



PRESS RELEASE

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

1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for June 2024. The index is based on surveys conducted on more than 500 micro, small, medium, and large businesses from 11 economic sectors across all districts in the country.
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 50.0 in June 2024. Following the 49.9 value reported in the previous month, this indicates that private sector businesses generally had similar expectations regarding business conditions in June 2024 compared to May 2024. Survey results showed that market activity is expected to remain dampened with lower sales due to fewer domestic events in June 2024 and consumers' preference for cross-border spending. In addition, pessimistic sentiments were noted in a few sectors, such as the Construction sector, where businesses involved in government-related projects have shared concerns regarding some delayed payments during the system stabilisation period. On the other hand, businesses that received confirmations of new projects shared positive sentiments for June 2024. The index for one month (1M) ahead was 50.0, indicating businesses were expecting similar overall performance with the continuation of existing projects amid upcoming holidays in July 2024. Meanwhile, businesses involved with orders and projects related to His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam's birthday celebrations shared expectations of improved performance in July 2024.
5. The **Investment sub-index** was 50.0 for the current month, 50.1 for one month (1M) ahead, and 50.3 for three months (3M) ahead. In general, businesses expected to maintain the current level of investments in June 2024, mainly due to leftover stock from previous purchases and having sufficient machinery and equipment for ongoing projects and operations. For the next few months, businesses are planning to

increase investments in several areas. These include building new facilities, relocating and renovating stores, opening new branches, and purchasing new machinery and equipment to scale up on production and prepare for upcoming projects.

6. The **Employment sub-index** was 50.2 for both the current month and 1M ahead. Continuing the trend from previous months, businesses expressed the need to hire employees to meet their operational needs and to replace those who have resigned.
7. The **Costs sub-index** was 49.6 for the current month and 49.9 for 1M ahead. This indicates that, in general, businesses expected the costs of running their businesses to decline in June and July 2024, in line with expectations of slower market activity and lower sales. However, survey results showed that the Oil & Gas Related sector notably influenced these sub-indices due to maintenance activities which concluded in mid-June, resulting in lower operational costs compared to May 2024. For the month ahead, this sector expected costs to be even lower compared to June 2024, as operations are expected to return to normal in July 2024. Meanwhile, other sectors that shared expectations of higher operating costs attributed this to increased salary costs from a higher employee headcount in June and July 2024.

BSI June 2024	
Current Business Conditions	50.0
1M Ahead Business Conditions	50.0
Current Investment	50.0
1M Ahead Investment	50.1
3M Ahead Investment	50.3
Current Employment	50.2
1M Ahead Employment	50.2
Current Costs	49.6
1M Ahead Costs	49.9

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

8. In terms of **economic sectors**, three out of 11 sectors expected slightly optimistic business conditions in June 2024. Survey results showed that the Agriculture, Forestry, Fisheries & Livestock sector reported mixed views across businesses. Some shared optimistic sentiments with the expected increase in demand for their fresh produce and poultry, as well as higher output in the capture fisheries businesses. Some businesses echoed expectations of similar performance despite Hari Raya Aidiladha celebrations, while others shared concerns about adverse weather conditions affecting production. The Health & Education and the Other Private Services sectors attributed their slight optimism to improved overall performance amid fewer holidays in June 2024. On the other hand, four sectors showed pessimism for June 2024. The Wholesale & Retail Trade and Manufacturing sectors generally shared expectations of slower market activity and dampened demand following the typical post-festive season trend, while some businesses noted lower performance due to domestic consumers' preference for cross-border spending. The Hotels & Restaurants sector, whose performance is generally tied to domestic activity, owed their pessimism to fewer events in June 2024, while the Oil & Gas Related sector continued to be affected by scheduled maintenance activities and expectations of lower profit margins. Meanwhile, the Construction, Finance & Insurance, Real Estate & Ownership of Dwellings, and Transport & Communications sectors expected similar business conditions to that of May 2024. The sentiments

continued to be mixed for the Construction sector, with some businesses engaged with ongoing projects or expecting new projects, while others shared concerns about the lack of projects and projects being on hold because of delayed payments.

