

MONETARY AUTHORITY OF SINGAPORE

MACROECONOMIC REVIEW



ECONOMIC POLICY GROUP

April 2024 / VOLUME XXIII / ISSUE 1



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Special Features

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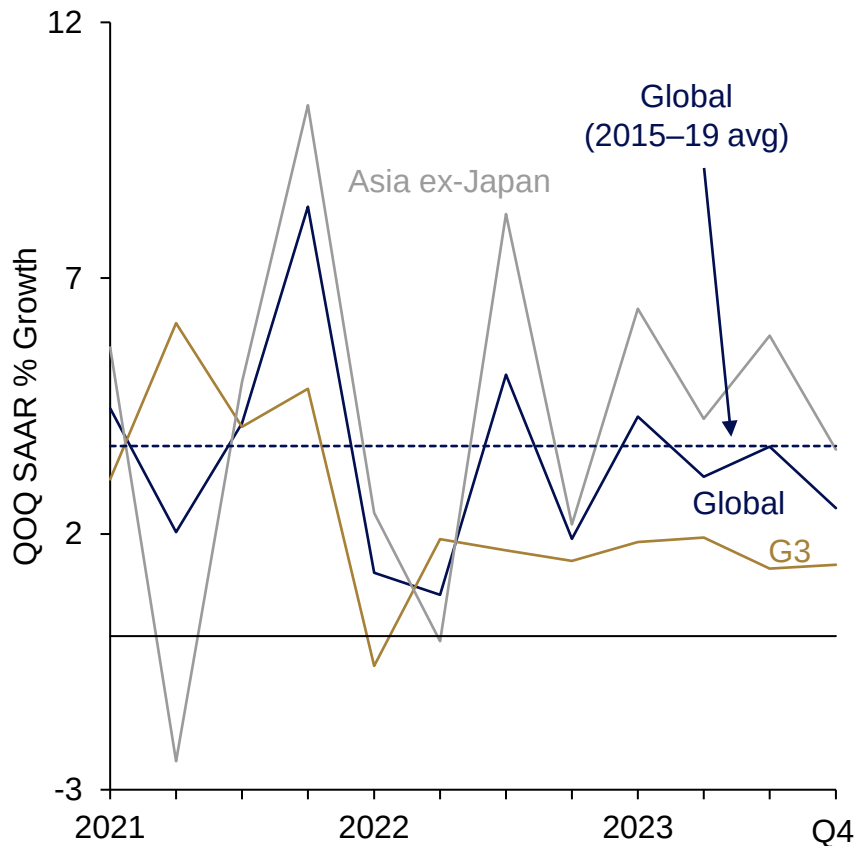


International Economy

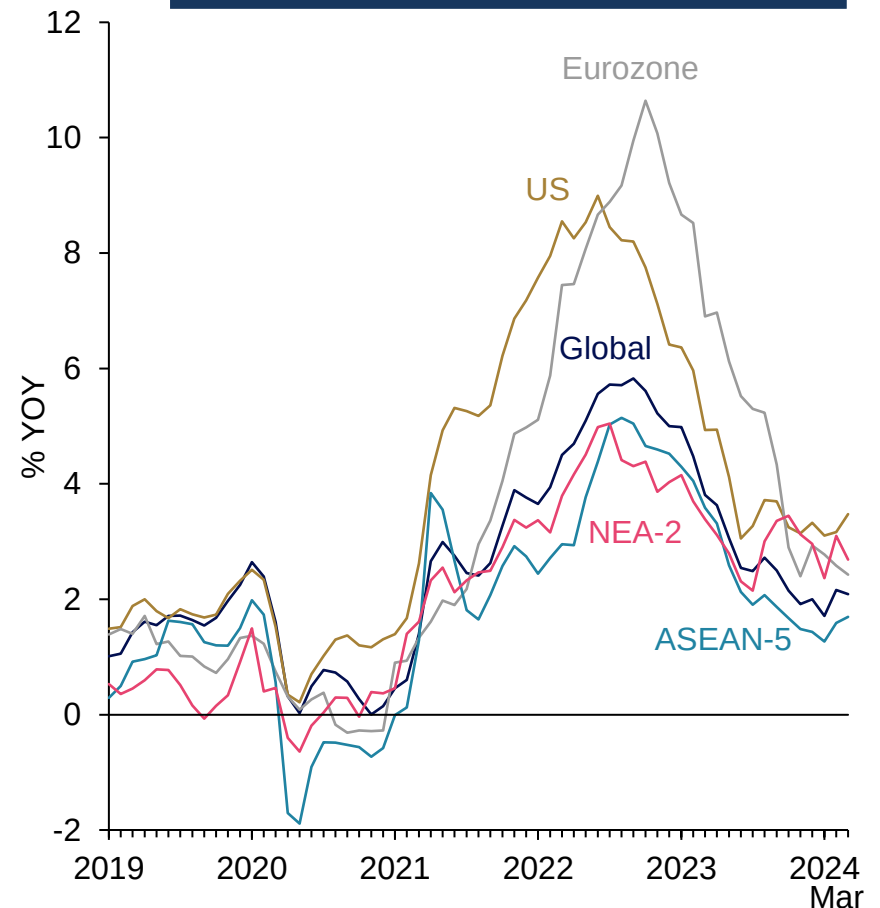
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Global economic growth has displayed resilience, while the pace of disinflation slowed

