



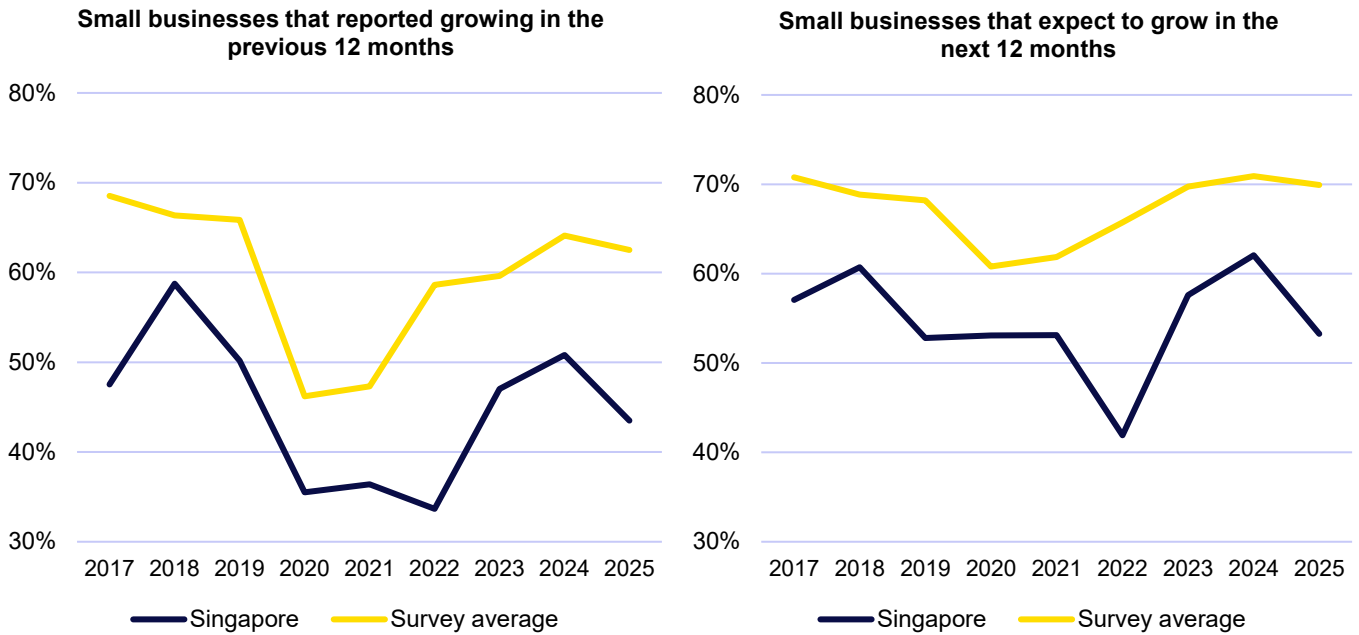
CPA AUSTRALIA ASIA-PACIFIC SMALL BUSINESS SURVEY 2025-2026

Singapore market summary

Key findings

- Small business sentiment weakened in 2025, with small business confidence in Singapore's economy relatively subdued.
- Reliance on online sales declined among Singaporean small businesses in 2025.
- Technology investment is increasingly associated to improved profitability outcomes.
- Singaporean small businesses were more likely than the survey average to lose time or money due to a cyber incident in 2025.
- Despite weaker sentiment, Singapore recorded the highest share of small businesses increasing employee numbers in 2025.
- Most small businesses required external funding in 2025, with Singapore rated the easiest market for accessing finance.
- Singapore's small businesses reported the highest levels of innovation across surveyed markets.
- Expectations for strong export-driven revenue growth in 2026 are limited.
- Singaporean small businesses are more likely to adopt a risk-averse mindset.
- Overall, business owners report high satisfaction with owning a small business.

