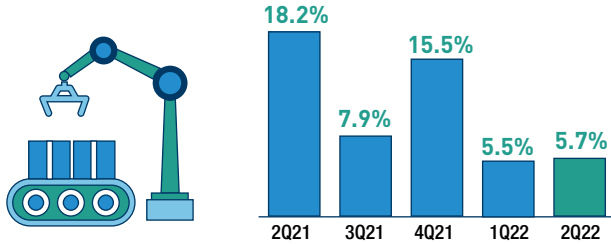


# SECTORAL PERFORMANCE

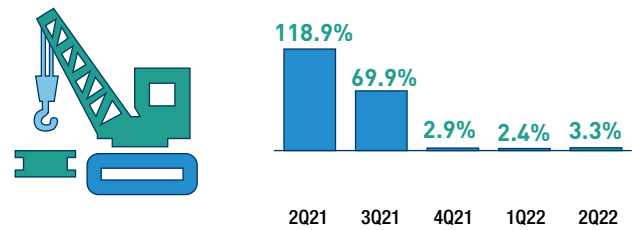
## MANUFACTURING

### REAL GROWTH

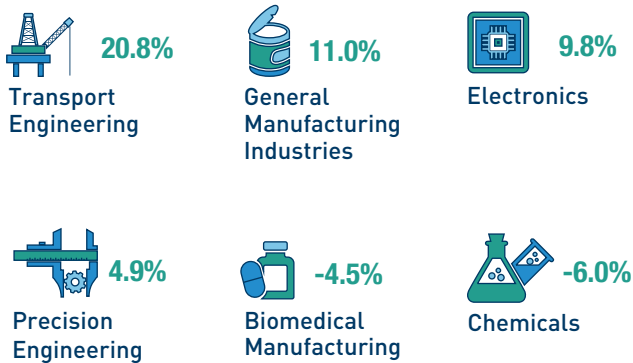


## CONSTRUCTION

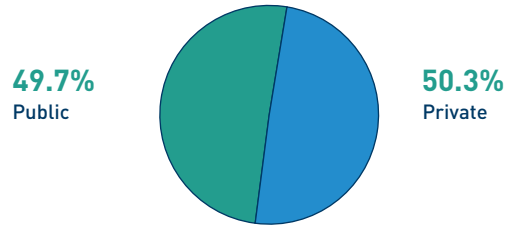
### REAL GROWTH



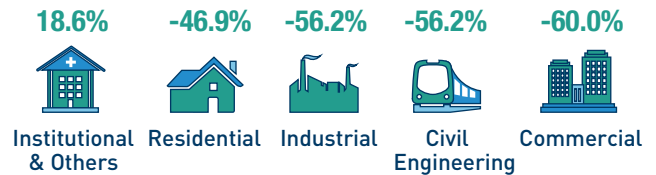
### CLUSTERS IN MANUFACTURING SECTOR (Y-O-Y CHANGE)



### CERTIFIED PAYMENTS IN 2022

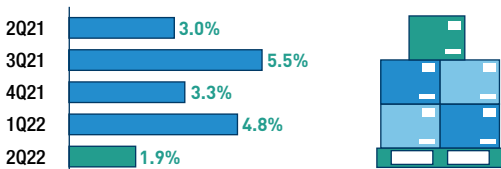


### CONTRACTS AWARDED IN 2022 (Y-O-Y CHANGE)



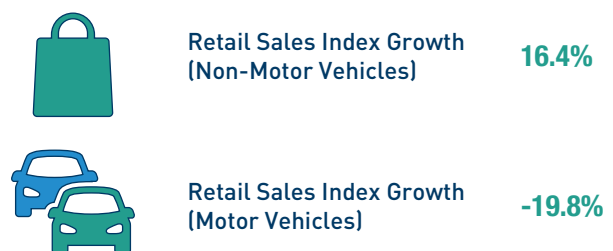
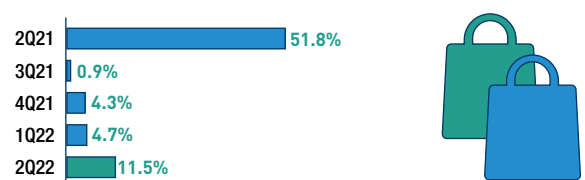
## WHOLESALE TRADE

