

## MEDIA RELEASE

### Review of 2019 Trade Performance<sup>1,2</sup>

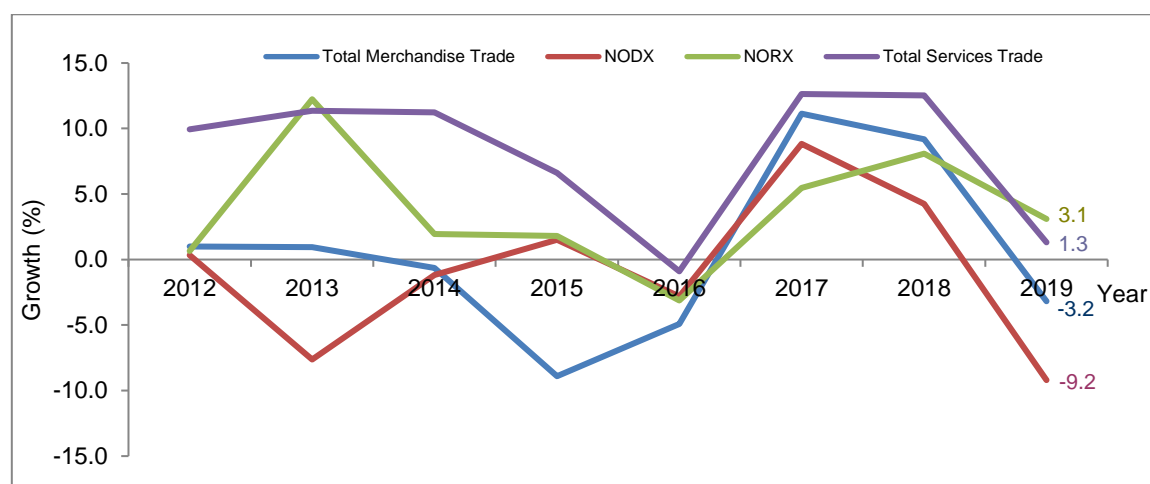
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To be embargoed till 08:00 am on Monday, 17 February 2020

MR No.: 006/20

Singapore, Monday, 17 February 2020

#### Highlights



- Total merchandise trade declined by 3.2% in 2019 to reach S\$1.0 trillion, mainly due to oil trade (-13.9%), partly reflecting lower oil prices than a year ago; non-oil trade fell by 0.3%.
- Non-oil domestic exports (NODX) declined by 9.2% in 2019; non-oil re-exports (NORX) grew by 3.1%.
- Total merchandise trade and NODX forecasts for 2020 are adjusted downwards to “-0.5% to 1.5%”; growth for key trade partners could come in lower than earlier projected amid global uncertainties; lower oil prices to weigh on our oil trade and in turn total trade.
- Total services trade increased by 1.3% to reach S\$550.9 billion in 2019, after the 12.5% expansion in 2018.

<sup>1</sup> Effective February 2014, data regarding the European Union (EU) shall be reported as EU 28 instead of EU 27, to accommodate the recent accession of Croatia to the EU. All top products/countries which are stated to have contributed towards the changes in trade figures are ranked by absolute change in level and not change in percentage.

<sup>2</sup> 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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## Performance by Key Trade Components

