







Chapter 6

SECTORAL PERFORMANCE

OVERALL ECONOMY

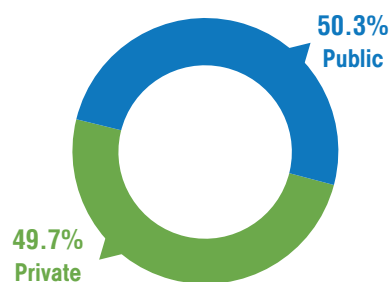
STRUCTURE OF ECONOMY	Nominal Value Added Share (%)	Real Growth (%)
Total	100.0	3.6
Goods Producing Industries	25.4	2.9
Manufacturing	21.6	2.5
Construction	2.7	6.7
Utilities	1.1	1.7
Other Goods Industries	0.0	-7.7
Services Producing Industries	71.3	4.8
Wholesale Trade	18.6	3.2
Retail Trade	1.3	8.4
Transportation & Storage	10.4	4.0
Accommodation	0.7	0.5
Food & Beverage Services	0.9	18.2
Information & Communications	5.4	8.6
Finance & Insurance	13.5	1.4
Real Estate	2.9	14.1
Professional Services	5.4	7.6
Administrative & Support Services	3.0	6.6
Other Services Industries	9.3	5.2
Ownership of Dwellings	3.3	0.4

MANUFACTURING

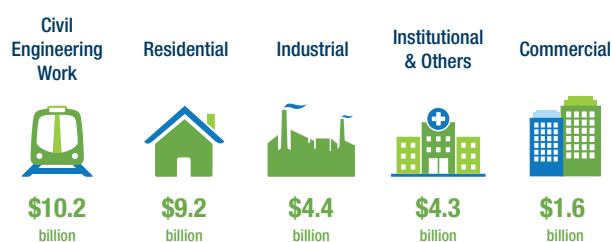
CLUSTERS	Nominal Value Added Share (%)	Real Growth (%)
 Electronics	48.5	2.6
 Chemicals	15.4	-5.5
 Biomedical Manufacturing	11.3	-5.0
 Precision Engineering	12.5	6.3
 Transport Engineering	5.8	18.8
 General Manufacturing Industries	6.4	10.1

CONSTRUCTION

CERTIFIED PAYMENTS IN 2022



CONTRACTS AWARDED IN 2022



WHOLESALE TRADE



Foreign
Wholesale Trade
Index growth
+3.1%



Domestic
Wholesale Trade
Index growth
-10.5%

RETAIL TRADE



Retail Sales
Index Growth
(Non-Motor Vehicles)
+11.8%



Retail Sales
Index Growth
(Motor Vehicles)
-19.8%

TRANSPORTATION & STORAGE

SEGMENTS	Nominal Value Added Share (%)	Real Growth (%)
Land Transport*	8.7	10.1
Water Transport*	74.3	1.1
Air Transport*	5.6	121.8
Storage & Other Support Services	9.7	-3.4
Post & Courier Activities	1.7	-4.9

*Including supporting services



+953.1% Air Passengers Handled Growth



-3.7% Total Sea Cargo Handled Growth

ACCOMMODATION

PERFORMANCE OF HOTELS



Hotel Room
Revenue Growth
+235.3%



Gross Lettings
Growth
+115.8%

FOOD & BEVERAGE SERVICES

PERFORMANCE OF F&B (SALES GROWTH)



Food Caterers
+92.4%



Restaurants
+27.3%






Cafes, Food Courts &
Other Eating Places
+8.4%



Fast Food Outlets
+6.7%

INFORMATION & COMMUNICATIONS

SEGMENTS	Nominal Value Added Share (%)	Real Growth (%)
 Telecommunications	13.5	-0.4
 IT & Information Services	66.4	19.5
 Others	20.1	-12.2

FINANCE & INSURANCE

SEGMENTS	Nominal Value Added Share (%)	Real Growth (%)
Banking	40.0	-5.7
Activities Auxiliary to Financial Services	21.4	11.3
Fund Management	12.4	2.9
Insurance	17.4	0.4
Others	8.8	7.8

REAL ESTATE

PRIVATE RESIDENTIAL



COMMERCIAL AND INDUSTRIAL (RENTAL INDEX GROWTH)



OTHER SERVICES INDUSTRIES

SEGMENTS	Nominal Value Added Share (%)	Real Growth (%)
Public Administration & Defence	26.6	1.5
Education, Health & Social Work	53.8	3.5
Arts, Entertainment & Recreation	8.8	33.3
Others	10.8	5.4

PROFESSIONAL SERVICES

SEGMENTS	Nominal Value Added Share (%)	Real Growth (%)
Legal	8.4	-4.1
Accounting	6.9	15.0
Head Offices & Business Representative Offices	30.8	-0.7
Business & Management Consultancy	9.5	2.3
Architectural & Engineering, Technical Testing & Analysis	24.6	16.9
Other Professional, Scientific & Technical Services	19.8	16.8

ADMINISTRATIVE & SUPPORT SERVICES

SEGMENTS	Nominal Value Added Share (%)	Real Growth (%)
Rental & Leasing	44.2	-2.1
Other Administrative & Support Services	55.8	14.7



Chapter 6.1

MANUFACTURING

OVERVIEW

The manufacturing sector contracted by 2.6 per cent year-on-year in the fourth quarter of 2022, reversing the 1.1 per cent expansion in the preceding quarter. All clusters saw a fall in output during the quarter, except for the transport engineering and precision engineering clusters.

For the whole of 2022, the manufacturing sector grew by 2.5 per cent, slower than the 13.3 per cent growth in 2021. All clusters, except for the biomedical manufacturing and chemicals clusters, recorded output growth for the year.

OVERALL MANUFACTURING PERFORMANCE

Manufacturing output decreased by 2.6 per cent year-on-year in the fourth quarter on account of output contractions in all clusters, except for the transport engineering and precision engineering clusters (Exhibit 6.1).

For the whole of 2022, the manufacturing sector expanded by 2.5 per cent, slower than the 13.3 per cent growth in 2021. Growth of the sector was supported by output expansions in all clusters except for the biomedical manufacturing and chemicals clusters (Exhibit 6.2).

Exhibit 6.1: Manufacturing Growth Rates

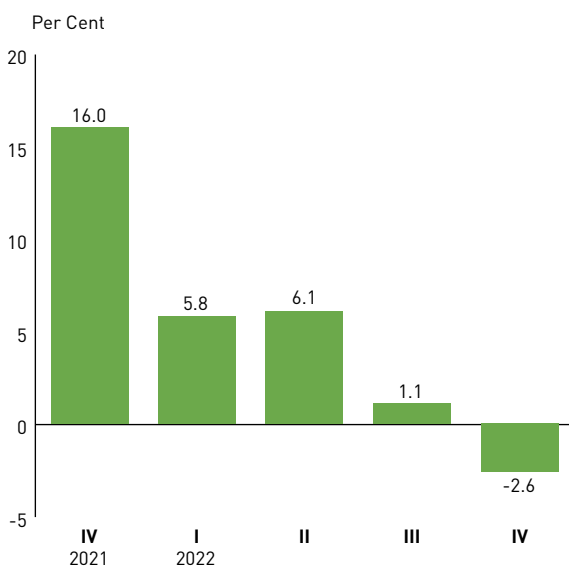
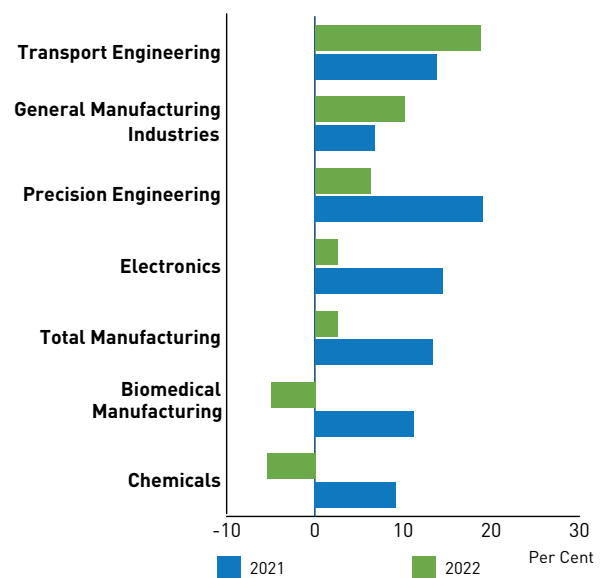


Exhibit 6.2: Manufacturing Clusters' Growth



PERFORMANCE OF CLUSTERS

Output in the transport engineering cluster rose by 11.5 per cent year-on-year in the fourth quarter, supported by expansions in the aerospace and marine & offshore engineering (M&OE) segments. In particular, output in the aerospace segment surged by 24.4 per cent due to higher demand for maintenance, repair and overhaul (MRO) jobs from commercial airlines as global air traffic continued to recover. Likewise, the M&OE segment expanded by 4.1 per cent, supported by a step-up in activity in offshore conversion projects, as well as an increase in production of oilfield and gasfield equipment. By contrast, the land segment contracted by 11.0 per cent. For the whole of 2022, the transport engineering cluster expanded by 18.8 per cent.