### REAL GROWTH



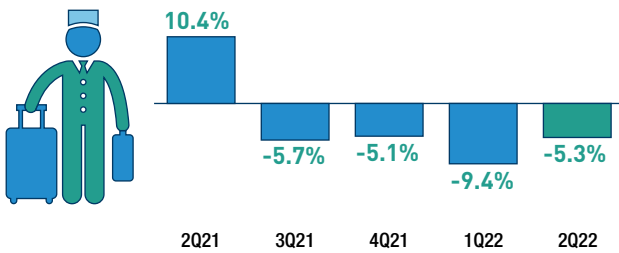
## RETAIL TRADE

### REAL GROWTH



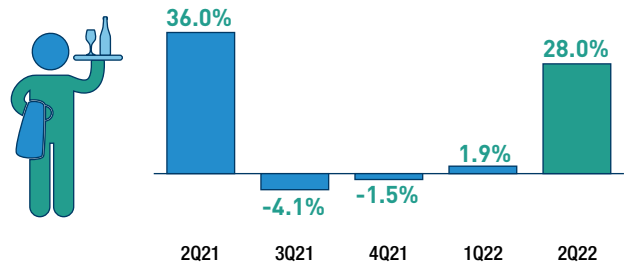
## ACCOMMODATION

### REAL GROWTH

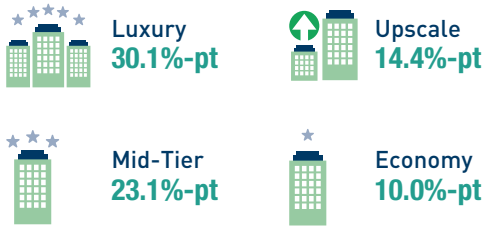


## FOOD & BEVERAGE SERVICES

### REAL GROWTH



### OCCUPANCY RATES OF HOTELS (Y-O-Y CHANGE)

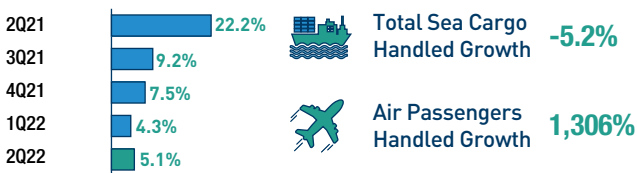


### F&B SALES INDEX GROWTH (Y-O-Y CHANGE)



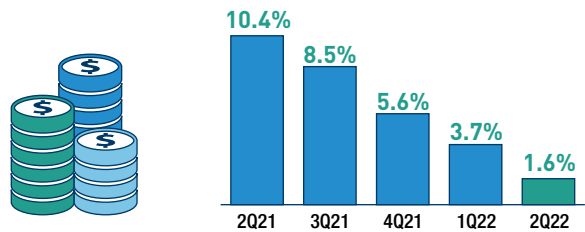
## TRANSPORTATION & STORAGE

### REAL GROWTH



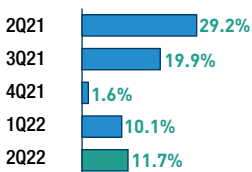
## FINANCE & INSURANCE

### REAL GROWTH

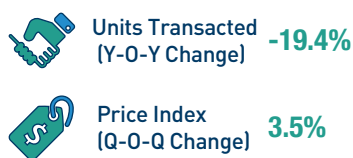


## REAL ESTATE

### REAL GROWTH



### PRIVATE RESIDENTIAL REAL ESTATE



## OVERVIEW

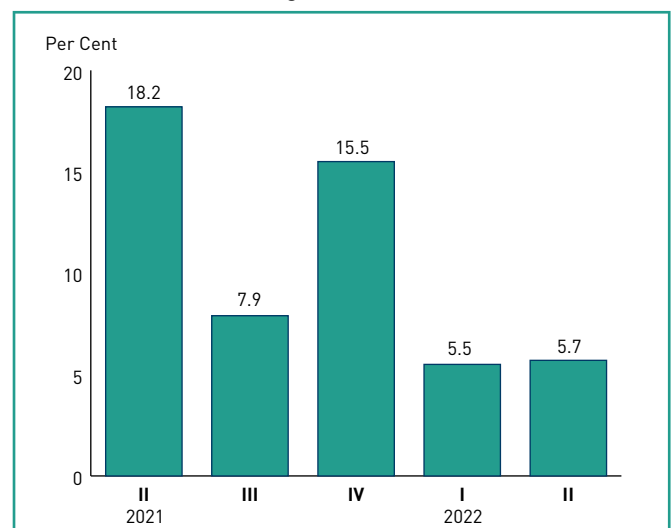
In the second quarter of 2022,

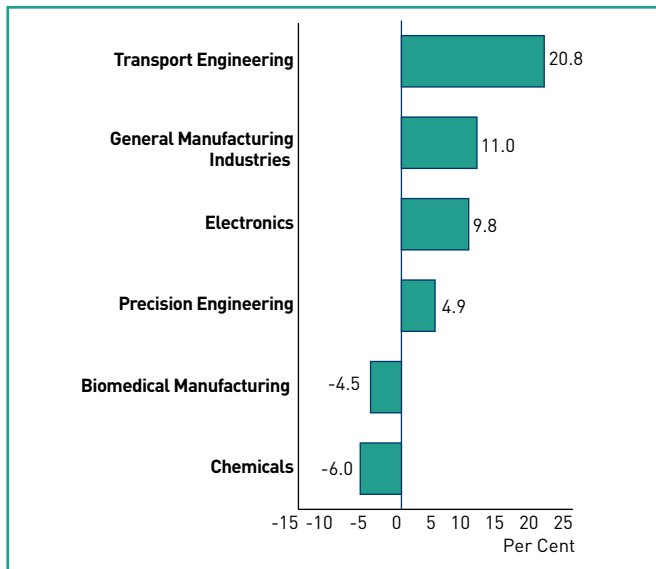
- ▶ The manufacturing sector expanded by 5.7 per cent year-on-year, extending the 5.5 per cent growth in the preceding quarter. Growth was supported by output expansions across all clusters, except for the biomedical manufacturing and chemicals clusters.
- The construction sector grew by 3.3 per cent year-on-year, faster than the 2.4 per cent expansion in the previous quarter.
- Growth in the wholesale trade sector came in at 1.9 per cent year-on-year, moderating from the 4.8 per cent recorded in the preceding quarter.
- The retail trade sector expanded by 11.5 per cent year-on-year, improving from the 4.7 per cent expansion in the previous quarter.
- The transportation & storage sector posted growth of 5.1 per cent year-on-year, better than the 4.3 per cent growth recorded in the preceding quarter.
- The accommodation sector shrank by 5.3 per cent year-on-year, an improvement over the 9.4 per cent contraction registered in the preceding quarter.
- Growth in the food & beverage services sector accelerated to 28.0 per cent year-on-year, from 1.9 per cent in the previous quarter.
- The finance & insurance sector grew by 1.6 per cent year-on-year, moderating from the 3.7 per cent expansion in the previous quarter.
- The real estate sector expanded at a faster pace of 11.7 per cent year-on-year, compared to the 10.1 per cent growth in the first quarter.
- The professional services sector grew by 6.8 per cent year-on-year, extending the 7.6 per cent expansion in the previous quarter.

