

PRESS RELEASE

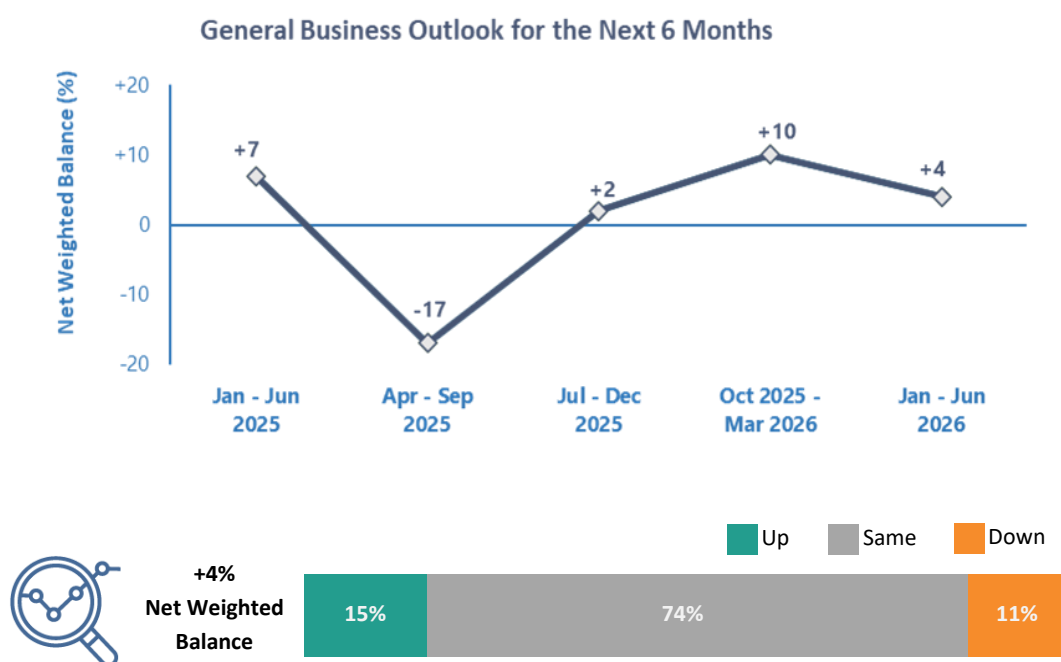
Business Expectations of the Services Sector First Quarter 2026

The Business Expectations of the Services Sector is scheduled for release on the last day of the 1st month of the reference quarter. From January 2026, if the scheduled release date falls on a weekend or public holiday, the release will be on the next working day.

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 2026)

Business expectations among firms in Singapore's services sector remain positive for the period of Jan – Jun 2026. 15% of firms¹ are upbeat about business conditions while 11% foresee deteriorating business conditions, resulting in a net weighted balance of 4% of firms expecting a more favourable business outlook.



OPERATING REVENUE FORECAST (JAN – MAR 2026)



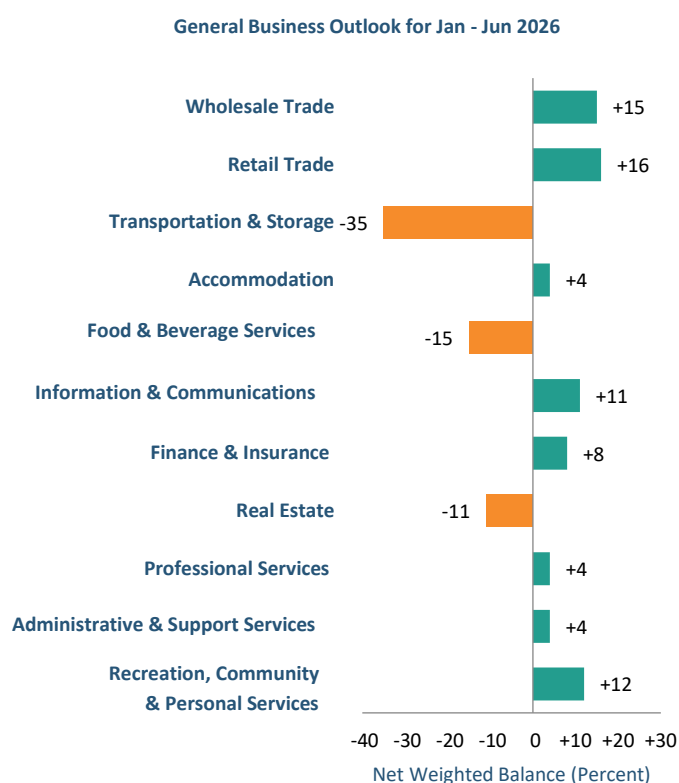
EMPLOYMENT FORECAST (JAN – MAR 2026)



¹Refers to weighted percentage of firms.

GENERAL BUSINESS OUTLOOK (JAN – JUN 2026)

Within the services sector, most industries express positive sentiments on their business conditions for the period of Jan – Jun 2026.



The Retail Trade industry expresses positive business sentiments for the period of Jan – Jun 2026 compared to Jul – Dec 2025, led by supermarkets' optimistic expectations due to the upcoming festive period, notably Chinese New Year.

