

Singapore

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Singapore's July NODX shrank 4.6% YoY as electronics exports eased to 2.8% YoY growth

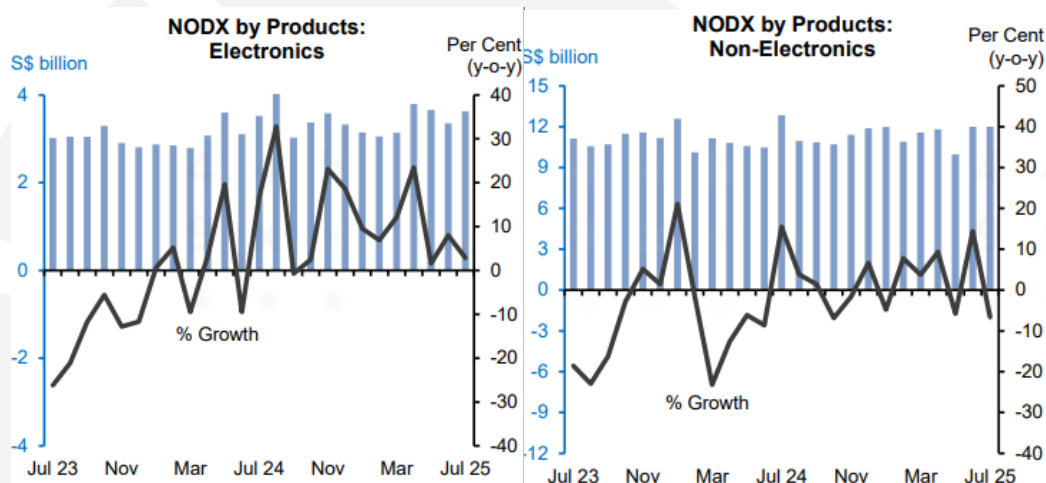
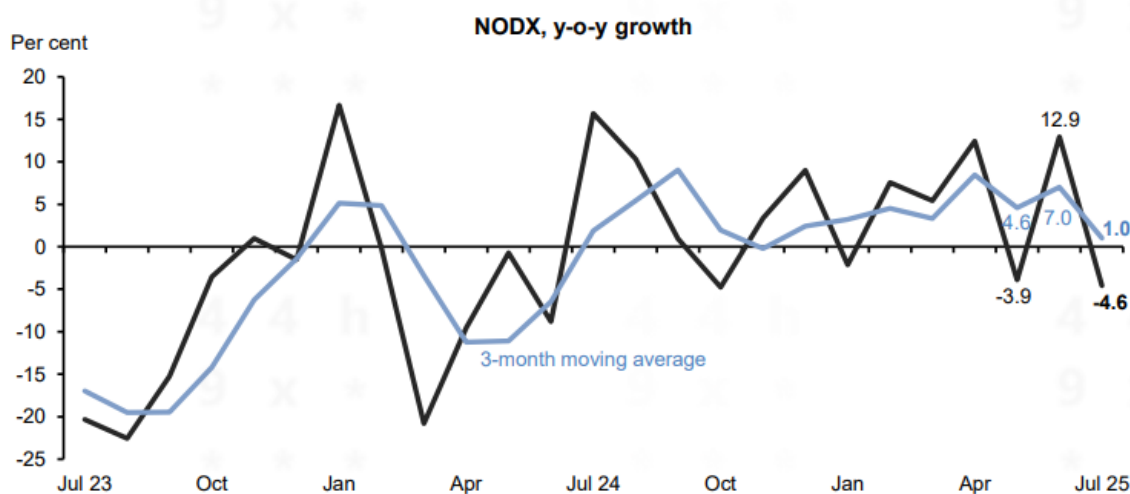
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Highlights:

