







Chapter 6

SECTORAL PERFORMANCE

OVERALL ECONOMY

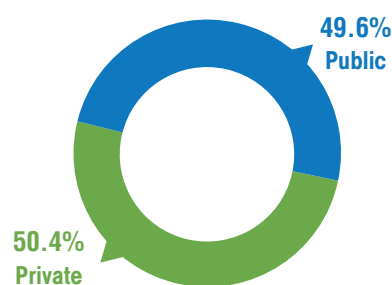
STRUCTURE OF ECONOMY	Nominal Value Added Share (%)	Real Growth (%)
Total	100.0	1.1
Goods Producing Industries	23.6	-2.9
Manufacturing	18.6	-4.3
Construction	3.5	5.2
Utilities	1.5	1.3
Other Goods Industries	0.0	2.6
Services Producing Industries	72.7	2.3
Wholesale Trade	22.3	0.8
Retail Trade	1.3	1.3
Transportation & Storage	6.8	2.3
Accommodation	0.8	12.1
Food & Beverage Services	0.9	4.1
Information & Communications	5.7	5.7
Finance & Insurance	13.8	1.3
Real Estate	3.1	4.9
Professional Services	5.7	1.1
Administrative & Support Services	2.8	2.0
Other Services Industries	9.6	4.4
Ownership of Dwellings	3.6	2.1

MANUFACTURING

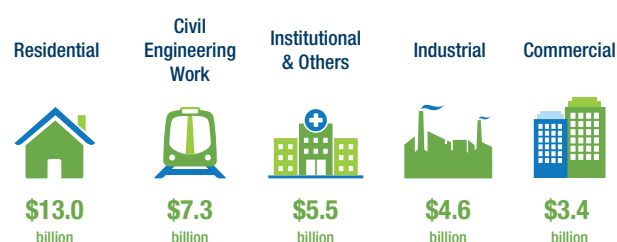
CLUSTERS	Nominal Value Added Share (%)	Real Growth (%)
 Electronics	38.2	-3.2
 Chemicals	17.3	-6.7
 Biomedical Manufacturing	13.7	-9.6
 Precision Engineering	15.7	-8.0
 Transport Engineering	7.9	15.0
 General Manufacturing Industries	7.1	-5.8

CONSTRUCTION

CERTIFIED PAYMENTS IN 2023



CONTRACTS AWARDED IN 2023



WHOLESALE TRADE



Foreign
Wholesale Trade
Index growth
+1.5%



Domestic
Wholesale Trade
Index growth
+0.1%

RETAIL TRADE



Retail Sales
Index Growth
(Non-Motor Vehicles)
+0.6%



Retail Sales
Index Growth
(Motor Vehicles)
+0.5%

TRANSPORTATION & STORAGE

SEGMENTS	Nominal Value Added Share (%)	Real Growth (%)
Land Transport*	13.9	4.5
Water Transport*	57.5	1.8
Air Transport*	13.7	16.2
Storage & Other Support Services	12.3	-2.2
Post & Courier Activities	2.6	-6.9

*Including supporting services



+83.1% Air Passengers Handled Growth



+2.3% Total Sea Cargo Handled Growth

ACCOMMODATION

PERFORMANCE OF HOTELS



Hotel Room
Revenue Growth
+48.8%



Gross Lettings
Growth
+32.7%

FOOD & BEVERAGE SERVICES

PERFORMANCE OF F&B (SALES GROWTH)



Food Caterers
+30.4%



Cafes, Food Courts &
Other Eating Places
+2.5%






Fast Food Outlets
0.0%



Restaurants
-0.7%

INFORMATION & COMMUNICATIONS

SEGMENTS	Nominal Value Added Share (%)	Real Growth (%)
 Telecommunications	12.8	0.5
 IT & Information Services	62.3	8.8
 Others	24.9	1.4

FINANCE & INSURANCE

SEGMENTS	Nominal Value Added Share (%)	Real Growth (%)
Banking	42.7	-1.2
Activities Auxiliary to Financial Services	21.2	9.5
Fund Management	12.5	2.1
Insurance	16.1	-3.2
Others	7.5	1.5

REAL ESTATE

PRIVATE RESIDENTIAL



Certified Payments Growth
+10.7%



Units Transacted Growth
-13.0%

COMMERCIAL AND INDUSTRIAL (TOTAL OCCUPIED SPACE GROWTH)



Commercial Office Space
+1.5%



Commercial Retail Space
+2.0%



Industrial Space
+0.9%

OTHER SERVICES INDUSTRIES

SEGMENTS	Nominal Value Added Share (%)	Real Growth (%)
Public Administration & Defence	26.0	0.9
Education, Health & Social Work	52.6	2.8
Arts, Entertainment & Recreation	10.2	24.2
Others	11.1	5.6

PROFESSIONAL SERVICES

SEGMENTS	Nominal Value Added Share (%)	Real Growth (%)
Legal	8.2	-4.1
Accounting	5.9	4.4
Head Offices & Business Representative Offices	34.5	0.7
Business & Management Consultancy	10.7	-0.1
Architectural & Engineering, Technical Testing & Analysis	22.1	1.8
Other Professional, Scientific & Technical Services	18.6	3.1

ADMINISTRATIVE & SUPPORT SERVICES

SEGMENTS	Nominal Value Added Share (%)	Real Growth (%)
Rental & Leasing	45.2	1.0
Other Administrative & Support Services	54.8	3.0



Chapter 6.1

MANUFACTURING

OVERVIEW

The manufacturing sector expanded by 1.4 per cent year-on-year in the fourth quarter of 2023, reversing the 4.9 per cent decline clocked in the preceding quarter. Growth was supported by output expansions in the electronics, chemicals and transport engineering clusters.

For the whole of 2023, the manufacturing sector contracted by 4.3 per cent, reversing the 2.7 per cent growth in 2022. All clusters saw a fall in output except for the transport engineering cluster.

OVERALL MANUFACTURING PERFORMANCE

The manufacturing sector grew by 1.4 per cent year-on-year in the fourth quarter of 2023 on account of output expansions in the electronics, chemicals and transport engineering clusters (Exhibit 6.1).

For the whole of 2023, the manufacturing sector contracted by 4.3 per cent, reversing the 2.7 per cent growth in 2022. The decline in the sector was due to output contractions in all clusters except for the transport engineering cluster (Exhibit 6.2).

Exhibit 6.1: Manufacturing Growth Rates

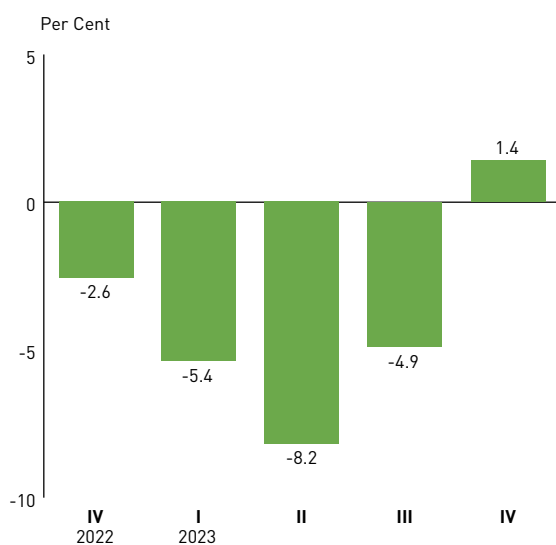
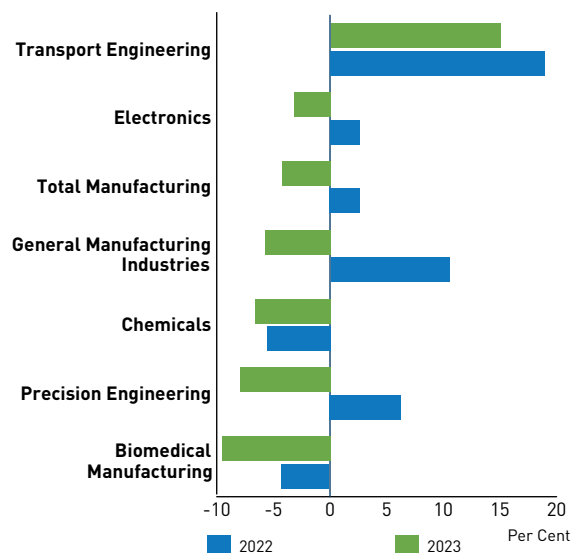


Exhibit 6.2: Manufacturing Clusters' Growth



PERFORMANCE OF CLUSTERS

The electronics cluster grew by 8.3 per cent year-on-year in the fourth quarter, supported by a 13.5 per cent expansion in the semiconductors segment on account of improved demand in selected end markets such as smartphones. Meanwhile, output in the computer peripherals & data storage, infocomms & consumer electronics and other electronic modules & components segments fell by 13.5 per cent, 6.4 per cent and 2.9 per cent respectively. For the whole of 2023, the electronics cluster contracted by 3.2 per cent.

