

Singapore's Economy Expanded by 4.4 Per Cent in the Third Quarter of 2022

14 October 2022. Based on advance estimates¹, the Singapore economy grew by 4.4 per cent on a year-on-year basis in the third quarter of 2022, easing slightly from the 4.5 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 1.5 per cent, a turnaround from the 0.2 per cent contraction in the preceding quarter.

Gross Domestic Product in Chained (2015) Dollars

	3Q21	4Q21	2021	1Q22	2Q22	3Q22*
Percentage change over corresponding period of previous year						
Overall GDP	7.5	6.1	7.6	3.9	4.5	4.4
Goods Producing Industries	11.7	13.6	13.4	5.1	5.4	2.2
Manufacturing	7.9	15.5	13.2	5.5	5.7	1.5
Construction	69.9	2.9	20.1	3.2	4.8	7.8
Services Producing Industries	6.8	4.4	5.6	4.9	4.8	6.1
Wholesale & Retail Trade and Transportation & Storage	6.1	4.2	4.5	4.6	2.9	6.2
Information & Communications, Finance & Insurance and Professional Services	9.1	6.6	7.7	6.3	4.7	4.0
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	4.5	1.6	4.0	3.4	7.6	9.2

¹ Advance GDP estimates for the third quarter of 2022 are computed largely from data in the first two months of the quarter (i.e., July and August 2022). They are intended as an early indication of GDP growth in the quarter and are subject to revision when more comprehensive data become available.

	3Q21	4Q21	2021	1Q22	2Q22	3Q22*
Quarter-on-quarter growth rate, seasonally adjusted						
Overall GDP	1.5	2.3	7.6	0.8	-0.2	1.5
Goods Producing Industries	2.0	4.6	13.4	-1.5	0.3	-1.1
Manufacturing	0.8	6.3	13.2	-1.7	0.4	-3.3
Construction	1.1	-2.1	20.1	4.3	1.5	3.9
Services Producing Industries	1.3	1.4	5.6	2.4	-0.2	2.5
Wholesale & Retail Trade and Transportation & Storage	0.8	1.3	4.5	2.6	-1.9	4.2
Information & Communications, Finance & Insurance and Professional Services	2.4	2.5	7.7	-1.1	0.9	1.7
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	0.4	2.6	4.0	3.3	1.3	1.8

*Advance estimates

Sectoral Performance

The manufacturing sector expanded by 1.5 per cent year-on-year in the third quarter of 2022, slower than the 5.7 per cent growth in the previous quarter. Growth during the quarter was supported by output expansions in the transport engineering, general manufacturing and precision engineering clusters, which outweighed output declines in the electronics and chemicals clusters. On a quarter-on-quarter seasonally-adjusted basis, the sector contracted by 3.3 per cent, a reversal from the 0.4 per cent growth in the second quarter.

The construction sector grew by 7.8 per cent year-on-year in the third quarter, accelerating from the 4.8 per cent growth in the preceding quarter. Both public and private construction output picked up during the quarter, supported in part by the easing of border restrictions on the inflow of migrant workers. In absolute terms, the value-added of the sector remained 18.0 per cent below its pre-pandemic (i.e., third quarter of 2019) level. On a quarter-on-quarter seasonally-adjusted basis, the sector posted growth of 3.9 per cent in the third quarter, an improvement from the 1.5 per cent growth in the second quarter.

Among the services sectors, the wholesale & retail trade and transportation & storage sectors collectively expanded by 6.2 per cent year-on-year in the third quarter, faster than the 2.9 per cent growth in the previous quarter. All sectors within the group recorded expansions. Growth in the wholesale trade sector was mainly driven by the machinery, equipment & supplies segment on account of the resilient performance of Singapore's non-oil export volumes. Meanwhile, growth in the retail trade and transportation & storage sectors was partly supported by low base effects as domestic and travel restrictions had weighed on activities in these sectors in the third quarter of 2021. On a quarter-on-quarter seasonally-adjusted basis, the wholesale & retail trade and transportation & storage sectors as a whole grew by 4.2 per cent in the third quarter of 2022, rebounding from the 1.9 per cent contraction in the preceding quarter.

The group of sectors comprising the information & communications, finance & insurance and professional services sectors expanded by 4.0 per cent year-on-year in the third quarter, extending the 4.7 per cent growth in the previous quarter. All sectors within the group posted growth during the quarter. In particular, growth in the professional services sector was supported by the architectural & engineering, technical testing & analysis segment, while growth in the information & communications sector continued to be driven by strong demand for IT and digital solutions. On a quarter-on-quarter seasonally-adjusted basis, the sectors in this group grew by 1.7 per cent in the third quarter, an improvement from the 0.9 per cent growth in the second quarter.

The remaining group of services sectors (i.e., accommodation & food services, real estate, administrative & support services and other services sectors) grew by 9.2 per cent year-on-year in the third quarter, faster than the 7.6 per cent growth in the previous quarter. Most sectors within the group expanded during the quarter, as activities in these sectors continued to be supported by the lifting of domestic and border restrictions. For example, growth in the food services sector was bolstered by low base effects as heightened alert restrictions had dampened activity in the sector in the third quarter of 2021. Notwithstanding its robust growth, the value-added of the sectors in the group remained 2.2 per cent below its pre-pandemic (i.e., third quarter of 2019) level. On a quarter-on-quarter seasonally-adjusted basis, the sectors as a whole grew by 1.8 per cent in the third quarter, picking up from the 1.3 per cent growth in the second quarter.

The preliminary GDP estimates for the third quarter of 2022, including performance by sectors, sources of growth, inflation, employment and productivity, will be released in the *Economic Survey of Singapore* in November 2022.

MINISTRY OF TRADE AND INDUSTRY
14 October 2022