



# New world. Big challenges, bigger opportunities 2019 - 2020

PwC's Asia Pacific Business Leaders Survey – Singapore Report



# Contents

|   |    |
|---|----|
| 1. Executive Summary  | 3  |
| 2. 2019 - 2020 PwC's Asia Pacific Business Leaders Survey<br>– Singapore Findings |    |
| I. Business confidence  | 4  |
| II. Re-calibrating strategies   | 6  |
| III. Prioritising investments   | 7  |
| IV. Impact of automation  | 8  |
| V. Building trust in automated age  | 10 |
| 3. Methodology  | 11 |

# 1. Executive Summary

Singapore ranked 3rd on the list of most favoured Asia Pacific Economic Cooperation (APEC) economies for increase in cross border investments over the next 12 months, after Vietnam and Australia. It is a significant surge from the 9th position in 2018.

The majority of Singapore business leaders are confident about revenue growth this year. Yet they remain cautious amid uncertainties, challenges and risks of the new digital world – as reflected in PwC's 2019–2020 Asia Pacific Business Leaders Survey.

Aimed at enhancing productivity and market reach, Singapore business leaders are prioritising investments in automation, new technologies including Artificial Intelligence (AI), digital skills development, data-system integration and overseas expansions.

The survey further revealed that the local businesses are re-calibrating business strategies to align with consequences of increased automation and cross-borders policy changes. Moreover, even as they believe that technology has helped them strengthen relationship with stakeholders, they feel the need for additional regulations to enhance public trust, particularly in areas such as ethical use of AI, data privacy, sustainability and cybersecurity among some others.

The findings clearly suggest that 2020 will belong to companies that find new pathways around all barriers, be it in cross-border business, talent or capital. The changes that many have started to implement may prove to be the antidote to many problems including skills shortage, trade barriers and policy uncertainties.

Digital world challenges are big, but far bigger are the opportunities. Those that have their sights firmly trained on these opportunities will eventually be the winners.



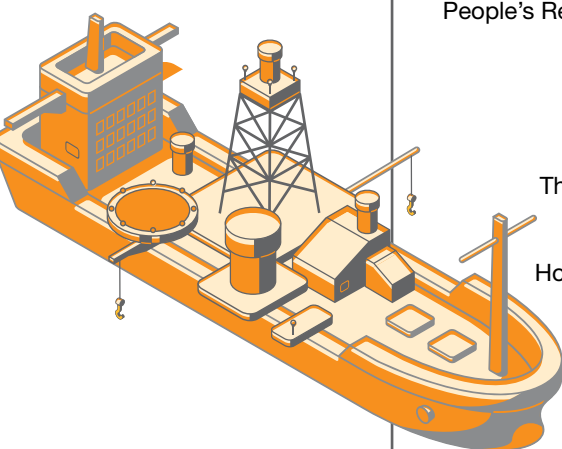
## 2. 2019 APEC Business Leaders Survey – Singapore Findings

