Monetary Authority of Singapore

# RECENT ECONOMIC DEVELOPMENTS IN SINGAPORE

**5 September 2017**

| | 2016 | | | 2017 | |
|---|---|---|---|---|---|
| | Q3 | Q4 | Full Year | Q1 | Q2 |
| **Real Sector** | | | | | |
| Real GDP Growth, y-o-y % | 1.2 | 2.9 | 2.0 | 2.5 | 2.9 |
| Real GDP Growth, q-o-q saar % | −0.4 | 12.3 | - | −2.1 | 2.2 |
| Index of Industrial Production, y-o-y % | 1.8 | 11.8 | 3.7 | 8.5 | 8.1 |
| Non-oil Domestic Exports, y-o-y % | −5.4 | 2.7 | −2.8 | 15.3 | 2.9 |
| **Labour Market and Prices** | | | | | |
| Unemployment Rate, sa, % (Average) | 2.1 | 2.2 | 2.1 | 2.2 | 2.2 |
| CPI-All Items Inflation, y-o-y % | −0.4 | 0.0 | −0.5 | 0.6 | 0.8 |
| Wage Growth, y-o-y % | 3.4 | 3.3 | 3.7 | 1.9 | 3.1 |

## Domestic economic activity saw an uptick in Q2 2017

The Singapore economy grew by 2.2% q-o-q saar (quarter-on-quarter seasonally-adjusted annualised rate) in Q2 2017, following a 2.1% decline in the previous quarter. The turnaround was due to an improvement in the trade-related sectors' performance and a reversal to positive growth in financial services. Meanwhile, the domestic-oriented cluster was supported by private non-residential building and civil engineering construction works, as well as a pickup in demand for essential services.

## The global economy strengthened in Q2 2017, and is on track to turn in a creditable full-year performance

The synchronous upturn in the global economy gathered pace in Q2, on account of strong domestic demand in the G3 and a concurrent upswing in trade flows that benefited the Asian economies. The sequential growth momentum in all regions is expected to remain firm for the rest of the year, driven by rising consumer and business confidence. For 2017 as a whole, global GDP growth is projected to increase to 4.2%.

## Singapore's GDP growth is forecast to be 2–3% in 2017

Growth in the domestic economy is expected to come in stronger than the 2% recorded last year. The trade-related cluster should remain a key source of support, alongside the sustained upswing in the global IT cycle. A further pickup in financial services activity and robust corporate demand for ICT solutions will also buttress overall growth. In the domestic-oriented cluster, an improvement in economic sentiment should lend support to the consumer-facing industries.

## Inflation is expected to pick up modestly

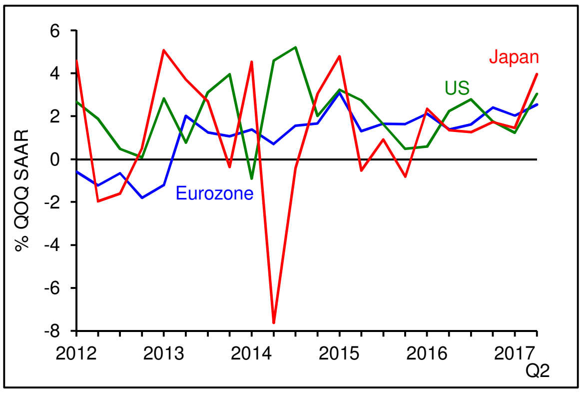
MAS Core Inflation is expected to average 1–2% in 2017, compared with 0.9% in 2016. Similarly, CPI-All Items inflation is projected to rise to 0.5–1.5% this year, from −0.5% in 2016. The pickup in inflation largely reflects the positive contribution of energy-related components amid a turnaround in global commodity markets since late last year, as well as the temporary impact of various administrative price increases. In comparison, demand-induced price pressures remain relatively subdued at this juncture.

# A. External Developments

## G3 growth accelerated in Q2 2017, boosted by domestic demand

GDP growth in the G3 surprised on the upside, rising to 3.0% q-o-q saar in Q2 2017 from 1.6% in Q1. Buoyed by firmer domestic demand, output in each economy posted its most rapid pace of increase in nine quarters. US growth rebounded as consumption expenditure revived after a tepid Q1 outturn while Japan's outperformance was undergirded by increased business investment and public infrastructure spending. Economic activity in the Eurozone was fuelled by growing optimism and the continued recovery in the labour market. Accordingly, G3 growth projections for both 2017 and 2018 have been revised up to 1.9% from 1.8% in June.

**G3 growth accelerated in Q2, led by a stronger-than-expected expansion in Japan.**




Source: CEIC

**US economic growth rebounded to 3.0% q-o-q saar in Q2 2017, from a subdued 1.2% in Q1.** Stronger consumer spending, especially in durable goods, outweighed the drag from lower residential fixed investment. Private consumption increased by 3.3% q-o-q saar, as real disposable income grew at its most vigorous pace since Q2 2015, even as the effects of a delay in income tax refunds dissipated. Machinery and equipment spending growth surged to 8.8% q-o-q saar amid an upturn in IT expenditure by businesses. However, this was partly offset by lower spending on structures, causing overall gross fixed investment growth to moderate to 3.6% q-o-q saar in Q2, as compared to 8.1% in Q1. Further, residential investment declined by 6.5% q-o-q after expanding for two consecutive quarters, exerting a 0.3% point drag on the economy. The contribution of net exports to overall GDP growth was maintained at 0.2% point in Q2, as a reduction in imports compensated for weaker goods exports.

**The US economy is expected to sustain its growth momentum in H2 2017 on the strength of domestic demand.** Private consumption, supported by upbeat household sentiment and a strong labour market, will continue to underpin economic activity. The Conference Board Consumer Confidence Index strengthened further in August to 122.9. Non-farm payroll employment registered gains averaging 185,000 per month over the three months to August, helping to keep the unemployment rate at just below 4.5%. Retail sales increased by 0.6% m-o-m in July, marking a good start to household spending in Q3. On the production side of the economy, manufacturing PMIs point to continued expansion in industrial output, as business confidence reached a six-month high while the services PMI has also edged higher. Looking ahead, however, the broad-based economic expansion could be dampened by policy risks, including the need to secure Congressional approval to raise the debt ceiling by mid-October. Considerable uncertainty shrouds a range of economic policy initiatives such as tax cuts, deregulation, infrastructure spending and trade policies. On balance, the US economy is still projected to grow at a stronger pace in 2017 and 2018, as compared to last year, with the latest consensus growth forecasts pegged at 2.1% and 2.4%, respectively.

