



SINGAPORE DEPARTMENT OF STATISTICS

PRESS RELEASE

BUSINESS EXPECTATIONS SURVEY (SERVICES SECTOR) FIRST QUARTER 2009

The Business Expectations Survey for the services sector for first quarter 2009 was conducted from December 2008 to mid-January 2009.

General Business Outlook for January - June 2009

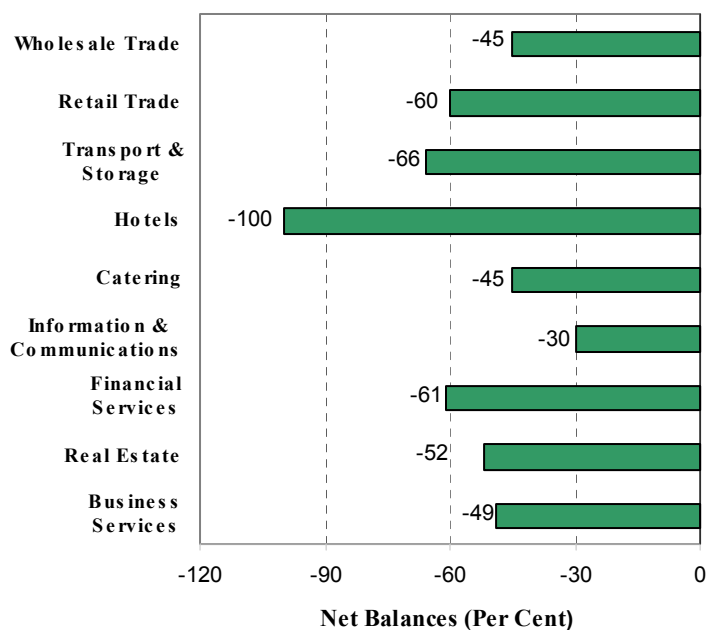
With the decline in global economic activity, firms in the services sector expect the business situation ahead to be less favourable. Overall, a net weighted balance of 53% of firms expects business conditions to deteriorate in the next six months ending Jun 2009 compared with Jul - Dec 2008. The magnitude of the negative net weighted balance is larger than the negative net weighted balance of 15% recorded for Oct 2008 - Mar 2009 in previous quarter's survey. This is also in contrast to the positive net weighted balance of 8% registered in the same period of the previous year (i.e. Jan - Jun 2008).

Within the wholesale trade industry, a net weighted balance of 45% of wholesalers is less upbeat about business prospects for the next six months ending Jun 2009 (see Chart 1). These include wholesalers of household electrical appliances & equipment, petroleum & petroleum products, chemicals & chemical products, other non-agricultural intermediate products and electronic components.

Firms in the retail trade industry project a less favourable business climate for the first half of 2009 over the second half of 2008. Department store owners as well as retailers of motor vehicles, pharmaceutical & medical goods, wearing apparel & footwear, furniture & furnishings and jewellery & watches are among those who foresee a drop in business activity in the coming months.

In the transport & storage industry, a net weighted balance of 66% of firms expects slower business for the six-month period ending Jun 2009. In particular, shipping lines as well as firms providing air transport services, storage & warehousing services, ship & boat leasing services and freight forwarding, packing & crating services are pessimistic.

Chart 1
General Business Outlook for Jan - Jun 2009



Business outlook for the hotel industry is less positive for the period of Jan - Jun 2009 compared with Jul - Dec 2008 which witnessed the first Formula One Grand Prix Event held in Singapore. Similarly, firms in the catering trade predict lower levels of business activity in the coming months.

Within the information & communications industry, a net weighted balance of 30% of firms anticipates a decline in business volume for the next six months ending Jun 2009.

The financial services industry continues to project slower business for the period of Jan - Jun 2009. As a result of the global financial crisis, banks & finance companies, stock, share & bond brokers, fund managers and insurance companies all expect less favourable business conditions.

An overall net weighted balance of 52% of firms in the real estate industry predicts the business situation to deteriorate for the six-month period ending Jun 2009. In particular, firms engaged in the operation of service apartments and real estate management are less upbeat about business prospects in the coming months.

In the business services industry, a net weighted balance of 49% of firms expresses less positive business sentiments for the first half of 2009. These include legal firms, head & regional offices as well as firms engaged in architectural & land surveying, advertising, specialized design, labour recruitment, travel and investigation & security activities.

