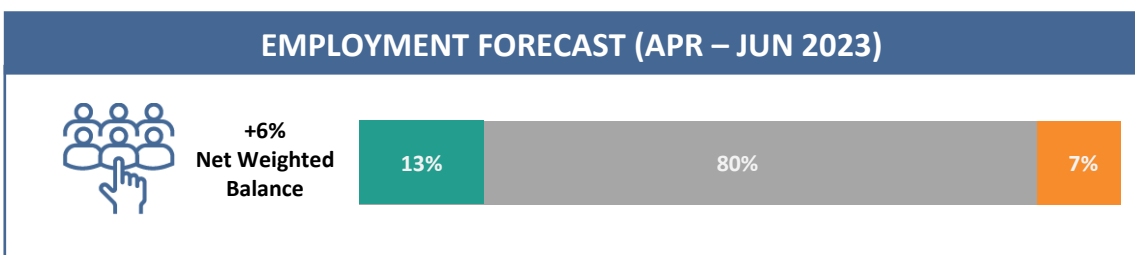
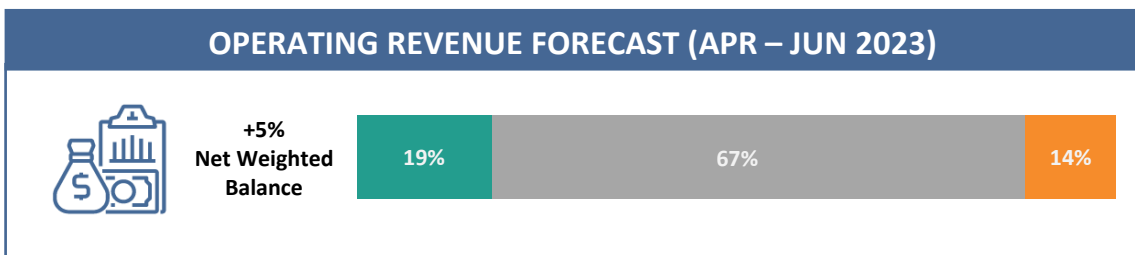
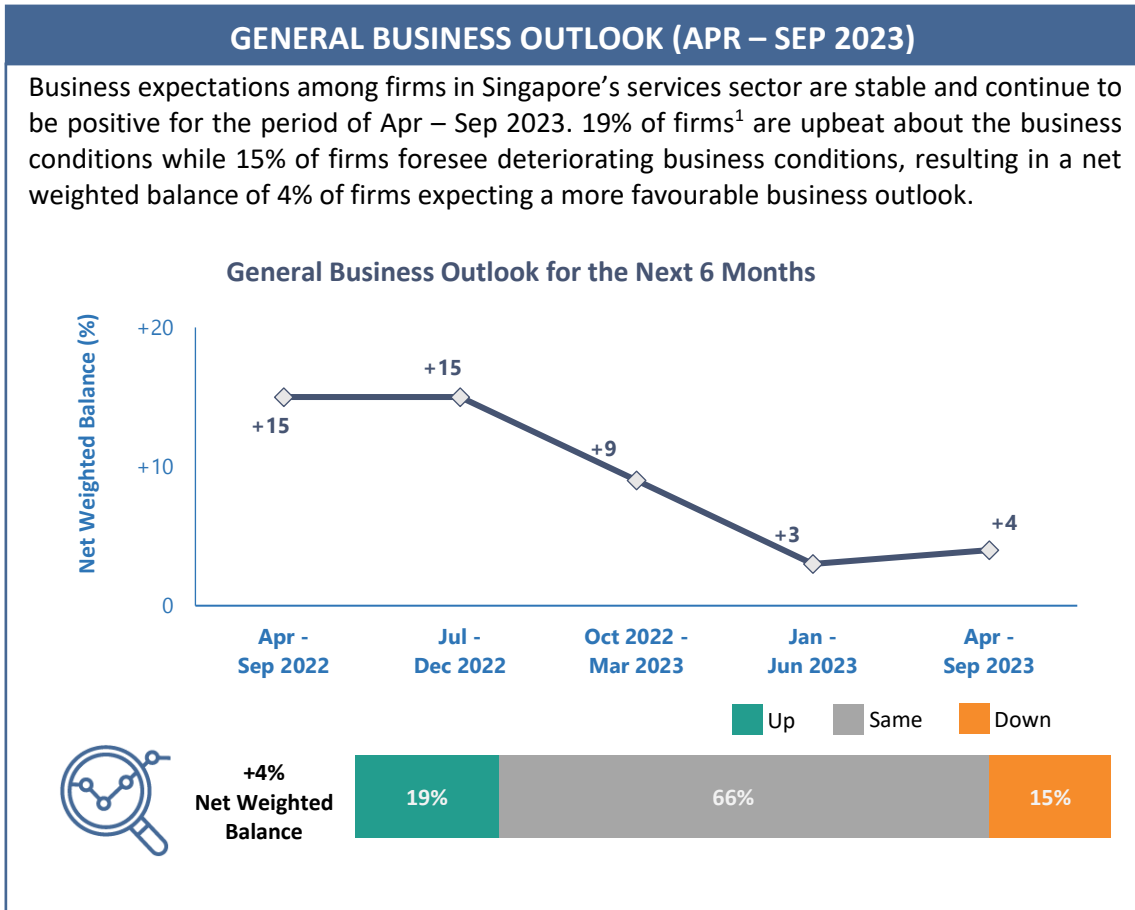




