

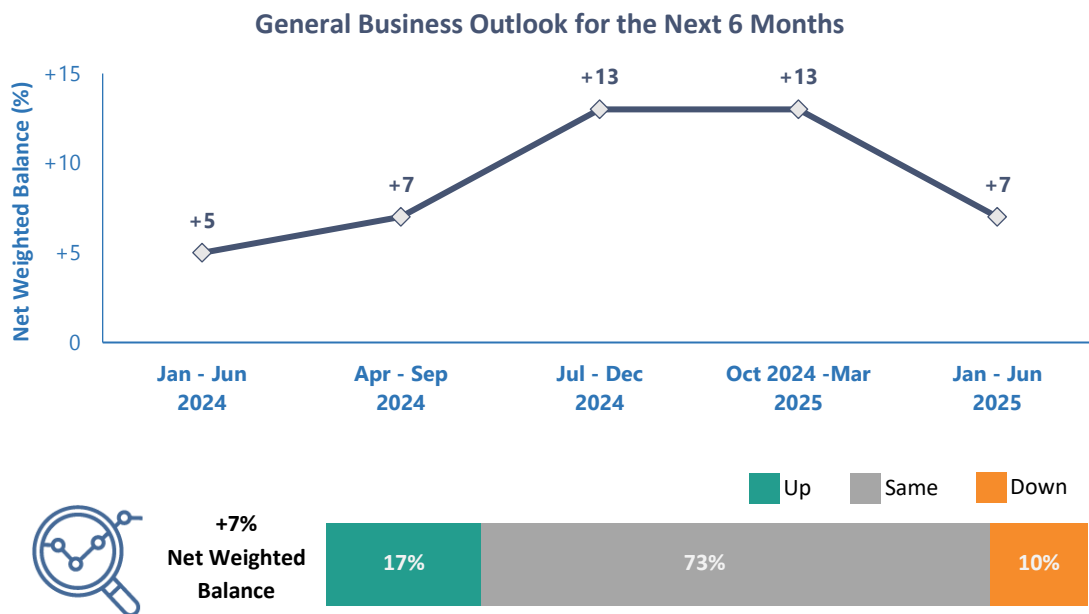
PRESS RELEASE

Business Expectations of the Services Sector First Quarter 2025

The Business Expectations Survey measures firms' general business outlook for the next six months, as well as their operating revenue and employment outlook for the next three months. The findings are used by the government and the business community in policy making and business planning.

GENERAL BUSINESS OUTLOOK (JAN – JUN 2025)

Business expectations among firms in Singapore's services sector remain positive for the period of Jan – Jun 2025. 17% of firms¹ are upbeat about business conditions while 10% of firms foresee deteriorating business conditions, resulting in a net weighted balance of 7% of firms expecting a more favourable business outlook.



OPERATING REVENUE FORECAST (JAN – MAR 2025)



EMPLOYMENT FORECAST (JAN – MAR 2025)

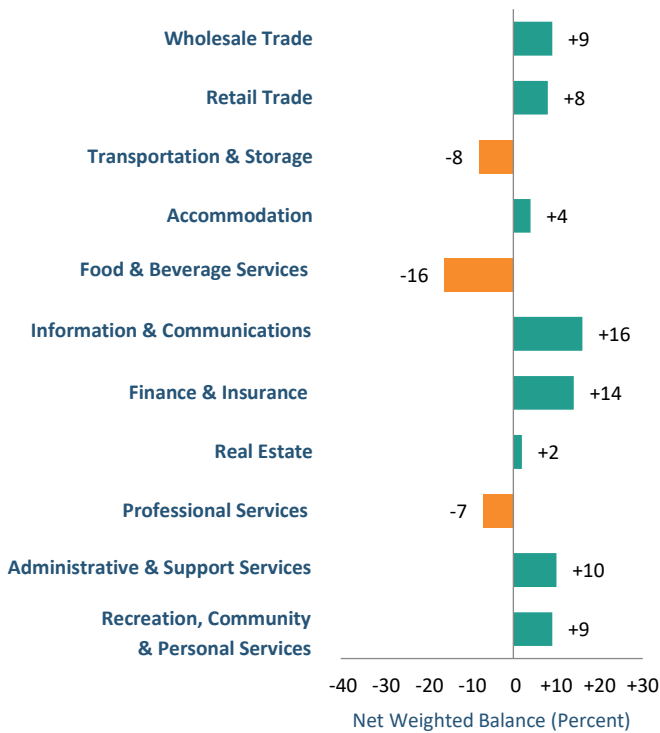


¹Refers to weighted percentage of firms.

GENERAL BUSINESS OUTLOOK (JAN – JUN 2025)

Within the services sector, most industries express positive sentiments on their business conditions for Jan – Jun 2025.

General Business Outlook for Jan - Jun 2025



The Information & Communication industry expresses positive sentiments for Jan – Jun 2025. Firms engaging in information service activities are optimistic, citing strong demand for data and cloud services.

Similarly, the Finance & Insurance industry expects business conditions to improve. Banks are expecting an increase in investment activities and loan demands due to possible lower interest rates.

