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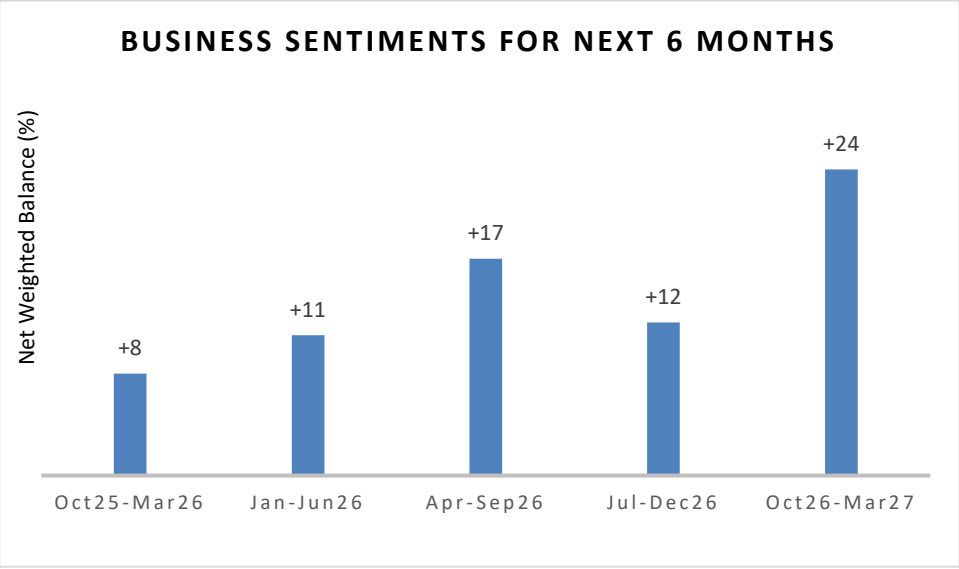
MEDIA RELEASE

2 November 2026

BUSINESS EXPECTATIONS OF THE MANUFACTURING SECTOR

I Business Sentiments for October 2026 - March 2027

While geopolitical developments continue to cloud the global economic outlook, business sentiments in the manufacturing sector remain optimistic, amid sustained strength in global AI-related demand. A net weighted balance of 24% of manufacturers maintain a positive business outlook for the period Oct 2026 – Mar 2027, with a weighted 29% of firms projecting improved business conditions and a weighted 5% foreseeing a weaker business situation, compared to 3Q 2026.



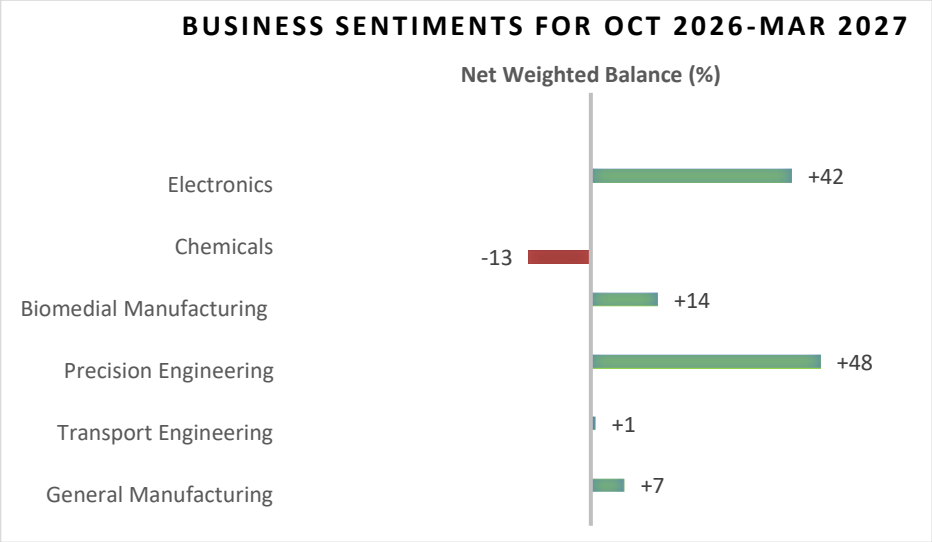
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250 North Bridge Road #28-00 Raffles City Tower Singapore 179101
Tel (65) 6832 6832 Fax (65) 6832 6566 Web www.edb.gov.sg

The precision engineering cluster is the most upbeat, supported by semiconductor-related equipment firms which foresee global AI-related investment to continue expanding.

