

CHAPTER 6







SECTORAL PERFORMANCE

OVERALL ECONOMY

STRUCTURE OF ECONOMY	Nominal Value Added Share (%)	Real Growth (%)
TOTAL	100.0	-5.4
Goods Producing Industries	25.6	0.3
Manufacturing	21.5	7.3
Construction	2.7	-35.9
Utilities	1.3	-2.2
Other Goods Industries	0.0	-10.0
Services Producing Industries	70.1	-6.9
Wholesale Trade	16.8	-2.4
Retail Trade	1.4	-16.0
Transportation & Storage	5.4	-25.4
Accommodation	0.4	-28.7
Food & Beverage Services	1.0	-25.1
Information & Communications	5.1	2.1
Finance & Insurance	15.7	5.0
Real Estate	3.0	-14.2
Professional Services	5.9	-9.7
Administrative & Support Services	4.5	-15.1
Other Services Industries	10.8	-8.9
Ownership of Dwellings	4.3	1.1

MANUFACTURING

CLUSTERS IN THE MANUFACTURING SECTOR

	Nominal VA Share (%)	Real Growth (%)
 Electronics	39.2	11.9
 Chemicals	14.0	-1.0
 Biomedical Manufacturing	17.1	23.7
 Precision Engineering	15.0	10.6
 Transport Engineering	5.9	-25.7
 General Manufacturing Industries	8.7	-11.3

CONSTRUCTION



CONTRACTS AWARDED IN 2020

Civil Engineering Work	Residential	Industrial	Institutional & Others	Commercial
				
\$5.7 billion	\$5.6 billion	\$4.3 billion	\$3.9 billion	\$1.6 billion

WHOLESALE TRADE



Foreign
Wholesale Trade
Index growth
-1.4%



Domestic
Wholesale Trade
Index growth
-12.3%

RETAIL TRADE



Retail Sales
Index growth
(Non-motor Vehicles)
-14.3%



Retail Sales
Index growth
(Motor Vehicles)
-24.3%

TRANSPORTATION & STORAGE

TRANSPORTATION & STORAGE	Nominal Value Added Share (%)	Real Growth (%)
Land Transport*	18.5	-25.9
Water Transport*	50.9	-7.3
Air Transport*	6.4	-72.5
Storage & Other Support Services	20.3	-11.4
Post & Courier	3.9	7.3

*Including supporting services



-5.7% Total sea cargo handled growth



-82.8% Air passengers handled growth

ACCOMMODATION

PERFORMANCE OF HOTELS, (JANUARY-NOVEMBER 2020)



Room revenue
growth
-71.3%



Gross lettings
growth
-57.8%

FOOD & BEVERAGE SERVICES

PERFORMANCE OF F&B (SALES GROWTH)



Fast Food
-8.8%



Others
-18.3%



Restaurants
-34.1%



Catering
-54.8%

INFORMATION & COMMUNICATIONS

	Nominal VA Share (%)	Real Growth (%)
Telecommunications	21.2	-8.3
IT & Information Services	64.8	6.4
Others	14.0	0.9

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FINANCE & INSURANCE

FINANCE & INSURANCE	Nominal Value Added Share (%)	Real Growth (%)
Banking	42.7	4.8
Activities Auxiliary to Financial Services	19.5	6.2
Fund Management	10.4	3.7
Insurance	18.0	10.2
Others	9.5	-3.5

GROWTH OF BANK LOANS & ADVANCES TO NON-BANK CUSTOMERS IN 2020

Total Loans	Loans to Businesses	Consumer Loans
		
-2.0%	-2.4%	-1.2%

OTHER SERVICES INDUSTRIES

OTHER SERVICES INDUSTRIES	Nominal Value Added Share (%)	Real Growth (%)
Public Administration & Defence	26.0	0.8
Education, Health & Social Work	54.6	-3.2
Arts, Entertainment & Recreation	5.9	-54.0
Others	13.5	-9.8

REAL ESTATE

PRIVATE RESIDENTIAL REAL ESTATE



COMMERCIAL AND INDUSTRIAL REAL ESTATE (RENTAL INDEX GROWTH)



PROFESSIONAL SERVICES

PROFESSIONAL SERVICES	Nominal Value Added Share (%)	Real Growth (%)
Legal	8.8	-4.9
Accounting	6.9	-2.2
Head Offices & Business Representative Offices	33.6	-5.0
Business & Management Consultancy	9.4	-9.0
Architectural & Engineering, Technical Testing & Analysis	24.5	-16.3
Other Professional, Scientific & Technical Services	16.8	-14.0

ADMINISTRATIVE & SUPPORT SERVICES

ADMINISTRATIVE & SUPPORT SERVICES	Nominal Value Added Share (%)	Real Growth (%)
Rental & Leasing	60.5	-14.1
Other Administrative & Support Services	39.5	-16.6



6.1

MANUFACTURING

OVERVIEW

The manufacturing sector expanded by 10 per cent year-on-year in the fourth quarter of 2020, extending the 11 per cent growth in the preceding quarter. Growth in the sector was supported by output expansions in the electronics, biomedical manufacturing, precision engineering and chemicals clusters.

For the whole of 2020, the manufacturing sector grew by 7.3 per cent, reversing the 1.5 per cent decline in the previous year, on the back of output growth in the electronics, biomedical manufacturing and precision engineering clusters.

OVERALL MANUFACTURING PERFORMANCE

In the fourth quarter, manufacturing output grew by 10 per cent on account of output expansions in the electronics, biomedical manufacturing, precision engineering and chemicals clusters. On the other hand, output declined in the transport engineering and general manufacturing clusters (Exhibit 6.1).

For the whole of 2020, the manufacturing sector expanded by 7.3 per cent, a rebound from the 1.5 per cent decline in 2019. The strong performance of the sector was driven by output growth in the electronics, biomedical manufacturing and precision engineering clusters (Exhibit 6.2).

Exhibit 6.1: Manufacturing Growth Rates

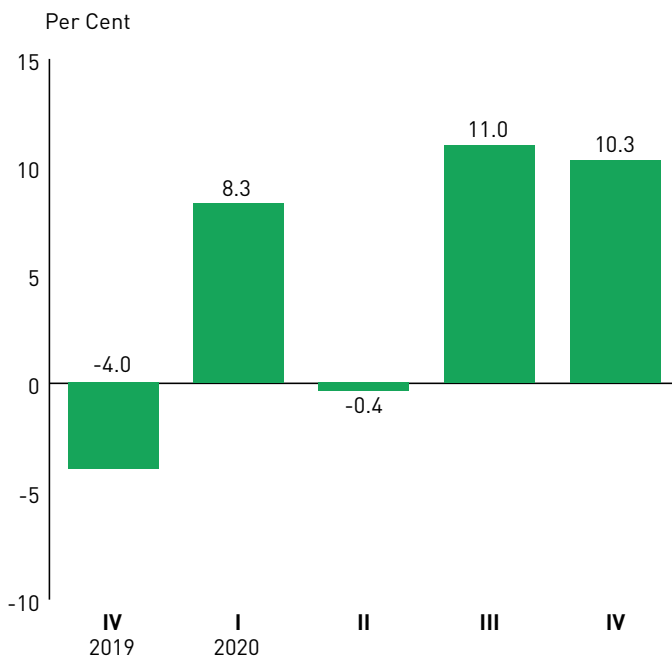
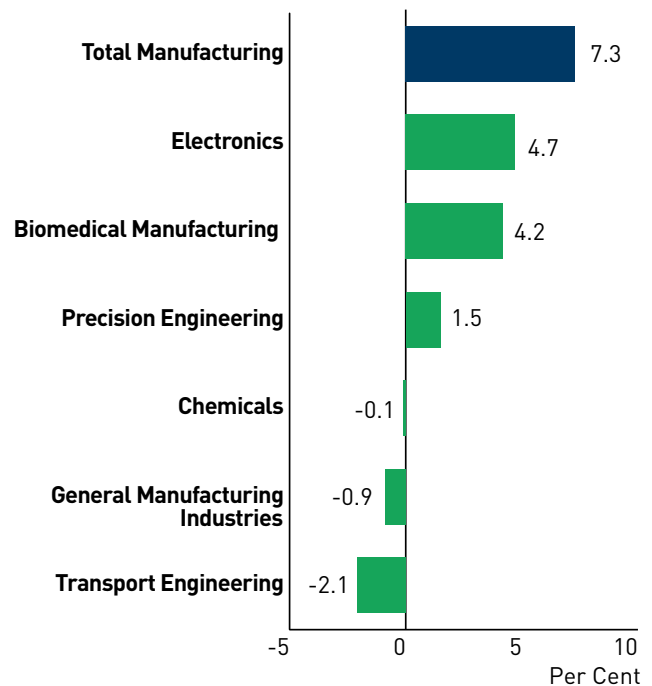
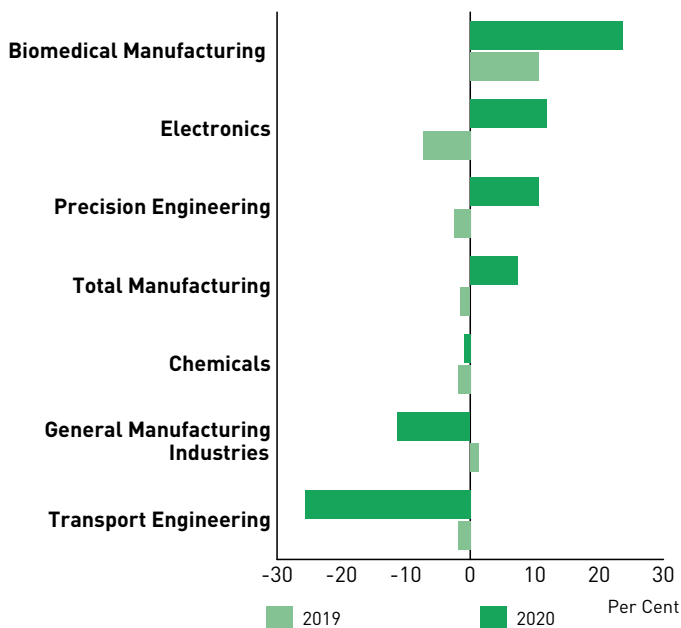


Exhibit 6.2: Percentage-Point Contribution to Manufacturing Sector's Growth in 2020



PERFORMANCE OF CLUSTERS

The electronics cluster grew by 23 per cent in the fourth quarter, bolstered by output expansions in the semiconductors (26 per cent), computer peripherals & data storage (11 per cent) and other electronic modules & components (1.8 per cent) segments. In particular, the semiconductors segment was supported by strong demand for semiconductor chips from 5G markets. On the other hand, the infocomms & consumer electronics segment contracted by 6.0 per cent. For 2020 as a whole, the electronics cluster expanded by 12 per cent on account of robust global semiconductor demand (Exhibit 6.3).

