PRESS RELEASE

BUSINESS SENTIMENT INDEX (BSI)
FOR BRUNEI DARUSSALAM FOR MARCH 2025

1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for March 2025. 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. 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**, stood at 49.9 in March 2025, reflecting slightly pessimistic views regarding business conditions compared to the previous month. This pessimistic sentiment was largely shaped by reduced consumer demand and slower project mobilisation due to shorter operating hours during the Ramadhan month. Although seasonal factors led to slower activity in many sectors, overall business sentiment remained stable as some sectors expected better performance tied to advanced spending in preparation for Hari Raya Aidilfitri celebrations. The one-month (1M) ahead index rose to 50.3 for April 2025, owing to widespread optimism following the end of Ramadhan, the arrival of the month of Syawal along with expectations of new projects. Although weather-related challenges continued to affect some businesses, the resumption of normal operating hours combined with higher spending related to Hari Raya Aidilfitri emerged as key factors to drive demand recovery across most sectors.

5. The **Investment sub-index** stood at 50.1 for current, one month (1M) ahead and three months (3M) ahead investment. Based on survey responses, businesses across sectors demonstrated a sustained positive outlook for investment, with investment activities in March 2025 primarily focused on inventory restocking, purchases of machinery, equipment upgrades and renovations to meet post-Ramadhan demand. This momentum is expected to continue in April 2025 to cater for ongoing project-related needs and expectations of new projects in the coming months. Looking ahead to June 2025, businesses

shared investment plans relating to upcoming events such as the 31st Consumer Fair and Trade Expo, as well as multiple upcoming projects, depending on approvals from relevant agencies and confirmation from clients.

6. The **Employment sub-index** at 50.2 for the current month and 50.3 for one month (1M) ahead showed steady hiring trends. For March 2025, recruitment focused on immediate project needs and operational expansion, with larger firms ramping up graduate hiring. For April 2025, continued workforce expansion plans across business sizes amid ongoing and upcoming projects indicate sustained confidence in economic activity. While large companies drive much of the hiring trend, many small and medium businesses remain cautiously optimistic, contingent on project confirmations and approvals.

7. The **Costs sub-index** was 49.9 for the current month and 50.2 for one month ahead, suggesting businesses anticipated slightly lower operational costs in March 2025 followed by a modest increase in April 2025. However, survey results for the current month showed that the Oil & Gas related, Transport & Communications, and Hotels & Restaurants sectors had notably influenced the index. For the Oil & Gas related sector, this was mainly attributed to lower feedstock prices. The Transport & Communications and Hotels & Restaurants sectors cited seasonal factors contributing to lower demand and hence, lower operational costs. Meanwhile, other sectors shared expectations of higher costs for several reasons such as Hari Raya bonuses, promotions, and preparations for festivities, and higher overall labour costs from workforce expansions. Looking one month (1M) ahead, survey responses showed broad expectations of higher operational costs across sectors and sizes following the resumption of normal operating hours and higher manpower costs from ongoing recruitment as well as the second phase of Brunei Darussalam's minimum wage policy[1].

BSI March 2025	
Current Business Conditions	49.9
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	49.9
1M Ahead Costs	50.2

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

8. In terms of **economic sectors**, four out of 11 sectors recorded optimism regarding business conditions in March 2025. The Wholesale & Retail Trade recorded the highest optimism with an index of 50.7, due to a surge in Ramadhan sales and preparations for Hari Raya Aidilfitri. Most firms in the Agriculture, Forestry, Fisheries & Livestock sector expected higher consumer spending on fruits, vegetables, and specialty foods in preparation for the festive season, while smaller firms were concerned of lower performance

