

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

FOR IMMEDIATE RELEASE

Local business sentiment rose further in Q3 2024
Wholesale sector saw slight improvements in optimism levels
- Singapore Commercial Credit Bureau

Singapore, 10 June 2024 – Local business sentiment has remained on an uptrend for the fourth consecutive quarter in Q3 2024. 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) rose moderately for the fourth consecutive quarter in Q3 2024, from +4.82 percentage points in Q2 2024 to +4.94 percentage points in Q3 2024. On a year-on-year (y-o-y) basis, BOI rose from +3.98 percentage points in Q3 2023 to +4.94 percentage points in Q3 2024.

As with Q2 2024, 5 of six indicators are expansionary in Q3 2024.

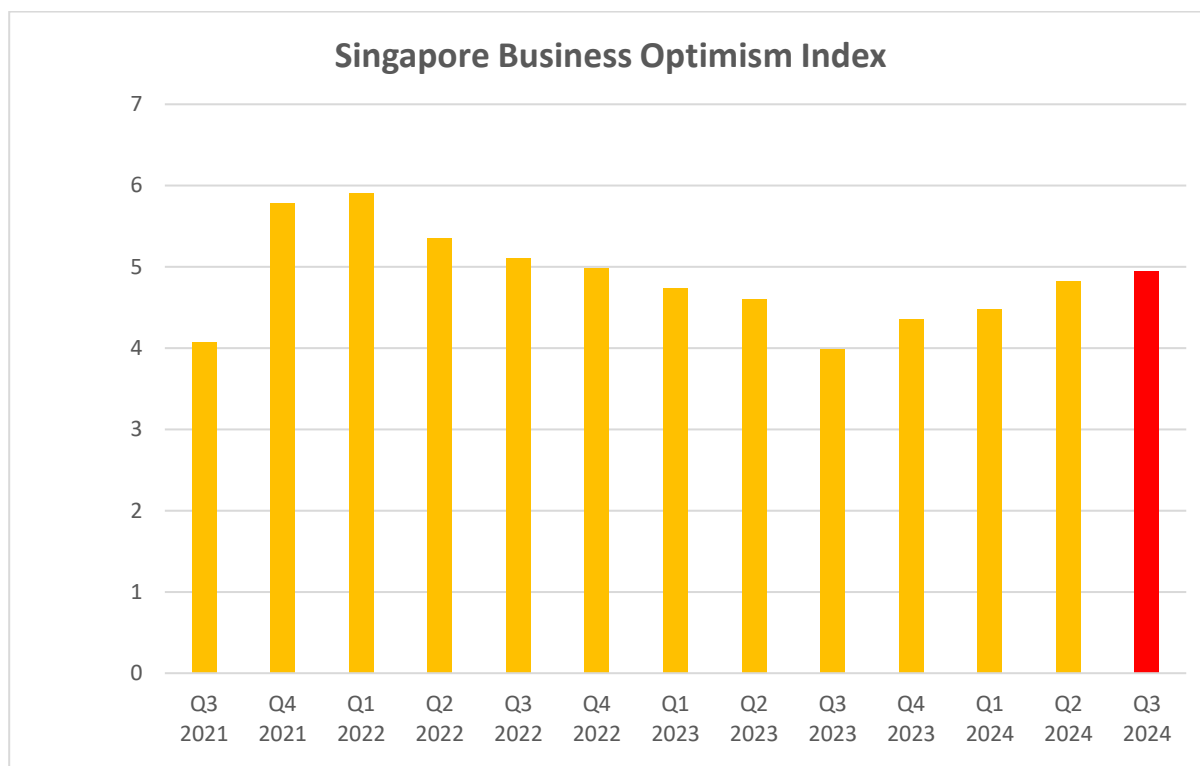


Figure 1. Overall Business Optimism Score, Q3 2021 – Q3 2024

Point Commentary

According to SCCB, 3 of six indicators have improved on a q-o-q basis in Q3 2024.

