



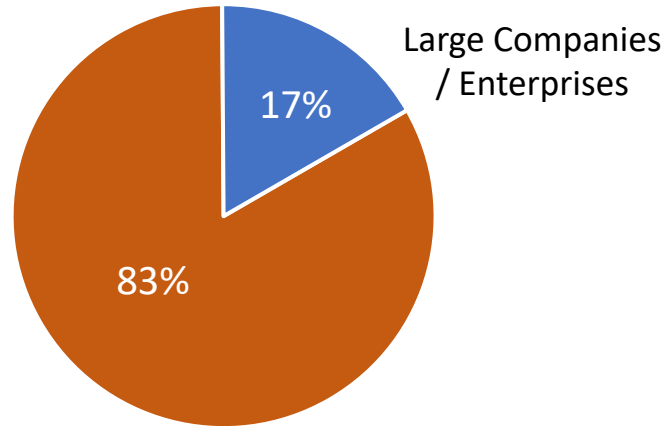
SBF SURVEY ON IMPACT OF UKRAINE-RUSSIA CONFLICT ON SINGAPORE BUSINESSES

(Based on responses collected from 6 to 22 April 2022.)



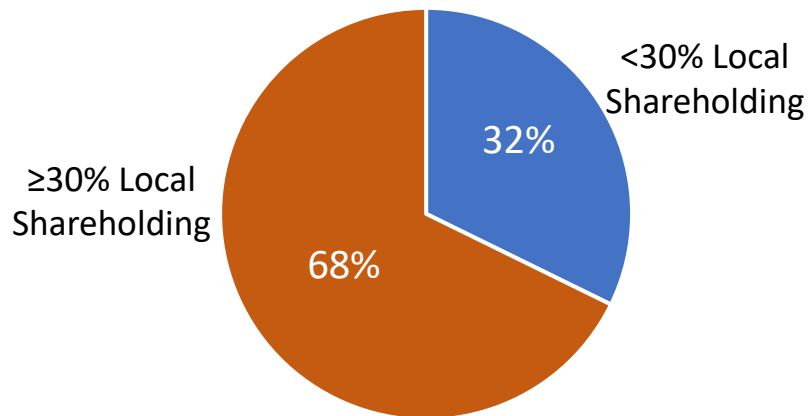
The survey drew responses from 185 companies across key industries.

Company Category



SMEs (Company's Group annual sales not more than S\$100 million OR Company's Group employment size not more than 200 workers)

Company Shareholding



Note: As the respondents contained only 31 Large Companies/Enterprises, the results for Large Companies/Enterprises should be read with caution.

Percentage of Respondents by Industries

Industries	%
Manufacturing (e.g. Food, Textiles, Paper Products, Chemicals, Metals, etc)	21%
Wholesale Trade	14%
Construction & Civil Engineering	11%
Others (e.g. (i) Agriculture & Fishing, (ii) Water Supply, Sewerage & Waste Management, (iii) Defence, (iv) Arts, Entertainment & Recreation, etc)	10%
IT & Related Services	9%
Professional Services	7%
Logistics & Transportation	6%
Retail Trade	5%
Health & Social Services	4%
Hotels, Restaurants & Accommodations	3%
Banking & Insurance	3%
Real Estate Activities	3%
Other Financial & Insurance Activities (e.g. Holdings/Investment Companies, etc)	2%
Education	2%
Administrative & Support Service Activities	0%

Overview of Key Findings (1/2)

Impact on Singapore's Overall Economic Growth

- About half of large companies (49%) and close to two-thirds of SMEs (63%) indicated that the Ukraine-Russia conflict will have a high impact or a very high impact on Singapore's overall economic growth for 2022.

Impact on Singapore Businesses

- Most large companies (55%) and SMEs (60%) felt that their businesses had been negatively affected by the Ukraine-Russia conflict.
- Business Areas Most Impacted by the Ukraine-Russia Conflict: Increase in business costs (58%) and supply chain disruptions (39%).

