2026 Q2 BUSINESS SENTIMENTS EDITION

National Business Survey

RESPONDENT PROFILE

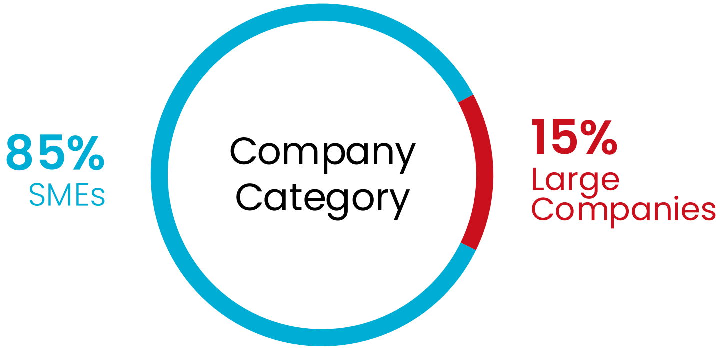
The survey was carried out from 1 July 2026 to 1 Aug 2026 and drew responses from 511 businesses across all key industries.

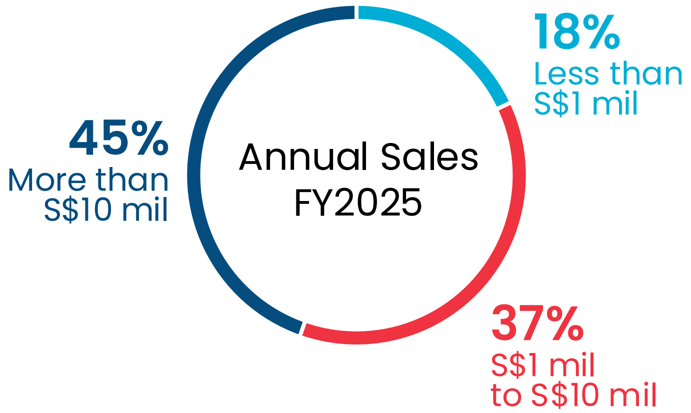
The sample included both SMEs (85%) and large companies (15%) and largely mirrors SBF's membership base.

	SBF Database	Q2 2026
Wholesale Trade	21%	23%
Other Financial and Insurance Activities (e.g. Holding/Investment companies)	14%	11%
Manufacturing (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	16%	14%
Professional Services	10%	10%
IT & Related Services	6%	6%
Construction and Civil Engineering	9%	11%
Banking & Insurance	3%	3%
Logistics & Transportation	6%	6%
Administrative and Support Service Activities	4%	5%
Retail Trade	3%	2%
Hotels, Restaurants & Accommodations	2%	1%
Real Estate Activities	2%	1%
Others*	1%	2%
Health and Social Services	1%	0.4%
Education	1%	2%
Other Service Activities	1%	1%
TOTAL	**100%**	**100%**

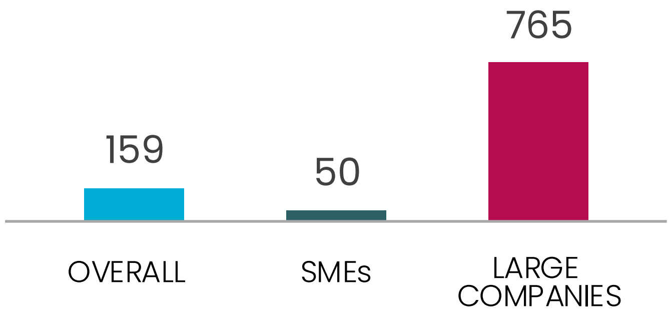
*Others (e.g. Agriculture and Fishing/Mining and Quarrying/Water Supply, Sewerage, Waste management/Public Administration and Defence/Arts, Entertainment and Recreation/ Electricity, Gas and Air-Conditioning Supply)

COMPANY PROFILE

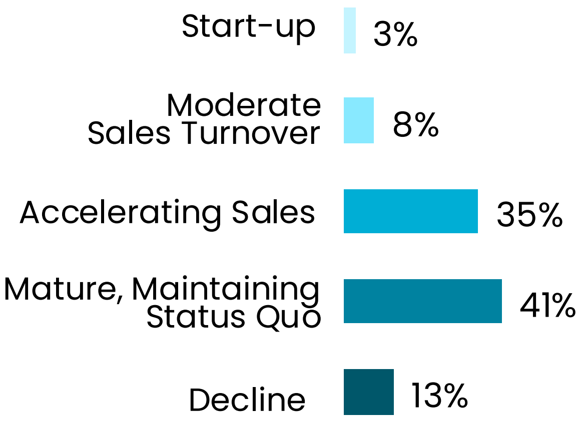




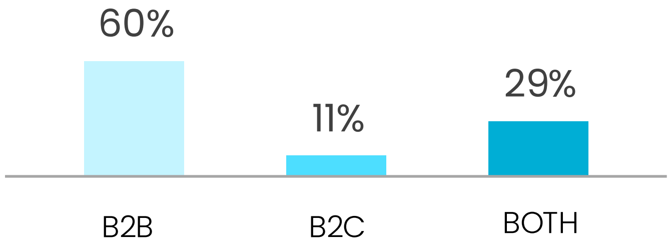
Avg. Employee Size



Stage of Development



Main Mode of Business



EXECUTIVE SUMMARY (1/4)

- **Business optimism towards Singapore's future economic prospect improved in Q2 2026, despite subdued satisfaction with current conditions.** Fewer businesses (32%) are expecting conditions to worsen over the next 12 months, down from 41% in Q1 2026.

- At the sectoral level, businesses in the Retail Trade, Health & Social Sciences and Education sectors were among the most cautious, reporting weaker confidence in business outlook in the next 12 months.

- Sentiments towards the global business climate has improved, reversing the dip in Q1 2026. Dissatisfaction with global business conditions decreased by 12%, while dissatisfaction with the ASEAN outlook decreased by 2%, as concerns over global business conditions moderated in Q2 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** rose by 2.0 points to 53.3 in Q2 2026, reversing the decline in Q1 2026. The recovery extended across both SMEs (increase by 2.1 points) and Large Companies (increase by 2.5 points). The rebound was likely supported by resilient economic growth in Singapore and the absence of further escalation or shipping disruptions in the Gulf. However, ongoing energy-market pressures and uncertainty surrounding U.S. trade policy may limit further optimism.

- Looking across sectors, businesses in the Banking & Insurance, Health & Social Services, and Other Financial & Insurance Activities (e.g. Holding/Investment companies) are comparatively more bullish, while those in Retail Trade, Education and Wholesale Trade sectors are less upbeat.

EXECUTIVE SUMMARY (3/4)

- **Cost expectations** eased by 4.7 points in Q2 2026, reversing the increase recorded in the previous quarter. The decline was more pronounced for large companies, with cost expectations decreasing by 8.8 points from 77.2 to 68.4, compared with a 3.9-points decline for SMEs, from 75.5 to 71.6. Real Estate Activities, Health & Social Services and Retail Trade sectors were among the sectors anticipating the strongest increases in costs.

- **Growth Confidence** rose by 1.5 points to 57.1, rebounding alongside the moderation in cost expectations. Retail Trade, Hotels, Restaurants & Accommodations and Education sectors reported the lowest levels of growth confidence.

- **Profitability expectations** also increased by 5.1 points to 52.6 in Q2 2026, reversing the sharp decline in Q1 2026. The recovery extended across both SMEs (increase by 4.7 points) and large companies (increase by 6.9 points). Hotels, Restaurants & Accommodations, Administrative & Support Service Activities, and Real Estate Activities sectors reported the most subdued profitability expectations.

EXECUTIVE SUMMARY (4/4)

- **Operational Capacity Utilisation** increased slightly by 0.6 points to 57.4, suggesting a slight strengthening in business activity. Stronger capacity pressures was reported by Retail Trade, Education, and Hotels, Restaurants & Accommodations sectors.

- **Hiring Outlook** rose by 1.2 points from the previous quarter. Standing at 56.3, the index suggests that there is a slight improvement in businesses' employment expectations. IT & Related Services, Manufacturing and Logistics & Transportation sectors reported weaker hiring outlook.

- **Confidence in Access to Financing** strengthened slightly in Q2 2026, with an increase of 1.0 points from the previous quarter to 54.8. Relatively lower confidence was reported by IT & Related Services, Administrative & Support Service Activities and Education sectors.

