

SBF

BLACK
BOX

National Business Survey 2025

SINGAPORE BUDGET 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 – Singapore Budget Edition** provides insights on business sentiments on Singapore Budget 2025 and financing-related issues faced by businesses in Singapore and the Government support required.



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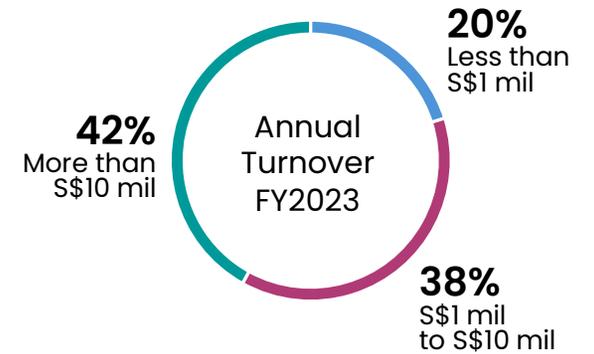
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RESPONDENT PROFILE

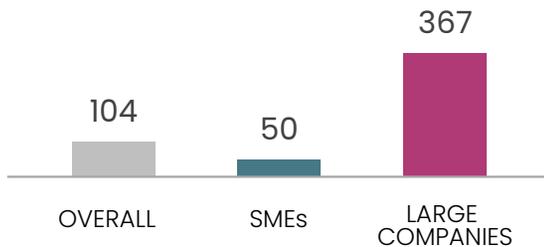
The survey was carried out from **27 March to 21 April 2025** and drew responses from **526 businesses** across all key industries .

The sample included both **SMEs (83%)** and **large companies (17%)** and largely mirrors SBF's membership base.

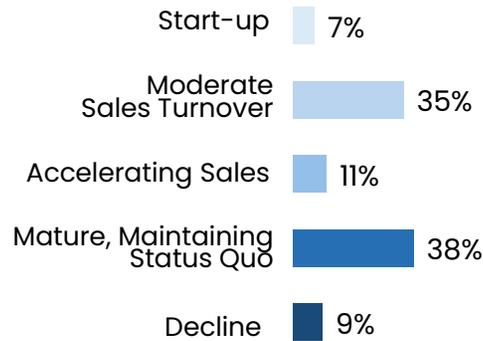
	SBF Database	2025
Wholesale Trade	20%	20%
Other Financial and Insurance Activities (e.g. Holding/Investment companies)	14%	13%
Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	11%	14%
Professional Services	11%	9%
IT & Related Services	8%	7%
Construction and Civil Engineering	8%	11%
Banking & Insurance	7%	2%
Logistics & Transportation	5%	7%
Administrative and Support Service Activities	4%	4%
Retail Trade	3%	3%
Hotels, Restaurants & Accommodations	3%	2%
Real Estate Activities	2%	1%
Others*	1%	1%
Health and Social Services	1%	1%
Education	1%	3%
Other Service Activities	1%	2%
TOTAL	100%	100%



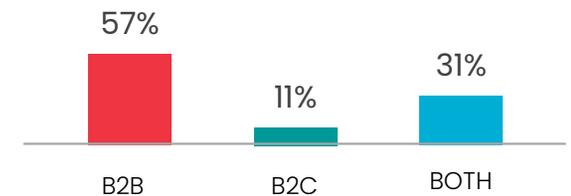
Avg. Employee Size



Stage of Development



Main Mode of Business



EXECUTIVE SUMMARY 1/7

Business Outlook

- Business outlook has weakened, with proportion of businesses expecting the economy to worsen in the next 12 months, nearly doubling from 22% in Q4 2024 to 40% in Q1 2025.
- Both SMEs and large companies are increasingly bearish about the economic outlook for the next 12 months. The proportion of SMEs expecting economic conditions to worsen increased from 23% in Q4 2024 to 41% in Q1 2025, while the proportion of large companies with the same view increased from 18% in Q4 2024 to 38% in Q1 2025.
- Businesses in the Hotels, Restaurants & Accommodations, Health and Social Services, and Retail Trade sectors have a more bearish outlook, while those in the Wholesale Trade and Administrative & Support Services sectors are slightly more optimistic about the economy in the next 12 months. Notably, the Hotels, Restaurants & Accommodations sector reports the lowest overall Business Sentiment Index score among all sectors.
- More businesses express dissatisfaction (32%) with the global business climate compared to satisfaction (10%), whereas an equal proportion of businesses express dissatisfaction and satisfaction with the ASEAN business climate (19%).

EXECUTIVE SUMMARY 2/7

Business Sentiment Index

The inaugural 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. The Index comprises of 11 key components, each assigned a fixed weight to ensure consistent interpretation and comparability. Continuous tracking in future editions of the BSI will provide a clearer understanding of the impact of these developments on business confidence.

Overall BSI stands at 56.5, reflecting cautious sentiment among businesses amid ongoing global economic uncertainty. The Banking & Insurance (61.2) and Education (60.5) sectors show a more optimistic sentiment, whereas the Hotels, Restaurants & Accommodations sector (52.2) remains more cautious.

A) **Cost expectations** stands at 68.0, indicating that businesses anticipate rising cost pressures over next six months. Highest cost expectations: Real Estate and Hotels, Restaurants & Accommodations sectors. Lowest cost expectations: Retail Trade and Other Financial & Insurance Activities sectors.

B) **Revenue expectations** stands at 55.3, as businesses take a measured view on revenue performance. Highest revenue expectations: Banking & Insurance and Education sectors. Lowest revenue expectations: Hotels, Restaurants & Accommodations and Logistics & Transport sectors.

EXECUTIVE SUMMARY 3/7

Business Sentiment Index

C) **Profitability expectations** stands at 53.7, as businesses are generally confident in sustaining current profit levels. Highest profitability expectations: Education, Real Estate and Banking & Insurance sectors. Lowest profitability expectations: Hotels, Restaurants & Accommodations, Retail Trade and Logistics & Transport sectors.

D) **Business Expansion** outlook stands at 61.6, signaling moderate growth optimism. Most positive business expansion outlook: Education and Banking & Insurance sectors. Least positive business expansion outlook: Hotels, Restaurants & Accommodations and Retail Trade sectors.

E) **Operational Capacity Utilisation** stands at 56.5, suggesting that businesses are operating near optimal levels. Highest operational capacity utilisation: Construction & Civil Engineering, Real Estate and Logistics & Transport sectors. Lowest operational capacity utilisation: Health & Social Services and Hotels, Restaurants & Accommodations sectors.

F) **Capital Investment** outlook stands at 57.0, indicating that most businesses plan to maintain their current infrastructure and systems investment. Highest level of capital investment: Health & Social Services and Education sectors. Lowest level of capital investment: Hotels, Restaurants & Accommodations and Professional Services sectors.

EXECUTIVE SUMMARY 4/7

Business Sentiment Index

- ◆ G) **Hiring outlook** stands at 57.7, indicating that businesses intend to maintain their current workforce size. Most optimistic hiring outlook: Hotels, Restaurants & Accommodations, IT & Related Services and Education sectors. Least optimistic hiring outlook: Wholesale Trade, Manufacturing and Professional Services sectors.
- ◆ H) **Sentiment towards Government Policies** stands at 58.6, indicating that businesses are taking a neutral stance on government policies. Most optimistic: Banking & Insurance, Logistics & Transport and Construction & Civil Engineering sectors. Least optimistic: Health & Social Services, Retail Trade and Professional Services sectors.
- ◆ I) **Supply Chain & Operational Resilience** stands at 59.1, indicating that businesses are prepared to manage supply chain disruptions to a certain extent. Most prepared: Banking & Insurance and Education sectors. Least prepared: Health & Social Services and Real Estate sectors.
- ◆ J) **Ease of access to financing** stands at 55.4, reflecting moderate credit availability. Greatest access to financing: Banking & Insurance and Education sectors. Least access to financing: Health & Social Services sector.
- ◆ K) **Business growth confidence level** stands at 56.7, as businesses are cautious but stable in current economic conditions. Most optimistic: Education and IT & Related Services sectors. Least optimistic: Hotels, Restaurants & Accommodations and Retail Trade sectors.

EXECUTIVE SUMMARY 5/7

Sentiment towards Singapore Budget 2025

- Majority of businesses (92%) were either satisfied or neutral with Singapore Budget 2025, with more large companies (96%) satisfied or neutral as compared to SMEs (92%).
- The top 5 most useful measures are 50% Corporate Income Tax (CIT) Rebate (58%), enhancement of the Progressive Wage Credit Scheme (44%), CPF transition offset (37%), extension of Senior Employment Credit (30%) and new SkillsFuture Workforce Development Grant (16%).
- Around 1 in 2 businesses believe that Singapore Budget 2025 measures will help Singapore be a better place to start new business or develop new business ideas (52%) and support Singapore enterprises to scale up and compete on the global stage (51%).
- More than 1 in 3 businesses opine that Singapore Budget 2025 has addressed the cost concerns of businesses (38%) and has improved their confidence in Singapore's business environment over the next 12 months (37%).

EXECUTIVE SUMMARY 6/7

Supporting Enterprise & Workforce Transformation

- ◆ Around 1 in 2 businesses (52%) have taken steps to support enterprise transformation. Key challenges include high costs of adopting new technologies or business processes (47%), difficulty in getting staff appropriately skilled and aligned with transformation plans (31%) and uncertainty about return on investment for transformation efforts (30%).
- ◆ Amongst enterprise transformation measures announced during Singapore Budget 2025, the top 2 schemes that businesses are likely to tap on are government support schemes for internationalisation and development of Artificial Intelligence (AI).
- ◆ 49% of businesses have taken steps to support workforce transformation. Key challenges include shortage of manpower in covering duties when staff attends training (36%), difficulty in attracting or retaining talent with the right skills (33%) and concern that employees will not stay long enough for workforce transformation to be useful (27%).
- ◆ Out of those who intend to tap on the workforce transformation measures announced during Singapore Budget 2025, 69% plan to use the redesigned SkillsFuture Enterprise Credit, while 59% plan to use the new SkillsFuture Workforce Development Grant.

