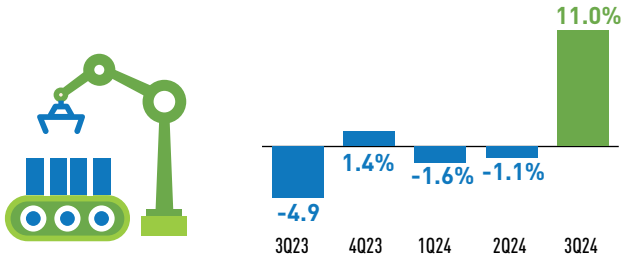


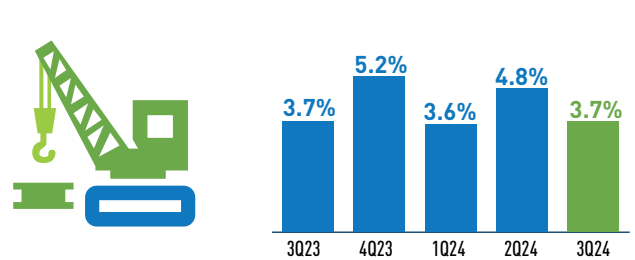
Chapter 2

SECTORAL PERFORMANCE

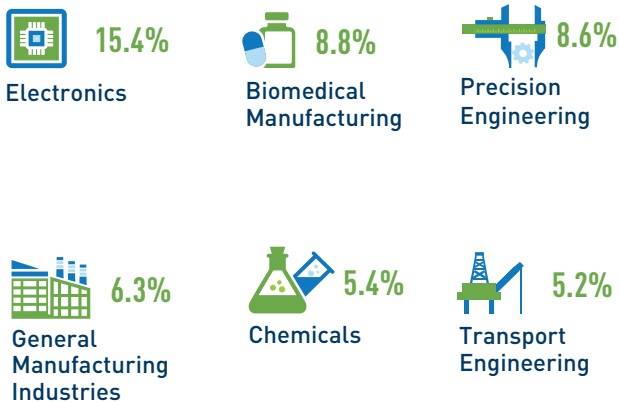
MANUFACTURING (YoY Growth)



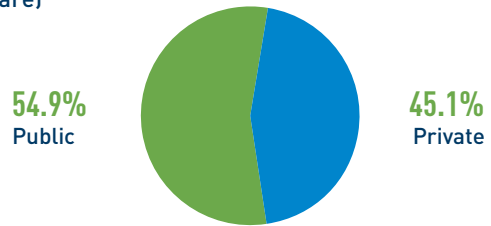
CONSTRUCTION (YoY Growth)



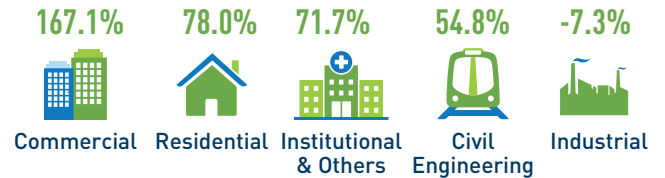
CLUSTERS IN MANUFACTURING SECTOR



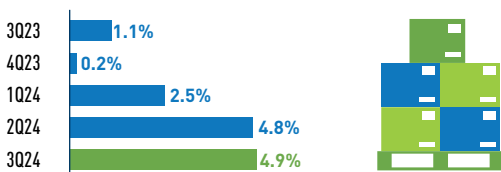
CERTIFIED PAYMENTS (% Share)



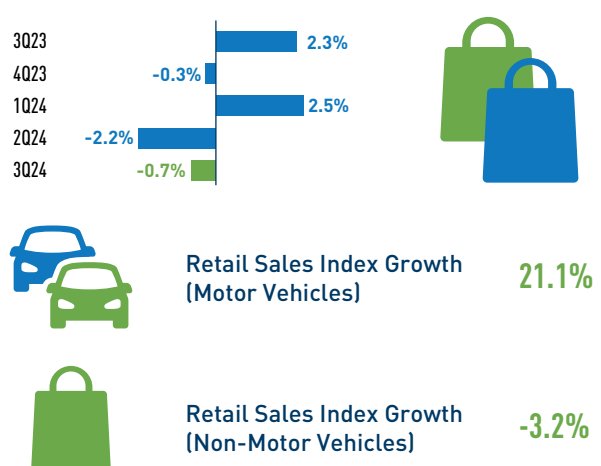
CONTRACTS AWARDED (YoY Growth)



