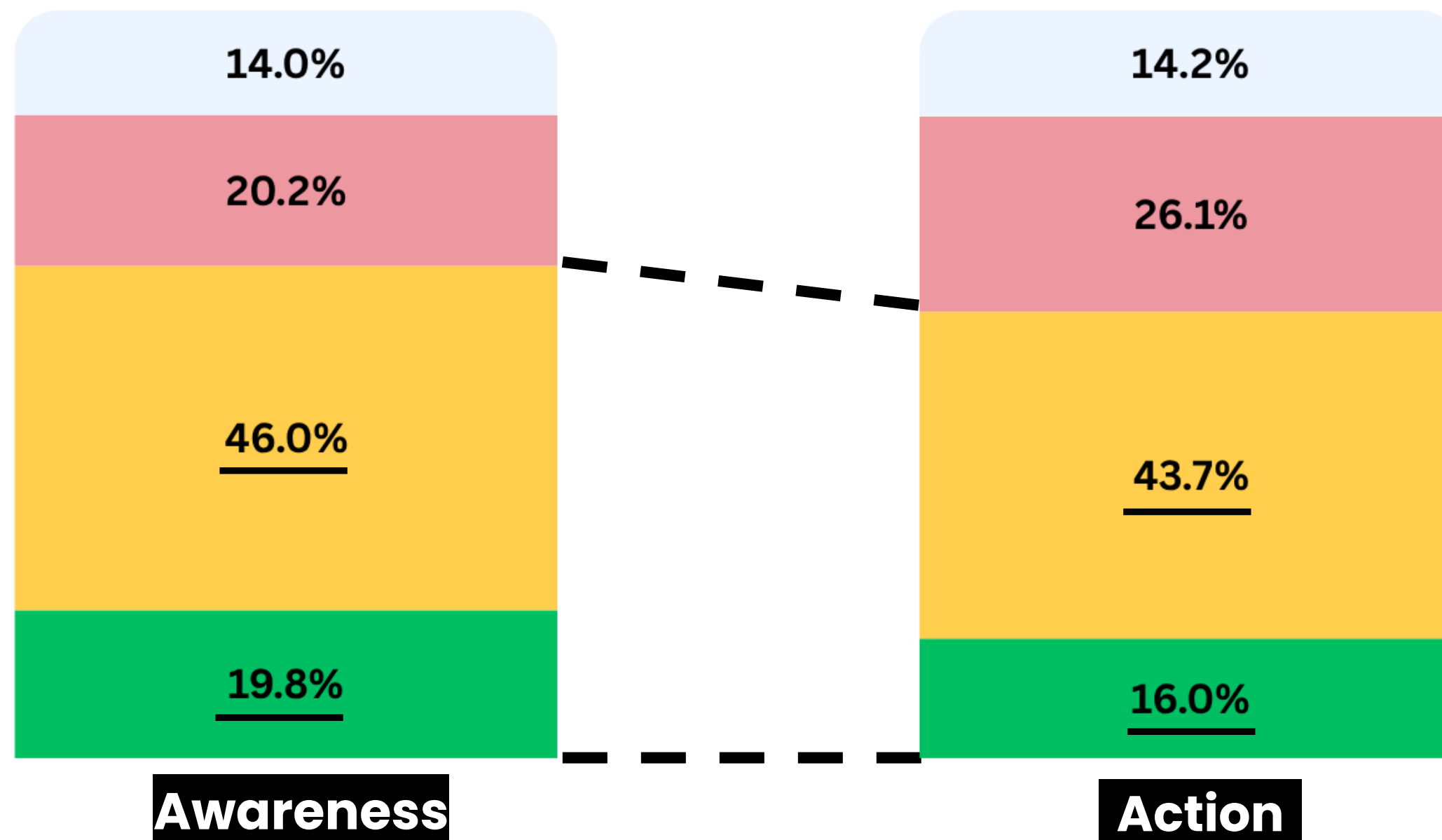
Not sure how to make use of and benefit from free trade agreements