GDP Growth



Headline Inflation



Global growth for 2024 set to moderate slightly but should become more even

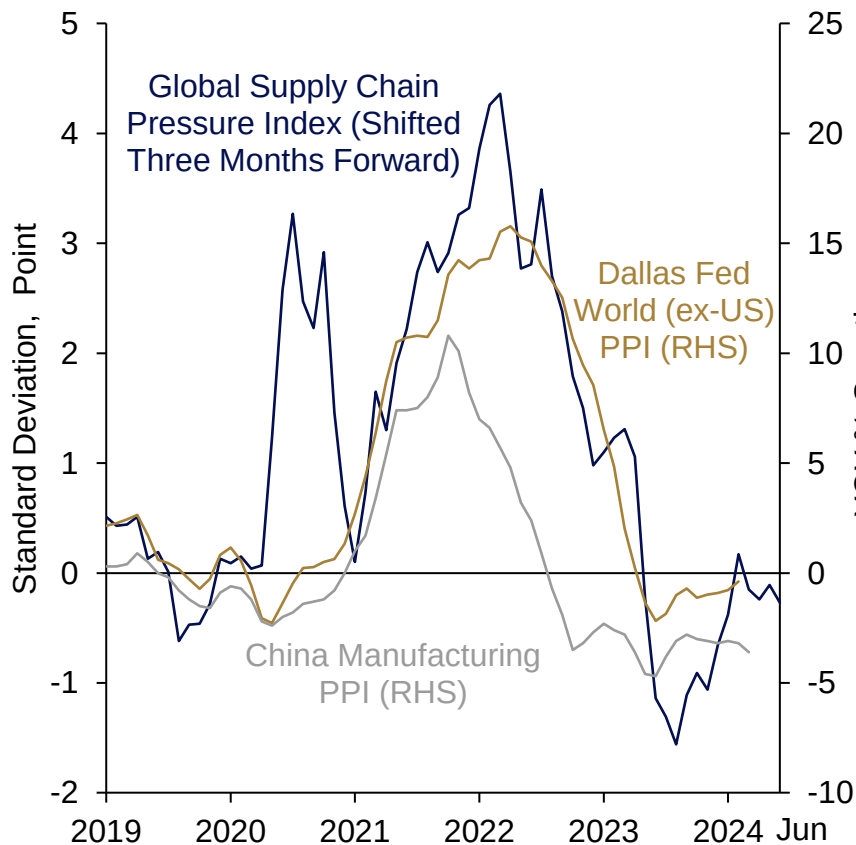
	QOQ SA (%)			Annual (%)		
	2023 Q4	2024 Q1*	2024 Q2*	2023	2024*	2025*
G3	0.3	0.3	0.3	1.7	1.3	1.6
Asia ex-Japan	0.9	1.1	1.2	4.7	4.6	4.6
ASEAN-5	0.4	1.4	1.0	4.3	4.6	5.3
Global	0.6	0.7	0.8	3.3	3.0	3.3

*EPG, MAS forecasts

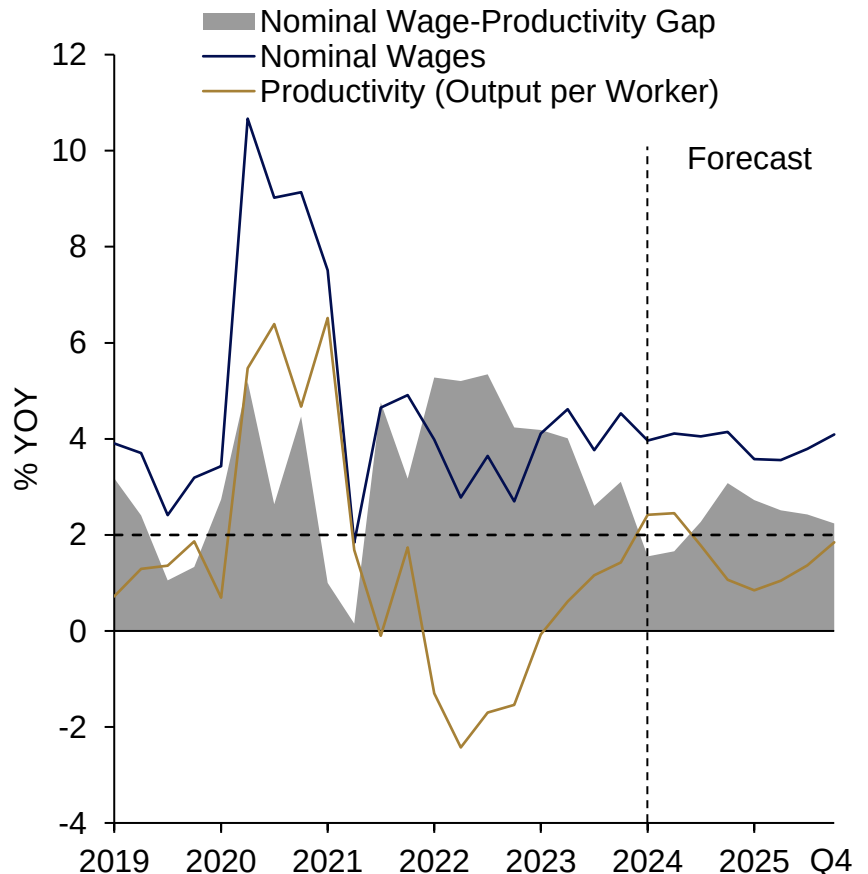
Notes: The G3 refers to the Eurozone, Japan, and the US, while the ASEAN-5 comprises Indonesia, Malaysia, the Philippines, Thailand, and Vietnam. Asia ex-Japan comprises China, Hong Kong SAR, India, South Korea, Taiwan, and the ASEAN-5. All aggregates are weighted based on Singapore's value added by destination of final demand (using TiVA data).

