

PRESS RELEASE

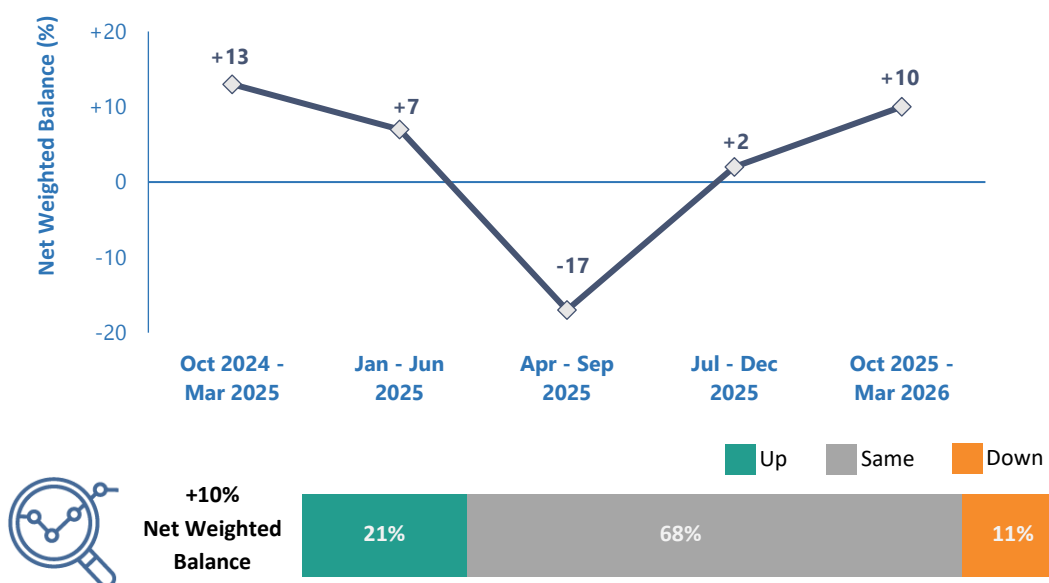
Business Expectations of the Services Sector Fourth Quarter 2025

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. The survey was conducted from Sep – mid Oct 2025.

GENERAL BUSINESS OUTLOOK (OCT 2025 – MAR 2026)

Business expectations among firms in Singapore's services sector remain positive for the period of Oct 2025 – Mar 2026. 21% of firms¹ are upbeat about business conditions while 11% foresee deteriorating business conditions, resulting in a net weighted balance of 10% of firms expecting a more favourable business outlook.

General Business Outlook for the Next 6 Months



OPERATING REVENUE FORECAST (OCT – DEC 2025)



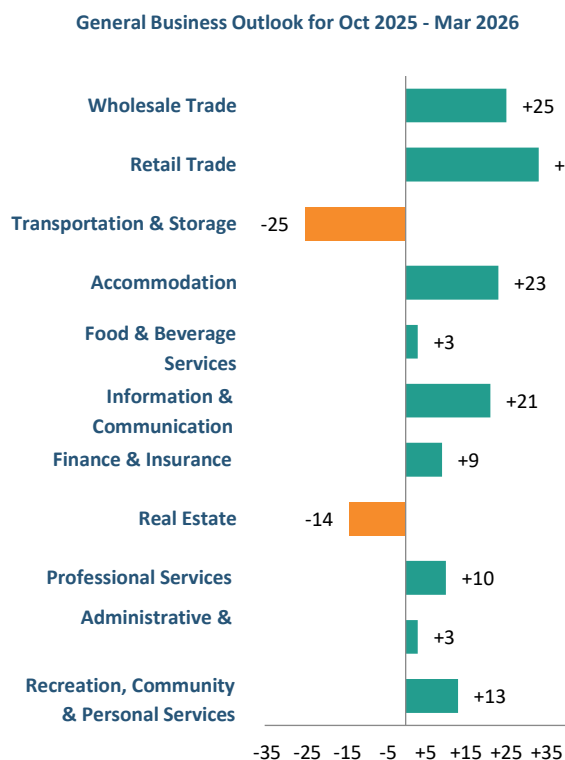
EMPLOYMENT FORECAST (OCT – DEC 2025)



¹Refers to weighted percentage of firms.

GENERAL BUSINESS OUTLOOK (OCT 2025 – MAR 2026)

Within the services sector, most industries express positive sentiments on their business conditions for the period of Oct 2025 – Mar 2026.



The Retail Trade industry expresses positive business sentiments for the period of Oct 2025 – Mar 2026 compared to Apr 2025 – Sep 2025. Supermarkets and retailers are optimistic due to upcoming festive periods such as Christmas, Chinese New Year, and the year-end school holidays.

Similarly, the Wholesale Trade industry is optimistic about its business outlook. In particular, wholesalers of the Computers, Computer Peripheral Equipment and Software sector anticipate sales from commercial sector upgrades due to Windows 11 migration and robust demand for Artificial Intelligence (AI)-enabled systems.

