



## PRESS RELEASE

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

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1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for September 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 September 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 September 2024 compared to August 2024. While views varied across sectors, the overall outlook on business conditions remained positive, with expectations of increased production and activity and a return in domestic demand for goods and services in certain sectors as the long August 2024 school holiday period ended. On the other hand, some businesses expected lower performance due to factors such as unfavourable weather, fewer projects, and work delays. The index for one month (1M) ahead stood at 50.2, signalling sustained optimism among businesses. This suggests expectations of higher demand for goods and services in October 2024, which in turn is expected to drive more projects and production levels during the month.
5. The Investment sub-index stood at 50.2 for September 2024, 50.0 for one month (1M) ahead, and 50.1 for three months (3M) ahead. Following the sentiment in previous months, businesses expected to increase their investments in the current month and continue to do so in the next few months, although at a slower pace. Businesses indicated plans of investing in various areas, including purchasing new equipment and machinery, upgrading existing assets, and restocking inventories in preparation for higher demand toward the year-end. Additional investments were also expected in training and

upskilling employees and in relocation and renovation efforts associated with expanding premises, including opening new branches.

6. The Employment sub-index was 50.2 for the current month and 50.2 for 1M ahead. Sustaining the upward trend in recent months, businesses expected to continue hiring new employees, including part-time staff, not only to replace outgoing staff and meet current operational needs but also to support expansion plans and assist with ongoing and upcoming projects.
7. The Costs sub-index for the current month and 1M ahead were recorded at 50.1 and 49.6. In general, businesses expected higher operational costs in September, which was in line with the overall increase in activity and headcount during the month. Additionally, some businesses saw increased maintenance and repair-related expenses, particularly in light of recent poor weather conditions. Meanwhile, a few businesses highlighted persisting challenges related to delayed payments from clients, which led to some companies incurring interest and late payment fees due to the inability to repay loans timely. As for October 2024, businesses expected lower or more normal operating costs than September as much of the ad-hoc and seasonal expenses related to maintenance, preparation for new projects, and end-of-year demand would have been incurred in September.

BSI September 2024	
<b>Current Business Conditions</b>	<b>50.2</b>
1M Ahead Business Conditions	50.2
Current Investment	50.2
1M Ahead Investment	50.0
3M Ahead Investment	50.1
Current Employment	50.2
1M Ahead Employment	50.2
Current Costs	50.1
1M Ahead Costs	<b>49.6</b>

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

8. In terms of economic sectors, seven out of 11 sectors expected optimistic business conditions in September 2024. The Finance & Insurance sector showed the highest optimism with an index of 50.4 as businesses expected a pickup in activity and other factors such as more take-up of new products. The second most optimistic sector was the Agriculture, Forestry, Fisheries & Livestock sector, with expectations of increased production and higher demand following the end of the school holiday period. Following suit were the Oil & Gas Related, Wholesale & Retail Trade, Hotels & Restaurant, Manufacturing, and Other Private Services sectors, whose optimism were similarly driven by projections of higher production and sales and increased domestic spending. On the other hand, only the Transport & Communication sector reported pessimism in September 2024, primarily since September is an off-peak month for travel-related companies, alongside other issues such as payment delays faced by other businesses within the sector. Meanwhile, the Construction, Real Estate & Ownership of Dwellings and Health & Education sectors expected similar business conditions as August 2024.

Current Business Conditions September 2024 by Sector	
Finance & Insurance	50.4
Agriculture, Forestry, Fisheries & Livestock	50.3
Oil and Gas Related	50.2
Wholesale & Retail Trade	50.2
Hotels & Restaurants	50.2
Manufacturing	50.1
Other Private Services	50.1
Construction	50.0
Real Estate & Ownership of Dwellings	50.0
Health & Education	50.0
Transport & Communication	49.9

9. In terms of business size, only large-sized businesses reported expectations of better business conditions in September 2024 compared to the previous month. These businesses generally expected an uptick in activities due to increased monthly production and demand. Meanwhile, micro-, small-, and medium-sized businesses expected business conditions to remain unchanged in September 2024 from the previous month.

Current Business Conditions September 2024 by Size	
Micro	50.0
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](http://www.bdcg.gov.bn) and follow updates on the BSI through future press releases and BDCB's Instagram account @centralbank.brunei.

