

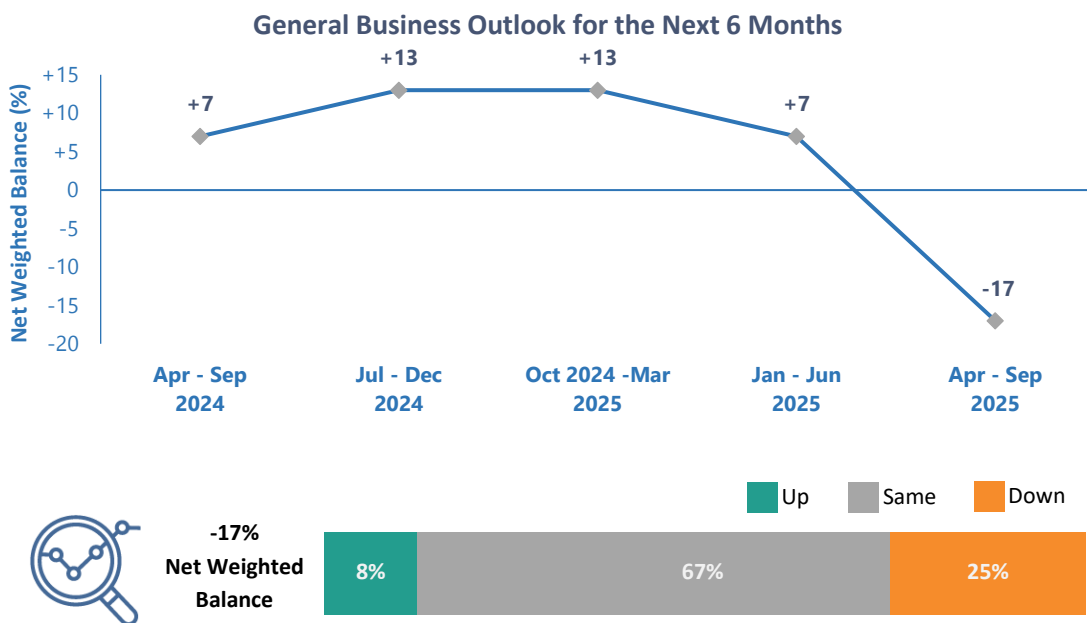
PRESS RELEASE

Business Expectations of the Services Sector Second 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. This quarter's survey incorporated business sentiments following the US tariff announcement on 2 Apr 2025.

GENERAL BUSINESS OUTLOOK (APR – SEP 2025)

The services sector in Singapore expects business conditions to be less favourable for the period of Apr – Sep 2025. 8% of firms¹ are upbeat about business conditions while 25% foresee deteriorating business conditions, resulting in a net weighted balance of 17% of firms expecting a less favourable business outlook.



OPERATING REVENUE FORECAST (APR – JUN 2025)



EMPLOYMENT FORECAST (APR – JUN 2025)

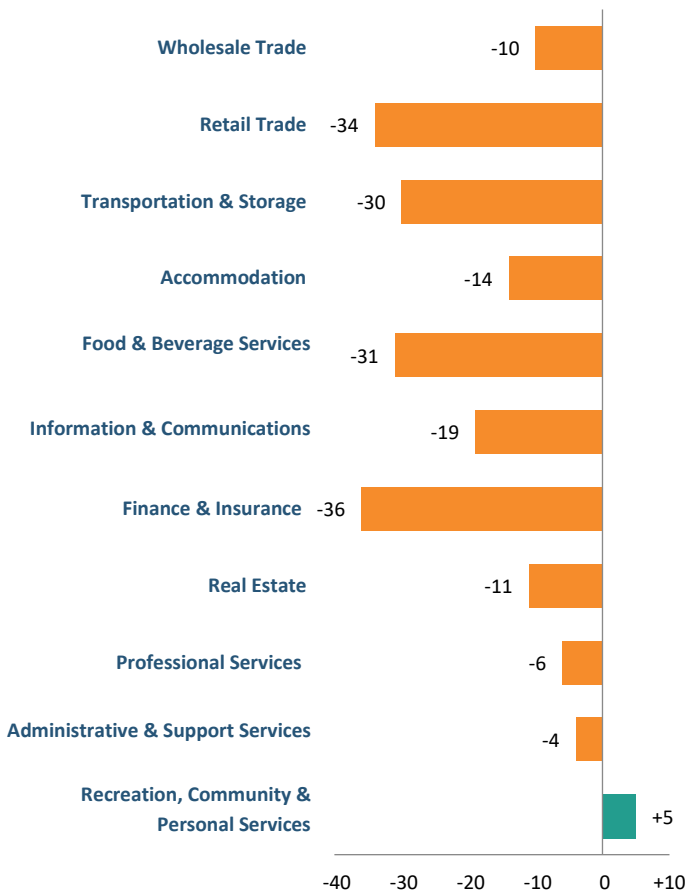


¹Refers to weighted percentage of firms.

GENERAL BUSINESS OUTLOOK (APR – SEP 2025)

Within the services sector, most industries expect business conditions to be less favourable for the period of Apr – Sep 2025.

