



新加坡中華總商會

Singapore Chinese Chamber of Commerce & Industry

Annual Business Survey 2022

24 October 2022

SCCCI's Annual Business Survey 2022



Aim. Ascertain prevalent business trends associated with manpower issues, sentiments towards the economic/business climate, internationalization, digitalization/automation, sustainability, and government schemes. Practical recommendations are then formulated based on the survey findings, feedback and suggestions from SCCCI's members.

Respondent Base. A total of **N = 1,057** respondents who participated in the survey are primarily senior representatives (e.g. C-Suite level) of local businesses from diverse sectors/subsectors.



Survey Period. 30 May 2022 – 12 August 2022.

Survey Administration. Survey was administered through phone calling as well as online survey tool (SurveyMonkey) and physical survey questionnaire distributed to the respondents.



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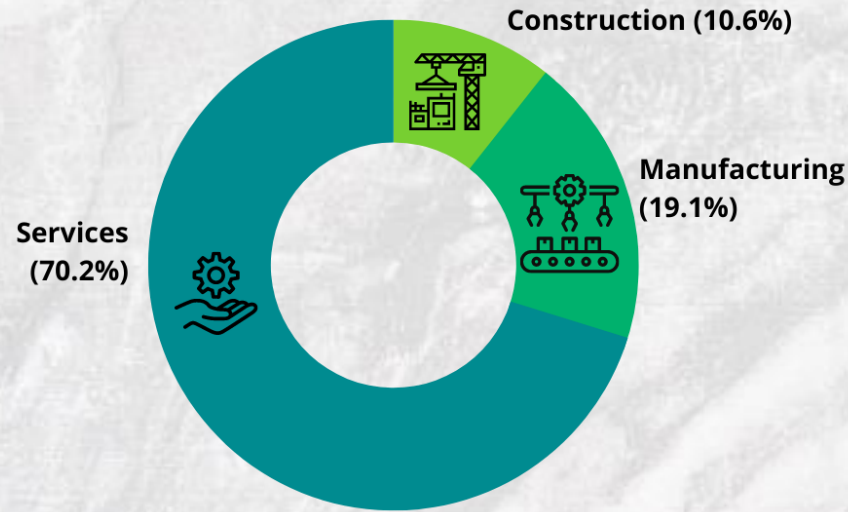
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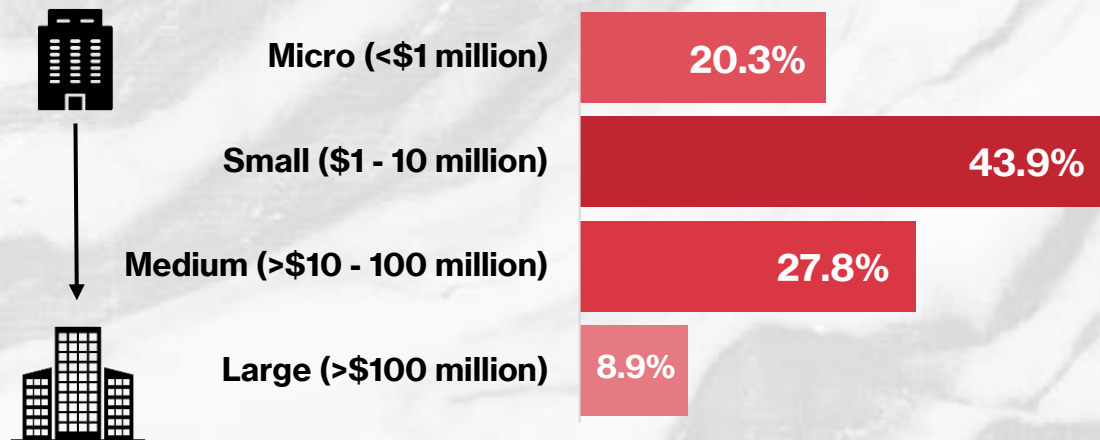
Respondents' Profile



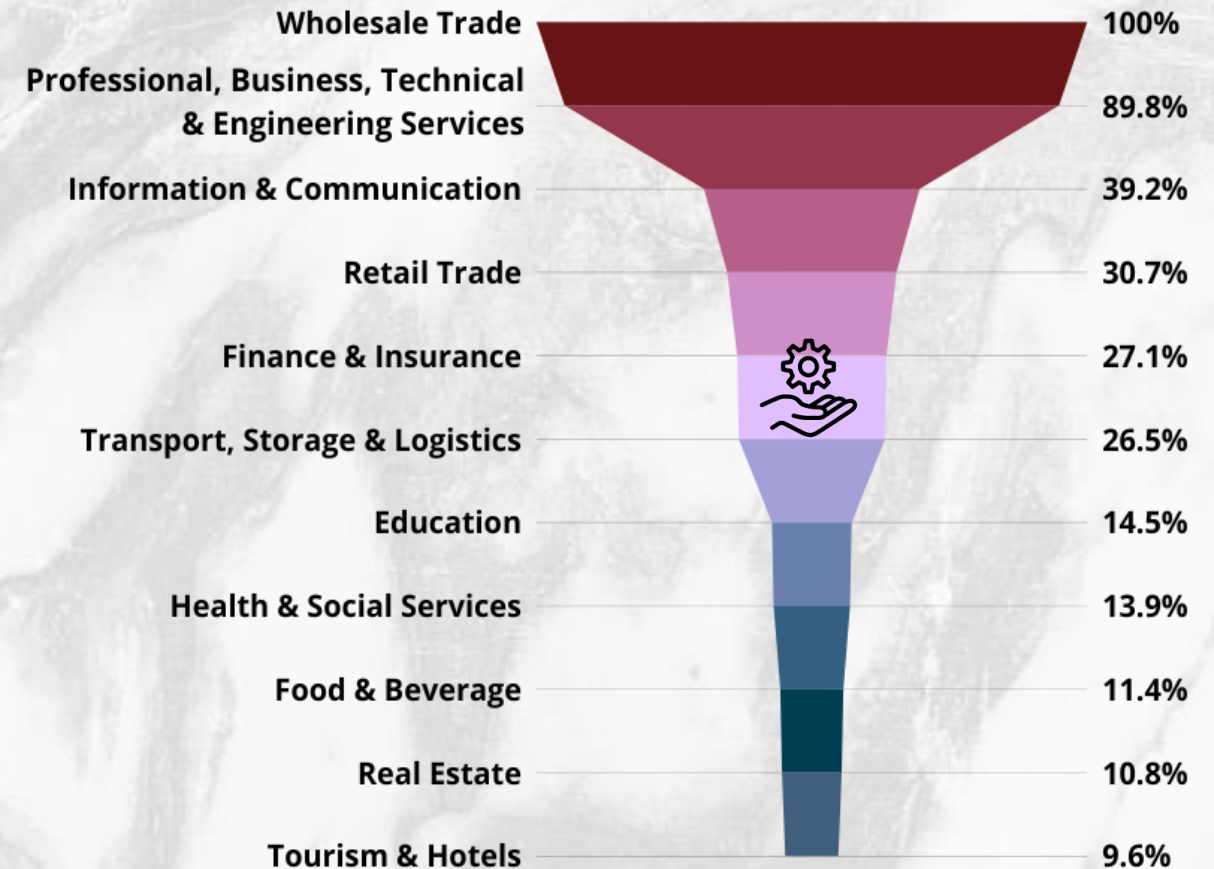
Composition of Respondents (by Sector)



Composition of Respondents (by Revenue Size)



Proportion of Respondents across the Service Sub-sectors



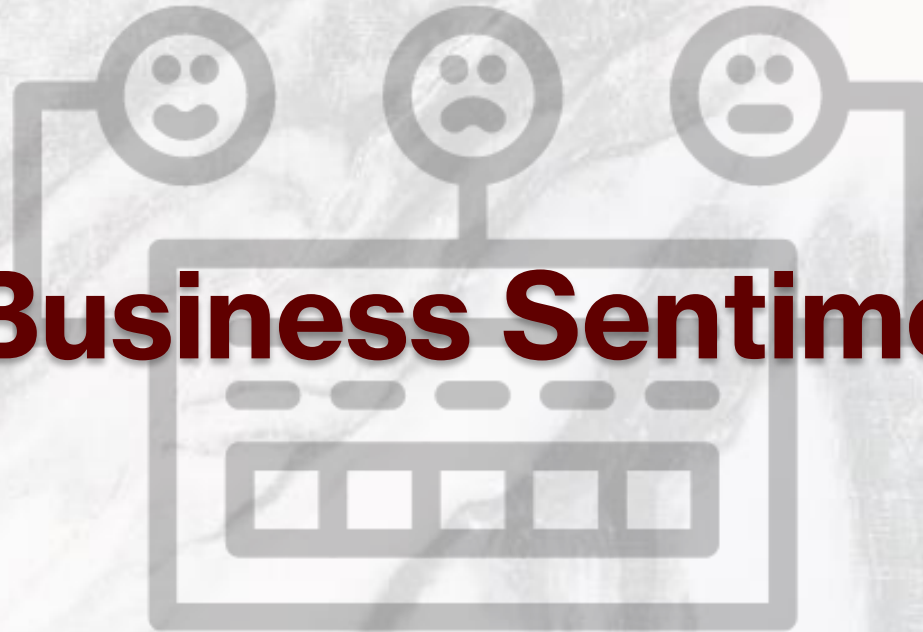
*PBTE: Professional, Business, Technical & Engineering Services



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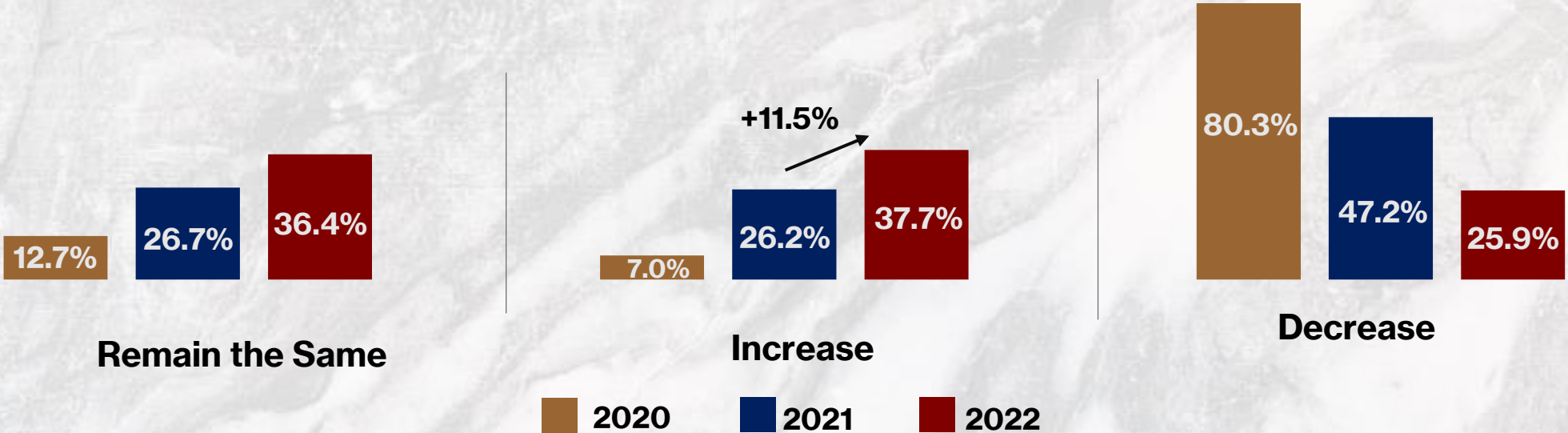
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Business Sentiments

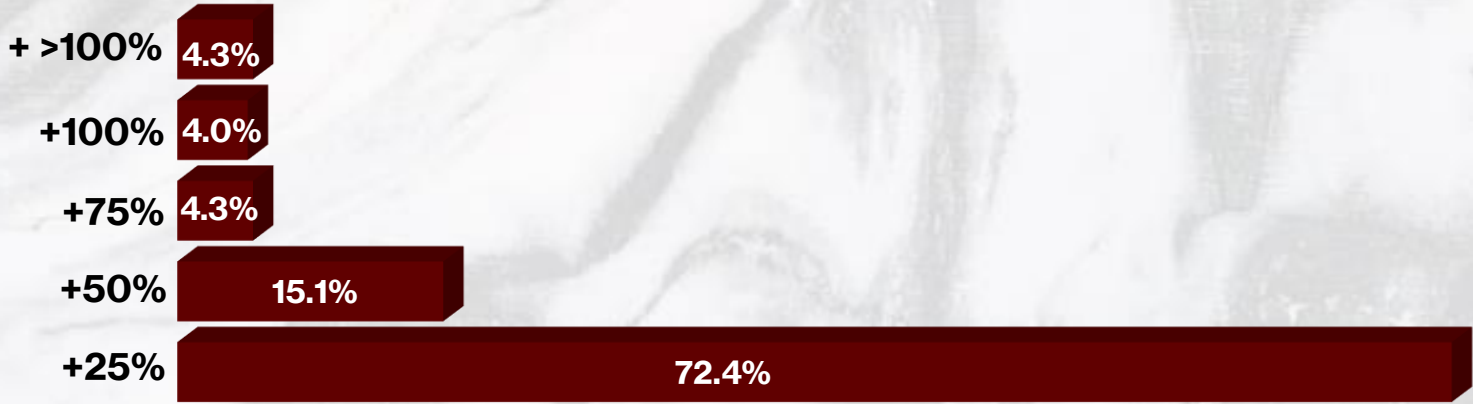


Post-Pandemic Recovery Trajectory: **Stable or Moderately Increasing Revenue**

Revenue (for Respondents across all Sectors)

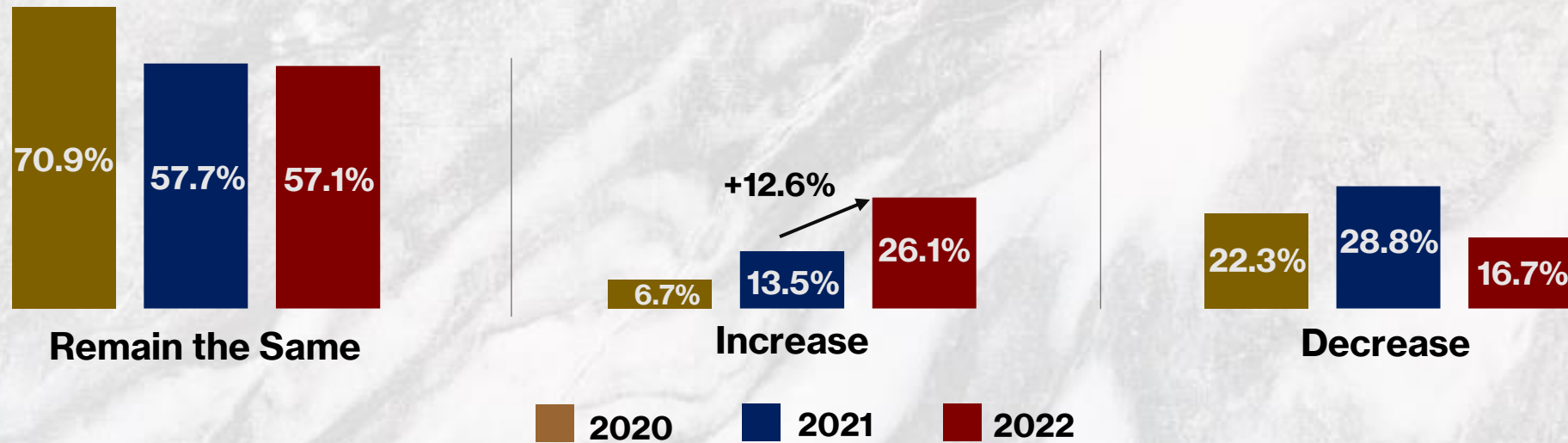


Magnitude of Revenue Increase (for Respondents across all Sectors)



Post-Pandemic Recovery Trajectory: Mostly Stable and Some Moderate Increase in Manpower Strength

Manpower Strength (for Respondents across all Sectors)

