

MEDIA RELEASE

Embargoed until 22 November 2023, 8.00 a.m.

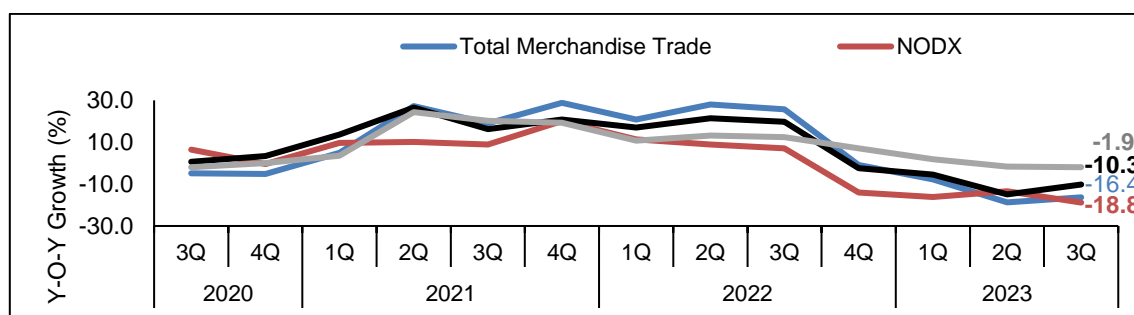
Review of 3Q 2023 Trade Performance^{1,2}

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

MR No.: 059/23

Singapore, Wednesday, 22 November 2023

Highlights



Total Merchandise Trade

- Declined 16.4% in 3Q 2023, following the 18.7% contraction in 2Q 2023
- Non-oil trade down 14.1%; oil trade declined 25.1% amid lower oil prices than a year ago
- Both non-oil domestic exports (**NODX**: -18.8%) and re-exports (**NORX**: -10.3%) declined

2023 and 2024 Forecasts

- **2023:** Narrowed to “around -10.0%” for total merchandise trade and downgraded to “-12.5% to -12.0%” for NODX; due to worse-than-expected performance to-date, while global electronics demand remained sluggish given elevated inventory levels
- **2024:** Modest recovery of “+4.0% to +6.0%” for total merchandise trade and “+2.0% to +4.0%” for NODX – higher expected oil prices in 2024 to support oil trade and in turn total trade; NODX could pick up in tandem with expected turnaround in global electronics demand

Total Services Trade

- Decreased by 1.9% to reach S\$189 billion in 3Q 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.

EnterpriseSG is the government agency championing enterprise development. Our vision for Singapore is a vibrant economy with globally competitive Singapore enterprises.

The data in the media release is provided on an “as is” basis and is subject to updates, as well as revisions, to ensure consistency with international compilation and reporting standards. While every effort is made to ensure that the data is accurate, it is provided by EnterpriseSG without any representation or warranty. EnterpriseSG shall not be held responsible for any consequence arising from your reliance on any information provided by us.

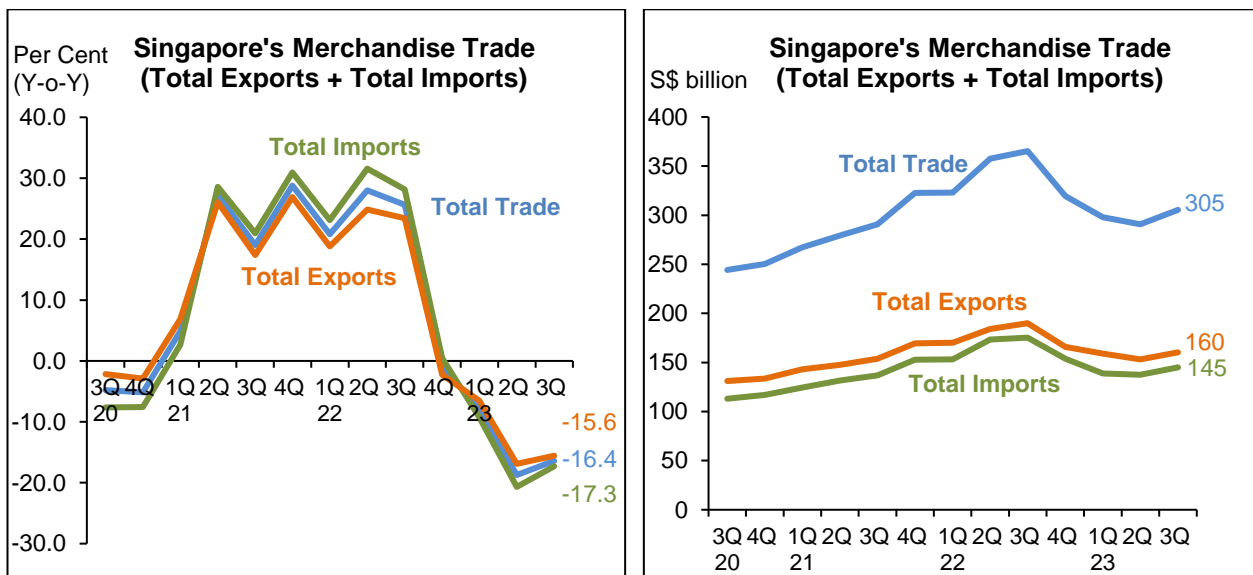
Embargoed until 22 November 2023, 8.00 a.m.

