PRESS RELEASE

BUSINESS SENTIMENT INDEX (BSI)
FOR BRUNEI DARUSSALAM FOR JUNE 2026

1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for June 2026. The index is based on monthly surveys of approximately 500 micro, small, medium, and large businesses across 11 economic sectors in all districts of Brunei Darussalam.

2. The BSI measures 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. Since its launch in August 2020, BDCB has undertaken a review of the BSI methodology to enhance the robustness, consistency and analytical value of the index. While the BSI was expressed on a scale of 0 to 100 under the previous methodology, the calculation constrained the index to a narrow range of 49.0 to 51.0. Following the revision, the methodology now allows the BSI to fully utilise the 0.0 to 100.0 scale. In addition, instead of defining neutrality at a fixed value of 50.0, values between 45.0 and 55.0 are now considered neutral. This enhancement improves the index's sensitivity and interpretability, enabling clearer identification of shifts in sentiment.

4. This revision does not affect the economic interpretation of past results, as the underlying sentiment captured by the index remains unchanged. To ensure consistency and comparability over time, historical BSI data have been recalculated using the revised methodology and published in the Statistical Bulletin available on the BDCB website.

5. The BSI and sub-indices can be interpreted as below:

| BSI value | Interpretation |
|---|---|
| Above 55 | Expansion / Optimism compared to the previous month |
| 45 – 55 | Similar / No change compared to the previous month |
| Below 45 | Contraction / Pessimism compared to the previous month |

6. The main headline index, Current Business Conditions sub-index, stood at 46.3 in June 2026, indicating that business conditions are expected to remain unchanged compared to the previous month. While many businesses reported stable operating conditions, some expressed optimism, supported by increased project activity, newly secured contracts, improved sales performance, and the resumption of normal operations following earlier slowdowns and supply disruptions. Conversely, businesses

reporting weaker conditions attributed this to the school holiday period, which reduced domestic spending as consumers travel abroad, alongside subdued market activity, cautious consumer spending, and continued competitive and cost pressures. Looking ahead, the one-month (1M) ahead sub-index increased to 62.7, indicating that businesses generally expect conditions to improve in July 2026. The positive outlook is supported by anticipated demand arising from His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah ibni Al-Marhum Sultan Haji Omar 'Ali Saifuddien Sa'adul Khairi Waddien, Sultan and Yang Di-Pertuan of Brunei Darussalam's 80th Birthday Celebration and related events, which are expected to encourage higher domestic spending. Businesses also cited new and ongoing projects, as well as the resumption of full operations following maintenance activities, as factors supporting stronger business performance.

7. The Investment sub-indices remained optimistic, with the current month at 71.3, the 1M ahead index at 77.5, and the three-month (3M) ahead index at 79.1. The positive outlook reflects continued investment plans, particularly in inventory replenishment, machinery and equipment purchases, renovation and business expansion activities, and project-related capital expenditures. Several businesses also reported plans to invest in new vehicles, technology upgrades, and workforce development to support future business growth.

8. The Employment sub-index stood at 49.2 for the current month, while the 1M ahead index stood at 48.7, indicating broadly stable employment conditions. Most businesses reported that existing workforce levels were sufficient to support current operational requirements, with recruitment activity focused primarily on replacing employees who had resigned, retired, or completed their contracts, rather than expanding overall headcount. Although some businesses indicated intentions to recruit additional staff, vacancies remained unfilled in some cases due to ongoing recruitment processes and difficulties attracting suitably qualified candidates, resulting in a neutral overall employment outlook.

9. The Costs sub-index stood at 35.8 for the current month, suggesting that businesses generally expect operating costs in June 2026 to be lower than in the previous month. Businesses attributed the moderation in costs mainly to lower business activity, the completion of major maintenance works, project-related expenditures incurred in previous months, and continued efforts to optimise costs. Looking ahead, the 1M ahead sub-index increased to 55.7, indicating that businesses expect operating costs to rise slightly in July 2026. This outlook reflects expectations of higher project activity, alongside continued cost pressures from raw material prices, freight charges, and logistics costs.