Output in the transport engineering cluster rose by 7.0 per cent year-on-year in the fourth quarter on account of expansions in the marine & offshore engineering (M&OE) and aerospace segments. The M&OE segment grew by 16.0 per cent, supported by a higher level of activity in the shipyards as well as an increased production of oilfield & gas field equipment. Output in the aerospace segment grew by 7.1 per cent with a higher level of demand for aircraft parts and more maintenance, repair and overhaul (MRO) jobs from commercial airlines on the back of strong air travel demand globally. By contrast, the land segment contracted by 14.0 per cent. For the full year, the transport engineering cluster expanded by 15.0 per cent.

The chemicals cluster grew by 1.6 per cent year-on-year in the fourth quarter, supported by output expansions across all segments except the petrochemicals segment. The specialties segment grew by 17.2 per cent on account of higher level of production of mineral oil and food additives. The other chemicals segment grew 4.1 per cent with higher output in fragrances, while the petroleum segment grew 1.4 per cent. Conversely, output of the petrochemicals segment fell by 8.5 per cent on account of plant maintenance shutdowns and weak market demand. For 2023 as a whole, output of the chemicals cluster declined by 6.7 per cent.

The general manufacturing cluster contracted by 3.6 per cent year-on-year in the fourth quarter, driven by output declines in the printing (-11.8 per cent) and miscellaneous (-7.4 per cent) segments. In particular, the miscellaneous segment recorded a lower level of production of batteries and structural metal products. On the other hand, the food, beverages & tobacco segment grew by 0.5 per cent. For the whole of 2023, the general manufacturing cluster contracted by 5.8 per cent.

Output in the precision engineering cluster fell by 7.2 per cent year-on-year in the fourth quarter. The precision modules & components segment shrank by 17.4 per cent due to lower production of plastic and metal precision components, optical instruments as well as dies, moulds, tools, jigs and fixtures. Meanwhile, the machinery & systems (M&S) segment contracted by 3.8 per cent, weighed down by lower production of measuring devices and mechanical engineering works. For 2023 as a whole, output in the precision engineering cluster declined by 8.0 per cent.

The biomedical manufacturing cluster contracted by 7.5 per cent year-on-year in the fourth quarter. This was largely due to a 17.3 per cent decline in pharmaceutical output, resulting from a lower level of production of biological products and a different mix of active pharmaceutical ingredients (APIs) being produced. On the other hand, output in the medical technology segment expanded by 6.9 per cent, supported by export demand for medical devices. For the whole of 2023, the biomedical manufacturing cluster declined by 9.6 per cent.

Chapter 6.2

CONSTRUCTION

OVERVIEW

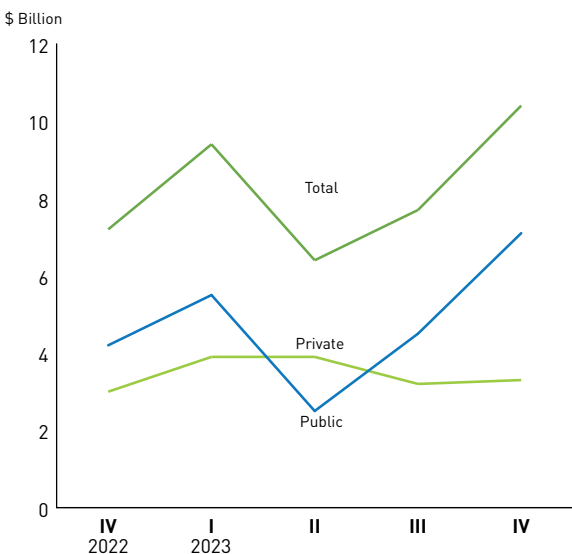
The construction sector grew by 5.2 per cent year-on-year in the fourth quarter of 2023, faster than the 3.7 per cent expansion in the previous quarter.

For the whole of 2023, the sector expanded by 5.2 per cent, faster than the 4.6 per cent growth in 2022.

CONSTRUCTION DEMAND

Construction demand (contracts awarded) increased by 43.8 per cent year-on-year to \$10.4 billion in the fourth quarter, supported by expansions in both public and private sector construction demand (Exhibit 6.3).

Exhibit 6.3: Contracts Awarded



For the full year, total construction demand expanded by 13.5 per cent to \$33.8 billion (Exhibit 6.4), backed by increases of 12.8 per cent in public sector construction demand and 14.4 per cent in private sector construction demand.

Exhibit 6.4: Contracts Awarded, 2023 (\$ Billion)

	Total	Public	Private
Total	33.8	19.5	14.3
Residential	13.0	7.6	5.4
Commercial	3.4	0.0 ¹	3.4
Industrial	4.6	0.5	4.1
Institutional & Others	5.5	4.8	0.6
Civil Engineering Works	7.3	6.5	0.8

Public Sector

In the fourth quarter, public sector construction demand grew by 67.2 per cent year-on-year to \$7.1 billion. Except for commercial building construction demand which registered a contraction of -26.2 per cent, demand for all development types registered growth, ranging from 9.4 per cent for civil engineering works to 472 per cent for industrial building developments.

1 In 2023, public commercial building's contracts awarded was 45 million.

For the full year, public sector construction demand increased by 12.8 per cent to \$19.5 billion (Exhibit 6.4). The expansion was supported by an increase in contracts awarded for public institutional & others (64.4 per cent), industrial (55.0 per cent) and residential building (43.0 per cent) projects. Some of the major projects awarded during the year include (i) MINDEF's NS Square; (ii) MND's Bay East Garden with a visitor centre; (iii) SLA's Chong Pang Integrated Development; and (iv) PUB's Tuas Water Reclamation Plant Contract 4B.

Private Sector

In the fourth quarter, private sector construction demand increased by 10.6 per cent year-on-year to \$3.3 billion. Except for industrial and institutional & others building projects, which registered contractions of 35.3 per cent and 63.1 per cent respectively, demand expanded for all other types of projects, ranging from 11.1 per cent for residential building projects to 249 per cent for commercial building projects.

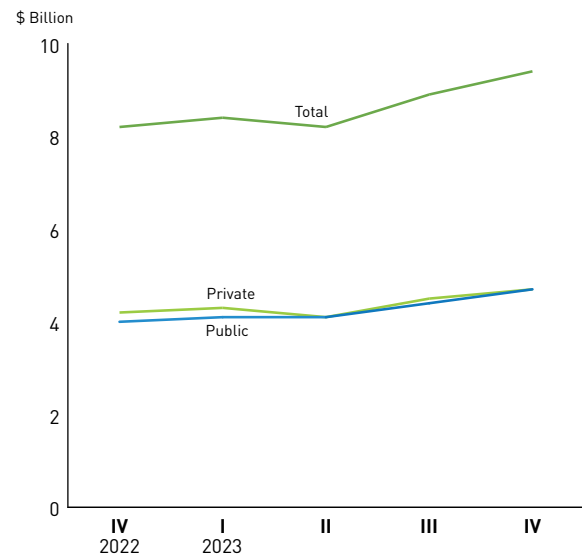
For the full year, private sector construction demand grew by 14.4 per cent to \$14.3 billion, on the back of higher demand for private commercial (120 per cent) and residential building (39.9 per cent) projects (Exhibit 6.4). Major projects awarded in 2023 include (i) redevelopment of various office premises such as Clifford Centre and PIL Building; (ii) major hotel refurbishment works at Marina Bay Sands and Resorts World at Sentosa; and (iii) development of various past en-bloc sales and GLS sites.

