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**FOR IMMEDIATE RELEASE**

**Local business sentiment improves further in Q4 2021**  
*Downside risks remain amid global and regional uncertainties*  
*- Singapore Commercial Credit Bureau*

**Singapore, 14 September 2021** – The outlook for local businesses has improved further for Q4 2021. According to Singapore Commercial Credit Bureau (SCCB) - a subsidiary under Credit Bureau Asia (CBA) Limited, a credit and risk information solutions provider in Southeast Asia, Business Optimism Index (BOI) inched up marginally from +4.07 percentage points in Q3 2021 to +5.78 percentage points in Q4 2021. On a year-on-year (y-o-y) basis, BOI rebounded from -4.97 percentage points in Q4 2020 to +5.78 percentage points in Q4 2021.

For Q4 2021, 4 of six indicators are expansionary as compared to five indicators in Q3 2021.

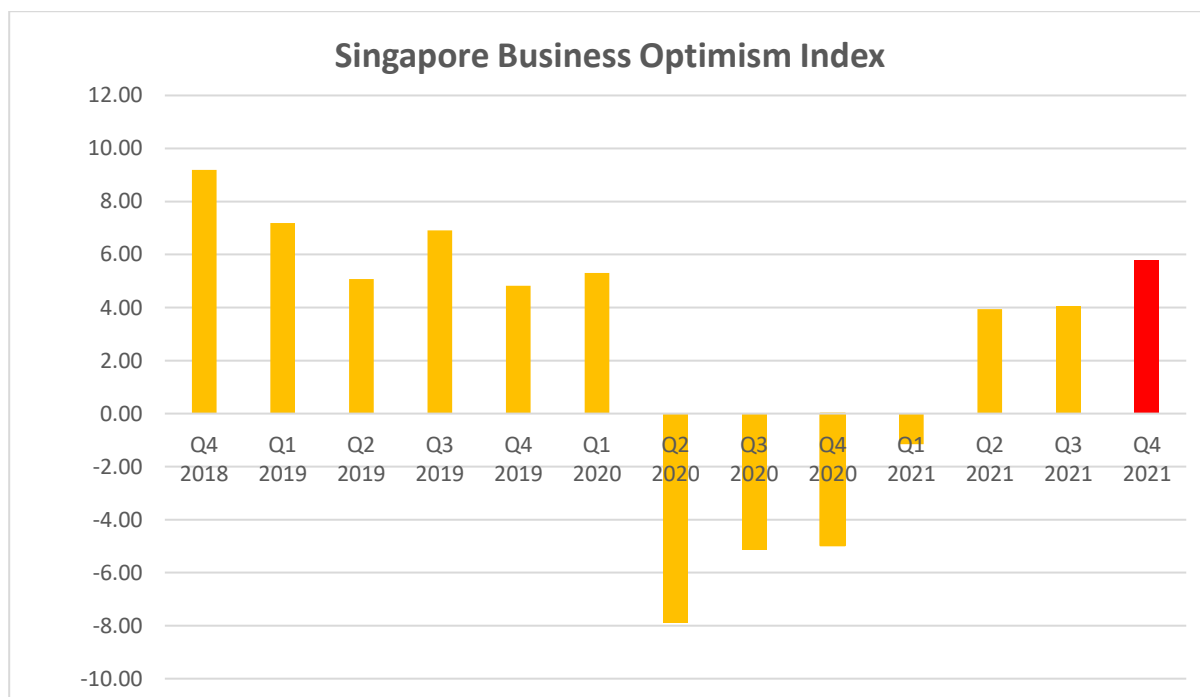


Figure 1. Overall Business Optimism Score, Q4 2018 – Q4 2021

**Point Commentary**

According to SCCB, 4 of six indicators have experienced improvements on a q-o-q basis as compared to three indicators in Q3 2021.

- ❖ Volume of sales moderated slightly from +7.63 percentage points in Q3 2021 to +7.52 percentage points in Q4 2021.
- ❖ Net profits rose from +7.63 percentage points in Q3 2021 to +9.63 percentage points in Q4 2021.
- ❖ Selling price fell from +2.29 percentage points in Q3 2021 to 0 percentage point in Q4 2021.
- ❖ New orders increased from +9.92 percentage points in Q3 2021 to +10.69 percentage points in Q4 2021.
- ❖ Inventory levels inched upwards from -6.11 percentage points in Q3 2021 to -5.35 percentage points in Q4 2021.
- ❖ Employment levels jumped from +3.05 percentage points in Q3 2021 to +12.12 percentage points in Q4 2021.

