



PRESS RELEASE

BUSINESS SENTIMENT INDEX (BSI) FOR BRUNEI DARUSSALAM FOR SEPTEMBER 2023

1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for September 2023. The index is based on surveys conducted on over 500 micro, small, medium, and large businesses from eleven economic sectors in Brunei Darussalam across all districts.
2. The monthly index is designed to measure the level of business confidence/sentiment in the country, covering various aspects, including current and future business conditions; investments; employment of workers; as well as costs of running the businesses. Therefore, the BSI serves as a leading macroeconomic indicator with its forward-looking element in the country.
3. The BSI and sub-indices can be interpreted as below:

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

4. There are nine sub-indices within the BSI. The main headline index, which is the **Current Business Conditions sub-index**, was 50.1 in September 2023, indicating slight optimism regarding business conditions in the private sector. Generally, factors for the optimism included a recovery in demand for goods and services after the August school holiday as well as an overall increase in business activities due to more sales, and new clientele and projects. For October 2023, the index for one month (1M) ahead stood at 50.4, indicating a higher level of optimism among businesses due to expectations of higher production levels and increased sales from marketing campaigns and promotions.
5. The **Investment sub-index** was 50.1 for the current month, 50.1 for one month (1M) ahead, and 50.2 for three months (3M) ahead. This indicates that, in general, businesses are expected to slightly increase their investment expenditures in September 2023 and in the next few months. These investment expenditures include new outlets for business expansion, renovation, and purchase of new equipment and machinery. Several businesses also mentioned the need to purchase more project-related materials and equipment; and stock up inventories in preparation for the year-end bonus season as well as upcoming festivities.

6. The **Employment sub-index** was 50.3 for the current month and 50.2 for 1M ahead. In general, businesses planned to increase their number of employees for September and October 2023 as they need more manpower for expansion, accommodate new projects, and serve new clients.
7. The **Costs sub-index** was 50.3 for the current month and 50.2 for 1M ahead. Companies generally expected the costs of running their businesses to be higher in September and October 2023 following an anticipated increase in staff-related expenses, especially on new hires and overtime pay. In general, companies continue to face higher expenses due to several factors, which include higher import prices and material costs; project expenses; and maintenance and repair works. Similar to last month, some businesses have shared that the increase in National Retirement Scheme (SPK) contributions led to a rise in the costs of running their businesses.

BSI September 2023	
Current Business Conditions	50.1
1M Ahead Business Conditions	50.4
Current Investment	50.1
1M Ahead Investment	50.1
3M Ahead Investment	50.2
Current Employment	50.3
1M Ahead Employment	50.2
Current Costs	50.3
1M Ahead Costs	50.2

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

8. In terms of **economic sectors**, most sectors recorded optimism in their business conditions in September 2023, with eight out of eleven sectors recording indices of above 50. The top three sectors that recorded the highest optimism were Finance and Insurance; Construction; and Other Private Services sectors. Companies in the Finance and Insurance sector expected better business conditions with more activities and increased profit for the month. The Construction sector also saw increased performance due to more work and projects. Other Private Services sector mentioned more projects and clients led to overall better performance. The Oil and Gas; Transport and Communication; Health and Education; Manufacturing; Agriculture, Forestry, Fisheries and Livestock sectors all recorded slight optimism at 50.1. The businesses in these sectors expected better business conditions due to increased activities, and more sales with ongoing promotions and events. Meanwhile, Real Estate and Ownership of Dwellings; Hotels and Restaurants; and Wholesale and Retail sectors reported similar business conditions to August 2023.

Current Business Conditions September 2023 by Sector	
Finance & Insurance	50.3
Construction	50.3
Other Private Services	50.3
Oil & Gas Related	50.1
Transport & Communication	50.1
Health & Education	50.1
Manufacturing	50.1

Agriculture, Forestry, Fisheries & Livestock	50.1
Real Estate & Ownership of Dwellings	50.0
Hotels & Restaurants	50.0
Wholesale & Retail Trade	50.0

9. In terms of the index by **business size**, small-, medium- and large-sized companies reported expectations of better business conditions in September 2023 compared to the previous month. Generally, these businesses felt positive regarding their performance with expectations of higher levels of business activities and demand for goods and services. Meanwhile, micro-sized businesses reported similar business conditions in September 2023 to the previous month.

Current Business Conditions September 2023 by Size	
Micro	50.0
Small	50.1
Medium	50.2
Large	50.1

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 the BSI, members of the public can refer to the technical notes on the methodology and statistics on the BDCB website at www.bdcg.gov.bn and follow updates on the BSI through future press releases and BDCB's Instagram account @centralbank.brunei.

