

Singapore's GDP Grew by 6.5 Per Cent in the Third Quarter of 2021

14 October 2021. Based on advance estimates¹, the Singapore economy grew by 6.5 per cent on a year-on-year basis in the third quarter of 2021, moderating from the 15.2 per cent growth in the previous quarter². On a quarter-on-quarter seasonally-adjusted basis, the Singapore economy expanded by 0.8 per cent in the third quarter of 2021, a reversal from the 1.4 per cent contraction in the preceding quarter.

Gross Domestic Product in Chained (2015) Dollars

	3Q20	4Q20	2020	1Q21	2Q21	3Q21*
Percentage change over corresponding period of previous year						
Overall GDP	-5.8	-2.4	-5.4	1.5	15.2	6.5
Goods Producing Industries	1.1	3.9	0.3	5.8	22.9	10.8
Manufacturing	11.0	10.3	7.3	11.2	18.0	7.5
Construction	-52.5	-27.4	-35.9	-23.2	117.5	57.9
Services Producing Industries	-8.3	-4.7	-6.9	-0.4	10.8	5.5
Wholesale & Retail Trade and Transportation & Storage	-11.7	-6.4	-9.5	-1.8	8.5	5.0
Information & Communications, Finance & Insurance and Professional Services	0.1	1.4	0.9	3.5	10.1	7.7
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	-14.0	-9.9	-12.8	-3.6	14.5	3.1

¹ The advance GDP estimates for the third quarter of 2021 are computed largely from data in the first two months of the quarter (i.e., July and August 2021). They are intended as an early indication of GDP growth in the quarter and are subject to revision when more comprehensive data become available.

² The strong growth recorded in the second quarter of 2021 was largely due to the low base in the corresponding quarter of 2020 when GDP fell by 13.3 per cent due to the Circuit Breaker measures implemented from 7 April to 1 June 2020, as well as the sharp fall in external demand amidst the COVID-19 pandemic.

	3Q20	4Q20	2020	1Q21	2Q21	3Q21*
Quarter-on-quarter growth rate, seasonally-adjusted						
Overall GDP	9.0	3.8	-5.4	3.3	-1.4	0.8
Goods Producing Industries	11.9	1.8	0.3	9.8	-1.9	1.0
Manufacturing	9.7	-1.4	7.3	11.3	-2.1	0.0
Construction	37.5	55.6	-35.9	4.3	-2.4	-0.4
Services Producing Industries	5.5	4.1	-6.9	1.1	-0.3	0.5
Wholesale & Retail Trade and Transportation & Storage	2.0	4.1	-9.5	3.3	-1.0	-1.3
Information & Communications, Finance & Insurance and Professional Services	3.4	5.1	0.9	-1.0	2.3	1.2
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	12.0	5.7	-12.8	-1.1	-2.2	0.8

*Advance estimates

Sectoral Performance

The manufacturing sector grew by 7.5 per cent on a year-on-year basis in the third quarter of 2021, extending the 18.0 per cent growth in the previous quarter. Growth during the quarter was supported by output expansions in all clusters, except for the chemicals cluster. In particular, the electronics and precision engineering clusters continued to post strong growth, driven by sustained global demand for semiconductors and semiconductor equipment. On a quarter-on-quarter seasonally-adjusted basis, the value-added of the manufacturing sector remained unchanged in the third quarter, an improvement from the 2.1 per cent decline recorded in the second quarter.

The construction sector expanded by 57.9 per cent on a year-on-year basis in the third quarter of 2021, following the 117.5 per cent growth in the preceding quarter. Growth was largely due to low base effects given the slow resumption of construction activities after the Circuit Breaker (CB) period last year. In absolute terms, the value-added of the sector remained 25.1 per cent below its pre-COVID (i.e., third quarter of 2019) level, with activity at construction

worksites weighed down by labour shortages due to border restrictions on the entry of migrant workers. On a quarter-on-quarter seasonally-adjusted basis, the sector shrank by 0.4 per cent in the third quarter of 2021, moderating from the 2.4 per cent contraction in the previous quarter.

Among the services sectors, the wholesale & retail trade and transportation & storage sectors grew by 5.0 per cent year-on-year in the third quarter of 2021, extending the 8.5 per cent growth in the previous quarter. All sectors within the group expanded during the quarter. In particular, the wholesale trade sector grew on the back of a pickup in external demand. By contrast, growth in the transportation & storage sector was partly due to low base effects, as strict border restrictions had weighed heavily on the air transport segment in the third quarter of last year. On the whole, the value-added of this group of sectors (i.e., wholesale & retail trade and transportation & storage) in the third quarter of 2021 remained 7.3 per cent below its pre-pandemic (i.e., third quarter of 2019) level. On a quarter-on-quarter seasonally-adjusted basis, the sectors contracted by 1.3 per cent in the third quarter of 2021, worsening slightly from the 1.0 per cent contraction recorded in the preceding quarter.

Meanwhile, the information & communications, finance & insurance and professional services sectors collectively expanded by 7.7 per cent on a year-on-year basis in the third quarter of 2021, extending the 10.1 per cent growth in the preceding quarter. All sectors within the group recorded expansions. The growth of the professional services sector, which includes activities such as architectural & engineering, technical testing & analysis, was partly due to the low base last year caused by the slow resumption of construction activities following the CB period. On a quarter-on-quarter seasonally-adjusted basis, the sectors in the group posted growth of 1.2 per cent in the third quarter of 2021, extending the 2.3 per cent expansion recorded in the previous quarter.

The remaining group of services sectors (i.e., accommodation & food services, real estate, administrative & support services and other services sectors) grew by 3.1 per cent year-on-year in the third quarter of 2021, moderating from the 14.5 per cent expansion registered in the previous quarter. Within the group, the real estate and other services sectors expanded, while the accommodation & food services and administrative & support services sectors contracted. The weak performance of the accommodation & food services and administrative & support services³ sectors was primarily due to ongoing travel restrictions, as well as tighter domestic restrictions (e.g., group size limits on dining-in) during the quarter to slow the community spread of the virus. On the whole, the value-added of the sectors in the group (i.e., accommodation & food services, real estate, administrative & support services and other services sectors) remained

³ The administrative & support services sector includes activities such as the rental and leasing of air transport equipment, as well as the activities of travel agencies, tour operators and MICE organisers.

11.3 per cent below its level in the third quarter of 2019. On a quarter-on-quarter seasonally-adjusted basis, these sectors grew by 0.8 per cent in the third quarter of 2021, a turnaround from the 2.2 per cent contraction in the preceding quarter.

MTI will release the preliminary GDP estimates for the third quarter of 2021, including performance by sectors, sources of growth, inflation, employment and productivity, in its *Economic Survey of Singapore* in November 2021.

MINISTRY OF TRADE AND INDUSTRY
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