



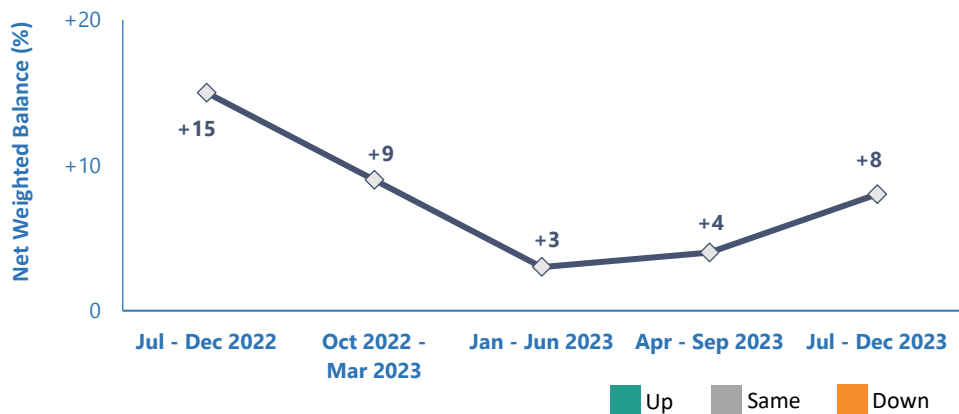
# Business Expectations Services Sector

## Third Quarter 2023

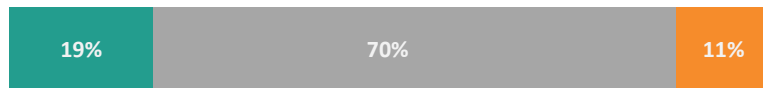
### GENERAL BUSINESS OUTLOOK (JUL – DEC 2023)

Business expectations among firms in Singapore’s services sector continue to be positive for the period of Jul - Dec 2023. 19% of firms<sup>1</sup> are upbeat about the business conditions while 11% of firms foresee deteriorating business conditions, resulting in a net weighted balance of 8% of firms expecting a more favourable business outlook.

General Business Outlook for the Next 6 Months



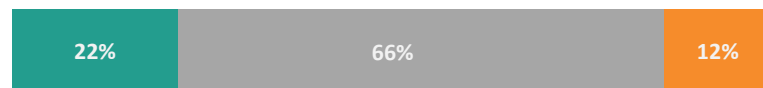
**+8%  
Net Weighted  
Balance**



### OPERATING REVENUE FORECAST (JUL – SEP 2023)



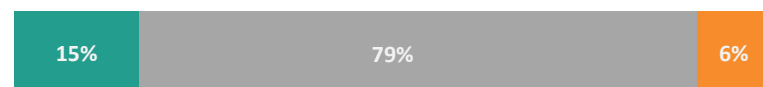
**+10%  
Net Weighted  
Balance**



### EMPLOYMENT FORECAST (JUL – SEP 2023)



**+9%  
Net Weighted  
Balance**

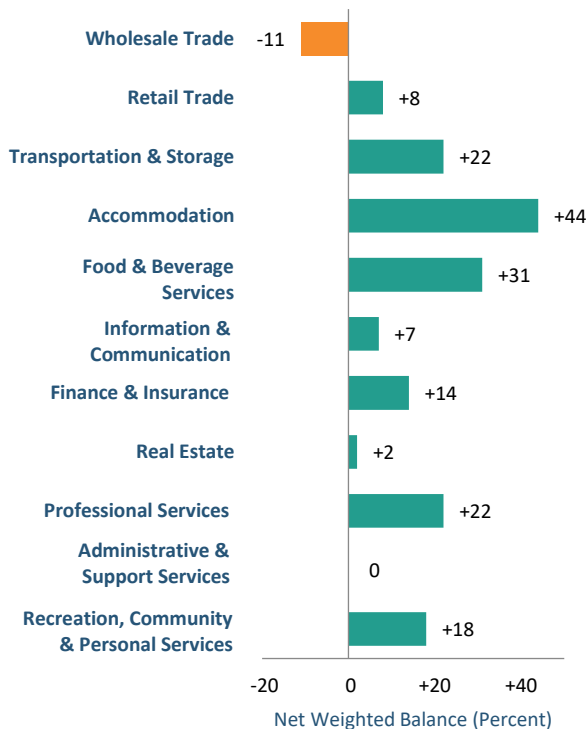


<sup>1</sup>Refers to weighted percentage of firms.

## GENERAL BUSINESS OUTLOOK (JUL – DEC 2023)

Within the services sector, most industries express positive sentiments on their business conditions for the period of Jul – Dec 2023.

General Business Outlook for Jul - Dec 2023



The accommodation industry foresees improving business conditions for Jul – Dec 2023. Hoteliers expect an increase in tourist arrivals and hotel occupancy rates with the upcoming year-end festive season. Major events such as the Singapore Grand Prix in September 2023 are also cited as factors for their positive sentiments.

Similar to firms in the accommodation industry, firms in the food & beverage services industry cited the expected increase in tourist arrivals coupled with the year-end festive season as reasons for their positive outlook over the same period.

