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FOR IMMEDIATE RELEASE

Local business sentiment dips after slight rebound in Q1 2026 *Weaker outlook for Construction, Manufacturing and Wholesale sectors* **- Singapore Commercial Credit Bureau**

Singapore, 16 December 2025 – Business confidence slides moderately for Q1 2026. 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) falls in Q1 2026 after a slight increase in the previous quarter, down from +4.50 percentage points in Q4 2025 to +4.30 percentage points in Q1 2026. On a year-on-year (y-o-y) basis, BOI drops from +5.45 percentage points in Q1 2025 to +4.30 percentage points in Q1 2026.

All six indicators are expansionary in Q1 2026.

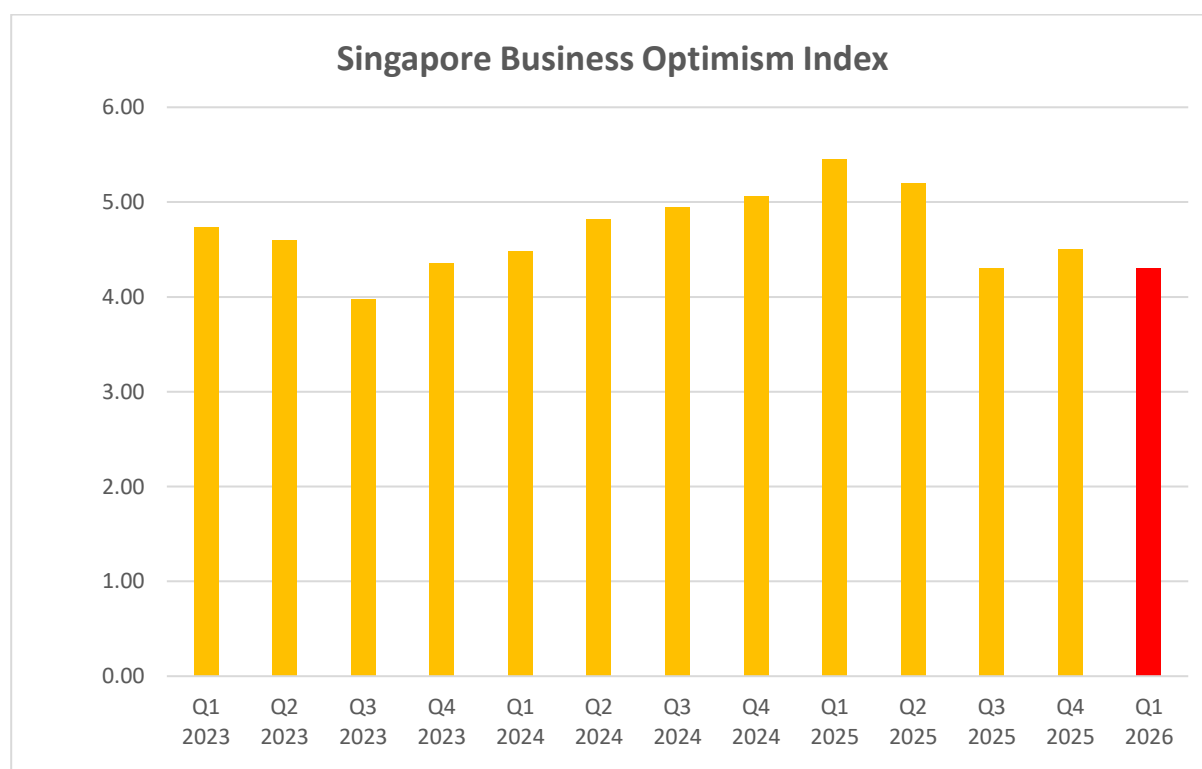


Figure 1. Overall Business Optimism Score, Q1 2023 – Q1 2026

Point Commentary

According to SCCB, only 2 of six indicators has improved on a q-o-q basis in Q1 2026.