CONSTRUCTION OUTPUT

Construction output (or nominal certified payments) rose by 14.9 per cent year-on-year to \$9.4 billion in the fourth quarter, supported by expansions in both public and private sector construction outputs (Exhibit 6.5).

For the full year, construction output increased by 15.4 per cent to \$34.9 billion, extending the 15.8 per cent growth in 2022.

Exhibit 6.5: Certified Payments



Public Sector

Public sector construction output rose by 18.3 per cent year-on-year to \$4.7 billion in the fourth quarter. With the exception of public commercial building works, construction output for all types of works expanded, supported by public industrial (42.3 per cent), institutional & others (16.0 per cent), residential building (14.1 per cent) and civil engineering (19.3 per cent) works.

For the full year, public sector construction output increased by 14.3 per cent to \$17.3 billion, underpinned mainly by public residential (22.6 per cent), institutional & others (21.4 per cent), industrial building (13.0 per cent) and civil engineering (6.8 per cent) works. Major projects supporting the growth include (i) MOH's Woodlands Health Campus, SGH Elective Care Centre/National Dental Centre and SGH Emergency Medicine Building; (ii) SIT Campus@Punggol (Plots 1 & 2); (iii) Sport Singapore's Punggol Regional Sports Centre (iv) JTC's Punggol Digital District and Bulim Square; (v) PUB's Tuas Water Reclamation Plant for the Deep Tunnel Sewerage System (Phase 2); and (vi) LTA's Cross Island MRT Line, Jurong Region MRT Line, East Coast Integrated Depot and North South Corridor.

Private Sector

In the fourth quarter, private sector construction output increased by 11.6 per cent year-on-year to \$4.7 billion, as all types of private sector construction works, except for institutional & others building works, expanded. These include private civil engineering (28.7 per cent), commercial (21.4 per cent) and industrial building (19.5 per cent) works.

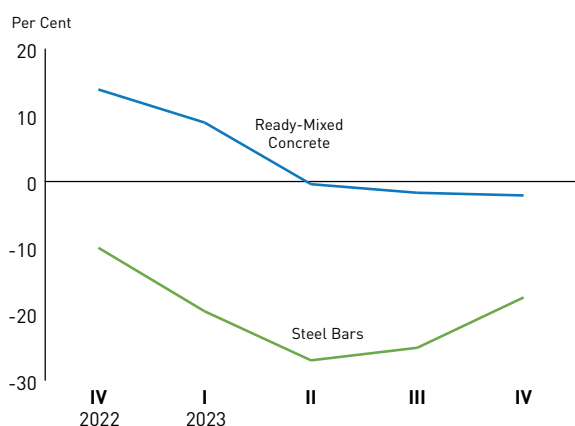
For the full year, private sector construction output increased by 16.4 per cent to \$17.6 billion. All types of private sector construction output expanded, led by private commercial (39.4 per cent), industrial (19.3 per cent) and residential building (10.7 per cent) works. Major ongoing projects include (i) mixed-used integrated developments; (ii) refurbishment of existing hotels and development of new hotels; (iii) data centres; (iv) semiconductor production plants; (v) cogeneration plants; and (vi) the redevelopment of past en-bloc sales sites and development of Government Land Sales (GLS) sites.

CONSTRUCTION MATERIALS

In tandem with the rise in construction output, total consumption of steel rebars² rose by 31.0 per cent year-on-year to 1.5 million tonnes in 2023. Similarly, the total consumption of ready-mixed concrete increased by 4.9 per cent in 2023 to 12.3 million m³.

The average market price of Grade 40 pump ready-mixed concrete³ decreased by 2.1 per cent to about \$115.7 per m³ in the fourth quarter, amid easing freight and fuel costs coupled with diversified import sources of raw materials. Likewise, the average market price of steel rebars⁴ fell by 17.5 per cent to around \$824.7 per tonne in the fourth quarter, due to softening of global steel demand (Exhibit 6.6).

Exhibit 6.6: Changes in Market Prices of Construction Materials



2 Rebar consumption is estimated from net imports plus local production (without factoring in stock levels).

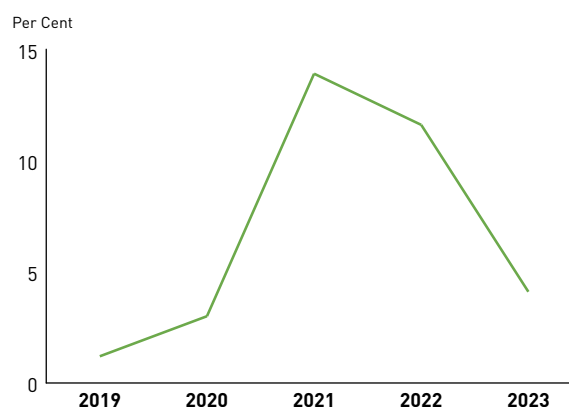
3 The market prices are based on contracts with non-fixed price and market retail price.

4 The market prices refer to 16mm to 32mm High Tensile rebars and are based on fixed price supply contracts with a contract period of 6 months or below.

CONSTRUCTION COSTS

Based on BCA's Building Works Tender Price Index (TPI), tender prices increased by about 4.1 per cent year-on-year in 2023, a decline from the 11.6 per cent growth in 2022, following the easing of some key input costs (e.g., construction material costs) and of global inflation (Exhibit 6.7). However, there are several factors that could put upward pressure on the TPI in 2024. These include likely tighter manpower and sub-contracting resources, amid anticipated strong construction activities over the medium-term, and the possibility of a resurgence in global inflation.

Exhibit 6.7: Changes in Tender Price Index



CONSTRUCTION OUTLOOK IN 2024

According to BCA, total construction demand is projected to be between \$32.0 billion and \$38.0 billion in 2024 (Exhibit 6.8). Demand from the public sector is expected to stay strong at between \$18.0 billion and \$21.0 billion, supported by a continued strong pipeline of public housing, institutional building and infrastructure projects. Meanwhile, total private sector construction demand is projected to be between \$14.0 billion and \$17.0 billion in 2024, bolstered by an anticipated increase in commercial building developments including the expansion of the two Integrated Resorts (IRs). Key upcoming projects in 2024 include (i) continued ramp-up in Build-To-Order HDB flats; (ii) development of new major mixed-used properties; (iii) high-specification industrial premises such as biomedical plants and fuel storage facilities; (iv) major public institutional building developments such as relocation of Singapore Science Centre and construction of Founders' Memorial Building and (v) remaining contracts for Cross Island MRT Line (Phase 2).

Total construction output in 2024 is projected to increase to between \$34.0 billion and \$37.0 billion, in tandem with the recovery in the construction demand since emerging from the COVID-19 pandemic.

Exhibit 6.8: Projected Construction Demand in 2024

	\$ Billion
Public Sector	18.0 – 21.0
Building Construction Sub-total	10.7 – 12.8
Residential	6.6 – 7.6
Commercial	0.1 – 0.1
Industrial	0.5 – 0.7
Institutional & Others	3.6 – 4.4
Civil Engineering Works Sub-total	7.3 – 8.2
Private Sector	14.0 – 17.0
Building Construction Sub-total	13.4 – 16.3
Residential	3.7 – 4.5
Commercial	5.8 – 6.6
Industrial	3.0 – 4.0
Institutional & Others	0.9 – 1.2
Civil Engineering Works Sub-total	0.6 – 0.8
TOTAL CONSTRUCTION DEMAND	32.0 – 38.0

Chapter 6.3

WHOLESALE TRADE

OVERVIEW

The wholesale trade sector expanded by 0.2 per cent year-on-year in the fourth quarter of 2023, moderating from the 1.1 per cent growth in the previous quarter. Growth during the quarter came largely on the back of an increase in the volume of foreign wholesale sales of metals, timber & construction materials, petroleum & petroleum products, food, beverages & tobacco and electronic components.

