

MEDIA RELEASE

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

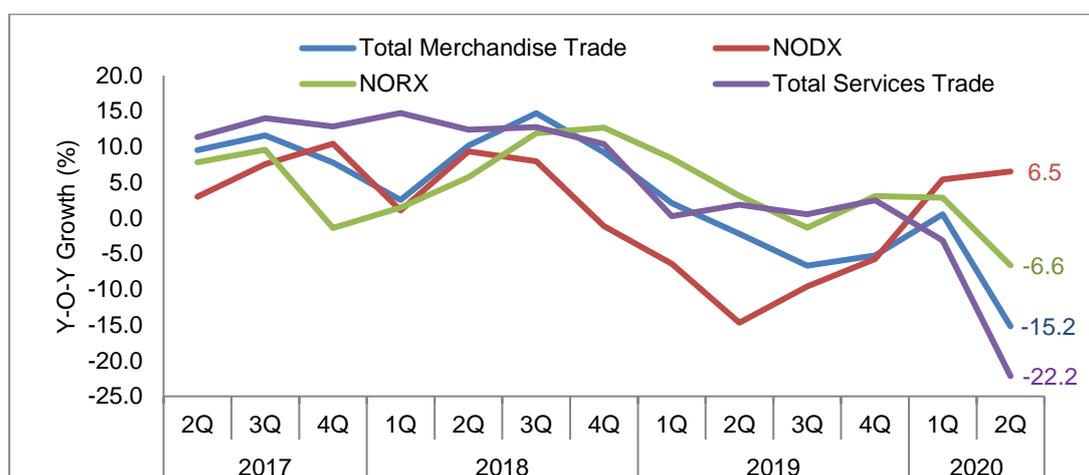
IMPORTANT: Unless otherwise stated, use of any information in this news release must be attributed to Enterprise Singapore.

To be embargoed till 08:00 am on Tuesday, 11 August 2020

MR No.: 059/20

Singapore, Tuesday, 11 August 2020

Highlights



- Total merchandise trade declined by 15.2% in 2Q 2020, after the 0.5% growth in 1Q 2020; oil trade contracted by 61.9% amid lower oil prices than a year ago, while non-oil trade declined by 3.3%.
- Non-oil domestic exports (NODX) grew by 6.5%; non-oil re-exports (NORX) declined by 6.6%.
- Total merchandise trade and NODX forecasts for 2020 are adjusted upwards to “-10.0% to -8.0%” and “3.0% to 5.0%” respectively, amid better-than-expected performance for specific products, e.g. non-monetary gold, pharmaceuticals & electronics; global economic outlook remains uncertain, though global trade is unlikely to reach the worst-case scenario earlier projected by the WTO.
- Total services trade contracted by 22.2% to reach S\$107.0 billion in 2Q 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.

Enterprise Singapore is the government agency championing enterprise development. Our vision for Singapore is a vibrant economy with globally competitive Singapore enterprises.

The data in the media release is provided on an “as is” basis and is subject to updates, as well as revisions, to ensure consistency with international compilation and reporting standards. While every effort is made to ensure that the data is accurate, it is provided by Enterprise Singapore without any representation or warranty. Enterprise Singapore shall not be held responsible for any consequence arising from your reliance on any information provided by us.

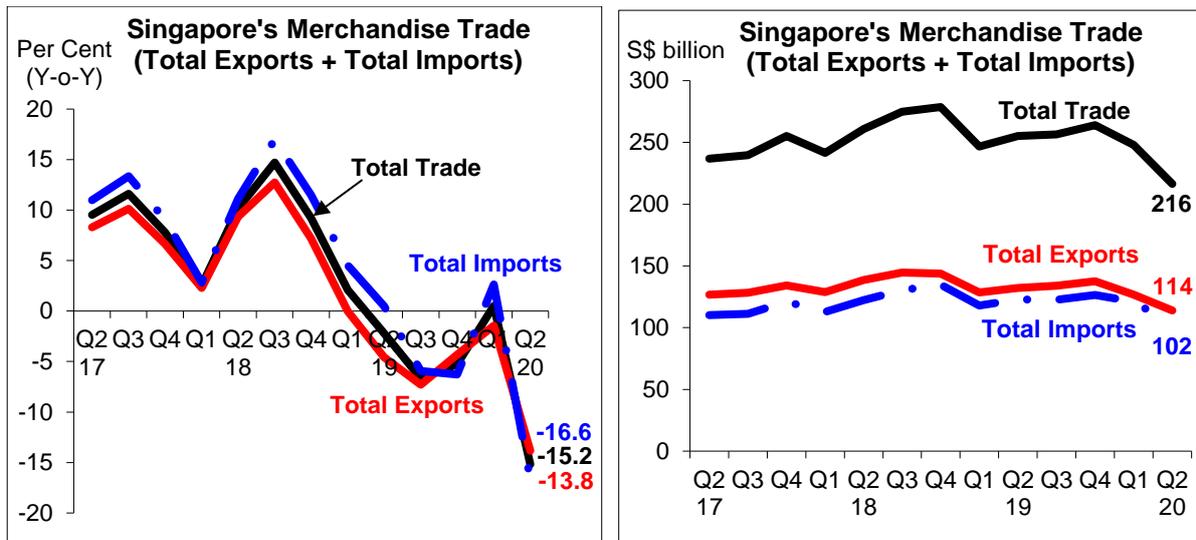
Unless otherwise stated, use of any information in this news release must be attributed to Enterprise Singapore

