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FOR IMMEDIATE RELEASE

Businesses remain cautiously optimistic in Q1 2025
Mixed outlook for Wholesale trade as downside risks remain
- Singapore Commercial Credit Bureau

Singapore, 16 December 2024 – Local businesses remain cautiously optimistic in Q1 2025. 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 sixth consecutive quarter in Q1 2025, from +5.06 percentage points in Q4 2024 to +5.45 percentage points in Q1 2025. On a year-on-year (y-o-y) basis, BOI rose from +4.48 percentage points in Q1 2024 to +5.45 percentage points in Q1 2025.

As with Q4 2024, 5 of six indicators are expansionary in Q1 2025.

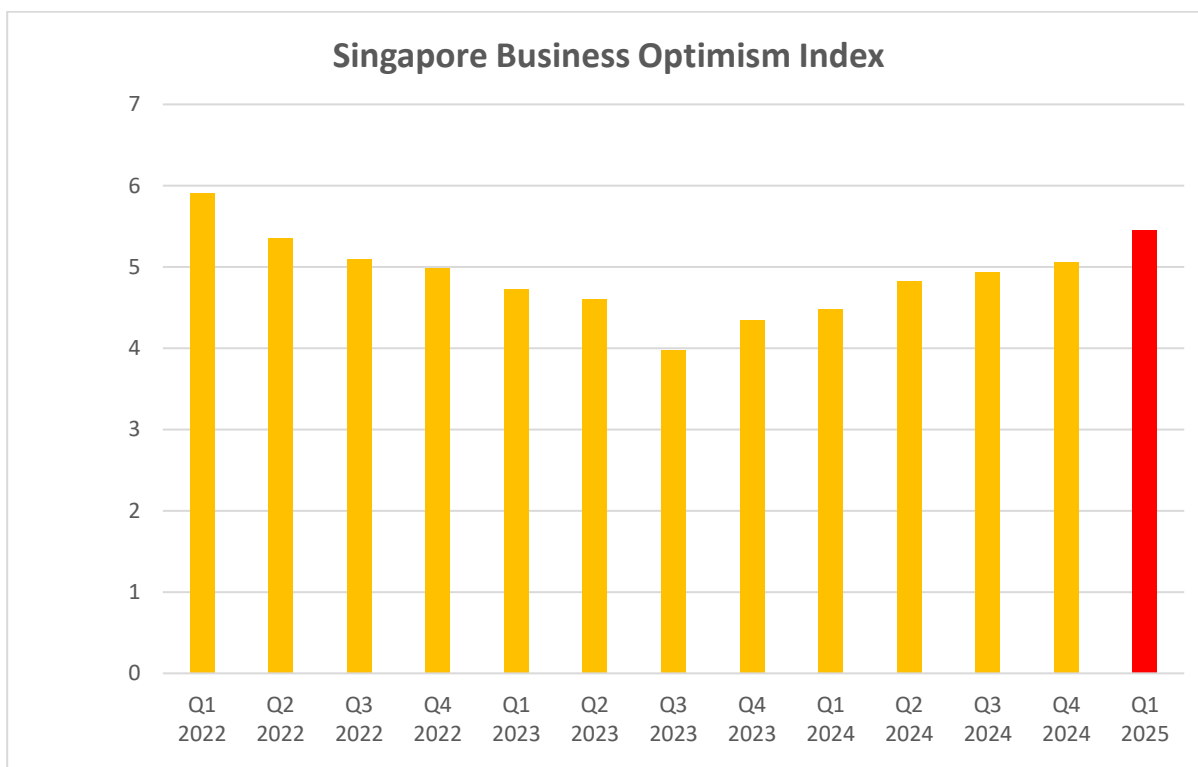


Figure 1. Overall Business Optimism Score, Q1 2022 – Q1 2025

Point Commentary

According to SCCB, 4 of six indicators have improved on a q-o-q basis in Q1 2025.

