



Monetary Authority
of Singapore

Survey of Professional Forecasters



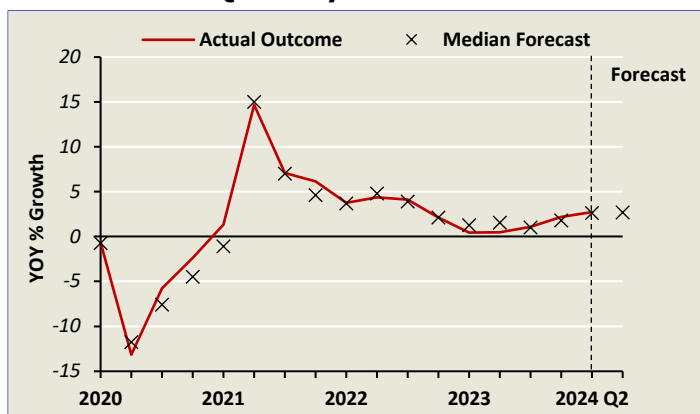
ECONOMIC POLICY GROUP

The *Jun 2024 Survey* was sent out on 23 May 2024 to a total of 26 economists and analysts who closely monitor the Singapore economy. This report reflects the views received from 20 respondents (a response rate of 77%) and does not represent MAS' views or forecasts.

Growth slightly exceeded expectations in Q2 2024

The Singapore economy expanded by 2.7% year-on-year in Q1 2024, slightly above the respondents' median forecast of 2.6% in the previous survey. In the current survey, the respondents expect the economy to grow by 2.7% year-on-year in Q2 2024.

Chart 1
Quarterly GDP Growth



The economy is forecast to grow by 2.4% in 2024

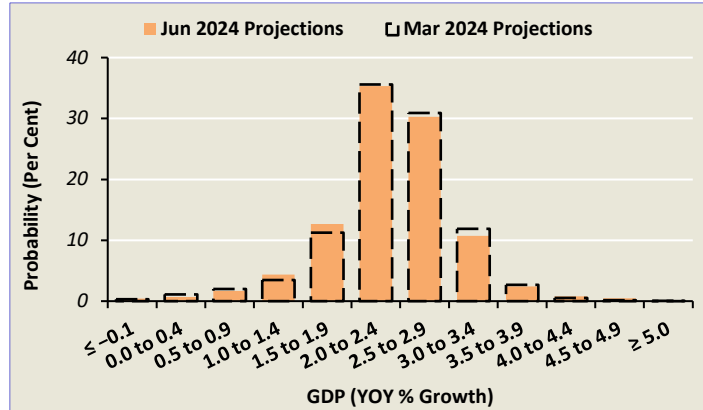
The respondents expect GDP to expand by 2.4% this year, similar to the previous survey, but the composition of growth drivers have changed.

Table 1
Median Forecasts of Macroeconomic Indicators for 2024

Key Macroeconomic Indicators Year-on-Year % Change	March Survey	Current Survey
GDP	2.4	2.4
Manufacturing	4.0	1.6
Finance & Insurance	3.4	5.1
Construction	4.9	3.8
Wholesale & Retail Trade	1.8	2.5
Accommodation & Food services	2.2	3.1
Private Consumption	3.0	3.4
Non-oil Domestic Exports	6.0	4.0

As reflected in the mean probability distribution, the most likely outcome is for the Singapore economy to grow by 2.0 to 2.4% this year, with an average probability of 35%. This is followed closely by the 2.5 to 2.9% forecast range, with a probability of 30%. In the previous survey, the respondents similarly assigned the highest probability to growth outturns of between 2.0 to 2.4%.

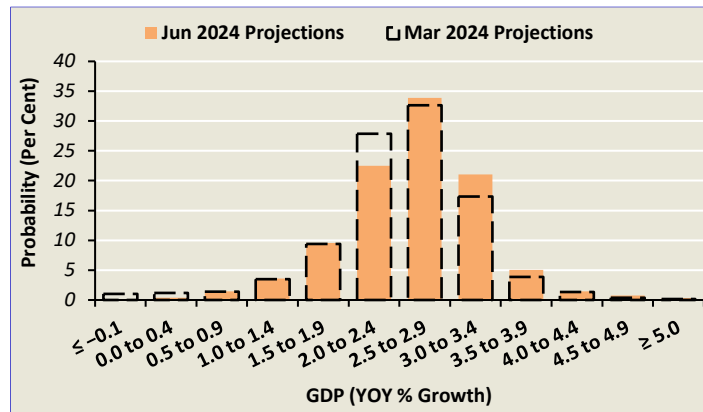
Chart 2
Mean Probability Distribution of 2024 GDP Growth Forecasts



GDP is projected to expand by 2.5% in 2025

The respondents estimate that GDP will expand by 2.5% next year. Their forecasts of the most probable outcome for growth fall between 2.5 and 2.9%, similar to the previous survey. The average probability assigned to the range is 34%, up slightly from 33% previously.

