

# S&P Global Singapore PMI<sup>®</sup>

## Softest improvement in business conditions in four months

### June 2025

PMI weighed down by lower employment, destocking and shorter lead times

Output growth in line with long-run trend as new business picks up

Cost inflation at lowest level in just over five years

Business conditions across Singapore continued to improve at the end of the second quarter, albeit at a softer pace as firms continued to lower both their staffing and inventory levels. Meanwhile, lead times shortened for the first time in nearly two years. More positively, output growth was broadly in line with the long-run trend and new business growth accelerated slightly. Cost pressures receded, allowing firms to hold charges steady. Sentiment improved with confidence at the highest level in three months.

The headline seasonally adjusted S&P Global Singapore Purchasing Manager's Index™ (PMI<sup>®</sup>) - a composite single figure indicator of performance – posted 51.0 in June, down from 51.5 in May. This marked a fifth consecutive month in which the index posted above the 50.0 no-change mark to signal an improvement in business conditions. The rate of growth eased for a second straight month to the lowest since February, however.

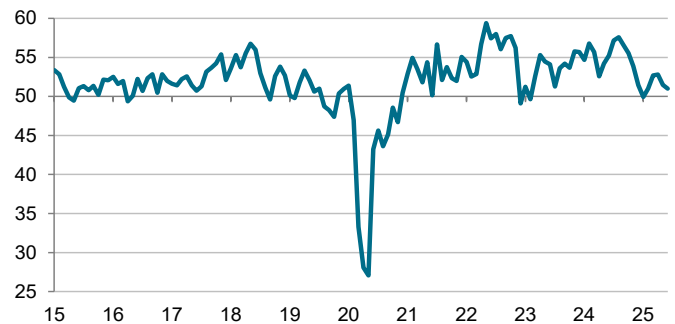
Business activity expanded at a solid pace in June, driving by rising new business. Improvements in underlying demand conditions and increased marketing efforts underpinned growth in new sales, according to panellists. That said, growth in new orders remained slower than the long-run survey average.

Despite higher new work inflows, purchasing activity shrank for the first time in five months. Singaporean businesses reported lowering their buying levels with adequate holdings of input materials. Slower replenishment of input items thereby led to another reduction in stocks of purchases. Moreover, the rate of depletion accelerated to a level faster than the series average, aggravated by the use of input stocks for order fulfilment in June.

The slowdown in input demand, coupled with better efficiency at suppliers, therefore contributed to a shortening of lead times for the first time in nearly two years.

Concurrently, staffing levels fell for the seventh month in a row, attributed to the non-replacement of job leavers and shedding of part-time staff. Outstanding business accumulated as a result of the reduction in workforce

S&P Global Singapore PMI  
Index, sa, >50 = improvement m/m



Data were collected 12-24 June 2025.

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### Comment

Commenting on the latest survey results, Jingyi Pan, Economics Associate Director at S&P Global Market Intelligence, said:

“The latest S&P Global Singapore PMI revealed that business conditions continued to improve at the end of the second quarter. Despite softening since May, the average rate of output growth in the second quarter overtook that of Q1. Moreover, this was with business sentiment turning optimistic again, indicating expectations for sustained output growth in the year ahead.

“That said, caution with hiring and inventory levels prevailed in June. This was despite a slight acceleration in the rate of new business expansion and reflected subdued optimism among companies especially given lingering jitters over the global economic outlook amidst trade policy uncertainty.

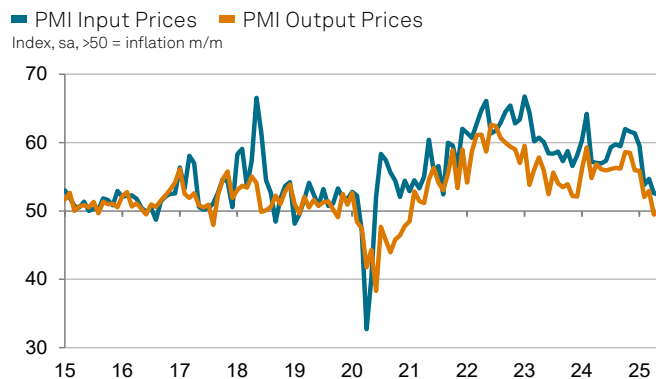
“Overall, the easing of cost pressures bodes well for charges to remain at muted levels, which in turn is supportive of rising sales in the months ahead.”

capacity.

Turning to prices, average input costs increased at the softest pace in the current sequence of inflation that spanned just over five years so far. Panellists reported that higher cost of supplies and transportation led to higher purchase costs, though the rate of inflation softened since May. This was while wage costs continued to fall.

Meanwhile, average charges were unchanged in June after rising in May. Singaporean firms indicated that they opted to absorb cost increases to support sales amid heightened competition.

Finally, sentiment in the Singaporean private sector improved at the end of the second quarter. The level of confidence was below the long-run average, but nevertheless represented an improvement from outright pessimism in May. Businesses were hopeful that expansion plans and supportive policies will support output growth in the year ahead.



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## 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. Data collection began in 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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