- ❖ Both volume of sales and net profits rose marginally from +7.41 percentage points in Q4 2024 to +7.46 percentage points in Q1 2025.
- ❖ Selling price increased from +6.67 percentage points in Q4 2024 to +8.15 percentage points in Q1 2025.
- ❖ New orders climbed from +2.96 percentage points in Q4 2024 to +3.70 percentage points in Q1 2025.
- ❖ Inventory levels remained unchanged at 0 percentage point in Q1 2025.
- ❖ Employment levels remained expansionary at +5.93 percentage points in Q1 2025.

On a y-o-y basis, 3 of six indicators have improved in Q1 2025.

- ❖ Both volume of sales and net profit jumped from +2.24 percentage points in Q1 2024 to +7.46 percentage points in Q1 2025.
- ❖ Selling price fell from +11.94 percentage points in Q1 2024 to +8.15 percentage points in Q1 2025.
- ❖ New orders dropped from +5.22 percentage points in Q1 2024 to +3.70 percentage points in Q1 2025.
- ❖ Inventory levels rebounded from the contractionary zone, up from -2.24 percentage points in Q1 2024 to 0 percentage point in Q1 2025.
- ❖ Employment levels dropped from +7.46 percentage points in Q1 2024 to +5.93 percentage points in Q1 2025.

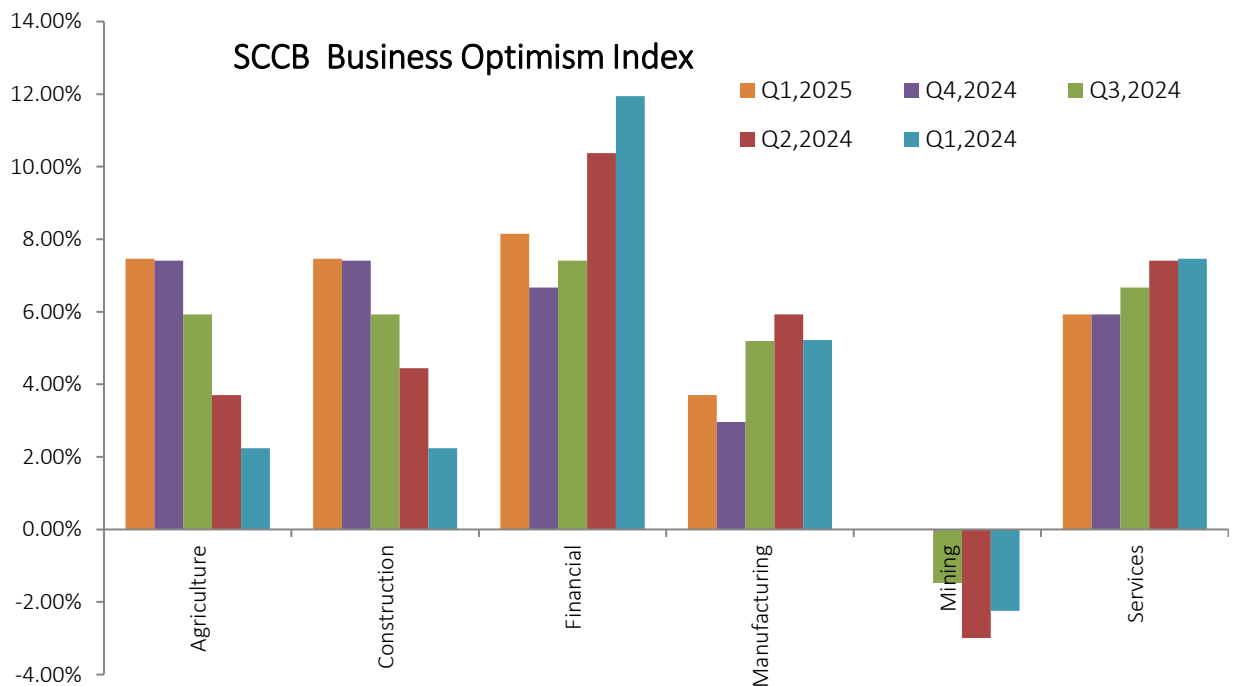


Figure 3. SCCB Optimism Index of Business Indicators, Q1 2024 – Q1 2025

Key Highlights for Q1 2025 Sectoral Outlook

The construction, transportation and financial sectors are the most optimistic sectors while sentiments within the wholesale trade sector moderated slightly for Q1 2025.

