

CHAPTER 4

INTERNATIONAL TRADE





Image courtesy of PSA Corporation Ltd

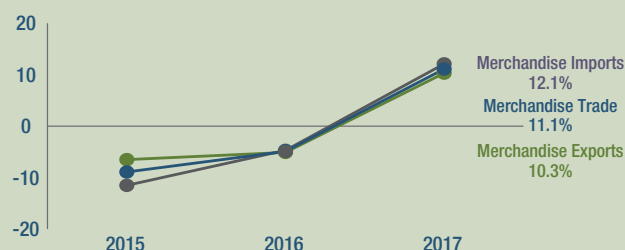
CHAPTER 4

INTERNATIONAL TRADE

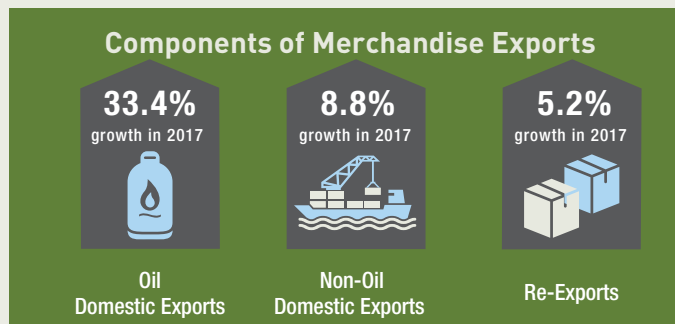
TOTAL MERCHANDISE TRADE AMOUNTED TO...



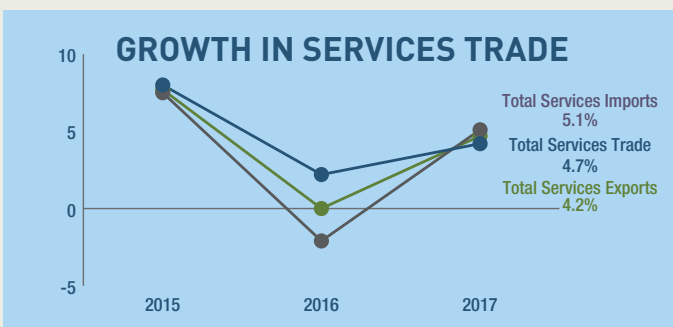
GROWTH IN MERCHANDISE TRADE



Components of Merchandise Exports



GROWTH IN SERVICES TRADE



Main Drivers of Services Export Growth were...



TOTAL SERVICES TRADE AMOUNTED TO...



OVERVIEW

Singapore's total merchandise trade rose by 7.8 per cent in the fourth quarter of 2017, easing from the 12 per cent growth in the preceding quarter. Meanwhile, total services trade increased by 4.1 per cent, slowing from the 6.6 per cent growth in the third quarter.

For the whole of 2017, Singapore's total merchandise trade increased by 11 per cent to \$967 billion, compared to \$870 billion in 2016. Oil trade expanded by 36 per cent, while non-oil trade grew by 6.4 per cent. Both merchandise exports and imports rose by 10 per cent and 12 per cent respectively.

Services trade expanded by 4.7 per cent to \$463 billion in 2017, from \$443 billion in 2016. Services exports grew by 4.2 per cent, while services imports grew by 5.1 per cent in 2017.

MERCHANDISE TRADE

► Merchandise Exports

Total merchandise exports rose by 6.6 per cent in the fourth quarter, following the 10 per cent growth in the preceding quarter (Exhibit 4.1). The increase came on the back of a 15 per cent expansion in domestic exports, an extension of the 11 per cent growth in the third quarter. On the other hand, re-exports decreased by 1.3 per cent, reversing the 9.3 per cent growth in the preceding quarter.