| BSI June 2026 | |
|---|---|
| **Current Business Conditions** | **46.3** |
| 1M Ahead Business Conditions | 62.7 |
| Current Investment | 71.3 |
| 1M Ahead Investment | 77.5 |
| 3M Ahead Investment | 79.1 |
| Current Employment | 49.2 |
| 1M Ahead Employment | 48.7 |
| Current Costs | 35.8 |

| | |
|---|---|
| 1M Ahead Costs | 55.7 |

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

10. In terms of economic sectors:

| | Sector | Index | Factors |
|---|---|---|---|
| Optimistic Sentiment | Transport & Communication | 60.2 | Ongoing government-related projects, together with participation in the Consumer Fair and Trade Expo. |
| | Agriculture, Forestry, Fisheries & Livestock | 55.9 | Planting and harvesting activities supported demand for agricultural products and fertilisers. Businesses also anticipated higher production and expansion into new distribution channels. |
| | Finance & Insurance | 55.1 | Higher takaful contributions and stronger demand for newly introduced insurance products. |
| No Change | Construction | 52.9 | Ongoing projects and the receipt of client payments supported business, although the limited availability of new project opportunities tempered overall business sentiment. |
| | Manufacturing | 52.1 | Stronger sales arising from seasonal demand, contract-related work and new inventory arrivals supported some businesses, while others continued to face subdued demand and softer market conditions. |
| | Health & Education | 51.2 | The majority of businesses reported stable conditions. |
| | Real estate & ownership of dwellings | 50.1 | The majority of businesses reported stable market activity. |

| | | | |
|---|---|---|---|
| | Other Private Services | 49.3 | While ongoing projects continued to support activity for some businesses, persistent cost pressures and delays in project awards and purchase orders weighed on sentiment. |
| Pessimistic Sentiment | Oil and Gas Related | 44.0 | Lower product margins among downstream businesses and reduced operational activity during the scheduled maintenance period. |
| | Wholesale & Retail Trade | 42.4 | Weaker consumer demand and lower sales volumes during the school holiday period. |
| | Hotels & Restaurant | 38.6 | Competition from the Consumer Fair and Trade Expo, and other food festivals, alongside reduced local demand during the school holiday period and unfavourable weather conditions. |

11. In terms of business size:

| | Size | Index | Factors |
|---|---|---|---|
| Optimistic Sentiment | Medium | 62.3 | Higher project activity and the progress of ongoing works supported stronger business performance. |
| No Change | Micro | 54.3 | Most businesses reported stable conditions. |
| | Large | 45.8 | Ongoing projects, product promotions, and participation in events supported activity in some sectors, while external cost pressures and the school holiday period weighed on others. |
| | Small | 45.4 | While newly awarded projects and contracts supported activity for some businesses, others experienced lower business activity levels due to weaker demand during the school holiday period. |

