

# Media Coverage SME Report

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## New agency Enterprise Singapore will not neglect smaller businesses: Iswaran

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## Singapore: SMEs remain underprotected against WSH problems

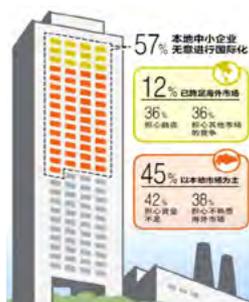


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## Few local SMEs plan to expand globally: Poll

Only 14 per cent of small and medium-sized enterprises (SMEs) here intend to expand overseas while almost half had no interest in taking their business beyond Singapore soon, a survey found. [Read more](#)

## 调查：受访中小企业仅14%有意国际化



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## THE BUSINESS TIMES

### Only 14% of SMEs intend to internationalise: Survey

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### Very few Singapore SMEs have plans to expand overseas - QBE

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### Only 14% of local SMEs intend to internationalise - QBE study

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## THE STRAITS TIMES

### Only 14% of SMEs plan to go abroad: Survey

In the poll by QBE Insurance of more than 400 firms, 45 per cent said they will not explore expansion across borders - a figure that rises to 56 per cent for smaller SMEs.

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### Many S'pore SMEs not keen on overseas foray: Survey

Despite the government's extensive efforts to nudge firms to venture abroad, a survey has found that only a quarter of small and medium enterprises (SMEs) which operate only in Singapore want to spread their wings overseas. [Read more](#)

## 联合早报

### 仅有14%本地中小企业有意进行国际化

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## New agency Enterprise Singapore will not neglect smaller businesses: Iswaran



SINGAPORE - Several Members of Parliament (MPs) raised concerns on Monday (Feb 5) that smaller firms, especially micro small-and-medium enterprises (SMEs), could be neglected with the merger of two government agencies, International Enterprise (IE) Singapore and Spring Singapore, into the single entity Enterprise Singapore (ESG).

Minister for Trade and Industry (Industry) S. Iswaran, who spoke as the Bill was read in Parliament for the second time, stressed that smaller SMEs will not be neglected, and that they are an important segment in the Singapore economy.

Last year, the Government announced that the merger of IE and Spring to form ESG will help local firms grow their businesses and expand overseas. The new agency will be formed in the second quarter of this year. It will be helmed by Chairman-designate, Mr Peter Ong, former Head of Civil Service, and CEO-designate, Mr Png Cheong Boon, who is 2nd Permanent Secretary at the MTI.

Four MPs, Mr Liang Eng Hwa (Holland-Bukit Timah GRC), Mr Louis Ng (Nee Soon GRC), Mr Saktiandi Supaat (Bishan-Toa Payoh GRC), and Mr Desmond Choo (Tampines GRC), as well as Workers Party Non-Constituency MP Leon Perera and Nominated MP Thomas Chua, raised questions in Parliament on how ESG will support enterprises of different sizes in different industries.

Mr Ng cited Mr Iswaran's comments in September about the challenges of combining the missions of two organisations, and the concern that one may prevail over the other. "With this focus on overseas expansion, small firms may have concerns of

being neglected," said Mr Ng. He also pointed to a concern raised by Singapore Business Federation chairman Teo Siong Seng, who had asked if micro-enterprises such as mom-and-pop shops in HDB estates will be ignored in the process.

Responding, Mr Iswaran said small enterprises, including micro-SMEs, have much potential, and they are an important segment of Singapore's economy.

He noted that Spring was already working closely with the Federation of Merchants' Associations, Singapore (FMAS), to drive the transformation and growth of heartland enterprises. Similarly, the ESG will continue to support micro-SMEs through trade associations and chambers, and SME Centres, he added. Initiatives from the private sector, such as the 99 per cent SME campaign jointly organised by Singtel and DBS, will also be a form of support.

While Mr Iswaran reiterated that the ESG's mission is to build a thriving community of Singapore-based enterprises, he acknowledged that SMEs' needs are varied based on their stage of growth, the sector they operate in, and their overseas market of interest. This variation is accentuated by external growth opportunities, digitalisation and rapid technological changes, which have a differential impact across sectors.

He said: "Hence, our businesses have to adapt, innovate and build new capabilities according to their circumstances...ESG's programmes will take into account these diverse needs, while rendering support to enterprises in all sectors, regardless of whether they are covered by Industry Transformation Maps."

ESG will also build on IE's extensive network of over 35 overseas centres covering regional, developed and emerging markets, and continue to organise trade missions for SMEs to explore opportunities in new markets, he added.

In Parliament, Mr Ng pointed to the recent QBE Insurance survey, which showed that 45 per cent of SMEs have no plans to internationalise soon due to reasons such as insufficient fundings and unfamiliarity with foreign markets. However, Mr Iswaran contradicted the findings with surveys by the Singapore Chinese Chamber of Commerce and Industry, and DP Information Group SME Development, which found that a significant proportion of local enterprises have imminent plans for overseas expansion, or have made it a priority.

