



Singapore Business Federation

Impact of the Middle East Conflict on Singapore Businesses

16 April 2026



AGENDA

- 01 **Background**
- 02 **Key Findings**
- 03 **Firmographics**

01

Background



Background

Objective

To gather feedback on how the Middle East conflict has affected businesses operating in Singapore, and views on the support measures announced by the Government on 7 April.

Duration

8 April to 14 April

Methodology

Online survey

Sample size

N=254, mix of SBF listing and IND database

02

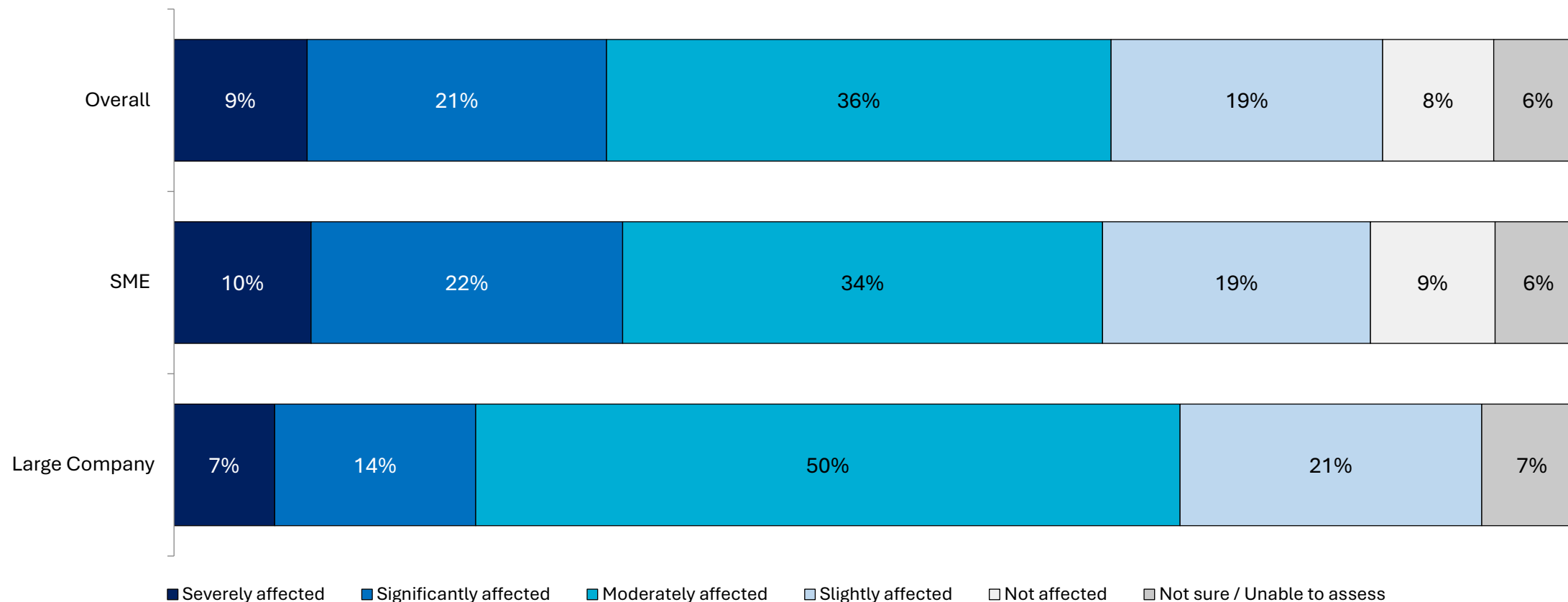
Key Findings



Majority of businesses report being at least moderately affected by current conditions

Large companies are more likely to report moderate impact, while SMEs experience a wider spread, with 32% being at least significantly affected.

To what extent has your business in Singapore been affected (directly or indirectly)?



Base: All respondents N=254. SME (Group Annual Sales ≤S\$100million or Group Employment Size ≤200) n=226, Large Company / Enterprise (For companies that do not meet the criteria of SME) n=28*

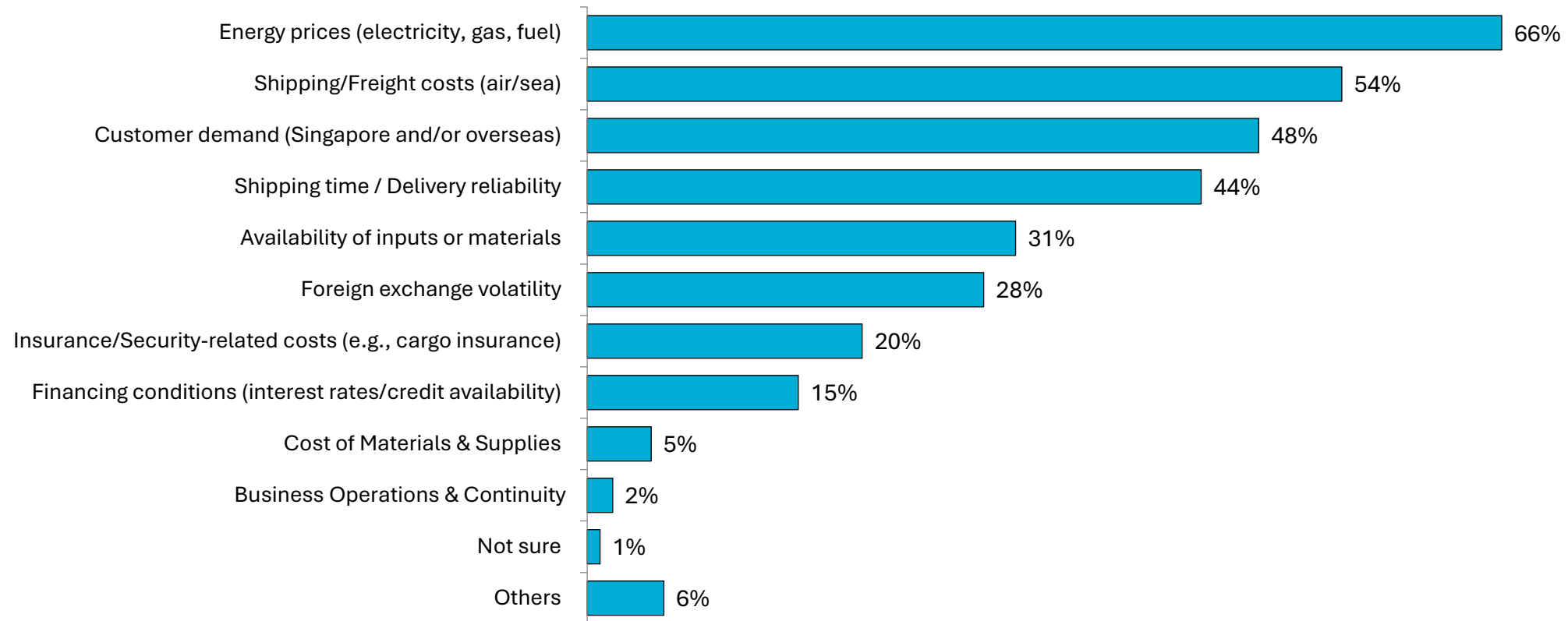
*Caution: Small base n<30

Q1: To what extent has your business in Singapore been affected (directly or indirectly)?

Rising energy prices and shipping/freight costs emerge as the most commonly cited areas of impact, underscoring the continued pressure from global cost and supply-chain disruptions.

Customer demand and delivery reliability are also significantly affected, indicating that cost pressures are translating into broader operational and market-facing challenges for businesses.

Which areas of your business have been affected? (Overall)



Base: All respondents N=254. SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) n=226, Large Company / Enterprise (For companies that do not meet the criteria of SME) n=28*

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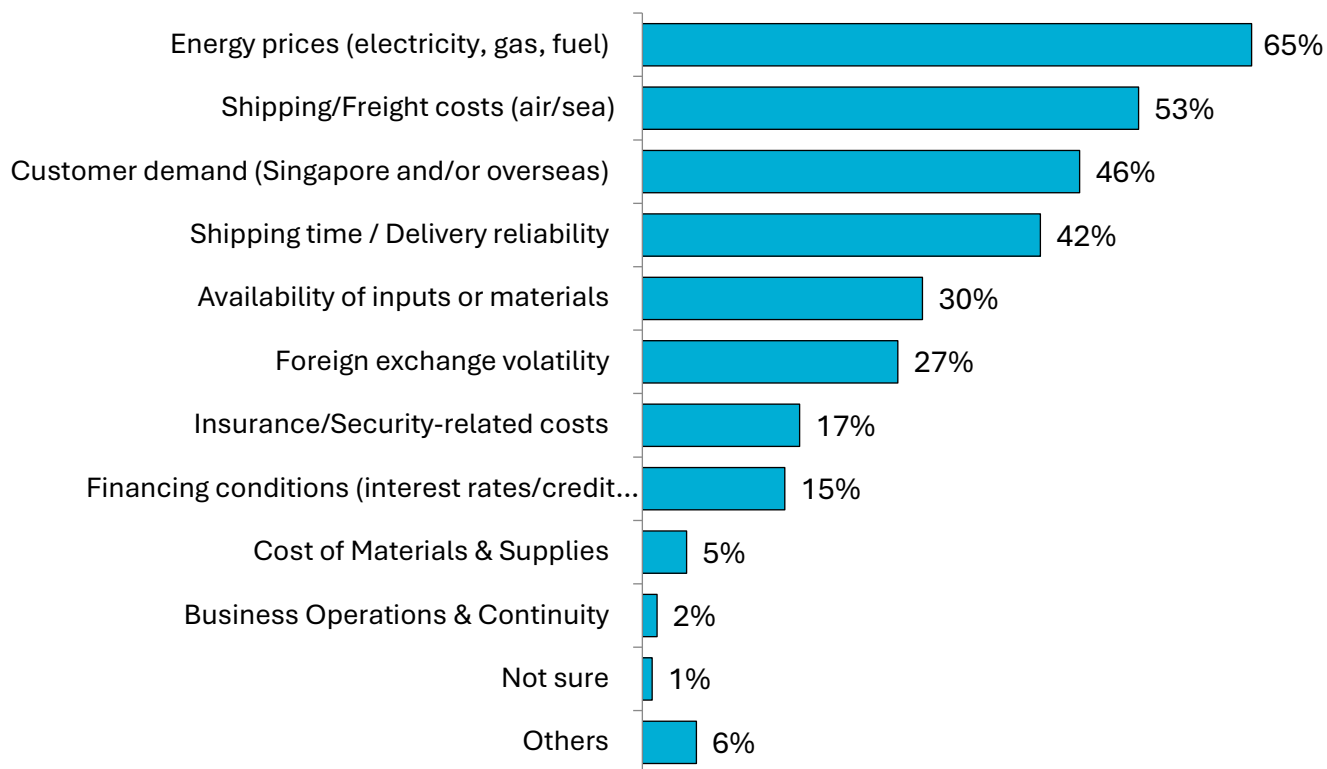
Q2: Which areas of your business have been affected? [MA] Please select all that apply. (Only answered by those who ticked any option except "not affected" or "not sure/unable to assess" in Qn 1)

SMEs and large firms report largely similar areas of impact, with cost and logistical pressures consistently cited.

