



PRESS RELEASE

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

1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for March 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, **Current Business Conditions sub-index**, was 50.0 in March 2024, indicating that the general sentiment was similar to February 2024. Many businesses shared expectations of better business conditions with increased demand and sales promotions during Ramadhan and the upcoming Hari Raya celebrations. In contrast, others expected business activities to pick up with new clients and incoming projects in March 2024. However, this optimism was offset by a number of businesses in some sectors that shared slightly pessimistic expectations due to shorter working hours during Ramadhan, resulting in slower business conditions in March 2024. The index for one month (1M) ahead was 50.2, indicating that businesses were optimistic that conditions would improve in April 2024 with expectations of an increase in business activities following the resumption of normal business hours, commencement of new projects, as well as the expectation of sustained demand for goods and services throughout the Hari Raya Aidilfitri festivities.
5. The **Investment sub-index** was 50.0 for the current month where businesses had no additional plans to invest for the month of March 2024. The sub-index recorded 50.3 for both one month (1M) ahead, and for three months (3M) ahead. Many businesses expected to increase stock and inventory in April 2024 in preparation for festive celebrations, while others cited increase in capital expenditure and spending on transportation, machinery, equipment, and project-related materials, as well as renovation and

upgrading of office and facilities. Looking ahead, some businesses have also reported plans to upgrade systems and infrastructure to expand their businesses and improve production capabilities.

6. The **Employment sub-index** was 50.3 for the current month, and 50.3 for 1M ahead. In general, businesses planned to increase their employee headcount for March and April 2024. Many businesses have onboarded new full-time employees to ensure manpower is adequate and in line with increased business activities and new projects. However, there are a number of businesses that are expected to hire part-time workers and interns specifically for the preparation of upcoming festive events.
7. The **Costs sub-index** was 50.2 for the current month and 50.2 for 1M ahead. Businesses generally expected the costs of running their businesses in March 2024 to be higher compared to February 2024. The increase in costs is attributed to higher salary expenses from increased employment and overtime payments, as well as an increase in the cost of materials. As for the month ahead, businesses expected operating costs to be higher than in March 2024, mainly due to the resumption of normal working hours, increased expenses incurred due to expected pick-up in business activities and higher marketing costs from promotional activities related to the Hari Raya Aidilfitri festivities.

BSI March 2024	
Current Business Conditions	50.0
1M Ahead Business Conditions	50.2
Current Investment	50.0
1M Ahead Investment	50.3
3M Ahead Investment	50.3
Current Employment	50.3
1M Ahead Employment	50.3
Current Costs	50.2
1M Ahead Costs	50.2

Note:

 1M – one month, 3M – three months

8. In terms of **economic sectors**, seven out of eleven sectors expected optimistic business conditions in March 2024. The Transport & Communication sector continued to record the highest optimism, with an index of 50.7 for the second month in a row, due to expected higher demand for their goods and services with increased travel during the school holidays at the end of March 2024. The Construction sector also shared optimistic sentiments in March 2024 with the start of new projects, while the Wholesale & Retail Trade sector owed their optimism to higher demand for their products, particularly with ongoing Ramadhan promotions as well as preparations for the upcoming Hari Raya Aidilfitri celebrations. The Agriculture, Forestry, Fisheries & Livestock sector, and Manufacturing sector attributed their positive sentiments to increased business activities due to March being a longer working month compared to February. The Other Private Services sector also felt optimistic about new projects and clients, while the Finance & Insurance sector expected increased business activities in March 2024. On the other hand, three sectors showed pessimism for March 2024. Businesses in the Hotels & Restaurant sector and the Real Estate & Ownership of Dwellings sector generally shared expectations of slower business activities during the Ramadhan period, whereas the Health & Education sector expected a contraction in business performance due to the shorter working hours. Meanwhile, the Oil & Gas Related sector expected similar business conditions in February 2024.