Construction

The outlook for the construction sector remained optimistic with 4 of six indicators in positive territory.

- ❖ Both volume of sales and net profit moderated downwards slightly, from +23.08 percentage points in Q4 2024 to +15.39 percentage points in Q1 2025.
- ❖ Selling price remained upbeat, registering +23.08 percentage points in Q1 2025.
- ❖ New orders remained unchanged at 0 percentage point in Q1 2025.
- ❖ Inventory levels moderated from +7.69 percentage points in Q4 2024 to 0 percentage point in Q1 2025.
- ❖ Employment levels remained expansionary at +23.08 percentage points in Q1 2025.

Transportation

As with the previous quarter, sentiments within the transportation sector remained upbeat with 5 of six indicators in positive territory for Q1 2025.

- ❖ Volume of sales moderated from +25.0 percentage points in Q3 2024 to +8.33 percentage points in Q1 2025.
- ❖ Net profit remained moderated from +25.0 percentage points in Q4 2024 to +8.33 percentage points in Q1 2025.
- ❖ Selling price fell from +16.67 percentage points in Q4 2024 to +8.44 percentage points in Q1 2025.
- ❖ New orders remained positive at +25.0 percentage points in Q1 2025.
- ❖ Inventory levels remained unchanged at 0 percentage point in Q1 2025.
- ❖ Employment levels moderated from +25.0 percentage points in Q4 2024 to +16.67 percentage points in Q1 2025.

Financial

The financial sector is also relatively optimistic with 5 of six indicators in positive territory for Q1 2025.

- ❖ Both volume of sales and net profit rose from +28.57 percentage points in Q4 2024 to +35.71 percentage points in Q1 2025.
- ❖ Selling price moderated from +7.14 percentage points in Q4 2024 to 0 percentage point in Q1 2025.
- ❖ New orders and inventory levels remained upbeat at +7.14 percentage points in Q1 2025.
- ❖ Employment levels remained expansionary, up from +14.29 percentage points in Q4 2024 to +21.43 percentage points in Q1 2025.

Wholesale

Sentiments within the wholesale sector moderated slightly with 2 of six indicators in positive territory as compared with 4 indicators in the previous quarter.

- ❖ Both volume of sales and net profit moderated from +6.67 percentage points in Q4 2024 to 0 percentage point in Q1 2025.
- ❖ Selling price rose from 0 percentage point in Q4 2024 to +6.67 percentage points in Q1 2025.
- ❖ New orders and inventory levels remained unchanged at 0 percentage point in Q1 2025.
- ❖ Employment levels remained positive at +6.67 percentage points in Q1 2025.

Services

The outlook for the services sector remained positive with 4 of six indicators in positive territory.

- ❖ Both volume of sales and net profit remained expansionary, up from +2.27 percentage points in Q4 2024 to +4.55 percentage points in Q1 2025.
- ❖ Selling price moderated increased from +9.09 percentage points in Q4 2024 to +13.64 percentage points in Q1 2025.
- ❖ New orders increased from 0 percentage point in Q4 2024 to +2.27 percentage points in Q1 2025.
- ❖ Inventory levels moderated from -2.27 percentage points in Q4 2024 to 0 percentage point in Q1 2025.
- ❖ Employment levels remain unchanged at 0 percentage point in Q1 2025.