For the whole of 2023, the sector grew by 0.8 per cent, slowing from the 4.0 per cent expansion in 2022.

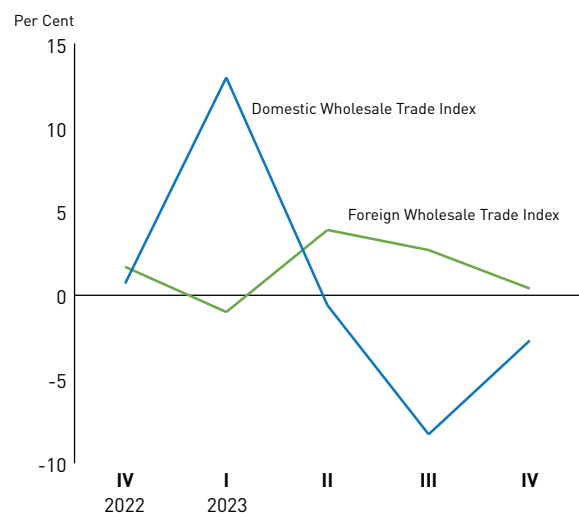
WHOLESALE SALES

In the fourth quarter, the wholesale trade sector was supported by an increase in foreign wholesale sales volume, which more than offset the decline in domestic wholesale sales volume.

Specifically, foreign wholesale sales volume rose by 0.4 per cent year-on-year in the fourth quarter, moderating from the 2.7 per cent increase in the preceding quarter (Exhibit 6.9). Growth in sales volume was fastest in the metals, timber & construction materials (13.5 per cent), food, beverages & tobacco (9.6 per cent) and electronic components (7.8 per cent) segments, which outpaced the decline in the sales volume of the ship chandlers & bunkering (-38.1 per cent) and general wholesale trade (-16.4 per cent) segments. For the whole of 2023, the foreign wholesale trade index rose by 1.5 per cent, easing from the 3.9 per cent increase in the previous year.

Meanwhile, domestic wholesale sales volume fell by 2.7 per cent year-on-year in the fourth quarter, easing from the 8.3 per cent decline in the preceding quarter. The contraction in sales volume was the sharpest in the transport equipment (-29.3 per cent) and petroleum & petroleum products (-24.6 per cent) segments, while increases in the sales volumes of metals, timber & construction materials (88.6 per cent) and electronic components (40.5 per cent) were fastest. For the whole of 2023, the domestic wholesale trade index grew by 0.1 per cent, a reversal from the 9.7 per cent contraction posted in 2022.

Exhibit 6.9: Changes in Wholesale Trade Index in Chained Volume Terms



Chapter 6.4

RETAIL TRADE

OVERVIEW

The retail trade sector contracted by 0.3 per cent year-on-year in the fourth quarter of 2023, reversing the 2.3 per cent growth in the previous quarter.

For the whole of 2023, the sector expanded by 1.3 per cent, moderating from the 8.5 per cent growth in 2022.

RETAIL SALES

Overall retail sales volume decreased by 1.1 per cent year-on-year in the fourth quarter, reversing the 1.5 per cent growth in the third quarter (Exhibit 6.10). Overall retail sales were weighed down by the decrease in non-motor vehicle sales volume (-2.3 per cent). This was led by declines in the sales volumes of supermarkets & hypermarkets (-5.2 per cent), furniture & household equipment (-7.3 per cent), and minimarts & convenience stores (-6.8 per cent). On the other hand, the food & alcohol (8.1 per cent), watches & jewellery (1.2 per cent) and wearing apparel & footwear (0.7 per cent) segments grew. Meanwhile, motor vehicle sales volume grew by 11.4 per cent due to an increase in COE quotas.

For the full year, overall retail sales volume rose by 0.6 per cent, extending the 7.2 per cent expansion in 2022.

In 2023, both non-motor vehicle (0.6 per cent) motor vehicle (0.5 per cent) sales volume increased. The growth in non-motor vehicle sales volume was led by the sales of wearing apparel & footwear (8.0 per cent), food & alcohol (19.8 per cent) and cosmetics, toiletries & medical goods (3.8 per cent). Meanwhile, the sales volumes of supermarkets & hypermarket (-5.4 per cent), furniture & household equipment (-5.6 per cent) and petrol service stations (-5.7 per cent) fell (Exhibit 6.11).

Exhibit 6.10: Changes in Retail Sales Index in Chained Volume Terms

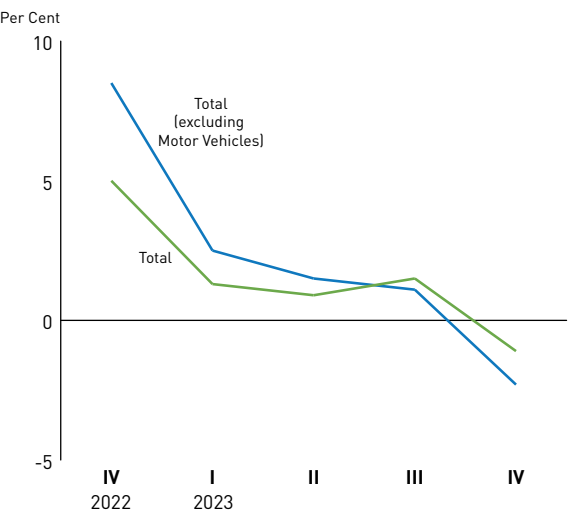
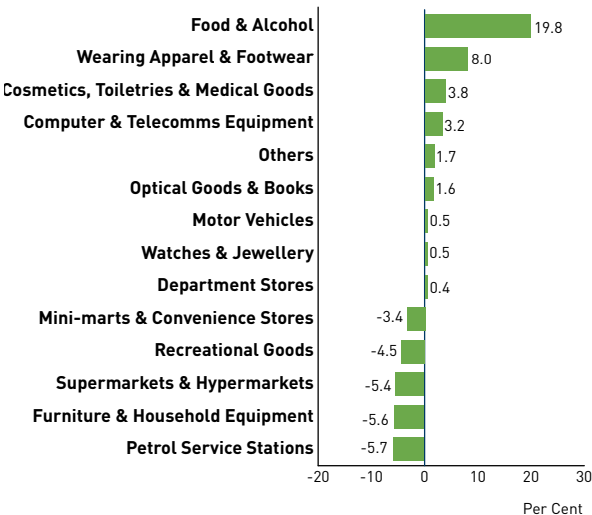


Exhibit 6.11: Changes in Retail Sales Index in Chained Volume Terms for Major Segments in 2023



Chapter 6.5

TRANSPORTATION & STORAGE

OVERVIEW

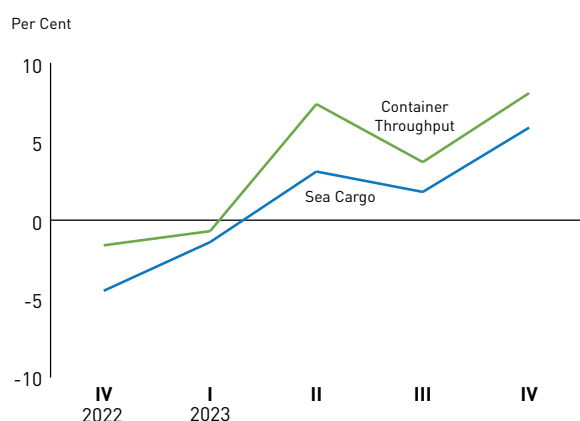
The transportation & storage sector expanded by 2.8 per cent year-on-year in the fourth quarter of 2023, picking up from the 0.9 per cent growth in the previous quarter.

