

Singapore's Growth Momentum Picked up in First Quarter 2011

14 April 2011. The Singapore economy continued to grow at a healthy pace in the first quarter of 2011. Based on advance estimates¹, the economy expanded by 8.5 per cent on a year-on-year basis, compared to 12.0 per cent in the previous quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy grew by 23.5 per cent. This is a strong improvement from the 3.9 per cent growth in the previous quarter.

Gross Domestic Product at 2005 Prices

	1Q10	2Q10	3Q10	4Q10	2010	1Q11*
Percentage change over corresponding period of previous year						
Overall GDP	16.4	19.4	10.5	12.0	14.5	8.5
Goods Producing Industries						
Manufacturing	37.2	45.2	13.7	25.5	29.7	13.9
Construction	9.7	11.4	6.7	-2.0	6.1	2.6
Services Producing Industries	11.1	12.1	10.2	8.8	10.5	7.2
Quarter-on-quarter annualised growth rate, seasonally adjusted						
Overall GDP	39.9	29.7	-16.7	3.9	14.5	23.5
Goods Producing Industries						
Manufacturing	170.5	79.2	-48.5	0.7	29.7	80.2
Construction	-7.0	21.2	-9.6	-10.2	6.1	14.5
Services Producing Industries	15.8	14.5	0.5	5.6	10.5	8.4

*Advance estimates

Growth was led by the manufacturing sector. On a year-on-year basis, the sector grew by 13.9 per cent, compared to the expansion of 25.5 per cent in the previous quarter. On a seasonally-adjusted quarter-on-quarter annualised basis, the sector surged by 80.2 per cent, following a small increase of 0.7 per cent in the preceding quarter. This strong growth was driven by the electronics and precision engineering clusters, which benefitted from a pick-up in business investment in the region.

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

The construction sector grew by 2.6 per cent on a year-on-year basis in the first quarter, reversing the contraction of 2.0 per cent in the previous quarter. On a sequential basis, the sector grew by 14.5 per cent, after two consecutive quarters of decline. This mainly reflected an increase in building activities in the residential segment.

The services producing industries also saw an increase in activities in the first quarter of 2011. Compared to a year ago, the services producing industries expanded by 7.2 per cent, following the growth of 8.8 per cent in the preceding quarter. On a sequential basis, the services producing industries grew by an annualised rate of 8.4 per cent, up from 5.6 per cent in the preceding quarter. Growth was driven by the financial services sector, which saw an increase in commercial bank lending activities. Trade-related services such as the wholesale and retail trade, and transport and storage sectors also expanded, in line with continued growth in global demand.

MTI will release the preliminary GDP estimates for the first quarter in May 2011, 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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