



Singapore Business Federation (SBF)

# SME Internationalisation Index 2025



The **SBF SME Internationalisation Index (SMEII)**, conducted by the Singapore Business Federation (SBF), provides insights into the following areas:

- Sentiments on the international economy and business outlook in overseas markets.
- Sentiments on business activities in overseas markets.
- Sentiments on the operating environment in overseas markets.

### Key Objectives of the SMEII:

- ★ Measure the **level of interest** of Singapore businesses in going overseas.
- ★ Pinpoint the **areas of assistance needed** to facilitate businesses in their overseas expansion.
- ★ Further the government's vision in the **internationalisation** of Singapore businesses.
- ★ Function as a resource for Singapore businesses to **identify opportunities** in their overseas expansion journeys.

The survey was conducted from **16 December 2025** to **16 January 2026** and drew responses from **645 businesses** in total, of which **432 of businesses** are currently engaged or planning to expand overseas.

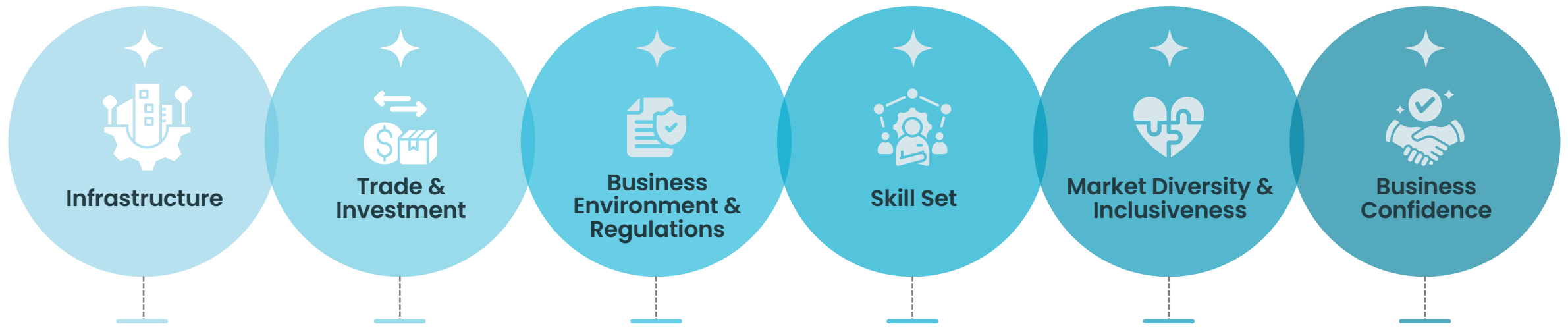
The sample captured businesses across the range of key industries, including both SMEs (84%) and large companies (16%). A total of 81 markets were evaluated by the respondents.

	Dec 2021 N=600	Jun 2022 N=503	Nov 2022 N=400	Mar 2023 N=400	Nov 2024 N=403	<b>Dec 2025</b> N=645
<b>Production &amp; Trade Sectors</b>						
<b>Wholesale Trade</b>	18%	17%	13%	14%	18%	<b>19%</b>
<b>Manufacturing</b> <small>(e.g., Food, Textiles, Paper products, Chemicals, Metals etc.)</small>	15%	14%	17%	17%	17%	<b>14%</b>
<b>Construction and Civil Engineering</b>	8%	8%	9%	10%	9%	<b>13%</b>
<b>Logistics &amp; Transportation</b>	6%	6%	7%	5%	7%	<b>6%</b>
<b>Service Sectors</b>						
<b>IT &amp; Professional Services</b>	17%	21%	17%	19%	16%	<b>17%</b>
<b>Retail, Real Estate Activities, Hotels, Restaurants &amp; Accommodations</b>	8%	6%	7%	5%	8%	<b>6%</b>
<b>Banking &amp; Insurance</b>	9%	8%	7%	8%	8%	<b>15%</b>
<b>Other Service Activities</b> <small>(e.g., Education)</small>	7%	8%	9%	9%	9%	<b>7%</b>
<b>Others*</b>	12%	12%	14%	13%	8%	<b>2%</b>
<b>TOTAL</b>	100%	100%	100%	100%	100%	<b>100%</b>

\*Others (e.g., Other Financial and Insurance Activities, 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)

# SIX SUB-INDICES TOGETHER DEFINE THE SMEII

Components that make up each of the sub-index:



- Reliable utilities
- Well-developed financial banking system
- Well-developed digital infrastructure
- Affordable digital infrastructure
- Support on innovation and digitalisation by the local government
- Well-developed logistics & distribution network

- Easy to access credit/financing
- Transparent rules on capital investment
- Low level of tariffs or trade barriers
- Low level of non-trade barriers
- Legal protection for Singapore investors
- Easy to bring money/capital into the market
- Easy to repatriate capital/profit from the market

- Predictable regulations & legislations
- Information available on regulations & formalities
- Support for Singapore companies
- Singapore companies are treated fairly
- Easy to partner with local companies
- Intellectual property rights protection
- Cybersecurity

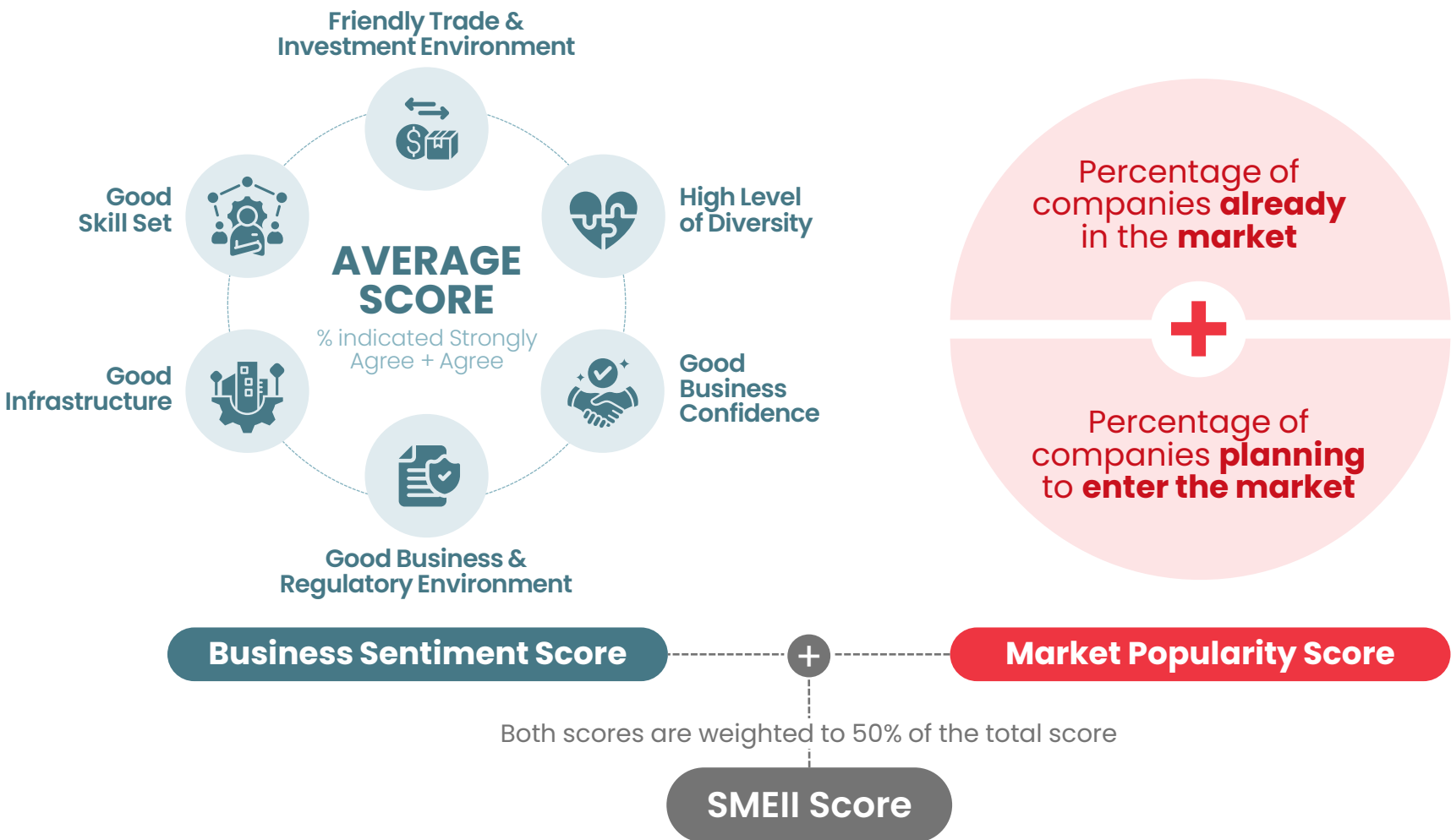
- Affordable and easily available staff with the right skills
- Workforce education
- Workforce ethics and motivation
- Policies that support businesses and investors
- Government support for upskilling
- Workforce is receptive to upskilling
- Availability of local tech partners/vendors

- Use of international business language
- Workforce ethnic diversity
- Workforce gender diversity
- Foreigner friendly
- Easy to bring in overseas talents
- Easy to find business partners that can be trusted
- Diverse pools of potential customers/ buyers

- Manageable cost of running business
- Stable social & political environment
- Strong growth potential
- Strong confidence in economic growth
- Government is effective in managing crises and external shocks

# Computation of SMEII

The SMEII offers an integrated view of market conditions by combining **current business sentiment** and **market popularity** into a **composite score** that reflects both **business confidence** and the **relative attractiveness** of each market.



