



## PRESS RELEASE

### BUSINESS SENTIMENT INDEX (BSI) FOR BRUNEI DARUSSALAM FOR JANUARY 2025 [UPDATED ON 7 APRIL 2025]

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1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for January 2025. The index is based on surveys conducted on around 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. 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. The main headline index, Current Business Conditions sub-index, was at 50.3 in January 2025. Consistent with expectations from the previous month, this indicates that private sector businesses generally expected improved business conditions in January 2025. The survey responses painted a broadly optimistic picture of increased demand driven by a combination of post-holiday recovery, festive celebrations and large-scale events held during the month. Businesses expected a noticeable rebound in economic activities as customers return from holiday travel and businesses resume normal operations. Higher spending related to Chinese New Year festivities further amplified this recovery, boosting sales and demand for services across various sectors. Additionally, events such as the Consumer Fair & Trade Expo provided a significant boost by driving customer engagement, showcasing new products, and stimulating local spending. While challenges such as manpower shortages and weather-related risks remained, businesses were effectively leveraging the opportunities in January 2025 to drive performance. The index for one month (1M) ahead was also 50.3 but some businesses signalled caution over the outlook. Expectations for improved business conditions were fueled by new projects and preparations for Ramadhan and Hari Raya Aidilfitri festivities. However, concerns about lower activity in February 2025, due to it being a shorter working month, may offset positive sentiments in some sectors.

5. The **Investment** sub-index stood at 50.1 for all its sub-indices; January 2025, one month (1M) ahead, and three months (3M) ahead. This indicates a slight but sustained increase in investment activity. For January and February 2025, this was mainly related to system infrastructure upgrades, renovation works, project-related purchases of machinery and tools, and restocking inventory to meet festive demand. Looking further ahead, the focus shifted towards expanding operations in line with increased business activities, which includes the opening of new branches and showrooms, and acquiring assets to prepare for upcoming projects.
6. The Employment sub-index was at 50.2 for the current month and 50.3 for one month (1M) ahead. The trend of increasing headcount, seen in previous months, is expected to continue into January and February 2025, generally driven by ongoing recruitment, workforce expansion, and seasonal demands. In January 2025, businesses expected to hire to fill vacancies, replace departing workers, and support operations by onboarding new staff, part-timers, and interns. For a few businesses, this also included hiring graduates through collaborations with higher education institutions such as Politeknik Brunei and Institute of Brunei Technical Education (IBTE), and through the i-Ready apprenticeship programme. Seasonal hiring, such as for the Consumer Fair & Trade Expo, also boosted the demand for temporary workforce for January 2025. The recruitment trend is also expected to continue into February 2025 to support preparations for new branches as well as upcoming Ramadhan and Hari Raya Aidilfitri demand.

The Current Cost sub-index in paragraph 7 has been revised on 7 April 2025.

7. The Costs sub-index for the current month and one month (1M) ahead were recorded at 50.0 and 49.9, respectively. This would suggest businesses generally expected operating costs to be at similar levels in January 2025 and to be lower in February 2025. Survey results showed that this sentiment was mainly influenced by the Oil and Gas related, Transport & Communications, and Manufacturing sectors, which weighed down the sub-indices. For January 2025, this was due to cost-cutting measures as well as operating costs returning to normal compared to previous month. Meanwhile, for February 2025, expectations of lower costs were mainly due to a few factors including shorter working month leading to lower operating costs and expenses. Sentiments regarding costs across other sectors were generally mixed with some reporting unchanged costs compared to the previous month. Conversely, some businesses anticipated higher costs, driven by increased business activities, rising prices of raw material, and higher labour expenses from increased manpower. This variability reflects differing operational conditions and seasonal factors across sectors.