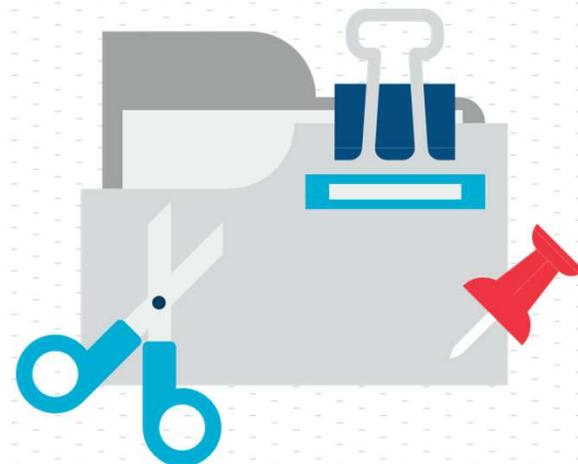
EXECUTIVE SUMMARY 7/7

Business Financing & Credit Challenges

- Majority (53%) of businesses have no liquidity issue but 1 in 4 (22%) face moderate to severe credit crunch, with 35% among them reporting not having enough cash to operate for 3-6 months. Key strategies businesses are prioritising to manage liquidity include cutting non-essential outflows (46%) and considering using credit facilities (25%) to address liquidity requirements.
- 27% of businesses have sought financing in the last 12 months, and the top reasons for seeking finance are expanding operations in Singapore (37%), hiring and workforce development (22%) and offering new products/services (20%).
- The top 5 sources of financing used are working capital loans (46%), term loans (36%), trade financing (36%), government-backed loans (17%) and government grants / subsidies (14%). Businesses have indicated higher success rate of obtaining full financing through private bank loans, with about 50% obtaining the full amount requested, as compared to government schemes (38%).
- The top 3 Enterprise Financing Scheme Loans applied are SME Working Capital Loan (63%), Trade Loan (33%), and Project Loan (17%). Key challenges faced with the application of Enterprise Financing Scheme include high interest rates or financing costs (46%), difficulties in meeting eligibility criteria for the selected loan types (42%) and lengthy approval or disbursement timeline (42%).
- Key financing support needed are government support programmes (59%), flexible repayment terms for loans (18%), access to alternative financing solutions (15%), and support from industry (15%).

✓ SECTION 1

Business Outlook



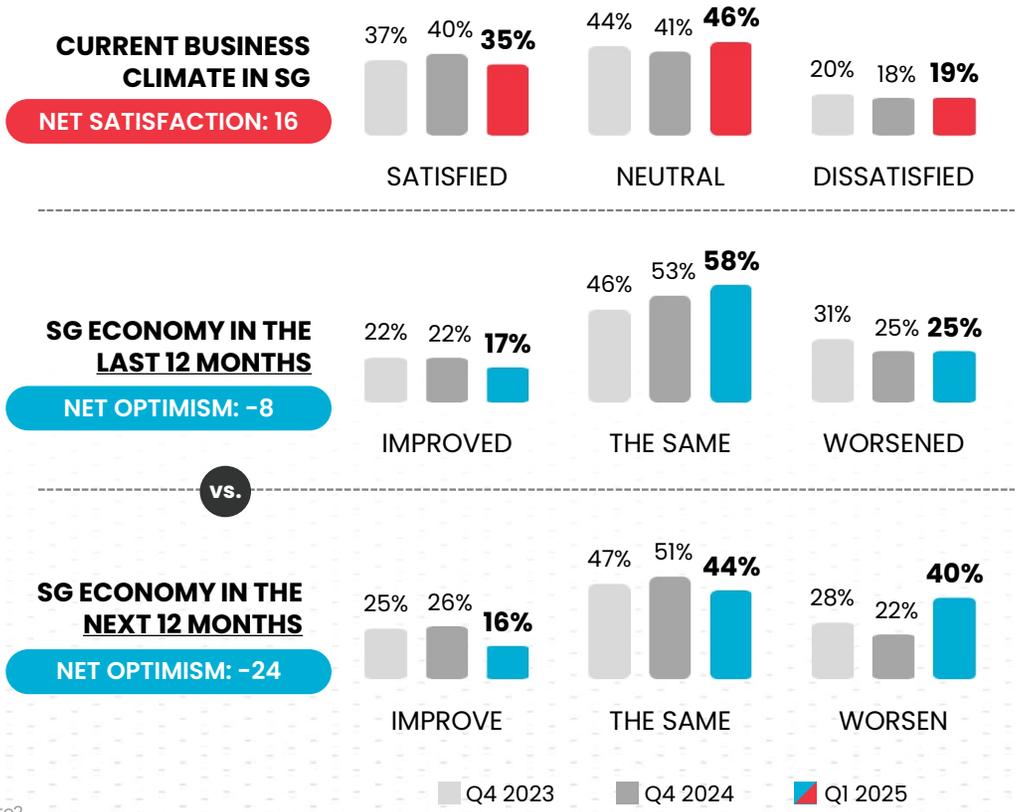
Business outlook has weakened, with proportion of businesses expecting the economy to worsen in the next 12 months increasing from 22% in Q4 2024 to 40% in Q1 2025.

The outlook for the year ahead is increasingly cautious, with 40% predicting tougher conditions, up from 22% in the last quarter.

44% cautiously anticipate no change in conditions. Only 16% expect improvements over the next 12 months, down from 26% in last quarter.

Softening sentiment is observed against a backdrop of rising global economic volatility and cost pressures.

Business Sentiment In Singapore



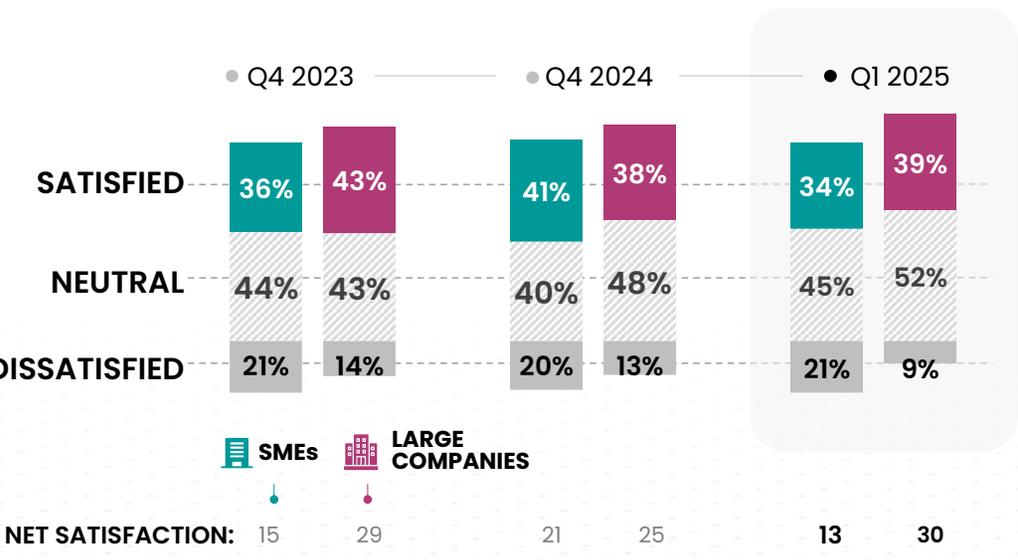
Decimal points have been rounded up. The total may not add up to 100%.



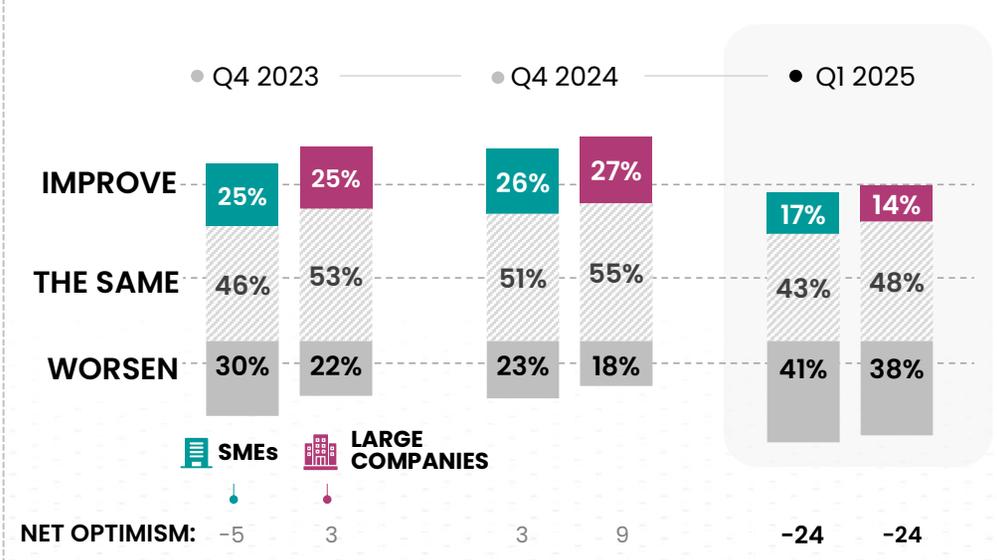
Base: All Respondents, n=1056 (Q4, 2023) n=519 (Q4, 2024) n=526 (Q1, 2025)
 Q1 How satisfied or dissatisfied are you with the current business / economic climate?
 Q2 Would you say that the business/economic climate in Singapore...?

Confidence in future outlook dips among both SMEs and Large Companies.

OUTLOOK ON CURRENT BUSINESS CLIMATE



OUTLOOK ON NEXT 12 MONTHS



Base: All Respondents, SMEs n=871 (Q4, 2023), n=430 (Q4, 2024), n=436 (Q1, 2025) | LC's n=185 (Q4, 2023) n=89 (Q4, 2024) n=90 (Q1, 2025)
 Q1 How satisfied or dissatisfied are you with the current business / economic climate?
 Q2 Would you say that the business/economic climate in Singapore...?

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

High pessimism among Hotels, Restaurants & Accommodations, Health and Social Services, and Retail Trade sectors, indicating concerns about future disruptions.

Base		PAST 12 MONTHS			NEXT 12 MONTHS		
		WORSENER	THE SAME	IMPROVED	WORSENER	THE SAME	IMPROVE
104	Wholesale Trade	26%	58%	16%	39%	39%	21%
74	Manufacturing <small>(e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)</small>	27%	62%	11%	41%	47%	12%
69	Other Financial and Insurance Activities <small>(e.g. Holding/Investment companies)</small>	17%	54%	29%	43%	41%	16%
59	Construction & Civil Engineering	14%	73%	14%	29%	54%	17%
49	Professional Services	31%	53%	16%	43%	41%	16%
38	Logistics & Transportation	26%	42%	32%	45%	37%	18%
36	IT & Related Services	31%	64%	6%	42%	44%	14%
20*	Administrative & Support Service Activities	45%	45%	10%	40%	40%	20%
15*	Retail Trade	33%	47%	20%	47%	40%	13%
14*	Education	14%	64%	21%	36%	50%	14%
11*	Banking & Insurance	0%	91%	9%	36%	64%	0%
11*	Other Service Activities	36%	55%	9%	36%	55%	9%
8*	Hotels, Restaurants & Accommodations	63%	25%	13%	50%	38%	13%
7*	Others	0%	71%	29%	43%	29%	29%
6*	Health & Social Services	33%	50%	17%	50%	33%	17%
5*	Real Estate Activities	20%	80%	0%	40%	60%	0%

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



Base: All Respondents, n=526 (Q1, 2025)
 Q1 How satisfied or dissatisfied are you with the current business / economic climate?
 Q2 Would you say that the business/economic climate in Singapore...?

