

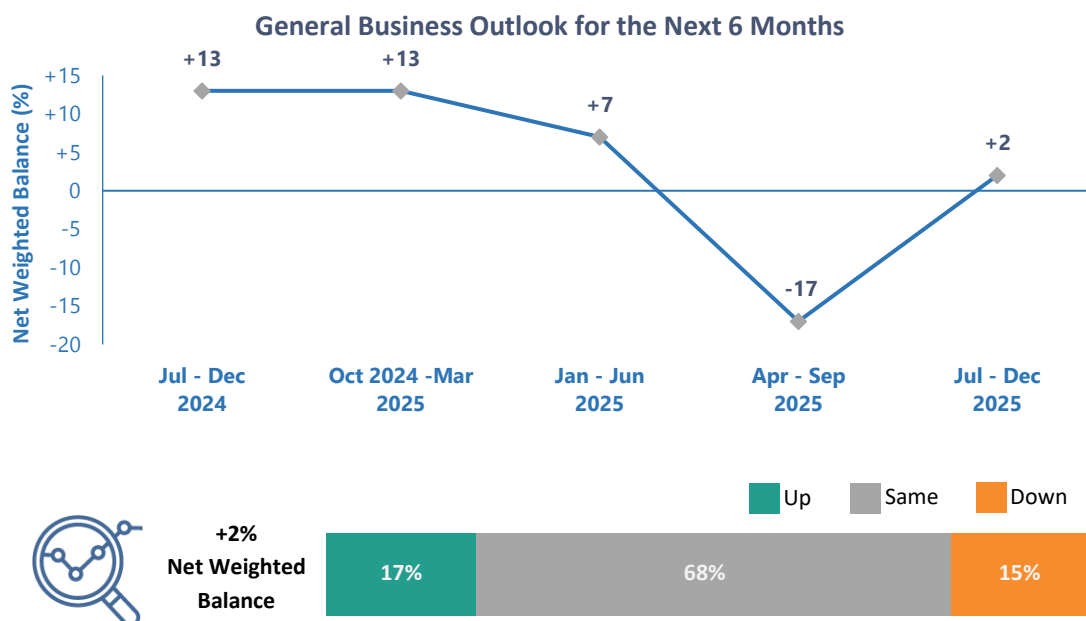
PRESS RELEASE

Business Expectations of the Services Sector Third 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.

GENERAL BUSINESS OUTLOOK (JUL – DEC 2025)

The services sector in Singapore expects business conditions to turn positive and be more favourable for the period of Jul – Dec 2025. 17% of firms¹ are upbeat about business conditions while 15% foresee deteriorating business conditions, resulting in a net weighted balance of 2% of firms expecting a more favourable business outlook.



OPERATING REVENUE FORECAST (JUL – SEP 2025)



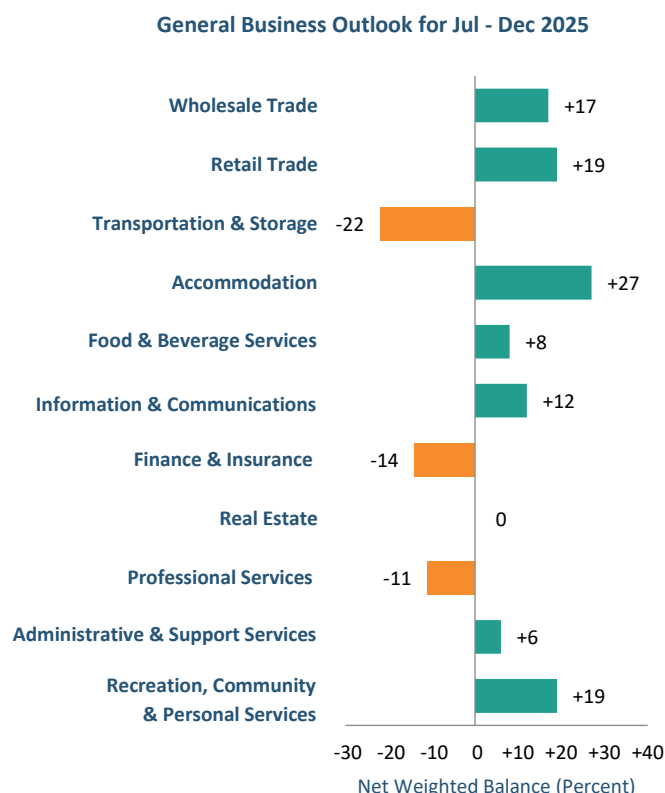
EMPLOYMENT FORECAST (JUL – SEP 2025)



¹Refers to weighted percentage of firms.

GENERAL BUSINESS OUTLOOK (JUL – DEC 2025)

Within the services sector, most industries express positive sentiments on their business conditions for the period of Jul – Dec 2025.



Both the Accommodation and Retail Trade industries express positive business sentiments for Jul – Dec 2025. Hoteliers and retailers are optimistic due to upcoming concerts and sporting events as well as the year-end festive season. These are expected to boost tourism and enhance occupancy rates for hotels, while driving sales growth for retailers.

Likewise, the Recreational, Community & Personal Services industry is more optimistic in its business outlook. Within the industry, health services providers and childcare services firms expect a continued demand for their services.

