MONETARY AUTHORITY OF SINGAPORE

MACROECONOMIC REVIEW

ECONOMIC POLICY GROUP

October 2024 / VOLUME XXIII / ISSUE 2

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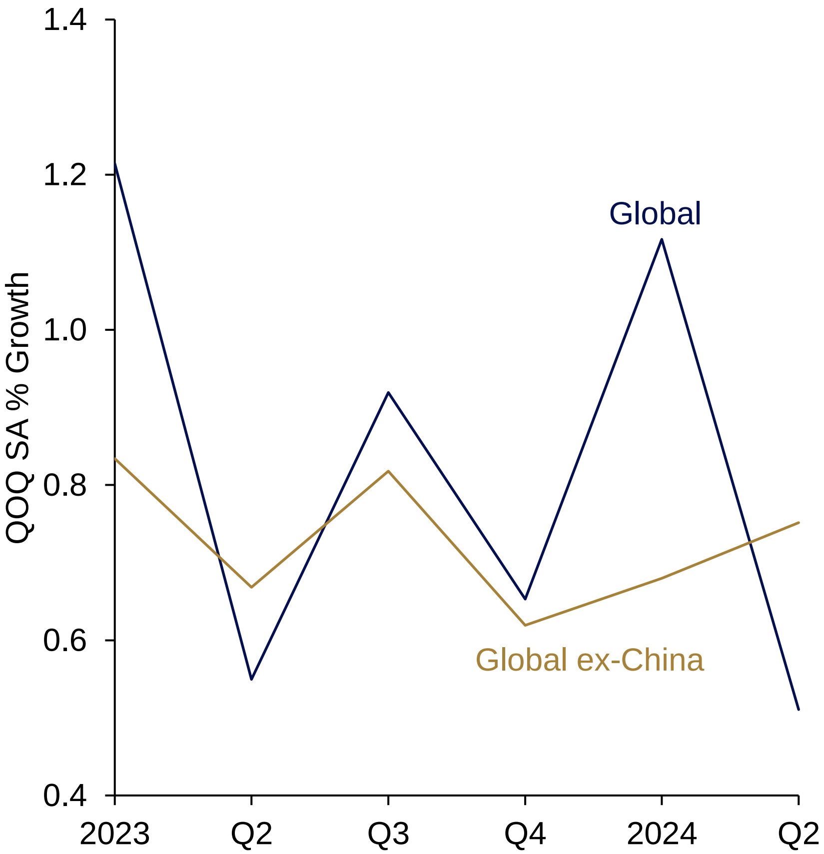
Special Features

International Economy

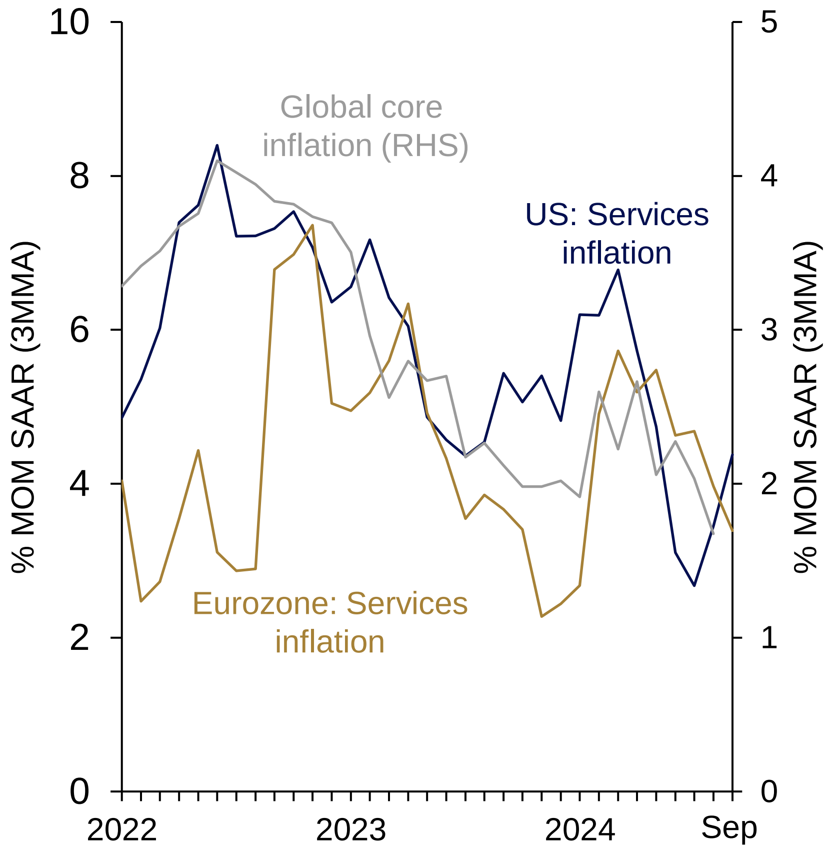
RESTRICTED

Global economic growth has remained resilient while global disinflation made further progress

GDP Growth



Core Inflation



Global GDP should continue to expand at a steady pace and the last mile of disinflation remains on track

	QOQ SA (%)				Annual (%)		
	2024 Q1	2024 Q2	2024 Q3*	2024 Q4*	2023	2024*	2025*
Global GDP	1.1	0.5	0.8	0.7	3.3	3.2	3.2
Global CPI	0.6	0.6	0.5	0.6	3.2	2.2	2.2

