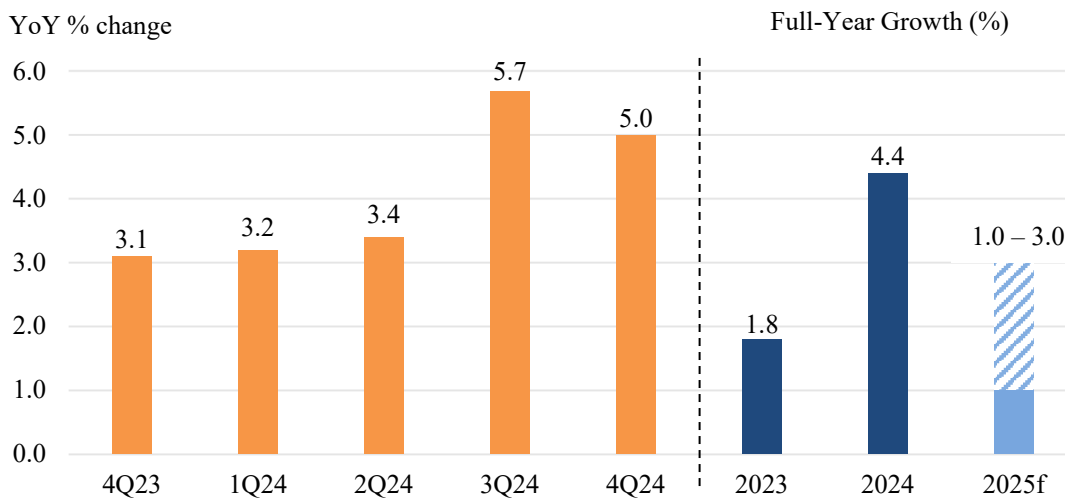


MTI Maintains 2025 GDP Growth at “1.0 to 3.0 Per Cent”

14 February 2025. The Ministry of Trade and Industry (MTI) announced today that the Singapore economy expanded by 4.4 per cent in 2024. MTI has maintained the GDP growth forecast for 2025 at “1.0 to 3.0 per cent”.

Economic Performance in Fourth Quarter 2024 and Full Year 2024

Singapore's Real GDP Growth



In the fourth quarter of 2024, the Singapore economy expanded by 5.0 per cent on a year-on-year basis, moderating from the 5.7 per cent growth in the third quarter. On a quarter-on-quarter seasonally-adjusted basis, the economy grew by 0.5 per cent, slower than the 3.0 per cent expansion in the previous quarter.

Taking into account the performance of the economy in the fourth quarter, GDP growth came in at 4.4 per cent for 2024 as a whole, faster than the 1.8 per cent expansion in 2023. GDP growth for the year was mainly driven by the wholesale trade, finance & insurance and manufacturing sectors. In particular, the electronics cluster of the manufacturing sector and machinery, equipment & supplies segment of the wholesale trade sector grew robustly on account of the upturn in the global electronics cycle. Meanwhile, growth in the finance & insurance sector was driven by elevated trading activity amidst shifts in global and domestic financial market sentiments, which led to strong growth in net fees and commissions among banks and fund managers. By contrast, the retail trade and food & beverage services sectors contracted, partly due to locals shifting their spending to overseas travel destinations.

[Refer to **Annex A** for the economic performance of the various sectors.]

Economic Outlook for 2025

Since the Economic Survey of Singapore in November 2024, major economies have remained resilient, performing largely in line with expectations in the fourth quarter of 2024 amidst rising global economic uncertainty. Singapore's external demand outlook for 2025 has also remained broadly unchanged, with overall GDP growth in Singapore's key trading partners expected to ease from 2024's level.

Among the advanced economies, GDP growth in the US is projected to moderate in 2025, as private consumption growth is expected to taper over the course of the year in tandem with easing tightness in the labour market. Nonetheless, there is a large cone of uncertainty surrounding the outlook of the US economy, with its trajectory depending on the policies of the new US administration. By contrast, GDP growth in the Eurozone is likely to improve on the back of stronger consumption growth and a gradual recovery in investments as monetary policy becomes more accommodative.

