

MEDIA RELEASE

Embargoed until 23 November 2020, 8.00 a.m.

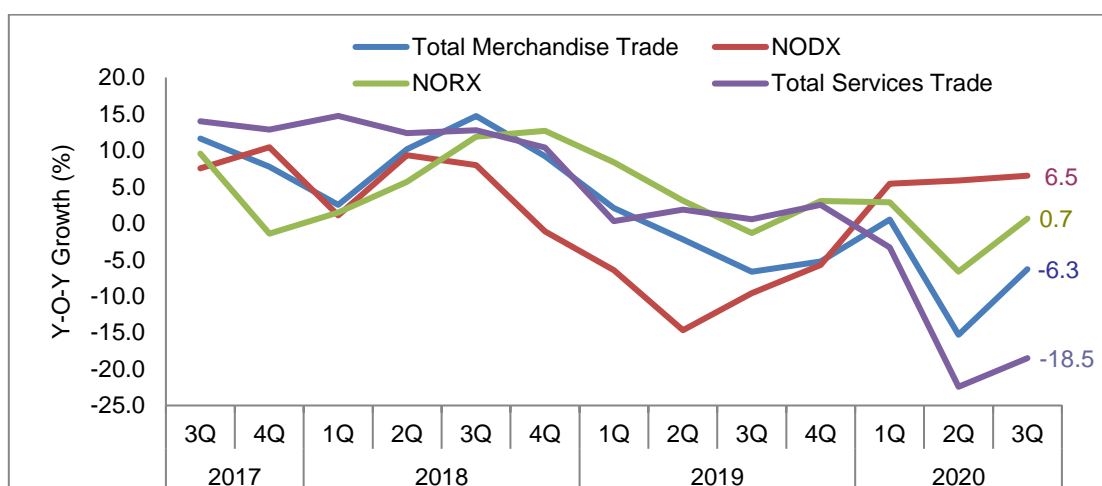
Review of 3Q 2020 Trade Performance^{1,2}

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MR No.: 091/20

Singapore, Monday, 23 November 2020

Highlights



- Total merchandise trade declined by 6.3% in 3Q 2020, easing from the 15.3% contraction in 2Q 2020; oil trade declined at a slower pace in 3Q 2020 (-39.5%; 2Q 2020: -61.9%), while non-oil trade grew (+0.8%), after the previous quarter's decline (-3.5%).
- Non-oil domestic exports (NODX) grew by 6.5%; non-oil re-exports (NORX) rose by 0.7%.
- Total merchandise trade and NODX forecasts for 2020 are adjusted upwards to “-7.0% to -7.0%” and “+4.0% to +4.5%” respectively, amid better-than-expected performance for specific products, e.g. non-monetary gold & specialised machinery; electronics also grew.
- For 2021, growth projections are at “+1.0% to +3.0%” for total merchandise trade and “0.0% to +2.0%” for NODX.
- Total services trade declined by 18.5% to reach S\$111.9 billion in 3Q 2020.

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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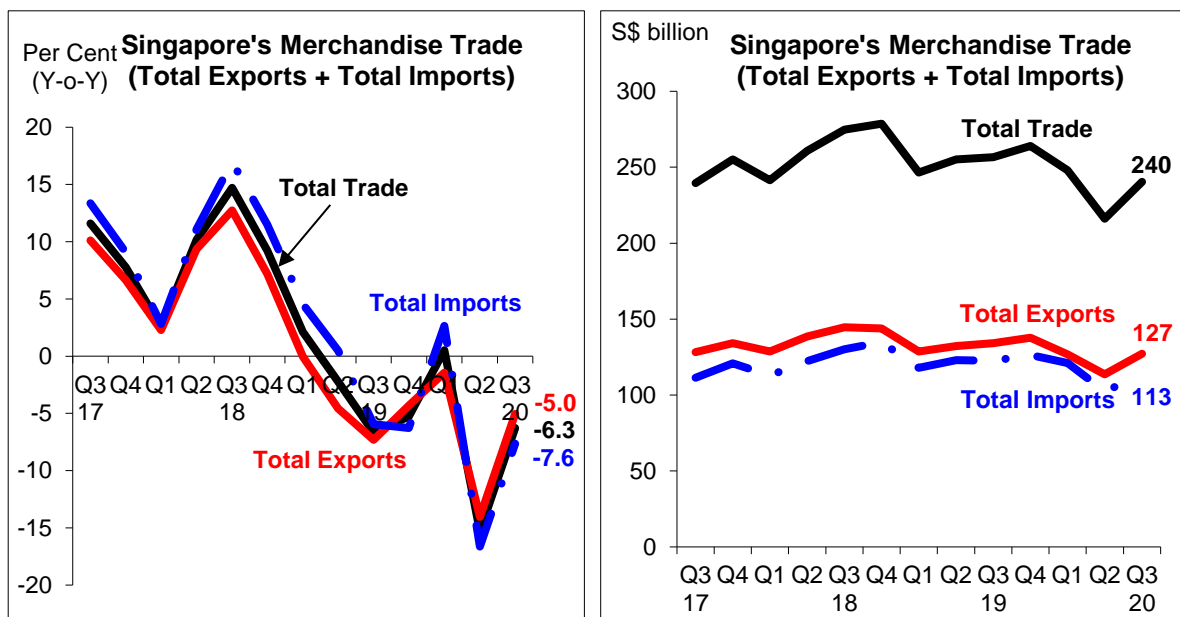
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Performance by Key Trade Components