Exhibit 4.1: Growth Rates of Total Merchandise Trade, Merchandise Exports and Merchandise Imports (In Nominal Terms)

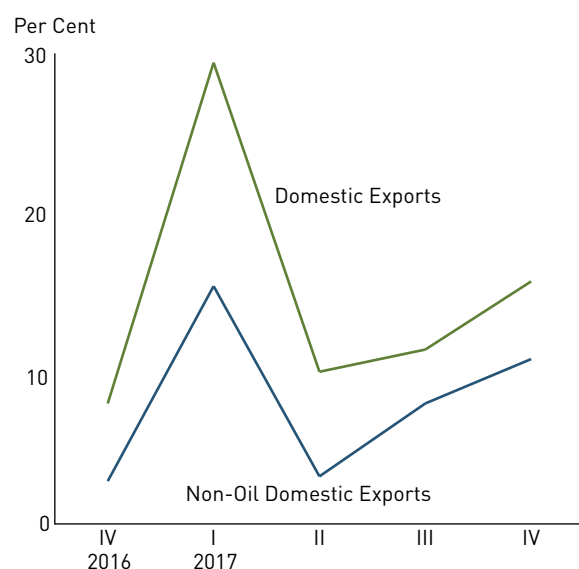
	2016	2017			2017
		II	III	IV	
Total Merchandise Trade	-4.9	9.5	11.6	7.8	11.1
Merchandise Exports	-5.1	8.3	10.1	6.6	10.3
Domestic Exports	-5.8	9.6	11.0	15.3	15.8
Oil	-12.6	26.9	19.3	26.1	33.4
Non-Oil	-2.8	3.0	7.6	10.4	8.8
Re-Exports	-4.4	7.0	9.3	-1.3	5.2
Merchandise Imports	-4.7	11.0	13.4	9.1	12.1
Oil	-20.6	33.0	26.3	30.5	41.6
Non-Oil	-0.6	6.2	10.4	4.0	5.8

For the whole of 2017, total merchandise exports increased by 10 per cent, a turnaround from the 5.1 per cent decline in 2016.

► Non-Oil Domestic Exports

Non-oil domestic exports (NODX) expanded by 10 per cent in the fourth quarter, extending the 7.6 per cent growth in the preceding quarter (Exhibit 4.2). The rise in NODX was due to growth in both electronics and non-electronics NODX.

Exhibit 4.2: Changes in Domestic Exports



Electronics NODX rose by 1.2 per cent in the fourth quarter, following the 8.9 per cent increase in the previous quarter. The rise in electronics NODX was primarily due to the higher exports of integrated circuits (ICs), disk media products and personal computers (PCs). Non-electronics NODX expanded by 14 per cent in the fourth quarter, extending the 7.0 per cent growth in the third quarter. The increase in non-electronics NODX was due to a rise in the shipments of non-monetary gold, specialised machinery and pharmaceutical products.

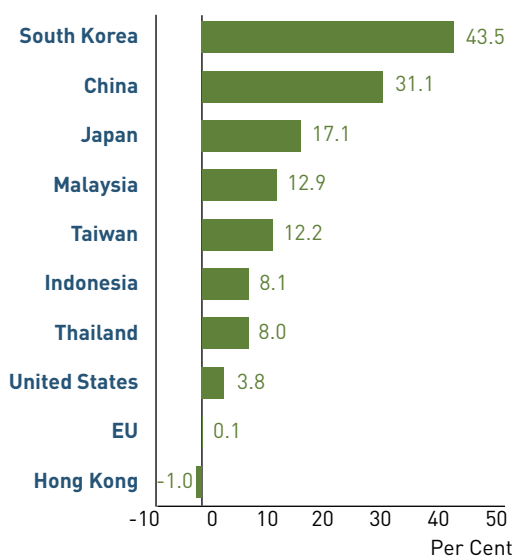
For the full year, NODX grew by 8.8 per cent, reversing the 2.8 per cent decline in 2016. Growth was due to an increase in both electronics (8.0 per cent) and non-electronics NODX (9.2 per cent).

The top ten NODX markets accounted for 81 per cent of Singapore's total NODX in 2017. Singapore's NODX to all top ten markets, except Hong Kong, grew in 2017 (Exhibit 4.3).

China, South Korea and Malaysia contributed the most to the rise in NODX. An increase in the shipment of non-monetary gold, petrochemicals and ICs led to higher NODX to China. The rise in NODX to South Korea was mainly due to higher exports of specialised machinery, measuring instruments and personal computers, while NODX to Malaysia rose on the back of an increase in the exports of ICs, specialised machinery and household goods.

NODX to Hong Kong decreased by 1.0 per cent, mainly due to lower exports of non-monetary gold, diodes & transistors and personal computers.

