



## PRESS RELEASE

### BUSINESS SENTIMENT INDEX FOR BRUNEI DARUSSALAM FOR JANUARY 2022

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1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for the month of January 2022. The index is based on the surveys conducted on more than 550 micro, small, medium and large-sized businesses from the 11 economic sectors in Brunei Darussalam, across all 4 districts.
2. The monthly index is designed to measure the level of business confidence or sentiment in the country and looks at current and future business conditions; current and future investments; current and future employment of workers; as well as current and future costs of running the businesses. Therefore, BSI serves as a leading macroeconomic indicator due to its forward-looking element.
3. The BSI and sub-indices can be interpreted as below:

BSI value	Interpretation
Above 50	Expansion / Optimism compared to the previous month
50	No change compared to the previous month
Below 50	Contraction / Less optimism compared to the previous month

4. Within the BSI, there are 9 sub-indices. The **Current Business Conditions sub-index**, which is the main headline index for the BSI, was 50.4 in January 2022. This was the fourth expansion observed across different sectors after the BSI recorded a contraction in September 2021. More optimistic views were recorded in January 2022 as restrictions were eased with the commencement of the Early Endemic Phase on 15 December 2021. In general, businesses observed a rise in sales and activities with increased spending. Amongst the comments from businesses on this increase include the bonus season; ability to operate back to normal hours; reopening of schools; being awarded new projects; ability to hold more functions and events; as well as the Chinese New Year celebration. The index for the one month ahead Business Conditions is recorded at 50.4 as businesses expect better business conditions in the near future should the COVID-19 situation in Brunei Darussalam improves.
5. The **Investment sub-index** was 49.9 for the current month, 50.5 for one month ahead and 50.3 for three months ahead. This indicates that although businesses generally invested less in January 2022 compared to December 2021, they are expecting to increase investment expenditures in coming months. A few factors were cited for the increase, including opening of a new branch or outlet; purchase of machinery, equipment and materials for new projects; and to increase production capacity and to stock up more inventories for upcoming festive seasons such as Hari Raya Aidilfitri where more sales will be expected.
6. The **Employment sub-index** was 50.1 for the current month and 50.1 for the month ahead, indicating that most businesses were hiring more employees in January 2022 with plans to continue to hire in February 2022. Businesses, however, continued to highlight the challenges with COVID-19 restrictions including

lengthy processes in hiring foreign workers to replace the workers who have returned to their home countries upon expiry of their contracts. In general, businesses reported labour shortage and high turnover rate due to difficulties in hiring and retaining local workers. As such, some businesses have been actively hiring part-timers, especially to support the increased business activities in January 2022.

- The **Costs sub-index** was 50.0 for the current month and 50.2 for the month ahead, indicating that businesses felt that the costs of running their businesses are about the same in January 2022 compared to December 2021 but expect operating costs to increase in February 2022. Businesses expect further increases in operating costs in the near term due to higher prices charged by suppliers; rising materials and shipment costs; and costs of hiring new workers, including agency fees for bringing in foreign workers.

<b>BSI January 2022</b>	
Current Business Conditions	50.4
1M Ahead Business Conditions	50.4
Current Investment	49.9
1M Ahead Investment	50.5
3M Ahead Investment	50.3
Current Employment	50.1
1M Ahead Employment	50.1
Current Costs	50.0
1M Ahead Costs	50.2

**Note:** 1M – one month, 3M – three months

- In terms of economic sectors, some optimism was recorded in 7 out of the 11 sectors in January 2022 led by Oil & Gas Related, Finance & Insurance, Hotels & Restaurants, and Health & Education. The Early Endemic Phase has allowed for businesses to increase operations up to 75% capacity. In January 2022, Transport & Communication sector reported a small contraction while the Construction sector remained pessimistic since August 2021 with a number of businesses reporting no new projects. Agriculture, Forestry, Fisheries & Livestock, and Other Private Services sectors reported similar business conditions to December 2021, and are still facing similar challenges such as weather conditions, while in the latter sector, a number of businesses reported to have ongoing contracts and projects.

