



Singapore Business Federation – IndSights

Business Dipstick Feb'26

Prepared by: IndSights Research

27 February 2026



AGENDA

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

01

Background



Background

Objective

To gather feedback on the Singapore Budget 2026, which was announced on 12 February 2026.

Duration

13 February to 25 February

Methodology

Online survey

Sample size

N=113, mix of SBF listing and IND database

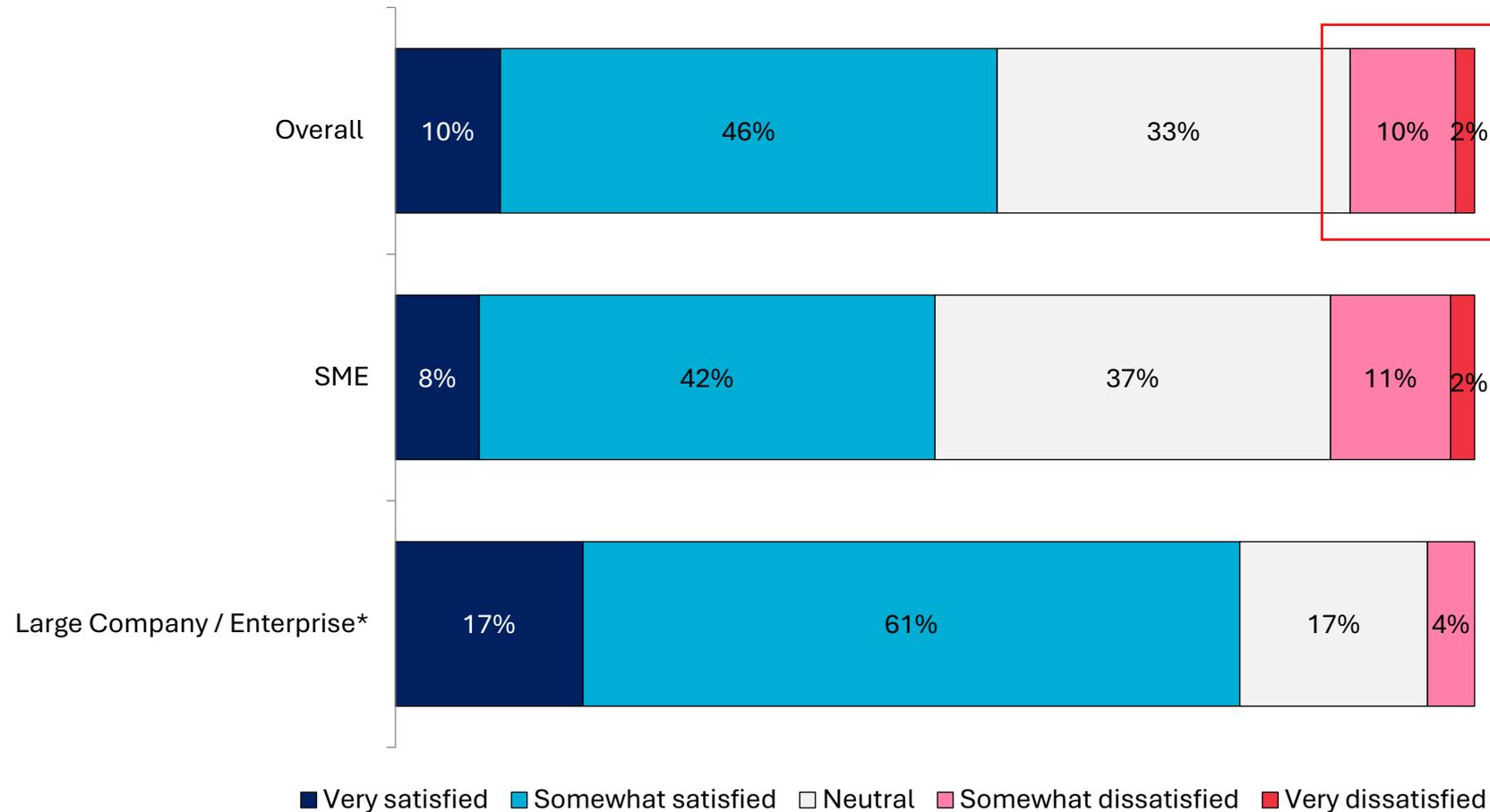
02

Key Findings



6 in 10 businesses satisfied with Budget 2026; Satisfaction higher among Large Enterprises

How satisfied are you with the Singapore Budget 2026 in addressing the needs of businesses? (Overall, x Firm size)



Based on verbatim feedback, this may broadly be attributed to manpower cost issues in areas related to the hiring and attracting of local workers, as well as rental cost, areas which respondents feel can be more adequately addressed.

Base: All respondents N=113. 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

Q1: How satisfied are you with the Singapore Budget 2026 in addressing the needs of businesses?