The last leg of the disinflation journey is likely to be uneven

Global Supply Chain Pressures and PPI



US Wages and Productivity



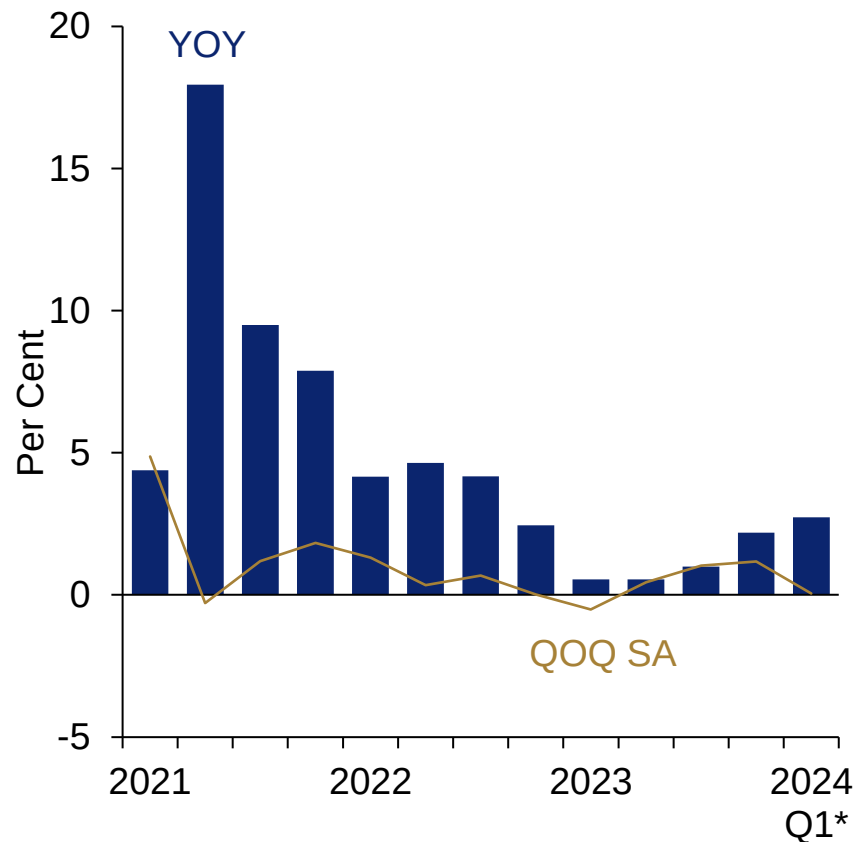


Singapore Economy

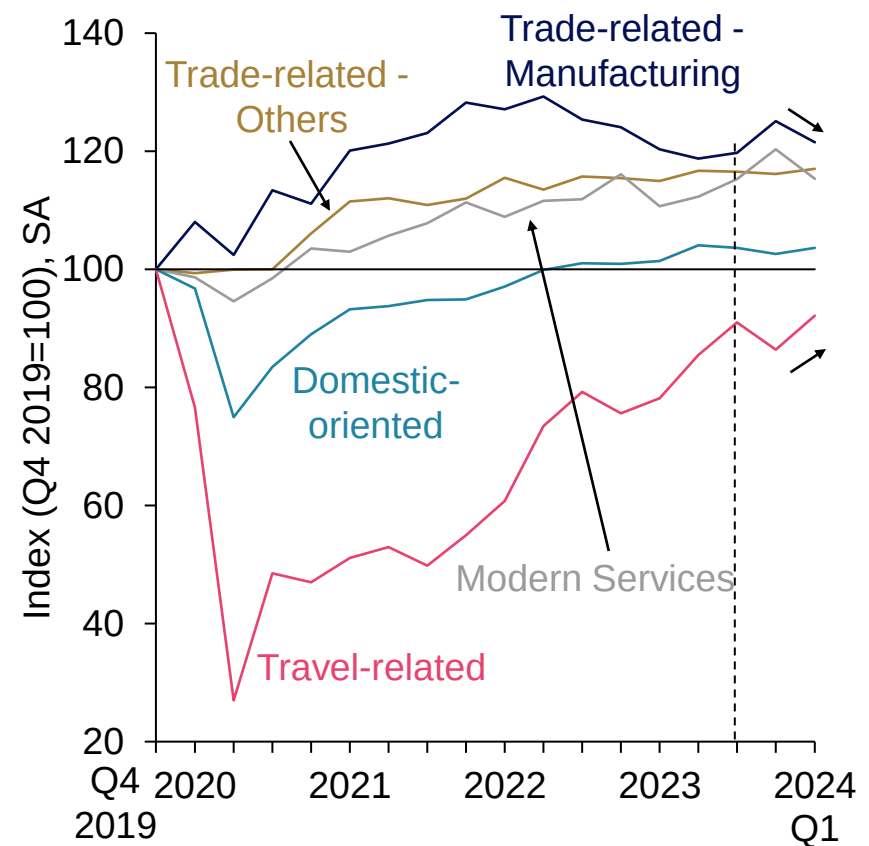
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Singapore's economic growth eased in Q1 2024 after gathering pace in the latter half of 2023

