

Singapore's GDP Grew by 0.7 Per Cent in the Second Quarter of 2023

14 July 2023. Based on advance estimates¹, the Singapore economy grew by 0.7 per cent on a year-on-year basis in the second quarter of 2023, faster than the 0.4 per cent growth recorded in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the Singapore economy expanded by 0.3 per cent, a turnaround from the 0.4 per cent contraction in the first quarter of 2023.

Gross Domestic Product in Chained (2015) Dollars

	2Q22	3Q22	4Q22	2022	1Q23	2Q23*
Percentage change over corresponding period of previous year						
Overall GDP	4.5	4.0	2.1	3.6	0.4	0.7
Goods Producing Industries	5.8	1.8	-1.1	2.9	-3.7	-5.6
Manufacturing	6.1	1.1	-2.6	2.5	-5.3	-7.5
Construction	5.5	8.1	10.0	6.7	6.9	6.6
Services Producing Industries	4.8	5.5	4.0	4.8	1.8	3.0
Wholesale & Retail Trade and Transportation & Storage	2.9	5.1	2.4	3.6	-0.7	2.6
Information & Communications, Finance & Insurance and Professional Services	4.9	3.6	2.5	4.3	1.3	1.5
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	7.7	9.5	9.0	7.4	7.1	6.1

¹ The advance GDP estimates for the second quarter of 2023 are computed largely from data in the first two months of the quarter (i.e., April and May 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.

	2Q22	3Q22	4Q22	2022	1Q23	2Q23*
Quarter-on-quarter growth rate, seasonally-adjusted						
Overall GDP	-0.1	0.8	0.1	3.6	-0.4	0.3
Goods Producing Industries	0.9	-2.1	1.1	2.9	-3.7	-0.9
Manufacturing	0.8	-2.9	1.0	2.5	-4.5	-1.3
Construction	2.9	2.1	1.4	6.7	0.3	2.6
Services Producing Industries	-0.1	1.6	-0.2	4.8	0.4	1.3
Wholesale & Retail Trade and Transportation & Storage	-0.2	1.5	-1.6	3.6	-0.5	3.4
Information & Communications, Finance & Insurance and Professional Services	1.5	0.4	1.1	4.3	-1.6	1.7
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	1.0	2.9	1.1	7.4	1.9	0.1

*Advance estimates

Sectoral Performance

The manufacturing sector contracted by 7.5 per cent year-on-year in the second quarter of 2023, a deterioration from the 5.3 per cent contraction in the previous quarter. The weak performance of the sector was due to output declines across all manufacturing clusters, except for the transport engineering cluster. On a quarter-on-quarter seasonally-adjusted basis, the sector shrank at a slower pace of 1.3 per cent in the second quarter, compared to the 4.5 per cent contraction in the preceding quarter.

The construction sector grew by 6.6 per cent year-on-year in the second quarter, extending the 6.9 per cent growth in the first quarter. Growth during the quarter was supported by expansions in both public and private sector construction output. On a quarter-on-quarter seasonally-adjusted basis, the sector expanded by 2.6 per cent in the second quarter, accelerating from the 0.3 per cent growth in the preceding quarter.

Among the services sectors, the wholesale & retail trade and transportation & storage sectors collectively grew by 2.6 per cent year-on-year in the second quarter, a turnaround from the 0.7 per cent contraction in the previous quarter. All sectors within the group expanded during the quarter. Growth in the transportation & storage sector was mainly supported by the water and air transport segments, while that in the wholesale trade sector was driven by the machinery, equipment & supplies and fuels & chemicals segments. On a quarter-on-quarter seasonally-adjusted basis, the sectors as a group expanded by 3.4 per cent in the second quarter, rebounding from the 0.5 per cent contraction in the preceding quarter.

The group of sectors comprising the information & communications, finance & insurance and professional services sectors grew by 1.5 per cent year-on-year in the second quarter, extending the 1.3 per cent growth in the previous quarter. Within the group, all sectors 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 largely driven by the other professional, scientific & technical services and architectural & engineering, technical testing & analysis segments. Meanwhile, the finance & insurance sector contracted on account of the weak performance of the insurance and banking segments. On a quarter-on-quarter seasonally-adjusted basis, this group of sectors expanded by 1.7 per cent in the second quarter, a reversal from the 1.6 per cent contraction in preceding quarter.

The remaining group of services sectors (i.e., accommodation & food services, real estate, administrative & support services and other services sectors) grew by 6.1 per cent year-on-year in the second quarter, extending the 7.1 per cent growth in the previous quarter. All sectors within the group expanded during the quarter. In particular, the accommodation sector saw robust growth in tandem with the strong recovery in international visitor arrivals. On a quarter-on-quarter seasonally-adjusted basis, the sectors in the group collectively expanded by 0.1 per cent in the second quarter, moderating from the 1.9 per cent growth in the first quarter.

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

MINISTRY OF TRADE AND INDUSTRY
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