



PRESS RELEASE

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

1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for November 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 November 2023. This indicates that, in general, businesses in the private sector expected a slight improvement in business conditions compared to October 2023. A few businesses shared expectations of improved production and higher demand for their goods and services due to the year-end holidays and also in preparation for the new year for some sectors. There were also some expectations of increased orders, projects and contracts being awarded, while those not expecting new projects would focus on ongoing projects. The index for one month (1M) ahead stood at 50.0, indicating an expectation of a similar level of business activities as November 2023. However, some businesses expressed optimism about more consumer spending due to the bonus season, while others shared concerns that most people would travel abroad in December 2023.
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, generally, businesses are expected to increase their investment expenditures in November 2023 and the next few months. These investment expenditures include renovating offices and stores, as well as purchasing new vehicles, office equipment, project-related materials, equipment, and machinery. Many businesses highlighted the need to stock up inventories in preparation for upcoming festivities such as the royal wedding ceremony, Chinese New Year and Hari Raya Aidilfitri.

6. The **Employment sub-index** was 50.5 for the current month, and also for 1M ahead. In general, businesses planned to increase their employee headcount for November and December 2023. These companies continued to hire additional workers to prepare for upcoming year-end events and new projects/contracts, as well as to replace those who had resigned.
7. The **Costs sub-index** was 50.4 for the current month and 49.7 for 1M ahead. Companies generally expected the costs of running their businesses to be higher in November 2023 following an anticipated increase in staff-related expenses, especially on new hires, overtime pay, and salary increases. In general, companies continue to face higher operating costs due to several factors, including increases in material prices; purchase of raw materials; marketing and event-related expenses; and maintenance and repair works. Due to the increased expenses in November, businesses expected costs in December 2023 to be relatively lower.

BSI November 2023	
Current Business Conditions	50.1
1M Ahead Business Conditions	50.0
Current Investment	50.1
1M Ahead Investment	50.1
3M Ahead Investment	50.2
Current Employment	50.5
1M Ahead Employment	50.5
Current Costs	50.4
1M Ahead Costs	49.7

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

8. In terms of **economic sectors**, four out of eleven sectors recorded optimism in their business conditions in November 2023. The Finance and Insurance sector recorded the most optimism, with an index of 50.4 attributed to higher demand for their products and services. The Oil and Gas Related sector indicated slight optimism due to higher activities compared to the previous month. The Transport and Communication sector and Other Private Services sector also felt optimistic with expectations of increased business activities, with the latter attributing their optimism to new contracts/projects. On the other hand, five sectors recorded slight pessimism due to various reasons. The Construction sector anticipated lower activities and a reduced workforce, whereas the Health and Education Sector expected lower revenues compared to the previous month. The Wholesale and Retail Trade, and Hotels and Restaurants sectors expected lower domestic sales as cross-border travel increased. Meanwhile, the Agriculture, Forestry, Fisheries and Livestock sector cited unpredictable weather, lower production and reduced consumer demand. The Manufacturing, and Real Estate and Ownership of Dwellings sectors reported similar business conditions to October 2023.

Current Business Conditions November 2023 by Sector	
Finance & Insurance	50.4
Oil & Gas Related	50.1
Other Private Services	50.1
Transport & Communication	50.1
Manufacturing	50.0
Real Estate & Ownership of Dwellings	50.0
Agriculture, Forestry, Fisheries & Livestock	49.9
Hotels & Restaurants	49.9
Health & Education	49.9
Wholesale & Retail Trade	49.8
Construction	49.7

9. In terms of the index by **business size**, micro- and medium-sized companies reported expectations of better business conditions in November 2023 compared to the previous month. Generally, these businesses felt positive regarding their performance with expectations of more projects and orders. Meanwhile, small and large businesses reported similar business conditions in November 2023 to the previous month.

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

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.bdcdb.gov.bn and follow updates on the BSI through future press releases and BDCB's Instagram account @centralbank.brunei.