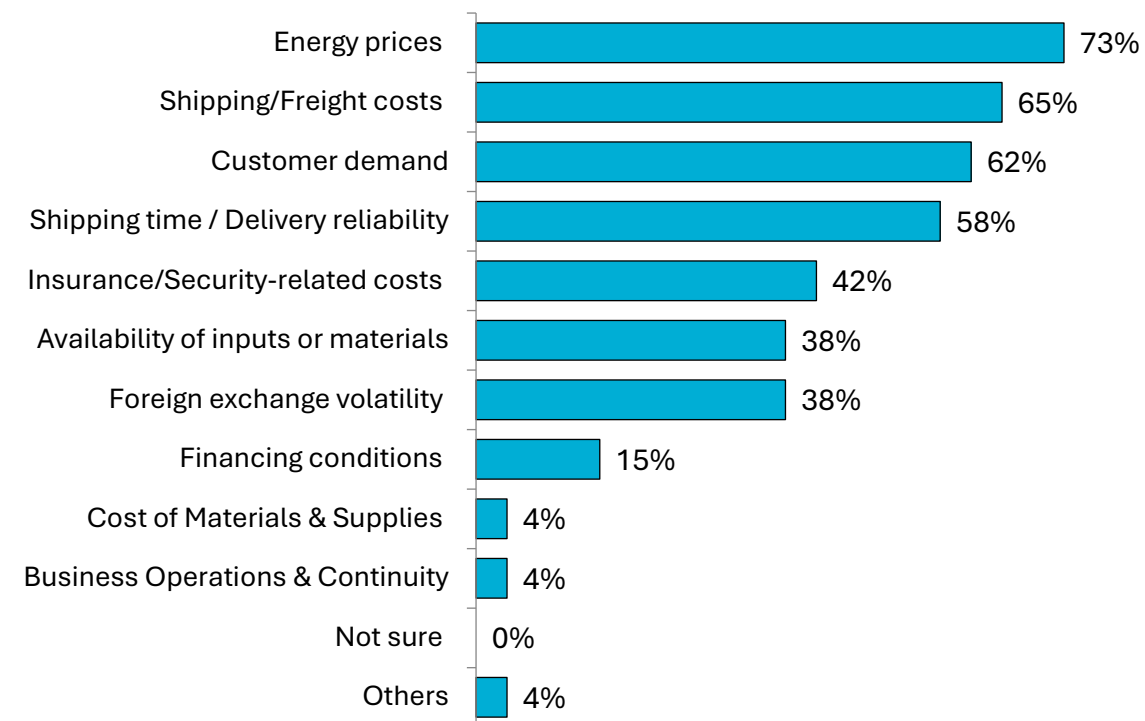
The highest-ranked impacts for both are energy, freight costs and customer demand which indicate shared exposure to global cost and logistics disruptions, rather than structural differences by firm size.

Which areas of your business have been affected? (by firm size)

SME



Large Company



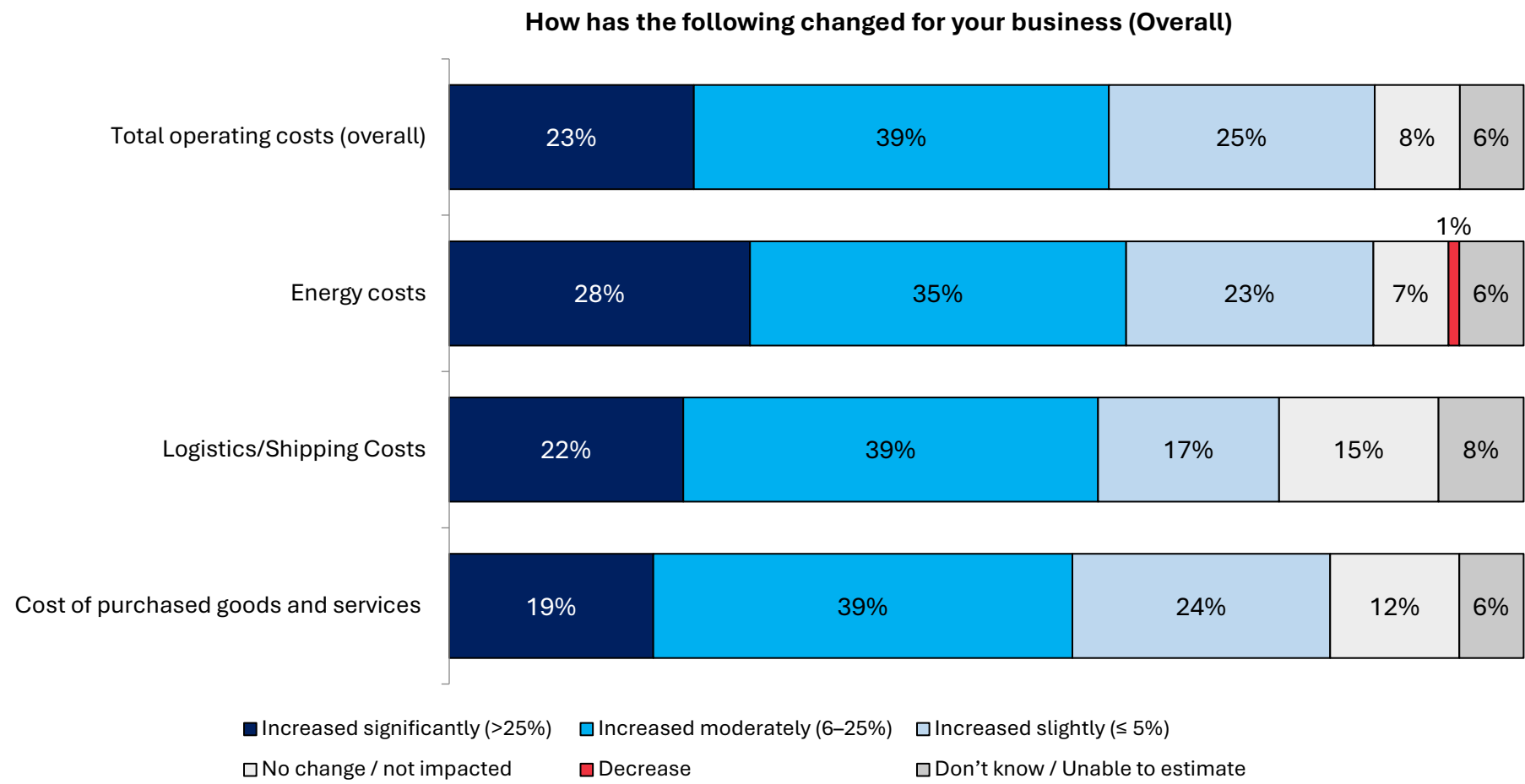
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*Caution: Small base n<30

Q2: Which areas of your business have been affected? [MA] Please select all that apply. (Only answered by those who ticked any option except "not affected" or "not sure/unable to assess" in Qn 1)

Businesses report broad-based cost increases across all major components.

Cost increases are observed not only in energy and logistics, but also in purchased goods and services, suggesting that cost pressures are pervasive and cumulative rather than isolated — reflecting pass-through effects along supply chains.



Base: All respondents (excluding NA responses): Total operating costs (n=246), energy costs (n=236), logistics/shipping costs (n=225), cost of purchased goods and service (n=235). SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) n=90, Large Company / Enterprise(For companies that do not meet the criteria of SME) n=23*

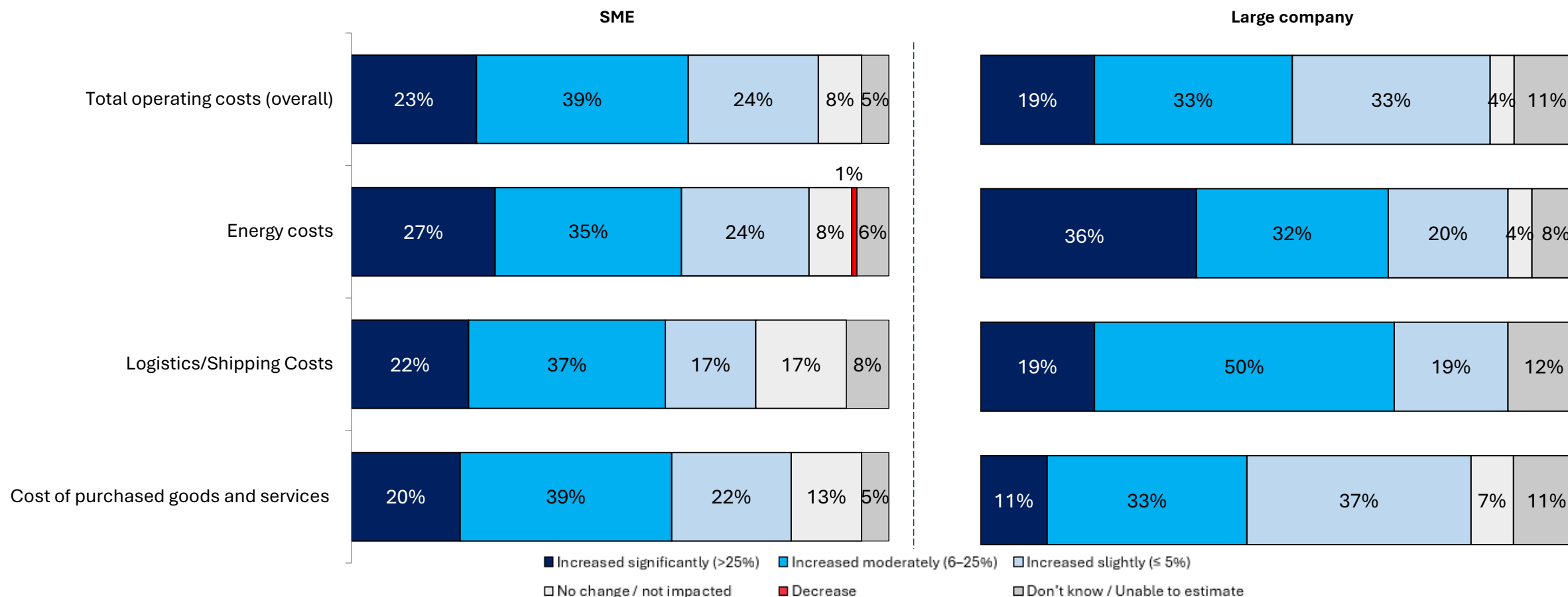
*Caution: Small base n<30

Q3. How has the following changed for your business?

Cost increases are evident across both SMEs and large companies, with the majority reporting moderate to significant rises in operating, energy, logistics and input costs.

Large firms are more likely to report significant increases in energy and logistics costs, reflecting greater exposure to scale-dependent and cross-border cost drivers, while SMEs tend to experience more moderate but broad-based cost increases across multiple components — reinforcing their sensitivity to cumulative cost pressures.

