



PRESS RELEASE

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

1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for October 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 October 2024, the main headline index, **Current Business Conditions** sub-index, was at 50.3, indicating that, in general, businesses expected improved business conditions in October 2024 compared to September 2024. While opinions varied across sectors, businesses generally expected continued improvement in October, driven by more production, sales, and projects. This growth is attributed to expectations of increased spending domestically, as less travelling is expected during the school examination season. Additionally, events like the Sabre Brunei Travel Fair and BINA Brunei Expo, along with October being a slightly longer month than September, further supported the positive outlook. On the other hand, some pessimism was reported stemming from concerns about poor weather conditions, subdued demand, delayed payments, and project delays. The index for one month (1M) ahead was 50.1, indicating a continued, though lower, level of optimism as businesses anticipated some increases in production, projects, and sales towards the end of the year, driven by promotional efforts.
5. The **Investment sub-index** stood at 50.0 for October 2024, 50.0 for one month (1M) ahead, and 50.1 for three months (3M) ahead. This indicated that businesses expected no change in their investment levels in October and November 2024, as existing materials, equipment, and infrastructure were seen as sufficient to meet current needs. However, businesses were slightly more optimistic about their investment prospects in the next three months. They anticipate a potential increase in demand and

activity in January 2025, in light of upcoming festivities such as Chinese New Year, Ramadhan, and Hari Raya Aidilfitri, as well as the expectation of new projects for some businesses with budget allocations for the new year.

6. The **Employment sub-index** stood at 50.2 for the current month and 1M ahead. Building on the positive trend of previous months, businesses expected to continue hiring both full- and part-time employees. This recruitment trend reflects sustained demand, not only to replace staff who have left or are leaving but also meet the needs of current and upcoming operations and projects.
7. The **Costs sub-index** for the current month and 1M ahead were both recorded at 49.9. Overall, businesses expected lower operational costs in October compared to September. This was attributed to factors such as reduced wage costs due to a decrease in headcount in some businesses, lower maintenance and repair-related expenses, a reduction in spending on raw materials, and cuts to unnecessary expenses as part of downsizing efforts, especially in larger companies.

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

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

8. In terms of **economic sectors**, four out of 11 sectors expected optimistic business conditions in October 2024. The Transport & Communication sector reported the highest optimism, at 50.7. This was driven by expectations of higher sales during the travel fair early in the month, increased shipments for certain companies, and a rise in the number of project tenders for others. The second most optimistic sector was the Oil & Gas-related sector, with expectations of better market conditions and increased production levels with the setting up of new industrial facilities. Optimism in the Finance & Insurance and Hotels & Restaurants sectors was fueled by projection of higher sales, activities, promotions, and events as well as better weather conditions contributing to potentially higher revenues. On the other hand, the Wholesale & Retail Trade and Construction sectors reported pessimism in October 2024, anticipating a quiet month with reduced consumer spending, fewer projects, and lower demand, alongside other issues such as payment delays. Meanwhile, the Health & Education, Agriculture, Forestry, Fisheries & Livestock, Other Private Services, Real Estate & Ownership of Dwellings, and Manufacturing sectors expected similar business conditions as September 2024.

Current Business Conditions October 2024 by Sector	
Transport & Communication	50.7
Oil and Gas Related	50.4
Finance and Insurance	50.3
Hotels & Restaurants	50.3
Health & Education	50.0
Agriculture, Forestry, Fisheries & Livestock	50.0
Other Private Services	50.0
Real Estate & Ownership of Dwellings	50.0
Manufacturing	50.0
Wholesale & Retail Trade	49.9
Construction	49.8

9. In terms of **business size**, only large-sized businesses reported expectations of better business conditions in October 2024 compared to the previous month. These businesses generally expected increased sales driven by promotional and marketing activities, the launch of new products, and higher production levels with the setting up of new industrial facilities. On the other hand, small-sized businesses were pessimistic, driven by expectations of fewer orders, sales, and projects, payment delays, and a slow hiring process. Meanwhile, micro- and medium-sized businesses expected business conditions to remain unchanged in October 2024, similar to the previous month.

Current Business Conditions October 2024 by Size	
Micro	50.0
Small	49.5
Medium	50.0
Large	50.3

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.

