

# National Business Survey 2024

Annual Business  
Sentiments Edition



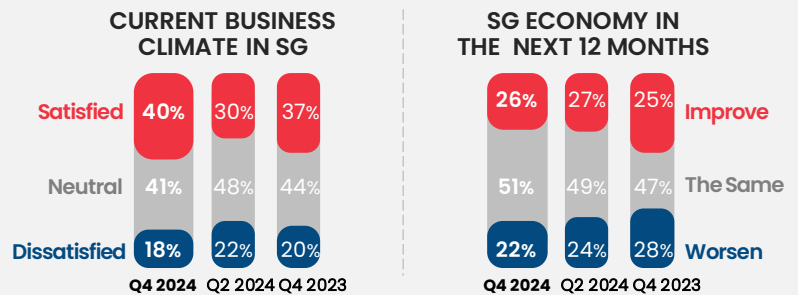
## SBF NATIONAL BUSINESS SURVEY 2024: ANNUAL BUSINESS SENTIMENTS EDITION

The National Business Survey (NBS) is the flagship annual survey of the Singapore Business Federation (SBF). Into its 17th annual edition, the SBF NBS 2024 – Annual Business Sentiments Edition provides fresh insights on business sentiments and challenges faced by businesses in Singapore and the Government support required. The survey was carried out from 11 October to 11 November 2024 and drew responses from 519 businesses across all key industries, comprising 83% small and medium-sized enterprises (SMEs) and 17% large companies.

## BUSINESS SENTIMENTS & CHALLENGES

### Increased Satisfaction Among Businesses with the Current Economic Climate

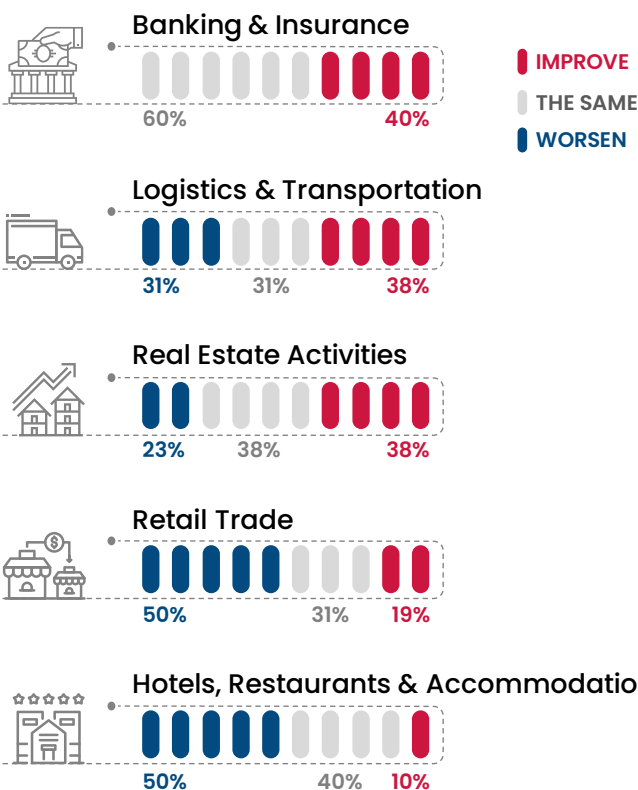
Business satisfaction has increased on current state of economy, from 30% in Q2 2024 to 40% in Q4 2024. More businesses have also expressed confidence that the economy will improve (26%) in next 12 months compared to worsen (22%).



### Sectors Split between Optimism and Caution in their Future Economic Outlook

Sectors that are more bullish include Banking & Insurance (40%), Logistics & Transportation (38%), and Real Estate Activities (38%). In contrast, sectors that are more bearish include Retail Trade (50%), and Hotels, Restaurants & Accommodations (50%).