How has the following changed for your business (by Firm Size)

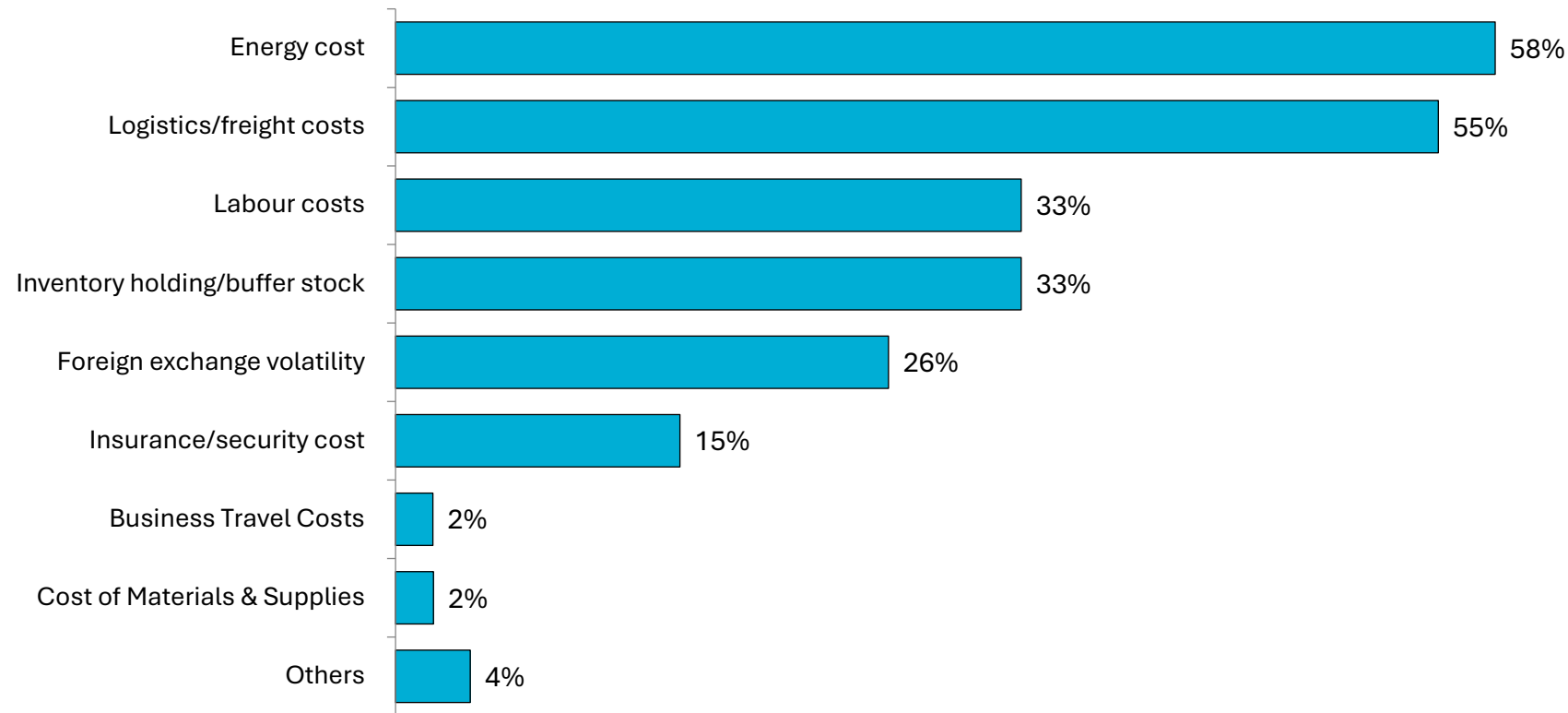


Base: All respondents (excluding NA responses): SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) - Total operating costs (n=219), energy costs (n=211), logistics/shipping costs (n=199), cost of purchased goods and service (n=208). n=90, Large Company / Enterprise (For companies that do not meet the criteria of SME) - Total operating costs (n=27*), energy costs (n=25*), logistics/shipping costs (n=26*), cost of purchased goods and service (n=27*). *Caution: Small base n<30

Energy and logistics/freight costs are the most significant pressures on businesses' cash flow and working capital.

Labour costs and inventory holding requirements also feature as key pressure points, indicating that firms are facing simultaneous pressures on both operating expenses and cash-flow flexibility, rather than isolated cost shocks.

Which cost pressures have most affected your cash flow or working capital (Overall)



Base: All respondents (excluding NA responses) n=226. SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) n=226, Large Company / Enterprise (For companies that do not meet the criteria of SME) n=28*

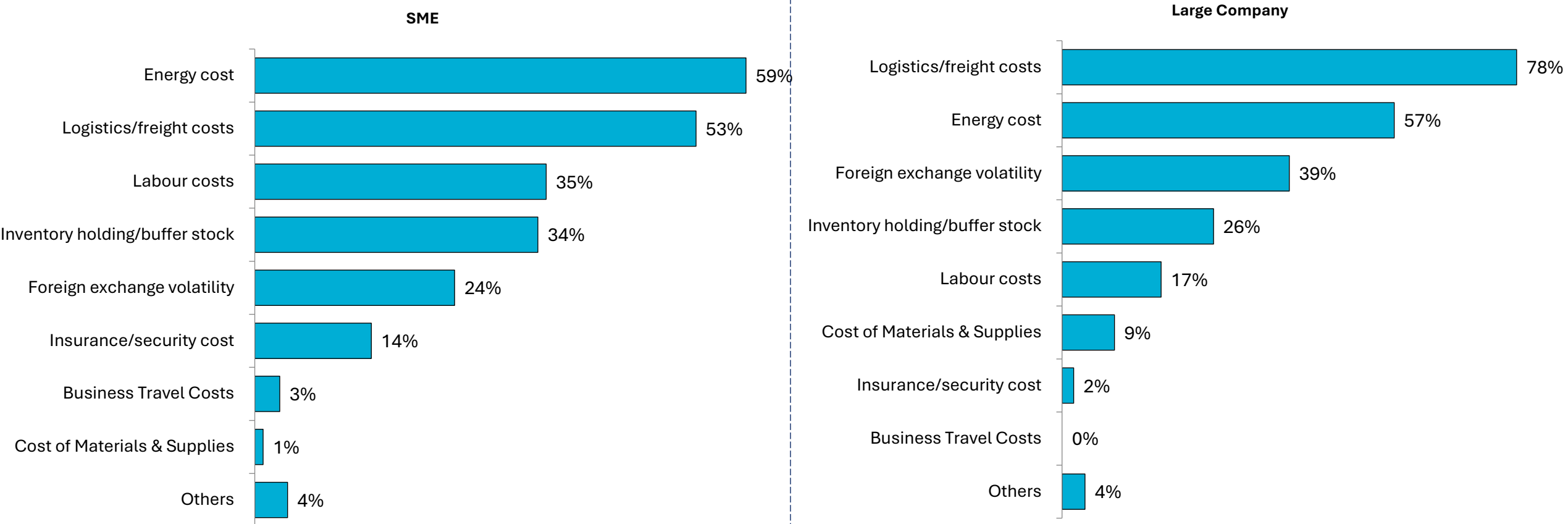
*Caution: Small base n<30

Q4. Which cost pressures have most affected your cash flow or working capital? [MA]. Select up to THREE.

Energy and logistics/freight costs are the dominant cash-flow pressures for both SMEs and large firms, underscoring the broad-based impact of external cost shocks across firm sizes.

However, SMEs are relatively more affected by utilities such as labour costs and inventory holding requirements, pointing to tighter operational and liquidity constraints, while large firms show higher sensitivity to logistics costs and foreign exchange volatility — reflecting greater exposure to cross-border trade and supply-chain complexities.

Which cost pressures have most affected your cash flow or working capital (by Firm Size)



Base: All respondents (excluding NA responses) n=226. SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) n=226, Large Company / Enterprise (For companies that do not meet the criteria of SME) n=28*

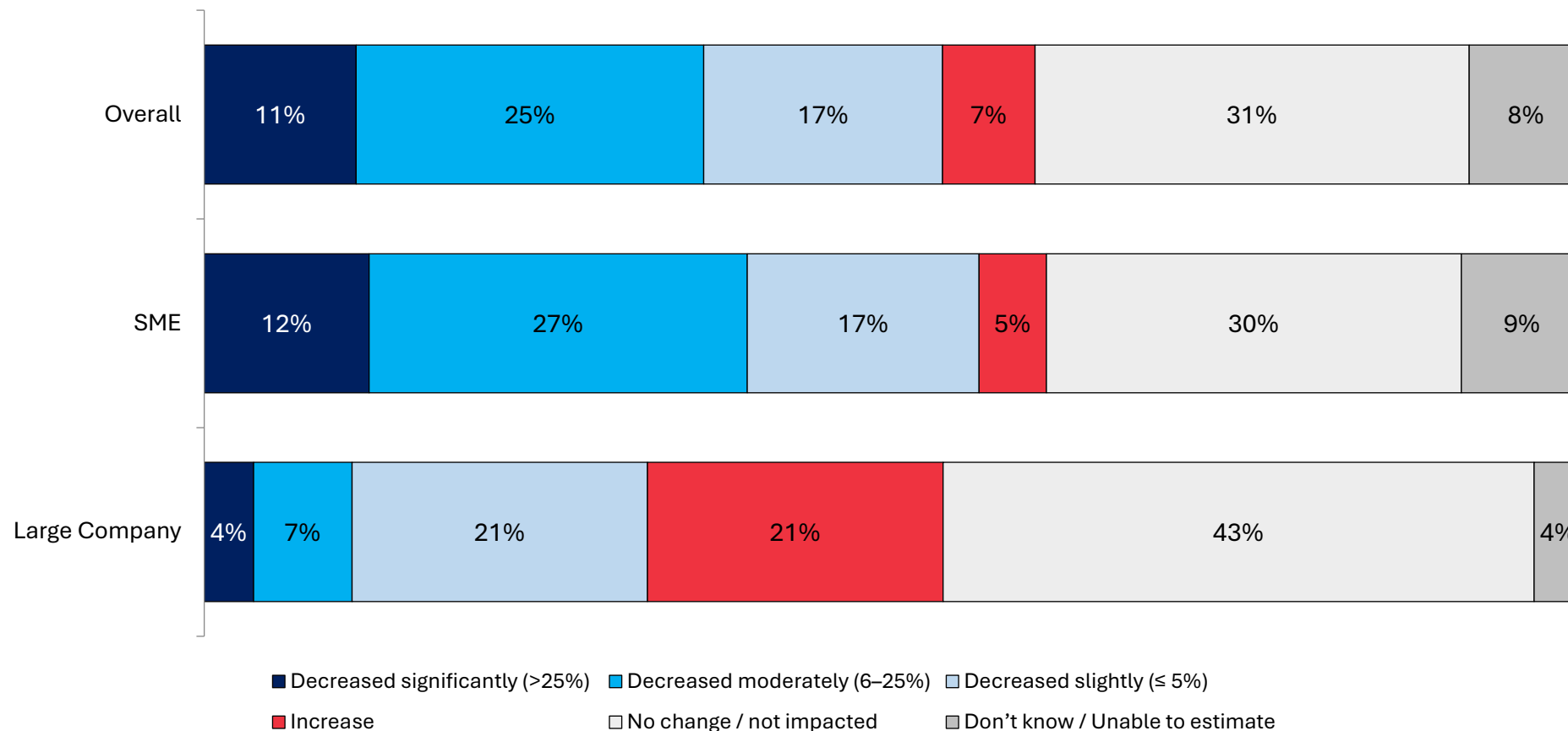
*Caution: Small base n<30

Q4. Which cost pressures have most affected your cash flow or working capital? [MA]. Select up to THREE.

Revenue declines from local customers remain more common than increases, with SMEs showing greater downside pressures.

SMEs report higher proportions of moderate to significant revenue decreases, indicating that smaller businesses continue to face tighter operating conditions.