- ❖ Volume of sales rose from +3.70 percentage points in Q2 2024 to +5.93 percentage points in Q3 2024.
- ❖ Net profits increased from +4.44 percentage points in Q2 2024 to +5.93 percentage points in Q3 2024.
- ❖ Selling price moderated from +10.37 percentage points in Q2 2024 to +7.41 percentage points in Q3 2024.
- ❖ New orders moderated from +5.93 percentage points in Q2 2024 to +5.19 percentage points in Q3 2024.
- ❖ Inventory levels rose further from -2.99 percentage points in Q2 2024 to -1.48 percentage points in Q3 2024.
- ❖ Employment levels fell from +7.41 percentage points in Q2 2024 to +6.67 percentage points in Q3 2024.

On a y-o-y basis, 5 of six indicators have improved in Q3 2024.

- ❖ Both volume of sales and net profit jumped from +2.99 percentage points in Q3 2023 to +5.93 percentage points in Q3 2024.
- ❖ Selling price fell from +11.19 percentage points in Q3 2023 to +7.41 percentage points in Q3 2024.
- ❖ New orders rose from +4.48 percentage points in Q3 2023 to +5.19 percentage points in Q3 2024.
- ❖ Inventory levels remained in the contractionary zone, up from -2.24 percentage points in Q3 2023 to -1.48 percentage points in Q3 2024.
- ❖ Employment levels rose from +4.48 percentage points in Q3 2023 to +6.67 percentage points in Q3 2024.

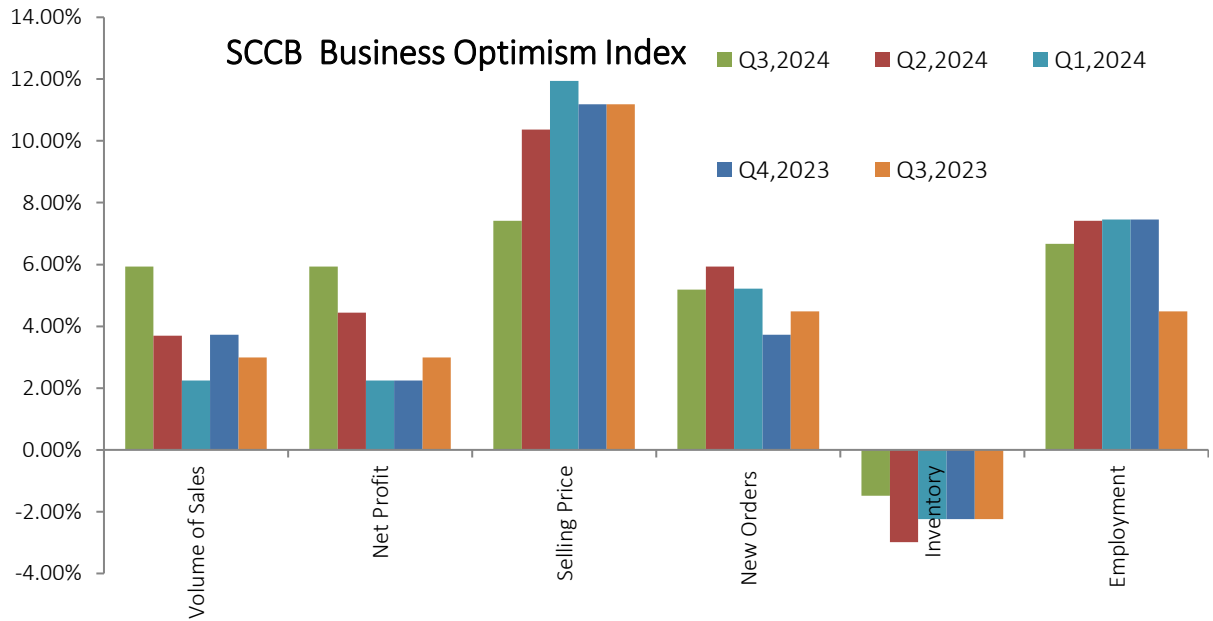


Figure 3. SCCB Optimism Index of Business Indicators, Q3 2023 – Q3 2024

Key Highlights for Q3 2024 Sectoral Outlook

The construction, transportation and financial sectors are the most optimistic sectors while the outlook for the manufacturing sector has remained relatively downbeat for Q3 2024.

