



新加坡中華總商會  
Singapore Chinese Chamber of Commerce & Industry

# 2021 Annual Business Survey

October 2021

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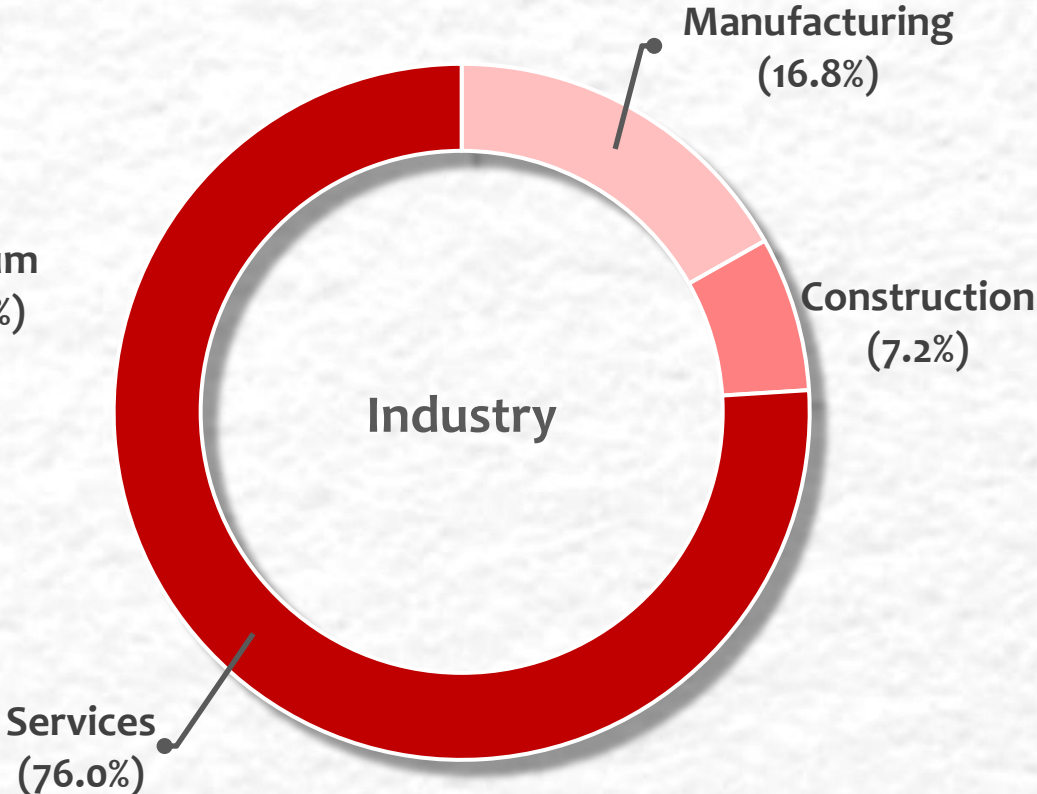
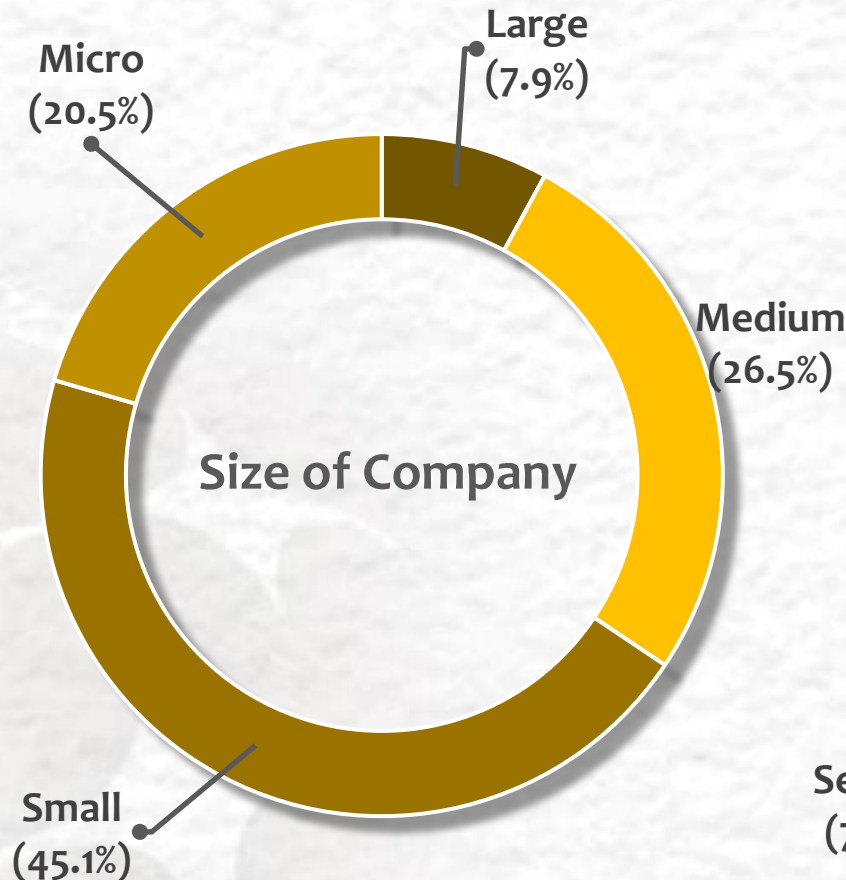
01

# RESPONDENT PROFILE



# Voices from the business community

1,058  
Respondents  
  
92%  
SMEs

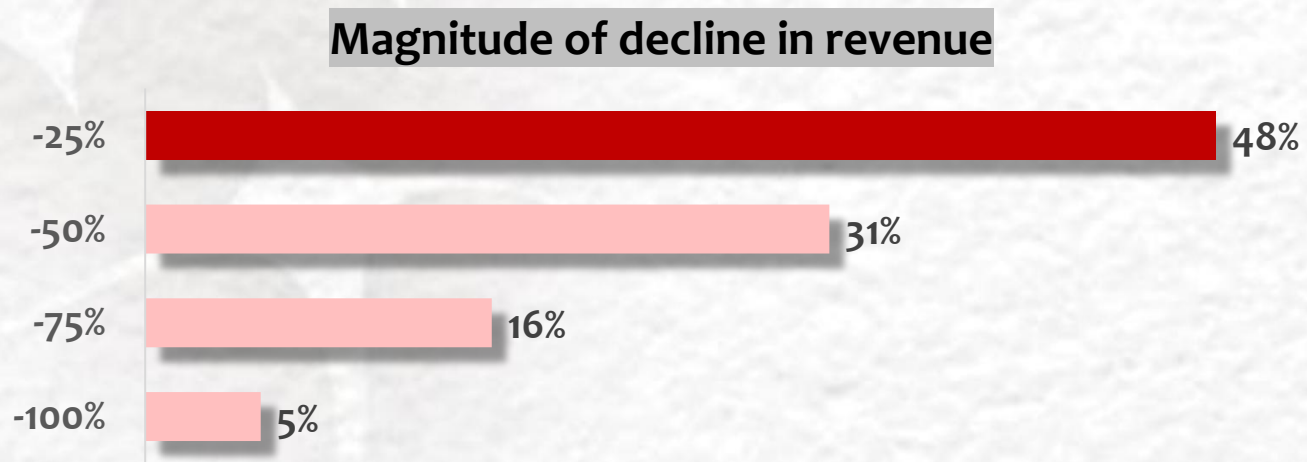
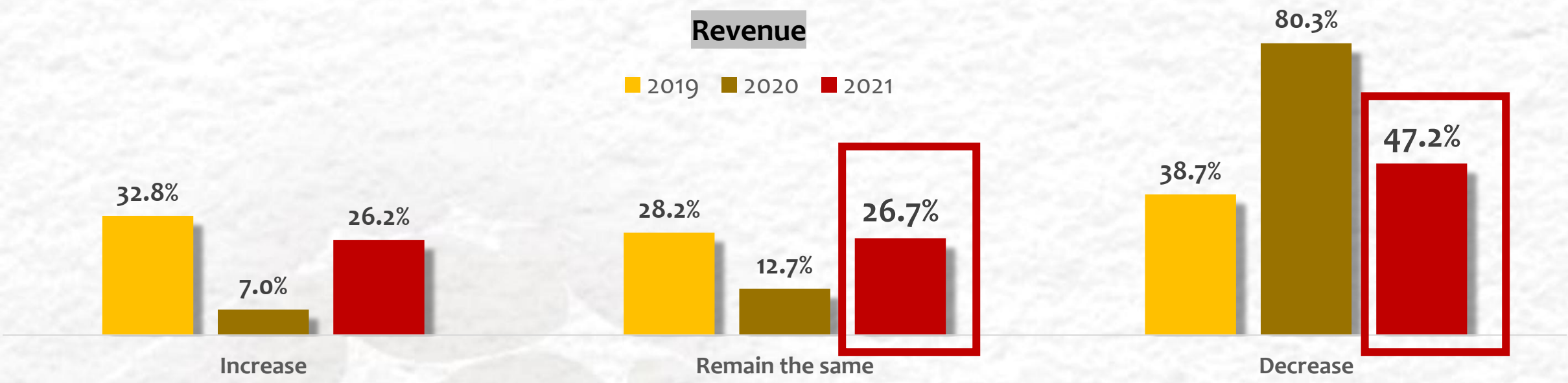


Survey period: 10 June to 11 Aug 2021

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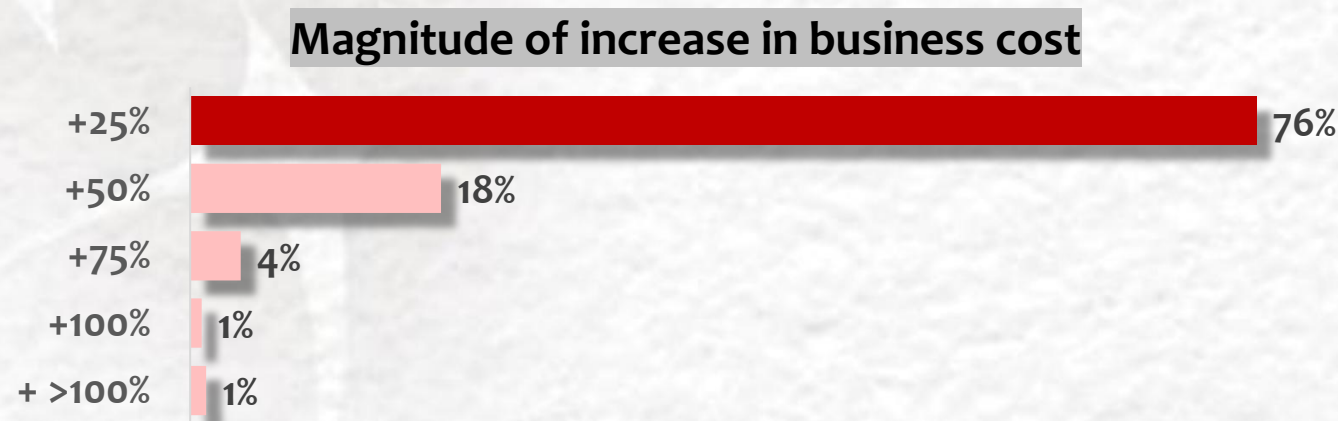
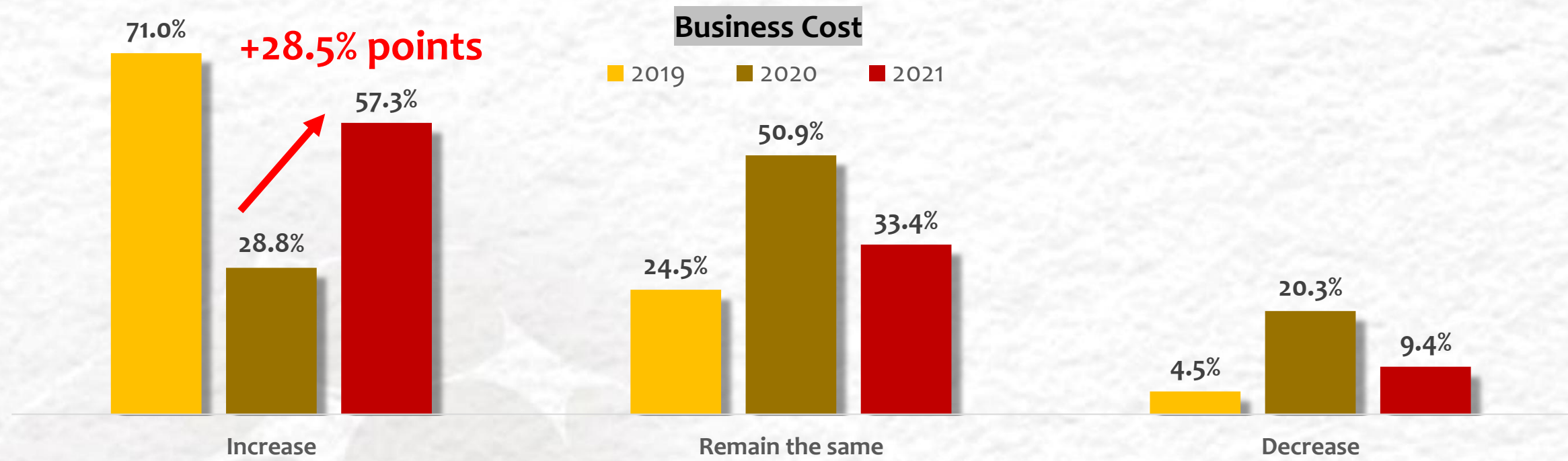
# **BUSINESS SENTIMENTS**