On a y-o-y basis, all six indicators have improved in Q4 2021.

- ❖ Volume of sales rebounded from -1.11 percentage points in Q4 2020 to +7.52 percentage points in Q4 2021.
- ❖ Net profits rebounded from -5.56 percentage points in Q4 2020 to +9.63 percentage points in Q4 2021.
- ❖ Selling price jumped from -17.78 percentage points in Q4 2020 to 0 percentage point in Q4 2021.
- ❖ New orders increased from +8.89 percentage points in Q4 2020 to +10.69 percentage points in Q4 2021.
- ❖ Inventory levels rose from -8.70 percentage points in Q4 2020 to -5.35 percentage points in Q4 2021.
- ❖ Employment levels increased from -13.19 percentage points in Q4 2020 to +12.12 percentage points in Q4 2021.

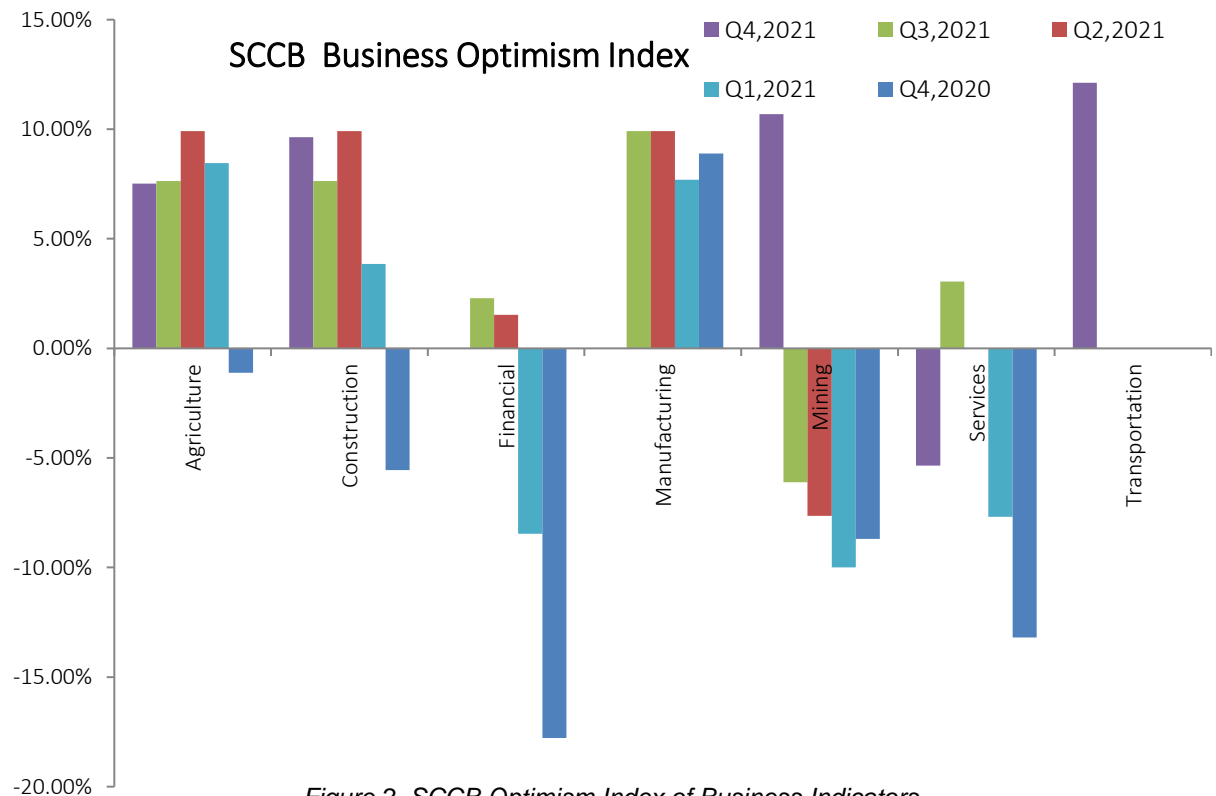


Figure 2. SCCB Optimism Index of Business Indicators, Q4 2020 – Q4 2021

### **Key Highlights for Q4 2021 Sectoral Outlook**

The outlook for the financial, manufacturing and wholesale sectors are most optimistic while the construction and transportation sectors remained downbeat.

