



PRESS RELEASE

BUSINESS SENTIMENT INDEX (BSI) FOR BRUNEI DARUSSALAM FOR JANUARY 2024

1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for January 2024. 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 50.2 in January 2024, indicating expectations of slightly better business conditions compared to December 2023. Generally, businesses attributed their optimistic sentiments to the resumption of domestic spending following the end of the holiday period, as well as projects/orders related to the Royal Wedding to boost business performance. The index for one month (1M) ahead was 50.0, indicating that businesses expected similar conditions to January 2024. While some businesses had expectations of sustained domestic spending and increased activities in preparation for Chinese New Year celebrations in February 2024, others shared concerns about the shorter calendar month and public holidays affecting business activities during the month.
5. The **Investment sub-index** was 50.0 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 maintain similar levels of investments compared to the previous month. These expenditures included office and store renovations, as well as procuring materials, equipment, and machinery related to upcoming projects. Businesses expect to increase their investment expenditures slightly in the months ahead, mainly driven by business premises expansion and stocking up inventories in preparation for Hari Raya Aidilfitri.

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 employee headcount for January and February 2024. Many businesses expressed the need to increase their workforce as part of business expansion plans and preparation for upcoming events and projects.
7. The **Costs sub-index** was 50.2 for the current month and 50.6 for 1M ahead. Businesses generally expected the costs of running their businesses to increase due to several factors, including higher salary payments from increased employee headcount, overtime pay, bonus payouts, yearly increments, and purchases of more raw materials for upcoming projects. Some businesses also attributed higher operational costs to their involvement in the Consumer Fair 2024 in January, which led to increased marketing and promotional expenses. For the month ahead, some businesses expressed expectations for costs to increase further compared to the previous month. In addition to higher overall labour costs due to scheduled bonus payouts, a few businesses also expected higher costs related to Chinese New Year celebrations.

BSI January 2024	
Current Business Conditions	50.2
1M Ahead Business Conditions	50.0
Current Investment	50.0
1M Ahead Investment	50.1
3M Ahead Investment	50.2
Current Employment	50.3
1M Ahead Employment	50.2
Current Costs	50.2
1M Ahead Costs	50.6

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

8. In terms of **economic sectors**, eight out of eleven sectors recorded optimism in their business conditions in January 2024. The Hotel & Restaurants sector recorded the highest optimism, with an index of 50.8. Along with the Manufacturing sector, they attributed their optimism to their involvement in projects/orders related to the Royal Wedding and continued consumer bonus spending from December 2023. Meanwhile, the Health and Education sector expressed their expectations for better performance in January 2024 with the reopening of schools and higher student enrolments. The Wholesale and Retail Trade sector attributed their optimism to ongoing projects, sustained consumer spending and the seasonal trend following the end of the holiday period. In contrast, the Construction sector expected more incoming projects. The Agriculture, Forestry, Fisheries and Livestock sector also expressed similar optimistic sentiments owing to better weather conditions and lower production costs. The Oil and Gas Related sector reported slight optimism in business conditions for January 2024 due to expectations of higher profit margins, whilst the Finance & Insurance sector also reported slightly better conditions due to increased demand for their products and services. On the other hand, the Transport & Communication sector reported pessimism amid the end of peak travel season, whereas the Real Estate & Dwellings sector expressed slight pessimism, expecting lower performance in January 2024. Meanwhile, the Other Private Services sector expected business conditions similar to December 2023.

Current Business Conditions January 2024 by Sector	
Hotels & Restaurants	50.8
Health & Education	50.5
Wholesale & Retail Trade	50.5
Agriculture, Forestry, Fisheries & Livestock	50.4
Oil & Gas Related	50.2
Construction	50.1
Finance & Insurance	50.1
Manufacturing	50.1
Other Private Services	50.0
Real Estate & Ownership of Dwellings	49.9
Transport & Communication	49.4

9. In terms of the index by **business size**, small-, medium-, and large-sized companies reported expectations of better business conditions in January 2024 compared to the previous month due to projects related to the Royal Wedding along with the resumption of business-as-usual activities as consumers return from their holiday. Meanwhile, only micro-sized businesses expressed slightly pessimistic sentiments compared to December 2023.

