Monetary Authority of Singapore

# RECENT ECONOMIC DEVELOPMENTS IN SINGAPORE

6 December 2017

| | 2016 | | 2017 | | |
|---|---|---|---|---|---|
| | **Q4** | **Full Year** | **Q1** | **Q2** | **Q3** |
| **Real Sector** | | | | | |
| Real GDP Growth, y-o-y % | 2.9 | 2.0 | 2.5 | 2.9 | 5.2 |
| Real GDP Growth, q-o-q saar % | 12.3 | - | –2.0 | 2.2 | 8.8 |
| Index of Industrial Production, y-o-y % | 11.8 | 3.7 | 8.5 | 8.5 | 19.1 |
| Non-oil Domestic Exports, y-o-y % | 2.7 | –2.8 | 15.0 | 3.0 | 7.6 |

## Domestic economic activity accelerated in Q3 2017

In Q3 2017, the upturn in the global electronics cycle boosted activity in the trade-related cluster. Some segments in the modern services and domestic-oriented clusters also saw improved performance as investor and consumer sentiments picked up, including in the region.

## Global GDP growth is projected to strengthen in 2017

The global economy continued on a firm growth trajectory in Q3 2017, as steady expansions in the G3 supported robust export outturns in Asia ex-Japan. Alongside an enduring technology cycle and signs of an investment revival, global growth is set to show a strong improvement in 2017 over 2016. The consensus growth forecast for 2018 has also been upgraded.

## The domestic economy should register firm but slightly slower growth next year

GDP is projected to expand by 1.5–3.5% in 2018, following from the 3.0–3.5% forecast for 2017. Growth in the trade-related cluster will continue to be underpinned by global electronics demand, although the pace of expansion could see some moderation, even as the recovery broadens to the other sectors of the economy.

## Inflation is expected to be contained

MAS Core Inflation is expected to be around 1.5% in 2017 and remain broadly stable throughout 2018 to average 1–2%. Similarly, CPI-All Items inflation is projected to come in at around 0.5% in 2017, and stay in the range of 0–1% next year.

# A. External Developments

| Global GDP Growth | | | | | |
|---|---|---|---|---|---|
| | 2017 | | 2016 | Consensus Forecast | |
| | Q2 | Q3 | | 2017 | 2018 |
| | q-o-q SAAR % | | y-o-y % | | |
| **G3*** | **2.8** | **2.6** | **1.5** | **2.1** | **2.0** |
| US | 3.1 | 3.3 | 1.5 | 2.2 | 2.5 |
| Eurozone | 2.6 | 2.5 | 1.8 | 2.2 | 1.9 |
| Japan | 2.6 | 1.6 | 1.0 | 1.6 | 1.3 |
| | y-o-y % | | | | |
| **Asia ex-Japan*** | **5.2** | **5.4** | **4.7** | **5.2** | **5.0** |
| China | 6.9 | 6.8 | 6.7 | 6.8 | 6.4 |
| India** | 5.7 | 6.3 | 7.1 | 6.8 | 7.5 |
| **NEA-3*** | **3.1** | **3.5** | **2.0** | **3.1** | **2.6** |
| Hong Kong | 3.9 | 3.6 | 2.0 | 3.5 | 2.6 |
| Korea | 2.7 | 3.8 | 2.8 | 3.1 | 2.9 |
| Taiwan | 2.3 | 3.1 | 1.4 | 2.4 | 2.3 |
| **Asean-4*** | **5.3** | **5.6** | **4.6** | **5.1** | **5.0** |
| Indonesia | 5.0 | 5.1 | 5.0 | 5.1 | 5.3 |
| Malaysia | 5.8 | 6.2 | 4.2 | 5.4 | 5.0 |
| Thailand | 3.8 | 4.3 | 3.2 | 3.7 | 3.5 |
| Philippines | 6.7 | 6.9 | 6.9 | 6.5 | 6.4 |

Source: CEIC and Consensus Economics, November 2017

* Weighted by shares in Singapore's NODX.

** Figures are reported on a Financial Year basis; FY2017 refers to the period from April 2017 to March 2018.

## The synchronous upturn in the global economy continued in Q3 2017

**The broad-based expansion of the global economy remained intact in Q3 2017**, with Asia ex-Japan registering a notable uptick even while G3 growth moderated slightly. Underlying momentum in the advanced economies showed no signs of abating, buttressed by strong employment gains and a rise in investment spending. Robust economic conditions in the G3, alongside the continued upswing in the global electronics cycle, has in turn boosted industrial production and exports in Asia. **These tailwinds are likely to sustain global growth into 2018**, barring the materialisation of unexpected risks.

Projected G3 growth rates for 2017 and 2018 have been revised up to 2.1% and 2.0%, respectively.