<b>Current Business Conditions January 2022 by sector</b>	
Oil & Gas Related	50.5
Manufacturing	50.1
Construction	49.7
Wholesale & Retail Trade	50.2
Transport & Communication	49.8
Agriculture, Forestry, Fisheries & Livestock	50.0
Finance & Insurance	50.5
Real Estate & Ownership of Dwellings	50.1
Hotels & Restaurants	50.4
Health & Education	50.3
Other Private Services	50.0

9. In terms of the index by business size, businesses of all sizes reported general improvements in their current business conditions in January 2022 compared to the previous month. This is due to increased business activities with further COVID-19 de-escalation plans in the Early Endemic Phase.

<b>Current Business Conditions January 2022 by size</b>	
Micro	50.1
Small	50.1
Medium	50.2
Large	50.2

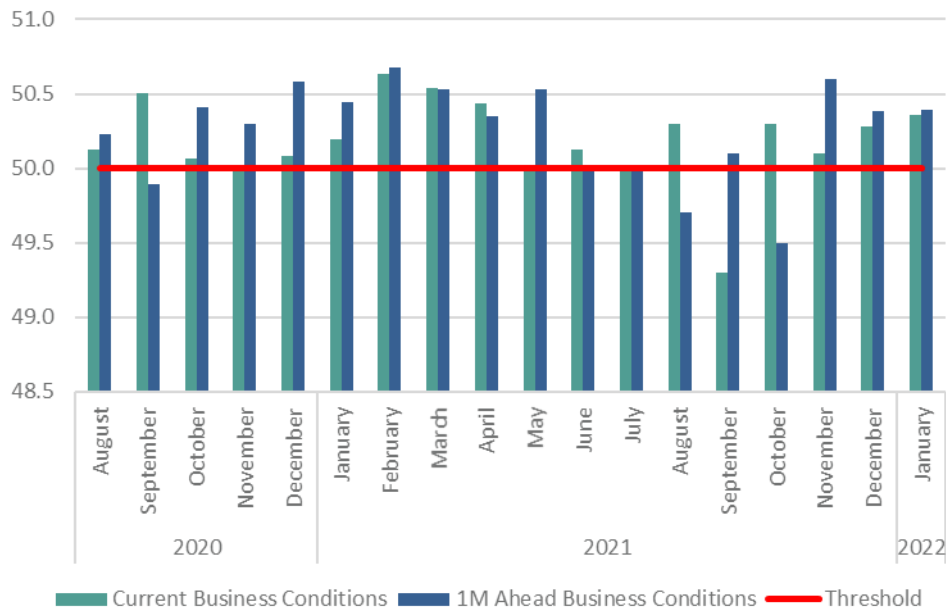
10. The time-series charts for the BSI and its sub-indices since August 2020 can be found in ANNEX 1. For more information on BSI, members of the public may refer to the technical notes on the methodology and statistics in BDCB's website at <https://www.bdcg.gov.bn> and may follow updates on the BSI through future press releases and BDCB's Instagram account @centralbank.brunei.

**Brunei Darussalam Central Bank**

Date: 13 Rejab 1443H/ 14 February 2022M  
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ANNEX 1

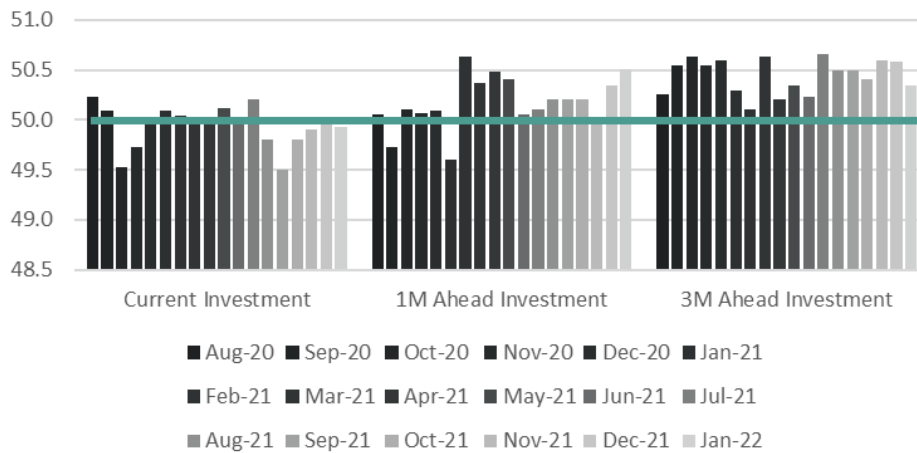
**Business Conditions**



**Note:** For 1M Ahead Business Conditions, the result compares expected business conditions in the month ahead compared to the current month.

