China's economic performance continues to affect Singapore companies' sales the most, according to the latest Business Times-UniSIM Business Climate Survey.

In line with a trend that has existed over the past two years, firms here most frequently cited China (23 per cent) as the country which would have the greatest bearing on sales in 2014. Malaysia came in second (17 per cent), while Indonesia and the US were tied in third place (14 per cent each). Together, companies that selected the top four countries represent 68 per cent of all 130 responses.

Said survey director Chow Kit Boey: “This suggests that the economic growth of these four countries will have a significant impact on at least two in three Singapore firms.”

However, compared to last year's results, the latest findings show that China has lost some of its economic influence on manufacturing firms – only 19 per cent of these respondents said China's economy would have the greatest impact on their sales. The US came out tops in this regard, at 32 per cent.

Ms Chow said China's rising business costs were to blame, with wages and property values climbing. She noted that some foreign firms in China are planning to relocate to lower-cost countries in anticipation of higher returns, and cited Cambodia and Myanmar as possible alternatives.