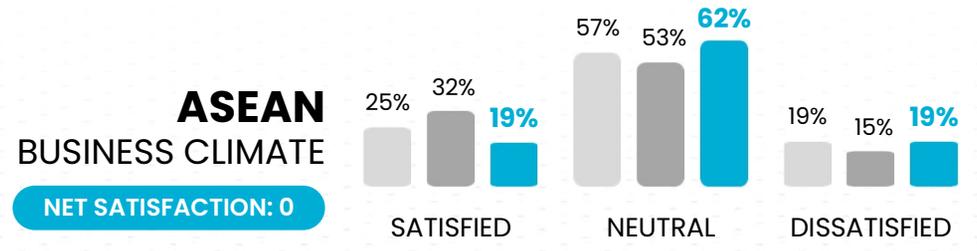
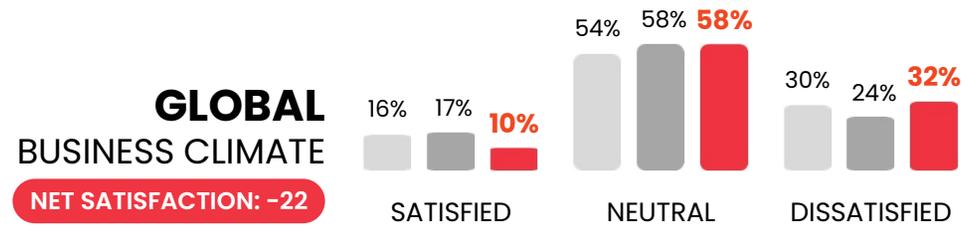
**Others (e.g. Agriculture and Fishing/Mining and Quarrying/Water Supply, Sewerage, Waste management/Public Administration and Defence/Arts, Entertainment and Recreation/ Electricity, Gas and Air-Conditioning Supply)

More businesses are expressing concern over the global economic environment, while sentiment toward the ASEAN business landscape remains neutral and cautious.

Global uncertainty is dampening business sentiment, with nearly 1 in 3 businesses in Singapore dissatisfied with current global business climate

ASEAN business environment is not viewed as negatively, suggesting businesses are differentiating between global challenges and regional prospects. However, satisfaction with both global and ASEAN business climate have dropped significantly.

Business Sentiment on Global & Regional Economic Climate



Q4 2023 Q4 2024 Q1 2025



Base: All Respondents, n=1056 (Q4, 2023) n=519 (Q4, 2024) n=526 (Q1, 2025)
Q1 How satisfied or dissatisfied are you with the current business / economic climate?

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

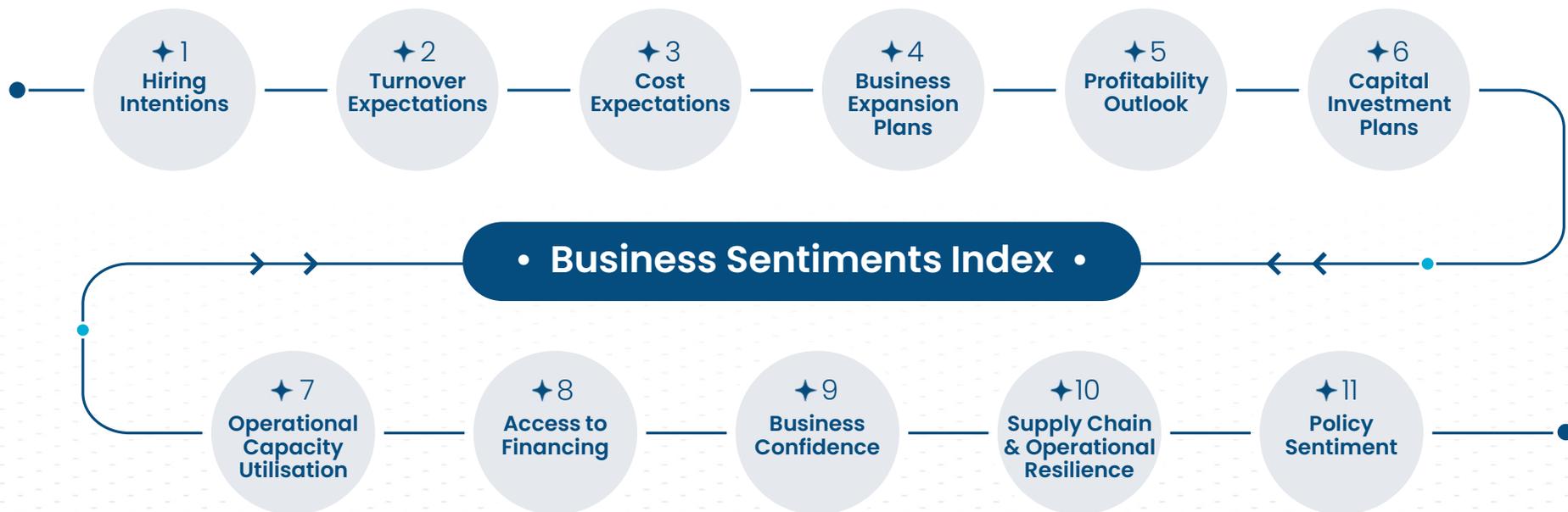
✓ SECTION 2

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 **11 key business sentiment components**. Each component is assigned a **fixed weight** to ensure consistent interpretation and comparability.



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 overall Business Sentiment Index (BSI) stands at 56.5, reflecting **cautious sentiment** among businesses. The initial announcement of U.S. tariffs on 2 April may have dampened confidence, but the subsequent pausing of further reciprocal tariffs on 9 April may have stabilised sentiments to some extent. The **broadly neutral outlook** suggests that businesses are maintaining a **steady stance amid ongoing global economic volatility**. However, the full impact of these developments on business confidence can be more accurately assessed through subsequent rounds of BSI tracking.

BSI BY COMPANY TYPE & SECTORS Overall: 56.5 | SME: 56.4 | Large Co.: 57.0



SBF **BLACK BOX** **Caveat: Low sample size limits statistical robustness, and results should be interpreted as directional insights.*
Base: All Respondents (Overall, n=526 | SME, n=436, LC, n=90)

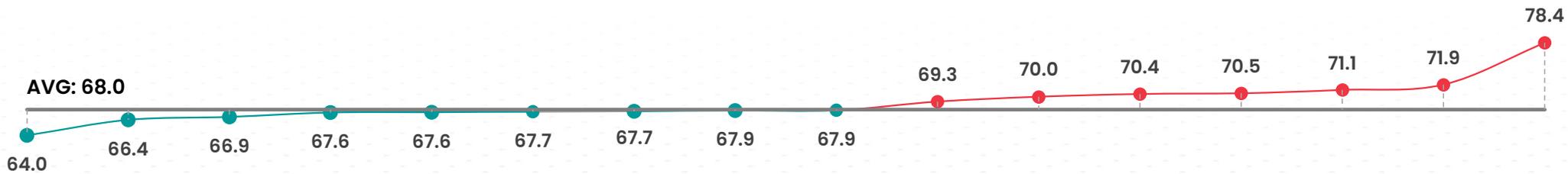
Deep-Dive into Business Sentiment Index Sub-Components

Cost outlook stands at 68.0, indicating that businesses generally anticipate **rising cost pressures** over the next six months, especially among businesses in the Real Estate and Hotels, Restaurants & Accommodations sector.

COST EXPECTATIONS BY COMPANY TYPE & SECTORS

Overall: **68.0** | SME: **68.1** | Large Co.: **67.5**

Other Service Activities	Retail Trade	Other Fin. & Insurance Activities	Logistics & Transport	Admin & Support Svcs	Construction & Civ. Eng	Wholesale Trade	Professional Svcs	MFG	IT & Related Svcs	Health & Social Svcs	Others	Banking & Insurance	Education	Hotels, Restaurants & Accommodations	Real Estate Activities
n=11*	n=15*	n=69	n=38	n=20*	n=59	n=104	n=49	n=74	n=36	n=6*	n=7*	n=11*	n=14*	n=8*	n=5*



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

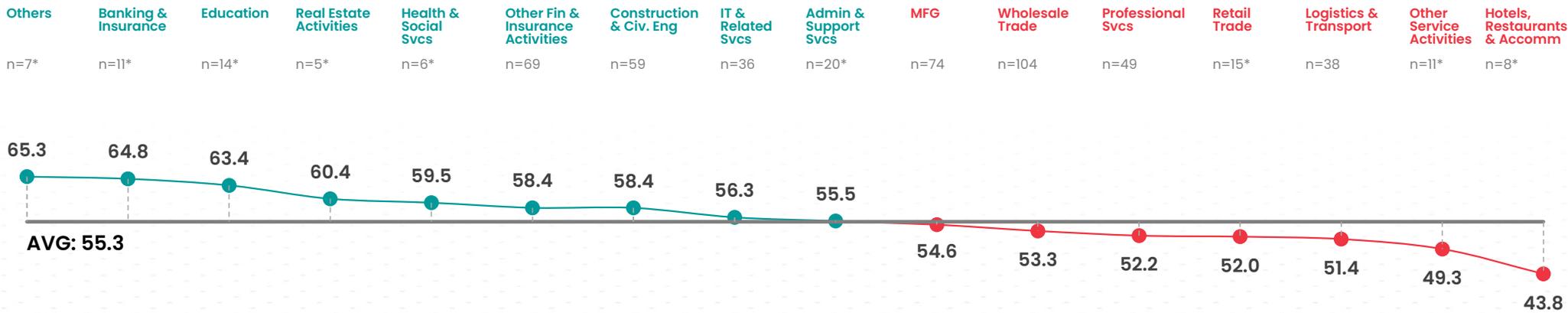
Base: All Respondents (Overall, n=526 | SME, n=436, LC, n=90)
Q4 How do you anticipate your company's cost will change over the next six months?

Deep-Dive into Business Sentiment Index Sub-Components

Businesses are taking a **measured view** on **revenue performance**, as reflected in the **moderate** score of 55.3. Slightly more positive sentiment is observed in the Banking & Insurance and Education sectors, in contrast to the more subdued outlook in the Hotels, Restaurants & Accommodations sector.

REVENUE EXPECTATIONS BY COMPANY TYPE & SECTORS

Overall: **55.3** | SME: **55.4** | Large Co.: **54.9**



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

Base: All Respondents (Overall, n=526 | SME, n=436, LC, n=90)
 Q3 How do you anticipate your company's revenue will change over the next six months?

Deep-Dive into Business Sentiment Index Sub-Components

Profitability sentiment also point to stable sentiments, with an overall index score of 53.7. While not indicative of strong profit growth, businesses are generally confident in sustaining current profit levels. Sectors such as Education, Real Estate and Banking & Insurance show stronger outlook, while Hotels, Restaurants & Accommodations, Retail Trade and Logistics & Transport sectors signal continued margin pressures.

PROFITABILITY EXPECTATIONS BY COMPANY TYPE & SECTORS Overall: 53.7 | SME: 54.1 | Large Co.: 51.9



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

Base: All Respondents (Overall, n=526 | SME, n=436, LC, n=90)
Q5 What are your expectations for your business' profitability in the upcoming six months?

