

**AustCham** SINGAPORE  
Your Australian Business Connection

# **BUSINESS SENTIMENTS & SUSTAINABLE PRACTICE REPORT 2023**



# TABLE OF CONTENTS

INTRODUCTION .....	4-5
METHODOLOGY .....	6-7
RESULTS .....	
<b>Section 1: Respondent profile .....</b>	<b>8-11</b>
Gender profile .....	8
Size of global and local operation .....	9
Industry type .....	10
Company Ownership Type .....	11
<b>Section 2: Business Sentiment .....</b>	<b>11-17</b>
Past Year's Revenue Performance .....	11-12
Business Expectations for the Next 12 Months .....	13
Challenges and opportunities in the coming year .....	16
Company Focus Areas in the Coming Year .....	17
Impact of Hong Kong Situation .....	17

<b>Section 3: International Business Strategy .....</b>	<b>18-27</b>
Location and Reason for Global Headquarters Placement .....	18-20
Current International Operation in Singapore .....	20-21
International Expansion Plans in the Next Five Years.....	24-25
China's Belt and Road Initiatives .....	26
Free Trade Agreements (FTAs) .....	26
<b>Section 4: Perception of Singapore Immigration Policy .....</b>	<b>28-33</b>
Employment practices .....	28-29
Views on Immigration Policy .....	32-33
<b>Section 5: Sustainable Practices .....</b>	<b>34-42</b>
Company's engagement in environment protection initiatives/practice .....	34-38
Why do companies engage or not engage in sustainable practices? .....	39-41
Green Economy Agreement (GEA) between Singapore and Australia .....	42
<b>CONCLUSION .....</b>	<b>43</b>
<b>CONTRIBUTORS &amp; ABOUT AUSTCHAM .....</b>	<b>45-49</b>

Trade and business ties between Australia and Singapore are strong. Singapore is Australia's largest trade and investment partner in Association of Southeast Asian Nations (ASEAN) and the sixth largest trading partner overall, with \$27 billion in two-way trade in 2020 (Department of Foreign Affairs and Trade, Australian Government, 2022). As global uncertainty has heightened in recent years due to a range of factors (e.g., the pandemic, the China-United States trade war, and the Ukraine war), as much as possible must be done to help Australian businesses operating in Singapore reflect on their business practices and evaluate their strategies for operating not only in the host country but also the wider ASEAN region.

As such, the Australian Chamber of Commerce, Singapore (AustCham) and Center of International Trade and Business in Asia (CITBA), James Cook University Singapore Campus has collaborated on this project to provide a snapshot of the current business sentiment and sustainable business strategies of Australian business community in Singapore in the post-pandemic era.

An online survey was conducted with both members of the AustCham business community in Singapore and businesses operating there from 12 January 2023 to 11 April 2023. The highlighted findings include:

#### **BUSINESS CLIMATE**

- 63% of the surveyed organizations report improved business performance compared to the pre-pandemic period.
- 81% of the surveyed organizations expect an increase in revenue in the next 12 months.

- 50% of the surveyed organizations anticipate an improvement in the business environment in the next 12 months.
- The top 3 challenges in the next 12 months are global economic uncertainty, the cost of doing business, and the ability to attract regional talent.
- The top 3 factors influencing business positively in the next 12 months are increasing technology adoption, greater access to regional markets, and improvements in the regional economy as well as increasing business capability.
- The top 3 areas to focus on in the next 12 months are growth, operational efficiencies, and branding and differentiation.

#### **INTERNATIONAL BUSINESS STRATEGY**

88% of respondents report considering expansion in the next five years.

The top 4 destinations for expansion are Indonesia, India, Vietnam, and Malaysia.

The top 3 reasons to expand within the Asia Pacific region are increased demand for their company's goods/services due to COVID-19, increased geopolitical tensions outside of the Asia-Pacific region, and better staff mobility. 47.06% of respondents see opportunities from China's Belt and Road Initiatives.

56% of respondents perceive that FTA benefit their business in some aspects.

#### **SINGAPORE IMMIGRATION POLICY**

- 52.94% of the respondents plan to increase the number of employees in Singapore in the next 12 months.
- The top 3 skills in shortage include ESG-related skills, IT and technology, and engineering.
- 55% think the benchmark of EP qualifying salary announced in March 2022 is too high.
- 22.58% and 48.39% believe that COMPASS will help or somewhat helps to ensure a high-quality and diverse foreign workforce in Singapore that complements the local workforce, but only 25.81% of the respondents think the COMPASS requirements are transparent.
- 58% of the respondents were aware of the new Overseas Networks and Expertise Pass but only 32.26% are interested in accessing it for talent attraction.

#### **SUSTAINABLE PRACTICES**

- 72% of the respondents engaged in sustainable practices to a moderate and a very great extent.
- The top 3 sustainable practices adopted are water efficiency, reducing waste in internal processes, and energy efficiency.
- The top 3 motivations for sustainable practices are industry norms, reducing cost, and customer awareness.
- The top 2 barriers to engaging in sustainable practices are a lack of information on the real costs and benefits of energy-efficient technologies / sustainable solutions and a lack of standardised performance benchmarks to identify underperforming domains.
- The following sections will report the methodology and more detailed results.

# METHODOLOGY

The questionnaire contains three sections: AustCham business community in Singapore and other businesses in the country. The first section includes questions related to AustCham members' demographic information, such as the number of employees, industry, number of years in operation, and so on. The second section includes questions on motivations, barriers, and adoption of sustainable business practices, including, but not limited to, internal waste management, efficient use of resources, and product/process improvement. In the third section, questions are designed to understand the business sentiment and international strategy among AustCham members.

The online questionnaire link was distributed to the potential respondents by AustCham, using their communication channels (e.g., e-mail, weekly newsletter) and social media platforms (e.g., Instagram, LinkedIn). A reminder was sent to the potential participants three times during the data collection period. At the end of the data collection period, 68 responses were obtained. After removing the responses with missing data, 32 data points were used for the analysis.

An online questionnaire through Internet-assisted data collection software Qualtrics was administered from 12 January 2023 to 11 April 2023 to collect data from both members of the



# RESULTS

## Section 1: Respondent profile

This section details the relevant demographic profiles of the individuals and businesses that completed the 2023 survey.

### Gender profile

As Figure 1 shows, the number of respondents that participated in the survey was overwhelmingly male (81%), which indicates the gender balance of the AustCham membership.

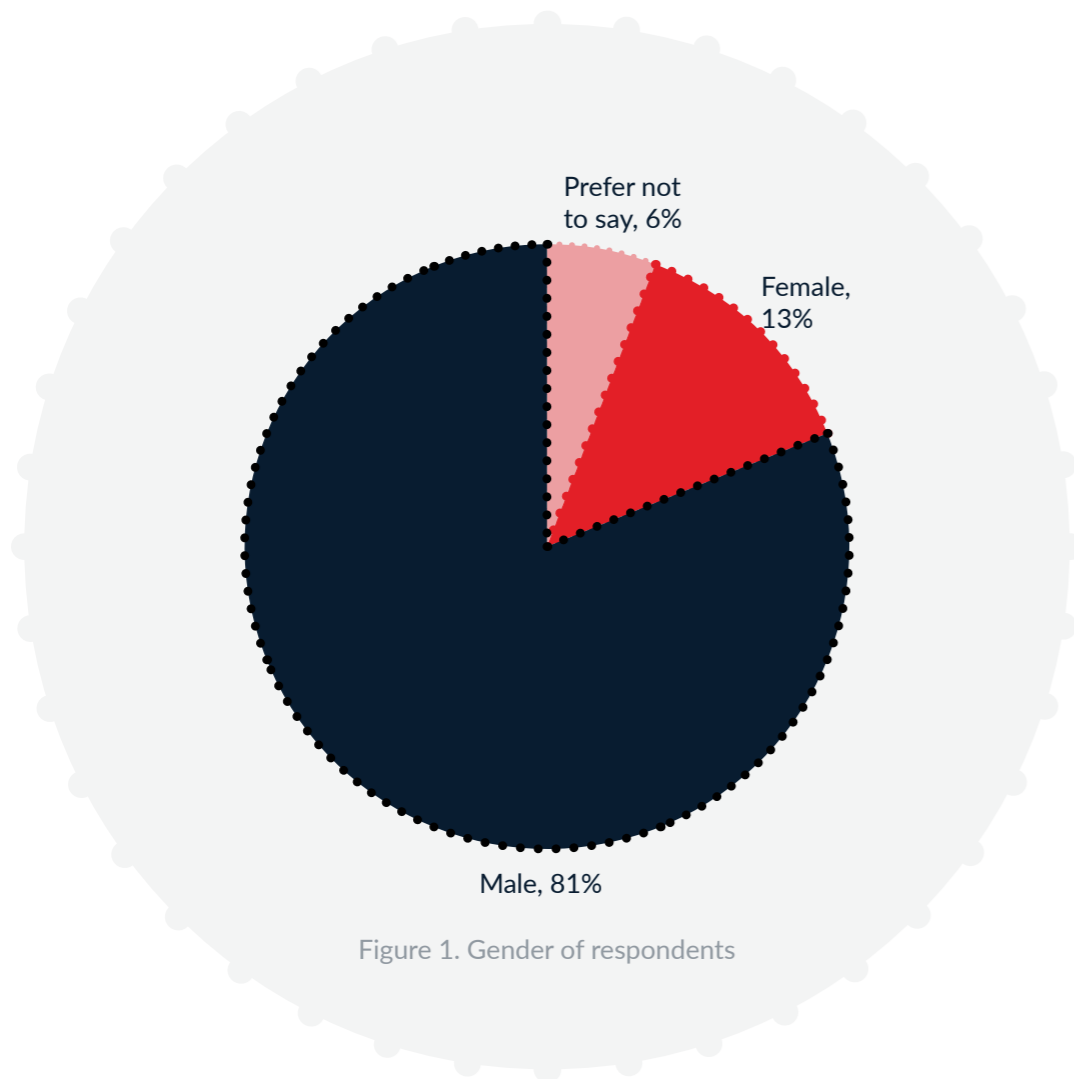


Figure 1. Gender of respondents

### Size of global and local operation

Most respondents from the survey worked in MNEs of 201 or more employees, while there was a relatively even split between the other sizes of organizations measured.

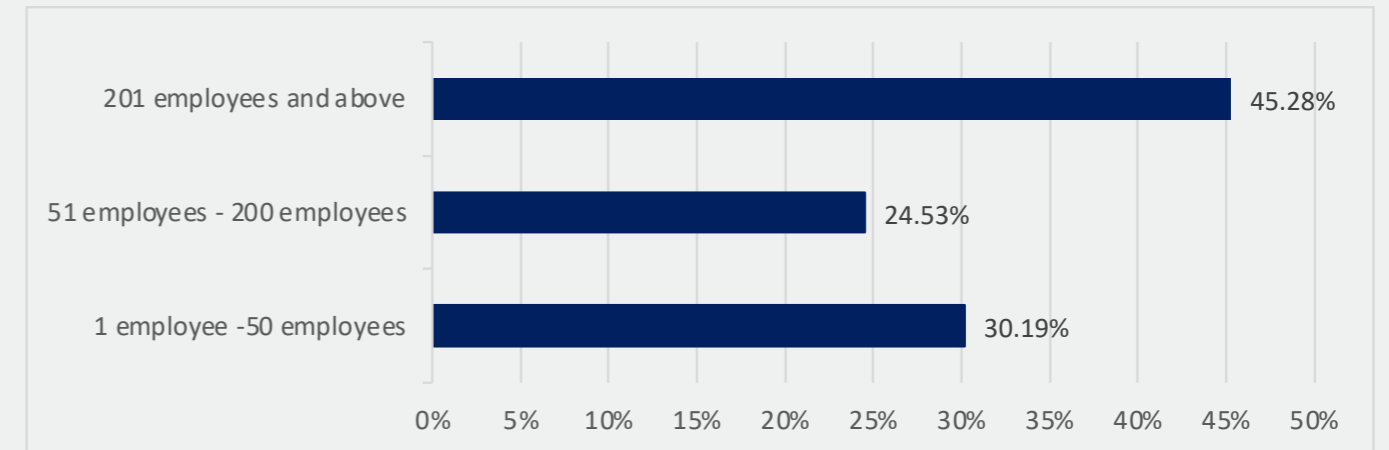


Figure 2. Size of Organization (measured by Number of employees globally)

Looking into their Singapore operation, 71% of the respondents' local operation has less than 200 employees (Figure 3). Based on the annual revenue, 68% of the respondents' local operation has no more than SGD 100 million (Figure 4). Such data suggest that majority of the Australian businesses fall into small and medium enterprises based on Singapore government's definition. The nature of this residence is in line with the structural dynamics of AustCham's business membership.

