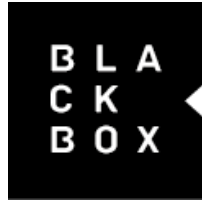


Embargoed until 26 January 2021, 12pm



In collaboration with
Blackbox Research

National Business Survey 2020/21

Finding a Pathway to the Future



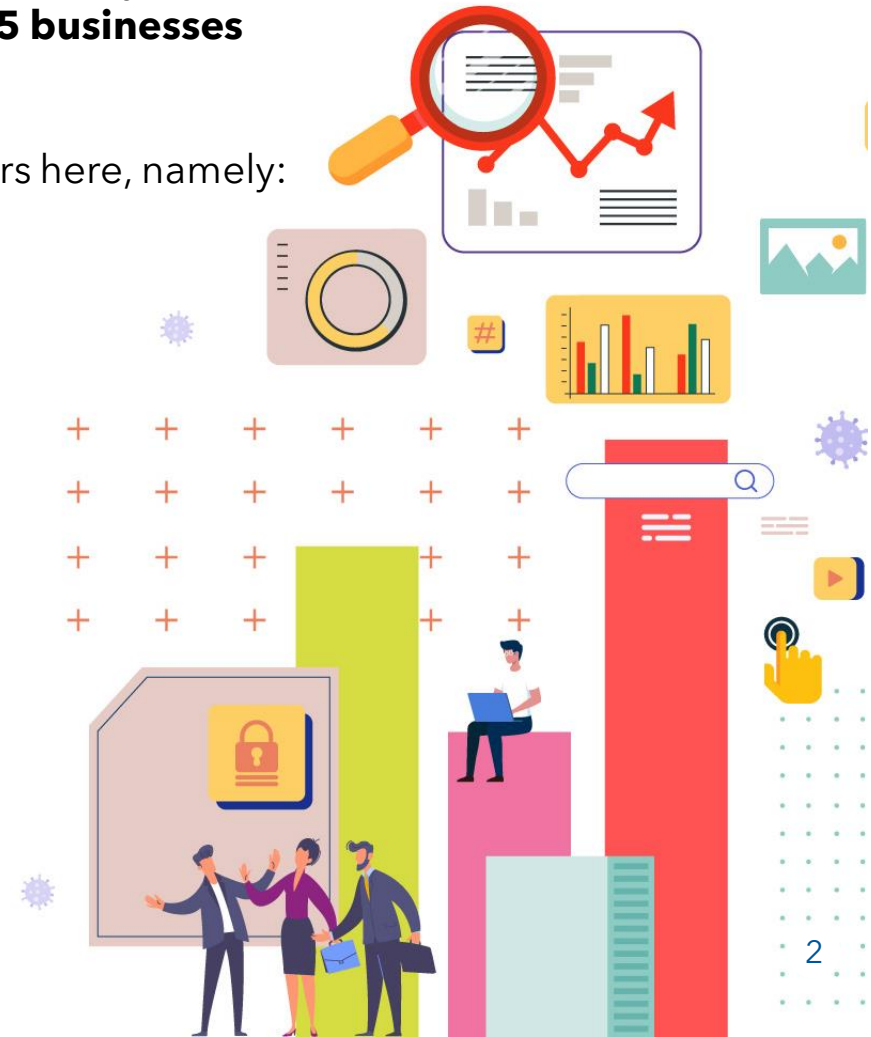
RESEARCH REPORT

ABOUT THE STUDY

The **Singapore Business Federation** (SBF) commissioned independent business and policy research advisory, **Blackbox Research**, to conduct its National Business Survey (NBS) 2020/2021. NBS 2020/2021 is the 13th edition of the annual survey. This survey aims to provide a good sense of the state and sentiments of the Singapore business community and its key concerns. The survey was carried out from **9 October to 28 November 2020** and drew responses from **1,075 businesses** across all key industries.

This year, the survey is supported by 16 of the major trade associations and chambers here, namely:

- 1) The Association of Banks in Singapore
- 2) Australian Chamber of Commerce, Singapore
- 3) British Chamber of Commerce, Singapore
- 4) Canadian Chamber of Commerce in Singapore
- 5) French Chamber of Commerce in Singapore
- 6) Global Compact Network Singapore
- 7) New Zealand Chamber of Commerce (Singapore)
- 8) Restaurant Association of Singapore
- 9) Singapore Chinese Chamber of Commerce and Industry
- 10) Singapore-German Chamber of Industry and Commerce
- 11) SGTech
- 12) Singapore Hotel Association
- 13) Singapore International Chamber of Commerce
- 14) Singapore Manufacturing Federation
- 15) Singapore Shipping Association
- 16) The Singapore Contractors Association Ltd



REPORT OUTLINE

- 1 Business Sentiments & Impact of COVID-19 on Businesses
- 2 Business Outlook: Priorities & Challenges
- 3 Government Budget & Support
- 4 Digitalisation & Transformation
- 5 Internationalisation



RESPONDENT PROFILE

	% of respondents				
	2016	2017	2018	2019	2020
Wholesale Trade	19%	15%	18%	18%	20%
Manufacturing	15%	17%	16%	13%	16%
IT & Professional Services	14%	17%	11%	11%	10%
Construction & Civil Engineering	11%	12%	13%	12%	14%
Other Services (e.g. Education, Repair & Servicing etc.)	11%	11%	11%	13%	17%
Retail, Real Estate, Hotels, Restaurants & Accom.	10%	8%	11%	10%	10%
Logistics & Transportation	8%	8%	7%	6%	5%
Banking & Insurance	5%	4%	3%	3%	3%
Others (e.g. Holding / Investment Companies, Water Supply, Sewerage & Waste Management etc.)	7%	6%	11%	14%	5%
	100%	100%	100%	100%	100%
	n=1,131	n=1,019	n=705	n=1,018	n=1,075

The sample included both SMEs (85%) and larger companies (15%), and largely mirrors SBF's membership base. This year's sample is comparable with that of previous years.

Definitions of note...

PRODUCTION & TRADE

- Manufacturing
- Construction & Civil Engineering
- Logistics & Transportation
- Wholesale Trade

SERVICES

- IT & Professional Services
- Other Services
- Retail, Real Estate, Hotels, Restaurants & Accommodations
- Banking & Insurance



EXECUTIVE SUMMARY

● Business Sentiments & Impact of COVID-19 on Businesses

- Most (63%) Singapore businesses have been **negatively impacted** by the COVID-19 pandemic.
- **Construction & Engineering** (79%), **Retail, Real Estate, Hotels, Restaurants & Accommodations** (73%), & **Manufacturing** (64%) are the hardest hit industries.
- 2 in 3 companies remain certain that they can sustain their businesses in the next year; but **full recovery** is not **anticipated until 2022** and beyond.
- **Uncertainty** regarding **global** and **regional** economic climate.
- 1 in 3 companies (31%) are optimistic that the Singapore economy will improve in the next 12 months.

● Business Outlook

- Managing **growing revenue, managing cashflow** and **reducing costs** are the priorities during this crisis period.
- COVID-19 has brought **new challenges**, such as lack of consumer demand and travel constraints.
- **Upskilling of manpower** will be critical to adapt to changing circumstances.

● Government Budget & Support

- **Government support** is **still required** to help businesses **manage cost** and **cashflow**, as well as attracting, developing and retaining **talents**.

● Digitalisation & Transformation

- Companies continue to be **aware** of the **need for digitalisation**, but many feel they **lack manpower** and **resources** to transform their businesses.
- Nearly 3 in 5 report that **digitalisation is necessary** to overcome **impact of COVID-19**.

● Internationalisation

- **Overseas** business **expansion** has been **hindered** by the pandemic; decreased by **7%**.
- Most popular countries for expansion continue to include Vietnam, Indonesia and China.

Business Sentiments & Impact of COVID-19 on Businesses



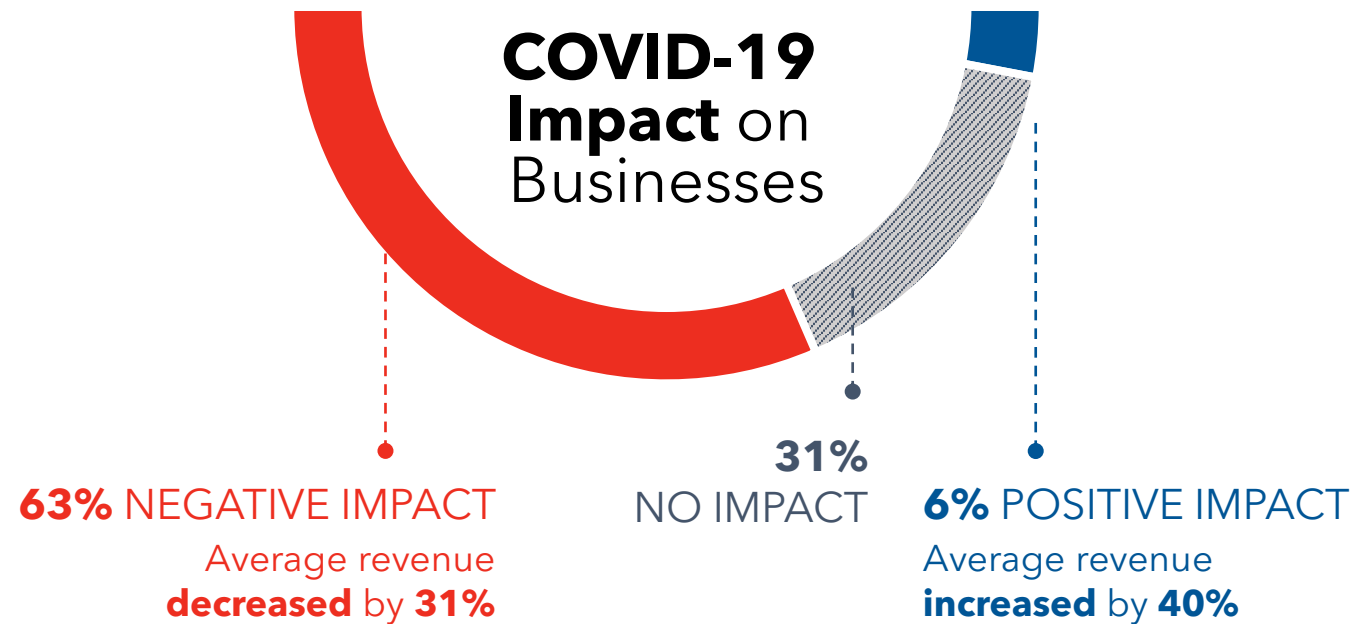


Two thirds of businesses have been **negatively impacted** by the COVID-19 situation.