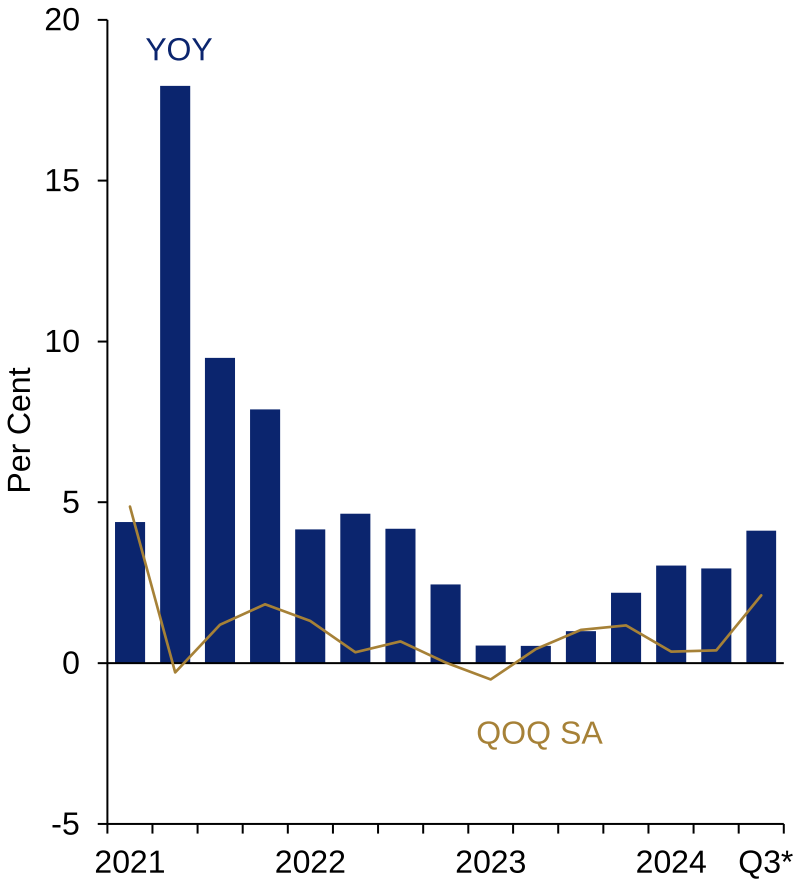
*EPG, MAS forecasts

Notes: GDP is aggregated using weights based on Singapore's value added by destination of final demand (using TiVA data). CPI is aggregated using weights based on import sources of goods and services in Singapore's CPI basket.

Singapore Economy

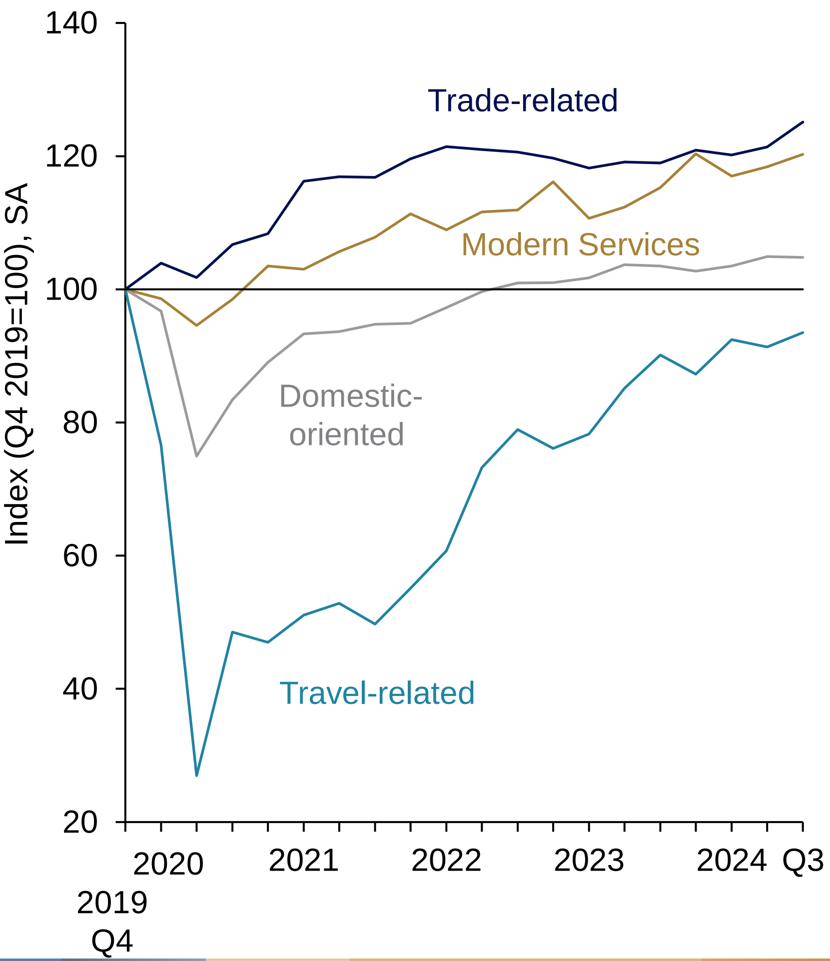
Singapore's economic growth picked up strongly in Q3 2024, after a relatively tepid H1

