



PRESS RELEASE

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

1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for November 2024. The index is based on surveys conducted on around 500 micro, small, medium, and large businesses from 11 economic sectors across all districts in Brunei Darussalam.
2. The monthly index measures the level of business confidence/sentiment in the country, covering various aspects, including current and future business conditions, investment, employment of workers, and costs of running the businesses. With its forward-looking approach, the BSI could serve as a leading macroeconomic indicator for 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 November 2024, the main headline index, the Current Business Conditions sub-index, was at 50.0, indicating that, in general, businesses expected similar business conditions to that of October 2024. While differing sentiments were reported across sectors, businesses generally anticipated no change to business activities in November 2024. Some businesses reported optimism, with increased sales and production due to participation in large expos and events. Meanwhile, some businesses cited weaker business activity with generally lower demand and fewer projects during this relatively quiet period, along with poor weather conditions and a tendency among consumers to travel abroad starting in November. The index for one month (1M) ahead was also 50.0, indicating similar expectations for business conditions for December 2024.
5. The Investment sub-index stood at 50.0 for November 2024, 50.0 for one month (1M) ahead, and 50.5 for three months (3M) ahead. This indicates that in November and December 2024, businesses expected no changes to their current levels of investment. However, businesses were more optimistic about their investment prospects in the next three months, with expectations of increased capital expenditure (CAPEX) in February 2025 to utilise their budgets before the end of the financial year. This includes premise renovation and expansion for some businesses, new machinery and equipment purchases in anticipation of new projects and clients, and restocking of inventory to prepare for potentially higher demand during the upcoming festive season.

6. The Employment sub-index was 50.2 for both the current month and 1M ahead. The positive trend seen in previous months is expected to be sustained in November and December 2024 as businesses indicated the need for continuous hiring of new staff, both full-time and part-time, including i-Ready apprentices. This steady trend of recruitment serves not only to fill vacancies but also to meet the demands of both current and planned projects and operations.
7. The Costs sub-index for the current month and 1M ahead were recorded at 50.2 and 49.9. In general, businesses expected higher operational costs in November 2024 compared to October, stemming from auxiliary expenses related to premise renovations and expansions, participation in events, spillover effects from upward fluctuations in global oil prices, increase in salary expenses, purchase of raw materials, as well as maintenance and repair activities. In December 2024, however, businesses generally projected lower operating costs with expectations of cheaper raw materials owing to potential easing in global commodity prices, fewer customers during the holiday and peak travel period, lower staff-related expenses, completion of projects, and lower activity due to poor weather conditions.

BSI November 2024	
Current Business Conditions	50.0
1M Ahead Business Conditions	50.0
Current Investment	50.0
1M Ahead Investment	50.0
3M Ahead Investment	50.5
Current Employment	50.2
1M Ahead Employment	50.2
Current Costs	50.2
1M Ahead Costs	49.9

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

8. In terms of economic sectors, only two out of 11 sectors expected optimistic business conditions in November 2024, with the Hotels & Restaurants sector being the most optimistic with an index of 50.3, attributed to expectations of more room bookings and ongoing promotions for the coming holiday and peak travel period. The Finance & Insurance sector was slightly optimistic, with an index of 50.1, which was contributed by expectations of higher demand for travel insurance in light of the travel and holiday season and an increase in the contribution for family and general takaful. On the other hand, five sectors reported pessimism, with the Construction sector recording the highest pessimism at 49.7 as businesses cited delays in projects and orders for some businesses. At the same time, some expected fewer or no projects during the month and poor weather conditions. Other pessimistic sectors were the Health & Education, Manufacturing, Real Estate & Ownership of Dwellings, and Other Private Services sectors, which reported similar concerns about a relatively quiet business period due to the holiday season and weather disruptions. Meanwhile, the Transport & Communication, Oil & Gas Related, Agriculture, Forestry, Fisheries & Livestock, and Wholesale & Retail Trade sectors expected similar business conditions as October 2024.

Current Business Conditions November 2024 by Sector	
Hotels & Restaurants	50.3
Finance and Insurance	50.1
Oil and Gas Related	50.0
Agriculture, Forestry, Fisheries & Livestock	50.0
Transport & Communication	50.0
Wholesale & Retail Trade	50.0
Other Private Services	49.9
Real Estate & Ownership of Dwellings	49.9
Health & Education	49.9
Manufacturing	49.9
Construction	49.7

9. In terms of business size, only micro-sized businesses were optimistic about business conditions for November 2024 due to slightly better overall business performance with increased demand for their goods and services. On the other hand, small-sized businesses shared more pessimistic remarks with lower demand and business activity. Meanwhile, expectations were mixed across medium- and large-sized businesses. However, their sentiments overall remained unchanged in November 2024 compared to the previous month.

