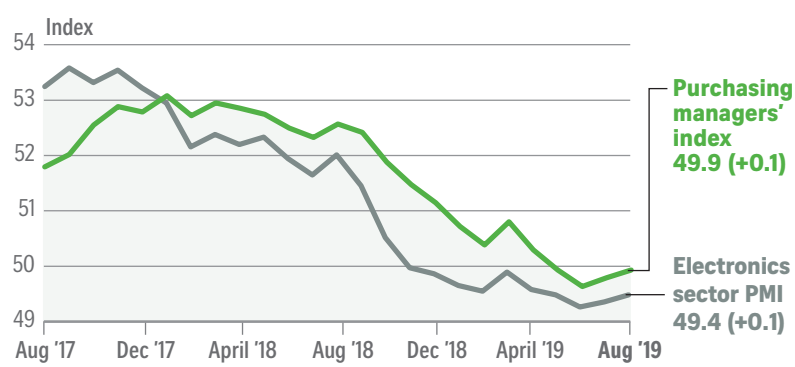


Slight uptick



S'pore factory activity remains in contraction

PMI inches up but sector in negative territory for fourth straight month amid trade tensions

Choo Yun Ting

There was a slight uptick in manufacturing sentiment last month but the sector remained in negative territory for the fourth consecutive month on the back of escalating trade tensions.

The purchasing managers' index (PMI) – an early gauge of factory activity – edged up 0.1 point from July to a reading of 49.9. A reading above 50 indicates expansion; one below points to contraction.

August's modest rise was due to a marginal expansion of new orders and a slower contraction in inventory, noted the Singapore Institute of Purchasing and Materials Management (SIPMM), which compiles the index.

"Despite the ongoing global trade uncertainties, anecdotal evidences of the survey suggest that foreign manufacturers are exploring opportunities to collaborate with local manufacturers to overcome the high tariffs imposed on their countries," said Ms Sophia Poh, SIPMM vice-president for industry engagement and development.

Maybank Kim Eng senior econo-

mist Chua Hak Bin said the slight rise in the index last month could be a sign the factory slowdown has bottomed out, although it could also just be a temporary respite.

The increase in new orders could be a result of manufacturers front-loading output in anticipation of tariff hikes from the United States and China that are slated to take effect on Dec 15, he added.

He said the consumer electronics sector will be hit the hardest by the levies, adding: "Of course, the concern would be whether the tariffs would eventually affect the manufacturing sectors again next year."

UOB economist Barnabas Gan said the improvement in the overall PMI provides some cautious optimism that the manufacturing sector is on track to stabilise in this quarter after the relatively weak performance in the first half of the year.

The slight improvement in the factory output index – 50.4 for August compared with 50.2 in July – suggests that overall industrial production is slated to recover further for the month, he added.

The PMI for the electronics sector also recorded a 0.1 point increase from July to 49.4 last month, although it is still in contraction for the 10th consecutive month.

OCBC Bank head of treasury research and strategy Selena Ling said the electronics index probably reflected concerns over trade, with new tariffs coming into effect on Sept 1.

She added that unless trade talks resume in Washington later this month, "there is little prospect of a near-term pickup heading into the seasonal Christmas period".

Singapore has not been the only country with shrinking factory activity last month, Ms Ling noted.

She said that while China's Caixin PMI recovered to 50.4 last month from 49.9 in July, manufacturing PMIs remained in contraction territory for countries such as South Korea and Indonesia.

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COUNTERING TARIFFS

Despite the ongoing global trade uncertainties, anecdotal evidences of the survey suggest that foreign manufacturers are exploring opportunities to collaborate with local manufacturers to overcome the high tariffs imposed on their countries.



MS SOPHIA POH, SIPMM vice-president for industry engagement and development, on the modest rise in the PMI last month.



Representatives of firms recognised at the Singapore Prestige Brand Award yesterday included (front row) Mrs Mariana Eunus from Wedding by LQ and Mr Michael Lee, director of Nan Hwa Chong (Ah Chew) Fish-Head Steamboat Corner; and (back row, from left) Mr Ling Huat Sing, chief executive officer of Four Star; Mr Victor Tay, managing director of White Restaurant; Mr Rob Khoo, vice-president of Sunseap; and Mr Tan Zhi Yong, CEO of MCC Singapore. PHOTO: LIANHE ZAOBAO

26 firms lauded for first time at prestige brand awards

Local education centre PlayFACTO School has increased its revenue more than 10 times in the past three years and expanded to 10 centres since it was set up in 2015.

The school, which prides itself on providing a balance between academic excellence and socio-emotional development, was one of nine promising brands recognised at the Singapore Prestige Brand Award (SPBA) certificate ceremony yesterday, and among the 26 first-time winners across all categories.

The school's chief executive Justin

Chen said: "I think winning this award helps us to gain further recognition and also the trust of parents to put their children in our care."

A total of 33 local and global companies were recognised at the 18th edition of the awards.

There were six categories, including for heritage brands over 25 years old, as well as for brands at least three years old and active in three or more large overseas markets.

The SPBA is jointly organised by the Association of Small and Medium Enterprises and Chinese-

language paper Lianhe Zaobao.

Food and beverage companies Proofer Boulangerie and White Restaurant were also among the promising brands. All nine brands were first-time winners of the award, which is limited to brands between three and eight years old.

Travel agency CTC Travel was one of three new winners in the heritage brands category, alongside mattress company Four Star and steamboat restaurant Fishboat.

The global brands award for foreign companies was given out for

the first time this year to property development firms Kingsford Group and MCC Singapore.

"This award is an affirmation of our past performance and also an impetus for us to strive further, especially in our globalisation effort," said Kingsford Group founder and chairman Cui Zhengfeng.

Ms Goh Sin Hwee, associate editor of Singapore Press Holdings' Chinese newspaper division, CMG Newshub, and co-chairman of the award organising committee, said: "In the face of economic and financial pressures, enterprises have to be proactive about transforming their businesses and strengthening their digital capabilities for the future."

The overall winner and most popular brand for selected categories will be announced on Nov 3.

Choo Yun Ting

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YAHOO DOME STA. | TENJIN KITA STA. 12 MINS | HAKATA AREA 18 MINS

TENJIN 14 MINS | HAKATA STATION 27 MINS | FUKUOKA AIRPORT 31 MINS

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