### TOTAL MERCHANDISE TRADE

**Total merchandise trade declined in 2019, after two consecutive growth years; levels remained above 2017's**

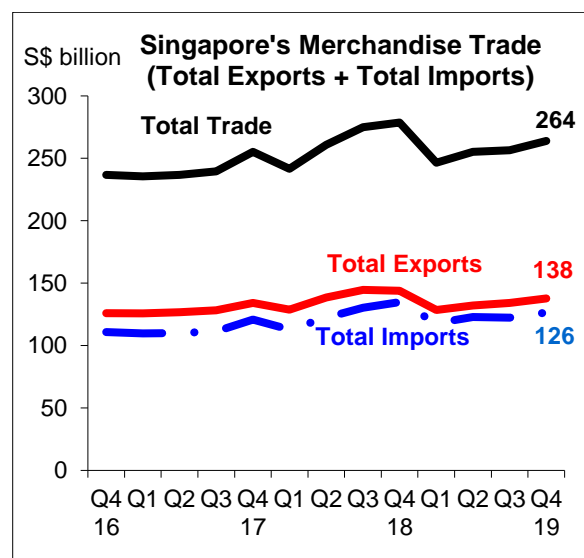
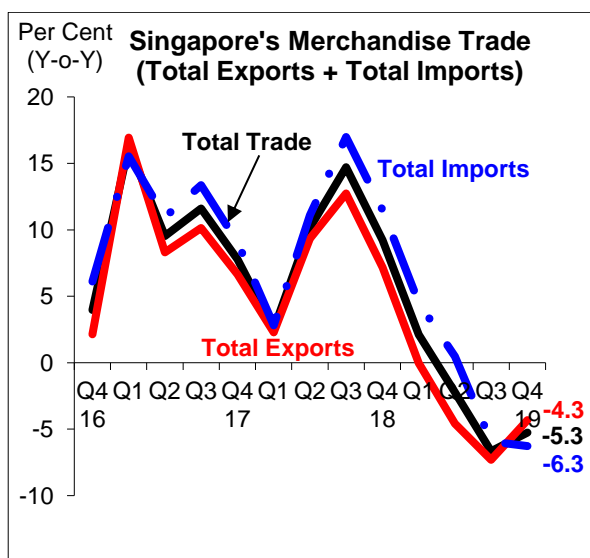
1. Singapore's total merchandise trade decreased by 3.2% in 2019, after 2 consecutive years of growth to recent highs (2018: 9.2%, 2017: 11.1%). Total merchandise trade reached S\$1.0 trillion in 2019 (2018: S\$1.1 trillion; 2017: S\$967 billion). Both exports and imports decreased by 4.2% and 2.1% respectively in 2019.

2. The decline in total merchandise trade was mainly due to the decline in oil trade by 13.9% in 2019 amid lower oil prices than a year ago, after the 16.8% expansion in 2018. Non-oil trade decreased by 0.3% in 2019, after the 7.3% increase in 2018. Details on the performance of major merchandise trade components and key trading markets can be found in Annexes A, B and C.

### **Total merchandise trade decreased for three consecutive quarters**

3. On a year-on-year (y-o-y) basis, Singapore's total merchandise trade declined by 5.3% in 4Q 2019, following the 6.7% decrease in the previous quarter, due to the decline in both oil and non-oil trade. Oil trade contracted by 20.9% in 4Q 2019, after the previous quarter's 19.0% decline. Non-oil trade decreased by 1.0% in 4Q 2019, after the previous quarter's 3.5% decline.

4. On a quarter-on-quarter (q-o-q) seasonally adjusted (SA) basis, total merchandise trade increased by 1.6% in 4Q 2019, after the previous quarter's decrease of 2.5%. Oil and non-oil trade grew by 4.1% and 1.1% respectively in 4Q 2019.



## **Non-oil Exports (NOX)**

5. Non-oil exports (NOX), which include both NODX and NORX, declined y-o-y by 1.9% in 2019, after the preceding year's 6.5% growth. On a q-o-q SA basis, NOX grew by 2.1% in 4Q 2019, following the 1.8% increase in 4Q 2018.

