



Rapyd

THE 2023
STATE OF B2B
CROSS-BORDER
PAYMENTS
IN SINGAPORE

A Rapyd Research Report

Rapyd.net

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SINGAPORE ADVANCES SOUTHEAST ASIA'S DIGITAL PAYMENTS TRANSFORMATION

Singapore serves as a fintech gateway to Southeast Asia, characterized by a conducive business environment, innovative government policies, an expansive and skilled talent pool and unparalleled access to thriving regional markets. Singapore has solidified its lead in fintech and modern payment solutions.

[The Monetary Authority of Singapore \(MAS\)](#) continues to invest in finance and technology to support this digital transformation. MAS recently committed \$150 million to accelerate innovative projects using cutting-edge technologies. Simultaneously, they are intensifying their efforts to promote a vibrant fintech ecosystem.

THE SHIFT IN B2B PAYMENT PREFERENCES

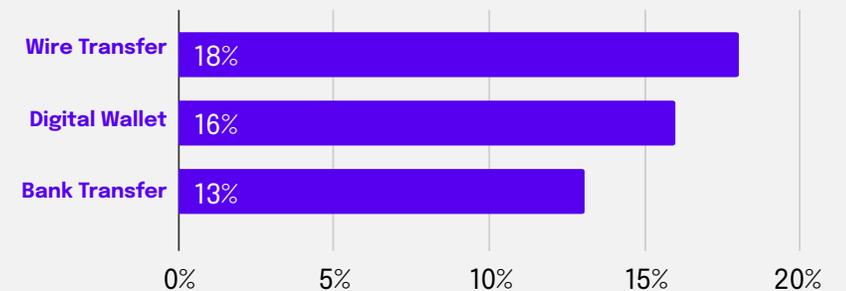
Currently, B2B cross-border businesses in Singapore prefer to send payments via wire and receive payments via bank transfer. **Most businesses, cemented in long-term banking relationships, choose these legacy methods.** Wire transfers offer speed and convenience and bank transfers provide a cost-effective way to receive funds. However, more and more businesses are demanding innovative payment solutions that offer speed, cost-effectiveness and convenience.

Rapyd's research reveals a strong and growing demand for faster and more cost-effective B2B payment solutions that recent MAS investments can support.

PREFERRED METHODS TO RECEIVE PAYMENTS



PREFERRED METHODS TO SEND PAYMENTS



ABOUT THE STUDY

Earlier this year, Rapyd, a global payments industry leader, conducted an in-depth study on B2B cross-border business practices. Our research examined payment and payout methods while offering insights into the current business outlook.

Rapyd conducted this research study to understand the payment preferences and challenges faced by business-to-business cross-border companies in seven markets. The study includes responses from 715 business owners worldwide. This report focuses on insights from one

hundred B2B cross-border businesses located in Singapore. The survey was conducted online, among payment decision-makers in medium and large-sized enterprises, across a variety of verticals and industries.

Rapyd's commitment to innovation drives our ongoing efforts to understand payment intricacies, fintech trends, evolving technology, and user behaviors to benefit our current clients and shape innovative solutions for future customers.



