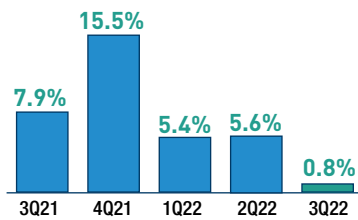
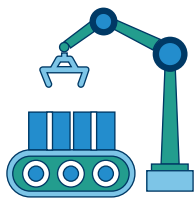


SECTORAL PERFORMANCE

MANUFACTURING

REAL GROWTH



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



30.5%

Transport Engineering



19.0%

General Manufacturing Industries



8.5%

Precision Engineering



-1.4%

Biomedical Manufacturing



-4.8%

Chemicals

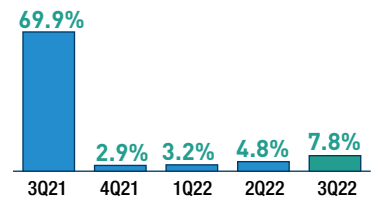


-6.7%

Electronics

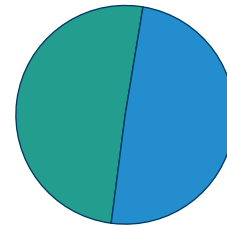
CONSTRUCTION

REAL GROWTH



CERTIFIED PAYMENTS IN 3Q22

49.8%
Public



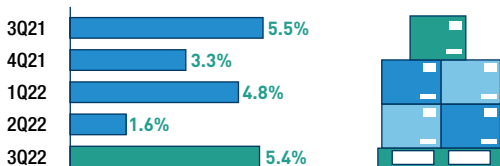
50.2%
Private

CONTRACTS AWARDED IN 3Q22 (Y-O-Y CHANGE)



WHOLESALE TRADE

REAL GROWTH



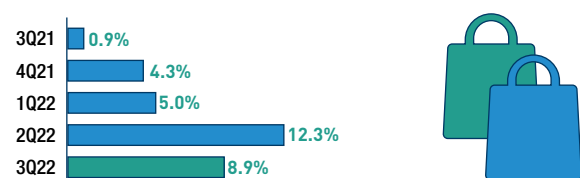
Foreign Wholesale Trade Index Growth **3.6%**



Domestic Wholesale Trade Index Growth **-6.4%**

RETAIL TRADE

REAL GROWTH



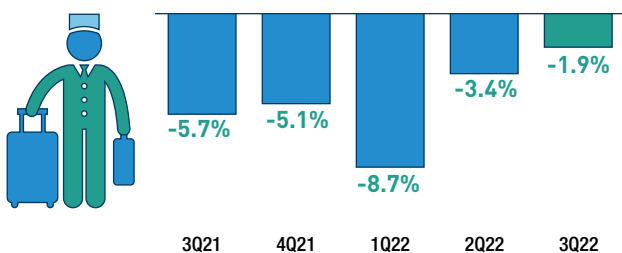
Retail Sales Index Growth (Non-Motor Vehicles) **14.1%**



Retail Sales Index Growth (Motor Vehicles) **-22.3%**

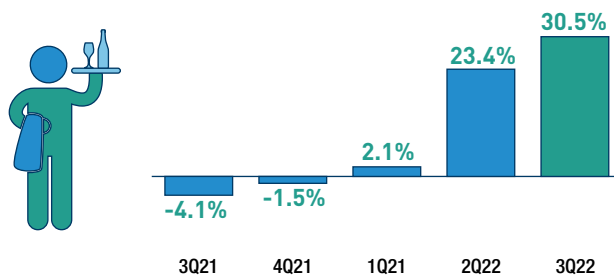
ACCOMMODATION

REAL GROWTH

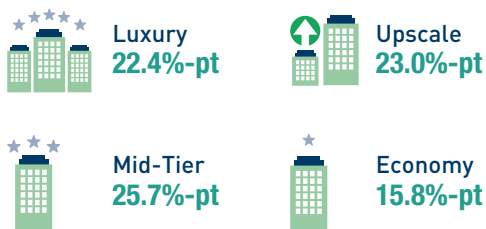


FOOD & BEVERAGE SERVICES

REAL GROWTH



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

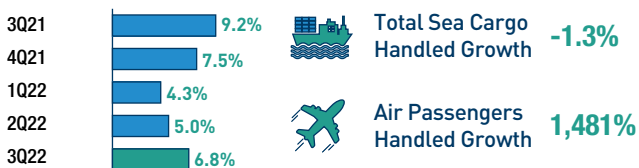


F&B SALES INDEX GROWTH (Y-O-Y CHANGE)