The transportation & storage industry expects a pick-up in their businesses for the rest of 2023. Land transport firms expect an increase in ridership and demand for their services. Firms providing supporting services to air transport are also optimistic as they expect the increase in air passenger traffic to boost their businesses.

The professional services industry is also optimistic about business conditions for Jul – Dec 2023. This is due mainly to positive sentiments expressed by legal and accounting firms, head offices and management consultancy firms as well as firms engaged in engineering design and consultancy activities, citing an expected increase in the number of projects.

In contrast, the wholesale trade industry is less optimistic about their business prospects for Jul – Dec 2023. Wholesalers expect the challenging macroeconomic landscape to dampen demand. In particular, wholesalers of Computers, Computer Peripheral Equipment and Software attribute their negative sentiments to weak demand for computers.

## OPERATING REVENUE AND EMPLOYMENT FORECAST (JUL – SEP 2023)

With a net weighted balance of 10% of firms, the services sector foresees higher revenue for the period of Jul – Sep 2023.

Firms in the accommodation and food & beverage services industries foresee higher revenue for Jul – Sep 2023, owing to the expected increase in tourist arrivals coinciding with major events such as the Singapore Grand Prix in September 2023.

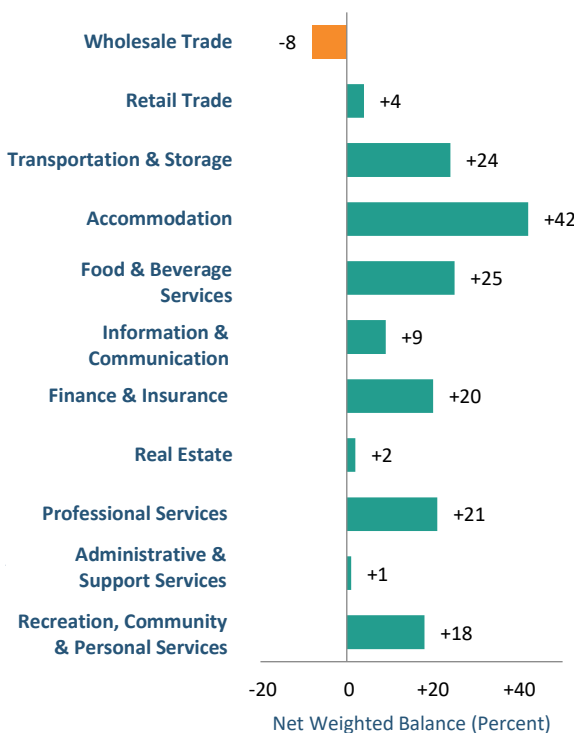
The transportation & storage industry expects higher operating revenue. In particular, land transport firms expect an increase in ridership to boost their revenue in the third quarter of 2023.

In terms of employment, majority of the industries expect to increase their hiring activities for the period of Jul – Sep 2023, with a net weighted balance of 9%.

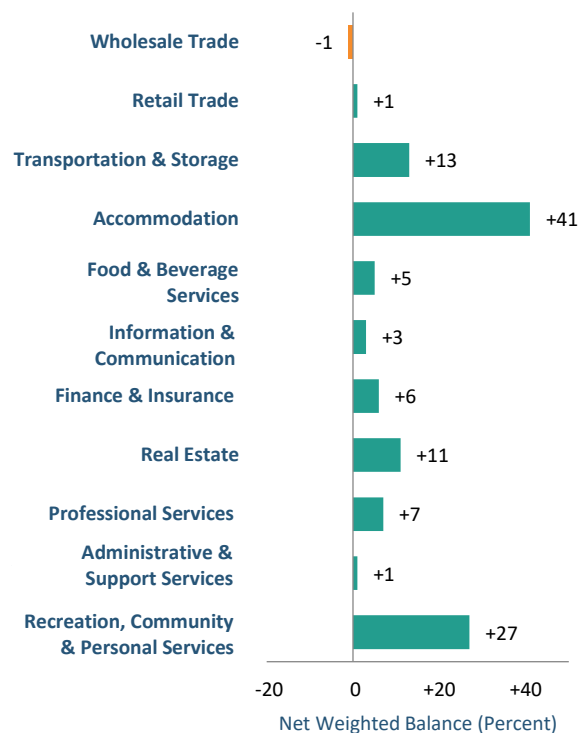
For Jul – Sep 2023, firms within the accommodation industry expect to increase hiring in tandem with the projected increase in tourist arrivals.

Similarly, firms within the recreation, community and personal services industry expect employment levels to increase in line with their positive revenue outlook for Jul – Sep 2023. Within this sector, healthcare providers expect more business with the return of medical tourists while education facilities expect greater demand for vocational training.

Operating Revenue Forecast for 3rd Qtr 2023



Employment Forecast for 3rd Qtr 2023



## 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 3<sup>rd</sup> quarter 2023 survey was conducted from Jun to Jul 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](http://www.singstat.gov.sg/find-data/search-by-theme/industry/business-expectations/latest-data)

or through the QR code below.



Singapore Department of Statistics  
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