THE LION CITY ROARS

5 Key Insights Into What's Fueling
the Future of Fintech in Singapore

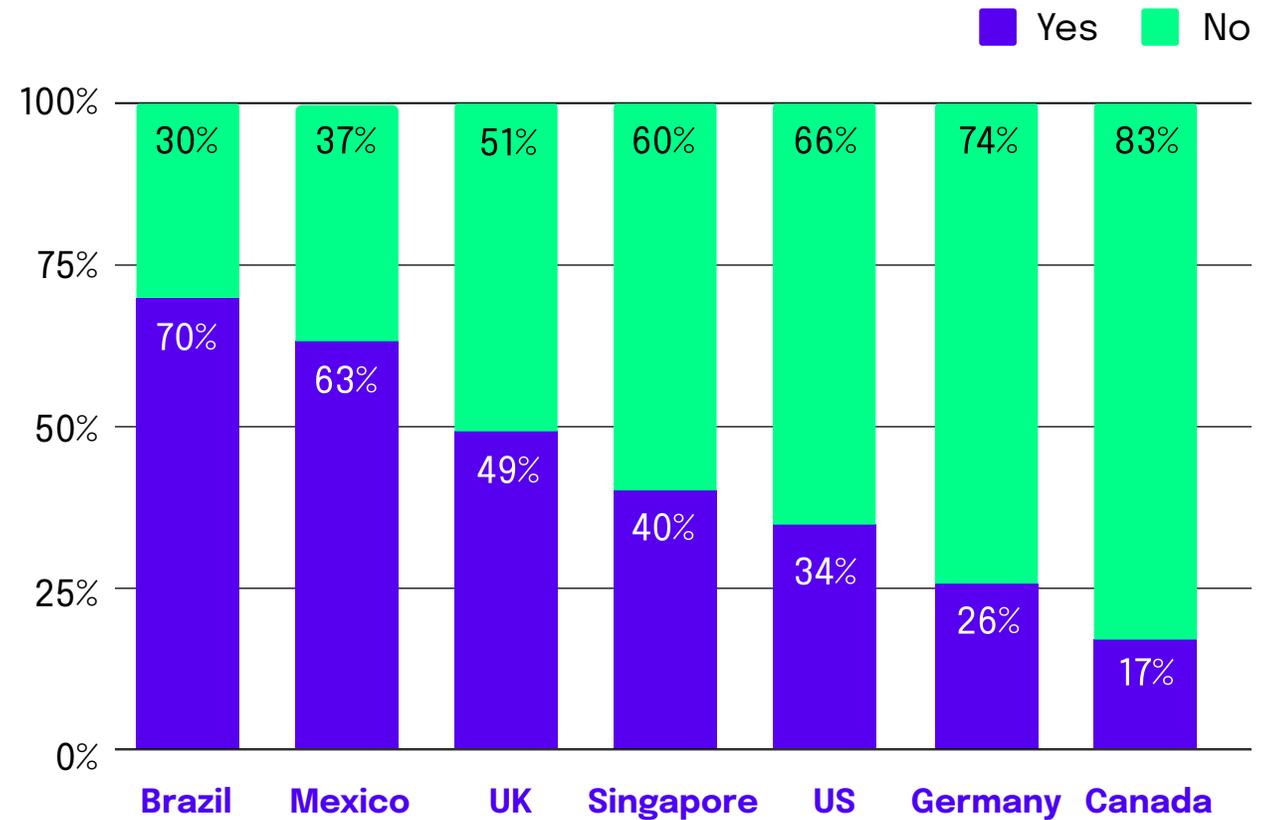


60% OF SINGAPORE BUSINESS LEADERS ARE OPTIMISTIC ABOUT FUTURE MARKET CONDITIONS

SINGAPORE BUSINESSES ARE CAUTIOUSLY OPTIMISTIC

When it comes to future market conditions, the majority of Singaporean business leaders are optimistic with 60% reporting no business concerns in the next year.

When compared to responses from business leaders in other countries, Singapore's level of optimism is about average. Brazilian businesses are the least optimistic, with 70% saying they are concerned about the state of business while only 17% of Canadian business leaders say they worry about future market conditions.



LOSING NEW BUSINESS IS THE 2ND GREATEST CONCERN FOR SINGAPORE-BASED BUSINESSES

RISING INTEREST RATES ARE THE TOP CONCERN

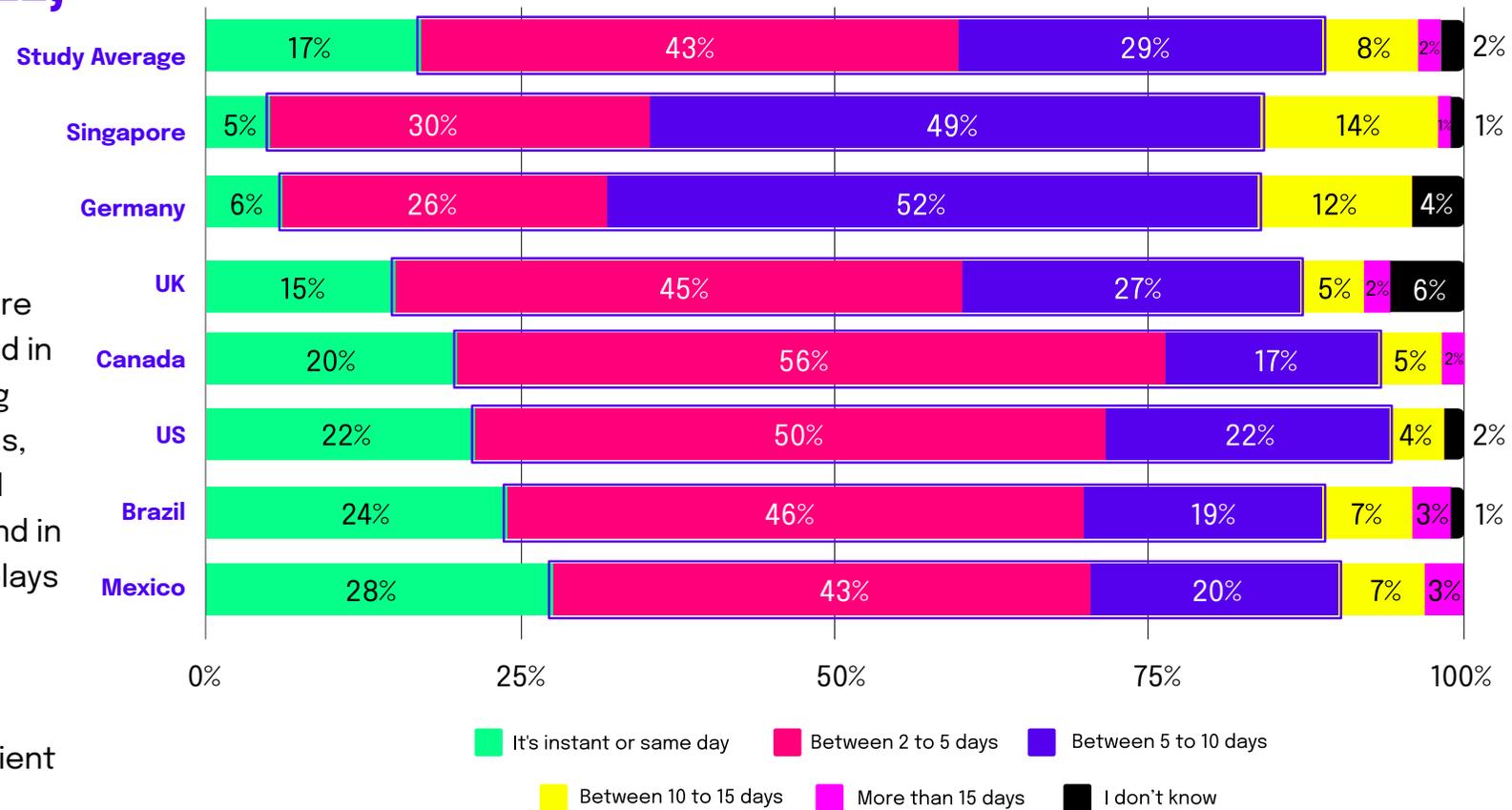
Business leaders in Singapore are most concerned about interest rates. Among 11 considerations, Singapore and Brazil businesses ranked interest rates the highest. While interest rates weigh on global business owners' future outlook, Singapore's market stability, strong import and export market, economic success and regulatory frameworks seem to provide business leaders with confidence. In fact, businesses in Singapore rate market volatility and economic stability as the lowest concerns of any country in our survey, demonstrating Singapore's steadfast position as a stable global business center.

