



National Business Survey 2025

ANNUAL BUSINESS SENTIMENTS EDITION



About this Study

The National Business Survey (NBS) is the flagship survey of the Singapore Business Federation (SBF).

Administered quarterly, the **SBF National Business Survey 2025 – Annual Business Sentiments Edition** provides fresh and pertinent insights into current business sentiments and outlook on Singapore Budget 2026.



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RESPONDENT PROFILE

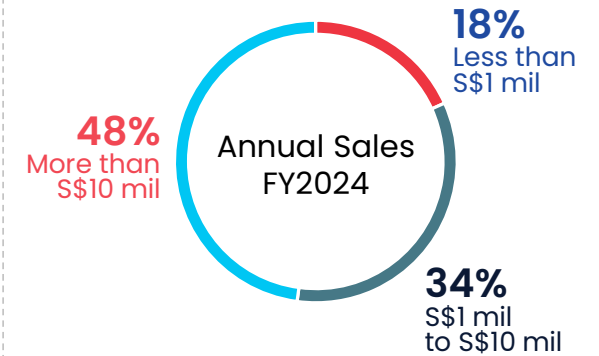
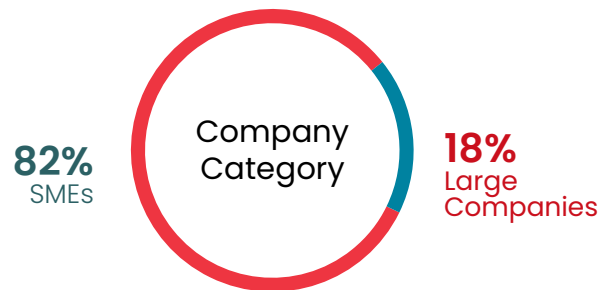
The survey was carried out from **29 September to 17 October 2025** and drew responses from **553 businesses** across all key industries .

The sample included both SMEs (82%) and large companies (18%) and largely mirrors SBF's membership base.

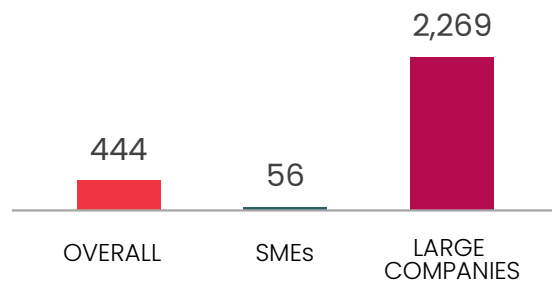
	SBF Database	Q3 2025
Wholesale Trade	20%	23%
Other Financial and Insurance Activities (e.g. Holding/Investment companies)	14%	10%
Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	11%	14%
Professional Services	11%	10%
IT & Related Services	8%	4%
Construction and Civil Engineering	8%	11%
Banking & Insurance	7%	3%
Logistics & Transportation	5%	7%
Administrative and Support Service Activities	4%	4%
Retail Trade	3%	4%
Hotels, Restaurants & Accommodations	3%	2%
Real Estate Activities	2%	2%
Others*	1%	2%
Health and Social Services	1%	1%
Education	1%	2%
Other Service Activities	1%	3%
TOTAL	100%	100%

*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)

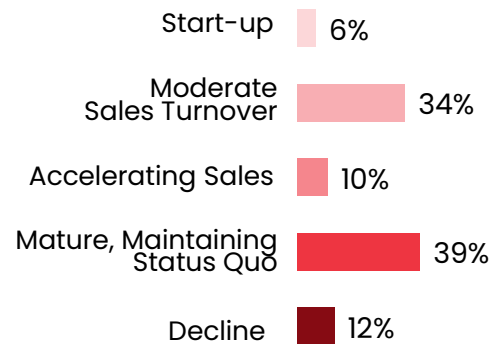
COMPANY PROFILE



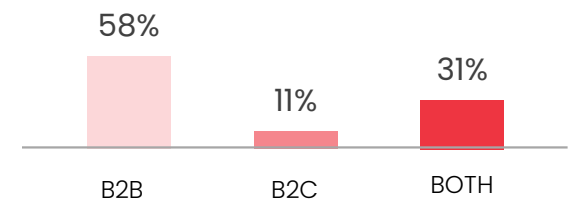
Avg. Employee Size



Stage of Development



Main Mode of Business



EXECUTIVE SUMMARY 1/7

Business Outlook

- ◆ Satisfaction with current business climate remains stable, with more businesses satisfied (35%) than dissatisfied (21%), but there is less optimism on Singapore's economy in the next 12 months, with more businesses expecting conditions to worsen (37%) than improve (14%).
- ◆ More SMEs (22%) are dissatisfied with the current business climate than large companies (15%) and more SMEs (38%) also expect it to deteriorate in the next 12 months than large companies (34%).
- ◆ Among the sectors, more businesses in the Retail Trade and Hotels, Restaurants & Accommodations sectors expect conditions to worsen over the next 12 months, whereas comparatively more businesses in Administrative & Support Service, Banking & Finance and Wholesale Trade sectors expect improvement.
- ◆ The negative sentiments on the impact of US tariffs on businesses have subsided from the initial high of 81% immediately post Liberation Day on April to 57%. Correspondingly, the proportion of businesses that assessed that there is no significant impact increase from 15% to 41%.
- ◆ Nonetheless, more businesses remain dissatisfied (33%) than satisfied (14%) with the global business climate, but satisfaction with the ASEAN business climate is comparatively higher at 22%.

EXECUTIVE SUMMARY 2/7

Business Outlook

In view of current uncertainties, businesses are prioritising increasing employees' salaries (39%), investment in new technologies (33%), and expansion into overseas markets (30%) over the next 12 months. The highest increases in intention compared to what they did in the last 12 months are in expanding into new overseas markets (+11%), re-engineering business processes (+8%), and diversifying supply chains (+7%).

EXECUTIVE SUMMARY 3/7

Business Sentiment Index

The Business Sentiment Index (BSI) measures business confidence in Singapore, offering key insights into business trends such as cost and revenue expectations, hiring, business expansion and capital investment, in a shifting economic landscape. For this edition, the Index has been streamlined and comprises of 7 key components, each assigned a fixed weight to ensure consistent interpretation and comparability.

Overall BSI stands at 52.2, a decline of 3.2 points from 55.4 in Q2 2025. This drop is notably sharper than the 1.1-points decrease recorded from Q1 2025 to Q2 2025, reflecting rising caution among businesses amid ongoing global economic and tariff uncertainties. Businesses in Banking & Insurance, Other Financial & Insurance Activities (e.g. Holding/Investment Companies) and Construction & Civil Engineering sectors are comparatively more confident, while those in Hotels, Restaurants & Accommodations, Retail Trade and IT & Related Services sectors are more bearish. Across the 7 dimensions, profitability expectations are the lowest at 48.5, which have declined by 2.9 points from 51.4 in Q2 2025.

A) **Profitability expectations** stand at 48.5, down from 51.4 in Q2 2025 and 53.7 in Q1 2025. Businesses are showing signs of growing caution around profitability, and the decline is consistent across SMEs and Large Companies. Highest profitability expectations: Banking & Insurance and Other Financial & Insurance Activities (e.g. Holding/Investment Companies) sectors. Lowest profitability expectations: Retail Trade and Hotels, Restaurants & Accommodations sectors.

EXECUTIVE SUMMARY 4/7

Business Sentiment Index

- ◆ B) **Business growth confidence level** stands at 55.4, a decrease of 0.7 points from 56.1 in Q2 2025. Businesses remain moderately confident about future prospects, amid current economic conditions. Most optimistic: Other Financial & Insurance Activities (e.g. Holding/Investment Companies) and Banking & Insurance sectors. Least optimistic: Hotels, Restaurants & Accommodations and Retail Trade sectors.
- ◆ C) **Hiring outlook** eases marginally to 56.2 from 56.6 in Q2 2025., indicating that businesses largely intend to maintain current workforce levels. Most optimistic hiring outlook: Education, Construction & Civil Engineering and Professional Services sectors. Least optimistic hiring outlook: Retail Trade, Hotels, Restaurants & Accommodations and IT & Related Services sectors.
- ◆ D) **Cost expectations** dipped slightly from 56.7 in Q2 2025 to 56.6 in Q3 2025. Most businesses expect cost conditions to remain stable, while growth-oriented sectors report higher cost expectations. Highest cost expectations: Banking & Insurance, Other Financial & Insurance Activities (e.g. Holding/Investment Companies) and Professional Services sectors. Lowest cost expectations: Hotels, Restaurants & Accommodations, Retail Trade and IT & Related Services sectors.

EXECUTIVE SUMMARY 5/7

Business Sentiment Index

- ◆ E) **Operational Capacity Utilisation** eases marginally to 55.2, from 56.2 in Q2 2025, suggesting business operations are near optimal levels. Highest operational capacity utilisation: Banking & Insurance, Construction & Civil Engineering and Professional Services sectors. Lowest operational capacity utilisation: Retail Trade, Education and IT & Related Services sectors.
- ◆ F) **Ease of access to financing** remained relatively stable at 54.5, compared with 54.6 in Q2 2025, reflecting moderate credit availability. Greatest access to financing: Real Estate Activities, Banking & Insurance and Retail Trade sectors. Least access to financing: Hotels, Restaurants & Accommodations, IT & Related Services and Professional Services sectors.
- ◆ G) **Sentiment towards Government Policies** stands at 56.2, down from 57.9 in Q2 2025. The decline is more significant among Large Companies (decrease from 60.7 to 55.7) than among SMEs (decrease from 57.4 to 56.3). Most optimistic: Banking & Insurance, Professional Services and Logistics & Transportation sectors. Least optimistic: Health & Social Services, Hotels, Restaurants & Accommodations and Retail Trade sectors.

EXECUTIVE SUMMARY 6/7

Current Business Priorities & Challenges

- Manpower cost (63%), customer demand uncertainty (44%) and rental cost (40%) remain the top 3 business challenges in 2025, compared to 2024. Cybersecurity or data-privacy related risks (36%) displace foreign workforce policies in the Top 5 business challenges, with an increase of 5% from 2024.
- Businesses in the Hotels, Restaurants & Accommodations, Banking & Insurance and Other Financial & Insurance Activities (e.g Holding/Investment Companies) sectors are most concerned with cybersecurity or data-privacy related risks. Businesses also have to deal with other challenges, which have varying impact on the key sectors. Availability of manpower has the highest impact on Hotels, Restaurants & Accommodations and Health & Social Services sectors while foreign workforce policies are most acutely felt by Construction & Civil Engineering and Hotels, Restaurants & Accommodations sectors. Retail Trade sector has the highest proportion of businesses that cite educating employees on adapting to new technology (48%), while Banking & Insurance sector has the highest proportion of businesses that are concerned with employee's skill level (44%).
- Only 4% of businesses indicated an increase in profitability over the last 12 months, compared to 34% which indicated a decrease. Manpower, rental cost and logistics are the top 3 contributors to cost increases experienced by businesses. SMEs identified utilities among the top 5 cost increases, whereas large companies cited raw materials. Key strategies to manage rising business costs include implementation of cost saving measures (51%) and increasing price of products or services (36%).

EXECUTIVE SUMMARY 7/7

Singapore Budget & Government Support

- Similar to 2024, businesses have identified growing revenue (65%) and ensuring positive cash flow (49%) as top priorities in 2025 for the next 12 months. However, finding new business opportunities and maintaining revenue levels have displaced attracting/retaining talent and training staff to enhance skills in the list of top 5 priorities.
- For Singapore Budget 2026, businesses cited schemes to address cost, attract/develop/retain local workforce and cash flow management as the top 3 priority asks. The key capability areas that they hope government would support relate to business resilience (improving cash flow, business strategy development) and human capital development.