# Close to 75% of respondents projected their revenue to remain stagnant or decline in 2021



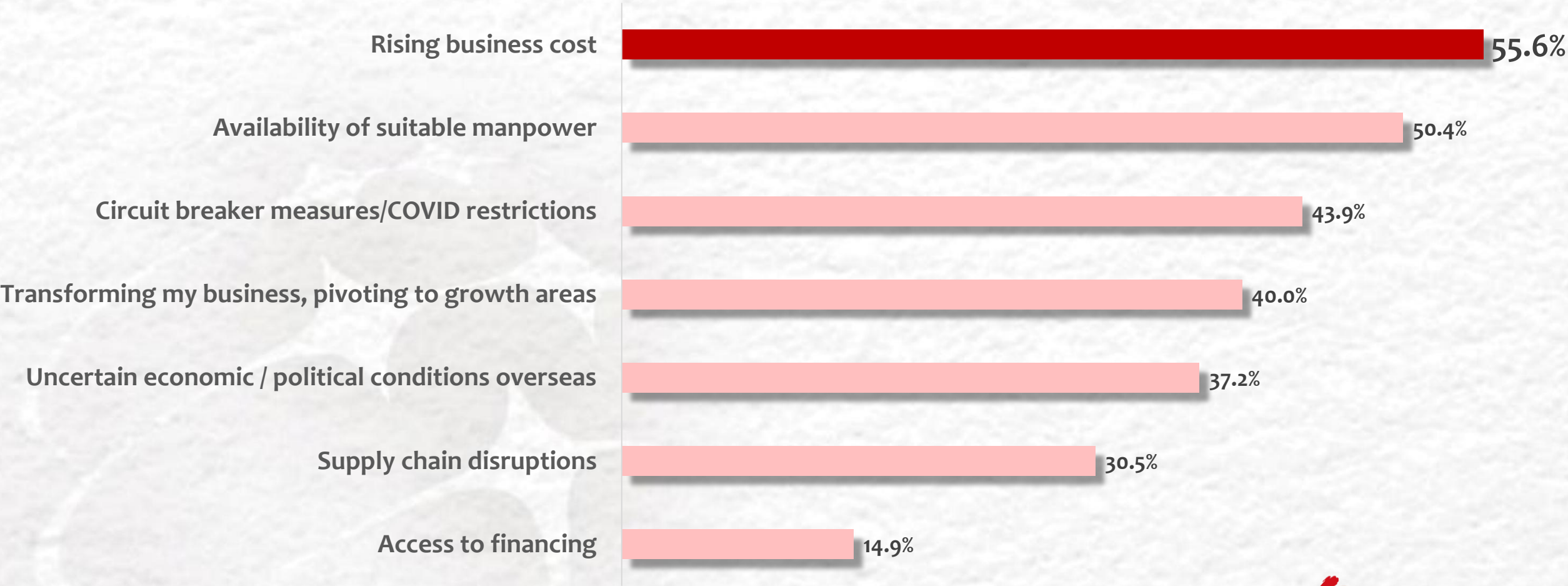


# Significantly more businesses experienced cost increase compared to 2020



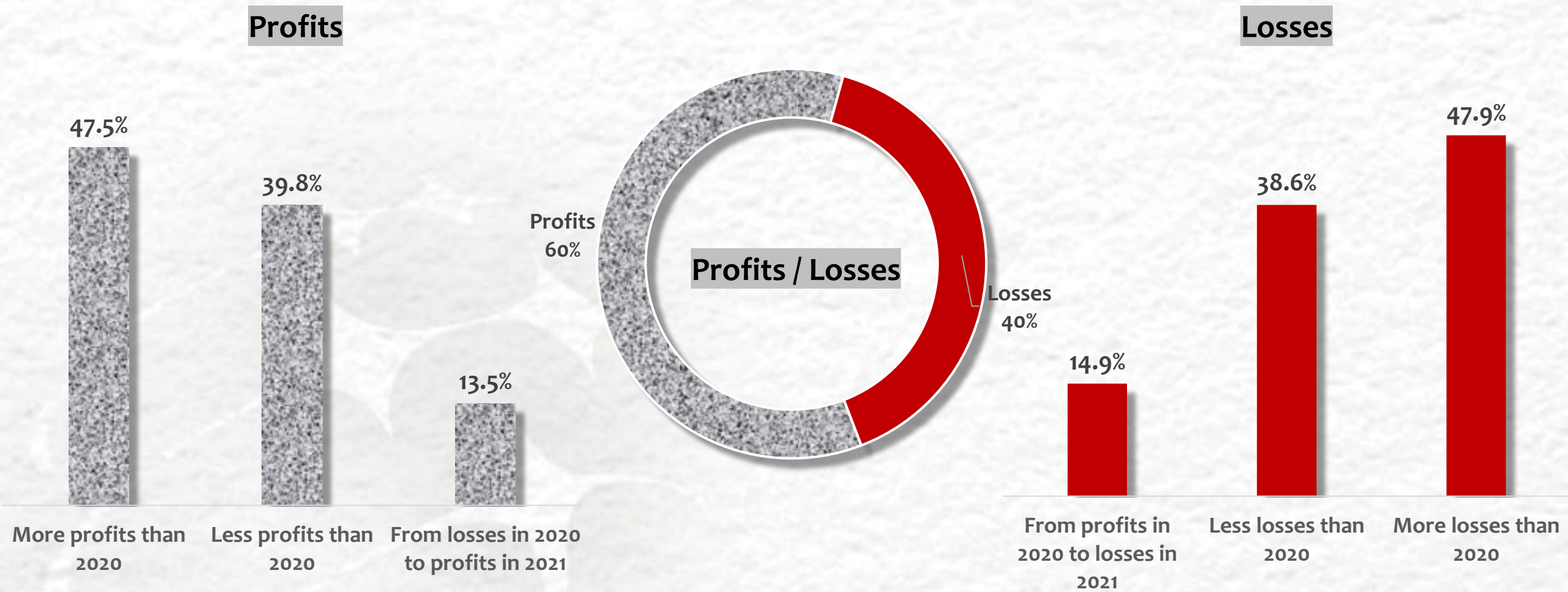
# Top business concern: Rising business cost

Top business challenges / concerns



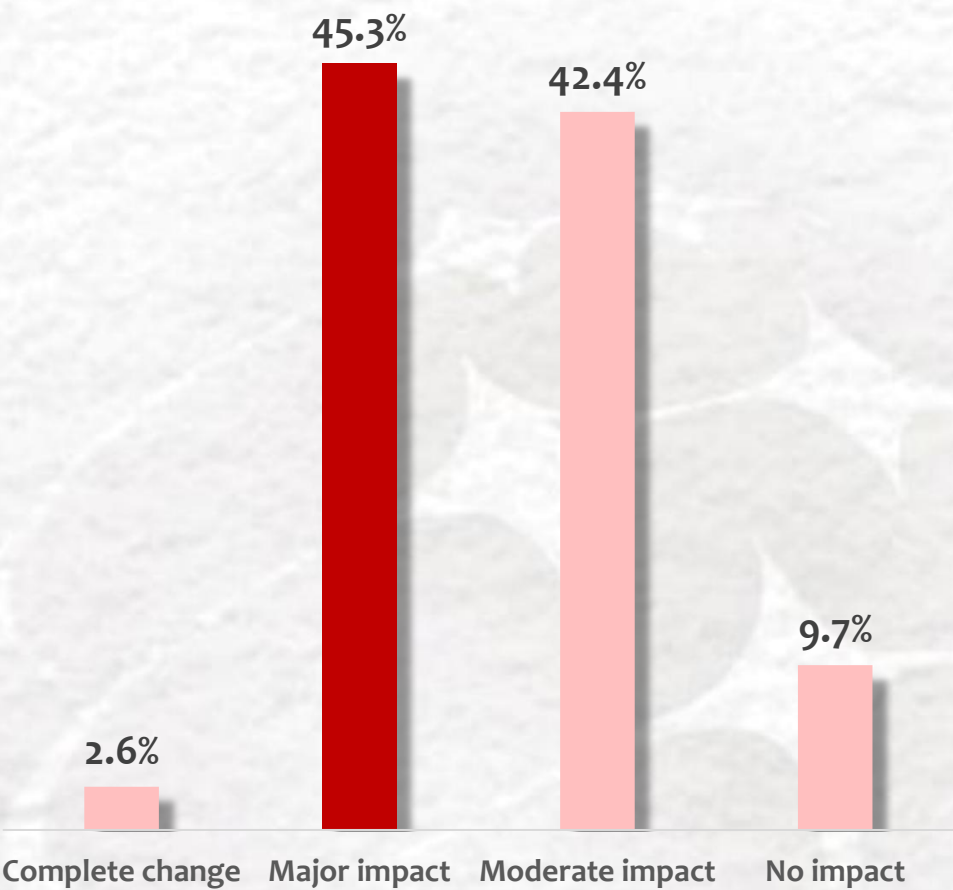


# A sizable 40% of respondents still projecting losses in 2021

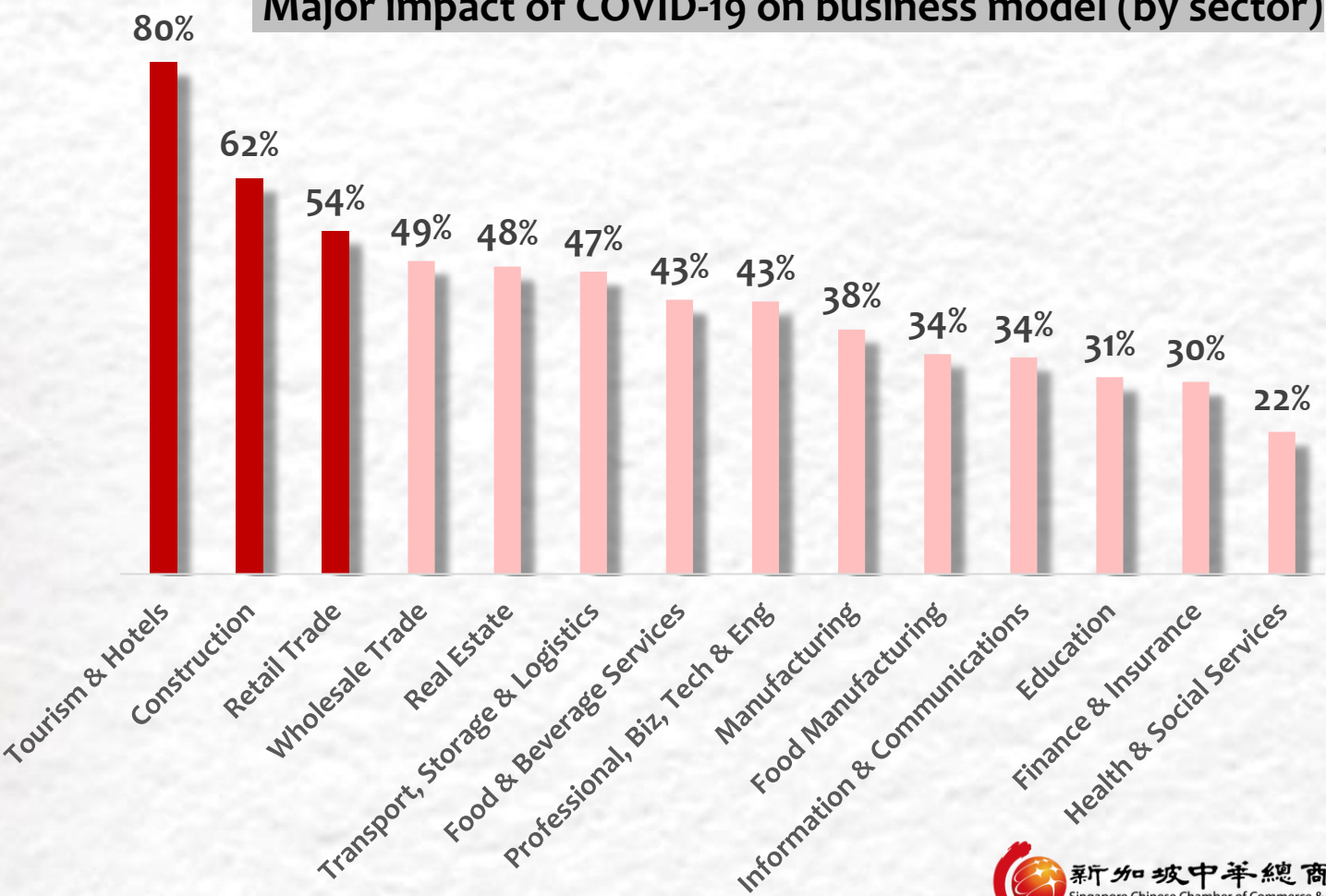


# Top sectors indicating major impact on business model: Tourism, Construction and Retail

Impact of COVID-19 on business model

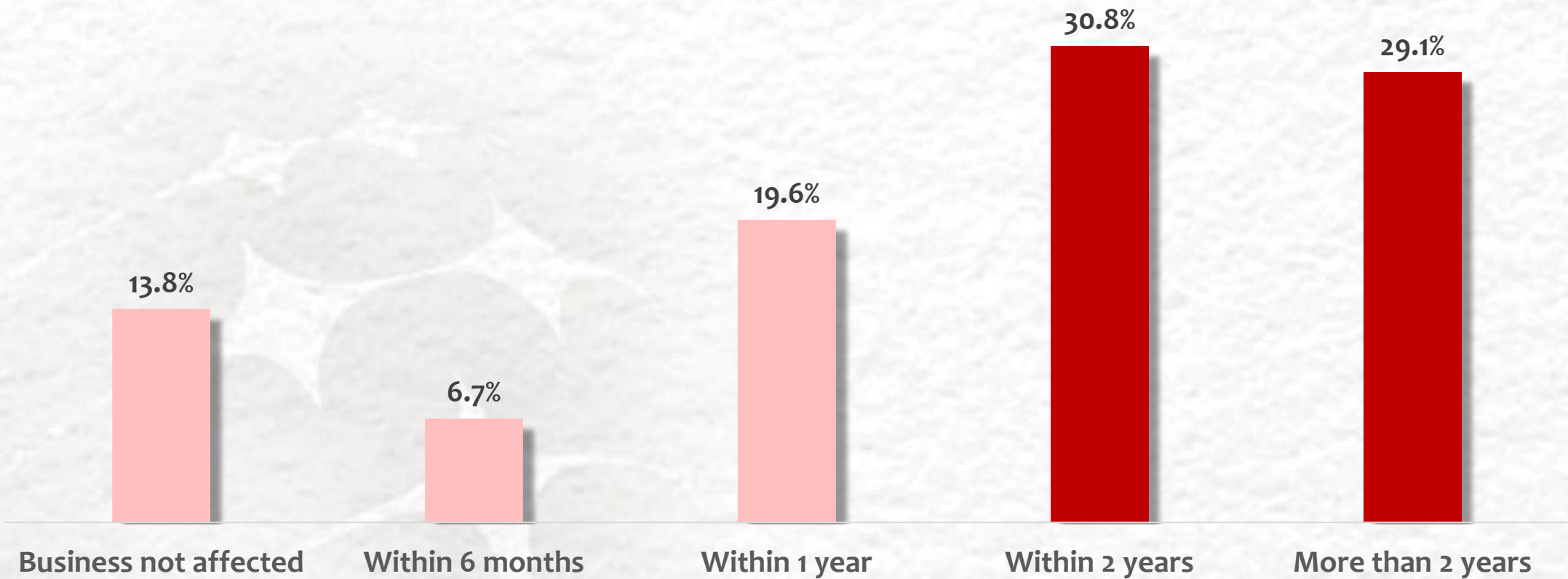


Major impact of COVID-19 on business model (by sector)



# 60% of respondents estimated that their businesses will recover to pre-COVID level in 2 years or longer

How long do you estimate your business volume to recover to pre-COVID level?

