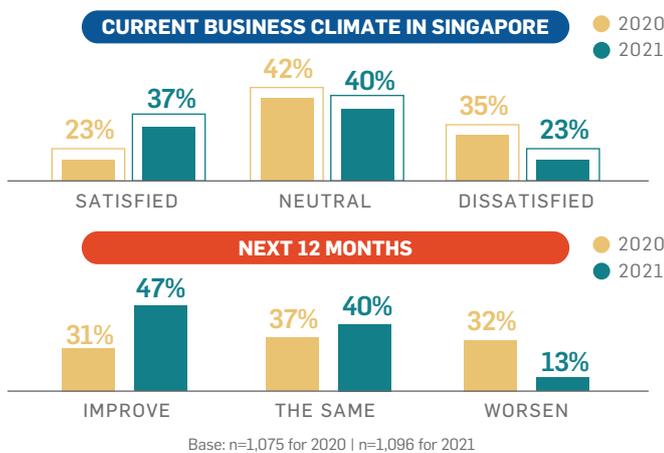


These findings summarise the National Business Survey 2021/2022 conducted by the Singapore Business Federation (SBF). This annual survey, which is into its 14th edition, was carried out from 26 July to 1 October 2021 and drew responses from 1,096 companies across key industries.

## 1. BUSINESS SENTIMENTS & IMPACT OF COVID-19

### 1. Business sentiment on the rise in 2021

Optimism among the business community in Singapore has risen in 2021. 37% of businesses are satisfied with the current local business climate, a rise from 23% in 2020. Nearly half of businesses (47%) are confident that the economy will improve in the next 12 months.



### 3. Impact of COVID-19 gradually easing

More than half of the companies (56%) reported no impact from COVID-19, an improvement from 31% in 2020. The proportion of companies that reported being negatively impacted has halved from 63% in 2020 to 32% in 2021, while those that reported positive impact doubled from 6% to 12%.

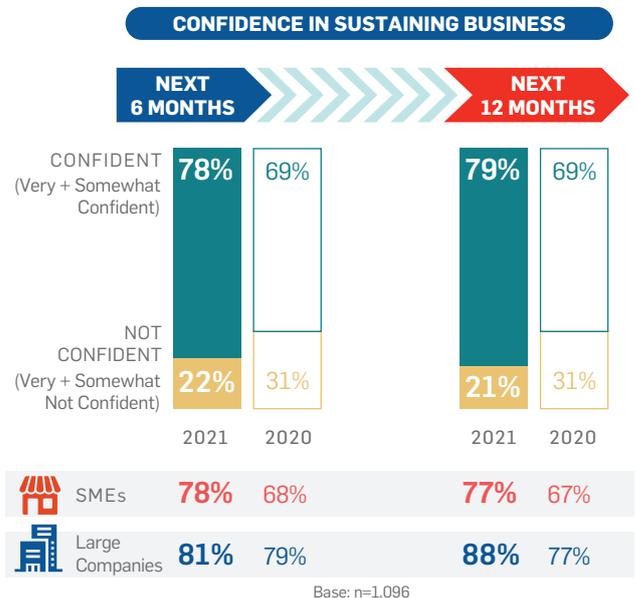
Recovery remains uneven, with Construction and Civil engineering (42%), and Retail, Real estate, Hotels, Restaurants and Accommodations (38%) sectors have the highest proportion of companies reporting being negatively impacted. Conversely, the Banking & Insurance (73%) and the IT & Professional Services (64%) sectors had the highest proportion of companies reporting no impact from the pandemic.



