RECENT ECONOMIC DEVELOPMENTS IN SINGAPORE

4 March 2016

	2015				
	Q1	Q2	Q3	Q4	Full Year
Real Sector					
Real GDP Growth, y-o-y %	2.7	1.7	1.8	1.8	2.0
Real GDP Growth, q-o-q saar %	0.2	−1.6	2.3	6.2	-
Index of Industrial Production, y-o-y %	−4.3	−4.3	−5.7	−6.2	−5.1
Non-oil Domestic Exports, y-o-y %	4.0	1.5	−2.2	−3.5	−0.1
Labour Market and Prices					
Unemployment Rate, sa, % (Average)	1.8	2.0	2.0	1.9	1.9
CPI-All Items Inflation, y-o-y %	−0.3	−0.4	−0.6	−0.7	−0.5
Wage Growth, y-o-y %	3.0	3.7	4.1	3.3	3.5

The Singapore economy grew by 2.0% in 2015

Economic growth strengthened towards the end of 2015, with GDP rising by 6.2% q-o-q saar (quarter-on-quarter seasonally-adjusted annualised rate) in Q4 2015, from 2.3% in the previous quarter. The pickup in activity largely reflected robust outturns in financial, as well as information & communications, services. In comparison, the manufacturing sector continued to languish on the back of weakness in the electronics and biomedical clusters.

Global growth remains on a moderate trajectory amid headwinds

Growth in the G3 economies is expected to continue on a modest recovery path, despite a step-down in Q4 2015 due to weaker-than-expected outturns in the US and Japan. In Asia ex-Japan, resilient household spending will provide some support to growth in 2016, although the risks are tilted to the downside. The Chinese economy is expected to grow at a slower pace this year, as industrial overcapacity weighs on output, with attendant spillover effects on trade in the region.

Modest domestic GDP growth should continue in 2016

The domestic economy is projected to expand by 1–3% in 2016, keeping pace with last year's growth momentum. A gradual improvement in the advanced economies should provide some support to pockets of trade-related industries, and partially offset subdued regional demand. Meanwhile, the domestic-oriented sectors will remain generally resilient despite ongoing supply-side constraints as firms continue to take steps to boost productivity.

Core inflation is set to pick up gradually in 2016

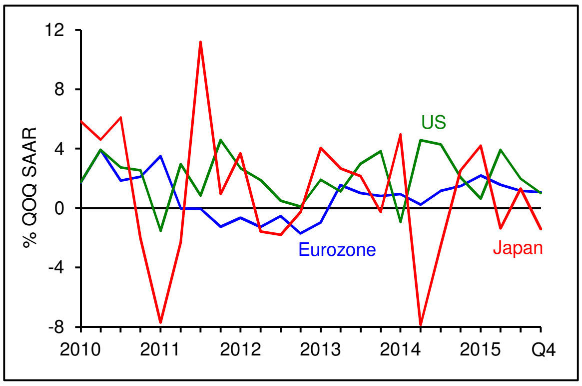
MAS Core Inflation is expected to rise gradually over the course of 2016, as the disinflationary effects of oil as well as budgetary and other one-off measures ease. For the whole of 2016, it is projected at 0.5–1.5%, after coming in at 0.5% in 2015. Lower COE premiums and housing rentals will continue to dampen CPI-All Items inflation, which is expected to average between −1.0% and 0.0% in 2016, compared to −0.5% last year.

A. External Developments

G3 growth fell in Q4 2015 on a pullback in the US and Japanese economies

Overall GDP growth in the G3 economies slowed to 0.5% q-o-q saar in Q4 2015, from 1.5% in Q3. Although economic activity continued to expand modestly in the Eurozone, US growth moderated while Japan's economy contracted due to a cutback in private consumption spending. The G3 growth forecast for 2016 has been revised down to 1.7% (from 2.0% in December 2015), which represents only a marginal improvement from the 1.6% pace of expansion recorded in 2015.

Growth in the US eased in Q4 2015, while output in Japan contracted.



Source: Datastream and CEIC

Growth in the US economy decelerated to 1.0% q-o-q saar in Q4 2015, from 2.0% a quarter earlier. The loss of momentum was broad-based, reflecting weakness in both the manufacturing and services sectors. Despite an increase of 2.5% q-o-q saar in real disposable incomes, arising in part from lower oil prices, household consumption growth eased to 2.0% q-o-q saar in Q4, from 3.0% in the preceding quarter. Meanwhile, non-residential fixed investment fell for the first time since Q3 2012, by 1.9% q-o-q saar, as equipment spending contracted alongside structures, reflecting a pullback in oil-related capital expenditure as well as in the manufacturing sector which faced persistent headwinds. The sustained appreciation of the US dollar continued to exert a drag on net exports in Q4, subtracting 0.3% point from GDP growth, with the change in inventories shaving off another 0.1% point.

Economic activity in the US should rebound in the near term, supported by resilient household spending. Favourable labour market conditions, as seen in the steady decline in the unemployment rate to a post-crisis low of 4.9% in January 2016, suggest that consumer spending will remain firm, thus providing the main underpinning to GDP growth this year. Average hourly earnings for private sector workers surged by 0.5% m-o-m sa in January, the second strongest monthly gain since the recovery from the Global Financial Crisis (GFC). Despite the stock market rout at the beginning of the year, consumer surveys in February indicated that household sentiment stayed resilient. Nonetheless, some headwinds to growth remain, with tepid external demand and a strong US dollar weighing on exports, and capex in the energy industries likely to be depressed as global oil prices stay low for a longer period. All in, GDP growth in the US is expected to come in at 2.2% in 2016, before rising slightly to 2.4% in 2017.

Growth momentum in the Eurozone held steady in Q4 2015, supported by firm domestic demand. GDP growth came in at 1.1% q-o-q saar in Q4, similar to the outturn of 1.2% in Q3. Nonetheless, this marked a fairly notable deceleration in economic momentum, with GDP growth easing from the average rate of 1.9% registered in H1 2015 to 1.1% in H2. While the pace of activity in Germany, France and Spain remained unchanged in Q4, as compared to the previous quarter, Italy stagnated. The German economy expanded by 1.1% q-o-q saar in Q4, as a pickup in government spending and construction-related investment offset a negative export drag. Amid an ongoing recovery in the labour market, the Spanish economy grew by 3.2% q-o-q saar, posting yet another quarter of solid gains. Meanwhile, growth in France stood firm at 1.4% q-o-q saar in Q4, even as private consumption faltered in the aftermath of the Paris terror attacks in November. In comparison, growth momentum in Italy slipped for the third straight quarter, with GDP rising by an anaemic 0.4% q-o-q saar in Q4. Elsewhere in the Eurozone, Greece relapsed into recession, as the imposition of capital controls since June and fiscal austerity took a toll on economic activity.