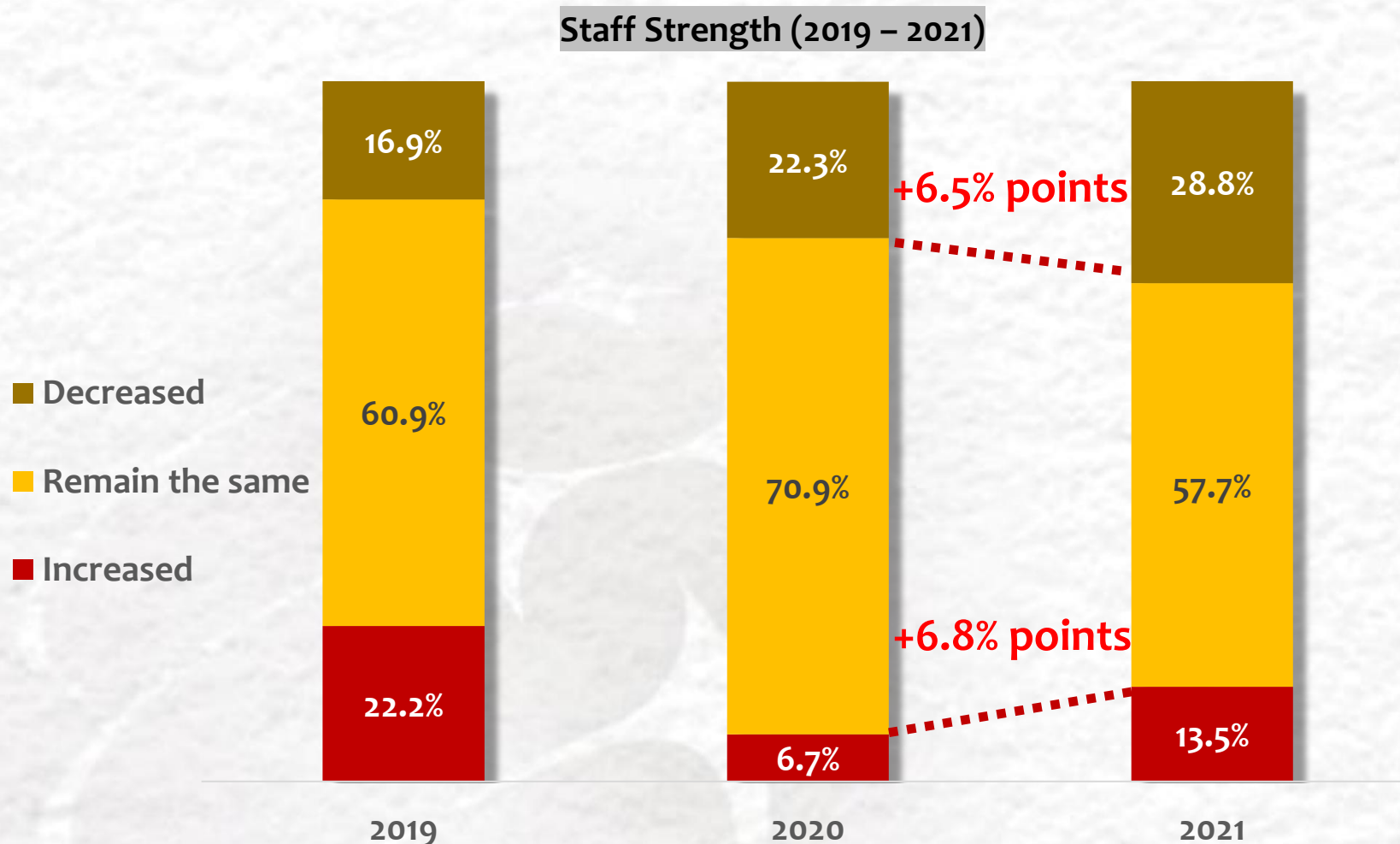




03

# MANPOWER

# Close to 60% of respondents are maintaining their workforce



- Jobs Support Scheme, SGUnited Jobs Package and Jobs Growth Incentive have continued to help SMEs retain workforce or even expand hiring
- On the other hand, more cuts in headcount as SMEs are right-sizing

# Top manpower challenge: Rising manpower cost

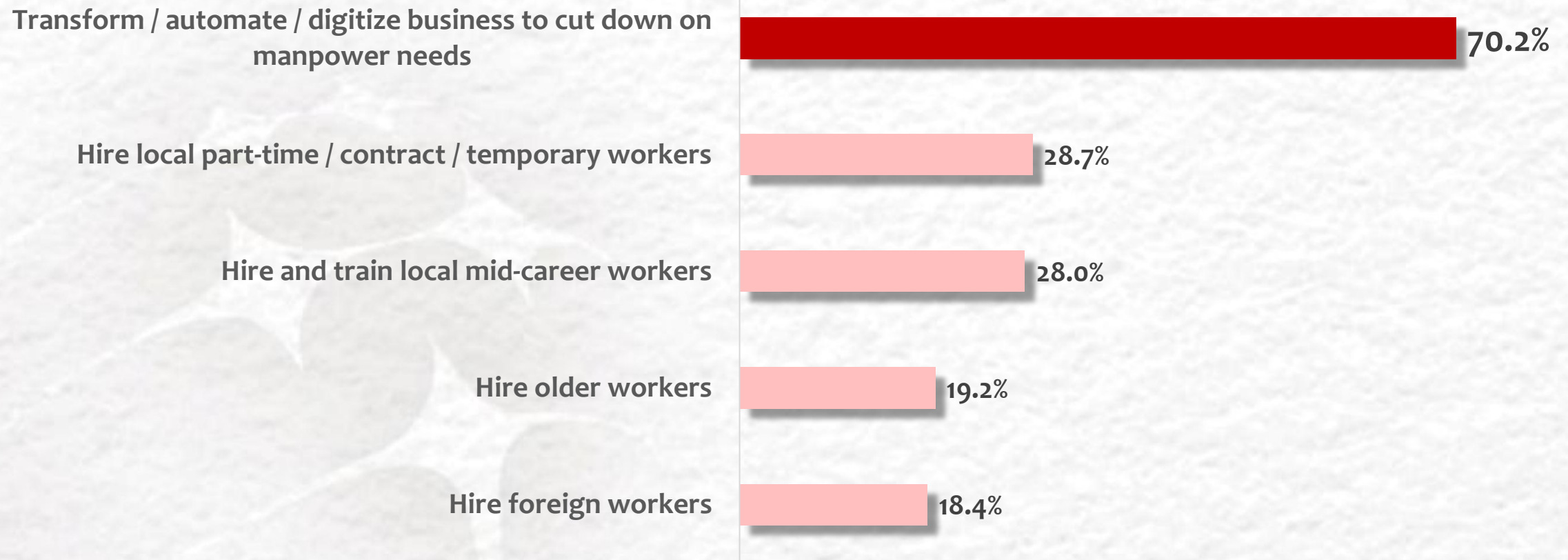
## Top manpower challenges



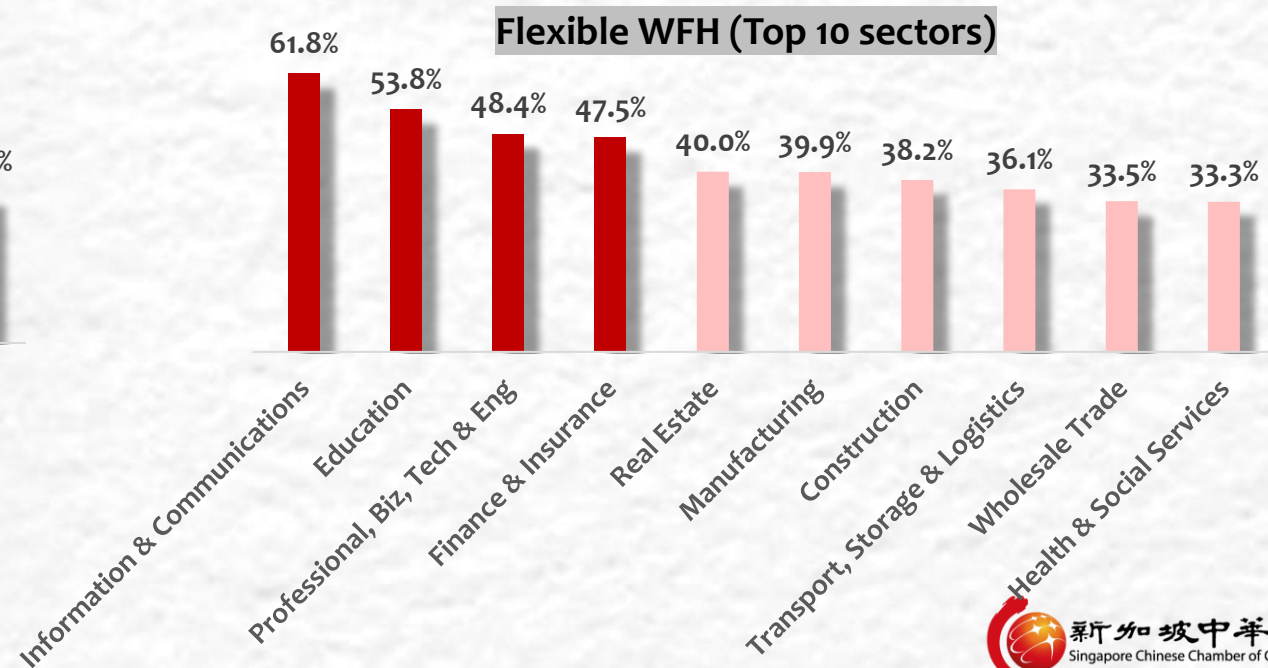
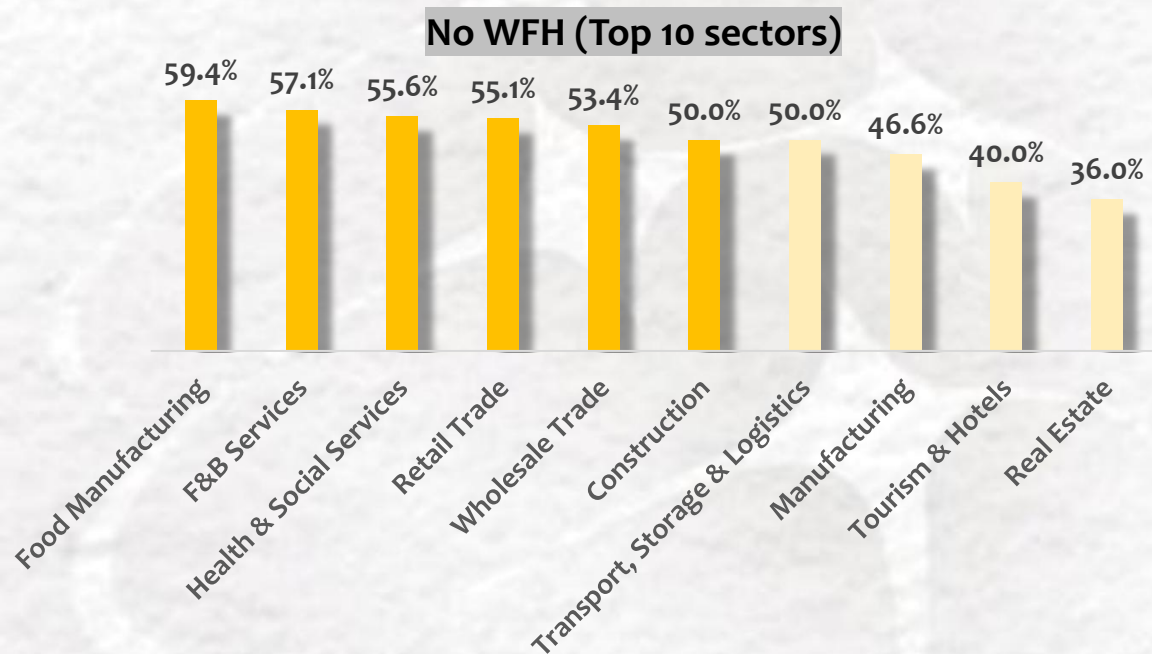
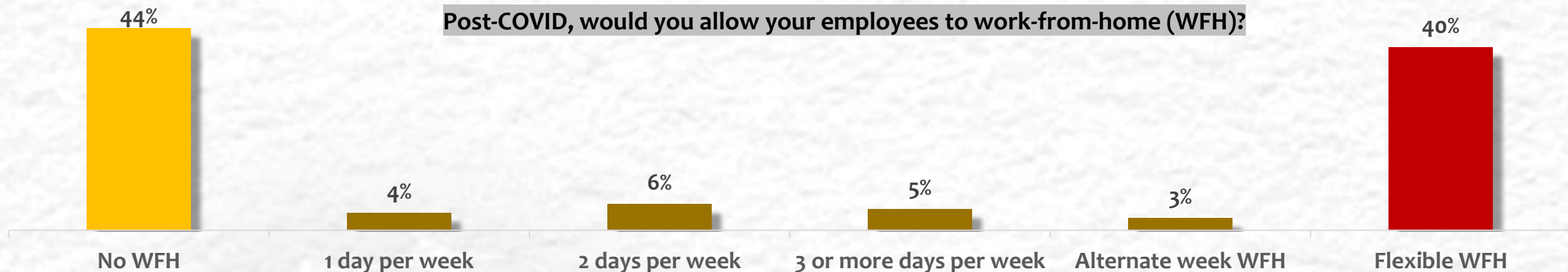


# Businesses are transforming, automating or digitalising to cut down on manpower needs

How are you managing your manpower challenges?