Current Business Conditions January 2024 by Size	
Micro	49.9
Small	50.1
Medium	50.4
Large	50.2

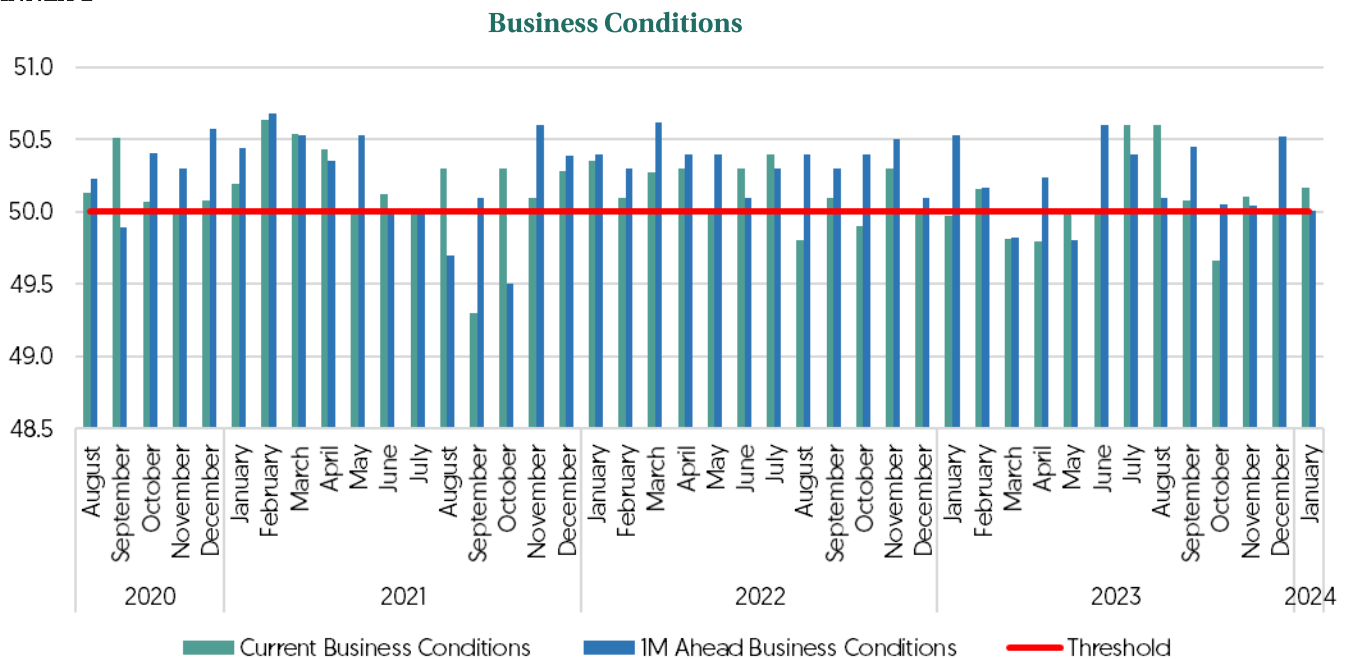
10. The time-series charts for the BSI and its sub-indices since August 2020 can be found in **ANNEX 1**. For more information on the BSI, members of the public can refer to the technical notes on the methodology and statistics on the BDCB website at www.bdcg.gov.bn and follow updates on the BSI through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

