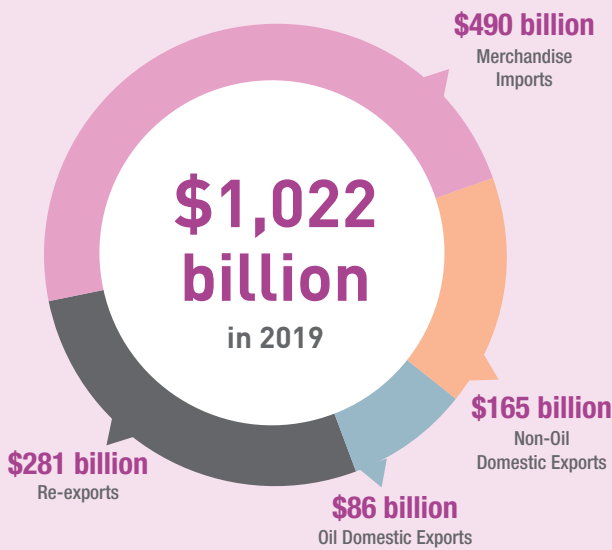
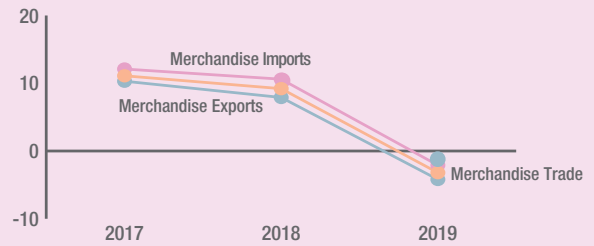


# CHAPTER 4 INTERNATIONAL TRADE

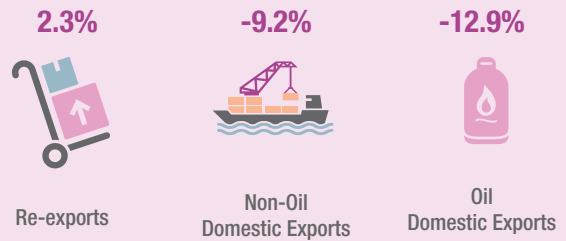
## TOTAL MERCHANDISE TRADE AMOUNTED TO...



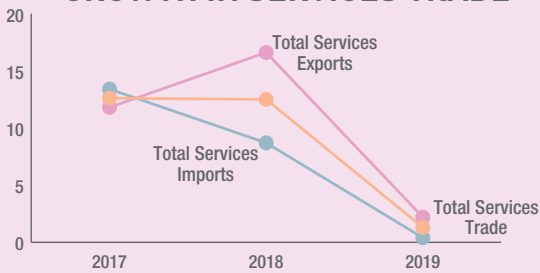
## GROWTH IN MERCHANDISE TRADE



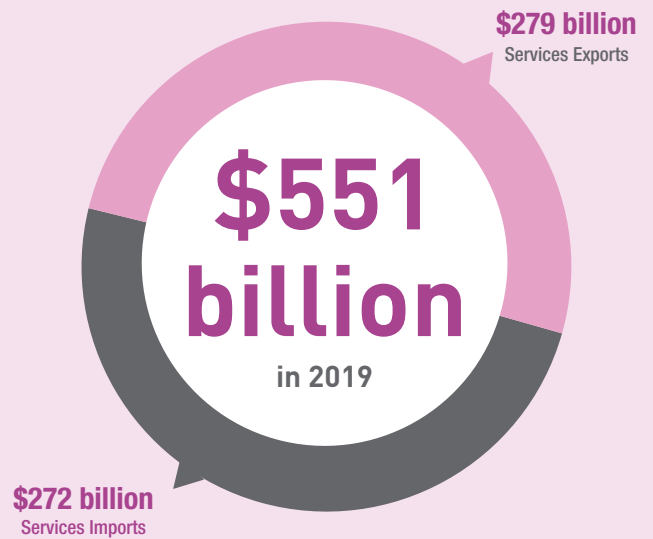
## COMPONENTS OF MERCHANDISE EXPORTS (Year-On-Year Growth)