TOTAL MERCHANDISE TRADE

Total merchandise trade decreased by 6.3% in 3Q 2020, following the 15.3% decline in 2Q 2020

1. On a year-on-year (y-o-y) basis, Singapore's total merchandise trade decreased by 6.3% in 3Q 2020, following the 15.3% decline in 2Q 2020. The decline in oil trade outweighed the growth in non-oil trade. Oil trade declined by 39.5% in 3Q 2020 amid lower oil prices than a year ago, easing from the 61.9% contraction in the previous quarter. Non-oil trade grew by 0.8% in 3Q 2020, after the previous quarter's 3.5% decrease.



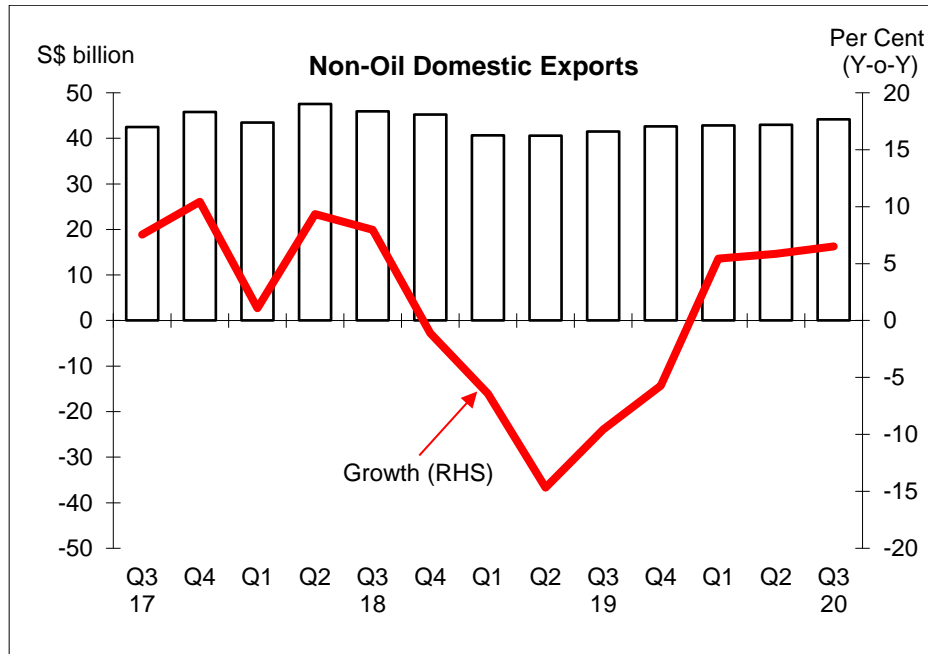
2. On a quarter-on-quarter (q-o-q) seasonally adjusted (SA) basis, total merchandise trade rose by 7.5% in 3Q 2020, after the previous quarter's 14.4% contraction. Oil and non-oil trade grew by 38.6% and 4.5% respectively. Details on the performance of major merchandise trade components and key trading markets can be found in Annexes A, B and C.

Non-oil Exports (NOX)

3. Non-oil exports (NOX), which include both NODX and NORX, increased y-o-y by 2.8% in 3Q 2020, after the preceding quarter's 1.9% decrease. On a q-o-q SA basis, NOX grew by 5.9% in 3Q 2020, after the 7.0% decline in the previous quarter.