Several MPs, including Mr Liang, Mr Tay and Mr Choo, also raised concerns regarding the staff in IE and Spring - both organisations employ approximately 960 people. They wanted to know if any support will be provided to them during the transition period, and if there will be any redundancies.

Mr Iswaran said that care will be taken to preserve the competencies, networks and culture that Spring and IE have built over the years. All officers can look forward to augmented roles and opportunities and, in some cases, new assignments, added the minister.

He said: "The requisite training and mentorship will be provided. ESG will also continue to recruit officers from both the public and private sectors, with relevant industry and international business experiences to support its work. This would include tapping on industry experts to better support enterprises."

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Publication: TODAY  
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Page: <https://www.todayonline.com/singapore/new-agency-enterprise-singapore-will-not-neglect-smaller-businesses-iswaran>  
Date: 5 February 2018

## Singapore: SMEs remain underprotected against WSH problems

Despite renewed focus on the workplace safety and health ("WSH") landscape in Singapore, as many as one quarter (22%) of SMEs - that are not required to provide WSH insurance for their employees - may not have any workplace safety and health insurance cover, according to QBE's annual SMEs survey.

The survey also found that only 59% of SME respondents indicated that they are fully informed of all WSH requirements, which suggests that as many as four in 10 SMEs could still be unaware of specific local WSH requirements and require further education.

Close to a third of SMEs (31%) indicated that they encountered workplace incidents in the past 12 months, indicating a strong de-emphasis of workplace safety and health issues by local SMEs.

QBE's survey also found that this relaxed approach to WSH coverage was extended generally to business insurance.

### SMEs generally underinsured

In the last 12 months, more than three-quarters of all SMEs (77%) encountered at least one business issue that could be covered by insurance, highlighting the high probability of running into issues that could cripple a business without proper risk management and mitigation.

Yet 11% of smaller SMEs (with 5-20 staff or annual revenue of less than S\$1 million (US\$710,000)) and 7% of large SMEs (firms with 21-200 staff or annual revenue of S\$1-100 million) reported not holding any form of insurance at all - a statistic that has not changed significantly since last year's survey. 46% of SMEs indicated that they will only consider buying insurance when they encounter unfortunate things happening to other businesses - a 5% increase over last year's results.

An alarming 57% of respondents also indicated that many other factors come



before insurance in the priorities for their business, again indicating a de-emphasis and de-prioritisation of business protection plans and policies.

### Other findings

The survey also found, amid others, that 45% of the Singapore SMEs said that they will not explore expansion across borders and only 14% of them indicated their intention to internationalise, with 42% of the latter being held back by concerns around sufficient funds to expand overseas and unfamiliarity with the standards and processes of foreign markets as a concern (38%). Other prominent concerns include the level of competition in other markets, regulatory and legal compliance and political instability, with the perception that the local economy is to improve in the next year.

The majority of SMEs were also found (95%) to use or invest in digital technologies. The increasing appetite among SMEs for newer technologies is contrasted by a growing concern around security considerations, with 23% of all SMEs surveyed seeing security of sensitive data as a concern, while 35% of smaller SMEs admitted to having no

cyber protection at all. SMEs are therefore exhibiting a need for further education in this area and around specific business protection products currently available to them.

"The annual survey into SMEs offers us a glimpse into the overall state of Singapore's SME business community... This year's survey helped identify new areas in which we can partner with local firms, assisting in risk management and mitigation specific to the needs of their individual businesses. In the process, we afford them peace of mind to focus on day-to-day operations, business growth, and expansion," said Mr Karl Hamann, Chief Executive Officer, QBE Insurance Singapore.

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Publication: Asia Insurance Review  
Headline: Singapore:SMEs remain underprotected against WSH problems  
Page: <http://www3.asiainsurancereview.com/News/View-NewsLetter-Article/id/41523/Type/ARM/Singapore-SMEs-remain-underprotected-against-WSH-problems>  
Date: 31 January 2018



## Few local SMEs plan to expand globally: Poll

**Only 14 per cent of small and medium-sized enterprises (SMEs) here intend to expand overseas while almost half had no interest in taking their business beyond Singapore soon, a survey found.**

In the poll by QBE Insurance of more than 400 companies, 45 per cent said they will not explore expansion across borders - a figure that rises to 56 per cent for smaller SMEs.

Of SMEs operating only in Singapore with no intention to go overseas, the top barrier, cited by 42 per cent of them, was insufficient funds to expand abroad, while 38 per cent cited unfamiliarity with foreign markets.

Other prominent concerns include the level of competition in other markets, regulatory and legal compliance and political instability.

The QBE Insurance survey report suggested that another factor behind the lack of appetite for venturing abroad could be the improving perception of the economy in Singapore, driving a belief that sufficient growth can be attained locally.