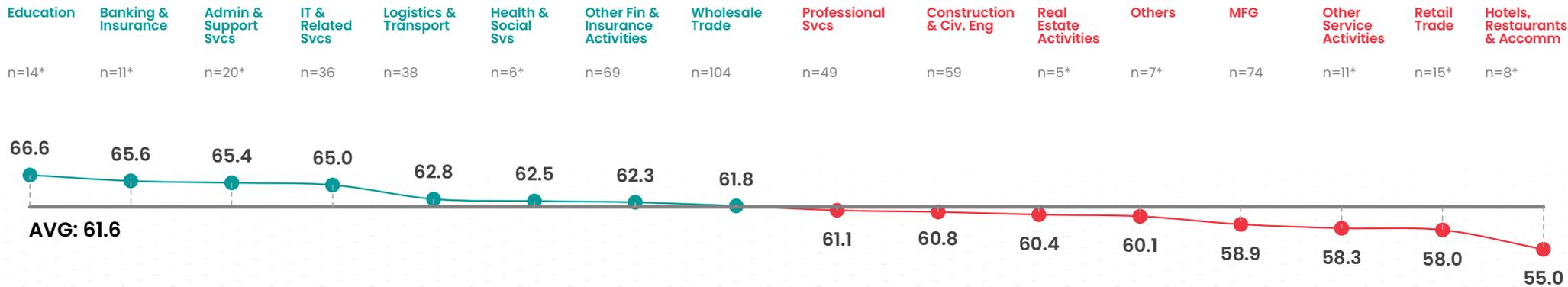


Deep-Dive into Business Sentiment Index Sub-Components

Businesses show **moderate growth sentiment**, with an overall index score of 61.6 for outlook on business expansion. Confidence is stronger in sectors such as Education, Banking & Insurance and Admin & Support Services, while sectors such as Hotels, Restaurants & Accommodations and Retail Trade remain more cautious.

OUTLOOK ON BUSINESS EXPANSION BY COMPANY TYPE & SECTORS

Overall: **61.6** | SME: **61.7** | Large Co.: **61.0**



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

Base: All Respondents (Overall, n=526 | SME, n=436, LC, n=90)

Q7 Are you planning to expand or contract your business in terms of products, services, or markets in the next six months?

Deep-Dive into Business Sentiment Index Sub-Components

With capacity utilisation standing at 56.5, it suggests businesses are operating **near optimal levels** without major strain. However, to support future growth, some may need to scale resources or manpower, especially in sectors like Construction & Civil Engineering, Real Estate and Logistics & Transportation, where the level of utilisation is higher.

OPERATIONAL CAPACITY UTILISATION BY COMPANY TYPE & SECTORS

Overall: **56.5** | SME: **56.2** | Large Co.: **57.6**



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

Base: All Respondents (Overall, n=526 | SME, n=436, LC, n=90)
 Q9 At what capacity is your business currently operating?



Deep-Dive into Business Sentiment Index Sub-Components

The capital investment outlook score of 57.0 indicates that most businesses plan to maintain, rather than significantly increase, their current infrastructure and systems investment over the next six months. Health & Social Services and Education sectors hold a more positive outlook on capital investment, in contrast to the Hotels, Restaurants & Accommodations sector, which has a more subdued outlook.

OUTLOOK ON CAPITAL INVESTMENT BY COMPANY TYPE & SECTORS

Overall: **57.0** | SME: **56.7** | Large Co.: **58.3**



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

Base: All Respondents (Overall, n=526 | SME, n=436, LC, n=90)

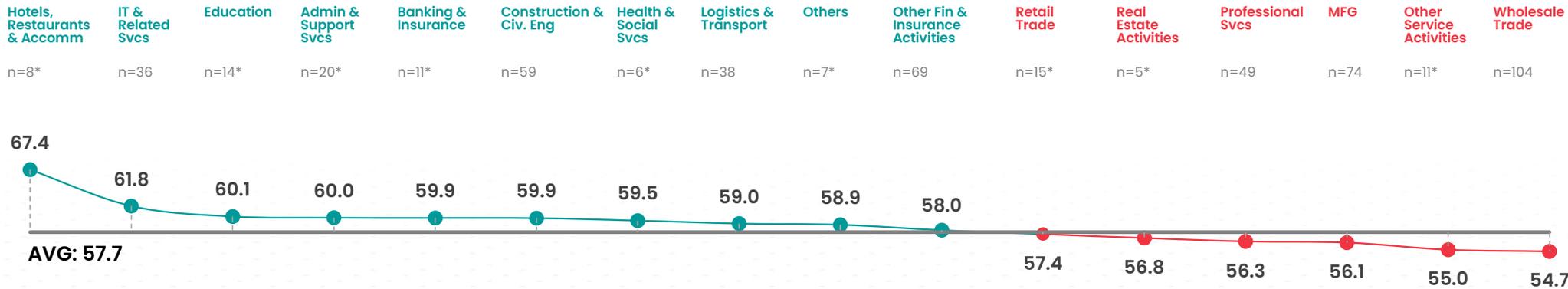
Q8 What level of capital investment (e.g. machinery, technology, infrastructure) do you plan to pursue over the next six months?

Deep-Dive into Business Sentiment Index Sub-Components

Hiring outlook sentiments stand at 57.7, suggesting that most businesses intend to **maintain their current workforce size** over the next six months, with limited plans to increase headcount. However, stronger hiring sentiment is observed in the Hotels, Restaurants & Accommodations and IT & Related Services sectors, where businesses appear more upbeat about talent acquisition.

HIRING OUTLOOK BY COMPANY TYPE & SECTORS

Overall: **57.7** | SME: **57.7** | Large Co.: **57.6**



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

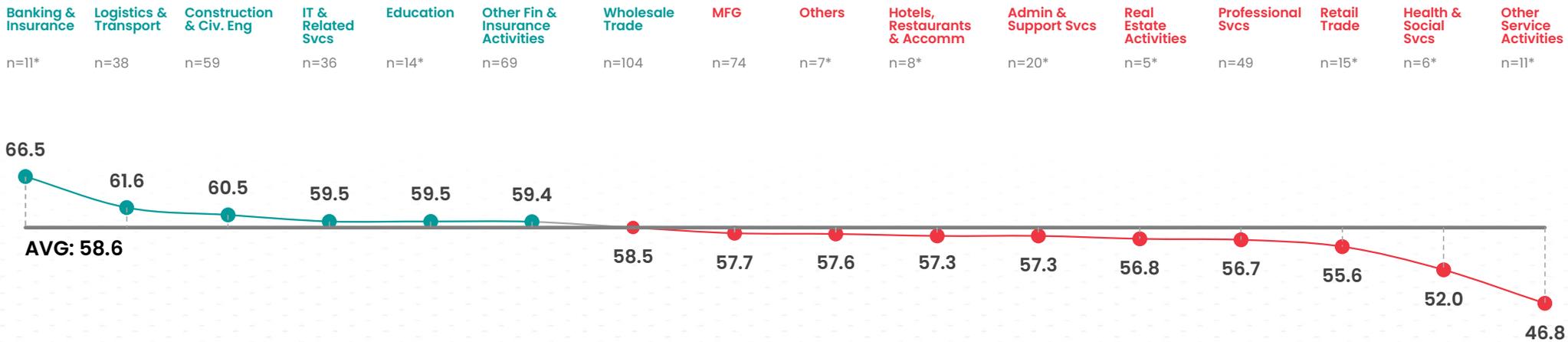
Base: All Respondents (Overall, n=526 | SME, n=436, LC, n=90)
 Q6 What are your hiring plans for the next six months?

Deep-Dive into Business Sentiment Index Sub-Components

Businesses are currently leaning towards being **moderately upbeat** about government policies supporting their sectors, with a policy sentiment score of 58.6. Yet, with economic uncertainties still looming, it remains to be seen whether the level of government support is keeping up with business needs and sufficient to anchor confidence moving forward. Banking & Insurance sector has the most confidence in government policies, while Health & Social Services sector has the least confidence.

SENTIMENT TOWARDS GOVERNMENT SUPPORT BY COMPANY TYPE & SECTORS

Overall: **58.6** | SME: **58.6** | Large Co.: **58.5**



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

Base: All Respondents (Overall, n=526 | SME, n=436, LC, n=90)
 Q13. To what extent do current government policies support your industry's growth?

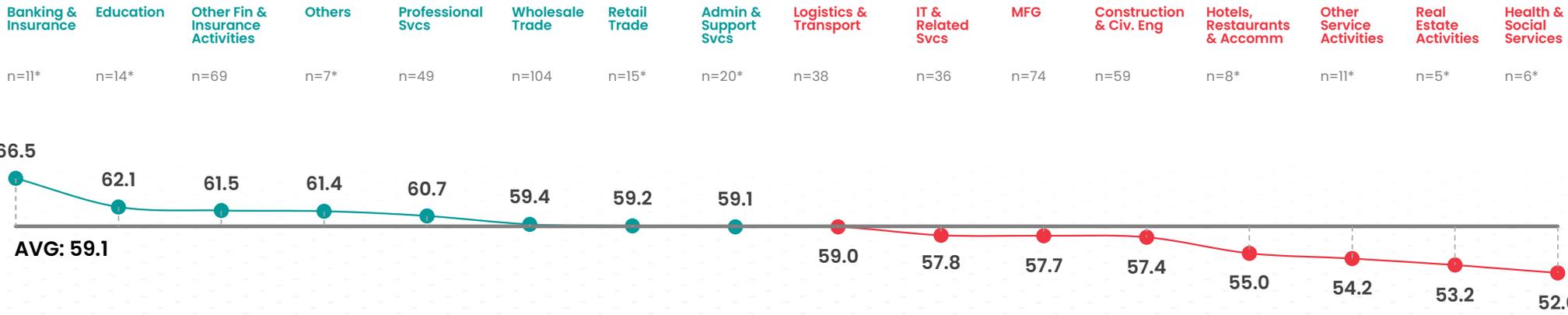


Deep-Dive into Business Sentiment Index Sub-Components

Businesses generally indicate **some degree of preparedness** (59.1) to manage **supply chain disruptions** in the near six months. Though SMEs tend to be slightly less prepared, possibly due to constraints in diversifying suppliers or maintaining inventory buffers. Banking & Insurance is the most prepared sector to manage supply chain disruptions, while Health & Social Services is the least prepared sector.

SUPPLY CHAIN & OPERATIONAL RESILIENCE BY COMPANY TYPE & SECTORS

Overall: **59.1** | SME: **58.7** | Large Co.: **61.2**



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

Base: All Respondents (Overall, n=526 | SME, n=436, LC, n=90)
 Q12. How prepared is your business to handle supply chain disruptions in the next six months?

Deep-Dive into Business Sentiment Index Sub-Components

Businesses score closer to the **neutral midpoint** on **ease of access to financing** (55.4), reflecting that credit availability may not be particularly readily accessible to businesses looking to manage operation cashflow or pursuing growth opportunities. Financing is more readily accessible to the Banking & Insurance sector, as compared to the Health & Social Services sector.

ACCESS TO FINANCING BY COMPANY TYPE & SECTORS

Overall: **55.4** | SME: **54.8** | Large Co.: **58.2**



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

Base: All Respondents (Overall, n=526 | SME, n=436, LC, n=90)
 Q10. How would you rate the ease of obtaining financing or credit for your business needs?