Current Business Conditions June 2024 by Sector	
Agriculture, Forestry, Fisheries & Livestock	50.1
Health & Education	50.1
Other Private Services	50.1
Construction	50.0
Finance & Insurance	50.0
Real Estate & Ownership of Dwellings	50.0
Transport & Communication	50.0
Manufacturing	49.9
Oil and Gas Related	49.9
Hotels & Restaurants	49.8
Wholesale & Retail Trade	49.7

9. In terms of **business size**, small businesses generally expressed optimistic sentiments in June 2024 compared to May 2024, mainly due to expectations of improvement in sales and new projects. On the contrary, micro-sized businesses generally owed their slight pessimism to slower market activity and dampened demand for their goods and services. Meanwhile, medium- and large-sized businesses expected similar business conditions in June 2024 compared to the previous month.

Current Business Conditions June 2024 by Size	
Micro	49.9
Small	50.2
Medium	50.0
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.bdcg.gov.bn and follow updates on the BSI through future press releases and BDCB's Instagram account @centralbank.brunei.

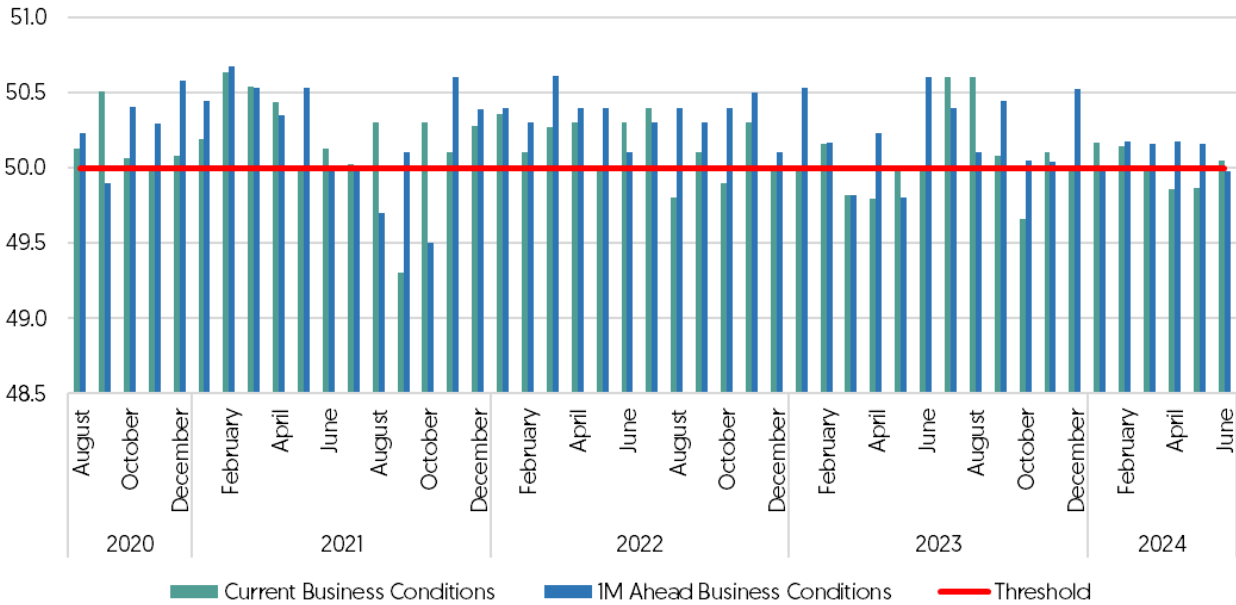
Brunei Darussalam Central Bank

Date: 7 Safar 1446H / 12 August 2024M

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ANNEX 1

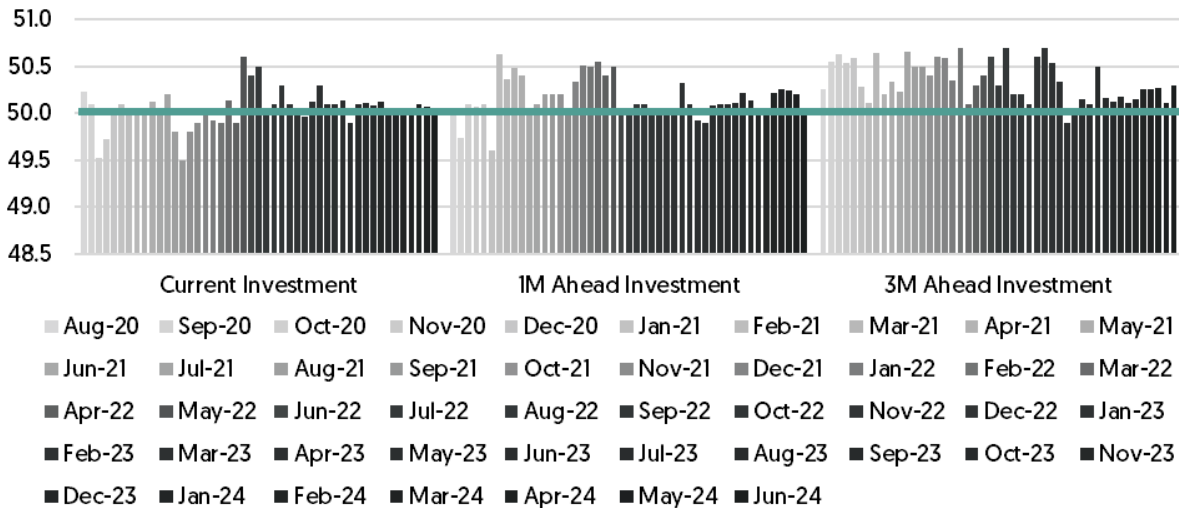
Business Conditions



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

For the 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.

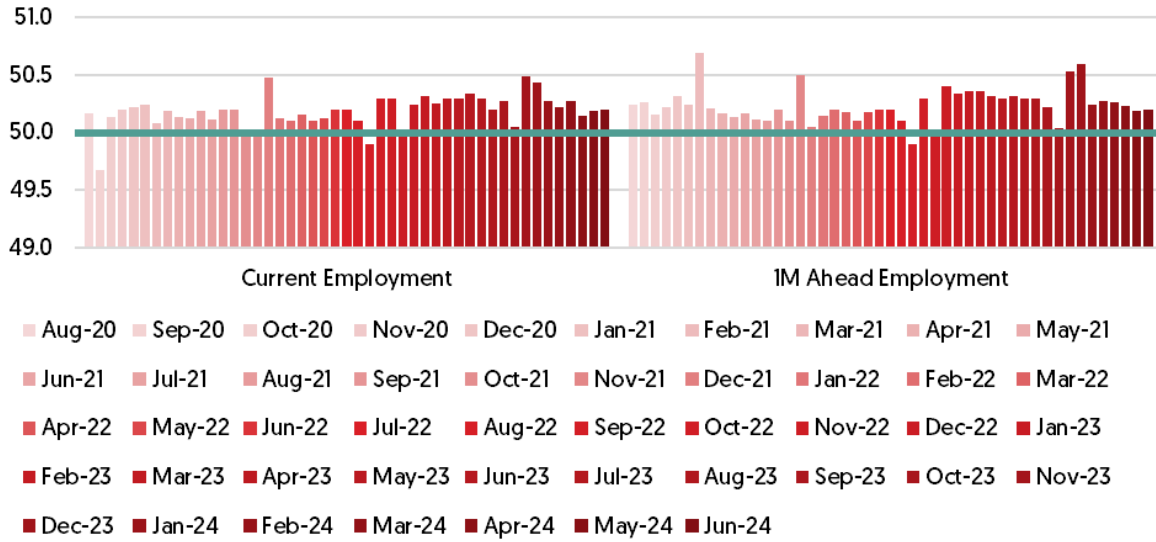
Investments



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.