Business and economic conditions



| | Singapore 2025 | Survey average 2025 | Rank 2025 | Singapore 2024 | Rank 2024 | Singapore 2023 | Singapore 2022 | Singapore 2021 | Singapore 2020 |
|---|----------------|---------------------|-----------|----------------|-----------|----------------|----------------|----------------|----------------|
| Businesses that grew in the last 12 months | 43.5% | 62.5% | 10/11 | 50.8% | 9/11 | 47.0% | 33.7% | 36.4% | 35.5% |
| Businesses that expect to grow in the next 12 months | 53.2% | 69.9% | 9/11 | 62.1% | 7/11 | 57.6% | 41.9% | 53.1% | 53.1% |
| Businesses that expect the local economy to grow in the next 12 months | 54.9% | 64.6% | 9/11 | 63.3% | 8/11 | 59.9% | 52.8% | 52.3% | 46.3% |

In 2025, 43 percent of Singapore businesses reported growth, well below the survey average of 62 per cent and a decline from 51 per cent in 2024. This places Singapore second last among the 11 markets surveyed.

This relatively subdued result appears to reflect short-term challenges such as rising costs and global trade uncertainty. Despite weaker sentiment, Singaporean small businesses were the most likely to increase employee numbers in 2025 and the most likely to report they will innovate in 2026. This suggests many businesses are investing with a medium-to-long-term outlook and retain confidence in their own prospects and the broader economy over time. Looking ahead, growth expectations remain

subdued in the near term. Only 53 per cent of businesses expect to grow in the next 12 months, well below the survey average of 70 per cent.

Confidence in the local economy is also relatively low, with 54 per cent of Singaporean small businesses expecting economic growth in 2026, compared to the survey average of 65 per cent. However, the strong innovation and hiring intentions of many businesses suggest these subdued expectations may be temporary, with underlying confidence in medium-to-long-term prospects remaining positive.

Technology uptake

| | Singapore 2025 | Survey average 2025 | Rank 2025 | Singapore 2024 | Rank 2024 | Singapore 2023 | Singapore 2022 | Singapore 2021 | Singapore 2020 |
|---|-----------------|-------------------------|-----------|-----------------|-----------|--------------------|-------------------------|--------------------|----------------|
| More than 10 per cent of revenue came from online sales | 47.1% | 63.4% | 9/11 | 62.7% | 7/11 | 62.6% | 67.7% | 42.0% | 57.3% |
| Did <u>not</u> use social media for business purposes | 11.7% | 12.0% | 5/11 | 17.0% | 3/11 | 16.2% | 13.2% | 26.6% | 14.7% |
| Investment in technology by the business over the past 12 months has improved profitability | 67.5% | 56.3% | 5/11 | 45.0% | 9/11 | 47.0% | 39.9% | 36.4% | 38.4% |
| Technology the business invested in most heavily over the past 12 months | Cloud computing | Artificial intelligence | NA | Cloud computing | N/A | Computer equipment | Artificial intelligence | Computer equipment | Website |
| Consider the business likely to be cyberattacked in next 12 months | 49.7% | 42.3% | 5/11 | 33.1% | 8/11 | 44.7% | 45.2% | 28.5% | 36.5% |
| Reviewed the business' cybersecurity protections in past six months | 58.1% | 52.0% | 4/11 | 45.3% | 8/11 | 43.0% | 51.8% | 34.1% | 39.4% |
| Lost time and/or money due to a cybersecurity incident in the past 12 months | 43.5% | 36.7% | 4/11 | 39.2% | 7/11 | 54.3% | N/A | N/A | N/A |
| More than 10 per cent of sales is received through digital payment options such as PayPal GrabPay | 63.1% | 71.8% | 9/11 | 75.9% | 6/11 | 75.3% | 71.6% | 58.1% | 62.7% |
| Sought advice from IT consultants/specialists | 18.5% | 26.6% | 6/11 | 22.2% | 7/11 | 24.5% | 29.4% | 12.1% | 17.6% |

In 2025, the share of small businesses generating more than 10 per cent of their revenue from online sales fell sharply, declining from 63 per cent in both 2023 and 2024 to 47 per cent. This represents a reduced reliance on online channels for revenue generation during the year.