Base: n=1,096

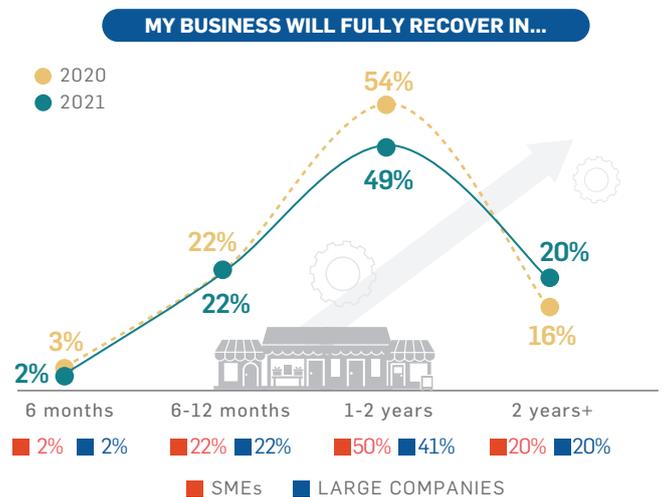
### 2. Confidence grows among the business community

In line with the growing optimism, nearly eight in ten businesses (79%) are confident of sustaining their business operations over the next 12 months, a sentiment shared among SMEs and large companies alike.



### 4. Most businesses expect to recover in 1 to 2 years

Nearly half of the businesses negatively impacted by COVID-19 believe they will realistically take around 1-2 years to recover, though close to a quarter hope for optimistic recovery within the next 6-12 months.



Other categories include "My business was impacted but has now fully recovered." (3%) and "My business is unlikely to recover from the impact of COVID-19." (4%).

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

# 2. BUSINESS OUTLOOK: PRIORITIES & CHALLENGES

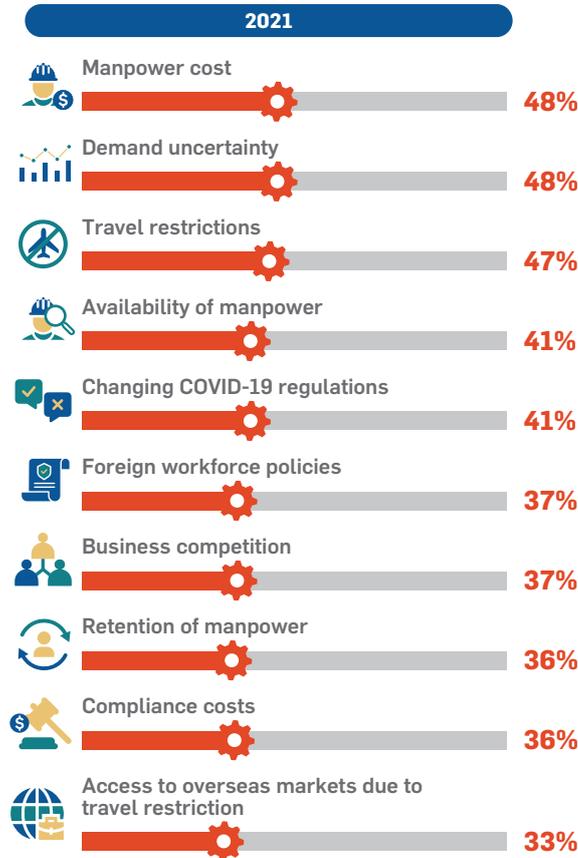
## 1. Key business challenges

Manpower cost (48%) and availability of manpower (41%) emerged among the top business challenges, taking up 2 of the top 4 challenges reported. Businesses are also grappling with demand uncertainty, travel restrictions and the changing regulatory environment.

