

News Release

Embargoed until 0830 SST (0030 UTC) 3 April 2024

S&P Global Singapore PMI®

Solid expansion sustained at end of first quarter

Key findings

Incoming new orders rise at fastest pace in ten months...

...driving faster output growth

Price pressures ease in March

Singapore's private sector continued to expand solidly at the end of the first quarter, according to the latest PMI® data. New business and output growth rates both accelerated, driving sustained expansions of purchasing activity and employment levels. Meanwhile vendor performance deteriorated to a lesser extent while output price inflation eased with slower input cost increases. Overall sentiment remained positive in March.

The headline seasonally adjusted S&P Global Singapore Purchasing Manager's Index™ (PMI) - a composite single figure indicator of performance - posted 55.7 in March, down from 56.8 in February. This marked a thirteenth successive month in which business conditions improved in the Singaporean private sector. Despite slowing from February, the rate of expansion remained strong.

Demand conditions further improved in March with incoming new orders for Singaporean goods and services rising for a fifteenth straight month and at the fastest pace since May 2023. This led to private sector output expanding at the joint-fastest pace since October 2022. Companies in the wholesale & retail sector reported the fastest increases in both new orders and output among the monitored segments.

An accumulation of incomplete work was also observed in March and at a substantial pace as incoming new orders rose at a more pronounced rate than output. In turn, firms continued to expand their workforce capacity to cope with rising workloads.

Purchasing activity also expanded in accordance with the rise in new business and activity, thereby leading to a second successive month of input stocks accumulation. This marked only the second time that stocks of purchases expanded in nine months. Furthermore, the rate of growth was the fastest since July 2022 despite being modest overall.

Supply constraints continued, with vendor performance deteriorating for an eighth straight month in March. The

S&P Global Singapore PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Data were collected 12-22 March 2024.

Comment

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

"Singapore's private sector continued to expand at a solid pace in March, extending the strong growth conditions seen throughout the first quarter of 2024. Notably, forward-looking indicators including new orders and backlogs of work continued to rise at steep rates, hinting at sustained business activity growth in the coming months."

"March data also revealed that price pressures eased with an especially sharp decline in purchase price inflation, enabling average output prices to rise at a slower rate. That said, the rates of inflation remained historically elevated, affecting business optimism in March. This will be worth continued monitoring in the coming months."

PMI®

by S&P Global

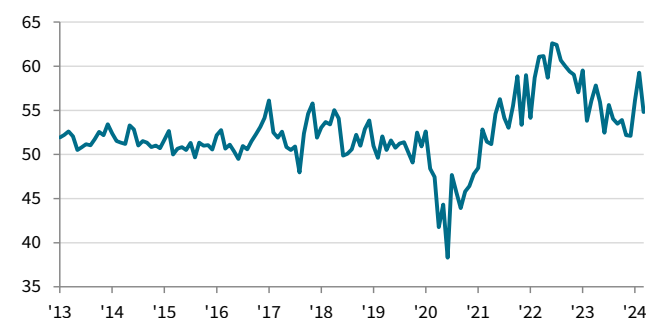
lengthening in lead times was the least pronounced in four-months, however, and only modest.

Additionally, overall input costs increased in March amidst rising raw material, transport and wage costs. That said, the rates of inflation across both purchase prices and staff costs fell in March, with the former slowing to the joint-lowest since August 2021. In turn, Singaporean private sector firms raised their selling prices at a slower rate, the softest in three months. The rates of both input cost and output price inflation remained above their respective series averages, however.

Finally, sentiment in the Singaporean private sector remained positive in March as firms were generally optimistic that business activity will rise in the year ahead. That said, the level of confidence slipped to an eight-month low with some firms being concerned about elevated prices.

PMI Output Prices Index

sa, >50 = inflation 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@spglobal.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 trade marks or registered trade marks of S&P Global Inc or licensed to S&P Global Inc 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.