

MEDIA RELEASE

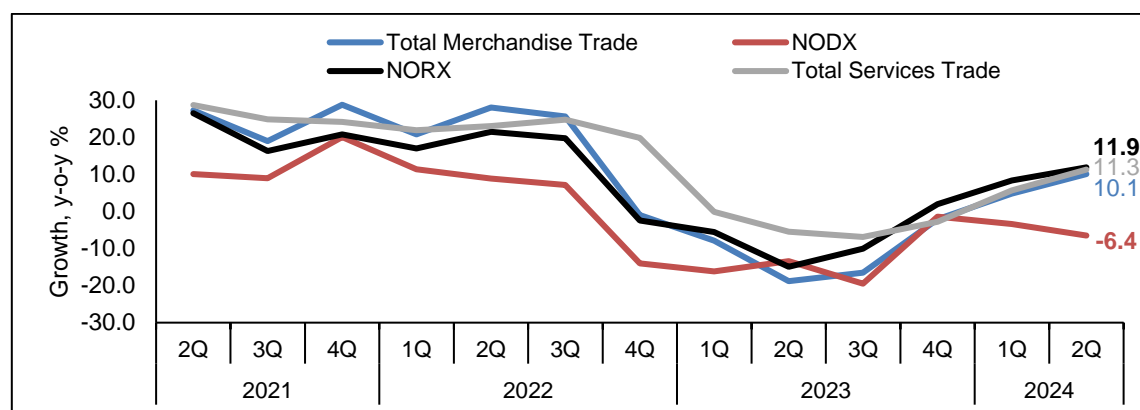
Review of 2Q 2024 Trade Performance^{1,2}

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Singapore, Tuesday, 13 August 2024

Highlights



Total Merchandise Trade

- Expanded by 10.1% in 2Q 2024, following the 4.8% growth in 1Q 2024.
- Non-oil trade grew by 8.5%; oil trade rose by 16.9% amid higher oil prices than a year ago.
- Non-oil domestic exports (**NODX**: -6.4%) declined while re-exports (**NORX**: +11.9%) grew.

2024 Forecasts

- Narrowed to “+5.0% to +6.0%” for total merchandise trade and “+4.0% to +5.0%” for NODX. Key downside risks remain for the NODX forecast, including a weaker-than-expected recovery in 2H 2024.
- Notwithstanding, support for NODX is expected from the electronics recovery in 2H 2024. Outlook for total trade remains cautiously optimistic with support from high oil prices.

Total Services Trade

- Grew by 11.3% to reach S\$227 billion in 2Q 2024, following the 5.7% increase in 1Q 2024.

Performance by Key Trade Components

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) 2022 version.

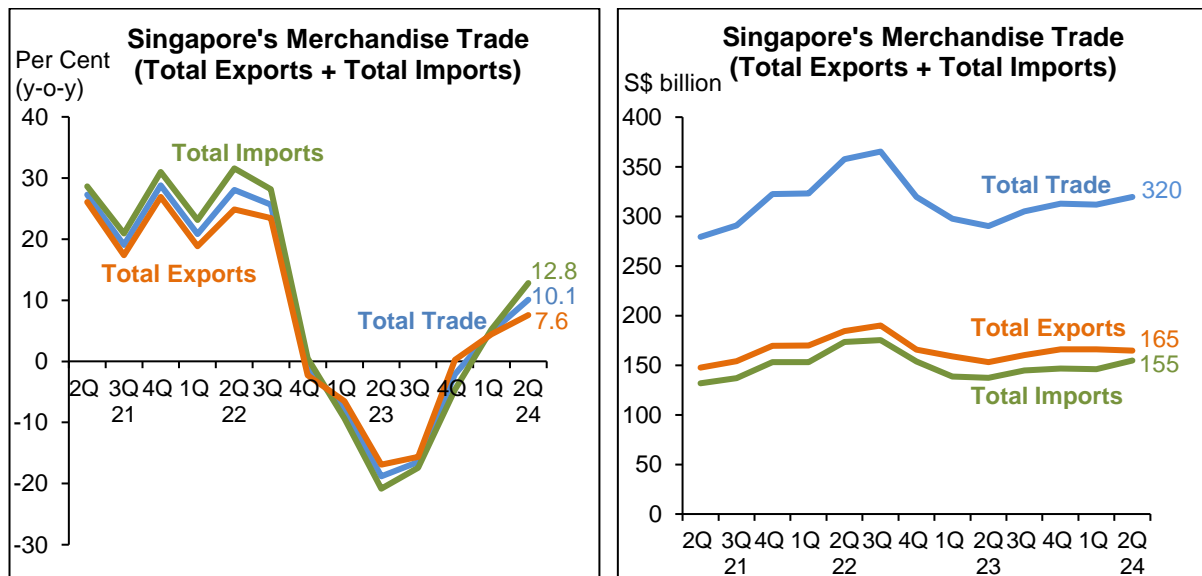
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Embargoed until 13 August 2024, 8.00 a.m.**Total Merchandise Trade**