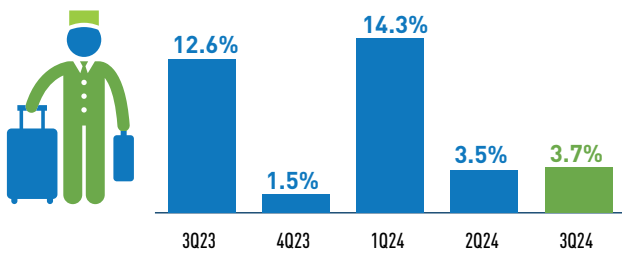
WHOLESALE TRADE (YoY Growth)



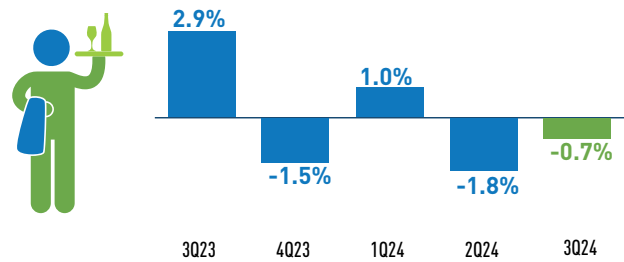
RETAIL TRADE (YoY Growth)



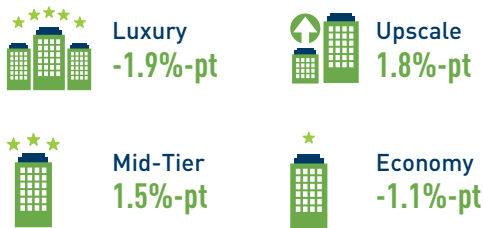
ACCOMMODATION (YoY Growth)



FOOD & BEVERAGE SERVICES (YoY Growth)



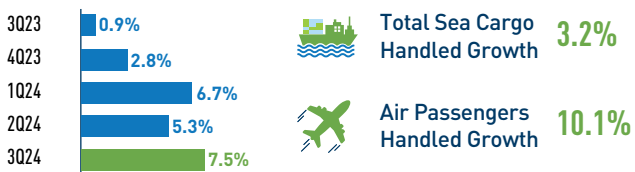
OCCUPANCY RATES OF HOTELS (YoY Change)



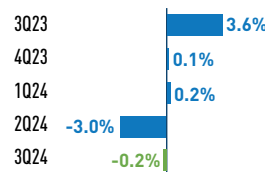
FOOD & BEVERAGE SALES INDEX GROWTH (YoY Growth)



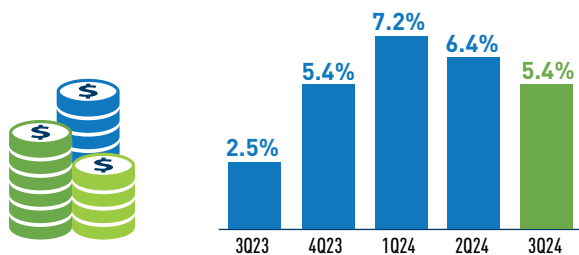
TRANSPORTATION & STORAGE (YoY Growth)



REAL ESTATE (YoY Growth)



FINANCE & INSURANCE (YoY Growth)



PRIVATE RESIDENTIAL REAL ESTATE



OVERVIEW

In the third quarter of 2024,

- The manufacturing sector expanded by 11.0 per cent year-on-year, reversing the 1.1 per cent decline in the preceding quarter. Growth in the sector was supported by output expansions across all clusters.
- The construction sector grew by 3.7 per cent year-on-year, moderating from the 4.8 per cent expansion in the previous quarter.
- The wholesale trade sector expanded by 4.9 per cent year-on-year, extending the 4.8 per cent expansion posted in the preceding quarter.
- The retail trade sector contracted by 0.7 per cent year-on-year, extending the 2.2 per cent decline recorded in the previous quarter.
- The transportation & storage sector posted growth of 7.5 per cent year-on-year, picking up from the 5.3 per cent growth recorded in the previous quarter.
- The accommodation sector expanded by 3.7 per cent year-on-year, extending the 3.5 per cent growth in the previous quarter.
- The food & beverage services sector contracted by 0.7 per cent year-on-year, moderating from the 1.8 per cent decline in the previous quarter.
- The finance & insurance sector expanded by 5.4 per cent year-on-year, extending the 6.4 per cent gain in the preceding quarter.
- The real estate sector contracted by 0.2 per cent year-on-year, extending the 3.0 per cent contraction in the preceding quarter.
- The professional services sector grew by 1.8 per cent year-on-year, extending the 1.9 per cent expansion in the previous quarter.