Revenue from Singapore customers (overall, by firm size)



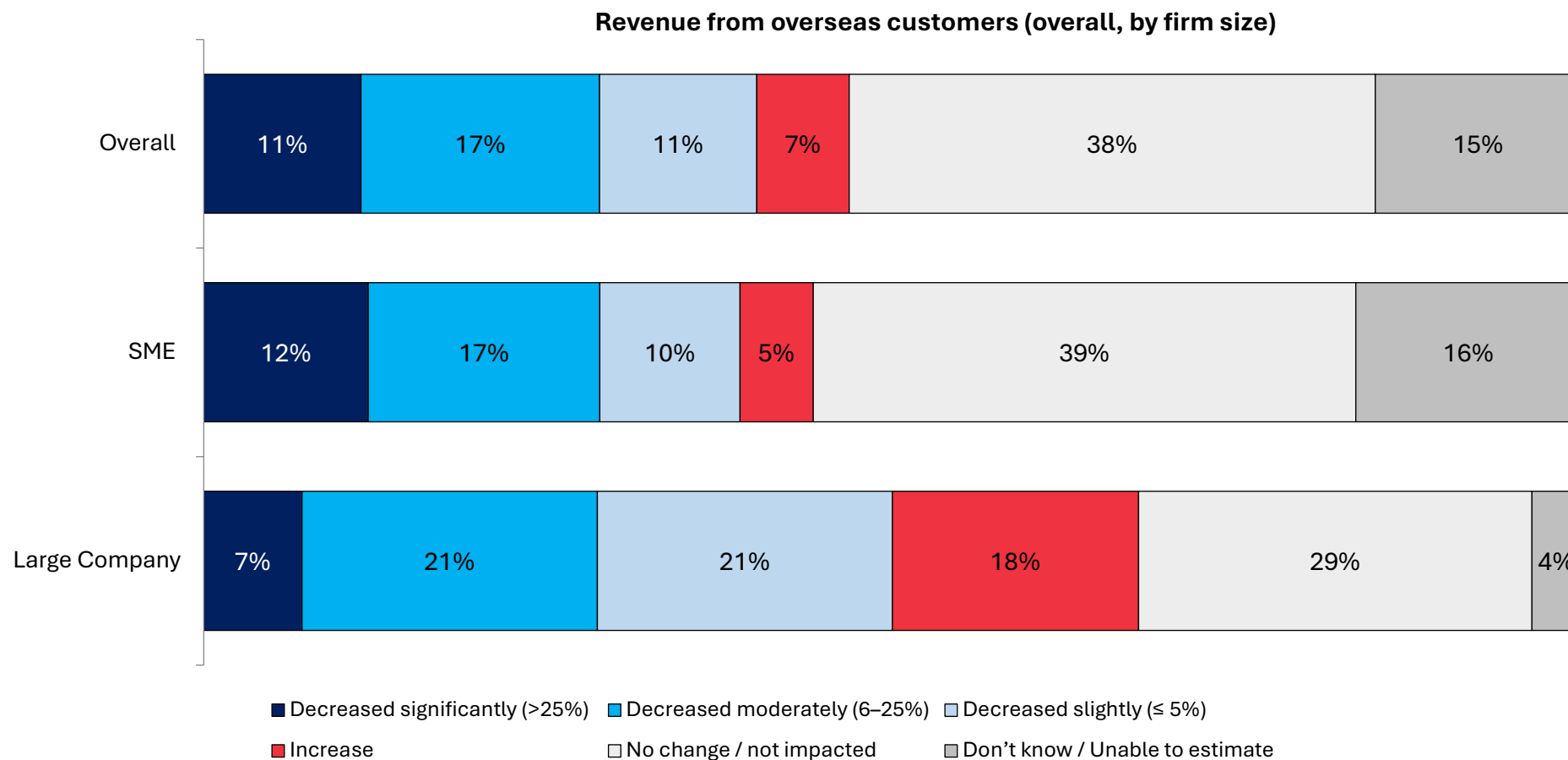
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*Caution: Small base n<30

Q5. Since Feb, how has your revenue changed?

Majority of firms report stable or declining revenues from overseas customers, though large companies show slightly stronger resilience.

Differences by firm size are more pronounced for revenues derived from overseas than for those derived locally, reflecting large firms' greater diversification across markets and supply chains, while SMEs' overseas exposure is more limited and hence their overseas revenue is not as significantly impacted.



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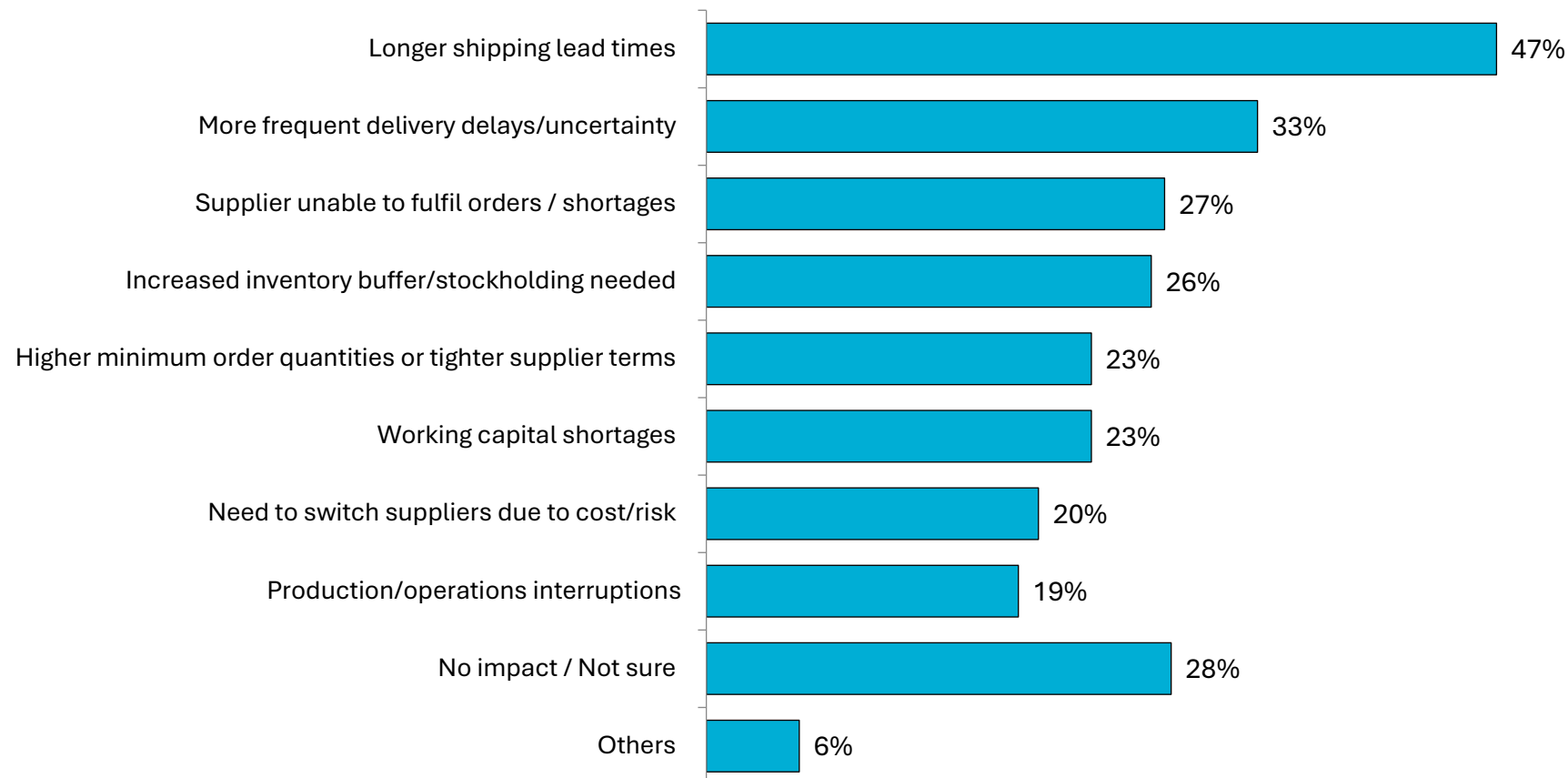
*Caution: Small base n<30

Q5. Since Feb, how has your revenue changed?

Businesses continue to face operational disruptions, with longer shipping lead times, delivery uncertainty and supplier fulfilment issues among the most commonly reported impacts.

These pressures point to ongoing supply-chain fragilities and risk-management challenges, which are translating into higher inventory needs, working capital strain and operational adjustments for many firms.

Has your business experienced any of the following operational impact (Overall)



Base: All respondents N=254. Base: All respondents N=254. SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) n=226, Large Company / Enterprise(For companies that do not meet the criteria of SME) n=28*

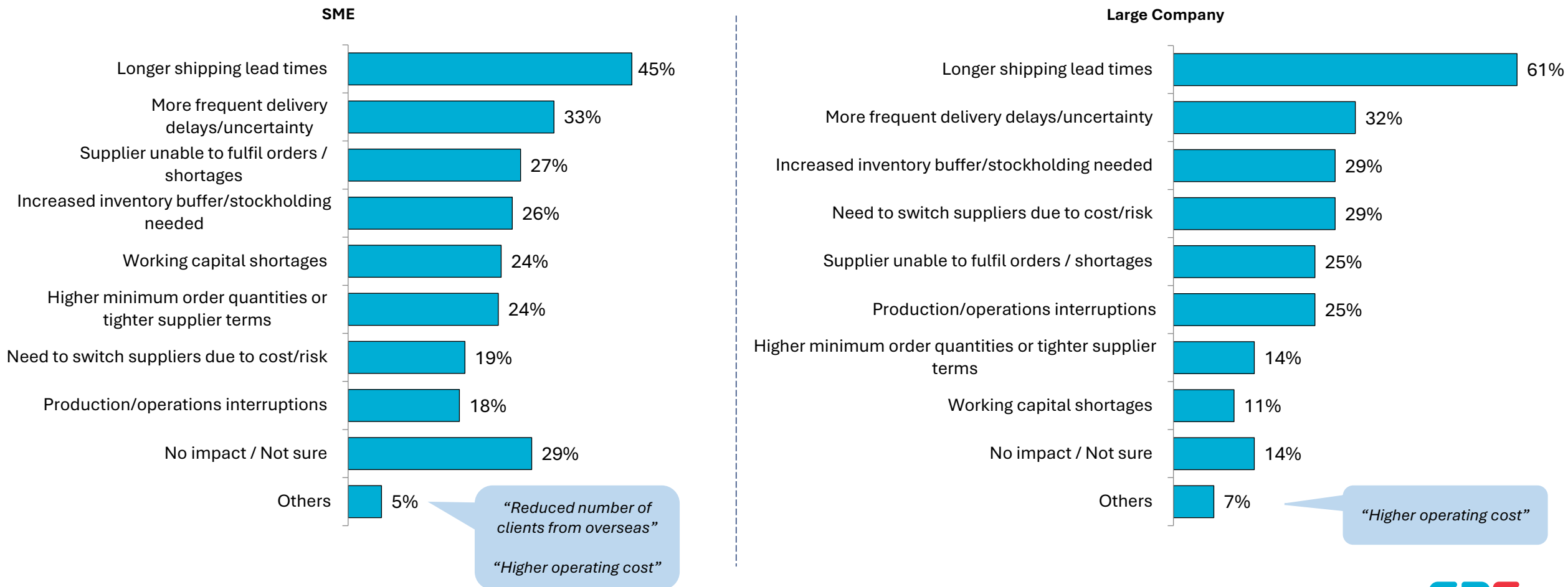
*Caution: Small base n<30

Q6. Has your business experienced any of the following operational impact? [MA] Please select ALL that apply.

