



Business Expectations Services Sector

Fourth Quarter 2022

GENERAL BUSINESS OUTLOOK (OCT 2022 – MAR 2023)

Business expectations among firms in Singapore’s services sector continue to be positive for the period of Oct 2022 – Mar 2023. 23% of firms¹ are upbeat about the business conditions while 14% of firms foresee deteriorating business conditions, resulting in a net weighted balance of 9% of firms expecting more favourable business conditions. The net weighted balance is lower compared to the +15% recorded in the previous quarter (i.e. Jul - Dec 2022) and +19% for the same period last year (Oct 2021 – Mar 2022).

General Business Outlook for the Next 6 Months



OPERATING REVENUE FORECAST (OCT – DEC 2022)



EMPLOYMENT FORECAST (OCT – DEC 2022)

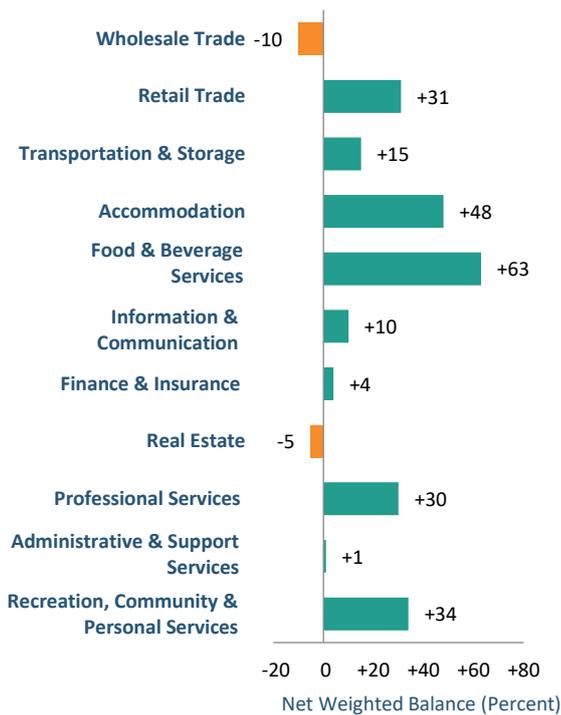


¹Refers to weighted percentage of firms.

GENERAL BUSINESS OUTLOOK (OCT 2022 – MAR 2023)

Most industries within the services sector reported positive sentiments in the business conditions for the period of Oct 2022 – Mar 2023. On the other hand, the wholesale trade and real estate industries forecast dimmer business conditions ahead.

General Business Outlook for Oct 2022 - Mar 2023



Firms in the transportation & storage and accommodation industries express optimism regarding business conditions for the next 6 months. Firms cite the recovery of international travel and increase in tourist arrivals in Singapore as reasons for their optimism.

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. Retailers of wearing apparel & footwear and restaurants are among those which expect better business conditions during this period.

Firms in the professional services industry also expect a pick-up in their businesses for the next 6 months. Within the industry, firms engaging in architectural, engineering, legal and accounting activities are among those that expect more demand for their services.

The recreation, community & personal services industry expects better business conditions in the next 6 months. Within the industry, operators of sports facilities and higher education institutions are optimistic in their business outlook. Operators of sports facilities expect to organise more events, with some that are at larger capacities. Higher education institutions also foresee more enrolment of foreign students with the reopening of international borders.

Conversely, wholesalers expect business conditions to worsen in the coming 6 months. In particular, wholesalers of computers, computer peripheral equipment & software cite declining demand for computers for their negative sentiments.

The real estate industry expects weaker business conditions for the next 6 months, reporting a net weighted balance of -5%. Real estate developers and agents expect the latest round of government property cooling measure coupled with rising interest rates to have a negative impact on the property market.

OPERATING REVENUE AND EMPLOYMENT FORECAST (OCT – DEC 2022)

With a net weighted balance of 8% of firms, the services sector foresees higher revenue for the period of Oct – Dec 2022 compared with the period of Jul – Sep 2022.

In line with their positive general business outlook, firms in the food & beverage services industry expect an increase in revenue for the next 3 months, in view of greater business volume compared to the previous quarter.

With the relaxation of COVID-19 measures, firms in the recreation, community & personal services industry expect higher operating revenue for the 4th quarter of 2022.

In terms of employment, the services sector expects an increase in hiring activity for the period of Oct – Dec 2022, with a net weighted balance of 15%.

Firms within the accommodation industry expect to increase hiring to keep pace with higher business activities arising from the increase in tourist arrivals.

In line with their positive revenue outlook, the retail trade and recreation, community & personal services industries expect employment levels to increase as well.

Operating Revenue and Employment Forecast for 4th Quarter 2022

<p>Operating Receipts Forecast</p> <p>-9%</p>	<p>Wholesale Trade</p> 	<p>Employment Forecast</p> <p>-1%</p>	<p>Operating Receipts Forecast</p> <p>35%</p>	<p>Retail Trade</p> 	<p>Employment Forecast</p> <p>36%</p>
<p>Operating Receipts Forecast</p> <p>11%</p>	<p>Transportation & Storage</p> 	<p>Employment Forecast</p> <p>17%</p>	<p>Operating Receipts Forecast</p> <p>54%</p>	<p>Accommodation</p> 	<p>Employment Forecast</p> <p>44%</p>
<p>Operating Receipts Forecast</p> <p>64%</p>	<p>Food & Beverage Services</p> 	<p>Employment Forecast</p> <p>30%</p>	<p>Operating Receipts Forecast</p> <p>7%</p>	<p>Information & Communications</p> 	<p>Employment Forecast</p> <p>18%</p>
<p>Operating Receipts Forecast</p> <p>4%</p>	<p>Finance & Insurance</p> 	<p>Employment Forecast</p> <p>3%</p>	<p>Operating Receipts Forecast</p> <p>5%</p>	<p>Real Estate</p> 	<p>Employment Forecast</p> <p>11%</p>
<p>Operating Receipts Forecast</p> <p>26%</p>	<p>Professional Services</p> 	<p>Employment Forecast</p> <p>26%</p>	<p>Operating Receipts Forecast</p> <p>2%</p>	<p>Administrative & Support Services</p> 	<p>Employment Forecast</p> <p>8%</p>
<p>Operating Receipts Forecast</p> <p>25%</p>	<p>Recreation, Community & Personal Services</p> 	<p>Employment Forecast</p> <p>14%</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 2022 survey was conducted from Sep to Oct 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 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 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.



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