

MEDIA RELEASE

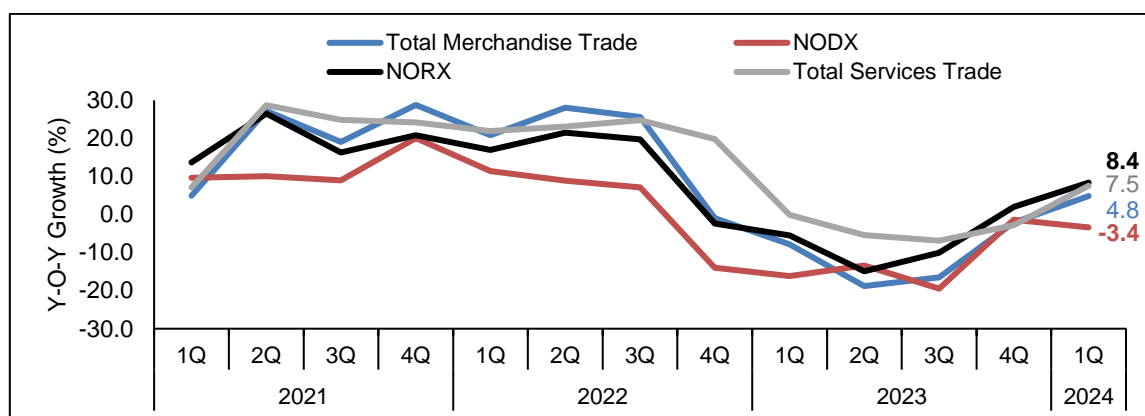
Embargoed until 23 May 2024, 8.00 a.m.

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

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Singapore, Thursday, 23 May 2024

Highlights



Total Merchandise Trade

- Increased by 4.8% in 1Q 2024, reversing the 2.1% decline in 4Q 2023.
- Non-oil trade grew by 5.2%; oil trade rose by 3.4% amid higher oil prices than a year ago.
- Non-oil domestic exports (**NODX**: -3.4%) declined while re-exports (**NORX**: +8.4%) grew.

2024 Forecasts

- Maintained at “+4.0% to +6.0%” for both total merchandise trade and NODX, with downside risks for the NODX forecast due to the weaker-than-expected 1Q 2024 performance.
- Notwithstanding, support for NODX expected from the electronics recovery in 2H 2024. Outlook for total trade remained cautiously optimistic following higher expected oil prices.

Total Services Trade

- Increased by 7.5% to reach S\$224 billion in 1Q 2024, after the 2.8% decline in 4Q 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) 2022 version.

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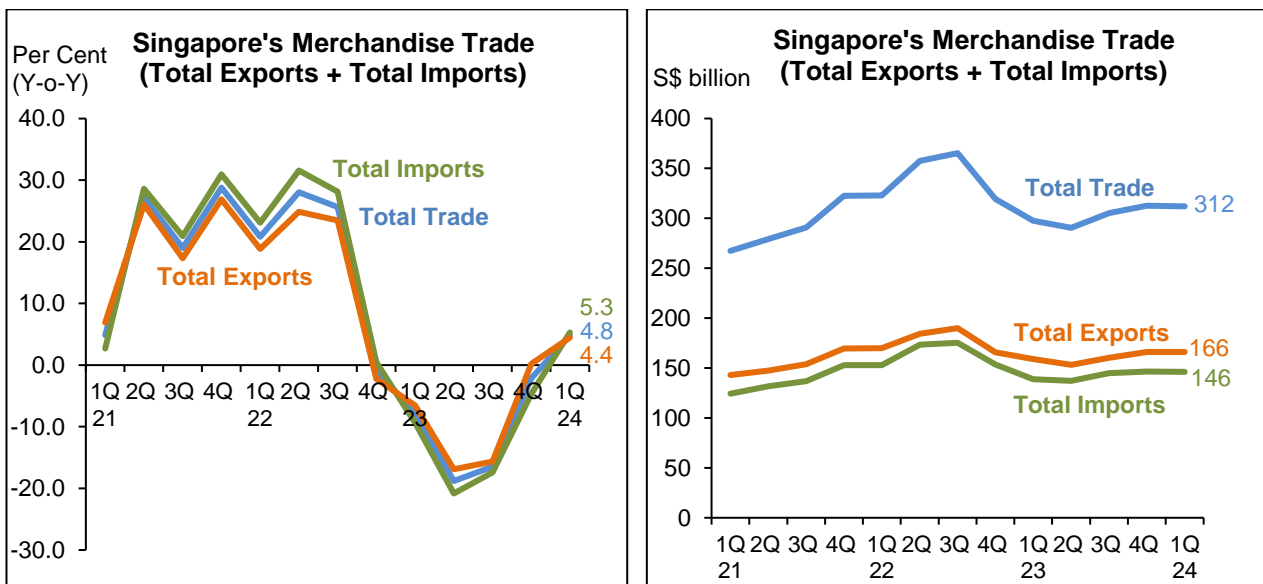
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Performance by Key Trade Components