[1] The second phase of Brunei's minimum wage policy, which was announced in February 2025 and implemented on April 1, 2025, expands the policy's reach to nine additional sub-industries across six sectors: financial services, healthcare, education, professional and technical services, administrative and support services, as well as accommodation and food services.
https://borneobulletin.com.bn/2nd-phase-of-minimum-wage-policy-covers-more-industries-from-april-2025/

due to school holiday and weather-related issues. The Construction sector reported cautious optimism with most firms expecting a pickup in business activity driven by post-monsoon project resumptions and new clientele, though payment delays and weather unpredictability remained key concerns. Sentiment in the Finance & Insurance sector was somewhat mixed given seasonal growth faced by majority of insurance and takaful companies, while others reported unchanged conditions. On the other hand, five sectors expressed pessimistic sentiments: the Oil & Gas Related sector cited concerns over declining profit margins amid escalating trade tensions; the Other Private Services sector faced challenges related to lower demand during Ramadhan and delayed project confirmations; Transport & Communication sector reported weaker performance attributed to seasonal off-peak demand; the Hotels & Restaurants sector faced dine-in restrictions during Ramadhan, fewer event bookings (e.g. weddings), and lower room occupancy; and lastly, Health & Education sector recorded the lowest sentiment, largely attributed to shorter operating hours and reduced patient visits. The remaining sectors—Real Estate & Ownership of Dwellings, and Manufacturing—held steady with similar sentiments compared to the previous month.

Current Business Conditions March 2025 by Sector	
Wholesale & Retail Trade	50.7
Agriculture, Forestry, Fisheries & Livestock	50.2
Construction	50.2
Finance & Insurance	50.1
Real Estate & Ownership of Dwellings	50.0
Manufacturing	50.0
Oil & Gas Related	49.9
Other Private Services	49.8
Transport & Communication	49.4
Hotels & Restaurants	49.3
Health & Education	49.3

9. In terms of **business size**, micro- and medium-sized businesses reported slight optimism driven largely by seasonal demand for Ramadhan and upcoming Hari Raya Aidilfitri season. Meanwhile, small and large businesses generally leaned towards being slightly pessimistic, particularly those in the Transport & Communication, Hotels & Restaurants, and Health & Education sectors, affected by seasonal challenges and operational disruptions.

Current Business Conditions March 2025 by Size	
Micro	50.1
Small	49.9
Medium	50.2
Large	49.9

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.bdcb.gov.bn and follow updates on the BSI through future press releases and BDCB's Instagram account @centralbank.brunei.