Performance by Key Trade Components

TOTAL MERCHANDISE TRADE

Total merchandise trade declined by 15.2% in 2Q 2020, after the 0.5% growth in 1Q 2020

1. On a year-on-year (y-o-y) basis, Singapore's total merchandise trade decreased by 15.2% in 2Q 2020, after growing by 0.5% in 1Q 2020. Both oil and non-oil trade declined. Oil trade contracted by 61.9% in 2Q 2020 amid lower oil prices than a year ago, following the 15.9% decline in the previous quarter. Non-oil trade decreased by 3.3% in 2Q 2020, after the previous quarter's 4.4% increase.



2. On a quarter-on-quarter (q-o-q) seasonally adjusted (SA) basis, total merchandise trade decreased by 14.3% in 2Q 2020, after the previous quarter's 0.1% growth. Non-oil trade declined by 7.7%, while oil trade contracted by 50.6%. 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)

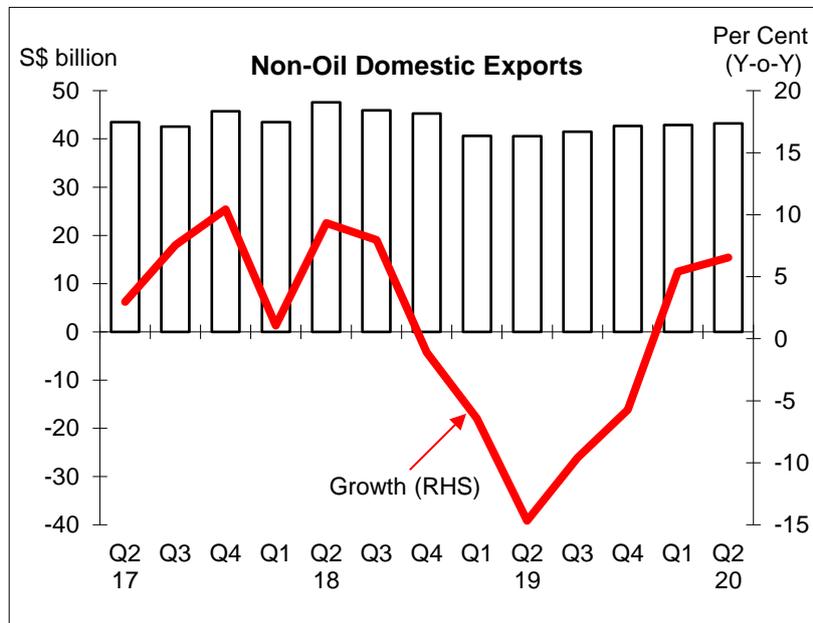
3. Non-oil exports (NOX), which include both NODX and NORX, decreased y-o-y by 1.7% in 2Q 2020, after the preceding quarter's 3.8% growth. On a q-o-q SA basis, NOX declined by 6.7% in 2Q 2020, after the 2.3% increase in the previous quarter.

Unless otherwise stated, use of any information in this news release must be attributed to Enterprise Singapore

Non-oil Domestic Exports (NODX)

NODX grew in 2Q 2020, mainly due to non-electronics: e.g. non-monetary gold and pharmaceuticals; electronics grew after previous declines

4. On a y-o-y basis, NODX grew by 6.5% in 2Q 2020 from the low base a year ago, after the 5.4% rise in the previous quarter. Both electronic and non-electronic NODX grew in 2Q 2020.



