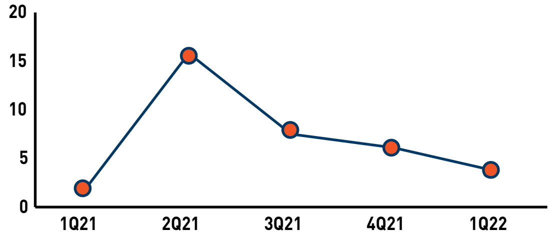
Chapter 1

# THE SINGAPORE ECONOMY

## ECONOMIC PERFORMANCE

**Real GDP grew by**
**3.7%** in 1Q22

### Quarterly Growth (Year-on-Year)




### Main Drivers of Growth in 1Q22

Manufacturing
**1.5%-point** contribution

Finance & Insurance
**0.5%-point** contribution

## LABOUR MARKET

Resident Unemployment Rate
**3.0%** in 1Q22

Employment (Q-O-Q Change)
**+46,500** employed

### Sectors with the Highest Employment Growth in 1Q22

- **+21,600** employed — Construction
- **+10,900** employed — Other Services Industries
- **+7,200** employed — Manufacturing

## PRODUCTIVITY

**Value-Added per Actual Hour Worked increased by**
**2.2%** in 1Q22

### Sectors with the Highest Growth in Value-Added per Actual Hour Worked in 1Q22

- **12.6%** Real Estate
- **6.4%** Retail Trade
- **6.1%** Manufacturing

## COSTS

Overall Unit Labour Cost increased by

**6.8%** in 1Q22

Within the Manufacturing Sector

| 1.2% | 3.8% |
|---|---|
| Unit Business Cost | Unit Labour Cost |

## PRICES

The Consumer Price Index (CPI) rose by

**4.6%** in 1Q22

Categories with Price Increases

| 15.4% | 4.2% | 2.7% |
|---|---|---|
| Transport | Housing & Utilities | Food |

## INTERNATIONAL TRADE

Total Merchandise Exports increased by

**18.8%** in 1Q22

| 45.4% | 17.2% | 11.4% |
|---|---|---|
| Oil Domestic Exports | Re-Exports | Non-Oil Domestic Exports |

Total Services Exports grew by

**7.1%** in 1Q22

Services Exports Increase was led by...

| 3.9%-pt | 1.0%-pt | 0.8%-pt |
|---|---|---|
| Other Business Services | Travel | Charges for the use of Intellectual Property |

# OVERVIEW

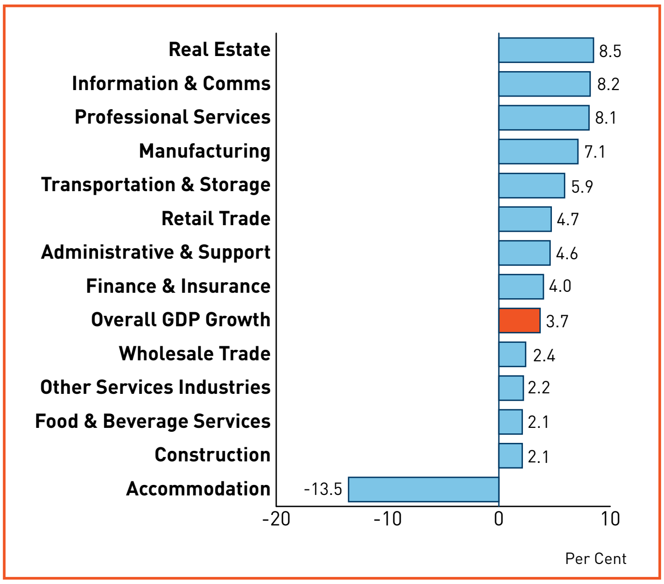
In the first quarter of 2022,

- The Singapore economy expanded by 3.7 per cent on a year-on-year basis. The sectors that contributed the most to GDP growth were manufacturing, finance & insurance and professional services.
- The seasonally-adjusted unemployment rates fell at the overall level, as well as for residents and citizens. The number of retrenchments also declined over the quarter.
- Total employment rose by 46,500 on a quarter-on-quarter basis, extending the gains in the preceding quarter. Excluding Migrant Domestic Workers (MDWs), total employment increased by 41,100 on the back of employment gains for both residents and non-residents, with non-residents accounting for the bulk of the increase as border restrictions eased.
- The Consumer Price Index-All Items (CPI-All Items) rose by 4.6 per cent on a year-on-year basis, faster than the 3.7 per cent increase in the previous quarter.

# OVERALL PERFORMANCE

The Singapore economy expanded by 3.7 per cent on a year-on-year basis in the first quarter of 2022, moderating from the 6.1 per cent expansion in the previous quarter (Exhibit 1.1). On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.7 per cent, slower than the 2.3 per cent growth in the fourth quarter of 2021.