BSI January 2025	
Current Business Conditions	50.3
1M Ahead Business Conditions	50.3
Current Investment	50.1
1M Ahead Investment	50.1
3M Ahead Investment	50.1
Current Employment	50.2
1M Ahead Employment	50.3
Current Costs	50.0
1M Ahead Costs	49.9

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

8. In terms of economic sectors, eight out of 11 sectors expected optimistic business conditions in January 2025. The highest optimism with an index of 50.6 was reported for the Health & Education sector, driven by a higher demand for services amid the return of customers from holiday and the start of the school term. The Wholesale & Retail Trade sector owed their optimism to seasonal trends, Chinese New Year demand, and events such as the Consumer Fair & Trade Expo where business conditions were further supported by bonus-driven spending. For the Oil and Gas Related sector, improved business performance was attributed to several factors including favourable global market conditions, higher sales volumes, and the return of employees from holiday and the start of new projects. The Agriculture, Forestry, Fisheries & Livestock sector attributed their optimism to the return of customers from holiday and increased production to cater for higher demand during the Chinese New Year festivities despite weather-related challenges. Businesses across Hotels and Restaurants, Other Private Services, Manufacturing, and Finance and Insurance sectors shared similar sentiments for optimism with performance driven by post-holiday recovery, increased festive demand, new product offerings, event participation and new projects with expectations for further growth driven by government projects. On the other hand, three sectors reported pessimism, especially the Transport & Communication sector at 49.3 following the shift from peak holiday season to the off-peak period in January 2025, as well as completion of key contracts. The Construction and Real Estate & Ownership of Dwellings sectors also reported pessimism mainly due to challenges stemming from a lack of projects, increased competition and concerns of blackout dates<sup>1</sup> which may reduce activity resulting in lower revenue. Additionally, payment delays and operational challenges related to weather disruptions were also concerns cited by businesses across various sectors.

Current Business Conditions January 2025 by Sector	
Health & Education	50.6
Wholesale & Retail Trade	50.5
Oil and Gas Related	50.4
Agriculture, Forestry, Fisheries & Livestock	50.3
Hotels & Restaurants	50.2
Other Private Services	50.2
Manufacturing	50.1
Finance & Insurance	50.1
Construction	49.9
Real Estate & Ownership of Dwellings	49.9
Transport & Communication	49.3

9. In terms of business size, only large businesses showed optimism at 50.3 while businesses across micro, small and medium sizes reported sentiments at the 50.0 level indicating expectations of similar business conditions in January 2025 compared to the previous month. The survey results showed differing sentiments at the sectoral level for all business sizes in January 2025. Meanwhile, large-sized businesses except for those in the Transport and Communications sector, generally expected an improvement in

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<sup>1</sup> Blackout dates refer to specific day/s or month/s where activities involving public entertainment are strictly prohibited.

business conditions in January 2025 on the back of post-holiday recovery with increased activities owing to participation in events and Chinese New Year demand.

Current Business Conditions January 2025 by Size	
Micro	50.0
Small	50.0
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](http://www.bdcg.gov.bn) and follow updates on the BSI through future press releases and BDCB's Instagram account @centralbank.brunei.

