

## MEDIA RELEASE

**Embargoed until 25 May 2022, 8.00 a.m.**

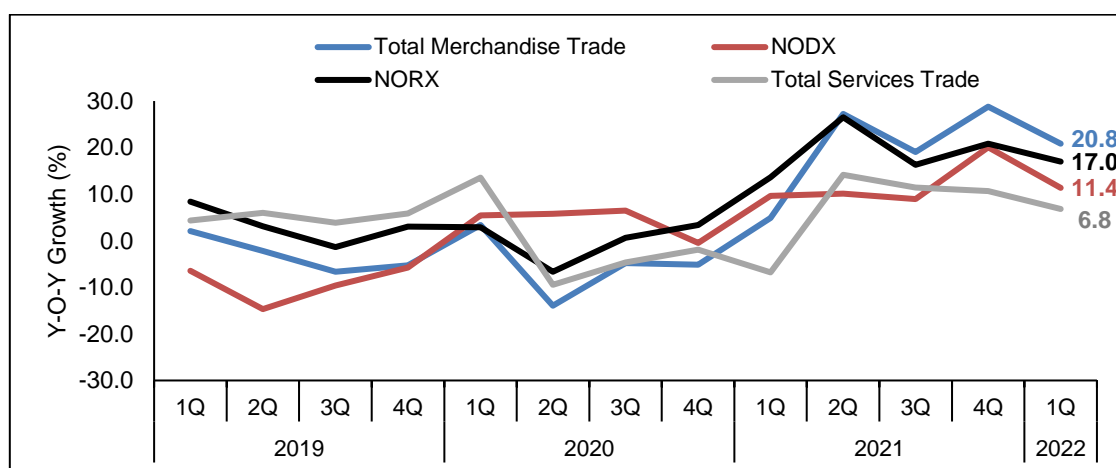
### Review of 1Q 2022 Trade Performance<sup>1,2</sup>

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MR No.: 034/22

Singapore, Wednesday, 25 May 2022

#### Highlights



#### Total Merchandise Trade

- Grew by 20.8% in 1Q 2022, following the 28.8% growth in 4Q 2021
- Non-oil trade rose by 16.0%; oil trade expanded by 48.2% amid higher oil prices than a year ago
- Both non-oil domestic exports (**NODX**: +11.4%) and re-exports (**NORX**: +17.0%) grew

#### 2022 Forecasts

- Adjusted upwards for total merchandise trade (+8.0% to +10.0%) and NODX (+3.0% to +5.0%), on account of better-than-expected 1Q 2022 performance and higher expected 2022 oil prices to support oil trade, and in turn total trade

#### Total Services Trade

- Increased by 6.8% to reach S\$158 billion in 1Q 2022

<sup>1</sup> 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.

<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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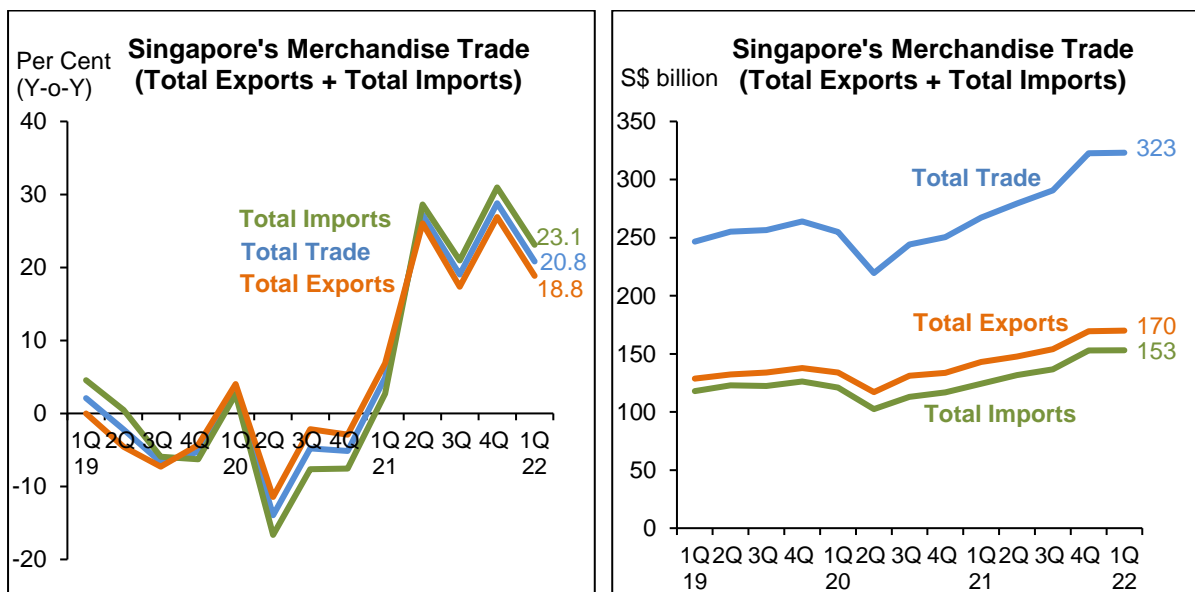
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## Performance by Key Trade Components