**Exhibit 1.1: GDP and Sectoral Growth Rates in 1Q 2022**




The manufacturing sector expanded by 7.1 per cent year-on-year in the first quarter, extending the 15.5 per cent growth in the previous quarter. Growth was supported by output expansions in the electronics, transport engineering, general manufacturing and precision engineering clusters, which more than offset output declines in the biomedical manufacturing and chemicals clusters.

The services producing industries grew by 4.2 per cent year-on-year in the first quarter, following the 4.4 per cent growth recorded in the previous quarter. Growth was supported by expansions in all services sectors except for the accommodation sector, which shrank by 13.5 per cent. Among the services sectors that grew, the real estate (8.5 per cent), information & communications (8.2 per cent) and professional services (8.1 per cent) sectors posted the fastest expansions.

The construction sector expanded by 2.1 per cent year-on-year in the first quarter, moderating from the 2.9 per cent growth registered in the previous quarter. Growth was supported by increases in both public and private sector construction output.

The top three positive contributors to GDP growth in the first quarter were the manufacturing, finance & insurance and professional services sectors (Exhibit 1.2).

**Exhibit 1.2: Percentage-Point Contribution to Growth in Real GDP in 1Q 2022 (By Industry)**

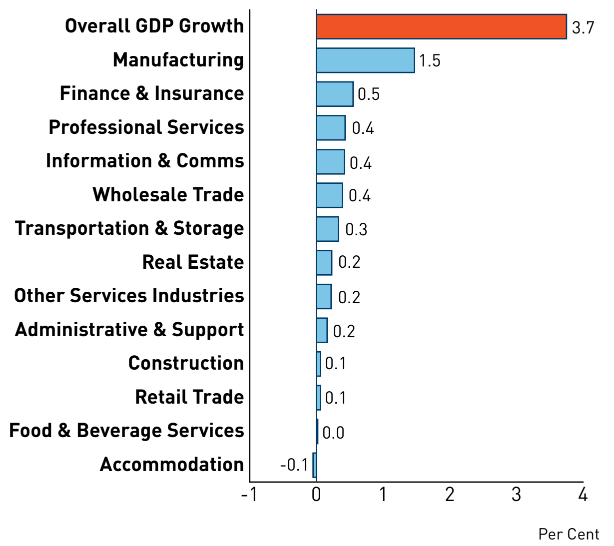



**Exhibit 1.3: Changes in Total Demand***

| | 2021 | | | | 2022 |
|---|---|---|---|---|---|
| | I | II | III | IV | 1 |
| **Total Demand** | -0.8 | 16.5 | 8.2 | 7.0 | **3.3** |
| **External Demand** | -0.8 | 14.2 | 6.9 | 7.9 | **3.4** |
| **Total Domestic Demand** | -0.8 | 23.4 | 11.8 | 4.6 | **3.0** |
| **Consumption Expenditure** | -2.5 | 16.4 | 3.9 | 2.8 | **3.7** |
| **Public** | 9.5 | 0.7 | 3.3 | 3.6 | **-2.8** |
| **Private** | -6.9 | 23.0 | 4.1 | 2.6 | **6.5** |
| **Gross Fixed Capital Formation** | 3.2 | 42.9 | 32.8 | 8.3 | **2.1** |
| **Changes in Inventories** | -0.1 | -0.4 | -0.3 | 0.0 | **0.0** |

** For inventories, this refers to the contribution to GDP growth.*

## SOURCES OF GROWTH

Total demand increased by 3.3 per cent year-on-year in the first quarter of 2022, slower than the 7.0 per cent expansion in the previous quarter (Exhibit 1.3). Growth came on the back of higher external and domestic demand. External demand rose by 3.4 per cent year-on-year, moderating from the 7.9 per cent growth in the previous quarter. Similarly, domestic demand increased by 3.0 per cent year-on-year, weaker than the 4.6 per cent growth in the previous quarter.

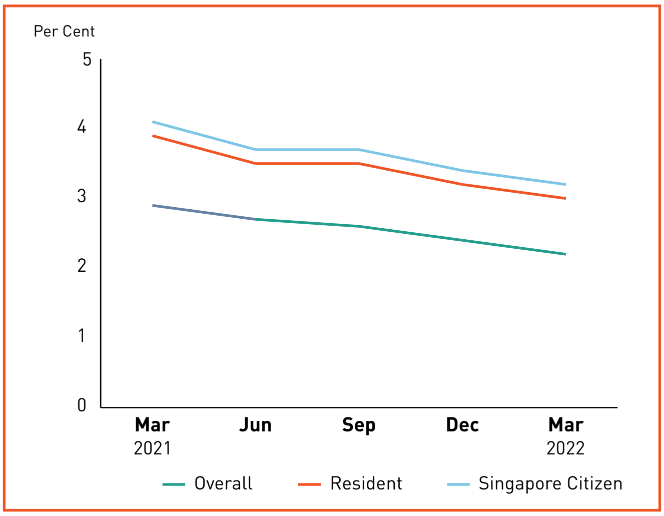
Within domestic demand, consumption expenditure expanded by 3.7 per cent year-on-year, an improvement from the 2.8 per cent growth in the preceding quarter. The increase in consumption expenditure was supported by higher private consumption expenditure (6.5 per cent), even as public consumption expenditure dipped (-2.8 per cent). Meanwhile, gross fixed capital formation (GFCF) rose by 2.1 per cent year-on-year, slowing from the 8.3 per cent expansion in the previous quarter. The increase in GFCF was mainly due to higher private sector GFCF (2.5 per cent) as public sector GFCF remained almost unchanged (0.1 per cent) during the quarter. Private sector GFCF picked up on account of higher investments in private machinery & equipment and intellectual property products, which outweighed lower investments in private construction & works and transport equipment. In terms of public sector GFCF, expansions in investments in public machinery & equipment and intellectual property products were broadly offset by contractions in investments in public construction & works and transport equipment.

