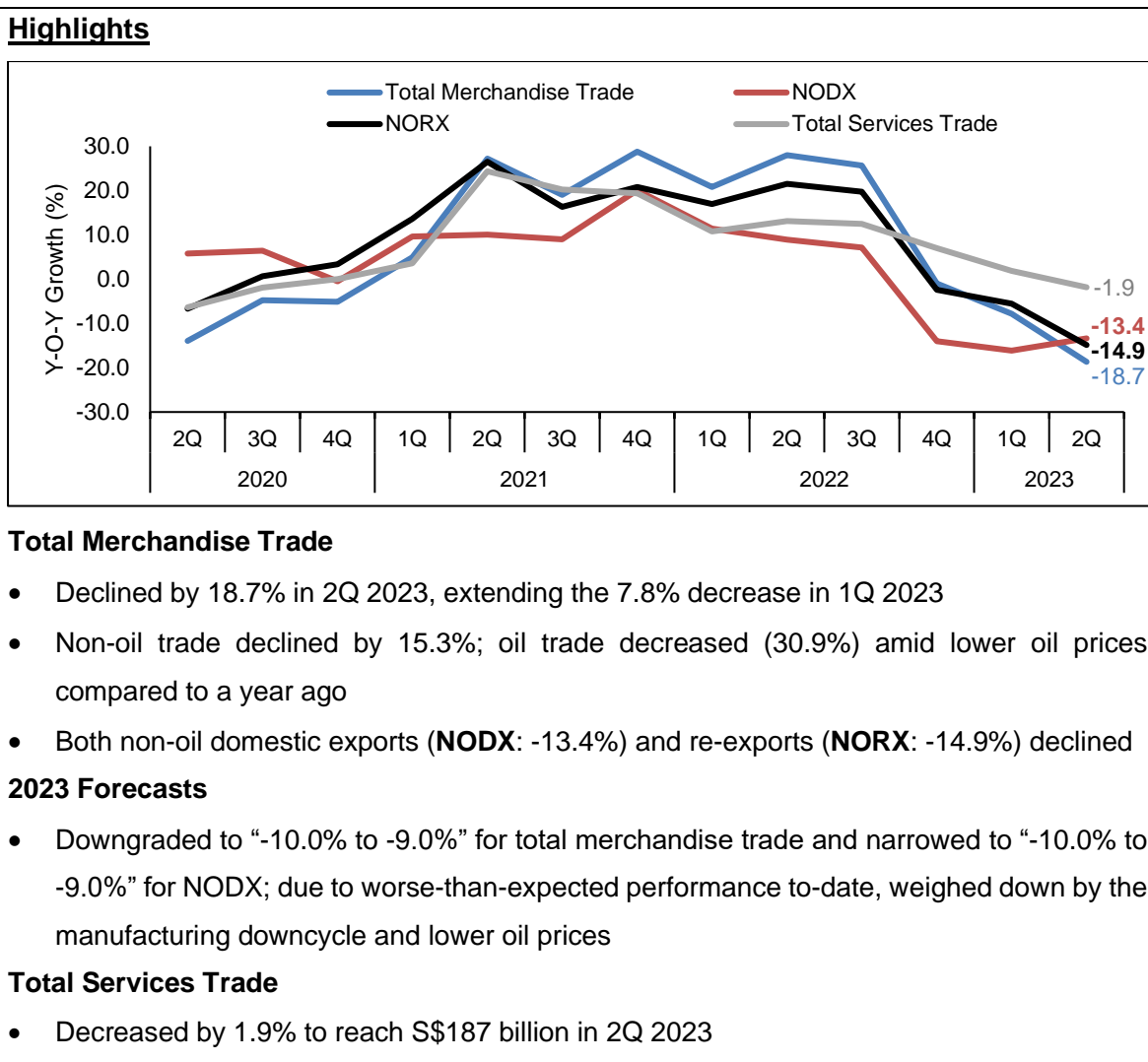


Review of 2Q 2023 Trade Performance^{1,2}

IMPORTANT: Unless otherwise stated, use of any information in this news release must be attributed to Enterprise Singapore (EnterpriseSG).

MR No : 037/23
Singapore, Friday, 11 August 2023



¹ All top products/economies which are stated to have contributed towards the changes in trade figures are ranked by absolute change in level and not change in percentage.

² In tandem with the use of a new set of tariff codes for the classification of all goods traded within and outside ASEAN, data has been updated to ASEAN Harmonised Tariff Nomenclature (AHTN) 2017 version.

