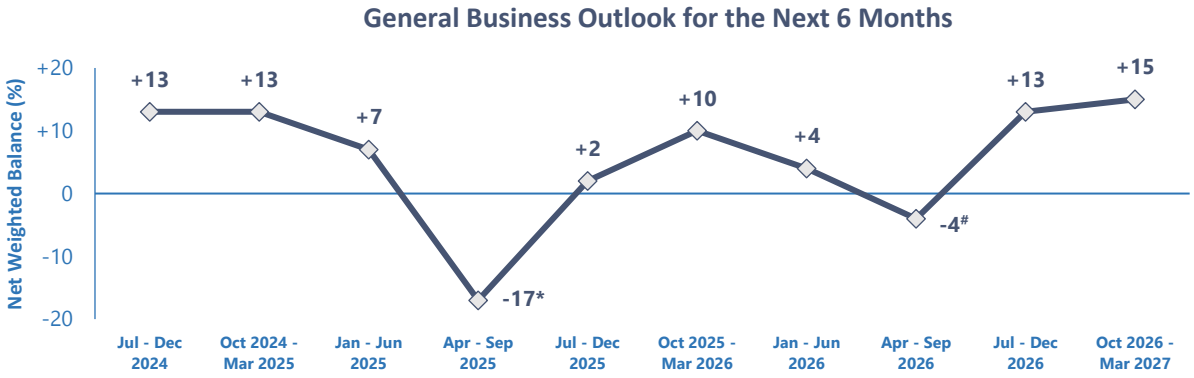
PRESS RELEASE

Business Expectations of the Services Sector
Fourth 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 (OCT 2026 - MAR 2027)

The services sector in Singapore expects business conditions to be more favourable for the period of Oct 2026 - Mar 2027. 21% of firms[1] are upbeat about business conditions while 6% foresee weaker business conditions, resulting in a net weighted balance of 15% of firms expecting a more favourable business outlook.





OPERATING REVENUE FORECAST (OCT – DEC 2026)



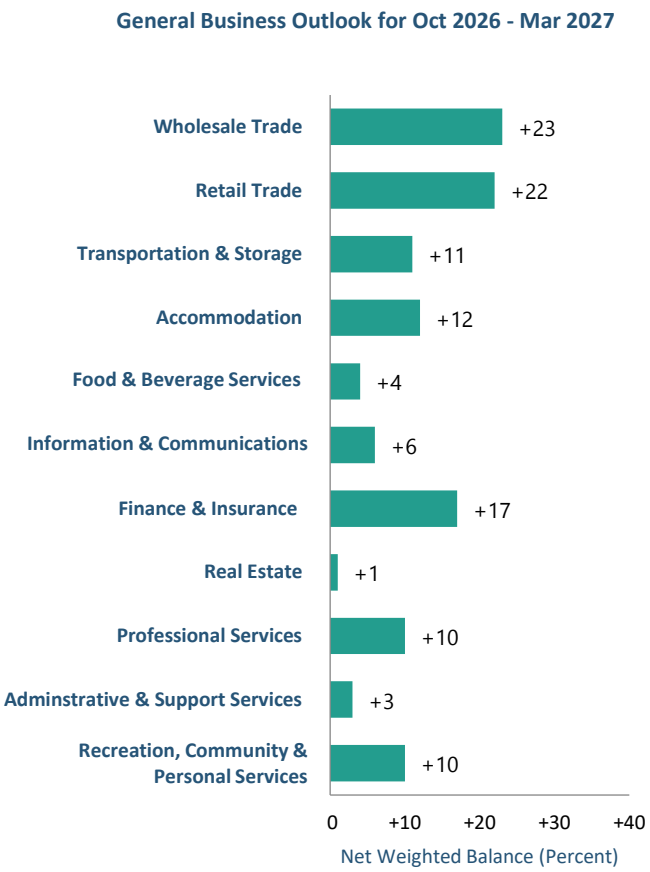
EMPLOYMENT FORECAST (OCT – DEC 2026)



[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 (OCT 2026 – MAR 2027)

Within the services sector, all industries expect business conditions to be more favourable for the period of Oct 2026 – Mar 2027.



The Wholesale Trade industry is optimistic about its business outlook for the period of Oct 2026 – Mar 2027. Wholesalers of Telecommunications & Computers expect strong demand for Artificial Intelligence (AI)-related computing infrastructure, servers and data storage solutions.

Similarly, the Retail Trade industry is optimistic about its business outlook. Supermarkets and retailers expect stronger consumer spending during the Christmas and Chinese New Year festive periods in the next 6 months.

