

PRESS RELEASE

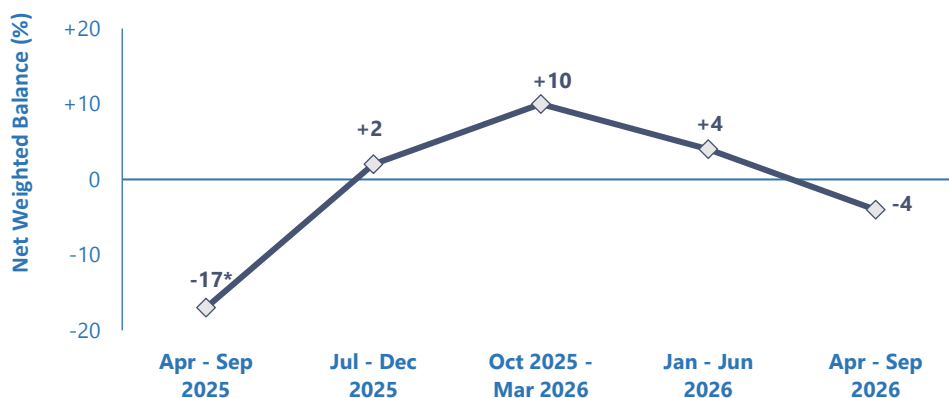
Business Expectations of the Services Sector Second Quarter 2026

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. This quarter's survey incorporated business sentiments following the US-Israel-Iran conflict that began on 28 Feb 2026.

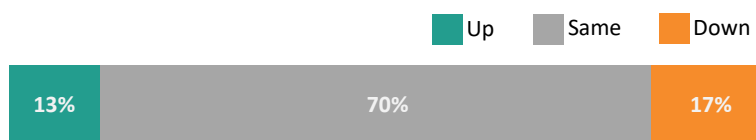
GENERAL BUSINESS OUTLOOK (APR - SEP 2026)

The services sector in Singapore expects business conditions to be less favourable for the period of Apr - Sep 2026. 13% of firms¹ are upbeat about business conditions while 17% foresee deteriorating business conditions, resulting in a net weighted balance of 4% of firms expecting a less favourable business outlook.

General Business Outlook for the Next 6 Months



-4%
Net Weighted
Balance

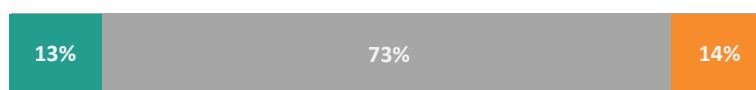


■ Up ■ Same ■ Down

OPERATING REVENUE FORECAST (APR – JUN 2026)



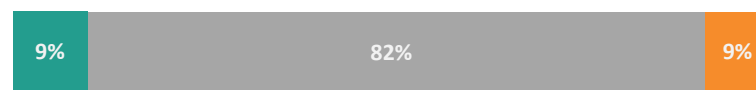
-1%
Net Weighted
Balance



EMPLOYMENT FORECAST (APR – JUN 2026)



0%
Net Weighted
Balance

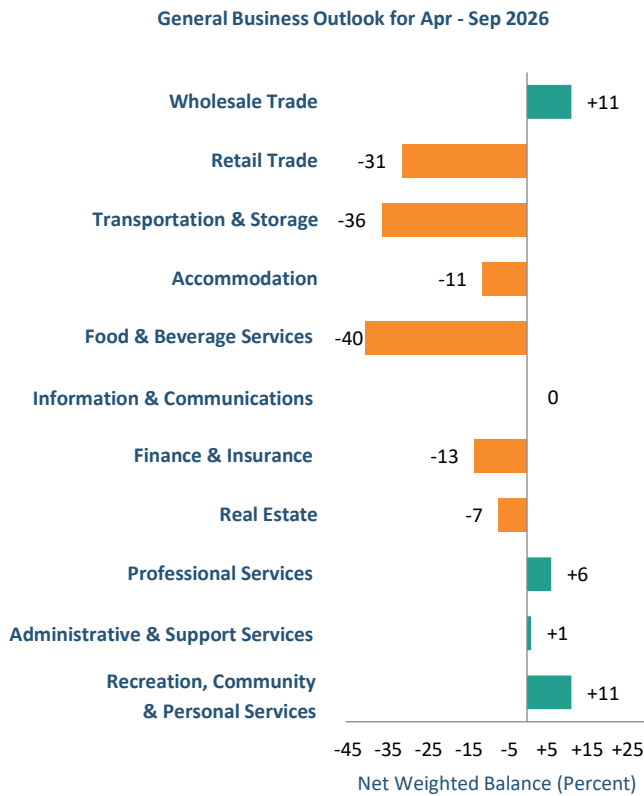


¹Refers to weighted percentage of firms.

* Following the announcement of US tariffs on 2 Apr 2025.

GENERAL BUSINESS OUTLOOK (APR – SEP 2026)

Within the services sector, most industries expect business conditions to be less favourable for the period of Apr – Sep 2026.



The Food & Beverage Services industry anticipates the business situation to be less promising for the period of Apr – Sep 2026 due to fewer festive events (e.g., Christmas, Chinese New Year) as compared to Oct 2025 – Mar 2026. The industry also expects customers to cut back on spending in view of rising prices and the uncertain economic outlook.