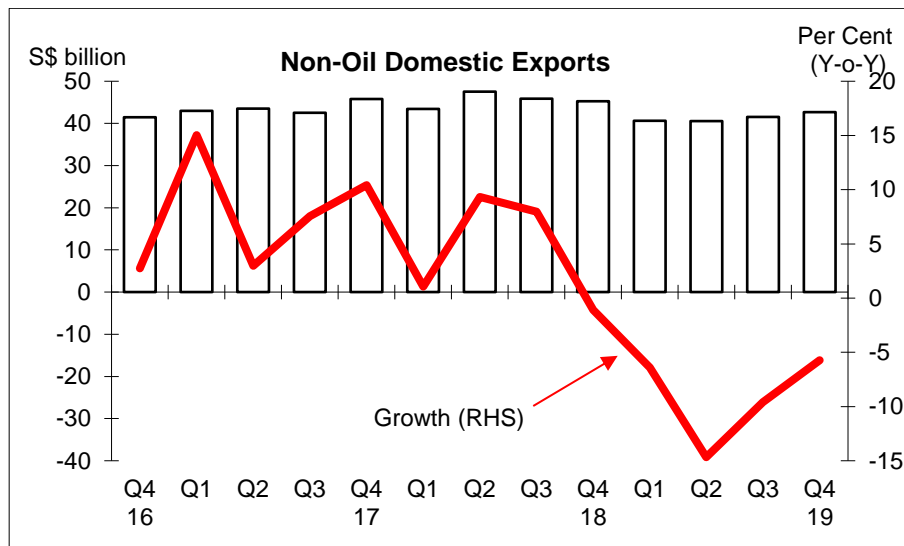
## **Non-oil Domestic Exports (NODX)**

***NODX declined in 2019, mainly due to electronic exports amid the global electronics downcycle; non-electronics declined, driven by pharmaceuticals and petrochemicals<sup>3</sup>***

6. NODX declined by 9.2% in 2019, after the 4.2% growth in 2018, due to lower shipments of both electronic and non-electronic products.

7. Electronic NODX contracted by 22.5% in 2019, following the 5.5% decrease in the previous year. Non-electronic NODX declined by 4.5% in 2019, after the 8.2% growth in 2018.

8. On a y-o-y basis, NODX decreased by 5.7% in 4Q 2019, following the previous quarter's 9.6% decline, due to the decrease in both electronics and non-electronics. Electronic domestic exports contracted by 20.4% in 4Q 2019, following the previous quarter's 25.0% decline. Non-electronic NODX declined slightly by 0.3% in 4Q 2019, easing from the 3.9% decline in the previous quarter.



9. On a q-o-q SA basis, NODX increased by 0.7% in 4Q 2019, following the 1.3% growth in 3Q 2019, due to the growth in both electronic and non-electronic NODX. Electronic domestic exports grew on a q-o-q SA basis by 0.8% in 4Q 2019, after the previous quarter's 1.8% decline. Non-electronic NODX increased by 0.7% in 4Q 2019, after the 2.1% growth in the previous quarter.

<sup>3</sup> The decline in NODX of pharmaceuticals and petrochemicals in 2019 came after recent strong growth to reach their respective 6-year and 4-year high in 2018. Pharmaceuticals grew by 24% in 2018, while petrochemicals grew by 22% in 2017 and extended its growth by 2.8% in 2018.

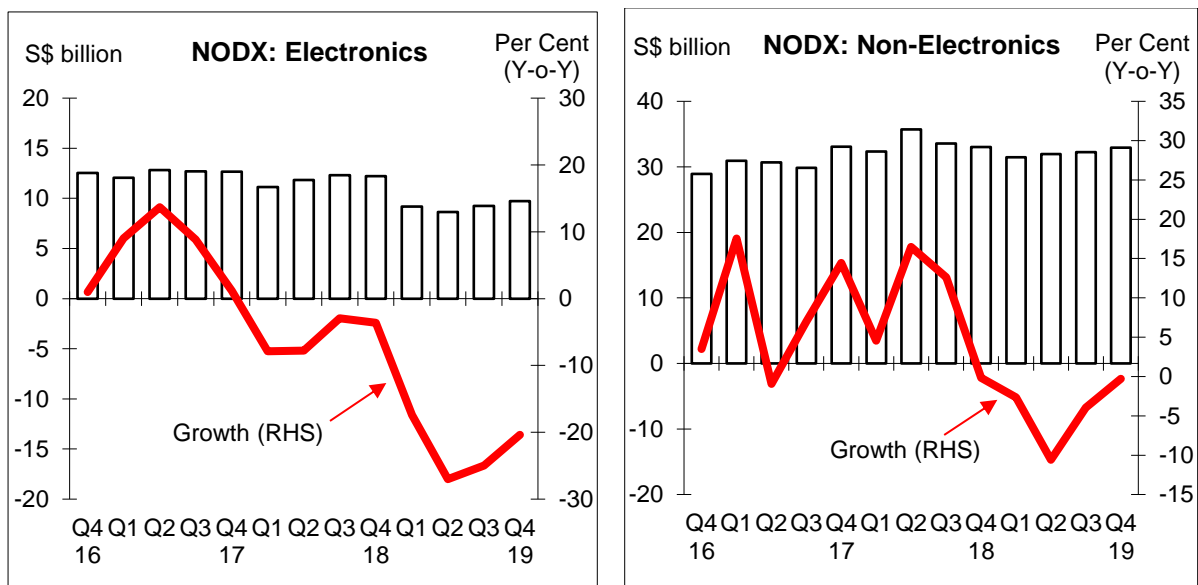
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10. **Electronic products.** Domestic exports of electronic products<sup>4</sup> contracted by 22.5% in 2019, following the 5.5% decrease in 2018. ICs, PCs and disk media products declined by 25.0%, 33.2% and 22.7% respectively, and they contributed the most to the decrease in electronic NODX (see Annex E).