Most local businesses have been impacted by COVID-19, reporting an average decline in revenue of 31%. However, 6% of companies report that the COVID-19 situation had a positive impact on their businesses.

The same proportion (63%) of SMEs and large companies report being negatively affected by COVID-19.

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



On average, businesses have been operating at **70%** of their usual capacity.



COVID-19 IMPACT ON LOCAL BUSINESSES



Top Positively Impacted Industries



11%
Logistics & Transportation



11%
Banking & Insurance



8%
IT & Professional Services

Top No Impact Industries



51%
Logistics & Transportation



39%
Other Services
(e.g. Administrative Services, Education, etc.)



38%
IT & Professional Services

Top Negatively Impacted Industries



79%
Construction & Civil Engineering



73%
Retail, Real Estate, Hotels, Restaurants & Accommodations



64%
Manufacturing

The COVID-19-induced global economic collapse will create many spill-over effects and may well trigger widespread **insolvencies** in a **myriad** of **industries**. Key sectors that are **particularly vulnerable** include **construction** [...] **retail, tourism** and **travel**.

MEMBER SPEAKS •
DIRECTOR, BANKING & FINANCE



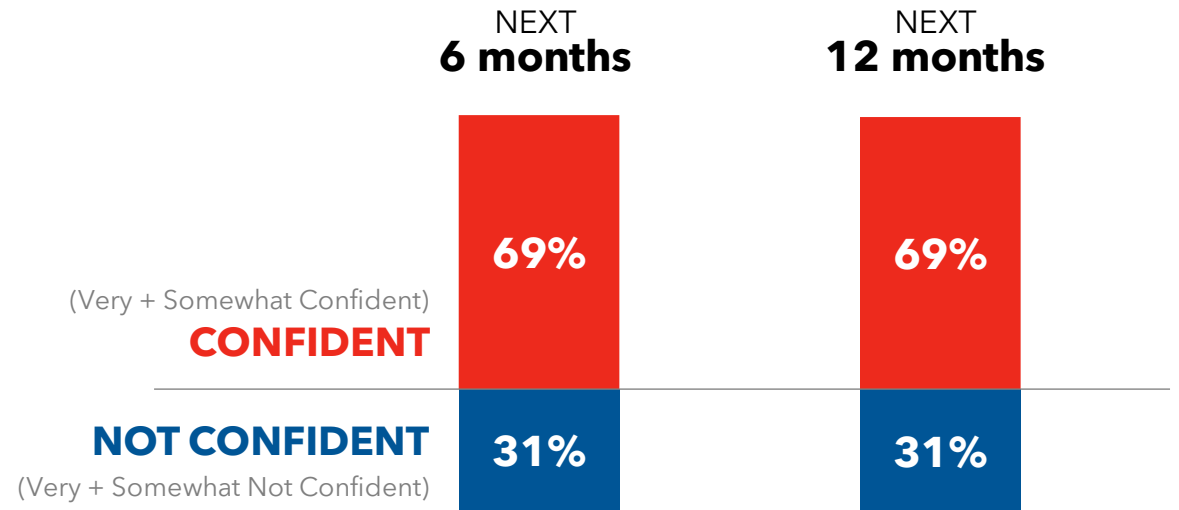
COVID-19 IMPACT ON BUSINESSES



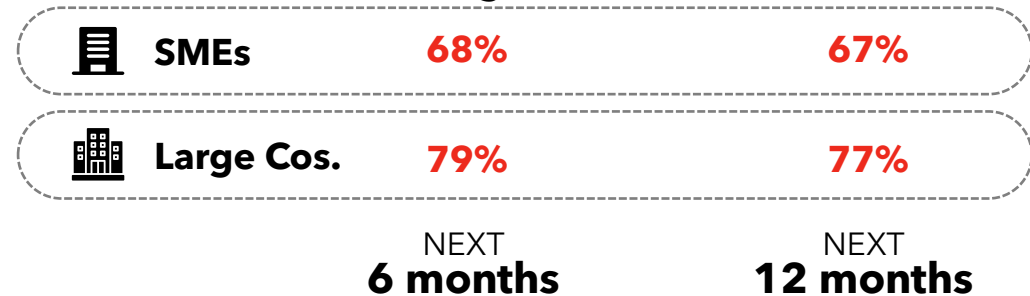
1 in 3 firms are uncertain about the future and whether their businesses can remain sustainable in the next 6-12 months.

Uncertainty about the future of their businesses is higher amongst SMEs; nearly 8 in 10 large companies report that they are confident in sustaining their businesses in the next 6 to 12 months, compared to 7 in 10 SMEs who report the same.

Confidence in Sustaining Business



Confidence level amongst...



COVID-19 IMPACT ON BUSINESSES

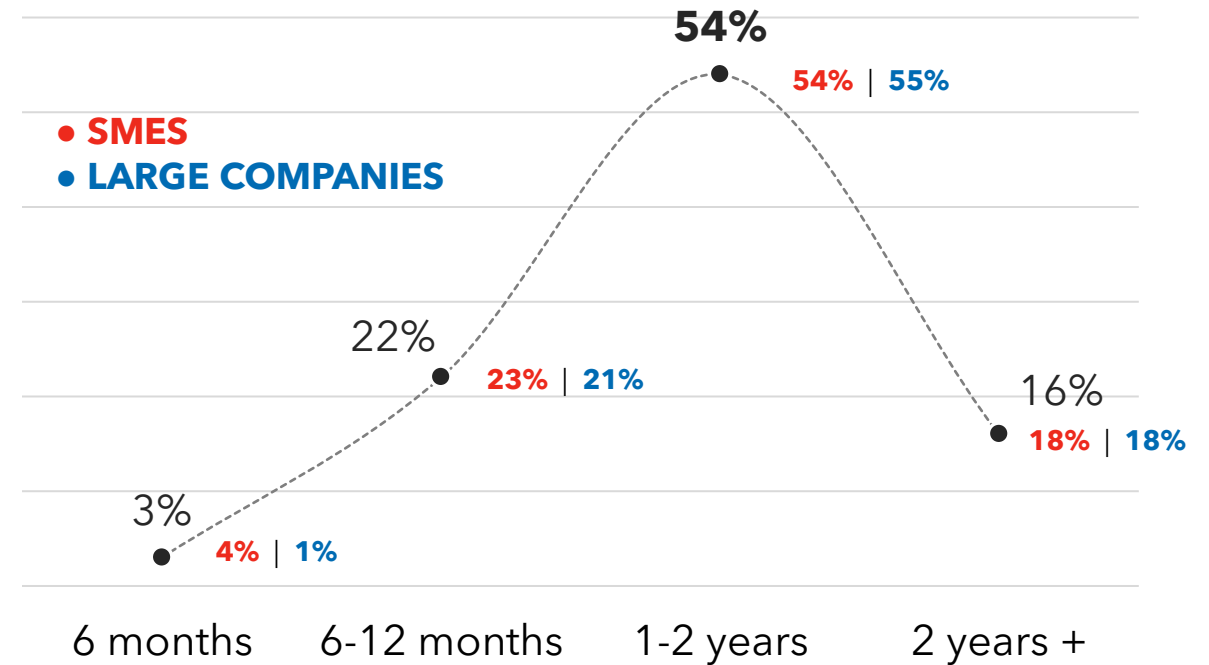


Amongst those businesses that have been negatively impacted by the COVID-19 situation, most businesses predict that full business recovery will only occur towards the end of 2021 or beyond.

One in four of the businesses that have been negatively impacted by COVID-19 predict that they can recover in the next 6-12 months, while the majority (70%) report that they are only likely to fully recover after 12+ months.

These predictions are similarly consistent across both SMEs and larger companies.

My business will **fully recover** in...



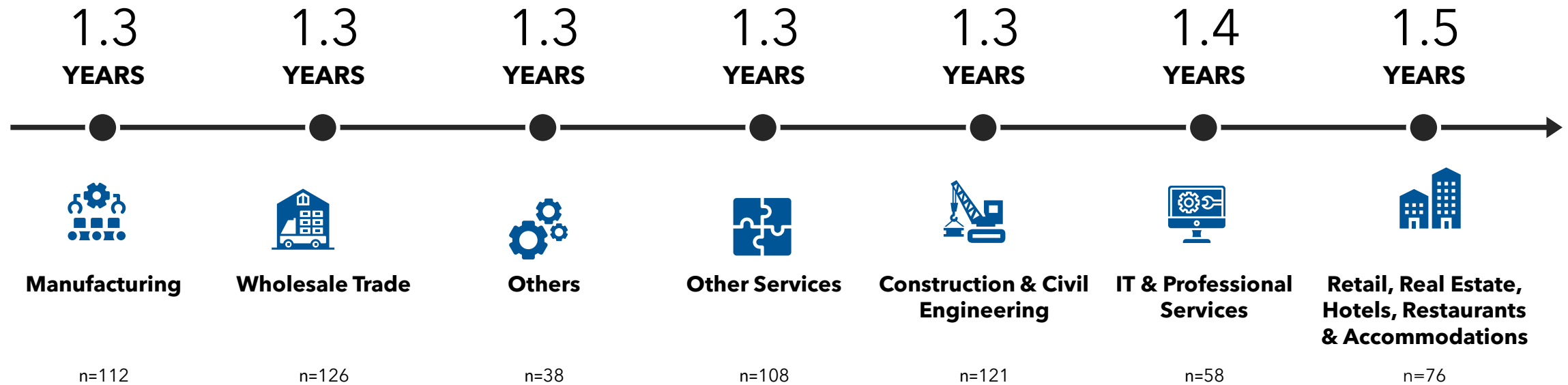
Not included: Businesses that have been impacted but have fully recovered (2%) and businesses that are unlikely to recover (2%)



COVID-19 IMPACT ON BUSINESSES



Anticipated Recovery: Many firms are not expecting their businesses to fully recover until Q1 2022.