- **Sentiments towards Government Support** remained broadly stable in Q2 2026, with the index edging up by 0.4 points. Health & Social Services, Banking & Insurance, and Education sectors were the most positive sectors, while Retail Trade, Administrative & Support Services Activities and IT & Related Services sectors were more subdued.

SECTION 1

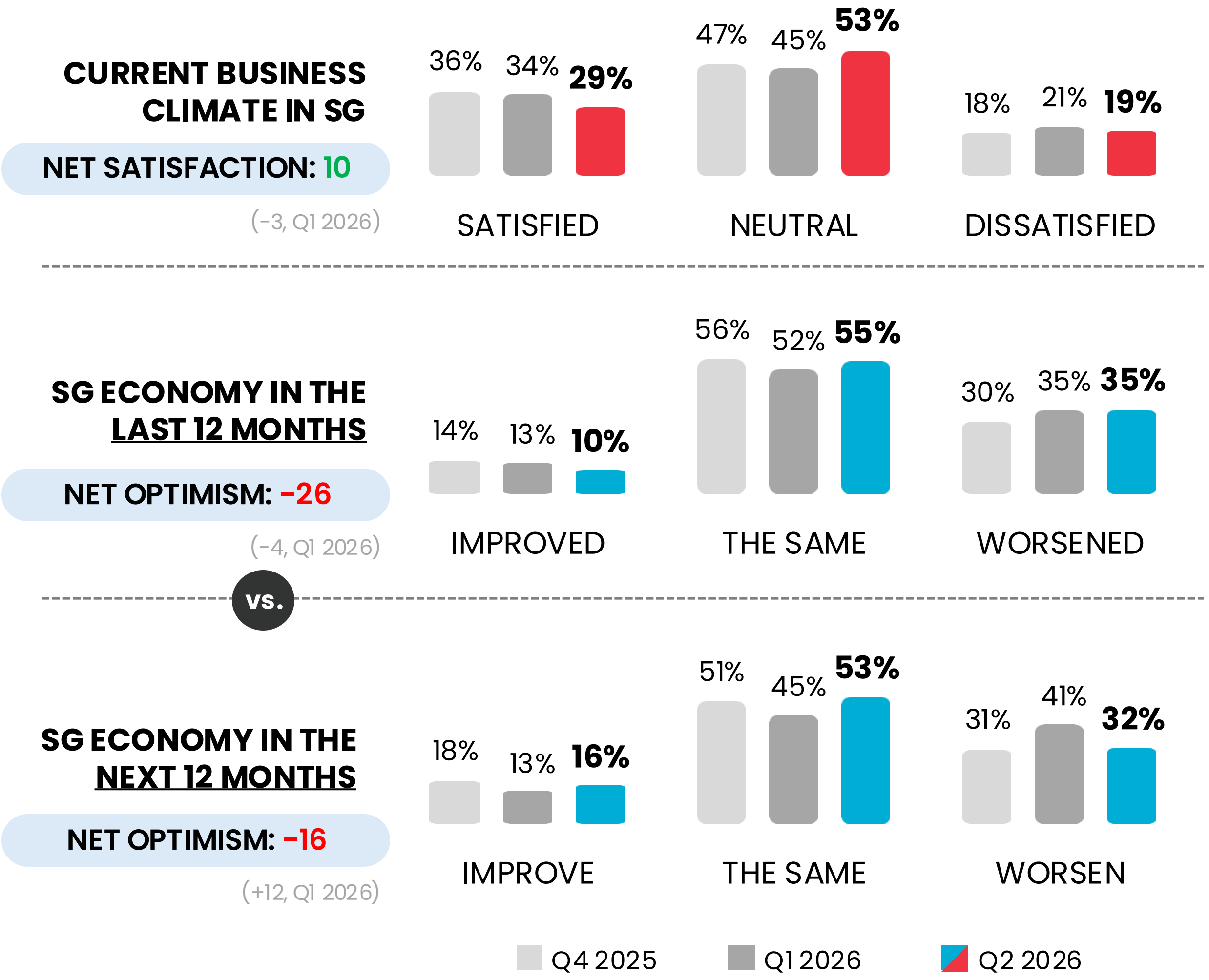
BUSINESS SENTIMENTS

Business optimism towards Singapore's future economic prospect improved in Q2 2026, despite cautious views on current conditions

While fewer businesses (32%) expect conditions to worsen over the next 12 months, down from 41% in Q1 2026, majority remain cautious, with 53% adopting a wait-and-see outlook

Meanwhile, satisfaction with Singapore's current business conditions dipped in Q2, amid continued energy and cost pressures following the disruptions in Q1.

Business Sentiment In Singapore

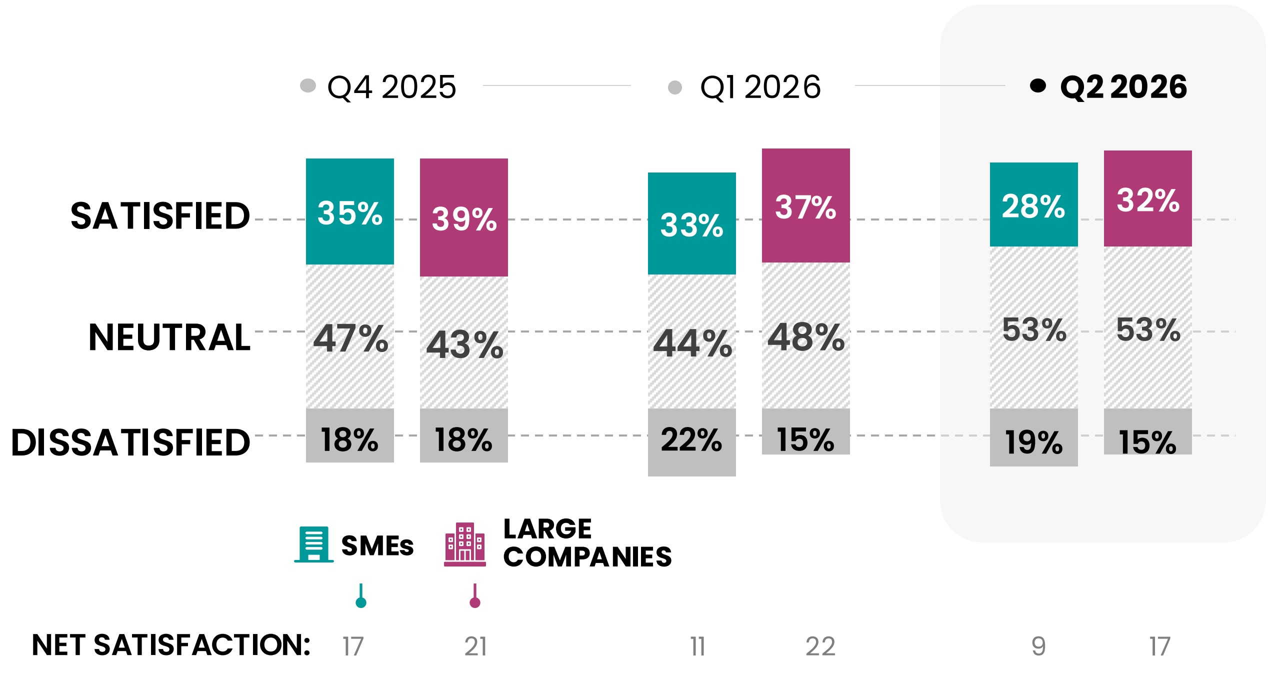


Decimal points have been rounded up. The total may not add up to 100%.