Overview of Key Findings (2/2)

Impact on Business Costs

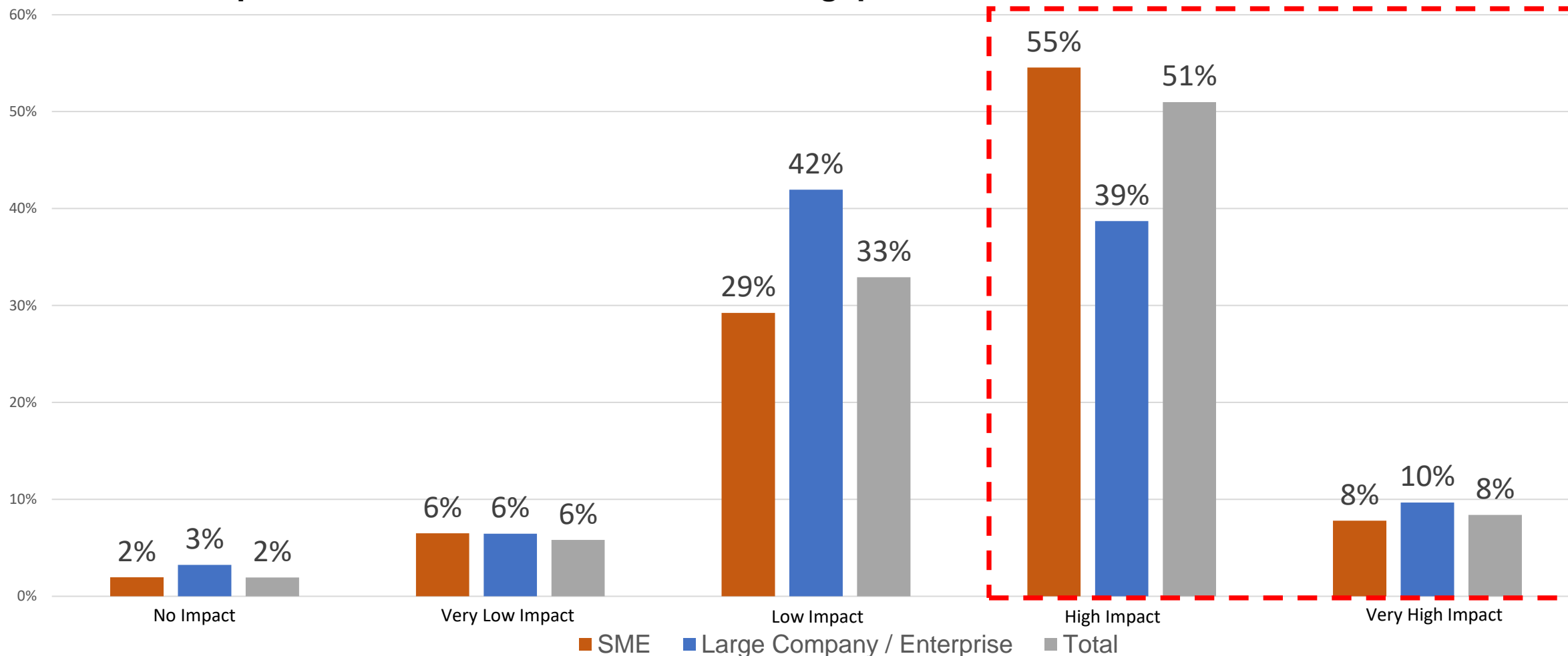
- More than half of the respondents (55%) experienced an increase in overall business costs of up to 25%.
- The top 3 areas of business operations that faced additional cost pressures: Logistics (24%), Overall cost pass-through from upstream suppliers/vendors (23%) and Procurement (18%).

Strategies Adopted by Companies (Business Operations, Manpower, Financial)

- Top business operations strategy adopted by companies: Look for opportunities to diversify supplier sources/markets and strengthen their model (47%).
- Top manpower strategies adopted by companies: Streamline manpower in responses to reduced demand (23%) and Realignment of job scope (22%).
- Top financial strategies adopted by companies: Absorb cost increase (38%), Pass down part of the cost increase to downstream vendors/customers (34%) and Streamline business processes (32%).