Singapore's GDP Growth



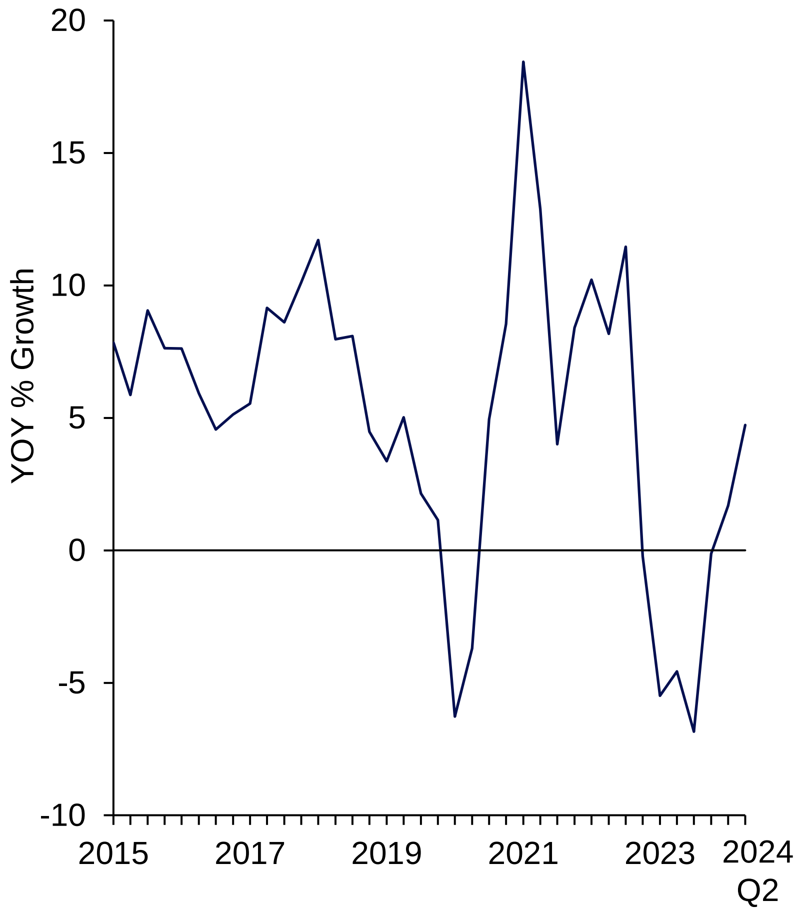
** Advance Estimates*

Value Added by Broad Clusters

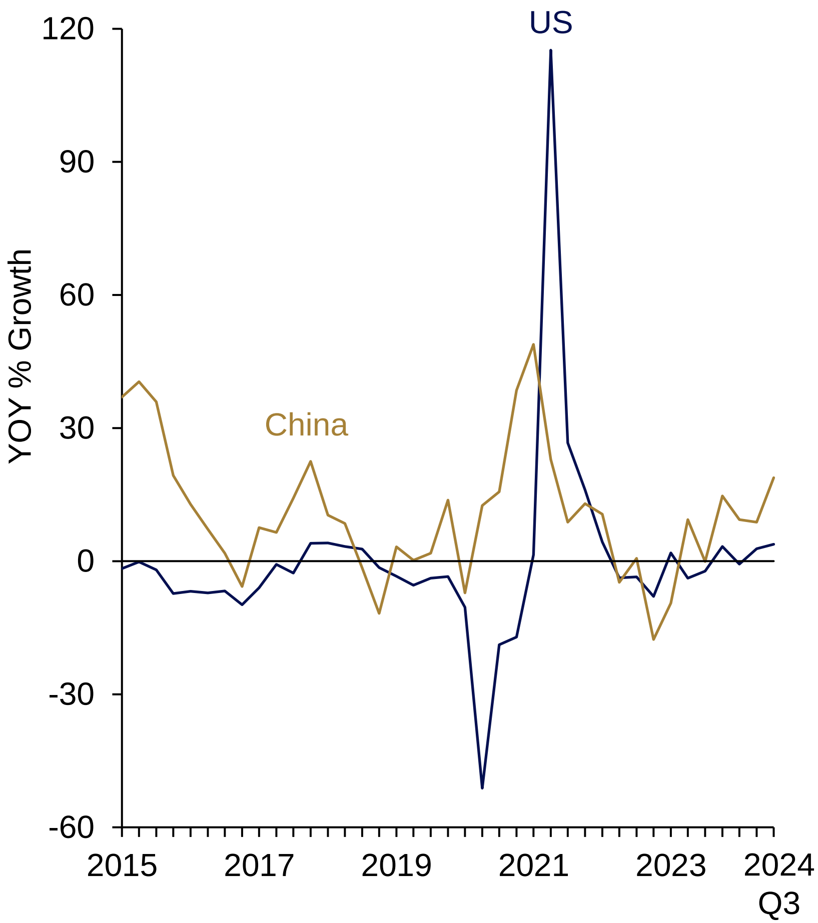


Into 2025, broadly conducive economic conditions and the upswing in the tech cycle should support growth