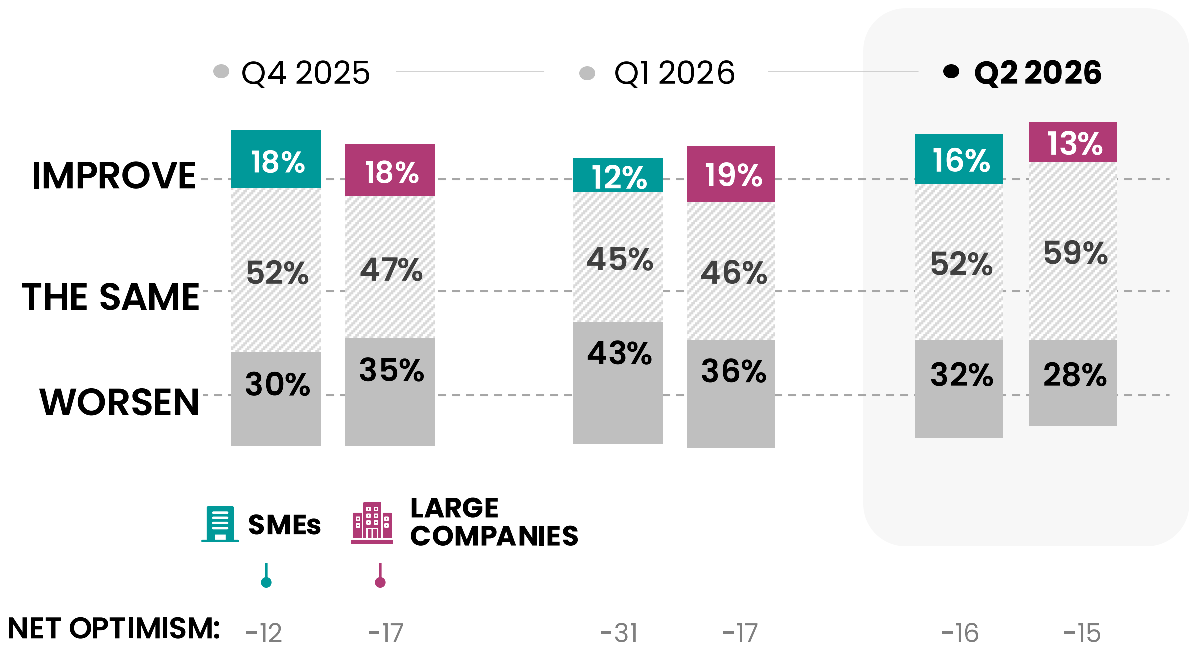
Base: All Respondents: n=645 (Q4, 2025), n=410 (Q1, 2026), n=511 (Q2, 2026)
Q1 How satisfied or dissatisfied are you with the current business / economic climate?
Q2 Would you say that the business/economic climate in Singapore...?

Pessimism eased across both SMEs and Large Companies in Q2 2026, with fewer businesses expecting business conditions to worsen over the coming year

OUTLOOK ON CURRENT BUSINESS CLIMATE



OUTLOOK ON NEXT 12 MONTHS



Base: All Respondents: Q4 2025 (Overall, n=645 | SME, n=543, LC, n=102), Q1 2026 (Overall, n=410 | SME, n=329, LC, n=81), Q2 2026 (Overall, n=511 | SME, n=433, LC, n=78)
Q1 How satisfied or dissatisfied are you with the current business / economic climate?
Q2 Would you say that the business/economic climate in Singapore...?

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

Businesses in the Retail Trade, Health & Social Sciences and Education sectors report weaker confidence in business conditions over the next 12 months

Base, n=		PAST 12 MONTHS WORSENED	PAST 12 MONTHS THE SAME	PAST 12 MONTHS IMPROVED	NEXT 12 MONTHS WORSEN	NEXT 12 MONTHS THE SAME	NEXT 12 MONTHS IMPROVE
95	**Wholesale Trade**	38%	55%	8%	32%	50%	18%
44	**Professional Services**	33%	62%	6%	37%	38%	25%
9*	**Retail Trade**	50%	42%	8%	50%	42%	8%
4*	**Hotels, Restaurants & Accommodations**	33%	67%	0%	33%	67%	0%
21*	**Logistics & Transportation**	34%	55%	10%	34%	59%	7%
7*	**Real Estate Activities**	29%	71%	0%	29%	57%	14%
57	**Manufacturing** (e.g. Food, Textiles, Paper products, Chemicals, Metals etc.)	41%	52%	7%	28%	58%	14%
14*	**Banking & Insurance**	19%	69%	13%	25%	63%	13%
46	**Other Financial and Insurance Activities** (e.g. Holding/Investment companies)	22%	63%	15%	22%	57%	20%
46	**Construction & Civil Engineering**	33%	55%	12%	33%	57%	10%
24*	**IT & Related Services**	44%	50%	6%	25%	66%	9%
25*	**Administrative & Support Service Activities**	38%	42%	19%	35%	46%	19%
5*	**Other Service Activities**	50%	17%	33%	50%	17%	33%
2*	**Health & Social Services**	50%	50%	0%	50%	50%	0%
9*	**Education**	33%	44%	22%	44%	33%	22%
10*	**Others**	33%	67%	0%	33%	67%	0%

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

SBF BLACK BOX

Base: All Respondents, n=511 (Q2, 2026)
Q2. Would you say that the business/economic climate in Singapore...?

**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)

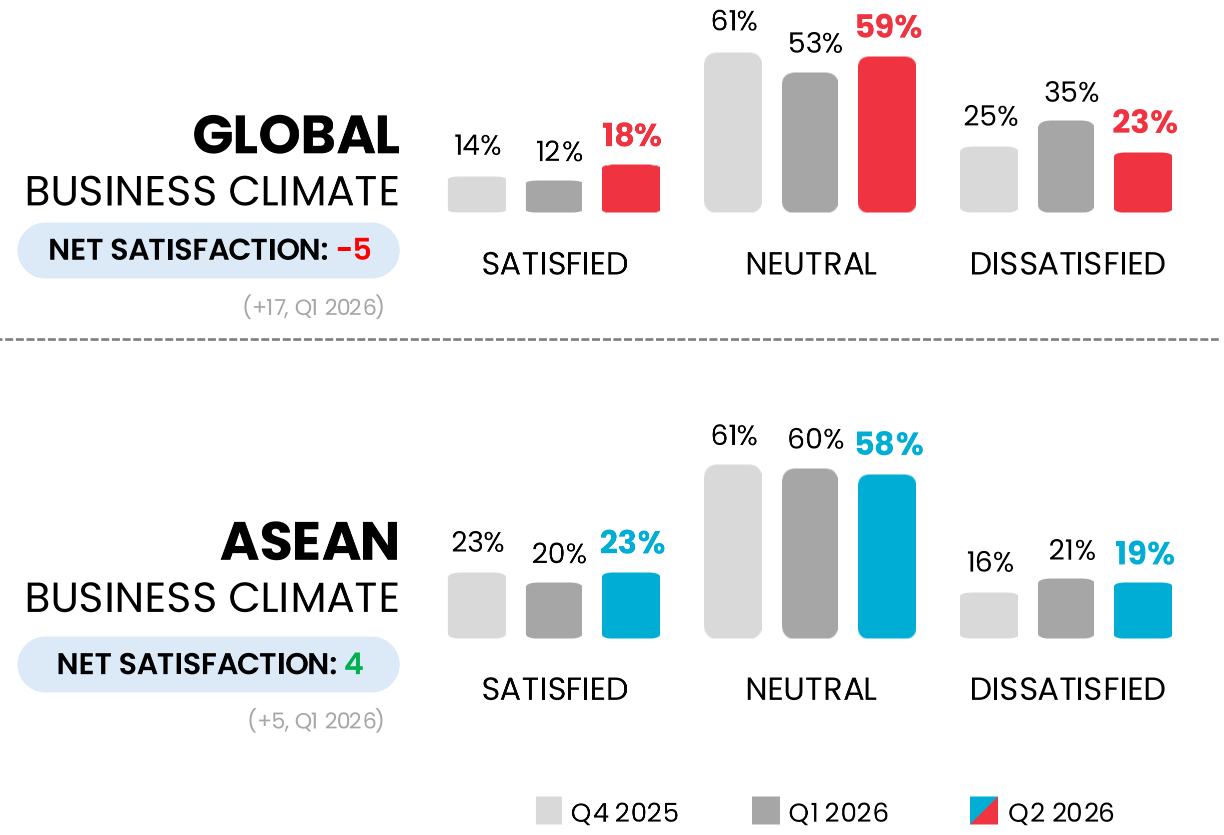
Concerns over global business conditions has moderated in Q2 2026, reversing the spike in Q1 and falling back to levels seen before the energy-market disruptions

Slight uptick in business satisfaction towards global economic conditions in Q2, but majority (59%) continued to adopt a cautious outlook.

Meanwhile dissatisfaction with the global business climate fell by 12 percentage points to 23%, suggesting initial shock of Q1 disruptions is easing, though caution lingers.

Outlook on ASEAN business climate remains cautious, though businesses also reported a slight uptick in satisfaction, reversing the decline in Q1.

Business Sentiment on Global & Regional Economic Climate



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

Base: All Respondents, n=645 (Q4, 2025), n=410 (Q1, 2026), n=511 (Q2, 2026)
Q1 How satisfied or dissatisfied are you with the current business / economic climate?