### Total Merchandise Trade

**Total merchandise trade grew by 20.8% in 1Q 2022, following the 28.8% growth in 4Q 2021**

- On a year-on-year (y-o-y) basis, Singapore's total merchandise trade rose by 20.8% in 1Q 2022, following the 28.8% growth in 4Q 2021. Both oil and non-oil trade grew.
  - Oil trade rose by 48.2% in 1Q 2022, extending the 86.1% expansion in 4Q 2021<sup>3</sup>.
  - Non-oil trade grew by 16.0% in 1Q 2022, following the previous quarter's 20.8% increase<sup>4</sup>.



- On a quarter-on-quarter (q-o-q) seasonally adjusted (SA) basis, total merchandise trade rose by 5.1% in 1Q 2022, after the previous quarter's 9.3% growth. Oil and non-oil trade rose by 5.0% and 5.1% 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)

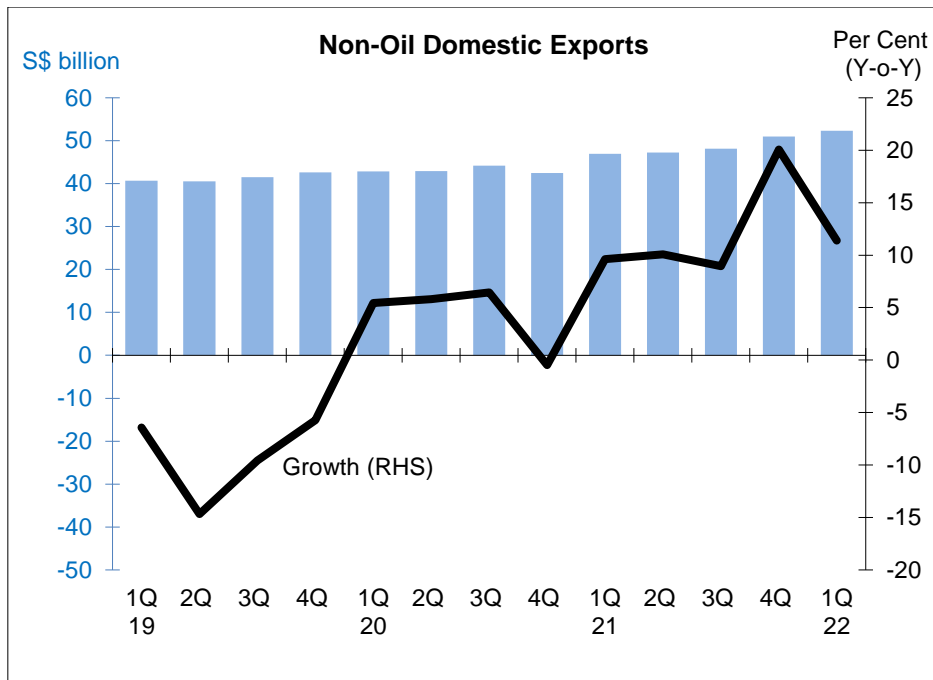
- Non-oil exports (NOX), which include both NODX and NORX, grew y-o-y by 14.9% in 1Q 2022, following the preceding quarter's 20.6% expansion. On a q-o-q SA basis, NOX rose by 5.5% in 1Q 2022, following the 7.1% rise in the previous quarter.

<sup>3</sup> Oil trade formed 34% of total trade growth in 1Q22. Oil prices averaged US\$100/ barrel in 1Q22, higher than the US\$61/barrel in 1Q21. Source: Energy Information Administration (EIA)

<sup>4</sup> Non-oil trade formed 66% of total trade growth in 1Q22, of which more than half (59%) was driven by electronics trade. Amid strong global semiconductor demand, economies such as Taiwan similarly saw strong export growth in recent months (1Q22: +24%; electronics exports: +33%) based on media reports.