Exhibit 4.3: Growth Rates of Non-Oil Domestic Exports to Top Ten Markets in 2017



Oil Domestic Exports

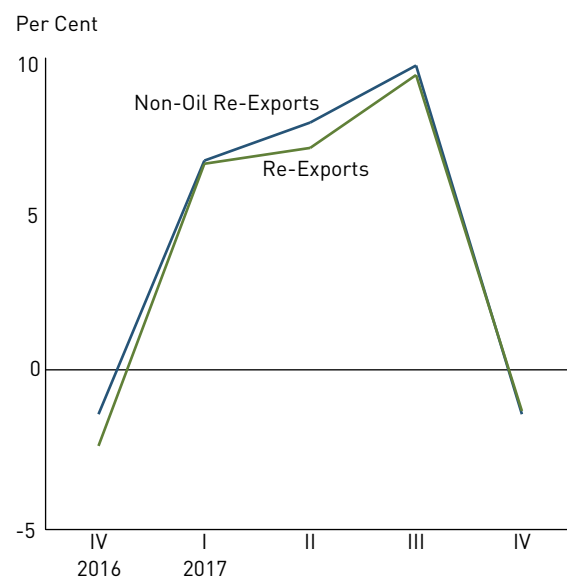
Oil domestic exports expanded by 26 per cent in the fourth quarter, following the 19 per cent increase in the preceding quarter. The increase in the value of oil domestic exports was led by higher sales to Malaysia, China and Indonesia, partly attributable to higher oil prices in the fourth quarter as compared to a year ago. In volume terms, oil domestic exports rose by 8.4 per cent in the fourth quarter, reversing the 1.2 per cent decrease in the third quarter.

For the full year, oil domestic exports expanded by 33 per cent, a reversal from the 13 per cent decline in 2016. The increase in the value of oil domestic exports was driven mainly by higher sales to China, Indonesia and Hong Kong on the back of a rise in oil prices as compared to 2016. In volume terms, oil domestic exports increased by 6.5 per cent in 2017, following the 7.4 per cent growth in 2016.

Non-Oil Re-Exports

Non-oil re-exports (NORX) decreased by 1.4 per cent in the fourth quarter, reversing the 9.6 per cent growth in the preceding quarter (Exhibit 4.4). The decline in NORX was due to a fall in both electronics and non-electronics re-exports. Electronics re-exports fell by 1.7 per cent, a pullback from the 17 per cent increase in the third quarter, due to a decline in the re-exports of diodes & transistors, disk media products and other computer peripherals. Similarly, non-electronics NORX decreased by 1.1 per cent, reversing the 1.9 per cent growth in the preceding quarter, mainly due to the lower re-exports of non-monetary gold, jewellery and aluminium.

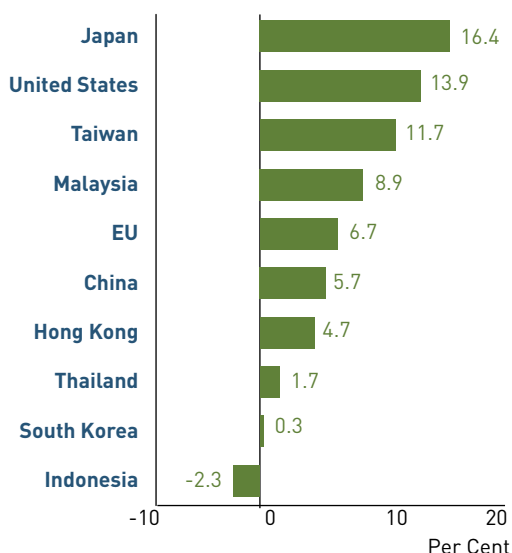
Exhibit 4.4: Changes in Re-Exports



For the whole of 2017, NORX grew by 5.5 per cent, a turnaround from the 3.1 per cent decline in 2016. Growth was due to a rise in both electronics (7.5 per cent) and non-electronics (3.5 per cent) NORX.

NORX to the top ten NORX markets grew in 2017, except for Indonesia (Exhibit 4.5). NORX to Malaysia rose the most, on the back of higher re-exports of ICs, specialised machinery and petrochemicals. Higher shipments of ICs, non-electric engines & motors and measuring instruments led to the increase in NORX to the US. Re-exports to Hong Kong increased due to a rise in the shipments of ICs, capacitors and structures of ships & boats. On the other hand, NORX to Indonesia declined due to a fall in the shipments of parts of electric plants, non-monetary gold and non-electric engines & motors.