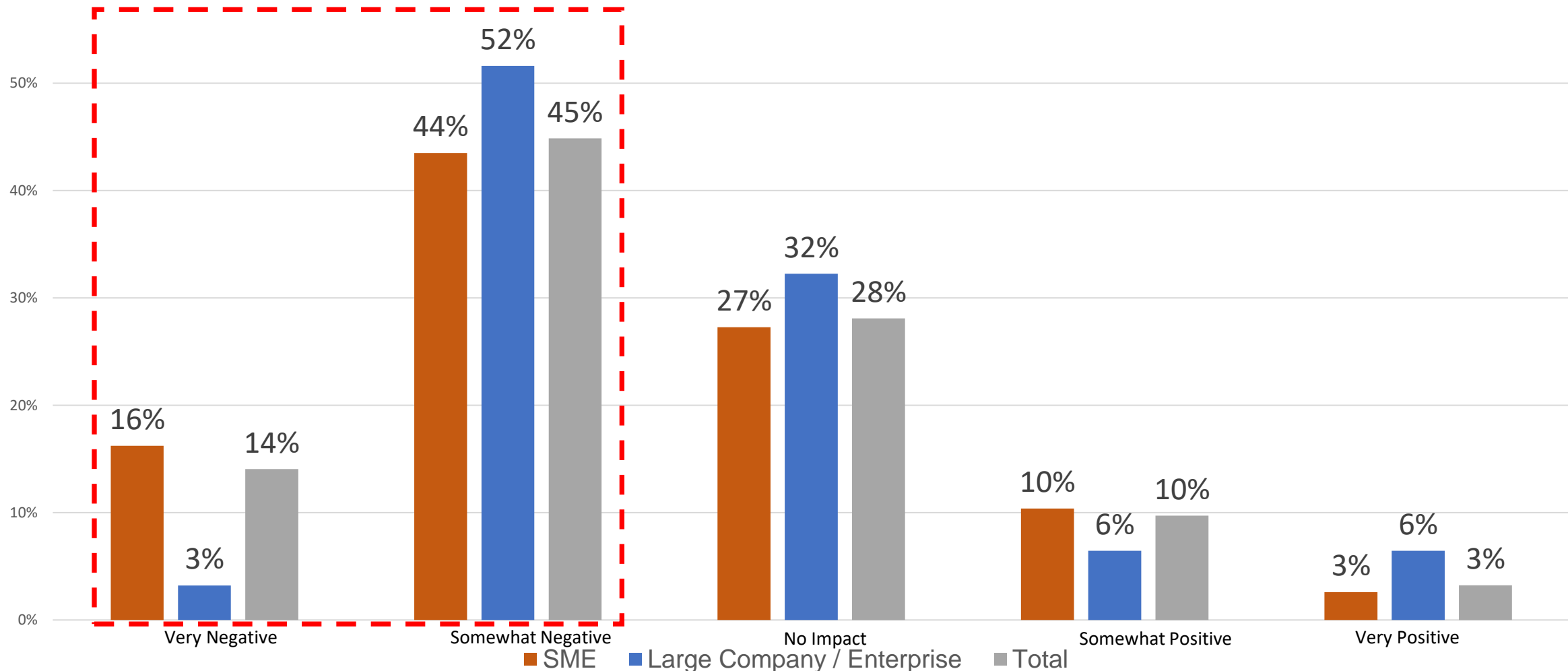
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Impact of Ukraine-Russia Conflict on Singapore's Overall Economic Growth



Most large companies (55%) and SMEs (60%) felt that their businesses had been negatively affected by the Ukraine-Russia conflict.