Businesses View AI and Internationalisation Measures More Positively, while Cost, Workforce and Sustainability Support Lag

Which of the following measures do you think are adequately addressed in Singapore Budget 2026? (Overall)

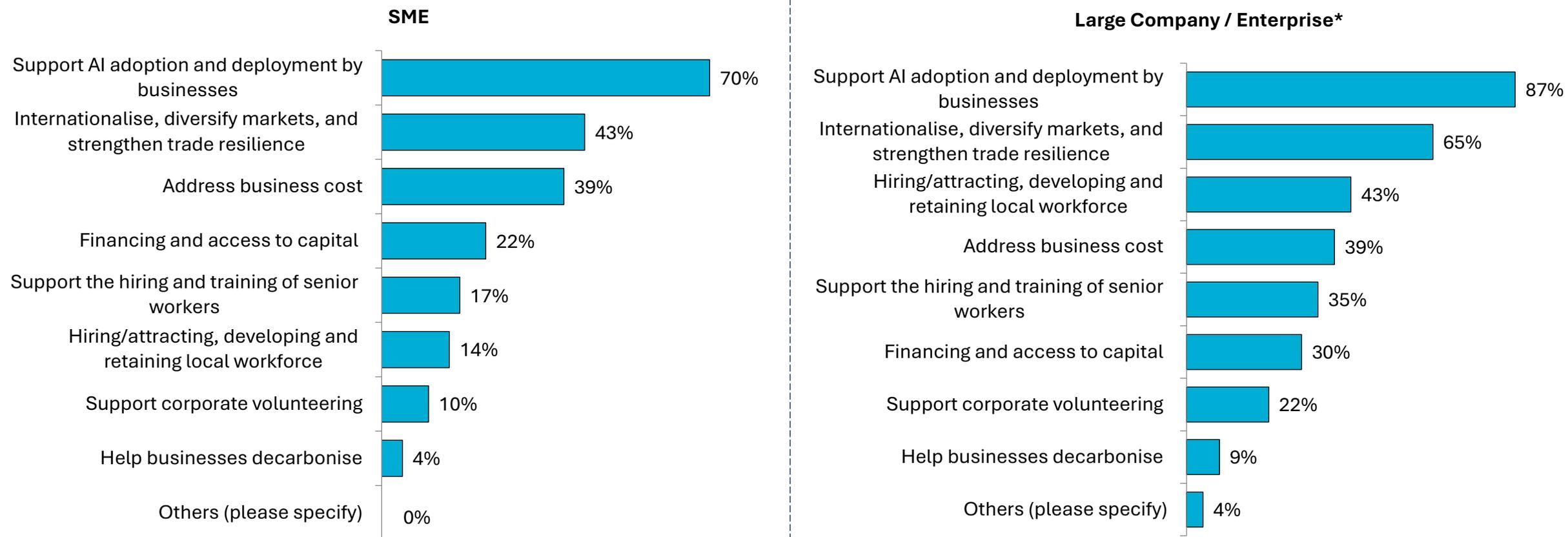


Base: All respondents N=113.

Q2: Which of the following measures do you think are adequately addressed in Singapore Budget 2026?

SMEs less likely than large enterprises to view Budget 2026 measures as adequately addressed; Widest perception gap in local workforce hiring and development measures

Which of the following measures do you think are adequately addressed in Singapore Budget 2026? (x Firm size)



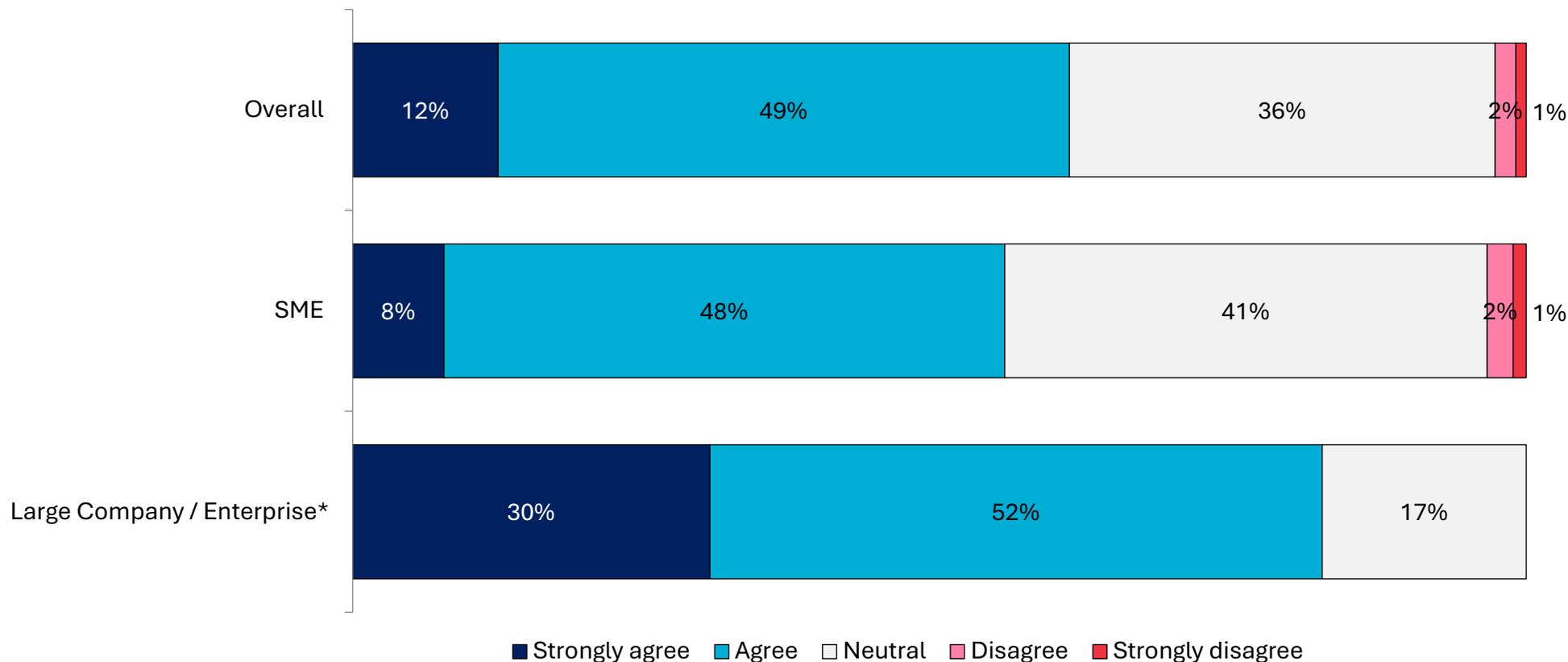
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Q2: Which of the following measures do you think are adequately addressed in Singapore Budget 2026?