## MANUFACTURING

The manufacturing sector expanded by 5.7 per cent on a year-on-year basis in the second quarter of 2022, extending the 5.5 per cent growth in the previous quarter (Exhibit 2.1). Growth was supported by output expansions across all clusters within the sector, except for the biomedical manufacturing and chemicals clusters (Exhibit 2.2).

Exhibit 2.1: Manufacturing Sector's Growth Rate



**Exhibit 2.2: Manufacturing Clusters' Growth Rates in 2Q 2022**

Output in the transport engineering cluster increased by 20.8 per cent year-on-year in the second quarter, supported by expansions in the aerospace and marine & offshore engineering (M&OE) segments. In the aerospace segment, output surged by 28.0 per cent on account of a higher level of production of aircraft parts and more maintenance, repair & overhaul jobs from commercial airlines with the easing of global air travel restrictions. Similarly, the M&OE segment grew by 25.8 per cent, supported by a higher level of work done in ship repair and offshore projects. By contrast, the land transport segment contracted by 14.6 per cent due to a lower level of production of parts and accessories for motor vehicles.

The general manufacturing cluster expanded by 11.0 per cent year-on-year in the second quarter, supported by output expansions across all segments. In particular, the food, beverages & tobacco segment grew by 14.0 per cent on account of an increase in the production of beverage and milk products, while the printing segment's output rose by 8.6 per cent. Meanwhile, the miscellaneous industries segment expanded by 6.9 per cent due to a rise in the output of structural metal products and wearing apparel.

The electronics cluster grew by 9.8 per cent year-on-year in the second quarter, supported by output expansions across all segments except for the other electronic modules & components segment. In particular, output in the semiconductors segment expanded by 11.4 per cent on account of strong demand from 5G markets and data centres amidst the global semiconductor shortage. Meanwhile, the infocomms & consumer electronics and computer peripherals & data storage segments recorded output growth of 9.4 per cent and 3.9 per cent respectively. By contrast, output in the other electronic modules & components segment declined by 12.3 per cent due to lower export orders from China.

Output in the precision engineering cluster rose by 4.9 per cent year-on-year in the second quarter, supported by output expansions across all segments. Notably, the machinery & systems segment grew by 6.5 per cent on the back of a higher level of production of semiconductor equipment. At the same time, the precision modules & components segment expanded by 1.6 per cent due to an increase in the output of plastic and metal precision components.

The biomedical manufacturing cluster contracted by 4.5 per cent year-on-year in the second quarter due to a 14.9 per cent decline in the output of the pharmaceuticals segment. The latter could be attributed to a different mix of active pharmaceutical ingredients (APIs) produced. On the other hand, output in the medical technology segment rose by 10.4 per cent due to greater demand for medical devices from the US and China.

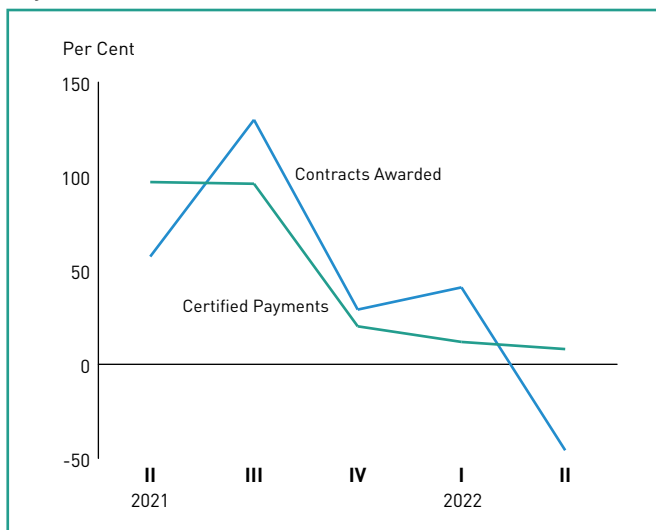
Output in the chemicals cluster fell by 6.0 per cent year-on-year in the second quarter, driven by a fall in the output of the petrochemicals (-14.3 per cent) and other chemicals (-5.0 per cent) segments. The petrochemicals segment recorded a lower level of output amidst plant maintenance shutdowns and reduced demand from regional markets, while the other chemicals segment reported a drop in production due to a decline in the output of fragrances. By contrast, the specialties segment expanded by 3.5 per cent on account of a higher level of production of mineral oil and food additives. The output of the petroleum segment remained unchanged compared to the same quarter a year ago.