TRANSPORTATION & STORAGE

REAL GROWTH

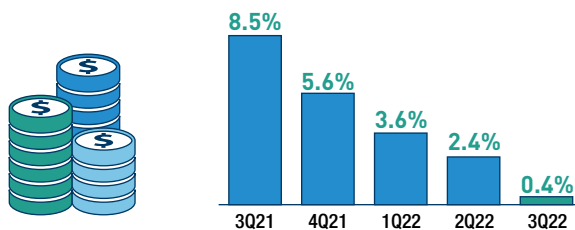


Total Sea Cargo Handled Growth **-1.3%**

Air Passengers Handled Growth **1,481%**

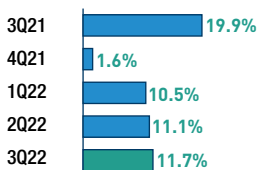
FINANCE & INSURANCE

REAL GROWTH



REAL ESTATE

REAL GROWTH



PRIVATE RESIDENTIAL REAL ESTATE

Units Transacted (Y-O-Y Change) **-32.3%**

Price Index (Q-O-Q Change) **3.8%**

OVERVIEW

In the third quarter of 2022,

- The manufacturing sector expanded by 0.8 per cent year-on-year, moderating from the 5.6 per cent growth in the preceding quarter. Growth was supported by output expansions in the transport engineering, general manufacturing and precision engineering clusters.
- The construction sector grew at a faster pace of 7.8 per cent year-on-year, compared to the 4.8 per cent expansion in the previous quarter.
- Growth in the wholesale trade sector came in at 5.4 per cent year-on-year, accelerating from the 1.6 per cent recorded in the preceding quarter.
- The retail trade sector expanded by 8.9 per cent year-on-year, moderating from the 12.3 per cent expansion in the second quarter.
- The transportation & storage sector posted growth of 6.8 per cent year-on-year, faster than the 5.0 per cent growth recorded in the previous quarter.
- The accommodation sector shrank by 1.9 per cent year-on-year, easing from the 3.4 per cent contraction in the preceding quarter.
- Growth in the food & beverage services sector accelerated to 30.5 per cent year-on-year, from 23.4 per cent in the previous quarter.
- The finance & insurance sector grew at a slower pace of 0.4 per cent year-on-year, compared to the 2.4 per cent expansion in the second quarter.
- The real estate sector expanded by 11.7 per cent year-on-year, extending the 11.1 per cent growth in the previous quarter.
- The professional services sector recorded growth of 8.3 per cent year-on-year, similar to the 8.2 per cent expansion in the preceding quarter.

MANUFACTURING

The manufacturing sector expanded by 0.8 per cent on a year-on-year basis in the third quarter of 2022, moderating from the 5.6 per cent growth in the previous quarter (Exhibit 2.1). Growth was supported by output expansions in the transport engineering, general manufacturing and precision engineering clusters (Exhibit 2.2).

Exhibit 2.1: Manufacturing Sector's Growth Rate

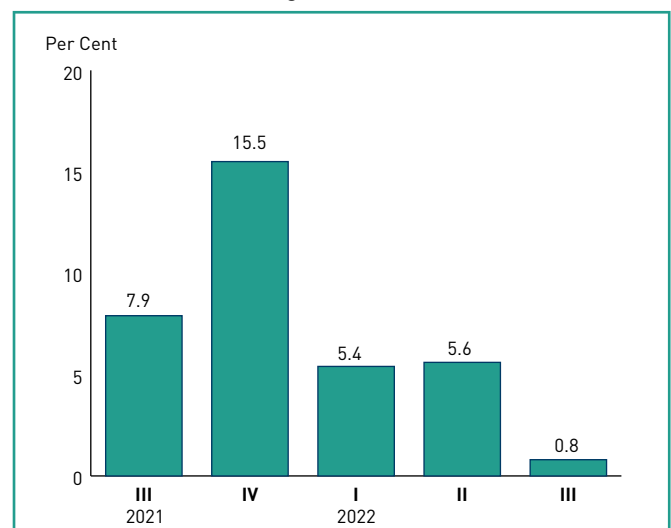
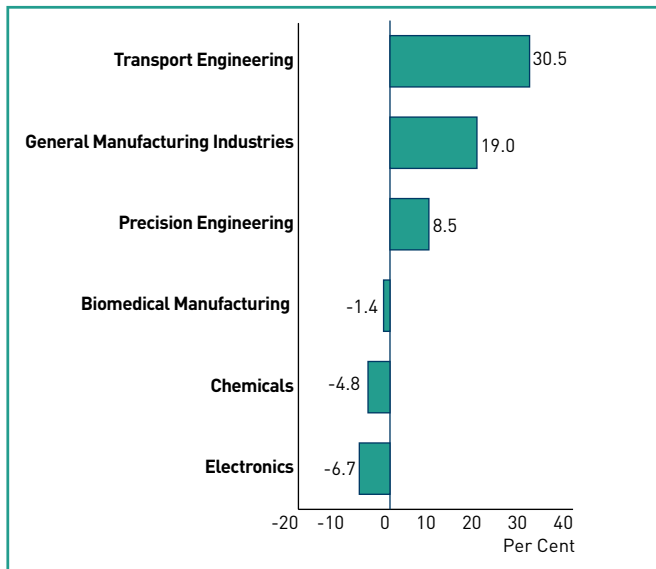


Exhibit 2.2: Manufacturing Clusters' Growth Rates in 3Q 2022

Output in the transport engineering cluster surged by 30.5 per cent year-on-year in the third quarter, supported by expansions in the marine & offshore engineering (M&OE) and aerospace segments. The M&OE segment expanded by 50.4 per cent, supported by a higher level of activity in the shipyards, as well as an increase in production of oilfield & gasfield equipment. Similarly, in the aerospace segment, output grew by 31.3 per cent, boosted by higher demand for aircraft parts from the US as well as more maintenance, repair & overhaul (MRO) jobs from commercial airlines on the back of increased global air traffic. By contrast, the land segment contracted by 11.8 per cent.