Performance by Key Trade Components

Total Merchandise Trade

Total merchandise trade decreased by 16.4% in 3Q 2023

- On a year-on-year (y-o-y) basis, Singapore's total merchandise trade declined by 16.4% in 3Q 2023³, after the 18.7% contraction in 2Q 2023
 - Oil trade declined by 25.1% in 3Q 2023, following the 30.9% contraction in 2Q 2023⁴.
 - Non-oil trade decreased by 14.1% in 3Q 2023, after 2Q 2023's 15.4% contraction⁵.



- On a quarter-on-quarter (q-o-q) seasonally adjusted (SA) basis, total merchandise trade grew 3.2% in 3Q 2023, after the previous quarter's 3.7% decline. Oil and non-oil trade rose by 8.8% and 1.9% respectively in 3Q 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 13.2% in 3Q 2023, following the preceding quarter's 14.4% contraction. On a q-o-q SA basis, NOX increased by 2.0% in 3Q 2023, after the 3.7% decrease in the previous quarter.

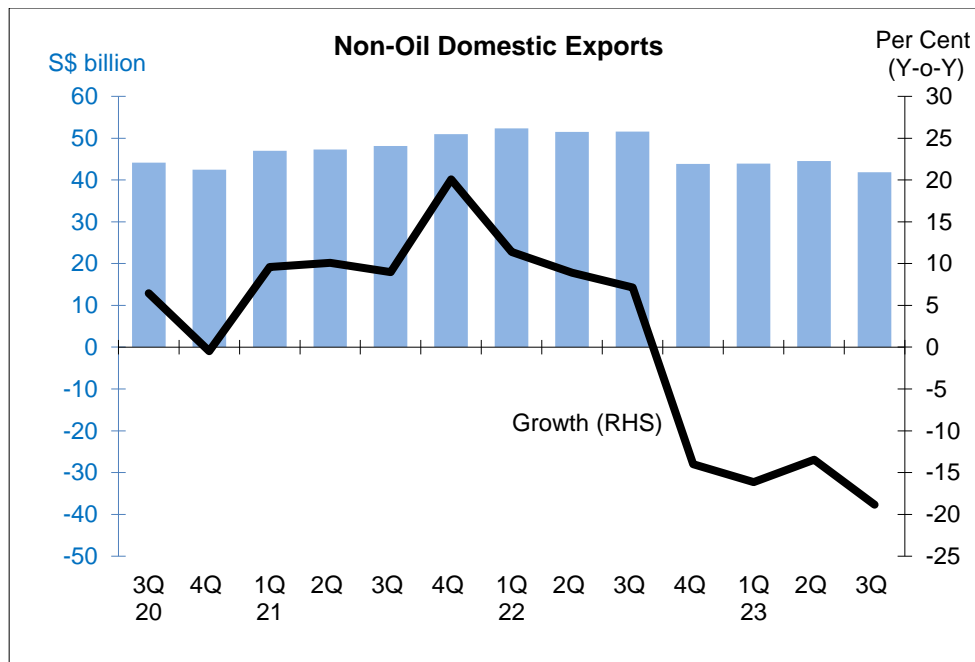
³ In real terms, total merchandise trade contracted by 12.8% y-o-y, while NODX contracted by 13.3%, due to both electronics (-16.3%) and non-electronics (-12.5%).

⁴ Oil trade formed 19% of total merchandise trade in 3Q 2023. Oil prices averaged US\$87/barrel in 3Q 2023, lower than the US\$101/barrel in 3Q 2022. Source: Energy Information Administration (EIA).

