



PRESS RELEASE

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

1. Brunei Darussalam Central Bank (BDCB) today published Brunei Darussalam's Business Sentiment Index (BSI) for August 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 headline index, the **Current Business Conditions sub-index**, stood at 78.1 in August 2026, indicating that businesses were generally more optimistic about business conditions compared to July 2026. The positive sentiment was driven by sector-specific improvements and seasonal factors, supported by increased production in the energy sector, new project awards in construction and services, promotional activities, school holiday spending, and event-related demand. Looking ahead, the one-

month (1M) ahead sub-index stood at 56.5, slightly above the neutral threshold, indicating that businesses expect only a slight improvement in business conditions in September 2026. This positive outlook was supported by prospects of higher sales, new projects, continued promotional activities, and the normalisation of business activity following the end of school holidays. However, some businesses remained cautious amid uncertainties surrounding project awards, customer demand, competition, and operational challenges.

7. The **Investment sub-indices** continued to indicate optimistic sentiment, with the current month at 81.0, the 1M ahead index at 79.8, and the three-month (3M) ahead index at 81.1. Businesses anticipated that investment activities would primarily focus on purchases of machinery, equipment and vehicles, inventory replenishment, construction and refurbishment projects, as well as upgrades to information technology systems and production-related infrastructure. Several businesses also indicated plans to progress with longer-term development and expansion initiatives, including the establishment of industrial and seafood processing facilities.
8. The **Employment sub-index** stood at 46.6 for the current month, while the 1M ahead index stood at 47.1, indicating that employment conditions were expected to remain broadly stable. Across many sectors, businesses cited stable business activity, elevated input costs, and adequate manpower as reasons for maintaining current headcount levels. Nonetheless, some hiring activity was reported, particularly among businesses undertaking new projects, business expansion or capacity-building initiatives. However, much of the reported recruitment was aimed at replacing employees who had left or retired, rather than expanding workforce capacity, contributing to the broadly stable employment outlook.
9. The **Costs sub-index** stood at 61.0 for the current month, and 49.9 for September 2026. Businesses reported higher operating costs in August 2026, mainly due to increased project activities, stronger sales, replenishment of materials, and higher employee-related expenses. Some businesses also faced higher input costs, including raw materials, utilities, logistics, and other operational expenses. Looking ahead, businesses generally expected costs to remain stable in September 2026. Many indicated that expenditure on materials and project preparation would largely be incurred in August, thereby reducing the need for significant additional spending in the following month. As a result, businesses anticipated cost conditions to remain broadly unchanged in September despite continued business activity.

BSI August 2026	
Current Business Conditions	78.1
1M Ahead Business Conditions	56.5
Current Investment	81.0
1M Ahead Investment	79.8
3M Ahead Investment	81.1
Current Employment	46.6
1M Ahead Employment	47.1
Current Costs	61.0
1M Ahead Costs	49.9

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

10. In terms of **economic sectors**:

	Sector	Index	Factors
Optimistic Sentiment	Oil and Gas Related	94.0	Higher revenue, increased project activity and cost optimisation, alongside an anticipated increase in energy sector production following the June-July maintenance period.
	Construction	64.1	Ongoing projects, alongside preparatory work for new projects.
	Transport & Communication	60.8	Higher demand for air travel during the school holiday period, while other businesses expected stable conditions.
	Manufacturing	59.2	While some anticipate increases in customers, demand and revenue, most businesses expect market activity to remain stable.
No Change	Other Private Services	53.6	Most businesses expect to maintain stable operations supported by ongoing projects, while some may continue to face limited availability of new projects.
	Finance & Insurance	49.9	Most businesses expect stable business conditions, although some may face slower market activity.
	Real Estate & Ownership of Dwellings	49.7	Most businesses expect market activity to remain stable.
	Wholesale & Retail Trade	48.0	Most businesses expect business conditions to remain stable.

Pessimistic Sentiment	Hotels & Restaurants	42.3	Weaker performance during the school holiday period.
	Agriculture, Forestry, Fisheries & Livestock	34.4	School holidays expected to reduce domestic demand.
	Health & Education	18.6	Subdued activity expected during the school holiday period.