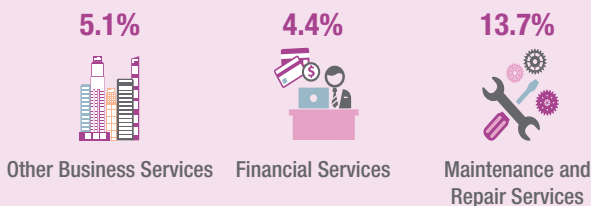
## GROWTH IN SERVICES TRADE



## TOTAL SERVICES TRADE AMOUNTED TO...



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



## OVERVIEW

Singapore’s total merchandise trade contracted by 5.3 per cent year-on-year in the fourth quarter of 2019, following the 6.7 per cent decline in the preceding quarter. By contrast, total services trade increased by 2.5 per cent year-on-year in the fourth quarter, extending the 0.6 per cent growth in the third quarter.

For the whole of 2019, Singapore’s total merchandise trade fell by 3.2 per cent to reach \$1.0 trillion, from the \$1.1 trillion in 2018. Oil trade declined by 13.9 per cent on the back of lower oil prices compared to a year ago, while non-oil trade dipped by 0.3 per cent. Meanwhile, total merchandise exports and imports decreased by 4.2 per cent and 2.1 per cent respectively.

Overall services trade expanded by 1.3 per cent to \$550.9 billion in 2019, from \$543.8 billion in 2018. Services exports grew by 2.2 per cent, while services imports edged up by 0.4 per cent in 2019.

## MERCHANDISE TRADE

### Merchandise Exports

Total merchandise exports fell by 4.3 per cent year-on-year in the fourth quarter, following the 7.3 per cent decline in the preceding quarter (Exhibit 4.1). The fall in total merchandise exports was due to domestic exports, which contracted by 12 per cent in the fourth quarter, easing slightly from the 13 per cent decline in the third quarter. By contrast, re-exports grew by 2.8 per cent, rebounding from the 1.7 per cent drop in the preceding quarter.

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

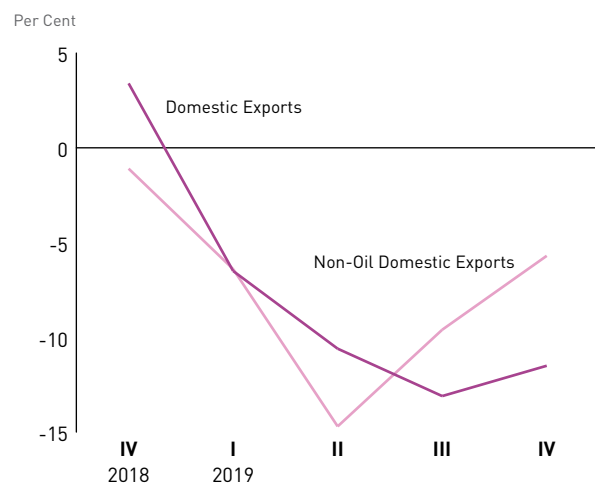
|                                | 2018 | 2019  |       |       | 2019         |
|--------------------------------|------|-------|-------|-------|--------------|
|                                |      | II    | III   | IV    |              |
| <b>Total Merchandise Trade</b> | 9.2  | -2.2  | -6.7  | -5.3  | <b>-3.2</b>  |
| <b>Merchandise Exports</b>     | 7.9  | -4.6  | -7.3  | -4.3  | <b>-4.2</b>  |
| Domestic Exports               | 8.4  | -10.6 | -13.1 | -11.5 | <b>-10.5</b> |
| Oil                            | 17.1 | -2.9  | -19.7 | -21.5 | <b>-12.9</b> |
| Non-Oil                        | 4.2  | -14.7 | -9.6  | -5.7  | <b>-9.2</b>  |
| Re-Exports                     | 7.4  | 2.0   | -1.7  | 2.8   | <b>2.3</b>   |
| <b>Merchandise Imports</b>     | 10.6 | 0.5   | -5.9  | -6.3  | <b>-2.1</b>  |
| Oil                            | 18.9 | -9.6  | -18.2 | -20.4 | <b>-13.5</b> |
| Non-oil                        | 8.3  | 3.7   | -2.3  | -1.9  | <b>1.5</b>   |

For the whole of 2019, total merchandise exports declined by 4.2 per cent, reversing the 7.9 per cent increase in 2018.

