



PRESS RELEASE

Business Expectations Survey (Services Sector)

Fourth Quarter 2011

The Business Expectations Survey for the services sector for fourth quarter 2011 was conducted from September to mid-October 2011.

General Business Outlook for October 2011 - March 2012

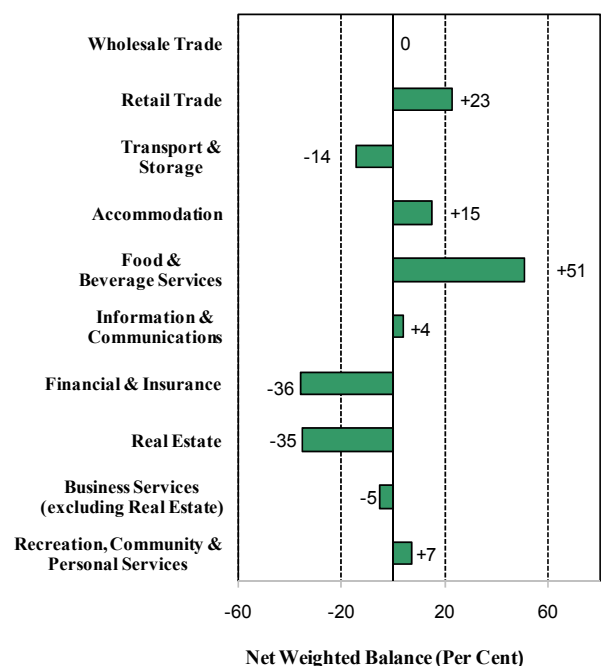
An overall net weighted balance of 9% of firms in the services sector is less upbeat about business prospects for the period of Oct 2011 - Mar 2012 compared with Apr - Sep 2011. A weighted 16% of firms expects business to improve while a weighted 25% of the firms foresees a less favourable business outlook. Majority of the firms (a weighted 59%) expect the business situation to remain unchanged for the period. This is in contrast to the positive net weighted balance of 19% recorded for Jul - Dec 2011 in previous quarter's survey and the positive net weighted balance of 27% registered in the same period of the previous year (i.e. Oct 2010 - Mar 2011).

Wholesale firms expect the level of business activity to remain unchanged for the period of Oct 2011 - Mar 2012 compared with Apr - Sep 2011 (chart 1). A weighted 24% of wholesalers foresees business situation to improve while another weighted 24% of wholesalers anticipates business to decline. Firms with positive sentiments are mainly engaged in the wholesale of food & beverages, industrial machinery & equipment and motor vehicles. On the other hand, wholesalers of computers & accessories and chemicals & chemical products are less optimistic.

A net weighted balance of 23% of firms in the retail trade industry is more upbeat about business prospects for the six-month period ending Mar 2012. In particular, supermarkets and department stores as well as retailers of household electrical appliances, wearing apparel & footwear and cosmetics & toiletries expressed positive sentiments.

For the transport & storage industry, a net weighted balance of 14% of firms is less optimistic about business conditions for the period of Oct 2011 - Mar 2012 compared with Apr - Sep 2011. These include shipping lines as well as firms providing air transport services, supporting services to air transport and freight forwarding, packing & crating services.

Chart 1
General Business Outlook for Oct 2011 - Mar 2012



The accommodation industry foresees business to improve for the next six months ending Mar 2012. Similarly, a net weighted balance of 51% of firms in the food & beverage industry looks forward to brisk business for the period of Oct 2011 - Mar 2012 compared with Apr - Sep 2011, due mainly to the upcoming year-end festive season and December holidays.

Within the information & communications industry, firms expect business conditions to remain stable for the six-month period ending Mar 2012.

A net weighted balance of 36% of firms in the financial and insurance industry is less optimistic of the business situation for the next six months ending Mar 2012. In particular, banks, stock, share & bond traders and fund management companies cited uncertainty in the global economic outlook as reason for their less favourable outlook.

In the real estate industry, a net weighted balance of 35% of the firms is less upbeat about business conditions for the period of Oct 2011 - Mar 2012 compared with Apr - Sep 2011. Real estate developers are among those that foresee lower levels of business activity ahead.

A net weighted balance of 5% of firms within the business services (excluding real estate) industry expects less favourable business situation for the six-month period ending Mar 2012.

In the recreation, community & personal services industry, a net weighted balance of 7% of firms expects business to improve in the coming months.

