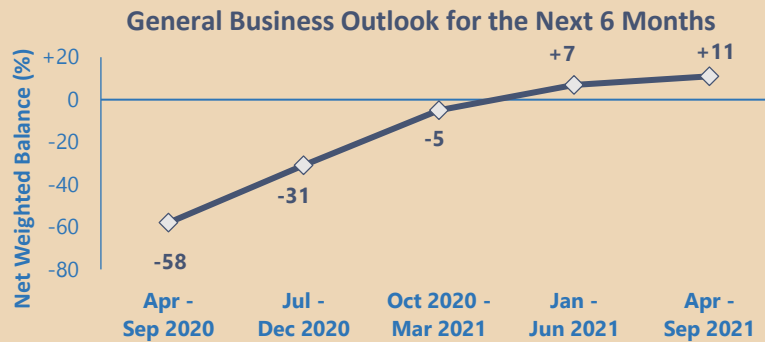


Business Expectations Services Sector

Second Quarter 2021

GENERAL BUSINESS OUTLOOK (APR – SEP 2021)

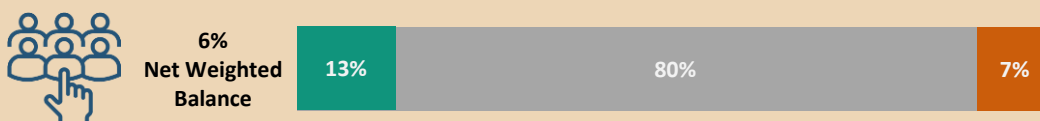
Business expectations for Apr – Sep 2021 continue to improve among firms in Singapore’s services sector. 20% of firms¹ are optimistic about the business conditions while 9% of firms foresee slower business conditions, resulting in a net weighted balance of 11% of firms predicting a more favourable business outlook. This is an improvement over the net weighted balance of +7% recorded in the previous quarter (i.e. Jan – Jun 2021).



OPERATING RECEIPTS FORECAST (APR – JUN 2021)



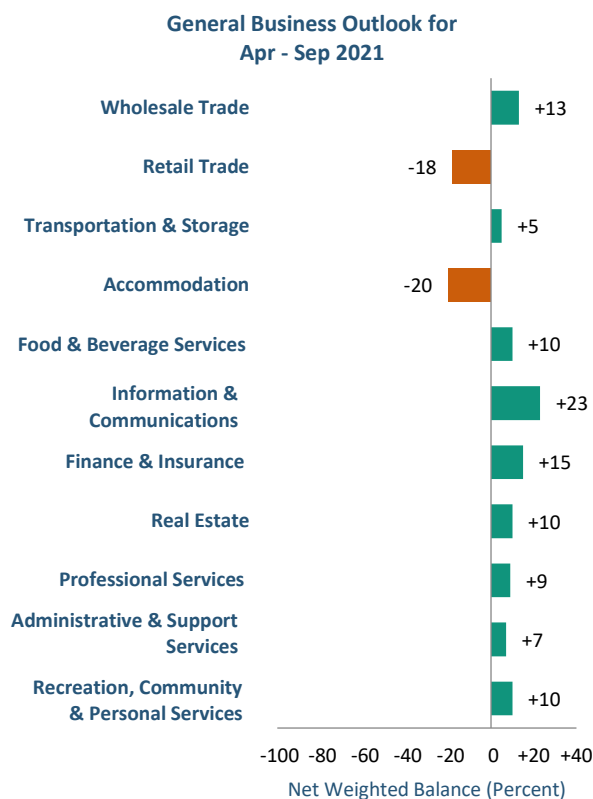
EMPLOYMENT FORECAST (APR – JUN 2021)



¹ Refers to weighted percentage of firms.

GENERAL BUSINESS OUTLOOK (APR – SEP 2021)

Within the services sector, the information & communications, finance & insurance and wholesale trade industries are among those that expect business conditions to improve for the period of Apr – Sep 2021 compared with Oct 2020 – Mar 2021. On the other hand, the accommodation and retail trade industries expect weaker business conditions ahead.