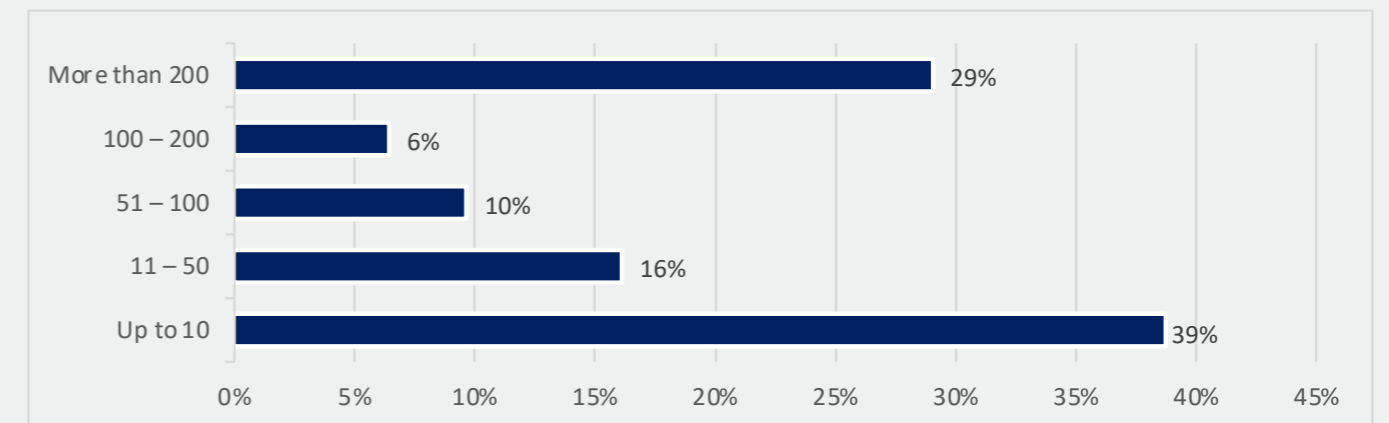


Figure 3. Size of Singapore operation (measured by number of employees in Singapore)

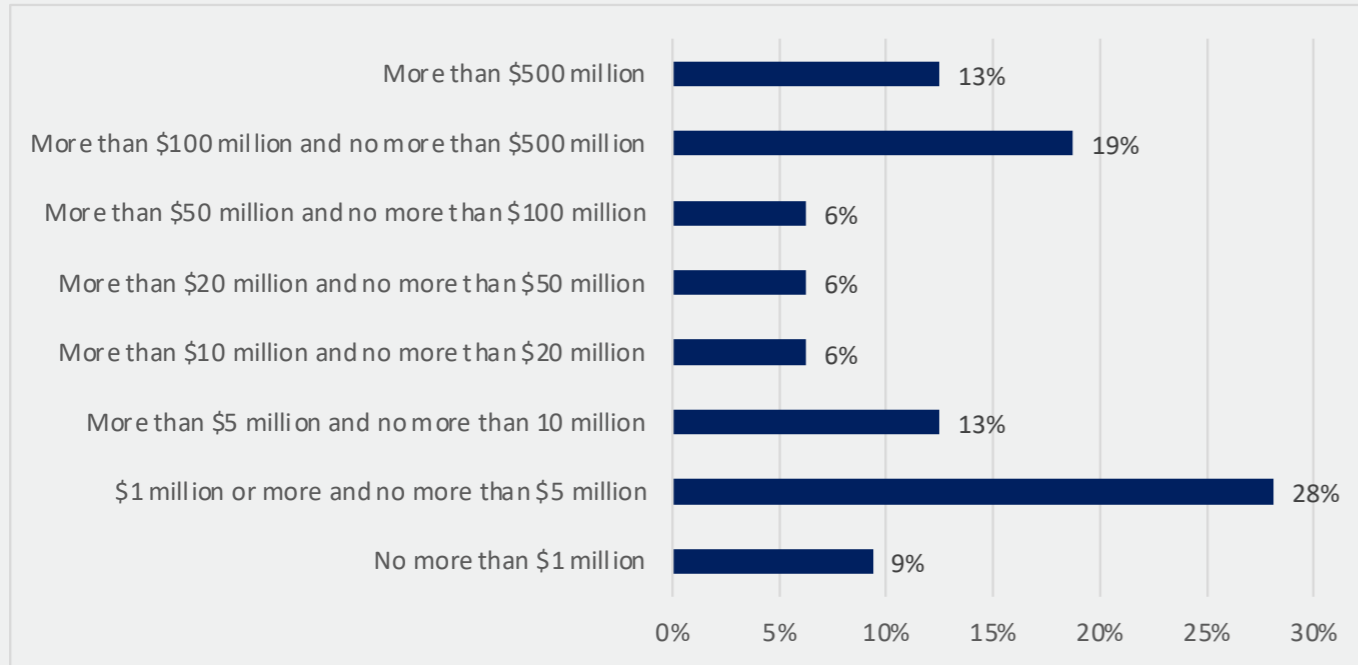


Figure 4. Value of local operation's revenues

### Industry type

The responses recorded under industry type were reasonably well spread out, with the four most populated segments being Construction & Real Estate Industry (18%), Business Services & Enterprises (15%), Manufacturing & Related Industries (15%), and Banking & Financial Services (12%), as in Figure 5. Given the diverse array of members with the AustCham membership structure, such a finding was unsurprising.

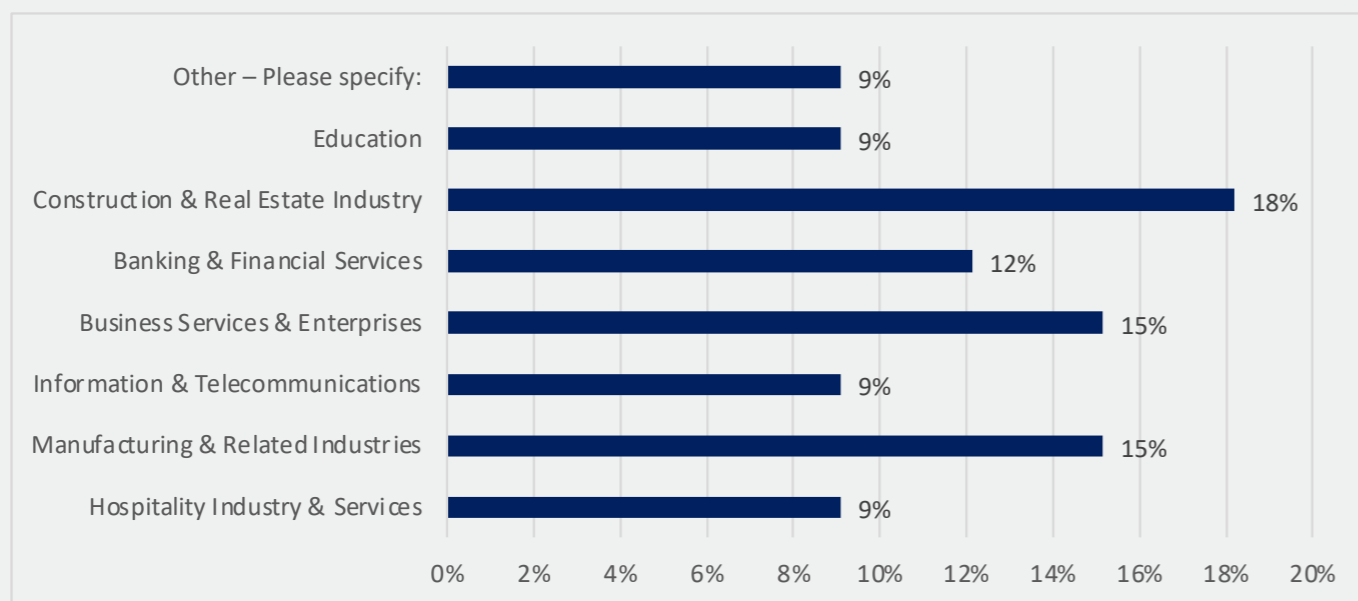


Figure 5. Industry Type

### Company Ownership Type

Company ownership type was defined according to a range of metrics (see Figure 6). As one would expect from a study of this nature, most respondents and/or organizations involved in the survey are privately owned (56%). A significant number of responses were listed entities (28%). While the number of family-owned (9%) and non-profit organizations (3%) was relatively small.

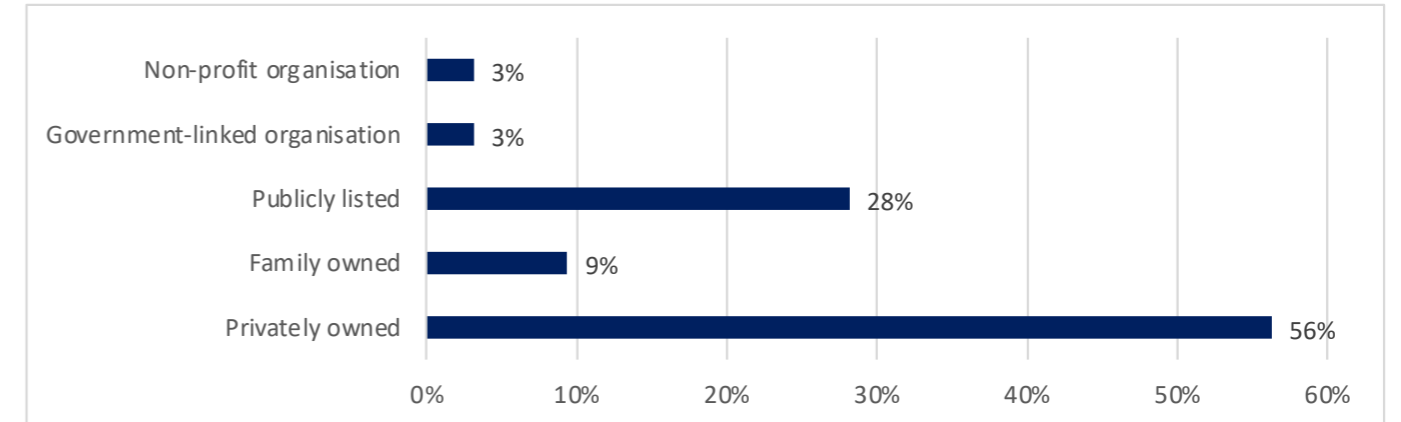


Figure 6. Company Ownership Type

## Section 2: Business Sentiment

This section focuses on the business sentiment of respondents by assessing their business performance over the past year, as well as their business expectations, challenges, opportunities, and the key areas of focus for their companies in the next year.

### Past Year's Revenue Performance

Over the past year, most respondents (75%) experienced an increase in their business revenue, 12.5% experienced a decrease, and 12.5% reported that their revenue remained the same (Figure 7).

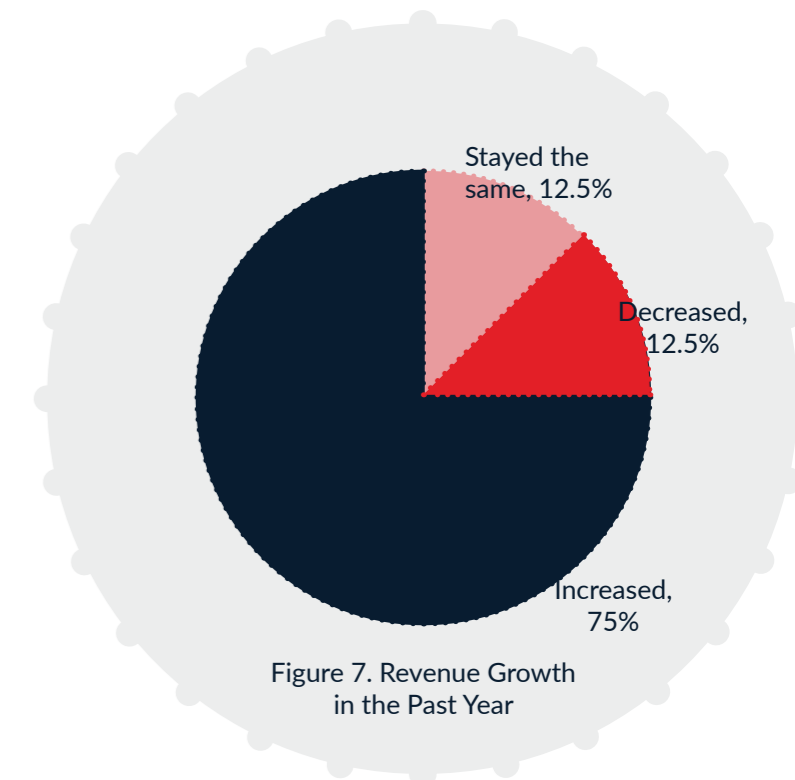


Figure 7. Revenue Growth in the Past Year



Moreover, when asked to compare their business performance to the pre-pandemic period, most respondents (63%) reported that it had improved, 31% said it had stayed the same, and 6% indicated that it had worsened (Figure 8).

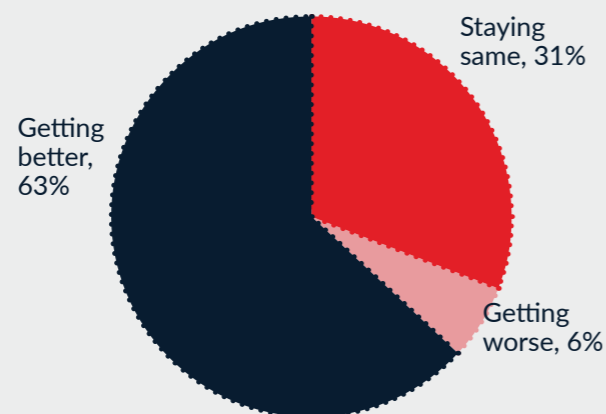


Figure 8. Post-pandemic business performance

#### **Business Expectations for the Next 12 Months**

The survey responses were predominantly optimistic regarding their predictions for business revenue over the upcoming year. As shown in Figure 9, a significant majority of respondents (81%) expressed expectations for an increase in revenue, while a smaller portion (9%) anticipated a decrease. Additionally, a minority (9%) expected the revenue to remain unchanged.