In Asia, China's GDP growth is expected to moderate on account of a slowdown in merchandise exports and investment growth due to tariff hikes and industrial overcapacity respectively. Meanwhile, growth in the key Southeast Asian economies should remain steady, supported by improving domestic demand and a sustained recovery in tourism demand.

At the same time, uncertainties in the global economy remain significant, with the risks tilted to the downside. First, ongoing trade frictions among major economies, alongside lingering risks of escalation in geopolitical conflicts, could lead to higher production costs, as well as greater global economic policy uncertainty. These could in turn dampen global investment and trade, and weigh on global growth. Second, disruptions to the global disinflation process could lead to tighter financial conditions for longer, potentially triggering latent vulnerabilities in banking and financial systems.

Against this backdrop, the manufacturing and trade-related services sectors in Singapore are expected to continue to expand in 2025, although their pace of growth is likely to moderate from 2024 levels. Within the manufacturing sector, the electronics cluster is projected to expand at a steady pace, supported by robust demand for semiconductor chips in the PC, smartphone and data centre end-markets. This will have positive spillover effects on the precision engineering cluster and the machinery, equipment & supplies segment of the wholesale trade sector. At the same time, strong order books in the aerospace and marine & offshore engineering segments should drive growth in the transport engineering cluster.

Meanwhile, outward-oriented services sectors such as information & communications and finance & insurance are projected to register healthy growth. The former will be supported by sustained enterprise demand for digital solutions

and services, while the latter will be bolstered by stronger demand for cross-border transactions in the region, which will further boost payments processing activities.

On the other hand, the growth of consumer-facing sectors such as retail trade and food & beverage services is likely to remain lacklustre, weighed down in part by locals shifting their spending overseas, even though the continued recovery in international visitor arrivals should provide some support.

Taking into account the external and domestic economic environment, and barring the materialisation of downside risks, the Singapore economy is projected to expand by **“1.0 to 3.0 per cent”** in 2025.

MINISTRY OF TRADE AND INDUSTRY
14 February 2025

ANNEX A

Economic Performance of Sectors in Fourth Quarter 2024 and Full Year 2024

The manufacturing sector expanded by 7.4 per cent year-on-year in the fourth quarter of 2024, extending the 11.2 per cent growth in the previous quarter. The strong performance of the sector was driven by output expansions in the electronics, transport engineering and general manufacturing clusters. On a quarter-on-quarter seasonally-adjusted basis, the sector registered flat growth, slowing from the 11.7 per cent expansion in the preceding quarter. For 2024 as a whole, the sector expanded by 4.3 per cent, a turnaround from the 4.2 per cent contraction in 2023.

Growth in the construction sector came in at 4.4 per cent year-on-year in the fourth quarter, following the 5.6 per cent growth in the third quarter. This was on account of expansions in both public and private sector construction output. On a quarter-on-quarter seasonally-adjusted basis, the sector grew by 0.3 per cent, moderating from the 1.9 per cent expansion in the previous quarter. For the whole of 2024, the sector expanded by 4.5 per cent, extending the 5.8 per cent expansion in 2023.

The wholesale trade sector grew by 6.7 per cent year-on-year in the fourth quarter, extending the 6.0 per cent growth in the third quarter. Growth during the quarter was largely supported by the machinery, equipment & supplies segment, which expanded robustly on the back of the wholesale sales of electronic components and telecommunications & computers. At the same time, the fuels & chemicals segment grew due to an increase in the wholesale sales volumes of petroleum & petroleum products and chemicals & chemical products. The “others”¹ segments also expanded during the quarter. On a quarter-on-quarter seasonally-adjusted basis, growth in the sector came in at 0.9 per cent, easing from the 1.3 per cent growth in the previous quarter. For the full year of 2024, the sector grew by 5.1 per cent, picking up from the 0.9 per cent expansion in 2023.

