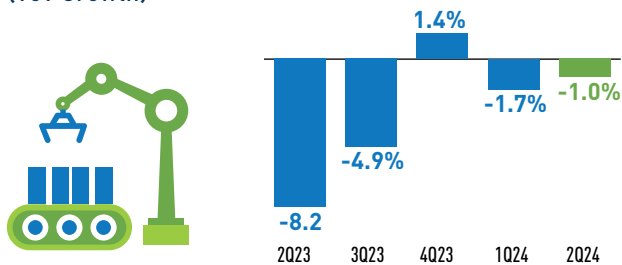


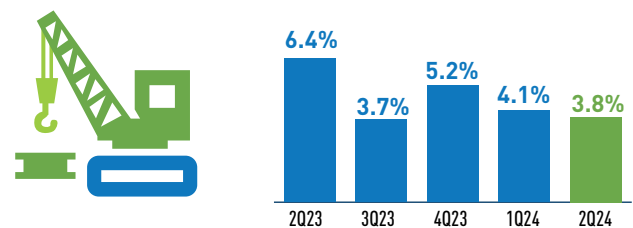
## Chapter 2

# SECTORAL PERFORMANCE

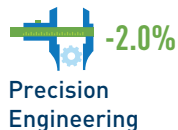
### MANUFACTURING (YoY Growth)



### CONSTRUCTION (YoY Growth)

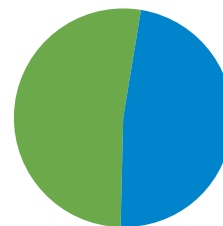


### CLUSTERS IN MANUFACTURING SECTOR



### CERTIFIED PAYMENTS (% Share)

52.1%  
Public

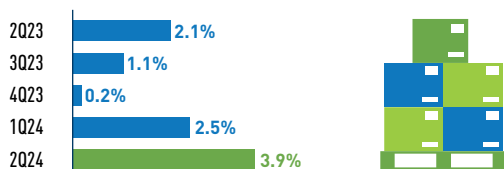


47.9%  
Private

### CONTRACTS AWARDED (YoY Growth)



### WHOLESALE TRADE (YoY Growth)

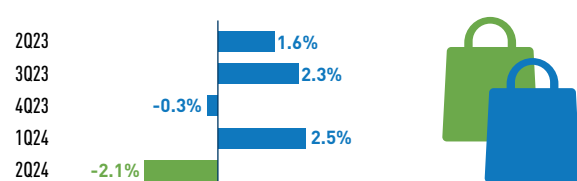


Real Non-Oil Re-Exports Growth 17.5%



Real Non-Oil Domestic Exports Growth -3.6%

### RETAIL TRADE (YoY Growth)

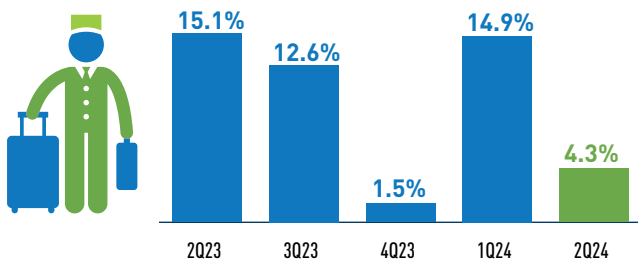


Retail Sales Index Growth (Motor Vehicles) 16.8%

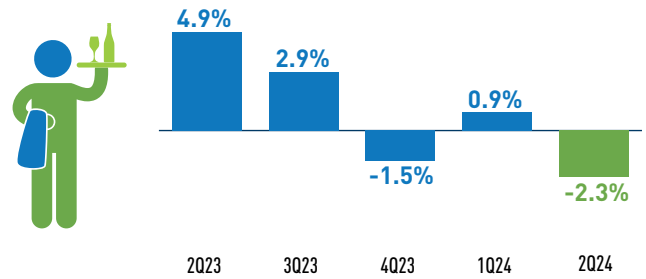


Retail Sales Index Growth (Non-Motor Vehicles) -4.1%

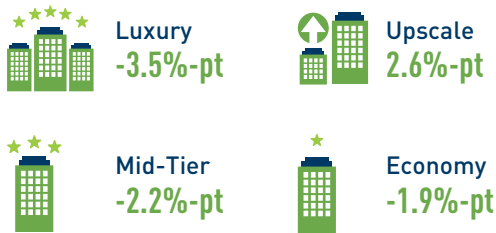
### ACCOMMODATION (YoY Growth)



