EMBARGOED UNTIL 31 July 2026, 1PM

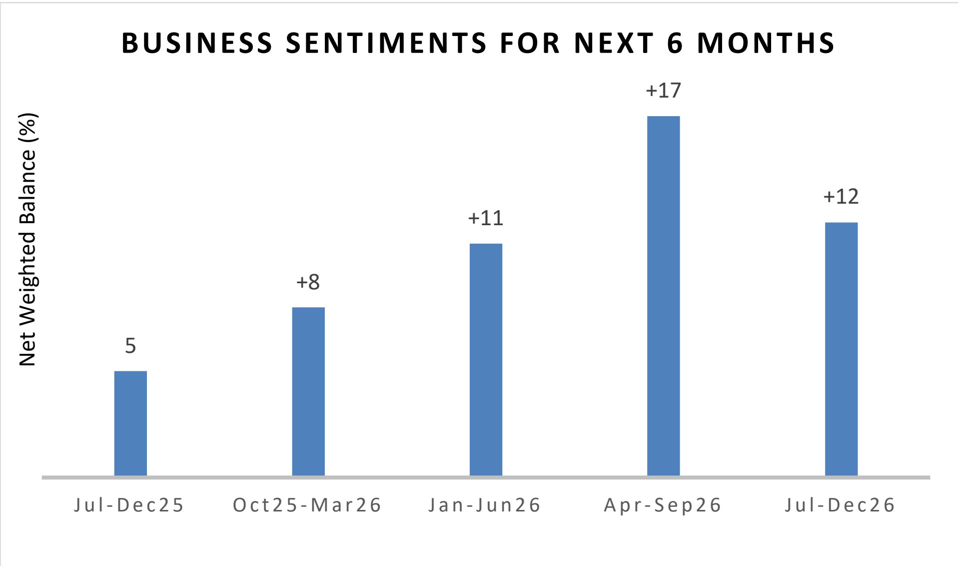
MEDIA RELEASE

31 July 2026

BUSINESS EXPECTATIONS OF THE MANUFACTURING SECTOR

I Business Sentiments for July-December 2026

Despite elevated geopolitical and economic uncertainties, business sentiments in the manufacturing sector remain optimistic, supported by strong global AI-related demand. A net weighted balance of 12% of manufacturers maintain a positive business outlook for the period Jul – Dec 2026, with a weighted 24% of firms projecting improved business conditions and a weighted 12% foreseeing a weaker business situation, compared to 2Q 2026.



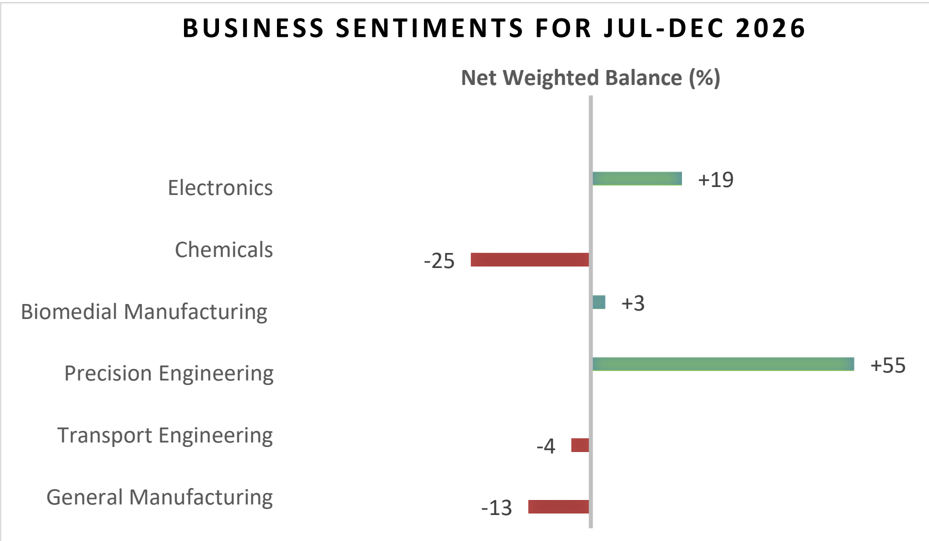
Singapore Economic Development Board
250 North Bridge Road #28-00 Raffles City Tower Singapore 179101
Tel (65) 6832 6832 Fax (65) 6832 6566 Web www.edb.gov.sg

The precision engineering cluster is the most upbeat, led by the semiconductor-related equipment firms in the machinery & systems segment, amid strong global AI-related investment.

In the electronics cluster, the semiconductor segment continues to expect favourable business conditions, supported by robust demand for semiconductors used in AI applications.

In comparison, the general manufacturing industries cluster is less optimistic, with firms citing rising costs (e.g., materials, fuel, freight) as a key concern weighing on their outlook for 2H 2026.

The chemicals cluster is the most pessimistic, as firms in the petrochemicals and petroleum segments continue to anticipate feedstock supply disruptions from the Middle East. These disruptions are expected to keep costs elevated and compress margins.