The precision engineering cluster grew by 6.1 per cent year-on-year in the fourth quarter, bolstered by the machinery & systems segment, which expanded by 11.2 per cent on the back of a rise in the production of semiconductor foundry equipment. On the other hand, output in the precision modules & components segment declined by 4.6 per cent, weighed down by a lower level of production of electronic connectors and bonding wire. For the full year, the precision engineering cluster expanded by 6.3 per cent.

The general manufacturing cluster contracted by 1.4 per cent year-on-year in the fourth quarter, led by a 7.8 per cent decline in the output of the miscellaneous industries segment. The latter was in turn due to a lower level of output of batteries and structural metal products. By contrast, the food, beverages & tobacco and printing segments recorded output expansions of 3.8 per cent and 0.5 per cent respectively, with the former recording an increase in output of dairy products. For the whole of 2022, the general manufacturing cluster grew by 10.1 per cent, with output expansions across all segments.

The electronics cluster contracted by 2.8 per cent year-on-year in the fourth quarter, driven by output contractions across most segments. Output in the other electronic modules & components (-19.3 per cent), semiconductors (-4.5 per cent) and computer peripherals & data storage (-1.8 per cent) segments declined on the back of softening external demand. By contrast, output in the infocomms & consumer electronics segment grew by 5.5 per cent. For the whole of 2022, the electronics cluster expanded by 2.6 per cent, with output expansions across all segments, except for the other electronic modules & components segment.

Output in the chemicals cluster fell by 10.1 per cent year-on-year in the fourth quarter, driven by output declines in the petrochemicals (-17.6 per cent), specialty chemicals (-10.1 per cent) and other chemicals (-7.8 per cent) segments. The petrochemicals segment recorded a lower level of output amidst plant maintenance shutdowns and weak market demand, while the specialties segment saw a fall in output due to lower levels of production of industrial gases and food additives. Meanwhile, the other chemicals segment contracted due to a drop in the output of fragrances. Conversely, the output of the petroleum segment grew by 9.5 per cent on account of higher demand for jet fuel, which was driven in turn by the continued recovery in global air travel. For the whole of 2022, the output of the chemicals cluster declined by 5.5 per cent.

The biomedical manufacturing cluster shrank by 10.5 per cent year-on-year in the fourth quarter due to output contractions across all segments. The output of the pharmaceuticals segment declined by 15.3 per cent because of a different mix of active pharmaceutical ingredients produced. Meanwhile, output in the medical technology segment fell by 3.4 per cent due to lower export demand for medical devices. For the whole of 2022, output in the biomedical manufacturing cluster declined by 5.0 per cent.

Chapter 6.2

CONSTRUCTION

OVERVIEW

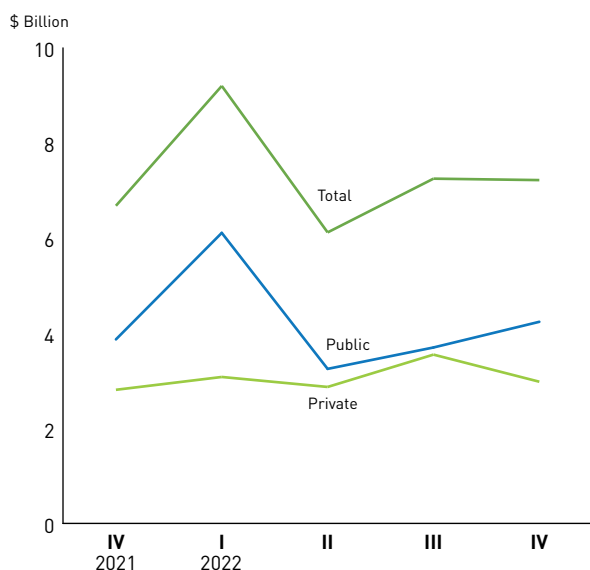
The construction sector grew by 10.0 per cent year-on-year in the fourth quarter of 2022, faster than the 8.1 per cent expansion in the previous quarter.

For the whole of 2022, the sector expanded by 6.7 per cent, slower than the 20.5 per cent growth in 2021.¹

CONSTRUCTION DEMAND

Construction demand (contracts awarded) increased by 8.1 per cent year-on-year to \$7.2 billion in the fourth quarter, supported by expansions in both public and private sector construction demand (Exhibit 6.3).

Exhibit 6.3: Contracts Awarded



For the full year, total construction demand fell by 0.5 per cent to \$29.8 billion (Exhibit 6.4), as a 3.2 per cent increase in private sector construction demand was outweighed by a 3.0 per cent decline in public sector construction demand. The latter was due to a lower volume of public sector industrial building projects and civil engineering works.

Exhibit 6.4: Contracts Awarded, 2022 (\$ Billion)

	Total	Public	Private
Total	29.8	17.3	12.5
Residential	9.2	5.3	3.9
Commercial	1.6	0.1	1.5
Industrial	4.4	0.4	4.1
Institutional & Others	4.3	2.9	1.4
Civil Engineering Works	10.2	8.6	1.6

Public Sector

In the fourth quarter, public sector construction demand grew by 9.5 per cent year-on-year to \$4.2 billion. This was supported by higher demand for public residential (37.0 per cent) and institutional (202.5 per cent) building projects. However, these increases were partially offset by a reduction in contracts awarded for public commercial building (-29.9 per cent), industrial building (-87.2 per cent) and civil engineering (-11.2 per cent) works.

¹ The strong growth of the construction sector in 2021 was mainly due to the low base in 2020 caused by the Circuit Breaker and the slow resumption of construction activities following the Circuit Breaker.

For the full year, public sector construction demand fell by 3.0 per cent to \$17.3 billion. The decline was mainly due to a drop in contracts awarded for public industrial building (-62.4 per cent) and civil engineering (-6.2 per cent) works. Some of the major projects awarded during the year include (i) LTA's MRT contracts for the Cross Island Line (CRL) and Cross Island Line-Punggol Extension; (ii) MOH's SGH Elective Care Centre/National Dental Centre and Serangoon Polyclinic; and (iii) PA's Marine Parade Community Club.

Private Sector

In the fourth quarter, private sector construction demand increased by 6.1 per cent year-on-year to \$3.0 billion. Except for industrial building projects, which registered a contraction (-64.0 per cent), all other types of projects saw an increase in demand, ranging from 84.1 per cent for residential projects to 596.1 per cent for institutional projects.

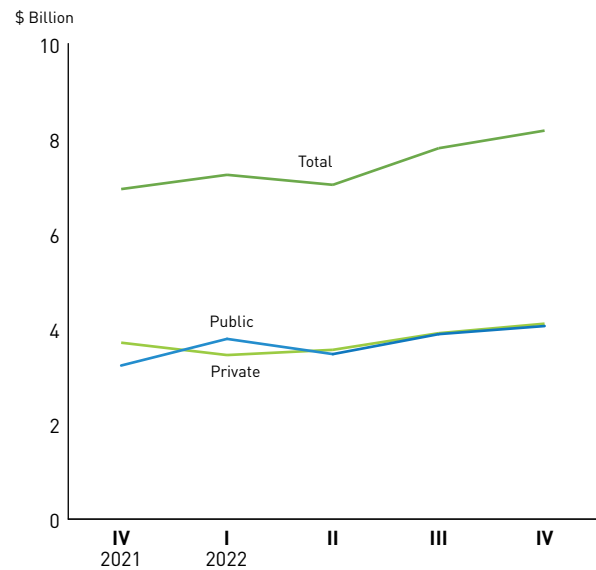
For the full year, private sector construction demand grew by 3.2 per cent to \$12.5 billion, on the back of higher demand for private industrial building (0.8 per cent), institutional building (36.2 per cent) and civil engineering (260.3 per cent) projects. Major projects awarded in 2022 include (i) semiconductor fabrication plants at Pasir Ris and Tampines; (ii) a cogeneration plant at Jurong Island; (iii) retrofitting of Mount Elizabeth Hospital; (iv) construction of container berths at Tuas Terminal Finger 2; and (v) island-wide cabling projects.