For the whole of 2023, the sector grew at a slower pace of 2.3 per cent compared to the 4.9 per cent expansion recorded in 2022. The expansion of the sector was supported largely by the water transport and air transport segments.

WATER TRANSPORT

Container throughput grew by 8.1 per cent year-on-year in the fourth quarter, accelerating from the 3.7 per cent expansion in the previous quarter (Exhibit 6.12). For the full year, the number of TEUs (Twenty-Foot Equivalent Units) handled by Singapore's ports came in at 39.0 million, representing a 4.6 per cent expansion. This was a reversal from the 0.7 per cent decline recorded in 2022.

Exhibit 6.12: Changes in Container Throughput and Sea Cargo Handled



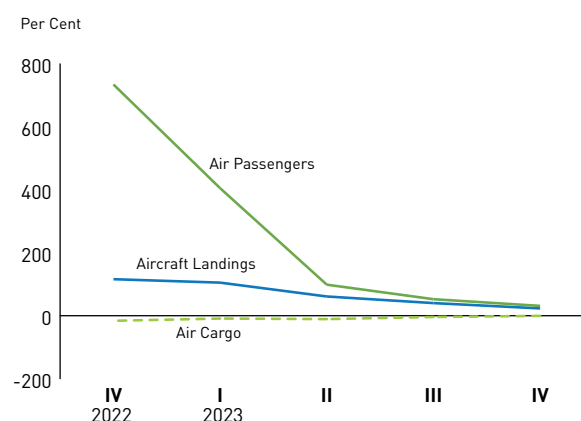
Overall sea cargo volume expanded by 5.9 per cent year-on-year in the fourth quarter, picking up from the 1.8 per cent growth in the preceding quarter. The expansion in sea cargo volume was largely due to general cargo shipments, which grew by 8.8 per cent during the quarter, an acceleration from the 4.2 per cent growth registered in the third quarter. For the whole of 2023, overall sea cargo volume grew by 2.3 per cent, reversing the 3.6 per cent decline in the previous year.

AIR TRANSPORT

Total air passenger traffic (less transit) handled by Changi Airport climbed by 31.2 per cent year-on-year in the fourth quarter, moderating from the 52.5 per cent growth in the previous quarter (Exhibit 6.13). In absolute terms, air passenger traffic volume recovered to 90.6 per cent of the volume seen in the fourth quarter of 2019 (pre-pandemic).

For the full year, total air passenger traffic passing through Changi Airport climbed by 83.1 per cent to come in at 58.4 million, moderating from the 953 per cent surge posted in 2022.

Exhibit 6.13: Changes in Air Transport



On the other hand, air cargo volume fell by 0.5 per cent year-on-year in the fourth quarter, easing from the 4.0 per cent contraction in the previous quarter. In absolute terms, total air cargo volume was at 86.9 per cent of pre-pandemic levels (i.e., in the fourth quarter of 2019). For 2023 as a whole, air cargo shipments declined by 6.1 per cent, extending the 4.8 per cent contraction posted in 2022.

Meanwhile, aircraft landings climbed by 23.2 per cent year-on-year to reach 43,560 in the fourth quarter, easing from the 40.1 per cent increase in the third quarter. This brought the total number of aircraft landings in 2023 to 164,124, which was 50.2 per cent higher compared to that in 2022.

Chapter 6.6

ACCOMMODATION

OVERVIEW

The accommodation sector grew by 1.5 per cent year-on-year in the fourth quarter of 2023, moderating from the 12.6 per cent expansion in the previous quarter.

For the whole of 2023, the sector expanded by 12.1 per cent, accelerating from the 2.2 per cent growth in 2022.

VISITOR ARRIVALS

Singapore received around 3.5 million visitors in the fourth quarter, 35.2 per cent higher compared to the same period a year ago (Exhibit 6.14). Compared to the same period in 2019 (pre-pandemic), visitor arrivals remained 27.6 per cent lower. For the full year, visitor arrivals increased by 116 per cent, slowing from the 1,810 per cent expansion in 2022.

In terms of source markets, Singapore’s top ten visitor-generating markets in 2023 were Indonesia (2.3 million visitors), China (1.4 million visitors), Malaysia (1.1 million visitors), Australia (1.1 million visitors), India (1.1 million visitors), the Philippines (693,000 visitors), the USA (642,000 visitors), South Korea (571,000 visitors), the UK (474,000 visitors) and Vietnam (459,000 visitors). Together, they accounted for 71.6 per cent of total visitor arrivals in 2023.

Among the top 10 visitor-generating markets, China (942 per cent), South Korea (162 per cent) and the UK (109 per cent) posted the strongest growth in visitor arrivals in 2023 (Exhibit 6.15).

Exhibit 6.14: Visitor Arrivals

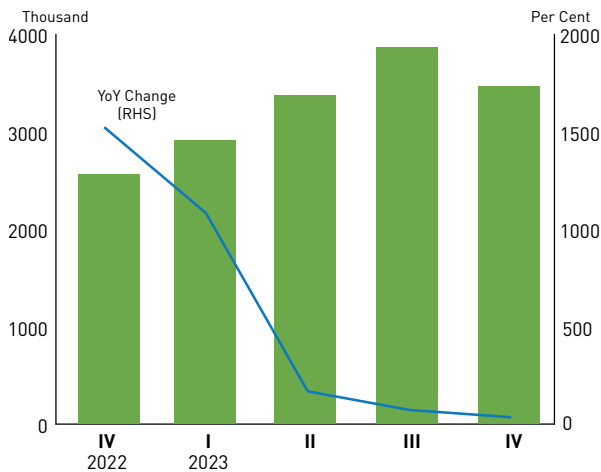
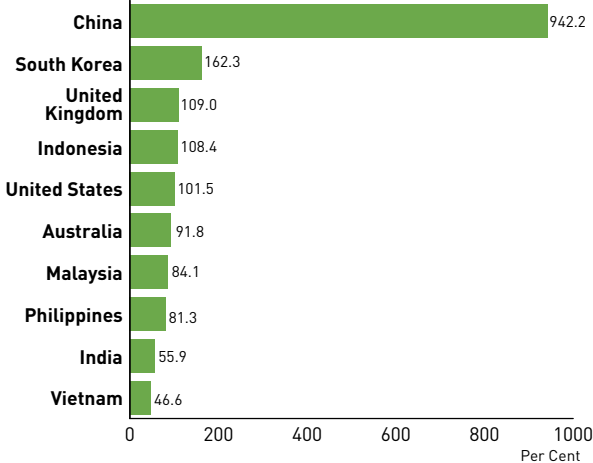


Exhibit 6.15: Growth Rates of Top 10 Visitor-Generating Markets in 2023

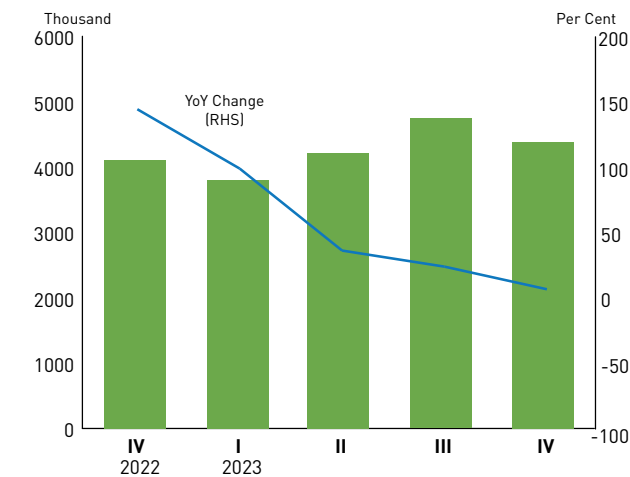


ACCOMMODATION

In tandem with the strong recovery in visitor arrivals, gross lettings of gazetted hotel rooms grew by 6.9 per cent year-on-year in the fourth quarter, extending the 24.2 per cent growth in the previous quarter (Exhibit 6.16). Similarly, room revenue expanded by 4.9 per cent, moderating from the 40.7 per cent increase in the preceding quarter. The increase in gross lettings was partially offset by the decrease in average room rates and average occupancy rates of gazetted hotels. Specifically, the average occupancy rate fell by 5.6 percentage points, while the average room rate saw a 1.9 per cent decline to \$280 in the fourth quarter.