BUSINESS SENTIMENT IN SINGAPORE

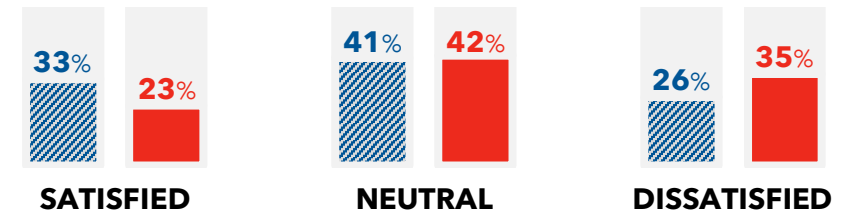


Despite the current negative sentiment due to the impact of COVID-19 on most companies, there is some **optimism** that the **economy will improve** in the next 12 months.

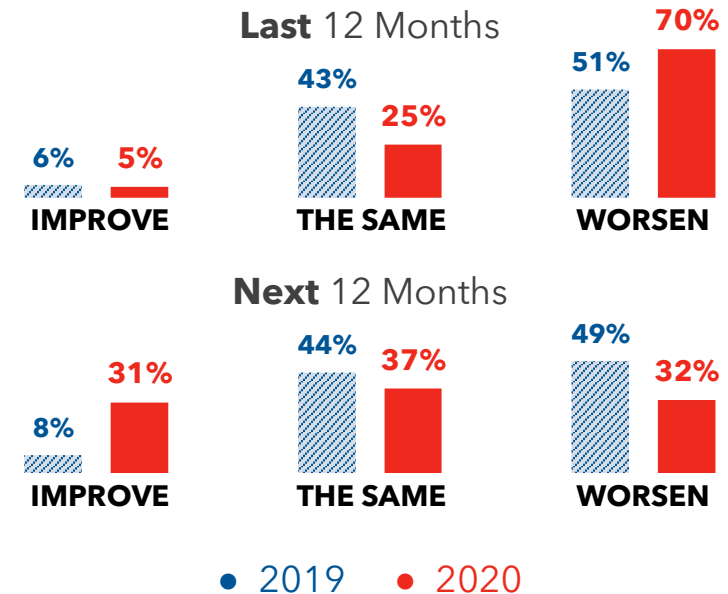
With the COVID-19 pandemic hitting businesses across most key sectors, less than one in four companies (23%) are satisfied with the current economic climate, down from 33% at the end of 2019.

Nearly a third of businesses (32%) predict worsening conditions in the next 12 months, however, forward sentiment is much stronger now than it was in late 2019.

Current Business Climate in Singapore



Singapore Economy



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



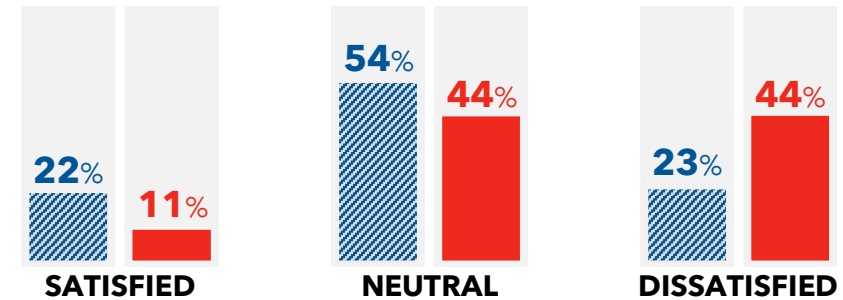


Concerns about regional and global economic climate worsened in 2020, compared to 2019.

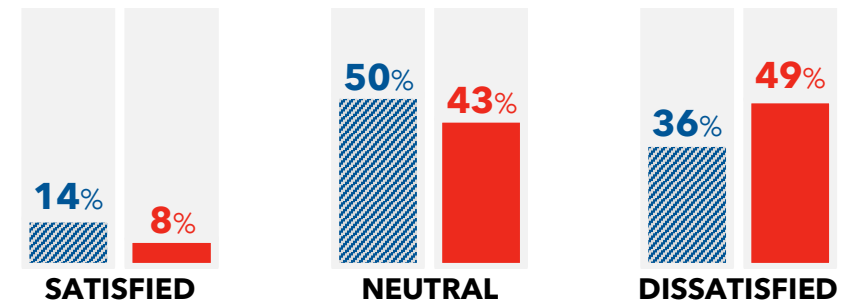
Given the impact of the COVID-19 pandemic worldwide, few businesses are satisfied with the current ASEAN and global business climate.

44% of businesses expressed dissatisfaction with the current ASEAN business climate, while 49% felt likewise for the global business climate.

Current **ASEAN** Business Climate



Current **Global** Business Climate



● 2019 ● 2020

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

SECTION SUMMARY

Post-pandemic recovery is on the horizon, but challenges remain



CURRENT BUSINESS OUTLOOK



63%

Businesses **adversely affected** by pandemic



70%

Is the **average capacity** at which **businesses** are **operating** at during this period



1 in 3

unsure they can **sustain their business** in the next 12 months (31%)

ROAD TO RECOVERY

Optimism that the economy will **improve** in the **next 12 months**.

31% of businesses **confident** about the recovery of the economy.

On average, businesses expect **1.4 years** to full recovery.



While much has been done for businesses, we may see a small proportion of companies **closing** in the coming months. It will be **critical** to **manage closures** and **identify measures** on how the **manpower** and **resources** can be **integrated back** in the **economy**.

Business Outlook: Priorities & Challenges in 2021





BUSINESS PRIORITIES



Business priorities continue to revolve around increasing revenue, building cashflow and reducing costs.

Consistent with 2019, businesses are still focused on reverting to the basic principles of business; to stay afloat, they are prioritising growing their revenues and ensuring positive cashflows while reducing their costs. Similar trend is observed amongst SMEs and large companies.

Nearly 1 in 5 companies (19%) also recognise and prioritise the need to streamline their businesses and operational processes.

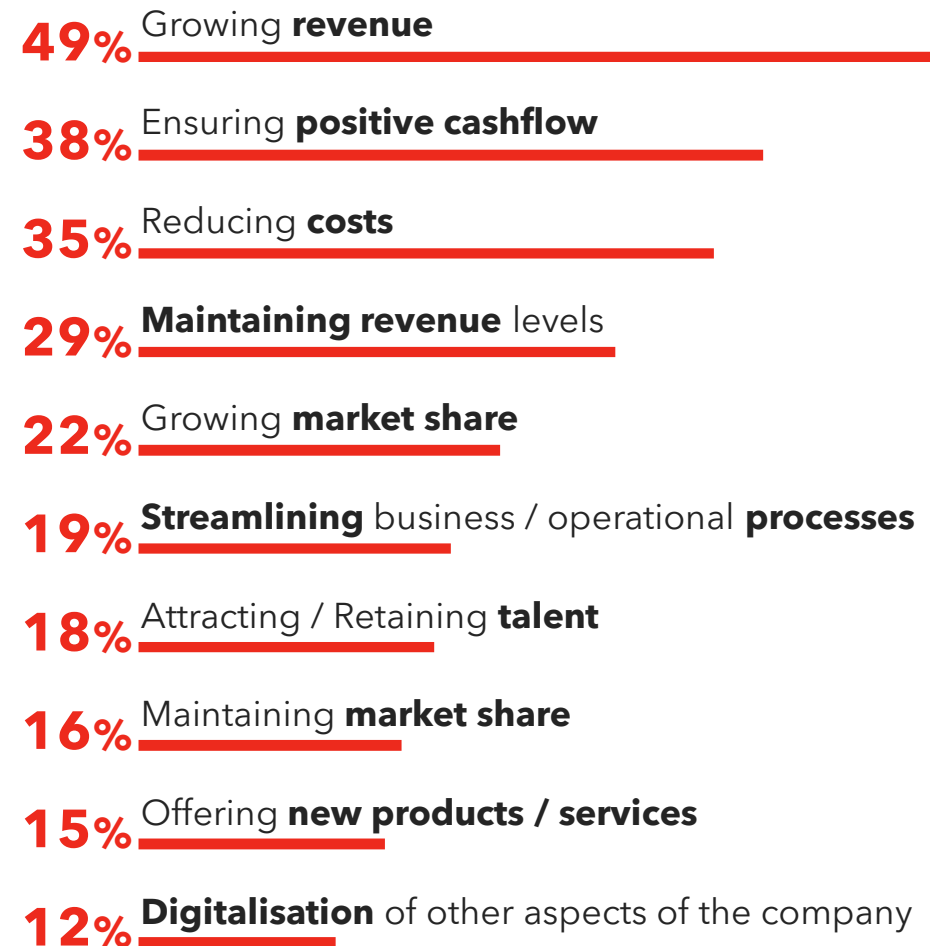
2018

- 01. Growing revenue (61%)
- 02. Maintaining market share (43%)
- 03. Developing digital business capabilities (39%)

2019

- 01. Growing revenue (51%)
- 02. Reducing costs (34%)
- 03. Ensuring positive cashflow (33%)

Top Business Priorities in the Next 12 Months





KEY BUSINESS CHALLENGES



COVID-19 has reshaped the challenges businesses are facing. Uncertainty in consumer demand and travel constraints are the novel challenges faced.

