

# Singapore's industrial production remains in contraction

Industrial production dipped more than expected as global demand remains soft



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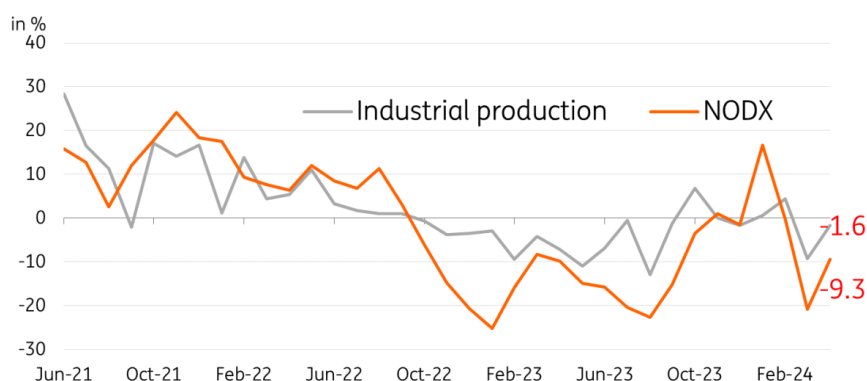
**-1.6%** YoY change in industrial production

Lower than expected

## Industrial production fell 1.6%

Singapore's industrial production dipped 1.6% year-over-year, worse than market expectations for -0.5% YoY. Production, however, was up from the previous month, posting a 7.1% YoY increase. In terms of components, the production of biomedical and electronics contracted while all other subsectors managed to post growth. Electronics were down 1.1% due mainly to a 2.6% YoY decline in semiconductors. For biomedical items, pharmaceuticals fell almost 55% YoY, outweighing the 13.6% YoY increase for medical technology production.

## Industrial production track NODX decline



Source: Singapore Economic Development Board

## IP continues to track NODX

Industrial production continued to track the direction of non-oil domestic exports (NODX). NODX fell more than expected for the same month, posting a 9.3% YoY drop versus expectations for an 8.9% YoY decline. Soft global demand translates to weaker industrial production activity and this could be one factor that could weigh on growth momentum for the second quarter. With global trade still anaemic, it's hard to expect a strong rebound in industrial production in the near term.

### Author

#### Nicholas Mapa

Senior Economist, Philippines

[nicholas.antonio.mapa@asia.ing.com](mailto:nicholas.antonio.mapa@asia.ing.com)

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