CONSTRUCTION ACTIVITIES

Construction output (or nominal certified payments) rose by 17.7 per cent year-on-year to \$8.2 billion in the fourth quarter, supported by expansions in both public and private sector construction output (Exhibit 6.5).

For the full year, construction output increased by 15.6 per cent to \$30.2 billion, moderating from the 32.5 per cent growth in 2021.

Exhibit 6.5: Certified Payments



Public Sector

Public sector construction output rose by 25.6 per cent year-on-year to \$4.1 billion in the fourth quarter. With the exception of public industrial building works, construction output for all types of works expanded, driven by public residential building (50.1 per cent), institutional building (31.2 per cent) and civil engineering (16.8 per cent) works.

For the full year, public sector construction output increased by 16.2 per cent to \$15.2 billion, underpinned by public residential building (44.9 per cent), institutional building (9.5 per cent) and civil engineering (9.4 per cent) works. Major projects include (i) LTA's East Coast Integrated Depot, North South Corridor, Circle MRT Line 6 and Rapid Transit System Link; (ii) PUB's Deep Tunnel Sewerage System (Phase 2); (iii) MOH's Woodlands Health Campus, SGH Emergency Medicine Building and Integrated Care Hub; and (iv) Singapore Institute of Technology's Campus at Punggol.

Private Sector

In the fourth quarter, private sector construction output increased by 10.7 per cent year-on-year to \$4.1 billion, as all types of private sector construction works, except for industrial and civil engineering works, expanded. These included private residential building (25.9 per cent), commercial building (35.5 per cent) and institutional building (11.7 per cent) works.

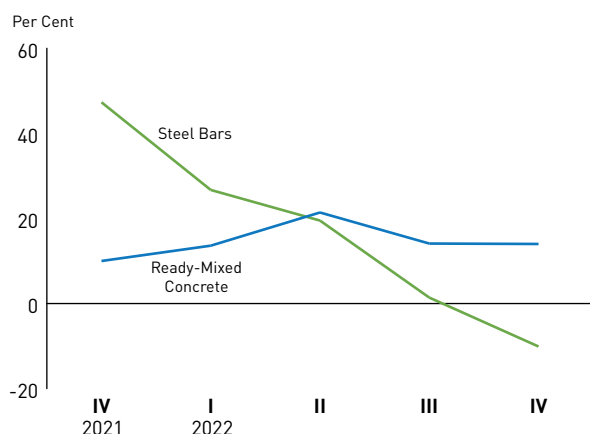
For the full year, private sector construction output increased by 15.0 per cent to \$15.0 billion. All types of private construction output rose, led by private residential building (24.3 per cent) and commercial building (30.7 per cent) works. Major ongoing projects include (i) the redevelopment of past en-bloc sales sites and development of Government Land Sales (GLS) sites; (ii) refurbishment of existing hotels and development of new hotels; (iii) data centres; (iv) semiconductor production plants; (iv) Changi Airport Terminal 2 expansion; and (v) Mandai Wildlife Reserve developments.

CONSTRUCTION MATERIALS

In tandem with the rise in construction output, total consumption of steel rebars² rose by 31.1 per cent to 1.2 million tonnes in 2022. On the other hand, the total consumption of ready-mixed concrete edged down by 0.3 per cent in 2022 to 11.6 million m³.

The average market price of Grade 40 pump ready-mixed concrete³ increased by 14.0 per cent year-on-year to about \$118.30 per m³ in the fourth quarter (Exhibit 6.6). By contrast, the average market price of steel rebars⁴ fell by 10.1 per cent to around \$999.00 per tonne in the fourth quarter, following the easing of raw material costs and freight rates in the second half of 2022.

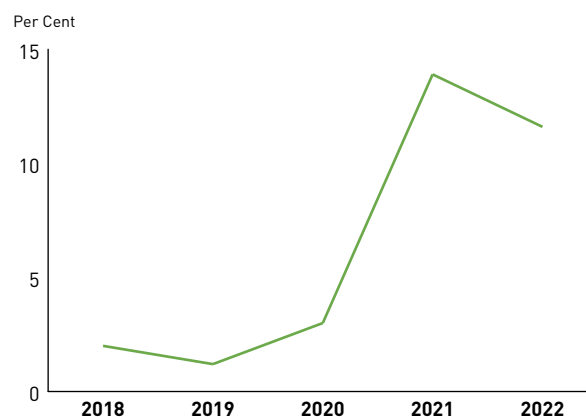
Exhibit 6.6: Changes in Market Prices of Construction Materials



CONSTRUCTION COSTS

Based on BCA's Building Works Tender Price Index (TPI), tender prices increased by about 11.6 per cent in 2022. This was mainly driven by higher input costs resulting from global supply disruptions that were exacerbated by the Russia-Ukraine war (Exhibit 6.7). Looking ahead, barring fresh supply shocks to key global construction resources, the uptrend in BCA's TPI is expected to ease in 2023 in tandem with the moderation of some input prices from their highs in the first half of 2022, as well as an anticipated slowdown in the global economy.

Exhibit 6.7: Changes in Tender Price Index



² Rebar consumption is estimated from net imports plus local production (without factoring in stock levels).

³ The market prices are based on contracts with non-fixed price, fixed price and market retail price.

⁴ The market prices refer to 16mm to 32mm High Tensile rebar and are based on fixed price supply contracts with a contract period of 12 months or below.

CONSTRUCTION OUTLOOK FOR 2023

According to BCA, total construction demand is projected to be between \$27.0 billion and \$32.0 billion in 2023 (Exhibit 6.8). In particular, demand from the public sector is expected to stay firm at between \$16.0 billion and \$19.0 billion, supported by a continued strong pipeline of public housing, institutional building and infrastructure projects. Meanwhile, total private sector construction demand is projected to be between \$11.0 billion and \$13.0 billion in 2023, comparable to the annual volume in the previous two years. This is expected to be supported by (i) a ramp-up in Build-To-Order HDB flats; (ii) the Central Business District (CBD) Incentive Scheme on conversion to residences; (iii) commercial building redevelopments; (iv) high-specification industrial buildings; and (v) mechanical & electrical contracts for North South Corridor, CRL and Jurong Region MRT Line.

Total construction output in 2023 is projected to increase to between \$30.0 billion and \$33.0 billion, supported by a steady level of construction demand and some remaining backlogs of construction works that were disrupted by the COVID-19 pandemic.

Exhibit 6.8: Projected Construction Demand in 2023

	\$ Billion
Public Sector	16.0 – 19.0
Building Construction Sub-total	8.6 – 10.9
Residential	4.7 – 6.3
Commercial	0.1 – 0.1
Industrial	0.8 – 1.0
Institutional & Others	2.9 – 3.5
Civil Engineering Works Sub-total	7.5 – 8.1
Private Sector	11.0 – 13.0
Building Construction Sub-total	10.2 – 12.0
Residential	3.6 – 4.0
Commercial	2.5 – 3.0
Industrial	3.3 – 4.0
Institutional & Others	0.8 – 1.0
Civil Engineering Works Sub-total	0.8 – 1.0
TOTAL CONSTRUCTION DEMAND	27.0 – 32.0

Chapter 6.3

WHOLESALE TRADE

OVERVIEW

The wholesale trade sector expanded by 2.4 per cent year-on-year in the fourth quarter of 2022, moderating from the 4.1 per cent growth in the previous quarter. Growth during the quarter came largely on the back of an increase in the volume of foreign wholesale sales of petroleum & petroleum products and telecommunications & computers.

For the whole of 2022, the sector grew by 3.2 per cent, slowing from the 9.6 per cent expansion in 2021.