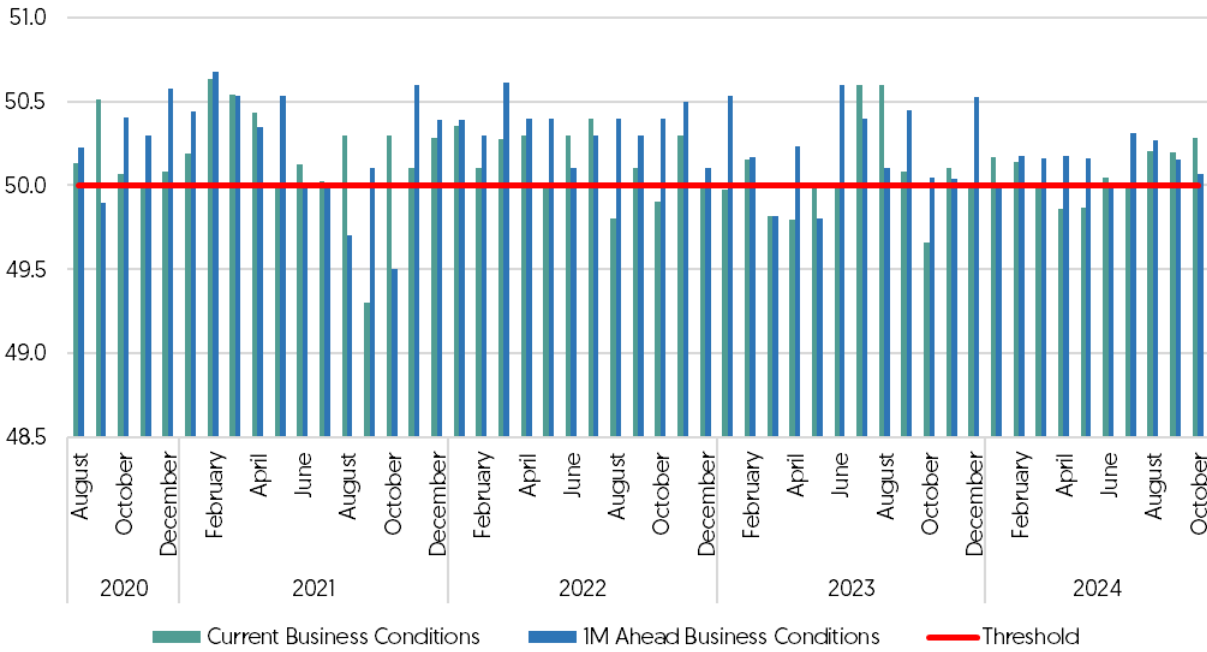
Brunei Darussalam Central Bank

Date: 24 Jamadilawal 1446H / 26 November 2024M

Ref: BDCB/COMMS/3

ANNEX 1

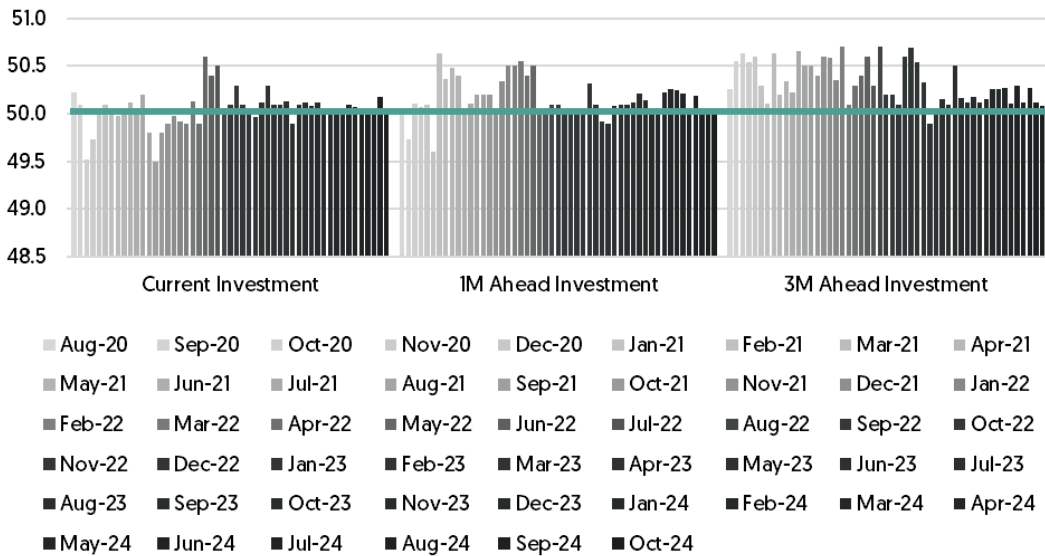
Business Conditions



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.

