

Contact:  
 Matthias Chen, Strategy & Transformation  
 Matthias.Chen@dnb.com.sg  
 +65 6439 6670  
 +65 9478 5568

**FOR IMMEDIATE RELEASE**

**Slight moderation in local business sentiment for Q3 2022 amid global economic slowdown and geo-political uncertainties**  
*Outlook for construction and transportation improves*  
**- Singapore Commercial Credit Bureau**

**Singapore, 14 June 2022** – Local business sentiment has moderated for the second consecutive quarter in Q3 2022. According to Singapore Commercial Credit Bureau (SCCB) - a subsidiary under Credit Bureau Asia (CBA) Limited, a credit and risk information solutions provider in Southeast Asia, Business Optimism Index (BOI) slid further, down from +5.35 percentage points in Q2 2022 to +5.10 percentage points in Q3 2022. On a year-on-year (y-o-y) basis, BOI rebounded from +4.07 percentage points in Q3 2021 to +5.10 percentage points in Q3 2022.

As with Q2 2022, 5 of six indicators are expansionary in Q3 2022.

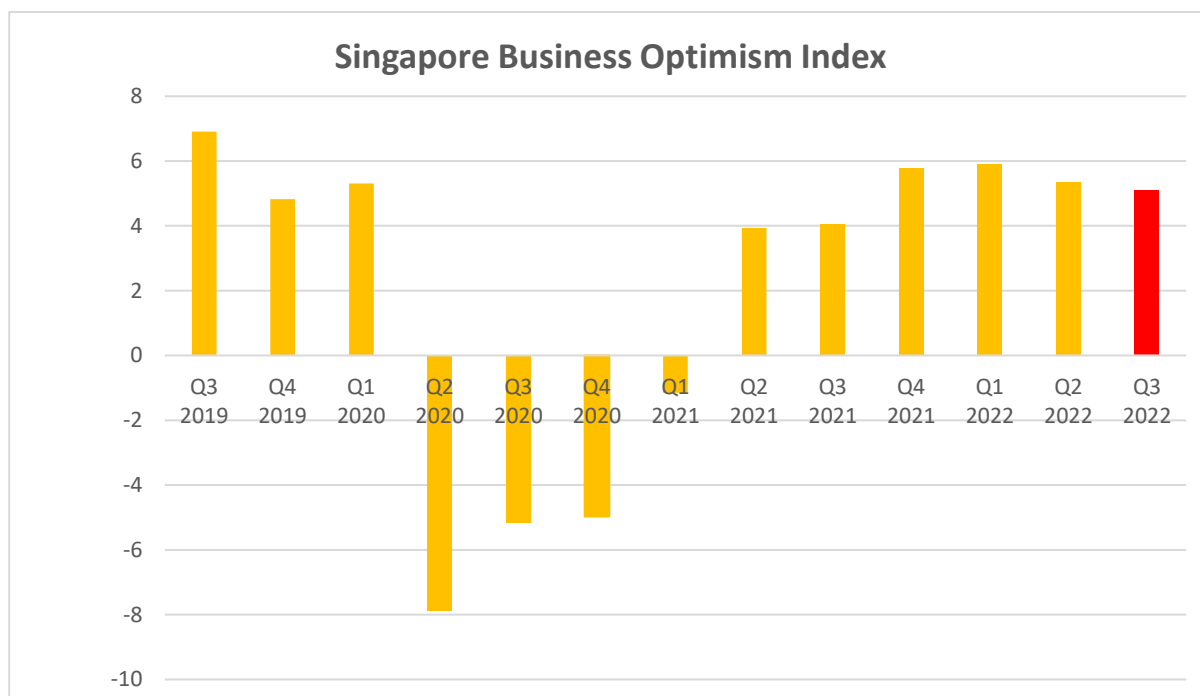


Figure 1. Overall Business Optimism Score, Q3 2019 – Q3 2022

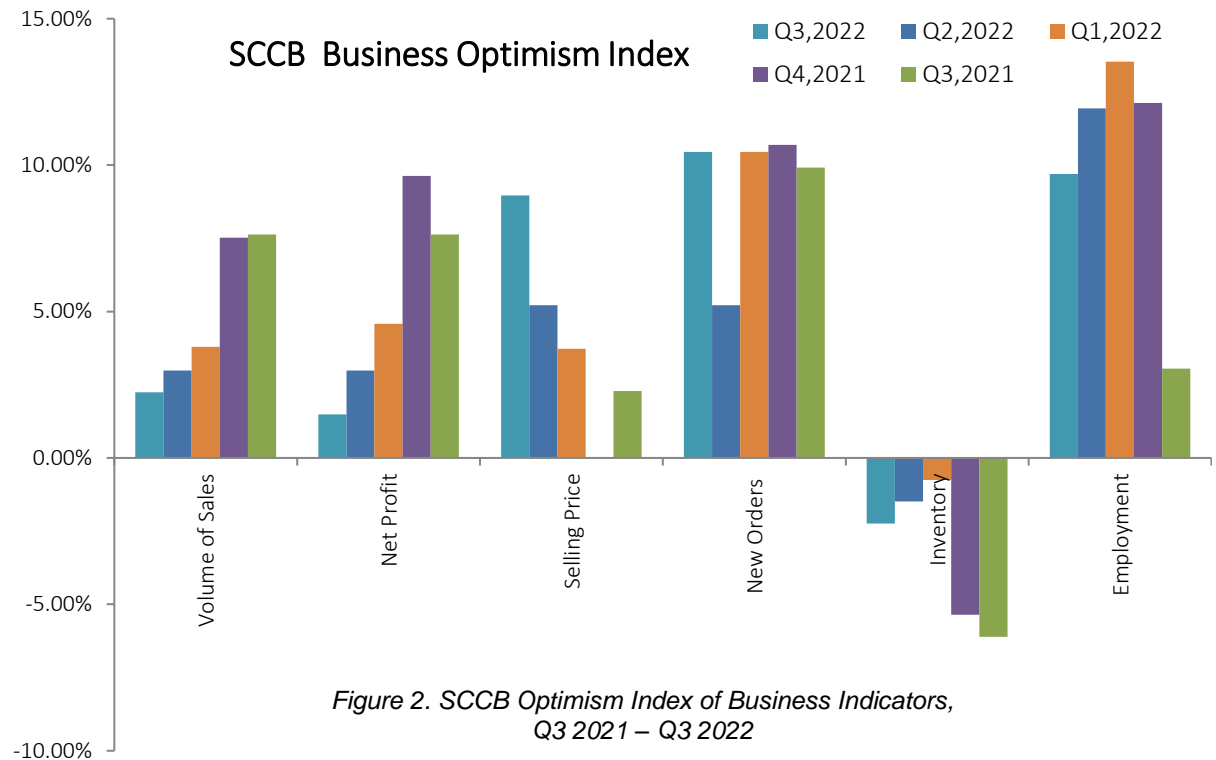
**Point Commentary**

According to SCCB, 2 of six indicators have experienced improvements on a q-o-q basis as compared to only one indicator in Q2 2022.

- ❖ Volume of sales moderated further from +2.99 percentage points in Q2 2022 to +2.24 percentage points in Q3 2022.
- ❖ Net profits fell from +2.99 percentage points in Q2 2022 to +1.49 percentage points in Q3 2022.
- ❖ Selling price increased from +5.22 percentage points in Q2 2022 to +8.96 percentage points in Q3 2022.
- ❖ New orders jumped from +5.22 percentage points in Q2 2022 to +10.45 percentage points in Q3 2022.
- ❖ Inventory levels remained contractionary, down from -1.49 percentage points in Q2 2022 to -2.24 percentage points in Q3 2022.
- ❖ Employment levels dipped slightly from +11.94 percentage points in Q2 2022 to +9.70 percentage points in Q3 2022.