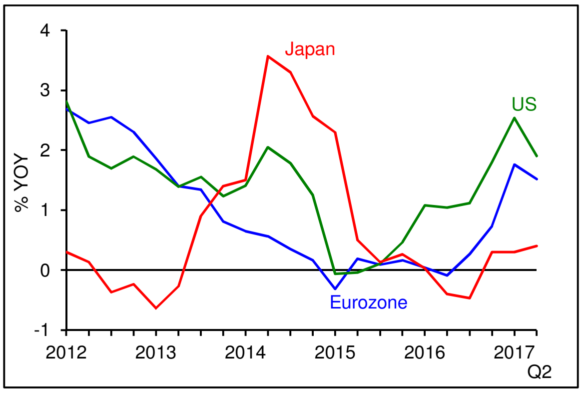
**The Eurozone economy expanded by a stellar 2.5% q-o-q saar in Q2 2017, up from 2.0% the quarter before.** Private consumption picked up across the region, underpinned by steady gains in employment and wages. In particular, firm household spending led the GDP expansions of 2.5% and 3.5% q-o-q saar in Germany and Spain, respectively. In Italy, industrial production ramped up, even as firms increased investment in line with improving business confidence. Stronger exports in France and the Netherlands—with shipments rising by 13% and 7.5% q-o-q saar respectively—compensated for slightly weaker investment outturns. On the fiscal front, government expenditure was broadly supportive of growth across the monetary union. Reflecting the cumulative improvement in the GDP growth momentum since Q3 2014, the unemployment rate in the Eurozone fell to a multi-year low of 9.1% in June 2017.

**Eurozone growth in the coming quarters will be supported by favourable credit conditions, continued employment gains and rising confidence.** The July ECB *Bank Lending Survey* highlighted easing credit standards on loans to both enterprises and households. The wider access to bank credit and recovery in the labour market augur well for further increases in household spending. At the same time, the revival in private investment is expected to gain some traction as housing markets firm and business capital expenditures are stepped up to meet replacement demand, following the protracted period of subdued growth. The European Commission's Economic Sentiment Index has risen to its highest level in a decade, reflecting buoyant optimism in the region and the fading of political uncertainty in the aftermath of recent national elections. Nonetheless, potentially fractious Brexit negotiations and structural reform inertia could pose constraints. All considered, the Eurozone is expected to expand by 2.0% in 2017 and 1.8% in 2018.

**Japan's GDP growth increased to 4.0% q-o-q saar in Q2 2017, from 1.5% in Q1, on the back of robust domestic demand.** Private consumption increased by 3.7% q-o-q saar in Q2, a vast improvement from the 1.5% registered in the previous quarter. Business fixed investment rose by 9.9% q-o-q saar, the fastest clip since Q1 2014, amid sanguine business sentiment and higher corporate profits. The growth in government spending ticked up to 5.1% q-o-q saar in Q2, as public investment soared by 21.9% q-o-q saar, in line with the implementation of infrastructure projects included in the fiscal stimulus package. Meanwhile, net exports shaved 1.1% points off overall GDP growth in Q2, after contributing positively for five consecutive quarters. Exports fell by 1.9% q-o-q saar due in part to a retrenchment in electronics shipments to Asia, even as imports increased by 5.6% q-o-q saar due to higher domestic demand.

**Growth is likely to ease slightly for the rest of 2017, even though the positive momentum will be maintained.** The Japanese economy will continue to benefit from a moderate increase in corporate capital spending and steady fiscal stimulus. Robust demand for electronics parts and capital goods, on the back of the upswing in the IT cycle and the global investment recovery, will underpin a renewed trade expansion. The recovery in private consumption is expected to persist, but at a slower pace as wage growth remains tepid despite a tight labour market. On balance, Japan's growth is projected to come in at 1.4% in 2017, before pulling back to 1.1% in 2018 as the effects of government spending peter out.

**Inflation in the G3 economies declined in Q2.**

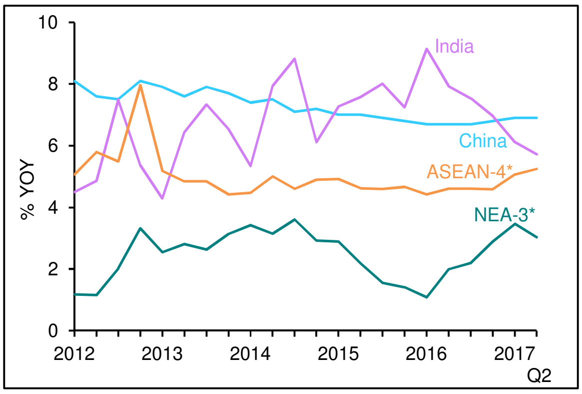



Source: CEIC

**Despite stronger growth outcomes, inflation in the G3 economies surprised on the downside, slipping to 1.6% in Q2 2017.** US CPI inflation declined to 1.9% y-o-y in Q2, from 2.5% in Q1, due to lower retail energy prices and idiosyncratic factors such as price cuts for prescription drugs and mobile phone subscription plans. Headline inflation in the Eurozone also fell to 1.5% y-o-y in Q2 from 1.8% a quarter ago, owing to a sharp deceleration in both energy and food price inflation. In contrast, CPI inflation in Japan rose marginally to 0.4% y-o-y in Q2, from 0.3% in the previous quarter, reflecting higher prices for electricity and gas. Notwithstanding the tighter labour market conditions in the G3 economies, wage gains remained subdued while core inflation has come in below expectations. However, average headline inflation in the G3 is still projected to rise to 1.6% in 2017, from 0.7% last year, due to the turnaround in oil and commodity prices. The inflation rate is expected to remain unchanged at 1.6% in 2018, predicated on modest core inflation and relatively steady energy prices.

## Asia ex-Japan growth was firm in Q2 2017, amid a trade upswing

**Growth in Asia ex-Japan was stable in Q2.**




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.

Asia ex-Japan growth held steady at 5.2% y-o-y in Q2 2017, as faster growth in the ASEAN-4 compensated for weaker outcomes in India and the NEA-3 region. China registered another quarter of robust expansion, contrary to expectations for a deceleration owing to the official crackdown on irregular financing. With India and the NEA-3 economies likely to resume on an upward growth path and the rest of the region turning in firm performances, Asia ex-Japan growth is projected at 5.0% in 2017 and 4.8% in 2018, compared to 4.7% in 2016.

**In China, GDP growth stayed elevated at 6.9% y-o-y in Q2, as the strength in trade-related sectors offset the milder-than-expected impact of financial tightening.** In sequential terms, Chinese growth ticked up to 1.7% q-o-q sa from 1.3% in Q1. Alongside a recovery in exports, domestic demand has risen steadily as fixed investment growth picked up even while consumption growth softened. In year-ago terms, the industrial sector expanded at its fastest pace in 10 quarters as the global IT upturn buoyed production in the high-tech segment. The services sector expanded more rapidly than GDP, but its growth rate nevertheless edged down slightly to 7.6% y-o-y in Q2. In particular, financial services value added increased by only 3.2% in the second quarter, as stricter financial regulations took effect. In contrast, demand for trade-related services was held up by overseas shipments.

**China is on track to expand at a steady pace for the rest of the year, with policy measures focused on ensuring ample credit to the real economy while reining in shadow lending risks.** In H2 2017, the central bank and regulatory authorities are expected to continue with their efforts to curb leverage in the financial sector and stem risks to financial stability. However, the supply of credit to the real economy is not expected to suffer significantly as a result. Even as policy measures have brought about a retrenchment in irregular credit, their dampening impact on growth has been countered by a ramp-up in formal lending. Aggregate financing to the real economy in China surged by 36% y-o-y in Q2 and 155% in July, alongside only a mild increase in borrowing costs. Property market curbs in the major cities will likely dampen growth in the domestic real estate sector, but buoyant corporate profits will support business expansion. On the export front, healthy demand for tech products should continue to spur China's manufacturing output. On balance, GDP growth is expected to be maintained at 6.7% this year, before easing to 6.3% in 2018.