5. **Electronic products.** On a y-o-y basis, domestic exports of electronic products³ grew by 10.6% in 2Q 2020, after the 2.3% decline in the previous quarter. ICs, disk media products and telecommunications equipment grew by 20.0%⁴, 46.7% and 9.9% 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 5.4% over the year in 2Q 2020, following the 7.7% increase in 1Q 2020. The largest contributors to the growth in non-electronic NODX were non-monetary gold (+132.7%)⁶, pharmaceuticals (+41.3%)⁷ and specialised machinery (+28.1%)⁸.

³ Comprising 22% of NODX in 2Q 2020.

⁴ Domestic exports of ICs grew by 20% (+S\$0.8 billion or bulk ~90% of electronic NODX growth) in 2Q 2020 from the low base a year ago, after contracting by 33% (-S\$1.9 billion) in 2Q 2019 amid the global electronic downcycle.

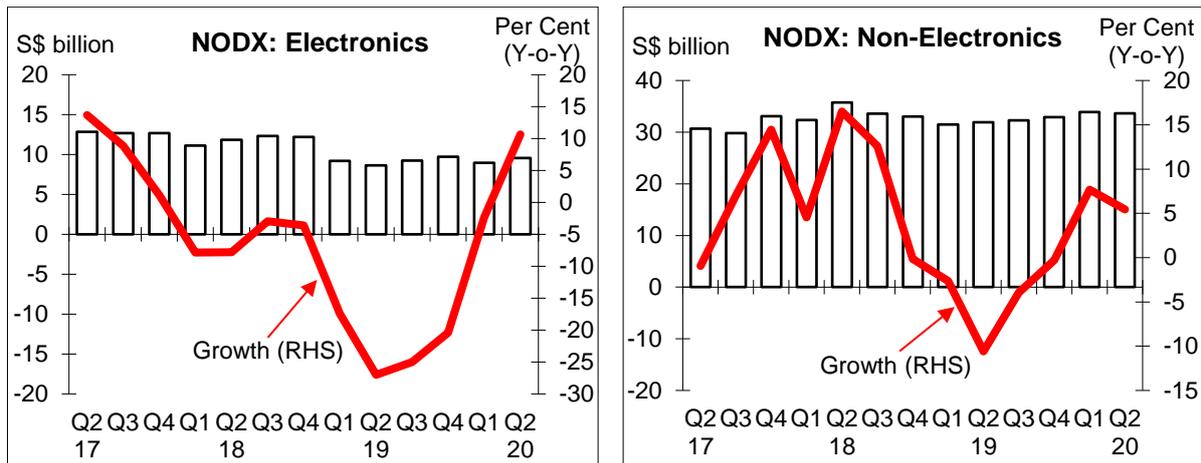
⁵ Comprising 78% of NODX in 2Q 2020.

⁶ Domestic exports of non-monetary gold rose by 132.7% (+S\$2.7 billion) in 2Q 2020, after a 32.0% decline (-S\$1.0 billion) in 2Q 2019. At the same time, media reports highlighted the increase in demand for physical gold as a safe-haven asset amid global economic uncertainty and the COVID-19.

⁷ Pharmaceuticals NODX grew by 41.3% (+S\$1.8 billion) in 2Q 2020, after decreasing by 9.6% (-S\$0.5 billion) in 2Q 2019. Pharmaceuticals NODX are typically volatile in nature and subject to short-term fluctuations which may not fully represent sustained changes in demand or business activities.

⁸ Specialised machinery grew by 28.1% (+S\$0.8 billion) in 2Q 2020, after the 17.0% contraction (-S\$0.6 billion) in 2Q 2019.

Unless otherwise stated, use of any information in this news release must be attributed to Enterprise Singapore



NODX to top markets as a whole grew in 2Q 2020, though exports to China, Hong Kong, Indonesia, Malaysia and Thailand declined

7. **Top 10 Markets.** NODX to the top markets as a whole grew in 2Q 2020, though exports to China, Hong Kong, Indonesia, Malaysia and Thailand declined. The biggest contributors to the NODX growth were the US (+56.0%), Japan (+75.8%) and South Korea (+44.1%). Details on the performance of key NODX markets can be found in Annex D.

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

8. On a q-o-q SA basis, NODX declined by 2.4% in 2Q 2020, after the 7.3% growth in the previous quarter, as the decrease in non-electronic NODX outweighed the increase in electronics. Electronic domestic exports grew on a q-o-q SA basis by 2.8% in 2Q 2020, following the previous quarter's 9.1% rise. Non-electronic NODX declined by 3.9% in 2Q 2020, after the 6.9% increase in the previous quarter.