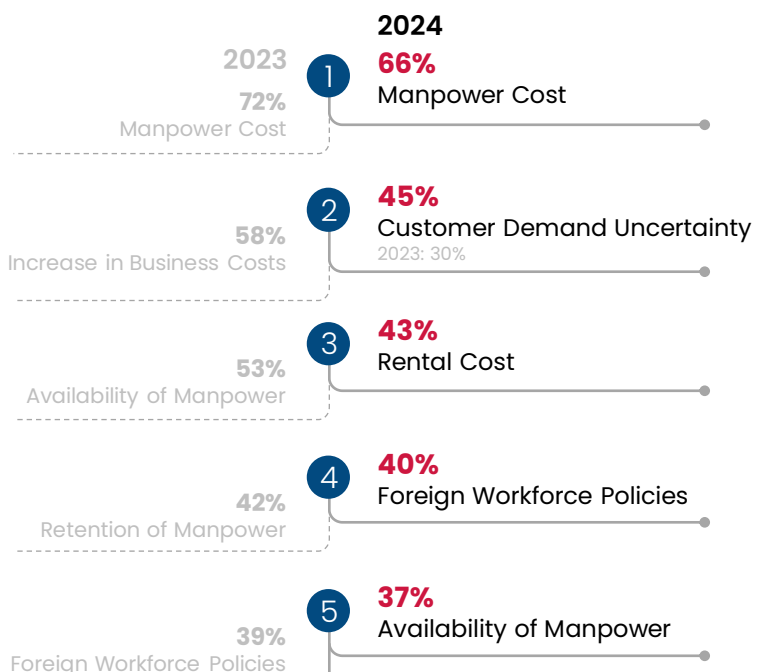
#### BY KEY SECTORS...



### Cost Pressures and Demand Uncertainty Reported as Key Business Challenges

Manpower cost remained the top challenge, while customer demand uncertainty emerged as second, followed by rental cost in third place. Foreign workforce policies and availability of manpower also continue to be key concerns, underlining the ongoing strain on workforce-related issues.

#### TOP BUSINESS CHALLENGES TO OPERATE IN SG

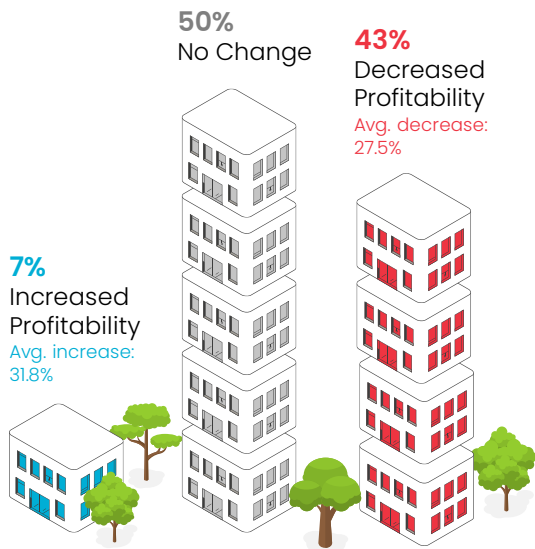


# MANAGING RISING COSTS & CASH FLOW PRESSURES

## Businesses Sustain Profitability amid Rising Business Costs and Uncertainty

Despite rising business costs, one in two businesses (57%) have managed to maintain or increase profitability over the past year.

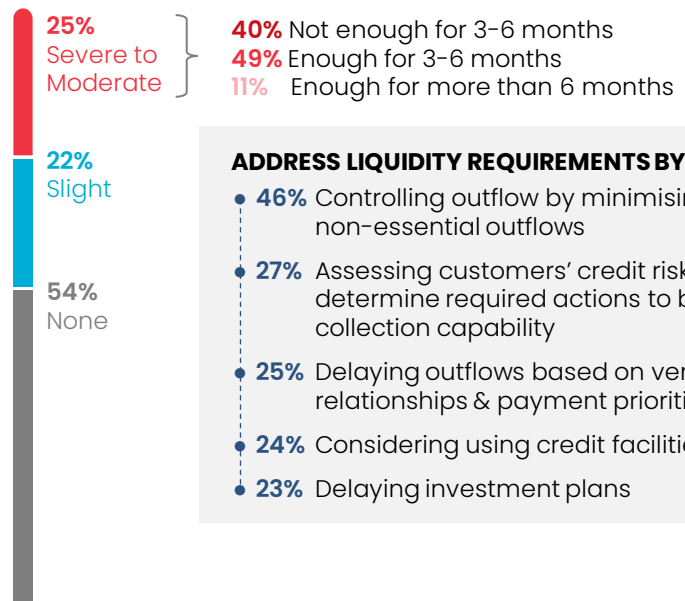
### BUSINESS PERFORMANCE OVER PAST 12 MONTHS AMID RISING BUSINESS COSTS



## Eight in Ten Businesses Experienced Slight to No Credit Crunch

Majority (54%) have no liquidity issues. Of the 25% of businesses that face severe to moderate credit crunch, 40% lack funds to sustain operations for the next 3-6 months. To address liquidity requirements, they are prioritising cutting non-essential outflows (46%) and assessing customers' credit risks to boost collection (27%).