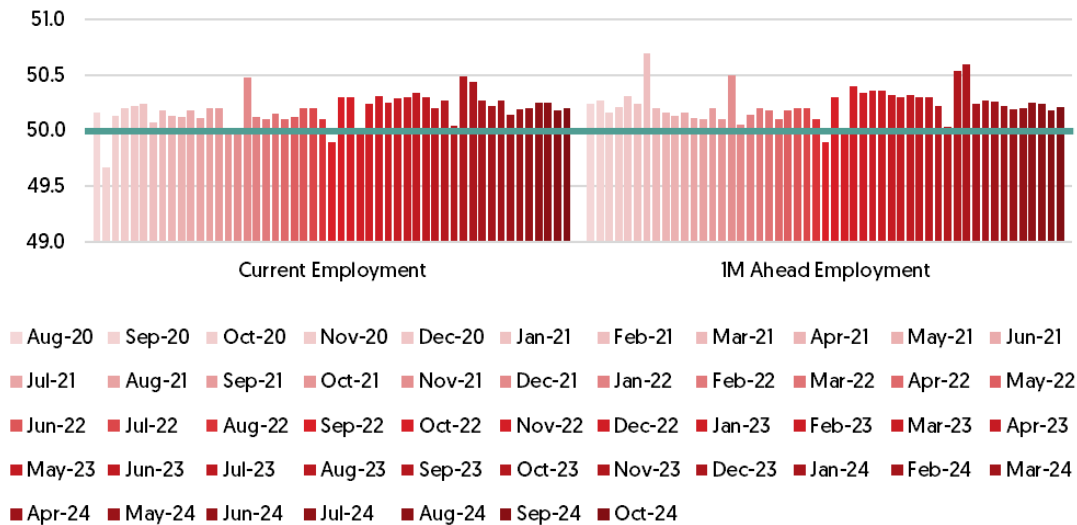
Investments



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.

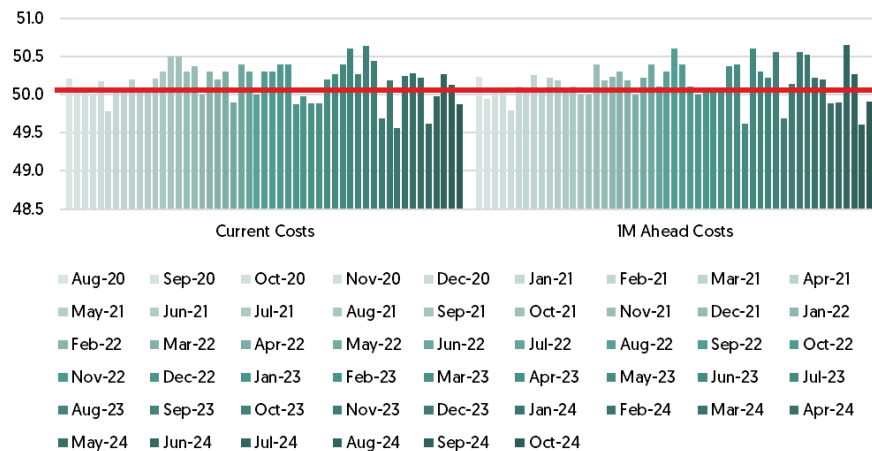
Employment



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.

