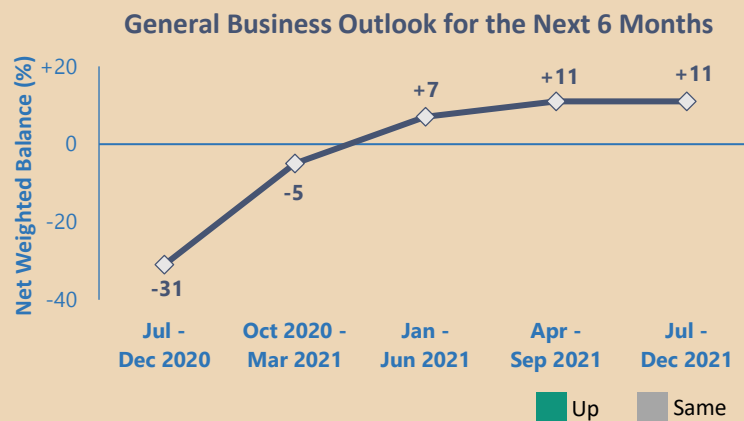


Business Expectations Services Sector

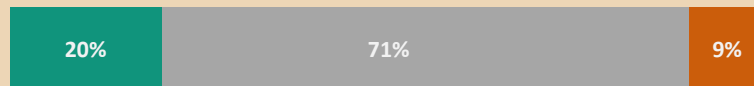
Third Quarter 2021

GENERAL BUSINESS OUTLOOK (JUL – DEC 2021)

At overall level, firms in the services sector remain positive on their business outlook for the next 6 months. 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 for the period of Jul – Dec 2021. This is similar to the net weighted balance of +11% recorded in the previous quarter (i.e. Apr – Sep 2021).



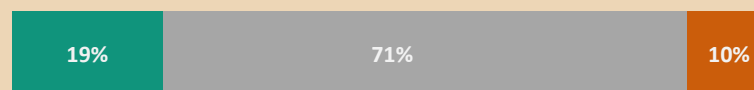
+11%
Net Weighted
Balance



OPERATING RECEIPTS FORECAST (JUL – SEP 2021)



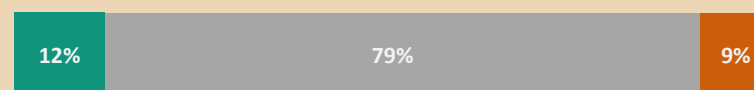
+9%
Net Weighted
Balance



EMPLOYMENT FORECAST (JUL – SEP 2021)



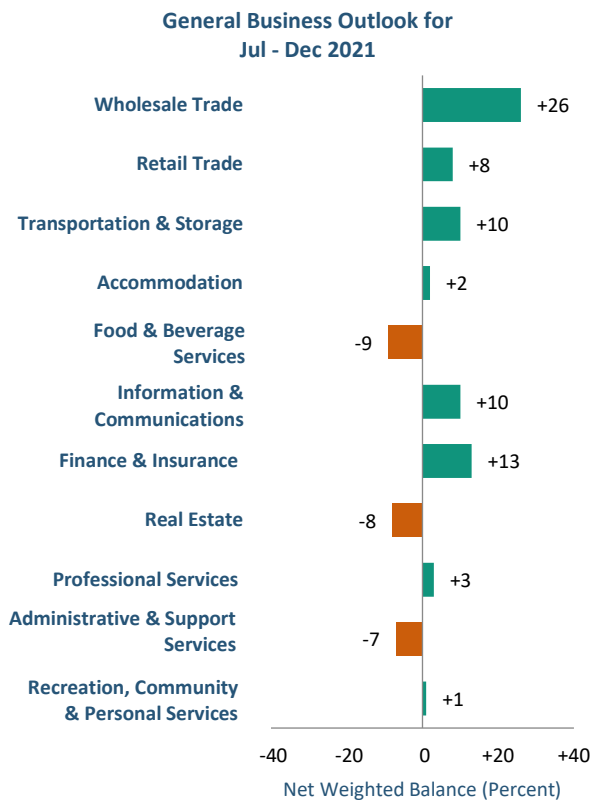
+3%
Net Weighted
Balance



¹Refers to weighted percentage of firms.