### LEVEL OF CREDIT CRUNCH BUSINESSES EXPERIENCED



### ADDRESS LIQUIDITY REQUIREMENTS BY...

- 46% Controlling outflow by minimising non-essential outflows
- 27% Assessing customers' credit risk and determine required actions to boost collection capability
- 25% Delaying outflows based on vendor relationships & payment priorities
- 24% Considering using credit facilities
- 23% Delaying investment plans

## Businesses Rely on Cost Control Measures and Price Hikes to Offset Cost Pressures

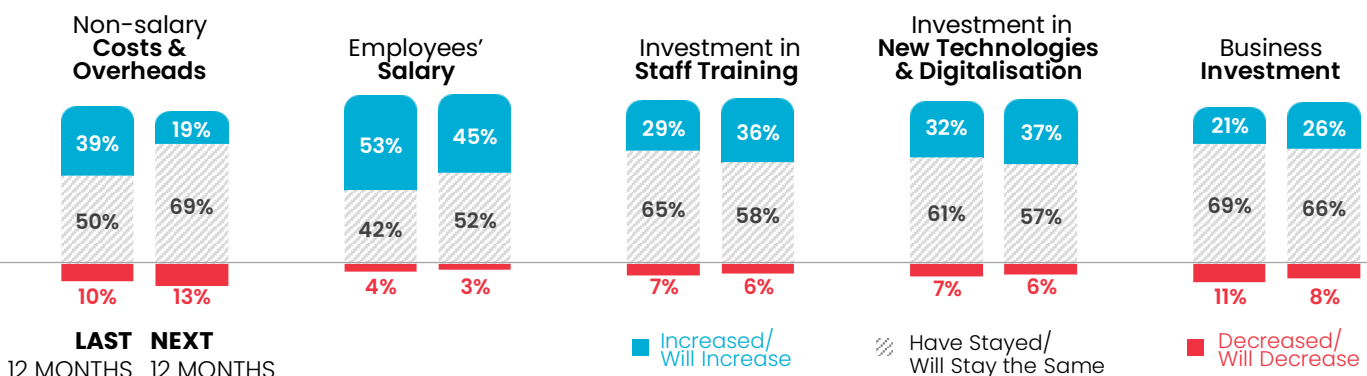
To meet current cost pressures, companies are implementing cost saving measures (51%), increasing price of their products/services (41%) and improving inventory management (30%). Looking ahead, increasing revenue and ensuring positive cash flow are the two main priorities for the next 12 months.

### Current Strategies to Manage Business Cost Increase ← ● → Future Business Priorities



## Businesses Remain Focused on Future Growth Despite Current Challenges

Nonetheless, businesses are still investing for the future. Compared to the last 12 months, there is an increase in companies that intend to invest in training (from 29% to 36%), invest in digitalisation (from 32% to 37%) and make new investments (from 21% to 26%) in the next 12 months.

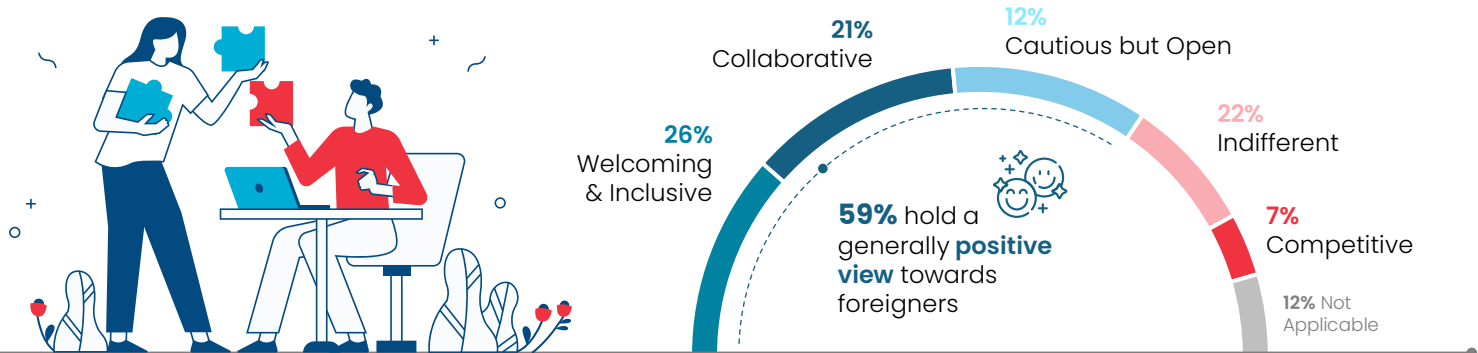


# ATTRACTIVENESS AS A GLOBAL TALENT HUB

## Businesses Find Majority of Local Workforce Receptive to Foreigners

Majority of businesses (59%) feel that their local employees view foreigners positively, with only 7% feel that foreigners are viewed by their local employees as competition.