### I Business Confidence

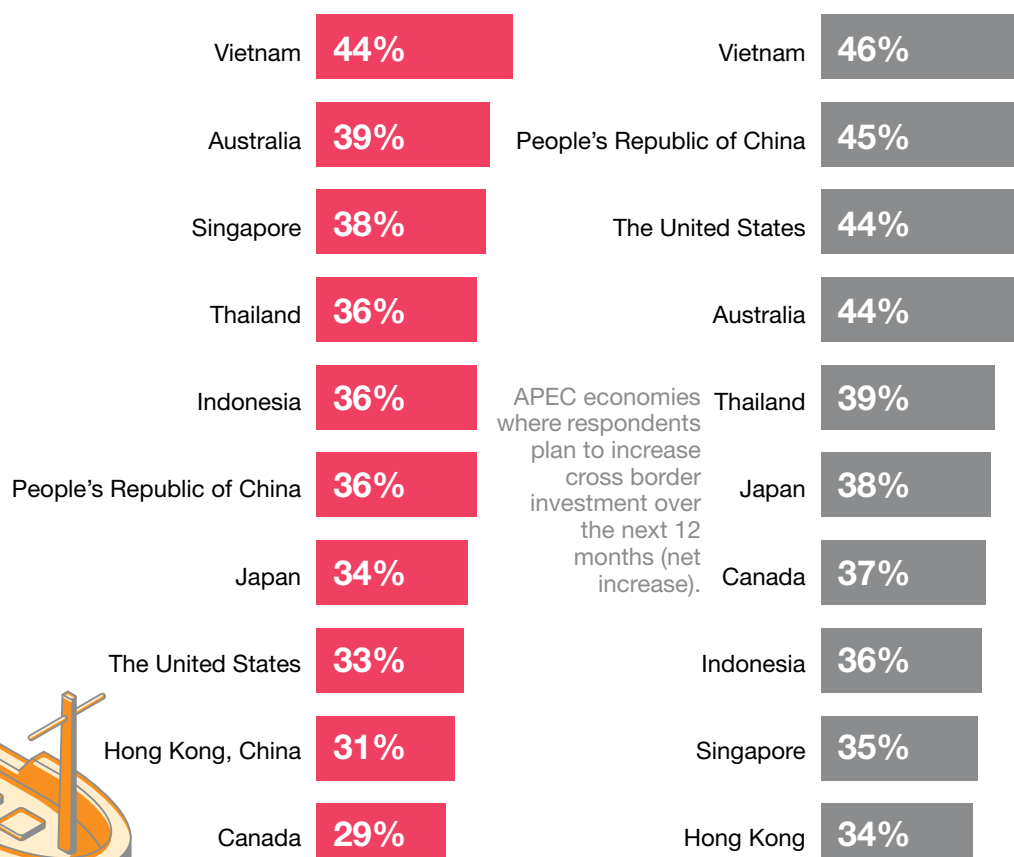
**Singapore ranked 3rd on the list of most favoured APEC economies for increase in cross border investments over the next 12 months, after Vietnam and Australia. It is a significant surge from 9th position in 2018.**

This is first time China and the US are not in the top five since PwC began analysing net future investment targets across borders in APEC economies in 2015. Shifting trade winds are pushing companies to rethink their footprint, and they are looking at an expanded set of considerations that include risk, components, trade laws, rising labour costs, barriers to business direct investment and shortening of supply chains because of digitisation, as well as how to secure future growth prospects.

Q: Thinking of your footprint in APEC economies, will your business investments increase, stay the same or decrease over the next 12 months?

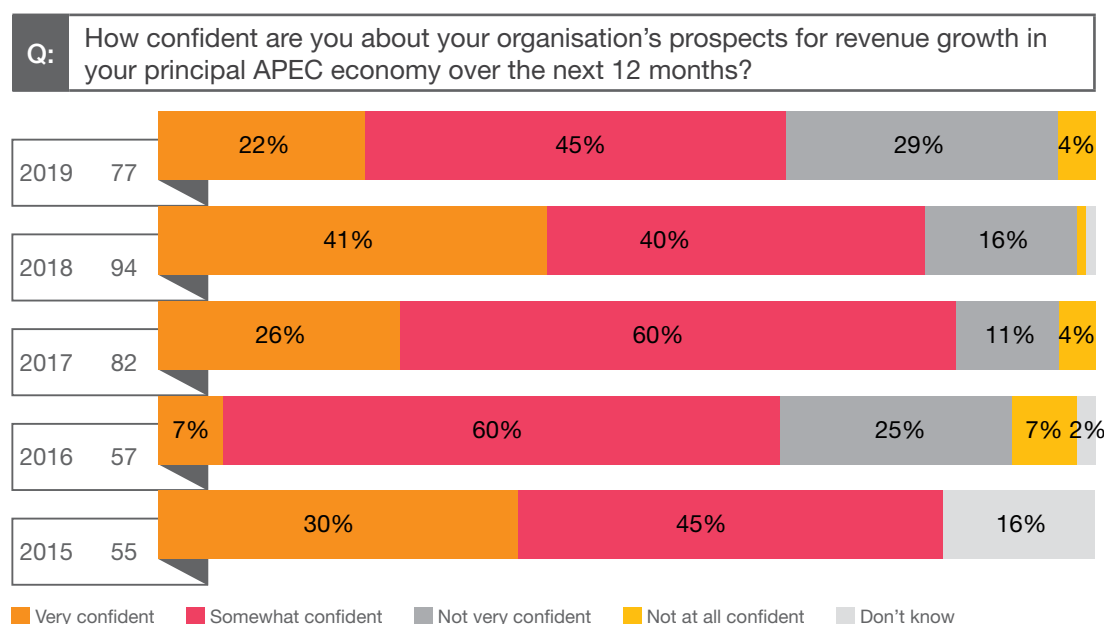


Top ten APEC economies targeted for planned increases in investments



Source: 2019 - 2020 PwC's Asia Pacific Business Leaders Survey

## Singapore business leaders are optimistic yet keeping watchful eyes on future revenue growth



## The majority of Singapore business leaders foresee increase in overseas investments despite barriers to flow of talent, data, goods and services.