The general manufacturing cluster expanded by 19.0 per cent year-on-year, supported by output expansions across all segments. In particular, the food, beverages & tobacco segment grew by 25.5 per cent as the output of beverage and dairy products rose. Meanwhile, the miscellaneous industries and printing segments expanded by 12.1 per cent and 9.0 per cent respectively, with the former recording a higher level of production of structural metal products and wearing apparel.

Output in the precision engineering cluster rose by 8.5 per cent year-on-year, supported by a 15.5 per cent increase in the output of the machinery & systems (M&S) segment. Growth of the M&S segment was bolstered by an increase in the production of semiconductor equipment. On the other hand, the precision modules & components segment contracted by 5.7 per cent on account of a lower level of production of optical products and bonding wire.

By contrast, the biomedical manufacturing cluster contracted by 1.4 per cent year-on-year on the back of a 10.1 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 11.8 per cent due to strong demand for medical devices from the US, Europe and China.

Output in the chemicals cluster fell by 4.8 per cent year-on-year, driven by a fall in the output of the petrochemicals (-12.6 per cent) and other chemicals (-10.6 per cent) segments. The petrochemicals segment recorded a lower level of output amidst plant maintenance shutdowns and weaker market demand, while the other chemicals segment reported a drop in production due to a decline in the output of fragrances. Meanwhile, the specialty segment contracted by 1.4 per cent on account of a lower level of production of mineral oil additives and industrial gases. Conversely, the output of the petroleum segment grew by 10.7 per cent due to strong demand for jet fuel, driven by increased global air traffic with the relaxation of COVID-19 travel restrictions in many countries.

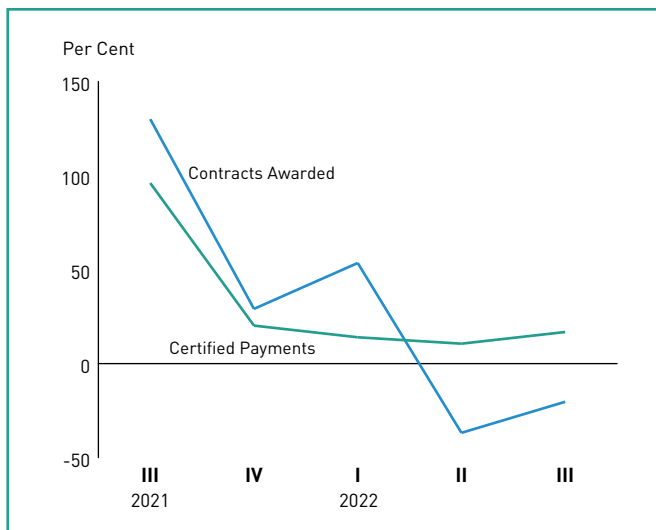
The electronics cluster shrank by 6.7 per cent year-on-year, driven by output declines across all segments, except for the infocomms & consumer electronics segment. Output of the other electronic modules & components, computer peripherals & data storage and semiconductors segments fell by 22.8 per cent, 11.6 per cent and 6.1 per cent respectively on the back of softening external demand. By contrast, output in the infocomms & consumer electronics segment grew by 1.1 per cent.

CONSTRUCTION

The construction sector grew by 7.8 per cent year-on-year in the third quarter of 2022, faster than the 4.8 per cent expansion in the previous quarter.

In the third quarter, nominal certified progress payments (a proxy for construction output) rose by 16.8 per cent year-on-year, an improvement from the 10.6 per cent increase recorded in the previous quarter (Exhibit 2.3). Higher certified progress payments were seen in both the private (11.9 per cent) and public (22.1 per cent) sectors. The growth in private certified progress payments was largely driven by higher outturns in private residential (29.7 per cent) and commercial (32.7 per cent) building works. Meanwhile, the increase in public certified progress payments was led by expansions in public residential building (65.3 per cent) and civil engineering (13.8 per cent) works.

Exhibit 2.3: Changes in Contracts Awarded and Certified Payments



On the other hand, construction demand in terms of contracts awarded fell by 20.3 per cent year-on-year in the third quarter, extending the 36.8 per cent decline in the previous quarter (Exhibit 2.3). The fall in contracts awarded during the quarter was on account of lower demand for private (-6.9 per cent) and public (-29.4 per cent) sector construction works. The former was led by a fall in contracts awarded for private residential (-72.7 per cent) and commercial (-73.6 per cent) building works, while the latter was driven by a decline in contracts awarded for public residential (-34.3 per cent) and institutional & others (-46.7 per cent) building works.