# LABOUR MARKET

## Unemployment and Retrenchment[1]

Compared to December 2021, the seasonally-adjusted unemployment rates in March 2022 fell at the overall level (from 2.4 per cent to 2.2 per cent) as well as for residents (from 3.2 per cent to 3.0 per cent) and citizens (from 3.4 per cent to 3.2 per cent) (Exhibit 1.4), with all returning to their respective pre-pandemic levels.[2]

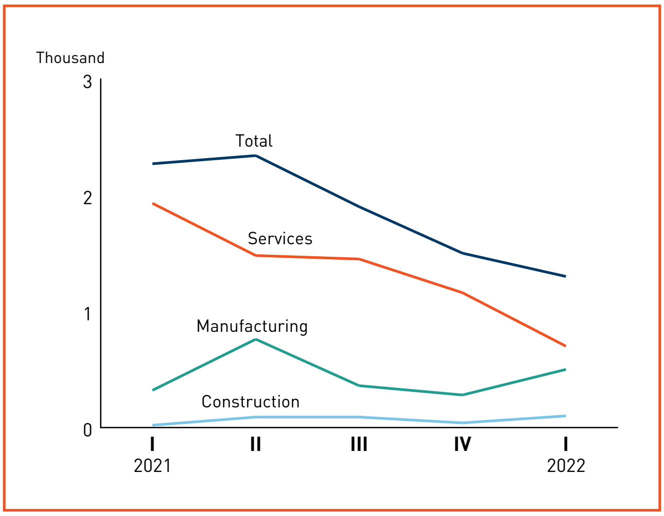
**Exhibit 1.4: Unemployment Rate (Seasonally-Adjusted)**




In March 2022, an estimated 73,900 residents, including 66,700 Singapore citizens, were unemployed. These were lower than the number of unemployed residents (76,300) and citizens (69,700) in December 2021.[3]

Total retrenchments declined to a record low of 1,300[4] in the first quarter, from 1,500 in the preceding quarter (Exhibit 1.5). Over the quarter, retrenchments fell in the services sector (from 1,160 to 700), but rose in the manufacturing (from 280 to 500) and construction (from 40 to 100) sectors.

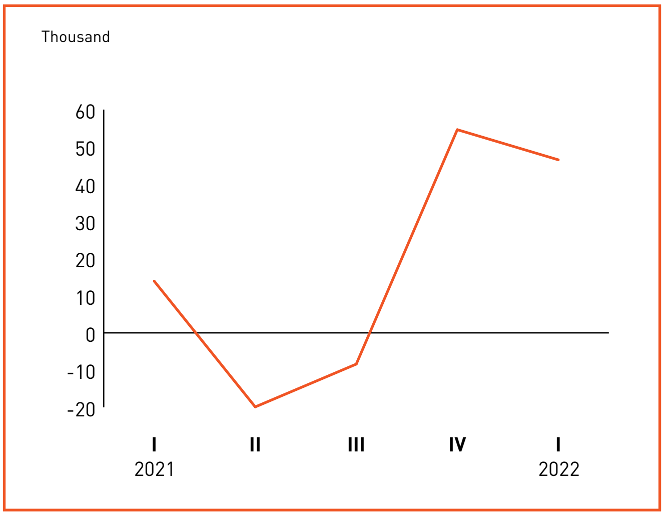
**Exhibit 1.5: Retrenchments**




## Employment[5]

Total employment increased by 46,500 on a quarter-on-quarter basis in the first quarter of 2022, extending the gains in the preceding quarter (54,600) (Exhibit 1.6). Excluding MDWs, total employment rose by 41,100. Residents and non-residents both registered employment growth in the first quarter, with non-residents forming the bulk of the employment increase as border restrictions were progressively eased.

