



2026 Q1 BUSINESS SENTIMENTS EDITION

National Business Survey





RESPONDENT PROFILE

The survey was carried out from **24 April to 29 May 2026** and drew responses from **410 businesses** across all key industries .

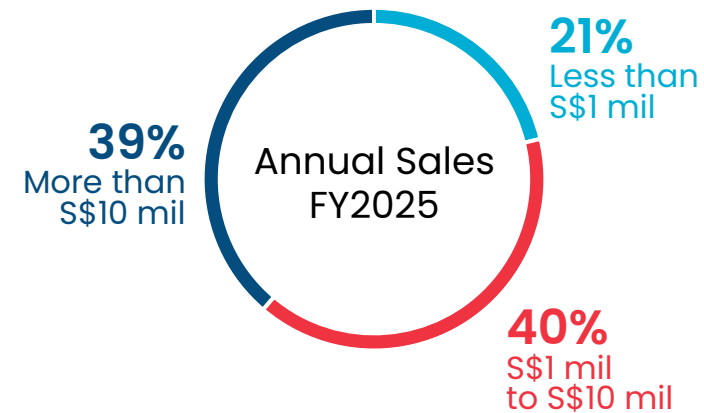
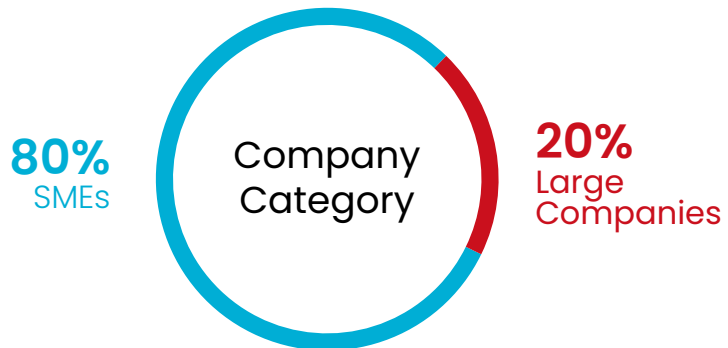
The sample included both SMEs (80%) and large companies (20%) and largely mirrors SBF’s membership base.

	SBF Database	Q1 2026
Wholesale Trade	21%	22%
Other Financial and Insurance Activities (e.g. Holding/Investment companies)	14%	11%
Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	16%	15%
Professional Services	10%	9%
IT & Related Services	6%	7%
Construction and Civil Engineering	9%	12%
Banking & Insurance	3%	3%
Logistics & Transportation	6%	7%
Administrative and Support Service Activities	4%	4%
Retail Trade	3%	2%
Hotels, Restaurants & Accommodations	2%	1%
Real Estate Activities	2%	1%
Others*	1%	2%
Health and Social Services	1%	1%
Education	1%	2%
Other Service Activities	1%	1%
TOTAL	100%	100%

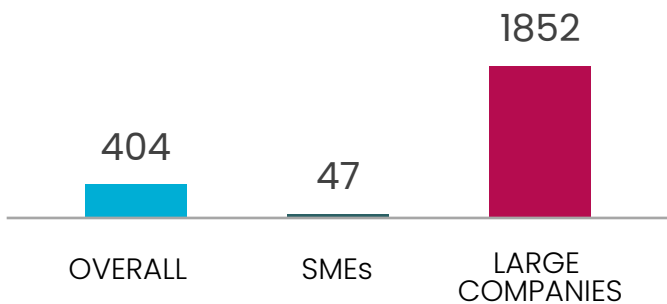
*Others (e.g. Agriculture and Fishing/Mining and Quarrying/Water Supply, Sewerage, Waste management/Public Administration and Defence/Arts, Entertainment and Recreation/ Electricity, Gas and Air-Conditioning Supply)



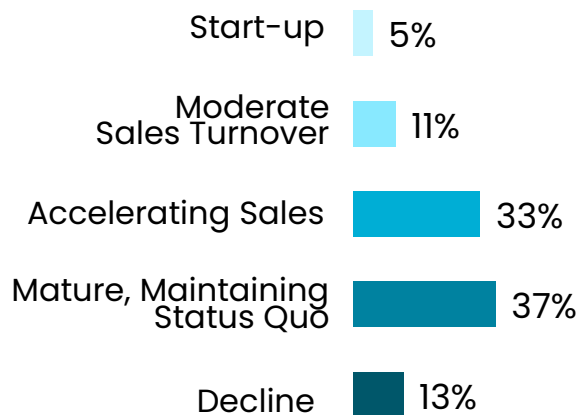
COMPANY PROFILE



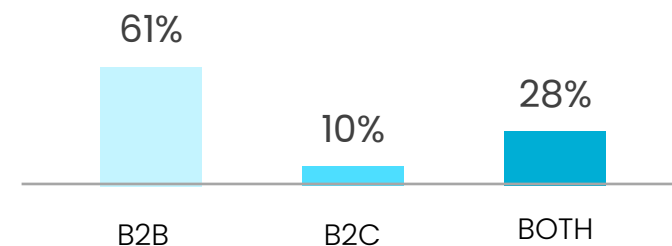
Avg. Employee Size



Stage of Development



Main Mode of Business





EXECUTIVE SUMMARY (1/4)

- ◆ Satisfaction with Singapore's current business climate has dipped in Q1 2026. Heightened uncertainty surrounding energy markets and supply-chain disruptions weighed on forward-looking confidence, with 41% of businesses expecting conditions to worsen over the next 12 months, up from 31% in Q4 2025.
- ◆ The decline in confidence was mainly reported among SMEs, with 43% expecting worsening conditions, a sharp increase from 30% in the previous quarter. Large Companies appeared more resilient, with sentiment remaining broadly stable despite the volatility seen in Q1 2026.
- ◆ At the sectoral level, businesses in the Wholesale Trade and Professional Services sectors were among the most cautious, reporting weaker confidence in business outlook in the next 12 months.
- ◆ Sentiments towards the global business climate has also weakened. Dissatisfaction with global business conditions rose by 10%, while dissatisfaction with the ASEAN outlook increased by 5% in Q1 2026, indicating that businesses are becoming more cautious about the resilience of regional and global markets amid the heightened disruptions seen in Q1 2026.



EXECUTIVE SUMMARY (2/4)

- ✦ The Business Sentiment Index (BSI) measures business confidence in Singapore, offering key insights into business trends such as cost and revenue expectations, hiring, business expansion and capital investment, in a shifting economic landscape. The Index comprises of 7 key components, each assigned a fixed weight to ensure consistent interpretation and comparability.
- ✦ **Overall BSI** fell by 2.1 points to 51.3 in Q1 2026, amid sudden disruptions to global energy markets and supply chains. This marks the lowest level recorded over the past 12 months and signals a broad-based shift towards greater caution. The decline reflects expectations of rising input costs alongside weaker profitability and growth prospects under the current operating environment.
- ✦ Looking across sectors, businesses in the Banking, Financial & Insurance Services, and Professional Services sectors are comparatively more bullish, while those in Real Estate Activities, Retail Trade, Wholesale Trade and IT & Related Services sectors are less upbeat.



EXECUTIVE SUMMARY (3/4)

- ✦ **Cost expectations** increased by 4.9 points from the previous quarter, signalling heightened concern over rising cost pressures amid global energy and logistics disruptions. Manufacturing, Education and IT & Related Services sectors were among the sectors anticipating the strongest increases in costs.
- ✦ **Profitability expectations** also fell by 4.6 points in Q1 2026, reaching their lowest level in the past 12 months and signalling a broad-based weakening in the earnings outlook. Administrative & Support Service Activities, Health & Social Services and Hotels, Restaurants & Accommodations sectors reported the most subdued profitability expectations.
- ✦ **Growth Confidence** fell by 2.1 points quarter on quarter as businesses adopted a more cautious outlook amid rising costs, weaker profitability expectations, and heightened uncertainty. Real Estate Activities, Wholesale Trade and Retail Trade sectors reported the lowest levels of growth confidence, reflecting their greater sensitivity to demand volatility and cost pressures.



