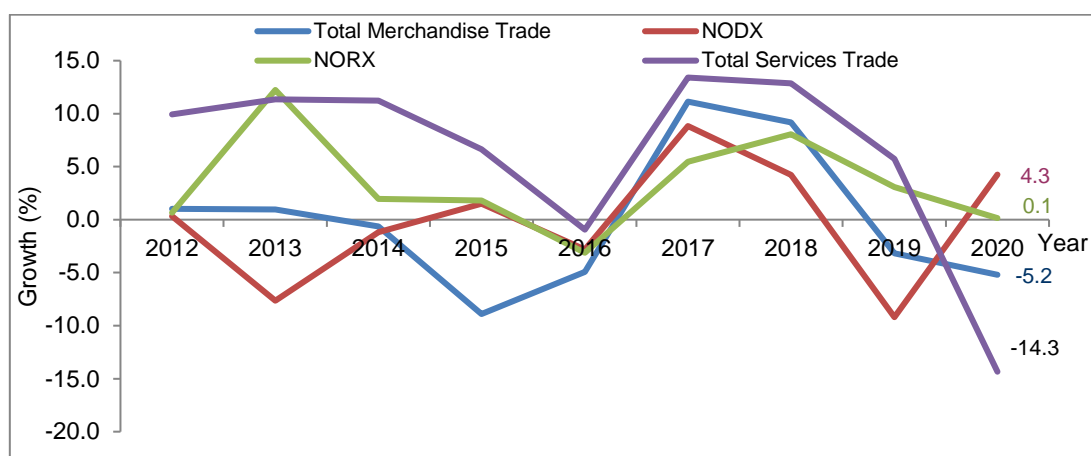


Review of 2020 Trade Performance^{1,2}

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MR No : 011/21
Singapore, Monday, 15 February 2021

Highlights



- Total merchandise trade declined by 5.2% in 2020 to S\$969 billion, mainly due to a decline in oil trade (-31%), amid lower oil prices than a year ago; non-oil trade rose by 0.7%.
- Non-oil domestic exports (NODX) grew by 4.3% in 2020; non-oil re-exports (NORX) rose by 0.1%.
- The 2021 forecast for total merchandise trade is adjusted upwards to “+2.0% to +4.0%”, and maintained at “0.0% to +2.0%” for NODX. There remains uncertainty in the global economy and recovery could be uneven across economies; nonetheless, higher expected oil prices may support our oil trade, and in turn total trade.
- Total services trade declined by 14.3% to reach S\$497.1 billion in 2020, after the 5.7% increase in 2019.

¹ Effective May 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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Performance by Key Trade Components

TOTAL MERCHANDISE TRADE

Total merchandise trade decreased in 2020, mainly due to the decline in oil trade

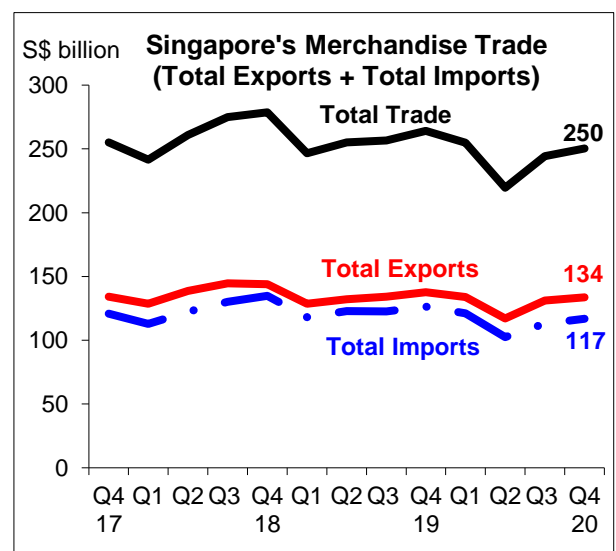
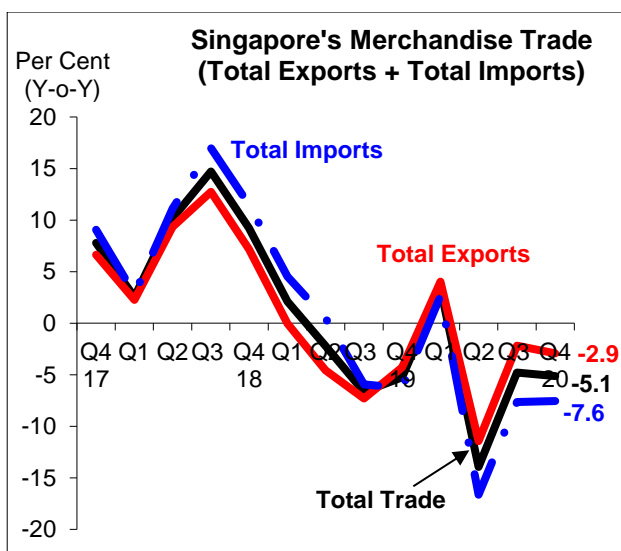
1. Singapore's total merchandise trade decreased by 5.2% in 2020, after decreasing in 2019 (-3.2%, 2018: +9.2%). Total merchandise trade reached S\$969 billion in 2020 (2019: S\$1.0 trillion; 2018: S\$1.1 trillion). Both exports and imports decreased by 3.2% and 7.4% respectively in 2020.

