

Business Expectations Services Sector

Fourth Quarter 2021

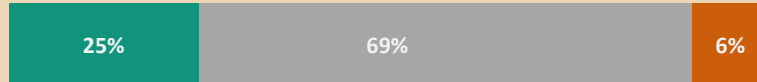
GENERAL BUSINESS OUTLOOK (OCT 2021 – MAR 2022)

Business expectations for Oct 2021 – Mar 2022 continue to improve among firms in Singapore’s services sector. 25% of firms¹ are upbeat while 6% of firms foresee deteriorating business conditions, resulting in a net weighted balance of 19% of firms expecting a more favourable business outlook for the period of Oct 2021 – Mar 2022. This is an improvement over the net weighted balance of +11% recorded in the previous period (i.e. Jul – Dec 2021).

General Business Outlook for the Next 6 Months



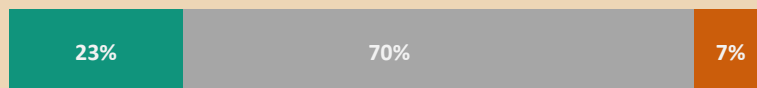
+19%
Net Weighted
Balance



OPERATING RECEIPTS FORECAST (OCT – DEC 2021)



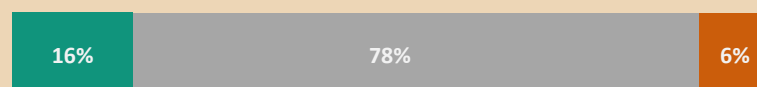
+16%
Net Weighted
Balance



EMPLOYMENT FORECAST (OCT – DEC 2021)



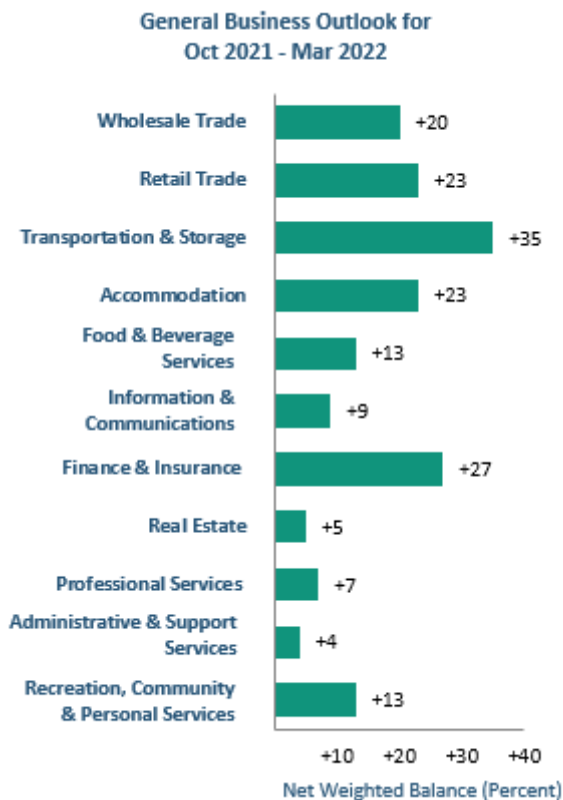
+10%
Net Weighted
Balance



¹Refers to weighted percentage of firms.

GENERAL BUSINESS OUTLOOK (OCT 2021 – MAR 2022)

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



Firms in the transportation & storage industry expects business conditions to improve for the period of Oct 2021 - Mar 2022 compared to the preceding 6 months. In particular, air transport firms are optimistic as Singapore extends Vaccinated Travel Lanes (VTL) to more countries.

The finance & insurance industry foresees the business situation to improve for the next 6 months, in anticipation of an improvement in the global economic conditions. Firms offering credit card services as well as payment processing services are among those that are optimistic as they anticipate increases in spending among their customers during the upcoming year-end festive season.

Similarly, the retail trade and food & beverage services industries expect business conditions to improve for the next 6 months, which coincide with the year-end festive season. Within the retail trade industry, department stores, supermarkets and retailers of wearing apparel & footwear are among those which expect better business conditions during this period.

The accommodation industry also expects better business conditions in the coming months. Hoteliers expect more business due to the easing of global travel restrictions and more bookings for staycations during the upcoming year-end holidays.

Firms in the wholesale trade industry are optimistic about the business situation in the months ahead. Among them, wholesalers of fuels expect better business due to an increase in fuel prices and demand for fuel products.

OPERATING RECEIPTS AND EMPLOYMENT FORECAST (OCT – DEC 2021)

The services sector, with a net weighted balance of 16% of firms, foresees higher revenue for the period of Oct – Dec 2021 compared with Jul – Sep 2021.

Firms in the transportation & storage industry expect higher revenue for the next 3 months. Within the industry, air and water transport segments foresee higher demand for their services in the coming months.











Similarly, firms in the retail trade and food & beverage services industries expect operating receipts to increase in the fourth quarter of 2021 which coincides with the year-end festive period.

In terms of employment, the services sector expects an increase in hiring activity for the period of Oct – Dec 2021, with a net weighted balance of 10%.

In line with their positive business outlook, the retail trade and food & beverage industries expect to increase hiring for the next 3 months.

Similarly, the accommodation industry expects higher employment levels. Hoteliers expect to hire more workers to support the increased demand with VTLs to more countries and the year-end school holidays.

Operating Receipts and Employment Forecast for 4th Quarter 2021

<p>Operating Receipts Forecast</p> <p>23%</p>		<p>Employment Forecast</p> <p>5%</p>	<p>Operating Receipts Forecast</p> <p>24%</p>		<p>Employment Forecast</p> <p>29%</p>
<p>Operating Receipts Forecast</p> <p>33%</p>		<p>Employment Forecast</p> <p>8%</p>	<p>Operating Receipts Forecast</p> <p>26%</p>		<p>Employment Forecast</p> <p>28%</p>
<p>Operating Receipts Forecast</p> <p>20%</p>		<p>Employment Forecast</p> <p>15%</p>	<p>Operating Receipts Forecast</p> <p>9%</p>		<p>Employment Forecast</p> <p>6%</p>
<p>Operating Receipts Forecast</p> <p>14%</p>		<p>Employment Forecast</p> <p>8%</p>	<p>Operating Receipts Forecast</p> <p>6%</p>		<p>Employment Forecast</p> <p>4%</p>
<p>Operating Receipts Forecast</p> <p>5%</p>		<p>Employment Forecast</p> <p>9%</p>	<p>Operating Receipts Forecast</p> <p>5%</p>		<p>Employment Forecast</p> <p>6%</p>
<p>Operating Receipts Forecast</p> <p>6%</p>		<p>Employment Forecast</p> <p>9%</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 4th quarter 2021 survey was conducted from Sep to Oct 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
29 October 2021

For enquiries, please contact:

Mr Lucas Ng Wei Kiat

T (+65) 6835 8897 E lucas_ng@singstat.gov.sg

Mr Tan Jason

T (+65) 6884 4485 E tan_jason@singstat.gov.sg