Half of the respondents feel the economy will improve in the next 12 months, while just 24 per cent feel it will become worse.

While local SMEs may not yet feel ready to capitalise on growth prospects in new markets, 44 per cent are expecting an increase in sales in the next 12 months, up from 40 per cent in the previous year, the survey found.

It also found that digitisation appears to be a key focus. Some 95 per cent of companies surveyed this year use, or intend to invest in, digital technologies.

Barriers to digitisation remain. Among SMEs that already incorporate online business processes, 48 per cent noted the perceived high cost of investment as a problem while 39 per cent admit their workers lack the skills to utilise new technologies.

Fewer yet view cyber security as an issue, with only 23 per cent of all SMEs seeing security of sensitive data as a concern, while 35 per cent of smaller SMEs admit to having no cyber protection at all. - *THE STRAITS TIMES*.

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Publication: The New Paper  
Headline: Few local SMEs plan to expand globally: Poll  
Page: <http://www.tnpsg/news/business/few-local-smes-plan-expand-globally-poll>  
Date: 31 January 2018

## Only 14% of SMEs plan to go abroad: Survey

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It also found that digitalisation appeared to be a key focus of local SMEs. Some 95 per cent of firms surveyed this year use, or intend to invest in, digital technologies. But barriers to digitalisation remain.

Among SMEs that already incorporate online business processes, 48 per cent noted the perceived high cost of investment as a problem, while 39 per cent admitted their staff lacked the necessary skills to fully leverage new technologies to their benefit.

Fewer yet viewed cyber security as an issue, with only 23 per cent of all SMEs surveyed seeing security of sensitive data as a concern, while 35 per cent of smaller SMEs admitted to having no cyber protection at all.

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Publication: The Straits Times  
Headline: Only 14% of SMEs plan to go abroad: Survey  
Page: <http://www.straitstimes.com/business/only-14-of-smes-plan-to-go-abroad-survey>  
Date: 31 January 2018

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新加坡中華總商會

<https://www.facebook.com/smeicc/posts/1450543605067822>

## 调查：受访中小企业仅14%有意国际化

一项调查显示，仅14%的受访本地中小企业表示有意国际化。

这是昆士兰保险（QBE）第三度发布的年度调查报告，一共有402家本地中小企业参与在去年9月进行的调查。

调查结果显示，约有45%的本地中小企业表示近期内无意跨足海外市场。假设是规模更小的中小企业，这项比率高达56%。仅14%表示有意这么做。不愿这么做的受访企业指出，不熟悉海外市场、不确定能否在进入海外市场之后持续经营该市场，是导致他们裹足不前的关键原因。

专注经营本地市场的中小企业中，有42%表示担心没有足够的资金在海外进行扩张；38%以不熟悉海外市场为由，不愿跨足海外。

其他原因包括担心当地市场的竞争程度、监管和法规以及政治不稳定。

昆士兰保险新加坡行政总裁柯涵文（Karl Hamann）说，本地中小企业因担心资金不足和对海外市场感到陌生而不愿开拓海外市场，“市场上有不少协助企业了解海外市场的措施，包括减低风险的保险计划。”

这项调查另外指出，本地中小企业不热衷拓展海外市场，也可能是我国经济有所改善，使得中小企业以为本地市场足以支撑公司增长。

五成的受访者预期我国经济在未来12个月



资料来源/QBE

有所改善，仅有24%认为会恶化。44%估计销售会增加，高于之前的40%。

整体的乐观程度，同样反映在本地中小企业的投资计划。调查发现，95%受访者透露，目前正在使用或有意投资数码科技。已经采用数码科技的受访公司，有47%相信科技有助提升生产力，协助接触更多客户（43%）和提供更好的服务（43%）。

不过，跨入数码化的门槛依旧存在。48%认为投资成本高昂是挑战，39%认为员工缺乏足够的技术能力。

调查也指出，本地中小企业对网络安全的防范不足。35%受访者承认完全没有采取任何保护措施。调查因此呼吁，本地中小企业加强这方面的教育。

*English translation*

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Publication: Lianhe Zaobao  
Headline: 调查：受访中小企业仅14%有意国际化  
Page: <http://www.zaobao.com.sg/sme/news/story20180130-831180>  
Date: 30 January 2018

# Only 14% of the surveyed local SMEs indicated their interest in internationalization: Survey

*Translation (by Google Translate, and edited for clarity):*

According to one survey, only 14% of the surveyed local SMEs indicated their interest in internationalization.

This is the third annual survey released by Queensland Insurance (QBE). A total of 402 local SMEs participated in the survey conducted in September last year.