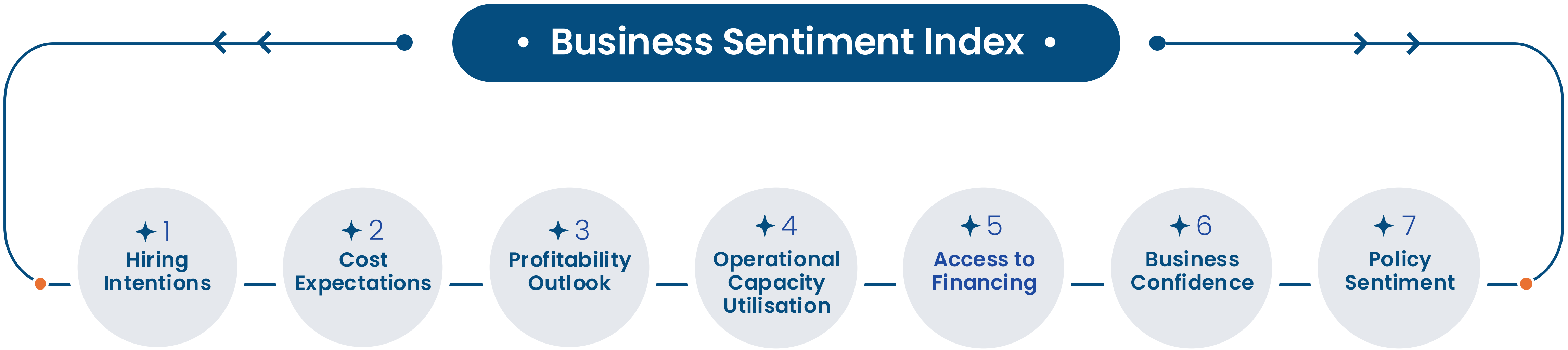
SECTION 2

BUSINESS SENTIMENT INDEX

BUSINESS SENTIMENT INDIEX

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 INDIEX 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.

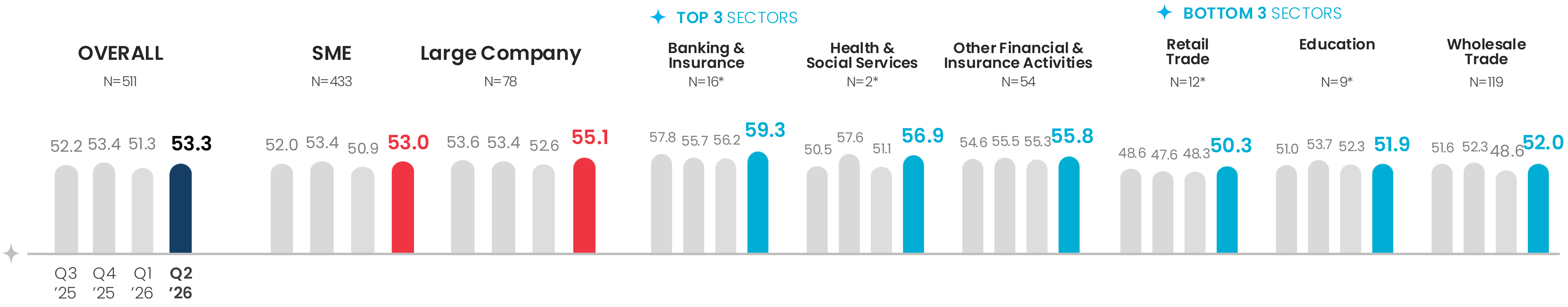
Cost Index	Interpretation
80 - 100	**Strong Business Pessimism & Contractionary Outlook –Businesses expect significant cost pressures, indicating a challenging environment for growth.**
60 - 79	**Cautious or Slightly Negative Outlook – Businesses express concerns over rising cost pressures, leading to 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 recovered in Q2 2026, with the BSI rising by 2.0 points to 53.3 and broadly reversing decline in Q1. The recovery extended across both SMEs (+2.1 pts) and Large Companies (+2.5 pts), **signalling a general improvement in business confidence after a challenging Q1.** The rebound was likely supported by resilient economic growth in Singapore and the absence of further escalation or shipping disruptions in the Gulf. However, ongoing energy-market pressures and uncertainty surrounding U.S. trade policy may limit further optimism. Sectoral sentiment is led by Banking & Insurance, Health & Social Services and Other Financial & Insurance Activities (e.g. holding/investment companies) sectors, while Retail Trade, Education and Wholesale Trade sectors remained the more subdued sectors.

OVERALL BSI PERFORMANCE

Q3'25 Q4'25 Q1'26 **Q2'26**



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Base: All Respondents - Overall Index Score, 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), Q2 2026 (Overall, n=511 | SME, n=433, LC, n=78)

Overall BSI by Sectors

Business Sentiment Index improved across most sectors in Q2 2026, reversing much of the softening seen in Q1.

Real Estate Activities, Health & Social Services, Manufacturing, Wholesale Trade, and Banking & Insurance sectors saw stronger rebound of business confidence.

Base, Q2 2026

Base	Sector	Q3 2025	Q4 2025	Q1 2026	Q2 2026	CHANGE
6*	Other Service Activities	53.3	58.0	57.3	60.1	2.8
16*	**Banking & Insurance**	57.8	55.7	56.2	59.3	3.1
2*	**Health & Social Services**	50.5	57.6	51.1	56.9	5.8
54	Other Financial & Insurance Activities	54.6	55.5	55.3	55.8	0.5
7*	**Real Estate Activities**	52.7	49.9	43.0	54.4	11.4
52	Professional Services	53.4	55.1	54.8	53.9	-0.9
58	Construction & Civil Engineering	53.6	52.1	51.5	53.6	2.1
71	**Manufacturing**	51.4	53.2	49.6	53.2	3.6
26*	Administrative & Support Svc Activities	51.0	51.9	51.9	52.5	0.6
	BSI: 53.3					
29*	Logistics & Transportation	52.1	52.1	52.9	52.5	-0.4
6*	Hotels, Restaurants & Accomm	46.8	51.0	54.0	52.4	-1.6
32	IT & Related Services	49.4	56.3	49.4	52.4	3.0
119	**Wholesale Trade**	51.6	52.3	48.6	52.0	3.4
9*	Education	51.0	53.7	52.3	51.9	-0.4
12*	Others*	52.7	54.2	45.5	50.9	5.4
12*	Retail Trade	48.6	47.6	48.3	50.3	2.0

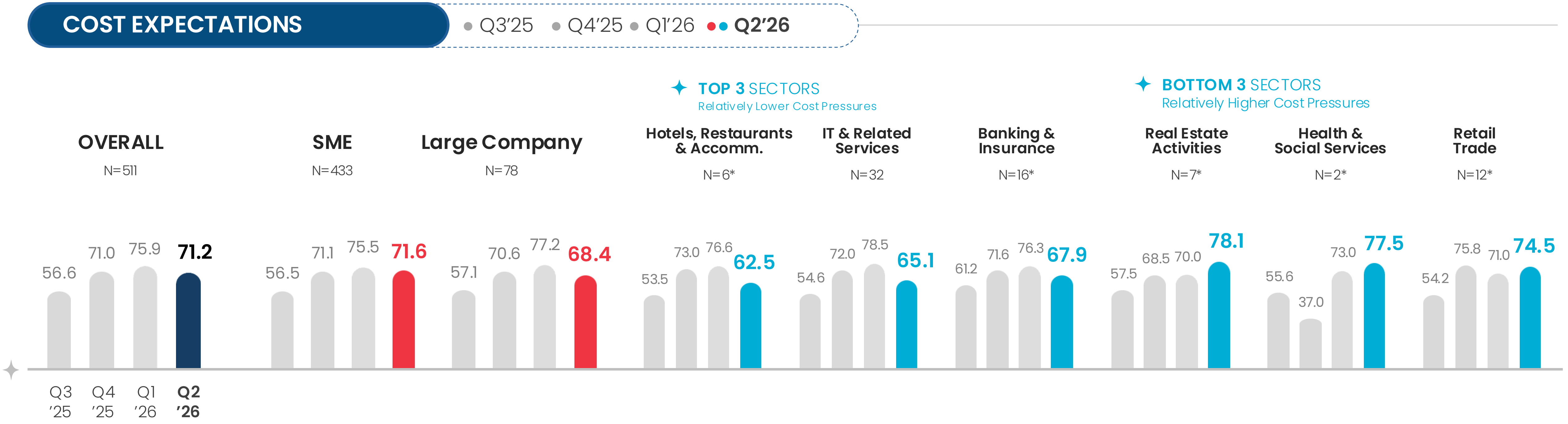
***Caveat**: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

Base: All Respondents, n=553 Q3 2025, n=645 Q4 2025, n=410 Q1 2026, n=511 Q2 2026
Overall Index Score

*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)

Business Sentiment Index Sub-Component: Cost Expectations

Cost expectations eased alongside the recovery in business sentiment in Q2 2026, with the index falling by 4.7 points from 75.9 to 71.2 , suggesting that the initial shock of the energy disruptions in Q1 may be moderating. Cost expectations index declined across both company segments, although the decrease was more substantial among Large Companies (-8.8 points) than SMEs (-3.9 points). Despite the decline, cost expectations remain elevated, as businesses continued to anticipate pressures from higher energy prices, and rising material and supply chain costs. Cost expectations were highest among Real Estate Activities and Retail Trade sectors, while Hotels, Restaurants & Accommodations, IT & Related Services and Banking & Insurance reported relatively lower cost concerns.