Singapore's GDP Growth



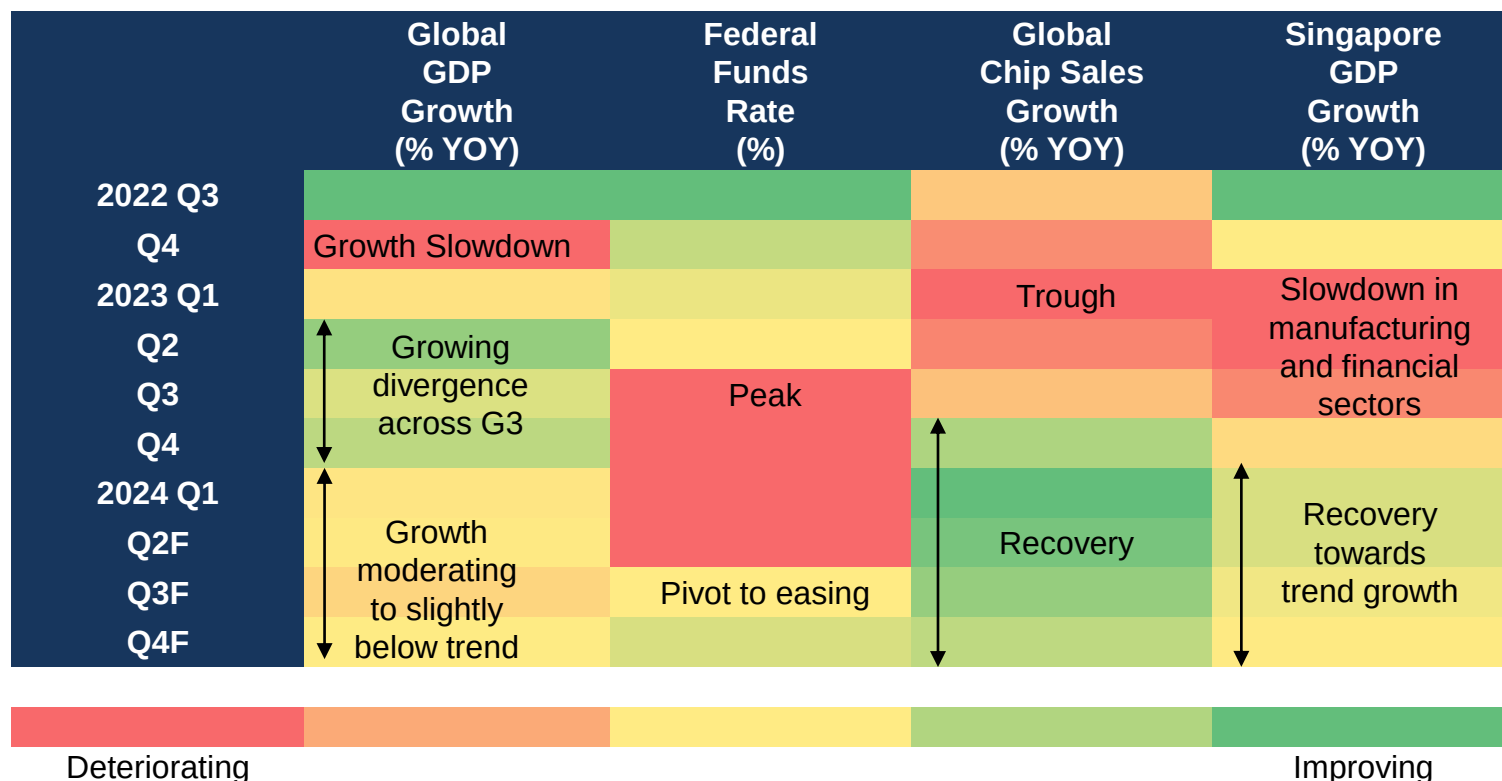
GDP of broad clusters



* Advance Estimates

Growth in 2024 should be supported by improvements in the global macroeconomic, tech and interest rate cycles

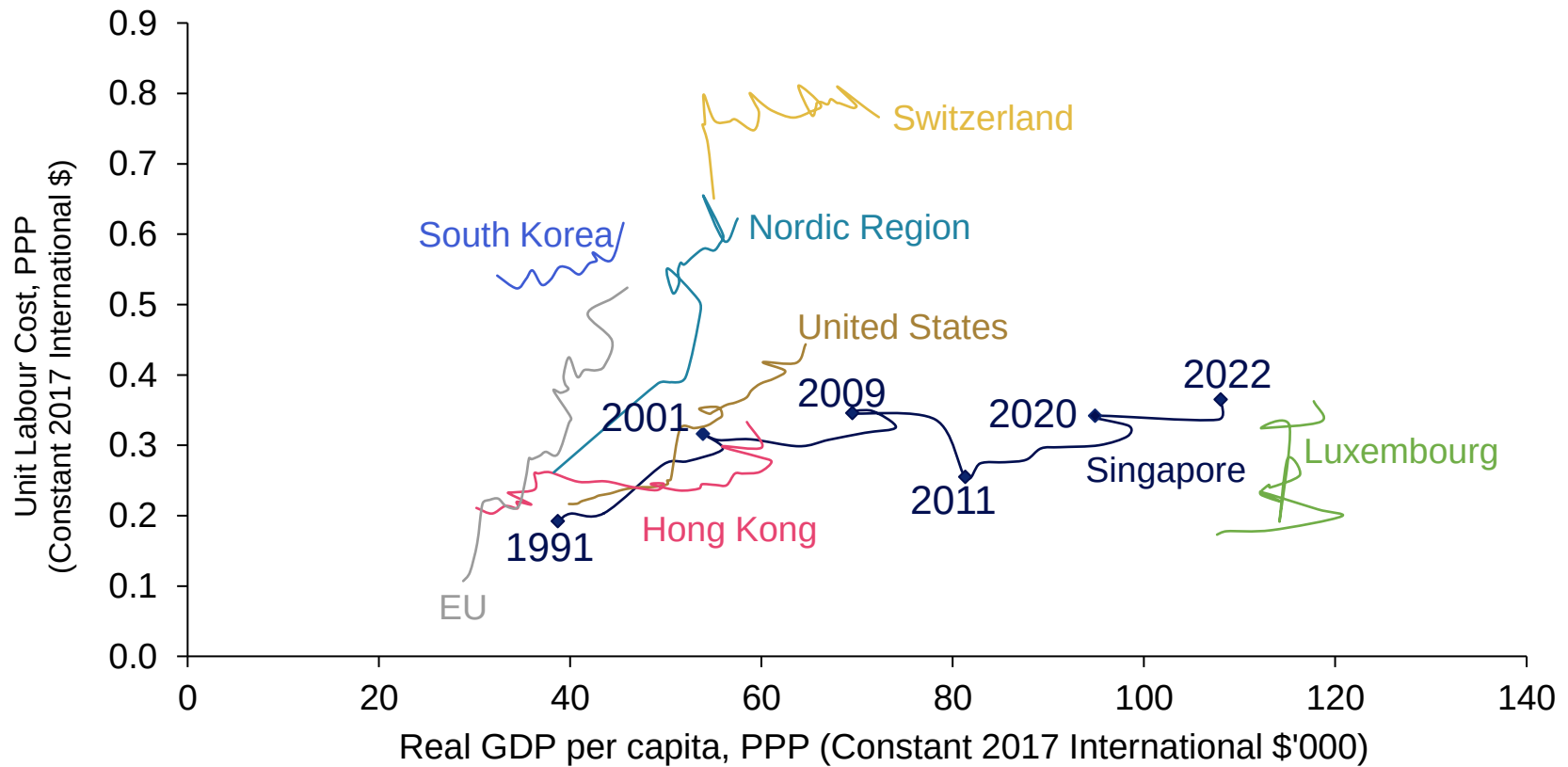
Macro cycle heatmap and Singapore's GDP growth