Business Outlook

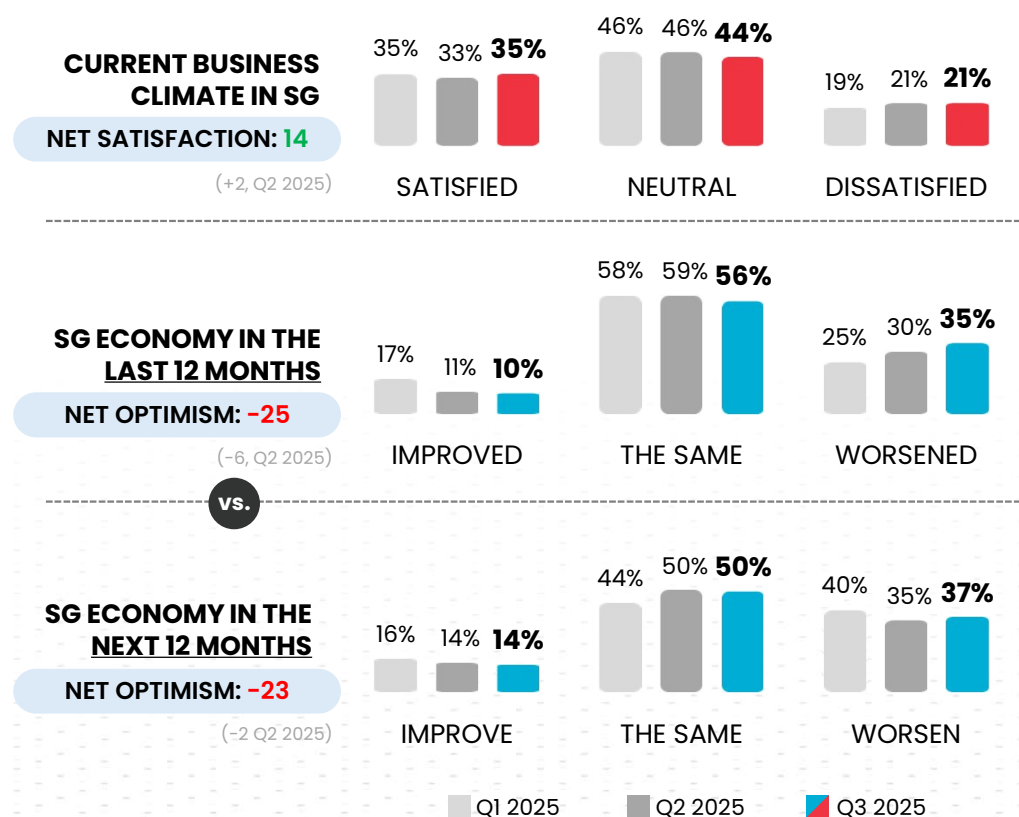


Satisfaction with current business conditions remains stable, though continued caution towards future economic conditions indicates businesses are anticipating volatility ahead.

Business sentiments remain steady, but limited confidence in economic upturn points to a cautious, wait-and-see outlook as businesses navigate global headwinds

Confidence in economic growth remains limited, with optimism reported by a small minority (14%) of businesses. Most (50%) anticipate no change, and 37% expect worsening conditions in the next 12 months.

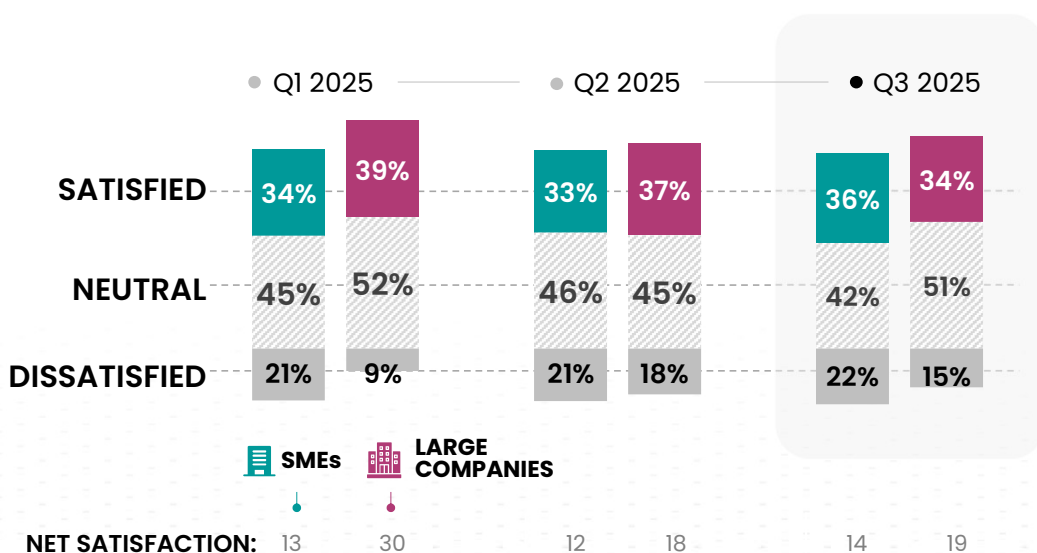
Business Sentiment In Singapore



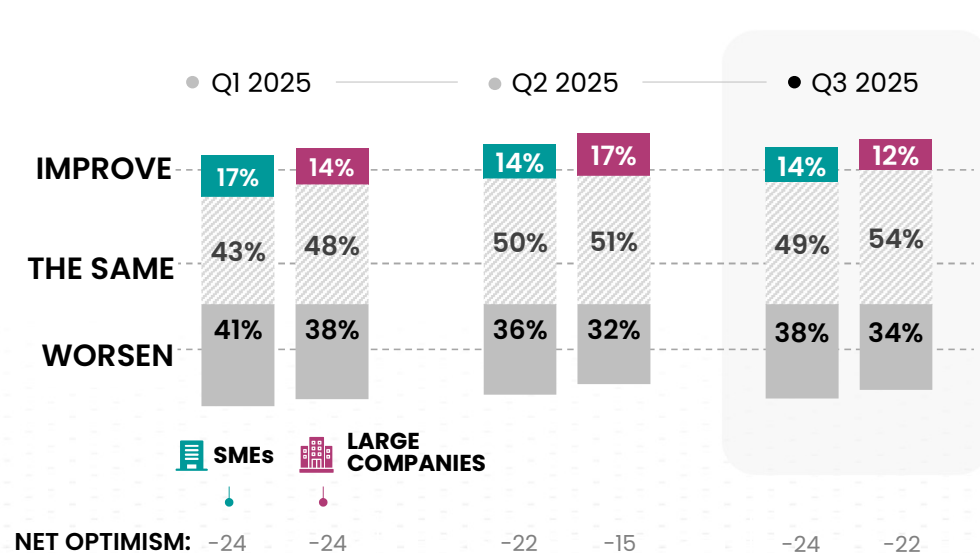
Decimal points have been rounded up. The total may not add up to 100%.

More SMEs (22%) are dissatisfied with the current business climate than large companies (15%) and more SMEs (38%) also expect it to deteriorate in the next 12 months than large companies (34%).

OUTLOOK ON CURRENT BUSINESS CLIMATE



OUTLOOK ON NEXT 12 MONTHS



Weaker optimism for the next 12 months seen across service sectors, such as Retail Trade and Hotels, Restaurants & Accommodations sectors.

Base, n=		PAST 12 MONTHS			NEXT 12 MONTHS		
		WORSENER	THE SAME	IMPROVED	WORSEN	THE SAME	IMPROVE
10*	Education	50%	30%	20%	60%	30%	10%
23*	Retail Trade	57%	35%	9%	52%	35%	13%
10*	Hotels, Restaurants & Accommodations	70%	30%	0%	50%	50%	0%
18*	Banking & Insurance	17%	83%	0%	50%	33%	17%
2*	Health & Social Services	50%	50%	0%	50%	50%	0%
36	Logistics & Transportation	44%	53%	3%	47%	47%	6%
13*	Real Estate Activities	31%	54%	15%	46%	46%	8%
21*	IT & Related Services	29%	57%	14%	43%	43%	14%
78	Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	35%	54%	12%	38%	49%	13%
24*	Administrative & Support Service Activities	46%	46%	8%	38%	38%	25%
53	Professional Services	30%	60%	9%	34%	53%	13%
125	Wholesale Trade	37%	53%	10%	34%	50%	16%
9*	Others	56%	44%	0%	33%	67%	0%
61	Construction & Civil Engineering	26%	62%	11%	30%	56%	15%
14*	Other Service Activities	36%	64%	0%	29%	57%	14%
56	Other Financial and Insurance Activities (e.g. Holding/Investment companies)	18%	68%	14%	27%	59%	14%

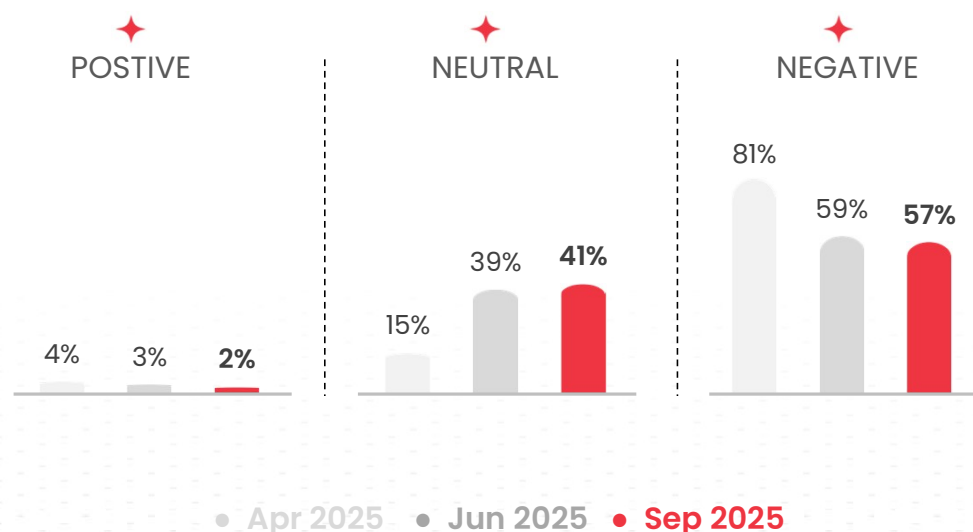
***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.

★ **Tariff pressures remain, but the initial shock appears to be easing, with sentiments stabilising after initial announcement in April 2025.**

The negative impact of trade tariffs remains entrenched. For the latter half of 2025, close to three-fifths of businesses continue to feel the weight of the tariff measures.

41% of businesses report no significant impact.

Impact of Recent U.S. Tariff Changes on Businesses

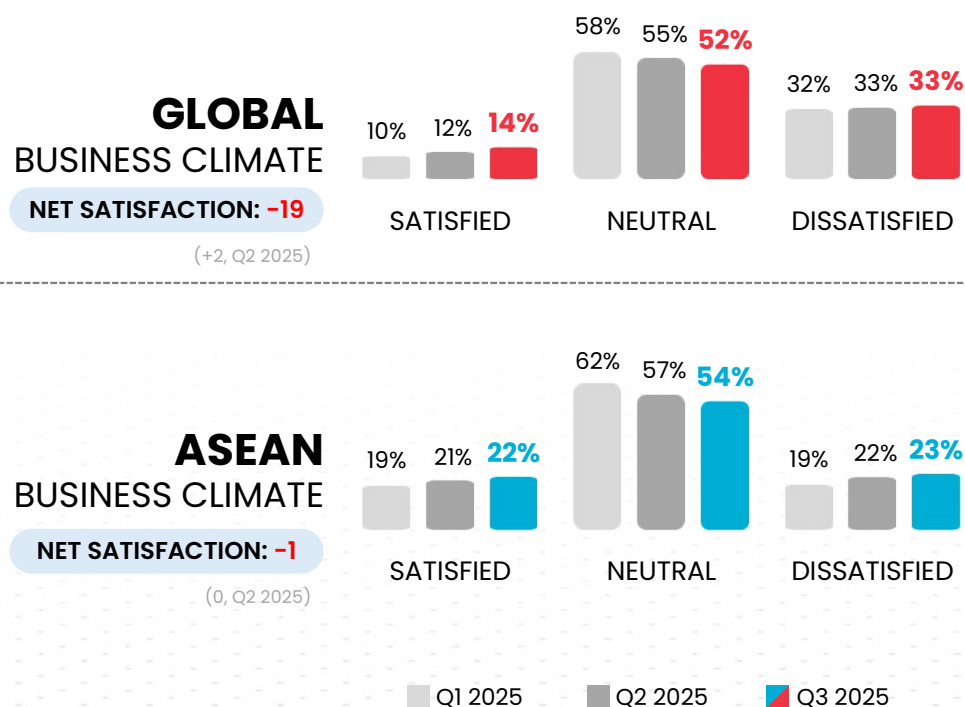


More businesses remained dissatisfied (33%) than satisfied (14%) with the global business climate, but satisfaction with the ASEAN business climate was comparatively higher at 22%.