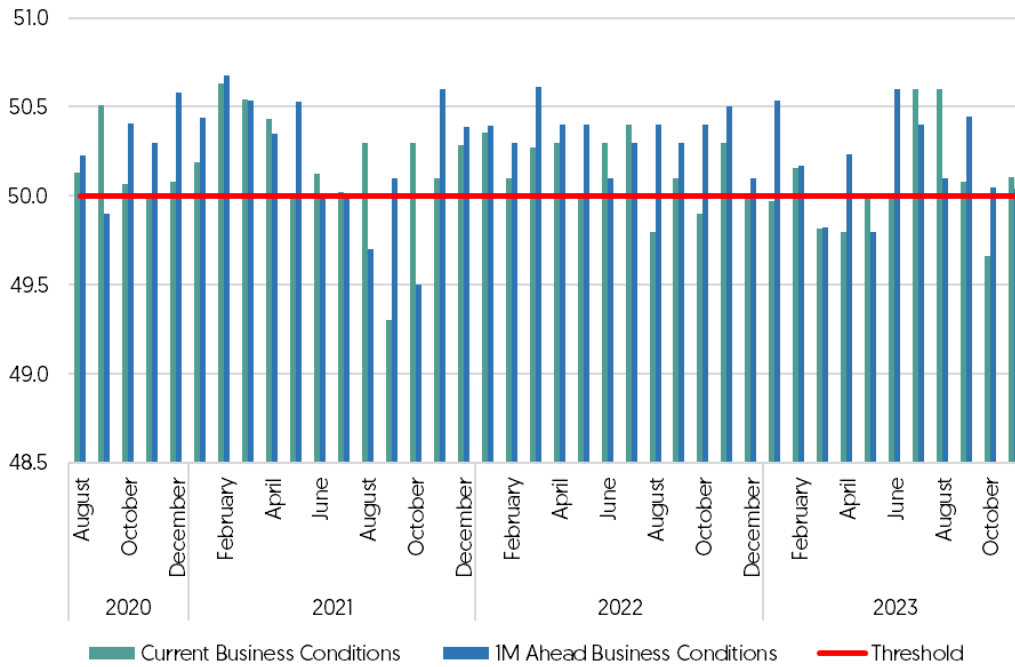
Brunei Darussalam Central Bank

Date: 28 Jamadilakhir 1445H / 10 January 2024M

Ref: BDCB/COMMS/3

ANNEX 1

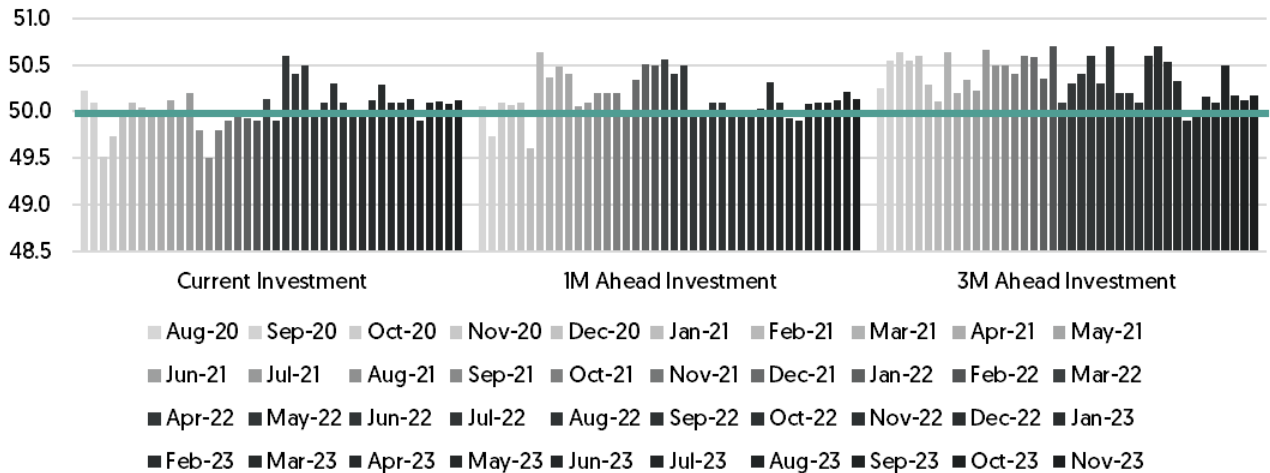
Business Conditions



Note: For 1MAhead Business Conditions, the result compares expected business conditions in the month ahead 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.

