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PRESS RELEASE

Strong Market Confidence Pushes Singapore Economy Forward in Q4 2009 – *D&B Singapore Business Optimism Index*

Singapore, 26 October 2009 – For the first time in 2009, all 6 Optimism Indexes register increases in the fourth quarter, where positive outlook is captured in Singapore market.

The better-than-expected performance in the third quarter 2009 may be economy turnaround for Singapore as the upturn continues. With gradual stabilization in global economic condition; the general business sentiment improved moderately for Q4 2009.

However, it is cautioned that economic activities would remain below pre-crisis level beyond 2009. Hence, unemployment will remain a major concern in Singapore despite the signs of recovery. The local economic prospects will continue to be closely tied to external factors. But with the US economic growth rebounding in Q3 2009 with GDP at 3.5%, the local business prospect is more bullish than it first expected.

Mr. Yun Kok Siong, D&B Singapore Chief Executive Officer said, "In line with the better payment trend in Q3 2009, BOI is a further proof that the light in the tunnel is getting brighter and it could mean the world economy could emerge from the tunnel very soon."

Overview

The recent Dun & Bradstreet Business Optimism Index Survey shows that 4 of the 6 indexes have continued to improve. Companies anticipate a rise in their sales volume, net profit, new book orders and inventory level in the fourth quarter of 2009. Signs of improvement are particularly notable in the Inventory Level index. Inventory expectations are very optimistic with an increase of forty-two percentage points since last quarter. The significant increase in expectations for inventory levels is also in line with the increase in new book orders expectations.

With an improved volume of sales and higher expectations of new orders, the manufacturers anticipate that their net profits will grow in Q4 2009.

The services sector foresees that the growth of its sales and net profit are comparable to the previous quarter. A large proportion of the services companies surveyed are optimistic that their inventory level will grow in Q4 2009. This is a much improved situation when compared with the previous quarter, when there were more respondents expecting a fall in inventory.

Similarly, the construction sector is anticipating a more bullish outlook in Q4 2009. Fuelled by a boost in housing demand, the sector anticipates that its net profit to grow in Q4 2009. However, it remains a concern if the construction activity for industrial building projects will expand in Q4 2009. Moreover, the bullish outlook is not accompanied by an expected growth in employment.

The financial sector is also presenting an optimistic outlook. Supported by domestic and off-shore non-bank lending and insurance business, the financial sector is expected to enjoy a sustained growth in sales and net profits in Q4 2009.

The details about the indicators are as follow:

Net Profits

An increase of +38% (compared to Q3 +37%) optimism amongst companies surveyed, mainly driven by mining, construction and service sector.



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The agriculture sector is the only sector that remains pessimistic, as its net optimism index falls to net – 33% (compared to Q3 0%)

Volume of Sales

An increase of +44% (compared to Q3 +38%) as reflected in the optimism index.

Optimism is observed in all but agriculture sector, with the mining sector being the most bullish and the manufacturing sector expecting a positive outlook with an optimism index of +45% in Q4 (compared to conservative outlook of net 0% in Q3)

Selling Prices

Increase +13% (compared to Q3 +32%), as more companies are expecting inflation to be easing in Q4 2009.

The optimism is mainly driven by transportation, manufacturing and construction sectors.

Only agriculture sector anticipates a decline in selling price with -33% (compared to +100% in Q3)

New Orders

An improved optimism index of 21% (compared to Q3 +18%).

The manufacturing sector is the only sector that supplied the information about their expectation on new orders.

Employees

Increase 10%

Despite their strong confidence in an increased output, the wholesale, construction, together with agricultural sectors indicate that their workforce will remain unchanged in Q4 2009.

Inventory Levels

Improved optimism index of +41% (compared to Q3 -1%)

Bullish sentiment is observed in all sectors, with majority of companies expecting full swing in their production, thus explained the significant improvement.

Commentary

This is the 2nd D&B Singapore Business Optimism Index (BOI) released this year (1st issue was released in July 2009)

The D&B Business Optimism Index (BOI) is a measure of business confidence in the economy. Released quarterly, it is based on a business sentiment survey that is designed to capture business expectations and is one of the most effective ways to track how the business community perceives the business environment, and where they think it is moving.

This is commonly used, worldwide, to assist in analyzing major trends and issues concerning the business community through tracking business parameters including net profits, selling prices, new orders, inventory levels, and employee count.

About the Survey

D&B Singapore conducts latest Business Expectations Surveys every quarter. Each quarter, 200 business owners and senior executives representing major industry sectors across Indonesia are asked if they expect increases, decreases or no changes in their upcoming quarterly Sales, Profits, Employment, New Orders, Inventories and Selling Prices.

Note: The index figures used in the survey represent the net percentage of survey respondents expecting higher sales, profits, etc., compared with the same quarter of the previous year. The indices are calculated by subtracting the percentage of respondents expecting decreases from the percentage expecting increases.

About D&B

D&B is the world's leading provider of business-to-business credit, marketing and purchasing information and receivables management services. D&B manages the world's most valuable commercial database with information on more than 145 million companies.

Information is gathered in over 200 countries, in 95 languages or dialects, covering 186 monetary currencies. The database is refreshed more than one million times daily as part of D&B's commitment to provide accurate, comprehensive information for its customers around the world.

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