Note: Each coloured cell in the heatmap corresponds to the indicated macroeconomic outcome in the quarter. The colour scale depicts the relative ranking of outcomes over the period Q3 2022 to Q4 2024. For Q1 2024, Singapore's GDP growth is based on *Advance Estimates*, while that of global GDP growth and global chip sales are forecasts by EPG, MAS.

Singapore managed to achieve strong economic growth without commensurate cost increases over the years

Unit labour cost and GDP per capita



Continued TFP gains over the longer term would help Singapore remain globally competitive

Wages and competitiveness, 2019



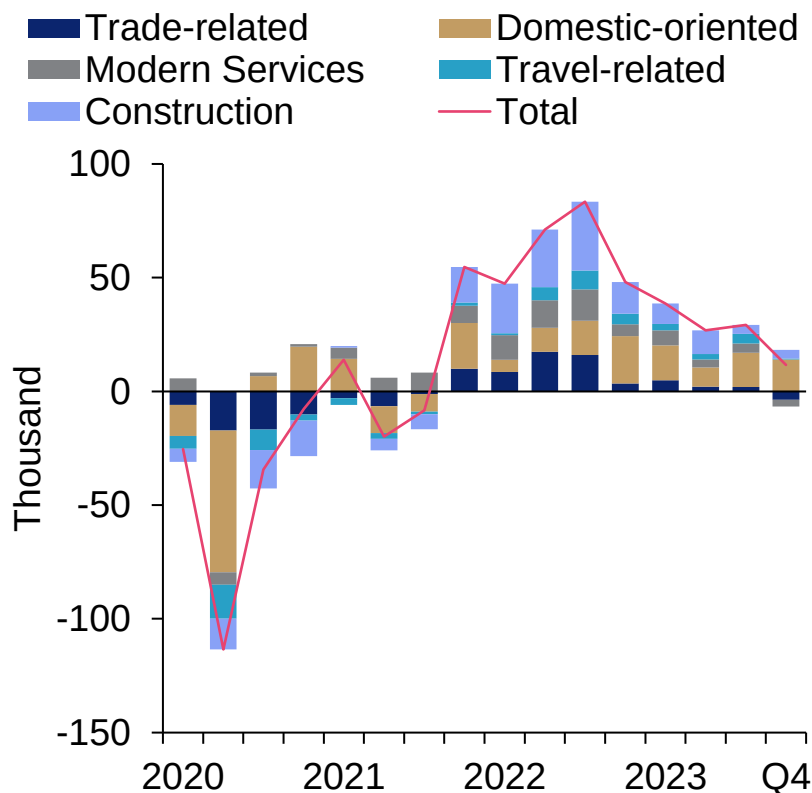


Labour Market and Inflation

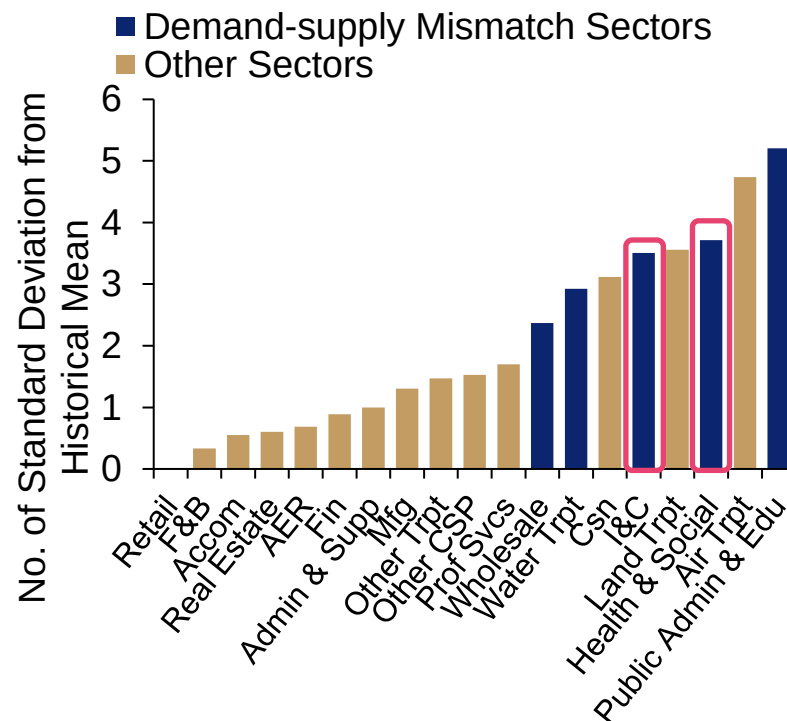
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Labour market tightness continued to ease in Q4 last year as labour demand slowed