Exhibit 6.3: Manufacturing Clusters' Growth

Output in the biomedical manufacturing cluster rose by 13 per cent in the fourth quarter, supported by growth in both the pharmaceuticals and medical technology segments. The pharmaceuticals segment expanded by 11 per cent due to a higher level of production of active pharmaceutical ingredients (APIs) and biological products. Similarly, output in the medical technology segment increased by 16 per cent on the back of higher export demand for medical devices. For the full year, output in the biomedical manufacturing cluster rose by 24 per cent, supported by expansions in both segments.

The precision engineering cluster expanded by 9.7 per cent in the fourth quarter, supported by output expansions in both the machinery & systems (M&S) and precision modules & components (PMC) segments. In particular, the M&S segment grew by 13 per cent on account of a higher level of production of semiconductor equipment. Meanwhile, the PMC segment rose by 1.8 per cent on the back of output increases for optical instruments and metal precision components. For the whole of 2020, the precision engineering cluster grew by 11 per cent.

Growth in the chemicals cluster came in at 7.3 per cent in the fourth quarter, supported by output expansions in all segments except for the petroleum segment. The petrochemicals segment expanded by 15 per cent from a low base, due to plant maintenance shutdowns in the same period a year ago. Likewise, output in the specialty chemicals segment increased by 12 per cent on the back of a rise in the output of industrial gases and mineral oil additives. At the same time, the other chemicals segment grew by 0.5 per cent, supported by a higher level of production of fragrances. Conversely, the petroleum segment contracted by 31 per cent as demand for transportation fuel was weak amidst the international and domestic travel restrictions caused by the COVID-19 pandemic in economies around the world. For 2020 as a whole, the chemicals cluster contracted by 1.0 per cent.

Output in the general manufacturing cluster fell by 6.9 per cent in the fourth quarter, with all segments recording declines. Specifically, the miscellaneous industries segment contracted by 6.9 per cent due to the weak demand for construction-related products, while the food, beverages & tobacco segment recorded a 5.8 per cent contraction on the back of a fall in the production of beverage products and milk powder. Meanwhile, output in the printing segment fell by 12 per cent. For the whole of 2020, the general manufacturing cluster contracted by 11 per cent.

Output in the transport engineering cluster declined by 30 per cent in the fourth quarter, weighed down by the aerospace and marine & offshore engineering (M&OE) segments. In particular, output in the aerospace segment plunged by 39 per cent due to a fall in repair and maintenance work from commercial airlines amidst global travel restrictions and weak air travel demand. Likewise, output in the M&OE segment slumped by 33 per cent as work in shipyards was weighed down by the requirement to implement safe management measures as well as weak order books. By contrast, the land transport segment expanded by 15 per cent on account of an increase in the output of parts and accessories for motor vehicles. For the whole of 2020, the transport engineering cluster shrank by 26 per cent.

6.2

CONSTRUCTION

OVERVIEW

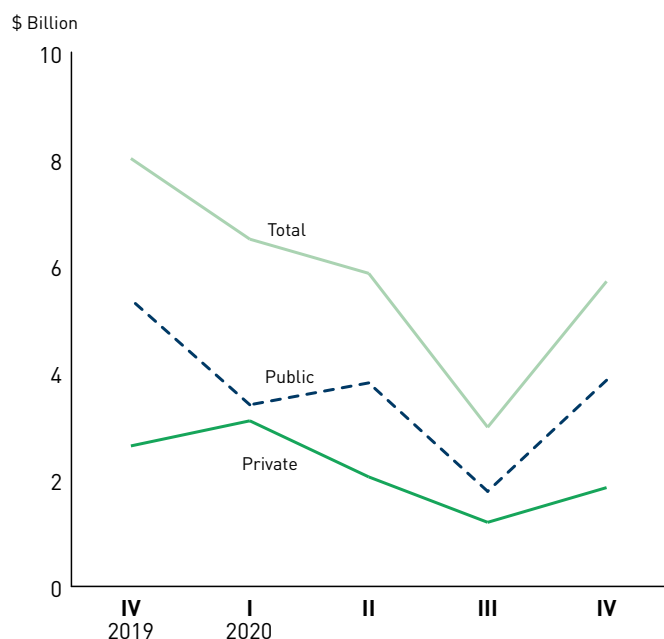
The construction sector shrank by 27 per cent year-on-year in the fourth quarter of 2020, moderating from the 53 per cent contraction recorded in the previous quarter.

For the whole of 2020, the sector contracted by 36 per cent, a sharp reversal from the 1.6 per cent growth in 2019.

CONSTRUCTION DEMAND

Construction demand (contracts awarded) plunged by 29 per cent year-on-year to \$5.7 billion in the fourth quarter, on the back of declines in both public and private sector construction demand (Exhibit 6.4).

Exhibit 6.4: Contracts Awarded



For the full year, total construction demand fell by 37 per cent to \$21 billion (Exhibit 6.5), on account of the COVID-19 pandemic which disrupted project implementation schedules.

Exhibit 6.5: Contracts Awarded, 2020 (\$ Billion)

	Total	Public	Private
Total	21.0	12.8	8.2
Residential	5.6	2.9	2.7
Commercial	1.6	0.4	1.3
Industrial	4.3	2.1	2.2
Institutional & Others	3.9	2.6	1.3
Civil Engineering Works	5.7	4.9	0.8

Public Sector

In the fourth quarter, public sector construction demand contracted by 28 per cent to \$3.9 billion. This was primarily due to declines in contracts awarded for public institutional & others building (-64 per cent) and public civil engineering (-52 per cent) works. However, these declines were partially offset by expansions in contracts awarded for public residential building (23 per cent) and industrial building (2080 per cent) works.

For the full year, public sector construction demand fell by 33 per cent to \$12.8 billion. The contraction was due to a reduction in contracts awarded for most types of works, particularly institutional & others building (-48 per cent) and civil engineering (-37 per cent) works. Some of the major projects awarded during the year included LTA's first contract for the Rapid Transit System (RTS) Link and Integrated Train Testing Centre, NEA's Integrated Waste Management Facility (IWMF) (Package 1) and PUB's various contracts for the Deep Tunnel Sewerage System (DTSS) (Phase 2).

Private Sector

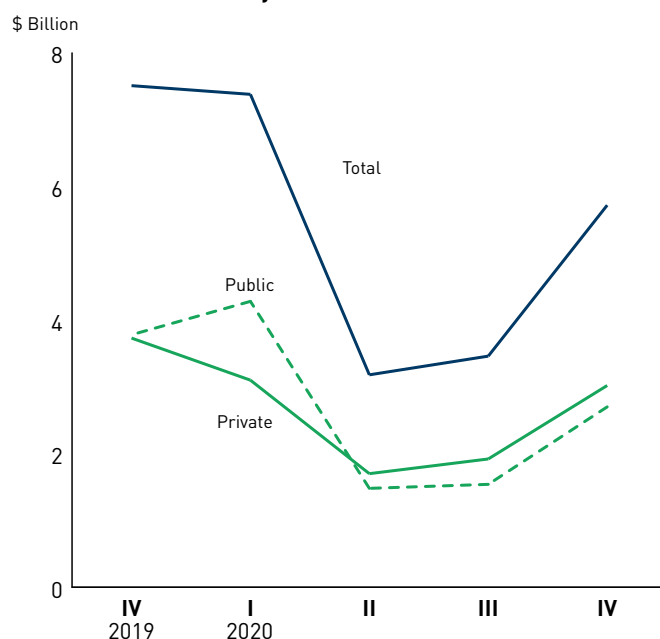
Private sector construction demand decreased by 30 per cent in the fourth quarter to \$1.9 billion, weighed down by lower demand for private residential building (-54 per cent) and private institutional & others building (-87 per cent) works. On the other hand, expansions in contracts awarded for private commercial building (28 per cent) and industrial building (137 per cent) works helped to provide some support to private sector construction demand.

For the full year, private sector construction demand fell by 43 per cent to \$8.2 billion, due to contractions in demand for all types of works, particularly residential (-46 per cent) and industrial building (-55 per cent) works. Major projects awarded in 2020 included Mandai Park's rejuvenation project, residential developments for Government Land Sales (GLS) and past en-bloc sale sites, as well as Hyundai Mobility Global Innovation Centre.