- ❖ Both volume of sales and net profits remained expansionary at +5.93 percentage points in Q1 2026.
- ❖ Selling price fell from +10.0 percentage points in Q4 2025 to +5.93 percentage points in Q1 2026.
- ❖ New orders rose from +2.40 percentage points in Q4 2025 to +3.70 percentage points in Q1 2026.
- ❖ Inventory levels rebounded from -0.85 percentage points in Q4 2025 to +1.48 percentage points in Q1 2026.
- ❖ Employment levels fell from +3.25 percentage points in Q4 2025 to +2.96 percentage points in Q1 2026.

On a y-o-y basis, 3 of six indicators has improved in Q1 2026.

- ❖ Both volume of sales and net profit slid from +7.46 percentage points in Q1 2025 to +5.93 percentage points in Q1 2026.
- ❖ Selling price dropped from +8.15 percentage points in Q1 2025 to +5.93 percentage points in Q1 2026.
- ❖ New orders remained unchanged at +3.70 percentage points in Q1 2026.
- ❖ Inventory levels inched from 0 percentage points in Q1 2025 to +1.48 percentage points in Q1 2026.
- ❖ Employment levels slid from +5.93 percentage points in Q1 2025 to +2.96 percentage points in Q1 2026.

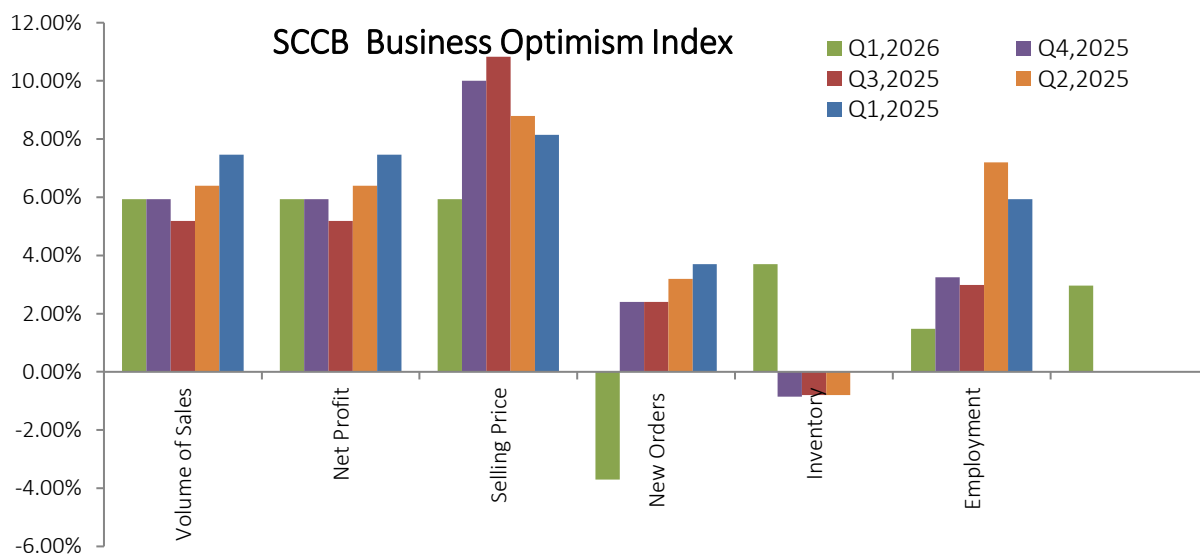


Figure 2. SCCB Optimism Index of Business Indicators, Q1 2025 – Q1 2026

Key Highlights for Q1 2026 Sectoral Outlook

The financial and services sectors expect business sentiments to remain upbeat while sentiments within the construction, manufacturing and wholesale sectors are expected to moderate for Q1 2026.

Services

The outlook for the services sector has improved visibly with all six indicators in positive territory for Q1 2026.

- ❖ Both volume of sales and net profit climbed from +4.55 percentage points in Q4 2025 to +6.82 percentage points in Q1 2026.
- ❖ Selling price remained upbeat at +13.64 percentage points in Q1 2026.
- ❖ New orders remained in the expansionary zone at +2.27 percentage points in Q1 2026.
- ❖ Inventory levels rebounded into the expansionary zone, up from -2.27 percentage points in Q4 2025 to +2.27 percentage points in Q1 2026.
- ❖ Employment levels rose from +2.27 percentage points in Q4 2025 to +4.55 percentage points in Q1 2026.

