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PRESS RELEASE

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Weak global demand dampens local business outlook for first quarter- D&B Singapore Business Optimism Index

Singapore, 26 January 2012 – The global economy continues to weaken with the business outlook clouded by increased uncertainty. Although growth in Asia is expected to underpin global growth in 2012, major downside threats stem from the high risk of recession in the Euro zone, along with the US debt crisis and renewed financial market volatility. Consequently, Singapore is expected to see muted growth accompanied by weakened corporate profits in the first half of this year.

Overview (Sector Breakdown)

Growth sentiments on the local economy will continue to be subdued, with most of the leading indicators in the contraction region, indicating that local economic output may gradually shrink. This may be owing to unfavorable external conditions bolstered by several internal factors such as size constraint and reduced intake of foreign workers.

Despite so, businesses are expecting marginal growths in inventory levels mainly supported by the agriculture sector. Selling prices are expected to rise marginally with inflation expected to be between 2.5 and 3.5 per cent this year. Possibly influenced by the looming economic prospect, employers will be more cautious in their hiring intentions this quarter.

The details on the indicators are discussed in the following sections:

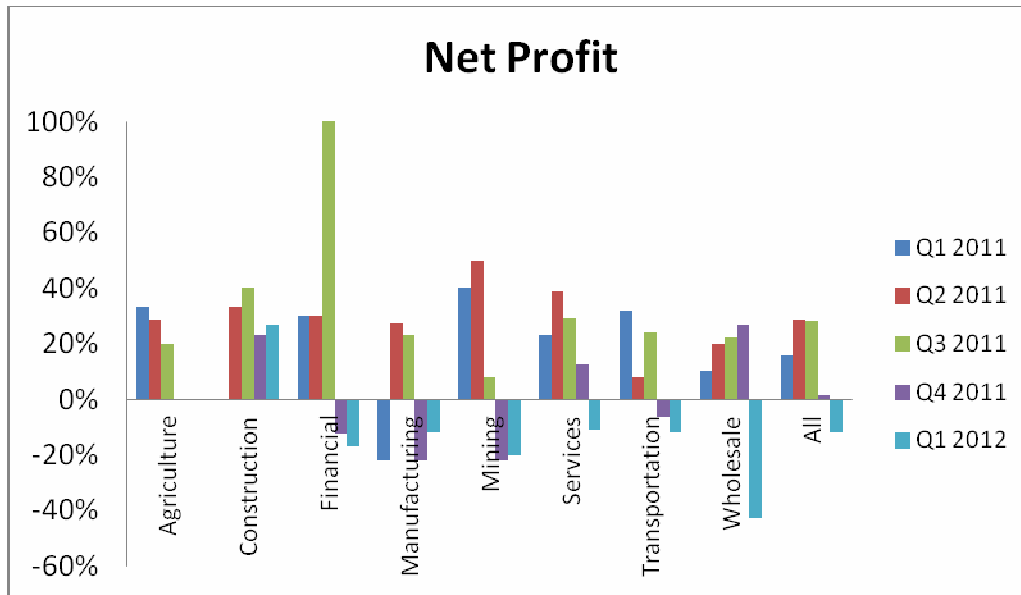
Net Profits

A decrease in net profits with a net optimism index of -12% (compared to Q4 2011 +1.5%) amongst companies surveyed.

Contraction in net profits is expected across all sectors, except the construction sector at net +27% and agriculture sector at 0%.



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Volume of Sales

A significant decrease in sales volume with a net optimism index of -13% (compared to Q4 2011 - 2.3%)

The wholesale sector is anticipating a worsened performance with a net -36% (compared to Q4 2011 -13.3%).

Selling Prices

A positive optimism index at +3% (compared to Q4 2011 +0.8%), mainly driven by the financial sector at net +33% (compared to Q4 2011 0%) and agriculture sector net +17% (compared to Q4 2011 0%).

New Orders

A significant decrease in new orders with a net optimism index of -23% (compared to Q4 2011 - 11.1%).

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

Employment

A significant decrease in hiring sentiments with a net optimism index of 0% (compared to Q4 2011 +3.8%).

Employment prospect remains poor in most sectors except for the financial sector at net +50% (compared to Q4 2011 0%)

Inventory Levels

A marginal increase in inventory levels with a net optimism index of +4% (compared to Q4 2011 +1.5%).

The agriculture sector remains most optimistic at net +50% (compared to Q4 2011 +60%).

Commentary

This is the 11th D&B Singapore Business Optimism Index (BOI) released (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 Singapore 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 195 million businesses.

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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