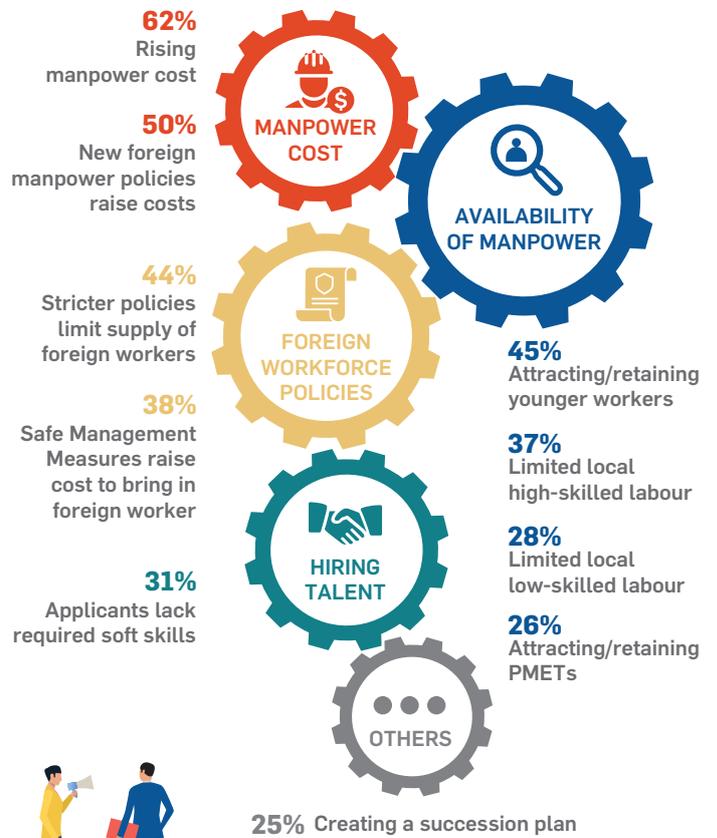
## 2. Spectrum of manpower issues

Businesses continue to wrestle with a spectrum of manpower challenges, ranging from costs of hiring workers, attracting talents to foreign workforce policies.

### KEY MANPOWER CHALLENGES IN THE INDUSTRY



Base: n=1,096



Base: n=1,096

## 3. Doing more to hire locals

To navigate a tight labour market, businesses are strengthening ways to build a strong local core by enhancing recruitment efforts and offering competitive wages.

Base: n=1,096

### KEY RESPONSES TO FOREIGN WORKFORCE CHALLENGES

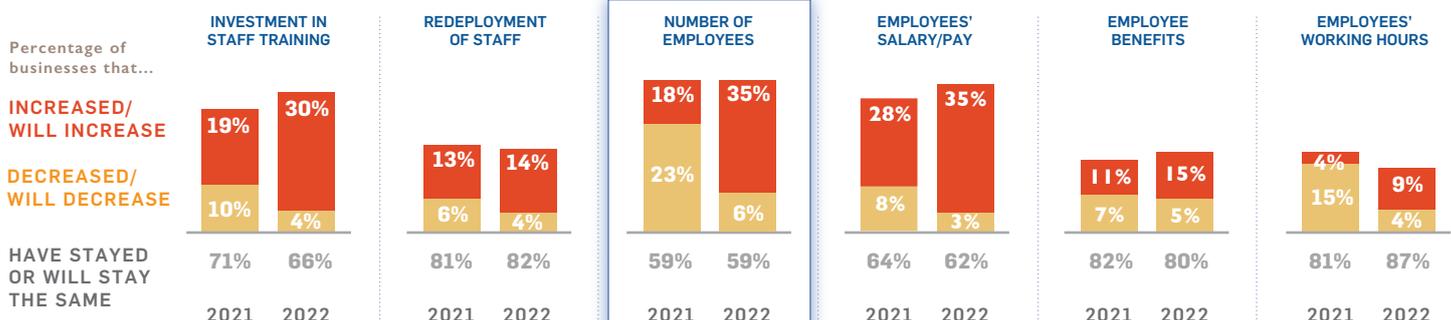
#### TOP 3 MEASURES TAKEN



## 4. 2022 to witness a positive hiring outlook

Despite the manpower constraints, companies report a positive hiring outlook with more than a third looking to increase hiring, raise employee salaries, and invest in staff training in the coming year.

