



**BUSINESS
SENTIMENT
SURVEY**

MID YEAR 2021

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ABOUT THE BUSINESS SENTIMENT SURVEY

Outreach surveys allow us to continue ongoing conversations with Singapore Ministries and Stat Boards to represent the business ecosystem and ensure any issues are raised.

New for 2021, our Business Sentiment Survey will be run at both the mid-year and end-of-year stages to provide benchmarking on business performance and concerns, with ad-hoc outreach during the year for more immediate issues.



In H1 2021 43% of businesses reported an increase in sales, with the overall balance of firms reporting an increase at 18% (measured by the proportion of those reporting a decrease subtracted from those reporting an increase). The outlook for future sales is positive, with orders and bookings either remaining constant or increasing for 77% of businesses. Cashflow improved for 36% of respondents, an overall increase balance of 11%, while investment plans contracted, with 28% of businesses experiencing a decrease.

Confidence in Singapore remains high for business at 83%, though a decrease from the 94% recorded in our membership survey in February 2021. ASEAN is increasingly critical for businesses located in Singapore, with 94% reporting that the region remains a priority for their business (91% in February), 79% of this number to a high degree.

The total workforce increased or remained constant for 80% of businesses and decreased for the remainder in H1. There is a positive outlook for recruitment, with 73% of businesses recruiting during H1 and an overall balance of 19% expecting an increase in the workforce in the next six months.

Within the total employee base, foreign manpower faced an overall contraction of -18% as the proportion of businesses with a decrease (25%) was higher than those with increases (7%). Issues raised within recruitment include the recently announced LOC rule changes, Covid-related restrictions in the EP application process and inbound travel suspension for work pass holders, and a lack of local applicants applying for advertised roles.

58% of businesses operations have been impacted by Covid by more than a moderate amount since the start of the year. With the current levels of concern both for the cost of doing business and cashflow sitting at 81%, the balance of firms expecting their products and/or service prices to increase in the next six months is +24%.

As a combined average, businesses reported that their current level of concern over business travel and work pass entry approval restrictions is also high at 81%, reflected in the contraction of foreign manpower.

Lastly, mental health and wellbeing rated equally highly in levels of concern, which BritCham supports through activities and resources for businesses driven by the volunteer members of our business committees. The Chamber will be reviewing the current mental health support offerings for employees among our member businesses within an upcoming poll.

SURVEY RESULTS

SIGNS OF RECOVERY

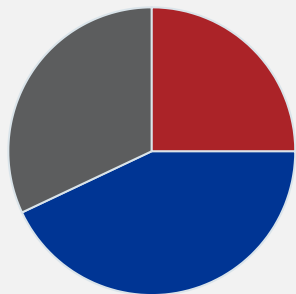
WITHIN THE WORKFORCE

BUSINESS CONTINUITY
NEEDS



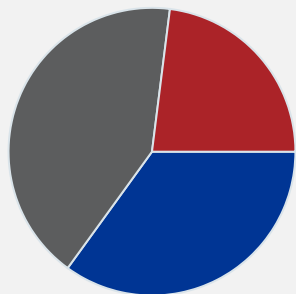
SIGNS OF RECOVERY

Since January 1, 2021: sales/bookings have:



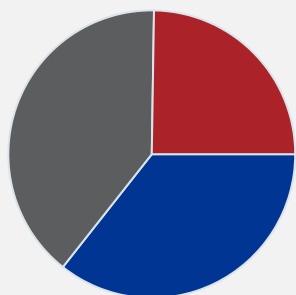
| | |
|-------------------|-----|
| Increased | 43% |
| Remained Constant | 32% |
| Decreased | 25% |

Orders/advance bookings have:



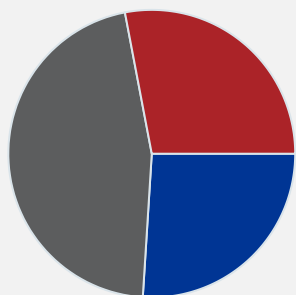
| | |
|-------------------|-----|
| Increased | 35% |
| Remained Constant | 42% |
| Decreased | 23% |

Cashflow has:



| | |
|-------------------|-----|
| Increased | 36% |
| Remained Constant | 40% |
| Decreased | 25% |

Investment plans have:



| | |
|-------------------|-----|
| Increased | 26% |
| Remained Constant | 46% |
| Decreased | 28% |

SIGNS OF RECOVERY

Do you have confidence in Singapore for the long-term as a business hub?