### FOOD & BEVERAGE SERVICES (YoY Growth)



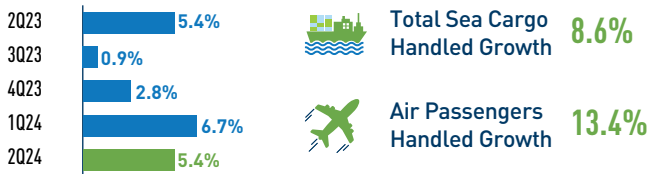
### OCCUPANCY RATES OF HOTELS (YoY Change)



### FOOD & BEVERAGE SALES INDEX GROWTH (YoY Growth)



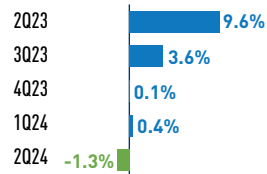
### TRANSPORTATION & STORAGE (YoY Growth)



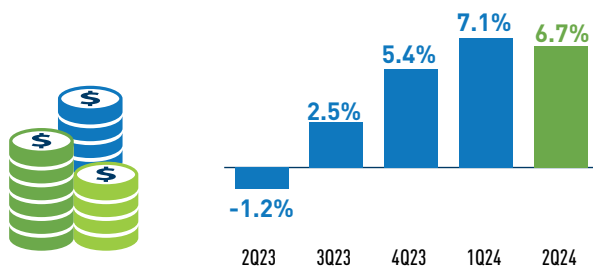
Total Sea Cargo Handled Growth **8.6%**

Air Passengers Handled Growth **13.4%**

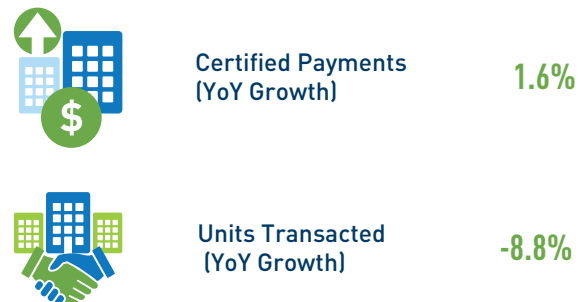
### REAL ESTATE (YoY Growth)