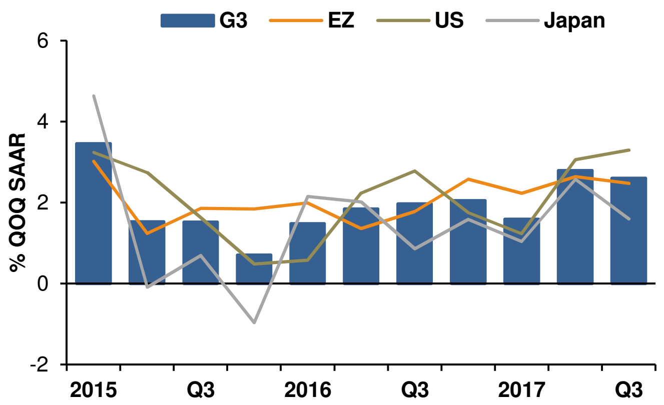
Forecasts for Asia ex-Japan growth have also been upgraded to 5.2% in 2017 and 5.0% in 2018.

## G3 growth momentum stayed firm, despite some moderation of activity in Q3

**The US economy grew at a creditable pace in Q3 2017 despite severe weather-related disruptions to economic activity.** Hit by Hurricanes Harvey and Irma, consumption spending and business fixed investment moderated, but a rise in net exports and inventory accumulation shored up overall GDP growth. Domestic spending is expected to recover in Q4 as the effects from the hurricanes wane. Leading indicators such as consumer confidence, stock prices and PMI indices remained elevated, pointing to sustained growth in the coming months. Moreover, the economy could receive a short-term boost to confidence if the tax reform bill is approved by Congress, even though the longer-term net impact and fiscal consequences are less certain. **All in, the US is likely to expand slightly faster in 2018, compared to 2017.**

**The Eurozone sustained a vigorous pace of expansion in Q3,** lifted by robust household spending in France and solid export growth in Germany. **A healthy labour market, favourable financing conditions and upbeat economic sentiment will underpin a broad-based regional expansion in 2018.** The outlook for capital expenditure has improved further as firms approach capacity limits and look to replace aged capital stock. The region's manufacturing PMI rose to a near-record high in November 2017 while new orders for capital goods went up in Q3.

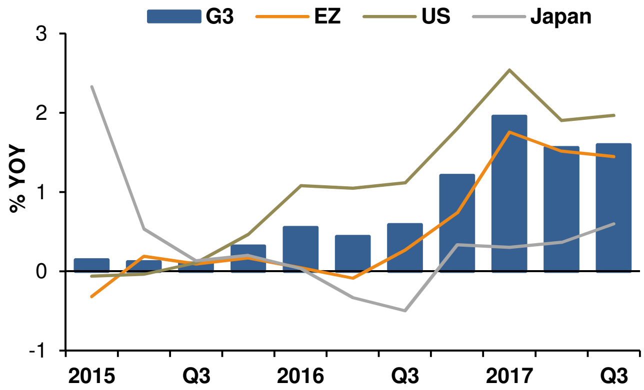
**G3 growth eased in Q3, due mainly to a pullback in Japan.**




Source: CEIC & EPG, MAS estimates

**In Japan, GDP growth pulled back in Q3 after a surge in Q2.** A retraction in household spending, due in part to inclement weather, as well as a slowdown in public investment, more than offset the rebound in net exports driven by strong electronics and capital goods shipments. **Going into 2018, the economy should stay on a stable, albeit mildly lower growth trajectory.** Firm external demand will keep export growth steady, while a pickup in consumption and a moderate increase in corporate capital spending will support domestic demand.

**G3 inflation in Q3 was weighed down by lower prices in the Eurozone.**




Source: CEIC & EPG, MAS estimates

**G3 headline inflation, at 1.6% in Q3, remained below central bank targets.** Although prices in the US rose marginally, the increase was mostly on account of higher gasoline costs in the aftermath of the hurricanes. Meanwhile, CPI inflation in the Eurozone declined slightly due to a deceleration in energy and food price increases. In general, underlying inflation pressures have been subdued across the advanced economies, with weaker-than-expected wage growth and core inflation despite tighter labour market conditions. **As a result, G3 inflation in 2018 is expected to be largely unchanged from 2017**.

G3 inflation is projected to remain relatively subdued at 1.7% in 2017 and 1.6% in 2018.

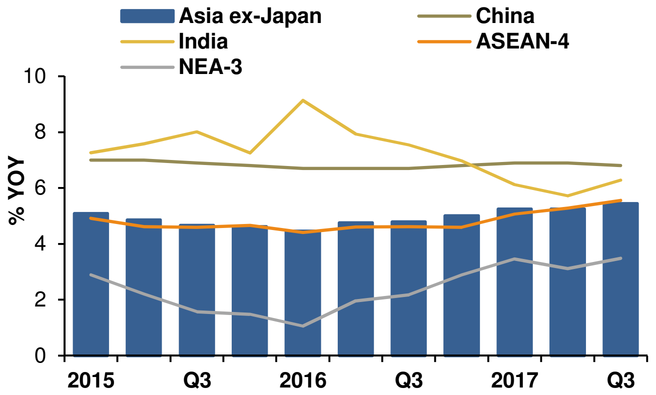
## Asia ex-Japan growth rose further in Q3 2017 on a sustained trade upswing and firming domestic demand

