

*Economics Department*

# *Quarterly Bulletin*

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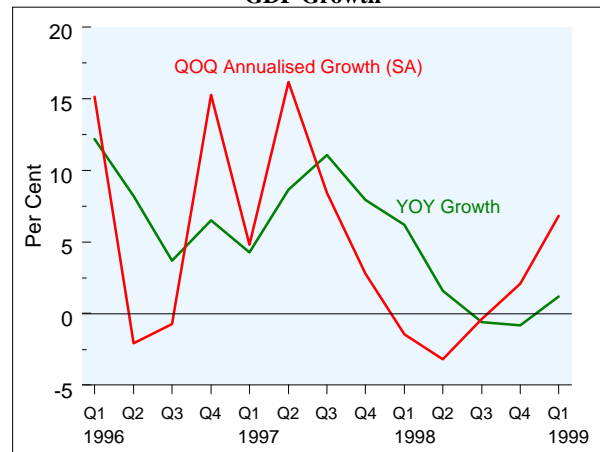
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# 1 Demand and Output

The Singapore economy expanded by 1.2% in Q1 99, following two quarters of contraction and growth of 1.5% in 1998 as a whole. On a seasonally adjusted quarter-on-quarter annualised (SAAR) basis, GDP expanded for the second consecutive quarter in Q1, by 6.8%, from 2.1% in Q4 98. (See Chart 1.1.)

The official GDP growth forecast for the economy this year is between 0% to 2%, although recent indicators may portend an upside. Output of the manufacturing sector rose by 6.5% in Q1 99 and 11% in Apr-May, while growth of total non-oil domestic exports (in real terms) accelerated from 0.7% in Q1 to 7.9% in Apr and 15% in May. Indicators of consumer and business sentiments have also shown improvements.

**Chart 1.1**  
GDP Growth



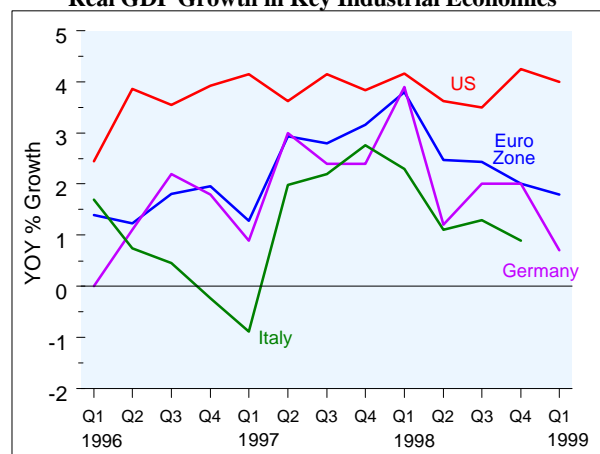
## 1.1 External Environment

### US, Europe

The US economy grew by 3.9% in Q1 99, powered by the largest rise in consumer spending in eleven years. (See Chart 1.2.) The US Federal Reserve shifted its monetary policy stance towards a tightening bias on 18 May 99, after the release of data showing an uptick in inflation. The CPI rose by 0.7% month-on-month (m-o-m) in Apr 99, the largest increase in nine years, on the back of the recent surge in oil prices. Core CPI also rose 0.4% m-o-m, against an expected increase of 0.2%. The price of the OPEC crude basket rose to almost US\$17 per barrel on 4 May 99, from below US\$10 per barrel in early Feb 99. However, more recent figures have shown a dip in inflation. The CPI was flat in May 99, while core CPI rose by a smaller than expected 0.1% m-o-m.

Euro zone GDP grew by an estimated 0.4% q-o-q in Q1 99, higher than the 0.3% q-o-q recorded in Q4 98. This reflected strong domestic demand, which was partly offset by a decline in net exports. Compared to the year-ago period, growth continued to slow to 1.8% in Q1 99 from 2.0% in Q4 98. (See Chart 1.2.)

**Chart 1.2**  
Real GDP Growth in Key Industrial Economies



Growth prospects differ among EU countries. Consumer confidence remains strong in France and Germany, although business confidence has weakened significantly. Economic growth in Germany is expected to be weak this year, despite the German economy escaping a recession with stronger than expected growth of 0.4% q-o-q in Q1 99. The German government has recently lowered its GDP forecast for 1999 from 2.0% to 1.5%. The Italian economy is also expected to post sluggish growth this year, due to weak external demand, as well as sharp declines in industrial output and consumer confidence. Growth prospects are fair in France, but stronger in economies such as Spain, Portugal, and Ireland.

The Euro depreciated by 11% between Jan and May this year due to uncertain growth prospects in the Euro zone, and strong growth in the US. The Kosovo crisis, and concerns that budgetary discipline is eroding given the decision by EU Finance Ministers to allow Italy to widen its budget deficit in 1999, put further downward pressure on the Euro. The currency fell to an all-time low of US\$1.030/Euro on 7 Jun 99.

## East Asia

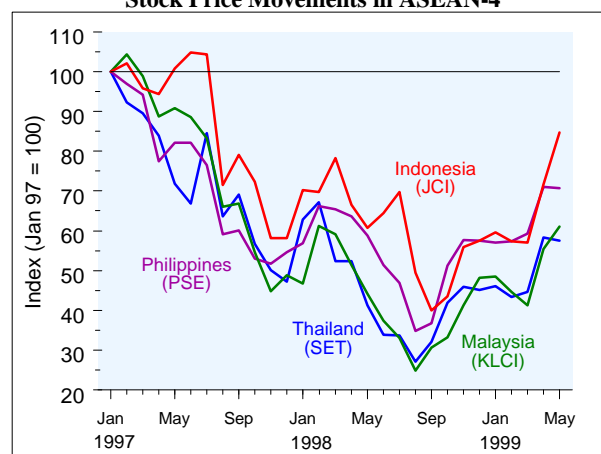
### Financial Markets

Aggressive interest rate cuts by the Federal Reserve and the European Central Bank in H2 98 have reduced pressure on Asian currencies, particularly the Yen. Asian currencies have remained broadly stable thus far this year, despite the crisis in Brazil. Asian equity markets began to rally from Feb 99, swept by a wave of optimism arising from improved growth prospects and easier liquidity conditions in both domestic and global markets. (See Charts 1.3 and 1.4.) The Nikkei-225 index surged by more than 25% since the beginning of the year, to close above 17,000 in early Jun, on restructuring efforts by several large corporations as well as purchases by foreigners re-weighting their portfolios in favour of Japanese stocks.

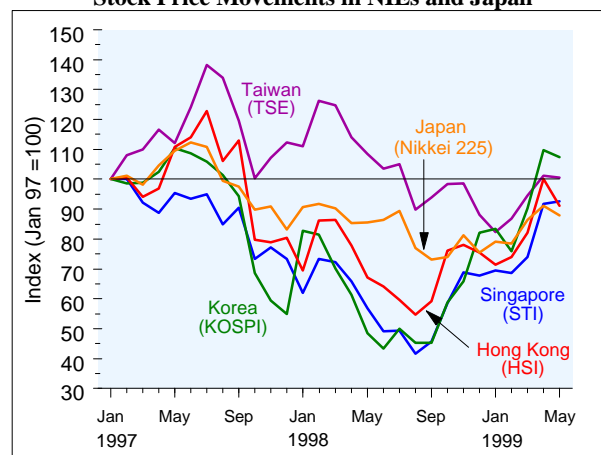
### GDP Growth

There are signs that the recession in the crisis countries has bottomed out, and that these economies will return to positive growth in the near future. Korea recorded GDP growth of 4.6% year-on-year (y-o-y) in Q1 99, derived largely from a recovery in domestic demand. (See Chart 1.5.) The central bank has projected in Jun

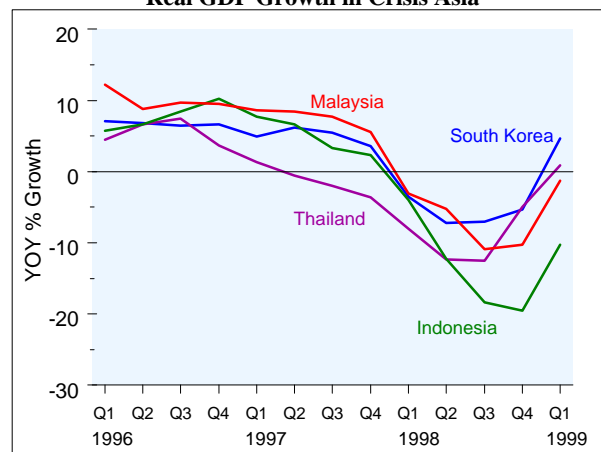
**Chart 1.3**  
Stock Price Movements in ASEAN-4



**Chart 1.4**  
Stock Price Movements in NIEs and Japan



**Chart 1.5**  
Real GDP Growth in Crisis Asia



99 that the recovery of consumer and business confidence, together with rising exports, will push Korea's GDP growth above 5% this year.

Thailand grew by 0.9% y-o-y in Q1 99, up from an earlier forecast of -4.7% y-o-y. Although Indonesia and Malaysia experienced GDP contractions of 10.3% and 1.3% y-o-y in Q1 99 respectively, seasonally adjusted q-o-q growth was positive in both countries. Industrial production in the crisis countries also showed rising trends in the first few months of the year, although substantial excess industrial capacity remained a problem. The export performance of the crisis countries has been lacklustre. Only Malaysia registered positive export growth (in US\$ terms) in Q4 98 and Q1 99. However, there are signs of an imminent recovery. Thai exports grew by 4.7% and 6.2% respectively in Apr and May 99, after thirteen consecutive months of contractions. Korean exports rose by 2.2% in May 99, after remaining in negative territory for almost a year.

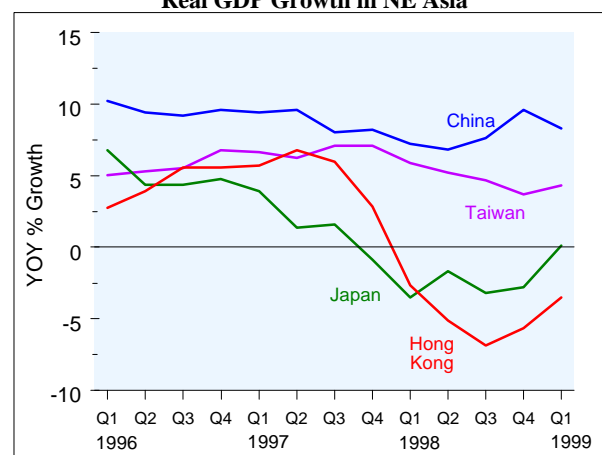
GDP growth in Northeast Asia was mixed. (See Chart 1.6.) Supported by massive state spending, growth in China remains strong, with GDP growth of 8.3% in Q1 99. Taiwan also chalked up positive GDP growth of 4.3% despite a sharp fall in private investment, mainly due to its strong export performance. The Taiwanese government revised its growth forecast for 1999 from 4.7% to 5.1%. Hong Kong, by virtue of its currency peg, has had to rely on internal price adjustments to restore competitiveness. The economy registered a GDP contraction of 3.4% in Q1 99, its fifth consecutive quarter of decline.

The outlook for the Japanese economy has brightened somewhat. Japan posted unexpectedly strong growth of 1.9% q-o-q (0.1% y-o-y) in Q1 99 after its worst postwar GDP contraction of 2.8% in 1998. The economic expansion was domestic demand-led, with a pickup in both the private and public demand. The improvement was also reflected in rising imports, particularly from East Asia, in the first four months of the year. (See Chart 1.7.)

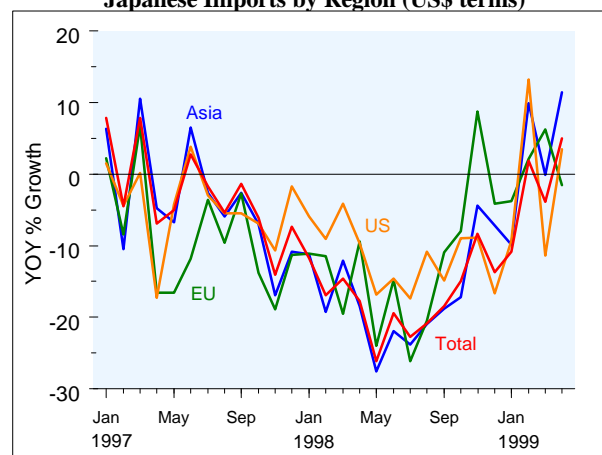
### *Financial Sector Reform*

Governments in the crisis economies have also taken steps to restructure and consolidate their financial sectors, although the restructuring process remains far from complete. This has been effected through closing insolvent financial institutions, nationalising and merging weaker financial institutions, recapitalising

**Chart 1.6**  
**Real GDP Growth in NE Asia**



**Chart 1.7**  
**Japanese Imports by Region (US\$ terms)**



banks, carving out bad loans from the banking system, liberalising foreign ownership restrictions, and reforming regulatory and supervisory frameworks. Progress in Korea has been the most significant, followed by Malaysia. While the pace of recapitalisation has picked up in Thailand, it still lags behind other crisis countries, with the exception of Indonesia.

### *Risks to Recovery*

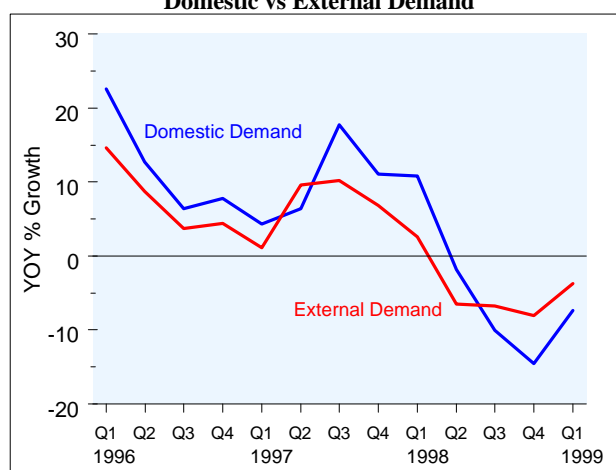
The relatively benign external environment has contributed greatly to the nascent recovery in East Asia. Countries have benefited from low global interest rates, strong growth of the US economy, and a steady Yen. Hopes for a sustainable recovery depend on these favourable external factors remaining intact.

There remain significant risks to the sanguine economic outlook for East Asia. An interest rate hike in the US in response to reviving inflation and rising oil prices could weaken the Yen, and put pressure on other Asian currencies, particularly the Hong Kong Dollar and the Renminbi. Exports from East Asia will be adversely affected if the US and EU economies slow significantly, or if the imminent recovery in Japan proves unsustainable. External demand could also falter if protectionist tendencies increased in response to the rising US current account deficit. Tensions in the trade arena have been manifested in China's still unsuccessful WTO accession bid, the continued impasse over the leadership of the WTO, and various trade disputes. There have also been concerns that the impending recovery in East Asia will weaken the resolve to undertake necessary structural reforms, jeopardising the sustainability of the recovery.

## 1.2 Aggregate Demand

The pick-up in growth of the Singapore economy in Q1 99 reflected an increase in net exports that more than offset the decline in domestic demand. Both external and domestic demand recorded significantly smaller contractions. (See Chart 1.8.)

**Chart 1.8**  
**Domestic vs External Demand**



## External Demand

External demand for Singapore's goods and services recorded a smaller decline of 3.7% in real terms in Q1 99, compared to 8.1% in Q4 98. This reflected a smaller contraction in total goods or merchandise exports and an increase in services exports for the first time since Q3 97.

### Goods Exports

Total merchandise exports contracted by 4.8% in Q1 99 but rose by 6.4% in April-May. (See Chart 1.9.) The continued decline in merchandise exports in Q1 99 was largely on account of a double-digit decline in re-exports, as a result of a sharp drop in re-exports to the US and EU. Re-exports to the NIEs also fell at a double-digit rate, weighed down by the 32% fall in re-exports to Hong Kong. Re-exports to Malaysia and Thailand, on the other hand, rose by 3.5%, following six consecutive quarters of contractions. In April and May, overall re-exports turned around to increase by 1.6% and 0.1% respectively.

The fall in re-exports in Q1 99 was partly offset by a 1.4% rise in domestic exports. Oil domestic exports rose by 4.6%, while non-oil domestic exports (NODX) increased by 0.7% after three consecutive quarters of decline. (See Chart 1.9.) In April-May, NODX rose by an even higher 11.5%. The increase in NODX was largely due to a pick-up in electronic exports, in line with stronger global electronics demand and an increase in industrial production. NODX to the NIEs, Malaysia and Thailand recorded smaller contractions in Q1, and strong growth in April-May 99 as the regional economies continued to recover. NODX to EU remained strong, while that to the US saw a slight recovery. (See Chart 1.10.)

The recent recovery in exports followed a contraction of 0.7% in 1998. Singapore's exports have been slowing down over the past few years. Real exports rose by an average of 7.1% in 1996-97, compared to an average of 20% in 1993-95. In particular, Singapore's share in the US market – the single largest export market for Singapore – fell from 2.5% to 2.0% between 1996-98. The decline in Singapore's overall market share in the US largely reflected the decline in exports of machinery and transport equipment (SITC 7), which accounts for 85% of its total exports to the US. A more detailed assessment of Singapore's export performance in the US market in SITC 7 is provided in the Appendix.

Chart 1.9  
Real Goods Exports

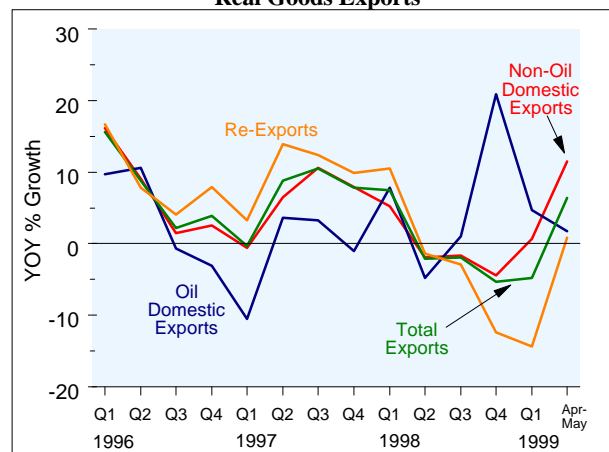
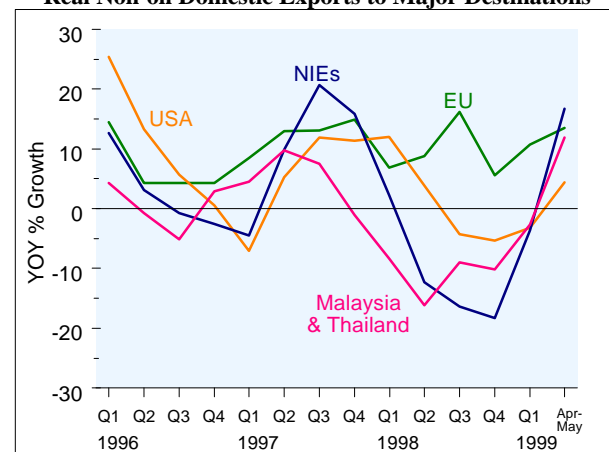


Chart 1.10  
Real Non-oil Domestic Exports to Major Destinations



### Services Exports

Singapore's services exports rose by 29% in real terms in Q1 99, compared to double-digit contractions in all four quarters last year.<sup>1</sup> (See Chart 1.11.) This reflected a 4.9% increase in travel receipts, in line with the pick-up in tourist arrivals particularly from the region. ASEAN arrivals rose by 13% amid signs of a recovery in their economies. This is the first increase in travel receipts since Q1 96.