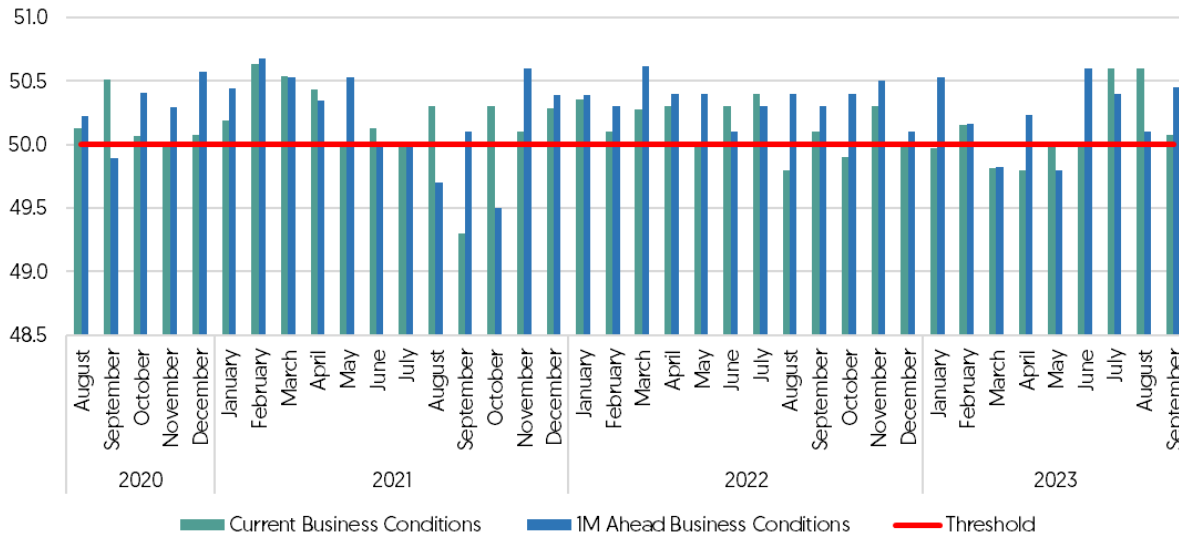
Brunei Darussalam Central Bank

Date: Rabiulakhir 1445H / October 2023M

Ref: BDCB/COMMS/3

ANNEX 1

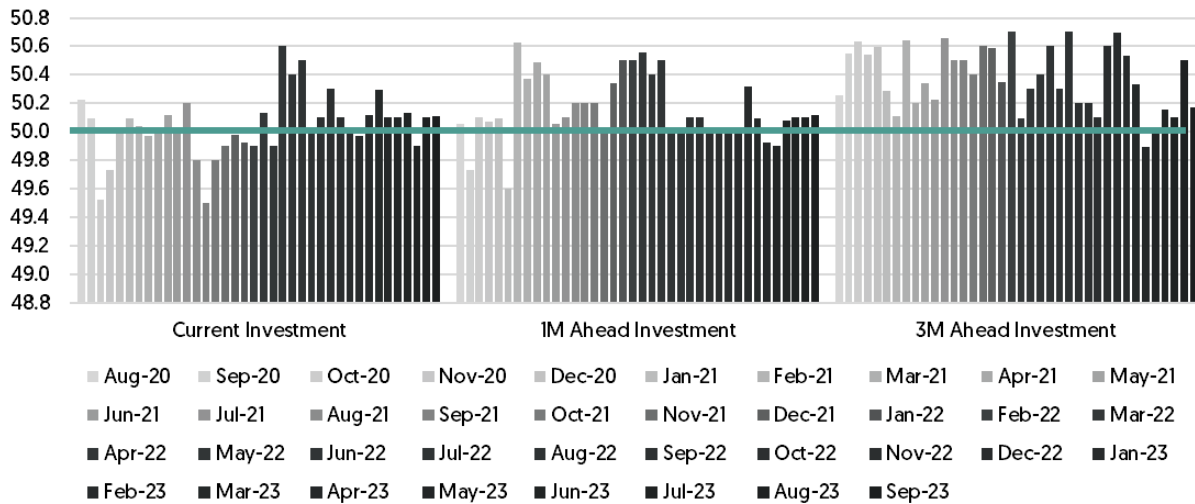
Business Conditions



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 similar/no change compared to the previous month while below 50 indicates contraction / less optimism compared to the previous month.