EXECUTIVE SUMMARY (4/4)

- ◆ **Hiring Outlook** showed a slight dip of 1.4 points from the previous quarter. Standing at 55.1, the index suggests that businesses generally intend to maintain current workforce levels over the next six months, with limited appetite for headcount expansion. Real Estate Activities, Wholesale Trade, Retail Trade, and Manufacturing sectors report weaker hiring outlook.
- ◆ **Operational Capacity Utilisation** also slightly declined by 1.1 points to 56.8, alongside weaker hiring and growth outlook. Stronger capacity pressures was reported by Education, Health & Social Services, Hotels, Restaurants & Accommodations and Professional Services sectors.
- ◆ **Confidence in Access to Financing** remained largely stable in Q1 2026, with a slight dip of 0.9 points compared to the previous quarter, signalling stable perceptions of financing conditions and access to credit. Relatively lower confidence was reported by Health & Social Services, Real Estate Activities, Retail Trade and IT & Related Services sectors.
- ◆ **Sentiments towards Government Support** remained broadly stable in Q1 2026, with the index edging up by 0.2 points. Banking & Insurance, and Administrative & Support Services Activities sectors were the most positive sectors, while Retail Trade, Real Estate Activities, Hotels, Restaurants & Accommodations, and Wholesale Trade sectors were more subdued.



★ SECTION 1

BUSINESS SENTIMENTS



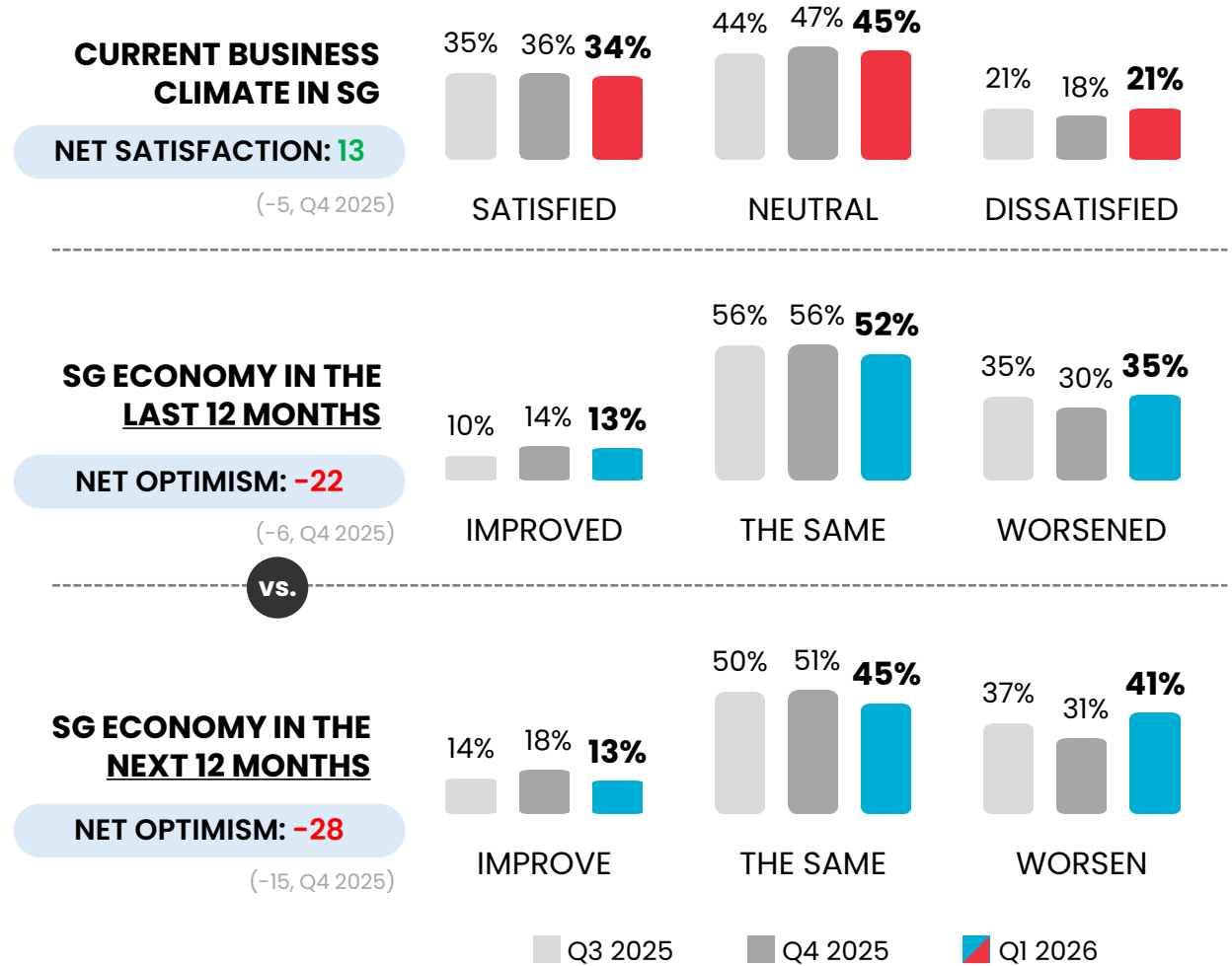


Satisfaction with Singapore business climate has dipped in Q1 2026, with concerns over external risks and energy shocks weakening forward-looking business confidence

Businesses confidence takes a hit in Q1 2026 amid energy and logistics disruptions, with 41% anticipating more challenging conditions over the next 12 months.

Satisfaction with Singapore business conditions has dipped, with around 1 in 3 (34%) businesses reporting positive sentiments, down from 36% in Q4 2025.

Business Sentiment In Singapore



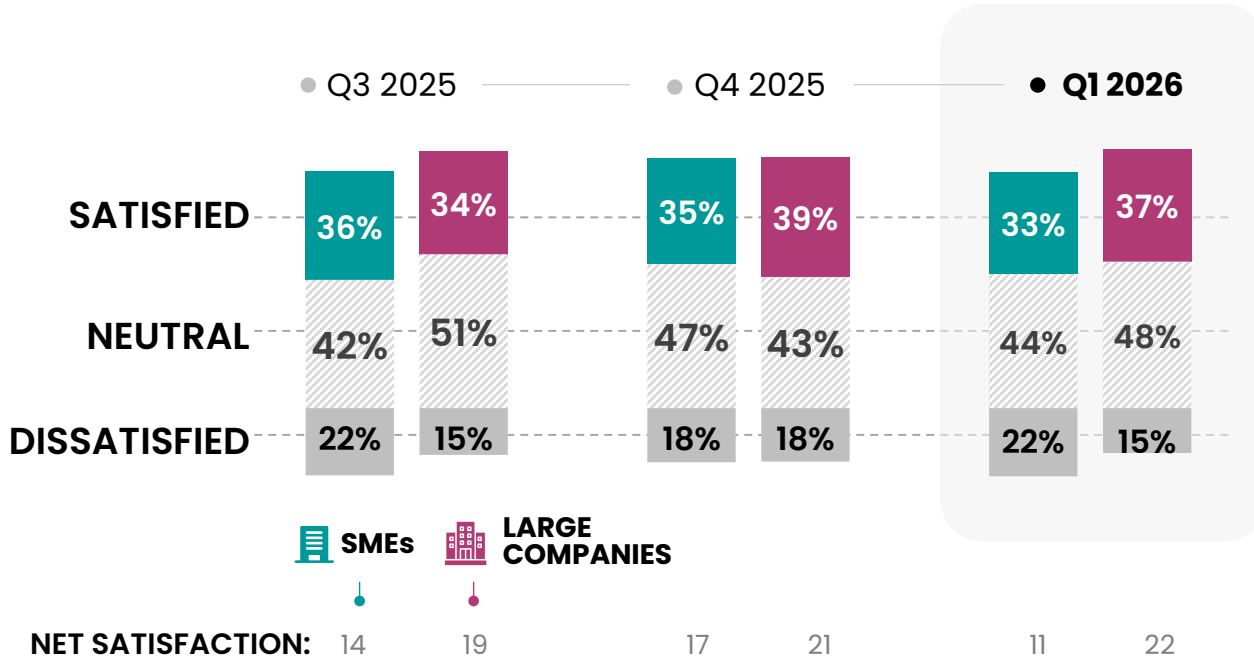
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Decimal points have been rounded up. The total may not add up to 100%.

