

BRITISH CHAMBER MEMBERS REAFFIRM CONFIDENCE IN SINGAPORE WHILE RAISING CONCERNS AROUND TALENT & COSTS IN TODAY'S OPERATING ENVIRONMENT

Tuesday, September 5, 2023: In the British Chamber of Commerce's latest business sentiment results, released today, British businesses have signalled their continued confidence in Singapore but raised concerns over the current business climate, specifically talent and increasing costs in the market.

Remaining positive for the future, with over three-quarters of businesses confirming their confidence in Singapore as a business hub for the long-term, satisfaction in today's business climate was split with a near 50-50 result. Despite a challenging period for hiring, retaining staff and balancing budgets, companies reported several positives. Interest in ASEAN remains a priority for the majority of members and the aggregated average proportion of Singaporean citizens and permanent residents among the respondents is 68%. There is strong awareness of the incoming Complementarity Assessment Framework (COMPASS) for employment passes (over 70%), with 54% of respondents agreeing with the aim that it will help to ensure a high quality and diverse foreign workforce which complements the local workforce.

Mirroring the Singapore Business Federation's [National Business Survey](#) results earlier this year, availability and retention of manpower appear in the top three concerns, alongside increasing costs to businesses. In talent, 85% of members have been actively recruiting in the past six months, yet salary expectations, the competitive market for local talent and a perceived lack of requisite technical skills and expertise has increased the difficulty of finding the right talent. Members shared their observations of skills gaps in critical thinking, business acumen and technical skills at an industry level.

On retaining talent, similar issues of salary expectations rank high in concern and were the top reason for employees leaving respondents' companies this year, with talent appearing as the top cost challenge in the current business environment. Younger generations of employees, particularly those in the millennial and Gen Z generations, are proving to be a challenge to retain. It is important to note that these issues are not unique to foreign-owned businesses, particularly cost and talent pool challenges, as seen in the SBF National Business Survey.

In each sentiment survey, BritCham reviews key benchmark questions on business growth. In this latest edition, each of the benchmarks around sales, advance orders, cashflow and investment plans showed a small balance contraction (i.e. the percentage of firms that reported an increase minus the percentage that reported a decrease).

David Kelly, executive director at the British Chamber of Commerce Singapore commented: "Our bi-annual sentiment survey always provides us with a snapshot of the business outlook and allows us to build upon the regular feedback that we receive as a Chamber throughout the year. With around 80% of companies

reaffirming their confidence in Singapore as a business hub, we will continue to support businesses who are looking to expand into Singapore and across the ASEAN region.

With hiring and retaining talent remaining as two of the top three challenges for businesses, we will continue to work with our member companies to maintain a dialogue and share best-practice from across our network on the topic of talent.”

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Note to the Editor:

The Business Sentiment & Workforce Survey ran from the period 15th-29th August and represents the breadth of our membership across smaller and medium sized businesses in multiple industries within Singapore.

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 300 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.

Within our services to the British business community, we focus on five broad themes - the [Future of Trade](#) (creating jobs and boosting economic growth in Singapore), the [Future of Work](#) (supporting talent and the enhancement of people to support business growth), [Diversity & Inclusion](#) (ensuring that rich and diverse workforces are working together to support business innovation and growth), [Education & Learning](#) (focusing on quality education and future skills that businesses will require), and sustainability through our [Road to Net Zero campaign](#) (encouraging businesses to do their part for a world that we all want to live in the future). We also maintain a [Covid-19 Information Hub](#) resource.

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

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