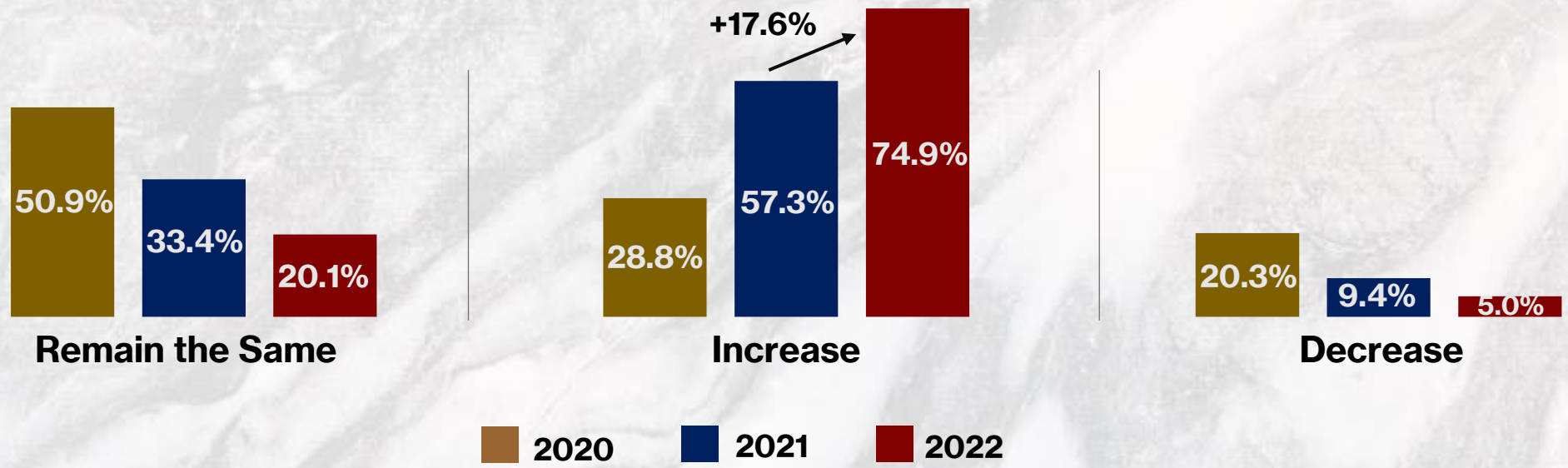


Magnitude of Manpower Increase (for Respondents across all Sectors)

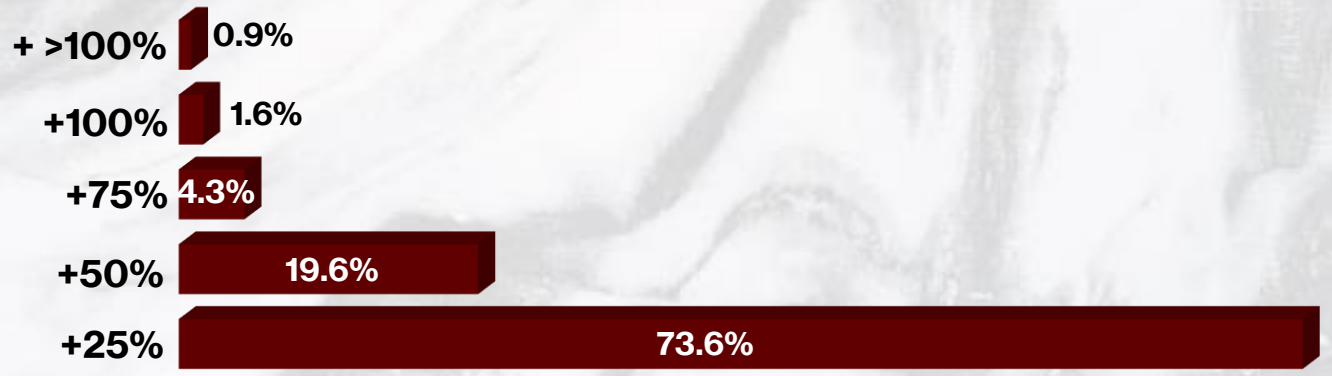


Post-Pandemic Recovery Trajectory: Escalating Business Costs

Business Cost (for Respondents across all Sectors)



Magnitude of Business Cost Increase (for Respondents across all Sectors)

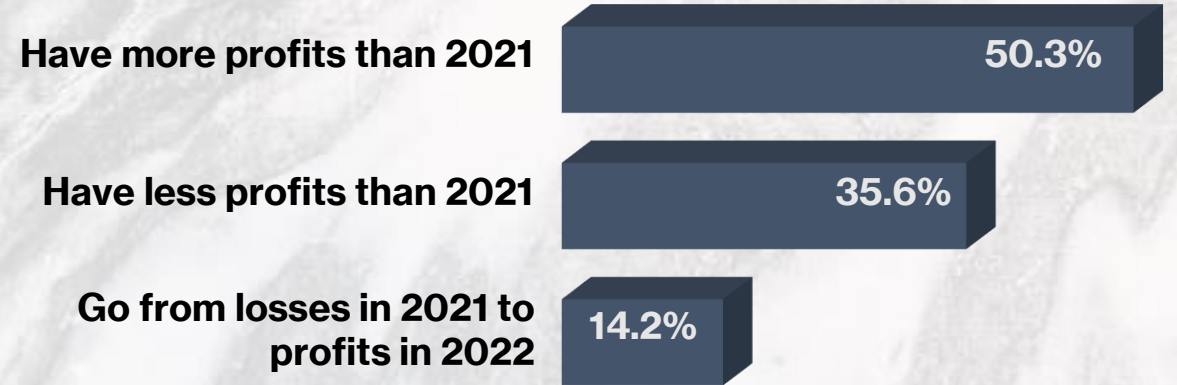


More Expecting Profits than Losses in 2022 Compared to 2021

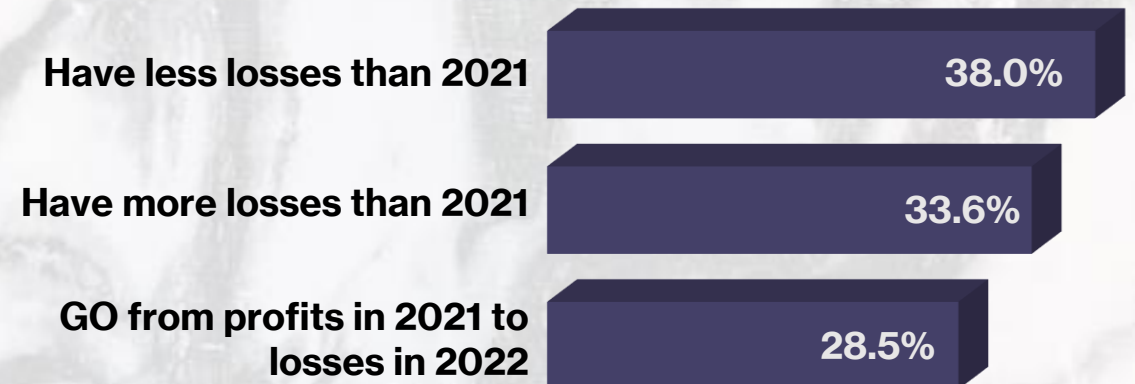
**% of Respondents across all Sectors
expecting Profit/Loss:**



Of those anticipating “profits”

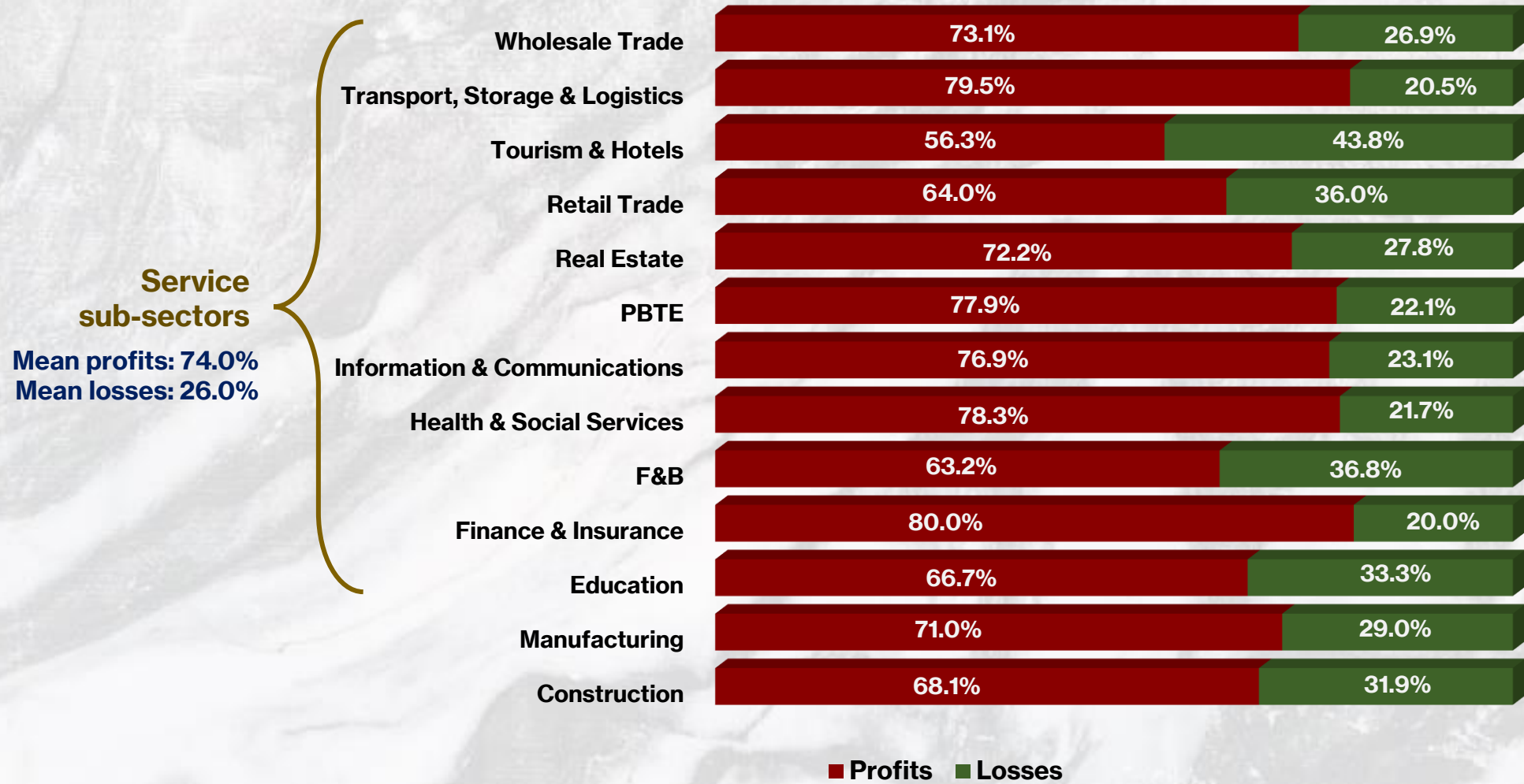


Of those anticipating “losses”



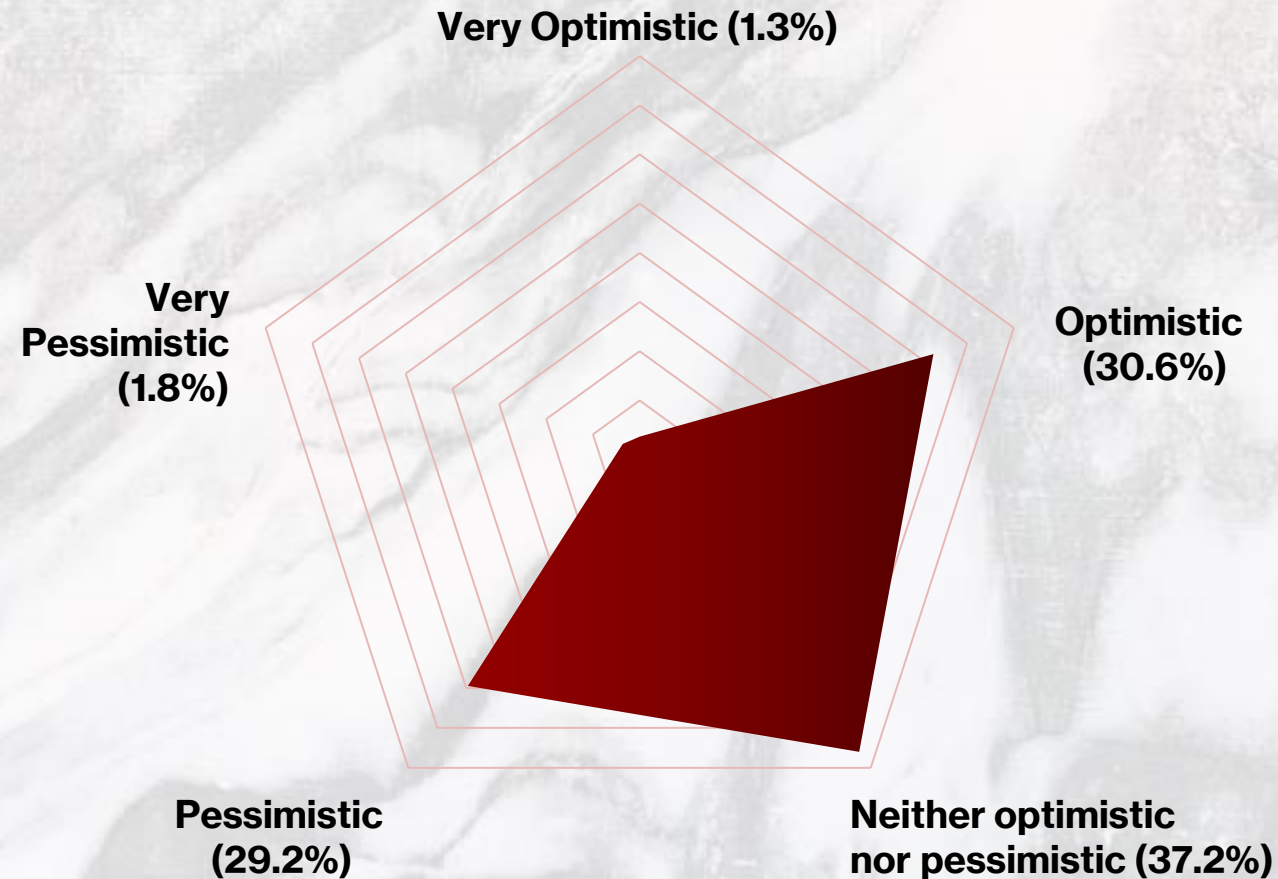
Expected Profits Exceed Losses across all Sectors/Sub-sectors

% of Businesses for each Sector/Subsector expecting Profits or Losses



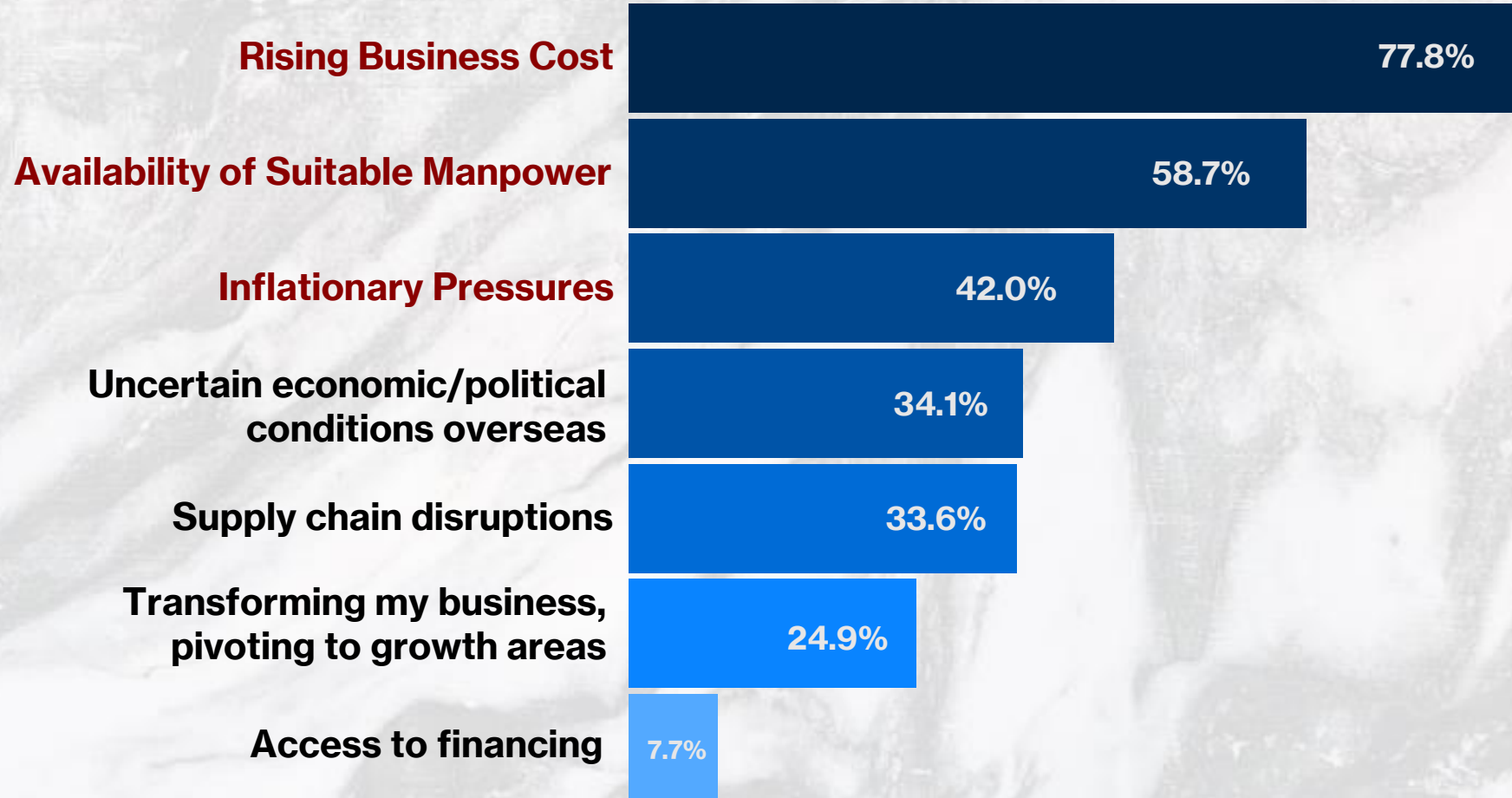
Neutral Perspective towards the Economy & Business Climate over the next 12 Months