CONSTRUCTION ACTIVITIES

Construction output (or certified payments) decreased by 24 per cent year-on-year to \$5.7 billion in the fourth quarter, due to contractions in both public and private sector construction output (Exhibit 6.6).

Exhibit 6.6: Certified Payments



For the full year, construction output dropped by 30 per cent to \$19.7 billion, a sharp reversal from the 6.4 per cent increase in 2019. Output was adversely affected by the suspension of construction activities during the Circuit Breaker period, as well as the slow pace of recovery of construction activities due to the need to implement safe management measures at construction worksites.

Public Sector

Public sector construction output contracted by 29 per cent year-on-year to \$2.7 billion in the fourth quarter. Construction output for all types of works declined on a year-on-year basis, with public institutional & others building (-35 per cent) and public civil engineering (-25 per cent) works seeing the largest declines.

For the full year, public sector construction output shrank by 31 per cent to \$10 billion, led by declines in residential building (-35 per cent) and civil engineering (-33 per cent) works. Major projects supporting public sector construction activities included LTA's East Coast Integrated Depot and Circle MRT Line 6, JTC's business park development at the Punggol Digital District and Logistics Hub at Benoi Road, MOH's Woodlands Health Campus, as well as PUB's DTSS (Phase 2).

Private Sector

In the fourth quarter, private sector construction output shrank by 19 per cent year-on-year to \$3.0 billion, as all types of construction works declined, particularly private residential building (-15 per cent) and private industrial building (-20 per cent) works.

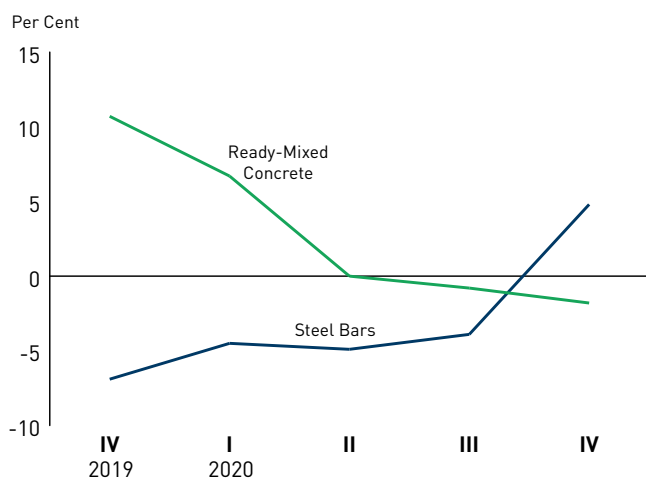
For the full year, private sector construction output fell by 29 per cent to \$9.7 billion. All types of construction output contracted, especially residential building (-28 per cent) and industrial building (-25 per cent) works. Major on-going projects which contributed to private sector construction activities included the chemical and refining facilities at Jurong Island, data centres, a semiconductor fabrication plant, Mandai Park attractions and island-wide cable installation projects.

CONSTRUCTION MATERIALS

In tandem with the reduction in total construction output, total consumption of ready-mixed concrete shrank by 42 per cent to 7.2 million m³ in 2020. Similarly, the total consumption of steel rebars decreased by 39 per cent to 0.83 million tonnes in 2020.

The average market price of Grade 40 pump ready-mixed concrete dropped by 1.8 per cent year-on-year to about \$94 per m³ in the fourth quarter (Exhibit 6.7). On the other hand, the average market price of steel rebar rose by 4.8 per cent year-on-year to around \$754 per tonne in the fourth quarter, due to the rising costs of raw materials and tight supplies from import countries like China.

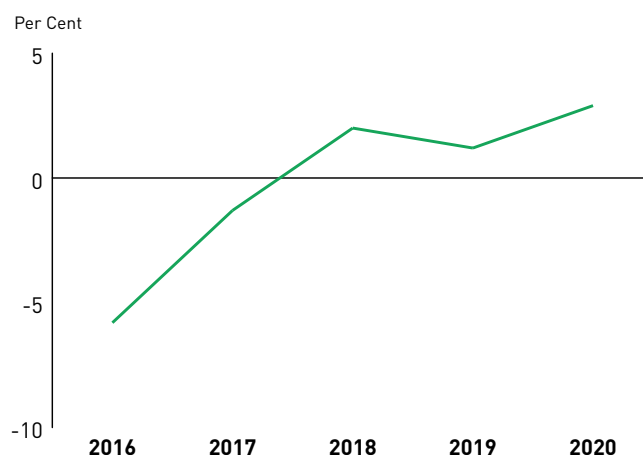
Exhibit 6.7: Changes in Market Prices of Construction Materials



CONSTRUCTION COSTS

Based on BCA's Building Works Tender Price Index (TPI), tender prices in the construction sector rose by 2.9 per cent in 2020, mainly on account of significant increases in manpower-related costs, which were in turn attributable to the tight supply of foreign workers as a result of travel restrictions (Exhibit 6.8). Looking ahead, elevated manpower-related costs as well as rising global material costs are likely to continue to exert upward pressures on construction costs and tender prices in 2021.

Exhibit 6.8: Changes in Tender Price Index



1 Rebar consumption is estimated from net imports plus local production (without factoring in stock levels).

2 The market prices are based on contracts with non-fixed price, fixed price and market retail price.

3 The market prices refer to 16mm to 32mm High Tensile rebar and are based on fixed price supply contracts with a contract period 12 months or below.

CONSTRUCTION OUTLOOK IN 2021

According to BCA, total construction demand is projected to be between \$23 billion and \$28 billion in 2021 (Exhibit 6.9). Demand from the public sector is expected to improve to between \$15 billion and \$18 billion, with an anticipated expansion in demand for public housing and major infrastructure works. Meanwhile, total private sector construction demand is projected to be between \$8 billion and \$10 billion in 2021. Demand is expected to be supported by the redevelopment of the remaining en-bloc sales sites, major retrofitting of commercial developments and construction of high-specification industrial buildings.

Total construction output in 2021 is projected to increase to between \$24 billion and \$27 billion, supported by an anticipated improvement in construction demand in 2021 as well as the backlogs of remaining workloads adversely affected by the COVID-19 pandemic in 2020.

Exhibit 6.9: Projected Construction Demand in 2021

	\$ Billion
Public Sector	15.0-18.0
Building Construction Sub-total	6.0-7.9
Residential	3.4-4.2
Commercial	0.1-0.1
Industrial	0.5-0.8
Institutional & Others	2.0-2.8
Civil Engineering Works Sub-total	9.1-10.1
Private Sector	8.0-10.0
Building Construction Sub-total	7.4-9.2
Residential	2.9-3.4
Commercial	1.5-1.9
Industrial	2.2-2.9
Institutional & Others	0.7-1.1
Civil Engineering Works Sub-total	0.6-0.8
TOTAL CONSTRUCTION DEMAND	23.0-28.0

6.3

WHOLESALE TRADE⁴

OVERVIEW

The wholesale trade sector expanded by 1.8 per cent year-on-year in the fourth quarter, a reversal from the 5.0 per cent contraction in the previous quarter, largely on the back of improved foreign wholesale sales of telecommunications & computers and electronic components.

For the whole of 2020, the sector shrank by 2.4 per cent, worse than the 0.8 per cent contraction in 2019.

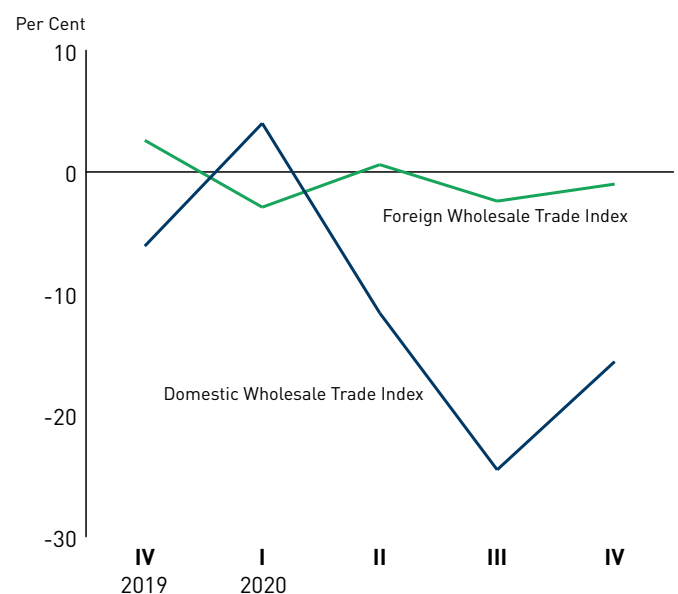
WHOLESALE SALES

In the fourth quarter, the wholesale trade sector was weighed down by declines in both domestic and foreign wholesale sales volumes.

The domestic wholesale sales volume fell by 16 per cent year-on-year in the fourth quarter, extending the 25 per cent contraction in the preceding quarter (Exhibit 6.10). The decline was led by weaker sales volumes in segments such as petroleum & petroleum-related products (-24 per cent), ship chandlers & bunkering (-14 per cent) and household equipment & furniture (-29 per cent), which outweighed the increase in the sales volumes of chemicals & chemicals-related products (23 per cent) and general wholesale trade (21 per cent). For the whole of 2020, the domestic wholesale trade index fell by 12 per cent, weakening from the 3.4 per cent decline in 2019.