## CONSTRUCTION

The construction sector grew by 3.3 per cent year-on-year in the second quarter of 2022, extending the 2.4 per cent expansion in the previous quarter.

In the second quarter, nominal certified progress payments (a proxy for construction output) rose by 8.1 per cent year-on-year, following the 11.9 per cent increase in the previous quarter (Exhibit 2.3). Higher certified progress payments were seen for both private (17.3 per cent) and public (0.2 per cent) sector construction works. The increase in private certified progress payments was largely driven by higher outturns in private residential (24.2 per cent), industrial (15.2 per cent) and commercial (35.4 per cent) building works, which more than offset a decline in private civil engineering (-15.0 per cent) works. On the other hand, the increase in public certified progress payments was led by expansions in public residential (7.1 per cent) and industrial (9.3 per cent) building as well as civil engineering (0.9 per cent) works, which outweighed a contraction in public institutional & others building works (-11.6 per cent).

**Exhibit 2.3: Changes in Contracts Awarded and Certified Payments**



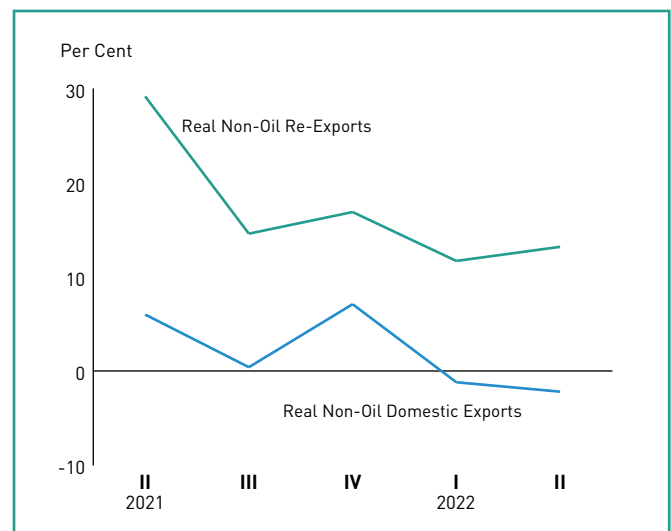
Construction demand, in terms of contracts awarded, fell sharply by 45.7 per cent year-on-year in the second quarter, a reversal from the 40.9 per cent increase in the previous quarter. The decline was on account of a fall in demand for both private (-40.6 per cent) and public (-48.8 per cent) sector construction works. The former was led by a drop in contracts awarded for private commercial (-60.4 per cent), industrial (-50.4 per cent) and residential (-32.1 per cent) building works, while the latter was led by a decline in contracts awarded for public civil engineering (-65.6 per cent) as well as residential (-55.5 per cent) and industrial (-99.5 per cent) building works.

## WHOLESALE TRADE

The wholesale trade sector grew by 1.9 per cent year-on-year in the second quarter of 2022, moderating from the 4.8 per cent expansion in the previous quarter.

Growth in the sector was supported by an increase in non-oil re-export (NORX) volumes, which outweighed a decline in non-oil domestic export (NODX) volumes during the quarter. Specifically, NORX volumes rose by 13.2 per cent year-on-year in the second quarter, extending the 11.7 per cent growth in the previous quarter (Exhibit 2.4). This was driven in turn by the stronger re-exports of machinery & equipment and miscellaneous manufactured articles. On the other hand, NODX volumes fell by 2.2 per cent, following the 1.2 per cent decline in the first quarter. The fall in NODX volumes was primarily due to declines in the domestic exports of chemicals & chemical products and machinery & equipment.

**Exhibit 2.4: Changes in Real Non-Oil Domestic Exports and Real Non-Oil Re-exports**



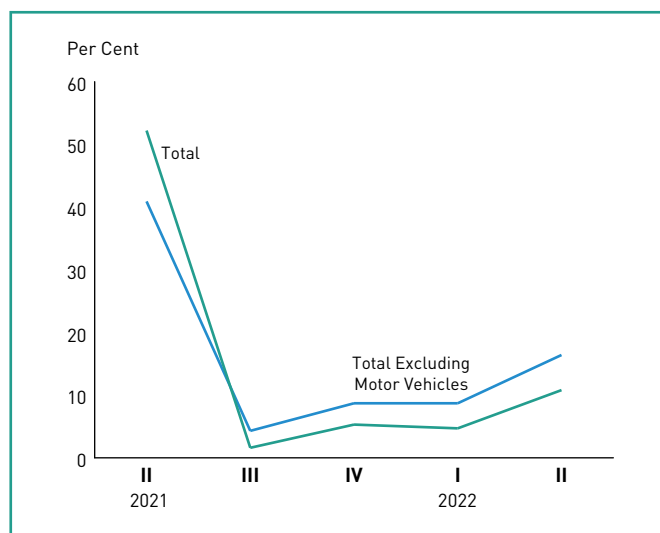
## RETAIL TRADE

The retail trade sector posted growth of 11.5 per cent year-on-year in the second quarter of 2022, picking up from the 4.7 per cent expansion in the previous quarter.