Manufacturing

Sentiments among manufacturers have improved visibly with 5 of six indicators in the positive territory, as compared to two indicators in the previous quarter.

- ❖ Both volume of sales and net profit rebounded from 0 percentage point in Q4 2024 to +7.69 percentage points in Q1 2025.
- ❖ Selling price climbed from +3.85 percentage points in Q4 2024 to +7.69 percentage points in Q1 2025.
- ❖ New orders remained expansionary at +3.85 percentage points in Q1 2025.
- ❖ Both inventory and employment levels rose from 0 percentage point in Q4 2024 to +3.85 percentage points in Q1 2025.

The Ministry of Trade and Industry (MTI) has projected its GDP growth forecast for 2025 to be between +1.0 per cent to +3.0 per cent.

“The improved sentiment among local businesses was driven by growth momentum primarily in the construction, financial and manufacturing sectors. However, sentiment in the wholesale trade sector has remained mixed amid global trade uncertainties. While local sentiments have hit a new peak in three years, geopolitical tensions have surged in the recent months. Given these downside risks, we remain cautiously optimistic for the new year ahead.” commented Ms. Audrey Chia, SCCB’s Chief Executive Officer.

Overview of Business Indicators

Volume of Sales

Volume of sales jumped to +7.46 percentage points (compared to +7.41 percentage points in Q4 2024). The financial sector (net +35.71 percentage points) is most upbeat, followed by construction (net +15.39 percentage points), transportation (net +8.33 percentage points), manufacturing (net +7.69 percentage points) and services (net +4.55 percentage points). Both agriculture and mining sectors (net -20.0 percentage points) are downbeat about volume of sales. The wholesale sector has anticipated volume of sales to remain unchanged (net 0 percentage point).

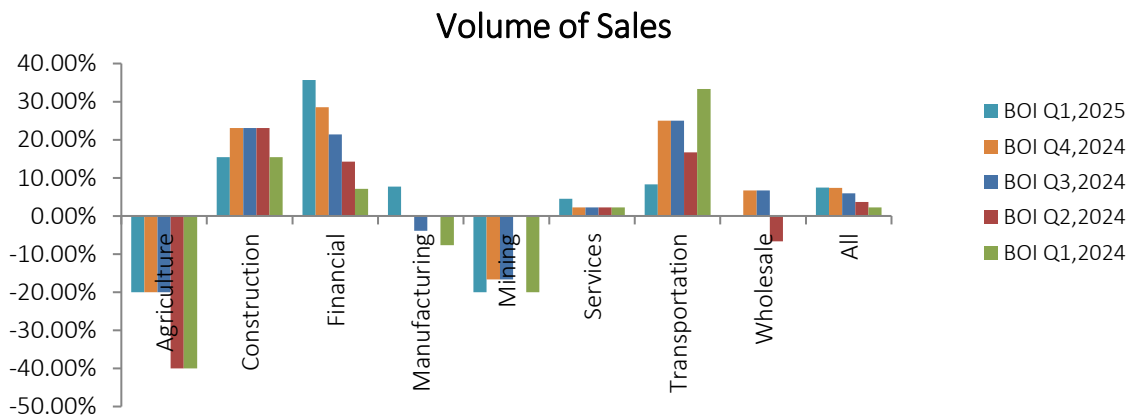


Figure 3. Volume of Sales Optimism Index, Q1 2024 – Q1 2025

Net Profit

Net profit rose to +7.46 percentage points (compared to +7.41 percentage point in Q4 2024). The financial sector (net +35.71 percentage points) is most upbeat, followed by construction (net +15.39 percentage points), transportation (net +8.33 percentage points), manufacturing (net +7.69 percentage points) and services (net +4.55 percentage points). Both agriculture and mining sectors (net -20.0 percentage points) are downbeat about volume of sales. The wholesale sector has anticipated volume of sales to remain unchanged (net 0 percentage point).

