



Monetary Authority of Singapore

economic policy department

A faint, light-colored background image of a city skyline, likely Singapore, with various skyscrapers and buildings visible.

SURVEY of professional forecasters

December 2009

The *December 2009 Survey* was sent out on 19 November 2009 to a total of 24 economists and analysts who closely monitor the Singapore economy. This report reflects the views received from 20 respondents (a response rate of 83%) and does not represent MAS' views or forecasts.

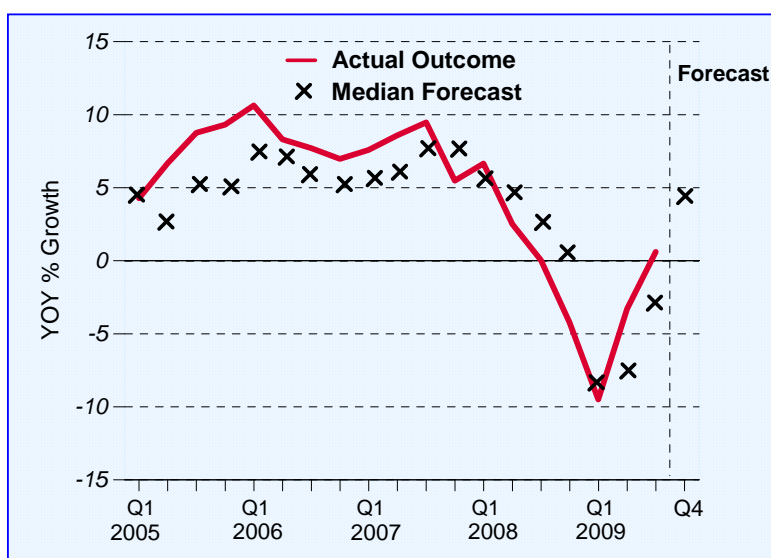
GDP growth in Q3 2009 was better than expected

The Singapore economy expanded by 0.6% in Q3 2009. This was better than the median forecast of a 3.0% contraction as reported in the *September 2009 Survey*.

Economy is forecast to contract by 2.0% in 2009

In the current survey, the respondents expect GDP in Q4 2009 to grow by 4.7%, compared with the 1.9% forecast in September.

Chart 1
Quarterly GDP Growth



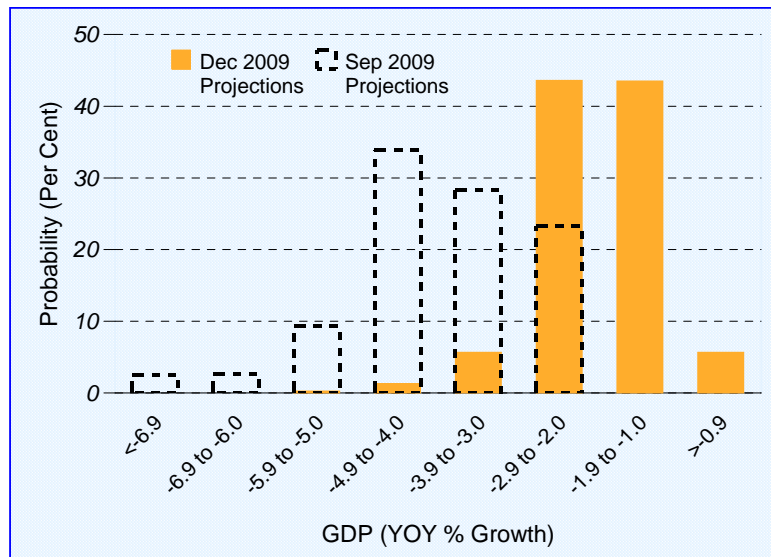
For 2009 as a whole, the respondents now expect the economy to contract by 2.0%, compared with the median forecast of a 3.6% decline as reported in the previous survey.

Table 1
Median Forecasts of Macroeconomic Indicators for 2009

Key Macroeconomic Indicators Year-on-Year % Change	September Survey	Current Survey
GDP	-3.6	-2.0
Manufacturing	-7.1	-3.4
Financial Services	-3.0	-0.9
Construction	17.3	16.5
Wholesale & Retail Trade	-11.7	-9.5
Hotels & Restaurants	-5.6	-3.9
Private Consumption	-2.5	-1.8
Non-oil Domestic Exports	-11.5	-12.0

As reflected by the mean probability distribution, the most likely outcome for GDP growth this year is clustered around the -1.9 to -1.0% and -2.9 to -2.0% ranges.