Stronger confidence among large enterprises (8 in 10) compared to SMEs (6 in 10) that Budget 2026 reinforces Singapore’s global and regional hub status

To what extent do you agree that the Singapore Budget 2026 measures maintain and strengthen Singapore’s role as a global and regional hub? (Overall, x Firm size)

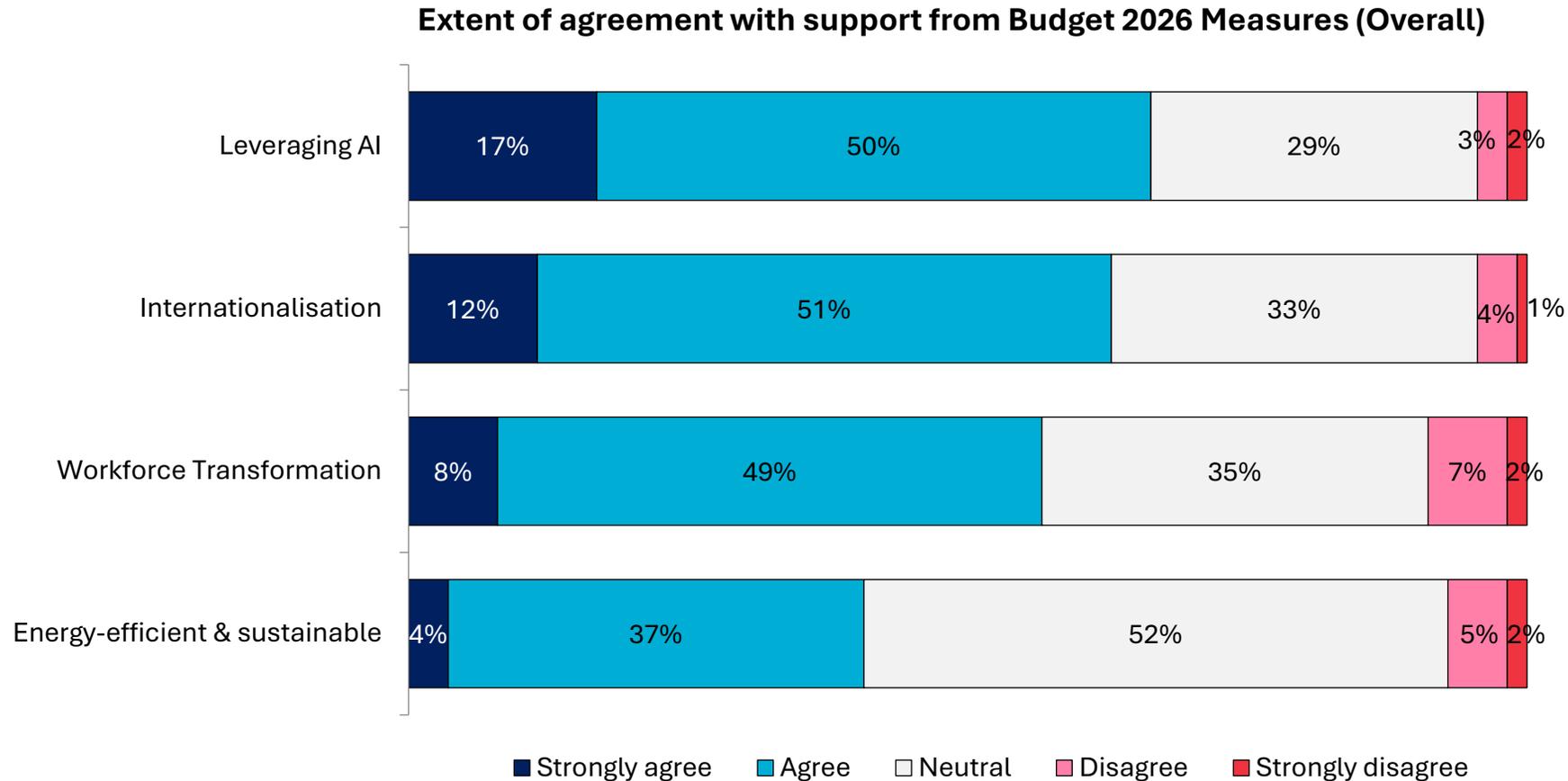


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Q3. To what extent do you agree that the Singapore Budget 2026 measures maintain and strengthen Singapore’s role as a global and regional hub?