**India's growth came in softer than expected in Q2 2017, as uncertainty ahead of the introduction of the GST in July weighed on consumption spending, with spillover effects**

**on production.** GDP growth decelerated to 5.7% y-o-y from 6.1% in the preceding quarter, the weakest outturn since Q1 2014. Private consumption growth—which has typically accounted for more than half of GDP growth—weakened to 6.7% in Q2 from 7.3% y-o-y, as consumers postponed large purchases owing to the uncertain net effects of the GST on the prices of different goods and services. Likewise, public consumption growth moderated but stayed elevated at 17.2% y-o-y, supported by the frontloading of central government spending. Reflecting stronger public capex, overall investment growth ticked up marginally to 1.6% y-o-y. Meanwhile, net exports exerted a 2.6% point drag on growth in Q2, which could be attributed in part to rupee appreciation since H2 2016. In terms of the sectoral breakdown, the slowdown in Q2 was caused by the sharp deceleration in manufacturing growth, to 1.2% y-o-y from 5.3% in Q1, although this was partly offset by the recovery in the cash-intensive services sectors as the effects of demonetisation dissipated. Looking ahead, economic activity is expected to normalise in the coming quarters as businesses replenish their inventories, after running them down ahead of the GST implementation. Accordingly, India's growth is expected to rise moderately to 7.3% in FY2017, before picking up to 7.6% in FY2018.[1]

**Growth in the NEA-3 economies slackened to 3.0% y-o-y in Q2 2017, from 3.5% in the previous quarter.** On a q-o-q saar basis, activity in the region slowed to 2.6% from 3.4% due to a lull in the tech cycle associated with inventory normalisation, even as domestic demand remained resilient in Hong Kong and Korea. In the latter, a surge in semiconductor exports was offset by a fall in shipments of mobile phones and parts, causing net exports to subtract 2.4% points from GDP growth, which came in at 2.7% y-o-y in Q2. In Hong Kong, overall growth in Q2 was stronger than expected at 3.8% y-o-y, notwithstanding a slight drag from net exports. Favourable labour market conditions underpinned robust private consumption, which rose by an impressive 5.3% y-o-y. In comparison, Taiwan's lacklustre growth outturn in Q2 of 2.1% y-o-y was mainly attributable to a step-down in domestic demand, as gross fixed capital formation contracted by 0.3% y-o-y on account of slowing machinery and equipment expenditure, reversing an expansion of 4.5% in the preceding quarter.

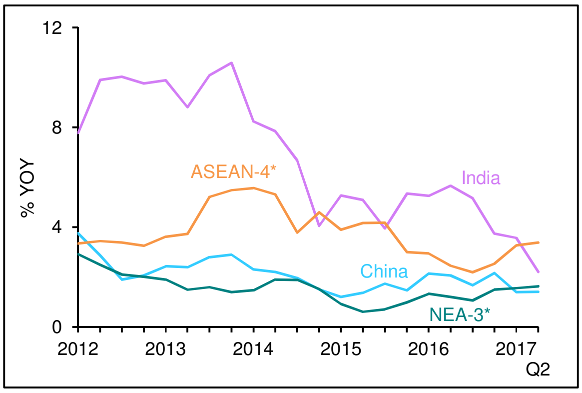
**The ongoing upswing in the global technology cycle is expected to boost activity in the NEA-3 for the rest of 2017.** Manufacturing and trade activities in the NEA-3 economies, which are deeply embedded in the global electronics supply chain, are likely to be buttressed by stronger-than-usual end demand for new smartphone models to be launched in H2 2017. Export orders in Taiwan rose by a robust 10.5% y-o-y in July while the manufacturing PMI reading in August reached a four-month high of 54.3. Fiscal policies in the region will also be supportive of growth, following the recent parliamentary passage of the supplementary budget in Korea and the roll-out of a multi-year infrastructure plan in Taiwan. Nonetheless, heightened geopolitical uncertainty in the Korean peninsula and the risk of protectionist trade measures could inject some caution into businesses' expansion plans. All in, GDP growth in the NEA-3 is projected to rise to 2.6% in 2017, before slowing to 2.3% in 2018.

[1] FY2017 refers to the financial year from April 2017 to March 2018.

**The ASEAN-4 economies experienced a growth spurt in H1 2017.** After hitting a four-year high of 5.1% y-o-y in Q1 2017 on resurgent trade flows, the region's average rate of expansion improved further to 5.2% in Q2. The growth pickup was broad-based—apart from Indonesia, the other ASEAN economies all witnessed accelerations in their GDP growth. The Philippines and Malaysia in particular benefited from buoyant global demand for their electronic exports, and hence performed significantly better than expected. Household spending also advanced at a brisk pace in both economies, underpinned by steady employment and wage growth. In Thailand, higher farm incomes due to an exceptionally good harvest and tourism-related expenditures also lifted consumption spending. In comparison, an incipient recovery in private investment growth in Indonesia was partially offset by a pullback in public spending.

**Growth in the ASEAN-4 will remain on a solid footing as the spillovers from external demand filter through to higher domestic spending.** In Malaysia, the implementation of big-ticket infrastructure projects, such as the East Coast Rail Line (ECRL), will impart a positive impulse to growth. A firmer ringgit will also restrain inflationary pressures and stimulate household consumption spending. Investment in Thailand has yet to show signs of an enduring recovery, but private consumption will remain supportive of growth. In the Philippines, the 2017 fiscal deficit target has been revised upwards to 3% of GDP, from 2% previously. The higher deficit target and proposed tax reform, worth an estimated 0.8% of GDP in 2018, will see more fiscal resources allocated to high-priority areas, such as education and infrastructure development. Meanwhile, with a smaller budget deficit and slightly negative fiscal impulse projected for 2018, Indonesia's growth prospects will hinge on a stronger investment upturn, given the modest outlook for private consumption. All in, ASEAN-4's projected growth, at 4.9% in 2017 and 4.8% in 2018, is likely to surpass earlier expectations.

**Inflation in Asia ex-Japan declined further in Q2.**




Source: CEIC and EPG, MAS estimates

* Regional groupings are weighted by 2013 nominal GDP.

**Headline inflation in Asia ex-Japan fell to 1.8% y-o-y in Q2 2017, as food inflation in China and India remained in negative territory.** While core inflation in China continued to climb gradually, headline inflation kept at 1.4% y-o-y for the second straight quarter, held down by a significant decline in food prices. In India, CPI inflation fell to a record low of 2.2% y-o-y in Q2, also as a result of lower food prices as well as easing fuel and services inflation. In the NEA-3 economies, headline inflation remained unchanged at 1.6% y-o-y in Q2 2017, as higher price increases in Hong Kong were offset by weaker outturns in Korea and Taiwan. Within the ASEAN-4 economies, headline inflation edged up slightly as electricity tariffs were adjusted upwards in Indonesia, but demand-pull pressures were generally subdued and underlying inflation benign. Accordingly, projections for CPI inflation in Asia ex-Japan have been marked down to 2.4% in 2017 and 2.8% in 2018, from June's forecasts of 2.7% and 2.9% respectively.