Forecast for First Quarter 2009

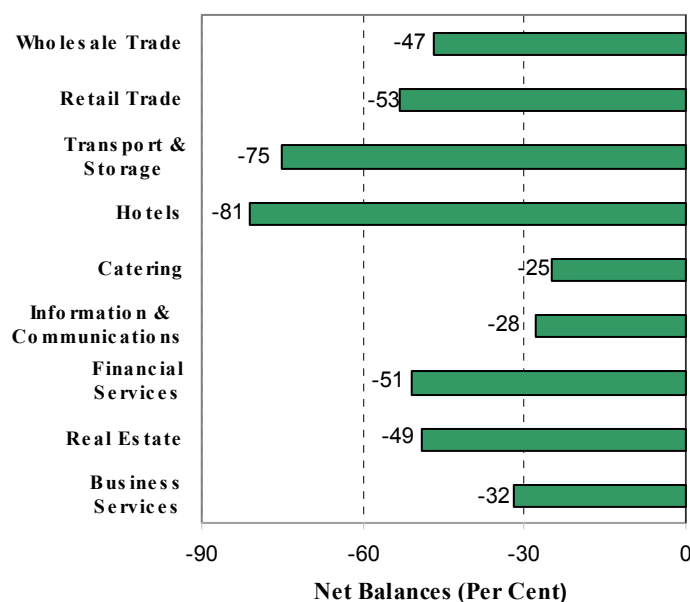
Overall, the services sector forecasts both the income level and manpower demands to be lower for first quarter 2009 over the preceding quarter.

Within the wholesale trade industry, a net weighted balance of 47% of wholesalers foresees a drop in revenue for the period of Jan - Mar 2009 compared with Oct - Dec 2008 (see chart 2). Correspondingly, the employment level is expected to decline during the quarter (see chart 3).

The retailers predict lower sales volume in first quarter 2009 compared with the previous quarter. In terms of employment, a net weighted balance of 26% of retailers foresees less hiring during the same period.

An overall net weighted balance of 75% of firms in the transport & storage industry is pessimistic about turnover for the three-month period ending Mar 2009. In line with the expected drop in business receipts, fewer workers are expected to be recruited during the quarter.

Chart 2
Operating Receipts Forecast for 1st Quarter 2009



Majority of the hoteliers anticipate lower operating receipts for the period of Jan - Mar 2009. Correspondingly, the demand for manpower is expected to decrease in the coming months.

In the catering trade industry, a net weighted balance of 25% of firms projects a decline in earnings for the next three months ending Mar 2009. At the same time, the employment level is anticipated to decrease during the same period.

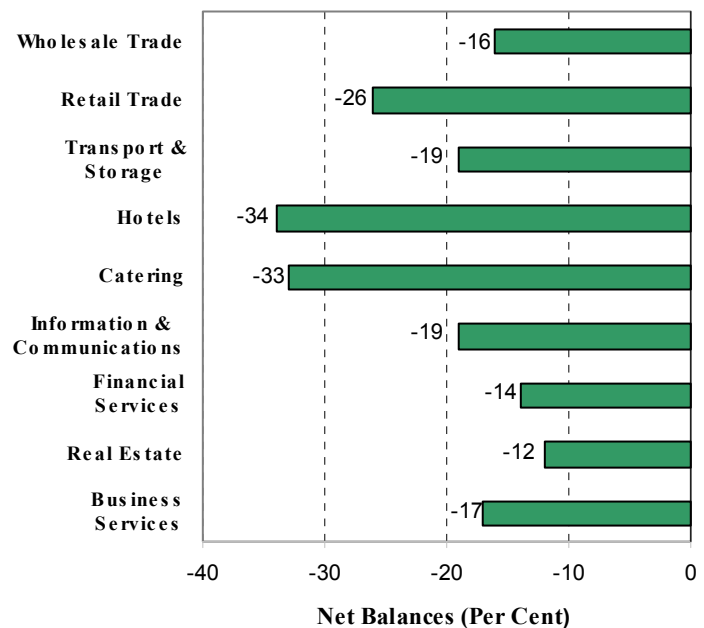
Firms in the information & communications industry forecast a drop in business volume for the period of Jan - Mar 2009 compared with Oct - Dec 2008. In terms of manpower, a net weighted balance of 19% of firms foresees a decline.

Within the financial services industry, a net weighted balance of 51% of firms expects lower turnover for first quarter 2009. In line with the expected decline in revenue, less hiring is expected during the quarter.

