

MEDIA RELEASE

Embargoed until 25 May 2021, 8.00 a.m.

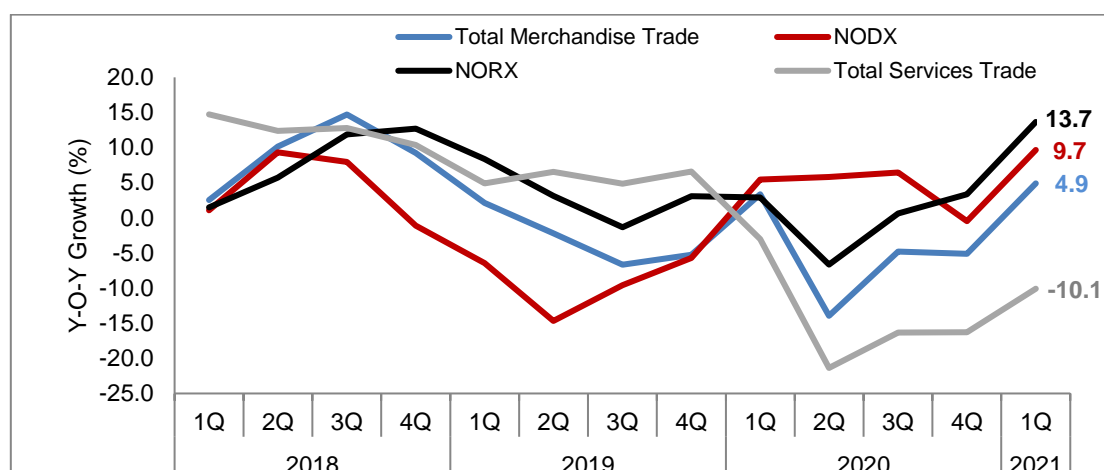
Review of 1Q 2021 Trade Performance^{1,2}

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MR No.: 037/21

Singapore, Tuesday, 25 May 2021

Highlights



Total Merchandise Trade

- Grew by 4.9% in 1Q 2021, after the 5.1% decline in 4Q 2020
- Non-oil trade rose by 9.5%; oil trade declined at a slower pace (-15.4%, 4Q20: -34.8%)
- Non-oil domestic exports (**NODX**) grew by 9.7%; non-oil re-exports (**NORX**) rose by 13.7%

2021 Forecasts

- Adjusted upwards to “+5.0% to +7.0%” for total merchandise trade and “+1.0% to +3.0%” for NODX, amid better-than-expected 1Q 2021 growth due to favourable sector-specific output and export trends (e.g. electronics, specialised machinery and petrochemicals); higher expected 2021 oil prices may support oil trade and in turn total trade

Total Services Trade

- Declined by 10.1% to reach S\$123.0 billion in 1Q 2021

¹ Effective Apr 2020, data regarding the European Union (EU) shall be reported as EU 27 instead of EU 28, to accommodate Brexit. 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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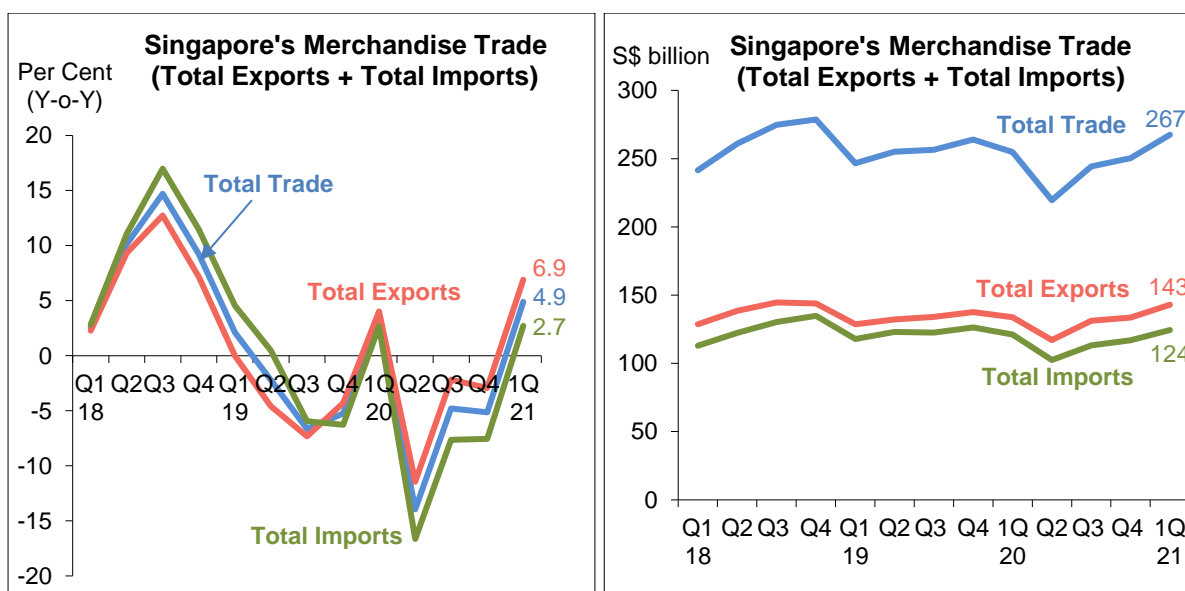
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Performance by Key Trade Components