**Embargoed until 25 May 2022, 8.00 a.m.****Non-oil Domestic Exports (NODX)*****NODX grew in 1Q 2022, mainly due to non-electronics (e.g. structures of ships & boats, specialised machinery & pharmaceuticals); electronics rose for the 8<sup>th</sup> quarter straight***

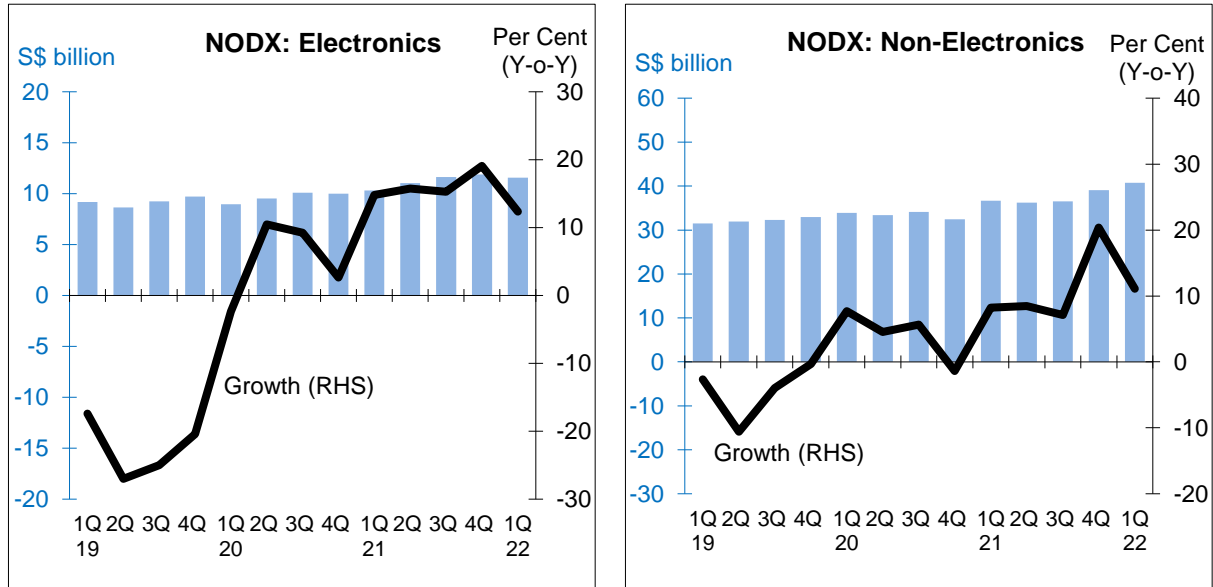
4. On a y-o-y basis, NODX rose by 11.4% in 1Q 2022, following the 20.1% growth in the previous quarter. Both electronic and non-electronic NODX rose in 1Q 2022.



5. **Electronic products.** On a y-o-y basis, domestic exports of electronic products<sup>5</sup> grew by 12.3% in 1Q 2022, following the 19.1% growth in the previous quarter. ICs, disk media products and capacitors expanded by 20.1%, 18.8% and 78.1% respectively, and contributed the most to the increase in electronic NODX (see Annex E).
6. **Non-electronic products.** Domestic exports of non-electronic products<sup>6</sup> rose by 11.1% in 1Q 2022, following the 20.4% expansion in 4Q 2021. The largest contributors to the growth in non-electronic NODX were structures of ships & boats (+647.0%), specialised machinery (+13.0%) and pharmaceuticals (+13.1%).

<sup>5</sup> Comprising 22% of NODX in 1Q 2022.

<sup>6</sup> Comprising 78% of NODX in 1Q 2022.

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***NODX to top markets as a whole grew in 1Q 2022, though exports to Hong Kong, South Korea and Thailand declined***

7. **Top 10 Markets.** NODX to the top markets as a whole grew in 1Q 2022, though exports to Hong Kong, South Korea and Thailand declined. The biggest contributors to the NODX growth were the US (+37.0%), the EU 27 (+30.0%) and China (+15.4%). 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 4.4% in 1Q 2022, following the 5.4% rise in the previous quarter. In 1Q 2022, on a q-o-q SA basis:
- Electronic NODX rose by 7.7%, after the previous quarter's 1.5% increase.
  - Non-electronic NODX grew by 3.4%, following the 6.7% growth in 4Q 2021.