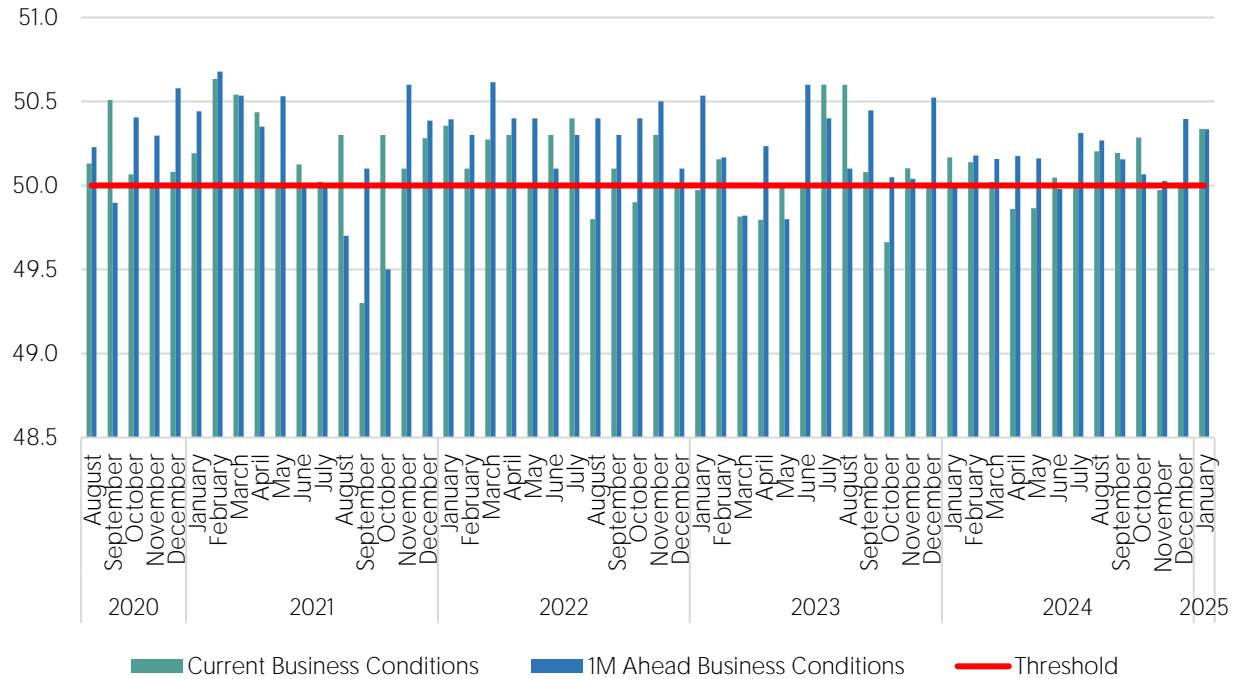
Brunei Darussalam Central Bank

Date: **13** Ramadan 1446H / 14 March 2025M

Ref: BDCB/COMMS/3

## ANNEX 1

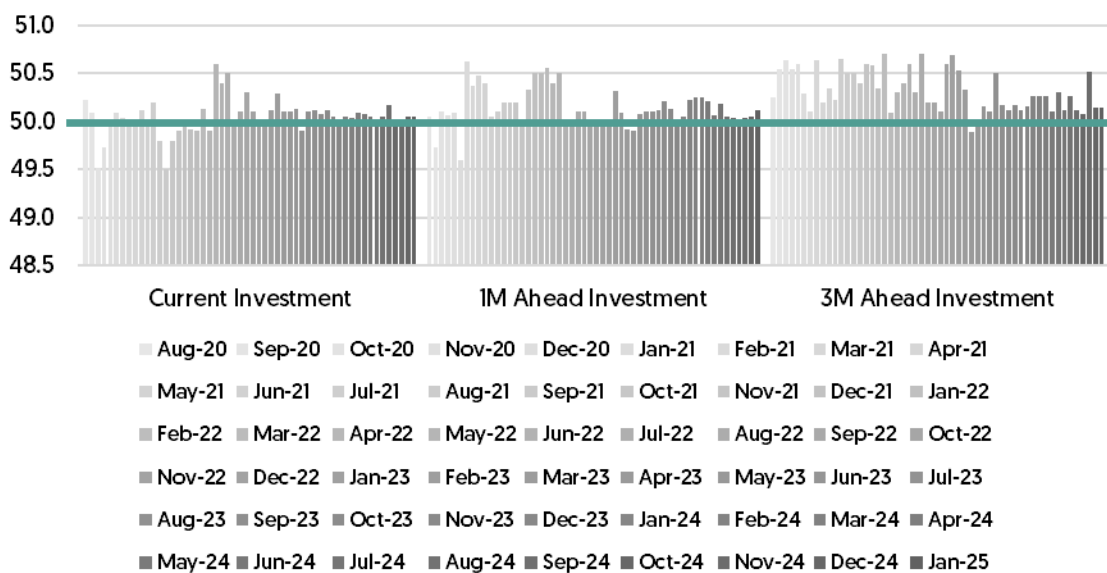
### Business Conditions



*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.*