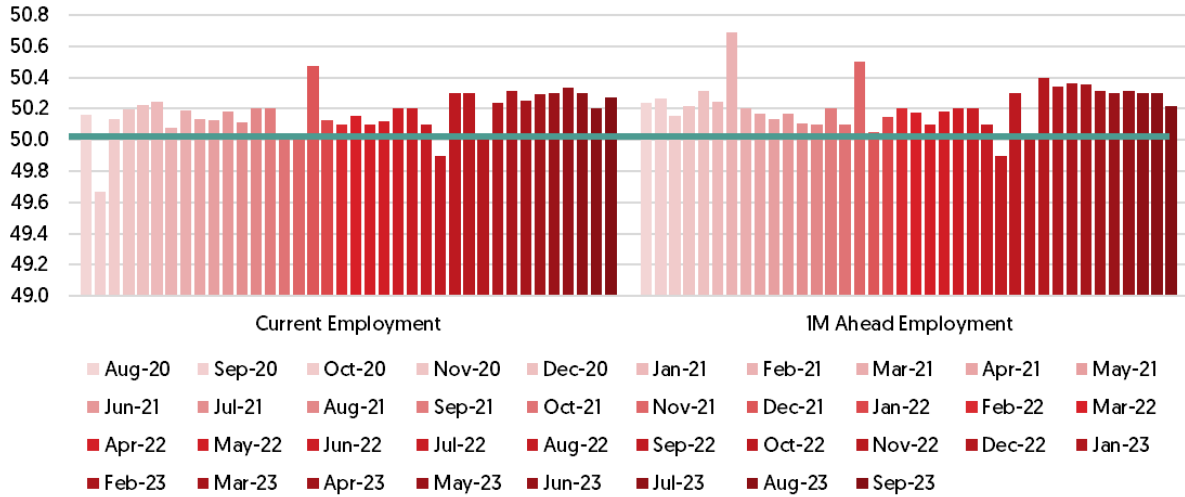
Investments



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 similar/no change compared to the previous month while below 50 indicates reduced investment compared to the previous month.

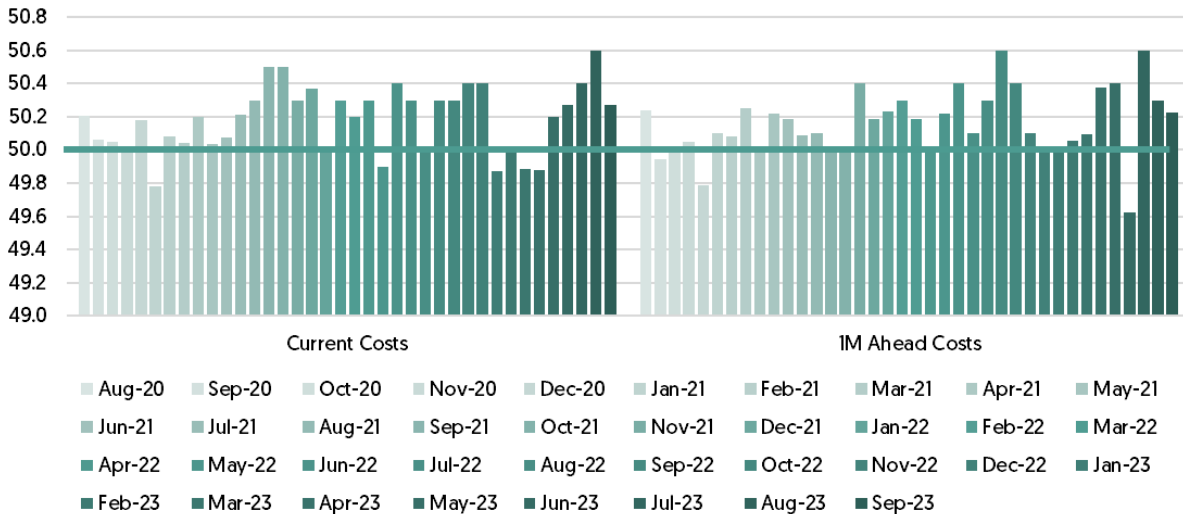
Employment



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 similar/no change compared to the previous month while below 50 indicates a reduction in employee headcount compared to the previous month.

