

Economic Growth in Second Quarter 2008 Eased to 1.9 Per Cent

10 July 2008. The Ministry of Trade and Industry (MTI) announced today that real gross domestic product (GDP) rose by an estimated¹ 1.9 per cent on a year-on-year basis in the second quarter of 2008, down from 6.9 per cent in the first quarter of 2008. The slowdown chiefly reflected a sharp contraction in biomedical manufacturing output. Excluding the biomedical sciences (BMS) cluster, industrial production grew moderately.

On a quarter-on-quarter seasonally-adjusted annualised basis, real GDP declined by 6.6 per cent following an increase of 15.6 per cent in the previous quarter.

Performance of Goods Producing Industries

The manufacturing sector is estimated to have contracted by 5.6 per cent in the second quarter, compared with a 12.7 per cent growth in the first quarter of 2008. This largely reflected a decline in the output of the BMS cluster during the quarter. The electronics cluster also registered some decline, mainly because of weakening foreign demand. However, other industries such as transport engineering and chemicals continued to grow. In addition, the construction sector is estimated to have grown by a robust 15.2 per cent in the second quarter, following a 16.9 per cent expansion in the preceding quarter.

Performance of Services Producing Industries

The services producing industries are estimated to have grown by 6.9 per cent in the second quarter, compared with 7.6 per cent in the previous quarter. Growth was led by the financial services and business services sectors. Sectors such as wholesale & retail trade and transport & storage also posted healthy growth during the quarter.

Release of Preliminary GDP Estimates

The preliminary GDP estimates for the second quarter of 2008, including performance by sectors, sources of growth, inflation, employment and productivity, will be released in August 2008 in the *Economic Survey of Singapore*.

Ministry of Trade and Industry
10 July 2008

¹ The advance GDP estimates for second quarter 2008 are computed largely from the first two months of the quarter (i.e. April and May 2008). They are intended as an early indication of the GDP growth in the quarter, and are subject to revision when more comprehensive data becomes available.

ANNEX

Gross Domestic Product at 2000 Prices

(Percentage change over corresponding period of previous year)

	2Q07	3Q07	4Q07	2007	1Q08	2Q08*
Overall GDP	9.1	9.5	5.4	7.7	6.9	1.9
Goods Producing Industries						
Manufacturing	8.6	11.0	0.2	5.8	12.7	-5.6
Construction	22.4	20.1	24.3	20.3	16.9	15.2
Services Producing Industries	8.6	8.5	7.7	8.1	7.6	6.9

*Advance estimates