% of Respondents across all sectors on their Sentiments Towards the Economy/Business Climate for the next 12 months



Top 3 Business Concerns: **Rising Business Costs, Manpower Crunch & Inflation**

**% of Respondents across all Sectors who selected the Following Options as part of their
“Top 3 Business Concerns/Challenges”**





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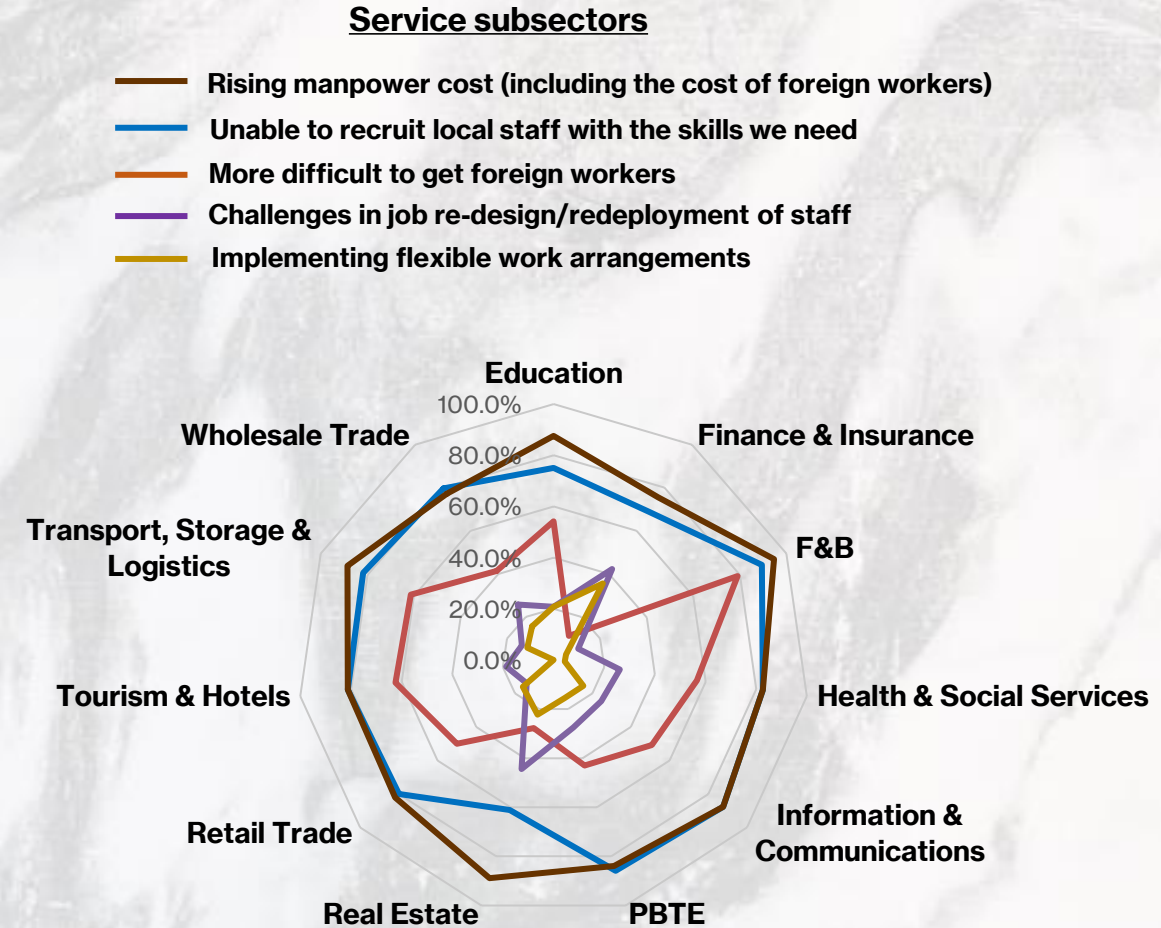
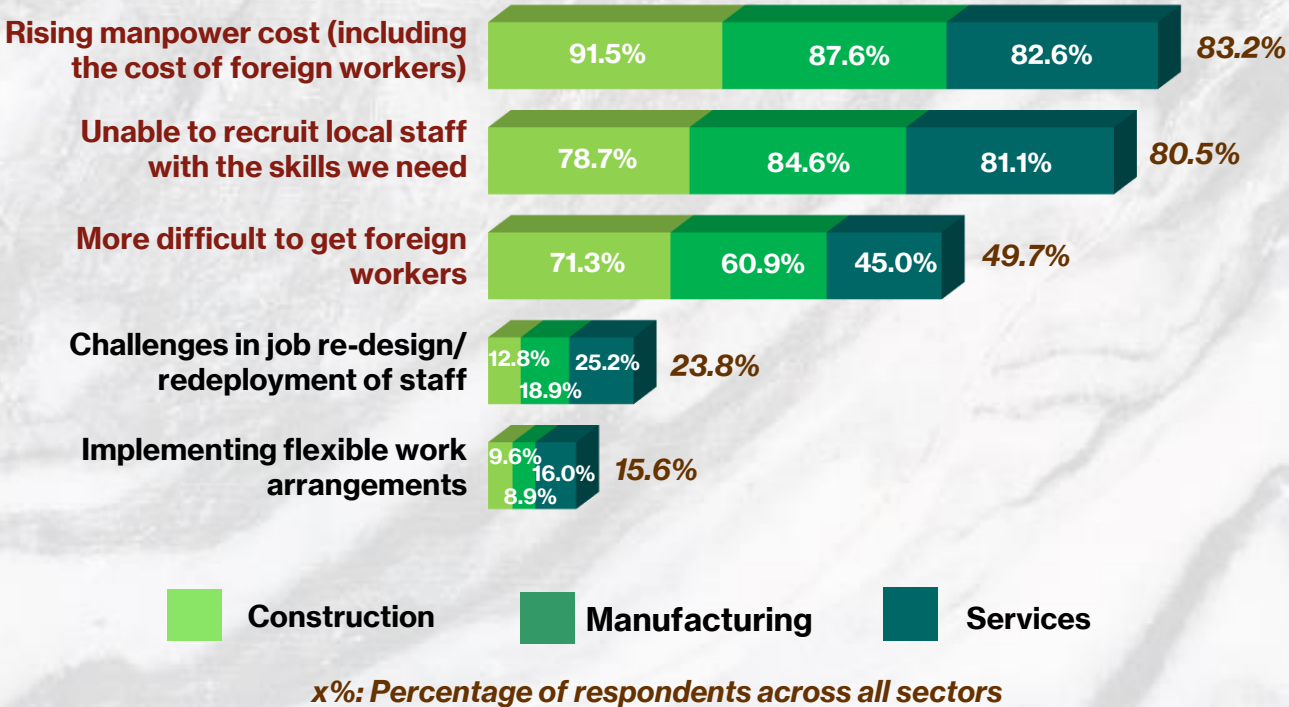
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Manpower Issues



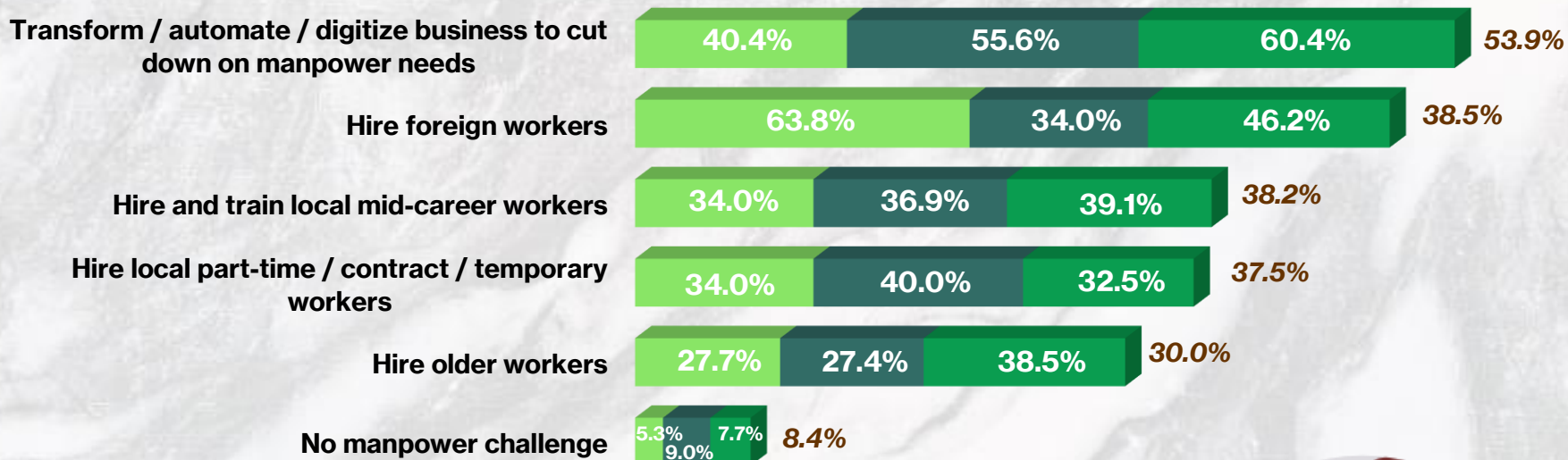
Top 3 Manpower Challenges across Sectors/Subsectors: **Rising Manpower Costs and Local & Foreign Manpower Crunch**

% of Businesses for each Sector/Subsector who selected the Corresponding Options as part of their "Top 3 Manpower Challenges"



Managing Manpower Challenges: Transforming, Automating and Digitalizing Business is the Top Measure for Services & Manufacturing Sectors

% of Businesses for each of the 3 Major Sectors who Adopted the Following Measure(s) to Mitigate Manpower Challenges



■ Construction
 ■ Services
 ■ Manufacturing

x%: Percentage of respondents across all sectors

*** Greater preference towards foreign workers over local mid-career and older workers**



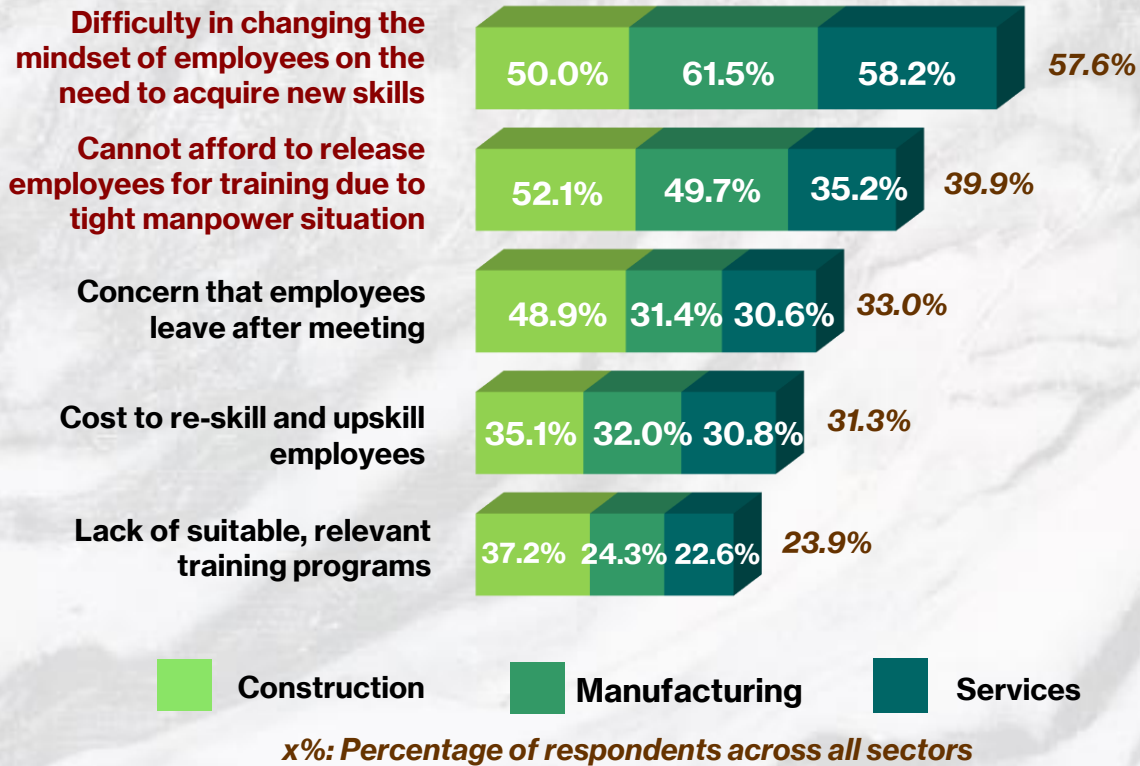
Businesses adopted a mean of ~2 (1.84) measures to manage manpower challenges



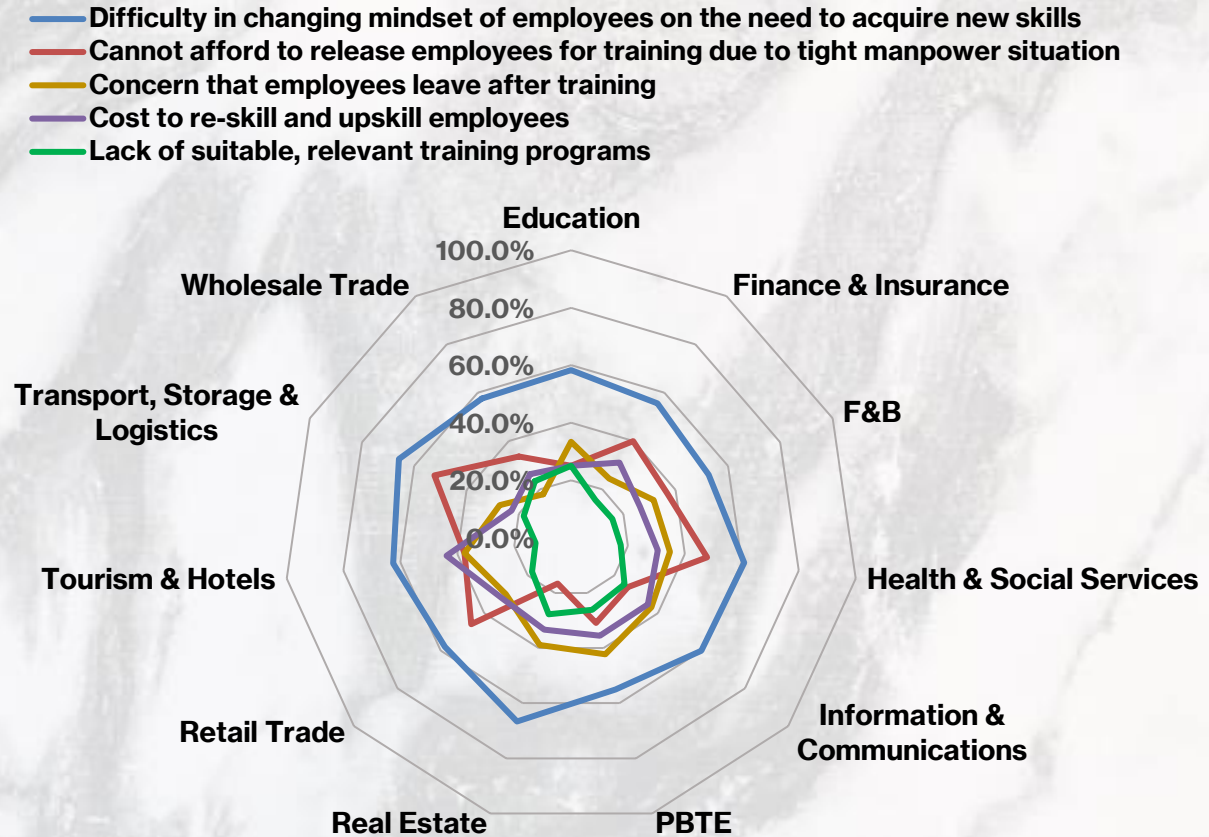
Lack of diversity of measures to manage manpower challenges

