



## PRESS RELEASE

### BUSINESS SENTIMENT INDEX (BSI) FOR BRUNEI DARUSSALAM FOR MAY 2025

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1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for May 2025. The index is based on surveys conducted on more than 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, as well as costs of running the business. 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 49.7 in May 2025. While survey results showed mixed sentiments among businesses, the overall outlook tilted towards pessimism, primarily due to the Oil & Gas Related sector. In general, pessimism in May 2025 stemmed from seasonal adjustments following the end of festivities, as well as project completion and sector-specific challenges related to supply chain disruptions, including rising raw material costs, market price pressures, and operational challenges. Meanwhile, positive developments, including new project acquisitions, and facility and business expansions, supported recovery in other sectors. The one-month (1M) ahead index rose to 50.3, indicating a more positive outlook overall, driven by major projects, seasonal rebounds, and post-maintenance production recovery. However, this optimism was heavily skewed by large enterprises. These findings show that the confidence gap between large firms and micro, small, and medium enterprises (MSMEs) has widened, with MSMEs generally more affected by labour-related challenges and issues related to consumers' preference to spend money abroad during school holiday seasons.
5. The Investment sub-index stood at 50.1 for the current month and one month (1M) ahead, and 50.4 for three months (3M) ahead. In May 2025, businesses expressed slight optimism in their investment outlook, with many planning capital expenditures to meet operational needs and support growth. These included the purchase of new machinery and equipment, vehicle upgrades, renovations and

expansions, and inventory restocking in anticipation of increased demand. Others also highlighted staff-related investments, particularly for training and certifications to equip their workers with the necessary skills for upcoming projects. Looking ahead, investment sentiment for the next few months remains positive. Businesses plan to continue restocking, especially ahead of events such as the 31<sup>st</sup> Consumer Fair & Trade Expo and upcoming celebrations. There was also an emphasis on acquiring equipment and materials to support both ongoing and new projects, as well as renovations, premise upgrades, and expansions, including port developments, new stores, and agricultural facilities. Businesses are also preparing for future events and seasonal demand, such as Hari Raya Aidil Adha celebrations and end-of-year sales.

6. The Employment sub-index stood at 49.7 for the current month and 50.2 for one month (1M) ahead. In May 2025, businesses were slightly pessimistic about their employment situation, with many reporting a reduction in workforce. The decline was mainly due to employees leaving at the end of contract periods, project completions, staff resignations, retirements, and issues in finding suitable candidates to fill vacancies despite ongoing recruitment efforts. Looking ahead, sentiment for the next month shows a modest improvement, with businesses planning to hire part-time workers for upcoming events. Others are looking to bring in new graduates and paid interns to fill existing vacancies left by recent staff turnover. While hiring remains cautious and event-driven, the slight uptick signals a somewhat stable labour market outlook.
7. The Costs sub-index was 50.1 for the current month and 49.7 for one month ahead. In May 2025, business sentiment regarding operating costs was just above neutral, as businesses expected to absorb a broad mix of expenses. The largest outlays centred on staff salaries and training. Project-related spending remained significant, encompassing subcontractor fees and higher raw material prices. Firms also pointed to maintenance and repair bills, marketing and promotional campaigns, administrative costs (including taxes, permits, insurance, and visas), higher shipping charges, and additional rent for new outlets. For the month ahead, the cost outlook eased slightly. Many firms expect activity to cool and operating costs to return to more normal levels after a heavy spending cycle in the previous month, alongside fewer projects, lower overtime required, and planned cost-cutting measures.

BSI May 2025	
Current Business Conditions	49.7
1M Ahead Business Conditions	50.3
Current Investment	50.1
1M Ahead Investment	50.1
3M Ahead Investment	50.4
Current Employment	49.7
1M Ahead Employment	50.2
Current Costs	50.1
1M Ahead Costs	49.7

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

8. In terms of economic sectors, five out of 11 sectors expected optimistic business conditions in May 2025:
  - The Real Estate & Ownership of Dwellings sector reported the highest optimism with an index of 50.7, driven by increased demand for their services and improved occupancy rates.

- The Hotels & Restaurants sector attributed improved business conditions to higher dining activities and increased room bookings.
- Sentiment in the Construction sector was mixed across all sizes, with optimism stemming from those awarded with new projects, while others shared concerns of declining client activity and workforce shortages.
- The Finance & Insurance sector mainly expected stable conditions with some positive developments related to insurance services and growth in lending activities.
- The Health & Education sector generally owed slight optimism to facility expansions, new student intakes, and promotional activities.

