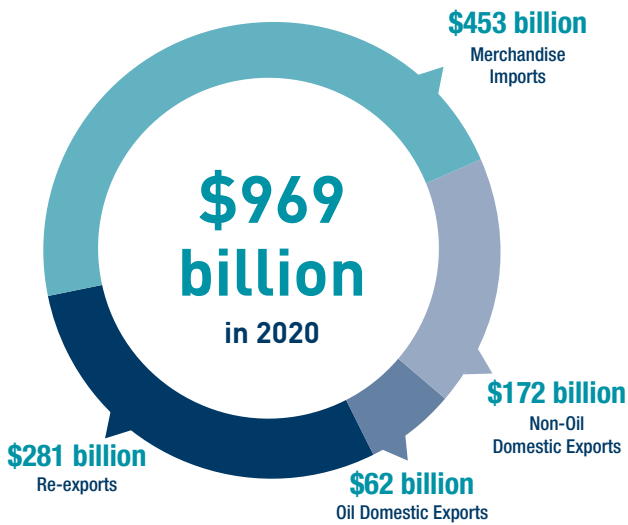
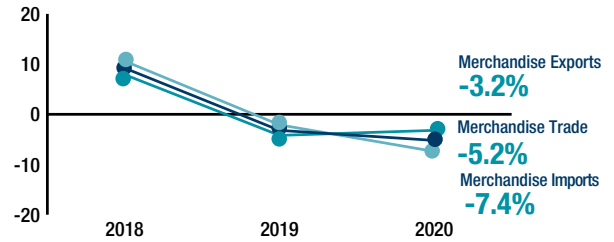


CHAPTER 4 INTERNATIONAL TRADE

TOTAL MERCHANDISE TRADE AMOUNTED TO...



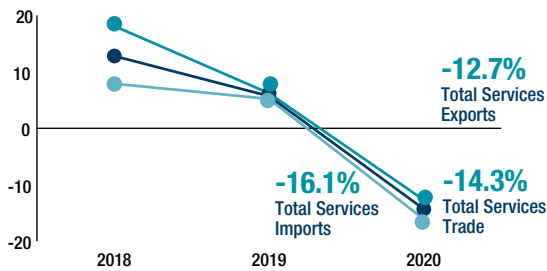
GROWTH IN MERCHANDISE TRADE



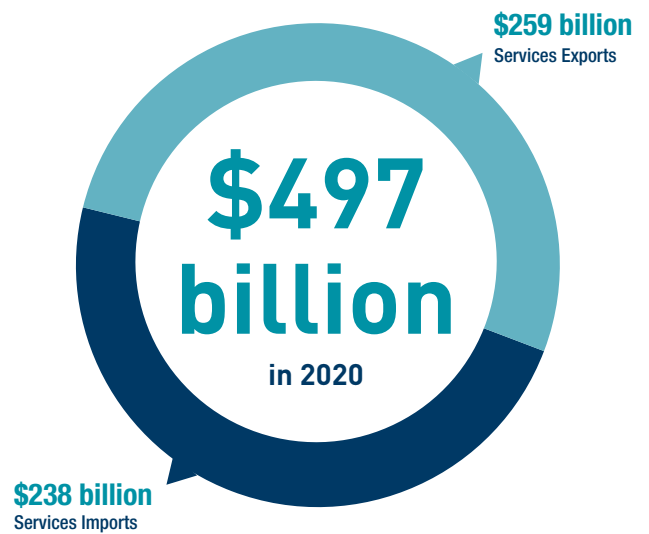
COMPONENTS OF MERCHANDISE EXPORTS (Year-On-Year Growth)



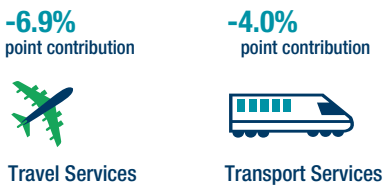
GROWTH IN SERVICES TRADE



TOTAL SERVICES TRADE AMOUNTED TO...



THE DECLINE IN SERVICES EXPORTS WAS LED BY...