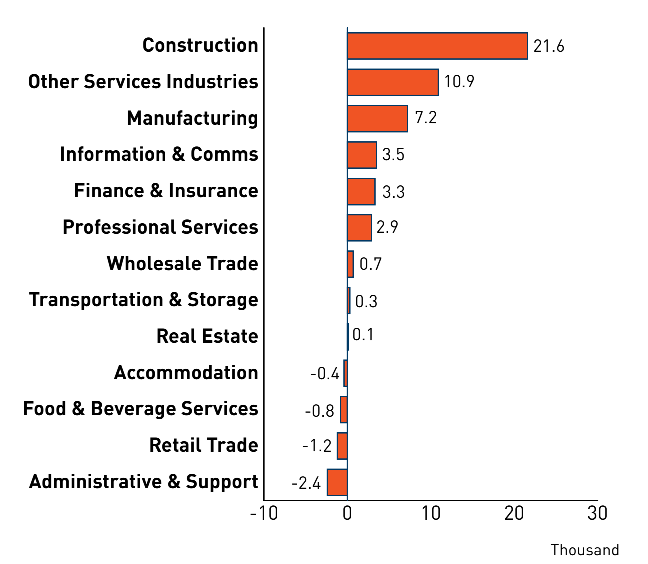
**Exhibit 1.6: Change in Total Employment, Quarter-on-Quarter**




1 *Retrenchment figures pertain to private sector establishments with at least 25 employees and the public sector.*
2 *The annual average overall, resident and citizen unemployment rates in 2018 and 2019 were 2.2 per cent, 3.0 per cent and 3.2 per cent respectively.*
3 *Based on seasonally-adjusted data on the number of unemployed persons.*
4 *This is the lowest retrenchment level on record since the start of the data series in 1998. The previous low recorded was in the fourth quarter of 2021 (1,500).*
5 *Based on preliminary estimates.*

Total employment growth was led by the construction sector (+21,600), driven by an increase in the number of work permit holders (Exhibit 1.7). In the overall services sector, employment rose by 17,000 (or +11,600 excluding MDWs), supported by employment gains in the other services industries (+10,900), information & communications (+3,500) and finance & insurance (+3,300) sectors. Over the same period, manufacturing employment grew by 7,200, the same pace as in the preceding quarter.

**Exhibit 1.7: Changes in Employment by Industry in 1Q 2022**




## Hiring Expectations

According to EDB's latest Business Expectations Survey for the Manufacturing Sector, hiring expectations in the sector were positive, with a net weighted balance of 21 per cent of manufacturers expecting to increase hiring in the second quarter of 2022 as compared to the first quarter. Firms in the miscellaneous segment of the general manufacturing cluster were the most optimistic, with a net weighted balance of 48 per cent of firms expecting to increase hiring in the second quarter. By contrast, firms in the other electronic modules & components segment of the electronics cluster were the most pessimistic, with a net weighted balance of 28 per cent of firms expecting a lower level of hiring in the second quarter.

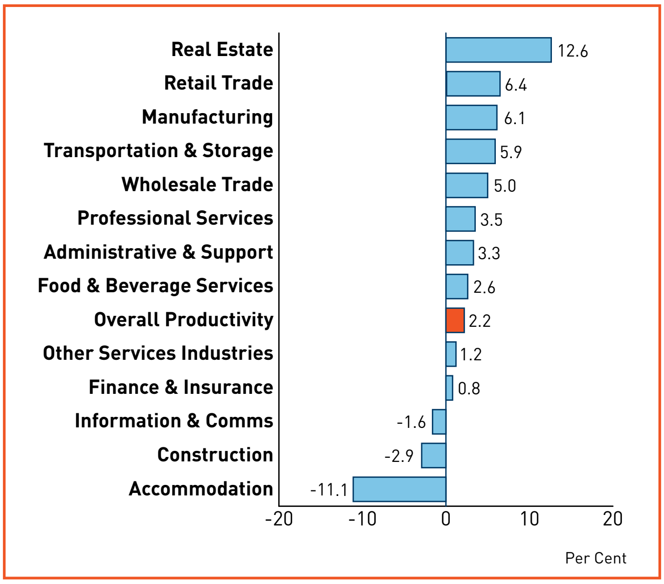
Hiring expectations for services firms were also positive. According to DOS' latest Business Expectations Survey for the Services Sector, a net weighted balance of 11 per cent of services firms expected to increase hiring in the second quarter of 2022 as compared to the first quarter. Firms in all services sectors registered a positive outlook. In particular, firms in the accommodation sector had the strongest hiring sentiments, with a net weighted balance of 23 per cent of firms expecting to increase hiring in the second quarter. On the other hand, firms in the administrative & support services and other services sectors had the least positive hiring sentiments – both sectors saw a net weighted balance of 5 per cent of firms expecting to hire more workers in the second quarter.