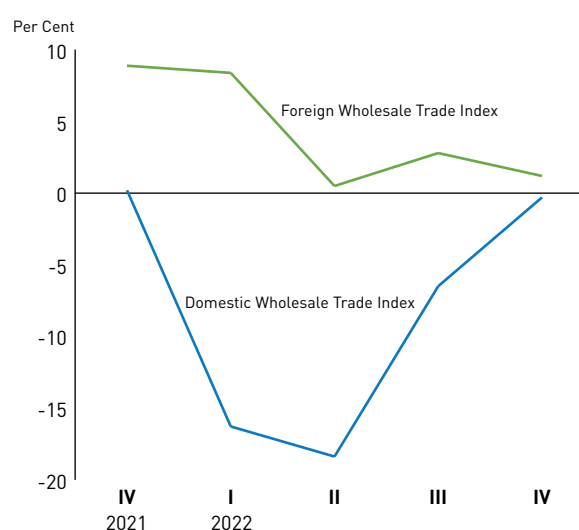
WHOLESALE SALES

In the fourth quarter, the wholesale trade sector was supported by an increase in foreign wholesale sales volume, which outweighed a decline in domestic wholesale sales volume.

Specifically, foreign wholesale sales volume rose by 1.2 per cent year-on-year in the fourth quarter, moderating from the 2.8 per cent increase in the preceding quarter (Exhibit 6.9). Growth was largely due to an increase in the sales volumes of petroleum & petroleum-related products (3.3 per cent), telecommunications & computers (7.4 per cent) and other wholesale trade⁵ (5.3 per cent), which outweighed a decline in the sales volume of metals, timber & construction materials (-13.5 per cent). For the whole of 2022, the foreign wholesale trade index rose by 3.1 per cent, easing from the 8.8 per cent increase in the previous year.

Meanwhile, domestic wholesale sales volume fell by 0.3 per cent year-on-year in the fourth quarter, extending the 6.5 per cent contraction in the preceding quarter. The decline was led by weaker sales volumes in segments such as telecommunications & computers (-18.9 per cent) and chemicals & chemical products (-23.3 per cent), which outweighed increases in the sales volumes of petroleum & petroleum products (4.2 per cent), ship chandlers & bunkering (18.1 per cent) and other wholesale trade (9.2 per cent). For the whole of 2022, the domestic wholesale trade index fell by 10.5 per cent, worsening from the 0.5 per cent decline recorded in 2021.

Exhibit 6.9: Changes in Wholesale Trade Index in Chained Volume Terms



⁵ The "other wholesale trade" segment consists of a diverse range of products that include agricultural raw materials and live animals, tropical produce, personal effects and medicinal and pharmaceutical products, among others.

Chapter 6.4

RETAIL TRADE

OVERVIEW

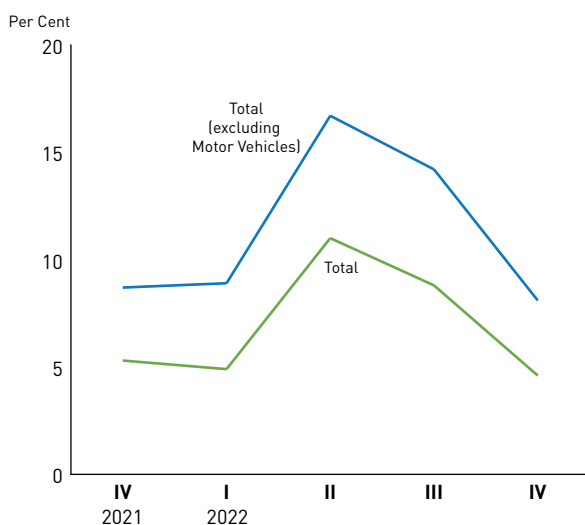
The retail trade sector grew by 5.1 per cent year-on-year in the fourth quarter of 2022, moderating from the 8.8 per cent growth in the previous quarter.

For the whole of 2022, the sector expanded by 8.4 per cent, extending the 12.0 per cent growth in 2021.

RETAIL SALES

Overall retail sales volume increased by 4.6 per cent year-on-year in the fourth quarter, slower than the 8.8 per cent growth in the third quarter (Exhibit 6.10). Overall retail sales were supported by an increase in non-motor vehicle sales volume (8.1 per cent), which saw broad-based growth across segments. In particular, the sales volumes of food & alcohol (41.2 per cent), wearing apparel & footwear (27.8 per cent), watches & jewellery (20.2 per cent), department stores (18.5 per cent) and cosmetics, toiletries & medical goods (15.5 per cent) registered the strongest growth. On the other hand, the sales volumes of supermarkets & hypermarkets (-9.0 per cent), mini-marts & convenience stores (-5.2 per cent) and petrol service stations (-2.8 per cent) registered the largest declines. Meanwhile, motor vehicle sales volume fell by 19.8 per cent due to a reduction in COE quotas.

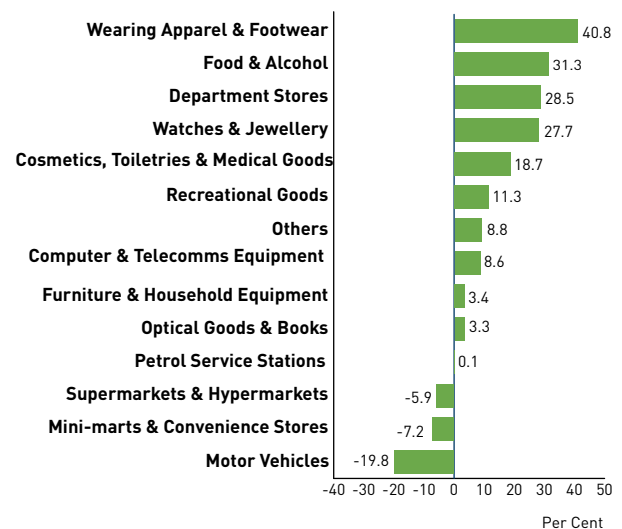
Exhibit 6.10: Changes in Retail Sales Index in Chained Volume Terms



For the full year, overall retail sales volume rose by 7.2 per cent, extending the 11.2 per cent expansion in 2021. With this increase, overall retail sales volumes have recovered to 2019 (pre-pandemic) levels on a full-year basis.

In 2022, non-motor vehicle sales volume rose (11.8 per cent) while motor vehicle sales volume declined (-19.8 per cent). The growth in non-motor vehicle sales volume was led by the sales of wearing apparel & footwear (40.8 per cent), food & alcohol (31.3 per cent), department stores (28.5 per cent), watches & jewellery (27.7 per cent), cosmetics, toiletries & medical goods (28.5 per cent) and watches & jewellery (27.7 per cent). Meanwhile, the sales volumes of mini-marts & convenience stores (-7.2 per cent) and supermarkets & hypermarkets (-5.9 per cent) fell (Exhibit 6.11).

Exhibit 6.11: Changes in Retail Sales Index in Chained Volume Terms for Major Segments in 2022



Chapter 6.5

TRANSPORTATION & STORAGE

OVERVIEW

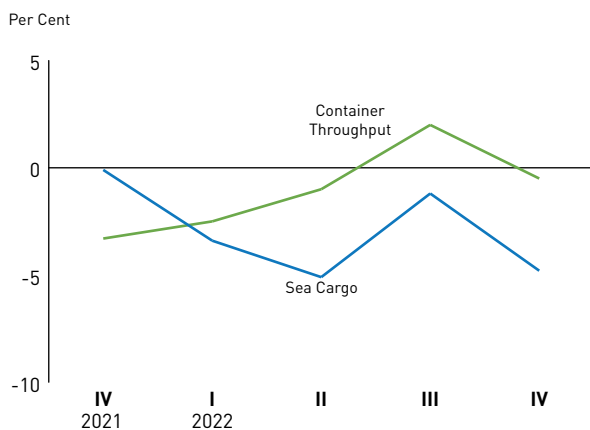
The transportation & storage sector expanded by 2.5 per cent year-on-year in the fourth quarter of 2022, moderating from the 6.1 per cent growth in the previous quarter.

For the whole of 2022, the sector grew at a slower pace of 4.0 per cent compared to the 9.9 per cent expansion recorded in 2021. The expansion of the sector was supported largely by the air transport, land transport and water transport segments.

WATER TRANSPORT

Container throughput fell by 0.5 per cent year-on-year in the fourth quarter, a reversal from the 2.0 per cent expansion in the previous quarter (Exhibit 6.12). For the full year, the number of TEUs (Twenty-Foot Equivalent Units) handled by Singapore's ports came in at 37.3 million, representing a 0.5 per cent decline from 2021's level. This was a reversal from the 1.6 per cent increase recorded in 2021.