The retail trade sector contracted by 1.0 per cent year-on-year in the fourth quarter, worsening from the 0.7 per cent contraction in the previous quarter. The weak performance of the sector was due to a decline in non-motor vehicle sales volume which outweighed an increase in motor vehicle sales volume. On a quarter-on-quarter seasonally-adjusted basis, the sector shrank by 1.2 per cent, a reversal from the 1.3 per cent growth in the third quarter. For the whole of 2024, the sector contracted by 0.4 per cent, a pullback from the 2.8 per cent growth in 2023.

Growth in the transportation & storage sector slowed to 3.7 per cent year-on-year in the fourth quarter, from 7.9 per cent in the previous quarter. Within the sector, the air transport segment recorded strong growth on the back of an increase in both

¹ The “others” segment comprises a diverse range of products including metals, timber & construction materials, household equipment & furniture as well as food, beverages & tobacco, among others.

air cargo volume and the number of air passengers handled at Changi Airport. Meanwhile, the water transport segment also expanded as container throughput and sea cargo handled at Singapore's ports picked up. On a quarter-on-quarter seasonally-adjusted basis, the sector contracted by 1.2 per cent, a reversal from the 1.5 per cent growth in the preceding quarter. For 2024 as a whole, the sector expanded by 5.8 per cent, accelerating from the 3.5 per cent growth in 2023.

The accommodation sector posted growth of 4.2 per cent year-on-year in the fourth quarter, easing from the 5.6 per cent growth in the third quarter. Growth of the sector continued to be supported by a recovery in international visitor arrivals. On a quarter-on-quarter seasonally-adjusted basis, the sector contracted by 0.2 per cent, reversing from the 2.4 per cent expansion in the previous quarter. For the whole of 2024, the sector grew by 7.1 per cent, moderating from the 15.7 per cent expansion in 2023.

The food & beverage services sector shrank by 0.3 per cent year-on-year in the fourth quarter, extending the 1.3 per cent contraction in the preceding quarter. The weak performance of the sector was due to lower sales volumes at fast-food outlets, cafes, food courts & other eating places and restaurants, which outweighed an increase in the sales volume of food caterers. On a quarter-on-quarter seasonally-adjusted basis, the sector grew marginally by 0.1 per cent, slowing from the 0.8 per cent growth in the previous quarter. For the full year of 2024, the sector contracted by 0.9 per cent, a pullback from the 5.6 per cent expansion in 2023.

Growth in the information & communications sector came in at 4.2 per cent year-on-year in the fourth quarter, slightly faster than the 4.0 per cent expansion in the third quarter. Within the sector, the IT & information services segment recorded strong growth on the back of robust demand for data hosting services and internet search engine activities. On a quarter-on-quarter seasonally-adjusted basis, the sector expanded by 2.4 per cent, an improvement from the 1.8 per cent growth in the preceding quarter. For 2024 as a whole, the sector grew by 5.0 per cent, slowing from the 11.2 per cent expansion in 2023.

The finance & insurance sector expanded by 6.1 per cent year-on-year, extending the 5.6 per cent expansion in the previous quarter. Growth during the quarter was mainly supported by the banking, fund management and activities auxiliary to financial activities (comprising largely payments processing firms) segments. Net fees and commissions in the banking and fund management segments grew firmly, due to elevated trading activity amidst shifts in global and domestic financial market sentiments. The banking segment also benefitted from higher credit intermediation activity. On a quarter-on-quarter seasonally-adjusted basis, the sector expanded by 5.3 per cent, accelerating from the 0.5 per cent growth in the third quarter. For the whole of 2024, the sector grew by 6.8 per cent, picking up from the 3.1 per cent expansion in 2023.

The real estate sector saw a pickup in growth to 3.5 per cent year-on-year in the fourth quarter, from 1.0 per cent in the preceding quarter. Growth during the quarter was supported by increased activities in the private residential, private commercial and private industrial property segments. On a quarter-on-quarter seasonally-adjusted basis, the sector grew by 1.1 per cent, similar to the 1.2 per cent expansion in the previous quarter. For 2024 as a whole, the sector expanded by 0.2 per cent, moderating from the 3.8 per cent growth in 2023.