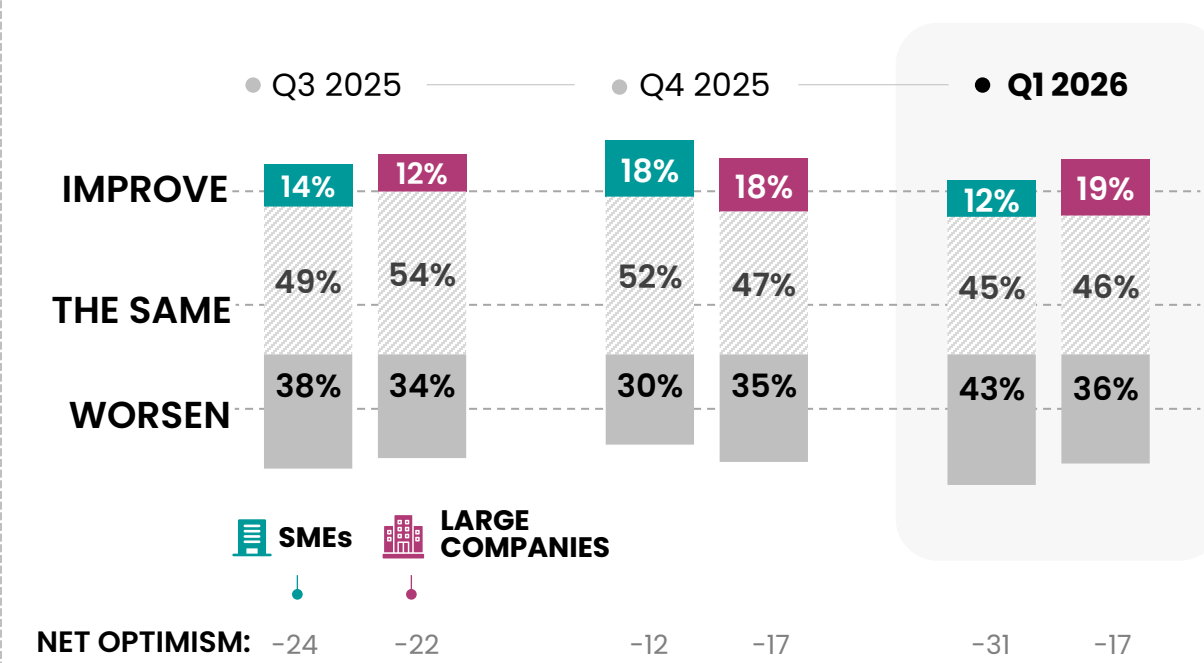


SMEs report weaker confidence amid rising external risks in Q1 2026, with 43% anticipating a tougher operating environment over the next 12 months

OUTLOOK ON CURRENT BUSINESS CLIMATE



OUTLOOK ON NEXT 12 MONTHS





Businesses in the Wholesale Trade and Professional Services sectors report weaker confidence in business conditions over the next 12 months.

Base, n=		PAST 12 MONTHS			NEXT 12 MONTHS		
		WORSENER	THE SAME	IMPROVED	WORSENER	THE SAME	IMPROVE
91	Wholesale Trade	44%	33%	22%	67%	22%	11%
36	Professional Services	33%	33%	33%	67%	33%	0%
9*	Retail Trade	60%	20%	20%	60%	20%	20%
5*	Hotels, Restaurants & Accommodations	56%	44%	0%	56%	44%	0%
29*	Logistics & Transportation	38%	50%	12%	50%	37%	13%
3*	Real Estate Activities	54%	36%	11%	50%	36%	14%
60	Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	0%	100%	0%	50%	50%	0%
11*	Banking & Insurance	36%	53%	11%	45%	42%	13%
46	Other Financial and Insurance Activities (e.g. Holding/Investment companies)	0%	100%	0%	40%	60%	0%
50	Construction & Civil Engineering	39%	61%	0%	39%	56%	6%
28*	IT & Related Services	38%	50%	13%	38%	50%	13%
18*	Administrative & Support Service Activities	18%	73%	9%	36%	55%	9%
5*	Other Service Activities	34%	52%	14%	34%	48%	17%
2*	Health & Social Services	34%	42%	24%	34%	48%	18%
9*	Education	25%	64%	11%	31%	50%	19%
8*	Others	26%	59%	15%	30%	61%	9%

***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.



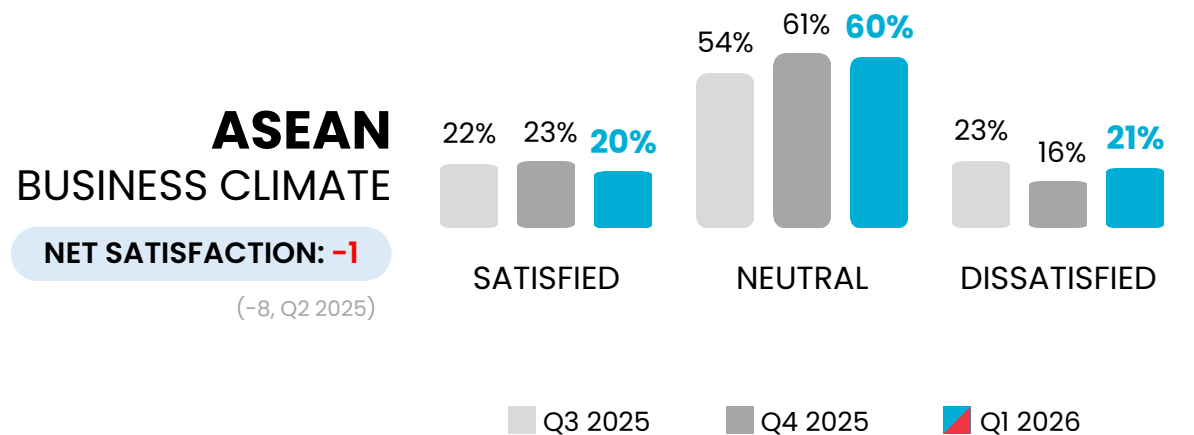
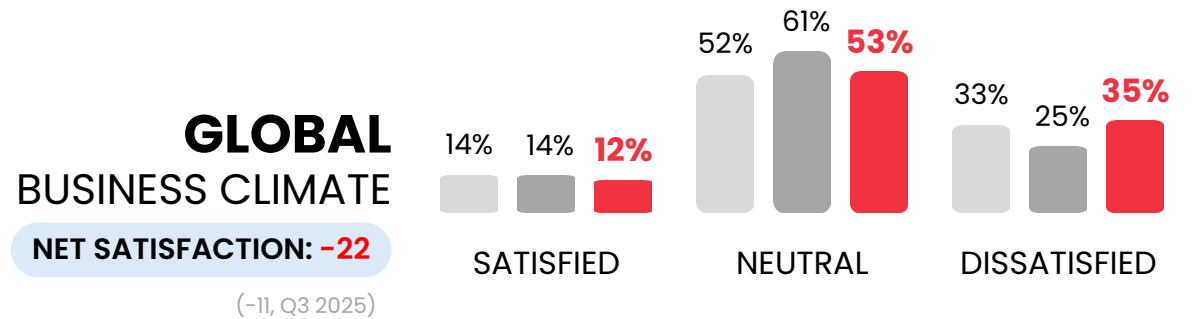
Global business climate sentiment weakens in Q1 2026 amid energy and logistics shocks

Businesses' outlook on **global conditions** soured in Q1 2026 amid energy and cost pressures, driving **dissatisfaction** with the global business climate up to 35%.

