

PRESS RELEASE

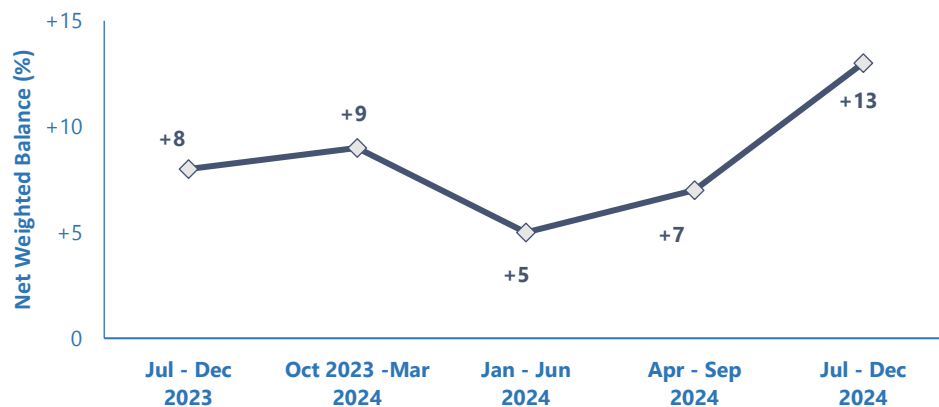
Business Expectations of the Services Sector Third Quarter 2024

The Business Expectations Survey measures firms' general business outlook for the next six months, as well as their operating revenue and employment outlook for the next three months. The findings are used by the government and the business community in policy making and business planning.

GENERAL BUSINESS OUTLOOK (JUL – DEC 2024)

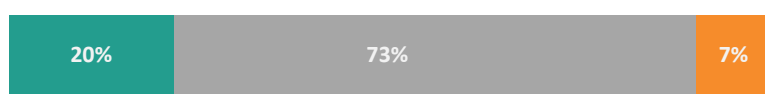
Business expectations among firms in Singapore's services sector remain positive for the period of Jul – Dec 2024. 20% of firms¹ are upbeat about business conditions while 7% of firms foresee deteriorating business conditions, resulting in a net weighted balance of 13% of firms expecting a more favourable business outlook.

General Business Outlook for the Next 6 Months



+13%
Net Weighted
Balance

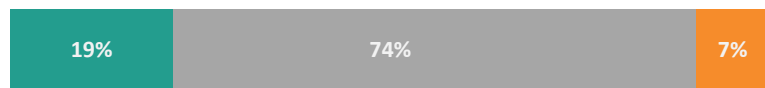
Up Same Down



OPERATING REVENUE FORECAST (JUL – SEP 2024)



+12%
Net Weighted
Balance



EMPLOYMENT FORECAST (JUL – SEP 2024)



+12%
Net Weighted
Balance

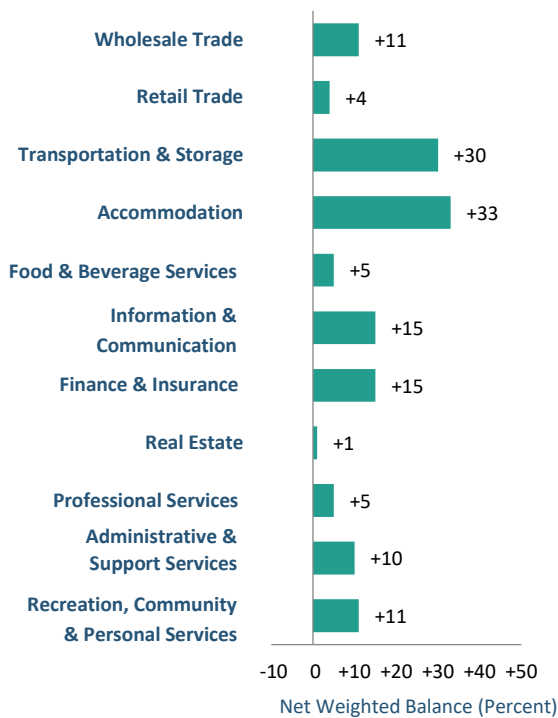


¹Refers to weighted percentage of firms.

GENERAL BUSINESS OUTLOOK (JUL – DEC 2024)

Within the services sector, all industries express positive sentiments on their business conditions for the period of Jul – Dec 2024.

General Business Outlook for Jul - Dec 2024



The accommodation industry foresees improved business conditions for Jul – Dec 2024. Hoteliers expect occupancy rates to improve, citing an increase in international travellers due to the Singapore Grand Prix in September. More concerts, as well as meetings, incentives, conferences, and exhibitions (MICE) events are expected in the second half of 2024.

The transportation & storage industry expects a pick-up in their businesses for the second half of 2024. Firms within the water transport sector has positive sentiments, citing an increase in freight rates. Similarly, land transport firms expect an increase in ridership and demand for their services.

The information & communication industry has positive sentiments for the second half of 2024. Firms within the information service activities sector are optimistic, citing higher demand for data and cloud services as companies continue to spend on digitalisation. Similarly, games publishers are optimistic, citing healthy demand for games.

The finance & insurance industry is positive about their business outlook for Jul – Dec 2024. Banks are hopeful of a possible decrease in interest rates, which would in turn lead to an increase in investment activities and higher demand for loans. Payment services firms expect higher revenues as they anticipate increased travel and entertainment spending by consumers.

The wholesale trade industry is also optimistic in their business outlook for the second half of 2024. In particular, wholesalers of the Computers, Computer Peripheral Equipment and Software sector anticipate higher demand for AI-related products, which is driving the commercial refresh cycle.