On a y-o-y basis, 4 of six indicators have improved in Q3 2022.

- ❖ Volume of sales moderated strongly from +7.63 percentage points in Q3 2021 to +2.24 percentage points in Q3 2022.
- ❖ Net profit fell from +7.63 percentage points in Q3 2021 to +1.49 percentage points in Q3 2022.
- ❖ Selling price rose from +2.29 percentage points in Q3 2021 to +8.96 percentage points in Q3 2022.
- ❖ New orders climbed from +9.92 percentage points in Q3 2021 to +10.45 percentage points in Q3 2022.
- ❖ Inventory levels increased from -6.11 percentage points in Q3 2021 to -2.24 percentage points in Q3 2022.
- ❖ Employment levels jumped from +3.05 percentage point in Q3 2021 to +9.70 percentage points in Q3 2022.



### **Key Highlights for Q3 2022 Sectoral Outlook**

Both financial and manufacturing sectors are most optimistic while the outlook for the construction and transportation sectors has improved in Q3 2022.

#### **Financial**

The financial sector remains upbeat with all six indicators in positive territory.

- ❖ Both volume of sales and net profit moderated from +21.43 percentage points in Q2 2022 to +14.29 percentage points in Q3 2022.
- ❖ Both selling price and new orders remains expansionary at +23.08 percentage points in Q3 2022.
- ❖ Inventory levels remained expansionary at +7.69 percentage points in Q3 2022.
- ❖ Employment levels moderated from +61.54 percentage points in Q2 2022 to +46.15 percentage points in Q3 2022.

#### **Manufacturing**

The manufacturing sector is relatively most upbeat with all 6 indicators in the positive territory.

- ❖ Both volume of sales and net profit rose from +3.70 percentage points in Q2 2022 to +7.41 percentage points in Q3 2022.
- ❖ Selling price remains expansionary at +3.70 percentage points in Q3 2022.
- ❖ New orders jumped from +3.70 percentage points in Q2 2022 to +11.11 percentage points in Q3 2022.
- ❖ Inventory levels remained expansionary at +7.41 percentage points in Q3 2022.
- ❖ Employment levels moderated from +18.52 percentage points in Q2 2022 to +14.82 percentage points in Q3 2022.

#### **Services**

The outlook for the services sector has moderated slightly with 5 of six indicators in positive territory.

- ❖ Volume of sales, net profit and employment levels moderated further from +6.82 percentage points in Q2 2022 to +4.55 percentage points in Q3 2022.
- ❖ Both selling price and new orders rebounded from the contractionary zone, up from -2.27 percentage points in Q2 2022 to +4.55 percentage points in Q3 2022.
- ❖ Inventory levels fell into the negative zone, down from +6.82 percentage points in Q2 2022 to -6.82 percentage points in Q3 2022.

#### **Transportation**

Sentiments within the transportation sector improved further with 4 of six indicators in positive territory.

- ❖ Volume of sales rose from +8.33 percentage points in Q2 2022 to +16.67 percentage points in Q3 2022.
- ❖ Net profit moderated from +8.33 percentage points in Q2 2022 to 0 percentage point in Q3 2022.
- ❖ Selling price rose from +16.67 percentage points in Q2 2022 to +25.0 percentage points in Q3 2022.
- ❖ New orders rose from +16.67 percentage points in Q2 2022 to +33.33 percentage points in Q3 2022.
- ❖ Inventory levels remain unchanged at 0 percentage point in Q3 2022.
- ❖ Employment levels remained expansionary at +16.67 percentage points in Q3 2022.

### **Construction**

The outlook for the construction sector improved with 4 indicators in positive territory.

- ❖ Volume of sales rose from 0 percentage point in Q2 2022 to +7.69 percentage points in Q3 2022.
- ❖ Both net profit and inventory levels remained unchanged at 0 percentage point in Q3 2022.
- ❖ Both selling price and new orders remained expansionary at +23.08 percentage points in Q3 2022.
- ❖ Employment levels rose from 0 percentage point in Q2 2022 to +7.69 percentage points in Q3 2022.