Embargoed until 23 November 2020, 8.00 a.m.**Non-oil Domestic Exports (NODX)*****NODX grew in 3Q 2020, mainly due to non-electronics: e.g. non-monetary gold and specialised machinery; electronics grew at a slightly slower pace***

4. On a y-o-y basis, NODX grew by 6.5% in 3Q 2020, following the 5.9% rise in the previous quarter. Both electronic and non-electronic NODX grew in 3Q 2020.



5. **Electronic products.** On a y-o-y basis, domestic exports of electronic products³ grew by 9.5% in 3Q 2020, following the 10.6% expansion in the previous quarter. ICs, disk media products and telecommunications equipment grew by 12.0%⁴, 16.5% and 14.8% respectively, and contributed the most to the increase in electronic NODX (see Annex E).

6. **Non-electronic products.** Domestic exports of non-electronic products⁵ grew by 7% over the year in 3Q 2020, following the 4.6% increase in 2Q 2020. The largest contributors to the growth in non-electronic NODX were non-monetary gold (+87.8%)⁶, specialised machinery (+40.1%)⁷ and food preparations (+14.4%)⁸.

³ Comprising 23% of NODX in 3Q 2020.

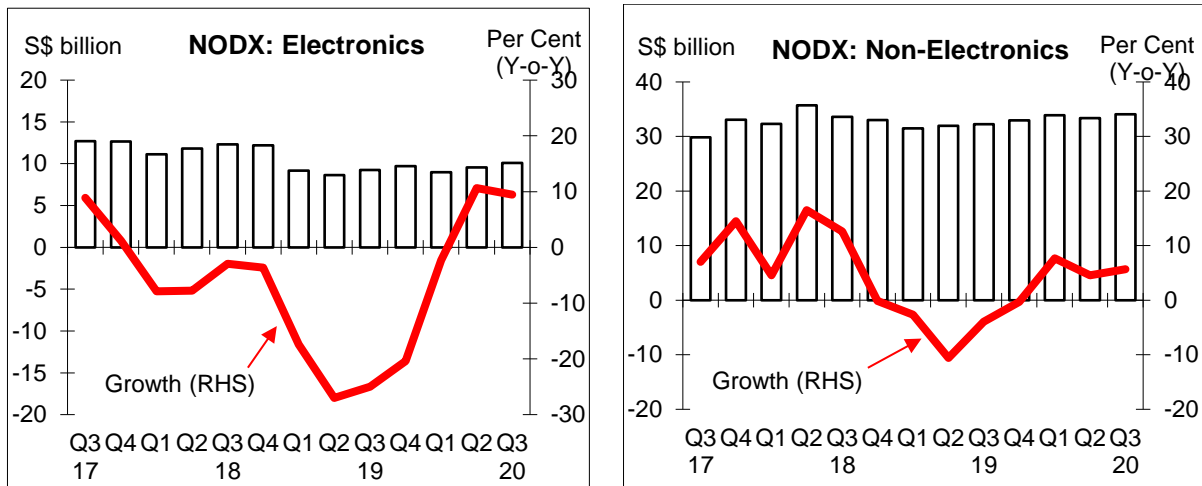
⁴ Domestic exports of ICs grew by 12% (+S\$0.6 billion or bulk ~65% of electronic NODX growth) in 3Q 2020 from the low base a year ago, after contracting more steeply by 29% (-S\$1.9 billion) in 3Q 2019 amid the global electronics downcycle.

⁵ Comprising 77% of NODX in 3Q 2020.

⁶ Domestic exports of non-monetary gold rose by 88% (+S\$3.2 billion) in 3Q 2020, after a 65% growth (+S\$1.4 billion) in 3Q 2019. At the same time, media reports highlighted the rise in demand for physical gold as a safe-haven asset amid global economic uncertainty and the COVID-19. In addition, gold prices reached a record high of US\$2,067.15/oz in early August, followed by a correction to around US\$1,900/oz by the end of the quarter. (Source: World Gold Council)

⁷ Specialised machinery NODX grew by 40% (+S\$1.1 billion) in 3Q 2020, after the 8.7% decline (-S\$0.3 billion) in 3Q 2019.