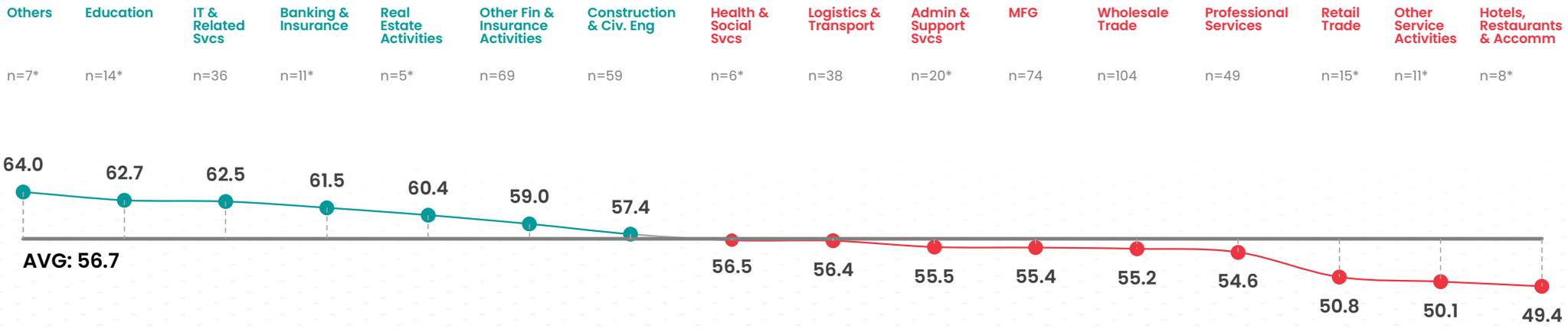


Deep-Dive into Business Sentiment Index Sub-Components

Overall, business sentiment is **cautious but stable** in current economic conditions. While confidence in growth prospects is moderate at 56.7, most businesses do not anticipate a contraction. This sentiment is consistent among both SMEs and Large Companies. Sectors with the most confidence in growth prospects are Education and IT & Related Services sectors, while sectors with the least confidence are Hotels, Restaurants & Accommodations and Retail Trade.

GROWTH CONFIDENCE BY COMPANY TYPE & SECTORS

Overall: **56.7** | SME: **56.7** | Large Co.: **56.7**



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

Base: All Respondents (Overall, n=526 | SME, n=436, LC, n=90)
 Q11 How confident are you about your business' growth prospects over the next six months?



✓ SECTION 3

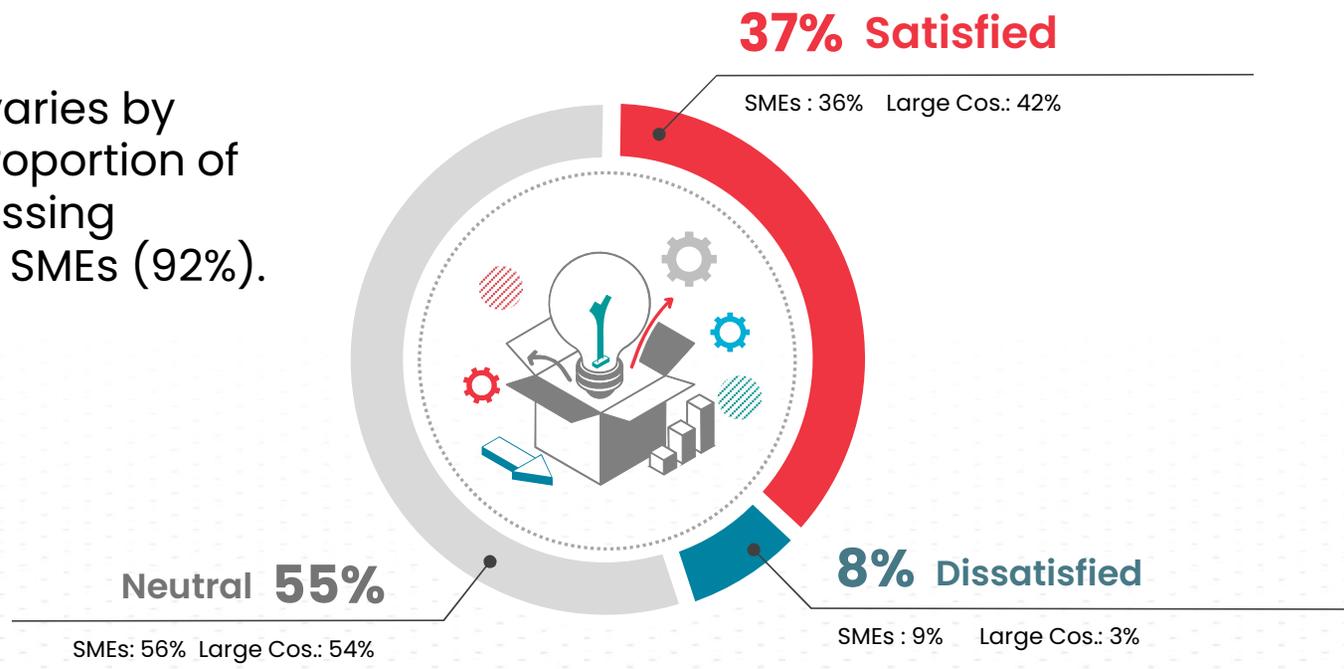
Sentiment towards Singapore Budget 2025



★ **Most businesses (92%) were either satisfied or neutral with Singapore Budget 2025 in meeting the needs of businesses.**

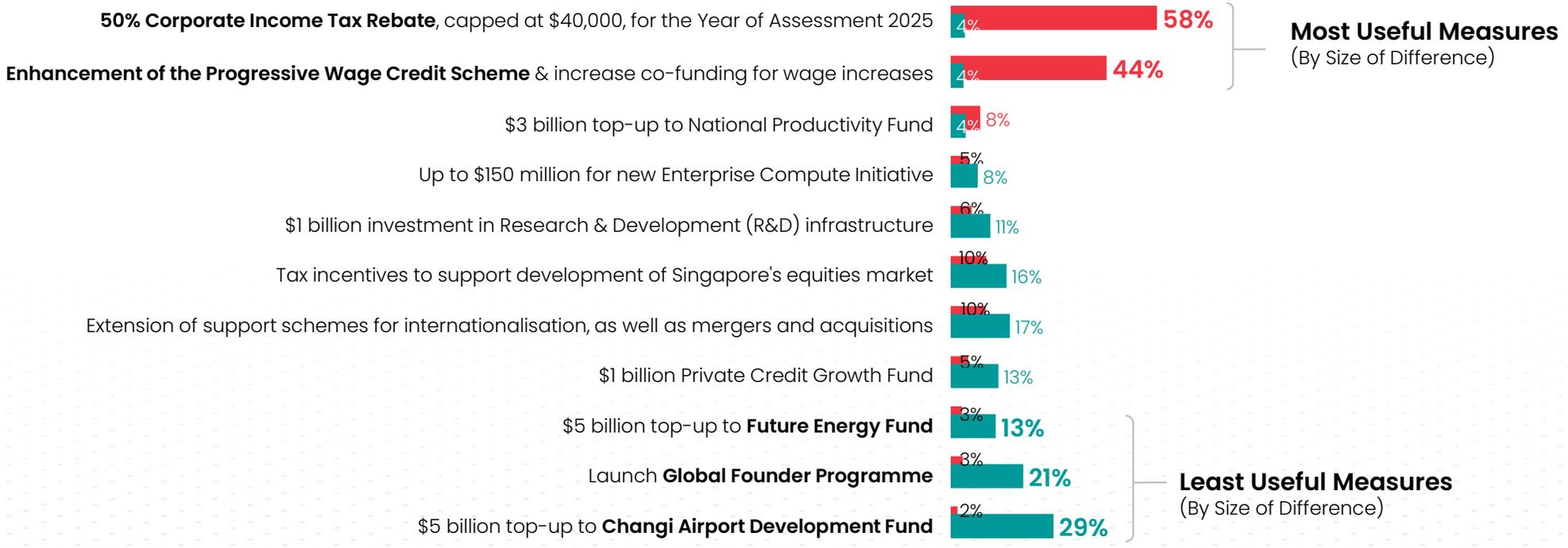
Business Satisfaction with Singapore Budget 2025

Satisfaction with the Budget varies by business size, with a higher proportion of large companies (96%) expressing satisfaction or neutrality than SMEs (92%).



Businesses highly welcome Budget 2025 growth measures that directly ease financial pressures such as corporate income tax rebate and increased support via the Progressive Wage Credit Scheme.

Most and Least Useful Budget 2025 Measures for Empowering Businesses for Growth & Success % Selected as: ■ Most Useful ■ Least Useful

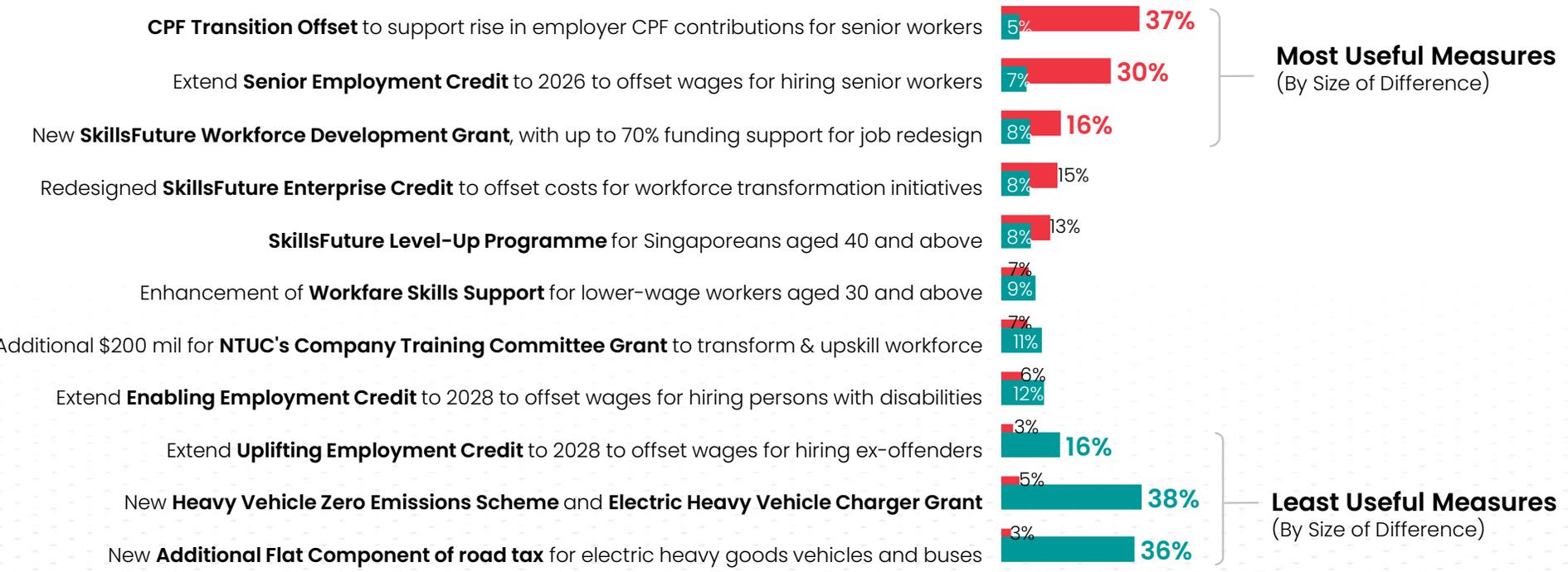


Base: All Respondents (n=526)
 Q15. Looking at the list below, please select the top 3 new or enhanced Singapore Budget 2025 measures that are most and least useful to your company, considering only those relevant to your company.