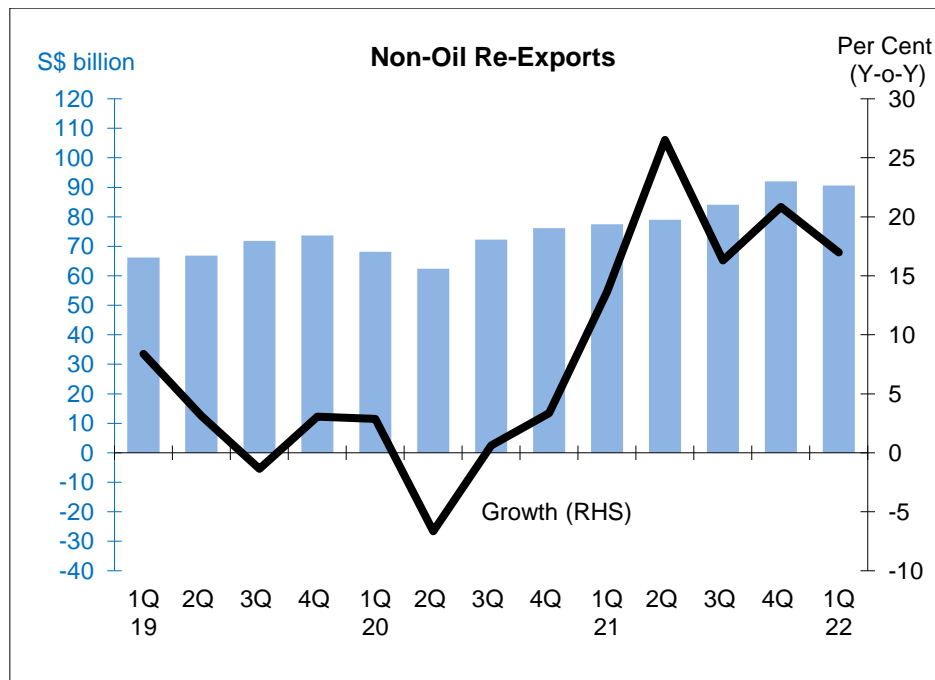
**Non-oil Re-exports (NORX)**

***NORX grew in 1Q 2022, due to both electronics and non-electronics***

9. On a y-o-y basis, NORX grew by 17.0% in 1Q 2022, extending the 20.8% expansion in the previous quarter. The y-o-y increase in NORX was due to the higher shipments of both electronic and non-electronic re-exports.
10. **Electronic products.** Electronic NORX expanded by 21.1% in 1Q 2022, extending the 22.5% growth in 4Q 2021. The increase in electronic NORX was due to higher re-exports of ICs (+32.0%), diodes & transistors (+15.4%) and PCs (+46.4%).

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11. **Non-electronic products.** Non-electronic NORX grew by 12.1% in 1Q 2022, following the previous quarter's 18.7% rise. Growth was due to higher re-exports of non-electric engines & motors (+48.2%), specialised machinery (+56.5%) and electrical machinery (+59.9%).

**NORX to top markets as a whole rose in 1Q 2022**

12. **Top 10 Markets.** NORX to the top markets as a whole rose in 1Q 2022. The biggest contributors to the NORX increase in 1Q 2022 were China (+44.4%), Hong Kong (+8.5%) and the US (+20.3%). Details on the performance of key NORX markets can be found in Annex F.

**NORX grew over the quarter in 1Q 2022 due to both electronics and non-electronics**

13. On a q-o-q SA basis, NORX rose by 6.1% in 1Q 2022, after the previous quarter's 8.1% growth. In 1Q 2022, on a q-o-q SA basis:
- Electronic re-exports grew by 6.7%, following the previous quarter's 6.9% rise.
  - Non-electronic NORX increased by 5.4% in 1Q 2022, after the 9.6% growth in 4Q 2021.

**Oil Domestic Exports****Oil domestic exports expanded in 1Q 2022 in nominal terms**

14. On a y-o-y basis, oil domestic exports grew by 45.4% in 1Q 2022, extending the 78.2% expansion in the previous quarter.
- In volume terms, oil domestic exports decreased by 9.4% in 1Q 2022, after the 1.6% growth in the previous quarter.
  - On a q-o-q SA basis, oil domestic exports grew by 3.0% in 1Q 2022, after the previous quarter's 20.4% expansion (see Annex G).