Chart 2
Mean Probability Distribution of 2009 GDP Growth Forecasts



CPI inflation expected to reach 0.3% in 2009

The median CPI inflation forecast for 2009 rose to 0.3%, higher than the 0.0% reported in the previous survey. In Q4 2009, inflation is projected to be 0.0%. As for the labour market, the respondents now expect the unemployment rate to be 3.4% by year-end, lower than the 3.8% reported in the survey before.

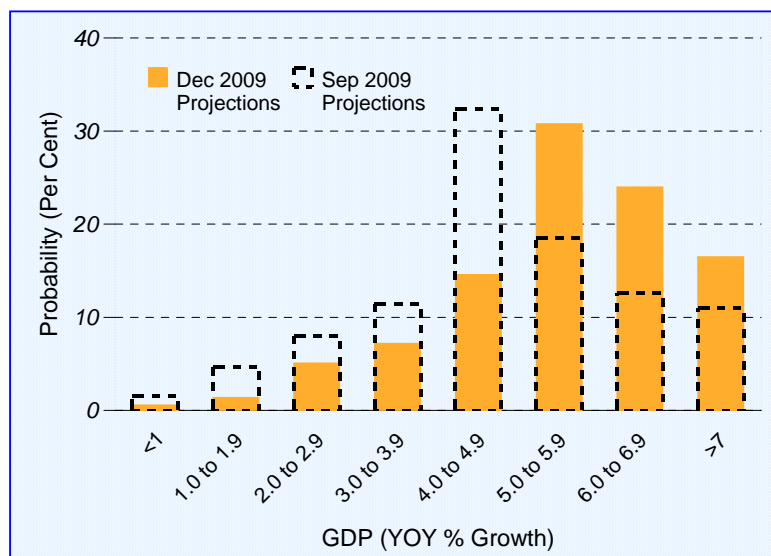
Table 2
Median Forecasts of Other Economic Indicators for 2009

Indicators	September Survey	Current Survey
CPI (year-on-year % change)	0.0	0.3
Unemployment Rate (end-period, SA %)	3.8	3.4
Exchange Rate (end-period, S\$ per US\$)	1.440	1.382
3-month US\$ SIBOR (end-period, % per annum)	0.50	0.30
3-month S\$ Interbank Rate (end-period, % per annum)	0.70	0.70
Bank Loans (end-period, % growth)	5.2	4.5

Economy forecast to expand by 5.5% in 2010

For 2010, GDP growth was revised upwards to 5.5%, from the 4.5% reported in the September survey. As reflected by the mean probability distribution, the most likely outcome is for the Singapore economy to expand by 5.0 to 5.9% next year.

Chart 3
Mean Probability Distribution of 2010 GDP Growth Forecasts



APPENDIX: SUMMARY TABLES

Table A.1
Key Macroeconomic Indicators for Q3 2009

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	Median Forecast September Survey	Actual Outcome
GDP	-3.0	0.6
Manufacturing	-3.1	6.6
Financial Services	-3.9	-0.2
Construction	13.3	12.8
Wholesale & Retail Trade	-12.7	-8.8
Hotels & Restaurants	-5.0	-2.5
Private Consumption	-2.2	-0.9
Non-oil Domestic Exports	-8.5	-7.8
CPI	-0.7	-0.4
Unemployment Rate (end-period, SA %)	3.6	3.4
Exchange Rate (end-period, S\$ per US\$)	1.440	1.414
3-month US\$ SIBOR (end-period, % per annum)	0.50	0.30
3-month S\$ Interbank Rate (end-period, % per annum)	0.70	0.69
Bank Loans (end-period, % growth)	2.0	1.1

Table A.2
Forecasts of Key Macroeconomic Indicators for Q4 2009

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	Median	Mean	Min	Max
GDP	4.7	4.3	1.2	7.5
Manufacturing	8.0	7.6	1.7	12.4
Financial Services	9.9	8.5	2.3	11.9
Construction	11.5	11.1	5.0	16.0
Wholesale & Retail Trade	-1.5	-0.5	-5.0	4.7
Hotels & Restaurants	-2.0	-1.9	-4.5	1.0
Private Consumption	1.4	1.7	0.5	3.8
Non-oil Domestic Exports	3.0	3.1	-4.7	14.1
CPI	0.0	0.0	-0.5	0.4
Unemployment Rate (end-period, SA %)	3.5	3.4	3.0	3.7
Exchange Rate (end-period, S\$ per US\$)	1.380	1.388	1.365	1.480
3-month US\$ SIBOR (end-period, % per annum)	0.30	0.29	0.25	0.30
3-month S\$ Interbank Rate (end-period, % per annum)	0.70	0.65	0.26	0.71
Bank Loans (end-period, % growth)	1.0	1.4	-0.6	4.5