US' Real Fixed Investment in Information Processing Equipment

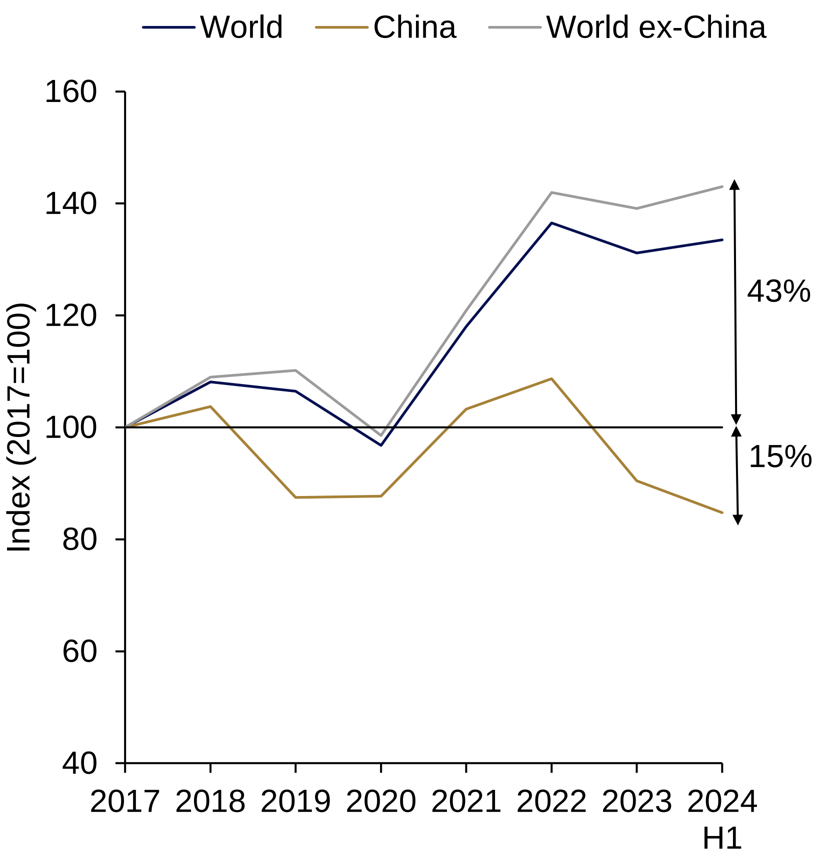


Retail sales of IT products in US and China

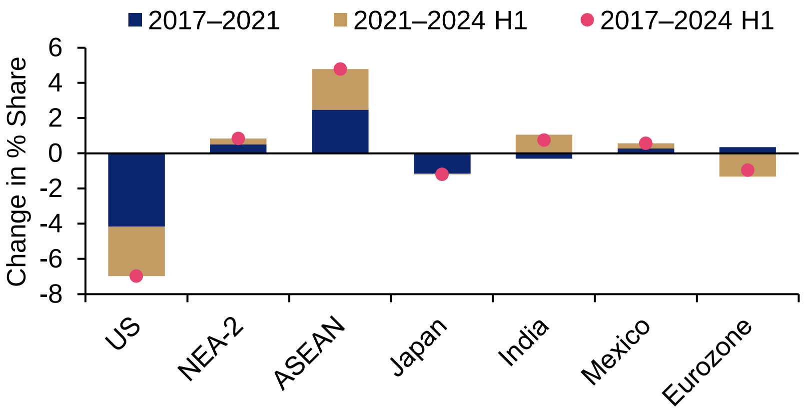


US-China trade continues to be diverted through connector countries, especially in electronics

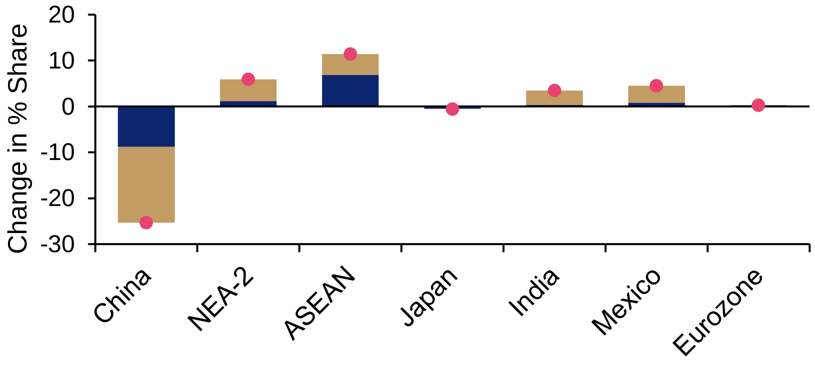
US Overall Trade



Share of Partner Country in China's Electronics Exports

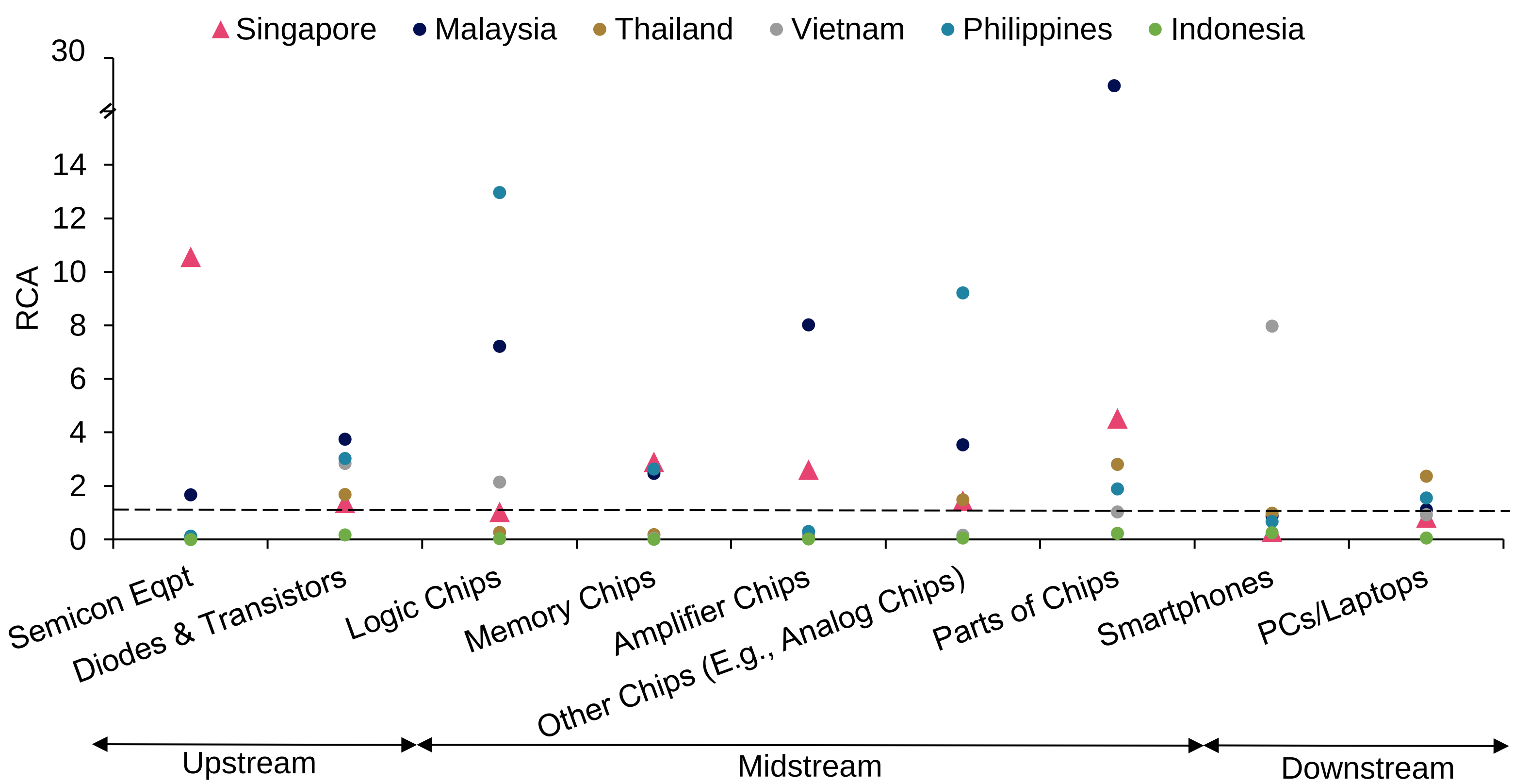


Share of Partner Country in US' Electronics Imports



Singapore could complement the region in upstream and midstream electronics production, and intermediation services