Low satisfaction with global business conditions persists in Q3 2025, with outlook on the global climate continuing to trail behind confidence in regional prospects

Sentiments towards the ASEAN business environment are slightly more positive, but persistent global uncertainties continue to dampen confidence across both global and regional markets.

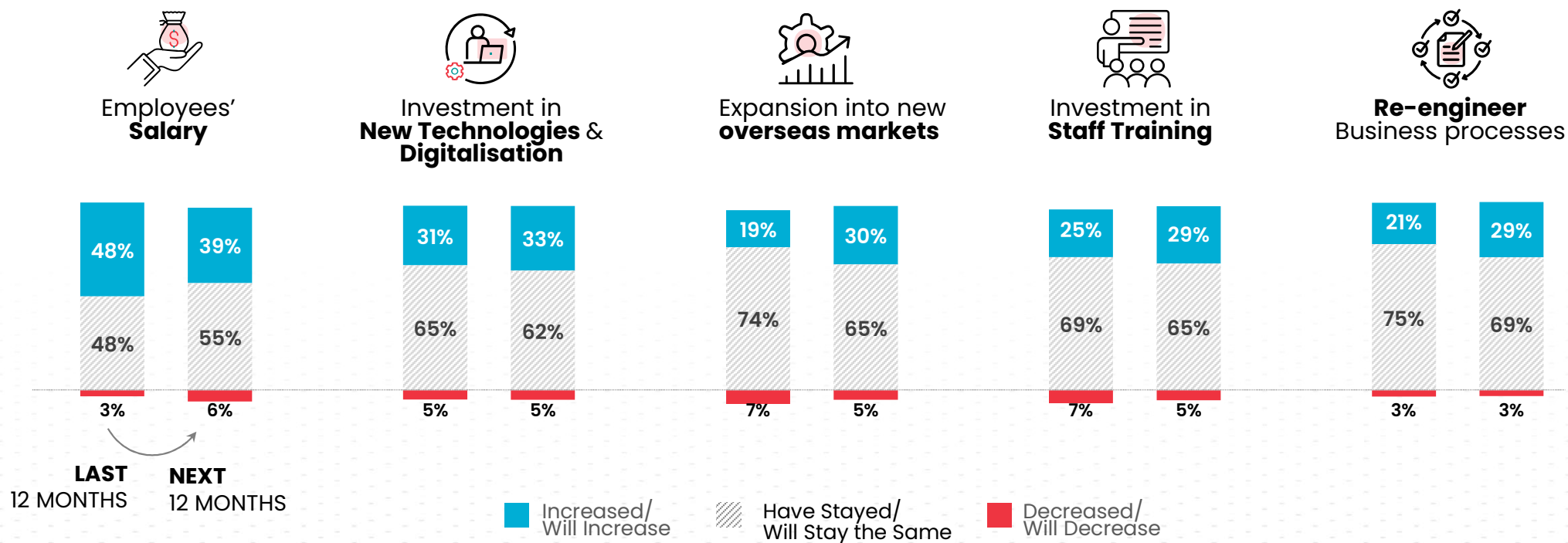
Business Sentiment on Global & Regional Economic Climate



Businesses are prioritising increasing employees' salaries, investment in new technologies and expansion into new overseas markets over the next 12 months.

Steps Taken In View Of Current Economic Situation (1/2)

(% of businesses)

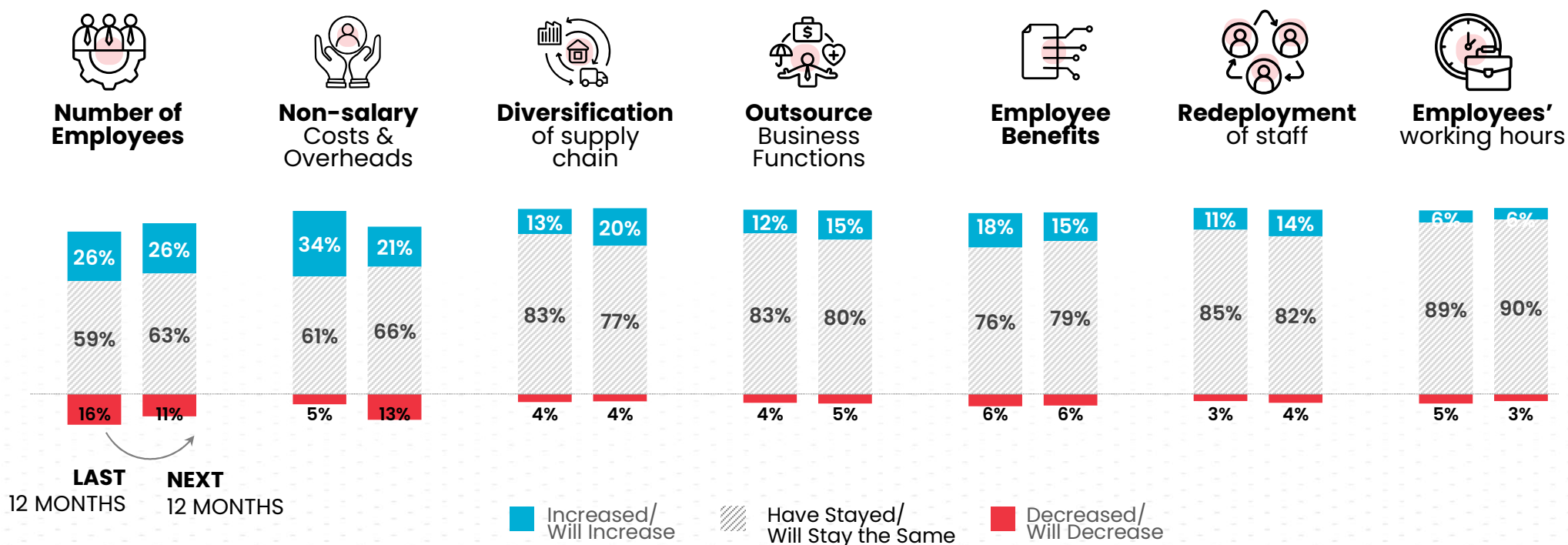


Decimal points have been rounded up. The total may not add up to 100%.

The highest increases in intention compared to what they did in the last 12 months were in expanding into new overseas markets, re-engineering business processes, and diversifying supply chains.

Steps Taken In View Of Current Economic Situation (2/2)

(% of businesses)



Decimal points have been rounded up. The total may not add up to 100%.

✓ SECTION 2

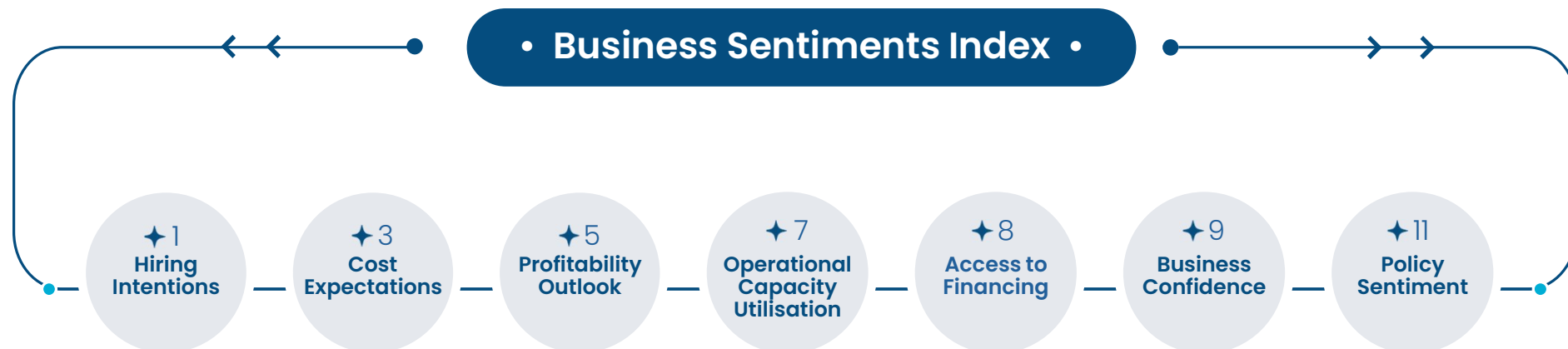
Business Sentiment Index



SBF Business Sentiment Index

The **Business Sentiment Index (BSI)** measures business confidence in Singapore, offering insights into revenue, hiring, and investment trends to support informed decision-making in a shifting economic landscape.

The index comprises of **7 key business sentiment** components. Each component is assigned a **fixed weight** to ensure consistent interpretation and comparability.



SBF Business Sentiment Index Reading Guide

Interpreting the Business Sentiment Index:

- Index scores are shown within the range of 1 to 100.
- Scores above 60 signal positive business sentiments such as optimism for expansion and economic confidence.
- Scores between 40 – 59 suggest a neutral sentiment, where businesses look to maintain operations with minimal changes or neutral about level of support provided.
- Scores below 40 indicate negative business sentiments or pessimistic economic outlook, with businesses prioritising risk management and fiscal responsibility.
- An exception to the above is the Cost Expectations component, which is shown in the next slide.

BSI Score	Interpretation
80 – 100	Strong Business Confidence & Expansionary Growth – Businesses are highly optimistic, indicating strong revenue growth, increased investments, and active hiring. Economic conditions are perceived as highly favourable.
60 – 79	Moderate Optimism & Stable Growth – Businesses remain positive about future prospects, with steady expansion, moderate hiring, and sustained investments. The overall economic outlook is stable with potential for growth.
40 – 59	Neutral Business Sentiment – Businesses adopt a wait-and-see approach, with stable operations but limited expansion. Economic conditions are perceived as neither improving nor worsening significantly.
20 – 39	Cautious or Slightly Negative Outlook – Businesses express concerns over market conditions, leading to reduced investments, hiring slowdowns, and cautious financial planning. Economic uncertainty is evident.
1 – 19	Strong Business Pessimism & Contractionary Phase – Businesses face significant challenges, including declining revenue, workforce reductions, and cutbacks in capital investment. Economic conditions are perceived as deteriorating.

★ Cost Expectations Sub-Index Reading Guide

Interpreting the Cost Expectations Sub-Index:

- Index scores are shown within the range of 1 to 100.
- Scores above 60 signal negative business sentiment, where businesses anticipate rising business costs.
- Scores between 40 – 59 reflects a neutral sentiment, with no major cost changes anticipated.
- Scores below 40 signal positive business sentiments, where businesses anticipate a decrease in business costs.

Cost Index	Interpretation
80 – 100	Strong Business Pessimism & Contractionary Outlook – Businesses expect significant cost pressures, indicating a challenging environment for growth.
60 – 79	Cautious or Slightly Negative Outlook – Businesses express concerns over rising cost pressures, leading to reduced investments, hiring slowdowns, and cautious financial planning.
40 – 59	Neutral Business Sentiment – Businesses do not anticipate major shifts in costs, indicative of stable operations.
20 – 39	Moderate Optimism & Expectations of Lowering Cost Pressures – Businesses expect some easing in cost pressures, suggesting potential for improved margins.
1 – 19	Strong Business Confidence & Expansionary Growth – Businesses are highly optimistic, expecting significant relief from cost pressures and are likely to pursue growth.