## Table 1: Consensus Forecasts of GDP Growth

| | 2015 | 2016 | Forecast 2017 | Forecast 2018 |
|---|---|---|---|---|
| | Percent | | | |
| **Industrial** | | | | |
| US | 2.9 | 1.5 | 2.1 | 2.4 |
| Japan | 1.1 | 1.0 | 1.4 | 1.1 |
| Eurozone | 1.9 | 1.7 | 2.0 | 1.8 |
| UK | 2.2 | 1.8 | 1.6 | 1.4 |
| **NEA-3** | | | | |
| Hong Kong | 2.4 | 2.0 | 2.8 | 2.3 |
| Korea | 2.8 | 2.8 | 2.8 | 2.6 |
| Taiwan | 0.7 | 1.5 | 2.2 | 2.1 |
| **ASEAN-4** | | | | |
| Indonesia | 4.9 | 5.0 | 5.2 | 5.3 |
| Malaysia | 5.0 | 4.2 | 5.0 | 4.7 |
| Thailand | 2.9 | 3.2 | 3.4 | 3.4 |
| Philippines | 6.1 | 6.9 | 6.4 | 6.4 |
| **China** | 6.9 | 6.7 | 6.7 | 6.3 |
| **India*** | 8.0 | 7.1 | 7.3 | 7.6 |

Source: CEIC and Consensus Economics, August 2017

* Financial Year ending March.

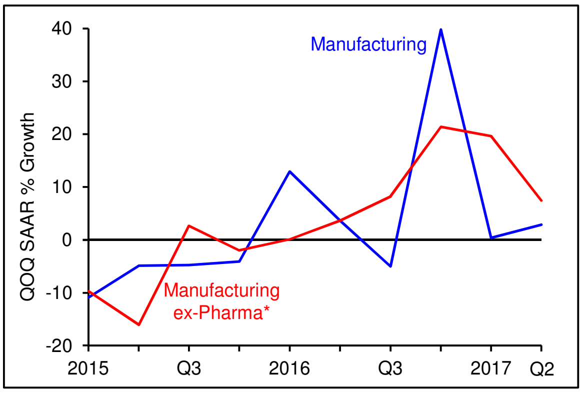
# B. Domestic Developments

## The Singapore economy strengthened in Q2 2017

The Singapore economy expanded by 2.2% q-o-q saar in Q2 2017, reversing the 2.1% contraction in the preceding quarter. The improvement largely reflected robust growth in the trade-related sectors, particularly in the IT-related industries. The modern services cluster also saw some improvement, with growth in the financial sector offsetting weakness in pockets of professional services. Meanwhile, domestic-oriented activities picked up in Q2. The construction and retail sectors registered some recovery, even as the accommodation & food services sector remained lacklustre.

**The manufacturing sector expanded by 2.9% q-o-q saar in Q2 2017, an improvement from the marginal 0.3% growth in the preceding quarter.** This was largely due to an 8.4% q-o-q sa increase in electronics output, with segments such as semiconductors and computer peripherals posting robust growth. In particular, the semiconductors segment benefited from sustained global demand for memory chips in smartphone and automotive applications, while the output of specialty chemicals was also higher on the back of strong demand for mineral oil additives. Conversely, other segments of the manufacturing sector experienced declines. Notably, the marine & offshore engineering segment shrank by 8.6% q-o-q sa, extending the 3.1% contraction seen in Q1 2017, amid sluggish demand for oil & gas exploration capital equipment. The biomedical cluster was also weighed down by a 6.4% q-o-q sa decrease in pharmaceuticals output, even as demand for medical devices provided some countervailing support.

**Growth in manufacturing was boosted by robust increases in electronics and chemicals output.**




* EPG, MAS estimates

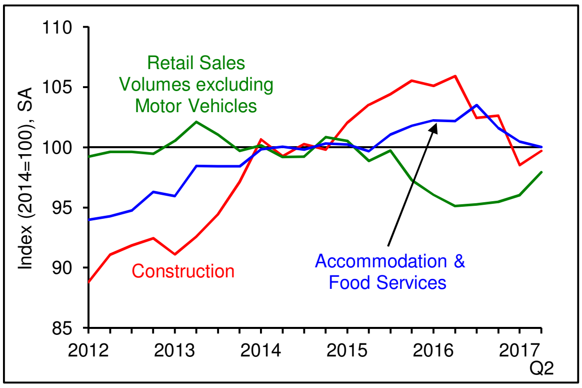
**Trade-related services registered some improvement in Q2.** The water transport segment benefited from the strong increase in container throughput handled at Singapore's ports. Concomitantly, foreign wholesale trade rose by 0.6% q-o-q sa in Q2 after the 2.3% decline in the preceding quarter, due in part to the robust growth in the electronics segment.

**Financial services grew by 3.9% q-o-q saar in the quarter, compared with an 18.7% decline in the preceding quarter.** The rebound largely reflected a turnaround in the sentiment-sensitive cluster and improved outturns in the insurance segment. Among the former, fund managers saw a marked sequential step-up in net fees and commissions earned, alongside buoyant investor interest in regional assets. Average daily forex turnover also grew by 2.6% q-o-q, following a flat outturn in the preceding quarter. In addition, the insurance industry posted a strong performance in Q2, with firm expansions in both life and general insurance segments. Meanwhile, lending activities remained on an upward trajectory. ACU non-bank lending expanded by 4.0% q-o-q, reflecting robust credit demand from East Asia and the Americas. DBU non-bank lending also increased by 1.2%, amid broad-based improvements across consumer and business loans.

**The business services and information & communications sectors picked up in Q2.** In business services, a turnaround in real estate development and management activities helped to offset sequential declines in accounting services and headquarter functions. The information & communications sector expanded by 2.2% q-o-q saar in the quarter, on the back of robust demand for broadband and enterprise fixed services, which includes cybersecurity and data solutions for corporates.

**In the domestic-oriented cluster, construction and retail sales registered upticks in activity in Q2 2017.** The construction sector grew by 4.9% q-o-q saar, supported by increases in private non-residential building and civil engineering works. In the consumer-facing segments, retail sales volumes (excluding motor vehicles) continued to rise, with greater spending on discretionary items such as departmental store products and household equipment. However, restaurant spending remained weak, while several hotels underwent renovation and refurbishment in Q2 2017, causing a reduction in room revenues. Overall, the accommodation & food services sector declined by 1.8% q-o-q saar. In comparison, there were continued increases in demand for essential services such as education and healthcare.

**Improved outturns in Q2 2017 were seen in private sector construction and retail sales.**




## Growth is projected to remain modest in H2

**The Singapore economy is projected to stay on a modest growth trajectory in H2 2017, bringing GDP growth to 2–3% for the full year.** Barring the materialisation of risks in the external environment, growth in the advanced economies is likely to remain on a solid footing in H2, amid healthy labour market conditions as well as robust private consumption and corporate capital spending. Meanwhile, the stabilisation of growth in China, strong domestic demand in ASEAN and favourable export outturns in the NEA-3 will anchor economic activity in Asia ex-Japan.

Firm external demand conditions, coupled with the upturn in the global IT cycle, will continue to impart positive spillovers to Singapore's trade-related sectors. The surge in demand for memory chips across multiple market segments, including smartphones, automotive applications and Internet of Things (IoT) devices, will provide further support to semiconductor and semiconductor equipment manufacturers in the electronics and precision engineering clusters.[2] According to EDB's latest *Business Expectations of the Manufacturing Sector Survey*, a net weighted balance of 7% and 10% of firms in the electronics and precision engineering segments, respectively, expect better business conditions in H2 relative to Q2 2017.