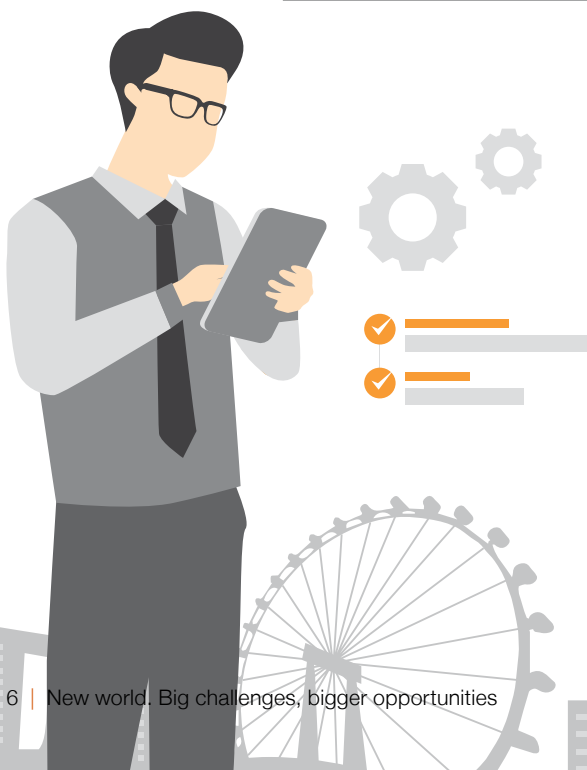
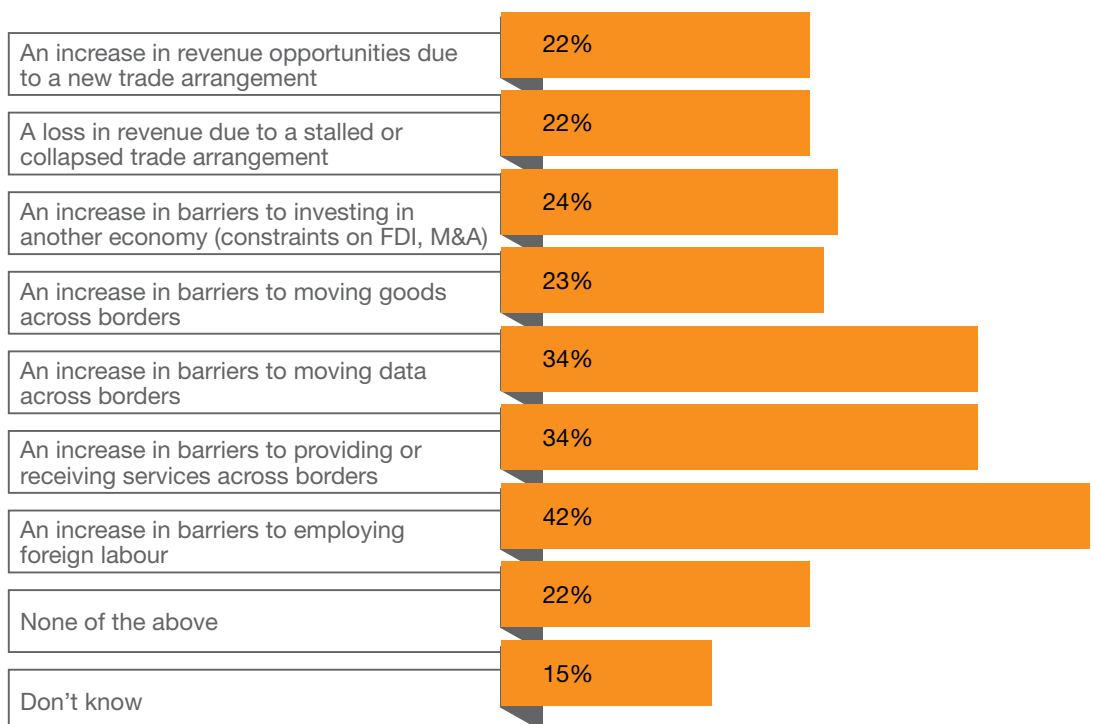


Source: 2019 - 2020 PwC's Asia Pacific Business Leaders Survey

## Protectionism pressures continue to impact cross-border movement of data, goods and services. Tariffs are the biggest barriers, other types of protectionism are on the rise.