# COMPETITIVENESS

## Productivity

Overall labour productivity, as measured by real value-added per actual hour worked, rose by 2.2 per cent year-on-year in the first quarter of 2022, moderating from the 5.5 per cent increase in the previous quarter (Exhibit 1.8) as GDP growth slowed and hours worked growth picked up.[6]

**Exhibit 1.8: Changes in Value-Added per Actual Hour Worked for the Overall Economy and Sectors in 1Q 2022**




6 *Overall labour productivity, as measured by real value-added per worker, rose by 2.1 per cent in the first quarter of 2022, continuing the 5.8 per cent growth in the preceding quarter. The difference in trends between real value-added per actual hour worked and real value-added per worker in the first quarter was due to a slight fall in the number of actual hours worked per worker.*

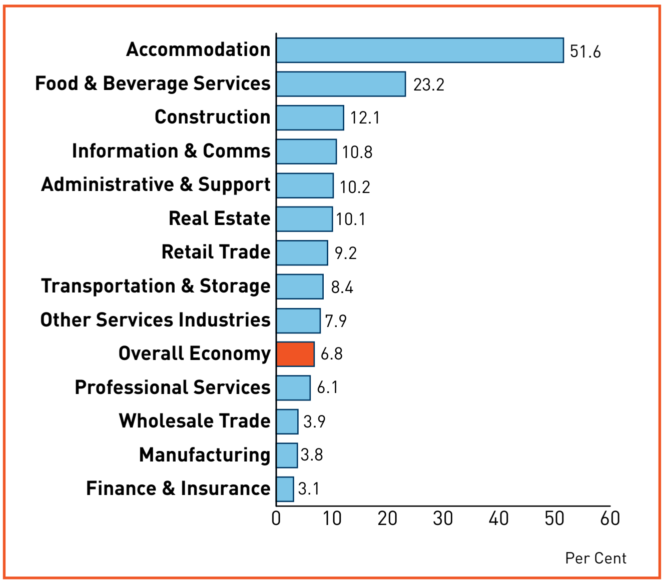
Among the sectors, the real estate (12.6 per cent), retail trade (6.4 per cent), manufacturing (6.1 per cent) and transportation & storage (5.9 per cent) sectors recorded the strongest productivity gains in the first quarter. The wholesale trade (5.0 per cent), professional services (3.5 per cent), administrative & support services (3.3 per cent), food & beverage services (2.6 per cent), other services industries (1.2 per cent) and finance & insurance (0.8 per cent) sectors also posted productivity improvements. By contrast, productivity declines were observed in the accommodation (-11.1 per cent), construction (-2.9 per cent) and information & communications (-1.6 per cent) sectors.

In the first quarter, the productivity of outward-oriented sectors as a whole rose by 3.5 per cent year-on-year, extending the 7.2 per cent increase in the previous quarter.[7] Meanwhile, the productivity of domestically-oriented sectors as a whole rose by 2.2 per cent year-on-year, slightly faster than the 2.0 per cent increase in the preceding quarter.

## Unit Labour Cost and Unit Business Cost

Overall unit labour cost (ULC) for the economy rose by 6.8 per cent on a year-on-year basis in the first quarter of 2022, similar to the increase of 6.7 per cent in the preceding quarter (Exhibit 1.9). The higher overall ULC in the first quarter was due to an increase in total labour cost per worker, which outpaced gains in labour productivity as measured by real value-added per worker.

**Exhibit 1.9: Changes in Unit Labour Cost in 1Q 2022**




By sectors, the ULC in the construction sector was 12.1 per cent higher in the first quarter due to the combined effect of an increase in total labour cost per worker and a fall in labour productivity.

Similarly, the ULC for services producing industries rose by 7.2 per cent. Among the services sectors, ULC increased the most in the accommodation sector (51.6 per cent), reflecting a significant pickup in total labour cost per worker alongside productivity declines. On the other hand, even though ULC in the finance & insurance sector rose (3.1 per cent) as its total labour cost per worker increased by more than its labour productivity, the increase was the smallest among the services sectors.

Over the same period, the ULC for the manufacturing sector increased by 3.8 per cent. The rise in ULC occurred on the back of an increase in total labour cost per worker, which more than offset productivity gains in the sector.

Unit business cost (UBC) for the manufacturing sector edged up by 1.2 per cent year-on-year in the first quarter, reversing the 5.2 per cent decline in the previous quarter (Exhibit 1.10). This was due to increases in the manufacturing ULC (3.8 per cent) and unit services cost (0.4 per cent), which more than offset a fall in unit non-labour production taxes (-8.4 per cent).

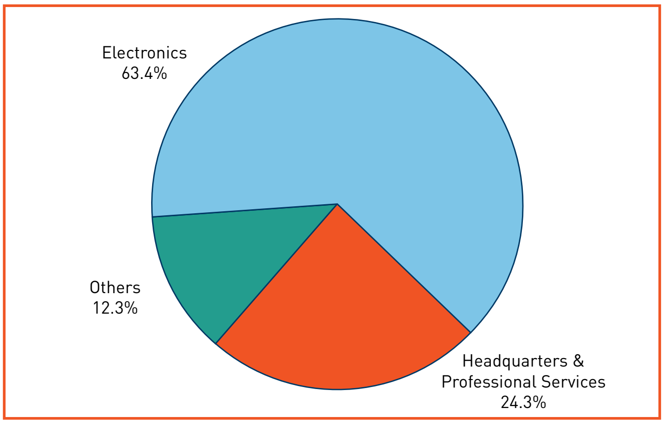
**Exhibit 1.10: Changes in the Manufacturing Unit Business Cost**


