



Monetary Authority
of Singapore

Survey of Professional Forecasters



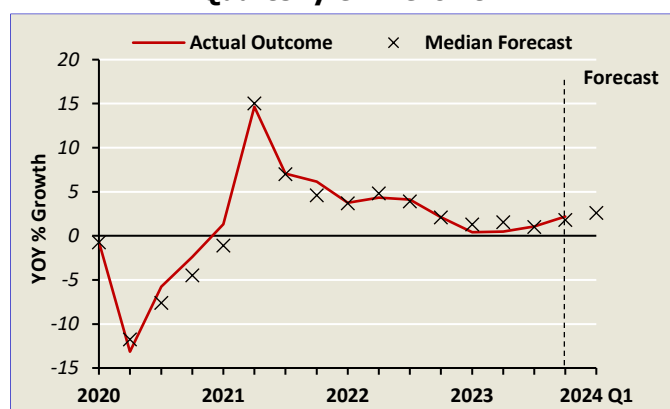
ECONOMIC POLICY GROUP

The *Mar 2024 Survey* was sent out on 15 February 2024 to a total of 26 economists and analysts who closely monitor the Singapore economy. This report reflects the views received from 23 respondents (a response rate of 88%) and does not represent MAS' views or forecasts.

Growth exceeded expectations in Q4 2023

The Singapore economy expanded by 2.2% year-on-year in Q4 2023. This was above the respondents' median forecast of 1.8% in the previous survey. In the current survey, the respondents expect the economy to grow by 2.6% year-on-year in Q1 2024.

Chart 1
Quarterly GDP Growth



The economy is forecast to grow by 2.4% in 2024

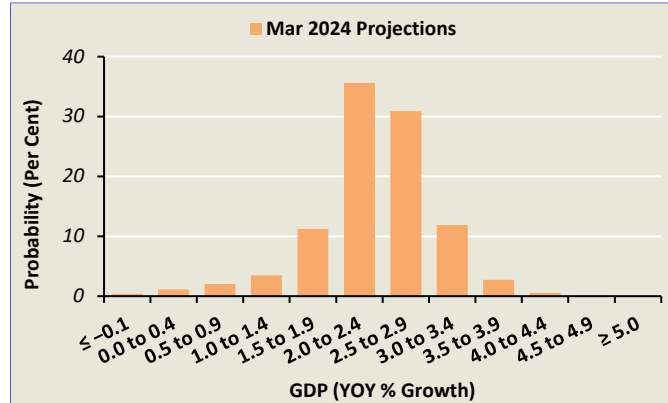
The respondents expect GDP to expand by 2.4% this year, slightly higher than 2.3% in the previous survey.

Table 1
Median Forecasts of Macroeconomic Indicators for 2024

Key Macroeconomic Indicators Year-on-Year % Change	December Survey	Current Survey
GDP	2.3	2.4
Manufacturing	2.3	4.0
Finance & Insurance	2.5	3.4
Construction	4.7	4.9
Wholesale & Retail Trade	1.9	1.8
Accommodation & Food services	3.6	2.2
Private Consumption	3.0	3.0
Non-oil Domestic Exports	6.0	6.0

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 36%. This is followed closely by the 2.5 to 2.9% forecast range, with a probability of 31%. In the previous survey, the respondents similarly assigned the highest probability to growth outturns of between 2.0 to 2.9%.¹

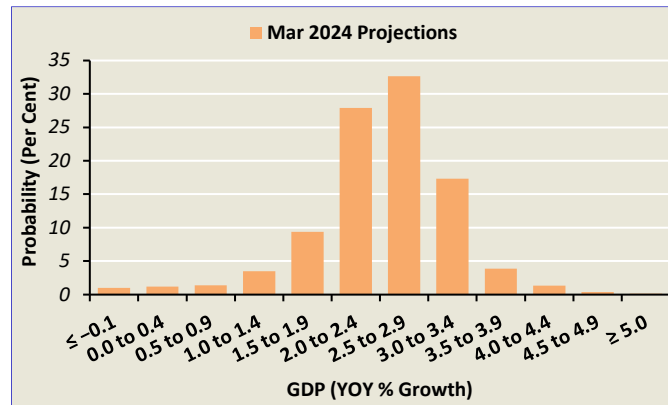
Chart 2
Mean Probability Distribution of 2024 GDP Growth Forecasts



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%, with an average probability of 33%.