On the other hand, five sectors predominantly expressed pessimism for May 2025:

- The Wholesale & Retail Trade sector continued to cite weak demand post-festive season following concerns of **consumers' preference** for cross-border spending.
- The Oil & Gas Related sector attributed their pessimism to market price pressures and maintenance operations resulting in lower production. However, some firms remained resilient with major project developments and operational improvements.
- Most businesses in the Transport & Communication sector generally expected lower performance due to seasonal trends.
- Some small businesses in the Other Private Services sector highlighted some performance improvements, while others anticipated reduced business activities without new projects lined up.
- The Agriculture, Forestry, Fisheries & Livestock sector generally indicated a stable outlook with slight pessimism from concerns related to weather-related disruptions and seasonal fruit availability.

The remaining sector, Manufacturing, recorded similar sentiments compared to the previous month.

Current Business Conditions May 2025 by Sector	
Real Estate & Ownership of Dwellings	50.7
Hotels & Restaurants	50.3
Construction	50.2
Finance & Insurance	50.1
Health & Education	50.1
Manufacturing	50.0
Agriculture, Forestry, Fisheries & Livestock	49.9
Other Private Services	49.8
Transport & Communication	49.6
Oil & Gas Related	49.6
Wholesale & Retail Trade	49.5

9. In terms of business size, businesses of all sizes reported pessimism, with the most generally cited factor being the usual trend of quieter market conditions following post-Hari Raya Aidilfitri festivities. In terms of size-specific challenges, large firms attributed pessimism to operational disruptions caused by maintenance works and staff on leave. Meanwhile, micro, small, and medium-sized businesses reported a lack of project opportunities and reduced activities.

Current Business Conditions May 2025 by Size	
Micro	49.9
Small	49.8
Medium	49.8
Large	49.7

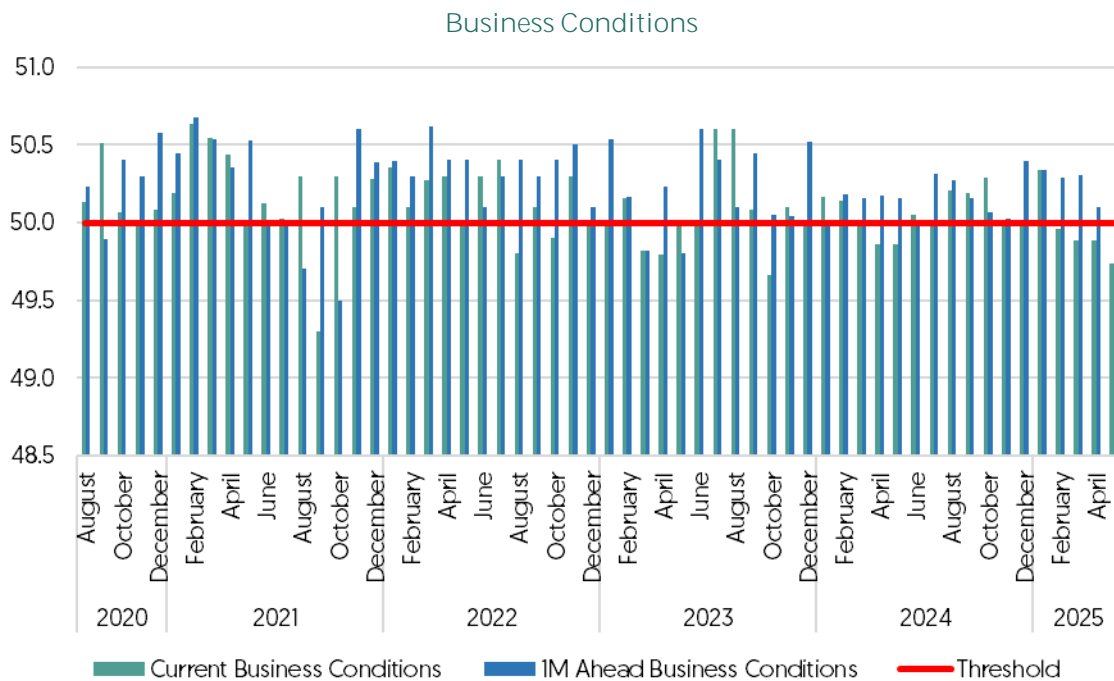
10. The time-series charts for the BSI and its sub-indices since August 2020 can be found in ANNEX 1. For more information on the BSI, members of the public can refer to the technical notes on the methodology and statistics on the BDCB website at [www.bdcg.gov.bn](http://www.bdcg.gov.bn) and follow updates on the BSI through future press releases and BDCB's Instagram account @centralbank.brunei.

