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BUSINESS TENDENCY STATISTICS, FIRST QUARTER 2024



FORECAST OF BUSINESS PERFORMANCE FOR THE FIRST QUARTER 2024

Businesses are confident about the business environment in the first quarter of 2024, with a positive confidence indicator of 4.2 per cent, continuing its increasing trend since the third quarter of 2023.

All sectors expect stronger business conditions in the first quarter of 2024. Sentiment in the Wholesale & Retail Trade sector returns positive after recording negative trend for the previous three quarters, posting +4.7 per cent as compared to -3.6 per cent in the fourth quarter of 2023. The business confidence for Services sector continues to be optimistic, with the confidence indicator increasing to +8.6 per cent as against +6.3 per cent in the last quarter. After reverting to a positive trajectory, the Construction sector continues its positive momentum, with a confidence indicator of +10.3 per cent as opposed to +1.7 per cent in the previous quarter. Meanwhile, Industry sector remains on a positive trajectory, with a confidence indicator of +0.6 per cent for the corresponding quarter as compared to +4.0 per cent in the fourth quarter of 2023. (Exhibit I)



Expectations of Gross Revenue and Number of Employees

A total of 34.1 per cent of respondents expect their gross revenue to rise in the first quarter of 2024, while 27.9 per cent expect it to drop, resulting in a net balance of +6.1 per cent. Also, 38.0 per cent of respondents predict a standstill in their gross revenue.

In terms of employment, 73.3 per cent of businesses are expecting to retain their staff throughout the first quarter of 2024. Approximately 18.6 per cent of respondents anticipate to hire more, while 8.1 per cent expect to reduce their personnel, resulting in a net balance of +10.5 per cent for the reference quarter. (Exhibit II)



EXPECTATIONS OF BUSINESS PERFORMANCE IN JANUARY TO JUNE 2024

Looking ahead, business perception for the first half of 2024 improves marginally with a net balance of +10.0 per cent as against +9.8 per cent recorded previously, which all sectors showing positive signs. Wholesale & Retail Trade sector turns optimistic about the business landscape in the first half of 2024. Sentiment within Wholesale & Retail Trade sector increases, with a net balance of +15.2 per cent bolstered by a brighter outlook in both Wholesale Trade & Retail Trade sub-sectors. Construction sector likewise anticipates a better business outlook, with a net balance of +6.9 per cent for the period of January to June 2024. Sentiments in Services sector also remain positive, with a net balance of +24.0 per cent compared to +19.0 per cent recorded in the last quarter. Meanwhile, Industry sector shows a neutral sentiment regarding the business prospect for the next six months, influenced by the mixed perception within the Industry sub-sectors. (Exhibit III)



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