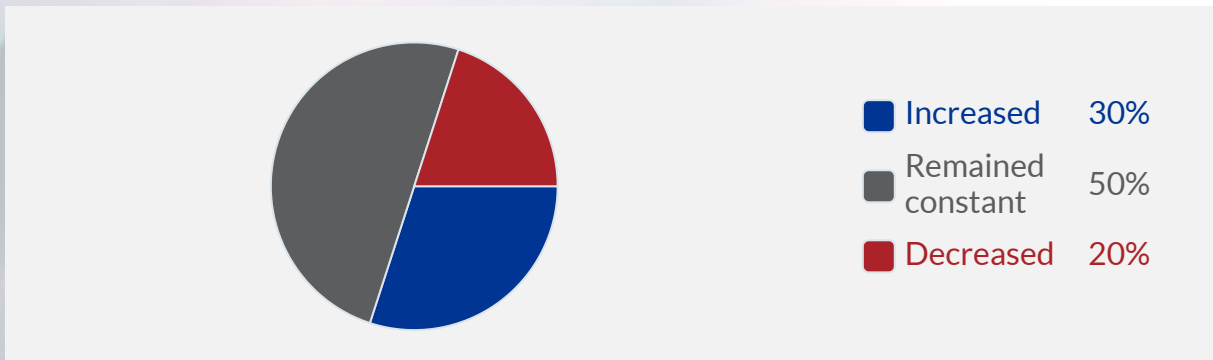


Is the ASEAN region still a priority for your company over the next six months?

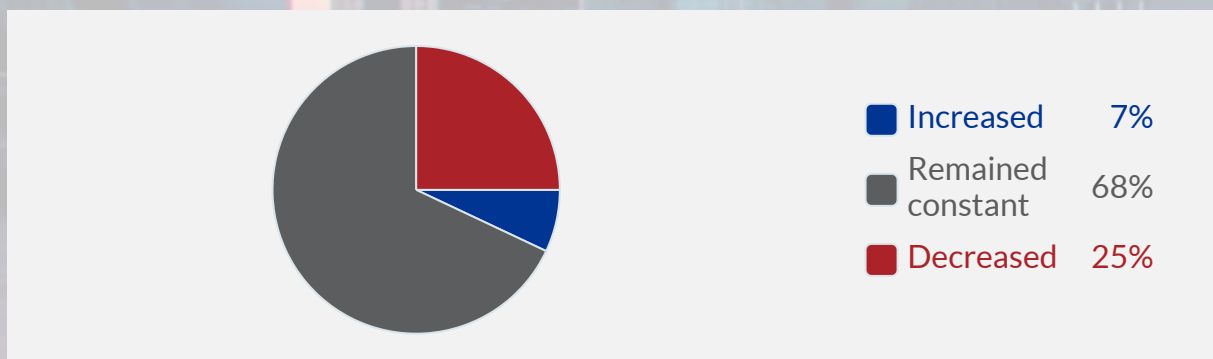


WITHIN THE WORKFORCE

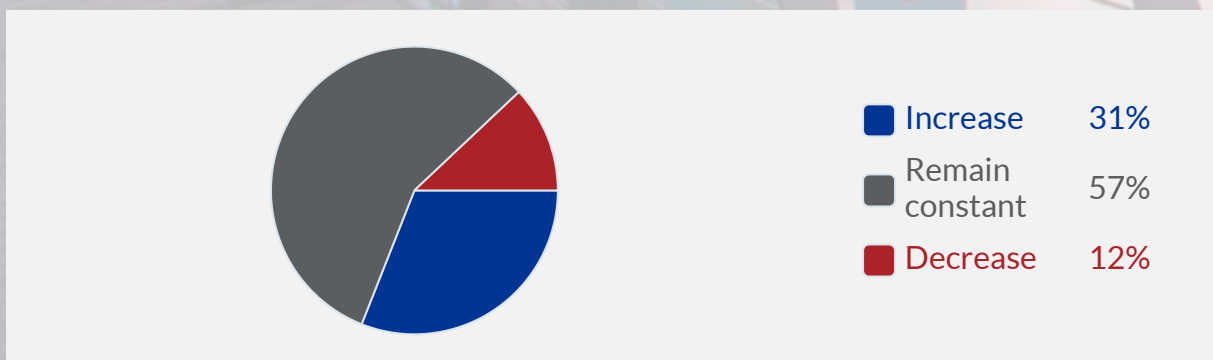
Since January 1, 2021, the size of your total workforce has:



The number of foreign employees who require a work pass has:



In the next six months, you expect your total workforce to:



WITHIN THE WORKFORCE

Since January 1, 2021, have you attempted to recruit staff?