	Study Average	Brazil	Canada	Germany	Mexico	Singapore	UK	US
Inflation	50%	56%	47%	56%	52%	38%	47%	50%
Increase in interest rates	46%	64%	47%	32%	38%	53%	33%	43%
Market volatility	35%	40%	53%	44%	36%	18%	41%	23%
Currency fluctuations	32%	44%	29%	36%	25%	30%	24%	30%
Deteriorating economic conditions	30%	31%	24%	40%	34%	20%	27%	35%
Import / export challenges	30%	39%	18%	20%	27%	20%	35%	40%
Tax changes	29%	27%	18%	16%	36%	38%	29%	28%
Cashflow	28%	17%	41%	40%	28%	33%	29%	28%
Regulatory changes	27%	31%	35%	24%	30%	25%	24%	20%
Workforce hiring	26%	14%	35%	28%	17%	35%	27%	45%
Reduction in incoming work/business	25%	26%	29%	20%	19%	43%	24%	20%

SINGAPORE EXPERIENCES ABOVE-AVERAGE PAYMENT DELAYS

PAYMENT DELAYS TAKE A TOLL; SINGAPORE BUSINESSES EXPERIENCE MAJOR DELAYS

Delays in sending or receiving payments add to the complexities cross-border businesses face. Singapore businesses reported a delay between 2 to 10 days and in many cases more than 10 days in sending or receiving payments. Challenged by traditional payment systems, businesses want to adopt more modern, streamlined solutions that can handle transactions seamlessly and in real time. Across the study, the greatest payment delays are reported in Singapore and Germany, where most businesses experience 5 to 10-day delays. As more businesses recognize the importance of quick and hassle-free transactions, the demand for more efficient payment methods increases.



Q: Typically, how much delay is involved in sending or receiving cross-border payments?

KEY INSIGHT #4

NEARLY HALF OF SINGAPORE BUSINESSES NEED BETTER FINTECH SOLUTIONS

Over 48% of Singapore-based businesses believe better fintech solutions would help alleviate their concerns. Next, businesses report receiving faster settlements and payments (45%) would help mitigate their financial worries. Supply chain improvements were less frequently cited as a requirement for boosting business confidence in Singapore, reflecting the region's robust trade dynamics in Southeast Asia.

	Study Average	Brazil	Canada	Germany	Mexico	Singapore	UK	US
Business expansion	41%	64%	18%	28%	45%	33%	24%	43%
Better Fintech solutions	35%	31%	35%	32%	47%	48%	27%	23%
Improvements in supply chain	34%	37%	59%	32%	33%	25%	18%	53%
Improved payment terms	33%	34%	29%	40%	28%	30%	41%	33%
Faster settlements/payments	31%	30%	12%	36%	31%	45%	31%	28%
Digitizing payments	27%	20%	29%	44%	27%	30%	24%	28%