OVERVIEW

Singapore's total merchandise trade declined by 5.1 per cent year-on-year in the fourth quarter of 2020, following the 4.8 per cent decrease in the preceding quarter. At the same time, total services trade fell by 16 per cent year-on-year in the fourth quarter, extending the 16 per cent contraction in the third quarter.

For the whole of 2020, Singapore's total merchandise trade contracted by 5.2 per cent to reach \$969 billion, compared to the \$1.0 trillion achieved in 2019. Oil trade slumped by 31 per cent amidst lower oil prices compared to a year ago, while non-oil trade edged up by 0.7 per cent. Merchandise exports and imports decreased by 3.2 per cent and 7.4 per cent respectively.

Overall services trade declined by 14 per cent to \$497 billion in 2020, from \$580 billion in 2019. Services exports and imports fell by 13 per cent and 16 per cent respectively.

MERCHANDISE TRADE

Merchandise Exports

Total merchandise exports decreased by 2.9 per cent year-on-year in the fourth quarter, following the 2.2 per cent decline in the preceding quarter (Exhibit 4.1). The fall in total merchandise exports was due to domestic exports, which contracted by 10 per cent in the fourth quarter, worse than the 5.1 per cent decline in the third quarter. Meanwhile, re-exports rose by 3.4 per cent, higher than the 0.3 per cent increase in the preceding quarter.

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

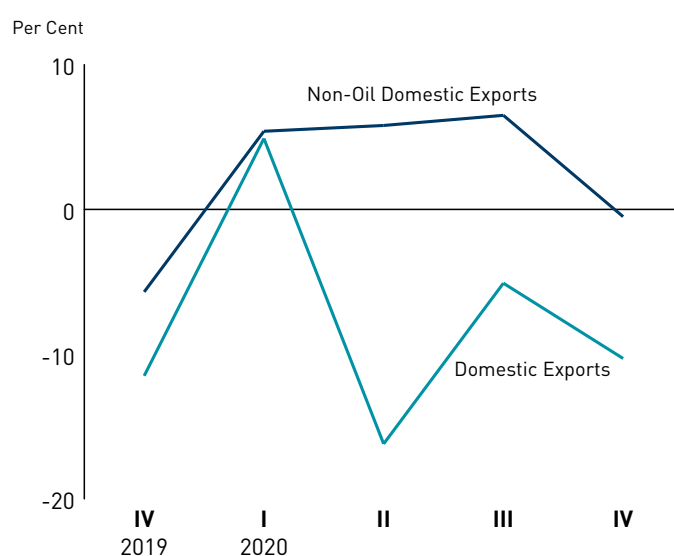
	2019	2020				2020
		I	II	III	IV	
Total Merchandise Trade	-3.2	3.4	-13.9	-4.8	-5.1	-5.2
Merchandise Exports	-4.2	4.0	-11.4	-2.2	-2.9	-3.2
Domestic Exports	-10.5	4.9	-16.2	-5.1	-10.3	-6.8
Oil	-12.9	3.9	-53.3	-29.1	-30.6	-28.1
Non-Oil	-9.2	5.4	5.8	6.5	-0.5	4.3
Re-Exports	2.3	3.2	-6.9	0.3	3.4	0.1
Merchandise Imports	-2.1	2.6	-16.6	-7.6	-7.6	-7.4
Oil	-13.5	-6.2	-57.5	-32.3	-39.2	-34.0
Non-oil	1.5	5.1	-5.2	-1.5	0.4	-0.3

For the whole of 2020, total merchandise exports decreased by 3.2 per cent, extending the 4.2 per cent decline in 2019.

Non-Oil Domestic Exports

Non-oil domestic exports (NODX) fell by 0.5 per cent year-on-year in the fourth quarter, after posting an increase of 6.5 per cent in the preceding quarter (Exhibit 4.2). The decline in NODX was due to a fall in non-electronics NODX outweighing the growth in electronics NODX.