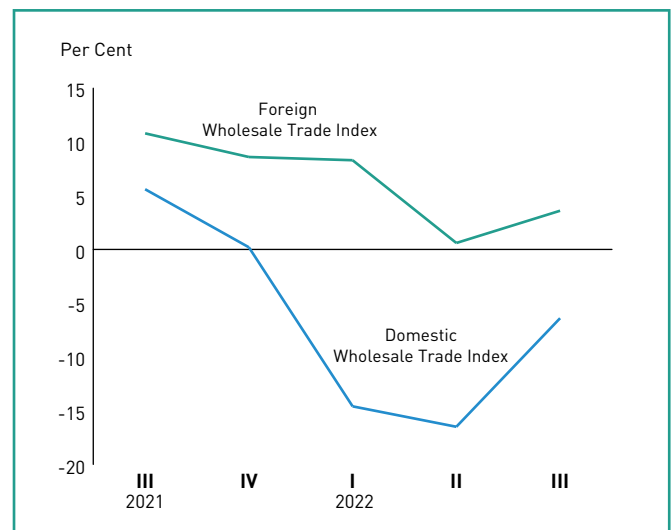
WHOLESALE TRADE

The wholesale trade sector grew by 5.4 per cent year-on-year in the third quarter of 2022, extending the 1.6 per cent expansion in the previous quarter.

Growth in the sector was supported by a 3.6 per cent year-on-year increase in foreign wholesale trade sales volume over the same period (Exhibit 2.4). The latter was higher than the 0.6 per cent expansion recorded in the previous quarter. The increase in foreign wholesale trade sales volume in the third quarter could be attributed to a pickup in the sales volumes of other wholesale trade¹ (19.0 per cent), petroleum & petroleum products (4.1 per cent) and telecommunications & computers (12.9 per cent).

On the other hand, the domestic wholesale trade sales volume declined by 6.4 per cent year-on-year, albeit better than the 16.5 per cent contraction in the previous quarter. The decline was primarily due to a fall in the sales volumes of petroleum & petroleum products (-13.9 per cent), general wholesale trade (-20.3 per cent) and electronic components (-2.8 per cent).

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



¹ 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.

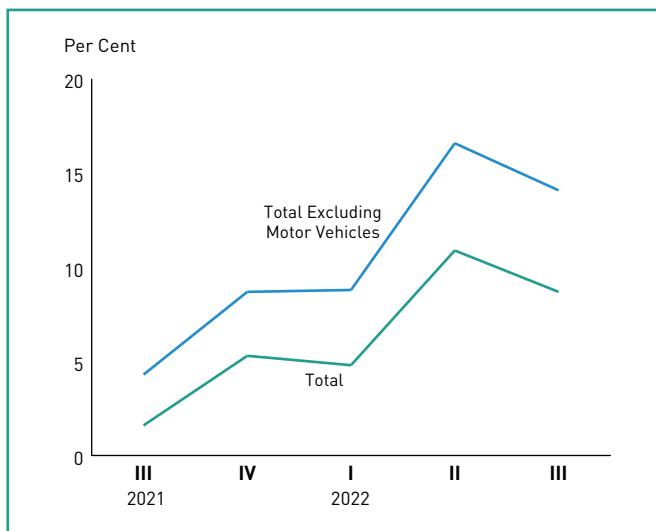
RETAIL TRADE

The retail trade sector posted growth of 8.9 per cent year-on-year in the third quarter of 2022, moderating from the 12.3 per cent expansion in the previous quarter.

In the third quarter, overall retail sales volume increased by 8.7 per cent year-on-year, following the 10.9 per cent growth in the preceding quarter (Exhibit 2.5). The strong growth was partly due to the low base in the third quarter of last year when overall retail sales volume was weighed down by the implementation of Heightened Alert (HA) measures². Growth in overall retail sales volume in the third quarter of 2022 could be attributed to non-motor vehicular sales (14.1 per cent), as motor vehicular sales (-22.3 per cent) saw a decline due to a reduction in Certificate of Entitlement (COE) quotas³.

Non-motor vehicular sales volume was supported by a strong pickup in sales in segments with a greater reliance on in-person shopping and tourism demand, such as wearing apparel & footwear (52.1 per cent year-on-year), department stores (35.2 per cent) and cosmetics, toiletries & medical goods (18.3 per cent). In turn, their growth was supported by the relaxation of domestic and travel restrictions in the third quarter of 2022 compared to the same period in 2021⁴. By contrast, the sales volumes of supermarkets & hypermarkets (-9.7 per cent) and mini-marts & convenience stores (-7.5 per cent) shrank because of their high bases during the HA period a year ago.

