

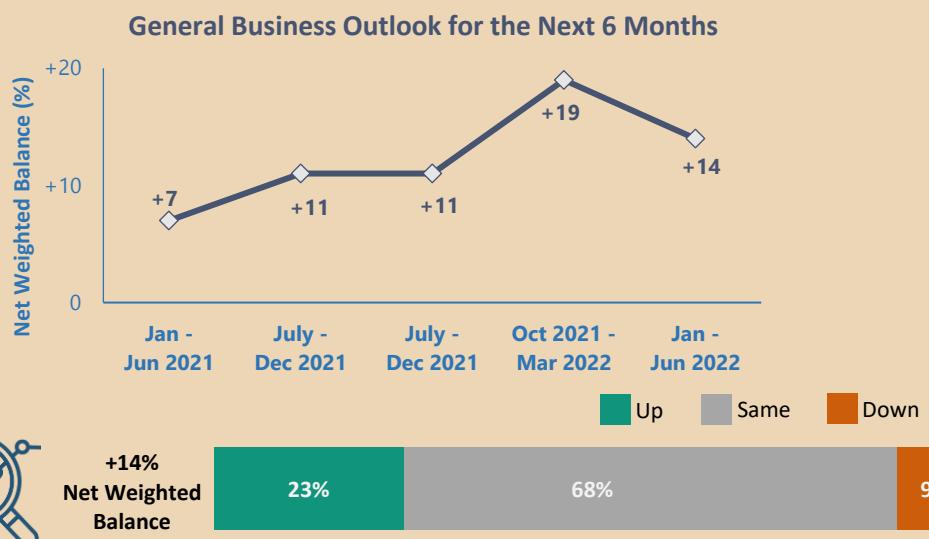


Business Expectations Services Sector

First Quarter 2022

GENERAL BUSINESS OUTLOOK (JAN – JUN 2022)

Business expectations among firms in Singapore's services sector continue to be positive for the first half of 2022. 23% of firms are upbeat about the business conditions while 9% of firms foresee deteriorating business conditions, resulting in a net weighted balance of 14% of firms expecting more favourable business conditions for the period of Jan – Jun 2022. The net weighted balance is lower compared to the +19% recorded in the previous quarter's survey¹, i.e. outlook for Oct 2021 – Mar 2022 which coincided with the year-end festive holidays.



OPERATING RECEIPTS FORECAST (JAN – MAR 2022)



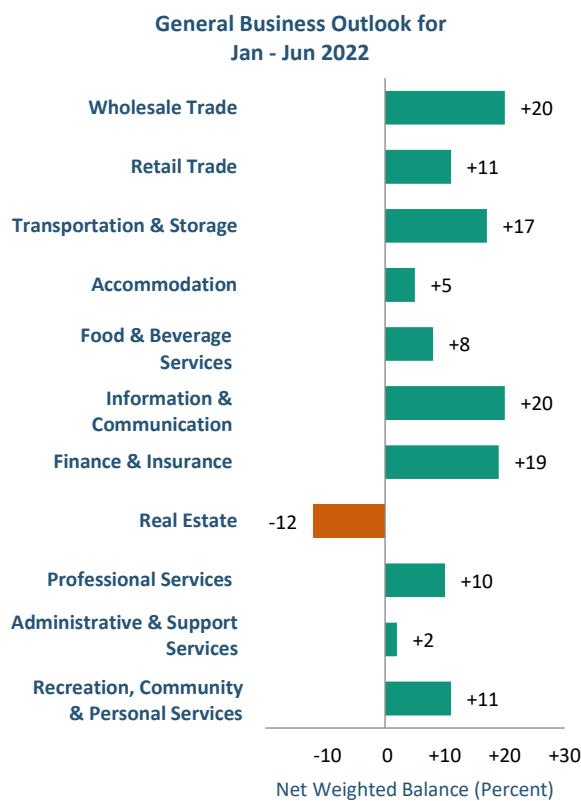
EMPLOYMENT FORECAST (JAN – MAR 2022)



¹The 4th quarter 2021 survey was conducted from Sep to Oct 2021 during the easing of Covid-19 measures which included increasing the limit on social gatherings and visitors to households to 5 fully-vaccinated persons as well as the resumption of dining-in at restaurants.

GENERAL BUSINESS OUTLOOK (JAN – JUN 2022)

Within the services sector, all industries, except for real estate, expect business conditions to improve for the period of Jan – Jun 2022 when compared with Jul – Dec 2021.



Firms within the wholesale trade industry are upbeat about the business conditions for the period of Jan – Jun 2022 compared to the preceding 6 months. Wholesalers of petroleum & petroleum products and machinery & equipment are optimistic in their business outlook as they expect higher demand for their products.

The information & communications industry expects more favourable business conditions in the coming months. Among them, firms engaged in computer programming & consultancy services are positive in their business outlook as they expect an increase in demand from clients to digitalise business operations.

Similarly, the finance & insurance industry foresees the business situation to improve for the next 6 months, in anticipation of an improvement in the global economic conditions. Banks and firms engaged in payment processing services are among those that are optimistic in their business outlook.

The transportation and storage industry expects better business conditions in the first half of 2022. Within the industry, air transport firms are optimistic for coming months compared to the last 6 months.

Conversely, firms in the real estate industry expect less favourable business conditions in the coming months. In particular, firms engaged in the rental of retail premises expect downward pressure on rental rates due to weaker demand for such spaces.

OPERATING RECEIPTS AND EMPLOYMENT FORECAST (JAN – MAR 2022)

The services sector, with a net weighted balance of 12% of firms, foresees higher revenue for the period of Jan – Mar 2022 compared with Oct – Dec 2021.

Firms in the wholesale trade industry expect an increase in revenue for the next 3 months, in anticipation of higher demand due to the recovery of global trade.

Similarly, firms in the recreation, community & personal services industry expect higher operating receipts. In particular, hospitals cited the resumption of non-urgent elective surgeries as the reason for their positive outlook.

In terms of employment, the services sector expects an increase in hiring activity for the period Jan – Mar 2022, with a net weighted balance of 9%.

Firms in the finance & insurance industry expect to increase hiring as they foresee more business with improved global economic conditions.

In line with their positive revenue outlook, the recreation, community & personal services industry expects employment level to increase, especially for firms engaged in health and childcare services.

Operating Receipts and Employment Forecast for 1st Quarter 2022

Wholesale Trade		Retail Trade	
Operating Receipts Forecast	Employment Forecast	Operating Receipts Forecast	Employment Forecast
19%		10%	
Transportation & Storage		Accommodation	
Operating Receipts Forecast 12%		Operating Receipts Forecast 2%	
Food & Beverage Services		Information & Communications	
Operating Receipts Forecast 7%		Operating Receipts Forecast 13%	
Finance & Insurance		Real Estate	
Operating Receipts Forecast 15%		Operating Receipts Forecast -13%	
Professional Services		Administrative & Support Services	
Operating Receipts Forecast 9%		Operating Receipts Forecast 1%	
Recreation, Community & Personal Services			
Operating Receipts Forecast 15%		Employment Forecast 14%	

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 1st quarter 2022 survey was conducted from Dec 2021 to Jan 2022. 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 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 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 receipts forecast, operating receipts 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.



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For enquiries, please contact:
Mr Tan Jason
T (+65) 6884 4485 E Tan_jason@singstat.gov.sg
Mr Lucas Ng Wei Kiat
T (+65) 6835 8897 E Lucas_ng@singstat.gov.sg