Impact of Ukraine-Russia Conflict on Singapore Businesses

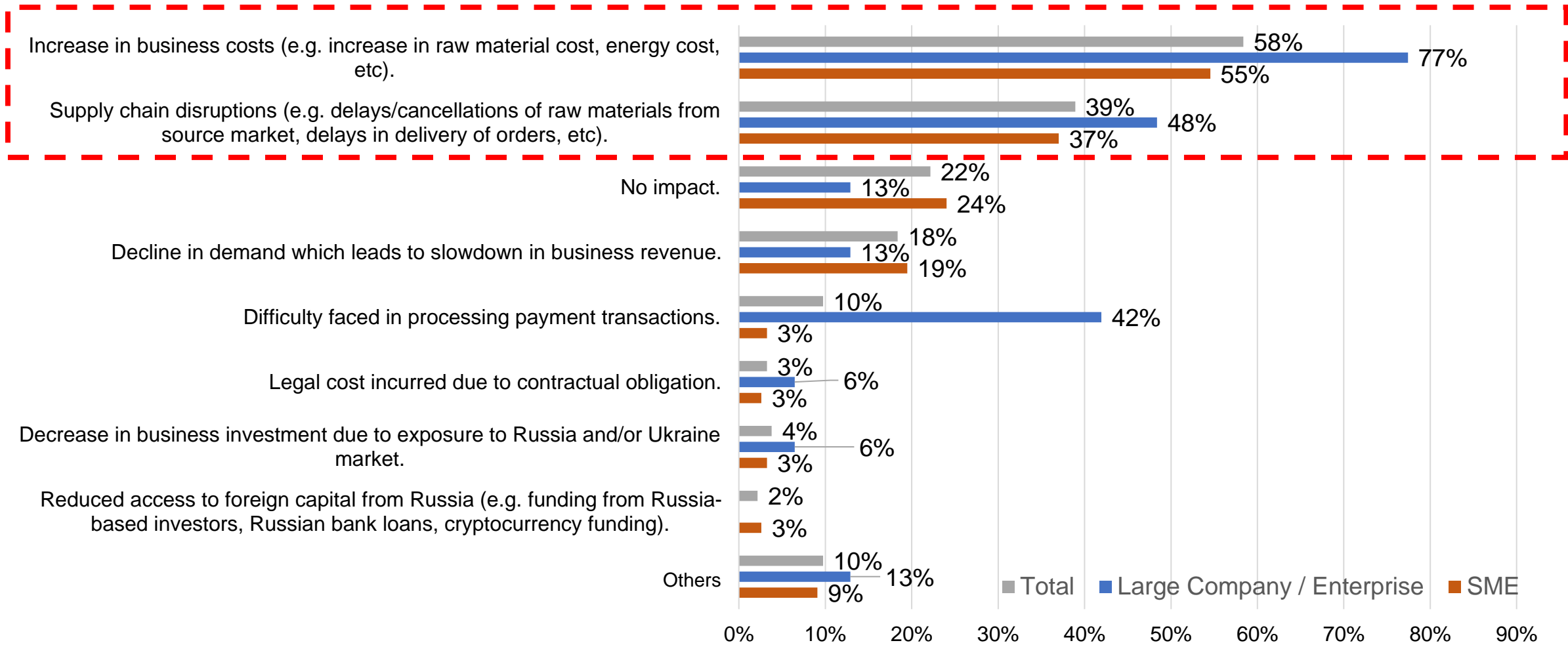


Q: On a scale of 1 to 5, to what extent has the Ukraine-Russia conflict affected your business in Singapore?

(n = 185)