### Non-Oil Domestic Exports

Non-oil domestic exports (NODX) fell by 5.7 per cent year-on-year in the fourth quarter, moderating from the 9.6 per cent decline in the preceding quarter (Exhibit 4.2). The fall in NODX was due to a drop in both electronics and non-electronics NODX.

Exhibit 4.2: Changes in Domestic Exports



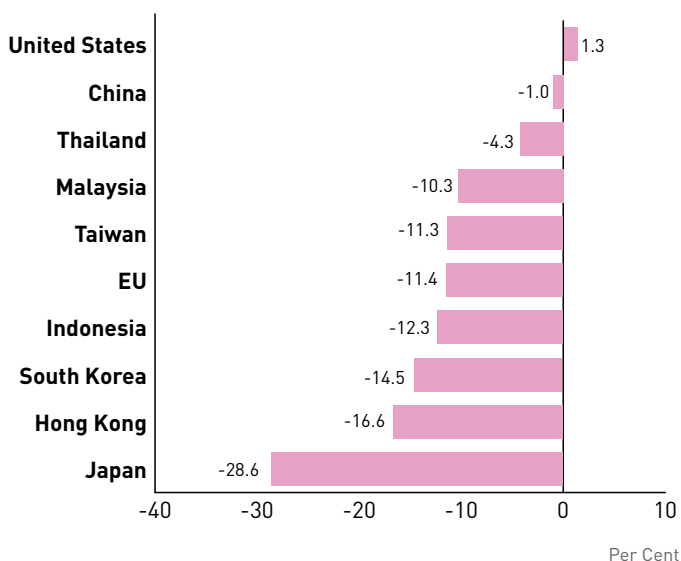
Electronics NODX contracted by 20 per cent in the fourth quarter, following the 25 per cent decline in the previous quarter. The fall in electronics NODX was primarily due to a drop in the domestic exports of ICs, PCs and disk drives. Non-electronics NODX decreased slightly by 0.3 per cent in the fourth quarter, easing from the 3.9 per cent decline in the preceding quarter. The contraction in non-electronics NODX was on account of a decline in the domestic exports of pharmaceuticals, petrochemicals and primary chemicals.

For the full year, NODX declined by 9.2 per cent, a sharp reversal from the 4.2 per cent increase in 2018. The decline was due to lower shipments of both electronics (-23 per cent) and non-electronics (-4.5 per cent) products.

The top 10 NODX markets accounted for 81 per cent of Singapore’s total NODX in 2019. Singapore’s NODX to all the top 10 markets declined in 2019, except for the NODX to the United States (Exhibit 4.3). The biggest contributors to the NODX decline were Japan (-29 per cent), the EU 28 (-11 per cent) and Hong Kong (-17 per cent).

NODX to Japan fell mainly because of a drop in the exports of specialised machinery, pharmaceuticals and ICs. NODX to the EU 28 decreased as a result of a decline in the exports of pharmaceuticals, civil engineering equipment parts and PCs. Meanwhile, disk media products, PCs and ICs contributed the most to the decline in NODX to Hong Kong. On the other hand, NODX to the United States rose due to an increase in the exports of miscellaneous manufactured articles, medical apparatus and specialised machinery.