Financial

The financial sector expects sentiments to remain positive with 5 of six indicators in positive territory for Q1 2026.

- ❖ Both volume of sales and net profit rose from +14.29 percentage points in Q4 2025 to +21.43 percentage points in Q1 2026.
- ❖ Selling price remained upbeat at +7.14 percentage points in Q1 2026.
- ❖ New orders and inventory levels remained upbeat at +7.14 percentage points in Q1 2026.
- ❖ Employment levels remained unchanged at 0 percentage points in Q1 2026.

Transportation

Sentiments within the transportation sector remained upbeat although 3 of six indicators have moderated slightly for Q1 2026.

- ❖ Both volume of sales and net profit fell from +16.67 percentage points in Q4 2025 to +8.33 percentage points in Q1 2026.
- ❖ Selling price remained upbeat at +25.0 percentage points in Q1 2026.
- ❖ New orders rose from +8.33 percentage points in Q4 2025 to +16.60 percentage points in Q1 2026.
- ❖ Inventory levels moderated from +8.33 percentage points in Q4 2025 to 0 percentage points in Q1 2026.
- ❖ Employment levels remained upbeat at +25.0 percentage points in Q1 2026.

Construction

The outlook for the construction sector has remained cautiously optimistic with a visible moderation of 4 of six indicators.

- ❖ Both volume of sales, net profit and selling price fell from + 15.39 percentage points in Q4 2025 to +7.69 percentage points in Q1 2026.
- ❖ New orders jumped from 0 percentage points in Q4 2025 to +7.69 percentage points in Q1 2026.
- ❖ Inventory levels remained unchanged at 0 percentage points in Q1 2026.
- ❖ Employment levels moderated from +9.09 percentage points in Q4 2025 to 0 percentage points in Q1 2026.

Manufacturing

Sentiment among manufacturers has improved moderately with 4 of six indicators in positive territory in Q1 2026.

- ❖ Both volume of sales and net profit rose from 0 percentage points in Q4 2025 to +3.70 percentage points in Q1 2026.
- ❖ Selling price rebounded from -5.88 percentage points in Q4 2025 to 0 percentage points in Q1 2026.
- ❖ New orders remained in the contractionary zone, rising from -5.88 percentage points in Q4 2025 to -3.70 percentage points in Q1 2026.
- ❖ Both inventory and employment levels increased from 0 percentage points in Q4 2025 to +3.70 percentage points in Q1 2026.

Wholesale

The outlook within the wholesale sector has remained downbeat with 4 of six indicators in negative territory for Q1 2026.

- ❖ Both volume of sales and net profit remained contractionary, down from -6.67 percentage points in Q4 2025 to -13.33 percentage points in Q1 2026.
- ❖ Selling price fell from +10.0 percentage points in Q4 2025 to -13.33 percentage points in Q1 2026.
- ❖ New orders remained expansionary at +6.67 percentage points in Q1 2026.
- ❖ Inventory levels fell from 0 percentage points in Q4 2025 to -6.67 percentage points in Q1 2026.
- ❖ Employment levels remained unchanged at 0 percentage points in Q1 2026.

The Ministry of Trade and Industry (MTI) has projected its GDP growth forecast for 2026 to be between +1.0 per cent to +3.0 per cent.

“The moderation in business confidence for Q1 2026 signals that firms are bracing for flatter growth ahead. While overall sentiment remains expansionary, the decline in selling prices and employment levels suggests businesses are adopting a more conservative stance amid persistent cost pressures and global uncertainties. Although sectors like services and financial remain resilient, businesses across other industries are expecting caution ahead, focusing on cost management and operational efficiency to navigate these challenges.” said Ms. Audrey Chia, SCCB’s Chief Executive Officer.