Meanwhile, foreign wholesale sales volume fell by 1.0 per cent year-on-year in the fourth quarter, improving from the 2.4 per cent decline in the preceding quarter. The contraction was largely due to lower sales volumes of petroleum & petroleum-related products (-9.0 per cent) and other wholesale trade⁵ (-14 per cent). These declines more than offset robust expansions in the sales volumes of electronic components (41 per cent) and telecommunications & computers (38 per cent). For the full year, the foreign wholesale trade index contracted by 1.4 per cent, extending the 1.7 per cent decline in the previous year.

Exhibit 6.10: Changes in Wholesale Trade Index in Chained Volume Terms



⁴ With effect from the preliminary GDP estimates for the fourth quarter of 2020, the estimates for the Wholesale & Retail Trade sector will be disaggregated into their constituent Wholesale Trade and Retail Trade sectors. The Department of Statistics (DOS) will continue to make available the data for the broader sectors for downloading on DOS' website (www.singstat.gov.sg).

⁵ The "other wholesale trade" segment consists of a diverse range of products that includes agricultural raw materials and live animals, tropical produce, personal effects and medicinal and pharmaceutical products, among others.

6.4 RETAIL TRADE⁶

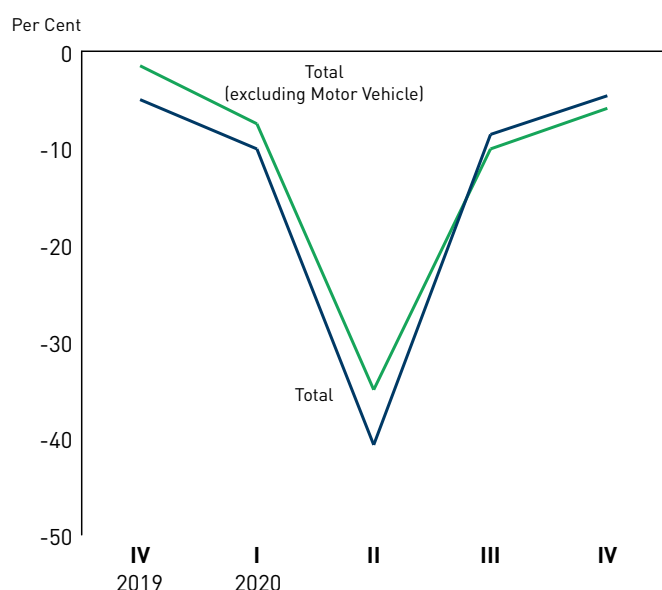
OVERVIEW

The retail trade sector contracted by 4.7 per cent year-on-year in the fourth quarter, improving from the 8.6 per cent decline in the previous quarter. For the whole of 2020, the sector shrank by 16 per cent, deteriorating from the 2.4 per cent contraction in 2019.

RETAIL SALES

Retail sales volume fell by 4.6 per cent year-on-year in the fourth quarter, moderating from the 8.6 per cent decline in the third quarter (Exhibit 6.11). Retail sales were supported by motor vehicle sales volume, which increased by 4.8 per cent. By contrast, non-motor vehicle sales volume contracted by 5.9 per cent, with declines seen across several categories of goods. In particular, the sales volume of goods such as food & alcohol (-39 per cent), cosmetics, toiletries & medical goods (-30 per cent) and department stores (-26 per cent) registered the highest declines. On the other hand, the sales volumes of supermarkets & hypermarkets (24 per cent), furniture & household equipment (20 per cent) and recreational goods (13 per cent) rose. These were purchases likely to have been made by consumers because they were spending more time at home given that work-from-home arrangements remained largely in place.

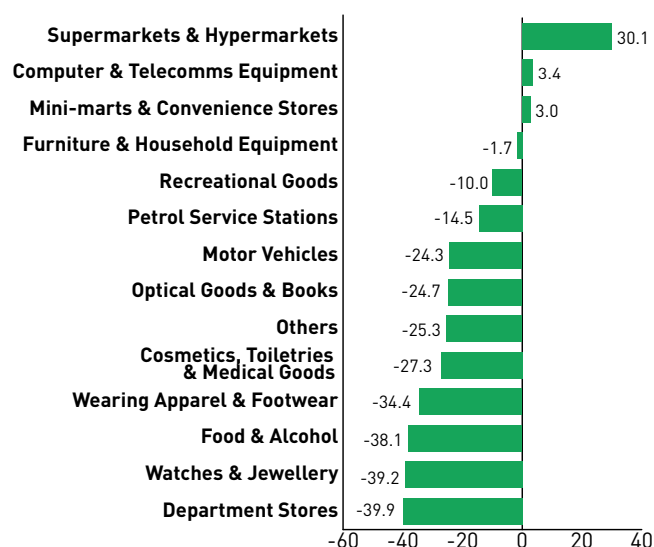
Exhibit 6.11: Changes in Retail Sales Index in Chained Volume Terms



For the full year, retail sales volume shrank by 16 per cent, extending the 3.4 per cent decline in 2019. The contraction was due to declines in both motor vehicle sales volume (-24 per cent) and non-motor vehicle sales volume (-14 per cent).

The decline in motor vehicle sales volume in 2020 came in tandem with a fall in COE supply. Meanwhile, the decrease in non-motor vehicle sales volume was underpinned by contractions in most categories of goods as a result of sluggish demand arising from the COVID-19 pandemic and public health measures (e.g., border restrictions, Circuit Breaker measures) undertaken to limit COVID-19 transmissions. For instance, department stores (-40 per cent), watches & jewellery (-39 per cent) and food & alcohol (-38 per cent) saw the largest declines in sales volumes (Exhibit 6.12). The exceptions were supermarkets & hypermarkets (30 per cent), computers & telecommunications equipment (3.4 per cent) and mini-marts & convenience stores (3.0 per cent), which saw increases in sales volumes.

Exhibit 6.12: Changes in Retail Sales Index at Constant Prices for Major Segments in 2020



⁶ With effect from the preliminary GDP estimates for the fourth quarter of 2020, the estimates for the Wholesale & Retail Trade sector will be disaggregated into their constituent Wholesale Trade and Retail Trade sectors. The Department of Statistics (DOS) will continue to make available the data for the broader sectors for downloading on DOS' website (www.singstat.gov.sg).

6.5

TRANSPORTATION & STORAGE

OVERVIEW

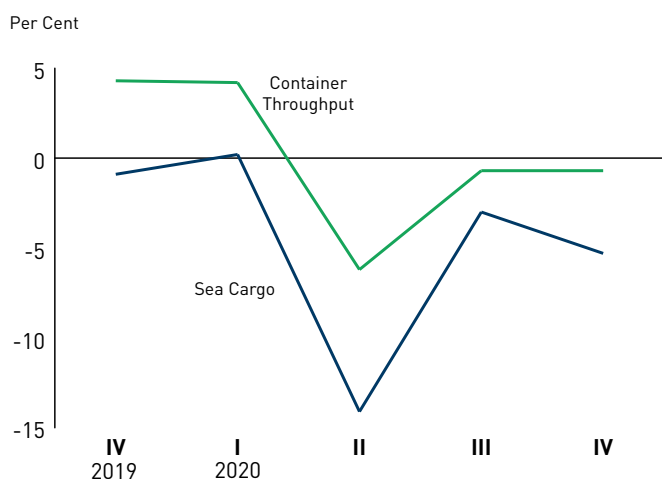
The transportation & storage sector shrank by 27 per cent year-on-year in the fourth quarter, improving slightly from the 29 per cent decline in the previous quarter.

For the whole of 2020, the sector contracted by 25 per cent, a sharp deterioration from the 0.2 per cent expansion recorded in 2019. The performance of the sector was weighed down largely by the water transport, air transport and land transport segments.

WATER TRANSPORT

Container throughput fell by 0.7 per cent year-on-year in the fourth quarter, unchanged from the 0.7 per cent decline in the previous quarter (Exhibit 6.13). For the full year, the number of TEUs (Twenty-Foot Equivalent Units) handled by Singapore's ports came in at 37 million, 0.9 per cent lower compared to 2019. This was a reversal from the 1.6 per cent growth achieved in 2019.

Exhibit 6.13: Changes in Container Throughput and Sea Cargo Handled



Overall sea cargo volumes declined by 5.3 per cent in the fourth quarter, extending the 3.0 per cent contraction in the preceding quarter. The fall in sea cargo volumes was largely due to oil-in-bulk cargo shipments, which declined by 14 per cent in the fourth quarter, worsening from the 1.2 per cent drop in the third quarter.

For the whole of 2020, overall sea cargo volumes fell by 5.7 per cent, deteriorating from the 0.6 per cent decline in the previous year.

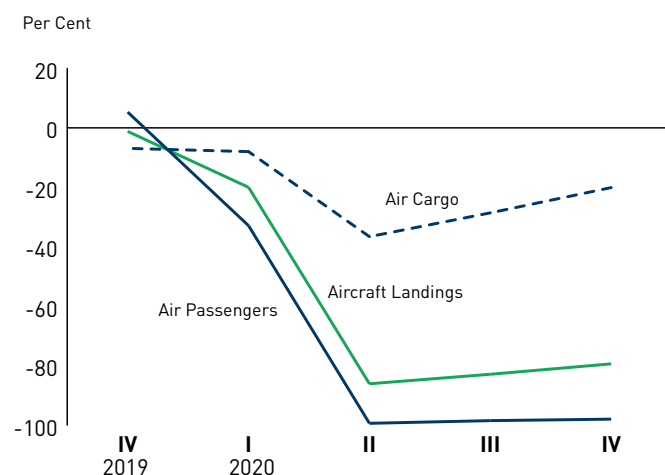
AIR TRANSPORT

Air passenger traffic handled by Changi Airport plummeted by 98 per cent year-on-year in the fourth quarter, extending the 98 per cent decline in the previous quarter (Exhibit 6.14).