Receipts from 'other services' such as passenger fares, and financial & business services, which make up about half of total services receipts, surged by 73%. On the other hand, transportation receipts declined by 6.6%, largely due to a fall in freight receipts. This reflected continued weakness in regional exports and demand for crude oil.

### Domestic Demand

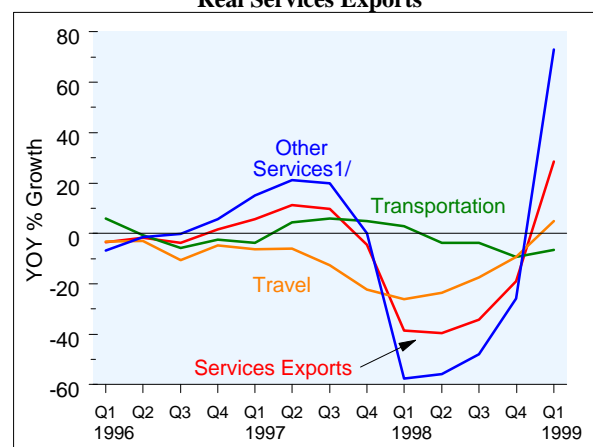
Total domestic demand continued to contract in Q1 99, albeit by a milder 7.4% compared to 14.6% in Q4 98. (See Chart 1.8.) The smaller contraction in domestic demand was due to stronger growth in consumption coupled with a more moderate decline in investment. Consumption expenditure rose by 2.3%, supported by strong public consumption. At the same time, private consumption recorded a smaller decline as sentiments picked up following an improvement in economic outlook this year. (See Chart 1.12)

Looking forward, consumer confidence has shown signs of improvement. Although consumer confidence as measured by the MasterIndex remained in the pessimistic range below 50, it rose from a value of 26 in Q2 98 to 35 in Q4 98.<sup>2</sup> A new Consumer Confidence Index compiled by The Straits Times commencing last December showed an improvement in consumer confidence in Q1 99, with the Index jumping from 100 in Q4 98 to 237.

<sup>1</sup> To derive real services exports, nominal services exports from the balance of payments was deflated using a four-quarter moving average of the underlying CPI. The underlying CPI excludes private road transport and accommodation from overall CPI.

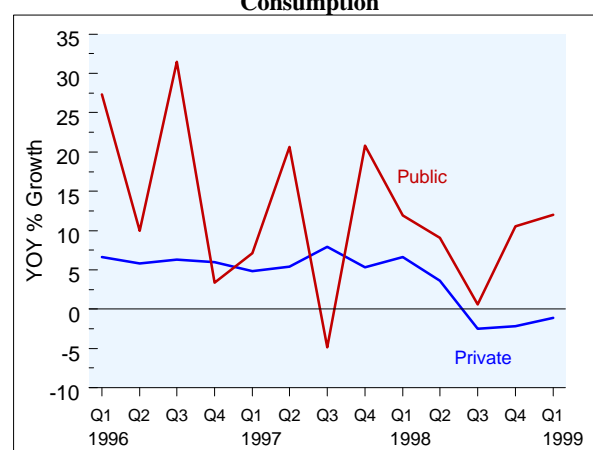
<sup>2</sup> The MasterIndex rose from 26 in Q2 98 to 35 in Q4 98. The MasterIndex is compiled by MasterCard International and ranges from 0 to 100. A score of 50 denotes no change in consumer confidence, while a score of above (below) 50 indicates consumer optimism (pessimism) about the economic situation and quality of life over the next six months.

**Chart 1.11**  
**Real Services Exports**



1/ Other services exports include passenger fares, financial, communication, merchandising, professional and business services.

**Chart 1.12**  
**Consumption**





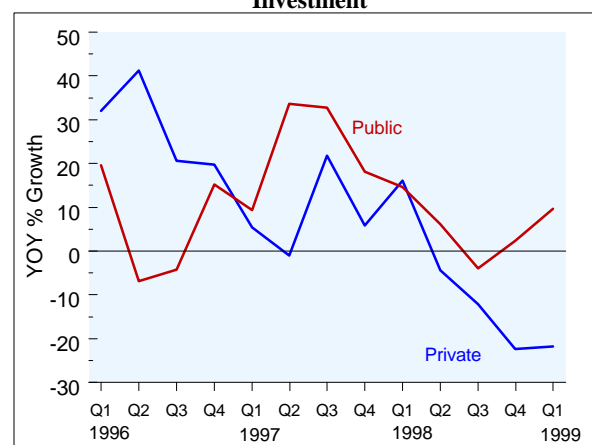
Investment expenditure continued to contract at a double-digit rate. Investments in machinery and transport equipment were weighed down by uncertain business prospects, while the excess supply in the private property market dampened private construction activity. This was somewhat offset by the strength in public investment, which grew by 9.7%. (See Chart 1.13) In line with the pick-up in economic activity in Q1 99, the decline in inventories moderated from 5.9% of GDP in Q4 98 to 1.8% in Q1 99.

In the quarters ahead, there could be some improvement in residential construction activity in light of improved sentiments in the private residential property market. As the economy recovers, investments in machinery and equipment should also improve. The Business Expectations Survey by the Economic Development Board for Q2 99 showed that a weighted 74% of industrialists plan to invest in plant and machinery over the next year, similar to the previous quarter and higher than in Q4 98. The percentage expecting to maintain at least the same level of investment rose from 38% in Q1 99 to 54% in Q2. (See Chart 1.14.) Concomitantly, those planning to invest in buildings rose marginally, as did those that plan to maintain or increase their investments.

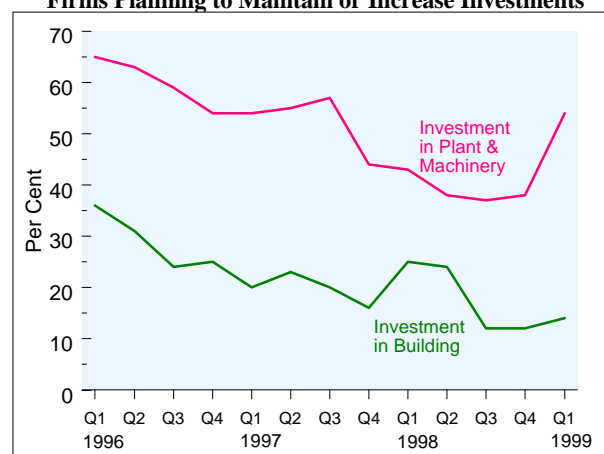
### 1.3 Domestic Output

The Singapore economy grew by 1.2% in the first quarter of 1999, following contractions in the last two quarters of 1998. (See Chart 1.15.) The return to a positive GDP growth rate in Q1 99 reflected the strong performance of the manufacturing sector, which more than offset the deterioration in the construction and financial services sectors. Activity in the construction sector fell on the back of sharply lower overall private and public residential construction. Reflecting their close linkages to the regional economies whose growth remained weak, the commerce and financial services sectors contracted for the fourth consecutive quarter. However, as the regional economies embark on their road to recovery, these two sectors should also see some positive spillover effects.

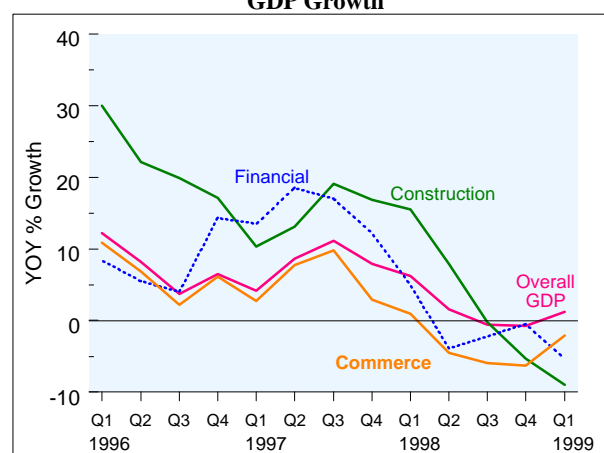
**Chart 1.13**  
Investment



**Chart 1.14**  
Firms Planning to Maintain or Increase Investments



**Chart 1.15**  
GDP Growth



**Manufacturing**

The manufacturing sector rebounded to grow by a healthy 6.5% in Q1 99, following three consecutive quarters of contraction. Manufacturing output continued to expand by 5.4% in April and 16% in May, underpinned by double-digit growth in the electronics industry. (See Chart 1.16.)

Electronics production expanded by a strong 14% in the first quarter of the year, and continued to increase by 12% in April and a whopping 32% in May. This follows weak or negative growth throughout most of 1998, which saw an overall contraction of 3.2% in electronics production. Growth in Q1 99 was underpinned by strong performances in computer and computer peripherals, semiconductors and telecommunications equipment industries, as the global electronics industry began to pick up. According to Dataquest, world-wide PC shipments rose by 17% in Q1, driven by strong consumer demand for desktops in the US, as well as a recovery in Asia-Pacific markets. (See Chart 1.17.) However, the local disk drive industry was adversely affected by major disk drive maker Western Digital's decision to shut down one of its two plants here and transfer its low-end manufacturing line to Malaysia.

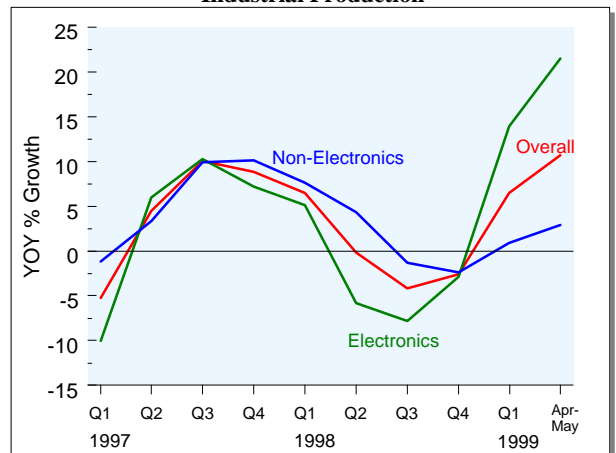
The local electronics sector should continue to see robust growth for the rest of the year, supported by capacity expansions in the local semiconductor industry<sup>3</sup> as well as increased production by major disk drive makers.<sup>4</sup> New orders of US electronic components, a leading indicator of Singapore's electronics exports, rose by 8.9% in Apr on a y-o-y basis, while shipments grew by 8.6%. (See Chart 1.18.)

Output of non-electronics products saw slower growth of 0.9% in Q1 99, down from 1.8% in 1998. It continued to weaken further in April, recording a

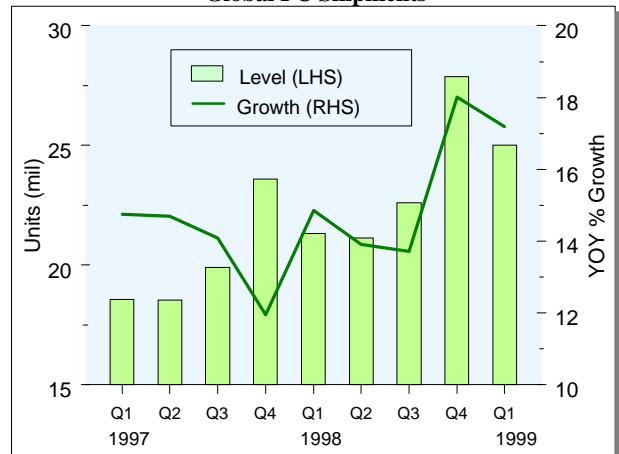
<sup>3</sup> A joint venture by Lucent and CSM producing integrated circuits is expected to start up in mid-99, while Chartered Silicon Partners, a foundry, is scheduled to come on stream in 2000. After buying TI's share last year, Micron is pumping US\$500 million to upgrade the 2 TECH plants. These are expected to see a 40% increase in output, possibly by this year. In addition, Hitachi Nippon Steel is embarking on an aggressive plan to more than double production by end-99 from current levels.

<sup>4</sup> Seagate is ramping up output of its U4 disk drives for sub-US\$1000 PCs in Q2 99, while Maxtor will start production in its new plant here in the second half of the year.

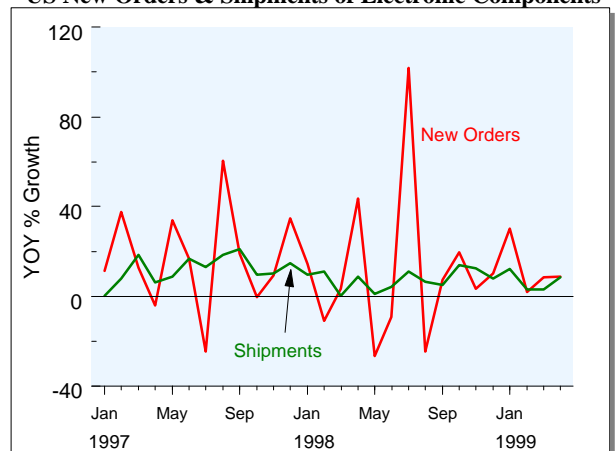
**Chart 1.16  
Industrial Production**



**Chart 1.17  
Global PC Shipments**



**Chart 1.18  
US New Orders & Shipments of Electronic Components**

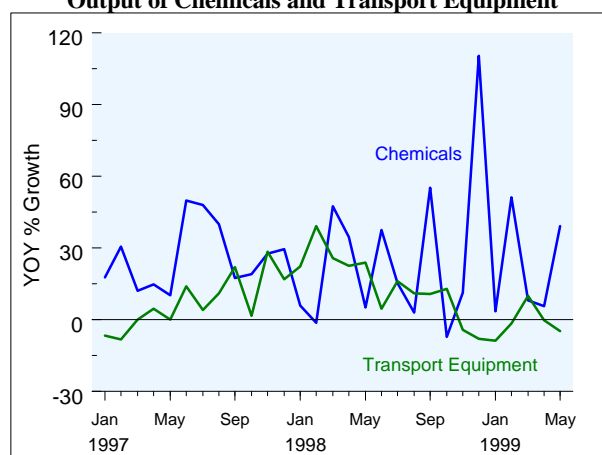


marginal decline of 0.3% but bounced up to 5.7% in May.

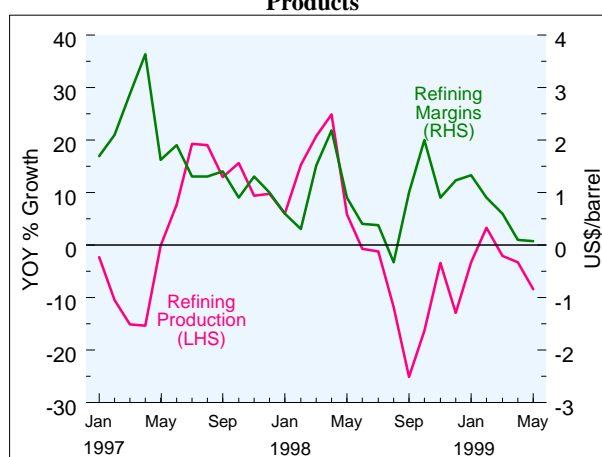
Non-electronics production was supported by the chemicals cluster, which saw a 20% rise in output in Jan-May 99, due to capacity expansions in the petrochemical industry and increased production in the pharmaceuticals industry. In contrast, most of the other non-electronics industries turned in lacklustre performances. The transport equipment industry shrank by 0.9% in the first five months of the year, down from growth of 13% for the whole of 1998, reflecting a contraction in the marine transport equipment industry and a slowdown in the aviation transport industry. (See Chart 1.19.) Output of refined petroleum products continued to decline, by 0.8% in Q1 99 and a sharper 5.9% in Apr, as refining margins were squeezed by the hike in crude oil prices following the supply cuts by major oil producing countries. (See Chart 1.20.) Production of fabricated metal products, electrical and non-electrical machinery also contracted in Q1 99, although the declines had moderated from the previous quarter.

The non-electronics industry is expected to record mediocre growth for the whole of 1999. Although growth in the chemicals cluster should be sustained by capacity expansions<sup>5</sup>, the transport equipment industry, an important source of growth last year, is expected to weaken significantly in 1999. This reflects slower growth in the aircraft repair and overhaul industry, as well as an expected decline in the marine transport equipment industry, the latter dampened by the recent fall in tanker freight rates for Very Large Crude Carriers (VLCCs). Prospects for the petroleum refining industry also remain uncertain. While the recovery in the Asian economies should result in stronger demand for oil products, this will be offset by the ban on gas oil imports in China as well as new refining capacity in India which could lead to a substantial reduction in India's oil product imports.

**Chart 1.19**  
**Output of Chemicals and Transport Equipment**



**Chart 1.20**  
**Refining Margins and Output of Refined Petroleum Products**



<sup>5</sup> Pharmaceutical production will be boosted with the opening of Glaxo's new plant producing an anti-asthma drug in Q4 last year. Schering-Plough also plans to ramp up production of its asthma inhaler in the second half of 1999. Petrochemical projects starting up this year include Sumitomo's acrylic plants, Eastman Chemical's oxo-chemicals plants, and Mitsui's bisphenol-A plant.

## Financial & Business Services

The financial & business services sector shrank by 0.6% in Q1 99 compared to growth of 2.1% in the previous quarter. This reflected a sharp contraction of 5.3% in the financial services sector, and slower growth in the business services sector. (See Chart 1.21.)

### Financial Services

The sharp contraction in the financial services sector in Q1 99 reflected significantly slower activity in the stock market. Average daily turnover in the stock market fell by 21% in value terms and 40% in volume terms in Q1 99. However, trading activity picked-up strongly in April-May, by a whopping 243% in value terms and 354% in volume terms, supported by low domestic interest rates, an overall improvement in sentiments and renewed foreign interest in regional stock markets as the regional economic outlook improved. (See Chart 1.22.) Stock prices have escalated, with the STI index surging by 39% between Feb and May 99 and have exceeded its pre-crisis level on many occasions in June.

On the other hand, activity on Singapore's futures and options exchange, the Singapore International Monetary Exchange (SIMEX), slowed down in Q1 99. The number of contracts traded on SIMEX averaged 2.15 million in Q1 99 and 1.77 million in April, compared to 2.29 million in Q4 98. Compared to the year ago period, this represented a decline of 0.2% in Q1 99 and 14% in April. The number of Euroyen and Eurodollar futures contracts traded, which account for about 60% of total SIMEX turnover, fell by 49% and 18% respectively in April, offsetting the 22% increase in Nikkei futures contracts traded.

Activity in the foreign exchange market and the offshore Asian Dollar Market (ADM) continued to contract. (See Chart 1.23.) Total foreign exchange turnover fell by 4.0% in Q1 99 and 13% in April, compared to a smaller decline of 1.6% the previous quarter. In the ADM, total assets/liabilities fell by 5.4% in Q1 99 and 4.9% in April, as loans to the Asian countries continued to decline. In level terms, total assets/liabilities in the ADM fell by US\$18.0 billion in Q1 99 and a further US\$13.8 billion in April.