Exhibit 4.3: Growth Rates of Non-Oil Domestic Exports to Top Ten Markets in 2019



## Oil Domestic Exports

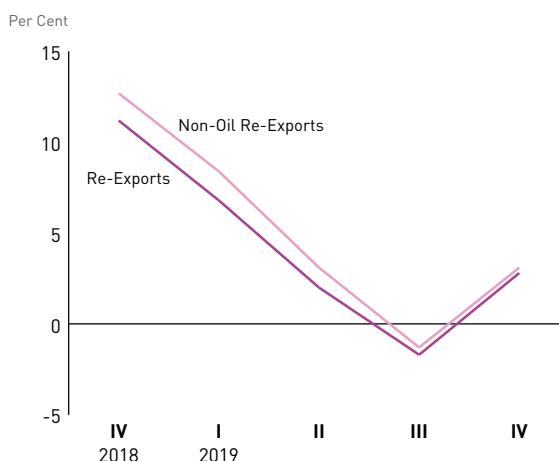
Oil domestic exports contracted by 22 per cent year-on-year in the fourth quarter, following the 20 per cent decline in the preceding quarter. The contraction in oil domestic exports was led by a drop in exports to Hong Kong, Indonesia and Panama, partly reflecting lower oil prices in the fourth quarter as compared to a year ago. In volume terms, oil domestic exports declined by 6.6 per cent in the fourth quarter, extending the 9.2 per cent decrease in the third quarter.

For the full year, oil domestic exports fell by 13 per cent, a reversal from the 17 per cent growth in 2018, on account of lower oil prices. The decline in oil domestic exports was driven mainly by lower exports to Indonesia, Malaysia and Panama. In volume terms, oil domestic exports dropped by 5.6 per cent in 2019, worsening from the 4.7 per cent contraction in 2018.

## Non-Oil Re-Exports

Non-oil re-exports (NORX) expanded by 3.1 per cent year-on-year in the fourth quarter, reversing the 1.3 per cent decline in the preceding quarter (Exhibit 4.4). The growth in NORX was on account of an increase in both electronics and non-electronics NORX. Electronics NORX grew by 0.5 per cent, a turnaround from the 1.9 per cent decline in the third quarter, due to an increase in the re-exports of telecommunications equipment, consumer electronics and diodes & transistors. Meanwhile, non-electronics NORX expanded by 5.5 per cent, a reversal from the 0.8 per cent drop in the preceding quarter. The increase in non-electronics NORX was mainly due to a rise in the re-exports of aircraft parts, personal beauty products and specialised machinery.

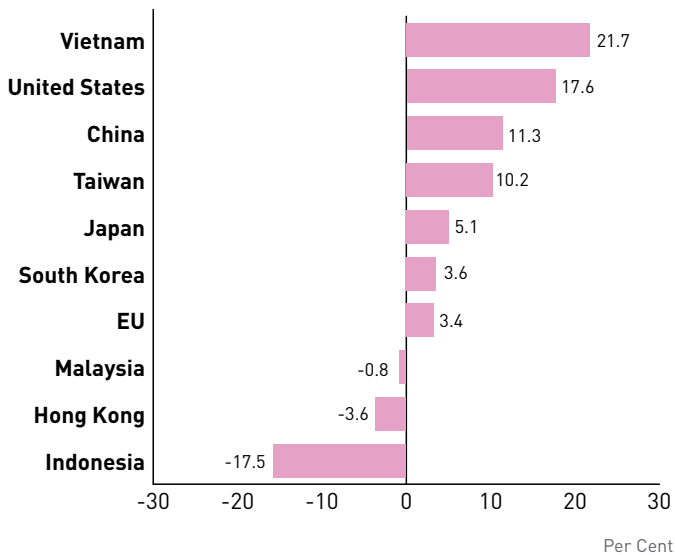
Exhibit 4.4: Changes in Re-Exports



For the whole of 2019, NORX grew by 3.1 per cent, extending the 8.1 per cent growth in 2018. Growth could be attributed to an increase in both electronics (1.1 per cent) and non-electronics (5.0 per cent) NORX.

NORX to the top 10 NORX markets rose in 2019, except for Indonesia, Hong Kong and Malaysia (Exhibit 4.5). NORX to China expanded on the back of a rise in re-exports of ICs, telecommunications equipment and personal beauty products. NORX to the US edged up due to higher shipments of piston engines, parts of PCs and non-electric engines & motors. Meanwhile, NORX to Vietnam rose as the shipments of ICs, telecommunications equipment and non-electric engines & motors increased. On the other hand, NORX to Indonesia declined because of a fall in the shipments of telecommunications equipment, non-monetary gold and electrical circuit apparatus.

