



PRESS RELEASE

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

1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for August 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. In August 2024, the main headline index, the **Current Business Conditions sub-index**, was at 50.2, indicating that, in general, businesses expected improved business conditions in August 2024 compared to July 2024. While mixed views were recorded across sectors, businesses expressed optimism, with higher demand for their goods and services and new projects in August 2024, while some businesses cited concerns of weak performance as consumers may travel abroad during the second school term holiday period. The index for one month (1M) ahead was 50.3, indicating an optimistic outlook as businesses expect to see an increase in production, market activities, and upcoming new projects in September 2024.
5. The **Investment sub-index** stood at 50.1 for August 2024, 50.1 for one month (1M) ahead, and 50.3 for three months (3M) ahead. Following the sentiments in previous months, businesses expect to increase their level of investment in the current month and continue to do so in the next few months. These include restocking inventories, IT infrastructure improvement, construction of new facilities, relocation and renovation works, opening of new branches, and project-related purchases such as materials, equipment, and machinery.
6. The **Employment sub-index** was 50.3 for the current month and 50.2 for 1M ahead. Continuing the trend from previous months, and in addition to replacing employees who have resigned, businesses

maintained the need to hire employees both on a full- and part-time basis to meet their operational needs and support their expansion plans and projects.

- The **Costs sub-index** for the current month and 1M ahead were both recorded at 50.3. In August 2024, businesses generally reported higher operational costs due to the expected increase in business activity and rising salary expenses from workforce expansion. For September 2024, many businesses expected higher running costs due to several factors, including repairs and maintenance, hiring additional employees to support opening new branches, upcoming new projects, and business expansion plans. Businesses also cited higher shipping costs and the need to replenish inventory in response to expected higher demand in the coming months.

BSI August 2024	
Current Business Conditions	50.2
1M Ahead Business Conditions	50.3
Current Investment	50.1
1M Ahead Investment	50.1
3M Ahead Investment	50.3
Current Employment	50.3
1M Ahead Employment	50.2
Current Costs	50.3
1M Ahead Costs	50.3

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

- In terms of **economic sectors**, four out of 11 sectors expected optimistic business conditions in August 2024. The Transport & Communication sector showed the highest optimism with an index of 50.7 as businesses welcomed increased demand for services during the school holiday period. Similarly, the Health & Education sector expected improved conditions compared to July 2024. The Construction sector attributed their optimism to new projects initiated in August 2024, while the Oil and Gas Related sector highlighted improved productivity. On the other hand, five sectors reported pessimism for August 2024, primarily due to the school holiday season, with the Hotels & Restaurants sector indicating the highest pessimism. Additionally, the Wholesale & Retail Trade and Finance & Insurance sectors also shared concerns about subdued market conditions, while both the Manufacturing, and Agriculture, Forestry, Fisheries & Livestock sectors cited adverse weather for their lowered expectations. Meanwhile, the Other Private Services and Real Estate & Ownership of Dwellings sectors expected similar business conditions to July 2024.

Current Business Conditions August 2024 by Sector	
Transport & Communication	50.7
Health & Education	50.5
Construction	50.3
Oil and Gas Related	50.3
Real Estate & Ownership of Dwellings	50.0
Other Private Services	50.0
Wholesale & Retail Trade	49.9

Finance & Insurance	49.9
Agriculture, Forestry, Fisheries & Livestock	49.8
Manufacturing	49.8
Hotels & Restaurants	49.6

9. In terms of **business size**, micro- and large-sized businesses reported expectations of better business conditions in August 2024 compared to the previous month. Generally, these businesses attributed the better performance to an expected rise in business activities in August 2024, whilst small- and medium-sized businesses expected business conditions to remain unchanged from the previous month.

Current Business Conditions August 2024 by Size	
Micro	50.1
Small	50.0
Medium	50.0
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.