Exhibit 4.2: Changes in Domestic Exports



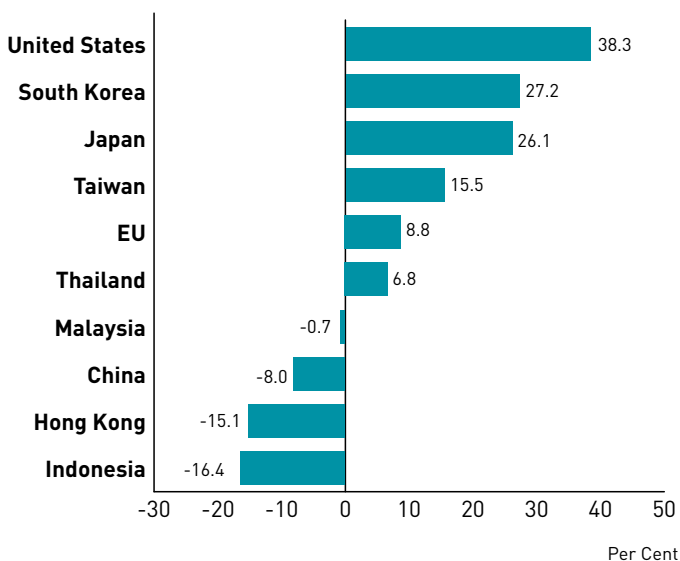
Electronics NODX grew by 2.6 per cent in the fourth quarter, easing from the 9.2 per cent increase in the previous quarter. The rise in electronics NODX was primarily due to higher domestic exports of telecommunications equipment, PCs and disk drives. Non-electronics NODX decreased by 1.4 per cent, a reversal from the 5.7 per cent growth in the previous quarter. The fall in non-electronics NODX was due to a decline in the domestic exports of pharmaceuticals, non-monetary gold and petrochemicals.

For the full year, NODX expanded by 4.3 per cent, after posting a 9.2 per cent decline in 2019. The increase was due to higher shipments of both non-electronics (4.1 per cent) and electronics (4.9 per cent) products.

The top 10 NODX markets accounted for 82 per cent of Singapore's total NODX in 2020. Singapore's NODX to the top 10 markets all rose in 2020, except for China, Hong Kong, Indonesia and Malaysia (Exhibit 4.3). The biggest contributors to the increase in NODX were the US (38 per cent), Japan (26 per cent) and South Korea (27 per cent).

NODX to the US expanded mainly because of a pickup in the exports of non-monetary gold, food preparations and disk media products. NODX to Japan rose as a result of an increase in the exports of pharmaceuticals, specialised machinery and glass. Meanwhile, specialised machinery, ICs and pharmaceuticals contributed the most to the growth in NODX to South Korea. On the other hand, NODX to China decreased due to a decline in the exports of non-monetary gold, petrochemicals and ICs.

Exhibit 4.3: Growth Rates of Non-Oil Domestic Exports to Top Ten Markets in 2020



Oil Domestic Exports

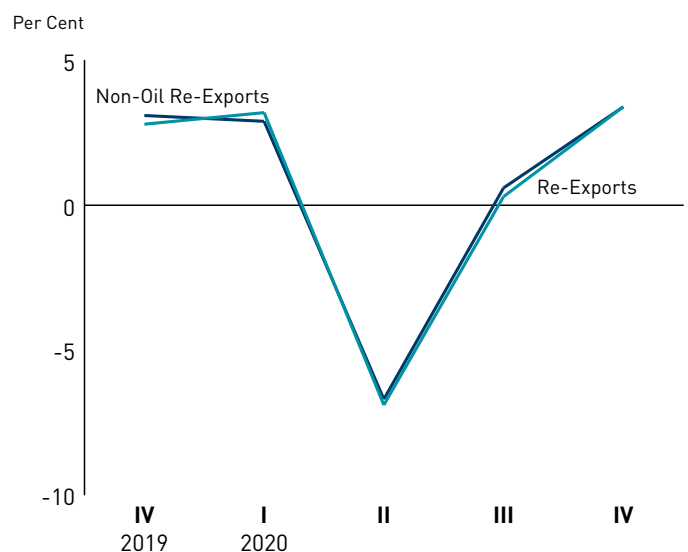
Oil domestic exports contracted by 31 per cent year-on-year in the fourth quarter, following the 29 per cent decline in the preceding quarter. The contraction in oil domestic exports was led by lower exports to Malaysia, Indonesia and Australia, partly reflecting lower oil prices in the fourth quarter as compared to a year ago. In volume terms, oil domestic exports declined by 8.4 per cent, a reversal from the 5.1 per cent increase in the third quarter.