Forecast for Fourth Quarter 2011

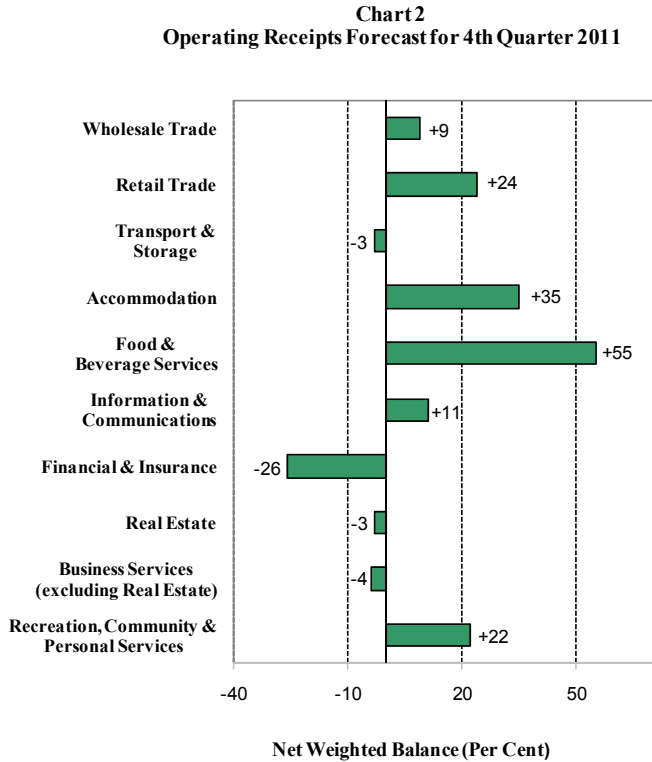
On the whole, the services sector predicts operating receipts to remain stable while employment is expected to increase for fourth quarter 2011 over the preceding quarter.

A net weighted balance of 9% of wholesalers expects higher receipts for the period of Oct - Dec 2011 compared with Jul - Sep 2011 (chart 2). In particular, firms engaged in the wholesaling of food & beverages, industrial machinery & equipment, motor vehicles and petroleum & petroleum products are among those that project higher earnings. In terms of employment, the industry predicts hiring to remain stable (chart 3).

Within the retail trade industry, a net weighted balance of 24% of firms projects higher sales for the next three months ending Dec 2011. Retailers cited the approaching holiday season as reason for their optimism. Correspondingly, the employment level is expected to rise.

Majority of the firms in the transport & storage industry expect business receipts and employment to remain stable for the three-month period ending Dec 2011.

The accommodation industry foresees higher earnings and manpower demand for fourth quarter 2011 over third quarter 2011, due mainly to the year-end festive period.



Within the food & beverage services industry, a net weighted balance of 55% of firms predicts higher revenue for the next three months ending Dec 2011, in view of the year-end school holiday and festive celebrations. In terms of employment, a net weighted balance of 56% of firms is optimistic in their hiring expectations.

The information & communications industry projects higher turnover for the period of Oct - Dec 2011 compared with Jul - Sep 2011. The employment level is, however, expected to remain stable.

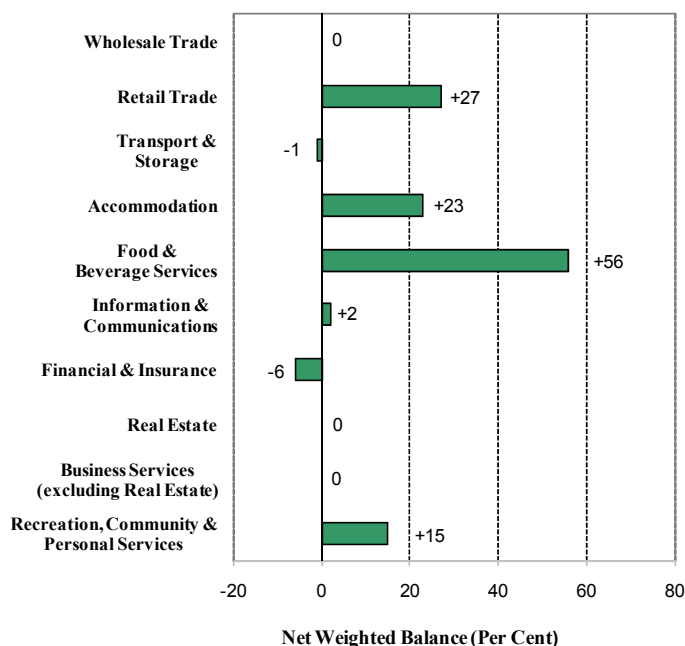
A net weighted balance of 26% of firms within the financial and insurance industry anticipates lower earnings for fourth quarter 2011 over third quarter 2011. During this period, the employment level is expected to decline.