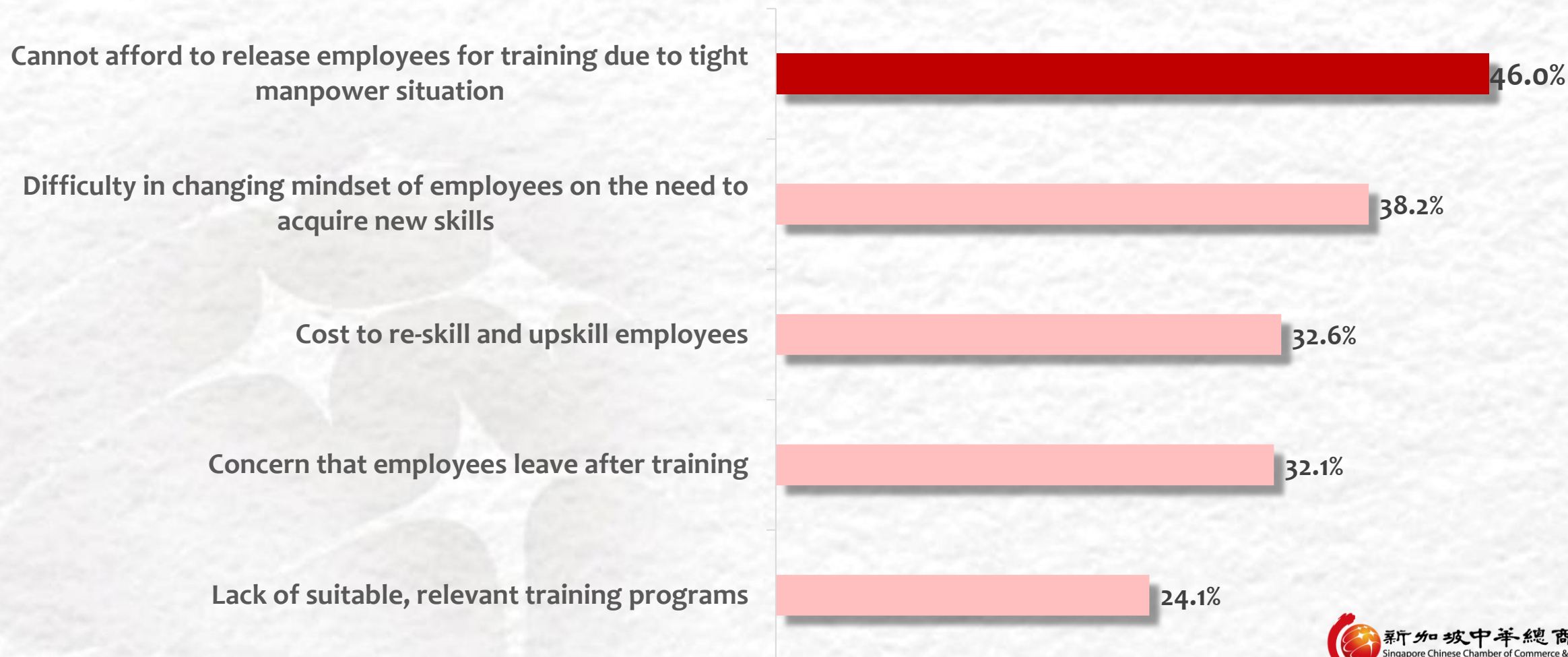


# Nature of industry has an impact on work from home arrangements



# Tight manpower situation make it difficult for companies to release employees for re-skilling and upskilling

## Key Challenges in re-skilling and upskilling employees



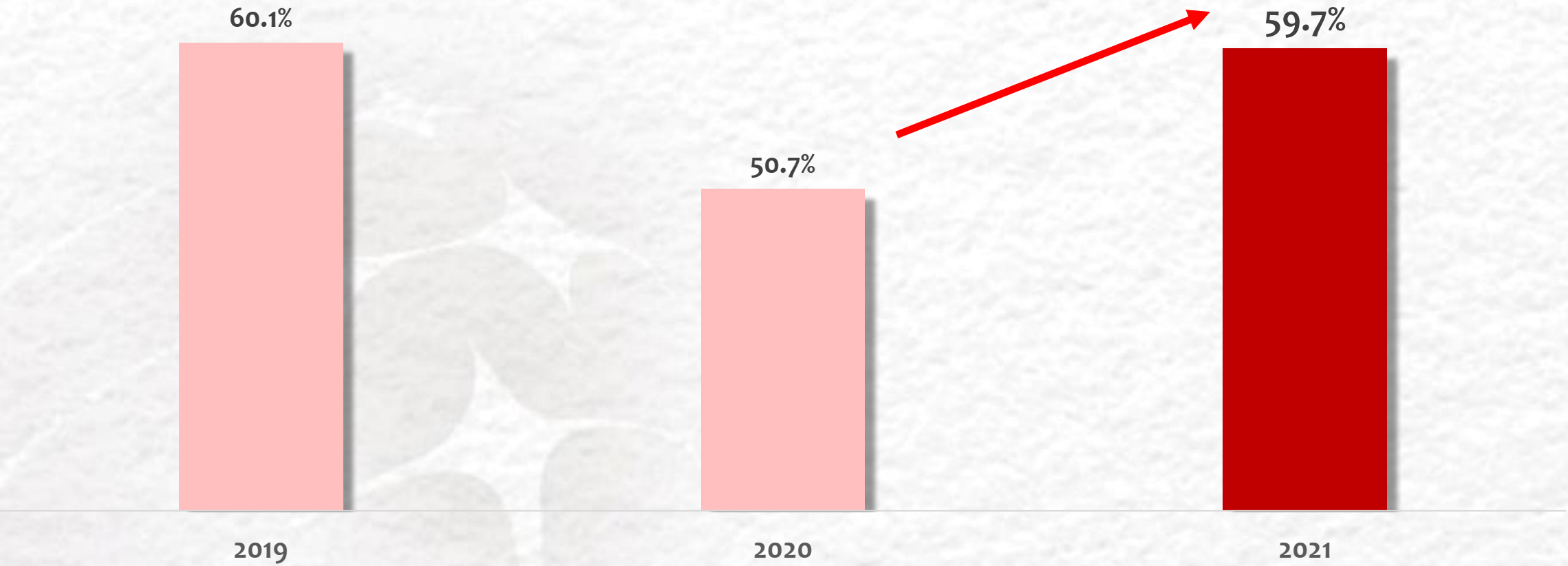


04

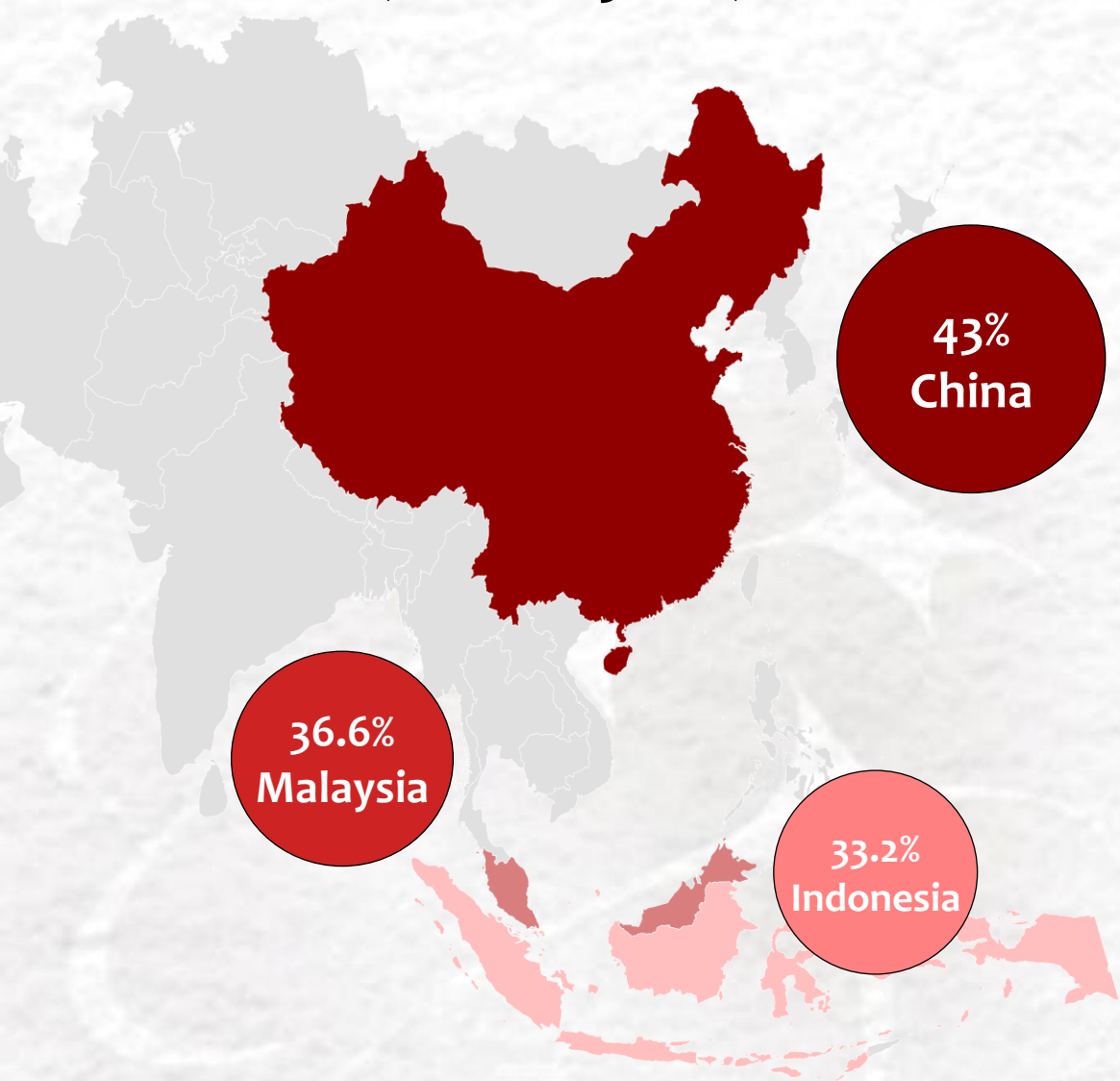
# INTERNATIONALISATION

# Notwithstanding COVID-19, more respondents plan to venture overseas compared to 2020

Respondents who indicated that they plan to venture overseas



# Top 3 overseas markets of interests to businesses: China, Malaysia, Indonesia

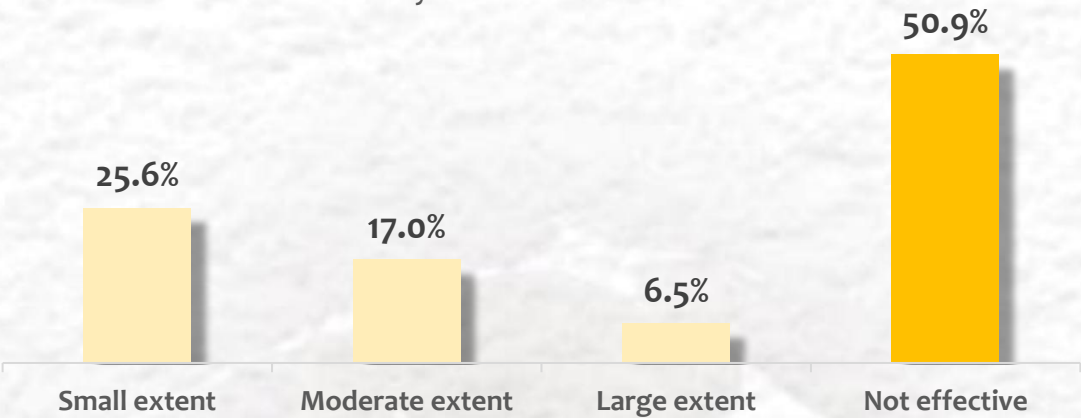


	2019	2020	2021	% Change
China	42.0%	42.7%	43.0%	+0.3%
Malaysia	53.1%	53.8%	36.6%	-17.2%
Indonesia	49.0%	38.1%	33.2%	-4.9%
Vietnam	40.9%	38.7%	30.1%	-8.6%
Thailand	37.3%	29.8%	22.3%	-7.5%
Japan / Korea / Taiwan	10.4%	14.4%	14.2%	-0.2%
Europe	12.2%	10.8%	13.3%	+2.5%
Philippines	N.A.	21.9%	13.0%	-8.9%
Australia / New Zealand	13.0%	13.7%	11.1%	-2.6%
Cambodia	24.8%	19.0%	10.8%	-8.2%

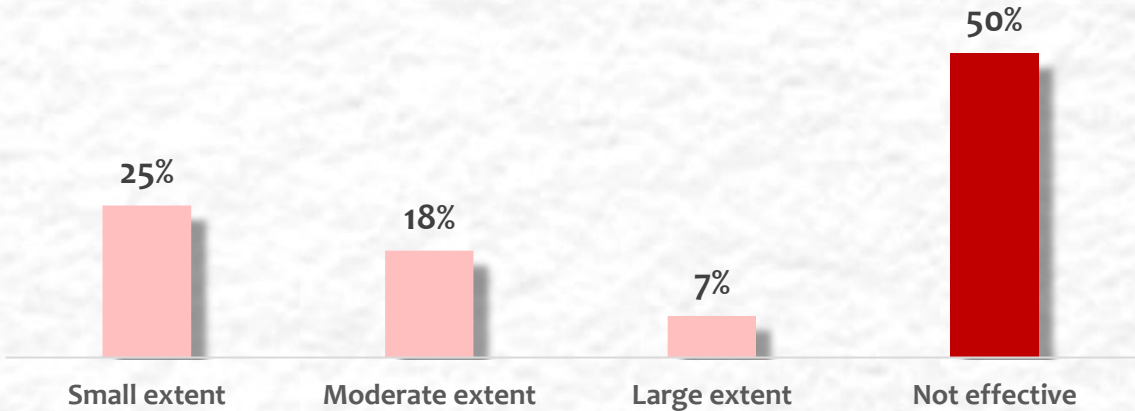


# 40% indicated e-commerce platforms are effective in helping them to internationalise but virtual trade fairs and missions not as effective

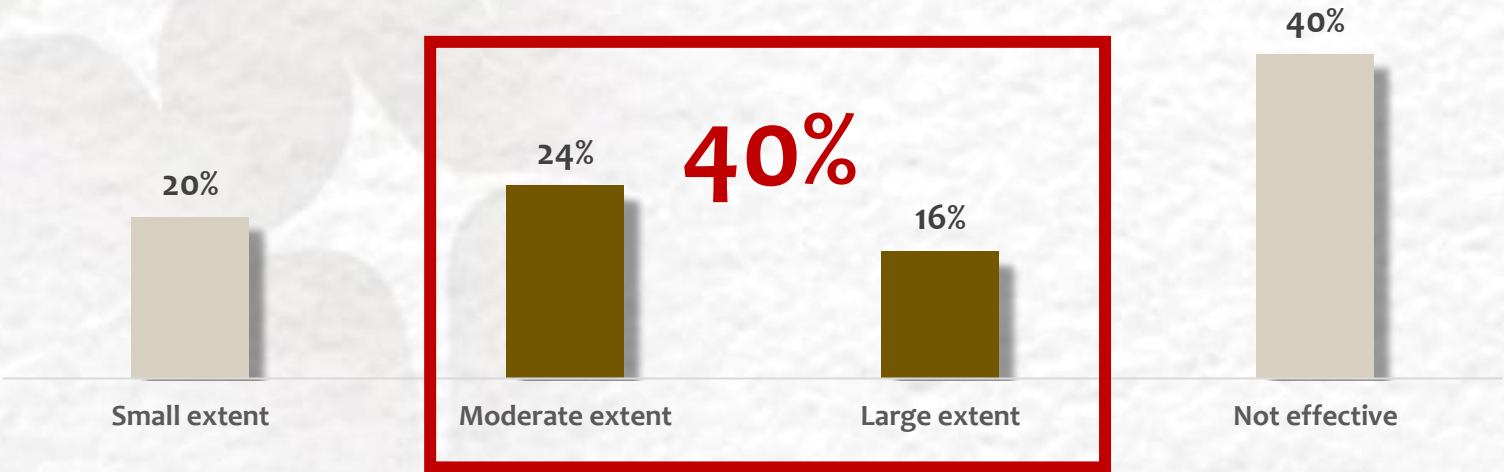
To what extent are **virtual trade fairs** effective in helping you to internationalise?



To what extent are **virtual missions** effective in helping you to internationalise?

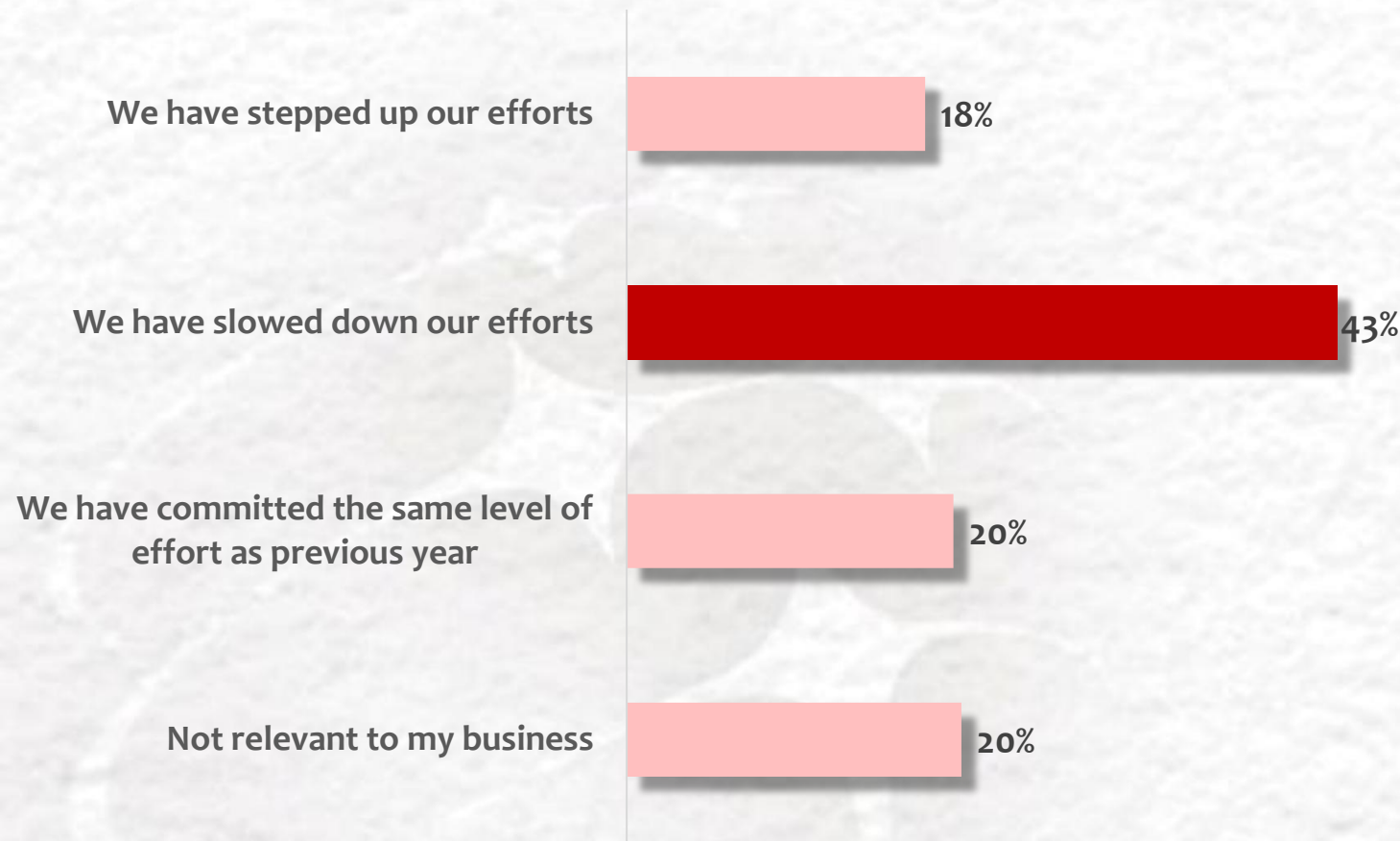


To what extent are **e-commerce platforms** effective in helping you to internationalise?

