

Singapore's GDP Expanded by 0.7 Per Cent in the Third Quarter of 2023

13 October 2023. Based on advance estimates¹, the Singapore economy grew by 0.7 per cent on a year-on-year basis in the third quarter of 2023, extending the 0.5 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 1.0 per cent, faster than the 0.1 per cent growth in the preceding quarter.

Gross Domestic Product in Chained (2015) Dollars

	3Q22	4Q22	2022	1Q23	2Q23	3Q23*
Percentage change over corresponding period of previous year						
Overall GDP	4.0	2.1	3.6	0.4	0.5	0.7
Goods Producing Industries	1.8	-1.1	2.9	-3.6	-5.7	-3.5
Manufacturing	1.1	-2.6	2.5	-5.3	-7.7	-5.0
Construction	8.1	10.0	6.7	7.9	7.7	6.0
Services Producing Industries	5.5	4.0	4.8	1.9	2.8	1.9
Wholesale & Retail Trade and Transportation & Storage	5.1	2.4	3.6	-0.7	2.2	0.6
Information & Communications, Finance & Insurance and Professional Services	3.6	2.5	4.3	1.6	1.2	1.5
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	9.5	9.0	7.4	6.8	6.1	4.7

¹ Advance GDP estimates for the third quarter of 2023 are computed largely from data in the first two months of the quarter (i.e., July and August 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.

	3Q22	4Q22	2022	1Q23	2Q23	3Q23*
Quarter-on-quarter growth rate, seasonally adjusted						
Overall GDP	0.8	0.1	3.6	-0.4	0.1	1.0
Goods Producing Industries	-2.1	1.1	2.9	-3.6	-1.1	0.6
Manufacturing	-2.9	1.0	2.5	-4.5	-1.5	0.2
Construction	2.1	1.4	6.7	1.2	2.7	0.6
Services Producing Industries	1.6	-0.2	4.8	0.4	1.0	0.7
Wholesale & Retail Trade and Transportation & Storage	1.5	-1.6	3.6	-0.6	3.0	-0.1
Information & Communications, Finance & Insurance and Professional Services	0.4	1.1	4.3	-1.3	1.1	0.7
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	2.9	1.1	7.4	1.6	0.4	1.4

*Advance estimates

Sectoral Performance

The manufacturing sector contracted by 5.0 per cent year-on-year in the third quarter of 2023, following the 7.7 per cent contraction in the previous quarter. The weak performance of the sector was due to output declines across all the manufacturing clusters, except for the transport engineering cluster. On a quarter-on-quarter seasonally-adjusted basis, the sector expanded by 0.2 per cent, a turnaround from the 1.5 per cent contraction in the second quarter.

The construction sector grew by 6.0 per cent year-on-year in the third quarter, extending the 7.7 per cent growth in the preceding quarter. Growth was supported by expansions in both public and private sector construction output. On a quarter-on-quarter seasonally-adjusted basis, the sector posted growth of 0.6 per cent, moderating from the 2.7 per cent growth in the second quarter.

Among the services sectors, the wholesale & retail trade and transportation & storage sectors collectively expanded by 0.6 per cent year-on-year in the third quarter, slower than the 2.2 per cent growth in the previous quarter. All sectors

within the group recorded expansions. Growth in the wholesale trade sector was mainly driven by the fuels & chemicals segment, while growth in the transportation & storage sector was supported by the air transport segment. On a quarter-on-quarter seasonally-adjusted basis, the wholesale & retail trade and transportation & storage sectors as a whole shrank by 0.1 per cent in the third quarter, a reversal from the 3.0 per cent expansion in the preceding quarter.

The group of sectors comprising the information & communications, finance & insurance and professional services sectors expanded by 1.5 per cent year-on-year in the third quarter, following the 1.2 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 primarily supported by the IT & information services segment, while growth in the professional services sector was mainly driven by the architectural & engineering, technical testing & analysis and other professional, scientific & technical services segments. Meanwhile, the finance & insurance sector contracted, largely due to the weak performance of the banking and insurance segments. On a quarter-on-quarter seasonally-adjusted basis, the sectors in this group collectively expanded by 0.7 per cent in the third quarter, moderating from the 1.1 per cent growth in the second quarter.

The remaining group of services sectors (i.e., accommodation & food services, real estate, administrative & support services and other services sectors) grew by 4.7 per cent year-on-year in the third quarter, slower than the 6.1 per cent growth in the previous quarter. All sectors within the group expanded during the quarter. In particular, the accommodation sector saw robust growth on the back of the continued recovery in international visitor arrivals. On a quarter-on-quarter seasonally-adjusted basis, the sectors within the group collectively expanded by 1.4 per cent in the third quarter, accelerating from the 0.4 per cent growth in the preceding quarter.

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

MINISTRY OF TRADE AND INDUSTRY
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