Domestic lending activity of banks and finance companies also deteriorated. Finance companies' loans and advances dipped by 8.9% in Mar 99 and 9.5% in April, while commercial banks' loans and advances to non-bank customers declined by 3.3% and 2.6%

Chart 1.21  
Growth of Financial & Business Services

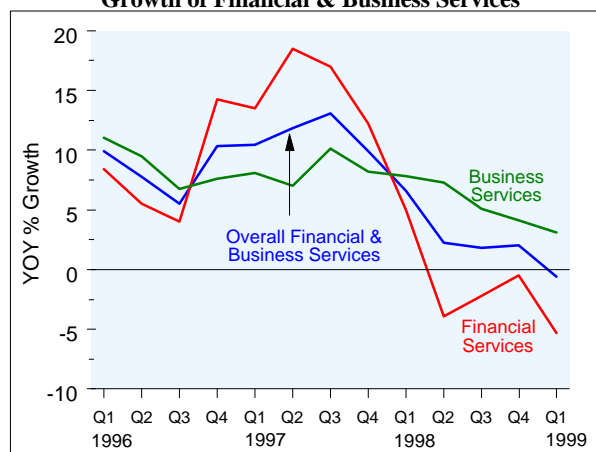


Chart 1.22  
Stock Market Average Daily Turnover Volume

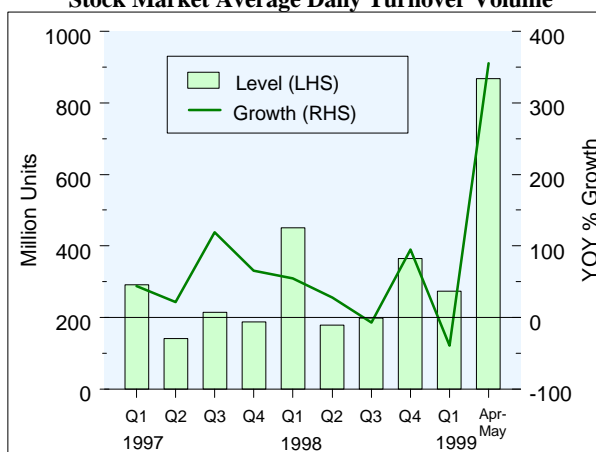
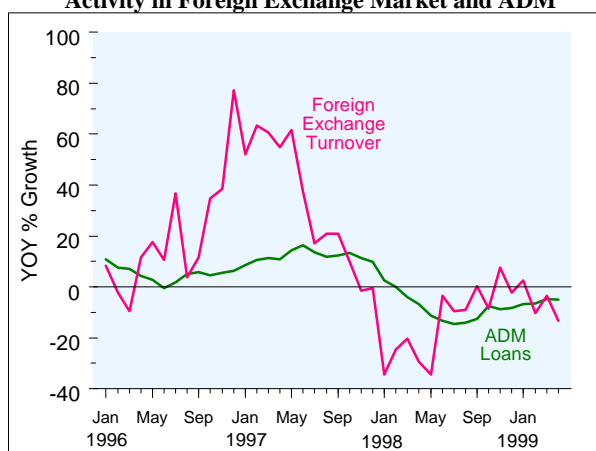


Chart 1.23  
Activity in Foreign Exchange Market and ADM



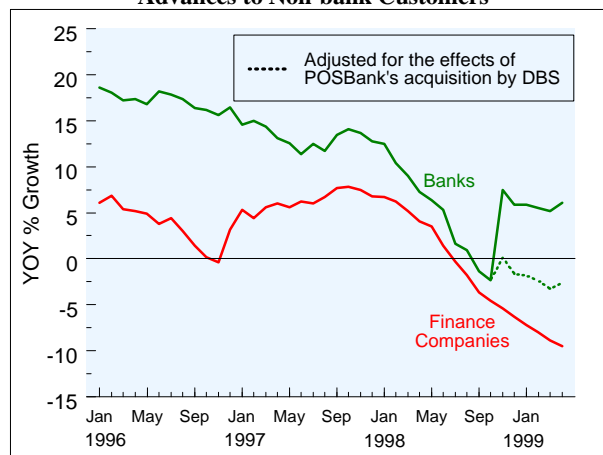
respectively.<sup>6</sup> (See Chart 1.24.) Loans to most sectors of the economy registered negative growth, except for loans for building and construction (including housing loans) and the transport & communications sector.

In the insurance industry, the life insurance business saw some improvement in Q1 99 although the general insurance business continued to deteriorate. Although the number of life insurance policies sold fell by 4.6%, premiums collected on new business rose by 54% on account of a surge in single premium policies sold. Premiums from new life insurance business increased to \$339.4 million in Q1 99, from \$310.3 million in Q4 98 and \$219.4 million in Q3 98. General insurance business, on the other hand, continued to deteriorate with gross premiums collected shrinking by 11%. (See Chart 1.25.)

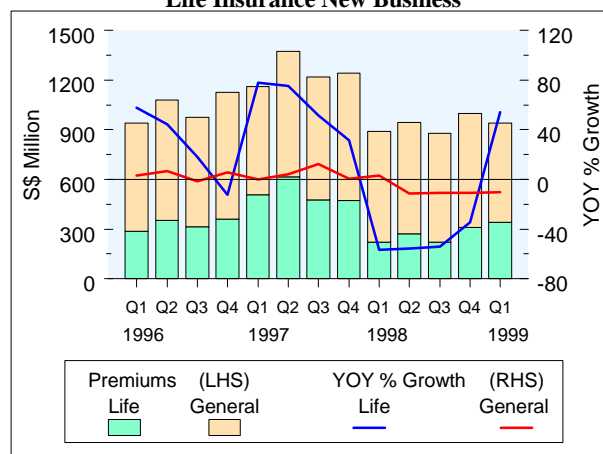
*Business Services*

Growth of the business services sector moderated to 3.1% in Q1 99, compared to 4.1% in Q4 98 and 6.0% for the whole of 1998. Based on the Business Expectations Survey (BES) report by the Department of Statistics, a negative net balance<sup>7</sup> of 12% of business services firms (excluding real estate) recorded slower business in Q1 99, with firms engaged in consultant engineering, advertising and information technology services experiencing a decline in earnings. On the other hand, a net balance of 4% of real estate firms saw higher earnings in Q1, in line with the pick-up in the number of private residential property transactions. The latest BES survey showed that firms in business services forecast sluggish activity for the next six months. A net balance of 22% of real estate firms and 25% of business services firms (excluding real estate) expect slower earnings. (See Chart 1.26.)

**Chart 1.24**  
Finance Companies' and Commercial Banks' Loans and Advances to Non-bank Customers



**Chart 1.25**  
Premiums Collected for General Insurance & Life Insurance New Business



**Chart 1.26**  
Business Expectations for Next Six Months



<sup>6</sup> The growth of bank loans and advances to non-bank customers have been adjusted for the inclusion of loans made by POSBank following its acquisition by DBS Bank in Nov 98. The unadjusted loan growth for Mar and Apr 99 are 5.2% and 6.1% respectively.

<sup>7</sup> Net balance is the difference between the percentage of firms reporting more favourable performance minus the percentage reporting less favourable performance.

## Commerce

The commerce sector continued to shrink in Q1 99, but at a more moderate rate of 2.1% compared to 6.3% the previous quarter. (See Chart 1.27.) On a seasonally-adjusted quarter-on-quarter annualised basis, the commerce sector grew by 8.2%, the first positive growth since Q3 97. Entrepot trade recorded a smaller contraction of 6.8% in Q1, compared to 16% in Q4 98, as regional countries saw some improvement in their trading activity. Reflecting the pick-up in tourist arrivals and some improvement in sentiments domestically, domestic retailers experienced a 0.3% increase in business, while restaurants and hotels recorded a smaller decline.

### Visitor Arrivals

Total visitor arrivals grew by 9.3% in Q1 99, following five consecutive quarters of decline. (See Chart 1.28.) In particular, arrivals from the ASEAN countries rose by 13%, largely on account of the surge in arrivals from Indonesia and Thailand. However, arrivals from Malaysia continued to fall for the sixth consecutive quarter. Arrivals from the NIEs also continued to decline, albeit by a smaller 1.4% compared to 5.3% in Q4 98. This reflected strong growth in Korean arrivals, which rose by 207% in Q1, amid signs of recovery in the economy and strengthening of the won. On the other hand, arrivals from Hong Kong and Taiwan fell by double-digit rates.

Visitor arrivals from the industrial countries also picked up in the first quarter. Arrivals from Japan grew by 1.3%, the first positive growth since Q4 96. European arrivals also grew by 7.5%, largely reflecting strong growth in arrivals from the UK and Germany, which accounted for about half of total arrivals from Europe. At the same time, arrivals from the US fell by a smaller 1.4% compared to 3.1% in the previous quarter.

In Apr 99, total visitor arrivals rose by 6.6% on account of arrivals from ASEAN, although arrivals from the NIEs and the industrial countries weakened somewhat. This brought growth of total tourist arrivals to 8.6% for the first four months of the year. Arrivals from Indonesia and China, which grew by 32% and 44% respectively in Apr, accounted for 86% of the increase in visitor arrivals.

Chart 1.27  
Commerce Sector Growth

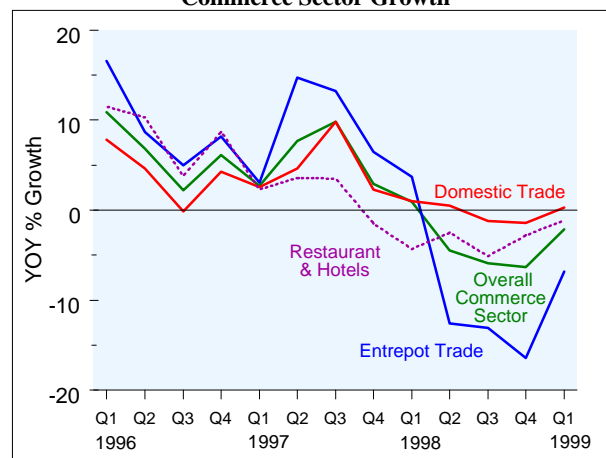
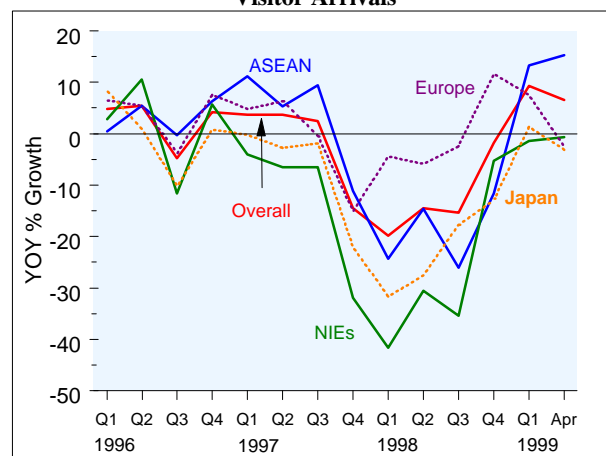


Chart 1.28  
Visitor Arrivals



### Hotels/F&B/Retail Industries

Despite the strong growth in visitor arrivals, the hotel industry only saw a slight improvement in business. Hotel revenues fell by 16% in Q1 99 compared to a decline of 19% the preceding quarter. (See Chart 1.29.) The continued decline in revenues reflected aggressive price cuts by hotels, with room rates falling by 17% to \$123 in Q1. The hotel occupancy rate actually grew by 0.3% in Q1 99 after six consecutive quarters of decline, while the number of room nights let out increased by 2.8%. Hotel revenues continued to decline at a double-digit rate in April.

Revenues at food and beverage (F&B) outlets declined by 19% in Q1 99, while catering trade (comprising restaurants, fast food outlets and other eating places) saw a 5.0% fall in business. (See Chart 1.29.) Restaurant revenues fell by 19%, although cheaper alternatives such as fast food outlets, coffee shops and canteens recorded growth in sales revenues. In volume terms, catering trade turnover also fell by 5%.

Retail sales grew by 2.5% in Q1 99, after five consecutive quarters of decline. (See Chart 1.30.) Retail sales have been improving since Q4 98, underpinned by strong growth in motor vehicle sales, which were boosted by a pick-up in the stock market, improved sentiments and low interest rates. Sales of textiles and personal effects, and furniture and household equipment, also registered smaller declines since Q4 98, while sales at department stores and supermarkets turned positive in Q1 99.

### Transport & Communications

The transport & communications sector grew by 5.7% in Q1 99, stronger than 4.7% the previous quarter, due to improved performance of the sea and air transport industries. (See Chart 1.31.) The volume of air cargo handled and number of passengers passing through Changi Airport rose by 8.5% and 11% respectively, compared to a decline of 2.3% and smaller growth of 2.7% respectively in Q4 98. Freight and passengers carried by Singapore Airlines also saw strong growth of 9.1% and 16% respectively, the latter reflecting the increase in tourist arrivals in Q1. In the water transport industry, the volume of sea cargo handled at Singapore's port rose by 6.3% in Q1 99 and 11% in April, after declining by 4.6% in 1998.

Chart 1.29  
Indicators of Hotel and F&B Performance

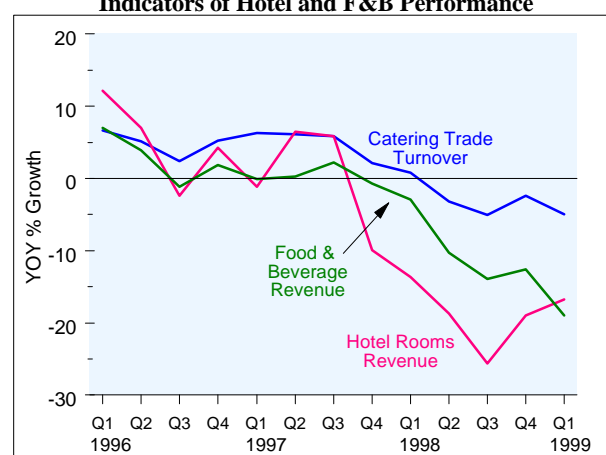


Chart 1.30  
Retail Sales

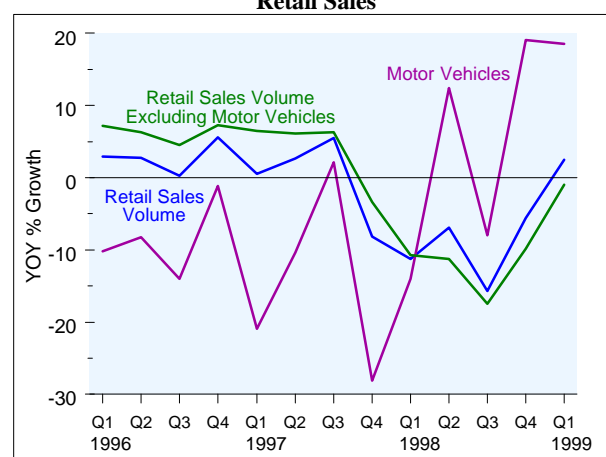
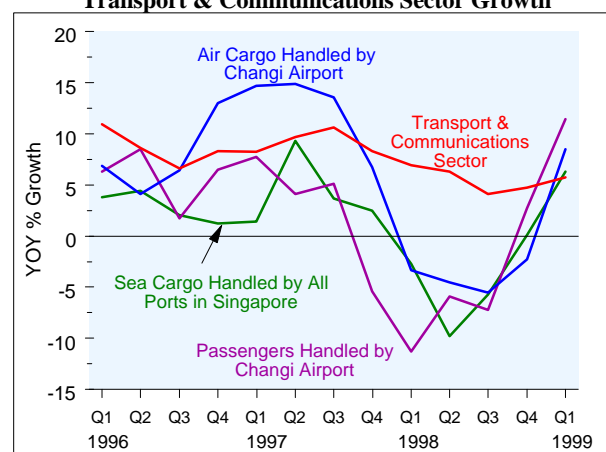


Chart 1.31  
Transport & Communications Sector Growth



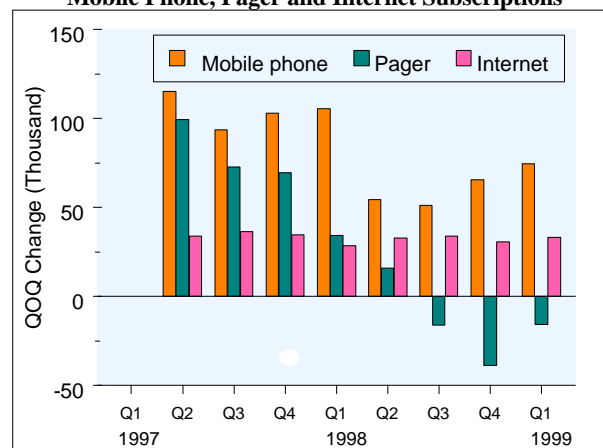
The communications industry saw slower growth, reflecting a slowdown in mobile phones and pager subscriptions. (See Chart 1.32.) The number of pager subscriptions fell by 4.1% at end-Mar 99, while the mobile phone subscriptions saw a smaller growth of 29% compared to 37% at end-98. Internet dial-up subscriptions also saw a smaller growth of 44% compared to 47% in Q4 98.

## Construction

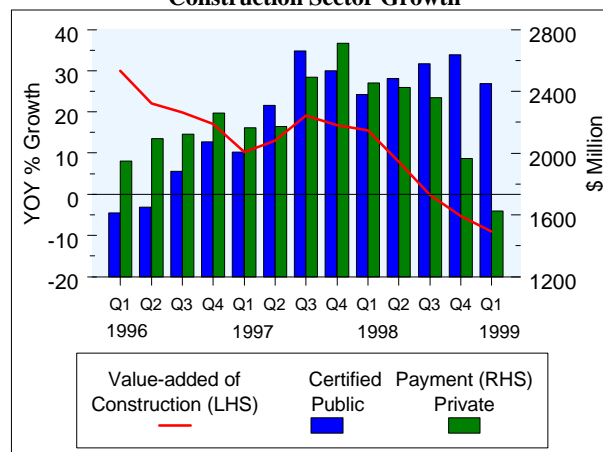
The construction sector shrank by 9.0% in Q1, significantly sharper than in the previous two quarters. (See Chart 1.33.) Private construction was dampened by the large overhang in the private residential and commercial property markets. As at end-Q1 99, there remained 13,901 unsold housing units under construction. Although the occupancy rate for private residential units saw some improvement from 91.0% in Q4 98 to 91.6% in Q1 99, it remained significantly weaker than the average of 93.8% in 1996. Moreover, the occupancy rate for shop and office space continued to decline. Public residential construction also slowed significantly. Only public non-residential construction saw positive growth.

The construction sector is expected to remain weak this year. Contracts awarded, a leading indicator of construction activity, shrank by 37% in 1998 and 42% in Q1 99. (See Chart 1.34.) Compared to the previous quarter, contracts awarded fell by 26%. Contracts awarded for both private residential and non-residential construction actually rose, but was offset by sharply lower contracts for public non-residential construction and works.

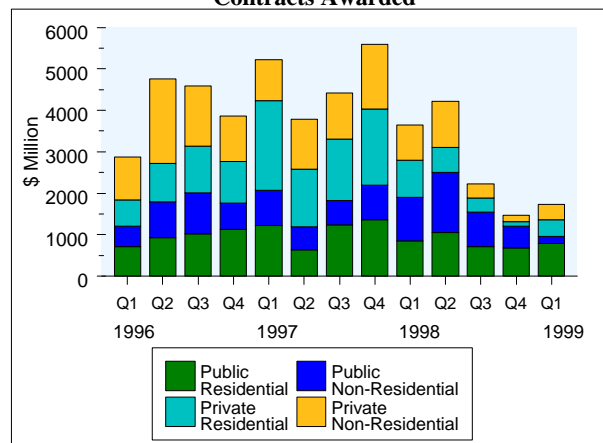
**Chart 1.32**  
Mobile Phone, Pager and Internet Subscriptions



**Chart 1.33**  
Construction Sector Growth



**Chart 1.34**  
Contracts Awarded





## 2 Inflation

Consumer prices in Singapore fell by 0.4% in the first five months of the year, following a decline of 0.3% in 1998. Both external and domestic price pressures remained benign. Asset prices, on the other hand, picked-up in Q1 99. Equity prices surged on the back of renewed foreign interest in the local stock market and improved sentiments domestically. In the property market, private residential property prices rose for the first time since Q2 96.