Brunei Darussalam Central Bank

Date: 16 Sya'ban 1445H / 22 February 2024M

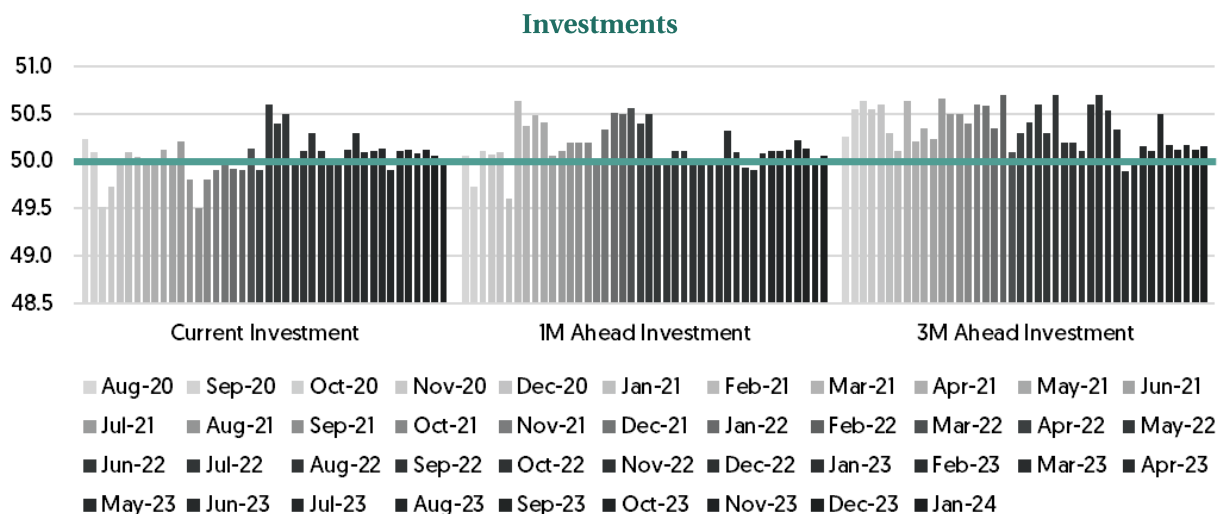
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ANNEX 1



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

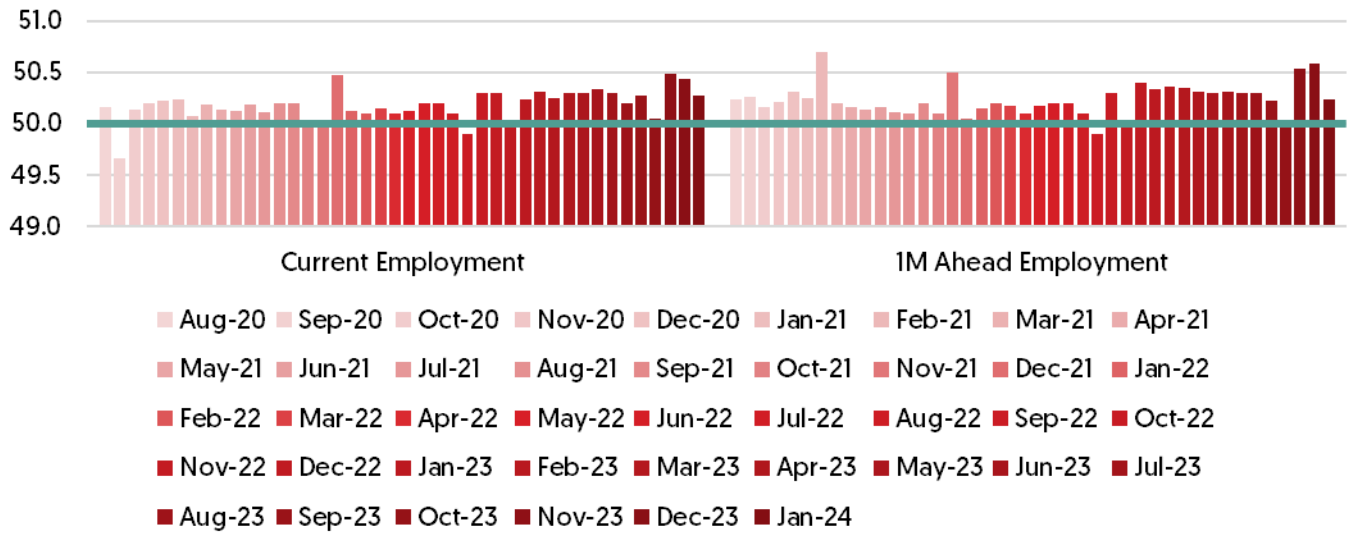
For Business Conditions sub-index, above 50 indicates expansion/optimism compared to the previous month. Index at 50 indicates similar/no change compared to the previous month while below 50 indicates contraction / less optimism compared to the previous month.