Total Merchandise Trade

Total merchandise trade grew by 4.9% in 1Q 2021, after the 5.1% decline in 4Q 2020

- On a year-on-year (y-o-y) basis, Singapore's total merchandise trade rose by 4.9% in 1Q 2021, after the 5.1% decline in 4Q 2020. The growth in non-oil trade outweighed the decline in oil trade.
 - Oil trade declined by 15.4% in 1Q 2021, easing from the 34.8% contraction in 4Q 2020³.
 - Non-oil trade grew by 9.5% in 1Q 2021, extending the previous quarter's 1.3% increase⁴.



- On a quarter-on-quarter (q-o-q) seasonally adjusted (SA) basis, total merchandise trade rose by 14.7% in 1Q 2021, after the previous quarter's 0.7% growth. Oil and non-oil trade rose by 31.5% and 12.3% respectively. 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, grew y-o-y by 12.1% in 1Q 2021, following the preceding quarter's 2.0% increase. On a q-o-q SA basis, NOX expanded by 13.7% in 1Q 2021, after the 0.5% rise in the previous quarter.

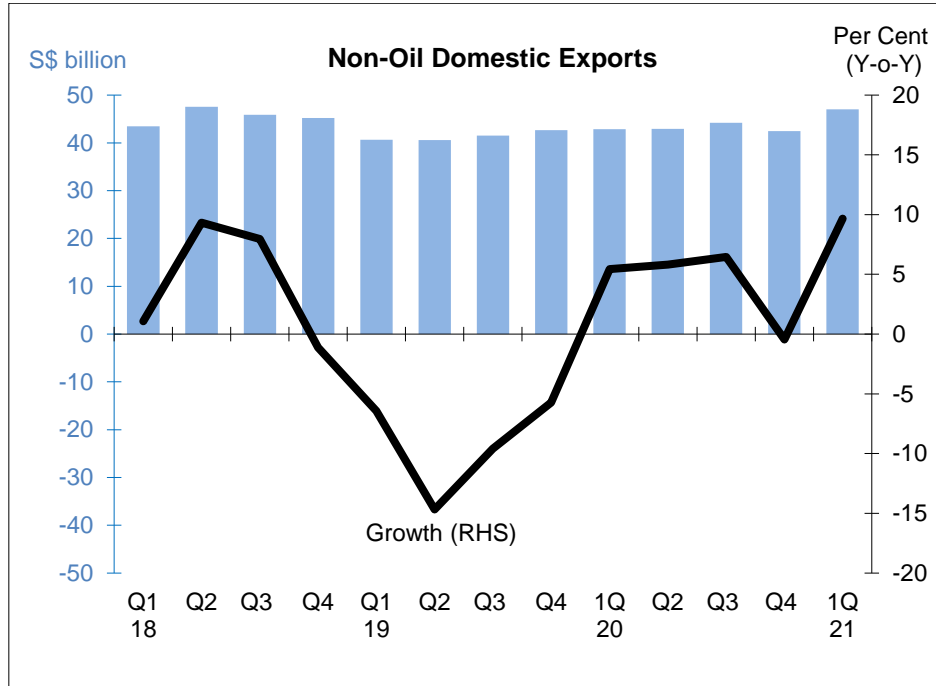
³ Oil trade declined at a slower pace in 1Q21 (-15%) than in preceding quarters (4Q20: -35%, 3Q20: -31%, 2Q20: -55%).