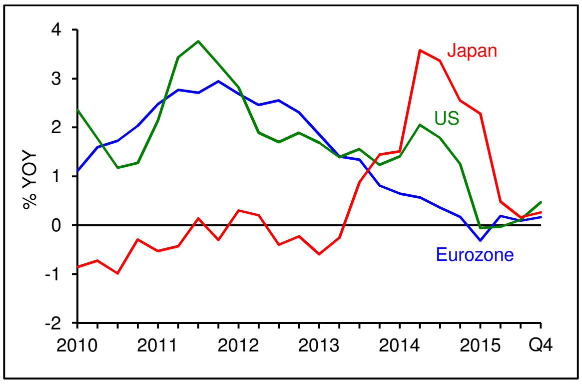
While the Eurozone's recovery remains largely on track, the growth outlook has weakened slightly. The Eurozone Composite Output PMI fell to 53.0 in February, from 53.6 in January and 54.3 in December, largely due to an export-induced slump in the manufacturing sector. In addition, the recent turbulence in Eurozone financial markets, if it persists, could have negative spillovers to the real economy via the confidence and credit channels. More positively for growth, the ECB stands ready to enhance monetary stimulus even as interest rates remain in negative territory, which may provide further support to domestic demand at the margin. Alongside continued improvements in the labour market, as well as an easier fiscal stance, GDP growth in the Eurozone is projected at 1.6% in 2016, up slightly from 1.5% in 2015.

The Japanese economy contracted in Q4 due to an unexpected fall-off in domestic demand. GDP fell by 1.4% q-o-q saar, following an expansion of 1.3% in Q3, resulting in sub-par growth of 0.4% for 2015 as a whole. Private consumption declined by 3.3% in Q4, reflecting in part a pullback in spending on winter wear and utilities due to unseasonably warm weather, while residential investment retracted by 4.8% after rising for three quarters. Cutbacks in public investment spending and inventory destocking subtracted 0.5% point each from overall GDP growth. In comparison, private non-residential investment recorded a second consecutive quarter of expansion, rising by 5.7% q-o-q saar in Q4 2015. Net trade also contributed positively to growth on account of a relatively sharper decline in imports *vis-à-vis* exports.

A pickup in domestic demand in the latter half of this year should support a modest recovery in Japan. In particular, consumer spending is anticipated to pick up in the later part of this year, ahead of another consumption tax hike scheduled for April 2017 and underpinned by a further increase in real wages. Capital investment by firms should also expand gradually, given diminishing industrial slack and healthy corporate profits. However, the extent of the rise in capex could be constrained if the current appreciation of the yen persists, despite the Bank of Japan's move in cutting its policy rate to negative 0.1% in

January 2016. On balance, Japan's GDP growth is anticipated to come in at 1.0% in 2016, before slowing to 0.6% in 2017 largely on account of the next consumption tax hike.

Inflation in the G3 economies picked up slightly in Q4 2015.

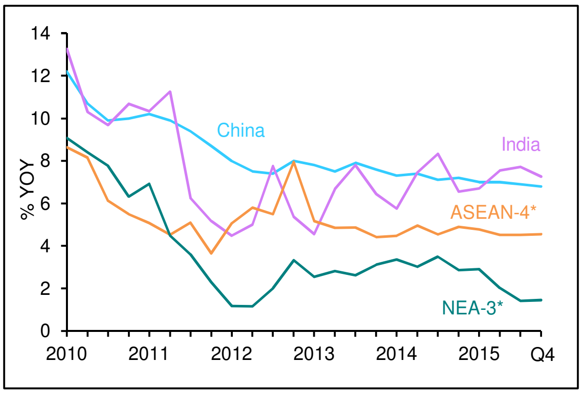


Source: Datastream and CEIC

CPI inflation in the G3 economies turned up in Q4 2015, although low energy costs continued to restrain price pressures. Headline inflation in the US and the Eurozone came in slightly higher in Q4, at 0.5% and 0.2% y-o-y, respectively, aided by improving domestic conditions and accommodative monetary policy. Core inflation in the US rose to 2.0% y-o-y, alongside declining slack in the labour market. In the Eurozone, core inflation also crept up for the third consecutive quarter, rising to 1.0% in Q4, as the effects of euro depreciation filtered through to prices. In Japan, headline CPI inflation edged up to 0.3% y-o-y in Q4 2015 from 0.2% in Q3, due in part to higher food inflation. Taking into consideration the renewed fall in oil prices at the beginning of 2016, the headline inflation forecast for the G3 economies as a whole has been revised down to 0.9% this year, from a previous estimate of 1.3%. Nonetheless, this still marks a significant increase from the 0.2% inflation outcome in 2015.

Asia ex-Japan growth stabilised in Q4 2015

Growth in Asia ex-Japan came in unchanged in Q4.



Source: CEIC and EPG, MAS estimates

* Regional groupings are weighted by Singapore's non-oil domestic exports (2009–13 average).

Note: NEA-3 refers to Hong Kong, Korea and Taiwan while ASEAN-4 refers to Indonesia, Malaysia, Thailand and the Philippines.

The Asia ex-Japan region registered growth of 4.6% y-o-y in Q4 2015, unchanged from the previous quarter. While economic activity in China and India slackened, this was counterbalanced by a slightly stronger performance in the ASEAN-4 economies. From the expenditure perspective, firm private consumption in most economies offset the weakness in exports and private investment. Looking ahead, growth in Asia ex-Japan is expected to come in at a subdued 4.6% in 2016, a shade lower than the 4.7% recorded in 2015, as the region continues to contend with a slowdown in China and low commodity prices.

In China, headline growth softened marginally in Q4 2015, alongside a continued divergence in the performances of the industrial and services sectors. GDP growth came in at 6.8% y-o-y in Q4, compared to 6.9% in Q3. The services industry was the main driver of growth, led by buoyant financial sector activity. Retail sales rose by 11.1% y-o-y, up from

10.7% in Q3, supported by a halving of car purchase taxes. For the year as a whole, the Chinese economy expanded by 6.9%, with tepid growth in the industrial sector offset by a strong showing in the services industries. The industrial sector's pace of expansion slipped to 6% last year from 7.3% in 2014, as manufacturing and construction activities were weighed down by excess production capacity and a housing stock overhang. Fixed asset investment (FAI) in both the manufacturing and the real estate sectors continued to cool amid sluggish exports and developers' reluctance to embark on new projects, although infrastructure investment helped to cushion the slowdown. In comparison, growth in the services sector strengthened to 8.3% last year, from 7.8% the year before, with its share of China's GDP rising to 50.5%, compared to 48.1% in 2014.

High-frequency data signal a slackening in growth momentum for the Chinese economy. The official manufacturing PMI for February fell to a 51-month low of 49.0, as new orders lapsed. While staying in positive territory, the non-manufacturing PMI showed a weaker pace of expansion in the same month. As the authorities pursue structural reforms and implements plans to reduce excess capacity in the economy, workers could be laid off from heavy industry, posing a downside risk to household consumption. Nonetheless, the central government is expected to buffer slowing growth by introducing more targeted fiscal support. Accordingly, the consensus has pegged China's GDP growth at 6.5% this year, at the lower end of the government's 6.5–7.0% range.

India's GDP growth eased in Q4 2015, alongside slowing fixed investment. Overall growth dipped to 7.3% y-o-y in Q4 from 7.7% in the previous quarter, as weaker investment growth more than offset a pickup in private consumption. India's investment recovery lost momentum, with gross fixed capital formation growth retreating to 2.8% y-o-y in Q4 from 7.6% the quarter before, largely due to weak private capital spending. However, household consumption expanded by 6.4% y-o-y in Q4, with firm urban spending more than compensating for weak rural demand. Meanwhile, net exports contributed positively to overall growth, after posing a slight drag in the preceding two quarters, as the contraction in imports outpaced the fall in exports. Looking ahead, the Indian economy should remain on a modest recovery path, supported by low energy prices and accommodative monetary conditions. Nonetheless, risks to growth are skewed to the downside amid a weaker global environment and potential financial stability concerns stemming from fragile bank and corporate balance sheets. All in, GDP growth is expected to come in at 7.4% in FY2016[1], picking up further to 7.7% the following year.

