



PRESS RELEASE

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

1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for December 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 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, 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 December 2024, the main headline index, the **Current Business Conditions sub-index**, was 50.0. This suggests that business conditions were generally expected to be similar to November 2024. Many businesses highlighted the impact of school holidays on their performance, with sentiments varying across sectors. The expectations for improved business conditions were cited from travel-related companies, businesses participating in year-end events, and those that held end-of-year or back-to-school promotions. Meanwhile, pessimistic remarks were generally attributed to sluggish market conditions, with businesses expecting increased overseas spending as consumers tend to travel during the holiday season. For others, the lack of new projects, reduced activities associated with workers going on leave, and weather-related issues were also reasons for their pessimistic sentiment in December 2024. The index for one month (1M) ahead was 50.4, indicating expectations for better business conditions in January 2025 compared to December 2024. In general, many businesses see the new year as a bright start following the return of consumers from holidays and the expectations of improved sales performance, as consumers will likely spend their end-of-year bonuses in January 2025. This also includes spending at the 30th Consumer Fair and Trade Expo and Chinese New Year festivities in the same month.
5. The **Investment sub-index** stood at 50.1 for December 2024, 50.0 for one month (1M) ahead, and 50.1 for three months (3M) ahead. This indicates that businesses anticipate a slight increase in investments in

December 2024 and maintaining this level into January 2025. For some businesses, this is related to stocking up on inventory, as observed in previous months. On the other hand, project-based businesses are focused on completing year-end projects and ongoing renovations. Hence, they do not foresee an immediate need to increase their level of investments until after Ramadhan, when an uptick in the number of projects is expected. Businesses also generally expect to replenish inventories in March 2025 in preparation for increased demand for the Hari Raya Aidilfitri festivities.

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 expect to onboard new full-time and part-time employees in December 2024 and January 2025 to cater for ongoing and upcoming projects and events. Some businesses also indicated the need to increase their workforce in specific departments, such as IT and administration, and replace outgoing staff due to the high turnover rate.
7. The **Costs sub-index** for the current month and 1M ahead were recorded at 50.2 and 49.9, respectively. Businesses generally expect higher operational costs in December 2024 than the previous month due to various factors, including year-end staff events, payment of employee bonuses, promotional activities, purchase of raw materials, and expenses related to annual equipment maintenance, as well as higher year-end shipping costs. For January 2025, businesses expect operating costs to be lower than December 2024, mainly due to the return of back-to-normal operations and lower staff-related expenses.

BSI December 2024	
Current Business Conditions	50.0
1M Ahead Business Conditions	50.4
Current Investment	50.1
1M Ahead Investment	50.0
3M Ahead Investment	50.1
Current Employment	50.2
1M Ahead Employment	50.3
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 December 2024. The Transport & Communications sector reported the highest optimism, with an index of 50.7, driven by increased passenger travel and vehicle rentals during the peak holiday season and higher demand for shipping services. The Manufacturing sector was slightly optimistic in December 2024 due to numerous events during the month, which brought in more demand and improved performance. On the other hand, five sectors reported pessimism, especially the Health & Education sector at 49.2 due to the school holidays. Other pessimistic sectors were the Other Private Services, Finance & Insurance, Construction, and Agriculture, Forestry, Fisheries & Livestock, which cited concerns of relatively slower business conditions during the holiday season. Other factors shared were expectations of delays to projects and orders for some businesses, fewer or no projects, and poor weather conditions during the month. Meanwhile, the Oil & Gas Related, Wholesale & Retail Trade, Real Estate & Ownership of Dwellings, and Hotel & Restaurant sectors expected similar business conditions as November 2024.

Current Business Conditions December 2024 by Sector	
Transport & Communication	50.7
Manufacturing	50.1
Hotels & Restaurants	50.0
Oil and Gas Related	50.0
Real Estate & Ownership of Dwellings	50.0
Wholesale & Retail Trade	50.0
Finance & Insurance	49.9
Other Private Services	49.9
Construction	49.8
Agriculture, Forestry, Fisheries & Livestock	49.7
Health & Education	49.2

9. In terms of **business size**, businesses across four sizes – large, medium, small and micro – all reported at the 50.0 level, which indicates that businesses generally had similar expectations in December 2024 compared to the previous month. However, survey results showed notable variations in sentiment at a sectoral level, where events such as the school holidays, peak travel season, and industry-specific challenges are major factors in shaping business sentiments.

Current Business Conditions December 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 and follow updates on the BSI through future press releases and BDCB's Instagram account @centralbank.brunei.