According to the survey, about 45% of local SMEs indicated that they had no intention to internationalise in the near future. For smaller SMEs, this ratio is as high as 56%. Only 14% said they are interested in doing so. Respondents who are reluctant to do so say they are not familiar with overseas markets and are not sure whether they will continue to run the market after entering overseas markets, which is the key reason for their hesitance.

Forty-two percent of SMEs that are local-only expressed concern that they did not have sufficient funds to expand overseas; 38% were unwilling to internationalise on the grounds that they were not familiar with overseas markets.

Other reasons include concerns about competition in the local market, regulation, and political instability.

Karl Hamann, chief executive of QBE Insurance (Singapore), said local SMEs are reluctant to open up overseas markets for fear of insufficient finances and unfamiliarity with overseas markets. "There are many on the market to help companies understand overseas markets, including reducing risk Insurance plan."

The survey also pointed out that local SMEs are not enthusiastic about expanding overseas markets. It may also be that our economy has improved so that SMEs think the local market is enough to support the growth of the company.

Fifty percent of respondents expect China's economy to improve in the next 12 months, while only 24% think it will deteriorate. 44% estimated sales will increase, higher than the previous 40%.

The overall level of optimism is also reflected in the investment plans of local SMEs. The survey found that 95% of respondents disclosed that they are currently using or

intending to invest in digital technology. 47% of those companies that have adopted digital technology believe that technology can help boost their productivity, assist more customers (43%) and provide better services (43%).

However, the threshold of digitalization still exists. Forty-eight percent said the high cost of investment was a challenge, with 39% saying they lacked enough technical skills.

The survey also pointed out that local SMEs are not adequately guarded against cybersecurity. 35% of respondents admitted that they have not taken any protective measures at all. The investigation therefore calls for local SMEs to step up their education in this area.

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QBE Insurance Singapore

## Very few Singapore SMEs have plans to expand overseas – QBE

Only 14% of small and medium enterprises (SMEs) in Singapore have expressed interest in expanding beyond its shores, while almost half had no interest at all, a survey by insurer QBE has revealed.



The survey, which encompassed 400 SMEs, showed that 45% have no interest in expanding overseas. For smaller businesses, the figure is even higher – at 46%.

According to 42% of those who did not want to expand abroad, lack of funds was the main barrier. Meanwhile, 38% said that unfamiliarity with foreign markets was the top hindrance. Other reasons cited were high competition in overseas markets, regulatory and legal issues, and political instability.

QBE suggested that the lack of interest in overseas expansion may be due to the positive prospects of the Singaporean economy, meaning that many business owners believe that they could attain their growth targets within the Lion City. This was supported by the finding that around 50% of respondents believe that Singapore's economy will improve in the next 12 months, while only 24% think it will worsen.

Digitalisation appears to be an important concern for SMEs, with around 95% of businesses surveyed saying that they are currently using or planning to invest in various digital technologies.

However, several barriers to digitalisation are also present. Almost half (48%) of SMEs with online business processes reported the high cost of investment, while 39% said that their staff lack the knowledge needed to successfully utilise digital technologies.

Meanwhile, knowledge about cybersecurity was low among SME owners, with only 25% of respondents considering data security an important concern. A further 25% of small businesses said that they had no cyber protection in place.

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Publication: Insurance Business Magazine  
Headline: Very few Singapore SMEs have plans to expand overseas – QBE  
Page: <https://www.insurancebusinessmag.com/asia/news/breaking-news/very-few-singapore-smes-have-plans-to-expand-overseas-qbe-90696.aspx>  
Date: 30 January 2018

## Many S'pore SMEs not keen on overseas foray: Survey

**Despite the government's extensive efforts to nudge firms to venture abroad, a survey has found that only a quarter of small and medium enterprises (SMEs) which operate only in Singapore want to spread their wings overseas.**

SINGAPORE — Despite the government's extensive efforts to nudge firms to venture abroad, a survey has found that only a quarter of small and medium enterprises (SMEs) which operate only in Singapore want to spread their wings overseas.

The main concerns cited by the firms were insufficient financing and lack of familiarity with other markets. Other worries include the level of competition, regulatory and legal compliance, as well as political instability in overseas markets.

The study by insurance firm QBE involved 402 SMEs here. Among the 238 companies which do not have any overseas presence, 58 said they intend to change that. The findings of the survey — which was conducted in September last year — were published on Monday (Jan 29).

The study noted that improved economic sentiments in Singapore — giving firms the confidence that sufficient growth can be attained domestically — is a possible reason for firms' lack of appetite for international expansion.

Half of the respondents feel that the economy will improve in the next 12 months, as compared to a quarter (24 per cent) which feel it will worsen.

Speaking to TODAY, Mr Kurt Wee, president of the Association of Small & Medium Enterprises (ASME), felt that there needs to be a larger push towards international expansion by both public and private players. The ASME, for instance, hopes to group SMEs here into various "overseas nodes", where each node can tap on shared facilities and services, so as to lower the firms' costs and risks.