Hard-to-Change Employee Mindsets a Major Hurdle in Reskilling & Upskilling Employees across all Sectors/Subsectors

% of Businesses for each Sector/Subsector who Selected the Following Option(s) as part of their “Key Challenges in Reskilling & Upskilling Employees”

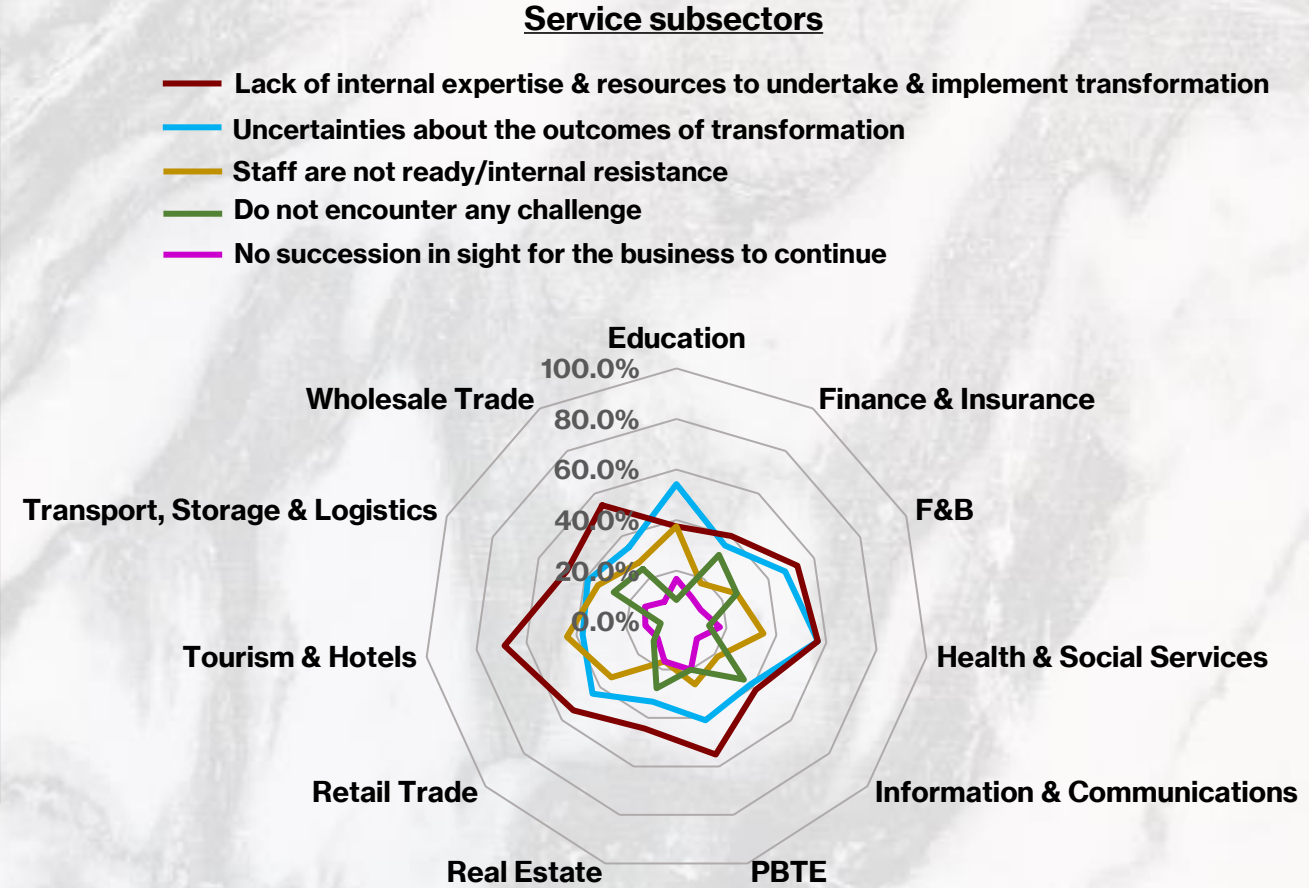
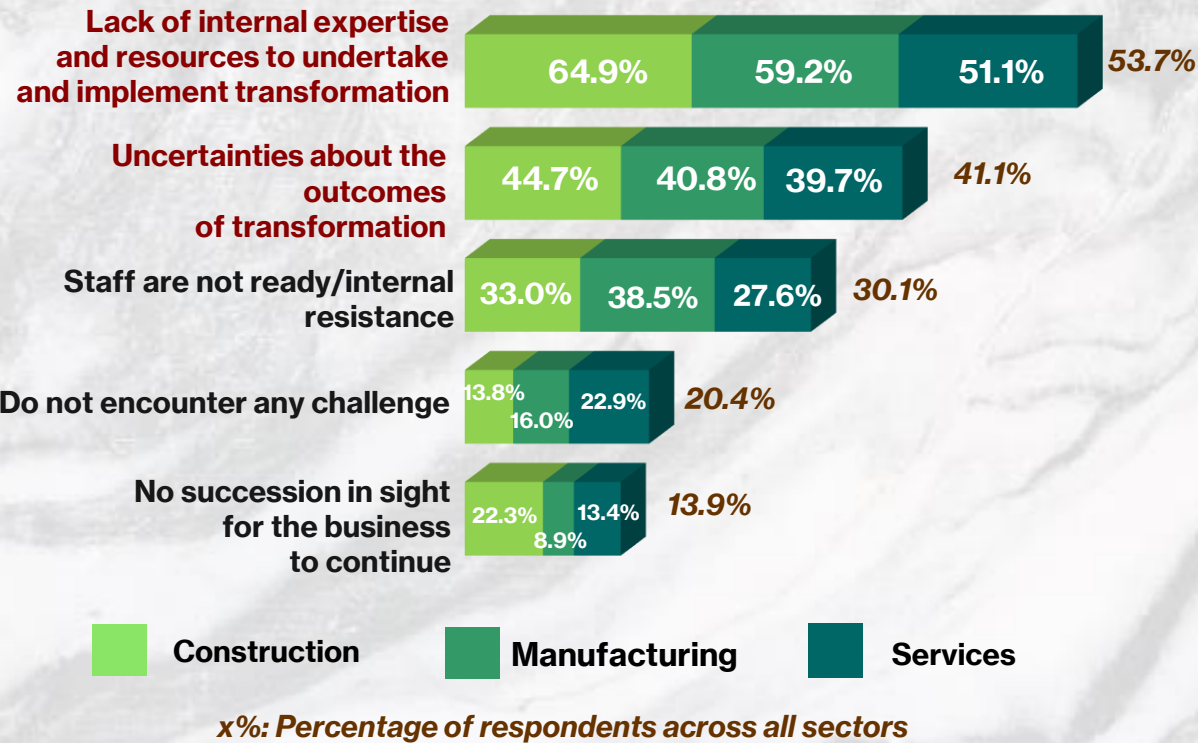


Service subsectors



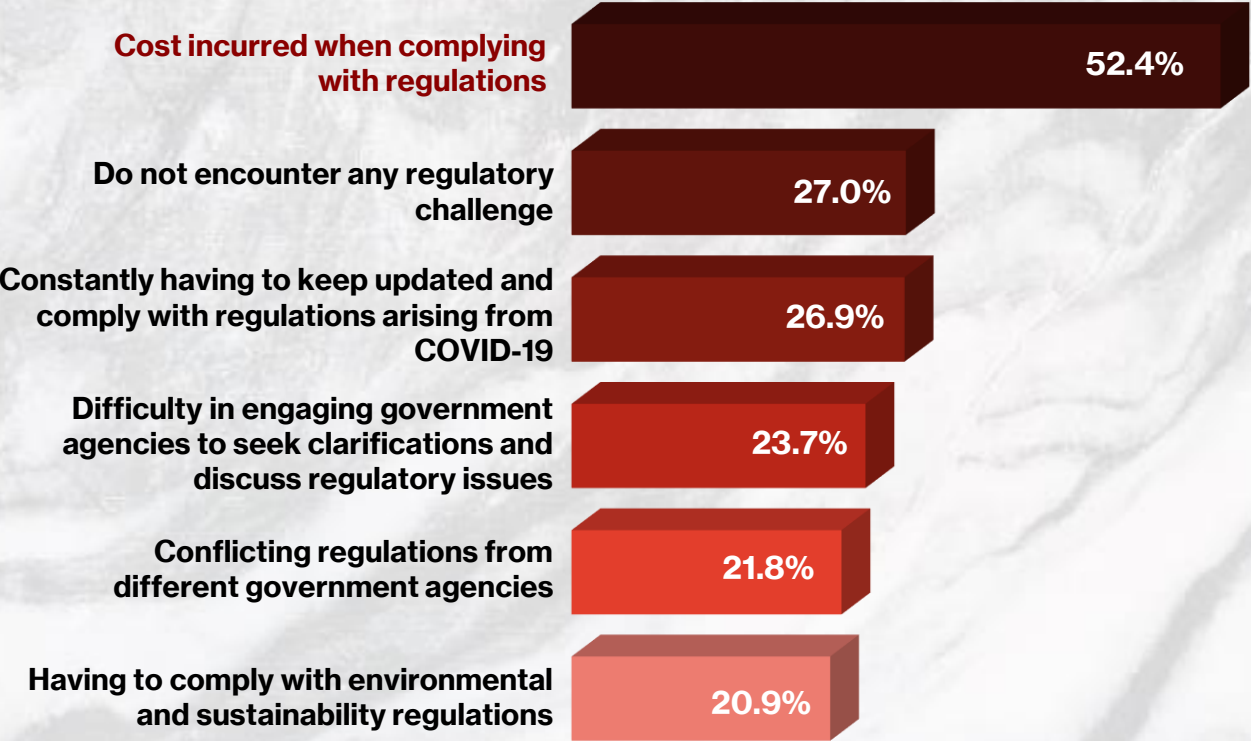
Obstacles to Business Transformation: Lack of Expertise & Uncertainties about the Outcomes

% of Businesses for each Sector/Subsector who selected the Following Option(s) as part of their Challenges in the Pursuit of Business Transformation

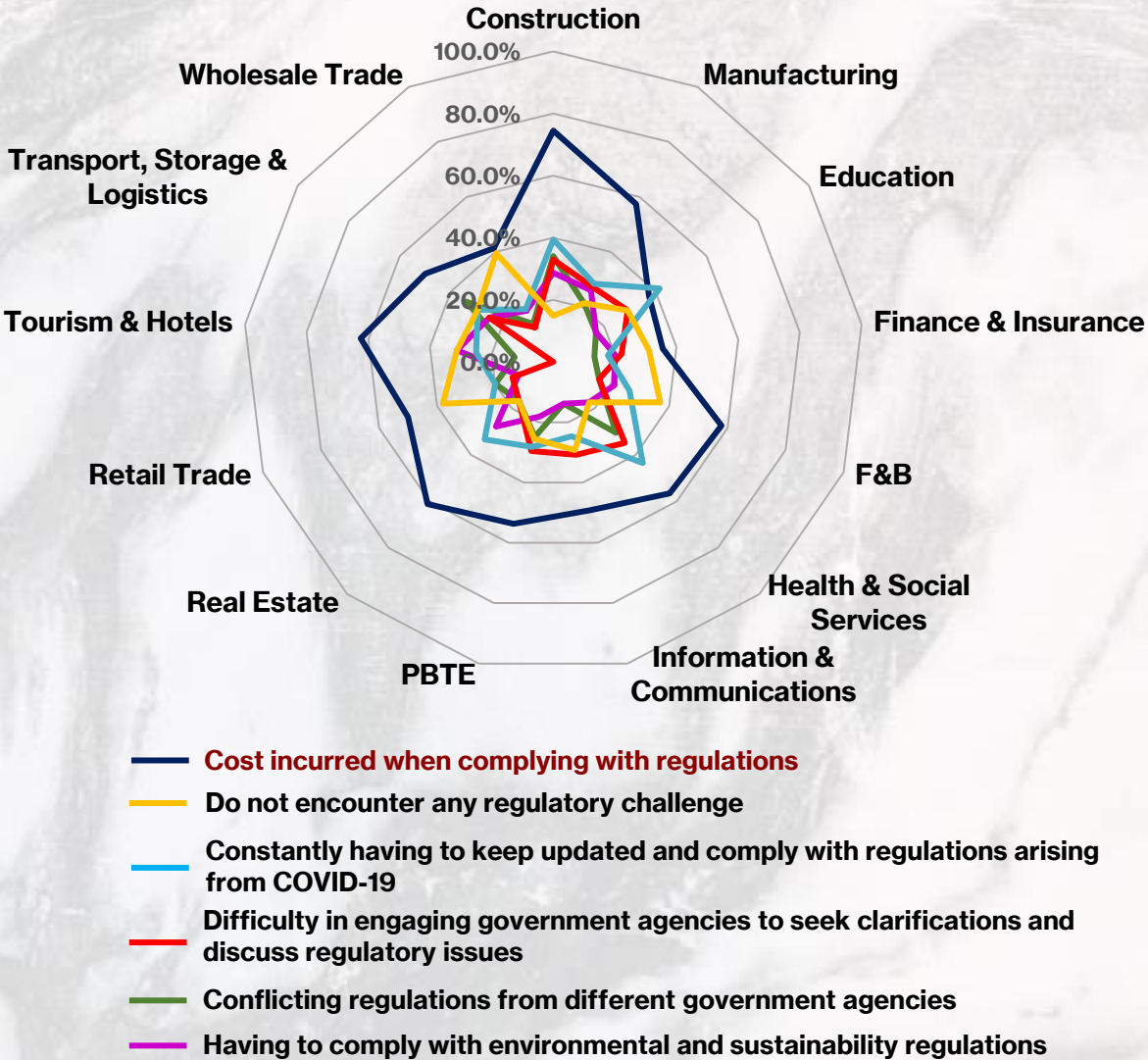


Top Regulatory Challenge: **Costs** Incurred in Complying with Regulations

% of Respondents across all Sectors on the Key Regulatory Challenge(s) they Face



% of Businesses for each Sector/Subsector on the Key Regulatory Challenge(s) they Face