Brunei Darussalam Central Bank

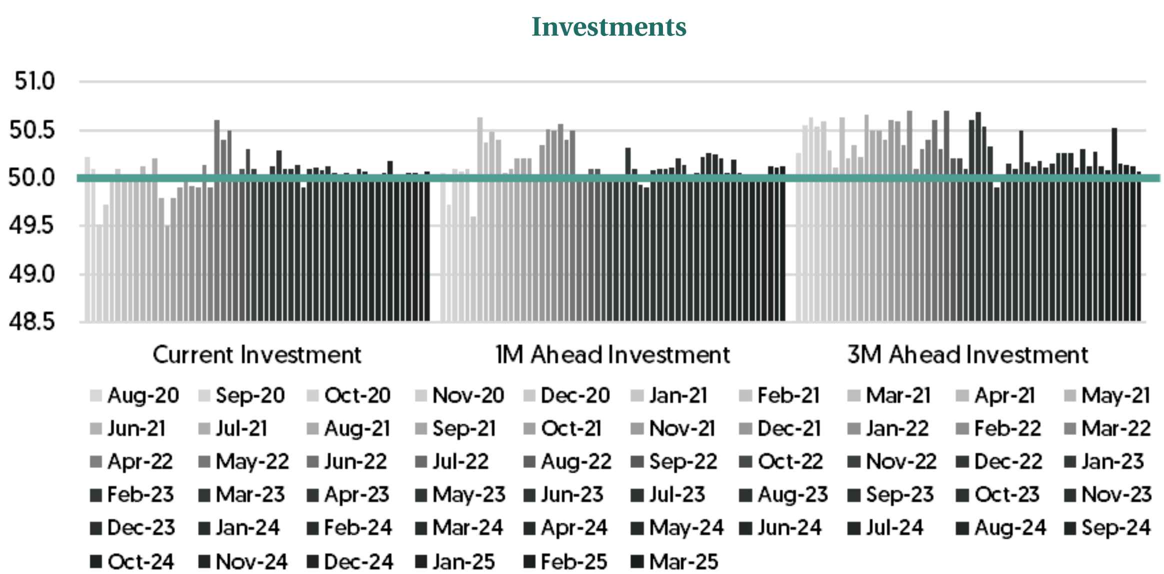
Date: 15 Zulkaedah 1446H / 13 May 2025M

Ref: BDCB/COMMS/3

ANNEX 1

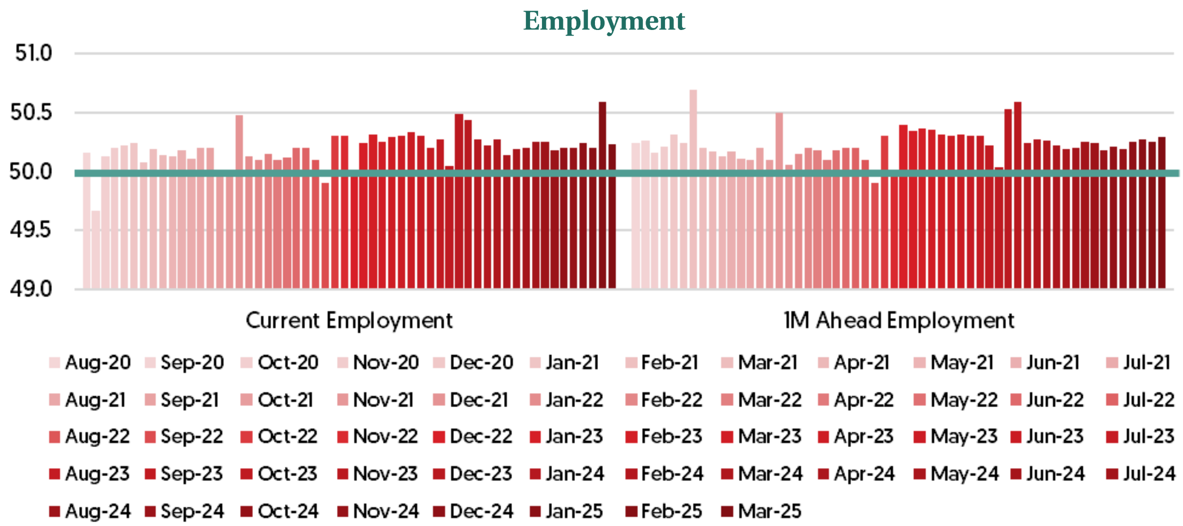
Note: *For 1M Ahead Business Conditions, the result compares expected business conditions in the month ahead compared to the current month.*

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.