### FINANCE & INSURANCE (YoY Growth)



### PRIVATE RESIDENTIAL REAL ESTATE



## OVERVIEW

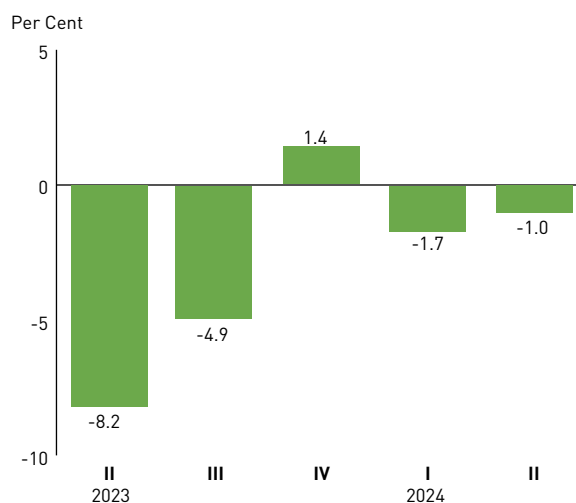
In the second quarter of 2024,

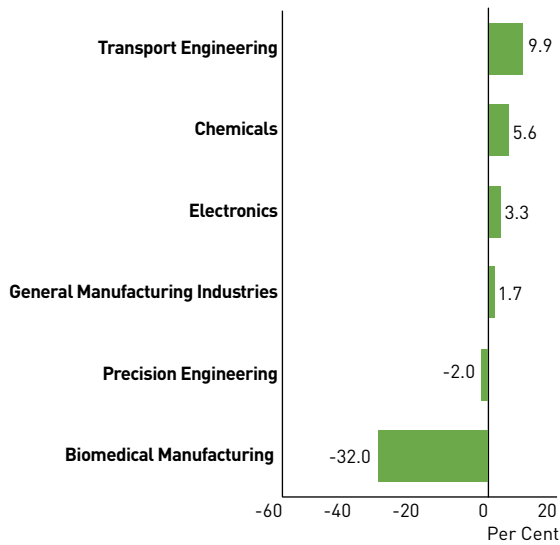
- The manufacturing sector contracted by 1.0 per cent year-on-year, extending the 1.7 per cent decline in the preceding quarter. The sector was weighed down by output contractions in the biomedical manufacturing and precision engineering clusters, which more than offset output expansions in the transport engineering, chemicals, electronics and general manufacturing clusters.
- The construction sector grew by 3.8 per cent year-on-year, extending the 4.1 per cent expansion in the previous quarter.
- The wholesale trade sector expanded by 3.9 per cent year-on-year, picking up from the 2.5 per cent expansion recorded in the preceding quarter.
- The retail trade sector contracted by 2.1 per cent year-on-year, a pullback from the 2.5 per cent growth recorded in the previous quarter.
- The transportation & storage sector posted growth of 5.4 per cent year-on-year, moderating slightly from the 6.7 per cent growth recorded in the previous quarter.
- The accommodation sector expanded by 4.3 per cent year-on-year, slowing from the 14.9 per cent growth in the previous quarter.
- The food & beverage services sector contracted by 2.3 per cent year-on-year, reversing the 0.9 per cent growth in the previous quarter.
- The finance & insurance sector expanded by 6.7 per cent year-on-year, extending the 7.1 per cent gain in the preceding quarter.
- The real estate sector contracted by 1.3 per cent year-on-year, reversing the 0.4 per cent growth in the preceding quarter.
- The professional services sector grew by 2.7 per cent year-on-year, quicker than the 1.8 per cent expansion in the previous quarter.

## MANUFACTURING

The manufacturing sector contracted by 1.0 per cent on a year-on-year basis in the second quarter of 2024, extending the 1.7 per cent decline in the previous quarter (Exhibit 2.1). The sector was weighed down by output contractions in the biomedical manufacturing and precision engineering clusters, which more than offset output expansions in the transport engineering, chemicals, electronics and general manufacturing clusters (Exhibit 2.2).

Exhibit 2.1: Manufacturing Sector's Growth Rate



**Exhibit 2.2: Manufacturing Clusters' Growth Rates in 2Q 2024**

The transport engineering cluster expanded by 9.9 per cent year-on-year in the second quarter, supported by expansions in the marine & offshore engineering (M&OE) and aerospace segments. The M&OE segment grew by 19.0 per cent, supported by a higher level of activity in the shipyards, as well as increased production of oilfield and gasfield equipment. Similarly, in the aerospace segment, output grew by 9.2 per cent, bolstered by higher demand for aircraft parts and 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 11.6 per cent.

The chemicals cluster grew by 5.6 per cent year-on-year in the second quarter, supported by output expansions in all segments except the other chemicals segment. The petroleum and petrochemicals segments expanded by 14.6 per cent and 2.8 per cent respectively, partially due to the low base in output levels a year ago, when production was weighed down by plant maintenance shutdowns. The specialties segment grew by 6.5 per cent on account of a higher level of production of mineral oil and food additives. Conversely, the other chemicals segment declined by 2.3 per cent, weighed down by a lower level of output of fragrances.

The electronics cluster grew by 3.3 per cent year-on-year in the second quarter, supported by output expansions in all segments. The other electronic modules & components, computer peripherals & data storage, infocomms & consumer electronics and semiconductors segments grew 17.2 per cent, 14.7 per cent, 14.6 per cent and 1.5 per cent respectively, on the back of improved orders.

Output in the general manufacturing cluster grew by 1.7 per cent year-on-year in the second quarter. Growth was largely supported by the food, beverages & tobacco segment, which expanded by 6.4 per cent on account of higher production of beverage concentrates, milk powder and cocoa products. Meanwhile, the printing segment grew marginally by 0.8 per cent. On the other hand, output in the miscellaneous industries segment declined by 4.8 per cent due to lower production of construction-related materials.

The precision engineering cluster contracted by 2.0 per cent year-on-year in the second quarter, driven by output declines in all segments. The machinery & systems (M&S) segment contracted by 0.8 per cent, on account of a lower level of production of back-end semiconductor equipment and process control equipment. The precision modules & components segment shrank by 6.5 per cent due to a lower level of production of metal precision components, optical instruments and dies, moulds, tools, jigs and fixtures.