GENERAL BUSINESS OUTLOOK (JUL – DEC 2021)

Within the services sector, most industries including wholesale trade, finance & insurance, transportation & storage and information & communications expect business conditions to improve for the period of Jul – Dec 2021 as compared with Jan – Jun 2021. On the other hand, food & beverage services and real estate industries expect weaker business conditions ahead.



Firms within the wholesale trade industry are upbeat about the business conditions for the period of Jul – Dec 2021 compared to the preceding 6 months. Wholesalers of petroleum & petroleum products and machinery & equipment are optimistic about their business outlook as they expect better business due to the recovery of global trade with the roll-out of the COVID-19 vaccination programme.

The finance & insurance industry foresees the business situation to be more favourable in the coming months. Banks and insurance companies as well as firms engaged in payment processing services are among those that are positive about their business outlook.

Similarly, firms in the transportation & storage industry are optimistic about business conditions for the next 6 months. Within the industry, water transport firms² expect higher demand for their services in the coming months.

For the information & communications industry, firms are positive about their business outlook for the next 6 months. In particular, software publishers are upbeat on their business prospects.

Conversely, firms in the food & beverage services industry expect less favourable business conditions in the coming months. They foresee slower business as a result of dine-in restrictions and in anticipation that demand may not recover immediately after the end of Phase 2 (Heightened Alert).

The real estate industry likewise foresees weaker business conditions for the next 6 months. In particular, firms engaged in the rental of retail premises expect downward pressure on rental rates due to weaker demand for such spaces.

²Includes supporting services to water transport.

OPERATING RECEIPTS AND EMPLOYMENT FORECAST (JUL – SEP 2021)

The services sector, with a net weighted balance of 9% of firms, foresees higher revenue for the period of Jul – Sep 2021 compared with Apr – Jun 2021.

Firms in the wholesale trade industry expect operating receipts to increase in the next 3 months ending Sep 2021, in anticipation of higher demand due to the recovery of global trade.


In contrast, the administrative & support services industry expects lower turnover in the next quarter. Within the industry, travel agencies and security firms are among those which expect lower sales in the next 3 months.

In terms of employment, the services sector expects an increase in hiring for the period Jul – Sep 2021, with a net weighted balance of 3%.

In line with their positive business outlook, the wholesale trade and finance & insurance industries expect to increase hiring as they foresee business conditions to improve with increased vaccination rates for COVID-19 globally.

On the other hand, firms in the administrative & support services industry expect lower employment levels in the third quarter of 2021 in view of lower demand for their services.

Operating Receipts and Employment Forecast for 3rd Quarter 2021

<p>Operating Receipts Forecast</p> <p>24%</p>		<p>Employment Forecast</p> <p>9%</p>	<p>Operating Receipts Forecast</p> <p>8%</p>		<p>Employment Forecast</p> <p>3%</p>
<p>Operating Receipts Forecast</p> <p>2%</p>		<p>Employment Forecast</p> <p>5%</p>	<p>Operating Receipts Forecast</p> <p>2%</p>		<p>Employment Forecast</p> <p>5%</p>
<p>Operating Receipts Forecast</p> <p>-4%</p>		<p>Employment Forecast</p> <p>0%</p>	<p>Operating Receipts Forecast</p> <p>10%</p>		<p>Employment Forecast</p> <p>1%</p>
<p>Operating Receipts Forecast</p> <p>9%</p>		<p>Employment Forecast</p> <p>6%</p>	<p>Operating Receipts Forecast</p> <p>-6%</p>		<p>Employment Forecast</p> <p>0%</p>
<p>Operating Receipts Forecast</p> <p>4%</p>		<p>Employment Forecast</p> <p>1%</p>	<p>Operating Receipts Forecast</p> <p>-4%</p>		<p>Employment Forecast</p> <p>-4%</p>
<p>Operating Receipts Forecast</p> <p>0%</p>		<p>Employment Forecast</p> <p>6%</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 3rd quarter 2021 survey was conducted from Jun to Jul 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.



Singapore Department of Statistics
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