For Business Conditions sub-index, above 50 indicates expansion / optimism compared to the previous month. Index at 50 indicates no change compared to the previous month while below 50 indicates contraction / less optimism compared to the previous month.

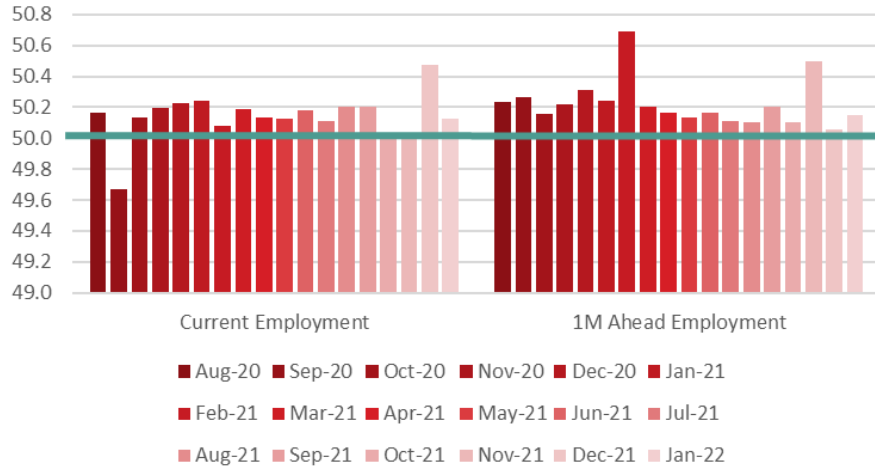
**Investments**



**Note:** For 1M Ahead Investments, the result compares expected investment in the next month compared to the current month while for the 3M Ahead Investment, the result compares expected investments 3 months ahead compared to the current month.

For Investments sub-index, above 50 indicates increased investment compared to the previous month. Index at 50 indicates no change compared to the previous month while below 50 indicates reduced investment compared to the previous month.

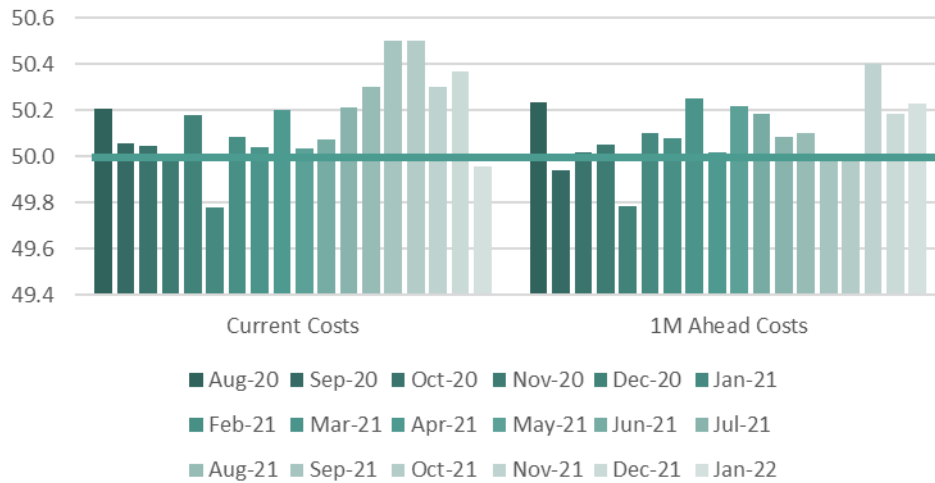
## Employment



**Note:** For 1M Ahead Employment, the result compares expected employment in the next month compared to the current month.

For Employment sub-index, above 50 indicates more new hires compared to the previous month. Index at 50 indicates no change compared to the previous month while below 50 indicates reduction in employee headcount compared to the previous month.