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## **Oil Re-exports**

### ***Oil re-exports expanded in 1Q 2022 in nominal terms***

15. On a y-o-y basis, oil re-exports rose by 45.9% in 1Q 2022, extending the 53.4% expansion in 4Q 2021.
  - In volume terms, oil re-exports decreased by 7.5% in 1Q 2022, following the 7.6% decline in 4Q 2021.
  - On a q-o-q SA basis, oil re-exports decreased by 2.1% in 1Q 2022 (4Q 2021: +89.5%).

## **Outlook for Merchandise Trade and NODX in 2022**

### ***Better-than-expected 1Q 2022 performance; higher oil prices to support oil trade and in turn total trade in 2022, though uncertainty remains***

16. In February, the 2022 forecast for total merchandise trade and NODX were maintained at “0.0% to +2.0%”, considering that the pace of growth is likely to moderate from the high base in 2021, in line with the global economic and trade outlook.
  - Further support in 2022 from key growth drivers (e.g. electronics trade amid robust global semiconductor demand and oil trade amid higher oil prices) was expected to ease, after both total trade and NODX expanded by double-digit percentages in 2021.
  - Externally, there remained uncertainties due to COVID-19, continued global supply chain disruptions and a faster-than-expected tightening of monetary policy by advanced economies. Upside risks related to energy prices amid geopolitical tensions could also exacerbate inflationary pressures, weighing on global economic growth and trade.
17. Since then, both total merchandise trade and NODX grew better-than-expected in 1Q 2022. Supportive factors such as higher oil prices driving oil trade growth in nominal terms and in turn total trade, as well as robust global semiconductor demand are likely to continue in 2022, supporting exports of electronics and related specialised machinery and NODX growth. Notably:
  - The Energy Information Administration (EIA) upgraded the 2022 oil price forecast to US\$103/barrel (from US\$83/barrel), widening prices to nearly 50% above 2021's US\$71/barrel<sup>7</sup> (from 17% earlier). Prices are expected to remain elevated for the rest of 2022 as global energy supply remained uncertain amid the Russia-Ukraine conflict.
  - Global semiconductor revenue is projected to grow at 13.6% in 2022 (up from the 9.4% projected earlier)<sup>8</sup>.

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<sup>7</sup> Based on the Energy Information Administration (EIA)'s latest update in May 2022, compared to February's report.

<sup>8</sup> Based on Gartner's April 2022 release.

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18. Notwithstanding risks and uncertainties, the International Monetary Fund (IMF) expected global economic activity to grow 3.6% in 2022 (down from 4.4% projected earlier).<sup>9</sup> Most of Singapore's key trade partners including China, the US, Eurozone and ASEAN-5 were expected to grow in 2022 despite downgraded growth forecasts due to the spillover effects from the Russia-Ukraine conflict. On the trade front, the World Trade Organisation (WTO) similarly expected global merchandise trade volumes to grow by 3.0% in 2022 (from the 4.7% projected earlier)<sup>10</sup>.
19. Taking the above into consideration, the 2022 growth projection is adjusted upwards for both total merchandise trade and NODX to "+8.0% to +10.0%" and "+3.0% to +5.0%" respectively.

**Total Services Trade<sup>11</sup>*****Total services trade grew in 1Q 2022***

20. On a y-o-y basis, Singapore's total services trade<sup>12</sup> grew by 6.8% in 1Q 2022, following the 10.6% growth in the previous quarter. Total services trade reached S\$158 billion for the quarter, with services exports and imports growing by 7.1% and 6.6% respectively (see Annex H).

**Services Exports*****Exports of services grew in 1Q 2022, mainly due to the increase in other business services exports, travel receipts and receipts from charges for the use of intellectual property***

21. Services exports increased by 7.1% on a y-o-y basis in 1Q 2022, following the 9.2% growth in the preceding quarter. The growth in services exports can be attributed to the increase in other business services exports (+12.4%), travel receipts (+69.6%) and receipts from charges for the use of intellectual property (+15.3%).

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<sup>9</sup> Based on IMF's WEO April 2022 release.

<sup>10</sup> Based on the WTO's April 2022 release.

<sup>11</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>12</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.

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