11. On a y-o-y basis, domestic exports of electronic products contracted by 20.4% in 4Q 2019, following the previous quarter's 25.0% decline. ICs, PCs and disk drives declined by 28.5%, 46.8% and 26.1% respectively, contributing the most to the decrease in electronic NODX in 4Q 2019.

12. **Non-electronic products.** Domestic exports of non-electronic products<sup>5</sup> declined by 4.5% in 2019, after the 8.2% growth in 2018. The largest contributors to the decrease in non-electronic NODX were pharmaceuticals (-15.0%), petrochemicals (-14.5%) and specialised machinery (-10.8%) (see Annex E).

13. On a y-o-y basis, non-electronic NODX decreased slightly by 0.3% in 4Q 2019, after the 3.9% decline in the previous quarter. The decrease in non-electronic NODX can be attributed to lower domestic exports of pharmaceuticals (-16.3%), petrochemicals (-18.1%) and primary chemicals (-38.6%).



***NODX to the top markets generally declined in 2019, mainly due to the decrease in exports to Japan, the EU 28 and Hong Kong***

14. **Top 10 Markets.** NODX to the top markets, except the US, declined in 2019. The biggest contributors to the NODX decline were Japan (-28.6%), the EU 28 (-11.4%) and Hong Kong (-16.6%). Details on the performance of key NODX markets can be found in Annex D.

<sup>4</sup> Comprising 22% of NODX in 2019.

<sup>5</sup> Comprising 78% of NODX in 2019.

**Non-oil Domestic Exports to Top Markets (% Growth)**

Top Market <sup>^</sup>	NODX		Electronic NODX		Non-Electronic NODX	
	2018	2019	2018	2019	2018	2019
Japan	11.4	-28.6	-26.2	-19.0	25.8	-30.7
EU 28	15.7	-11.4	2.2	-30.5	18.4	-8.0
Hong Kong	-3.9	-16.6	3.2	-22.3	-16.5	-4.3
Malaysia	-0.9	-10.3	2.3	-21.0	-3.0	-2.9
Taiwan	-4.5	-11.3	-1.0	-29.3	-8.6	11.7
Indonesia	11.3	-12.3	-5.8	-10.8	13.6	-12.5
South Korea	-17.6	-14.5	-28.3	-19.4	-14.2	-13.2
Thailand	-1.3	-4.3	-0.9	-18.7	-1.5	3.6
China	-8.8	-1.0	-12.8	-29.9	-7.5	8.2
US	38.2	1.3	4.3	-9.4	49.4	3.8

<sup>^</sup>: Ranked by contribution to the change in NODX levels over the year.

15. Electronic NODX to the top markets contracted in 2019. The biggest contributors to the electronic NODX decline were Hong Kong (-22.3%), China (-29.9%) and Taiwan (-29.3%). The top three products contributing to the decrease in electronic NODX for each of the relevant top market are provided in the table below.