Dissatisfaction with the global business climate rose by 10 percentage points to 35% in Q1 2026, reflecting growing concerns over energy disruptions and rising business costs.

Outlook on ASEAN business climate also turned more cautious, reflecting growing concerns over the impact of external risks on regional growth prospects.

Business Sentiment on Global & Regional Economic Climate



Decimal points have been rounded up. The total may not add up to 100%.

★ SECTION 2

BUSINESS SENTIMENT INDEX

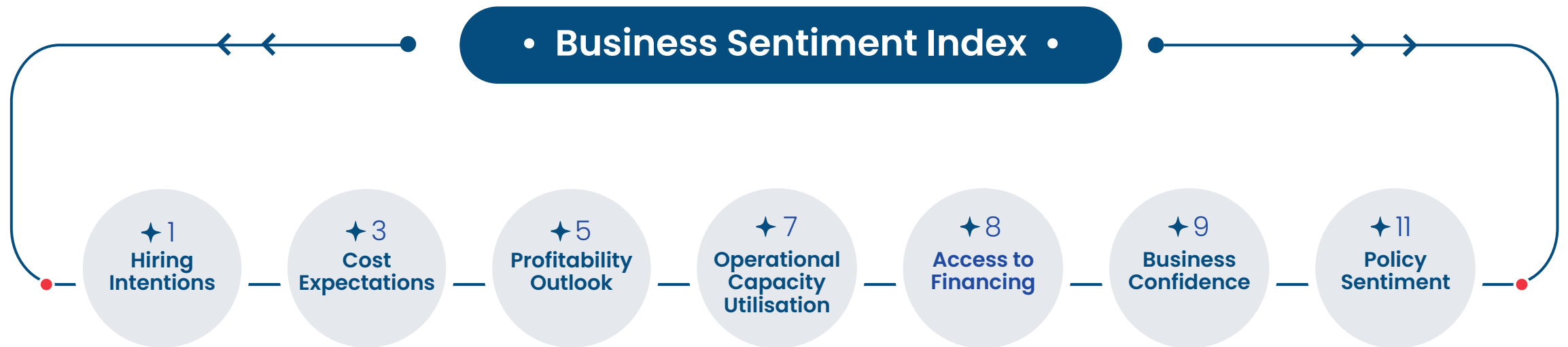




BUSINESS SENTIMENT INDEX

The **Business Sentiment Index (BSI)** measures business confidence in Singapore, offering insights into revenue, hiring, and investment trends to support informed decision-making in a shifting economic landscape.

The index comprises of **7 key business sentiment** components. Each component is assigned a **fixed weight** to ensure consistent interpretation and comparability.





BUSINESS SENTIMENT INDEX READING GUIDE

Interpreting the Business Sentiment Index:

- Index scores are shown within the range of 1 to 100.
- Scores above 60 signal positive business sentiments such as optimism for expansion and economic confidence.
- Scores between 40 – 59 suggest a neutral sentiment, where businesses look to maintain operations with minimal changes or neutral about level of support provided.
- Scores below 40 indicate negative business sentiments or pessimistic economic outlook, with businesses prioritising risk management and fiscal responsibility.
- An exception to the above is the Cost Expectations component, which is shown in the next slide.

BSI Score	Interpretation
80 – 100	Strong Business Confidence & Expansionary Growth – Businesses are highly optimistic, indicating strong revenue growth, increased investments, and active hiring. Economic conditions are perceived as highly favourable.
60 – 79	Moderate Optimism & Stable Growth – Businesses remain positive about future prospects, with steady expansion, moderate hiring, and sustained investments. The overall economic outlook is stable with potential for growth.
40 – 59	Neutral Business Sentiment – Businesses adopt a wait-and-see approach, with stable operations but limited expansion. Economic conditions are perceived as neither improving nor worsening significantly.
20 – 39	Cautious or Slightly Negative Outlook – Businesses express concerns over market conditions, leading to reduced investments, hiring slowdowns, and cautious financial planning. Economic uncertainty is evident.
1 – 19	Strong Business Pessimism & Contractionary Phase – Businesses face significant challenges, including declining revenue, workforce reductions, and cutbacks in capital investment. Economic conditions are perceived as deteriorating.



COST EXPECTATIONS SUB-INDEX READING GUIDE

Interpreting the Cost Expectations Sub-Index:

- Index scores are shown within the range of 1 to 100.
- Scores above 60 signal negative business sentiment, where businesses anticipate rising business costs.
- Scores between 40 – 59 reflects a neutral sentiment, with no major cost changes anticipated.
- Scores below 40 signal positive business sentiments, where businesses anticipate a decrease in business costs.

Cost Index	Interpretation
80 - 100	Strong Business Pessimism & Contractionary Outlook – Businesses expect significant cost pressures, indicating a challenging environment for growth.
60 - 79	Cautious or Slightly Negative Outlook – Businesses express concerns over rising cost pressures, leading to reduced investments, hiring slowdowns, and cautious financial planning.
40 - 59	Neutral Business Sentiment – Businesses do not anticipate major shifts in costs, indicative of stable operations.
20 - 39	Moderate Optimism & Expectations of Lowering Cost Pressures – Businesses expect some easing in cost pressures, suggesting potential for improved margins.
1 - 19	Strong Business Confidence & Expansionary Growth – Businesses are highly optimistic, expecting significant relief from cost pressures and are likely to pursue growth.

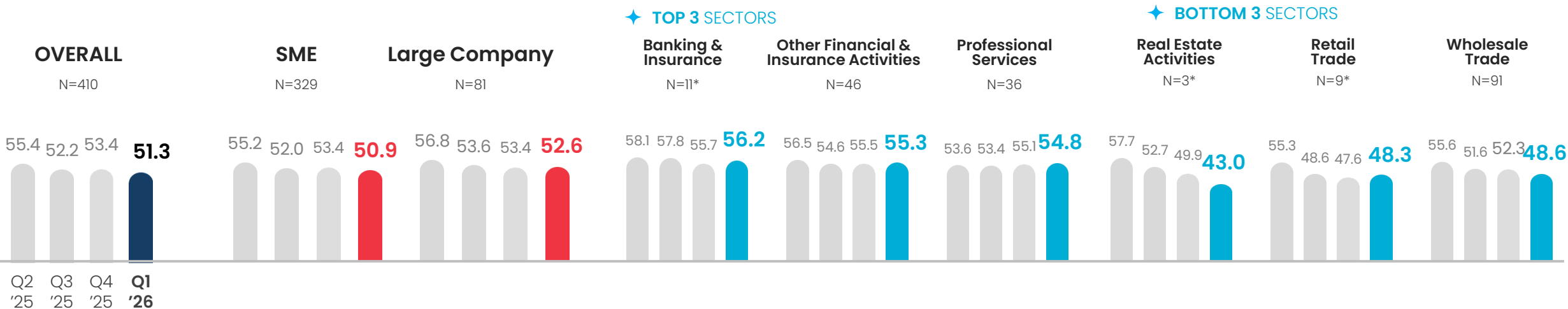


Business Sentiment Index

Business sentiment softened in Q1 2026 amid global energy and logistics shocks, with the Business Sentiment Index falling by 2.1 points reversing the upswing seen in Q4 2025. The decline was observed across both SMEs and Large Companies, with SMEs experiencing a steeper fall of 2.4 points. Across sectors, Banking & Insurance, Other Financial & Insurance Activities, and Professional Services sectors remained relatively resilient, maintaining stable BSI levels compared to the previous quarter. In contrast, Real Estate Activities, Retail Trade and Wholesale Trade sectors reported weakening sentiments amid rising pressures from global energy and logistics disruptions.