11. In terms of **business size**:

	Size	Index	Factors
Optimistic Sentiment	Large	78.5	Higher sales, stronger margins, and increased energy sector production.
	Medium	66.1	Higher sales, ongoing projects, and increased overall business activity.
No Change	Micro	54.6	Most businesses expect to maintain stable operations, with no significant change in overall business activity.
	Small	49.5	

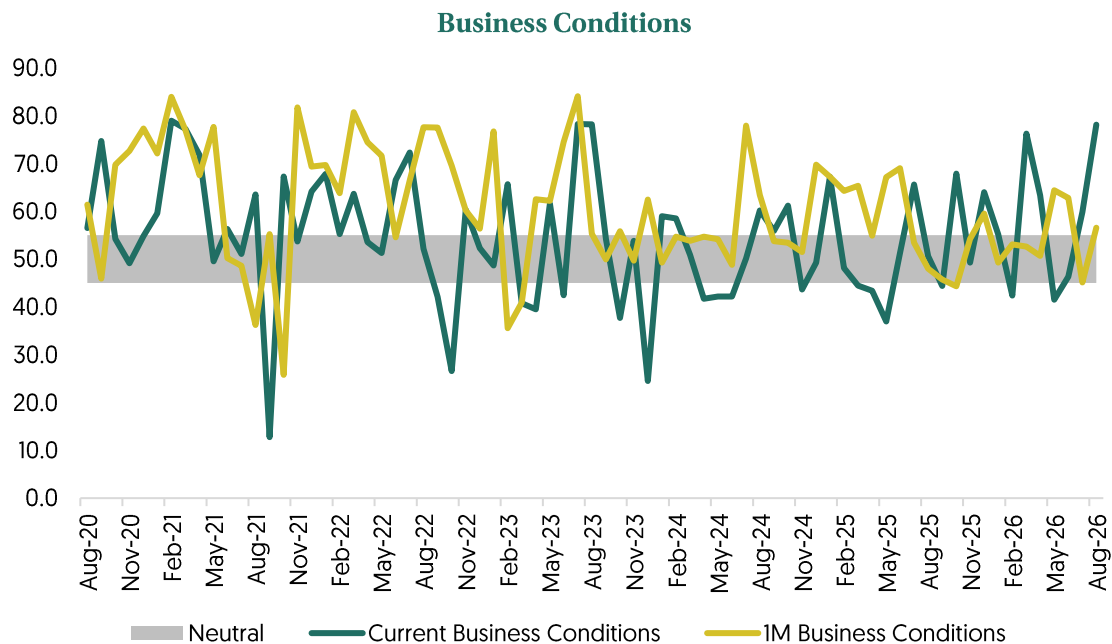
12. The time-series charts for the BSI and its sub-indices since August 2020 are provided in **ANNEX 1**. For more information on the BSI, members of the public can refer to the technical notes on the methodology and statistics on the BDCB website at www.bdcg.gov.bn and follow updates on the BSI through future press releases and BDCB's Instagram account @centralbank.brunei.

Brunei Darussalam Central Bank

Date: Jamadilawal 1448H / October 2026M

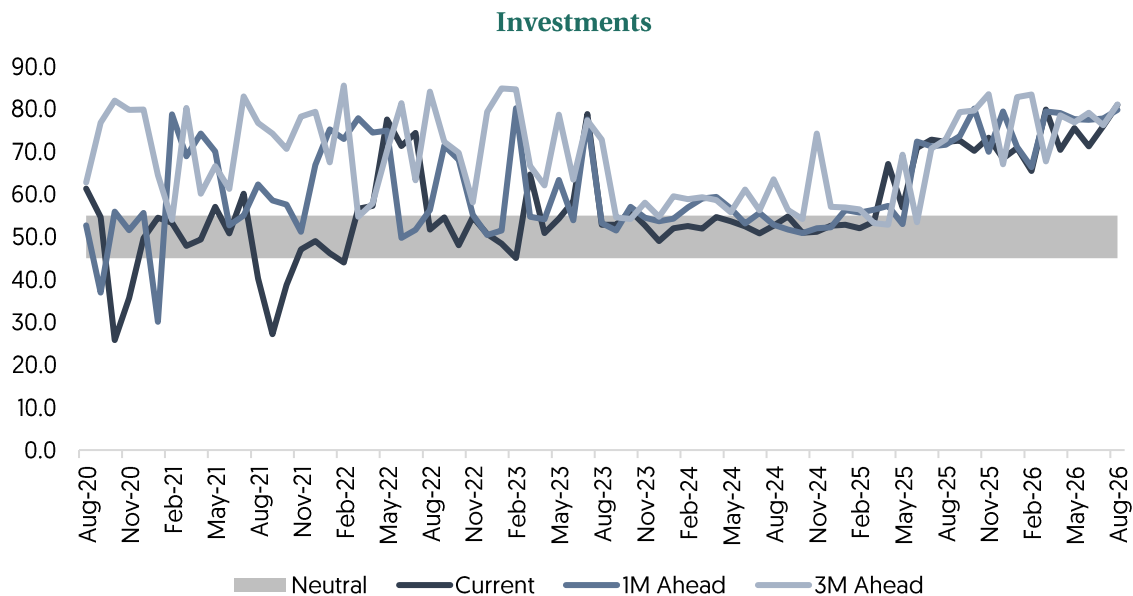
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ANNEX 1