Top idea to ease concerns



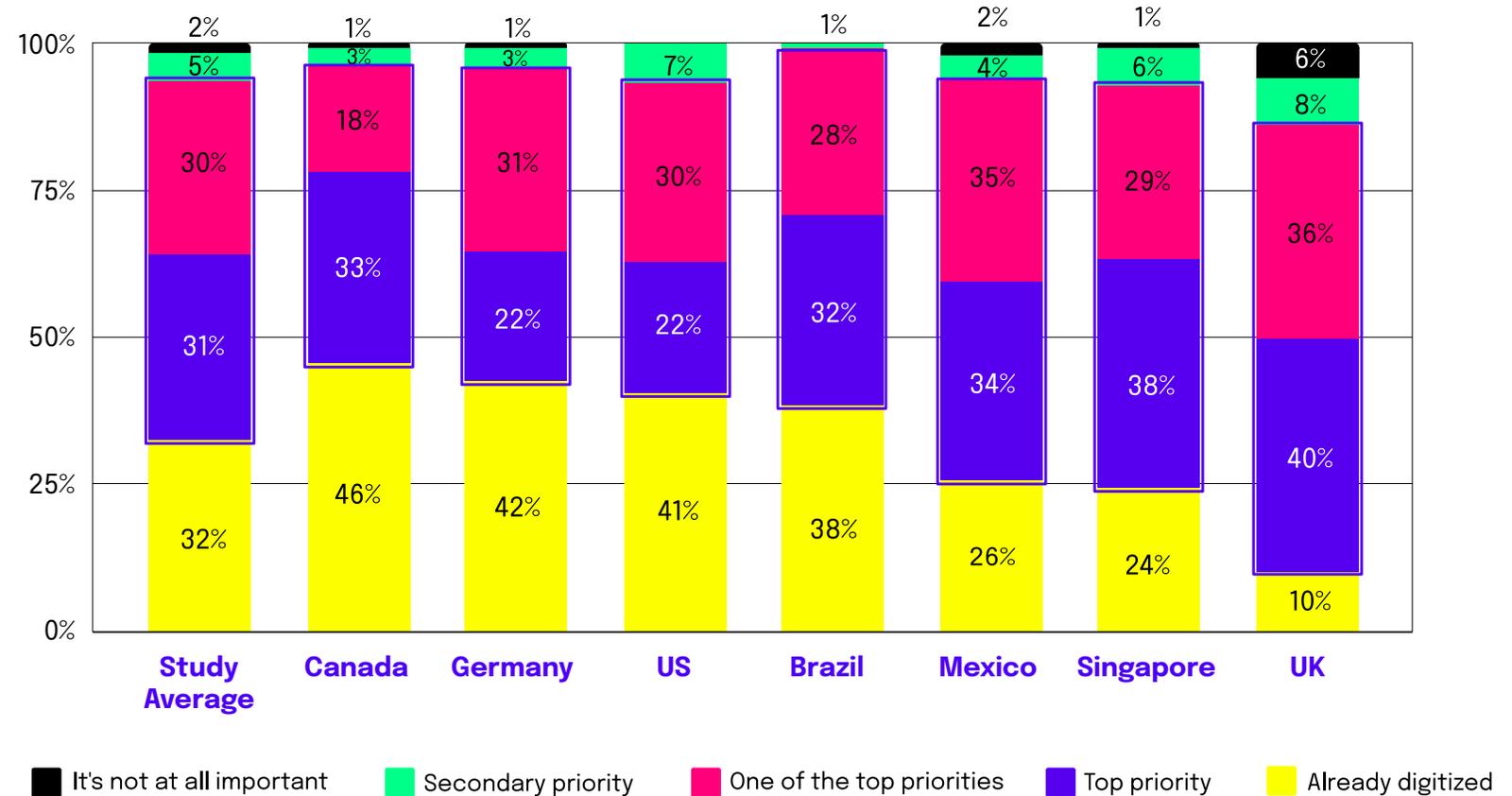
Payments related mentions

KEY INSIGHT #5

NEARLY ONE-FOURTH OF ALL B2B BUSINESSES CURRENTLY USE DIGITAL PAYMENTS

SINGAPORE BUSINESSES HAVE MADE PAYMENT DIGITIZATION A PRIORITY

Digitizing payments is important to speed up payments and prevent delays. In Singapore, two-thirds of businesses surveyed say digitizing payments is their top or one of their top priorities. Only about one-quarter of businesses in Singapore are digitized. This creates a big opportunity for innovative companies to provide modern, streamlined solutions. With investments from MAS, payment infrastructure is ripe for increased digitization.