Overall retail sales volume increased by 10.8 per cent year-on-year in the second quarter, accelerating from the 4.7 per cent growth in the preceding quarter (Exhibit 2.5). The strong growth was partly due to low base effects, as overall retail sales volume was weighed down by the implementation of Phase 2 Heightened Alert (P2HA) measures a year ago.<sup>1</sup> Growth in overall retail sales volume was due to non-motor vehicular sales (16.4 per cent), as motor vehicular sales (-19.8 per cent) saw a decline due to a fall in Certificate of Entitlement (COE) quotas<sup>2</sup>.

In turn, non-motor vehicular sales volume was supported by an increase in sales in segments with a greater reliance on in-person shopping and tourism demand, such as wearing apparel & footwear (72.2 per cent year-on-year), department stores (49.3 per cent) and watches & jewellery (39.7 per cent). The growth in the sales of these segments was due to the easing of domestic and travel restrictions in the second quarter of 2022 relative to the same quarter in 2021<sup>3</sup>. By contrast, sales volumes at supermarkets and hypermarkets (-9.1 per cent) and mini-marts & convenience stores (-8.4 per cent) shrank because of their high bases during the P2HA period a year ago.

**Exhibit 2.5: Changes in Retail Sales Index in Chained Volume Terms**

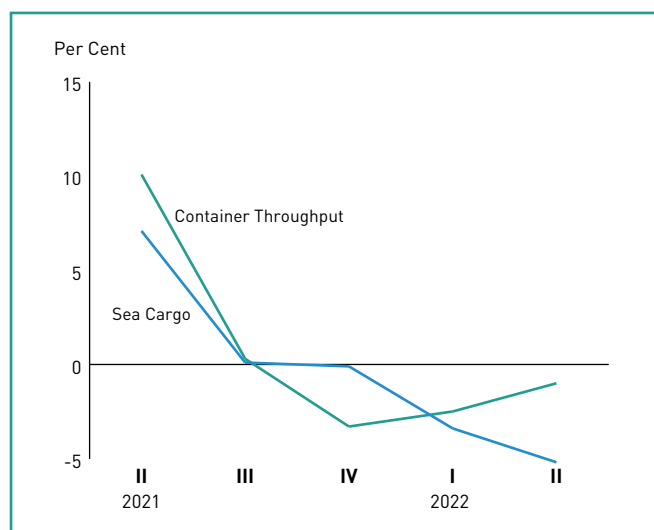


## TRANSPORTATION & STORAGE

The transportation & storage sector expanded by 5.1 per cent year-on-year in the second quarter of 2022, improving from the 4.3 per cent growth in the previous quarter. The sector's growth during the quarter was driven mainly by the air transport segment, even as the water transport segment contracted.

In the water transport segment, the volume of sea cargo handled fell by 5.2 per cent year-on-year in the second quarter, extending the 3.4 per cent decline in the previous quarter (Exhibit 2.6). The drop in sea cargo volume handled was due to lower general cargo volume (-4.7 per cent) and also oil-in-bulk cargo volume (-4.3 per cent). Meanwhile, container throughput declined by 1.0 per cent during the quarter.

**Exhibit 2.6: Changes in Container Throughput and Sea Cargo Handled**

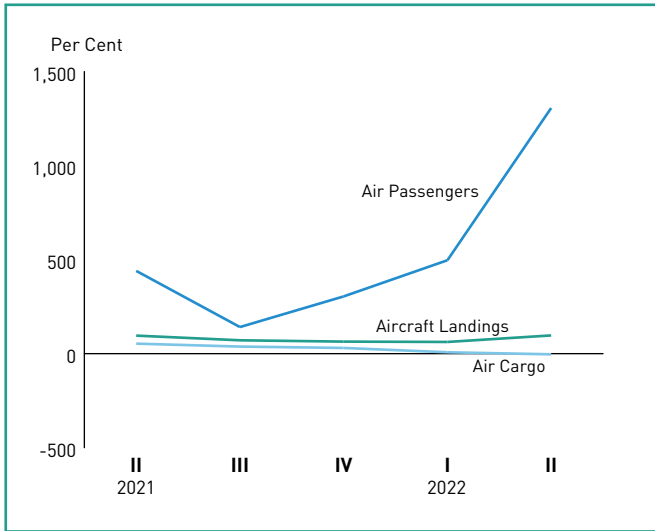


By contrast, the air transport segment expanded robustly in the second quarter as Singapore transitioned to the Vaccinated Travel Framework (VTF) during the quarter.<sup>4</sup> In particular, the volume of air passenger traffic handled at Changi Airport surged by 1,306 per cent year-on-year in the second quarter, significantly faster than the 497 per cent increase recorded in the previous quarter (Exhibit 2.7). The high growth rates in both quarters were due to the low bases in the first and second quarters of 2021 when the volume of air passenger traffic had plunged by about 97 per cent relative to their pre-COVID levels (i.e., in the first and second quarters of 2019 respectively). In absolute terms, while air passenger traffic volume saw a sharp rebound in the second quarter of 2022, it remained 56.3 per cent below its pre-COVID level in the second quarter of 2019.

