



PRESS RELEASE

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

1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for April 2024. The index is based on surveys conducted on almost 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, **the Current Business Conditions sub-index, was 49.9 in April 2024**, indicating that, in general, private sector businesses were slightly pessimistic about business conditions in April 2024 compared to the previous month. Survey results showed that sentiments were mixed across sectors. Some businesses shared optimistic remarks with expectations that Hari Raya Aidilfitri promotions and the resumption of normal operating hours after the fasting month would improve business activities in April 2024. However, some businesses shared concerns that there would be fewer projects and dampened consumer demand as consumers may either be preoccupied with Hari Raya celebrations or are travelling abroad during school holidays. Some businesses also planned to allow their staff to take additional leave during the festive period, which may lead to reduced business activities. The index for one month (1M) ahead was 50.2, indicating that businesses were optimistic that activities would pick up in May 2024 with it being a relatively longer working month as well as the expectation of new projects.
5. The **Investment sub-index** was 50.1 for the current month, 50.3 for one month (1M) ahead and 50.2 for three months (3M) ahead. This indicates that, in general, businesses are expected to increase their level of investments in April 2024 and continue to do so over the next few months. For April 2024, businesses are expected to invest in several areas, which include purchasing new vehicles, equipment and machinery in preparation for upcoming projects and to increase production capacity; expanding and

renovating business premises and opening new branches; upgrading systems and IT infrastructure to improve security; and replenishing stock and inventories in anticipation of better sales. Looking ahead, businesses expect to increase investment levels as part of their expansion plans and to support ongoing and new projects.

6. The **Employment sub-index** was 50.1 for the current month, and 50.2 for 1M ahead. Continuing the trend from previous months, businesses generally expected to continue to hire and increase their employee headcount to replace those who have left as well as to ensure adequate manpower in support of business expansion plans and upcoming projects.

7. The **Costs sub-index** was 50.3 for the current month and 50.2 for 1M ahead. Businesses generally expected the costs of running their businesses to be higher in April and May 2024. Similar to March 2024, many businesses attributed their expectations of higher costs in April to an increase in overall labour costs from increased employment and overtime payments. Some businesses also planned to pay bonuses in April 2024, while a few expressed concerns about rising oil prices and the appreciation of the US dollar, which have led to higher logistics and raw material costs. As for the month ahead, businesses expected an increase in employee headcount would contribute to higher operating costs.

BSI April 2024	
Current Business Conditions	49.9
1M Ahead Business Conditions	50.2
Current Investment	50.1
1M Ahead Investment	50.2
3M Ahead Investment	50.3
Current Employment	50.1
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**, seven out of eleven sectors expected optimistic business conditions in April 2024. The Hotels & Restaurants sector reported the highest optimism with an index of 50.5, mainly driven by promotions and elevated demand for their services during Hari Raya festivities. The Agriculture, Forestry, Fisheries & Livestock sector also attributed their optimism in April 2024 to expectations of higher sales for their products as a result of better harvests and a seasonal trend of higher demand due to the festive season. The Construction sector attributed their slightly positive sentiments to expectations of new projects, whereas the Other Private Services and Finance & Insurance sectors also expected better business performance compared to the previous month. The Real Estate & Ownership of Dwellings sector and the Health & Education sector were slightly optimistic with expectations of increased demand for their services in April 2024. On the other hand, two sectors showed pessimism for April 2024. Businesses in the Manufacturing sector generally expected business activities to be slower with less orders and lack of projects during the Ramadhan and Hari Raya period, whereas the Oil & Gas sector attributed lower sales due to less favourable market conditions. Meanwhile, the Transport & Communication sector and the Wholesale & Retail Trade sector expected similar business conditions to that of March 2024.

Current Business Conditions April 2024 by Sector	
Hotels & Restaurants	50.5
Agriculture, Forestry, Fisheries & Livestock	50.3
Other Private Services	50.2
Finance & Insurance	50.2
Construction	50.1
Real Estate & Ownership of Dwellings	50.1
Health & Education	50.1
Transport & Communication	50.0
Wholesale & Retail Trade	50.0
Manufacturing	49.7
Oil and Gas Related	49.7

9. In terms of **business size**, medium-sized businesses generally expressed slightly optimistic sentiments in April 2024 compared to March 2024, mainly due to expected pick-up in business activities following the end of the fasting month in mid-April. On the contrary, large-sized businesses expected conditions to worsen compared to the previous month, citing expectations of business activities and sales to drop during the Ramadhan and Hari Raya period. Meanwhile, micro- and small-sized businesses expected similar business conditions in April 2024 compared to the previous month.