Exhibit 6.12: Changes in Container Throughput and Sea Cargo Handled



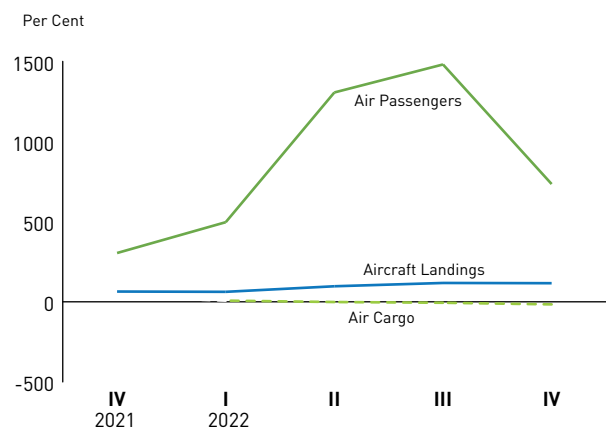
Overall sea cargo volume declined by 4.8 per cent in the fourth quarter, extending the 1.2 per cent contraction in the preceding quarter. The fall in sea cargo volume was largely due to general cargo shipments, which declined by 8.3 per cent during the quarter, an extension of the 3.0 per cent contraction registered in the third quarter. For the whole of 2022, overall sea cargo volume fell by 3.7 per cent, reversing the 1.5 per cent growth in the previous year.

AIR TRANSPORT

Total air passenger traffic (less transit) handled by Changi Airport climbed by 735 per cent year-on-year in the fourth quarter, extending the 1,481 per cent growth in the previous quarter (Exhibit 6.13). Nonetheless, in absolute terms, air passenger traffic volume had only recovered to 69.0 per cent of the volume seen in the fourth quarter of 2019 (pre-pandemic).

For the full year, total air passenger traffic passing through Changi Airport surged by 953 per cent to come in at 31.9 million. This was a marked turnaround from the 74.0 per cent plunge in 2021.

Exhibit 6.13: Changes in Air Transport



At the same time, air cargo volume fell by 16.1 per cent year-on-year in the fourth quarter, extending the 6.0 per cent contraction in the previous quarter. In absolute terms, total air cargo volume was at 87.3 per cent of pre-pandemic levels (i.e., in the fourth quarter of 2019). For 2022 as a whole, air cargo shipments declined by 4.8 per cent, a sharp pullback from the 26.1 per cent expansion in 2021.

Meanwhile, aircraft landings climbed by 116 per cent on-year to reach 35,368 in the fourth quarter, following the 117 per cent increase in the third quarter. This brought the total number of aircraft landings in 2022 to 109,246, which was 101 per cent higher compared to that in 2021.



Chapter 6.6

ACCOMMODATION

OVERVIEW

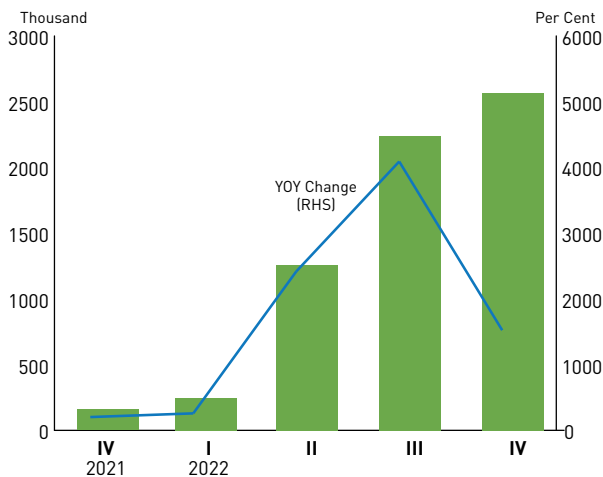
The accommodation sector grew by 7.8 per cent year-on-year in the fourth quarter of 2022, accelerating from the 1.6 per cent expansion in the previous quarter.

For the whole of 2022, the sector expanded by 0.5 per cent, a turnaround from the 9.1 per cent contraction in 2021.

VISITOR ARRIVALS

Singapore received around 2.6 million visitors in the fourth quarter, 1,523 per cent higher compared to the same period a year ago (Exhibit 6.14). The sharp increase in visitor arrivals was due to the relaxation of inbound travel restrictions relative to 2021 with the rollout of the Vaccinated Travel Framework (VTF) in April 2022. Compared to the same period in 2019, visitor arrivals remained 46.5 per cent lower. For the full year, visitor arrivals increased by 1,810 per cent, a significant turnaround from the 88.0 per cent decline recorded in 2021.

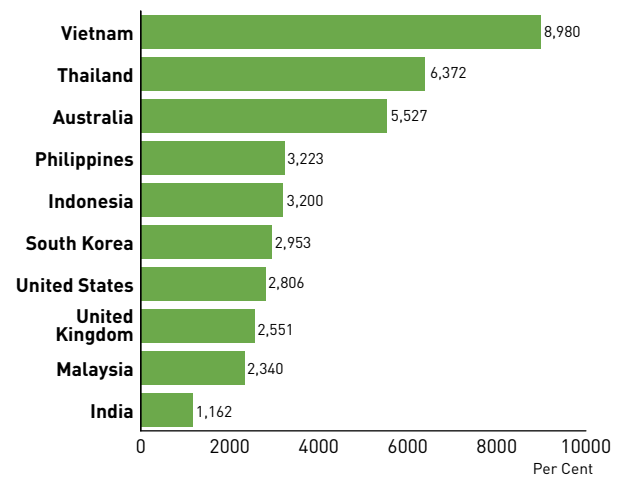
Exhibit 6.14: Visitor Arrivals



In terms of source markets, Singapore's top five visitor-generating markets in 2022 were Indonesia (1.1 million visitors), India (686,000 visitors), Malaysia (591,000 visitors), Australia (566,000 visitors) and the Philippines (382,000 visitors). Together, they accounted for 52.8 per cent of total visitor arrivals in 2022.

Among the top 10 visitor-generating markets, Vietnam (8,980 per cent), Thailand (6,372 per cent) and Australia (5,527 per cent) posted the strongest growth in visitor arrivals in 2022 (Exhibit 6.15).

Exhibit 6.15: Growth Rates of Top 10 Visitor-Generating Markets in 2022

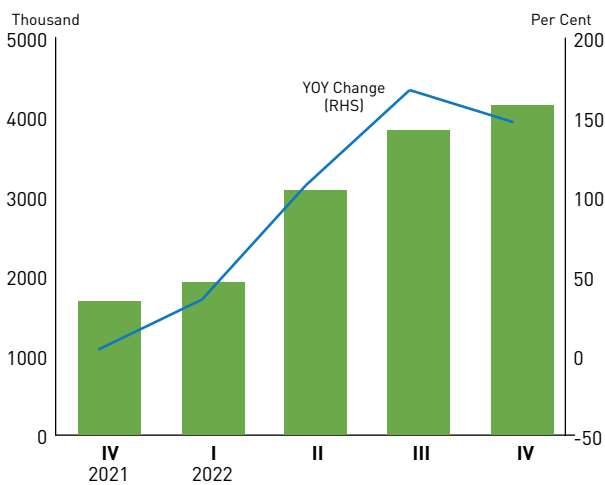


ACCOMMODATION

In tandem with the strong recovery in visitor arrivals, gross lettings of gazetted hotel rooms grew robustly by 147 per cent year-on-year in the fourth quarter, extending the 167 per cent growth in the previous quarter (Exhibit 6.16). Similarly, room revenue surged by 274 per cent year-on-year, extending the 363 per cent increase in the preceding quarter. Higher room revenue was accompanied by a rise in both the average occupancy rate of gazetted hotels and the average daily room rate. Specifically, the average occupancy rate rose by 11.2 percentage-points to 83.3 per cent, while the average daily room rate increased by 51.4 per cent to \$283 in the fourth quarter.

For 2022 as a whole, the accommodation sector grew by a modest 0.5 per cent, as the recovery in tourism demand was largely offset by a reduction in government bookings⁶. The overall room revenue of gazetted hotels climbed by 235 per cent to reach \$3.2 million in 2022, driven by a 116 per cent expansion in gross lettings and a 55.1 increase in the average daily room rate.

Exhibit 6.16: Gross Lettings



⁶ The gross lettings and room rates data do not include hotel rooms contracted by the Government to serve as government quarantine facilities (GQFs) or stay-home-notice dedicated facilities (SDFs).

Chapter 6.7

FOOD & BEVERAGE SERVICES

OVERVIEW

The food & beverage services sector grew by 19.6 per cent year-on-year in the fourth quarter of 2022, extending the 29.3 per cent growth in the previous quarter.