12. The time-series charts for the BSI and its sub-indices since August 2020 are provided 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
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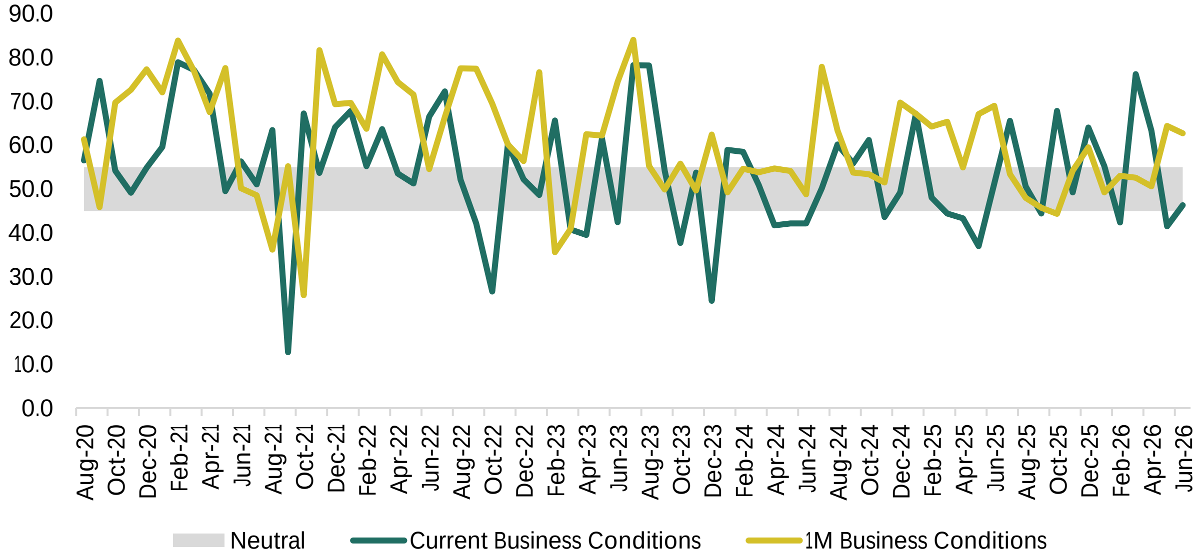
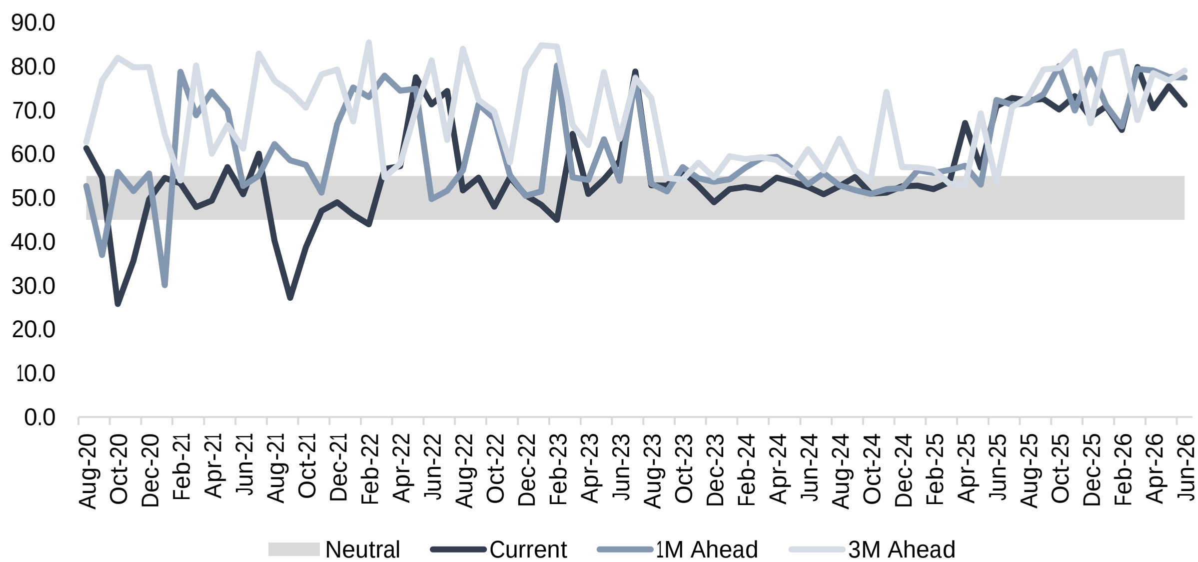
**ANNEX 1**