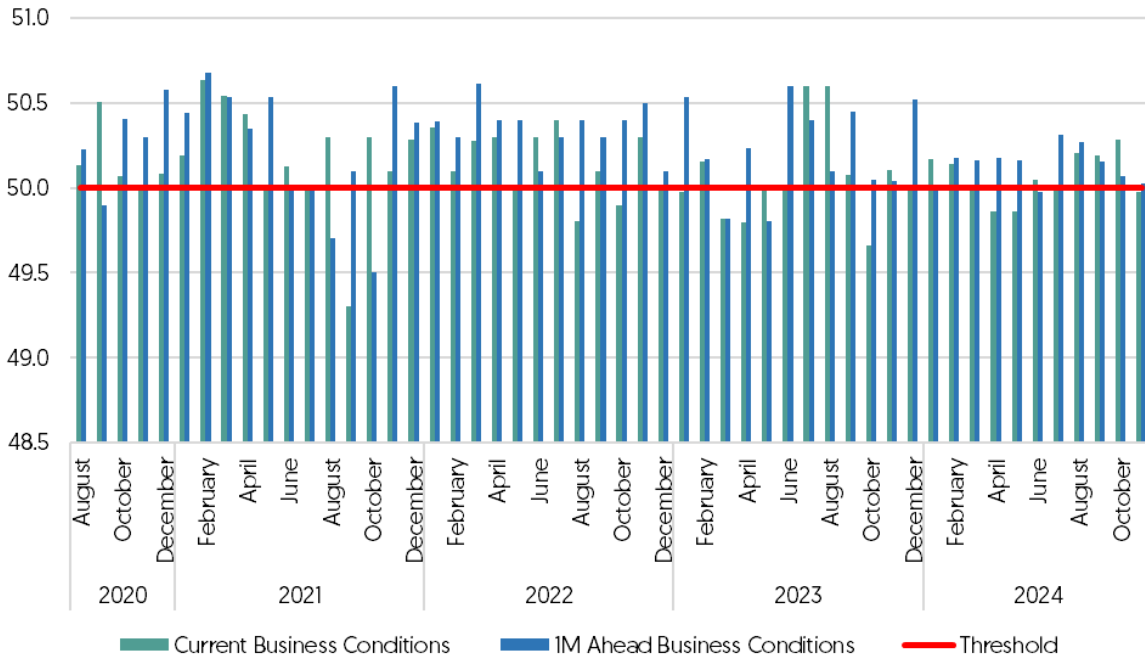
Current Business Conditions November 2024 by Size	
Micro	50.1
Small	49.9
Medium	50.0
Large	50.0

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
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ANNEX 1

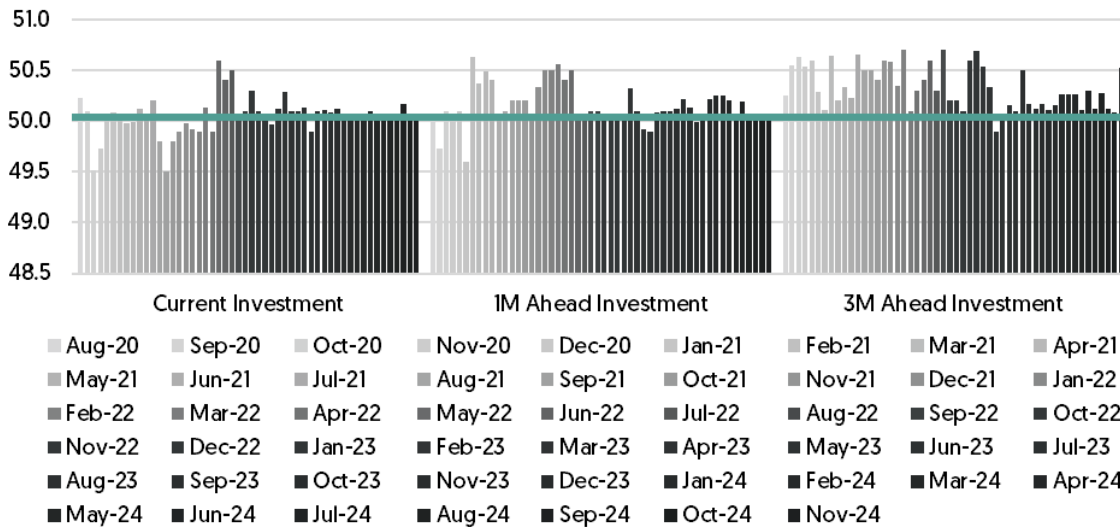
Business Conditions



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.