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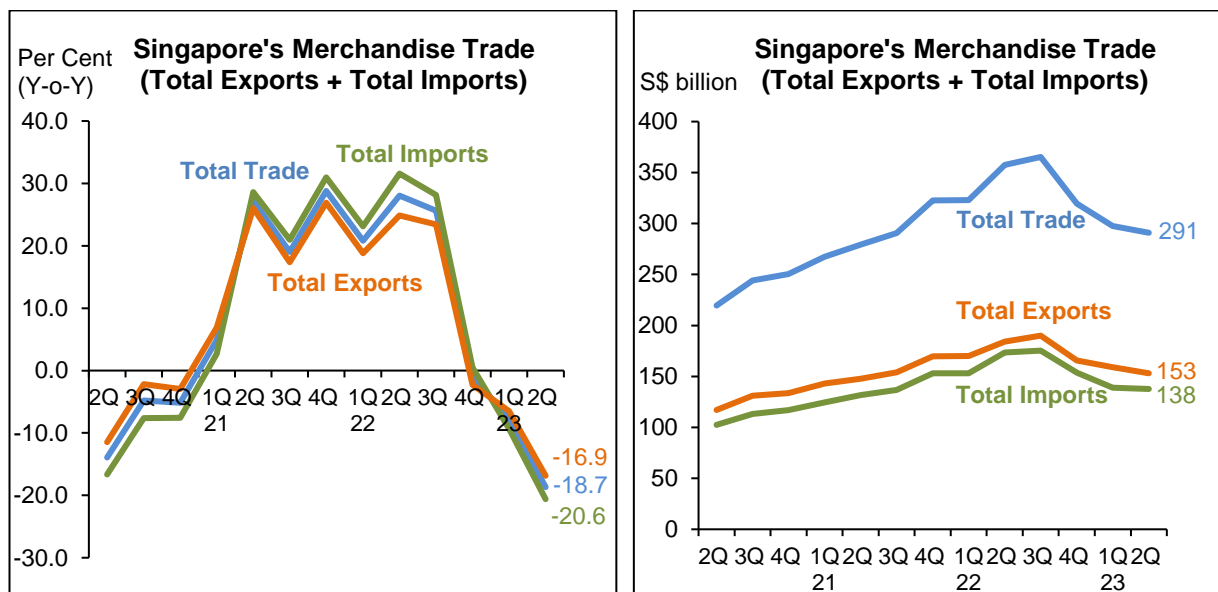
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Performance by Key Trade Components

Total Merchandise Trade

Total merchandise trade decreased by 18.7% in 2Q 2023; non-oil trade declined for the third quarter, while oil trade decreased after preceding quarters of growth

- On a year-on-year (y-o-y) basis, Singapore's total merchandise trade declined by 18.7% in 2Q 2023³, extending the 7.8% decrease in 1Q 2023.
 - Oil trade contracted by 30.9% in 2Q 2023, after a flat performance (0.0%) in 1Q 2023⁴.
 - Non-oil trade declined by 15.3% in 2Q 2023, extending the previous quarter's 9.6% decrease⁵.



- On a quarter-on-quarter (q-o-q) seasonally adjusted (SA) basis, total merchandise trade decreased by 3.6% in 2Q 2023, after the previous quarter's decline of 4.6%. Oil and non-oil trade declined by 8.1% and 2.5% respectively in 2Q 2023. Details on the performance of major merchandise trade components and key trading markets can be found in Annexes A, B and C.

Non-oil Exports (NOX)

- Non-oil exports (NOX), which include both NODX and NORX, declined y-o-y by 14.3% in 2Q 2023, after the preceding quarter's 9.4% decline. On a q-o-q SA basis, NOX decreased by 3.6% in 2Q 2023, following the 0.8% decline in the previous quarter.

³ In real terms, total merchandise trade declined by 10.7% y-o-y, while NODX declined by 6.7%, due to both electronics (-17.4%) and non-electronics (-3.5%).