Firms in the information & communications industry are optimistic about the business conditions for the period of Apr – Sep 2021 compared to the preceding 6 months. Among them, firms engaged in computer programming & consultancy services are positive about their business outlook due to an increase in demand from clients to digitalise their business operations.

Similarly, the finance & insurance industry expects business situation to be more favourable in the coming months. Within the industry, banks and insurance companies are among those that are optimistic in their business outlook due to the roll-out of the COVID-19 vaccination programme which may lead to improvement in the economy.

The wholesale industry expects business conditions to improve in the coming 6 months, with a net weighted balance of 13%. Amongst them, wholesalers of computers, computer peripheral equipment are positive in their business outlook.

Conversely, firms in the accommodation industry expect the business situation to be less favourable for Apr – Oct 2021, with a net weighted balance of -20%. Hoteliers expect slow pick-up in demand due to entry restrictions and border closures. Although the business outlook remains negative, this is an improvement from the net weighted balance of -42% recorded for the period of Jan – Jun 2021.

The retail trade industry expects weaker business conditions for the period of Apr – Sep 2021, compared to the period of Oct 2020 – Mar 2021 which coincided with the year-end holiday and festive season. Department stores and supermarkets are among those that are less optimistic in their business outlook during this period.

OPERATING RECEIPTS AND EMPLOYMENT FORECAST (APR – JUN 2021)

The services sector, with a net weighted balance of 9% of firms, expects operating receipts to increase for the period of Apr – Jun 2021 compared with the period of Jan – Mar 2021.

Firms in the food & beverage services industry expect higher revenue in second quarter 2021, as employees return to their workplaces.

On the other hand, firms in the accommodation industry expect lower turnover due to global travel restrictions. While hoteliers foresee an increase in demand for staycations in second quarter of 2021 which coincided with the June school holidays, they expect overall demand to remain weak due to low tourist arrivals.






In terms of employment, the services sector expects an increase in hiring activity for the period of Apr – Jun 2021, with a net weighted balance of 6%.

The recreation, community & personal services industry expects an increase in employment in the next 3 months ending Jun 2021. Within the industry, firms engaged in health services expect to hire more due to an increase in demand for their services.

Similarly, the information & communications industry expects to increase hiring activities. Firms engaged in computer programming and consultancy expect to hire more to support the increased demand.

Conversely, firms in the accommodation industry expect lower employment level in second quarter of 2021 in view of weak demand.

Operating Receipts and Employment Forecast for 2nd Quarter 2021

<p>Operating Receipts Forecast</p> <p>10%</p>		<p>Employment Forecast</p> <p>2%</p>	<p>Operating Receipts Forecast</p> <p>-18%</p>		<p>Employment Forecast</p> <p>-1%</p>
<p>Operating Receipts Forecast</p> <p>13%</p>		<p>Employment Forecast</p> <p>5%</p>	<p>Operating Receipts Forecast</p> <p>-27%</p>		<p>Employment Forecast</p> <p>-5%</p>
<p>Operating Receipts Forecast</p> <p>17%</p>		<p>Employment Forecast</p> <p>4%</p>	<p>Operating Receipts Forecast</p> <p>12%</p>		<p>Employment Forecast</p> <p>12%</p>
<p>Operating Receipts Forecast</p> <p>11%</p>		<p>Employment Forecast</p> <p>4%</p>	<p>Operating Receipts Forecast</p> <p>11%</p>		<p>Employment Forecast</p> <p>13%</p>
<p>Operating Receipts Forecast</p> <p>4%</p>		<p>Employment Forecast</p> <p>1%</p>	<p>Operating Receipts Forecast</p> <p>5%</p>		<p>Employment Forecast</p> <p>1%</p>
<p>Operating Receipts Forecast</p> <p>16%</p>		<p>Employment Forecast</p> <p>19%</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 2nd quarter 2021 survey was conducted from Mar to Apr 2021. 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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