Total merchandise trade expanded by 10.1% in 2Q 2024; both oil and non-oil trade grew for the second consecutive quarter

- On a year-on-year (y-o-y) basis, Singapore's total merchandise trade expanded by 10.1% in 2Q 2024, following the 4.8% growth in 1Q 2024
 - Oil trade expanded by 16.9% in 2Q 2024, extending the 3.4% growth in 1Q 2024³.
 - Non-oil trade grew by 8.5% in 2Q 2024, following the previous quarter's 5.2% rise⁴.



- On a quarter-on-quarter (q-o-q) seasonally adjusted (SA) basis, total merchandise trade rose by 1.9% in 2Q 2024, following the previous quarter's 1.6% growth. Oil and non-oil trade grew by 3.7% and 1.5% respectively in 2Q 2024. 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, rose y-o-y by 5.4% in 2Q 2024, following the preceding quarter's 4.4% growth. On a q-o-q SA basis, NOX declined by 0.8% in 2Q 2024, after the 2.0% rise in the previous quarter.

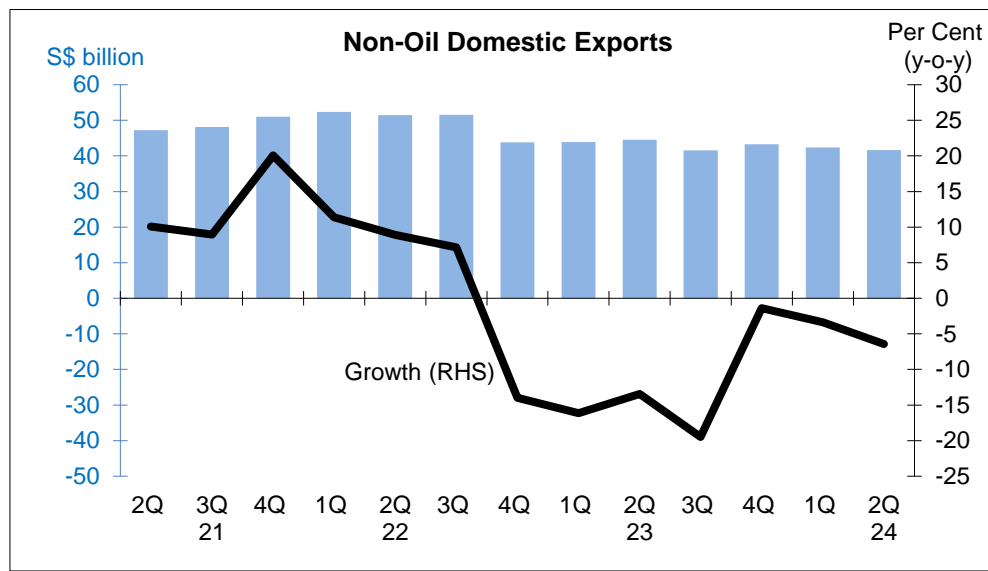
Non-oil Domestic Exports (NODX)

³ Oil trade formed 20% of total merchandise trade in 2Q 2024. Oil prices averaged US\$85/barrel in 2Q 2024, higher than the US\$78/barrel in 2Q 2023. Source: Energy Information Administration (EIA).

⁴ Non-oil trade formed 80% of total merchandise trade in 2Q 2024, of which electronics trade accounted for 43%.