Overview of Business Indicators

Volume of Sales

Volume of sales remained expansionary at +5.93 percentage points (compared to +5.93 percentage points in Q4 2025). The financial sector (net +21.43 percentage points) is most upbeat, followed by mining (net +20.0 percentage points), transportation (net +8.33 percentage points), construction (net +7.69 percentage points), services (net +6.82 percentage points) and manufacturing (net +3.70 percentage points). The agriculture (net 0 percentage points) sector has anticipated volume of sales to remain unchanged. The wholesale sector (net -13.33 percentage points) is downbeat about volume of sales.

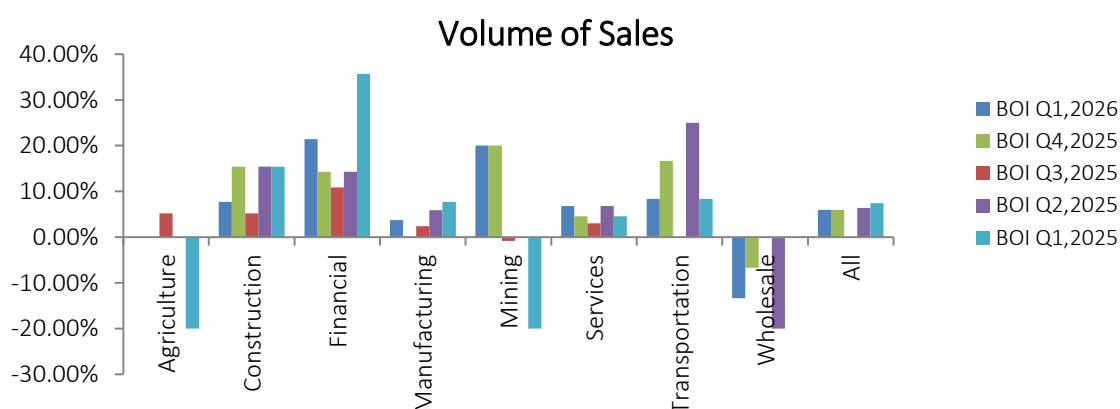


Figure 3. Volume of Sales Optimism Index, Q1 2025 – Q1 2026

Net Profit

Net profit remained expansionary at +5.93 percentage points (compared to +5.93 percentage points in Q4 2025). The financial sector (net +21.43 percentage points) is most upbeat, followed by mining (net +20.0 percentage points), transportation (net +8.33 percentage points), construction (net +7.69 percentage points), services (net +6.82 percentage points) and manufacturing (net +3.70 percentage points). The agriculture (net 0 percentage points) sector has anticipated net profit to remain unchanged. The wholesale sector (net -13.33 percentage points) is downbeat about net profit.

