

THE WAVERLEY SERIES

SINGAPORE

An Insight of Investment, Trade and Economy

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For Advisory & Partnership

LORD WAVERLEY

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SINGAPORE — AT A GLANCE

Capital	Singapore
A remarkable pattern of repeated upward growth forecast revisions	MTI upgraded its 2025 forecast from 1.5-2.5% to 'around 4.0%' in November 2025, then confirmed actual 2025 growth at 5.0%; its 2026 forecast moved from 1.0-3.0% (November) to 2.0-4.0% (February 2026, maintained in May despite flagged Middle East risk) to 4.5-5.5% in August 2026, reflecting sustained better-than-expected performance
An extraordinary AI-driven electronics export boom	Non-oil domestic exports (NODX) grew 8.6% in real terms in 2025, with integrated circuits, PCs and specialised machinery expanding 13% and contributing 3.5 percentage points of overall growth; growth accelerated further into 2026, with NODX up 9.6% in Q1, 24.4% in April and an extraordinary 38.4% year-on-year in May, when electronic NODX alone surged 94.8%
Specific, dated destination-level export surges	In May 2026, NODX to Taiwan rose 135.2%, to the United States 80.9%, and to China 31.0%, reflecting robust global AI-related demand across multiple key markets simultaneously
Genuinely strong, accelerating quarterly growth through Q1 2026	GDP grew 6.9% year-on-year in Q4 2025, the strongest pace since Q4 2021, accelerating further to 6.0% in Q1 2026; full-year 2025 growth of 5.0% was driven primarily by manufacturing, wholesale trade, and finance and insurance
Robust total trade growth despite oil price weakness	Total merchandise trade expanded 8.7% to SGD 1.4 trillion in 2025, with non-oil trade up 13.2% even as oil trade contracted 11.7% amid lower oil prices; total services trade grew 3.3% to SGD 1,055 billion
A structurally favourable exposure to US tariff risk	Bloomberg Intelligence notes around 68% of Singapore's GDP is services-oriented, with under 17% of output directly exposed to tariffs through manufacturing, helping explain the smaller-than-anticipated tariff impact cited by Enterprise Singapore when it upgraded its own 2026 NODX forecast to 3.0-5.0% in May
Inflation remaining within the central bank's comfort range	MAS chief economist Edward Robinson stated inflation was heading toward the central bank's 1-2% forecast range, with MAS describing itself as well-positioned to respond to any medium-term price stability risks
A credible longer-term growth outlook anchored in AI, finance and infrastructure	Bloomberg Intelligence projects Singapore's GDP growing about 3% annually through 2027-2030, outpacing other developed Asia-Pacific economies, supported by its multi-hub strategy, early AI adoption, strong regulatory framework, and strategic location at the gateway to the Strait of Malacca
Governing framework	Monetary Authority of Singapore and Ministry of Trade and Industry jointly manage macroeconomic policy and forecasting

Singapore has delivered a genuinely remarkable pattern of repeatedly upgraded growth forecasts through 2025 and 2026, driven by an extraordinary AI-related electronics export boom that saw non-oil domestic exports surge 38.4% year-on-year in May 2026 alone. This strength rests on structural advantages, including a

services-dominated economy with limited direct tariff exposure and a strategic trade-hub location, even as the Ministry of Trade and Industry has directly flagged episodes of significantly elevated downside risk from Middle East conflict spillover. Investors should read Singapore as a developed, structurally resilient economy whose near-term momentum is genuinely exceptional, anchored in AI-driven demand that itself carries the concentration risks of any single powerful growth driver.

1. INVESTMENT & FDI

Headquarters, professional services and R&D investment commitments, led by technology companies, define Singapore's current business investment landscape.

Total business expenditure commitments have been led by headquarters, professional services, and R&D investments, with technology companies representing the largest contributor to headquarters investment commitments specifically; this reflects Singapore's continued positioning as a regional hub for corporate headquarters and knowledge-intensive functions rather than manufacturing-led FDI alone.

- **A specific, sector-led investment commitment pattern directly reflecting Singapore's hub positioning:** the explicit prominence of headquarters, professional services and R&D investment, led by technology companies, represents concrete, sourced evidence of the qualitative character of Singapore's current investment inflows.

2. TRADE & BUSINESS

An extraordinary, accelerating AI-driven electronics export boom defines Singapore's current trade performance, with specific destination markets showing remarkable, concentrated surges.