## Sample SME II Calculation

- 66% Friendly Trade & Investment Environment
  - 58% High Level of Diversity
  - 35% Good Business Confidence
  - 49% Good Business & Regulatory Environment
  - 29% Good Infrastructure
  - 28% Good Skill Set
- 
- 44% Business Sentiment**
- 38% Of companies already in the market
  - 8% Of companies planning to enter the market
- 
- 46% Market Popularity**

**SMEII Score: 45%**

(Business Sentiment x 0.5) + (Market Popularity x 0.5)

### Businesses take a more cautious approach to overseas expansion in 2025, prioritising familiar high-growth markets.

- **Among businesses with an existing overseas presence, the appetite for expansion has softened** in 2025, with intent falling to 60% in 2025 from 64% in 2024; however, confidence remains higher than in 2023 and earlier years. Similarly, businesses without an overseas presence saw their expansion intent dip to 17% in 2025, down from 21% in 2024. *(Slide 11)*
- Amid a more cautious operating environment, market familiarity has risen into the top five market entry considerations in 2025. **Businesses continue to prioritise market growth potential (60%), market size (46%), and existing clients (41%)** when selecting overseas markets. *(Slide 12)*
- **ASEAN remains the top and a steady destination for overseas expansion** in 2025, with strong levels of both current presence (84%) and future expansion interest (65%). Wider Asia also continues to attract significant engagement (69%) and future interest (42%), despite a slight dip in 2025. *(Slide 14)*
- Beyond Asia, **expansion interest in the Americas (22%) and Europe (23%) both trended upward** by +5%-pts in 2025, although both regions showed a slight dip in current expansion. *(Slide 15)*
- **The Middle East & Africa recorded strong growth** of +7%-pts for both current presence (25%) and expansion interest in 2025 (26%) in 2025, **rebouncing to 2023 levels**. Meanwhile, both current presence and expansion interest in Oceania remain steady. *(Slide 16)*

### ASEAN resilience stands out amid softening global market sentiment and economic volatility.

- Accompanying a more cautious attitude towards overseas expansion, the **SME Internationalisation Index for Rest of the World declined from 37% in 2024 to 33% in 2025**, driven by softening business sentiment towards global markets. **ASEAN's Index held steady at 42%**, compared to 41% last year, signalling that regional confidence remains firm despite external volatility. *(Slide 19)*
- The **leading market constituents of the SME Internationalisation Index** (measured by the average scores of business sentiment and popularity) are **Malaysia (57%), China (47%), and Indonesia (42%)**. *(Slide 20)*
- **Key markets showing improvement in Index performance are Malaysia (+6%-pts) and Japan (+2%-pts)**. Malaysia recorded the strongest growth, also reflected in a **+12-pt** increase in popularity. *(Slide 20-21)*
- Meanwhile, **the Index performance for the US (41%), Australia (35%), and UK (29%) has declined** amid shifting trade and geopolitical policies. *(Slide 20)*
- **Key Asian markets show greater resilience in Index performance in 2025**, while other markets showed signs of softening, primarily due to decline in business perceptions rather than roll back in engagement. *(Slide 21)*

### Top appeals and challenges of ASEAN markets.

#### **ASEAN appeals to businesses across key aspects of infrastructure readiness and market potential:** *(Slide 23)*

- **Trade infrastructure** (e.g., affordable (91%) and well-developed (87%) digital infrastructure, easy access to reliable utilities (82%), and well-developed logistics networks (81%))
- **Market potential** (e.g., strong growth potential (88%), manageable businesses operating cost (83%), access to potential customers pools (82%), strong confidence in economic growth (76%))

#### **On the other hand, ASEAN's key challenges centre on regulation, business protection, and business-friendly support:** *(Slide 24)*

- **Policy and regulations** (e.g., high tolerance of unethical business practices (57%), unpredictable regulations (52%), and perceived government effectiveness in crisis management (47%))
- **Protection and security** (e.g., cybersecurity concerns (54%), intellectual property rights protection (50%), and legal protection (49%))
- **Partnership and support** (e.g., access to credit (49%), low level of support for Singapore companies (49%), lack of government support for upskilling (47%), and challenges in finding trusted business partners (47%))

### Top appeals and challenges of markets in Rest of the World (excluding ASEAN).

**The key appeals of other international markets centre on infrastructure, market potential, as well as workforce and partnership:** *(Slide 25)*

- **Trade Infrastructure** (e.g., well-developed (90%) and affordable (89%) digital infrastructure, well-developed logistics networks (87%), and reliable utilities (87%))
- **Market potential** (e.g., access to potential customers pools (88%) and strong growth potential (83%))
- **Workforce and partnership** (e.g., availability of technological partners (84%), workforce receptiveness to upskilling (82%), and high education levels of the workforce (81%))

**Key challenges businesses experience in other international markets mainly relate to policy and regulation:** *(Slide 26)*

- **Support and protection** (e.g., lack of support for Singapore companies (46%) and lack of legal protection (34%))
- **Talents and networks** (e.g., difficulty in accessing credit / financing (44%), difficulty in bringing in overseas talents (41%), lack of government support for upskilling (37%), difficulty finding trustworthy business partners (38%), or partnership with local companies (34%))
- **Trade regulations and barriers** (e.g., difficulty in repatriating funds from the market (37%), unpredictable regulations (36%), and high level of non-trade barriers (34%))

# Business Sentiments on Internationalisation

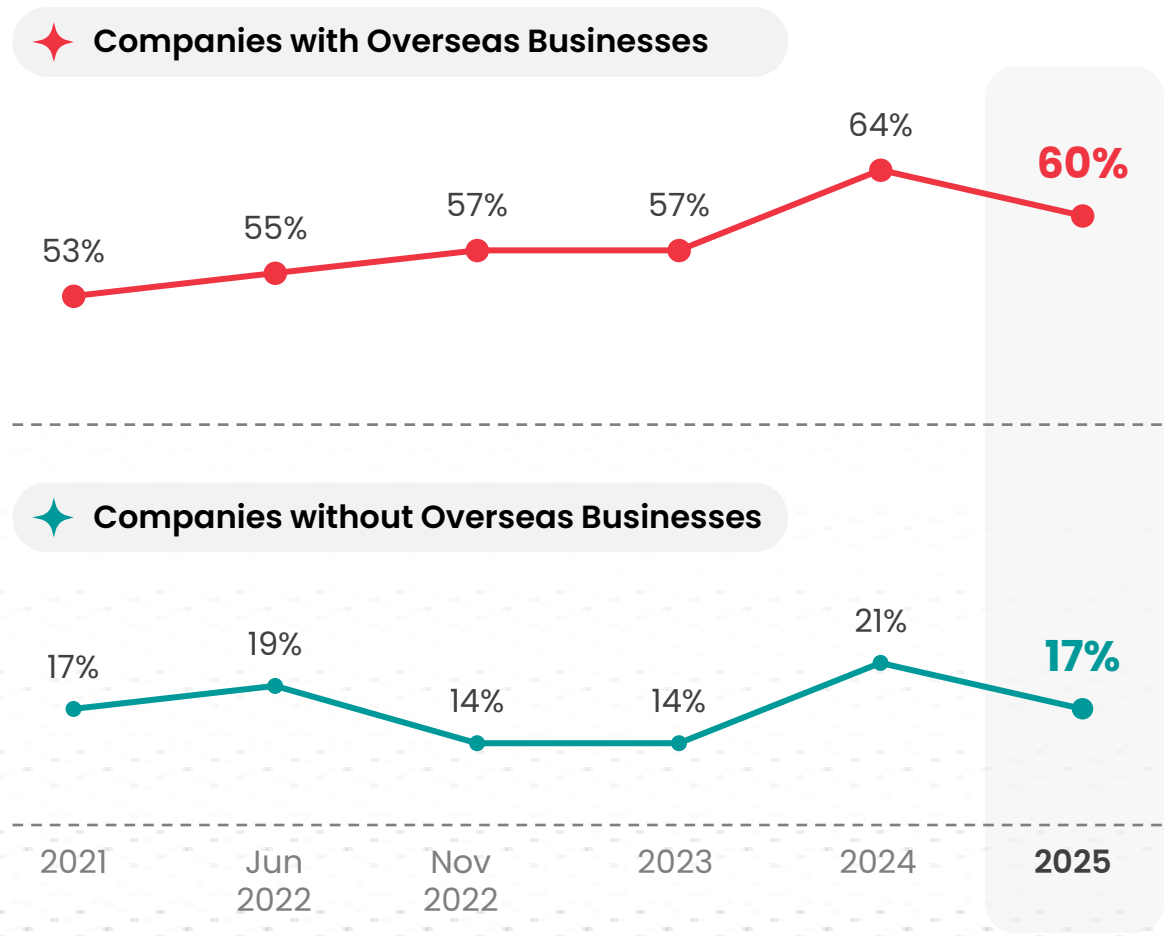


# Businesses show a slight softening in appetite for overseas growth compared to the past year, though confidence remains above pre-2023 levels

In 2025, internationalised businesses are adopting a more cautious stance towards new market ventures, though expansion outlook remains stronger than pre-2023 levels

Similarly, fewer businesses in 2025 indicated plans to expand overseas over the next three years compared to 2024.