While both SMEs and large firms face similar supply-chain and operational disruptions, their ability to manage these challenges differs by firm size.

Large companies are more likely to report longer lead times and supplier switching, reflecting their broader and more diversified supplier networks, as well as a greater ability to hold buffer stock. In contrast, SMEs more frequently experience delivery uncertainty and working capital pressures, highlighting their more limited pool of suppliers and greater reliance on short-term bridging finance to manage operational shocks.

Has your business experienced any of the following operational impact (by Firm size)



Base: All respondents N=254. SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) n=226, Large Company / Enterprise(For companies that do not meet the criteria of SME) n=28*

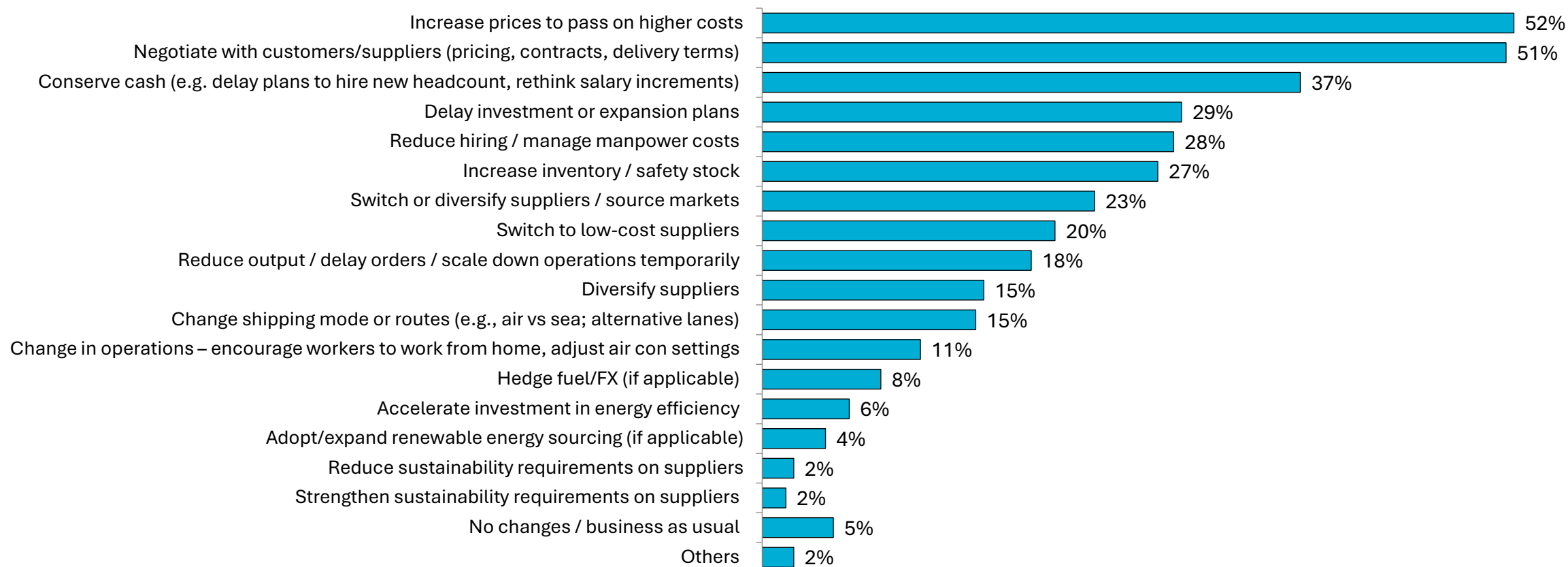
*Caution: Small base n<30

Q6. Has your business experienced any of the following operational impact? [MA] Please select ALL that apply.

Most businesses are responding to current pressures by prioritising near-term cost management and cash conservation, with price increases, negotiations with customers and suppliers, and delaying investment among the most common actions.

Operational adjustments — such as increasing inventory buffers, switching suppliers or routes, and scaling back output — further indicate that firms are actively adapting to heightened cost, supply-chain and demand uncertainty rather than adopting a ‘business as usual’ stance.

What actions has your company taken (or plan to take in the next 3 months) in response to these impacts (Overall)



Base: All respondents n=184. SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) n=160, Large Company / Enterprise(For companies that do not meet the criteria of SME) n=24*

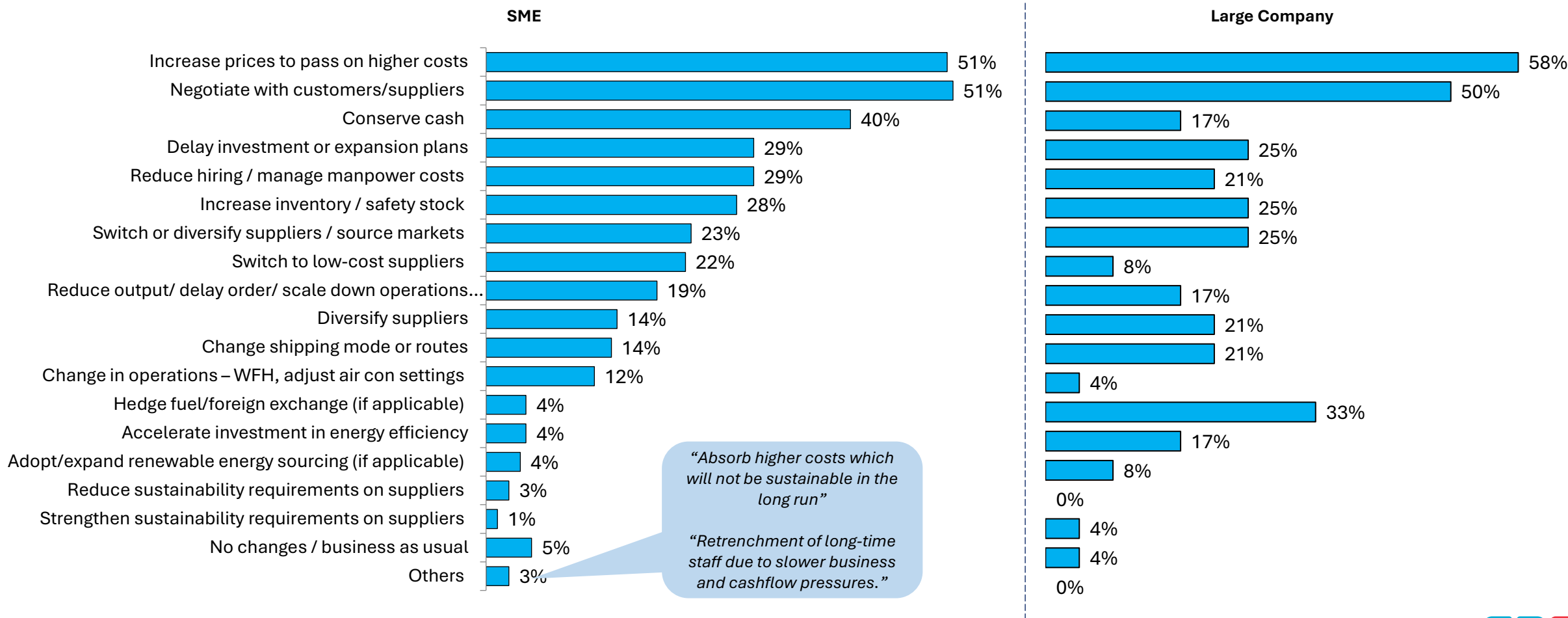
*Caution: Small base n<30

Q7. What actions has your company taken (or plan to take in the next 3 months) in response to these impacts? [MA] Please select up to FIVE. (Only answered by those who ticked any option except “no impact/not sure” in Qn 6)

SMEs are more likely to focus on immediate cash-flow preservation measures, including conserving cash, managing manpower costs and delaying expansion plans, reflecting tighter financial buffers.

Large companies, in contrast, are relatively more inclined to pursue strategic and operational responses such as hedging fuel or FX exposure, diversifying suppliers and adjusting logistics routes — highlighting their greater capacity to absorb shocks and manage risk proactively.

What actions has your company taken (or plan to take in the next 3 months) in response to these impacts (by Firm size)



Base: All respondents n=184. SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) n=160, Large Company / Enterprise(For companies that do not meet the criteria of SME) n=24*

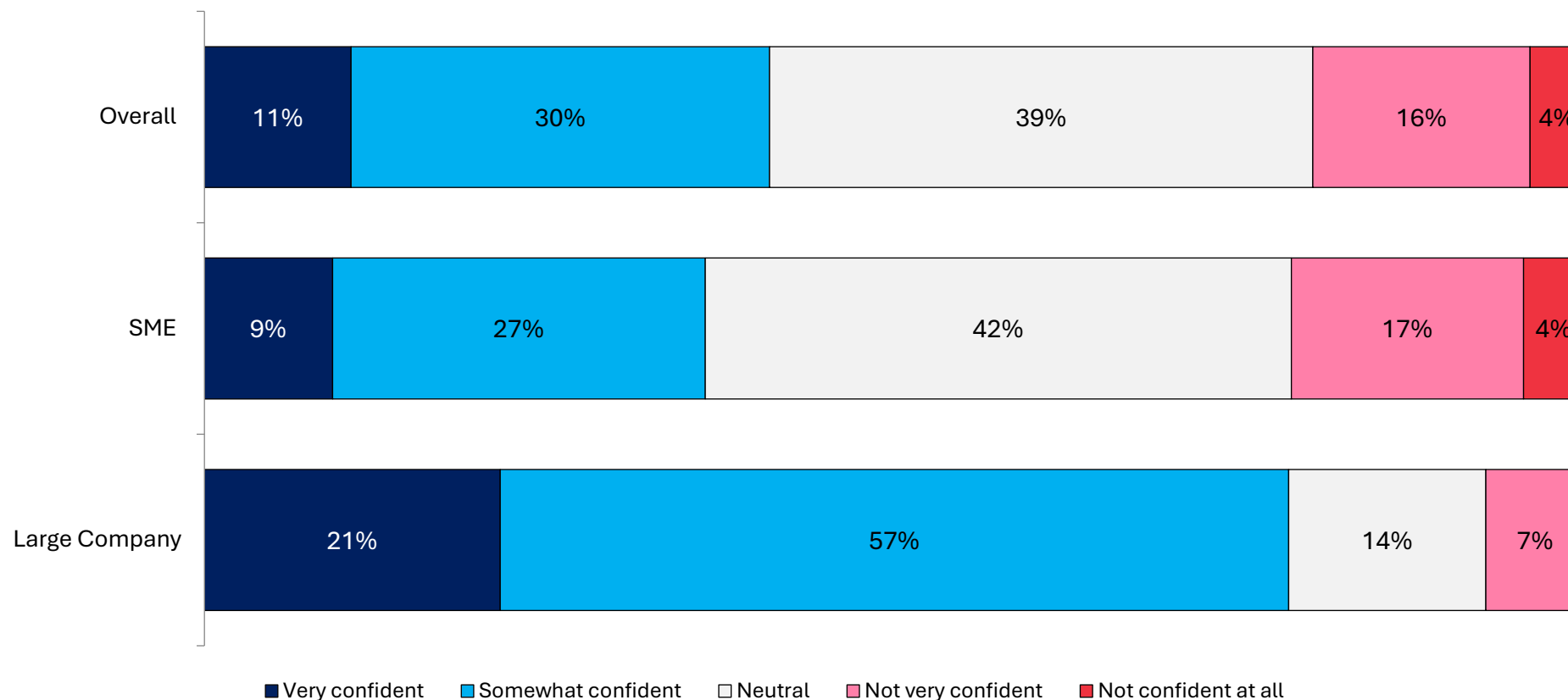
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Q7. What actions has your company taken (or plan to take in the next 3 months) in response to these impacts? [MA] Please select up to FIVE. (Only answered by those who ticked any option except “no impact/not sure” in Qn 6)

Most businesses express neutral to slight confidence in managing continued volatility, reflecting a cautious but stable outlook.