### **Wholesale**

Sentiments within the wholesale sector remained cautiously optimistic with 3 indicators in positive territory.

- ❖ Both volume of sales and net profits remained expansionary at +6.67 percentage points in Q3 2022.
- ❖ Selling price rose from 0 percentage point in Q2 2022 to +6.67 percentage points in Q3 2022.
- ❖ New orders, inventory and employment levels remained unchanged at 0 percentage point in Q3 2022.

### **Mining**

As with Q2 2022, the mining sector is most downbeat with all indicators in the negative zone.

- ❖ Volume of sales and net profit remained contractionary at -60.0 percentage points in Q3 2022.
- ❖ Selling price is contractionary at -40.0 percentage points in Q3 2022.
- ❖ New orders rose from -40.0 percentage points in Q2 2022 to -20.0 percentage points in Q3 2022.
- ❖ Inventory and employment levels remained contractionary at -20.0 percentage points and -40.0 percentage points respectively in Q3 2022.

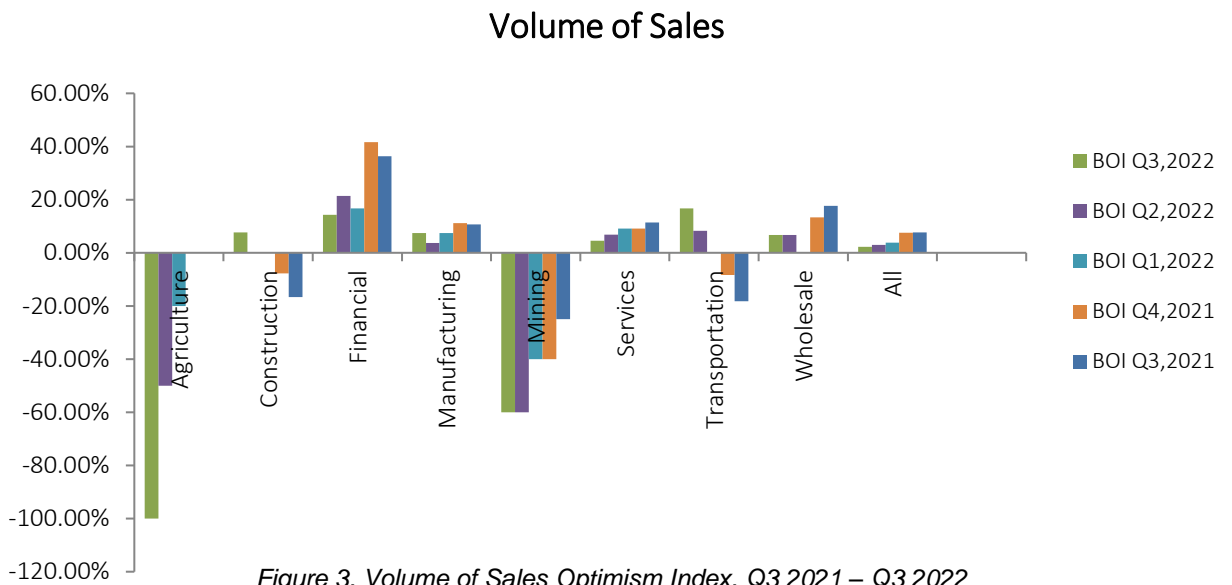
The Ministry of Trade and Industry (MTI) has maintained its GDP growth forecast for 2022 to be at the lower half of the forecast range between +3.0 per cent to +5.0 per cent.

“The overall outlook for local businesses remain optimistic although we are seeing further moderation for Q3 2022. Both transportation and construction sectors are expecting a brighter outlook due largely to a boost in tourist arrivals as well and higher demand for construction projects. However, the global uncertainties surrounding the Russia-Ukraine conflict as well as China’s slower GDP growth are expected to weigh on sentiments in the coming months. The outward-oriented sectors such as wholesale trade is also likely to face external headwinds in the near-term.” said Ms. Audrey Chia, SCCB’s Chief Executive Officer.