Current Business Conditions April 2024 by Size	
Micro	50.0
Small	50.0
Medium	50.1
Large	49.8

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.

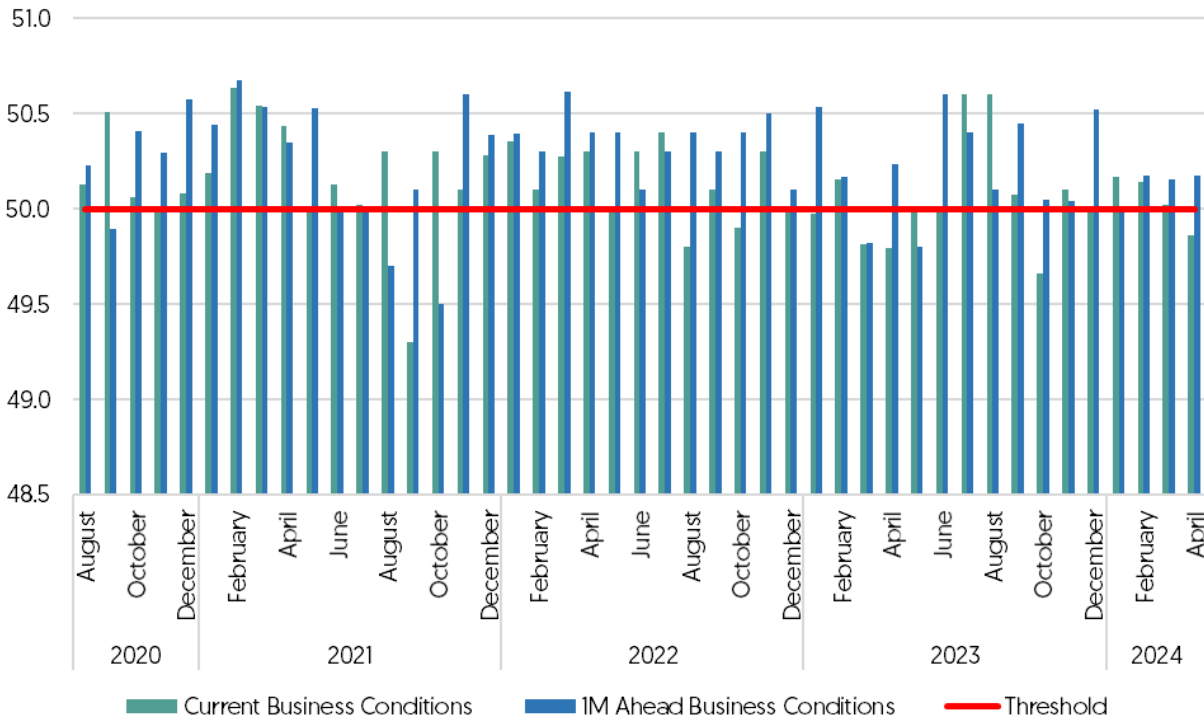
Brunei Darussalam Central Bank

Date: 21 Zulkaedah 1445H / 30 May 2024M

Ref: BDCB/COMMS/3

ANNEX 1

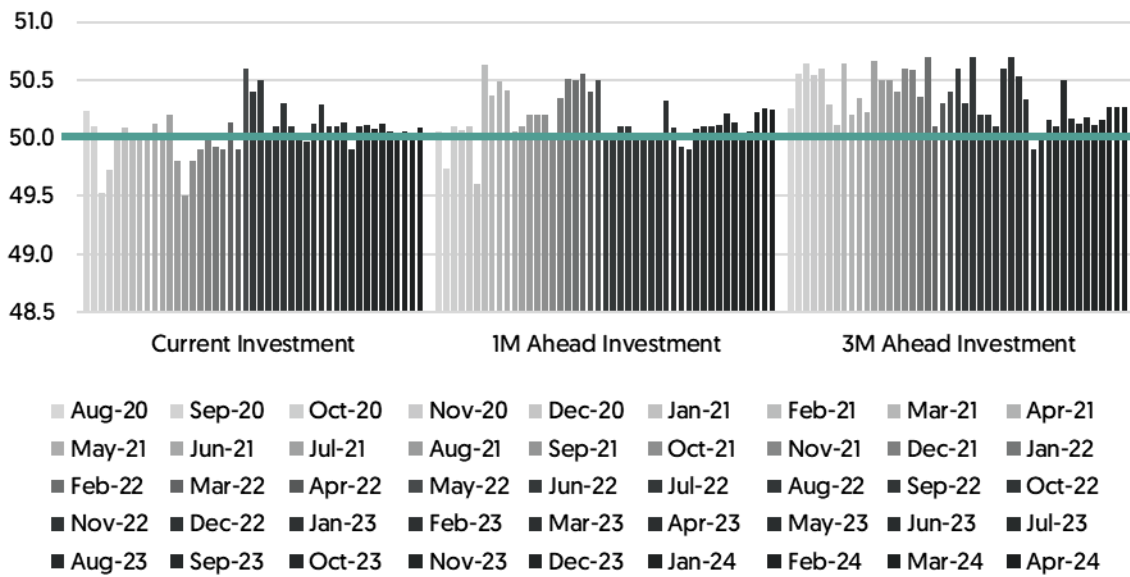
Business Conditions



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.

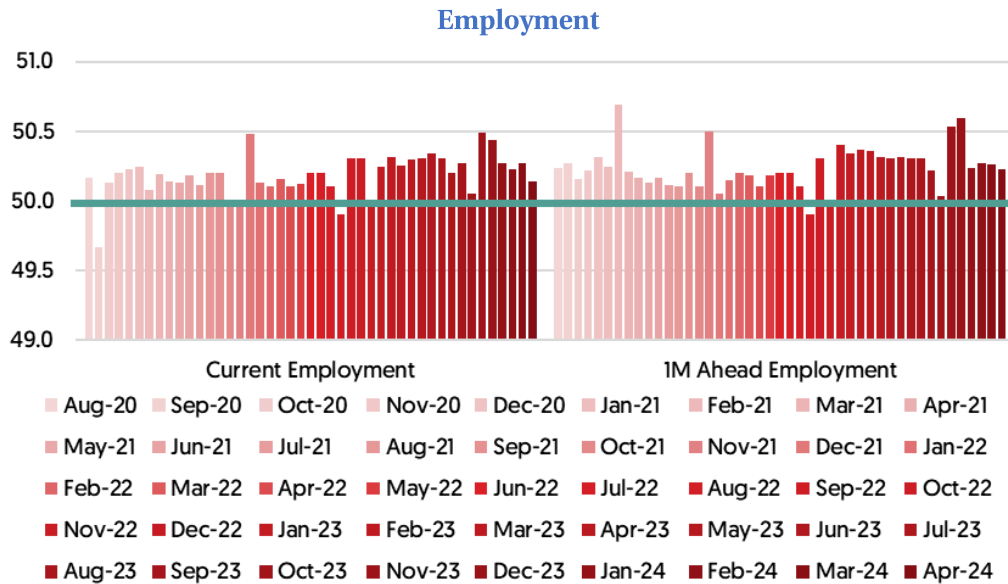
Investments



- Aug-20 ■ Sep-20 ■ Oct-20 ■ Nov-20 ■ Dec-20 ■ Jan-21 ■ Feb-21 ■ Mar-21 ■ Apr-21
- May-21 ■ Jun-21 ■ Jul-21 ■ Aug-21 ■ Sep-21 ■ Oct-21 ■ Nov-21 ■ Dec-21 ■ Jan-22
- Feb-22 ■ Mar-22 ■ Apr-22 ■ May-22 ■ Jun-22 ■ Jul-22 ■ Aug-22 ■ Sep-22 ■ Oct-22
- Nov-22 ■ Dec-22 ■ Jan-23 ■ Feb-23 ■ Mar-23 ■ Apr-23 ■ May-23 ■ Jun-23 ■ Jul-23
- Aug-23 ■ Sep-23 ■ Oct-23 ■ Nov-23 ■ Dec-23 ■ Jan-24 ■ Feb-24 ■ Mar-24 ■ Apr-24