Nonetheless, historical key challenges such as manpower costs and business competition remain critical.

2018

- 01. Hiring people with right skills/attitude (61%)
- 02. Business competition (50%)
- 03. Compliance cost (49%)
- 06. Manpower Costs (47%)

2019

- 01. Manpower costs (67%)
- 02. Business competition (62%)
- 03. Ways to grow revenue (56%)

Key Challenges in the Industry



MANPOWER CHALLENGES FACED BY BUSINESSES



Top manpower challenges include restrictive foreign workforce policies and the need to reduce manpower costs.

Aside from costs, businesses are also concerned about the restrictions placed on the supply of foreign workforce.

2 in 5 firms also find that applicants lack the soft skills needed.

Top 5 Manpower Challenges for Businesses

- **52%** New **foreign workforce policies** will raise **costs**
- **47%** Reducing **manpower cost**
- **44%** Stricter **policies** that **limit the supply** of foreign workforce
- **42%** Applicants **lack** required **soft skills** (e.g. creativity, problem solving)
- **40%** Attracting and/or retaining **younger workers**

2018

- 01. Rising labour costs (50%)
- 02. Manpower policies & regulations (37%)
- 03. Attracting & retaining younger workers (32%)

2019

- 01. Rising labour costs (78%)
- 02. Foreign manpower policies & regulations (48%)
- 03. Limited local high-skilled labour (44%)



IMPORTANCE OF MANPOWER TRAINING



To adapt to the changing economic and business circumstances, firms turn to upskilling their staff.

Nearly half of all businesses (48%) state that staff training has become more important as a result of COVID-19, in part due to future uncertainties.

In particular, companies would like their employees to develop skills that can help them stay competitive in this changing digital landscape.

2019

- 50% Staff training is very important
- 43% Staff training is important
- 7% Staff training is not at all important



SMEs Base = 916



Large Co. Base = 159



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



MANPOWER CHALLENGES FACED BY BUSINESSES



While businesses are keen to undertake staff training, many are hindered by limited staffing resources.

Aside from limitations in terms of manpower resources, nearly 2 in 5 businesses (36%) also feel that training programmes do not offer practical outcomes. Hence, matching companies with the right programmes will be key in aiding them in their goals of upskilling employees. Other than training in skill sets, more can also be done to help employees develop growth mindsets to adapt to the ever-evolving circumstances.

2019 

01. Limited manpower (49%)
02. No practical outcomes/business applications (33%)
03. Unaffordable as full cost not subsidised/covered by grants (24%)

Barriers to Staff Training

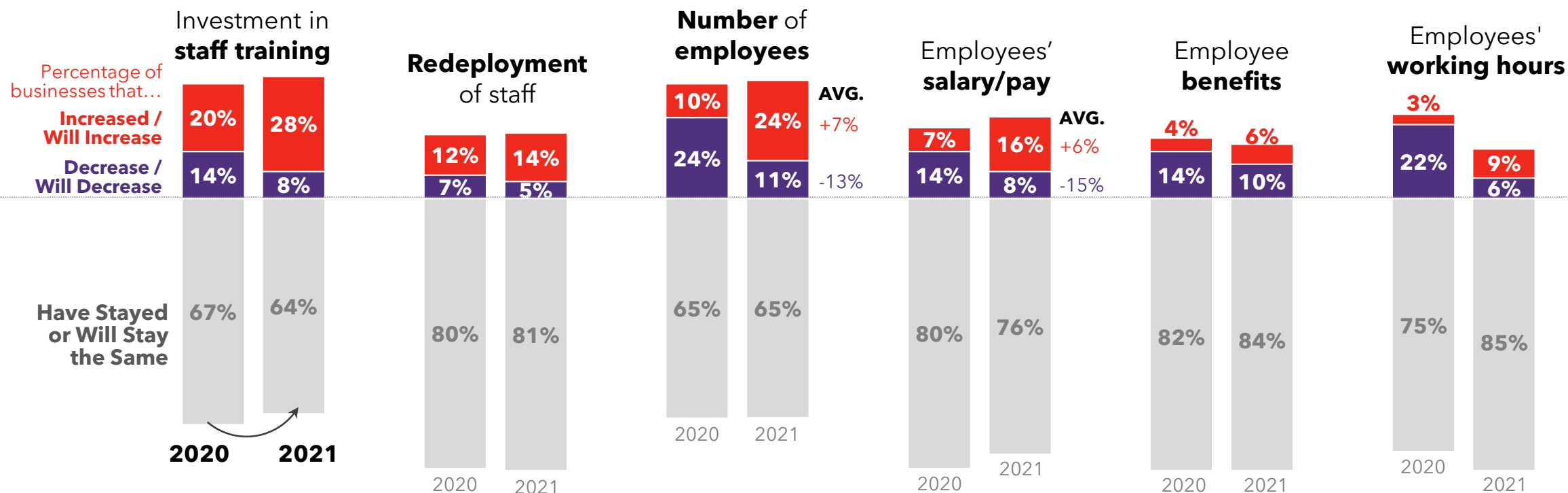


BUSINESS RESPONSE THROUGH THE COVID-19 SITUATION



Steps Taken in the Workforce in View of COVID-19: 2020 vs 2021

Businesses invested the most on staff training during the COVID-19 pandemic, a trend that will continue to rise in 2021. Conversely, cost-cutting measures such as workforce or salary reduction will decrease in the coming year.



Base: n=1075

Q8a. In view of COVID-19, has your company made changes to or started doing the following? | Q9. You mentioned your company is planning to increase or decrease your employees' salary/pay in the next 6 to 12 months. What will be the average salary/pay increase or decrease? | Q10. You mentioned your company is planning to increase or decrease its number of employees in the next 6 to 12 months. Overall, what will be the percentage of increase or decrease?



SECTION SUMMARY

Timely and targeted transformation will help navigate limited growth prospects



KEY BUSINESS CHALLENGES

ARISING FROM COVID-19

- Uncertainty in **consumer demand**
- **Travel** Constraints

PERSISTING FROM 2019

- Business **Competition**
- **Manpower** challenges, particularly...
 - Foreign workforce policies
 - Manpower costs

● **48%** businesses say **continued staff upskilling** will be critical to businesses.



Businesses will have to undertake **extensive planning** for **multiple scenarios**, as they shift from **crisis response** to **recovery**.

For workforce strategies, companies will need to **establish critical priorities** for **2021** and beyond, as they position themselves for new realities.

KEY BUSINESS PRIORITIES



Government Budget & Support



MOST POPULAR GOVERNMENT SUPPORT MEASURES



Businesses find that **cost support** and **cashflow management** measures are the most useful and relevant schemes.

Businesses are also keen on having schemes that help them to develop their talent hiring and management practices, as well as to transform and deepen their enterprise capabilities, including digitalisation support grants.

On the other hand, internationalisation has been de-prioritised by the large majority of businesses who are focusing on sustaining their local business operations.

Schemes that are the most relevant/useful:



- COST-RELATED
- OTHERS



MOST POPULAR GOVERNMENT SUPPORT SCHEMES



Cost, cashflow and credit schemes are most pertinent to SMEs, while Large Companies find schemes related to talent, enterprise development as well as sector-specific support to be more relevant and useful.



SMEs

Base: 916

88% Schemes to help **address cost**

53% Schemes relating to **cashflow management**

46% Schemes relating to hiring/attracting, developing and retaining **talent**

32% Schemes that help to transformation & deepening of **enterprise capabilities**

26% Schemes relating to **credit**



Large Companies

Base: 159

89% Schemes to help **address cost**

53% Schemes relating to hiring/attracting, developing and retaining **talent**

47% Schemes relating to **cashflow management**

26% Schemes that help to transformation & deepening of **enterprise capabilities**

21% **Sector-specific schemes** to cope with COVID-19





TOP 5 GOVERNMENT SUPPORT MEASURES THAT BUSINESSES THINK SHOULD BE EXTENDED



Overall, companies expect schemes to be extended to the end of 2021, until the economy stabilises and business outlook is more certain. Top 5 schemes that businesses think should be extended are related to cost and cashflow management, manpower and digitalisation support.

Wage Support (e.g. JSS)

[The] economy [has] not seen the worst, the **pressure** for **paying wages** will still be a big cost factor. It should be extended till the economy has recovered fully.

SME, MANUFACTURING

[The] government would like employer to **keep employees' job** as much as possible [and] should extend to at least end of year 2021 to **reduce the cost of companies**.

SME, REAL ESTATE

Foreign Worker Levy Waiver/Rebate

[...] **payment from client's** side still has not fully resumed. Company will have to **absorb the additional cost** and are facing cashflow issue.

SME, Construction & Civil Engineering

Levy Waiver extended until **workers can work normally**, with [safety management measures], **productivity** greatly **affected** plus more **costs incurred**.

LARGE CO., CONSTRUCTION & CIVIL ENGINEERING

Digitalisation & Transformation

The schemes were a very **effective method** to encourage companies who are deeply entrenched in old ways. Our **digitalization process** was **accelerated** by COVID grants

SME, WHOLESALE TRADE

Extending IT adoption subsidy of 80% to 2021 as most companies take **longer time** to **secure appropriate software** after many rounds of demonstration and Q&A

SME, LOGISTICS & TRANSPORTATION



Most relevant to **Manufacturing** and **Wholesale Trade**.

Cashflow & Grants

Loan for another 12 month till end of 2021, as more companies may be facing **cash flow problem** and they have drain out their surplus while business have not recovered

SME, WHOLESALE TRADE

Need to find ways to **rebuild revenue**, cost reduction programmes are welcome but a function of affordability

SME, MANUFACTURING



Most relevant to **Manufacturing** and **Other Services**.