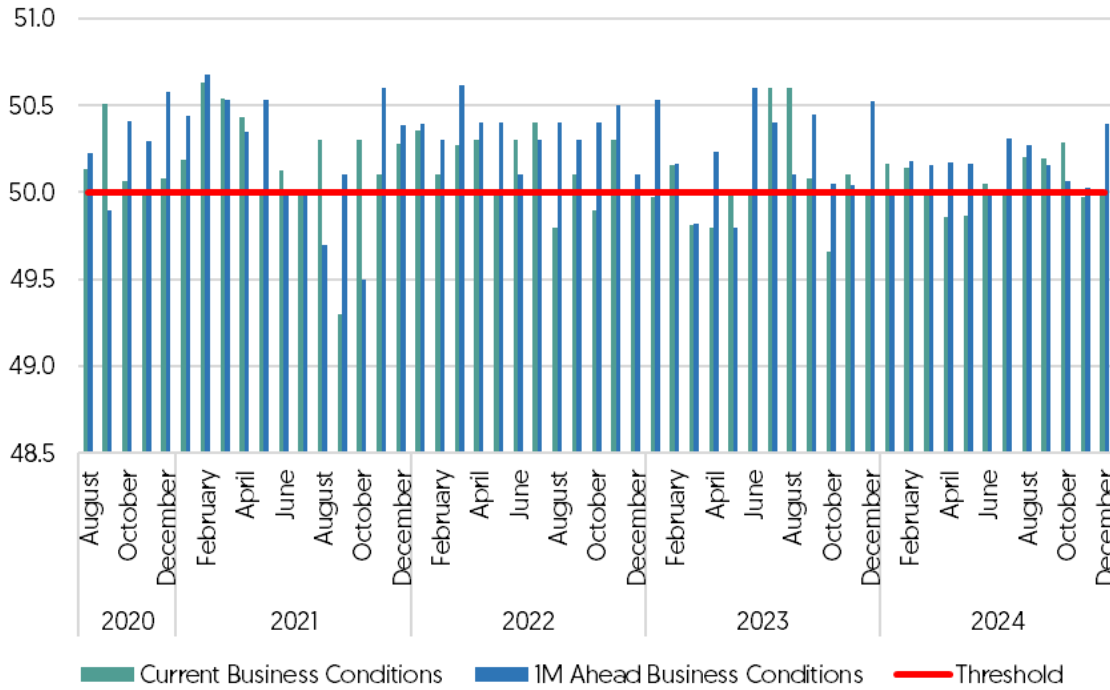
Brunei Darussalam Central Bank

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ANNEX 1

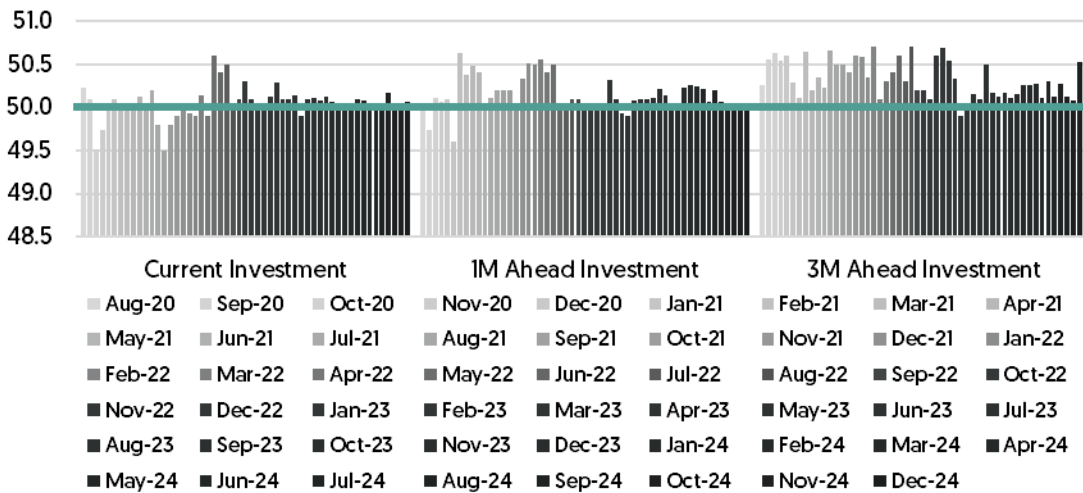
Business Conditions



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.