Large companies are notably more confident, likely supported by stronger balance sheets, diversified operations and greater risk-management capacity, while SMEs tend to remain more neutral or less confident — underscoring their heightened sensitivity to cost, manpower and revenue pressures.

How confident are you in your company’s ability to manage continued volatility? (Overall, by Firm size)



Base: All respondents N=254. SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) n=226, Large Company / Enterprise(For companies that do not meet the criteria of SME) n=28*

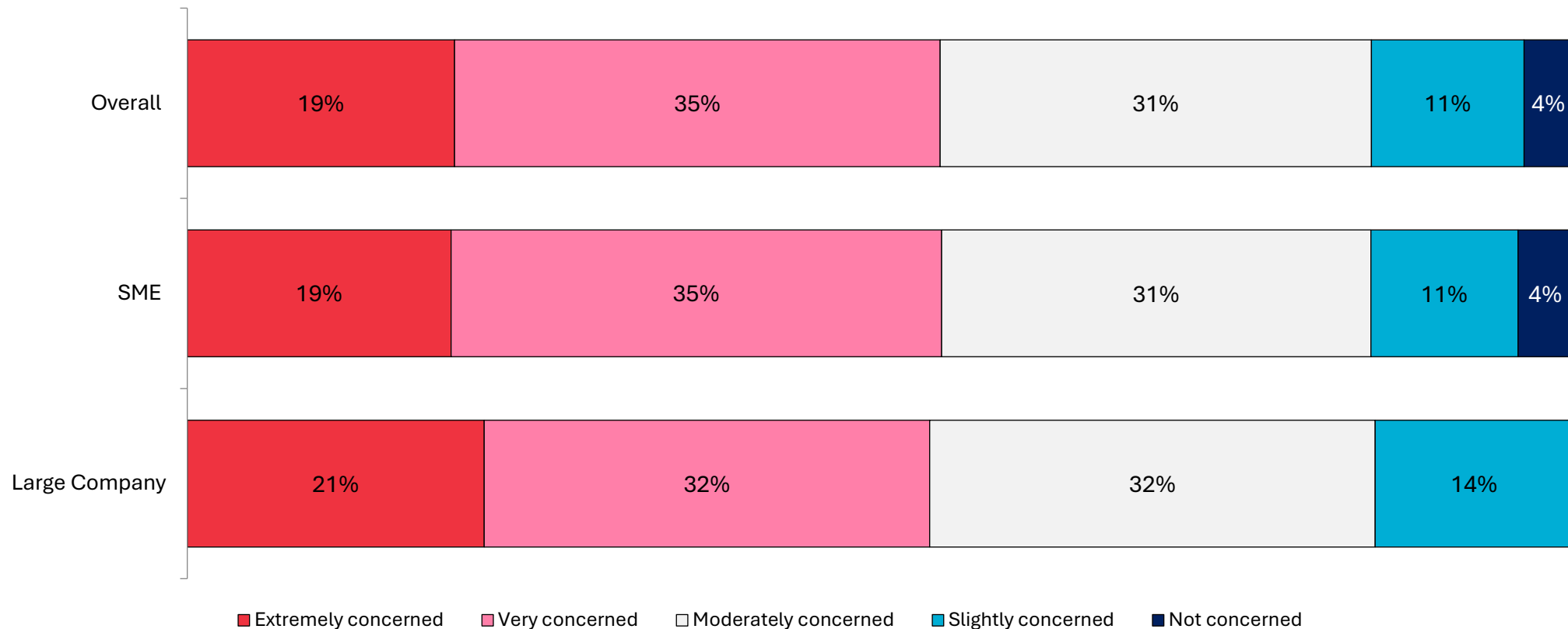
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Q8. How confident are you in your company’s ability to manage continued volatility?

Majority of businesses are moderately or highly concerned about viability or performance if current conditions persist over the next six months.

This concern is broadly shared across firm sizes, suggesting that while larger firms may be more confident in managing volatility, prolonged uncertainty continues to pose meaningful risks to both SMEs and large enterprises alike.

**If the situation persists for the next 6 months, how concerned are you about business viability or performance?
(Overall, by Firm size)**



Base: All respondents N=254. SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) n=226, Large Company / Enterprise(For companies that do not meet the criteria of SME) n=28*

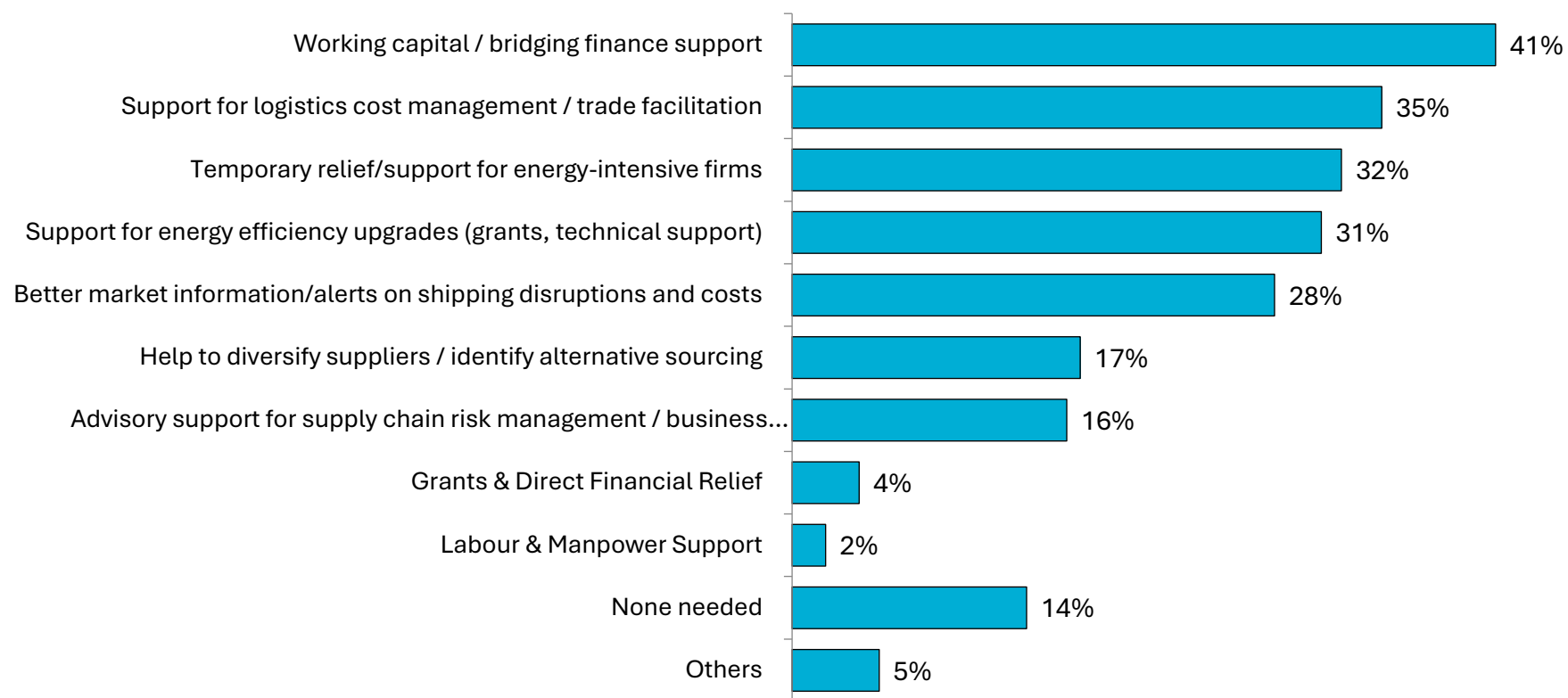
*Caution: Small base n<30

Q9. If the situation persists for the next 6 months, how concerned are you about business viability or performance?

Working capital and liquidity support emerge as the most critical support needs for businesses over the next six months, alongside assistance to manage logistics and energy-related cost pressures.

The spread of responses also points to demand for more practical, targeted support — including better market information, supply-chain risk advisory and energy-efficiency assistance — highlighting that firms are seeking both immediate relief and tools to navigate continued volatility.

What support would be most helpful to your business over the next 6 months? (Overall)



Base: All respondents N=254. SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) n=226, Large Company / Enterprise(For companies that do not meet the criteria of SME) n=28*

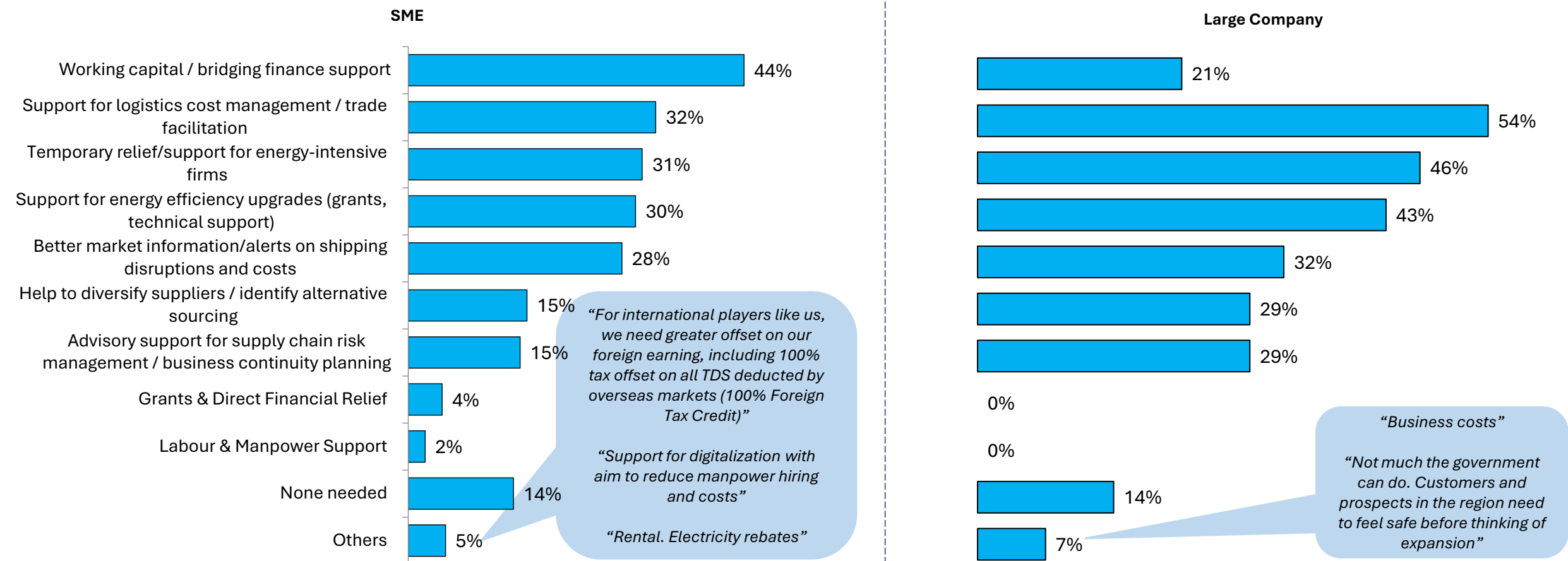
*Caution: Small base n<30

Q10. What support would be most helpful to your business over the next 6 months? [MA] Please select ALL that apply.