Tax Relief

Government should look at companies affected and yet need to pay income tax for previous year profit. **Decrease tax rates** would help

SME, OTHER SERVICES

Corporate income tax rebate for YA21 as business across many sectors have been affected during the year 2020 and the income tax rebate will help **improve the cashflow** for year 2021.

LARGE CO., MANUFACTURING

BUSINESS SUPPORT AREAS TO EMERGE STRONGER



Aside from financial support (37%), businesses also seek help in digitalisation (43%), financial management (33%) and brand development (31%).

In order to tide through the recovering market, businesses report that they require support not only in managing their finances, but in developing their brand and marketing their products and services more effectively.

They also require support in strengthening their HR capabilities as well as developing competencies for both their management and their talents.

Support Needed to Emerge Stronger



FURTHER AREAS OF ASSISTANCE FOR BUSINESSES



Apart from managing cashflow, manpower and digitalisation, other areas of assistance that companies require include those relating to internationalisation, rental relief and understanding of policies.

Internationalisation & Easing of Travel Restrictions

Ease travel restrictions and enable S-Pass workers to return to Singapore. [Or] else the project cannot be completed on time and we will need to hire more workers. Moreover, new workers need to be trained and [are not able to] start work immediately.

SME, MANUFACTURING

Provide financial support to **maintain competitiveness** or **expand business** in targeted overseas markets.

SME, OTHER SERVICE ACTIVITIES

Additional **internationalization assistance** for existing overseas operations.

SME, MANUFACTURING

Rental Subsidy/ Relief

Rental Waiver Scheme should continue especially for the Aerospace Industry as **demand** will only return when travel restriction is lifted

SME, MANUFACTURING

Rental is a **significant cost** or the company other than manpower cost.

LARGE CO., HOTELS, RESTAURANTS & ACCOMMODATIONS

Provide support for landlords in terms of **rental relief**. Also, **remove** the requirement to be **taxed** even if property is unable to be rented out.

SME, WHOLESALE TRADE

Clarity on Policies/ Ease of Application

Clearer explanation and direction of schemes available. Many people are **unclear** on what schemes there are and what it does.

SME, MANUFACTURING

Faster processing of applications and reduction in **administrative steps** using online tools.

SME, IT & RELATED SERVICES

Be **less stringent** on the application process and paperwork as **time is of the essence** to save an industry.

LARGE CO., OTHERS

SECTION SUMMARY

Government support has been and continues to be vital towards recovery



MOST USEFUL CURRENT SUPPORT MEASURES



88%

Managing Cost



52%

Managing Cashflow



47%

Managing Manpower

Businesses are reviewing their ability to navigate this crisis by developing strategies to build agility and become more resilient in the future.

PILLARS OF FUTURE BUSINESS RESILIENCE



People



Technology



Finance

These will be the areas on which business will be looking for support from the Government.



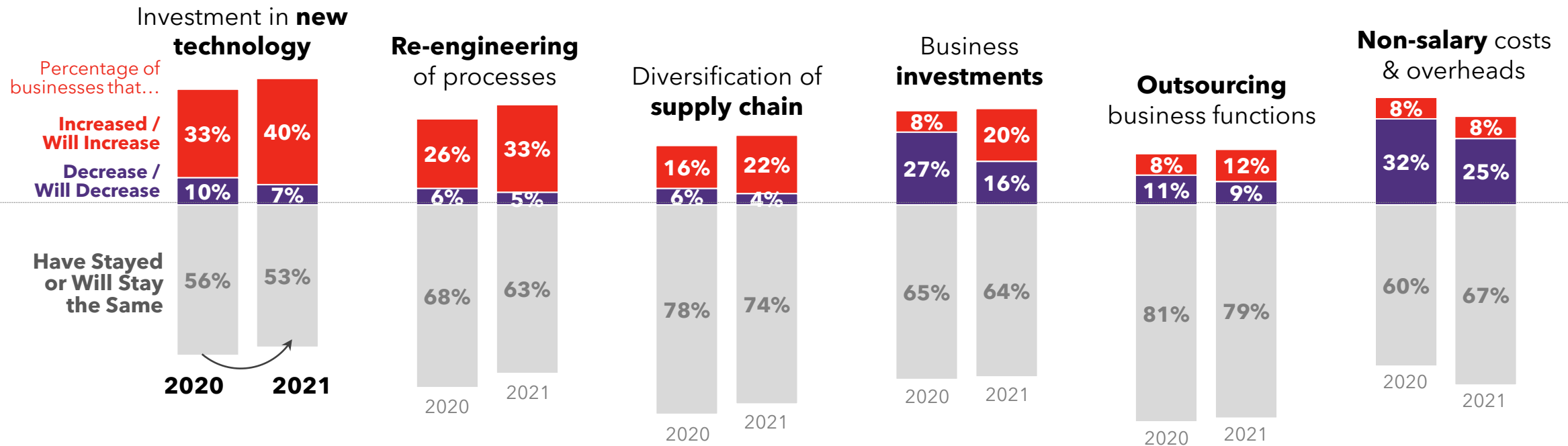
Though the Government has rolled out extensive support measures for businesses, **more can be done** to **build on existing initiatives** and **developing new solutions**, particularly **improved financing schemes** to address cashflow challenges as well as **resource management** and **training support**. Continued support in 2021 will help businesses tackle the urgent challenges while building on their digital transformation efforts.

Digitalisation & Transformation



Business Transformation Steps Taken in View of COVID-19: 2020 vs. 2021

Businesses have increased their investment in manpower training partly due to the increased investments in technology and overall digitalisation, as well as the re-engineering of their business processes to adapt to the rapidly evolving business environment.



IMPACT OF COVID-19 ON DIGITAL TRANSFORMATION

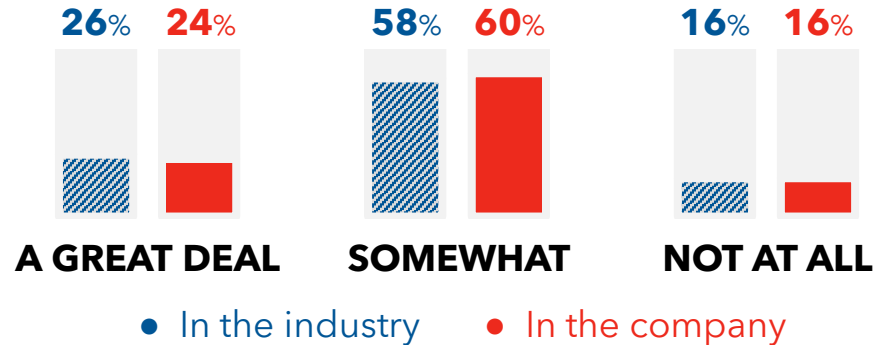


Businesses report spending more on technology as COVID-19 accelerates digitalisation across industries.

Over 8 in 10 (84%) companies report that COVID-19 has accelerated their digital transformation by an average of 2 years.

Of these companies, 4 in 10 (39%) report that their IT budgets have increased by an average of 29%.

Has COVID-19 accelerated digital transformation?



▶ Transformation accelerated by average of **2 years**

Has COVID-19 increased IT/digitalisation budget?



39% of companies say IT budget has **increased**.

IT budget increased by average of **29%**.



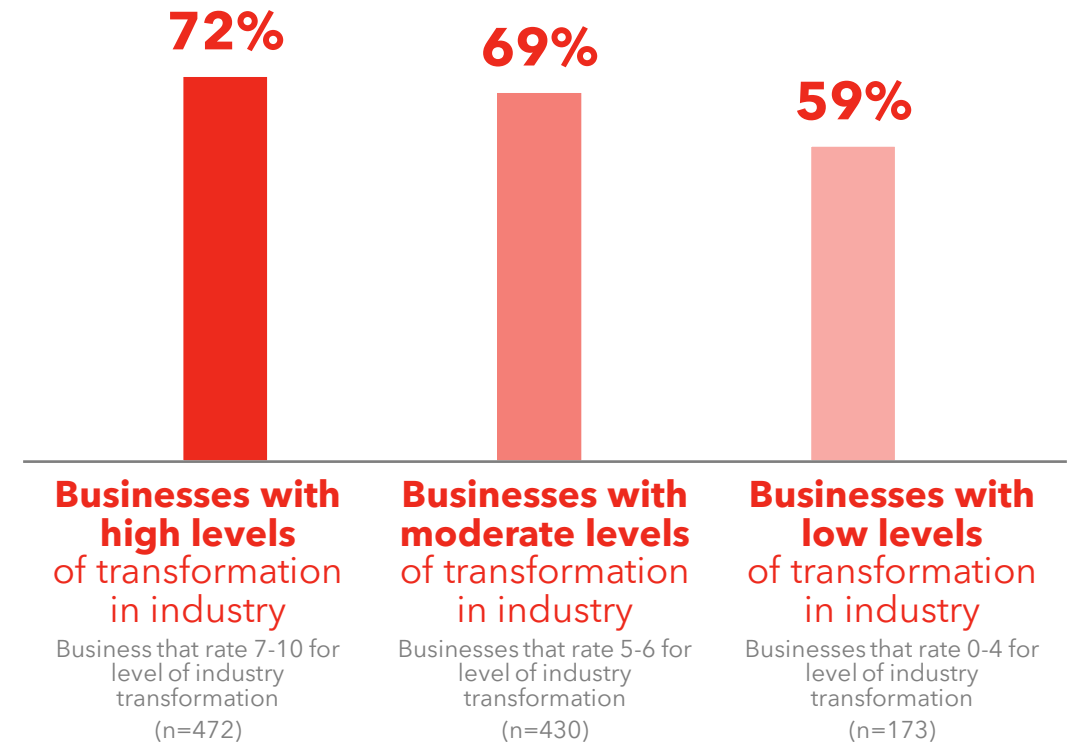
CONFIDENCE IN SUSTAINING BUSINESS IN NEXT 12 MONTHS



Businesses who report a higher level of industry transformation are also more confident in sustaining their businesses through 2021.