Growth in the NEA-3 economies lost traction in Q4 2015. The region as a whole registered an expansion of 1.6% q-o-q saar in Q4, down from 2.2% in the preceding quarter. On a y-o-y basis, growth came in at 1.4% in Q4, unchanged from the pace in Q3 2015. Even though domestic activities held up reasonably well, these economies continued to be buffeted by headwinds from weak global trade flows, reflecting in part waning demand from China. In Hong Kong, GDP increased by just 0.9% q-o-q saar in Q4, down from the 2.2% recorded in

[1] India reports its economic figures on a Financial Year basis. FY2016 refers to the period from April 2015 to March 2016.

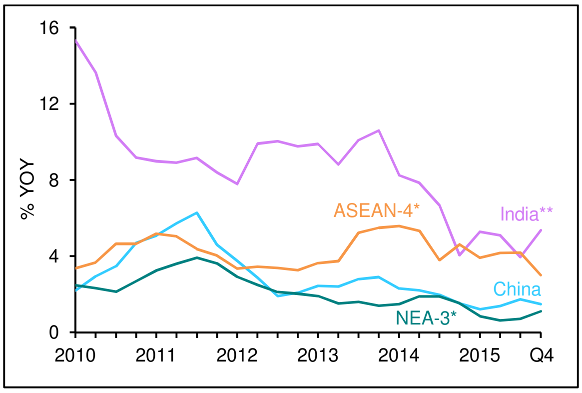
Q3, as a fall in net exports outweighed increases in domestic consumption and gross capital formation. Korea also saw a significant step-down in growth to 2.3% q-o-q saar in Q4 2015, from 5.3% in Q3, on account of a retrenchment in construction investment and the persistent drag from flagging exports. In contrast, aided by a rebound in private consumption, the Taiwanese economy expanded by 2.2% q-o-q saar in Q4 2015, reversing two quarters of declines.

Looking ahead, the region will experience only a modest pickup in growth. Retail sales in Hong Kong are expected to remain depressed, amid further declines in Chinese tourist arrivals. Taiwan's economic prospects would continue to be restrained by slower global trade and its knock-on effects on manufacturing and employment. In Korea, elevated household debt levels could blunt the efficacy of the accommodative monetary policy put in place since June 2015, even as the country's consumer electronics manufacturers face challenging external headwinds and stiff competition from China. Overall, growth in the NEA-3 is projected to improve modestly to 2.1% this year and further to 2.4% in 2017, from 1.9% in 2015.

In the ASEAN-4 economies, GDP growth held steady at 4.6% in Q4, as an improvement in domestic demand provided a positive offset to continued weakness in exports. Domestic demand was boosted by a surge in investment activity in Indonesia, Thailand and the Philippines, mainly reflecting a ramp-up in public infrastructure works. Private consumption also strengthened across the ASEAN-4 economies, recording growth rates at or above their ten-year averages, with the exception of Malaysia. In contrast, exports from the region contracted, owing to a persistent slump in global commodity markets, particularly in energy-related products. Nonetheless, there were some signs of a tentative upturn in the exports of manufactured products. Notably, Malaysia posted significant increases in shipment volumes of machinery and transport equipment as well as some other manufactures over the past two quarters. The Philippines also recorded strong growth in real exports of office and telecommunications equipment.

Growth is expected to remain below trend in most of the ASEAN-4 economies in 2016. In Malaysia, GDP growth is projected to decelerate to 4–4.5% this year, given its considerable exposure to the slowing China economy and primary commodities, particularly the oil and gas segments. At the same time, domestic demand growth is likely to moderate somewhat, as fiscal expenditures are constrained by weak oil and gas revenues, while poor economic sentiment weighs on private sector spending. Although the global slump in commodities will also affect Indonesia adversely, the impact will be offset by a pickup in public and private investment. In 2016, the Indonesian economy is forecast to expand by about 5%, slightly higher than last year's pace of 4.8%. Meanwhile, Thailand will also see marginally stronger, but still sub-par, growth of about 3%. While a surge in public construction activity should lend some support, private sector spending would likely stay lacklustre in the face of weak consumer confidence and continued political uncertainty. In contrast, the Philippines economy is expected to expand at an above-trend pace for the fifth year in a row, growing by around 6% in 2016, higher than its ten-year average of 5.4%. Growth will be undergirded by continued strength in household spending, ongoing infrastructure projects, as well as additional fiscal stimulus in the run-up to the Presidential election in May.

CPI inflation remained subdued in Asia ex-Japan.



Source: CEIC and EPG, MAS estimates

* Regional groupings are weighted by 2013 nominal GDP.

** India's series uses CPI (Industrial Workers) prior to 2012.

Headline inflation in Asia ex-Japan was subdued in Q4 2015. CPI inflation for the region as a whole came in marginally lower at 2.3% y-o-y in Q4, compared to 2.4% the quarter before. Price pressures in China and ASEAN-4 eased, while inflation in the NEA-3 and India rose. In China, headline inflation declined to 1.5% y-o-y in Q4 from 1.7% in the previous quarter, as pork prices rose at a more moderate pace. Producer prices fell by a sharper 5.9% y-o-y, weighed down by widespread industrial gluts. In the ASEAN-4 economies, headline inflation moderated significantly to 3.0% y-o-y in Q4 from 4.2% in Q3, mainly reflecting easing energy price pressures, particularly in Indonesia. Meanwhile, persistent weakness in economic activity kept underlying inflation low in the region, with the exception of Malaysia, where prices had been lifted by the introduction of the Goods and Services Tax (GST) last April. In the NEA-3 economies, CPI inflation rose to 1.1% y-o-y in Q4 2015 from 0.7% in Q3, due to higher food prices in Korea and Taiwan. An increase in food prices was also the main reason for a pickup in headline inflation in India, to 5.3% in Q4 2015 from 3.9% the quarter before. With growth anticipated to come in below potential, headline inflation in Asia ex-Japan is expected to moderate to 2.2% in 2016, before rising to 2.6% in 2017.

Table 1: Consensus Forecasts of GDP Growth

	2014	2015	Forecast 2016	Forecast 2017
	Percent			
Industrial				
US	2.4	2.4	2.2	2.4
Japan	0.0	0.4	1.0	0.6
Eurozone	0.9	1.5	1.6	1.7
UK	2.9	2.2	2.2	2.2
NEA-3				
Hong Kong	2.6	2.4	1.9	2.1
Korea	3.3	2.6	2.7	2.8
Taiwan	3.9	0.7	1.9	2.6
ASEAN-4				
Indonesia	5.0	4.8	4.9	5.3
Malaysia	6.0	5.0	4.3	4.6
Thailand	0.8	2.8	3.0	3.3
Philippines	6.1	5.8	5.9	5.9
China	7.3	6.9	6.5	6.3
India*	6.6	7.2	7.4	7.7

Source: CEIC and Consensus Economics, Feb 2016

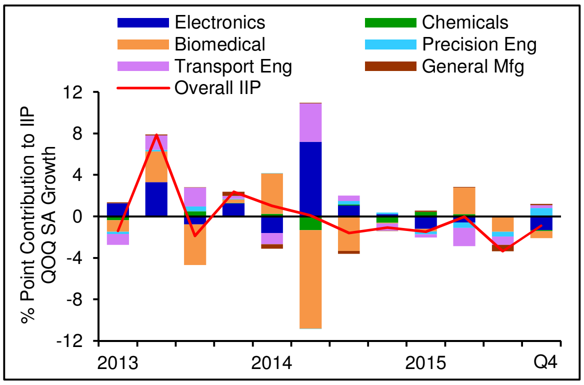
*Refers to fiscal year ending Mar.