#### **Financial**

As with the previous quarter, the outlook for the financial sector is most optimistic with all 6 indicators in positive territory.

- ❖ Volume of sales rose from +36.36 percentage points in Q3 2021 to +41.67 percentage points in Q4 2021.
- ❖ Net profit climbed from +36.36 percentage points in Q3 2021 to +50.0 percentage points in Q4 2021.
- ❖ Selling price jumped from +27.27 percentage points in Q3 2021 to +33.33 percentage points in Q4 2021.
- ❖ New orders moderated slightly from +36.36 percentage points in Q3 2021 to +33.33 percentage points in Q4 2021.
- ❖ Inventory levels dipped from +9.09 percentage points in Q3 2021 to +8.33 percentage points in Q4 2021.
- ❖ Employment levels rose from +45.45 percentage points in Q3 2021 to +50.0 percentage points in Q4 2021.

#### **Manufacturing**

The outlook for the manufacturing sector has also remained optimistic with all 6 indicators in the positive territory.

- ❖ Both volume of sales and net profit rose from +10.71 percentage points in Q3 2021 to +11.11 percentage points in Q4 2021.
- ❖ Selling price rose from +3.57 percentage points in Q3 2021 to +3.70 percentage points in Q4 2021.
- ❖ New orders moderated from +25.0 percentage points in Q3 2021 to +18.52 percentage points in Q4 2021.
- ❖ Inventory levels rose from +7.14 percentage points in Q3 2021 to +7.41 percentage points in Q4 2021.
- ❖ Employment levels rose slightly from +25.0 percentage points in Q3 2021 to +25.93 percentage points in Q4 2021.

#### **Wholesale**

Sentiments within the wholesale sector remains upbeat with 5 of six indicators in positive territory.

- ❖ Volume of sales fell from +17.65 percentage points in Q3 2021 to +13.33 percentage points in Q4 2021.
- ❖ Net profit increased from +17.65 percentage points in Q3 2021 to +18.75 percentage points in Q4 2021.
- ❖ Selling price rose from +5.88 percentage points in Q3 2021 to +6.25 percentage points in Q4 2021.
- ❖ New orders climbed from +11.76 percentage points in Q3 2021 to +12.50 percentage points in Q4 2021.
- ❖ Inventory levels rose from -23.53 percentage points in Q3 2021 to -12.50 percentage points in Q4 2021.
- ❖ Employment levels jumped from -5.88 percentage points in Q3 2021 to +6.25 percentage points in Q4 2021.

### **Services**

The outlook for the services sector has improved slightly with 4 of six indicators in positive territory, as compared to 2 indicators in Q3 2021.

- ❖ Volume of sales fell from +11.36 percentage points in Q3 2021 to +9.09 percentage points in Q4 2021.
- ❖ Net profit remained at +11.36 percentage points in Q4 2021.
- ❖ Selling price fell from -2.27 percentage points in Q3 2021 to -4.55 percentage points in Q4 2021.
- ❖ New orders rose from 0 percentage point in Q3 2021 to +2.27 percentage points in Q4 2021.
- ❖ Inventory levels fell from -11.36 percentage points in Q3 2021 to -13.64 percentage points in Q4 2021.
- ❖ Employment levels rebounded from -6.82 percentage points in Q3 2021 to +4.55 percentage points in Q4 2021.

### **Construction**

Sentiments within the construction sector has improved slightly although it has remained largely downbeat with 3 indicators in the contractionary zone.

