



新加坡中華總商會
Singapore Chinese Chamber of Commerce & Industry

Annual Business Survey 2024

Survey Findings and Recommendations for Budget 2025

20 December 2024

SCCCI's Annual Business Survey 2024



Aim. Ascertain prevailing business trends associated with sentiments towards the economic/business climate, manpower issues, internationalization, business transformation, sustainability, and usage of government schemes. Recommendations for Budget 2025 are then formulated based on the survey findings, feedback and suggestions from SCCCI's members.

Respondent Base. A total of N = 651 respondents participated in the survey, primarily comprised of senior representatives (C-Suite level) of local businesses and SMEs from diverse sectors that represent the Singapore economy.



Survey Period. June to August 2024

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



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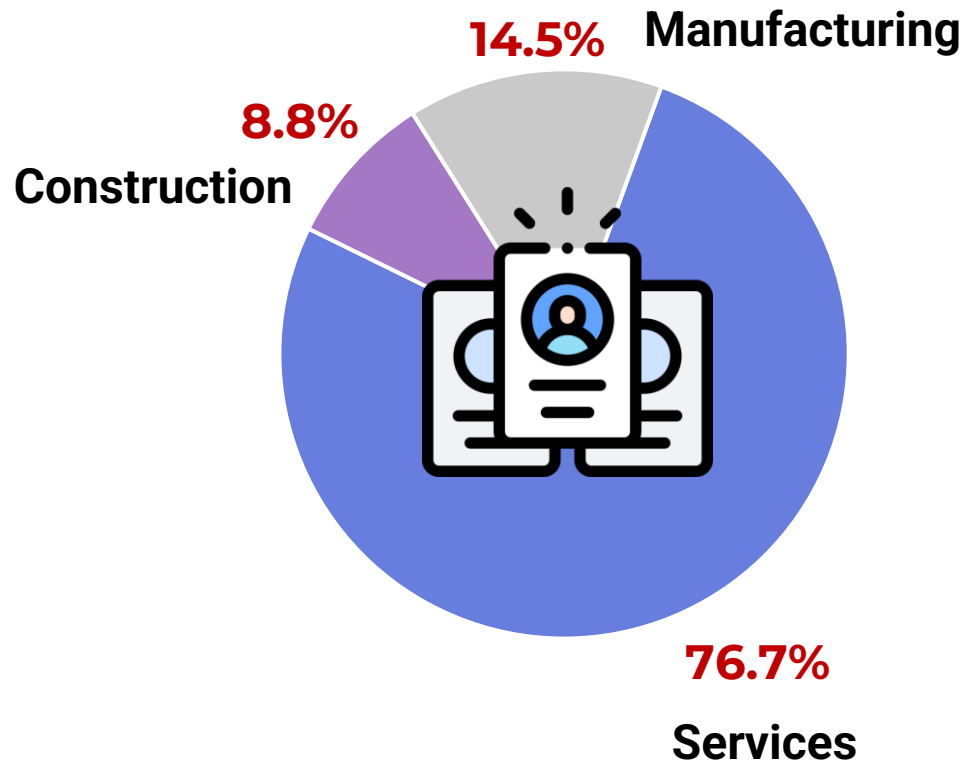
Respondents' Profile



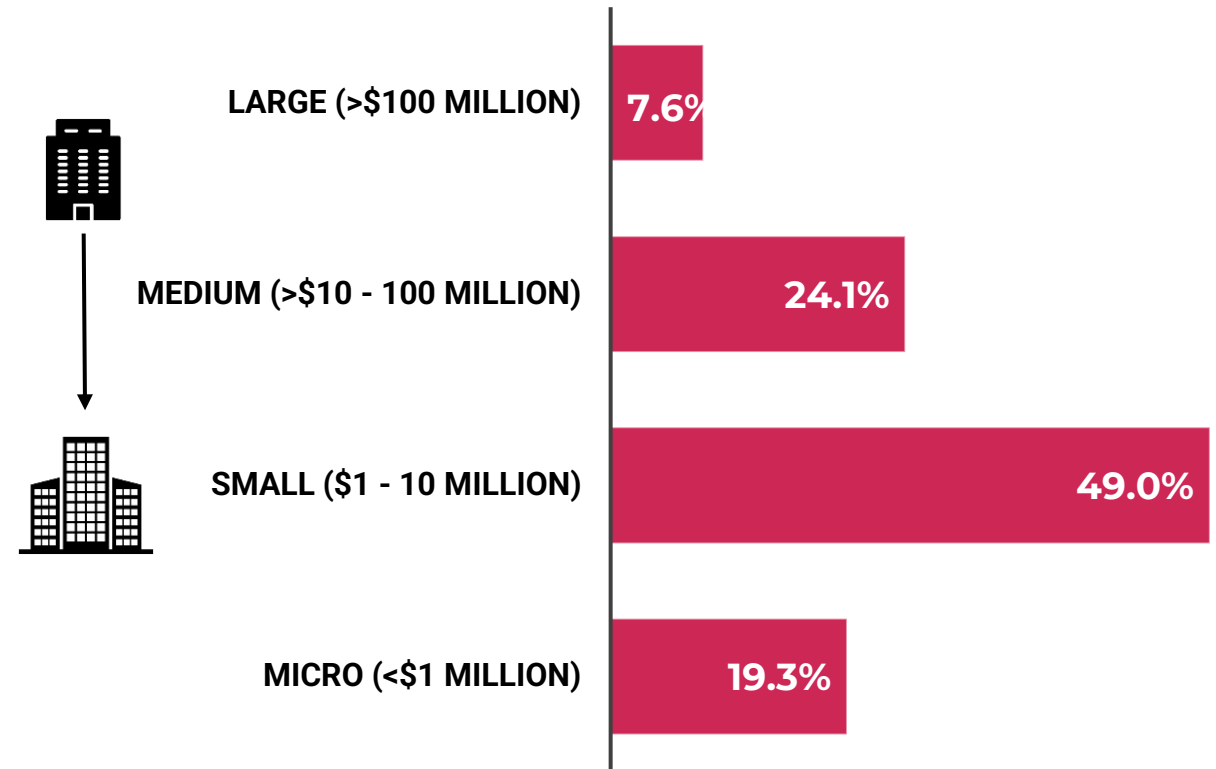
651 Respondents Across All Industry Sectors

92% Respondents from SMEs

Composition of Respondents (by Sector)

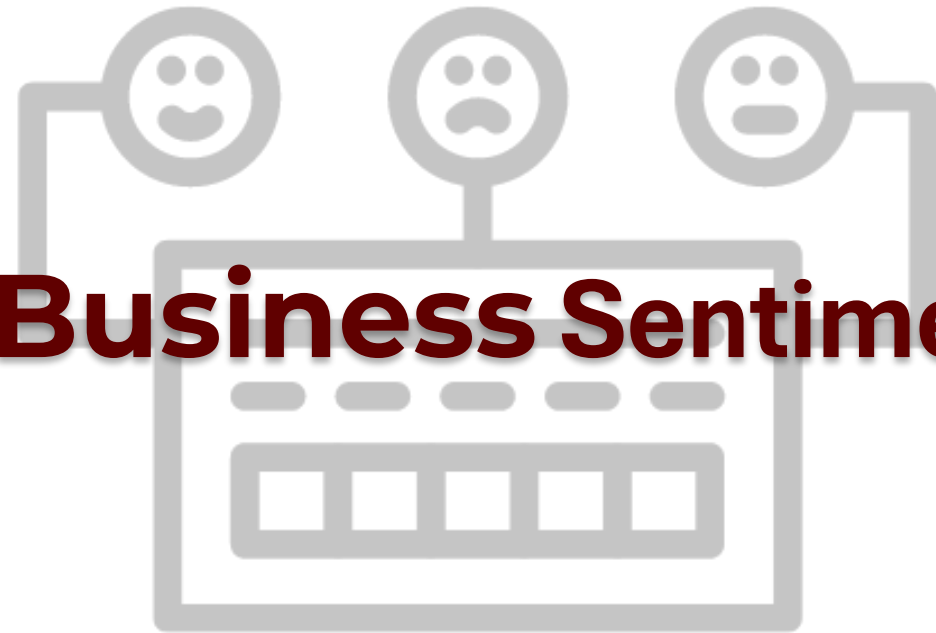


Composition of Respondents (Revenue Size)



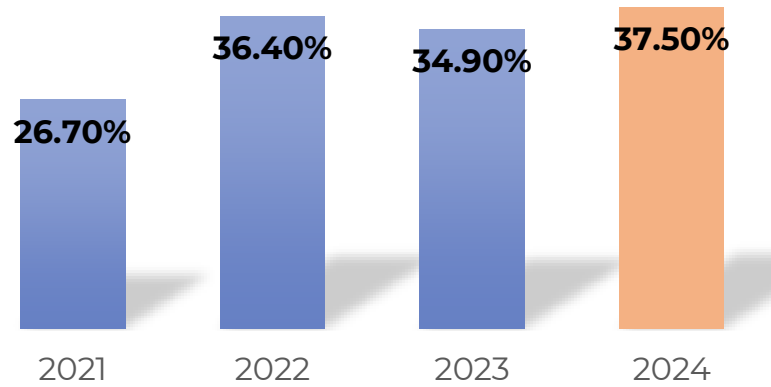
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Business Sentiments