OVERALL BSI PERFORMANCE

● Q2'25 ● Q3'25 ● Q4'25 ● Q1'26



***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.



Base: All Respondents - Overall Index Score, Q2 2025 (Overall, n=555 | SME, n=473, LC, n=82), Q3 2025 (Overall, n=553 | SME, n=456, LC, n=97), Q4 2025 (Overall, n=645 | SME, n=543, LC, n=102), Q1 2026 (Overall, n=410 | SME, n=329, LC, n=81)



Overall BSI by Sectors

Business Sentiment Index declined across most sectors in Q1 2026, with the strongest decline reported by Real Estate Activities, IT & Related Services and Health & Social Services sectors, compared to Q4 2025.

BSI: 51.3

Base, Q1 2026	Q2 2025	Q3 2025	Q4 2025	Q1 2026	CHANGE
5* Other Service Activities	61.8	53.3	58.0	57.3	-0.7
11* Banking & Insurance	58.1	57.8	55.7	56.2	0.5
46 Other Financial & Insurance Activities	56.5	54.6	55.5	55.3	-0.2
36 Professional Services	53.6	53.4	55.1	54.8	-0.3
5* Hotels, Restaurants & Accommodations	49.0	46.8	51.0	54.0	3.0
29* Logistics & Transportation	55.0	52.1	52.1	52.9	0.8
9* Education	53.7	51.0	53.7	52.3	-1.4
18* Administrative & Support Services Activities	53.0	51.0	51.9	51.9	-
50 Construction & Civil Engineering	54.0	53.6	52.1	51.5	-0.6
2* Health & Social Services	59.7	50.5	57.6	51.1	-6.5
60 Manufacturing	55.7	51.4	53.2	49.6	-3.6
28* IT & Related Services	55.1	49.4	56.3	49.4	-6.9
91 Wholesale Trade	55.6	51.6	52.3	48.6	-3.7
9* Retail Trade	55.3	48.6	47.6	48.3	0.7
8* Others*	58.4	52.7	54.2	45.5	-8.7
3* Real Estate Activities	57.7	52.7	49.9	43.0	-6.9

Business Sentiment Index Sub-Component: Cost Expectations

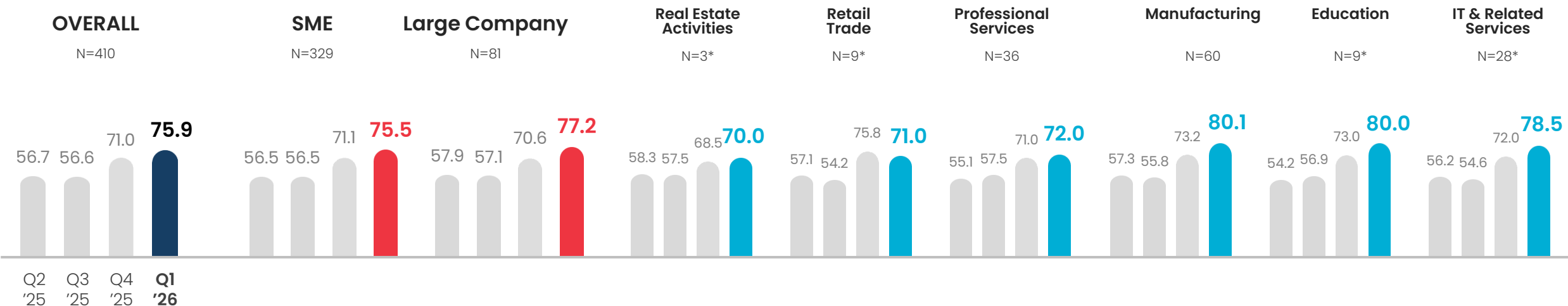
Global energy and logistics disruptions are expected to intensify cost pressures over the next six months, with the index rising by 4.9 points compared to last quarter. Both SMEs and Large Companies report higher cost expectations, with scores rising by 4.4 points among SMEs and 6.6 points among Large Companies, suggesting cost pressures are likely to remain a **key business challenge** in the immediate months ahead. Cost pressures are expected to intensify across most sectors, with Manufacturing reporting the strongest anticipation of cost pressures ahead.

COST EXPECTATIONS

● Q2'25 ● Q3'25 ● Q4'25 ● Q1'26

★ TOP 3 SECTORS
Relatively Lower Cost Pressures

★ BOTTOM 3 SECTORS
Relatively Higher Cost Pressures



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Base: All Respondents - Overall Index Score, Q2 2025 (Overall, n=555 | SME, n=473, LC, n=82), Q3 2025 (Overall, n=553 | SME, n=456, LC, n=97), Q4 2025 (Overall, n=645 | SME, n=543, LC, n=102), Q1 2026 (Overall, n=410 | SME, n=329, LC, n=81)
Q3 How do you anticipate your company's cost will change over the next six months?



Cost Expectations Sub-Index by Sectors

Higher energy and logistics costs have **increased cost expectations** across most sectors, with Health & Social Services, Wholesale Trade, Education and Manufacturing sectors reporting the sharpest rise in cost expectation, reflecting heightened concerns over rising costs ahead.

Cost concerns have also intensified among Logistics & Transportation and IT & Related Services businesses in Q1 2026.

BSI: 75.9

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	CHANGE
Base, Q1 2026					
60 Manufacturing	57.3	55.8	73.2	80.1	6.8
9* Education	54.2	56.9	73.0	80.0	7.0
28* IT & Related Services	56.2	54.6	72.0	78.5	6.5
18* Administrative & Support Svc Activities	54.2	55.8	74.9	78.0	3.1
5* Hotels, Restaurants & Accommodations	50.8	53.5	73.0	76.6	3.6
11* Banking & Insurance	59.2	61.2	71.6	76.3	4.7
91 Wholesale Trade	56.7	56.0	69.3	76.3	7.0
29* Logistics & Transportation	56.6	56.4	70.3	75.2	4.9
50 Construction & Civil Engineering	55.3	57.4	69.6	75.0	5.4
46 Other Financial & Insurance Activities	57.5	58.4	70.8	73.4	2.6
2* Health & Social Services	62.9	55.6	37.0	73.0	36.0
36 Professional Services	55.1	57.5	71.0	72.0	1.0
8* Others*	60.0	56.1	60.4	71.9	11.5
5* Other Service Activities	63.0	56.6	74.8	71.2	-3.6
9* Retail Trade	57.1	54.2	75.8	71.0	-4.8
3* Real Estate Activities	58.3	57.5	68.5	70.0	1.5

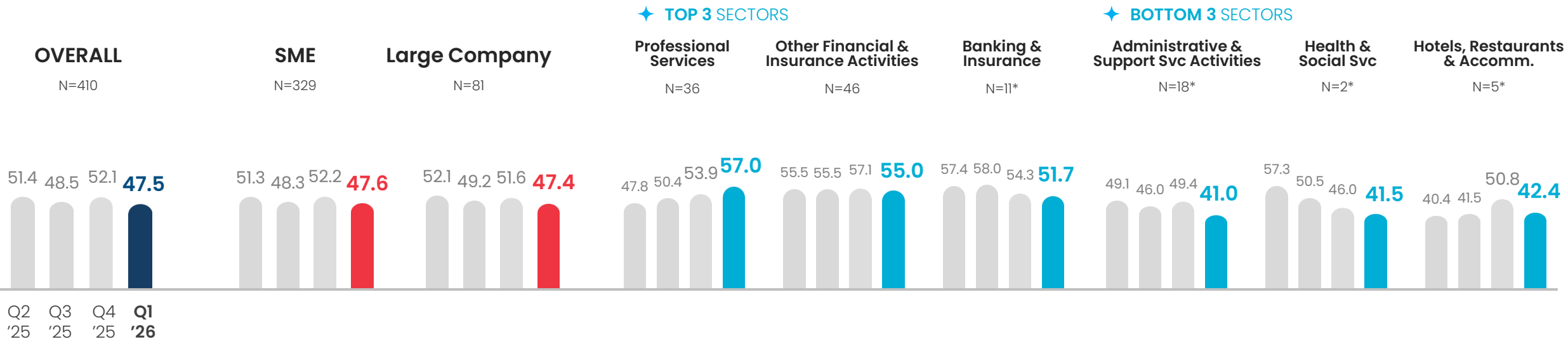


Business Sentiment Index Sub-Component: Profitability Expectations

Businesses adopted a more cautious profitability outlook in Q1 2026 amid rising cost pressures and heightened external disruptions, with the index declining by 4.6 points from the previous quarter. Profitability expectations weakened across both SMEs (-4.7 points) and Large Companies (-4.1 points), signalling **broad-based caution across the business community**. At the sectoral level, Professional Services, Other Financial & Insurance Activities, and Insurance and Banking sectors maintained comparatively stronger outlooks, while Administrative & Support Services Activities, Health & Social Services and Hotels, Restaurants & Accommodations sectors were the most subdued.

