

Singapore's GDP Grew by 5.9 Per Cent in the Fourth Quarter of 2021 and by 7.2 Per Cent in 2021

3 January 2022. Based on advance estimates¹, the Singapore economy grew by 5.9 per cent on a year-on-year basis in the fourth quarter of 2021, moderating from the 7.1 per cent growth in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 2.6 per cent in the fourth quarter, faster than the 1.2 per cent growth in the preceding quarter. For the whole of 2021, the economy grew by 7.2 per cent, rebounding from the 5.4 per cent contraction in 2020.

Gross Domestic Product in Chained (2015) Dollars

	4Q20	2020	1Q21	2Q21	3Q21	4Q21*	2021*
Percentage change over corresponding period of previous year							
Overall GDP	-2.4	-5.4	1.6	15.3	7.1	5.9	7.2
Goods Producing Industries	3.9	0.3	6.0	23.1	11.7	12.2	12.9
Manufacturing	10.3	7.3	11.5	18.2	7.9	14.0	12.8
Construction	-27.4	-35.9	-23.2	117.5	66.3	2.0	18.7
Services Producing Industries	-4.7	-6.9	-0.4	10.9	6.2	4.6	5.2
Wholesale & Retail Trade and Transportation & Storage	-6.4	-9.5	-1.6	8.8	6.1	4.3	4.3
Information & Communications, Finance & Insurance and Professional Services	1.4	0.9	3.3	10.1	8.0	6.0	6.8
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	-9.9	-12.8	-3.6	14.5	3.8	3.1	4.0

¹ The advance GDP estimates for the fourth quarter of 2021 are computed largely from data in the first two months of the quarter (i.e., October and November 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.

	4Q20	2020	1Q21	2Q21	3Q21	4Q21*	2021*
Quarter-on-quarter growth rate, seasonally-adjusted							
Overall GDP	3.8	-5.4	3.4	-1.3	1.2	2.6	7.2
Goods Producing Industries	1.8	0.3	10.1	-1.9	1.8	2.2	12.9
Manufacturing	-1.4	7.3	11.6	-2.2	0.2	4.2	12.8
Construction	55.6	-35.9	4.3	-2.5	4.9	-4.4	18.7
Services Producing Industries	4.1	-6.9	1.1	-0.2	1.1	2.5	5.2
Wholesale & Retail Trade and Transportation & Storage	4.1	-9.5	3.5	-0.9	-0.6	2.3	4.3
Information & Communications, Finance & Insurance and Professional Services	5.1	0.9	-1.1	2.4	1.5	3.1	6.8
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	5.7	-12.8	-1.1	-2.2	1.5	4.9	4.0

*Advance estimates

Sectoral Performance

The manufacturing sector expanded by 14.0 per cent on a year-on-year basis in the fourth quarter of 2021, faster than the 7.9 per cent growth in the third quarter. Growth during the quarter was supported by output expansions in all clusters. In particular, the electronics and precision engineering clusters continued to record strong output growth, driven by sustained global demand for semiconductors and semiconductor equipment respectively. On a quarter-on-quarter seasonally-adjusted basis, the manufacturing sector expanded by 4.2 per cent, an improvement from the 0.2 per cent growth in the third quarter.

The construction sector grew by 2.0 per cent on a year-on-year basis in the fourth quarter of 2021, slower than the 66.3 per cent growth in the preceding quarter.² In absolute terms, the value-added of the sector remained 26.0 per cent below its pre-COVID (i.e., fourth quarter of 2019) level, as activity at construction worksites continued to be weighed down by labour shortages due

² The strong growth of the sector in the third quarter of 2021 was mainly due to low base effects given the slow resumption of construction activities after the Circuit Breaker last year.

to border restrictions on the entry of migrant workers. On a quarter-on-quarter seasonally-adjusted basis, the sector contracted by 4.4 per cent in the fourth quarter, a reversal from the 4.9 per cent growth in the previous quarter.

Among the services sectors, the wholesale & retail trade and transportation & storage sectors grew by 4.3 per cent year-on-year in the fourth quarter of 2021, extending the 6.1 per cent growth in the third quarter. All sectors within the group expanded during the quarter. In particular, the wholesale trade sector posted steady growth in tandem with the robust performance of Singapore's merchandise exports. By contrast, growth in the transportation & storage sector was partly due to low base effects, as travel restrictions had weighed heavily on the air transport segment in the fourth 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 fourth quarter of 2021 remained 2.3 per cent below its pre-pandemic (i.e., fourth quarter of 2019) level. On a quarter-on-quarter seasonally-adjusted basis, the sectors grew by 2.3 per cent in the fourth quarter, a turnaround from the 0.6 per cent contraction in the preceding quarter.

The information & communications, finance & insurance and professional services sectors collectively expanded by 6.0 per cent on a year-on-year basis in the fourth quarter of 2021, moderating from the 8.0 per cent growth in the previous quarter. All sectors within the group recorded expansions. In particular, the information & communications sector continued to benefit from strong demand for IT and digital solutions as well as robust games & software publishing activities, while the finance & insurance sector was bolstered in part by fund management activities. On a quarter-on-quarter seasonally-adjusted basis, the sectors in the group posted growth of 3.1 per cent in the fourth quarter, faster than the 1.5 per cent expansion registered in the preceding 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 fourth quarter of 2021, extending the 3.8 per cent growth in the previous quarter. Within the group, all the sectors expanded except for the accommodation & food services sector. The weak performance of the accommodation & food services sector was primarily due to ongoing travel restrictions, as well as tighter domestic restrictions (e.g., group size limits for dining-in) during the quarter as compared to the same period in 2020. 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 7.1 per cent below its level in the fourth quarter of 2019. On a quarter-on-quarter seasonally-adjusted basis, these sectors expanded by 4.9 per cent in the fourth quarter of 2021, improving from the 1.5 per cent growth in the preceding quarter.

MTI will release the preliminary GDP estimates for the fourth quarter and whole of 2021, including performance by sectors, sources of growth, inflation, employment and productivity, in its *Economic Survey of Singapore* in February 2022.

MINISTRY OF TRADE AND INDUSTRY
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