Business Conditions



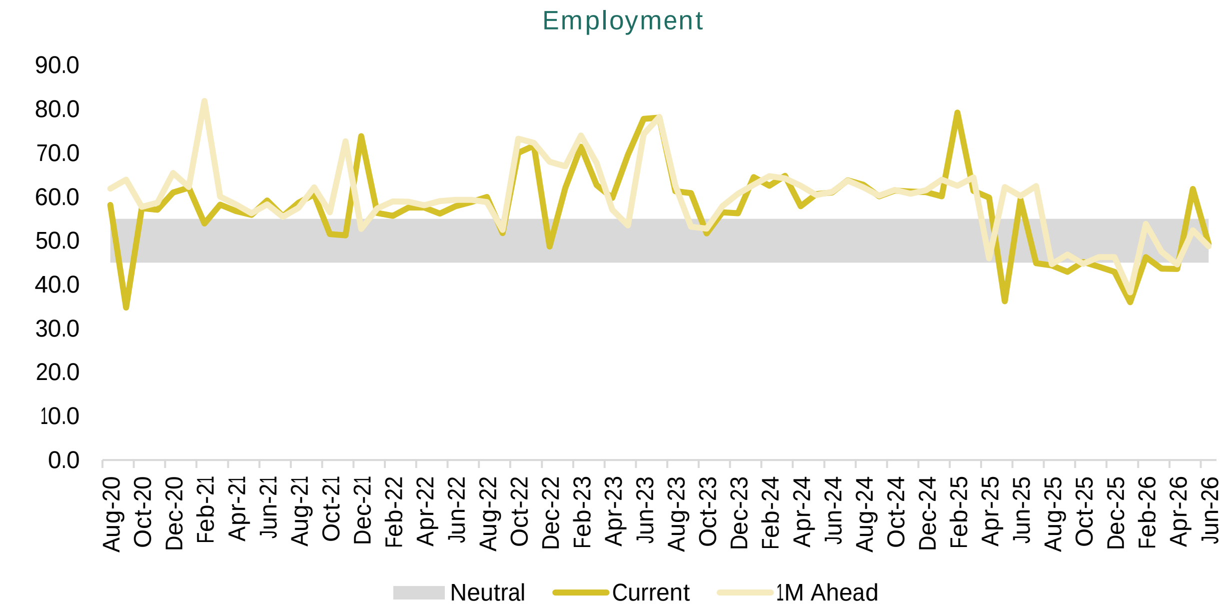

*Note: For 1M Ahead Business Conditions, the result compares expected business conditions in the month ahead compared to the current month.*
*For Business Conditions sub-index, above 55 indicates expansion/optimism compared to the previous month. Index within the range of 45 – 55 indicates similar/no change compared to the previous month while below 45 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.*

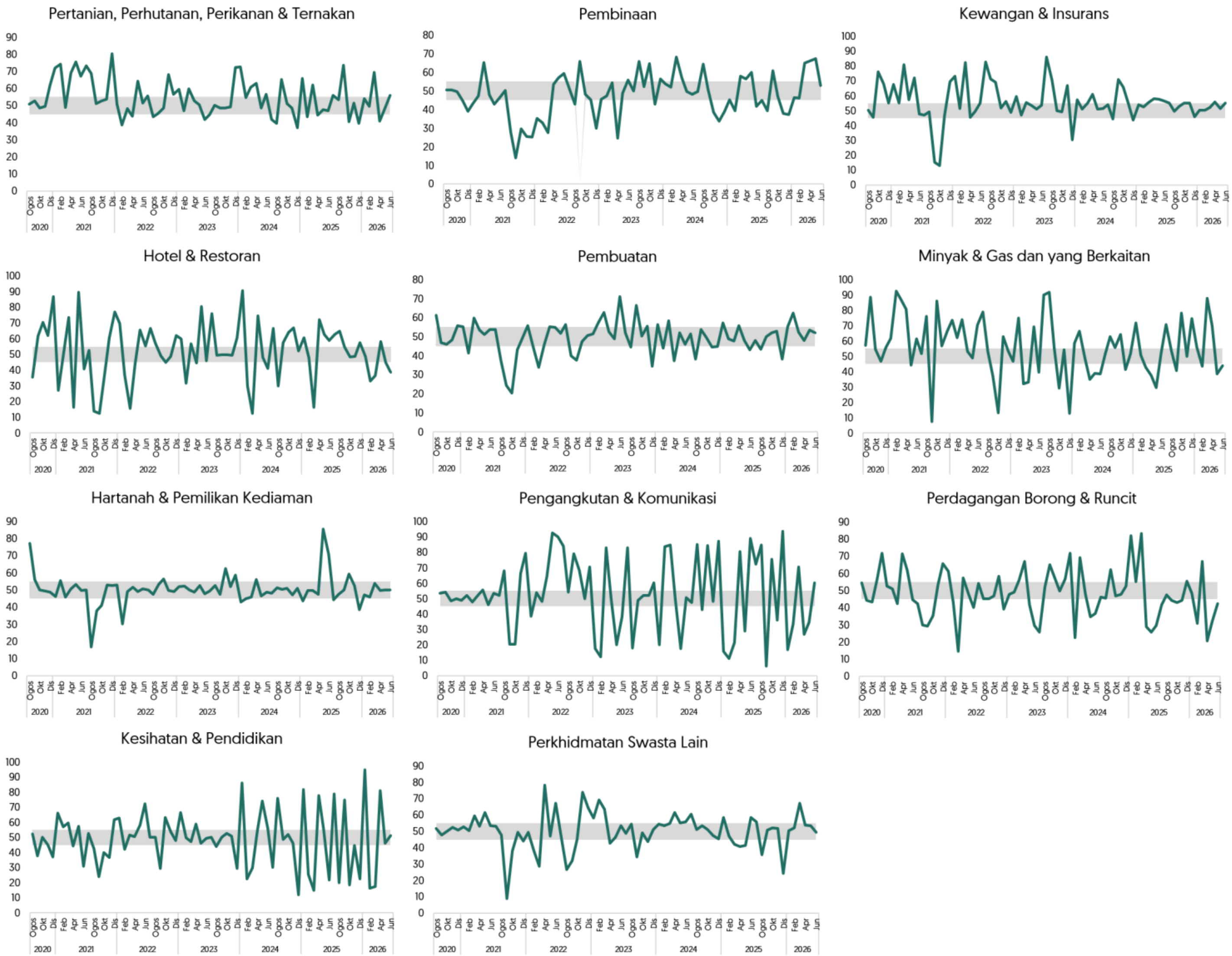
*For Investments sub-index, above 55 indicates increased investment compared to the previous month. Index within the range of 45 – 55 indicates similar/no change compared to the previous month while below 45 indicates reduced investment compared to the previous month.*