**Overview of Business Indicators**

**Volume of Sales**

Volume of sales moderated to +2.24 percentage points (compared to +2.99 percentage points in Q2 2022). The transportation sector (net +16.67 percentage points) is most optimistic, followed by financial (net +14.29 percentage points), construction (net +7.69 percentage points), manufacturing (net +7.41 percentage points), wholesale (net +6.67 percentage points) and services (net +4.55 percentage points). Both agriculture (net -100.0 percentage points) and mining (net -60.0 percentage points) are most downbeat about volume of sales.



**Net Profit**

Net profit moderated to +1.49 percentage points (compared to +2.99 percentage points in Q2 2022). The financial sector is most upbeat (net +14.29 percentage points), followed by manufacturing (net +7.41 percentage points), wholesale (net +6.67 percentage points) and services (net +4.55 percentage points) sectors. Both construction and transportation sectors (net 0 percentage point) have anticipated net profit to remain unchanged. The remaining sectors – mining (net -60.0 percentage points) and agriculture (net -50.0 percentage points) are downbeat about net profit.

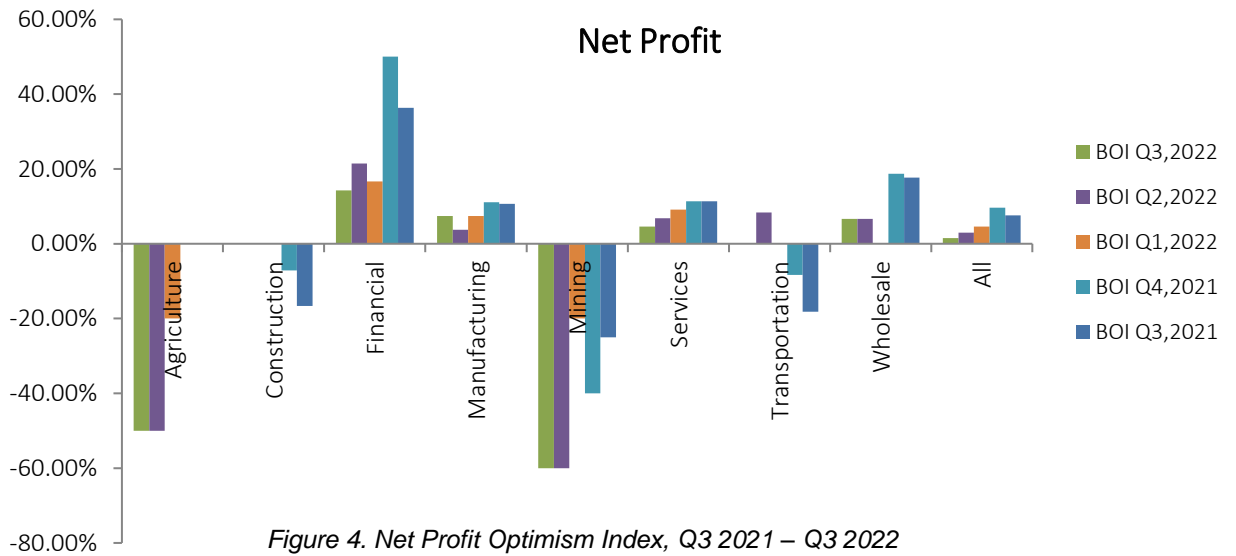


Figure 4. Net Profit Optimism Index, Q3 2021 – Q3 2022

**Selling Price**

Selling price rose to +8.96 percentage points (compared to +5.22 percentage points in Q2 2022). The transportation sector (net +25.0 percentage points) is most upbeat, followed by construction and financial sectors (net +23.08 percentage points), agriculture (net +20.0 percentage points), wholesale (net +6.67 percentage points), services (net +4.55 percentage points) and manufacturing (net +3.70 percentage points). The mining sector (net -40.0 percentage points) is downbeat about selling price.