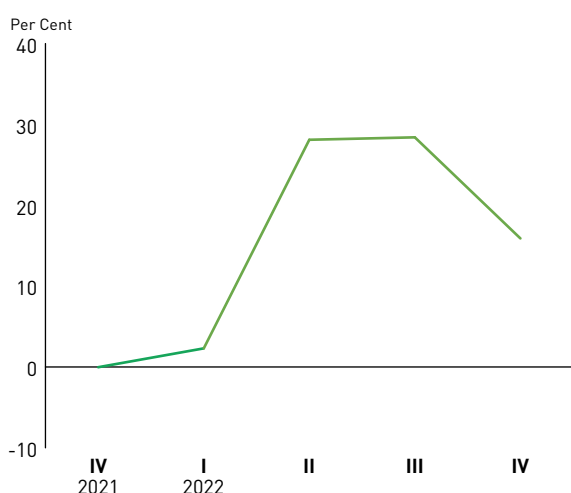
For the whole of 2022, the sector expanded at a faster pace of 18.2 per cent compared to the 1.8 per cent growth in 2021.

FOOD & BEVERAGE SALES

Overall food & beverage sales volume increased by 15.9 per cent year-on-year in the fourth quarter, extending the 28.4 per cent expansion in the preceding quarter (Exhibit 6.17). The growth in sales volume came on the back of the relaxation of dine-in restrictions compared to the Stabilisation Phase in the fourth quarter of 2021⁷. Sales volumes saw broad-based growth, led by the food caterers segment (118 per cent). At the same time, the restaurants (16.8 per cent), fast food outlets (9.7 per cent) and cafes, food courts & other eating places (6.6 per cent) segments also saw strong growth. The robust growth seen in the food caterers segment was due to the lifting of restrictions on events, which led to a strong recovery in leisure, business and MICE events. However, relative to the same period in 2019, the sales volume in the food caterers segment remained 23.4 per cent lower.

For the whole of 2022, the food & beverage services volume index grew by 18.0 per cent. This was an acceleration of the 2.8 per cent increase recorded in 2021. Nonetheless, the overall food & beverage sales volume remained 10.8 per cent lower than that in 2019. At the segment level, the sales volumes of restaurants (27.3 per cent), food caterers (92.4 per cent), fast food outlets (6.7 per cent) and cafes, food courts & other eating places (8.4 per cent) all increased in 2022.

Exhibit 6.17: Changes in Food and Beverage Services Index in Chained Volume Terms



⁷ For instance, from 1 October to 9 November 2021, dine-in group sizes were restricted to no more than two vaccinated persons.

Chapter 6.8

INFORMATION & COMMUNICATIONS

OVERVIEW

The information & communications sector expanded by 5.6 per cent year-on-year in the fourth quarter of 2022, extending the 6.9 per cent growth in the previous quarter. This positive outturn was largely due to the IT & information services segment, while the telecommunications segment saw more modest growth during the quarter. On the other hand, the “others” segment⁸ contracted.

For the whole of 2022, the sector grew by 8.6 per cent, a slowdown from the 13.4 per cent expansion in 2021.

IT & INFORMATION SERVICES

In 2022, the growth of the information & communications sector was led by the IT & information services segment. Specifically, the segment expanded by 19.5 per cent, driven by strong enterprise demand for digital solutions and services.

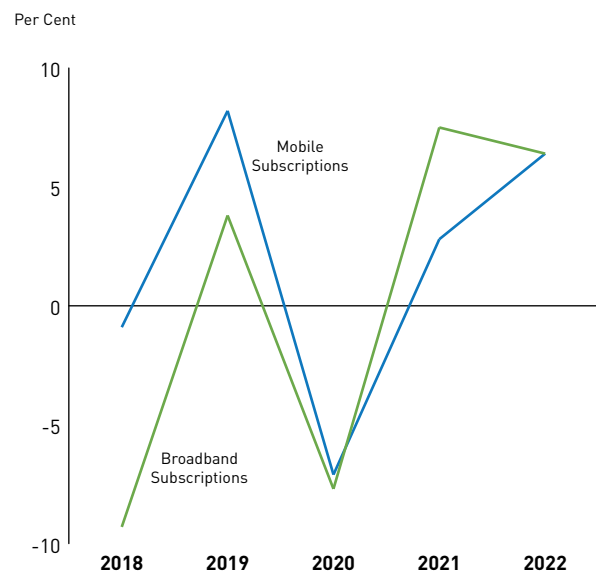
TELECOMMUNICATIONS

The telecommunications segment shrank by 0.4 per cent in 2022, weighed down by weaker demand for fixed line services. For instance, the total number of fixed line subscribers declined by 2.6 per cent on a year-on-year basis in the third quarter of 2022. This was partially offset by an increase in mobile and broadband subscriptions over the same period.

In September 2022⁹, the number of mobile subscriptions grew by 6.4 per cent compared to the same period in 2021 (Exhibit 6.18). While there was a 24.7 per cent decline in the number of 3G subscriptions to 527,000, this was offset by a 9.3 per cent increase in 4G subscriptions to around 8.7 million.

In September 2022, the number of broadband subscriptions rose by 6.4 per cent. The increase was broad-based, led by a 7.0 per cent increase in wireless broadband subscriptions.

Exhibit 6.18: Information & Communications Growth



⁸ The “others” segment consists of (i) publishing activities (including computer games and software publishing), (ii) motion picture, video and other programme production, sound recording, and music publishing activities, and (iii) radio and television broadcasting activities.

⁹ Full-year data are not available at the time of publication. October and November data are available but subject to further revisions.

Chapter 6.9

FINANCE & INSURANCE

OVERVIEW

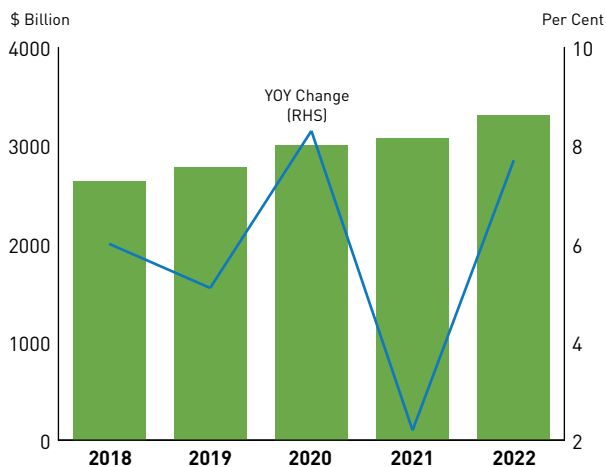
The finance & insurance sector contracted by 0.3 per cent year-on-year in the fourth quarter of 2022, a reversal from the 0.5 per cent expansion in the previous quarter.

For the whole of 2022, the sector expanded by 1.4 per cent, moderating from the 8.3 per cent growth in the preceding year.

COMMERCIAL BANKS

In 2022, total assets/liabilities of commercial banks increased by 7.7 per cent to \$3.3 trillion (Exhibit 6.19).

Exhibit 6.19: Total Assets/Liabilities of Commercial Banks



On the assets side, domestic interbank lending rose by \$3.4 billion (2.0 per cent). However, domestic credit extended to non-bank customers fell by \$34.8 billion (-2.6 per cent), with total loans and advances to residents contracting by 0.3 per cent.