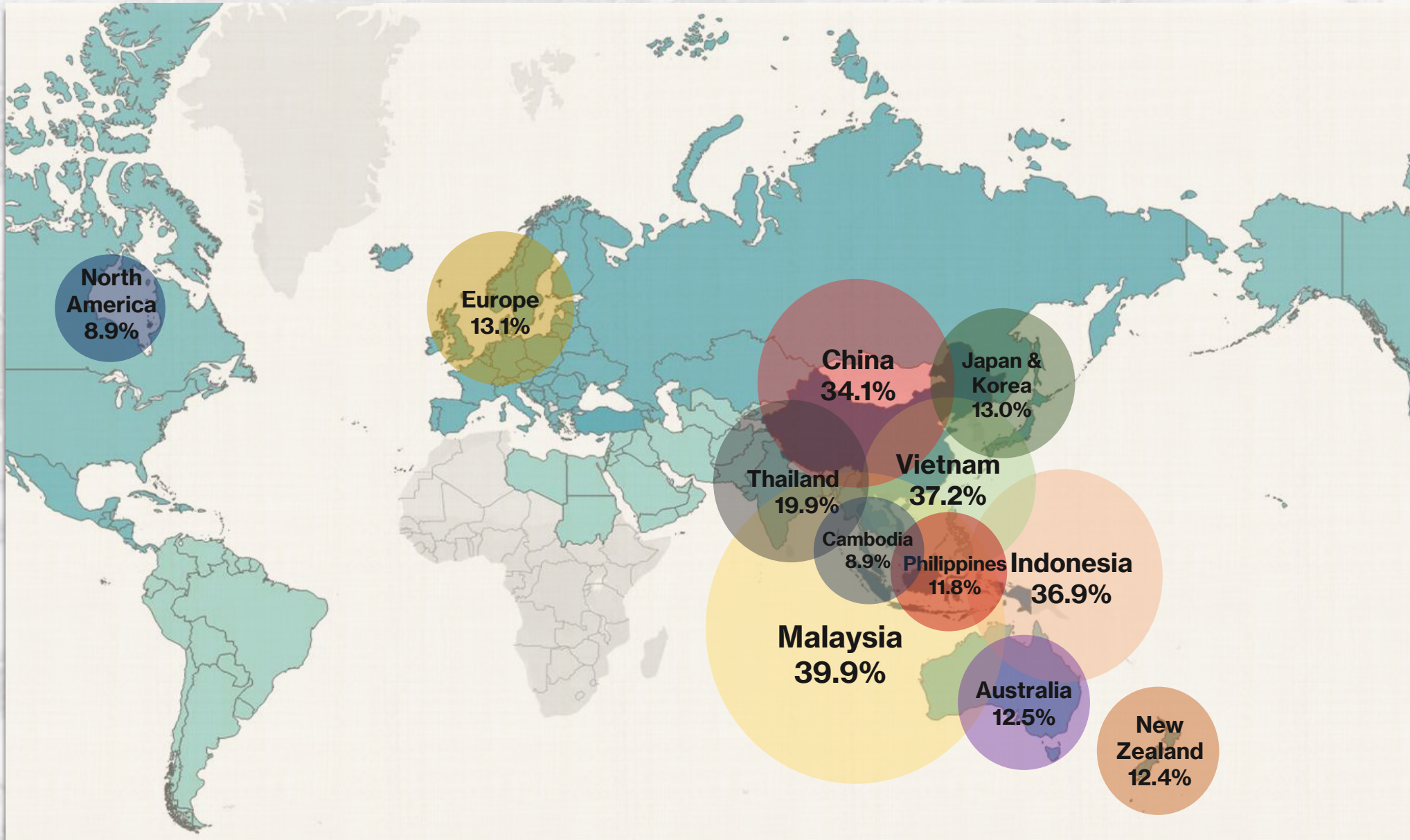
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Internationalization



Top Overseas Markets of Interests to Businesses: Malaysia, Vietnam, Indonesia, China

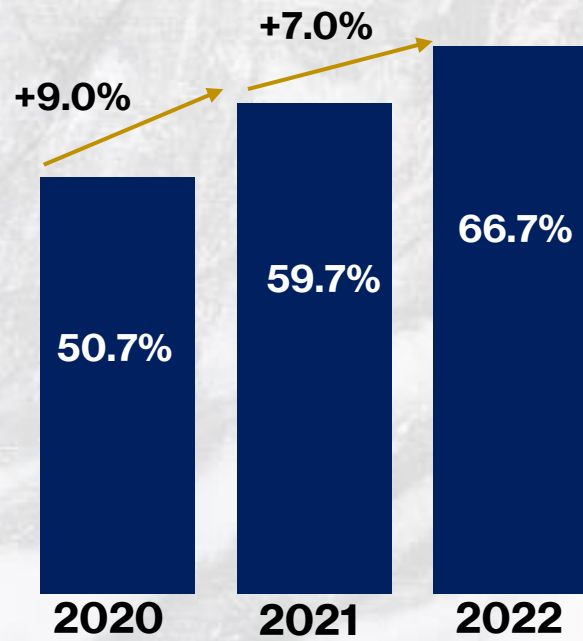


Country
(% of respondents
who are considering
to venture there)

- Others (<7%)**
- ❖ India (6.9%)
 - ❖ Myanmar (6.6%)
 - ❖ Africa (4.9%)
 - ❖ Middle East (3.5%)
 - ❖ Latin America (2.9%)
 - ❖ Maldives, Brunei, Timor Leste, Bangladesh, Laos (<1%)

More Businesses Looking Forward to Venture Overseas in 2022

% of Respondents across all Sectors who are Planning to Venture Overseas



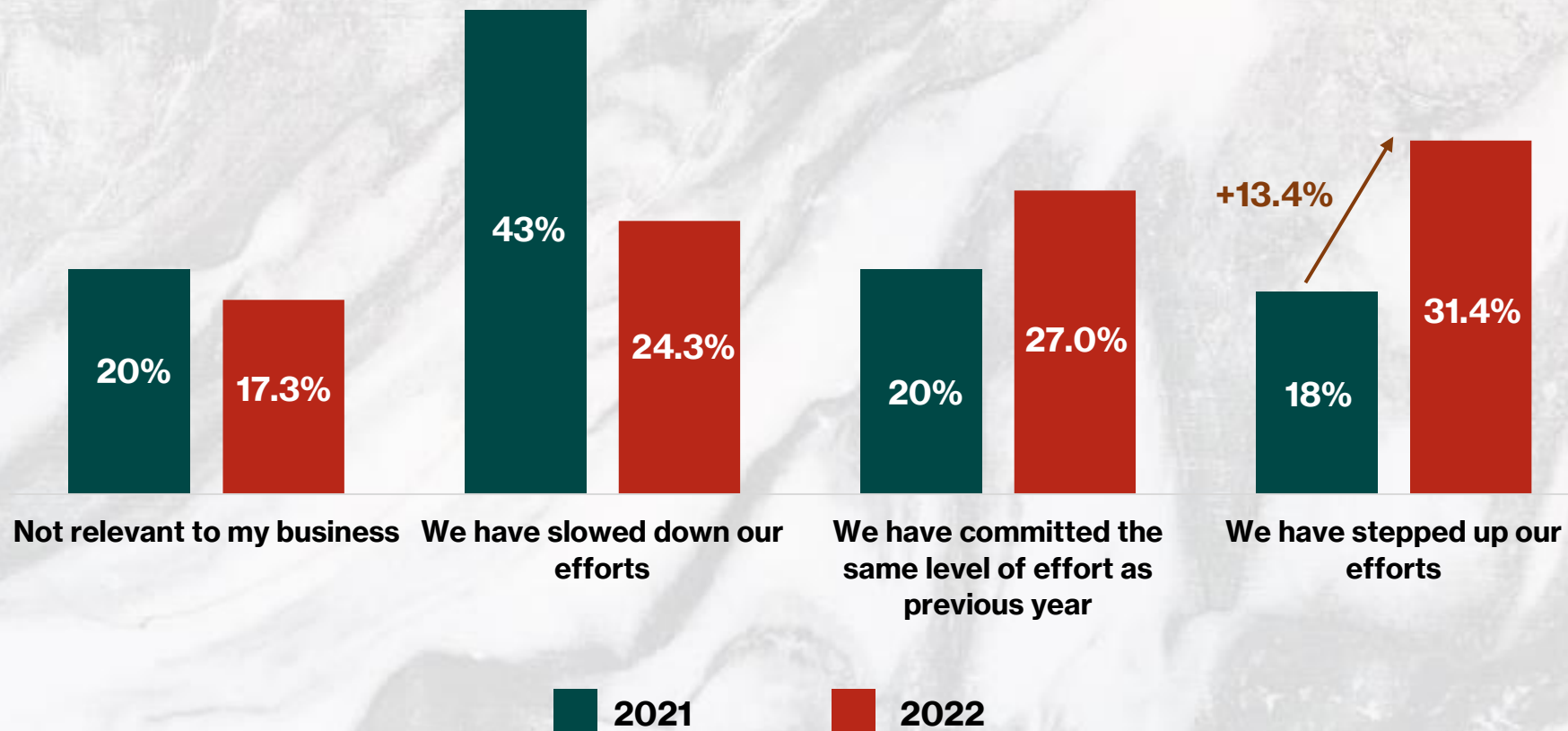
Upward trend in line with the gradual easing of COVID-19 travel restrictions

Country	2020	2021	2022	Change
Malaysia	53.8%	36.6%	39.9%	+3.3%
Vietnam	38.7%	30.1%	37.2%	+7.1%
Indonesia	38.1%	33.2%	36.9%	+3.7%
China	42.7%	43.0%	34.1%	-8.9%
Thailand	29.8%	22.3%	19.9%	-2.4%
Europe	10.8%	13.3%	13.1%	
Japan / Korea / Taiwan	14.4%	14.2%	13.0%	
Australia / New Zealand	13.7%	11.1%	12.5%	
Philippines	21.9%	13.0%	11.8%	
Cambodia	19.0%	10.8%	8.9%	

Top 4 destinations remain the same. China has dropped from its top spot in 2021.

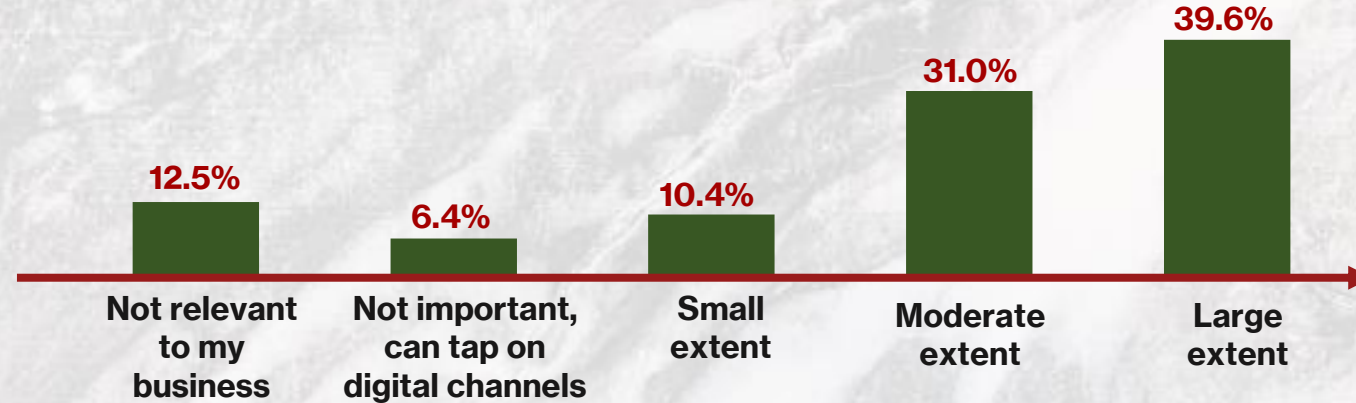
More Businesses are **Stepping Up** their Internationalization Efforts Compared to 2021

% of Respondents across all Sectors on their Internationalization Efforts in the Past One Year

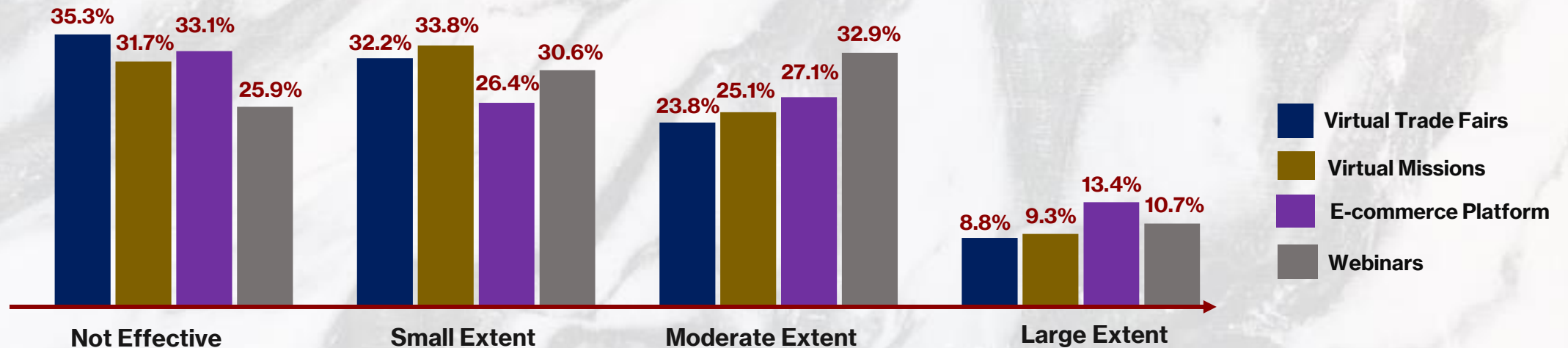


Physical Business Travel Remains Important; Virtual Trade Fairs and Missions not as Effective

% of Respondents across all Sectors on the Importance of Business Travel

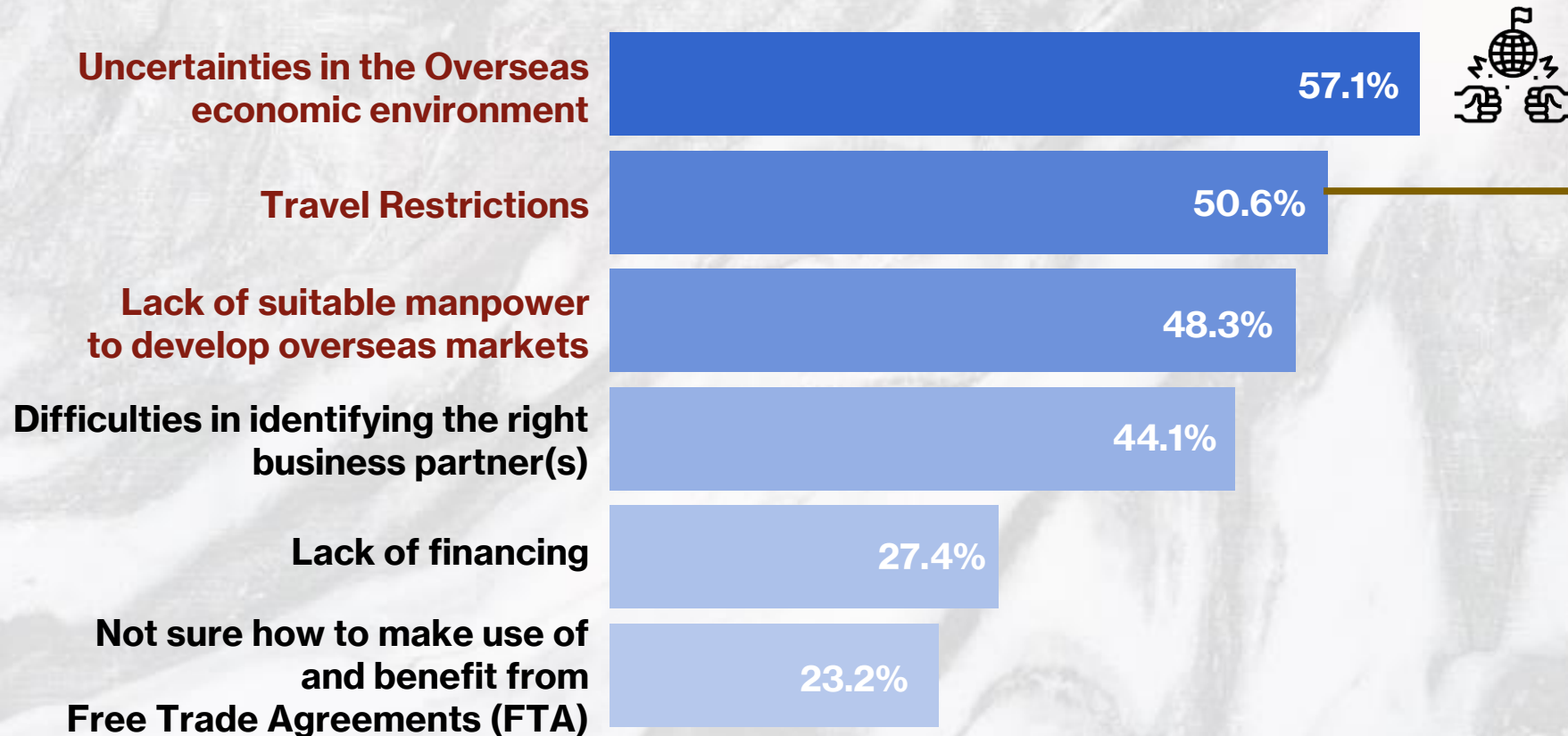


% of Respondents across all Sectors on the Effectiveness of various Digital Channels in Internationalization



Top Challenges in Internationalization: **Global Economic Uncertainties & Persisting Travel Restrictions**

% of Respondents across all Sectors who selected the Following Option(s) as part of the challenges they encounter in internationalization



Global economies are emerging from the pandemic, but strict COVID-19 measures still remain in selected markets, e.g. China.