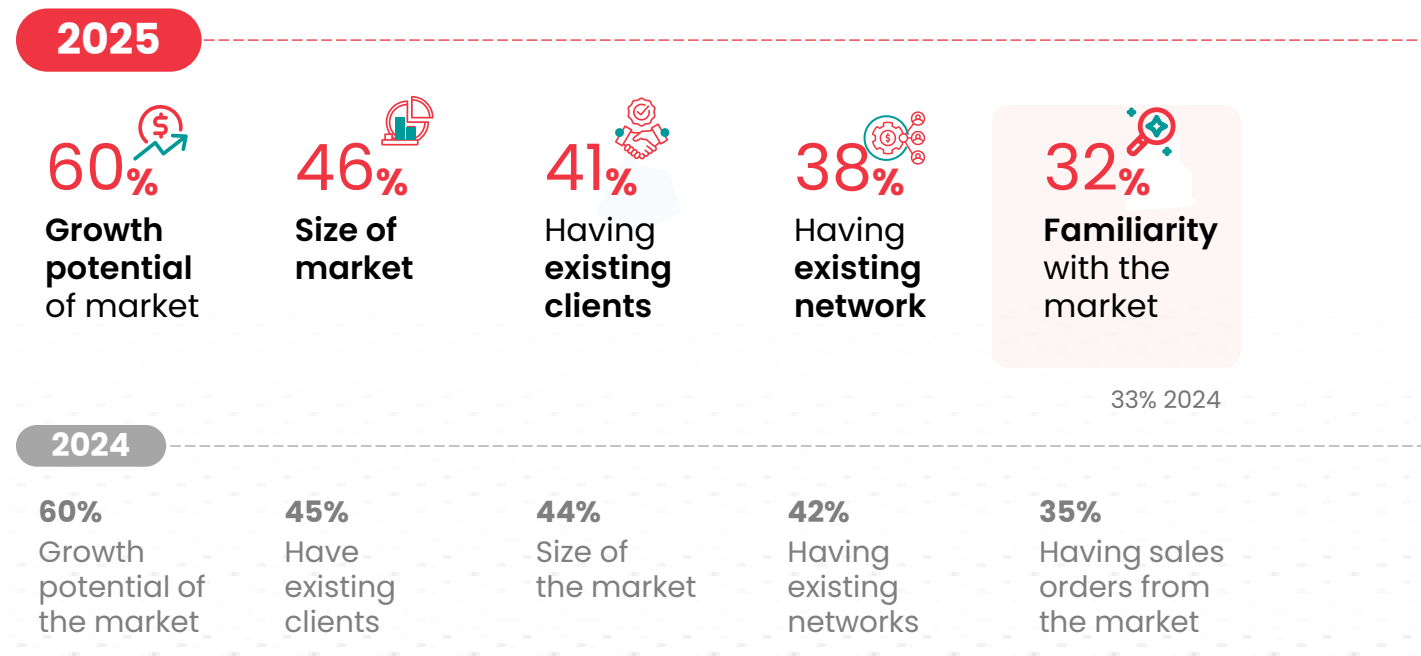
### % Intending to Expand to New Markets in the Next 3 Years



# Businesses continue to prioritise markets with high growth potential, alongside those with existing clients and networks, to de-risk expansion

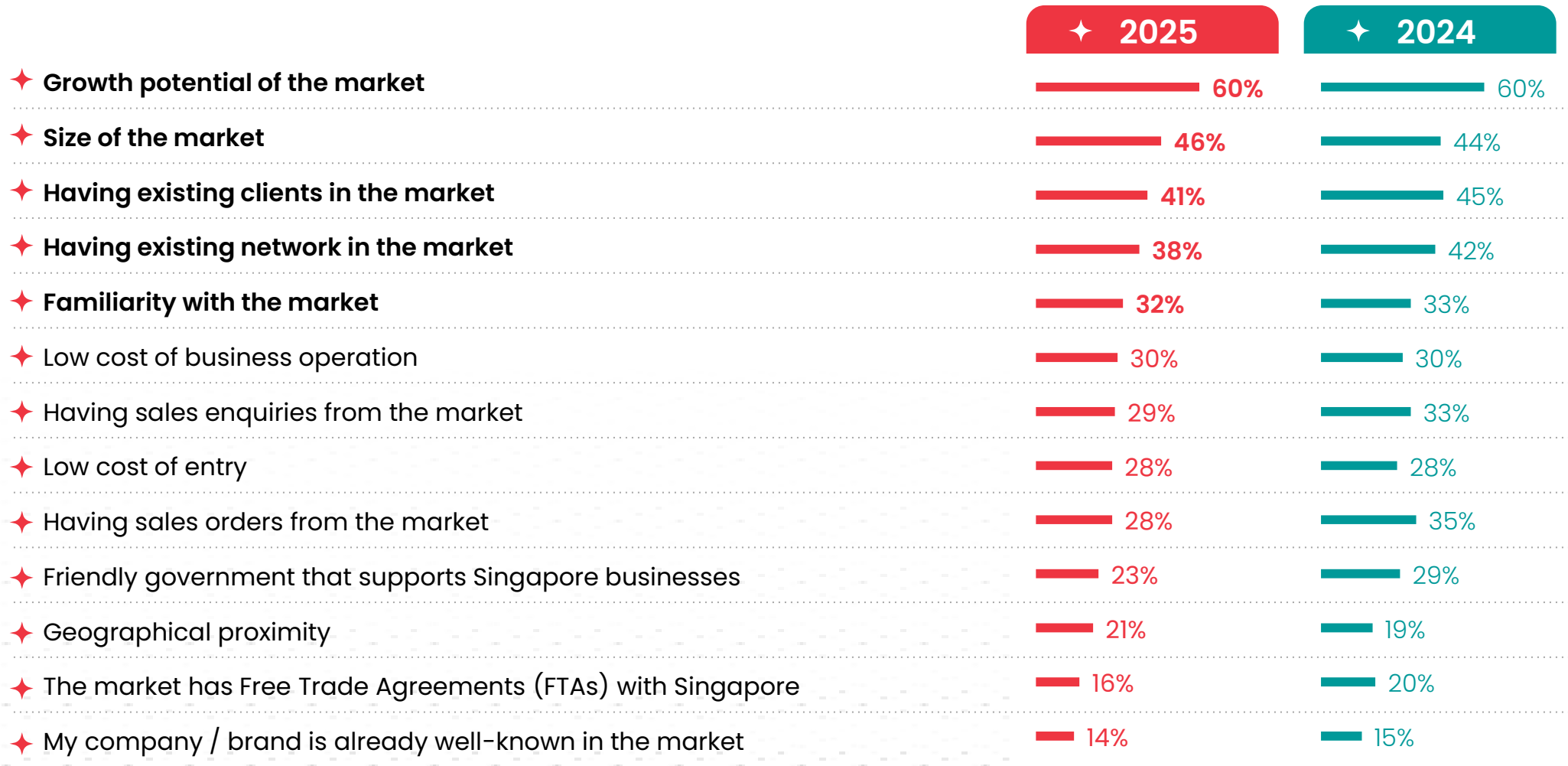
Amid greater caution, businesses value reducing uncertainty, with market familiarity now ranking among the top five market entry considerations in 2025

## Top 5 Considerations of Businesses when Selecting Overseas Market



# Market entry drivers remain largely stable in 2025, though availability of sales orders has weakened in importance compared to past year