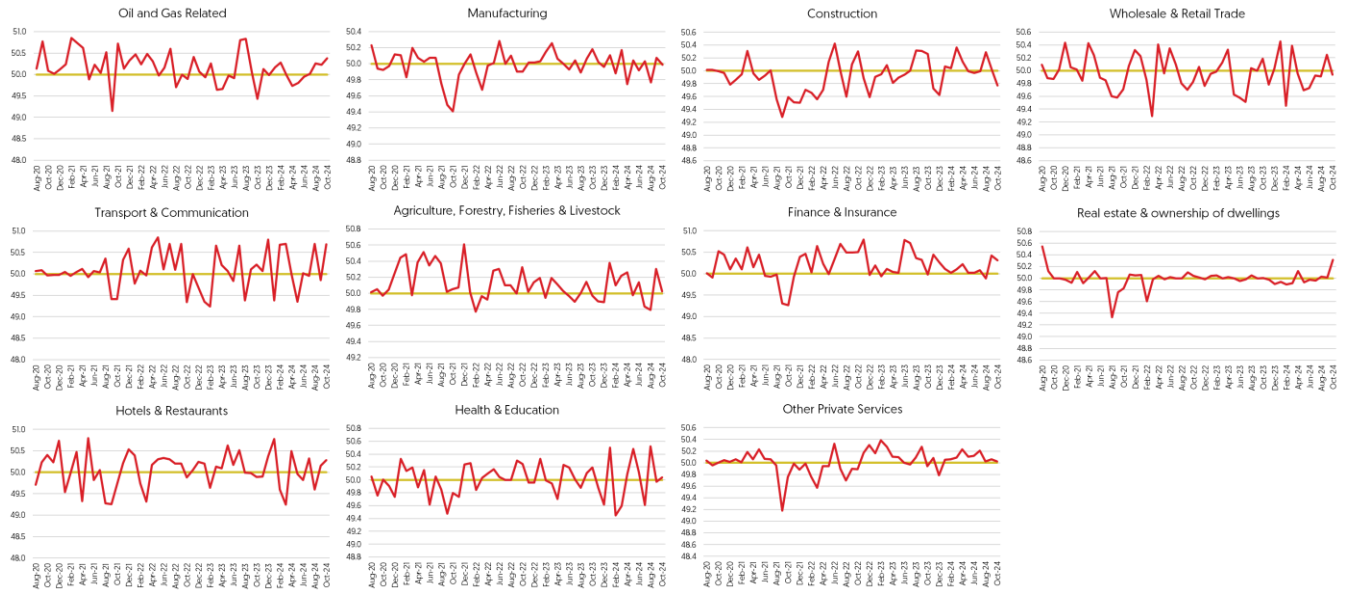
Costs



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

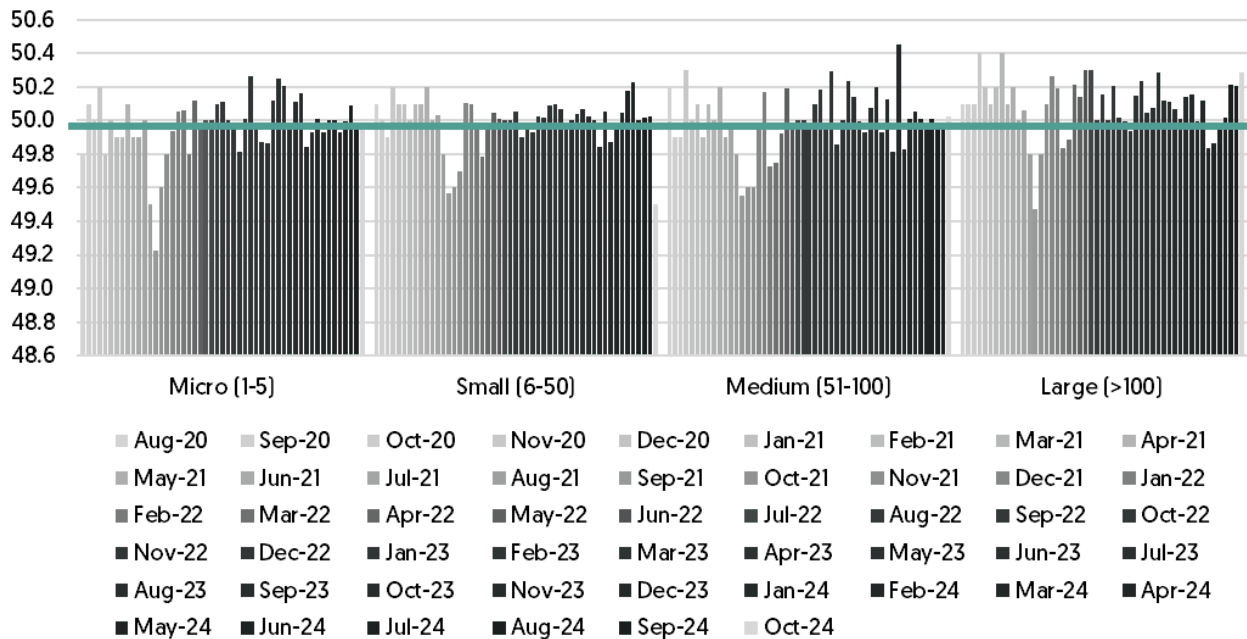
For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.

Sectoral BSI – August 2020 to October 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.*