Business Sentiment Index

The **Business Sentiment Index declined** by 3.2 points in Q3 2025, a sharper drop than the 1.1-point decrease in Q2, signaling rising caution among businesses amid ongoing global trade headwinds and tariff uncertainties. The decline is consistent across both SMEs and Large Companies, suggesting a shared cautious sentiment. Across sectors, while BSI has softened across the board, Banking & Insurance, Other Financial & Insurance Activities, and Construction & Civil Engineering sectors are relatively more upbeat, while IT & Related Services, Retail Trade, and Hotels, Restaurants & Accommodations sectors are less positive.

OVERALL BSI PERFORMANCE

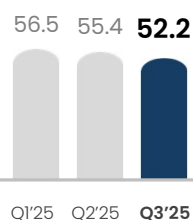
● Q1'25 ● Q2'25 ● Q3'25

TOP 3 SECTORS

BOTTOM 3 SECTORS

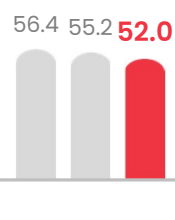
OVERALL

N=553



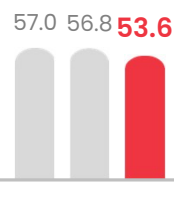
SME

N=456



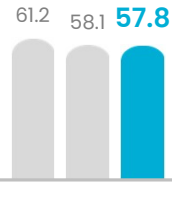
Large Company

N=97



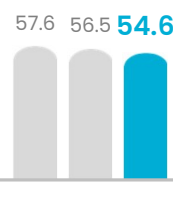
Banking & Insurance

N=18*



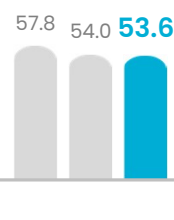
Other Financial & Insurance Activities

N=56



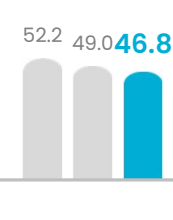
Construction & Civil Engineering

N=61



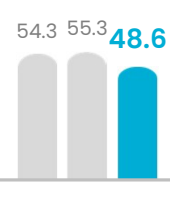
Hotels, Restaurants & Accommodations

N=10*



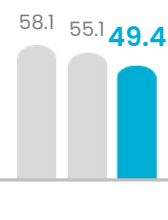
Retail Trade

N=23*



IT & Related Services

N=21*



OVERALL BSI BY SECTORS

Business sentiment declined across all sectors in Q3 2025, indicating the shared sense of caution as businesses anticipate softer economic growth amid slowing front-loading and trade activities, as well as ongoing tariff-related uncertainties.

BSI: 52.2

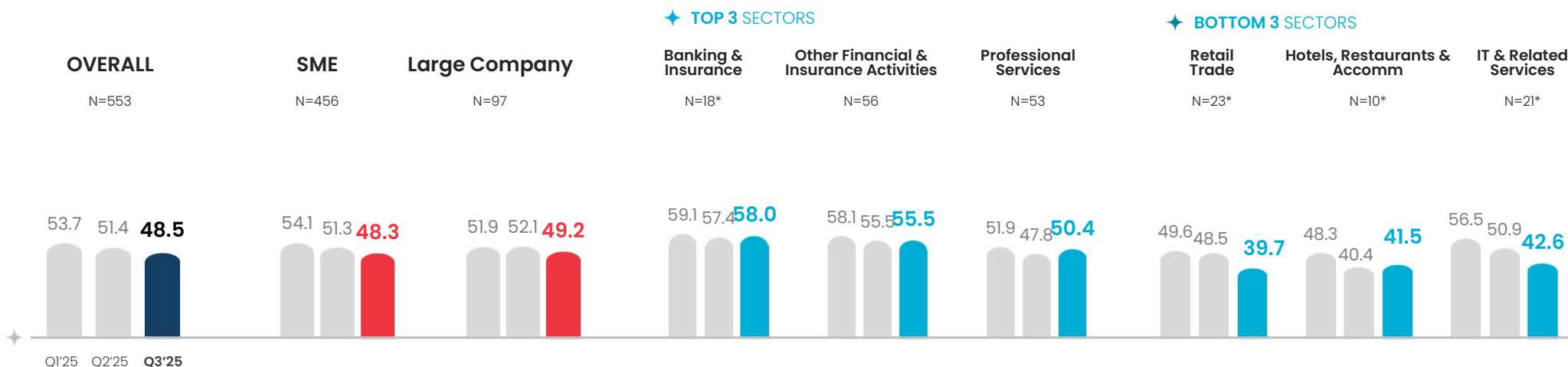
	Q1 2025	Q2 2025	Q3 2025	CHANGE
Base, Q3 2025				
18* Banking & Insurance	61.2	58.1	57.8	▼
56 Other Financial & Insurance Activities (e.g. Holding/Investment companies)	57.6	56.5	54.6	▼
61 Construction & Civil Engineering	57.8	54.0	53.6	▼
53 Professional Services	55.6	53.6	53.4	▼
14* Other Service Activities	50.9	61.8	53.3	▼
13* Real Estate Activities	57.0	57.7	52.7	▼
9* Others*	58.0	58.4	52.7	▼
36 Logistics & Transportation	57.1	55.0	52.1	▼
125 Wholesale Trade	55.5	55.6	51.6	▼
78 Manufacturing	55.3	55.7	51.4	▼
24* Administrative & Support Svc Activities	57.4	53.0	51.0	▼
10* Education	60.5	53.7	51.0	▼
2* Health & Social Services	54.3	59.7	50.5	▼
21* IT & Related Services	58.1	55.1	49.4	▼
23* Retail Trade	54.3	55.3	48.6	▼
10* Hotels, Restaurants & Accommodations	52.2	49.0	46.8	▼

Deep-Dive into Business Sentiment Index Sub-Components

Businesses are showing signs of **softening confidence in profitability**, with sentiment falling to 48.5 in Q3 2025, marking the lowest quarter-on-quarter outlook to date. The decline is consistent across SMEs and Large Companies, signaling widespread profitability pressures. Only a few sectors, notably Banking & Insurance, Other Financial & Insurance Activities, and Professional Services sectors held steady, while IT & Related Services, Hotels, Restaurants & Accommodations, and Retail Trade sectors are less positive.

PROFITABILITY EXPECTATIONS

● Q1'25 ● Q2'25 ● Q3'25



***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.

Base: All Respondents, Q1 2025 (Overall, n=526 | SME, n=436, LC, n=90), Q2 2025 (Overall, n=555 | SME, n=473, LC, n=82), Q3 2025 (Overall, n=553 | SME, n=456, LC, n=97)
Q5 What are your expectations for your business' profitability in the upcoming six months?

PROFITABILITY EXPECTATIONS BY SECTORS

Most sectors reported weaker profitability sentiment in Q3 2025, except for Banking & Insurance, Other Financial & Insurance Activities, and Professional Services, which held steady.

Although sentiment within Hotels, Restaurants & Accommodations improved slightly, it continues to rank among the least optimistic sectors.

OVERALL: 48.5

Base, Q3 2025		Q1 2025	Q2 2025	Q3 2025	CHANGE
18*	Banking & Insurance	59.1	57.4	58.0	▲
56	Other Financial & Insurance Activities (e.g. Holding/Investment companies)	58.1	55.5	55.5	–
2*	Health & Social Services	56.5	57.3	50.5	▼
53	Professional Services	51.9	47.8	50.4	▲
9*	Others*	56.3	57.3	50.0	▼
13*	Real Estate Activities	60.4	54.1	49.5	▼
61	Construction & Civil Engineering	56.1	49.9	49.1	▼
14*	Other Service Activities	46.0	55.0	48.6	▼
125	Wholesale Trade	51.4	52.5	48.4	▼
36	Logistics & Transportation	50.7	49.7	46.5	▼
78	Manufacturing	52.6	49.5	46.2	▼
24*	Administrative & Support Svc Activities	51.4	49.1	46.0	▼
10*	Education	60.8	49.0	45.1	▼
21*	IT & Related Services	56.5	50.9	42.6	▼
10*	Hotels, Restaurants & Accommm	48.3	40.4	41.5	▲
23*	Retail Trade	49.6	48.5	39.7	▼

Deep-Dive into Business Sentiment Index Sub-Components

Overall growth confidence remained relatively stable in Q3 2025, holding at 55.4, with only a marginal decline of 0.7 pts from the previous quarter. This suggests that businesses remain moderately confident about future prospects, likely supported by Singapore's strong economic performance in Q2. However, outlook remains uneven across sectors. Other Financial & Insurance Activities, Banking & Insurance and Education sectors report the highest growth confidence, while Manufacturing, Retail Trade, and Hotels, Restaurants & Accommodations sectors are the least optimistic.

GROWTH CONFIDENCE

● Q1'25 ● Q2'25 ● Q3'25

TOP 3 SECTORS

BOTTOM 3 SECTORS

OVERALL

N=553

SME

N=456

Large Company

N=97

Other Financial & Insurance Activities

N=56

Banking & Insurance

N=18*

Education

N=10*

Hotels, Restaurants & Accom

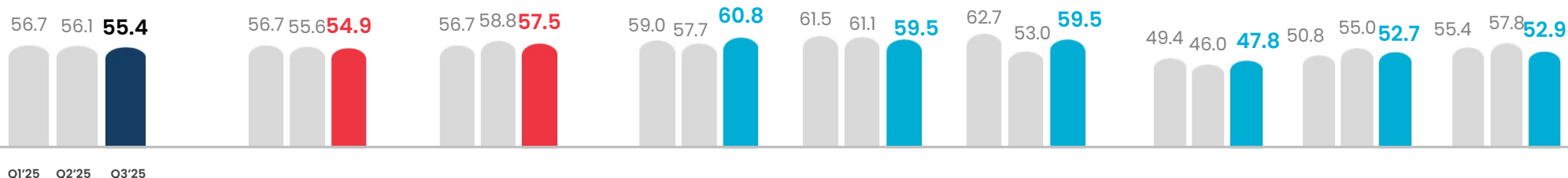
N=10*

Retail Trade

N=23*

Manufacturing

N=78



***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.

Base: All Respondents, Q1 2025 (Overall, n=526 | SME, n=436, LC, n=90), Q2 2025 (Overall, n=555 | SME, n=473, LC, n=82), Q3 2025 (Overall, n=553 | SME, n=456, LC, n=97)
Q9 How confident are you about your business' growth prospects over the next six months?



GROWTH CONFIDENCE BY SECTORS

Service sectors such as Other Financial & Insurance Activities, Education, and Professional Services report improved growth confidence in Q3. Confidence declined among Manufacturing and Wholesale Trade amid slower front-loading activities and trade uncertainties.

OVERALL: 55.4

Base, Q3 2025	Q1 2025	Q2 2025	Q3 2025	CHANGE
56 Other Financial & Insurance Activities (e.g. Holding/Investment companies)	59.0	57.7	60.8	▲
18* Banking & Insurance	61.5	61.1	59.5	▼
10* Education	62.7	53.0	59.5	▲
53 Professional Services	54.6	52.4	57.7	▲
14* Other Service Activities	50.1	66.0	56.3	▼
61 Construction & Civil Engineering	57.4	56.6	55.9	▼
2* Health & Social Services	56.5	68.5	55.0	▼
9* Others*	64.0	60.6	55.0	▼
125 Wholesale Trade	55.2	55.8	54.8	▼
24* Administrative & Support Svc Activities	55.5	51.9	54.3	▲
13* Real Estate Activities	60.4	57.7	53.6	▼
21* IT & Related Services	62.5	54.7	53.3	▼
36 Logistics & Transportation	56.4	52.8	53.3	▲
78 Manufacturing	55.4	57.8	52.9	▼
23 Retail Trade	50.8	55.0	52.7	▼
10* Hotels, Restaurants & Accommodations	49.4	46.0	47.8	▲

Deep-Dive into Business Sentiment Index Sub-Components

Amid tepid growth momentum, **hiring sentiment in Q3 2025 remained broadly unchanged from the previous quarter**, holding at 56.2. This indicates that businesses generally plan to **maintain current workforce levels** over the next six months, with limited appetite for headcount expansion. A contraction in hiring outlook is mainly seen among Large Companies (-2.3 pts from Q2), while SMEs held steady. Across sectors, Education, Construction & Civil Engineering, and Professional Services report stronger hiring sentiment, while IT & Related Services, Hotels, Restaurants & Accommodations, and Retail Trade show more contractionary outlook.

