

News Release

Embargoed until 0830 SST (0030 UTC) 6 September 2023

S&P Global Singapore PMI®

Private sector expands solidly amid higher demand

Key findings

Faster new order growth drives expansion in activity

Employment returns to growth in August

Firms most optimistic since October 2022

Singapore's private sector expansion accelerated midway into the third quarter according to the latest PMI® data. Business activity rose in tandem with higher new orders, though export conditions remained weak. Consequently, firms raised their purchasing activity and expanded their workforce capacity. Inventory levels fell, however, as lead times lengthened while charge inflation remained elevated on the back of rising input costs. Overall optimism among private sector firms improved over the latest survey period.

The headline seasonally adjusted S&P Global Singapore Purchasing Manager's Index™ (PMI®) - a composite single figure indicator of performance - rose to 53.6 in August, up from 51.3 in July. This signalled a sixth consecutive monthly improvement in private sector conditions and at a pace above the series average.

August data revealed that incoming new orders rose at a markedly faster rate, underpinned by widening customer bases and with improvements in underlying demand conditions. External conditions continued to worsen, however, with new business from abroad falling at the quickest pace since November 2020.

The expansion in overall new order inflows led to private sector output rising over August. Sub-sector data signalled that firms in the real estate & business services sector experienced the fastest expansion in activity.

Employment levels also rose for the first time in four months as a result of the strong growth in new business and output. Staffing levels similarly climbed the fastest within the real estate & business services sector in August according to detailed sector data.

With the improvement in workforce numbers, Singaporean goods and service providers were able to progress some of their backlogged work, leading to a slower accumulation of outstanding work in August.

S&P Global Singapore PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Data were collected 10-24 August 2023.

Comment

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

"Private sector activity expanded at a stronger pace in August supported by improvements in demand conditions according to the latest S&P Global Singapore PMI. The composite PMI figure, covering manufacturing, services, retail and the construction sectors, signalled faster growth midway into the third quarter."

"Business confidence also improved to the strongest in ten months, precluding better operating conditions ahead. Cost inflation, while having inched up from July, remained far from the peak seen at the start of 2023."

"The one area of concern lies with exports with the seasonally adjusted New Export Orders Index remaining well in contraction territory. Sitting at a crossroads of the global economy, the data from Singapore further outlined the weakness in global trade over the latest survey period."

PMI®

by S&P Global

© 2023 S&P Global

Additionally, firms also raised their purchasing activity in line with the expansion in business activity over August. Stocks of purchases fell, however, as shipping delays and use of inputs for order fulfilment resulted in a depletion of input materials. Lead times lengthened for the first time since May, albeit only marginally.

On prices, overall input price inflation rose in August, with higher purchasing costs and wages both contributing to rising cost burdens for businesses. Consequently, private sector firms raised their selling prices again in August. The rates of both input cost and charge inflation, while still among the weakest in two years, were marked overall. Optimism within the Singaporean private sector was maintained midway into the third quarter. Firms indicated greater confidence that business activity can improve with efforts to drive sales in the current climate. Firms were the most upbeat in ten months.

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

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

If you prefer not to receive news releases from S&P Global, please email 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.

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.