Chart 3
Mean Probability Distribution of 2025 GDP Growth Forecasts

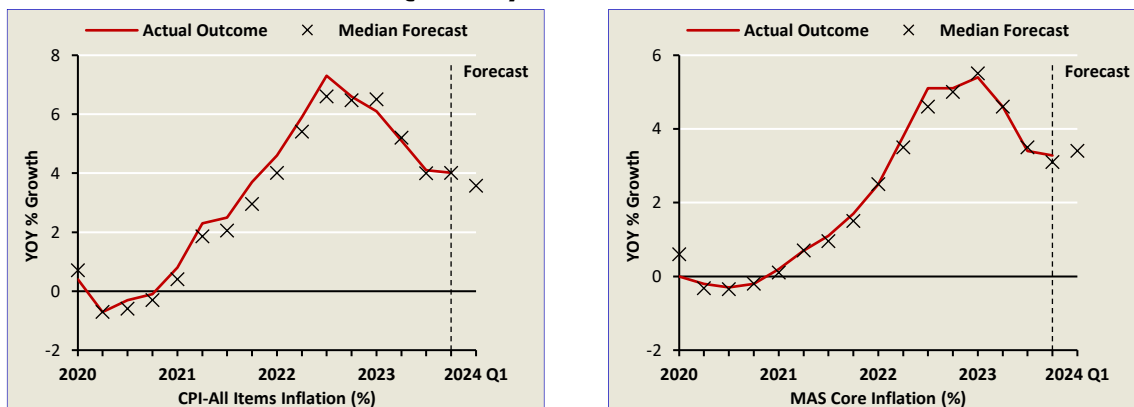


¹ In the December 2023 survey, GDP growth forecasts were specified in one percentage points ranges.

CPI-All Items inflation was in line with expectations in Q4 2023 while MAS core inflation came in slightly higher than anticipated

CPI-All Items inflation came in at 4.0% year-on-year in Q4 2023, in line with respondent's forecast in the previous survey. Meanwhile, MAS core inflation came in at 3.3%, higher than respondent's forecast of 3.1%. In the current survey, the respondents expect CPI-All Items and MAS core inflation to come in at 3.6% and 3.4%, respectively in Q1 2024.

Chart 4
Quarterly Inflation Growth



CPI-All Items inflation is forecast at 3.1% and MAS Core Inflation at 3.0% for 2024

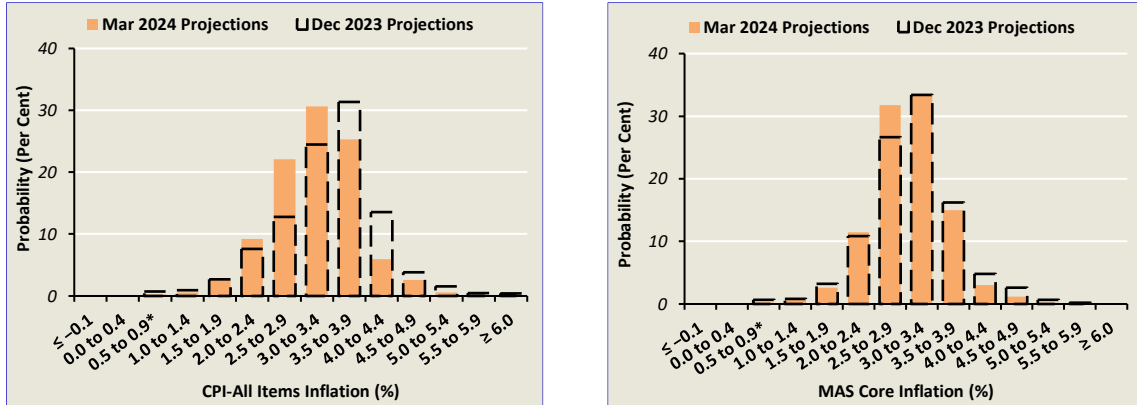
The median forecast for CPI-All Items inflation for the whole of 2024 is 3.1%, down from 3.4% in the December survey. The median forecast for MAS Core inflation is 3.0%, unchanged from the previous survey. As for the labour market, the respondents expect the unemployment rate to be 2.1% at year-end.