**The Chinese economy recorded another strong expansion in Q3 2017,** and is on track to post its first upturn in annual GDP growth in eight years. Resilient domestic demand and healthy net exports underpinned economic activity in the third quarter. Reflecting steady consumption growth, the services sector posted a creditable expansion, even as activity in the manufacturing sector eased. Growth of construction and building materials output slowed as real estate sales and property prices cooled in response to stricter government measures on house purchases. **Going into 2018, China's growth is expected to moderate** as the authorities seek to contain risks from elevated debt levels. Accordingly, investment spending is expected to slow although private consumption growth will remain stable.

**In India, growth in Q3 recovered after two quarters of relative weakness.** The rebound was led by an increase in investment, as businesses adjusted to the implementation of the new Goods and Services Tax after running down stocks in the previous quarter. In particular, growth in the manufacturing sector was boosted by inventory restocking, resulting in its strongest outturn so far this year. **The recovery is projected to broaden to the other sectors in 2018 as economic conditions**

**continue to normalise.** Household consumption should pick up, as the uncertainty associated with the impact of the GST on goods prices dissipate, alongside higher public sector salaries. Meanwhile, a new bank recapitalisation package is expected to improve credit growth and lay the foundation for a sustained rise in investment.

**Asia ex-Japan growth accelerated in Q3, as almost all regions recorded faster expansions.**

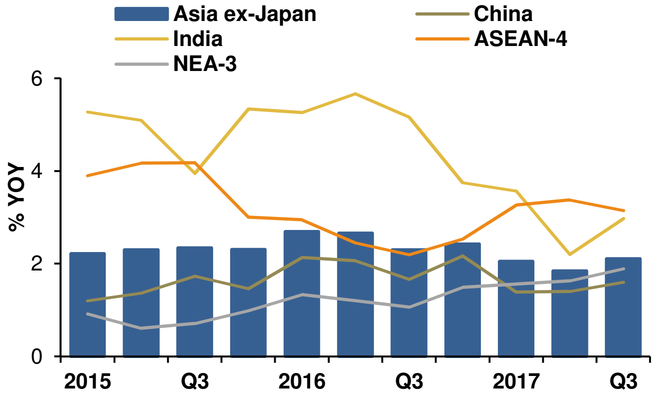



Source: CEIC and EPG, MAS estimates

**The NEA-3 economies saw growth pick up significantly in Q3** as they rode the technology cycle upswing alongside a global investment revival. Notably, the recovery in exports from Korea and Taiwan broadened to sectors beyond electronics, such as automobiles and petrochemicals. Meanwhile, domestic demand shored up Hong Kong's GDP growth as positive wealth effects from buoyant asset markets stimulated consumption. **Growth in the region is expected to moderate in 2018** as the global electronics and G3 growth cycles run their course. Nonetheless, the non-tech sectors will continue to provide support to economic activity.

**In the ASEAN-4 region, growth in Q3 2017 strengthened across all member economies**, as more vibrant activity in the external sector spilled over into firmer domestic demand. As in the NEA-3, trade volumes and manufacturing production stayed at elevated levels. **GDP growth in the ASEAN-4 is expected to remain resilient in 2018.** The economic momentum will be sustained in part by reform initiatives that should enhance productivity growth and supply-side capacity—higher public infrastructure spending, new incentives to attract FDI, and liberalisation of protected sectors.

**Inflation in Asia ex-Japan rose in Q3, even as prices in ASEAN-4 softened.**




Source: CEIC and EPG, MAS estimates

**Headline inflation in Asia ex-Japan edged up to 2.1% y-o-y in Q3, from 1.8% in Q2.** The uptick was mainly attributable to higher housing and healthcare costs in China, and increases in food prices in India, Korea and Taiwan. In comparison, prices softened in ASEAN-4, reflecting weak domestic cost pressures and well-anchored inflation expectations. In the absence of near-term demand-pull pressures, **CPI inflation in Asia ex-Japan is expected to come in lower this year compared to 2016, before rising in 2018.**

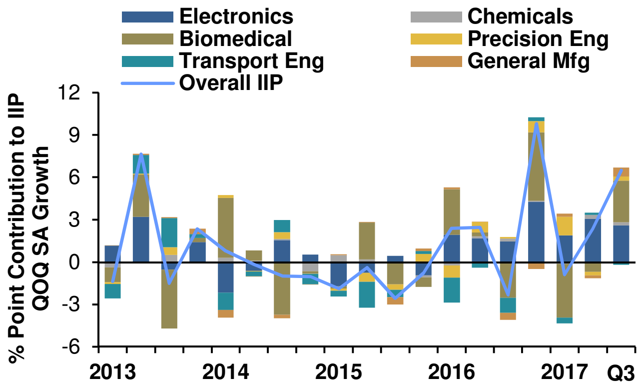
Asia ex-Japan headline inflation is projected to be 2.1% in 2017 and 2.7% in 2018.