Singapore Economic Development Board
250 North Bridge Road #28-00 Raffles City Tower Singapore 179101
Tel (65) 6832 6832 Fax (65) 6832 6566 Web www.edb.gov.sg

EMBARGOED UNTIL 31 July 2026, 1PM

II Output Forecast for July-September 2026

A net weighted balance of 26% of manufacturing firms expect output to increase in 3Q 2026 compared to 2Q 2026.

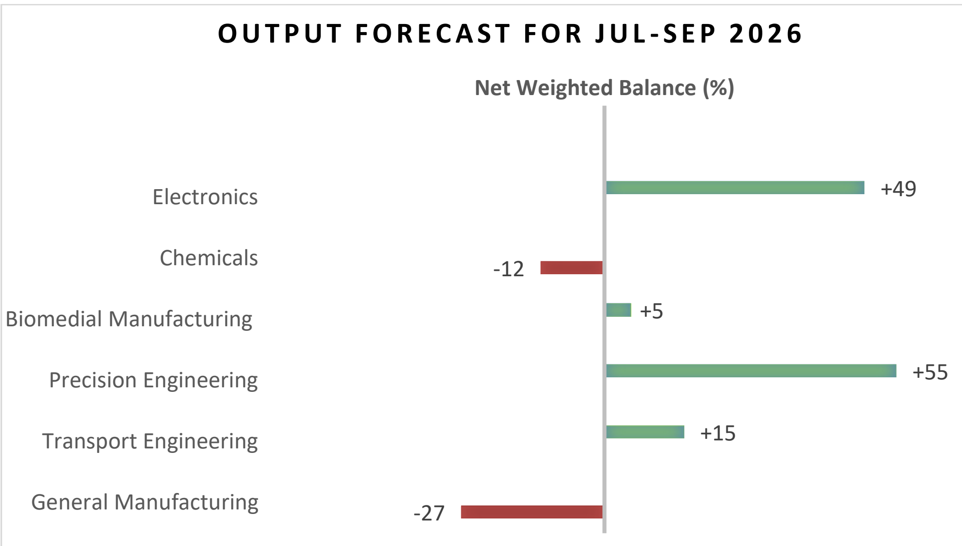
Firms in the precision engineering cluster project higher production of semiconductor-related equipment, bonding wires and optical products.

In the electronics cluster, the semiconductor segment expects higher production in view of robust demand for AI-related semiconductors, particularly for the data center end market.

Firms in the transport engineering cluster anticipate an increase in aircraft engine and component repair jobs as well as higher output of automotive components.

The chemicals cluster forecasts lower production, driven in part by feedstock shortages and scheduled maintenance shutdowns in the petroleum and petrochemicals segments.

All segments within the general manufacturing industries cluster project lower output. In particular, the food, beverages & tobacco segment anticipates softer export demand for milk and beverage products.

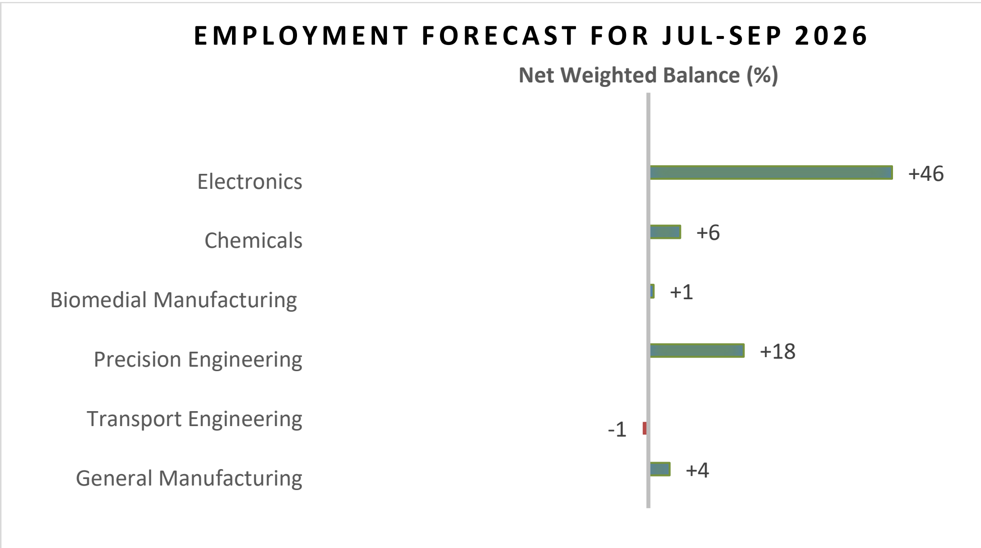


Singapore Economic Development Board
250 North Bridge Road #28-00 Raffles City Tower Singapore 179101
Tel (65) 6832 6832 Fax (65) 6832 6566 Web www.edb.gov.sg

EMBARGOED UNTIL 31 July 2026, 1PM

III Employment Forecast for July-September 2026

The majority of firms in the manufacturing sector (weighted 74%) expect the employment level in 3Q 2026 to remain broadly similar to 2Q 2026. All clusters except the transport engineering cluster project a larger workforce.