72% of businesses who report a high level (rated 7 to 10) of transformation in their industry indicate that they are confident that they can sustain their businesses in the next 12 months, as compared to 59% of businesses who experience lower levels of transformation in their industry.

% CONFIDENT IN SUSTAINING BUSINESS NEXT 12 MONTHS





ADOPTION OF TECHNOLOGY



Increasing productivity and streamlining processes are cited as the top reasons to embark on digitalisation.

Nearly half (45%) of companies leverage on collaborative technology and tools to increase productivity, while 44% of businesses adopt technology to optimise operations and automate business processes.

Digitalisation Steps Taken During COVID



45% Collaborative technology and tools to increase productivity



44% Technology to streamline operations & automate processes



38% Enhance data & analytics capabilities to help with business decision-making



35% Monitor shifts in customer demands through enhanced data & analytics capabilities



33% Adopting cybersecurity solutions to minimise digital risks



23% E-commerce to sell products locally and overseas



BARRIERS TO ADOPTION OF TECHNOLOGY



The perceived **high investment cost of technology adoption and keeping staff abreast of new technologies** are **primary barriers to the adoption of technology for businesses.**

Service-based industries (i.e. finance, IT) are more concerned about cybersecurity risks, while industries such as manufacturing, construction, and transportation face challenges upskilling management and staff.

Hence, companies seek out support with digitalisation and IT adoption, both in terms of grants and measures, as well as upskilling staff.

Top 5 Technology Adoption Challenges for Businesses

- **58%** **High cost** of technology adoption
- **35%** **Upskilling of staff to keep up** with the new technologies
- **33%** **Expensive licensing** payments for commercial use of intellectual property
- **32%** **Cyber security risks** (e.g. to prevent data breaches)
- **30%** **Lack of management expertise** to drive the technological change



SECTION SUMMARY

Digitalisation will be a defining characteristic for businesses to be competitive and relevant

Embargoed until 26 January 2021, 12pm



COVID-19 has accelerated the adoption of digital transformation. Majority of businesses recognise the need to **digitalise** to remain **relevant** and **competitive**.



3 in 5

Digitalisation is **necessary** to overcome **impact** of COVID-19



4 in 5

COVID-19 has **accelerated** digital transformation by an **average of 2 years**

Though businesses recognise the importance of digital adoption, they indicate that **high investment** and **lack of manpower** are key obstacles to full transformation.



The COVID-19 recovery will be driven by the **digital-first strategy**. Throughout this period, the Government has continued to develop digital infrastructures as well as supported businesses in technology adoption.

As we plan for 2021, leaders should consider reviewing and refining the **digital policies, regulations** and **technology adoption support** for businesses while developing **digital platforms** for knowledge sharing and collaboration on innovation initiatives.

Internationalisation



PRESENCE OF BUSINESSES IN OVERSEAS MARKETS

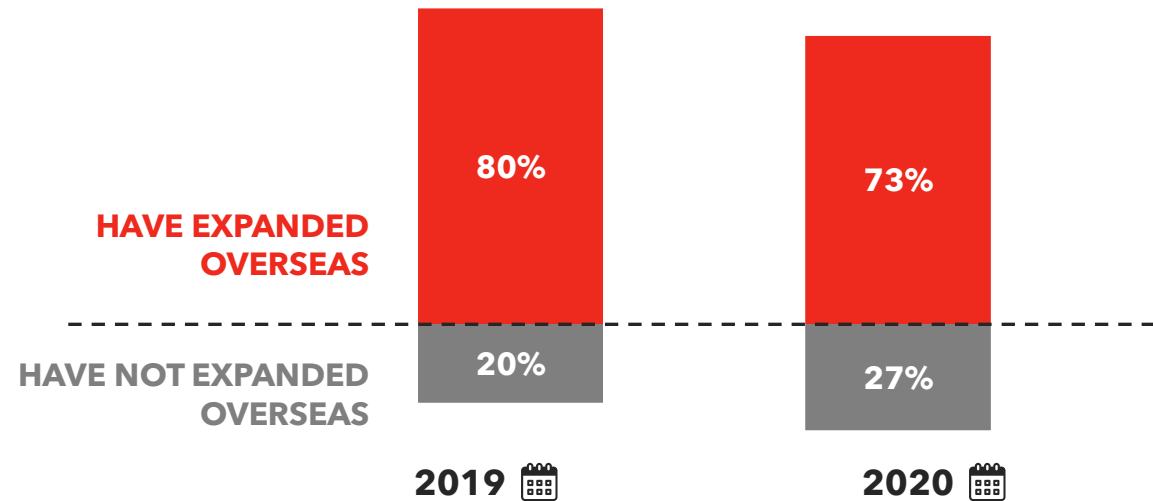


Overseas business expansion contracted by 7% as compared to last year as a consequence of the global COVID-19 pandemic.

7 in 10 (73%) Singapore businesses now report a presence in at least one overseas market, down from 8 in 10 from 2019.

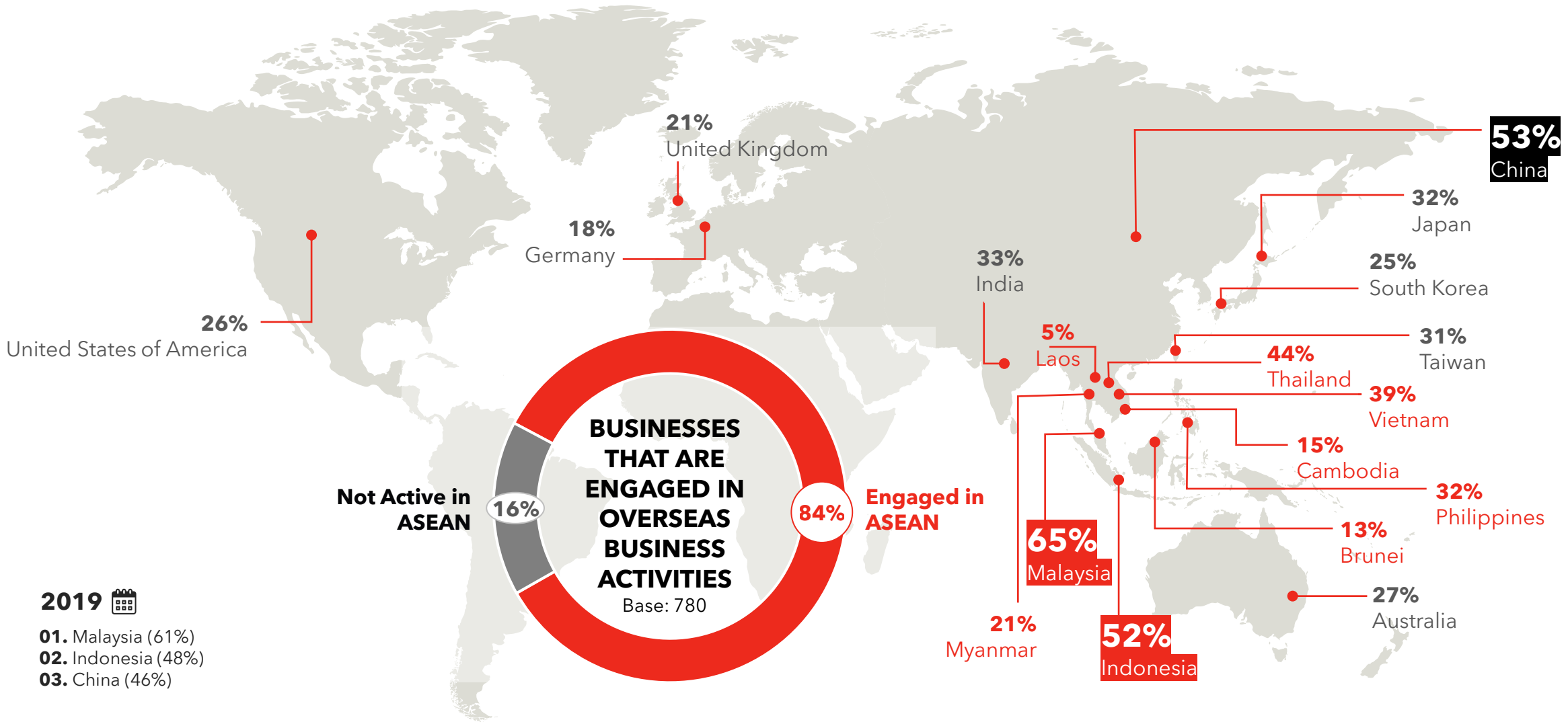
Given changing internal priorities, it is not surprising that only 27% of businesses see themselves expanding overseas next year.

Overseas Business Presence



Overall, only **27%** of businesses are confident in expanding their businesses into overseas markets in the next 6 to 12 months.