2. The decline in total merchandise trade was mainly due to the contraction in oil trade by 31.0% in 2020 amid lower oil prices than a year ago, after the 13.9% decline in 2019. Non-oil trade rose slightly by 0.7% in 2020, after the 0.3% decrease in 2019. 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 5.1% in 4Q 2020, following the 4.8% decrease in the previous quarter, due to the contraction in oil trade which outweighed the rise in non-oil trade. Oil trade contracted by 34.8% in 4Q 2020, following the previous quarter's 30.8% decline. Non-oil trade rose by 1.3% in 4Q 2020, after the previous quarter's 0.8% growth.

4. On a quarter-on-quarter (q-o-q) seasonally adjusted (SA) basis, total merchandise trade increased by 0.7% in 4Q 2020, after the previous quarter's growth of 6.9%. Oil trade decreased by 2.3% while non-oil trade grew by 1.2% in 4Q 2020.



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Non-oil Exports (NOX)

5. Non-oil exports (NOX), which include both NODX and NORX, rose y-o-y by 1.7% in 2020, after the preceding year's 1.9% decline. On a q-o-q SA basis, NOX grew by 0.5% in 4Q 2020, following the 5.1% rise in 3Q 2020.

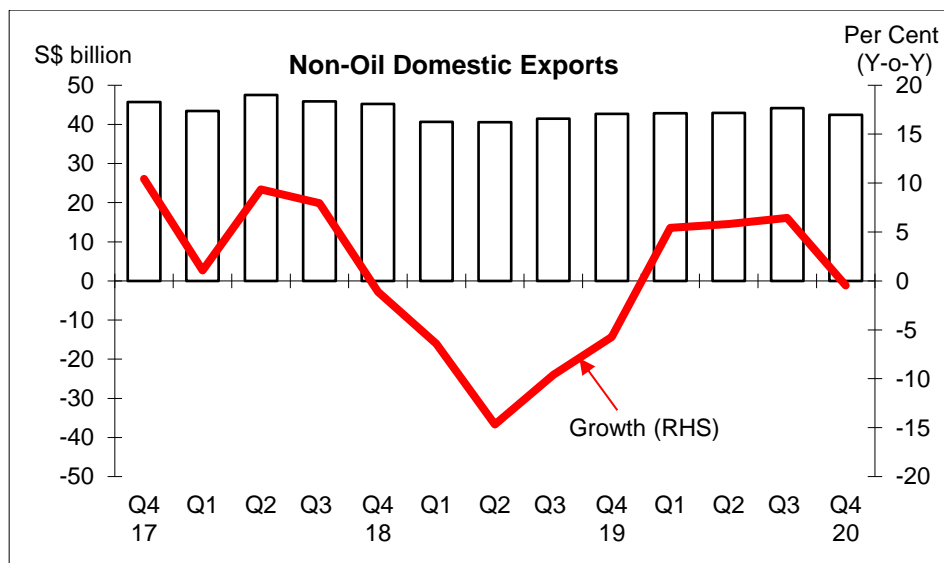
Non-oil Domestic Exports (NODX)

NODX increased in 2020, due to both electronic and non-electronics exports

6. NODX increased by 4.3% in 2020, after the 9.2% decline in 2019, due to higher shipments of both electronic and non-electronic products.