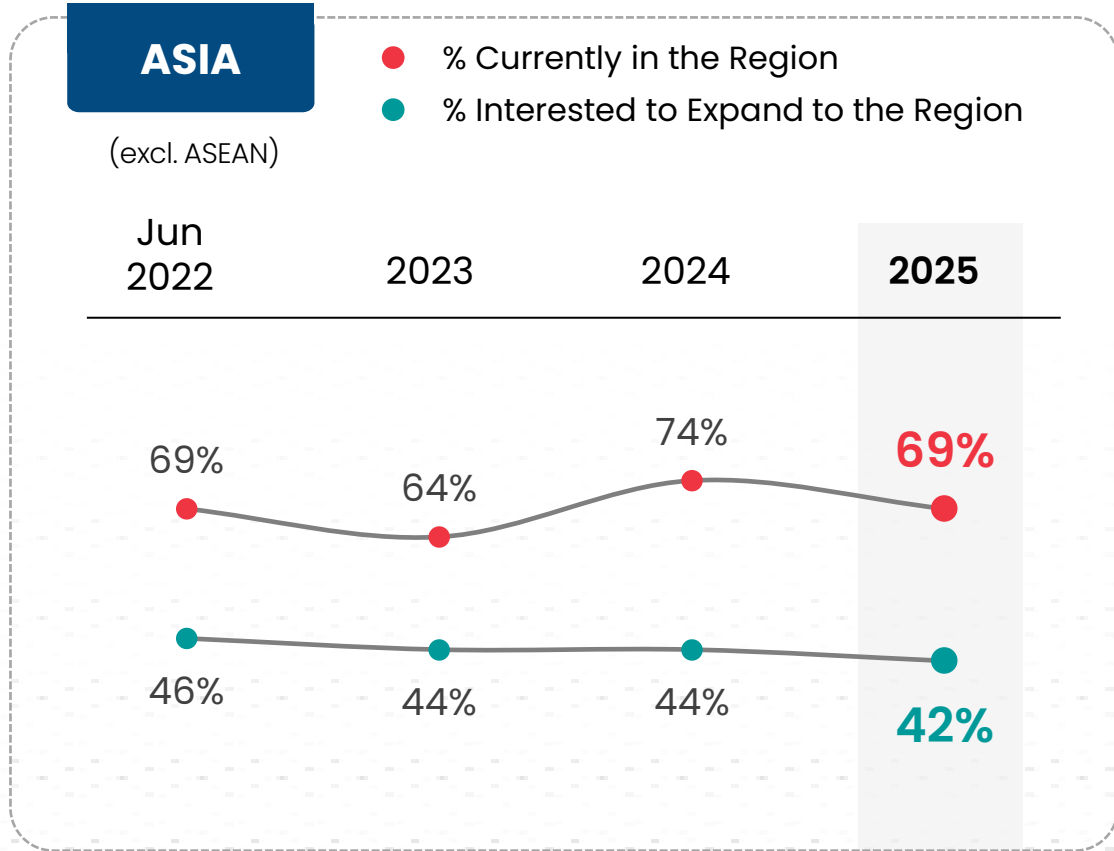
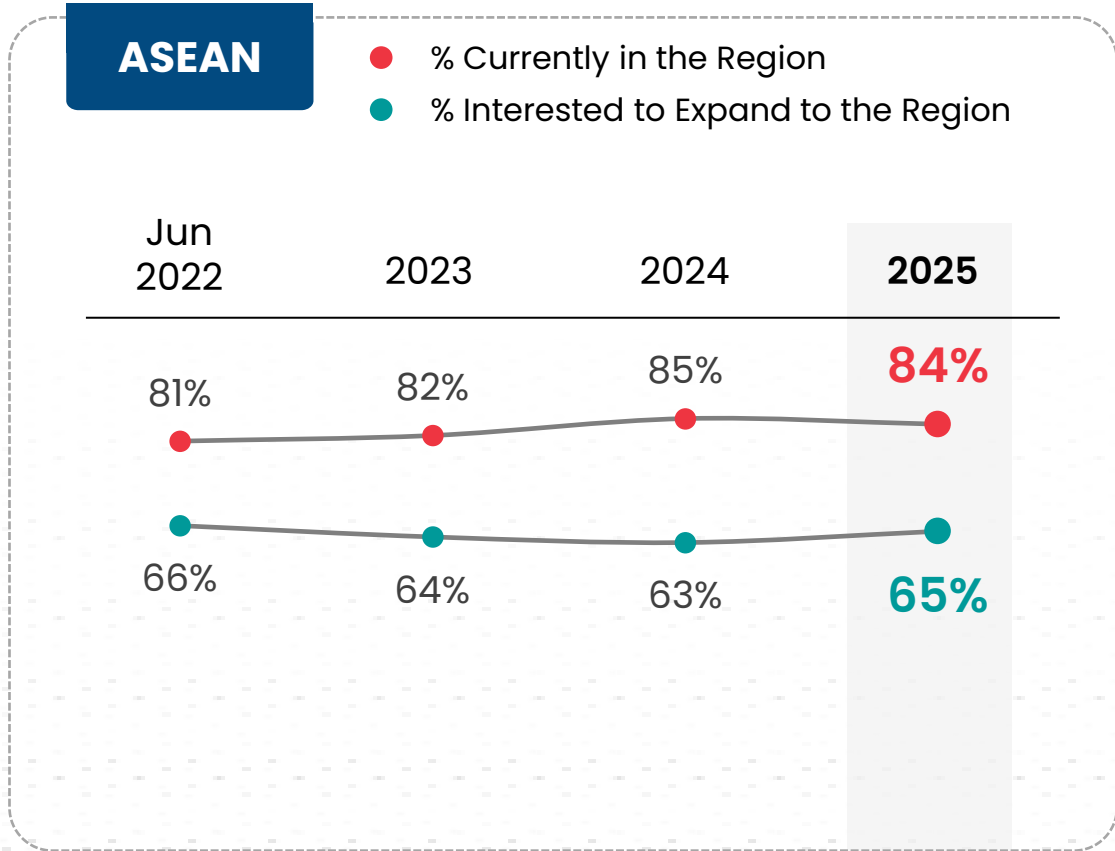
## Key Considerations of Businesses when Selecting Overseas Market



# ASEAN remains the top destination for overseas expansion in 2025, with future expansion interest holding steady

Current business presence (69%) and future interest (42%) in the wider-Asian markets also remain relatively strong despite slight dips in 2025.

## Current Business Presence & Future Expansion Interest in Key Regions



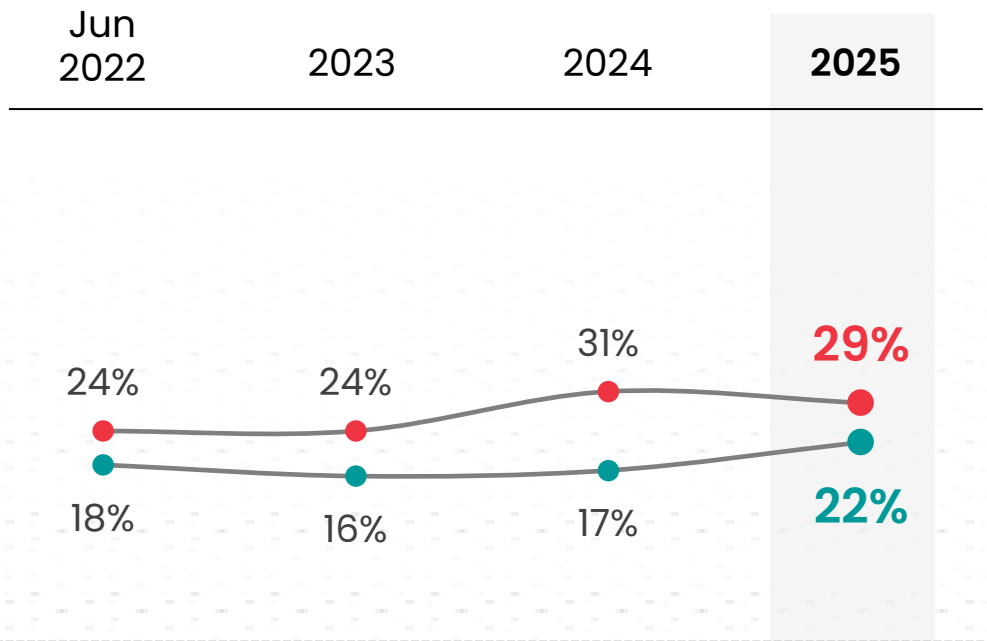
Base: Respondents who are engaged in overseas markets, n=381  
 Q28a: Which of the following country(ies) is your company currently engaged in overseas business activities?  
 Base: Respondents who are interested to expand into overseas markets, n=305  
 Q28b: Which of the following country(ies) is your company keen to venture into overseas business activities?