MANUFACTURING

The manufacturing sector expanded by 11.0 per cent on a year-on-year basis in the third quarter of 2024, reversing the 1.1 per cent decline in the previous quarter (Exhibit 2.1). All clusters in the manufacturing sector recorded output expansions during the quarter. (Exhibit 2.2).

Exhibit 2.1: Manufacturing Sector's Growth Rate

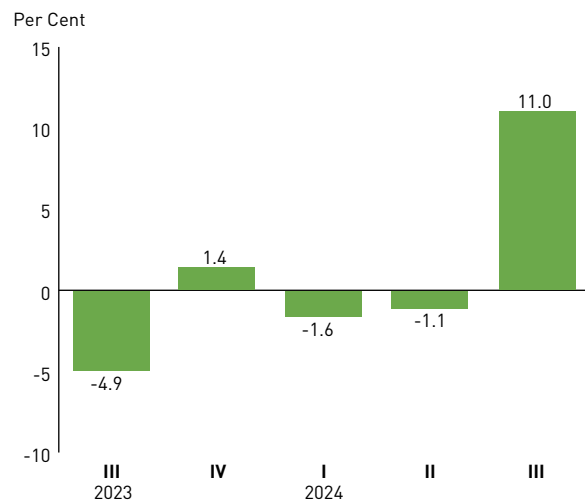
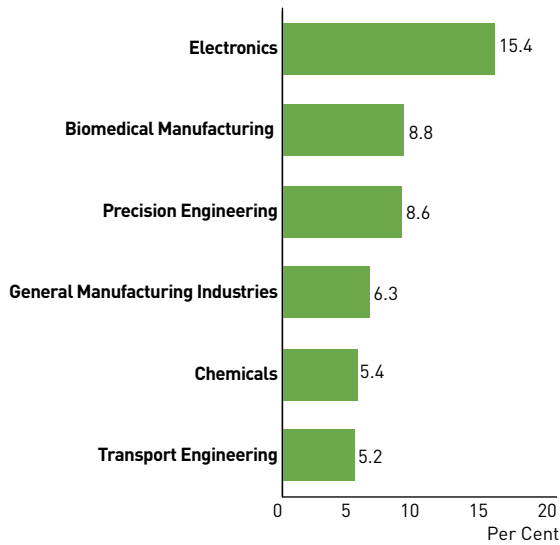


Exhibit 2.2: Manufacturing Clusters' Growth Rates in 3Q 2024

The electronics cluster grew by 15.4 per cent year-on-year in the third quarter, supported by output expansions in all segments except for the infocomms & consumer electronics segment. In particular, the computer peripherals & data storage, semiconductors and other electronic modules & components segments grew by 26.2 per cent, 16.6 per cent and 10.0 per cent respectively, on the back of improved electronics demand. By contrast, the output of the infocomms & consumer electronics segment declined by 4.6 per cent.

Output of the biomedical manufacturing cluster increased by 8.8 per cent year-on-year in the third quarter, supported by the pharmaceuticals segment. The pharmaceuticals segment expanded by 25.9 per cent on account of a higher level of production of biological products and a different mix of active pharmaceutical ingredients (APIs) being produced. Conversely, the output of the medical technology segment declined by 6.0 per cent on the back of lower export demand for medical devices.

The precision engineering cluster grew by 8.6 per cent year-on-year in the third quarter, driven by output expansions in both the machinery & systems (M&S) and precision modules & components (PMC) segments. The M&S segment grew by 10.1 per cent on account of higher output of front-end semiconductor equipment. The PMC segment expanded by 3.3 per cent, led by higher production of plastic precision components and electronic connectors.

Output of the general manufacturing cluster grew by 6.3 per cent year-on-year in the third quarter. Growth was largely supported by the food, beverages & tobacco segment, which expanded by 10.2 per cent on account of a higher production of beverage concentrates, milk powder and cocoa products. Meanwhile, the miscellaneous industries and printing segments grew by 1.3 per cent and 1.2 per cent respectively, with the former recording a higher production of batteries and construction-related materials.