Employment change (q-o-q) by Broad sector



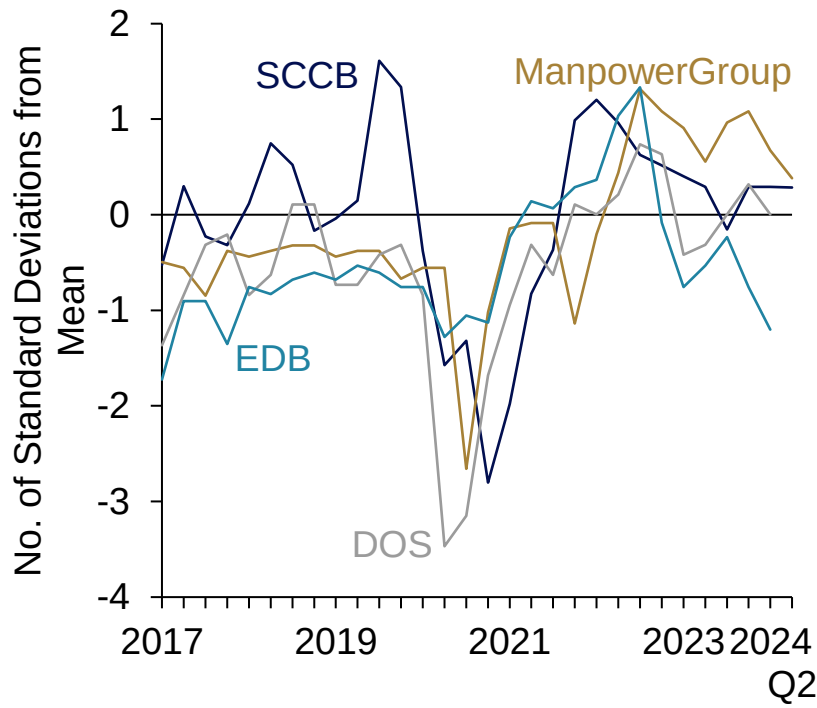
H2 2023 Job Vacancy Rate Relative to Historical (2015–19) Mean



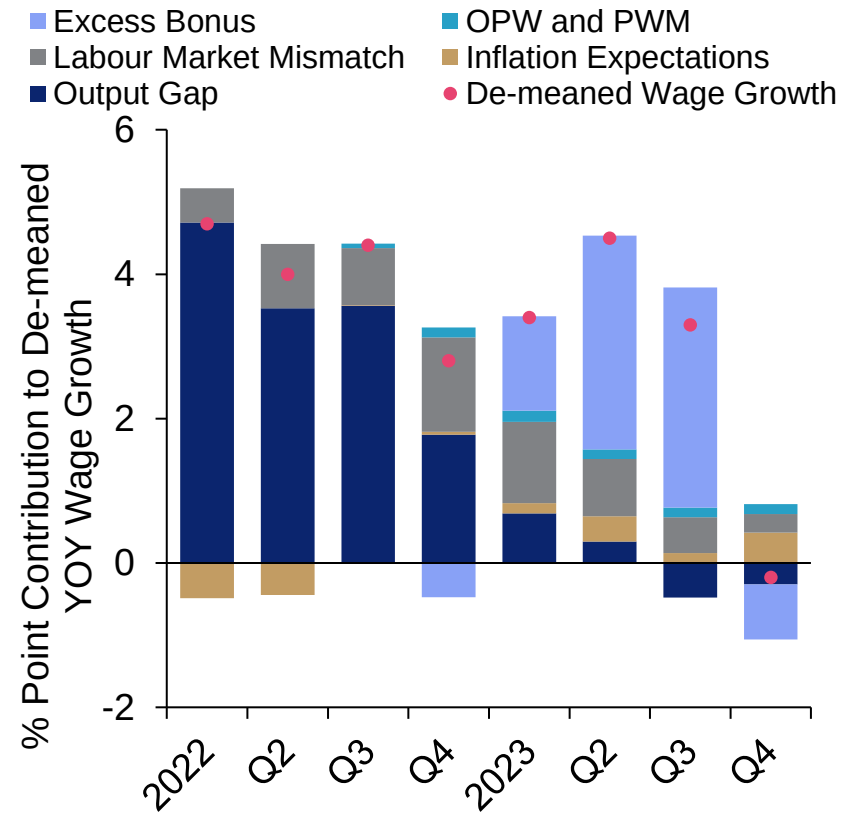
Note: High demand-supply mismatch sectors are marked by blue bars, and are defined as those where job vacancy rates in H2 2023 were more than two standard deviations above 2015–19 mean, while VA growth was below their pre-COVID mean.