In financial services, sustained regional trade expansion is expected to buttress growth in trade financing. Interest among global investors in relatively higher-yielding emerging Asia assets will also anchor demand for fund management services in the second half of the year. Nonetheless, policy and political uncertainty in the major economies could still result in intermittent bouts of heightened volatility in the global financial markets, which will negatively impact trading volumes on the local bourse. Meanwhile, demand for information and communications services is expected to remain strong, bolstered in part by the ongoing rollout of Smart Nation initiatives. The SMEs Go Digital programme for instance, will encourage firms to increase their adoption of basic productivity tools such as digital ordering and payment, as well as more advanced cybersecurity and data analytics capabilities.

Some pockets of domestic-oriented activities will continue to be resilient. In addition to ongoing public infrastructure works, new public residential projects, such as a mixed development project in Bukit Batok, as well as estate upgrading projects, will lend support to the construction sector. An uplift in regional consumer confidence, including in Singapore[3], will also positively impact the retail and accommodation & food services industries.

[2] In July 2017, Gartner upgraded its worldwide semiconductor revenue growth forecast for the year to 17%, from 12% previously.

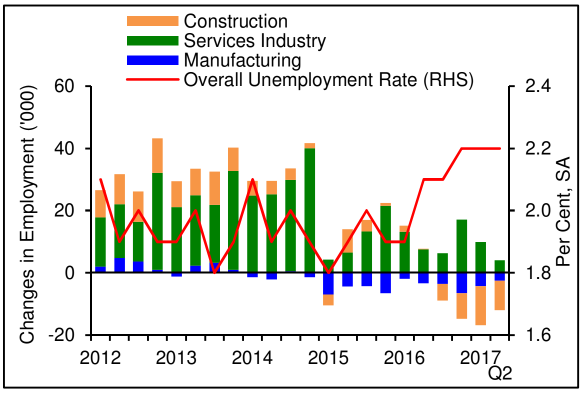
[3] Mastercard's Index of Consumer Confidence showed an overall improvement in consumer confidence in Singapore in H1 2017.

# C. Labour Market and Consumer Prices

## Overall net employment contracted by 7,800 in Q2 2017

**Preliminary estimates showed that overall net employment in Singapore declined by 7,800 in Q2 2017, following the contraction of 6,800 in Q1.** This largely reflected a continued reduction in Work Permit Holders in the construction and manufacturing sectors in Q2. Nonetheless, job losses in both sectors had moderated from the previous quarter to −9,500 and −2,500, respectively. In comparison, employment in the services sector continued to expand (4,100), though at a slower pace than in Q1 (9,900).

**The overall unemployment rate was stable at 2.2% in June 2017.**



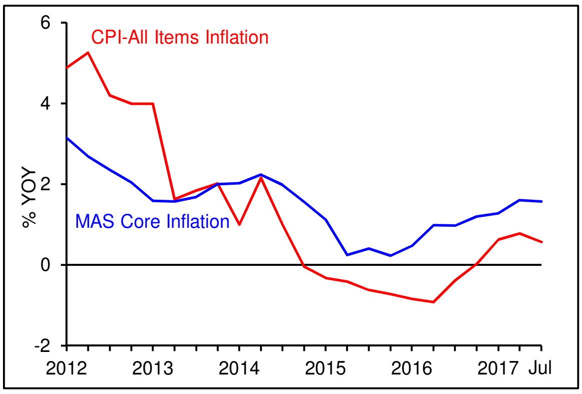

**The overall unemployment rate held steady, while the resident unemployment rate edged down in Q2.** The seasonally-adjusted overall unemployment rate was unchanged from the previous quarter at 2.2%. Meanwhile, the seasonally-adjusted resident unemployment rate declined slightly to 3.1% from 3.2% in Q1, but remained higher than a year ago. Based on preliminary estimates, 3,500 workers were laid off in Q2 2017, fewer than in Q1 (4,000) and a year ago (4,800). The fall in redundancy was broad-based across the manufacturing, construction and services sectors.

**Resident wage growth came in at 3.1% on a y-o-y basis in Q2 2017,** up from 1.9% in the previous quarter. Wage gains remained generally firm in sectors such as administrative & support, modern services, and wholesale trade, but weaker in transport and storage.

**In 2017, employment is expected to be uneven across sectors.** For example, hiring in services is likely to be more resilient, while construction and the marine & offshore engineering-related sectors could see some slack. In general, soft labour demand conditions will dampen the build-up of underlying wage pressures in the economy.

## Inflation rose in Q2 2017

**Core and headline inflation have trended up.**




**Both core and headline inflation have continued to trend upwards, driven by the increase in the cost of electricity and gas.** MAS Core Inflation, which excludes the costs of accommodation and private road transport, increased to 1.6% y-o-y in Q2 2017 from 1.3% in the preceding quarter. Meanwhile, CPI-All Items inflation rose to 0.8% from 0.6% over the same period. This reflected the broader recovery in global oil prices in Q1 2017, which filtered through to domestic electricity and gas prices in Q2. In July, core inflation remained unchanged at 1.6% as the rise in retail inflation, in addition to the hike in water prices[4], offset smaller increases in the cost of electricity and gas. In comparison, headline inflation fell to 0.6%, as a result of a decline in private road transport inflation.

**The cost of electricity and gas has risen on the back of higher global oil prices.** On a year-ago basis, the price of electricity and gas[5] surged by 19.0% in Q2, compared to the 3.8% increase in Q1. It eased to 7.9% y-o-y in July due to a smaller increase in electricity tariffs, as global oil prices subsequently fell towards the end of Q2.

**Services inflation moderated in Q2, and eased further in July.** Overall services inflation was 1.5% in Q2, down from 1.7% in Q1, as a result of smaller increases in the cost of domestic services and holiday expenses. Services inflation dipped further to 1.4% in July, due to a decline in holiday expenses, as well as a slower pace of increase in tuition fees.

**Food inflation edged down** to 1.4% in Q2, from 1.5% in the preceding quarter. This reflected more modest price increases for fast food meals, and to a smaller extent, lower non-cooked food inflation as a result of a high base in the previous year due to weather-related disruptions to the supply of perishable food items. Overall food inflation remained stable at 1.4% in July, as the rise in non-cooked food inflation was offset by smaller price increases for restaurant meals.

**Both private road transport and accommodation inflation have declined in recent months.** Private road transport inflation eased to 5.3% in Q2 from 6.0% in Q1, due to smaller increases in car and petrol prices. It slid further to 3.5% in July, as car prices declined following a steep fall in COE premiums. Meanwhile, the cost of accommodation

[4] With effect from 1 July 2017, water prices (comprising water tariffs, water conservation tax, waterborne fee and sanitary appliance fee) for domestic users were revised upwards by 15% as part of a phased 30% increase in water prices over two years announced in the FY2017 Budget. Sanitary appliance fees and waterborne fees were also restructured into a single volume-based fee.

