



Image courtesy of PSA Corporation Limited



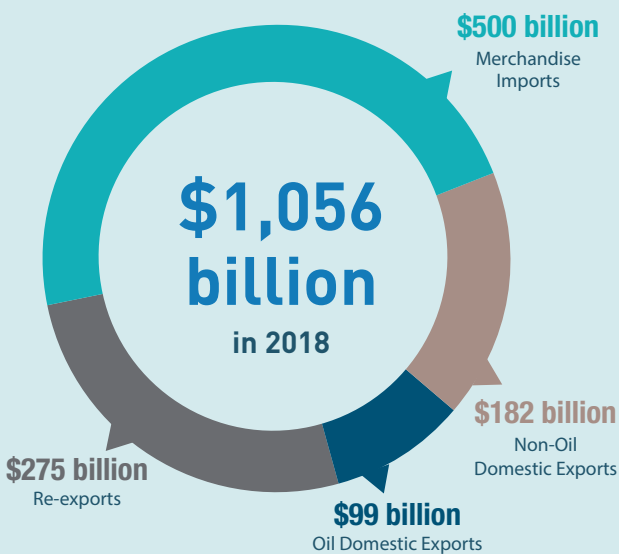
CHAPTER 4

# INTERNATIONAL TRADE

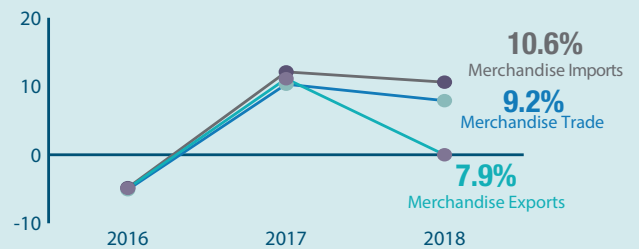
## CHAPTER 4

# INTERNATIONAL TRADE

### TOTAL MERCHANDISE TRADE AMOUNTED TO...



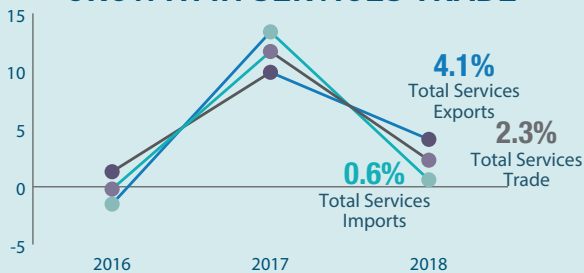
### GROWTH IN MERCHANDISE TRADE



### COMPONENTS OF MERCHANDISE EXPORTS (Year-On-Year Growth)



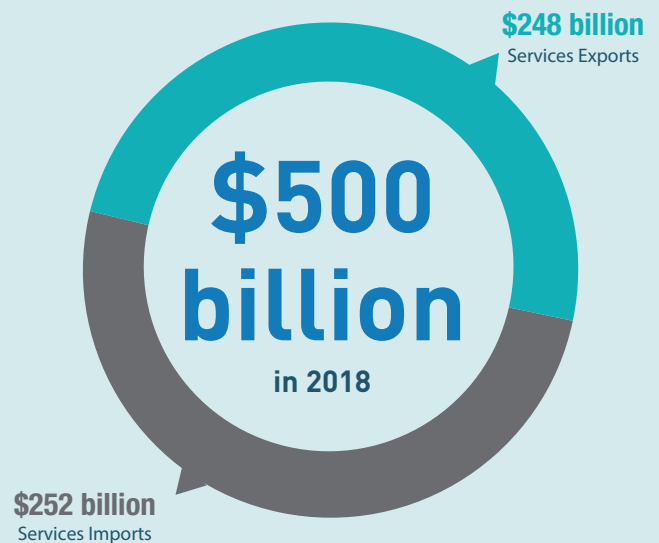
### GROWTH IN SERVICES TRADE



### MAIN DRIVERS OF SERVICES EXPORT GROWTH WERE...



### TOTAL SERVICES TRADE AMOUNTED TO...



## OVERVIEW

Singapore's total merchandise trade rose by 9.2 per cent year-on-year in the fourth quarter of 2018, slower than the 15 per cent growth in the preceding quarter. Meanwhile, total services trade increased by 1.4 per cent year-on-year, moderating from the 2.4 per cent growth in the third quarter.

For the whole of 2018, Singapore's total merchandise trade increased by 9.2 per cent to \$1.1 trillion, up from \$967 billion in 2017. Oil trade expanded by 17 per cent, while non-oil trade grew by 7.3 per cent. Merchandise exports and imports rose by 7.9 per cent and 11 per cent respectively.

Overall services trade increased by 2.3 per cent to \$500 billion in 2018, from \$489 billion in 2017. Services exports grew by 4.1 per cent, while services imports expanded by 0.6 per cent in 2018.