General Business Outlook for Apr - Sep 2025



The Finance & Insurance industry expects business conditions to be more challenging for Apr – Sep 2025. Due to uncertain economic outlooks, banks are expecting a decrease in investment activities and loan demands. Payment services firms also expect consumers to be more cautious in their spending.

Similarly, firms in the Retail Trade and Food & Beverage Services industries expect the business situation to be less promising for the period of Apr – Sep 2025 due to fewer festive periods, compared to the Oct 2024 – Mar 2025 period. Firms are also concerned that the recent announcement by the USA on tariffs may lead to households adopting a "wait-and-see" approach, tightening their belts amid the economic uncertainty.

Likewise, the Transport & Storage industry expects more challenging business conditions in the upcoming six months. Water transport firms are cautious about the global economic outlook and anticipate a softening market demand for their services.

Conversely, the Recreational, Community & Personal Services industry is more optimistic in its business outlook. Specifically, health services providers expect a continued demand for healthcare services. Education service providers also expect a higher demand for upskilling and training courses.

OPERATING REVENUE AND EMPLOYMENT FORECAST (APR – JUN 2025)

Most services industries foresee revenue to decrease for the period of Apr – Jun 2025, with a net weighted balance of -13%.

In terms of employment, majority of the industries expect to reduce hiring activities for the period of Apr – Jun 2025, with a net weighted balance of -3%

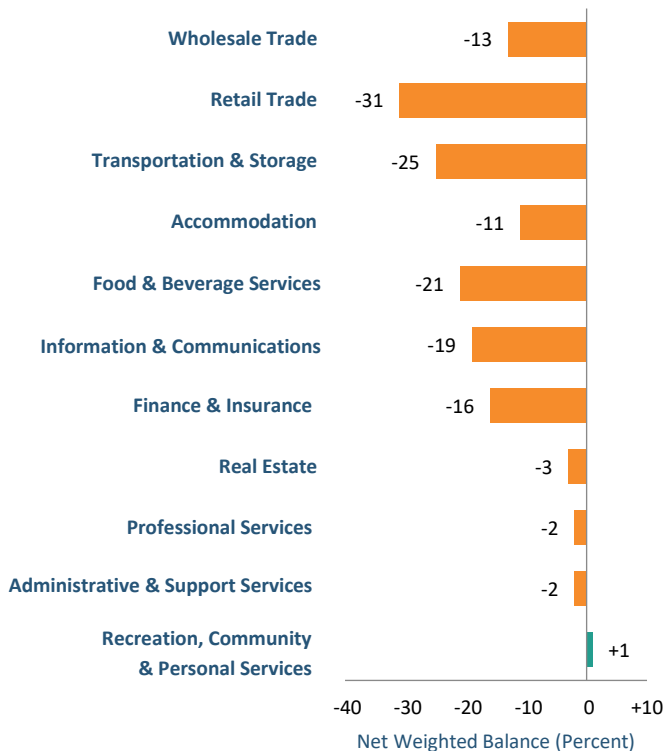
The Retail Trade industry had the least favourable revenue outlook for the period of Apr – Jun 2025, followed by the Transportation & Storage, Food & Beverage Services, Information & Communications and Finance & Insurance industries.

However, the Recreation, Community & Personal Services industry foresees employment levels to increase to meet the rising demand for healthcare and education services.

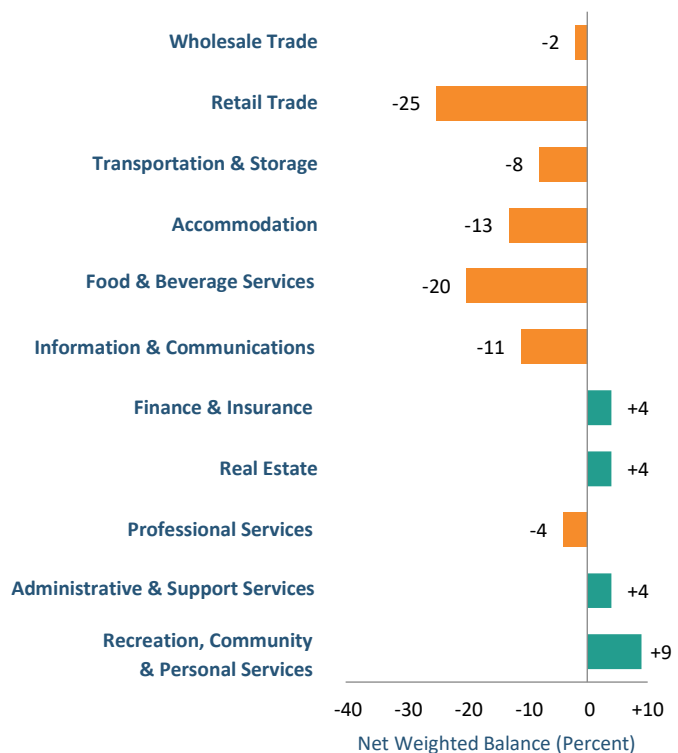
Firms in the Recreation, Community & Personal Services industry anticipate revenue similar to the past quarter.

Similarly, firms involved in insurance, property management, cleaning & landscape maintenance and security services also foresee increased employment.

Operating Revenue Forecast for 2Q 2025



Employment Forecast for 2Q 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 2nd quarter 2025 survey was conducted from Mar 2025 to Apr 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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