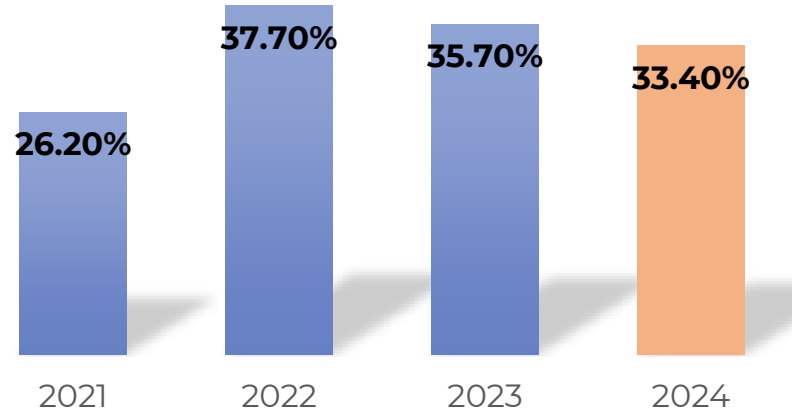


70% Projected Revenue to Be Stable or Rising

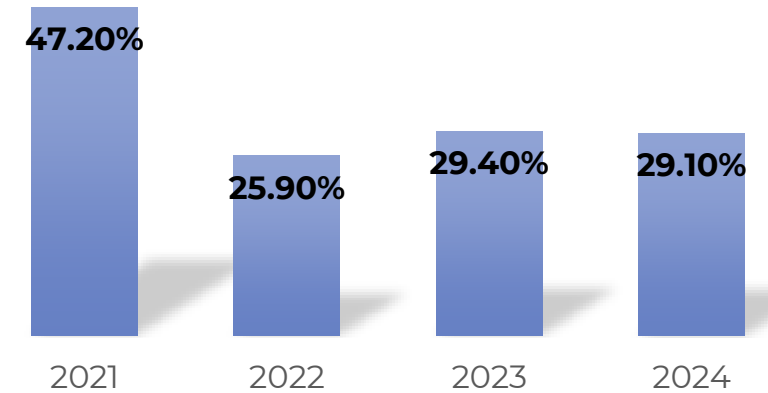
Remain the same



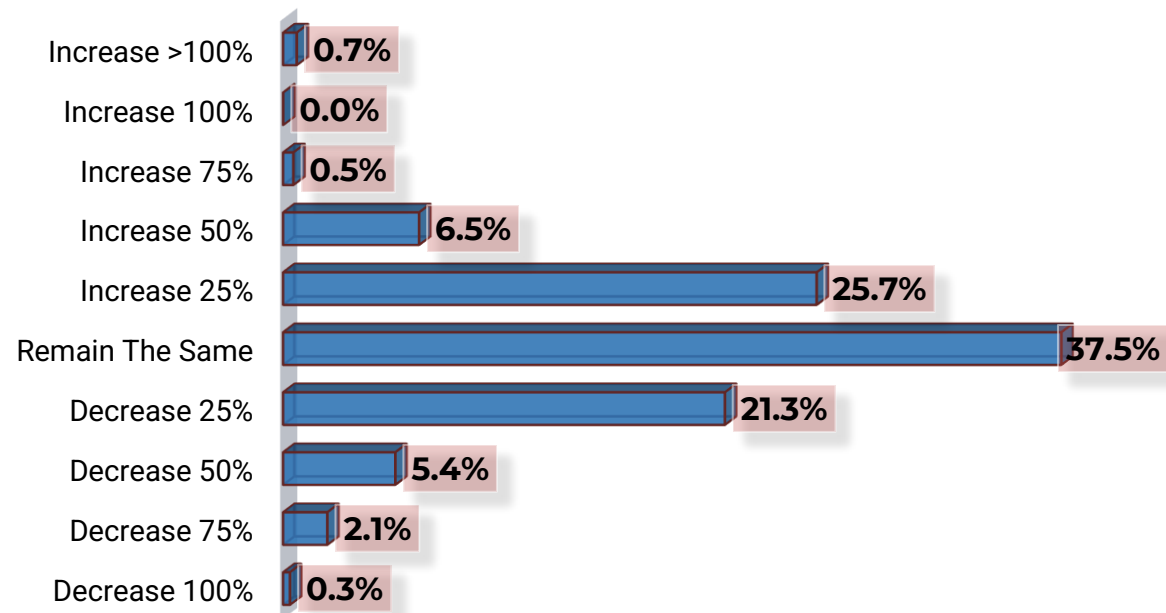
Increase



Decrease

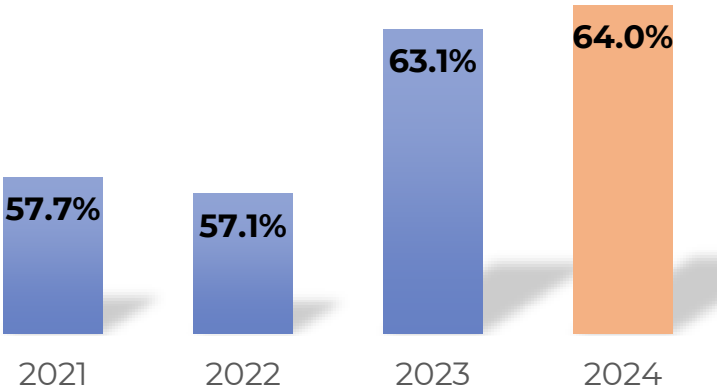


MAGNITUDE OF CHANGE

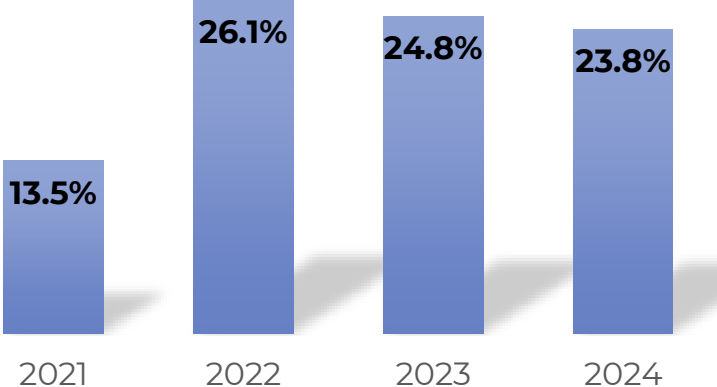


Majority Maintain Manpower Strength Amid Tight Labour Market

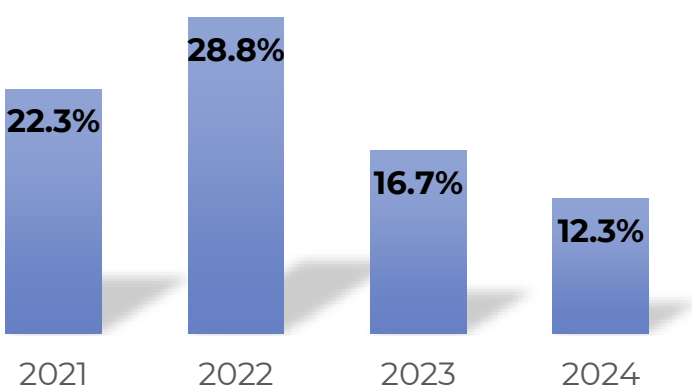
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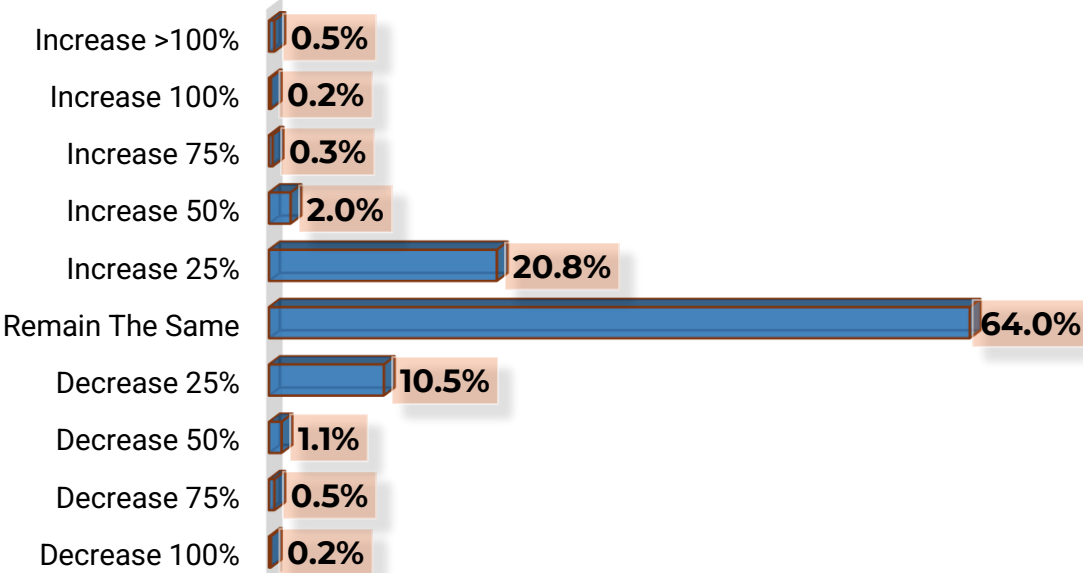
Increase



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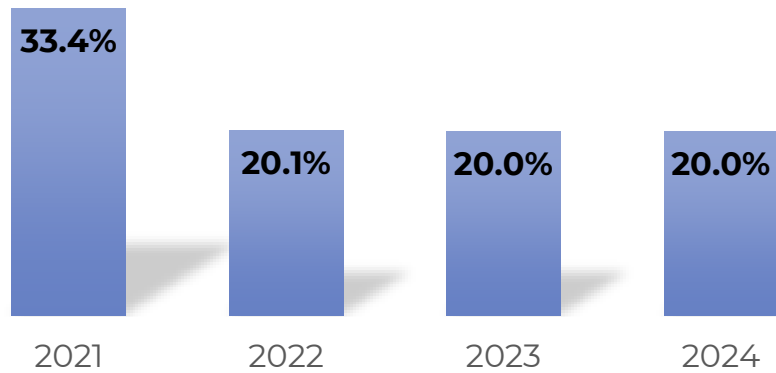


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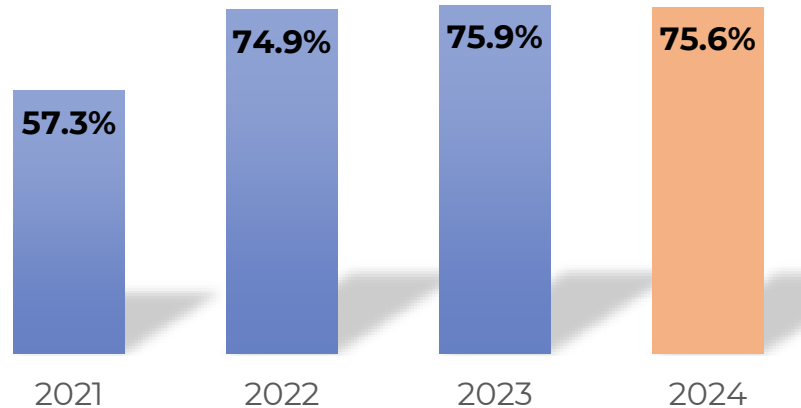