BUSINESS LEADERS SAY:

"With the disproportionate restrictions on EP and DPs entering the country, many talented foreign workers are choosing to leave Singapore to the detriment to our company and to Singapore."

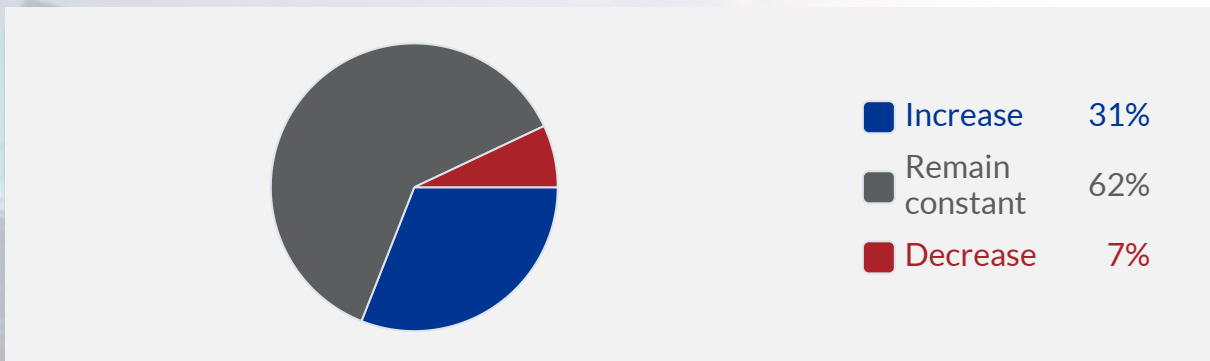
"There is limited availability of talent, particularly for specialised roles."

"[Within the recruitment sector] we have definitely seen an uplift in hiring across all verticals. Employers seem far more accustomed to hiring and onboarding remotely."

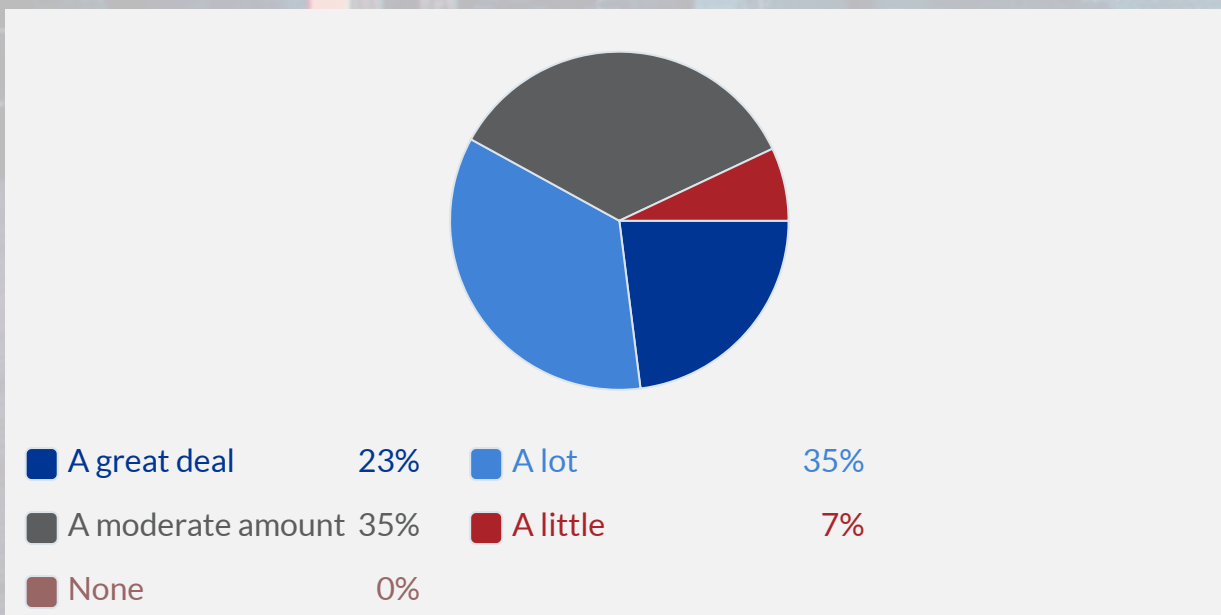
"We are experiencing hesitancy to join smaller firms with staff feeling they need to be "rewarded" for joining a smaller firm with higher pay."

BUSINESS CONTINUITY NEEDS

In the next six months, you expect the price of your products and/or services to:



Since January 1, 2021, the extent to which Covid-19 has impacted your business operations in Singapore has been:



BUSINESS LEADERS SAY:

"Macro level of support from EDB remains good."