THE STATE OF PAYMENTS IN SINGAPORE

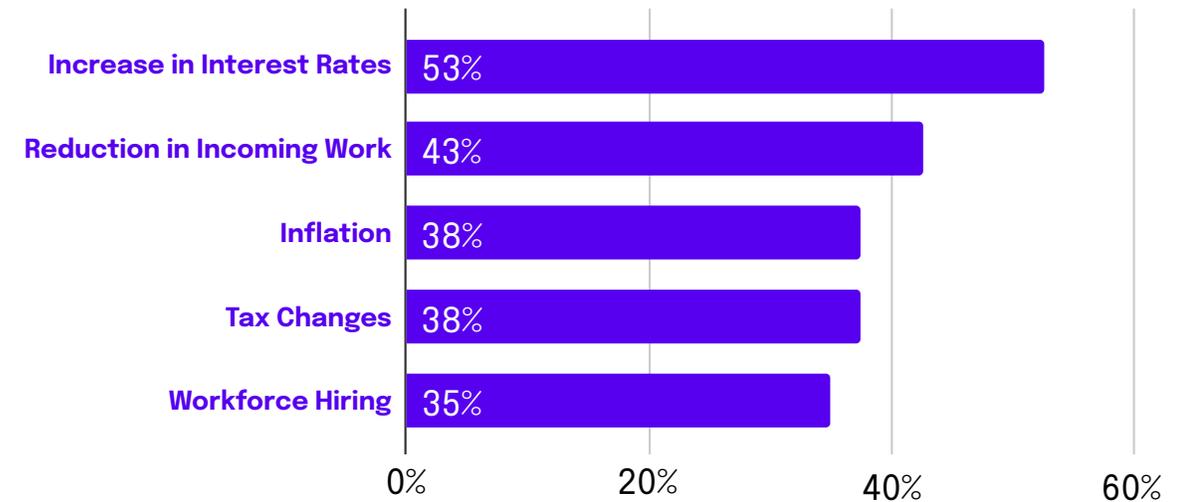


60%

of Singapore businesses are not concerned about the state of business & are positive about the future.

Businesses in Singapore are optimistic about business in the near future. The majority report they are not concerned about the state of business overall. Throughout Singapore, other concerns reported include increasing interest rates (53%), a reduction in incoming work (43%) and costs associated with rising inflation (38%). While businesses are expressing some concern about the market conditions, they are generally positive about their future business outlook.

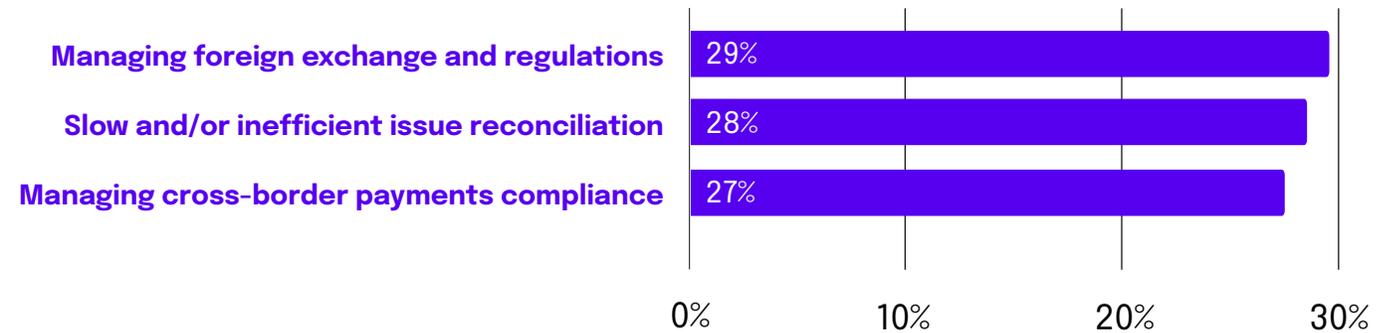
WHAT CONCERNS THE OTHER 40%...



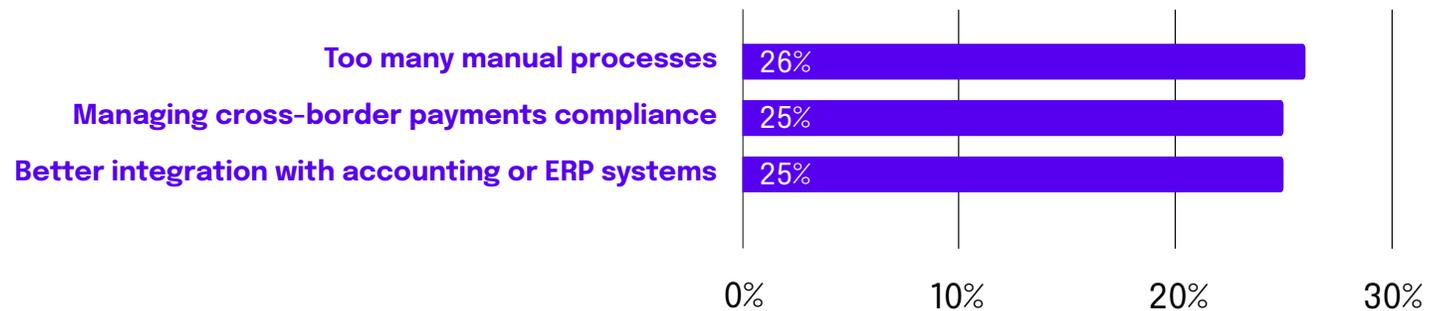
UNIQUE PAYMENT CHALLENGES

With sending or receiving payments, the most common challenges Singapore businesses report include manual processes requiring more resources, managing cross-border complexities related to regulations and compliance and lack of integration with existing systems, leading to slow, manual reconciliation.