For the full year, oil domestic exports fell by 28 per cent, following the 13 per cent contraction in 2019, on account of lower oil prices. The decline in oil domestic exports was driven mainly by lower exports to Malaysia, Indonesia and Australia. In volume terms, oil domestic exports expanded by 3.6 per cent in 2020, a turnaround from the 5.8 per cent decrease in 2019.

Non-Oil Re-Exports

Non-oil re-exports (NORX) grew by 3.4 per cent year-on-year in the fourth quarter, after recording a decline of 0.6 per cent in the preceding quarter (Exhibit 4.4). The growth in NORX was due to an increase in the re-exports of electronics outweighing a decline in non-electronic re-exports. Electronics NORX expanded by 21 per cent, following the 16 per cent growth in the third quarter, on the back of an increase in the re-exports of ICs, diodes & transistors and parts of PCs. Meanwhile, non-electronics NORX decreased by 12 per cent, extending the 13 per cent decline in the preceding quarter. The fall in non-electronics NORX was mainly due to the lower re-exports of non-electric engines & motors, aircraft parts and piston engines.

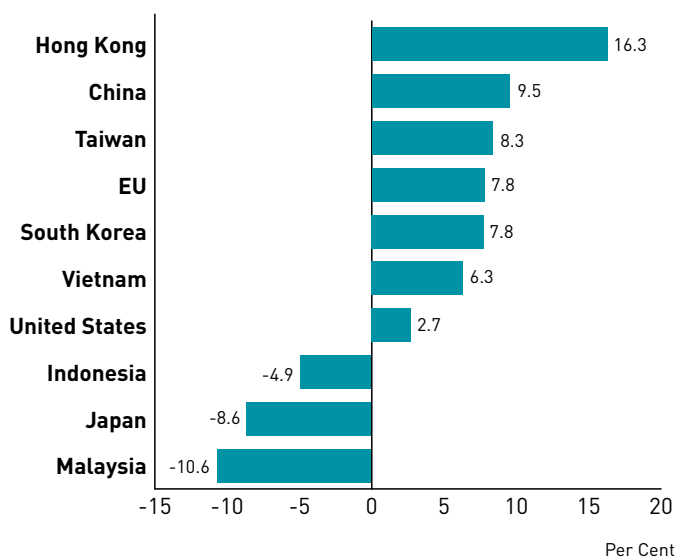
Exhibit 4.4: Changes in Re-Exports



For the whole of 2020, NORX edged up marginally by 0.1 per cent, moderating from the 3.1 per cent rise in 2019. Growth was attributable to the increase in electronics NORX (13 per cent) which outweighed the decline in non-electronics NORX (-11 per cent).

NORX to all top 10 NORX markets expanded in 2020, except for Malaysia, Japan and Indonesia (Exhibit 4.5). NORX to Hong Kong rose on the back of higher re-exports of ICs, diodes & transistors and non-electric engines & motors. Meanwhile, higher shipments of ICs, personal beauty products and specialised machinery led to an increase in NORX to China. Re-exports to the EU 27 rose due to higher shipments of ICs, telecommunications equipment and parts of PCs. On the other hand, NORX to Malaysia fell because of a drop in the shipments of telecommunications equipment, non-monetary gold and aircraft parts.