Revealed Comparative Advantage in the Electronics Value Chain among ASEAN-6 Economies, 2022

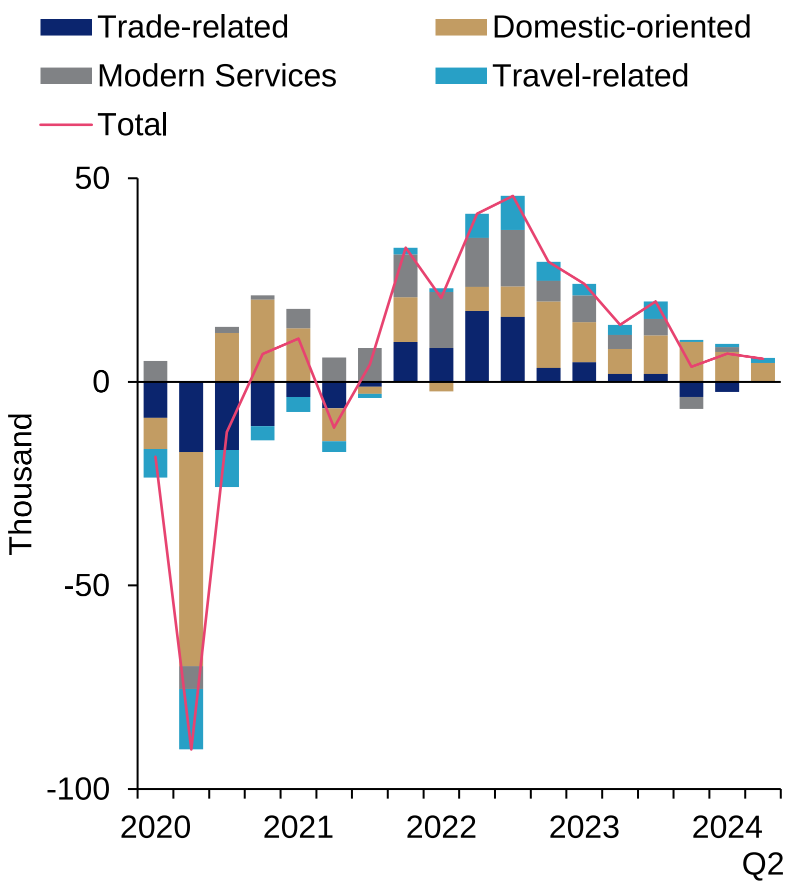


Note: RCA is computed by the share of product i in a country's exports relative to the share of product i in world exports. If $RCA > 1$, the country is inferred to have a comparative advantage as a producer and exporter of that product compared to the world. The higher the value of a country's RCA for product i, the higher its specialisation in product i relative to other countries.

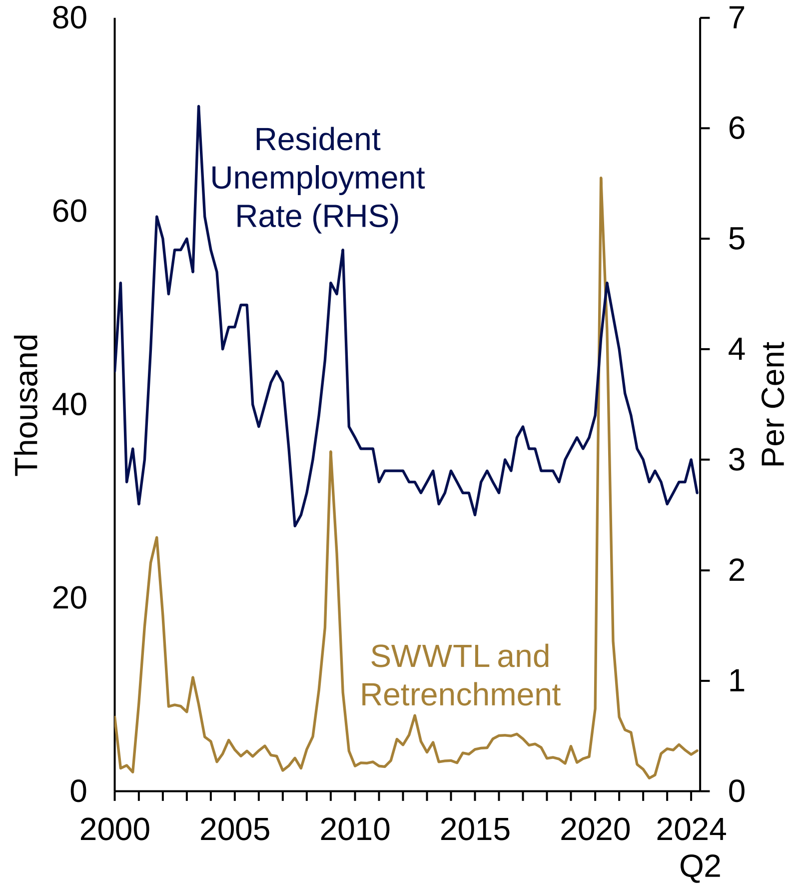
Labour Market and Inflation

Tightness in the labour market continued to ease in Q2 as demand for workers slowed