MAIN COUNTRIES WHERE COMPANIES ARE DOING BUSINESS

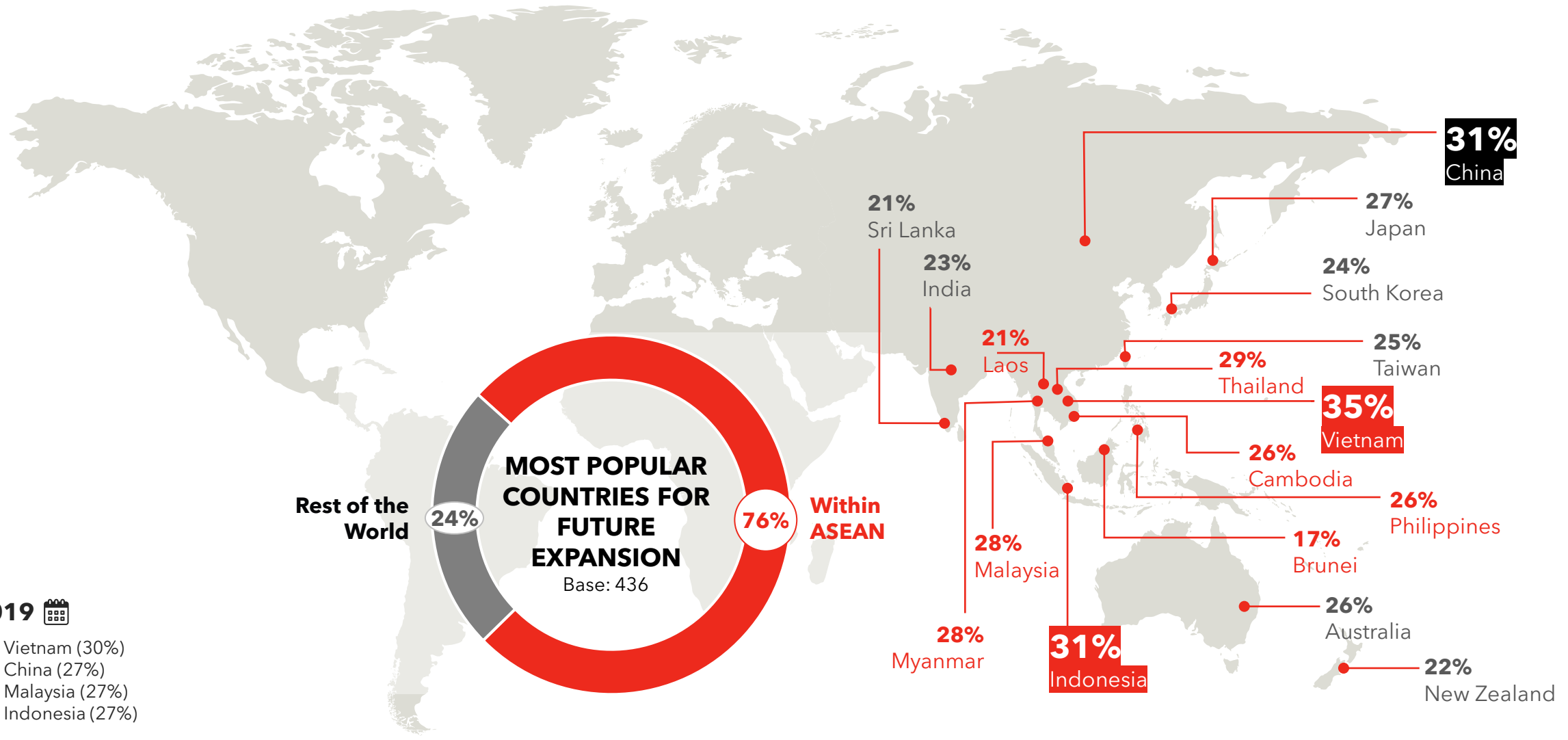


2019

- 01. Malaysia (61%)
- 02. Indonesia (48%)
- 03. China (46%)



MAIN COUNTRIES FOR PLANNED FUTURE EXPANSION



2019

- 01. Vietnam (30%)
- 02. China (27%)
- 03. Malaysia (27%)
- 04. Indonesia (27%)



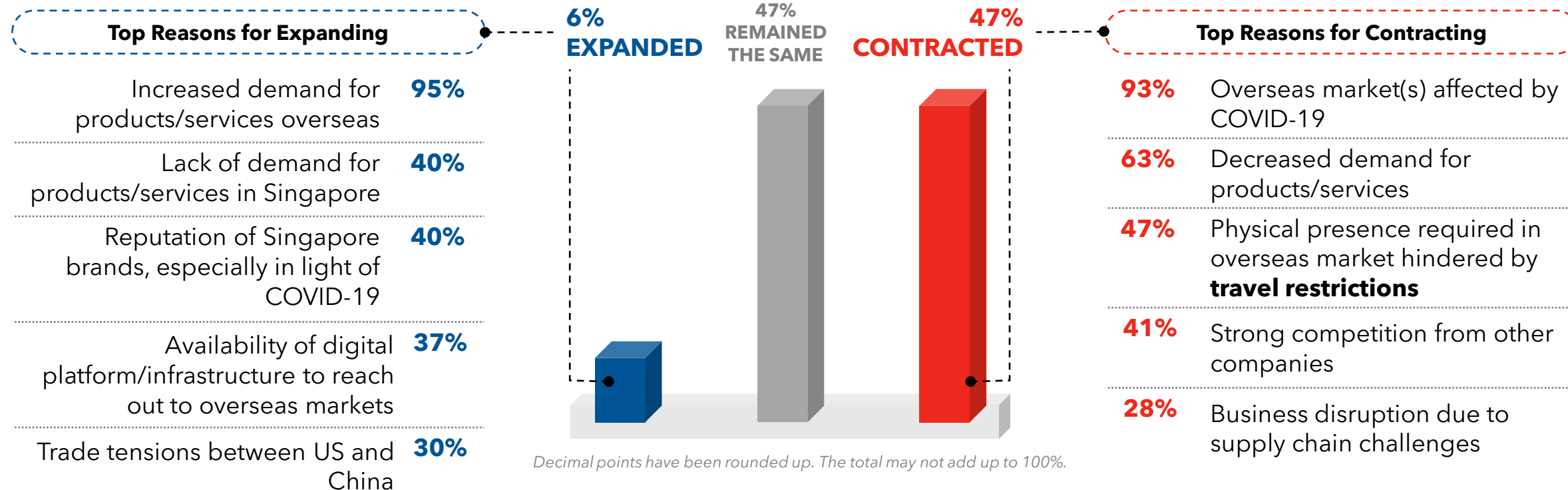
Base: n=436
Q31. Which of the following country(ies) is your company keen to venture into for business expansion in the future?





Nearly half (47%) of businesses indicated that their overseas businesses have contracted.

Overseas Business Growth

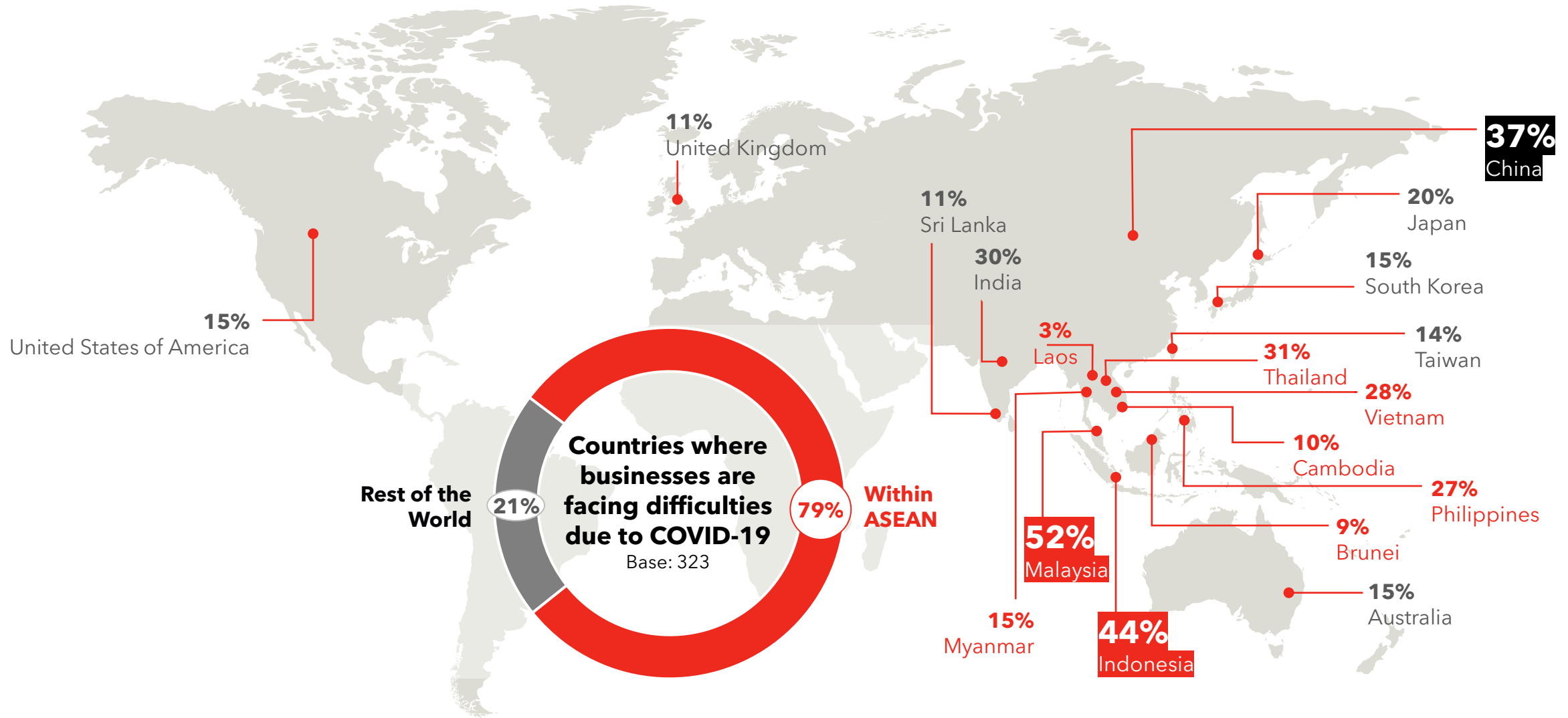


Base: Those who have overseas presence, n=780

Q32. Overall, would you say that your overseas business has expanded, contracted or remained the same as a result of the COVID-19 pandemic? | Q35. Which of the following factors contributed to your business' expanding or venturing overseas in the past 6 months? | Q36. Which of the following factors contributed to the contraction of your business overseas in the past year?