76% of Respondents Face Rising Business Costs

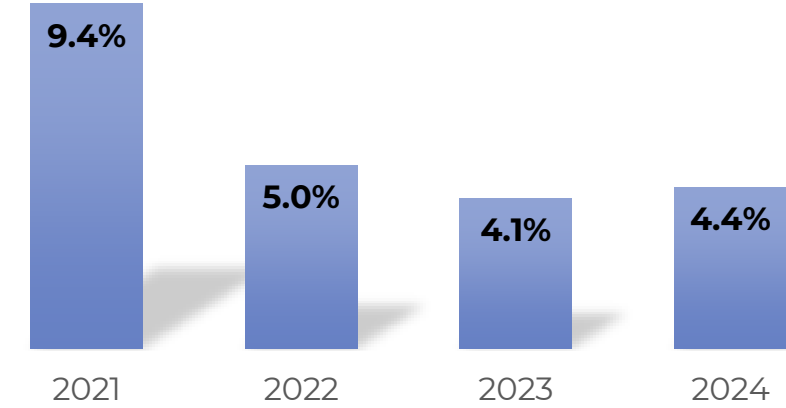
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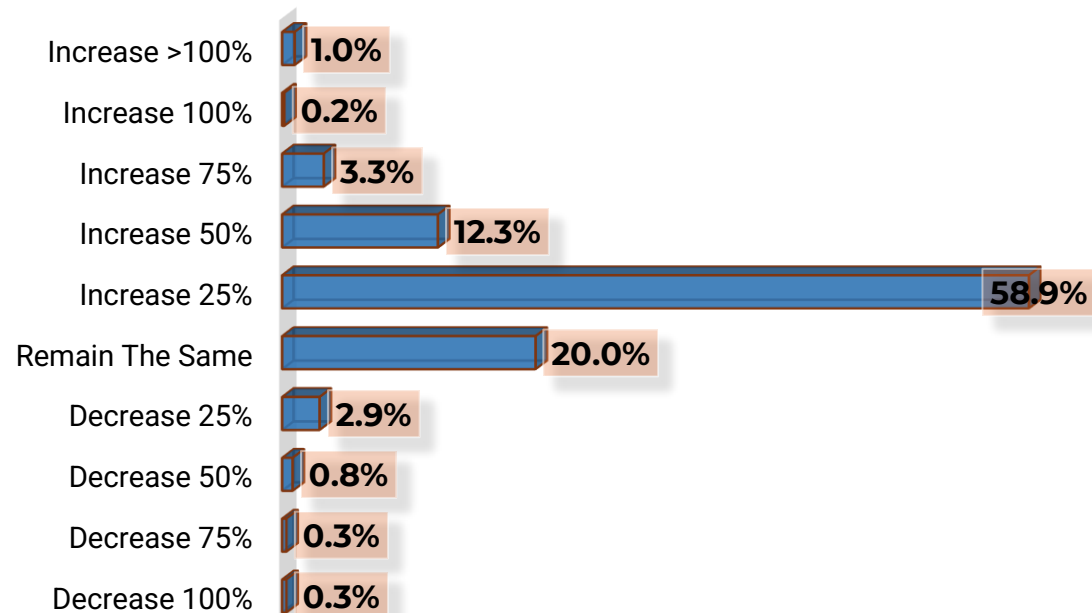
Increase



Decrease



MAGNITUDE OF CHANGE



57% of Businesses Forecast Less Profits than 2023

EXPECTS MORE PROFIT IN 2024 THAN 2023



Anticipating Profits in 2024

Less Than 2023 49.2%

More Than 2023 43.4%

Losses in 2023 to Profits in 2024 7.3%

Anticipating Losses in 2024

Less Than 2023 28.5%

More Than 2023 40.9%

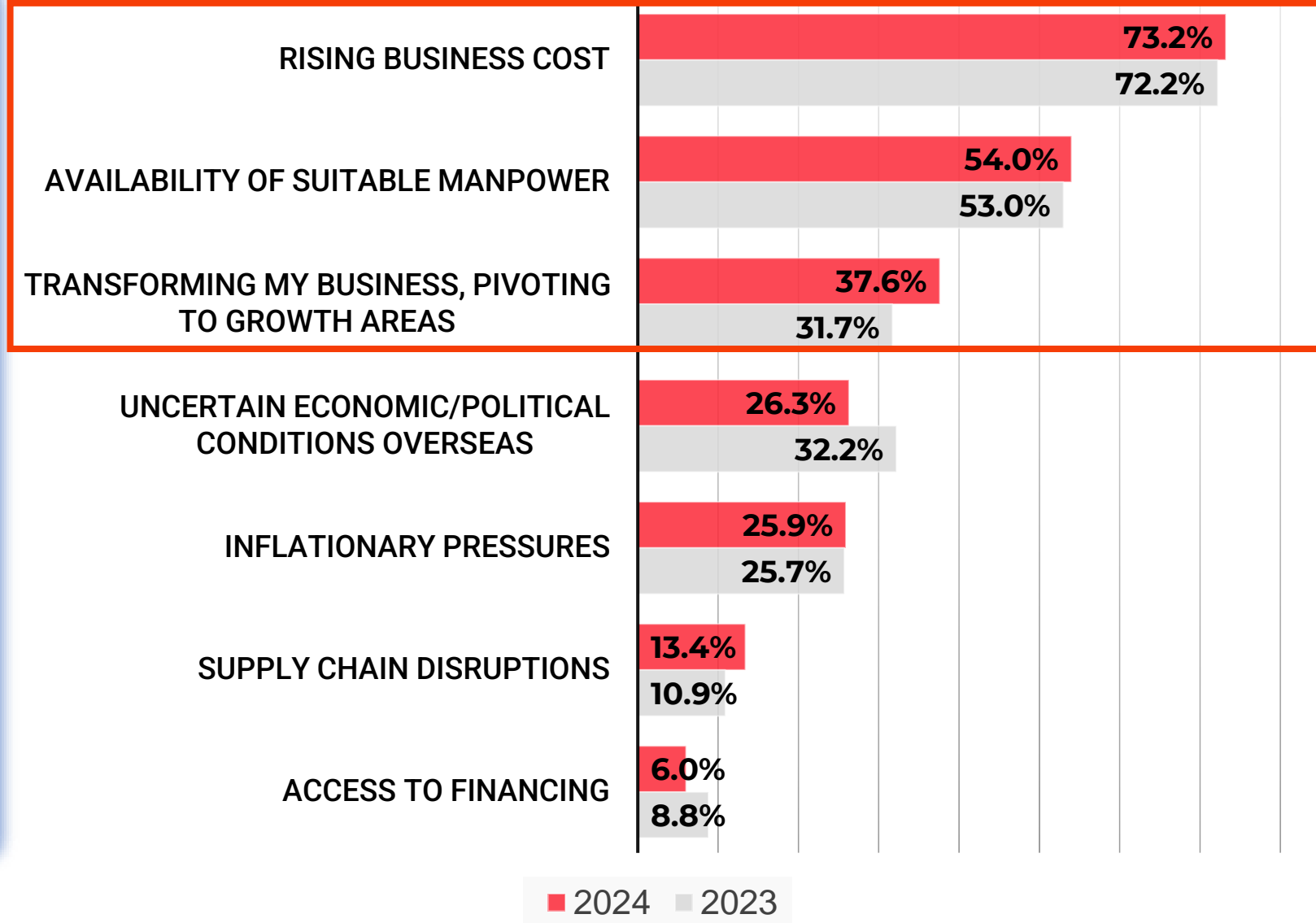
Profits in 2023 to Losses in 2024 30.7%

Top 3 Business Concerns

1 Rising Business Costs

2 Availability of Suitable Manpower

3 Business Transformation



3

Manpower Issues



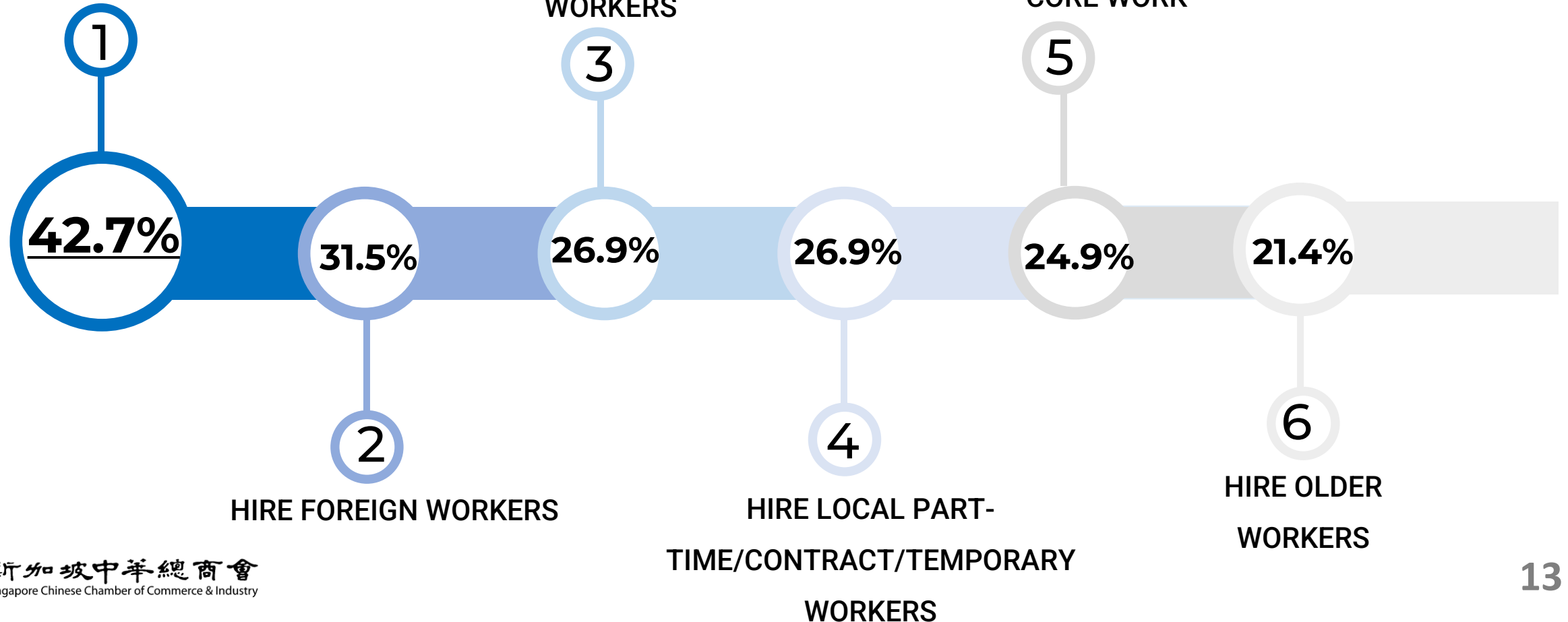
Managing Manpower Challenges

43% of Respondents Turn to Transformation/Automation/Digitisation to Reduce Manpower Needs