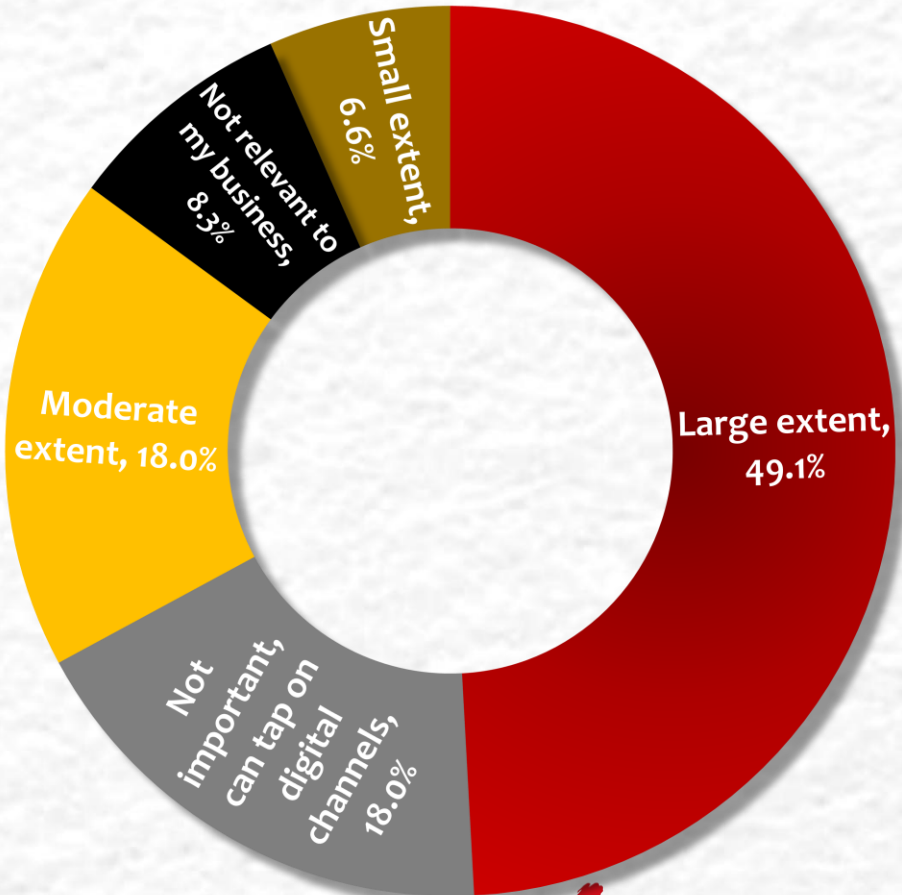


# Business travel remains very important with 40% having slowed down their internationalisation efforts due to travel restrictions

In the past one year, how would you describe your efforts to internationalise?



To what extent is business travel important in your internationalisation efforts?



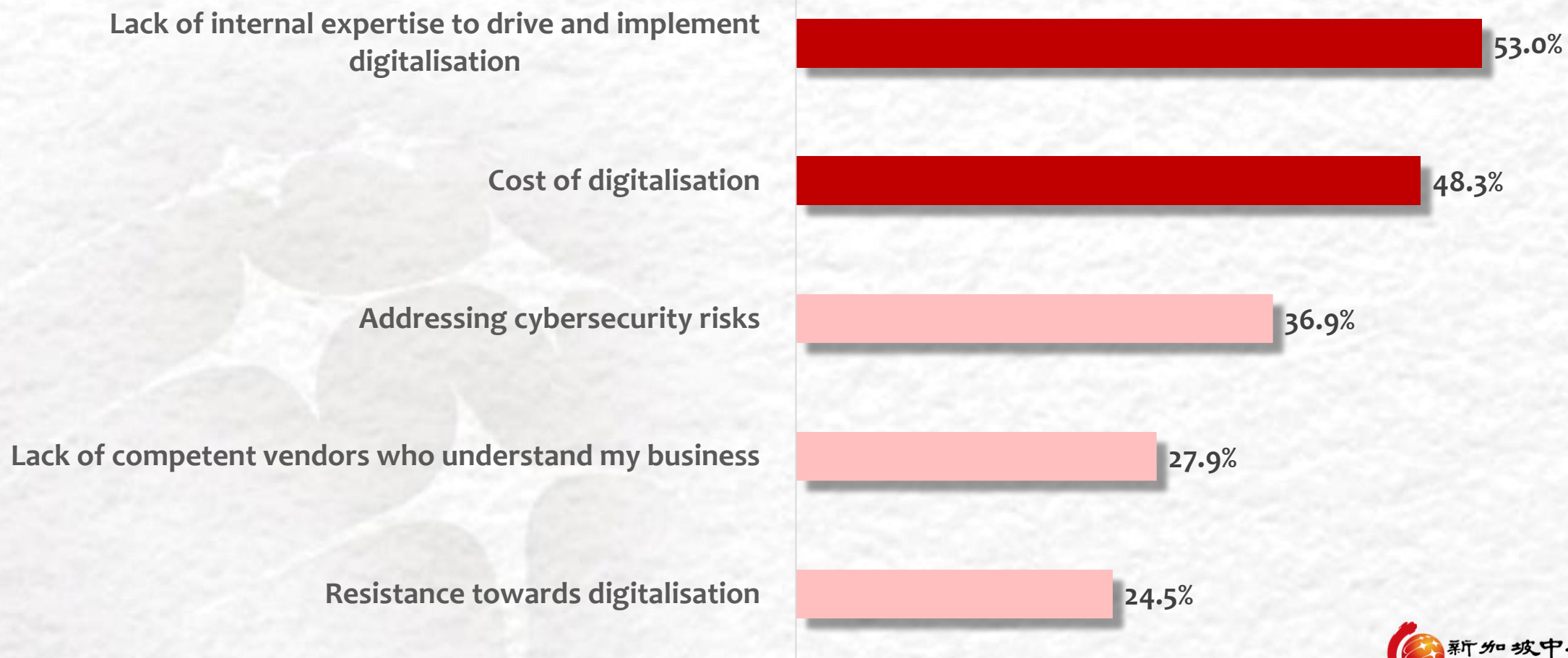
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# **DIGITALISATION**

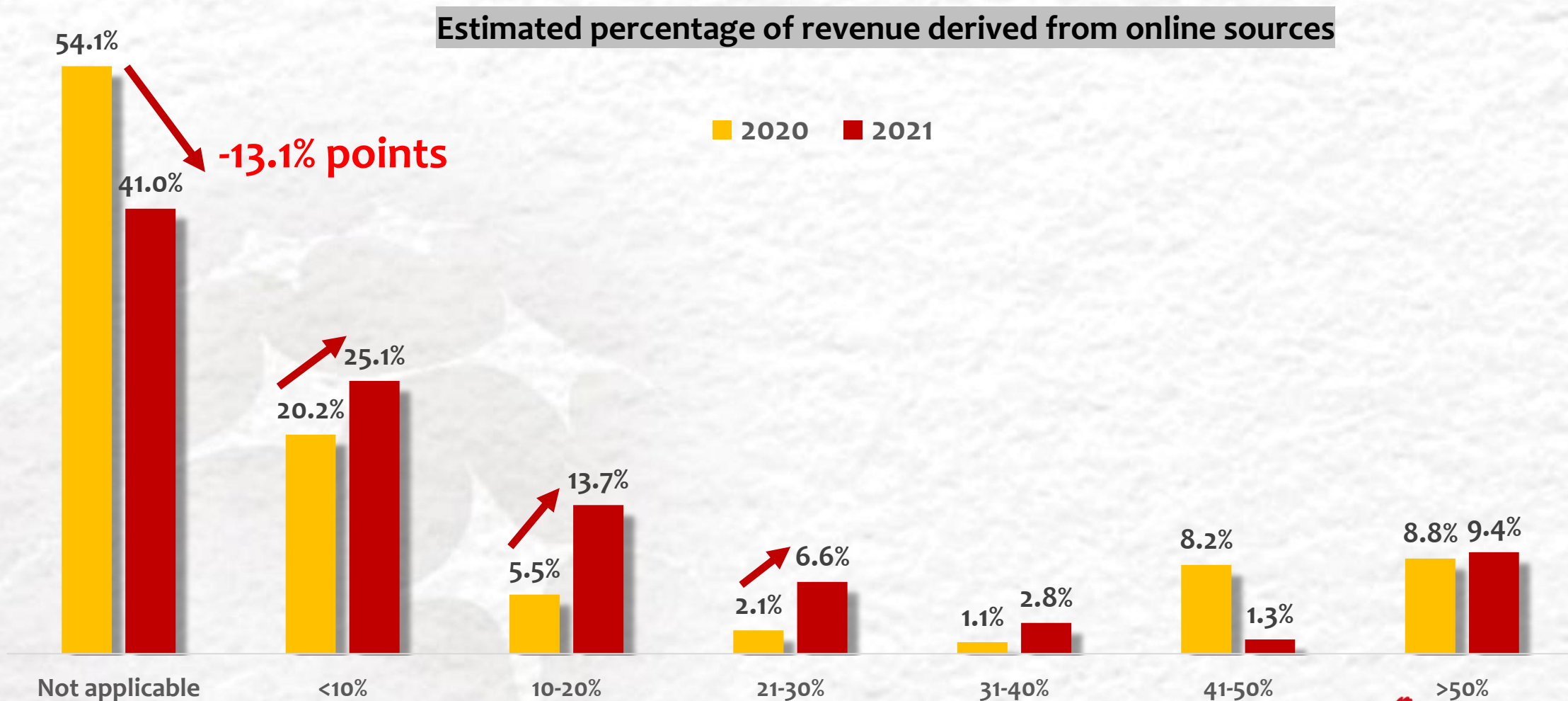


# Top challenges in digitalisation: Lack of internal expertise and high costs

## Key challenges encountered in digitalisation

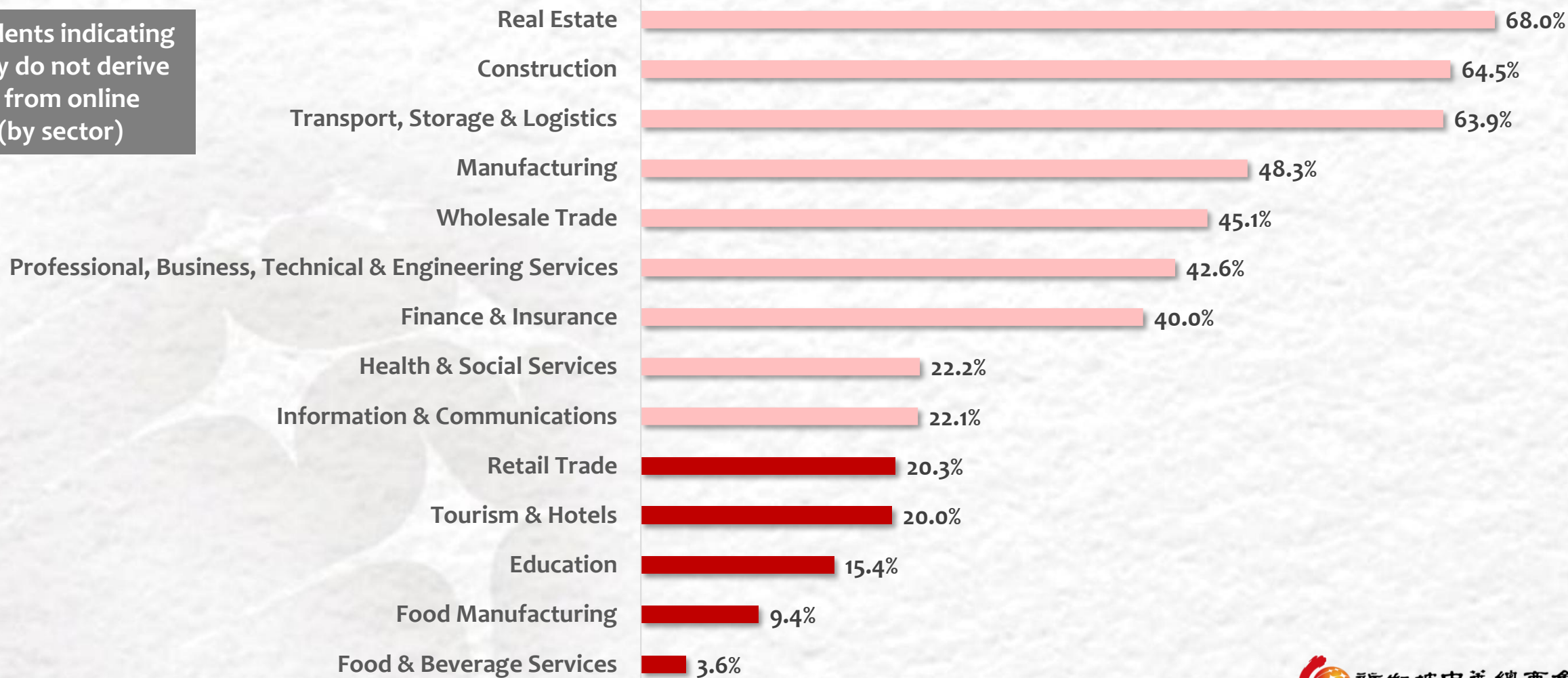


# More businesses are generating their revenue from online sources compared to 2020



# Sectors that do better in deriving revenue from online sources include F&B, food manufacturing, education, hospitality and retail