Workforce development measures that reduce cost of hiring and incentivises job redesign stood out among businesses. In contrast, sustainability-building efforts, such as EV support, has lesser resonance for larger pool of businesses.

Most and Least Useful Budget 2025 Measures for Equipping Workers Throughout Life & Building A Sustainable City

% Selected as: ■ Most Useful ■ Least Useful



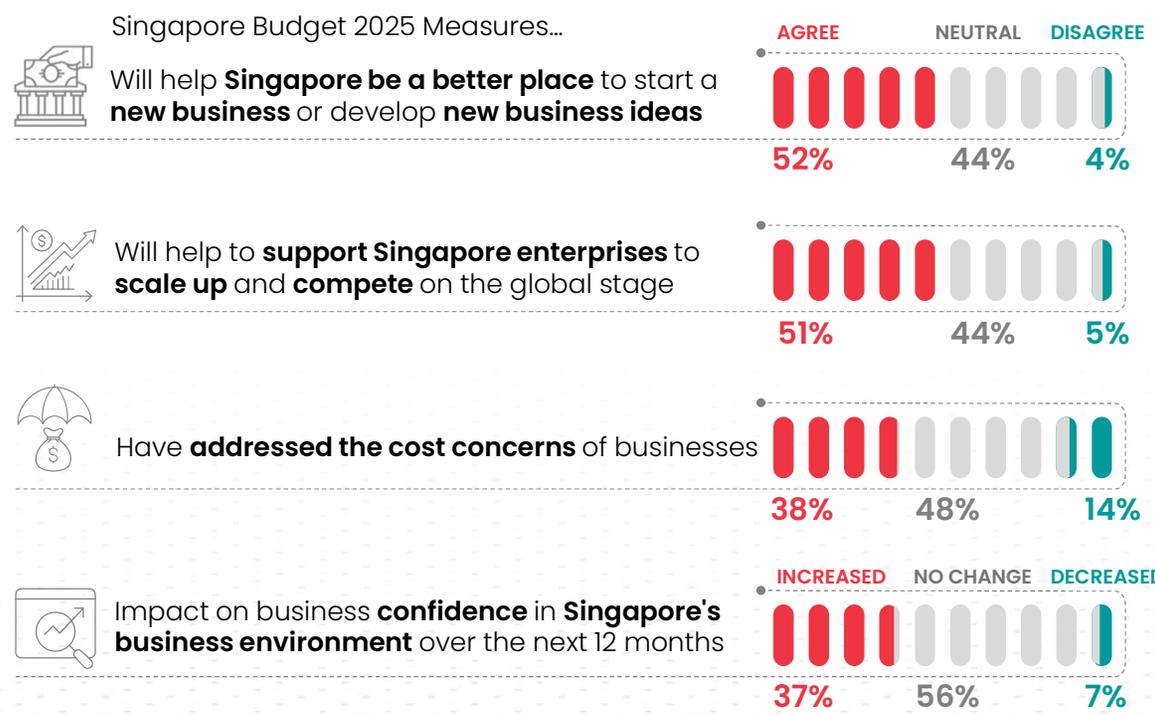
Base: All Respondents (n=526)
 Q15. Looking at the list below, please select the top 3 new or enhanced Singapore Budget 2025 measures that are most and least useful to your company, considering only those relevant to your company.

Around 1 in 2 businesses believe that the Singapore Budget 2025 measures support new business growth and strengthen overall business competitiveness.

While supportive of growth, Budget 2025 falls short on cost relief. Only 38% of businesses feel the measures addressed their cost concerns

More than 1 in 3 companies indicated the measures have improved their confidence in Singapore's business outlook over the next year.

Perception of Singapore Budget 2025



Base: All Respondents (n=526)
 Q17a. To what extent do you agree that Singapore Budget 2025 measures to strengthen our enterprise ecosystem will help Singapore be a better place to start a new business or develop new business ideas?
 Q18a. To what extent do you agree that Singapore Budget 2025 measures help to support Singapore enterprises to scale up and compete on the global stage?
 Q19a. To what extent do you agree that the Singapore Budget 2025 measures have addressed the cost concerns of businesses?
 Q20. How has the Singapore Budget 2025 impacted your confidence in Singapore's business environment over the next 12 months

SMEs and Large Companies share similar views on the perceived impact of Singapore Budget 2025.

Perception of Singapore Budget 2025



Will help **Singapore be a better place to start a new business or develop new business ideas**



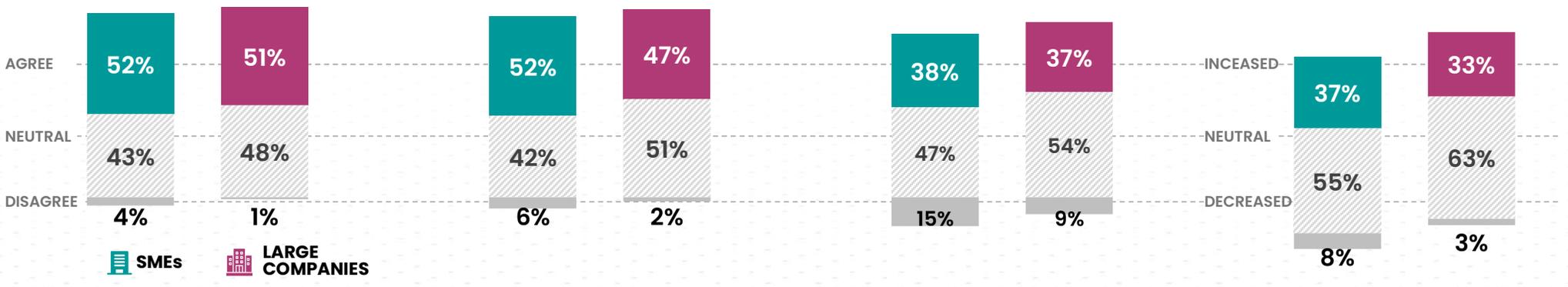
Will help to **support Singapore enterprises to scale up and compete** on the global stage



Have **addressed the cost concerns** of businesses



Impact on business **confidence in Singapore's business environment** over the next 12 months



Base: All Respondents (n=526), SME (n=436), Large Companies (n=90)
 Q17a. To what extent do you agree that Singapore Budget 2025 measures to strengthen our enterprise ecosystem will help Singapore be a better place to start a new business or develop new business ideas?
 Q18a. To what extent do you agree that Singapore Budget 2025 measures help to support Singapore enterprises to scale up and compete on the global stage?
 Q19a. To what extent do you agree that the Singapore Budget 2025 measures have addressed the cost concerns of businesses?
 Q20. How has the Singapore Budget 2025 impacted your confidence in Singapore's business environment over the next 12 months

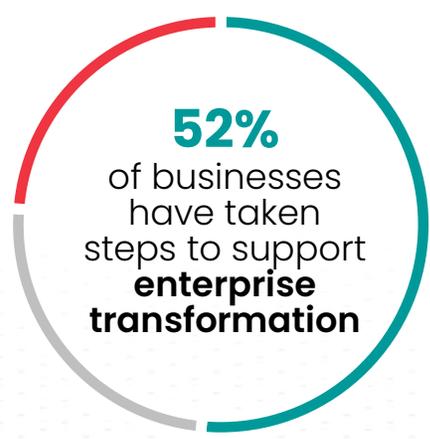
✓ SECTION 4

Supporting Enterprise & Workforce Transformation

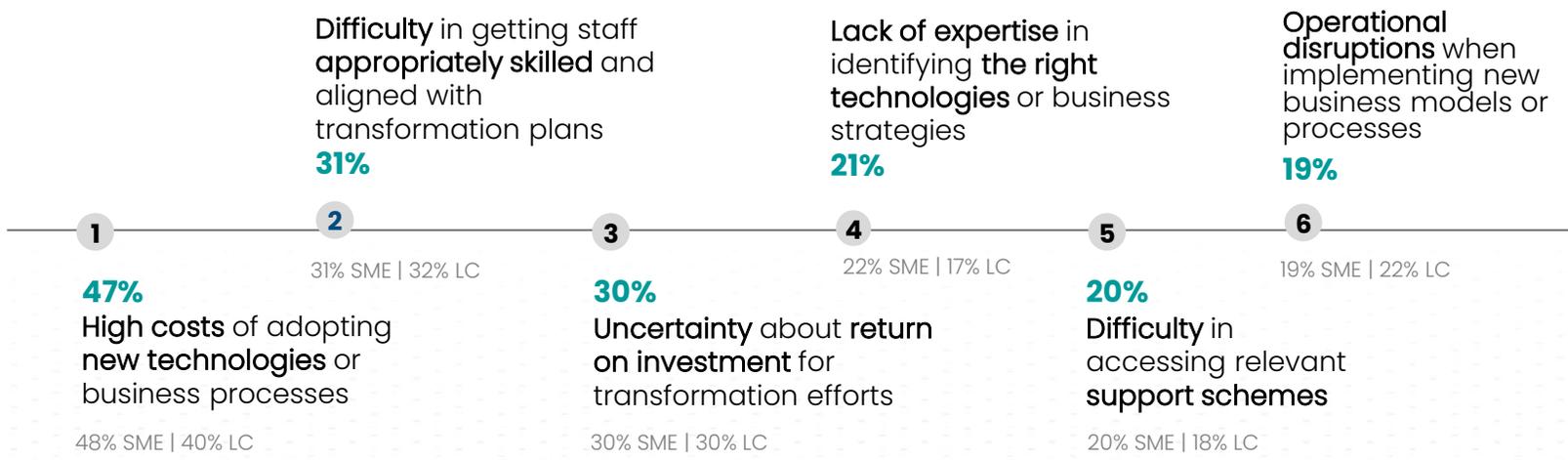


✦ **Around 1 in 2 businesses have embarked on enterprise transformation efforts, but key barriers remain—high technology adoption costs, challenges in staff upskilling, and uncertainty over return on investment.**

Implementation of Enterprise Transformation & Challenges of Implementation



24% ● Planning to Implement
25% ● Not Applicable/Unsure



Base: All Respondents (Overall, n=526 | SME, n=436, LC, n=90)
Q22. Has your company taken steps to support enterprise transformation?
Q23. What challenges does your company face in implementing enterprise transformation?

1 in 2 businesses intend to tap on internationalisation scheme to expand overseas.

Amongst the Enterprise Transformation measures announced during Budget 2025, the top 2 measures that businesses are most likely to tap on are internationalisation and development of Artificial Intelligence (AI) schemes.