The chemicals cluster grew 5.4 per cent year-on-year in the third quarter, supported by output expansions in all segments except the petroleum segment. The specialties segment expanded 17.8 per cent on account of a higher level of production of food additives and biofuels. The petrochemicals segment increased by 7.0 per cent, due in part to the low base a year ago when production was weighed down by plant maintenance shutdowns. The other chemicals segment grew by 5.3 per cent with a higher level of production of fragrances. Conversely, the output of the petroleum segment declined by 1.8 per cent.

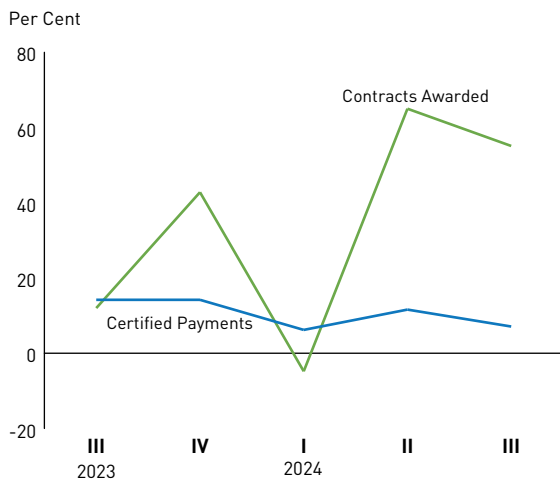
The transport engineering cluster grew by 5.2 per cent year-on-year in the third quarter, supported by expansions in the land (18.9 per cent) and aerospace (10.0 per cent) segments. Growth in the aerospace segment was bolstered by strong demand for aircraft parts and more maintenance, repair and overhaul (MRO) jobs from commercial airlines. By contrast, the marine & offshore engineering (M&OE) segment declined by 6.1 per cent on the back of fewer project milestones met.

CONSTRUCTION

The construction sector grew by 3.7 per cent year-on-year in the third quarter of 2024, moderating from the 4.8 per cent expansion in the previous quarter.

In the third quarter, nominal certified progress payments, a proxy for construction output, rose by 7.1 per cent year-on-year, easing from the 11.6 per cent increase recorded in the previous quarter (Exhibit 2.3). The increase in certified progress payments in the public sector (19.9 per cent) outweighed its decline in the private sector (-5.2 per cent). The growth in public certified progress payments was largely driven by higher outturns in public civil engineering (18.9 per cent) and residential (17.9 per cent) building works. Meanwhile, the contraction in private certified progress payments was led by the decline in private industrial (-16.4 per cent) and commercial (-4.1 per cent) building works, which more than offset the growth in private residential building (4.7 per cent) and civil engineering (10.5 per cent) works.

Exhibit 2.3: Changes in Contracts Awarded and Certified Payments



Construction demand in terms of contracts awarded rose by 55.1 per cent year-on-year in the third quarter, extending the 65.0 per cent expansion in the previous quarter (Exhibit 2.3). The growth in contracts awarded during the quarter was on account of higher public (65.1 per cent) and private (42.7 per cent) sector construction demand. The former was led by an increase in contracts awarded for public institutional & others building (70.4 per cent) and civil engineering (58.3 per cent) works, while the latter was led by an expansion in contracts awarded for private commercial (168 per cent) and residential (91.7 per cent) building works.

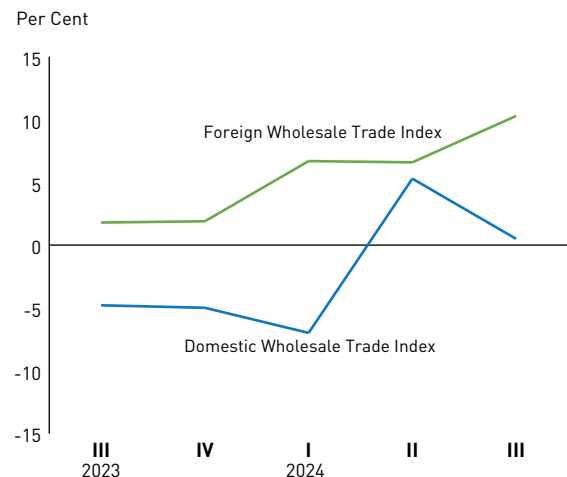
WHOLESALE TRADE

The wholesale trade sector grew by 4.9 per cent year-on-year in the third quarter of 2024, extending the 4.8 per cent expansion in the previous quarter.