Embargoed until 13 August 2024, 8.00 a.m.***NODX declined in 2Q 2024 from a high base, largely driven by non-electronics – primarily, volatile pharmaceuticals; electronics grew for the first time in eight quarters***

4. On a y-o-y basis, NODX declined by 6.4% in 2Q 2024, following the 3.4% decrease in the previous quarter. Non-electronics declined y-o-y for the second quarter straight in 2Q 2024, while electronics grew for the first time in eight quarters⁵.

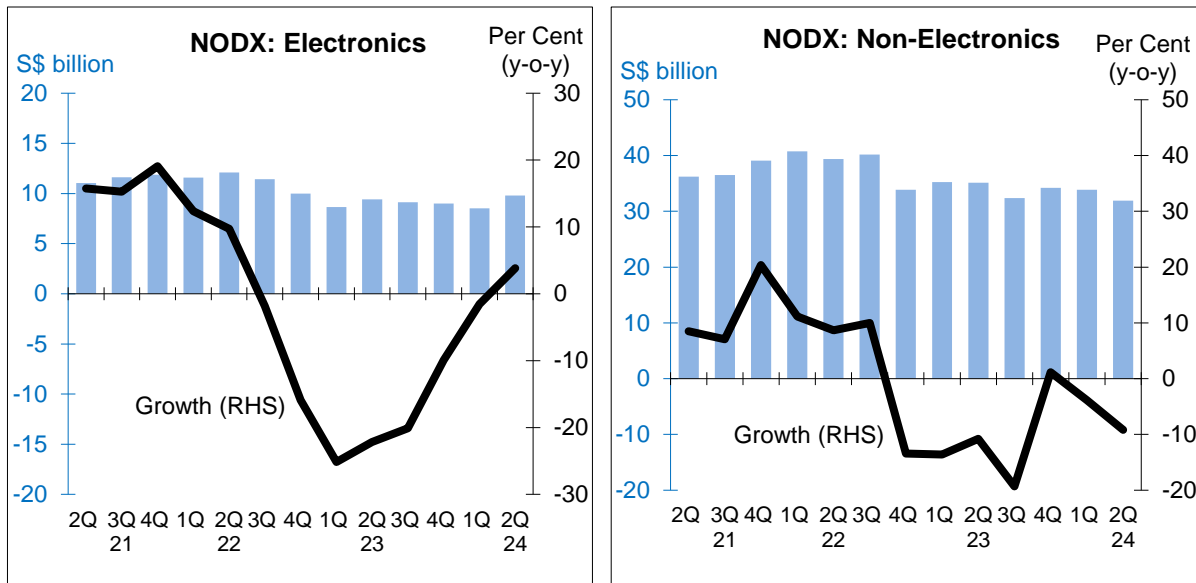


5. **Electronic products.** On a y-o-y basis, domestic exports of electronic products grew by 3.8% in 2Q 2024, after the 1.6% decline in the previous quarter. PCs, ICs and other computer peripherals grew by 58.4%, 7.6% and 668.0% respectively⁶, contributing the most to the growth in electronic NODX (see Annex E).
6. **Non-electronic products.** Domestic exports of non-electronic products declined by 9.2% in 2Q 2024, following the 3.8% decrease in the previous quarter. The largest contributors to the decline in non-electronic NODX were pharmaceuticals (-50.5%), non-monetary gold (-36.7%) and food preparations (-7.6%)⁷.

⁵ Since 3Q 2022.

⁶ The growth in electronic NODX was driven by PCs (+S\$0.4 billion), ICs (+S\$0.3 billion) and other computer peripherals (+S\$0.2 billion). ICs which formed about half of electronic NODX, grew by S\$0.3 billion – the second growth y-o-y after six quarters of decline. Similarly, PCs, the third largest component of electronics (10.2% of electronic NODX in 2Q 2024), grew y-o-y for the second quarter straight. Meanwhile, other computer peripherals grew from a low base a year ago.

⁷ The decline in non-electronic NODX was driven primarily by pharmaceuticals (-S\$2.8 billion), trailed by non-monetary gold (-S\$1.1 billion) and food preparations (-S\$0.2 billion). All fell from a high base a year ago.

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NODX to the top markets as a whole declined in 2Q 2024, mainly due to declines to the US, the EU 27 and Taiwan

7. **Top Markets.** NODX to the top markets declined in 2Q 2024. The biggest contributors to the NODX decline were the US (-20.9%), the EU 27 (-28.3%) and Taiwan (-12.8%). Details on the performance of key NODX markets can be found in Annex D.