Total Merchandise Trade

Total merchandise trade increased by 4.8% in 1Q 2024; both oil and non-oil trade rose

- On a year-on-year (y-o-y) basis, Singapore's total merchandise trade grew by 4.8% in 1Q 2024³, reversing the 2.1% decline in 4Q 2023.
 - Oil trade grew by 3.4% in 1Q 2024, after the 3.3% decline in 4Q 2023⁴.
 - Non-oil trade rose by 5.2% in 1Q 2024, after the previous quarter's 1.8% decrease⁵.



- On a quarter-on-quarter (q-o-q) seasonally adjusted (SA) basis, total merchandise trade increased by 1.6% in 1Q 2024, following the previous quarter's growth of 3.8%. Oil trade declined by 3.6% while non-oil trade grew by 2.9% in 1Q 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)

- NOX, which include both NODX and NORX, grew by 4.4% y-o-y in 1Q 2024, following the preceding quarter's 0.9% increase. On a q-o-q SA basis, NOX rose by 2.0% in 1Q 2024, following the 3.6% growth in the previous quarter.

³ In real terms, total merchandise trade grew by 9.5% y-o-y, while NODX rose by 0.3%.

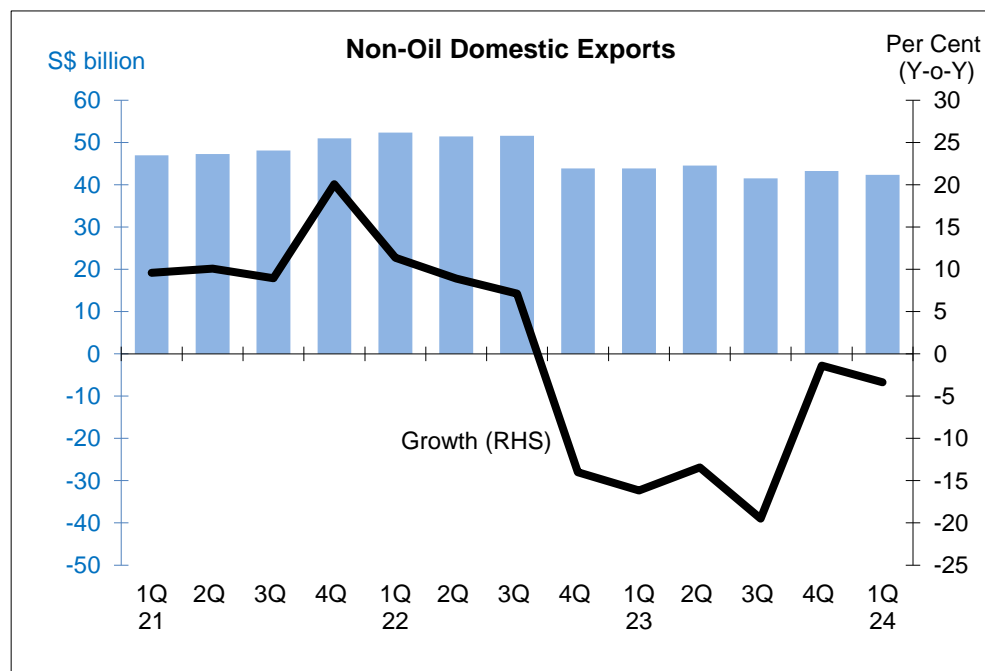
⁴ Oil trade formed 20% of total merchandise trade in 1Q 2024. Oil prices averaged US\$83/barrel in 1Q 2024, higher than the US\$81/barrel in 1Q 2023. Source: Energy Information Administration (EIA).