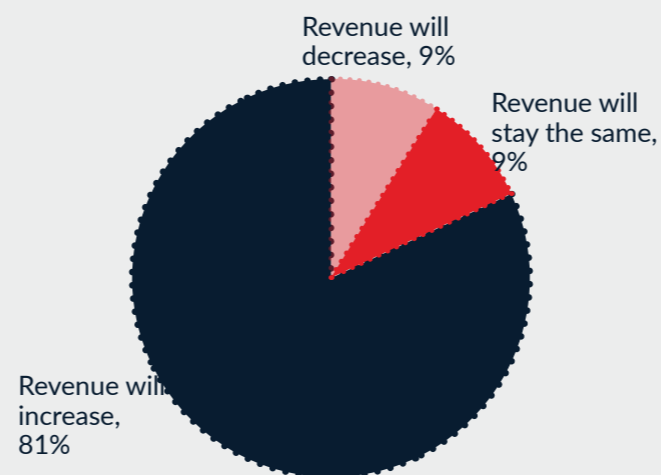


Figure 9. Expectations about next year's revenue

However, a level of uncertainty existed when it came to expectations concerning the business environment in the upcoming year. The survey results revealed that merely 50% of the responses anticipated an improvement, while 38% expressed concerns about a potential deterioration, and 13% projected a consistent environment (Figure 10).

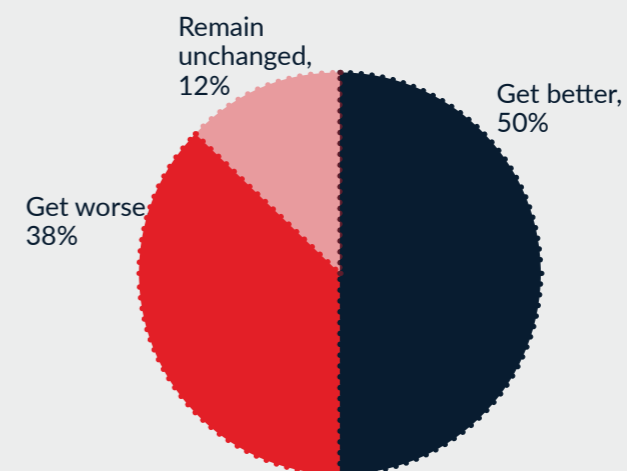


Figure 10. Expectations about next year's business environment



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### Challenges and opportunities in the coming year

To gain a deeper understanding of the factors influencing their business expectations for the coming year, respondents were asked to select up to three issues they are most concerned about, impacting their business prospects over the next 12 months. As depicted in Figure 11, the top three concerns are as follows: (1) Global economic uncertainty (78%), (2) Cost of doing business (63%), and (3) Ability to attract talent from the region (44%).

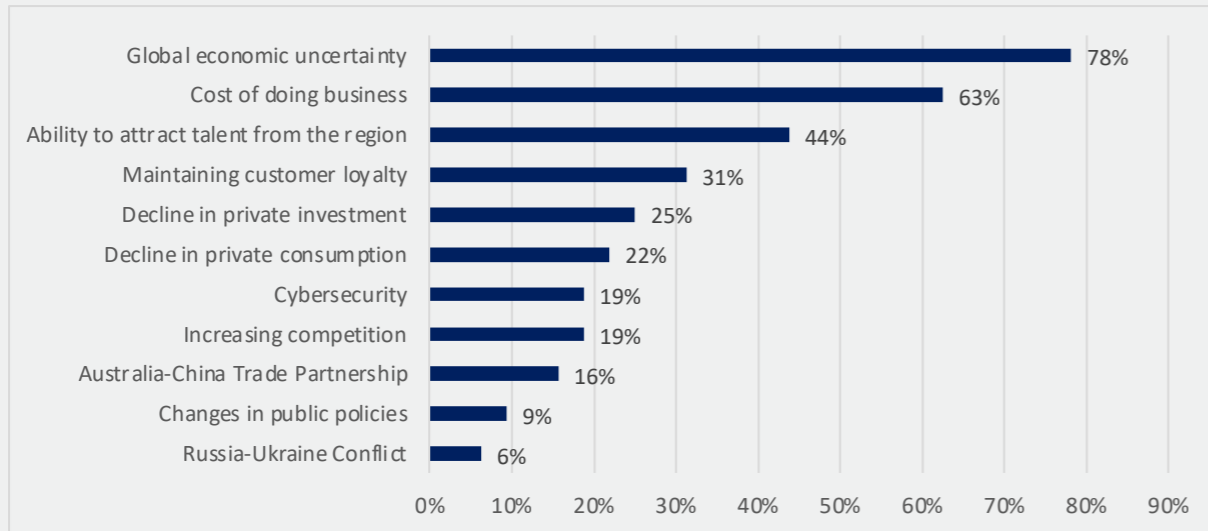


Figure 11. Potential challenges in the next 12 months

The respondents were also asked to select up to three factors that they believe will positively impact their business prospects over the next 12 months. The results in Figure 12 show that the top three choices include: (1) Increasing technology adoption (62%), (2) Greater access to regional markets (55%), and (3) Improvements in the regional economy as well as increasing business capability (45% each).

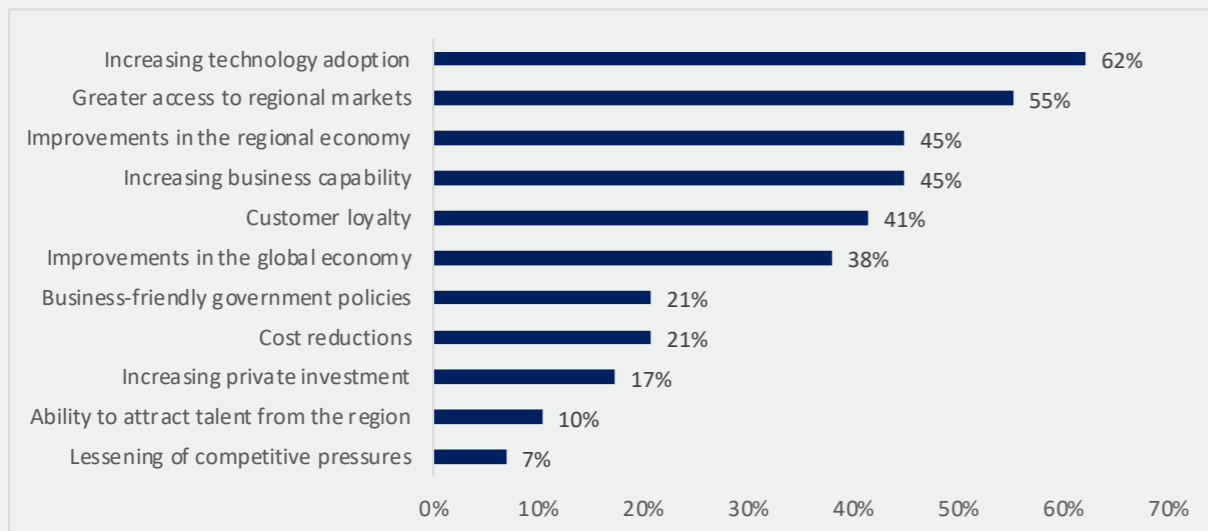


Figure 12. Potential opportunities in the next 12 months

### Company Focus Areas in the Coming Year

The respondents were requested to choose up to three of the most important focus areas for their company in the next 12 months. The top three answers are: (1) Growth (88%), (2) Operational efficiencies (56%), and (3) Branding and differentiation (47%) (Figure 13).

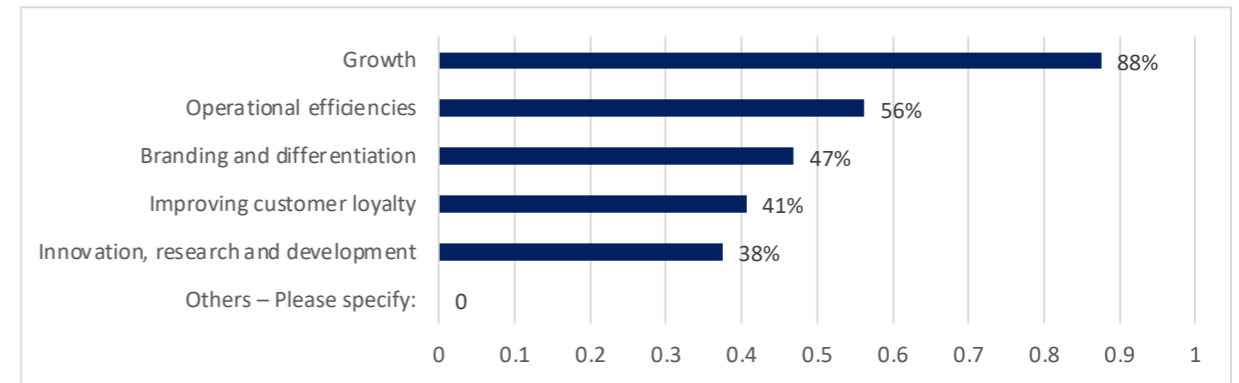


Figure 13. Company focus areas in the next 12 months

### Impact of Hong Kong Situation

With regard to the impact of Hong Kong, 45% of the respondents think the Hong Kong situation has impacted their operations in the Singapore office, citing the main effects being more talent available and increased cost of living for staff driven by HK immigration, increase in the family office and greater regional trade in Singapore (Figure 14).

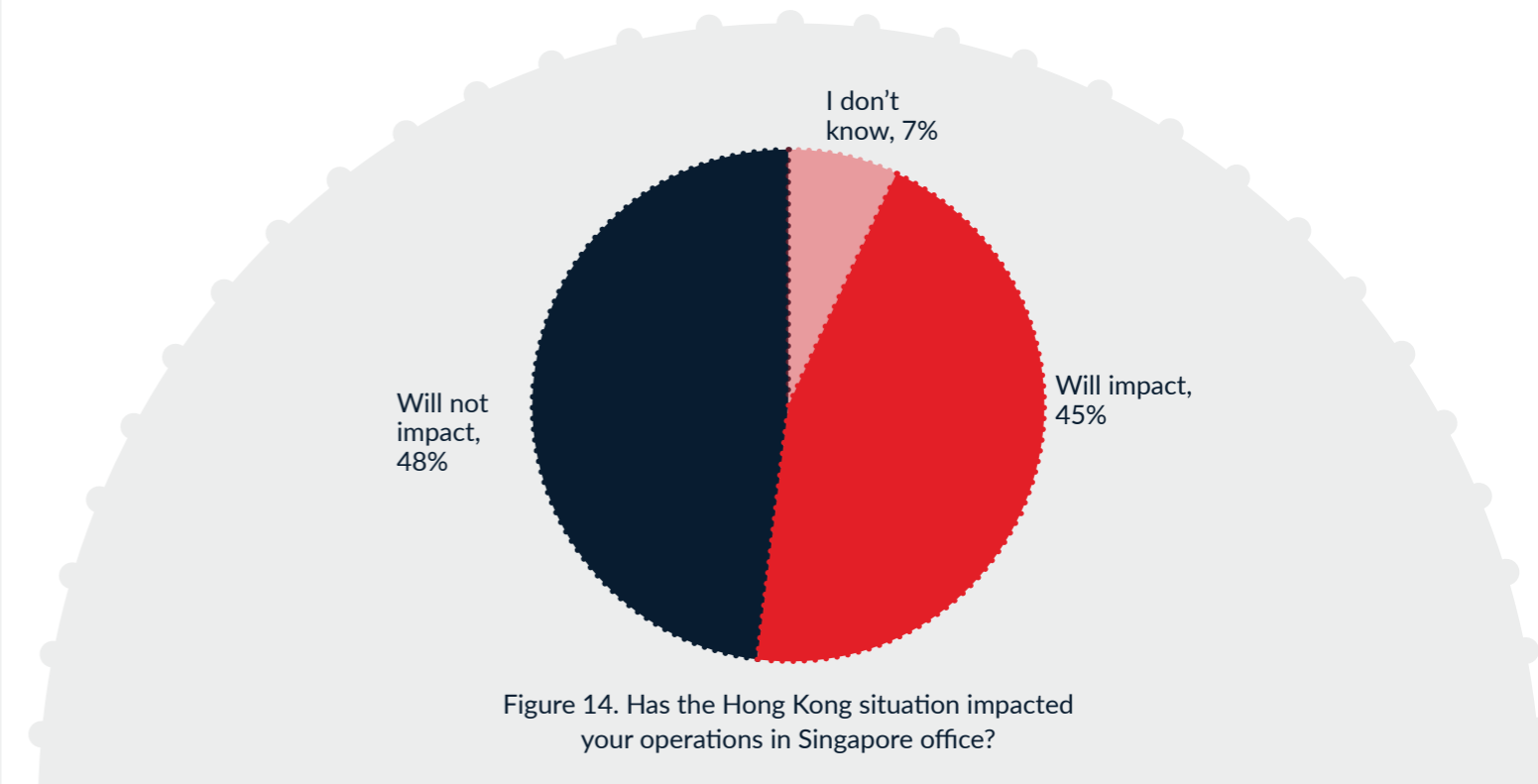


Figure 14. Has the Hong Kong situation impacted your operations in Singapore office?

## Section 3: International Business Strategy

### *Location and Reason for Global Headquarters Placement*

An important decision for any multinational organization is the location of its global headquarters. Regarding this survey, most respondents chose to situate their headquarters in Singapore (44%) (see Figure 15). In terms of other responses, a range of locations were provided, including France, Hong Kong, Mauritius, and Dual HQ in Singapore and Melbourne.

