

**MEDIA RELEASE**

**30 April 2026**

**BUSINESS EXPECTATIONS OF THE MANUFACTURING SECTOR**

**I Business Sentiments for April-September 2026**

1. Business sentiments in the manufacturing sector remain positive, despite ongoing geopolitical and economic uncertainty, including that stemming from the Middle East conflict. A weighted 34% of manufacturers expect business conditions to improve while a weighted 17% foresee a weaker business outlook. Overall, a net weighted balance of 17% of manufacturing firms maintain a positive business outlook for the period April-September 2026, compared to 1Q 2026.
2. Within the manufacturing sector, a net weighted balance of 51% of precision engineering firms are optimistic about the business situation. This upbeat sentiment is led by firms supporting the global semiconductor industry, particularly those in the semiconductor equipment industry, amid strong AI-related investment globally.
3. In the electronics cluster, a net weighted balance of 42% of firms expect business conditions to remain positive, supported by sustained and strong AI related demand.
4. A net weighted balance of 8% of firms in the transport engineering cluster anticipate positive business prospects. This positive outlook is driven by the aerospace segment which continues to see sustained demand for maintenance, repair and overhaul (MRO) services from commercial airlines, despite higher fuel costs resulting from the Middle East conflict.
5. In the biomedical manufacturing cluster, a net weighted balance of 2% of firms expect weaker business conditions to prevail from April to September 2026, compared to a quarter ago. Both the pharmaceuticals and medical technology segments expect business prospects to remain largely similar, with the outlook clouded by tariff uncertainty and ongoing geopolitical tensions.

6. A net weighted balance of 13% of firms in the general manufacturing industries cluster expect the business situation to weaken, compared to a quarter ago. All segments within the cluster expressed concerns over higher material and transportation costs.
7. The chemicals cluster is the most pessimistic, with a net weighted balance of 53% of firms projecting a deterioration in the business environment in the six months ahead. In particular, firms in the petrochemicals and petroleum segments expect disruption in feedstock supply from the Middle East to result in higher costs and weaker margins.

## **II Output Forecast for April-June 2026**

8. A net weighted balance of 20% of manufacturing firms project higher output in 2Q 2026 compared to 1Q 2026. The precision engineering, electronics and transport engineering clusters expect to increase production whereas the rest of the manufacturing clusters project a decline.
9. A net weighted balance of 50% of firms in the precision engineering cluster expect higher production to support sustained global electronics demand. The machinery & systems segment is projecting higher output of semiconductor-related equipment, while the precision modules & components segment forecasts higher output level for bonding wires, optical products and electronic connectors.
10. Similarly, a net weighted balance of 43% of firms in the electronics cluster forecast an increased output, led by the semiconductors segment serving the AI data center end-market.
11. A net weighted balance of 33% of firms in the transport engineering cluster anticipate a higher level of activity. Within the cluster, the aerospace segment continues to expect strong volumes of aircraft engine and component repair jobs. In contrast, the marine & offshore engineering and land segments project lower output, on account of slower orders from the oil and gas market in the Middle East and global automotive industry respectively.
12. In the biomedical manufacturing cluster, a net weighted balance of 4% per cent of firms project a decline in output in 2Q 2026 compared to 1Q 2026. This is largely attributed to the pharmaceuticals segment with some firms expecting lower production of active pharmaceutical ingredients on the back of a different product mix.

13. A net weighted balance of 9% of firms in the general manufacturing industries cluster forecast lower output compared to the March quarter. This is mainly driven by the food, beverages & tobacco segment which projects weaker orders in anticipation of a softer economic outlook. In contrast, the miscellaneous industries segment expects increased production to support a strong pipeline of local construction activity.
14. In the chemicals cluster, a net weighted balance of 46% per cent of firms expect lower production compared to a quarter ago. In particular, firms in the petroleum, petrochemicals and specialties segments plan to cut back on production, in response to curtailed supply and higher costs of feedstock.

### **III Employment Forecast for April-June 2026**

15. A weighted 78% of firms in the manufacturing sector expect the employment level in 2Q 2026 to remain similar to 1Q 2026. All except the chemicals and biomedical manufacturing clusters plan to hire more workers.

### **IV Factors Affecting Export Orders for April-June 2026**

16. With heightened global economic uncertainty, a weighted 25% of firms anticipate challenges in securing export orders in 2Q 2026. The top two factors cited are price competition from overseas competitors and political or economic conditions from abroad (e.g. geopolitical and tariff uncertainties).

### **V Investment Plans for April 2026-March 2027**

17. A weighted 66% of manufacturers plan to invest in plant and machinery in the next twelve months (April 2026-March 2027). Of this, a weighted 51% expect higher or similar levels of capital expenditure compared to the preceding twelve months. The replacement of worn-out equipment is the top reason for the planned investments, followed by the installation of new production technology and the expansion of production capacity of existing products.

**EMBARGOED UNTIL 30 APRIL 2026, 1PM**

*Editors' Note:*

*For media enquiries, please contact Mr Hafiz Nasruddin (Tel: 6972 7870 / Handphone: 9636 7002 / Email: [hafiz\\_nasruddin@edb.gov.sg](mailto: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](mailto:quin_chong@edb.gov.sg)).*

*Updates on Business Expectations of the Manufacturing Sector for the second quarter of 2026 are available on <http://www.gov.sg/resources/sqpc/> and <http://www.edb.gov.sg>*

## **Technical Notes**

The Survey of Business Expectations of the Manufacturing Sector for the second quarter of 2026 was conducted between March and April 2026 by the Economic Development Board. Out of a total of 403 manufacturing establishments surveyed, 84 per cent 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 per cent, the plus sign before the percentage figure indicates a positive balance or net upward movement, and not a 30 per cent 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.

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### **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](http://www.edb.gov.sg)

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

(per cent)

Industry	General Business Outlook for April – September 2026 compared with January – March 2026				Forecast for April – June 2026	
	Net Weighted Balance	Up	Same	Down	Output	Numbers Employed
<b>Electronics</b>	+42	54	34	12	+43	+39
Semiconductors	+57	65	27	8	+59	+50
Computer Peripherals & Data Storage	-75	0	25	75	-75	+51
Infocomms & Consumer Electronics	0	0	100	0	-12	0
Other Electronic Modules & Components	+5	35	35	30	+5	+9
<b>Chemicals</b>	-53	3	41	56	-46	-4
Petroleum	-74	0	26	74	-74	-44
Petrochemicals	-92	0	8	92	-70	-21
Specialties	-38	0	62	38	-24	+7
Other Chemicals	+13	13	87	0	+13	+17
<b>Biomedical Manufacturing</b>	-2	3	92	5	-4	-8
Pharmaceuticals	-3	8	81	11	-22	-33
Medical Technology	-1	1	97	2	+6	+5
<b>Precision Engineering</b>	+51	57	37	6	+50	+16
Machinery & Systems	+55	60	35	5	+56	+24
Precision Modules & Components	+31	43	45	12	+28	+7
<b>Transport Engineering</b>	+8	16	76	8	+33	+1
Marine & Offshore Engineering	-9	1	89	10	-10	-4
Aerospace	+24	28	68	4	+68	+18
Land	-28	0	72	28	-28	-19
<b>General Manufacturing Industries</b>	-13	8	71	21	-9	+8
Food, Beverages & Tobacco	-13	3	81	16	-19	+6
Printing	-17	0	83	17	-14	-34
Miscellaneous Industries	-13	17	53	30	+11	+16
<b>Total All Industries</b>	+17	34	49	17	+20	+12