- 1 There was a group size limit of two persons and dine-in activities were suspended during the P2HA period from 16 May 2021 to 13 June 2021. By contrast, restrictions on dine-in and group size were lifted on 26 April 2022.
- 2 The lower COE quotas in the second quarter of 2022 were largely due to a decline in the number of vehicles deregistered over the period of January to March 2022. The drop was exacerbated by a high base in the second quarter of 2021 due to the redistribution of COE quotas from the suspension of COE bidding exercises during the Circuit Breaker period in 2020.
- 3 In the second quarter of 2021, most international visitors had to serve a Stay-Home Notice (SHN) period of at least two weeks upon arrival, with the SHN duration extended to three weeks between 8 May 2021 and 23 June 2021. By contrast, the Vaccinated Travel Framework (VTF), rolled out on 1 April 2022, extended quarantine-free travel to most vaccinated travellers.
- 4 Singapore's travel restrictions were looser in the second quarter of 2022 as compared to that in the second quarter of 2021, as Vaccinated Travel Lanes (VTLs) and the VTF were only rolled out in the third quarter of 2021 and second quarter of 2022 respectively.

Meanwhile, total air cargo shipments handled at Changi Airport declined by 3.7 per cent year-on-year in the second quarter, a reversal from the 7.3 per cent growth recorded in the previous quarter. Reflecting the recovery in air travel, the number of aircraft landings climbed by 96.9 per cent to reach 25,256 in the second quarter, extending the 62.2 per cent increase in the preceding quarter.

**Exhibit 2.7: Changes in Air Transport**

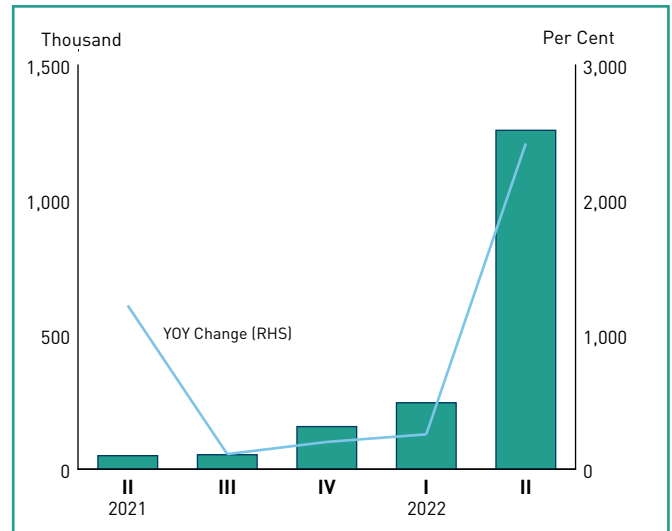


## ACCOMMODATION

The accommodation sector shrank by 5.3 per cent year-on-year in the second quarter of 2022, an improvement over the 9.4 per cent contraction in the preceding quarter. The sector's poor performance during the quarter was due to a sharp decline in government demand for hotel rooms to serve as quarantine and Stay-Home Notice dedicated facilities, arising from a shift towards home recovery and the relaxation of travel restrictions.

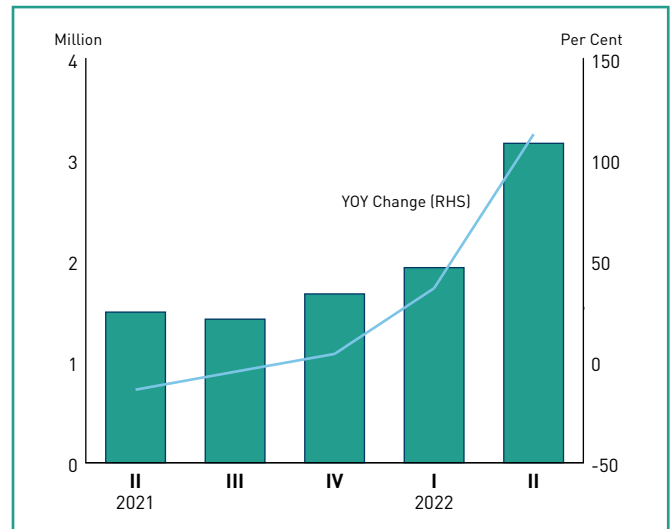
In the second quarter, total visitor arrivals surged by 2,417 per cent year-on-year, extending the 258 per cent growth in the first quarter (Exhibit 2.8). The strong growth in both quarters was on account of low base effects. In level terms, the number of visitor arrivals in the second quarter of 2022 was around 1.3 million, representing just 27.1 per cent of the 4.6 million visitor arrivals recorded in the second quarter of 2019 (i.e., pre-COVID level).

**Exhibit 2.8: Visitor Arrivals**



Reflecting the recovery in visitor arrivals, gross lettings at gazetted hotels rose by 112 per cent year-on-year in the second quarter, accelerating from the 36.3 per cent increase in the previous quarter (Exhibit 2.9). At the same time, the average occupancy rate of gazetted hotels climbed by 18.9 percentage-points on a year-on-year basis to reach 72.1 per cent in the second quarter. This was higher than the occupancy rate of 60.5 per cent recorded in the first quarter.