**Q:** Considering your organisation's cross-border activities only, which if any of the following changes...

do you expect to experience in the next 12 months?



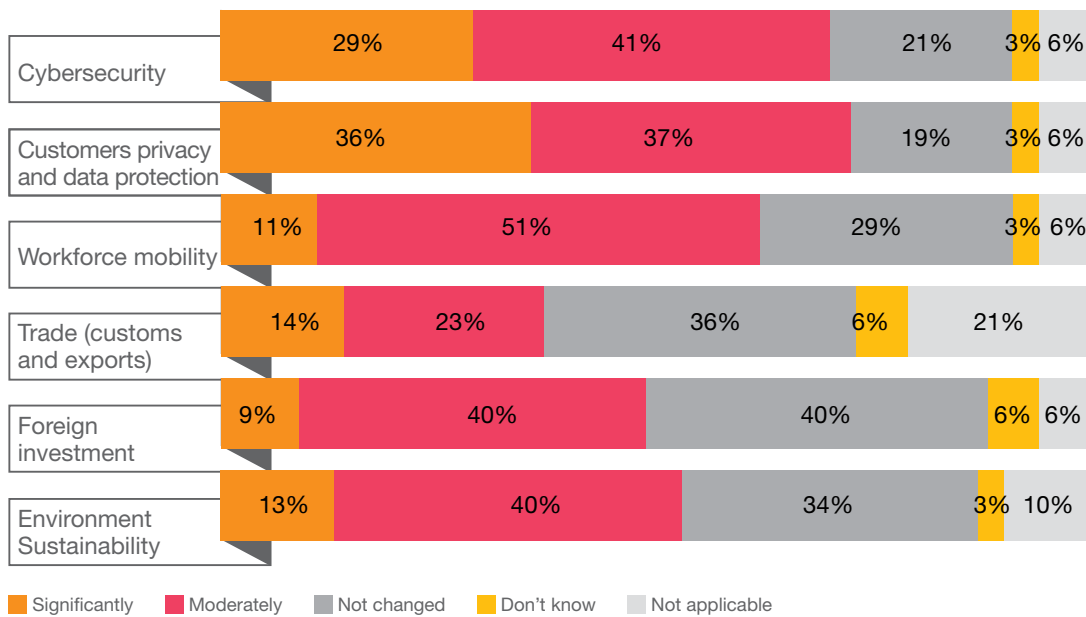
Source: 2019 - 2020 PwC's Asia Pacific Business Leaders Survey

## II Re-calibrating Strategies

**Business leaders are re-calibrating strategies to mitigate the impact of cross border policy changes**

Q:

To what extent have you changed your business strategy due to differences in policy across borders in these areas...?