B. Domestic Developments

The Singapore economy grew modestly in 2015

Growth in the Singapore economy gathered pace in Q4 2015, with GDP rising by 6.2% q-o-q saar, up from 2.3% in the preceding quarter. The acceleration largely reflected robust expansions in modern services, including financial services and information & communications. Domestic-oriented activities also recorded some improvement in momentum. In contrast, the trade-related industries continued to experience softer outturns. For the year as a whole, GDP grew by 2.0% in 2015, down from 3.3% in 2014. The moderation in growth trajectory last year was broad-based across most sectors, in part reflecting the effects of the synchronised slowdown in the Chinese and regional economies. Some production activities were also disproportionately affected due to their exposures to sector-specific headwinds buffeting the global IT and oil & gas industries. Further, some of the manpower-reliant sectors which have been affected by ongoing efforts to boost productivity continued to face transitory supply-side constraints to growth.

Production remained lacklustre in Q4 2015.



The manufacturing sector shrank by 4.9% q-o-q saar in Q4 2015 after posting a fall of 6.0% in Q3. The sector saw weak outturns mainly in the electronics and biomedical clusters, although the transport engineering and precision engineering clusters recouped some of the losses incurred in previous quarters. Against the backdrop of a steep 10% y-o-y contraction in global PC shipments in Q4[2], output in the PC-related segments of the domestic electronics cluster remained in negative territory. Meanwhile, the slump in the biomedical cluster partly reflected some scaling back in the pharmaceuticals segment due to a shift in product mix. Further, the chemicals sector experienced a drop in output due to maintenance works at key petrochemical installations.

For 2015 as a whole, the manufacturing sector declined by 5.2%, the first contraction since the GFC. The pullback in output was especially pronounced in the electronics and transport engineering clusters. Within the domestic IT cluster, the semiconductors segment was buffeted by a slowdown in global electronics demand for final products such as PCs and mobile devices. Worldwide semiconductor chips sales fell by 0.2% in 2015, the first decline recorded since 2012. The marine & offshore segment within the transport engineering cluster was also beleaguered by rig delivery delays and cancellations amid ongoing cutbacks to oil exploration activities. In turn, these developments generated negative spillovers to supporting segments within the precision engineering cluster.

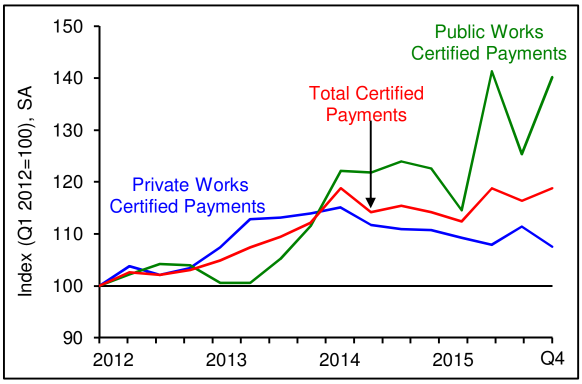
[2] Source: International Data Corporation Worldwide Quarterly PC Tracker

Mirroring the weak overall production in Q4 2015, the trade-related services industries also conceded momentum during the quarter. Notably, the fall-off in oil refining output weighed on wholesale activity in the oil-related segment, with oil export volumes seeing a decline. This in turn dragged on the transport & storage sector, as evident by the sharp pullback in sea cargo volumes handled.

Meanwhile, following a mild 0.9% q-o-q saar expansion in the preceding quarter, **the financial services sector saw a 34.1% surge in activity in Q4 2015.** Growth was largely underpinned by the fund management industry, which posted a significant step-up in net fees and commissions earned and recognised at the end of the year. The insurance industry also witnessed healthy gains, supported in part by increased sales of life insurance policies. The life insurance business was likely to have benefited from wider distribution via bancassurance, in tandem with the launch of new products. In contrast, the financial intermediation segment had to contend with slowing regional trade and economic growth, as well as concerns over the sustainability of corporate debt levels amid rising interest rates. As a result, domestic and offshore non-bank loan volumes contracted by 1.4% and 3.3% q-o-q respectively in Q4.

Tourism-related activities experienced some moderation in growth in Q4 2015 after a robust showing in the previous quarter, with total visitor arrivals declining by 0.6% q-o-q sa. In tandem with the dip in arrivals, hotel occupancy rates fell from 86.8% sa in Q3 to 85.3% in Q4. The fall in tourist arrivals also weighed on the domestic retail sector, with overall retail sales volumes (excluding motor vehicles) declining in the quarter, especially in discretionary spending on items such as watches and jewellery.

Construction activities picked up in Q4.



Source: EPG, MAS estimates

Domestic-oriented sectors, including essential services, information & communications services and construction, remained supportive of growth. Healthcare services were bolstered by the ramp-up of operations at Ng Teng Fong General Hospital, as well as the opening of Yishun Community Hospital in December last year. The information & communications sector benefited from increasing wireless broadband subscriptions, while the business services sector saw sustained corporate demand for professional services such as accounting and consultancy services. A firm expansion of 6.0% q-o-q saar in the construction sector also imparted some impetus to overall growth in Q4, as works on public infrastructural projects resumed after a temporary pause in the preceding quarter. However, the sector experienced a step-down in growth for 2015 as a whole, as activity in private residential and non-residential works tapered off.

The domestic economy is expected to grow at a modest pace in 2016

Against the sluggish external backdrop, GDP growth in Singapore is forecast to come in at 1–3% in 2016. While gradual improvements in the G3 economies, particularly the US, over the rest of the year should impart some impetus to Singapore's external-oriented industries, the recent downshift in US import demand[3] suggests that such positive spillovers could be limited. Following a lacklustre performance in 2015, the global IT industry is expected to recover only gradually, given subdued external demand conditions and elevated inventory levels for mobile and PC devices. Moreover, the extent to which the local IT industry is able to leverage on cyclical upticks will be capped by some ongoing transitions away from volume manufacturing, toward providing high-value services within manufacturing such as chip design and delivery of IT services.

The protracted slowdown in China will continue to feature in the region's immediate growth outlook, dampening demand for some of Singapore's external-facing services such as entrepôt-related transport & storage activities, accommodation and arts, entertainment & recreational services. Subdued regional economic prospects may also weigh on growth in offshore lending. Within the oil-related industries, the marine & offshore engineering segment continues to face sluggish rig orders amid sustained weakness in oil prices and a global oversupply of rigs. Stockpiling by commodity traders, as well as the accumulation of China's strategic crude oil reserves, could however lead to intermittent spurts of growth in oil trading, transport and storage.