7. Electronic NODX grew by 4.9% in 2020, after the 22.5% contraction in the previous year. Non-electronic NODX increased by 4.1% in 2020, after the 4.5% decline in 2019.

8. On a y-o-y basis, NODX decreased by 0.5% in 4Q 2020, after the previous quarter's 6.5% rise, due to the decline in non-electronic NODX which outweighed the increase in electronics. Electronic domestic exports rose by 2.6% in 4Q 2020, following the previous quarter's 9.2% growth. Non-electronic NODX declined by 1.4% in 4Q 2020, after the 5.7% rise in the previous quarter.



9. On a q-o-q SA basis, NODX decreased by 4.7% in 4Q 2020, after the 2.2% growth in 3Q 2020, due to the decline in both electronic and non-electronic NODX. Electronic domestic exports declined on a q-o-q SA basis by 3.7% in 4Q 2020, following the previous quarter's 2.6% decrease. Non-electronic NODX declined by 4.9% in 4Q 2020, after the 3.7% rise in the previous quarter.

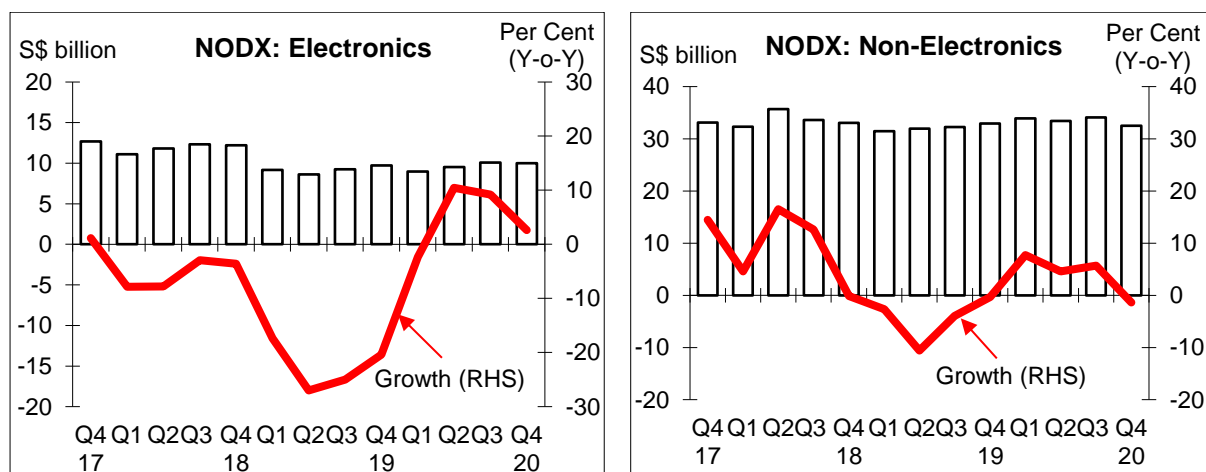
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10. **Electronic products.** Domestic exports of electronic products³ grew by 4.9% in 2020, after the 22.5% contraction in 2019. Disk media products, ICs and telecommunications equipment increased by 24.0%, 3.8% and 8.3% respectively, and they contributed the most to the growth in electronic NODX (see Annex E).

11. On a y-o-y basis, domestic exports of electronic products grew by 2.6% in 4Q 2020, following the previous quarter's 9.2% growth. Telecommunications equipment, PCs and disk drives expanded by 13.6%, 13.2% and 32.8% respectively, contributing the most to the increase in electronic NODX in 4Q 2020.

12. **Non-electronic products.** Domestic exports of non-electronic products⁴ grew by 4.1% in 2020, after the 4.5% decline in 2019. The largest contributors to the increase in non-electronic NODX were non-monetary gold (+53.3%), specialised machinery (+33.5%) and pharmaceuticals (+10.4%) (see Annex E).

13. On a y-o-y basis, non-electronic NODX decreased slightly by 1.4% in 4Q 2020, after the 5.7% rise in the previous quarter. The decline in non-electronic NODX can be attributed to lower domestic exports of pharmaceuticals (-17.7%), non-monetary gold (-14.9%) and petrochemicals (-8.1%).