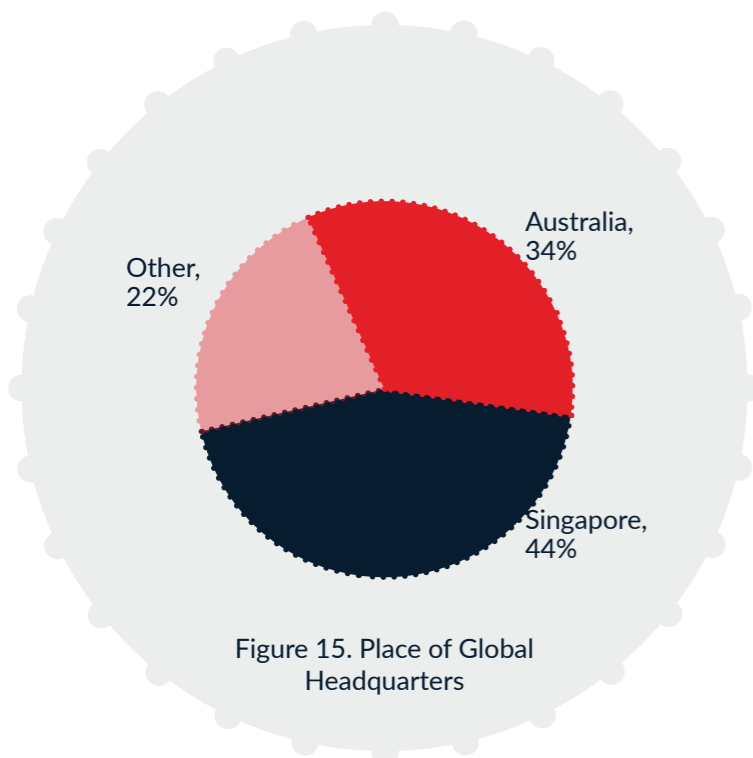


Figure 15. Place of Global  
Headquarters



Respondents were also asked to select as many answers that apply to their reasons for locating their global headquarters. As Figure 16 shows, there are a number of important reasons behind an organization's global headquarters location. These include a strong pro-business environment (81%), English language capabilities (78%), and the proximity to existing customers/markets for easier coordination and control of the activities of the affiliates within the region (78%). Other important factors of consideration were regional market growth potential (59%), spring board to access potential customers in the regional markets (56%), lower taxes (50%), and access to a well-trained workforce in the country/region (50%).

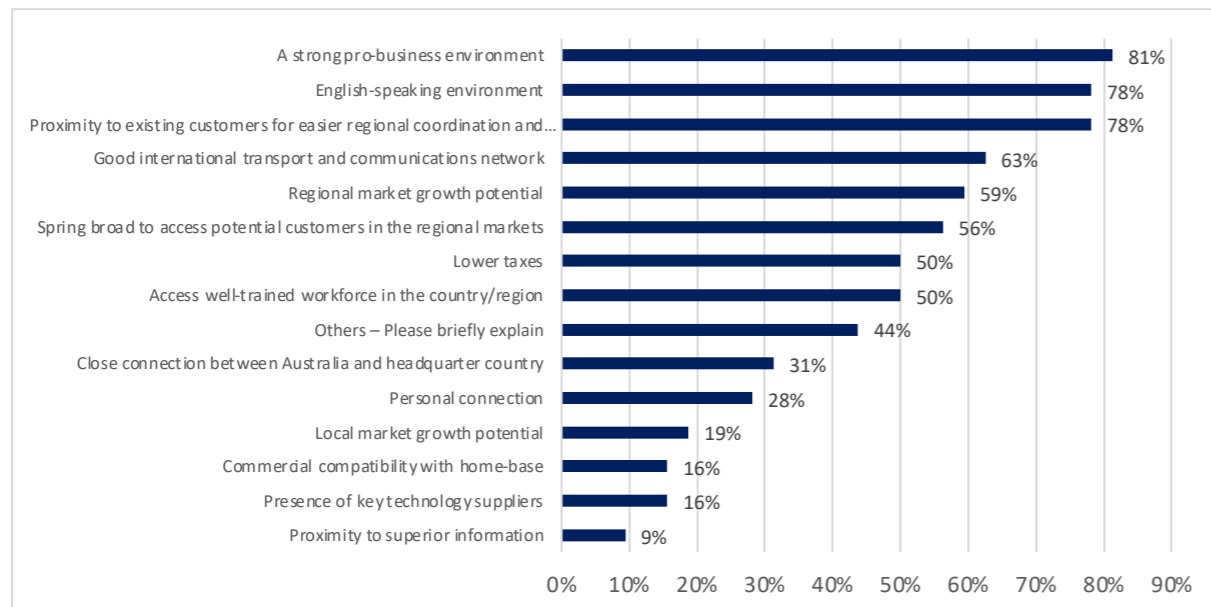
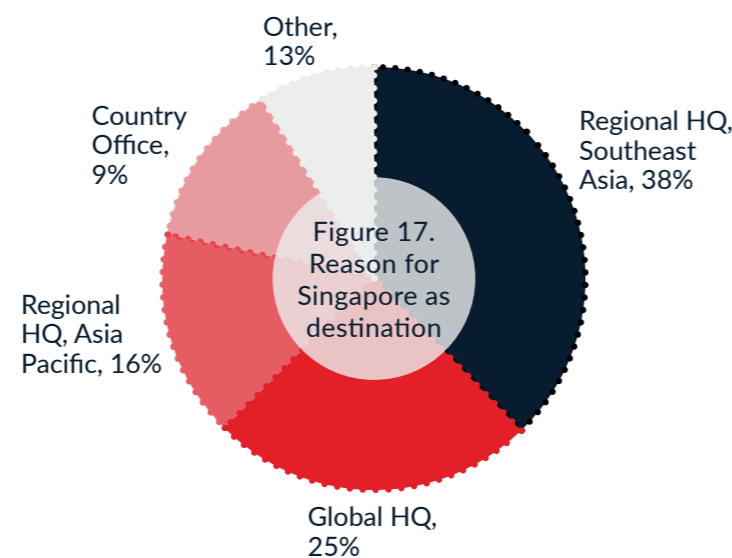


Figure 16. Reasons of locating global headquarters

### Current International Operation in Singapore

The respondents were asked about their international business strategy and motivations for operations in Singapore. About 38% of the respondents pointed out that Singapore was chosen as Regional Headquarters (Southeast Asia), while another 25% acknowledged Singapore was selected for being even the Global Headquarters (Figure 17).



Subsequently, respondents were asked how many years their business was operating in Singapore. Figure 18 shows that 56% of the businesses have been active for 20 years or longer, followed by those between five and ten years (25%) and those between 10 and 20 years (9%).

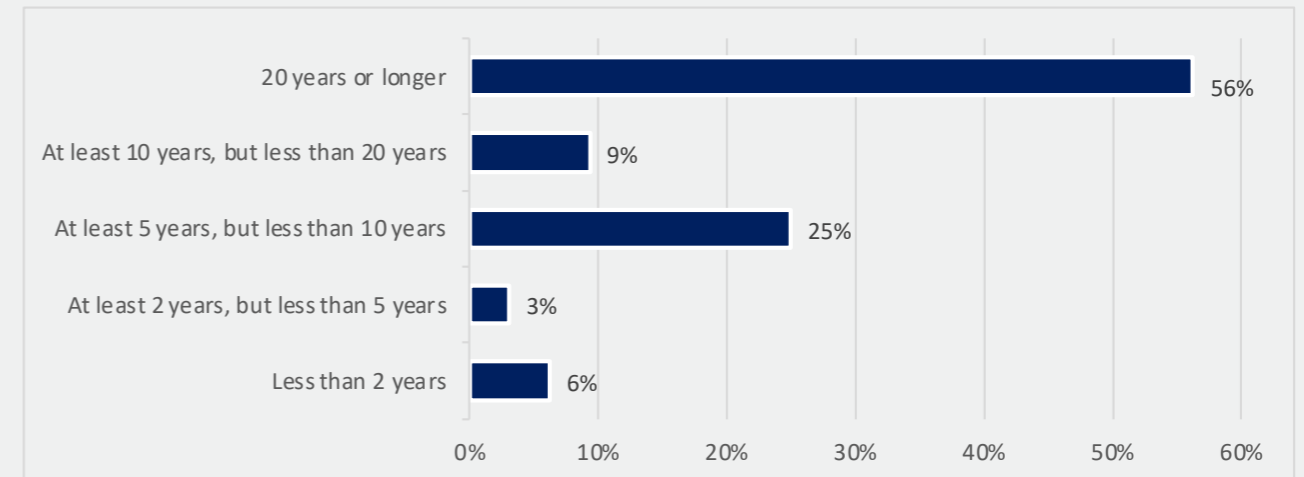


Figure 18. Business activity in Singapore



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### International Expansion Plans in the Next Five Years

After the questions about international business strategy, we asked the respondents about their expansion plans and strategies. These questions were outbound Singapore related. First of all, the majority of the respondents (88%) reported considering expansion in the next five years, indicating an optimistic expectation about the international climate.

The respondents pointed out that the following countries were considered for expansion in South and Southeast Asia (Figure 19): Indonesia (41%), India (34%), Malaysia, and Vietnam (each 31%), followed by the Philippines, China, Thailand, Singapore, Cambodia, Brunei, Myanmar, Laos. If it were not South and Southeast Asia, then Australia, Europe, Japan, South Korea, and Taiwan (in alphabetical order) were highlighted as the next destinations for expansion.

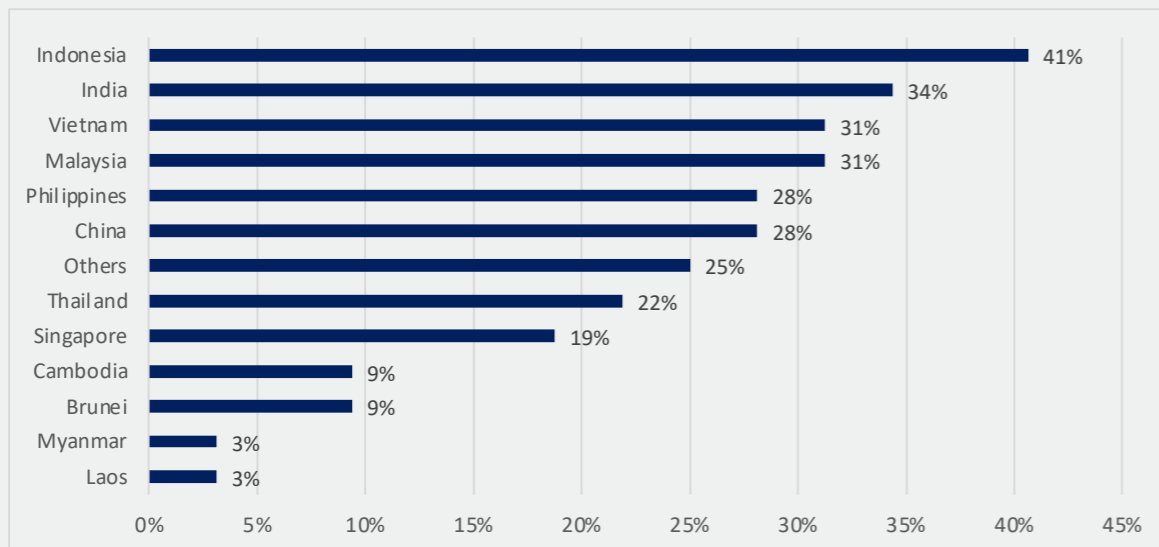


Figure 19. Countries considered to expand to in the next five years

Respondents were also asked to identify the reasons influencing their companies' decision to expand within the Asia Pacific region within the next five years (Figure 20). The most selected reasons include increased demand for their company's goods/services due to COVID-19 (32%), increased geopolitical tensions outside of the Asia-Pacific region (26%), and better mobility of staff (19%). Other reasons include slower growth in Australia, regular business trajectory, long-term plan to expand to growth areas, opportunities to grow with a local presence, to service existing clients where their new projects are located, increased need to structure businesses, and adoption of 5G technology.

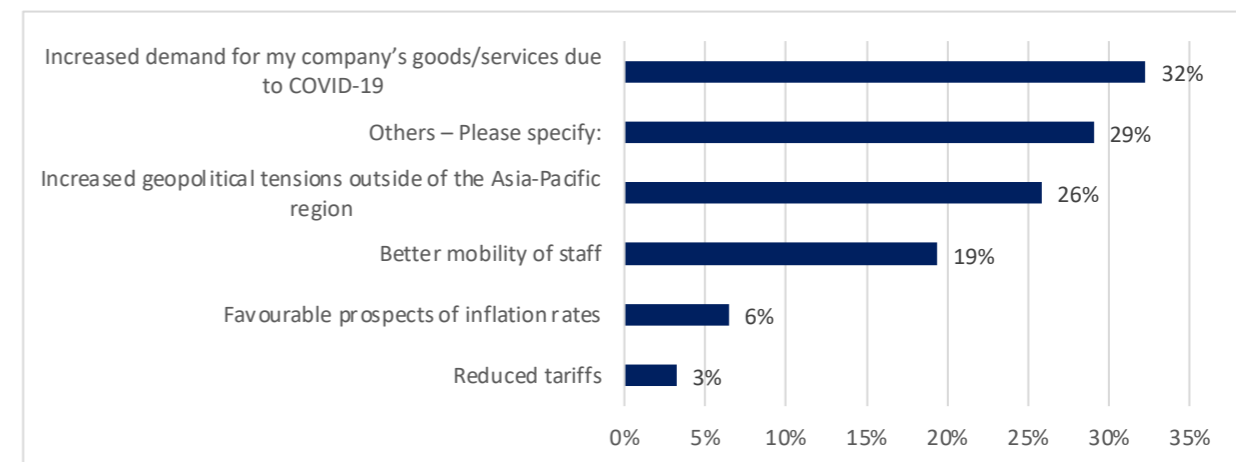


Figure 20. Reasons driving companies' expansion within Asia Pacific region



### China's Belt and Road Initiatives

Subsequently, the respondents were asked whether they saw opportunities in China's Belt and Road Initiatives. The respondents were somewhat evenly divided: 47.06% said they did see opportunities, while 52.94% did not see any opportunities coming from the initiative for their business.