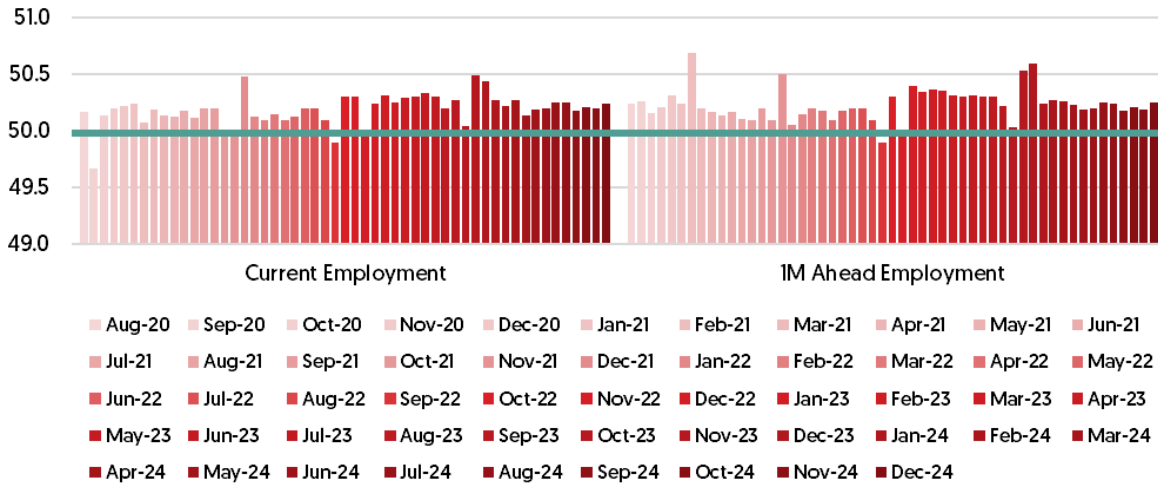
Investments



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.

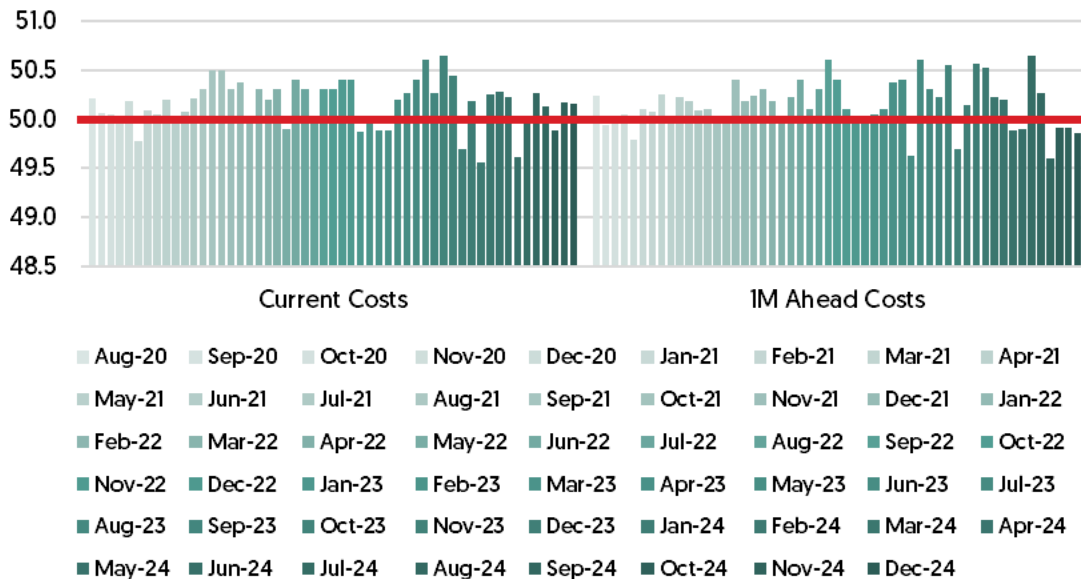
Employment



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.

