

Singapore's industrial production is down again, but could we see a reversal ahead?

Singapore's industrial production dipped by 0.9% year-on-year, the tenth consecutive month of decline



-0.9%

Industrial production YoY change

Tenth month of contraction

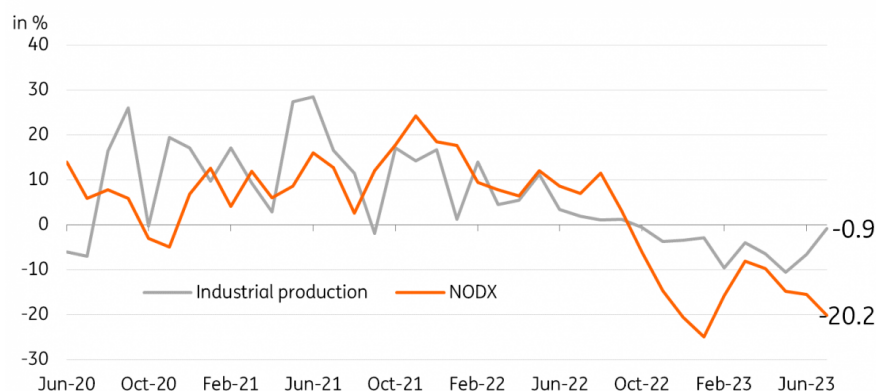
Better than expected

July industrial production down 0.9%

Singapore's industrial production declined by 0.9% year-on-year in July but managed to show a less pronounced decline compared to market expectations (-3.8%YoY). The production of electronics (5.1%), chemicals (2.3%), and transport engineering (20.7%) managed to expand while biomedical, transport engineering and general manufacturing slipped again.

Compared to the previous month, industrial production surprised on the upside, growing by 4.1% versus expectations of a 0.1% decline.

Could we see a turnaround for both IP and NODX soon?



Source: Singapore Department of Statistics

A turn up ahead?

Industrial production logged the tenth consecutive month of contraction, tracking the general decline for non-oil domestic exports (NODX). Global trade has remained subdued of late, with demand for electronics staying soft in 2023. The surprise uptick in electronics production however points to an eventual reversal for NODX in the near term.

Should demand for electronics improve further, we could see industrial production finally move back into expansion as early as August, which could in turn signal an eventual reversal for NODX before the end of the year.

Author

Nicholas Mapa

Senior Economist, Philippines

nicholas.antonio.mapa@asia.ing.com