### STEPS TAKEN IN THE WORKFORCE: 2021 VS 2022



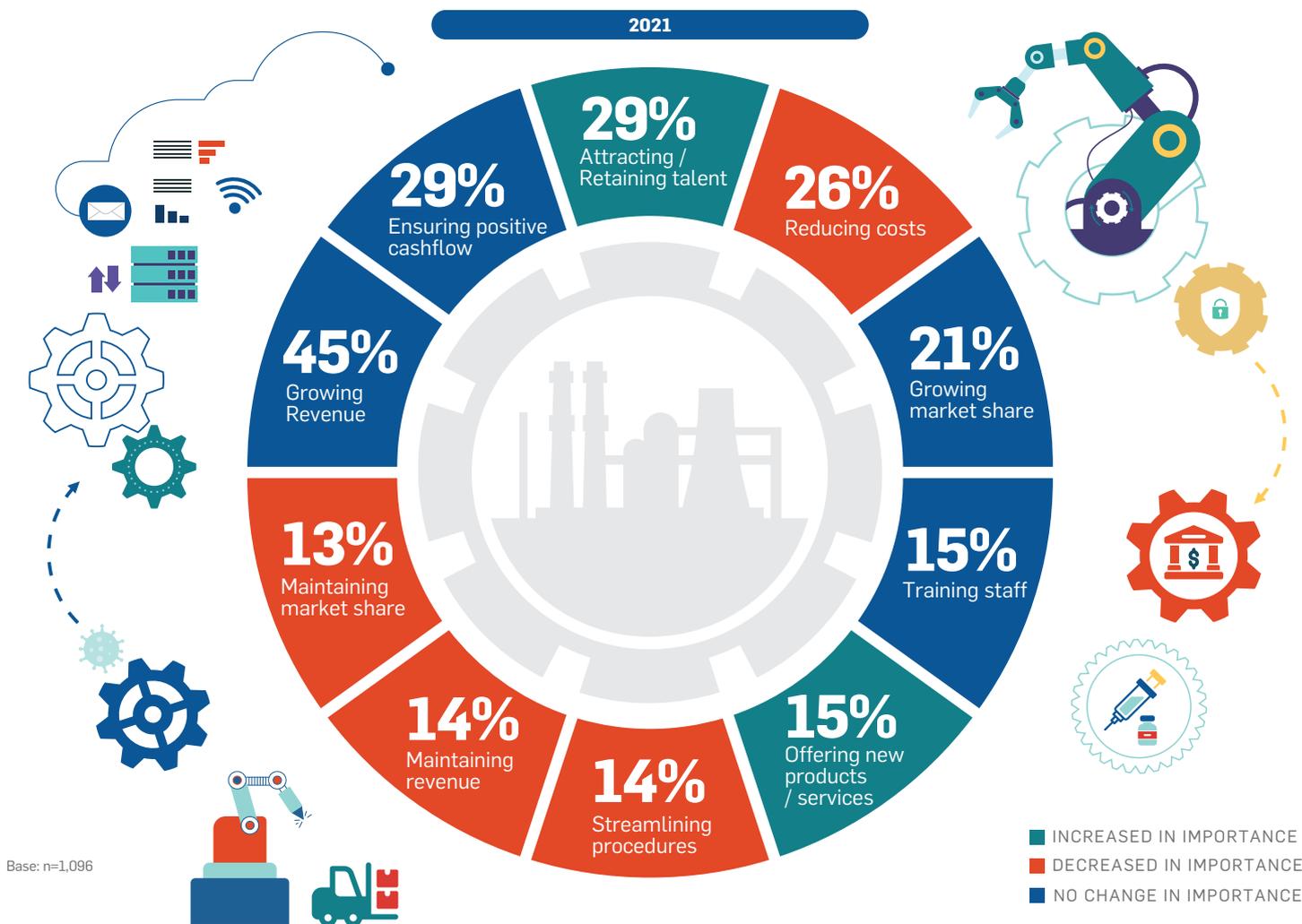
Base: n=1,096

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## 2. BUSINESS OUTLOOK: PRIORITIES & CHALLENGES

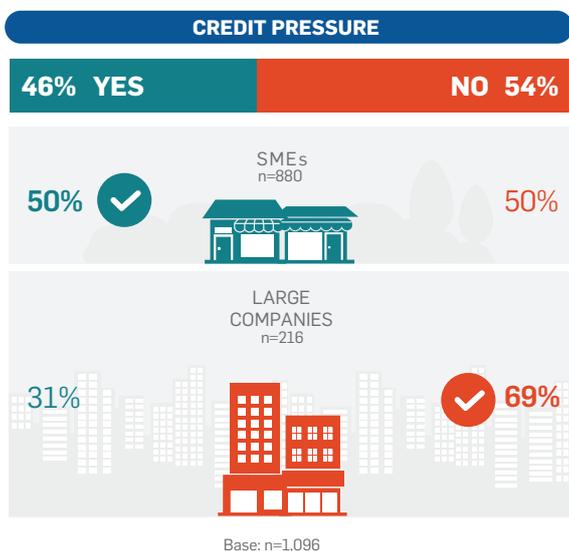
### 5. Evolving business priorities

Growing revenue and ensuring positive cashflow remains critical to businesses, though attracting talents and offering new products or services have become more important as companies seek to remain competitive.