Likewise, the Administrative & Support Services industry is optimistic in its business outlook. Specifically, firms offering cleaning and landscape maintenance services anticipate a rise in demand, while employment and recruitment agencies foresee an uptick in demand for their services.

Conversely, food and beverage operators are less optimistic about the business prospects for Jan – Jun 2025 compared to the Jul – Dec 2024 period, which coincided with the year-end holidays and festive season.

Similarly, the Transportation & Storage industry expects more challenging business conditions in the upcoming 6 months. Water transport firms are cautious about the global economic outlook and anticipate lower market demand for their services.

OPERATING REVENUE AND EMPLOYMENT FORECAST (JAN – MAR 2025)

The services sector, with a net weighted balance of 4% of firms, foresees higher revenue for Jan – Mar 2025.

In terms of employment, majority of the industries expect to increase their hiring activities for Jan – Mar 2025, with a net weighted balance of 5%

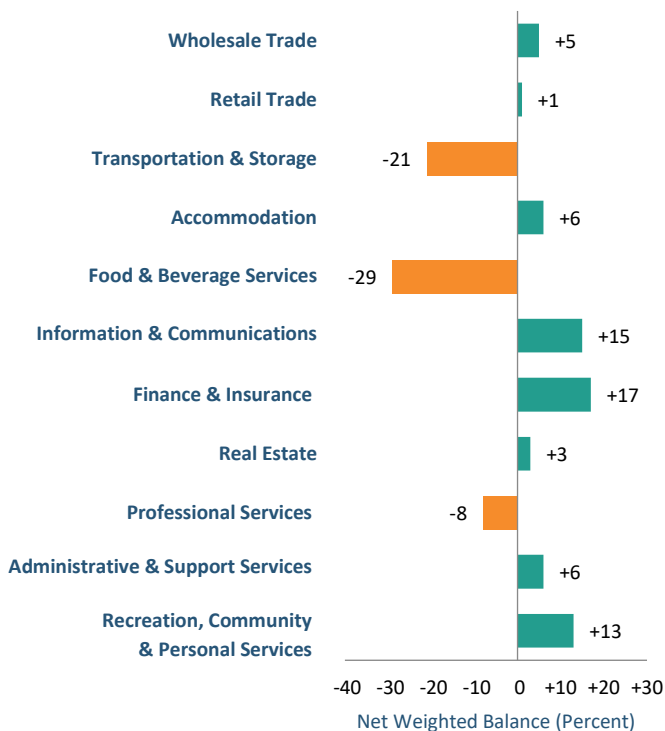
Firms in the Recreation, Community & Personal Services industry anticipate higher operating revenue. Within this industry, healthcare and childcare service providers expect more demand for their services in the next three months.

Firms in the Retail Trade industry anticipate hiring more staff to cope with higher business activities from the upcoming festivals.

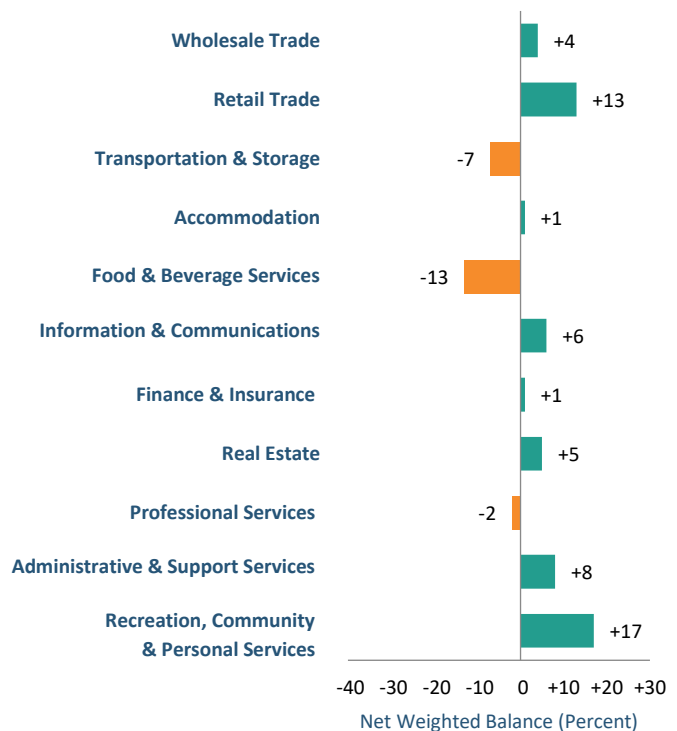
Similarly, the Wholesale Trade industry expects higher operating revenue. Wholesalers of Computers, Computer Peripheral Equipment and Software anticipate higher revenue arising from higher demand for AI-related products.

In line with their positive revenue outlook, firms in the Recreation, Community & Personal Services industry foresee employment levels to increase to meet the rising demand for their services.

Operating Revenue Forecast for 1Q 2025



Employment Forecast for 1Q 2025



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 2025 survey was conducted from December 2024 to January 2025. This survey aimed to obtain 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 information is 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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