CHALLENGES OF RECEIVING CROSS-BORDER PAYMENTS



CHALLENGES OF SENDING CROSS-BORDER PAYMENTS

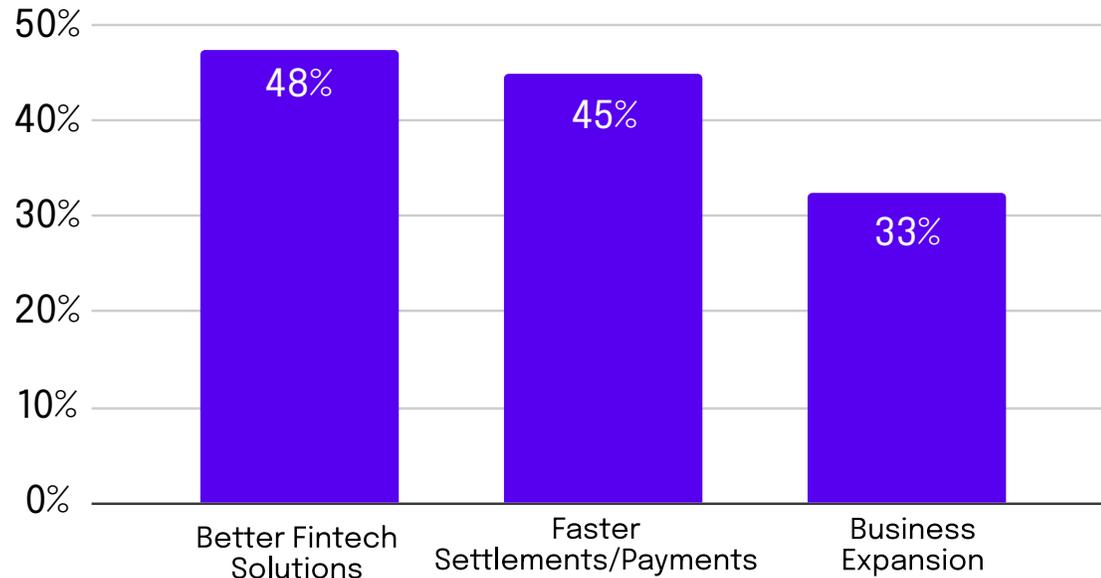


BUSINESSES BELIEVE IN FINTECH SOLUTIONS

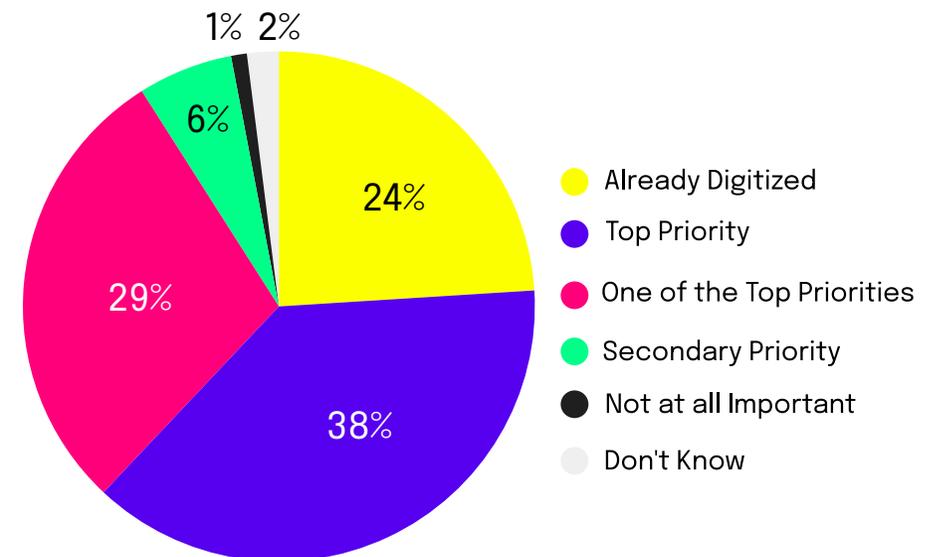
Singaporean businesses believe they can ease concerns with payment solutions. 48% of the businesses think better fintech solutions would help and 45% believe they need faster payments and settlements.

More good news, businesses in Singapore are committed to digitizing for faster payments. 38% of the businesses have made it a top priority, while 29% of the businesses say it's one of their top priorities. The government in Singapore also sides with innovation, supporting new fintech solutions and technologies.

WHAT WOULD EASE CONCERNS?



DIGITIZATION PRIORITY FOR BUSINESS



WHAT'S IMPACTING PAYMENT DECISIONS?

Insights that Influence
Business Strategy

WHAT'S IMPACTING PAYMENT DECISIONS?