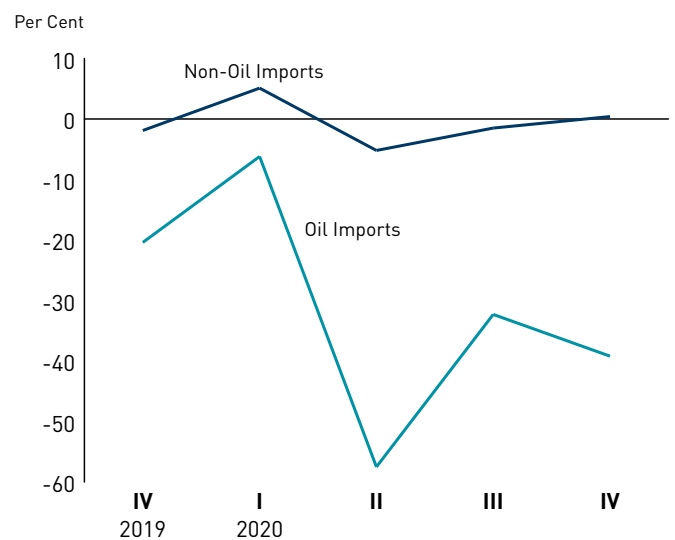
Exhibit 4.5: Growth Rates of Non-Oil Re-Exports to Top Ten Markets in 2020



Merchandise Imports

Non-oil imports increased by 0.4 per cent year-on-year in the fourth quarter, a reversal from the 1.5 per cent decline in the preceding quarter (Exhibit 4.6). The rise in non-oil imports came on the back of a pickup in the imports of electronics (14 per cent) which outweighed a decline in non-electronics imports (-7.7 per cent). Higher imports of ICs, parts of PCs and parts of ICs contributed to the increase in electronics imports. Meanwhile, non-electronics imports declined due to a drop in the imports of non-electric engines & motors, aircraft parts and petrochemicals.

Exhibit 4.6: Changes in Merchandise Imports



Oil imports fell by 39 per cent year-on-year in the fourth quarter, following the 32 per cent decline in the preceding quarter. In volume terms, oil imports plunged by 20 per cent, larger than the 3.9 per cent decline in the previous quarter.

For the full year, non-oil imports dipped by 0.3 per cent, deteriorating from the 1.5 per cent growth in 2019. Oil imports slumped by 34 per cent, following the 13 per cent decline in 2019.

Services Exports

Services exports shrank by 14 per cent year-on-year in the fourth quarter, extending the 14 per cent contraction in the third quarter (Exhibit 4.7). This was primarily driven by the exports of travel services, transport services and maintenance & repair services, which plunged by 85 per cent, 17 per cent and 45 per cent respectively. By contrast, the exports of financial services expanded by 9.4 per cent.

For the full year, services exports declined by 13 per cent, reversing from the 6.2 per cent growth recorded in 2019. Total services exports fell on the back of a contraction in the exports of travel services (-74 per cent), transport services (-14 per cent) and other business services (-3.7 per cent). These decreases were partially offset by an expansion in the exports of financial services (3.7 per cent) and insurance services (3.1 per cent) over the same period.

Services Imports

Services imports fell by 19 per cent year-on-year in the fourth quarter, following the 19 per cent decline recorded in the third quarter. The decrease in services imports was on account of the lower imports of travel services (-90 per cent), transport services (-22 per cent) and other business services (-3.2 per cent). Conversely, the imports of financial services increased by 18 per cent.

For the whole of 2020, services imports contracted by 16 per cent, a reversal from the 5.2 per cent increase in 2019. The decrease in services imports was attributable to the imports of travel services, transport services and other business services contracting by 75 per cent, 18 per cent and 4.2 per cent respectively. These declines were partially offset by an increase in the imports of financial services and telecommunications, computer & information services by 14 per cent and 5.5 per cent respectively.

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

	2019	2020				2020
		I	II	III	IV	
Total Services Trade	5.7	-3.0	-21.4	-16.3	-16.3	-14.3
Services Exports	6.2	-3.3	-19.1	-14.1	-13.8	-12.7
Services Imports	5.2	-2.7	-23.7	-18.7	-18.9	-16.1