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Q3 How do you anticipate your company's cost will change over the next six months?

Cost Expectations Sub-Index by Sectors

Cost expectations eased across most sectors in Q2 2026, particularly among service sectors such as Hotels, Restaurants & Accommodations, IT & Related Services, Banking & Insurance, and Administration & Support Service Activities.

Meanwhile, sectors with greater exposure to goods, energy and supply-chain costs, such as Retail Trade and Manufacturing, continued to report cost expectations above the overall benchmark.

BSI: 71.2

Base, Q2 2026		Q3 2025	Q4 2025	Q1 2026	**Q2 2026**	CHANGE
7*	Real Estate Activities	57.5	68.5	70.0	78.1	8.1
2*	Health & Social Services	55.6	37.0	73.0	77.5	4.5
12*	Retail Trade	54.2	75.8	71.0	74.5	3.5
71	Manufacturing	55.8	73.2	80.1	74.4	-5.7
12*	Others*	56.1	60.4	71.9	73.7	1.8
52	Professional Services	57.5	71.0	72.0	72.7	0.7
119	Wholesale Trade	56.0	69.3	76.3	71.5	-4.8
29*	Logistics & Transportation	56.4	70.3	75.2	70.8	-4.4
54	Other Financial & Insurance Activities	58.4	70.8	73.4	70.7	-2.7
9*	Education	56.9	73.0	80.0	70.0	-10.0
58	Construction & Civil Engineering	57.4	69.6	75.0	69.9	-5.1
26*	**Administrative & Support Svc Activities**	55.8	74.9	78.0	69.5	-8.5
16*	**Banking & Insurance**	61.2	71.6	76.3	67.9	-8.4
6*	Other Service Activities	56.6	74.8	71.2	67.0	-4.2
32	**IT & Related Services**	54.6	72.0	78.5	65.1	-13.4
6*	**Hotels, Restaurants & Accomm**	53.5	73.0	76.6	62.5	-14.1

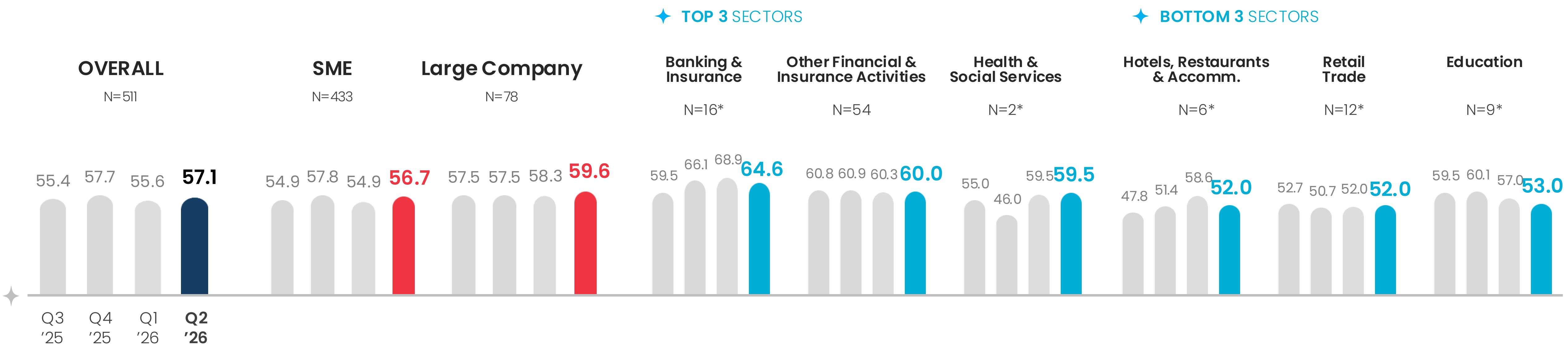
*Others (e.g. Agriculture and Fishing/Mining and Quarrying/Water Supply, Sewerage, Waste management/Public Administration and Defence/Arts, Entertainment and Recreation/ Electricity, Gas and Air-Conditioning Supply)

*__Caveat__: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*
Base: All Respondents, n=553 Q3 2025, n=645 Q4 2025, n=410 Q1 2026, n=511 Q2 2026
Overall Index Score

Business Sentiment Index Sub-Component: Growth Confidence

Growth confidence rebounded in Q2 2026 alongside the moderation in cost expectations, with the index rising by 1.5 points to 57.1 and broadly reversing the Q1 decline. Confidence improved among both SMEs (+1.8 points) and Large Companies (+1.3 points), although SMEs remained less optimistic about their growth prospects amid continued economic uncertainty and elevated cost pressures. Banking & Insurance, Other Financial & Insurance Activities (e.g. holding/investment companies) and Health & Social Services sectors recorded the strongest growth outlooks, while Hotels, Restaurants & Accommodations, Retail Trade and Education sectors remained relatively less upbeat.

GROWTH CONFIDENCE Q3'25 Q4'25 Q1'26 **Q2'26**



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Q8 How confident are you about your business' growth prospects over the next six months?

Growth Confidence Sub-Index by Sectors

The absence of further escalation in the Gulf crisis in Q2 2026 saw improved growth confidence among with greater exposure to energy and supply-chain disruptions, such as Manufacturing, Construction & Civil Engineering and Wholesale Trade.

However, growth confidence weakened among Hotels, Restaurants & Accommodations, Banking & Insurance, and Professional Services sectors amid continued global economic uncertainties, technology disruptions, and more cautious consumer sentiments.

Base, Q2 2026		Q3 2025	Q4 2025	Q1 2026	**Q2 2026**	CHANGE
6*	Other Service Activities	56.3	65.8	65.8	**65.5**	-0.3
16*	Banking & Insurance	59.5	66.1	68.9	**64.6**	-4.3
54	Other Financial & Insurance Activities	60.8	60.9	60.3	**60.0**	-0.3
2*	Health & Social Services	55	46	59.5	**59.5**	-
71	**Manufacturing**	52.9	58.5	54.3	**59.2**	4.9
32	IT & Related Services	53.3	63.6	56.0	**58.7**	2.7
52	Professional Services	57.7	59	62.3	**58.1**	-4.2
58	**Construction & Civil Engineering**	55.9	55.2	54.1	**57.8**	3.7
26*	Administrative & Support Svc Activities	54.3	53.1	57.0	**56.0**	-1.0
119	**Wholesale Trade**	54.8	56.4	50.7	**54.9**	4.2
	BSI: 57.1					
7*	Real Estate Activities	53.6	55	40.0	**53.7**	13.7
29*	Logistics & Transportation	53.3	54.8	55.9	**53.1**	-2.8
9*	Education	59.5	60.1	57.0	**53.0**	-4.0
12*	Others*	55	57.7	47.1	**52.7**	5.6
6*	Hotels, Restaurants & Accomm	47.8	51.4	58.6	**52.0**	-6.6
12*	Retail Trade	52.7	50.7	52.0	**52.0**	-

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

*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)