FASTER PAYMENTS BECOME MAINSTREAM

APAC is a global leader in real-time payments (RTP). In July 2022, the central bank governors of five central banks in Singapore, Indonesia, Malaysia, the Philippines, and Thailand committed to cross-border interoperability among their real-time payment systems to promote regional economic recovery. In August 2023, Vietnam also committed to join its real-time payment systems.

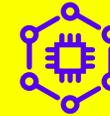
RTP is fueling the growth of cross-border commerce in Singapore, especially with its PayNow system linked to many other RTP systems in APAC via India's United Payments Interface (UPI), Malaysia's DuitNow, and Thailand's PromptPay.

Businesses recognize the benefits of fast payments, a staggering 80% claim to use or plan to use RTP in the near future. Only 20% of businesses are unsure or don't plan to implement RTP in the near future. Businesses that aren't planning for real-time payments are going to fall behind.

SINGAPORE BUSINESSES WANT A GLOBAL FINTECH PARTNER WHO:



Offers Easy
Integration



Reduces
Manual Effort



Manages
Fraud

80%

of businesses claim to
already use, or plan to use,
RTP in the near future.

20%

of businesses are unsure
or don't plan to implement
RTP in the near future.

WHAT'S IMPACTING PAYMENT DECISIONS?

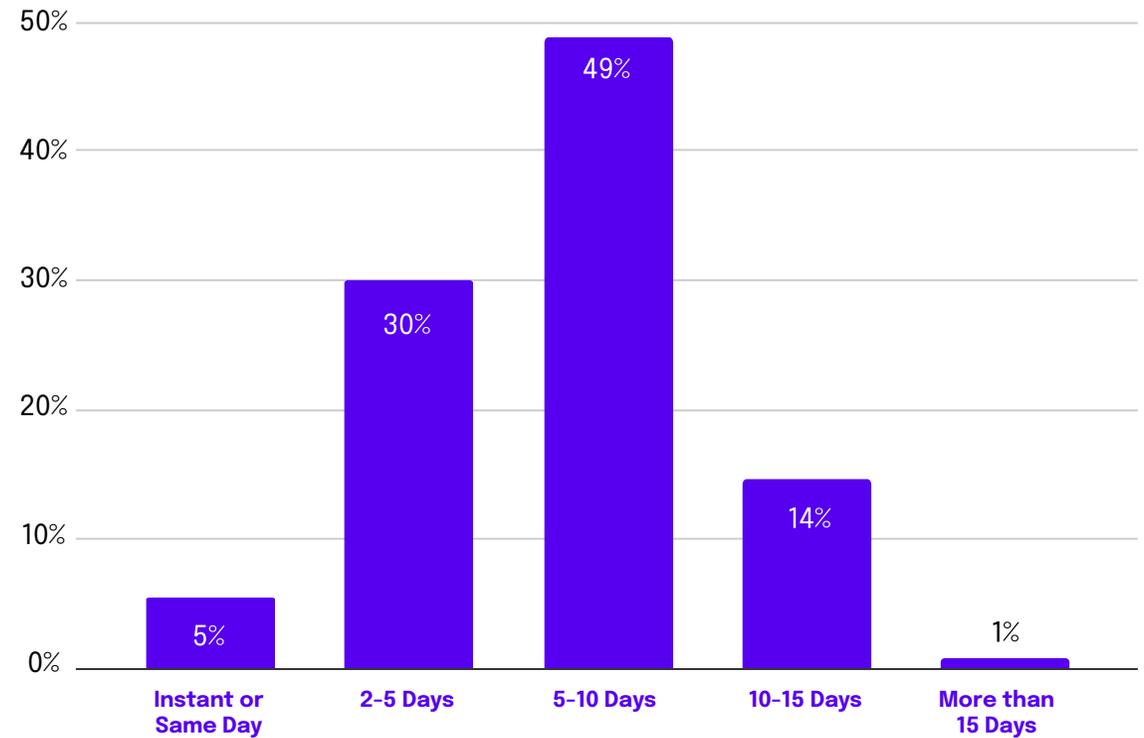
FASTER PAYMENTS ARE THE KEY TO SUCCESS

Faster payments are important. Nearly half of the businesses report it takes between 5 to 10 days to receive or send cross-border payments.

Delayed payments impact all parts of the business. **Waiting for funds means less financial control over market volatility (47%), a lack of visibility into transaction flows (40%) and increases in manual processes and reconciliation (40%),** all of which impact financial management and planning.

The payments landscape will continue to evolve and become more complex. While businesses will seek to streamline and simplify their payments processes. Fintech platforms that provide expedited options to customers and reduce complexity will come out on top.

DELAYS IN SENDING & RECEIVING CROSS-BORDER PAYMENTS



WHAT'S IMPACTING PAYMENT DECISIONS?