- **Singapore's July NODX shrank 4.6% YoY (-6.0% MoM sa), marking the worst YoY contraction since October 2024 (-4.7% YoY).** This was close to our forecast of -4.5% YoY, (-5.5% MoM sa), but below Bloomberg consensus forecast of -1.0%. The June NODX was also revised slightly lower to 12.9% YoY (14.3% MoM sa). While the NODX underperformance was partly due to the high base in July last year, particularly for pharmaceuticals, nevertheless, the tariff headwinds are mounting for August 2025 onwards with the implementation of the US reciprocal tariffs from 7 August. NODX to 6 of our top 10 NODX markets already contracted YoY in July.
- **Electronics export growth eased from 8.0% YoY in June to 2.8% YoY in July, whilst non-electronics exports declined 6.6% YoY** after a 14.4% YoY expansion in June. While electronics exports were led by PCs (80.4% YoY), ICs (8.0%) and bare PCBs (25.8%), the non-electronics was dragged down by pharmaceuticals (-18.9% due to a high base last year), petrochemicals (-23.4%) and food preparations (-26.3%). This suggests that even sustained positive electronics NODX growth may not be sufficient to offset the weakness in non-electronics exports if pharmaceuticals exports stay soft, especially amid the potential threat of US' tariffs on pharmaceutical imports. The US president Trump has proposed to initially import a small tariff on pharmaceutical import but go to 150% and 250% in about 1-1.5 years.
- **For NODX to the top 10 markets, NODX slumped for 6 of the top 10 markets** with the exceptions of Hong Kong (20.8% YoY), South Korea (34.5%), Taiwan (62.9%) and the EU27 (77.1% which is a rebound from the -23.6% seen in June). NODX contracted in July for the US (-42.7% YoY), China (-12.2% which is a reversal from the 8.5% growth seen in June), Indonesia (32.2%), Thailand (-21.8%), Malaysia (-9.8%) and Japan (-3.3%). Notably, NODX to the US was weighed down by pharmaceuticals (-93.5% Yo), specialised machinery (-45.8%) and food preparations (-48.8%), while NODX to China was dragged lower by specialised machinery (-18.4%), petrochemicals (-21.4%) and ICs (-32.9%), and NODX to Indonesia also fell due to non-monetary gold (-95.9%), petrochemicals (-19.1%) and electrical machinery (-64.1%). Given that there was already sustained NODX weakness for key markets like the US and selected ASEAN markets (namely Indonesia, Thailand and Malaysia) prior to the implementation of the US' reciprocal tariffs on 7 August, this does not bode well amid the anticipated fading of frontloading effects for the remainder of this year. For China,

while the recent 2Q25 GDP growth remain on track for its full-year 5% growth target, nevertheless the road ahead may remain uncertain given the extension again for the 90-day US-China trade truce which points to a prolonged negotiation process. The ongoing back-and-forth bartering process with the US allowing Nvidia to export selected H20 chips to the Chinese market, and Beijing's guidance to discourage use of H20 chips in sensitive sectors suggest that trade negotiations may remain highly sensitised.

- **For the first seven months of 2025, NODX grew 3.6% YoY. Our 2025 NDOX growth forecast of 2% YoY assumes that 2H25 NODX will contract on-year.** EnterpriseSG said they are actively monitoring the evolving tariff situation and will adjust its 2025 NODX forecast of 1-3% as necessary to reflect the changing market conditions in November 2025. At this juncture, while the US baseline reciprocal tariff of 10% for Singapore looks unlikely to change, the looming storm is over possible tariffs for semiconductors and pharmaceuticals. US president Trump has proposed to initially impose a small tariff on pharmaceutical imports but go to 150% and 250% in about 1-1.5 years, while he also hinted at 100%-300% tariffs on semiconductor imports but would allow for exemptions for companies that are moving manufacturing back to the US.



Top Markets^	NODX		Electronic NODX		Non-Electronic NODX	
	Jun 2025	Jul 2025	Jun 2025	Jul 2025	Jun 2025	Jul 2025
US	-4.8	-42.7	-5.6	4.2	-4.6	-48.2
China	8.5	-12.2	-39.3	-12.9	19.8	-12.1
Indonesia	-13.6	-32.2	29.8	-10.7	-17.3	-34.3
Thailand	-19.8	-21.8	-15.4	5.0	-21.5	-32.6
Malaysia	-8.0	-9.8	0.7	-10.9	-14.1	-8.8
Japan	-3.3	-3.3	76.6	47.3	-18.0	-16.3
Hong Kong	54.4	20.8	45.9	-16.5	65.9	94.7
South Korea	33.0	34.5	27.2	75.0	35.4	23.5
Taiwan	28.3	62.9	9.8	19.2	40.1	96.9
EU 27	-23.6	77.1	-0.6	-6.3	-26.4	90.3

^: Ranked by contribution to the y-o-y change in NODX levels over the year.

Source: EnterpriseSingapore

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