Consistent with this shift, the use of digital payments also eased. In 2025, 63 per cent of Singapore's small businesses received more than 10 per cent of sales through digital payment platforms such as PayPal, GrabPay, Stripe, DBS PayLah and Apple Pay, down from 76 per cent in 2024.

Social media engagement remains strong, with only 11 per cent of Singaporean small businesses reporting *not* using social media for business purposes.

Despite softer revenue from online sales, technology investment is delivering stronger returns. In 2025, 67 per cent of Singaporean small businesses reported that their technology investments improved their profitability, above the survey average, and a marked increase from 45 per cent in 2024. Digital support programs offered by the government have likely contributed to this positive outcome by improving small business capability to identify and adopt productivity-enhancing technologies.

Cyber risk exposure is somewhat elevated, with 44 per cent of small businesses reporting losing time and/or money due to a cybersecurity incident in 2025. Encouragingly, most of Singapore's small businesses are actively addressing this risk, with 58 per cent having reviewed their cybersecurity protections in the past six months, exceeding the survey average and ranking fourth among surveyed markets.

Business activity over the past 12 months

| | Singapore 2025 | Survey average 2025 | Rank 2025 | Singapore 2024 | Rank 2024 | Singapore 2023 | Singapore 2022 | Singapore 2021 | Singapore 2020 |
|---|----------------|---------------------|-----------|----------------|-----------|----------------|----------------|----------------|----------------|
| Increased employee numbers | 53.9% | 36.2% | 1/11 | 29.6% | 9/11 | 37.7% | 25.1% | 19.0% | 22.1% |
| Improved customer satisfaction had a major positive impact on the business | 34.4% | 31.2% | 5/11 | 21.9% | 7/11 | 23.2% | 23.8% | 16.4% | 13.4% |
| Improved business management had a major positive impact on the business | 23.4% | 24.6% | 6/11 | 18.0% | 7/11 | 20.5% | 21.5% | 10.5% | 14.3% |
| Increasing costs had a major negative impact on the business | 35.1% | 38.8% | 8/11 | 36.7% | 7/11 | 31.1% | 28.4% | 28.5% | 20.5% |
| Required funds from an external source | 66.9% | 61.3% | 4/11 | 45.0% | 9/11 | 54.3% | 46.5% | 35.7% | 47.2% |
| Sought external funds for business growth | 37.9% | 56.1% | 10/11 | 50.0% | 7/11 | 43.9% | 51.8% | 36.7% | 45.5% |
| Sought external funds for business survival | 29.6% | 39.0% | 10/11 | 31.4% | 7/11 | 47.6% | 36.2% | 31.2% | 43.4% |
| Found it easy or very easy to access external finance | 71.8% | 53.1% | 1/11 | 52.9% | 2/11 | 60.4% | 56.7% | 20.2% | 42.8% |
| A bank was the business' main source of external finance | 56.3% | 45.4% | 3/11 | 47.1% | 3/11 | 27.4% | 11.3% | 27.5% | 33.8% |
| Did <u>not</u> spend any time and resources on ESG practices | 16.2% | 18.8% | 5/11 | 29.3% | 3/11 | 19.9% | 14.2% | N/A | N/A |

Planned business activity over the next 12 months

| | Singapore 2026 | Survey average 2026 | Rank 2026 | Singapore 2025 | Rank 2025 | Singapore 2024 | Singapore 2023 | Singapore 2022 | Singapore 2021 |
|---|----------------|---------------------|-----------|----------------|-----------|----------------|----------------|----------------|----------------|
| Expect to increase employee numbers | 63.0% | 47.0% | 3/11 | 37.0% | 9/11 | 47.0% | 31.4% | 29.8% | 29.0% |
| Will introduce a new product, service or process unique to their market or the world | 45.5% | 29.2% | 1/11 | 22.8% | 9/11 | 36.8% | 20.8% | 17.0% | 18.6% |
| Expect revenue from overseas markets to grow strongly | 17.5% | 20.6% | 7/11 | 17.7% | 8/11 | 26.5% | 19.5% | 12.8% | 13.4% |
| Will seek external funds | 43.2% | 25.4% | 2/11 | 19.3% | 9/11 | 37.1% | 25.1% | 15.7% | 23.1% |
| Expect easy to very easy access to finance | 65.5% | 48.9% | 2/11 | 38.7% | 4/11 | 52.2% | 43.8% | 14.2% | 31.1% |