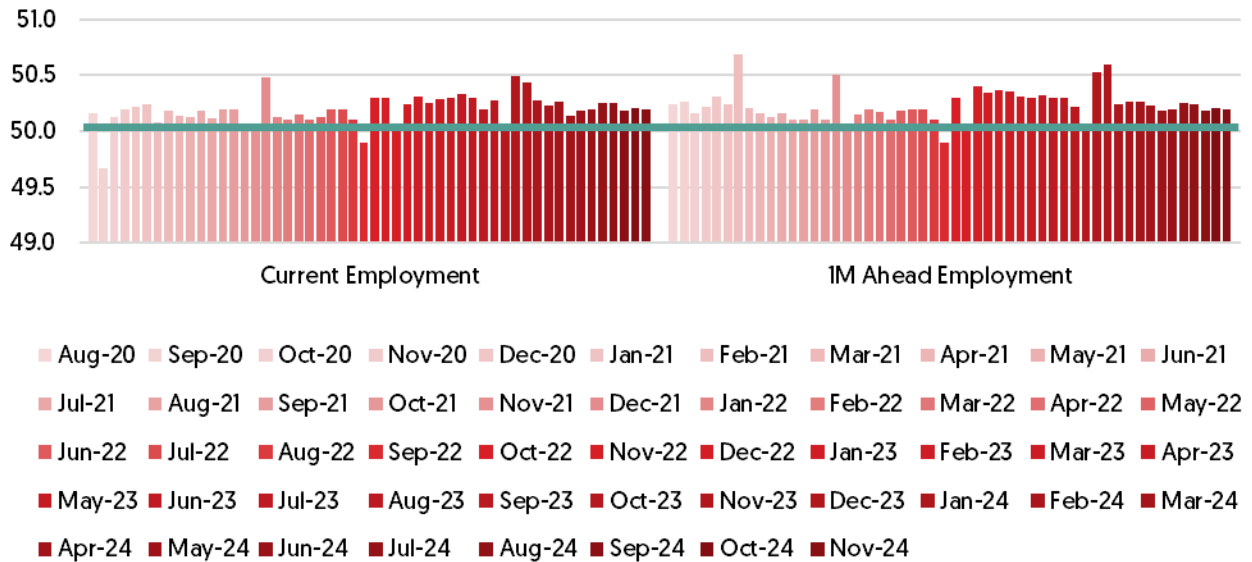
Investments



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.

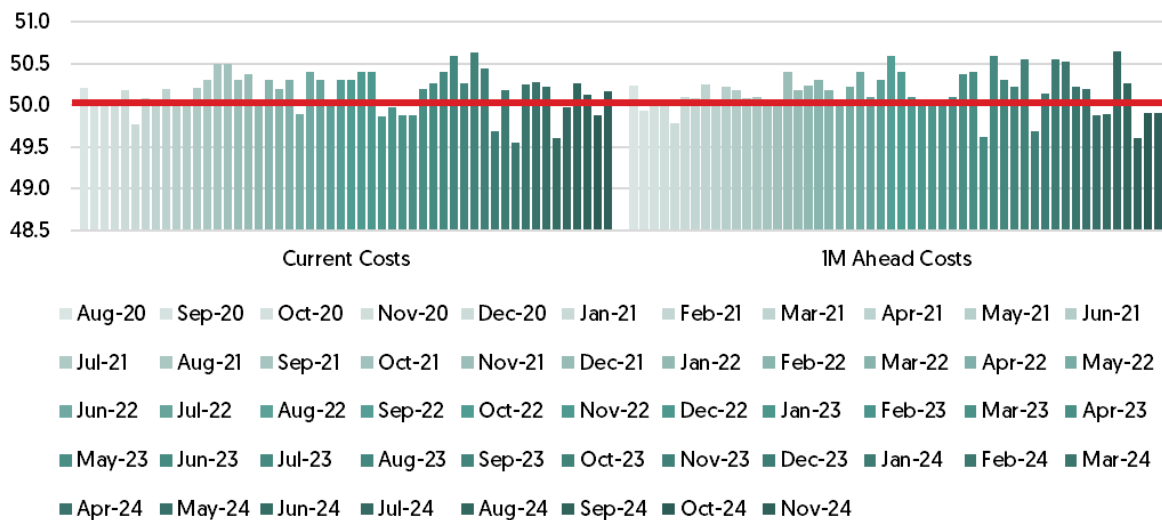
Employment



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.