Similarly, the Wholesale Trade industry is optimistic about its business outlook. In particular, wholesalers of the Computers, Computer Peripheral Equipment and Software sector expect the ongoing Windows 11 refresh and continued corporate hardware renewals to support market activity. Artificial Intelligence (AI)-related products and system upgrades are also expected to drive growth.

Likewise, the Recreation, Community & Personal Services industry is positive in its business outlook. Within the industry, childcare centres and health services providers anticipate a sustained demand for their services.

Conversely, the Transportation & Storage industry foresees more challenging business conditions from Jan to Jun 2026, primarily due to the Water Transport industry. Water transport firms anticipate continued challenges due to persistent oversupply of vessels and weakening cargo demand, leading to lower freight rates. Global economic uncertainties and geopolitical tensions have also further dampened market confidence.

Likewise, the Food and Beverage industry is less upbeat in their business outlook for the next 6 months compared to Jul – Dec 2025 which aligned with the year-end holidays and festive season.

OPERATING REVENUE AND EMPLOYMENT FORECAST (JAN – MAR 2026)

The services sector, with a net weighted balance of 3% of firms, foresees higher revenue for the period of Jan – Mar 2026.

Firms in the Retail Trade industry foresee higher revenue for the first quarter of 2026 due to the Chinese New Year festive period.

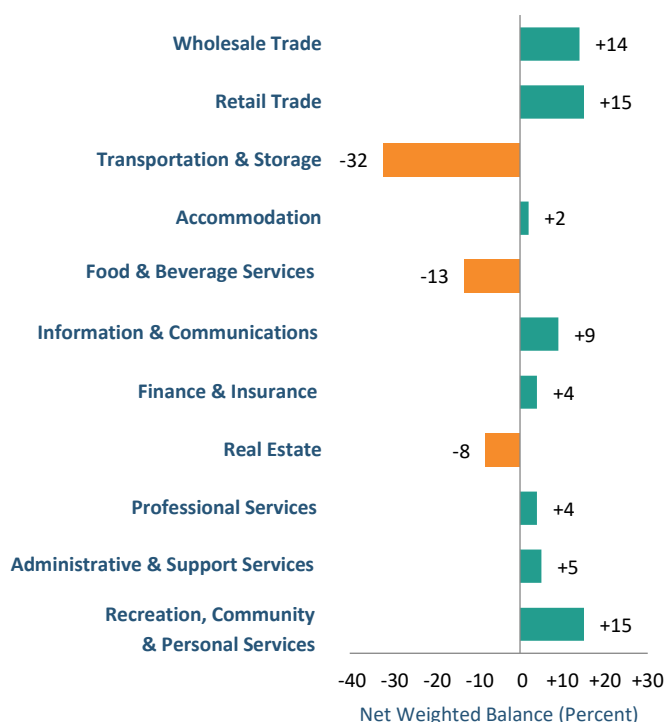
Similarly, firms in the Recreation, Community & Personal Services industry anticipate higher operating revenue. In particular, healthcare and childcare service providers expect more demand for their services in the next three months.

Most industries expect to increase their hiring activities for the period of Jan – Mar 2026, with a net weighted balance of 8%.

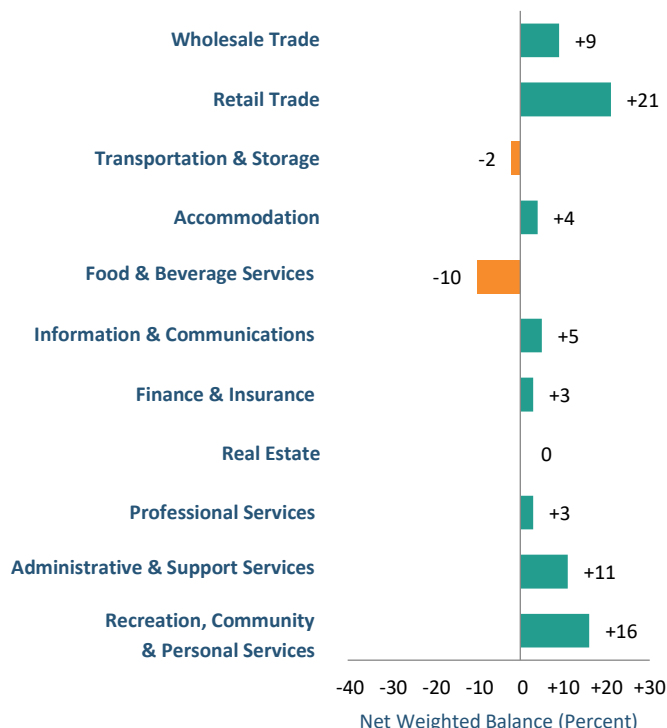
In line with their positive revenue outlook, firms within the Retail Trade industry anticipate increased employment to meet higher demand from the upcoming festivals, such as Chinese New Year in the first quarter of 2026.

Likewise, the Recreation, Community & Personal Services industry expects an increase in hiring. Health services and childcare services firms anticipate an increase in employment to meet the expanding demand for their services.

Operating Revenue Forecast for 1Q 2026



Employment Forecast for 1Q 2026



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 2026 survey was conducted from December 2025 to January 2026. 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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