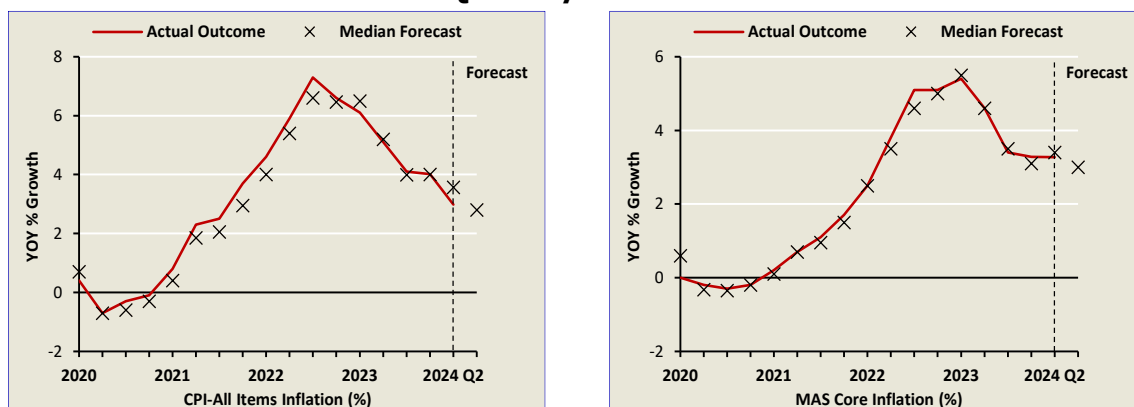
Chart 3
Mean Probability Distribution of 2025 GDP Growth Forecasts



Both CPI-All Items and MAS core inflation came in lower than anticipated

CPI-All Items inflation came in at 3.0% year-on-year in Q1 2024, lower than the respondent's forecast of 3.6% in the previous survey. Meanwhile, MAS Core Inflation came in at 3.3%, slightly lower than respondent's forecast of 3.4%. In the current survey, the respondents expect CPI-All Items and MAS Core Inflation to come in at 2.8% and 3.0%, respectively, in Q2 2024.

Chart 4
Quarterly Inflation



CPI-All Items inflation is forecast at 2.8% and MAS Core Inflation at 3.0% for 2024

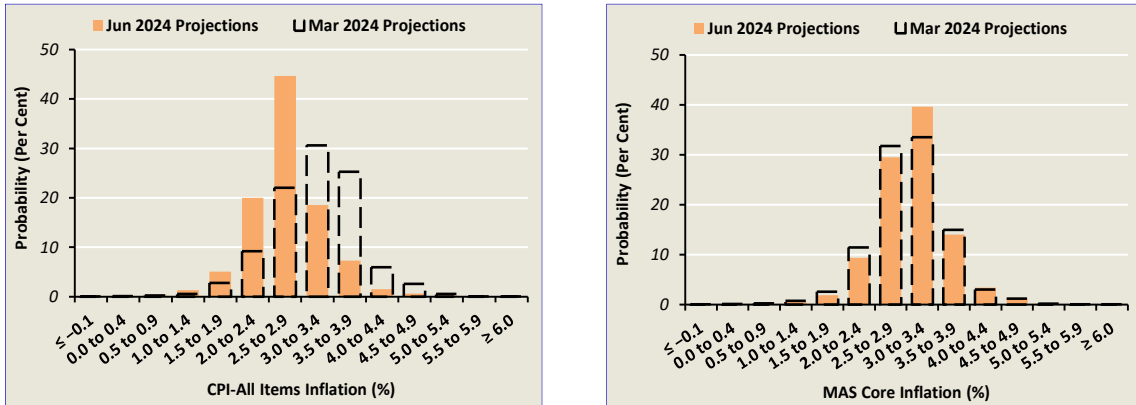
The median forecast for CPI-All Items inflation for the whole of 2024 is 2.8%, down from 3.1% in the March survey. The median forecast for MAS Core inflation is 3.0%, unchanged from the previous survey. As for the labour market, the respondents expect the unemployment rate to be 2.1% at year-end.

