

# News Release

Embargoed until 0830 SST (0030 UTC) 3 March 2023

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

### Output and new orders rise only marginally in February

#### Key findings

Employment reduced as outlook turns negative

Firms cut inventories as supply chains stabilise

Price pressures ease with first fall in average salaries in 27 months

Singapore's private sector registered an overall deterioration in business conditions, according to the latest PMI<sup>®</sup> data. New orders and activity expanded only marginally, while employment, purchasing and inventories all contracted. As a result, supply constraints and price pressures eased. The 12-month outlook for activity turned negative for the first time in nearly a year.

The headline seasonally adjusted S&P Global Singapore *Purchasing Manager's Index™* (PMI) - a composite single-figured indicator of performance - lowered from 51.2 in January to 49.6 in February. Sliding below the 50.0 neutral threshold, the PMI signalled a renewed deterioration in private sector conditions. All five of the PMI components had negative directional influences in the latest period.

Demand for Singaporean goods and services rose in February, but only fractionally compared to the start of the year. Promotional activities supported the latest growth in new orders. Growth was mainly driven by the real estate & business services and consumer services sectors. Foreign demand also saw its rate of growth slow in the latest survey.

As a result of the weak rise in new orders, private sector output was only able to eke out slight gains in February. Lingering issues of supply constraints also led to a further accumulation of backlogged work over the month.

Purchasing activity shrank in February owing to the moderation in demand conditions and with sufficient input holdings at private sector firms. In turn, the stock of purchases also lowered. Anecdotal evidence suggested there is a sense of caution induced by slow-moving industry conditions which likewise led to private sector firms paring back their inventory holdings.

Indeed, business sentiment across Singaporean private sector firms turned negative for the first time since March 2022. Where a weaker outlook for activity was reported, firms reported concerns with regards to the inflation picture and

S&P Global Singapore PMI

sa, >50 = improvement since previous month



Source: S&P Global.

Data were collected 10-22 February 2023.

#### Comment

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

*“New orders and output continued to expand in the Singaporean private sector in February, which were positive signs. However, the momentum had slowed visibly which garnered concerns amongst private sector firms. Business sentiment worsened, while caution with respect to hiring and purchasing brought the overall PMI into contraction territory.”*

*“While the latest developments supported the easing of supply issues and lowering of price pressures for businesses, the lack of improvements in the demand picture does not spell good news for the Singapore private sector in the months to come. It will be important to see stronger demand performance to inspire further private sector expansion into 2023.”*

PMI<sup>®</sup>

by S&P Global

the global outlook.

Concurrently, employment levels were also lowered for the first time in six months as firms cut back on part-time and contract staffers.

More positively, supply constraints, while having persisted, eased into February. Suppliers' delivery times stayed almost unchanged after lengthening markedly at the beginning of the year.

Inflationary pressures in the Singaporean private sector slowed in February. Overall input cost inflation eased from January's record, attributed to softer purchase price inflation and lower labour costs. That said, bank charges, raw material and transport costs all continued to climb, with the overall rate of inflation still among the highest on record. On the other hand, average salaries fell for the first time since November 2020 amid job shedding and lower commission payouts. Wage reductions were driven by the wholesale & retail and manufacturing sectors. Due to lower input cost inflation and the near-stagnation in new business, private sector raised charges at the slowest rate in 15 months.

## PMI Employment Index

sa, >50 = growth since previous month



Source: S&P Global.

## 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.