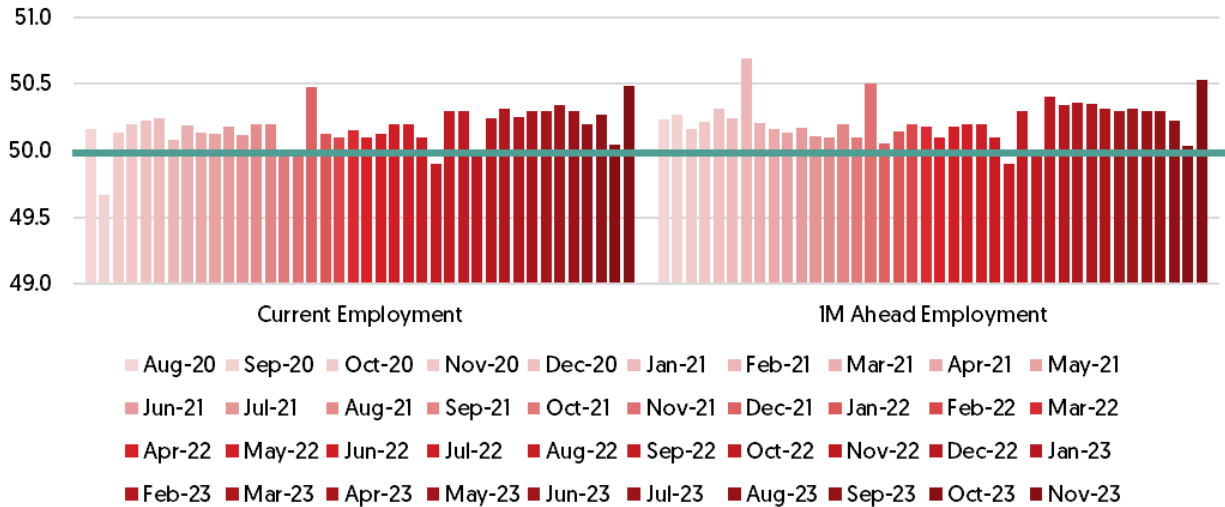
Investments



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

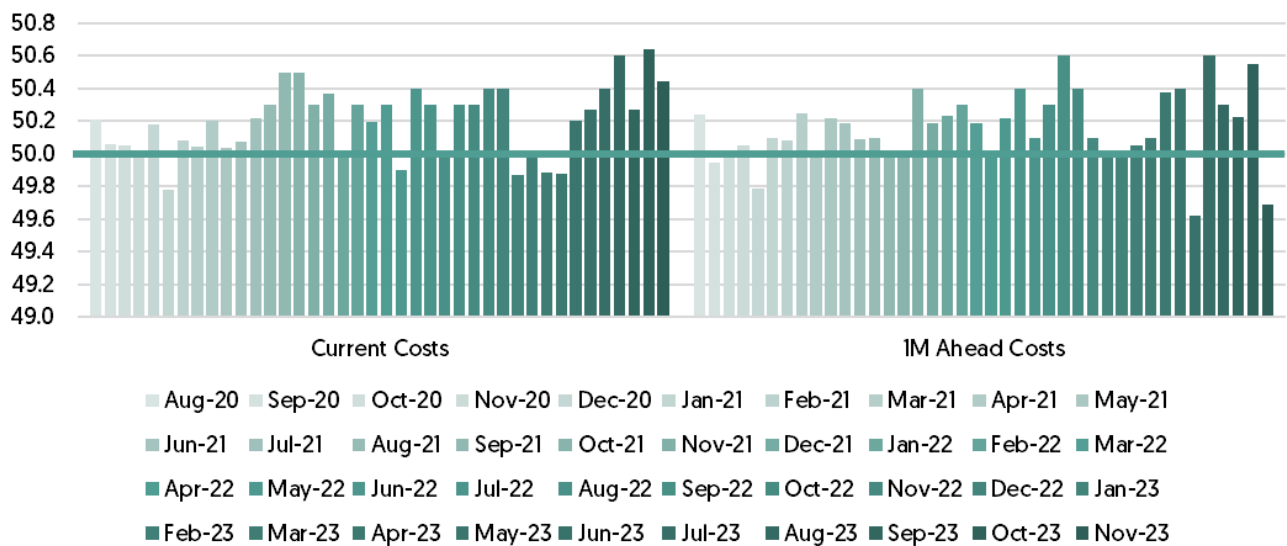
Employment



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

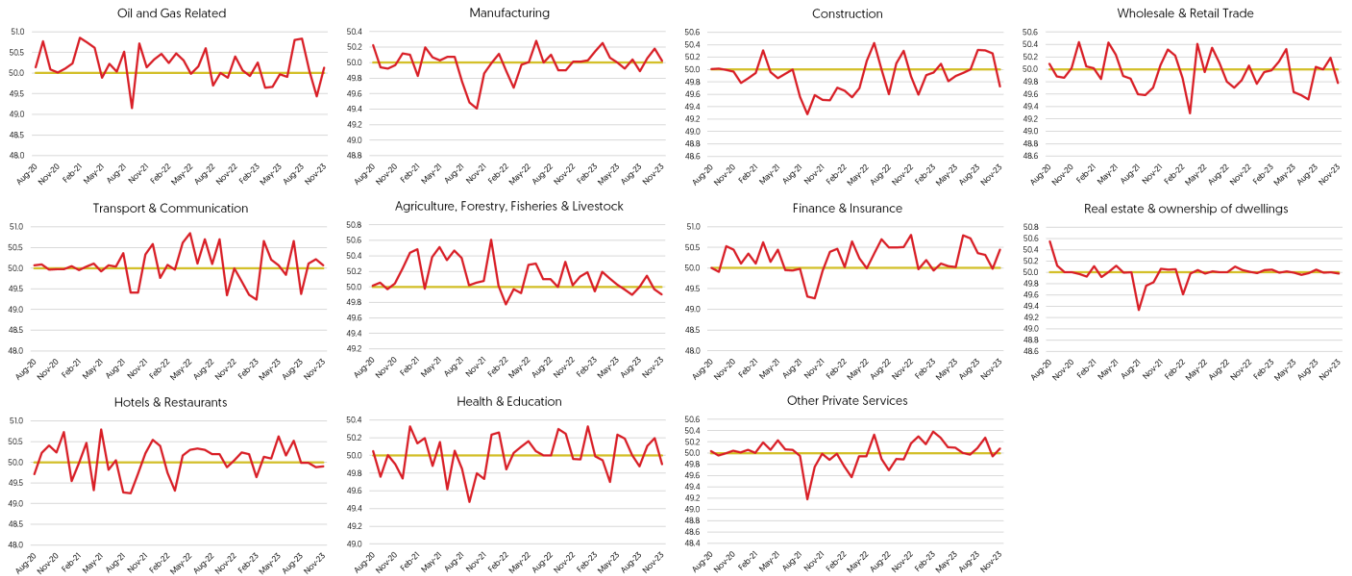