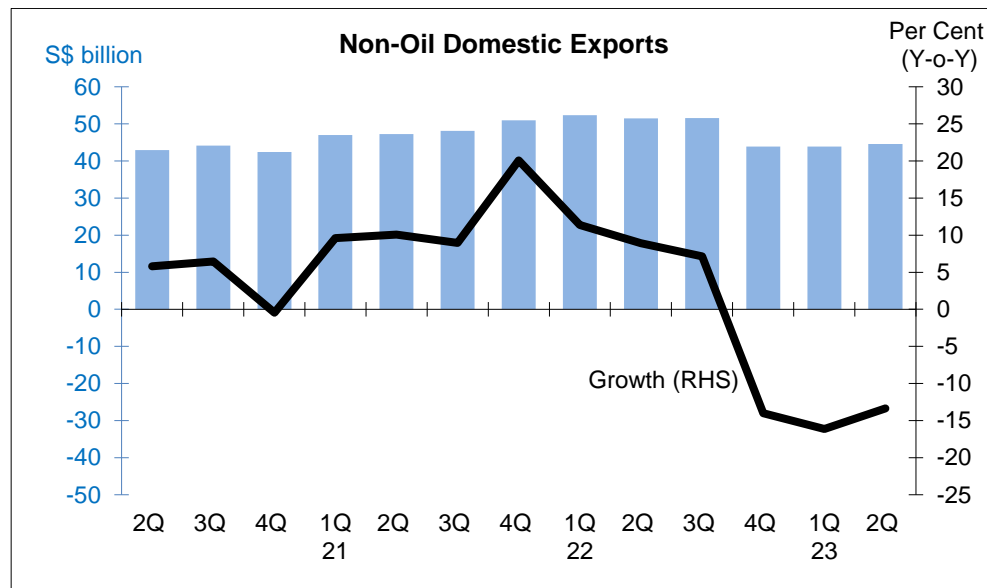
⁴ Oil trade formed 19% of total merchandise trade in 2Q23. Oil prices averaged US\$78/barrel in 2Q23, lower than the US\$114/barrel in 2Q22. Source: Energy Information Administration (EIA).

⁵ Non-oil trade formed 81% of total merchandise trade in 2Q23, of which electronics trade accounted for 39%.

Non-oil Domestic Exports (NODX)

NODX declined in 2Q 2023 due to both electronics and non-electronics

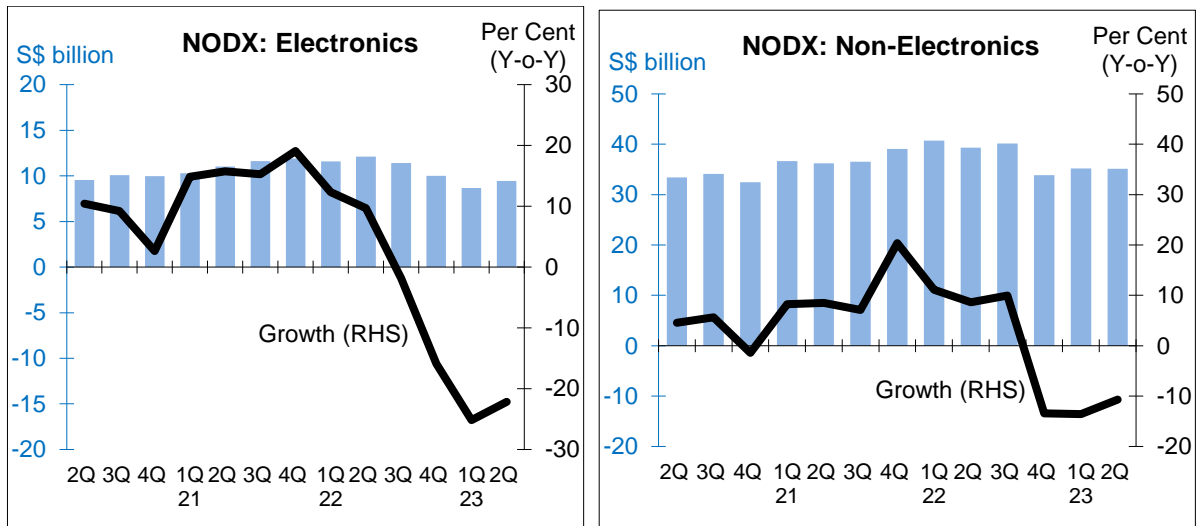
4. On a y-o-y basis, NODX declined by 13.4% in 2Q 2023, following the 16.1% contraction in the previous quarter. Non-electronics decreased y-o-y for the third quarter straight in 2Q 2023, while electronics declined for the fourth consecutive quarter.



5. **Electronic products.** On a y-o-y basis, domestic exports of electronic products⁶ contracted by 22.1% in 2Q 2023, following the 25.2% decline in the previous quarter. ICs, PCs and parts of PCs contracted by 31.4%, 38.2% and 45.9% respectively, contributing the most to the decline in electronic NODX (see Annex E).
6. **Non-electronic products.** Domestic exports of non-electronic products⁷ declined by 10.7% in 2Q 2023, following the 13.6% contraction in the previous quarter. The largest contributors to the decline in non-electronic NODX were petrochemicals (-30.1%), primary chemicals (-54.1%) and specialised machinery (-10.7%).

⁶ Comprising 21% of NODX in 2Q 2023.

