

PIVOTAL

# Singapore spotlight 2024

New research by DBS reveals the growing strategic influence that treasury and finance teams have on the long-term future of the business. Their guidance is vital as digital technology enables new forms of trade and value creation, as demand grows for sustainable business models, and as economic power is rebalanced across emerging markets as part of a new era of globalisation.

Here we look at what this means for businesses in Singapore.

## 1. The business and economic climate

- A major distribution and financial hub, Singapore is known for its robust regulatory framework, skilled workforce and pro-business environment
- Singapore's favourable taxation policies and advantageous position within Southeast Asia provide excellent access to Asian markets
- The economy has proved to be resilient to external shocks such as supply chain fragmentation <sup>[1]</sup>

[1] <https://www.ft.com/content/6e67b720-2397-423c-b1cc-765faa774d66>

- Singapore's principal sectors include high-value manufacturing (such as biomedical sciences, pharmaceuticals, energy and chemicals) as well as financial and business services <sup>[2,3]</sup>
- Over the last 20 years, the GDP per person in Singapore has doubled in real terms <sup>[4]</sup>

## Strategic priorities for businesses in Singapore

The top three strategic priorities of organisations in Singapore for the next two years are:

1. Improving productivity and operational performance (80%)
2. Enhancing customer satisfaction and retention (77%)
3. Building topline growth in Asia (75%)

## Business diversification: financing is the top consideration

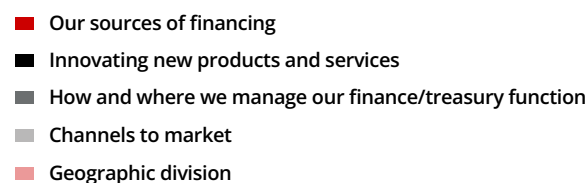
Over half of Singapore-based executives (53%) say that business diversification is a top priority in the next two years.

Among the executives in this group, businesses are most likely to be planning to diversify their sources of financing, followed by innovating products and services.

Worldwide, product and service innovation is the area that businesses most want to diversify, so Singapore's focus is different. Businesses in Singapore are likely to have chosen financing as a top diversification priority because of the multiple funding and financing options available in the country.

Figure 1. Businesses in Singapore are primarily looking to diversify their sources of financing

## Which areas of the business is your organisation looking to diversify?



## Barriers to growth

When asked about the barriers to doing business in Asia today, the top answer for Singapore-based organisations is economic downturn and volatility. Businesses in Singapore are also much more likely to see complex regulations and trading restrictions as a hurdle (32% compared with a global average of 22%).

[2] <https://www.statista.com/topics/9319/manufacturing-sector-in-singapore/#editorsPicks>

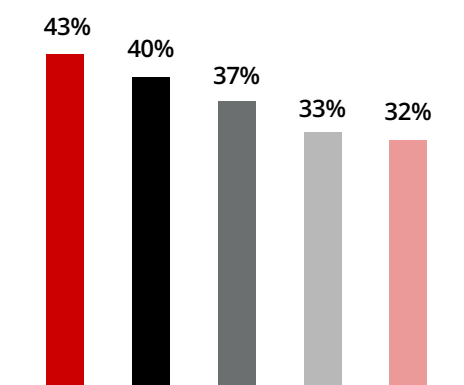
[3] [https://www.singstat.gov.sg/modules/infographics/-/media/Files/visualising\\_data/infographics/Economy/singapore-economy08052024.pdf](https://www.singstat.gov.sg/modules/infographics/-/media/Files/visualising_data/infographics/Economy/singapore-economy08052024.pdf)

[4] <https://www.economist.com/asia/2024/05/08/singapore-has-achieved-astounding-economic-success>

Figure 2. Volatility, uncertainty and access to financing are the top barriers to growth in Asia for businesses in Singapore

What are the main barriers that your business faces in Asia today?

