

# News Release

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## S&P Global Singapore PMI®

### Softest output expansion in almost two years

#### Key findings

Incoming new orders rise at slowest pace in 22 months

Employment levels fall marginally

Selling price inflation eases to six-month low

Singapore's private sector expansion softened at the end of 2024, according to the latest S&P Global PMI® data. Growth in new business and output both decelerated to modest paces, while the level of outstanding business rose only marginally. Despite an improvement in business confidence, firms were reluctant to raise both purchasing activity and inventory levels and even lowered employment levels for the first time since April. Finally, selling price inflation eased to a six month low as cost pressures receded in December.

The headline seasonally adjusted S&P Global Singapore Purchasing Manager's Index™ (PMI) - a composite single figure indicator of performance – posted 51.5 in December, down from 53.9 in November. This indicated a twenty-second successive monthly improvement of business conditions in the Singapore private sector, though at the weakest pace since July 2023.

Business activity expanded at a rate that was modest and the softest for 22 months at the end of 2024. This was in line with the trend for new business, where growth also decelerated to the slowest since February 2023. While Singaporean businesses generally observed an improvement in demand with business development efforts bearing fruit, some industries faced a slowdown in December according to panellists. New business rose quickest within the finance & insurance sector, but notably declined for manufacturers and construction firms.

Softer new business growth contributed to a slowdown in the rate of backlog accumulation in December. The pace at which the level of unfinished work rose was the lowest recorded in two years. With only a slight build up of capacity pressure, Singaporean private sector firms lowered their staffing levels for the first time since April, albeit only marginally.

Meanwhile, purchasing activity fell for the second month in a row and at the quickest rate since December 2022. According to panellists, sufficient inventory holdings

S&P Global Singapore PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Data were collected 05-18 December 2024.

#### Comment

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

*“December’s S&P Global Singapore PMI data revealed a further slowdown in the pace of private sector expansion at the end of 2024. Both the rates of new business and output growth decelerated markedly from November. The three-month average reading for output is now the lowest seen since the opening quarter of 2023.*

*“The good news is that we saw business confidence return to a level that was above the long-run average, thereby signalling improved optimism over output growth in 2025. It will be important to see better sentiment also translate to higher employment and purchasing activity.*

*“Finally, whilst still above average, selling price inflation notably eased at the end of 2024, falling to the lowest in six months, which will be supportive for sales.”*

PMI®

by S&P Global

underpinned the latest reduction in buying activity. Reduced purchases therefore led to a reduction in stocks of inputs in December. Additionally, firms also mentioned shipment delays contributing to the fastest depletion of input stocks in 22 months. Indeed, lead times lengthened at the most pronounced pace in 32 months.

Turning to prices, average input costs continued to increase at an above-average rate in December. This was despite the rate of inflation easing for a second successive month. Still-elevated purchase price inflation, attributed to rising input material, shipping and services costs, was the main contributor. Wage inflation meanwhile eased to the softest in the current 22-month sequence and was marginal.

Singapore private sector firms opted to share their additional cost burdens with clients, leading to another increase in selling prices. The rate of output price inflation eased in tandem with input costs but remained above-average.

Overall, sentiment in the Singaporean private sector improved at the end of 2024. Business confidence climbed back above the series average in December as firms grew more hopeful the sales can rise with better market conditions and business development plans.

### PMI Output Prices Index

sa, >50 = inflation since previous month



Source: S&P Global PMI.

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### 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@spglobal.com](mailto:economics@spglobal.com).

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