"A work from home default is slowly eroding our ability to get the job done."

BUSINESS CONTINUITY NEEDS

The current level of concern to your business (combined average):



BUSINESS LEADERS SAY:

"Opening borders will help greatly to directly resolve other concerns and issues."

"[We are concerned about] mental wellbeing for staff who are on employment passes and unable to travel home to see their families."

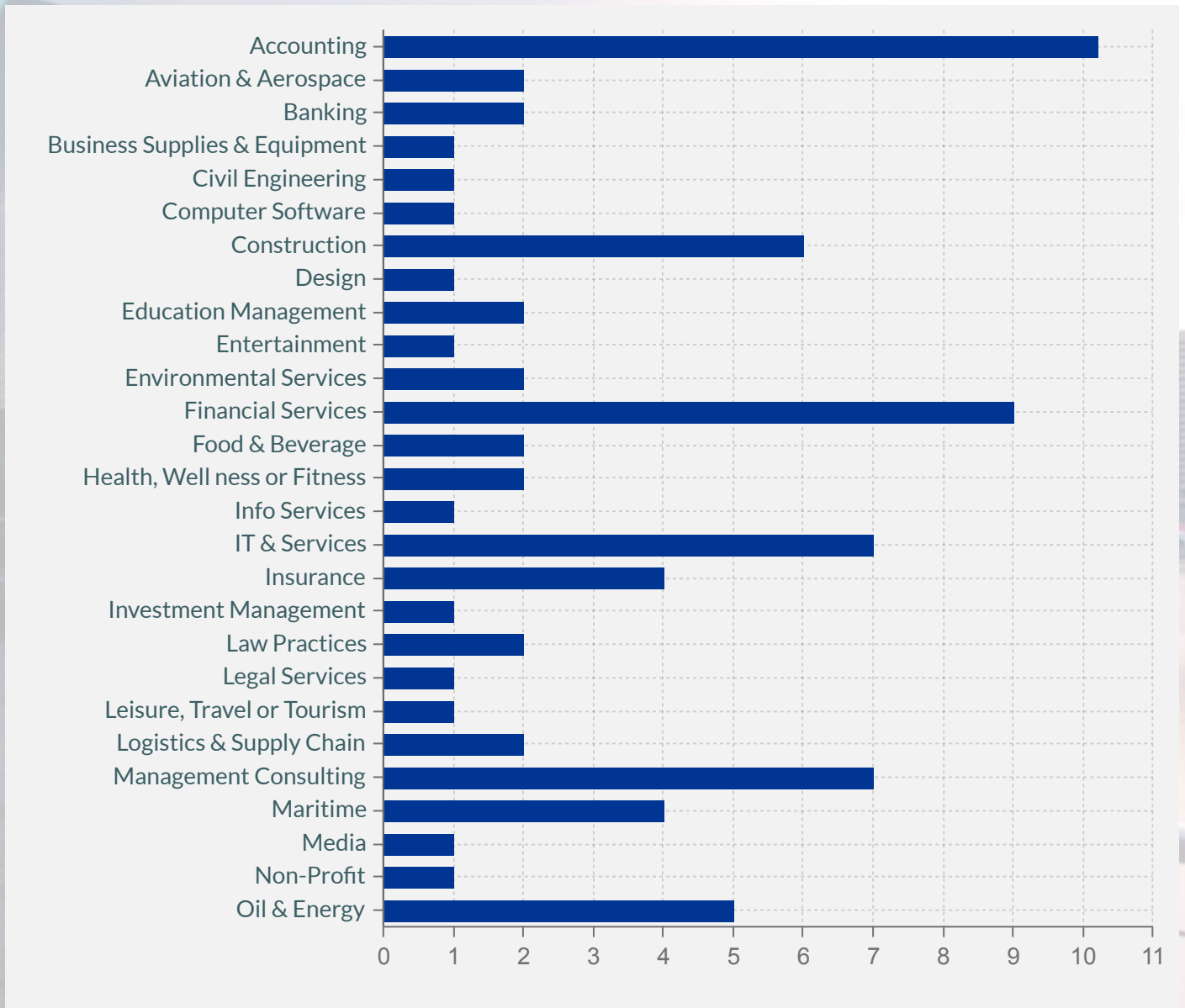
"[We are concerned about] retaining current talent."

"The general mood of people is an increasing frustration with the restrictions imposed as a result of the pandemic."

DEMOGRAPHICS

Survey base: 80 respondent companies. Response period: 17-25 June 2021

Primary industry:



Number of employees:

