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Annex A: Summary of Key Findings

- **Rising Costs:** 62% of businesses reported moderate to significant increases in operating costs driven by higher energy prices, logistics expenses, and the cost of goods and services. Energy remains the most significant cost driver, with 28% of businesses experiencing a significant increase. While SMEs are more affected by rising costs (62%) than large firms (52%), the poll revealed that large firms experienced greater impact (36%) in energy costs compared to SMEs (27%).

- **Cash Flow Strain:** Higher energy (58%), freight costs (55%), and increased inventory requirements (33%) are exerting pressures on cashflow. SMEs are more affected by rising labour costs (35% versus 17% for large firms), while large firms show greater sensitivity to foreign exchange volatility (39% versus 24% for SMEs), reflecting differences in operational structure and global exposure.

- **Revenue Disparity:** More than half of SMEs (56%) reported a decline in revenue from Singapore customers, compared to 33% of large firms. In contrast, 21% of large firms reported revenue growth, compared to 5% of SMEs. This divergence suggests that larger firms are, in some cases, better positioned to adapt to shifting market conditions, while SMEs continue to face more sustained revenue pressure.

- **Supply Chain Disruptions:** Operational disruptions remain widespread across the business landscape. Half of firms reported longer shipping lead times, one in three experienced more frequent delivery delays, and one in four faced supplier fulfilment issues. Despite this, 28% of businesses reported no operational impact, indicating uneven effects.

- **Short-Term Cost Management is a Key Priority:** In response to these pressures, businesses are actively implementing cost management and risk mitigation strategies. One in two firms have raised prices and renegotiated contracts or delivery terms with customers. SMEs are more likely to focus on conserving cash (40%), while large firms tend to adopt hedging strategies against fuel and foreign exchange risks (33%). In addition, large firms are more inclined to accelerate investments in energy efficiency (17%), compared to SMEs (4%), reflecting differences in capacity and long-term planning.

- **Confidence Gap:** Confidence levels vary significantly across firm segments. While 78% of large firms reported being somewhat to very confident in managing ongoing volatility, only 36% of SMEs expressed similar confidence. 54% of businesses remain “very to extremely” concerned about business viability if current conditions persist over the next six months. While larger firms may feel better positioned to manage volatility, prolonged uncertainty continues to pose risks to both SMEs and large enterprises.

- **Support Needs:** Businesses identified working capital support (41%), logistics cost management (35%), and temporary relief for energy-intensive firms (32%) as the most helpful forms of assistance over the next six months. Large firms placed relatively greater emphasis on logistics support, supplier diversification, and supply chain risk advisory services, while SMEs showed stronger demand for financial and cash flow assistance.

- **Corporate Income Tax (CIT) Rebate Most Welcomed:** Businesses perceived tax-related measures as the most useful form of support, with 60% of firms identifying the CIT rebate as delivering the strongest immediate value. This was followed by the Energy Efficiency Grant (43%) and support to defray cost increases in government projects (31%).

- **Differing Support Priorities for SMEs and Large Firms:** While SMEs place greater emphasis on financial and cash flow support measures, large firms prioritise support related to participation in government projects. Businesses continue to call for measures to address fuel and energy costs across both segments.