Non-oil Re-exports (NORX)

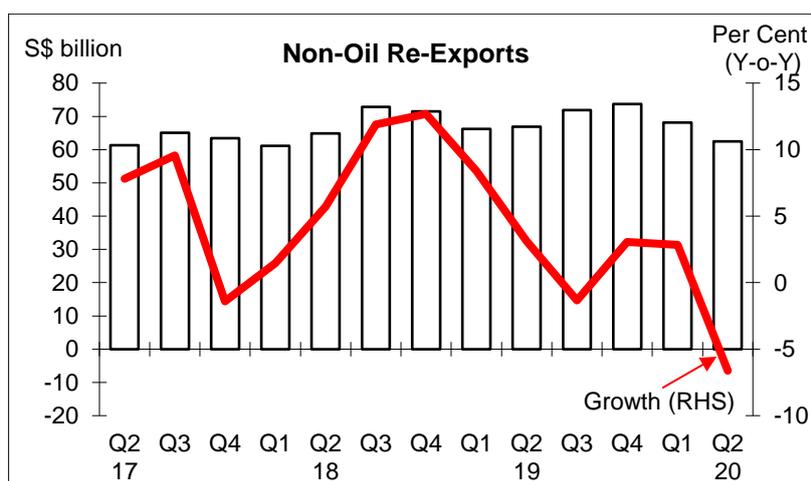
NORX decreased in 2Q 2020; electronics grew, while non-electronics declined

9. On a y-o-y basis, NORX declined by 6.6% in 2Q 2020, after the 2.8% growth in the previous quarter. The y-o-y decrease in NORX can be attributed to lower shipment of non-electronics, while electronic re-exports grew.

10. **Electronic products.** Electronic NORX rose by 7.4% in 2Q 2020, extending the 6.8% growth in the previous quarter. The increase in electronic NORX was due to higher re-exports of ICs (+8.8%), diodes & transistors (+29.1%) and parts of PCs (+5.6%).

11. **Non-electronic products.** Non-electronic NORX contracted by 19.0% in 2Q 2020, after the previous quarter's 0.6% decline. The decrease in non-electronic NORX was due to lower re-exports of piston engines (-81.0%), aircraft parts (-39.4%) and precious stones & pearls (-74.2%).

Unless otherwise stated, use of any information in this news release must be attributed to Enterprise Singapore



NORX to top markets as a whole declined in 2Q 2020, though re-exports to Hong Kong, the EU 27 and Taiwan rose

12. **Top 10 Markets.** NORX to the top markets as a whole declined in 2Q 2020, except Hong Kong, the EU 27 and Taiwan. The biggest contributors to the NORX decrease in 2Q 2020 were Malaysia (-16.1%), the US (-10.8%) and Indonesia (-8.1%). Details on the performance of key NORX markets can be found in Annex F.

NORX decreased over the quarter in 2Q 2020

13. On a q-o-q SA basis, NORX declined by 9.5% in 2Q 2020, following the previous quarter's 0.5% decrease. The decline in non-electronic NORX outweighed the growth in electronics. Electronic re-exports increased on a q-o-q SA basis by 1.3% in 2Q 2020, after the previous quarter's 2.4% rise. Non-electronic NORX contracted by 19.5% in 2Q 2020, following the 3.1% decrease in 1Q 2020.

Oil Domestic Exports

Oil domestic exports declined in 2Q 2020 in both nominal and volume terms

14. On a y-o-y basis, oil domestic exports contracted by 67.7% in 2Q 2020 amid lower oil prices than a year ago, following the 28.9% decline in the previous quarter. In volume terms, oil domestic exports declined by 36.2% in 2Q 2020, following the 13.9% decrease in the previous quarter. On a q-o-q SA basis, oil domestic exports contracted by 48.5% in 2Q 2020, following the 26.8% decline in the previous quarter (see Annex G).

Oil Re-exports

Oil re-exports decreased in 2Q 2020 in nominal terms

15. On a y-o-y basis, oil re-exports contracted by 27.5% in 2Q 2020, after the 63.8% expansion in 1Q 2020. In volume terms, oil re-exports rose by 44.6% in 2Q 2020, following the 103.2% expansion in 1Q 2020. On a q-o-q SA basis, oil re-exports declined by 23.2% in 2Q 2020, after the previous quarter's 1.5% increase.