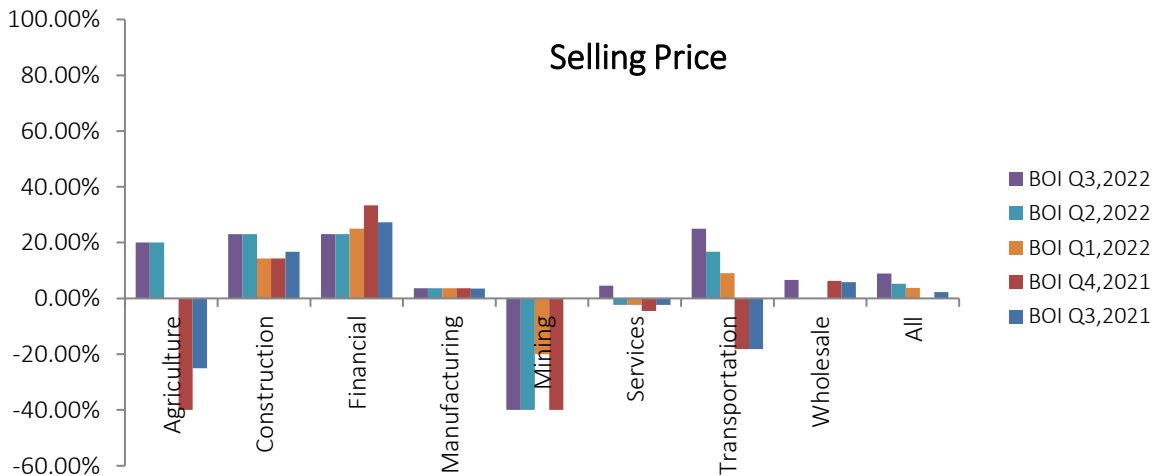


Figure 5. Selling Price Optimism Index, Q3 2021 – Q3 2022

**New Orders**

New orders rose to +10.45 percentage points (compared to +5.22 percentage points in Q2 2022). The transportation sector (net +33.33 percentage points) is most upbeat, followed by construction and financial sectors (net +23.08 percentage points), manufacturing (net +11.11 percentage points) and services (net +4.55 percentage points). Both agriculture and wholesale sectors (net 0 percentage point) has anticipated new orders to remain unchanged. The mining sector (net -20.0 percentage points) is downbeat about new orders.