TRANSFORM/AUTOMATE
/DIGITISE BUSINESS

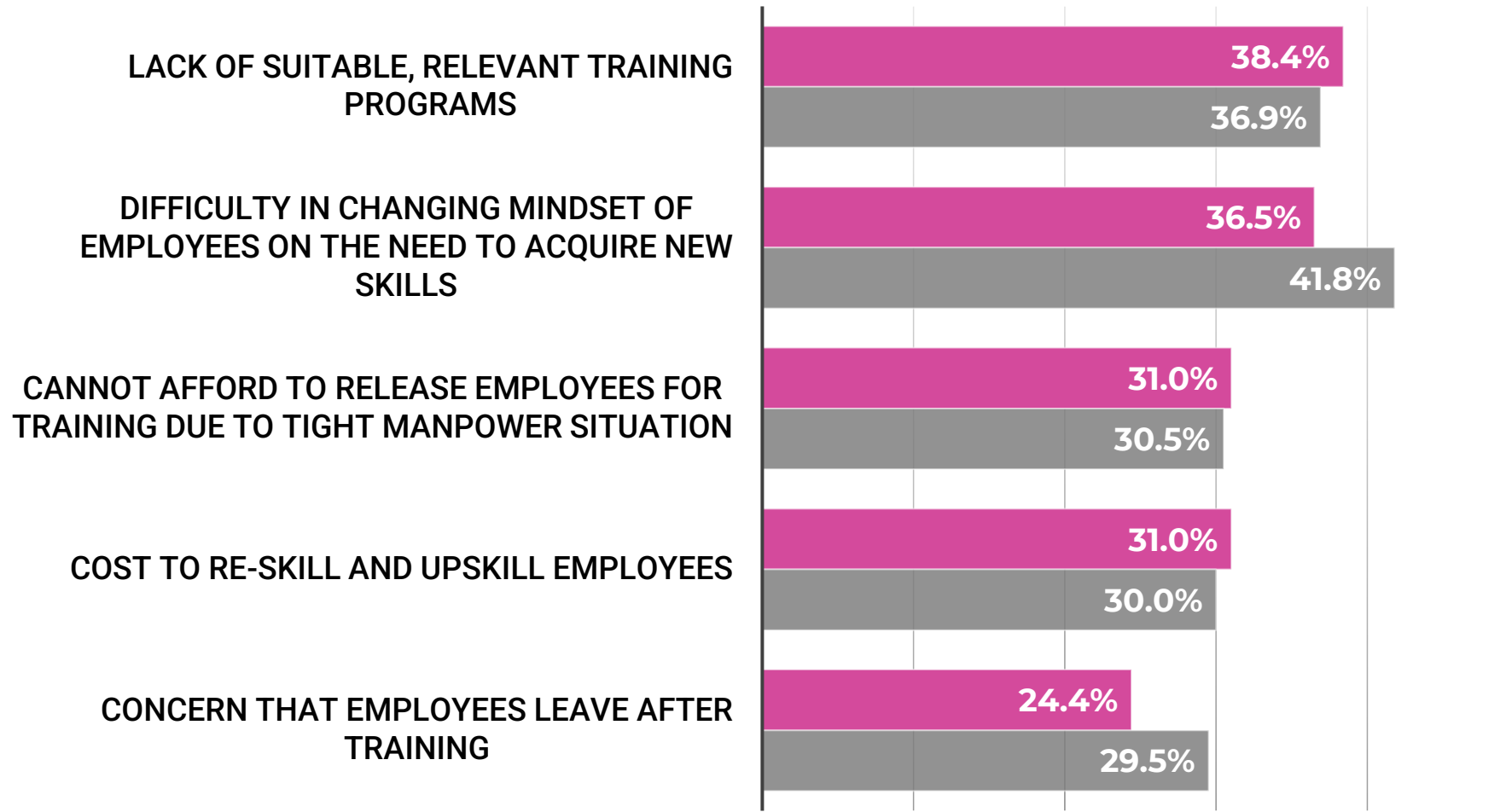
HIRE AND TRAIN MID-CAREER
WORKERS

OUTSOURCE/OFFSHORE NON-
CORE WORK



Top Challenge in Re-Skilling & Upskilling Employees

Lack of Suitable and/or Relevant Training Programs



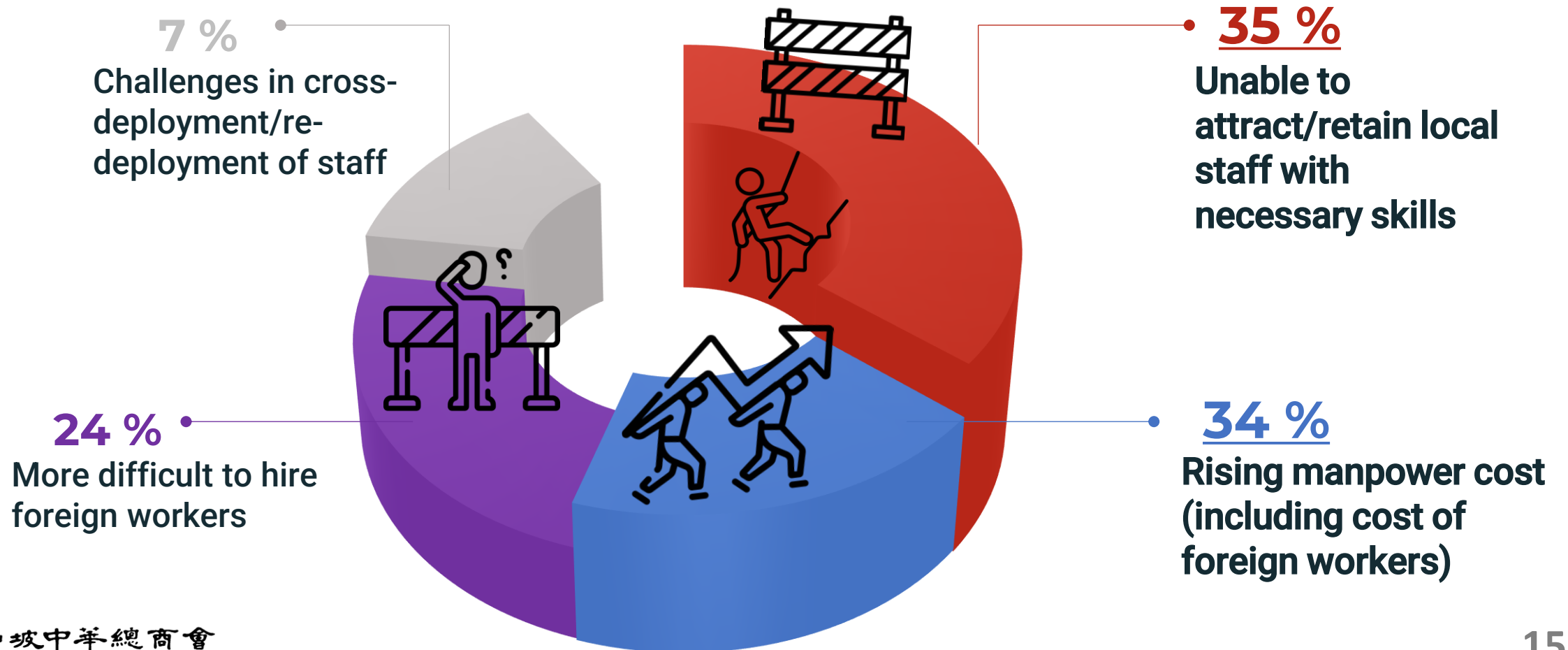
Top Manpower Challenges



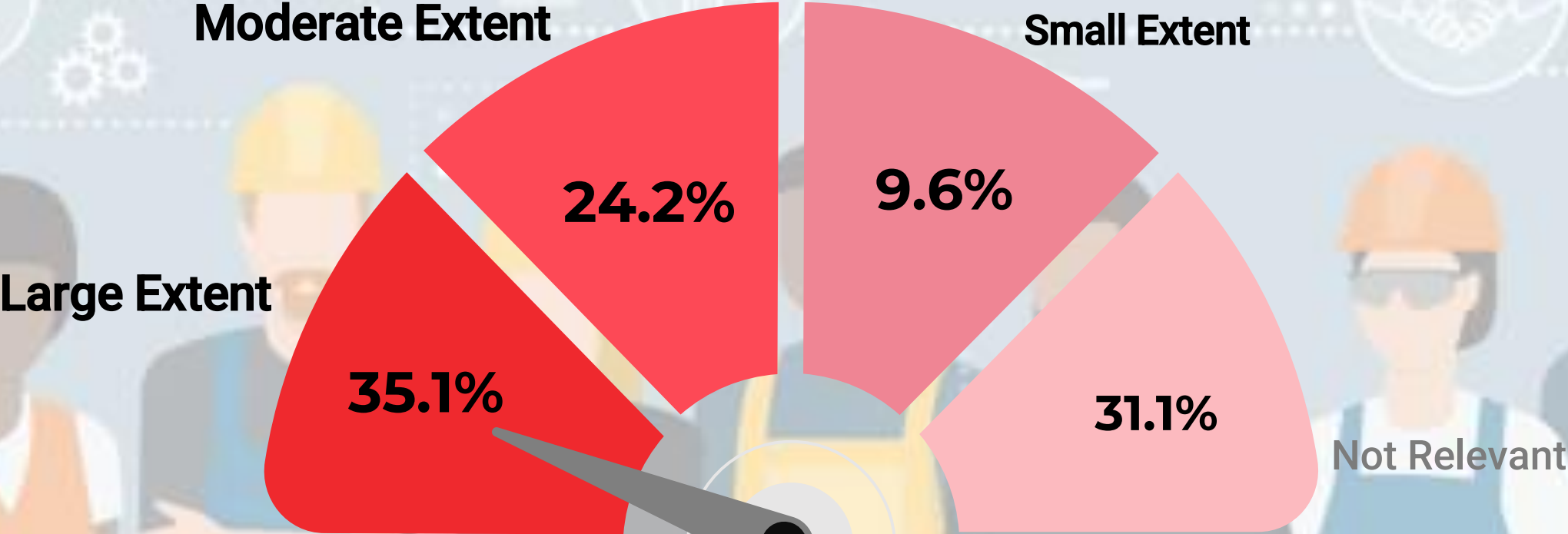
Unable to Attract/Retain Local Staff



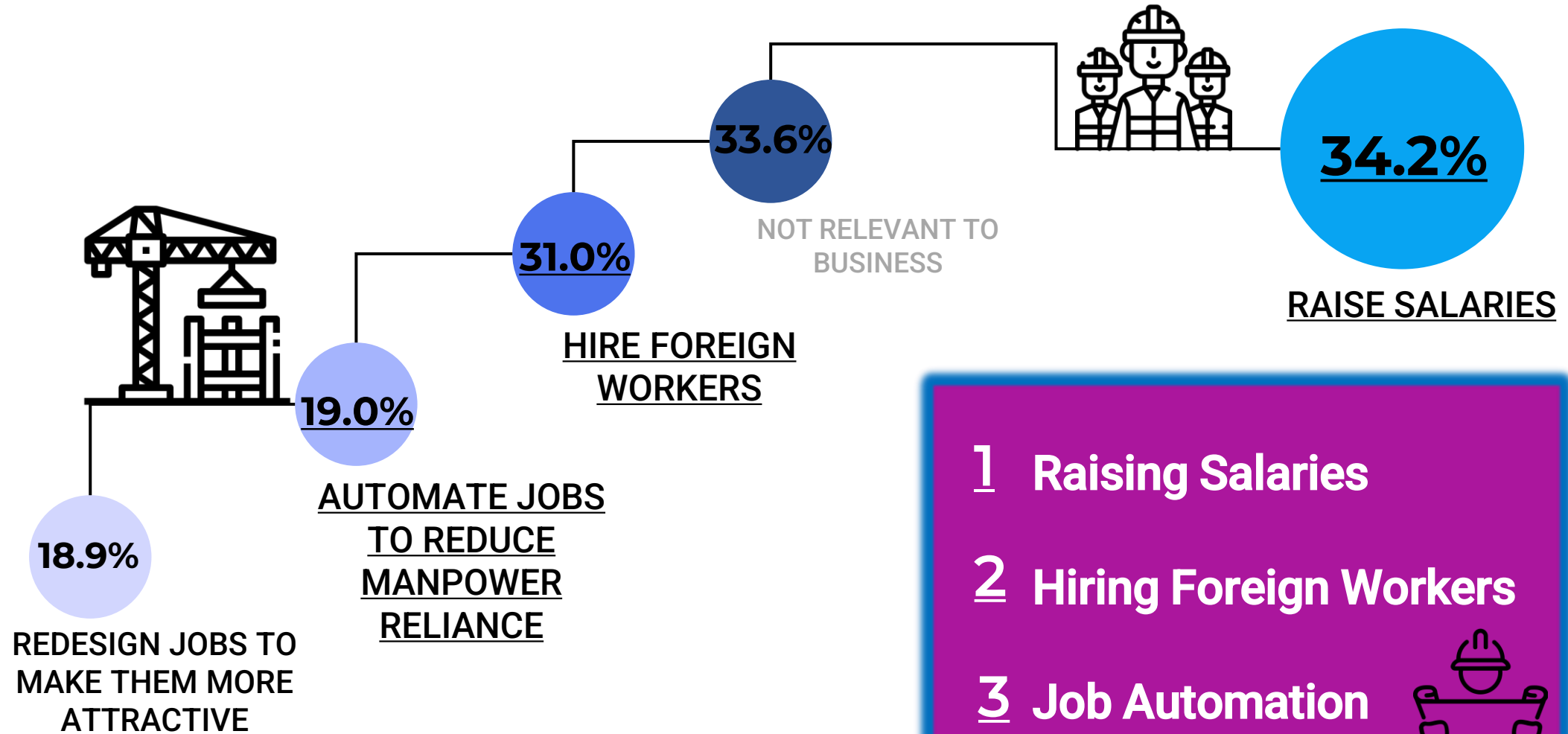
Rising Manpower Cost



60% of Respondents Struggle With Hiring Local Rank-and-File Workers



Overcoming Challenge of Hiring Local Rank-and-File Workers



- 1 Raising Salaries
- 2 Hiring Foreign Workers
- 3 Job Automation 

4



91% of Respondents Will Retain Partial/All Operations in Singapore

* Notwithstanding Cost of Doing Business and Manpower/Resource Constraints in Singapore



61.9%

Relocate part of
business/business functions
overseas to complement
Singapore-based operations



29.3%

Remain in Singapore but
transform business to