The electronics cluster also expects a strong outlook, driven by robust orders secured for semiconductors used in AI applications.

The transport engineering cluster expects broadly similar business conditions, with firms citing rising costs (e.g. materials, fuel, freight) and overseas competition as key headwinds to their business outlook.

The chemicals cluster is the most pessimistic, where firms in the petroleum segment remain concerned about persistent uncertainty in crude oil feedstock supply.



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II Output Forecast for October-December 2026

A net weighted balance of 34% of manufacturing firms expect output to increase in 4Q 2026 compared to 3Q 2026.

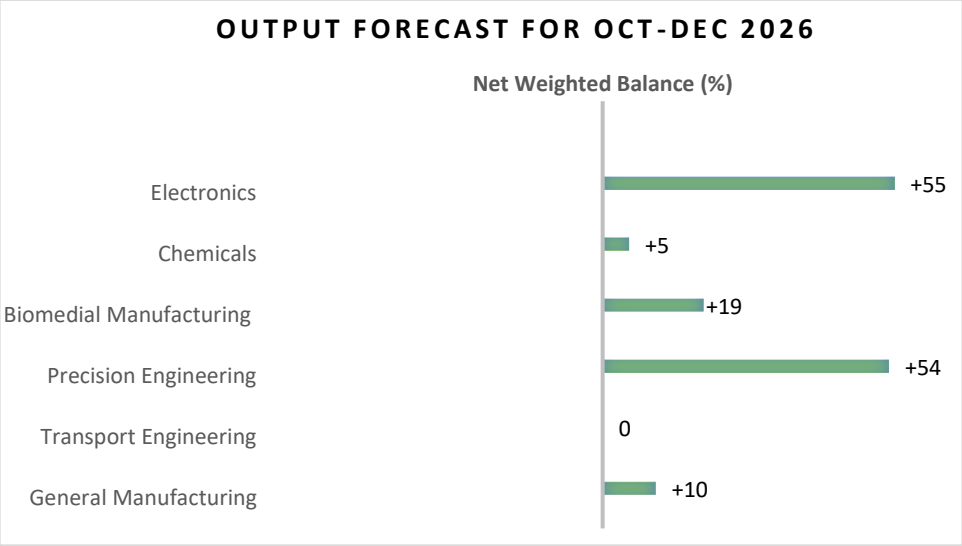
In the electronics cluster, the semiconductors and computers peripherals & data storage segments expect higher production of semiconductors and data storage products, to cater to buoyant demand from AI data centres.

Similarly, firms in the precision engineering cluster expect higher output of semiconductor-related equipment, bonding wires and metal precision components which support the global electronics industry.

Firms in the biomedical manufacturing cluster foresee higher output of active pharmaceutical ingredients and life science instruments.

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

Within the transport engineering cluster, output expectations are mixed. While the aerospace and land segments expect higher level of activities, the marine & offshore engineering segment anticipates lower production of oil & gas-field equipment as geopolitical uncertainties weigh on orders.