NODX decreased sequentially over the quarter; non-electronics declined while electronics grew

8. On a q-o-q SA basis, NODX decreased by 1.3% in 2Q 2024, following the 4.8% decline in the previous quarter. In 2Q 2024, on a q-o-q SA basis:
- Electronic NODX rose by 9.5%, after the previous quarter's 1.8% decline.
 - Non-electronic NODX decreased by 4.2%, following the 5.5% decline in 1Q 2024.

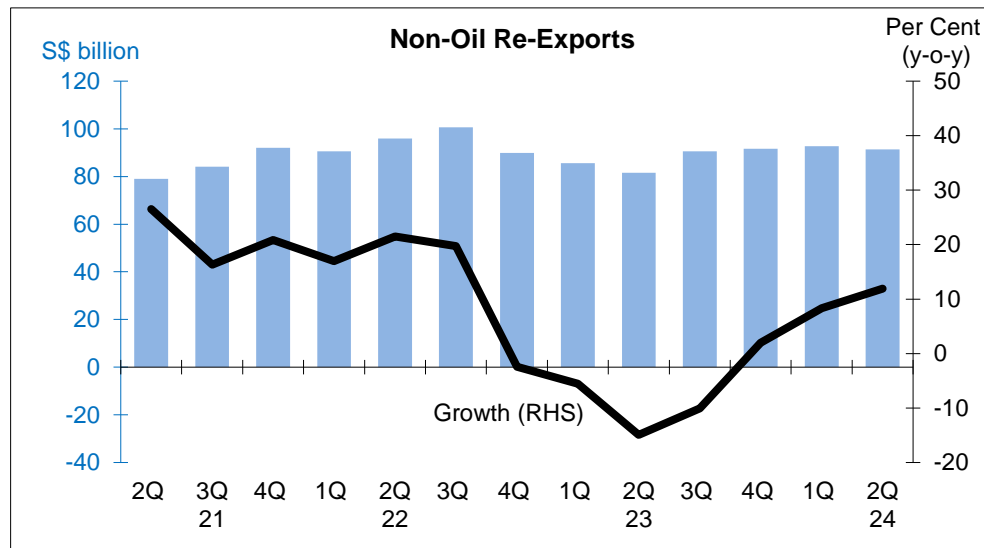
Non-oil Re-exports (NORX)

NORX grew in 2Q 2024; both electronics and non-electronics increased

9. On a y-o-y basis, NORX expanded by 11.9% in 2Q 2024, extending the 8.4% rise in the previous quarter. The growth in NORX can be attributed to higher shipments of both electronic and non-electronic re-exports.
10. **Electronic products.** Electronic NORX expanded by 20.7% in 2Q 2024, following the 16.2% growth in 1Q 2024. The rise in electronic NORX was due to higher re-exports of ICs (+19.5%), PCs (+147.4%) and parts of PCs (+74.2%).

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11. **Non-electronic products.** Non-electronic NORX grew by 3.1% in 2Q 2024, extending the 0.6% increase in 1Q 2024. The growth in non-electronic NORX was due to higher re-exports of non-electric engines & motors (+19.2%), non-monetary gold (+47.5%) and specialised machinery (+16.4%).

***NORX to the top markets as a whole grew in 2Q 2024***

12. **Top Markets.** NORX to the top markets as a whole grew in 2Q 2024. The biggest contributors to the NORX increase were Hong Kong (+17.7%), Thailand (+56.5%) and China (+16.7%). Details on the performance of key NORX markets can be found in Annex F.

NORX decreased sequentially over the quarter in 2Q 2024; non-electronics declined while electronics increased

13. On a q-o-q SA basis, NORX decreased by 0.6% in 2Q 2024, after the 5.3% growth in the previous quarter. In 2Q 2024, on a q-o-q SA basis:
- Electronic re-exports increased by 0.5%, following the 8.9% rise in 1Q 2024.
 - Non-electronic re-exports declined by 1.9%, after the 1.5% growth in 1Q 2024.