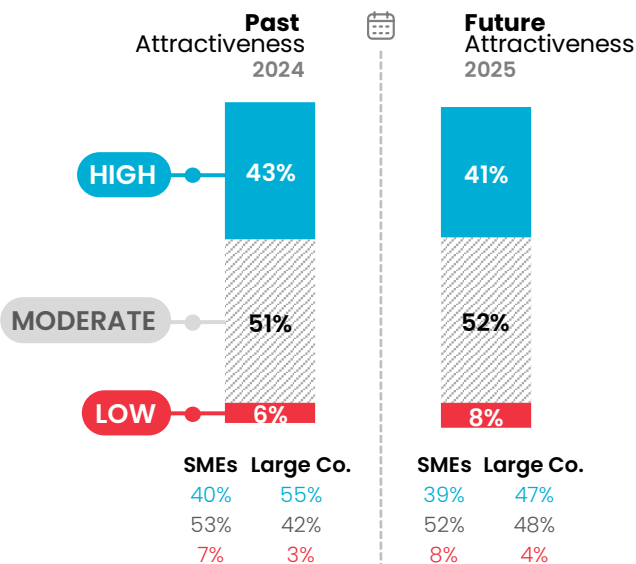
### PERCEPTION OF FOREIGNERS AMONG LOCAL EMPLOYEES



## But Large Companies Perceive a Dip in Singapore's Appeal as a Global Talent Hub

The percentage of businesses rating Singapore as highly attractive as a global talent hub has dropped from 43% in the past 12 months to 41% in the next 12 months, with the most significant decline observed in large companies (from 55% to 47%).

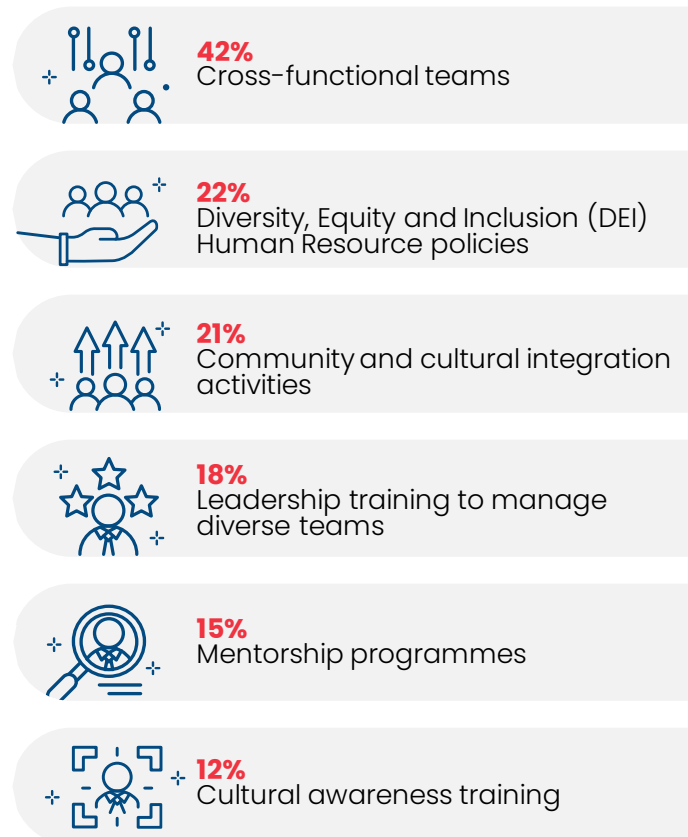
### SINGAPORE'S LEVEL OF ATTRACTIVENESS AS A GLOBAL TALENT HUB



## Cross-Functional Teams Play a Key Role in Integrating Local and Foreign Workforces

To integrate local and foreign workforce, businesses rely most on cross-functional teams (42%) and only 1 in 5 have Diversity, Equity and Inclusion (DEI) policies and are engaged in community/cultural integration activities.

### KEY POLICIES FOR INTEGRATING LOCAL AND FOREIGN WORKFORCE



# SINGAPORE BUDGET – PAST & FUTURE

## 2024

### Key Areas of Focus for Businesses

For Singapore Budget 2024, companies were most appreciative of measures that manage rising cost, build strategic capabilities and enhance sustainability.