Majority of the firms in the real estate industry (a weighted 91%) foresee stable revenue for Oct - Dec 2011 compared with the preceding quarter. The manpower demand is expected to remain stable in the coming months.

The business services (excluding real estate) industry predicts receipts and employment activity to remain at similar levels for the period of Oct - Dec 2011 compared with Jul - Sep 2011.

In the recreation, community & personal services industry, a net weighted balance of 22% of firms expects to generate higher business receipts for fourth quarter 2011 over third quarter 2011. Similarly, more employees are expected to be recruited during the period.

Chart 3
Employment Forecast for 4th Quarter 2011



Singapore Department of Statistics
31 Oct 2011

For enquiries, please contact:

Miss Tan Pin Xuan **T** (+65) 68358914 **E** tan_pin_xuan@singstat.gov.sg
Mr Sng Zhizhong **T** (+65) 63325041 **E** sng_zhizhong@singstat.gov.sg

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 1,500 enterprises in wholesale trade, retail trade, transport & storage services, accommodation, food & beverage services, information & communications services, financial & insurance services, real estate, business services (excluding real estate) and recreation, community & personal 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 2011 - MAR 2012

Per Cent

Industry	General business outlook for Oct 2011 - Mar 2012 compared with Apr - Sep 2011			
	Net Weighted Balance	Up	Same	Down
TOTAL SERVICES SECTOR	-9	16	59	25
WHOLESALE & RETAIL TRADE	+3	26	51	23
Wholesale Trade	0	24	52	24
Retail Trade	+23	45	33	22
TRANSPORT & STORAGE	-14	4	78	18
ACCOMMODATION & FOOD SERVICES	+34	48	38	14
Accommodation	+15	37	41	22
Food & Beverage Services	+51	58	35	7
INFORMATION & COMMUNICATIONS	+4	14	76	10
FINANCIAL & INSURANCE	-36	13	38	49
Banks & Finance Companies	-54	6	34	60
Security Dealing Activities	-48	0	52	48
Fund Management	-72	0	28	72
Insurance Companies	+25	38	49	13
Other Financial Services	+33	41	51	8
REAL ESTATE	-35	8	49	43
BUSINESS SERVICES (excluding Real Estate)	-5	11	73	16
RECREATION, COMMUNITY & PERSONAL SERVICES	+7	23	61	16

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 2011

Per Cent

Industry	Forecast for 4th Quarter 2011 compared with 3rd Quarter 2011							
	Operating Receipts				Employment			
	Net Weighted Balance	Up	Same	Down	Net Weighted Balance	Up	Same	Down
TOTAL SERVICES SECTOR	+1	19	63	18	+7	15	77	8
WHOLESALE & RETAIL TRADE	+11	29	53	18	+8	17	74	9
Wholesale Trade	+9	26	57	17	0	10	80	10
Retail Trade	+24	49	26	25	+27	34	59	7
TRANSPORT & STORAGE	-3	9	79	12	-1	4	91	5
ACCOMMODATION & FOOD SERVICES	+46	63	20	17	+48	57	34	9
Accommodation	+35	58	19	23	+23	39	45	16
Food & Beverage Services	+55	66	23	11	+56	63	30	7
INFORMATION & COMMUNICATIONS	+11	15	81	4	+2	9	84	7
FINANCIAL & INSURANCE	-26	12	50	38	-6	4	86	10
Banks & Finance Companies	-45	2	51	47	-9	2	87	11
Security Dealing Activities	-23	0	77	23	-20	0	80	20
Fund Management	-42	5	48	47	-34	0	66	34
Insurance Companies	+20	41	38	21	+14	14	86	0
Other Financial Services	+46	54	38	8	+7	10	87	3
REAL ESTATE	-3	3	91	6	0	10	80	10
BUSINESS SERVICES (excluding Real Estate)	-4	12	72	16	0	6	88	6
RECREATION, COMMUNITY & PERSONAL SERVICES	+22	34	54	12	+15	20	75	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.