- ❖ Volume of sales increased from -16.67 percentage points in Q3 2021 to -7.69 percentage points in Q4 2021.
- ❖ Net profit increased from -16.67 percentage points in Q3 2021 to -7.14 percentage points in Q4 2021.
- ❖ Selling price dropped from +16.67 percentage points in Q3 2021 to +14.29 percentage points in Q4 2021.
- ❖ New orders remained at +8.33 percentage points in Q4 2021.
- ❖ Inventory levels increased from -16.67 percentage points in Q3 2021 to -8.33 percentage points in Q4 2021.
- ❖ Employment levels rose from -25.0 percentage points in Q3 2021 to 0 percentage point in Q4 2021.

### **Transportation**

Sentiments within the transportation sector remained weak with 1 of six indicators in the negative territory.

- ❖ Both volume of sales and net profit increased from -18.18 percentage points in Q3 2021 to -8.33 percentage points in Q4 2021.
- ❖ Selling price remained contractionary at -18.18 percentage points in Q4 2021.
- ❖ New orders rebounded from -9.09 percentage points in Q3 2021 to +9.09 percentage points in Q4 2021.
- ❖ Inventory levels remained unchanged at 0 percentage point in Q4 2021.
- ❖ Employment levels rebounded from -9.09 percentage points in Q3 2021 to 0 percentage point in Q4 2021.

The Ministry of Trade and Industry (MTI) has upgraded its GDP growth forecast for 2021 to be between +6.0 per cent to +7.0 per cent.

“The increased optimism for Q4 is due largely to a relatively resilient demand in manufacturing and the financial services sectors. However, significant downsides risks still remain as the local economy still remains exposed to the lingering uncertainties of the COVID-19 pandemic both domestically and globally. The recent regulatory developments in China and geopolitical uncertainties have also weighed on the overall sentiments.” said Ms. Audrey Chia, SCCB’s Chief Executive Officer.

**Overview of Business Indicators**

**Volume of Sales**

Volume of sales moderated to +7.52 percentage points (compared to +7.63 percentage points in Q3 2021).

The financial sector (net +41.67 percentage points) is most upbeat, followed by wholesale (net +13.33 percentage points), manufacturing (net +11.11 percentage points) and services (net +9.09 percentage points). The agriculture sector (net 0 percentage point) expected volume of sales to remain unchanged. The remaining sectors are downbeat – mining (net -40.0 percentage points), transportation (net -8.33 percentage points) and construction (net -7.69 percentage points).

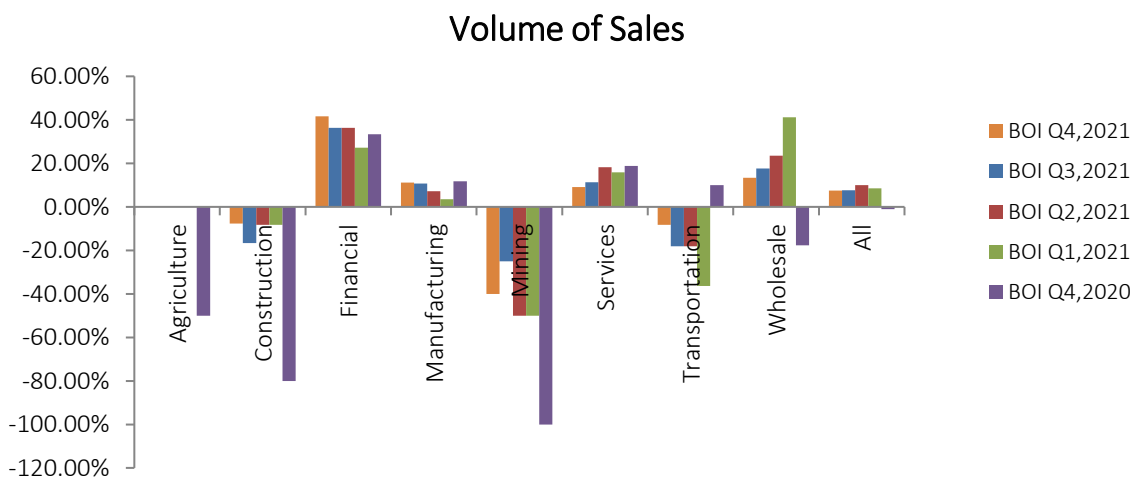


Figure 3. Volume of Sales Optimism Index, Q4 2020 – Q4 2021

**Net Profit**

Net profit rose to +9.63 percentage points (compared to +7.63 percentage points in Q3 2021). The financial (net +50.0 percentage points), wholesale (net +18.75 percentage points), services (net +11.36 percentage points) and manufacturing (net +11.11 percentage points) are most optimistic. The agriculture sector (net 0 percentage point) expected volume of sales to remain unchanged. The remaining sectors are downbeat – construction (net -7.14 percentage points), mining (net -40.0 percentage points) and transportation (net -8.33 percentage points).