Exhibit 6.20: Growth of Commercial Bank Loans and Advances to Residents by Industry in 2022

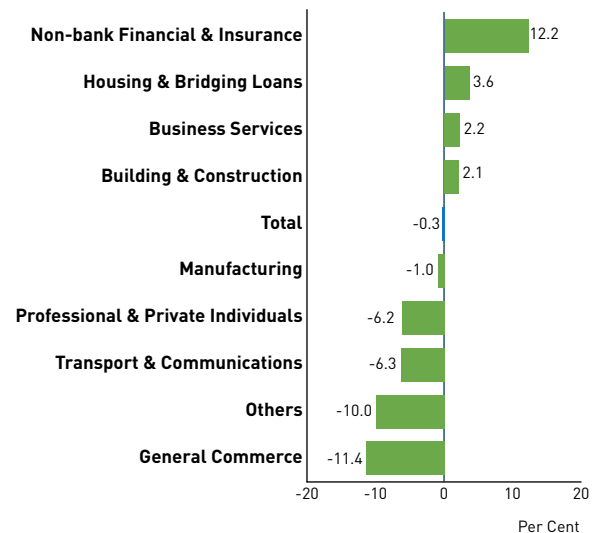
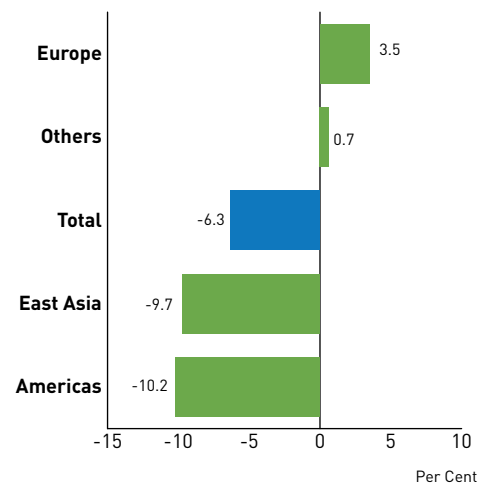


Exhibit 6.21: Growth of Commercial Bank Loans and Advances to Non-Residents by Region in 2022



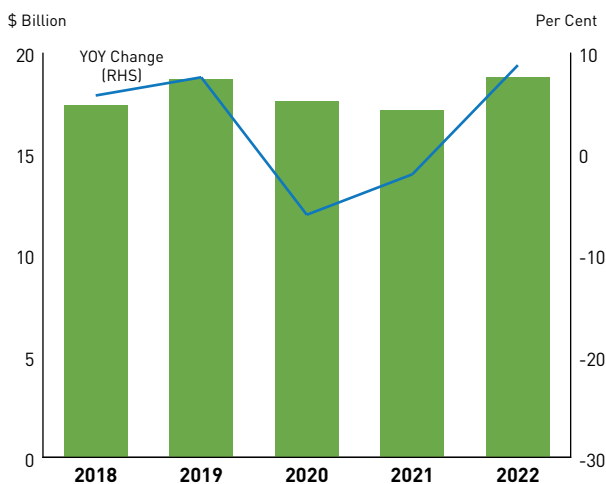
Business lending shrank by 0.8 per cent, weighed down mainly by a decline in loans to the general commerce and transport & communications sectors, although this was partially offset by resilient demand for loans from the non-bank financial & insurance and business services sectors (Exhibit 6.20). In comparison, consumer lending expanded by 0.6 per cent. Growth in this segment was mainly attributed to a pickup in housing & bridging loans, even as car loans and share financing weakened. Meanwhile, loans to non-residents contracted by 6.3 per cent, with East Asia and the Americas contributing the most to the decline (Exhibit 6.21).

On the liabilities front, the total deposits of non-bank customers grew by 7.3 per cent in 2022. As of end-2022, total non-bank deposits amounted to \$1.7 trillion, higher than the \$1.6 trillion in the year before, mainly driven by a 70.7 per cent increase in fixed deposits.

FINANCE COMPANIES

Total assets/liabilities of finance companies grew by 8.8 per cent in 2022 to \$18.8 billion, a reversal from the 2.0 per cent contraction in 2021 (Exhibit 6.22).

Exhibit 6.22: Total Assets/Liabilities of Finance Companies



Non-bank lending expanded by 8.5 per cent in 2022, in contrast to the 1.1 per cent decline in the previous year, as housing loans and hire purchase finance recorded firm growth (Exhibit 6.23). Meanwhile, deposits of non-bank customers also rose by 10.8 per cent in 2022, turning around from the 2.7 per cent contraction in 2021.

Exhibit 6.23: Growth of Loans and Advances of Finance Companies in 2022

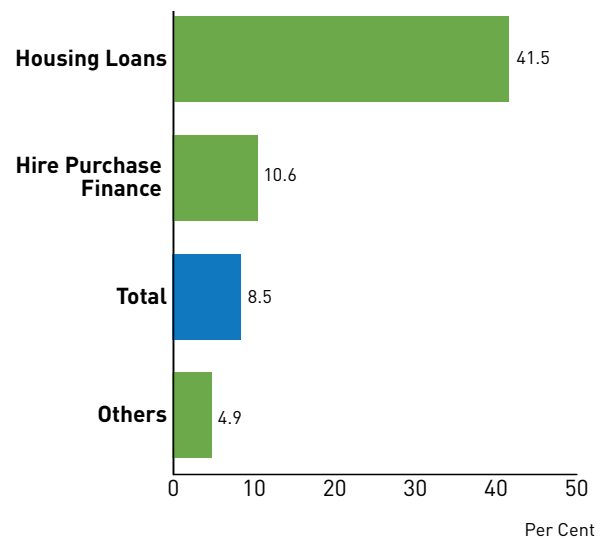
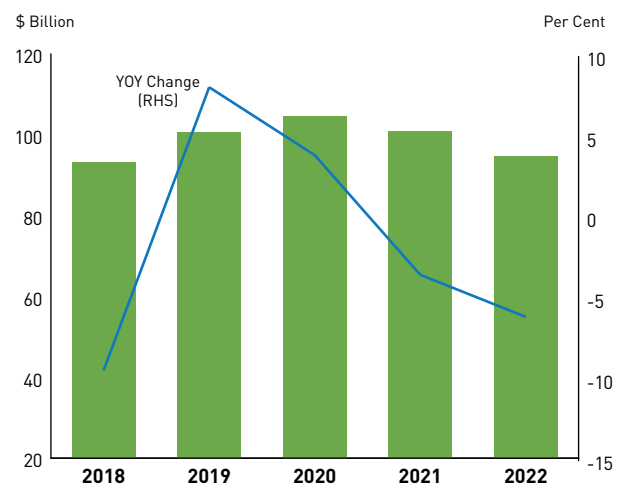


Exhibit 6.24: Total Assets/Liabilities of Merchant Banks



MERCHANT BANKS

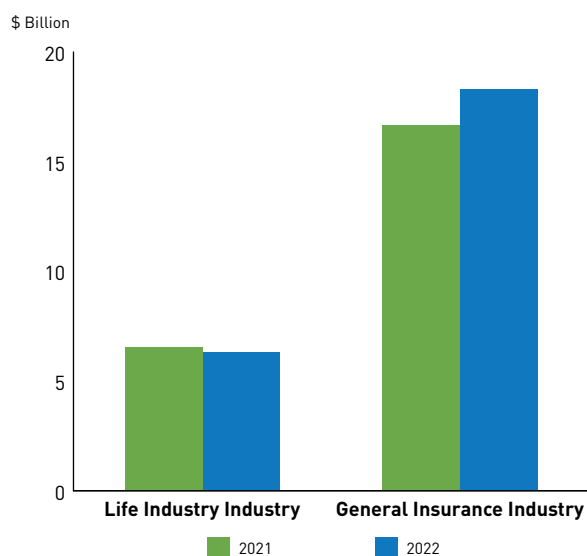
Total assets/liabilities of merchant banks shrank by 6.1 per cent to \$94.7 billion in 2022, extending the 3.5 per cent decline in the previous year (Exhibit 6.24). The contraction stemmed from a decline in loans & advances to non-bank customers and interbank lending.

INSURANCE INDUSTRY

Total weighted new business premiums in the direct life insurance industry fell by 4.1 per cent to \$6.3 billion in 2022 (Exhibit 6.25). Single premium business declined by 9.4 per cent to \$23.5 billion, while regular premium business decreased by 0.6 per cent to \$3.9 billion. Overall, the net income of the direct life insurance industry contracted significantly from \$1.6 billion in 2021 to -\$1.5 billion in 2022, largely due to a fall in investment income.

In the general insurance industry, gross premiums increased by 9.7 per cent to \$18.3 billion in 2022, with offshore and domestic businesses accounting for \$12.9 billion and \$5.4 billion respectively. The general insurance industry recorded an operating profit of \$0.5 billion in 2022, down from the \$1.2 billion in the previous year, largely due to poorer investment income.