For those who were already engaged or looking to engage in China's Belt and Road Initiatives, on a 1 ("least easy of engagement") to 5 ("most ease of engagement") point scale, the majority was undecided or "neutral" (43.75%), followed by 25% who were slightly positive (that is, 4 on a scale from 1 to 5) and another sizable cohort (18.75%) pointed out the least easy of engagement.

### Free Trade Agreements (FTAs)

Furthermore, as depicted in Figure 21, 82.76% of the respondents were aware of the Free Trade Agreements (FTAs) in the markets they operated in. However, at the same time, the majority (44%) said the FTA was not beneficial to their business, followed by others who said FTAs opened new opportunities in the market (28%) and FTAs lessened the landed costs of existing exports (16%), while 13% said that FTAs eased the administrative export process. For those choosing others, they either did not specify the impact or indicated "unsure about the impact".

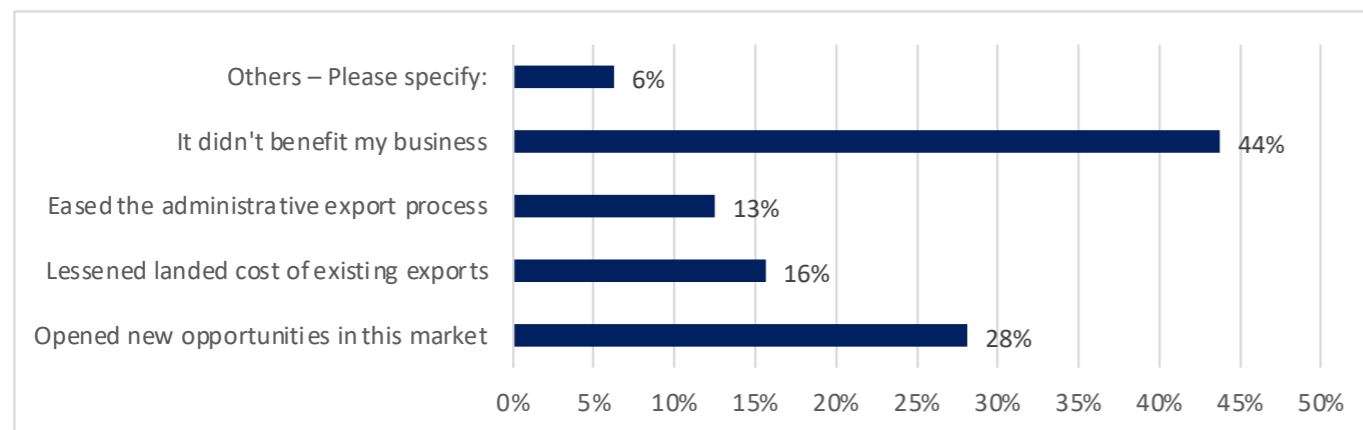


Figure 21. Arguments whether and how FTAs are beneficial to the company



## Section 4: Perception of Singapore Immigration Policy

### Employment practices

In view of the current changes in the immigration policy in Singapore, we also asked the respondents about their views on the employment practice and the impact of the new policy and climate. While 52.94% of the respondents plan to increase the number of employees in Singapore in the next 12 months, 42% do not plan to change the number of employees (See Figure 22).

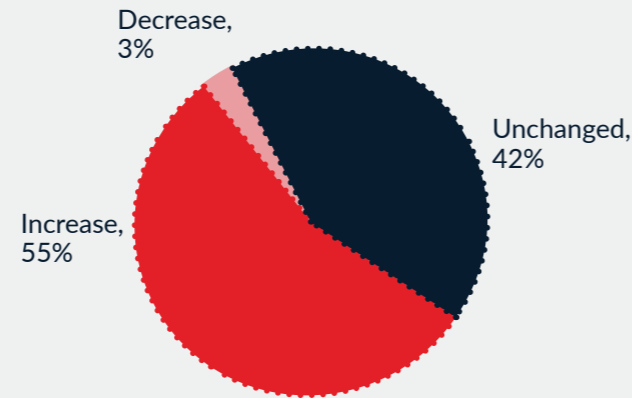


Figure 22. Plan to change the number of employees in the next 12 months

We then asked the respondents to indicate what measures they would take when some positions in Singapore cannot be filled in a reasonable timeframe. As shown in Figure 23, while 59% of the respondents reported that they would keep the position open in Singapore, 53% reported that they would distribute the tasks within the organization and dissolve the position. 16% of the respondents chose other options, such as bringing employees from other locations or offshoring it.

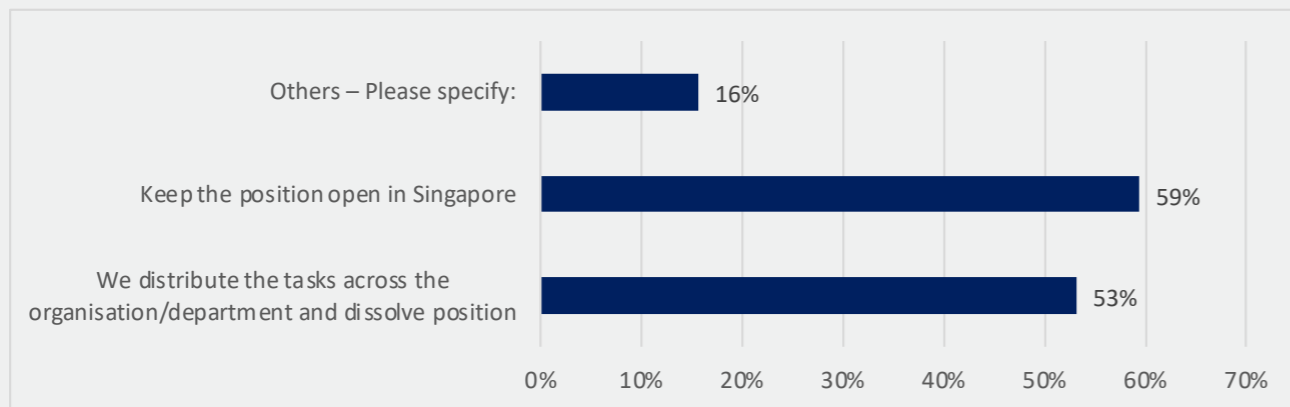


Figure 23. Measures to be taken if some positions cannot be filled

We also asked the respondents about the top 3 skills university students should possess from a list of six given skills. The results are reported in Figure 24, where critical thinking skills, initiative and self-motivation, English proficiency, and team-work capability top the list.

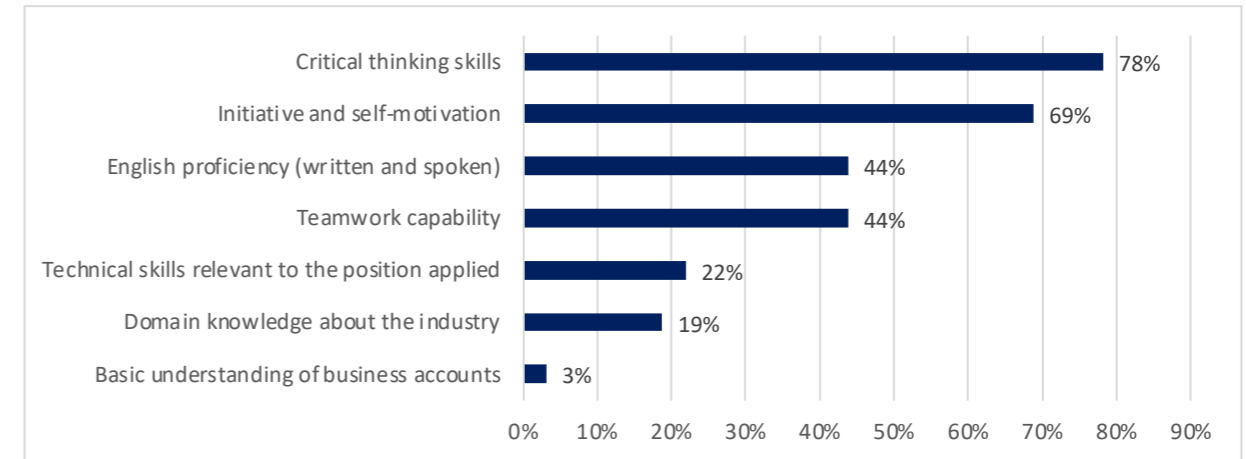


Figure 24. Top 3 Skills expected from university students

When asked which skills are in shortage, only 25% of the respondents reported that they did not experience any skill shortage. The top 3 skills in shortage include ESG-related skills, IT and technology, and engineering. Other talents in demand reported by the respondents include software engineers, risk professionals, project planners, qualified professionals, financial analysts, economists and sales (Figure 25).

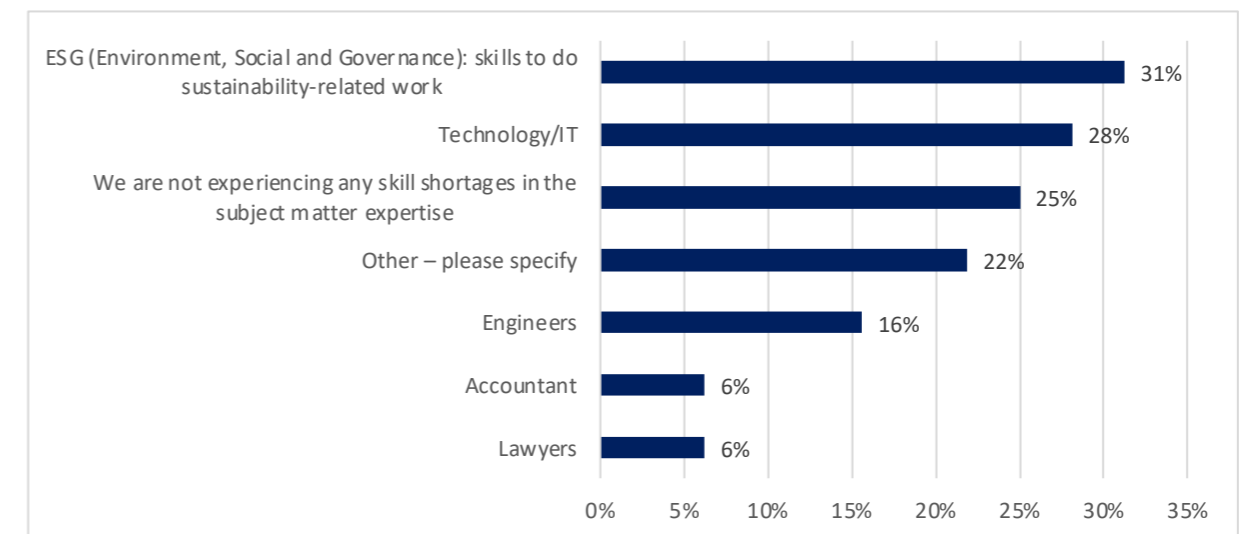


Figure 25. Skills in shortage

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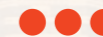
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### Views on Immigration Policy

When asked whether they find Singapore to be open and welcoming to foreigners, 65% of the respondents held a positive view, while 29% held neutral and 6% held a negative view.

In view of the new changes in the EP policy, 65.63% of the respondents think that obtaining an EP has become more difficult, while only 25% think it is unchanged, and 9.38% think it is easier. For those who think obtaining EP is more difficult than before, 82% of them reported the reasons being that fewer applications are successful, and 71% reported the reason of higher qualifying salary threshold for EP (Figure 26).

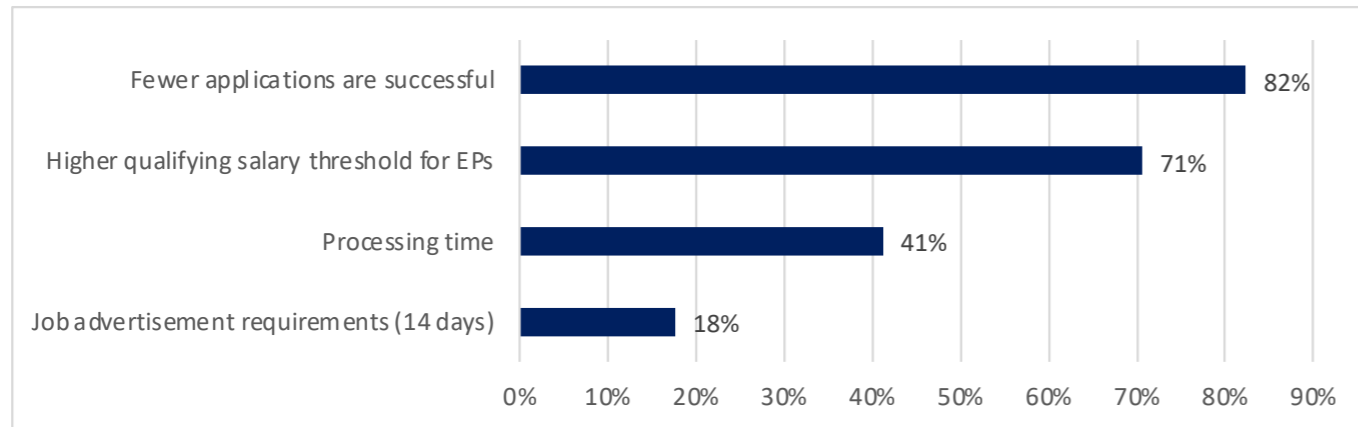


Figure 26. Reasons for difficulty in obtaining EP

When the EP is rejected, 41% of the respondents shift the position to another location, 32% leave the vacancy open, and 23% hire somebody else despite the fact that the necessary skills are missing (Figure 27).