The professional services sector grew by 0.6 per cent year-on-year in the fourth quarter, extending the 1.2 per cent expansion in the third quarter. Growth during the quarter was mainly supported by expansions in the head offices & business representative offices and management consultancy activities segments. On a quarter-on-quarter seasonally-adjusted basis, the sector expanded by 0.3 per cent, slower than the 1.5 per cent growth in the preceding quarter. For the full year of 2024, the sector grew by 1.2 per cent, easing from the 3.4 per cent expansion in 2023.

The administrative & support services sector contracted by 0.6 per cent year-on-year in the fourth quarter, a reversal from the 1.1 per cent growth in the previous quarter. The weak performance of the sector was due to a contraction in the rental & leasing segment, which outweighed an expansion in the other administrative & support services segment. On a quarter-on-quarter seasonally-adjusted basis, the sector shrank by 1.1 per cent, deteriorating from the 0.2 per cent contraction in the third quarter. For the whole of 2024, the sector expanded by 0.5 per cent, a turnaround from the 0.2 per cent contraction in 2023.

The “other services industries” grew by 3.1 per cent year-on-year in the fourth quarter, extending the 2.0 per cent growth in the preceding quarter. Growth during the quarter was led by the health & social services and arts, entertainment & recreation sectors. On a quarter-on-quarter seasonally-adjusted basis, the “other services industries” posted growth of 1.4 per cent, faster than the 0.6 per cent in the previous quarter. For 2024 as a whole, the “other services industries” expanded by 3.0 per cent, slower than the 4.6 per cent expansion in 2023.

ANNEX B

REAL SECTORAL GROWTH RATES

	4Q23	2023	1Q24	2Q24	3Q24	4Q24	2024
	Year on Year % Change						
Total	3.1	1.8	3.2	3.4	5.7	5.0	4.4
Goods Producing Industries	2.1	-2.7	-0.4	0.7	9.8	6.5	4.2
Manufacturing	1.8	-4.2	-1.1	-0.6	11.2	7.4	4.3
Construction	4.9	5.8	2.1	5.8	5.6	4.4	4.5
Services Producing Industries	3.1	3.3	4.5	4.1	4.4	4.6	4.4
Wholesale Trade	0.4	0.9	2.8	4.9	6.0	6.7	5.1
Retail Trade	1.0	2.8	2.5	-2.2	-0.7	-1.0	-0.4
Transportation & Storage	3.7	3.5	6.2	5.4	7.9	3.7	5.8
Accommodation	1.4	15.7	14.7	4.4	5.6	4.2	7.1
Food & Beverage Services	0.9	5.6	0.3	-2.2	-1.3	-0.3	-0.9
Information & Communications	11.3	11.2	5.7	6.0	4.0	4.2	5.0
Finance & Insurance	7.4	3.1	8.3	7.4	5.6	6.1	6.8
Real Estate	-2.0	3.8	-0.9	-2.6	1.0	3.5	0.2
Professional Services	1.6	3.4	1.3	1.8	1.2	0.6	1.2
Administrative & Support Services	-1.3	-0.2	-0.1	1.5	1.1	-0.6	0.5
<i>Other Services Industries, of which</i>	3.9	4.6	4.2	2.8	2.0	3.1	3.0
Public Administration & Defence	0.2	0.5	0.4	0.1	0.7	1.1	0.6
Education	1.7	2.4	1.5	2.0	2.6	1.5	1.9
Health & Social Services	3.2	3.7	3.5	4.5	5.7	6.2	5.0
Arts, Entertainment & Recreation	18.0	20.5	23.9	4.6	-8.3	4.3	5.9
Other Services - Others	8.5	9.8	5.4	4.8	3.9	3.0	4.3
	Seasonally Adjusted Quarter-on-Quarter Growth %						
Total	1.2	1.8	0.3	1.1	3.0	0.5	4.4
Goods Producing Industries	3.4	-2.7	-2.8	0.2	9.0	0.0	4.2
Manufacturing	3.8	-4.2	-3.2	-0.9	11.7	0.0	4.3
Construction	0.8	5.8	-2.8	5.1	1.9	0.3	4.5
Services Producing Industries	0.5	3.3	1.5	1.0	1.2	0.9	4.4
Wholesale Trade	0.0	0.9	2.0	2.3	1.3	0.9	5.1
Retail Trade	-1.3	2.8	1.0	-1.9	1.3	-1.2	-0.4
Transportation & Storage	2.2	3.5	1.6	2.1	1.5	-1.2	5.8
Accommodation	-0.8	15.7	6.7	-3.0	2.4	-0.2	7.1
Food & Beverage Services	-0.9	5.6	-0.3	-0.9	0.8	0.1	-0.9
Information & Communications	2.2	11.2	-3.7	3.8	1.8	2.4	5.0
Finance & Insurance	4.7	3.1	0.5	-0.1	0.5	5.3	6.8
Real Estate	-1.3	3.8	0.7	0.5	1.2	1.1	0.2
Professional Services	1.2	3.4	-0.3	-1.1	1.5	0.3	1.2
Administrative & Support Services	0.5	-0.2	0.3	0.5	-0.2	-1.1	0.5
<i>Other Services Industries, of which</i>	0.3	4.6	1.5	-0.4	0.6	1.4	3.0
Public Administration & Defence	-0.2	0.5	0.3	0.0	0.5	0.3	0.6
Education	0.3	2.4	0.5	0.3	1.3	-0.5	1.9
Health & Social Services	0.7	3.7	0.9	2.5	1.5	1.2	5.0
Arts, Entertainment & Recreation	2.0	20.5	15.3	-22.4	0.5	16.1	5.9
Other Services - Others	3.6	9.8	1.2	0.1	-1.0	2.7	4.3

