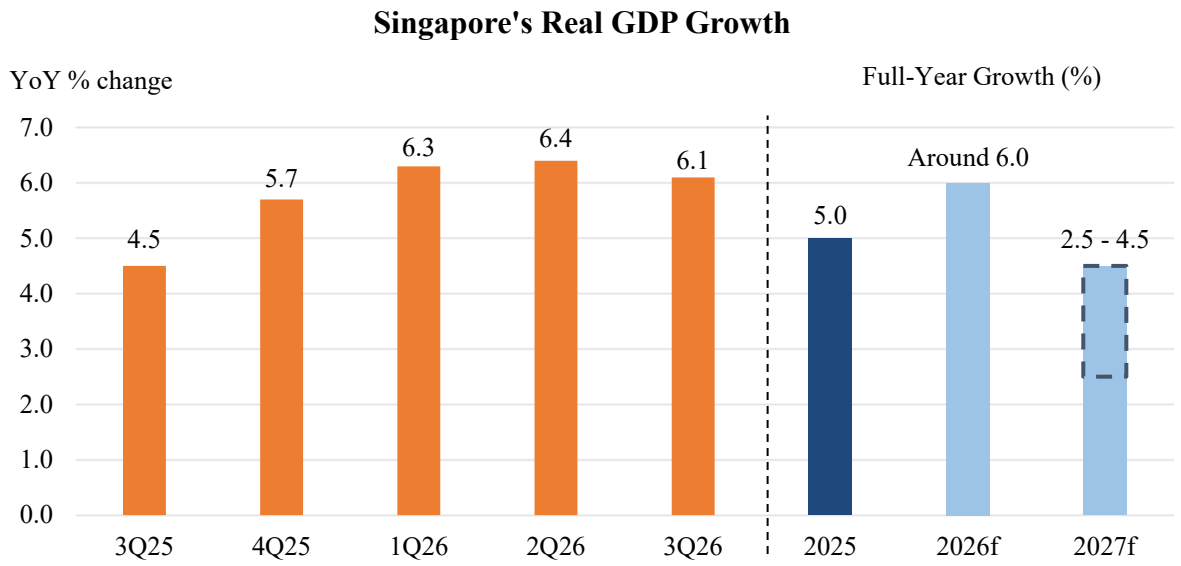
METI Upgrades GDP Growth Forecast for 2026 to "Around 6.0 Per Cent" and Forecasts GDP Growth of "2.5 to 4.5 Per Cent" for 2027

24 November 2026. The Ministry of Energy, Trade and Industry (METI) announced today that Singapore's GDP growth forecast for 2026 has been upgraded to "around 6.0 per cent", from "4.5 to 5.5 per cent". For 2027, Singapore's GDP growth is projected to come in at "2.5 to 4.5 per cent".

Economic Performance in Third Quarter 2026



In the third quarter of 2026, the Singapore economy grew by 6.1 per cent on a year-on-year basis, easing from the 6.4 per cent expansion in the previous quarter.[1] On a quarter-on-quarter seasonally-adjusted basis, the economy expanded by 1.5 per cent, moderating from the 1.8 per cent growth in the second quarter. For the first three quarters of 2026, Singapore's GDP growth came in at 6.2 per cent year-on-year.

On a year-on-year basis, GDP growth in the third quarter of 2026 was driven by the wholesale trade, manufacturing and finance & insurance sectors. Growth in the machinery, equipment & supplies segment of the wholesale trade sector, as well as the electronics and precision engineering clusters of the manufacturing sector, was boosted by strong AI-related demand. Meanwhile, growth in the finance & insurance sector was underpinned by credit growth and fee-generating activities. On the other hand, the retail

[1] After incorporating the latest data, the 3Q26 GDP growth estimate has been revised upwards from the advance estimate of 5.4 per cent year-on-year growth (which was largely based on data in July and August 2026).

trade and food & beverage services sectors contracted, partly due to a sustained shift in local spending abroad as outbound travel increased during the quarter.