Current Business Conditions March 2024 by Sector	
Transport & Communication	50.7
Construction	50.4
Wholesale & Retail Trade	50.4
Agriculture, Forestry, Fisheries & Livestock	50.2
Manufacturing	50.2
Finance & Insurance	50.1
Other Private Services	50.1
Oil & Gas Related	50.0
Real estate & Ownership of Dwellings	49.9
Health & Education	49.6
Hotels & Restaurants	49.3

9. In terms of **business size**, only large-sized companies expressed optimistic sentiments in March 2024 with new projects as well as an expected pick-up in business activities compared to February 2024. On the other hand, micro-sized businesses expected a slowdown in March 2024 due to factors such as shorter working hours and slight reductions in the demand for their products and services during Ramadhan. Meanwhile, small- and medium-sized businesses expected similar business conditions compared to February 2024.

Current Business Conditions March 2024 by Size	
Micro	49.9
Small	50.0
Medium	50.0
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.

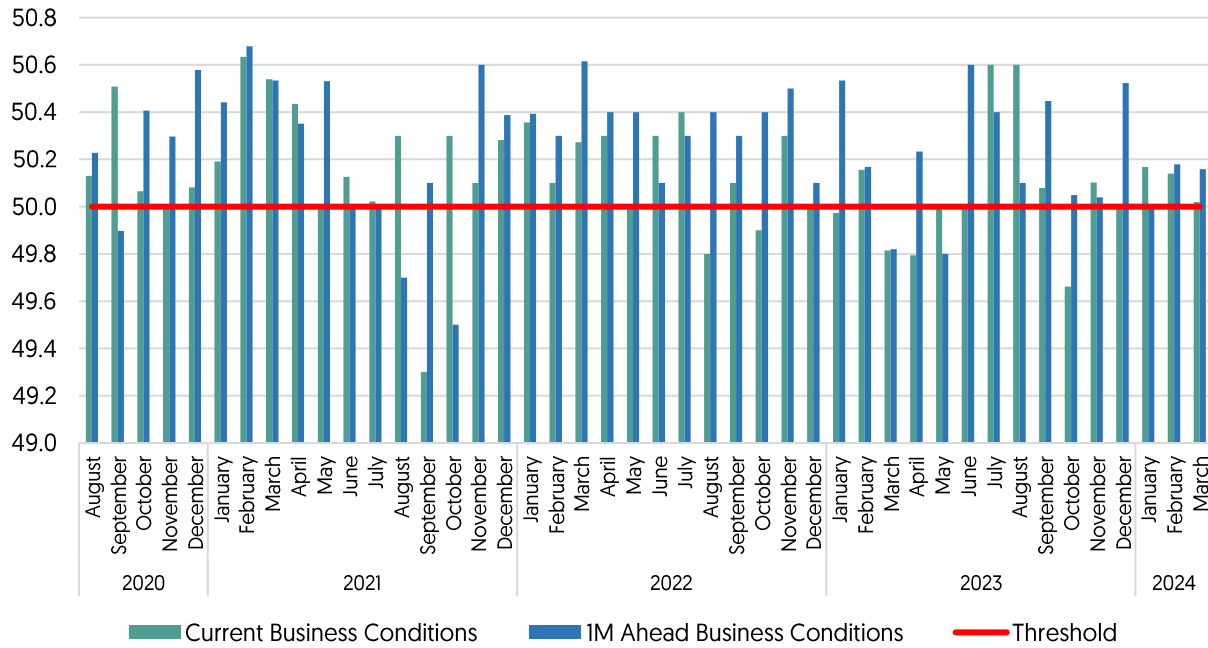
Brunei Darussalam Central Bank

Date: 23 Syawal 1445H / 2 May 2024M

Ref: BDCB/COMMS/3

ANNEX 1

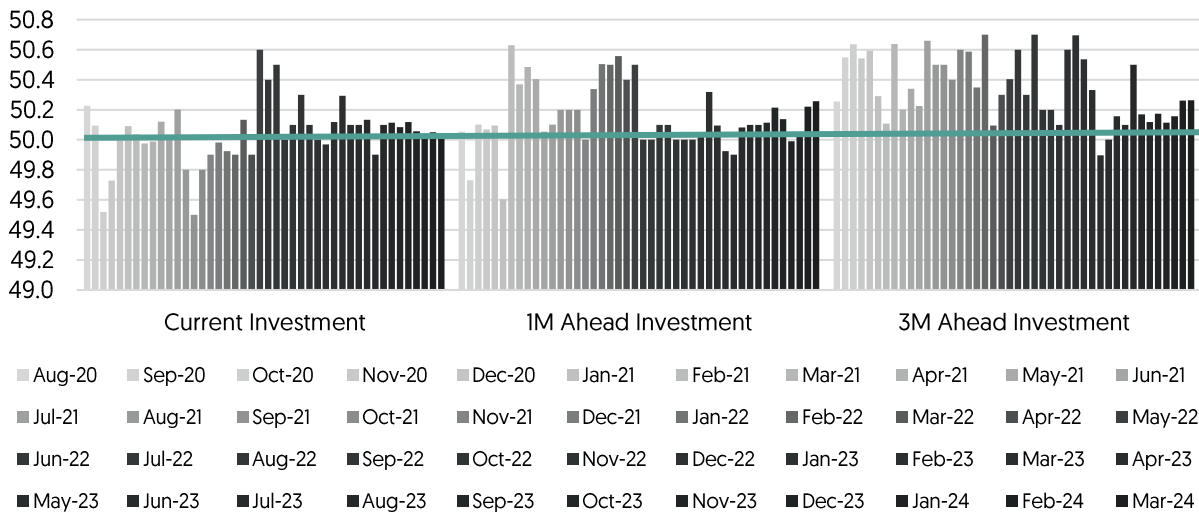
Business Conditions



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.

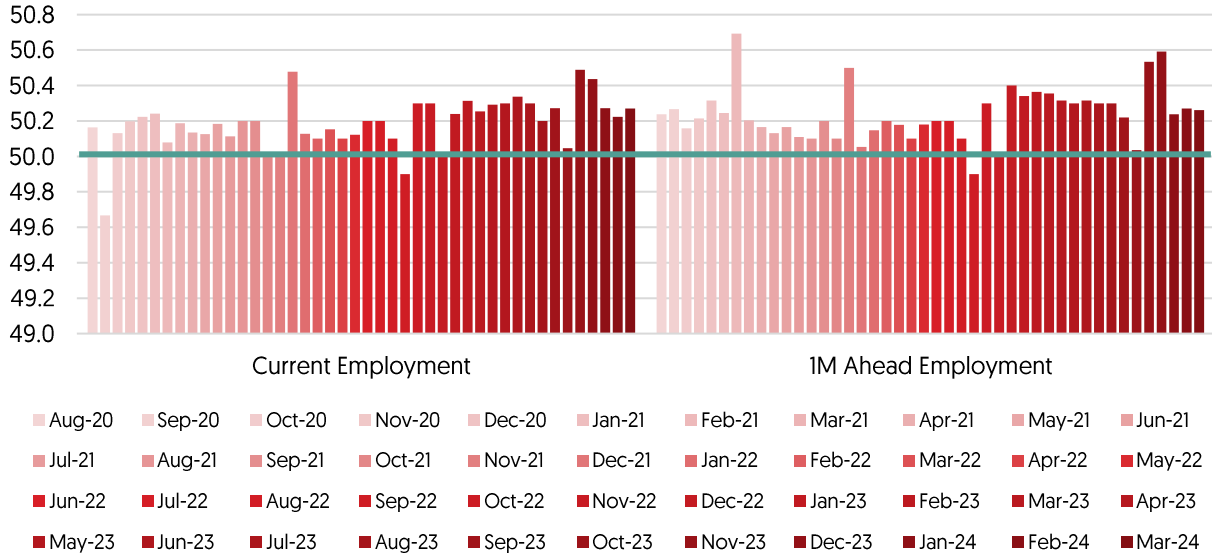
Investments



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.