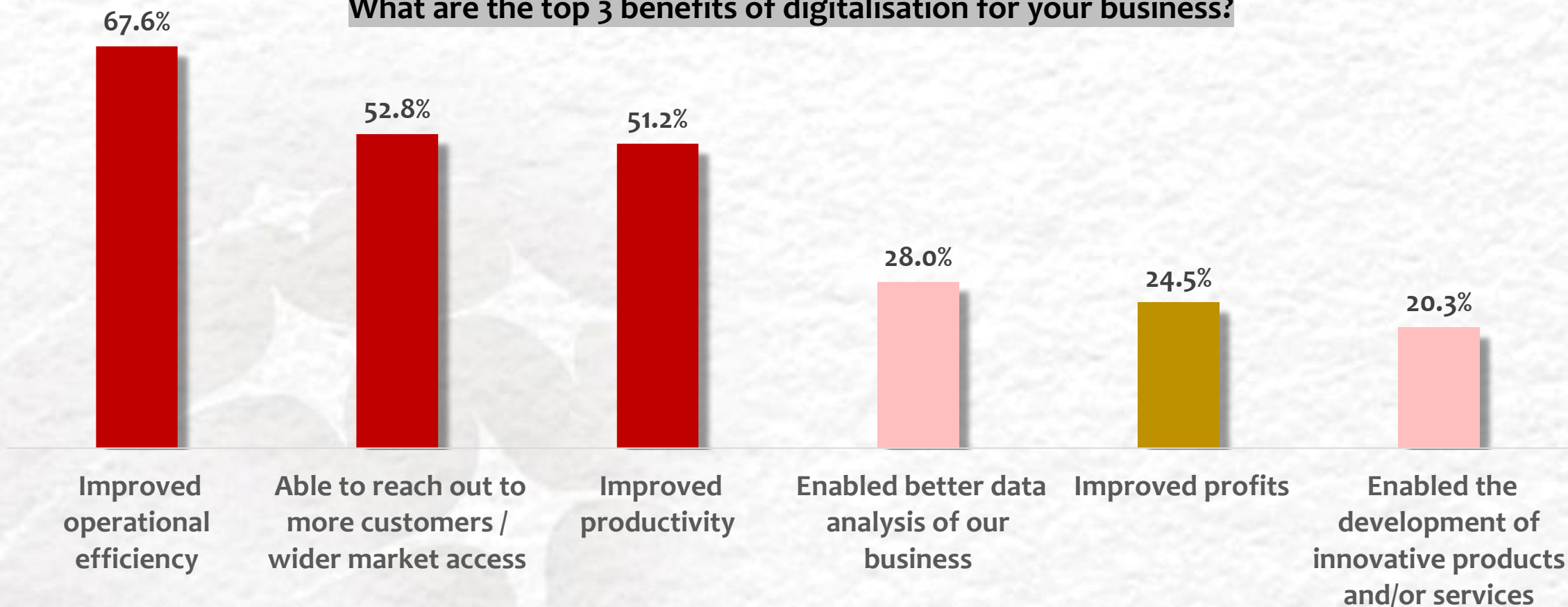
Respondents indicating that they do not derive revenue from online sources (by sector)





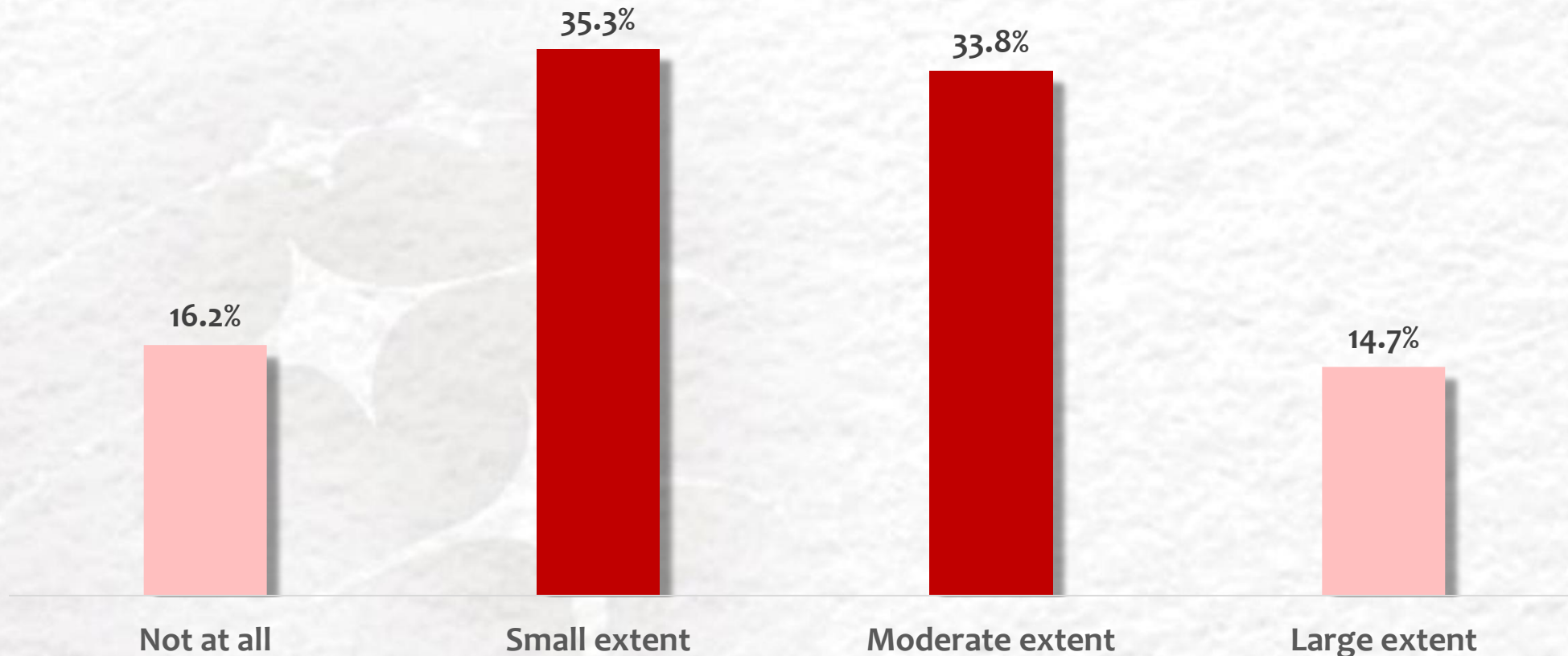
# Top benefits of digitalisation: Improved operational efficiency, customer outreach and productivity

What are the top 3 benefits of digitalisation for your business?



# 70% of respondents indicated that their digitalisation efforts have shown results from a small to moderate extent

To what extent has your digitalisation efforts shown results?



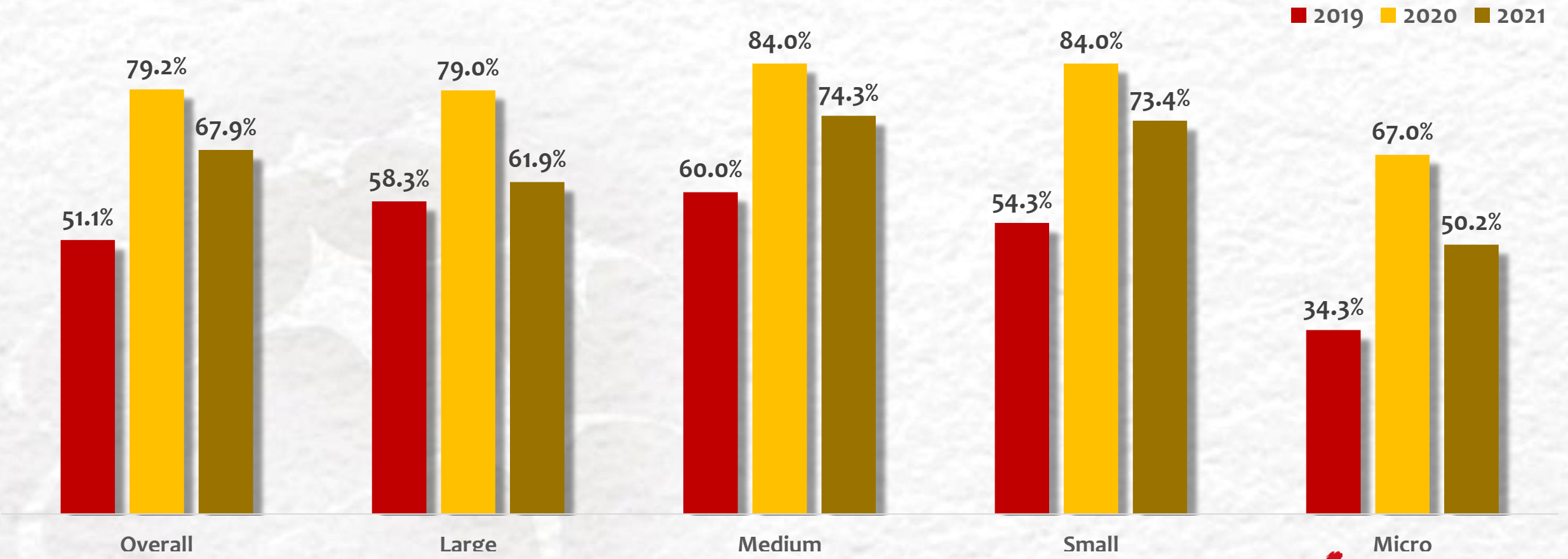
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# GOVERNMENT SCHEMES



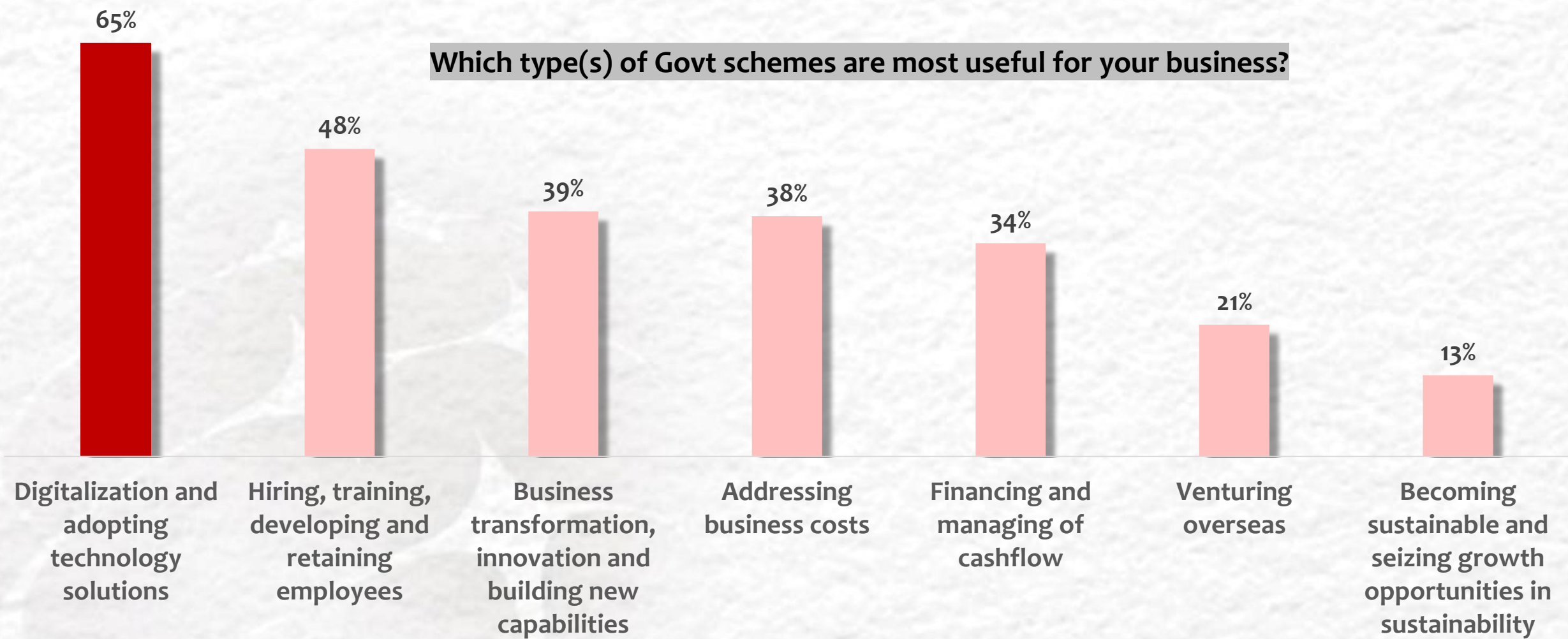
# Coming off a high in 2020, close to 70% have tapped on Govt schemes in 2021

Respondents that have applied for Govt schemes  
(by company size)



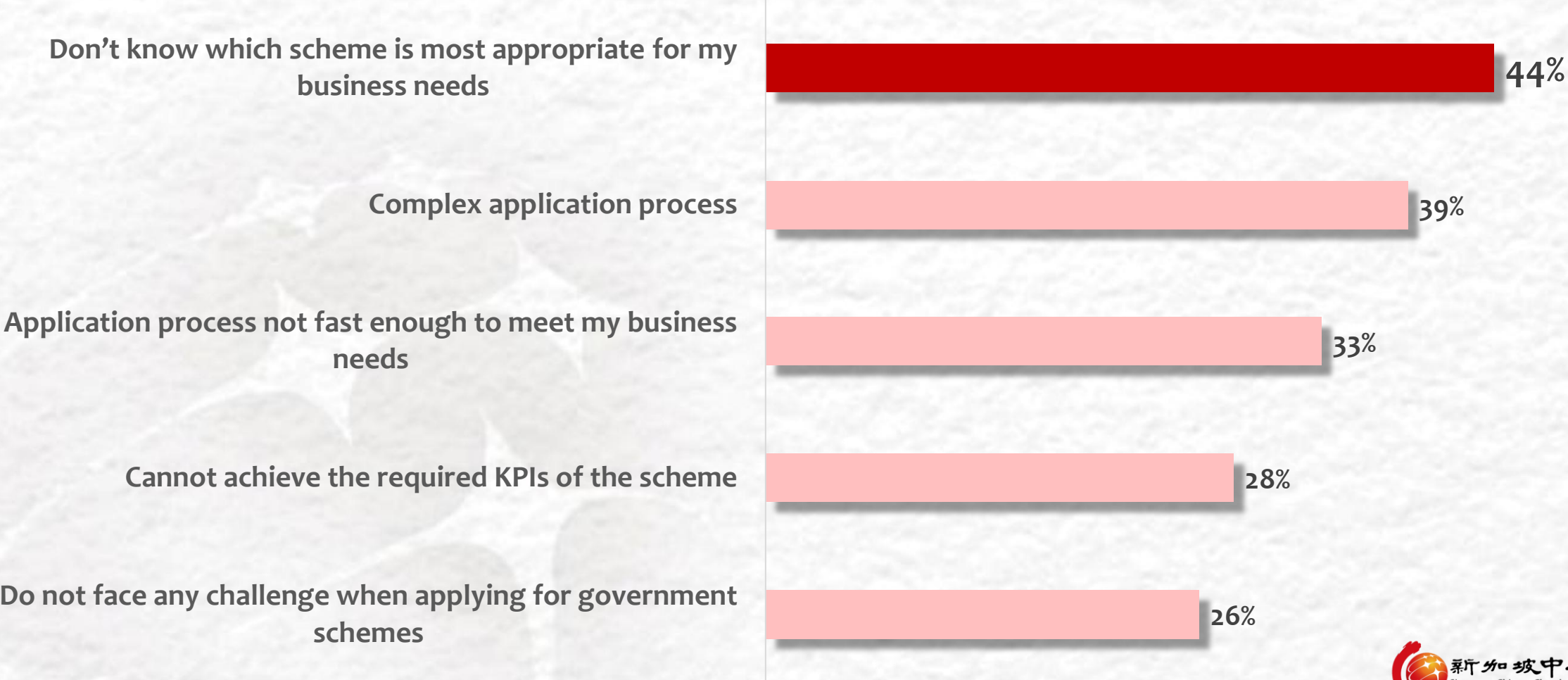
# COVID-19 accelerated the rise of the digital economy: Govt schemes that help businesses to digitalise and adopt technology solutions are the most useful

Which type(s) of Govt schemes are most useful for your business?



