

## Singapore's Growth Momentum Eased in Second Quarter 2012

13 July 2012. Based on advance estimates<sup>1</sup>, the economy contracted by 1.1 per cent on a quarter-on-quarter seasonally-adjusted annualised basis, compared to the 9.4 per cent expansion in the preceding quarter. On a year-on-year basis, the economy continued to grow at a modest pace of 1.9 per cent, following the 1.4 per cent growth in the previous quarter.

### Gross Domestic Product at 2005 Prices

	2Q11	3Q11	4Q11	2011	1Q12	2Q12*
Percentage change over corresponding period of previous year						
Overall GDP	1.2	6.0	3.6	4.9	1.4	<b>1.9</b>
Goods Producing Industries						
Manufacturing	-5.9	13.7	9.2	7.6	-0.8	<b>3.0</b>
Construction	1.1	2.4	2.9	2.6	6.9	<b>5.1</b>
Services Producing Industries	4.6	3.6	2.1	4.4	1.9	<b>1.0</b>
Quarter-on-quarter annualised growth rate, seasonally adjusted						
Overall GDP	-3.0	2.0	-2.5	4.9	9.4	<b>-1.1</b>
Goods Producing Industries						
Manufacturing	-19.5	11.0	-11.1	7.6	20.9	<b>-6.0</b>
Construction	9.5	-4.0	-2.2	2.6	27.9	<b>0.3</b>
Services Producing Industries	3.7	-0.8	1.7	4.4	2.7	<b>0.4</b>

\*Advance estimates

The weakened growth momentum in the second quarter was mainly due to a sequential contraction in the manufacturing sector. The sector declined by 6.0 per cent, reversing the 20.9 per cent expansion in the preceding quarter. This largely reflected the decline in biomedical manufacturing output, which more than offset gains in the transport engineering cluster. Nevertheless, on a year-on-year basis, the manufacturing sector grew by 3.0 per cent due to the low base in the second quarter of 2011.

The construction sector grew by 5.1 per cent on a year-on-year basis, compared to 6.9 per cent in the preceding quarter. On a sequential basis, the

<sup>1</sup> The advance GDP estimates for the second quarter of 2012 are computed largely from data in the first two months of the quarter (i.e. April and May 2012). They are intended as an early indication of the GDP growth in the quarter, and are subject to revision when more comprehensive data become available.

sector grew marginally by an annualised rate of 0.3 per cent, supported by the on-going public civil engineering works.

Growth in the services producing industries remained modest, at 1.0 per cent on a year-on-year basis, following the 1.9 per cent growth in the previous quarter. On a sequential basis, the services producing industries grew by an annualised rate of 0.4 per cent, down from 2.7 per cent in the preceding quarter. The moderation in growth momentum was mainly due to contraction in the wholesale and retail trade as well as the finance and insurance sectors. The latter was weighed down by the decline in stock market trading activities. Business services also declined due to the slowdown in professional services related activities. Although tourism-related sectors continued to expand, the pace of growth moderated.

MTI will release the preliminary GDP estimates for the second quarter in August 2012, including performance by sectors, sources of growth, inflation, employment and productivity, in its *Economic Survey of Singapore*.

MINISTRY OF TRADE AND INDUSTRY  
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