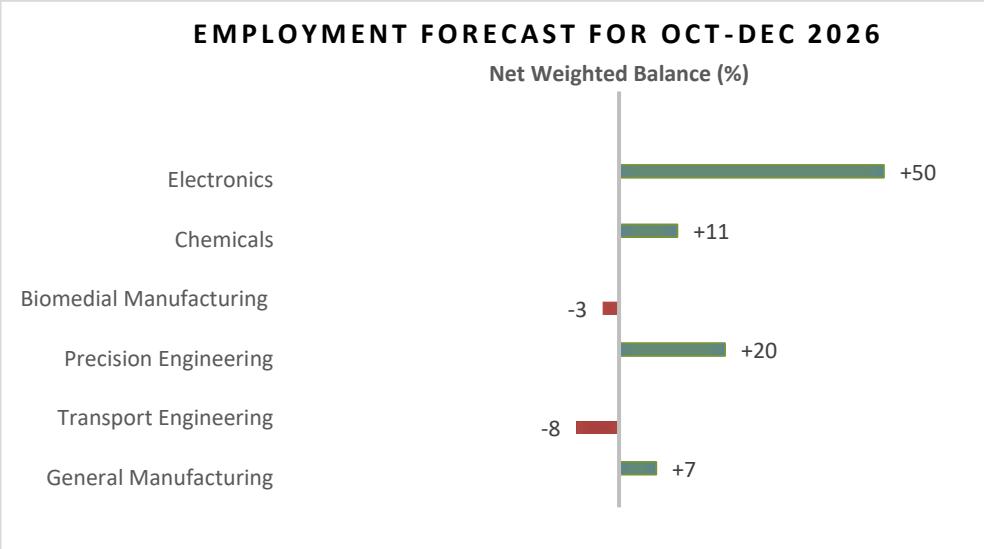


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III Employment Forecast for October-December 2026

A weighted 72% of firms in the manufacturing sector expect employment levels in 4Q 2026 to remain broadly similar to 3Q 2026. All clusters except the biomedical manufacturing and transport engineering clusters project a larger workforce.



IV Factors Affecting Export Orders for October-December 2026

A weighted 23% of firms anticipate challenges in securing export orders in 4Q 2026. The top two factors cited are price competition from overseas competitors and political or economic conditions from abroad (e.g. geopolitical developments, tariffs and inflationary pressures).

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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 4Q 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 4Q 2026 was conducted between September and October 2026 by the Economic Development Board. Out of a total of 397 manufacturing establishments surveyed, 83% 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 Energy, 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.

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

(%)

Industry	General Business Outlook for October 2026 – March 2027 compared with July – September 2026				Forecast for October – December 2026	
	Net Weighted Balance	Up	Same	Down	Output	Numbers Employed
Electronics	+42	42	58	0	+55	+50
Semiconductors	+47	47	53	0	+64	+56
Computer Peripherals & Data Storage	+49	49	51	0	+49	+72
Infocomms & Consumer Electronics	0	0	100	0	+6	0
Other Electronic Modules & Components	+35	35	65	0	+8	+50
Chemicals	-13	1	85	14	+5	+11
Petroleum	-28	0	72	28	0	0
Petrochemicals	+2	3	96	1	+2	0
Specialties	-11	1	87	12	+13	+19
Other Chemicals	0	0	100	0	+13	+17
Biomedical Manufacturing	+14	16	82	2	+19	-3
Pharmaceuticals	+8	8	92	0	+27	-9
Medical Technology	+17	20	77	3	+16	0
Precision Engineering	+48	52	44	4	+54	+20
Machinery & Systems	+58	61	36	3	+65	+29
Precision Modules & Components	+6	14	78	8	+9	+9
Transport Engineering	+1	6	89	5	0	-8
Marine & Offshore Engineering	-7	2	89	9	-26	-27
Aerospace	+2	6	90	4	+14	+33
Land	+19	19	81	0	+9	-19
General Manufacturing Industries	+7	23	61	16	+10	+7
Food, Beverages & Tobacco	+11	26	59	15	+14	+9
Printing	-38	6	50	44	-31	-31
Miscellaneous Industries	+2	17	68	15	+7	+13
Total All Industries	+24	29	66	5	+34	+14

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