**Top Products Contributing to the Decline in Electronic NODX to Top Markets (% Change)**

Top Market <sup>^</sup>	Top Products Contributing to the Decline in Electronic NODX					
	Top Product	2019 (% Change)	Second Product	2019 (% Change)	Third Product	2019 (% Change)
Hong Kong	Disk Media Products	-67.5	PCs	-58.5	ICs	-5.7
China	ICs	-37.1	Disk Media Products	-21.1	PCs	-72.5
Taiwan	ICs	-30.2	PCs	-32.8	Parts of PCs	-46.5
Malaysia	ICs	-20.7	Diodes & Transistors	-20.4	Parts of ICs	-53.1
EU 28	PCs	-84.5	ICs	-30.4	Diodes & Transistors	-40.7
Thailand	ICs	-54.1	Disk Media Products	-8.7	PCs	-34.1
Japan	ICs	-57.5	Disk Media Products	-71.2	Disk Drives	-33.4
US	ICs	-25.2	Other Computer Peripherals	-44.1	Disk Media Products	-15.7
South Korea	ICs	-40.2	PCs	-22.7	Diodes & Transistors	-19.3
Indonesia	ICs	-26.3	Consumer Electronics	-42.8	Parts of ICs	-45.4

<sup>^</sup>: Ranked by contribution to the change in electronic NODX levels over the year.

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16. Non-electronic NODX to the top markets as a whole decreased in 2019, though exports to China, the US, Taiwan and Thailand grew. The biggest contributors to the decline in non-electronic NODX were Japan (-30.7%), the EU 28 (-8.0%) and Indonesia (-12.5%). The top three products contributing to the decline in non-electronic NODX for each of the relevant top market are provided in the table below.

**Top Products Contributing to the Decline in Non-Electronic NODX to Top Markets (% Change)**

Top Market <sup>^</sup>	Top Products Contributing to the Decline in Non-Electronic NODX					
	Top Product	2019 (% Change)	Second Product	2019 (% Change)	Third Product	2019 (% Change)
Japan	Specialised Machinery	-57.6	Pharmaceuticals	-42.0	Printer Matters	-75.9
EU 28	Pharmaceuticals	-15.8	Civil Engineering Equipment Parts	-97.1	Miscellaneous Manufactured Articles	-41.9
Indonesia	Non-monetary Gold	-51.8	Petrochemicals	-10.4	Primary Chemicals	--29.2
South Korea	Specialised Machinery	-35.3	Petrochemicals	-27.8	Measuring Instruments	-10.8
Malaysia	Petrochemicals	-20.1	Primary Chemicals	-18.2	Medical Apparatus	-48.9
Hong Kong	Specialised Machinery	-68.2	Electrical Machinery	-27.2	Petrochemicals	-20.5

<sup>^</sup>: Ranked by contribution to the change in non-electronic NODX levels over the year.

### **Non-oil Re-exports (NORX)**

***NORX grew in 2019, due to both electronic and non-electronic re-exports***

17. NORX grew by 3.1% in 2019, after the 8.1% growth in 2018. The y-o-y increase in NORX can be attributed to the higher shipment of both electronic and non-electronic re-exports.

18. **Electronic products.** Electronic NORX increased by 1.1% in 2019, after the 1.9% growth in 2018. The increase in electronic NORX was due to higher re-exports of telecommunications equipment (+12.9%), ICs (+0.3%) and parts of PCs (+3.2%).

19. **Non-electronic products.** Non-electronic NORX grew by 5.0% in 2019, after the 14.4% expansion in the 2018. The growth in non-electronic NORX was due to higher re-exports of non-electric engines & motors (+30.2%), piston engines (+66.2%) and personal beauty products (+23.7%).