Sustainability Business Practices

Gap between awareness and incorporating sustainability into business practices

● Large Extent ● Moderate Extent ● Small Extent
● Not Relevant



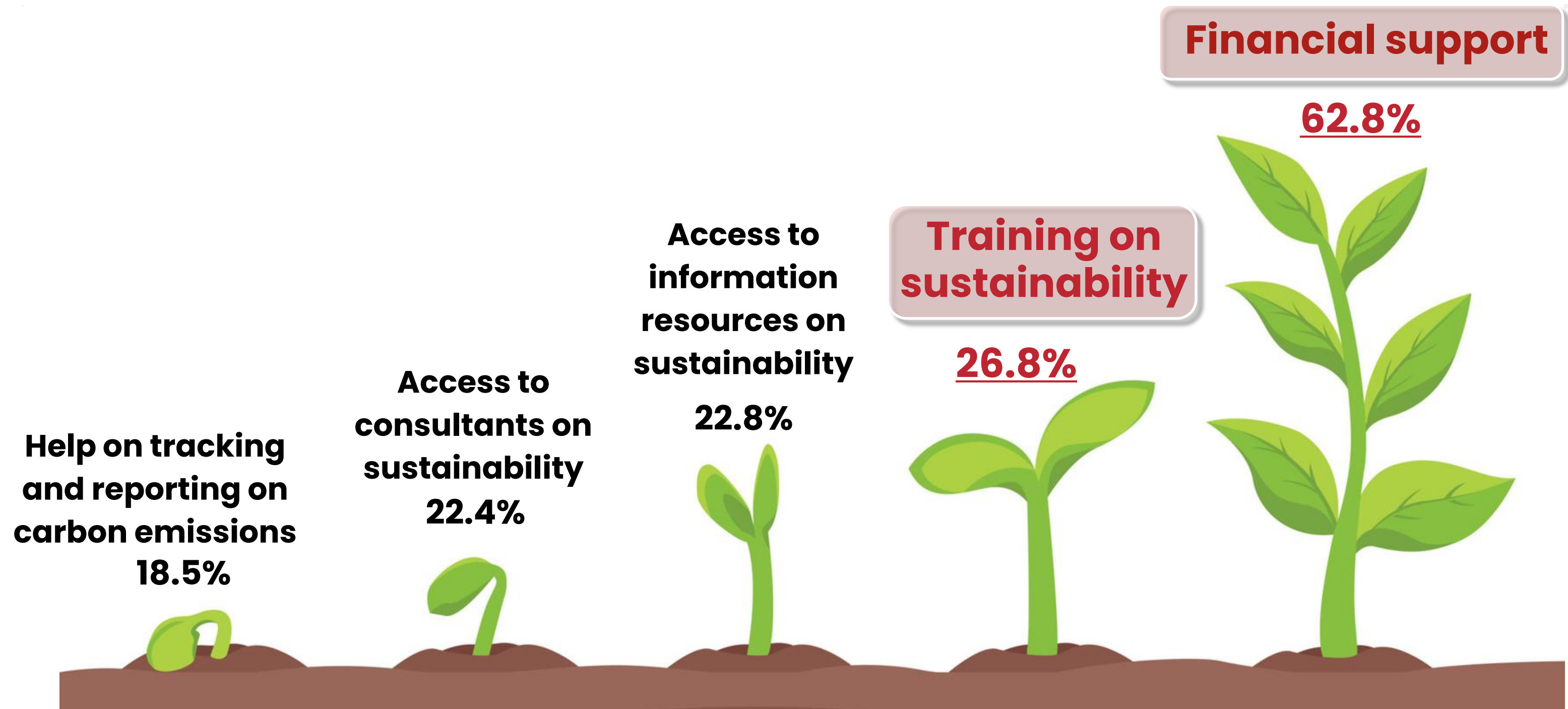
66% of respondents acknowledge that sustainability is important to their business and gives them a competitive edge

60% of respondents have incorporated sustainability into their business strategies

High costs of sustainability practices and lack of capabilities hinder sustainability efforts