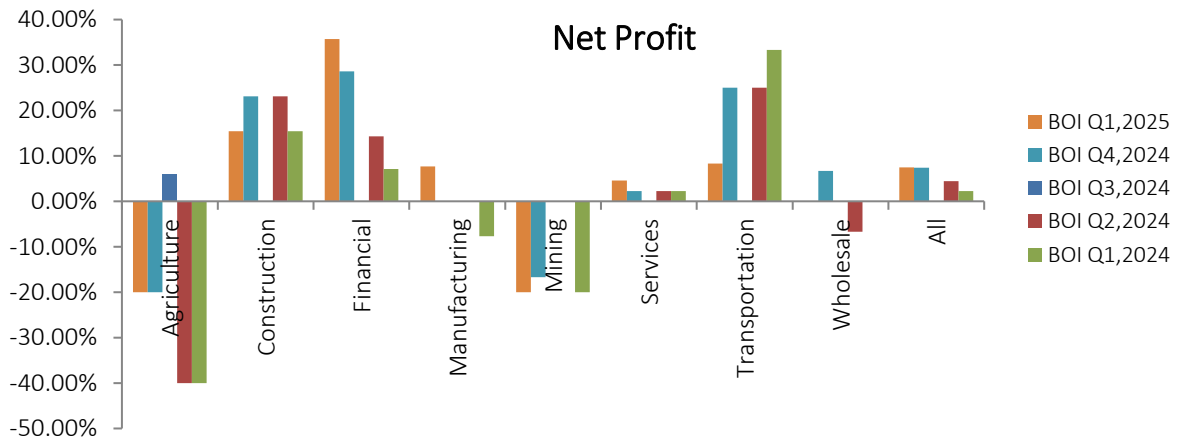


Figure 4. Net Profit Optimism Index, Q1 2024 – Q1 2025

Selling Price

Selling price rose to +8.15 percentage points (compared to +6.67 percentage points in Q4 2024). The construction sector (net +23.08 percentage points) is most upbeat about selling price, followed by services (net +13.64 percentage points), transportation (net +8.44 percentage points), manufacturing (net +7.69 percentage points) and wholesale (net +6.67 percentage points). Both mining (net -16.67 percentage points) and agriculture (net -20.0 percentage points) are downbeat about selling price. The financial sector has anticipated selling price to remain unchanged (net 0 percentage point).

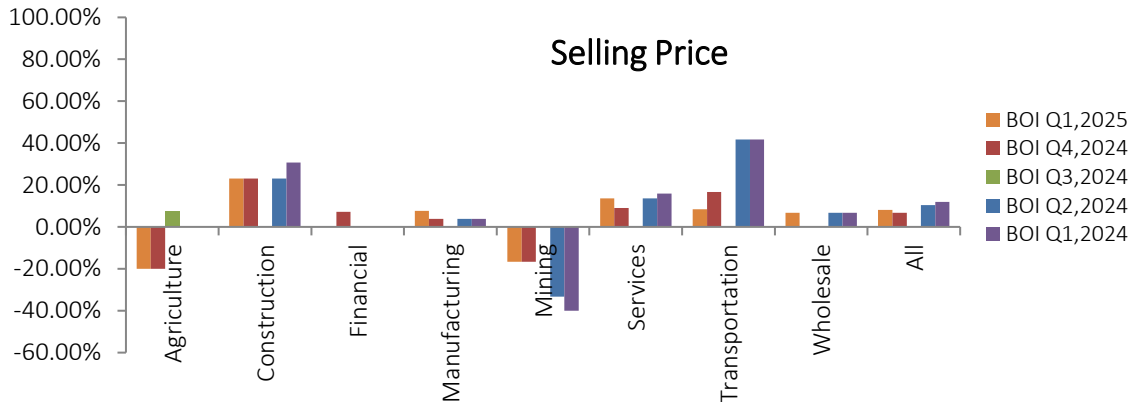


Figure 5. Selling Price Optimism Index, Q1 2024 – Q1 2025

New Orders

New orders rose to +3.70 percentage points (compared to +2.96 percentage points in Q4 2024). The transportation sector (+25.0 percentage points) is most upbeat, followed by the financial sector (net +7.14 percentage points), manufacturing (net +3.85 percentage points) and services (net +2.27 percentage points). The agricultural sector (net -20.0 percentage points) is downbeat about new orders. The remaining sectors –construction, wholesale and mining (net 0 percentage point) have expected new orders to remain unchanged.