Table 2
Median Forecasts of Other Economic Indicators for 2024

Indicators	March Survey	Current Survey
CPI-All Items (year-on-year % change)	3.1	2.8
MAS Core Inflation (year-on-year % change)	3.0	3.0
Overall Unemployment Rate (end-period, SA %)	2.1	2.1
Exchange Rate (end-period, S\$ per US\$)	1.309	1.340
SORA (average, percent per annum)	3.13	3.50
Bank Loans (end-period, % growth)	3.0	2.8

The respondents assigned the highest probability to the 2.5 to 2.9% range for CPI-All Items inflation, compared to 3.0 to 3.4% in the March survey. For MAS Core Inflation, the highest probability was assigned to the 3.0 to 3.4% range, compared to previous survey where the highest probabilities were almost equally spread between the probability ranges of 2.5 to 2.9% and 3.0 to 3.4%.

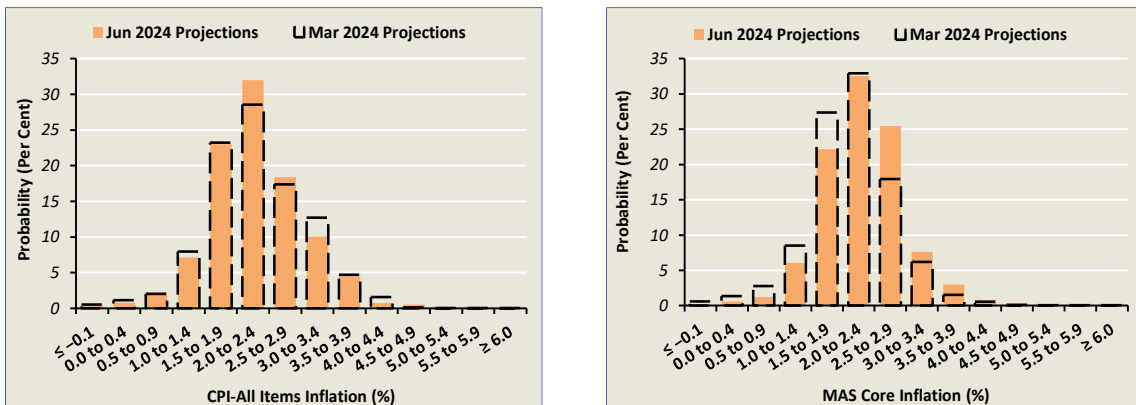
Chart 5
Mean Probability Distributions of 2024 Inflation Forecasts



Both CPI-All Items inflation and MAS Core Inflation are expected to ease further in 2025

CPI-All Items inflation and MAS Core Inflation are forecast at 2.1% and 2.0% respectively in 2025. The respondents assigned the highest probability to the 2.0 to 2.4% range for both CPI-All Items and MAS Core Inflation.

Chart 6
Mean Probability Distributions of 2025 Inflation Forecasts



Risks to the outlook for the Singapore economy

Spillovers from geopolitical tensions emerged as the most cited downside risks to the domestic outlook. In addition, respondents also flagged inflationary pressures, slowdown in external growth and spillovers from weaker growth in China.

More robust growth in China was the most frequently cited upside risk to Singapore's outlook, identified by 71% of respondents. Respondents also flagged faster-than-expected tech cycle recovery and better-than-expected external growth, with the former being ranked as the top upside risk.

Table 3
Top 3 Potential Risks to the Singapore Economy
 (Proportion of Respondents, %)

Downside Risk	March Survey	Current Survey	Cited As Top Risk	Upside Risk	March Survey	Current Survey	Cited As Top Risk
Geopolitical Tensions	50.0	57.1	21.4	China	50.0	71.4	14.3
Inflationary Pressures	35.7	50.0	21.4	Tech Cycle	57.1	64.3	50.0
External Growth Slowdown	50.0	50.0	14.3	External Growth	71.4	64.3	28.6
China	35.7	50.0	7.1	Inflation Eases	14.3	28.6	7.1

Qualitative Word Responses (Word Cloud)



Monetary Policy in Singapore

The majority of the respondents do not expect changes to the slope, width and level of the S\$NEER policy band in the upcoming July and October 2024 reviews. For the July and October policy reviews, 11% and 6% of respondents respectively anticipate a reduction in the slope of the policy band. 6% of respondents predicted a lowering of the level at which the S\$NEER policy band is centred in the October review.