With the trade-related industries buffeted by external headwinds, modern services will play a more important role in supporting growth this year. Notably, demand for information & communications services is expected to be firm, with the government's "Smart Nation" initiative, which includes procurement of a wide range of IT services and infrastructure[4], providing the boost. Meanwhile, the life insurance industry should continue to register healthy gains, given Singapore's relatively lower life insurance penetration rate as compared to other advanced Asian economies.[5]

The domestic-oriented sectors as a whole will remain broadly supportive, underpinned by ongoing enhancements to social services and transport infrastructure. Increased government expenditure in the healthcare and education sectors will help to meet pent-up demand for essential services, even as expansions in transport facilities continue apace.

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[3] Growth of US imports averaged −2.4% y-o-y in Q1–Q3 2015, compared to an average of 5.2% y-o-y over the longer span of Q1 2001 – Q3 2015.

[4] In May 2015, the government announced that it will be launching $2.2 billion worth of ICT tenders in FY2015 to procure digital and data services, web services, and information communications infrastructure to develop the Smart Nation Platform.

[5] Singapore's life insurance penetration rate (gross life insurance premiums as a percentage of GDP) stands at 5.7% as of 2014. This is lower than Hong Kong (11.7%), Japan (6.7%) and Korea (8.2%) according to the latest OECD insurance statistics, which is only available up to 2013.

There are potential external and domestic headwinds to growth. Transitional drags in China from ongoing reforms and persistent weakness in its residential property market could weigh on prospects in the region. A reprisal of the volatility witnessed in the Chinese stock and currency markets in 2015 and early 2016 could also dampen investor and business sentiments.

On the domestic front, there are challenges as the restructuring towards productivity-led growth proceeds apace. Notably, companies will face continued margin pressures arising from a confluence of labour supply constraints and a subdued external environment. Notwithstanding the short-term challenges to growth, the restructuring exercise would facilitate Singapore's transformation into a knowledge- and skills-intensive economy over the medium term, and set the stage for the next phase of sustainable growth for a mature economy with binding resource constraints.

C. Labour Market and Consumer Prices

Overall employment grew by 15,500 in Q4 2015

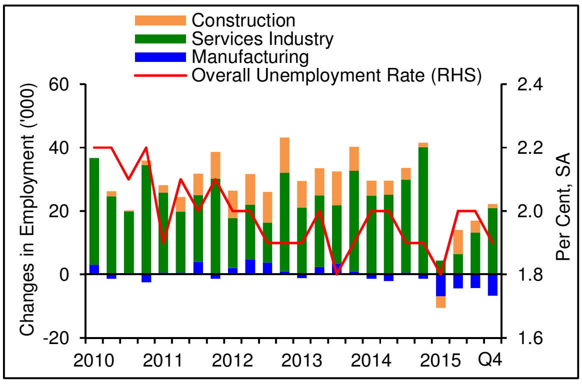
Preliminary estimates indicated that overall employment expanded by 15,500 in Q4 2015, higher than the 12,600 workers added in the preceding quarter. The pickup was supported by increased hiring in services. Headcount gains in construction moderated, while more workers in manufacturing were laid off.

The services sector employed 20,900 more workers in Q4, a step-up from the 13,300 jobs created in the previous quarter. Hiring rose in retail trade and accommodation & food services to meet the seasonal rise in demand during the year-end festivities. At the same time, employment creation remained resilient in the domestic services segments including community, social and personal (CSP) as well as administrative & support services.

Due to the slowdown in private-sector building activities, job gains in construction moderated to 1,300 in Q4 2015, about one-third of that in Q3. Meanwhile, the manufacturing sector shed 6,700 workers, following the 4,300 job cuts in the previous quarter. This was the fifth consecutive quarter of contraction in manufacturing employment, reflecting weaker demand conditions confronting the various clusters.

The overall unemployment rate eased in Q4 2015. Reflecting stronger employment gains in Q4 2015, the overall seasonally-adjusted unemployment rate inched down to 1.9%, from 2.0% in Q3. Similarly, the resident unemployment rate dropped to 2.9%, from 3.0% three months ago. Meanwhile, overall redundancies rose to 4,200 in Q4, from 3,460 in the preceding quarter, as the manufacturing sector saw higher layoffs amid weak cyclical demand conditions and ongoing business restructuring in various industries.

The overall unemployment rate eased in Q4 2015.



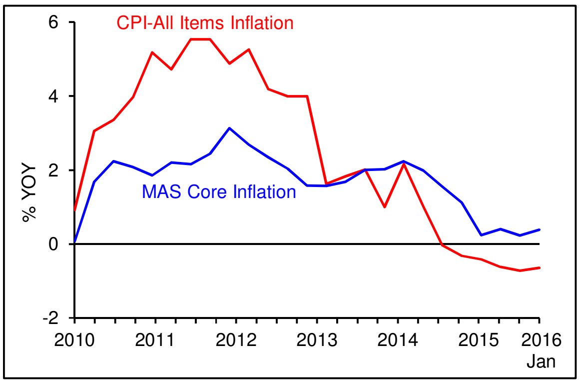
Wage growth moderated to 3.3% on a y-o-y basis in Q4 2015, from 4.1% in the previous quarter. The slowdown was partly due to the retail and accommodation & food services segments, which hired more part-time and temporary workers with lower average monthly salaries. Wage gains continued to be uneven across sectors, being higher in transport & storage and professional services, and lower in manufacturing and administrative & support services.

For the whole of 2015, overall wages grew by 3.5%, while preliminary estimates showed that total employment expanded by 31,800 or 0.9%. **Over the near term, employment creation is expected to remain subdued and wage pressures are likely to ease in line with the tepid economic environment.** Nonetheless, labour demand will continue to be uneven across sectors and wage increments will be larger in industries where manpower shortages are more acute, such as CSP services.

Inflation eased in Q4 2015 before picking up slightly in January 2016

Inflation edged down in the last quarter of 2015. MAS Core Inflation, which excludes the costs of accommodation and private road transport, fell to 0.2% y-o-y in Q4 2015 from 0.4% in Q3, largely due to lower electricity tariffs following the slide in global oil prices in the previous quarter.[6] CPI-All Items inflation was also dampened by softer housing rentals and car prices, and eased to −0.7% in Q4 2015 from −0.6% in Q3.

MAS Core Inflation and CPI-All Items inflation rose in January 2016.



For the whole of 2015, CPI-All Items inflation eased to −0.5% from 1.0% in the preceding year, while MAS Core Inflation was 0.5% compared to 1.9% in 2014. The main contributors to the negative headline inflation rate in 2015 were car prices and housing rentals (−0.7% point), and prices of oil-related items, including petrol, electricity and gas (−0.5% point).

In January 2016, MAS Core Inflation and CPI-All Items inflation edged up to 0.4% and −0.6% respectively, on account of a smaller decline in the cost of oil-related items, and as some temporary disinflationary effects from budgetary and other one-off measures dissipated.

The drag from oil-related items on year-ago inflation eased slightly in January due to base effects. Prices of oil-related items fell by 8.7% in Q4 compared to a drop of 8.1% in Q3, as the reduction in electricity tariffs more than offset the impact of higher petrol pump prices on a year-ago basis.[7] However, the pace of decline in prices of oil-related items slowed to −3.2% in January 2016, as a result of the low base in January last year.