New Orders (All Sectors)

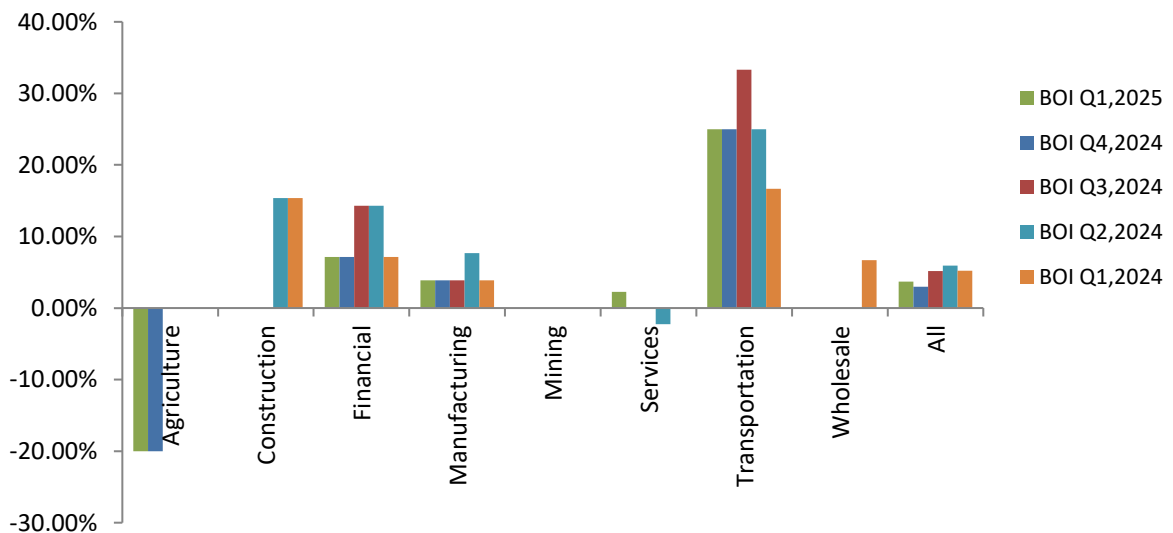


Figure 6. New Orders Optimism Index, Q1 2024 – Q1 2025

Inventory Levels

Inventory levels remained unchanged at 0 percentage point (compared to 0 percentage point in Q4 2024). Both financial (net +7.14 percentage points) and manufacturing (net +3.85 percentage points) are upbeat about inventory levels. The mining (net -16.67 percentage points) and agriculture (net -20.00 percentage points) are downbeat about inventory levels. The remaining sectors – construction, services, transportation and wholesale (net 0 percentage point) have anticipated inventory levels to remain unchanged.

