

# News Release

Embargoed until 0830 SST (0030 UTC) 5 July 2023

## S&P Global Singapore PMI®

### Strong private sector expansion continues in June

#### Key findings

Output growth accelerates with expansion in new orders

Lead times improve for first time since 2019

Output prices rise at slowest rate in just over two years

Singapore's private sector recorded another strong expansion at the end of the second quarter, albeit at a slower pace when compared to May. Sharp increases in new business supported faster activity growth. Purchasing activity and inventory levels likewise rose, though staffing levels were fractionally lower during June.

Despite continued expansions in activity, supply constraints further eased with suppliers' delivery times shortening to one of the greatest degrees on record while output price inflation slipped to a 26-month low. Meanwhile overall business confidence among Singaporean businesses improved in June.

The headline seasonally adjusted S&P Global Singapore Purchasing Manager's Index™ (PMI) - a composite single-figure indicator of performance - fell to 54.1 in June from 54.5 in May. This signalled a robust pace of expansion for Singapore's private sector that remained greater than the long-run survey average, but slower than in May.

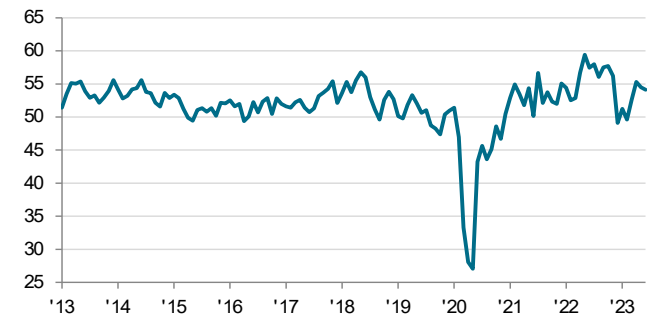
Driving the latest private sector expansion was a sustained improvement in new orders. Demand for Singaporean goods and services rose in June, extending the sequence of expansion that commenced at the start of 2023. Foreign demand remained subdued, however, registering a mild contraction in the latest survey period.

In turn, output rose at the fastest rate since last October. Sub-sector data indicated that the real estate & business services sector recorded the sharpest output growth in June. Strong growth in activity failed to suppress a marked rise in the level of outstanding business, however.

Purchasing activity also swelled at the end of the second quarter in line with continued demand growth. This contributed to overall stocks of purchases expanding at the most rapid rate since last July, led by firms in the wholesale & retail sector.

S&P Global Singapore PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Data were collected 12-26 June 2023.

#### Comment

Jingyi Pan, Economics Associate Director at S&P Global Market Intelligence, said:

*"The expansion in private sector activity continued at a historically elevated pace in June, according to PMI data, rounding off a positive second quarter performance. Solid new orders growth coupled with a further accumulation of backlogged work over the latest survey period suggest that we may continue to see robust private sector activity expansions in the coming months."*

*"The easing of supply constraints bodes well for private sector firms, while the lowering of inflationary pressures helped to alleviate some concerns over costs in June."*

*"That said, external demand remains subdued which is a point of concern. The latest rise in business activity has also failed to drive a substantial rise in overall hiring levels."*

PMI®

by S&P Global

Employment conditions remained subdued, however, with staffing levels fractionally lower than in May. Instances of resignations and weaker performance in some industries offset hiring activity among other private sector firms in June.

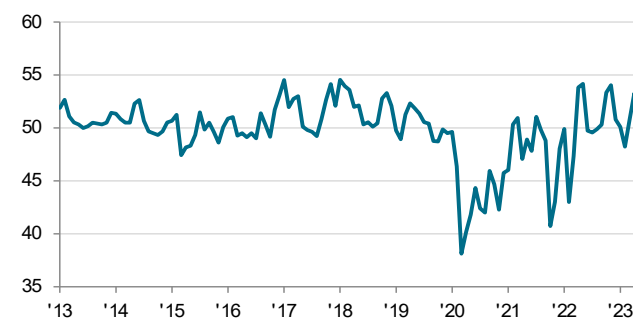
Meanwhile vendor performance improved for the first time since December 2019. Better supply chain conditions and freight performances led to suppliers' delivery times shortening the most in over six years.

Price pressures further eased across the Singaporean private sector. Overall input cost inflation descended due to slower purchase price and wage increases, which rose at the weakest paces since November 2021 and March 2023 respectively. This led to private sector firms raising their output prices at the most moderate pace in just over two years.

Business sentiment within the Singapore private sector remained positive in the latest survey with firms encouraged by the latest improvement in demand. The level of confidence further ascended to an eight-month high with hopes of sustained growth in sales.

## PMI Employment Index

sa, >50 = growth since previous month



Source: S&P Global PMI.

## Contact

Jingyi Pan  
Economics Associate Director  
S&P Global Market Intelligence  
T: +65-6439-6022  
[jingyi.pan@spglobal.com](mailto:jingyi.pan@spglobal.com)

SungHa Park  
Corporate Communications  
S&P Global Market Intelligence  
T: +82-2-6001-3128  
[sungha.park@spglobal.com](mailto:sungha.park@spglobal.com)

If you prefer not to receive news releases from S&P Global, please email [katherine.smith@spglobal.com](mailto:katherine.smith@spglobal.com). To read our privacy policy, click [here](#).

## Survey methodology

The S&P Global Singapore PMI® is compiled by S&P Global from responses to questionnaires sent to purchasing managers in a panel of around 400 private sector companies. The panel is stratified by detailed sector and company workforce size, based on contributions to GDP. The sectors covered by the survey include manufacturing, construction, wholesale, retail and services. Data were first collected August 2012.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

The headline figure is the Purchasing Managers' Index™ (PMI). The PMI is a weighted average of the following five indices: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stocks of Purchases (10%). For the PMI calculation the Suppliers' Delivery Times Index is inverted so that it moves in a comparable direction to the other indices.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the PMI survey methodology, please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

## Disclaimer

The intellectual property rights to the data provided herein are owned by or licensed to S&P Global and/or its affiliates. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without S&P Global's prior consent. S&P Global shall not have any liability, duty or obligation for or relating to the content or information ("data") contained herein, any errors, inaccuracies, omissions or delays in the data, or for any actions taken in reliance thereon. In no event shall S&P Global be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index™ and PMI® are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited and/or its affiliates.

This Content was published by S&P Global Market Intelligence and not by S&P Global Ratings, which is a separately managed division of S&P Global. Reproduction of any information, data or material, including ratings ("Content") in any form is prohibited except with the prior written permission of the relevant party. Such party, its affiliates and suppliers ("Content Providers") do not guarantee the accuracy, adequacy, completeness, timeliness or availability of any Content and are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, or for the results obtained from the use of such Content. In no event shall Content Providers be liable for any damages, costs, expenses, legal fees, or losses (including lost income or lost profit and opportunity costs) in connection with any use of the Content.