

Business Expectations Survey

SERVICES SECTOR

Singapore Department of Statistics

Fourth Quarter 2009

The Business Expectations Survey for the services sector for fourth quarter 2009 was conducted from September to mid-October 2009.

General Business Outlook for October 2009 - March 2010

A weighted 28% of firms anticipates business situation to improve while a weighted 11% of firms expects business conditions to deteriorate. Majority of the firms (a weighted 61%) foresee business activities to remain stable for the same period. Overall, a net weighted balance of 17% of firms in the services sector projects better business for the next six months ending Mar 2010. This is in contrast to the slight negative net weighted balance of 3% recorded for Jul - Dec 2009 in previous quarter's survey and the negative net weighted balance of 15% registered in the same period of the previous year (i.e. Oct 2008 - Mar 2009).

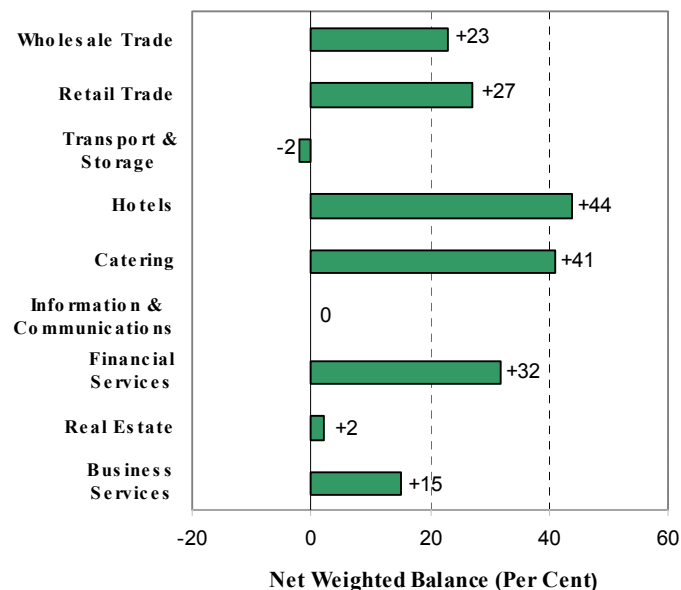
A net weighted balance of 23% of wholesalers anticipates a positive business outlook for the period of Oct 2009 - Mar 2010 over Apr - Sep 2009 (chart 1). Dealers of industrial machinery & equipment and motor vehicles are among those that expect an increase in business activity during the period.

Within the retail trade industry, a net weighted balance of 27% of firms predicts business conditions to improve for the next six months ending Mar 2010. Department stores as well as retailers of clothing & footwear and jewellery & watches are among those that foresee higher sales in anticipation of the festive shopping in the coming months.

The transport & storage industry foresees stable business climate ahead. These include firms providing land transport, air transport and ship & boat leasing services.

Hoteliers continue to express upbeat business sentiments, with a net weighted balance of 44% of firms expecting their business to improve for the period of Oct 2009 - Mar 2010 over Apr - Sep 2009. Similarly, firms in the catering trade industry expect better business in view of the year-end festive period and school holidays.

Chart 1
General Business Outlook for Oct 2009 - Mar 2010



Firms in the information & communications industry predict the business situation to remain stable for the six-month period ending Mar 2010.

Within the financial services industry, a net weighted balance of 32% of firms foresees a favourable business outlook for the period of Oct 2009 - Mar 2010. Banks & finance companies, stock, share & bond brokers, fund managers and insurance companies expect higher levels of business activity during this period.

Firms in the real estate industry expect the demand for services to remain the same for the next six months ending Mar 2010.

For the business services industry, an overall net weighted balance of 15% of firms projects better business for Oct 2009 - Mar 2010. Labour recruitment firms as well as travel agencies are among those that express positive sentiments.

Forecast for Fourth Quarter 2009

The services sector projects higher operating receipts and employment for fourth quarter 2009 over the preceding quarter, with positive net weighted balances of 18% and 16% respectively.