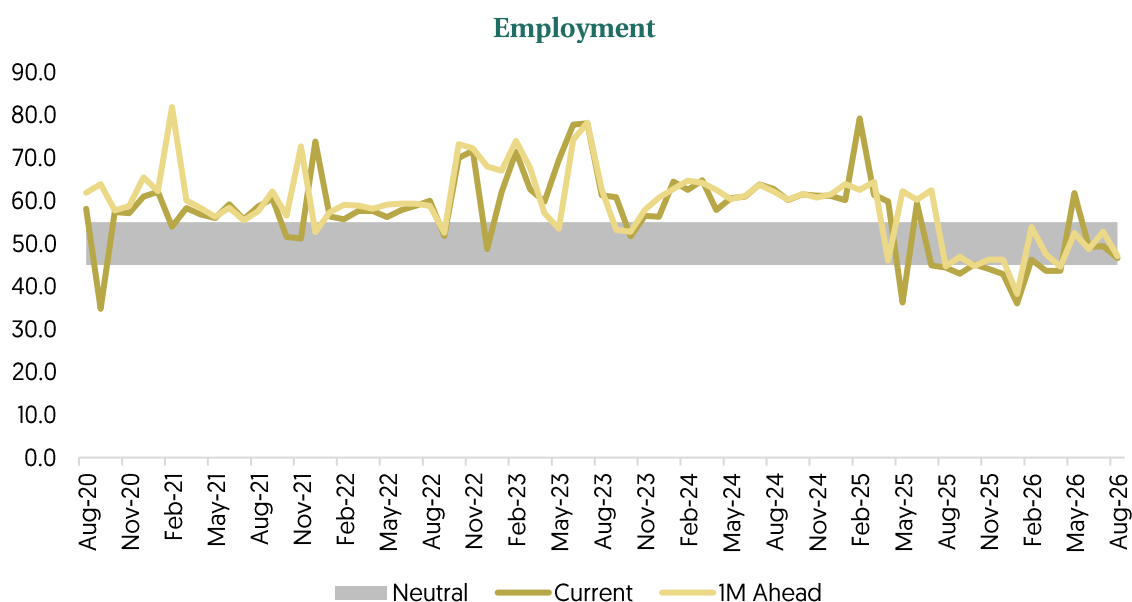
Note: For 1M Ahead Business Conditions, the result compares expected business conditions in the month ahead compared to the current month.

For Business Conditions sub-index, above 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.