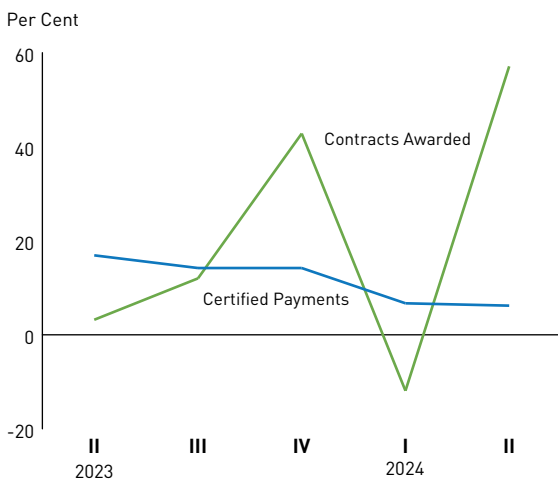
The biomedical manufacturing cluster contracted by 32.0 per cent year-on-year in the second quarter, as a contraction in the pharmaceuticals segment outweighed an expansion in the medical technology segment. The pharmaceuticals segment contracted by 57.9 per cent on account of a lower level of production of biological products and a different mix of active pharmaceutical ingredients (APIs) being produced. Conversely, output in the medical technology segment expanded by 11.7 per cent on the back of a higher level of exports for medical devices.

## CONSTRUCTION

The construction sector grew by 3.8 per cent year-on-year in the second quarter of 2024, extending the 4.1 per cent expansion in the previous quarter.

In the second quarter, nominal certified progress payments, a proxy for construction output, rose by 6.2 per cent year-on-year, extending the 6.7 per cent increase recorded in the previous quarter (Exhibit 2.3). Higher certified progress payments were seen in both the public (11.1 per cent) and private (1.4 per cent) sectors. The growth in public certified progress payments was largely driven by higher outturns in public industrial building (125 per cent) and civil engineering (6.3 per cent) works. Meanwhile, the expansion in private certified progress payments was led by growth in private industrial building (5.8 per cent) and civil engineering (9.6 per cent) building works.

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



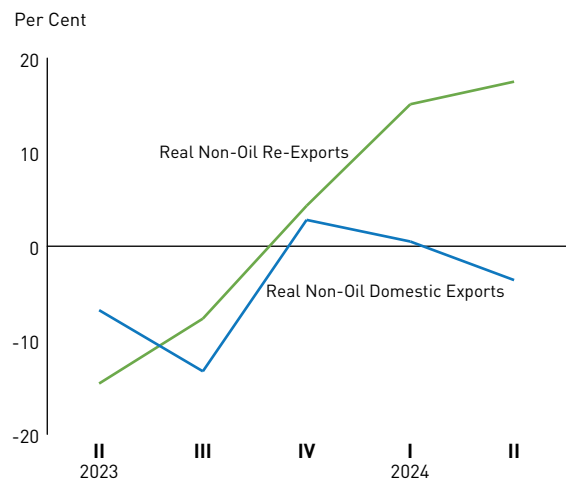
Construction demand in terms of contracts awarded rose by 57.1 per cent year-on-year in the second quarter, reversing the 11.9 per cent contraction in the previous quarter (Exhibit 2.3). The growth in contracts awarded during the quarter was on account of higher public sector construction demand (159 per cent), which outweighed a contraction in private sector construction demand (-9.0 per cent). The former was led by an increase in contracts awarded for public residential (161 per cent) and institutional & others (140 per cent) building works, while the latter was led by a decline in contracts awarded for private residential (-11.5 per cent) and commercial (-16.9 per cent) building works.

## WHOLESALE TRADE

The wholesale trade sector grew by 3.9 per cent year-on-year in the second quarter of 2024, picking up from the 2.5 per cent expansion in the previous quarter.

Growth in the sector was supported by the robust expansion in non-oil re-export (NORX) volumes during the quarter, despite a contraction in the non-oil domestic export (NODX) volumes in the same period. Specifically, NORX volumes increased by 17.5 per cent year-on-year in the second quarter, extending the 15.1 per cent growth clocked in the previous quarter (Exhibit 2.4). This was led by a strong expansion in the re-exports of machinery and equipment. On the other hand, NODX volumes decreased by 3.6 per cent in the second quarter, reversing the 0.5 per cent growth posted in the previous quarter, weighed down by the contraction in domestic exports of chemicals & chemical products, which more than offset the expansion in that of machinery & equipment and miscellaneous manufactured articles.