[5] Electricity and gas includes electricity, liquefied petroleum gas (LPG) and gas (for domestic use).

remained on a downtrend, registering a steeper fall of 4.1% in Q2 compared to 4.0% in Q1, as the larger year-ago decline in actual and imputed rentals more than offset a rise in the cost of housing maintenance & repairs resulting from the increase in Service & Conservancy Charges (S&CC) in June.[6] Accommodation cost continued to decline at a similar pace in July.

**External inflationary pressures have picked up amid a turnaround in global commodity markets since late last year.** Global oil prices have risen from their trough in the previous year, and are likely to average higher in 2017, although upward pressures would be capped by elevated inventories alongside rising US crude oil production. Administrative price adjustments[7] will also contribute to a temporary increase in inflation this year. Overall, domestic sources of inflation remain relatively muted. Conditions remain slack in the labour market, and this is expected to dampen underlying wage pressures, even as commercial and retail rents have continued to ease. The subdued economic environment will also limit the extent to which businesses pass on higher costs to consumers.

**For 2017, MAS Core Inflation is expected to average 1–2%, compared with 0.9% in 2016, while CPI-All Items inflation is projected to rise to 0.5–1.5% from −0.5% last year.** The projected rise in inflation can be attributed to the positive contribution of energy-related components and the impact of administrative price increases, rather than any significant pickup in generalised demand-induced price pressures.

[6] S&CC was raised for 15 town councils with effect from 1 June this year.

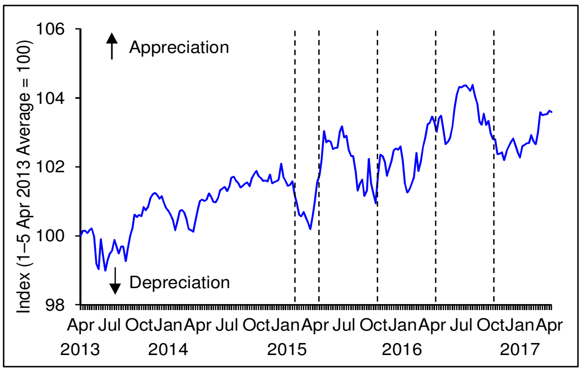
[7] These include the upward revision in car park charges and household refuse collection fees which took effect from December 2016 and January 2017 respectively, as well as the rise in S&CC from June 2017 and the increase in water prices from July this year. U-Save rebates, which have also been increased and will partially offset the impact of higher water prices, are not taken into account in the CPI.

# D. Macroeconomic Policies

## Monetary Policy: MAS reaffirmed the neutral policy stance announced in April 2017

**In April 2017, MAS kept the rate of appreciation of the S$NEER policy band at 0%**, with no change to the width of the band or the level at which it was centred. As indicated in the October 2016 Monetary Policy Statement, maintaining a neutral policy stance for an extended period of time would help to ensure medium-term price stability. MAS reaffirmed the appropriateness of the neutral policy stance in the Annual Report press conference on 29 June 2017, as the growth and inflation outlook had not changed significantly from April.

**MAS maintained the neutral policy stance in April 2017.**




---- indicates release of Monetary Policy Statement

**The Singapore economy is projected to expand at a modest pace in 2017.** The outlook for 2017 has improved slightly but GDP growth is expected to remain uneven across different sectors.[8] Amid the improvement in external demand, GDP growth will be supported by the manufacturing sector as well as externally-oriented services such as transportation & storage and finance & insurance. However, activity across other sectors in the economy will likely be uneven. While information & communications and education, health & social services will be resilient, the construction sector is expected to remain lacklustre.

**While MAS Core Inflation has risen on account of higher global oil prices and administrative price increases, demand-driven inflationary pressures should stay relatively restrained.** In 2017, imported inflation will turn positive as global oil prices will, on average, be higher this year than a year ago. Nevertheless, elevated oil inventories and rising US crude oil production should cap upward pressures on global oil prices. Domestically, administrative price adjustments will lead to a temporary increase in inflation. However, generalised demand-induced price pressures are likely to remain muted as conditions in the labour market remain slack, while any turnaround due to mildly improving economic conditions will only come with a lag. The soft labour market will dampen underlying wage growth even as commercial and retail rentals continue to ease. MAS Core Inflation is expected to average 1–2% in 2017, compared to 0.9% in 2016, while CPI-All Items inflation is projected to rise to 0.5–1.5% from −0.5% last year.

[8] The GDP growth forecast for the full year was narrowed to 2–3% in August 2017.

## Fiscal Policy: The FY2017 Budget aimed to prepare firms and workers for the future economy

**Budget 2016's surplus of $5.2 billion (1.3% of GDP) was larger than the $3.4 billion previously anticipated.** This was mainly due to slower-than-expected growth in operating expenditure in healthcare, national development and transport.

**Budget 2017 was multi-faceted and aimed to position the Government as a partner to firms and households, to create an innovative and connected economy and build a caring and inclusive society. First, the bulk of the Budget's economic measures focused on the Government's role as a proximate enabler, rather than direct driver, of restructuring.** In this vein, many of the policies introduced aimed to leverage on the Government's expertise, networks, know-how and risk-bearing capacity to help firms operationalise their plans to innovate, scale-up and internationalise. For instance, this approach was evident in the SMEs Go Digital Programme, which focused on guiding SMEs through the adoption of digitisation strategies suitable for their stage of development and skills. By emphasising the in-person help available at SME Centres and a new Technology Hub for SMEs, Budget 2017 acknowledged that the Government can support firms in their human capital development plans by leveraging on its existing expertise. Similarly, by tasking A*STAR—a major research institution—with the role of helping Singapore-based firms identify appropriate technology solutions (Operation and Technology Road-mapping), the Government will use its know-how to directly help businesses overcome information asymmetries and hurdles to investment.

**Second, Budget 2017 reinforced key thrusts recommended by the Committee for the Future Economy (CFE), by introducing initiatives to help enterprises scale-up and internationalise, and foster innovation.** It set aside, for instance, $600 million in a new International Partnership Fund for the Government to co-invest with firms seeking to expand abroad. The Budget also introduced complementary programmes such as Innovators Academy and Innovation Launchpads to help students, businesses and industry connect to the world's marketplaces and ideas. At the same time, the Government will be a lead purveyor of more innovative (and therefore expensive and risky) solutions in order to give start-ups a helping hand. Budget 2017 further highlighted regulatory "sandboxes" that give firms space to experiment, thereby reducing the cost of corporate innovation. Meanwhile, the Intellectual Property Intermediary (IPI) will help firms reduce their search costs by matching them with suitable intellectual property.

**Third, Budget 2017 contained explicit measures to correct for externalities and distortions in the energy and water markets.** The announcement that a more comprehensive vehicular emissions scheme and carbon taxes would be introduced in 2018 and 2019 respectively, represents an attempt to account for the social costs of emissions. Similarly, the shift from a lump-sum tax on diesel vehicles to a volume-based duty would bring it in line with the tax structure on petrol and compressed natural gas, and disincentivise usage. These measures are in line with the aim to sustain a high-quality living environment and underscore

Singapore's commitment to combating climate change. The price of water was also raised so as to better reflect the scarcity of a basic resource.