# B. Domestic Developments

## Growth in the Singapore economy gathered pace in Q3 2017

**The Singapore economy expanded by 8.8% q-o-q saar in Q3 2017, a step-up from the 2.2% gain in the previous quarter.** The upswing was led mainly by the trade-related sectors, particularly the IT-related industries, amid continued strength in the global electronics cycle. The recovery has notably also broadened to other sectors in the economy. External-facing modern services, such as financial intermediation and fund management services, recorded better outturns as global and regional growth firmed. Some domestic-oriented segments, including food & beverage and essential services, also saw sequential pickups during the quarter, alongside an improvement in consumer confidence. Meanwhile, weakness in sectors such as construction and marine & offshore engineering (M&OE) persisted, as still-sluggish demand conditions weighed on these industries.

**Growth in manufacturing was boosted by strong increases in electronics and biomedical output.**



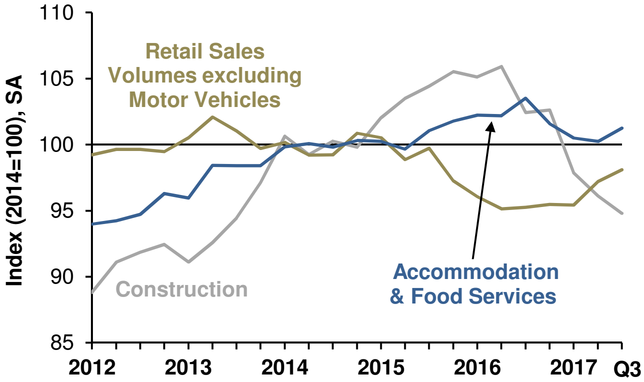

**The manufacturing sector expanded by 34.6% q-o-q saar in Q3 2017, an upsurge from the 4.0% growth in the preceding quarter.** This resulted in part from a 7.0% q-o-q sa increase in electronics output, on the back of global demand for memory chips to be used in smartphones, automotives and Internet of Things applications. The biomedical cluster also grew strongly by 16.7% q-o-q sa, boosted by increased orders for medical devices and a sequential turnaround in the volatile pharmaceuticals segment. In contrast, the M&OE segment shrank by 6.6% q-o-q sa, following a 7.1% contraction in Q2, reflecting persistently weak demand for oil & gas exploration capital equipment.

**The trade-related services sectors likewise recorded a strong performance.** In particular, air cargo volumes grew by 5.1% q-o-q sa in Q3 2017, the strongest sequential increase since Q1 2013. Container throughput at Singapore's ports also increased by 1.9% q-o-q sa. Concomitantly, foreign wholesale trade rose by 4.5% q-o-q sa in Q3, supported mainly by the electronics segment.

**The modern services cluster saw a further pickup in Q3.** Financial services grew by 7.6% q-o-q saar in the quarter, slightly faster than the 5.5% registered in Q2. The improvement was anchored in part by externally-oriented segments such as offshore lending and fund management services. ACU non-bank lending grew by 4.2% q-o-q in Q3, reflecting broad-based increases in credit demand from East Asia, Europe and the Americas. Similarly, the fund management industry leveraged off sustained fund inflows into regional assets, alongside a more sanguine outlook for Asian growth and corporate earnings. Meanwhile, the information & communications sector expanded by 10.9% q-o-q saar, bolstered by healthy corporate demand for software and data solutions.

**Growth in the domestic-oriented cluster was mainly driven by the consumer-facing industries, on the back of some recovery in sentiments.** The accommodation & food services sector registered a positive 4.1% q-o-q saar outturn in Q3 after three consecutive quarters of contraction, as spending on food & beverage services in restaurants and fast food outlets rose. Retail sales volumes (excluding motor vehicles) also continued to expand, with increased purchases seen in discretionary items such as apparel & footwear, and in necessities such as supermarket products. However, the modest growth in the consumer-facing segments was partially offset by the prolonged weakness in construction sector output, which shrank by 5.3% q-o-q saar, reflecting a further pullback in private sector projects.

**Consumer-facing sectors improved in Q3 2017.**




## Slightly reduced, but still firm pace of growth envisaged for 2018

The Singapore economy is expected to grow by 3.0–3.5% in 2017, before coming in at an estimated 1.5–3.5% in 2018.

Barring the materialisation of downside risks, growth in the advanced economies is likely to remain firm in the quarters ahead, supported by healthy labour market conditions and robust private consumption. More upbeat business sentiment has also led to higher capital spending among corporates. This positive external impulse from the advanced economies, coupled with the enduring upturn in the global tech cycle, will help buttress growth in the trade-oriented NEA-3 and ASEAN-4 economies.