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

Economic Outlook for 2026

In August, METI upgraded the official GDP growth forecast for 2026 to "4.5 to 5.5 per cent", as the economic impact of the Middle East conflict had been less severe than initially projected, while the global AI investment boom was expected to provide significant tailwinds to growth.

Since then, AI-related production and exports, driven by stronger-than-expected buildout of data centres, have continued to accelerate. The momentum is expected to continue for the rest of the year.

Although elevated energy prices have contributed to global inflationary pressures and tighter monetary policy in several economies, on balance, METI's assessment is that Singapore's external demand outlook for the year has improved compared to the assessment in August.

Against this backdrop, Singapore's GDP growth outlook for the rest of 2026 remains firm. Strong global AI-related demand will continue to drive growth in the manufacturing and wholesale trade sectors, while growth in outward-oriented services sectors such as finance & insurance and information & communications should remain resilient. Meanwhile, growth in the accommodation sector will be supported by strong hotel bookings amidst a robust line-up of events. However, the outlook for the retail trade and food & beverage services sectors remains subdued.

Taking into account the performance of the Singapore economy in the first three quarters of the year (i.e., 6.2 per cent year-on-year growth), as well as the latest global and domestic economic outlook, METI has upgraded the GDP growth forecast for 2026 from "4.5 to 5.5 per cent" to **"around 6.0 per cent"**.

Economic Outlook for 2027

Looking ahead, oil supply from the Middle East is expected to recover gradually, supported in part by the increased use of alternative transport routes such as pipelines within the Gulf. This should lead to easing global energy prices and hence inflationary pressures over the course of the year. On the other hand, the pace of growth in new AI investments is expected to moderate from its high level in 2026. In view of these factors, GDP growth in most of Singapore's key trading partners is projected to soften in 2027.

Among the major economies, US' GDP growth is expected to ease as restrictive monetary policy and weaker real wage growth weigh on investment and consumption, while the pace of AI investments is projected to ease. China's economy is also expected to slow as exports growth softens amidst moderating global AI-related demand and sluggish consumption growth. By contrast, GDP growth in the Eurozone is forecast to pick up, supported by firm household consumption as inflationary pressures and monetary policy ease, alongside stronger manufacturing activity driven by defence-related spending. Meanwhile, GDP growth for key Southeast Asian economies is projected to ease as the pace of expansion in both AI investments and AI-related exports moderate from their high levels in 2026.

Downside risks remain in the global economy. First, concerns about the sustainability of the global AI cycle could trigger sharper corrections in global financial markets, with potential spillovers to broader economic activity. Second, further escalation of the conflict in the Middle East could lead to fresh spikes in the price of energy commodities and other key intermediate inputs. The rise in inflationary pressures and resulting tighter global financial conditions could dampen global growth. Third, economic and political uncertainties in external economies could weigh on investment and consumption in these economies.

Against this backdrop, Singapore's GDP growth is projected to moderate in 2027. The electronics and precision engineering clusters of the manufacturing sector and the machinery, equipment & supplies segment of the wholesale trade sector will be supported by sustained global AI-related demand, although their pace of expansion is expected to moderate from the high levels recorded in 2026. Meanwhile, the projected recovery in global oil supply is likely to support a modest pickup in petroleum output in the chemicals cluster and wholesale volumes in the fuels & chemicals segment of the wholesale trade sector. At the same time, ongoing multi-year capacity expansions in the aerospace segment amidst continued strong aircraft maintenance, repair & overhaul orders should drive growth in the transport engineering cluster.

Among the outward-oriented services sectors, strong demand for digital transformation and AI-related services will boost growth in the information & communications sector. Similarly, the finance & insurance sector is expected to register firm growth, supported by sustained investment activity and resilient demand for life insurance, although tighter global financial conditions and heightened uncertainty could weigh on credit growth and trading activity.

As for the domestically-oriented sectors, the construction sector is projected to post steady growth, supported in part by expansions in public residential building and civil engineering works. On the other hand, consumer-facing sectors such as retail trade and

food & beverage services may be weighed down by the continued shift in local spending abroad in tandem with a sustained increase in outbound travel.