⁴ Growth was driven by electronics trade. Amid strong global semiconductor demand, economies such as Taiwan similar saw strong exports growth in recent month (1Q21: +25%; electronics exports: +28%) based on media reports.

Embargoed until 25 May 2021, 8.00 a.m.**Non-oil Domestic Exports (NODX)**

NODX grew in 1Q 2021, mainly due to non-electronics (e.g. specialised machinery, petrochemicals and primary chemicals); electronics grew for the fourth quarter straight

4. On a y-o-y basis, NODX grew by 9.7% in 1Q 2021, after the 0.5% decline in the previous quarter. Both electronic and non-electronic NODX rose in 1Q 2021.

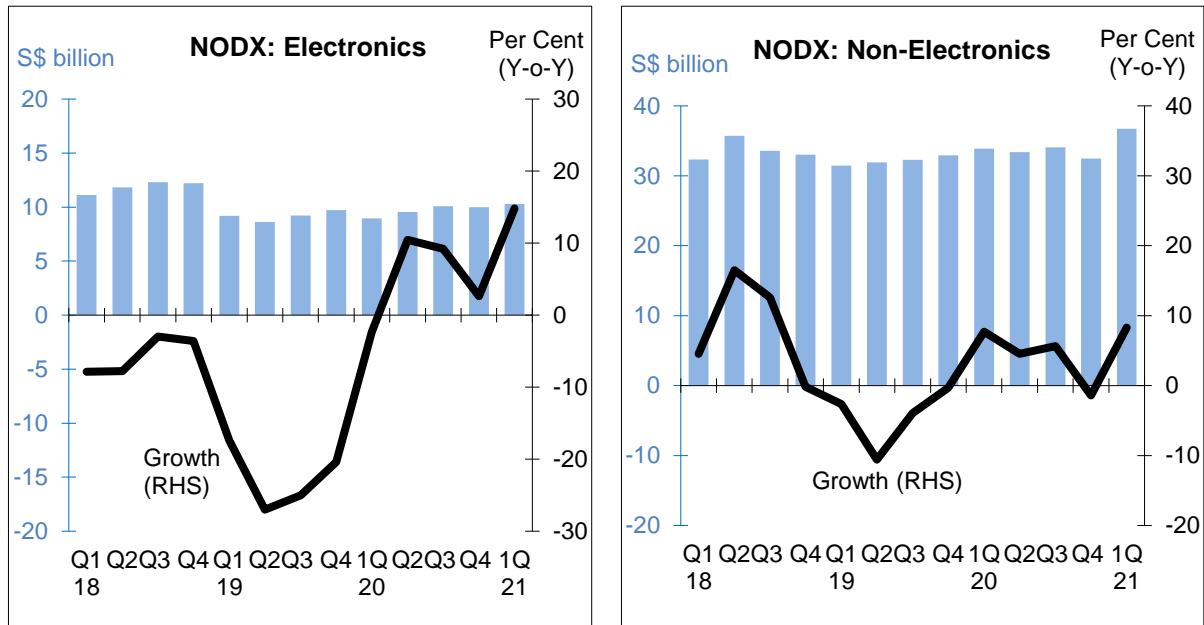


5. **Electronic products.** On a y-o-y basis, domestic exports of electronic products⁵ grew by 14.8% in 1Q 2021, following the 2.6% growth in the previous quarter. ICs, PCs and telecommunications equipment expanded by 12.1%, 58.6% and 59.5% respectively, and contributed the most to the increase in electronic NODX (see Annex E).
6. **Non-electronic products.** Domestic exports of non-electronic products⁶ grew by 8.3% over the year in 1Q 2021, after the 1.4% decrease in 4Q 2020. The largest contributors to the growth in non-electronic NODX were specialised machinery (+40.8%), petrochemicals (+27.1%) and primary chemicals (+37.3%)⁷.

⁵ Comprising 22% of NODX in 1Q 2021.

⁶ Comprising 78% of NODX in 1Q 2021.

⁷ Increase of non-electronic NODX was driven by specialised machinery (+41% or +S\$1.5 bil), in line with robust global semiconductor demand. This was followed by petrochemicals (+27% or +S\$0.8 bil), after declining amid a global downcycle (2019: -15%, 2020: -21%), and primary chemicals (+37% or +S\$0.4 bil).