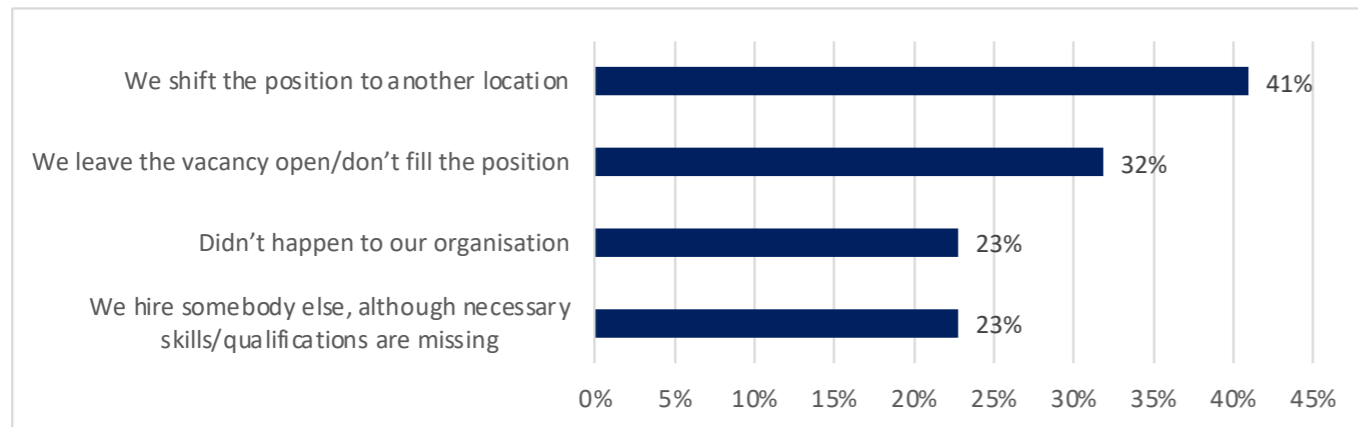


Figure 27. Measures taken if EP is rejected

In March 2022, the Singapore Government announced a benchmark for the EP qualifying salary at the top one-third of local PMETs (Professionals, Managers, Executives, and Technicians) to ensure quality. With regard to this policy change, 81% of the respondents were aware of the change, and 19% were not. For the higher benchmark of EP qualifying salary, 45% of the respondents thought it was reasonable, and 55% thought it was too high.

Another two new policies brought by the Singapore Government is a new point-based system Complementarity Assessment Framework (COMPASS) for EP applications and the introduction of the new Overseas Networks & Expertise (ONE) Pass, which started to apply progressively from 1 September 2022. In our sample, 52% of the respondents were aware of the COMPASS, while 48% were not. Among the respondents, 22.58% and 48.39% believed that COMPASS would help or somewhat help to ensure a high-quality and diverse foreign workforce in Singapore that complements the local workforce, respectively, and 28.03% thought it would not help (Figure 28). Only 25.81% of the respondents thought the COMPASS requirements were transparent and gave their business more predictability and certainty for manpower planning, while the remaining were not fully convinced about the transparency (Figure 29).

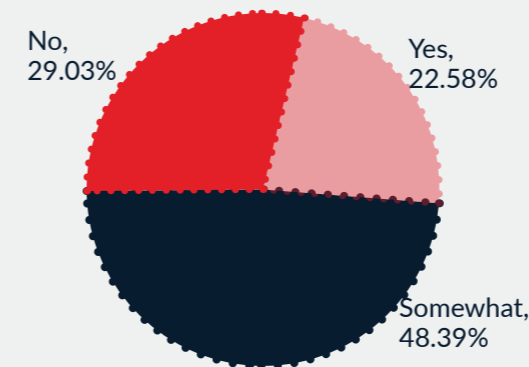


Figure 28. Views on whether COMPASS will help or somewhat helps to ensure a high-quality and diverse foreign workforce in Singapore

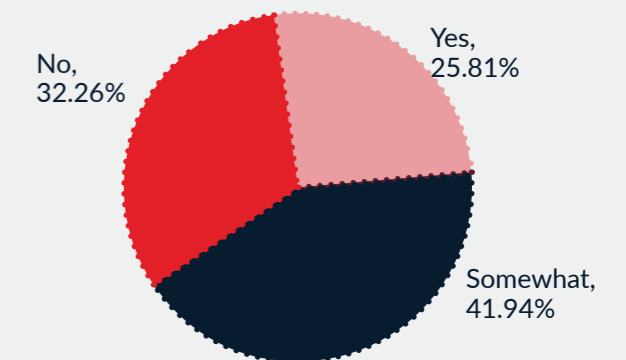


Figure 29. Views on transparency of COMPASS requirements

With regard to the new Overseas Networks and Expertise Pass, 58% of the respondents were aware, and 42% were not. 32.26% of the respondents were interested in accessing the new Overseas Networks and Expertise Pass to attract top global talent, while 67.74% were not.

## Section 5: Sustainable Practices

### Company's engagement in environment protection initiatives/ practices

Sustainability is becoming increasingly important in today's business, as supported by recent questionnaires in international business reports (e.g., McKinsey, 2018<sup>1</sup>). In Singapore, the government released the Singapore Green Plan 2030 on 10 February 2021, that established key sustainability targets that the country must meet by 2030. In line with such an initiative, we inquired how the Australian business community engages in not only sustainable business practices, but also the key motivating factors and barriers for doing so.

We asked the respondents to indicate their organizations' engagement in environmental initiatives/ practices on a 5 Likert scale, with 1 indicating "Not at all" and 5 indicating "Very great extent". We aggregated all the sustainable practice engagement indicators for the companies. As shown in Figure 30, about 72% of the respondents engaged in sustainable practices to a moderate to a very great extent.

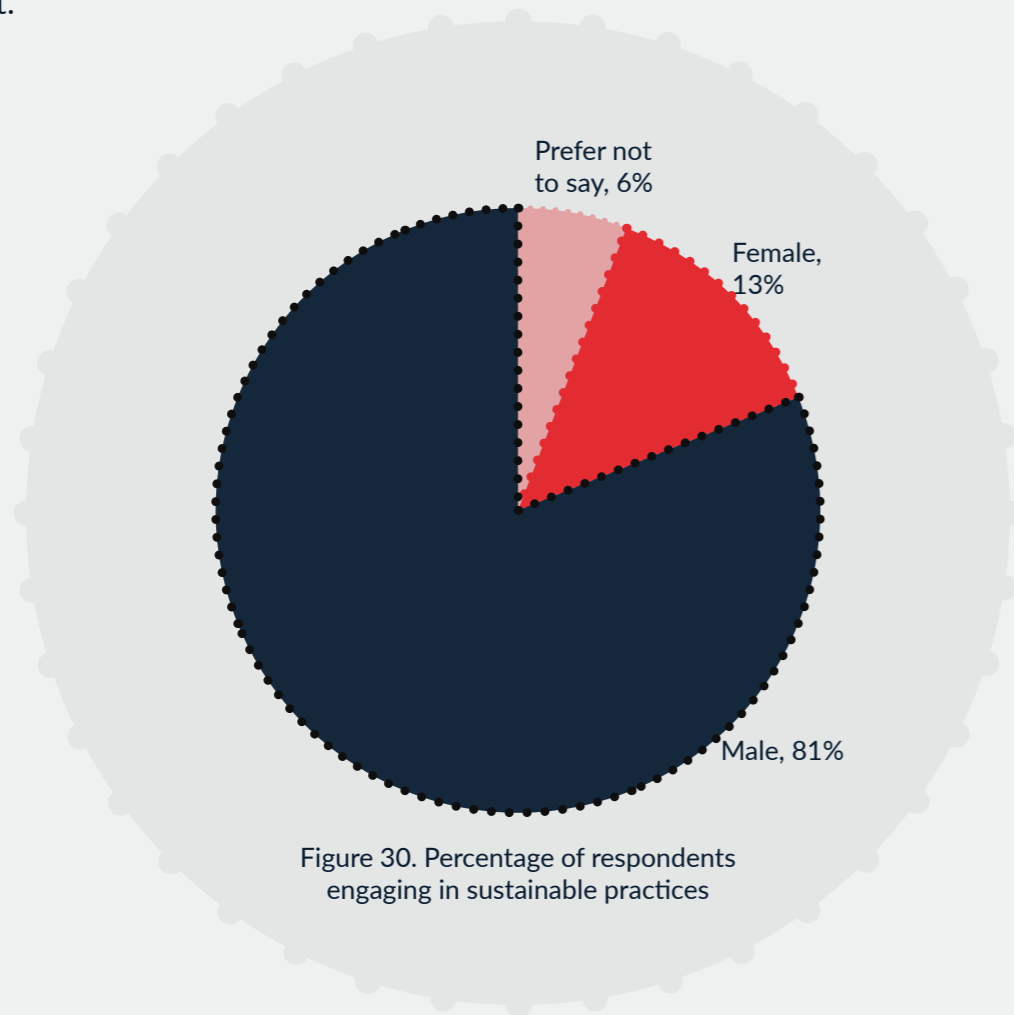


Figure 30. Percentage of respondents engaging in sustainable practices

<sup>1</sup> McKinsey (2018). Sustainability's strategic worth. <https://www.mckinsey.com/NotFound.aspx?item=%2fbusiness-functions%2fsustainability-and-resource-productivity%2four-insights%2fsustainabilitys-strategic-worth-mckinsey-global-survey-results&user=extranet%5cAnonymous&site=website>



As shown in Figure 31, companies in Hospitality Industry & Services and Construction & Real Estate Industry in our sample indicated that they have engaged in environmental initiatives to a greater extent than those in other industries. Companies in the education, Construction & Real Estate Industry, Business Services & Enterprises, Investment Banking and related advisory, and Communications and marketing engaged little in such initiatives or practices. In particular, two companies falling into Education and Communications and Marketing indicated that they did not engage in environmental protection initiatives/ practices. For them, these initiatives may be less relevant to their operation.

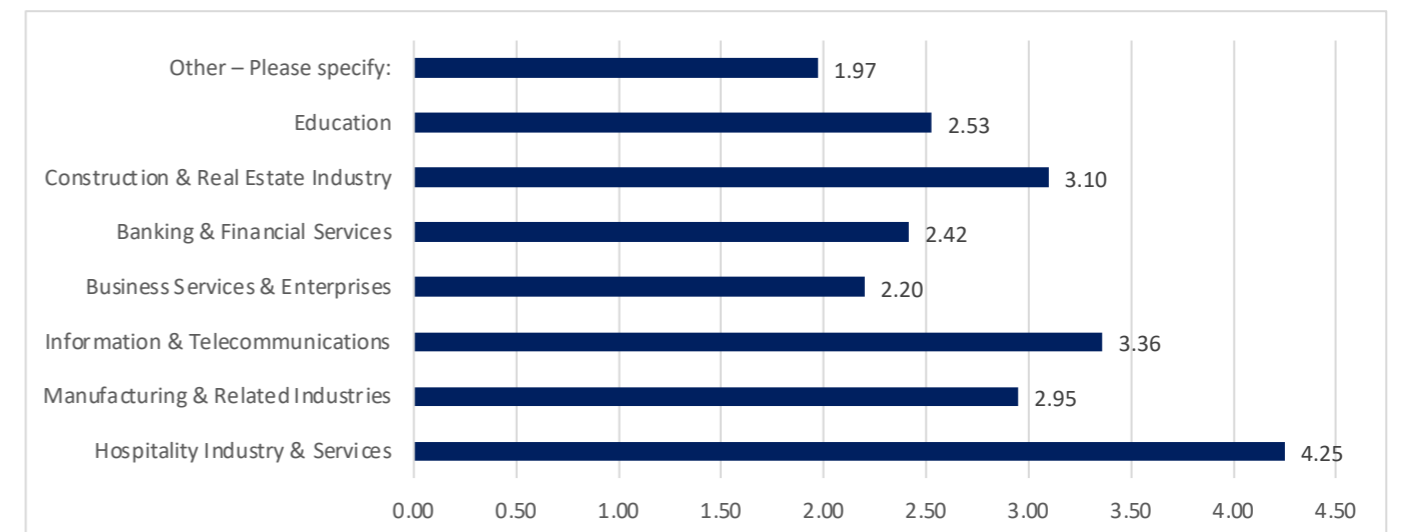


Figure 31. Industry's engagement in environment initiatives and practices

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**Goodwins Law Corporation**  
Tel: +65 6464 9449  
Website: [www.goodwinslaw.com](https://www.goodwinslaw.com)  
143 Cecil Street #03-02 GB Building  
Singapore 069542

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Looking into the types of initiatives and practices companies engage in to the moderate to very great extent (Figure 32), the most adopted initiatives were water efficiency, reducing waste in internal processes, and energy efficiency. The least adopted initiatives were pollution control through scrubbing or waste treatment and redesigning internal processes and signing a code of environmental conduct.