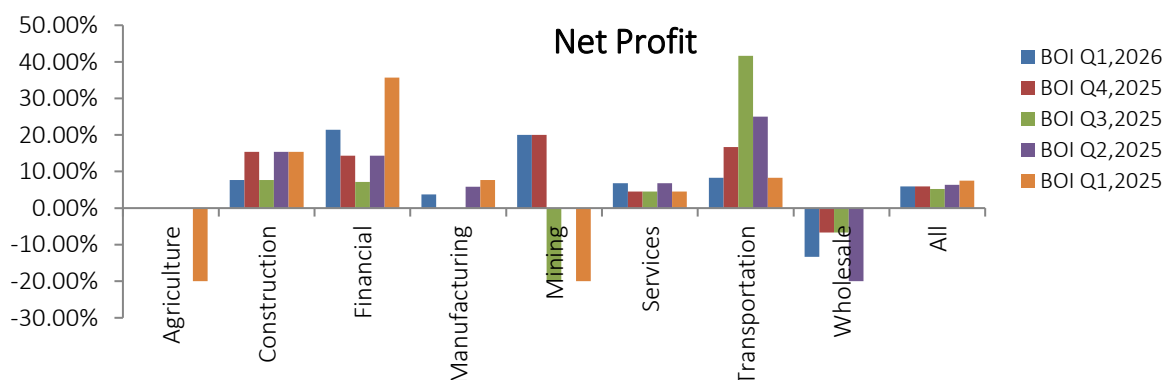


Figure 4. Net Profit Optimism Index, Q1 2025 – Q1 2026

Selling Price

Selling price moderated to +5.93 percentage points (compared to +10.0 percentage points in Q4 2025). The transportation sector (+25.0 percentage points) is most upbeat about selling price, followed by services (net +13.64 percentage points), construction (net +7.69 percentage points) and financial (net +7.14 percentage points). Both mining (net -20.0 percentage points) and wholesale (net -13.33 percentage points) are downbeat about selling price. The agriculture and manufacturing sectors (net 0 percentage points) have anticipated selling price to remain unchanged.



Figure 5. Selling Price Optimism Index, Q1 2025 – Q1 2026

New Orders

New orders climbed to +3.70 percentage points (compared to +2.40 percentage points in Q4 2025). The transportation sector (net +16.60 percentage points) is most upbeat, followed by construction (net +7.69 percentage points), financial (net +7.14 percentage points), wholesale (net +6.67 percentage points) and services (net +2.27 percentage points). The manufacturing sector (net -3.70 percentage points) is downbeat with new orders. The remaining sectors – agriculture and mining (net 0 percentage points) have expected new orders to remain unchanged.

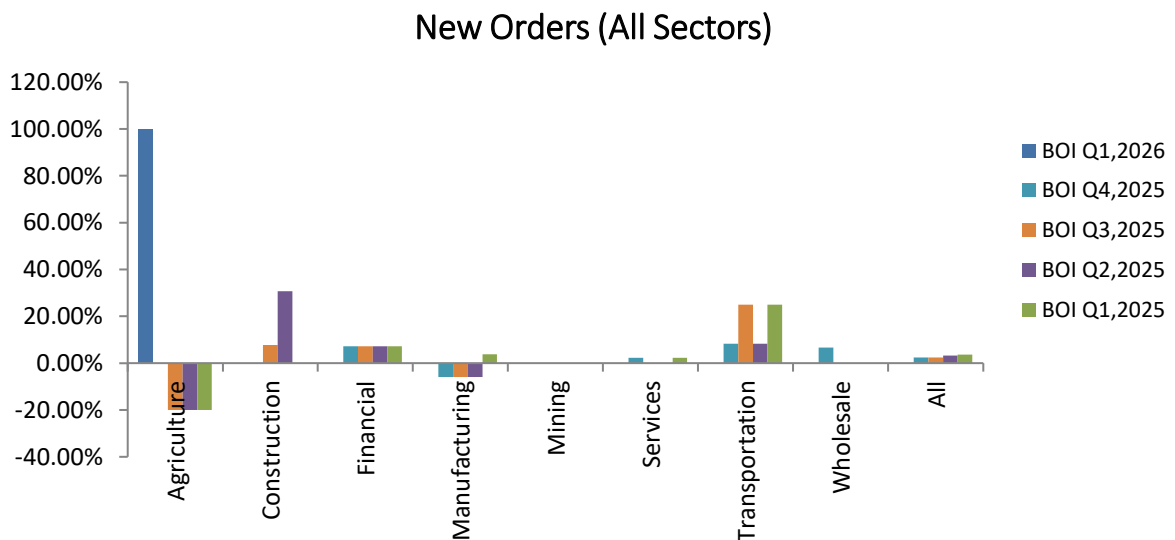


Figure 6. New Orders Optimism Index, Q1 2025 – Q1 2026

Inventory Levels

Inventory levels rebounded into the expansionary zone at +1.48 percentage points (compared to -0.85 percentage points in Q4 2025). The financial sector (net +7.14 percentage points) is most upbeat, followed by manufacturing (net +3.70 percentage points) and services (net +2.27 percentage points). The wholesale sector (net -6.67 percentage points) is downbeat while the remaining sectors have anticipated inventory levels to remain unchanged (net 0 percentage points) – agriculture, construction, mining and transportation.