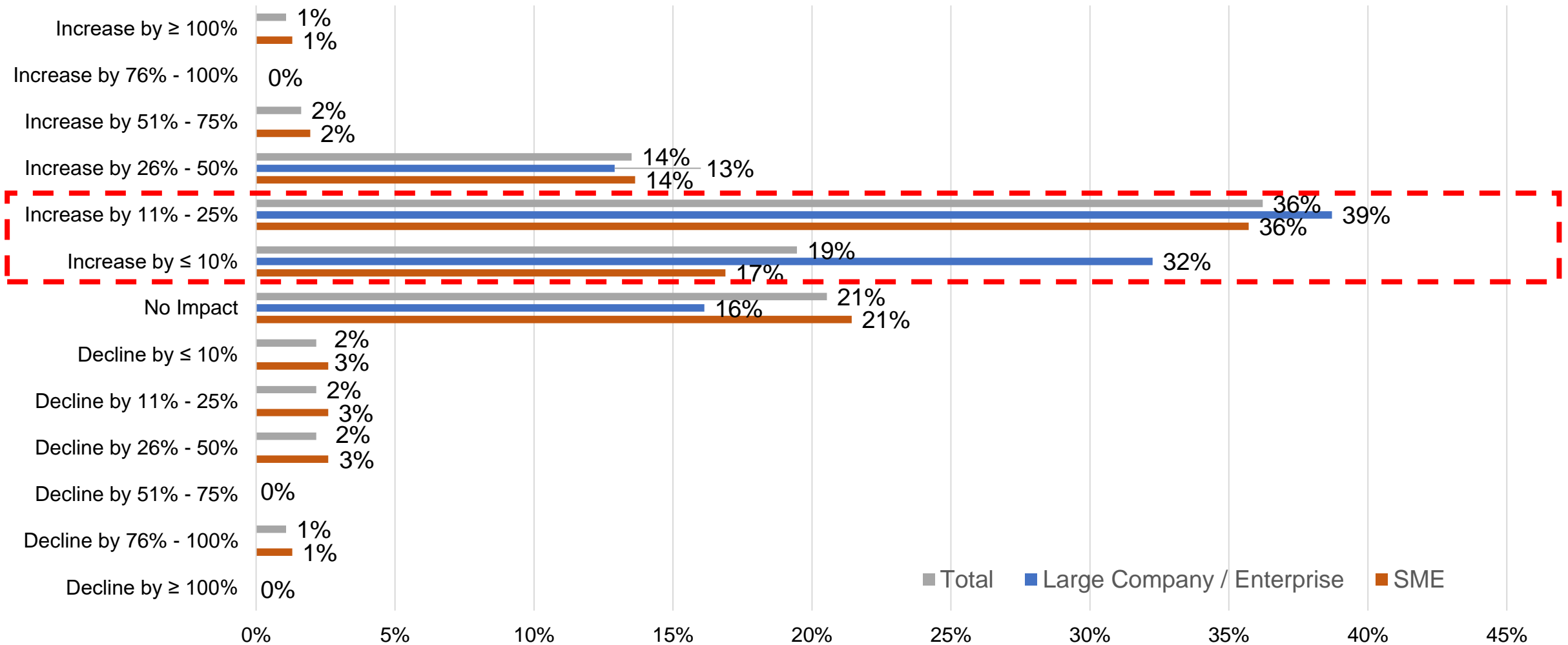
Increase in business costs (58%) and supply chain disruptions (39%) are the top 2 areas impacted as a result of the Ukraine-Russia conflict.

Business Areas Impacted by the Ukraine-Russia Conflict



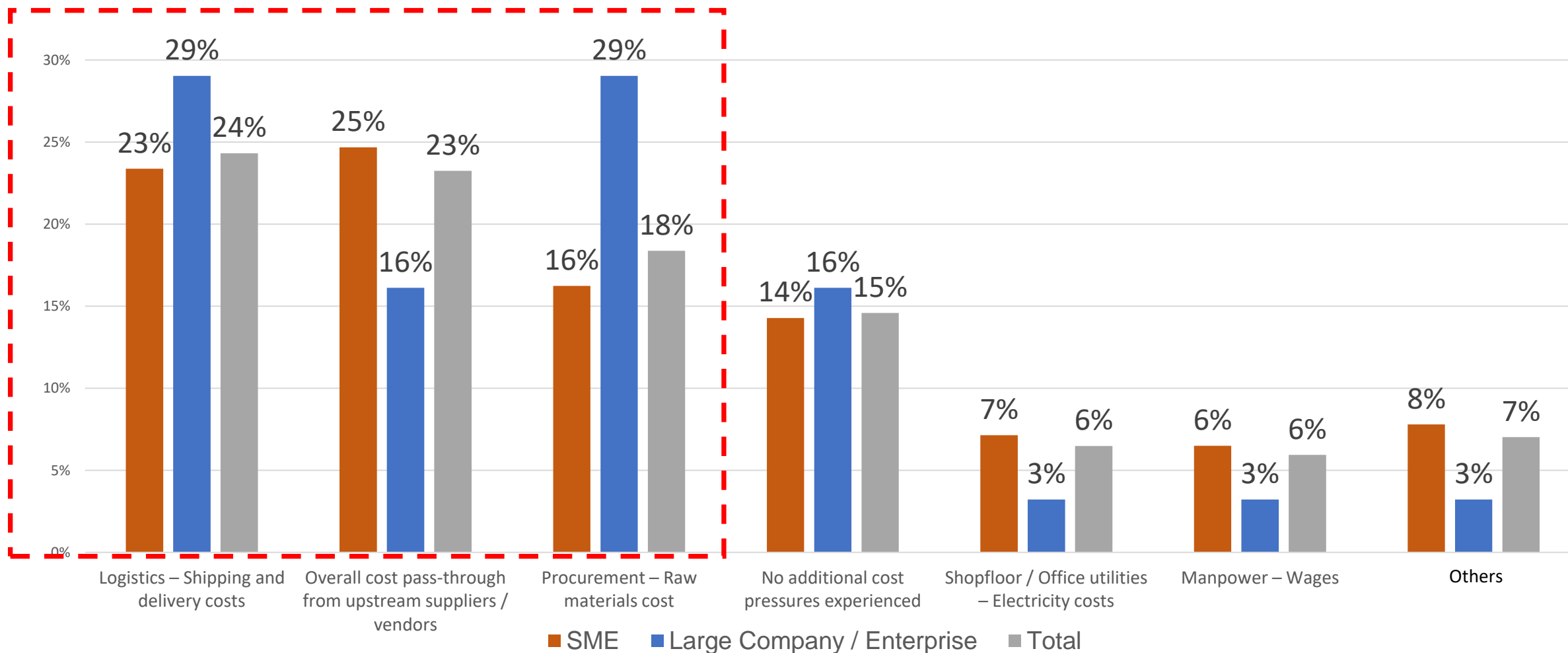
More than half of the respondents (55%) experienced an increase in overall business costs of up to 25%.