**Exhibit 2.9: Gross Lettings at Gazetted Hotels**

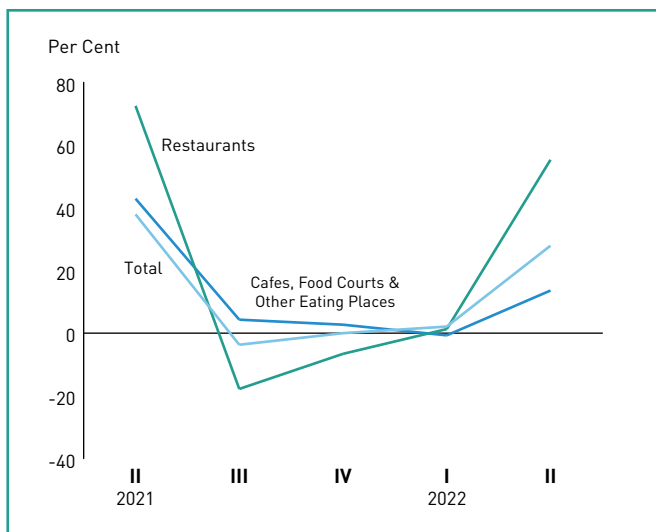


## FOOD & BEVERAGE SERVICES

The food & beverage services sector expanded robustly by 28.0 per cent year-on-year in the second quarter of 2022, accelerating from the 1.9 per cent growth in the previous quarter.

Overall food & beverage sales volume rose by 27.9 per cent year-on-year in the second quarter, significantly better than the 2.1 per cent growth in the first quarter (Exhibit 2.10). The strong pickup in overall food & beverage sales volume during the quarter was supported by the relaxation of domestic and travel restrictions in Singapore, and also came on the back of a low base as sales volume was weighed down by the implementation of P2HA measures a year ago. The increase in sales volume was broad-based, led by the food caterers (89.0 per cent) and restaurants (55.3 per cent) segments, while cafes, food courts & other eating places (13.6 per cent) and fast food outlets (5.7 per cent) saw more modest growth in their respective sales volumes.

**Exhibit 2.10: Changes in Food & Beverage Services Index in Chained Volume Terms**

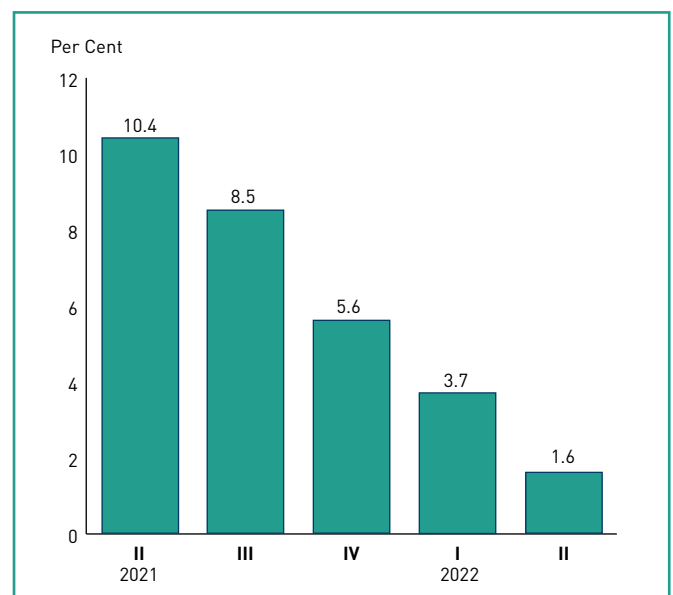


## FINANCE & INSURANCE

The finance & insurance sector grew by 1.6 per cent year-on-year in the second quarter of 2022, moderating from the 3.7 per cent expansion in the preceding quarter.

Growth was mainly supported by the other auxiliary activities segment (comprising mainly payments processing players), which continued to benefit from firm consumer spending. By contrast, the insurance and banking segments contracted on the back of weaker sales in single-premium life insurance products, and declines in net fees & commissions and lending, respectively.

**Exhibit 2.11: Finance & Insurance Sector's Growth Rate**



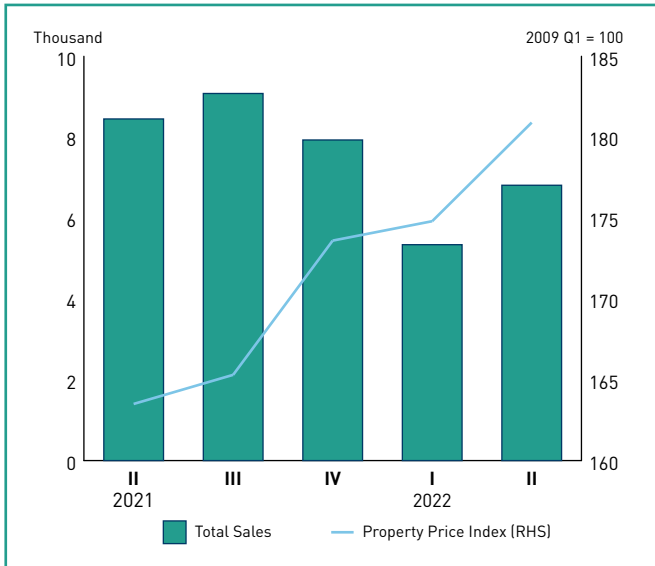


## REAL ESTATE

The real estate sector expanded at a faster pace of 11.7 per cent year-on-year in the second quarter of 2022, compared to the 10.1 per cent growth registered in the preceding quarter. Growth during the quarter could be attributed to the better performance of the private residential property segment, as well as the commercial and industrial property segments.