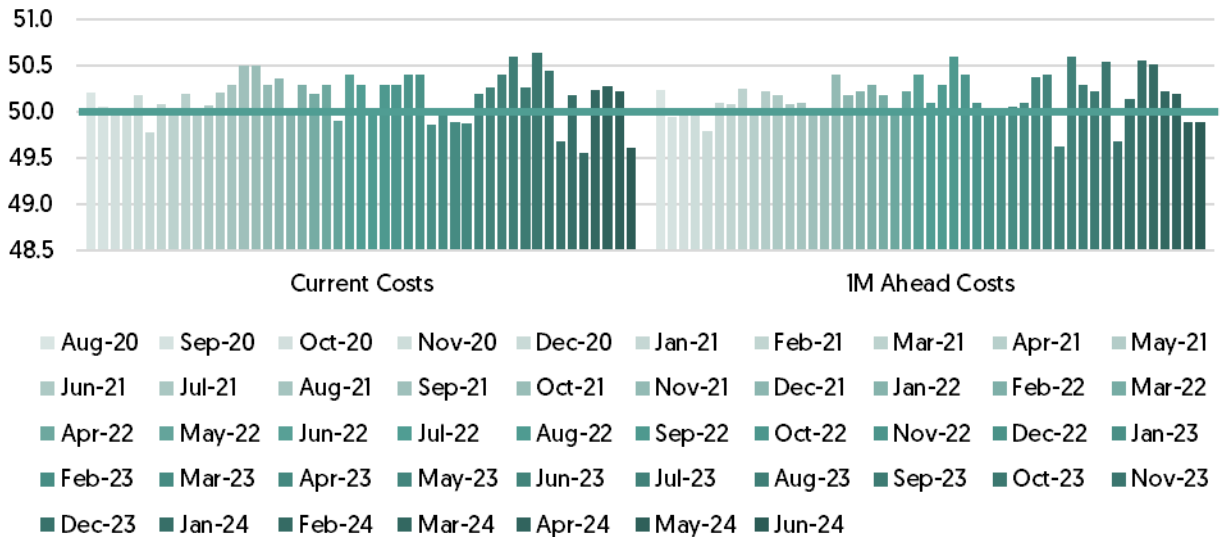
Employment



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.