Impact on Business Costs



The top 3 areas of business operations that faced additional cost pressures were logistics (24%), overall cost pass-through from upstream suppliers/vendors (23%) and procurement (18%).

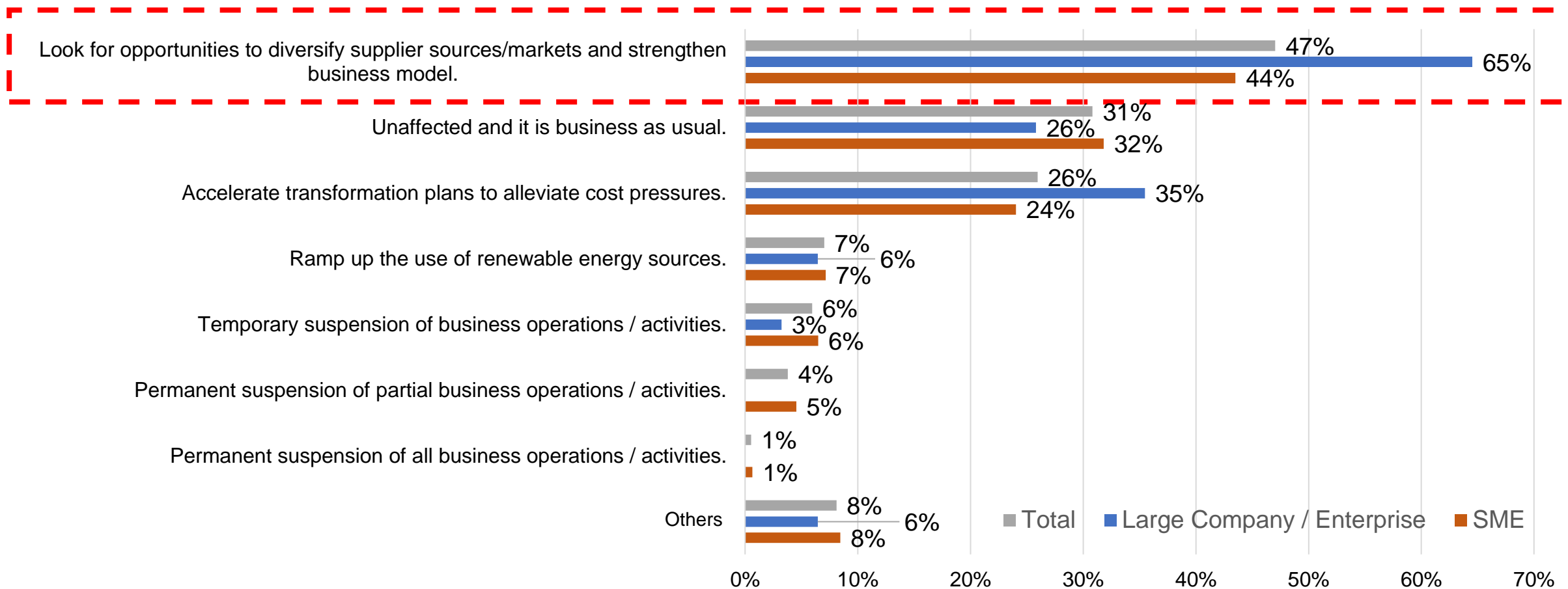
Areas Impacted by Additional Cost Pressures



Q: In which primary area of business operations did the additional cost pressure arising from the Ukraine-Russia conflict affect you the most?
(Please ✓ only one.)