Similarly, firm external demand conditions will continue to underpin Singapore's trade-related sectors. In particular, semiconductor and semiconductor equipment manufacturers will benefit from sustained growth in global demand for memory chips, which in turn will be driven by the broader structural trends of growing smartphone penetration in emerging Asia and increasing semiconductor content in a wide range of consumer products. However, the pace of expansion is expected to moderate from the stellar outturns this year.[1] Meanwhile, growing regional demand for chemical products such as fragrances will buttress output in the segment.

In financial services, the recovery in regional trade and global investment will generate positive spillovers on lending activity, although the extent could be constrained by higher financing costs due to the gradual normalisation of global interest rates. The insurance industry is also expected to see steady business growth, due in part to increased consumer awareness of, and demand for health and annuity-type policies. Meanwhile, the information & communications industry could see mixed outcomes. Demand for IT & information services will remain robust with the rising adoption of data analytics tools and other software utilities by corporates in their business operations. In contrast, publishing and other traditional media segments will continue to face disruption from online streaming and digital media platforms.

Domestic-oriented activities should see further recovery in the quarters ahead. The positive, albeit low growth in retail sales (excluding motor vehicles) volumes and spending on food & beverage services should persist, amid rising consumer confidence. The weakness in the construction industry could also partially dissipate, as government initiatives to bring forward $1.4 billion worth of public sector contracts, including on upgrading works, come on-stream.

**On balance, the composition of domestic growth is likely to be more even in 2018.** While the contribution from the manufacturing and other trade-related industries will moderate, the performance of the modern services and domestic-oriented clusters should see gains due to improvements in the overall business climate and labour market conditions.

[1] In October 2017, Gartner upgraded its 2017 worldwide semiconductor revenue growth forecast to 20%, from 17% previously. In 2018, revenue growth is projected to moderate to 4%.

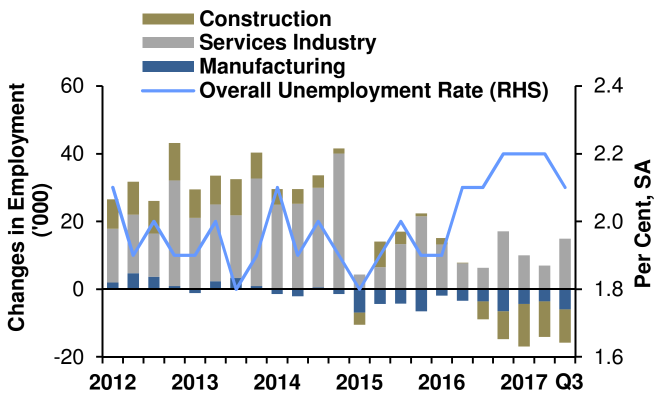
# C. Labour Market and Consumer Prices

| | 2016 | | 2017 | | |
|---|---|---|---|---|---|
| | Q4 | Full Year | Q1 | Q2 | Q3 |
| **Labour Market and Prices** | | | | | |
| Unemployment Rate, sa, % | 2.2 | 2.1 | 2.2 | 2.2 | 2.1 |
| CPI-All Items Inflation, y-o-y % | 0.0 | –0.5 | 0.6 | 0.8 | 0.4 |
| Wage Growth, y-o-y % | 3.3 | 3.7 | 1.9 | 3.1 | 3.2 |

## Overall employment contracted slightly in Q3 2017

**Preliminary estimates indicated that overall net employment in Singapore declined by a significantly smaller 700 in Q3 2017, following the contraction of 7,300 in Q2.** This largely reflected a further reduction in the number of Work Permit Holders in the construction and manufacturing sectors, even as net job losses in the construction sector as a whole had moderated slightly (–9,800) from the preceding two quarters (average of –11,500). In comparison, employment in the services sector continued to expand (14,900) at a faster pace than the previous quarter (7,000), as well as the same period a year ago (6,300). The increased hiring in services could have reflected in part the pickup in the output of modern and essential services.

**The overall unemployment rate edged down to 2.1% in September 2017.**




**The seasonally-adjusted overall unemployment rate declined to 2.1% from 2.2% in Q2, while the seasonally-adjusted resident unemployment rate remained unchanged at 3.1%.** Based on preliminary estimates, a total of 3,600 workers were retrenched in Q3 2017, comparable to that in Q2 (3,640) but lower than in the same quarter a year ago (4,220). In both the construction and services sectors, similar numbers of workers were retrenched in Q3 compared to Q2. However, manufacturing retrenchment came in lower in Q3 than in Q2.

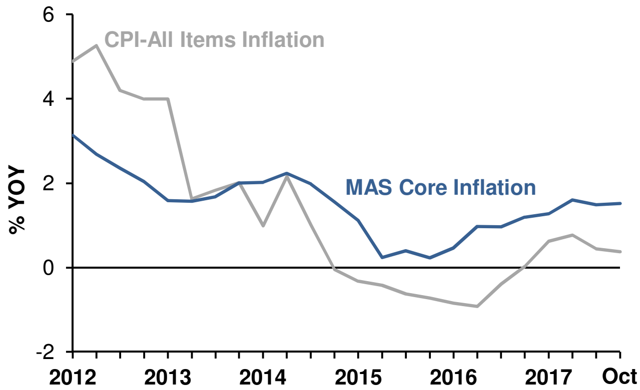
**Resident wage growth was 3.2% on a y-o-y basis in Q3 2017, up slightly from 3.1% in the previous quarter.** Wage gains remained generally higher in industries such as administrative & support services and wholesale trade, but weaker in retail trade and transport & storage services.