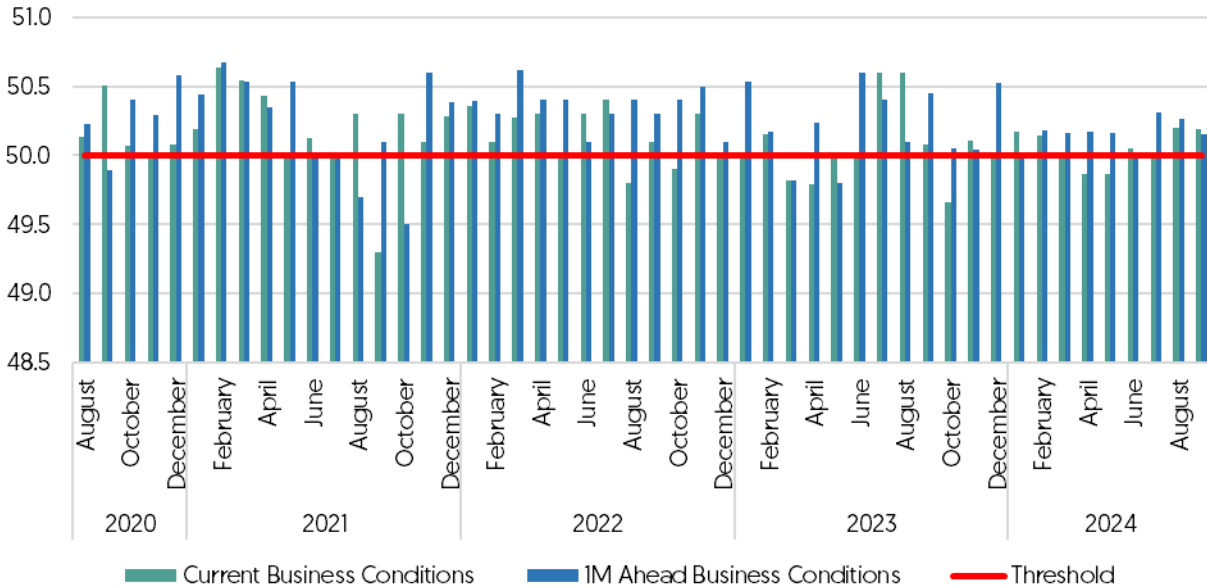
Brunei Darussalam Central Bank

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**ANNEX 1**

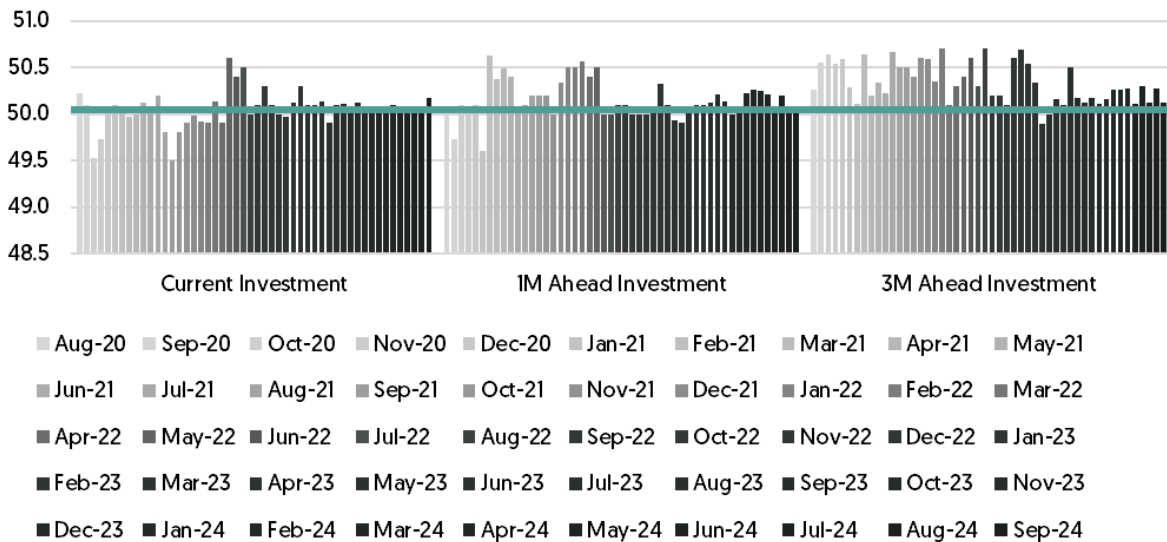
Business Conditions



*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.*