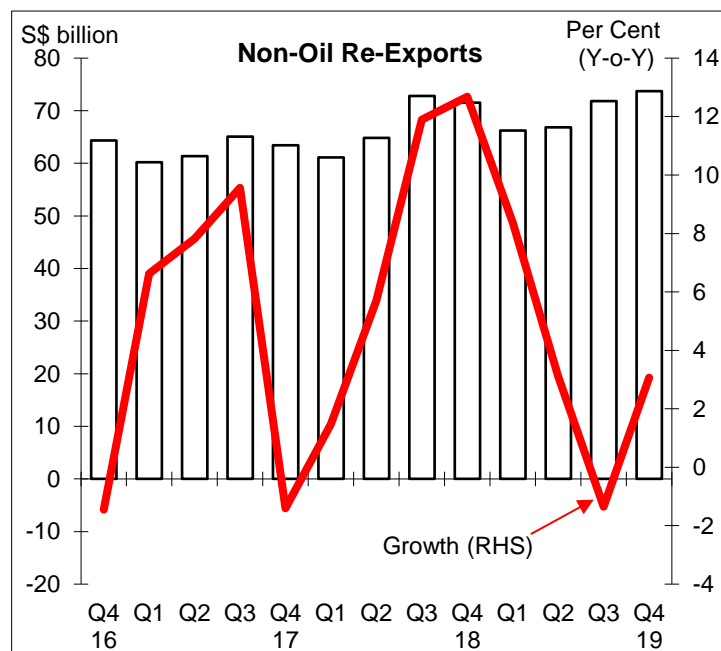
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### **NORX grew in 4Q 2019, due to both electronic and non-electronic re-exports**

20. On a y-o-y basis, NORX increased by 3.1% in 4Q 2019, after the 1.3% decrease in the previous quarter. The y-o-y rise in NORX can be attributed to the higher shipment of both electronic and non-electronic re-exports.

21. **Electronic products.** Electronic NORX increased by 0.5% in 4Q 2019, after the 1.9% decline in 3Q 2019. The increase in electronic NORX was due to higher re-exports telecommunications equipment (+24.0%), consumer electronics (+26.3%) and didoes & transistors (+5.7%).

22. **Non-electronic products.** Non-electronic NORX grew by 5.5% in 4Q 2019, after the 0.8% decrease in 3Q 2019. The growth in non-electronic NORX was due to higher re-exports of aircraft parts (+34.0%), personal beauty products (+33.5%) and specialised machinery (+70.0%).



### **NORX grew over the quarter in 2019**

23. On a q-o-q SA basis, NORX grew by 2.6% in 4Q 2019, following the 0.9% increase in 3Q 2019, due to the rise in both electronic and non-electronic NORX. Electronic re-exports grew by 3.6% in 4Q 2019, after the 0.2% decrease in 3Q 2019. Non-electronic re-exports increased by 1.6% in 4Q 2019, following the 1.9% growth in the previous quarter.

## ***NORX to top markets grew in 2019, led by China, the US and Viet Nam***

24. **Top 10 Markets.** NORX to the top markets as a whole grew in 2019, though shipments to Indonesia, Hong Kong and Malaysia declined. The biggest contributors to the increase in 2019 were China (+11.3%), the US (+17.6%) and Viet Nam (+21.7%). Details on the performance of key NORX markets can be found in Annex F.

## **Oil Domestic Exports**

### ***Oil domestic exports decreased in 2019 amid lower oil prices than a year ago***

25. Oil domestic exports declined by 12.9% in 2019, after the 17.1% expansion in the previous year. The decline in oil domestic exports was due to lower shipments of oil to Indonesia (-19.8%), Malaysia (-14.4%) and Panama (-26.7%). In volume terms, oil domestic exports declined by 5.6% in 2019, following the 4.7% decrease in 2018 (See Annex G).

26. On a y-o-y basis, oil domestic exports contracted by 21.5% in 4Q 2019, extending the 19.7% decline in the previous quarter. In volume terms, oil domestic exports declined by 6.6% in 4Q 2019, after the decrease of 9.2% in the previous quarter. On a q-o-q SA basis, oil domestic exports grew by 3.0% in 4Q 2019, after the 16.8% decline in the previous quarter.