- Economic downturn and volatility
- Access to capital and financing
- Geopolitical uncertainty
- Growing regionalisation and nationalism
- Complex regulations and trading restrictions

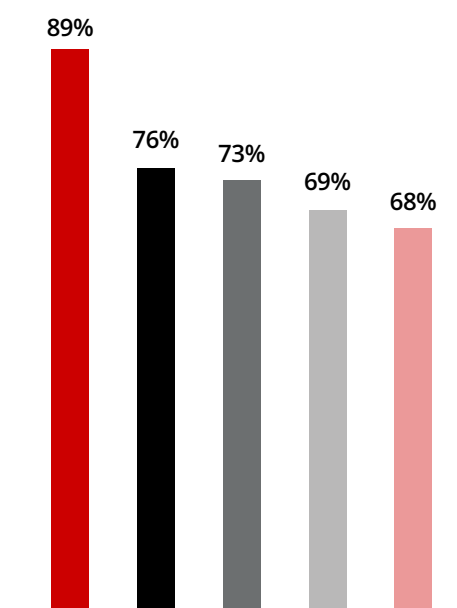


Digital transformation is less of a priority for treasury and finance teams in Singapore (68% compared with a global average of 75%), which at first appears counterintuitive considering the country's high-speed internet connectivity and tech-savvy workforce. But this relatively low prioritisation might reflect a higher existing level of digital maturity among businesses in Singapore. If they have already carried out the groundwork of transformation, businesses might now have more scope to concentrate on innovation and new product development, supply chain reconfiguration and sustainability.

Figure 3. Treasury and finance are closely involved in corporate strategy and innovation

Which strategic initiatives are your treasury and finance teams closely involved with?

- Corporate strategy
- Innovation and new product development
- Procurement and supply chain
- Sustainability and decarbonisation
- Digital transformation



## 2. The strategic power of treasury and finance

Treasury and finance teams support corporate strategy and innovation

The strategic initiative that treasury and finance teams in Singapore are most involved in is corporate strategy, followed by innovation and new product development. These teams' influence on corporate strategy and innovation could reflect the sophistication of talent in the city state and a culture that puts a premium on financial expertise due to the critical role it plays in the economy.

### Treasury and finance play a leading role in diversification

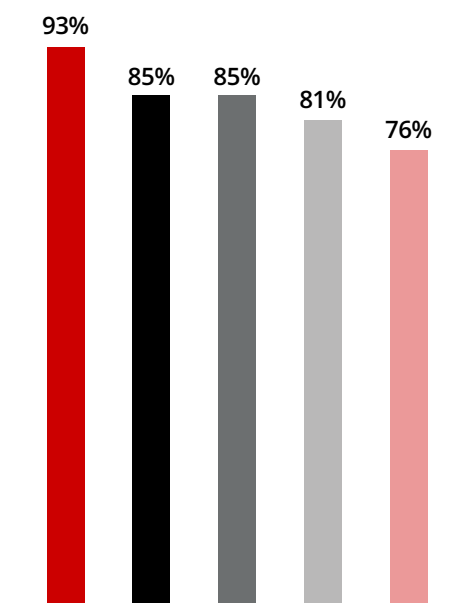
More than nine in 10 Singaporean treasury and finance teams (93%) are involved in deciding how and where to manage their function, compared with a global average of 86%. This indicates that executives in the country are highly regarded by corporate leaders.

They are also more likely than the global average to support on diversifying channels to market (85% compared with 78%). This has implications for supply chain management, and it hints at treasury and finance’s growing responsibility for supporting customer retention activity and enabling growth.

Figure 4. Treasury and finance are critical to enabling diversification in Singapore

Are your treasury and finance teams involved in the execution of the following diversification initiatives?

- How and where we manage our treasury and finance function
- Channels to market
- Geographic diversification
- Our sources of financing
- Supply chain



### Singapore, Hong Kong and Shanghai are the three favoured locations for regional treasury centres in Asia

Executives in our survey indicate that Singapore is the most suitable location overall for an Asian regional treasury centre (RTC). They also praise Singapore’s stable political environment and indicate that it is the strongest in terms of having other multinational corporations situated in the jurisdiction. Meanwhile, they give Hong Kong the top position in several individual dimensions and also rate Shanghai highly.

Figure 5. Singapore and Hong Kong are the most favoured as locations for RTCs

Which is the top RTC location across the following dimensions?	
Dimension	Top location
Overall suitability as a treasury centre location	Singapore
Depth of talent pool	Hong Kong
Presence of other multinational corporations	Singapore/Shanghai
Robust financial ecosystem	Hong Kong
Supportive tax and regulatory framework	Hong Kong

### 3. What comes next for treasury and finance teams in Singapore?

Almost two-thirds of executives in Singapore believe that treasury and finance teams will be integral to business success in the new era, making it one of the top three markets in our research for this.

