



Business Expectations Services Sector

Second Quarter 2022¹

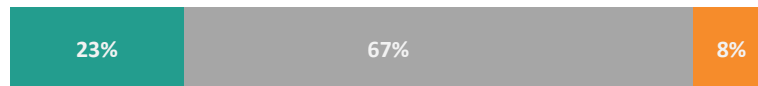
GENERAL BUSINESS OUTLOOK (APR – SEP 2022)

Business expectations among firms in Singapore’s services sector continue to be positive for the period of Apr - Sep of 2022. 23% of firms² are upbeat about the business conditions while 8% of firms foresee deteriorating business conditions, resulting in a net weighted balance of 15% of firms expecting more favourable business conditions. The net weighted balance is comparable to the +14% recorded in the previous quarter (i.e. Jan – Jun 2022).

General Business Outlook for the Next 6 Months



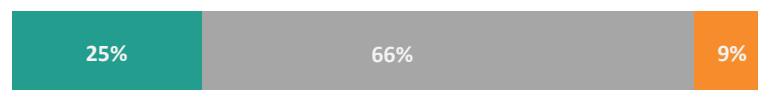
+15%
Net Weighted
Balance



OPERATING REVENUE FORECAST (APR – JUN 2022)



+16%
Net Weighted
Balance



EMPLOYMENT FORECAST (APR – JUN 2022)



+11%
Net Weighted
Balance

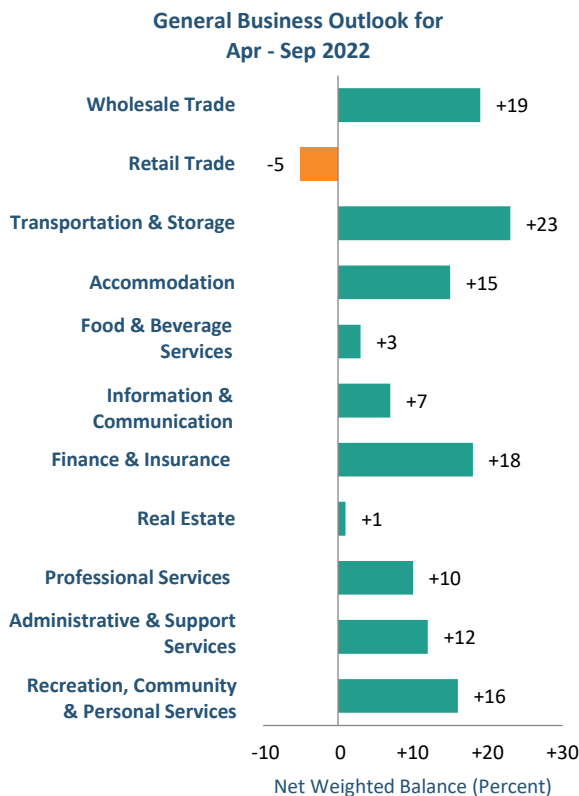


¹The survey was conducted from Mar to mid-April 2022 during which the Ministry of Health announced the “Easing of Community SMMs and Border Measures” and the “Implementation of Vaccinated Travel Framework” on 24 Mar 2022 and 31 Mar 2022, respectively.

²Refers to weighted percentage of firms.

GENERAL BUSINESS OUTLOOK (APR – SEP 2022)

Within the services sector, all industries, except for retail trade, expect business conditions to improve for the period of Apr – Sep 2022 when compared with Oct 2021 – Mar 2022.



Firms within the transportation & storage industry are upbeat about the business conditions for the next 6 months. In particular, air transport firms attributed their optimism to the establishment of the Vaccinated Travel Framework (VTF) which will boost demand for air travel.

The wholesale trade industry expects improved business conditions in the coming months. Within the industry, wholesalers of computers foresee higher demand for computers and peripheral equipment as businesses continue to digitalise their operations.

Similarly, the finance & insurance industry foresees the business situation to improve for Apr – Sep 2022 compared to the previous 6 months. Firms engaged in credit card and payment processing services foresee an increase in consumer spending in view of the global economic recovery.

The recreation, community & personal services industry expects better business conditions in the next 6 months. Within the industry, operators of sports facilities and healthcare providers are optimistic. Operators of sports facilities expect to organise more events and with larger capacities. Healthcare providers foresee increased demand for their services as non-urgent elective surgeries are able to resume.

Conversely, the retail trade industry expects slower business for Apr – Sep 2022, compared to Oct 2021 – Mar 2022 which coincided with the year-end holidays and festive period.

OPERATING REVENUE AND EMPLOYMENT FORECAST (APR – JUN 2022)

The services sector, with a net weighted balance of 16% of firms, foresees higher revenue for the period of Apr – Jun 2022 compared with Jan – Mar 2022.

Firms in the wholesale trade and finance & insurance industries expect an increase in revenue for the next 3 months, in view of expected recovery in economic activity.











The professional services industry also foresees higher operating revenue in 2nd quarter. Within the industry, firms engaged in engineering services are among those which expect higher demand for their services in the coming 3 months.

In terms of employment, all industries within the services sector expect an increase in hiring activity for the period of Apr – Jun 2022, with a net weighted balance of 11%.

Firms in the accommodation industry expect to increase hiring as they foresee a substantial increase in tourist arrivals in the coming months with the relaxation of border restrictions.

In line with their positive revenue outlook, the wholesale trade and transportation & storage industries similarly expect employment level to increase.

Operating Revenue and Employment Forecast for 2nd Quarter 2022

<p>Wholesale Trade</p> <p>Operating Receipts Forecast 22%</p>  <p>Employment Forecast 19%</p>	<p>Retail Trade</p> <p>Operating Receipts Forecast -10%</p>  <p>Employment Forecast 10%</p>
<p>Transportation & Storage</p> <p>Operating Receipts Forecast 30%</p>  <p>Employment Forecast 19%</p>	<p>Accommodation</p> <p>Operating Receipts Forecast 16%</p>  <p>Employment Forecast 23%</p>
<p>Food & Beverage Services</p> <p>Operating Receipts Forecast 9%</p>  <p>Employment Forecast 9%</p>	<p>Information & Communications</p> <p>Operating Receipts Forecast 2%</p>  <p>Employment Forecast 6%</p>
<p>Finance & Insurance</p> <p>Operating Receipts Forecast 18%</p>  <p>Employment Forecast 7%</p>	<p>Real Estate</p> <p>Operating Receipts Forecast 3%</p>  <p>Employment Forecast 6%</p>
<p>Professional Services</p> <p>Operating Receipts Forecast 13%</p>  <p>Employment Forecast 11%</p>	<p>Administrative & Support Services</p> <p>Operating Receipts Forecast 12%</p>  <p>Employment Forecast 5%</p>
<p>Recreation, Community & Personal Services</p> <p>Operating Receipts Forecast 9%</p>  <p>Employment Forecast 5%</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 2022 survey was conducted from Mar to mid Apr 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 go.gov.sg/bes-publication

or through the QR code below.



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