### 2.1 External Inflation

#### Foreign CPI Inflation

CPI inflation in the crisis Asian countries continued to ease. In some economies, inflation has fallen to below its pre-crisis level. CPI inflation in South Korea and Malaysia dipped below 3% in May 99, while Thailand recorded negative inflation. Inflation in Indonesia has also moderated progressively from its peak of 82% in Sep 98 to 31% in May 99. (See Chart 2.1.)

With the exception of Taiwan, which registered CPI inflation of 0.5% in Jan-May 99, the major economies in Northeast Asia recorded negative inflation rates. Consumer prices contracted in China, Hong Kong and Japan, by 1.7%, 2.7% and 0.2% respectively in the first five months of the year. In the industrial economies, inflationary pressures remained benign.

#### Commodity Prices

Prices of major commodities in world markets continued to be weak. Following the decision by major oil producing countries to cut production in March, crude oil prices rose to around US\$15 a barrel in April, from less than US\$10 late last year. However, this has not translated into a significant rise in the price of oil products, which continued to be weighed down by weak demand. (See Chart 2.2.)

In Singapore, wholesale prices of mineral fuel, of which more than half comprise crude oil prices, have picked up

Chart 2.1  
Foreign CPI Inflation

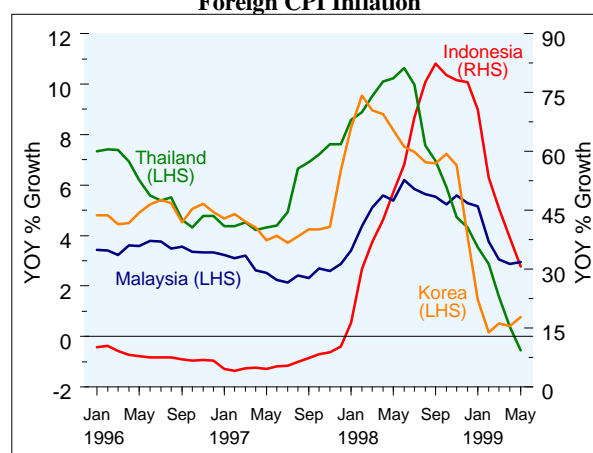
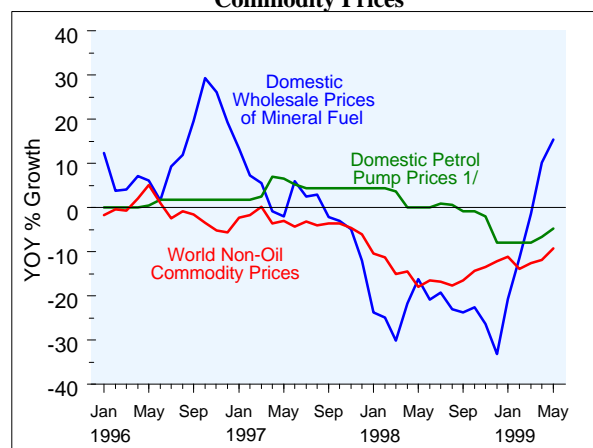


Chart 2.2  
Commodity Prices



1/ Internal calculation based on data from Ministry of Finance.

since January. Pump prices of petrol also started to creep up in April. Nevertheless, production cutbacks by major oil producing countries are not expected to have a significant impact on world oil prices in the near term given the huge excess supply situation. Prices of non-fuel commodities have also continued to decline.

## 2.2 Consumer Price Inflation

### Overall CPI Inflation

Consumer prices fell by a more moderate 0.6% in Q1 99, compared to contractions of 1.6% in Q4 98. In April, consumer prices shrank by an even smaller 0.3%, as prices of meat and poultry surged during the pig-related virus scare in Malaysia, which drove up demand for chicken and caused pork suppliers to resort to dearer imports. Inflation turned in a positive 0.1% in May, the first positive rate after eleven months of decline. In the first five months of this year, consumer prices fell by 0.4%.

The more moderate decline in consumer prices this year reflected milder downward domestic price pressures, as consumer sentiments improved with the pick-up in the stock and property markets. (See Chart 2.3.) Goods inflation turned positive in April and May, after fourteen months of decline. This reflected higher prices of non-durable goods, especially non-cooked food, and a smaller decline in prices of durable goods. (See Chart 2.4.) In particular, the decline in private road transport costs slowed significantly with the pick-up in car prices. (See Chart 2.5.) The premium on the Certificate of Entitlement (COE) for a medium-size car – a licence that must be purchased in order to buy a brand new car in Singapore – has risen substantially since its bottom last October. Indeed, the fall in private road transport costs in recent months was largely due to cheaper petrol and the pass-through of last September's reduction in road taxes, rather than lower car prices.

The price of services, on the other hand, continued to decline, reflecting the lower cost of fuel & utilities and accommodation. (See Chart 2.4.) Electricity tariffs were slashed in January this year as part of the government's cost-cutting package of Nov 98, while the cheaper cost of accommodation reflected lower prices in the private residential property market. Keen competition among retailers also kept CPI inflation down. (See box on "Competition in the Retail Market".)

Chart 2.3  
Domestic and Imported Sources of CPI Inflation

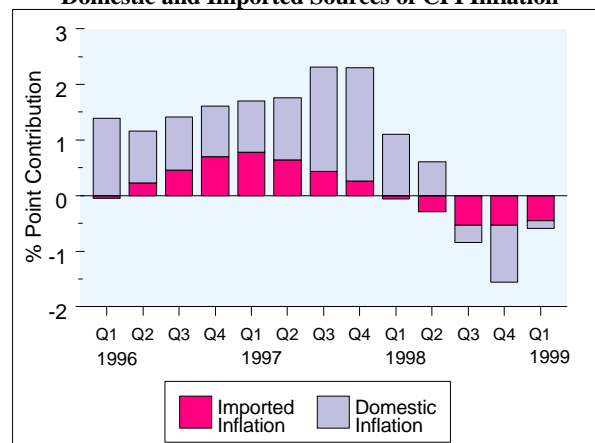


Chart 2.4  
Goods and Services Inflation

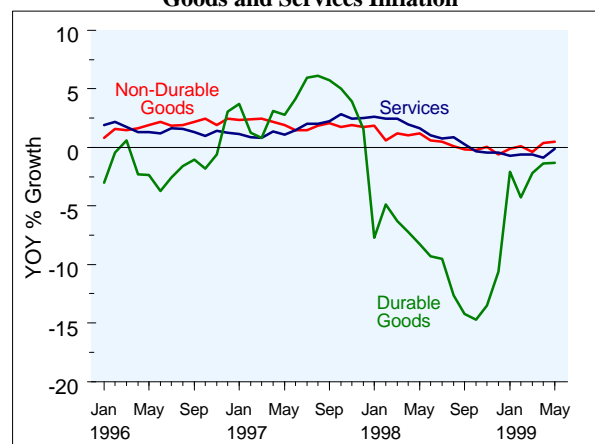
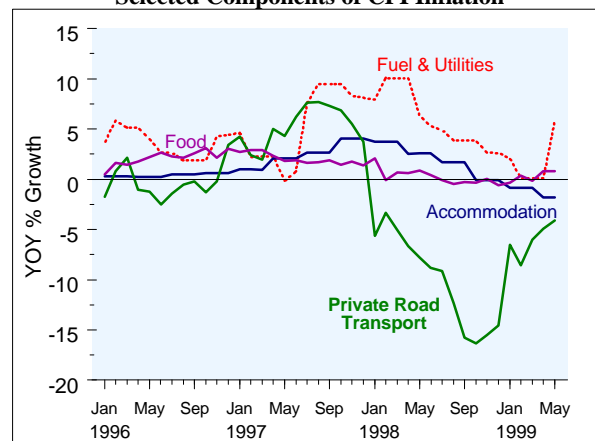


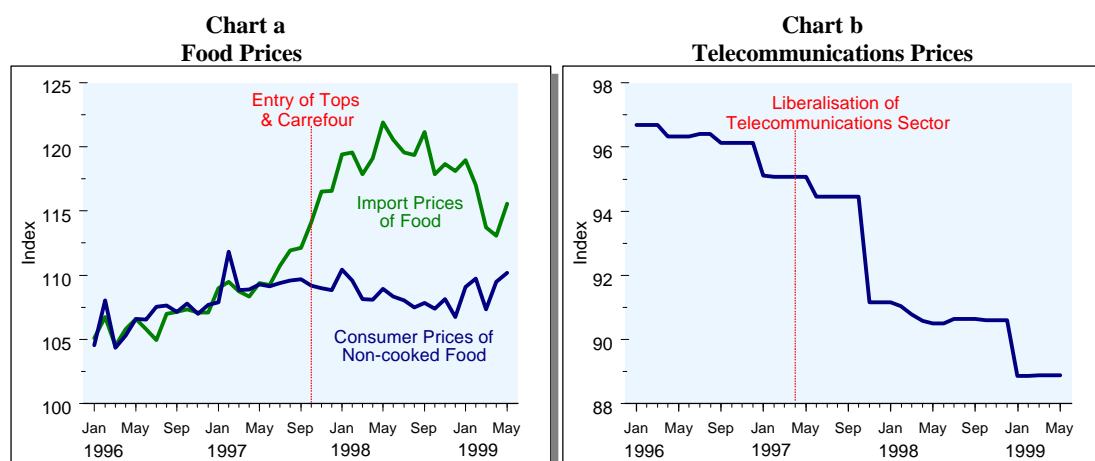
Chart 2.5  
Selected Components of CPI Inflation



### Competition in the Retail Market

Consumer prices in Singapore started declining in June last year. CPI fell by 0.3% in 1998 as a whole, and by a further 0.4% in the first five months of this year. The decline in prices reflected a combination of both external and domestic factors, one of which is price competition among retailers in Singapore. Competition was particularly evident in the supermarket and communications sectors, which together account for about one-sixth of the CPI basket.

The entry of Carrefour (a French hypermarket chain) and Tops (a Dutch-Malaysian joint venture) into the domestic supermarket scene started a price war among supermarket retailers in Singapore. Although the decline in prices also reflected price cuts by NTUC FairPrice – which has a market share exceeding 50% – in Aug and Nov 98 in response to the economic downturn, competition still played an important role in the decline in the price of non-cooked food since Oct 97. This more than offset the acceleration in import prices of food (see Chart a), which reflected adverse weather conditions that affected agricultural products, higher costs faced by suppliers in crisis-hit countries that were passed on to Singapore and more expensive foreign currency-denominated food imports from outside the region.



In the telecommunications market, the entry of a new mobile phone operator (MobileOne) and three new players (MobileOne, Hutchison Paging and SunPage) in the paging market in Apr 97 has led to repeated price cuts. Although prices of telecommunications items were already coming down before the liberalisation, as a result of cost-saving technology and price cuts by SingTel, they have seen larger declines since these new players entered the market (see Chart b). With another cellular phone operator, StarHub, entering the fray in April next year, SingTel and MobileOne – whose market shares are 70% and 30% respectively – have resorted to even more aggressive price cuts.

Downward pricing pressures may also start appearing in the power supply sector. In mid-Mar 99, Singapore Power, which currently has a monopoly on electricity supply, announced that it would divest its PowerSenoko and PowerSeraya generators in 2001 as part of the move to inject more competition into the power industry. By 2001, there are expected to be four separate players in domestic power industry. The experience of other countries like Australia and the UK showed that electricity tariffs fell by as much as 30% when the market was liberalised.

Hence, increased competition in various industries should continue to help keep Singapore's overall inflation low, even after economic activity picks up.

## Underlying Inflation

Underlying inflation measures are indicators that provide a better picture of an economy's underlying trend in prices. Four measures of underlying inflation are considered.

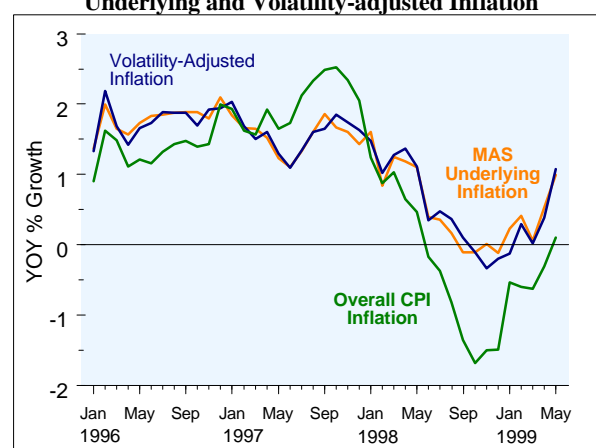
The MAS underlying inflation, which excludes private road transport and accommodation from the CPI, remained positive in the first five months of the year. (See Chart 2.6.) Private road transport costs is excluded because it is largely determined by government policies such import duties, road and fuel taxes, and the price of the COE for cars. As for accommodation, it is excluded as the small rental market for public housing and fixed rental contract period mean that the imputed rent may not be very representative of the cost of owner-occupied accommodation.<sup>8</sup>

The volatility-adjusted inflation, which further excludes cooking oil & fats, vegetables, alcoholic drinks & tobacco and haberdasheries, also registered positive rates since Feb 99. (See Chart 2.6.) This contrasts with the negative inflation rates in the overall CPI throughout most of this year, and is due to the exclusion of private road transport costs – which accounted for the bulk of the decline in the overall CPI – from these two underlying inflation measures.

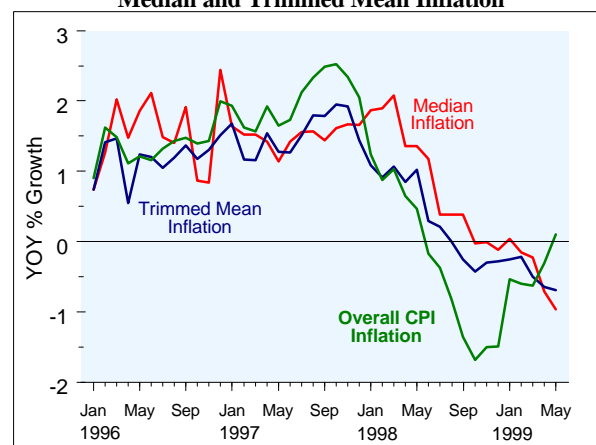
The other underlying inflation measures considered are the median and 30%-trimmed mean inflation. (See Chart 2.7.) The median inflation is the 50<sup>th</sup> percentile inflation rate at which half of the components in the CPI basket have higher inflation, and the other half lower inflation. The 30%-trimmed mean inflation is the weighted-average inflation rate after removing 15% each of the CPI components with the smallest and largest rates of inflation. Both the median and 30%-trimmed mean inflation continued to decline this year, falling below the overall CPI inflation in April and May. The continued trend decline in the 30%-trimmed mean inflation rate largely reflected the sharper fall in owner-occupied accommodation costs, as market rentals continued to weaken.

<sup>8</sup> The costs of owner-occupied accommodation in the CPI are calculated using the imputed rent approach. It estimates the rentals that homeowners would have to pay if they were tenants, for both public and private housing.

**Chart 2.6**  
**Underlying and Volatility-adjusted Inflation**



**Chart 2.7**  
**Median and Trimmed Mean Inflation**



## Outlook for Inflation

CPI inflation is expected to be between 0-1% for 1999 as a whole. The leading Domestic Supply Price Index (a weighted average of producer prices for locally manufactured and imported goods that are retained for use in the economy), registered an increase in April and May after more than a year of declines. (See Chart 2.8.)

## 2.3 Asset Price Inflation

### Property Prices

#### *Residential Property Prices*

Private residential property prices rose by 4.4% in Q1 99 compared to the previous quarter. (See Chart 2.9.) This was the first quarter-on-quarter (q-o-q) increase in prices since the introduction of anti-speculative measures in the property market in May 96, and reflected an overall improvement in sentiments, following a pick-up in the stock market, and attractive housing loan interest rates. Concomitantly, the number of housing units sold in Q1 rose to 5,128 compared to an average of 2,489 in 1998. On a year-on-year basis, however, prices fell by 24% in Q1. As at end-Q1 99, private residential property prices remained 42% below their peak in Q2 96.

Resale prices of public Housing Development Board (HDB) flats continued to fall in Q1 99, albeit by a smaller 1.4% q-o-q compared to 3.5% in Q4 98. This brought the overall decline in HDB resale prices to 28% from its peak in Q4 96.

#### *Commercial and Industrial Property Prices*

Commercial (shop and office space) property prices fell by 6.9% in Q1 99 compared to the previous quarter. This was smaller than declines of 7.3% in Q4 98 and 12% in Q3 98. On a year-on-year basis, prices fell by 29% in Q1 99.

Rentals for both shop and office space continued to fall, weighed down by the excess supply situation in the commercial property market. (See Chart 2.10.) The occupancy rates for offices decreased slightly from 85.4% in Q4 98 to 85.3% in Q1 99 and that for shopping

Chart 2.8  
Domestic Supply Price Index

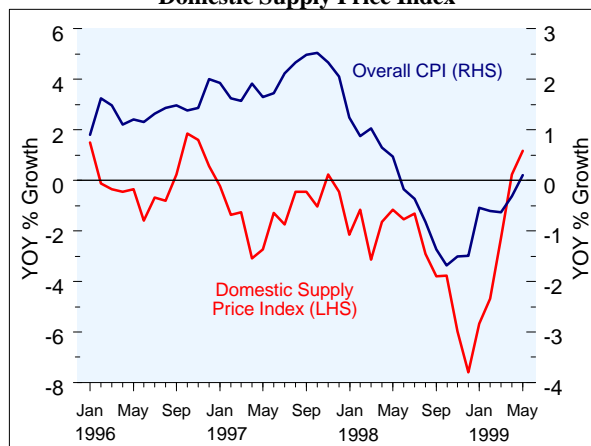


Chart 2.9  
Private Residential Property Market

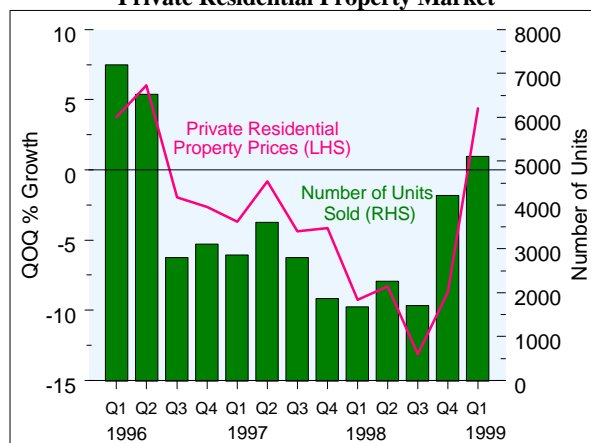
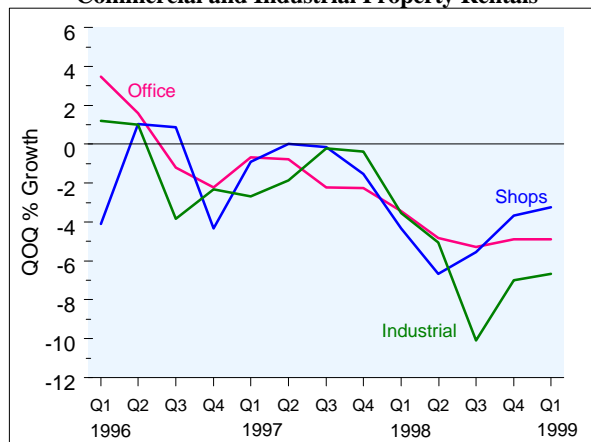


Chart 2.10  
Commercial and Industrial Property Rentals



space from 91.0% to 90.8% in the same period.