Looking ahead, how should treasury and finance teams focus their efforts? According to businesses in Singapore, the areas where they are **strongest** are:

1. Process innovation and flexibility (59% say their team is capable)
2. Accessing consistent and reliable data (57%)
3. Strategic alignment with the wider business direction (53%)
4. Understanding of different priorities and challenges across the executive leadership (53%)

They are **weakest** in:

1. Ability to secure favourable financing for diversification initiatives (33% say their team has room for improvement)
2. Preparedness to challenge corporate strategy development teams and offer solutions (28%)
3. Understanding of different priorities and challenges across the executive leadership (28%)
4. Perspective on new and evolving risk (25%)

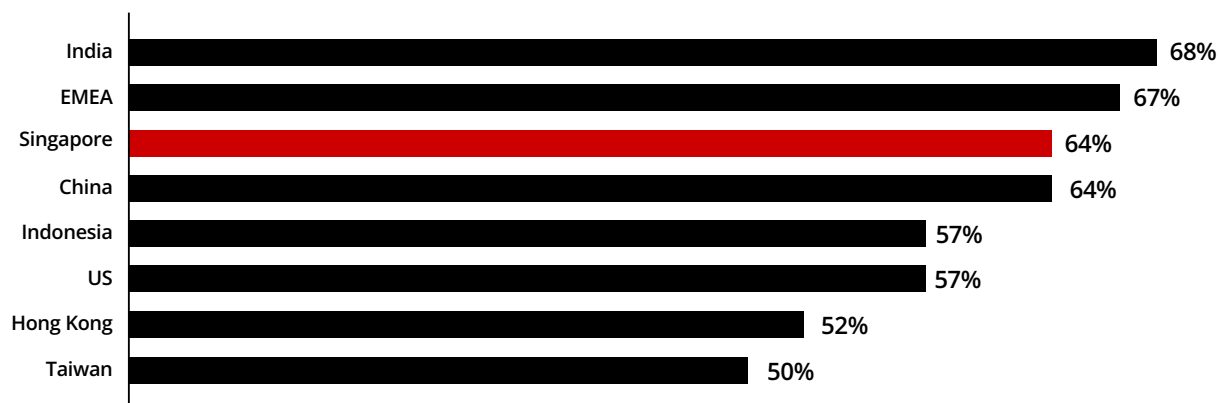
Against this backdrop, executives in Singapore are focusing on a wide range of challenges and priorities:

- 64% of businesses in Singapore say that treasury and finance will be integral to business success in the new wave of globalisation
- But 60% say their treasury and finance teams struggle to keep up with the pace of strategic change and investment across the global business
- And 68% say that finance, procurement and strategy teams must collaborate to ensure they have a set of common goals
- In a sign that technology is playing an important role in meeting demands, 41% say generative AI is helping them overcome long-term talent shortages and related challenges within treasury and finance



Figure 6. Respondents in Singapore are highly likely to see treasury and finance as enablers of success

Do you agree that treasury and finance will be integral to business success in the new wave of globalisation?



The outlook for treasury and finance is full of promise. In today's business environment, Singapore treasury and finance teams should strengthen how they collaborate with strategic leadership to further extend their influence. As globalisation continues to evolve, they should focus on maintaining their innovative and problem-solving mindsets while also providing strategic insight into emerging risk. In so doing, they can help their businesses navigate complexity and unlock growth across the region and beyond.

At DBS, we are committed to providing guidance and support to help them navigate the path ahead.

[Please click here to read the full \*Pivotal\* report](#)



“ Asia continues to be the epicentre of growth, with businesses seeking new consumer markets and manufacturing capacities in the region’s emerging economies. To capitalise on these opportunities, companies are increasingly operating across borders, embracing e-commerce and delivering on-demand services to keep up with changing consumer preferences.