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.

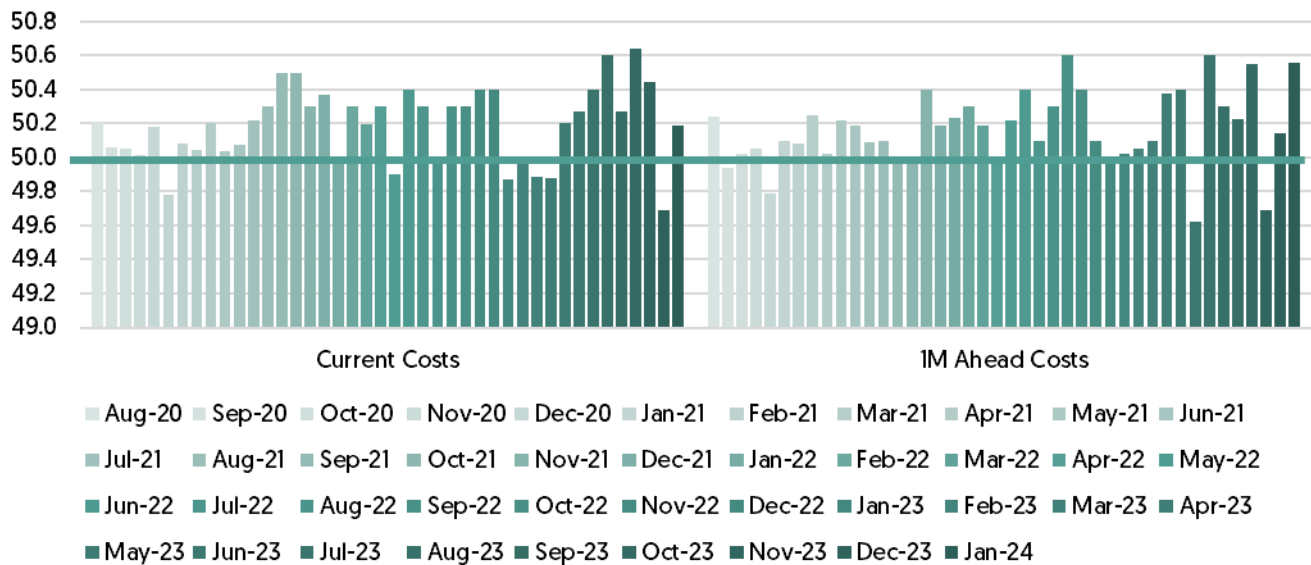
Employment



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.

