DEPARTMENT OF STATISTICS SINGAPORE
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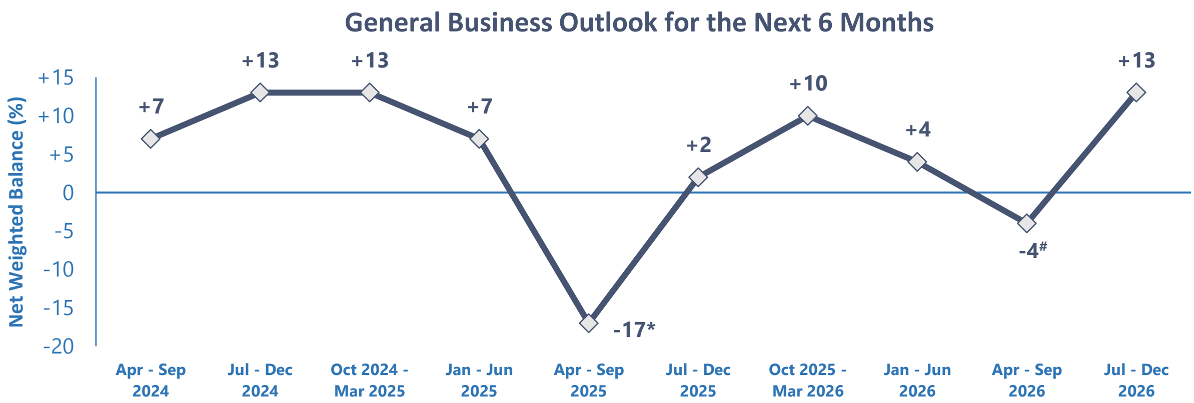
PRESS RELEASE

Business Expectations of the Services Sector Third Quarter 2026

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 2026)

The services sector in Singapore expects business conditions to be more favourable for the period of Jul - Dec 2026. 19% of firms[1] are upbeat about business conditions while 6% foresee deteriorating business conditions, resulting in a net weighted balance of 13% of firms expecting a more favourable business outlook.



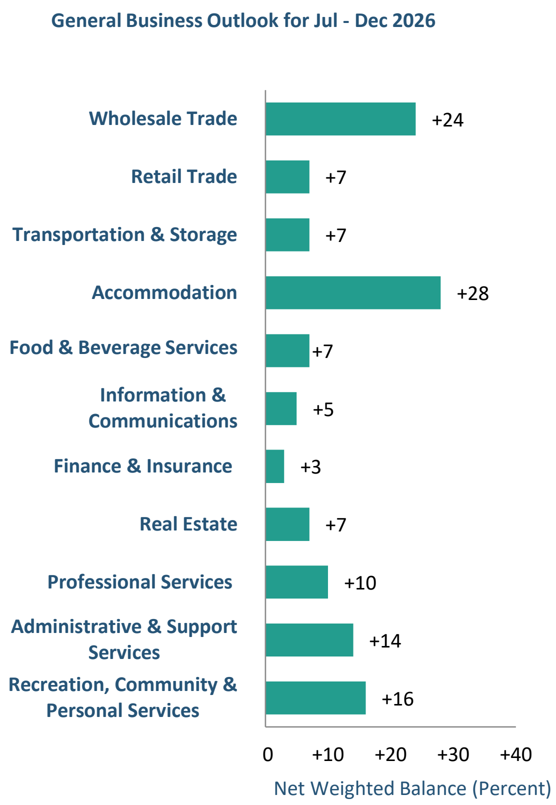
OPERATING REVENUE FORECAST (JUL – SEP 2026)

EMPLOYMENT FORECAST (JUL – SEP 2026)

[1] Refers to weighted percentage of firms.
* Following the announcement of US tariffs on 2 Apr 2025.
# Following the US-Israel-Iran conflict that began on 28 Feb 2026.

GENERAL BUSINESS OUTLOOK (JUL – DEC 2026)

Within the services sector, all industries expect business conditions to be more favourable for the period of Jul – Dec 2026.



The Accommodation industry expresses positive business sentiments for the period of Jul – Dec 2026. Hoteliers are optimistic due to major events like Formula 1, concerts, and seasonal travel demand, which are expected to boost visitor arrivals and occupancy rates.

The Wholesale Trade industry is optimistic about its business outlook. Wholesalers of Telecommunications & Computers expect enterprises to adopt Artificial Intelligence (AI) which will drive demand for AI-optimised servers, storage and networking solutions.

The Recreation, Community & Personal Services industry is also positive in its business outlook. Firms in the education and health services sectors attributed their favourable outlook to new pre-school openings, stronger demand for AI-related courses from training course providers, as well as steady healthcare demand.

The Administrative & Support Services industry is upbeat about its business outlook. Firms providing security services are seeing stronger demand from major events such as Formula 1 in the second half of 2026.