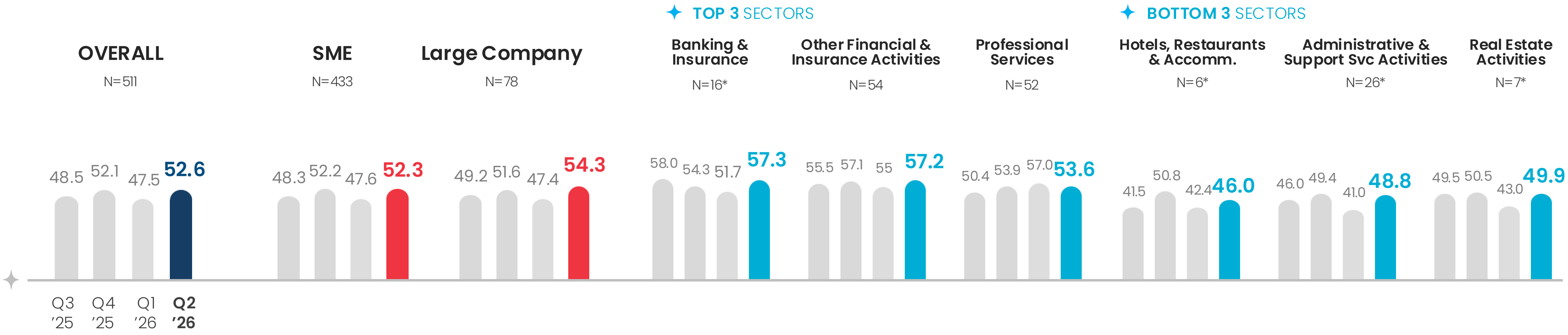
Base: All Respondents, n=553 Q3 2025, n=645 Q4 2025, n=410 Q1 2026, n=511 Q2 2026
Q8 How confident are you about your business' growth prospects over the next six months?

Business Sentiment Index Sub-Component: Profitability Expectations

Profitability expectations rebounded in Q2 2026, with the index rising by 5.1 points to 52.6 and broadly reversing the sharp decline recorded in Q1. The recovery extended across both SMEs (+4.7 points) and Large Companies (+6.9 points), signalling a recovery in earnings outlook following the disruptions experienced in Q1. Banking & Insurance and Other Financial & Insurance Activities are in the lead in terms of profitability outlook, while confidence among Hotels, Restaurants & Accommodations, Administrative & Support Services and Real Estate Activities sectors remained relatively weaker.

PROFITABILITY EXPECTATIONS

Q3'25 Q4'25 Q1'26 **Q2'26**



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

Base: All Respondents, Overall Index Score, 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), Q2 2026 (Overall, n=511 | SME, n=433, LC, n=78)
Q4 What are your expectations for your business' profitability in the upcoming six months?

Profitability Expectations Sub-Index by Sectors

Profitability expectations rebounded across most sectors in Q2 2026, after the disruptions experienced in Q1.

The strongest improvements in outlook were reported among Manufacturing, Administration & Support Service Activities, Wholesale Trade, Retail Trade and IT & Related Services sectors.

BSI: 52.6

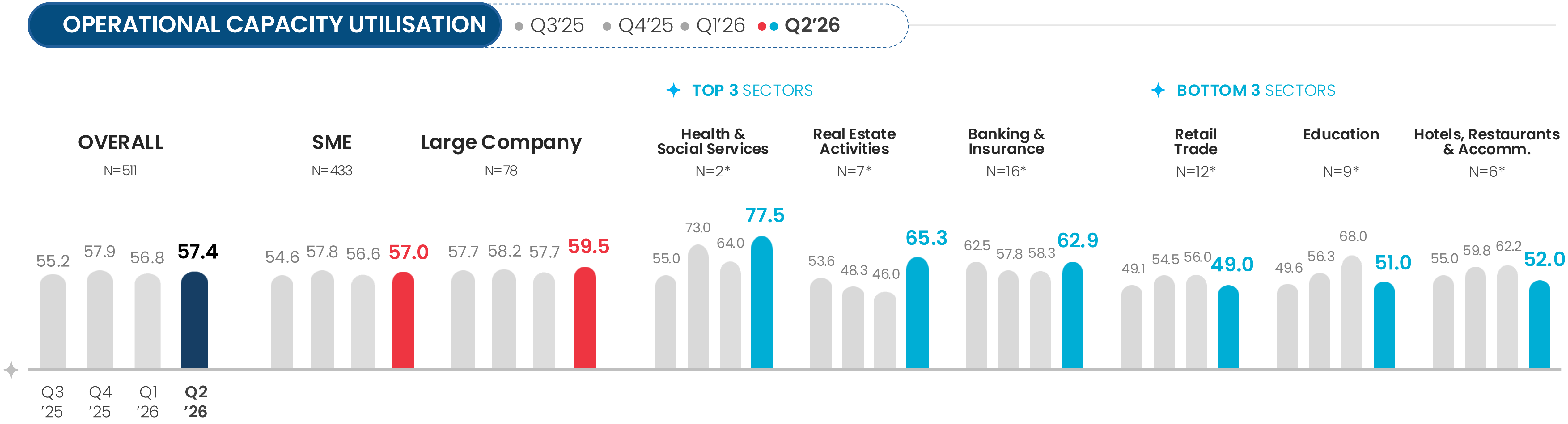
Base, Q2 2026		Q3 2025	Q4 2025	Q1 2026	**Q2 2026**	CHANGE
6*	Other Service Activities	48.6	59.5	51.4	61.0	9.6
16*	Banking & Insurance	58.0	54.3	51.7	57.3	5.6
54	Other Financial & Insurance Activities	55.5	57.1	55.0	57.2	2.2
52	Professional Services	50.4	53.9	57.0	53.6	-3.4
32	**IT & Related Services**	42.6	54.4	46.6	53.3	6.7
71	**Manufacturing**	46.2	52.7	44.8	52.6	7.8
58	Construction & Civil Engineering	49.1	50.2	47.1	52.2	5.1
29*	Logistics & Transportation	46.5	50.3	50.3	52.2	1.9
12*	**Retail Trade**	39.7	44.1	45.0	52.0	7.0
119	**Wholesale Trade**	48.4	49.8	43.7	51.3	7.6
2*	Health & Social Services	50.5	46.0	41.5	50.5	9.0
9*	Education	45.1	46.0	45.0	50.0	5.0
7*	Real Estate Activities	49.5	50.5	43.0	49.9	6.9
26*	**Administrative & Support Svc Activities**	46.0	49.4	41.0	48.8	7.8
12*	Others*	50.0	55.0	40.4	47.5	7.1
6*	Hotels, Restaurants & Accomm	41.5	50.8	42.4	46.0	3.6

*__Caveat__: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*
Base: All Respondents, n=553 Q3 2025, n=645 Q4 2025, n=410 Q1 2026, n=511 Q2 2026
Q4 What are your expectations for your business' profitability in the upcoming six months?

*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)

Business Sentiment Index Sub-Component: Operational Capacity Utilisation

Operational capacity utilisation index edged up by 0.6 points to 57.4 in Q2 2026, suggesting a slight strengthening in business activity. The rise was driven primarily by Large Companies (+1.8 points), consistent with their stronger growth and profitability confidence. Meanwhile SMEs reported a slight uptick of 0.4-points. At 57.4, the index suggests that businesses were generally operating close to capacity, without indications of widespread over-capacity. Across sectors, operational capacity utilisation was relatively higher among Real Estate Activities and Banking & Insurance, while Retail Trade, Education and Hotels, Restaurants & Accommodations reported relatively lower operational capacity utilisation.



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Q6 At what capacity is your business currently operating?

Operational Capacity Utilisation Sub-Index by Sectors

Operational capacity utilisation trends varied across sectors in Q2 2026. Utilisation increased among Banking & Insurance, Manufacturing and IT & Related Services, suggesting stronger operating activity or capacity usage.

In contrast, Hotels, Restaurants & Accommodations, Education and Retail Trade reported lower utilisation levels.