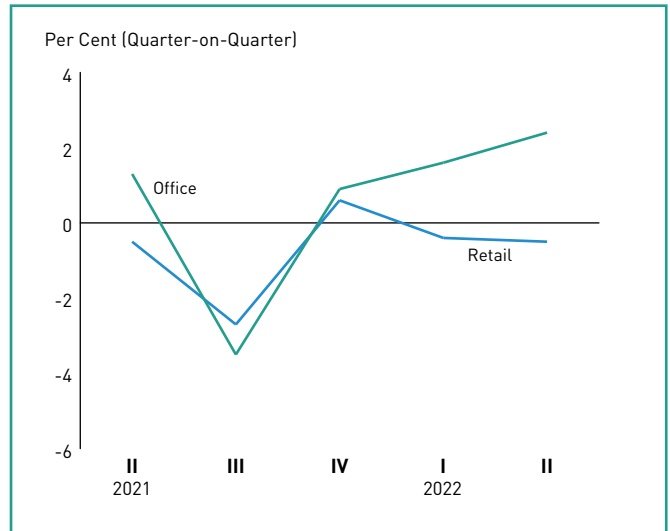
For the private residential property segment, the number of sales transactions rose by 27.5 per cent on a quarter-on-quarter basis in the second quarter, sharply reversing the 32.6 per cent decline in the previous quarter. Meanwhile, private residential property prices rose by 3.5 per cent on a quarter-on-quarter basis, picking up from the 0.7 per cent increase in the first quarter (Exhibit 2.12).

**Exhibit 2.12: Total Sales Transactions for Private Residential Units and Private Residential Property Price Index**



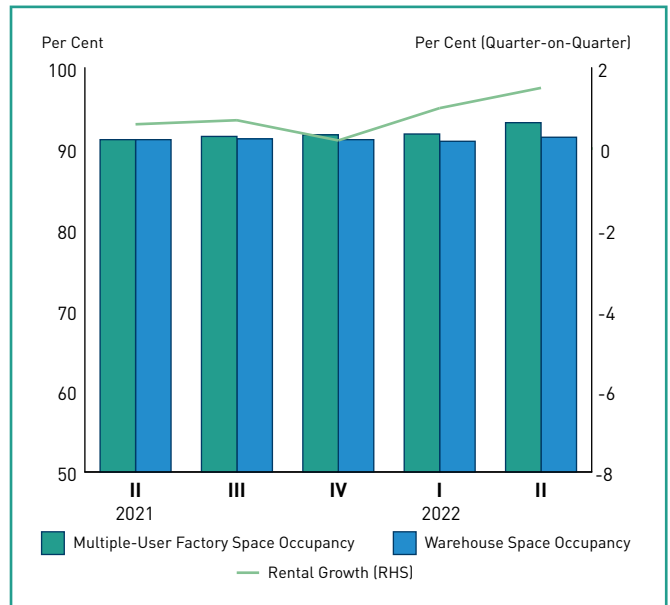
Conditions in the commercial property space markets were mixed. For the private retail space market, rentals edged down by 0.5 per cent on a quarter-on-quarter basis in the second quarter, extending the 0.4 per cent decline in the previous quarter (Exhibit 2.13). The average occupancy rate of private retail space came in at 90.6 per cent, similar to the 90.5 per cent registered in the preceding quarter. On the other hand, rentals for private office space rose by 2.4 per cent on a quarter-on-quarter basis, a step-up from the 1.6 per cent increase recorded in the first quarter. The average occupancy rate of private office space rose to 87.1 per cent in the second quarter, from the 86.2 per cent seen in the preceding quarter.

**Exhibit 2.13: Changes in Rentals of Private Sector Office and Retail Spaces**



In the private industrial property market, rentals rose by 1.5 per cent on a quarter-on-quarter basis in the second quarter, following the 1.0 per cent increase in the preceding quarter. The occupancy rates of private multiple-user factory and warehouse spaces stood at 93.2 per cent and 91.4 per cent respectively, higher than that seen in the previous quarter (91.8 per cent and 90.9 per cent respectively) (Exhibit 2.14).

**Exhibit 2.14: Occupancy Rate and Rental Growth of Private Sector Industrial Space**



## PROFESSIONAL SERVICES

In the second quarter of 2022, the professional services sector grew by 6.8 per cent year-on-year, extending the 7.6 per cent growth in the previous quarter. Growth of the sector was mainly driven by expansions in the architectural & engineering, technical testing & analysis and the other professional, scientific & technical services segments, which outweighed contractions in the legal and head offices & business representative offices segments.