harness local competitive
advantages



2.2%

Relocate entire
business overseas

Key Challenges in Transforming Business

Lack of internal expertise and resources to transform

49.4%

Uncertainties about outcome of transformation

41.3%

Staff not ready/internal resistance

27.9%

No succession for business continuation

12.4%

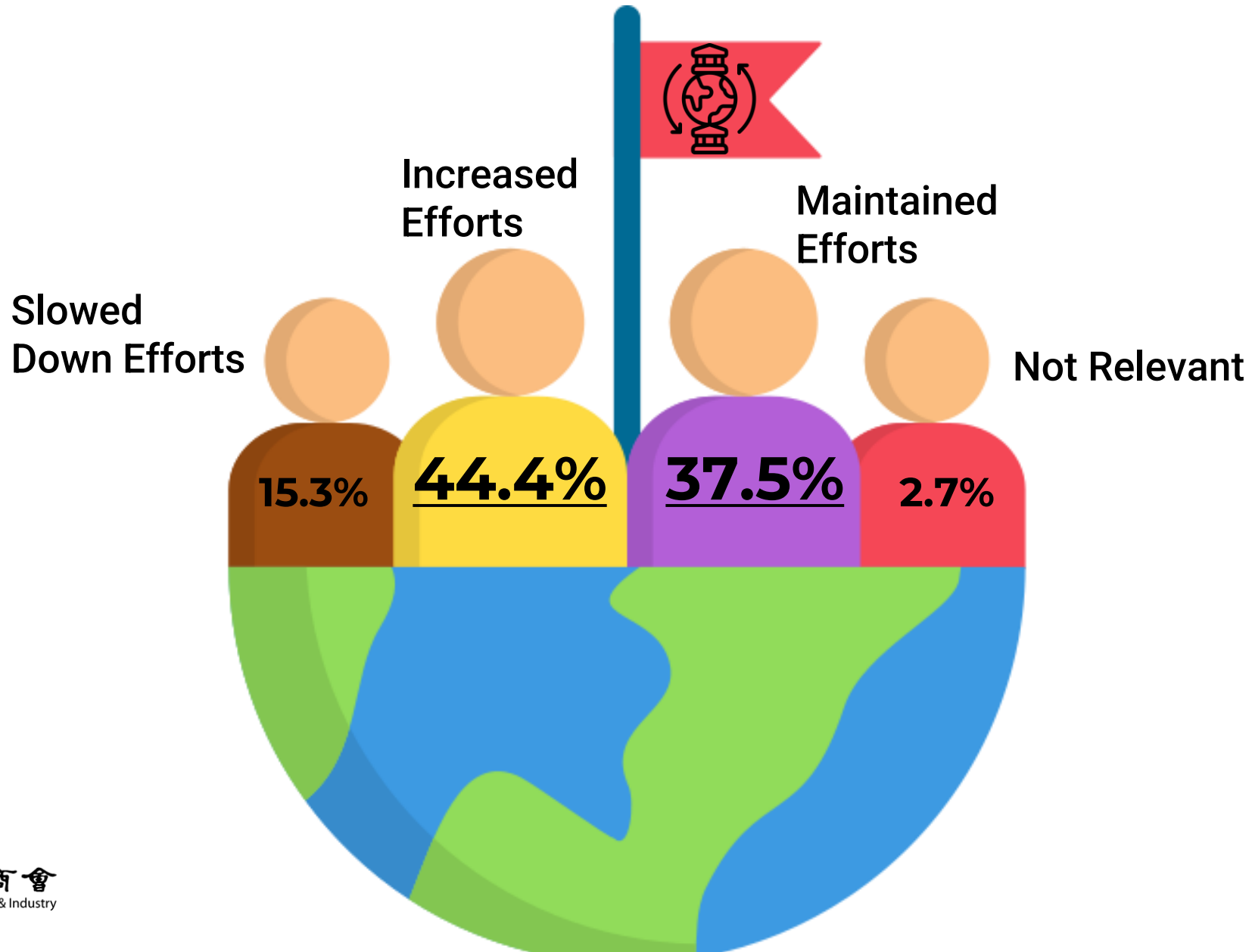
Do not encounter any challenges

21.7%

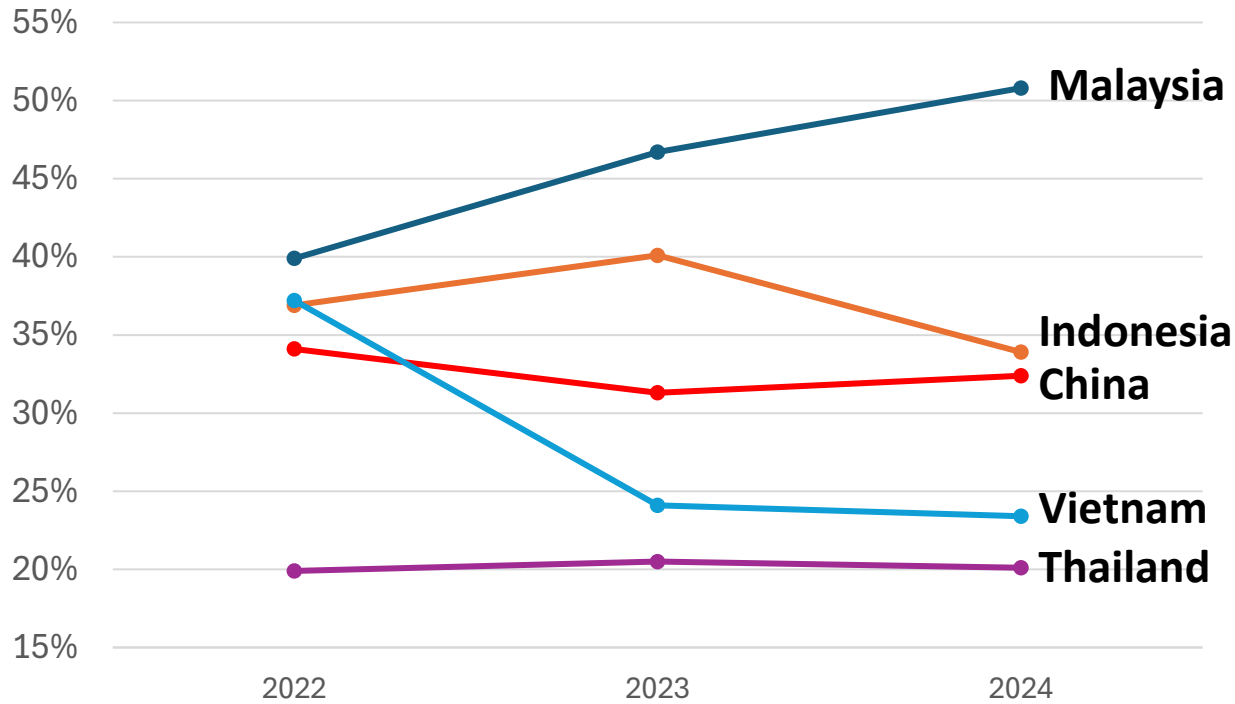


5 Internationalisation

82% of Respondents Increased or Maintained Efforts to Internationalise



Top 3 Overseas Markets of Interest: Malaysia, Indonesia, China



	2022	2023	2024
Malaysia	39.9%	46.7%	50.8%
Indonesia	36.9%	40.1%	33.9%
China	34.1%	31.3%	32.4%
Vietnam	37.2%	24.1%	23.4%
Thailand	19.9%	20.5%	20.1%

Market Destinations	2024
Malaysia	50.8%
Indonesia	33.9%
China	32.4%
Vietnam	23.4%
Thailand	20.1%
Japan / Korea / Taiwan	12.6%
Philippines	11.1%
Europe	9.9%
Australia / New Zealand	7.7%
North America	5.7%
Cambodia	4.8%
India	4.5%