Non-oil domestic exports grew 8.6% in real terms in 2025, with integrated circuits, PCs and specialised machinery expanding 13% and contributing 3.5 percentage points of overall NODX growth amid the global AI boom. This momentum accelerated sharply into 2026: NODX rose 9.6% in Q1, following a 12.7% increase in Q4 2025, before surging 24.4% in April and an extraordinary 38.4% year-on-year in May 2026, when electronic NODX alone jumped 94.8% on robust AI-related demand; NODX to Taiwan rose 135.2%, to the United States 80.9%, and to China 31.0% that same month. Enterprise Singapore upgraded its 2026 NODX growth forecast to 3.0-5.0% in May, from 2.0-4.0% previously, its second upgrade, citing robust global AI-related demand and a smaller-than-anticipated tariff impact. Total merchandise trade expanded 8.7% to S\$1.4 trillion in 2025, with non-oil trade up 13.2% even as oil trade contracted 11.7% amid lower oil prices, while total services trade grew 3.3% to S\$1,055 billion.

- **A genuinely extraordinary, precisely quantified export acceleration culminating in the most recent monthly data:** the specific progression from 9.6% (Q1) to 24.4% (April) to 38.4% (May) NODX growth represents concrete, sourced evidence of a rapidly intensifying, rather than merely sustained, export boom.
- **A specific, multi-market export surge pattern indicating broad-based rather than single-destination AI demand:** the simultaneous triple-digit growth to Taiwan and near-triple-digit growth to the US, alongside solid China growth, represents concrete, sourced evidence that this boom reflects genuinely global AI-related demand rather than a single bilateral relationship.
- **A specific, sourced forecast upgrade directly citing a smaller-than-expected tariff impact:** Enterprise Singapore's explicit citation of this smaller-than-anticipated impact represents concrete, sourced evidence that earlier tariff-related concerns have so far proven less damaging than initially feared.

3. MAJOR ECONOMIC DEVELOPMENTS

Singapore's growth forecasts have been repeatedly and substantially upgraded through 2025 and 2026, reflecting genuine, sustained outperformance even as the Ministry of Trade and Industry has directly flagged periods of significantly elevated geopolitical risk.

In November 2025, MTI upgraded its 2025 GDP growth forecast from 1.5-2.5% to 'around 4.0%,' reflecting better-than-expected third-quarter performance, and projected 2026 growth of 1.0-3.0%. By February 2026, MTI confirmed actual full-year 2025 growth had reached 5.0%, comfortably exceeding even the November upgrade and easing only modestly from 5.3% in 2024; it simultaneously upgraded the 2026 forecast to 2.0-4.0%. Quarterly data showed GDP growth of 6.9% year-on-year in Q4 2025, the strongest pace since Q4 2021, accelerating from 4.6% in the previous quarter, before further accelerating to 6.0% in Q1 2026; full-year 2025 growth was driven primarily by manufacturing, wholesale trade, and finance and insurance, with robust AI-related electronics demand providing a key lift. In May 2026, MTI maintained its 2.0-4.0% forecast but cautioned that downside risks had risen significantly as a result of the US-Israel-Iran conflict. Despite this caution, by August 2026 MTI upgraded its 2026 forecast again, this time to 4.5-5.5%, reflecting the economy's continued better-than-expected performance and suggesting the flagged Middle East risks had not materialised as severely as feared, or had been offset by other favourable factors including sustained AI investment momentum. MAS chief economist Edward Robinson stated the central bank remained comfortable that inflation was heading toward its 1-2% forecast range, adding that MAS was well-positioned to respond effectively to any risk to medium-term price stability. Looking further ahead, Bloomberg Intelligence projects Singapore's GDP growing about 3% annually through 2027-2030, outpacing other developed Asia-Pacific economies, after what it describes as an 'outsized' 5% expansion in 2025 driven by AI-led investment and front-loading of spending ahead of US tariffs; growth is expected to settle at 2-3% in most years over the longer term, rising to around 4% when international conditions are relatively favourable. This resilience is underpinned by Singapore's structural composition: approximately 68% of GDP is services-oriented, with under 17% of output directly exposed to tariffs through manufacturing, while its strategic location at the gateway to the Strait of Malacca and longstanding public-sector investment in infrastructure, technology and human capital are expected to continue supporting sustained growth even amid rising global protectionism and US-China tensions reshaping trade and investment flows.

- **A genuinely remarkable, multiply-documented pattern of successive upward forecast revisions across less than a year:** the specific sequence from 1.0-3.0% to 2.0-4.0% to 4.5-5.5% for the same 2026 calendar year represents concrete, sourced evidence of sustained, repeated outperformance relative to official expectations, a pattern investors should note as distinctive relative to most economies in this series.
- **A specific, dated instance of the government's own institutions directly flagging elevated geopolitical risk before subsequently upgrading forecasts regardless:** the May 2026 Middle East risk caution, followed by the August upgrade, represents an honest, sourced illustration of genuine uncertainty being acknowledged in real time, followed by resilience that ultimately outweighed the flagged concern.
- **A structurally-grounded explanation for Singapore's relative tariff resilience compared to more manufacturing-dependent economies:** the specific 68% services-orientation and under-17% direct manufacturing tariff exposure figures represent concrete, sourced evidence of why Singapore has proven less vulnerable to trade-policy shocks than many regional peers.
- **A credible, independently-sourced long-term growth trajectory extending well beyond the current AI-driven cyclical strength:** Bloomberg Intelligence's specific 3% annual growth projection through 2030, distinguishing sustainable long-term trend growth from 2025's 'outsized' cyclical expansion, represents an important, sourced basis for assessing Singapore's growth prospects beyond the current AI export boom specifically.

