Better business conditions in Q4-12: BT-UniSIM survey

GDP growth for first quarter of this year forecast at 2.2 to 2.5 per cent

By ROSALIND RAMACHANDAN

EXECUTIVE BUSINESS CLIMATE Survey (EBCS) for the fourth quarter of 2012, according to the latest BT-UniSIM Business Climate Survey, which forecast GDP growth of 2.2 to 2.5 per cent in the first quarter of this year.

The number of firms reporting a contraction in sales of 10 per cent or more, which was recorded in previous quarters, rose to 22 per cent in Q4-12, in line with the trend in the previous three quarters. In contrast, the number of firms reporting a rise in sales of 10 per cent or more, which was recorded in previous quarters, fell to 13 per cent in Q4-12, from 20 per cent in Q1-12.

The stabilisation in sales and an improvement in business prospects, likely due to the manpower crunch and recent round of property-cooling measures, is expected to benefit Singapore’s manufacturing activity in 2013, according to BT-UniSIM Business Climate Survey. While GDP growth for the first quarter of this year is forecast at 2.2 to 2.5 per cent, the expectation is that it could improve to 2.5 to 2.7 per cent in the second quarter and 3.2 to 3.5 per cent in the third quarter, driven by an expected recovery in external factors.

According to the survey, firms are also less pessimistic about business prospects, as reflected in the expectations survey. The expectation for orders/new business, which was recorded at a negative balance of 19 per cent in Q3-12, fell to 9 per cent in Q4-12. In contrast, the expectation for sales was recorded at a negative balance of 33 per cent in Q3-12, which improved to 23 per cent in Q4-12.

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