Wage growth should slow this year as labour market tightness further dissipates

Net Employment Outlook

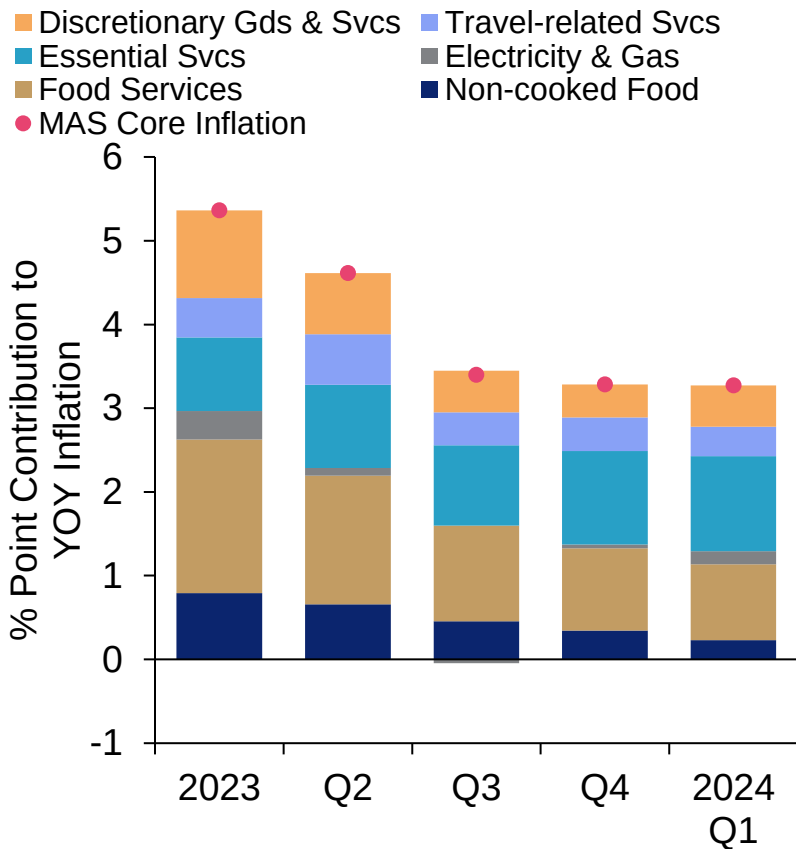


Decomposition of Wage Growth (Q1 2022—Q4 2023)

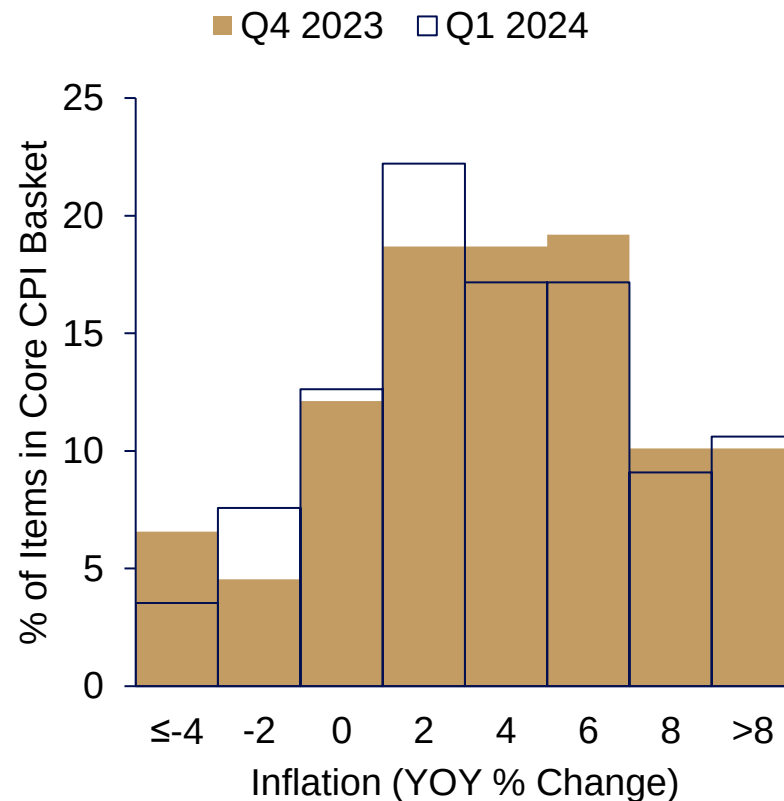


MAS Core Inflation was unchanged in Q1 compared with Q4 last year, slightly lower than anticipated

