

Singapore's GDP Grew by 4.8 Per Cent in the Second Quarter of 2022

14 July 2022. Based on advance estimates¹, the Singapore economy grew by 4.8 per cent on a year-on-year basis in the second quarter of 2022, extending the 4.0 per cent growth recorded in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, GDP was unchanged in the second quarter, after posting an expansion of 0.9 per cent in the first quarter.

Gross Domestic Product in Chained (2015) Dollars

	2Q21	3Q21	4Q21	2021	1Q22	2Q22*
Percentage change over corresponding period of previous year						
Overall GDP	15.8	7.5	6.1	7.6	4.0	4.8
Goods Producing Industries	23.0	11.7	13.6	13.4	6.9	7.3
Manufacturing	18.2	7.9	15.5	13.2	7.9	8.0
Construction	118.9	69.9	2.9	20.1	1.8	3.8
Services Producing Industries	11.5	6.8	4.4	5.6	4.3	4.7
Wholesale & Retail Trade and Transportation & Storage	8.7	6.1	4.2	4.5	3.4	2.8
Information & Communications, Finance & Insurance and Professional Services	11.4	9.1	6.6	7.7	5.7	4.1
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	15.3	4.5	1.6	4.0	3.5	8.2

¹ The advance GDP estimates for the second quarter of 2022 are computed largely from data in the first two months of the quarter (i.e., April and May 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.

	2Q21	3Q21	4Q21	2021	1Q22	2Q22*
Quarter-on-quarter growth rate, seasonally adjusted						
Overall GDP	-0.8	1.5	2.3	7.6	0.9	0.0
Goods Producing Industries	-0.2	2.0	4.6	13.4	0.2	0.3
Manufacturing	0.1	0.8	6.3	13.2	0.5	0.3
Construction	0.1	1.1	-2.1	20.1	2.9	1.9
Services Producing Industries	-0.2	1.3	1.4	5.6	1.8	0.2
Wholesale & Retail Trade and Transportation & Storage	-0.3	0.8	1.3	4.5	1.4	-0.9
Information & Communications, Finance & Insurance and Professional Services	2.5	2.4	2.5	7.7	-1.7	0.9
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	-2.8	0.4	2.6	4.0	3.4	1.7

*Advance estimates

Sectoral Performance

The manufacturing sector expanded by 8.0 per cent year-on-year in the second quarter of 2022, similar to the 7.9 per cent growth in the previous quarter. Growth during the quarter was supported by output expansions in all clusters, except for the biomedical manufacturing and chemicals clusters. 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 expanded by 0.3 per cent in the second quarter, easing from the 0.5 per cent growth in the preceding quarter.

The construction sector grew by 3.8 per cent year-on-year in the second quarter, faster than the 1.8 per cent growth in the previous quarter. Construction activity picked up during the quarter, supported in part by the relaxation of border restrictions on the inflow of migrant workers. In absolute terms, the value-added of the construction sector remained 23.7 per cent below its pre-pandemic (i.e.,

second quarter of 2019) level due to continued labour shortages as the inflow of migrant workers would take time to recover. On a quarter-on-quarter seasonally-adjusted basis, the sector expanded by 1.9 per cent in the second quarter, moderating from the 2.9 per cent growth in the first quarter.

Among the services sectors, the wholesale & retail trade and transportation & storage sectors collectively grew by 2.8 per cent year-on-year in the second quarter, extending the 3.4 per cent growth in the previous quarter. All sectors within the group expanded during the quarter, with growth in the retail trade and transportation & storage sectors supported in part by low base effects as domestic and travel restrictions had weighed on activity in these sectors in the second quarter of 2021. In absolute terms, the value-added of this group of sectors (i.e., wholesale & retail trade and transportation & storage) remained 2.0 per cent below its pre-COVID (i.e., second quarter of 2019) level. On a quarter-on-quarter seasonally-adjusted basis, the sectors as a whole contracted by 0.9 per cent in the second quarter, a pullback from the 1.4 per cent growth recorded in the preceding quarter.

The group of sectors comprising the information & communications, finance & insurance and professional services sectors expanded by 4.1 per cent on a year-on-year basis in the second quarter, moderating from the 5.7 per cent growth in the preceding quarter. All sectors within the group posted 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 largely driven by activities auxiliary to financial services (e.g., securities dealing and payments processing activities) and fund management activities. On a quarter-on-quarter seasonally-adjusted basis, the sectors in the group grew by 0.9 per cent in the second quarter, a reversal from the 1.7 per cent contraction in the preceding quarter.

The remaining group of services sectors (i.e., accommodation & food services, real estate, administrative & support services and other services sectors) expanded by 8.2 per cent year-on-year in the second quarter, accelerating from the 3.5 per cent growth in the previous quarter. Most sectors within the group expanded, with activities supported by the easing of domestic and border restrictions. For example, growth in the food services sector was bolstered by the removal of dine-in group size limits in end-April. Collectively, the value-added of this group of sectors remained 2.7 per cent below its pre-pandemic (i.e., second quarter of 2019) level. On a quarter-on-quarter seasonally-adjusted basis, these sectors grew by 1.7 per cent in the second quarter, moderating from the 3.4 per cent expansion in the previous quarter.

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

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

MINISTRY OF TRADE AND INDUSTRY
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