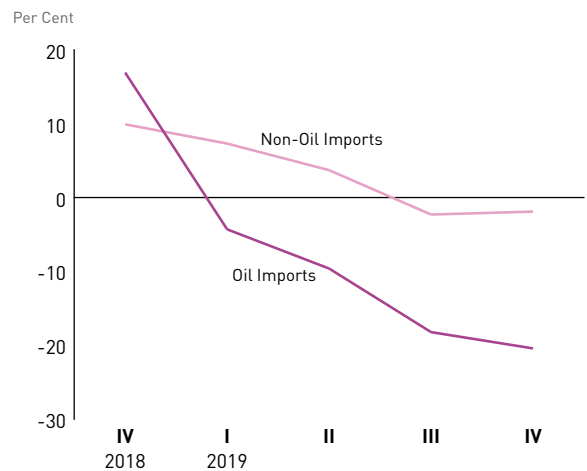
Exhibit 4.5: Growth Rates of Non-Oil Re-Exports to Top Ten Markets in 2019



## Merchandise Imports

Non-oil imports decreased by 1.9 per cent year-on-year in the fourth quarter, following the 2.3 per cent decline in the preceding quarter (Exhibit 4.6). The drop in non-oil imports came on the back of a fall in both electronics (-0.7 per cent) and non-electronics (-2.5 per cent) imports. Lower imports of ICs, parts of PCs and capacitors contributed to the decline in electronics imports. Meanwhile, non-electronics imports fell because the imports of non-monetary gold, aircraft parts and other specialty chemicals declined.

Exhibit 4.6: Changes in Merchandise Imports



Oil imports contracted by 20 per cent year-on-year in the fourth quarter, extending the 18 per cent decrease in the preceding quarter. In volume terms, oil imports declined by 6.9 per cent, following the 4.4 per cent drop in the preceding quarter.

For the full year, non-oil imports saw an expansion of 1.5 per cent, slower than the 8.3 per cent increase in 2018. Oil imports declined by 14 per cent, a reversal from the 19 per cent growth in 2018.

## SERVICES TRADE

### Services Exports

Services exports rose by 4.5 per cent year-on-year in the fourth quarter, faster than the 1.9 per cent increase in the third quarter. Growth was primarily driven by the exports of other business services, financial services, and maintenance & repair services, which rose by 5.8 per cent, 9.1 per cent and 24 per cent respectively. By contrast, the exports of transport services contracted by 2.1 per cent.

For the full year, services exports increased by 2.2 per cent, down from the 17 per cent expansion in 2018. Total services exports rose on the back of an increase in the exports of other business services (5.1 per cent), financial services (4.4 per cent), and maintenance & repair services (14 per cent) in 2019. These increases were partially offset by a decline in the exports of transport services (-2.1 per cent).

### Services Imports

Services imports expanded by 0.6 per cent year-on-year in the fourth quarter, a reversal from the 0.8 per cent decline in the third quarter. The growth in services imports was mainly supported by the imports of financial services, travel services and insurance services, which rose by 18 per cent, 3.0 per cent and 18 per cent respectively. Conversely, the imports of transport services decreased by 2.3 per cent.

For the whole of 2019, services imports edged up by 0.4 per cent, a slower pace compared to the 8.7 per cent increase in 2018. Overall services imports grew due to a pick up in the imports of financial services (19 per cent) and travel services (2.5 per cent) for the year. These increases were partially offset by a decline in the imports of transport services (-1.1 per cent) and payments for the use of intellectual property (-2.8 per cent).

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

|                             | 2018 | 2019 |      |     | 2019       |
|-----------------------------|------|------|------|-----|------------|
|                             |      | II   | III  | IV  |            |
| <b>Total Services Trade</b> | 12.5 | 1.9  | 0.6  | 2.5 | <b>1.3</b> |
| Services Exports            | 16.6 | 1.9  | 1.9  | 4.5 | <b>2.2</b> |
| Services Imports            | 8.7  | 1.9  | -0.8 | 0.6 | <b>0.4</b> |