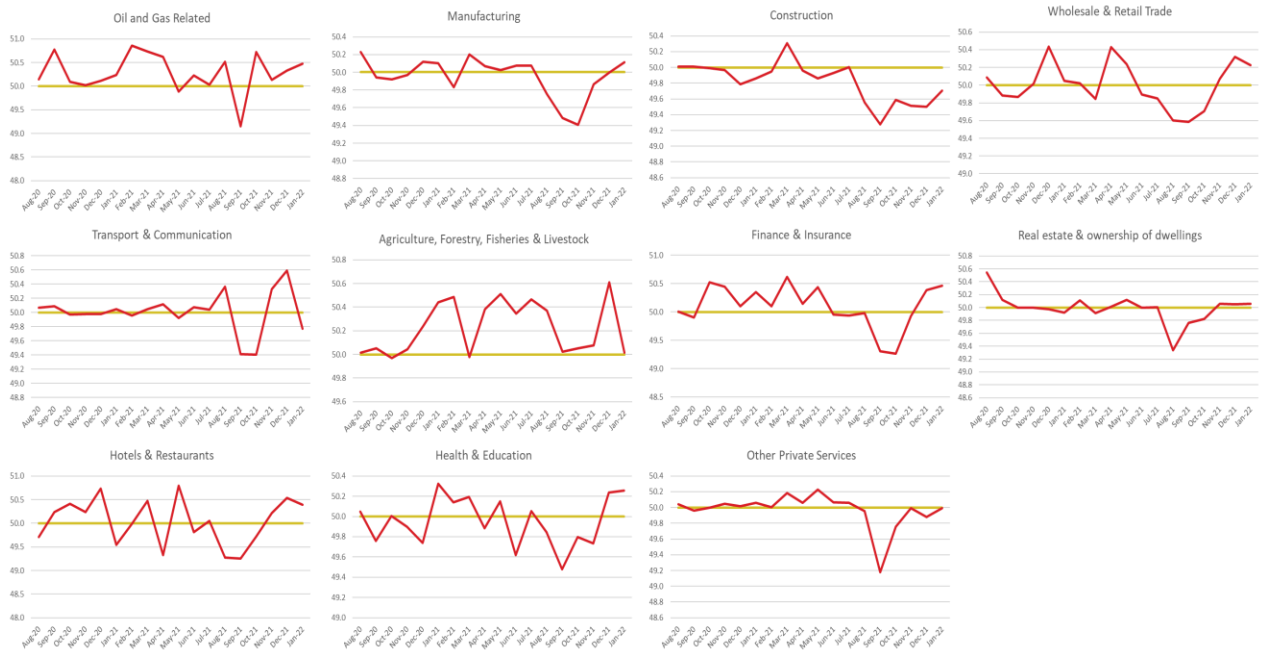
## Costs



**Note:** For 1MAhead Costs, the result compares expected costs in the next month compared to the current month.

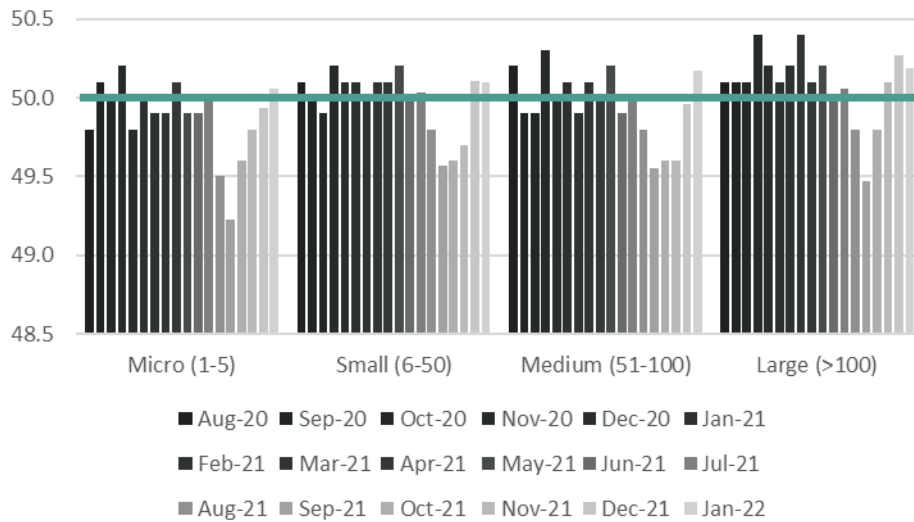
For Costs sub-index, above 50 indicates an increase in costs and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to previous month.

## Sectoral BSI – August 2020 to January 2022



**Note:** An index above 50 indicates expansion / optimism compared to the previous month. Index at 50 indicates no change compared to the previous month while below 50 indicates contraction / less optimism compared to the previous month.

## Sentiment by business size



**Note:** An index above 50 indicates expansion / optimism compared to the previous month. Index at 50 indicates no change compared to the previous month while below 50 indicates contraction / less optimism compared to the previous month.