Base, Q2 2026		Q3 2025	Q4 2025	Q1 2026	Q2 2026	CHANGE
2*	Health & Social Services	55.0	73.0	64.0	77.5	13.5
6*	Other Service Activities	58.9	64.0	69.4	67.0	-2.4
7*	Real Estate Activities	53.6	48.3	46.0	65.3	19.3
16*	**Banking & Insurance**	62.5	57.8	58.3	62.9	4.6
52	Professional Services	57.4	61.1	60.3	60.7	0.4
26*	Administrative & Support Svc Activities	53.9	57.8	57.0	59.5	2.5
12*	Others*	58.0	58.6	59.5	58.0	-1.5
54	Other Financial & Insurance Activities	56.8	59.6	59.7	57.8	-1.9
	BSI: 57.4					
71	**Manufacturing**	53.4	56.8	53.7	57.3	3.6
58	Construction & Civil Engineering	57.5	57.1	57.0	56.4	-0.6
32	**IT & Related Services**	51.6	61.1	53.1	56.1	3.0
119	Wholesale Trade	54.1	55.1	54.4	56.0	1.6
29*	Logistics & Transportation	56.3	58.5	58.4	55.6	-2.8
6*	**Hotels, Restaurants & Accomm**	55.0	59.8	62.2	52.0	-10.2
9*	Education	49.6	56.3	68.0	51.0	-17.0
12*	**Retail Trade**	49.1	54.5	56.0	49.0	-7.0

BSI: 57.4

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

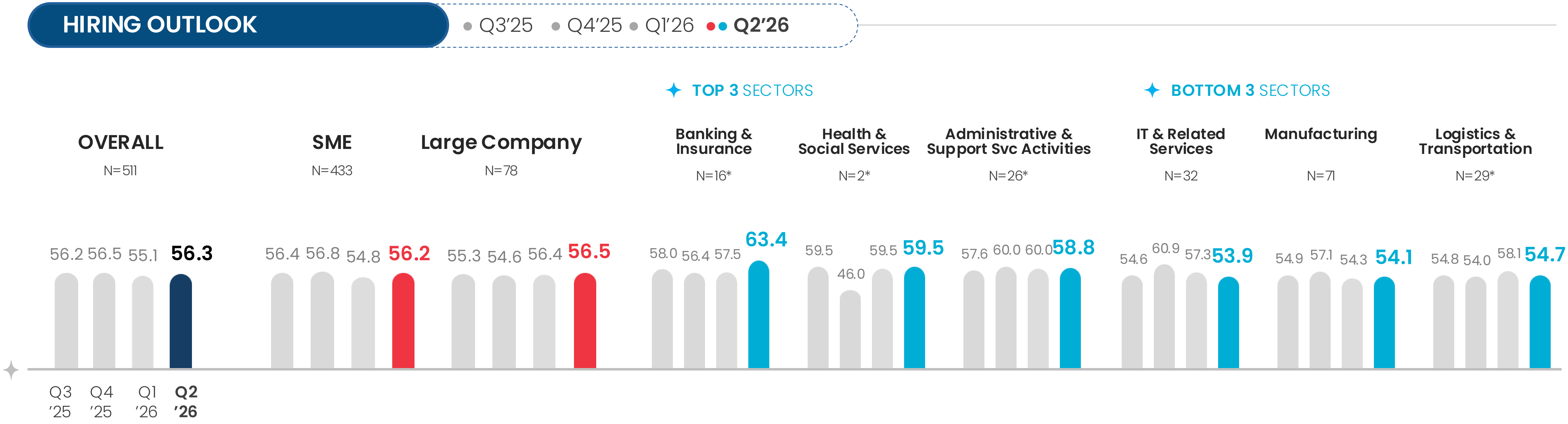
*Others (e.g. Agriculture and Fishing/Mining and Quarrying/Water Supply, Sewerage, Waste management/Public Administration and Defence/Arts, Entertainment and Recreation/ Electricity, Gas and Air-Conditioning Supply)

Base: All Respondents, n=553 Q3 2025, n=645 Q4 2025, n=410 Q1 2026, n=511 Q2 2026
Q6 At what capacity is your business currently operating?

SBF BLACK BOX

Business Sentiment Index Sub-Component: Hiring Outlook

The hiring outlook index rose modestly by 1.2 points to 56.3 in Q2 2026, indicating a slight improvement in businesses' employment expectations. At this level, the index suggests that businesses generally intend to maintain current headcount levels, rather than pursue workforce expansion. SMEs recorded a slightly stronger improvement in hiring outlook (+1.4 pts), while Large Companies remained broadly stable (+0.1 pts). Across sectors, Banking & Insurance, Health & Social Services and Administration & Support Service Activities sectors reported stronger hiring intentions, whereas IT & Related Services, Manufacturing and Logistics & Transportation sectors were comparatively more cautious.



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Hiring Outlook Sub-Index by Sectors

Hiring sentiment strengthened among Real Estate Activities, Banking & Insurance, Wholesale Trade and Professional Services sectors in Q2 2026.

In contrast, IT & Related Services sectors stood out for reporting a notable decline in hiring sentiments for the second consecutive quarters.

Base, Q2 2026		Q3 2025	Q4 2025	Q1 2026	Q2 2026	CHANGE
16*	**Banking & Insurance**	58.0	56.4	57.5	63.4	5.9
2*	Health & Social Services	59.5	46.0	59.5	59.5	-
26*	Administrative & Support Svc Activities	57.6	60.0	60.0	58.8	-1.2
52	**Professional Services**	58.7	60.8	55.5	58.5	3.0
6*	Other Service Activities	54.4	61.3	56.8	58.0	1.2
58	Construction & Civil Engineering	59.3	53.3	55.2	57.6	2.4
12*	Retail Trade	52.3	51.7	52.0	57.2	5.2
54	Other Financial & Insurance Activities	57.6	57.9	57.7	56.5	-1.2
7*	**Real Estate Activities**	57.8	52.8	40.0	56.3	16.3
	BSI: 56.3					
9*	Education	62.2	60.1	56.0	56.0	-
119	**Wholesale Trade**	54.6	53.6	51.7	55.4	3.7
6*	Hotels, Restaurants & Accomm	54.1	60.4	69.4	55.0	-14.4
12*	Others*	51.0	48.7	46.0	55.0	9.0
29*	Logistics & Transportation	54.8	54.0	58.1	54.7	-3.4
71	Manufacturing	54.9	57.1	54.3	54.1	-0.2
32	IT & Related Services	54.6	60.9	57.3	53.9	-3.4

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

Base: All Respondents, n=553 Q3 2025, n=645 Q4 2025, n=410 Q1 2026, n=511 Q2 2026
Q5 What are your hiring plans for the next six months?

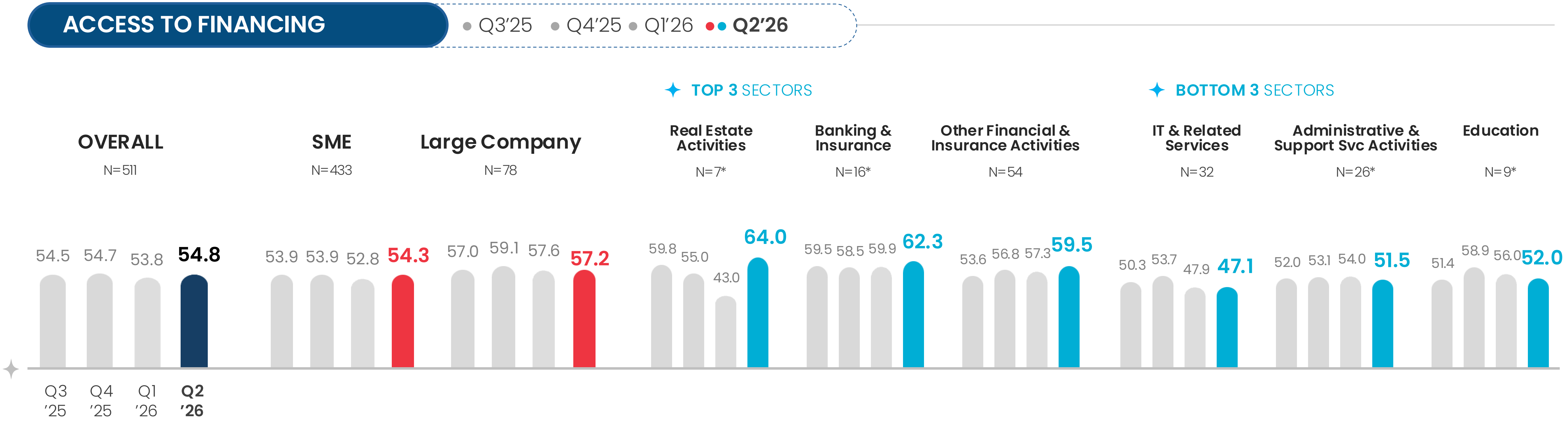
*Others (e.g. Agriculture and Fishing/Mining and Quarrying/Water Supply, Sewerage, Waste management/Public Administration and Defence/Arts, Entertainment and Recreation/ Electricity, Gas and Air-Conditioning Supply)

SBF BLACK BOX

Business Sentiment Index Sub-Component: Access to Financing

Financing confidence strengthened slightly in Q2 2026, with the index rising by 1.0 point to 54.8. SMEs reported an uptick financing confidence (+1.5 pts) potentially supported by the announcement of cash grants and relief measures, while financing confidence among Large Companies remained broadly stable (-0.4 points). Across sectors, Real Estate Activities, Banking & Insurance and Other Financial & Insurance Activities (e.g. holding/investment companies) sectors reported the strongest financing confidence, while IT & Related Services, Administrative & Support Services and Education sectors remained relatively less confident about financing conditions.