Table 2
Median Forecasts of Other Economic Indicators for 2024

Indicators	December Survey	Current Survey
CPI-All Items (year-on-year % change)	3.4	3.1
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\$)	1.320	1.309
SORA (average, percent per annum)	3.25	3.13
Bank Loans (end-period, % growth)	2.5	3.0

The respondents project that both CPI-All Items inflation and MAS Core Inflation in 2024 will most likely come in between 3.0 and 3.4%. In the December survey, respondents assigned the highest probability to the 3.5 to 3.9% range for CPI-All Items inflation and 3.0 to 3.4% for MAS core inflation.

Chart 5
Mean Probability Distributions of 2024 Inflation Forecasts

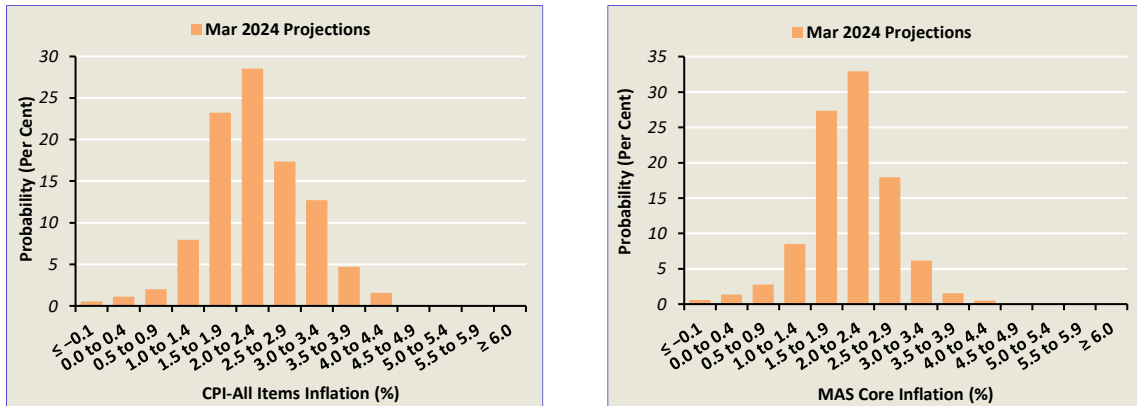


*Dec 2023 projected probability refers to that assigned to all outcome below 0.9% and below

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 2.0% 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



Drivers of financial and lending market conditions

Respondents cited tighter global financial conditions as the main factor that could potentially weigh on financial market and lending conditions in Singapore. Elevated inflation, rising geopolitical tensions, spillovers from China and global real estate market stresses were also flagged as risks to the financial market and lending conditions in Singapore.

At the same time, respondents identified less restrictive global financial conditions (including rate cuts by major central banks), as well as spillovers from a stronger Chinese economy as possible upside drivers of domestic financial market and lending conditions.

Table 3
Top Drivers of Financial and Lending Market Conditions
 (Proportion of Respondents, %)

Downside Drivers	December Survey	Current Survey	Upside Drivers	December Survey	Current Survey
Global Financial Conditions Tightening	83.3	72.7	Less Restrictive Global Financial Conditions	91.7	81.8
Elevated Inflation	33.3	27.3	China Strength	41.7	27.3
Geopolitical Tensions	25.0	27.3	Easing Inflation	8.3	18.2
China	8.3	27.3	Tech Cycle	8.3	18.2
Global Real Estate Market Stresses	N.A.	27.3			

Note: Drivers of tightening global financial conditions cited by survey respondents include further rate hikes by central banks, tightening liquidity conditions and widening corporate spreads.

Risks to the outlook for the Singapore economy

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

Better-than-expected external growth 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 more robust growth in China, with the former being ranked as the top upside risk.

Table 4
Top 3 Potential Risks to the Singapore Economy
 (Proportion of Respondents, %)

Downside Risk	December Survey	Current Survey	Cited As Top Risk	Upside Risk	December Survey	Current Survey	Cited As Top Risk
External Growth Slowdown	81.3	50.0	28.6	External Growth	60.0	71.4	28.6
Geopolitical Tensions	43.8	50.0	21.4	Tech Cycle	53.3	57.1	42.9
Inflationary Pressures	37.5	35.7	21.4	China	46.7	50.0	21.4
China	37.5	35.7	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 April 2024 review. For the July and October policy review, 14% and 30% of respondents respectively anticipate a reduction in the slope of the policy band. Around 5% of respondents predicted a lowering of the level at which the S\$NEER policy band is centred across the July and October reviews.