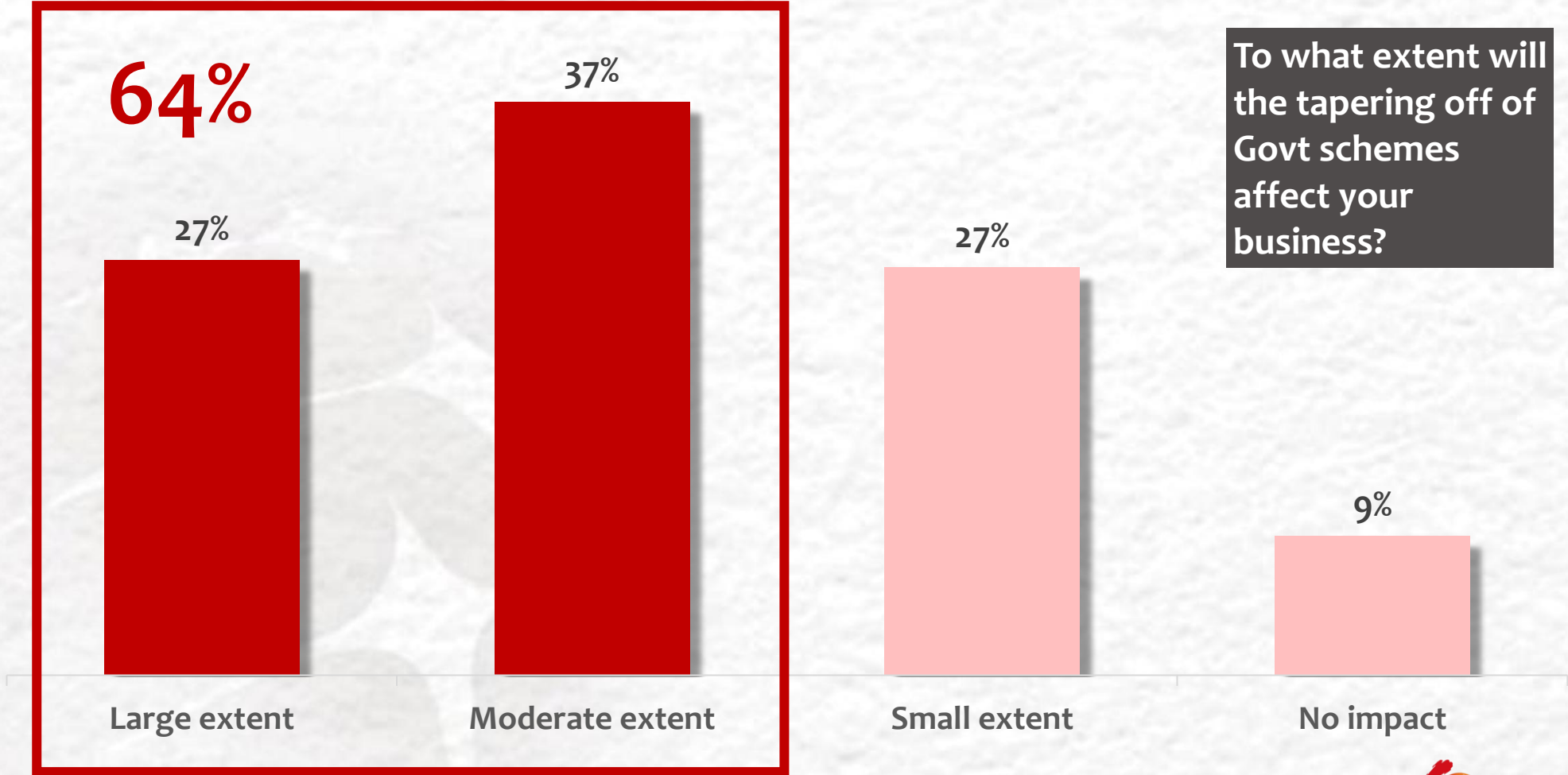
# Businesses need help to tap on the most appropriate Govt scheme to address COVID challenges and build capabilities

Top challenges when applying for Govt schemes

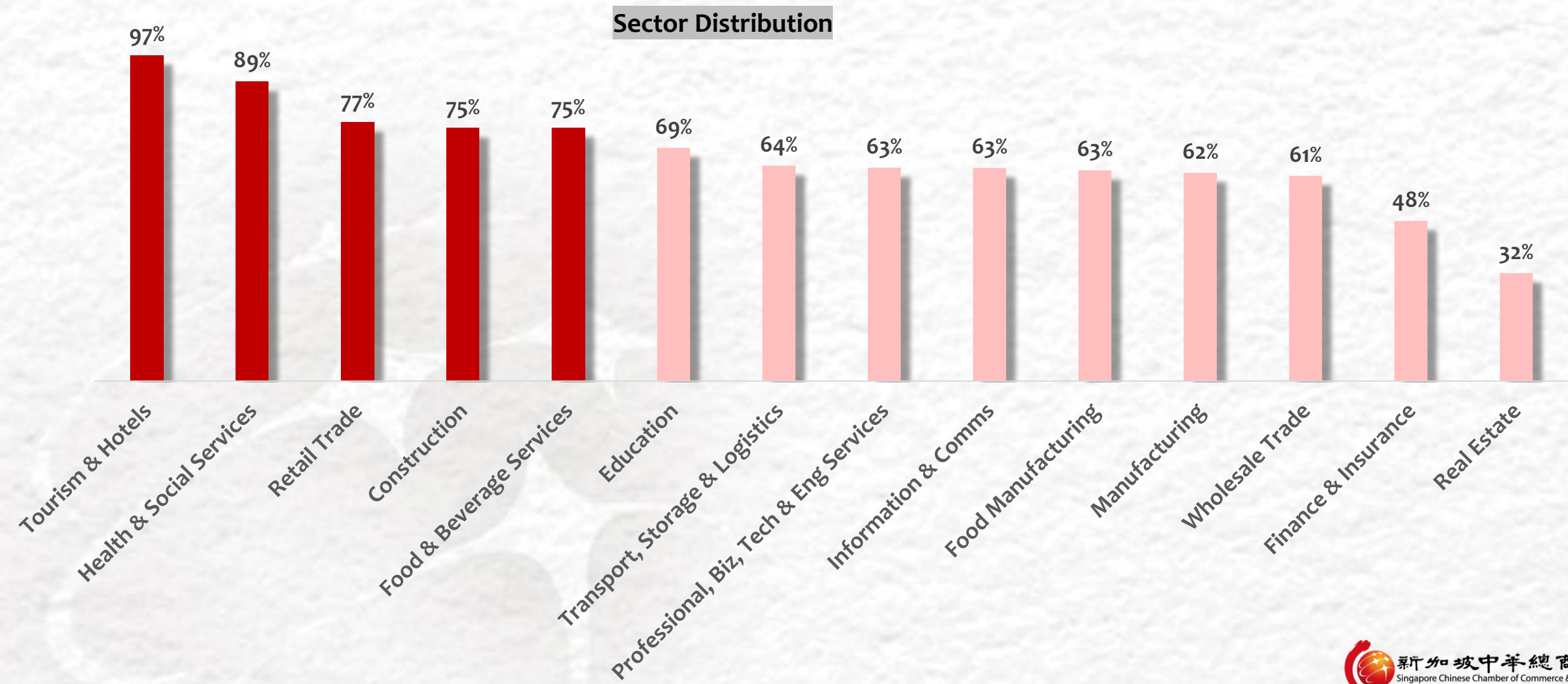




# From a moderate to a large extent, two-thirds of the respondents are affected by the tapering off of Govt schemes

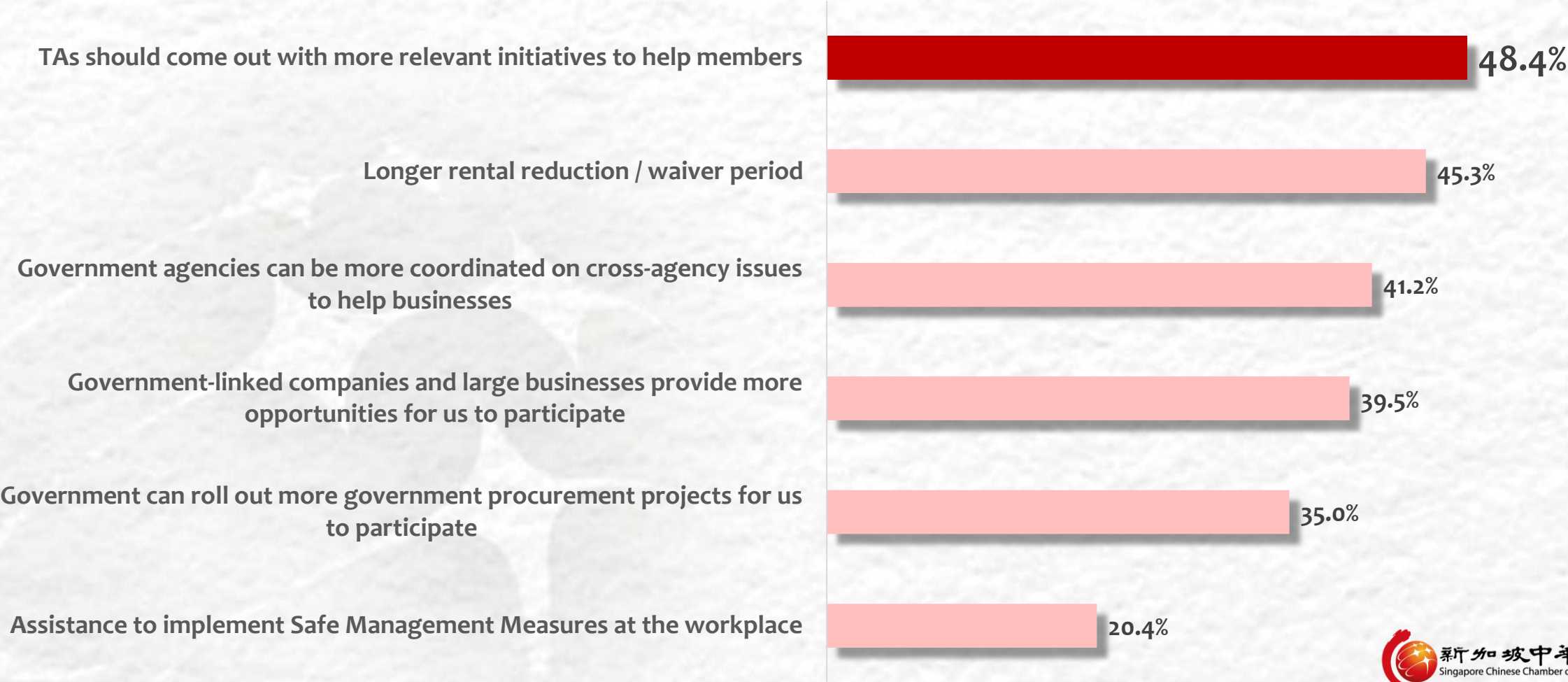


# Sectors most affected by Govt schemes tapering off: Hospitality, retail, construction and F&B



# Businesses want trade associations to do more to help them amid COVID-19 challenges

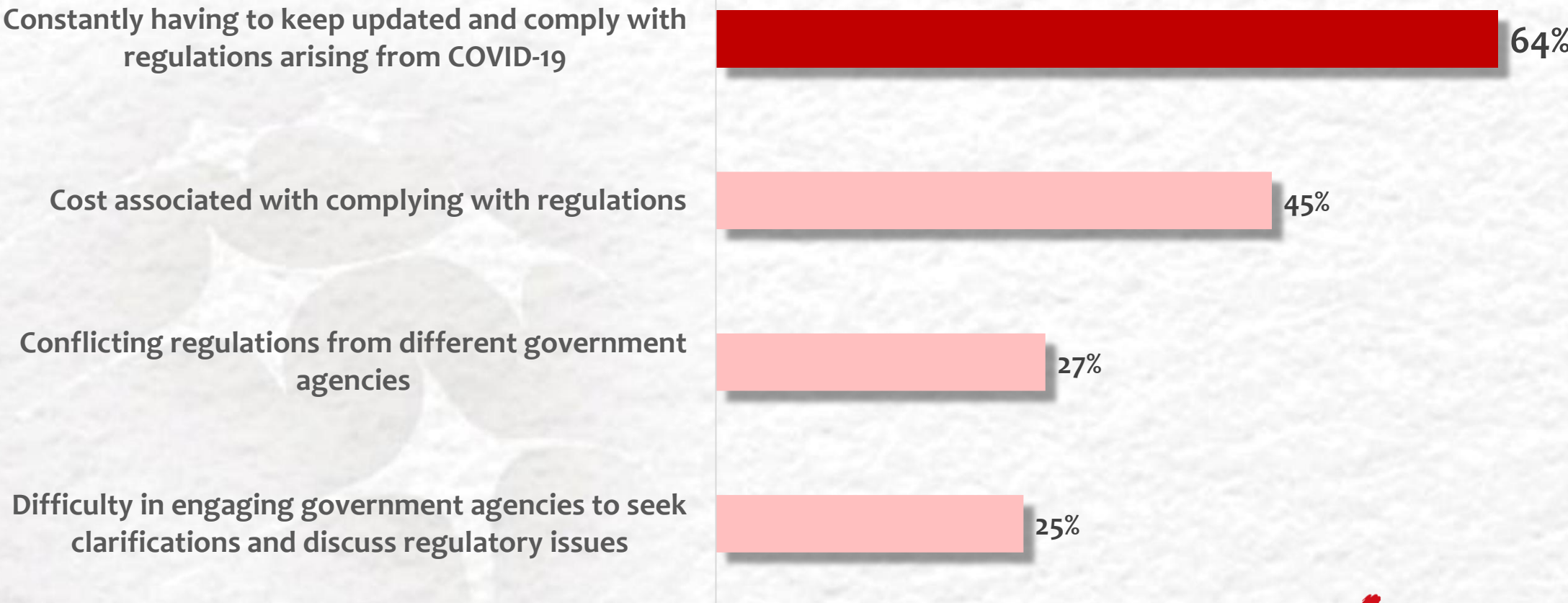
Apart from Govt schemes, what form of help does your business need most?





# Top regulatory challenge: Keeping up and complying with COVID-19 regulations

What are the key regulatory challenges that you encounter?