Employment Change (q-o-q) by broad sector



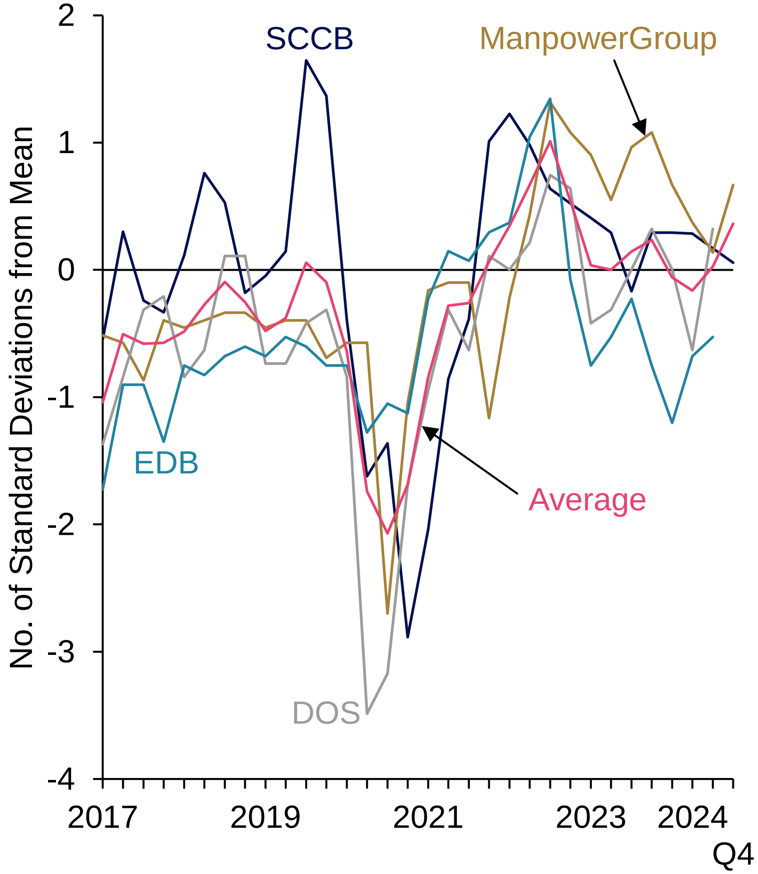
Resident unemployment rate, involuntary job losses/hours reduction



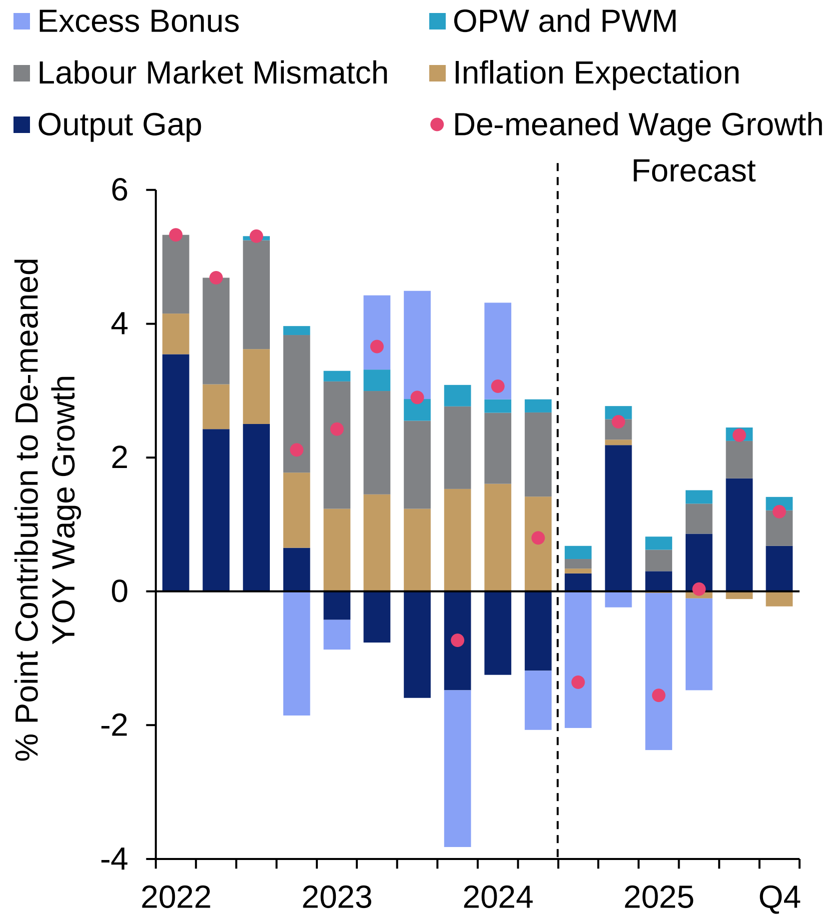
Note: The gold line is the sum of workers on short work-week and temporary layoff (SWWTL) and retrenched workers each quarter.

The labour market should remain close to full employment, even as nominal wage growth moderates