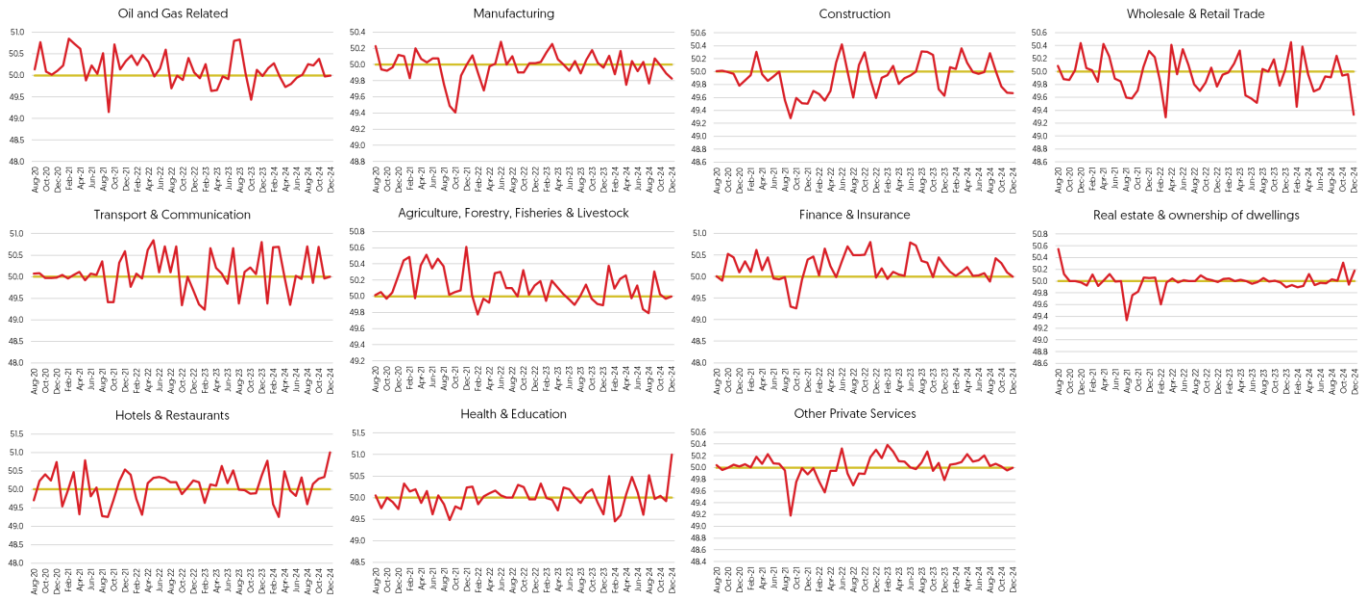
Costs



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

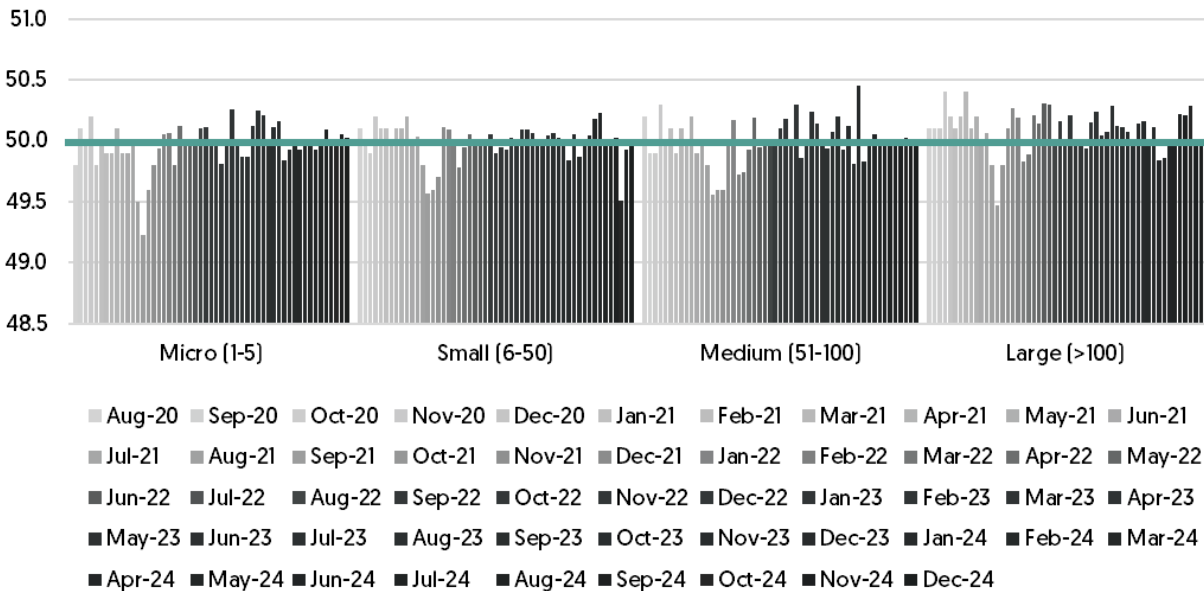
For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.

Sectoral BSI – August 2020 to December 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.