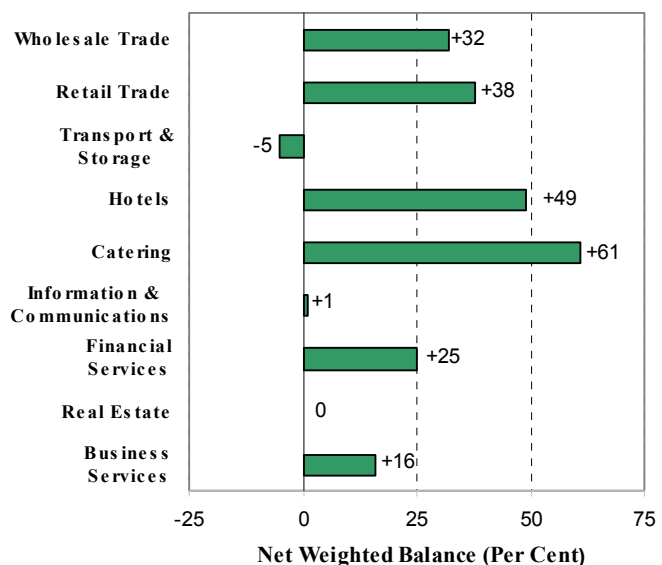
In the wholesale trade industry, a net weighted balance of 32% of firms expects operating receipts to increase for the three-month period ending Dec 2009 (chart 2). Wholesalers of chemical & chemical products, industrial machinery & equipment, electronic components and motor vehicles are among those that anticipate higher turnover. Correspondingly, the industry expects to hire more workers during the quarter (chart 3).

A net weighted balance of 38% of retailers expects sales to improve for fourth quarter 2009 over third quarter 2009. Department stores as well as retailers of clothing & footwear and jewellery & watches are among those that forecast an increase in earnings. In terms of employment, the industry also foresees more hiring during the festive season.

Within the transport & storage industry, a net weighted balance of 5% of firms foresees a reduction in business receipts for the period of Oct - Dec 2009. In particular, shipping lines predict lower revenue. The industry, however, foresees more hiring, largely due to land transport firms.

Hoteliers predict higher turnover for fourth quarter 2009 compared with third quarter 2009, in view of the year-end holidays and festive celebrations. The industry expects employment to rise during the Oct - Dec 2009 period.

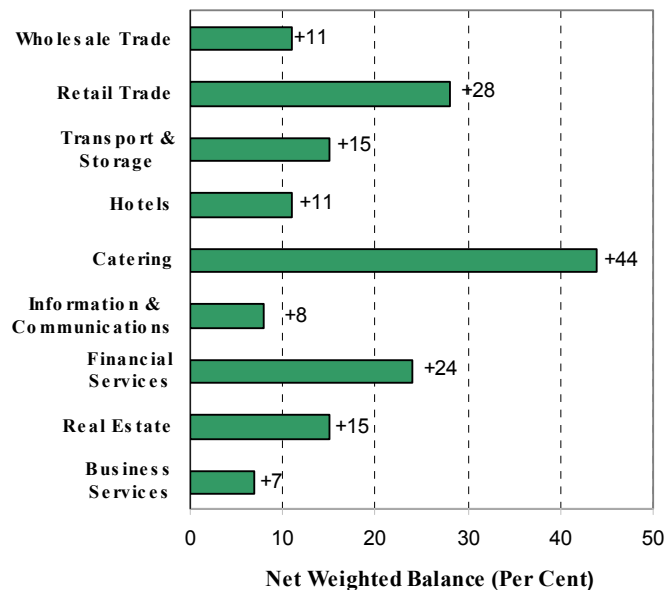
Chart 2
Operating Receipts Forecast for 4th Quarter 2009



Similarly, firms in the catering trade industry, especially conventional restaurants, expect higher income for the period of Oct - Dec 2009 compared with Jul - Sep 2009 in view of the year-end holidays and festive season. The industry also foresees a rise in the employment level during the period.

For the information & communications industry, the income level is expected to remain unchanged for Oct - Dec 2009. In terms of employment, a net weighted balance of 8% of firms projects an increase in manpower in the coming months.

Chart 3
Employment Forecast for 4th Quarter 2009



A net weighted balance of 25% of firms in the financial services industry anticipates higher earnings for fourth quarter 2009 over the preceding quarter. Correspondingly, the industry foresees more hiring during the quarter.

Within the real estate industry, firms generally foresee revenue to remain the same for the next three months ending Dec 2009. The industry, especially real estate agents and real estate management firms, foresees more hiring during the period.