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

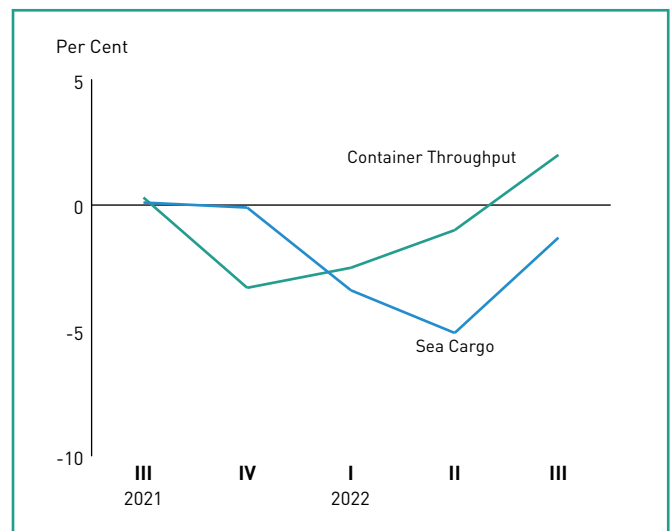


TRANSPORTATION & STORAGE

The transportation & storage sector expanded by 6.8 per cent year-on-year in the third quarter of 2022, improving from the 5.0 per cent growth in the previous quarter. The air transport, land transport and water transport segments all saw growth during the quarter.

In the water transport segment, the volume of sea cargo handled fell by 1.3 per cent year-on-year in the third quarter, easing from the 5.1 per cent decline in the previous quarter (Exhibit 2.6). The drop in sea cargo volume handled was due to lower general cargo volume (-3.0 per cent), although oil-in-bulk cargo volume grew (2.3 per cent). Meanwhile, container throughput expanded by 2.0 per cent during the quarter.

Exhibit 2.6: Changes in Container Throughput and Sea Cargo Handled

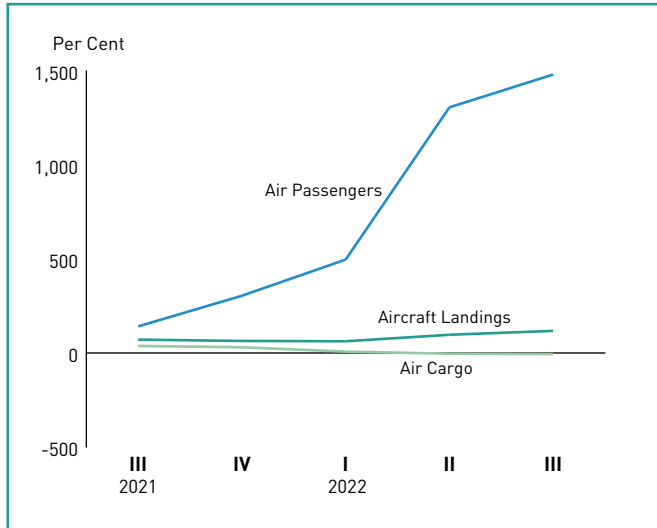


By contrast, the air transport segment expanded robustly in the third quarter, as Singapore continued to benefit from the rollout of the Vaccinated Travel Framework (VTF) since April 2022.⁵ In particular, the volume of air passenger traffic handled at Changi Airport surged by 1,481 per cent year-on-year in the third quarter, extending the 1,306 per cent increase in the previous quarter (Exhibit 2.7). The high growth rates in both quarters were due to the low bases in the second and third quarters of 2021 when the volume of air passenger traffic had plunged by around 96 per cent from its pre-COVID levels (i.e., in the second and third quarters of 2019 respectively). In absolute terms, while air passenger traffic volume saw a sharp rebound in the third quarter of 2022, it remained 41.9 per cent below its pre-COVID level in the third quarter of 2019.

- For instance, from 22 July to 9 August 2021, dining-in was not allowed and group sizes were restricted to two persons. By contrast, restrictions on dine-in and group size were lifted on 26 April 2022.
- The lower COE quotas in the third 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 third quarter of 2021 due to the redistribution of COE quotas from the suspension of COE bidding exercises during the Circuit Breaker period in 2020.
- In the third quarter of 2021, most international visitors had to serve a Stay-Home Notice (SHN) period of two weeks upon arrival. By contrast, the Vaccinated Travel Framework (VTF) that was rolled out on 1 April 2022 extended quarantine-free travel to most vaccinated travellers. The VTF later extended quarantine-free travel to all travellers regardless of vaccination status from 29 August 2022 onwards.
- Singapore's travel restrictions were looser in the third quarter of 2022 as compared to that in the third 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 6.0 per cent year-on-year in the third quarter, extending the 3.7 per cent contraction in the previous quarter. Reflecting the recovery in air travel, the number of aircraft landings climbed by 117 per cent year-on-year to reach 30,550 in the third quarter, faster than the 96.9 per cent increase in the preceding quarter.