Conversely, the Transportation & Storage industry expects more challenging business conditions in the second half of the year, primarily due to the water transport industry. Water transport firms are cautious about the geopolitical uncertainties and are expecting lower demand for their services due to front-loading activities by firms ahead of the expiration of the 90-day pause in the US' reciprocal tariffs. The negativity is partially offset by the positive sentiments among air and land transport firms.

Similarly, the Finance & Insurance industry is negative about their business outlook for the second half of the year. Banks are exercising caution in response to the uncertain economic outlook, characterised by weakened consumer and business confidence related to the US tariffs and other policy uncertainties. The negativity is partially mitigated by positive sentiments among payment processing firms, where they expect transaction volumes and revenue to rise in accordance with the continued expansion of the eCommerce market.

OPERATING REVENUE AND EMPLOYMENT FORECAST (JUL – SEP 2025)

The services sector, with a net weighted balance of 7% of firms, foresees higher revenue for Jul – Sep 2025.

Firms in the Accommodation industry foresee higher revenue for the third quarter of 2025, due to major events such as the Singapore Grand Prix.

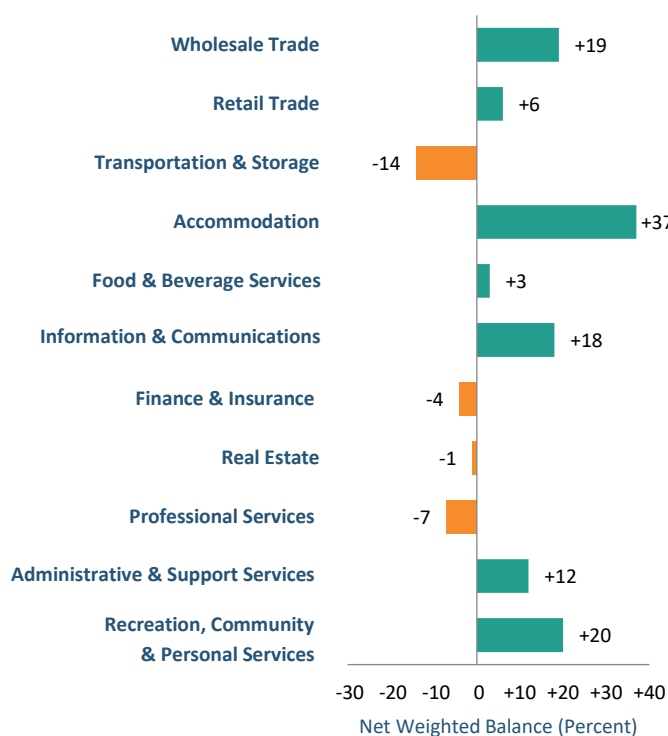
Similarly, the Wholesale Trade industry expects higher operating revenue. This is mainly due to Wholesalers of Computers, Computer Peripheral Equipment and Software, which anticipate revenue growth.

Majority of the industries expect to increase their hiring activities for the period of Jul – Sep 2025, with a net weighted balance of 9%.

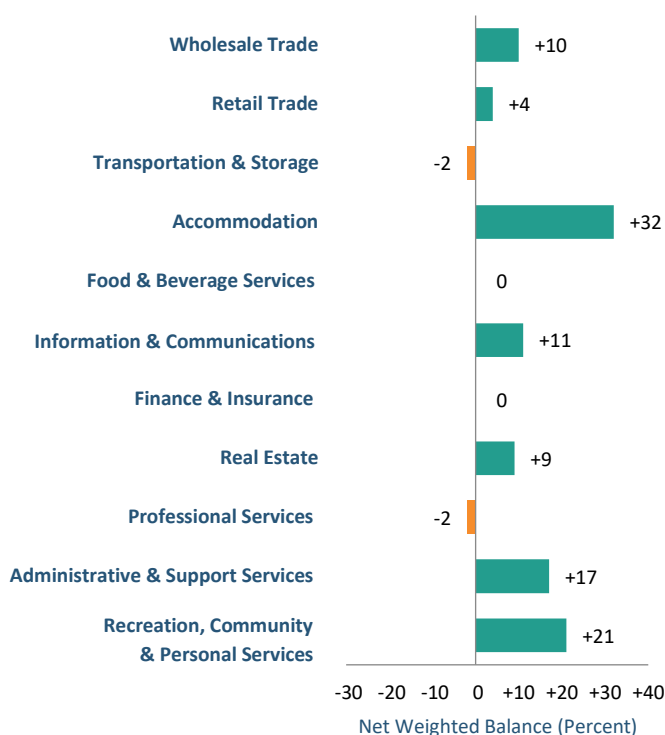
In line with their positive revenue outlook, firms within the Accommodation industry anticipate increase hiring to keep pace with the arrival of more tourists for upcoming major events.

The Administrative & Support Services industry anticipate an increase in hiring. Firms that offer cleaning and landscape maintenance activities anticipate an increase in employment to meet the rising demand for their services.

Operating Revenue Forecast for 3Q 2025



Employment Forecast for 3Q 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 3rd quarter 2025 survey was conducted from Jun 2025 to Jul 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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