The expansion in the sector was led by a 10.3 per cent year-on-year growth in foreign wholesale trade sales volume over the same period (Exhibit 2.4), accelerating from the 6.6 per cent expansion recorded in the previous quarter. The increase was led by expansions in the sales volumes of petroleum & petroleum products (9.6 per cent), metals, timber & construction materials (13.7 per cent) and telecommunications & computers (17.8 per cent), which more than offset declines in the sales volumes of ship chandlers & bunkering (-15.0 per cent) and industrial & construction machinery (-7.6 per cent).

On the other hand, the domestic wholesale trade sales volume expanded by 0.5 per cent year-on-year, easing from the 5.3 per cent growth in the previous quarter. The expansion was led by the increase in sales volume of metals, timber & construction materials (74.7 per cent), ship chandlers & bunkering (17.8 per cent) and telecommunications & computers (11.2 per cent), which outweighed the decline in wholesale sales of petroleum & petroleum products (-11.2 per cent) and electronic components (-16.7 per cent).

Exhibit 2.4: Changes in Wholesale Trade Index in Chained Volume Terms

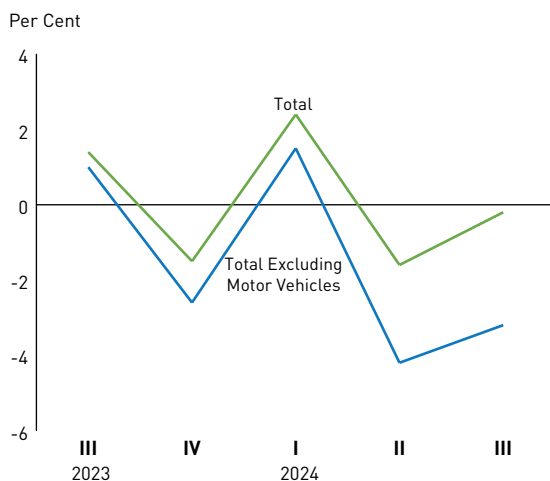


RETAIL TRADE

The retail trade sector contracted by 0.7 per cent year-on-year in the third quarter of 2024, extending the 2.2 per cent decline recorded in the previous quarter.

In the third quarter, overall retail sales volume contracted by 0.2 per cent year-on-year, extending the 1.6 per cent decline in the preceding quarter (Exhibit 2.5). The decline in overall retail sales volume in the third quarter of 2024 was driven by a drop in non-motor vehicular sales (-3.2 per cent), led by wearing apparel & footwear (-6.9 per cent) and watches & jewellery (-10.7 per cent) segments even as the food & alcohol (3.9 per cent), cosmetics, toiletries & medical goods (1.6 per cent) and supermarkets & hypermarkets (1.5 per cent) segments grew. Meanwhile, motor vehicle sales volumes grew (21.1 per cent).

Exhibit 2.5: Changes in Retail Sales Index in Chained Volume Terms

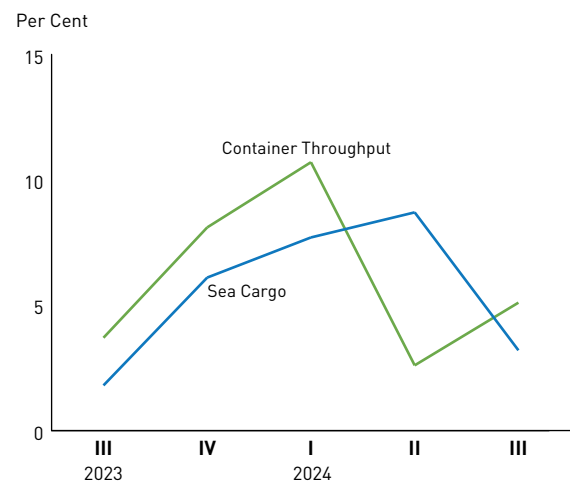


TRANSPORTATION & STORAGE

The transportation & storage sector expanded by 7.5 per cent year-on-year in the third quarter of 2024, picking up from the 5.3 per cent growth posted in the previous quarter. The water transport, air transport and land transport segments expanded during the quarter.