Business Expectations Services Sector

Second Quarter 2023

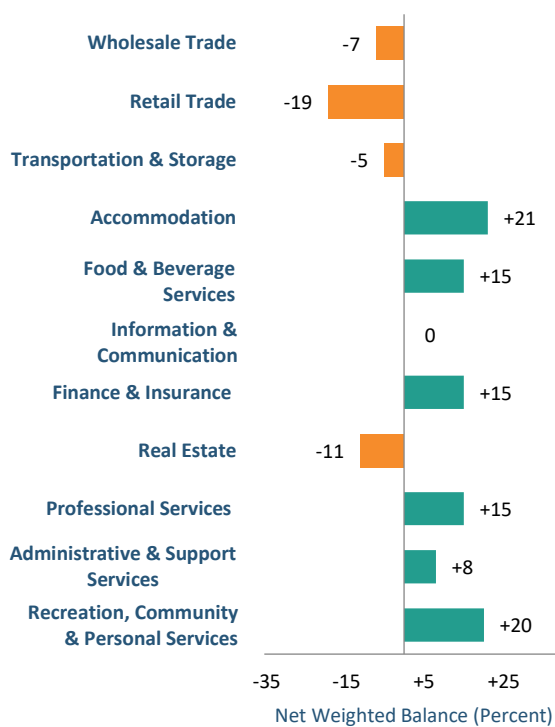


¹Refers to weighted percentage of firms.

GENERAL BUSINESS OUTLOOK (APR – SEP 2023)

Within the services sector, the accommodation, recreational, community & personal services and food & beverage services industries are among those which foresee more favourable business conditions for the period of Apr – Sep 2023, compared with Oct 2022 – Mar 2023. On the other hand, the retail trade and real estate industries are less optimistic in their business outlook.

General Business Outlook for Apr - Sep 2023



The accommodation industry foresees improved business conditions for the next 6 months. Hoteliers expect an uptick in visitors travelling for leisure and business purposes following the reopening of international borders. Hoteliers also attribute their positive sentiments to an expected increase in MICE events and roster of events such as the Singapore Grand Prix in September.

The recreational, community & personal services industry shared positive sentiments. Within this industry, firms in the health services sector cited the return of medical tourists as the reason for their optimism.

The food & beverage services industry expects a pick-up in their businesses for the next 6 months. Firms within the industry attributed their positive sentiments to the increased tourist numbers and the transition from Disease Outbreak Response System Condition (DORSCON) yellow to DORSCON green.

The retail trade industry is less optimistic about the business prospects for the period of Apr – Sep 2023, compared with Oct 2022 – Mar 2023, which coincided with the year-end holiday and the festive season. Supermarkets cited the fewer festive occasions in Apr – Sep 2023 as a reason for their negative sentiments.

The real estate industry is similarly negative in their outlook due to the uncertain global economic situation. Real estate developers also explained that the current high interest rate environment poses a challenge with regard to the financing of their projects.

OPERATING REVENUE AND EMPLOYMENT FORECAST (APR – JUN 2023)

With a net weighted balance of 5% of firms, the services sector foresees higher revenue for the period of Apr – Jun 2023.

Firms in the food & beverage services and accommodation industry foresees higher revenue for the next 3 months, owing to the arrival of more tourists.












The recreation, community & personal services industry expects higher operating revenue as healthcare providers expect more business with the revival of medical tourism.

In terms of employment, majority of the industries expect to increase their hiring activities for the period of Apr – Jun 2023, with a net weighted balance of 6%.

Firms within the accommodation industry expect to increase hiring to keep pace with the recovery of international travel.

In line with their positive revenue outlook, firms in the recreation, community & personal services industry expect employment levels to increase as well.

Operating Revenue and Employment Forecast for 2nd Quarter 2023

<p>Wholesale Trade</p> <p>Operating Receipts Forecast -18%</p>  <p>Employment Forecast -1%</p>	<p>Retail Trade</p> <p>Operating Receipts Forecast -15%</p>  <p>Employment Forecast -14%</p>
<p>Transportation & Storage</p> <p>Operating Receipts Forecast -2%</p>  <p>Employment Forecast 6%</p>	<p>Accommodation</p> <p>Operating Receipts Forecast 22%</p>  <p>Employment Forecast 36%</p>
<p>Food & Beverage Services</p> <p>Operating Receipts Forecast 26%</p>  <p>Employment Forecast 10%</p>	<p>Information & Communications</p> <p>Operating Receipts Forecast 1%</p>  <p>Employment Forecast 4%</p>
<p>Finance & Insurance</p> <p>Operating Receipts Forecast 19%</p>  <p>Employment Forecast 4%</p>	<p>Real Estate</p> <p>Operating Receipts Forecast -10%</p>  <p>Employment Forecast -6%</p>
<p>Professional Services</p> <p>Operating Receipts Forecast 13%</p>  <p>Employment Forecast 8%</p>	<p>Administrative & Support Services</p> <p>Operating Receipts Forecast 4%</p>  <p>Employment Forecast 4%</p>
<p>Recreation, Community & Personal Services</p> <p>Operating Receipts Forecast 27%</p>  <p>Employment Forecast 21%</p>	

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 2nd quarter 2023 survey was conducted from Mar to Apr 2023. 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
28 Apr 2023

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