⁵ Non-oil trade formed 80% of total merchandise trade in 1Q 2024, of which electronics trade accounted for 42%.

Embargoed until 23 May 2024, 8.00 a.m.**Non-oil Domestic Exports (NODX)**

NODX declined in 1Q 2024 from a high base and was largely driven by non-electronics – primarily, volatile pharmaceuticals; pace of decline for electronics eased

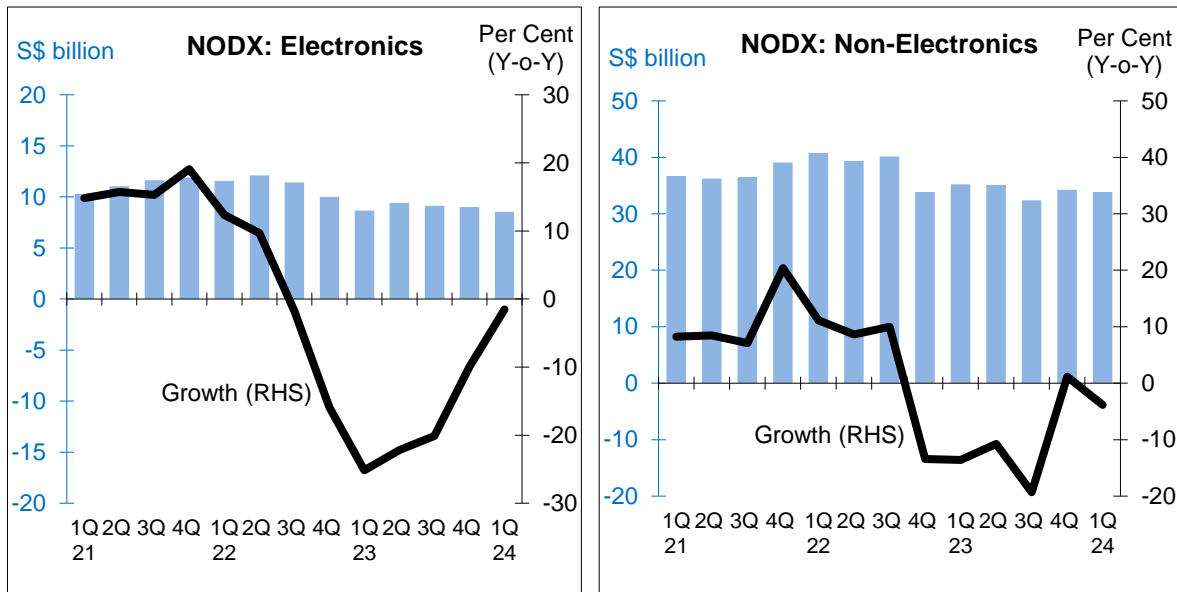
4. On a y-o-y basis, NODX declined by 3.4% in 1Q 2024, following the 1.4% decrease in the previous quarter. In 1Q 2024, non-electronics decreased y-o-y, after growth in the previous quarter. Meanwhile, the pace of decline for electronics eased in 1Q 2024, marking the mildest decline in seven quarters.



5. **Electronic products.** On a y-o-y basis, domestic exports of electronic products decreased by 1.6% in 1Q 2024, easing from the 9.9% decline in 4Q 2023. Telecommunications equipment, diodes & transistors and parts of PCs declined by 24.9%, 8.9% and 11.6% respectively⁶, contributing the most to the decline in electronic NODX (see Annex E).
6. **Non-electronic products.** Domestic exports of non-electronic products declined by 3.8% in 1Q 2024, after the 1.1% growth in the previous quarter. The largest contributors to the decline were pharmaceuticals (-25.9%), structures of ships & boats (-93.3%) and electrical circuit apparatus (-22.3%)⁷.