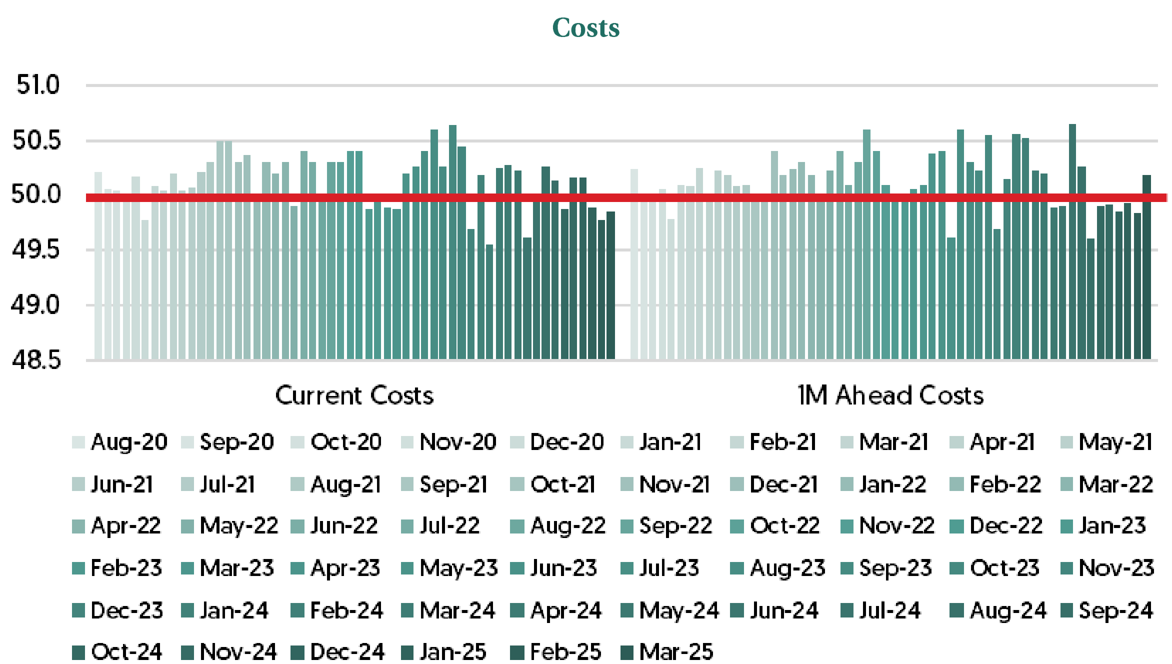
Note: *For 1M Ahead Investments, the result compares expected investment in the next month compared to the current month while for the 3M Ahead Investment, the result compares expected investments 3 months ahead compared to the current month.*

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.



Note: *For 1M Ahead Employment, the result compares expected employment in the next month compared to the current month.*

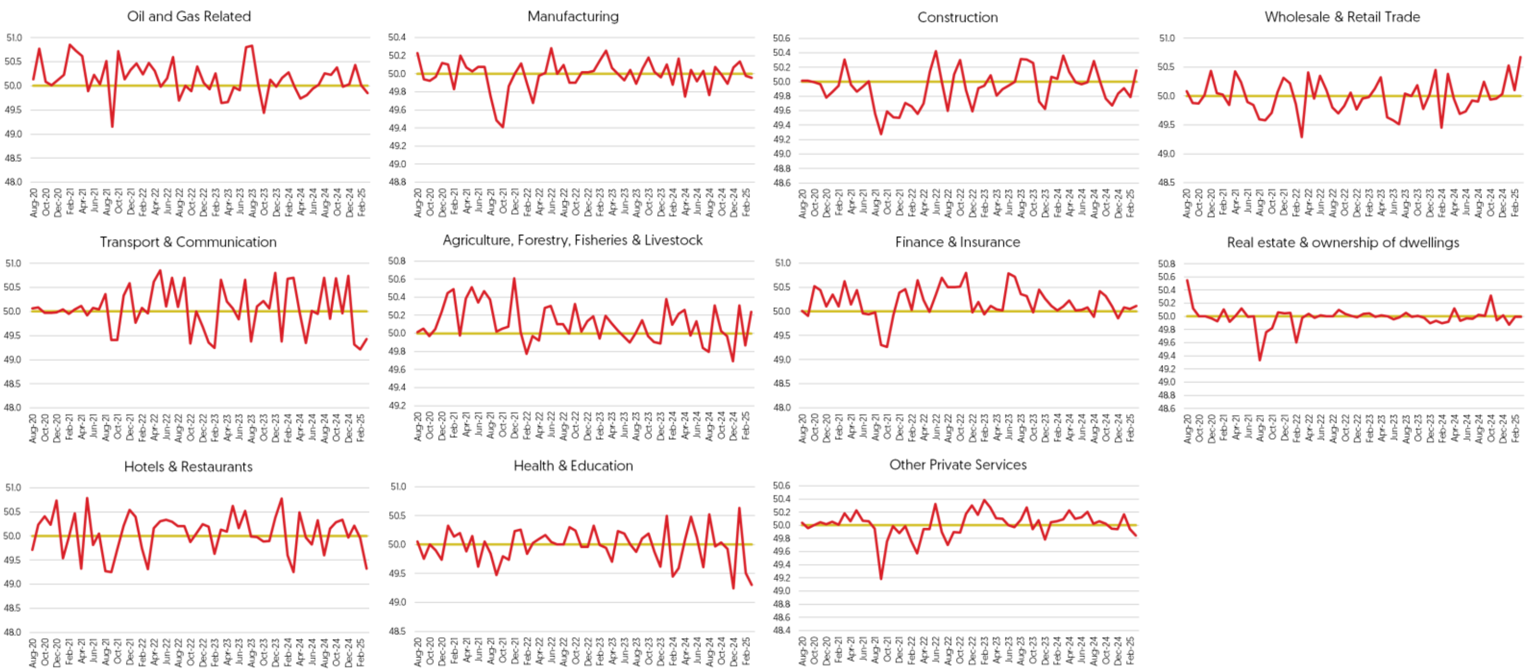
For Employment sub-index, above 50 indicates more new hires compared to the previous month. Index at 50 indicates similar/no change compared to the previous month while below 50 indicates a reduction in employee headcount compared to the previous month.