OPERATING REVENUE AND EMPLOYMENT FORECAST (JUL – SEP 2024)

The services sector, with a net weighted balance of 12% of firms, foresees higher revenue for the period of Jul – Sep 2024.

Firms in the accommodation industry foresee higher revenue for the third quarter of 2024, due to the expected increase in the number of international travellers coinciding with major events such as the Singapore Grand Prix.

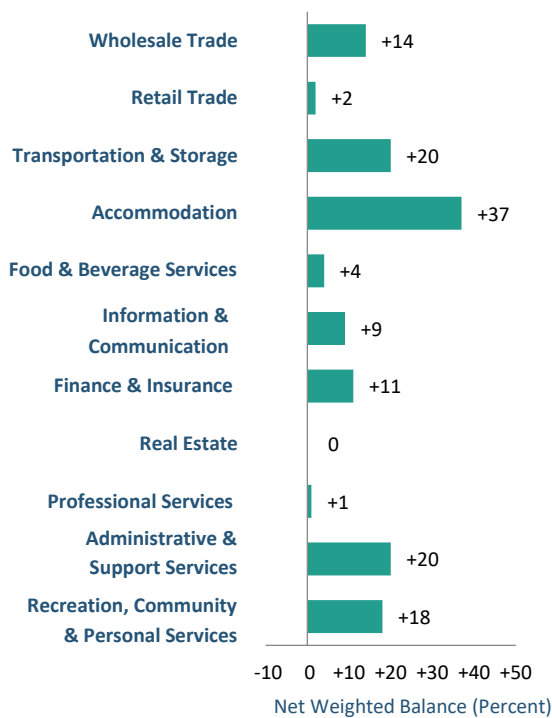
The transportation & storage industry expects higher operating revenue. In particular, water transport firms expect higher revenue in the third quarter of 2024 due to the increase in freight rates.

Majority of the industries expect to increase their hiring activities for the period of Jul – Sep 2024, with a net weighted balance of 12%.

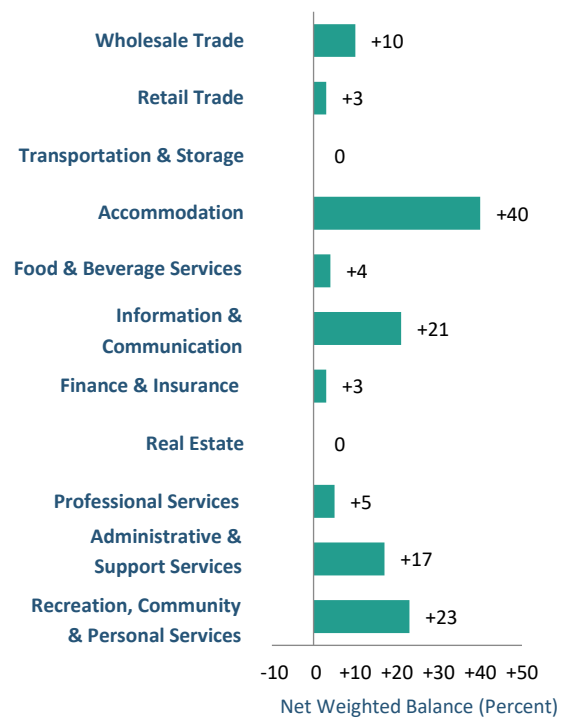
Firms within the accommodation industry anticipate to increase hiring to keep pace with the arrival of more leisure and business travellers.

In line with their positive revenue outlook, the recreation, community & personal services industry expects employment levels to increase.

Operating Revenue Forecast for 3Q 2024



Employment Forecast for 3Q 2024



EXPLANATORY NOTES

Introduction

The Business Expectations Survey for the services sector is conducted quarterly (i.e. one month before the reference quarter) by the Singapore Department of Statistics. The 3rd quarter 2024 survey was conducted from June to July 2024. It is a survey aimed at obtaining the business outlook for the immediate future of firms in the services sector.

Data Collection

The Business Expectations Survey covers some 1,500 enterprises in wholesale trade, retail trade, transportation & storage, accommodation, food & beverage services, information & communications, finance & insurance, real estate, professional and administrative & support services and recreation, community & personal services. Respondents are asked about their expectations of the business situation in the next six months as well as operating revenue and employment in the next three months. Their views are expressed in terms of directional change (i.e., “up”, “same” or “down”).

Enterprises’ responses are then weighted and aggregated to derive the weighted percentages for “up”, “same” or “down” at industry and overall sectorial level for each question. Employment size is used as the weighting variable at both the enterprise and industry level for the employment forecast. For the general business outlook and operating revenue forecast, operating revenue and value added are used as weights at the enterprise level and industry level respectively.

Net Weighted Balance

A “net weighted balance” is used to indicate the likely overall direction of change of a particular activity or industry. Net weighted balance is calculated by taking the difference between the weighted percentages of “ups” and “downs”. A plus sign in the net weighted balance indicates a net upward trend and a minus sign denotes a net downward trend.



More data are available on the SingStat Website at
www.singstat.gov.sg/find-data/search-by-theme/industry/business-expectations/latest-data

or through the QR code below.



Singapore Department of Statistics
31 July 2024

For enquiries, please contact:

Mr Ghazali Mohamed

T (+65) 6835 8982 E Ghazali_Mohamed@singstat.gov.sg

Mr Chan Jun Han

T (+65) 6332 5207 E Chan_Jun_Han@singstat.gov.sg

Mr Kong Ming Yeow

T (+65) 6835 8915 E Kong_Ming_Yeow@singstat.gov.sg

Find us on