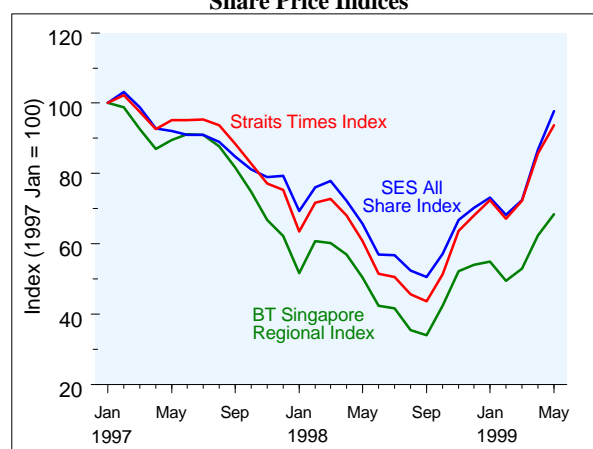
In the industrial property market, prices and rentals fell by 4.9% and 6.7% q-o-q respectively in Q1 99, as the occupancy rate remained at a weak 89.7% compared to 92.1% in Q1 98. This could also reflect some pass-through of property tax rebates for commercial and industrial properties as part of the government's off-budget packages. Industrial property prices have fallen by a total 41% since Q1 97, while rentals have declined by 30%.

## Equity Prices

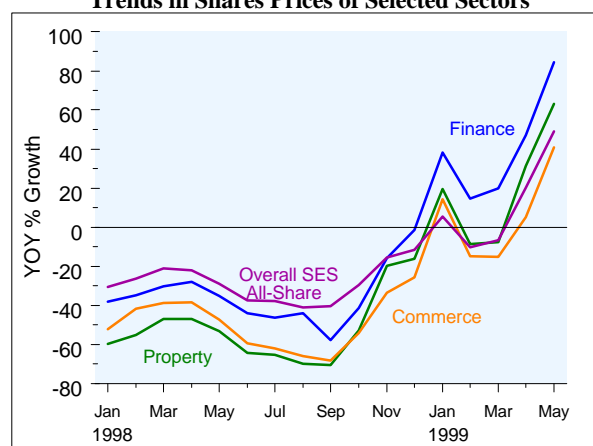
Stock prices picked-up further in the first few months of the year, with the largest increase taking place since February. The Stock Exchange of Singapore (SES) all-share index rose by 43% between Feb-May 99. (See Chart 2.11.) Spurred by record highs in the Dow Jones Index and investor optimism about an economic recovery in Singapore and the region, share prices have recovered to surpass its pre-crisis levels on many occasions. Property and finance stocks saw the largest increase in value since February, the former due to the perception that property prices have bottomed and improved take-up rates at property launches. (See Chart 2.12.)

The Straits Times Index (STI) and the Business Times Singapore Regional Index (BT-SRI) also increased by 39% each between Feb-May, as outlook for the region improved. The BT-SRI was introduced in Oct 96 in response to the growing exposure to the region and to allow foreign funds to track the performance of their portfolios of stocks with regional interest.

**Chart 2.11**  
Share Price Indices



**Chart 2.12**  
Trends in Shares Prices of Selected Sectors



## 3 Labour Market

### 3.1 Employment

Total employment contracted by 9,622 in Q1 99, compared with a decline of 6,317 in Q4 98. The bulk of the decline in employment was in the construction sector, where employment fell by 10,534. (See Chart 3.1.) The manufacturing sector, on the other hand, saw a more moderate decline in employment of 3,274 in Q1 99 from an average of more than 8,800 in Q2-Q4 98, as the performance of the sector improved. The services sectors continued to be the main source of employment in Q1, especially in the financial & business services and community, social & personal services sectors. Employment in the commerce sector, however, fell after increasing in the previous quarter.

The number of retrenchments declined in Q1 99. A total of 3,402 workers were retrenched compared to an average of 7,272 each quarter in the 1998. In particular, the number of manufacturing workers retrenched fell to 1,156, compared to an average of 4,732 per quarter last year.

As at Mar 99, the seasonally-adjusted unemployment rate stood at 3.9%, down from 4.4% in Dec 98. The unadjusted unemployment rate was a lower 3.3%, from 4.6% three months back. (See Chart 3.2.) The job vacancy rate, while still significantly lower than 2.7% in Mar 98, rose from 1.3% in Dec 98 to 1.8% in Mar 99. The seasonally-adjusted job vacancy to unemployed person ratio also rose marginally from 0.34 to 0.44 over the same period.

The Business Expectations Survey by the Economic Development Board and the Department of Statistics for Q2 99 showed that while the labour market outlook for the manufacturing sector has improved, prospects for the services sectors remain mixed. The survey showed that a net balance<sup>9</sup> of 4% of all manufacturing industries expect to increase employment in Q2 99. This is a significant improvement from a net balance of 9% of firms expecting to retrench in Q1 99. A small positive net balance of firms in the financial services (1%),

<sup>9</sup> Net balance is the difference between the percentage of firms reporting more favourable performance minus the percentage reporting less favourable performance.

Chart 3.1  
Changes in Employment by Sector

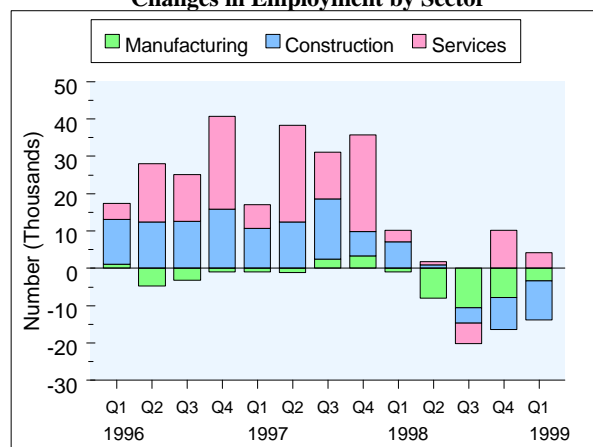
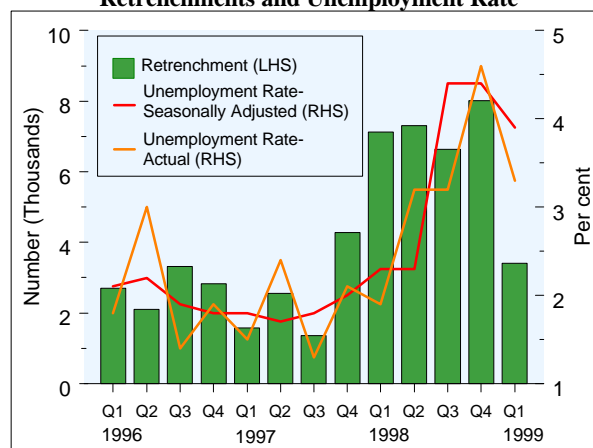


Chart 3.2  
Retrenchments and Unemployment Rate



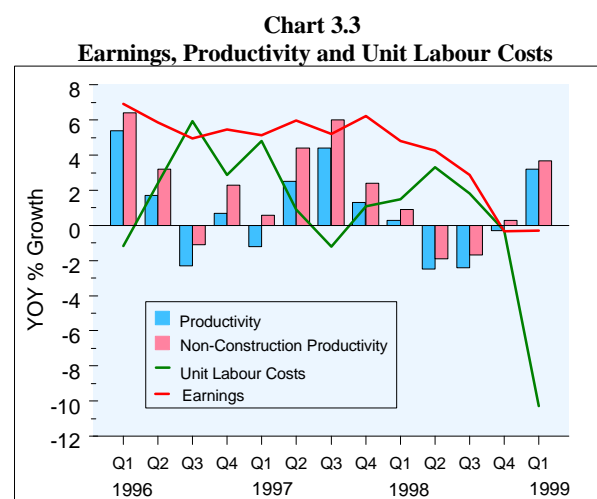
transport & storage (1%) and real estate (3%) sectors also expect to increase employment. However, the survey results for the commerce and the business services sectors were less optimistic, with a net balance of 0% and -1% respectively.

### 3.2 Earnings, Productivity and ULC

Nominal earnings<sup>10</sup> contracted by 0.3% for a second consecutive quarter in Q1 99. (See Chart 3.3.) While earnings in the manufacturing and construction sectors rose, this was more than offset by declines in other sectors. Real earnings continued to grow, although the rate of increase moderated from 1.2% in Q4 98 to 0.3% in Q1 99.

Overall productivity rose by 3.2% in Q1 99, reversing three quarters of decline. Excluding the construction sector, productivity would have risen by a higher 3.7%. In particular, productivity in the manufacturing sector rose by a strong 14%, reflecting a 6.5% growth in output coupled with a decline in employment. The transport & communications sector also saw strong productivity growth of 6.3%. On the other hand, productivity in the financial & business services sector declined for the fifth consecutive quarter, by 2.0%.

Unit labour cost (ULC) fell by 10% in Q1 99, partly due to the 10% point cut in the employer's CPF contribution rate as part of the cost reduction package introduced in Nov last year. ULC for the rest of the year is forecast to remain benign as the CPF and wage cuts continue to work their way through the economy. Productivity is also forecast to improve as the economy recovers.



<sup>10</sup> Earnings refer to total remuneration (including bonuses) received before the deduction of employee's CPF contributions and personal income tax. Employer's CPF contributions, however, is excluded.



## 4 Money and Credit

### 4.1 Monetary Aggregates

In Q1 99, narrow money M1 rose by 8.9%, while broader monetary measures M2 and M3 increased by 28% and 6.8% respectively. (See Chart 4.1.) However, these figures include the incorporation of POSBank data in the banking system after its acquisition by DBS in Nov 98. Adjusted for the break in the data series<sup>11</sup>, narrow money increased by 8.8%, while adjusted M2 and M3 grew by 8.2% and 6.9% respectively. This compares with a contraction in M1 of 0.9%, and growth of the respective broad money measures of 9.7% and 8.1% in Q4 98. The stronger growth in money aggregates reflected increased transaction demand for money, especially demand deposits, which rose by 15% year-on-year, as well as a large influx of funds into savings deposits. The rise in the preference for such easily accessible deposits could be partly attributed to lower opportunity costs as interest rates have declined. Moreover, improved sentiments among consumers and in the asset markets could also have further encouraged the holding of funds for transactions like purchases of stocks.

Taking a perspective from the asset-side, the increase in M2 was mainly due to strong growth in net credit to government and an accumulation of net foreign assets by banks in Singapore. (See Chart 4.2.) However, banks continued to be cautious in their domestic lending activity. Instead, banks raised their holdings of government bills and bonds. In addition, interbank lending also increased, in particular to the ACUs of banks.

The government issued another \$8.7 billion worth of Singapore Government Securities in the first quarter, while redeeming \$7.0 billion, leading to a rise of \$1.9 billion in holdings of public sector credit by banks. Coupled with a fall in government deposits in the banking system, net credit to the government rose by \$4.6 billion.

Chart 4.1  
Monetary Aggregates

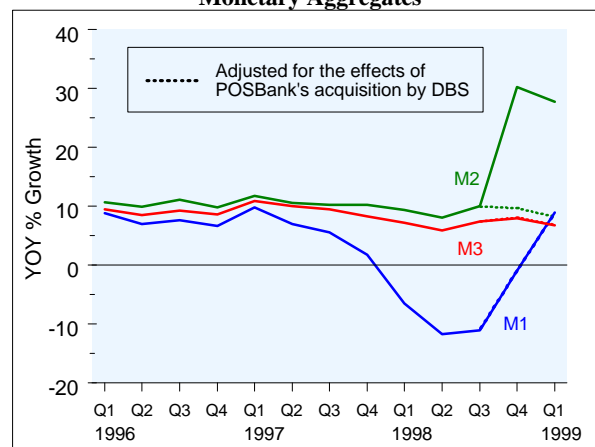
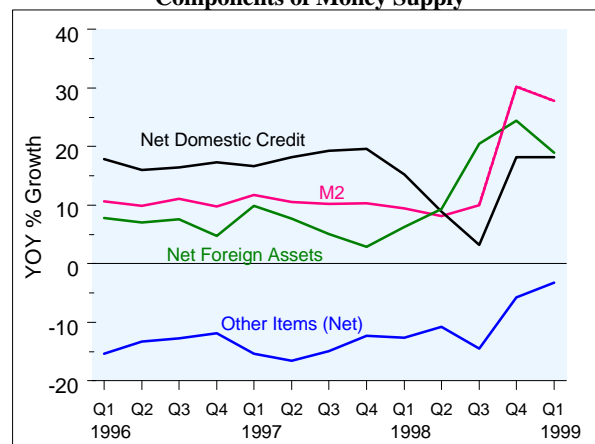


Chart 4.2  
Components of Money Supply



<sup>11</sup> The effect of DBS' acquisition of POSBank was adjusted by incorporating the full POSBank data in the year-ago period.

## 4.2 Domestic Credit

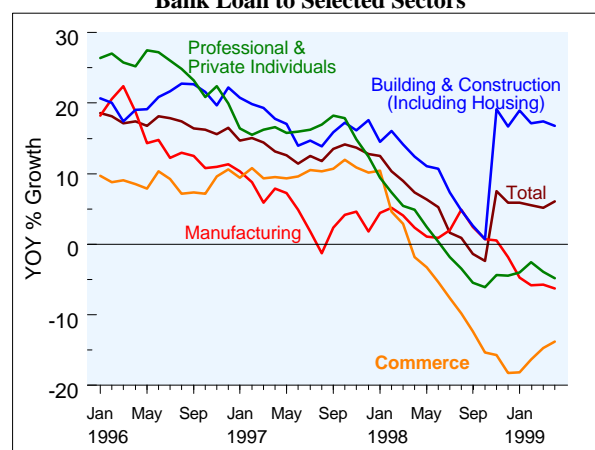
Domestic lending activities of banks continued to slow in Q1 99. Growth of credit extended by banks to non-bank customers declined to 5.2% from 5.9% in Q4 98. After adjusting for the effect of the acquisition of POSBank by DBS<sup>12</sup>, the contraction in loans extended to non-bank customers worsened to 3.3% in Q1 99 from 1.6% in Q4 98.

Despite the pick-up in economic activity, outstanding loans and advances granted to most industrial sectors shrank in Q1 99. Year-on-year, lending to the manufacturing and commerce sectors, and to professional and private individuals, continued to record declines. (See Chart 4.3.) The contraction in loans to the manufacturing sector deepened, despite the pick-up in the manufacturing sector. This reflected the cautiousness of banks' lending policies and the slower recovery of SMEs. The decline in bank lending to the commerce sector and professionals and private individuals moderated, while loans to the building and construction sector fell by the same rate as the previous quarter.

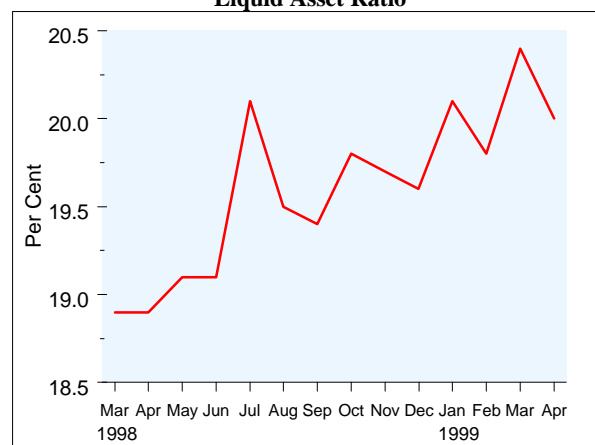
Growth in bank credit to non-bank financial institutions and to the transport & communications sector slowed to 2.1% and 17% respectively in Q1 99. This compares with the corresponding rates of 8.2% and 25% registered in Q4 98. Housing loans was the only category to register an increase in growth, bolstered by improved sentiments in the private property market and aggressive competition among local banks in the mortgage market.

Banks' liquidity remained relatively high in Q1 99, as reflected by their liquid assets ratio<sup>13</sup>, which rose to 20.4%, from 19.6% at end-98. (See Chart 4.4.) This is well above the 18% required by MAS and also higher than the average 19% that the banks maintained over 1996-1998. The higher liquidity partly results from a lack of alternative investments options for banks. About three-quarters of banks' assets are held domestically. Of these, banks have placed most of their funds in loans and advances or in Singapore Government Securities, as can be seen in the rise of public sector credit held by banks. (See 'Monetary Aggregates' section above.)

**Chart 4.3**  
**Bank Loan to Selected Sectors**



**Chart 4.4**  
**Liquid Asset Ratio**



<sup>12</sup> See previous footnote.

<sup>13</sup> Banks' statutory liquid assets as a share of their liabilities base.

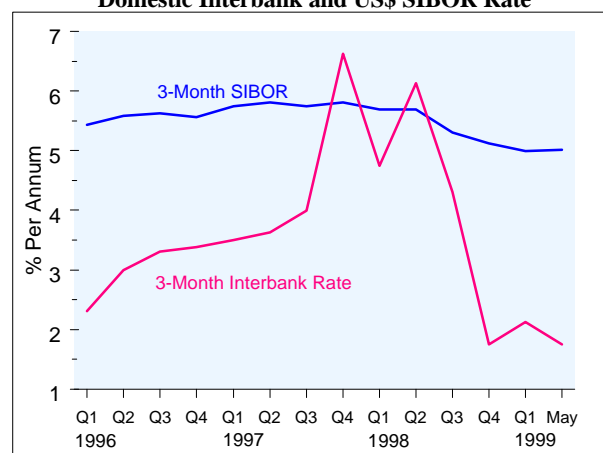
### 4.3 Interest Rates

Global interest rates continued to trend downwards in the first few months of 1999. Between January and May 99, the Bank of England cut interest rates by 1% point, while the European Central Bank trimmed its rates by half a percentage point. Central banks in crisis-hit Asia also reduced their official rates during this period to support the recovery of their respective economies.

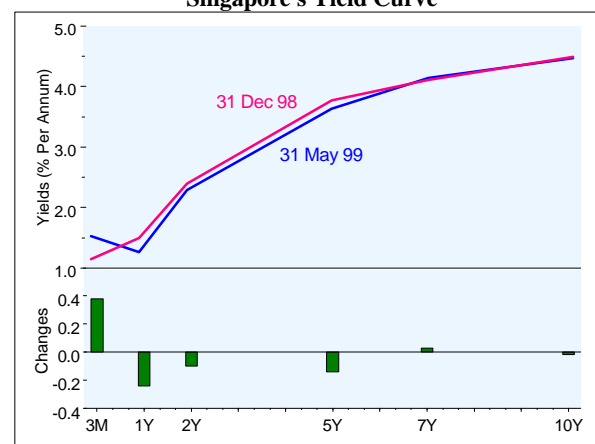
The low global interest rate environment coupled with the liquidity in the banking system kept domestic interest rates at around 2%. The benchmark 3-month interbank rate fell from 1.75% in Dec 98 to as low as 1.13% in Apr 99, but expectations of a US interest rates hike pushed the interbank rate in Singapore back up to 1.75% in May. With the 3-month US\$ SIBOR seeing little fluctuation since the end of last year, its differential vis-à-vis the 3-month interbank rate narrowed in Q1 but widened again in May 99. (See Chart 4.5.) Retail interest rates were also little changed from end of 1998. The average prime lending rate of Singapore's 10 leading banks moderated from 5.90% in Dec 98 to 5.80% in May 99. Deposit rates fell even less, with the average 12-month fixed deposit rate edging down 5 basis points to 2.46%. This reduced its differential with the prime lending rate to 3.34% in May 99 from 3.39% in Dec 98.