Food inflation edged down to 1.7% in Q4 and January, from 1.8% in Q3. The cost of prepared meals rose at a slower pace of 2.3% in Q4 and 1.8% in January, compared to 2.5% in Q3 2015, largely due to more modest price increases in restaurants. Meanwhile, non-cooked food inflation eased to 0.6% in Q4 from 0.8% in the previous quarter, amid

[6] The fuel cost component of the electricity tariff is based on the average forward fuel oil and dated Brent prices in the first two and a half months in the preceding quarter, and makes up approximately half of the electricity tariff.

[7] Petrol pump prices rose by 1.4% y-o-y in Q4 2015 compared to a 3.5% decline in the previous quarter. This reversal is mainly on account of the relatively low base in the last quarter of 2014 when petrol pump prices fell sharply following the plunge in global oil prices. The cost of petrol incorporates the hike in petrol duty rates announced in Budget 2015.

subdued global food commodity prices. It subsequently picked up to 1.5% in January, as various supermarket price discounts expired.[8]

Services inflation picked up in Q4 but slowed again in January. After rising to 0.8% in Q4 2015 from 0.6% in Q3, overall services inflation fell to 0.5% in January due to a slower pace of increase in education services fees and public road transport fares.[9] Meanwhile, the cost of healthcare services picked up in January as the disinflationary effects of enhanced medication subsidies introduced at the beginning of last year dissipated.[10]

The costs of accommodation and private road transport continued to fall. Accommodation cost was lower by 3.0% and 3.1% in Q4 and January respectively, extending the 2.9% drop in Q3, as the housing rental market continued to soften. Private road transport cost declined by a more moderate 1.7% in Q4 compared to the 2.1% fall in Q3, as the higher cost of petrol more than offset the larger drop in car prices amid weaker Certificate of Entitlement (COE) premiums. An even sharper correction in COE premiums led to a steeper 1.8% decline in the cost of private road transport in January.

Looking ahead, external sources of inflation should remain generally muted, given ample supply buffers in the major commodity markets and weak global demand conditions. Notably, global oil prices have fallen significantly since mid-October, and are expected to average lower for the whole of 2016 compared to last year. On the domestic front, wages are expected to continue to increase, although at a more moderate pace than last year. The pass-through of wage costs to consumer prices may also be tempered by the subdued economic growth environment. Car prices and housing rentals will continue to dampen overall inflationary pressures, given the expected increase in the supply of COEs and newly-completed housing units, respectively.

The 2016 CPI-All Items inflation forecast has been revised down to −1.0–0.0% from −0.5–0.5%, while the MAS Core Inflation forecast remains unchanged at 0.5–1.5%. The revision in the forecast range for headline inflation took into account the significant step-down in global oil prices in recent months and the larger-than-expected decline in COE premiums.[11] The forecast for MAS Core Inflation remains unchanged, as it incorporates a

[8] For example, NTUC introduced a "Big Value Bag" price promotion campaign from July to December 2015, which comprised discounts on daily essentials, cooked food, health products and insurance plans.

[9] Public transport fares were reduced by 1.9% from 27 December 2015. However, given that the fare reduction took place towards the end of the month, the impact was only fully incorporated in January 2016.

[10] Since January 2015, lower- to middle-income Singaporeans have been able to receive enhanced medication subsidies at subsidised Specialist Outpatient Clinics (SOC) and polyclinics. Singaporeans who qualify for the Pioneer Generation Package (PGP) are entitled to an additional 50% off the remaining cost of the subsidised medications. These factors had a dampening effect on year-ago inflation between January 2015 and December 2015.

[11] Car prices fell sharply at the start of the year as car COE premiums fell by about $2,500 (4%) on average over the first four bidding exercises of 2016.

smaller weight of oil-related items[12] and excludes private road transport costs. MAS Core Inflation is expected to pick up gradually over the course of 2016 as the disinflationary effects of oil, as well as budgetary[13] and other one-off measures, dissipate.

[12] The oil-related items in CPI-All Items inflation include electricity, liquefied petroleum gas & gas (for domestic use), as well as fuels & lubricants (including petrol). Fuels & lubricants are a component of private road transport costs, and are thus excluded from MAS Core Inflation. As a result, the weight of oil-related items is 5.0% in CPI-All Items inflation, but only 2.5% in MAS Core Inflation.

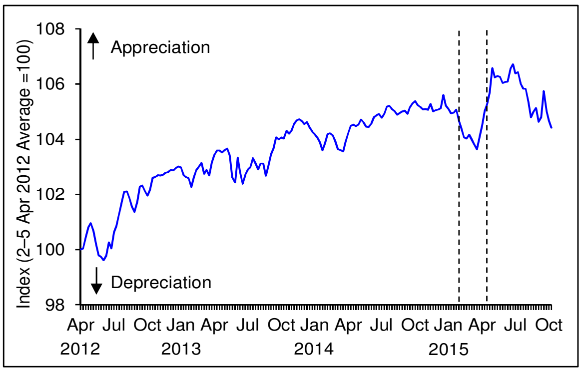
[13] The budgetary measures include medical subsidies under the Pioneer Generation Package, the reduction in the concessionary foreign domestic worker (FDW) levy, the abolition of national examination fees for Singaporeans, and road tax rebates.

D. Macroeconomic Policies

Monetary Policy: MAS reduced the rate of appreciation of the S$NEER policy band slightly in October 2015

In October 2015, MAS reduced the slope of the S$NEER policy band slightly, while keeping it on a modest and gradual appreciation path. There was no change to the width of the policy band and the level at which it was centred. This measured adjustment to the policy stance was assessed to be appropriate in view of the slightly weaker-than-envisaged growth outlook. Together with the policy easing in January 2015, the October policy move will be supportive of economic growth into 2016, while ensuring price stability over the medium term.

MAS reduced slightly the appreciation path of the S$NEER policy band in October 2015.



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The Singapore economy is expected to grow at a modest pace in 2016. Prospects for global economic growth are relatively muted. The modest pace of expansion in the G3 economies and slowdown in China's growth momentum are likely to continue to pose headwinds to the external-oriented sectors of the Singapore economy. In comparison, domestic-oriented sectors such as healthcare and education should stay broadly resilient. On balance, Singapore's GDP growth is projected to come in at 1–3% in 2016, following the 2.0% growth registered in 2015.

MAS Core Inflation will pick up gradually over 2016. Imported inflation is expected to stay generally benign amid weak global demand conditions and ample supply buffers. Oil prices, in particular, have been volatile and are now expected to average lower in 2016 compared to 2015. Domestically, the pass-through of underlying wage pressures to consumer prices should be restrained given the modest growth environment. Nonetheless, the disinflationary effects of oil, as well as budgetary and other one-off measures, will dissipate over the course of 2016. MAS Core Inflation is thus expected to pick up gradually and average 0.5–1.5% this year, compared to 0.5% in 2015. CPI-All Items inflation will remain low, as car prices and housing rentals are dampened by the expected increase in the supply of COEs and newly-completed housing units, respectively. In February 2016, MAS lowered the full year forecast for CPI-All Items inflation to −1.0–0.0% from −0.5–0.5%, while keeping the forecast range for MAS Core Inflation unchanged. This took into account the significant step-down in global oil prices since mid-October and the larger-than-expected decline in COE premiums at the start of the year.

Fiscal Policy: The FY2015 Budget focused on laying the foundations for future growth and strengthening social security

The FY2014 Budget outcome was a smaller deficit of $0.1 billion (0.0% of GDP), compared to the $1.2 billion shortfall projected earlier. This was mainly due to higher-than-expected revenue from motor vehicle taxes, vehicle quota premiums and corporate income tax, which more than offset a slightly larger expenditure outturn on manpower.