⁵ Non-oil trade formed 81% of total merchandise trade in 3Q 2023, of which electronics trade accounted for 42%.

Embargoed until 22 November 2023, 8.00 a.m.**Non-oil Domestic Exports (NODX)*****NODX contracted in 3Q 2023 due to both electronics and non-electronics***

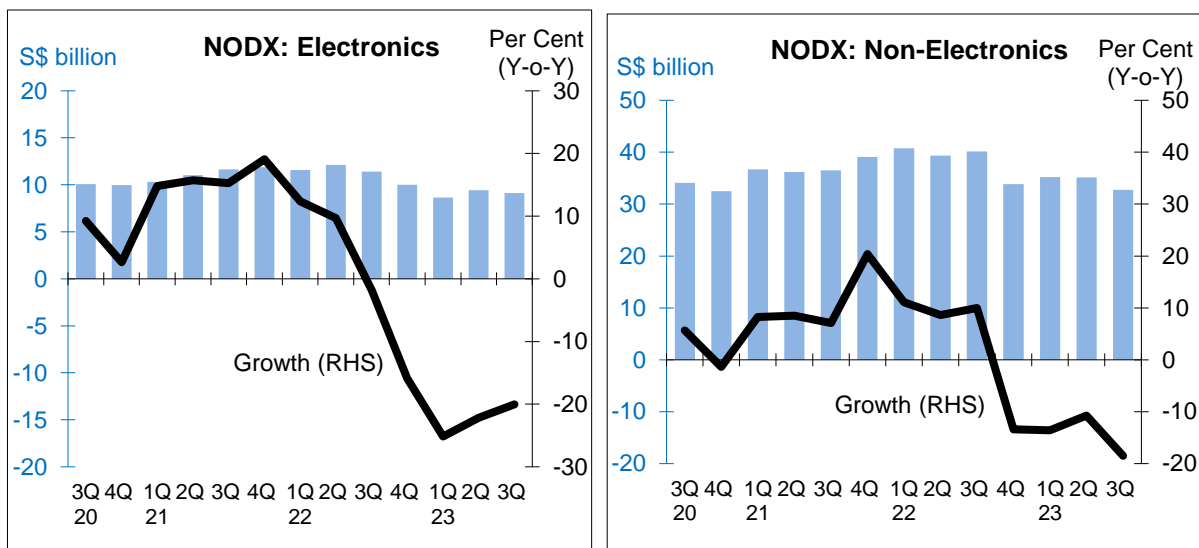
4. On a y-o-y basis, NODX contracted by 18.8% in 3Q 2023, extending the 13.4% decline in the previous quarter. Non-electronics declined y-o-y for the fourth quarter straight in 3Q 2023, while electronics contracted for the fifth consecutive quarter.



5. **Electronic products.** On a y-o-y basis, domestic exports of electronic products⁶ declined by 20.0% in 3Q 2023, following the 22.2% contraction in the previous quarter. ICs, PCs and disk media products contracted by 27.6%, 35.8% and 28.4% respectively, contributing the most to the decline in electronic NODX (see Annex E).
6. **Non-electronic products.** Domestic exports of non-electronic products⁷ contracted by 18.5% in 3Q 2023, following the 10.8% decrease in the previous quarter. The largest contributors to the decline in non-electronic NODX were non-monetary gold (-54.8%), pharmaceuticals (-20.9%) and specialised machinery (-18.0%).

⁶ Comprising 22% of NODX in 3Q 2023.

⁷ Comprising 78% of NODX in 3Q 2023.

Embargoed until 22 November 2023, 8.00 a.m.

NODX to the top markets as a whole declined in 3Q 2023, mainly due to declines to the EU 27, Taiwan and Indonesia

7. **Top Markets.** NODX to the top markets, except Hong Kong, declined in 3Q 2023. The biggest contributors to the NODX decline were the EU 27 (-27.9%), Taiwan (-34.4%) and Indonesia (-35.8%). Details on the performance of key NODX markets can be found in Annex D.

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

8. On a q-o-q SA basis, NODX declined by 6.4% in 3Q 2023, after the 2.2% growth in the previous quarter. In 3Q 2023, on a q-o-q SA basis:
- Electronic NODX declined by 5.5%, after the previous quarter's 2.7% rise.
 - Non-electronic NODX declined by 6.7%, after the 2.1% growth in 2Q 2023.