Southeast Asia Consumer Base Drives Companies to Pivot to the Region



Tapping into the market - consumer and customer base in the region

56.5%

Setting up / tapping into the manufacturing capacity and production facilities in the region

25.8%

Sourcing and procurement of materials / goods from within the region

22.2%

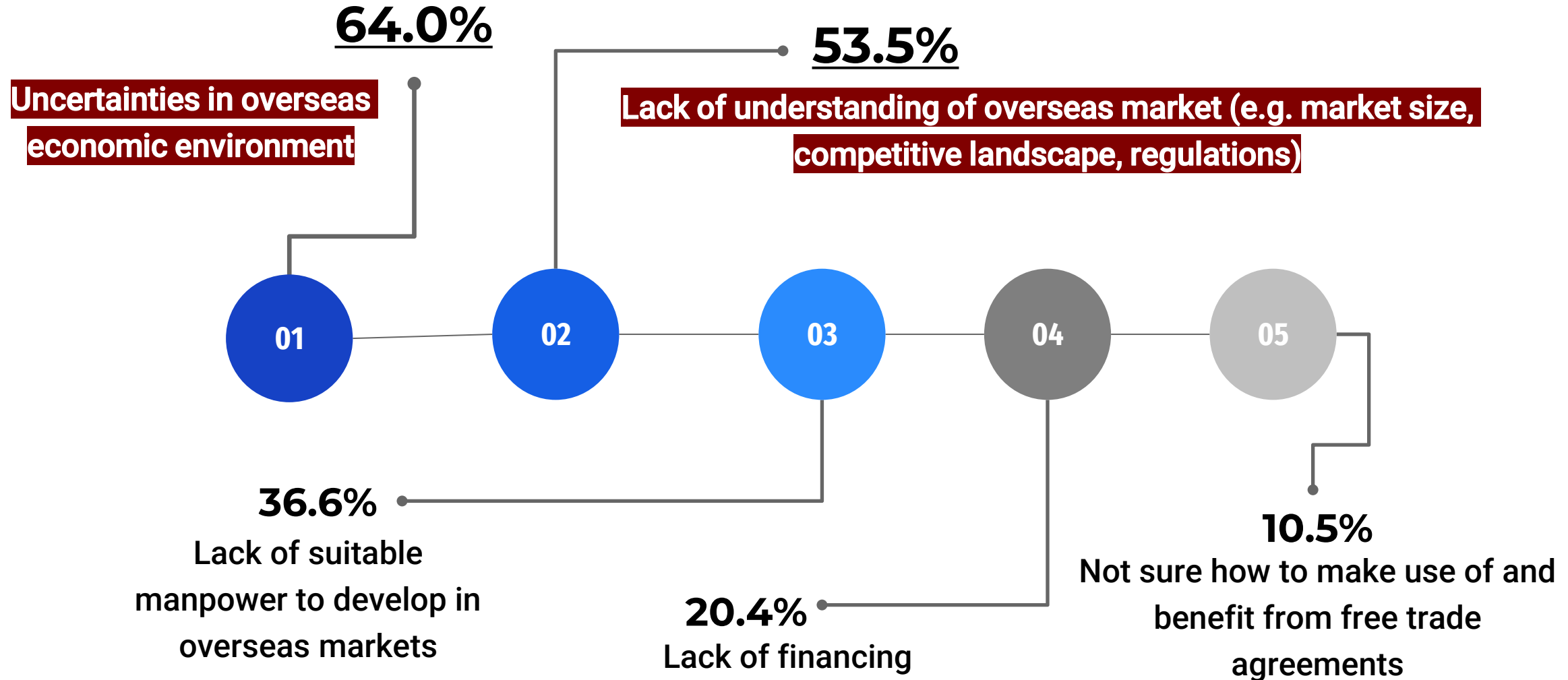
Manage geopolitical risks and improve business resilience

20.4%

Not relevant to my business

16.8%

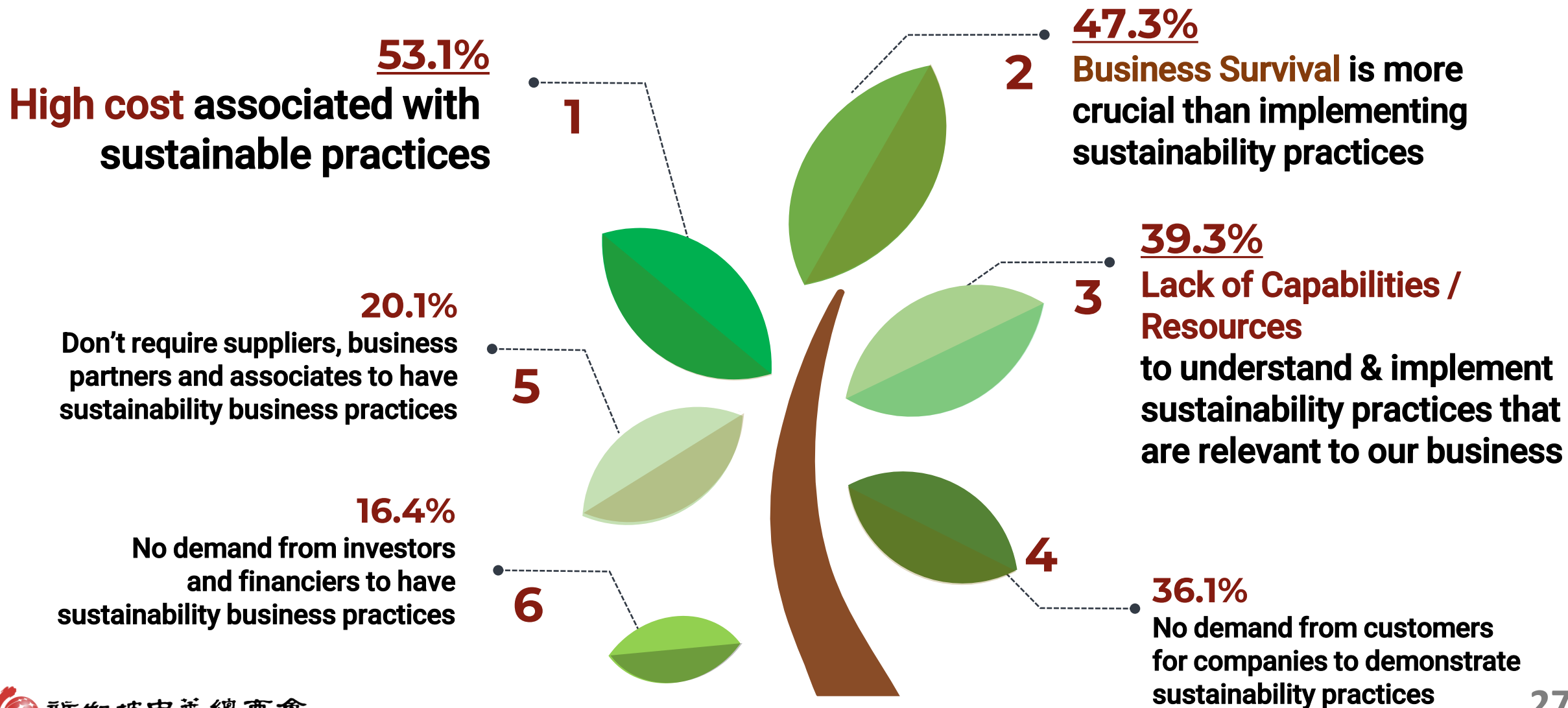
Top Challenges in Internationalisation



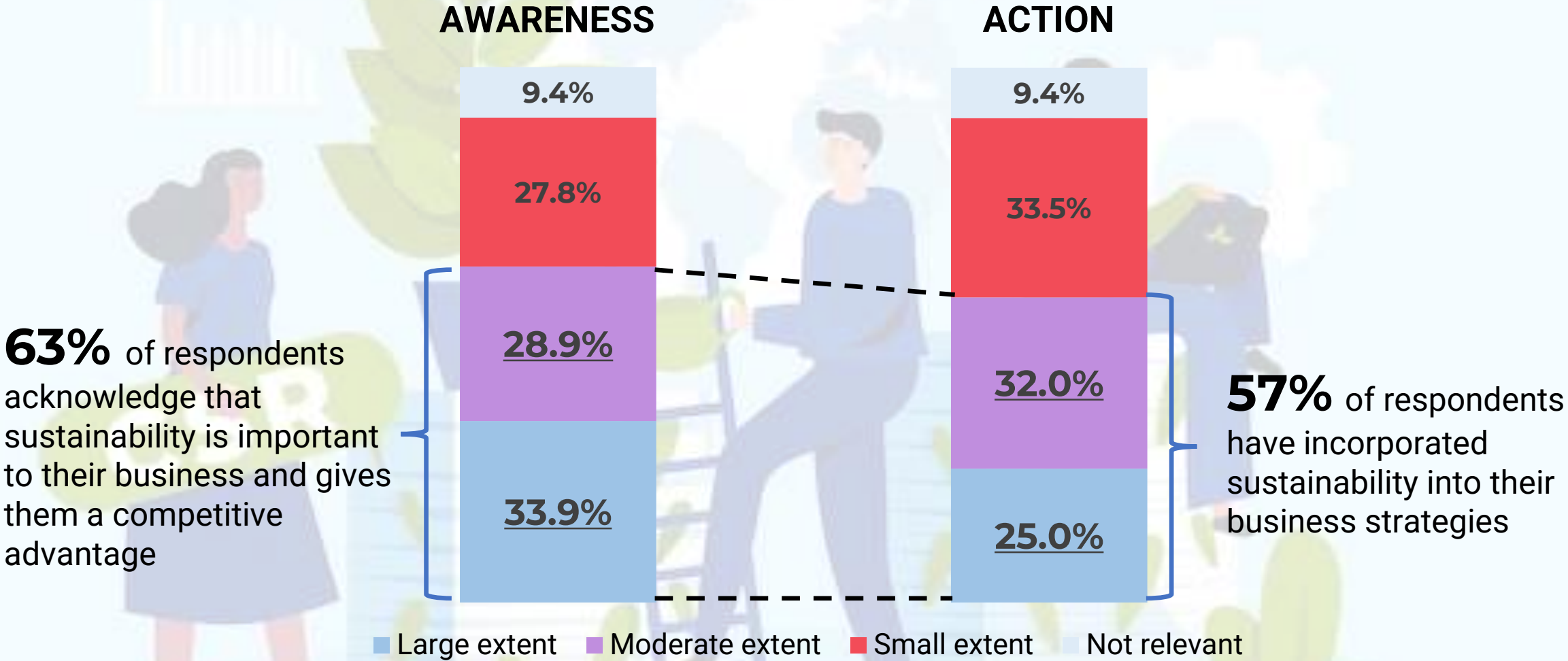
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Business Sustainability