For the full year, total air passenger traffic passing through Changi Airport declined by 83 per cent to come in at 12 million, a sharp reversal from the 4.2 per cent growth in 2019. Air passenger traffic volumes across Singapore's routes with all major regions around the world saw a decline.

At the same time, air cargo volumes contracted by 20 per cent year-on-year in the fourth quarter, extending the 29 per cent decline in the previous quarter, amidst continued shortages in global air cargo capacity. For 2020 as a whole, air cargo shipments fell by 23 per cent, extending the 6.5 per cent contraction in 2019.

Exhibit 6.14: Changes in Air Transport



Meanwhile, following the 83 per cent decline in the third quarter, aircraft landings contracted by 79 per cent on-year to reach 9,982 in the fourth quarter. This brought the total number of aircraft landings in 2020 to 62,721, which was 67 per cent lower as compared to 2019.

6.6 ACCOMMODATION⁷

OVERVIEW

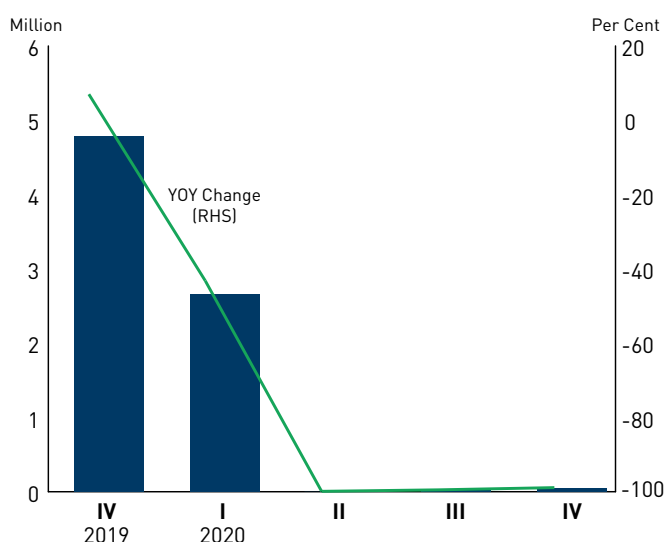
The accommodation sector contracted by 20 per cent year-on-year in the fourth quarter, unchanged from the 20 per cent contraction registered in the previous quarter.

For the whole of 2020, the sector shrank by 29 per cent, deteriorating from the 0.1 per cent growth in 2019.

VISITOR ARRIVALS

Singapore received around 52,000 visitors in the fourth quarter, 99 per cent lower compared to the same period a year ago (Exhibit 6.15). This came on the back of an across-the-board decline in visitor arrivals as a result of travel restrictions implemented in Singapore to curb the spread of COVID-19, as well as reduced global travel demand due to the COVID-19 pandemic.

Exhibit 6.15: Visitor Arrivals

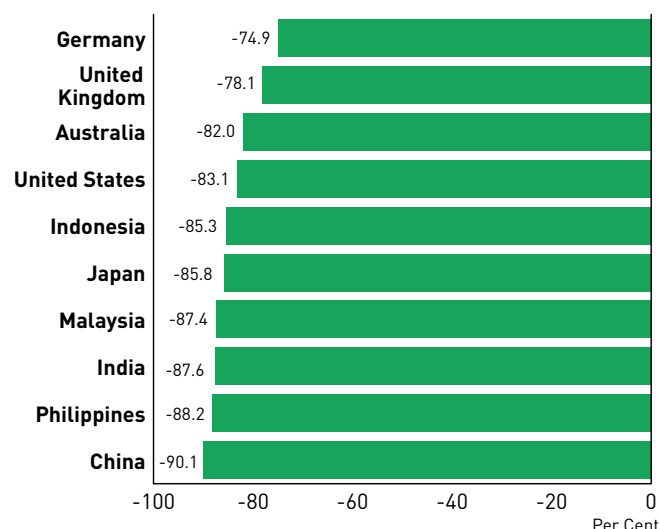


For the full year, visitor arrivals fell by 86 per cent, a sharp reversal from the 3.3 per cent growth recorded in 2019. In total, visitor arrivals reached 2.7 million in 2020, with most of the visitor arrivals (97 per cent) registered in the first quarter before major border restrictions were implemented in Singapore.⁸

In terms of source markets, Singapore's top five visitor-generating markets in 2020 were Indonesia (458,000 visitors), China (357,000 million), Australia (206,000), India (176,000) and Malaysia (153,000). Together, they accounted for 49 per cent of total visitor arrivals in 2020.

Among the top 10 visitor-generating markets, Germany (-75 per cent), United Kingdom (-78 per cent) and Australia (-82 per cent) posted the smallest contractions in visitor arrivals in 2020 (Exhibit 6.16).

Exhibit 6.16: Growth Rates of Top Ten Visitor Generating Markets in 2020



⁷ With effect from the preliminary GDP estimates for the fourth quarter of 2020, the estimates for the Accommodation & Food Services sector will be disaggregated into their constituent Accommodation and Food & Beverage Services Trade sectors. The Department of Statistics (DOS) will continue to make available the data for the broader sectors for downloading on DOS' website (www.singstat.gov.sg).

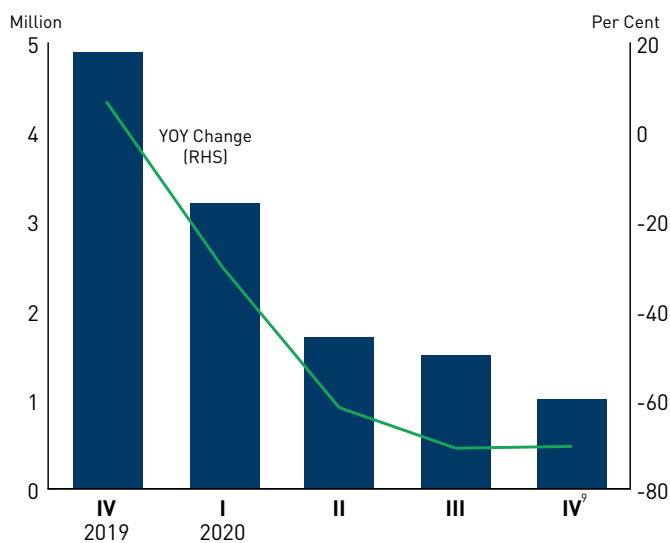
⁸ Singapore prohibited all short-term visitors from entering or transiting through Singapore on 24 March 2020.

ACCOMMODATION

In tandem with the slump in visitor arrivals, gross lettings of gazetted hotel rooms plummeted by 70 per cent year-on-year in the fourth quarter⁹, slightly better than the 71 per cent decline registered in the previous quarter (Exhibit 6.17). Similarly, room revenue plunged by 82 per cent year-on-year, improving from the 87 per cent decline in the preceding quarter. The decline in room revenue came on the back of a drop in both the average occupancy rate of gazetted hotels and the average daily room rate. Specifically, the average occupancy rate fell by 32 percentage-points to 56 per cent, while the average daily room rate decreased by 34 per cent to \$141 in the fourth quarter.

For the January to November 2020 period¹⁰, the performance of the accommodation sector was weak, weighed down by fallout from the COVID-19 pandemic and the associated measures taken to reduce COVID-19 transmissions (e.g., border restrictions). The overall room revenue of gazetted hotels fell by 71 per cent to reach \$1.1 billion over this period, driven by a 58 per cent decrease in gross lettings and a 31 per cent decline in the average daily room rate.

Exhibit 6.17: Gross Lettings



⁹ The statistics for the fourth quarter are estimated based on data for October and November, as data for December 2020 will only be ready at a later date.

¹⁰ Current figures for the hotel industry are up to November 2020. The hotels' full-year performance figures for 2020 will be ready at a later date.

6.7

FOOD & BEVERAGE SERVICES¹¹

OVERVIEW

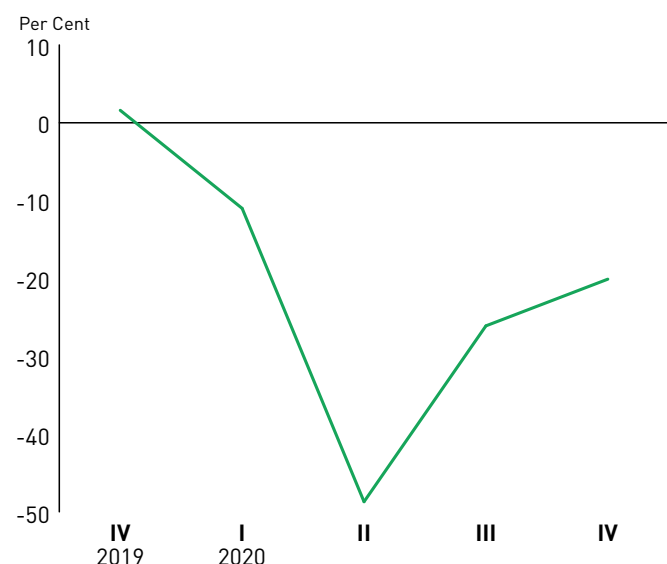
The food & beverage services sector shrank by 19 per cent year-on-year in the fourth quarter, improving from the 24 per cent contraction in the previous quarter.

For the whole of 2020, the sector contracted by 25 per cent, a sharp reversal from the 0.3 per cent growth in 2019.