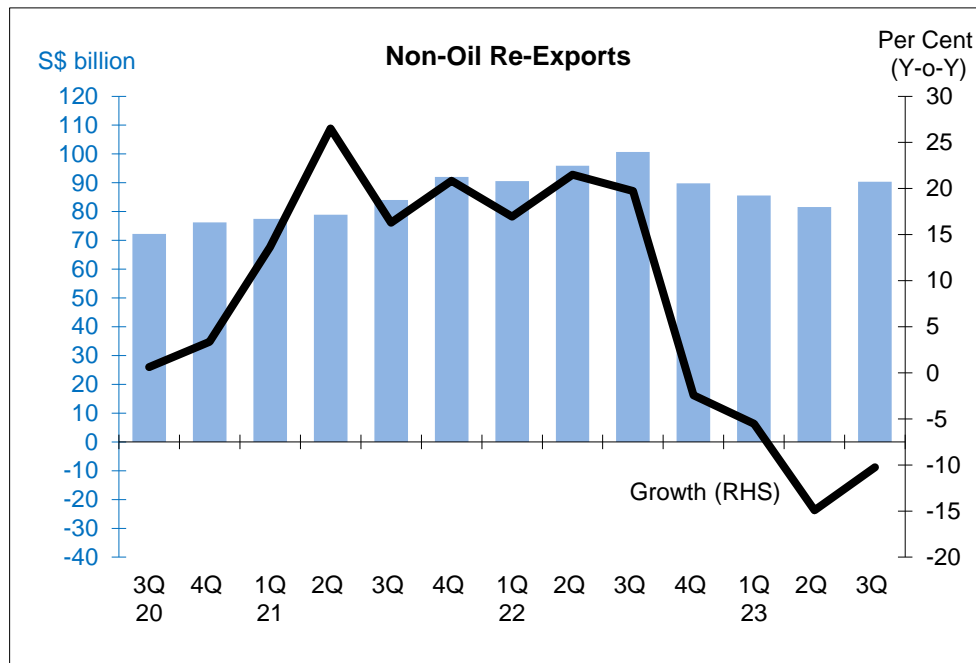
Non-oil Re-exports (NORX)

NORX declined in 3Q 2023; both electronics and non-electronics decreased

9. On a y-o-y basis, NORX declined by 10.3% in 3Q 2023, following the 14.9% contraction in the previous quarter. The decline in NORX can be attributed to lower shipments of both electronics and non-electronic re-exports.
10. **Electronic products.** Electronic NORX decreased by 10.3% in 3Q 2023, following the 21.4% contraction in 2Q 2023. The decline in electronic NORX was due to lower re-exports of ICs (-11.5%), parts of PCs (-18.6%) and PCs (-18.0%).

Embargoed until 22 November 2023, 8.00 a.m.

11. **Non-electronic products.** Non-electronic NORX contracted by 10.2% in 3Q 2023, following the 7.2% decrease in 2Q 2023. The decline in electronic NORX was due to lower re-exports of non-monetary gold (-65.0%), electrical machinery (-44.0%) and personal beauty products (-23.4%).

***NORX to the top markets as a whole declined in 3Q 2023***

12. **Top Markets.** NORX to the top markets as a whole declined in 3Q 2023. The biggest contributors to the NORX decrease were Malaysia (-16.0%), the US (-17.8%) and Indonesia (-16.2%). Details on the performance of key NORX markets can be found in Annex F.

NORX increased over the quarter in 3Q 2023; both electronics and non-electronics grew

13. On a q-o-q SA basis, NORX increased by 6.6% in 3Q 2023, after the 6.6% decline in the previous quarter. In 3Q 2023, on a q-o-q SA basis:
- Electronic re-exports expanded by 10.6%, after the previous quarter's 5.9% decrease.
 - Non-electronic re-exports increased by 2.5%, after the 7.3% decline in 2Q 2023.

Oil Domestic Exports***Oil domestic exports declined in 3Q 2023***

14. On a y-o-y basis, oil domestic exports declined by 26.9% in 3Q 2023, following the 28.1% contraction in the previous quarter.

Embargoed until 22 November 2023, 8.00 a.m.

- In volume terms, oil domestic exports contracted by 16.5% in 3Q 2023, after the 8.0% growth in 2Q 2023.
- On a q-o-q SA basis, oil domestic exports increased by 5.3% in 3Q 2023, after the 7.7% decline in the previous quarter.