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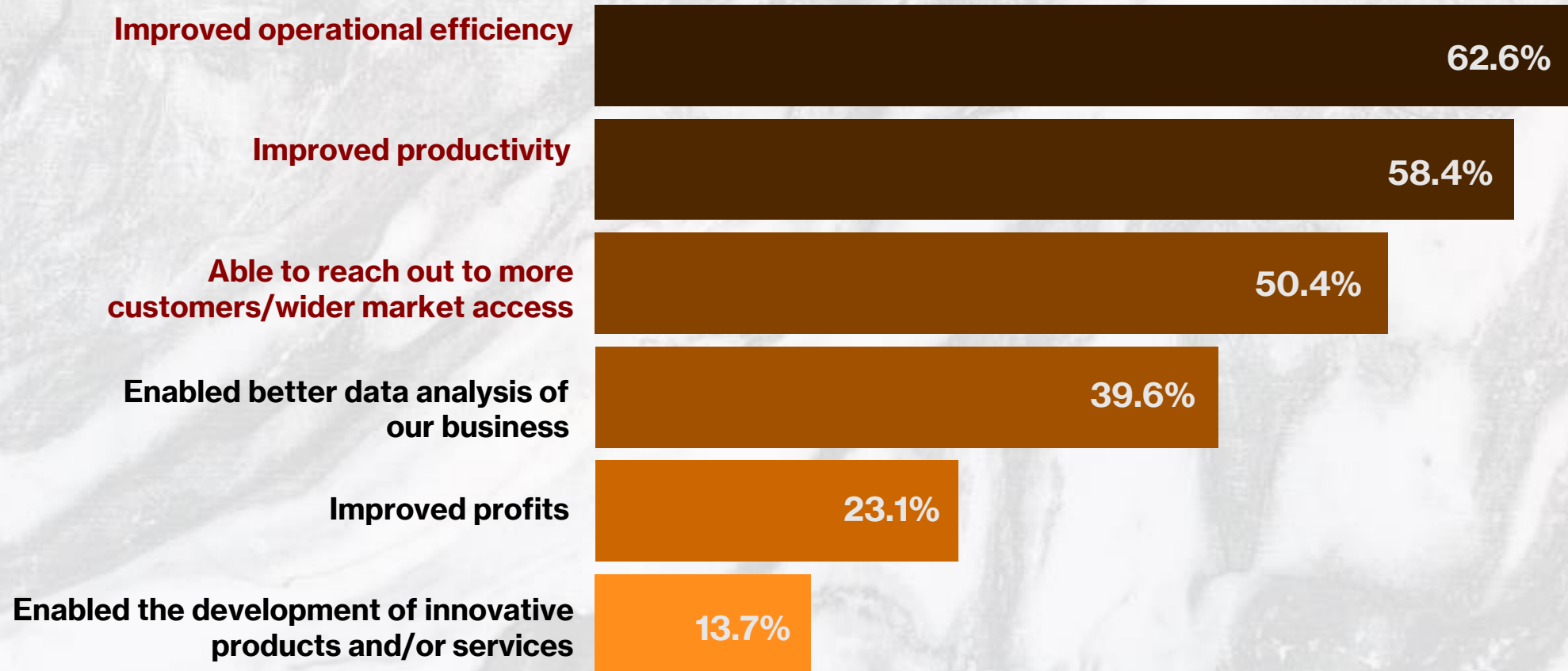
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Digitalization



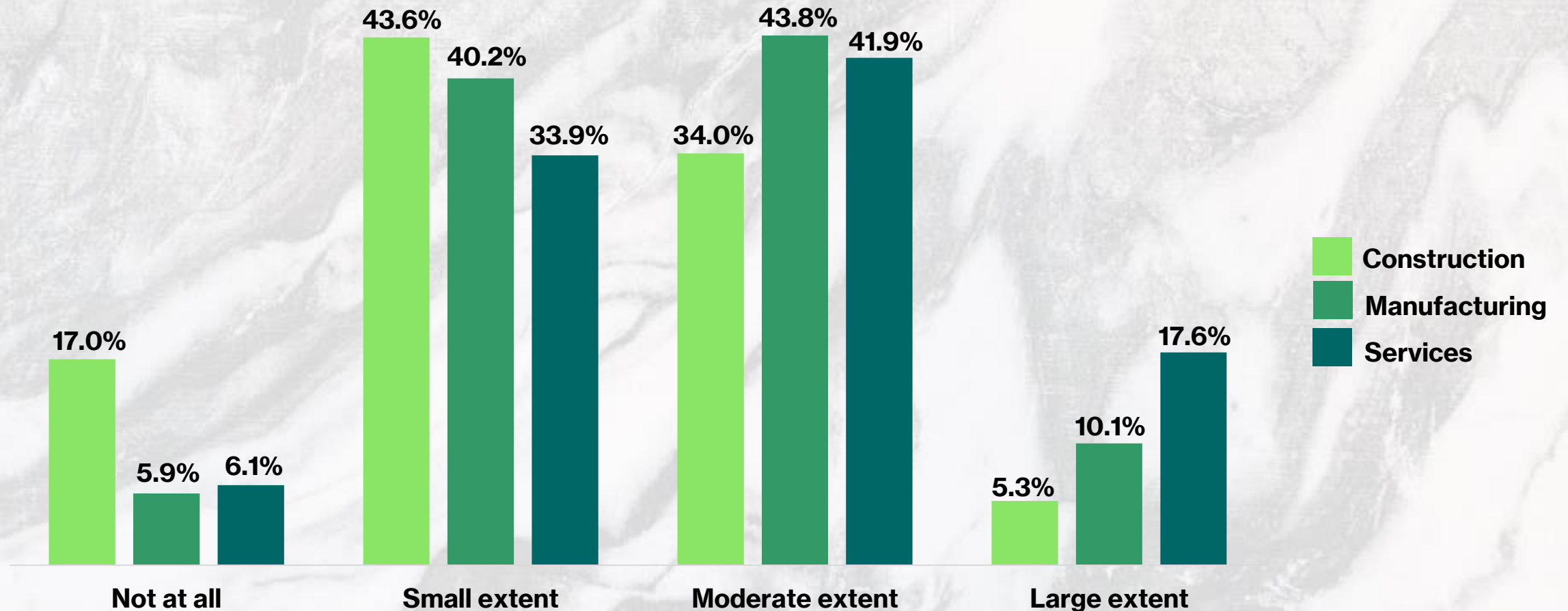
Top Benefits of Digitalisation: Improved Operational Efficiency, Productivity, and Customer Outreach

% of Respondents across all Sectors who selected the Following Options as part of the “Top 3 Benefits of Digitalization”



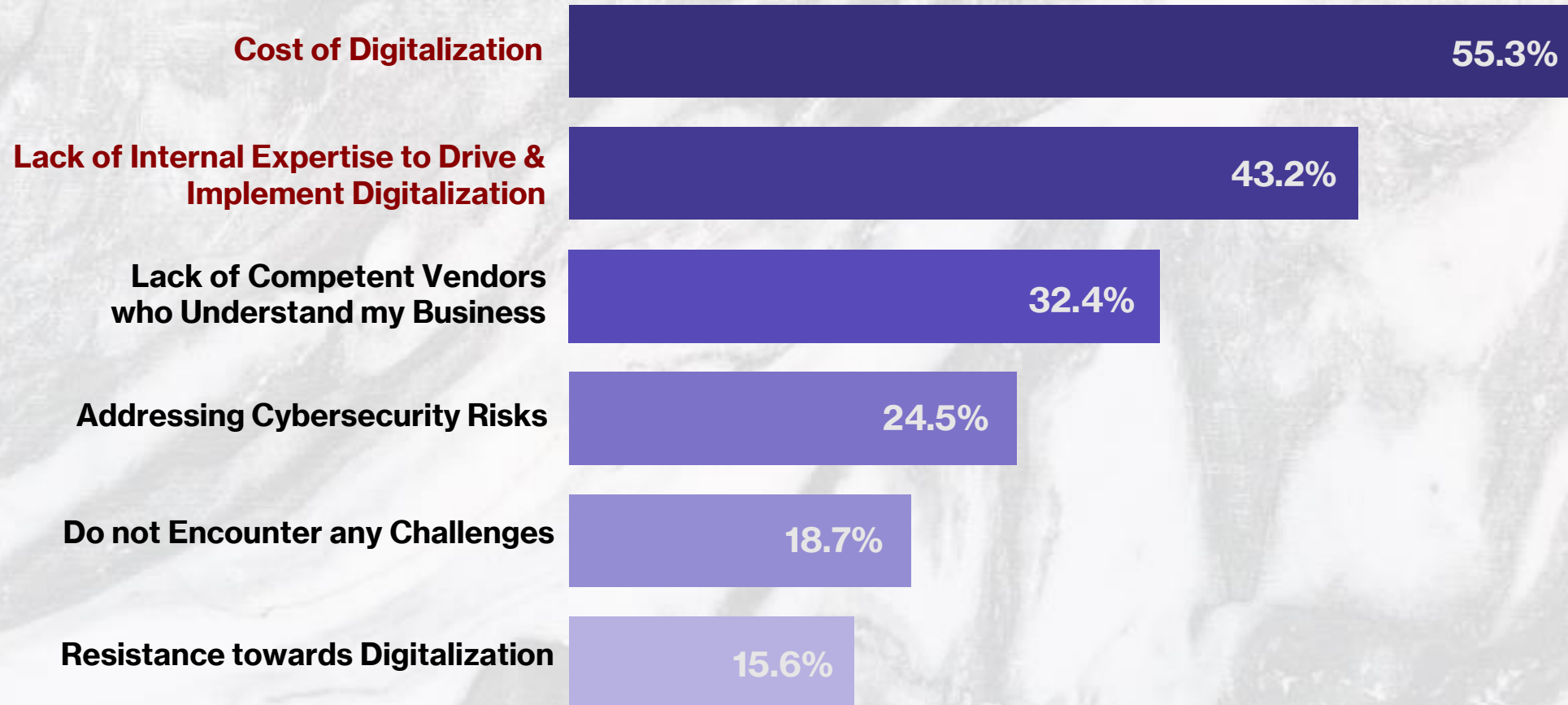
Close to 80% of Businesses Experienced **Small-to-Moderate Extent** of Effectiveness in their Digitalization Efforts

% of Businesses for each of the 3 Major Sectors on the Extent that their Digitalization Efforts have shown Results



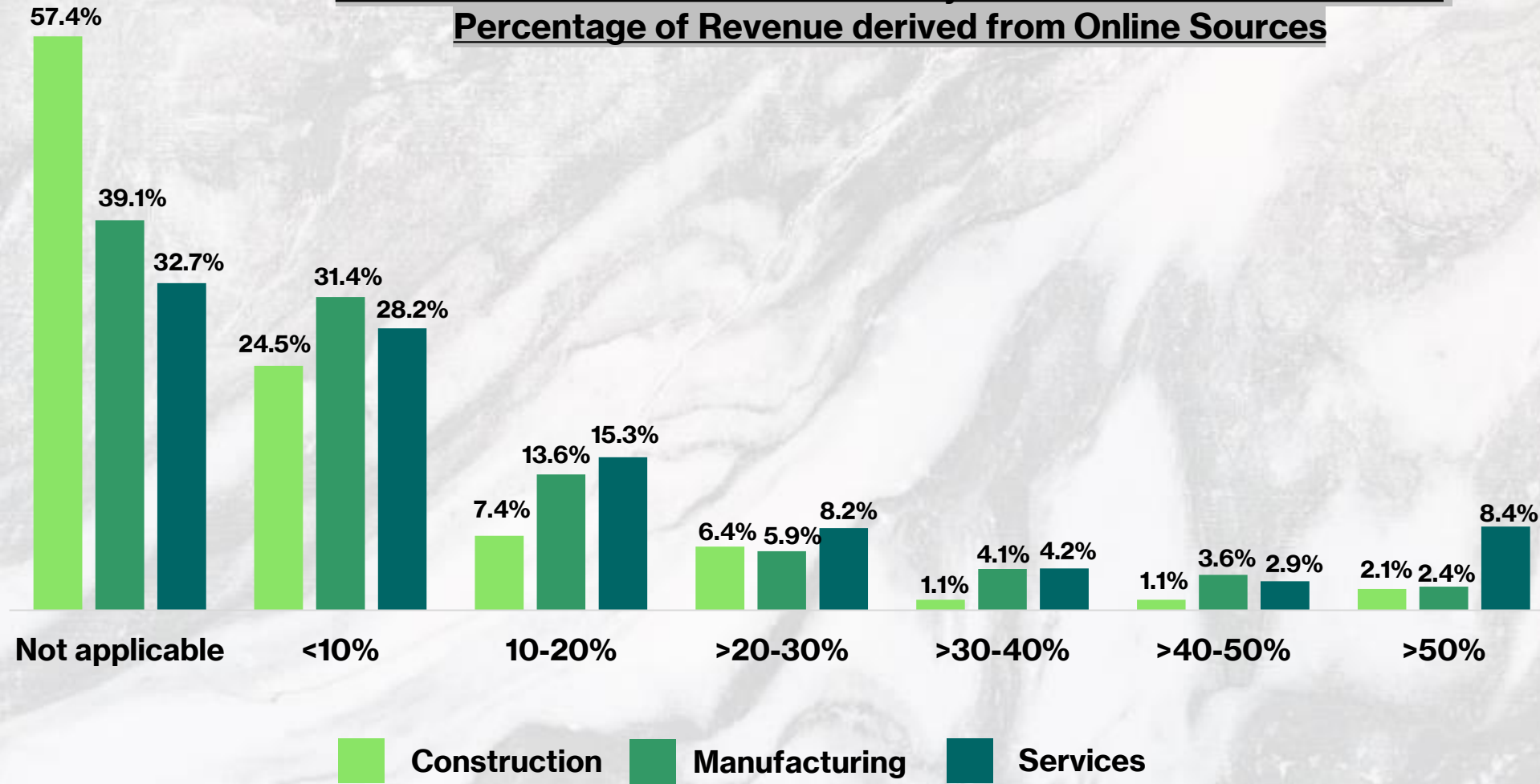
Key Challenges of Digitalization: **Costs and Lack of Internal Expertise**

% of Respondents across all Sectors who selected the Following Option(s) as part of the Key Challenges they faced in Digitalization



Most Businesses Do Not Derive Revenue from Online Sources; If They Do, the Extent is Overall Low

% of Businesses for each of the 3 Major Sectors on their Estimated Percentage of Revenue derived from Online Sources





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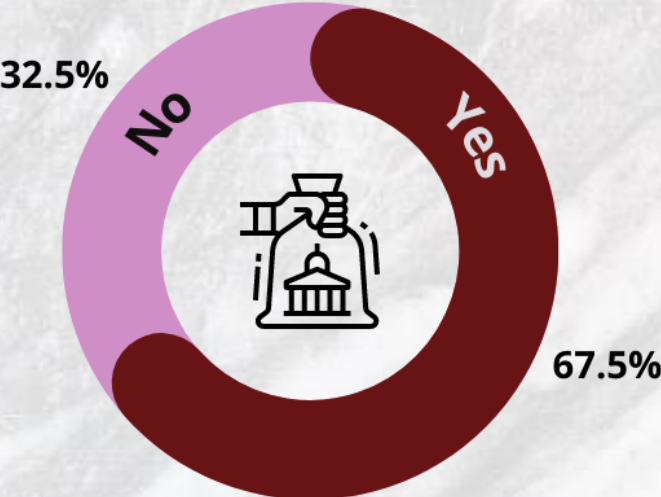