## MERCHANDISE TRADE

### Merchandise Exports

Total merchandise exports rose by 7.2 per cent year-on-year in the fourth quarter, extending the 13 per cent growth in the preceding quarter (Exhibit 4.1). The increase in total merchandise exports during the quarter came on the back of a 3.4 per cent expansion in domestic exports, although this was slower than the 14 per cent increase in the third quarter. Re-exports grew by 11 per cent, the same pace of growth as in the preceding quarter.

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

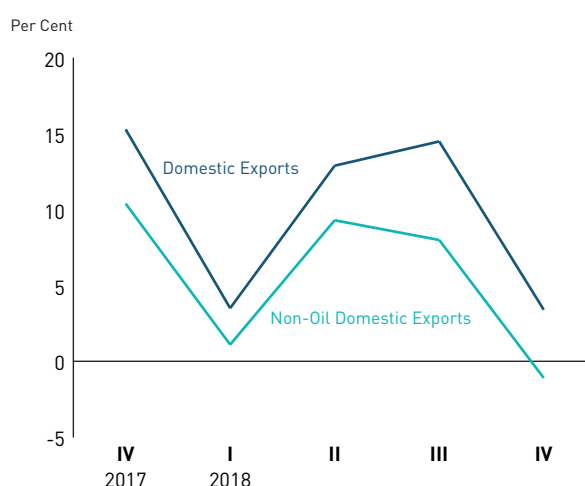
	2017	2018			2018
		II	III	IV	
<b>Total Merchandise Trade</b>	11.1	10.2	14.7	9.2	<b>9.2</b>
<b>Merchandise Exports</b>	10.3	9.3	12.7	7.2	<b>7.9</b>
<b>Domestic Exports</b>	15.8	12.9	14.5	3.4	<b>8.4</b>
<b>Oil</b>	33.4	20.4	28.9	12.1	<b>17.1</b>
<b>Non-Oil</b>	8.8	9.3	8.0	-1.1	<b>4.2</b>
<b>Re-Exports</b>	5.2	5.7	11.1	11.2	<b>7.4</b>
<b>Merchandise Imports</b>	12.1	11.1	17.0	11.5	<b>10.6</b>
<b>Oil</b>	41.6	26.3	30.9	16.9	<b>18.9</b>
<b>Non-oil</b>	5.8	6.9	13.4	9.9	<b>8.3</b>

For the whole of 2018, total merchandise exports rose by 7.9 per cent, moderating from the 10 per cent increase in 2017.

### Non-Oil Domestic Exports

Non-oil domestic exports (NODX) declined by 1.1 per cent year-on-year in the fourth quarter, reversing the 8.0 per cent growth in the preceding quarter (Exhibit 4.2). The decline in NODX was due to a fall in both electronics and non-electronics NODX during the quarter.

Exhibit 4.2: Changes in Domestic Exports



Electronics NODX fell by 3.6 per cent in the fourth quarter, following the 3.0 per cent decline in the previous quarter. The fall in electronics NODX was primarily due to lower domestic exports of personal computers (PCs), diodes & transistors and disk media products. Non-electronics NODX decreased slightly by 0.2 per cent in the fourth quarter, after posting robust growth of 13 per cent in the previous quarter. The decline in non-electronics NODX was due to a fall in the domestic exports of non-monetary gold, specialised machinery and aircraft parts.

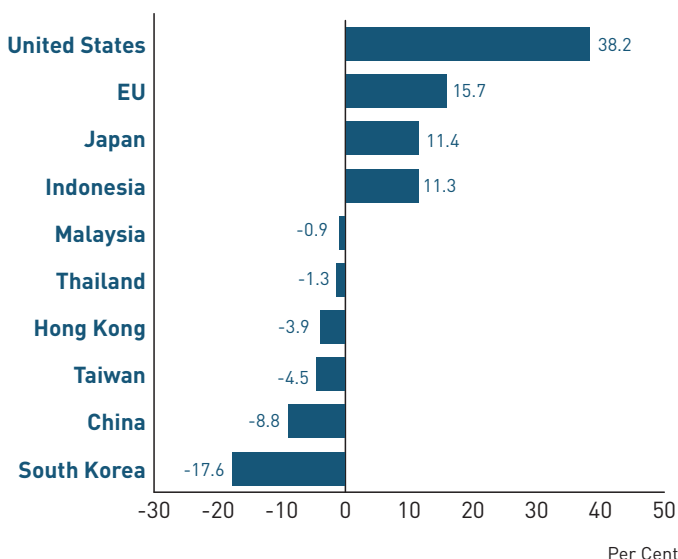
For the full year, NODX grew by 4.2 per cent, following the 8.8 per cent increase in 2017. Growth was driven by an increase in non-electronics NODX (8.2 per cent) which outweighed the decline in electronics NODX (-5.5 per cent).