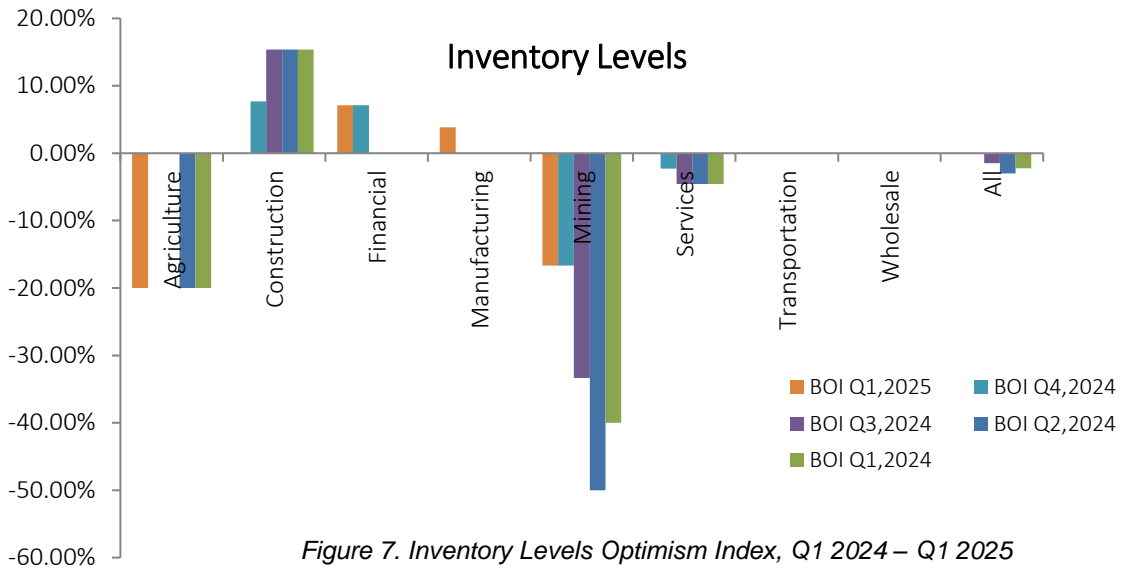


Figure 7. Inventory Levels Optimism Index, Q1 2024 – Q1 2025

Employment

Employment levels remained expansionary at +5.93 percentage points (compared to +5.93 percentage points in Q4 2024). The construction sector (net +23.08 percentage points) is most upbeat, followed by financial (net +21.43 percentage points), transportation (net +16.67 percentage points), wholesale (net +6.67 percentage points) and manufacturing (net +3.85 percentage points). The services sector (net 0 percentage point) has anticipated employment levels to remain unchanged. Both agriculture (net -20.00 percentage points) and mining (net -16.67 percentage points) are downbeat about employment.

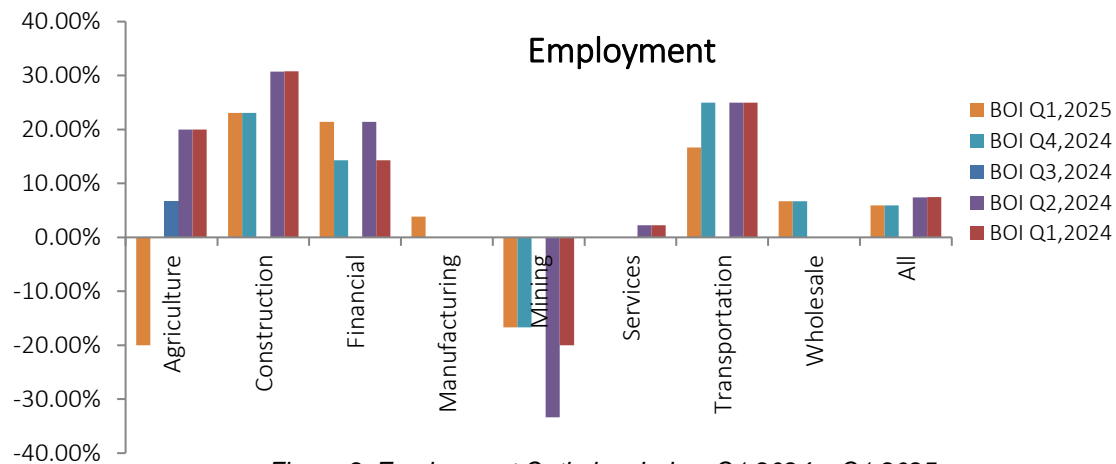


Figure 8. Employment Optimism Index, Q1 2024 – Q1 2025

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

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