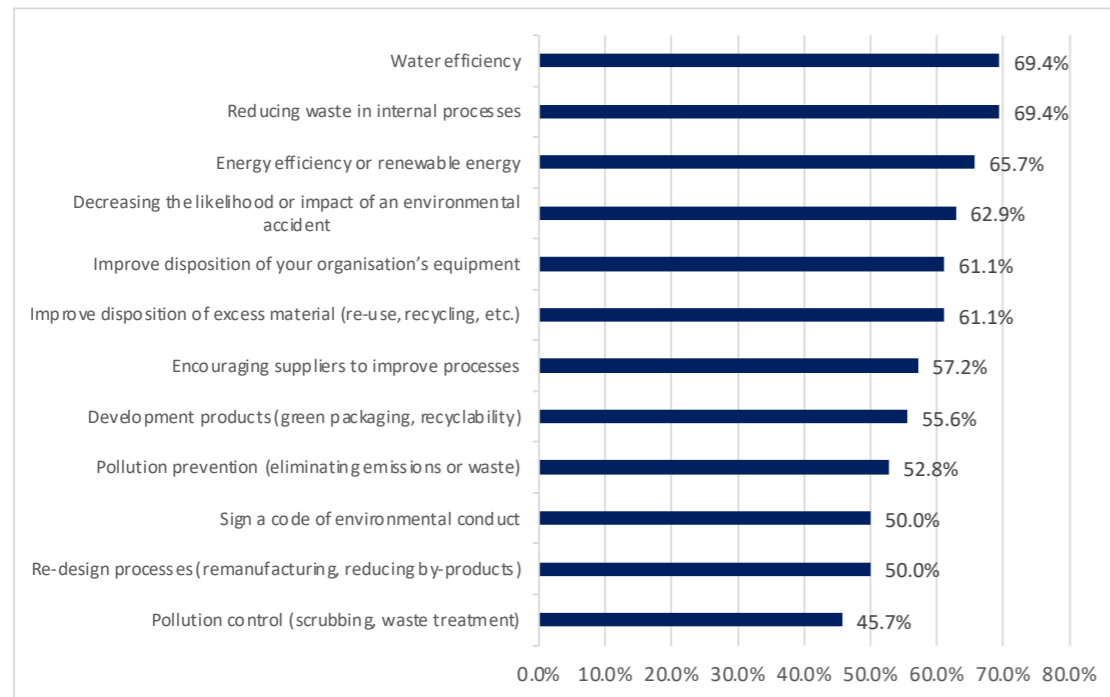


Figure 32. Company's engagement in environment protection initiatives/ practices Looking into the firm size and the environmental engagement, it seems firms with larger size tend to have more engagement in environmental initiatives and practices (Figure 33).

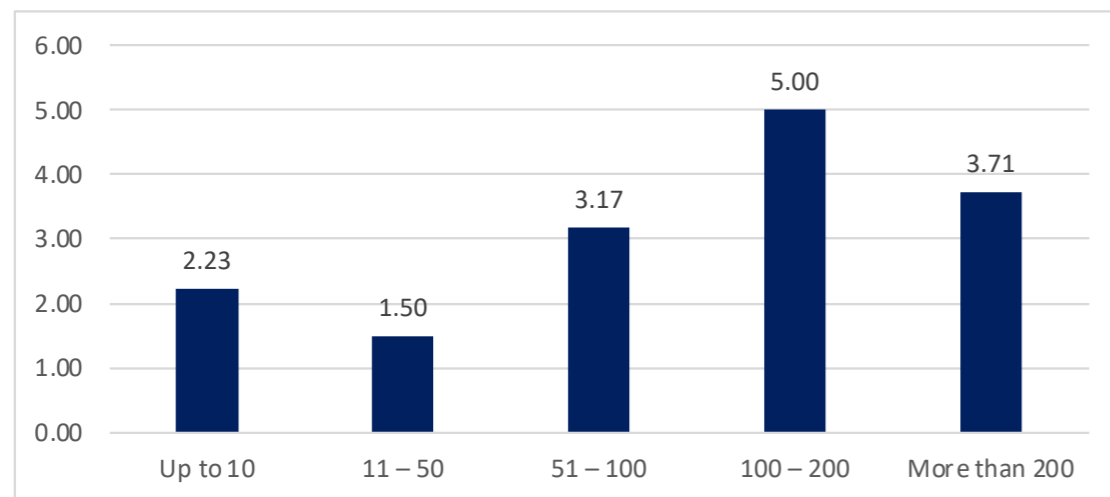


Figure 33. Sustainable practice engagement by firm size  
Note: firm size is measured by the number of employees in the Singapore operation

### Why do companies engage or not engage in sustainable practices?

The survey asked the respondents to select the motivations and barriers for their engagement in sustainable practices, on a 5 Likert scale, with 1 indicating the least important and 5 indicating the most important.

Results in Figure 34 suggest that companies are motivated to engage in sustainable practices mainly by concerns about industry norms, customers, and cost. In addition, the top management also plays an important role in driving the practices.

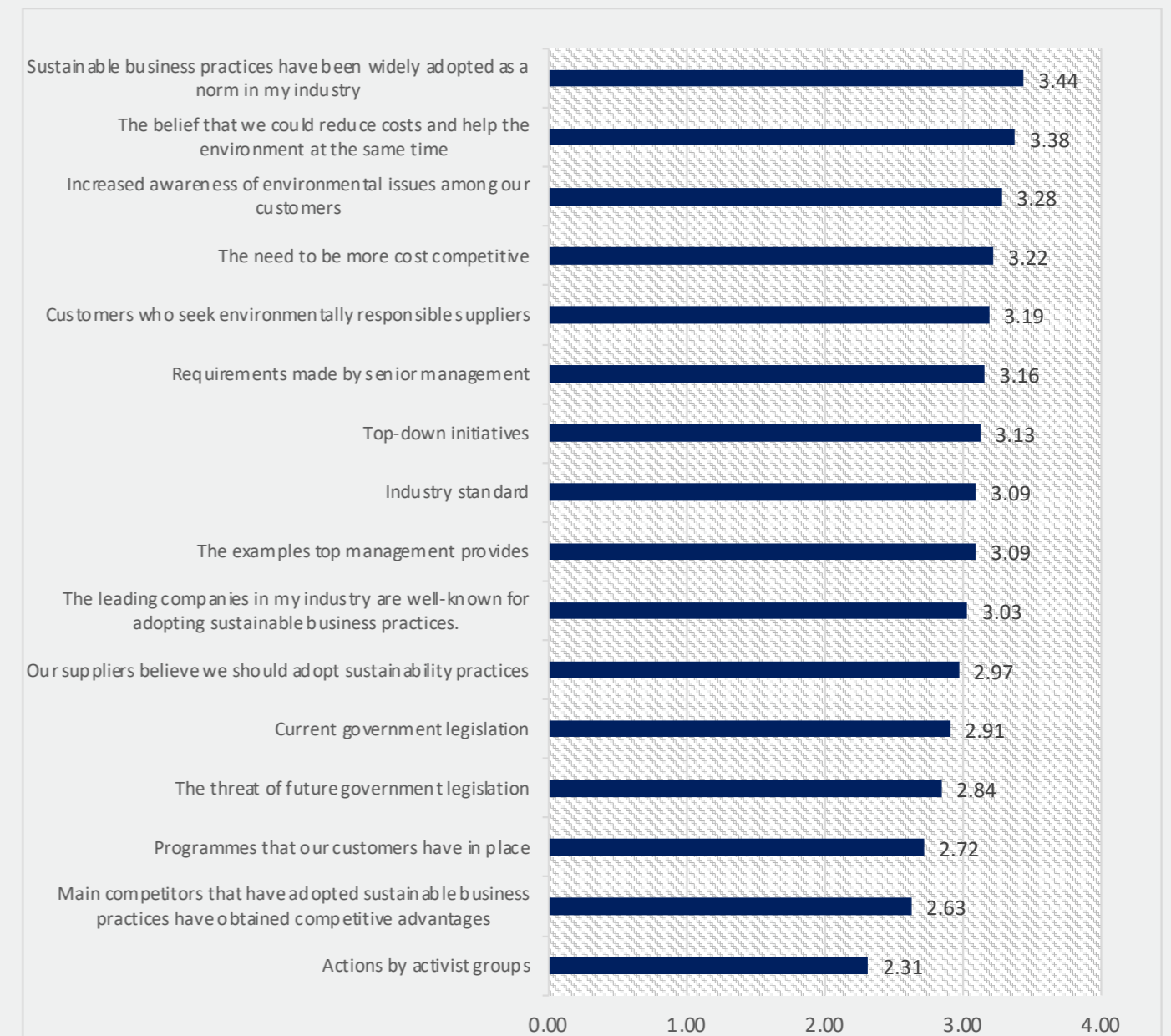


Figure 34. Motivations to engage in sustainable practices

When looking into the industries (Table 1), the hospitality industry that engaged in environmental initiatives most gave high weight to almost all the motivators. The second most engaged industry, information and telecom, also identified customer expectations, industry norms, and cost competitiveness as the most important drivers. For the construction and real estate industry, management seems to be very important, followed by industry norms and cost benefits. For other industries, companies only identified one or two important drivers, which explained why their engagement was relatively low.

Table 1. Motivators for different industries to engage in environmental initiatives and practices

	Hospitality Industry & Related Services	Manufacturing & Related Industries	Information & Telecomm	Business Services & Enterprises	Banking & Financial Services	Construction & Real Estate Industry	Education	Other – Please specify:
<i>The examples top management provides</i>	3.7	2.6	3.3	2.6	3.0	4.3	2.7	2.0
<i>Requirements made by senior management</i>	3.7	3.0	3.0	2.8	3.0	3.7	2.7	3.3
<i>Top-down initiatives</i>	4.7	3.0	3.0	3.0	3.3	3.7	2.3	1.7
<i>Programmes that our customers have in place</i>	4.7	2.0	4.0	2.2	2.5	2.8	2.3	2.0
<i>Customers who seek environmentally responsible suppliers</i>	4.7	2.8	3.7	3.6	3.3	3.2	2.3	2.0
<i>Increased awareness of environmental issues among our customers</i>	4.7	2.8	4.0	3.0	3.3	3.5	3.0	2.3
<i>Our suppliers believe we should adopt sustainability practices</i>	4.7	2.6	2.7	2.6	3.0	3.5	2.7	2.0
<i>Current government legislation</i>	4.3	3.0	2.7	2.4	3.0	3.2	3.0	1.7
<i>The threat of future government legislation</i>	4.3	2.6	2.7	2.6	3.3	3.0	2.7	1.7
<i>Actions by activist groups</i>	3.7	1.6	2.3	1.4	3.3	2.2	2.0	3.0
<i>Industry standard</i>	4.3	2.2	4.3	2.6	3.3	3.2	2.7	3.0
<i>Sustainable business practices have been widely adopted as a norm in my industry</i>	4.3	3.0	4.0	3.4	3.0	3.7	3.0	3.3
<i>The belief that we could reduce costs and help the environment at the same time</i>	4.7	2.4	3.7	3.2	3.5	3.8	3.0	3.0
<i>The need to be more cost competitive</i>	4.7	3.0	3.7	2.4	3.5	3.0	3.0	3.3
<i>The leading companies in my industry are well-known for adopting sustainable business practices.</i>	4.3	2.6	3.7	2.6	3.0	3.0	2.7	3.0
<i>Our main competitors that have adopted sustainable business practices have obtained competitive advantages</i>	4.0	2.4	2.7	2.4	2.8	2.8	2.3	1.7

Concerning the barriers (Table 2), the lack of a clear cost-benefit assessment of sustainable solutions and a lack of standardised performance benchmarks to identify underperforming domains stood out as root factors that prevent companies from engaging in environmental initiatives and practices. It is especially interesting to see those companies in the hospitality industry find the most barriers, probably because they are most serious about adopting environmental initiatives and hence start encountering various barriers.

Table 2. Barriers for different industries to engage in environmental initiatives and practices

	all	Hospitality Industry & Related Services	Manufacturing & Related Industries	Information & Telecomm	Business Services & Enterprises	Banking & Financial Services	Construction & Real Estate Industry	Education	Other – Please specify:
<i>Lack of access to technical knowledge to adopt sustainable practices</i>	2.6	3.7	3.0	2.3	2.0	2.5	3.0	2.0	1.7
<i>Lack of awareness of programs conducted locally</i>	2.5	3.3	2.8	2.3	2.6	2.3	2.8	1.7	1.7
<i>Lack of information on real costs and benefits of energy efficient technologies / sustainable solutions</i>	2.9	3.7	2.8	2.7	3.2	3.0	3.3	2.3	2.0
<i>Lack of standardized metrics or performance benchmarks to assess sustainable performance and identify underperforming domains</i>	2.9	4.0	3.2	3.0	2.8	3.3	3.0	2.3	1.7
<i>Inadequate development of worker's new skills/lack of tech training</i>	2.7	3.7	3.0	2.3	2.2	2.8	3.0	2.3	2.0
<i>Perceived conflicts between environmental practices and other business objectives</i>	2.8	3.3	3.0	3.0	2.4	2.5	3.2	2.7	1.7
<i>Lack of governmental incentive policies, subsidies</i>	2.8	3.7	3.2	2.7	3.0	3.0	2.3	2.3	2.0
<i>Lack of incentives for local collaborative networks/ associations</i>	2.7	3.7	3.2	2.0	3.2	2.5	2.5	2.3	1.7
<i>Certain subsidies impede sustainable forms of manufacturing</i>	2.3	4.0	2.4	2.0	1.6	2.5	2.5	2.3	1.7
<i>Lack of financial resources</i>	2.7	4.0	2.8	2.7	2.8	2.5	2.5	2.7	1.7
<i>High costs and low returns of environmentally sustainable technologies</i>	2.8	4.3	3.2	2.7	2.6	2.8	2.5	3.0	1.7
<i>Hidden costs of adopting certain sustainable practices and compliance cost</i>	2.8	4.3	3.0	3.0	2.4	2.8	2.5	2.7	2.0
<i>Competition with less-expensive products</i>	2.7	4.0	3.2	2.7	2.6	2.3	2.8	2.3	1.7
<i>Lack of awareness of local customers in green products/processes</i>	2.7	4.0	3.2	2.0	2.4	2.3	3.2	2.0	2.0
<i>Need for additional infrastructural modification</i>	2.8	4.3	2.8	3.7	2.2	2.5	2.8	2.7	1.7
<i>Use of outdated technology</i>	2.6	4.0	3.0	2.0	2.0	2.8	3.0	2.3	1.7
<i>Emphasis on end-of-pipe solution</i>	2.1	3.3	2.2	1.7	1.6	1.8	2.2	2.7	1.7

Note: End-of-pipe process: a pollution control approach that entails minimal changes to the production processes but focuses on removing already formed contaminants from a stream of air, water, waste, product or similar.