Net Employment Outlook

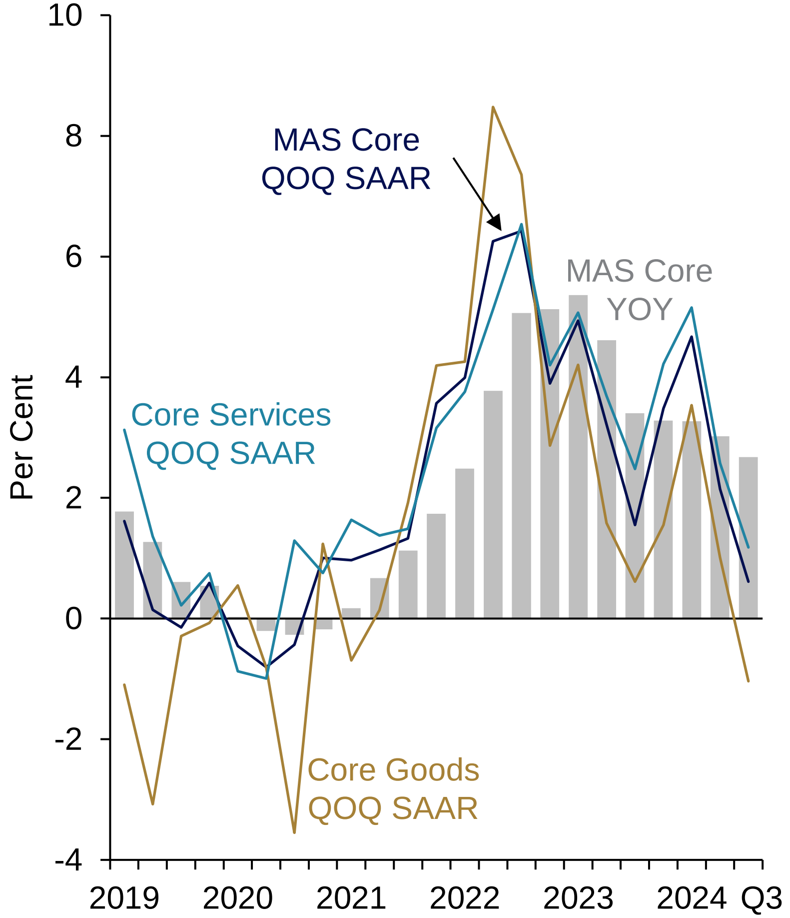


Decomposition of Wage Growth (Q1 2022—Q4 2025)