Brunei Darussalam Central Bank

Date: 27 Muharram 1447H / 23 July 2025M

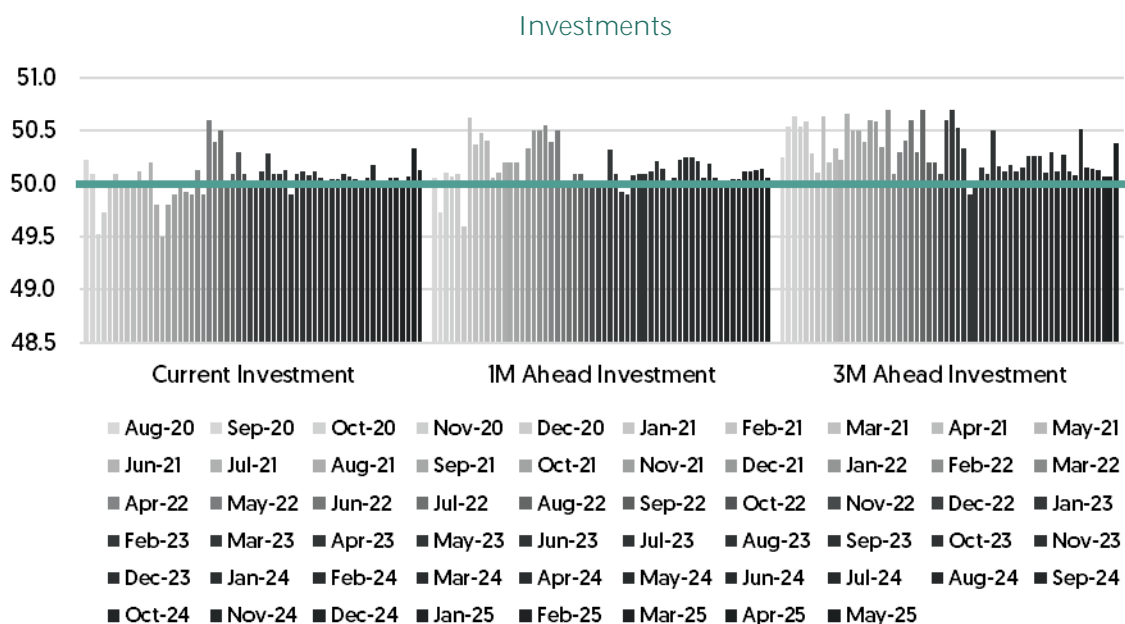
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## ANNEX 1



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

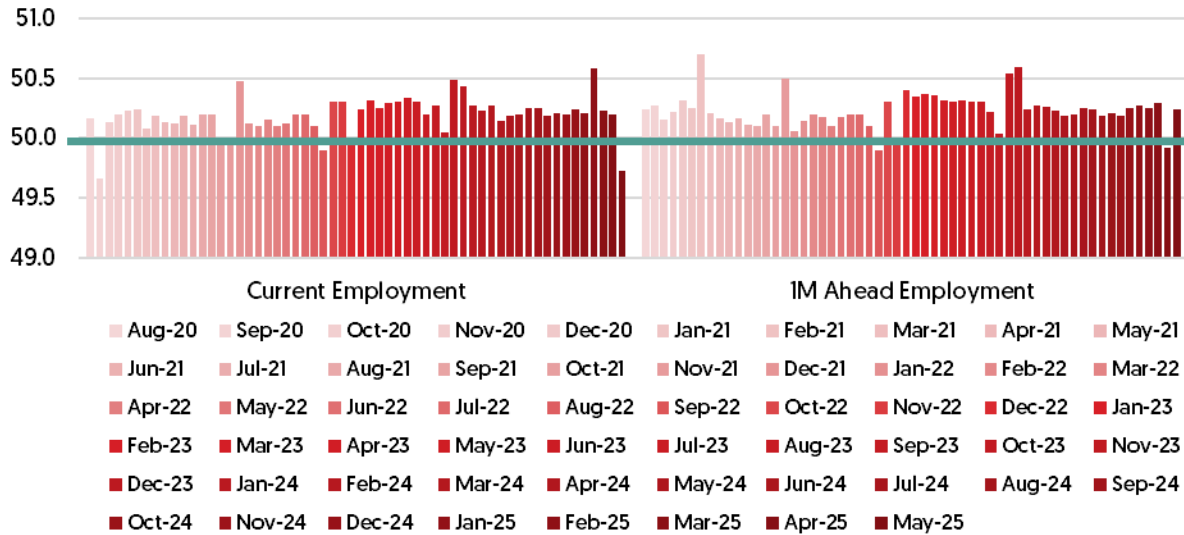
*For Business Conditions sub-index, above 50 indicates expansion/optimism compared to the previous month. Index at 50 indicates similar/no change compared to the previous month while below 50 indicates contraction / less optimism compared to the previous month.*



