



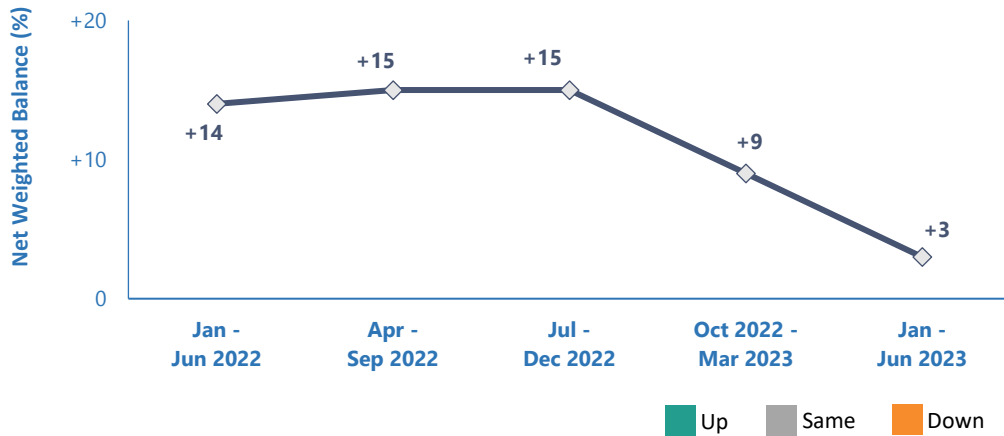
# Business Expectations Services Sector

## First Quarter 2023

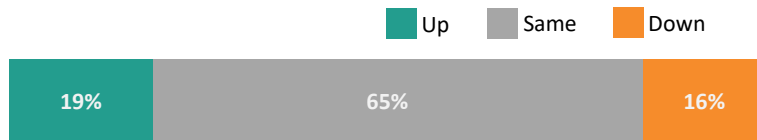
### GENERAL BUSINESS OUTLOOK (JAN – JUN 2023)

Business expectations among firms in Singapore’s services sector have moderated but continue to be positive for the period of Jan – Jun 2023. 19% of firms<sup>1</sup> are upbeat about the business conditions while 16% of firms foresee deteriorating business conditions, resulting in a net weighted balance of 3% of firms expecting more favourable business conditions.

General Business Outlook for the Next 6 Months



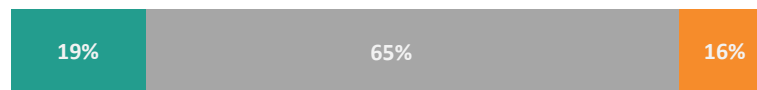
**+3%  
Net Weighted  
Balance**



### OPERATING REVENUE FORECAST (JAN – MAR 2023)



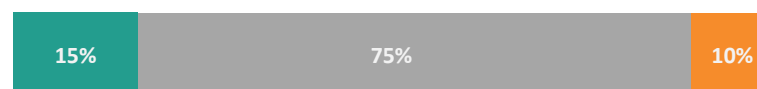
**+3%  
Net Weighted  
Balance**



### EMPLOYMENT FORECAST (JAN – MAR 2023)



**+5%  
Net Weighted  
Balance**

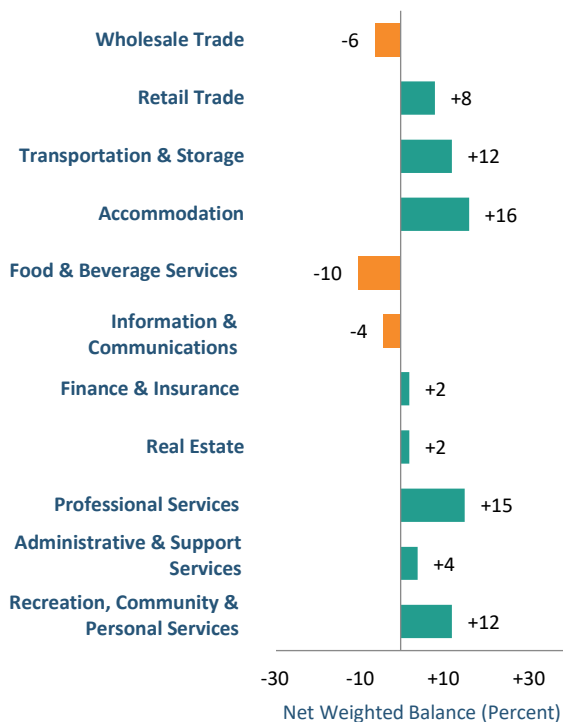


<sup>1</sup>Refers to weighted percentage of firms.