For 2023 as a whole, the accommodation sector grew by 12.1 per cent, driven by the recovery in tourism demand. The overall room revenue of gazetted hotels climbed by 48.8 per cent to reach \$4.8 billion in 2023, driven by a 32.7 per cent expansion in gross lettings and a 12.2 per cent increase in average daily room rates.

Exhibit 6.16: Gross Lettings



Chapter 6.7

FOOD & BEVERAGE SERVICES

OVERVIEW

The food & beverage services sector contracted by 1.5 per cent year-on-year in the fourth quarter of 2023, reversing the 2.9 per cent growth in the previous quarter.

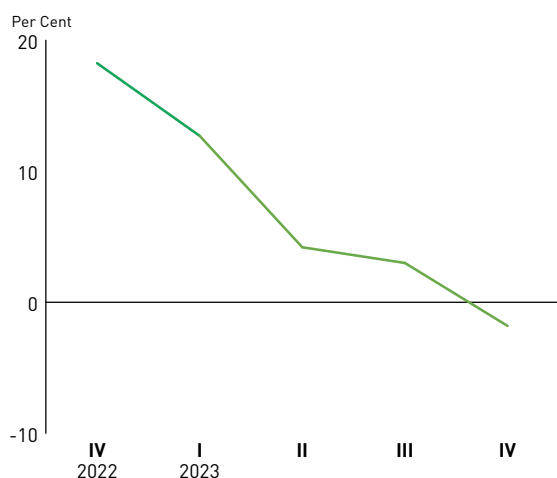
For the whole of 2023, the sector expanded at a slower pace of 4.1 per cent compared to the 15.4 per cent growth in 2022.

FOOD & BEVERAGE SALES

Overall food & beverage sales volume declined by 1.8 per cent year-on-year in the fourth quarter of 2023, reversing the 3.0 per cent expansion in the preceding quarter (Exhibit 6.17). The decline was led by the restaurants (-7.4 per cent), fast food outlets (-7.2 per cent) and cafes, food courts & other eating places (-0.1 per cent) segments. On the other hand, sales of the food caterers segment continued to grow (8.8 per cent) due to the continued recovery in leisure, business and MICE events. All segments, except for fast food outlets, remained below pre-COVID (i.e., fourth quarter of 2019) levels.

For the whole of 2023, the food & beverage services volume index grew by 4.2 per cent. This was a moderation from the 19.6 per cent increase recorded in 2022. Nonetheless, the overall food & beverage sales volume remained 5.5 per cent lower than that in 2019. At the segment level, the sales volumes of food caterers (30.4 per cent) and cafes, food courts & other eating places (2.5 per cent) grew, while that of fast food outlets remained flat (0.0 per cent). On the other hand, the sales volume of the restaurants (-0.7 per cent) segment shrank.

Exhibit 6.17: Changes in Food and Beverage Services Index in Chained Volume Terms



Chapter 6.8

INFORMATION & COMMUNICATIONS

OVERVIEW

The information & communications sector expanded by 4.7 per cent year-on-year in the fourth quarter of 2023, extending the 6.0 per cent growth in the previous quarter. This positive outturn was largely due to strong growth in the IT & information services and “others” segments⁵, while the telecommunications segment saw more modest growth during the quarter.

For the whole of 2023, the sector grew by 5.7 per cent, a slowdown from the 8.1 per cent expansion in 2022.

IT & INFORMATION SERVICES

In 2023, the growth of the information & communications sector was led by the IT & information services segment. Specifically, the segment expanded by 8.8 per cent, driven by strong enterprise demand for digital solutions and services.

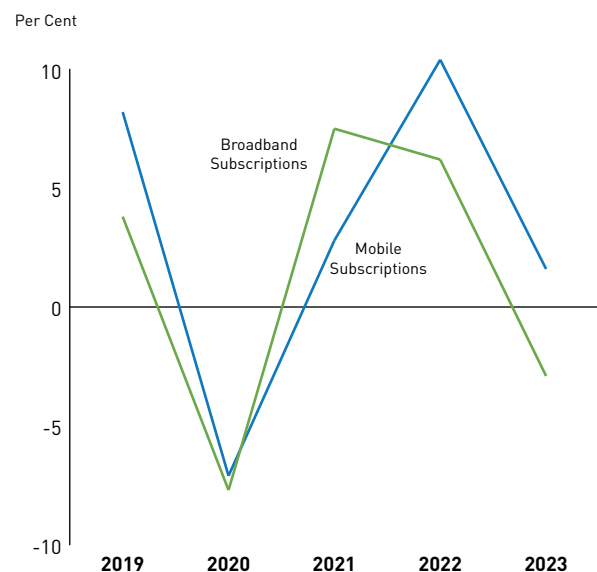
TELECOMMUNICATIONS

The telecommunications segment grew by 0.5 per cent in 2023. In the third quarter of 2023, the latest period where data is available, fixed line subscriptions grew by 5.1 per cent.

As at September 2023⁶, the number of mobile subscriptions grew by 1.6 per cent compared to the same period in 2022 (Exhibit 6.18). While there was an 85.0 per cent decline in the number of 3G subscriptions to 84,000 and a 1.4 per cent decline in 4G subscriptions to 7.6 million, this was offset by the 72.5 per cent increase in 5G subscriptions to around 1.8 million.

In September 2023, the number of broadband subscriptions declined by 2.9 per cent. The decrease was driven by corporate (-0.9 per cent) and wireless broadband (-3.5 per cent) subscriptions, which were only partially offset by the increase in residential wired broadband subscriptions (1.9 per cent).

Exhibit 6.18: Information & Communications Growth



⁵ The “others” segment consists of (i) publishing activities (including computer games and software publishing), (ii) motion picture, video and other programme production, sound recording, and music publishing activities, and (iii) radio and television broadcasting activities.

⁶ Full-year data are not available at the time of publication. October and November data are available but subject to further revisions.

Chapter 6.9

FINANCE & INSURANCE

OVERVIEW

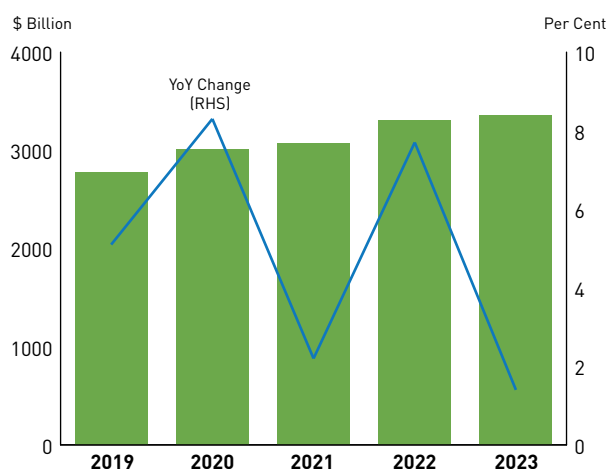
The finance & insurance sector expanded by 5.4 per cent year-on-year in the fourth quarter of 2023, improving from the 2.5 per cent growth in the previous quarter.

For the whole of 2023, the sector expanded by 1.3 per cent, up from the 0.2 per cent growth in the preceding year.

COMMERCIAL BANKS

In 2023, total assets/ liabilities of commercial banks increased by 1.4 per cent to \$3.4 trillion (Exhibit 6.19).

Exhibit 6.19: Total Assets/Liabilities of Commercial Banks



On the assets side, domestic interbank lending rose by \$32.5 billion (18.8 per cent). However, domestic credit extended to non-bank customers fell by \$37.6 billion (-2.9 per cent), with total loans and advances to residents contracting by 1.7 per cent.