*Note: For 1M Ahead Employment, the result compares expected employment in the next month compared to the current month.*
*For Employment sub-index, above 55 indicates more new hires compared to the previous month. Index within the range of 45 – 55 indicates similar/no change compared to the previous month while below 45 indicates a reduction in employee headcount compared to the previous month.*

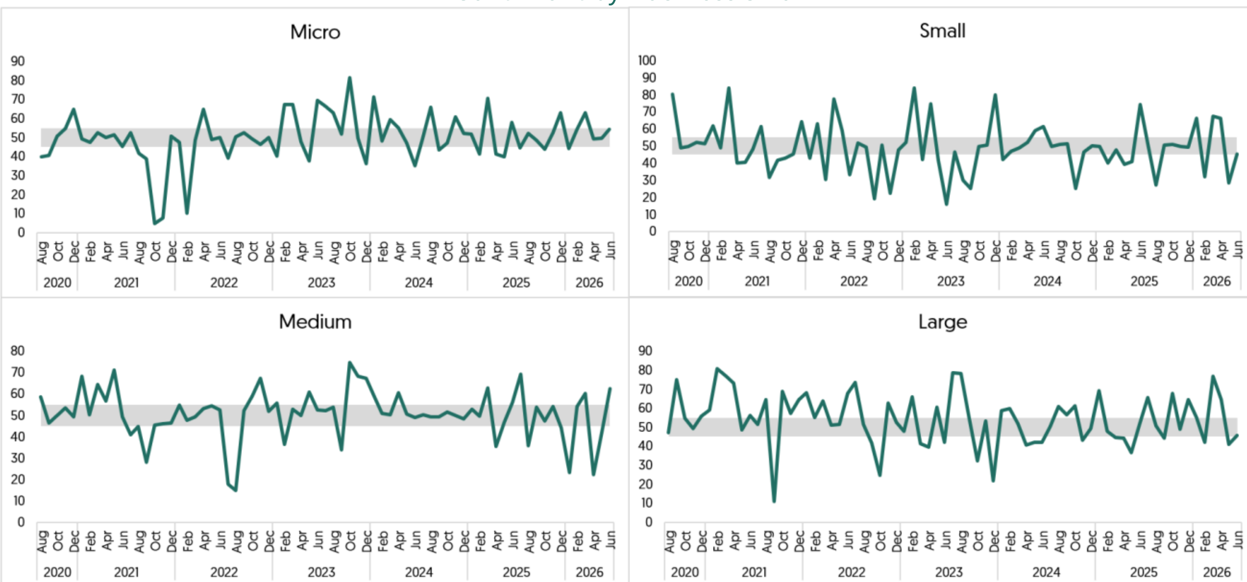
*Note: For 1M Ahead Costs, the result compares expected costs in the next month compared to the current month.*
*For Costs sub-index, above 55 indicates an increase in costs, and conversely for below 45. Index within the 45 – 55 range indicates costs were more or less the same in the current month compared to the previous month.*

Sectoral BSI – August 2020 to June 2026




*Note: An index above 55 indicates expansion/optimism compared to the previous month. Index within the range of 45 – 55 indicates no change compared to the previous month while below 45 indicates contraction / less optimism compared to the previous month.*

Sentiment by Business Size




*Note: An index above 55 indicates expansion/optimism compared to the previous month. Index within the range of 45 – 55 indicates similar/no change compared to the previous month while below 45 indicates contraction / less optimism compared to the previous month.*