Exhibit 6.25: Premiums in the Insurance Industry

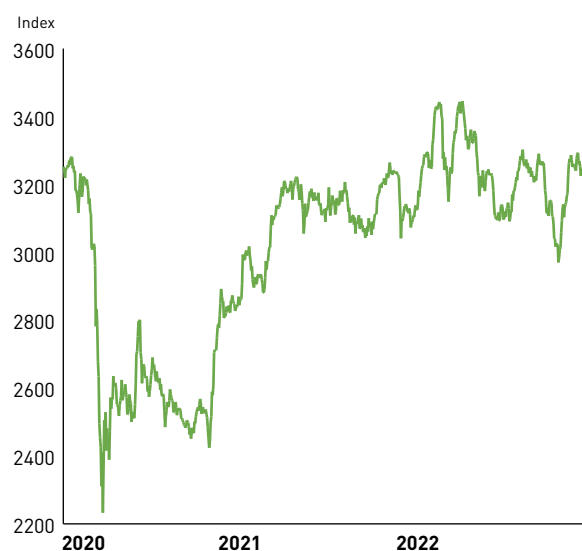


STOCK MARKET

The benchmark Straits Times Index (STI) built on its recovery from end-2021 into early 2022, alongside the pickup in economic activity. However, the onset of the Russia-Ukraine war in late February dented its growth momentum. Thereafter, the attendant rise in global inflation prompted central banks to tighten financial conditions aggressively, which led to the repricing of financial assets. The ensuing market volatility led to a fall in risk sentiment and the STI reached a nadir in late October.

The STI saw an uptick in the last two months of the year as global inflation started to show signs of peaking. Overall, the STI grew by 4.1 per cent in 2022 (Exhibit 6.26), supported by equities in the banking and travel-related sectors. The former benefitted from the higher interest rate environment, while the latter was buoyed by the ongoing recovery in tourism flows.

Exhibit 6.26: Straits Times Index



SECURITIES MARKET

In 2022, the total turnover value of the securities market shrank by 6.2 per cent to \$308 billion, and total turnover volume fell by 26.0 per cent to 354 billion shares, compared with 2021. This translated to a 5.0 per cent fall in the average daily traded value to \$1.2 billion, and a 25.1 per cent contraction in the average daily traded volume to 1.4 billion shares.

At the end of 2022, the total number of listed companies in Singapore was 651, with a combined market capitalisation of \$830 billion, which was 7.5 per cent lower compared to 2021. Of these listed companies, 439 were listed on SGX's Mainboard, while the other 212 were listed on SGX's Catalist.

DERIVATIVES MARKET

In 2022, SGX's derivatives market activity grew by 12.2 per cent to 260 million contracts. Compared to 2021, total futures trading volume increased by 12.3 per cent to 250 million, while options on futures trading volume rose by 9.4 per cent to 10.2 million contracts. The most actively-traded contracts in 2022 were the FTSE China A50 Index Futures, the SGX Nifty 50 Index Futures and the FTSE Taiwan Index Futures, which formed 57.9 per cent of the total volume traded on SGX's derivatives trading platform.

FOREIGN EXCHANGE MARKET

In 2022, the US dollar strengthened against the Euro, Japanese Yen and British Pound by 5.2 per cent, 12.1 per cent and 10.4 per cent respectively, as the Federal Reserve embarked on the fastest pace of rate hikes since the Volcker era to curb inflationary pressures. The US dollar rally unfolded in two phases: after rallying in the first three quarters of 2022, the US dollar reversed part of its gains in the last quarter of 2022 as declines in US headline inflation prompted the Federal Reserve to slow its pace of rate hikes. Relative to the Euro and British Pound, the Japanese Yen weakened on the Bank of Japan's decision to keep its policy rate unchanged at negative levels, even as the European Central Bank and Bank of England joined the Federal Reserve in raising policy rates.

Chapter 6.10

REAL ESTATE & PROFESSIONAL SERVICES

OVERVIEW

The real estate sector expanded by 15.2 per cent year-on-year in the fourth quarter of 2022, extending the 14.8 per cent growth in the previous quarter. For the whole of 2022, the sector grew by 14.1 per cent, moderating from the 18.4 per cent growth in 2021.

The professional services sector expanded by 6.1 per cent year-on-year in the fourth quarter of 2022, extending the 7.9 per cent growth in the previous quarter. For 2022 as a whole, the sector grew by 7.6 per cent, faster than the 4.0 per cent growth in 2021.

REAL ESTATE

The private residential property market softened in the fourth quarter, as total private residential property sales fell by 54.7 per cent year-on-year, extending the 32.3 per cent decline in the previous quarter. For the full year, total sales fell by 34.8 per cent to 21,890 units, from the 33,557 units sold in 2021.

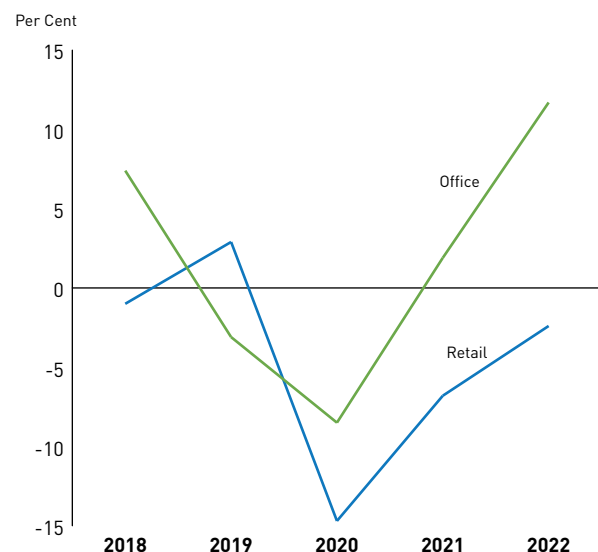
Reflecting the weaker demand, the increase in private residential property prices tapered off in the fourth quarter, coming in at 0.4 per cent compared to the 3.8 per cent increase in the preceding quarter. For the whole of 2022, prices climbed by 8.6 per cent, following the increase of 10.6 per cent in 2021 (Exhibit 6.27).

Exhibit 6.27: Total Sales of Private Residential Units and Private Residential Property Price Index



In the commercial space segment, the performance of the retail space market remained weak in 2022. Specifically, private retail space rental fell by 2.4 per cent in 2022, although this was an improvement from the 6.8 per cent decline in the previous year (Exhibit 6.28). The weak rental performance was due to lower rentals in the Central Area (-2.1 per cent) and Fringe Area (-3.1 per cent). Similarly, the prices of private retail space declined by 7.8 per cent in 2022, extending the 4.2 per cent fall recorded in 2021. While prices in the Central Area dropped by 11.3 per cent, prices in the Fringe Area rose by 1.0 per cent.

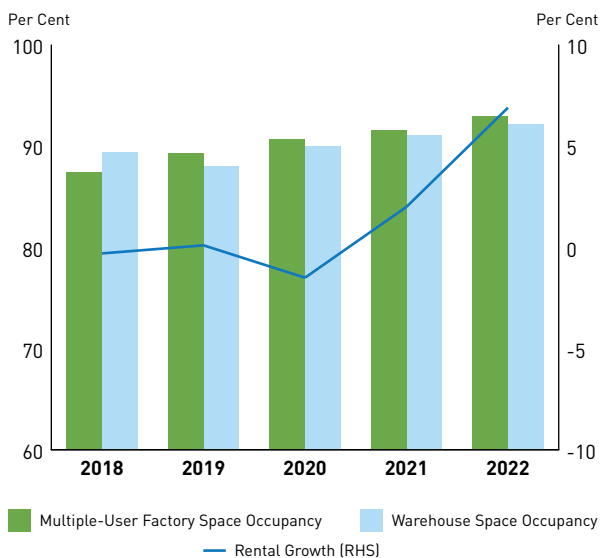
Exhibit 6.28: Changes in Rentals of Private Sector Office and Retail Spaces



On the other hand, the office space market improved in 2022. Office rental rose by 11.7 per cent, accelerating from the 1.9 per cent increase in the previous year, on account of higher rentals in the Central Area (11.9 per cent) and Fringe Area (11.6 per cent). Prices in the office space market inched down by 0.1 per cent in 2022, moderating from the 5.8 per cent decline in 2021.

In the industrial space market, overall rental rose by 6.9 per cent in 2022, faster than the 2.0 per cent increase seen in the previous year (Exhibit 6.29). Rentals of all types of industrial property space (i.e., single-use factories, multiple-user factories, warehouses and business parks) increased in 2022. Meanwhile, overall industrial property prices grew by 7.5 per cent, accelerating from the 4.4 per cent increase in 2021.

Exhibit 6.29: Occupancy Rate and Rental Growth of Industrial Space



PROFESSIONAL SERVICES

In 2022, the professional services sector expanded, with all segments registering growth except for the legal and head offices & business representative offices segments. Growth in the sector was largely driven by the architectural & engineering, technical testing & analysis segment, as well as the other professional scientific & technical services segment, which expanded by 16.9 per cent and 16.8 per cent respectively.