



## PRESS RELEASE

### BUSINESS SENTIMENT INDEX (BSI) FOR BRUNEI DARUSSALAM FOR JULY 2024

---

1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for July 2024. The index is based on surveys conducted on more than 500 micro, small, medium, and large businesses from 11 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, investment, 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 July 2024. Businesses generally experienced similar business conditions in July 2024 compared to June 2024, with mixed performance depending on sectors. Many events and promotions related to His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and Yang Di-Pertuan of Brunei Darussalam's birthday celebrations boosted demand for goods and services. Some businesses expressed optimism, while others shared concerns of muted performance due to consumers travelling abroad during the two long public holiday weekends. The index for one month (1M) ahead was 50.3, indicating businesses expecting higher productivity and performance in August 2024 due to several factors, including better weather conditions and new projects.
5. The Investment sub-index was 50.0 for the current month, 50.2 for one month (1M) ahead, and 50.1 for three months (3M) ahead. In general, businesses expected to maintain their current level of investments in July 2024, mainly because they have sufficient machinery and equipment for ongoing projects and operations. For the next few months, businesses planned to increase spending, including building new facilities, relocating and renovating stores, opening new branches, and purchasing new machinery and equipment.

6. The Employment sub-index was 50.2 for the current month and 50.3 for 1M ahead. Continuing the trend from previous months, businesses expressed the need to hire employees to meet their operational needs and replace those who have resigned.
7. The Costs sub-index was 50.0 for the current month. Businesses generally reported higher business running costs in July, mainly due to employee-related costs. However, significantly lower maintenance costs faced by several large companies brought down the current costs sub-index. For August, many businesses expected to face higher running costs, including maintenance and salary expenses, in line with additional hiring.

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

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

8. In terms of economic sectors, three out of 11 sectors expected slightly optimistic business conditions in July 2024. The Hotels & Restaurants sector recorded the highest optimism with an index of 50.3, generally owing to higher demand and promotions related to His Majesty The Sultan and Yang Di-Pertuan of Brunei Darussalam's **birthday celebration**. The Other Private Services and Finance & Insurance sectors attributed better performance during the month to the increase in demand for their products and services. Meanwhile, the Manufacturing, Oil & Gas Related, Construction, Real Estate & Ownership of Dwellings, and Transport & Communications sectors expected similar business conditions to June 2024. On the other hand, three sectors showed pessimism for July 2024. The Health & Education, Agriculture, Forestry, Fisheries & Livestock, and Wholesale & Retail Trade sectors shared expectations of slower market activity due to expectations of consumers travelling abroad during the public holidays.

Current Business Conditions July 2024 by Sector	
Hotels & Restaurants	50.3
Other Private Services	50.2
Finance & Insurance	50.1
Manufacturing	50.0
Oil and Gas Related	50.0
Construction	50.0
Real Estate & Ownership of Dwellings	50.0
Transport & Communication	50.0
Wholesale & Retail Trade	49.9
Agriculture, Forestry, Fisheries & Livestock	49.8
Health & Education	49.6

9. In terms of business size, businesses across all sizes expected similar business conditions in July 2024 compared to the previous month due to ongoing projects. Optimistic sentiments on performance linked with events and celebrations in July were somewhat offset by the widespread concerns of slower market activity with many domestic consumers travelling abroad during the public holidays.