## **Oil Re-exports**

### ***Oil re-exports declined in 2019***

27. Oil re-exports contracted by 45.9% in 2019, after the 24.1% decline in 2018. The contraction in oil re-exports was mainly due to Australia (-79.2%), China (-70.6%) and Malaysia (-39.6%). In volume terms, oil re-exports contracted by 42.1% in 2019, following the previous year's decline of 39.7%.

28. On a y-o-y basis, oil re-exports declined by 18.3% in 4Q 2019, following the 28.8% contraction in 3Q 2019. In volume terms, oil re-exports grew by 0.8% in 4Q 2019, after the 15.4% decline in 3Q 2019. On a q-o-q SA basis, oil re-exports decreased by 8.9% in 4Q 2019, after the 2.0% increase in the previous quarter.



## **Outlook for Merchandise Trade and NODX in 2020**

### ***Growth for key trade partners could come in lower than earlier projected amid global economic uncertainties; lower oil prices reflecting weakened demand to weigh on oil trade***

29. Total trade declined in 2019, weighed down largely by oil trade amid lower oil prices. Both electronic and non-electronic NODX declined amid the global electronics downcycle and sluggish global final demand.

30. The earlier 2020 forecast of “0.0% to 2.0%” for both total trade and NODX released in November last year was premised on a modest pickup in global growth, along with a recovery in the global electronics cycle in 2020. Since then, there have been a few developments which can impact our total trade and NODX growth.

31. The IMF has recently downgraded the global economy and trade growth forecasts by 0.1% point and 0.3% point respectively since the last update. Growth forecasts were downgraded for both advanced, as well as emerging and developing economies, including our key trade partners such as the US, Euro Area, ASEAN-5 and India.<sup>6</sup>

32. Since then, the COVID-19 (Corona Virus Disease 2019) outbreak has affected China – our top trade partner, Singapore and many countries globally. This may dampen the growth prospects of affected countries, if China’s growth comes in lower than earlier expected, with a knock-on impact on regional economies, through lower import demand, as well as supply chain disruptions and weakened consumer and business sentiments.

33. In addition, lower oil prices are expected to weigh on our oil trade in nominal terms and in turn total trade in 2020. The Energy Information Administration projected weakened global demand in the first quarter of 2020, in part reflecting the effects of the COVID-19, compared to the previous update.

34. Taking the above into consideration, the 2020 growth projection for total merchandise trade and NODX are adjusted downwards to “-0.5% to 1.5%”.

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<sup>6</sup> Based on the latest available IMF World Economic Outlook (WEO) Jan 2020, which has yet to account for the impact of the recent COVID-19 on economies’ growth.

## **TOTAL SERVICES TRADE<sup>7</sup>**

### ***Total services trade grew in 2019***

35. Singapore's total services trade<sup>8</sup> increased by 1.3% in 2019, after the 12.5% expansion in the 2018. Total services trade reached S\$550.9 billion for the year, up from S\$543.8 billion in 2018. Both services exports and imports increased by 2.2% and 0.4% in 2019 respectively (see Annexes H and I).

36. On a y-o-y basis, Singapore's total services trade rose by 2.5% in 4Q 2019, following the increase of 0.6% in the previous quarter. Both services exports and imports increased by 4.5% and 0.6% in 4Q 2019 respectively

## **Services Exports**

### ***Exports of services continued to grow in 4Q 2019***

37. Services exports grew by 2.2% in 2019, after the 16.6% expansion a year ago. The increase in services exports<sup>9</sup> can be attributed to the higher receipts from other business services (+5.1%), financial services (+4.4%) and maintenance and repair services (+13.7%).

38. On a y-o-y basis, exports of services rose by 4.5% in 4Q 2019, following the 1.9% increase in the preceding quarter.

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<sup>7</sup> 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.

<sup>8</sup> Total services trade consists of services exports and services imports. Exports of services refer to the value of cross-border services provided by residents to non-residents, while imports of services refer to the value of cross-border services provided by non-residents to residents.

<sup>9</sup> 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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Online reports listing 5-year data (values & volumes) on Singapore's trade in terms of countries and commodities

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