# Among businesses looking to pursue opportunities overseas, interest in expansion into the Americas and Europe has remained on an upward trajectory through 2025

## Current Business Presence & Future Expansion Interest in Key Regions

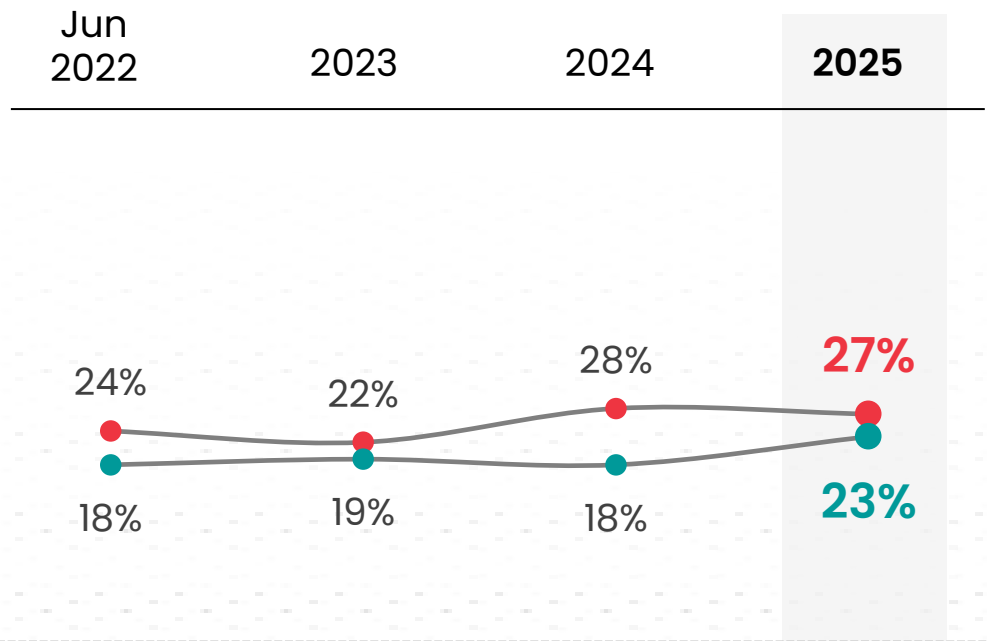
### AMERICAS

- % Currently in the Region
- % Interested to Expand to the Region



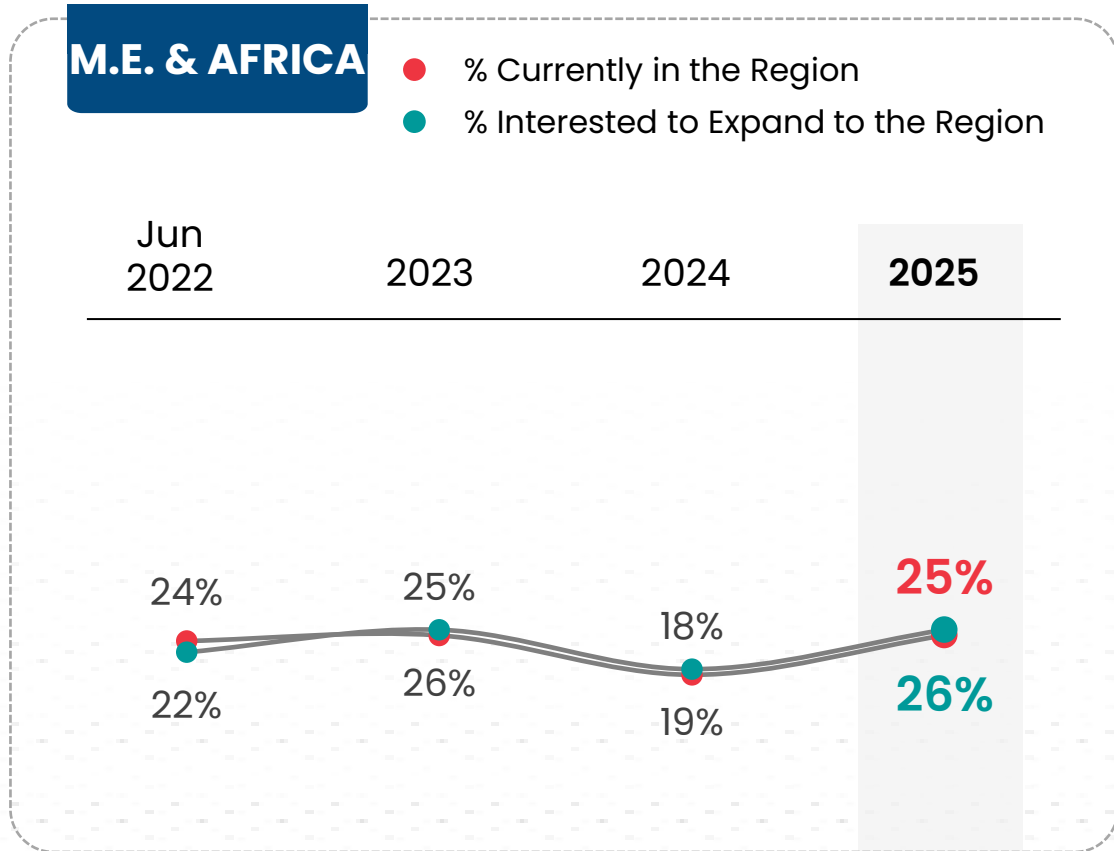
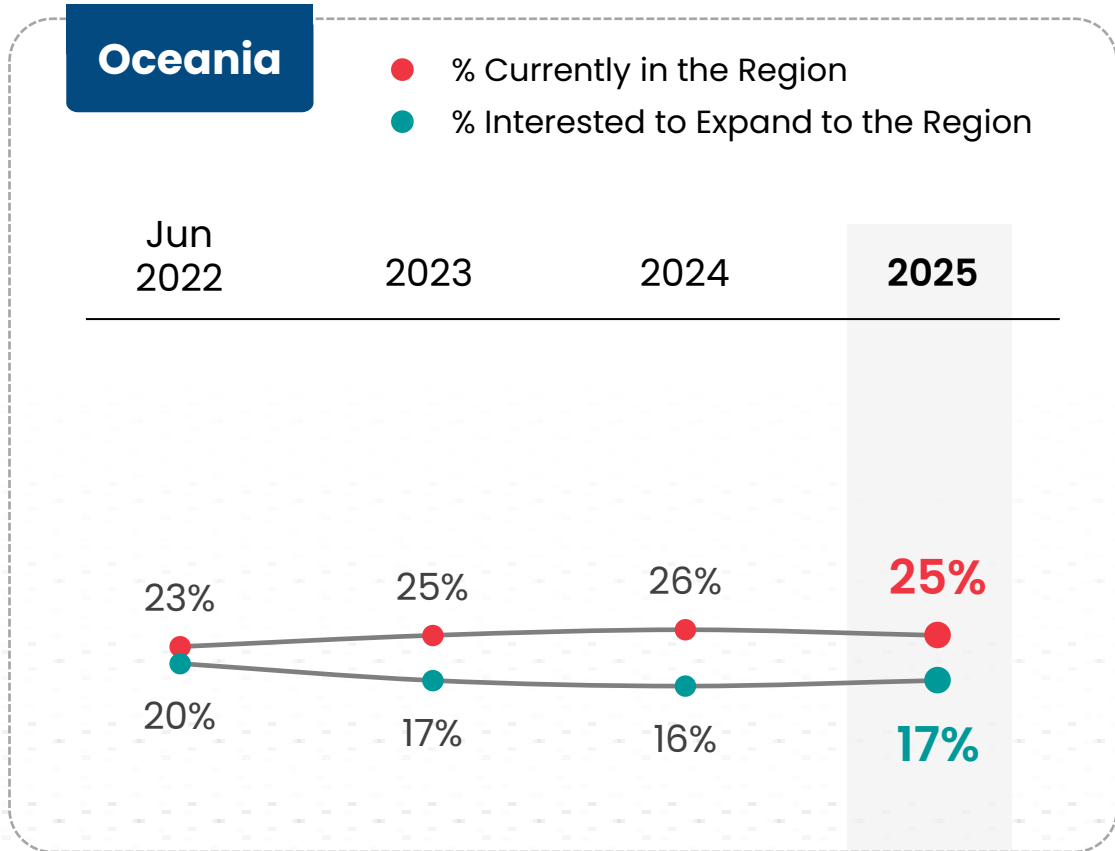
### EUROPE

- % Currently in the Region
- % Interested to Expand to the Region



Interest in the Middle East & Africa is rebounding in 2025, with both current engagement and future expansion plans trending upwards, while interest in Oceania remains steady

Current Business Presence & Future Expansion Interest in Key Regions



## Businesses remain confident in ASEAN's resilience as a growth hub, though sentiment is tempered by the potential for external shocks to disrupt regional stability

### Deep-Dive into Business Sentiment on ASEAN (Insights from In-depth Interviews)

#### Positive outlook on ASEAN markets prevails, with the region seen as a Growth Hub for Singapore businesses

- ☞ With the **strengthening of ASEAN unity** and **collaboration** effort, such as the Iskandar Economic Zone, we foresee some **opportunities in** obtaining distributorship.
- ☞ I think **ASEAN** should still **do well in the next three years**. There is a need for ASEAN to look "inward," beyond going global, as **our market is large enough as a whole**.
- ☞ We are in a **changing world** right now. **ASEAN is currently navigating between the US and China**. I think that the **economic outlook is quite positive** in these circumstances.
- ☞ Overall, we would describe the **current ASEAN economic conditions as cautiously resilient**. While the region is facing **external headwinds** such as US tariff actions, China's slowing momentum, and global financial volatility, **ASEAN economies continue to demonstrate adaptability**... We see significant opportunities in ASEAN through the region's **rapid digitalisation** and **growing consumer markets**. **Rising e-commerce demand** is driving the need for efficient cross-border logistics, and **ASEAN's investment in port modernisation** and **regional trade agreements** is creating smoother flows of goods

#### However, ASEAN is not insulated from the rising volatility of the global economic environment, and caution underlines current optimism

- ☞ [ASEAN is impacted by] **Tension** caused by **big countries**.
- ☞ Current economic conditions in ASEAN is growing right now but **threatened by US tariffs**.
- ☞ The various [ASEAN] country governments are aware of issues on the ground and globally, and thus are probably better prepared to counter them. The **constant upheaval** in the West is not helping matters, and thus **ASEAN needs to help ourselves**, and **work with economies that are more open to engage ASEAN** as equals.
- ☞ **Concern on [ASEAN] countries adopting protectionist policies**. Overall slowdown of each country's economy leads to tightening of expenses. Regulatory regimes that make it difficult for foreign businesses to operate.