Stronger agreement on AI and internationalization contrasts with higher neutrality on workforce and sustainability measures



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Q4. To what extent do you agree that the Singapore Budget 2026 measures support workforce transformation?

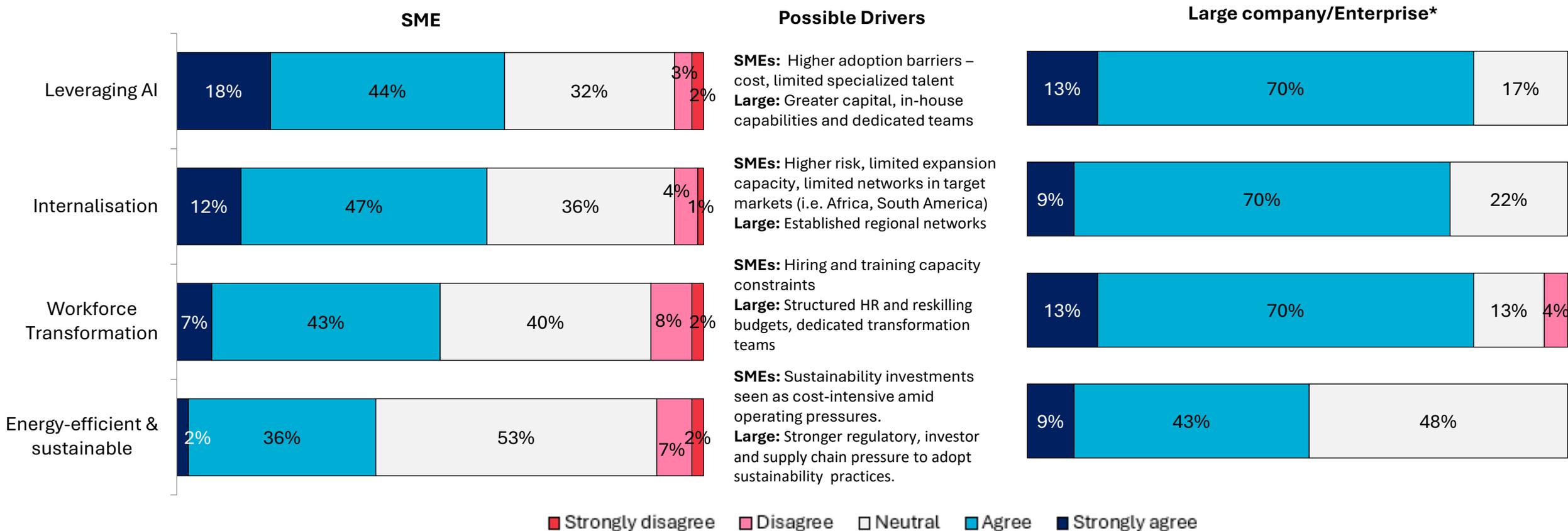
Q5. To what extent do you agree that the Singapore Budget 2026 measures are useful in helping your business better leverage on AI for enterprise transformation?

Q6. To what extent do you agree that the Singapore Budget 2026 measures help support Singapore enterprises to internationalise and compete on the global stage?

Q7. To what extent do you agree that the Singapore Budget 2026 support firms to be energy-efficient and sustainable?

Large enterprises show stronger agreement across all transformation areas than SMEs; Widest gaps in workforce and sustainability measures

Extent of agreement with support from Budget 2026 Measures (x Firm size)