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

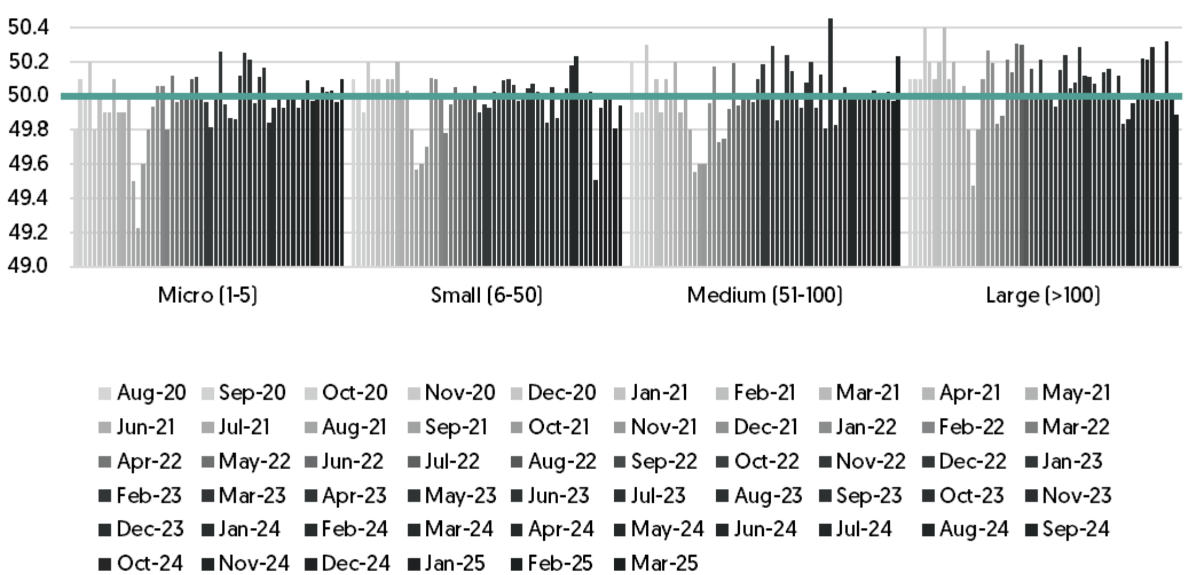
For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.

Sectoral BSI – August 2020 to March 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



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