⁸ Food preparations NODX rose by 14% (+S\$0.3 billion) in 3Q 2020, following the increase of 1.8% (+S\$0.03 billion) in 3Q 2019.

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NODX to top markets as a whole grew in 3Q 2020, though exports to Hong Kong, Indonesia and Thailand declined

7. **Top 10 Markets.** NODX to the top markets as a whole grew in 3Q 2020, though exports to Hong Kong, Indonesia and Thailand declined. The biggest contributors to the NODX growth were the US (+42.6%), the EU 27 (+28.5%) and China (+8.3%). Details on the performance of key NODX markets can be found in Annex D.

NODX grew over the quarter; non-electronics increased, while electronics declined

8. On a q-o-q SA basis, NODX grew by 1.4% in 3Q 2020, after the 3.0% decline in the previous quarter, as the increase in non-electronic NODX outweighed the decline in electronics. Electronic domestic exports decreased on a q-o-q SA basis by 3.1% in 3Q 2020, after the previous quarter's 2.8% rise. Non-electronic NODX rose by 2.8% in 3Q 2020, after the 4.7% decrease in the previous quarter.

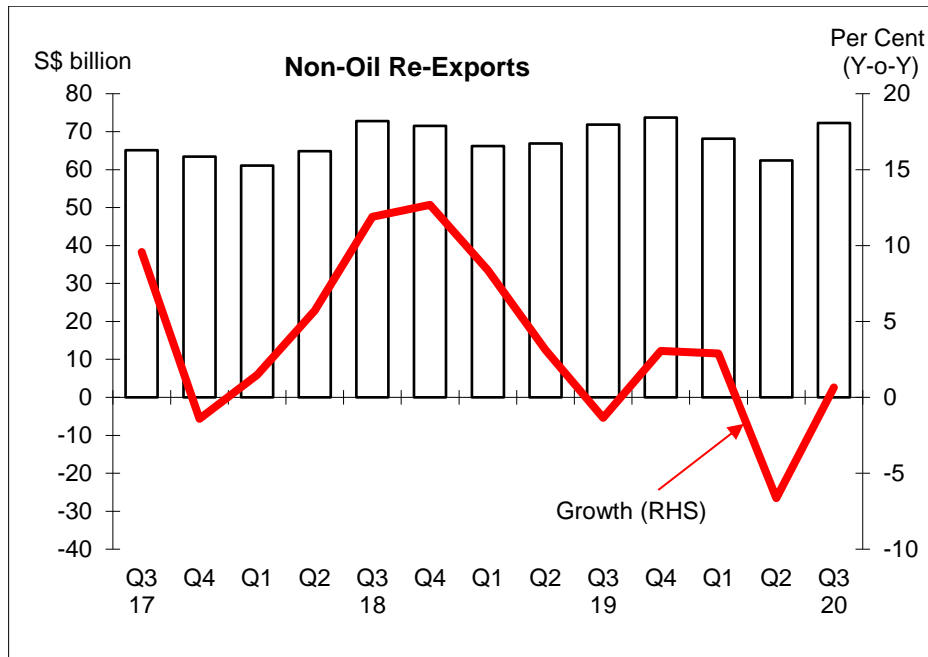
Non-oil Re-exports (NORX)

NORX grew in 3Q 2020; electronics expanded, while non-electronics declined

9. On a y-o-y basis, NORX grew by 0.7% in 3Q 2020, after the 6.6% decline in the previous quarter. The y-o-y decrease in NORX can be attributed to higher shipment of electronics, while non-electronic re-exports decreased.

10. **Electronic products.** Electronic NORX expanded by 15.9% in 3Q 2020, extending the 7.3% growth in the previous quarter. The increase in electronic NORX was due to higher re-exports of ICs (+12.8%), parts of PCs (+39.2%) and diodes & transistors (+38.3%).

11. **Non-electronic products.** Non-electronic NORX declined by 12.9% in 3Q 2020, easing from the previous quarter's 19.0% contraction. The decrease in non-electronic NORX was due to lower re-exports of aircraft parts (-37.4%), piston engines (-67.2%) and non-electric engines & motors (-9.6%).

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NORX to top markets as a whole rose in 3Q 2020, though re-exports to Malaysia, Japan and Indonesia declined

12. **Top 10 Markets.** NORX to the top markets as a whole rose in 3Q 2020, except Malaysia, Japan and Indonesia. The biggest contributors to the NORX growth in 3Q 2020 were Hong Kong (+16.7%), China (+8.7%) and the US (+13.1%). Details on the performance of key NORX markets can be found in Annex F.