**New Orders (All Sectors)**

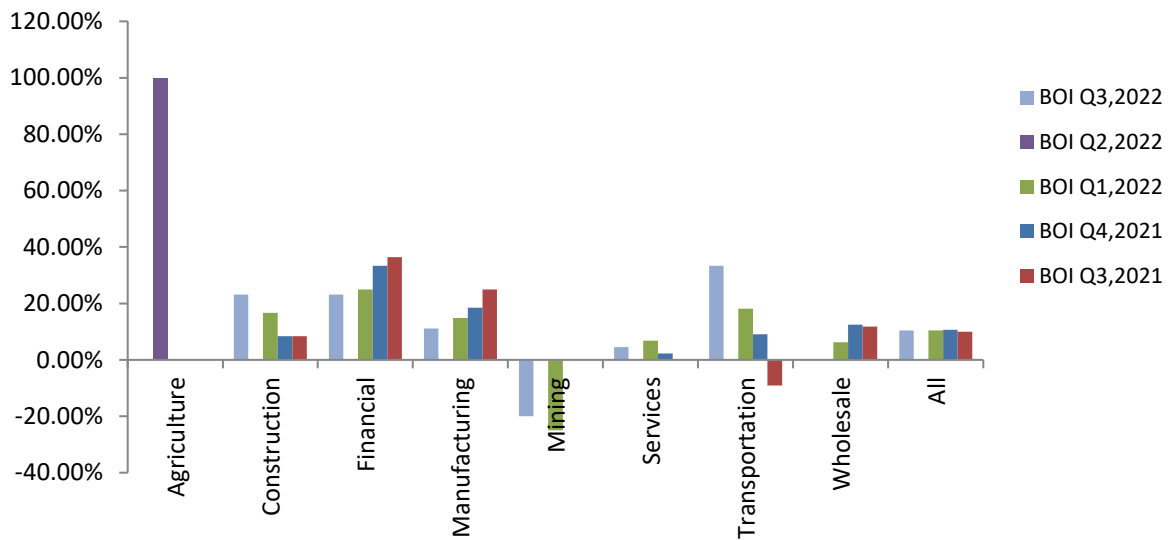


Figure 6. New Orders Optimism Index, Q3 2021 – Q3 2022

**Inventory Levels**

Inventory levels decreased to -2.24 percentage points (compared to -1.49 percentage points in Q2 2022). Both financial (net +7.69 percentage points) and manufacturing sectors (net +7.41 percentage points) are most upbeat. The construction, transportation and wholesale sectors (net 0 percentage point) have expected inventory levels to remain unchanged. The remaining sectors are downbeat about inventory levels – services (net -6.82 percentage points), mining (net -20.0 percentage points) and agriculture (net -40.0 percentage points).

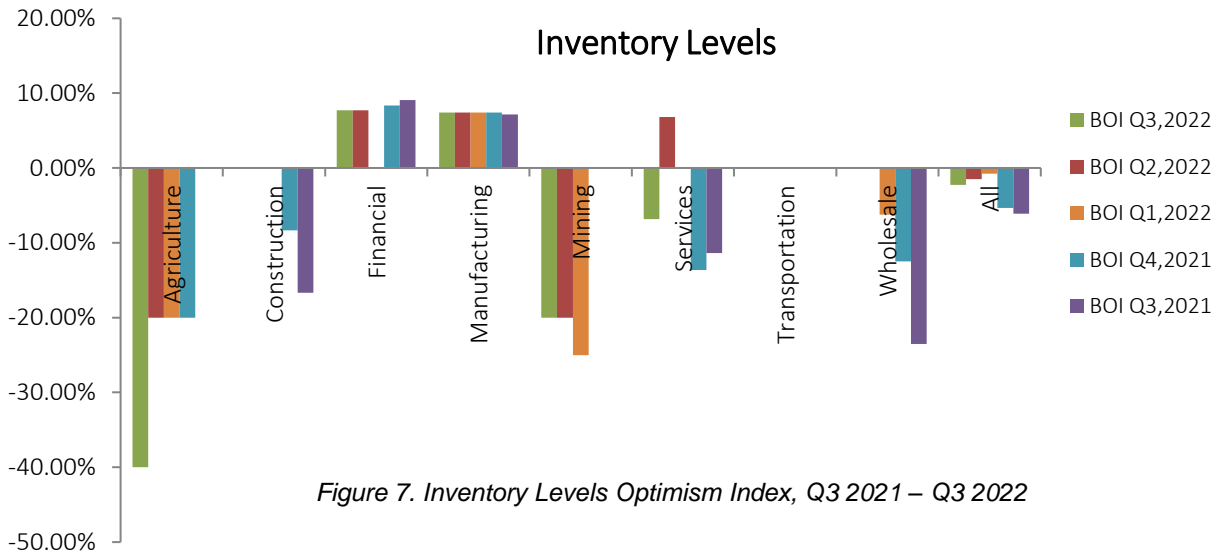


Figure 7. Inventory Levels Optimism Index, Q3 2021 – Q3 2022

**Employment**

Employment levels dipped slightly to +9.70 percentage points (compared to +11.94 percentage points in Q2 2022). The financial sector (net +46.15 percentage points) is most upbeat, followed by transportation (net +16.67 percentage points), manufacturing (net +14.82 percentage points), construction (net +7.69 percentage points) and services (net +4.55 percentage points). Both agriculture and wholesale (net 0 percentage point) have anticipated employment to remain unchanged. The mining sector (net -40.0 percentage points) is downbeat about employment.