Construction

The outlook for the construction sector remained optimistic with 5 of six indicators in positive territory.

- ❖ Volume of sales, net profit and selling price remained upbeat, registering +23.08 percentage points in Q3 2024.
- ❖ New orders moderated from +15.39 percentage points in Q2 2024 to 0 percentage point in Q3 2024.
- ❖ Inventory levels remained positive at +15.39 percentage points in Q3 2024.
- ❖ Employment levels remained expansionary at +30.77 percentage points in Q3 2024.

Transportation

As with the previous quarter, sentiments within the transportation sector remained upbeat with 5 of six indicators in positive territory for Q3 2024.

- ❖ Volume of sales rose from +16.67 percentage points in Q2 2024 to +25.0 percentage points in Q3 2024.
- ❖ Net profit remained positive at +25.0 percentage points in Q3 2024.
- ❖ Selling price fell from +41.67 percentage points in Q2 2024 to +33.33 percentage points in Q3 2024.
- ❖ New orders rose moderately from +25.0 percentage points in Q2 2024 to +33.33 percentage points in Q3 2024.
- ❖ Inventory levels remained unchanged at 0 percentage point in Q3 2024.
- ❖ Employment levels moderated from +25.0 percentage points in Q2 2024 to +16.67 percentage points in Q3 2024.

Financial

The financial sector is also relatively optimistic with 4 of six indicators in positive territory for Q3 2024.

- ❖ Both volume of sales and net profit rose from +14.29 percentage points in Q2 2024 to +21.43 percentage points in Q3 2024.
- ❖ Selling price and inventory levels remained unchanged at 0 percentage point in Q3 2024.
- ❖ New orders remained upbeat at +14.29 percentage points in Q3 2024.
- ❖ Employment levels remained expansionary at +21.43 percentage points in Q3 2024.

Wholesale

Sentiments within the wholesale sector improved slightly with 3 of six indicators in positive territory as compared with 2 indicators in Q2 2024.

- ❖ Both volume of sales and net profit rebounded from the contractionary zone from -6.67 percentage points in Q2 2024 to +6.67 percentage points in Q3 2024.
- ❖ Selling price remained expansionary at +6.67 percentage points in Q3 2024.
- ❖ New orders, inventory and employment levels remained unchanged at 0 percentage point in Q3 2024.

Services

The outlook for the services sector remained positive with 3 of six indicators in positive territory.

- ❖ Both volume of sales and net profit remained expansionary at +2.27 percentage points in Q3 2024.
- ❖ Selling price moderated from +13.64 percentage points in Q2 2024 to +6.82 percentage points in Q3 2024.
- ❖ New orders rebounded from -2.27 percentage points in Q2 2024 to 0 percentage point in Q3 2024.
- ❖ Inventory levels remained contractionary at -4.55 percentage points in Q3 2024.
- ❖ Employment levels moderated from +2.27 percentage points in Q2 2024 to 0 percentage point in Q3 2024.

Manufacturing

Sentiments among manufacturers are slightly downbeat with two of six indicators in the positive territory for Q3 2024.

- ❖ Both volume of sales and net profit fell into the contractionary zone from 0 percentage point in Q2 2024 to -3.85 percentage points in Q3 2024.
- ❖ Selling price remained expansionary at +3.85 percentage points in Q3 2024.
- ❖ New orders fell from +7.69 percentage points in Q2 2024 to +3.85 percentage points in Q3 2024.
- ❖ Both inventory and employment levels remained unchanged at 0 percentage point in Q3 2024.