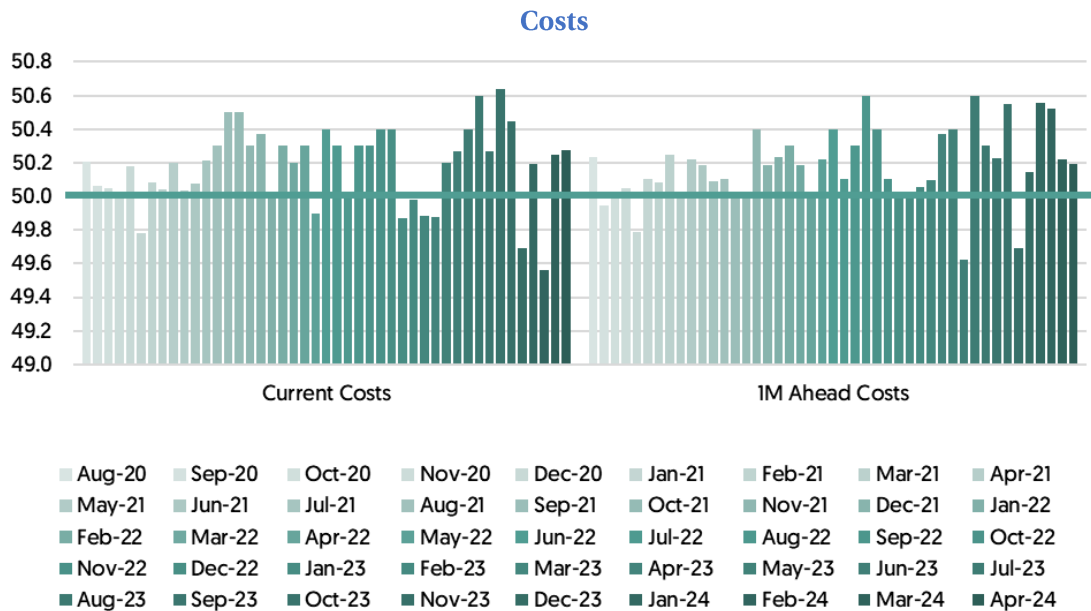
Note: For 1M Ahead Investments, the result compares expected investment in the next month compared to the current month while for the 3M Ahead Investment, the result compares expected investments 3 months ahead compared to the current month.

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.



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.



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

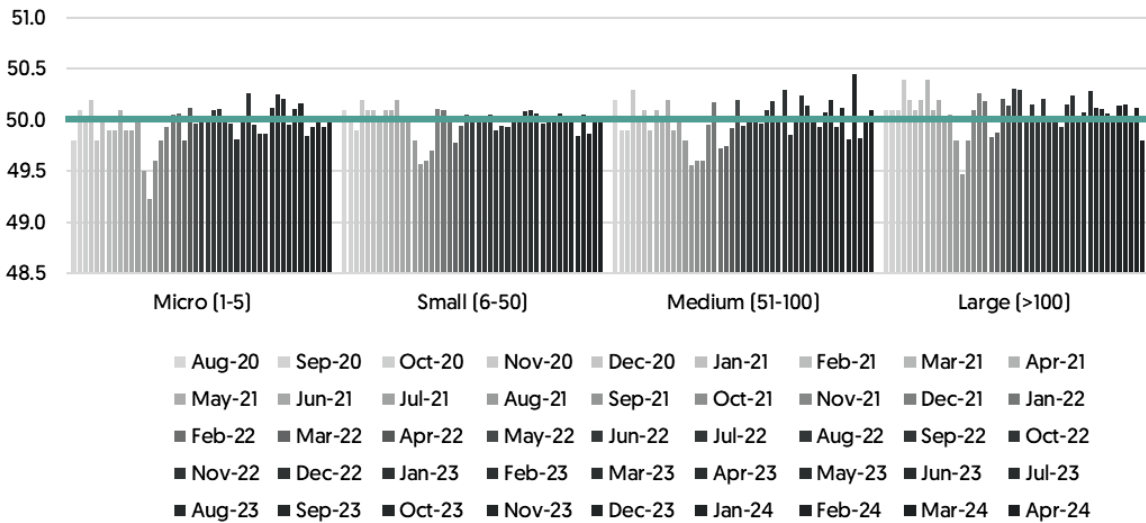
For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.

Sectoral BSI – August 2020 to April 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.