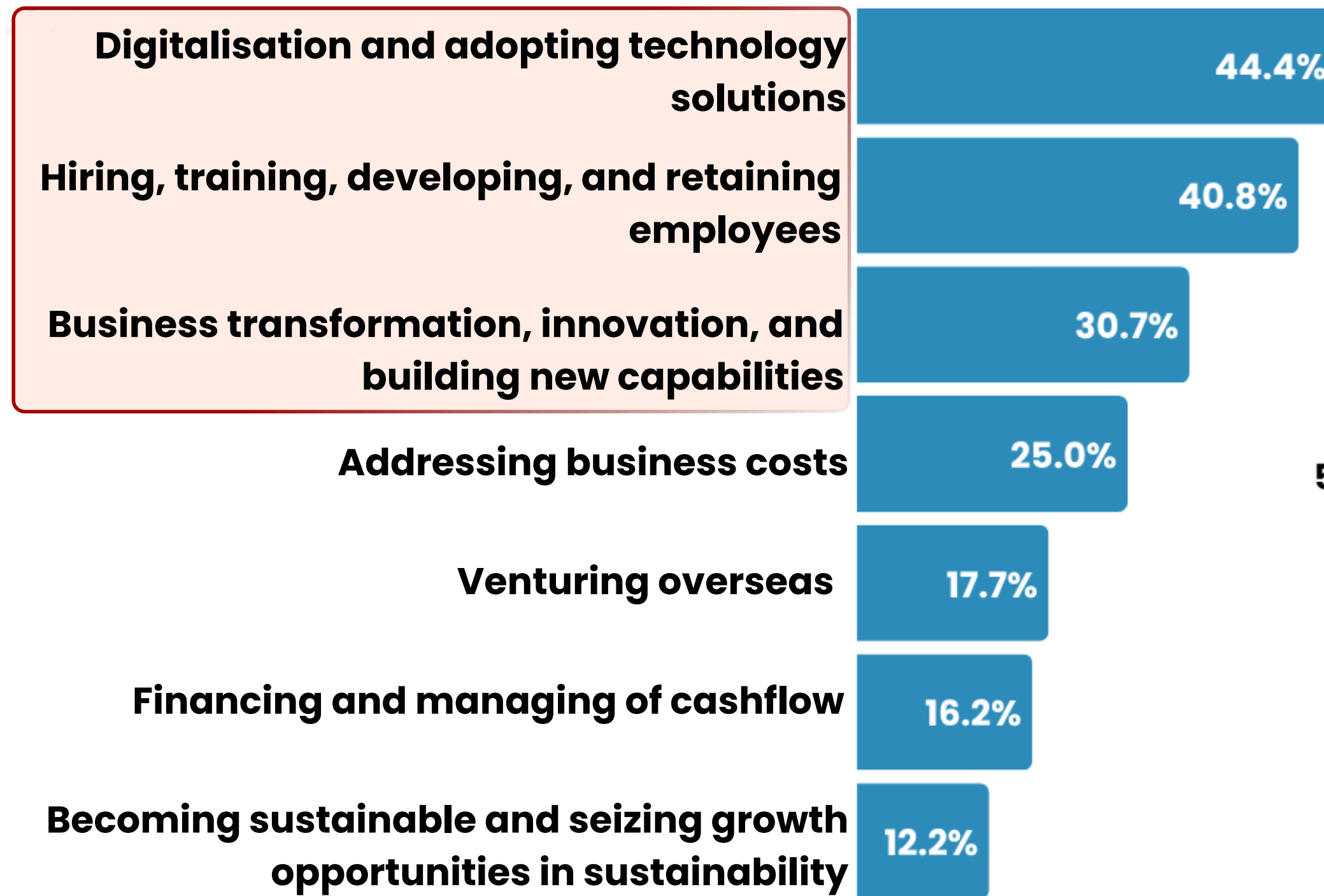
Key support needed to implement sustainable business practices: Financial support and Training on sustainability