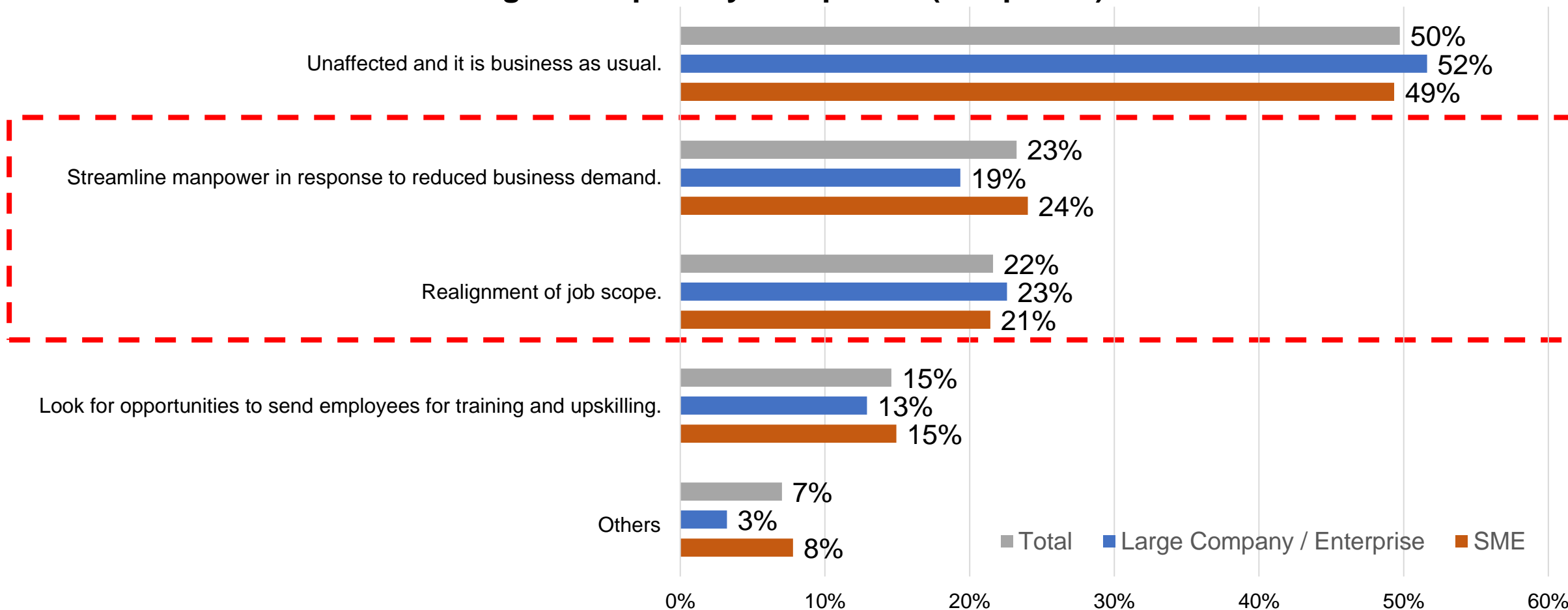
On Business Operations, the top strategy adopted by companies was to look for opportunities to diversify supplier sources/markets and strengthen their business models (47%).