The Ministry of Trade and Industry (MTI) has maintained its GDP growth forecast for 2024 to be between +1.0 per cent to +3.0 per cent.

“The outlook for local businesses remains relatively upbeat for the third quarter of 2024. Apart from continued growth in the transportation and construction sectors, the financial and services sectors are optimistic. Externally-oriented sectors such as the wholesale trade sector are also slightly more upbeat in light of a pickup in external demand both regionally and globally. Downside risks such as escalating geopolitical tensions and vulnerabilities will likely remain.” commented Ms. Audrey Chia, SCCB’s Chief Executive Officer.

Overview of Business Indicators

Volume of Sales

Volume of sales jumped to +5.93 percentage points (compared to +3.70 percentage points in Q2 2024). The transportation sector (net +25.0 percentage points) is most upbeat, followed by construction (net +23.08 percentage points), financial (net +21.43 percentage points), wholesale (net +6.67 percentage points) and services (net +2.27 percentage points). The remaining sectors are downbeat about volume of sales – Agricultural (net -20.0 percentage points), mining (net -16.67 percentage points) and manufacturing (net -3.85 percentage points).

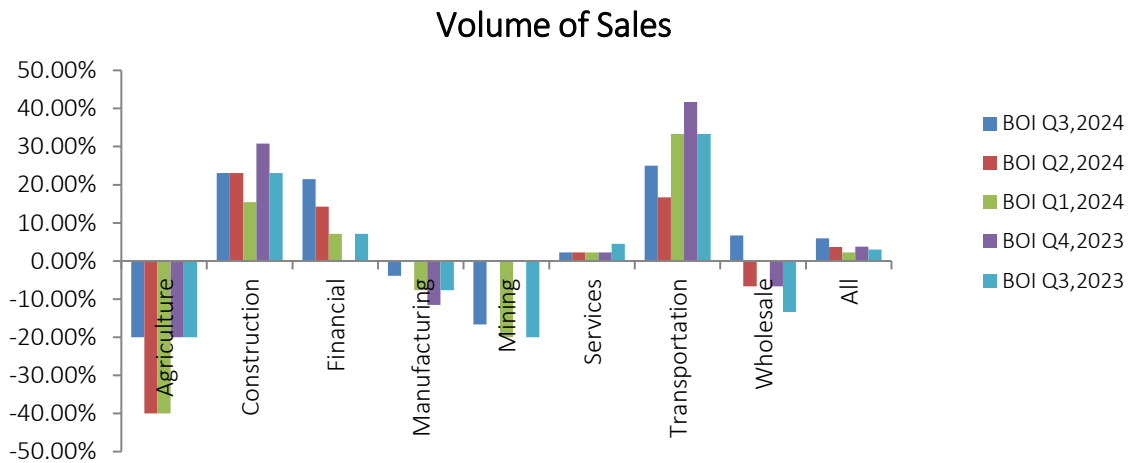


Figure 3. Volume of Sales Optimism Index, Q3 2023 – Q3 2024

Net Profit

Net profit rose to +5.93 percentage points (compared to +4.44 percentage point in Q2 2024). The transportation sector (net +25.0 percentage points) is most upbeat, followed by construction (net +23.08 percentage points), financial (net +21.43 percentage points), wholesale (net +6.67 percentage points) and services (net +2.27 percentage points). The remaining sectors have anticipated net profit to be downbeat – manufacturing (net -3.85 percentage points), mining (net -16.67 percentage points) and agriculture (net -20.0 percentage point).

