

# Business Sentiment Survey

## FIRST QUARTER FY2023 (APRIL - JUNE)

Amid the uncertain global financial conditions, ongoing geopolitical developments and sluggish demand from China, both economic and business sentiments were weaker than the previous quarter. Revenue expectations extended its negative trend into the 6-month period of Apr-Sep. Manpower growth is also expected to be conservative in the coming months.

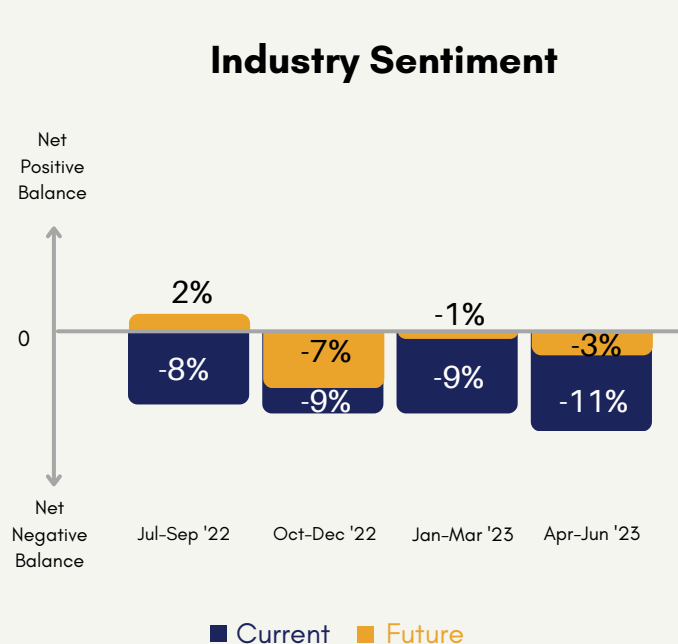
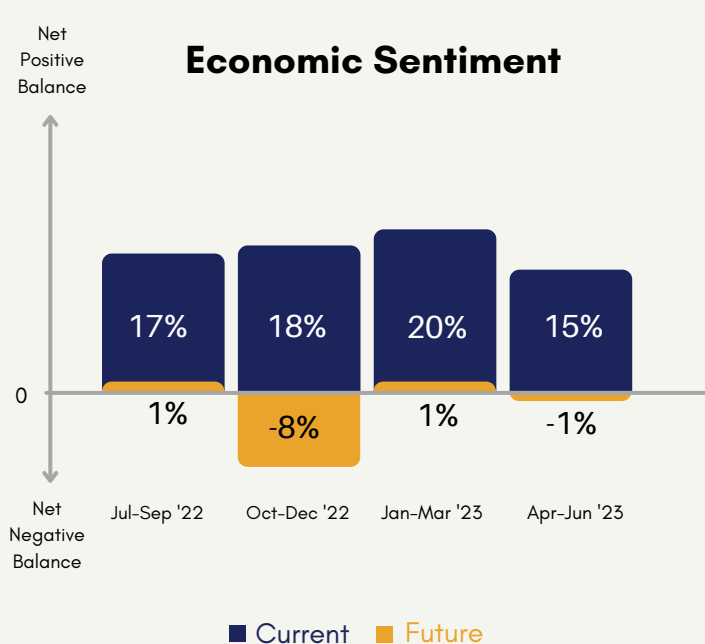
This is an abridged version of the survey findings.

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### PERCEPTIONS OF ECONOMY AND INDUSTRY

In the latest quarter, positive sentiment towards the current economic situation has decreased, down by a net balance of 5% from the previous quarter. Future economic outlook also turned **negative**, as compared to the previous quarter.

Firms' sentiments about both their current and future business situations have been showing a **consistently negative trend** for the third quarter in a row.



Note: Net balance is calculated by taking the difference between the percentages of positive and negative sentiments. A plus sign in the net balance indicates a net upward trend (a higher proportion of companies were optimistic) and a minus sign denotes a net downward trend (a higher proportion of companies were pessimistic) about the economic/industry situation.

### REVENUE AND MANPOWER OUTLOOK



Overall revenue change is expected to be negative amid the persistent price pressures due to global supply chain disruptions. The YoY revenue expectations for the 6-month period of Apr-Sep was even lower than that for Jan-Jun, with a negative net balance of -5%.

Reflecting a tight labour market, firms are expecting a positive 9% net balance in manpower growth for the period of Apr-Sep, down from the 17% expected in 1H2023. Due to worsening financial outlook and inflationary pressures, companies may turn to other strategies such as streamlining business processes to mitigate manpower challenges.



### BUSINESS STRATEGIES & CHALLENGES

Streamlining of business processes, developing digital business capabilities, and expanding their business locally were the top 3 business strategies favoured by companies in the next 12 months.

#### Top 3 Business Strategies



37%  
Streamlining business processes



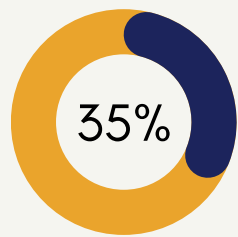
31%  
Developing digital business capabilities and/or automation solutions



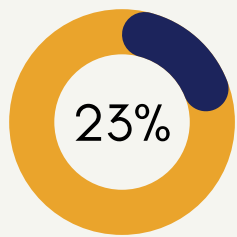
30%  
Expanding business operations locally

### WORK PASS FRAMEWORK

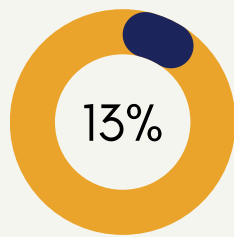
#### Top 3 processes in place to facilitate capabilities' transfers between foreign talent and local employees



35%  
On-the-job training by foreign talent



23%  
Mentoring by foreign talent



13%  
Structured training programmes by foreign talent

Among firms with foreign talent headcount, one-third rely on on-the-job training to facilitate transfer of new global capabilities from foreign specialists to locals.

### SUSTAINABILITY

47%

are **aware of how they can adopt** sustainable and green practices into their business model.



### FIRMOGRAPHICS

April - June 2023

1545 business leaders from 23 industries\*

97% SMEs

\*Environmental Services, Food Services, Logistics, Retail, Information & Communications, Security, Wholesale Retail, Real Estate, Air Transport, Land Transport, Sea Transport, Hotels, Construction, Financial Services, Professional Services, Food Manufacturing, Healthcare, Education, Electronics, Energy & Chemicals, Marine & Offshore, Precision Engineering, and Aerospace.