

Singapore

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Revising Singapore's NODX growth to -1% to 1% YoY.

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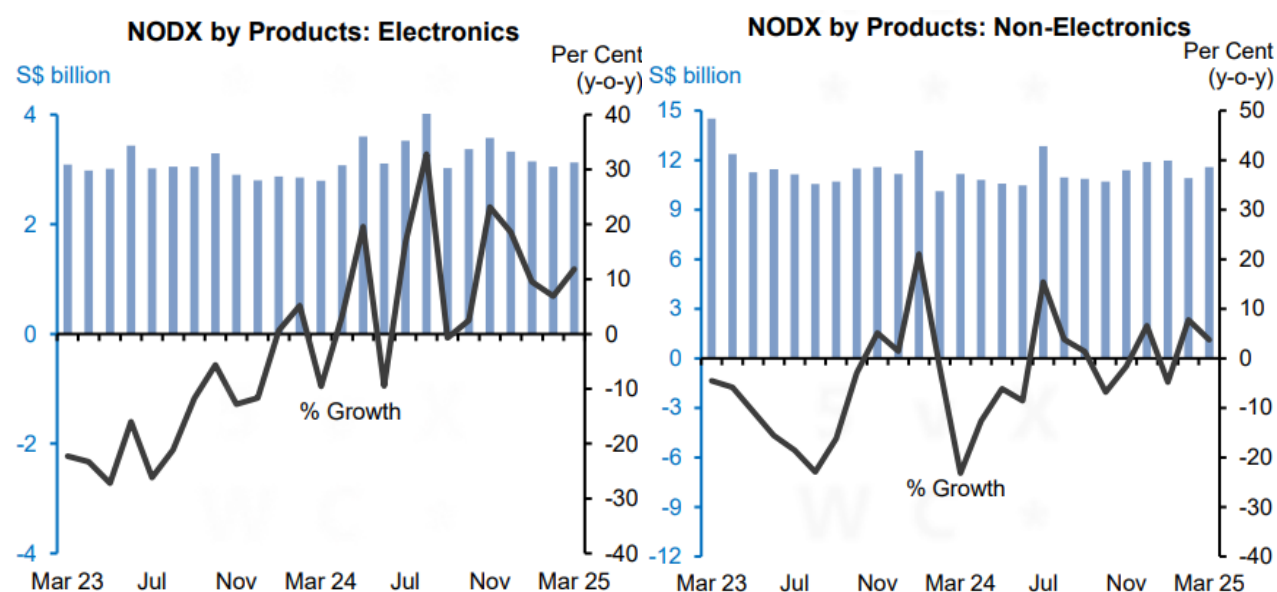
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Highlights:

- **March NODX grew by 5.4% YoY, which is below both market and our expectations.** This print is an easing from 7.6% in February 2025 and was weaker than expected despite a very low base in March last year at -20.8% YoY. Electronics exports accelerated from 6.9% YoY in February to 11.9% in March, partly due to a low base, but was weighed down by non-electronics exports which slowed from 7.7% YoY to 3.8%. For electronics exports, PCs, disk media products and ICs were the key contributors, partly attributable to the frontloading ahead of the April 2 "Liberation Day" tariff announcements. For non-electronics structures of ships & boats, non-monetary gold and pharmaceuticals (+24.9% YoY which could also possibly be ahead of the anticipated sectoral tariffs on pharmaceuticals).
- **It was very stark that Singapore's NODX expanded for 9 of the top 10 NODX markets with the sole exception of China which continued to slump by 29.4% YoY in March.** NODX growth was led by Indonesia (63.0% YoY which is a reversal from the -5.4% seen in February), Taiwan (45.7% YoY) and South Korea (21.6% YoY), and the other NODX markets also saw double-digit YoY growth. However, NODX to US moderated from 21.5% YoY in February to just 5.7% in March, dragged down by non-electronics which eased from 23.0% to 5.4% even though electronics NODX continued to be steady at 7.6% YoY - this suggests that US private consumption may generally be softening. Coupled with the continued slump in NODX to China, which is a reflection of the slowing growth momentum in China, the situation may worsen before it improves given the onslaught of reciprocal tariffs that was announced on April 2nd and the escalation of US-China bilateral tariffs to 145% currently which is likely to weigh on business and consumer confidence. While China's 1Q GDP growth surprised on the upside at 5.4% YoY (1.2% QoQ sa), the external environment remains very challenging due to the policy uncertainties. Note the non-electronics exports to China continued to shrink by 33.3% YoY in March.
- **There are clearly downside risks to Singapore's NODX growth from here given the Liberation Day tariff announcements** (notwithstanding the 90-day pause) and the escalating tit-for-tat between US and China on the trade front. Despite still resilient 1Q25 NODX growth of 3.3% YoY, partly aided by frontloading ahead of the April 2 tariff announcements, it's still probably going to be downhill from here and 2H25 NODX growth is likely to be contractionary in YoY terms, especially given the high base in 2H24 and if global trade tensions remain elevated and the tariffs negotiations potentially protracted. **Moreover, there are potential sectoral tariffs on semiconductors and pharmaceuticals to come.**

- **I'm revising down my full-year 2025 NODX forecast to -1% to 1% YoY, down from 2-4% previously.** Note the WTO has significantly downgraded its global merchandise trade from 3% to 0.2% YoY, stemming largely from escalating trade tensions including the intensifying US-China trade war which could lead to an expected 81% drop in their bilateral merchandise trade, ceteris paribus. Notably, North America trade is projected to slump by 12.6% YoY (2024: 2.3%), while that for Asia will slow to just 1.6% (2024: 8.0%). If there is broader spillover of policy uncertainty, the WTO tips an even sharper drop of 1.5% YoY in 2025, albeit it tips a rebound to 2.5% in 2026. The WTO also warned that such economic decoupling could cut global GDP by up to 7% in the long term. Additionally, the shift from a rules-based to a deals-based trading system has introduced heightened unpredictability and potentially undermines global economic stability. Singapore, as a trade, transport and logistics hub, is deeply integrated into global trade networks and vulnerable to ripple effects of the global trade whiplash and growth slowdown, especially if supply chain disruptions adversely affect our major trading partners like China and the US.



Non-oil Domestic Exports to Top Markets (% y-o-y growth)

Top Markets [^]	NODX		Electronic NODX		Non-Electronic NODX	
	Feb 2025	Mar 2025	Feb 2025	Mar 2025	Feb 2025	Mar 2025
Taiwan	77.9	45.7	3.1	9.7	194.8	69.3
Indonesia	-5.4	63.0	49.7	249.4	-8.4	49.4
South Korea	31.4	21.6	65.2	30.9	19.7	18.9
Malaysia	17.3	12.4	17.9	25.9	16.8	3.7
EU 27	16.7	11.0	-12.6	-7.4	21.9	13.7
US	21.5	5.7	8.7	7.6	23.0	5.4
Hong Kong	-21.2	14.2	-9.9	-13.2	-40.2	56.2
Thailand	28.1	12.1	12.3	-13.0	35.6	25.7
Japan	4.8	12.0	3.1	1.1	5.3	16.0
China	-27.4	-29.4	-4.7	6.5	-30.6	-33.3

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

Source: EnterpriseSingapore

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