Costs



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

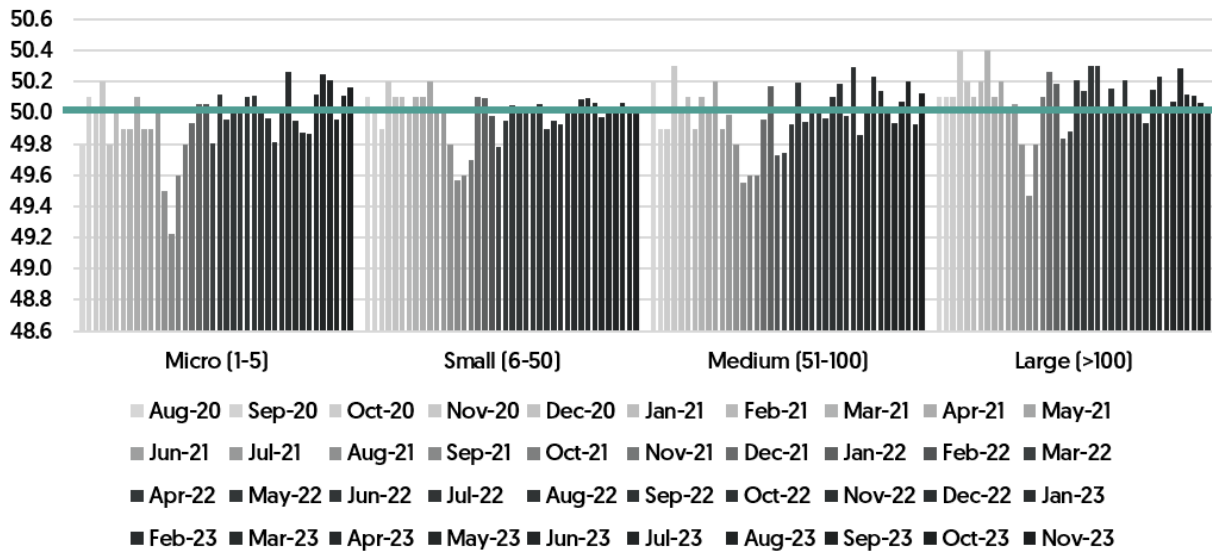
For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.

Sectoral BSI – August 2020 to November 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.