### 6. Credit pressures remain

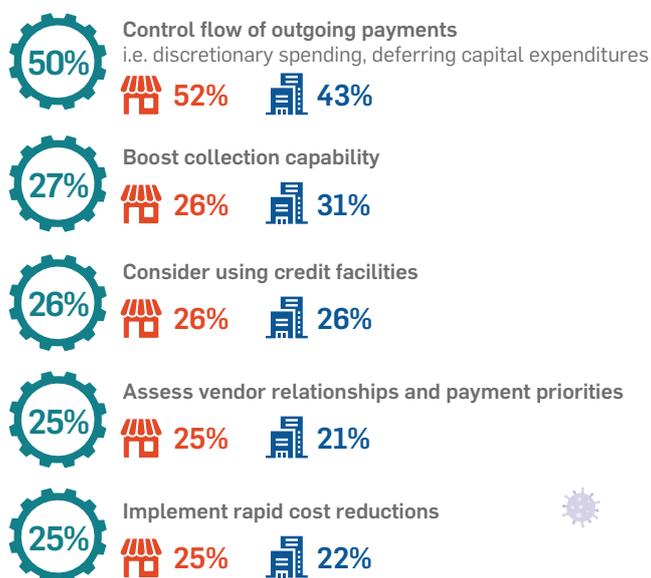
COVID-19 has dampened the liquidity position of many businesses, with nearly half of all businesses facing credit issues. Correspondingly, cashflow is seen as an issue for some SMEs going into 2022.



### 7. Easing liquidity pressure is vital

Businesses will run a tight ship for the foreseeable future. The impact of late payments will affect B2B transactions and may possibly ripple through the entire supply chain.

#### TOP SOLUTIONS TO EASE LIQUIDITY ISSUES



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

### 3. DIGITALISATION & TRANSFORMATION

#### 1. Digitalisation remains vital to transformation

Business transformation remains key to recovery and growth, with 94% of companies rating business transformation as being important to them.

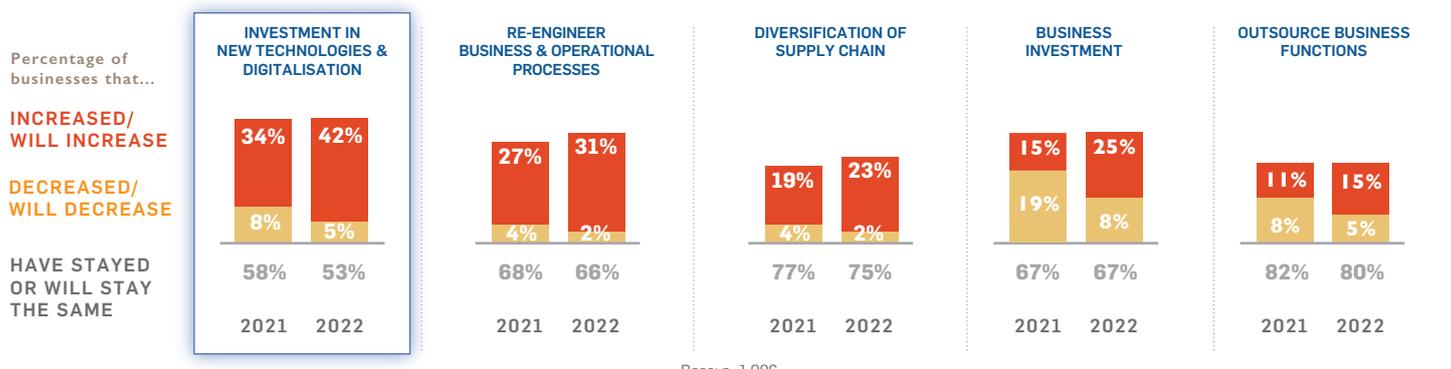
##### IMPORTANCE OF BUSINESS TRANSFORMATION



Base: n=1,096

The key areas of transformation in which businesses intend to increase their focus for the next year include digitalisation and investment in new technologies (42%), re-engineering of business and operational processes (31%) and diversification of supply chains (23%).

