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Cost continues to trump sustainability for Singapore SMEs, despite nation's net zero goals

SINGAPORE, 21 OCTOBER 2025: A new survey by Flo Energy, Singapore's largest independent renewable electricity retailer, reveals that cost savings remain the top driver for small and medium enterprises (SMEs) when choosing or switching electricity retailers — far ahead of sustainability, despite Singapore's national commitment to the Green Plan 2030.

Flo's *SME Renewable Energy Insights Survey* found that across all respondents, nearly two-thirds (62%) said price is the most important factor when selecting an energy provider, compared to just 15% who named sustainability. Yet, more than half agreed that sustainability is "quite important" in their wider business decisions. When it comes to switching behaviour, the gap is even clearer: only 13% of SMEs who switched retailers said they did so for sustainability reasons, with most driven by price, reliability of supply and service.

SMEs key to Singapore's sustainability push

SMEs make up over 99% of Singapore's businesses¹ and are critical to the nation's green transition. However, as highlighted in a report² by the Organisation for Economic Co-operation and Development (OECD), most small firms face persistent barriers to decarbonisation, such as limited awareness and financial resources, and the complexities of navigating green incentives.

This makes it challenging for SMEs to embark on a more sustainable path. As observed in the survey, sustainability rose sharply to second place — just behind faster service and technical support — when respondents were asked what improvements they wanted from their current retailer. This suggests that while cost drives switching decisions upfront, SMEs increasingly expect greener commitments once they are onboard.

"Singapore has a clear roadmap to reach net zero by 2050, but our research shows that many SMEs are still putting cost ahead of sustainability," said Flo CEO Matthijs Guichelaar. "The good news is that sustainability is increasingly seen as an area for improvement, which shows growing awareness and demand. This is an opportunity for providers like Flo to help SMEs align their business choices with national climate goals."

Summary of key findings:

- **Cost continues to outweigh climate goals:** Nearly two-thirds (62%) of SMEs say price is the most important factor when choosing an electricity retailer, compared to just 15% who cite sustainability. This cost-first mindset highlights a key challenge in Singapore's green transition.
- **Short-term savings drive switch behaviour:** Only 13% of SMEs who switched energy providers did so for sustainability reasons. Most changed retailers for promotions, contract expiry, or flexible terms, suggesting that short-term savings continue to trump longer-term environmental

¹ [SingStat 2024 – Singapore Economy](#)

² [OECD 2021 – No Net Zero Without SMEs](#)



considerations.

- **Awareness remains a major hurdle to adoption:** While 45% of SMEs have considered renewable energy, more than half remain unfamiliar with Renewable Energy Certificates (RECs). Among switchers, awareness is higher, showing that education and exposure can accelerate green adoption.
- **Systemic barriers persist for smaller businesses:** High upfront costs and the lack of information are the most cited reasons SMEs avoid renewables. These barriers echo global trends identified by the OECD that smaller businesses will only 'green' faster when cost, capability, and complexity barriers are removed.

Against the current climate crisis, this survey highlights the need for greater SME support as a key factor to Singapore's net zero 2050 aspirations. This presents both an opportunity — and responsibility — for electricity to meet customer energy needs.

About Flo Energy Singapore

Flo Energy Singapore is the country's fastest-growing and largest independent electricity retailer on a mission to switch as many people as possible to affordable, renewable solutions. Part of Flo Holding, Flo expanded its reach in 2024 with the launch of Flo Energy Australia. Flo's robust in-house tech infrastructure allows Flo to keep costs down and share the savings with customers, while Flo's local support team provides a seamless customer experience. Beyond supplying renewable electricity, the company also helps businesses harness solar energy and optimise their operations with smart energy management and metering solutions.

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