The real estate industry foresees a drop in both the income and employment level for the three-month period ending Mar 2009.

In the business services industry, a net weighted balance of 32% of firms anticipates lower revenue for Jan - Mar 2009. These include legal firms, head & regional offices as well as firms providing architectural & land surveying, advertising, labour recruitment and travel services. At the same time, the industry expects to recruit fewer workers during the quarter.

Chart 3
Employment Forecast for 1st Quarter 2009



Singapore Department of Statistics
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Explanatory Note

The Business Expectations Survey for the services sector is conducted quarterly by the Singapore Department of Statistics. It is a survey aimed at obtaining the business outlook for the immediate future of firms in the services sector.

The Business Expectations Survey covers some 1,400 enterprises in wholesale trade, retail trade, transport & storage services, hotels, catering trade, information & communications services, financial & insurance services, real estate and business services. Respondents are asked about their expectations of the business situation in the next six months as well as operating receipts 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 receipts forecast, operating receipts and value added are used as weights at the enterprise level and industry level respectively.

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.

GENERAL BUSINESS OUTLOOK FOR JAN - JUN 2009

Per Cent

Industry	General business outlook for <i>Jan - Jun 2009</i> compared with <i>Jul - Dec 2008</i>			
	Net Weighted Balance	Up	Same	Down
TOTAL SERVICES SECTOR	-53	5	37	58
WHOLESALE & RETAIL TRADE	-47	9	35	56
Wholesale Trade	-45	9	37	54
Retail Trade	-60	9	22	69
TRANSPORT & STORAGE	-66	1	32	67
HOTELS & CATERING	-65	11	13	76
Hotels	-100	0	0	100
Catering	-45	17	21	62
INFORMATION & COMMUNICATIONS	-30	1	68	31
FINANCIAL SERVICES	-61	4	31	65
Banks & Finance Companies	-70	0	30	70
Stock, Share & Bond Brokers	-43	6	45	49
Fund Management	-80	0	20	80
Insurance Companies	-38	14	34	52
Other Financial Services	-44	12	32	56
REAL ESTATE	-52	0	48	52
BUSINESS SERVICES	-49	6	39	55
Legal, Accounting & Business Consultancy	-47	8	37	55
Architectural & Engineering	-39	6	49	45
Other Business Services	-54	5	36	59

Source: Singapore Department of Statistics

Note : "Net weighted balance" is the difference between the weighted percentages of "ups" and "downs". A plus sign indicates a net upward trend and a minus sign denotes a net downward trend.

FORECAST FOR FIRST QUARTER 2009

Per Cent

Industry	Forecast for 1st Quarter 2009 compared with 4th Quarter 2008							
	Operating Receipts				Employment			
	Net Weighted Balance	Up	Same	Down	Net Weighted Balance	Up	Same	Down
TOTAL SERVICES SECTOR	-50	6	38	56	-20	8	64	28
WHOLESALE & RETAIL TRADE	-47	6	41	53	-19	3	75	22
Wholesale Trade	-47	5	43	52	-16	3	78	19
Retail Trade	-53	9	29	62	-26	4	66	30
TRANSPORT & STORAGE	-75	1	23	76	-19	13	55	32
HOTELS & CATERING	-44	11	34	55	-33	10	47	43
Hotels	-81	0	19	81	-34	2	62	36
Catering	-25	16	43	41	-33	13	41	46
INFORMATION & COMMUNICATIONS	-28	5	62	33	-19	8	65	27
FINANCIAL SERVICES	-51	9	31	60	-14	16	54	30
Banks & Finance Companies	-67	1	31	68	-17	19	45	36
Stock, Share & Bond Brokers	-23	15	47	38	-16	0	84	16
Fund Management	-92	0	8	92	0	0	100	0
Insurance Companies	-1	30	39	31	-7	14	65	21
Other Financial Services	-15	22	41	37	-20	14	52	34
REAL ESTATE	-49	4	43	53	-12	7	74	19
BUSINESS SERVICES	-32	13	42	45	-17	10	63	27
Legal, Accounting & Business Consultancy	-30	15	40	45	-17	1	81	18
Architectural & Engineering	-32	6	56	38	-31	0	69	31
Other Business Services	-35	13	39	48	-13	17	53	30

Source: Singapore Department of Statistics

Note : "Net weighted balance" is the difference between the weighted percentages of "ups" and "downs". A plus sign indicates a net upward trend and a minus sign denotes a net downward trend.