Government Schemes

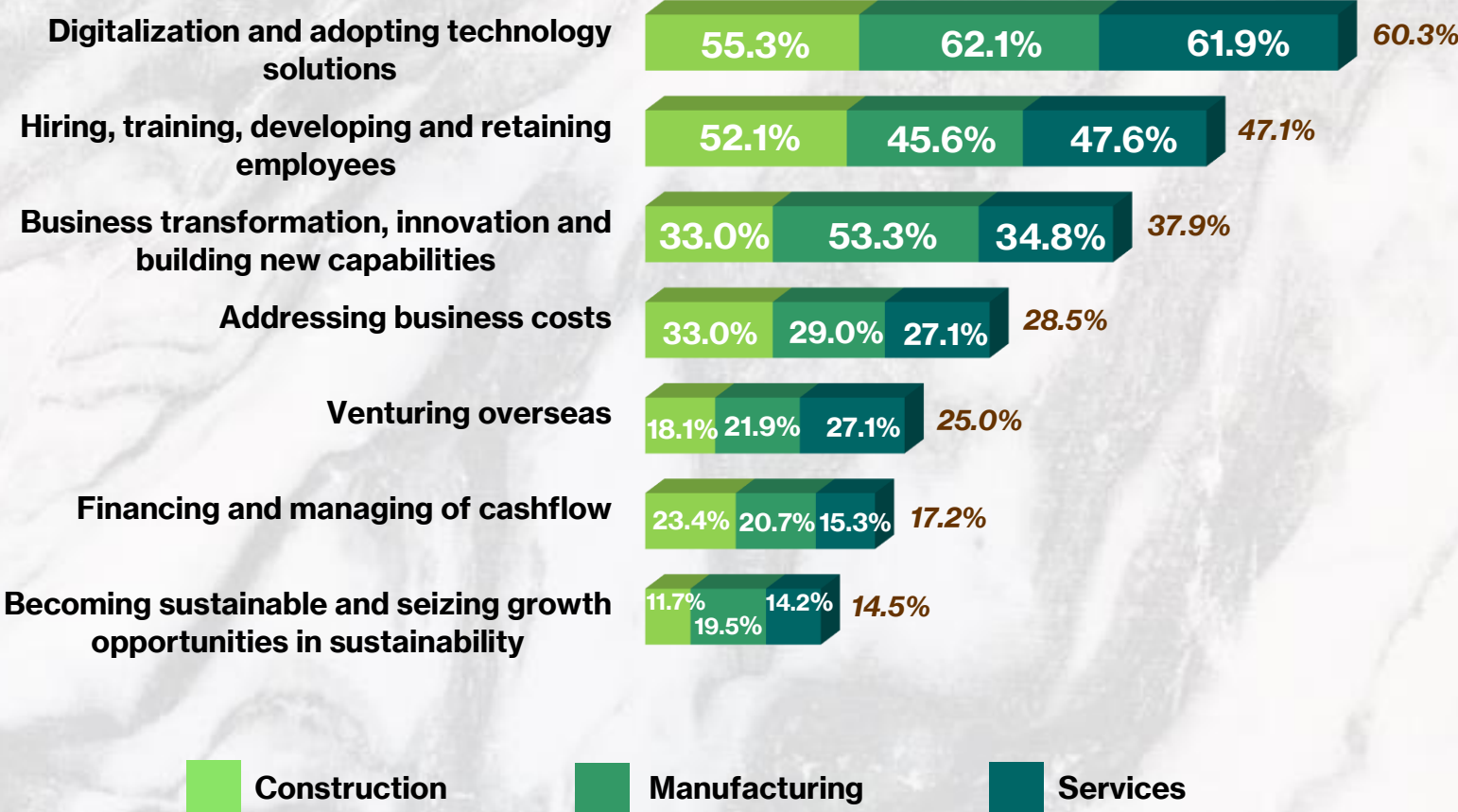


Businesses Alike are Seeking Government Schemes Amid the Ongoing Push for Digital Transformation & Addressing their Manpower Needs

% of Respondents across all Sectors who had Applied for Government Schemes



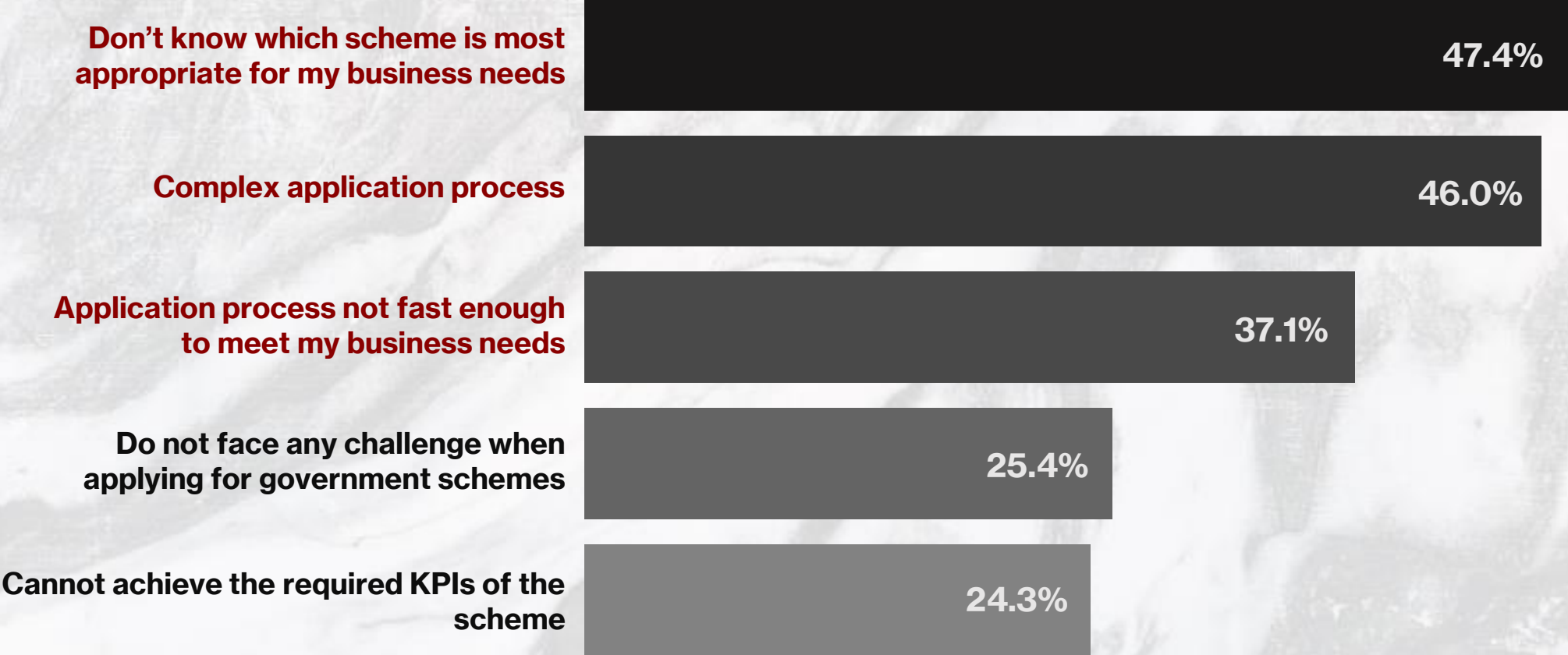
% of Businesses for each of the 3 Major Sectors on the Type(s) of Government Schemes they Find Useful



x%: Percentage of respondents across all sectors

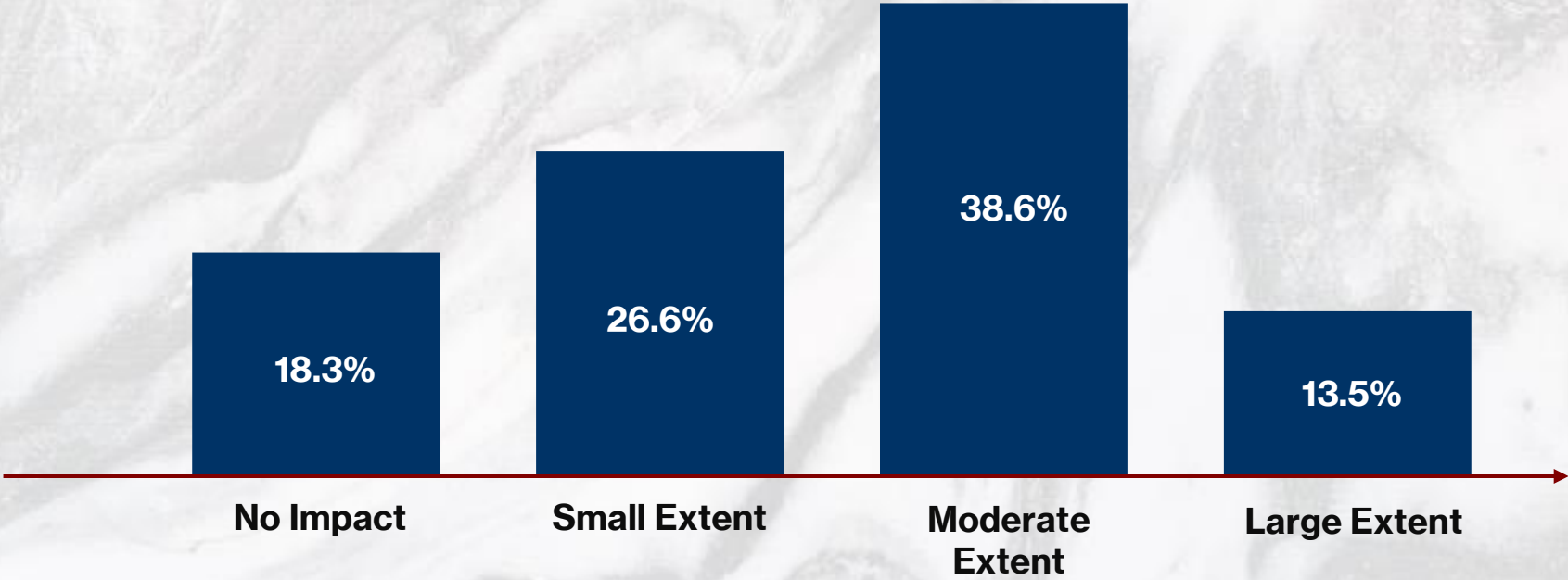
Top 3 Challenges When Applying for Government Schemes: **Lack Knowledge of Schemes, Complex and Slow Application Process**

% of Respondents across all Sectors who selected the Corresponding Option as part of their “Top 3 challenges when Applying for Government schemes”



Small-to-Moderate Degree of Impact Faced by 65% of Businesses in the Post-COVID Tapering Off of Government Schemes

% of Respondents across all Sectors on How Much the Tapering Off of Schemes Affected their Businesses

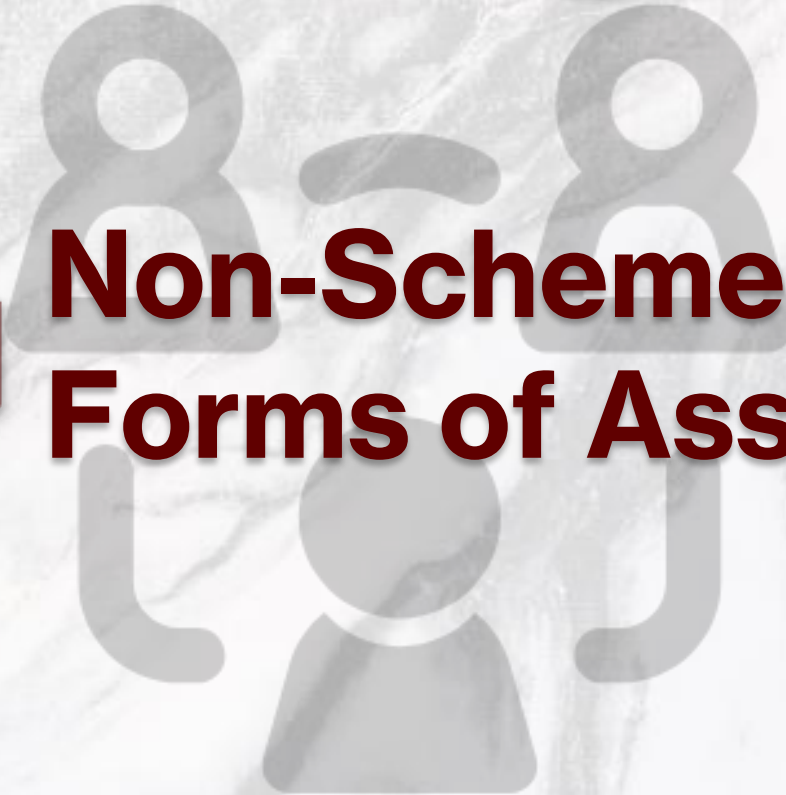




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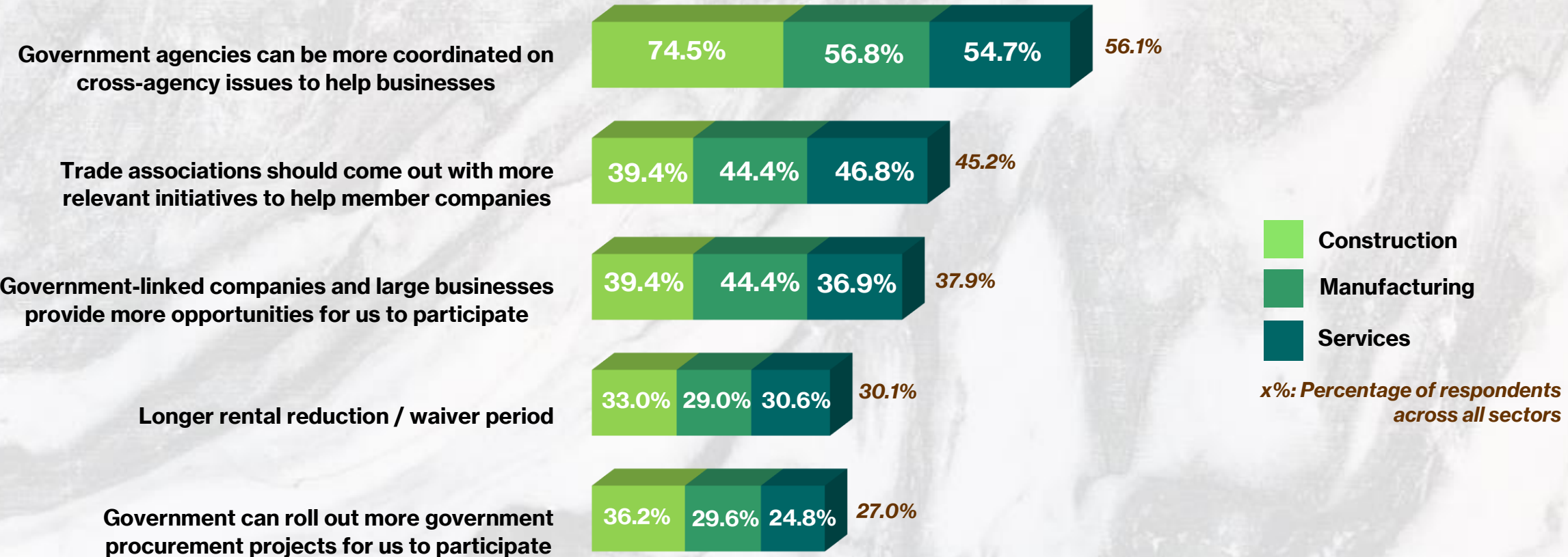
7

Non-Scheme Forms of Assistance



Businesses across Sectors are Seeking Better Cross-Agency Coordination, Assistance from TACs, and Opportunities from Large Businesses

% of Businesses for each of the 3 Major Sectors on the Help they Need Apart from Government Schemes





