

News Release

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SINGAPORE BUSINESS OWNERS REDEFINE WHAT IT MEANS TO BE AN ENTREPRENEUR

- *Female entrepreneurs in Singapore have stronger representation than their Western counterparts*
- *Compared to their global peers, Singapore entrepreneurs see the largest personal wealth*
- *Singapore entrepreneurs start their first business at a younger age than Western counterparts*

Singapore is challenging conventional notions and stereotypes of entrepreneurialism, including having a greater number of female business owners and entrepreneurs here starting their first business venture at a younger age, according to the latest research from HSBC Private Bank.

The research, aimed at understanding how entrepreneurs differ across the world, surveyed more than 2,800 active business owners globally, of which 334 were from Singapore, with a net worth of more than US\$1 million. It found that entrepreneurs in Singapore have contrasting characteristics and achievements from their other Asian and Western counterparts.

Growing an empire on both the business and personal fronts

Singapore entrepreneurs are running larger businesses with higher annual revenue turnovers than those in the West, but less than their Asian counterparts. Globally, Singapore entrepreneurs are also accumulating a larger pool of personal wealth, citing the latter as a priority for them to start their own businesses.

On average, Singapore entrepreneurs said that their main business venture has an annual revenue turnover of US\$6.7 million. This is 35% higher than the average Western entrepreneur but 44% less than the average Asian entrepreneur.

Meanwhile, the average Singapore entrepreneur's personal wealth of US\$5.8 million is 15% more than their western counterparts and 35% higher than that of other Asian business owners.

For entrepreneurs operating in Singapore, increasing their personal wealth is both one of the most important drivers for them to venture down the entrepreneurship path (18%) and a personal achievement which they are most proud of (15%).

Mr Rob Ioannou, Co-Head for HSBC Private Bank, Southeast Asia said: "The generally brighter economic conditions in Asia compared to the West has bode well for Singapore entrepreneurs on both their business and personal fronts."

"Despite the softening in China's economy, Asia continues to be a leading region of growth, fuelled by an increase in international and intra-regional trade as well as an expanding emerging middle class population with high consumption power that is a force to be reckoned with – opportunities which Singapore business owners have been quick to tap on and benefited from."

"Yet, within Asia, there are market differences which impact business owners that clearly shine through as well. Given the more developed state of the Singapore market – characterised by fewer mass-produced and more lower profitability goods combined with higher business costs – entrepreneurs here

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often see less revenue turnover than those in markets such as China. And partly because they realise this, Singapore entrepreneurs tend to park more of their money in personal assets through private wealth solutions in order to diversify their overall risks and grow their pool of wealth.”

Women forging ahead in the entrepreneur scene in Singapore and Asia

Women in Singapore and Asia have forged ahead more strongly in creating and running businesses compared to those in the West.

In Singapore, a sizeable 36% of entrepreneurs surveyed were female, with 40% of them still under the age of 35. Comparatively, 40% surveyed in Asia were female, with the proportion falling to 31% in the West.

There is also a greater proportion of women who are higher up on the wealth scale in Singapore and Asia than in the West.

According to the research, 50% of the Singapore entrepreneurs surveyed with a net worth of over US\$15 million were female. This was mirrored by a 51% finding for Asia, compared to just 33% in the West.

Mr Sandeep Sharma, Co-Head for Southeast Asia at HSBC Private Bank, said: “Gender equality is both a moral and economic imperative, and in both Singapore and the larger Asian region, the gender gap has closed.”

“Today, Asian women in general have become more empowered and independent due to supportive government policies, industry support and collaboration networks, and also receive greater recognition for their successes. They now play a vital role in forming the backbone of economic activity and their contribution is expected to increase in the coming years.”

Starting young, growing their wealth fast and relying more on personal networks

Singapore business owners also tend to embark on their entrepreneurial careers earlier than their global peers and rely on personal networks to start-up their business ventures.

The research found that the average age at which Singaporeans set up their first business was 28, similar to the Asian average of 29 but much earlier than the Western average of 34. Some 33% of entrepreneurs surveyed in Singapore are under the age of 35.

Additionally, nearly two fifths (38%) of Singapore entrepreneurs utilise family wealth when setting up their first business, while 21% looked towards sourcing for investment from friends and acquaintances. This was slightly lower than the 47% average of Asian entrepreneurs who utilised family wealth and 25% who capitalised on funds from their personal networks to set up their businesses. In contrast, a much lower average of only 24% of entrepreneurs in the West relied on family wealth while about 9% looked towards investments from friends and acquaintances.

Mr Ioannou continued: “Personal connections invariably are important for entrepreneurs regardless of geography, but this is particularly so in Singapore and the broader Asian region.”

“Such informal networks can often provide financial support as well as valuable business guidance for entrepreneurs. The next generation of entrepreneurs need to really understand and recognise the value of building such strong networks.”

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Notes to editors

About the research

The above findings are part of the **HSBC Private Bank Essence of Enterprise report**, which is due to be released more fully in early 2016. This research will be one of the largest and most in-depth analyses of the motivations and journey of entrepreneurs across a range of major international markets.

The research was conducted by Scorpio Partnership online between August and September 2015. There were a total of 2,834 respondents, all of whom: a) actively owned or derived their wealth principally from a business, and b) had a minimum personal wealth at least US\$1 million. The average wealth of the respondents who answered the survey was US\$4.6 million.

The study covered respondents from Mainland China, Hong Kong, Singapore, UK, Germany, France, US, the United Arab Emirates and Saudi Arabia.

1. Methodology

Throughout the survey and the above press release, the term 'entrepreneurs' refers to people who have: 1. actively own or have derived their wealth principally from a business; and 2. have personal wealth of more than US\$1 million.

'Asian' entrepreneurs refers to the total of 1,106 respondents of the survey from Mainland China (495), Singapore (334) and Hong Kong (277). Meanwhile, 'Western' entrepreneurs refers to the 1,501 respondents of the survey from France (252), Germany (248), United Kingdom (501), United States (500).

2. Follow @HSBC and the #HSBCEnterprise hashtag on Twitter for further updates on the Essence of Enterprise campaign. A podcast discussing the research is also available here: <http://bit.ly/1PRMDxw>

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