High Costs of Sustainability Practices and Priority on Business Survival Hinder Sustainability Efforts

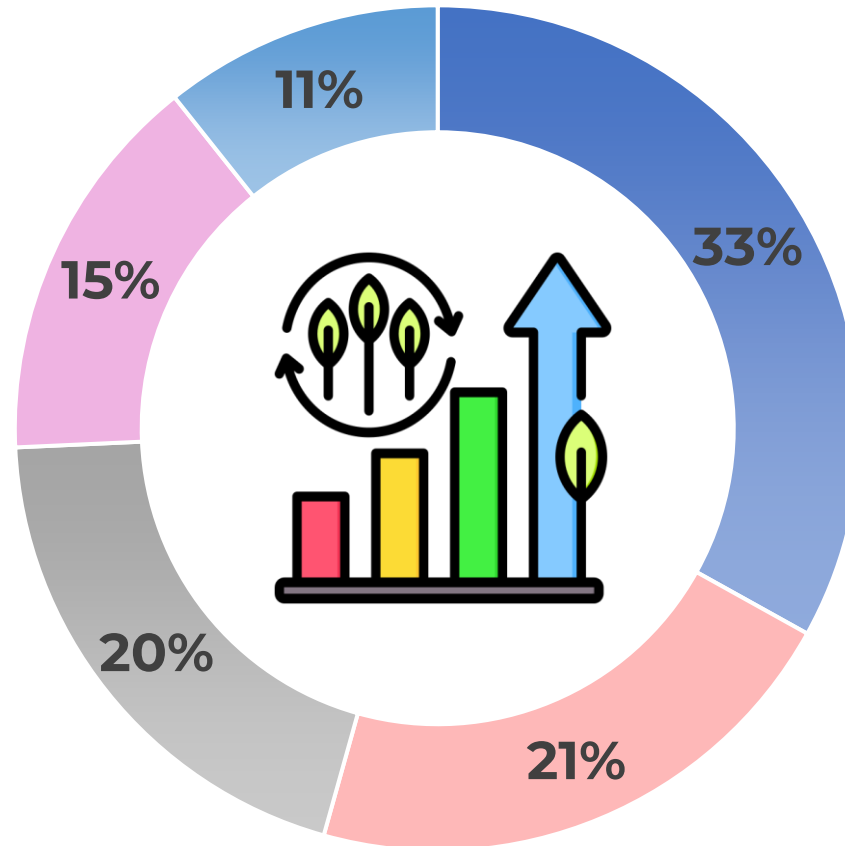


Gap Between Awareness and Incorporating Sustainability Into Business Practices



Top Areas of Support Needed to Embrace Sustainability

- 1 Financial Support**
- 2 Access to Information and Resources**
- 3 Training**

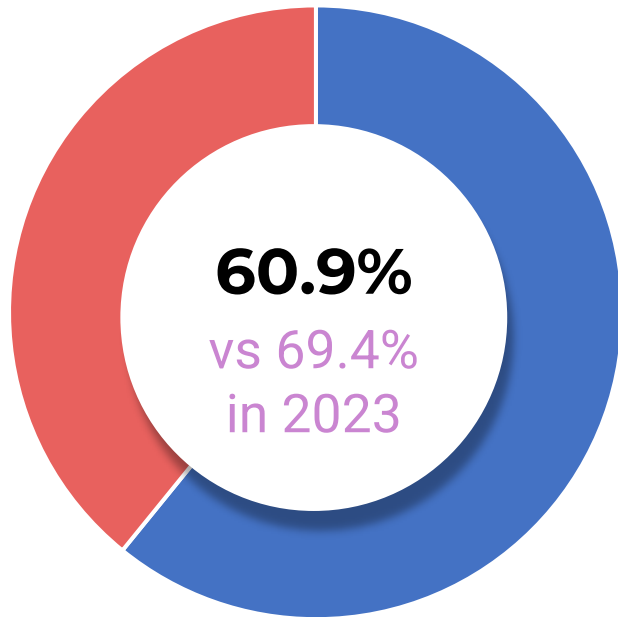


- Financial support
- Access to information resources on sustainability
- Training on sustainability
- Access to consultants on sustainability
- Help on tracking and reporting on carbon emissions

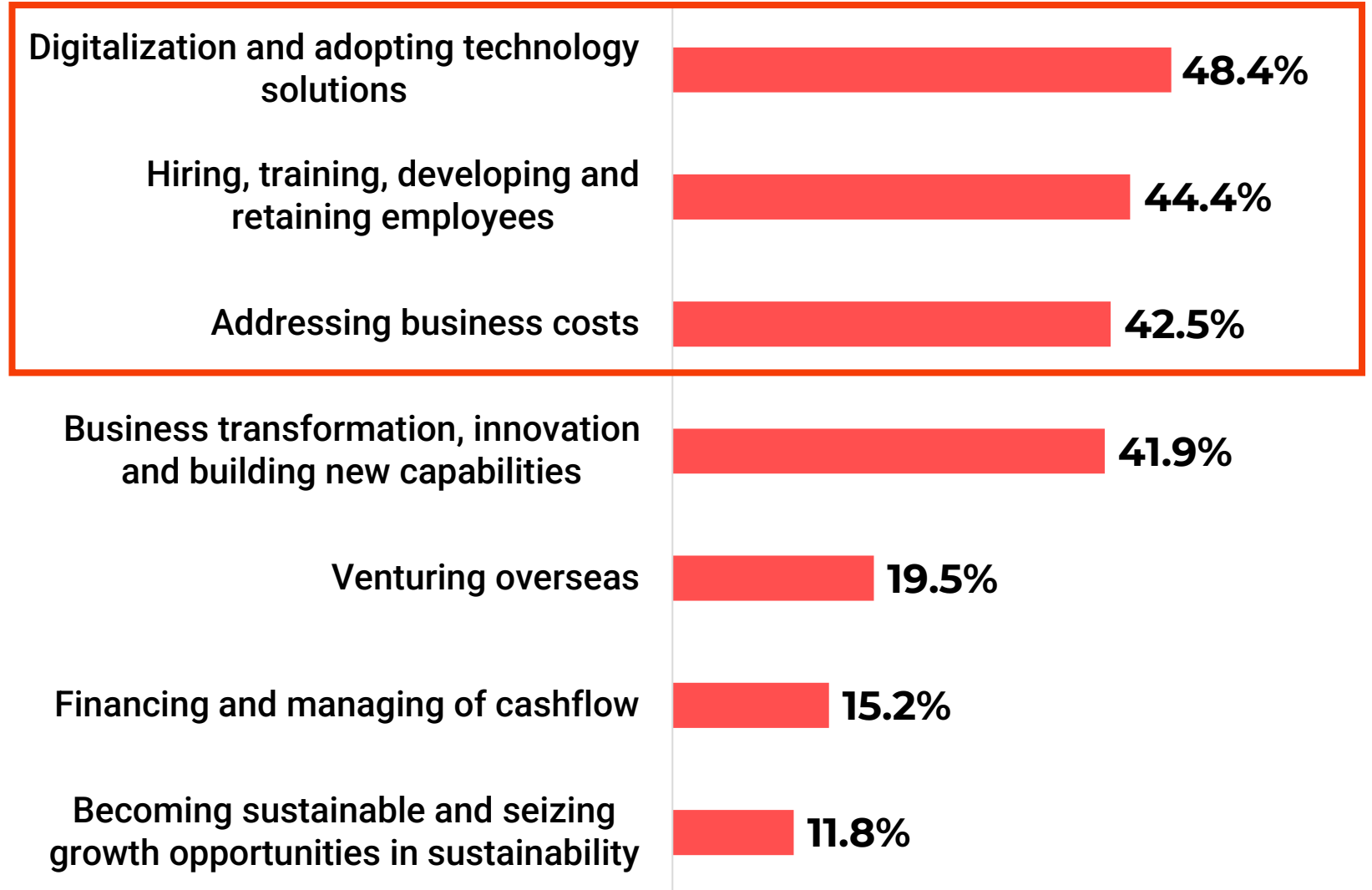
7

Government Schemes

Top 3 Useful Govt Schemes: Supporting Digitalisation, Manpower Management, Addressing Costs



Percentage of respondents who applied for Govt Assistance Schemes



Top Challenge When Applying for Govt Schemes: Uncertainty on Most Appropriate Choice of Schemes

37.4% Do not face any challenge when applying for govt schemes

17.1% Cannot achieve the required KPIs of the scheme

25.4% Application process not fast enough to meet business needs



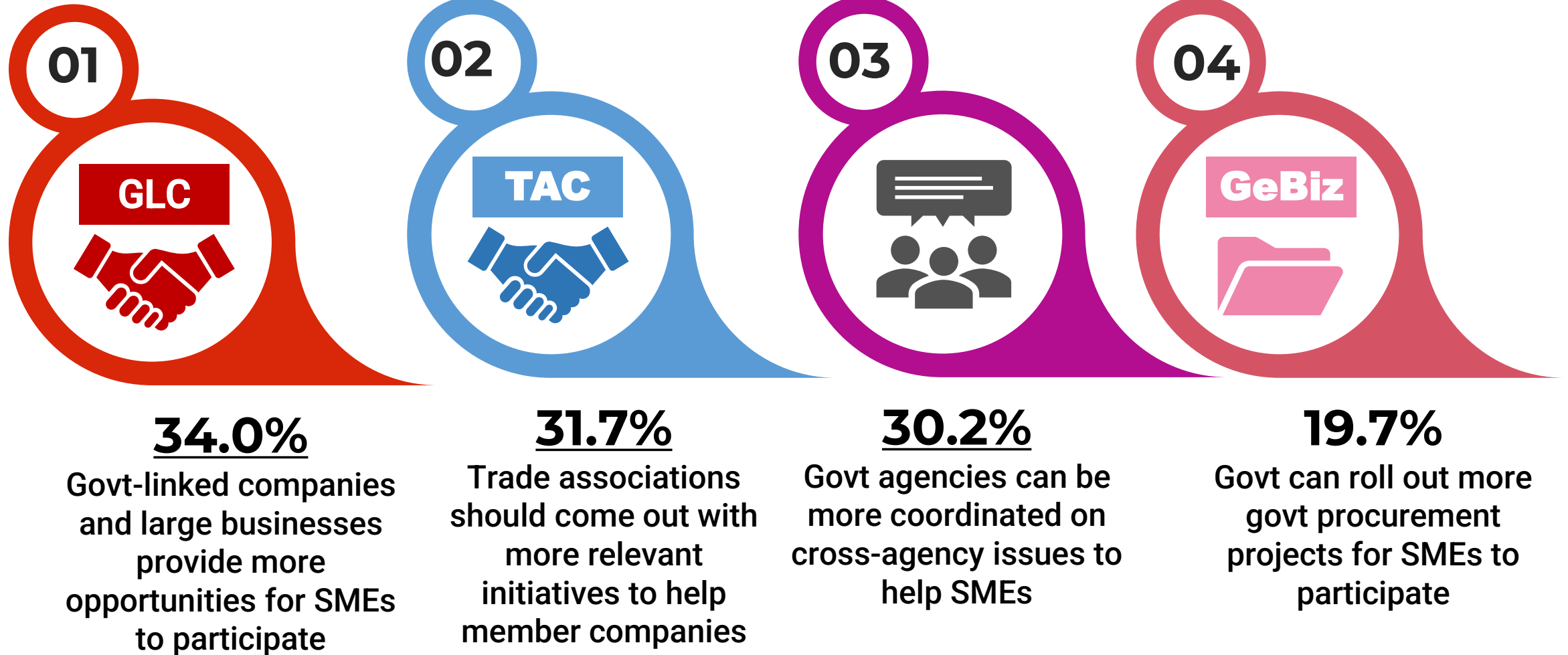
35.5% Don't know which scheme is most appropriate for business needs