**Fourth, the Budget provided near-term relief for firms and households affected by restructuring and rising costs of living.** In recognition of the still modest and uneven pace of growth, Budget 2017 extended the Corporate Income Tax Rebate to YA2018 and enhanced the relief offered in YA2017. At the same time, the Budget deferred the hike in the foreign worker levy for the Marine and Process sectors for another year, and extended the Special Employment Credit till end-2019. These measures should provide near-term cashflow relief for businesses. Recognising the weakness in the construction sector, $700 million worth of public sector infrastructure projects was brought forward to FY2017 and FY2018. The Budget also provided targeted assistance for households. While all eligible workers will benefit from the Personal Income Tax Rebate (20% of tax payable capped at $500), the permanent increase in utility rebate and one-off cash special payment under the GST Voucher scheme, as well as the extension of the S&CC rebate, were tiered such that more vulnerable households obtained a greater quantum of assistance. This will help to offset some of the impact of higher water prices on these households.

**For FY2017, the government has projected an overall budget surplus of $1.9 billion (0.4% of GDP).** This includes special transfers, top-ups to trust and endowment funds, and the contribution from net investment returns. The basic balance, which includes special transfers but excludes top-ups to endowment and trust funds, is projected to record a deficit of $8.2 billion (1.9% of GDP).

## Summary of Fiscal Position

| | FY 2015 | | FY 2016 Revised | | FY 2017 Budgeted | |
|---|---|---|---|---|---|---|
| | $billion | % of GDP | $billion | % of GDP | $billion | % of GDP |
| Operating Revenue | 64.8 | 15.9 | 68.7 | 16.6 | 69.5 | 16.3 |
| Total Expenditure | 67.4 | 16.5 | 71.4 | 17.3 | 75.1 | 17.7 |
| Operating Expenditure | 48.1 | 11.8 | 52.7 | 12.8 | 56.3 | 13.3 |
| Development Expenditure | 19.4 | 4.7 | 18.7 | 4.5 | 18.8 | 4.4 |
| **Primary Surplus/Deficit (-)** | **(2.6)** | **(0.6)** | **(2.7)** | **(0.7)** | **(5.6)** | **(1.3)** |
| Less: Special Transfers Excluding Top-ups to Endowment and Trust Funds | 4.4 | 1.1 | 2.9 | 0.7 | 2.6 | 0.6 |
| **Basic Surplus/Deficit (-)** | **(7.0)** | **(1.7)** | **(5.6)** | **(1.4)** | **(8.2)** | **(1.9)** |
| Less: Top-ups to Endowment and Trust Funds | 6.0 | 1.5 | 3.6 | 0.9 | 4.0 | 0.9 |
| Add: NIR Contribution | 8.9 | 2.2 | 14.4 | 3.5 | 14.1 | 3.3 |
| **Budget Surplus/Deficit (-)** | **(4.0)** | **(1.0)** | **5.2** | **1.3** | **1.9** | **0.4** |

Note: Figures may not tally due to rounding.
Source: Ministry of Finance

# Selected Indicators

| GENERAL INDICATORS, 2016 | | | |
|---|---|---|---|
| Land Area (Sq km) | 719.7 | Literacy Rate* (%) | 97.0 |
| Total Population ('000) | 5,607.3 | Real Per Capita GDP (US$) | 52,630 |
| Labour Force ('000) | 3,672.8 | Gross National Savings (% of GNI) | 45.8 |
| Resident Labour Force Participation Rate (%) | 68.0 | | |

* Refers to resident population aged 15 years and over.

| COMPONENTS OF NOMINAL GDP SECTORAL (% of GDP), 2016 | | COMPONENTS OF NOMINAL GDP EXPENDITURE (% of GDP), 2016 | |
|---|---|---|---|
| Manufacturing | 19.6 | Private Consumption | 36.9 |
| Business Services | 15.8 | Private Gross Fixed Capital Formation | 19.7 |
| Wholesale & Retail Trade | 14.2 | Public Consumption | 11.4 |
| Finance & Insurance | 13.1 | Public Gross Fixed Capital Formation | 5.5 |
| Transportation & Storage | 7.6 | Increase in Stocks | 0.5 |
| Construction | 5.0 | Net Exports of Goods & Services | 26.1 |
| Information & Communications | 4.2 | | |
| Accommodation & Food Services | 2.2 | | |

| MAJOR EXPORT DESTINATIONS (% SHARE), 2016 | | MAJOR ORIGINS OF IMPORTS (% SHARE), 2016 | |
|---|---|---|---|
| Total Exports (S$ Billion) | 466.9 | Total Imports (S$ Billion) | 403.3 |
| China | 13.1 | China | 13.9 |
| Hong Kong | 12.8 | Malaysia | 11.0 |
| Malaysia | 10.5 | US | 10.6 |
| Indonesia | 7.9 | Taiwan | 8.0 |
| US | 6.4 | Japan | 7.3 |
| | | | |
| ASEAN | 29.4 | ASEAN | 21.5 |
| NEA-3 | 21.4 | NEA-3 | 14.9 |
| EU | 8.6 | EU | 13.2 |

Source: IE Singapore

| MAJOR DOMESTIC EXPORTS BY COMMODITY (% SHARE), 2016 | | MAJOR IMPORTS BY COMMODITY (% SHARE), 2016 | |
|---|---|---|---|
| Domestic Exports (S$ Billion) | 223.9 | Total Imports (S$ Billion) | 403.3 |
| Mineral Fuels | 28.3 | Electronics | 29.1 |
| Electronics | 20.8 | Machinery & Transport Equipment (ex. Electronics) | 18.9 |
| Chemicals | 20.2 | Mineral Fuels | 17.5 |
| Machinery & Transport Equipment (ex. Electronics) | 11.6 | Manufactured Articles | 9.2 |
| Manufactured Articles | 8.9 | Chemicals | 8.0 |
| Food and Live Animals | 2.6 | Manufactured Goods | 6.6 |

Source: IE Singapore

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.