Budget 2015 was centred on building Singapore's future in four major areas. First, it focused on developing human capital. Details of the SkillsFuture initiative were unveiled, encompassing credits for work skills-related courses, awards to develop mastery in specialist skills in identified growth clusters, training support for mid-career workers, and stronger industry collaboration, among other measures. The wide range of measures would help Singaporeans develop deep skills and expertise, with the government playing the role of an active enabler.

Second, the Budget aimed to entrench the impact of past restructuring initiatives by expanding on previous measures to boost innovation and internationalisation of local firms. Financial support to encourage businesses to innovate and venture abroad was increased. Budget 2015 also introduced concessionary tax rates for internationalising firms, and piloted a new risk-sharing scheme to provide young and fast-growing companies with alternative financing options. To give businesses more time to adjust to rising costs as they restructure, the Transition Support Package, which was due to lapse in 2015, would instead be phased out gradually—the Wage Credit Scheme and Corporate Income Tax Rebate were extended, although the Productivity and Innovation Credit Bonus was allowed to expire. There was also a deferment in the previously announced foreign worker levy increases, to help firms gradually adapt to a permanently tight labour market.

Third, major infrastructural investments were committed to meet Singapore's future economic and social needs. These included the development of Changi Airport's new terminal T5, improvements in housing estates and the public transport system, as well as the expansion in the capacity of hospitals and nursing homes.

Fourth, Budget 2015 made further strides in strengthening social security for lower- and middle-income Singaporeans. Building on existing measures in our social security framework, such as Workfare and enhanced medical subsidies for the elderly, this Budget introduced the Silver Support Scheme, which provides an income supplement for the bottom 20–30% of Singaporeans aged 65 and above based on their lifetime income, extent of family support, and housing type. The Budget also aimed to enhance CPF savings by raising the salary ceiling to benefit middle-income workers, and increasing the CPF contribution rates as well as interest rates earned on CPF balances for Singaporeans aged 55 and above.

In order to meet increased government spending over the medium term, Budget 2015 introduced two measures to strengthen the revenue base. The first was the proposal to allow the government to spend up to 50% of the expected long-term real returns on its net assets managed by Temasek, on top of that by MAS and GIC. Second, personal income tax rates were raised by 1–2% points for the top 5% of income earners. This also had the effect of making the tax regime more progressive and thus more equitable.

For FY2015, the government has projected an overall budget deficit of $6.7 billion (1.7% of GDP). This includes special transfers, top-ups to trust and endowment funds, and revenue from net investment returns. The basic balance, which includes special transfers only (excluding top-ups to endowment and trust funds), is projected to record a deficit of $9.6 billion (2.4% of GDP).

Summary of Fiscal Position

	FY 2013		FY 2014 Revised		FY 2015 Budgeted	
	$billion	% of GDP	$billion	% of GDP	$billion	% of GDP
Operating Revenue	57.0	14.9	61.3	15.7	64.3	16.0
Total Expenditure	51.7	13.5	57.2	14.6	68.2	17.0
Operating Expenditure	39.7	10.4	43.3	11.1	48.7	12.1
Development Expenditure	12.0	3.1	13.9	3.5	19.5	4.8
Primary Surplus/Deficit (-)	**5.3**	**1.4**	**4.2**	**1.1**	**(3.9)**	**(1.0)**
Less: Special Transfers Excluding Top-ups to Endowment and Trust Funds	3.0	0.8	4.3	1.1	5.7	1.4
Basic Surplus/Deficit (-)	**2.3**	**0.6**	**(0.2)**	**(0.0)**	**(9.6)**	**(2.4)**
Less: Top-ups to Endowment and Trust Funds	5.6	1.5	8.5	2.2	6.0	1.5
Add: NIR Contribution	8.3	2.2	8.6	2.2	8.9	2.2
Budget Surplus/Deficit (-)	**5.0**	**1.3**	**(0.1)**	**(0.0)**	**(6.7)**	**(1.7)**

Note: Figures may not tally due to rounding.

Source: Ministry of Finance

Note: Labour market statistics were obtained from the Ministry of Manpower, while trade and index of industrial production (IIP) data were provided by IE Singapore and EDB respectively. All other data in this document were obtained from the Building and Construction Authority, Department of Statistics, or Ministry of Trade and Industry, unless otherwise stated.

Selected Indicators

GENERAL INDICATORS, 2015			
Land Area (Sq km)	719.1	Literacy Rate* (%), 2014	96.7
Total Population ('000)	5,535.0	Real Per Capita GDP (US$)	51,428
Labour Force ('000)	3,610.6	Gross National Savings (% of GNI)	48.2
Resident Labour Force Participation Rate (%), 2015	68.3		

* Refers to resident population aged 15 years and over.

COMPONENTS OF NOMINAL GDP SECTORAL (% of GDP), 2015		COMPONENTS OF NOMINAL GDP EXPENDITURE (% of GDP), 2015	
Manufacturing	19.8	Private Consumption	36.6
Wholesale & Retail Trade	15.6	Private Gross Fixed Capital Formation	20.5
Business Services	15.5	Public Consumption	10.4
Finance & Insurance	12.6	Public Gross Fixed Capital Formation	5.0
Transportation & Storage	7.4	Increase in Stocks	0.8
Construction	5.2	Net Exports of Goods & Services	26.8
Information & Communications	4.2		
Accommodation & Food Services	2.1		

MAJOR EXPORT DESTINATIONS (% SHARE), 2015		MAJOR ORIGINS OF IMPORTS (% SHARE), 2015	
Total Exports (S$ Billion)	476.3	Total Imports (S$ Billion)	407.8
China	13.8	China	14.2
Hong Kong	11.4	US	11.2
Malaysia	10.9	Malaysia	11.1
Indonesia	8.2	Taiwan	8.3
US	6.3	Japan	6.3
ASEAN	29.6	ASEAN	21.5
NEA-3	19.8	NEA-3	15.3
EU	8.1	EU	12.6

Source: IE Singapore

MAJOR DOMESTIC EXPORTS BY COMMODITY (% SHARE), 2015		MAJOR IMPORTS BY COMMODITY (% SHARE), 2015	
Domestic Exports (S$ Billion)	233.4	Total Imports (S$ Billion)	407.8
Mineral Fuels	31.1	Electronics	29.4
Electronics	20.8	Mineral Fuels	21.8
Chemicals	20.4	Machinery & Transport Equipment (ex. Electronics)	18.3
Machinery & Transport Equipment (ex. Electronics)	11.7	Manufactured Articles	8.8
Manufactured Articles	8.5	Chemicals	7.7
Manufactured Goods	2.6	Manufactured Goods	6.9