*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.

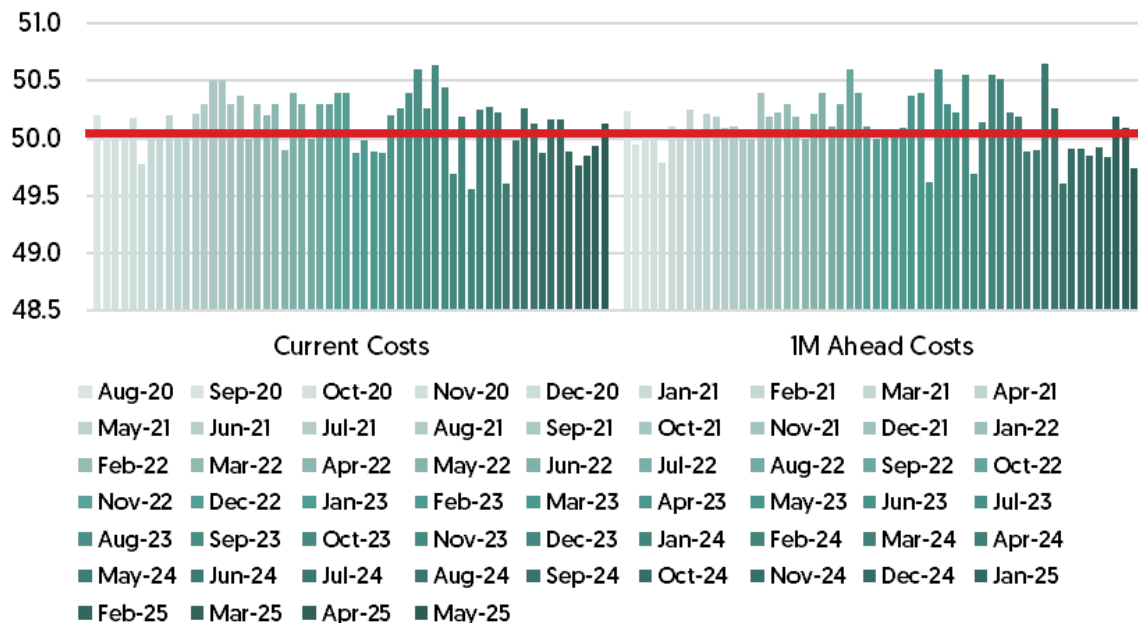
### Employment



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.