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NODX to top markets as a whole grew in 1Q 2021, though exports to the US, Japan, Thailand and the EU 27 declined

7. **Top 10 Markets.** NODX to the top markets as a whole grew in 1Q 2021, though exports to the US, Japan, Thailand and the EU 27 declined. The biggest contributors to the NODX growth were China (+23.9%), South Korea (+31.1%) and Taiwan (+21.3%). Details on the performance of key NODX markets can be found in Annex D.

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

8. On a q-o-q SA basis, NODX grew by 17.7% in 1Q 2021, after the 4.7% decline in the previous quarter. In 1Q 2021, on a q-o-q SA basis:
- Electronic NODX expanded by 21.1%, after the previous quarter's 3.7% decline.
 - Non-electronic NODX rose by 16.7%, after the 4.9% decrease in 4Q 2020.

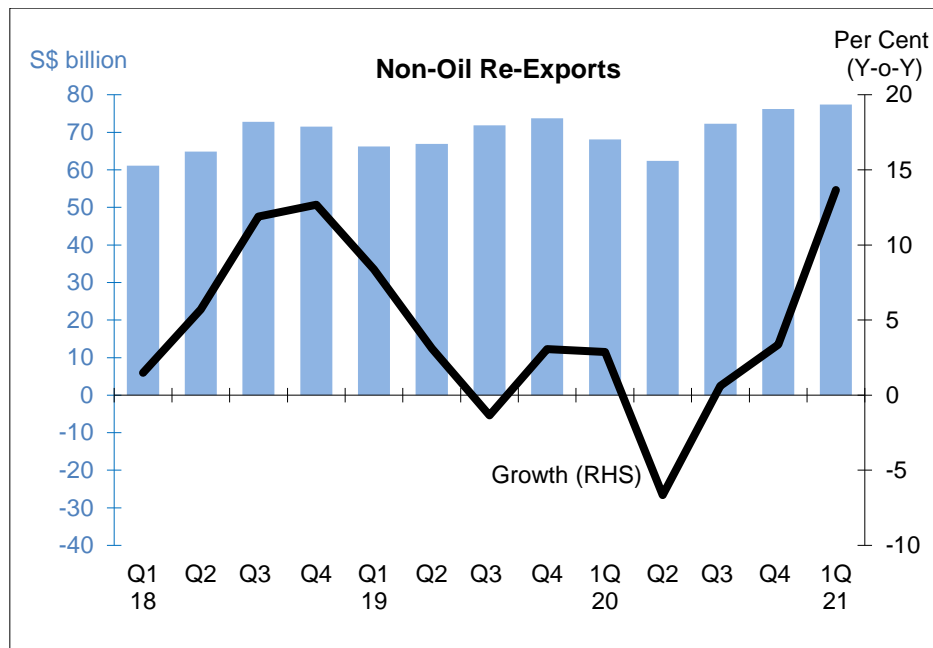
Non-oil Re-exports (NORX)

NORX grew in 1Q 2021 mainly due to electronics; non-electronics grew slightly

9. On a y-o-y basis, NORX grew by 13.7% in 1Q 2021, following the 3.4% rise in the previous quarter. The y-o-y increase in NORX was mainly due to the higher shipments of electronics, while non-electronic re-exports also grew.
10. **Electronic products.** Electronic NORX expanded by 27.5% in 1Q 2021, extending the 21.3% growth in 4Q 2020. The increase in electronic NORX was due to higher re-exports of ICs (+25.6%), telecommunications equipment (+46.5%) and parts of PCs (+56.2%).

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11. **Non-electronic products.** Non-electronic NORX grew by 0.7% in 1Q 2021, after the previous quarter's 12.4% contraction. Growth was due to higher re-exports of non-monetary gold (+97.0%), personal beauty products (+15.9%) and alcoholic beverages (+47.5%).



NORX to top markets as a whole rose in 1Q 2021, though re-exports to South Korea, the US and Japan declined

12. **Top 10 Markets.** NORX to the top markets as a whole rose in 1Q 2021, except South Korea, the US and Japan. The biggest contributors to the NORX increase in 1Q 2021 were Hong Kong (+29.5%), China (+27.3%) and Malaysia (+28.5%). Details on the performance of key NORX markets can be found in Annex F.

