

# Nikkei Singapore PMI™

## Private sector growth slows in March

### Key points:

- Slower rises in output, new orders and employment
- Export levels little changed
- Optimism at six-month low

Data collected March 12–23

Growth in Singapore’s private sector lost momentum at the end of the first quarter, with slower expansions in both output and new orders. Firms continued to step up purchasing activity and boost hiring, but at a reduced pace in both cases. Input inventories grew marginally. Optimism dipped to a six-month low.

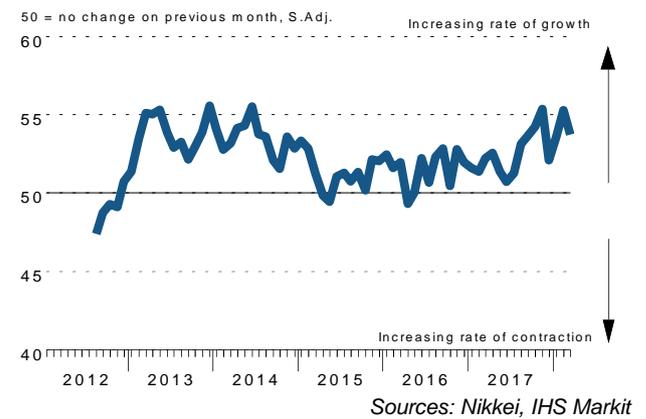
On the price front, inflationary pressures showed signs of cooling as wages rose at a noticeably slower pace than in February. Supply chains remained stretched.

The headline **Nikkei Singapore Purchasing Managers’ Index™ (PMI™)** fell from 55.3 in February to 53.7 in March. Despite the fall, the latest reading still indicated a solid improvement in the health of the sector. Moreover, the average PMI for the first quarter was the highest in nearly four years. The headline index is a composite index based on questions on new orders, output, employment, suppliers’ delivery times and inventories, thereby providing an early indication of the health of the private sector economy.

Overall client demand improved further in March, but at a slower pace amid limited gains in foreign sales. Inflows of new export orders were broadly stagnant, contrasting with expansion in recent months. The slowdown in new business growth coincided with a softer rise in output.

Employment across Singapore’s private sector rose at a weaker pace in March. While the latest growth was the slowest in the first quarter, it remained solid overall. Anecdotal evidence revealed companies continued to hire more workers due to increased business requirements.

### Nikkei Singapore PMI™



Reflective of a slower rise in new orders, companies reported a smaller increase in backlogs of work. The rate of accumulation was notably down from a survey-record pace in February.

Companies continued to scale up purchasing activity at the end of the opening quarter, though the pace of buying was slower than February and modest overall. The slower growth in input purchases corresponded to a smaller build-up in stocks.

March data indicated that cost pressures cooled markedly at Singaporean private sector firms. Overall input prices rose at the slowest rate since last December, but nonetheless contributed to a firm rise in prices charged. Greater cost burdens were connected to higher prices for raw materials, transport and wages, according to survey evidence.

Business confidence towards the 12-month outlook for output slipped to a six-month low during March. Positive expectations were generally linked to higher sales forecasts, promotional activity, new product launches and planned business expansions.

## Comment:

Commenting on the Singapore PMI survey data, **Bernard Aw**, Principal Economist at IHS Markit, which compiles the survey, said:

*“Singapore’s private sector economy is set for its strongest quarterly gain since the summer of 2014, according to the Nikkei Singapore PMI. However, the latest upturn was accompanied by lacklustre export performance.”*

*“Despite showing signs of slowing, growth in output and new business remained solid during March and above historical averages. Employment growth across Singapore’s private sector was also robust, reflecting the ongoing recovery in the labour market. In fact, the average PMI employment reading for the first quarter was the best since the survey started over five-and-a-half years ago. With further evidence of capacity pressures, hiring sentiment will likely remain buoyant in the months ahead.”*

*“While robust economic growth, as signalled by the PMI, supports the case for the Monetary Authority of Singapore to tighten its policy at the April meeting, signs of cooling export growth and threats of a global trade war could weigh on the decision.”*

-Ends-

## Nikkei Singapore PMI™ is sponsored by **NIKKEI**

Nikkei is a media organization with newspaper publishing at its core. Our flagship daily newspaper, The Nikkei, has approximately two and a half million subscribers. Nikkei's multi-platform media distribution also includes online, broadcast and magazines.

Since our founding in 1876 as the Chugai Bukka Shimpo (Domestic and Foreign Prices News), we have consistently provided high-quality reporting while maintaining fairness and impartiality. The Nikkei brand has become synonymous with trustworthiness at home and abroad.

Nikkei Inc. offers a range of media platforms to satisfy the diverse needs of our readers. At the core of these services is The Nikkei which has a circulation of approximately two and a half million. Adding further depth to our offerings are our premium content and strong digital technology. The number of paying subscribers to the Nikkei Online Edition, which was launched in 2010, has surpassed 500,000. Our fee-based online services have one of the largest readerships in the world among newspaper publishers. Eight years after its creation, the online edition is set to evolve from a medium for providing news to readers into a tool that helps people advance their careers.

In 2013, we kicked off the Nikkei Asian Review, an English-language news service provided both online and as a weekly print magazine. The following year, we established an Editorial Headquarters for Asia in Bangkok to deepen our coverage of Asian economic news. In addition, we doubled the number of reporters stationed in Asia outside Japan. 2014 also saw the launch of Nikkei Group Asia Pte., a new company in Singapore tasked with spreading the Nikkei brand in the region. Our goal is to make Nikkei the leading media voice in Asia.