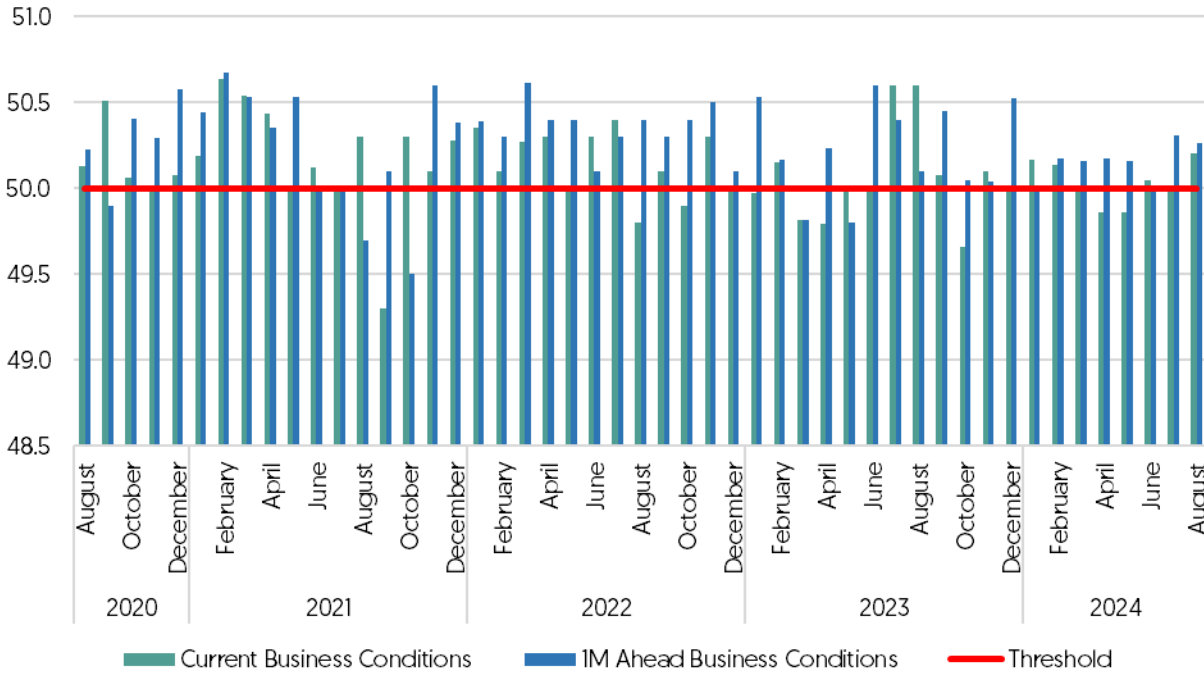
Brunei Darussalam Central Bank

Date: 22 Rabiulawal 1446H / 26 September 2024M

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ANNEX 1

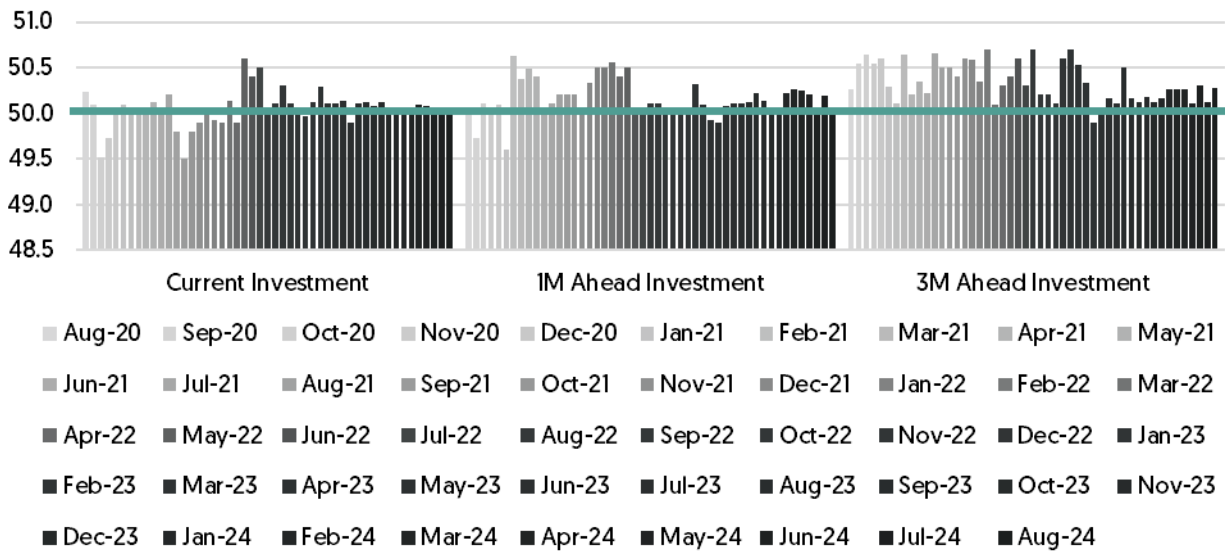
Business Conditions



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

For 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.