In line with easing interest rates in general, yields of Singapore Government Securities (SGS) were lower across most maturities in May 99, compared with Dec 98. Although the yield on the 3-month T-bill rose by 38 basis points, yields on 1, 2 and 5-year bonds eased by between 10 to 24 basis points. The 7 and 10-year government bond rates were largely unchanged. (See Chart 4.6.)

**Chart 4.5**  
Domestic Interbank and US\$ SIBOR Rate



**Chart 4.6**  
Singapore's Yield Curve



## 5 Fiscal Balance

### 5.1 Overall Balance

The government's fiscal position deteriorated in the first quarter of 1999. The overall surplus of \$318 million recorded in Q4 98 turned into a deficit of \$3.4 billion in Q1 99. (See Chart 5.1.) This reflected a significant increase in total expenditure, partly due to a decline in revenues and the seasonal end-of-financial year effect when ministries draw down on their budgets.

For FY98 as a whole, a surplus<sup>14</sup> of \$1.1 billion was recorded, equivalent to about 0.8% of GDP.

### 5.2 Operating Revenue

Total operating revenue fell to \$5.4 billion in Q1 99, down from \$7.6 billion collected in Q4 98. (See Chart 5.1.) This implied a decline of 14% year-on-year. Almost all categories of operating revenue contracted. Total tax revenue fell by 16% to \$4.2 billion, continuing the trend decline seen in most quarters of 1998. (See Chart 5.2.)

Although overall income tax revenue increased, this was due to contributions from statutory boards, which are irregular and lumpy. On the other hand, tax collection on corporate and personal income fell by 16% to \$1.4 billion. This reflected the lower income from the previous year's assessment, as a result of the economic downturn. Revenue from stamp duty and asset taxes continued to contract, due to the effect from selected suspension and deferment of taxes, as well as various rebates, which had been implemented to cushion the impact of the slowdown.

The sharpest decline in tax revenue in Q1 99 was from motor-vehicle taxes. While collections from the latter are volatile, the decline of almost 80% to \$148 million partly reflected the changes to the tax system introduced to emphasise charges for road usage rather than car ownership. Car taxes were reduced from 1 Sep 98

Chart 5.1  
Government Finance

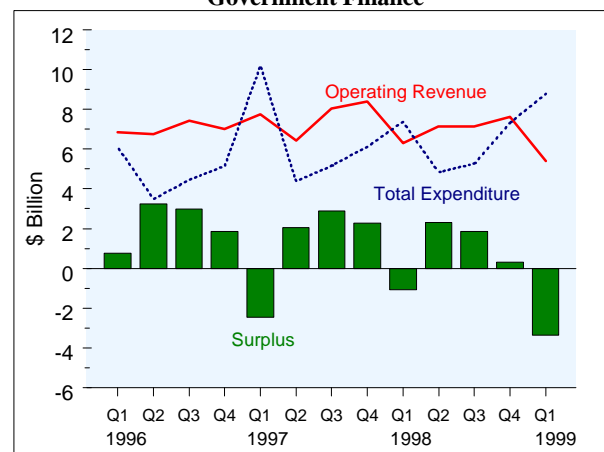
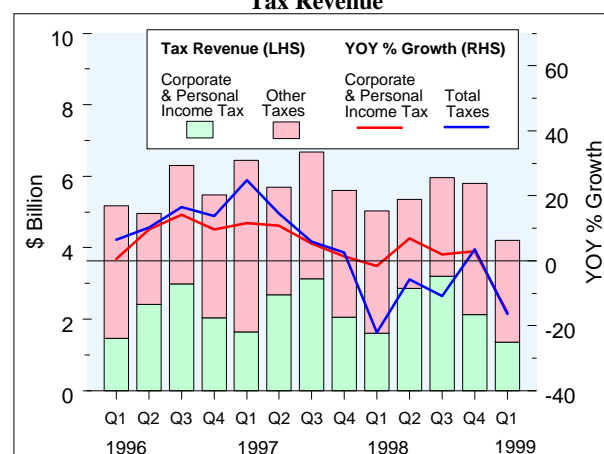


Chart 5.2  
Tax Revenue



<sup>14</sup> This is defined as operating revenue less total expenditure.

following the introduction of Electronic Road Pricing. Revenue from the Goods and Services Tax also continued to fall, by another 13% to \$249 million. Only collections from betting taxes picked up in the first quarter, by 1.4% to \$367 million.

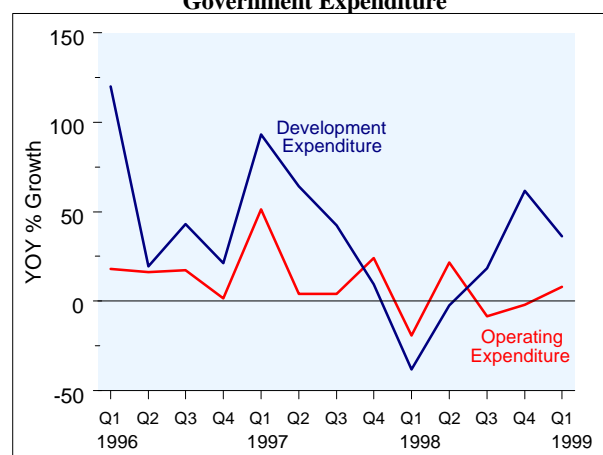
Non-tax revenues declined by 5.3% as a result of falling collections from fees and charges, which largely comprise revenue from the Certificate of Entitlements (COEs) for cars. Premiums on COEs had fallen as motorists had held back purchases of cars in expectation that more COEs would be released in Apr 99 and also to await details on the new bidding system introduced in the same month.

### 5.3 Total Expenditure

Total government expenditure rose by \$1.5 billion or 19% in Q1 99, as both operating and development expenditure increased, by 7.9% and 36% respectively. (See Chart 5.3.) Operating expenditures were largely boosted by spending on security, which rose by 11% to \$3.1 billion. There was also a jump in expenditure on communications, to \$204 million, amounting to half of total operating expenditure on economic services.

Development expenditure was mostly boosted by spending on security such as defence, as well as the Jurong Island reclamation project. The joining of seven islets to form an island dedicated to petrochemical production has been accelerated and is expected to be completed by 2001. It advanced to another phase in Dec 98 with the award of a \$1.3 billion reclamation contract. This helped boost development expenditure of the Trade and Industry Ministry to \$912 million in Q1 99, compared with average of \$340 million in the previous three quarters. Spending on education also accelerated as the school building programme and the equipping of schools with IT equipment progressed. However, infrastructure spending on communications tapered off to \$157 million, from more than \$1.3 billion in the past half year.

Chart 5.3  
Government Expenditure



## 6 Balance of Payments

### 6.1 Overall Balance

Singapore's overall balance of payments registered a \$414.6 million deficit in the first quarter of 1999, bringing Singapore's official foreign reserves to \$124.3 billion at end-Mar 99. This is equivalent to 9 months of current imports. The continued outflow through the capital and financial account, coupled with a negative balancing item, outweighed the surplus from the current account. (See Chart 6.1.)

### 6.2 Current Account

The current account surplus moderated from \$8.4 billion in Q4 98 to \$6.9 billion in Q1 99, on account of a smaller goods balance surplus as exports remained sluggish. Exports of goods declined by \$2.9 billion or 9.1% year-on-year, due to continued weak demand for Singapore's oil and non-oil exports in Q1 99. (See Chart 6.2.) Imports were also lower, by \$843 million. This was a smaller decline compared to \$1.7 billion in the previous quarter, and reflected the pick-up in industrial production in Q1 99.

While the goods surplus narrowed, the surplus in the services balance widened by \$205 million to \$1.1 billion in Q1 99. The improvement reflected an increase in net travel receipts and a smaller deficit in the transportation account. Increased visitor arrivals, particularly from Asian countries in recent months, saw the travel services balance record its first surplus since Q3 97. At the same time, a seasonal decline in payments for foreign port services led to a moderation in the transport services deficit. 'Other services' balance, comprising items such as passenger fares and financial & business services, continued to post a strong surplus. (See Chart 6.3.)

Also helping to offset the deterioration in the goods balance was a larger surplus in the income balance, bolstered by earnings of public sector investments overseas. Income from private sector investments overseas also rose while payments declined. In addition, there was a smaller deficit in net current transfers.

Chart 6.1  
Components of Balance of Payments

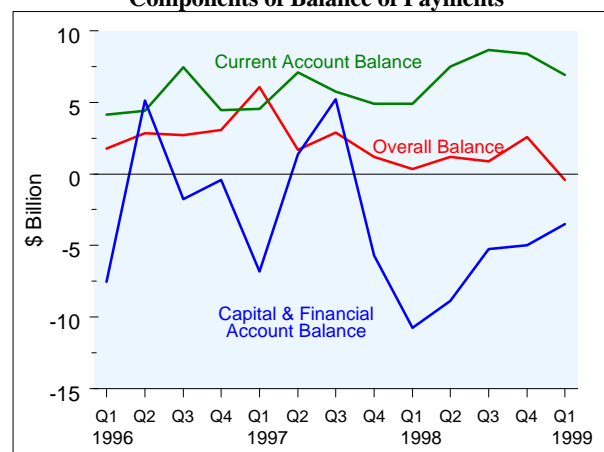


Chart 6.2  
Components of Goods Account

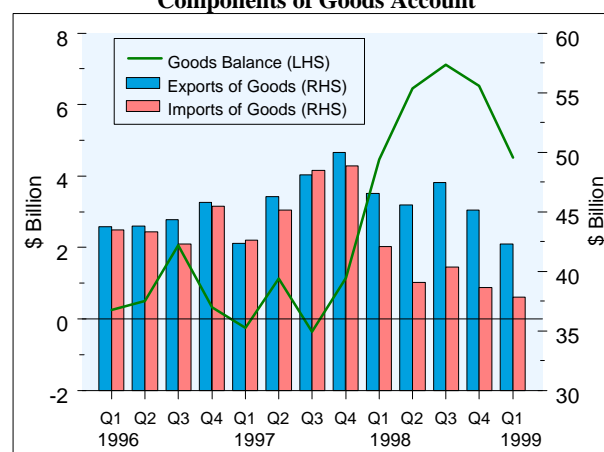
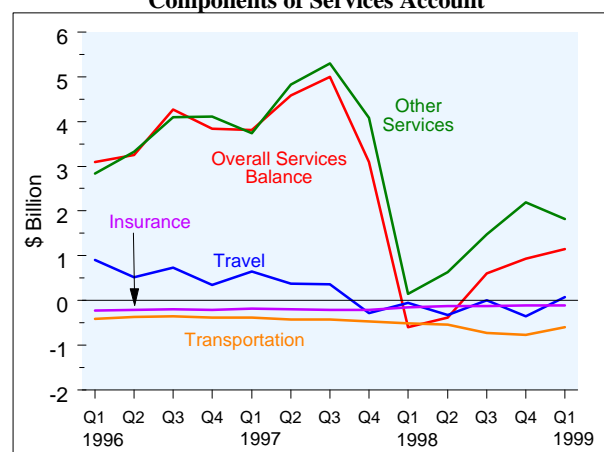


Chart 6.3  
Components of Services Account



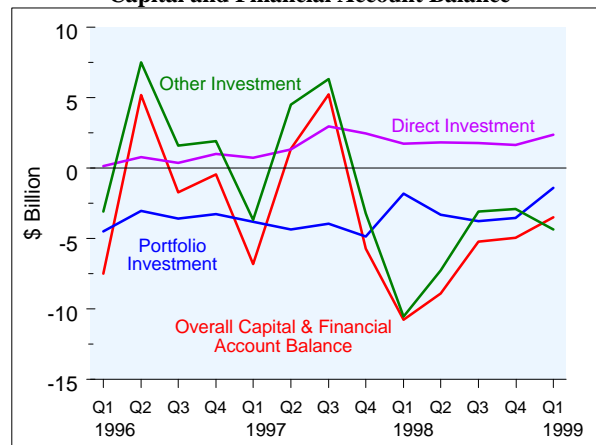
### 6.3 Capital and Financial Account

Underpinned by a surplus in the current account, the capital and financial account continued to see a net outflow in Q1 99, albeit by a smaller amount. (See Chart 6.4.) The outflow amounted to \$3.5 billion in Q1 99, compared with \$5.0 billion in Q4 98. This reflected lower foreign direct and portfolio investments abroad, coupled with an increase in inward direct investments. At the same time, outward direct investments declined to the lowest level since 1993. As a result, net foreign direct investment inflows increased to \$2.4 billion in Q1 99, \$800 million higher than the previous quarter.

Net portfolio investment outflow also moderated from \$3.6 billion to \$1.4 billion due to a smaller gross outflow. Although portfolio investment inflows were half the level in Q4 98, portfolio investment outflows fell by even more.

On the other hand, the deficit in the “Other investments” balance increased by \$1.4 billion to \$4.4 billion, reflecting a significant rise in banks’ lending to non-resident banks including the Asian Currency Units.

**Chart 6.4**  
**Capital and Financial Account Balance**



# Appendix: Export Performance in 1996-98

## 1 Introduction

This appendix examines the performance of Singapore's exports in the US market, particularly in exports of machinery and transport equipment (SITC 7)<sup>1</sup> which have been declining since 1996. The share of Singapore's total exports in the US market declined from 2.5% in 1996 to 2.0% in 1998. The loss of market share in the US has been of particular concern given that it is Singapore's single largest export market.

This section extends the work done in an earlier MAS Occasional Paper<sup>2</sup>, which examined Singapore's export performance vis-à-vis the Asian NIEs (ANIEs) to the US, EU and Japan between 1991-96. The shift-share technique was used to compare the performance of each economy with that of the ANIEs as a whole. A country is said to have experienced *positive (negative) net shift* in exports to a market if its exports exceed (fell below) that representative of the reference economy (in this case the ANIEs), in terms of growth and export mix. The earlier study found that only Malaysia and Singapore recorded positive net shifts in all three markets. As a result, Malaysia's and Singapore's shares of the ANIE's manufactured exports to the US, EU and Japan rose at the expense of Hong Kong, South Korea and Taiwan. Singapore's favourable export performance over this period was led by transport and machinery equipment (SITC 7), in particular exports of office and data machines comprising primarily disk drives.

In this section, the same shift-share technique is used to assess Singapore's performance in exports of the main components of machinery and transport equipment (SITC 7) to the US between 1996-98. The US accounts for close to a quarter of Singapore's exports of SITC 7. This time, Singapore's performance is measured against world exports of SITC 7 to the US rather than just the ANIEs. US import data from the US Department of Commerce is used for this purpose. A *positive (negative) net shift*

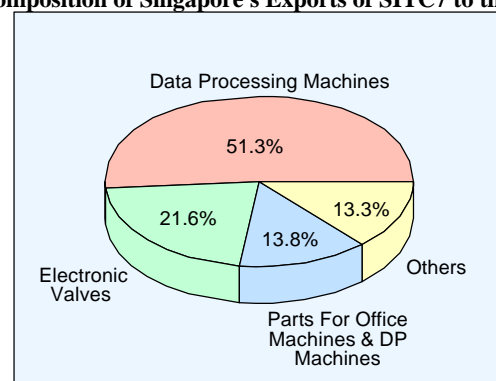
to the US arises if a country's exports exceed (fall below) that representative of world exports to the US, in terms of growth and export mix. These net shifts in exports can be attributed to differences in the composition of exports (industry-mix effect), growth rate of exports (competitive effect) or a combination of both (interaction effect).

- The industry-mix effect measures the export divergence due to the difference between the importance of an industry in a particular country and in the world. It is positive (negative) if that industry has a larger (smaller) share in a country's exports compared to the world, and if world exports to the US increase.
- The competitive effect measures the export divergence attributable to the difference in growth rate with that of the world.
- The interaction effect is a combination of the above two effects. A positive interaction effect results if a country emphasises an industry that is growing faster than that of the world, or de-emphasises an industry that is growing relatively slower.

## 2 Machinery and Transport Equipment (SITC 7)

More than half of Singapore's SITC 7 exports to the US comprises data processing machines (SITC 752) which are largely disk drives. The other two major products are parts for office and data processing machines (SITC 759), and electronic valves (SITC 776) which are largely semiconductors. (See Chart 1.)

Chart 1  
Composition of Singapore's Exports of SITC7 to the US



<sup>1</sup> Singapore's trade statistics by commodity are published according to the order of the Standard International Trade Classification (SITC) System.

<sup>2</sup> *Export Competition among Asian NIEs, 1991-1996: An Assessment*, MAS Occasional Paper No. 9, October 1998.



Table 1  
Net shifts in SITC 752,759 & 776, 1996-98

SITC 752			SITC 759			SITC 776		
Country	Net Shift (US\$ mn)	Change in market share (% point)	Country	Net Shift (US\$ mn)	Change in market share (% point)	Country	Net Shift (US\$ mn)	Change in market share (% point)
Top 10 largest <i>positive</i> net shifts								
Mexico	1,162	3.0	Malaysia	2,068	6.8	Philippines	1,421	4.7
China	1,110	2.8	Philippines	982	3.5	Canada	823	0.9
Ireland	734	1.6	China	700	2.5	China	527	0.9
Hungary	646	1.4	Taiwan	651	-0.3	Mexico	476	0.7
Thailand	626	1.1	Ireland	508	1.8	Taiwan	179	1.0
Taiwan	434	0.2	Costa Rica	335	1.2	Germany	160	0.1
Philippines	423	0.8	Mexico	215	1.7	France	139	0.4
Malaysia	167	-0.1	Indonesia	82	0.5	Malta	123	0.4
Indonesia	29	0.1	Hungary	59	0.2	Indonesia	107	0.2
Netherlands	18	0.1	Czech Rep	1	0	UK	75	0
Top 10 largest <i>negative</i> net shifts								
Venezuela	-82	0	Saudi Arabia	-64	0	Greenland	-0.2	0
Italy	-110	0	Venezuela	-93	0	Mali	-0.5	0
Sweden	-122	-0.2	Italy	-219	-0.6	Cayman Is.	-0.6	0
France	-210	-0.3	France	-224	-0.6	Finland	-6	0
Germany	-228	-0.1	Hong Kong	-258	-1.0	Italy	-93	-0.4
S. Korea	-294	-0.9	Germany	-278	-0.3	Ireland	-126	-0.3
UK	-624	-1.4	Singapore	-286	-2.9	Malaysia	-730	-0.9
Japan	-741	-2.7	S. Korea	-526	-2.9	Singapore	-755	-1.6
Canada	-877	-0.1	Canada	-1,085	-2.1	S. Korea	-883	-1.1
Singapore	-1,079	-5.0	Japan	-1,542	-7.2	Japan	-2,437	-6.0

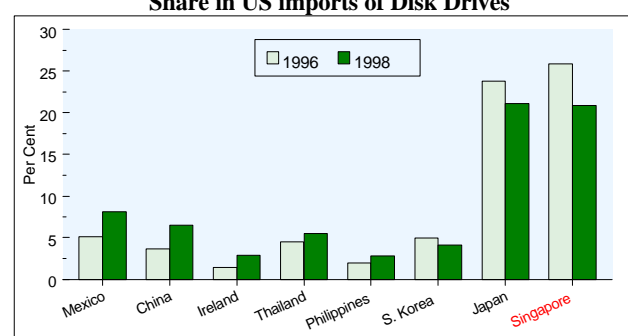
Table 1 lists the ten countries with the largest positive and negative net shifts in exports of these three products to the US between 1996-98. These countries together account for between 92%-98% of US total imports of these products in 1998. As shown in Table 1, Singapore recorded negative net shifts in all three products, and was ranked among the top five countries with the largest negative net shifts in each product. Major market players Japan and South Korea were also consistently among the top five countries with the largest negative net shifts in all three products. All three countries recorded losses in market shares in the US. In contrast, the countries that gained competitiveness in all three products were Mexico, China, the Philippines, Indonesia and Taiwan.