⁶ The decrease in electronic NODX was driven by telecommunications equipment (-S\$0.2 billion), followed by diodes & transistors (-S\$0.1 billion) and parts of PCs (-S\$0.04 billion). ICs which formed about half of electronic NODX, grew by S\$0.1 billion – the first growth y-o-y after declining for 6 quarters straight.

⁷ The decline in non-electronic NODX was driven primarily by pharmaceuticals (-S\$1.5 billion), trailed by the decline in NODX of structures of ships & boats (-S\$0.9 billion) and electrical circuit apparatus (-S\$0.1 billion).

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NODX to the top markets as a whole declined in 1Q 2024, mainly due to declines to the EU 27, the US and Japan

7. **Top Markets.** NODX to the top markets, except China and Hong Kong, declined in 1Q 2024. The biggest contributors to the NODX decline were the EU 27 (-35.9%), the US (-13.2%) and Japan (-33.6%). Details on the performance of key NODX markets can be found in Annex D.

NODX declined sequentially over the quarter; both electronics and non-electronics decreased

8. On a q-o-q SA basis, NODX declined by 4.8% in 1Q 2024, after the 7.0% growth in the previous quarter. In 1Q 2024, on a q-o-q SA basis:
- Electronic NODX decreased by 1.8%, after the previous quarter's 1.6% rise.
 - Non-electronic NODX declined by 5.5%, after the 8.5% growth in 4Q 2023.

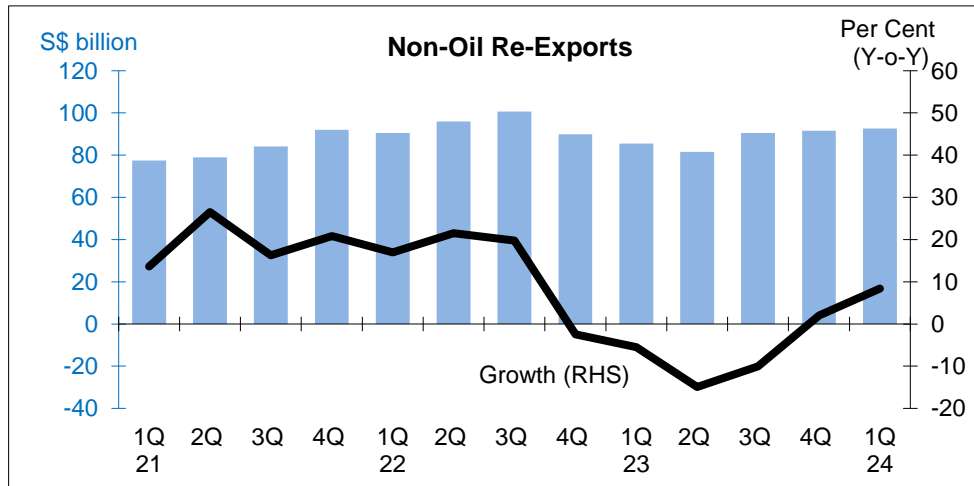
Non-oil Re-exports (NORX)

NORX grew in 1Q 2024; both electronics and non-electronics increased

9. On a y-o-y basis, NORX rose by 8.4% in 1Q 2024, extending the 2.0% growth in the previous quarter. The rise in NORX can be attributed to higher shipments of both electronics and non-electronic re-exports.
10. **Electronic products.** Electronic NORX expanded by 16.2% in 1Q 2024, extending the 2.8% growth in 4Q 2023. The increase in electronic NORX was due to higher re-exports of ICs (+16.3%), PCs (+235.2%) and other computer peripherals (+39.3%).

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11. **Non-electronic products.** Non-electronic NORX increased by 0.6% in 1Q 2024, following the 1.1% rise in 4Q 2023. The growth in electronic NORX was due to higher re-exports of non-electric engines & motors (+27.4%), specialised machinery (+43.3%) and non-monetary gold (+28.3%).

***NORX to the top markets as a whole grew in 1Q 2024***

12. **Top Markets.** NORX to the top markets grew in 1Q 2024. The biggest contributors to the NORX increase were Hong Kong (+23.6%), Thailand (+52.9%) and Malaysia (+23.7%). Details on the performance of key NORX markets can be found in Annex F.