Employment

Singapore's small businesses were significant contributors to job creation in 2025. Some 54 per cent increased employee numbers, well above the survey average the highest result out of the 11 markets surveyed. This marks a sharp increase from 30 per cent in 2024 and signals a strong rebound in hiring activity, despite generally subdued business conditions.

Hiring intentions in 2026 remain robust, with 63 per cent of Singaporean small businesses expecting to increase employee numbers, well above the survey average and the third highest result across surveyed markets.

Innovation

Innovation is a high priority among Singapore's small businesses and is clear area of strength for the economy. In 2026, 45 per cent of small businesses say they will introduce a new product, service or process unique to their market or the world. This is the highest result among all surveyed markets, representing a sharp increase from 23 per cent in 2025. The result highlights a strong emphasis on innovation-led growth in the years ahead.

Access to finance

A growing share of Singapore's small businesses required external funds in 2025, rising sharply from 45 per cent in 2024 to 67 per cent in 2025. A possible contributing factor may be the relative ease of accessing finance, with Singapore rated the easiest market for small businesses to obtain funding. In 2025, 72 per cent of Singaporean small businesses reported that they found it easy or very easy to access external finance.

Looking ahead, demand for external finance is expected to remain elevated. In 2026, 43 per cent of Singaporean small businesses say they will seek external funds in 2026, well above the survey average.

Exports

Confidence among Singapore’s small businesses in selling to overseas markets has softened over the past two years. In 2026, 17 per cent of firms expect strong revenue growth from overseas markets in 2026, this is down from 27 per cent in 2024. This result is unsurprising given heightened global uncertainty, including ongoing volatility in US trade policy.

CPA Australia however continues to encourage small businesses to explore new export markets. Exporting can support business growth and diversification, while also exposing firms to greater competition and new ideas. The survey data continues to show a strong correlation between exporting activity and higher levels of business growth.

Environmental, social, and governance (ESG)

Singapore’s small businesses continue to demonstrate a strong commitment to ESG-related activities. In 2025, only 16 per cent did *not* allocated any time or resources to activities linked to ESG. The most common ESG activities undertaken by Singaporean small businesses are staff health and safety policies, supply chain sustainability and business diversity and inclusion policy.

Factors that had positive and negative influences on business & Sources of advice

| Top four factors that had a positive influence on Singaporean small business in 2025 | Top four factors that had a positive influence on Singaporean small business in 2024 | Top four factors that had a positive influence on Singaporean small business in 2023 | Top 4 source of advice for small business in 2025 |
|--|--|--|---|
| Customer loyalty | Customer loyalty | Customer loyalty | Business or industry associations |
| Improved customer satisfaction | Cost control | Cost control Improved customer satisfaction [^] | AI tools |
| Improved business strategy | Technology | Positive overall economic environment | Business/management consultants |
| Good staff | Good staff | Technology | Business partner or mentor |

| Top four factors that had a negative impact on Singaporean small business in 2025 | Top four factors that had a negative impact on Singaporean small business in 2024 | Top four factors that had a negative impact on Singaporean small business in 2023 |
|---|---|---|
| Increasing costs | Increasing costs | Increasing costs |
| Increasing competition | Increasing competition | Increasing competition |
| Difficulty expanding into new markets | Increasing rent | Cash flow difficulties |
| Cash flow difficulties | Poor overall economic environment | Rising interest rates |

[^]equal rank

In 2025, Singapore's small businesses reported that a focus on customers, both retaining existing customers and attracting new ones through improving customer satisfaction, had the most positive impact on business performance.