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

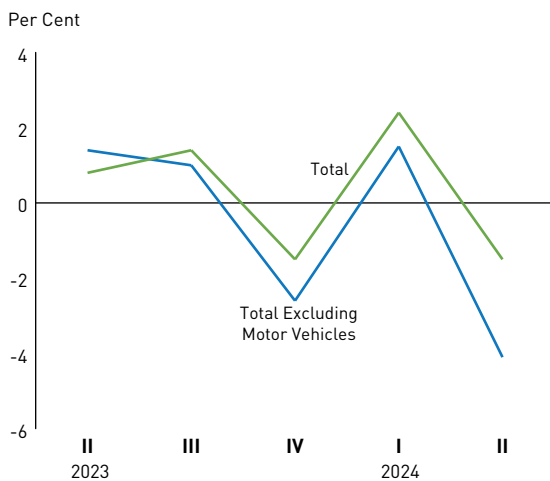


## RETAIL TRADE

The retail trade sector contracted by 2.1 per cent year-on-year in the second quarter of 2024, reversing the 2.5 per cent growth in the previous quarter.

In the second quarter, overall retail sales volume declined by 1.5 per cent year-on-year, reversing the 2.4 per cent growth in the preceding quarter (Exhibit 2.5). The decline in overall retail sales volume in the second quarter of 2024 was driven by non-motor vehicular sales (-4.1 per cent), led by watches & jewellery (-8.5 per cent) and wearing apparel & footwear (-9.6 per cent) segments, even as the food & alcohol segment grew (6.2 per cent). Meanwhile, sales volumes of motor vehicle sales (16.8 per cent) grew.

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

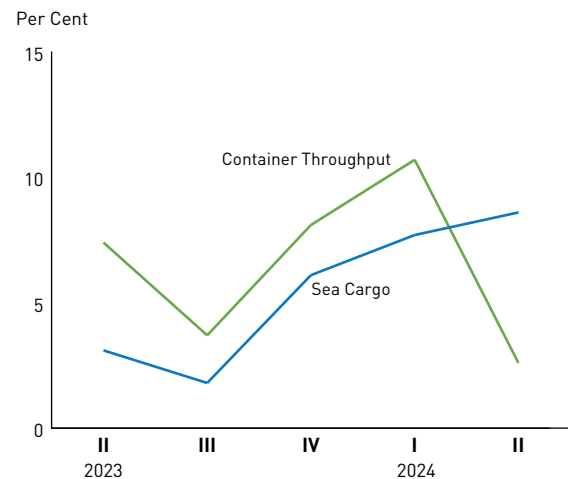


## TRANSPORTATION & STORAGE

The transportation & storage sector expanded by 5.4 per cent year-on-year in the second quarter of 2024, easing slightly from the 6.7 per cent growth posted in the previous quarter. The water transport, air transport and land transport segments expanded during the quarter.

In the water transport segment, the volume of sea cargo handled grew by 8.6 per cent year-on-year in the second quarter, picking up from the 7.7 per cent expansion in the previous quarter (Exhibit 2.6). The expansion in sea cargo volume handled was due to the increase in general cargo (6.5 per cent), bulk cargo (12.4 per cent) and oil-in-bulk cargo volumes (7.7 per cent). At the same time, container throughput grew by 2.6 per cent during the quarter.

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

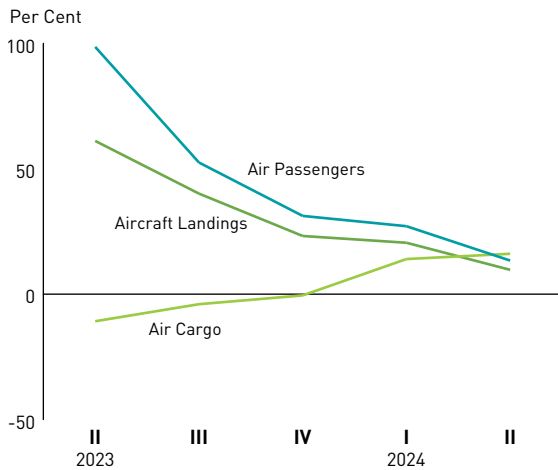


Meanwhile, the air transport segment posted strong growth in the second quarter. In particular, the volume of air passenger traffic (less transit) handled at Changi Airport rose by 13.4 per cent year-on-year in the second quarter, easing from the 27.1 per cent growth posted in the previous quarter (Exhibit 2.7). The high growth rates in both quarters were due to the relatively lower bases in the first and second quarter of 2023, when the volume of air passenger traffic remained below pre-pandemic levels.<sup>1</sup> Air passenger traffic volume was slightly below its pre-COVID level (i.e., second quarter of 2019) by 1.6 per cent in the second quarter.