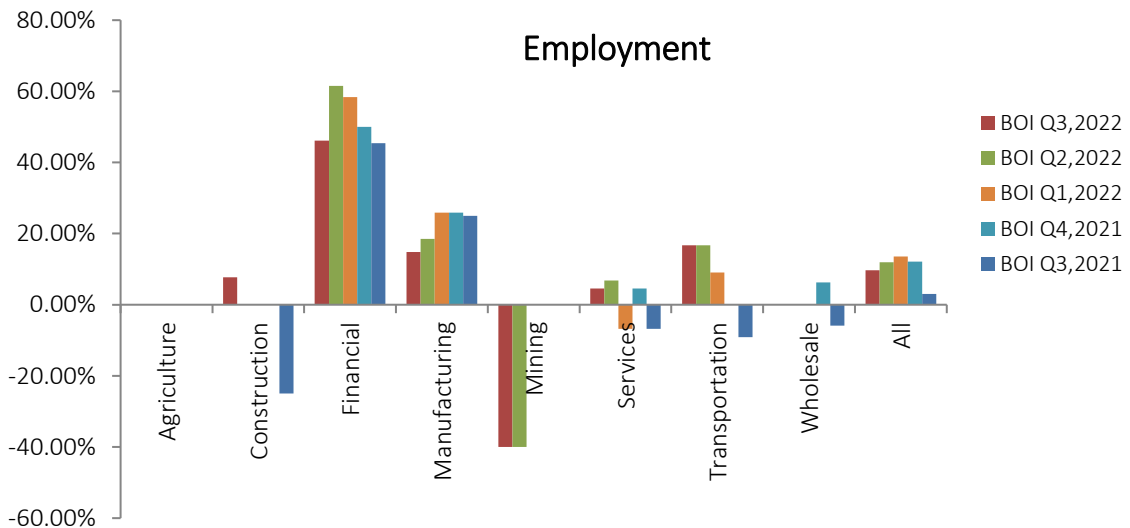


Figure 8. Employment Optimism Index, Q3 2021 – Q3 2022



**Commentary**

The SCCB Business Optimism Index (BOI) is a measure of business confidence in the economy. Released quarterly, it is based on a business sentiment survey that is designed to capture business expectations and is one of the most effective ways to track how the business community perceives the business environment, and where they think it is moving. This is commonly used, worldwide, to assist in analyzing major trends and issues concerning the business community through tracking business parameters including net profits, selling prices, new orders, inventory levels, and employee count.

**About the Survey**

Singapore Commercial Credit Bureau conducts latest Business Expectations Surveys every quarter. Each quarter, 200 business owners and senior executives representing major industry sectors across Singapore are asked if they expect increases, decreases or no changes in their upcoming quarterly Sales, Profits, Employment, New Orders, Inventories and Selling Prices.

Note: The index figures used in the survey represent the net percentage of survey respondents expecting higher sales, profits, etc., compared with the same quarter of the previous year. The indices are calculated by subtracting the percentage of respondents expecting decreases from the percentage expecting increases.

**About Singapore Commercial Credit Bureau**

Established in 2005, Singapore Commercial Credit Bureau (SCCB) operates a database of local enterprises and their credit history to provide clients with the insight needed to build trust and improve the quality of business relationships with their customers, suppliers and business partners. SCCB operates under D&B Singapore.

For more information, please visit, [www.sccb.sg](http://www.sccb.sg)

**Contact Information**

**Matthias Chen**

**Marketing, Strategy & Transformation**

**DID: +65 6439 6670**

**HP: +65 9478 5568**

**Email: [Matthias.Chen@dnb.com.sg](mailto:Matthias.Chen@dnb.com.sg)**