7 *Outward-oriented sectors refer to manufacturing, wholesale trade, transportation & storage, accommodation, information & communications, finance & insurance and professional services. Domestically-oriented sectors refer to construction, retail trade, food & beverage services, real estate, administrative & support services and other services industries.*

## Investment Commitments

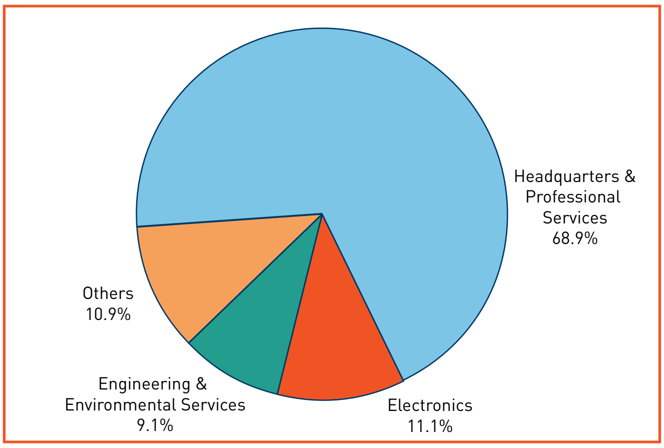
Investment commitments garnered by the Economic Development Board (EDB) in terms of Fixed Asset Investments (FAI) and Total Business Expenditure (TBE) amounted to $2.2 billion and $894 million respectively in the first quarter of 2022 (Exhibit 1.11 and Exhibit 1.12).

**Exhibit 1.11: Fixed Asset Investments by Industry Cluster in 1Q 2022**




For FAI, the largest contribution came from the manufacturing sector, which attracted $1.6 billion worth of commitments. Within manufacturing, the electronics cluster garnered the largest amount of commitments, at $1.4 billion. Meanwhile, the headquarters & professional services cluster attracted the highest amount of FAI commitments within the services sector, at $535 million. Investors from the United States were the largest source of FAI commitments with $1.1 billion (47.8 per cent), followed by investors from Europe, who contributed $579 million (26.4 per cent).

**Exhibit 1.12: Total Business Expenditure by Industry Cluster in 1Q 2022**




For TBE, the services sector attracted the highest amount of commitments, at $734 million. This was driven by the headquarters & professional services cluster, which garnered $616 million in TBE commitments, followed by the engineering & environmental services cluster, with $80.9 million. Among the manufacturing clusters, the electronics cluster attracted the largest amount of TBE commitments, at $99.2 million. Foreign investors contributed the most to TBE commitments, at $833 million (93.2 per cent). This was in turn driven predominantly by investors from the United States with $283 million (31.7 per cent), followed by those from Europe with $189 million (21.1 per cent).

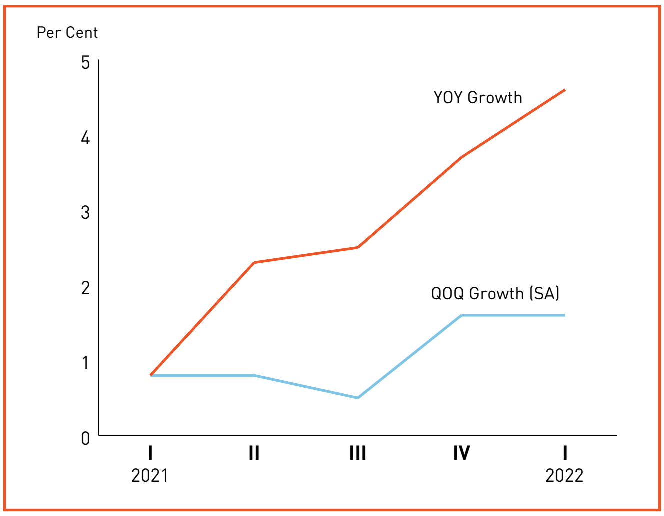
When these projects are fully implemented, they are expected to generate $1.4 billion of value-added and create more than 3,000 jobs in the coming years.

# PRICES

## Consumer Price Index

The Consumer Price Index-All Items (CPI-All Items) rose by 4.6 per cent on a year-on-year basis in the first quarter of 2022, picking up from the 3.7 per cent increase in the preceding quarter (Exhibit 1.13). On a quarter-on-quarter seasonally-adjusted basis, CPI-All Items increased by 1.6 per cent, the same pace of increase as in the previous quarter.

**Exhibit 1.13: Changes in CPI**



Price increases in the following CPI categories contributed positively to CPI-All Items inflation on a year-on-year basis in the first quarter (Exhibit 1.14). Food prices rose by 2.7 per cent on the back of an increase in the costs of food serving services like hawker food and restaurant meals, as well as non-cooked food items such as vegetables, fish & seafood and meat. Housing & utilities costs increased by 4.2 per cent due to a rise in accommodation and electricity costs. Prices of household durables & services went up by 1.7 per cent on account of more expensive household durables and domestic & household services. Healthcare costs picked up by 1.5 per cent because of an increase in the costs of health insurance, outpatient services and hospital services. Transport costs climbed by 15.4 per cent as the prices of cars and petrol, as well as airfares[8], increased. Recreation & culture prices rose by 1.4 per cent as a result of the higher costs of recreational & cultural services and holiday travel[9]. Education costs increased by 2.1 per cent due to higher fees at commercial institutions and universities. Prices of miscellaneous goods & services inched up by 0.1 per cent because of a rise in the cost of personal effects items.