HIRING OUTLOOK

● Q1'25 ● Q2'25 ● Q3'25

TOP 3 SECTORS

BOTTOM 3 SECTORS

OVERALL

N=553

SME

N=456

Large Company

N=97

Education

N=10*

Construction & Civil Engineering

N=61

Professional Services

N=53

Retail Trade

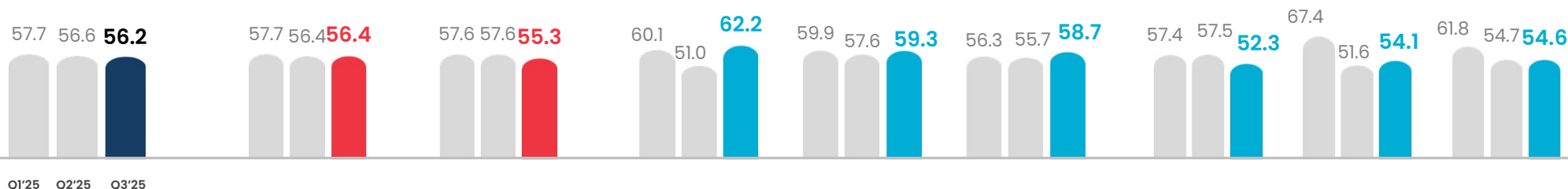
N=23*

Hotels, Restaurants & Accommodations

N=10*

IT & Related Services

N=21*



***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.

Base: All Respondents, Q1 2025 (Overall, n=526 | SME, n=436, LC, n=90), Q2 2025 (Overall, n=555 | SME, n=473, LC, n=82), Q3 2025 (Overall, n=553 | SME, n=456, LC, n=97)
Q6 What are your hiring plans for the next six months?



HIRING OUTLOOK BY SECTORS

Workforce expansion sentiment is mainly observed in Education, Construction & Civil Engineering, Professional Services, Banking & Insurance, Finance-related Activities, and Hotels, Restaurants, & Accommodations sectors in Q3 2025. Aside from these, most **other sectors** indicated a **contractionary outlook**.

OVERALL: 56.2

	Q1 2025	Q2 2025	Q3 2025	CHANGE
Base, Q3 2025				
10* Education	60.1	51.0	62.2	▲
2* Health & Social Services	59.5	61.8	59.5	▼
61 Construction & Civil Engineering	59.9	57.6	59.3	▲
53 Professional Services	56.3	55.7	58.7	▲
18* Banking & Insurance	59.9	57.1	58.0	▲
13* Real Estate Activities	56.8	59.5	57.8	▼
24* Administrative & Support Svc Activities	60.0	57.7	57.6	▼
56 Other Financial & Insurance Activities (e.g. Holding/Investment companies)	58.0	56.9	57.6	▲
78 Manufacturing	56.1	55.8	54.9	▼
36 Logistics & Transportation	59.0	56.6	54.8	▼
125 Wholesale Trade	54.7	57.1	54.6	▼
21* IT & Related Services	61.8	54.7	54.6	▼
14* Other Service Activities	55.0	58.0	54.4	▼
10* Hotels, Restaurants & Accom,	67.4	51.6	54.1	▲
23* Retail Trade	57.4	57.5	52.3	▼
9* Others*	58.9	56.1	51.0	▼

Deep-Dive into Business Sentiment Index Sub-Components

Business cost pressures held steady in Q3 2025 at 56.6, mirroring Q2 levels as Businesses maintain similar growth and hiring expectations. While most businesses expect cost conditions to remain stable, growth-oriented sectors such as Banking & Insurance and Professional Services, report higher cost expectations, while more cautious sectors remain focused on cost control.

COST EXPECTATIONS

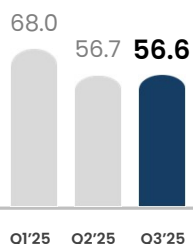
● Q1'25 ● Q2'25 ● Q3'25

★ **TOP 3 SECTORS**
Relatively Lower Cost Pressures

★ **BOTTOM 3 SECTORS**
Relatively Higher Cost Pressures

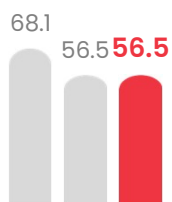
OVERALL

N=553



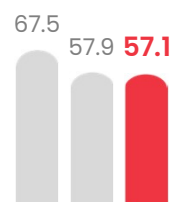
SME

N=456



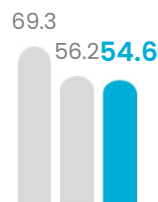
Large Company

N=97



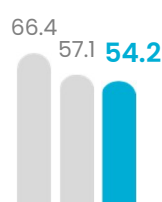
IT & Related Services

N=21*



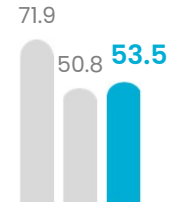
Retail Trade

N=23*



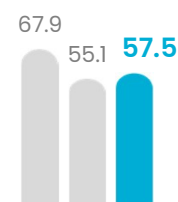
Hotels, Restaurants & Accommodations

N=10*



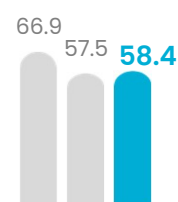
Professional Services

N=53



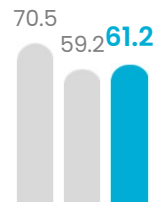
Other Financial & Insurance Activities

N=56



Banking & Insurance

N=18*



***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.

Base: All Respondents, Q1 2025 (Overall, n=526 | SME, n=436, LC, n=90), Q2 2025 (Overall, n=555 | SME, n=473, LC, n=82), Q3 2025 (Overall, n=553 | SME, n=456, LC, n=97)
Q4 How do you anticipate your company's cost will change over the next six months?

COST EXPECTATIONS BY SECTORS

Cost expectations rose among sectors more optimistic about pursuing growth and hiring, suggesting greater confidence in meeting higher operating expenses in pursuit of expansion.

Sectors with weaker sentiments are aligning cost management with more reserved hiring and growth strategies.

OVERALL: 56.5

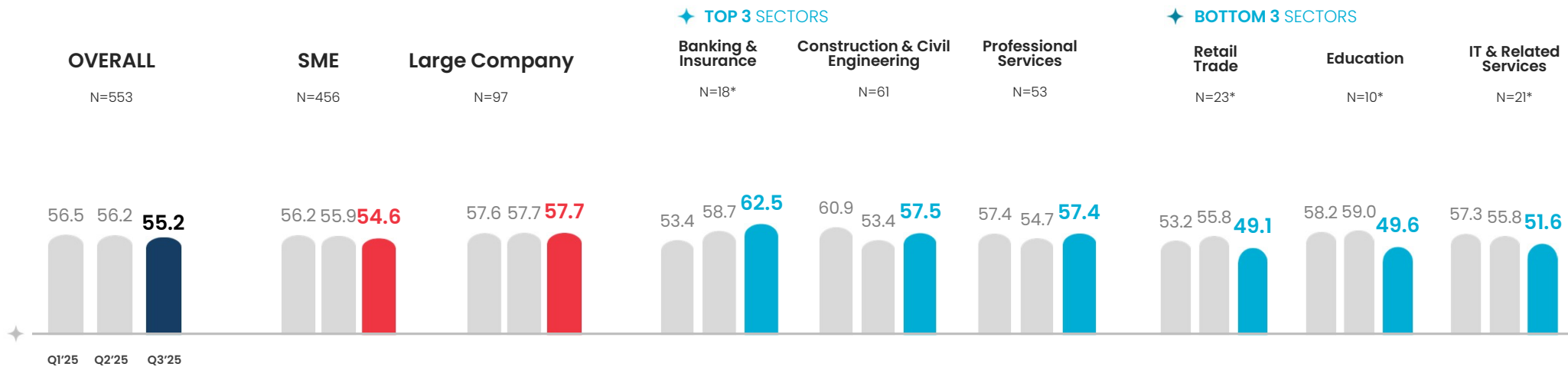
	Q1 2025	Q2 2025	Q3 2025	CHANGE
Base, Q3 2025				
18* Banking & Insurance	70.5	59.2	61.2	▲
56 Other Financial & Insurance Activities (e.g. Holding/Investment companies)	66.9	57.5	58.4	▲
53 Professional Services	67.9	55.1	57.5	▲
13* Real Estate Activities	78.4	58.3	57.5	▼
61 Construction & Civil Engineering	67.7	55.3	57.4	▲
10* Education	71.1	54.2	56.9	▲
14* Other Service Activities	64.0	63.0	56.6	▼
36 Logistics & Transportation	67.6	56.6	56.4	▼
9* Others	70.4	60.0	56.1	▼
125 Wholesale Trade	67.7	56.7	56.0	▼
78 Manufacturing	67.9	57.3	55.8	▼
24* Administrative & Support Svc Activities	67.6	54.2	55.8	▲
2* Health & Social Services	70.0	62.9	55.6	▼
21* IT & Related Services	69.3	56.2	54.6	▼
23* Retail Trade	66.4	57.1	54.2	▼
10* Hotels, Restaurants & Accommodations	71.9	50.8	53.5	▲

Deep-Dive into Business Sentiment Index Sub-Components

Operational capacity utilisation eased marginally to 55.2 in Q3 2025 (from 56.2 in Q2), suggesting that most businesses are not experiencing strain at current production levels. However, emerging pressures may be present in Banking & Insurance, Construction & Civil Engineering, and Professional Services sectors, pointing to tightening capacity and possible resource constraints as these sectors pursue growth.

OPERATIONAL CAPACITY UTILISATION

● Q1'25 ● Q2'25 ● Q3'25



OPERATIONAL CAPACITY UTILISATION BY SECTORS

Service sectors made up a majority of those reporting increased operational capacity usage in Q3 2025.

Construction & Civil Engineering reported an increase of 4.1 pts, potentially driven by an increase in both public and private sector construction projects.

OVERALL: 55.2

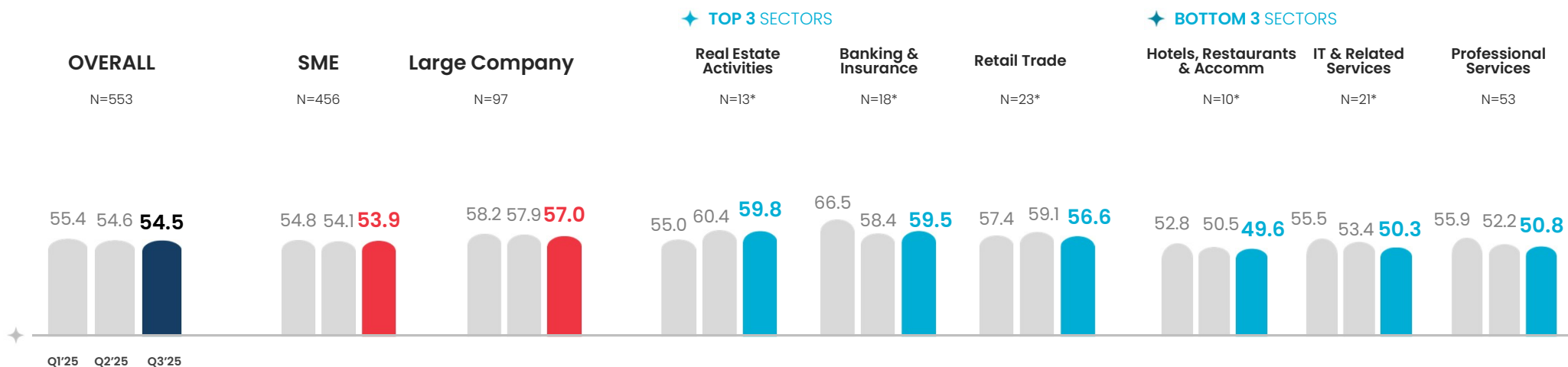
	Q1 2025	Q2 2025	Q3 2025	CHANGE
Base, Q3 2025				
18* Banking & Insurance	53.4	58.7	62.5	▲
14* Other Service Activities	50.1	66.0	58.9	▼
9* Others*	55.0	61.8	58.0	▼
61 Construction & Civil Engineering	60.9	53.4	57.5	▲
53 Professional Services	57.4	54.7	57.4	▲
56 Other Financial & Insurance Activities (e.g. Holding/Investment companies)	55.8	56.1	56.8	▲
36 Logistics & Transportation	60.2	62.8	56.3	▼
2* Health & Social Services	50.5	70.8	55.0	▼
10* Hotels, Restaurants & Accommodation	51.6	49.4	55.0	▲
125 Wholesale Trade	56.2	56.5	54.1	▼
24* Administrative & Support Svc Activities	57.7	45.2	53.9	▲
13* Real Estate Activities	60.4	59.5	53.6	▼
78 Manufacturing	53.3	56.6	53.4	▼
21* IT & Related Services	57.3	55.8	51.6	▼
10* Education	58.2	59.0	49.6	▼
23* Retail Trade	53.2	55.8	49.1	▼

Deep-Dive into Business Sentiment Index Sub-Components

Ease of access to financing remained stable in Q3 2025, holding at 54.5, consistent with the previous quarter. With growth ambitions and cost pressures largely unchanged, overall financing sentiment has remained steady among both SMEs and Large Companies. Financing confidence is stronger among Real Estate Activities, Banking & Insurance, and Retail Trade sectors, while Professional Services, IT & Related Services, and Hotels, Restaurant & Accommodations sectors report weaker confidence.