PROFITABILITY EXPECTATIONS

● Q2'25 ● Q3'25 ● Q4'25 ● Q1'26



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Base: All Respondents, Overall Index Score, Q2 2025 (Overall, n=555 | SME, n=473, LC, n=82), Q3 2025 (Overall, n=553 | SME, n=456, LC, n=97), Q4 2025 (Overall, n=645 | SME, n=543, LC, n=102), Q1 2026 (Overall, n=410 | SME, n=329, LC, n=81)
Q4 What are your expectations for your business' profitability in the upcoming six months?



Profitability Expectations Sub-Index by Sectors

Profitability expectations weakened across most sectors in Q1 2026, reversing the uptick in optimism seen in Q4 2025. Administrative & Support Services activities, Manufacturing, and IT & Related Services sectors reported the sharpest decline in profitability outlook.

Professional Services remained a notable bright spot, with profitability expectations strengthening by 3.1 points from Q4 2025 and improving for the third consecutive quarter.

BSI: 47.5

	Base, Q1 2026	Q2 2025	Q3 2025	Q4 2025	Q1 2026	CHANGE
36	Professional Services	47.8	50.4	53.9	57.0	3.1
46	Other Financial & Insurance Activities	55.5	55.5	57.1	55.0	-2.1
11*	Banking & Insurance	57.4	58.0	54.3	51.7	-2.6
5*	Other Service Activities	55.0	48.6	59.5	51.4	-8.1
29*	Logistics & Transportation	49.7	46.5	50.3	50.3	-
50	Construction & Civil Engineering	49.9	49.1	50.2	47.1	-3.1
28*	IT & Related Services	50.9	42.6	54.4	46.6	-7.8
9*	Education	49.0	45.1	46.0	45.0	-1.0
9*	Retail Trade	48.5	39.7	44.1	45.0	0.9
60	Manufacturing	49.5	46.2	52.7	44.8	-7.9
91	Wholesale Trade	52.5	48.4	49.8	43.7	-6.1
3*	Real Estate Activities	54.1	49.5	50.5	43.0	-7.5
5*	Hotels, Restaurants & Accommodations	40.4	41.5	50.8	42.4	-8.4
2*	Health & Social Services	57.3	50.5	46.0	41.5	-4.5
18*	Administrative & Support Svc Activities	49.1	46.0	49.4	41.0	-8.4
8*	Others*	57.3	50.0	55.0	40.4	-14.6



Business Sentiment Index Sub-Component: Growth Confidence

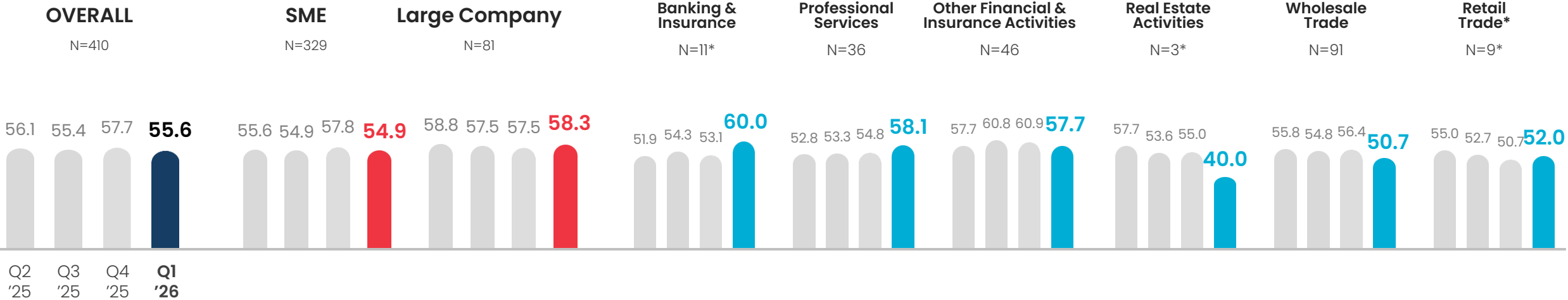
Growth confidence softened in Q1 2026 as rising input costs and ongoing energy and supply-chain disruptions weighed on business expectations. The index fell by 2.1 points from the previous quarter, reversing the improvement seen in Q4 2025. The decline was concentrated among SMEs (-2.9 points), while Large Companies maintained a broadly stable outlook. Banking & Insurance, Other Financial & Insurance Activities, and Professional Services sectors were relatively more optimistic, whereas Real Estate Activities, Wholesale Trade, and Retail Trade sectors reported weaker growth expectations.

GROWTH CONFIDENCE

● Q2'25 ● Q3'25 ● Q4'25 ● Q1'26

TOP 3 SECTORS

BOTTOM 3 SECTORS



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Base: All Respondents, Overall Index Score, Q2 2025 (Overall, n=555 | SME, n=473, LC, n=82), Q3 2025 (Overall, n=553 | SME, n=456, LC, n=97), Q4 2025 (Overall, n=645 | SME, n=543, LC, n=102), Q1 2026 (Overall, n=410 | SME, n=329, LC, n=81)
Q8 How confident are you about your business' growth prospects over the next six months?



Growth Confidence Sub-Index by Sectors

Growth confidence show broad-based decline across sectors amid heightened disruptions in Q1 2026.

Real Estate Activities and IT & Related Services sectors reported the sharpest decline in growth confidence amid current turbulence.

Manufacturing and Wholesale Trade sectors also reported weaker growth sentiments.

BSI: 55.6

	Base, Q1 2026	Q2 2025	Q3 2025	Q4 2025	Q1 2026	CHANGE
11*	Banking & Insurance	61.1	59.5	66.1	68.9	2.8
5*	Other Service Activities	66	56.3	65.8	65.8	-
36	Professional Services	52.4	57.7	59	62.3	3.3
46	Other Financial & Insurance Activities	57.7	60.8	60.9	60.3	-0.6
2*	Health & Social Services	68.5	55	46	59.5	13.5
5*	Hotels, Restaurants & Accommodations	46	47.8	51.4	58.6	7.2
18*	Administrative & Support Svc Activities	51.9	54.3	53.1	57.0	3.9
9*	Education	53	59.5	60.1	57.0	-3.1
28*	IT & Related Services	54.7	53.3	63.6	56.0	-7.6
29*	Logistics & Transportation	52.8	53.3	54.8	55.9	1.1
60	Manufacturing	57.8	52.9	58.5	54.3	-4.3
50	Construction & Civil Engineering	56.6	55.9	55.2	54.1	-1.1
9*	Retail Trade	55	52.7	50.7	52.0	1.3
91	Wholesale Trade	55.8	54.8	56.4	50.7	-5.7
8*	Others*	60.6	55	57.7	47.1	-10.6
3*	Real Estate Activities	57.7	53.6	55	40.0	-15.0

*Caveat: Low sample size limits statistical robustness, and results should be interpreted as directional insights.



Business Sentiment Index Sub-Component: Hiring Outlook

Hiring expectations softened slightly in Q1 2026. At 55.1, the index suggests that businesses generally intend to **maintain current workforce levels** over the next six months, with limited appetite for headcount expansion amid weaker profitability expectations and rising cost pressures. Softening hiring confidence is more prevalent among SMEs, while sentiment among Large Companies improved after declining for the previous two quarters. Hotels, Restaurants & Accommodations, Administrative & Support Services Activities, Health & Social Services sectors showed relatively stronger hiring intentions, whereas Real Estate Activities, Wholesale Trade, Retail Trade, and Manufacturing sectors were less upbeat.