Table 5
Expectations of the S\$NEER Policy Band
 (Proportion of Respondents, %)

Indicators	December Survey			Current Survey		
	2024 April	2024 July	2024 October	2024 April	2024 July	2024 October
Slope of the S\$NEER Policy Band						
Increase	0.0	0.0	0.0	0.0	0.0	0.0
Reduced	13.0	21.7	18.2	4.8	14.3	30.0
Flattened	0.0	0.0	4.5	0.0	0.0	0.0
Unchanged	87.0	78.3	77.3	95.2	85.7	70.0
Level at which the S\$NEER Policy Band is centred						
Higher	0.0	0.0	0.0	0.0	0.0	0.0
Lower	0.0	0.0	4.8	0.0	4.8	5.0
Unchanged	100.0	100.0	95.2	100.0	95.2	95.0
Width of the S\$NEER Policy Band						
Widened	0.0	0.0	0.0	0.0	0.0	0.0
Narrowed	0.0	0.0	0.0	0.0	0.0	0.0
Unchanged	100.0	100.0	100.0	100.0	100.0	100.0

APPENDIX: SUMMARY TABLES

Table A.1
Key Macroeconomic Indicators for Q4 2023

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	Median Forecast December Survey	Actual Outcome
GDP	1.8	2.2
Manufacturing	-1.0	1.4
Finance & Insurance	1.7	5.4
Construction	5.9	5.2
Wholesale & Retail Trade	2.0	0.1
Accommodation & Food services	6.0	0.7
Private Consumption	3.6	3.0
Non-oil Domestic Exports	0.8	-1.4
CPI-All Items	4.0	4.0
MAS Core Inflation	3.1	3.3
Overall Unemployment Rate (end-period, SA %)	2.1	2.0
Exchange Rate (end-period, S\$ per US\$)	1.348	1.319
SORA (average, % per annum)	3.72	3.66
Bank Loans (end-period, % growth)	-1.8	-2.4

Table A.2
Forecasts of Key Macroeconomic Indicators for 2023

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	Median Forecast December Survey	Actual Outcome
GDP	1.0	1.1
Manufacturing	-4.6	-4.3
Finance & Insurance	0.2	1.3
Construction	6.9	5.2
Wholesale & Retail Trade	0.6	0.8
Accommodation & Food services	9.3	7.4
Private Consumption	4.0	3.8
Non-oil Domestic Exports	-12.0	-13.1
CPI-All Items	4.8	4.8
MAS Core Inflation	4.1	4.2
Overall Unemployment Rate (end-period, SA %)	2.0	1.9
Exchange Rate (end-period, S\$ per US\$)	1.348	1.319
SORA (average, % per annum)	3.70	3.71
Bank Loans (end-period, % growth)	-4.5	-2.4

Table A.3
Forecasts of Key Macroeconomic Indicators for Q1 2024

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	Current Survey			
	Median	Mean	Min	Max
GDP	2.6	2.6	1.3	3.6
Manufacturing	2.3	2.4	0.3	4.5
Finance & Insurance	4.4	4.3	1.6	7.5
Construction	6.4	6.7	5.6	8.3
Wholesale & Retail Trade	0.9	0.5	-2.0	2.7
Accommodation & Food services	2.5	2.4	-1.4	6.7
Private Consumption	3.4	3.8	2.5	6.5
Non-oil Domestic Exports	3.5	3.7	-1.9	10.0
CPI-All Items	3.6	3.6	2.8	4.4
MAS Core Inflation	3.4	3.3	2.9	3.9
Overall Unemployment Rate (end-period, SA %)	2.1	2.1	1.8	2.2
Exchange Rate (end-period, S\$ per US\$)	1.330	1.332	1.300	1.350
SORA (average, % per annum)	3.60	3.66	3.50	3.90
Bank Loans (end-period, % growth)	1.0	0.8	0.0	1.2