### Disk Drives (SITC 752)

Singapore was the worst performer among all countries in disk drives (SITC 752) with the largest negative net shift in exports between 1996-1998. This reflected an absolute decline in US imports of Singapore's disk drives, although its imports from

other countries rose. It also reflected an export structure that was overly skewed towards disk drives, at a time when US imports of disk drives from Singapore fell. As a result, Singapore's market share in disk drives declined by 5% points between 1996-98. (See Chart 2.)

Chart 2  
Share in US imports of Disk Drives

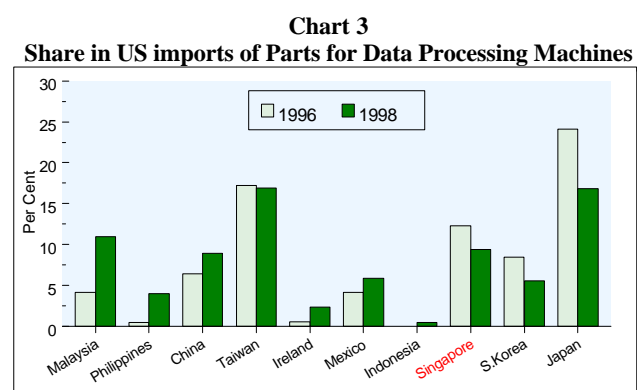


Some of Singapore's major competitors in disk drives are China, Malaysia, Philippines and Thailand, all of which appear among the top ten countries with positive net shifts. (See Table 1.) The production of lower end desktop drives in Singapore is

progressively being relocated to cheaper manufacturing locations. Earlier this year, disk drive maker Western Digital closed its plant in Tuas and shifted production of its low-end drives to Malaysia and planned to shift more of its desktop drive operations there. At the same time, Seagate will be progressively shifting production of its U4 drives for sub-US\$1000 PCs to lower cost centres like China, but will produce the next generation low-cost desktop U8 drives here. Singapore also faces competition from Mexico, which saw the largest positive net shift in SITC 752 exports to the US. Mexico offers the advantage of cheap labour and proximity to the large US market, and has attracted foreign investments keen to take advantage of the "maquiladora" programme<sup>3</sup> set up by the US and Mexico 20 years ago. Ireland has also emerged as another contender, although its share of the US market remains modest.

### Parts for Data Processing Machines (SITC 759)

The deterioration in Singapore's export performance in parts for data processing machines (SITC 759) also reflected an absolute decline in US imports from Singapore and an export bias in this product. Singapore's market share in the US fell by 2.9 percentage points to 9.4% in 1998. (See Chart 3.)



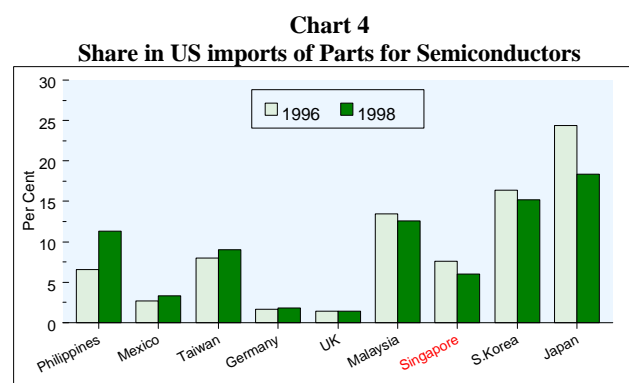
As shown in Table 1, Malaysia saw the largest

<sup>3</sup> Under this programme, companies in Mexico assemble components imported duty-free largely from the US and then re-exported back to the US, paying duty only on the value added in Mexico. If the value of the goods assembled or manufactured in Mexico contain at least 35% Mexican content, they may be exempted from duty under the US Generalised System of Preferences (GSP). The number of maquiladora plants grew from 578 in 1980 to 2,941 in the first nine months of 1998, an increase of more than five fold.

positive net shift in exports of this product to the US, followed by the Philippines and China. In a span of two years, Malaysia more than doubled its market share from 4.2% to 11.0%, while the Philippines saw its market share rising from a mere 0.5% to 4.0%. Taiwan, Ireland, Mexico and Indonesia also recorded positive net shifts in this category of exports. In particular, for Ireland, Indonesia and the Philippines, the large positive net shifts largely reflected the faster export growth rate of a relatively new industry in these countries.

### Semiconductors (SITC 776)

Singapore recorded the third largest negative net shift in exports of semiconductors to the US, after Japan and South Korea. All three countries have a large exposure to memory products and have been especially hurt by the sharp decline in 16MB and 64MB DRAM prices. Singapore's exports were concentrated in semiconductors at a time when the global semiconductor industry was in the doldrums during 1996-98. Indeed, US' total imports of semiconductors fell by 10% between 1996 and 1998. However, US imports from Singapore declined at an even faster rate of 29%, resulting in a decline in Singapore's market share from 7.6% in 1996 to 6.0% in 1998. (See Chart 4.)



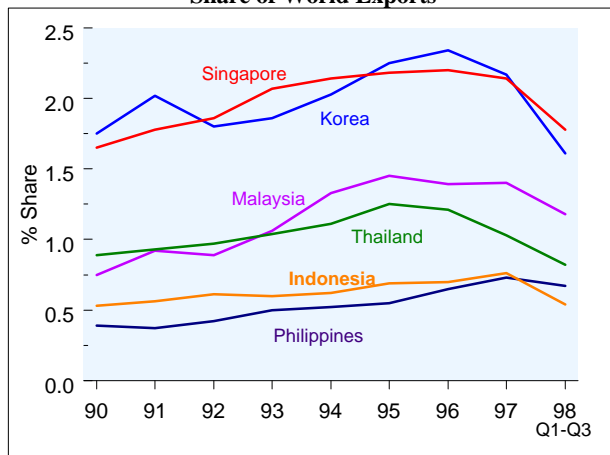
In contrast, as Taiwan has concentrated more on Application Specific Integrated Circuits (ASIC) rather than DRAM, it has been less affected by the downturn in the semiconductor market. Texas Instruments recently announced that Taiwan would be its base for Asian operations, and regional assembly and test operations would be transferred from Singapore to Taiwan. The Philippines also experienced positive net shifts in SITC 776 exports to

the US due to their low cost advantage. The Philippines surged ahead with a 4.7% point increase in its market share to 11.3%, and reflected the initial high growth phase of a relatively new industry.

### 3 Summary

The decline in Singapore's market share has not been confined to the US. Singapore's share of world exports fell from 2.2% in 1996 to 1.8% in the first three quarters of 1998.<sup>4</sup> South Korea saw an equally large drop in export share, while Indonesia, Malaysia and Thailand recorded smaller declines in their shares of world exports. (See Chart 5.) The declines in market shares of these countries are partly cyclical, reflecting the adverse effects of the Asian crisis. In contrast, China, Mexico, Ireland and Philippines - countries less affected by the Asian crisis - all recorded increases in export shares.

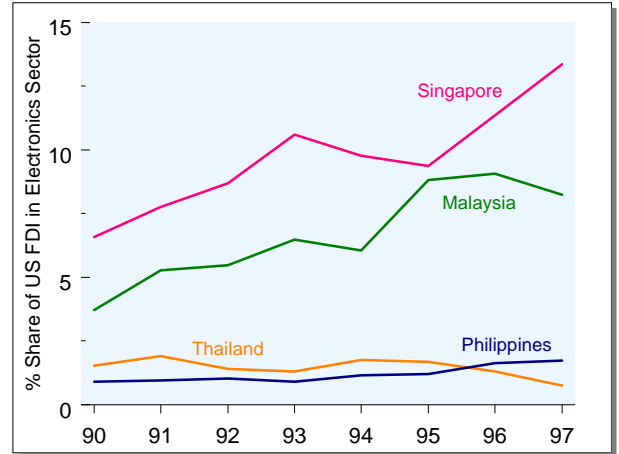
**Chart 5**  
Share of World Exports



A recovery in the global electronics industry would help boost Singapore's overall export performance. US direct investments into Singapore in the electrical and electronics sector has been growing at a healthy rate. The rate of growth increased from an average of 19% in 1991-94 to 37% in 1995-97. Singapore's

share of US FDI in electrical and electronic equipment has also risen faster than the other ASEAN countries. (See Chart 6.)

**Chart 6**  
US FDI into Selected Countries



Nevertheless, Singapore will face increasing competition from countries in Asia as well as outside the region such as Mexico and Ireland. It is inevitable that the production of lower-end products will be progressively transferred to cheaper locations. As the production of higher value-added products become more standardised over time due to technological advancements in other countries, Singapore's comparative advantages in these products could also be eroded. The challenge is for Singapore to be at the forefront of technological developments, with cutting-edge skills and capabilities to keep us ahead of other competitors.

<sup>4</sup> This reflected the sharper fall in Singapore's exports compared to world exports. World exports declined by 1.5% in Q1-Q3 98, but Singapore's exports fell by 20%.

## Statistical Appendices

**Table 1:** Real GDP Growth by Sector

**Table 2:** Real GDP Growth by Expenditure

**Table 3:** Consumer Price Index

**Table 4:** External Trade

**Table 5:** Non-Oil Domestic Exports by Selected Countries

**Table 6:** Labour Market

**Table 7:** Monetary

**Table 8:** Fiscal

**Table 9:** Balance of Payments – Current Account

**Table 10:** Balance of Payments – Capital & Financial Accounts

**Table 11:** Exchange Rates

**TABLE 1 : REAL GDP GROWTH by sectors**

Period	Total	Manu- facturing	Financial & Business Services			Con- struction	Commer- ce	Transport & Comm- unications	Total	Manu- facturing	Financial & Business Services	Con- struction	Commer- ce	Transport & Comm- unications
			Total	Financial Services	Business Services									
Year-on-Year % Change									Seasonally-adjusted Quarter-on-Quarter % Change					
1992	6.3	2.3	6.7	5.6	7.5	21.7	3.8	6.1	6.3	2.3	6.7	21.7	3.8	6.1
1993	12.6	9.6	13.5	25.2	5.8	8.4	19.7	10.4	12.6	9.6	13.5	8.4	19.7	10.4
1994	11.2	12.8	10.0	9.9	10.0	16.2	12.1	10.6	11.2	12.8	10.0	16.2	12.1	10.6
1995	8.4	10.0	6.8	5.2	8.0	8.5	8.8	11.0	8.4	10.0	6.8	8.5	8.8	11.0
1996	7.5	3.0	8.3	7.9	8.7	21.9	6.5	8.6	7.5	3.0	8.3	21.9	6.5	8.6
1997	8.0	4.5	11.3	15.3	8.3	15.0	5.7	9.2	8.0	4.5	11.3	15.0	5.7	9.2
1998	1.5	-0.5	3.1	-0.5	6.0	3.9	-4.0	5.5	1.5	-0.5	3.1	3.9	-4.0	5.5
1995 Q1	6.4	8.1	3.0	0.3	5.2	2.2	7.2	11.2	0.9	9.6	-1.4	-22.6	0.3	8.1
Q2	9.0	7.9	9.5	9.6	9.4	11.7	10.0	12.4	13.9	10.6	15.2	52.5	14.2	13.4
Q3	9.5	12.3	8.5	7.7	9.2	7.4	9.7	10.9	17.6	33.5	14.9	12.5	11.7	10.1
Q4	8.8	11.5	6.0	3.2	8.1	12.3	8.5	9.7	3.2	-5.7	-3.0	22.1	7.7	8.1
1996 Q1	12.2	13.0	9.9	8.4	11.0	30.0	10.9	10.9	15.1	18.4	13.7	37.2	11.4	12.0
Q2	8.2	6.0	7.8	5.5	9.5	22.1	6.8	8.6	-2.1	-15.8	6.8	17.7	-2.9	3.9
Q3	3.7	-4.0	5.5	4.0	6.7	19.9	2.2	6.6	-0.7	-9.2	4.8	3.0	-6.7	3.0
Q4	6.5	-0.8	10.3	14.3	7.6	17.1	6.1	8.3	15.3	5.7	16.9	15.1	25.8	15.3
1997 Q1	4.2	-5.2	10.4	13.5	8.1	10.3	2.7	8.2	4.8	0.6	13.3	6.2	-1.8	11.1
Q2	8.6	4.4	11.9	18.5	7.0	13.1	7.7	9.7	16.1	22.4	13.4	29.2	16.5	9.3
Q3	11.1	9.8	13.1	17.0	10.1	19.1	9.8	10.6	8.4	12.5	8.8	26.6	0.8	7.3
Q4	7.9	8.7	9.9	12.2	8.2	16.8	2.9	8.3	2.8	-0.5	4.3	7.8	-2.6	5.7
1998 Q1	6.2	6.5	6.6	5.0	7.8	15.5	0.9	6.9	-1.4	-5.8	0.3	1.4	-9.0	5.2
Q2	1.6	-0.4	2.2	-3.9	7.3	7.9	-4.5	6.3	-3.2	-6.8	-3.9	-2.9	-7.2	6.8
Q3	-0.6	-4.2	1.8	-2.2	5.1	-0.2	-5.9	4.1	-0.4	-3.3	7.0	-6.5	-4.7	-1.0
Q4	-0.8	-2.7	2.1	-0.5	4.1	-5.3	-6.3	4.7	2.1	5.0	5.1	-12.5	-4.0	8.4
1999 Q1	1.2	6.5	-0.6	-5.3	3.1	-9.0	-2.1	5.7	6.8	36.5	-9.5	-13.6	8.2	8.7

Source: Singapore Department of Statistics

**TABLE 2 : REAL GDP GROWTH by expenditure**

Period	Total Demand	Year-on-Year % Change							External Demand
		Domestic Demand							
		Total	Consumption			Gross Fixed Capital Formation			
Total	Private		Public	Total	Private	Public			
1992	7.0	6.8	4.8	5.8	0.4	11.8	14.5	1.9	7.1
1993	16.3	14.4	12.5	12.0	14.7	10.3	10.9	7.6	17.2
1994	15.3	3.9	5.7	7.3	-1.7	9.6	6.5	22.8	20.5
1995	12.7	9.4	6.2	5.0	12.3	11.2	13.9	1.4	14.0
1996	8.8	12.1	8.4	6.2	19.1	23.3	27.7	5.4	7.6
1997	7.8	9.8	6.5	5.9	9.2	10.2	7.6	23.0	7.0
1998	-4.7	-4.2	2.7	1.3	8.4	-4.7	-6.8	4.3	-4.9
1995 Q1	17.1	-1.0	3.5	2.8	6.2	3.9	5.5	-2.0	26.2
Q2	10.0	10.6	6.7	6.7	6.3	9.3	8.7	11.5	9.8
Q3	11.3	12.1	6.0	5.1	10.8	9.8	10.7	6.9	11.0
Q4	13.0	16.5	8.7	5.3	29.0	20.6	29.2	-9.1	11.8
1996 Q1	16.9	22.6	11.0	6.6	27.3	29.6	32.1	19.6	14.6
Q2	9.8	12.7	6.4	5.8	10.0	31.3	41.2	-6.8	8.7
Q3	4.4	6.4	10.6	6.3	31.5	15.2	20.6	-4.2	3.7
Q4	5.3	7.8	5.6	6.0	3.4	18.9	19.7	15.2	4.4
1997 Q1	2.0	4.3	5.3	4.8	7.1	6.1	5.4	9.4	1.1
Q2	8.7	6.4	7.7	5.4	20.6	4.0	-1.1	33.6	9.6
Q3	12.3	17.7	5.3	7.9	-4.9	23.8	21.8	32.7	10.2
Q4	8.0	11.1	7.9	5.3	20.8	7.9	5.9	18.2	6.8
1998 Q1	5.1	10.8	7.9	6.6	11.9	15.8	16.1	14.7	2.6
Q2	-5.2	-1.8	4.5	3.6	9.1	-2.4	-4.4	6.2	-6.5
Q3	-7.8	-10.1	-2.0	-2.5	0.6	-10.6	-12.2	-3.9	-6.8
Q4	-10.0	-14.6	0.2	-2.2	10.5	-18.0	-22.4	2.4	-8.1
1999 Q1	-4.9	-7.4	2.3	-1.1	12.0	-15.9	-21.8	9.7	-3.7

Source: Singapore Department of Statistics

**TABLE 3 : CONSUMER PRICE INDEX**

Period	All Items	Food	Housing	Clothing	Transport & Comms.	Education & Stationery	Health	Miscellaneous	All Items	Food	Housing	Clothing	Transport & Comms.	Education & Stationery	Health	Miscellaneous
1992	98.3	99.5	97.4	99.2	98.5	97.3	97.4	96.6	2.3	1.3	2.1	2.2	2.9	4.7	2.9	3.2
1993	100.5	100.3	100.5	100.3	101.0	100.5	101.0	100.6	2.3	0.8	3.2	1.2	2.6	3.3	3.7	4.2
1994	103.7	103.9	101.8	102.6	107.8	103.0	104.2	102.5	3.1	3.6	1.4	2.2	6.7	2.5	3.1	1.9
1995	105.4	106.2	102.6	104.1	108.5	107.4	105.8	104.8	1.7	2.3	0.7	1.5	0.6	4.2	1.6	2.3
1996	106.9	108.5	103.1	104.6	108.9	110.6	108.3	106.8	1.4	2.1	0.5	0.5	0.4	3.0	2.3	1.8
1997	109.0	110.7	105.5	105.3	113.1	112.3	112.2	106.9	2.0	2.0	2.3	0.7	3.9	1.5	3.7	0.2
1998	108.8	110.9	107.5	103.8	106.7	116.3	117.3	106.2	-0.3	0.2	2.0	-1.5	-5.6	3.6	4.5	-0.7
1995 Q1	104.9	106.1	102.3	104.0	107.4	106.0	105.3	103.6	2.5	3.6	1.1	2.7	2.4	4.2	2.0	1.5
Q2	105.5	105.8	102.7	104.5	109.1	106.8	105.4	105.5	2.1	2.1	0.7	2.0	2.6	3.8	1.3	3.0
Q3	105.6	106.6	102.7	103.6	108.6	108.2	106.1	104.7	1.4	2.1	0.7	0.7	-0.6	4.4	1.6	2.1
Q4	105.7	106.3	102.6	104.2	108.9	108.5	106.5	105.6	0.9	1.4	0.4	0.5	-1.8	4.5	1.5	2.5
1996 Q1	106.3	107.4	102.8	105.0	108.3	109.8	107.3	106.2	1.3	1.2	0.5	0.9	0.8	3.6	1.8	2.6
Q2	106.7	108.1	103.0	105.4	108.7	109.9	107.9	106.8	1.2	2.2	0.3	0.8	-0.3	2.9	2.4	1.2
Q3	107.1	109.1	103.1	103.8	109.0	111.4	108.5	106.8	1.4	2.3	0.4	0.2	0.4	2.9	2.3	2.0
Q4	107.4	109.3	103.4	104.2	109.6	111.4	109.3	107.3	1.6	2.8	0.8	0.0	0.6	2.6	2.7	1.6
1997 Q1	108.1	110.4	103.9	105.7	110.2	111.6	109.5	107.1	1.7	2.8	1.0	0.7	1.7	1.6	2.1	0.8
Q2	108.6	110.3	104.5	105.1	112.6	111.6	111.5	107.2	1.8	2.0	1.5	-0.3	3.6	1.6	3.3	0.5
Q3	109.6	111.0	106.1	104.9	115.3	112.9	112.8	106.3	2.3	1.7	2.9	1.0	5.8	1.4	3.9	-0.5
Q4	109.9	111.0	107.3	105.6	114.3	113.0	115.1	107.1	2.3	1.5	3.7	1.3	4.4	1.5	5.3	-0.2
1998 Q1	109.2	111.4	107.7	104.7	108.5	115.1	116.3	106.4	1.1	0.9	3.7	-1.0	-1.5	3.2	6.2	-0.7
Q2	109.0	111.0	107.2	104.6	108.2	115.9	116.6	106.3	0.3	0.7	2.6	-0.4	-3.9	3.8	4.5	-0.9
Q3	108.6	110.7	107.7	102.8	106.4	117.3	117.9	105.8	-0.8	-0.3	1.5	-2.0	-7.7	3.9	4.5	-0.5
Q4	108.2	110.6	107.4	103.0	103.8	117.0	118.5	106.3	-1.6	-0.3	0.1	-2.4	-9.2	3.5	2.9	-0.8
1999 Q1	108.6	111.4	106.9	104.7	103.9	119.1	118.5	106.5	-0.6	-0.1	-0.8	0.1	-4.3	3.5	1.9	0.1