FOOD & BEVERAGE SALES

Overall food & beverage sales volume fell by 20 per cent year-on-year in the fourth quarter, easing from the 26 per cent decline in the preceding quarter (Exhibit 6.18). The decrease came on the back of an across-the-board decline in sales volumes at food caterers (-75 per cent), restaurants (-23 per cent), cafes, food courts & other eating places (-11 per cent) and fast food outlets (-2.5 per cent).

Exhibit 6.18: Changes in Food and Beverage Services Index in Chained Volume Terms



For the whole of 2020, the food & beverage services index declined by 26 per cent. This was a significant pullback compared to the 1.5 per cent growth recorded in 2019. In particular, the food & beverage sales volume was adversely affected by weak demand caused by the COVID-19 pandemic and the attendant public health measures implemented to contain the pandemic (e.g., border restrictions, Circuit Breaker, safe distancing measures and capacity constraints). These, in turn, led to declines in the sales volumes of food caterers (-55 per cent), restaurants (-34 per cent), cafes, food courts & other eating places (-18 per cent), as well as fast food outlets (-8.8 per cent).

¹¹ With effect from the preliminary GDP estimates for the fourth quarter of 2020, the estimates for the Accommodation & Food Services sector will be disaggregated into their constituent Accommodation and Food & Beverage Services Trade sectors. The Department of Statistics (DOS) will continue to make available the data for the broader sectors for downloading on DOS' website (www.singstat.gov.sg).

6.8

INFORMATION & COMMUNICATIONS

OVERVIEW

The information & communications sector expanded by 2.6 per cent year-on-year in the fourth quarter, extending the 1.4 per cent growth in the previous quarter. The positive outturn was supported by the IT & information services and “others” segments¹². Meanwhile, the telecommunications segment contracted.

For the whole of 2020, the sector posted growth of 2.1 per cent, slowing from the 12 per cent expansion registered in 2019.

IT & INFORMATION SERVICES

In 2020, the growth of the information & communications sector was led by the IT & information services segment. Specifically, the segment expanded by 6.4 per cent, driven by resilient enterprise demand for services such as web hosting and web portal.

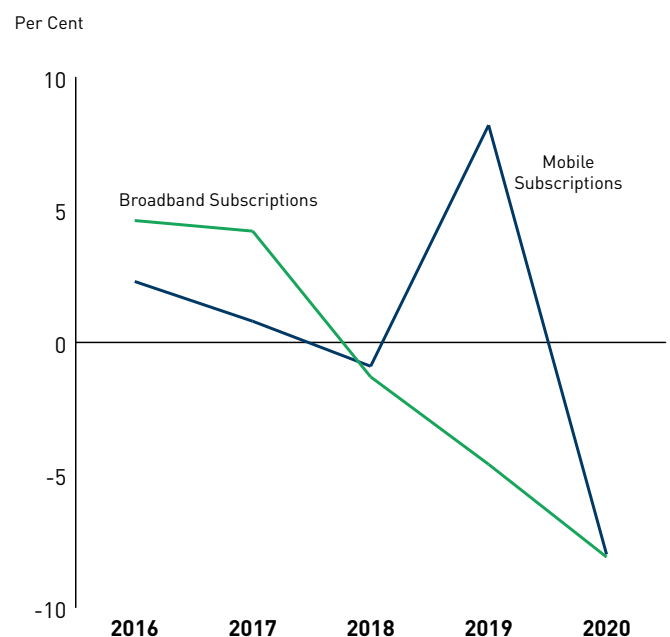
TELECOMMUNICATIONS

The telecommunications segment shrank by 8.3 per cent in 2020, weighed down mainly by weaker demand for mobile roaming and prepaid services as a result of subdued travel activity. For instance, the total number of outgoing retail international telephone call minutes (including transit minutes) over the January-June 2020 period fell by 48 per cent compared to the same period a year ago.

As at November 2020¹³, the number of mobile subscriptions shrank by 8.0 per cent as compared to the same period in 2019 (Exhibit 6.19). This was led by prepaid subscriptions, with the total number of prepaid 3G and 4G subscriptions falling by 24 per cent to reach 2.2 million in November 2020. On the other hand, the number of postpaid 4G subscriptions rose by 4.9 per cent to around 5.9 million.

In 2020, the number of broadband subscriptions decreased by 8.1 per cent. This came on the back of a 9.4 per cent decline in wireless broadband subscriptions, led by fewer mobile data and Wireless@SG subscriptions¹⁴, likely as a result of the travel restrictions and more people working from home. Nonetheless, there was a 1.5 per cent increase in optical fibre subscriptions.

Exhibit 6.19: Information & Communications Growth



¹² The “others” segment consists of (i) publishing activities (including computer games and software publishing), (ii) motion picture, video and other programme production, sound recording, and music publishing activities, and (iii) radio and television broadcasting activities.

¹³ Full-year data are not available at the time of publication.

¹⁴ The number of Wireless@SG subscriptions in a month includes only the active users for the month.

6.9

FINANCE & INSURANCE

OVERVIEW

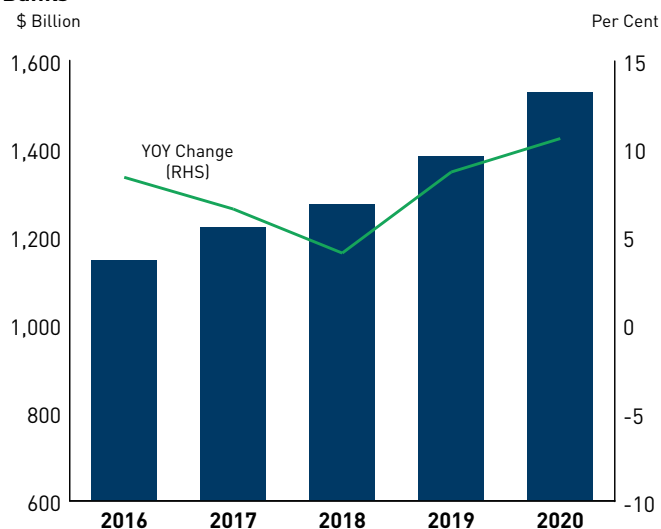
The finance & insurance sector grew by 4.9 per cent year-on-year in the fourth quarter of 2020, an improvement from the 4.2 per cent expansion in the previous quarter.

For the whole of 2020, the sector expanded by 5.0 per cent, moderating from the 7.8 per cent growth in the preceding year.

COMMERCIAL BANKS

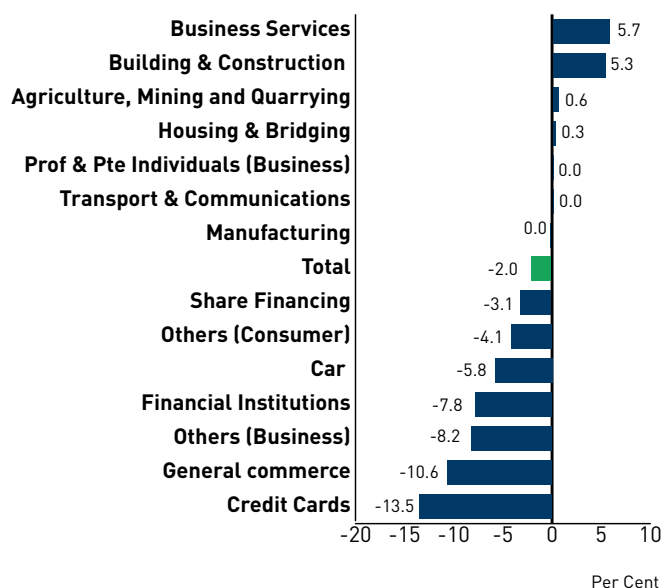
In 2020, total assets and liabilities of commercial banks increased by 11 per cent to \$1.5 trillion (Exhibit 6.20). Domestic interbank lending rose by \$112 billion (33 per cent), while domestic credit extended to non-bank customers fell by \$14 billion (-2.0 per cent).

Exhibit 6.20: Total Assets and Liabilities of Commercial Banks



On the assets side, business lending contracted by 2.4 per cent in 2020, reversing the 5.9 per cent expansion in the preceding year. The decline was due to a sharp fall in lending to the general commerce sector and non-bank financial institutions, which was partially offset by resilient demand for loans in the building & construction sector. Meanwhile, consumer lending fell by 1.2 per cent, broadly similar to last year, due to the decline in credit cards and other loans (Exhibit 6.21).

Exhibit 6.21: Growth of Bank Loans and Advances to Non-Bank Customers by Industry in 2020

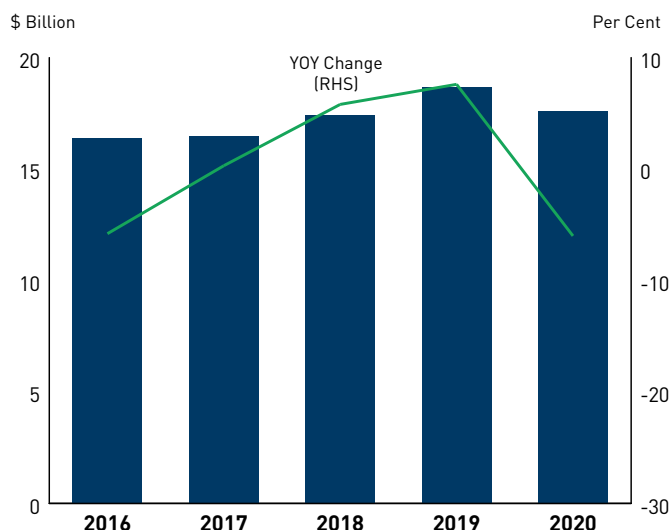


On the liabilities front, total deposits of non-bank customers grew rapidly by 12 per cent in 2020, higher than the 8.9 per cent increase in the previous year. As at end-2020, total non-bank deposits amounted to \$764 billion, compared to \$684 billion in the year before, driven by strong growth in demand and savings deposits.