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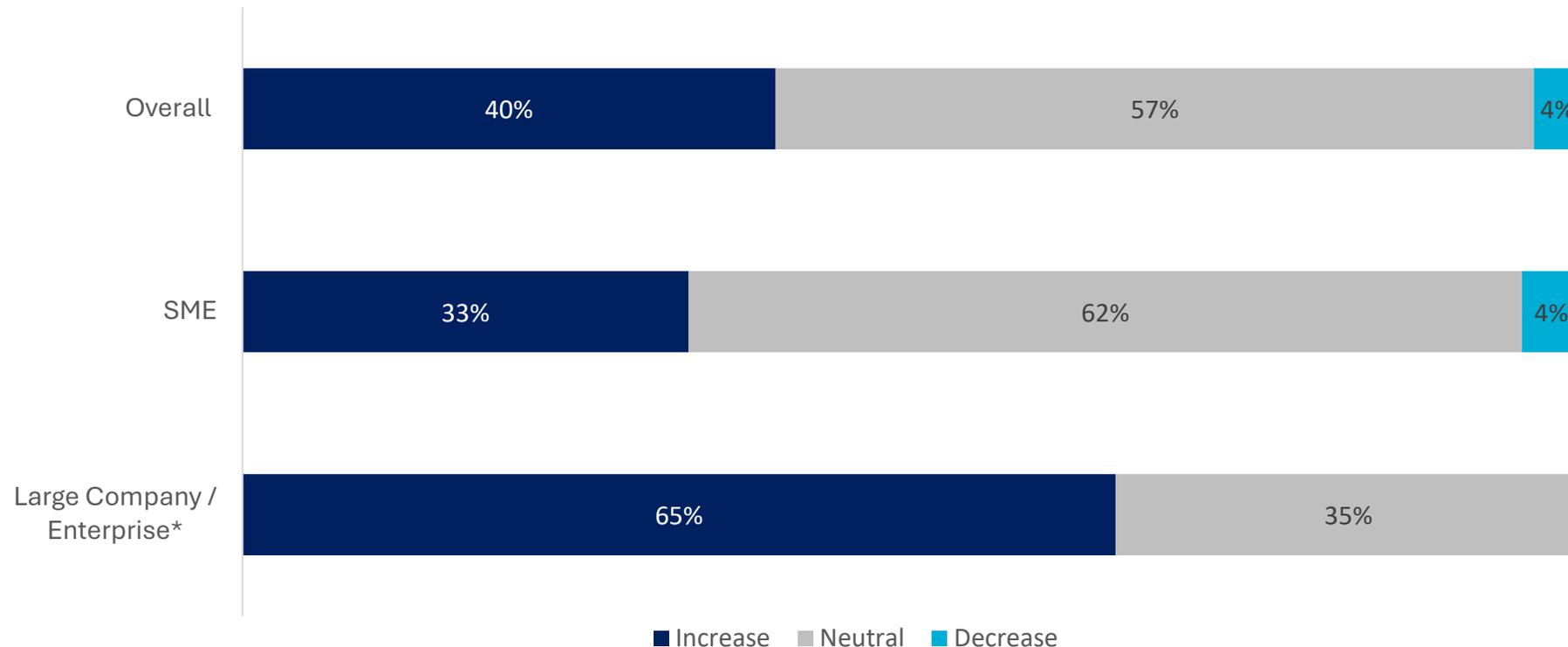
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Q7. To what extent do you agree that the Singapore Budget 2026 support firms to be energy-efficient and sustainable?

4 in 10 businesses reported increased confidence in Singapore’s business environment following Budget 2026, led by large companies

How has the Singapore Budget 2026 impacted your confidence in Singapore’s business environment over the next 12 months?
(Overall, x Firm size)



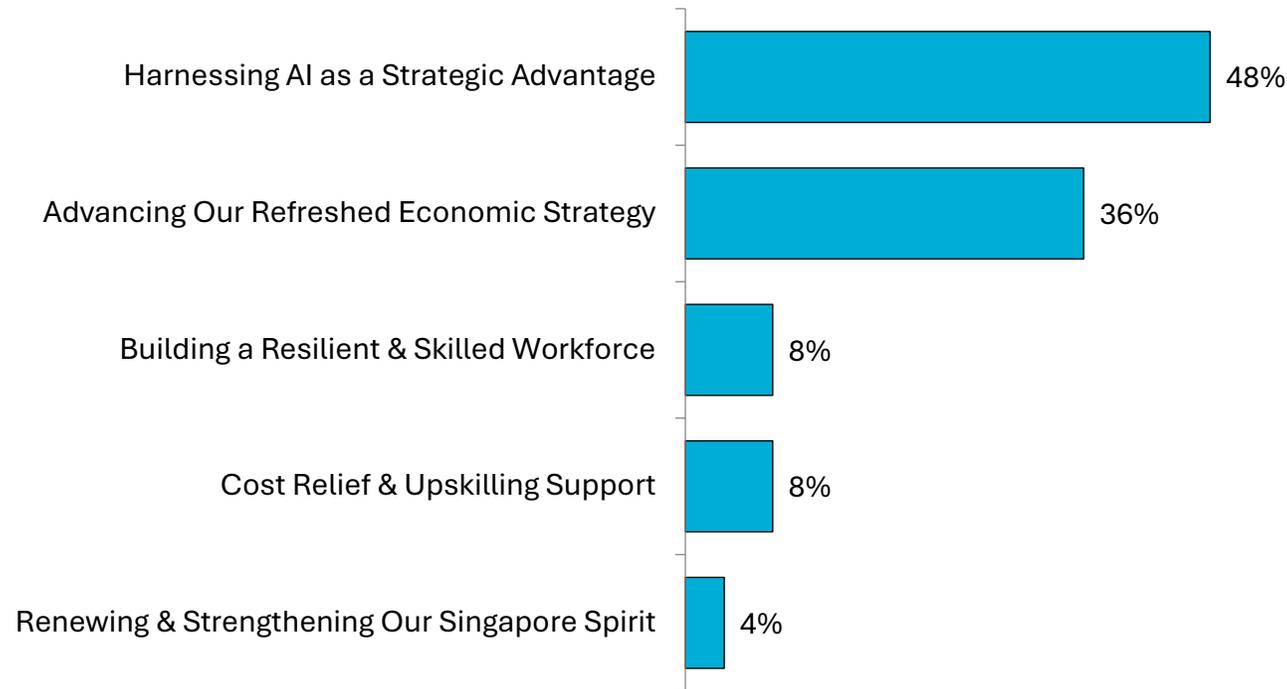
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Q8. How has the Singapore Budget 2026 impacted your confidence in Singapore’s business environment over the next 12 months?