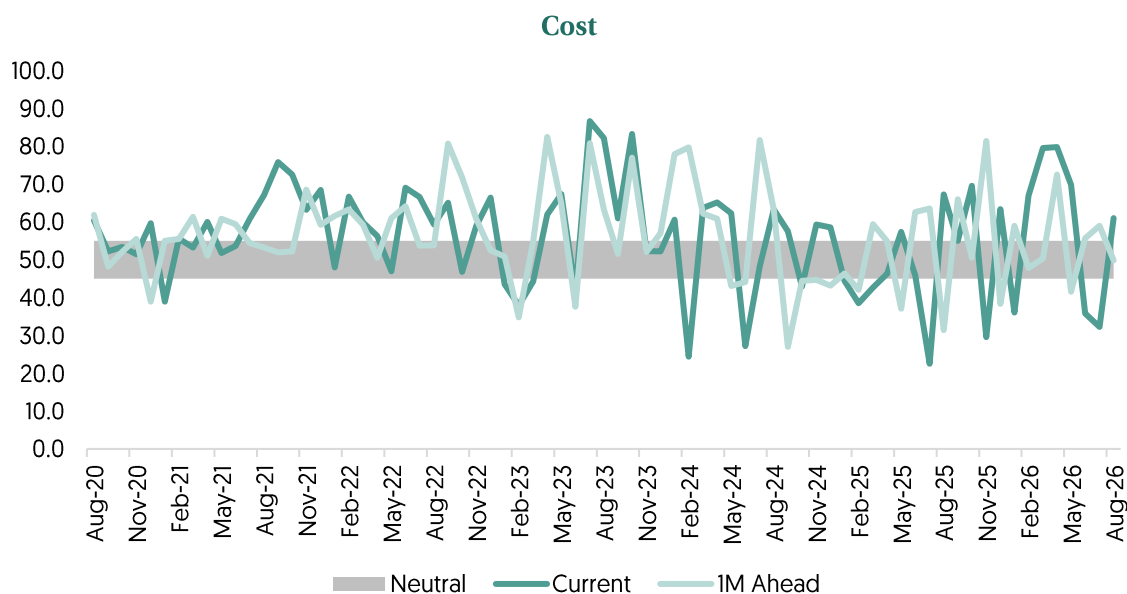
Note: For 1M Ahead Investments, the result compares expected investment in the next month compared to the current month while for the 3M Ahead Investment, the result compares expected investments 3 months ahead compared to the current month.

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.

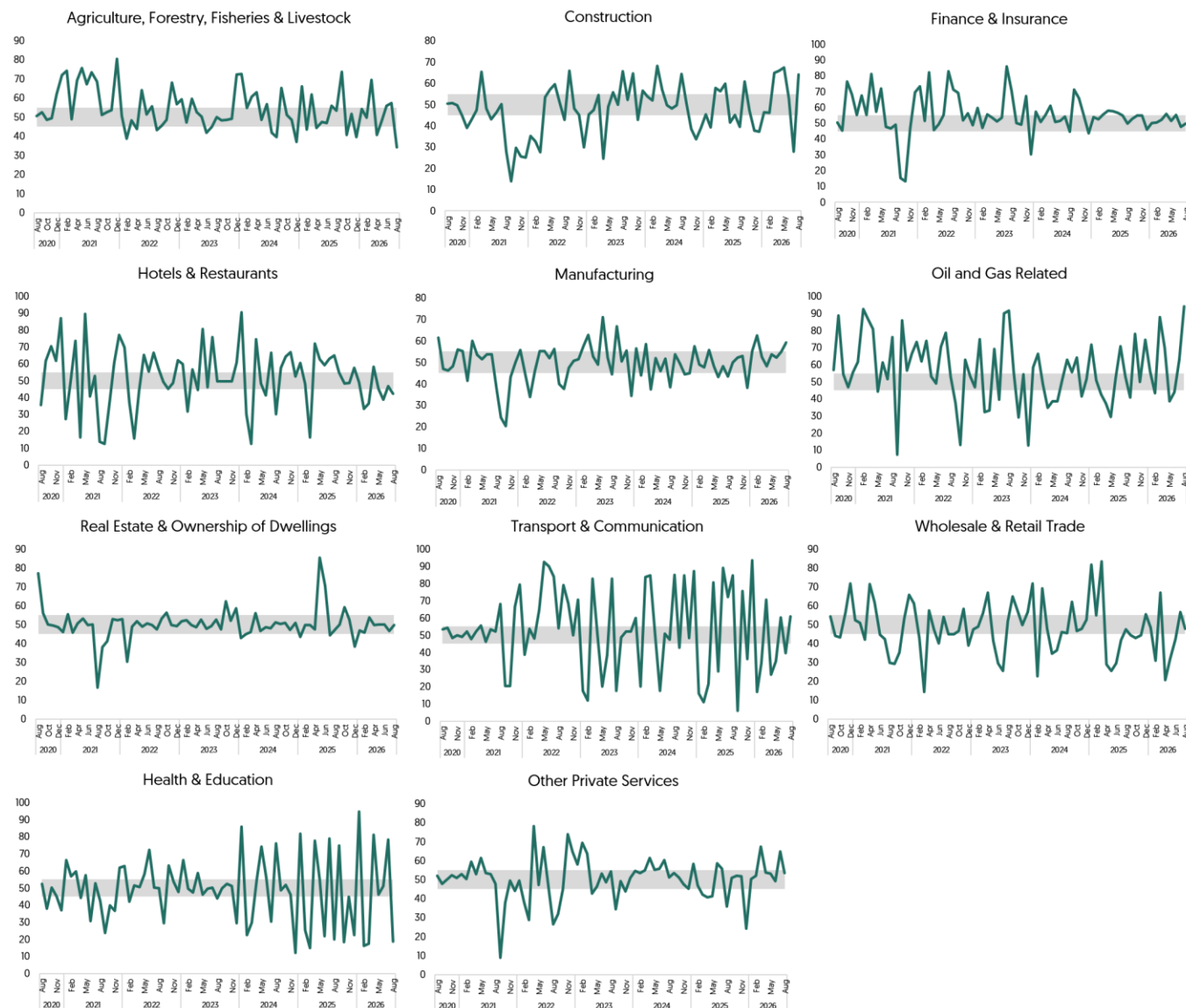
For Employment sub-index, above 55 indicates more new hires compared to the previous month. Index within the range of 45 – 55 indicates similar/no change compared to the previous month while below 45 indicates a reduction in employee headcount compared to the previous month.