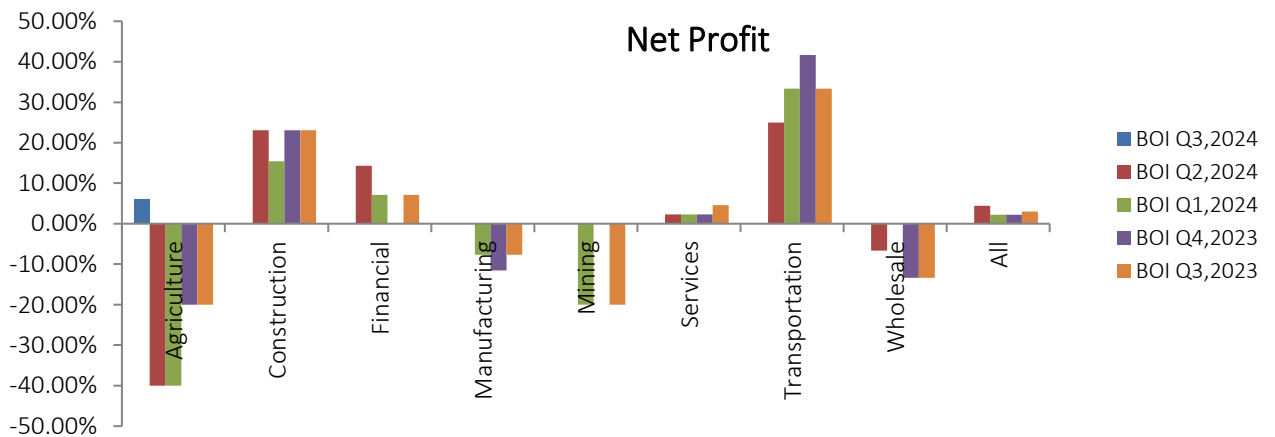


Figure 4. Net Profit Optimism Index, Q3 2023 – Q3 2024

Selling Price

Selling price moderated to +7.41 percentage points (compared to +10.37 percentage points in Q2 2024). The transportation sector (net +33.33 percentage points) is most upbeat about selling price, followed by construction (net +23.08 percentage points), services (net +6.82 percentage points), wholesale (net +6.67 percentage points) and manufacturing (net +3.85 percentage points). Both agricultural and financial (net 0 percentage point) expected selling price to remain unchanged. The mining sector (net -33.33 percentage points) is downbeat about selling price.

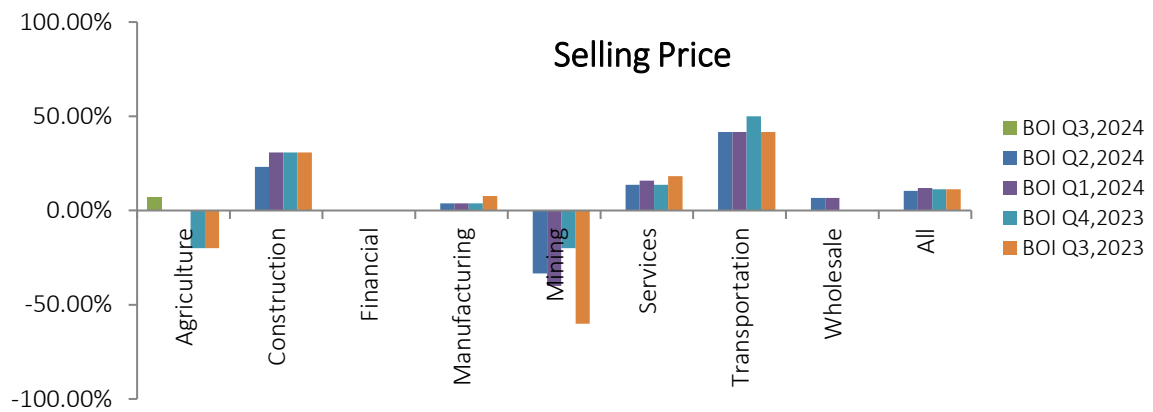


Figure 5. Selling Price Optimism Index, Q3 2023 – Q3 2024

New Orders

New orders moderated to +5.19 percentage points (compared to +5.93 percentage points in Q2 2024). The transportation sector (+33.33 percentage points) is most upbeat, followed by the financial sector (net +14.29 percentage points) and manufacturing (net +3.85 percentage points). The remaining sectors – agriculture, construction, wholesale, services and mining (net 0 percentage point) have expected new orders to remain unchanged.