HIRING OUTLOOK

● Q2'25 ● Q3'25 ● Q4'25 ● Q1'26



***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.



Base: All Respondents, Overall Index Score, Q2 2025 (Overall, n=555 | SME, n=473, LC, n=82), Q3 2025 (Overall, n=553 | SME, n=456, LC, n=97), Q4 2025 (Overall, n=645 | SME, n=543, LC, n=102), Q1 2026 (Overall, n=410 | SME, n=329, LC, n=81) Q5
What are your hiring plans for the next six months?



Hiring Outlook Sub-Index by Sectors

Health & Social Services, Hotels, Restaurants & Accommodations and Logistics & Transportation sectors stand out as the key sectors reporting stronger hiring intentions in Q1 2026. Meanwhile, Real Estate Activities, Professional Services, Education and IT & Related Services sectors reported sharp declines.

BSI: 55.1

		Q2 2025	Q3 2025	Q4 2025	Q1 2026	CHANGE
	Base, Q1 2026					
5*	Hotels, Restaurants & Accommodations	51.6	54.1	60.4	69.4	9.0
18*	Administrative & Support Svc Activities	57.7	57.6	60.0	60.0	-
2*	Health & Social Services	61.8	59.5	46.0	59.5	13.5
29*	Logistics & Transportation	56.6	54.8	54.0	58.1	4.1
46	Other Financial & Insurance Activities	56.9	57.6	57.9	57.7	-0.2
11*	Banking & Insurance	57.1	58.0	56.4	57.5	1.1
28*	IT & Related Services	54.7	54.6	60.9	57.3	-3.7
5*	Other Service Activities	58.0	54.4	61.3	56.8	-4.5
9*	Education	51.0	62.2	60.1	56.0	-4.1
36	Professional Services	55.7	58.7	60.8	55.5	-5.3
50	Construction & Civil Engineering	57.6	59.3	53.3	55.2	1.9
60	Manufacturing	55.8	54.9	57.1	54.3	-2.9
9*	Retail Trade	57.5	52.3	51.7	52.0	0.3
91	Wholesale Trade	57.1	54.6	53.6	51.7	-1.9
8*	Others*	56.1	51.0	48.7	46.0	-2.7
3*	Real Estate Activities	59.5	57.8	52.8	40.0	-12.8

*Caveat: Low sample size limits statistical robustness, and results should be interpreted as directional insights.



Business Sentiment Index Sub-Component: Operational Capacity Utilisation

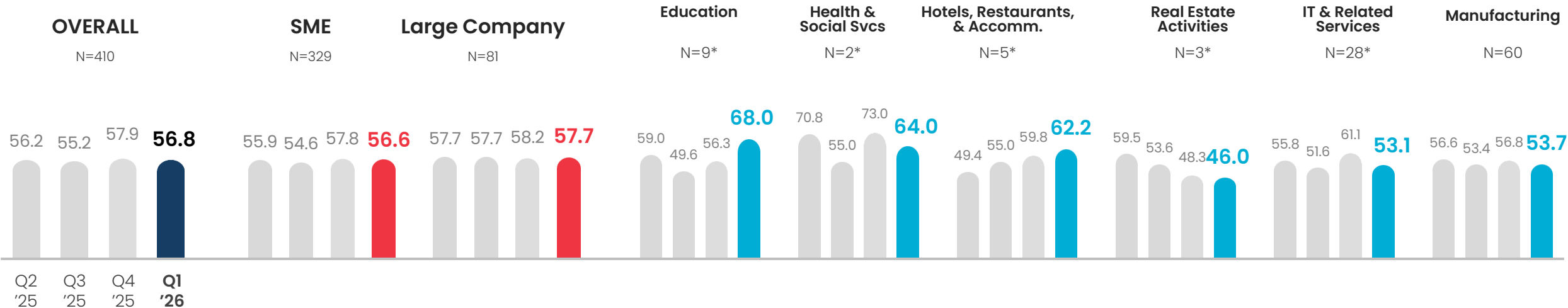
Businesses reported a modest easing in capacity utilisation in Q1 2026, with the index dipping by 1.1 points. A slight decline is seen across both SMEs and Large Companies. Capacity pressures remained comparatively stronger in Education, Health & Social Services, Hotels, Restaurants & Accommodations and Professional Services sectors, while Real Estate Activities, IT & Related Services, Manufacturing, and Wholesale Trade sectors saw capacity utilisation pressures ease.

OPERATIONAL CAPACITY UTILISATION

● Q2'25 ● Q3'25 ● Q4'25 ● Q1'26

TOP 3 SECTORS

BOTTOM 3 SECTORS



*Caveat: Low sample size limits statistical robustness, and results should be interpreted as directional insights.



Base: All Respondents, Overall Index Score, Q2 2025 (Overall, n=555 | SME, n=473, LC, n=82), Q3 2025 (Overall, n=553 | SME, n=456, LC, n=97), Q4 2025 (Overall, n=645 | SME, n=543, LC, n=102), Q1 2026 (Overall, n=410 | SME, n=329, LC, n=81)
Q6 At what capacity is your business currently operating?



Operational Capacity Utilisation Sub-Index by Sectors

Capacity utilisation remained broadly stable across most sectors, signalling resilience in operating activity despite ongoing disruptions in trade, energy, and supply-chain.

Real Estate Activities, Manufacturing and IT & Related Services sectors recorded the largest easing in capacity pressures.

BSI: 56.8

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	CHANGE
Base, Q1 2026					
5* Other Service Activities	66.0	58.9	64.0	69.4	5.4
9* Education	59.0	49.6	56.3	68.0	11.7
2* Health & Social Services	70.8	55.0	73.0	64.0	-9.0
5* Hotels, Restaurants & Accommodations	49.4	55.0	59.8	62.2	2.4
36 Professional Services	54.7	57.4	61.1	60.3	-0.9
46 Other Financial & Insurance Activities	56.1	56.8	59.6	59.7	0.1
8* Others*	61.8	58.0	58.6	59.5	0.9
29* Logistics & Transportation	62.8	56.3	58.5	58.4	-0.1
11* Banking & Insurance	58.7	62.5	57.8	58.3	0.5
18* Administrative & Support Services Activities	45.2	53.9	57.8	57.0	-0.8
50 Construction & Civil Engineering	53.4	57.5	57.1	57.0	-0.1
9* Retail Trade	55.8	49.1	54.5	56.0	1.5
91 Wholesale Trade	56.5	54.1	55.1	54.4	-0.7
60 Manufacturing	56.6	53.4	56.8	53.7	-3.2
28* IT & Related Services	55.8	51.6	61.1	53.1	-8.0
3* Real Estate Activities	59.5	53.6	48.3	46.0	-2.3

***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.

Base: All Respondents, n=526 Q1 2025, n=555 Q2 2025, n=553 Q3 2025, n=645 Q4 2025
Q6 At what capacity is your business currently operating?