### Green Economy Agreement (GEA) between Singapore and Australia

The Singapore-Australia Green Economy Agreement (GEA) was signed by Trade Ministers on 18 October 2022. The two partner countries aim to accelerate the adoption of low-carbon and green technologies, low-carbon and renewable energy, and decarbonised production processes. The GEA will deliver on this vision by reducing barriers to the trade in environmental goods and services; fostering convergence on regulations and standards; exploring new opportunities in green growth sectors; adopting environmental measures that facilitate trade and investment in a manner consistent with existing international trade and investment obligations; and ensuring a smooth and inclusive transition into a green economy that creates good jobs for people.

When asked about their awareness of the GEA, 79.31% indicated that they were aware, and the remaining had little or no idea of this agreement. Among those who indicated they were aware of GEAs, 37.5% of them expected to increase their green practices in the next 12 months, while 58.33% expected it to remain the same (Figure 35).

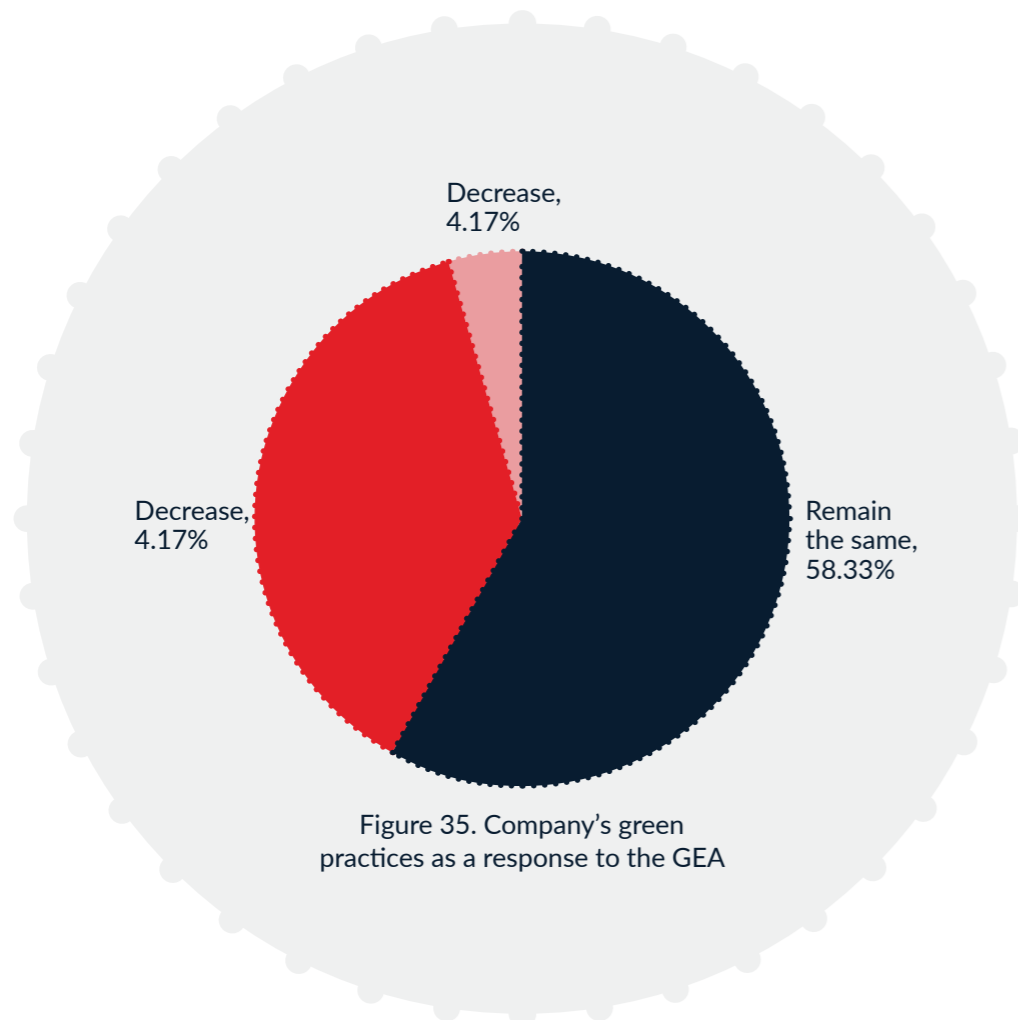


Figure 35. Company's green practices as a response to the GEA

# CONCLUSION

The AustCham-JCUS 2023 Survey is a snapshot of an Australian business community that is thriving in Singapore and across South East Asia. The survey's results show that despite there being challenges, the extraordinary opportunities in ASEAN have led to 63 per cent of companies having improved performance compared to the pre-pandemic period. Half of the surveyed organizations anticipate an improvement in business environment in the next 12 months, quoting the most important positive factors being increased technology, greater access and improvement in the ASEAN regional markets, which are featured by rapidly emerging middle-class consumers. Yet businesses also see the greatest challenges from global economic uncertainty, the rising cost of doing business, and the ability to attract talent from the region.

In addition, 81 per cent expect their revenue to increase over the following year, and an overwhelming 80 per cent are planning further expansion in the medium term, particularly to Indonesia, India, Vietnam and Malaysia. This expansion plan is driven primarily by increased demand for their company's goods/services due to COVID-19, increased geopolitical tensions outside of the Asia-Pacific region and better staff mobility. Regarding regional initiatives, 47% see opportunities from China's Belt and Road initiative and 56% see various benefits from FTA.

In light of the recent trend in sustainable development, the majority of the respondents have engaged in sustainable practices to a moderate to a very great extent, with the top 3 adopted sustainable practices being water efficiency, reducing waste in internal processes, and energy efficiency. This is primarily driven by industry norms, cost reduction and customer awareness. The main obstacles to adopting such practices are a lack of information on real costs and benefits of sustainable solutions and a lack of standardized performance benchmarks to identify underperforming domains. With regard to the recent Singapore-Australia Green Economy Agreement (GEA), which aims to drive businesses' adoption of low-carbon and green technologies, the majority are aware of it, yet only 37.5% expect to increase their green practices in the next 12 months.

Companies that make up the Australian business community in ASEAN are primarily in services and of small and medium sizes. Many businesses have vast experience in Singapore and the region, being present for more than 20 years, although 6 per cent commenced operations in Singapore in the last two years.

With the great potential for growth through the ASEAN region, Australian business is well positioned to be a key part of the extraordinary opportunities arising from the regional development and sustainable trend.



# CONTRIBUTORS

## ***James Cook University, Singapore***

The Singapore campus of James Cook University is fully owned by James Cook University Australia, which is ranked in the top 2% of universities in the world<sup>1</sup>. James Cook University Australia established its Singapore campus in 2003 as part of its expressed intent of internationalising its activities and offers a suite of university level programs at the Singapore campus covering the areas of Business, Information Technology, Psychology, Education, Science, Commerce, Accounting, Aquaculture, Environmental Science, Games Design, Tourism and Hospitality. James Cook University offers Higher Degree by Research programs such as Doctor of Philosophy, Master of Philosophy and pathways to a higher degree.

*2023 Times Higher Education World University Rankings and 2022 ShanghaiRanking Academic Ranking of World Universities as a percentage of higher education providers in the International Association of Universities (IAU) database*

Source: <https://www.jcu.edu.sg/about-us/the-singapore-campus-of-james-cook-university>

## ***Centre for International Trade and Business in Asia (CITBA)***

The Centre for International Trade and Business in Asia (CITBA) is a cutting-edge research center located at James Cook University. As the only research center within the College of Business, Law, and Governance at James Cook University Australia, CITBA is dedicated to providing leadership in research excellence.

Since its establishment in 2018, CITBA has focused on researching key areas such as tropical ecosystems, conservation and climate change, industries and economies in the tropics, and people and societies in the tropics. It has grown to include more than 50 scholars from both James Cook University Australia and James Cook University Singapore. The goal of CITBA is to increase and share knowledge about the opportunities in economic development, business and international trade in Asia and the Asian Tropics. CITBA actively advocates for research and industry engagement in the business and international trading hub of Asia and the Asian Tropics, and with its multi-location structure, it works to strengthen research and economic ties between Australia, Singapore, and other countries.

<https://www.jcu.edu.sg/citba>

# CONTRIBUTORS IN ALPHABETICAL ORDER

## ***Prof Abhishek Bhati***

As Campus Dean JCU Singapore, Abhishek contributes to JCU's Tropical Asian initiatives. His efforts guide the learning, student experience and teaching and academic governance of programs offered in JCU Singapore. Prof Bhati's research investigates resilience planning in tourism, sustainable development of cities and scholarship of learning and teaching. In particular, he is interested in technology and the role it has as a catalyst for tourism industry changes; "Smart City" as a mechanism for future sustainable development; and the need for tourism to deliver United Nations Sustainable Development Goals (SDGs). Recent projects he has conducted have studied tourist vandalism and effectiveness of stakeholder responses to tourism developments. Prof Bhati's other projects include incorporating "Work Integrated Learning" (WIL) based learning strategies in tertiary education.

He has been successful in securing collaborative grants with the Office of Learning and Teaching (OLT), the Australian Learning and Teaching Council (ALTC), external industry and several internal research grants. His current research interests include tourist behaviour management, resilience planning and scholarship of Teaching and Learning.

<https://research.jcu.edu.au/portfolio/abhishek.bhati/>

## ***Dr Emiel Eijdenberg***

Dr Emiel Eijdenberg is a Senior Lecturer and the Singapore Director of the Centre for International Trade and Business in Asia (CITBA). Dr Eijdenberg is also Visiting Fellow at Vrije Universiteit Amsterdam, the Netherlands. Dr Eijdenberg's research interests are about entrepreneurs(hip) in emerging countries. Dr Eijdenberg is particularly interested in the personal attributes of entrepreneurs and how these attributes are related to the sustainable growth of their businesses. Dr Eijdenberg's work has been presented at international management conferences such as AoM, ANZAM, EGOS, ESU, EURAM, ICSB and RENT.

For research and consulting projects, Dr Eijdenberg has secured in collaboration with others more than €500,000 in funding from multiple organisations, such as the Dutch organisation of internationalisation in education (NUFFIC), the Volkswagen Foundation and the World Wide Fund for Nature. In these projects, Dr Eijdenberg is involved as an expert for short and long-term assignments in sub-Saharan Africa, the Middle East, South Asia and Southeast Asia.

<https://research.jcu.edu.au/portfolio/emiel.eijdenberg/>

## ***Dr Sook Rei Tan***

Before joining James Cook University in Singapore, Dr Tan was a research fellow at the Department of Economics at Nanyang Technological University. Her research interests include applied macroeconomics and international finance. In particular, her current research focuses on panel data estimation on the relationship between financial openness indicators and financial stability of emerging market economies. Her research works have been accepted and presented at several conferences, such as Conference of Computing in Economics and Finance, the INFER Workshop on Applied Macroeconomics, the Workshop on Economic Science with Heterogeneous Interacting Agents and the Singapore Economic Review Conference.

<https://research.jcu.edu.au/portfolio/sook.tan1/>

## ***Associate Prof Pengji Wang***

Pengji Wang is an Associate Professor of Business at James Cook University Australia, Singapore Campus. She obtained her PhD in Strategy and Policy at National University of Singapore. Her research interests include strategy and sustainable marketing, etc. Her works have been published in high quality business and marketing journals such as Journal of Business Ethics, International Business Review, Journal of Cleaner Production, Journal of Business Research, Global Environmental Change, Australasian Marketing Journal, etc.

She has rich experience in collecting data and conducting quantitative research in the area of marketing. She has advanced skills in quantitative data analysis using various statistical tools such as SPSS, AMOS, SmartPLS, Stata, etc.

<https://research.jcu.edu.au/portfolio/pengji.wang/>

## ***Associate Prof Jacob Wood***

Associate Prof Wood is currently the Associate Dean of Research at James Cook University Singapore. In addition to this, he is also an Associate Professor of International Business.

Associate Prof Wood specializes in the fields of international trade, logistics and environmental economics, and development studies. His research has been published in a range of prominent international journal publications including the Science of the Total Environment, Journal of Cleaner Production, Transportation Research. Part D: Transport & Environment, Risk Management, World Economy, World Trade, Singapore Economic Review, Sustainability, Scientometrics, and the Journal of Asian-Pacific Economic Literature, amongst others.

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Founded in Singapore in 1977 (originally as the Australian Business Council and renamed in 2001), AustCham Singapore is a not-for-profit, members-based organisation providing opportunities for connection, insight and advocacy for individuals and businesses in Singapore with an interest in and connection to Australia.

We are governed by a board of voluntary directors who reflect the depth of experience and the diversity of interests in our membership.

The day-to-day running of the organisation is through our executive team, who are responsive to the evolving needs and expectations of our growing membership, working collaboratively with our partners to curate a bespoke program of engagement.

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