# Global economic sentiment is defined by caution as businesses navigate the emergence of protectionist trends and volatile trade policies

## Deep-Dive into Business Sentiment on Rest of the World (Insights from In-depth Interviews)

Businesses generally foresee greater volatility and risks in global economic environment due to rising macro-economic uncertainties

- Global economic conditions are in a **very concerning** situation. There is **a lot of uncertainty** due to the **geopolitical situation**, causing many **unpredictable situations**. Overall, not positive for the next two years.
- But, in general, **destination markets are increasingly shifting towards value additions locally**, which will lead us to direct CAPEX to hybridise our business model between trading and value addition to raw materials.
- Uncertain outlook** due to the temporal nature of **US tariffs**. **No clear direction** of where the economies of Europe, US, China, India, and Japan are going.
- Our key business concerns [on global markets] centre on three areas: **geopolitical uncertainty, regulatory fragmentation, and cost volatility**. In advanced economies, **shifting trade policies and sanctions** can disrupt established shipping routes. In emerging markets, inconsistent regulatory frameworks and customs procedures increase operational complexity.

But some see opportunities ahead in overseas markets as markets restructure their supply chains

- As markets such as Canada, Brazil, and Mexico are facing impending hassles with the US administration, they will be gradually **opening the market to alternatives; more business opportunities will prevail**.

Despite the broader uncertainty, pockets of growth remain, with digital trade emerging as a key area of opportunity

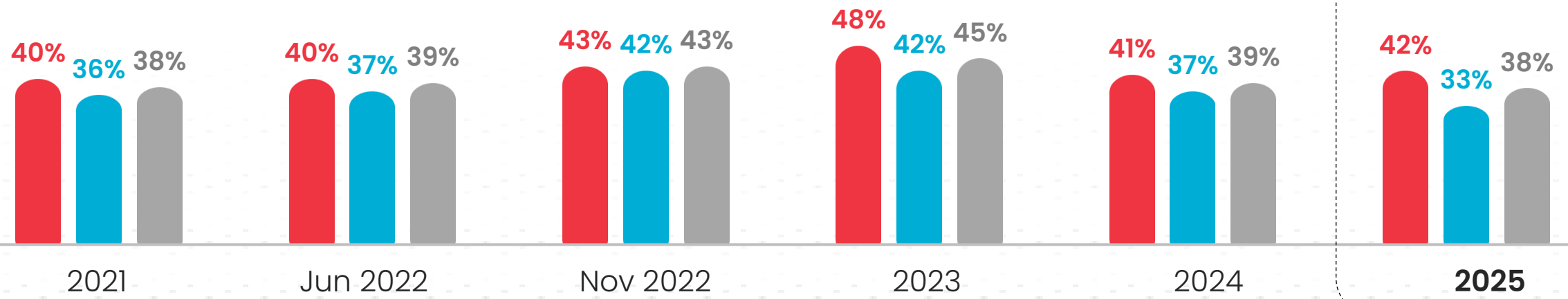
- We are cautiously positive. Despite global uncertainties, demand growth and digital trade trends give us confidence.
- Our main opportunities lie in markets investing in green logistics and digital trade. Demand for sustainable shipping in Europe and North America, along with growing consumer markets in South Asia and Africa, gives us room to expand services and strengthen our global network.

# ASEAN Index score stabilises following last year's volatility, while the Index for Rest of the World dropped to the lowest level in four years

### Internationalisation Index

(Average Score of Business Sentiment & Popularity)

■ ASEAN ■ ROTW ■ GLOBAL



Base: Overall responses from those are engaged in or plan to engage in overseas markets, n=432  
Business Sentiment: Percentage of respondents who indicated Strongly Agree / Agree to Q35 - Q45: Ratings of statements on Infrastructure, Skills, Diversity, Business Environment & Regulations, Trade & Investment, and Business Confidence  
Popularity: Percentage of businesses that are already in or intend to go into specific markets Q28a/Q28b Specific markets that businesses are already in / intend to enter

# Key Asian markets show greater resilience in 2025, with Malaysia and Japan seeing gains in Index performance, while China holds steady

## Internationalisation Index of Key Markets

US Index score softens amid rising volatility, falling from 45% to 41% in 2025, signalling macroeconomic volatility impacting market appeal.

Mirroring the decline in US, the Index for UK (29%) and Australia (35%) have also dipped in 2025 amid shifting trade and geopolitical policies.

	2025	2024	2023	Nov 2022	Jun 2022
Malaysia	57% ▲	51%	60%	55%	52%
China	47% ▲	46%	49%	48%	45%
Indonesia	42% ▼	45%	50%	44%	42%
US	41% ▼	45%	50%	47%	44%
Japan	41% ▲	39%	46%	44%	42%
Thailand	39% ▼	43%	51%	45%	40%
Australia	35% ▼	42%	52%	51%	46%
Vietnam	34% ▼	39%	45%	41%	38%
South Korea	34% ▲	33%	46%	41%	40%
Taiwan	33% ▼	43%	44%	40%	35%
India	32%	32%	42%	44%	32%
UAE	32% ▼	41%	42%	45%	33%
Philippines	29% ▼	31%	37%	33%	33%
UK	29% ▼	40%	46%	47%	46%
Cambodia	19% ▼	20%	16%	20%	13%
Myanmar	11% ▼	14%	14%	17%	15%

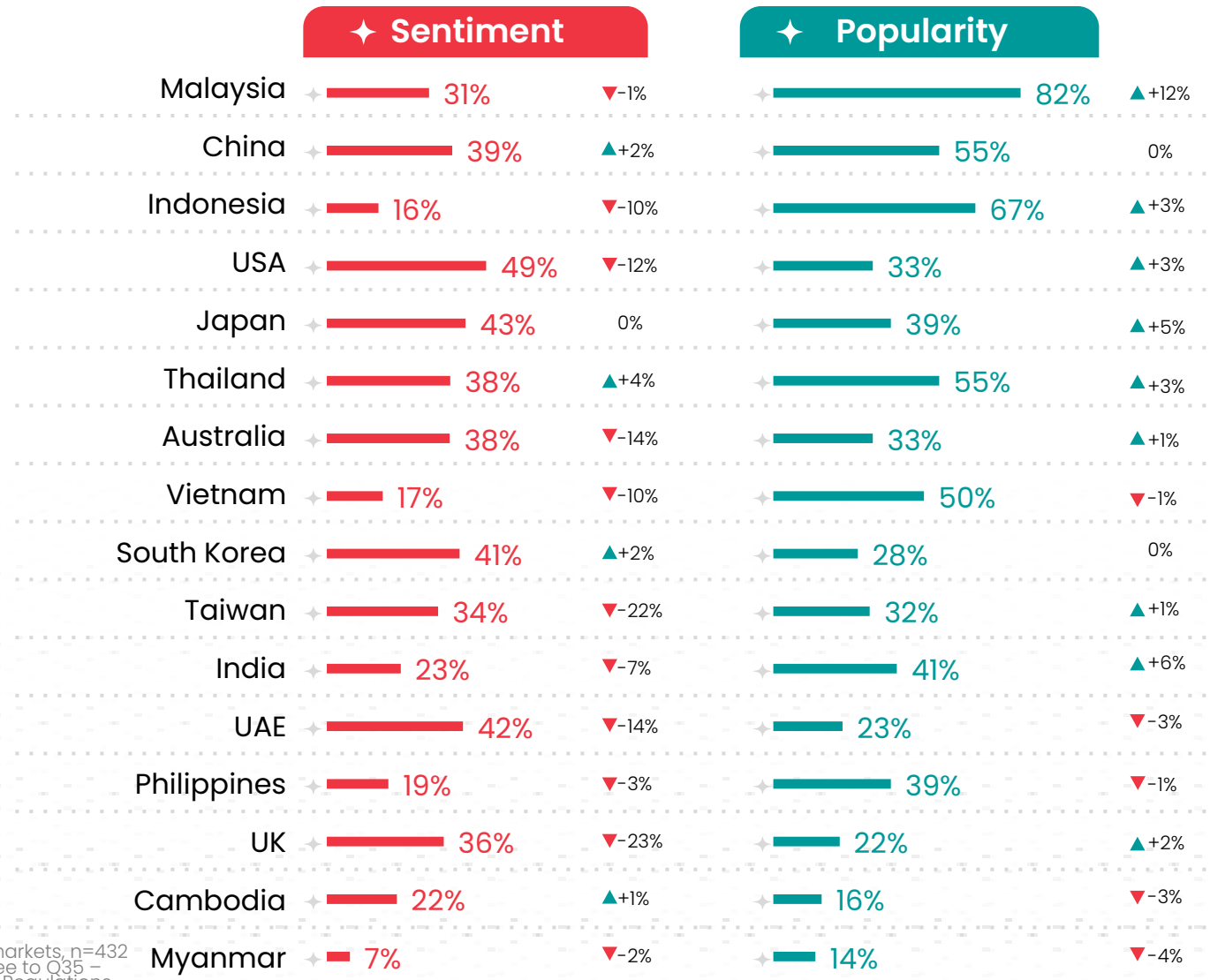
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 Q28a/Q28b Specific markets that businesses are already in / intend to enter