FINANCE COMPANIES

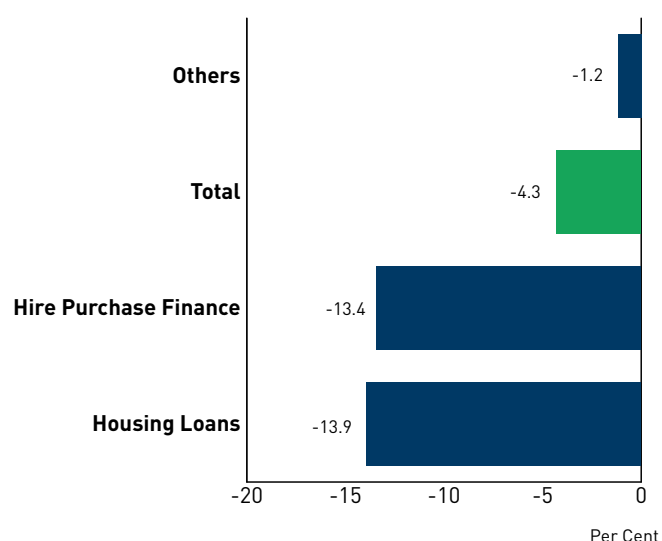
Total assets/liabilities of finance companies contracted by 6.0 per cent in 2020 to \$18 billion, in contrast to the 7.6 per cent expansion in 2019 (Exhibit 6.22).

Exhibit 6.22: Total Assets and Liabilities of Finance Companies



Non-bank lending fell by 4.3 per cent in 2020, a reversal from the 11 per cent expansion recorded the year before, with contractions in both the hire purchase finance and housing loan segments (Exhibit 6.23). Meanwhile, the deposits of non-bank customers fell by 8.1 per cent in 2020, a reversal of the 8.2 per cent growth in 2019.

Exhibit 6.23: Growth of Loans and Advances of Finance Companies in 2020

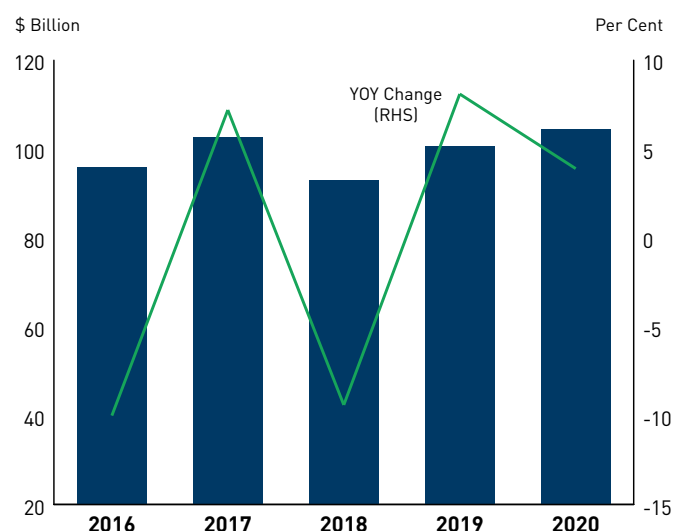


MERCHANT BANKS

Total assets/liabilities of merchant banks rose by 3.9 per cent to \$105 billion in 2020, moderating from the 8.1 per cent growth in the previous year (Exhibit 6.24). The pickup stemmed from the offshore segment, which registered strong growth in interbank lending.

Meanwhile, the domestic operations of merchant banks expanded by 0.3 per cent, a turnaround from the 7.0 per cent contraction posted in 2019.

Exhibit 6.24: Total Assets and Liabilities of Merchant Banks

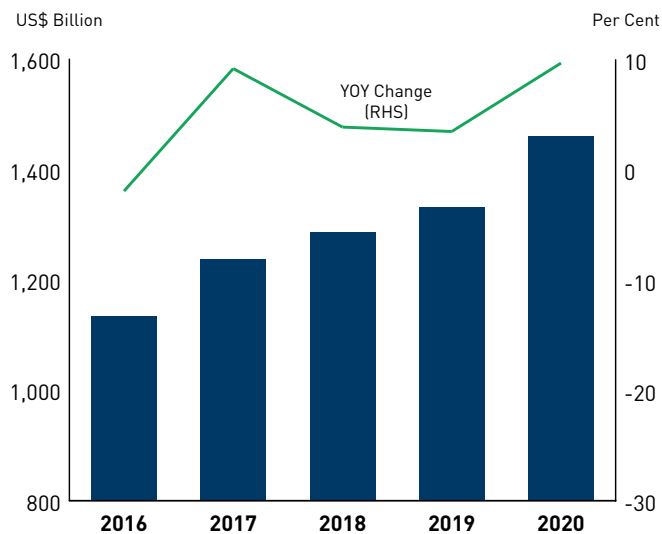
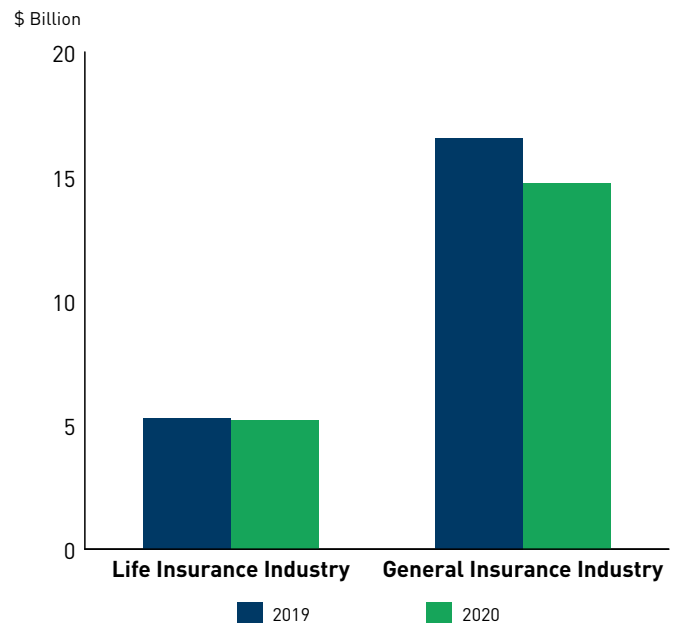


ASIAN DOLLAR MARKET

Total assets/liabilities of the Asian Dollar Market recorded an expansion of 9.7 per cent in 2020, accelerating from the 3.5 per cent growth in the previous year (Exhibit 6.25).

On the assets side, interbank loans grew by 11 per cent, reversing the 3.8 per cent contraction in 2019. Meanwhile, growth in non-bank loan volumes was only 1.7 per cent in 2020, compared to 6.2 per cent the year before. While credit demand from East Asia continued to support loans growth last year, it had moderated from that seen in 2019.

On the liabilities front, non-bank deposits rose by 10 per cent, driven by an increase in foreign currency deposits by non-residents. Meanwhile, interbank deposits expanded by 3.0 per cent, reversing the 5.6 per cent contraction registered in the previous year.

Exhibit 6.25: Total Assets and Liabilities of the Asian Dollar Market**Exhibit 6.26: Premiums in the Insurance Industry**

INSURANCE INDUSTRY

Total weighted new business premiums in the direct life insurance industry declined by 2.1 per cent to \$5.2 billion in 2020 (Exhibit 6.26). Single premium business increased by 37 per cent to \$18.6 billion, while regular premium business declined by 16 per cent to \$3.3 billion in 2020. Overall, the net income of the direct life insurance industry decreased by 16 per cent to \$2.4 billion in 2020, largely due to lower investment income.

In the general insurance industry, gross premiums declined by 11 per cent to \$14.7 billion in 2020, with offshore and domestic businesses accounting for \$12 billion and \$4.3 billion respectively. The general insurance industry recorded an operating profit of \$1 billion in 2020, largely due to improved underwriting performance.

CENTRAL PROVIDENT FUND

Total CPF balances grew by 8.7 per cent to \$462 billion in 2020.

Members' contributions for the year amounted to \$41 billion, while total withdrawals reached \$21 billion, similar to that recorded in 2019.

Total net withdrawals for housing (HDB flats and private properties) rose by 3.9 per cent to reach \$239 billion as at 31 December 2020.

As at 31 December 2020, more than 178,000 CPF members have been included in the national annuity scheme – CPF Lifelong Income for the Elderly (CPF LIFE), which provides lifelong payouts in retirement. The CPF LIFE fund stood at \$12 billion.

STOCK MARKET

The benchmark Straits Times Index (STI) plunged in the first quarter of 2020, reaching its nadir on 23 March, 31 per cent below where it began in 2020 (Exhibit 6.27). The market rout was precipitated by the rising tide of national lockdowns in response to the COVID-19 outbreak, as well as the concomitant decline in oil prices after a price war erupted among the world's biggest producers.

However, the stock market sell-off in March was quickly followed by a market rally fueled by aggressive stimulus packages rolled out by central banks and governments. For the full year of 2020, the STI declined by 12 per cent, recovering more than half of the loss recorded in the first quarter.