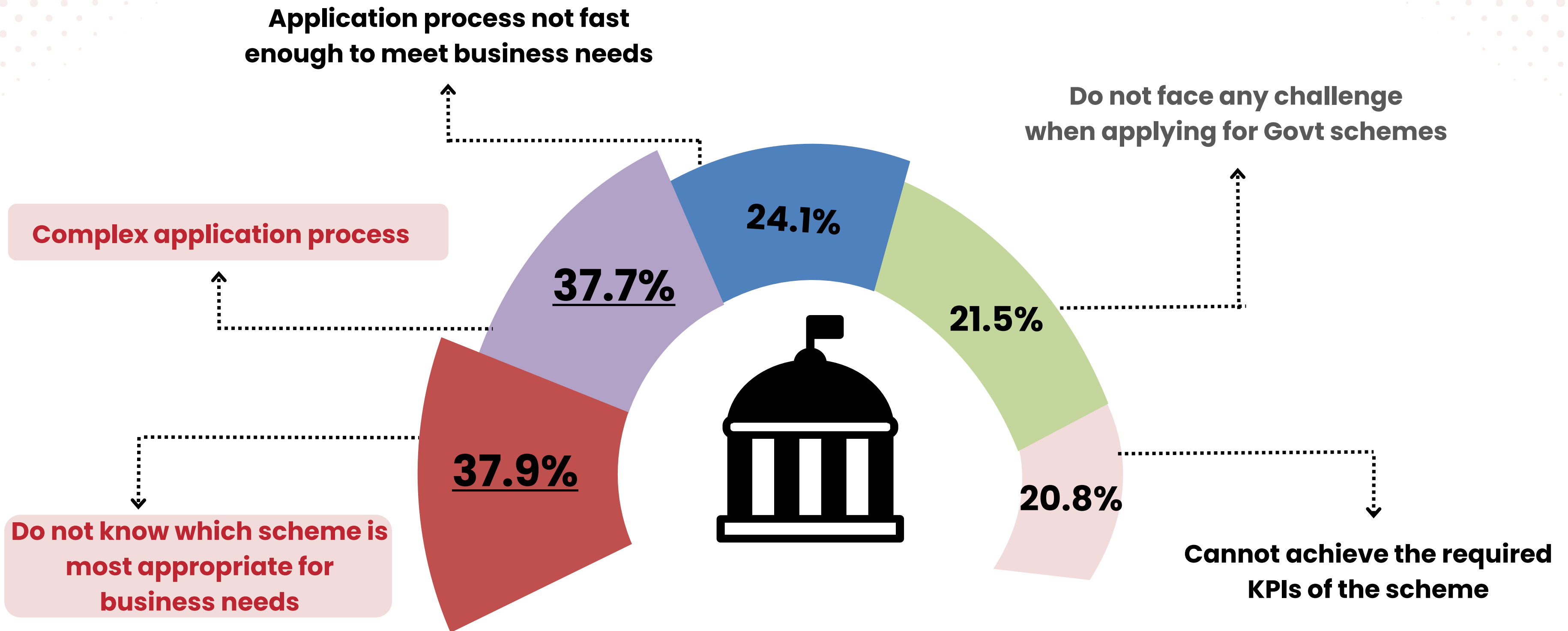
Government Schemes

Top 3 Useful Govt Schemes: Supporting Digitalisation, Manpower Management, Business Transformation



Respondents who applied for Govt Assistance Schemes

Top challenges when applying for Govt schemes: Uncertainty on appropriate schemes and complex process





Assistance outside Government schemes

Businesses call for support from trade associations, Policy coordination and Project opportunities

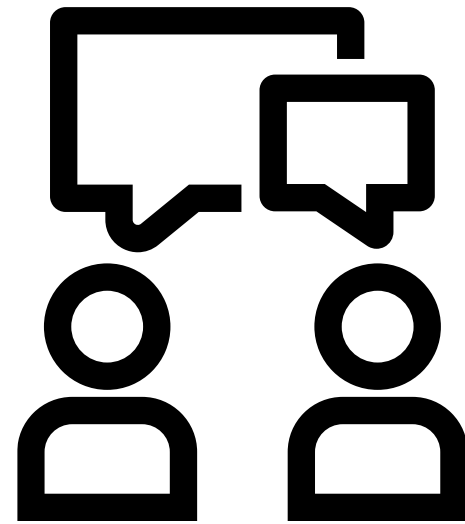
TACs



36.5%

Trade associations should come out with more relevant initiatives to help member companies

GOVT AGENCIES



36.2%

Govt agencies can be more coordinated on cross-agency issues to help businesses

GLCs



36.2%

Govt-linked companies and large businesses provide more opportunities for businesses to participate

GOVT PROCUREMENT PROJECTS



26.4%

Govt can roll out more govt procurement projects for businesses to participate



Budget 2026 Recommendations

1. Help businesses to ease business costs and improve competitiveness

- With rising business costs a top concern for businesses, we urge the Government to mitigate cost pressures in areas within its control. Targeted and timely support measures to ease business costs will help companies improve competitiveness.
- Not to further increase government compliance costs, government charges and fees that will aggravate the cost burden of businesses, as well as enhancing the efficiency and timeliness of government grant application and reimbursement process.
- Extend schemes to help defray rising manpower costs and further simplify the application process, including Career Conversion Programmes, SkillsFuture Enterprise Credit scheme, CPF Transition Offset and Job Redesign under the Productivity Solutions Grant.
- For growth-oriented businesses, consider a higher threshold for qualifying expenses incurred to stay competitive (e.g. for refurbishment and upgrading of premises) for deduction against taxable income.
- Extend the 50% or a higher threshold of Corporate Income Tax rebate to tax-paying companies in 2026.
- Enhance Enterprise Financing Schemes to facilitate and ease SMEs' continual access to affordable sources of financing and working capital, including supporting their efforts to adjust their supply chains and diversify markets to respond effectively to challenges arising from the US tariffs.