It also hopes to provide a framework to guide SMEs in charting a roadmap for themselves in venturing overseas, and offer advice on which market may be most appropriate for different businesses.

Still, firms must take the first step, Mr Wee stressed. "This has to come from the SMEs



themselves... They must knuckle down and start embarking on foreign markets. SMEs must recognise the need to grow and take advantage of international opportunities," he said.

In September last year, the Ministry of Trade and Industry announced that International Enterprise (IE) Singapore and Spring Singapore will be combined into a single government agency to help local firms grow their businesses and expand overseas. The new agency, called Enterprise Singapore, will be formed by the middle of this year.

The Committee on the Future Economy (CFE) report — which was released in February last year — stressed the need for Singapore to deepen and diversify its international connections, in order to position itself for the coming decades.

The Government's push for Singapore companies to break into overseas markets can be traced back to 1993, when a new direction was set for Singapore economy to develop a "second wing".

More recent measures included S\$240 million worth of steps announced in Budget 2015 to encourage local firms to spread their wings overseas. The initiatives then included raising the support level for SMEs under IE Singapore's grant schemes, and introducing a new tax incentive to meet the needs of larger Singapore firms in their internationalisation efforts.

Apart from overseas expansion, the QBE study also polled SMEs on their attitudes toward digitalisation and cybersecurity, among other things.

The study found that while about 95 per cent of the respondents currently use or plan to invest in digital technologies, almost half (48 per cent) said they are still concerned by the perceived high cost of investment.

About four in 10 feel their staff lack the necessary skills to "fully leverage new technologies to their benefit".

On cybersecurity, about a quarter indicated that they have concerns over the security of sensitive data, while more than a third admitted to having no cyber protection at all.

The study also showed that SMEs were "relaxed" about workplace health and safety, with 59 per cent saying they are aware of all the requirements in this area.

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Publication: TODAY  
Headline: Many S'pore SMEs not keen on overseas foray: Survey  
Page: <http://www.todayonline.com/singapore/many-spore-smes-not-keen-overseas-foray-survey>  
Date: 29 January 2018

## Only 14% of SMEs intend to internationalise: Survey

**Local SMEs may not yet feel ready to capitalise on growth prospects in new markets, but 44 per cent are expecting an increase in sales in the next 12 months.**

SINGAPORE - Only 14 per cent of small and medium-sized enterprises here intend to expand overseas while almost half had no interest in taking their business beyond Singapore in the near future, a survey found.

In the poll by QBE Insurance of more than 400 firms, 45 per cent said that they will not explore expansion across borders - a figure which rises to 56 per cent for smaller SMEs.

Of SMEs currently operating only in Singapore with no intention to venture overseas, the top barrier cited by 42 per cent of them was insufficient funds to expand overseas, while 38 per cent cited unfamiliarity with the standards and processes of foreign markets.

Other prominent concerns include the level of competition in other markets, regulatory and legal compliance and political instability.

The QBE Insurance survey report suggested that another possible factor behind the lack of appetite for venturing abroad could be the improving perception of the economy in Singapore, driving belief that sufficient

growth can be attained locally. Half of respondents feel the economy will improve in the next 12 months, while just 24 per cent feel it will become worse.

Local SMEs may not yet feel ready to capitalise on growth prospects in new markets, but 44 per cent are expecting an increase in sales in the next 12 months, up from 40 per cent in the previous year, the survey found.

It also found that digitalisation appears to be a key focus of local SMEs. Some 95 per cent of firms surveyed this year currently use, or intend to invest in, digital technologies.

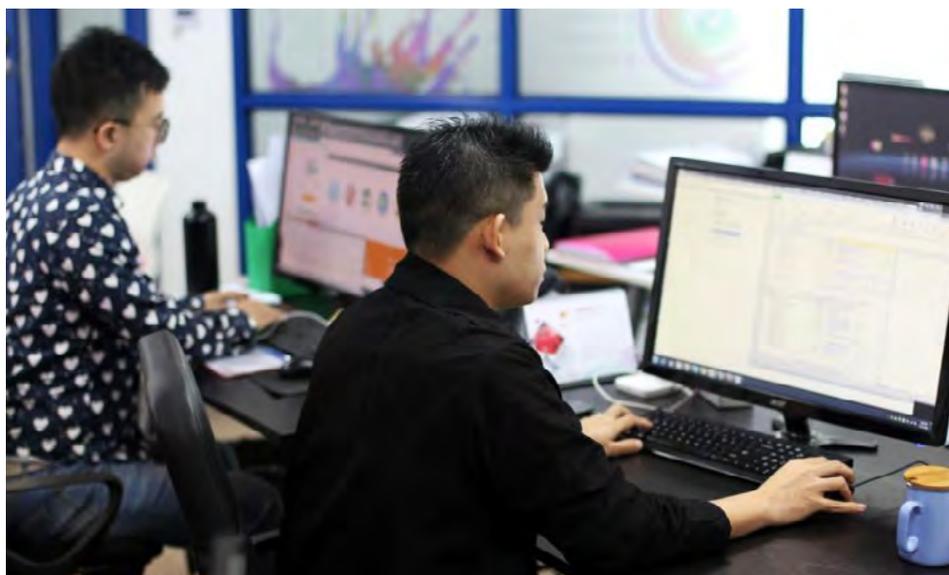
But barriers to digitalisation remain. Among SMEs who already incorporate online business processes, 48 per cent noted the