<sup>1</sup> Air passenger traffic volumes in the first and second quarter of 2023 were 20.8 and 13.2 per cent below their pre-COVID levels respectively (i.e., the first and second quarter of 2019).

Reflecting the recovery in air travel, the number of aircraft landings increased by 9.7 per cent year-on-year to reach 44,621 in the second quarter of 2024, moderating from the 20.5 per cent increase in the preceding quarter. Meanwhile, total air cargo shipments handled at Changi Airport rose by 16.1 per cent in the second quarter, extending the 14.0 per cent expansion in the previous quarter.

**Exhibit 2.7: Changes in Air Transport**

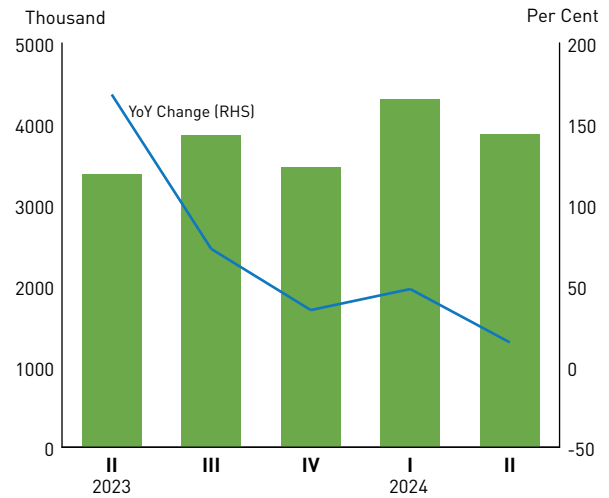


## ACCOMMODATION

The accommodation sector expanded by 4.3 per cent year-on-year in the second quarter of 2024, slowing from the 14.9 per cent growth in the preceding quarter.

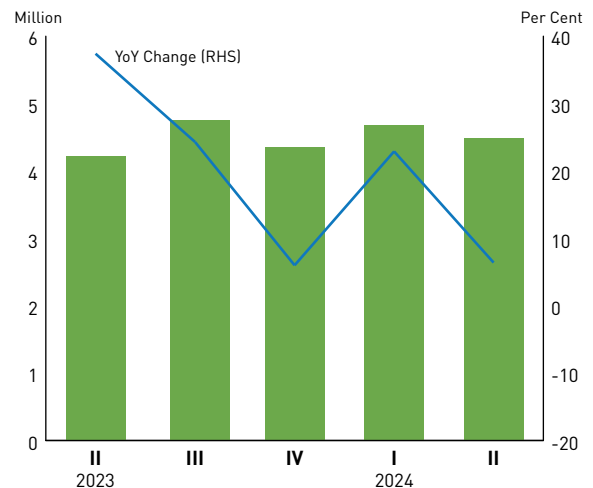
In the second quarter, total visitor arrivals grew by 14.8 per cent year-on-year, extending the 47.8 per cent growth in the previous quarter (Exhibit 2.8). In level terms, the number of visitor arrivals in the second quarter of 2024 was around 3.9 million, reaching 83.5 per cent of the 4.6 million visitor 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 grew by 6.4 per cent year-on-year in the second quarter, extending the 22.9 per cent increase in the previous quarter (Exhibit 2.9). Meanwhile, the average occupancy rate of gazetted hotels declined by 1.3 percentage-points year-on-year to 78.2 per cent in the second quarter of 2024. This was a decline over the 81.7 per cent recorded in the previous quarter.

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

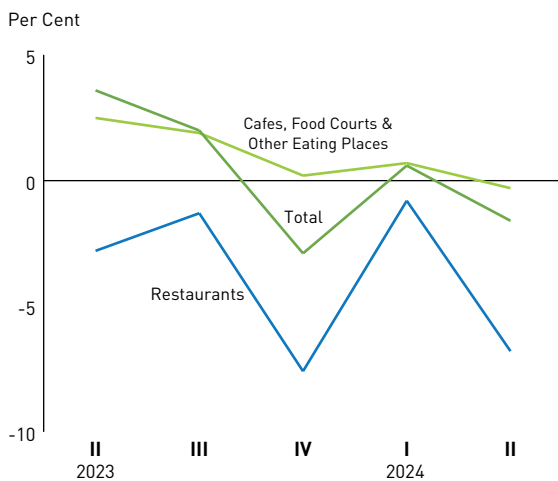


## FOOD & BEVERAGE SERVICES

The food & beverage services sector contracted by 2.3 per cent year-on-year in the second quarter of 2024, reversing the 0.9 per cent growth in the previous quarter.