NORX grew over the quarter in 3Q 2020

13. On a q-o-q SA basis, NORX rose by 8.9% in 3Q 2020, after the previous quarter's 9.5% decline. Both electronic and non-electronic NORX grew. Electronic re-exports increased on a q-o-q SA basis by 7.9% in 3Q 2020, following the previous quarter's 1.3% growth. Non-electronic NORX expanded by 10.1% in 3Q 2020, after the 19.6% contraction in 2Q 2020.

Oil Domestic Exports

Oil domestic exports declined in 3Q 2020 in both nominal and volume terms

14. On a y-o-y basis, oil domestic exports declined by 48.6% in 3Q 2020 amid lower oil prices than a year ago, easing from the 67.7% contraction in the previous quarter. In volume terms, oil domestic exports declined by 23.7% in 3Q 2020, following the 36.3% contraction in the previous quarter. On a q-o-q SA basis, oil domestic exports expanded by 32.0% in 3Q 2020, after the 48.5% contraction in the previous quarter (see Annex G).

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Oil Re-exports

Oil re-exports decreased in 3Q 2020 in nominal terms

15. On a y-o-y basis, oil re-exports contracted by 29.7% in 3Q 2020, following the 27.5% decline in 2Q 2020. In volume terms, oil re-exports decreased by 0.5% in 3Q 2020, after the 44.1% expansion in 2Q 2020. On a q-o-q SA basis, oil re-exports decreased by 1.1% in 3Q 2020, following the previous quarter's 23.2% contraction.

Outlook for Merchandise Trade and NODX in 2020 and 2021

2020 global economic & trade outlook remains subdued, notwithstanding upgrades in growth forecast; 2021 expected to see some improvement from a low base

16. Total trade performed slightly better than expected in 3Q 2020. Oil trade declined at a slower pace, while both electronic and non-electronic NODX continued to grow amid favourable sector-specific export and output trends. However, total trade is expected to decline in 2020, weighed down mainly by oil trade amid lower oil prices and weaker demand than a year ago.

17. Since the last update, the 2020 global economic and trade outlook improved slightly. The International Monetary Fund (IMF) upgraded the 2020 global economic growth forecast to -4.4%, as economies tentatively reopened.⁹ The growth outlook for some of Singapore's key trade partners such as China, the US, Euro Area and Japan were adjusted upwards. On the trade front, the World Trade Organisation (WTO) revised the 2020 world merchandise trade volume growth upwards to -9.2%, from the earlier -12.9% forecast.¹⁰

18. For 2021, the IMF expects the global economy to grow by 5.2% from a lower base. Advanced economies are expected to grow at a stable 3.9%, with the US and the Euro Area growing by 3.1% and 5.2% respectively. Meanwhile, emerging and developing economies are expected to grow by 6.0% in 2021. As for trade, WTO expects global trade to rebound to 7.2% in 2021. Overall, higher expected oil prices in 2021 may provide some support to our oil trade and in turn total trade in 2021.

19. Taking the above into consideration, the 2020 growth projection for total merchandise trade and NODX are adjusted upwards to -7.5% to -7.0% and +4.0% to +4.5% respectively. For 2021, growth projections are at +1.0% to +3.0% for total merchandise trade and 0.0% to +2.0% for NODX.

⁹ Based on the IMF's latest October 2020 World Economic Outlook (WEO) report.

¹⁰ Based on the WTO's latest October 2020 press release.

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TOTAL SERVICES TRADE¹¹

Total services trade declined in 3Q 2020

20. On a y-o-y basis, Singapore's total services trade¹² declined by 18.5% in 3Q 2020, following the 22.4% contraction in the previous quarter. Total services trade reached S\$111.9 billion for the quarter, with both services exports and imports contracting by 17.8% and 19.2% respectively (see Annex H).

Services Exports

Exports of services declined in 3Q 2020, mainly due to the decrease in travel receipts, transport services exports and receipts from maintenance and repair services

21. Services exports declined by 17.8% on a y-o-y basis in 3Q 2020, following the 20.8% contraction in the preceding quarter. The decline in services exports can be attributed to the decrease in travel receipts (-82.7%), transport services exports (-17.5%) and receipts from maintenance and repair services (-50.9%).

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

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

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