##### STEPS TAKEN IN PROCESS INNOVATION: 2021 VS 2022

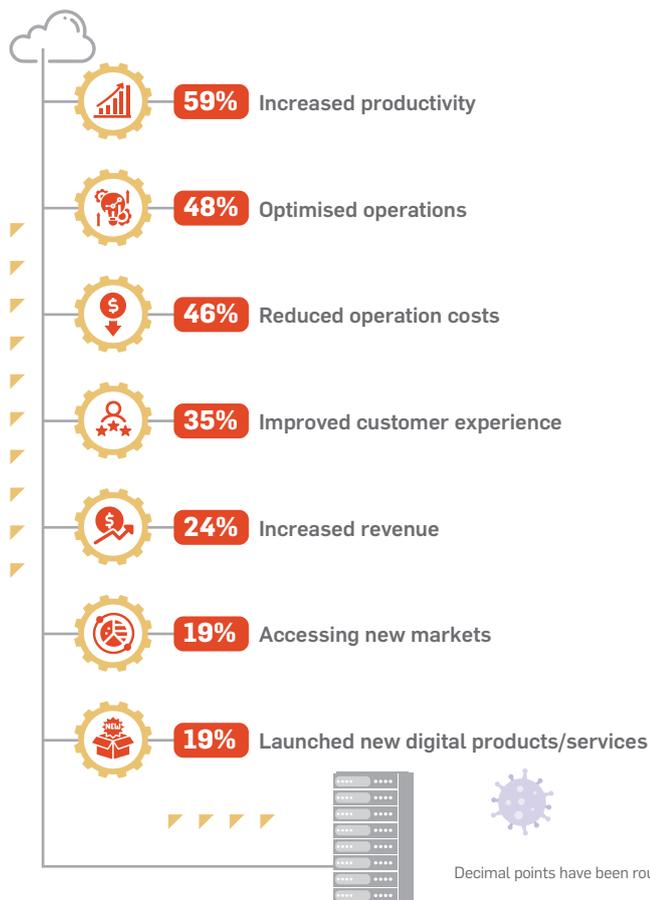


Base: n=1,096

#### 2. Weighing the benefits and challenges of technology adoption

Close to three-fifths (59%) of Singapore companies tap on technology to increase productivity, while 48% do so to optimise operations.

##### KEY BENEFITS OF DIGITAL TRANSFORMATION



##### KEY TECHNOLOGY ADOPTION CHALLENGES



Base: n=1,096

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

# 4. INTERNATIONALISATION

## 1. Overseas climate remains challenging for businesses

39% of companies experienced a contraction in overseas business, while nearly half (49%) reported no growth in the past year.

### OVERSEAS BUSINESS GROWTH

12%

#### KEY REASONS FOR EXPANDING

- Increased overseas demand **85%**
- Reputation of Singapore brand **45%**
- Trade tension between US and China **37%**
- Availability of digital platform to access overseas markets **33%**
- Lack of demand in Singapore **32%**