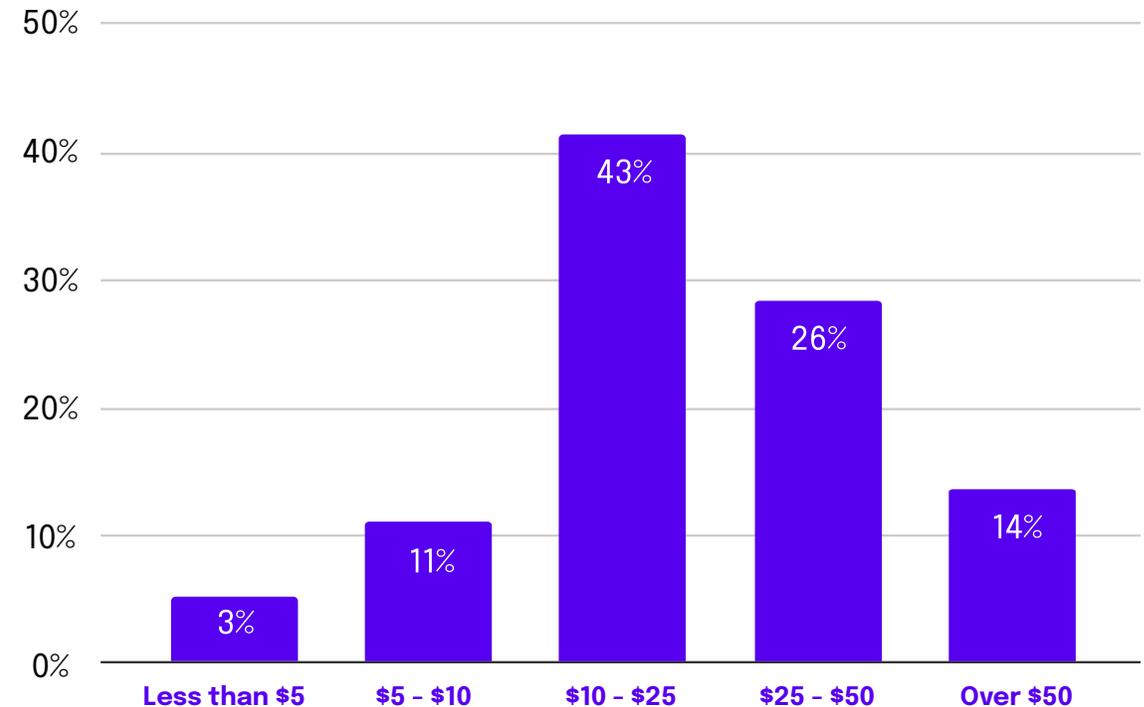
INTEROPERABILITY AT A LOWER COST IS CRUCIAL FOR GROWTH

While credit and debit cards are the dominating consumer payment methods in Singapore, the overall payment landscape is very diverse. Merchants want to accept cards, offer customers alternative payment methods and streamline global expansion with a single integration.

Business-to-business payments, on the other hand, continue to be slow, inefficient and expensive. The topmost preferred method to send B2B payments is wire transfer and the topmost preferred method to receive payments is bank transfers, as seen in our [B2B payment report](#). In both these cases, the businesses' long-term banking relationship is the driving force. But, the cost is a major concern for businesses, especially in the case of cross-border payments.

43% of the businesses we surveyed pay between \$10-\$25 per transaction in cross-border fees, and 26% pay between \$25-\$50 per transaction. Throw in foreign exchange fees and the costs quickly add up.

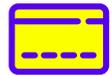
CROSS-BORDER FEES



Payments optimization is crucial to access, costs and speed. Interoperability will be a winning strategy, with multiple points of integration for businesses to a collection of payment networks to reconcile payments across different systems. To do this, businesses need a fintech partner who can enable scale while lowering costs.

BUILD BOLD. GET RPYD.

Get all the tools your business needs to create payment, payout and fintech experiences everywhere. From Fortune 500 companies to ambitious business and technology upstarts, our payments network and powerful fintech platform make it easy to accept payments, send payouts and manage funds - locally and internationally.



RAPYD CARD ACQUIRING

Local Debit And Credit Card Acquiring Across Europe, the UK and Singapore

With local card acquiring for Visa and MasterCard, Rapyd enables your business to grow.

- **Get Started Fast:** Enjoy flexible onboarding, even for complex business models and use cases.
- **Make More Sales:** Accept card payments from customers worldwide and localize checkout with customers' preferred languages and currencies.
- **Improve Authorization Rates:** Increase payment conversions with a trusted local card acquirer and benefit from some of the highest authorization rates globally.



RAPYD DISBURSE

Pay Suppliers, Workers and Contractors Anywhere

Send payouts faster, easier and with lower fees. By using recipients' preferred methods and currencies we also help you grow loyalty and satisfaction. With a global network that reaches 190+ countries, there's no need to integrate different payout solutions in different markets or navigate complex legal and compliance issues.



RAPYD VIRTUAL ACCOUNTS

Quick and Easy Virtual Account Creation for Cross-Border Commerce

Rapyd Virtual Accounts allow eligible clients anywhere in the world to collect payments of any amount in their local currency, using local banking rails - as if they had any number of local bank accounts across supported markets and currencies.



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