Taking these factors into account, METI expects the Singapore economy to grow by **"2.5 to 4.5 per cent"** in 2027. METI will continue to monitor developments in the global and domestic economies closely in the year ahead and adjust the GDP growth forecast over the course of the year if necessary.

MINISTRY OF ENERGY, TRADE AND INDUSTRY
24 November 2026

ANNEX A

Economic Performance by Sectors in Third Quarter 2026

The manufacturing sector expanded by 8.5 per cent year-on-year in the third quarter, moderating from the 13.2 per cent growth in the previous quarter. Growth during the quarter was driven by output expansions in the electronics, precision engineering, transport engineering and general manufacturing clusters, which outweighed output declines in the chemicals and biomedical manufacturing clusters. In particular, robust global AI-related demand continued to support growth in the electronics and precision engineering clusters. On a quarter-on-quarter seasonally-adjusted basis, the manufacturing sector contracted by 0.2 per cent, a reversal from the 6.5 per cent expansion in the preceding quarter.

Growth in the construction sector came in at 9.5 per cent year-on-year, faster than the 6.5 per cent expansion in the second quarter. The sector's growth during the quarter was supported by expansions in both public sector and private sector construction works. On a quarter-on-quarter seasonally-adjusted basis, the sector grew by 3.6 per cent, a reversal from the 2.4 per cent contraction in the previous quarter.

The wholesale trade sector expanded by 14.5 per cent year-on-year, accelerating from the 9.8 per cent growth in the preceding quarter. Growth of the sector was led by the machinery, equipment & supplies segment, which saw robust expansions in the wholesale volumes of telecommunications & computers and electronic components, bolstered in large part by strong global demand for AI-related electronics. Meanwhile, wholesale volumes of the fuels & chemicals and "others"[2] segments declined during the quarter, with the former affected by oil supply disruptions caused by the Middle East conflict. On a quarter-on-quarter seasonally-adjusted basis, the sector grew by 6.5 per cent, faster than the 0.5 per cent expansion in the second quarter.

The retail trade sector contracted by 2.7 per cent year-on-year, reversing the 0.8 per cent expansion in the previous quarter. This came on the back of contractions in both motor vehicular and non-motor vehicular sales volumes. On a quarter-on-quarter seasonally-adjusted basis, the sector shrank by 1.5 per cent, extending the 2.3 per cent contraction in the preceding quarter.

Growth in the transportation & storage sector came in at 2.2 per cent year-on-year, moderating from the 3.6 per cent expansion in the second quarter. Within the sector, the air transport segment continued to expand, supported by an increase in air cargo traffic and air passengers handled at Changi Airport. Similarly, the water transport segment

[2] 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.

grew on account of an increase in container throughput, which more than offset a decline in sea cargo handled at Singapore's ports. On a quarter-on-quarter seasonally-adjusted basis, the sector contracted by 1.3 per cent, a reversal from the 2.5 per cent growth in the previous quarter.

The accommodation sector grew by 0.9 per cent year-on-year, slower than the 1.9 per cent growth in the preceding quarter. Growth of the sector was driven by higher gross lettings in the luxury and mid-tier hotel segments. On a quarter-on-quarter seasonally-adjusted basis, the sector expanded by 2.1 per cent, a turnaround from the 5.1 per cent contraction in the second quarter.

The food & beverage services sector shrank by 2.1 per cent year-on-year, worsening from the 1.3 per cent contraction in the previous quarter. The weak performance of the sector was due to lower sales volumes at food courts & other eating places, cafes and restaurants, which more than offset higher sales volumes at fast-food outlets and food caterers. On a quarter-on-quarter seasonally-adjusted basis, the sector contracted by 1.6 per cent, extending the 2.6 per cent contraction in the preceding quarter.