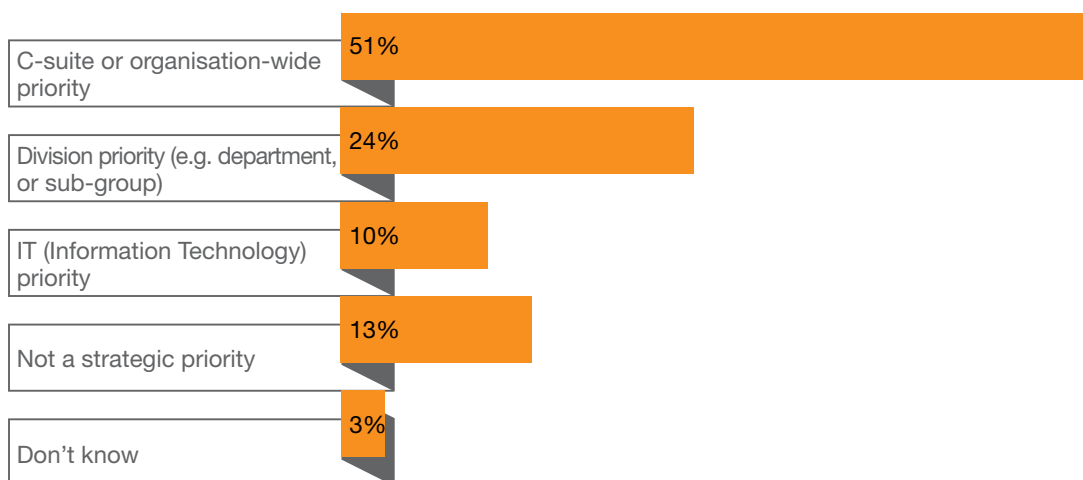


Source: 2019 - 2020 PwC's Asia Pacific Business Leaders Survey

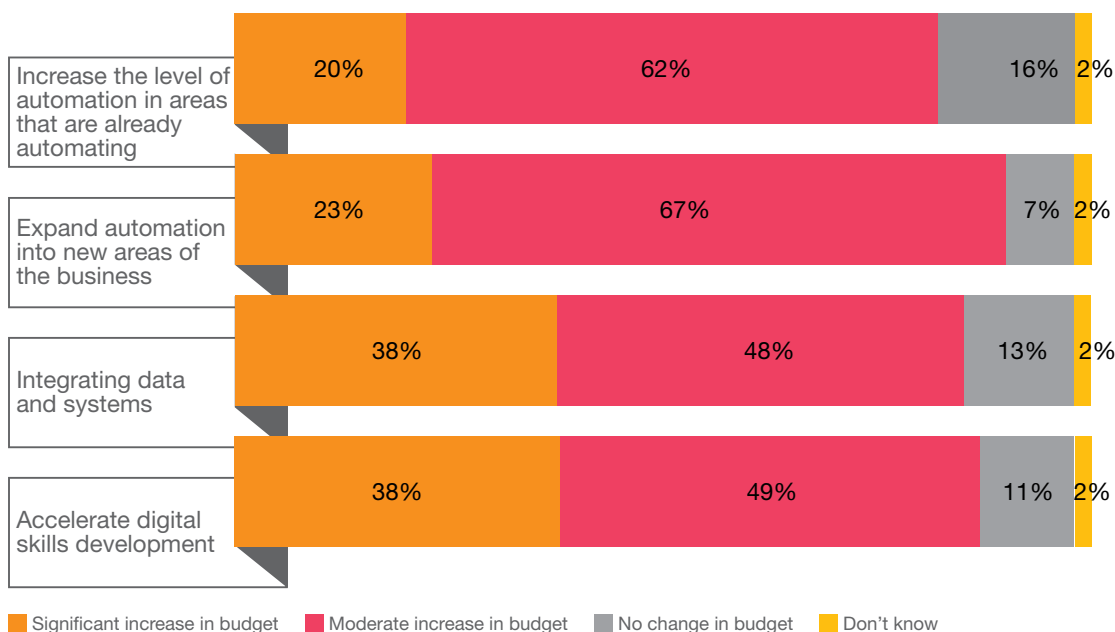
### III Prioritising Investments

Singapore business leaders are prioritising investments over the next 2 years in automation, artificial intelligence (AI), data and digital skills development

**Q:** To what extent is advanced automation & artificial intelligence (AI) a strategic priority for your organisation in the next two years?