⁷ Comprising 79% of NODX in 2Q 2023.



NODX to the top markets as a whole declined in 2Q 2023, mainly due to declines to Malaysia, Taiwan and Indonesia

7. **Top Markets.** NODX to the top markets, except the US and the EU 27, declined in 2Q 2023. The biggest contributors to the NODX decline were Malaysia (-30.6%), Taiwan (-21.2%) and Indonesia (-28.7%). Details on the performance of key NODX markets can be found in Annex D.

NODX increased over the quarter; both electronics and non-electronics rose

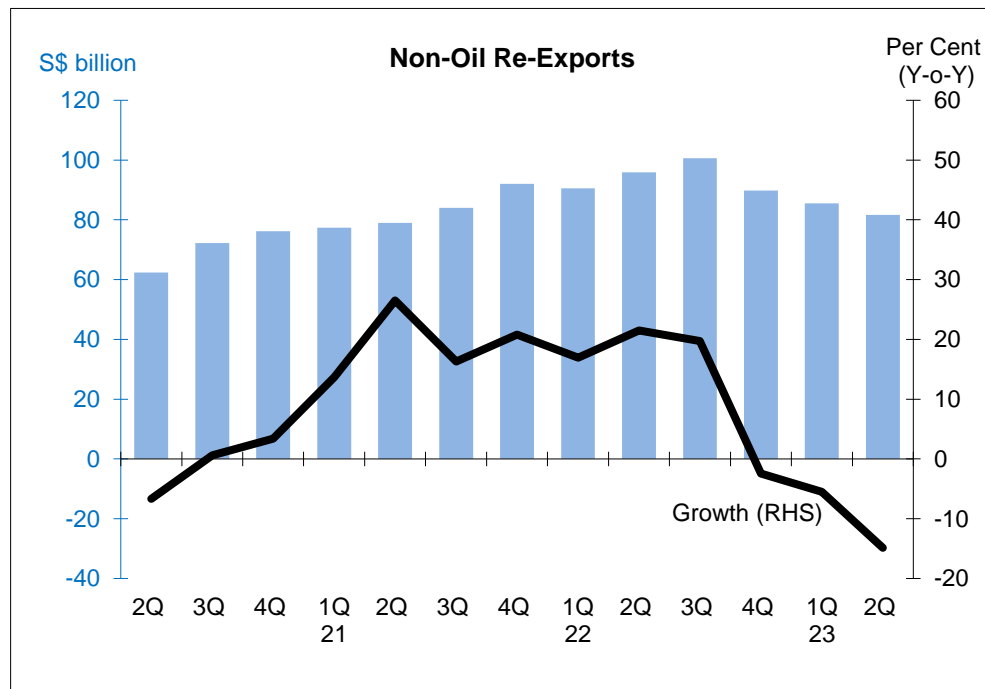
8. On a q-o-q SA basis, NODX increased by 2.3% in 2Q 2023, after the 3.2% decrease in the previous quarter. In 2Q 2023, on a q-o-q SA basis:
- Electronic NODX grew by 2.7%, after the previous quarter's 8.1% decline.
 - Non-electronic NODX rose by 2.2%, after the 1.8% decrease in 1Q 2023.

Non-oil Re-exports (NORX)

NORX contracted in 2Q 2023; both electronics and non-electronics declined

9. On a y-o-y basis, NORX declined by 14.9% in 2Q 2023, extending the 5.5% decrease in the previous quarter. The decline in NORX can be attributed to the lower shipments of both electronics and non-electronic re-exports.
10. **Electronic products.** Electronic NORX contracted by 21.4% in 2Q 2023, extending the 16.2% decline in 1Q 2023. The contraction in electronic NORX was due to lower re-exports of ICs (-27.0%), diodes & transistors (-8.8%) and parts of PCs (-14.0%).
11. **Non-electronic products.** Non-electronic NORX decreased by 7.1% in 2Q 2023, after the 8.1% growth in 1Q 2023. The decline in non-electronic NORX was due to lower re-exports

of non-monetary gold (-35.7%), electrical machinery (-32.0%) and specialised machinery (-18.7%).



NORX to the top markets as a whole declined in 2Q 2023

12. **Top Markets.** NORX to the top markets as a whole declined in 2Q 2023. The biggest contributors to the NORX decrease were Hong Kong (-31.0%), Malaysia (-22.1%) and the EU 27 (-18.2%). Details on the performance of key NORX markets can be found in Annex F.