Volatility in capital markets remained elevated throughout the year. The recurring waves of COVID-19 infections which triggered the re-opening and re-closing of economies, and further government stimulus, drove market turnover volumes higher on a year-ago basis.

Exhibit 6.27: Straits Times Index



SECURITIES MARKET

In 2020, the total turnover value of the securities market increased by 35 per cent to \$358 billion, and total turnover volume increased by 49 per cent to 442 billion shares, compared with 2019. This translated to a 34 per cent increase in the average daily traded value to \$1.4 billion, while the average daily traded volume increased by 48 per cent to 1.7 billion shares.

At the end of 2020, the total number of listed companies in Singapore was 696, with a combined market capitalisation of \$862 billion, which was 8.1 per cent lower than 2019's level. In 2020, there were 479 companies listed on SGX's Mainboard while the other 217 companies were listed on SGX's Catalyst.

DERIVATIVES MARKET

In 2020, SGX's derivatives market activity increased by 3 per cent to 247 million contracts. Compared to 2019, total futures trading volume increased by 5 per cent to 235 million, while options on futures trading volume decreased by 22 per cent to 12 million contracts. The most actively-traded contracts were the FTSE, China A50 Index Futures, the Nikkei 225 Stock Index and the CNX Nifty Futures, which formed 59 per cent of the total volume traded on SGX's derivatives trading platform.

FOREIGN EXCHANGE MARKET

In 2020, the Euro, Japanese Yen and British Pound strengthened against the US Dollar, by 8.9 per cent, 5.2 per cent and 3.1 per cent respectively. The US Dollar initially strengthened to a three-year high in the first quarter of 2020, driven by safe haven demand amidst the COVID-19 outbreak. Subsequently, the US Dollar weakened as the provision of an unprecedented level of monetary and fiscal support by governments and central banks globally provided a boost to risk sentiment and expectations of a global recovery. The Fed had room to cut rates more than the other G4 central banks, and the relatively larger magnitude of Fed rate cuts also drove the weakness in the US Dollar. Towards the end of the year, positive news on COVID-19 vaccines led to further improvements in risk sentiment alongside another bout of US Dollar weakness. The Pound was also supported towards year-end by the successful negotiation of an agreement for the UK's exit from the EU.

6.10

REAL ESTATE AND PROFESSIONAL SERVICES¹⁵

OVERVIEW

The real estate sector shrank by 11 per cent year-on-year in the fourth quarter, extending the 18 per cent contraction in the previous quarter. For the whole of 2020, the sector contracted by 14 per cent, worse than the 1.6 per cent decline recorded in 2019.

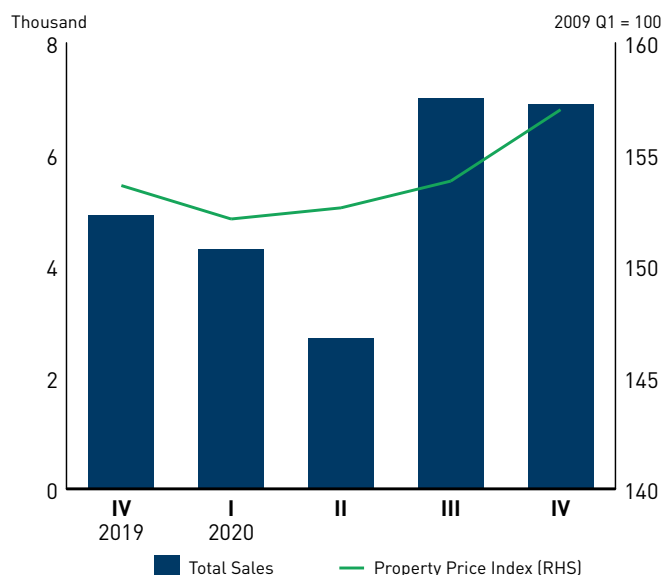
The professional services sector contracted by 7.5 per cent year-on-year in the fourth quarter, easing from the 11 per cent decline in the previous quarter. For 2020 as a whole, the sector shrank by 9.7 per cent, a sharp reversal from the 5.4 per cent growth in 2019.

REAL ESTATE

The private residential property market remained resilient in the fourth quarter. On a quarter-on-quarter basis, private residential property prices rose by 2.1 per cent during the quarter, improving from the 0.8 per cent increase in the preceding quarter. For the whole of 2020, prices rose by 2.2 per cent, extending the increase of 2.7 per cent seen in 2019.

In tandem with the rise in prices, private residential property sales volume also increased in the fourth quarter. Specifically, total private residential property sales surged by 42 per cent year-on-year during the quarter, faster than the 22 per cent growth registered in the previous quarter. For the full year, total sales grew by 9.2 per cent to 20,909 units, from the 19,150 units sold in 2019 (Exhibit 8.28).

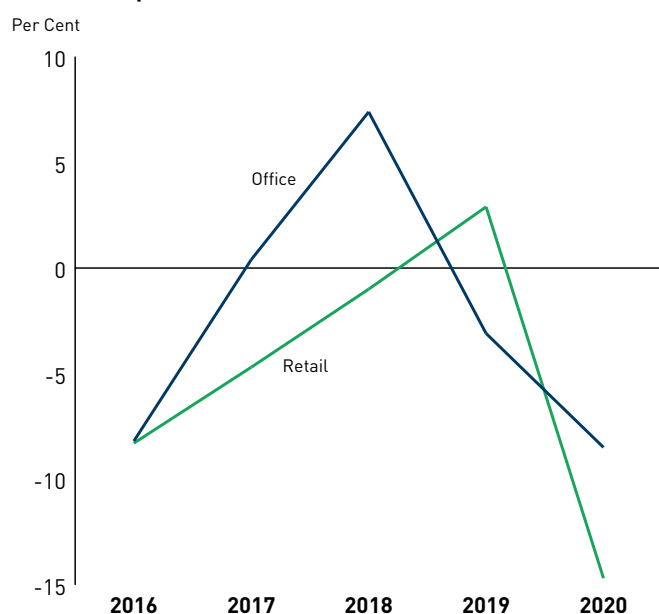
Exhibit 6.28: Total Sales of Private Residential Units and Private Residential Property Price Index



¹⁵ With effect from the preliminary GDP estimates for the fourth quarter of 2020, the estimates for the Business Services sector will be disaggregated into their constituent Real Estate, Professional Services and Administrative & Support Services sectors. The Department of Statistics (DOS) will continue to make available the data for the broader sectors for downloading on DOS' website (www.singstat.gov.sg).

In the commercial space segment, the retail space market worsened significantly in 2020. Specifically, private retail space rentals fell by 15 per cent, a sharp reversal from the 2.9 per cent increase in the previous year (Exhibit 8.29). The weak rental performance was due to lower rentals in the Central Area (-13 per cent) and Fringe Area (-15 per cent). Similarly, the prices of private retail space declined by 4.5 per cent in 2020, in contrast to the 1.3 per cent increase recorded in 2019, with prices in the Central Area and Fringe Area shrinking by 10 per cent and 3.9 per cent respectively.

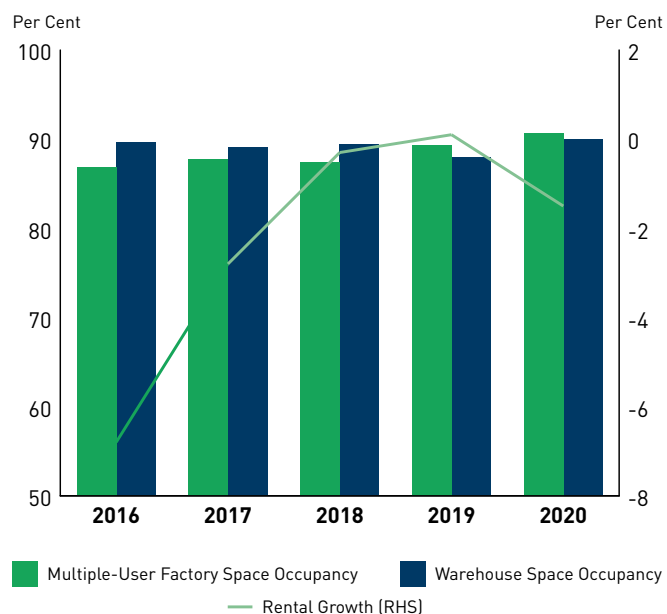
Exhibit 6.29: Changes in Rentals of Private Sector Office and Retail Spaces



The office space market also weakened in 2020, with rentals falling by 8.5 per cent, larger than the 3.1 per cent decline recorded in the previous year. The decline in office rentals was due to lower rentals in the Central Area (-9.0 per cent) and Fringe Area (-8.5 per cent). Meanwhile, prices in the office space market plummeted by 11 per cent in 2020, significantly worse than the 0.6 per cent decline in 2019.

In the industrial space market, overall rentals for the whole of 2020 declined by 1.5 per cent, reversing the 0.1 per cent growth seen in the previous year. Rentals of all types of industrial property space (i.e., single-use factories, multiple-user factories, warehouses and business parks) shrank in 2020 (Exhibit 8.30). Meanwhile, the overall prices of industrial properties fell by 2.7 per cent in 2020, extending the 0.3 per cent decline in 2019.

Exhibit 6.30: Occupancy Rate and Rental Growth of Industrial Space



PROFESSIONAL SERVICES

In 2020, the professional services sector contracted, with all segments of the sector registering declines. The contraction in the sector was largely driven by the architectural & engineering, technical testing & analysis segment, as well as the other professional, scientific & technical services segment, which shrank by 16 per cent and 14 per cent respectively.