perceived high cost of investment as a problem while 39 per cent admit their staff lack the necessary skills to fully leverage new technologies to their benefit.

Fewer yet view cybersecurity as an issue, with only 23 per cent of all SMEs surveyed see security of sensitive data as a concern, while 35 per cent of smaller SMEs admitted to having no cyber protection at all.

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Publication: The Business Times  
Headline: Only 14% of SMEs intend to internationalise: Survey  
Page: <http://www.businesstimes.com.sg/sme/only-14-of-smes-intend-to-internationalise-survey>  
Date: 29 January 2018



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**sgsme.sg**

<http://www.sgsme.sg/news/only-14-smes-intend-internationalise-survey-0>

## 仅有14%本地中小企业有意进行国际化

(早报讯)

一项调查显示，本地只有14%的中小企业表示有意进行国际化。

这是昆士兰保险 (QBE) 一年一度的调查。结果显示，约有45%的本地中小企业表示近期内无意跨足海外市场，原因包括资金不足和不熟悉海外市场等。

调查同时指出，本地中小企业在数码化方面已做好充分准备，95%透露正在使用或打算投资数码科技。

不过，调查也发现，本地中小企业对网络安全的防范不足，35%受访者承认完全没有采取任何保护措施。

(Synopsis)

Research has found that only 14% of SMEs locally have an interest in internationalisation. This was found by QBE insurance's annual survey, which also found that 45% of local SMEs have no intention of internationalising due to insufficient finances and unfamiliarity in other markets.

Separately, SMEs are largely digital-ready, with 95% revealing that they use or intend to invest in digital technology.

However, the research finds that SMEs are not adequately protected against cyber threats, with 35% of the survey's respondents admitting not having any kind of cyber protection.

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Publication: Lianhe Zaobao

Headline: 仅有14%本地中小企业有意进行国际化

Page: <http://www.zaobao.com.sg/finance/realtime/story20180129-830985>

Date: 29 January 2018

# Why local SMEs prefer to stay put in Singapore over international expansion

SINGAPORE (Jan 29): Small medium enterprises (SMEs) in Singapore appear to display an appalling lack of interest in taking their businesses beyond the city state, according to QBE's annual survey of more than 400 local SME business leaders.

In a Monday release, the global insurer says its survey findings showed that almost half (45%) of Singaporean SMEs said they will not explore expansion across borders, with a larger proportion (56%) of smaller SMEs indicating likewise.

Just 14% said they intended to internationalise.

Key reasons for this reluctance came down to uncertainty with regards to how to do business overseas as well as maintain sustainable growth in venturing beyond Singapore.

Out of the SME business leaders who said they had no intention to internationalise, 42% cited a lack of funds as the main reason, while 38% said unfamiliarity with the standards and processes of foreign markets were holding them back.

Other reasons keeping SMEs from expanding beyond Singapore include concerns about competition in other markets, regulatory and legal compliance, and political instability.

Another possible reason for the lack of appetite for international expansion, says QBE, could be an improving perception of Singapore's economy - which in turn drives belief that sufficient growth can be attained within the city state alone.

This is because half of all respondents were optimistic on Singapore economic growth



prospects in the next 12 months, compared to just 24% who felt it would worsen.

A key observation based on the survey's findings is the focus on digitisation among local SMEs, with as many as 95% of respondents saying they currently use, or intend to invest in, digital technologies.

This does not come without barriers, though, as 48% of SMEs who already incorporate online business procedures also noted the perceived high cost of investment as a problem, while 39% admit their staff lack the necessary skills to fully leverage new technologies to their benefit.

"Local SMEs seem reluctant to explore growth prospects beyond Singapore's borders, citing concerns around financing and familiarity with foreign markets," says Karl Hamann, CEO, QBE Insurance Singapore.

"However, there are a number of measures in place to help these firms better understand the complexities of foreign markets. These include multi-country insurance protection plans that can mitigate their risk when expanding and help local firms capitalise on opportunities to grow their businesses and further contribute to the economy at home. Insurers can play an important role in ensuring these opportunities are realised," he adds.