**The labour market is gradually recovering.** Employment gains excluding the construction and transport equipment manufacturing industries are expected to be broadly in line with last year. Labour demand will likely continue to be supported by hiring in the modern services and community, social & personal services sectors. Seasonal hiring for the year-end festivities will also boost employment in Q4. Given the previously accumulated slack in the labour market, wage pressures are unlikely to accelerate in the near term.

## Inflation has eased in recent months

**Both core and headline inflation fell in the third quarter of 2017 but remained stable in October.** MAS Core Inflation eased to 1.5% y-o-y in Q3 2017 from 1.6% in the preceding quarter, as the smaller year-ago increase in the cost of electricity & gas[2] more than offset the water price increase in July.[3] Lower private road transport inflation also contributed to the decline in CPI-All Items inflation to 0.4% y-o-y in Q3 from 0.8% in Q2. In October, both measures of inflation were unchanged from Q3, as higher food inflation broadly offset the smaller increase in the cost of electricity & gas. In the case of headline inflation, lower private road transport inflation was also offset by a steeper decline in accommodation cost.

**Inflation remained low and stable.**




**The cost of electricity & gas rose at a slower pace amid the fall in global oil prices in Q2 2017.** On a year-ago basis, the rate of increase in the cost of electricity & gas eased from 19.0% in Q2 to 7.7% in Q3 due to a sequential fall in electricity

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

[3] 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. U-Save rebates, which have been increased and will partially offset the impact of higher water prices on households, are not taken into account in the CPI.

tariffs following the decline in global oil prices in Q2.[4] The cost of electricity & gas subsequently rose by a smaller 6.6% in October.

**Services inflation has remained stable since Q2 2017.** Overall services cost rose by 1.5% y-o-y in Q3, the same pace as in the previous quarter. While there was a smaller increase in tuition fees and a decline in holiday expenses over this period, fees for domestic and recreational & cultural services rose at a faster pace. Services inflation stayed at 1.5% in October, as the larger rise in telecommunication services fees and the pickup in holiday expenses offset lower healthcare services inflation.

**Food inflation edged down to 1.3% y-o-y in Q3, from 1.4% in the preceding quarter.** This reflected smaller price increases for prepared meals, particularly for sentiment-sensitive restaurant meals. Food inflation subsequently inched up to 1.5% in October, due to higher non-cooked food inflation, while the cost of prepared meals rose at a stable pace.

**Both private road transport and accommodation inflation declined in recent months.** Private road transport inflation moderated from 5.3% in Q2 to 2.7% in Q3, reflecting the fall in car prices alongside a steep drop in Certificate of Entitlement (COE) premiums, as well as the dissipation of base effects associated with the expiry of the one-year road tax rebates in August 2016.[5] It slid further to 2.2% in October on account of a smaller increase in petrol prices, even as the decline in car prices eased. While the cost of accommodation remained on a downtrend, it registered a smaller decline of 4.0% in Q3 compared to 4.1% in Q2 when Service & Conservancy Charges (S&CC) were raised. Accommodation cost fell by a steeper 4.2% in October, due to the larger quantum of S&CC rebates disbursed to households living in HDB flats compared to October last year.

MAS Core Inflation is expected to be around 1.5% in 2017 and average 1–2% in 2018. CPI-All Items inflation is projected to come in at around 0.5% this year, and stay in the range of 0–1% next year.

**Cost pressures in the economy are likely to remain relatively subdued.** On the external front, imported inflation is likely to rise mildly, as global demand improves amid ample supply in key commodity markets. Notwithstanding recent volatility, global oil prices are expected to average only slightly higher in 2018, compared to 2017. Domestically, overall price pressures should remain relatively restrained. Although labour market conditions have improved recently, wage pressures are unlikely to

[4] The fuel cost component of the electricity tariff for each quarter is calculated based on average forward fuel oil and dated Brent oil prices in the first two-and-a-half month period of the preceding quarter.

[5] Road tax rebates were granted for petrol vehicles from 1 August 2015 to 31 July 2016 to ease the transition towards higher petrol duties. The expiry of the one-year rebate contributed to a temporary increase in private road transport inflation from August 2016 to July 2017.

accelerate in the near term as previous slack in the labour market is gradually absorbed. Meanwhile, non-labour costs such as commercial and retail rentals continue to be subdued.