Softening Index performance in 2025 mainly driven by shifts in business perceptions rather than roll-back in engagements, with Taiwan and UK seeing the strongest sentiment declines

Sentiment & Popularity among Key Markets

Malaysia saw strongest growth in popularity as an expansion destination in 2025 across the ASEAN markets, while Thailand showed the strongest market confidence improvement

Indonesia (16%) and Vietnam (17%) saw the largest declines in business confidence among the ASEAN markets.



Base: Overall responses from those are engaged in or plan to engage in overseas markets, n=432  
 Business Sentiment: Percentage of respondents who indicated Strongly Agree / Agree to Q35 - Q45: Ratings of statements on Infrastructure, Skills, Diversity, Business Environment & Regulations, Trade & Investment, and Business Confidence  
 Popularity: Percentage of businesses that are already in or intend to go into specific markets Q28a/Q28b Specific markets that businesses are already in / intend to enter



# Logistics and Transportation sector stands out as the only sector showing improved business confidence in overseas markets in 2025

## Business Sentiment of Key Sectors

Rising volatility and trade pressures have led to a broad-based softening of business sentiment toward overseas markets in 2025

	2025	2024	2023	Nov 2022	Jun 2022
Logistics & Transportation	41% ▲	23%	59%	33%	38%
Banking & Insurance	37% ▼	45%	59%	69%	52%
IT & Professional Services	32% ▼	48%	51%	50%	48%
Wholesale Trade	27% ▼	33%	51%	52%	37%
Retail, Real Estate, Hotels & Accomms	26% ▼	36%	54%	46%	31%
Manufacturing	26% ▼	38%	49%	51%	35%
Others	23% ▼	31%	42%	44%	30%
Other Services	22% ▼	38%	47%	49%	40%
Construction & Civil Engineering	19%	19%	42%	43%	27%

# Accessible and affordable digital infrastructure and strong growth potential are the key drivers for businesses choosing to expand into ASEAN

Other key factors include manageable cost of operations (83%), the availability of potential buyers (82%), and the reliability of local utility infrastructure (82%).

## ASEAN's Top 10 Internationalisation Appeals



91%

**Affordable digital infrastructure**



88%

**Strong growth potential**



87%

**Easy access to a well-developed digital infrastructure**



83%

**Cost of running the business is manageable**



82%

**Pools of potential customers/buyers from different market segments**



82%

**Easy access to quality and reliable utilities**



81%

**Easy access to a well-developed logistics & distribution network**



76%

**Strong confidence in economic growth in next 3 years**



75%

**Easy to bring money / capital into the market**



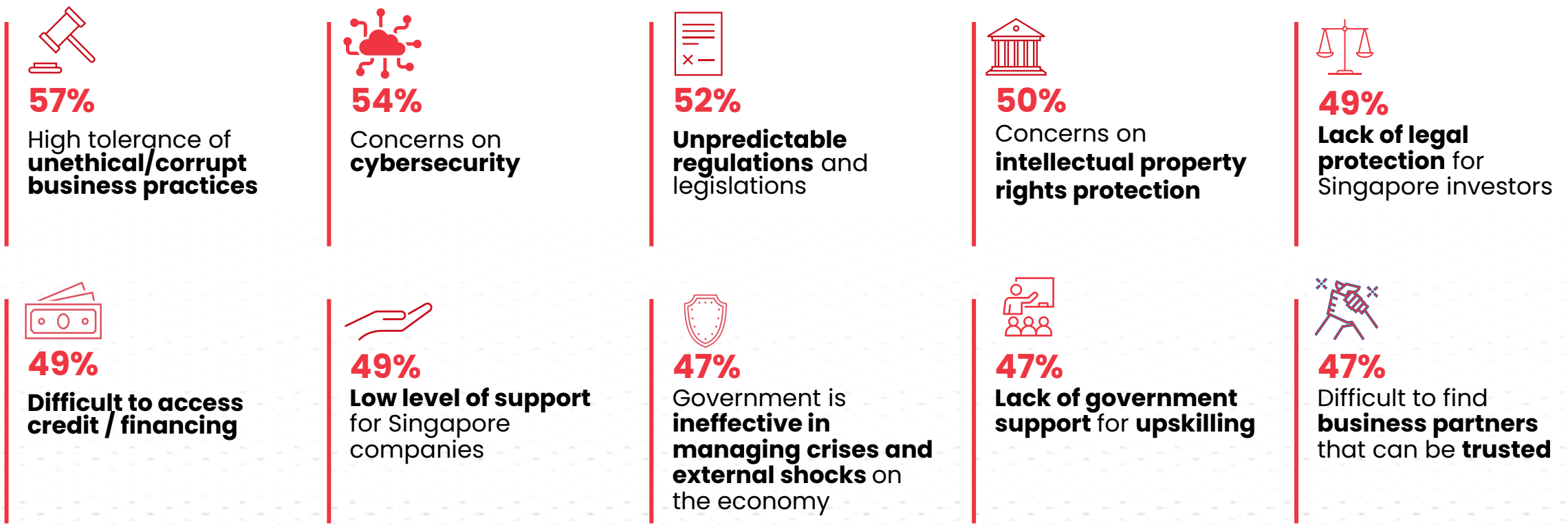
74%

**Ability to communicate in international business languages**

While ASEAN’s potential is clear, regulatory gaps persist. Businesses point to business practices and heightened cybersecurity risks as key challenges in the region

Operational complexity is further impacted by unpredictable regulations (52%), followed closely by concerns over IP rights (50%), lack of legal protection (49%), and limited access to credit/financing (49%).

ASEAN’s Top 10 Internationalisation Challenges



## Looking at Rest of the World, reliability of digital systems and the depth of the local customer base are key entry appeals

The importance of infrastructure is clear, with 87% of firms identifying a robust logistics network and utility reliability as key priorities to consider for market entry.