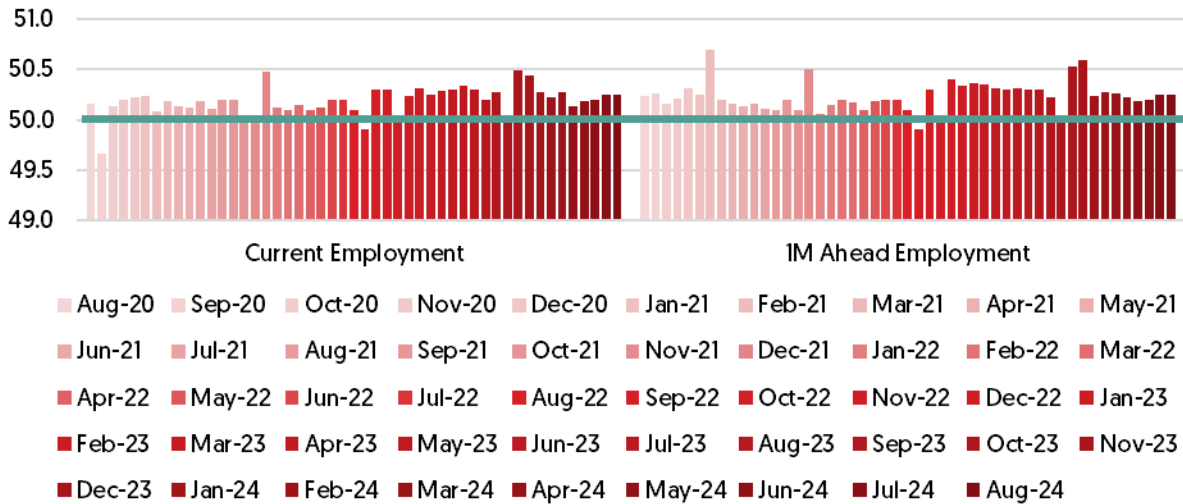
Investments



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.

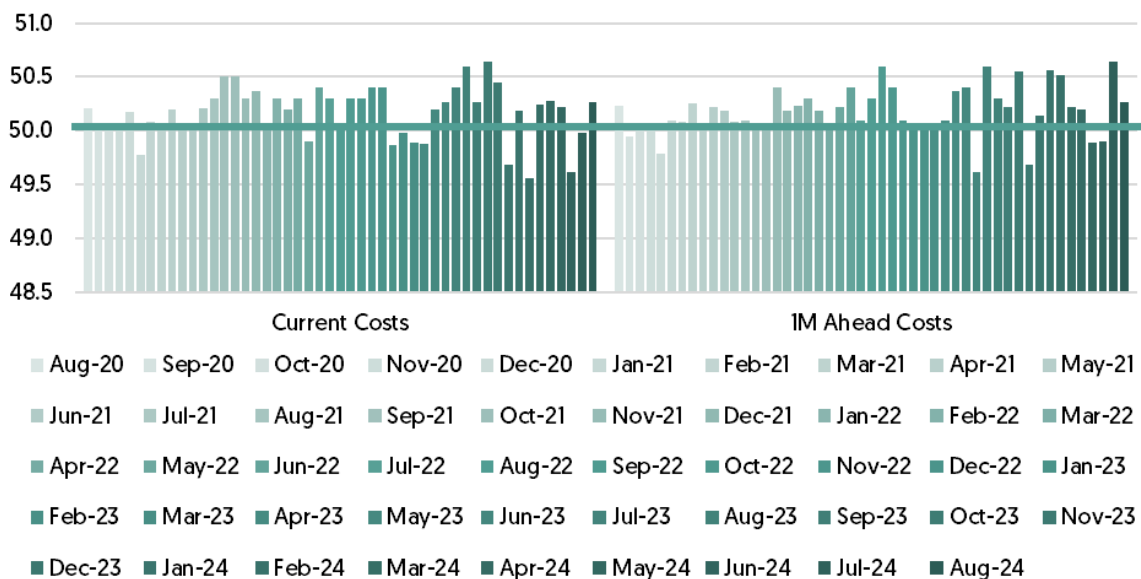
Employment



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.