**Exhibit 1.14: Percentage Changes in CPI over Corresponding Quarter of Previous Year**

Per Cent

| | 2021 | | | | 2022 |
|---|---|---|---|---|---|
| | I | II | III | IV | I |
| **All items** | 0.8 | 2.3 | 2.5 | 3.7 | **4.6** |
| **Food** | 1.5 | 1.0 | 1.4 | 1.9 | **2.7** |
| **Clothing & Footwear** | -5.3 | -6.0 | -5.6 | -5.3 | **-3.5** |
| **Housing & Utilities** | -0.3 | 0.6 | 2.1 | 3.1 | **4.2** |
| **Housing Durables & Services** | 1.1 | 1.4 | 1.6 | 1.8 | **1.7** |
| **Healthcare** | 0.3 | 1.0 | 1.7 | 1.6 | **1.5** |
| **Transport** | 3.1 | 10.6 | 8.7 | 13.0 | **15.4** |
| **Communication** | 0.9 | 0.1 | -2.0 | -1.3 | **-2.6** |
| **Recreation & Culture** | -0.2 | 1.0 | 1.4 | 2.0 | **1.4** |
| **Education** | 0.9 | 1.1 | 1.3 | 1.7 | **2.1** |
| **Miscellaneous Goods & Services** | -1.3 | -0.2 | -0.4 | -0.2 | **0.1** |

On the other hand, price declines in the following CPI categories contributed negatively to CPI-All Items inflation in the first quarter. Clothing & footwear prices fell by 3.5 per cent due to cheaper ready-made garments and footwear. Communication costs declined by 2.6 per cent on the back of lower telecommunication services & equipment costs.

# INTERNATIONAL TRADE

## Merchandise Trade

Singapore's total merchandise trade expanded by 20.8 per cent on a year-on-year basis in the first quarter of 2022, following the 28.8 per cent growth in the preceding quarter (Exhibit 1.15). The expansion in total merchandise trade was due to an increase in both oil (48.2 per cent) and non-oil (16.0 per cent) trade.

**Exhibit 1.15: Growth Rates of Total Merchandise Trade, Merchandise Exports and Merchandise Imports (In Nominal Terms)**

Per Cent

| | 2021 | | | | | 2022 |
|---|---|---|---|---|---|---|
| | I | II | III | IV | ANN | I |
| **Merchandise Trade** | 4.9 | 27.2 | 19.0 | 28.8 | 19.7 | **20.8** |
| **Merchandise Exports** | 6.9 | 26.0 | 17.4 | 26.9 | 19.1 | **18.8** |
| **Domestic Exports** | -0.2 | 25.8 | 18.8 | 34.8 | 19.0 | **20.8** |
| **Oil** | -19.2 | 85.7 | 49.2 | 78.2 | 38.0 | **45.4** |
| **Non-Oil** | 9.6 | 10.1 | 9.0 | 20.1 | 12.1 | **11.4** |
| **Re-Exports** | 13.6 | 26.3 | 16.2 | 21.1 | 19.2 | **17.2** |
| **Merchandise Imports** | 2.7 | 28.6 | 20.9 | 31.0 | 20.4 | **23.1** |
| **Oil** | -12.5 | 115.4 | 51.9 | 94.8 | 49.4 | **50.7** |
| **Non-Oil** | 6.5 | 17.7 | 15.6 | 21.2 | 15.3 | **17.4** |

Total merchandise exports rose by 18.8 per cent in the first quarter, following the 26.9 per cent expansion in the preceding quarter. This was due to an increase in both domestic exports (20.8 per cent) and re-exports (17.2 per cent).

8 *As overseas travel was limited in April 2020 – March 2022 due to international and domestic measures to contain the COVID-19 pandemic, changes in the prices of flights that were not available were imputed using the overall change in CPI-All Items, in line with international guidelines. With more flights resuming and prices becoming available, actual airfares are progressively being incorporated into the CPI.*

9 *As overseas travel was limited in April 2020 – March 2022, the CPI for holiday expenses was imputed using the overall change in CPI-All Items. With the easing of border restrictions, the prices of available holiday-related services are increasingly being incorporated into the CPI.*

The growth in domestic exports was on account of higher oil domestic exports as well as non-oil domestic exports (NODX). In particular, oil domestic exports expanded by 45.4 per cent due to higher oil prices. In volume terms, oil domestic exports declined by 9.4 per cent.

Meanwhile, NODX rose by 11.4 per cent in the first quarter, extending the 20.1 per cent increase in the previous quarter. The rise in NODX was supported by an increase in both electronics and non-electronics domestic exports.