AI-related measures and initiatives to advance economy resonate most with business, but manpower and cost pressures continue to shape overall perceptions among SMEs

What measures resonated the most with you and why? (Overall)



NA responses omitted from chart

Selected Verbatims

“Overall, **traditional businesses will be alienated and costs will continue to scale up** with the added burden on foreign workers etc. The govt has already made clear the path and the markets they want to enter and take. I am **not quite certain that the talent pool is quite ready.**” – Large, Wholesale & Retail Trade

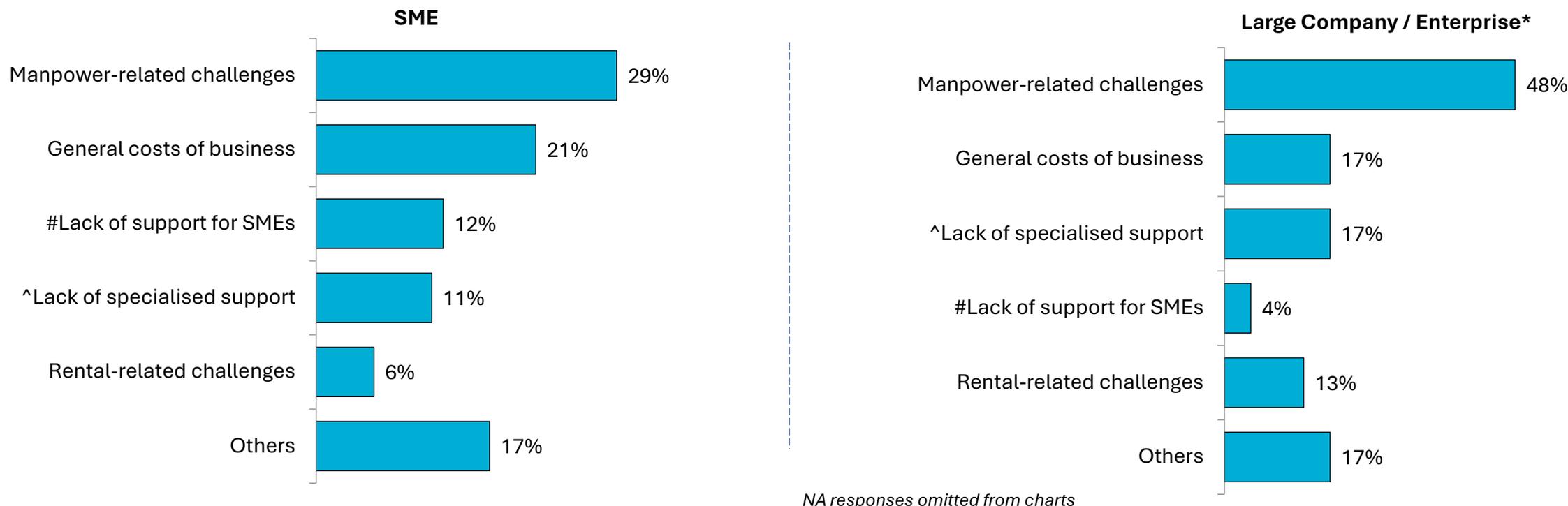
“**AI related courses** to consider for upgrading, **tax deductible measures** for companies, **support for senior workers and mid career switch.**” – SME, Professional Services

“Establishing **national AI council is a good first step** and in the right direction. But the **advantages must flow to the SMEs** and businesses. That said, Innovation is not only about AI, **general research should also be qualified as innovation.**” – SME, Others

“**Supporting SME productivity and workforce upgrading.** As a SME in logistics, manpower and cost pressures are constant, these **initiatives help us digitise and improve our efficiencies.** Its meaningful also as it **promotes long term sustainability.**” - SME, Logistics & Transportation

Manpower is the top unaddressed challenge in B2026 followed by business costs and lack of sector-specific and tailored business support

What business challenges have not been addressed by Singapore Budget 2026 and how can they be addressed?
(Overall)



^Lack of specialized support: refers to a lack of sector-specific and tailored business support. Businesses noted that existing measures may be too broad, with insufficient support tailored to the needs of specific industries such as trade, logistics and deep-tech. Respondents highlighted the need for more targeted financing, sector engagement and regulatory adjustments to better support different business models.

#Lack of support for SMES: refers to a perceived gap in financing and growth support for SMEs. Respondents highlighted the need for stronger support mechanisms for SMEs, particularly in improving access to financing, easing manpower constraints, and helping smaller firms scale and compete in a high-cost business environment.

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Q10. What business challenges have not been addressed by Singapore Budget 2026 and how can they be addressed?