| OVERALL ECONOMY | 2015 | 2016 | 2016 Q3 | 2016 Q4 | 2017 Q1 | 2017 Q2 | Jun-17 | Jul-17 |
|---|---|---|---|---|---|---|---|---|
| GDP at current prices (S$ bil) | 408.1 | 410.3 | 101.0 | 107.2 | 105.9 | 105.2 | na | na |
| GDP (US$ bil) | 296.9 | 297.1 | 74.7 | 76.0 | 74.8 | 75.6 | na | na |
| Real GDP Growth (YOY % change) | 1.9 | 2.0 | 1.2 | 2.9 | 2.5 | 2.9 | na | na |
| Real GDP Growth (QOQ SAAR % change) | na | na | -0.4 | 12.3 | -2.1 | 2.2 | na | na |
| *By Sector (YOY % change):* | | | | | | | | |
| Manufacturing 1/ | -5.1 | 3.7 | 1.8 | 11.8 | 8.5 | 8.1 | 12.7 | 21.0 |
| Electronics 1/ | -6.8 | 15.8 | 15.8 | 33.2 | 33.8 | 36.3 | 25.9 | 49.1 |
| Non-electronics 1/ | -4.5 | -0.9 | -3.7 | 3.9 | -1.6 | -3.7 | 6.6 | 7.9 |
| Finance & Insurance | 5.7 | 0.7 | 0.1 | 0.6 | 0.7 | 3.8 | na | na |
| Business Services | 3.9 | -0.9 | -1.8 | -1.9 | 0.9 | 1.8 | na | na |
| Construction | 3.9 | 0.2 | -2.2 | -2.8 | -6.3 | -5.7 | na | na |
| Transportation & Storage | 1.6 | 2.3 | 0.7 | 5.4 | 4.4 | 3.5 | na | na |
| Information & Communications | -0.6 | 2.3 | 1.3 | 1.4 | 2.1 | 1.8 | na | na |
| Wholesale & Retail Trade | 3.7 | 0.6 | 0.1 | 0.4 | 0.1 | 1.5 | na | na |
| Accommodation & Food Services | 0.7 | 1.7 | 2.5 | -0.2 | -1.7 | -2.2 | na | na |
| *By Expenditure Component (YOY % change):* | | | | | | | | |
| Consumption | 5.3 | 1.8 | -0.1 | -0.3 | 0.7 | 1.1 | na | na |
| Private | 4.6 | 0.6 | 0.2 | -2.3 | -0.7 | 0.1 | na | na |
| Public | 8.0 | 6.3 | -1.3 | 7.0 | 4.9 | 5.3 | na | na |
| Gross Fixed Capital Formation | 1.1 | -2.5 | -4.3 | -5.0 | -3.8 | -7.3 | na | na |
| Private | -0.4 | -5.5 | -7.9 | -6.5 | -6.6 | -7.6 | na | na |
| Public | 7.4 | 9.0 | 11.3 | 0.6 | 5.2 | -6.4 | na | na |
| External Demand | 2.6 | 1.6 | 2.5 | 1.6 | 5.3 | 3.1 | na | na |
| **TRADE** | | | | | | | | |
| Total Exports, fob (YOY % change) | -6.5 | -5.1 | -4.5 | 2.1 | 17.1 | 8.2 | 7.7 | 12.4 |
| Non-Oil Domestic Exports | 1.5 | -2.8 | -5.4 | 2.7 | 15.3 | 2.9 | 8.8 | 8.5 |
| Re-Exports | -0.9 | -4.4 | -1.0 | -2.4 | 6.7 | 6.9 | 7.7 | 16.8 |
| Total Imports, cif (YOY % change) | -11.5 | -4.7 | -9.1 | 6.1 | 15.7 | 10.8 | 6.9 | 15.9 |
| **WAGE-PRICE INDICATORS** | | | | | | | | |
| Unemployment Rate (SA,%) | 1.9 | 2.1 | 2.1 | 2.2 | 2.2 | 2.2 | na | na |
| Average Nominal Wages (S$ per month) | 4,892 | 5,074 | 4,646 | 5,379 | 5,586 | 4,939 | na | na |
| Consumer Price Index Inflation (YOY % change) | -0.5 | -0.5 | -0.4 | 0.0 | 0.6 | 0.8 | 0.5 | 0.6 |
| MAS Core Inflation (YOY % change) | 0.5 | 0.9 | 1.0 | 1.2 | 1.3 | 1.6 | 1.5 | 1.6 |
| **FINANCIAL INDICATORS** | | | | | | | | |
| S$ Exchange Rate Against: (end-period) | | | | | | | | |
| US Dollar | 1.4139 | 1.4463 | 1.3656 | 1.4463 | 1.3978 | 1.3773 | 1.3773 | 1.3579 |
| 100 Japanese Yen | 1.1743 | 1.2394 | 1.3468 | 1.2394 | 1.2470 | 1.2316 | 1.2316 | 1.2283 |
| Euro | 1.5457 | 1.5230 | 1.5318 | 1.5230 | 1.4923 | 1.5758 | 1.5758 | 1.5933 |
| Interest Rates (end-period, % p.a.) | | | | | | | | |
| 3-month Fixed Deposit Rate | 0.18 | 0.19 | 0.19 | 0.19 | 0.14 | 0.14 | 0.14 | 0.14 |
| 3-month S$ SIBOR 2/ | 1.19 | 0.97 | 0.87 | 0.97 | 0.95 | 1.00 | 1.00 | 1.12 |
| Prime Lending Rate | 5.35 | 5.35 | 5.35 | 5.35 | 5.28 | 5.28 | 5.28 | 5.28 |
| Money Supply (end-period) | | | | | | | | |
| Broad Money, M2 (YOY % change) | 1.5 | 8.0 | 5.2 | 8.0 | 7.5 | 7.3 | 7.3 | 6.7 |
| Straits Times Index (end-period) 3/ | 2,882.7 | 2,880.8 | 2,869.5 | 2,880.8 | 3,175.1 | 3,226.5 | 3,226.5 | 3,329.5 |
| YOY % change | -14.3 | -0.1 | 2.8 | -0.1 | 11.8 | 13.6 | 13.6 | 16.1 |
| **GOVERNMENT BUDGET 4/** | | | | | | | | |
| Operating Revenue (S$ mil) | 63,562 | 67,969 | 18,843 | 15,372 | 16,596 | 18,956 | na | na |
| Total Expenditure (S$ mil) | 61,155 | 72,917 | 15,111 | 18,034 | 22,985 | 15,222 | na | na |
| Operating Expenditure | 45,359 | 51,081 | 11,510 | 13,057 | 17,739 | 10,860 | na | na |
| Development Expenditure | 15,797 | 21,836 | 3,601 | 4,976 | 5,246 | 4,362 | na | na |
| Primary Surplus/Deficit (S$ mil) | 2,407 | -4,947 | 3,732 | -2,661 | -6,388 | 3,734 | na | na |
| % of GDP | 0.6 | -1.2 | 3.7 | -2.5 | -6.0 | 3.5 | na | na |
| **BALANCE OF PAYMENTS** | | | | | | | | |
| Current Account Balance (% of GDP) | 18.1 | 19.0 | 22.5 | 16.9 | 19.0 | 20.0 | na | na |
| Goods Balance | 27.9 | 27.9 | 30.1 | 26.2 | 26.0 | 27.9 | na | na |
| Services Balance | -2.0 | -2.0 | -1.3 | -2.2 | -2.3 | -2.3 | na | na |
| Primary Income Balance | -4.4 | -3.2 | -2.5 | -3.5 | -1.4 | -2.0 | na | na |
| Secondary Income Balance | -3.4 | -3.7 | -3.7 | -3.6 | -3.4 | -3.7 | na | na |
| Capital & Fin Account Balance (% of GDP) | 17.4 | 20.0 | 18.0 | 21.2 | 2.9 | 15.9 | na | na |
| Direct Investment | -13.2 | -12.7 | -12.0 | -17.6 | -18.5 | -11.9 | na | na |
| Portfolio Investment | 18.3 | 7.0 | 18.8 | 13.0 | -0.5 | 16.9 | na | na |
| Financial Derivatives | -4.2 | 1.6 | -0.9 | 3.1 | -9.9 | -7.0 | na | na |
| Other Investment | 16.4 | 24.1 | 12.2 | 22.6 | 31.8 | 18.0 | na | na |
| Overall Balance (% of GDP) | 0.4 | -0.6 | 5.4 | -3.7 | 15.7 | 4.2 | na | na |
| Official Foreign Reserves (US$ mil) 5/ | 247,747 | 246,575 | 253,408 | 246,575 | 259,638 | 266,303 | 266,303 | 269,724 |
| Months of Imports | 9.7 | 10.1 | 10.6 | 10.1 | 10.3 | 10.4 | 10.4 | 10.4 |

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