

Singapore's GDP Grew by 14.3 Per Cent in the Second Quarter of 2021

14 July 2021. Based on advance estimates¹, the Singapore economy grew by 14.3 per cent on a year-on-year basis in the second quarter of 2021, extending the 1.3 per cent growth in the previous quarter. The strong growth was largely due to the low base in the second quarter of 2020 when GDP fell by 13.3 per cent due to the Circuit Breaker (CB) measures implemented from 7 April to 1 June 2020. In absolute terms, GDP in the second quarter of 2021 remained 0.9 per cent below its pre-pandemic level in the second quarter of 2019.

On a quarter-on-quarter seasonally-adjusted basis, the Singapore economy contracted by 2.0 per cent in the second quarter of 2021, a reversal from the 3.1 per cent growth in the preceding quarter.

Gross Domestic Product in Chained (2015) Dollars

	2Q20	3Q20	4Q20	2020	1Q21	2Q21*
Percentage change over corresponding period of previous year						
Overall GDP	-13.3	-5.8	-2.4	-5.4	1.3	14.3
Goods Producing Industries	-10.0	1.1	3.9	0.3	5.9	22.2
Manufacturing	-0.4	11.0	10.3	7.3	11.3	18.5
Construction	-65.6	-52.5	-27.4	-35.9	-23.1	98.8
Services Producing Industries	-12.7	-8.3	-4.7	-6.9	-0.5	9.8
Wholesale & Retail Trade and Transportation & Storage	-14.7	-11.7	-6.4	-9.5	-1.7	9.3
Information & Communications, Finance & Insurance and Professional Services	-2.4	0.1	1.4	0.9	3.2	7.8
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	-22.2	-14.0	-9.9	-12.8	-3.8	13.4

¹ The advance GDP estimates for the second quarter of 2021 are computed largely from data in the first two months of the quarter (i.e., April and May 2021). They are intended as an early indication of GDP growth in the quarter and are subject to revision when more comprehensive data become available.

	2Q20	3Q20	4Q20	2020	1Q21	2Q21*
Quarter-on-quarter growth rate, seasonally-adjusted						
Overall GDP	-13.1	9.0	3.8	-5.4	3.1	-2.0
Goods Producing Industries	-15.4	11.9	1.8	0.3	9.9	-2.5
Manufacturing	-7.6	9.7	-1.4	7.3	11.4	-1.8
Construction	-65.6	37.5	55.6	-35.9	4.5	-11.0
Services Producing Industries	-10.4	5.5	4.1	-6.9	1.0	-1.0
Wholesale & Retail Trade and Transportation & Storage	-10.4	2.0	4.1	-9.5	3.4	-0.4
Information & Communications, Finance & Insurance and Professional Services	-3.8	3.4	5.1	0.9	-1.2	0.4
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	-17.7	12.0	5.7	-12.8	-1.3	-3.0

*Advance estimates

Sectoral Performance

The manufacturing sector grew by 18.5 per cent on a year-on-year basis in the second quarter of 2021, extending the 11.3 per cent growth in the previous quarter. Growth was supported by output expansions in all clusters except for the biomedical manufacturing cluster. In particular, the electronics and precision engineering clusters continued to see healthy expansions due to robust global demand for semiconductor and semiconductor equipment respectively. On a quarter-on-quarter seasonally-adjusted basis, the manufacturing sector contracted by 1.8 per cent, a pullback from the 11.4 per cent expansion in the first quarter.

The construction sector expanded by 98.8 per cent on a year-on-year basis in the second quarter of 2021, a turnaround from the 23.1 per cent contraction in the preceding quarter. The sharp upturn was due to low base effects as the CB measures had resulted in a stoppage of most construction activities in the second quarter of last year. In absolute terms, the value-added of the sector remained 31.6 per cent below its pre-pandemic (i.e., second quarter of 2019) level. On a

quarter-on-quarter seasonally-adjusted basis, the construction sector shrank by 11.0 per cent in the second quarter of 2021, a reversal from the 4.5 per cent growth in the previous quarter.

Among the services sectors, the wholesale & retail trade and transportation & storage sectors grew by 9.3 per cent in the second quarter of 2021, reversing the 1.7 per cent contraction in the previous quarter. All sectors within this group of sectors expanded during the quarter. Growth of the retail and transportation & storage sectors, in particular, was supported by a low base as strict domestic and border restrictions during the CB had led to a sharp decline in activity in these sectors in the second quarter of last year. On the whole, the value-added of this group of sectors (i.e., wholesale & retail trade and transportation & storage) remained 6.8 per cent below its pre-pandemic (i.e., second quarter of 2019) level. On a quarter-on-quarter seasonally-adjusted basis, the sectors contracted by 0.4 per cent in the second quarter of 2021, in contrast to the 3.4 per cent growth recorded in the first quarter.

Meanwhile, the information & communications, finance & insurance and professional services sectors collectively expanded by 7.8 per cent in the second quarter of 2021, extending the 3.2 per cent growth in the preceding quarter. All sectors in this group recorded healthy expansions. The growth of the professional services sector was partly due to the low base caused by the CB last year, even as weak economic activity in the region and sluggish domestic construction activity continued to weigh on the sector during the quarter. On a quarter-on-quarter seasonally-adjusted basis, the sectors in the group grew by 0.4 per cent in the second quarter of 2021, a reversal from the 1.2 per cent contraction seen in the previous quarter.

The remaining group of services sectors (i.e., accommodation & food services, real estate, administrative & support services and other services sectors) expanded by 13.4 per cent in the second quarter of 2021, a turnaround from the 3.8 per cent contraction in the previous quarter. Most sectors within the group grew on the back of a low base in the second quarter of last year due to the CB. On the whole, the value-added of this group of sectors remained 11.8 per cent below its level in the second quarter of 2019. In particular, the recovery of the food services and other services sectors in the second quarter of 2021 was weighed down by the tightening of restrictions during Phase 2 (Heightened Alert), such as the prohibition of dining-in and reduction in the operating capacity of attractions. On a quarter-on-quarter seasonally-adjusted basis, the sectors in the group contracted by 3.0 per cent in the second quarter of 2021, extending the 1.3 per cent contraction in the preceding quarter.

MTI will release the preliminary GDP estimates for the second quarter of 2021, including performance by sectors, sources of growth, inflation, employment and productivity, in its *Economic Survey of Singapore* in August 2021.

MINISTRY OF TRADE AND INDUSTRY
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