In the water transport segment, the volume of sea cargo handled grew by 3.2 per cent year-on-year in the third quarter, moderating from the 8.7 per cent expansion in the previous quarter (Exhibit 2.6). The expansion in sea cargo volume handled was due to the increase in general cargo (5.8 per cent), which more than offset the declines in bulk cargo (-1.7 per cent) and oil-in-bulk cargo volumes (-8.2 per cent). At the same time, container throughput grew by 5.1 per cent during the quarter.

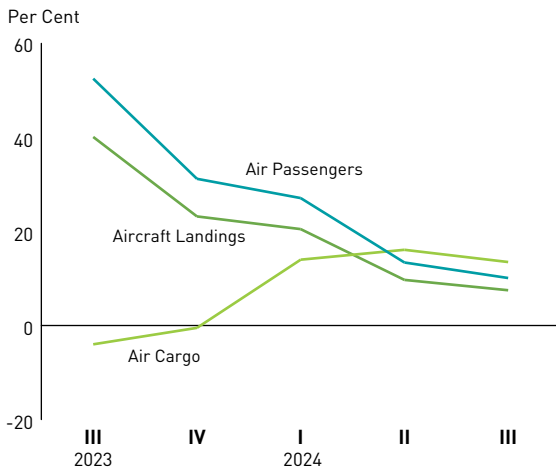
Exhibit 2.6: Changes in Container Throughput and Sea Cargo Handled



Meanwhile, the air transport segment posted strong growth in the third quarter. In particular, the volume of air passenger traffic (less transit) handled at Changi Airport rose by 10.1 per cent year-on-year in the third quarter, easing slightly from the 13.4 per cent growth posted in the previous quarter (Exhibit 2.7). Air passenger traffic volume was slightly below its pre-COVID level (i.e., third quarter of 2019) by 2.5 per cent in the third quarter.

Reflecting the growth in air travel, the number of aircraft landings increased by 7.5 per cent year-on-year to reach 46,026 in the third quarter of 2024, moderating from the 9.7 per cent increase in the preceding quarter. Meanwhile, total air cargo shipments handled at Changi Airport rose by 13.5 per cent in the third quarter, extending the 16.1 per cent expansion in the previous quarter.

Exhibit 2.7: Changes in Air Transport



ACCOMMODATION

The accommodation sector expanded by 3.7 per cent year-on-year in the third quarter of 2024, extending the 3.5 per cent growth in the previous quarter.

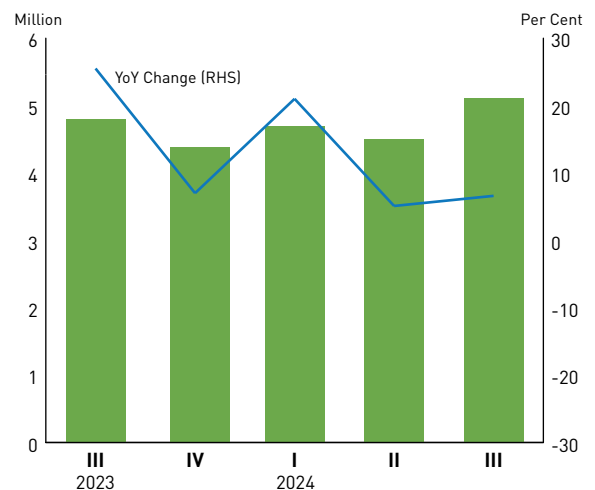
In the third quarter, total visitor arrivals grew by 14.2 per cent year-on-year, extending the 14.8 per cent growth in the previous quarter (Exhibit 2.8). In level terms, the number of visitor arrivals in the third quarter of 2024 was around 4.4 million, reaching 88.2 per cent of the 5.0 million visitor arrivals recorded in the third quarter of 2019 (i.e., pre-COVID level).

Exhibit 2.8: Visitor Arrivals



Reflecting the recovery in visitor arrivals, gross lettings at gazetted hotels grew by 6.6 per cent year-on-year in the third quarter, picking up from the 5.1 per cent increase in the previous quarter (Exhibit 2.9). Meanwhile, the average occupancy rate of gazetted hotels increased marginally by 0.4 percentage-points year-on-year to 87.1 per cent in the third quarter of 2024. This was an improvement over the 78.4 per cent recorded in the previous quarter.