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Publication: The Edge Markets

Headline: Why local SMEs prefer to stay put in Singapore over international expansion

Page: <https://www.theedgesingapore.com/why-local-smes-prefer-stay-put-singapore-over-international-expansion>

Date: 29 January 2018

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## Over half of SMEs uninterested in expanding overseas

Four in ten said they don't have funds to do so.

Almost half of Singaporean small to medium enterprises (SMEs) have no interest in internationalising and taking their business beyond Singapore in the near future, global insurer QBE revealed.

According to a survey of SME bosses, 45% said that they will not explore expansion across borders - a figure which rises to 56% for smaller SMEs. Just 14% indicated their intention to internationalise.

Of SMEs currently operating only in Singapore with no intention to internationalise, 42% said they were worried they did not have sufficient funds to expand overseas, whilst 38% cited unfamiliarity with the standards and processes of foreign markets as a concern.

Other concerns include the level of competition in other markets, regulatory, and legal compliance, and political instability.

Another possible reason is the improving perception of the economy in Singapore, driving belief that sufficient growth can be attained locally. Half of respondents feel the economy will improve in the next 12 months, whilst just 24% feel it will become worse.

Whilst local SMEs may not yet feel ready to capitalise on growth prospects in new markets, 44% are expecting an increase in sales in the next 12 months, an improvement on the 40% of companies that said sales increased in the previous year.



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Publication: Singapore Business Review

Headline: Over half of SMEs uninterested in expanding overseas

Page: <http://sbr.com.sg/markets-investing/news/over-half-smes-uninterested-in-expanding-overseas>

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<https://sg.news.yahoo.com/over-half-smes-uninterested-expanding-050000780.html>

# Nearly half of local SMEs have no plans to take their businesses abroad - here's why

Nearly half (45%) of local SMEs are planning on staying local, while only 14% are looking to internationalise.

QBE Insurance Singapore

Almost half (45%) of all small and medium-sized enterprises (SMEs) in Singapore have no plans to take their businesses overseas and plan to stay local - at least in the near future.

Meanwhile, only 14% of local SMEs have an intention to expand abroad, revealed QBE Insurance in its annual research survey report released today (Jan 29).

The survey was conducted in September last year by global business intelligence firm ORC International, on behalf of QBE Insurance, and involved more than 400 SMEs across various industries here.

Having insufficient funds to expand overseas (42%) and unfamiliarity with the standards and processes of foreign markets (38%) were primary concerns for SMEs against internationalisation.



## 45% domestic-only SMEs

### Why not? (top 2 concerns)

**42%** Worried they do not have sufficient funds to do so

**38%** Unfamiliar with standards and processes of foreign markets

QBE Insurance Singapore

Other concerns included: the level of competition in other markets, regulatory and legal compliance as well as political instability.

"There are a number of measures in place to help these firms better understand the complexities of foreign markets," said chief executive officer of QBE Insurance Singapore Mr Karl Hamann.

"These include multi-country insurance protection plans that can mitigate their risk when expanding and help local firms capitalise on opportunities to grow their businesses and further contribute to the economy at home".

According to QBE Insurance, the lack of appetite for international expansion can also be explained by the improving perception of Singapore's economy driving belief that sufficient growth can be attained locally.



Half of the SMEs surveyed showed an optimistic outlook for the local economy in the next 12 months, while only 24% of them believed that the economy would worsen in 2018.

## SMEs show optimism towards the economy in 2018



QBE Insurance Singapore

The survey also found that a whopping 95% of SMEs this year currently use, or intend to invest in digital technologies.

Of those who already carry out at least one business process mainly online, 47% believe that using technology helps to make their business more productive, while 43% say that it allows them to provide better customer service and reach out to more customers.

But while digitalisation appears to be a key area of focus for local SMEs, there are still issues that need to be tackled.

With the growing risk of cyber threats plaguing the region, it is frightening that 35% of smaller SMEs admitted to having no cyber protection at all.

Other issues include the perceived high cost of investment (43%), the lack of necessary skills to fully leverage new technologies (39%) and cyber security (23%).

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Publication: Business Insider Singapore

Headline: Nearly half of local SMEs have no plans to take their businesses abroad - here's why

Page: <http://www.businessinsider.sg/nearly-half-of-local-smes-have-no-plans-to-take-their-business-abroad-heres-why/>

Date: 29 January 2018

# Only 14% of local SMEs intend to internationalise - QBE study

A recent QBE study of more than 400 firms has highlighted the reluctance of Singaporean SMEs to expand internationally. It found that just 14% of domestic firms intend to internationalise while nearly half strongly prefer to keep their business within Singapore for the foreseeable future. At a time when emerging economies are offering so much opportunity, why are firms here so uneasy about chasing growth in new markets?

There are several reasons. 42% of those firms who indicated their preference to stay local said they didn't have the finances to expand, while 38% cited unfamiliarity with specific standards and processes in foreign markets as a major concern. Other prominent barriers included the level of competition overseas, regulatory and legal compliance costs and political instability.