Table 4
Expectations of the S\$NEER Policy Band
 (Proportion of Respondents, %)

Indicators	March Survey		Current Survey	
	2024 July	2024 October	2024 July	2024 October
Slope of the S\$NEER Policy Band				
Increase	0.0	0.0	0.0	0.0
Reduced	14.3	30.0	11.1	6.3
Flattened	0.0	0.0	0.0	0.0
Unchanged	85.7	70.0	88.9	93.8
Level at which the S\$NEER Policy Band is centred				
Higher	0.0	0.0	0.0	0.0
Lower	4.8	5.0	0.0	6.3
Unchanged	95.2	95.0	100.0	93.8
Width of the S\$NEER Policy Band				
Widened	0.0	0.0	0.0	0.0
Narrowed	0.0	0.0	0.0	0.0
Unchanged	100.0	100.0	100.0	100.0

APPENDIX: SUMMARY TABLES

Table A.1
Key Macroeconomic Indicators for Q1 2024

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	Median Forecast March Survey	Actual Outcome
GDP	2.6	2.7
Manufacturing	2.3	-1.8
Finance & Insurance	4.4	6.5
Construction	6.4	4.1
Wholesale & Retail Trade	0.9	1.6
Accommodation & Food services	2.5	6.8
Private Consumption	3.4	5.8
Non-oil Domestic Exports	3.5	-3.4
CPI-All Items	3.6	3.0
MAS Core Inflation	3.4	3.3
Overall Unemployment Rate (end-period, SA %)	2.1	2.1
Exchange Rate (end-period, S\$ per US\$)	1.330	1.348
SORA (average, % per annum)	3.60	3.64
Bank Loans (end-period, % growth)	1.0	1.4

Table A.2
Forecasts of Key Macroeconomic Indicators for Q2 2024

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	Median	Mean	Min	Max
GDP	2.7	2.6	2.1	3.2
Manufacturing	2.2	2.3	-0.4	6.0
Finance & Insurance	5.4	5.0	2.0	6.5
Construction	4.3	4.7	2.8	7.5
Wholesale & Retail Trade	2.5	2.3	1.4	3.3
Accommodation & Food services	1.9	1.8	-1.4	4.0
Private Consumption	3.5	3.9	2.4	6.1
Non-oil Domestic Exports	-3.4	-3.3	-6.0	-1.5
CPI-All Items	2.8	2.8	2.6	3.0
MAS Core Inflation	3.0	3.1	2.8	3.5
Overall Unemployment Rate (end-period, SA %)	2.1	2.1	1.8	2.2
Exchange Rate (end-period, S\$ per US\$)	1.350	1.353	1.330	1.370
SORA (average, % per annum)	3.64	3.68	3.50	3.90
Bank Loans (end-period, % growth)	1.4	1.4	1.0	2.0

Table A.3
Forecasts of Key Macroeconomic Indicators for 2024

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	March Survey	Current Survey			
	Median	Median	Mean	Min	Max
GDP	2.4	2.4	2.5	2.2	3.1
Manufacturing	4.0	1.6	1.8	-1.2	4.5
Finance & Insurance	3.4	5.1	4.4	1.7	5.5
Construction	4.9	3.8	3.8	1.9	5.8
Wholesale & Retail Trade	1.8	2.5	2.7	2.2	4.0
Accommodation & Food services	2.2	3.1	2.9	1.4	4.0
Private Consumption	3.0	3.4	3.7	2.3	4.9
Non-oil Domestic Exports	6.0	4.0	4.2	1.0	8.0
CPI-All Items	3.1	2.8	2.7	2.3	3.1
MAS Core Inflation	3.0	3.0	3.0	2.8	3.5
Overall Unemployment Rate (end-period, SA %)	2.1	2.1	2.1	1.8	2.3
Exchange Rate (end-period, S\$ per US\$)	1.309	1.340	1.333	1.300	1.365
SORA (average, % per annum)	3.13	3.50	3.45	3.00	3.90
Bank Loans (end-period, % growth)	3.0	2.8	2.7	1.8	3.2