2. Quicken the pace of SMEs' pursuit of sustainability to build green capabilities and reap opportunities from the green economy

- Sustainability is a megatrend to be reckoned with. Increasingly, customers, consumers, investors and financiers will demand that companies pay attention to sustainability. Local companies can seize new opportunities in the green economy.
- Local SMEs need more help to tackle the high costs associated with sustainability business practices and the lack of technical know-how to build green capabilities and in the pursuit of green initiatives.
- To seek funding to develop a government-supported “sustainability recognition initiative” for smaller SMEs (e.g. annual revenue of <\$10 million) to encourage and give recognition to them for taking their first steps to adopt sustainability practices in the course of their business (e.g. calculating carbon emissions). This tangible and credible initiative can function as their “sustainability passport” and serve as a cross-sector credential signaling their commitment to sustainable business practices.
- Trade associations and chambers can aggregate the common needs of SMEs in their pursuit of sustainability and seek funding support level of at least 70% for the participating SMEs. This will help to accelerate the process of SMEs building capabilities in sustainability and capturing new market opportunities.
- Introduce a Enterprise Sustainability Program (ESP)-Lite grant to supplement the ESP grant introduced in Budget 2021. ESP-Lite will make available to SMEs a simplified application process to benefit from government funding support as they embark on their first steps to embrace sustainability business practices, including producing carbon/emission reports, adopting solutions to reduce carbon footprint, and implementing energy-efficiency projects.

3. Establish a trusted “Digital Business Hub” to assist SMEs to leverage AI to advance business transformation and competitiveness

- SMEs are encouraged to leverage AI to improve competitiveness and productivity. But feedback on the high cost of AI solutions, lack of capabilities, not sure how to start, and needed help when faced with a large number of AI vendors and solutions in the market.
- To address the “last mile” issue of practical AI adoption, consider setting up a government-supported trusted “Digital Business Hub” to bring together SMEs (as problem owners), IHLs (involvement of student-apprentices with AI project experiences) and AI solution providers whereby SMEs’ problem statements can be prioritized and translated into proof-of-concept projects and validated before actual deployment to reap tangible outcomes. Eligible AI projects include integrating AI into core business functions, business transformation, process improvement and new product & service development.
- Under the Productivity Solutions Grant, consider an “AI micro-grant scheme” for SMEs to adopt and implement pre-approved AI solutions to support enterprise transformation and growth.

Recommendations

4. Enhance government support for trade associations and chambers to drive the internationalization of SMEs

- Singapore market is very small. Companies need to continue to identify new growth markets and build business resilience. Given the prevailing complex and volatile global business environment, instead of going alone, trade associations and chambers (TACs) can take the lead to help SMEs to venture overseas.
- To better support TACs in this effort, urge government to enhance the funding support for overseas fairs and missions from the current support level of 70% to 80%. To further facilitate cross-sector collaboration in overseas markets, the support level can be further raised to 90% if TACs in complementary sectors collaborate to organize overseas fairs and missions.
- Given today's complex and uncertain business environment, recommend to increase the funding support level to at least 80% for TACs to undertake in-depth and thorough market research and feasibility studies before embarking on business missions, including uncovering opportunities in non-traditional markets with growth potential.
- Introduce targeted incentives to catalyze foreign companies based in Singapore to partner Singapore companies to venture into the region in the form of substantive joint ventures, co-investments or collaborative projects. This will allow local companies to benefit from the foreign companies' networks and technologies, foreign companies will gain from Singapore companies' market knowledge and operational familiarity in the region — while reinforcing Singapore's position as a strategic hub for foreign companies to anchor their regional growth strategies in Singapore.
- Extend the Market Readiness Assistance (MRA) programme and increase the grant cap from the current \$100,000 cap in view that business expenses incurred for internationalization has increased substantially. Broaden the scope of DTDi to support the costs of leveraging AI analytics tools to support internationalization efforts.

5. Support trade associations and chambers that offer industry-relevant training that led to employment outcomes

- Government has been actively pushing for workforce upskilling in tandem with business transformation. More recently, government has urged businesses to shift the emphasis from hiring based on paper qualifications to skills-based hiring. Developing deep skills and competencies in the workforce is critical and essential to support business growth.
- On top of common broad-based industry skills, suggest SkillsFuture Singapore to extend more financial support towards training programmes that require industry experts and training providers to impart deep specialized skills.
- Industry players are most in sync with the relevant skills required for them to maintain a competitive edge. Provide funding support of at least 70% to trade associations and chambers with “Approved Training Organisation” status that offer industry-relevant training that support job transitions, and stackable micro-credentials, modular skills courses in targeted areas, including AI/emerging technology and sustainability, that are aligned with employment outcomes.

THANK YOU

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