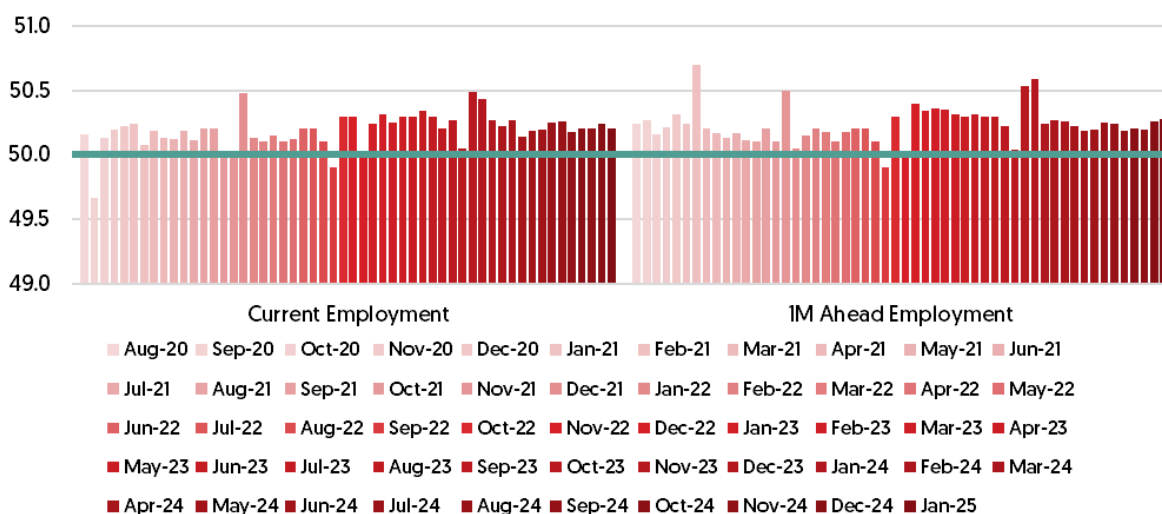
### Investments



*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.*

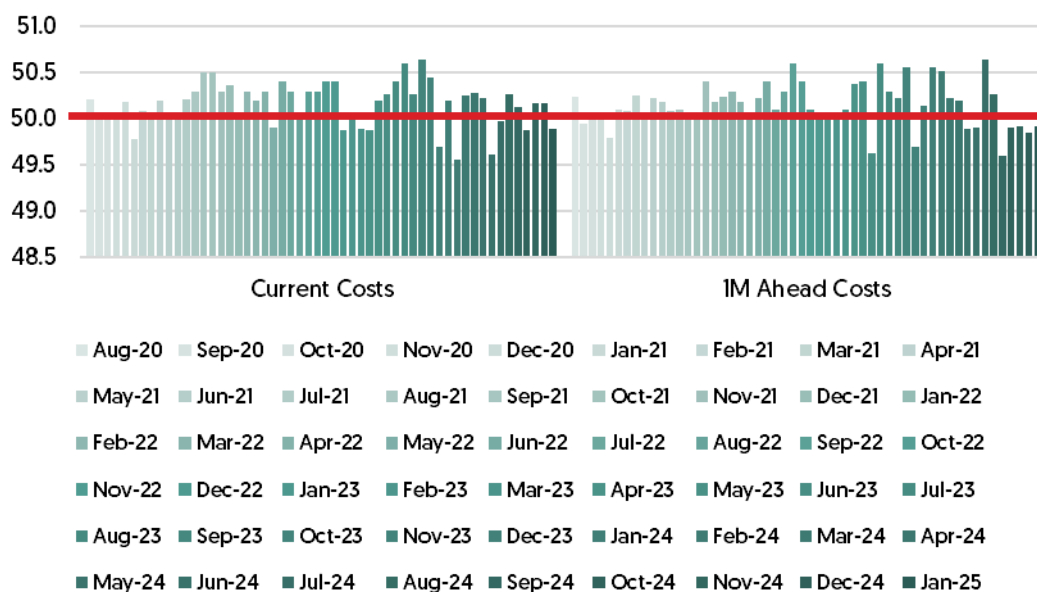
### Employment



*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.*

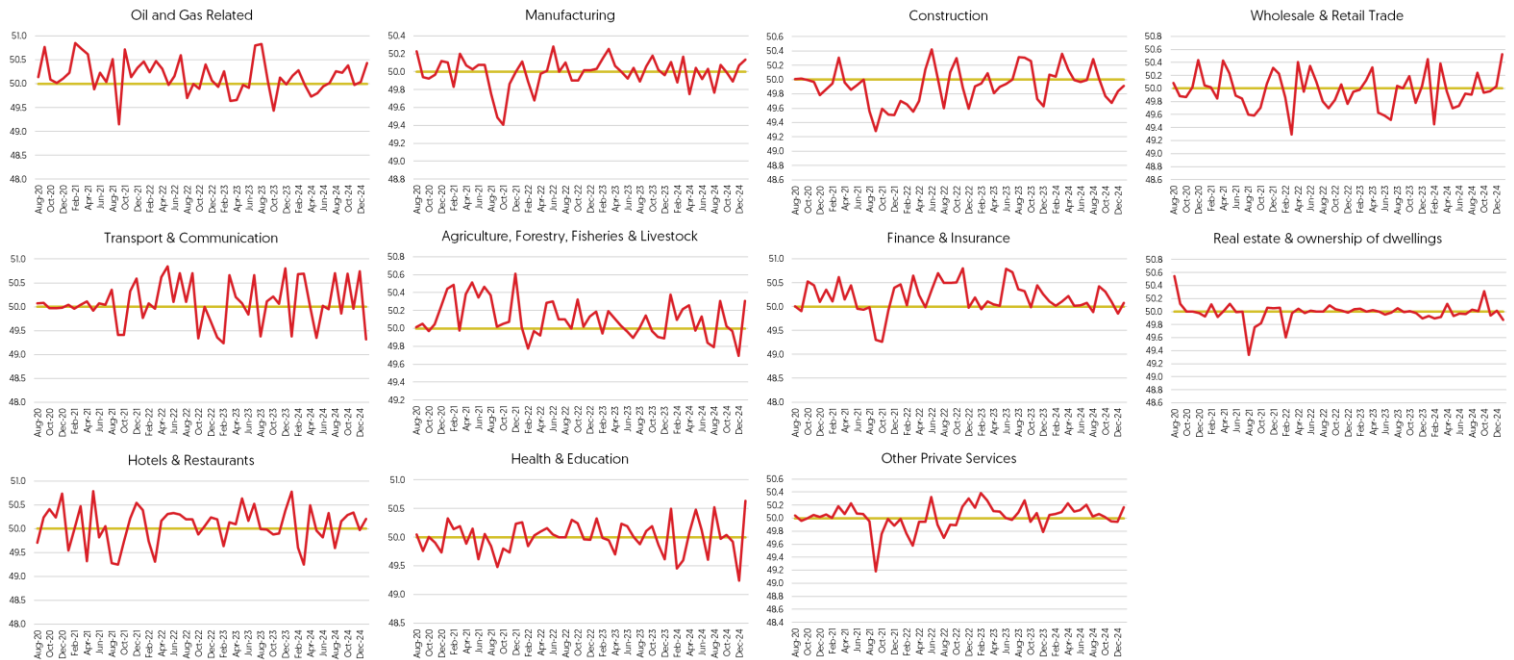