Intent to Tap on Enterprise Transformation Measures



51%

Government support schemes for **internationalisation** to expand overseas

53% SME | 44% LC



36%

Partner major **cloud service providers** under the **Enterprise Compute Initiative** to access AI tools and computing power, as well as expert consultancy services

35% SME | 39% LC



28%

Private Credit Growth Fund for local enterprises to scale up

28% SME | 27% LC



25%

Government support schemes for **mergers and acquisitions** to grow through **strategic acquisitions**

24% SME | 29% LC



14%

Global Founder Programme to encourage global founders to anchor and grow more **new ventures** in Singapore

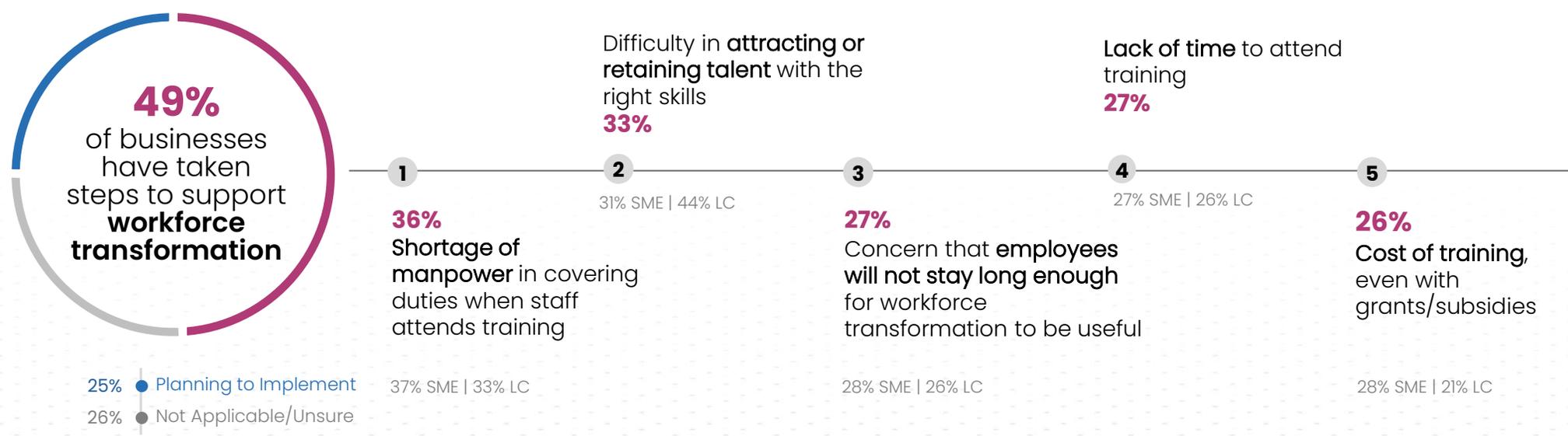
13% SME | 20% LC



Base: Those who intend to adopt Enterprise Transformation measures announced in Singapore Budget 2025 (Overall, n=246 | SMEs, n=205 | LC's, n=41)
Q21. Which of the following enterprise transformation measures announced in Singapore Budget 2025 does your company plan to leverage?

Nearly half of businesses have initiated workforce transformation, but a lack of staff to cover duties during training and difficulties in attracting or retaining talent remain key challenges.

Implementation of Workforce Transformation & Challenges of Implementation



Base: All Respondents (n=526)
Q25. Has your company taken steps to support workforce transformation?
Q26. What challenges does your company face in adopting workforce transformation?

Around 2 in 3 businesses plan to tap on SkillsFuture Enterprise Credit scheme to support their workforce transformation efforts.

Additionally, 59% of businesses plan to tap on the new SkillsFuture Workforce Develop Grant for funding support for job redesign.

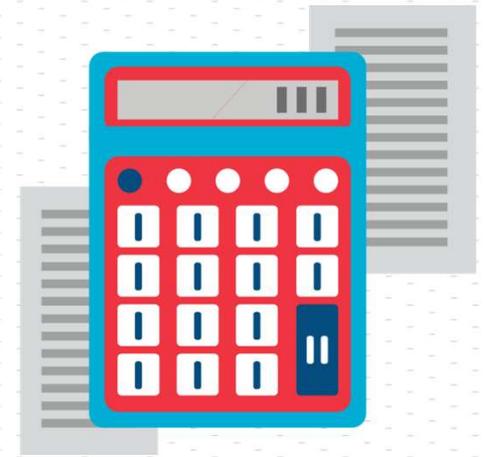
Intent to Tap on Workforce Transformation Measures



Base: Those who intend to tap on the Workforce Transformation measures announced in Singapore Budget 2025, Overall, n=262 | SMEs, n=219 | LC's, n=43 Q24. Which of the following Workforce Transformation measures announced in Singapore Budget 2025 does your company plan to leverage?

✓ SECTION 5

Business Financing & Credit Challenges



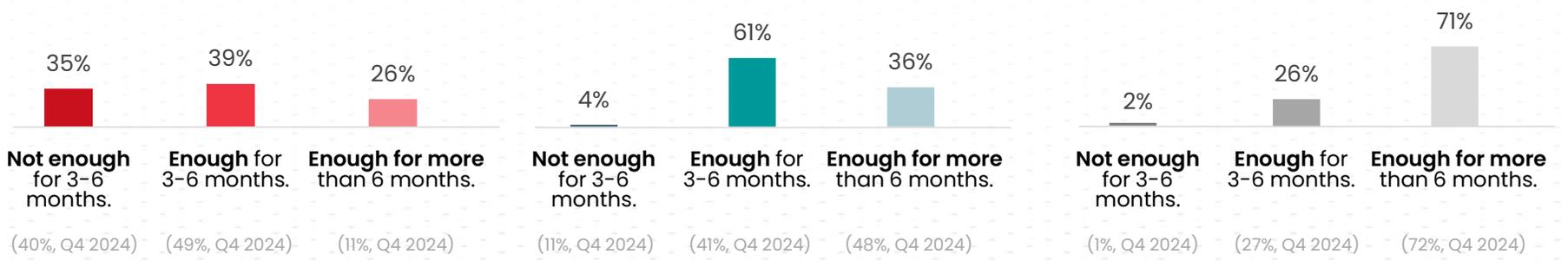
Almost 1 in 2 businesses report some form of credit crunch.

53% of businesses report **strong liquidity**. But among the 22% facing moderate to severe credit crunch, nearly half (45%) indicate **insufficient funds** for the next 3 to 6 months.

Level of Credit Crunch Experienced by Businesses...



Minimum Cash and Liquidity Requirements...



Base: All Respondents (n=526)
 Q27. Given the current business climate, is your company facing a credit/cash crunch?
 Q28. Which of the following statement best describes your company's minimum cash and liquidity requirements?

**Excludes those unaware of company's liquidity status*

Reducing non-essential expenditures is the immediate strategy businesses are adopting to address liquidity requirements.

The top 2 strategies adopted are managing liquidity by **minimising non-essential outflows** (46%) and using **credit facilities** (25%).

Key Steps Taken to Address Liquidity Requirements



46% (46%, Q4 2024)

Controlling flow of outgoing payments by **minimising non-essential outflows**



25% (24%, Q4 2024)

Consider using **credit facilities**



22% (27%, Q4 2024)

Boosting collection capability by **assessing customer credit risk** and determining any required actions



21% (23%, Q4 2024)

Delay investment plans (e.g. automation, upgrading production facilities, R&D spending)



19% (25%, Q4 2024)

Assess **vendor relationships** and payment priorities to consider opportunities to hold or **delay outflows**



19% (22%, Q4 2024)

Implemented plans for **rapid cost reductions** i.e. bonus freezes



17% (23%, Q4 2024)

Understand materials needed and risks to **manage supply options**



12% (11%, Q4 2024)

Obtain loan / venture capital funding based on my enterprise's intangible assets



Base: All Respondents (n=526)
Q29. Has your organisation taken steps to address liquidity and working capital requirements such as...

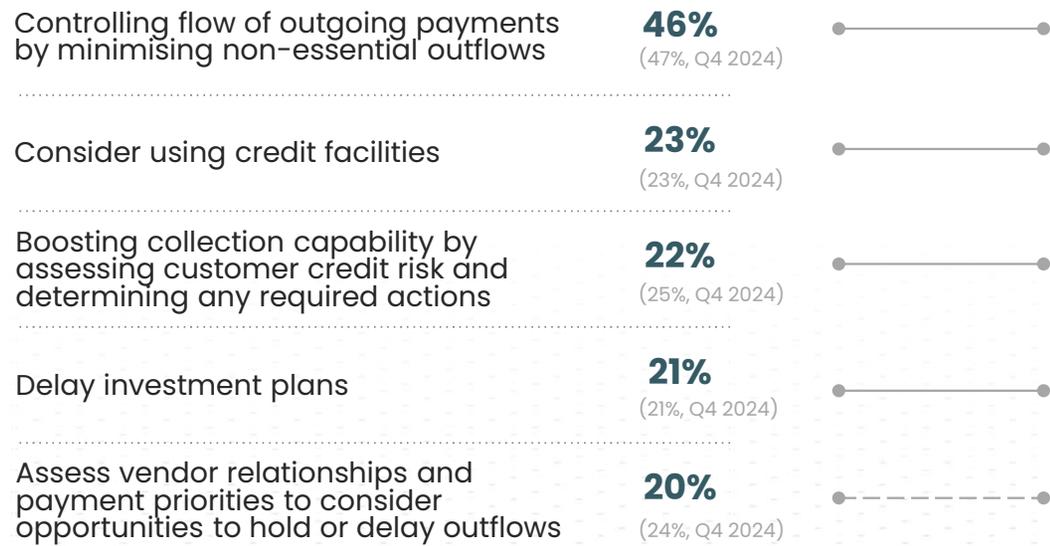
SMEs and Large Companies adopt a similar set of strategies to manage liquidity and working capital needs.



SMEs
Base: 436



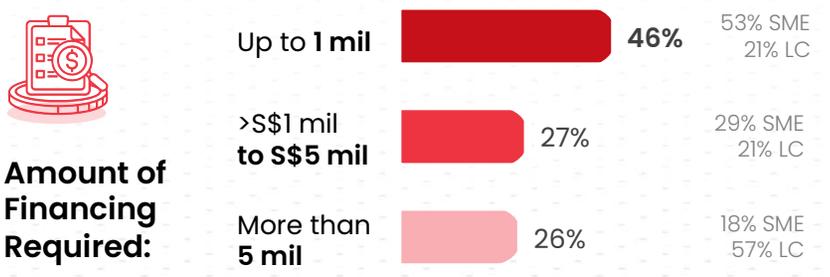
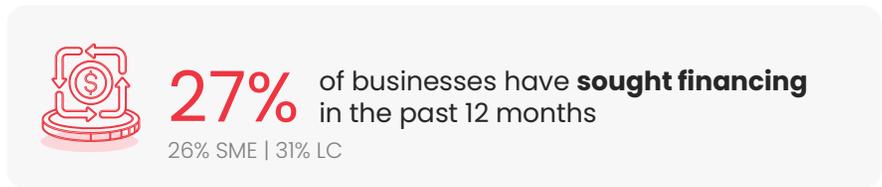
LARGE COMPANIES
Base: 90



Around 1 in 4 businesses have sought financing in the past year, driven mainly by plans for local expansion.