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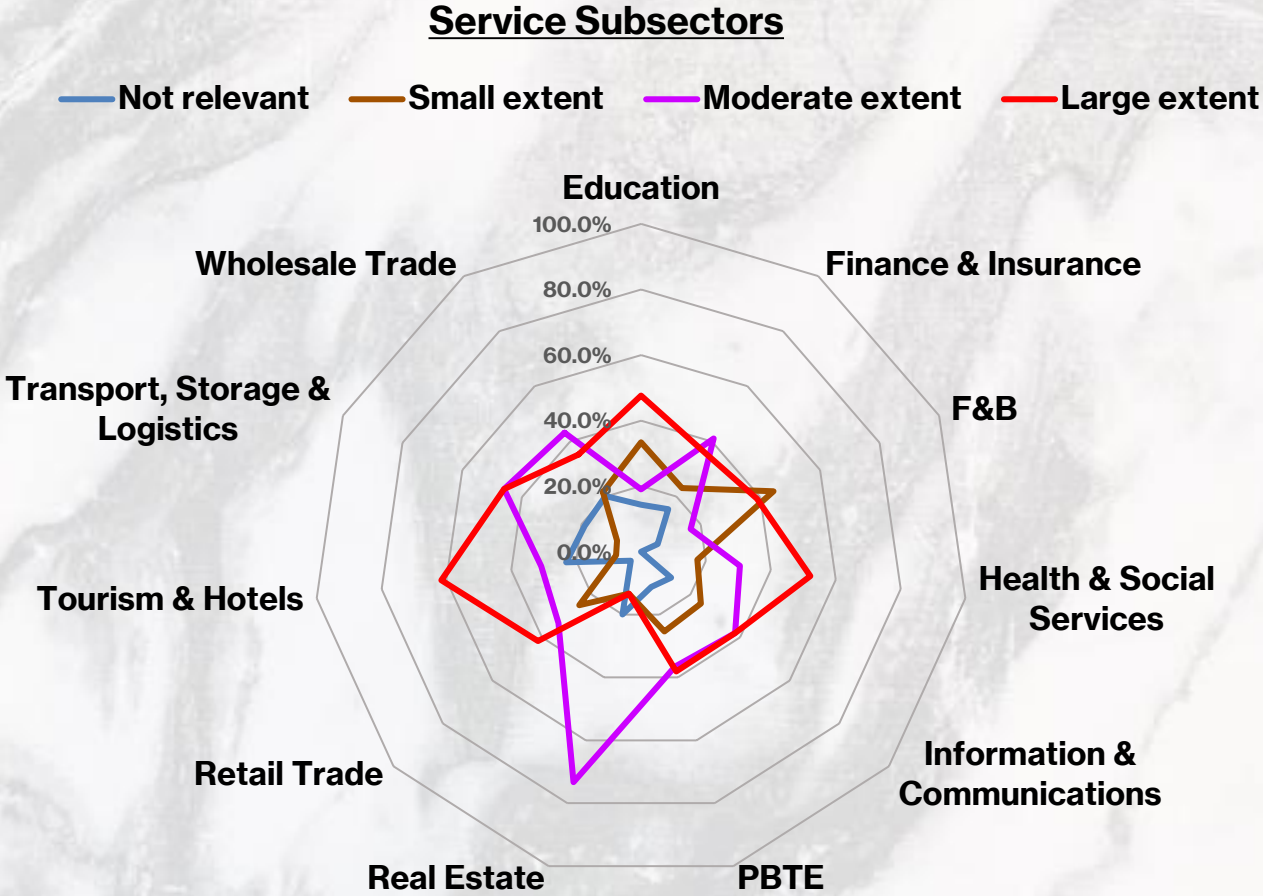
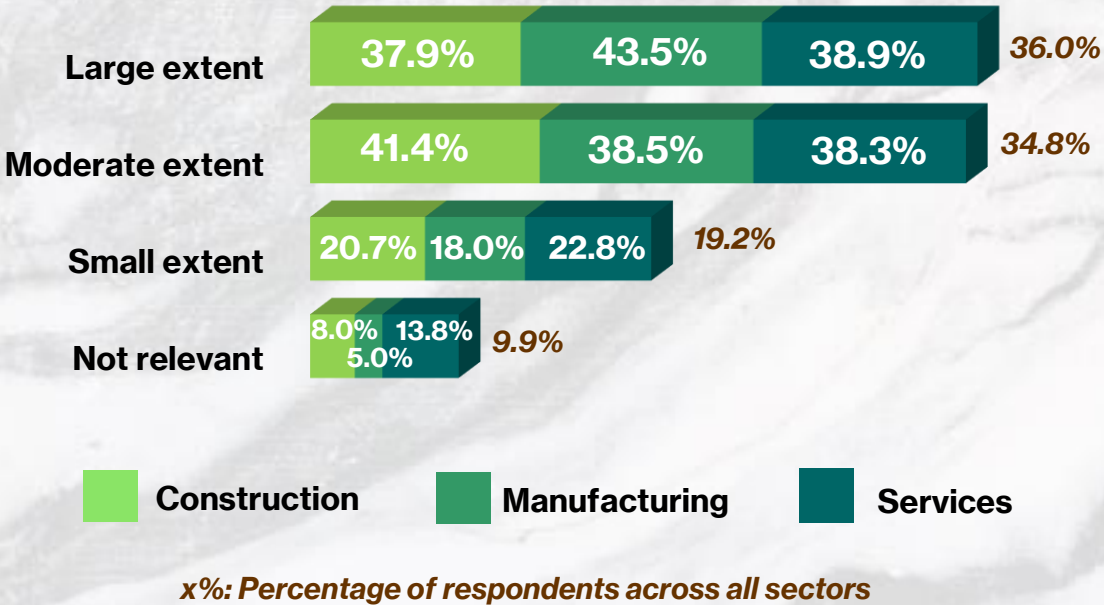


Business Sustainability



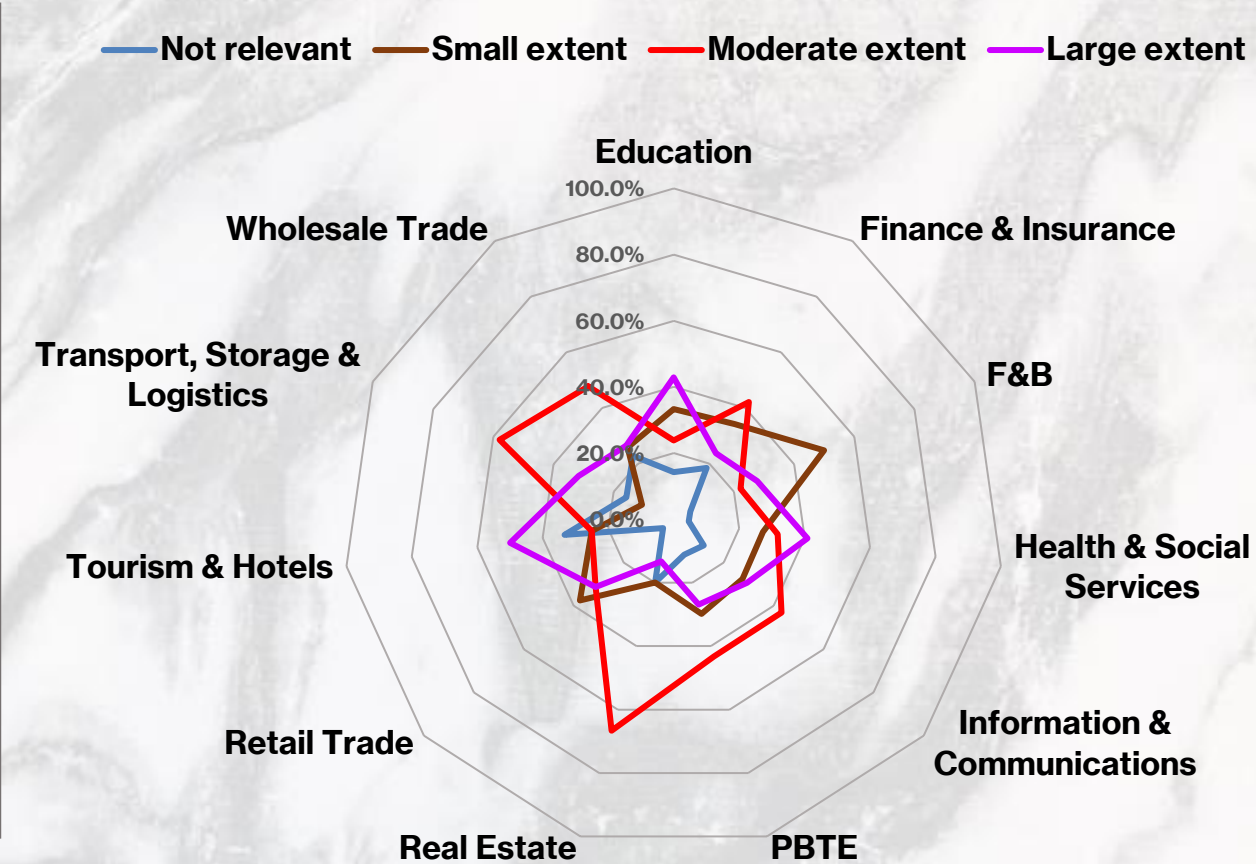
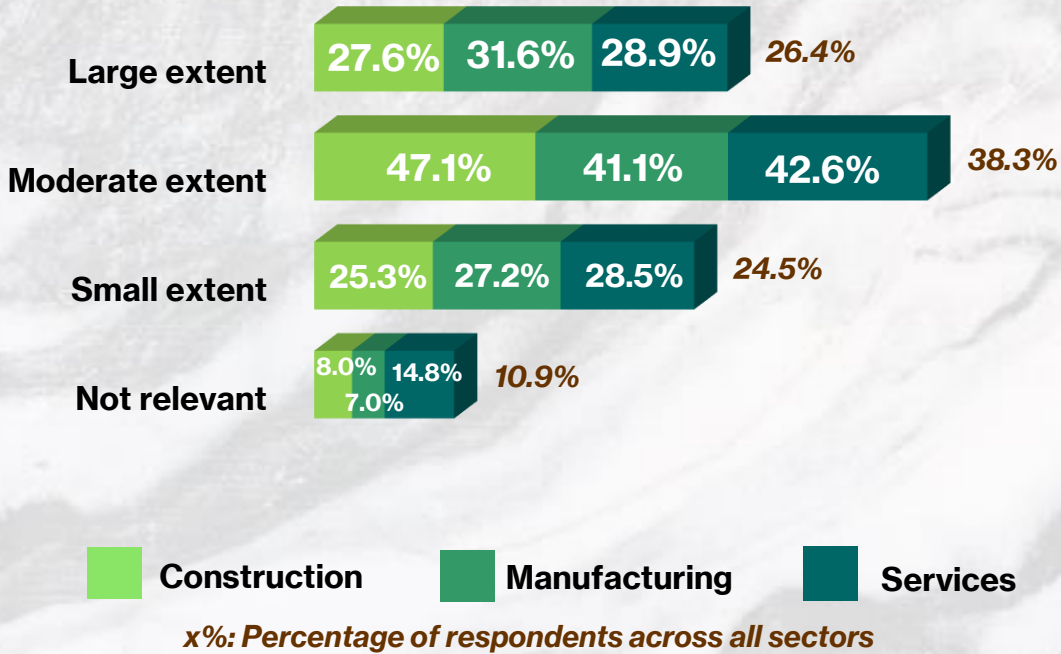
Sustainability is Regarded as an Important Element in Businesses across all Sectors/Subsectors

% of Businesses for each Sector/Subsector on the Importance of Sustainability & Regard it as a Competitive Advantage



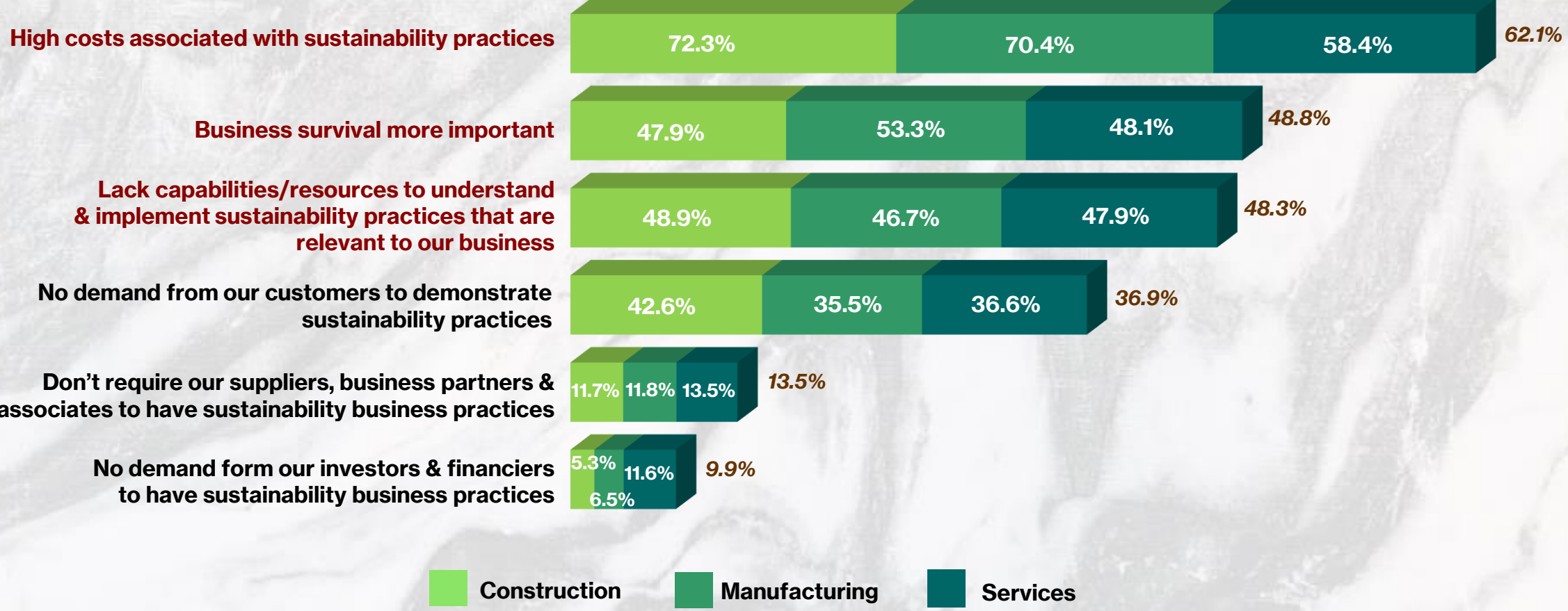
Sustainability Moderately Incorporated into Businesses; While Sustainability is Regarded as Important, Actual Implementation is Still Lagging

% of Businesses for each Sector/Subsector on the Extent that Sustainability has been Incorporated into their Business Strategy & Model



High Costs, Priority on Business Survival and Lack of Capabilities Hinder Efforts to Pursue Sustainability

% of Businesses for each of the 3 Major Sectors who selected the Following Options as part of their Top 3 Challenges in Implementing Sustainability Practices



■ Construction
 ■ Manufacturing
 ■ Services

x%: Percentage of respondents across all sectors



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9

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 occupations have persistently remained less attractive to local workers, including technicians, drivers in logistics industry, heavy vehicle drivers, rank-and-file jobs in manufacturing, engineering, F&B and retail. Companies therefore need continued access to foreign workers to fill such jobs to enable them to take on more business activities and keep their businesses thriving, which in turn can help to better secure local jobs.
- For hard-to-fill rank-and-file positions, urge government to consider broadening the source countries of foreign workers beyond the current Non-Traditional Sources (NTS) of Malaysia, China and North Asia to include nearby ASEAN countries, for example, Vietnam, Thailand, Myanmar, Cambodia and Laos.

Recommendations

2. Refine and strengthen government support for the digitalisation efforts of SMEs

- SMEs are moving apace to digitalize their businesses and operations in an increasingly digital economy. Urge the government to strengthen and refine government support for SMEs in the following specific manner:
 1. SMEs without in-house IT expertise value the “CTO-as-a-Service scheme”. Recommend to broaden the scope of CTO-as-a-Service to address more complex and sophisticated digital needs of SMEs, to include beyond pre-approved basic digital solutions.
 2. Better incentivize SMEs and digital solutions vendors to select and adopt digital solutions that are inter-operable and can be integrated. Driving SMEs to adopt digital solutions that can be integrated can also be more cost-effective in the long-run as their digital needs expand.
 3. With growing cyber and data leakage risks, consider making it mandatory that digital solution providers, who serve as data intermediaries, to be PDPA-compliant and are certified to manage cyber and data risks. Doing so will help SMEs (as end-users) make sure that the solutions they adopt are equipped to manage cyber and data risks.

Recommendations

3. 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 LEAD 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% (through LEAD) for TACs to undertake in-depth and thorough market research before embarking on business missions.

Recommendations

4. Quicken the pace of SMEs' pursuit of sustainability with a view to build new capabilities and 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, how they can incorporate sustainability into their businesses, and capture new opportunities. TACs can leverage on the “Enterprise Sustainability Program” announced in Budget 2021 to onboard more SMEs to embark on sustainability initiatives. To go further, TACs can aggregate the common needs of SMEs in their pursuit of sustainability and seek funding support level beyond 70% for the participating SMEs. This will help to accelerate the process of SMEs building capabilities in sustainability and capturing new market opportunities.
- To help reduce carbon footprint, recommend to incentivize the use of EVs for logistics and transport sectors through relevant incentives (e.g. COE rebates) and speed up the development of corresponding EV charging infrastructure.

THANK YOU

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