Total merchandise imports expanded by 23.1 per cent in the first quarter, following the 31.0 per cent expansion in the previous quarter. The growth in imports was due to an increase in both oil and non-oil imports. Specifically, oil imports surged by 50.7 per cent, while non-oil imports rose by 17.4 per cent due to higher electronics and non-electronics imports.

## Services Trade

Total services trade increased by 6.8 per cent on a year-on-year basis in the first quarter of 2022, slower than the 10.6 per cent increase in the previous quarter (Exhibit 1.16). Both the exports and imports of services saw positive year-on-year growth in the quarter.

**Exhibit 1.16: Growth Rates of Total Services Trade, Services Exports and Services Imports (In Nominal Terms)**

Per Cent

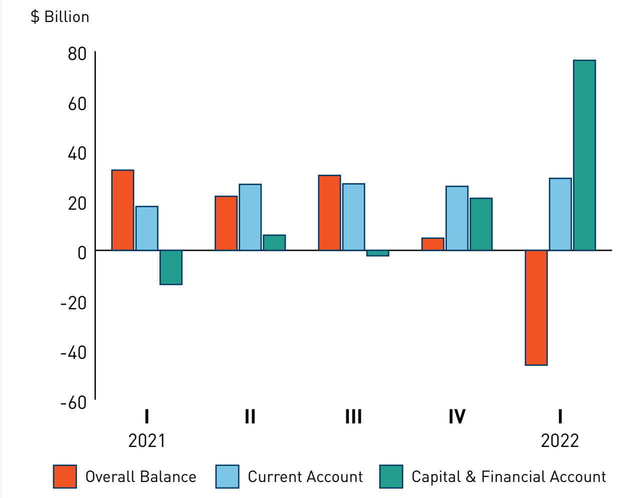
| | 2021 | | | | | 2022 |
|---|---|---|---|---|---|---|
| | I | II | III | IV | ANN | I |
| **Total Services Trade** | -6.8 | 14.2 | 11.5 | 10.6 | 6.8 | **6.8** |
| **Services Exports** | -5.6 | 14.4 | 11.1 | 9.2 | 6.7 | **7.1** |
| **Services Imports** | -8.0 | 14.0 | 11.8 | 12.1 | 6.8 | **6.6** |

Services exports rose by 7.1 per cent, following the 9.2 per cent increase in the preceding quarter. The increase in services exports was largely attributable to the growth in the exports of other business services and travel services, as well as receipts from charges for the use of intellectual property. Meanwhile, services imports expanded by 6.6 per cent, easing from the 12.1 per cent increase in the previous quarter. The rise in services imports was mainly due to a pickup in the imports of transport services, travel services and other business services.

# BALANCE OF PAYMENTS

The overall balance of payments recorded a deficit of $46.1 billion in the first quarter of 2022, compared to the surplus of $4.9 billion in the preceding quarter (Exhibit 1.17).

**Exhibit 1.17: Balance of Payments**




## Current Account

The current account surplus rose to $28.9 billion in the first quarter of 2022, from $25.7 billion in the previous quarter. This was due to an increase in the services trade surplus as well as a narrowing of the primary and secondary income deficits, which more than offset a decline in the goods trade surplus.

The surplus in the goods balance fell by $3.0 billion to $40.0 billion in the first quarter, as goods imports increased by more than goods exports.

By contrast, the surplus in the services balance rose by $2.6 billion to $2.9 billion in the first quarter, supported by an increase in net receipts for financial and other business services.

At the same time, the primary income deficit declined by $3.1 billion to $13.1 billion in the first quarter, as primary income receipts rose faster than payments.

Meanwhile, the secondary income deficit narrowed to $0.9 billion as secondary receipts rose while payments fell.

## Capital and Financial Account[10]

The capital and financial account registered a net outflow of $76.3 billion in the first quarter of 2022, higher than the $20.9 billion net outflow recorded in the preceding quarter. This was due to an increase in the net outflows of portfolio investment and "other investment", which more than offset the change in the position of financial derivatives from net outflows to net inflows, as well as an increase in the net inflows of direct investment.

Net outflows of portfolio investment rose by $39.5 billion to $51.7 billion in the first quarter. This reflected in part a reversal to a net outflow position among the resident deposit-taking corporations, as well as an increase in outflows in the resident non-bank private sector.

At the same time, net outflows of "other investment" rose to $54.2 billion in the first quarter, from $19.1 billion in the previous quarter. This was partly attributable to an increase in net outflows among the resident deposit-taking corporations.

In comparison, financial derivatives registered a turnaround to a net inflow position of $7.9 billion in the first quarter, from a net outflow position of $4.3 billion in the preceding quarter.

Finally, net inflows of direct investment rose to $21.6 billion in the first quarter, from $14.6 billion in the preceding quarter, as residents' direct investments abroad fell while foreign direct investments into Singapore rose.

*10 Net inflows in net balances are indicated by a minus (-) sign. For more details regarding the change in sign convention to the financial account, please refer to DOS's information paper on "Singapore's International Accounts: Methodological Updates and Recent Developments".*