Likewise, the Transport & Storage industry foresees more challenging business conditions in the upcoming six months. Water transport firms are pessimistic in their outlook due to persistent overcapacity, leading to lower freight rates. Geopolitical tensions have also further dampened market confidence.

The Retail Trade industry also expects business conditions to be more challenging for the period of Apr – Sep 2026 due to fewer festive events. Outlook is further weighed down by industry concerns that ongoing geopolitical tensions in the Middle East may dampen tourism and consumer spending.

Conversely, the Wholesale Trade industry is optimistic about its business outlook. In particular, wholesalers of Computers, Computer Peripheral Equipment and Software anticipate sustained demand for Artificial Intelligence (AI)-related products, supported by growing adoption of AI solutions and increased demand for scalable storage.

The Recreation, Community & Personal Services industry is also positive in its business outlook. Within the industry, childcare centres and health services providers anticipate higher demand for their services for the period of Apr – Sep 2026.

OPERATING REVENUE AND EMPLOYMENT FORECAST (APR – JUN 2026)

Most services industries foresee a weaker operating revenue forecast for the period of Apr – Jun 2026, with a net weighted balance of 1% of firms expecting operating revenue to deteriorate in the next three months.

The Retail Trade industry had the least favourable operating revenue outlook, anticipating lower spending by tourists and local consumers in the next three months.

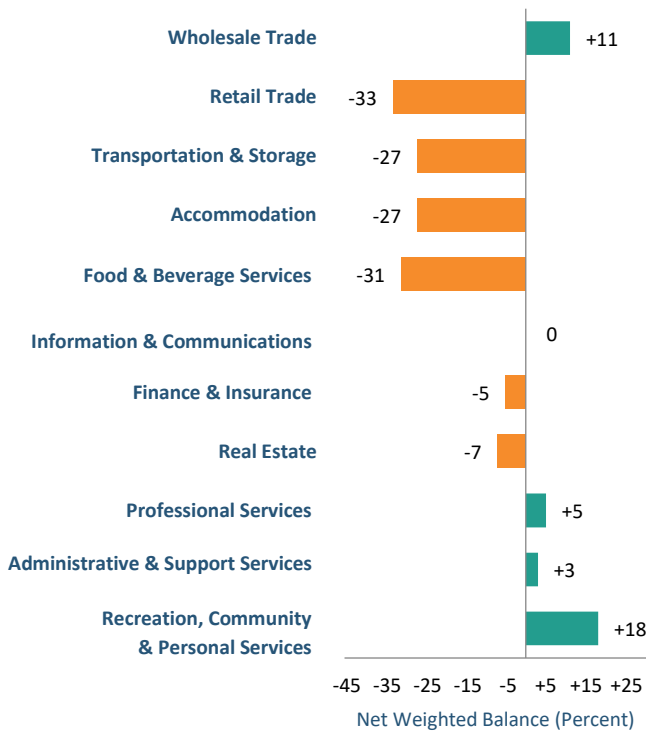
In contrast, firms in the Recreation, Community & Personal Services industry anticipate higher operating revenue. In particular, healthcare and childcare service providers expect more demand for their services for the period of Apr – Jun 2026.

Employment outlook is expected to be unchanged with a net weighted balance of 0%, for the period of Apr–Jun 2026.

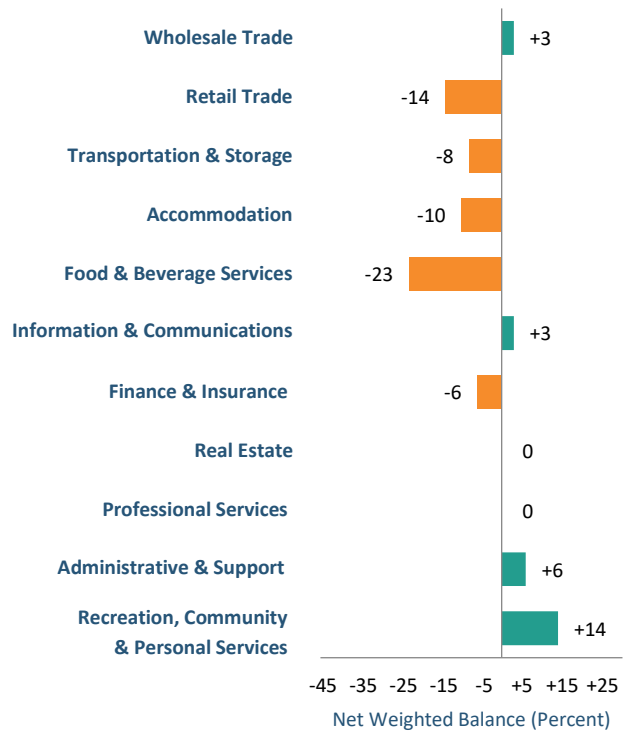
The Food & Beverage Services industry had the least favourable employment outlook, with anticipated lower hiring activities in Apr- Jun 2026 as compared to the preceding three months when Chinese New Year was celebrated.

Conversely, 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 2Q 2026



Employment Forecast for 2Q 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 2nd quarter 2026 survey was conducted from Mar 2026 to Apr 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 1,500 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. 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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