ACCESS TO FINANCING

● Q1'25 ● Q2'25 ● Q3'25



***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.

Base: All Respondents, Q1 2025 (Overall, n=526 | SME, n=436, LC, n=90), Q2 2025 (Overall, n=555 | SME, n=473, LC, n=82), Q3 2025 (Overall, n=553 | SME, n=456, LC, n=97)
Q8 How would you rate the ease of obtaining financing or credit for your business needs?

ACCESS TO FINANCING BY SECTORS

Improved ease of financing is reported among a handful of sectors, while others reported a dip, signalling uneven access to financing options.

OVERALL: 54.5

Base, Q3 2025	Q1 2025	Q2 2025	Q3 2025	CHANGE
13* Real Estate Activities	55.0	60.4	59.8	▼
18* Banking & Insurance	66.5	58.4	59.5	▲
9* Others*	49.9	57.3	57.0	▼
23* Retail Trade	57.4	59.1	56.6	▼
61 Construction & Civil Engineering	56.2	55.2	56.5	▲
36 Logistics & Transportation	55.9	55.0	56.3	▲
78 Manufacturing	54.9	54.0	55.2	▲
2* Health & Social Services	40.0	61.8	55.0	▼
125 Wholesale Trade	55.2	54.4	54.8	▲
56 Other Financial & Insurance Activities (e.g. Holding/Investment companies)	54.7	54.0	53.6	▼
24* Administrative & Support Svc Activities	55.5	53.4	52.0	▼
10* Education	59.5	53.0	51.4	▼
14* Other Service Activities	49.3	62.0	51.1	▼
53 Professional Services	55.9	52.2	50.8	▼
21* IT & Related Services	55.5	53.4	50.3	▼
10* Hotels, Restaurants & Accommodations	52.8	50.5	49.6	▼

***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.

Deep-Dive into Business Sentiment Index Sub-Components

Sentiment toward government support declined slightly in Q3 2025, falling 1.7 points to 56.2. The decline is stronger among Large Companies, which saw a 5.0-point drop to 55.7 (from 60.7 in Q2 2025) compared to -0.9 pts decline among SMEs, indicating a need for targeted support measures. Across sectors, Banking & Insurance, Professional Services, and Logistics & Transportation sectors report an uptick in sentiments while Wholesale Trade, Retail Trade, and Hotels, Restaurants, & Accommodations are less positive.

SENTIMENT TOWARDS GOVERNMENT SUPPORT

● Q1'25 ● Q2'25 ● Q3'25

TOP 3 SECTORS

BOTTOM 3 SECTORS

OVERALL

N=553

SME

N=456

Large Company

N=97

Banking & Insurance

N=18*

Professional Services

N=53

Logistics & Transportation

N=36

Hotels, Restaurants & Accommodations

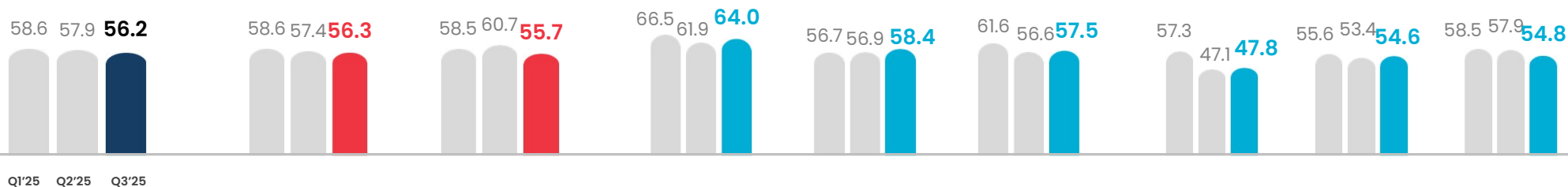
N=10*

Retail Trade

N=23*

Wholesale Trade

N=125



***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.

Base: All Respondents, Q1 2025 (Overall, n=526 | SME, n=436, LC, n=90), Q2 2025 (Overall, n=555 | SME, n=473, LC, n=82), Q3 2025 (Overall, n=553 | SME, n=456, LC, n=97)
Q10 To what extent do current government policies support your industry's growth?

OUTLOOK ON GOVERNMENT SUPPORT BY SECTORS

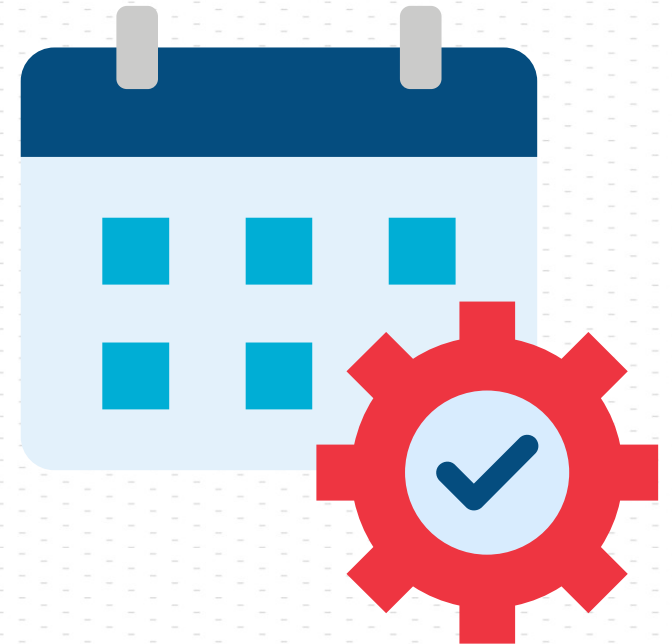
Satisfaction towards level of Government support is somewhat uneven across sectors, with stronger sentiments seen in Banking & Insurance, Professional Services, and Logistics & Transportation sectors.

OVERALL: 56.2

	Q1 2025	Q2 2025	Q3 2025	CHANGE
Base, Q3 2025				
18* Banking & Insurance	66.5	61.9	64.0	▲
14* Other Service Activities	46.8	68.0	60.1	▼
53 Professional Services	56.7	56.9	58.4	▲
36 Logistics & Transportation	61.6	56.6	57.5	▲
78 Manufacturing	57.7	58.7	57.3	▼
21* IT & Related Services	59.5	59.4	56.7	▼
13* Real Estate Activities	56.8	58.6	56.4	▼
56 Other Financial & Insurance Activities (e.g. Holding/Investment companies)	59.4	59.4	56.1	▼
9* Others*	57.6	59.5	55.0	▼
10* Education	59.5	58.0	55.0	▼
61 Construction & Civil Engineering	60.5	54.8	55.0	▲
24* Administrative & Support Svc Activities	57.3	54.6	55.0	▲
125 Wholesale Trade	58.5	57.9	54.8	▼
23* Retail Trade	55.6	53.4	54.6	▲
10* Hotels, Restaurants & Accommodations	57.3	47.1	47.8	▲
2* Health & Social Services	52.0	66.3	41.5	▼

✓ SECTION 3

Current Business Priorities & Challenges



Cybersecurity and data privacy related risks have risen to be among the top 5 challenges, while manpower cost, demand uncertainty, and rental cost remain as the top 3 challenges confronting businesses.

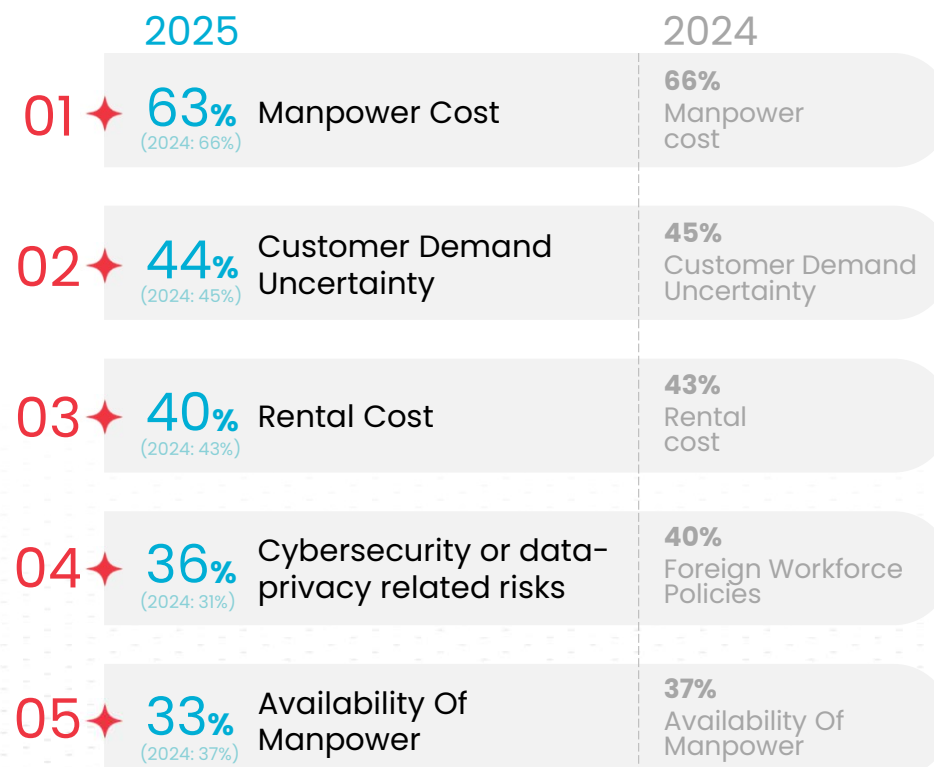
Cybersecurity and data privacy risks have risen among the top business challenges in 2025, reflecting heightened concern over digital vulnerabilities and ransomware threats.

This highlights the need for stronger support and capacity-building to help businesses safeguard their operations against evolving cyber risks.