Source: IE Singapore

OVERALL ECONOMY	2014	2015	2014 Q3	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	Dec-15	Jan-16
GDP at current prices (S$ bil)	388.2	402.5	96.7	101.0	100.1	100.3	100.1	102.0	na	na
GDP (US$ bil)	306.4	292.7	77.3	78.0	73.8	74.6	71.9	72.5	na	na
Real GDP Growth (YOY % change)	3.3	2.0	3.1	2.8	2.7	1.7	1.8	1.8	na	na
Real GDP Growth (QOQ SAAR % change)	na	na	2.0	6.9	0.2	-1.6	2.3	6.2	na	na
By Sector (YOY % change):										
Manufacturing [1/]	2.7	-5.2	1.7	-1.2	-2.9	-5.2	-6.0	-6.7	-11.9	-0.5
Electronics [1/]	-0.2	-6.8	0.0	-2.8	-4.7	-3.8	-6.3	-12.2	-13.7	1.7
Non-electronics [1/]	4.2	-4.2	2.6	-0.2	-4.1	-4.5	-5.4	-3.0	-10.9	-1.6
Finance & Insurance	9.1	5.3	10.5	12.5	8.1	6.6	4.6	2.4	na	na
Business Services	1.6	1.5	0.4	1.6	2.4	0.6	2.0	0.8	na	na
Construction	3.5	2.5	1.7	0.2	-1.6	3.6	3.0	4.9	na	na
Transportation & Storage	2.6	0.0	1.0	0.4	1.3	-1.0	0.4	-0.9	na	na
Information & Communications	7.0	4.2	8.6	8.6	5.2	5.8	2.5	3.3	na	na
Wholesale & Retail Trade	2.1	6.1	3.8	1.9	5.7	5.5	6.4	6.8	na	na
Accommodation & Food Services	1.7	0.2	0.9	1.7	-0.3	-1.1	1.1	0.9	na	na
By Expenditure Component (YOY % change):										
Consumption	1.7	4.9	0.9	2.9	3.5	3.8	6.1	6.3	na	na
Private	2.2	4.5	1.3	3.1	3.5	4.5	4.6	5.5	na	na
Public	-0.1	6.6	-0.7	2.2	3.7	1.0	12.2	9.4	na	na
Gross Fixed Capital Formation	-2.6	-1.0	-6.3	-1.1	-4.2	2.3	-1.6	-0.7	na	na
Private	-5.2	-2.2	-9.3	-2.4	-3.5	0.4	-1.8	-3.9	na	na
Public	10.4	3.8	9.3	4.9	-6.6	10.6	-0.7	13.8	na	na
External Demand	4.3	2.5	2.0	3.8	4.1	0.4	2.7	2.8	na	na
TRADE										
Total Exports, fob (YOY % change)	0.8	-7.2	-1.6	-4.2	-6.0	-9.0	-8.0	-5.7	-6.4	-15.1
Non-Oil Domestic Exports	-1.5	-0.1	0.9	-0.1	4.0	1.5	-2.2	-3.5	-7.2	-9.9
Re-Exports	2.5	-0.9	-2.4	-1.0	1.1	-5.6	-0.5	1.4	0.0	-12.8
Total Imports, cif (YOY % change)	-0.6	-12.1	-5.7	-6.0	-16.1	-13.0	-9.1	-9.9	-10.6	-13.6
WAGE-PRICE INDICATORS										
Unemployment Rate (SA,%)	2.0	1.9	1.9	1.9	1.8	2.0	2.0	1.9	na	na
Average Nominal Wages (S$ per month)	4,727	4,892	4,314	5,040	5,259	4,611	4,493	5,205	na	na
Consumer Price Index Inflation (YOY % change)	1.0	-0.5	1.0	0.0	-0.3	-0.4	-0.6	-0.7	-0.6	-0.6
MAS Core Inflation (YOY % change)	1.9	0.5	2.0	1.6	1.1	0.2	0.4	0.2	0.3	0.4
FINANCIAL INDICATORS										
S$ Exchange Rate Against: (end-period)										
US Dollar	1.3213	1.4139	1.2728	1.3213	1.3765	1.3474	1.4253	1.4139	1.4139	1.4277
100 Japanese Yen	1.1060	1.1743	1.1643	1.1060	1.1447	1.1014	1.1884	1.1743	1.1743	1.1853
Euro	1.6072	1.5457	1.6157	1.6072	1.4876	1.5080	1.6045	1.5457	1.5457	1.5575
Interest Rates (end-period, % p.a.)										
3-month Fixed Deposit Rate	0.14	0.18	0.14	0.14	0.17	0.16	0.18	0.18	0.18	0.19
3-month S$ SIBOR [2/]	0.46	1.19	0.41	0.46	1.01	0.82	1.14	1.19	1.19	1.25
Prime Lending Rate	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35	5.35
Money Supply (end-period)										
Broad Money, M2 (YOY % change)	3.3	1.5	1.9	3.3	4.1	3.6	3.2	1.5	1.5	1.1
Straits Times Index (end-period) [3/]	3,365.2	2,882.7	3,276.7	3,365.2	3,447.0	3,317.3	2,790.9	2,882.7	2,882.7	2,629.1
YOY % change	6.2	-14.3	3.4	6.2	8.1	1.9	-14.8	-14.3	-14.3	-22.5
GOVERNMENT BUDGET [4/]										
Operating Revenue (S$ mil)	59,995	63,562	16,595	14,034	14,340	16,857	17,888	14,477	na	na
Total Expenditure (S$ mil)	54,805	61,155	12,950	14,214	18,565	12,127	14,352	16,111	na	na
Operating Expenditure	41,758	45,359	9,702	11,326	13,960	7,988	11,123	12,289	na	na
Development Expenditure	13,047	15,797	3,248	2,888	4,605	4,140	3,230	3,822	na	na
Primary Surplus/Deficit (S$ mil)	5,190	2,407	3,645	-179	-4,224	4,730	3,535	-1,634	na	na
% of GDP	1.3	0.6	3.8	-0.2	-4.2	4.7	3.5	-1.6	na	na
BALANCE OF PAYMENTS										
Current Account Balance (% of GDP)	17.4	19.7	21.4	18.4	21.2	16.6	20.6	20.2	na	na
Goods Balance	26.0	28.2	28.8	26.5	30.8	26.9	26.5	28.6	na	na
Services Balance	-1.5	-1.3	-1.0	-1.0	-1.5	-2.4	-0.7	-0.7	na	na
Primary Income Balance	-4.9	-4.7	-4.2	-4.9	-5.6	-5.4	-2.7	-5.2	na	na
Secondary Income Balance	-2.2	-2.5	-2.2	-2.2	-2.5	-2.4	-2.5	-2.5	na	na
Capital & Fin Account Balance (% of GDP)	-15.1	-19.1	-19.1	-18.1	-24.3	-13.3	-20.5	-18.5	na	na
Direct Investment	9.6	10.2	6.3	11.5	12.1	6.8	13.3	8.5	na	na
Portfolio Investment	-17.4	-18.7	-5.1	-0.1	-17.5	-10.4	-19.5	-27.3	na	na
Financial Derivatives	3.9	6.8	3.4	5.7	4.6	7.4	8.3	6.9	na	na
Other Investment	-11.2	-17.4	-23.7	-35.1	-23.5	-17.1	-22.6	-6.5	na	na
Overall Balance (% of GDP)	2.2	0.4	3.5	0.1	-1.3	2.7	0.5	-0.3	na	na
Official Foreign Reserves (US$ mil) [5/]	256,860	247,747	266,142	256,860	248,404	253,280	251,640	247,747	247,747	244,859
Months of Imports	8.4	10.0	8.5	8.4	8.6	9.3	9.7	10.0	10.0	10.1

Source:

[1/] Index of Industrial Production from EDB.

[2/] ABS Benchmarks Administration Co Pte Ltd

[3/] Straits Times Index from SGX.

[4/] Ministry of Finance

[5/] MAS

na: Not available