

Singapore's GDP Grew by 0.1 Per Cent in the First Quarter of 2023

14 April 2023. Based on advance estimates¹, the Singapore economy grew by 0.1 per cent on a year-on-year basis in the first quarter of 2023, slower than the 2.1 per cent growth recorded in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the Singapore economy contracted by 0.7 per cent, a reversal from the 0.1 per cent expansion in the fourth quarter of 2022.

Gross Domestic Product in Chained (2015) Dollars

	1Q22	2Q22	3Q22	4Q22	2022	1Q23*
Percentage change over corresponding period of previous year						
Overall GDP	4.0	4.5	4.0	2.1	3.6	0.1
Goods Producing Industries	5.3	5.8	1.8	-1.1	2.9	-4.1
Manufacturing	5.8	6.1	1.1	-2.6	2.5	-6.0
Construction	3.3	5.5	8.1	10.0	6.7	8.5
Services Producing Industries	4.9	4.8	5.5	4.0	4.8	1.8
Wholesale & Retail Trade and Transportation & Storage	4.2	2.9	5.1	2.4	3.6	-1.1
Information & Communications, Finance & Insurance and Professional Services	6.4	4.9	3.6	2.5	4.3	1.9
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	3.6	7.7	9.5	9.0	7.4	6.7

¹ The advance GDP estimates for the first quarter of 2023 are computed largely from data in the first two months of the quarter (i.e., January and February 2023). They are intended as an early indication of GDP growth in the quarter and are subject to revision when more comprehensive data become available.

	1Q22	2Q22	3Q22	4Q22	2022	1Q23*
Quarter-on-quarter growth rate, seasonally-adjusted						
Overall GDP	1.4	-0.1	0.8	0.1	3.6	-0.7
Goods Producing Industries	-0.8	0.9	-2.1	1.1	2.9	-4.1
Manufacturing	-2.0	0.8	-2.9	1.0	2.5	-5.2
Construction	3.7	2.9	2.1	1.4	6.7	1.8
Services Producing Industries	2.7	-0.1	1.6	-0.2	4.8	0.3
Wholesale & Retail Trade and Transportation & Storage	3.0	-0.2	1.5	-1.6	3.6	-1.0
Information & Communications, Finance & Insurance and Professional Services	-0.5	1.5	0.4	1.1	4.3	-1.0
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	3.7	1.0	2.9	1.1	7.4	1.5

*Advance estimates

Sectoral Performance

The manufacturing sector contracted by 6.0 per cent year-on-year in the first quarter of 2023, worsening from the 2.6 per cent contraction in the previous quarter. The weak performance of the sector was due to output contractions across all the manufacturing clusters, except for the transport engineering cluster. On a quarter-on-quarter seasonally-adjusted basis, the sector shrank by 5.2 per cent in the first quarter, a pullback from the 1.0 per cent expansion in the fourth quarter of 2022.

The construction sector grew by 8.5 per cent year-on-year in the first quarter, extending the 10.0 per cent growth in the previous quarter. Growth during the quarter was supported by expansions in both public and private sector construction output. Nonetheless, the value-added of the sector remained 21.3 per cent below its pre-pandemic (i.e., first quarter of 2019) level. On a quarter-on-quarter seasonally-adjusted basis, the sector expanded by 1.8 per cent in the first quarter, faster than the 1.4 per cent expansion in the preceding quarter.

Among the services sectors, the wholesale & retail trade and transportation & storage sectors collectively contracted by 1.1 per cent year-on-year in the first quarter, a reversal from the 2.4 per cent growth in the previous quarter. Within the group, the wholesale trade sector shrank in tandem with a decline in Singapore's merchandise exports. By contrast, the retail trade and transportation & storage sectors expanded, with the latter supported by robust growth in the air transport segment. On a quarter-on-quarter seasonally-adjusted basis, the sectors as a group contracted by 1.0 per cent in the first quarter, extending the 1.6 per cent contraction in the fourth quarter of 2022.

The group of sectors comprising the information & communications, finance & insurance and professional services sectors grew by 1.9 per cent year-on-year in the first quarter, moderating from the 2.5 per cent growth in the previous quarter. All sectors within the group, except for the finance & insurance sector, expanded during the quarter. Growth in the information & communications sector was supported by continued strong demand for IT and digital solutions, while that in the professional services sector was mainly driven by the other professional, scientific & technical services and architectural & engineering, technical testing & analysis segments. Meanwhile, the finance & insurance sector contracted largely on account of the weak performance of the banking and insurance segments. On a quarter-on-quarter seasonally-adjusted basis, the sectors as a whole shrank by 1.0 per cent in the first quarter, reversing the 1.1 per cent growth in the fourth quarter of 2022.

The remaining group of services sectors (i.e., accommodation & food services, real estate, administrative & support services and other services sectors) grew by 6.7 per cent year-on-year in the first quarter, extending the 9.0 per cent growth in the previous quarter. All sectors within the group expanded during the quarter. In particular, the accommodation sector saw robust growth on account of a strong recovery in international visitor arrivals. On a quarter-on-quarter seasonally-adjusted basis, the sectors in the group collectively expanded by 1.5 per cent in the first quarter, faster than the 1.1 per cent expansion in the preceding quarter.

The preliminary GDP estimates for the first quarter of 2023, including performance by sectors, sources of growth, inflation, employment and productivity, will be released in the *Economic Survey of Singapore* in May 2023.

MINISTRY OF TRADE AND INDUSTRY
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