OTHER ECONOMIC INDICATORS

	4Q23	2023	1Q24	2Q24	3Q24	4Q24	2024
Retail Sales Index* (yoy, %)	-1.5	0.4	2.4	-1.5	-0.3	-1.2	-0.2
Changes in Employment ('000)	8.0	96.7	8.1	14.9	24.9	12.9	60.7
Unemployment Rate, SA (%)	2.0	1.9	2.1	2.0	1.9	1.9	2.0
Value Added Per Actual Hour Worked^ (yoy, %)	3.4	-1.5	2.8	4.0	4.5	3.2	3.6
Value Added Per Worker^ (yoy, %)	0.4	-2.7	1.2	1.9	4.2	3.5	2.7
Overall Unit Labour Cost (yoy, %)	1.6	6.5	2.6	1.5	-0.4	1.0	1.2
Unit Business Cost of Manufacturing (yoy, %)	0.2	5.8	4.2	5.2	-5.9	-2.4	0.2
Fixed Asset Investments (\$ bil)	1.7	12.7	1.7	3.7	1.0	7.0	13.5
Consumer Price Index (yoy, %)	4.0	4.8	3.0	2.8	2.2	1.6	2.4
Total Merchandise Trade (yoy, %)	-2.1	-11.7	4.6	9.9	5.3	6.8	6.6
Merchandise Exports	0.2	-10.1	4.4	7.5	5.7	5.1	5.7
Domestic Exports	-1.7	-13.5	0.3	2.9	5.4	-6.0	0.5
Oil	-2.1	-14.2	6.0	19.0	-0.2	-17.9	1.0
Non-Oil	-1.4	-13.1	-3.4	-6.5	9.0	2.4	0.2
Re-exports	1.8	-7.1	7.8	11.5	5.9	13.9	9.8
Merchandise Imports	-4.7	-13.4	5.0	12.5	5.0	8.7	7.8
Total Services Trade (yoy, %)	5.9	4.8	8.1	7.9	10.8	7.4	8.6
Exports of Services	3.4	2.7	10.1	9.2	12.0	8.4	9.9
Imports of Services	8.9	7.1	5.9	6.5	9.5	6.4	7.1

* In chained volume terms.

^ Based on GDP at market prices in chained (2015) dollars.