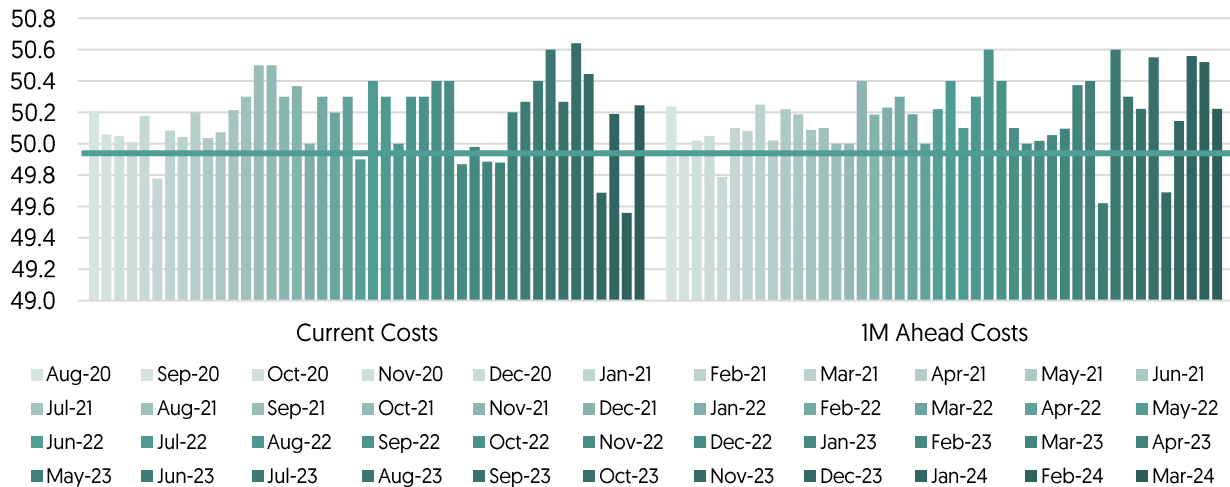
Employment



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.

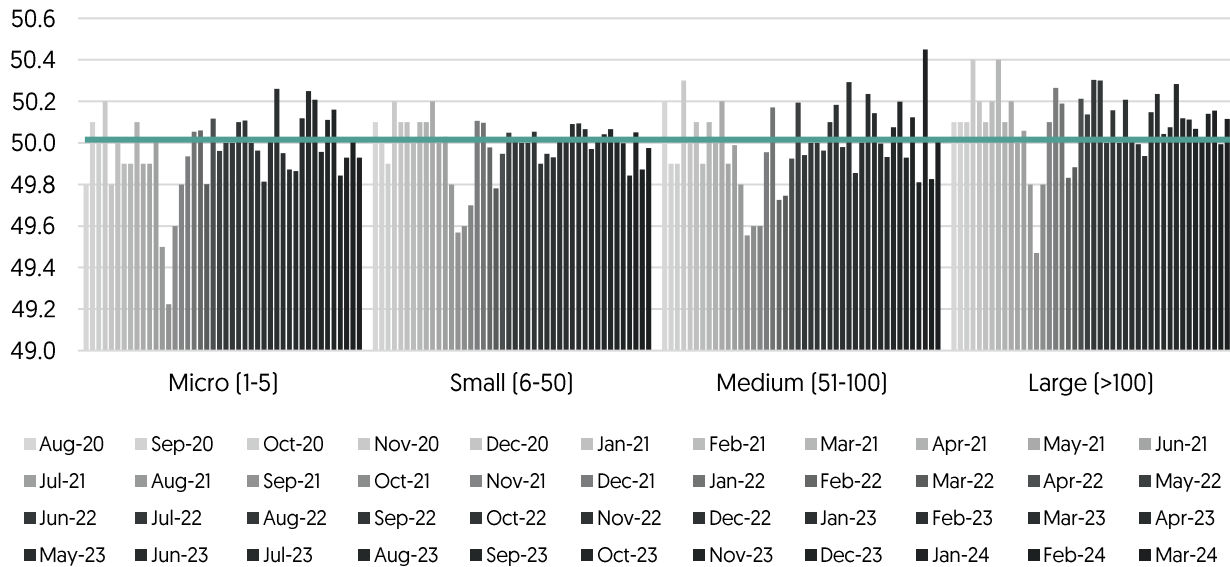
For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.

Sectoral BSI – August 2020 to March 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.