Soon Chong Lim

Group Head  
Global Transaction Services  
DBS



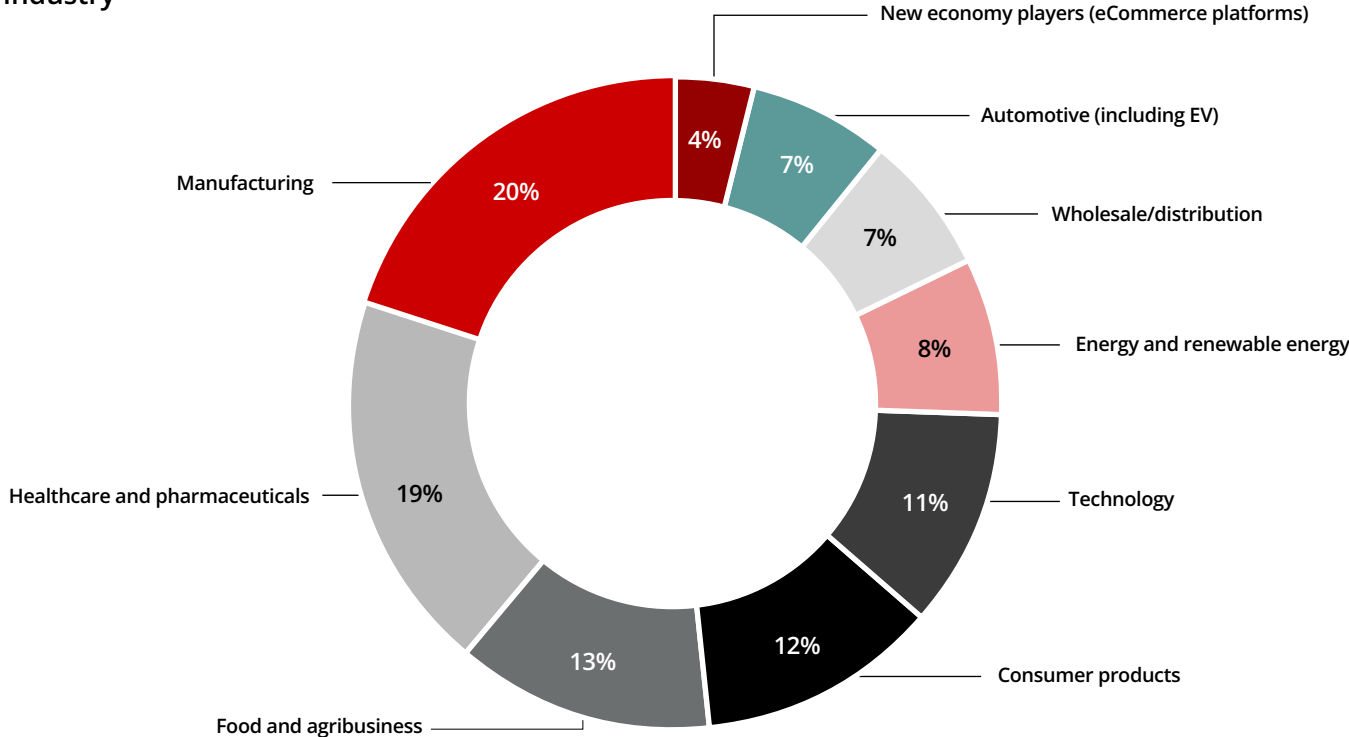
“ Business leaders have to face multiple challenges today. From dealing with unexpected tech outages to rethinking supply chains and driving innovation, businesses need to be agile in developing and implementing new strategies to tackle a rapidly changing landscape and emerging risks. To build resilience and drive growth, companies must embrace innovation, digital transformation, and build sustainable supply chains. Treasury and finance teams are uniquely positioned to influence the long-term success of their organisations by enhancing strategic planning, risk management and data-driven decision-making. Through these measures, companies can better navigate challenges and capture new business opportunities.

Su Shan Tan

Group Head  
Institutional Banking Group  
DBS

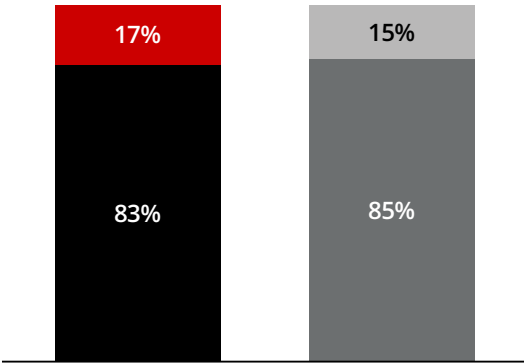
# Singapore: Demographic breakdown of survey respondents

## Industry



## Function and seniority

- Strategy
- Finance
- C-level (executive leadership/board member)
- C-1 (senior management reporting into executive leadership)





Role