New Orders (All Sectors)

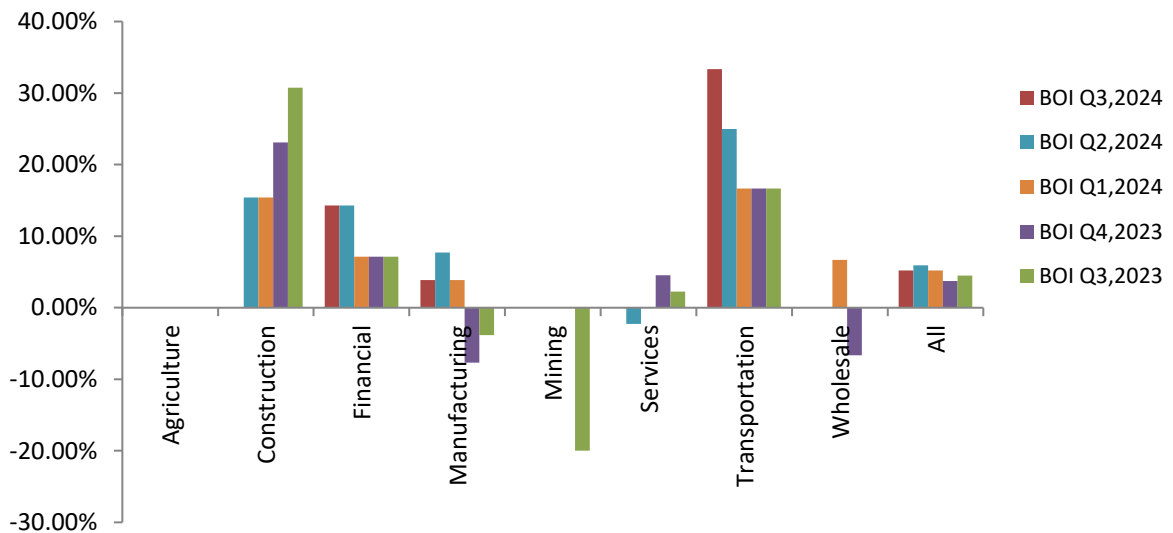


Figure 6. New Orders Optimism Index, Q3 2023 – Q3 2024

Inventory Levels

Inventory levels remained contractionary at -1.48 percentage points (compared to -2.99 percentage points in Q2 2024). The construction sector (net +15.39 percentage points) is the only sector which is upbeat about inventory levels. The mining (net -33.33 percentage points) and services (net -4.55 percentage points) sectors are downbeat about inventory levels. The remaining sectors have anticipated inventory levels to remain unchanged – agriculture, financial, manufacturing, transportation and wholesale (net 0 percentage point).

