Macroeconomic Review

October 2024

Published twice a year in April and October, the *Macroeconomic Review* documents MAS Economic Policy Group's in-depth analysis and assessment of economic developments.

Scan to read the Macroeconomic Review online.

Global Macroeconomic Outlook

Global growth is steady and the last mile of disinflation remains on track

The broad resilience of the global economy has been underpinned by ongoing tech cycle recovery, as well as firmer domestic demand. Into 2025, near-synchronised easing of monetary policy should provide support to growth. The last mile of disinflation should also remain on track. Nevertheless, uncertainty around both growth and inflation is elevated, including from geopolitical events.

The Singapore Economy

GDP Growth

2024: Upper end of 2 to 3%
2025: In line with potential

GDP growth should stay firm next year, with some downside risks

The Singapore economy should continue to be supported by the upswing in the global tech cycle, alongside the easing of financial conditions. There are however downside risks to growth that could materialise, should there be an escalation in geopolitical and trade tensions, or a correction in the AI-led global tech cycle recovery.

MAS Core Inflation

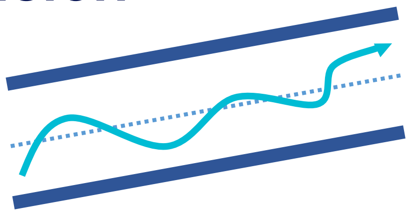
2024: 2.5 to 3.0%
2025: 1.5 to 2.5%

Core inflation will continue to ease over the remainder of 2024 and into 2025

Core inflation is expected to ease to around 2% by the end of this year and stay around that level in 2025. External and domestic cost conditions should remain moderate, while enhanced government subsidies to temper cost of living pressures will also help dampen inflation. The risks to the inflation outlook are broadly balanced.

October 2024 Monetary Policy Decision

Maintain the current appreciating path of the policy band, with no change to the width or level



Amid the pickup in growth, Singapore's slightly negative output gap is likely to close before the year-end. Inflation has eased steadily and is projected to moderate further to around 2% by end-2024. For now, the prevailing monetary policy stance is consistent with medium-term price stability.

Boxes and Special Features

Box Item A
Carbon Pricing in Asia

Box Item B
Exchange Rate Pass-Through to Inflation in Singapore

Box Item C
Review of MAS Money Market Operations in FY2023/24

Special Feature A
Proceedings of the 2024 Asian Monetary Policy Forum

Special Feature B
A Perspective on Inflation Targeting

Special Feature C
Globalisation is Not Dying, It's Just Changing