

## Media Advisory

### **SBF National Business Survey 2026 – Q1 2026 Business Sentiments Businesses Outlook Turned More Cautious Amid Global Uncertainty; Confidence in Access to Financing Support Held Steady**

The Singapore Business Federation (SBF) released findings from its National Business Survey 2026 – Q1 Business Sentiments Edition, which revealed that overall business confidence has weakened at the start of the year as firms contend with ongoing global energy volatility and supply chain disruptions.

The Business Sentiment Index (BSI) declined by 2.1 to 51.3 points in Q1 2026, reversing the improvement in the previous quarter as cost pressures intensified and profitability expectations weakened. Business outlook also turned more cautious, with 41% of businesses anticipating tougher economic conditions over the next 12 months – up from 31% in Q4 2025. The decline in confidence was largely driven by small and medium-sized enterprises (SMEs), which proved more vulnerable to the shifting macro-economic landscape in comparison to larger companies. Despite this, confidence in access to financing and government support held broadly steady.

This National Business Survey is a key survey conducted by SBF to understand the needs, concerns and priorities of businesses in Singapore amid an evolving economic landscape. The findings inform SBF's advocacy efforts and engagement with the Government, helping shape policies to support the business community. A summary of key findings can be found below:

#### **KEY FINDINGS**

1. Overall business sentiment has weakened.

The BSI fell by 2.1 points to 51.3 in Q1 2026, reversing the improvement recorded in Q4 2025. Similarly, businesses reported a more cautious outlook, with satisfaction towards the current business climate declining to 34%, while the proportion of businesses expecting Singapore's economy to worsen in the next 12 months increased from 31% to 41%. This likely reflects concerns over disruptions to the global supply of energy and other key inputs stemming from the conflict in the Middle East.

2. SMEs drive decline in business confidence.

The decline in business confidence was driven primarily by SMEs, with 43% anticipating worsening business conditions, up sharply from 30% in the previous quarter. In contrast, Large Companies demonstrated greater resilience, with sentiment remaining broadly stable despite the volatility experienced in Q1 2026.

3. Business sentiment weakens across most sectors.

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The BSI declined across most sectors in Q1 2026, with the Real Estate Activities, Retail Trade, Wholesale Trade and IT & Related Services sectors emerging as the most bearish. Conversely, businesses in the Banking, Financial & Insurance Activities and Professional Services sectors were comparatively more bullish.

4. Cost pressures intensify amid global energy and logistics disruptions.

Cost expectations rose from 71.0 in Q4 2025 to 75.9 in Q1 2026, marking the largest increase among all the BSI sub-components. Most businesses anticipate higher costs over the next six months, driven by expectations of continued global energy and logistics disruptions that are likely to intensify cost pressures. The sectors expected to be most affected include Manufacturing, Education and IT & Related Services sectors.

5. Profitability outlook weakens in Q1 2026.

Profitability expectations declined by 4.6 points in Q1 2026, reversing the improvement in sentiment observed in Q4 2025 and signalling a broad-based weakening in the earnings outlook. The Administrative & Support Service Activities, Health & Social Services, and Hotels, Restaurants & Accommodation sectors reported the weakest profitability expectations.

6. Growth confidence eases amid rising uncertainty.

Growth confidence softened by 2.1 points to 55.6 in Q1 2026, as businesses adopted a more cautious outlook amid rising costs, weaker profitability expectations, and heightened uncertainty. The 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. In contrast, the Hotels, Restaurants & Accommodation, Administrative & Support Service Activities, and Health & Social Services sectors remained relatively more optimistic.

7. Businesses maintain cautious hiring stance.

Hiring outlook edged down by 1.4 points to 55.1 in Q1 2026, indicating that businesses generally intend to maintain current workforce levels over the next six months, with limited appetite for expanding headcount. Softer hiring sentiment was more evident among SMEs, while large companies reported an improvement in hiring confidence following declines over the previous two quarters. The Hotels, Restaurants & Accommodation, Administrative & Support Service Activities, Health & Social Services, and Logistics & Transportation sectors demonstrated relatively stronger hiring intentions. In contrast, the Real Estate Activities, Wholesale Trade, Retail Trade, and Manufacturing sectors were more subdued in their hiring outlook.

8. Capacity utilisation eases slightly.

Operational Capacity Utilisation declined slightly by 1.1 points to 56.8 in Q1 2026, in line with the softer hiring and growth outlook. Despite the overall moderation, stronger capacity pressures were reported by the Education, Health & Social Services, Hotels, Restaurants & Accommodation, and Professional Services sectors.

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9. Access to financing remains stable.

Confidence in access to financing remained relatively steady at 53.8 in Q1 2026, declining marginally by 0.9 points from the previous quarter. This indicates that businesses continued to view financing conditions and access to credit as generally stable. Nevertheless, lower levels of confidence were observed among businesses in the Health & Social Services, Real Estate Activities, Retail Trade, and IT & Related Services sectors.

10. Confidence in government support holds steady.

Sentiment towards Government Support remained broadly stable at 55.9 in Q1 2026, with the sub-component index inching up by 0.2 points from the previous quarter. The Banking & Insurance and Administrative & Support Service Activities sectors expressed the highest levels of confidence in government support, whereas the Retail Trade, Real Estate Activities, Hotels, Restaurants & Accommodation, and Wholesale Trade sectors reported comparatively weaker sentiment.

**Annex A:** [SBF National Business Survey 2026 – Q1 2026 Business Sentiments Report](#)

**Annex B:** [SBF National Business Survey 2026 – Q1 2026 Business Sentiments Infographic](#)

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**About Singapore Business Federation (新加坡工商联合总会)**

Singapore Business Federation (SBF) is the apex business chamber with over 34,000 members across diverse industries. With a vision to advance Singapore towards a globally competitive and sustainable economy, SBF mobilises the business community to be future-ready and magnify transformation opportunities through policy advocacy, partnership platforms and capability programmes.

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