The top 10 NODX markets accounted for 81 per cent of Singapore's total NODX in 2018. Singapore's NODX to the top 10 markets as a whole rose in 2018. Among the top 10 markets, the increases in NODX to the US, the EU, Indonesia and Japan outweighed the declines in NODX to China, South Korea, Hong Kong, Taiwan, Malaysia and Thailand (Exhibit 4.3).

NODX to the US rose mainly due to the higher exports of food preparations, non-electric engines & motors and pharmaceuticals. NODX to the EU increased as a result of a rise in the exports of civil engineering equipment parts, pharmaceuticals and non-electric engines & motors. Non-monetary gold, electrical machinery and capacitors contributed the most to the increase in NODX to Indonesia, while NODX to Japan grew due to a rise in the exports of pharmaceuticals, specialised machinery and measuring instruments.

Meanwhile, NODX to China declined because of a drop in the shipment of non-monetary gold, ICs and disk media products. The decline in NODX to South Korea was mainly due to the lower exports of specialised machinery, ICs and measuring instruments, whereas NODX to Hong Kong decreased on account of a fall in the exports of electrical machinery, parts of PCs and non-monetary gold.

Exhibit 4.3: Growth Rates of Non-Oil Domestic Exports to Top Ten Markets in 2018



## Oil Domestic Exports

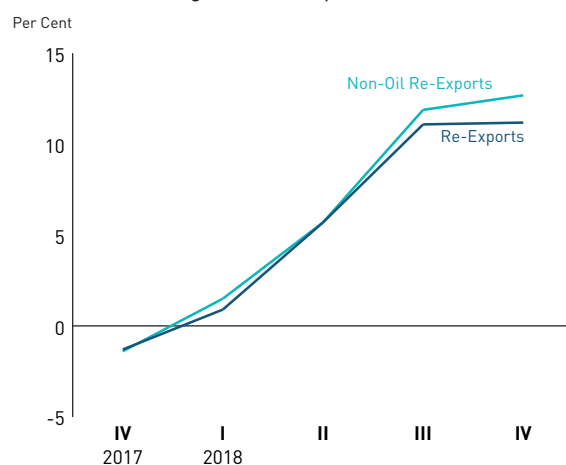
Oil domestic exports expanded by 12 per cent year-on-year in the fourth quarter, following the 29 per cent increase in the preceding quarter. The expansion in oil domestic exports was led by exports to Australia, Indonesia and Hong Kong, reflecting higher oil prices in the fourth quarter as compared to a year ago. In volume terms, oil domestic exports declined by 2.8 per cent in the fourth quarter, a moderation compared to the 5.8 per cent decrease in the third quarter.

For the full year, oil domestic exports rose by 17 per cent, following the 33 per cent growth in 2017, on account of higher oil prices. The expansion in oil domestic exports was driven mainly by exports to Malaysia, Indonesia and Australia. In volume terms, oil domestic exports decreased by 4.5 per cent in 2018, reversing the 6.5 per cent growth in 2017.

## Non-Oil Re-Exports

Non-oil re-exports (NORX) grew by 13 per cent year-on-year in the fourth quarter, extending the 12 per cent growth in the preceding quarter (Exhibit 4.4). The growth in NORX was due to an increase in both electronics and non-electronics NORX. Electronics NORX grew by 12 per cent, a turnaround from the 1.2 per cent decline in the third quarter, due to an increase in the re-exports of ICs, telecommunications equipment and diodes & transistors. Meanwhile, non-electronics NORX grew by 13 per cent, slowing from the 27 per cent growth in the preceding quarter. The increase in electronics NORX during the quarter was mainly due to the higher re-exports of non-electric engines & motors, aircraft parts and piston engines.

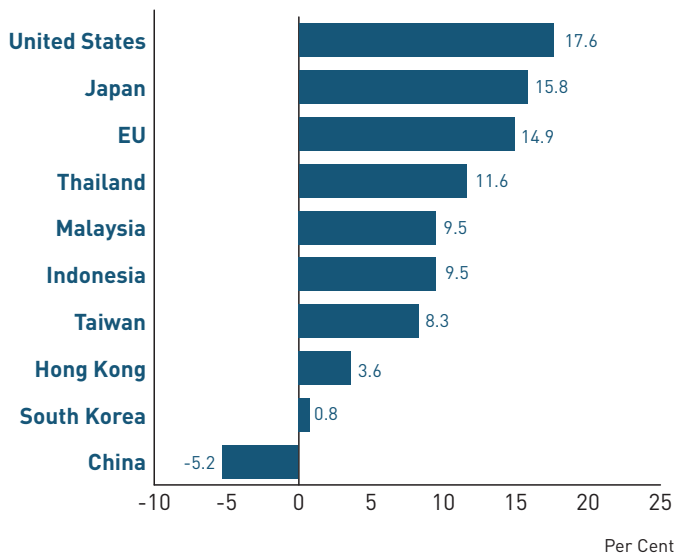
Exhibit 4.4: Changes in Re-Exports



For the whole of 2018, NORX grew by 8.1 per cent, extending the 5.5 per cent expansion in 2017. Growth was due to an increase in both electronics (1.9 per cent) and non-electronics (14 per cent) NORX.