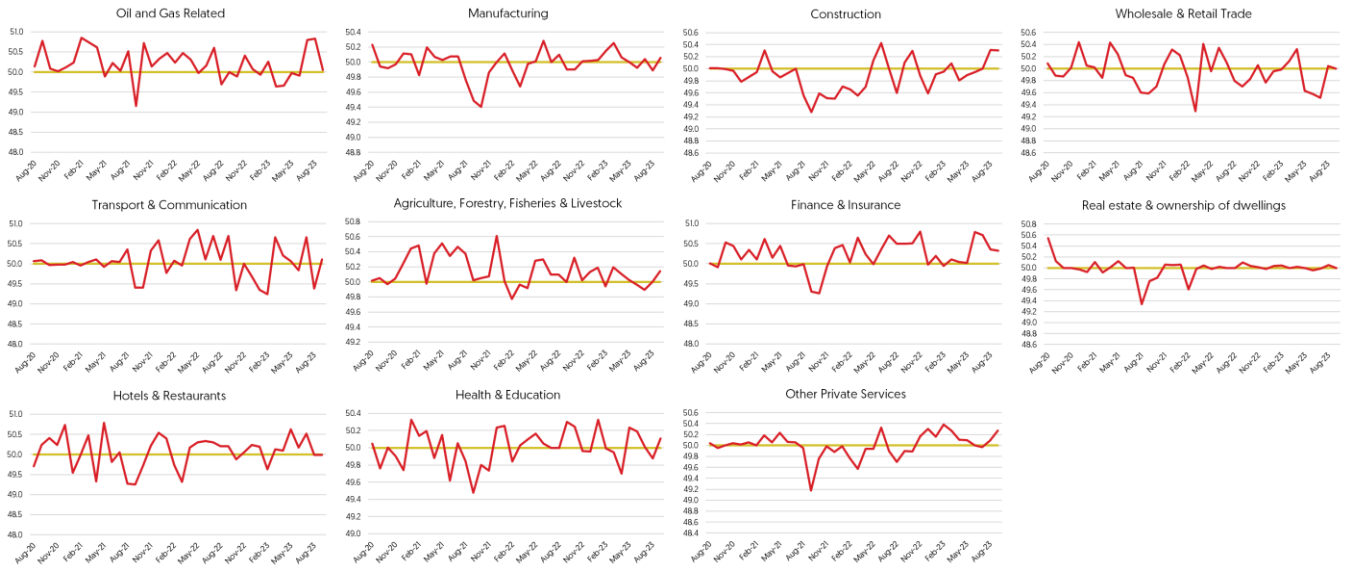
Costs



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

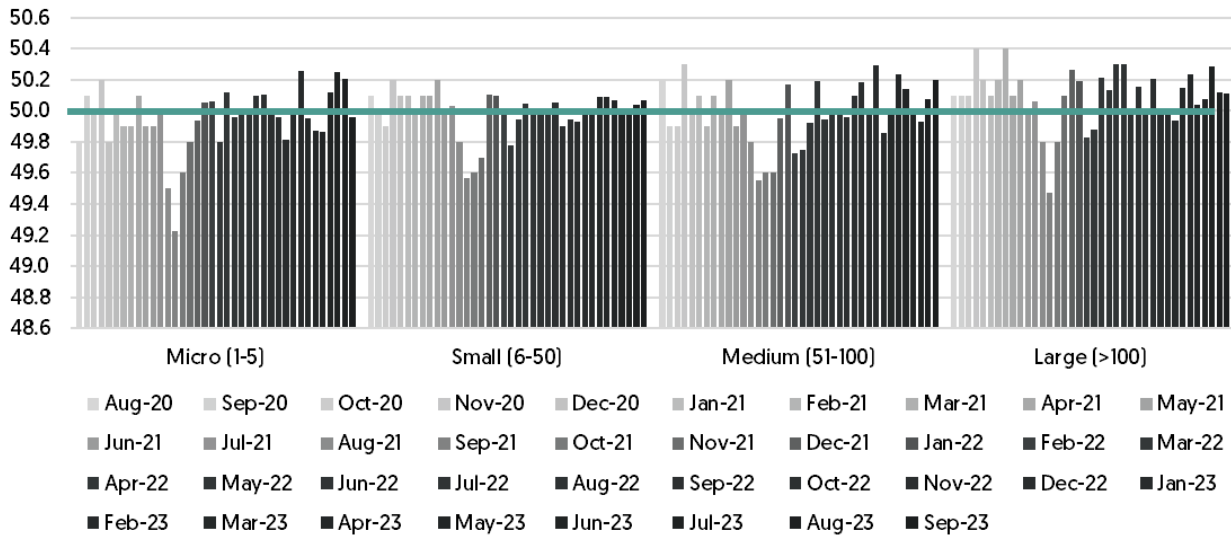
For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.

Sectoral BSI – August 2020 to September 2023



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 similar/no change compared to the previous month while below 50 indicates contraction / less optimism compared to the previous month.