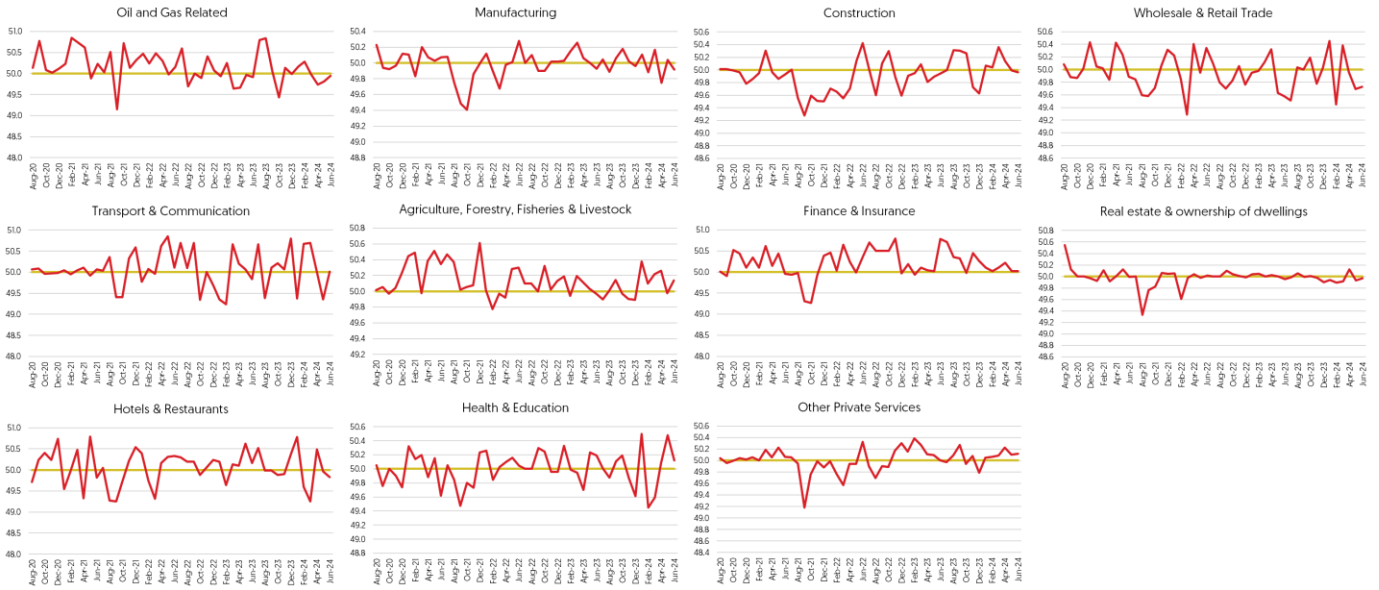
Costs



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

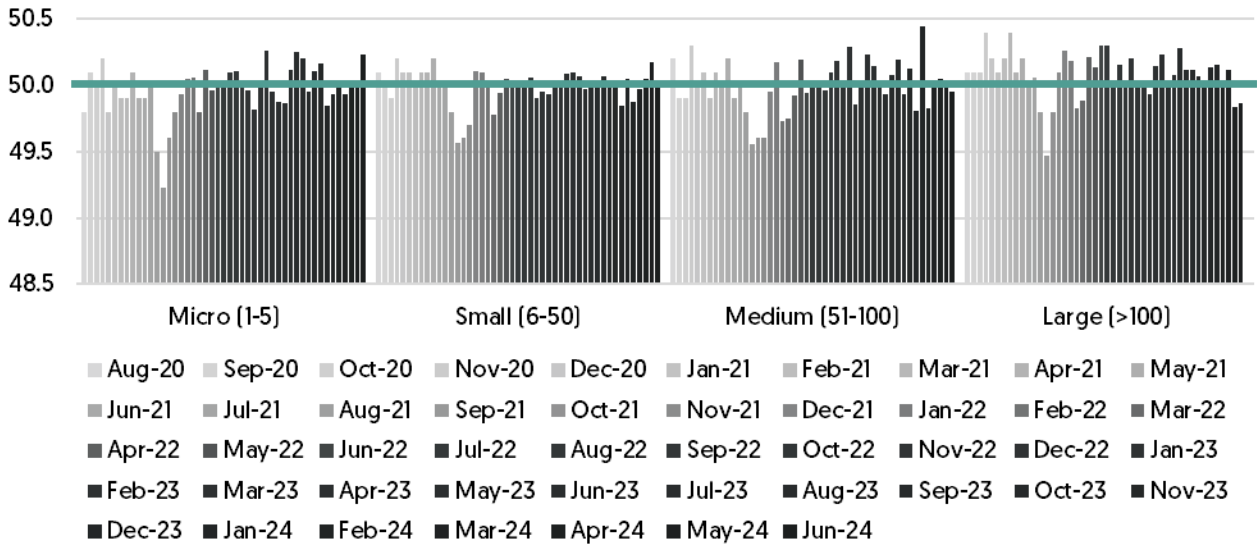
For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.

Sectoral BSI – August 2020 to June 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.