

MID-YEAR SURVEY SHOWS SIGNS OF RECOVERY FOR BRITISH BUSINESSES IN SINGAPORE IN THE FIRST HALF OF 2021; CONTRACTION IN FOREIGN MANPOWER

Thursday, July 1st, 2021: In the British Chamber of Commerce Singapore (BritCham)'s inaugural Business Sentiment Survey, businesses showed signs of sales recovery and increased recruitment, with concerns ongoing relating to workplace, travel and entry restrictions.

In the report, released today at the mid-point of the year, 43% of businesses reported an increase in sales in the past six months, 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 within the Chamber's business community at 83%, though this a decrease from the 94% recorded in the earlier membership survey taken in February. 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% to a high degree.

The total workforce increased or remained constant for 80% of businesses and decreased for the remainder in H1. 73% of businesses attempted to recruit during H1 and an overall balance of 19% expect an increase in their workforce over the next six months.

As one business leader in the recruitment sector said:

"We have definitely seen an uplift in hiring across all verticals. Employers seem far more accustomed to hiring and onboarding remotely."

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%). This is illustrated in a comment from another business leader:

"With the restrictions on Employment Pass holders (EPs) and Dependent Pass holders (DPs) entering the country, many talented foreign workers are choosing to leave Singapore to the detriment of our company"

Issues raised within recruitment include a lack of local applicants applying for advertised roles, Covid-related restrictions in the EP application process and inbound travel suspension for work pass holders, and the recently announced LOC rule changes.

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, illustrated in this comment:

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

BritCham supports the mental health needs of businesses through activities and resources 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.

BritCham Executive Director, David Kelly, said:

"Results from surveys such as this enable us to better understand the business climate in Singapore. Our Business Sentiment Report provides the views of businesses on the current operating environment and some of their challenges. The Chamber will continue to both monitor business sentiments, and represent our business eco-system in dialogues with members of the Multi-Ministry Taskforce and Government agencies to support the combined recovery efforts."

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About the British Chamber of Commerce Singapore (BritCham):

The British Chamber of Commerce Singapore (BritCham) is an independent not-for-profit membership organisation supporting approximately 3,500 members from 320 member organisations, part of the British Chambers of Commerce Global Network and a leading member of the Britain in South East Asia network (BiSEA). Our members vary from startups and SMEs to global MNCs, spanning all sectors and industries. Approximately two-thirds of the network in Singapore are British nationals or those employed by an organisation headquartered in the UK.

The Chamber is a registered Society, led by an Executive Team, overseen by an elected Board of members and operating under a published Constitution.

Our mission is to drive British business growth in Singapore, create opportunities for our members, facilitate industry knowledge sharing, and support exporters from the UK. This is achieved by working alongside

Government, our partners and our engaged members to deliver services, committee participation, activities and opportunities throughout the year.

For more information on the Chamber, our advocacy and our areas of focus, visit www.britcham.org.sg.

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