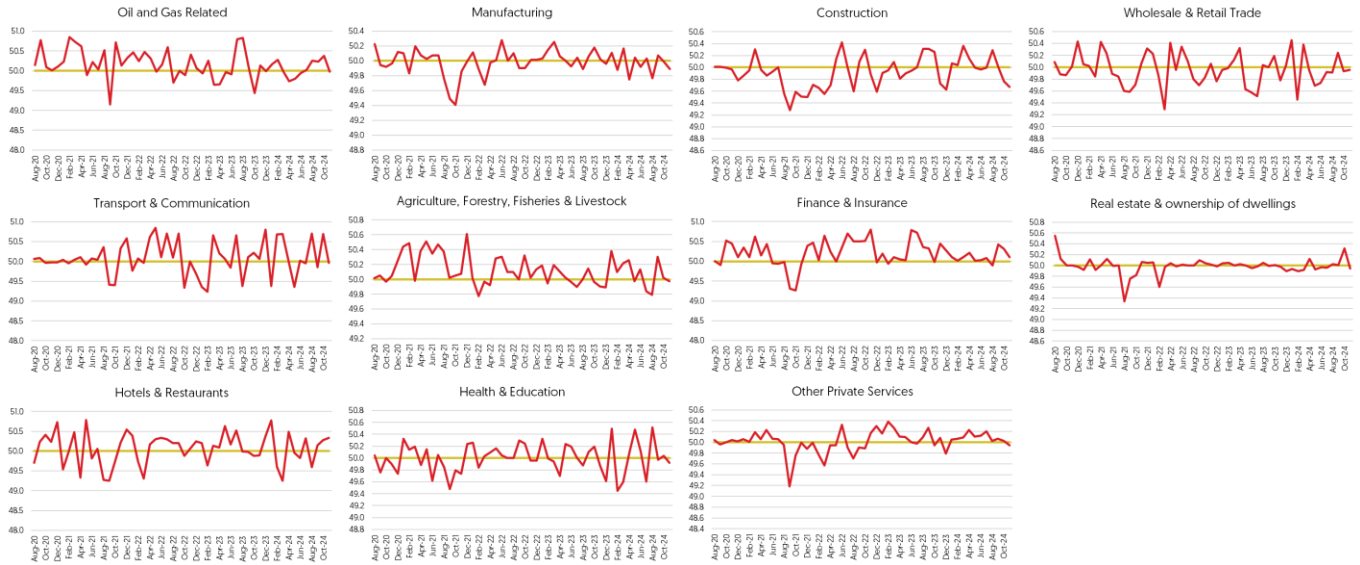
Costs



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

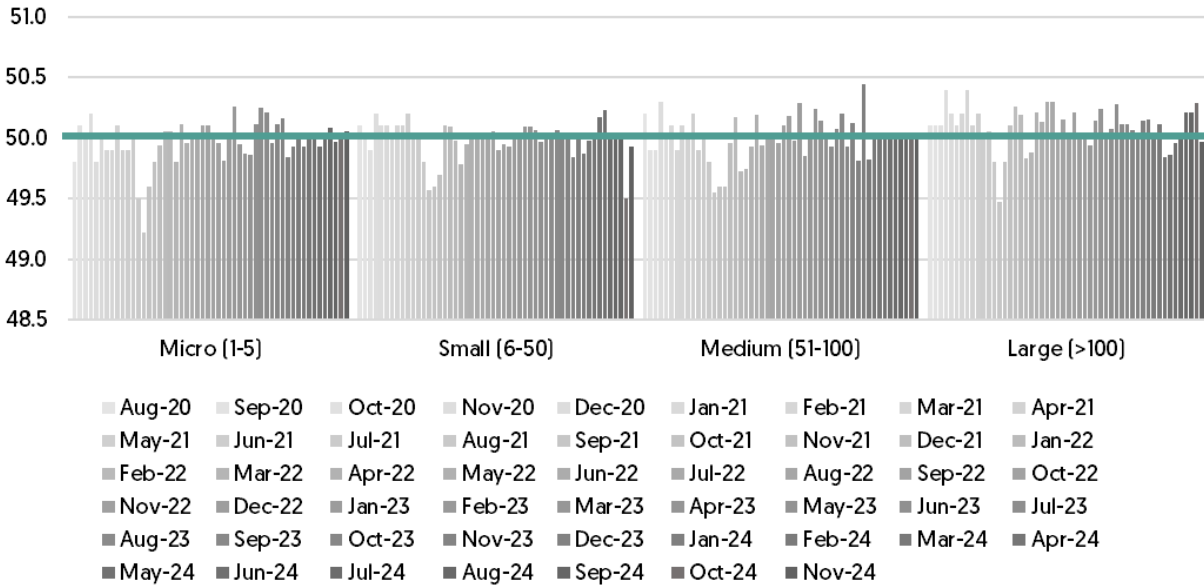
For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.

Sectoral BSI – August 2020 to November 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.