NORX to the top 10 NORX markets grew in 2018, with the exception of NORX to China (Exhibit 4.5). NORX to the US expanded on the back of higher re-exports of non-electric engines & motors, ICs and piston engines. Meanwhile, higher shipments of non-electric engines & motors, aircraft parts and ICs led to an increase in NORX to the EU. Re-exports to Malaysia rose due to higher shipments of ICs, telecommunications equipment and non-monetary gold. On the other hand, NORX to China declined on account of a decrease in the shipments of ICs, diodes & transistors and copper.

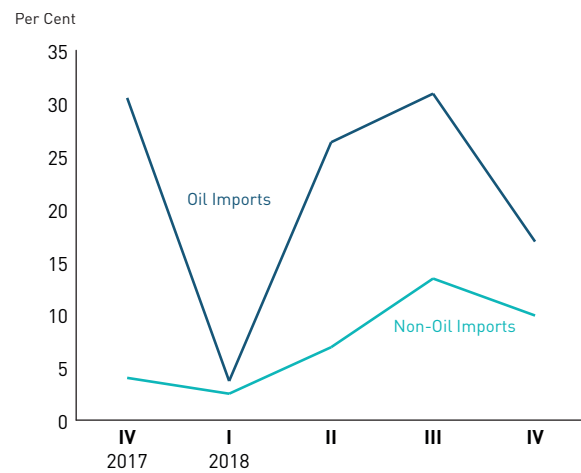
Exhibit 4.5: Growth Rates of Non-Oil Re-Exports to Top Ten Markets in 2018



## Merchandise Imports

Non-oil imports rose by 9.9 per cent year-on-year in the fourth quarter, following the 13 per cent growth in the preceding quarter (Exhibit 4.6). The increase in non-oil imports came on the back of an expansion in both electronics (5.8 per cent) and non-electronics (12 per cent) imports. Higher imports of ICs, telecommunications equipment and PCs contributed to the increase in electronics imports. Meanwhile, non-electronics imports grew because of a rise in the imports of non-electric engines & motors, aircraft parts and piston engines.

Exhibit 4.6: Changes in Merchandise Imports



Oil imports rose by 17 per cent year-on-year in the fourth quarter, after the 31 per cent expansion in the preceding quarter. In volume terms, oil imports declined by 1.5 per cent, moderating from the 8.5 per cent decrease in the preceding quarter.

For the full year, non-oil imports grew by 8.3 per cent, extending the 5.8 per cent increase in 2017. Oil imports rose by 19 per cent, slower than the 42 per cent expansion in 2017.

## SERVICES TRADE

### Services Exports

Services exports expanded by 2.8 per cent year-on-year in the fourth quarter, moderating from the 4.4 per cent increase in the third quarter. Growth was primarily driven by the exports of other business services, transport services and financial services, which rose by 5.5 per cent, 2.4 per cent and 3.8 per cent respectively. By contrast, receipts for the use of intellectual property declined by 12 per cent.

For the full year, services exports rose by 4.1 per cent, slowing from the 9.9 per cent increase in 2017. Apart from the exports of construction services and government goods and services, which declined by 3.4 per cent and 0.5 per cent respectively, the rest of the services categories saw a rise in exports in 2018.

### Services Imports

Services imports edged up by 0.1 per cent year-on-year in the fourth quarter, easing from the 0.4 per cent increase recorded in the third quarter. Growth was mainly supported by the imports of financial services and insurance services, which rose by 32 per cent and 11 per cent respectively. By contrast, the imports of other business services decreased by 3.9 per cent.

For the whole of 2018, services imports increased by 0.6 per cent, slowing from the 13 per cent increase in 2017. While the imports of other business services and payments for the use of intellectual property declined by 2.0 per cent and 0.6 per cent respectively, the imports of the remaining services categories expanded in 2018.

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

	2017	2017			2018
		II	III	IV	
<b>Total Services Trade</b>	11.7	1.8	2.4	1.4	<b>2.3</b>
<b>Services Exports</b>	9.9	3.3	4.4	2.8	<b>4.1</b>
<b>Services Imports</b>	13.4	0.3	0.4	0.1	<b>0.6</b>