**79%**

Support for **Managing Rising Business Costs**

**61%**

Support for **Strengthening Competitive Advantages**

**46%**

Supporting Enterprises in **Sustainability**

**44%**

**Empowering Employers & Workers to Seize Opportunities**

**38%**

Support for **Investing in Emerging Tech**

**33%**

Build **Progressive & Inclusive Workplaces** With Complementary Foreign Workforce

### 5 Most Impactful Measures for Businesses

The top 5 most useful measures were Corporate Income Tax (CIT) rebate (88%), SkillsFuture Level-Up Programme for Singaporeans aged 40 and above (78%), Extension of SkillsFuture Enterprise Credit (73%), Enhancement of Progressive Wage Credit Scheme (70%) and Increase of Salary Support Cap for the Career Conversion Programmes (CCPs) (67%).

**88%**

**Corporate Income Tax (CIT) rebate**

**78%**

**SkillsFuture Level-up Programme** for Singaporeans aged 40 and above

**73%**

Extension of **SkillsFuture Enterprise Credit**

**70%**

Enhancement of **Progressive Wage Scheme**

**67%**

Increase of **Salary Support Cap for the Career Conversion Programmes (CCPs)**

## 2025

### Both SMEs and Large Companies Prioritise Cost Support and Local Workforce Initiatives

For Singapore Budget 2025, the top 3 wish list from SMEs are schemes to address cost (87%), local workforce development (70%), and cash flow management (60%). For large companies, the top 3 wish list are local workforce development (81%), cost management (73%), and support for foreign manpower issues (73%).



**SME WISH LIST**

**87%** Schemes to address cost

**70%** Schemes to attract, develop & retain local workforce

**60%** Schemes relating to cash flow management

**57%** Schemes that help businesses cope with foreign manpower issues

**47%** Schemes to support digitalisation



**LARGE COMPANY WISH LIST**

**81%** Schemes to attract, develop & retain local workforce

**73%** Schemes to help address cost

**73%** Schemes that help businesses cope with foreign manpower issues

**54%** Schemes relating to cash flow management

**46%** Schemes that help to transform & deepen enterprise capabilities

# ABOUT SBF NATIONAL BUSINESS SURVEY 2024

## Annual Business Sentiments Edition

	SBF Database	2024 Survey
Wholesale Trade	20%	19%
Other Financial and Insurance Activities	14%	13%
Manufacturing	11%	17%
Professional Services	11%	11%
IT & Related Services	8%	6%
Construction and Civil Engineering	8%	11%
Banking & Insurance	7%	2%
Logistics & Transportation	5%	5%
Administrative and Support Service Activities	4%	3%
Retail Trade	3%	3%
Hotels, Restaurants & Accommodations	3%	2%
Real Estate Activities	2%	3%
Others*	1%	2%
Health and Social Services	1%	1%
Education	1%	2%
Other Service Activities	1%	1%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>

\*Others (e.g. Agriculture and Fishing/Mining and Quarrying/Water Supply, Sewerage, Waste management/Public Administration and Defence/Arts, Entertainment and Recreation/ Electricity, Gas and Air-Conditioning Supply)

83%  
SMEs



17%  
Large  
Companies

34%  
NO



66%  
YES

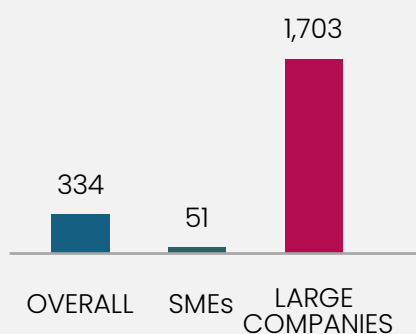
44%  
More than  
S\$10 mil



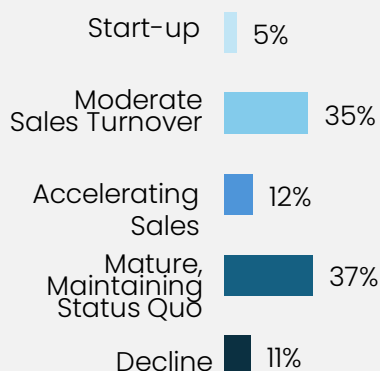
21%  
Less than  
S\$1 mil

35%  
S\$1 mil  
to S\$10 mil

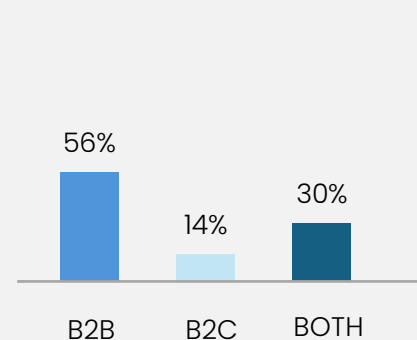
### Avg. Employee Size



### Stage of Development



### Main Mode of Business



Survey Conducted By:  
Research & Publishing  
Advocacy & Policy Division  
Singapore Business Federation

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