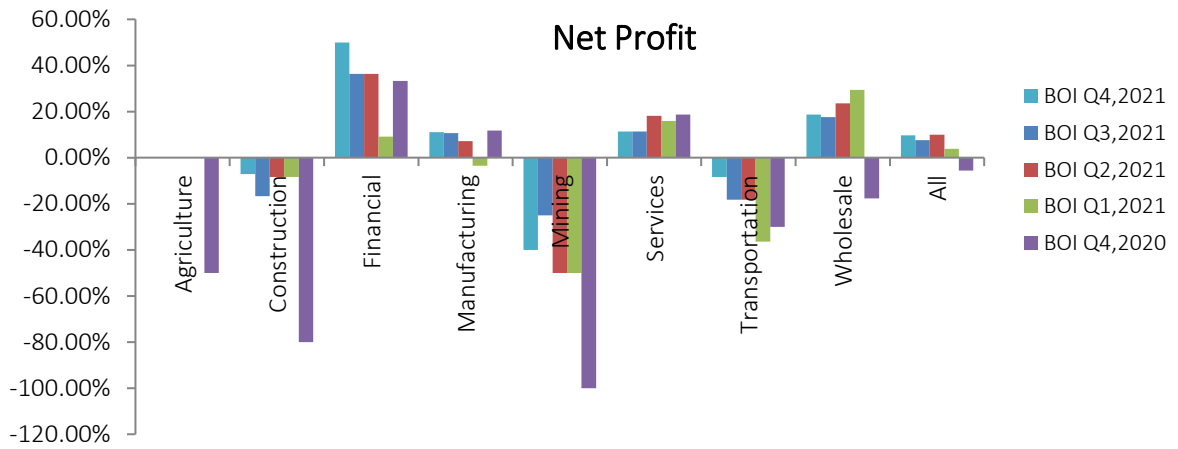


Figure 4. Net Profit Optimism Index, Q4 2020 – Q4 2021

**Selling Price**

Selling price moderated to 0 percentage point (compared to +2.29 percentage points in Q3 2021). The financial (net +33.33 percentage points) is the most optimistic sector, followed by construction (net +14.29 percentage points), wholesale (net +6.25 percentage points) and manufacturing (net +3.70 percentage points). Both agriculture and mining (net -40.0 percentage points), transportation (net -18.18 percentage points) and services (net -4.55 percentage points) are downbeat.

