

Singapore's Growth Momentum Improved in First Quarter 2012

13 April 2012. The Singapore economy registered modest growth in the first quarter of 2012. Based on advance estimates¹, the economy grew by 1.6 per cent on a year-on-year basis, compared to 3.6 per cent in the previous quarter. Nevertheless, the growth momentum has picked up. On a seasonally-adjusted quarter-on-quarter annualised basis, the economy grew by 9.9 per cent, a reversal from the contraction of 2.5 per cent in the previous quarter.

Gross Domestic Product at 2005 Prices

	1Q11	2Q11	3Q11	4Q11	2011	1Q12*
Percentage change over corresponding period of previous year						
Overall GDP	9.1	1.2	6.0	3.6	4.9	1.6
Goods Producing Industries						
Manufacturing	15.8	-5.9	13.7	9.2	7.6	-2.0
Construction	4.2	1.1	2.4	2.9	2.6	6.2
Services Producing Industries	7.5	4.6	3.6	2.1	4.4	2.9
Quarter-on-quarter annualised growth rate, seasonally adjusted						
Overall GDP	19.7	-3.0	2.0	-2.5	4.9	9.9
Goods Producing Industries						
Manufacturing	80.7	-19.5	11.0	-11.1	7.6	14.7
Construction	8.8	9.5	-4.0	-2.2	2.6	24.6
Services Producing Industries	4.0	3.7	-0.8	1.7	4.4	6.9

*Advance estimates

The improved growth momentum in the first quarter was largely due to a sequential upturn in the manufacturing sector. The manufacturing sector posted a healthy sequential expansion of 14.7 per cent, compared to the 11.1 per cent contraction in the preceding quarter. This turnaround was supported by higher levels of output in the electronics and precision engineering clusters compared to the preceding quarter. On a year-on-year basis, however, the manufacturing sector contracted by 2.0 per cent due to a high base in the first quarter of 2011.

¹ The advance GDP estimates for the first quarter of 2012 are computed largely from data in the first two months of the quarter (i.e. January and February 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.

The construction sector grew by 6.2 per cent on a year-on-year basis, compared to 2.9 per cent in the preceding quarter. On a sequential basis, the construction sector surged 24.6 per cent, an improvement from the contraction of 2.2 per cent in the preceding quarter. This was primarily due to a pick-up in residential construction activities.

Growth in the services producing industries remained modest, at 2.9 per cent on a year-on-year basis, following the 2.1 per cent growth in the previous quarter. On a sequential basis, the services producing industries grew by an annualised rate of 6.9 per cent, up from 1.7 per cent in the preceding quarter. The pick-up in growth momentum was supported by increased stock market trading activities in the finance and insurance sector, as well as real estate activities in the business services sector. Tourism-related sectors also expanded, buoyed by continued growth in visitor arrivals.

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

MINISTRY OF TRADE AND INDUSTRY
13 April 2012