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S'pore industrial output climbs twice as fast

SINGAPORE: Singapore's industrial production rose at twice the pace estimated by economists in January as manufacturers ramped up output of electronics and pharmaceuticals to meet rising demand.

Manufacturing, which accounts for about a quarter of Singapore's economy, gained 39.4 percent in January from a year earlier following a revised 14.6 percent increase in December, the Economic Development Board said Friday. The median forecast of eight economists surveyed by *Bloomberg News* was for a 19.3 percent gain.

Singapore raised its growth forecast for the \$182 billion economy last week, predicting an expansion of as much as 6.5 percent this year as the global recovery takes hold. Electronics shipments by companies such as Venture Corp. are surging after an almost three-year slump ended in December.

"The signs of a recovery look clear," Chow Penn Nee, an economist at United Overseas Bank Ltd. in Singapore, said before the report. "Industrial output should be ramping up this year on the back of increasing external demand."

Singapore's industrial production rose a seasonally adjusted 11.8 percent in January from the previous month, when it climbed a revised 13.4 percent.

Non-oil domestic exports will probably gain between 10 percent and 12 percent in 2010, after shrinking 10.6 percent last year, the trade promotion agency said Feb. 19.

Electronics production climbed 80.6 percent last month from a year earlier, following a revised 58.4 percent gain in December. Pharmaceutical output gained 51.1 percent after declining a revised 16.4 percent in the previous month. Excluding biomedical manufacturing, production gained 36.2 percent in January.

Production of pharmaceuticals is volatile because some drugs take longer to make and contain higher-value ingredients than others, leading to spikes and dips in output. Companies such as GlaxoSmithKline Plc, which makes ingredients for its best-selling asthma treatment Advair and the AIDS drug Combivir in Singapore, also shut plants for cleaning before making different products.