NODX to the top markets generally increased in 2020, mainly due to the growth in exports to the US, Japan and South Korea

14. **Top 10 Markets.** NODX to the top markets, except China, Hong Kong, Indonesia and Malaysia, grew in 2020. The biggest contributors to the NODX increase were the US (+38.3%), Japan (+26.1%) and South Korea (+27.2%). Details on the performance of key NODX markets can be found in Annex D.

³ Comprising 22% of NODX in 2020.

⁴ Comprising 78% of NODX in 2020.

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

Top Market [^]	NODX		Electronic NODX		Non-Electronic NODX	
	2019	2020	2019	2020	2019	2020
US	1.3	38.3	-9.4	31.9	3.8	39.6
Japan	-28.6	26.1	-19.0	-3.0	-30.7	33.7
South Korea	-14.5	27.2	-19.4	13.4	-13.2	30.6
Taiwan	-11.3	15.5	-29.3	27.9	11.7	5.4
EU 27	-11.5	8.8	-30.9	-6.0	-8.0	10.9
Thailand	-4.3	6.8	-18.7	17.9	3.6	2.0
Malaysia	-10.3	-0.7	-21.0	8.3	-2.9	-5.7
Indonesia	-12.3	-16.4	-10.8	-3.1	-12.5	-17.9
Hong Kong	-16.6	-15.1	-22.3	-14.1	-4.3	-16.8
China	-1.0	-8.0	-29.9	-3.7	8.2	-8.9

[^]: Ranked by contribution to the change in NODX levels over the year.

15. Electronic NODX to the top markets grew in 2020. The biggest contributors to the electronic NODX increase were Taiwan (+27.9%), the US (+31.9%) and Thailand (+17.9%). The top three products contributing to the increase in electronic NODX for each of the relevant top market are provided in the table below.

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

Top Market [^]	Top Products Contributing to the Increase in Electronic NODX					
	Top Product	2020 (% Change)	Second Product	2020 (% Change)	Third Product	2020 (% Change)
Taiwan	ICs	26.5	Parts of ICs	140.4	Bare PCB	99.6
US	Disk Media Products	75.7	Telecommunications Equipment	24.6	ICs	23.3
Thailand	Disk Media Products	19.6	ICs	27.7	Parts of ICs	29.1
Malaysia	ICs	6.0	Diodes & Transistors	39.3	Disk Media Products	136.5
South Korea	ICs	41.5	Disk Drives	73.2	Parts of PCs	21.5

[^]: Ranked by contribution to the change in electronic NODX levels over the year.

16. Non-electronic NODX to the top markets as a whole increased in 2020, though exports to China, Indonesia, Hong Kong and Malaysia declined. The biggest contributors to the growth in non-electronic NODX were the US (+39.6%), Japan (+33.7%) and the EU 27 (+10.9%). The top three products contributing to the rise in non-electronic NODX for each of the relevant top market are provided in the table below.

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

Top Market [^]	Top Products Contributing to the Decline in Non-Electronic NODX					
	Top Product	2020 (% Change)	Second Product	2020 (% Change)	Third Product	2020 (% Change)
US	Non-monetary Gold	n.m.	Food Preparations	15.0	Pharmaceuticals	21.7
Japan	Pharmaceuticals	100.7	Specialised Machinery	66.8	Glass	862.0
EU 27	Non-monetary Gold	n.m.	Pharmaceuticals	11.3	Specialised Machinery	57.0
South Korea	Specialised Machinery	109.8	Pharmaceuticals	24.3	Heating & Cooling Equipment	832.0
Taiwan	Specialised Machinery	7.2	Non-electric Engines & Motors	n.m.	Glass	n.m.
Thailand	Non-monetary Gold	52.9	Food Preparations	19.7	Medical Apparatus	163.5

[^]: Ranked by contribution to the change in non-electronic NODX levels over the year.

n.m.: not meaningful.

Non-oil Re-exports (NORX)

NORX grew in 2020 due to electronic re-exports; non-electronics declined

17. NORX grew by 0.1% in 2020, following the 3.1% rise in 2019. The y-o-y increase in NORX can be attributed to the higher shipments of electronic re-exports.