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

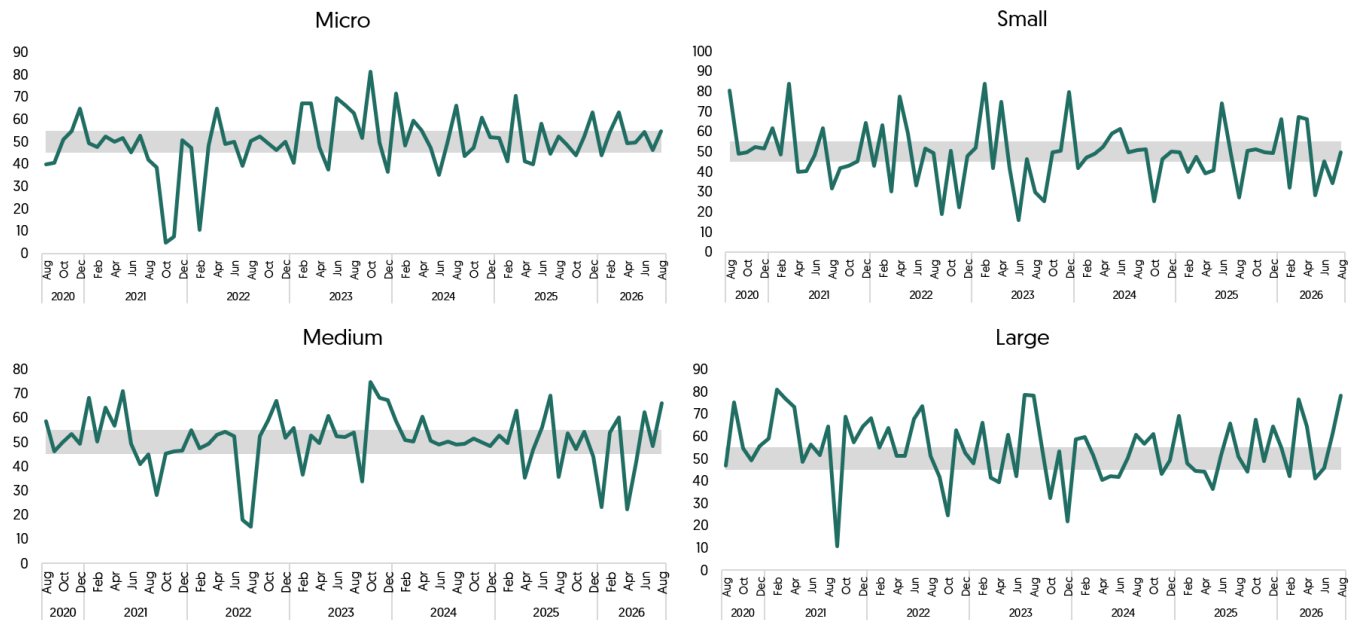
For Costs sub-index, above 55 indicates an increase in costs, and conversely for below 45. Index within the 45 – 55 range indicates costs were more or less the same in the current month compared to the previous month.

Sectoral BSI – August 2020 to August 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.