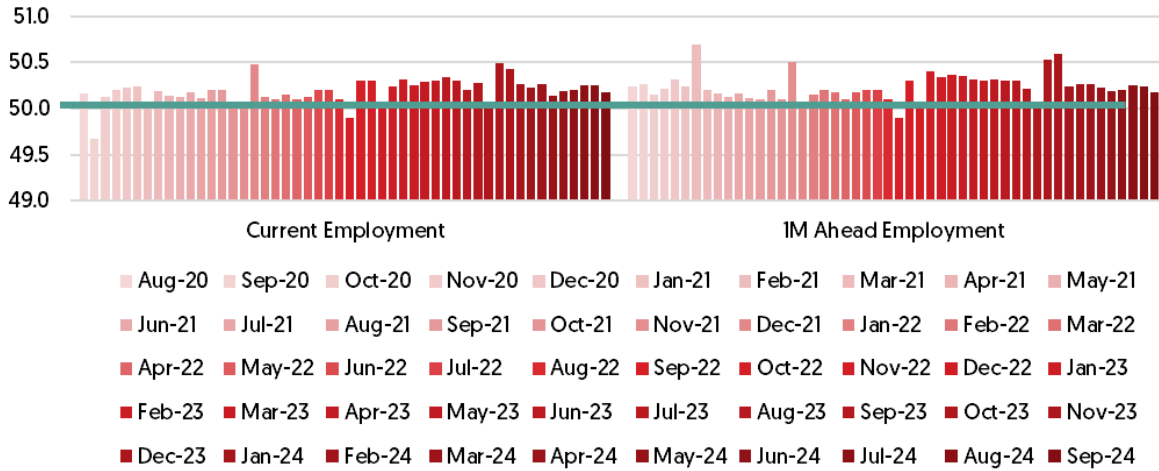
Investments



*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.

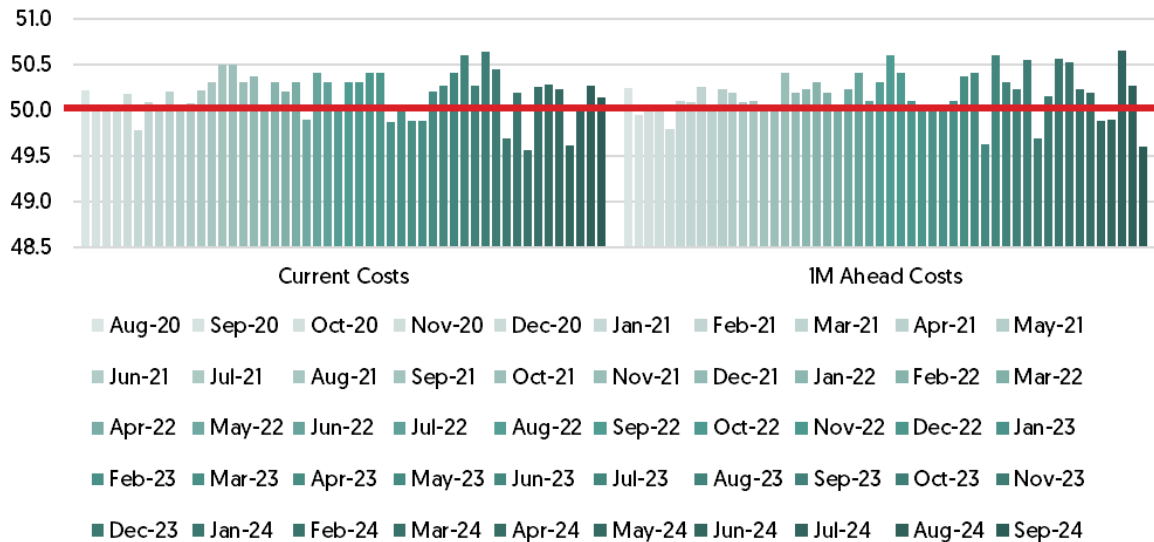
### Employment



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.