18. **Electronic products.** Electronic NORX expanded by 13.1% in 2020, following the 1.1% growth in 2019. The increase in electronic NORX was due to higher re-exports of ICs (+15.0%), diodes & transistors (+35.4%) and parts of PCs (+14.1%).

19. **Non-electronic products.** Non-electronic NORX contracted by 11.3% in 2020, after the 5.0% rise in 2019. The decline in non-electronic NORX was due to lower re-exports of piston engines (-67.1%), aircraft parts (-29.7%) and alcoholic beverages (-22.5%).

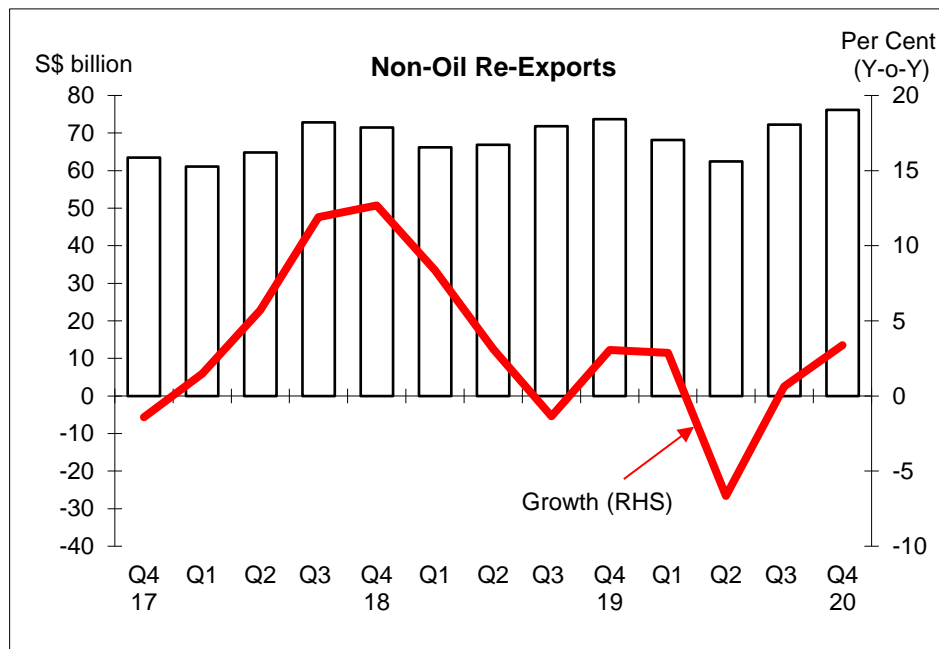
NORX grew in 4Q 2020 due to electronic re-exports

20. On a y-o-y basis, NORX rose by 3.4% in 4Q 2020, following the 0.6% increase in the previous quarter. The y-o-y rise in NORX can be attributed to the higher shipments of electronic re-exports.

21. **Electronic products.** Electronic NORX expanded by 21.3% in 4Q 2020, extending the 15.8% growth in 3Q 2020. The increase in electronic NORX was due to higher re-exports of ICs (+27.5%), diodes & transistors (+50.1%) and parts of PCs (+46.2%).

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22. **Non-electronic products.** Non-electronic NORX declined by 12.4% in 4Q 2020, following the 12.9% contraction in 3Q 2020. The decline in non-electronic NORX was due to lower re-exports of non-electric engines & motors (-35.6%), aircraft parts (-40.3%) and piston engines (-56.6%).



NORX grew over the quarter in 4Q 2020

23. On a q-o-q SA basis, NORX grew by 3.7% in 4Q 2020, following the 6.9% increase in 3Q 2020, due to the rise in both electronic and non-electronic NORX. Electronic re-exports rose by 6.0% in 4Q 2020, following the 6.1% growth in 3Q 2020. Non-electronic re-exports increased by 1.1% in 4Q 2020, after the 7.9% rise in the previous quarter.

NORX to top markets grew in 2020, led by Hong Kong, China and the EU 27

24. **Top 10 Markets.** NORX to the top markets as a whole grew in 2020, though shipments to Malaysia, Japan and Indonesia declined. The biggest contributors to the increase in 2020 were Hong Kong (+16.3%), China (+9.5%) and the EU 27 (+7.8%). Details on the performance of key NORX markets can be found in Annex F.