The Finance & Insurance industry is positive in its business outlook. Banks expect resilient banking activities, continued wealth inflows and demand for financial products. Payment services firms expect higher transaction volumes during the upcoming festive period and sustained cross-border spending to drive growth.

The Accommodation industry is optimistic, driven by expectations of stronger tourism demand during the year-end festive season. Hoteliers anticipate higher hotel occupancy rates, driven by major events such as the Formula 1 Singapore Grand Prix, concerts and festive celebrations.

The Transportation & Storage industry is upbeat about its business outlook. Water Transport firms expect higher cargo volumes during the year-end period and sustained freight rates amid shipping capacity constraints and geopolitical disruptions.

OPERATING REVENUE AND EMPLOYMENT FORECAST (OCT – DEC 2026)

All services industries foresee a positive operating revenue forecast for the period of Oct – Dec 2026, with a net weighted balance of 16% of firms expecting operating revenue to improve in the next three months.

Employment outlook is expected to be positive with a net weighted balance of 11%, for the period of Oct – Dec 2026.

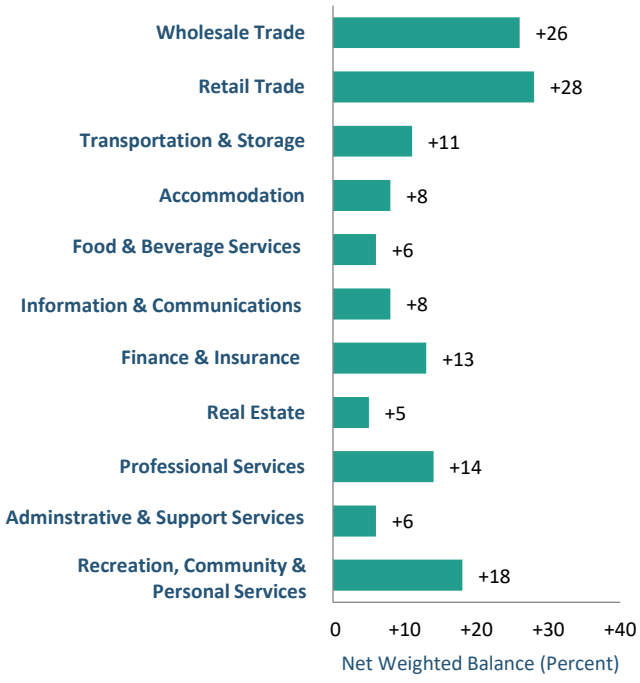
Firms in the Retail Trade industry anticipate higher revenue for the final quarter of 2026 driven by year-end festive spending.

The Retail Trade and Accommodation industries expect an increase in hiring during the year-end festive season to support the expected increase in operational activities.

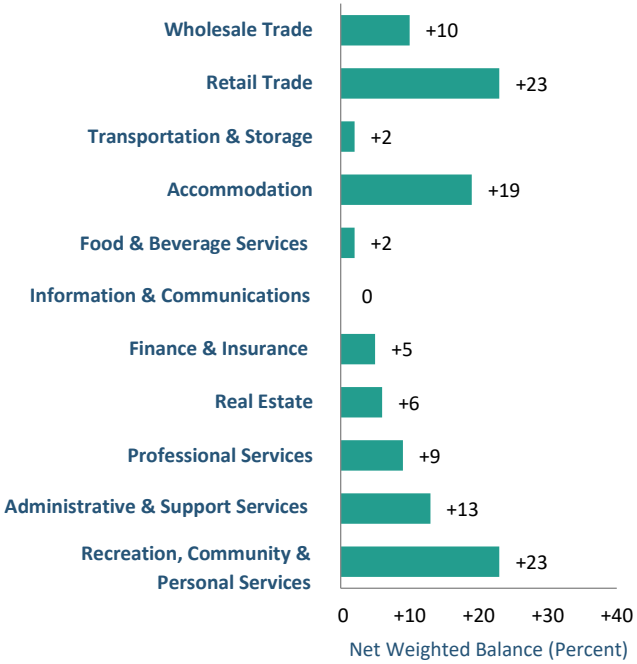
The Wholesale Trade industry also expects higher revenue from strong demand for AI-related products.

Likewise, firms in the Recreation, Community & Personal Services industry anticipate increased hiring, particularly among training course providers and childcare centres, to meet the rising demand for their services.

Operating Revenue Forecast for 4Q 2026



Employment Forecast for 4Q 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 4th quarter 2026 survey was conducted from Sep to Oct 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.

Singapore Department of Statistics
02 Nov 2026

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