Verbatims highlight manpower shortages, high costs and structural frictions as dominant business concerns

Selected Verbatims

SME

“Suitable manpower availability, the increase in SPass/EPass quantum will not help. There is a **skill/ability gap for our graduates to come in and help SMEs become international players**. Some kind of **apprenticeship or scholarship scheme** supported by the govt with suitable SMES may help.” – Manufacturing

“**Sustainability needs to be looked at deeper to make an impact in years to come especially socially**. In the white collar and management level is the most impacted. **Reliance on foreign talents needs to be looked at**. MNC are the ones where the ratio needs to be controlled or regulated.” – Logistics & Transportation

“**Improving access to capital for SMEs in trade**, as Singapore's success was founded on Trade. **Improving liquidity to Financial Institutions with a proven track record of supporting and enabling SMEs through financial innovations** will help.” – Other Financial & Insurance Activities

“**High operating costs and labor costs** in Singapore, including difficulty for small companies to hire work pass and S-pass staff, leading to increased pressure to offshore. **Smaller organizations or startups should have a separate evaluation system or quota for those types of roles.**” – ICT

Large Company / Enterprise*

“**Structural Rental and Real Estate Escalation. Rental remains one of the largest cost lines for retail and F&B. Challenge: No structural intervention on landlord escalation clauses, anchor tenant bargaining power imbalance and gross turnover rent structures.** Considerations: Standardised rental tenancy guidelines (fair escalation caps, transparency in turnover rental formula), longer lease period for proven operators, incentive for landlords who **commit to productivity linked models.**” – Accommodations & Food

“The government can consider **creating sector taskforces within SERT to engage each sector in a more targeted way with more structured consultation.**” – Finance & Insurance

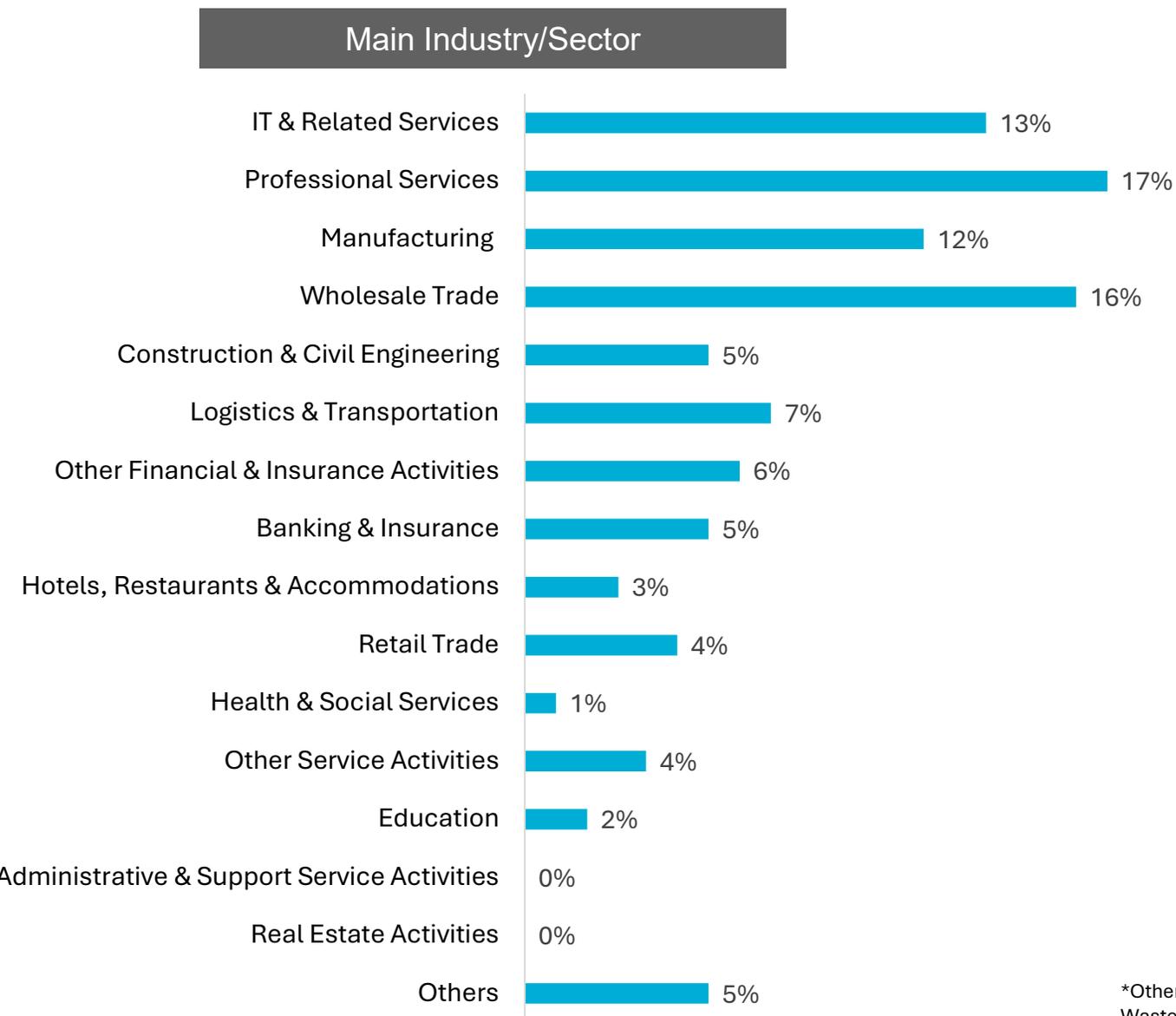
“The **banking sector continues to be fairly inefficient compared to global players**. Improving the quality / efficiency of the banking / financial markets could certainly improve further Singapore's attractiveness.” – Others