Business lending shrank by 3.9 per cent, weighed down mainly by the decline in loans to the general commerce and manufacturing sectors, although this was partially offset by the growth in loans extended to the business services sector (Exhibit 6.20). In comparison, consumer lending fell by a smaller 0.1 per cent, supported largely by housing and bridging loans. Meanwhile, loans to non-residents also contracted, by 3.8 per cent, with East Asia and the Americas contributing the most to the decline (Exhibit 6.21).

Exhibit 6.20: Loans and Advances to Residents by Industry in 2023

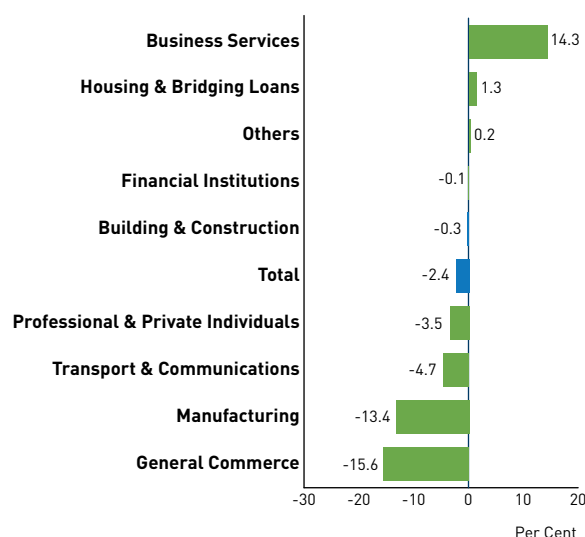
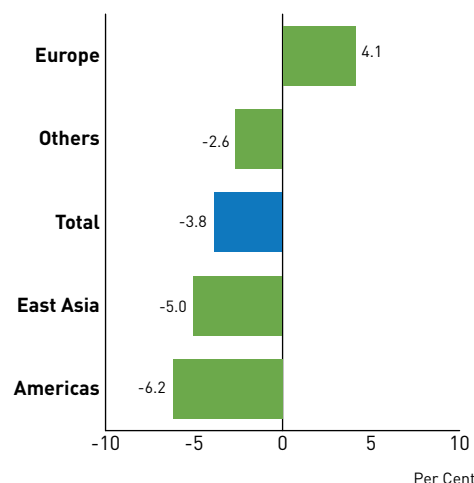


Exhibit 6.21: Loans and Advances to Non-Residents by Industry in 2023



On the liabilities front, total deposits of non-bank customers grew by 4.3 per cent in 2023. As at end-2023, total non-bank deposits amounted to \$1.8 trillion, compared to \$1.7 trillion in the year before, mainly driven by the increase in fixed deposits, which rose by 15 per cent.

FINANCE COMPANIES

Total assets/ liabilities of finance companies grew by 5.3 per cent in 2023 to \$19.8 billion, moderating from the 8.8 per cent expansion in 2022 (Exhibit 6.22).

Non-bank lending contracted by 0.4 per cent in 2023, compared to the 8.5 per cent expansion in the previous year, as housing loans contracted (Exhibit 6.23). Meanwhile, the growth of deposits of non-bank customers also eased to 5.9 per cent in 2023, from 10.8 per cent in 2022.

Exhibit 6.22: Total Assets/Liabilities of Finance Companies

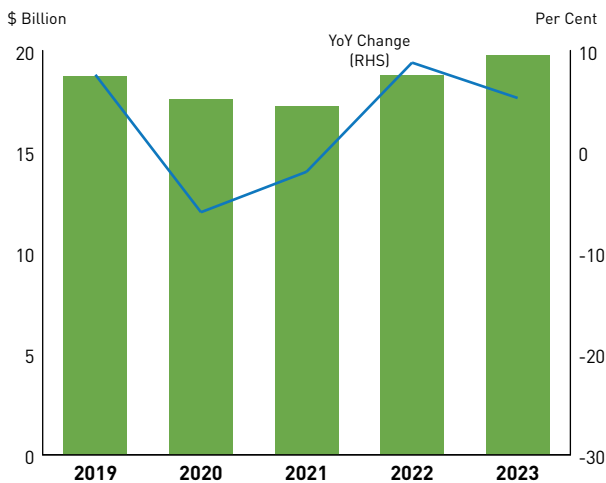


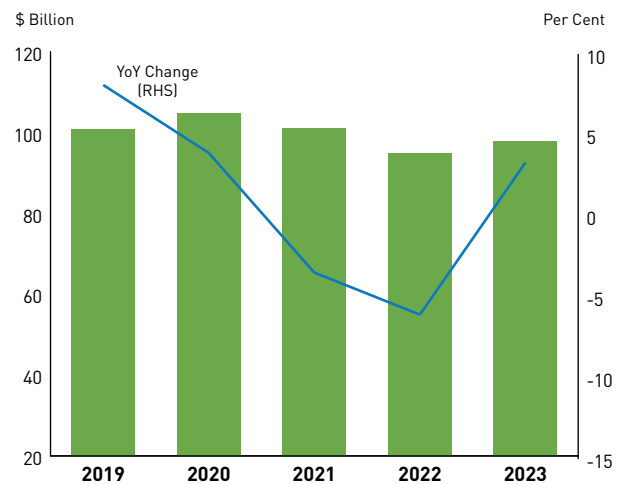
Exhibit 6.23: Growth of Loans and Advances of Finance Companies in 2023



MERCHANT BANKS

Total assets/ liabilities of merchant banks grew by 3.3 per cent to \$97.9 billion in 2023, in contrast to the 6.1 per cent decline in the previous year (Exhibit 6.24). The expansion was underpinned by a rise in the holdings of securities & equities.

Exhibit 6.24: Total Assets/Liabilities of Merchant Banks



INSURANCE INDUSTRY

Overall, the net income of the direct life insurance industry reversed from -\$1.5 billion in 2022 to \$2.1 billion in 2023, largely due to investment income. Meanwhile, total weighted new business premiums in the direct life insurance industry increased by 0.7 per cent from 2022 to \$6.3 billion in 2023 (Exhibit 6.25). Single premium business decreased by 33.8 per cent to \$15.6 billion and regular premium business increased by 21.4 per cent to \$4.8 billion.

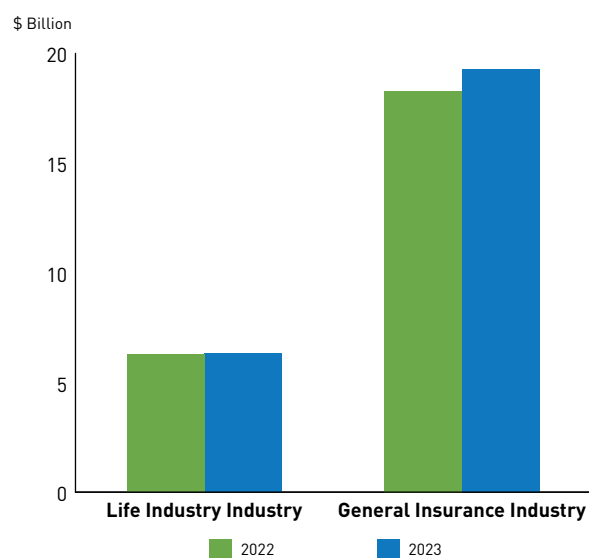
The general insurance industry recorded an operating profit of \$2.6 billion in 2023, largely due to investment income. Gross premiums increased by 5.4 per cent to \$19.3 billion in 2023, with offshore and domestic businesses accounting for \$13.9 billion and \$5.4 billion respectively.

STOCK MARKET

The benchmark Straits Times Index (STI) staged a late turnaround in December 2023, but ended the year 0.3 per cent lower than 2022 (Exhibit 6.26).

The STI trended downwards over the first half of 2023 following a short-lived banking crisis in the US and Europe, while global interest rates remained high. Bank stocks led the decline in the STI, but quickly rebounded as domestic lenders reassured markets of their well-capitalised status and healthy liquidity positions.