IV Factors Affecting Export Orders for July-September 2026

A weighted 24% of firms anticipate challenges in securing export orders in 3Q 2026. The top two factors cited are price competition from overseas competitors and political or economic conditions from abroad (e.g. geopolitical developments and tariffs).

Singapore Economic Development Board
250 North Bridge Road #28-00 Raffles City Tower Singapore 179101
Tel (65) 6832 6832 Fax (65) 6832 6566 Web www.edb.gov.sg

EMBARGOED UNTIL 31 July 2026, 1PM

Editors' Note:
For media enquiries, please contact Mr Hafiz Nasruddin (Tel: 6972 7870 / Handphone: 9636 7002 / Email: hafiz_nasruddin@edb.gov.sg

For further information on the business expectation results, please contact Mr Chong Tse Ming (Tel: 6832-6677 / HP: 9154-7959 / Email: quin_chong@edb.gov.sg).

Updates on Business Expectations of the Manufacturing Sector for 3Q 2026 are available on http://www.gov.sg/resources/sgpc/ and http://www.edb.gov.sg

Technical Notes

The Survey of Business Expectations of the Manufacturing Sector for 3Q 2026 was conducted between June and July 2026 by the Economic Development Board. Out of a total of 401 manufacturing establishments surveyed, 85% responded. These establishments were asked to indicate their expectation of general business conditions and other indicators such as output and employment. Their views are expressed in terms of directional change (i.e. “up”, “same” or “down). Establishments’ responses are then weighted and aggregated to derive the weighted percentage for “up”, “same” or “down” at sub-cluster, cluster and overall manufacturing level. For employment forecast, employment is used as the weighting variable at both establishment and cluster level. For general business outlook and output forecast, total output and value added are used as weights at the establishment level and cluster level respectively.

The net weighted balance is commonly used to reflect the direction and extent of the business sentiments. It is the difference between the weighted percentage of 'up' responses and the weighted percentage of 'down' responses. For example, if weighted responses for overall manufacturing output yields a net weighted balance of +30%, the plus sign before the percentage figure indicates a positive balance or net upward movement, and not a 30% increase in output. Similarly, a minus sign before the percentage indicates a downward trend and not a decline by that amount.

About the Singapore Economic Development Board

The Singapore Economic Development Board (EDB), a government agency under the Ministry of Trade and Industry, is responsible for strategies that enhance Singapore’s position as a global centre for business, innovation, and talent. We undertake investment promotion and industry development, and work with international businesses, both foreign and local, by providing information, connection to partners and access to government incentives for their investments. Our mission is to create sustainable economic growth, with vibrant business and good job opportunities for Singapore and Singaporeans.

For more information on EDB, please visit www.edb.gov.sg

Singapore Economic Development Board
250 North Bridge Road #28-00 Raffles City Tower Singapore 179101
Tel (65) 6832 6832 Fax (65) 6832 6566 Web www.edb.gov.sg

EMBARGOED UNTIL 31 July 2026, 1PM

ANNEX

Table 1: Business Expectations for the Next Three and Six Months by Industry

(%)

Industry	General Business Outlook for July – December 2026 compared with April – June 2026				Forecast for July – September 2026	
	Net Weighted Balance	Up	Same	Down	Output	Numbers Employed
Electronics	+19	31	57	12	+49	+46
Semiconductors	+29	37	55	8	+65	+68
Computer Peripherals & Data Storage	-73	2	23	75	-75	+17
Infocomms & Consumer Electronics	0	0	100	0	+6	0
Other Electronic Modules & Components	-18	12	58	30	+8	+28
Chemicals	-25	1	73	26	-12	+6
Petroleum	-46	0	54	46	-46	0
Petrochemicals	-15	2	81	17	-7	0
Specialties	-16	3	78	19	+30	+5
Other Chemicals	+1	1	99	0	+13	+17
Biomedical Manufacturing	+3	13	77	10	+5	+1
Pharmaceuticals	+11	11	89	0	-10	-42
Medical Technology	-1	14	71	15	+12	+24
Precision Engineering	+55	59	37	4	+55	+18
Machinery & Systems	+62	65	32	3	+61	+19
Precision Modules & Components	+28	34	60	6	+30	+18
Transport Engineering	-4	3	90	7	+15	-1
Marine & Offshore Engineering	-8	1	90	9	-15	-14
Aerospace	-4	2	92	6	+32	+29
Land	+19	19	81	0	+18	0
General Manufacturing Industries	-13	4	79	17	-27	+4
Food, Beverages & Tobacco	-17	3	77	20	-34	-4
Printing	-8	14	64	22	-40	-35
Miscellaneous Industries	-7	3	87	10	-10	+16
Total All Industries	+12	24	64	12	+26	+14

Singapore Economic Development Board
250 North Bridge Road #28-00 Raffles City Tower Singapore 179101
Tel (65) 6832 6832 Fax (65) 6832 6566 Web www.edb.gov.sg