**Q:** How will your organisation allocate budget to reflect this priority in the next 2 years?



Source: 2019 - 2020 PwC's Asia Pacific Business Leaders Survey

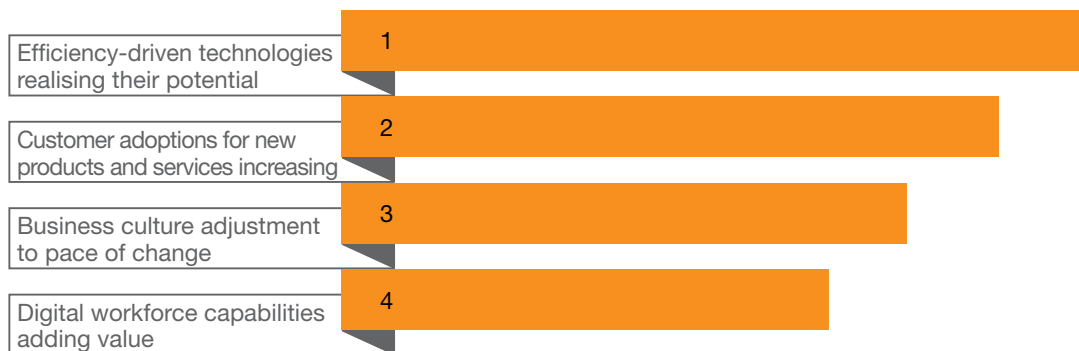


## IV Impact of Automation

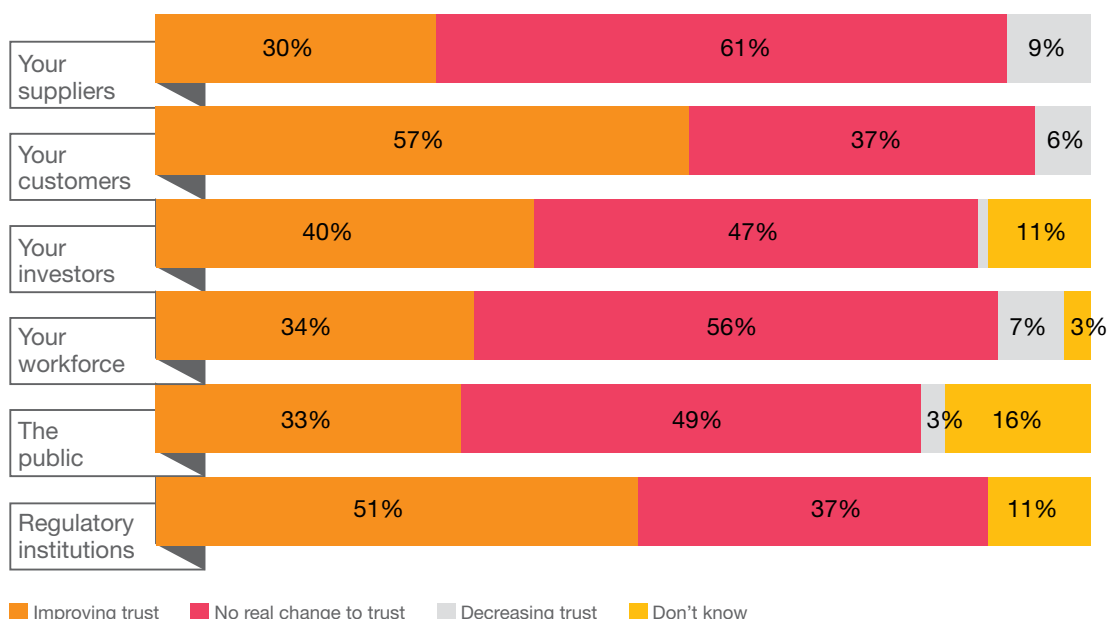
**While automation continues to drive productivity gains and boost business relationships, it is transforming jobs. Many businesses are reducing headcount, others are creating jobs but struggling to fill the new roles.**

**Q:** You indicated that you agree we are entering a new era of expanding productivity, compared to a year ago. Which areas have had the greatest impact in driving expanding productivity?

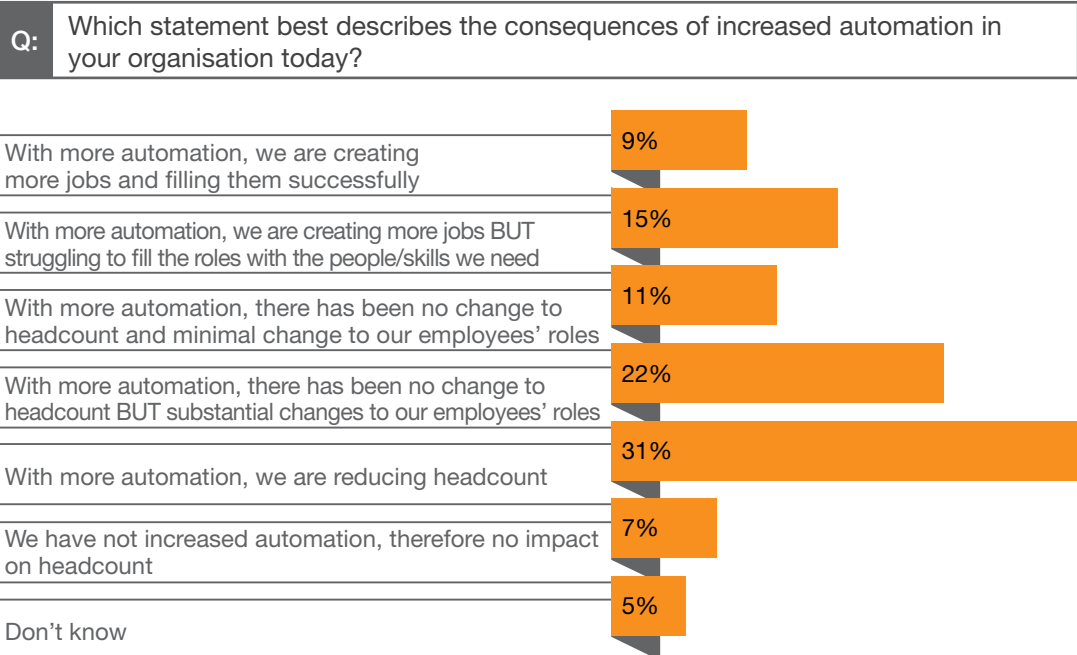
Note: Showing ranked based on index analysis, excludes 'Don't know' and 'Other' responses.