Growth in the information & communications sector accelerated to 6.2 per cent year-on-year, from 4.7 per cent in the second quarter. The sector's growth during the quarter was primarily driven by expansions in the IT & information services segment, which was in turn supported by data centre operations and internet search engine activities. On a quarter-on-quarter seasonally-adjusted basis, the sector grew by 6.8 per cent, easing from the 7.4 per cent expansion in the previous quarter.

The finance & insurance sector expanded by 3.8 per cent year-on-year, moderating from the 6.2 per cent growth in the preceding quarter. Banks, fund managers and securities dealers saw a more modest increase in fee and commission incomes amidst more selective risk-taking by global and domestic investors. However, continued resilience in portfolio management fees provided some support. At the same time, banks' credit intermediation activity remained strong, reflecting broad-based lending to consumers and businesses. On a quarter-on-quarter seasonally-adjusted basis, the sector contracted by 3.0 per cent, a reversal from the 0.9 per cent expansion in the second quarter.

The real estate sector grew by 4.7 per cent year-on-year, extending the 5.0 per cent expansion in the previous quarter. Growth of the sector was supported by the private residential property segment, as well as the private commercial office and industrial property segments. On a quarter-on-quarter seasonally-adjusted basis, the sector's growth slowed to 0.3 per cent from 2.2 per cent in the preceding quarter.

The professional services sector expanded by 2.1 per cent year-on-year, extending the 2.4 per cent growth in the second quarter. Growth was mainly due to expansions in the

architectural & engineering, technical testing & analysis and management consultancy segments. On a quarter-on-quarter seasonally-adjusted basis, the sector grew by 0.4 per cent, following the 0.7 per cent expansion in the previous quarter.

Growth in the administrative & support services sector came in at 3.6 per cent year-on-year, faster than the 2.7 per cent growth in the preceding quarter. The sector's growth during the quarter was supported by expansions in the rental & leasing segment, as well as the employment support, security & cleaning and other business support services sub-segments. On a quarter-on-quarter seasonally-adjusted basis, the sector expanded by 0.2 per cent, slower than the 2.2 per cent growth in the second quarter.

The "other services industries" grew by 1.6 per cent year-on-year, extending the 2.1 per cent growth in the previous quarter. Growth during the quarter was largely driven by the public administration & defence and health & social services sectors. On a quarter-on-quarter seasonally-adjusted basis, the "other services industries" expanded by 0.3 per cent, easing from the 0.7 per cent growth in the preceding quarter.