Accommodation costs will continue to dampen CPI-All Items inflation in 2018, albeit to a lesser extent than this year, while the positive contribution of private road transport costs will fall, in part reflecting the dissipation of inflationary effects from previous administrative measures.[6]

## Keeping to a neutral monetary policy stance

**In the October 2017 Monetary Policy Statement, MAS maintained the rate of appreciation of the S$NEER policy band at zero percent.** The width of the policy band and the level at which it is centred was kept unchanged. The Singapore economy is likely to expand at a steady, but slightly slower, pace in 2018 compared to 2017, while MAS Core Inflation is envisaged to be broadly stable throughout next year. Over the medium term, core inflation is expected to trend towards but average slightly below 2%.

[6] The administrative measures associated with higher private road transport inflation in 2017 include the expiry of the one-year road tax rebates and the upward revision in parking fees in August and December 2016, respectively.

## Selected Indicators

| GENERAL INDICATORS, 2016 | | | |
|---|---|---|---|
| Land Area (Sq km), 2017 | 719.9 | Literacy Rate* (%) | 97.0 |
| Total Population ('000), 2017 | 5,612.3 | 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 (%), 2017 | 67.7 | | |

* 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 Department of Statistics, or Ministry of Trade and Industry, unless otherwise stated.

| OVERALL ECONOMY | 2015 | 2016 | 2016 Q4 | 2017 Q1 | 2017 Q2 | 2017 Q3 | Sep-17 | Oct-17 |
|---|---|---|---|---|---|---|---|---|
| GDP at current prices (S$ bil) | 408.1 | 410.3 | 107.2 | 105.9 | 105.2 | 107.1 | na | na |
| GDP (US$ bil) | 296.9 | 297.1 | 76.0 | 74.8 | 75.6 | 78.8 | na | na |
| Real GDP Growth (YOY % change) | 1.9 | 2.0 | 2.9 | 2.5 | 2.9 | 5.2 | na | na |
| Real GDP Growth (QOQ SAAR % change) | na | na | 12.3 | -2.0 | 2.2 | 8.8 | na | na |
| *By Sector (YOY % change):* | | | | | | | | |
| Manufacturing [1/] | -5.1 | 3.7 | 11.8 | 8.5 | 8.5 | 19.1 | 14.4 | 14.6 |
| Electronics [1/] | -6.8 | 15.8 | 33.2 | 33.9 | 36.9 | 40.6 | 33.1 | 45.1 |
| Non-electronics [1/] | -4.5 | -0.9 | 3.9 | -1.7 | -3.4 | 8.9 | 5.1 | 0.4 |
| Finance & Insurance | 5.7 | 0.7 | 0.6 | 0.7 | 4.2 | 5.9 | na | na |
| Business Services | 3.9 | -0.9 | -1.9 | 1.1 | 1.3 | 1.4 | na | na |
| Construction | 3.9 | 0.2 | -2.8 | -6.9 | -9.1 | -7.6 | na | na |
| Transportation & Storage | 1.6 | 2.3 | 5.4 | 4.5 | 3.4 | 4.6 | na | na |
| Information & Communications | -0.6 | 2.3 | 1.4 | 1.8 | 1.5 | 4.9 | na | na |
| Wholesale & Retail Trade | 3.7 | 0.6 | 0.4 | 0.4 | 2.1 | 2.2 | na | na |
| Accommodation & Food Services | 0.7 | 1.7 | -0.2 | -1.6 | -2.0 | -2.1 | na | na |
| *By Expenditure Component (YOY % change):* | | | | | | | | |
| Consumption | 5.3 | 1.8 | -0.3 | 0.5 | 2.0 | 3.7 | na | na |
| Private | 4.6 | 0.6 | -2.3 | -0.8 | 1.5 | 3.0 | na | na |
| Public | 8.0 | 6.3 | 7.0 | 4.1 | 4.0 | 6.4 | na | na |
| Gross Fixed Capital Formation | 1.1 | -2.5 | -5.0 | -4.6 | -9.4 | -4.5 | na | na |
| Private | -0.4 | -5.5 | -6.5 | -7.4 | -9.1 | -4.9 | na | na |
| Public | 7.4 | 9.0 | 0.6 | 4.3 | -10.6 | -3.0 | na | na |
| External Demand | 2.6 | 1.6 | 1.6 | 5.4 | 2.7 | 4.6 | na | na |
| **TRADE** | | | | | | | | |
| Total Exports, fob (YOY % change) | -6.5 | -5.1 | 2.1 | 16.9 | 8.3 | 10.1 | 3.8 | 10.4 |