Table A.4
Forecasts of Quarterly GDP Growth for 2024

Period under Forecast	Median	Mean	Min	Max
	Year-on-Year % Change			
2024 Q2	2.7	2.6	2.1	3.2
2024 Q3	2.5	2.5	2.0	3.1
2024 Q4	2.2	2.4	1.5	3.5

Table A.5
Forecasts of GDP Growth and CPI-All Items Inflation for 2025

Key Macroeconomic Indicators	Median	Mean	Min	Max
	Year-on-Year % Change			
GDP	2.5	2.6	2.0	3.2
CPI-All Items	2.1	2.2	1.5	3.3
MAS Core Inflation	2.0	2.1	1.6	3.0

Table A.6
Mean Probabilities Attached to Possible Outcomes in GDP Growth

Forecasts for 2024		Forecasts for 2025	
Growth Range Year-on-Year Change	Probabilities (%)	Growth Range Year-on-Year Change	Probabilities (%)
5.0% or more	0.1	5.0% or more	0.3
4.5 to 4.9%	0.5	4.5 to 4.9%	0.8
4.0 to 4.4%	0.8	4.0 to 4.4%	1.4
3.5 to 3.9%	2.4	3.5 to 3.9%	5.1
3.0 to 3.4%	10.8	3.0 to 3.4%	21.0
2.5 to 2.9%	30.3	2.5 to 2.9%	33.9
2.0 to 2.4%	35.3	2.0 to 2.4%	22.5
1.5 to 1.9%	12.7	1.5 to 1.9%	9.6
1.0 to 1.4%	4.4	1.0 to 1.4%	3.6
0.5 to 0.9%	1.7	0.5 to 0.9%	1.4
0.0 to 0.4%	0.7	0.0 to 0.4%	0.4
-0.1% or less	0.4	-0.1% or less	0.1
Total	100.0	Total	100.0

Table A.7
Mean Probabilities Attached to Possible Outcomes in CPI-All Items Inflation

Forecasts for 2024		Forecasts for 2025	
Growth Range Year-on-Year Change	Probabilities (%)	Growth Range Year-on-Year Change	Probabilities (%)
6.0% or more	0.1	6.0% or more	0.1
5.5 to 5.9%	0.1	5.5 to 5.9%	0.1
5.0 to 5.4%	0.3	5.0 to 5.4%	0.1
4.5 to 4.9%	0.6	4.5 to 4.9%	0.5
4.0 to 4.4%	1.5	4.0 to 4.4%	0.7
3.5 to 3.9%	7.3	3.5 to 3.9%	4.5
3.0 to 3.4%	18.5	3.0 to 3.4%	10.1
2.5 to 2.9%	44.7	2.5 to 2.9%	18.4
2.0 to 2.4%	20.0	2.0 to 2.4%	32.0
1.5 to 1.9%	5.1	1.5 to 1.9%	23.0
1.0 to 1.4%	1.3	1.0 to 1.4%	7.1
0.5 to 0.9%	0.4	0.5 to 0.9%	2.3
0.0 to 0.4%	0.1	0.0 to 0.4%	0.8
-0.1% or less	0.0	-0.1% or less	0.3
Total	100.0	Total	100.0

Table A.8
Mean Probabilities Attached to Possible Outcomes in MAS Core Inflation

Forecasts for 2024		Forecasts for 2025	
Growth Range Year-on-Year Change	Probabilities (%)	Growth Range Year-on-Year Change	Probabilities (%)
6.0% or more	0.0	6.0% or more	0.0
5.5 to 5.9%	0.0	5.5 to 5.9%	0.0
5.0 to 5.4%	0.2	5.0 to 5.4%	0.1
4.5 to 4.9%	1.3	4.5 to 4.9%	0.3
4.0 to 4.4%	3.4	4.0 to 4.4%	0.8
3.5 to 3.9%	14.0	3.5 to 3.9%	3.0
3.0 to 3.4%	39.6	3.0 to 3.4%	7.6
2.5 to 2.9%	29.5	2.5 to 2.9%	25.5
2.0 to 2.4%	9.4	2.0 to 2.4%	32.5
1.5 to 1.9%	1.9	1.5 to 1.9%	22.2
1.0 to 1.4%	0.6	1.0 to 1.4%	6.1
0.5 to 0.9%	0.1	0.5 to 0.9%	1.2
0.0 to 0.4%	0.0	0.0 to 0.4%	0.6
-0.1% or less	0.0	-0.1% or less	0.2
Total	100.0	Total	100.0