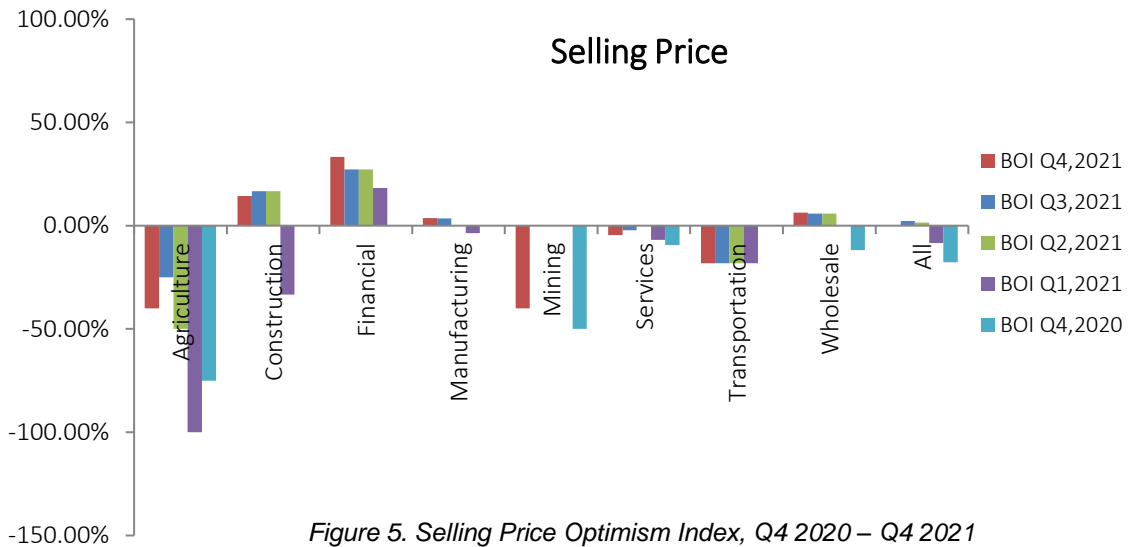


Figure 5. Selling Price Optimism Index, Q4 2020 – Q4 2021

**New Orders**

New orders inched up to +10.69 percentage points (compared to +9.92 percentage points in Q3 2021). The financial (net +33.33 percentage points), manufacturing (net +18.52 percentage points), wholesale (net +12.50 percentage points), transportation (net +9.09 percentage points), construction (net +8.33 percentage points) and services (net +2.27 percentage points) are upbeat. The remaining sectors have anticipated new orders to remain unchanged – agriculture and mining (net 0 percentage point).

**New Orders (All Sectors)**

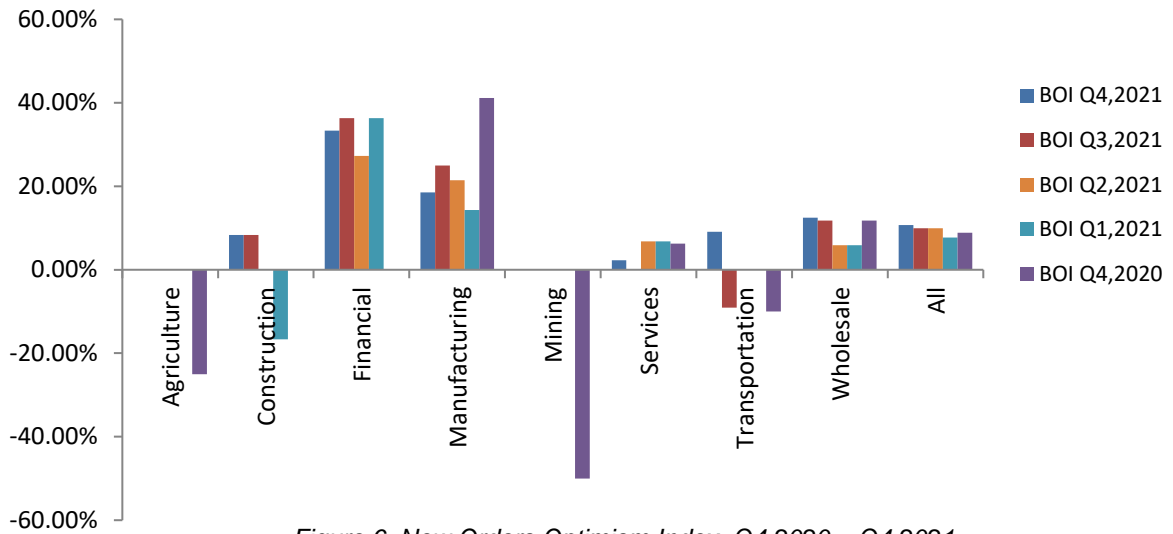


Figure 6. New Orders Optimism Index, Q4 2020 – Q4 2021

**Inventory Levels**

Inventory levels increased to -5.35 percentage points (compared to -6.11 percentage points in Q3 2021). Both financial (net +8.33 percentage points) and manufacturing (net +7.41 percentage points) sectors are upbeat. The construction (net -8.33 percentage points), wholesale (net -12.50 percentage points), services (net -13.64 percentage points) and agriculture (net -20.0 percentage points) are downbeat. Both transportation and mining (net 0 percentage point) have expected inventory levels to remain unchanged.

