Media Advisory

SBF National Business Survey 2026 – Q2 2026 Business Sentiments

Business Confidence Rebounds in Q2, Buoyed by AI Momentum and Resilient Domestic Growth

The Singapore Business Federation (SBF)'s National Business Survey 2026 – Q2 Business Sentiments Edition revealed a rebound in business confidence in the second quarter, even as businesses continue to navigate near-term headwinds. The upturn was supported by resilient domestic growth, strong Artificial Intelligence (AI) momentum and the Middle East conflict having a less severe impact than anticipated.

The Business Sentiment Index (BSI) improved by 2.0 points to 53.3 in Q2 2026, reversing the decline recorded in the previous quarter. Business outlook also brightened, with the share of businesses expecting Singapore's economy to worsen over the next 12 months falling from 41% in Q1 to 32% in Q2. The improvement was broad-based, with easing cost pressures and stronger profitability expectations and growth confidence. Sentiment around access to financing and government support continues to remain steady.

Mr Kok Ping Soon, Chief Executive Officer, SBF, said, "Business sentiment has rebounded in Q2 2026, reflecting greater confidence in Singapore's economic outlook and easing cost pressures. While external risks remain, businesses are demonstrating resilience, adapting to changing conditions, and positioning themselves for growth. Our focus must now be on helping companies strengthen their competitiveness, embrace innovation and capture new opportunities in a rapidly evolving global economy."

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. **Business sentiment rebounds as businesses regain confidence in Singapore's economic outlook.**

   BSI rose by 2.0 points to 53.3 in Q2 2026, reversing the decline in Q1 2026. Similarly, businesses reported a more optimistic outlook, with the proportion of businesses expecting Singapore's economy to worsen over the next 12 months decrease from 41% in Q1 2026 to 32% in Q2 2026. The improved outlook was likely supported by resilient domestic growth, stronger-than-expected global AI investment boom and less severe-than-feared impact from the Middle East conflict. Nonetheless, satisfaction with current business conditions remained subdued, suggesting that while expectations have improved, businesses continue to face near-term challenges.

2. **Business sentiment improves across most sectors.**

   The BSI improved across most sectors in Q2 2026, signalling a broad-based improvement in business sentiment. Banking & Insurance, Health & Social Services, and Other Financial & Insurance Activities (e.g. Holding/Investment companies) sectors were the most bullish, while Retail Trade, Education and Wholesale Trade sectors were comparatively more bearish.

3. **Cost pressures ease in Q2 2026, led by large companies.**

   Cost expectations fell by 4.7 points from 75.9 in Q1 2026 to 71.2 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 expecting the largest cost increases, while Hotels, Restaurants & Accommodations, IT & Related Services and Banking & Insurance sectors reported comparatively lower cost concerns.

4. **Growth confidence rebounds as cost pressures ease.**

   Growth confidence rose by 1.5 points to 57.1 in Q2 2026, reversing the decline in the previous quarter, alongside the moderation in cost expectations. Banking & Insurance, Other Financial & Insurance Activities (e.g. Holding/Investment companies) and Health & Social Services sectors were the most optimistic sectors. However, growth confidence remained relatively subdued for Retail Trade, Hotels, Restaurants & Accommodations, and Education sectors.

5. **Profitability expectations strengthen in Q2 2026.**

   Profitability expectations rose by 5.1 points to 52.6 in Q2 2026, reversing the sharp decline recorded in Q1 2026. The improvement was broad-based across both SMEs and large companies, with increases of 4.7 points and 6.9 points respectively. Banking & Insurance, Other Financial & Insurance Activities (e.g. Holding/Investment companies) and Professional Services sectors recorded the strongest profitability outlook, while Hotels, Restaurants & Accommodations, Administrative & Support Service Activities, and Real Estate Activities sectors reported comparatively weaker profitability expectations.

6. **Operational capacity utilisation edges up.**

   Operational capacity utilisation increased slightly by 0.6 points to 57.4 in Q2 2026, suggesting a modest strengthening in business activity. Capacity pressures were more pronounced in the Retail Trade, Education, and Hotels, Restaurants & Accommodations sectors.

7. **Hiring outlook strengthens modestly.**

Media Advisory

The hiring outlook rose by 1.2 points from the previous quarter to 56.3 in Q2 2026, indicating a modest improvement in businesses' employment expectations. The improvement was driven mainly by SMEs, which recorded a 1.4-point increase, while the outlook among large companies remained broadly stable (an increase of 0.1 points). Across sectors, Banking & Insurance, Health & Social Services, and Administrative & Support Service Activities sectors recorded stronger hiring intentions, while IT & Related Services, Manufacturing, and Logistics & Transportation sectors were comparatively more cautious.

8. **Confidence in access to financing edges up, led by SMEs.**

   Confidence in access to financing strengthened slightly in Q2 2026, with an increase of 1.0 point to 54.8. The improvement was driven by SMEs, which recorded a 1.5-point increase, potentially supported by the announcement of cash grants and relief measures. Financing confidence among large companies remained broadly stable, declining marginally by 0.4 points. Across sectors, Real Estate Activities, Banking & Insurance and Other Financial & Insurance Activities (e.g. holding/investment companies) sectors recorded the strongest financing confidence, while IT & Related Services, Administrative & Support Service Activities and Education sectors reported comparatively lower confidence in financing conditions.

9. **Confidence in government support remains stable.**

   The sentiments towards Government support remained broadly stable in Q2 2026, edging up by 0.4 points to 56.3. Health & Social Services, Banking & Insurance, and Education sectors recorded the most positive sentiments, while Retail Trade, Administrative & Support Service Activities, and IT & Related Services sectors remained comparatively more subdued.

Annex A: SBF National Business Survey 2026 – Q2 2026 Business Sentiments Report

###

For media queries, please contact:

Zeno Group *on behalf of Singapore Business Federation*
E: SBF@zenogroup.com

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.

For more information, please visit: https://www.sbf.org.sg/