Next 5 Business Challenges in 2025:

- 06 Foreign workforce policies (33%)
- 07 Retention of manpower (33%)
- 08 Employee productivity (31%)
- 09 Educating employees on how to adapt to new technology (31%)
- 10 Employee skills level (29%)

Top 5 Business Challenges to Operate in Singapore



Top 10 Business Challenges by Sectors

	OVERALL	 Wholesale Trade	 Manufacturing	 Construction & Civil Engr	 Other Financial & Insurance	 Professional Services	 Logistics & Transportation	 Admin & Support Services	 Retail Trade
n=	553	125	78	61	56	53	36	24*	23*
Manpower cost	63%	48%	72%	77%	46%	72%	67%	79%	70%
Customer demand uncertainty	44%	50%	49%	44%	20%	34%	58%	50%	65%
Rental cost	40%	31%	42%	33%	41%	58%	50%	33%	48%
Cybersecurity or data-privacy related risks	36%	27%	28%	34%	55%	30%	47%	33%	43%
Availability of manpower	33%	23%	41%	43%	25%	36%	36%	46%	35%
Foreign workforce policies	33%	26%	38%	52%	18%	26%	39%	50%	35%
Retention of manpower	33%	25%	38%	39%	29%	30%	44%	29%	39%
Employee productivity	31%	28%	31%	41%	18%	32%	33%	21%	39%
Educating employees on how to adapt to new technology	31%	30%	37%	33%	23%	28%	28%	29%	48%
Employee skills level	29%	24%	36%	39%	21%	28%	19%	38%	30%

***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.

Top 10 Business Challenges by Sectors

									
	OVERALL	IT & Related Services	Banking & Insurance	Other Service Activities	Real Estate Activities	Hotels, Restaurants & Accommodation	Education	Health & Social Services	Others
	n= 553	21*	18*	14*	13*	10*	10*	2*	9*
Manpower cost	63%	52%	50%	71%	62%	90%	60%	50%	67%
Customer demand uncertainty	44%	43%	28%	57%	46%	30%	10%	50%	44%
Rental cost	40%	33%	39%	43%	15%	40%	70%	100%	22%
Cybersecurity or data-privacy related risks	36%	29%	50%	50%	38%	60%	30%	50%	22%
Availability of manpower	33%	24%	22%	36%	46%	50%	10%	50%	33%
Foreign workforce policies	33%	14%	33%	21%	23%	50%	40%	0%	44%
Retention of manpower	33%	24%	17%	50%	23%	40%	40%	100%	33%
Employee productivity	31%	33%	39%	43%	31%	20%	40%	0%	44%
Educating employees on how to adapt to new technology	31%	10%	28%	21%	69%	30%	20%	0%	33%
Employee skills level	29%	29%	44%	36%	23%	40%	20%	0%	33%

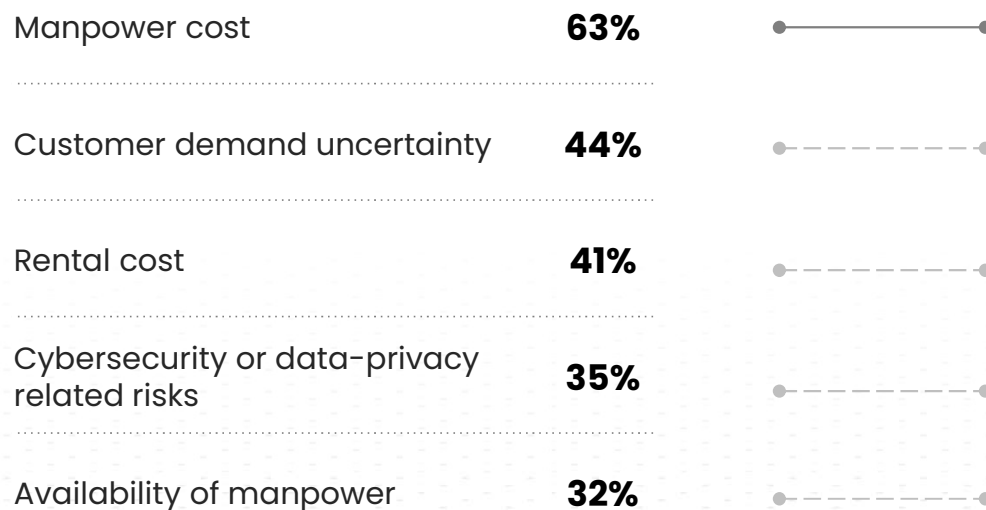
***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.

✦ **Cybersecurity concerns are among top challenges for SMEs, while Large Companies are concerned about foreign workforce policies.**



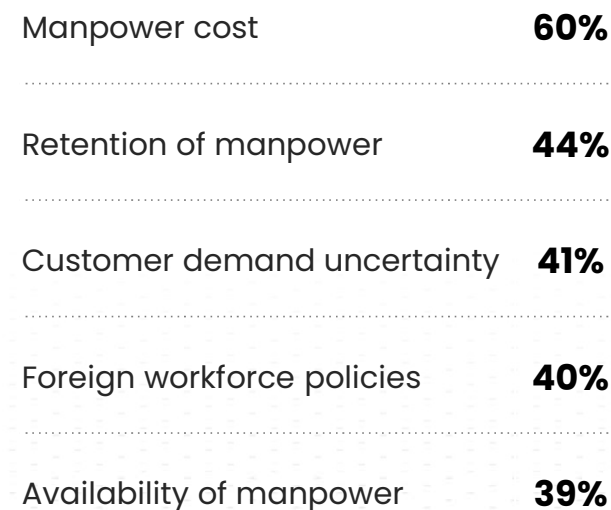
SMEs

Base: 456



LARGE COMPANIES

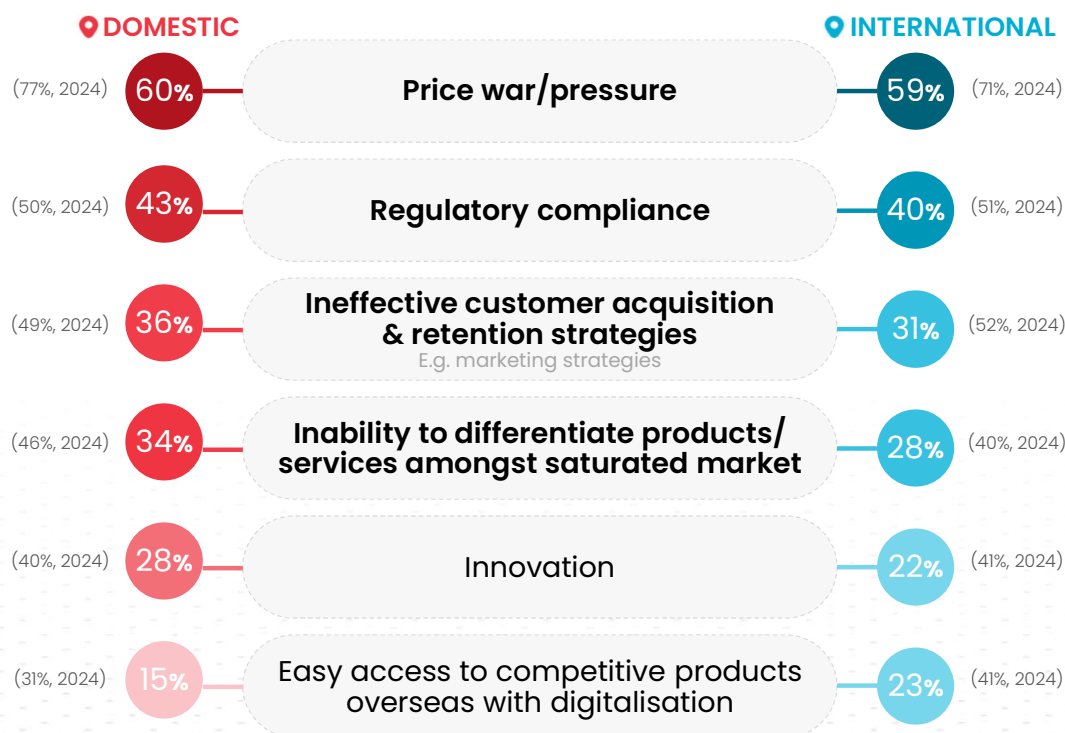
Base: 97



Price war is the leading challenge for businesses in both local and international markets.

Aside from **price competition**, **compliance requirements** and **demand-related challenges**, acquiring customers and differentiating products are also **common pain points** for businesses in both domestic and international markets.

Key Challenges for Market Competition



Only 4% of businesses indicated an increase in profitability over the last 12 months.

Business Performance over Past 12 Months Amid Rising Business Costs

Given rising business costs, only 4% (a fall of 3%-pts from 2024) of businesses indicated an **increase in profitability** over the past 12 months

Majority of Businesses maintained profitability (62%) up by 12%-pts compared to 2024, suggesting a degree of resilience in managing margins amid cost pressures.

62% (+12% 2024)
No Change in Profitability

SMEs : 63% Large Cos.: 59%

34% (-9% 2024)
Decrease in Profitability

SMEs: 34% Large Cos.: 35%

Avg. size of Decrease: 26.9%

4% (-3% 2024)
Increase in Profitability

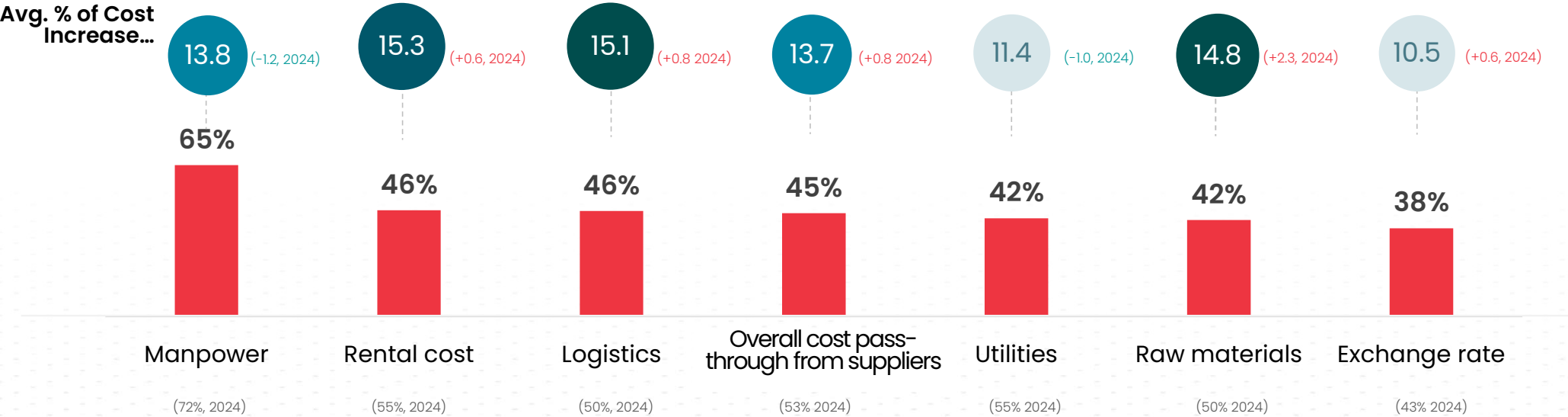
SMEs : 3% Large Cos.: 6%

Avg. size of Increase: 34.0%

Manpower, rental cost and logistics are the top 3 contributors to cost increases experienced by businesses.

Rental and logistics costs are also major contributors to overall cost increases, with average increases of 15.3% and 15.1% respectively, the highest among all cost components in 2025.

Key Components of Cost Increase Experienced by Businesses



19% of businesses indicated that cost increases did not apply to their operations.

SMEs identify utilities as a key source of cost pressure, while Large Companies highlight raw material costs.