Both SMEs and large companies prioritise support to manage cost and operational pressures, but the type of support valued differs by firm size.

SMEs place stronger emphasis on working capital and bridging finance, as well as relief for logistics and energy-related costs — reflecting more immediate cash-flow and cost-containment needs. In contrast, large firms are more likely to value support related to logistics cost management, energy-efficiency upgrades and market information, indicating a greater focus on operational optimisation and longer-term resilience.

What support would be most helpful to your business over the next 6 months? (by Firm size)



Base: All respondents N=254. SME (Group Annual Sales ≤S\$100million or Group Employment Size ≤200) n=226, Large Company / Enterprise(For companies that do not meet the criteria of SME) n=28*

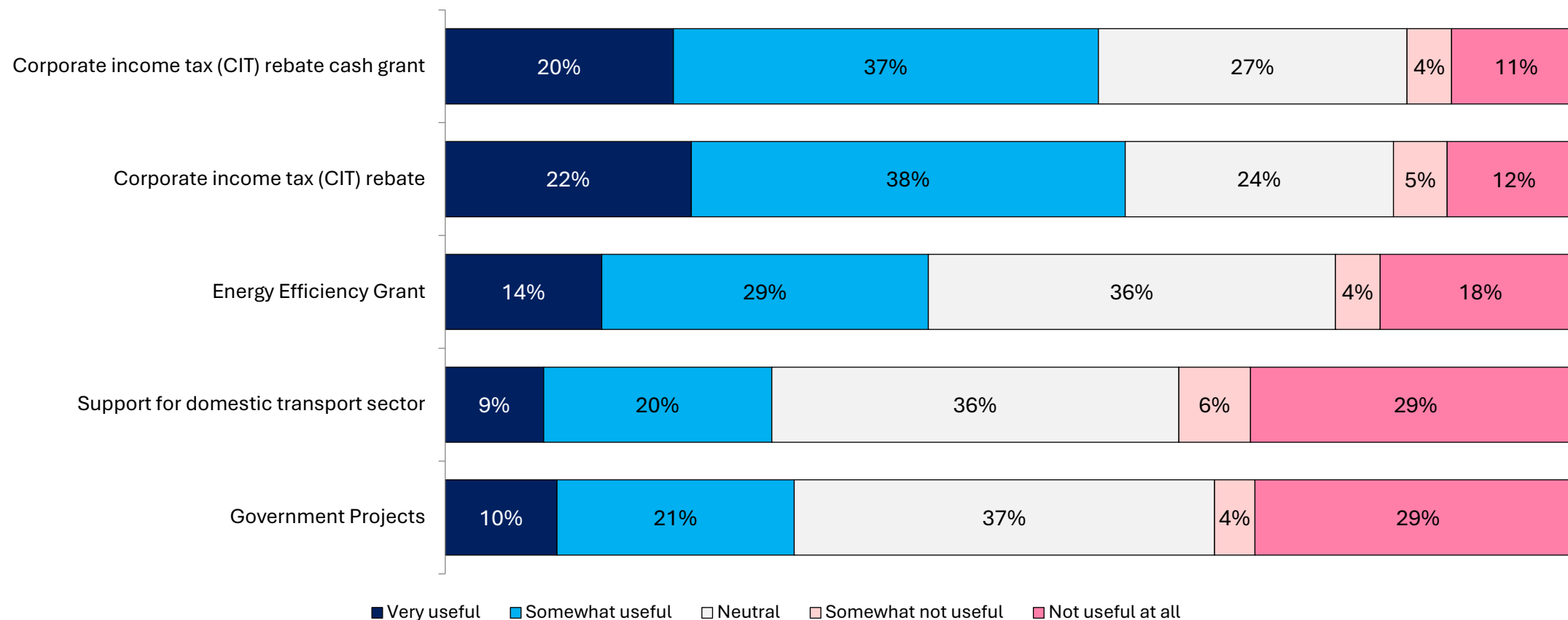
*Caution: Small base n<30

Q10. What support would be most helpful to your business over the next 6 months? [MA] Please select ALL that apply.

Businesses perceive tax-related measures as the most useful forms of support, with Corporate Income Tax rebates and cash grants delivering the strongest immediate value.

In contrast, transport-related support and government projects attract more neutral to negative sentiment, suggesting that while fiscal relief addresses near-term cost pressures, other measures are viewed as less directly relevant to firms' immediate operating needs.

How useful are these measures to your business? (Overall)



Base: All respondents N=254. SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) n=226, Large Company / Enterprise (For companies that do not meet the criteria of SME) n=28*

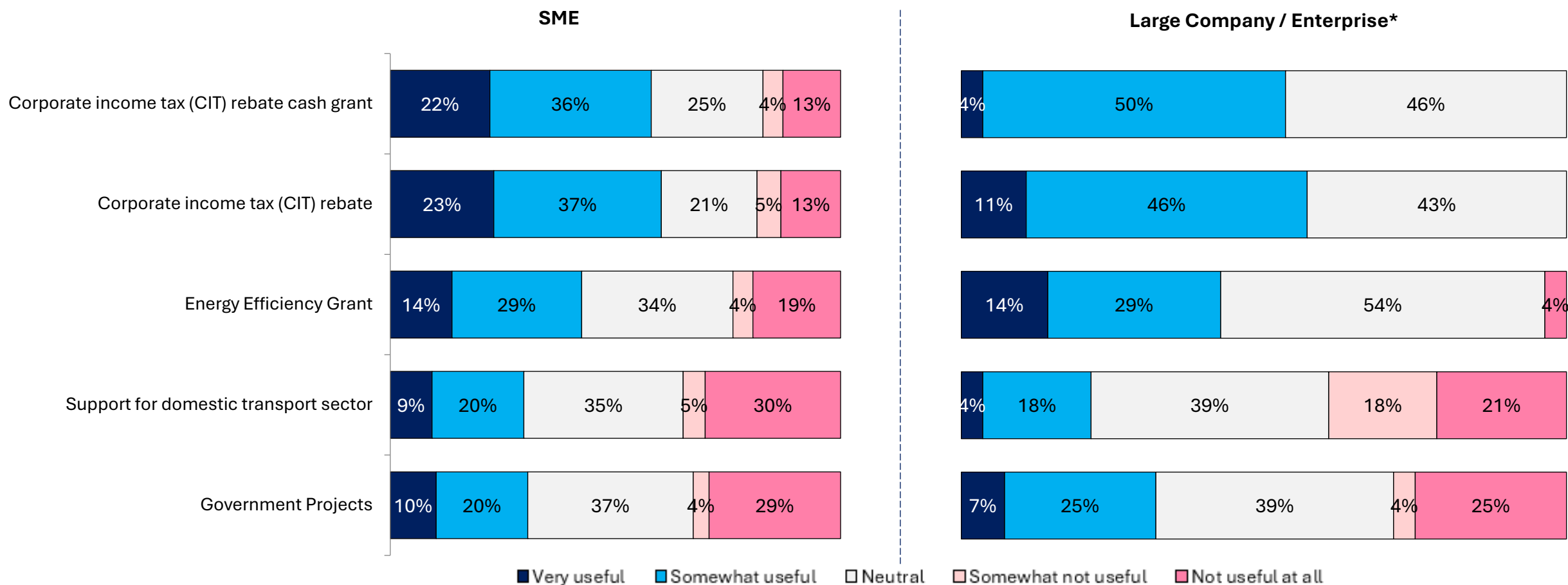
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Q11. The Government announced the following measures in Parliament on 7th April 2026. How useful are they to your business?

SMEs place greater value on tax rebates and cash grants, reflecting a stronger need for immediate cost relief and liquidity support amid ongoing operating pressures.

Large firms, while still recognising the usefulness of tax measures, show higher neutrality across most interventions — indicating a preference for more targeted, structural or project-based support aligned with their scale and operating complexity.

How useful are these measures to your business? (by Firm size)



Base: All respondents N=254. SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) n=226, Large Company / Enterprise(For companies that do not meet the criteria of SME) n=28*

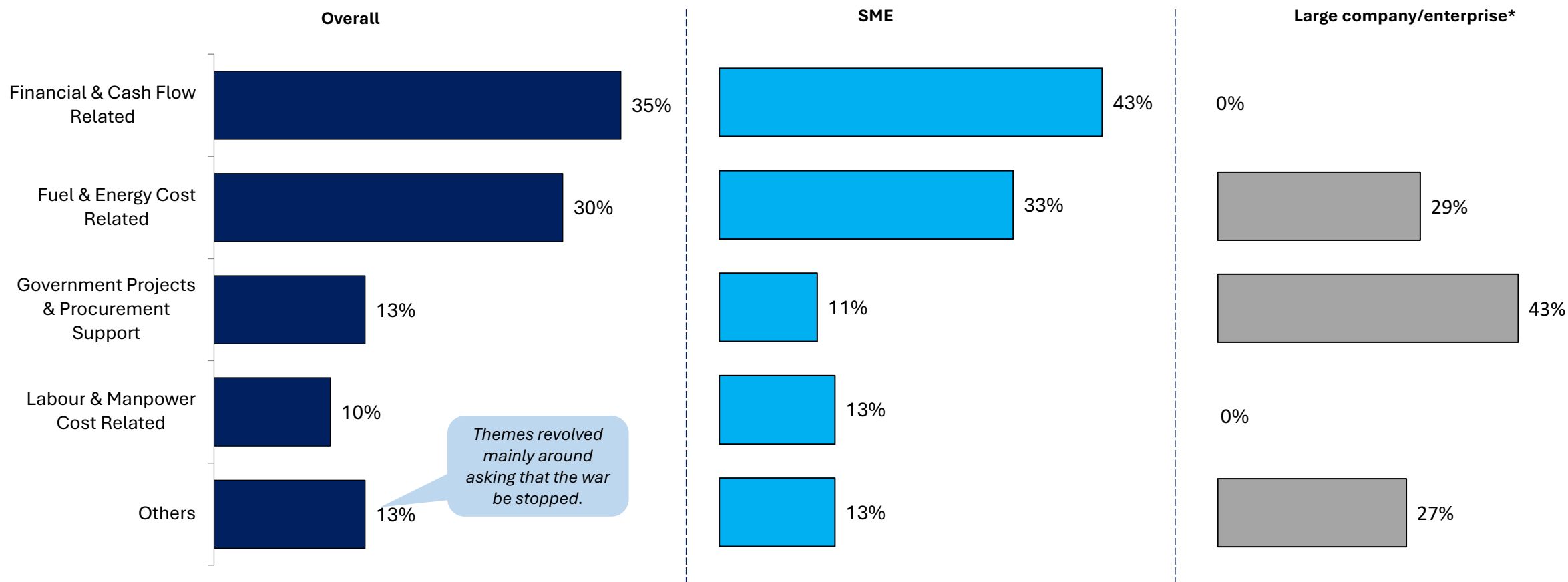
*Caution: Small base n<30

Q11. The Government announced the following measures in Parliament on 7th April 2026. How useful are they to your business?