An overall net weighted balance of 16% of firms in the business services industry expects an improvement in earnings for fourth quarter 2009. At the same time, more workers are expected to be recruited during the quarter.

Singapore Department of Statistics
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Press release is also available at the Department's website at <http://www.singstat.gov.sg/news/news.html#press>

Explanatory Note

The Business Expectations Survey for the services sector is conducted quarterly by the Singapore Department of Statistics. It is a survey aimed at obtaining the business outlook for the immediate future of firms in the services sector.

The Business Expectations Survey covers some 1,400 enterprises in wholesale trade, retail trade, transport & storage services, hotels, catering trade, information & communications services, financial & insurance services, real estate and business services. Respondents are asked about their expectations of the business situation in the next six months as well as operating receipts 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 sectoral 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 receipts forecast, operating receipts and value added are used as weights at the enterprise level and industry level respectively.

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.

GENERAL BUSINESS OUTLOOK FOR OCT 2009 - MAR 2010

Per Cent

Industry	General business outlook for Oct 2009 - Mar 2010 compared with Apr - Sep 2009			
	Net Weighted Balance	Up	Same	Down
TOTAL SERVICES SECTOR	+17	28	61	11
WHOLESALE & RETAIL TRADE	+24	37	50	13
Wholesale Trade	+23	34	55	11
Retail Trade	+27	53	21	26
TRANSPORT & STORAGE	-2	12	74	14
HOTELS & CATERING	+42	47	48	5
Hotels	+44	53	38	9
Catering	+41	44	53	3
INFORMATION & COMMUNICATIONS	0	12	76	12
FINANCIAL SERVICES	+32	39	54	7
Banks & Finance Companies	+32	36	60	4
Stock, Share & Bond Brokers	+18	23	72	5
Fund Management	+43	53	37	10
Insurance Companies	+32	49	34	17
Other Financial Services	+31	35	61	4
REAL ESTATE	+2	14	74	12
BUSINESS SERVICES	+15	27	61	12
Legal, Accounting & Business Consultancy	+25	29	67	4
Architectural & Engineering	-13	9	69	22
Other Business Services	+16	31	54	15

Source: Singapore Department of Statistics

Note : "Net weighted balance" is the difference between the weighted percentages of "ups" and "downs". A plus sign indicates a net upward trend and a minus sign denotes a net downward trend.

FORECAST FOR FOURTH QUARTER 2009

Per Cent

Industry	Forecast for 4th Quarter 2009 compared with 3rd Quarter 2009							
	Operating Receipts				Employment			
	Net Weighted Balance	Up	Same	Down	Net Weighted Balance	Up	Same	Down
TOTAL SERVICES SECTOR	+18	31	56	13	+16	22	72	6
WHOLESALE & RETAIL TRADE	+33	44	45	11	+16	20	76	4
Wholesale Trade	+32	43	46	11	+11	15	81	4
Retail Trade	+38	53	32	15	+28	33	62	5
TRANSPORT & STORAGE	-5	10	75	15	+15	20	75	5
HOTELS & CATERING	+57	60	37	3	+35	41	53	6
Hotels	+49	55	39	6	+11	11	89	0
Catering	+61	62	37	1	+44	52	40	8
INFORMATION & COMMUNICATIONS	+1	14	73	13	+8	14	80	6
FINANCIAL SERVICES	+25	41	43	16	+24	30	64	6
Banks & Finance Companies	+28	41	46	13	+29	35	59	6
Stock, Share & Bond Brokers	+8	20	68	12	+28	30	68	2
Fund Management	+35	51	33	16	+11	11	89	0
Insurance Companies	+14	38	38	24	+12	25	62	13
Other Financial Services	+29	42	45	13	+16	18	80	2
REAL ESTATE	0	14	72	14	+15	17	81	2
BUSINESS SERVICES	+16	30	56	14	+7	16	75	9
Legal, Accounting & Business Consultancy	+15	25	65	10	0	8	84	8
Architectural & Engineering	+17	34	49	17	-23	7	63	30
Other Business Services	+17	33	51	16	+16	21	74	5

Source: Singapore Department of Statistics

Note : "Net weighted balance" is the difference between the weighted percentages of "ups" and "downs". A plus sign indicates a net upward trend and a minus sign denotes a net downward trend.