

Singapore's 2011 GDP Growth In Line With Expectations

3 January 2012. The pace of growth of the Singapore economy eased in the fourth quarter of 2011. According to advance estimates¹, the economy grew by 3.6 per cent on a year-on-year basis in the fourth quarter of 2011, compared to the 5.9 per cent growth in the third quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy contracted by 4.9 per cent, following the 1.5 per cent gain in the previous quarter.

For the whole of 2011, the economy is estimated to have expanded by 4.8 per cent, in line with MTI's growth forecast of around 5.0 per cent for the year.

Gross Domestic Product at 2005 Prices

	4Q10	2010	1Q11	2Q11	3Q11	4Q11*	2011*
Percentage change over corresponding period of previous year							
Overall GDP	12.0	14.5	9.1	0.9	5.9	3.6	4.8
Goods Producing Industries							
Manufacturing	25.5	29.7	15.8	-6.0	13.4	6.5	6.9
Construction	-2.0	6.1	2.4	1.4	0.5	1.7	1.5
Services Producing Industries	8.8	10.5	7.7	4.0	3.7	3.2	4.6
Quarter-on-quarter annualised growth rate, seasonally adjusted							
Overall GDP	3.9	14.5	26.6	-5.9	1.5	-4.9	4.8
Goods Producing Industries							
Manufacturing	0.7	29.7	92.7	-22.3	10.1	-21.7	6.9
Construction	-10.2	6.1	13.5	12.8	-10.6	-6.7	1.5
Services Producing Industries	5.6	10.5	10.5	-0.2	-0.5	3.4	4.6

*Advance estimates

The moderation of growth in the fourth quarter was largely due to the slowdown in the manufacturing sector. On a year-on-year basis, the sector grew by 6.5 per cent, down from 13.4 per cent in the preceding quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the sector contracted

¹ The advance GDP estimates for the fourth quarter of 2011 are computed largely from data in the first two months of the quarter (i.e. October and November 2011). 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.

by 21.7 per cent, reversing the 10.1 per cent expansion in the previous quarter. This largely reflected the continued decline in the electronics cluster, as well as a pull-back in growth in the biomedical manufacturing cluster.

The construction sector grew by 1.7 per cent on a year-on-year basis, up from 0.5 per cent in the preceding quarter. On a sequential basis, the construction sector contracted by an annualised rate of 6.7 per cent, mainly due to a decline in residential building activities.

Growth in the services producing industries was modest at 3.2 per cent on a year-on-year basis, lower than the 3.7 per cent growth registered in the preceding quarter. However, there was an improvement in growth momentum. On a sequential basis, the services producing industries grew by an annualised rate of 3.4 per cent, reversing the 0.5 per cent contraction in the preceding quarter. The pick-up in growth momentum was mainly attributable to the wholesale and retail trade sector, which benefitted from increased wholesale trading activities in the quarter.

MTI will release the preliminary GDP estimates for the fourth quarter and the whole of 2011 in February 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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