**Q:** In your view, how has the adoption of advanced technologies affected business relationships with...



Source: 2019 - 2020 PwC's Asia Pacific Business Leaders Survey

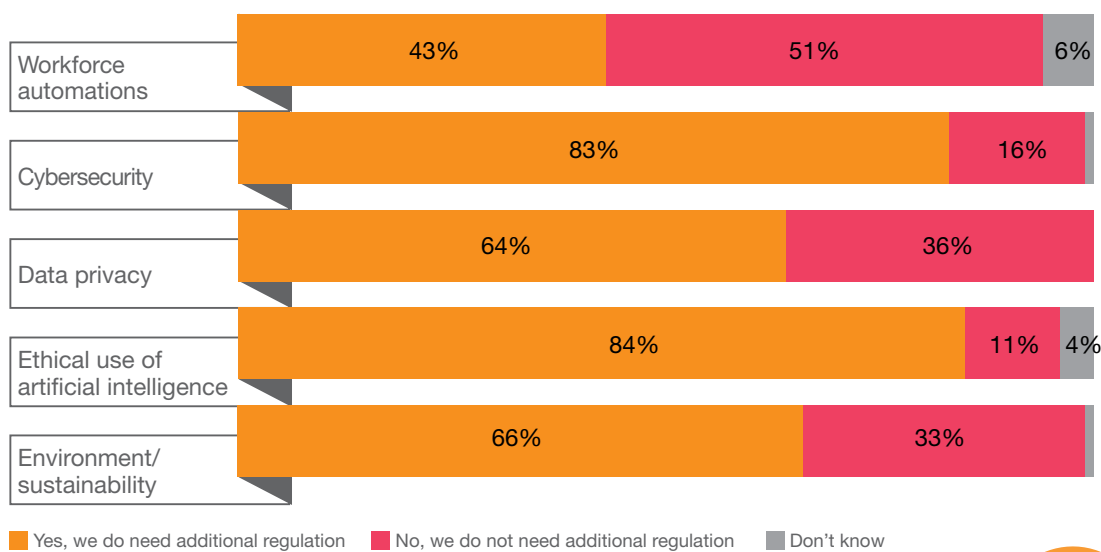


Source: 2019 - 2020 PwC's Asia Pacific Business Leaders Survey

## V Building Trust in Automated Age

**Singapore businesses see need for additional regulations to enhance public trust in ethical use of AI, cybersecurity, sustainability, data privacy and workforce automation**

**Q:** In your view, do we or do we not need additional regulation to enhance public trust in the following areas?



Source: 2019 - 2020 PwC's Asia Pacific Business Leaders Survey

### 3. Methodology



- PwC surveyed 1,014 industry leaders across all 21 Asia-Pacific Economic Cooperation (APEC) economies



- 77 Singapore Business leaders participated in the survey



- About 70% of the Singapore respondents are executive at the highest decision-making levels within the organization while remaining 30% are business heads



- 14% of Singapore respondents in businesses with over US\$10 billion revenue, 39% with businesses revenue of less than US\$100 million



- We used online and paper methodology to survey industry leaders from 31st May to 16th July 2019.



- Responses to the survey were given on a confidential and unattributable basis.



- The survey, in its tenth year, serves as a strong indicator of international business sentiments and latest strategies in the region



- Produced by PwC as Knowledge Partner

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