Outlook for Merchandise Trade and NODX in 2020

Global economic outlook remained uncertain, though global trade growth now less likely to reach the worst-case scenario earlier projected

16. In May, the 2020 forecast for total trade and NODX was downgraded to “-12.0% to -9.0%” and “-4.0% to -1.0%” respectively amid the COVID-19 outbreak – both the global economy and world trade volumes were then projected to decline in 2020, a reversal from the growth earlier estimated.⁹ In addition, lower oil prices amid weakened demand were expected to weigh on oil trade and in turn trade growth.¹⁰

17. Since then, the IMF estimated that the global economy could decline by 4.9% in 2020, noting the high degree of uncertainty surrounding the forecast. Singapore’s key trade partners, including ASEAN-5, India, the US and Eurozone were expected to see output decline amid weakened global demand; while China was expected to grow by 1.0%, down from the previous 1.2% estimate.¹¹

18. On the trade front, the WTO affirmed that world trade merchandise trade volumes are now unlikely to reach the worst-case scenario of a 32% contraction projected back in April 2020. While world trade fell sharply in the first half of 2020, the contraction was tempered by rapid government responses.¹²

19. In 2Q 2020, NODX grew better-than-expected, amid favourable sector-specific export and output trends. Besides non-monetary gold and pharmaceuticals, electronic domestic exports also grew in 2Q 2020, after declines in previous quarters.

20. In addition, improved oil prices since the last update may provide some directional support for our oil trade in nominal terms and in turn total trade in 2020. Nonetheless, the upgraded 2020 oil price forecast from US\$34/barrel to US\$41/barrel in the Energy Information Administration (EIA) Jul’s update remained lower than the US\$64/barrel in 2019. Taking the above into consideration, the 2020 growth projection is adjusted upwards to -10.0% to -8.0% for total trade and 3.0% to 5.0% for NODX.

⁹ The IMF projected the global economy to decline by 3.0% in 2020 in the April 2020 issue of the World Economic Outlook (WEO), in contrast to the 3.3% growth estimated in January 2020. The World Trade Organisation (WTO) had expected in April 2020, for world trade volumes to contract by between 13% and 32% in 2020, compared to the 2.7% growth earlier forecasted.

¹⁰ The Energy Information Administration (EIA) downgraded the 2020 oil price forecast to US\$34/barrel in May’s update, from the US\$61/barrel forecast in February.

¹¹ Based on the IMF’s World Economic Outlook (WEO) released in June 2020.

¹² Based on the WTO’s latest July 2020 press release.

Unless otherwise stated, use of any information in this news release must be attributed to Enterprise Singapore

TOTAL SERVICES TRADE¹³

Total services trade declined in 2Q 2020

21. On a y-o-y basis, Singapore's total services trade¹⁴ contracted by 22.2% in 2Q 2020, following the 3.2% decline in the previous quarter. Total services trade reached S\$107.0 billion for the quarter, with both services exports and imports contracting by 20.3% and 24.1% respectively (see Annex H).

Services Exports

Exports of services contracted in 2Q 2020, mainly due to the decrease in travel receipts, transport services exports and receipts from maintenance and repair services

22. Services exports contracted by 20.3% on a y-o-y basis in 2Q 2020, following the 3.0% decline in the preceding quarter. The decline in services exports can be attributed to the decrease in travel receipts (-86.5%), transport services exports (-23.5%) and receipts from maintenance and repair services (-66.8%).

¹³ 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.

¹⁴ 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.

Get your story leads from Enterprise Singapore's [Facebook](#) (@enterpriseSG), [LinkedIn](#) and [YouTube](#).

For media enquiries and/or photos, please contact:

Ms Jessie Ng, Senior Business Partner, Corporate Communications, Enterprise Singapore
Tel: +65 8318 2578 Fax: +65 6337 6898 Email: jessie_ng@enterprisesg.gov.sg

Editors kindly note:

Merchandise trade statistics released by Enterprise Singapore are proprietary data and therefore copyright belongs to Enterprise Singapore. Any use of the information provided herein must therefore be attributed to Enterprise Singapore.

Trade in services statistics are compiled by the Singapore Department of Statistics. Please accredit the Singapore Department of Statistics as the source for any use of the data.

StatLink

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

<https://statlink.enterprisesg.gov.sg/>

About Enterprise Singapore

Enterprise Singapore is the government agency championing enterprise development. We work with committed companies to build capabilities, innovate and internationalise.

We also support the growth of Singapore as a hub for global trading and startups, and build trust in Singapore's products and services through quality and standards.

Visit www.enterprisesg.gov.sg for more information.