COUNTRIES WHERE IMPACT OF COVID-19 WAS MOST FELT BY BUSINESSES

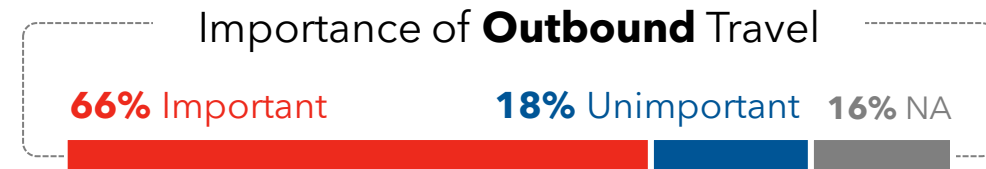
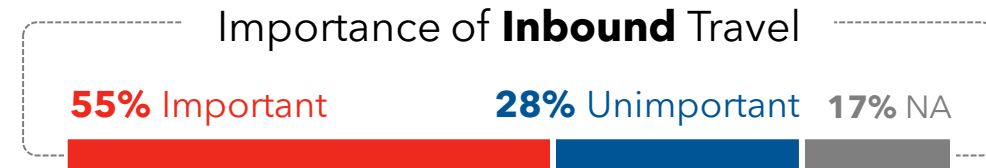


IMPORTANCE OF BUSINESS TRAVEL

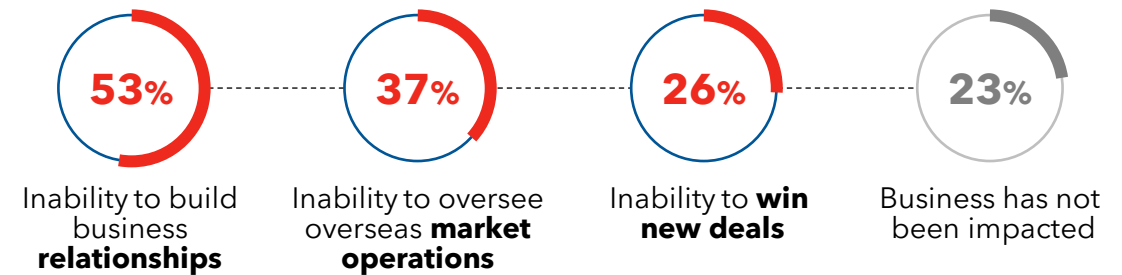


Despite focus on digitalisation, over half of Singapore companies state that **travel continues to be a key aspect to do business.**

This means there is an urgent need for safe travel bubbles between countries in order to ensure a pick up in overseas expansion.



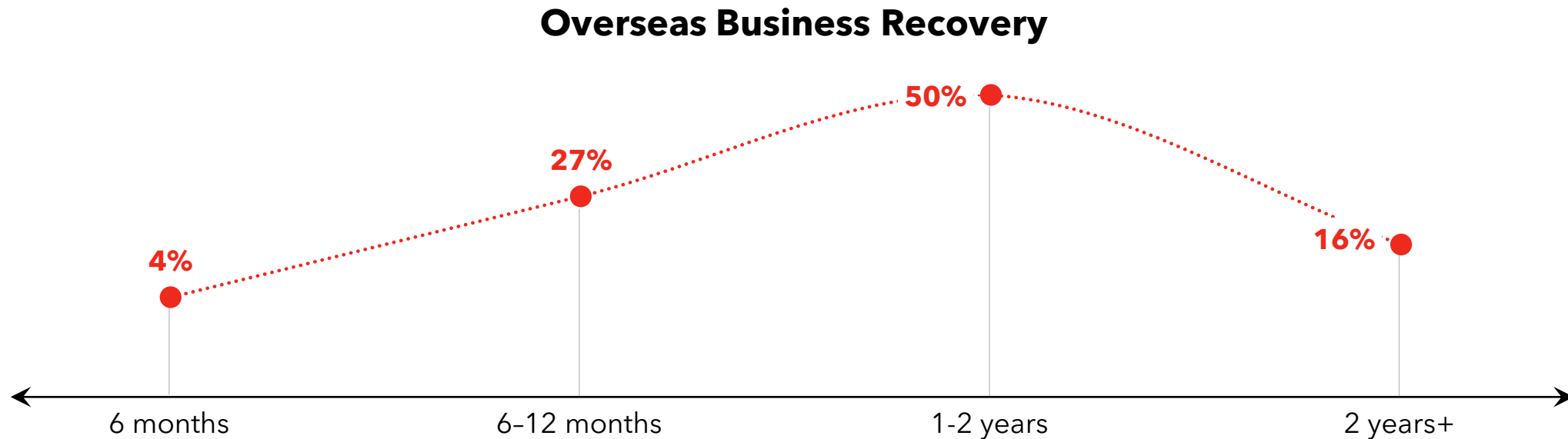
Challenges Encountered in Travel



OVERSEAS BUSINESS RECOVERY



Overall, half (50%) of the companies estimate that it will take them at least 1 to 2 years for their overseas businesses to fully recover and resume normal operations.

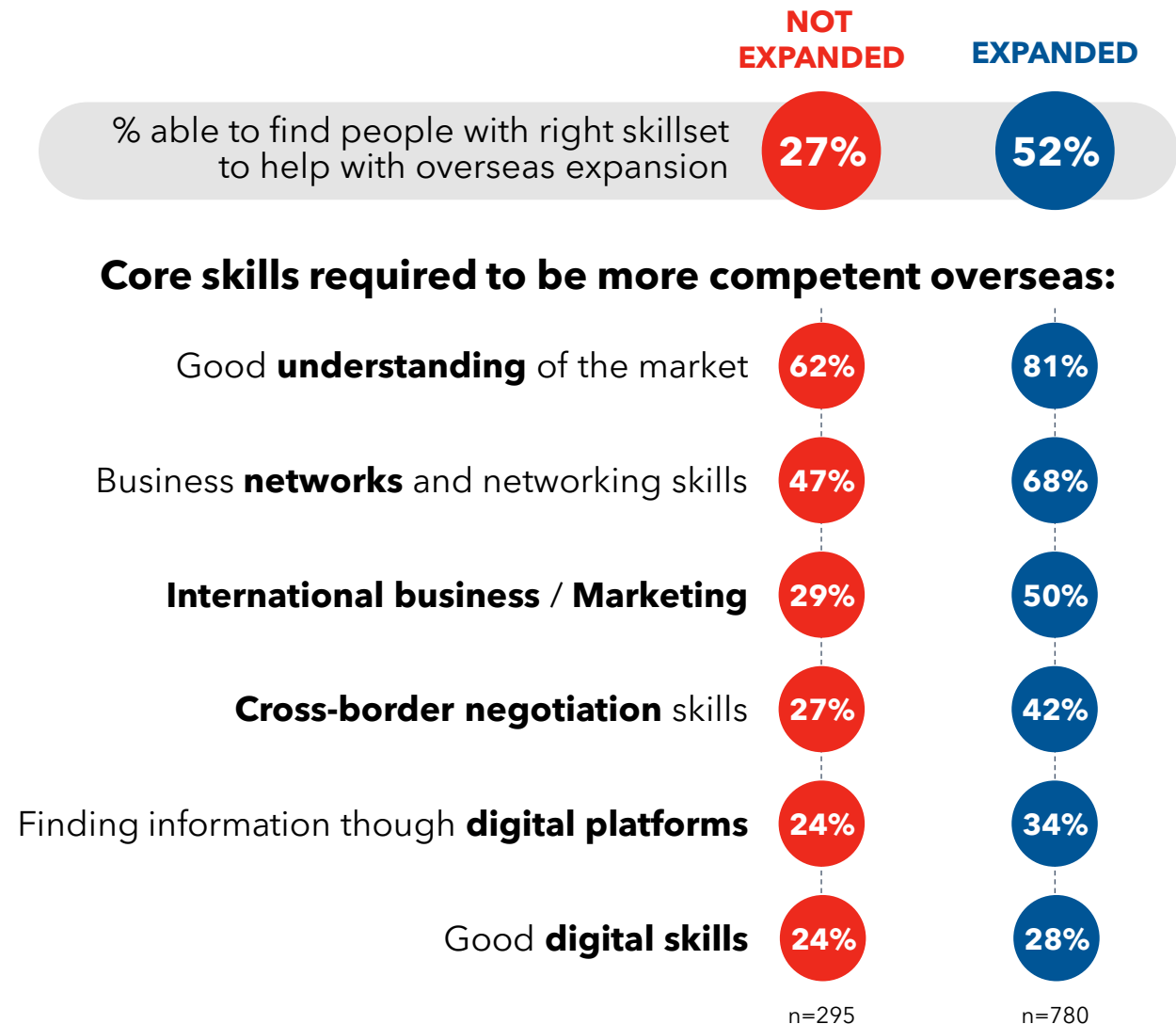


TIME ESTIMATED FOR OVERSEAS BUSINESSES TO RECOVER FROM CONTRACTION

INTERNATIONALISATION SUPPORT



Only 3 in 10 companies (27%) that have yet to internationalise are able to find people with the right skillset to help with overseas expansion.



SECTION SUMMARY

Global economic disruption has hindered overseas business expansion and operations



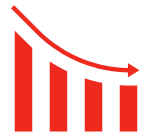
73%

Of companies reported an **overseas business presence** (-7% from 2019)



66%

Consider **ability to travel** overseas is **key** for **effective business operations**



47%

Indicated that their **overseas business** has **contracted**

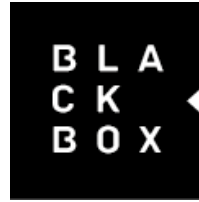


76%

Of companies that want to **expand overseas** are keen to do so in **ASEAN**



For businesses to **access new markets** and **sustain overseas businesses**, the **adoption** of **digital solutions** will be key in enhancing **resilience** and creating **new possibilities**. Support measures that can help businesses build their networks and gain deeper market understanding will be key for successful overseas operations.



In collaboration with
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Thank You



RESEARCH REPORT