Businesses continue to call for more immediate and targeted support, with financial and cash-flow related measures emerging as the most frequently cited need.

SMEs, in particular, emphasise support for financing, energy and fuel costs, and manpower-related relief, reflecting ongoing cost and liquidity pressures, while large firms more often point to government projects and procurement support — highlighting differing priorities based on firm size and operating scale.

What additional support measures would be useful? (Overall, by Firm size)



Base: All respondents n=70. SME (Group Annual Sales ≤\$100million or Group Employment Size ≤200) n=63, Large Company / Enterprise(For companies that do not meet the criteria of SME) n=7*

*Caution: Small base n<30

Q12. Are there any additional support measures that would be useful? If yes, please specify. [OE] excluding NA responses

Selected Verbatims

SME

“Temporary levies reduction for workers and S-pass holders. This will help to soften in impact of the high rental charge by the dorm rental. Also give some subsidise support for fuel ie. diesel.” – Construction and civil engineering

“Additional grants to offset rising costs of rent, electricity, staff and inflationary expectations are welcomed.” – Other Financial & Insurance Activities

“Support measures/grants to help all industries/sectors if situation persists. The costs issue will trickle down to all walks of life.” – Wholesale Trade

“Challenge is that business will take time to recover and overheads will persist, direct support is needed in the form of lower levies or costs that arise from government.” – Manufacturing

“Reduction in government fees and levies (CPF? FWL?) to offset other cost increases.” – Manufacturing

“Can the government help SME to secure short to mid term working capital loans.” – Construction and civil engineering

Large Company

“Reduce diesel tax for commercial vehicles.” – Manufacturing

“Reduce duties for transportation as this will have a general relief for a bigger population and larger impact.” – Manufacturing

“Relook at the procurement process to keep pace with the market conditions.” – IT

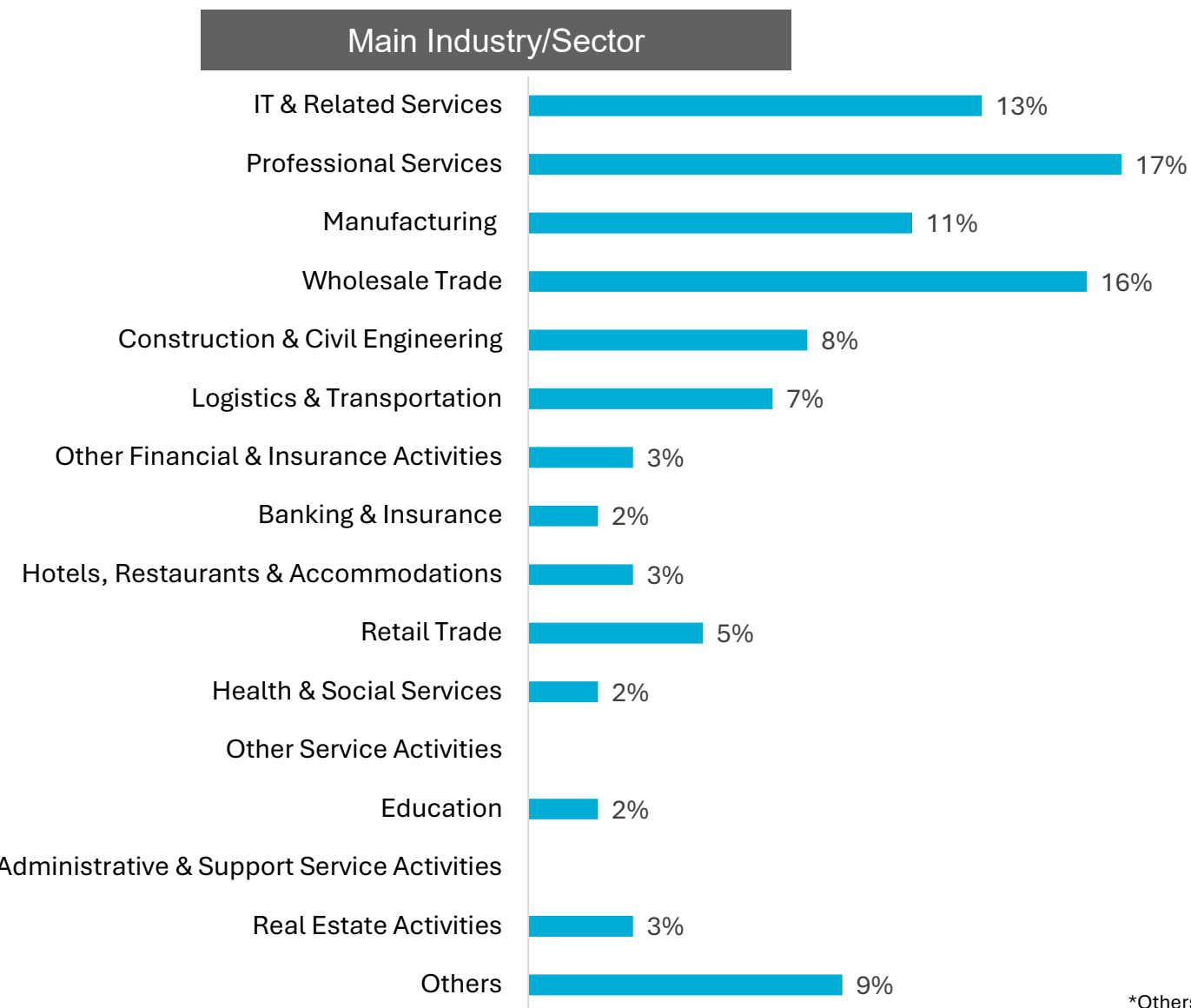
“Shared costs measure recently announced by BCA is a good start.” – Construction and civil engineering

“Support measures for the precast industry and cost sharing among developers, contractors and suppliers.” – Construction and civil engineering

03

Firmographics

Firmographics Overview

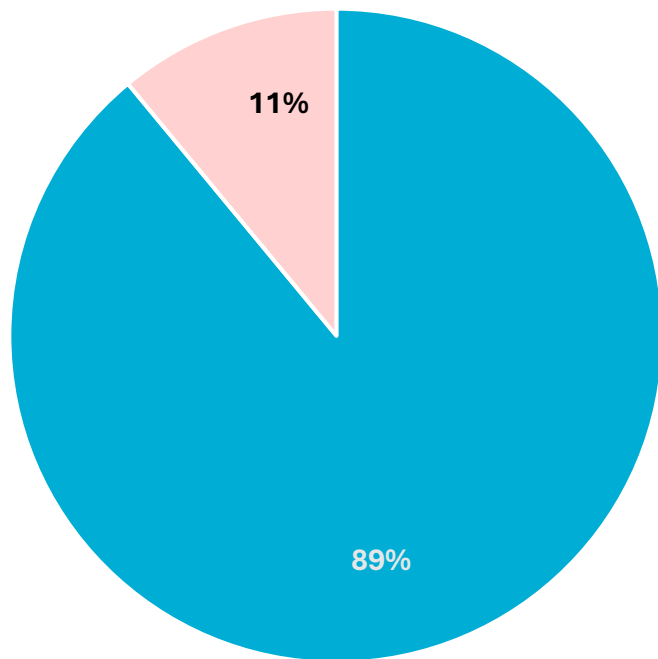


	Frequency (n)			
	Apr'26	Feb'26	Jan'26	Aug'25
IT & Related Services	34	15	22	19
Professional Services	42	19	20	13
Manufacturing (e.g. Food, Textiles, Paper Products, Chemicals, Metals)	28	13	14	17
Wholesale Trade	40	18	11	26
Logistics & Transportation	17	8	10	12
Construction & Civil Engineering	21	6	9	12
Other Financial & Insurance Activities (e.g. Holding/Investment Companies)	7	7	7	3
Retail Trade	12	5	4	14
Hotels, Restaurants & Accommodations	7	3	4	7
Banking & Insurance	4	6	3	3
Other Service Activities	0	4	2	13
Health & Social Services	5	1	2	4
Real Estate Activities	7	0	1	3
Administrative & Support Service Activities	1	0	1	1
Education	6	2	1	3
Others*	23	6	8	11

*Others include (i) Agriculture & Fishing, (ii) Mining & Quarrying, (iii) Water Supply, Sewerage & Waste Management, (iv) Public Administration & Defence, (v) Arts, Entertainment & Recreation, etc.)

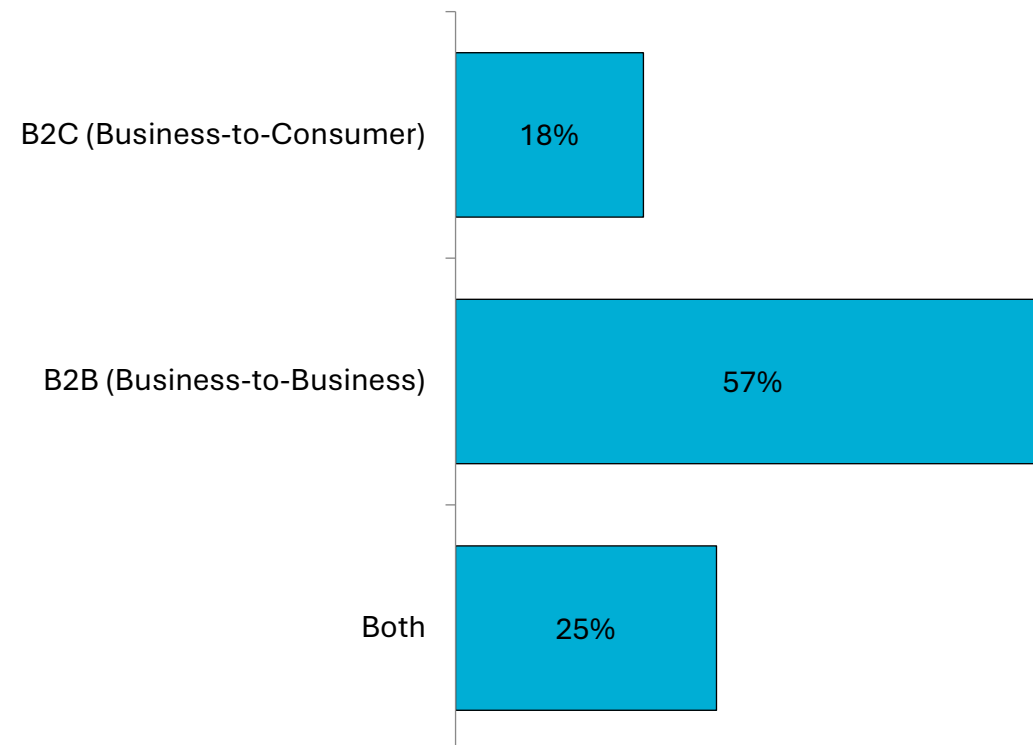
Firmographics Overview

Company Category



■ SMEs ■ Large Company

Main Mode of Doing Business



	Apr'26	Feb'26	Jan'26	Aug'25
SME	226	90	94	144
Large Company/Enterprise	28	23	25	17

A large, stylized white graphic on the right side of the page, resembling a hand or a foot, set against a red background.

SBF.

Thank You.

sbf.org.sg