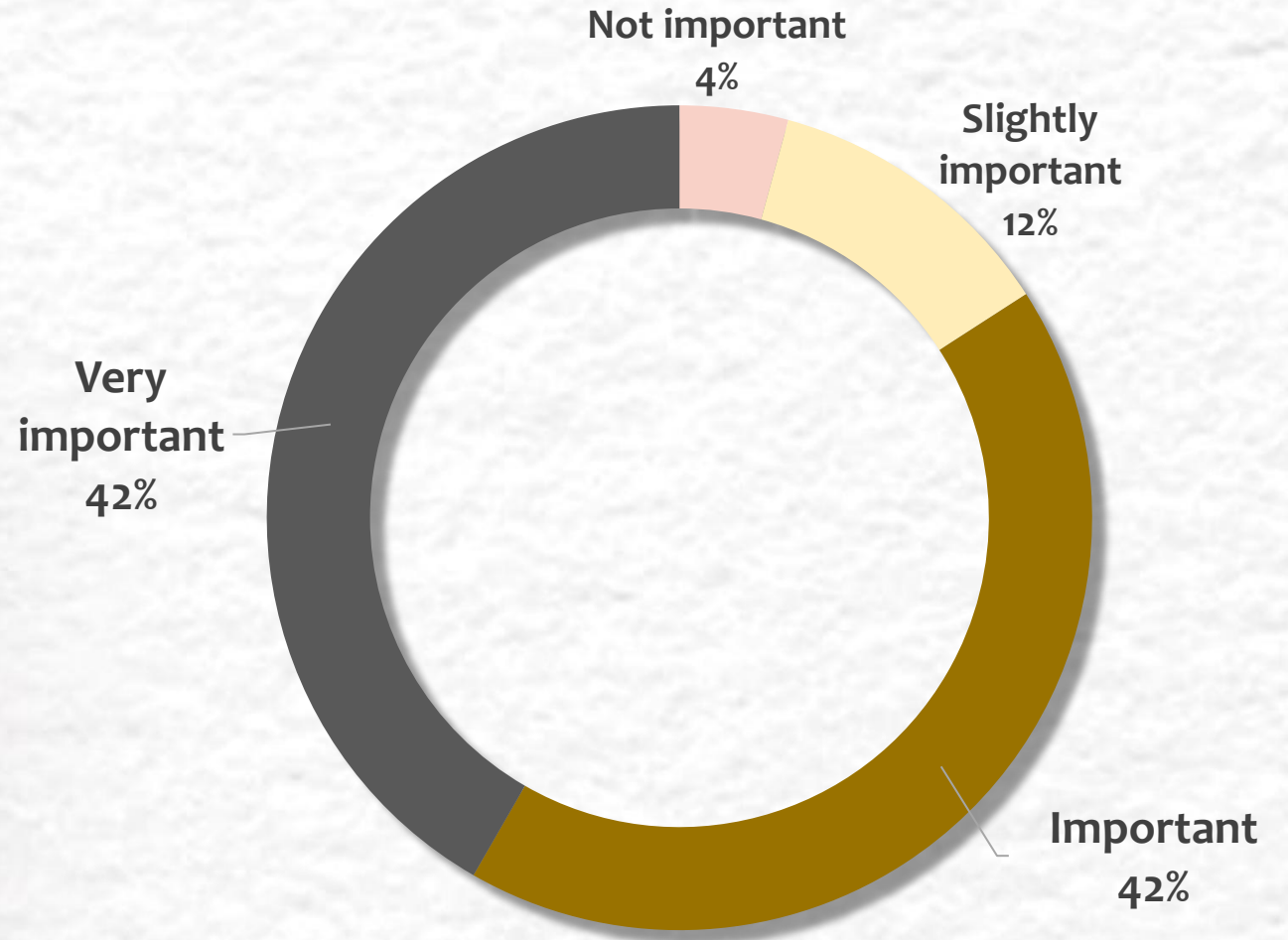


07

# **SUSTAINABILITY**

# A high 84% of respondents regard sustainability as important for the future

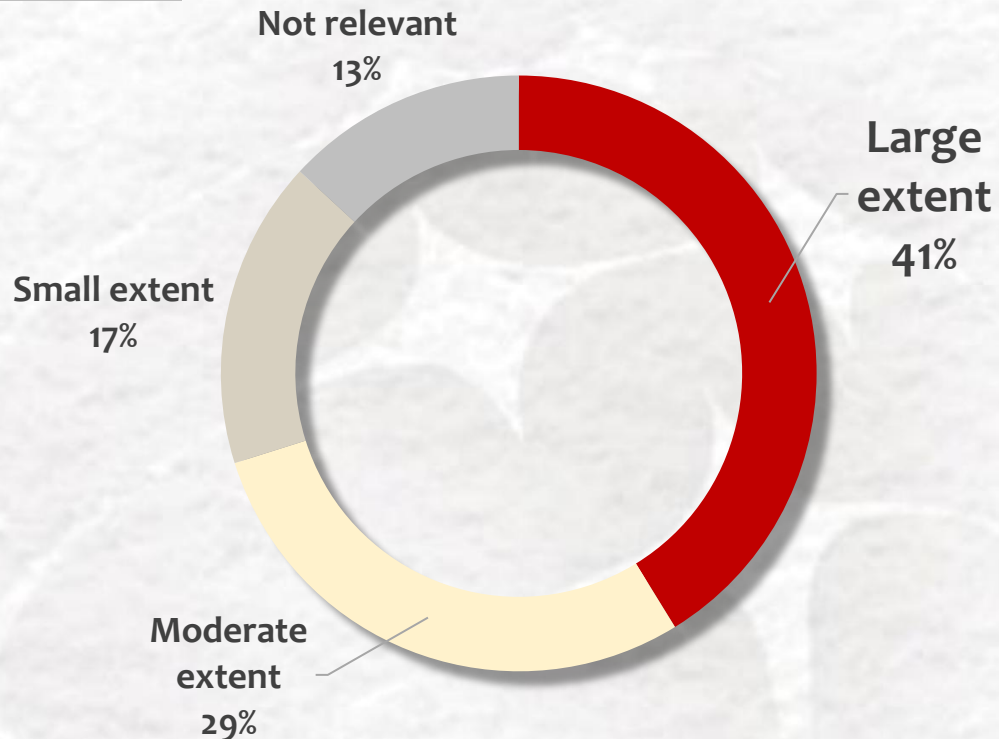
“Would you regard Sustainable Development as important for the future?”



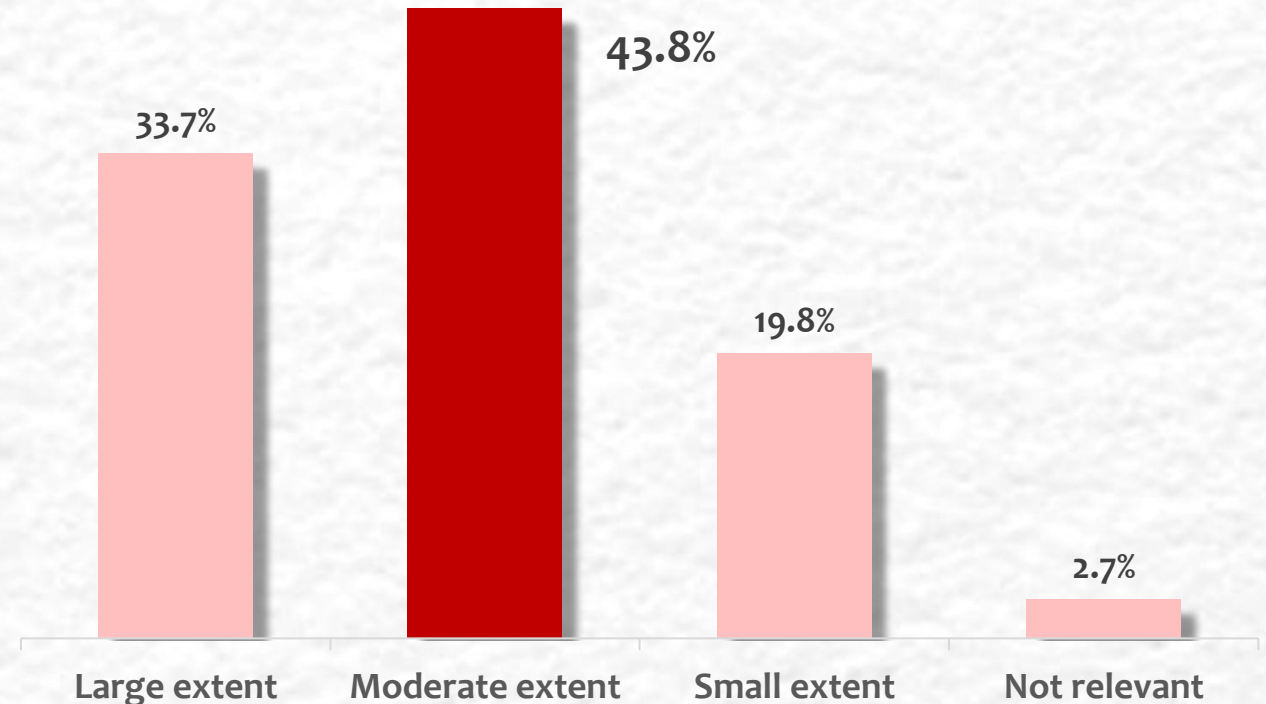


# While most respondents regard sustainability as very important to their business, most have only incorporated it in their business strategy to a moderate extent

To what extent is sustainability important to your business, and regarded as a competitive advantage?

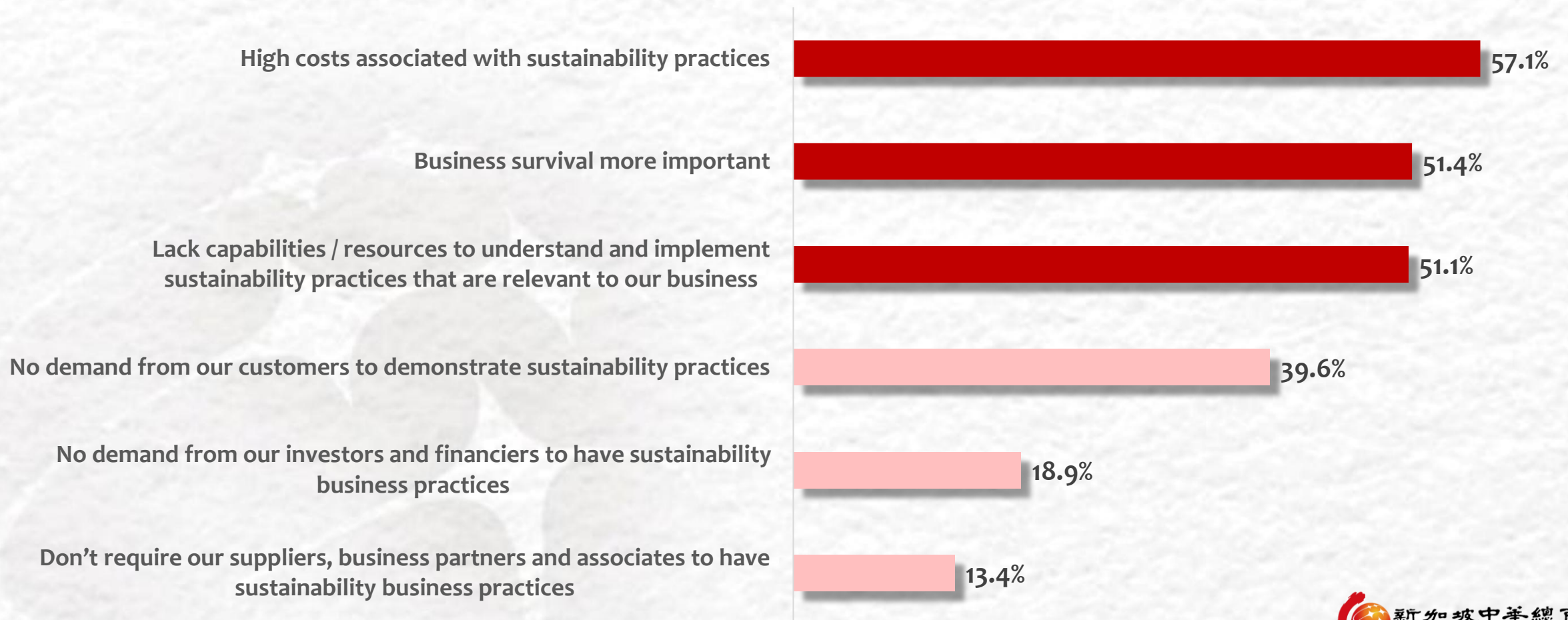


To what extent is sustainability incorporated in your business strategy and business model?



# High costs, priority on business survival and lack of capabilities hinder efforts to pursue sustainability

## Top challenges to implement sustainability business practices



08

# RECOMMENDATIONS



# Recommendations

## 1. Have a balanced approach towards local and foreign manpower recognizing that foreign workers complement local workers

- Companies are committed to transform their business and re-skill local workers to reduce reliance on foreign workers. However, some industry sectors have persistently remained less attractive to local workers, including construction, marine, process and F&B services. Companies therefore need continued access to foreign workers to enable them to take on more business activities and keep their businesses thriving, which in turn can help to better secure local jobs.
- Notwithstanding COVID challenges, urge government to continue to refine and improve the entry processes so that regular inflow of foreign workers can be reinstated in an efficient, cost-effective and safe way.

# Recommendations

## 2. Continue to support businesses in the transition towards a COVID-19 resilient economy

- Business landscape has increasingly become more complex, volatile and uncertain. COVID-19 and the spread of the Delta variant has introduced a new level of fluidity to the economy and business environment.
- Most COVID-19 support schemes will end in 2021 or by March 2022. As recovery is uneven across industry sectors, urge government to adopt a targeted approach to continue to assist and give policy support to sectors that are essential to the economy but still facing challenges, including construction, F&B services, retail, tourism and hospitality related sectors.
- Implementing and expanding Progressive Wage Model to more sectors will bring about a cascading impact on manpower cost, and in turn push prices higher. Urge government to provide assistance to companies to cushion the impact of rising business costs.



# Recommendations

## 3. Put in place measures to further facilitate expedient business travel

- Singapore market is very small. Companies value Singapore's position as a business hub, and connectivity to the region and rest of the world. Business travel is necessary to allow in-person interactions to effectively cultivate important relationships, develop new business, negotiate and close deals, or conduct inspection of field operations.
- Urge government to speed up working out bilateral protocols to facilitate international and regional business travel to key markets in a manner that is conducive for businesses – for example, convenient COVID-19 testing processes, shortened quarantine period or no quarantine requirements, and mutual recognition of vaccination certificates.



# Recommendations

## 4. Provide more assistance to SMEs on sustainability so that they can reap new opportunities

- Sustainability is a megatrend to be reckoned with. Increasingly, consumers, investors and financiers will demand that companies pay attention to sustainability. Local companies can seize new opportunities in the green economy.
- However, local SMEs need more help to understand sustainability, what it means for their businesses, what are the ways in which they can incorporate sustainability into their businesses in a practical and professional way that makes commercial sense, and how they can measure and track their sustainability efforts.
- Apart from the “Enterprise Sustainability Program” announced in Budget 2021, urge government to introduce more assistance schemes and initiatives to catalyze the process of SMEs embracing sustainability. Set up a programme office under Enterprise Singapore to drive cross-agency effort to help SMEs build capabilities and capture new opportunities.

# Recommendations

## 5. Provide more funding support to local trade associations to undertake initiatives with industry-wide impact

- In the next phase of Singapore's economic transformation, there should be greater partnership and collaboration between the government and businesses (led by local trade associations) to drive industry development and update the Industry Transformation Maps.
- COVID-19 however has disrupted the regular revenue-generating activities of trade associations, which in turn affected their capacity to undertake new industry initiatives of a substantial scale. Urge government to provide a higher level of funding support at 90% for trade association-led initiatives with industry-wide impact.

# THANK YOU

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