39%

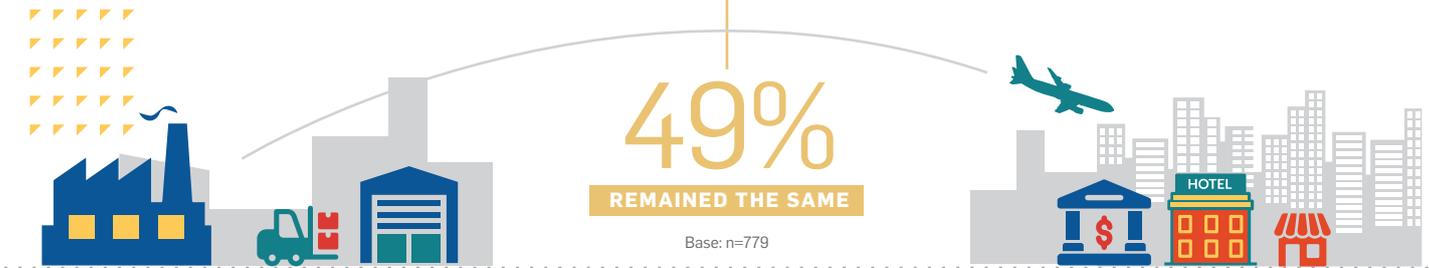
#### KEY REASONS FOR CONTRACTING

- 96%** Overseas Market is affected by COVID-19
- 60%** Decreased demand
- 50%** Physical presence required but hindered by travel restrictions
- 41%** Strong competition from other companies
- 38%** Business disruption due to supply chain challenges

49%

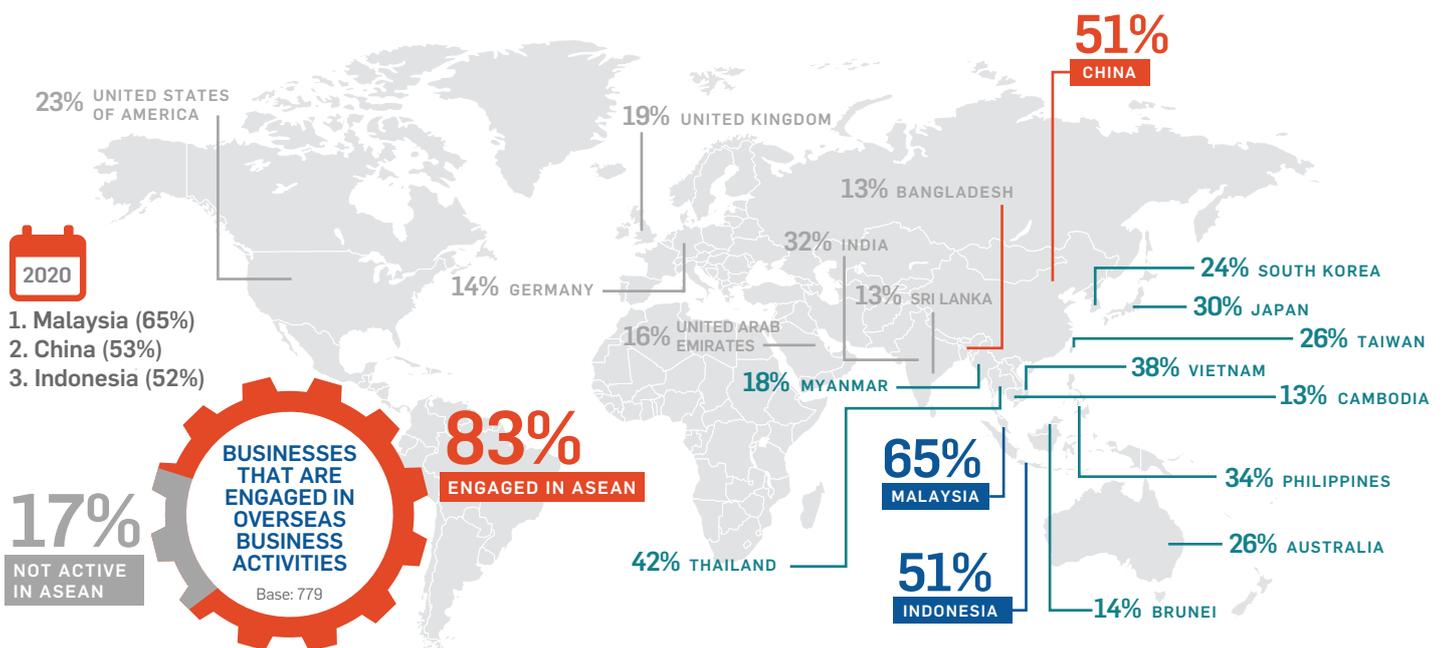
#### REMAINED THE SAME

Base: n=779



## 2. Southeast Asia and China still prime overseas destinations

Majority of businesses have expanded into ASEAN markets, with Malaysia and Indonesia the most attractive destinations. Outside of the region, 51% of businesses continue to operate in China.