ANNEX B

REAL SECTORAL GROWTH RATES

	3Q25	4Q25	2025	1Q26	2Q26	3Q26
	Year-on-Year % Change					
Total	4.5	5.7	5.0	6.3	6.4	6.1
Goods Producing Industries	4.5	9.6	7.6	8.3	11.2	8.3
Manufacturing	4.6	11.4	8.7	7.7	13.2	8.5
Construction	5.6	4.6	5.2	13.6	6.5	9.5
Services Producing Industries	4.3	4.8	4.3	6.1	5.4	6.1
Wholesale Trade	5.4	9.9	6.1	12.9	9.8	14.5
Retail Trade	2.4	2.3	1.3	2.5	0.8	-2.7
Transportation & Storage	2.7	2.1	3.3	1.6	3.6	2.2
Accommodation	4.6	6.6	3.1	7.1	1.9	0.9
Food & Beverage Services	-1.9	0.2	-0.9	0.2	-1.3	-2.1
Information & Communications	6.2	5.2	6.1	4.8	4.7	6.2
Finance & Insurance	4.7	3.7	4.3	5.4	6.2	3.8
Real Estate	4.0	3.6	5.0	3.5	5.0	4.7
Professional Services	2.5	1.9	2.0	2.7	2.4	2.1
Administrative & Support Services	1.2	0.9	1.4	2.4	2.7	3.6
Other Services Industries	4.7	3.3	3.3	3.4	2.1	1.6
Public Administration & Defence	-0.2	-1.1	-0.4	0.4	3.0	2.1
Education	1.5	2.4	1.6	2.7	2.5	3.0
Health & Social Services	5.5	4.2	5.0	3.5	2.5	2.7
Arts, Entertainment & Recreation	27.4	13.2	13.1	11.2	-4.2	-9.5
Other Services - Others	2.9	3.3	2.8	4.2	4.3	4.8
	Seasonally Adjusted Quarter-on-Quarter Growth %					
Total	1.9	1.3	5.0	1.2	1.8	1.5
Goods Producing Industries	3.6	3.3	7.6	-0.4	4.4	0.7
Manufacturing	4.5	4.5	8.7	-2.4	6.5	-0.2
Construction	0.6	0.2	5.2	8.1	-2.4	3.6
Services Producing Industries	1.2	1.0	4.3	1.9	1.1	1.9
Wholesale Trade	2.0	3.5	6.1	3.4	0.5	6.5
Retail Trade	2.4	-0.3	1.3	1.3	-2.3	-1.5
Transportation & Storage	0.2	-0.6	3.3	1.6	2.5	-1.3
Accommodation	3.2	1.1	3.1	2.8	-5.1	2.1
Food & Beverage Services	-0.7	1.3	-0.9	0.8	-2.6	-1.6
Information & Communications	5.3	0.7	6.1	-8.0	7.4	6.8
Finance & Insurance	-0.9	5.4	4.3	0.8	0.9	-3.0
Real Estate	0.5	0.6	5.0	1.4	2.2	0.3
Professional Services	0.6	-0.8	2.0	1.9	0.7	0.4
Administrative & Support Services	-0.7	-0.5	1.4	1.5	2.2	0.2
Other Services Industries	0.8	0.1	3.3	0.5	0.7	0.3
Public Administration & Defence	0.2	-0.4	-0.4	1.1	2.2	-0.8
Education	0.7	0.7	1.6	0.0	0.9	1.2
Health & Social Services	0.9	0.1	5.0	0.3	1.1	1.1
Arts, Entertainment & Recreation	1.5	1.4	13.1	6.9	-12.9	-4.1
Other Services - Others	-0.8	2.5	2.8	3.3	-0.7	-0.3

OTHER ECONOMIC INDICATORS

	3Q25	4Q25	2025	1Q26	2Q26	3Q26
Retail Sales Index* (yoy, %)	3.6	3.1	1.8	2.9	1.3	-2.2
Changes in Employment ('000)	30.2	20.8	70.8	13.0	14.7	32.0
Unemployment Rate, SA (%)	2.0	2.0	2.0	2.0	1.9	2.0
Value Added Per Actual Hour Worked^ (yoy, %)	2.4	3.9	3.4	3.7	4.6	3.3
Value Added Per Worker^ (yoy, %)	3.0	3.9	3.5	4.3	4.3	4.0
Overall Unit Labour Cost (yoy, %)	0.8	-0.7	0.0	-1.2	-0.9	-1.1
Unit Business Cost of Manufacturing (yoy, %)	6.5	-2.1	0.0	2.3	-1.2	2.0
Fixed Asset Investments ($ bil)	0.3	8.2	14.2	2.4	5.4	3.3
Consumer Price Index (yoy, %)	0.6	1.2	0.9	1.5	1.8	2.3
Total Merchandise Trade (yoy, %)	8.4	14.5	8.7	25.4	40.0	44.4
Merchandise Exports	8.2	15.0	9.6	27.9	38.4	46.9
Domestic Exports	-4.5	8.5	-0.7	2.7	26.5	30.5
Oil	-6.4	1.0	-9.2	-8.3	25.0	4.0
Non-Oil	-3.4	12.7	4.8	9.6	27.4	45.8
Re-exports	17.6	19.2	17.2	45.6	45.7	56.9
Merchandise Imports	8.6	14.1	7.7	22.7	41.9	41.7
Total Services Trade (yoy, %)	2.0	2.2	3.3	5.5	12.1	14.6
Exports of Services	2.4	2.3	3.5	4.7	12.7	14.9
Imports of Services	1.7	2.1	3.2	6.4	11.6	14.2

* In chained volume terms.

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