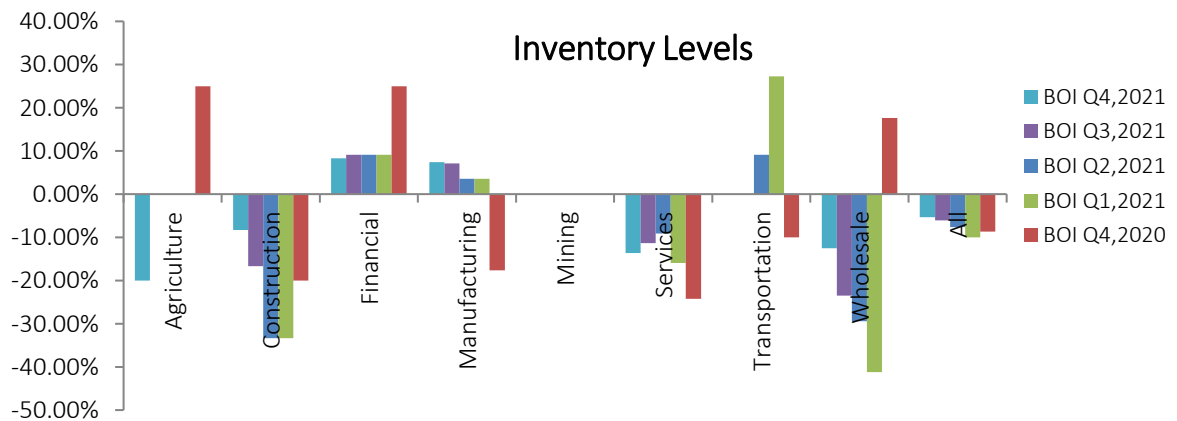


Figure 7. Inventory Levels Optimism Index, Q4 2020 – Q4 2021

**Employment**

Employment levels increased to +12.12 percentage points (compared to +3.05 percentage point in Q3 2021). The financial (net +50.0 percentage points), manufacturing (net +25.93 percentage points), wholesale (net +6.25 percentage points) and services (net +4.55 percentage points) sectors are most upbeat. The agriculture, construction, transportation and mining sectors (net 0 percentage point) expected employment to remain unchanged.

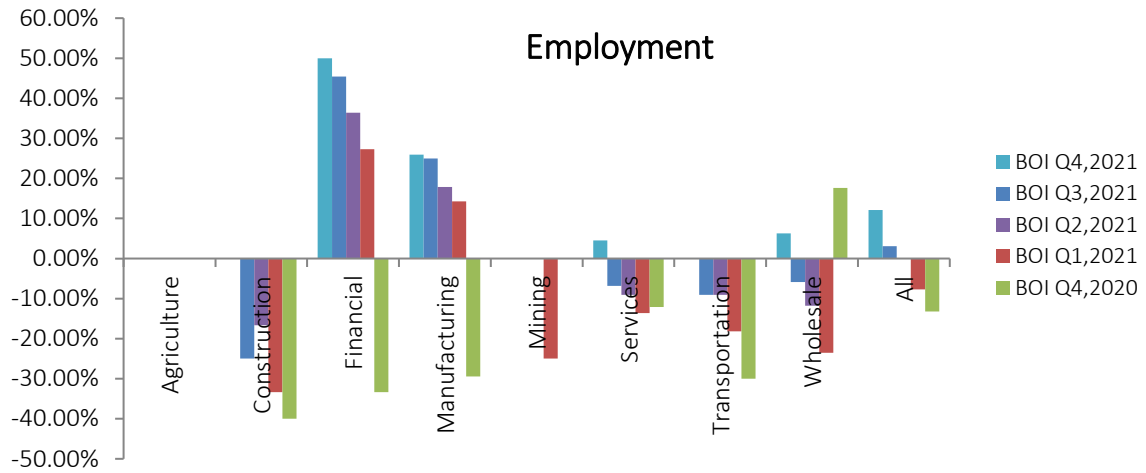


Figure 8. Employment Optimism Index, Q4 2020 – Q4 2021

**Commentary**

The SCCB 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**

Singapore Commercial Credit Bureau 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 Singapore Commercial Credit Bureau**

Established in 2005, Singapore Commercial Credit Bureau (SCCB) operates a database of local enterprises and their credit history to provide clients with the insight needed to build trust and improve the quality of business relationships with their customers, suppliers and business partners. SCCB operates under D&B Singapore.

For more information, please visit, [www.sccb.sg](http://www.sccb.sg)

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