Other key reasons for seeking financing is workforce development (22%), investing in hiring or workforce development (20%), as well as business expansion overseas (19%)

Use of Financing in the P12M



Top 5 Reasons for Seeking Financing:

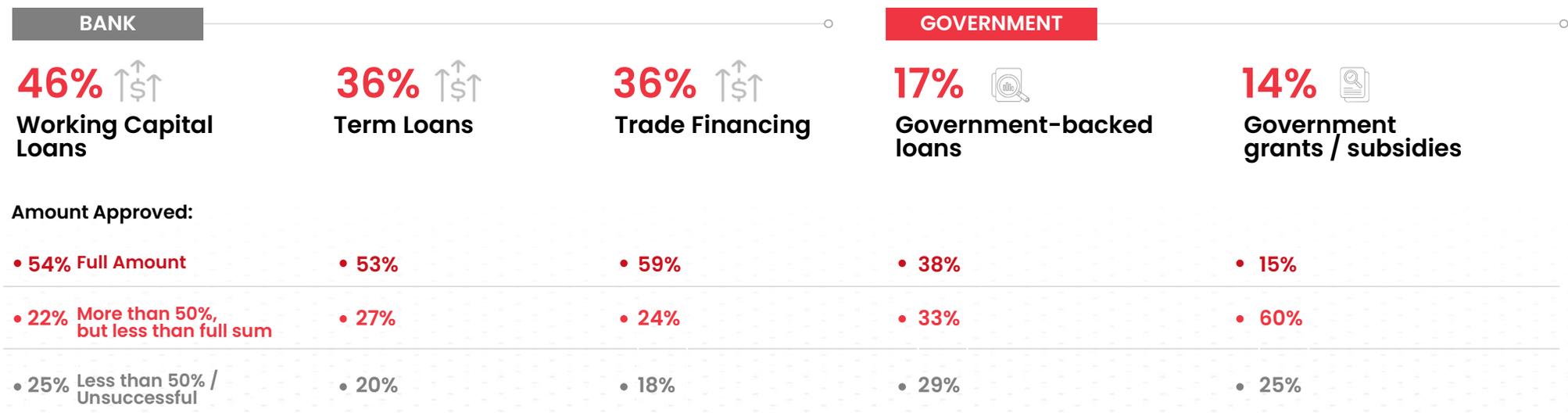


Q30. Has your company sought financing over the last 12 months? Base: All Respondents (n=526)
 Q31 What was the amount of financing required for the past 12 months? Base: Those who said "Yes" in Q29 (n=142)
 Q32 What was/were the reason(s) for your company to seek financing? Base: Those who said "Yes" in Q29 (n=142)

Private financing through banks is the primary source of funding for businesses, with working capital loans being the most commonly used loan type.

Businesses indicated higher success rate of obtaining full financing through private bank loans, with about 50% obtaining the full amount requested—higher than the success rate for government schemes.

Top 5 Sources of Financing Used



Base: Those who said "Yes" in Q29 (n=142)
 Q33. What source did your company use to seek financing?
 Q36. What was the outcome of the financing request, and what was the approved amount, if applicable?

SMEs primarily depend on working capital loans for financing, whereas large companies utilise a more diversified mix including trade financing, term loans, and private equity.

Top 5 Sources of Financing Used

 **SMEs**
Base: 114

 **LARGE COMPANIES**
Base: 28*

Bank - Working Capital Loans **54%**

Bank - Trade Financing **32%**

Bank - Term Loans **38%**

Bank - Term Loans **29%**

Bank - Trade Financing **37%**

Private Equity **21%**

Government-backed Loans **19%**

Bank - Working Capital Loans **14%**

Government Grants / Subsidies **15%**

Venture Capital **14%**

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

Base: Those who said "Yes" in Q29 (n=142)
Q33. What source did your company use to seek financing?

SME Working Capital Loan is the main form of Enterprise Financing Scheme businesses tap on to manage operational cashflow needs.

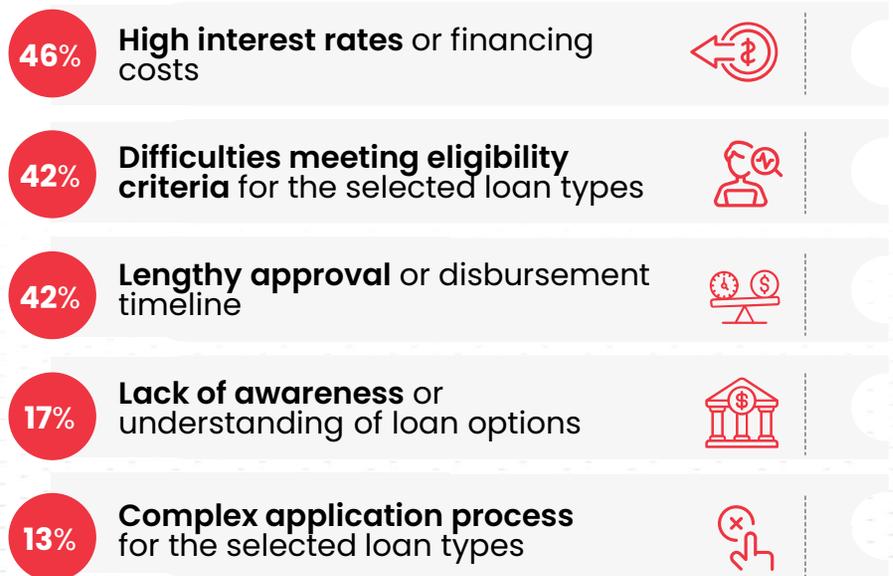
However, high cost of borrowing, difficulties in meeting eligibility criteria and lengthy approval timeline are the key challenges applicants face trying to leverage Enterprise Financing Scheme

Financing Through Government – Backed Loans*

Top 3 Enterprise Financing Scheme Loans Applied:



Key Challenges with Loan Application:



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

Base: Those who sought financing through Government-backed Loans, (n=24)
Q34. Which type of Enterprise Financing Scheme loan did your company apply for?
Q35. What challenges did your company face when applying for Enterprise Financing Scheme?

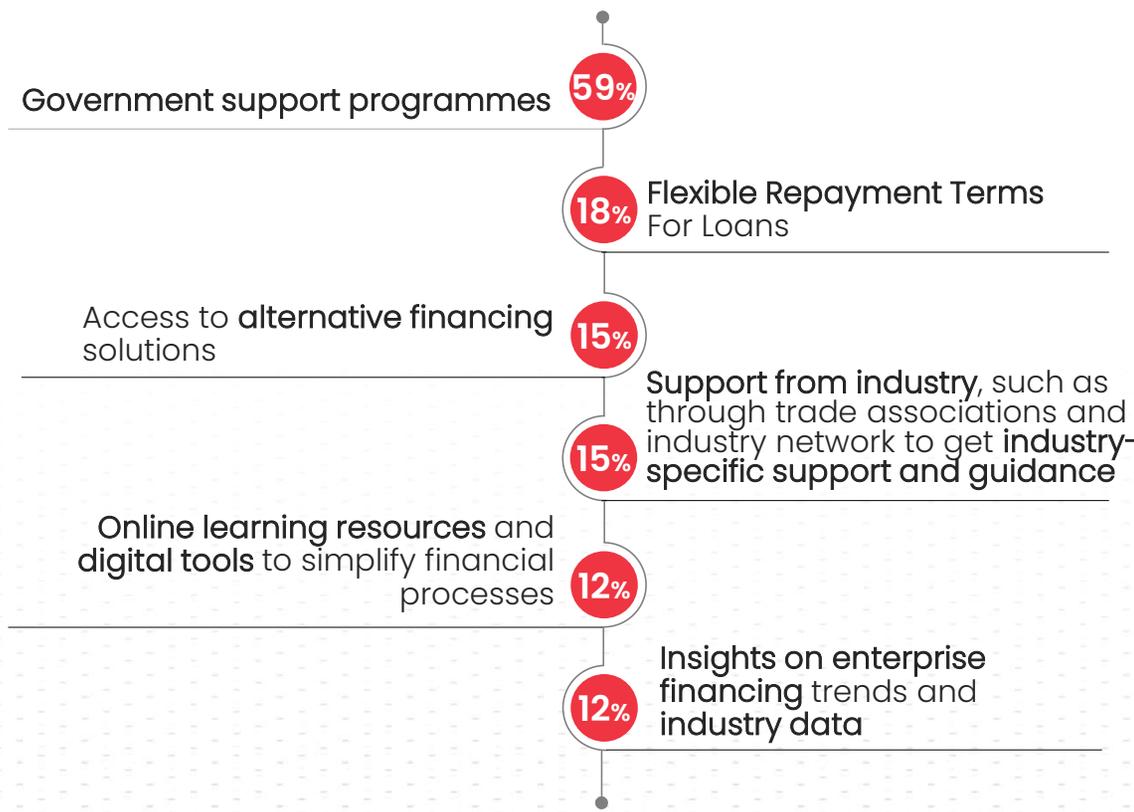
Increased government support programmes emerged as the top form of financing assistance desired by businesses.

Businesses remain keen to leverage government support to ease financing pressures

Despite some loan application challenges, businesses look for more public schemes to provide a reliable and accessible form of financing to manage their operational cashflow needs.

Simplifying application processes, widening eligibility, or reducing interest burdens could improve accessibility and reach of government-backed enterprise loan schemes.

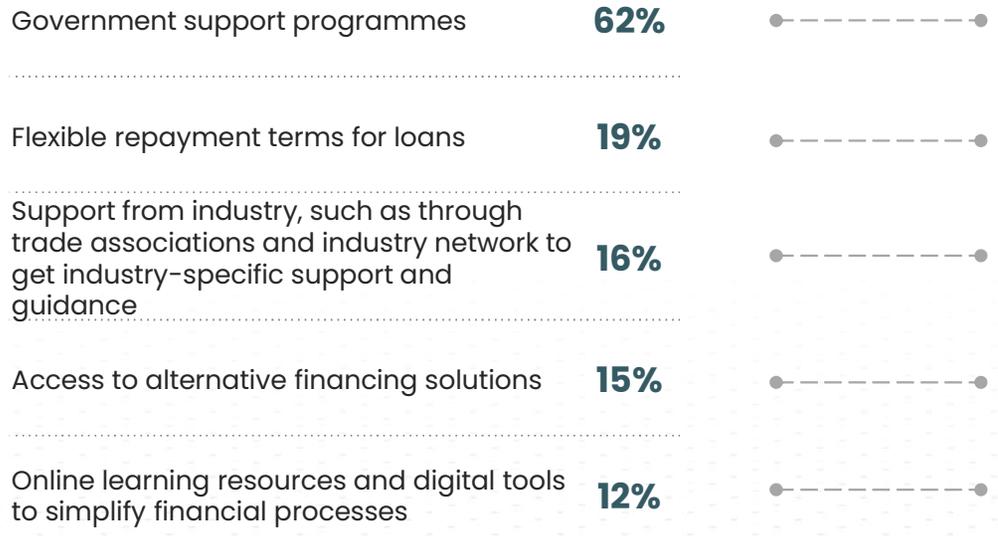
Key Financing Support Needed



More SMEs (62%) require government support, as compared to large companies (41%). Aside from government support programmes, SMEs need help with flexible repayment terms for loans, while large companies require access to alternative financing.

SMEs
Base: 436

LARGE COMPANIES
Base: 90



Thank you.



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)