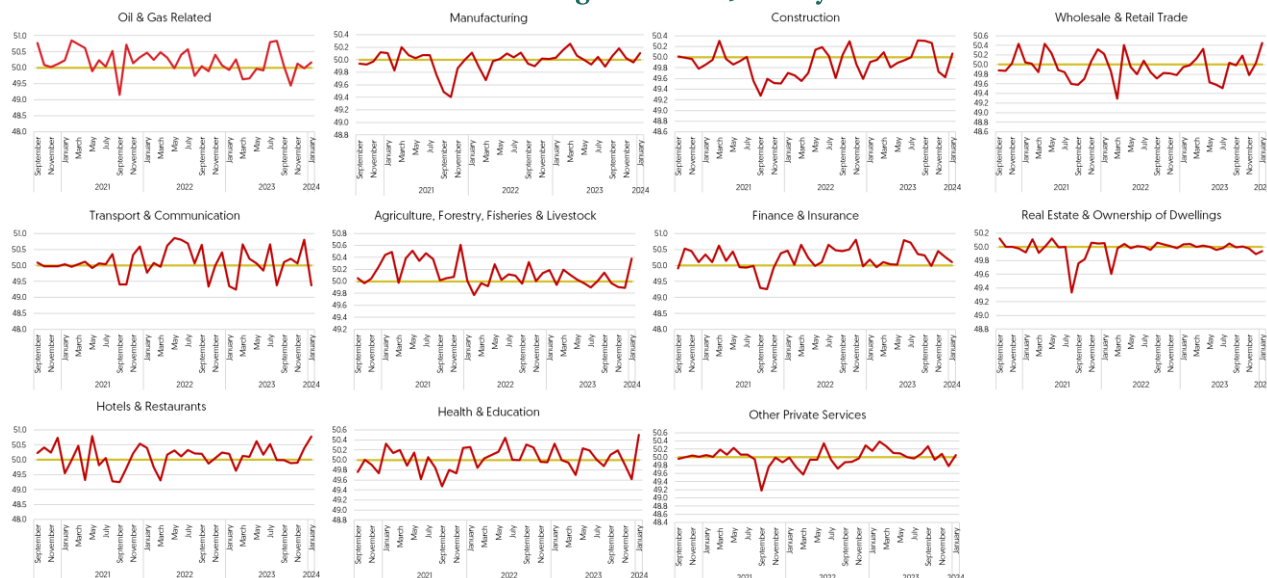
Costs



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

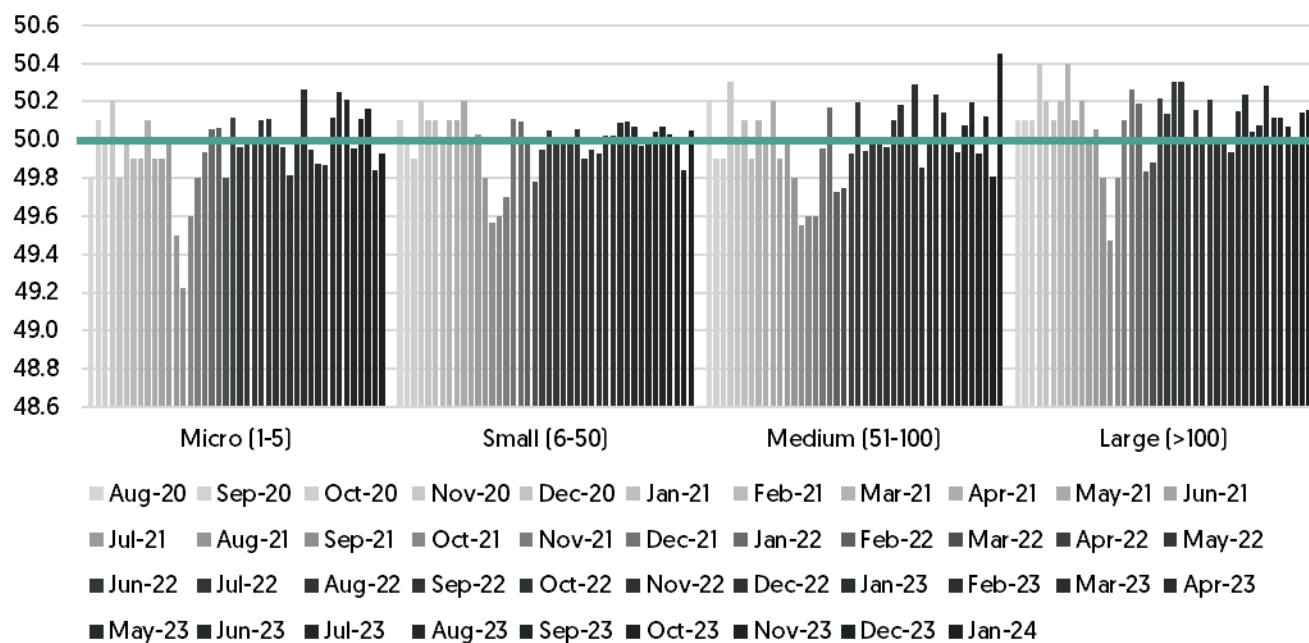
For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.

Sectoral BSI – August 2020 to January 2024



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.