Hoteliers are optimistic on their industry outlook, anticipating growth from late 2025 to early 2026, driven by seasonal and event-driven demand (e.g., Formula 1, festive celebrations and corporate events).

Conversely, the Transportation & Storage industry expects more challenging business conditions from Oct 2025 to Mar 2026, primarily due to the Water Transport industry. Water transport firms anticipate continued challenges due to persistent oversupply of vessels and weakening cargo demand, leading to lower freight rates.

Likewise, the Real Estate industry is less upbeat in their business outlook for the period of Oct 2025 – Mar 2026 compared to Apr 2025 – Sep 2025. Firms are concerned that ongoing macroeconomic uncertainties and geopolitical tensions could dampen consumer confidence.

OPERATING REVENUE AND EMPLOYMENT FORECAST (OCT – DEC 2025)

The services sector, with a net weighted balance of 14% of firms, foresees higher revenue for the period of Oct – Dec 2025.

Firms in the Retail Trade industry foresee higher revenue for the fourth quarter of 2025 due to the year-end festive period.

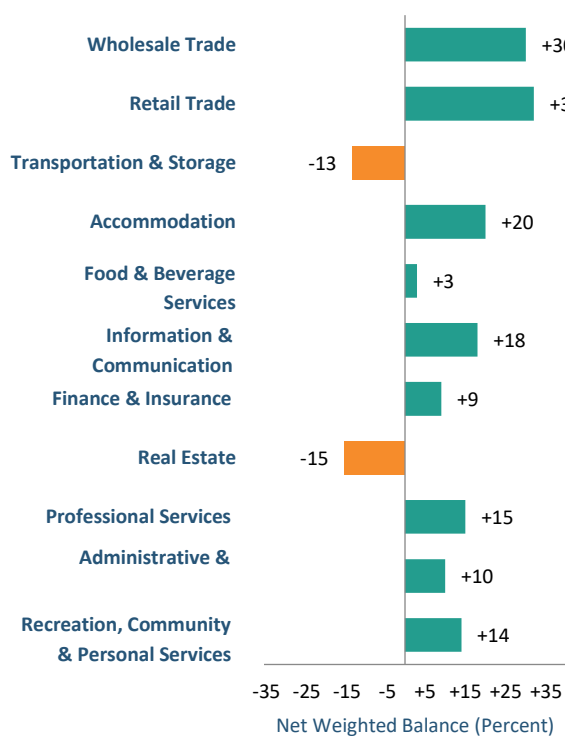
Similarly, the Wholesale Trade industry expects higher operating revenue mainly due to Wholesalers of Computers, Computer Peripheral Equipment and Software firms anticipating revenue growth from greater demand for AI offerings.

Most industries expect to increase their hiring activities for the period of Oct – Dec 2025, with a net weighted balance of 10%.

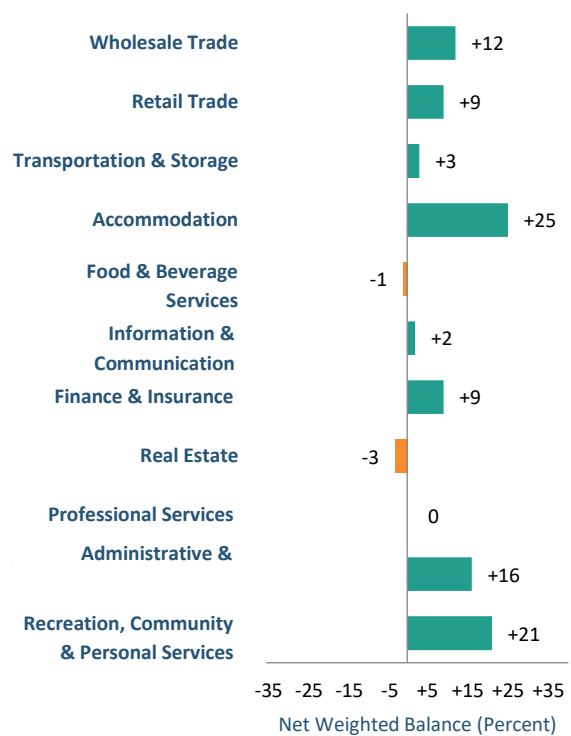
In line with their positive revenue outlook, firms within the Accommodation industry anticipate increased employment to meet the demand during the year-end period.

Likewise, the Recreation, Community & Personal Services industry expects an increase in hiring. Health Services firms anticipate an increase in employment to meet the rising demand for their services.

Operating Revenue Forecast for 4Q 2025



Employment Forecast for 4Q 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 4th quarter 2025 survey was conducted from September to October 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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For enquiries, please contact:

Mr Ghazali Mohamed

T (+65) 6835 8982 E Ghazali_Mohamed@singstat.gov.sg

Mr Kong Ming Yeow

T (+65) 6835 8915 E Kong_Ming_Yeow@singstat.gov.sg

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