Table A.4
Forecasts of Key Macroeconomic Indicators for 2024

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	December Survey	Current Survey			
	Median	Median	Mean	Min	Max
GDP	2.3	2.4	2.4	0.7	3.0
Manufacturing	2.3	4.0	3.2	-0.6	5.0
Finance & Insurance	2.5	3.4	3.7	1.7	6.5
Construction	4.7	4.9	4.4	1.0	5.8
Wholesale & Retail Trade	1.9	1.8	2.0	1.2	4.0
Accommodation & Food services	3.6	2.2	0.9	-3.4	3.6
Private Consumption	3.0	3.0	2.9	1.8	4.0
Non-oil Domestic Exports	6.0	6.0	4.7	0.0	8.0
CPI-All Items	3.4	3.1	3.1	2.0	3.7
MAS Core Inflation	3.0	3.0	3.0	2.7	3.5
Overall Unemployment Rate (end-period, SA %)	2.1	2.1	2.1	1.9	2.4
Exchange Rate (end-period, S\$ per US\$)	1.320	1.309	1.308	1.270	1.370
SORA (average, % per annum)	3.25	3.13	3.26	3.00	3.90
Bank Loans (end-period, % growth)	2.5	3.0	2.7	1.8	3.1

Table A.5
Forecasts of Quarterly GDP Growth for 2024

Period under Forecast	Median	Mean	Min	Max
	Year-on-Year % Change			
2024 Q1	2.6	2.6	1.3	3.6
2024 Q2	2.6	2.6	0.9	3.8
2024 Q3	2.6	2.4	0.6	3.4
2024 Q4	2.0	2.0	-0.8	3.9

Table A.6
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	2.5	0.6	3.2
CPI-All Items	2.0	2.1	0.9	3.2
MAS Core Inflation	2.0	2.0	1.4	2.5

Table A.7
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	0.1
4.5 to 4.9%	0.2	4.5 to 4.9%	0.4
4.0 to 4.4%	0.5	4.0 to 4.4%	1.3
3.5 to 3.9%	2.7	3.5 to 3.9%	3.9
3.0 to 3.4%	11.9	3.0 to 3.4%	17.3
2.5 to 2.9%	30.9	2.5 to 2.9%	32.7
2.0 to 2.4%	35.6	2.0 to 2.4%	27.9
1.5 to 1.9%	11.2	1.5 to 1.9%	9.4
1.0 to 1.4%	3.5	1.0 to 1.4%	3.5
0.5 to 0.9%	2.0	0.5 to 0.9%	1.4
0.0 to 0.4%	1.1	0.0 to 0.4%	1.2
-0.1% or less	0.4	-0.1% or less	1.0
Total	100.0	Total	100.0

Table A.8
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%	0.5	5.0 to 5.4%	0.1
4.5 to 4.9%	2.6	4.5 to 4.9%	0.1
4.0 to 4.4%	5.9	4.0 to 4.4%	1.6
3.5 to 3.9%	25.3	3.5 to 3.9%	4.7
3.0 to 3.4%	30.6	3.0 to 3.4%	12.7
2.5 to 2.9%	22.1	2.5 to 2.9%	17.4
2.0 to 2.4%	9.2	2.0 to 2.4%	28.5
1.5 to 1.9%	2.8	1.5 to 1.9%	23.2
1.0 to 1.4%	0.5	1.0 to 1.4%	7.9
0.5 to 0.9%	0.2	0.5 to 0.9%	2.0
0.0 to 0.4%	0.1	0.0 to 0.4%	1.1
-0.1% or less	0.1	-0.1% or less	0.5
Total	100.0	Total	100.0

Table A.9
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	0.1	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%	0.2	5.0 to 5.4%	0.1
4.5 to 4.9%	1.2	4.5 to 4.9%	0.1
4.0 to 4.4%	3.0	4.0 to 4.4%	0.5
3.5 to 3.9%	15.0	3.5 to 3.9%	1.5
3.0 to 3.4%	33.5	3.0 to 3.4%	6.2
2.5 to 2.9%	31.8	2.5 to 2.9%	17.9
2.0 to 2.4%	11.5	2.0 to 2.4%	32.9
1.5 to 1.9%	2.6	1.5 to 1.9%	27.4
1.0 to 1.4%	0.8	1.0 to 1.4%	8.5
0.5 to 0.9%	0.2	0.5 to 0.9%	2.8
0.0 to 0.4%	0.1	0.0 to 0.4%	1.4
-0.1% or less	0.1	-0.1% or less	0.6
Total	100.0	Total	100.0