Oil Domestic Exports***Oil domestic exports grew in 2Q 2024***

14. On a y-o-y basis, oil domestic exports expanded by 19.0% in 2Q 2024, extending the 6.0% growth in the previous quarter.
- In volume terms, oil domestic exports grew by 6.8% in 2Q 2024, following the 7.0% rise in the previous quarter.

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- On a q-o-q SA basis, oil domestic exports rose by 3.6% in 2Q 2024, after the 2.6% decline in the previous quarter.

Oil Re-exports***Oil re-exports declined in 2Q 2024***

15. On a y-o-y basis, oil re-exports declined by 15.5% in 2Q 2024, easing from the 25.6% contraction in 1Q 2024.
 - In volume terms, oil re-exports contracted by 23.1% in 2Q 2024, following the 22.0% decline in 1Q 2024.
 - On a q-o-q SA basis, oil re-exports decreased by 1.2% in 2Q 2024, after the 1.9% growth in the previous quarter.

Outlook for Total Merchandise Trade and NODX in 2024

Total merchandise trade is expected to be supported by high oil prices; NODX performance in 1H 2024 was weaker than expected due largely to pharmaceuticals – notwithstanding this, support is expected from the electronics recovery in 2H 2024

16. In 2Q 2024, total merchandise trade grew by 10.1% y-o-y, driven by an increase in both oil trade and non-oil trade. Higher projected oil prices in 2024⁸ are expected to support oil trade and in turn total trade in nominal terms.
17. In terms of global outlook, the International Monetary Fund (IMF) has projected that global economic activity will grow by 3.2% in 2024. Most of Singapore's key trade partners, including China, the US, the EU 27 and ASEAN-5 are projected to grow in 2024. Similarly, on the trade front, the IMF projected a higher growth in global trade volume in 2024 (+3.1%), compared to 2023 (+0.8%)⁹. Meanwhile, the World Trade Organisation (WTO) expected global merchandise trade to grow by 2.6% in 2024, reversing the 1.2% decline in 2023¹⁰.
18. Meanwhile, NODX declined by 6.4% y-o-y in 2Q 2024 from a high base a year ago, following the 3.4% y-o-y decrease in the previous quarter. The fall in NODX in 2Q 2024 was driven by non-electronic NODX (-9.2% y-o-y) – primarily due to pharmaceuticals exports. By contrast, electronic NODX returned to growth, expanding by 3.8% y-o-y in 2Q 2024 after declining by 1.6% in 1Q 2024.

⁸ The U.S. Energy Information Administration projected oil prices to average US\$84/bbl in 2024, higher than the US\$82/bbl in 2023, based on the latest Aug 2024 release.

⁹ Based on the latest IMF WEO release in Jul 2024.

¹⁰ Based on WTO's latest release in Apr 2024.

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19. For 2H 2024, support for NODX is expected to come largely from the electronics recovery, driven by demand in AI servers and consumer devices. Notably, the forecast for global chips sales for 2024 has been revised upwards to 19.2%, from May's forecast of 17.4%¹¹. In addition, a net weighted balance of 36% and 56% of firms in the electronics and pharmaceuticals clusters respectively forecast new export orders for the upcoming quarter¹².
20. Taking the above into consideration, the 2024 growth forecasts are narrowed to "+5.0% to +6.0%" for total merchandise trade and to "+4.0% to +5.0%" for NODX, from the earlier forecasts of "+4.0% to +6.0%" for both. Key downside risks remain for the NODX forecast, including a weaker-than-expected recovery in 2H 2024, which could potentially lead NODX growth for the year to come in below the forecast range.

TOTAL SERVICES TRADE¹³***Total services trade grew in 2Q 2024***

21. On a y-o-y basis, Singapore's total services trade grew by 11.3% in 2Q 2024, after the increase of 5.7% in the previous quarter. Services exports and imports rose by 13.5% and 8.9% in 2Q 2024 respectively (see Annex H).

Services Exports***Exports of services rose in 2Q 2024***

22. Services exports rose by 13.5% in 2Q 2024, after the 6.3% increase in the previous quarter. The growth in services exports¹⁴ was mainly due to higher receipts from transport services (+27.8%), other business services (+4.3%) and financial services (+8.7%).

¹¹ Based on Gartner's Jul 2024 release.

¹² Based on EDB's Business Expectations of the Manufacturing Sector released on 31 Jul 2024.

¹³ 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.

¹⁴ 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>).

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