Exhibit 6.25: Premiums in the Insurance Industry



Over the rest of 2023, a modest pickup in the external environment boosted trade-related equities in the index. Ongoing geopolitical tensions, however, weighed on risk sentiments and led to the muted performance of the STI.

SECURITIES MARKET

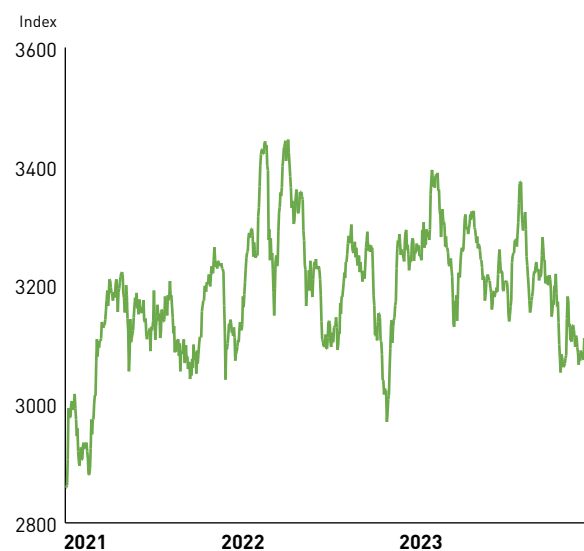
In 2023, the total turnover value of the securities market shrank by 16.2 per cent to \$259 billion, and total turnover volume fell by 3.8 per cent to 341 billion shares. This translated to a 15.9 per cent decrease in the average daily traded value to \$1.0 billion, while the average daily traded volume contracted by 3.4 per cent to 1.4 billion shares.

At the end of 2023, the total number of listed companies in Singapore was 632, with a combined market capitalisation of \$802 billion, a 3.3 per cent decrease from 2022. In 2023, there were 427 companies listed on SGX's Mainboard, with the other 205 companies listed on SGX's Catalist.

DERIVATIVES MARKET

In 2023, SGX's derivatives market activity fell by 3.1 per cent to 252 million contracts. Compared to 2022, total futures trading volume decreased by 3.2 per cent to 242 million and options trading volume fell by 1.8 per cent to 10.0 million contracts. The most actively-traded contracts were the FTSE China A50 Index Futures, the Iron Ore 62% Futures and the USD/CNH FX Futures, which formed 59.9 per cent of the total volume traded on SGX's derivatives trading platform.

Exhibit 6.26: Straits Times Index



FOREIGN EXCHANGE MARKET

In 2023, divergent inflation trends between the major economies led the US dollar to weaken against the Euro and British Pound by 3.1 per cent and 5.4 per cent respectively, and strengthen against the Japanese Yen by 7.0 per cent. Abating inflation in the US contrasted against sustained price pressures in the Eurozone and UK, prompting financial markets to expect interest rate cuts by the Federal Reserve while still seeing further rate hikes by the European Central Bank and the Bank of England. In contrast, the Bank of Japan's doubts over the sustainability of Japan's inflation led it to push back against market rate hike expectations, which in turn weakened the Japanese Yen against the major currencies.

Chapter 6.10

REAL ESTATE & PROFESSIONAL SERVICES

OVERVIEW

The real estate sector expanded by 0.1 per cent year-on-year in the fourth quarter of 2023, moderating from the 3.6 per cent growth in the previous quarter. For the whole of 2023, the sector grew by 4.9 per cent, moderating from the 10.9 per cent growth in 2022.

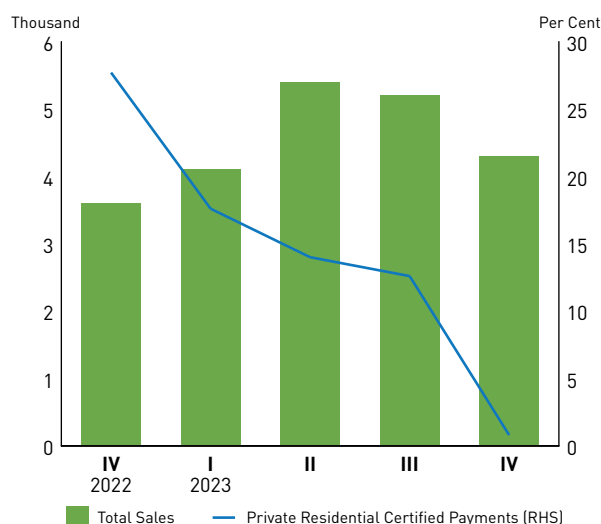
The professional services sector contracted by 0.7 per cent year-on-year in the fourth quarter of 2023, reversing the 1.4 per cent growth in the previous quarter. For the whole of 2023, the sector grew by 1.1 per cent, moderating from the 13.2 per cent growth in 2022.

REAL ESTATE

The private residential property market expanded on a year-on-year basis in the fourth quarter, as total private residential property sales rose by 20.8 per cent, reversing the 15.4 per cent decline in the previous quarter (Exhibit 6.27). For the full year, total sales fell by 13.0 per cent to 19,044 units, from the 21,890 units sold in 2022.

Private residential certified progress payments (a proxy for developers' margins) rose by 0.8 per cent year-on-year, moderating from the 12.6 per cent increase in the preceding quarter. For the whole of 2023, private residential certified progress payments climbed by 10.7 per cent, following the increase of 24.8 per cent in 2022.

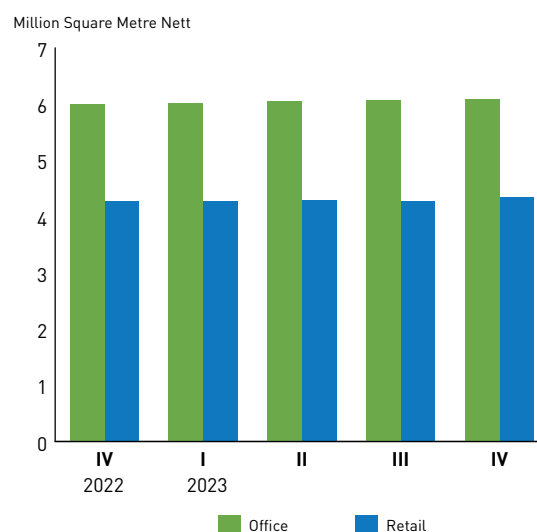
Exhibit 6.27: Total Sales for Private Residential Units and Private Residential Certified Payments



In the commercial space market, the performance of the commercial retail space market remained resilient in the fourth quarter. Specifically, demand for private commercial retail space (measured by total occupied space) rose by 1.7 per cent year-on-year, extending the 1.5 per cent increase in the previous quarter (Exhibit 6.28). For the full year, demand for private commercial retail space grew by 2.0 per cent, higher than the 1.2 per cent increase in 2022).

Meanwhile in the commercial office space market, demand for private commercial office space rose by 1.6 per cent year-on-year in the fourth quarter, extending the 1.6 per cent growth in the preceding quarter. For the full year, demand for private commercial office space grew by 1.5 per cent, higher than the 0.1 per cent increase in 2022.

Exhibit 6.28: Total Occupied Space for Private Sector Commercial Office and Retail Spaces



Lastly, in the industrial space market, overall demand for private industrial space rose by 0.8 per cent year-on-year in the fourth quarter, extending the 1.2 per cent increase seen in the previous quarter (Exhibit 6.29). Within the market, demand for multiple-user factories and warehouses increased by 2.4 per cent and 1.3 per cent respectively in the fourth quarter, whereas demand for single-user factories and business parks fell by 0.1 per cent and 1.7 per cent respectively. For the full year, demand for private industrial space rose by 0.9 per cent, extending the 1.1 per cent growth seen in 2022.

Exhibit 6.29: Total Occupied Space for Private Sector Industrial Space



PROFESSIONAL SERVICES

In 2023, the professional services sector expanded, with all segments registering growth except for the legal and business & management consultancy segments. Growth in the sector was largely driven by the architectural & engineering, technical testing & analysis segment, as well as the other professional scientific & technical services segment, which expanded by 1.8 per cent and 3.1 per cent year-on-year respectively.