Table A.3
Forecasts of Key Macroeconomic Indicators for 2009

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	September Survey	Current Survey			
	Median	Median	Mean	Min	Max
GDP	-3.6	-2.0	-2.0	-2.8	-1.3
Manufacturing	-7.1	-3.4	-3.5	-6.6	-1.5
Financial Services	-3.0	-0.9	-1.3	-2.5	-0.4
Construction	17.3	16.5	16.3	14.6	17.7
Wholesale & Retail Trade	-11.7	-9.5	-9.6	-11.6	-8.4
Hotels & Restaurants	-5.6	-3.9	-3.8	-5.1	-2.5
Private Consumption	-2.5	-1.8	-1.6	-2.7	1.6
Non-oil Domestic Exports	-11.5	-12.0	-11.9	-13.6	-10.5
CPI	0.0	0.3	0.3	0.1	1.2
Unemployment Rate (end-period, SA %)	3.8	3.4	3.4	3.2	3.7
Exchange Rate (end-period, S\$ per US\$)	1.440	1.382	1.392	1.365	1.460
3-month US\$ SIBOR (end-period, % per annum)	0.50	0.30	0.29	0.25	0.30
3-month S\$ Interbank Rate (end-period, % per annum)	0.70	0.70	0.65	0.26	0.71
Bank Loans (end-period, % growth)	5.2	4.5	3.1	0.0	5.5

Table A.4
Forecasts of Quarterly GDP Growth for 2009 & 2010

Period under Forecast Year-on-Year % Change	Current Survey			
	Median	Mean	Min	Max
2009 Q4	4.7	4.3	1.2	7.5
2010 Q1	9.6	8.7	5.1	11.4
2010 Q2	6.0	5.3	2.0	7.8
2010 Q3	3.7	3.5	0.5	5.4
2010 Q4	5.0	4.9	3.0	7.7

Table A.5
Forecasts of GDP Growth and CPI Inflation for 2010

Key Macroeconomic Indicators Year-on-Year % Change	September Survey	Current Survey			
	Median	Median	Mean	Min	Max
GDP	4.5	5.5	5.6	2.9	7.6
CPI	1.5	2.8	2.4	0.8	3.7

Table A.6
Forecasts of Key Macroeconomic Indicators for 2010

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	Current Survey			
	Median	Mean	Min	Max
GDP	5.5	5.6	2.9	7.6
Manufacturing	6.3	5.9	-4.0	13.0
Financial Services	6.5	6.2	2.0	11.0
Construction	7.1	6.4	-4.2	15.0
Wholesale & Retail Trade	7.0	7.1	3.0	14.0
Hotels & Restaurants	5.2	5.3	-0.3	10.0
Private Consumption	3.8	3.9	1.2	6.1
Non-oil Domestic Exports	10.1	9.7	2.0	18.4
CPI	2.8	2.4	0.8	3.7
Unemployment Rate (end-period, SA %)	3.0	3.1	2.7	4.0
Exchange Rate (end-period, S\$ per US\$)	1.350	1.359	1.300	1.450
3-month US\$ SIBOR (end-period, % per annum)	0.50	0.83	0.25	2.03
3-month S\$ Interbank Rate (end-period, % per annum)	0.90	0.93	0.32	1.60
Bank Loans (end-period, % growth)	5.3	6.1	2.0	12.0

Table A.7
Mean Probabilities Attached to Possible Outcomes in GDP Growth

Forecasts for 2009		Forecasts for 2010	
Growth Range Year-on-Year Change	Probabilities (%)	Growth Range Year-on-Year Change	Probabilities (%)
-0.9% or more	5.7	7.0% or more	16.5
-1.9 to -1.0%	43.5	6.0 to 6.9%	24.0
-2.9 to -2.0%	43.6	5.0 to 5.9%	30.8
-3.9 to -3.0%	5.7	4.0 to 4.9%	14.6
-4.9 to -4.0%	1.3	3.0 to 3.9%	7.2
-5.9 to -5.0%	0.3	2.0 to 2.9%	5.1
-6.9 to -6.0%	0.0	1.0 to 1.9%	1.4
Less than -6.9%	0.0	Less than 1.0%	0.6
Total	100	Total	100