Strategies Adopted by Companies (Business Operations)



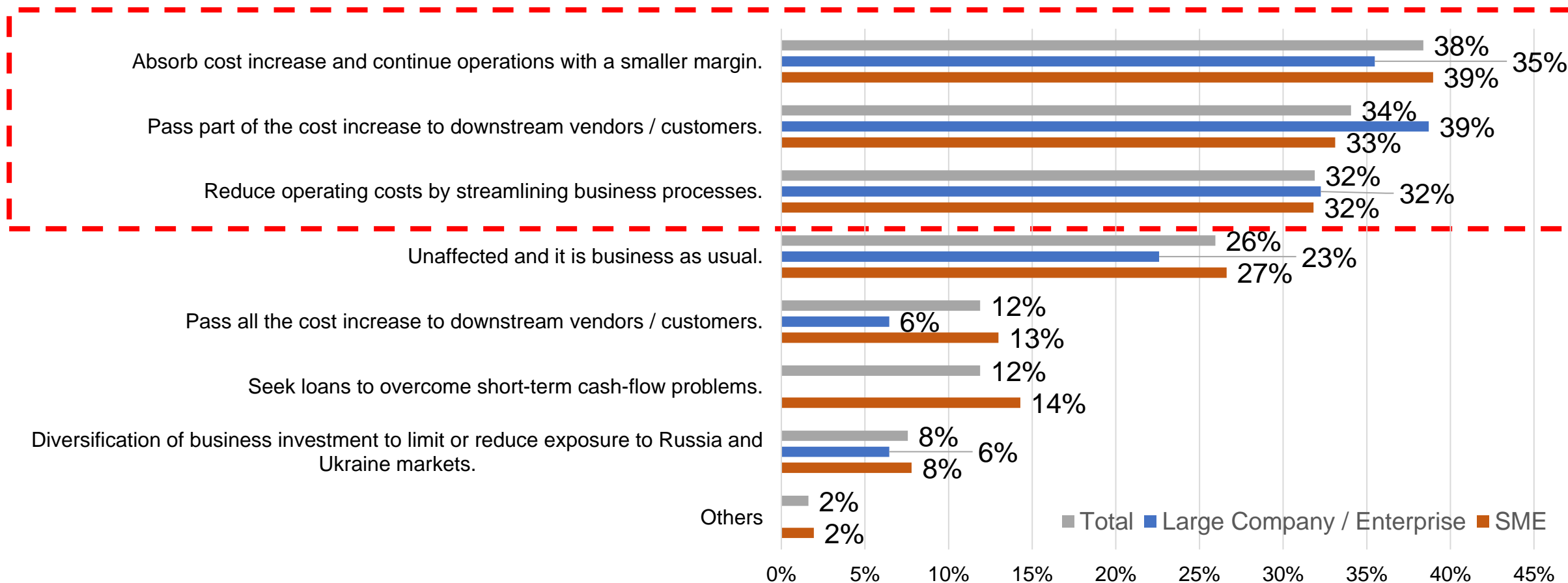
On Manpower, the top 2 strategies adopted by companies are streamlining manpower in response to reduced business demand (23%) and realignment of job scope (22%) to cope with the manpower issues arising from the Ukraine-Russia conflict.

Strategies Adopted by Companies (Manpower)



On Financials, the top 3 strategies adopted by companies are the absorption of cost increase (38%), passing down part of the cost increase to downstream vendors/customers (34%) and reducing operating costs by streamlining business processes (32%) to cope with financial issues arising from the Ukraine-Russia conflict.

Strategies Adopted by Companies (Financial)



Support Measures Required

Verbatim Responses

Grants / Subsidies

“Extension of business grant(s) ” – *SME, Professional Services*

“Provide more subsidies to reduce petrol/energy cost” – *Large Company, Banking and Insurance*

“Some relief measures to mitigate the utility cost” – *Large Company, Logistics & Transportation*

“Measures to combat inflation, reduce taxes and levies, and to provide soft loans to assist companies to tide over this difficult time” – *Large Company, Construction & Civil Engineering*

Manpower

“Manpower tax relief as the sector's profit margins are generally low” – *SME, Construction & Civil Engineering*

“Temporary reduction on foreign worker levy that help to reduce our operation cost ” – *Large Company, Manufacturing*

Internationalisation / Diversification of Markets

“Provide assistance in identifying new markets and introduce grants for digitalisation” – *Large Company, Manufacturing*

“Help in discovering alternate business opportunities” – *SME, Professional Services*

Thank You

If you need any clarifications, kindly contact:

 research@sbf.org.sg