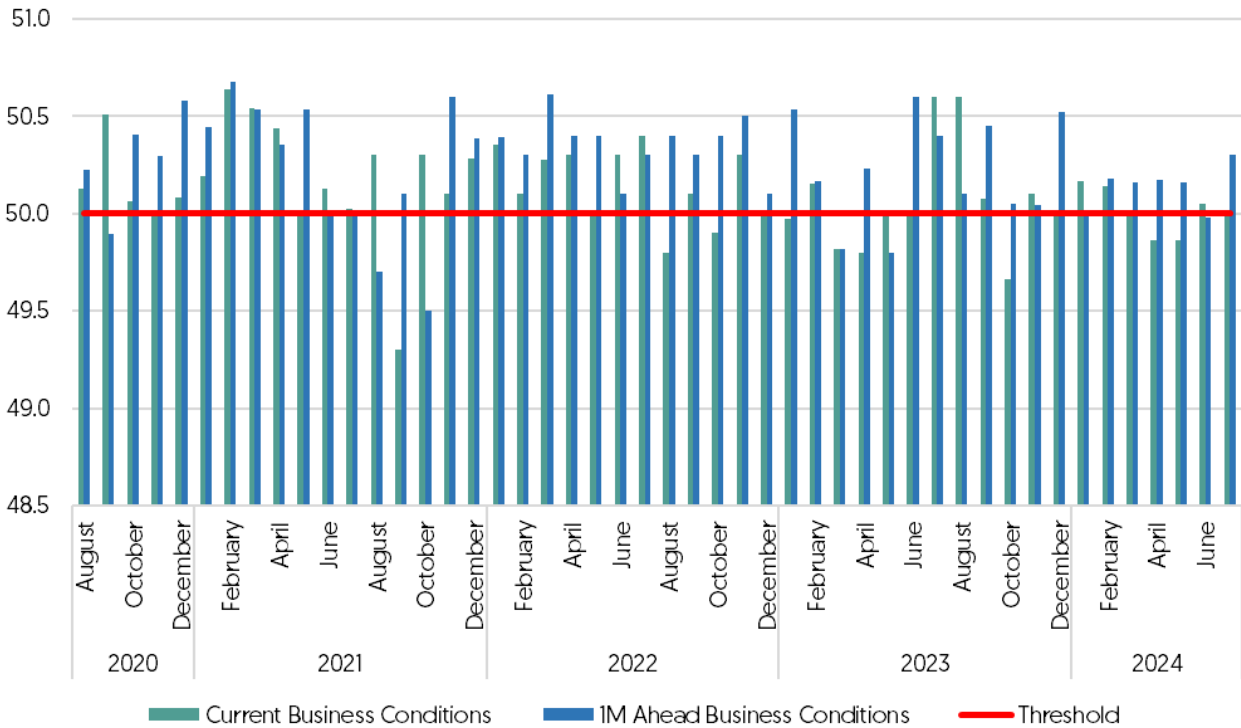
Current Business Conditions July 2024 by Size	
Micro	50.0
Small	50.0
Medium	50.0
Large	50.0

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](http://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: 17 Safar 1446H / 22 August 2024M  
Ref: BDCB/COMMS/3