Exhibit 2.9: Gross Lettings at Gazetted Hotels

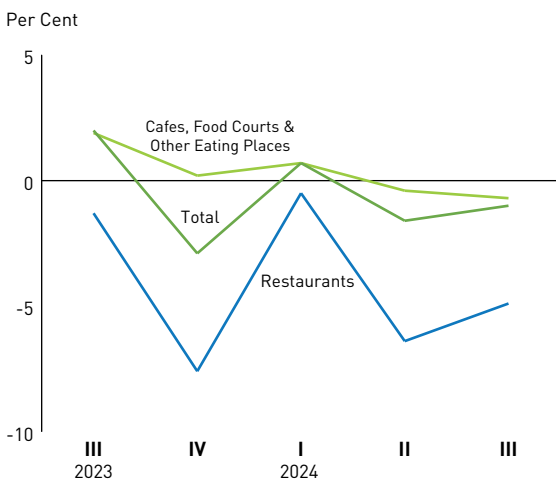


FOOD & BEVERAGE SERVICES

The food & beverage services sector contracted by 0.7 per cent year-on-year in the third quarter of 2024, moderating from the 1.8 per cent decline in the previous quarter.

Overall food & beverage sales volume contracted by 1.0 per cent year-on-year in the third quarter, extending the 1.6 per cent decline in the previous quarter (Exhibit 2.10). The decline in food & beverage sales volume was led by restaurants (-4.9 per cent) and fast food outlets (-6.4 per cent) segments. On the other hand, the sales volume of food caterers segment grew (17.8 per cent).

Exhibit 2.10: Changes in Food & Beverage Services Index in Chained Volume Terms



FINANCE & INSURANCE

The finance & insurance sector expanded by 5.4 per cent year-on-year, extending the 6.4 per cent gain in the preceding quarter.

The strong outturn was underpinned by robust growth in net fee and commission incomes of the banks, fund management, forex and security dealing activities segments. This was in turn driven by stronger trading activity amid heightened financial market volatility. In particular, net fees and commissions supported growth for the banks segment, even as overall credit intermediation remained sluggish. While loans to residents grew by 2.7 per cent year-on-year in the third quarter on the back of stronger corporate lending, loans to non-residents contracted by 2.0 per cent, weighed down by lending to East Asia and the Americas (Exhibit 2.12).

Exhibit 2.11: Growth of Bank Loans & Advances to Non-Bank Residents by Industry in 3Q 2024

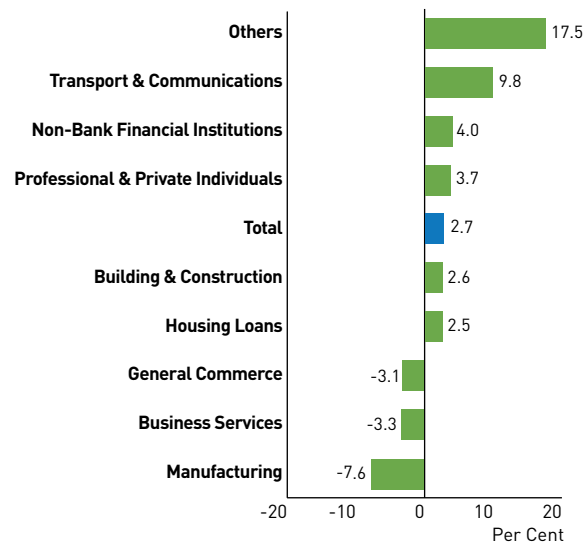
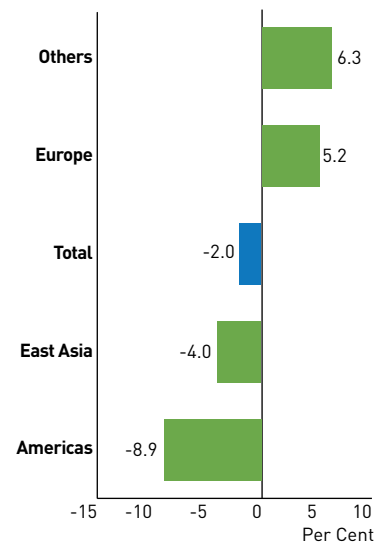


Exhibit 2.12: Growth of Bank Loans & Advances to Non-Bank Non-Residents by Region in 3Q 2024



