

Singapore's GDP Grew by 0.2 Per Cent in the First Quarter of 2021

14 April 2021. Based on advance estimates¹, the Singapore economy grew by 0.2 per cent on a year-on-year basis in the first quarter of 2021, a turnaround from the 2.4 per cent contraction recorded in the previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 2.0 per cent, extending the 3.8 per cent expansion in the preceding quarter.

Gross Domestic Product in Chained (2015) Dollars

	1Q20	2Q20	3Q20	4Q20	2020	1Q21*
Percentage change over corresponding period of previous year						
Overall GDP	0.0	-13.3	-5.8	-2.4	-5.4	0.2
Goods Producing Industries	6.7	-10.0	1.1	3.9	0.3	3.3
Manufacturing	8.3	-0.4	11.0	10.3	7.3	7.5
Construction	-0.3	-65.6	-52.5	-27.4	-35.9	-20.2
Services Producing Industries	-1.9	-12.7	-8.3	-4.7	-6.9	-1.2
Wholesale & Retail Trade and Transportation & Storage	-5.2	-14.7	-11.7	-6.4	-9.5	-4.1
Information & Communications, Finance & Insurance and Professional Services	4.7	-2.4	0.1	1.4	0.9	3.7
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	-5.3	-22.2	-14.0	-9.9	-12.8	-3.9

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

	1Q20	2Q20	3Q20	4Q20	2020	1Q21*
Quarter-on-quarter growth rate, seasonally-adjusted						
Overall GDP	-0.6	-13.1	9.0	3.8	-5.4	2.0
Goods Producing Industries	7.9	-15.4	11.9	1.8	0.3	7.2
Manufacturing	10.5	-7.6	9.7	-1.4	7.3	7.6
Construction	-1.5	-65.6	37.5	55.6	-35.9	8.4
Services Producing Industries	-3.2	-10.4	5.5	4.1	-6.9	0.4
Wholesale & Retail Trade and Transportation & Storage	-1.6	-10.4	2.0	4.1	-9.5	0.9
Information & Communications, Finance & Insurance and Professional Services	-2.9	-3.8	3.4	5.1	0.9	-0.7
Accommodation & Food Services, Real Estate, Administrative & Support Services and Other Services	-7.6	-17.7	12.0	5.7	-12.8	-1.4

*Advance estimates

Sectoral Performance

The manufacturing sector grew by 7.5 per cent on a year-on-year basis in the first quarter, following the 10.3 per cent expansion registered in the previous quarter. Growth of the sector was supported by output expansions in the electronics, precision engineering, chemicals and biomedical manufacturing clusters, which outweighed output declines in the transport engineering and general manufacturing clusters. On a quarter-on-quarter seasonally-adjusted basis, the manufacturing sector expanded by 7.6 per cent, a reversal from the 1.4 per cent contraction recorded in the fourth quarter of 2020.

The construction sector shrank by 20.2 per cent on a year-on-year basis in the first quarter, improving from the 27.4 per cent contraction in the preceding quarter. The improved performance came on the back of a pickup in public and private sector construction activities in the first quarter as compared to the

previous quarter. On a quarter-on-quarter seasonally-adjusted basis, the construction sector grew by 8.4 per cent, extending the 55.6 per cent growth in the preceding quarter.

Among the services sectors, the wholesale & retail trade and transportation & storage sectors shrank by 4.1 per cent in the first quarter, moderating from the 6.4 per cent contraction in the previous quarter. The contraction recorded for this group of sectors was due to continued weakness in the transportation & storage sector, which was in turn primarily caused by the impact of the ongoing COVID-19 pandemic on the air transport, water transport and land transport segments. By contrast, the wholesale trade and retail trade sectors expanded. On a quarter-on-quarter seasonally-adjusted basis, this group of sectors posted growth of 0.9 per cent, slower than the 4.1 per cent registered in the fourth quarter of last year.

Meanwhile, the information & communications, finance & insurance and professional services sectors collectively grew by 3.7 per cent in the first quarter, faster than the 1.4 per cent expansion in the preceding quarter. Growth was supported by healthy expansions in the information & communications and finance & insurance sectors, even as the professional services sector contracted. The latter was due in part to weak economic activity in the region, as well as sluggish domestic construction activity, which had weighed on the architectural & engineering segment of the sector. On a quarter-on-quarter seasonally-adjusted basis, the sectors in the group contracted by 0.7 per cent, a reversal from the 5.1 per cent growth seen in the previous quarter.

The remaining group of services sectors (i.e., accommodation & food services, real estate, administrative & support services and other services industries) shrank by 3.9 per cent, an improvement from the 9.9 per cent contraction in the previous quarter. All sectors within the group, except for accommodation, contracted as activities in these sectors continued to be weighed down by constraints arising from the implementation of safe management measures. The accommodation sector expanded from a low base and was supported by domestic demand as tourism demand stayed weak. Nonetheless, the level of activity in the sector remained significantly below pre-pandemic levels. On a quarter-on-quarter seasonally-adjusted basis, the sectors in the group contracted by 1.4 per cent, a pullback from the 5.7 per cent growth recorded in the preceding quarter.

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

MINISTRY OF TRADE AND INDUSTRY
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