4. MAJOR PROJECTS & INFRASTRUCTURE

Longstanding public-sector investment in infrastructure, technology and human capital represents Singapore's most significant ongoing structural development priority supporting sustained long-term growth.

- **Infrastructure, technology and human capital investment:** described in Section 3, this longstanding public-sector investment programme is directly cited by Bloomberg Intelligence as a key support for Singapore's sustained growth trajectory through 2030.

5. CONFERENCES, FORUMS & EXHIBITIONS

No significant standalone investment conferences or forums specific to this period were identified; Singapore's investment and trade developments are tracked primarily through MTI's quarterly Economic Survey releases, Enterprise Singapore trade forecasts, and MAS monetary policy statements described elsewhere in this briefing.

6. BUSINESS & INVESTMENT EVENTS

MTI's successive quarterly growth forecast upgrades throughout 2025 and 2026 represented the year's most significant recurring formal economic-policy communications.

- **MTI Economic Survey of Singapore releases (November 2025, February, May and August 2026):** described extensively in Section 3, these successive releases represented the definitive formal record of Singapore's repeatedly upgraded growth trajectory over the period.

7. GOVERNMENT & INTERNATIONAL PARTNERSHIPS

Broad-based AI-related trade relationships with Taiwan, the United States and China, alongside Singapore's strategic Strait of Malacca positioning, define its most consequential current international economic relationships.

- **Taiwan, United States and China:** described extensively in Section 2, these three markets' specific, simultaneous NODX growth surges represent Singapore's most significant current trade relationships within the broader AI-driven electronics export boom.
- **Regional and global trade partners via the Strait of Malacca:** described in Section 3, Singapore's strategic gateway position continues to underpin its broader role as a global trade and logistics hub independent of any single bilateral relationship.

8. SME & PRIVATE-SECTOR DEVELOPMENTS

Rising operational costs and intense competition for skilled talent represent Singapore's most significant current private-sector operating challenges, requiring continued productivity and upskilling focus.

Businesses in Singapore continue facing rising operational costs, requiring companies to improve productivity and operational efficiency to remain competitive; competition for skilled talent also remains intense in key

sectors, making workforce transformation and upskilling a critical ongoing priority for businesses operating in Singapore.

- **A genuine, ongoing cost and competitiveness pressure distinct from the broader trade and growth strength:** this specific finding represents concrete evidence that Singapore's strong macroeconomic performance coexists with real, sourced operational challenges at the firm level.
- **A specific, sourced talent competition pressure directly relevant to workforce planning for businesses in Singapore:** the explicit citation of intense skilled-talent competition represents concrete, sourced evidence of a structural labour market challenge requiring sustained upskilling investment.

9. NEW INVESTMENT OPPORTUNITIES / PROJECTS ANNOUNCED

AI-related electronics manufacturing, headquarters and R&D investment, and continued financial services expansion define Singapore's most concretely promoted current investment channels.

- **AI-related electronics and semiconductor-linked manufacturing:** described in Section 2, this represents Singapore's most significant currently active export and investment growth channel, directly benefiting from the ongoing global AI boom.
- **Headquarters and R&D investment:** described in Section 1, this represents a concrete, currently active investment channel led by technology companies specifically.
- **Financial services expansion:** cited among the key drivers of 2025 GDP growth in Section 3, this remains an established, currently productive investment channel within Singapore's broader services-led economy.

SUMMARY ASSESSMENT

Singapore has delivered a genuinely remarkable pattern of repeatedly upgraded growth forecasts through 2025 and 2026, driven by an extraordinary AI-related electronics export boom that saw non-oil domestic exports surge 38.4% year-on-year in May 2026 alone.

This strength rests on structural advantages, including a services-dominated economy with limited direct tariff exposure and a strategic trade-hub location, even as the Ministry of Trade and Industry has directly flagged episodes of significantly elevated downside risk from Middle East conflict spillover. Investors should read Singapore as a developed, structurally resilient economy whose near-term momentum is genuinely exceptional, anchored in AI-driven demand that itself carries the concentration risks of any single powerful growth driver.