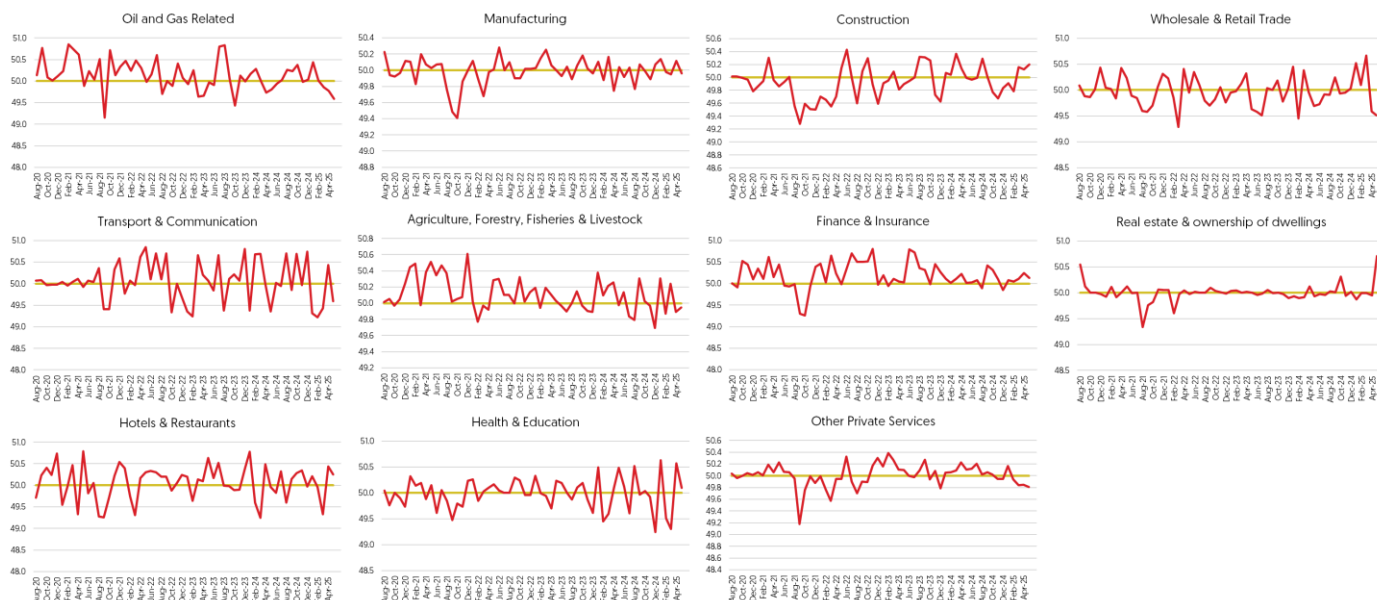
### Costs



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

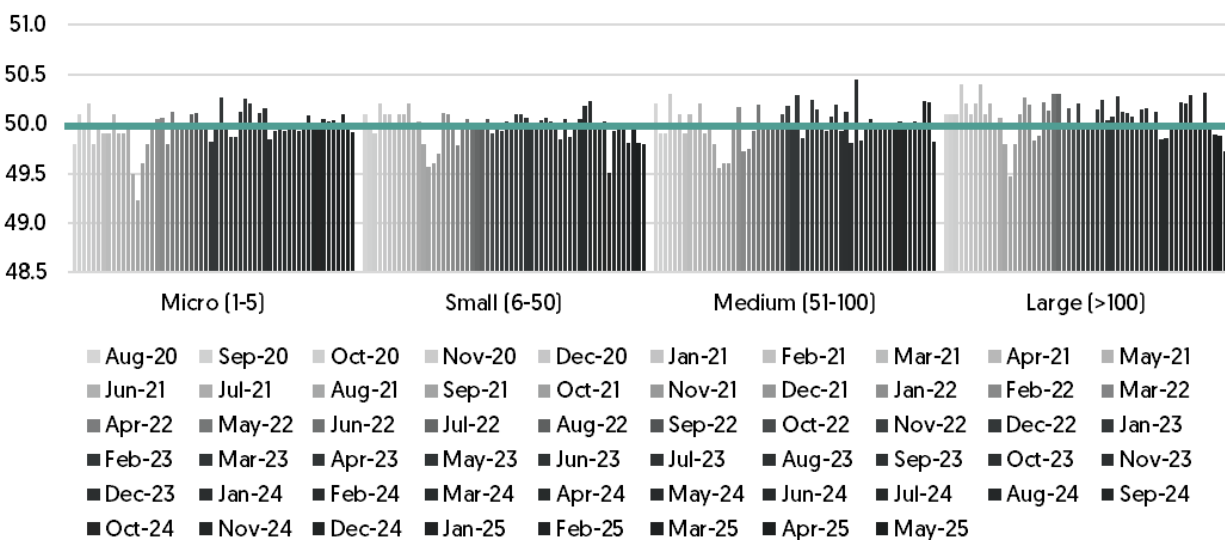
For Costs sub-index, above 50 indicates an increase in costs, and conversely for below 50. Index at 50 indicates costs were more or less the same in the current month compared to the previous month.

### Sectoral BSI – August 2020 to May 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.