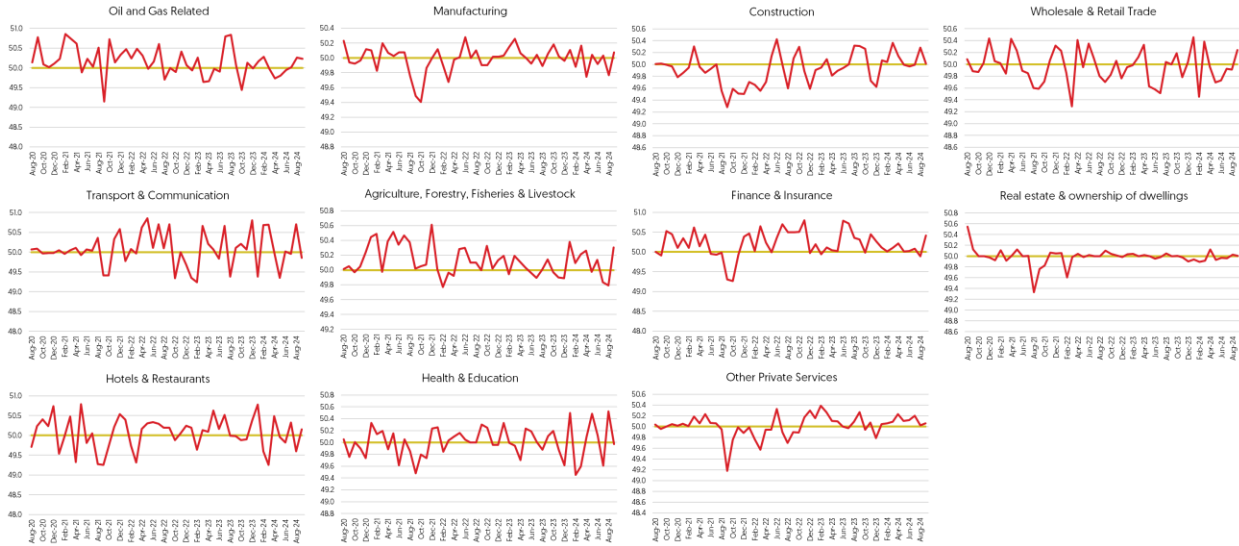
### Costs



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

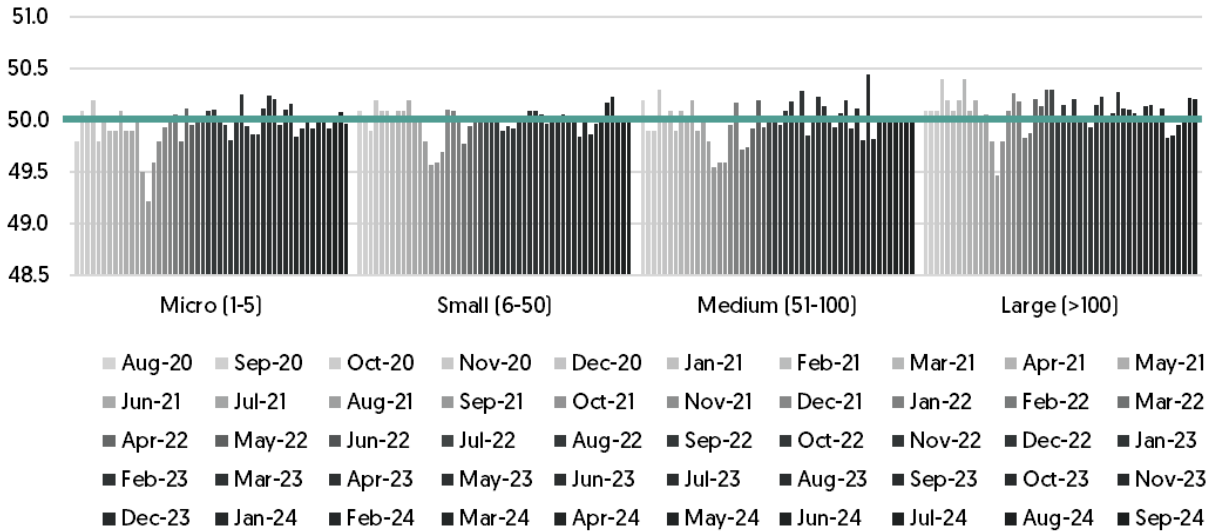
For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.

### Sectoral BSI – August 2020 to September 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.