Base: n=779

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

# 5. GOVERNMENT BUDGET & SUPPORT

## 1. Key areas of support needed

As businesses seek to digitalise, transform and uplift capabilities, the top area of government support required by businesses is digitalisation (43%). Other areas of support required include financial aid (38%), human capital development (37%) and financial management to optimise performance (37%). Businesses indicated these as being most relevant in helping them emerge stronger.

### KEY AREAS OF SUPPORT NEEDED



## 2. Different priorities between SMEs and large companies

SMEs and large companies desire assistance in the area of digitalisation; large companies also look for greater support to enhance manpower competencies.

### Assistance on digitalisation/digital transformation

42%

### Financial support (including equity financing)

39%

### Business strategy development advisory and consultancy service

38%



SMEs

### Human capital development (including strengthening HR capabilities)

51%

### Assistance on digitalisation / digital transformation

46%

### Equip management with the right competencies

37%

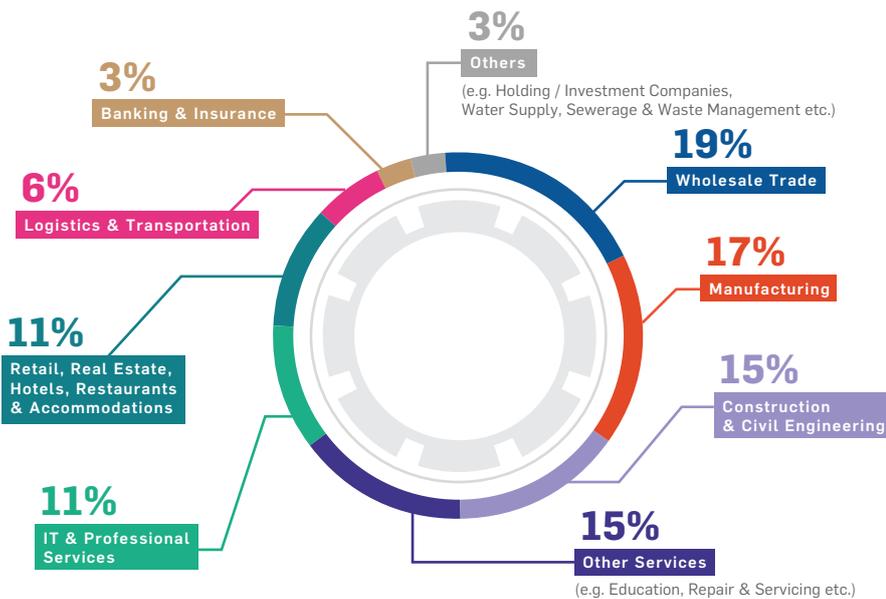


LARGE COMPANIES

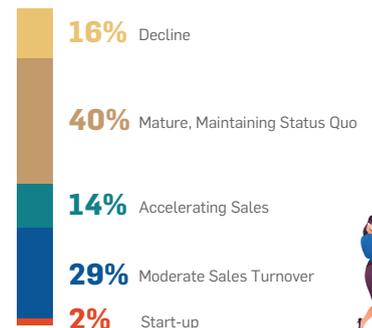
Base: n=1,096

# 6. ABOUT THE NATIONAL BUSINESS SURVEY 2021/2022

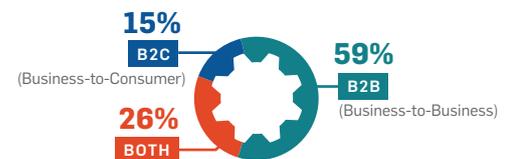
### SECTORS



### STAGE OF DEVELOPMENT



### MAIN MODE OF BUSINESS



### COMPANY SIZE



### ANNUAL SALES



### MINIMUM LOCAL SHAREHOLDING OF 30%

68% YES 32% NO

Base: n=1,096 | Decimal points have been rounded up. The total may not add up to 100%.

Survey conducted by  
Research & Publishing  
Advocacy & Policy Division  
Singapore Business Federation

In collaboration with  
Blackbox Research



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