<http://www.nikkei.co.jp/nikkeiinfo/en/>

## NIKKEI ASIAN REVIEW <http://asia.nikkei.com/>

### INTRODUCING THE ONLY BUSINESS PUBLICATION THAT BRINGS YOU INSIGHTS ABOUT ASIA, FROM THE INSIDE OUT

With more reporters and contributors across the region than any other business publication, only Nikkei Asian Review can give you a view of business in Asia from the inside.

Stay abreast of the latest news, analysis and insights with a subscription to Nikkei Asian Review – available in print, online, and on your mobile and tablet device.



#### Asia300:

Providing extensive coverage of over 300 leading companies in 11 countries and regions in Asia. Nikkei Asian Review aims to build the largest hub for Asian corporate news through enhanced reporting backed by large database of business and financial information on companies in the region.



#### JAPAN UPDATE:

Keeping you up-to-date with business and news from Japan.



#### VIEWPOINTS:

Bringing views of leading minds on Asia from around the world, including our column "Tea Leaves" written by some of our best writers.



#### POLITICS & ECONOMY:

Looking at fiscal and monetary policy, international affairs and more



#### MARKETS:

Deep analysis of the markets, with detailed industry news to keep you abreast of some of the fastest growing sectors in the region.



#### Video:

Watch analysts explain our articles, catch interviews with top executives.



#### Print Edition:

Weekly delivery of the best content from Nikkei Asian Review to your home or office

**For further information, please contact:**

**IHS Markit (About PMI and its comment)**

Bernard Aw, Principal Economist  
Telephone +65-6922-4226  
Email [bernard.aw@ihsmarkit.com](mailto:bernard.aw@ihsmarkit.com)

Jerrine Chia, Marketing and Communications  
Telephone +65 6922-4239  
E-mail [jerrine.chia@ihsmarkit.com](mailto:jerrine.chia@ihsmarkit.com)

**Nikkei inc.**

Ken Chiba, Deputy General Manager, Public Relations Office  
Atsushi Kubota, Manager, Public Relations Office  
Telephone +81-3-6256-7115  
Email [koho@nex.nikkei.co.jp](mailto:koho@nex.nikkei.co.jp)

**Notes to Editors:**

The Nikkei Singapore *PMI*<sup>™</sup> is based on data compiled from monthly replies to questionnaires sent to executives in over 400 private sector companies, selected to accurately represent the true structure of the Singapore economy, including manufacturing, services, construction and retail. The panel is stratified by Standard Industrial Classification (SIC) group, based on industry contribution to GDP. Survey responses reflect the change, if any, in the current month compared to the previous month based on data collected mid-month. For each of the indicators the 'Report' shows the percentage reporting each response, the net difference between the number of higher/better responses and lower/worse responses, and the 'diffusion' index. This index is the sum of the positive responses plus a half of those responding 'the same'.

The Purchasing Managers' Index<sup>™</sup> (PMI<sup>™</sup>) is a composite index based on five of the individual indexes with the following weights: New Orders - 0.3, Output - 0.25, Employment - 0.2, Suppliers' Delivery Times - 0.15, Stock of Items Purchased - 0.1, with the Delivery Times index inverted so that it moves in a comparable direction.

Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change. An index reading above 50 indicates an overall increase in that variable, below 50 an overall decrease.

IHS Markit do not revise underlying survey data after first publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series. Historical data relating to the underlying (unadjusted) numbers, first published seasonally adjusted series and subsequently revised data are available to subscribers from IHS Markit. Please contact [economics@ihsmarkit.com](mailto:economics@ihsmarkit.com).

**About IHS Markit ([www.ihsmarkit.com](http://www.ihsmarkit.com))**

IHS Markit (Nasdaq: INFO) is a world leader in critical information, analytics and expertise to forge solutions for the major industries and markets that drive economies worldwide. The company delivers next-generation information, analytics and solutions to customers in business, finance and government, improving their operational efficiency and providing deep insights that lead to well-informed, confident decisions. IHS Markit has more than 50,000 key business and government customers, including 85 percent of the Fortune Global 500 and the world's leading financial institutions. Headquartered in London, IHS Markit is committed to sustainable, profitable growth.

IHS Markit is a registered trademark of IHS Markit Ltd. All other company and product names may be trademarks of their respective owners © 2018 IHS Markit Ltd. All rights reserved.

**About PMI**

*Purchasing Managers' Index*<sup>™</sup> (PMI<sup>™</sup>) surveys are now available for over 40 countries and also for key regions including the Eurozone. They are the most closely-watched business surveys in the world, favoured by central banks, financial markets and business decision makers for their ability to provide up-to-date, accurate and often unique monthly indicators of economic trends. To learn more go to <https://ihsmarkit.com/products/pmi.html>.

The intellectual property rights to the Nikkei Singapore *PMI*<sup>™</sup> provided herein are owned by or licensed to IHS Markit. Any unauthorised use, including but not limited to copying, distributing, transmitting or otherwise of any data appearing is not permitted without IHS Markit's prior consent. IHS Markit 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 IHS Markit be liable for any special, incidental, or consequential damages, arising out of the use of the data. Purchasing Managers' Index<sup>™</sup> and PMI<sup>™</sup> are either registered trade marks of Markit Economics Limited or licensed to Markit Economics Limited. Nikkei uses the above marks under license. IHS Markit is a registered trademark of IHS Markit Ltd.

If you prefer not to receive news releases from IHS Markit, please email [joanna.vickers@ihsmarkit.com](mailto:joanna.vickers@ihsmarkit.com). To read our privacy policy, [click here](#).