ACCESS TO FINANCING



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Q7 How would you rate the ease of obtaining financing or credit for your business needs?

Access to Financing Sub-Index by Sectors

Access to financing improved across most sectors in Q2 2026, suggesting slightly better outlook on credit availability and borrowing conditions.

Hotels, Restaurants, & Accommodations and Education sectors reported more notable declines in financing confidence in Q2.

Base, Q2 2026		Q3 2025	Q4 2025	Q1 2026	Q2 2026	CHANGE
7*	Real Estate Activities	59.8	55.0	43.0	64.0	21.0
16*	Banking & Insurance	59.5	58.5	59.9	62.3	2.4
54	Other Financial & Insurance Activities	53.6	56.8	57.3	59.5	2.2
6*	Other Service Activities	51.1	58.6	51.4	58.0	6.6
29*	Logistics & Transportation	56.3	55.0	54.1	57.2	3.1
12*	**Retail Trade**	56.6	48.8	47.0	57.2	10.2
71	Manufacturing	55.2	53.6	56.5	56.1	-0.4
2*	Health & Social Services	55.0	55.0	37.0	55.0	18.0
	BSI: 54.8					
6*	Hotels, Restaurants & Accomm	49.6	53.2	60.4	55.0	-5.4
52	Professional Services	50.8	54.2	51.8	54.3	2.5
58	Construction & Civil Engineering	56.5	53.7	54.8	53.8	-1.0
119	Wholesale Trade	54.8	55.8	53.2	53.2	-
9*	Education	51.4	58.9	56.0	52.0	-4.0
12*	Others*	57.0	56.8	42.6	52.0	9.4
26*	Administrative & Support Svc Activities	52.0	53.1	54.0	51.5	-2.5
32	IT & Related Services	50.3	53.7	47.9	47.1	-0.8

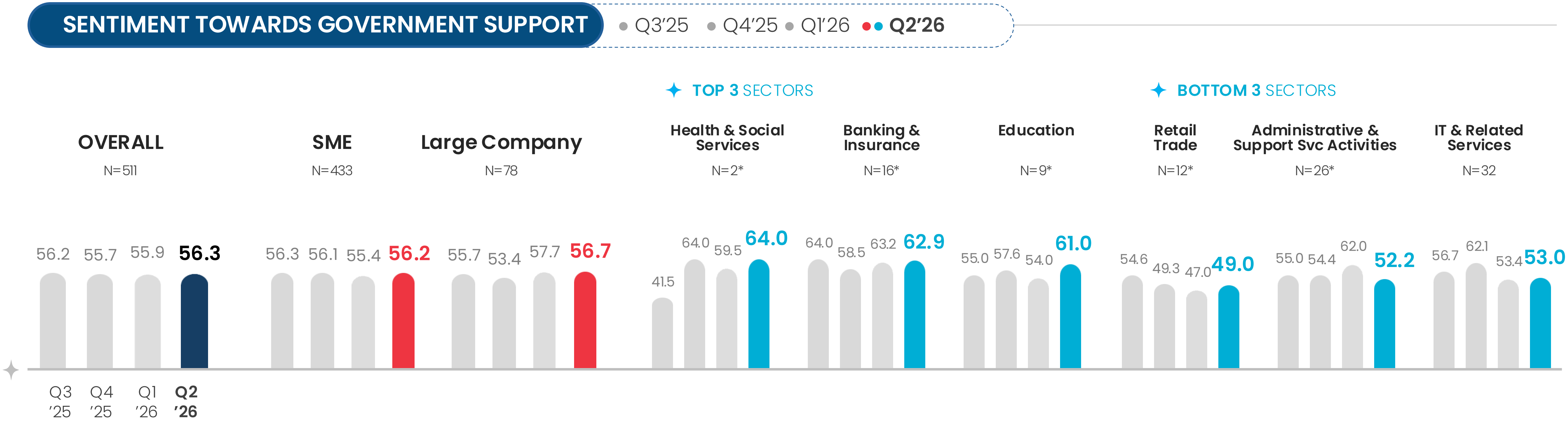
**Caveat*: *Low sample size limits statistical robustness, and results should be interpreted as directional insights.*

Base: All Respondents, n=553 Q3 2025, n=645 Q4 2025, n=410 Q1 2026, n=511 Q2 2026
Q7 How would you rate the ease of obtaining financing or credit for your business needs?

*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)

Business Sentiment Index Sub-Component: Sentiment towards Government Support

The government support sentiment index remained broadly stable in Q2 2026, edging up by 0.4 points to 56.3. SMEs recorded a slight uptick of 0.8 pts, while index among Large Companies softened by 1.0 point. The results preceded the implementation of additional support measures and grants that took effect in late July 2026, as such the impact on business sentiments may become more evident in subsequent waves. Across sectors, Health & Social Services, Banking & Insurance and Education were the most positive sectors, while sentiment was comparatively weaker among Retail Trade, Administration & Support Service Activities and IT & Related Services sectors.



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Government Support Sub-Index by Sectors

Sentiment towards government support remained broadly positive across sectors in Q2 2026.

However, sentiment weakened more considerably in Administrative & Support Service Activities, Professional Services, and Logistics & Transportation sectors, signalling potential sector-specific challenges or gaps in perceived support.

Base, Q2 2026

Base	Sector	Q3 2025	Q4 2025	Q1 2026	**Q2 2026**	CHANGE
6*	Other Service Activities	60.1	61.3	67.6	68.5	0.9
2*	Health & Social Services	41.5	64.0	59.5	64.0	4.5
16*	Banking & Insurance	64.0	58.5	63.2	62.9	-0.3
9*	Education	55.0	57.6	54.0	61.0	7.0
7*	Real Estate Activities	56.4	46.0	49.0	60.1	11.1
54	Other Financial & Insurance Activities	56.1	57.0	60.5	60.0	-0.5
6*	Hotels, Restaurants & Accomm	47.8	44.2	51.4	59.5	8.1
71	Manufacturing	57.3	56.8	54.1	57.5	3.4
58	Construction & Civil Engineering	55.0	54.6	57.2	57.0	-0.2
	BSI: 56.3					
29*	**Logistics & Transportation**	57.5	52.5	58.4	55.3	-3.1
12*	Others*	55.0	53.2	44.9	55.0	10.1
52	**Professional Services**	58.4	57.5	58.5	54.8	-3.7
119	Wholesale Trade	54.8	54.6	52.6	54.5	1.9
32	IT & Related Services	56.7	62.1	53.4	53.0	-0.4
26*	**Administrative & Support Svc Activities**	55.0	54.4	62.0	52.2	-9.8
12*	Retail Trade	54.6	49.3	47.0	49.0	2.0

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

*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)

Base: All Respondents, n=553 Q3 2025, n=645 Q4 2025, n=410 Q1 2026, n=511 Q2 2026
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 .

Supporting Trade Associations and Chambers (TACs)

AmChamSG

AiSP Advance Connect Excel

AIPRO Association of Independent Producers Singapore

ASME

AustCham Singapore Your Australian Business Connection

CDAS

DASL Dormitory Association Singapore Limited

EuroCham Singapore

UN Global Compact Global Compact Network Singapore

JCCI Singapore

NATAS National Association of Travel Agents Singapore

Print & Media Association Singapore

REDAS

SGTECH

Singapore Association for Private Education

SACEOS Meetings • Incentives • Conventions • Exhibitions • Events Singapore

SCIC Singapore Chemical Industry Council

新加坡中華總商會 Singapore Chinese Chamber of Commerce & Industry

SCS Singapore Computer Society

新加坡建築商公會有限公司 The Singapore Contractors Association Ltd

Singapore Fashion Council

SFA Singapore Fintech Association

Singapore Green Building Council

SID Singapore Institute of Directors

Singapore Logistics Association

SMCTA

SMF

SRA Singapore Retailers Association Empower Business | Build Connections | Transform Retail

SSA Singapore Shipping Association

SICC Singapore International Chamber of Commerce

STAS Specialists Trade Alliance of Singapore

SWEDCHAM Swedish Chamber of Commerce Singapore

abs The Association of Banks in Singapore