SMEs

Base: 456

Avg. % Increase:

65% Manpower

(72% 2024)

13.7

(-2.0 2024)



46% Rental cost

(55% 2024)

15.0

(-0.2 2024)



45% Overall cost pass-through from suppliers

(54% 2024)

13.7

(+0.7 2024)



44% Logistics

(50% 2024)

15.2

(+0.3 2024)



42% Utilities

(55% 2024)

11.4

(-1.6 2024)



LARGE COMPANIES

Base: 97

Avg. % Increase:

69% Manpower

(76% 2024)

14.1

(+3.0 2024)

52% Logistics

(51% 2024)

14.7

(+6.0 2024)

47% Rental cost

(57% 2024)

16.9

(+1.4 2024)

45% Raw materials

(53% 2024)

17.7

(+2.5 2024)

45% Overall cost pass-through from supplier

(49% 2024)

13.7

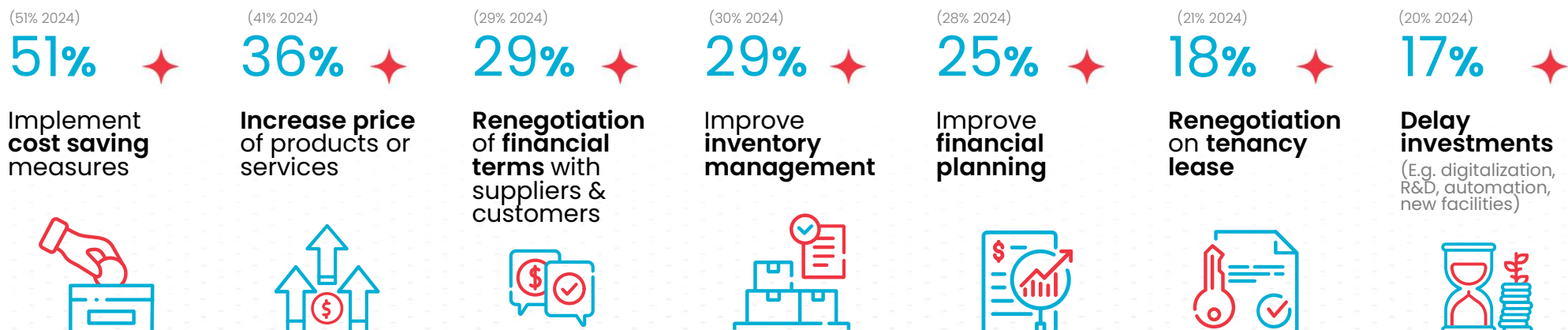
(-0.3 2024)

Cost-saving initiatives and price increases remain the key strategies to offset rising costs.

51% of businesses have implemented **cost saving measures** and **36%** have **increased the price** of their products or services amid rising business costs.

Renegotiation of financial terms (29%), inventory management (29%), and improved financial planning (25%) remain secondary strategies in tackling rising business costs.

Key Strategies to Manage Increase in Business Costs



11% of businesses have not taken any action to address rising business cost

(9% 2024)

SMEs and Large Companies Adopt Similar Strategies to Tackle Rising Costs.



SMEs

Base: 364

Implement cost saving measures **49%**
(50% 2024)

Increase price of products or services **38%**
(42% 2024)

Improve inventory management **28%**
(30% 2024)

Renegotiation of financial terms with suppliers & customers **27%**
(29% 2024)

Improve financial planning **24%**
(26% 2024)



LARGE COMPANIES

Base: 82

Implement cost saving measures **56%**
(57% 2024)

Renegotiation of financial terms with suppliers & customers **35%**
(31% 2024)

Improve inventory management **32%**
(29% 2024)

Improve financial planning **30%**
(38% 2024)

Increase price of products or services **27%**
(39% 2024)

 SECTION 4

Singapore Budget & Government Support



Similar to 2024, businesses have identified growing revenue and ensuring positive cash flow as top priorities in 2025 for the next 12 months.

Top 5 Business Priorities over the Next 12 Months

Businesses are recalibrating to **prioritise growth and revenue stability** amid economic headwinds, signaling a shift from seeking capability upgrade to resilience-building in 2025.

This marks a strategic pivot toward risk-aware approaches aimed at ensuring operational sustainability, alongside a de-prioritisation of capacity-building initiatives such as talent acquisition and training investment.

2025

65%

Growing revenue

49%

Ensuring positive cash flow

49%

New business opportunities

(9% 2024)

49%

Reducing costs

29%

Maintaining revenue levels

(19% 2024)

2024

58% ★

Growing revenue

38% ★

Ensuring positive cash flow

35% ★

Attracting/ Retaining talent

34% ★

Reducing costs

29% ★

Training Staff to Enhance Skills

✦ Seeking new business opportunities has risen to become a key priority for both SMEs and Large Companies in 2025.



SMEs

Base: 456

Growing revenue

66%

(57%, 2024)

New business opportunities

50%

(8%, 2024)

Ensuring positive cash flow

50%

(37%, 2024)

Reducing costs

48%

(33%, 2024)

Maintaining revenue levels

29%

(19%, 2024)



LARGE COMPANIES

Base: 97

Growing revenue

58%

(64%, 2024)

Reducing costs

52%

(39%, 2024)

Ensuring positive cash flow

47%

(40%, 2024)

New business opportunities

45%

(12%, 2024)

Growing market share

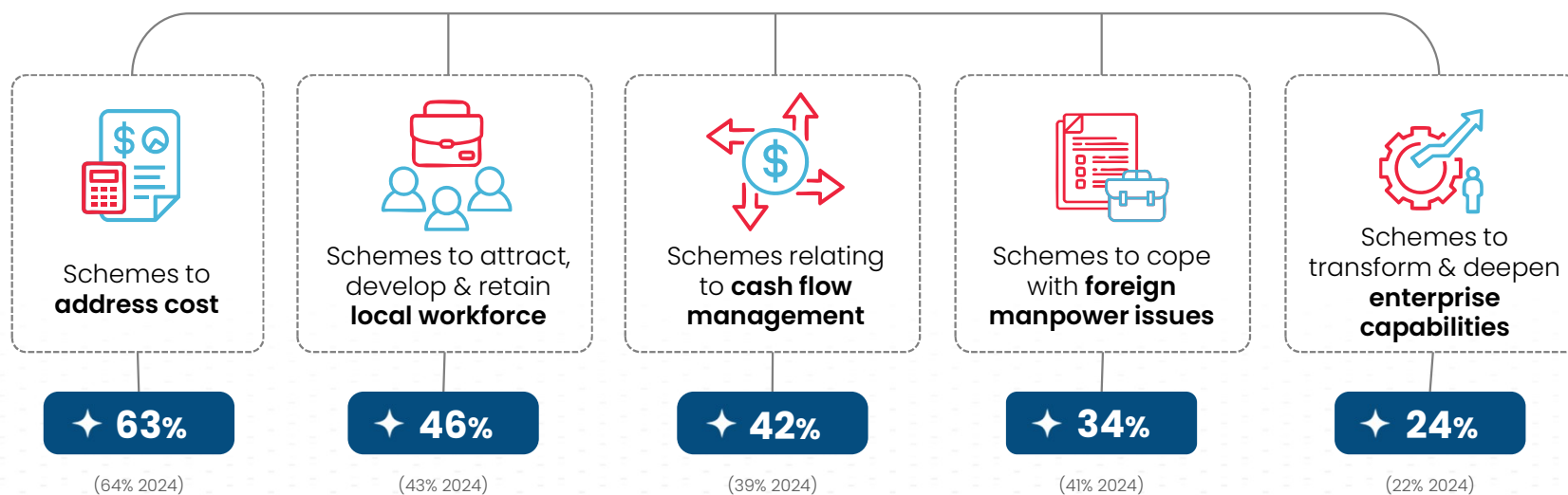
32%

(25%, 2024)

Addressing cost issues, developing the workforce, and cashflow support are top of list for Singapore Budget 2026.

Amid volatility, businesses seek support to address cost, develop local workforce, and manage cash flow issues in Budget 2026 to reduce risk and manage operational challenges.

Top 5 Priorities for Singapore Budget 2026



Next 5 Key Priorities:

- 06 Schemes that help businesses digitalise (22%)
- 07 Schemes that help businesses to internationalise (21%)
- 08 Schemes relating to credit (19%)
- 09 Schemes that create a supportive regulatory environment for businesses (16%)
- 10 Optimise land use for strategic business activities (9%)

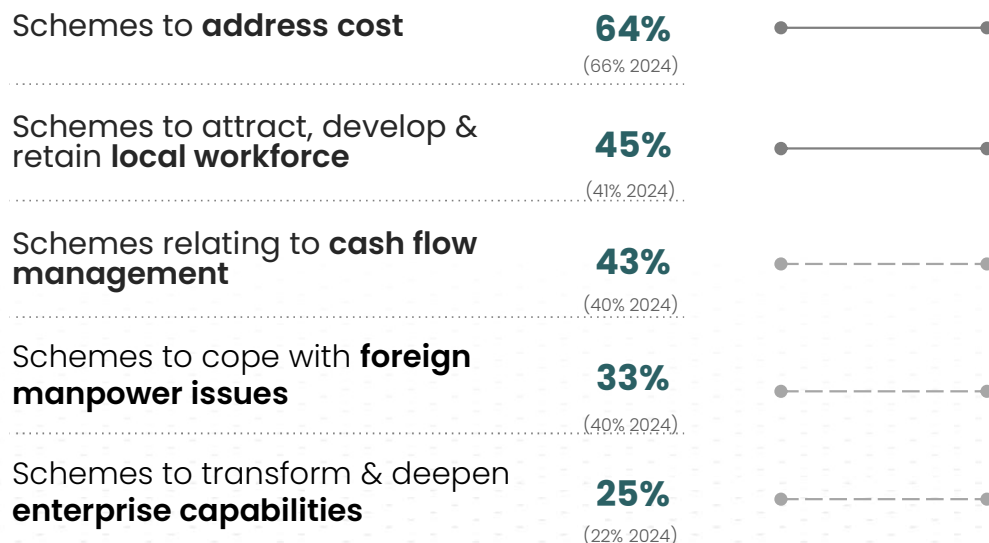
Cost and workforce support remain the key priorities for both SMEs and Large Companies.

SMEs also seek support on transforming and deepening enterprise capabilities (25%), while Large Companies look for support to strengthen digitalisation (28%).



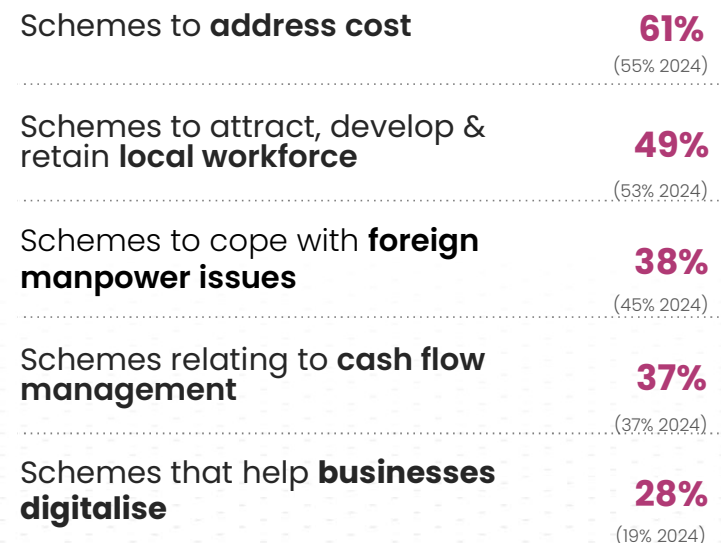
SMEs

Base: 456



LARGE COMPANIES

Base: 97



Strengthening business resilience and growth capabilities are the key areas for Government support.

Businesses identify improving cash flow (37%), maintaining competitiveness (34%), and developing human capital (31%) as the top capability areas where government support is most needed.

Key Capability Areas Requiring Government Support



37%

Financial support to **improve cashflow**

(35%, 2024)



34%

Business strategy development to give business a competitive edge in the market

(31%, 2024)



31%

Human capital **development**

(34%, 2024)



28%

Financial management to optimise performance

(28%, 2024)



26%

Digitalisation for business transformation

(33%, 2024)



25%

Support for **internationalisation** efforts for business expansion

(26%, 2024)



25%

Having access to **reliable and credible source** of information

(19%, 2024)



24%

Deeper **understanding of customer's** needs and decision-making

(21%, 2024)

SMEs seek stronger financial support to improve cash flow and business performance, while Large Companies call for greater assistance in internationalisation and management upgrading.



SMEs

Base: 456

Financial support to improve cashflow

40%

(37% 2024)

Business strategy development to give business a competitive edge in the market

33%

(NA)

Human capital development

30%

(33% 2024)

Financial management to optimise performance

30%

(NA)

Digitalisation for business transformation

25%

(34% 2024)



LARGE COMPANIES

Base: 97

Business strategy development to give business a competitive edge in the market

41%

(NA)

Human capital development

34%

(38% 2024)

Support for internationalisation efforts for business expansion

32%

(27% 2024)

Equipping and/or upgrading management

29%

(21% 2024)

Digitalisation for business transformation

29%

(29% 2024)

Thank you.



SBF.



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

If you have any enquiry, kindly contact research@sbf.org.sg.

Supporting Trade Associations and Chambers (TACs)