The Professional Services industry foresees favourable business conditions in the upcoming six months. Accounting firms expect a peak in audit engagements in the second half of the year, while advertising firms anticipate growing demand from clients with increased marketing activity ahead of the year-end festive season.

OPERATING REVENUE AND EMPLOYMENT FORECAST (JUL – SEP 2026)

All services industries foresee a positive operating revenue forecast for the period of Jul – Sep 2026, with a net weighted balance of 14% of firms expecting operating revenue to improve in the next three months.

The Accommodation industry anticipates higher spending stemming from tourist arrivals as well as higher occupancy rates in the next three months.

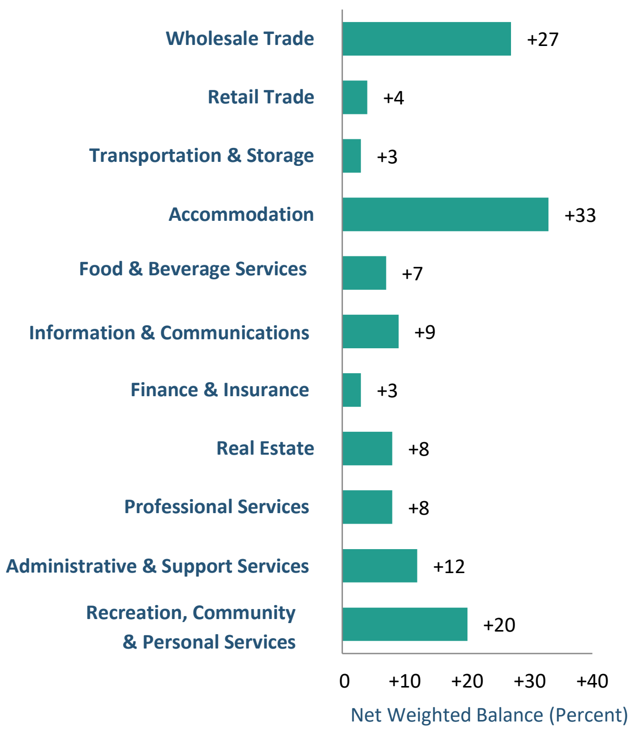
For the Wholesale Trade industry, global demand for AI-related products is expected to drive revenue growth for the period of Jul – Sep 2026.

Employment outlook is expected to be positive with a net weighted balance of 10%, for the period of Jul – Sep 2026.

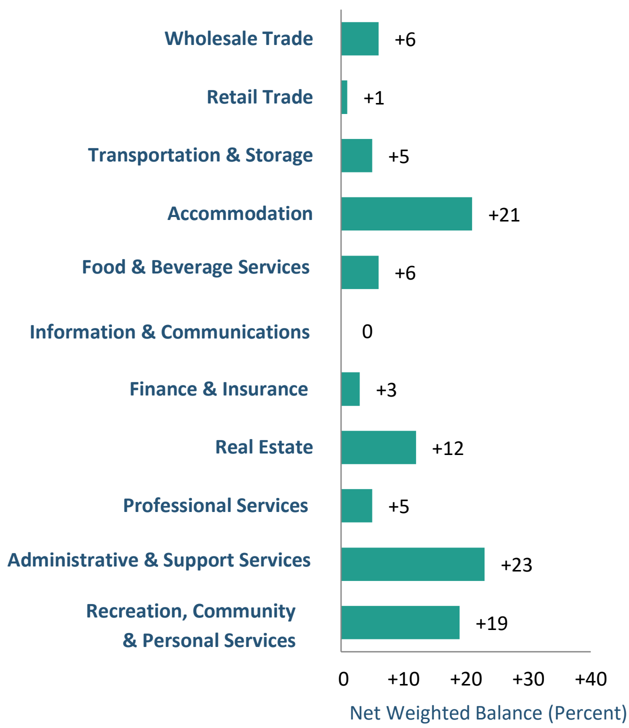
The Administrative & Support Services industry anticipates an increase in hiring activities from firms in the cleaning, landscape maintenance and security activities segments to meet the higher demand for their services.

Likewise, the Recreation, Community & Personal Services industry expects an increase in hiring to meet the higher demand for healthcare and childcare services.

Operating Revenue Forecast for 3Q 2026



Employment Forecast for 3Q 2026



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 2026 survey was conducted from Jun to Jul 2026. This survey aimed to obtain the business outlook for the immediate future of firms in the services sector.

Data Collection

The Business Expectations Survey (BES) covers about 1,600 enterprises in wholesale trade, retail trade, transportation & storage, accommodation, food & beverage services, information & communications, finance & insurance, real estate, professional services, administrative & support services and recreation, community & personal services. Firms that responded in each reference quarter accounted for about 70% of the operating revenue among all firms selected for the BES.

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 sectoral 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 https://www.singstat.gov.sg/find-data/explore-data-themes/industry/business-expectations/latest-news-data

or through the QR code below.

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