Business Sentiment Index Sub-Component: Access to Financing

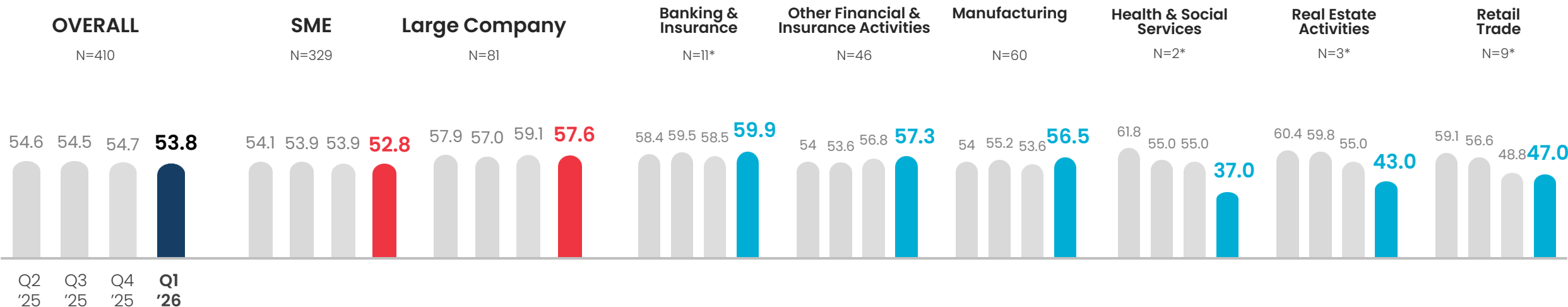
Financing confidence showed a slight easing in Q1 2026, with the overall Index dipping by 0.9 points. Large Companies recorded a sharper decline of 1.5 points in perceptions of credit access and borrowing conditions, although sentiment remained more positive than SMEs. Across sectors, Hotels, Restaurants & Accommodations, Banking & Insurance and Other Financial & Insurance Activities sectors expressed stronger confidence, whereas Health & Social Services, Real Estate Activities, Retail Trade, and IT & Related Services sectors remained comparatively cautious.

ACCESS TO FINANCING

● Q2'25 ● Q3'25 ● Q4'25 ● Q1'26

★ TOP 3 SECTORS

★ BOTTOM 3 SECTORS



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Base: All Respondents, Overall Index Score, Q2 2025 (Overall, n=555 | SME, n=473, LC, n=82), Q3 2025 (Overall, n=553 | SME, n=456, LC, n=97), Q4 2025 (Overall, n=645 | SME, n=543, LC, n=102), Q1 2026 (Overall, n=410 | SME, n=329, LC, n=81)
 Q7 How would you rate the ease of obtaining financing or credit for your business needs?



Access to Financing Sub-Index by Sectors

Slight dip in confidence outlook across sectors in Q1 2026 amid a more cautious outlook for business growth and profitability. Health & Social Services, Real Estate Activities, and IT & Related Services sectors recorded the sharpest declines.

BSI: 53.8

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	CHANGE
Base, Q1 2026					
5* Hotels, Restaurants & Accommodations	50.5	49.6	53.2	60.4	7.2
11* Banking & Insurance	58.4	59.5	58.5	59.9	1.4
46 Other Financial & Insurance Activities	54.0	53.6	56.8	57.3	0.5
60 Manufacturing	54.0	55.2	53.6	56.5	2.9
9* Education	53.0	51.4	58.9	56.0	-2.9
50 Construction & Civil Engineering	55.2	56.5	53.7	54.8	1.1
29* Logistics & Transportation	55.0	56.3	55.0	54.1	-0.9
18* Administrative & Support Svc Activities	53.4	52.0	53.1	54.0	0.9
91 Wholesale Trade	54.4	54.8	55.8	53.2	-2.6
36 Professional Services	52.2	50.8	54.2	51.8	-2.5
5* Other Service Activities	62.0	51.1	58.6	51.4	-7.2
28* IT & Related Services	53.4	50.3	53.7	47.9	-5.8
9* Retail Trade	59.1	56.6	48.8	47.0	-1.8
3* Real Estate Activities	60.4	59.8	55.0	43.0	-12.0
8* Others*	57.3	57.0	56.8	42.6	-14.2
2* Health & Social Services	61.8	55.0	55.0	37.0	-18.0

***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.



Business Sentiment Index Sub-Component: Sentiment towards Government Support

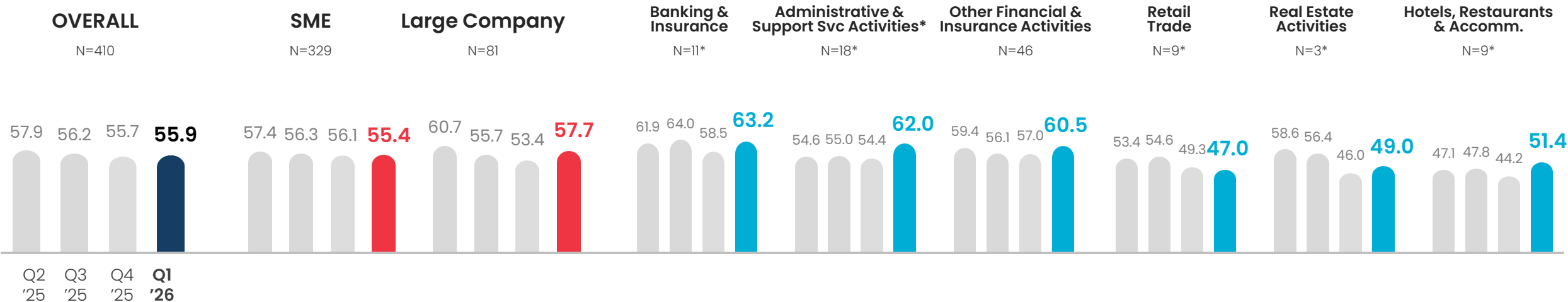
Sentiment towards government support remained broadly stable in Q1 2026, with the index edging up by 0.2 points. **Large Companies** reported a **stronger 4.3-point improvement in sentiments** from the previous quarter, alongside **higher satisfaction** with Budget 2026 based on [SBF poll](#), while sentiments among SMEs continue to decline for a third consecutive quarter. Banking & Insurance and Administrative & Support Services Activities sectors were the most positive sectors, while Retail Trade, Real Estate Activities, Hotels, Restaurants & Accommodations, and Wholesale Trade sectors were more subdued.

SENTIMENT TOWARDS GOVERNMENT SUPPORT

● Q2'25 ● Q3'25 ● Q4'25 ● Q1'26

★ TOP 3 SECTORS

★ BOTTOM 3 SECTORS



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Q9 To what extent do current government policies support your industry's growth?



Government Support Sub-Index by Sectors

Perceptions of government support improved most notably in Administrative & Support Services Activities, Hotels, Restaurants & Accommodations, and Logistics & Transportation sectors, while IT & Related Services sector saw the sharpest decline.

BSI: 55.9

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	CHANGE
Base, Q1 2026					
5* Other Service Activities	68.0	60.1	61.3	67.6	6.3
11* Banking & Insurance	61.9	64.0	58.5	63.2	4.7
18* Administrative & Support Svc Activities	54.6	55.0	54.4	62.0	7.6
46 Other Financial & Insurance Activities	59.4	56.1	57.0	60.5	3.5
2* Health & Social Services	66.3	41.5	64.0	59.5	-4.5
36 Professional Services	56.9	58.4	57.5	58.5	1.0
29* Logistics & Transportation	56.6	57.5	52.5	58.4	5.9
50 Construction & Civil Engineering	54.8	55.0	54.6	57.2	2.6
60 Manufacturing	58.7	57.3	56.8	54.1	-2.7
9* Education	58.0	55.0	57.6	54.0	-3.6
28* IT & Related Services	59.4	56.7	62.1	53.4	-8.7
91 Wholesale Trade	57.9	54.8	54.6	52.6	-2.0
5* Hotels, Restaurants & Accommodations	47.1	47.8	44.2	51.4	7.2
3* Real Estate Activities	58.6	56.4	46.0	49.0	3.0
9* Retail Trade	53.4	54.6	49.3	47.0	-2.3
8* Others*	59.5	55.0	53.2	44.9	-8.3

***Caveat:** Low sample size limits statistical robustness, and results should be interpreted as directional insights.



Base: All Respondents, n=526 Q1 2025, n=555 Q2 2025, n=553 Q3 2025, n=645 Q4 2025
Q9 To what extent do current government policies support your industry's growth?

Thank You.

Survey conducted by:

Research & Publishing
Advocacy & Policy Division
Singapore Business Federation

If you have any enquiry, kindly contact
research@sbf.org.sg.

SBF

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Supporting Trade Associations and Chambers (TACs)