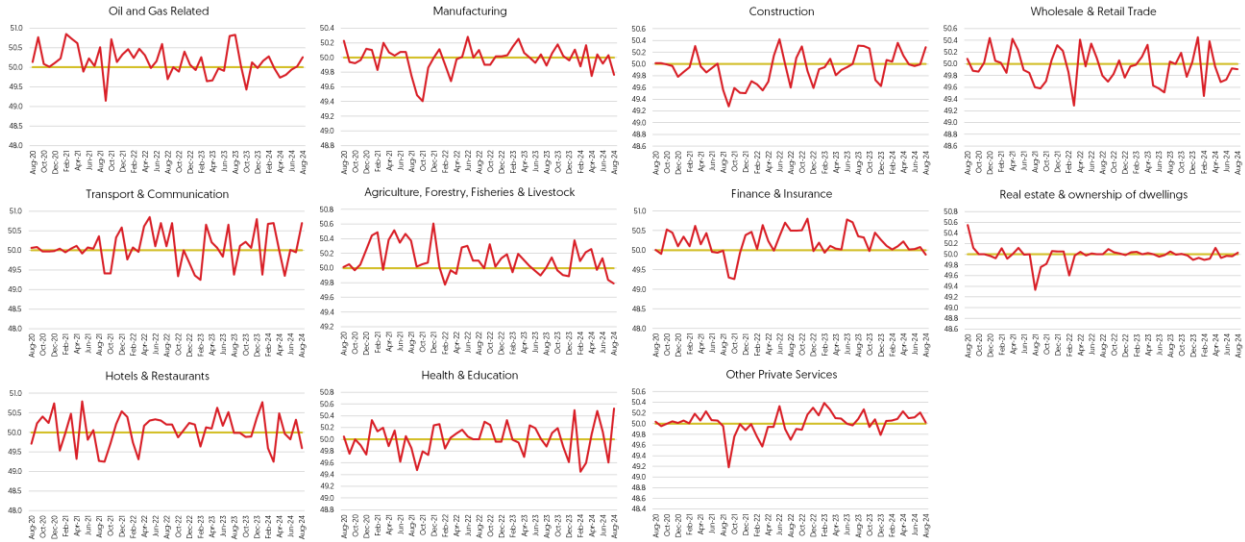
Costs



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

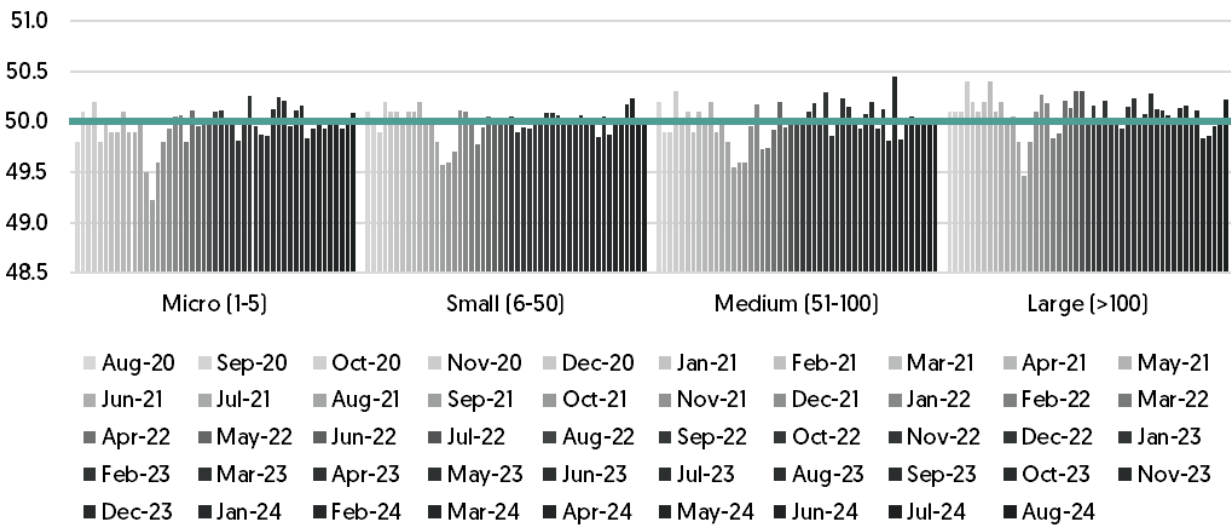
For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.

Sectoral BSI – August 2020 to August 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.