“**Rent, pressures from tariffs and bad fit from school leavers and market requirements.** Rent control or cap, **enhanced assistance in reconfiguring supply chains in addition** to just advisory and direct input to school curriculum” – Manufacturing

03

Firmographics

Firmographics Overview

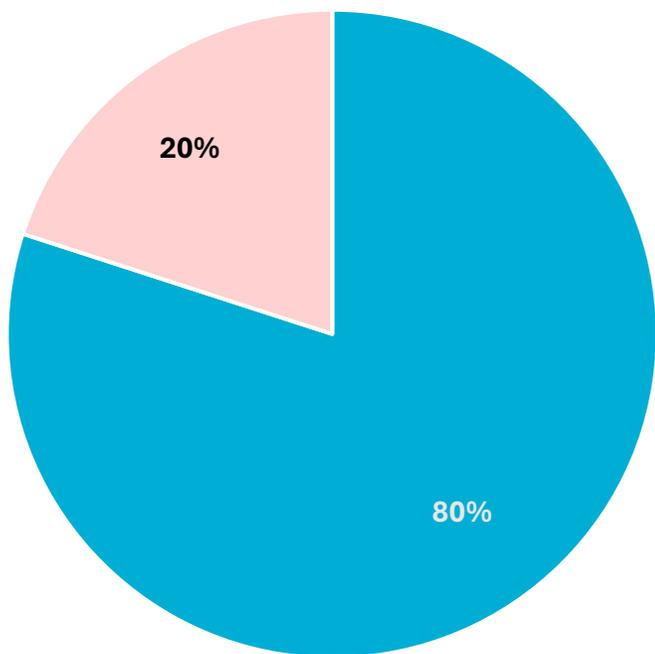


	Frequency (n)		
	Feb'26	Jan'26	Aug'25
IT & Related Services	15	22	19
Professional Services	19	20	13
Manufacturing (e.g. Food, Textiles, Paper Products, Chemicals, Metals)	13	14	17
Wholesale Trade	18	11	26
Logistics & Transportation	8	10	12
Construction & Civil Engineering	6	9	12
Other Financial & Insurance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

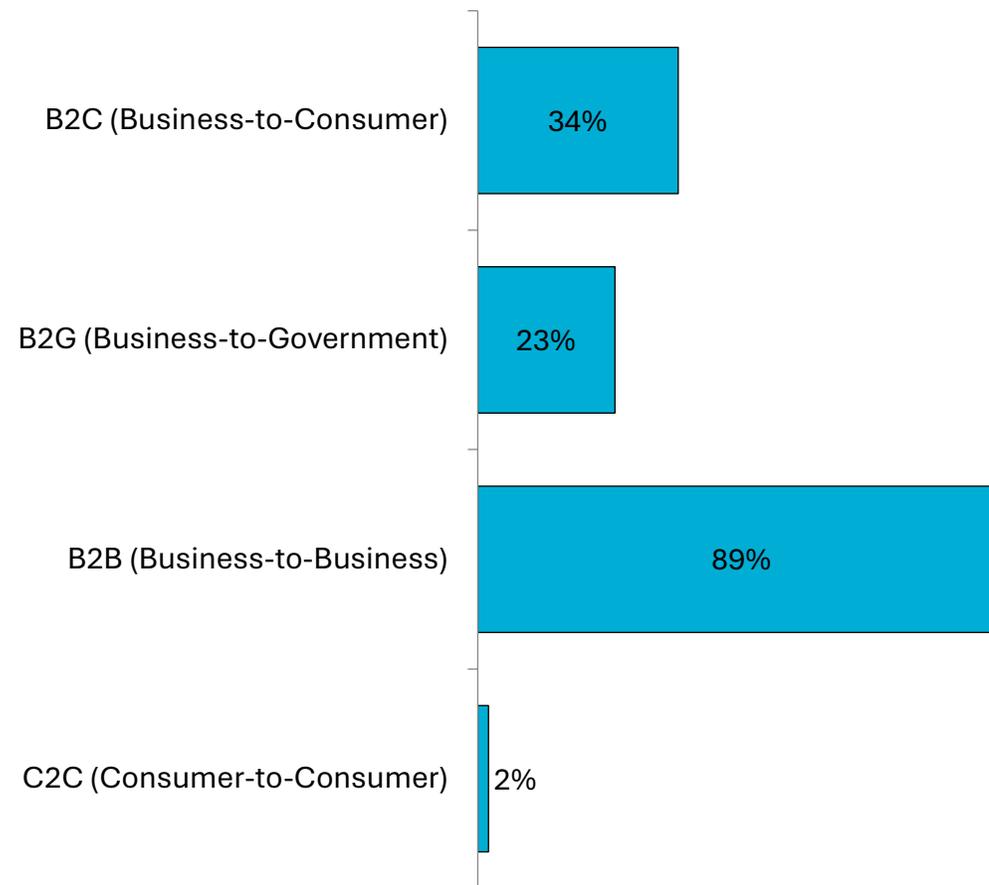
Company Category



■ SMEs ■ Large company/Enterprise

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

Main Mode of Doing Business





SBF.

Thank You.

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