### ROTW's Top 10 Internationalisation Appeals



**90%**

Easy access to a **well-developed digital infrastructure**



**89%**

**Affordable digital infrastructure**



**88%**

**Pools of potential customers/buyers** from different market segments



**87%**

Easy access to a **well-developed logistics & distribution network**



**87%**

Easy access to quality and reliable **utilities**



**84%**

**Wide availability** of local **technological partners/vendors**



**83%**

Strong **growth potential**



**82%**

Workforce is receptive to **upskilling**



**81%**

Good support for **innovation / digitalisation** from government

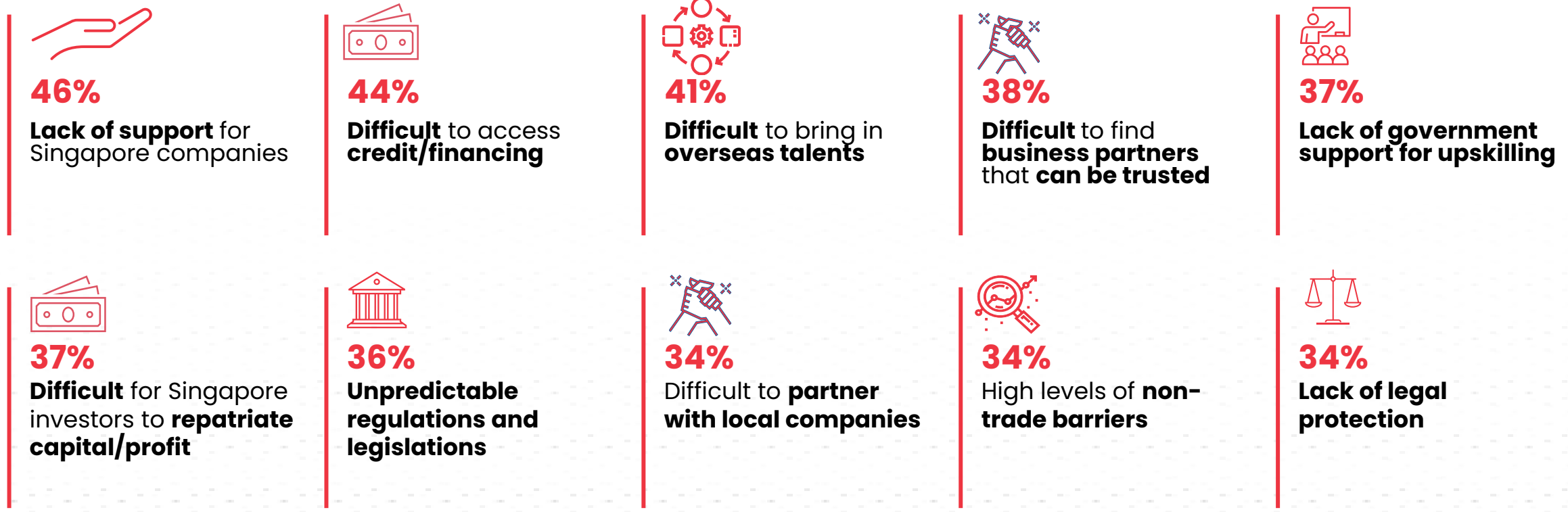


**81%**

**High level of education of the workforce**

# Beyond standard operational challenges like financing and regulations, talent concerns become more prominent for businesses expanding beyond the ASEAN region

## ROTW's Top 10 Internationalisation Challenges



## Key Challenges & Opportunities: Malaysia

### Opportunities

Malaysia is seen as an easy market to enter and scale because it feels familiar and close to Singapore, with a similar operating environment and generally supportive trade and investment conditions. Respondents also point to government initiatives that make cross-border movement and supply chains smoother (e.g., Johor-Singapore Special Economic Zone).

- Malaysia has a **similar legal system** and close proximity that make it **easier to understand and operate** in the market. Regulatory-wise, it is different but familiar compared to Singapore, with a **friendly trade and investment environment** fostered by local federal and state governments, making it easier for us to expand.
- With the **special economic zone** in place, the **supply chain** will be improved drastically, especially with the implementation of RTS."
- The **basics of transport, broadband, mobile, data centres, and office premises are in place**. These are what my business would require.

### Challenges

While Malaysia is often viewed as accessible, concerns centre on clarity of regulations and policies. Some also note political uncertainty (e.g., elections, government changes) as a near-term risk that affects confidence. Other challenges include poor infrastructure experience and talent drain.

- Their **policies could change any time**, and that's one worry. And sometimes, there are **conflicting messages** from different government agencies. It's more about policies and guidelines that change and are **not clear**. The regulators I dealt with are actually very good, open to engage and discuss. But the policies and guidelines sometimes bog them down.
- Main challenges that we face in Malaysia are related to **talent acquisition**, as Malaysia faces a **talent drain** to Singapore and other countries.
- The **constant changes** that are happening in the [Malaysian] **government** do not give me confidence that things will be smooth. However, the economy is still doing okay, and therefore should be fine, unless there's a major shakeup.

## Opportunities

Indonesia offers strong growth potential driven by its large domestic market and its increasing spending power. Indonesia's welcoming stance toward foreign investment, together with its large talent pool, makes it a supportive market for business expansion.

- Indonesia's market is the **largest in ASEAN**, and they also welcome foreign investment...The business environment is **friendly**.
- The government has an **open mind to foreign investment**, and they welcome foreign companies. Easy for a foreign company to setup in Indonesia, with **limited restriction**.
- ...**more spending power** by citizens
- Similarly, Indonesia does have a **good and well-educated workforce** that we need for the business

## Challenges

Businesses face practical hurdles in Indonesia, such as unclear regulations and difficulty navigating compliance requirements. Additionally, traffic congestion, slow development in rural areas, and logistical inefficiencies add time and cost to operations. Companies also mention external risks such as tariff impacts, which can affect demand and planning

- Unclear regulations and practices.** Compliance process and people. Unmet deadlines and promises
- There are no major "dark clouds," only concern will be the **impact of geopolitical and tariff issues** on Indonesia's regulatory environment.
- Unclear process.** Direct and indirect impact of tariff war
- Indonesia's infrastructure is not as well developed as Malaysia's; the country has major traffic jam issues, especially in their capital. **Traffic condition** is a major challenge as it causes a lot of **time wastage** in business travel.
- Slow development** in rural areas. Logistics
- Indonesia's next election is years later, so regulatory changes will be minimal. Main impact will come from **outside Indonesia**: the geopolitical influence and tariffs impact.

### Opportunities

Thailand presents a supportive environment for businesses with supportive market entry, strong market demand.

- ☞ *Their government is synergising with ours to promote better business collaboration.*
- ☞ *Thailand has encountered several political headwinds, and with a new government, **they are hungry for business... Businesses are looking forward to doing more business with Singapore businesses...**[Our strategy is] to participate in Business Matching activities organized by SBF and SFIC to search for more business partners.*

### Challenges

Businesses highlight slow and opaque business process as a challenge. Political instability is also a risk concern. Thailand's business culture can also make business negotiations slower and less transparent.

- ☞ *Some specific challenges are that the tenders project by the airport management **takes a long time to conclude**. It is 5 years already and is still under evaluation.*
- ☞ *Thailand is less stable due to elections.*
- ☞ *[One challenge is] as their business culture to politely reject your offer. Thailand businessmen are very polite but will not tell you straight to your face.*

### Opportunities

Vietnam is attractive due to its strong push to welcome foreign investment, simple import processes and good infrastructure and workforce.

- ☞ The Vietnamese government is **very keen to attract foreign investments**. Vietnam also has a **young population with increasingly better education**. Welcoming attitude to foreign investment and ease of doing business. **easy to export products into Vietnam without too much bureaucracy**.
- ☞ [We plan to explore] Vietnam at this moment **due to stronger economic growth** and a more favorable foreign investment climate.
- ☞ Vietnam has **well-developed infrastructure** to support businesses such as better roads, rail, and air connections.

### Challenges

Businesses highlighted risks such as unfamiliarity with the local legal requirements and vulnerability to the impact of US tariffs on Vietnam's exports, which dampen demand and create a more difficult operating environment.

- ☞ **Heavily influenced by US tariffs**. Will affect demand for our products when Vietnamese exports to the US are reduced. [we] foresee a likely 10% reduction in [our] trade volume
- ☞ **Change of political leadership** will affect economic direction.
- ☞ Vietnam's major concern will be the **unfamiliarity with their local legal requirements** as they are on a different legal system.

## Key Challenges & Opportunities: China

### Opportunities

China is seen as generally stable and pro-business, which makes it easier for companies to plan partnerships and longer-term investments. This is supported by strong market fundamentals, such as large market size and steady domestic demand.

- ☞ *China's **large market scale, improving infrastructure, and supportive government policies** make the trade and investment environment relatively friendly...*
- ☞ ***China's regulatory environment is consistent, transparent, and supportive of business growth**, which builds confidence. [We have seen] consistent policy enforcement, transparent compliance processes, and supportive government initiatives.*
- ☞ *China's workforce is **highly skilled, technically capable, and adaptable** to modern business needs.*

### Challenges

However, some key challenges include inconsistent compliance regulations and occasional policy shifts that impact businesses. In addition, external risks such as rising global volatility also adds to the risk of doing business in China.

- ☞ *Key challenges include **regulatory complexity, varying compliance requirements, and occasional policy shifts** that affect operations.*
- ☞ *Concerns include [risks that affect China's market potential, such as] **slowing global demand, regulatory adjustments, and geopolitical tensions** that may affect stability.*
- ☞ *[We are neutral on ease of doing business in China for the next 6 months] because while policies remain stable, uncertainties in global demand and regulatory adjustments balance the outlook.*

### Opportunities

Businesses view the US market positively due to its large consumer base, deep capital markets and supportive, risk-tolerant business culture. The US market also offers well-developed infrastructure, a flexible labour market and strong talent pool, supporting scalability and operational growth.

- As a start-up, the VCs in the US are the only ones actively looking at novel clean technologies and **willing to take the risks. Favourable government regulations, incentives, supports, as well as a profound risk-prone culture.** Failing when trying is perceived as positive and not as condemnable failure.
- It seems that US financial regulation **emphasises market integrity over control. Firms can raise capital at every stage of growth**, which is not true in many otherwise 'business-friendly' countries.

### Challenges

A key challenge raised are unpredictable policies, especially around trade policies and tariffs. Some respondents also flagged political uncertainty as an emerging risk.

- Yes, their **local policies, processes, and variations in government plans** make it hard for businessmen to **predict future strategies...**
- Trade, tariffs, and industrial policies affect long-term planning**, especially for manufacturers and exporters.

# Thank you.



**SBF.**



Survey conducted by:  
Research & Publishing  
Advocacy & Policy Division  
Singapore Business Federation

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