Exhibit 2.7: Changes in Air Transport

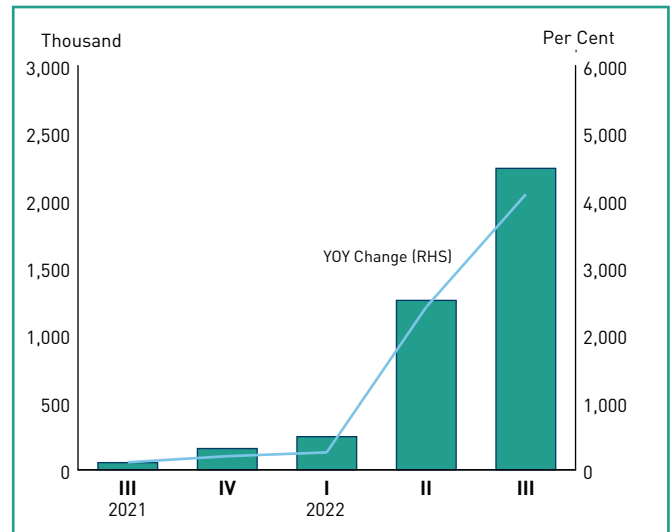


ACCOMMODATION

The accommodation sector shrank by 1.9 per cent year-on-year in the third quarter of 2022, moderating from the 3.4 per cent contraction in the preceding quarter. The sector's poor performance 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.

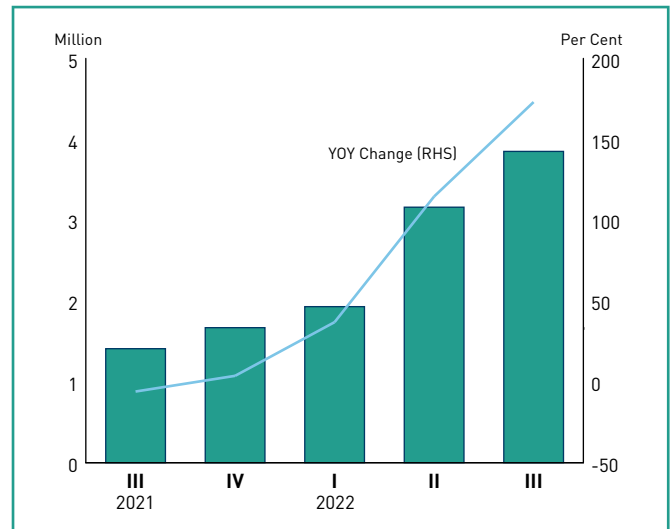
In the third quarter, total visitor arrivals surged by 4,089 per cent year-on-year, extending the 2,417 per cent growth in the second quarter (Exhibit 2.8). The strong growth in both quarters was on account of low base effects. In level terms, the number of visitor arrivals in the third quarter of 2022 was around 2.2 million, representing just 44.7 per cent of the 5.0 million visitor arrivals recorded in the third quarter of 2019 (i.e., pre-COVID level).

Exhibit 2.8: Visitor Arrivals



Reflecting the recovery in visitor arrivals, gross lettings at gazetted hotels climbed by 173 per cent year-on-year in the third quarter, accelerating from the 115 per cent increase in the previous quarter (Exhibit 2.9). At the same time, the average occupancy rate of gazetted hotels rose by 21.5 percentage-points year-on-year to reach 80.1 per cent in the third quarter. This was higher than the occupancy rate of 72.9 per cent recorded in the second quarter.

Exhibit 2.9: Gross Lettings at Gazetted Hotels

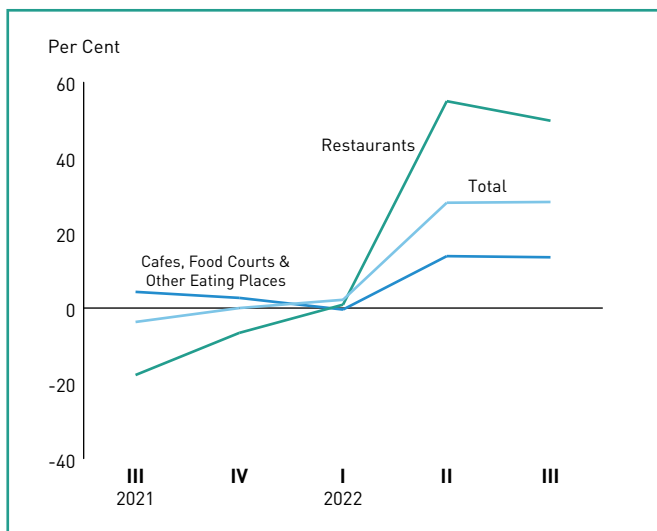


FOOD & BEVERAGE SERVICES

The food & beverage services sector expanded robustly by 30.5 per cent year-on-year in the third quarter of 2022, accelerating from the 23.4 per cent growth in the previous quarter.

Overall food & beverage sales volume rose by 28.2 per cent year-on-year in the third quarter, similar to the 28.0 per cent growth in the second quarter (Exhibit 2.10). The strong pickup in sales volume during the quarter came on the back of a low base, as sales volume was weighed down by the implementation of HA measures a year ago. The increase in food & beverage sales volume was broad-based, led by the food caterers (117 per cent) and restaurants (49.8 per cent) segments, while cafes, food courts & other eating places (13.5 per cent) and fast food outlets (9.3 per cent) saw relatively 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 at a slower pace of 0.4 per cent year-on-year in the third quarter of 2022, compared to the 2.4 per cent expansion in the preceding quarter. Growth was largely supported by the other auxiliary activities segment (comprising mainly payments processing players), which continued to benefit from the cyclical uptick in cross-border payments with the recovery in tourism flows and ongoing structural shift towards e-payments.