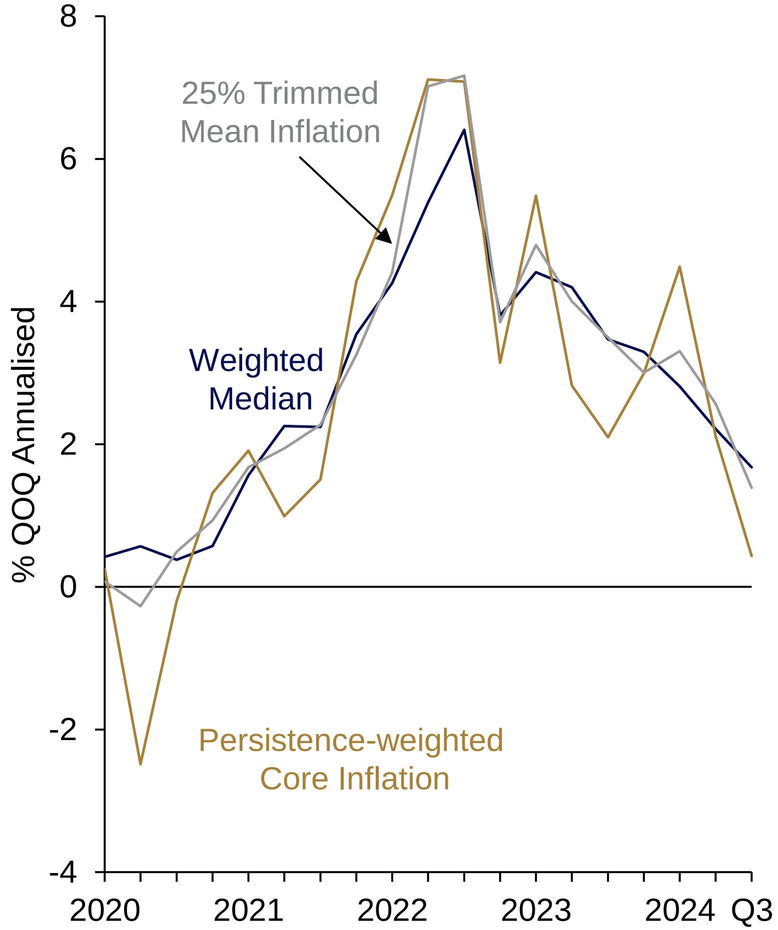


The decline in inflation in Q3 was broad based amid easing cost pressures

MAS Core Inflation

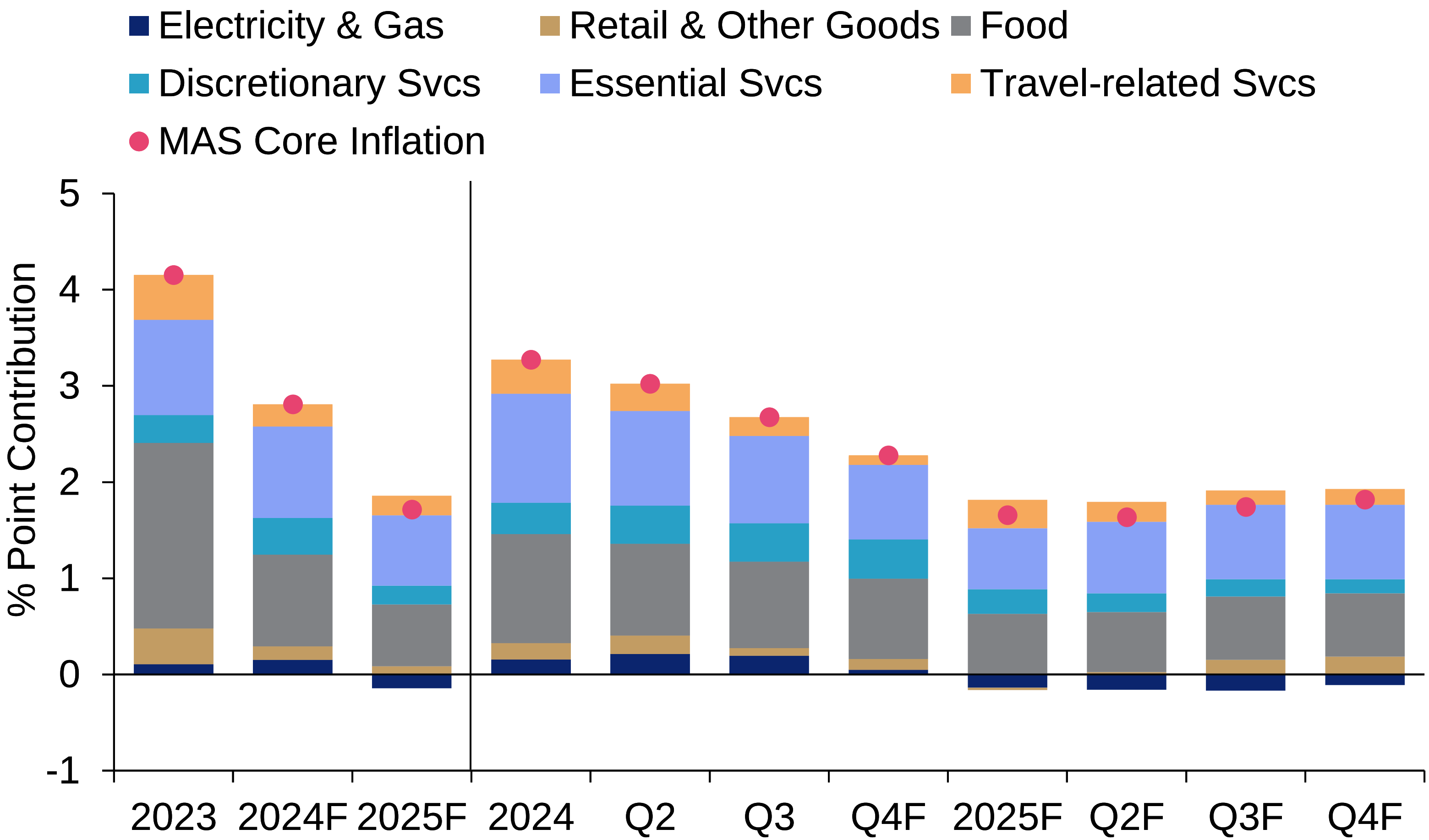


Alternative Measures of Core Inflation



Core inflation is expected to decline further and end the year around 2%

Contribution to MAS Core Inflation



Macroeconomic Policy

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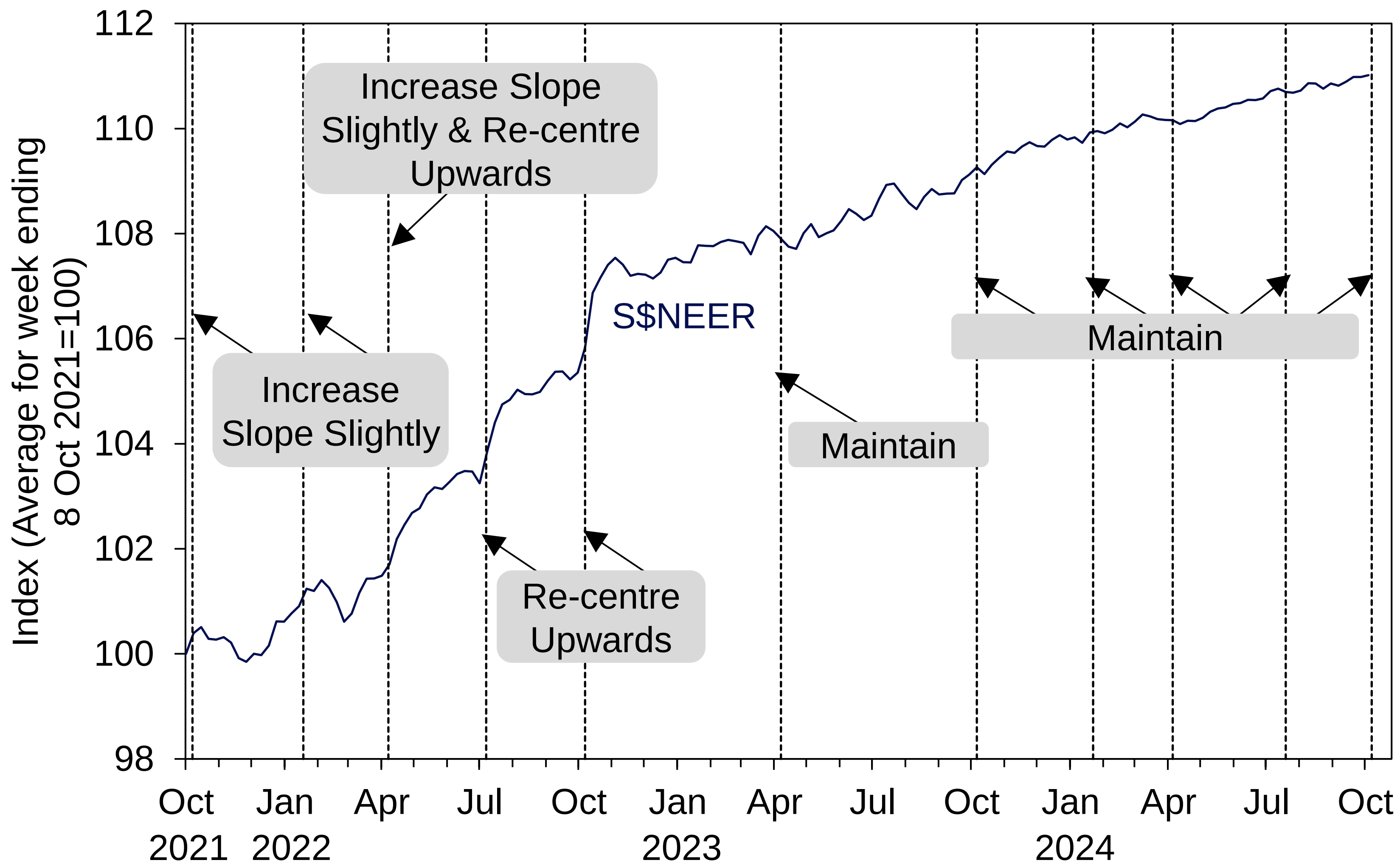
In July and October 2024, MAS kept the S$NEER on its current appreciating path



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