| Non-Oil Domestic Exports | 1.5 | -2.8 | 2.7 | 15.0 | 3.0 | 7.6 | -1.1 | 20.9 |
| Re-Exports | -0.9 | -4.4 | -2.4 | 6.5 | 7.0 | 9.3 | 0.4 | -0.9 |
| Total Imports, cif (YOY % change) | -11.5 | -4.7 | 6.1 | 15.5 | 10.9 | 13.5 | 9.1 | 16.3 |
| **WAGE-PRICE INDICATORS** | | | | | | | | |
| Unemployment Rate (SA,%) | 1.9 | 2.1 | 2.2 | 2.2 | 2.2 | 2.1 | na | na |
| Average Nominal Wages (S$ per month) | 4,892 | 5,074 | 5,379 | 5,586 | 4,939 | 4,795 | na | na |
| Consumer Price Index Inflation (YOY % change) | -0.5 | -0.5 | 0.0 | 0.6 | 0.8 | 0.4 | 0.4 | 0.4 |
| MAS Core Inflation (YOY % change) | 0.5 | 0.9 | 1.2 | 1.3 | 1.6 | 1.5 | 1.5 | 1.5 |
| **FINANCIAL INDICATORS** | | | | | | | | |
| S$ Exchange Rate Against: (end-period) | | | | | | | | |
| US Dollar | 1.4139 | 1.4463 | 1.4463 | 1.3978 | 1.3773 | 1.3584 | 1.3584 | 1.3605 |
| 100 Japanese Yen | 1.1743 | 1.2394 | 1.2394 | 1.2470 | 1.2316 | 1.2062 | 1.2062 | 1.2022 |
| Euro | 1.5457 | 1.5230 | 1.5230 | 1.4923 | 1.5758 | 1.6007 | 1.6007 | 1.5831 |
| Interest Rates (end-period, % p.a.) | | | | | | | | |
| 3-month Fixed Deposit Rate | 0.18 | 0.19 | 0.19 | 0.14 | 0.14 | 0.14 | 0.14 | 0.14 |
| 3-month S$ SIBOR [2/] | 1.19 | 0.97 | 0.97 | 0.95 | 1.00 | 1.12 | 1.12 | 1.13 |
| Prime Lending Rate | 5.35 | 5.35 | 5.35 | 5.28 | 5.28 | 5.28 | 5.28 | 5.28 |
| Money Supply (end-period) | | | | | | | | |
| Broad Money, M2 (YOY % change) | 1.5 | 8.0 | 8.0 | 7.5 | 7.3 | 5.4 | 5.4 | 4.6 |
| Straits Times Index (end-period) [3/] | 2,882.7 | 2,880.8 | 2,880.8 | 3,175.1 | 3,226.5 | 3,219.9 | 3,219.9 | 3,374.1 |
| YOY % change | -14.3 | -0.1 | -0.1 | 11.8 | 13.6 | 12.2 | 12.2 | 19.9 |
| **GOVERNMENT BUDGET [4/]** | | | | | | | | |
| Operating Revenue (S$ mil) | 63,562 | 67,969 | 15,372 | 16,596 | 18,956 | 19,390 | na | na |
| Total Expenditure (S$ mil) | 61,155 | 72,917 | 18,034 | 22,985 | 15,222 | 15,450 | na | na |
| Operating Expenditure | 45,359 | 51,081 | 13,057 | 17,739 | 10,860 | 12,128 | na | na |
| Development Expenditure | 15,797 | 21,836 | 4,976 | 5,246 | 4,362 | 3,322 | na | na |
| Primary Surplus/Deficit (S$ mil) | 2,407 | -4,947 | -2,661 | -6,388 | 3,734 | 3,940 | na | na |
| % of GDP | 0.6 | -1.2 | -2.5 | -6.0 | 3.5 | 3.7 | na | na |
| **BALANCE OF PAYMENTS** | | | | | | | | |
| Current Account Balance (% of GDP) | 18.1 | 19.0 | 16.9 | 19.2 | 18.8 | 20.2 | na | na |
| Goods Balance | 27.9 | 27.9 | 26.2 | 26.0 | 28.0 | 28.2 | na | na |
| Services Balance | -2.0 | -2.0 | -2.2 | -1.9 | -2.7 | -2.4 | na | na |
| Primary Income Balance | -4.4 | -3.2 | -3.5 | -1.5 | -2.8 | -2.0 | na | na |
| Secondary Income Balance | -3.4 | -3.7 | -3.6 | -3.4 | -3.6 | -3.5 | na | na |
| Capital & Fin Account Balance (% of GDP) | 17.4 | 20.0 | 21.2 | 3.6 | 15.1 | 9.6 | na | na |
| Direct Investment | -13.2 | -12.7 | -17.6 | -18.8 | -12.8 | -16.5 | na | na |
| Portfolio Investment | 18.3 | 7.0 | 13.0 | 0.2 | 15.8 | 10.1 | na | na |
| Financial Derivatives | -4.2 | 1.6 | 3.1 | -9.1 | -11.1 | -6.0 | na | na |
| Other Investment | 16.4 | 24.1 | 22.6 | 31.4 | 23.2 | 22.0 | na | na |
| Overall Balance (% of GDP) | 0.4 | -0.6 | -3.7 | 15.7 | 4.2 | 10.5 | na | na |
| Official Foreign Reserves (US$ mil) [5/] | 247,747 | 246,575 | 246,575 | 259,638 | 266,303 | 275,410 | 275,410 | 276,013 |
| Months of Imports | 9.7 | 10.1 | 10.1 | 10.3 | 10.4 | 10.4 | 10.4 | 10.3 |

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