Overall food & beverage sales volume declined by 1.6 per cent year-on-year in the second quarter, reversing the 0.6 per cent growth in the previous quarter (Exhibit 2.10). The decline in food & beverage sales volume was led by restaurants (-6.8 per cent) and fast food outlets (-5.2 per cent) segments. On the other hand, the sales volume of food caterers (15.8 per cent) segment grew.

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

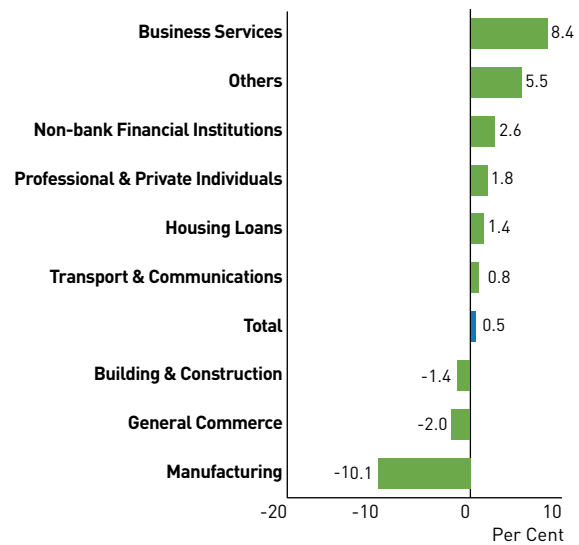


## FINANCE & INSURANCE

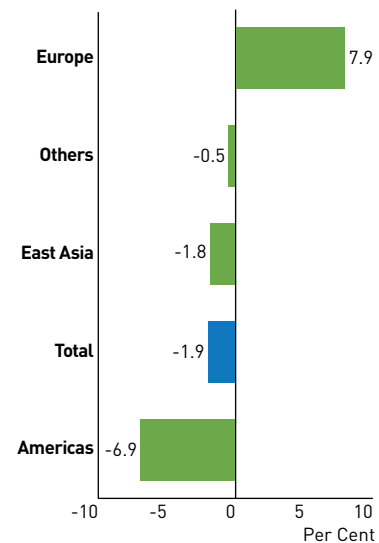
The finance & insurance sector expanded by 6.7 per cent year-on-year in the second quarter, extending the 7.1 per cent gain in the preceding quarter.

The robust second quarter outturn was underpinned by the banking and fund management segments, which saw net commissions surge by double digits during the quarter, alongside the commencement of easing in global interest rates. However, loan growth remained subdued. Loans to residents grew by 0.5 per cent, down from the 1.4 per cent growth in the first quarter, mainly due to the contraction in corporate lending, particularly to the manufacturing sector (Exhibit 2.11). Meanwhile, loans to non-residents fell by 1.9 per cent in the second, weighed down by the Americas region (Exhibit 2.12).

**Exhibit 2.11: Growth of Bank Loans & Advances to Non-Bank Residents by Industry in 2Q 2024**



**Exhibit 2.12: Growth of Bank Loans & Advances to Non-Bank Non-Residents by Region in 2Q 2024**



The insurance and other auxiliary activities segments continued to record firm growth in the second quarter, with the former benefiting from solid growth in net premiums, particularly among the general insurers. The latter, which largely comprises the payments players, gained from a pickup in transaction volumes amid the recovery in global demand.

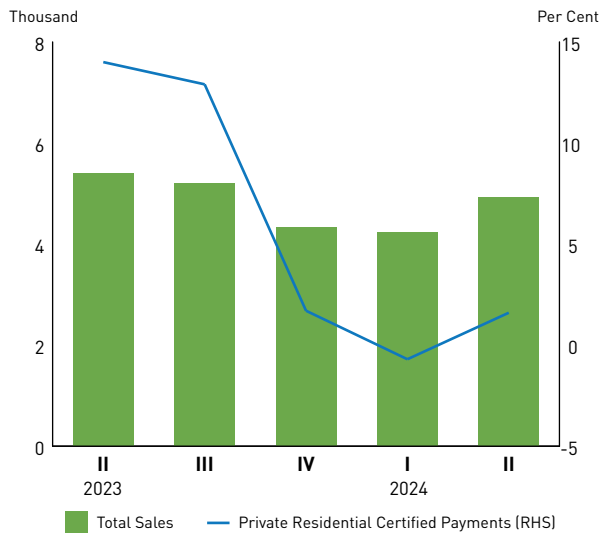


## REAL ESTATE

The real estate sector contracted by 1.3 per cent year-on-year in the second quarter of 2024, reversing the 0.4 per cent growth in the preceding quarter. The weakness of the sector was due to contractions in the private residential property segment.