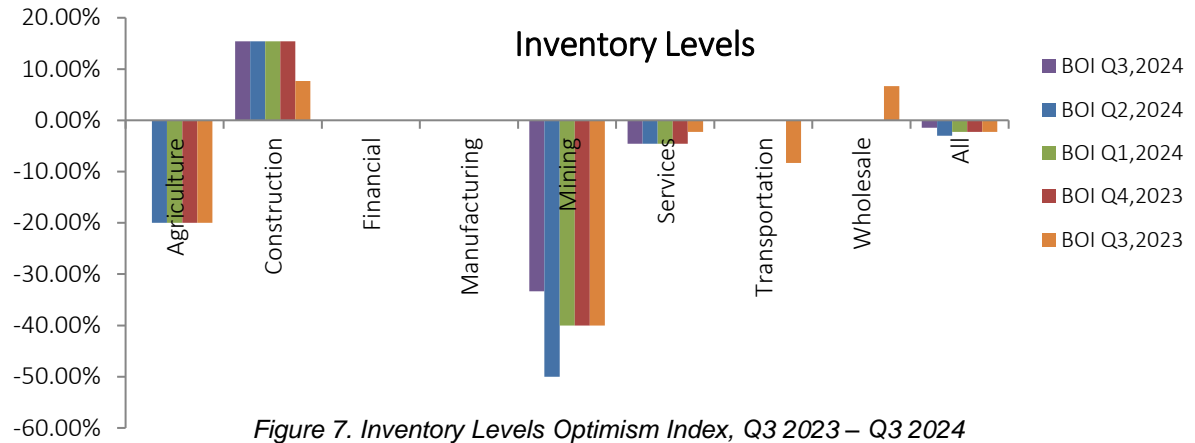


Figure 7. Inventory Levels Optimism Index, Q3 2023 – Q3 2024

Employment

Employment levels remained expansionary at +6.67 percentage points (compared to +7.41 percentage points in Q2 2024). The construction sector (net +30.77 percentage points) is most upbeat, followed by financial (net +21.43 percentage points), agricultural (net +20.0 percentage points) and transportation (net +16.67 percentage points). The mining sector (net -16.67 percentage points) is downbeat about employment levels. The manufacturing, wholesale and services sectors (net 0 percentage point) have anticipated employment levels to remain unchanged.

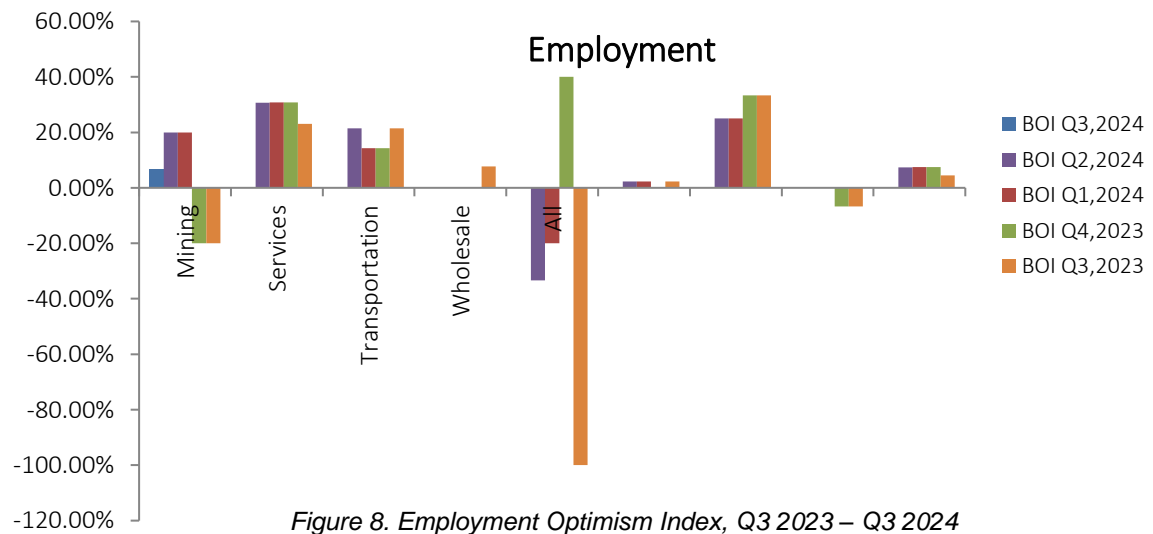


Figure 8. Employment Optimism Index, Q3 2023 – Q3 2024

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.

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

Contact Information

Matthias Chen

Strategy & Transformation

DID: +65 6439 6670

HP: +65 9478 5568

Email: Matthias.Chen@dnb.com.sg