

Singapore's GDP Grew by 3.4 Per Cent in the First Quarter of 2022

14 April 2022. Based on advance estimates¹, the Singapore economy grew by 3.4 per cent on a year-on-year basis in the first quarter of 2022, moderating from the 6.1 per cent growth in the preceding quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 0.4 per cent, slower than the 2.3 per cent growth in the previous quarter.

Gross Domestic Product in Chained (2015) Dollars

	1Q21	2Q21	3Q21	4Q21	2021	1Q22*
Percentage change over corresponding period of previous year						
Overall GDP	2.0	15.8	7.5	6.1	7.6	3.4
Goods Producing Industries	6.5	23.0	11.7	13.6	13.4	5.3
Manufacturing	11.5	18.2	7.9	15.5	13.2	6.0
Construction	-22.2	118.9	69.9	2.9	20.1	1.8
Services Producing Industries	0.2	11.5	6.8	4.4	5.6	3.9
Wholesale & Retail Trade and Transportation & Storage	-0.5	8.7	6.1	4.2	4.5	3.2
Information & Communications, Finance & Insurance and Professional Services	3.8	11.4	9.1	6.6	7.7	5.3
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	-3.5	15.3	4.5	1.6	4.0	3.0

¹ The advance GDP estimates for the first quarter of 2022 are computed largely from data in the first two months of the quarter (i.e., January and February 2022). They are intended as an early indication of GDP growth in the quarter and are subject to revision when more comprehensive data become available.

	1Q21	2Q21	3Q21	4Q21	2021	1Q22*
Quarter-on-quarter growth rate, seasonally adjusted						
Overall GDP	3.0	-0.8	1.5	2.3	7.6	0.4
Goods Producing Industries	6.8	-0.2	2.0	4.6	13.4	-1.3
Manufacturing	7.9	0.1	0.8	6.3	13.2	-1.2
Construction	3.7	0.1	1.1	-2.1	20.1	2.8
Services Producing Industries	1.9	-0.2	1.3	1.4	5.6	1.4
Wholesale & Retail Trade and Transportation & Storage	2.3	-0.3	0.8	1.3	4.5	1.2
Information & Communications, Finance & Insurance and Professional Services	-0.8	2.5	2.4	2.5	7.7	-2.0
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	1.5	-2.8	0.4	2.6	4.0	2.9

*Advance estimates

Sectoral Performance

The manufacturing sector expanded by 6.0 per cent year-on-year in the first quarter of 2022, moderating from the 15.5 per cent growth in the preceding quarter. Growth during the quarter was supported by output expansions in all clusters, except for the chemicals cluster. In particular, the electronics and precision engineering clusters continued to record strong output growth, driven by sustained global demand for semiconductors and semiconductor equipment respectively. On a quarter-on-quarter seasonally-adjusted basis, the manufacturing sector contracted by 1.2 per cent in the first quarter, a reversal from the 6.3 per cent growth in the previous quarter.

The construction sector grew by 1.8 per cent year-on-year in the first quarter, slower than the 2.9 per cent growth in the preceding quarter. In absolute terms, the value-added of the sector remained 25.3 per cent below its pre-pandemic (i.e., first quarter of 2019) level, as activity at construction worksites continued to be weighed down by labour shortages. On a quarter-on-quarter seasonally-

adjusted basis, the sector expanded by 2.8 per cent in the first quarter, a turnaround from the 2.1 per cent contraction in the fourth quarter of 2021.

Among the services sectors, the group of sectors comprising the wholesale & retail trade and transportation & storage sectors posted growth of 3.2 per cent year-on-year in the first quarter, extending the 4.2 per cent growth in the preceding quarter. All sectors within the group expanded during the quarter. In particular, the wholesale trade sector grew in tandem with the robust performance of Singapore's merchandise exports. While the transportation & storage sector also expanded, this was partly due to low base effects as travel restrictions had weighed heavily on the air transport segment in the first quarter of 2021. On the whole, the value-added of this group of sectors (i.e., wholesale & retail trade and transportation & storage) in the first quarter of 2022 remained 1.2 per cent below its pre-pandemic (i.e., first quarter of 2019) level. On a quarter-on-quarter seasonally-adjusted basis, the sectors grew by 1.2 per cent in the first quarter, similar to the 1.3 per cent growth in the previous quarter.

The information & communications, finance & insurance and professional services sectors collectively expanded by 5.3 per cent on a year-on-year basis in the first quarter, moderating from the 6.6 per cent growth in the previous quarter. All sectors within the group recorded expansions. In particular, growth in the information & communications sector continued to be supported by strong demand for IT and digital solutions, while growth in the finance & insurance sector was driven in part by activities auxiliary to financial services (e.g., security dealing and payments processing activities) and the insurance segment. On a quarter-on-quarter seasonally-adjusted basis, the sectors in the group contracted by 2.0 per cent in the first quarter, a pullback from the 2.5 per cent expansion in the fourth quarter of last year.

The remaining group of services sectors (i.e., accommodation & food services, real estate, administrative & support services and other services sectors) grew by 3.0 per cent year-on-year in the first quarter, faster than the 1.6 per cent growth in the previous quarter. All sectors within the group expanded, except for the accommodation & food services sector. The latter's weak performance was primarily due to a fall in government demand for hotel rooms to serve as quarantine facilities as Singapore transitioned towards living with COVID-19. On the whole, the value-added of this group of sectors (i.e., accommodation & food services, real estate, administrative & support services and other services sectors) remained 4.3 per cent below its level in the first quarter of 2019. On a quarter-on-quarter seasonally-adjusted basis, the sectors expanded by 2.9 per cent in the first quarter, extending the 2.6 per cent growth in the preceding quarter.

The preliminary GDP estimates for the first quarter of 2022, including performance by sectors, sources of growth, inflation, employment and

productivity, will be released in the *Economic Survey of Singapore* in May 2022.

MINISTRY OF TRADE AND INDUSTRY
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