In comparison, the banking segment contracted as net fees & commissions were weighed down by lower brokerage and investment banking revenues. Lending activity also weakened against the backdrop of slower economic growth. Loans to non-residents grew marginally by 0.5 per cent, dragged down by a contraction in lending to East Asia (Exhibit 2.11). Meanwhile, loans to residents expanded by 4.4 per cent, led by non-bank financial institutions and the manufacturing sector (Exhibit 2.12).

Meanwhile, the insurance segment shrank as sales of single-premium life insurance products dipped in view of stiffer competition from rising deposit rates. Similarly, sentiment-sensitive segments such as fund management and security dealing activities contracted as global equities continued to underperform in recent months.

Exhibit 2.11: Growth of Bank Loans & Advances to Non-Bank Non-Residents by Region in 3Q 2022

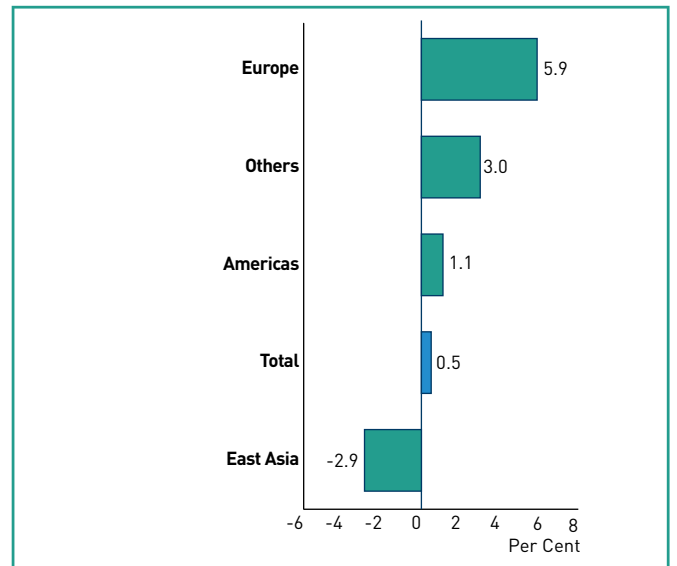
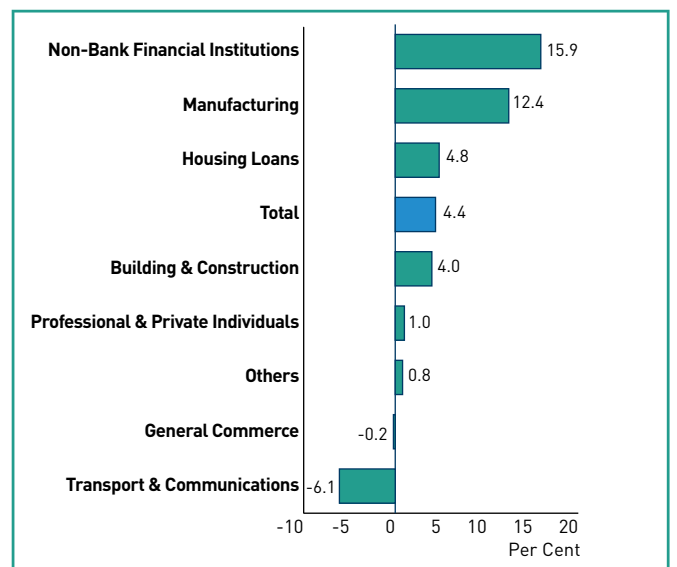


Exhibit 2.12: Growth of Bank Loans & Advances to Non-Bank Residents by Industry in 3Q 2022

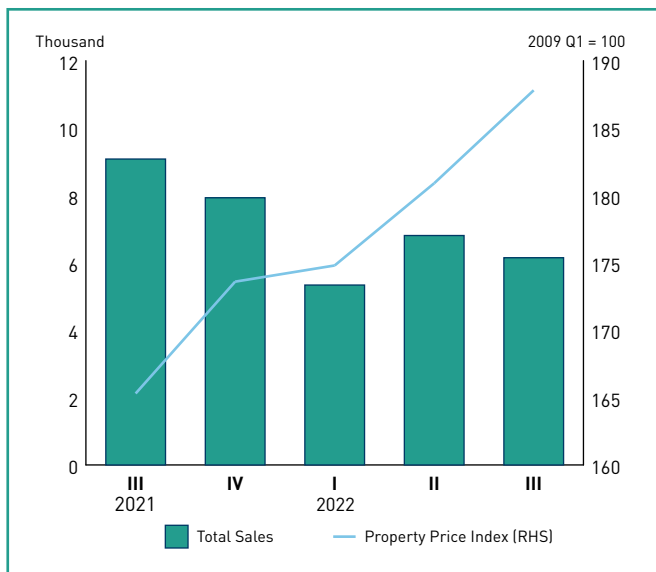


REAL ESTATE

The real estate sector expanded by 11.7 per cent year-on-year in the third quarter of 2022, extending the 11.1 per cent growth in the preceding quarter. The growth of the sector could be attributed to the private residential property segment, as well as the commercial office and industrial property segments. In particular, prices of private residential properties rose by 13.6 per cent year-on-year. Meanwhile, the rentals of commercial office and industrial space saw an increase of 7.2 per cent and 4.9 per cent year-on-year respectively.