## GENERAL BUSINESS OUTLOOK (JAN – JUN 2023)

Most of the industries within the services sector reported positive expectations regarding their business conditions for the period of Jan – Jun 2023. Food & beverage, wholesale trade and information & communication industries forecasted dimmer business conditions for the same period.

General Business Outlook for Jan - Jun 2023



Firms in the accommodation and transportation & storage industries are positive regarding business conditions for the next 6 months. Hoteliers cite the upswing of international travel and increased tourist arrivals in Singapore as reasons for their optimism. Within the transportation & storage industry, airlines attributed their bright outlook to the continued recovery of international travel.

The professional services industry foresees an upturn in their businesses for the next 6 months. Within the industry, firms engaged in engineering design and consultancy activities and firms engaged in legal & accounting activities are the main contributors to the optimistic sentiments. Engineering firms supporting the aerospace industry cited an uptick of new projects in the coming 6 months, while legal & accounting firms cited more demand for their services.

Conversely, the food & beverage services industry are less optimistic about the business prospects for the period of Jan – Jun 2023 compared to the period of Jul – Dec 2022, which coincided with the year-end holiday and the festive season.

The wholesale trade industry also expects business conditions to worsen in the coming 6 months due to challenging macroeconomic conditions. In particular, wholesalers of computers, computer peripheral equipment & software cite declining demand for computers for their negative sentiments.

## OPERATING REVENUE AND EMPLOYMENT FORECAST (JAN – MAR 2023)

With a net weighted balance of 3% of firms, the services sector foresees higher revenue for the period of Jan – Mar 2023 relative to the period of Oct – Dec 2022.

In line with their positive general business outlook, firms within the professional services industry expect higher revenues, in lieu of greater demand for their services.

Firms in the recreation, community & personal services industry also foresee improvements in their operating revenue. Within this industry, education providers expect an increase in student enrolments in the next 3 months.

In terms of employment, majority of industries within the services sector expect an increase in hiring activity for the period of Jan – Mar 2023, resulting in a net weighted balance of 5%.

Hoteliers within the accommodation industry expect to increase headcounts to cope with the higher business activities from the tourist arrivals in the coming months.

In line with their positive revenue outlook, firms within the recreation, community & personal services industries also expect to increase hiring.

### Operating Revenue and Employment Forecast for 1st Quarter 2023

<p><b>Wholesale Trade</b></p> <p>Operating Receipts Forecast <b>-4%</b></p>  <p>Employment Forecast <b>0%</b></p>	<p><b>Retail Trade</b></p> <p>Operating Receipts Forecast <b>2%</b></p>  <p>Employment Forecast <b>1%</b></p>
<p><b>Transportation &amp; Storage</b></p> <p>Operating Receipts Forecast <b>8%</b></p>  <p>Employment Forecast <b>1%</b></p>	<p><b>Accommodation</b></p> <p>Operating Receipts Forecast <b>7%</b></p>  <p>Employment Forecast <b>24%</b></p>
<p><b>Food &amp; Beverage Services</b></p> <p>Operating Receipts Forecast <b>-17%</b></p>  <p>Employment Forecast <b>-5%</b></p>	<p><b>Information &amp; Communications</b></p> <p>Operating Receipts Forecast <b>-8%</b></p>  <p>Employment Forecast <b>-2%</b></p>
<p><b>Finance &amp; Insurance</b></p> <p>Operating Receipts Forecast <b>5%</b></p>  <p>Employment Forecast <b>4%</b></p>	<p><b>Real Estate</b></p> <p>Operating Receipts Forecast <b>2%</b></p>  <p>Employment Forecast <b>6%</b></p>
<p><b>Professional Services</b></p> <p>Operating Receipts Forecast <b>14%</b></p>  <p>Employment Forecast <b>14%</b></p>	<p><b>Administrative &amp; Support Services</b></p> <p>Operating Receipts Forecast <b>0%</b></p>  <p>Employment Forecast <b>2%</b></p>
<p><b>Recreation, Community &amp; Personal Services</b></p> <p>Operating Receipts Forecast <b>13%</b></p>  <p>Employment Forecast <b>18%</b></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 1<sup>st</sup> quarter 2023 survey was conducted from Dec 2022 to Jan 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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