The most significant negative factor continued to be rising costs, followed closely by increasing competition. These pressures have consistently ranked as the top challenges in recent years. The most burdensome expenses were materials, utility costs and staff costs.

Sources of business advice reflect a blend of traditional and emerging channels. Business or industry associations remain the most used source, while AI tools have moved into the top three alongside consultants and mentors. This may signal a shift toward more technology-enabled decision-making rather than reliance on people alone.

Entrepreneurship

| | Singapore 2025 | Singapore 2024 |
|---|--|--|
| Primary reason for starting their business | Be your own boss / independence | Be your own boss / independence |
| Biggest concern when first started a business | Uncertainty whether your business will succeed | Uncertainty whether your business will succeed |
| Most common attitude and approach to managing business risk of owner | Risk averse | Risk averse |
| Overall satisfaction from owning or operating small business | Satisfied | Satisfied |
| Most popular exit/succession plan for small businesses | Don't have a succession/exit plan | NA |

When starting their businesses, Singaporean small business owners are, like their counterparts in most other surveyed markets, most likely motivated by a desire to be their own boss. The biggest concern when starting out was uncertainty whether their business will succeed.

Demographics

| | Singapore 2025 | Survey average 2025 | Rank 2025 | Singapore 2024 | Rank 2024 | Singapore 2023 | Singapore 2022 | Singapore 2021 | Singapore 2020 |
|--|----------------|---------------------|-----------|----------------|-----------|----------------|----------------|----------------|----------------|
| Business owners aged under 40 | 34.7% | 38.0% | 6/11 | 44.2% | 9/11 | 48.1% | 32.2% | 36.0% | 45.6% |
| Business established for less than 11 years | 48.7% | 57.8% | 8/11 | 73.0% | 6/11 | 62.9% | 61.1% | 58.0% | 59.3% |
| Respondent is the business owner | 38.0% | 40.2% | 7/11 | 42.4% | 7/11 | 29.8% | 13.9% | 41.0% | 36.5% |
| Business has 10 to 19 employees | 31.5% | 30.8% | 5/11 | 37.3% | 4/11 | 46.7% | 37.3% | 27.2% | 33.6% |

Singapore has a relatively young small business owner profile, with 35 per cent of small business owners aged under 40. Our survey data consistently shows a strong correlation between business owners in this age group and higher levels of growth, digital adoption, innovation and overseas market exposures.

Policy settings that help maintain a relatively young small business owner population are therefore important for supporting business dynamism, productivity and economic growth.

CPA Australia's observations

Singapore's small business outcomes should be interpreted in the context of the government's well-funded, well-coordinated and long-running digital support measures. Programs such as *SMEs Go Digital*, the *Productivity Solutions Grant* and the *Digital Enterprise Blueprint* are designed to address market failures in information, capability and coordination that typically constrain small business digital adoption.

The survey results are broadly consistent with the expected effects of these measures. Singapore's small businesses report among the highest returns on technology investment in the region, strong innovation intentions and high rates of hiring. This suggests that policies have been effective in shifting businesses beyond basic digitalisation toward productivity-enhancing and innovation-led use of technology.

These programs also help explain why Singapore's small businesses display high innovation intent despite weaker recent growth. In an open economy facing softer global demand and rising trade uncertainty, many small businesses appear to be investing in innovation and building their capability and capacity in anticipation of future opportunities, rather than expanding output immediately.

At the same time, the results indicate that even strong domestic policy support cannot fully insulate small businesses from external pressures. Small businesses remain sensitive to global demand conditions, tariffs and supply chain disruptions. Despite high levels of digital capability and innovation readiness, expectations for overseas revenue growth remain moderate, suggesting that factors such as market access barriers, compliance costs and trade risk continue to constrain international expansion.

Overall, Singapore's experience illustrates that bundled, sequenced and capability-focused digital support measures for small business can improve productivity and innovation outcomes. However, such policies cannot fully insulate small businesses from external demand shocks. The policy challenge is therefore shifting from adoption toward commercialisation, scaling and resilience, particularly in a more fragmented and uncertain global trade environment.