### Costs



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

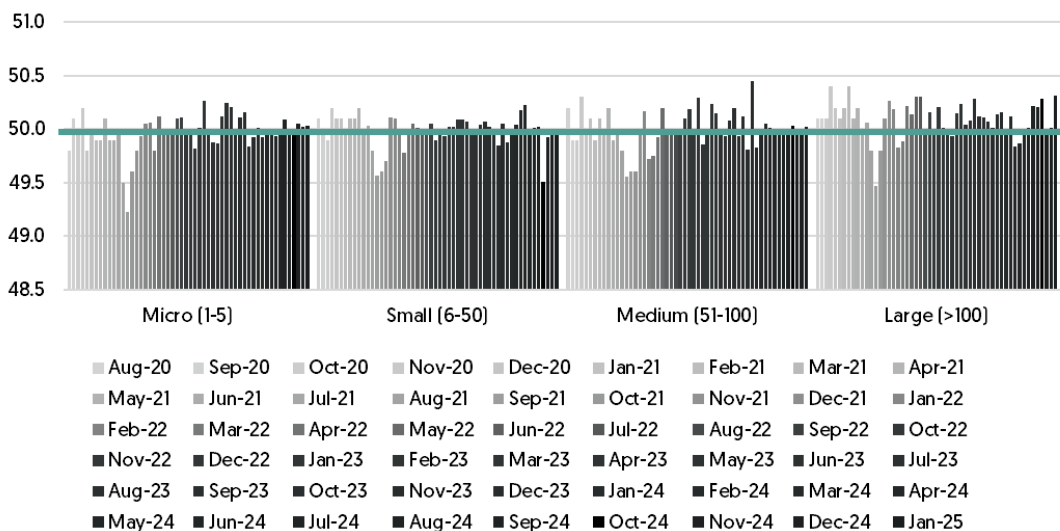
*For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.*

### Sectoral BSI – August 2020 to January 2025



*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.*