NORX rose sequentially over the quarter in 1Q 2024; both electronics and non-electronics grew

13. On a q-o-q SA basis, NORX rose by 5.3% in 1Q 2024, extending the 2.0% growth in the previous quarter. In 1Q 2024, on a q-o-q SA basis:
- Electronic re-exports grew by 8.9%, extending the previous quarter's 1.8% rise.
 - Non-electronic re-exports increased by 1.5%, following the 2.2% growth in 4Q 2023.

Oil Domestic Exports***Oil domestic exports grew in 1Q 2024***

14. On a y-o-y basis, oil domestic exports grew by 6.0% in 1Q 2024, reversing the 2.1% decline in the previous quarter.
- In volume terms, oil domestic exports rose by 7.0% in 1Q 2024, extending the 1.4% growth in the previous quarter.

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- On a q-o-q SA basis, oil domestic exports declined by 2.6% in 1Q 2024, after the 11.7% expansion in the previous quarter.

Oil Re-exports***Oil re-exports declined in 1Q 2024***

15. On a y-o-y basis, oil re-exports contracted by 25.6% in 1Q 2024, following the 14.4% decline in 4Q 2023.
 - In volume terms, oil re-exports contracted by 22.0% in 1Q 2024, following the 17.2% decline in 4Q 2023.
 - On a q-o-q SA basis, oil re-exports increased by 1.9% in 1Q 2024, after the 24.9% contraction in the previous quarter.

Outlook for Merchandise Trade and NODX in 2024

Total trade is expected to be supported by higher oil prices y-o-y; NODX performance in 1Q 2024 was weaker-than-expected due to volatile pharmaceuticals – notwithstanding, support is expected from the electronics recovery in 2H 2024

16. In 1Q 2024, total merchandise trade grew by 4.8% y-o-y, a turnaround from the preceding five quarters of decline. Higher expected oil prices in 2024⁸ are expected to support oil trade in nominal terms and in turn total trade.
17. Meanwhile, NODX declined by 3.4% in 1Q 2024 from a high base a year ago, driven largely by non-electronics – primarily due to volatile pharmaceuticals exports. Given the worse-than-expected 1Q performance, there are downside risks to the NODX forecast, which could come at the lower range of the “+4.0% to +6.0%” forecast. Nonetheless, support is still expected from the recovery in electronics demand in 2H 2024, driven by consumer devices and AI servers, alongside the normalisation of inventory levels. A net weighted balance of 40% of firms in the electronics cluster projected positive business prospects for the April to September 2024 period, compared to the first quarter of 2024⁹. Similarly, global semiconductor revenue is projected to be 17.4% higher y-o-y in 2024, a turnaround from 2023's 11.7% decline¹⁰.
18. 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,

⁸ The U.S. Energy Information Administration projected oil prices to average US\$88/barrel in 2024, higher than the US\$82/barrel in 2023, based on the latest May 2024 release.

⁹ Based on EDB's Business Expectations of the Manufacturing Sector released on 30 April 2024.

¹⁰ Based on Gartner's May 2024 release.

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including China, the US, the EU 27 and ASEAN-5 are projected to grow in 2024. Similarly, on the trade front, the IMF projected higher world trade volume growth in 2024 (+3.0%) than in 2023 (+0.3%). Meanwhile, the World Trade Organisation (WTO) expected global merchandise trade to grow by 2.6% in 2024, reversing the 1.2% decline in 2023¹¹.

19. Taking the above into consideration, the 2024 growth forecast for both total merchandise trade and NODX is maintained at “+4.0% to +6.0%”.

TOTAL SERVICES TRADE¹²***Total services trade increased in 1Q 2024***

20. On a y-o-y basis, Singapore's total services trade increased by 7.5% in 1Q 2024, following the 2.8% decline in the previous quarter. Services exports and imports grew by 8.0% and 7.0% in 1Q 2024 respectively (see Annex H).

Services Exports***Exports of services grew in 1Q 2024***

21. Services exports grew by 8.0% in 1Q 2024, reversing the 3.9% decline in the previous quarter. The growth in services exports¹³ was mainly due to higher receipts from transport services (+6.9%), travel services (+37.5%) and other business services (+6.0%).

¹¹ Based on WTO's latest release in April 2024.

¹² 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.

¹³ 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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