**ANNEX 1**

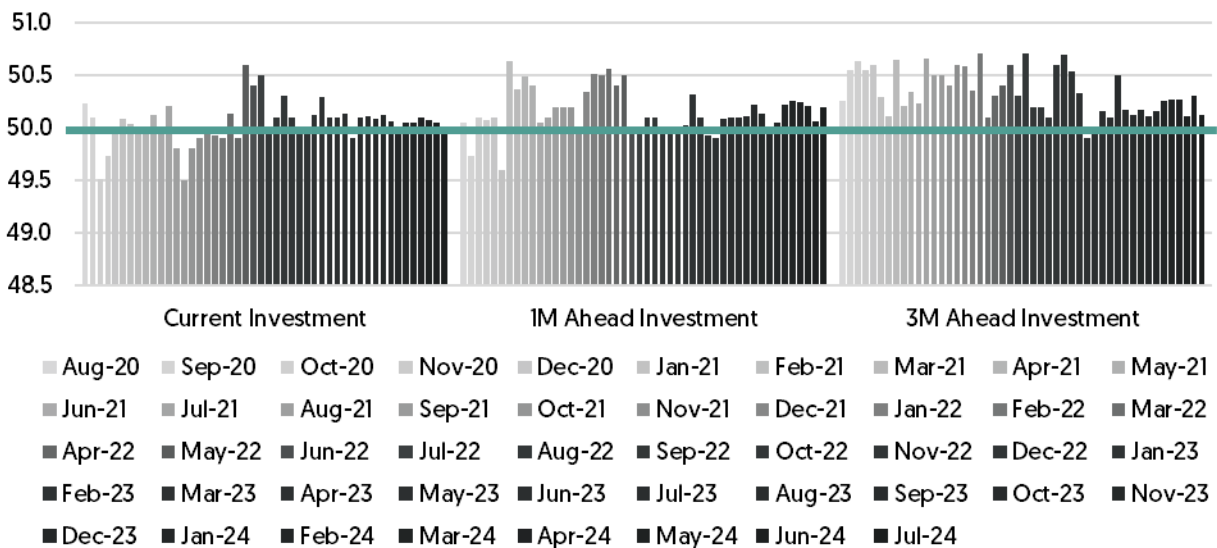
Business Conditions



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

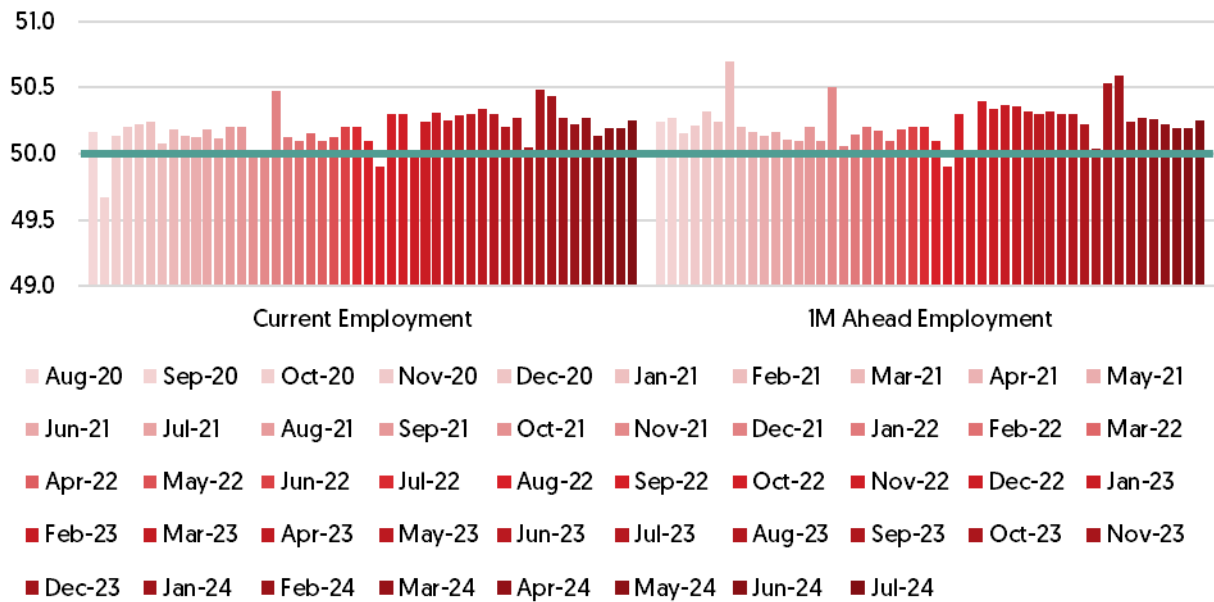
*For Business Conditions sub-index, above 50 indicates expansion/optimism compared to the previous month. Index at 50 indicates similar/no change compared to the previous month while below 50 indicates contraction / less optimism compared to the previous month.*