Contribution to MAS Core Inflation

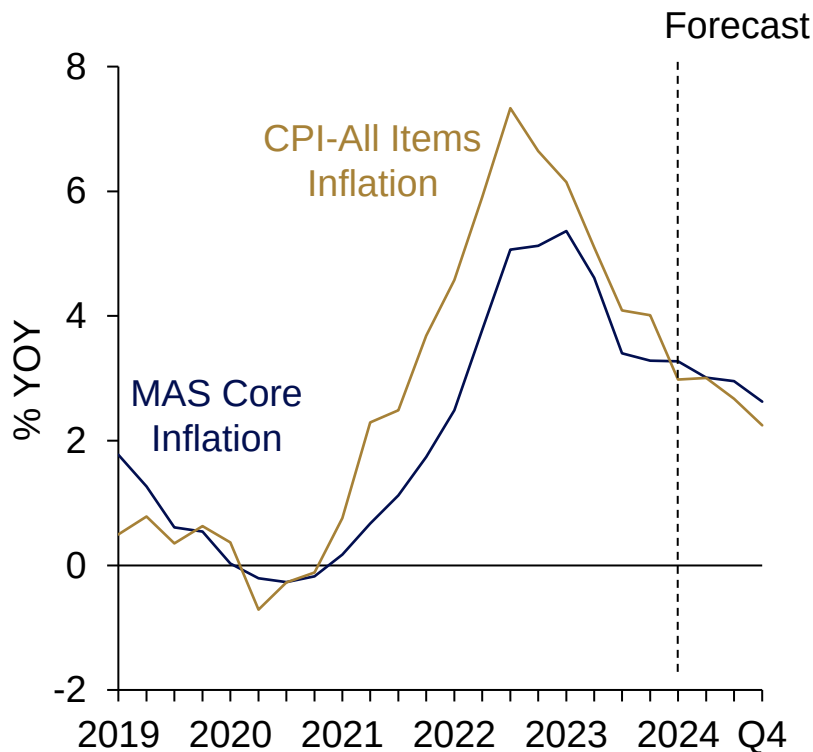


Distribution of Y-O-Y Price Changes

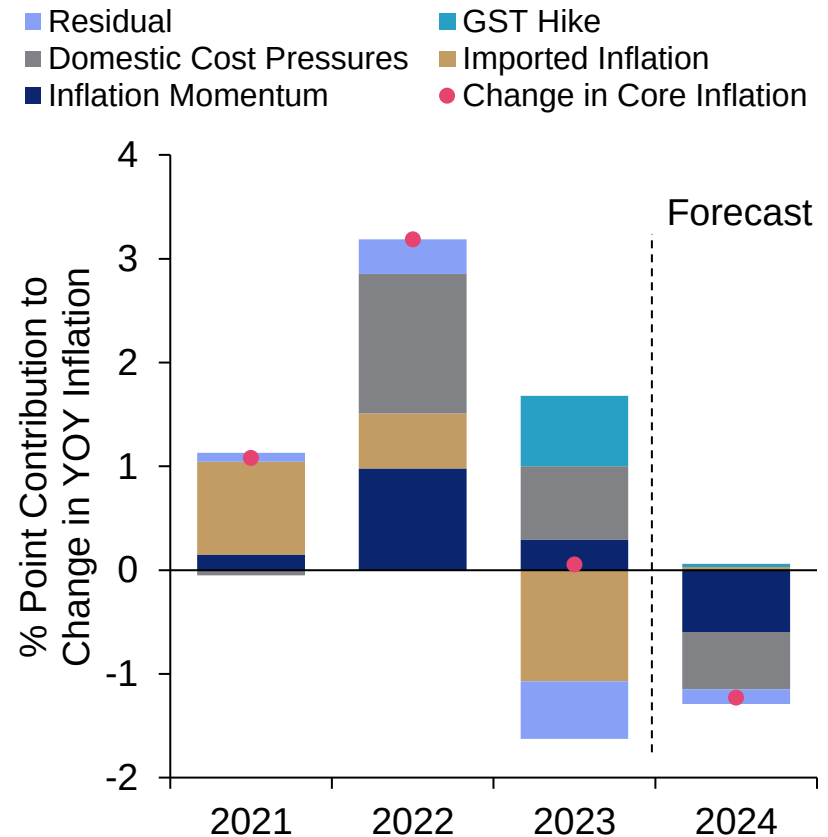


Although risks to the outlook remain, inflation is expected to remain on a broad moderating trend

Core and Headline Inflation Forecasts



Contribution to Change in MAS Core Inflation Based on Cost Mark-up Model

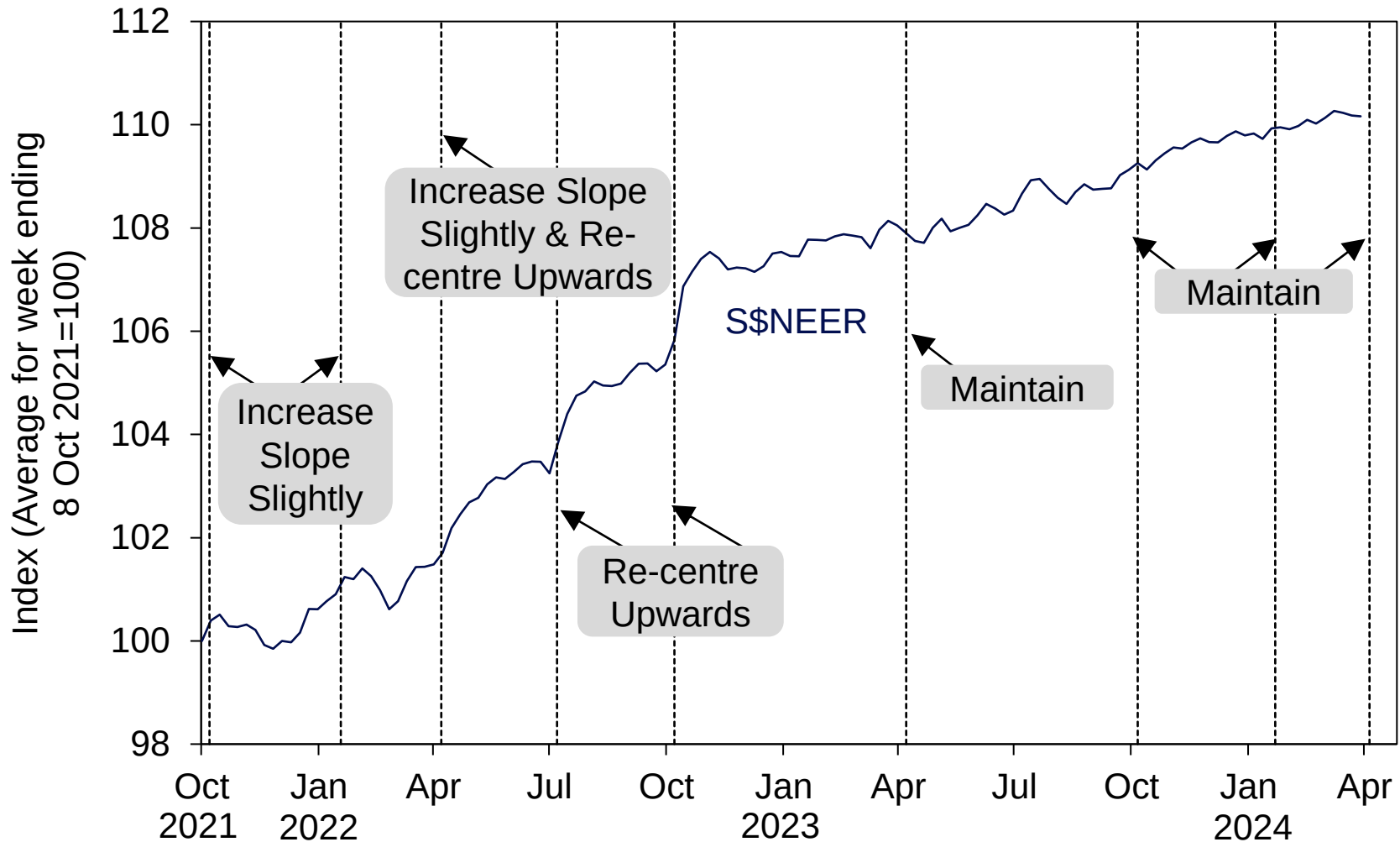




Macroeconomic Policy

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In January and April 2024, MAS kept the S\$NEER on its current appreciating path



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