Within the sector, the number of private residential property sales transactions fell by 9.7 per cent on a quarter-on-quarter basis in the third quarter, a sharp reversal from the 27.5 per cent increase in the previous quarter. Meanwhile, private residential property prices rose by 3.8 per cent on a quarter-on-quarter basis, extending the 3.5 per cent increase seen in the second quarter (Exhibit 2.13).

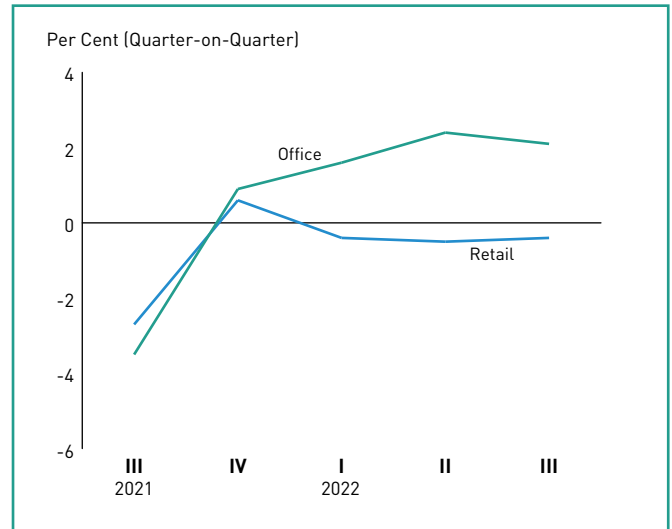
Exhibit 2.13: Total Sales Transactions for Private Residential Units and Private Residential Property Price Index



Conditions in the commercial and industrial property space markets were mixed. For the private retail space market, rentals edged down by 0.4 per cent on a quarter-on-quarter basis in the third quarter, extending the 0.5 per cent decline in the previous quarter (Exhibit 2.14). The average occupancy rate of private retail space came in at 91.3 per cent during the quarter, higher than the 90.6 per cent registered in the preceding quarter.

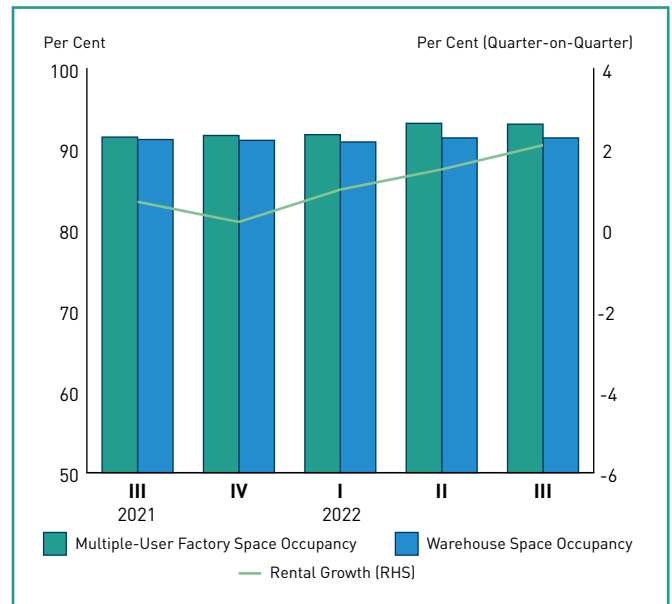
By contrast, rentals for private office space rose by 2.1 per cent on a quarter-on-quarter basis in the third quarter, extending the 2.4 per cent increase in the preceding quarter. The average occupancy rate of private office space rose to 87.4 per cent, from the 87.1 per cent recorded in the preceding quarter.

Exhibit 2.14: Changes in Rentals of Private Sector Office and Retail Spaces



Similarly, private industrial rentals rose by 2.1 per cent on a quarter-on-quarter basis in the third quarter, following the 1.5 per cent increase in the preceding quarter. The occupancy rates of private sector multiple-user factory and warehouse spaces stood at 93.1 per cent and 91.4 per cent respectively, similar to that seen in the previous quarter (93.2 per cent and 91.4 per cent respectively) (Exhibit 2.15).

Exhibit 2.15: Occupancy Rate and Rental Growth of Private Sector Industrial Space



PROFESSIONAL SERVICES

In the third quarter of 2022, the professional services sector grew by 8.3 per cent year-on-year, similar to the 8.2 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 a contraction in the legal segment.