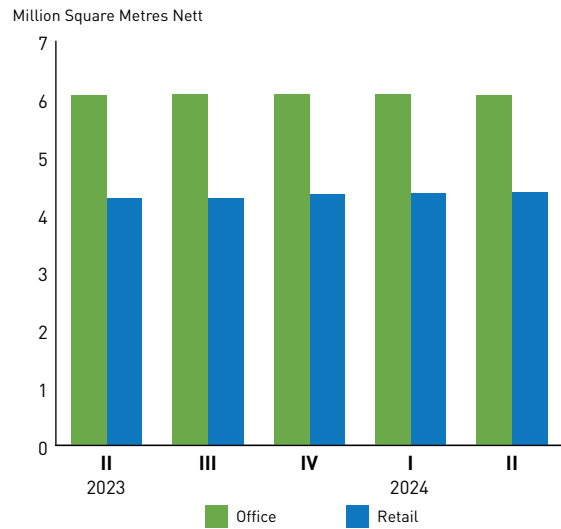
Within the sector, private residential certified payments<sup>2</sup> grew by 1.6 per cent year-on-year in the second quarter, reversing the 0.7 per cent contraction in the previous quarter. By contrast, total private residential property sales fell by 8.8 per cent in the second quarter, reversing from the 2.6 per cent increase in the previous quarter. (Exhibit 2.13).

**Exhibit 2.13: Total Sales for Private Residential Units and Private Residential Certified Payments**



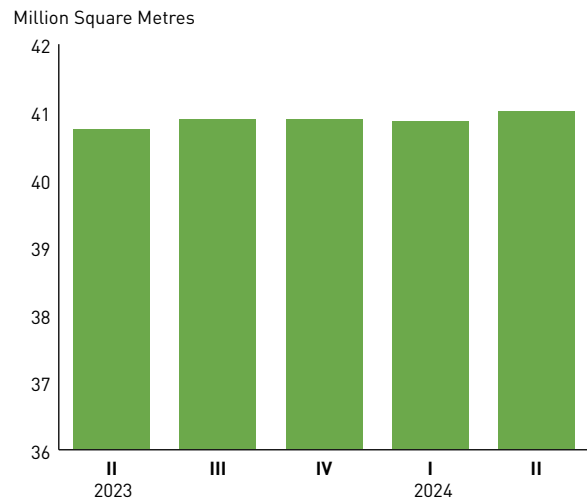
In the private commercial retail space market, demand, as measured by total occupied space, rose by 2.4 per cent on a year-on-year basis in the second quarter of 2024, continuing the 2.1 per cent expansion in the previous quarter. Similarly, demand for private commercial office space rose by 0.2 per cent in the second quarter, extending the 1.0 per cent increase in the preceding quarter (Exhibit 2.14).

**Exhibit 2.14: Total Occupied Space for Private Sector Commercial Office and Retail Spaces**



Similarly, demand for private industrial space rose by 0.6 per cent on a year-on-year basis in the second quarter, following the 0.8 per cent increase in the preceding quarter (Exhibit 2.15).

**Exhibit 2.15: Total Occupied Space for Private Sector Industrial Space**



<sup>2</sup> Private residential certified payments is a proxy for the growth of the private residential property segment.

## PROFESSIONAL SERVICES

In the second quarter of 2024, the professional services sector grew by 2.7 per cent year-on-year, quicker than the 1.8 per cent expansion in the previous quarter. Growth was led by expansions in the head offices & business representative offices, accounting and other professional, scientific & technical services segments.<sup>3</sup>

<sup>3</sup> The professional services sector is made up of the following segments: (i) legal, (ii) accounting, (iii) head offices & business representative offices, (iv) business & management consultancy, (v) architectural & engineering, technical testing & analysis, and (vi) other professional, scientific & technical services.