NORX decreased over the quarter in 2Q 2023; both electronics and non-electronics declined

13. On a q-o-q SA basis, NORX declined by 6.6% in 2Q 2023, after the 0.4% increase in 1Q 2023. In 2Q 2023, on a q-o-q SA basis:
- Electronic re-exports declined by 5.9% in 2Q 2023, following the 3.0% decrease in 1Q 2023.
 - Non-electronic re-exports decreased by 7.2% in 2Q 2023, after the 4.0% growth in 1Q 2023.

Oil Domestic Exports

Oil domestic exports contracted in nominal terms in 2Q 2023

14. On a y-o-y basis, oil domestic exports contracted by 28.1% in 2Q 2023, after the 8.5% growth in the previous quarter.

- In volume terms, oil domestic exports grew by 8.9% in 2Q 2023, following the 21.3% expansion in the previous quarter.
- On a q-o-q SA basis, oil domestic exports declined by 7.7% in 2Q 2023, following the 10.2% contraction in the previous quarter.

Oil Re-exports

Oil re-exports expanded in 2Q 2023

15. On a y-o-y basis, oil re-exports rose by 34.0% in 2Q 2023, extending the 16.1% growth in 1Q 2023.
 - In volume terms, oil re-exports expanded by 102.0% in 2Q 2023, after the 45.4% rise in 1Q 2023.
 - On a q-o-q SA basis, oil re-exports declined by 12.0% in 2Q 2023 (1Q 2023: +15.7%).

Outlook for Merchandise Trade and NODX in 2023

Weaker-than-expected performance to-date; dampened external outlook amid manufacturing downturn and lower oil prices to weigh on trade in 2023

16. On a y-o-y basis, total merchandise trade and NODX continued to decline in 2Q 2023. NODX fell by double-digit percentage y-o-y for the third quarter straight; electronics, in particular declined y-o-y for the fourth consecutive quarter amid the downturn in the global electronics sector. Oil trade fell by 30.9% in 2Q 2023 due to lower prices y-o-y, accounting for one-third of total trade's decline, in contrast to oil trade's flat growth (0.0%) in 1Q 2023.
17. The external demand outlook for the rest of 2023 remains weak. The International Monetary Fund's (IMF) projected global economic growth to slow to +3.0% in 2023 from +3.5% in 2022. Most of Singapore's key trade partners, including the US, Eurozone and ASEAN-5, are expected to grow at a slower pace in 2023, except China and Japan. On the trade front, the IMF expected slower global trade growth in 2023 (+2.0%) than in 2022 (+5.2%), reflecting slowing global demand and shifts in composition towards domestic services.⁸
18. Domestically, manufacturing companies remained cautious due to ongoing global economic uncertainties even as business sentiments in the sector are slightly positive for 2H 2023.⁹ The downturn in global electronics sector is expected to impact electronics exports, while the outlook for petrochemicals sector remains sluggish due to planned plant maintenance

⁸ Based on IMF's latest release in July 2023. Similarly, the WTO had projected in April 2023 that global merchandise trade volume growth would remain subdued in 2023 (+1.7%), compared to 2022 (+2.7%).

⁹ Based on EDB's Business Expectations of the Manufacturing Sector for July 2023 – December 2023, released in July 2023.

shutdown, and weak demand would weigh on NODX. Lower expected oil prices in 2023¹⁰ could also weigh on our oil trade in nominal terms, and in turn total trade.

19. Taking the above into consideration, the 2023 growth projection for total merchandise trade is downgraded to “-10.0% to -9.0%”, while the 2023 growth projection for NODX is narrowed to “-10.0% to -9.0%”.

TOTAL SERVICES TRADE¹¹

Total services trade declined in 2Q 2023

20. On a y-o-y basis, Singapore’s total services trade declined by 1.9% in 2Q 2023, after the 1.9% increase in the previous quarter. Services exports and imports decreased by 2.5% and 1.1% in 2Q 2023 respectively (see Annex H).

Services Exports

Exports of services decreased in 2Q 2023

21. Services exports decreased by 2.5% in 2Q 2023, after the 0.2% growth last quarter. The decline in services exports¹² was mainly due to lower receipts from transport services (-24.5%) and telecommunications, computer & information services (-1.0%).

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¹⁰ The U.S. Energy Information Administration projected oil prices to average US\$83/barrel in 2023, down around 20% from 2022 (US\$101/barrel).

¹¹ The latest annual and quarterly estimates on services trade are compiled based on the best available data at the time of first release and subject to revisions.

¹² For further information and detailed descriptions of all various major services categories, please refer to the latest publication on Singapore’s International Trade in Services, available on the Statistics Singapore website (<http://www.singstat.gov.sg>).

Statlink

Online reports listing 5-year data (values & volumes) on Singapore's trade in terms of countries and commodities

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