Oil Domestic Exports

Oil domestic exports decreased in 2020 amid lower oil prices than a year ago

25. Oil domestic exports contracted by 28.1% in 2020, following the 12.9% decline in the previous year. The decline in oil domestic exports was due to lower shipments of oil to Malaysia (-47.2%), Indonesia (-47.4%) and Australia (-45.8%). In volume terms, oil domestic exports rose by 3.6% in 2020, after the 5.6% decrease in 2019 (See Annex G).

26. On a y-o-y basis, oil domestic exports contracted by 30.6% in 4Q 2020, extending the 29.1% decline in the previous quarter. In volume terms, oil domestic exports declined by 8.4% in 4Q 2020, after the rise of 5.1% in the previous quarter. On a q-o-q SA basis, oil domestic exports grew by 1.2% in 4Q 2020, following the 25.8% expansion in the previous quarter.

Oil Re-exports

Oil re-exports declined in 2020

27. Oil re-exports declined by 5.0% in 2020, following the 45.9% contraction in 2019. The decrease in oil re-exports was mainly due to Indonesia (-61.4%), Malaysia (-32.3%) and Thailand (-50.3%). In volume terms, oil re-exports grew by 37.9% in 2020, after the previous year's contraction of 42.0%.

28. On a y-o-y basis, oil re-exports rose by 4.2% in 4Q 2020, after the 29.7% contraction in 3Q 2020. In volume terms, oil re-exports grew by 33.3% in 4Q 2020, after the 0.5% decline in 3Q 2020. On a q-o-q SA basis, oil re-exports expanded by 35.0% in 4Q 2020, after the 1.1% decrease in the previous quarter.

Outlook for Merchandise Trade and NODX in 2021

Higher oil prices to support oil trade and in turn total trade in 2021

29. Total merchandise trade declined in 2020, weighed down by mainly by oil trade amid lower oil prices. Both electronic and non-electronic NODX grew amid favourable sector-specific output and exports trend in 2020, after the decline in 2019.

30. Since the last update, the 2021 global economic and trade outlook remained broadly unchanged, with growth expected from a low base in 2020. The International Monetary Fund (IMF) forecasted the global economy to grow by 5.5% in 2021, with recovery expected to be uneven across economies. There remains risks and uncertainties in the global economy, with growth forecast for some of Singapore's key trade partners such as the US and Japan upgraded, while that for China, ASEAN-5 and the Euro Area was adjusted downwards. On the trade front, the IMF expects global trade volumes to grow by 8.1% in 2021, after 2020's 9.6% decline.⁵

31. 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 2021.⁶ Taking the above into consideration, the 2021 growth projection is adjusted upwards to "+2.0% to +4.0%" for total merchandise trade, and maintained at "0.0% to +2.0%" for NODX.

⁵ Global economic and trade forecasts based on the latest available IMF World Economic Outlook (WEO) released in Jan 2021. Data for trade volumes pertain to both goods and services trade.

⁶ The Energy Information Administration (EIA) upgraded the 2021 oil price forecast to US\$53/barrel in February 2020's update, up from the around US\$47 last November.

TOTAL SERVICES TRADE⁷

Total services trade fell in 2020

32. Singapore's total services trade⁸ declined by 14.3% in 2020, after the 5.7% growth in 2019. Total services trade reached S\$497.1 billion in 2020, down from S\$580.3 billion in 2019. Both services exports and imports decreased by 12.7% and 16.1% in 2020 respectively (see Annexes H and I).

33. On a y-o-y basis, Singapore's total services trade contracted by 16.3% in 4Q 2020 (3Q 2020: -16.3%). Services exports and imports declined by 13.8% and 18.9% in 4Q 2020 respectively.

Services Exports

Exports of services continued to decrease in 4Q 2020

34. Services exports declined by 12.7% in 2020, after the 6.2% growth a year ago. The decrease in services exports⁹ can be attributed to the lower receipts from travel (-74.1%), transport (-14.0%) and other business services (-3.7%).

35. On a y-o-y basis, exports of services contracted by 13.8% in 4Q 2020, following the 14.1% decrease in the preceding quarter.

⁷ 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.

⁸ 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.

⁹ 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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