Based on this, it almost appears that firms need clearer, simpler direction on how to enter and understand uncertain markets. But it may not be that they need more resources so much as better pointing them towards the information they need. The best advice we can give SMEs? Ask for help.



There are several information portals and industry bodies out there to help companies understand what they're getting into, while multi-country insurance protection plans also help to mitigate the risks of expanding.

While expansion may not be popular, firms actually expressed a positive attitude toward their prospects in Singapore. Half of the firms we spoke to felt the local economy will improve over the next year, while 44% feel sales will increase - an improvement on the results we've seen when discussing the economy with SMEs in previous years.

One of the most important questions we asked was around technology - and, positively, SMEs are taking action. 95% of firms have either already transitioned to digital technology or have expressed a desire to do so, citing a desire to improve productivity, reach more customers and improve service.

However, any uptick in technology adoption carries questions around how safely it is being integrated. 35% of smaller SMEs admitted to having no cyber protection at all. Although the SMEs recognise the importance of investing in security measures, it seems they are only likely to invest in protection measures after encountering a problem.

The same can be said for Workplace and Safety Health (WSH) insurance. Only 59% of the firms were fully knowledgeable of the protection plans open to them, despite 31% of them having WSH-related accidents in the past year. As Singapore moves towards a Total WSH approach, we need to ensure all companies understand the importance of prioritising safety in the workplace.

On this issue, and all other concerns for that matter, insurers can help firms better understand the business landscape and achieve certainty in an uncertain context. The key, though, is that SMEs understand the resources at their disposal - and that they aren't afraid to ask for the help they need.

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Publication: Singtel myBusiness Techblog  
 Headline: Only 14% of local SMEs intend to internationalise - QBE study  
 Page: <https://mybusiness.singtel.com/techblog/only-14-local-smes-intend-internationalise-qbe-study>

# Broadcast coverage

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Publication: 938NOW (Radio)  
Segment: The Breakfast Club  
Duration: 18:35  
Date: 15 Feb 2018

# Broadcast coverage

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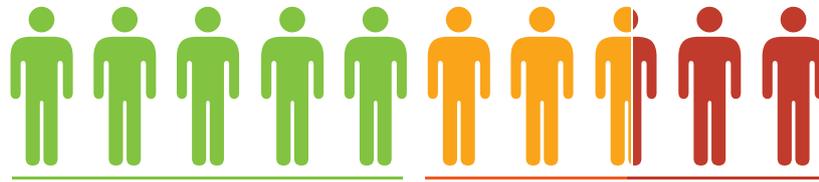
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Publication: Channel NewsAsia (TV)  
Segment: PrimeTime Asia  
Duration: 5:12  
Date: 7 February 2018 (7:00pm)

# SMEs are hesitant about Internationalisation but optimistic about 2018

## SMEs show optimism towards the economy in 2018



Think economy will be better  
(50%)

Think economy will not change  
(26%)

Think economy will be worse  
(24%)

### What are SMEs' biggest concerns?



Staff acquisition, training, and retention



Increasing costs/Reduced profitability



Increasing competition/ Trying to stay competitive

### Which issues have grown most in concern?

Digitisation



Internationalisation

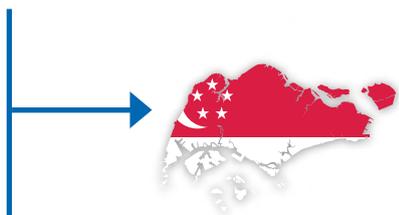


▲ 16% from 2016

## Barriers to internationalising



**57%** No intention to internationalise beyond current footprint



**45%** domestic-only SMEs

Why not? (top 2 concerns)

**42%** Worried they do not have sufficient funds to do so

**38%** Unfamiliar with standards and processes of foreign markets



**12%** of SMEs with international presence

Why not? (top 2 concerns)

**36%** Having sufficient financing

**36%** Level of competition in other markets

# Singapore's SMEs are digitally ready



**95%** of SMEs already digitalised, or are intending to invest in digital technologies

Barriers to further digitalisation:

- **48%** Concerned about cost
- **39%** Admitted staff lack necessary skills



**SMEs are dangerously unprotected against common cyber threats**

- **35%** of all SMEs have no cyber protection at all
- Only **23%** of SMEs see security of sensitive data as a concern

## SMEs are relaxed towards Workplace Safety and Health (WSH)

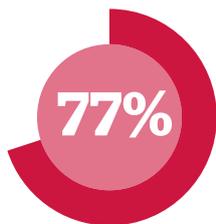


**31%** of SMEs encountered workplace incidents in the past 1 year



Only **59%** SMEs indicated they are aware of all WSH requirements

## SMEs remain indifferent to business insurance solutions



ran into at least one insurable issue in 2016



will only consider insurance when they see others running into trouble



see insurance as a low-priority to their business