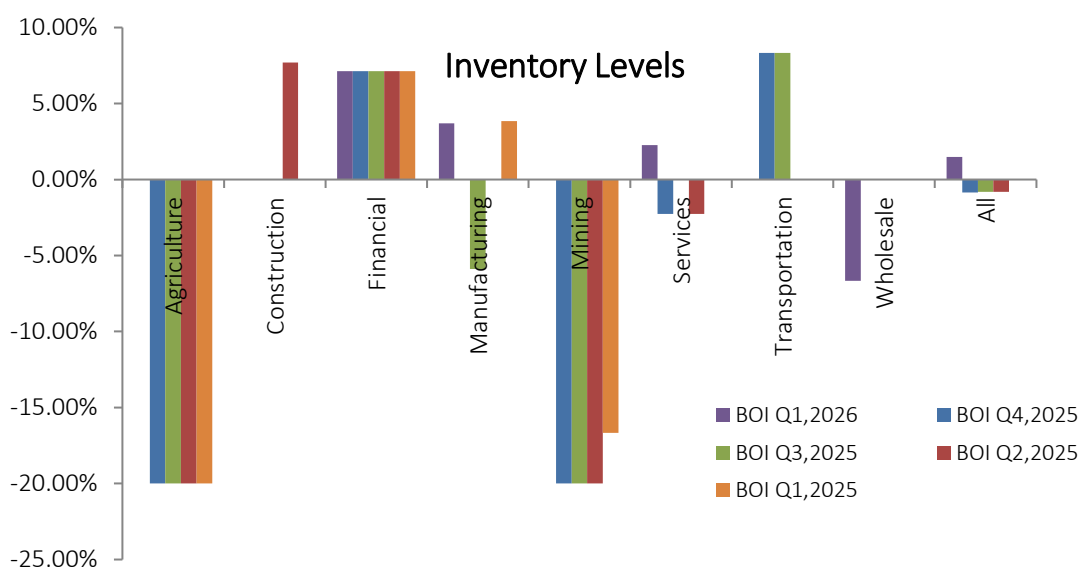


Figure 7. Inventory Levels Optimism Index, Q1 2025 – Q1 2026

Employment

Employment levels fell to +2.96 percentage points (compared to +2.96 percentage points in Q4 2025). The transportation sector (net +25.0 percentage points) is most upbeat, followed by mining (net +20.0 percentage points), services (net +4.55 percentage points) and manufacturing (net +3.70 percentage points). The remaining sectors – construction, financial and wholesale (net 0 percentage points) have anticipated employment to remain unchanged.

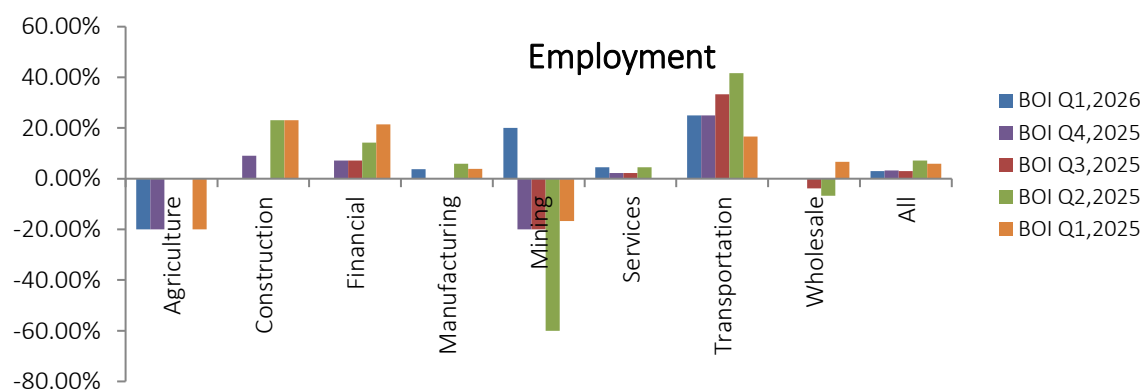


Figure 8. Employment Optimism Index, Q1 2025 – Q1 2026

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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