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.*

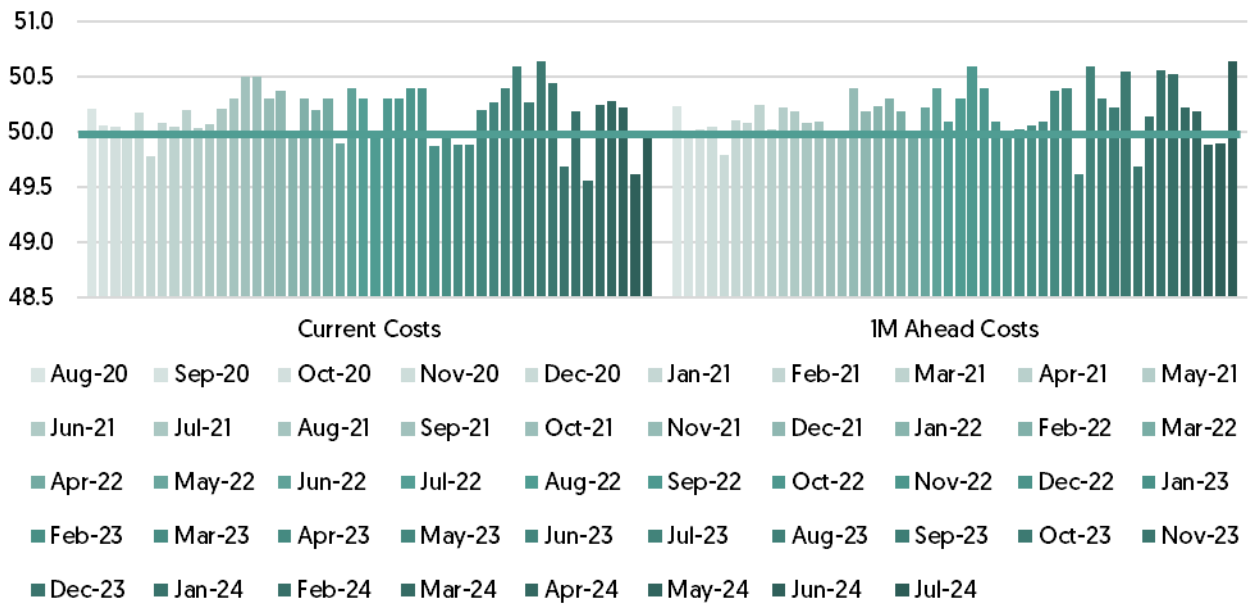
### Employment



*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.*

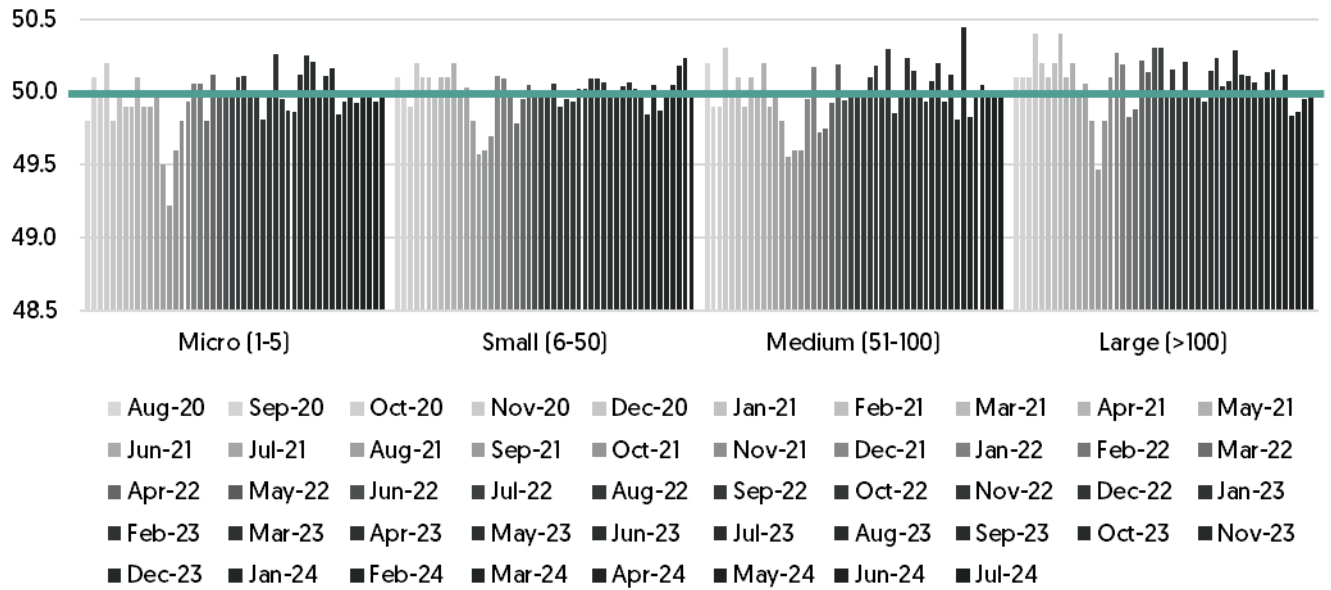
*For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.*

### Sectoral BSI – August 2020 to July 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.*