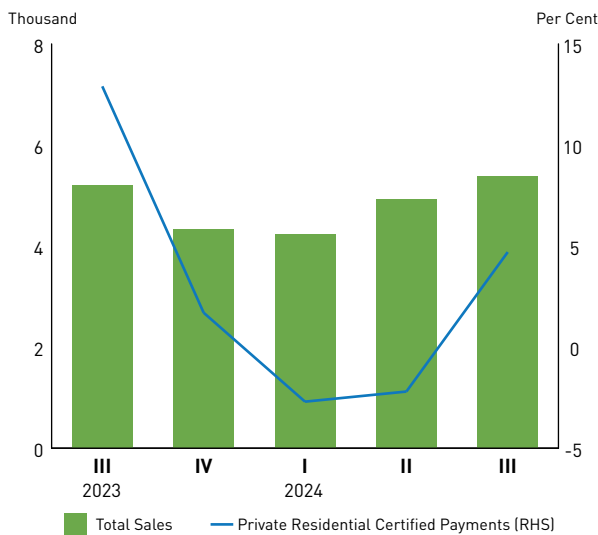
Meanwhile, the insurance segment benefited from a surge in net premiums earned by life insurers. The other auxiliary activities segment, comprising mainly the payments players, also grew as cross-border transactions increased alongside firm travel spending and recovery in trade activity.

REAL ESTATE

The real estate sector contracted by 0.2 per cent year-on-year in the third quarter of 2024, extending the 3.0 per cent contraction in the preceding quarter. The weakness of the sector was due to contractions in the public commercial office property segment.

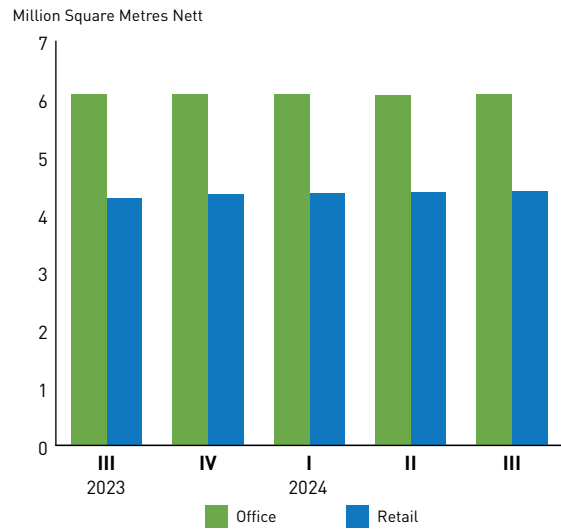
Within the sector, private residential certified payments¹ grew by 4.7 per cent year-on-year in the third quarter, reversing the 2.2 per cent contraction in the previous quarter. Similarly, total private residential property sales rose by 3.3 per cent in the third quarter, reversing the 8.8 per cent fall in the previous quarter. (Exhibit 2.13).

Exhibit 2.13: Total Sales for Private Residential Units and Private Residential Certified Payments



In the public commercial office space market, demand, as measured by total occupied space, fell by 1.2 per cent on a year-on-year basis in the third quarter of 2024, extending the 0.7 per cent decline in the previous quarter. Meanwhile, demand for private commercial office space was tepid, rising by 0.2 per cent in the third quarter, unchanged from the 0.2 per cent increase in the preceding quarter. On the other hand, in the private commercial retail space market, demand rose by 2.8 per cent on a year-on-year basis in the third quarter, continuing the 2.4 per cent expansion in the previous quarter (Exhibit 2.14).

Exhibit 2.14: Total Occupied Space for Private Sector Commercial Office and Retail Spaces



Within the private industrial space market, demand rose by 0.3 per cent on a year-on-year basis in the third quarter, following the 0.6 per cent increase in the preceding quarter (Exhibit 2.15).

Exhibit 2.15: Total Occupied Space for Private Sector Industrial Space



¹ Private residential certified payments is a proxy for the growth of the private residential property segment.

PROFESSIONAL SERVICES

In the third quarter of 2024, the professional services sector grew by 1.8 per cent year-on-year, extending the 1.9 per cent expansion in the previous quarter. Growth was led by expansions in the head offices & business representative offices and the management consultancy segments.²

² The professional services sector is made up of the following segments: (i) legal, (ii) accounting, (iii) head offices & business representative offices, (iv) management consultancy activities, (v) architectural & engineering, technical testing & analysis, and (vi) other professional, scientific & technical services.