NORX grew over the quarter in 1Q 2021 due to both electronics and non-electronics

13. On a q-o-q SA basis, NORX rose by 11.4% in 1Q 2021, after the previous quarter's 3.7% growth. In 1Q 2021, on a q-o-q SA basis:
- Electronic re-exports grew by 10.2%, following the previous quarter's 6.0% rise.
 - Non-electronic NORX expanded by 12.9% in 1Q 2021, after the 1.1% growth in 4Q 2020.

Oil Domestic Exports

Oil domestic exports declined in 1Q 2021 in both nominal and volume terms

14. On a y-o-y basis, oil domestic exports declined by 19.3% in 1Q 2021, easing from the 30.6% contraction in the previous quarter.
- In volume terms, oil domestic exports decreased by 27.1% in 1Q 2021, following the 8.4% decline in the previous quarter.
 - On a q-o-q SA basis, oil domestic exports grew by 25.6% in 1Q 2021, after the previous quarter's 1.2% rise (see Annex G).

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Oil Re-exports

Oil re-exports increased in 1Q 2021 in nominal terms

15. On a y-o-y basis, oil re-exports rose by 10.1% in 1Q 2021, after the 4.2% growth in 4Q 2020.
- In volume terms, oil re-exports decreased by 10.0% in 1Q 2021, following the 33.3% expansion in 4Q 2020.
 - On a q-o-q SA basis, oil re-exports rose by 7.8% in 1Q 2021 (4Q 2020: +35.0%).

Outlook for Merchandise Trade and NODX in 2021

Better-than-expected 1Q 2021 performance; higher oil prices to support oil trade and in turn total trade in 2021, though uncertainty remains

16. In February, the 2021 forecast for total trade and NODX were at “+2.0% to +4.0%” and “0.0% to +2.0%” respectively – considering the following:
- Higher oil prices in 2021 were expected to support our oil trade in nominal terms and in turn total trade, after an oil-trade driven decline in 2020.
 - On the other hand, NODX grew in 2020 due to both electronics and non-electronics amid favourable sector-specific output and export trends, after 2019’s decline.
17. Since the last update, both total merchandise trade and NODX grew better-than-expected in 1Q 2021. Amid robust global semiconductor demand, exports of electronics and related specialised machinery led the bulk of NODX growth, broadly in line with strong exports performance of economies such as Taiwan based on media reports. Petrochemicals NODX also resumed growth after declining amid a global downcycle in 2019 and 2020.
18. Globally, there remains risks and uncertainties in the economy. The International Monetary Fund (IMF) upgraded 2021’s global output growth from 5.5% to 6.0% in 2021 premised on a vaccine-powered recovery. While the growth forecast for Singapore’s key trade partners such as the US, China, Japan and Euro Area were upgraded, that for ASEAN-5 was adjusted downwards⁸. On the trade front, the World Trade Organisation (WTO) expects global merchandise trade volumes to grow by 8.0% in 2021, after 2020’s 5.3% decline⁹.
19. Meanwhile, improved oil prices since the last update may provide some support for our oil trade in nominal terms and in turn total trade in 2021¹⁰. Taking the above into consideration,

⁸ Based on the latest available IMF World Economic Outlook (WEO) released in April 2021.

⁹ Based on the WTO’s March 2021 release.

¹⁰ The Energy Information Administration (EIA) upgraded the 2021 oil price forecast to US\$62/barrel in the latest update in May, up from the around US\$53 in February.

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the 2021 growth projection is adjusted upwards for both total merchandise trade and NODX to “+5.0% to +7.0%” and “+1.0% to +3.0%” respectively.

Total Services Trade¹¹

Total services trade declined in 1Q 2021

20. On a y-o-y basis, Singapore’s total services trade¹² declined by 10.1% in 1Q 2021, following the 16.3% contraction in the previous quarter. Total services trade reached S\$123.0 billion for the quarter, with services exports and imports declining by 7.8% and 12.4% respectively (see Annex H).

Services Exports

Exports of services declined in 1Q 2021, mainly due to the decrease in travel receipts, transport services exports and receipts from maintenance and repair services

21. Services exports declined by 7.8% on a y-o-y basis in 1Q 2021, following the 13.8% contraction in the preceding quarter. The decline in services exports can be attributed to the decrease in travel receipts (-73.0%), transport services exports (-8.9%) and receipts from maintenance and repair services (-38.4%).

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 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.

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StatLink

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