

# News Release

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## S&P Global Singapore PMI®

### Business activity expansion accelerates as confidence improves

#### Key findings

New business and activity growth quicken since April

Employment levels rise marginally

Inflationary pressures remain elevated despite easing in May

Singapore's private sector expansion accelerated midway into the second quarter of 2024, according to the latest PMI® data. Faster new business and output growth led to renewed job creation in May. Purchasing activity and inventory levels also rose. While inflation rates eased, price pressures remained elevated by historical standards. Overall, the latest improvements helped to spur rising business confidence among Singaporean firms.

The headline seasonally adjusted S&P Global Singapore Purchasing Manager's Index™ (PMI) - a composite single figure indicator of performance - posted 54.2 in May, up from 52.6 in April. This marked a fifteenth successive monthly improvement of business conditions in the Singaporean private sector. The rate of improvement was solid and above the long-run trend.

Output growth accelerated in its seventeenth successive month of expansion, supported by greater new work inflows. The rate of activity growth was steep, with manufacturing firms reporting the fastest output expansion among the monitored segments. New business also increased at a more pronounced in May. Anecdotal evidence pointed to improvements in underlying demand conditions and business development efforts driving the rise in new work intakes.

The marked rise in new business led to a spillover into backlogged work, which accumulated at the fastest pace in four months. Consequently, businesses in Singapore hired more staff to cope with ongoing workloads. The rate of job addition was only marginal, however, as firms were confronted with a tight labour market.

This was also apparent for vendors to Singaporean firms, whereby suppliers' delivery times lengthened for a tenth successive month in May due to labour and shipping constraints.

Meanwhile purchasing levels rose among firms in Singapore

S&P Global Singapore PMI

sa, >50 = improvement since previous month



Source: S&P Global PMI.

Data were collected 10-24 May 2024.

#### Comment

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

*“Singapore’s private sector expansion extended into May in a solid manner according to the latest PMI data. Improvements in demand and output spurred a renewed rise in employment levels, while overall confidence levels also rose.*

*“It was encouraging to see cost pressures ease for private sector businesses, which translated to a slower increase in charges over May. Businesses have also acquired more inputs over this period, with the rate of buying activity growth being the fastest in over one-and-a-half years.*

*“The marked upturn in new orders and substantial rise in backlogged orders meanwhile hint at further expansions in business activity over the coming months, suggesting that we are likely to see growth sustained at the halfway point of 2024.”*

PMI®

by S&P Global

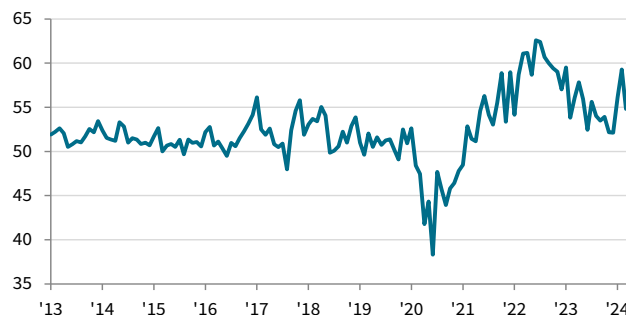
as greater input inventories were required to support business activity growth. The rate at which buying activity expanded was solid and the fastest in 19 months. Stocks of purchases rose as well.

Average input prices continued to rise in the Singaporean private sector, attributed to higher purchases prices and staff costs. That said, the rate of input cost inflation eased to a six-month low, attributed mainly to softer purchase cost inflation. Firms therefore raised their selling prices at a slower pace. The rates of input cost and output price inflation nevertheless remained above their respective series averages.

Finally, sentiment in the Singaporean private sector remained positive midway through the second quarter of the year. Firms were hopeful that improvements in market conditions and business development efforts can support output growth in the year ahead. The level of confidence rose to the highest since last October, with firms in the consumer services sector being the most upbeat.

## 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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