Oil Re-exports***Oil re-exports grew in 3Q 2023***

15. On a y-o-y basis, oil re-exports expanded by 70.9% in 3Q 2023, following the 34.0% growth in 2Q 2023.
 - In volume terms, oil re-exports grew by 89.9% in 3Q 2023, following the 102.5% expansion in 2Q 2023.
 - On a q-o-q SA basis, oil re-exports rose by 11.9% in 3Q 2023, after the 12.0% contraction in the previous quarter.

Outlook for Merchandise Trade and NODX in 2023 and 2024***Weaker-than-expected performance for 2023 to-date; modest recovery in 2024 in tandem with expected turnaround in global electronics demand and higher oil prices to support trade***

16. For the first three quarters of 2023, oil and electronics trade respectively drove 29% and 60% of total merchandise trade decline amid lower oil prices year-on-year and sluggish global electronics demand.
17. Since the last update, total merchandise trade continued to decline in 3Q 2023 (-16.4%). The decline was due to oil trade (-25.1%) amid lower oil prices than a year ago and electronics trade (-14.2%) as weakness in global electronics demand persisted given the elevated inventory levels.
18. For the rest of 2023, higher expected oil prices y-o-y⁸ should provide some support to oil trade in nominal terms, and in turn total trade. However, this is expected to be moderated by worse-than-expected year-to-date electronics and NODX performance.
19. For 2024, higher oil prices will nonetheless support oil trade and in turn total trade. Similarly, global electronics demand is projected to gradually recover in 2024, as inventory levels normalise. This would support total trade and NODX growth.

⁸ Oil prices were projected to average US\$90/barrel in 4Q23, about 2.1% higher than in 4Q22 (US\$88/barrel). (Source: EIA)

Embargoed until 22 November 2023, 8.00 a.m.

20. In terms of global outlook, the International Monetary Fund (IMF) expected global economic activity to grow 3.0% in 2023 before slowing to 2.9% in 2024 in the latest October release. Amongst Singapore's key trade partners, Eurozone and ASEAN-5 are expected to see growth pick up, while China, the US and Japan are expected to grow slower than in 2023.
21. Similarly, on the trade front, the World Trade Organisation (WTO) forecasted global merchandise trade to grow 0.8% in 2023 (down from previous +1.7% estimate), before rebounding to 3.3% growth in 2024. Import demand is expected to grow for most regions including Americas, Europe and Asia in 2024. Headwinds in the global economy including inflation, and the escalation of Israel-Hamas conflict or war in Ukraine could lead to renewed supply disruptions, weighing on global trade and output.
22. Taking the above into consideration, the 2023 growth projection is narrowed to "around -10.0%" for total merchandise trade while NODX is downgraded to "-12.5% to -12.0%". For 2024, growth projections are at "+4.0% to +6.0%" for total merchandise trade and "+2.0% to +4.0%" for NODX.

TOTAL SERVICES TRADE⁹***Total services trade declined in 3Q 2023***

23. On a y-o-y basis, Singapore's total services trade declined by 1.9% in 3Q 2023, following the 1.6% decrease in the previous quarter. Services exports and imports decreased by 2.8% and 1.0% in 3Q 2023 respectively (see Annex H).

Services Exports***Export of services decreased in 3Q 2023***

24. Services exports decreased by 2.8% in 3Q 2023, following the 2.5% decline in the previous quarter. The decline in services exports¹⁰ was mainly due to lower receipts from transport services (-31.3%).

⁹ 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.

¹⁰ 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>).

Embargoed until 22 November 2023, 8.00 a.m.

Get your story leads from Enterprise Singapore's [Facebook](#) and [LinkedIn](#).

For media enquiries and/or photos, please contact:

Ms Vanessa Ang, Senior Business Partner, Corporate Communications, EnterpriseSG
Tel: +65 8157 9790 Email: Vanessa_ANG@enterprisesg.gov.sg

Editors kindly note:

Merchandise trade statistics released by EnterpriseSG are proprietary data and therefore copyright belongs to EnterpriseSG. Any use of the information provided herein must therefore be attributed to EnterpriseSG.

Trade in services statistics are compiled by the Singapore Department of Statistics. Please accredit the Singapore Department of Statistics as the source for any use of the data.

Statlink

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

<https://statlink.enterprisesg.gov.sg/>

About Enterprise Singapore

Enterprise Singapore (EnterpriseSG) is the government agency championing enterprise development. We work with committed companies to build capabilities, innovate and internationalise.

We also support the growth of Singapore as a hub for global trading and startups, and build trust in Singapore's products and services through quality and standards.

Visit www.enterprisesg.gov.sg for more information.