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**MEDIA ADVISORY:
SCCCI's recommendations to help the SMEs in
the new term of government
in connection with SME Survey 2015**

SCCCI President Thomas Chua said: “The SCCCI would like to recommend that **“riding on the Trade Association Hub and with continued government support, Chamber will work with trade associations to develop their industry plans, industry-level productivity programmes and leverage on SkillsFuture to help SMEs upgrade, transform, and address their manpower challenges.”**”

According to the survey, SMEs' productivity efforts so far have largely focused on acquiring IT and automation equipment. These have yet to show results in productivity at the overall level. SMEs need more guidance and help to optimise their business model and undertake higher value-added activities.

Three broad recommendations to the government were highlighted in the report. In particular, it recommends the government's **continued commitment to SMEs**, including those in the **traditional industries** not identified as growth sectors by the government agencies.

For better effectiveness in helping SMEs to **deal with cross-agency issues**, SCCCI hopes the government would appoint a **dedicated Minister**, or **change how agencies are organised (including merging some)** to take care of SMEs.

At the same time, in order to address rising business costs, the SCCCI hopes the government would set up a **Cost Review Committee** to undertake a comprehensive review of major cost contributors such as rental, manpower, utilities, transport costs (including fuel price), and government fees and charges.

The Singapore Chinese Chamber of Commerce & Industry conducted its annual flagship SME Survey from May-July this year, and the results are based on a total of 756 respondents. SMEs accounted for 96.2% of the respondents, while 88% of the respondents are business owners and decision-makers.

In terms of **Business Prospects** and **Key Business Challenges**, 83% of the companies surveyed are facing rising business costs, while 52% reported a decline in profit margins (a further decline compared to 46% in 2014), indicating **business sentiments are down**.

The two key business challenges encountered are rising business costs and manpower shortage. Employee salary and rentals are the two top contributing factors of rising business costs.

More apparent in this year's survey was the significant rise in compliance costs / government administration fees and levies (up by 9.5% compared to 2014).

88% of the companies surveyed have adopted **productivity improvement measures**. The two most common measures are: adopting automation/leveraging on IT, and training to upgrade employee skills. In particular, **more micro-enterprises** (with annual revenue below S\$1 million) have embarked on productivity improvement efforts, from 81% in 2013, to 86% in 2014 to 92% this year.

As for **Adopting Government Assistance Schemes**, 74% (almost three-quarters) of companies surveyed have applied for government schemes. However, while more micro-enterprises have applied for government schemes (reaching 63% this year), they continue to lag behind the larger SMEs in leveraging on government schemes.

Pertaining to the **SkillsFuture programme**, the survey revealed that most SMEs (56%) are unaware of SkillsFuture. On **Manpower requirements**, companies were also surveyed on the type of workers they wish to hire – university graduates, ITE and polytechnic graduates, or rank-and-file workers. The majority of companies (89%) indicated their **desire to hire rank-and-file workers**.

The full report is attached for reference.

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About Singapore Chinese Chamber of Commerce & Industry

Established in 1906, the Singapore Chinese Chamber of Commerce & Industry (SCCCI) is an internationally renowned business organisation and the apex body of the Chinese business community in Singapore. It is the founder of the biennial World Chinese Entrepreneurs Convention and the World Chinese Business Network (www.wcbs.com.sg), a global online business information portal. It plays a key and pro-active role in representing the interests of the local business community. In its continued drive for service excellence, the SCCCI has become the first business chamber in the region that has been awarded ISO 9001:2000 certification since 1995. In 2009, the Chamber successfully upgraded its ISO certification to ISO 9001:2008.

The SCCCI has a membership network comprising over 4,000 corporate members and more than 150 trade association members, representing over 40,000 companies including large financial and business organisations, multinational corporations, government-linked companies, and small and medium enterprises from a wide spectrum of trades and industries. Together, they provide the business community with vast resources and an influential global Chinese business network for business, culture and education.