33.0% Complex application process

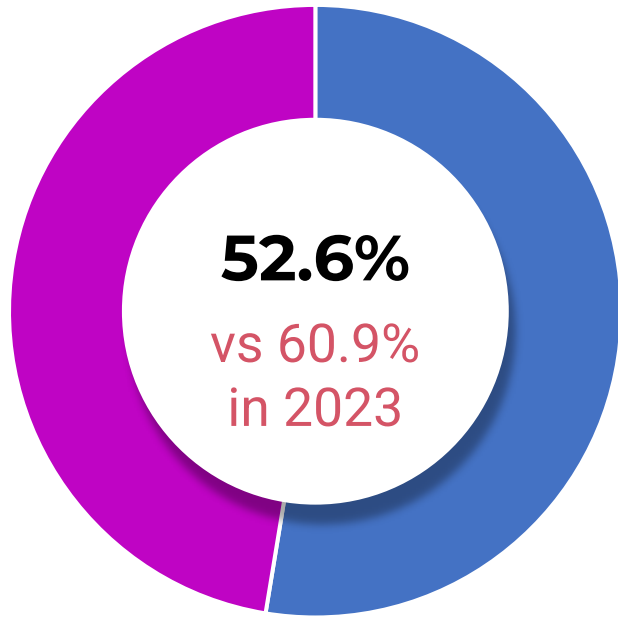


Non-Scheme Forms of Assistance

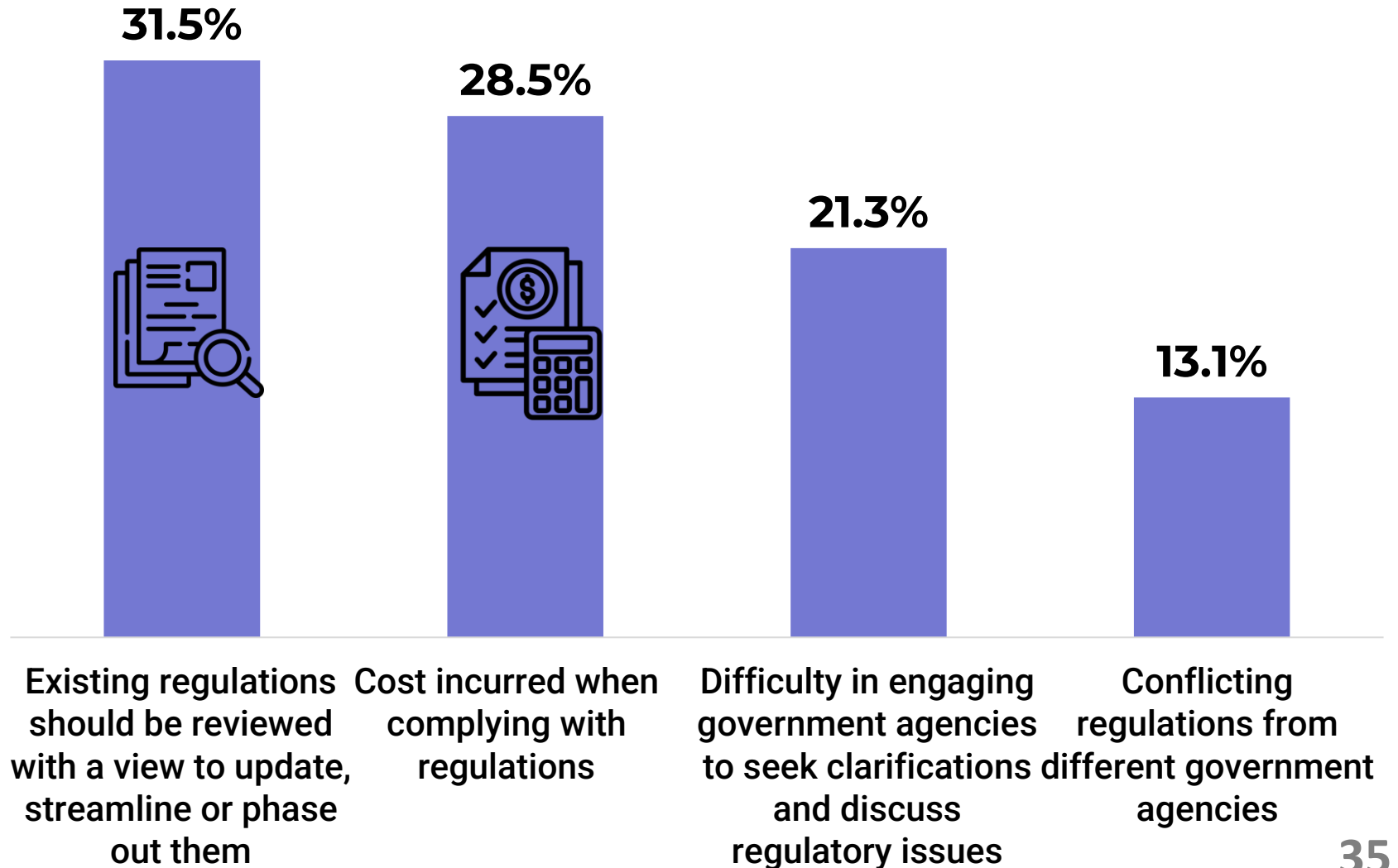
Businesses Seek Opportunities From Large Companies and Assistance From TACs



Respondents Call for Review of Existing Regulations to Stay Relevant and Tackle Compliance Costs



Percentage of respondents who encountered regulatory challenges



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Recommendations for Budget 2025

1. Help businesses to ease business costs

- A top concern of businesses is rising business costs. Where it is within government's control to address costs that will impact businesses, companies will look forward to benefit from the relevant support measures.
- Not to further increase government compliance costs, government charges and fees that will aggravate the cost burden of businesses.
- Extend schemes to help defray rising manpower costs and further simplify the application process, including Career Conversion Programmes, SkillsFuture Enterprise Credit scheme and CPF Transition Offset.
- For growth-oriented businesses, consider a higher threshold for qualifying expenses incurred to stay competitive / increase productivity (e.g. for refurbishment and upgrading of premises) for deduction against taxable income.
- Consider a higher threshold of Corporate Income Tax rebate to tax-paying companies in 2025.
- Extend and enhance Enterprise Financing Schemes to facilitate and ease SMEs' continual access to affordable sources of financing and working capital.
- Review property tax for commercial properties and provide property tax rebates to cushion the impact of considerable property tax increases over the past two years.

2. 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 and faced limitation in further automation, 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 better-skilled foreign workers to fill such jobs to enable firms 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. In addition, recommend to expand the NTS Occupation List to include a selected list of job roles in the above-stated sectors with economic merits.
- Recommend to review work permit regulations to allow foreign workers to be cross-deployed across legal entities within the same corporate group with the same Dependency Ratio Ceiling. This would help businesses to optimize their manpower needs, improve productivity, and address workforce shortage in specific functions.

3. Quicken the pace of SMEs' pursuit of sustainability to build green capabilities and reap opportunities from the green economy

- 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.
- Local SMEs need more help to tackle the high costs associated with sustainability practices, build green capabilities, and in the pursuit of green initiatives.
- TACs can aggregate the common needs of SMEs in their pursuit of sustainability and be allowed to seek funding support level of at least 70% for the participating SMEs. This will help to accelerate the process of SMEs building capabilities in sustainability and capturing new market opportunities.
- Introduce a Enterprise Sustainability Programme (ESP)-Lite scheme to supplement ESP. ESP-Lite scheme will make available to SMEs a simplified application process to benefit from government funding support as they embark on their first steps to embrace sustainability business practices, including producing carbon/emission reports and adopting solutions to reduce carbon footprint.

4. Support trade associations that offer industry-relevant training that led to employment outcomes

- Government has been actively pushing for workforce upskilling in tandem with business transformation. More recently, government has urged businesses to shift the emphasis from hiring based on paper qualifications to skills-based hiring. Developing deep skills and competencies in the workforce is critical and essential to support business growth.
- On top of common broad-based industry skills, suggest SkillsFuture Singapore to extend more financial support towards programmes that require industry experts and training providers to impart deep specialized skills.
- Industry players are most in sync with the relevant skills required for them to maintain a competitive edge. Provide funding support of at least 70% to industry trade associations that offer industry-relevant training / skills improvement and productivity improvement courses that can directly lead to a better downstream linkage to good employment outcomes and targeted job placement opportunities.

Recommendations

5. 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 funding 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% for TACs to undertake in-depth and thorough market research before embarking on business missions.
- To increase the grant cap of the Market Readiness Assistance (MRA) programme from the current \$100,000 cap in view that business expenses incurred for internationalization has increased substantially.

6. Provide incentives to catalyze the consolidation and growth of SMEs amid a challenging business environment

Provide strong-capabilities enterprises and eligible local family offices with a time-bound incentive package to promote the consolidation and revitalization of SMEs in sectors with significant economic impact:

- **Grants for due diligence and M&A transactions:** Provide grants to support advisory fees incurred during due diligence and M&A activities.
- **Wage support for key employees:** Provide wage support for key employees in critical roles to facilitate hiring and encourage continued employment and mitigate job losses during the transitional consolidation process. Offer tax incentives for companies that commit to retaining a high percentage (e.g. 90%) of their workforce post-consolidation.
- **Support for re-skilling and training:** Provide funding to support staff re-skilling and training for re-deployment within the company or industry to minimize unemployment after the consolidation process.
- **Incorporating consolidation cost into lease renewal criteria for JTC properties:** Allow businesses to treat eligible consolidation-related expenses (e.g. legal and integration costs) as qualifying investments in lease renewal evaluation. This would encourage companies to favorably embark on business revitalization and modernization through consolidation.

THANK YOU

Connect with us

SCCCI Economic Research Department
research@sccci.org.sg



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