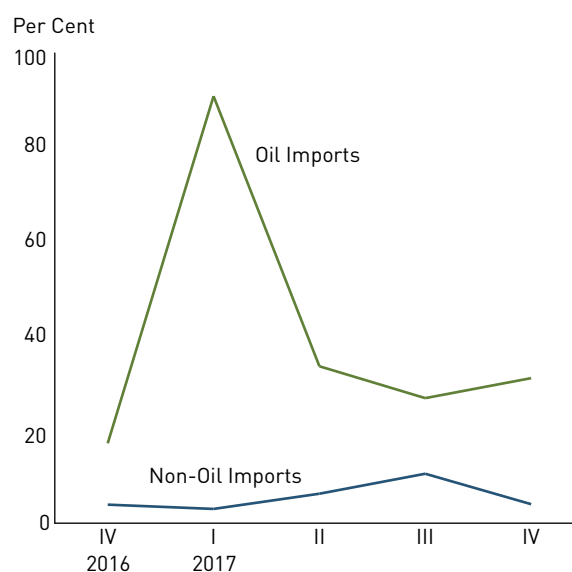
Exhibit 4.5: Growth Rates of Non-Oil Re-Exports to Top Ten Markets in 2017



Merchandise Imports

Non-oil imports rose by 4.0 per cent in the fourth quarter, following the 10 per cent growth in the preceding quarter (Exhibit 4.6). The increase in non-oil imports was due to both electronics (9.6 per cent) and non-electronics (0.9 per cent) imports. Higher purchases of ICs, personal computers and disk media products contributed to the increase in electronics imports. Meanwhile, non-electronics imports grew on the back of a rise in the imports of specialised machinery, non-electric engines & motors and pharmaceutical products.

Exhibit 4.6: Changes in Merchandise Imports



Oil imports expanded by 31 per cent in the fourth quarter, following the 26 per cent growth in the preceding quarter. In volume terms, oil imports rose by 14 per cent, an improvement from the 5.4 per cent growth in the preceding quarter.

For the full year, non-oil imports increased by 5.8 per cent, reversing the 0.6 per cent decline in 2016. Oil imports expanded by 42 per cent in 2017, a turnaround from the 21 per cent contraction in 2016, partly due to higher oil prices.

SERVICES TRADE

▸ Services Exports

Services exports grew by 3.2 per cent in the fourth quarter, moderating from the 5.3 per cent increase in the preceding quarter (Exhibit 4.7). Growth was supported by the exports of transport services and charges for the use of intellectual property, which rose by 6.9 per cent and 15 per cent respectively. On the other hand, exports of financial services saw the largest decline of 4.8 per cent, reversing the 11 per cent expansion in the preceding quarter.

Exhibit 4.7: Growth Rates of Total Services Trade, Services Exports and Services Imports (In Nominal Terms)

	2016	2017			2017
		II	III	IV	
Total Services Trade	0.0	3.9	6.6	4.1	4.7
Services Exports	2.2	3.7	5.3	3.2	4.2
Services Imports	-2.1	4.0	7.9	5.0	5.1

For 2017 as a whole, services exports grew by 4.2 per cent, improving from the growth of 2.2 per cent in 2016. Exports of all services categories rose in 2017, with the exception of construction services and telecommunications, computer and information services, which declined by 8.4 per cent and 2.8 per cent respectively.

▸ Services Imports

Services imports expanded by 5.0 per cent in the fourth quarter, easing from the 7.9 per cent increase in the third quarter. Growth was primarily supported by higher payments for transport services and other business services, which grew by 7.2 per cent and 2.8 per cent respectively.

Among the services categories, construction services saw the fastest growth in imports in the fourth quarter, at 20 per cent. By contrast, the imports of maintenance and repair services declined by 0.3 per cent.

For the full year, services imports rose by 5.1 per cent, a turnaround from the 2.1 per cent decline in 2016. Apart from the imports of government goods and services and construction services, both of which declined by 5.2 per cent, the rest of the services categories saw a rise in imports in 2017.