Source: Singapore Department of Statistics

**TABLE 4 : EXTERNAL TRADE**

Period	Total Trade	Exports	Domestic Exports						Re-exports	Imports	Exports	Domestic Exports			Re-exports	Imports	Year-on-Year % Change
			Total	Oil	Non-oil			Total				Oil	Non-oil				
					Total	Electronics	Non-electronics										
			At Current Prices										At 1990 Prices				
1992	2.2	1.4	0.5	-22.1	8.4	11.9	3.3	3.3	2.9	7.2	7.8	-11.0	15.0	5.9	6.5		
1993	16.4	15.6	13.7	8.6	14.9	21.4	4.9	19.1	17.1	17.6	16.7	15.5	17.0	19.5	19.0		
1994	18.1	23.3	17.4	-3.9	22.5	30.3	8.4	33.4	13.7	27.6	24.0	10.9	27.8	34.5	14.7		
1995	13.2	13.7	11.2	-1.9	13.7	16.3	8.1	17.4	12.7	16.1	14.3	-0.2	18.0	19.1	13.8		
1996	5.1	5.2	5.2	20.6	2.7	4.3	-1.0	5.3	5.0	7.3	6.4	4.1	6.9	8.8	7.1		
1997	5.7	5.3	3.8	-3.9	5.3	3.4	9.9	7.4	6.2	6.8	4.9	-1.2	6.2	9.9	8.1		
1998	-7.5	-1.0	-1.5	-15.3	0.9	-0.5	4.1	-0.3	-13.6	-0.7	0.2	5.6	-0.9	-2.0	-12.5		
1995 Q1	19.1	25.4	20.7	8.9	23.1	26.5	16.1	32.9	13.5	28.0	24.3	7.9	29.0	35.1	13.6		
Q2	8.6	7.9	4.0	-5.3	5.8	7.4	2.3	14.1	9.3	9.9	7.1	-5.6	10.3	15.2	9.5		
Q3	11.9	11.3	9.0	-10.4	12.7	13.7	10.5	14.6	12.5	13.9	12.6	-4.7	16.9	16.2	14.6		
Q4	14.2	12.7	13.1	1.2	15.1	19.5	4.9	12.2	15.7	15.0	15.5	3.0	18.3	14.0	17.2		
1996 Q1	15.8	14.1	14.2	22.5	12.7	17.7	1.4	14.0	17.4	15.6	14.9	9.7	16.2	16.7	19.1		
Q2	6.1	6.4	7.7	22.6	5.2	7.2	0.7	4.5	5.9	8.8	9.4	10.6	9.1	7.8	8.4		
Q3	-1.2	0.1	0.0	15.5	-2.4	-1.0	-5.5	0.4	-2.4	2.2	1.1	-0.7	1.5	4.1	-0.4		
Q4	1.4	1.7	0.4	21.7	-2.8	-3.9	0.0	3.5	1.3	3.9	1.6	-3.1	2.5	7.9	3.2		
1997 Q1	-2.5	-2.8	-4.1	-4.3	-4.1	-6.8	2.7	-0.8	-2.2	-0.3	-2.4	-10.5	-0.6	3.3	0.4		
Q2	5.3	5.9	3.8	1.0	4.4	4.1	5.1	9.1	4.6	8.8	5.9	3.6	6.5	13.9	8.4		
Q3	11.7	8.7	7.5	-2.5	9.3	7.9	12.7	10.3	14.6	10.5	9.3	3.3	10.6	12.4	16.3		
Q4	8.4	9.1	7.9	-9.6	11.2	8.1	18.7	10.8	7.7	7.8	6.5	-1.0	7.9	9.9	7.5		
1998 Q1	4.1	9.7	6.7	-14.1	10.7	8.6	15.7	14.0	-1.1	7.5	5.7	7.8	5.2	10.5	-0.9		
Q2	-7.7	-1.3	-3.3	-19.5	-0.2	-2.1	4.3	1.4	-13.8	-2.1	-2.5	-4.8	-1.9	-1.4	-14.1		
Q3	-9.3	-1.1	-0.9	-15.4	1.4	-0.6	5.9	-1.3	-16.9	-1.9	-1.2	1.0	-1.7	-2.9	-15.8		
Q4	-15.5	-9.7	-7.4	-11.8	-6.7	-6.6	-7.1	-12.8	-21.0	-5.3	-0.7	20.9	-4.4	-12.4	-18.1		
1999 Q1	-9.4	-8.9	-3.8	-7.9	-3.2	-4.7	0.3	-15.6	-9.9	-4.8	1.4	4.6	0.7	-14.2	-7.5		

Source: Singapore Trade Development Board



**TABLE 5 : NON-OIL DOMESTIC EXPORTS by selected country**

Period	All Countries	ASEAN				NIEs				USA	Japan	EU 15	Others
		Total	of which:			Total	Hong Kong	S. Korea	Taiwan				
			Malaysia	Thailand	Philippines								
<b>Year-on-Year % Change</b>													
1995	13.7	7.7	1.7	24.0	23.8	14.8	7.8	30.2	19.5	11.9	36.1	14.2	12.2
1996	2.7	0.1	-3.4	-0.4	21.0	-1.2	-4.8	16.6	-5.8	5.8	5.2	2.3	2.6
1997	5.3	6.5	4.9	1.3	40.3	9.2	9.7	-1.7	16.6	4.6	-15.4	12.0	7.1
1998	0.9	-9.6	-9.7	-9.1	-10.2	-10.4	-9.3	-22.2	-4.6	3.1	-8.7	11.1	16.3
1995 Q1	23.1	40.0	42.4	31.4	59.1	32.7	53.0	35.8	4.2	10.9	23.5	20.3	23.1
Q2	5.8	-7.2	-12.8	17.5	-19.9	13.6	6.8	22.7	22.4	8.1	15.7	8.8	7.3
Q3	12.7	5.8	-2.5	30.2	37.5	7.4	-5.0	24.1	24.0	12.3	51.1	9.3	14.0
Q4	15.1	5.2	-2.3	18.6	43.7	9.9	-6.1	38.8	26.6	15.9	54.7	18.5	6.0
1996 Q1	12.7	6.5	1.9	14.1	18.2	9.2	-1.6	18.9	23.5	21.8	33.3	10.9	-5.9
Q2	5.2	1.1	-5.5	1.3	46.8	-0.5	-7.5	28.7	-5.7	9.0	21.9	1.0	3.5
Q3	-2.4	-6.1	-8.0	-9.5	10.9	-4.7	-4.6	17.7	-17.7	1.5	-13.2	-0.4	3.7
Q4	-2.8	-0.1	-1.0	-5.1	13.9	-7.6	-5.3	2.7	-17.3	-5.2	-10.6	-1.1	8.7
1997 Q1	-4.1	3.3	2.7	-4.8	31.6	-7.8	-8.9	1.0	-11.8	-10.6	-21.6	4.9	6.6
Q2	4.4	8.3	9.2	2.8	30.5	7.6	11.1	-10.9	17.0	3.2	-20.4	11.3	9.1
Q3	9.3	9.0	4.5	11.7	46.4	18.9	20.0	1.6	31.0	10.7	-8.1	12.6	4.6
Q4	11.2	5.4	3.3	-4.1	50.6	19.1	16.9	2.7	35.1	14.8	-10.0	18.4	8.2
1998 Q1	10.7	-1.3	-6.1	4.6	22.1	7.1	11.8	-26.9	24.9	18.0	3.8	12.7	21.2
Q2	-0.2	-14.7	-17.0	-8.3	-18.0	-10.9	-3.0	-25.0	-15.4	6.2	-13.0	10.8	15.3
Q3	1.4	-7.8	-3.2	-17.4	-14.4	-13.7	-14.2	-25.4	-5.5	-0.8	-12.5	19.9	21.4
Q4	-6.7	-13.9	-12.1	-14.4	-21.9	-20.8	-27.3	-11.9	-16.0	-7.3	-12.4	3.1	8.5
1999 Q1	-3.2	-8.6	-7.1	-5.7	-14.3	-7.3	-21.3	45.2	-10.0	-6.8	-0.8	6.4	0.1
<b>% Share of All Countries</b>													
1995	100.0	20.4	13.7	4.2	1.3	13.0	6.7	2.4	3.9	28.4	9.2	18.2	10.8
1996	100.0	19.9	12.9	4.0	1.6	12.5	6.2	2.7	3.6	29.2	9.5	18.2	10.8
1997	100.0	20.1	12.8	3.9	2.1	13.0	6.5	2.5	4.0	29.0	7.6	19.3	10.9
1998	100.0	18.0	11.5	3.5	1.9	11.5	5.8	2.0	3.7	29.7	6.9	21.3	12.6

Source: Singapore Trade Development Board

**TABLE 6 : LABOUR MARKET**

Period	Average Monthly Earnings	Labour Productivity						Unit Labour Cost		Changes in Employment					
		All Sectors	Manu- facturing	Con- struction	Com- merce	Transport & Comms.	Financial & Business	Overall Economy	Manu- facturing	All Sectors	Manu- facturing	Con- struction	Com- merce	Transport & Comms.	Financial & Business
		Year-on-Year % Change								Thousand					
1992	7.5	3.0	2.8	13.9	0.5	2.0	1.9	3.7	6.3	40.3	-7.9	11.3	9.1	6.2	8.3
1993	6.3	9.1	11.7	-5.3	16.5	5.9	8.1	-0.8	-3.1	70.8	-3.1	26.4	14.9	4.8	12.1
1994	8.8	6.4	11.3	4.6	8.3	8.6	2.4	2.6	-3.1	72.1	11.6	13.1	13.4	2.6	16.0
1995	6.4	3.3	6.5	-3.8	5.9	6.5	-1.4	2.4	-1.3	109.0	12.5	40.5	14.1	9.4	18.0
1996	5.8	1.2	3.0	-2.9	3.5	3.8	0.2	2.4	2.3	102.7	-7.8	52.9	8.8	6.3	18.4
1997	5.7	1.8	5.5	-4.3	2.7	5.0	2.4	1.5	0.9	120.3	3.7	45.8	12.6	6.2	26.1
1998	2.8	-1.3	1.5	-3.4	-3.9	3.7	-3.0	1.4	-0.9	-23.4	-27.6	-4.7	-13.4	-0.5	6.5
1995 Q1	7.1	2.1	4.7	-5.2	4.6	8.9	-4.4	5.7	1.2	14.2	7.1	2.5	-1.7	1.3	4.3
Q2	6.7	4.4	4.4	1.4	7.4	9.1	1.2	2.8	1.6	27.1	4.1	7.2	3.2	2.7	6.8
Q3	7.1	4.2	8.7	-5.3	6.9	5.2	-0.1	1.8	-4.0	20.4	-0.9	12.4	-0.7	3.1	2.0
Q4	4.9	2.5	7.9	-6.0	4.9	3.2	-2.3	-0.6	-3.8	47.3	2.2	18.4	13.3	2.3	4.9
1996 Q1	6.9	5.4	10.5	4.4	7.4	5.1	1.6	-1.2	-3.9	17.5	1.1	12.0	-3.0	0.4	3.3
Q2	5.9	1.7	5.7	-4.1	3.6	3.4	-0.1	2.4	0.9	23.3	-4.7	12.5	1.2	1.9	8.0
Q3	5.0	-2.3	-3.3	-5.2	-0.7	2.7	-2.4	5.9	9.3	22.1	-3.2	12.6	0.4	1.8	2.5
Q4	5.5	0.7	0.9	-5.6	3.7	4.2	2.0	2.9	4.2	39.8	-1.0	15.8	10.2	2.2	4.6
1997 Q1	5.1	-1.2	-3.3	-9.4	0.1	4.1	2.9	4.8	9.5	16.2	-0.9	10.7	-1.7	0.5	2.9
Q2	6.0	2.5	6.1	-6.3	4.5	5.5	3.2	0.9	0.3	37.2	-1.2	12.5	5.0	2.1	11.2
Q3	5.2	4.4	10.6	-1.1	6.5	6.4	3.7	-1.2	-4.4	31.1	2.4	16.2	-1.4	2.2	4.8
Q4	6.2	1.3	7.9	-0.9	-0.2	4.2	0.0	1.1	-2.6	35.8	3.4	6.4	10.7	1.4	7.2
1998 Q1	4.8	0.3	5.5	1.2	-1.5	3.3	-3.4	1.5	-3.3	9.1	-1.0	7.1	-5.4	-0.6	2.3
Q2	4.3	-2.5	0.0	-3.0	-4.7	3.9	-4.5	3.3	2.0	-5.9	-8.0	0.9	-5.4	0.3	1.2
Q3	2.9	-2.4	-1.4	-5.6	-5.2	2.9	-2.9	1.8	1.2	-20.3	-10.6	-4.1	-4.3	-0.4	1.5
Q4	-0.3	-0.3	3.0	-5.3	-3.8	4.9	-1.0	-0.3	-2.6	-6.3	-7.9	-8.6	1.7	0.2	1.5
1999 Q1	-0.3	3.2	14.3	-4.9	1.1	6.3	-2.0	-10.3	-17.4	-9.6	-3.3	-10.5	-4.9	-0.2	2.1

Source: Singapore Department of Statistics  
Ministry of Manpower

**TABLE 7 : MONETARY**

End of Period	Money Supply								Interest Rates				
	Narrow Money M1	Broad Money M2	Broad Money M3	Reserve Money	Narrow Money M1	Broad Money M2	Broad Money M3	Reserve Money	Prime Lending Rate	3-month Interbank Rate	3-month SIBOR (US\$)	Banks	
												Savings Rate	12-month Fixed Deposit Rate
	S\$ Billion				Year-on-Year % Change				Rate % Per Annum				
1992	18.5	75.7	101.5	13.5	12.7	8.9	9.5	10.6	5.55	2.19	3.50	1.79	2.97
1993	22.9	82.1	111.4	14.7	23.6	8.5	9.7	8.4	5.34	3.31	3.38	1.59	2.79
1994	23.4	94.0	125.8	15.6	2.3	14.4	13.0	6.2	6.49	4.38	6.50	2.93	4.23
1995	25.3	102.0	136.7	17.0	8.3	8.5	8.7	9.4	6.26	2.50	5.56	2.72	4.01
1996	27.0	112.0	148.5	18.2	6.7	9.8	8.6	6.7	6.26	3.28	5.56	2.72	3.99
1997	27.5	123.4	160.8	19.2	1.7	10.3	8.3	5.6	6.96	6.69	5.81	3.08	4.41
1998	27.2	160.8	173.6	16.6	-1.0	30.2	8.0	-13.3	5.90	1.72	5.13	1.43	2.51
1995 Q1	23.8	94.7	126.8	15.7	6.0	15.0	13.3	8.6	6.49	2.81	6.31	2.93	4.23
Q2	24.7	98.0	131.0	15.9	10.2	14.3	13.3	5.7	6.34	2.38	6.06	2.76	4.06
Q3	24.7	98.5	131.9	16.0	6.6	9.4	9.5	4.7	6.26	2.78	5.88	2.72	4.01
Q4	25.3	102.0	136.7	17.0	8.3	8.5	8.7	9.4	6.26	2.50	5.56	2.72	4.01
1996 Q1	25.9	104.7	138.7	17.0	8.8	10.6	9.4	7.9	6.26	2.34	5.44	2.72	4.01
Q2	26.4	107.7	142.1	17.6	7.0	9.9	8.5	10.9	6.26	3.00	5.59	2.72	4.01
Q3	26.5	109.4	144.2	17.7	7.7	11.1	9.3	10.9	6.26	3.22	5.63	2.72	4.01
Q4	27.0	112.0	148.5	18.2	6.7	9.8	8.6	6.7	6.26	3.28	5.56	2.72	3.99
1997 Q1	28.5	117.0	153.8	19.4	9.8	11.8	10.9	14.2	6.26	3.47	5.75	2.72	3.99
Q2	28.2	119.1	156.3	18.3	6.9	10.6	10.0	3.7	6.26	3.66	5.81	2.72	3.98
Q3	28.0	120.5	157.8	18.6	5.5	10.2	9.5	4.8	6.26	3.94	5.75	2.72	3.98
Q4	27.5	123.4	160.8	19.2	1.7	10.3	8.3	5.6	6.96	6.69	5.81	3.08	4.41
1998 Q1	26.6	128.0	164.8	19.1	-6.5	9.4	7.1	-1.3	7.74	5.00	5.69	3.46	5.32
Q2	24.9	128.7	165.5	18.8	-11.8	8.1	5.9	2.5	7.79	6.22	5.69	3.49	5.38
Q3	24.9	132.6	169.5	15.2	-11.0	10.0	7.4	-18.3	7.54	4.94	5.31	3.24	4.94
Q4	27.2	160.8	173.6	16.6	-1.0	30.2	8.0	-13.3	5.90	1.72	5.13	1.43	2.51
1999 Q1	29.0	163.6	176.0	17.3	8.9	27.8	6.8	-9.5	5.80	2.06	5.00	1.36	2.46

Source: Monetary Authority of Singapore

**TABLE 8 : FISCAL**

Period	Operating Revenue							Expenditure			Surplus (+)/ Deficit (-)	
	Total	Tax Revenue				Non-tax Revenue	Total	Operating	Development			
		Total	Income Tax	Asset Tax	Stamp Duty					GST		
	S\$ Million											% of GDP
FY1992	17772	14237	7147	1498	673	0	3535	12161	8512	3649	5611	6.8
FY1993	20656	16224	7735	1645	1107	0	4432	12896	9001	3895	7759	8.1
FY1994	23713	19000	8296	1845	1394	1523	4714	14043	10072	3971	9670	8.9
FY1995	25255	19896	8773	1757	1271	1626	5359	17410	11449	5962	7844	6.4
FY1996	28930	23205	10951	1823	1878	1746	5724	23286	14159	9128	5643	4.3
FY1997	29181	23011	10195	2335	1688	1927	6170	23043	14080	8963	6139	4.2
FY1998 (Prelim.)	27319	21329	11341	1529	953	1651	5990	26182	14595	11587	1137	0.8
FY1999 (Estimated)	24112	18176	8250	1390	900	1650	5936	29165	15229	13936	-5054	-3.5
1995 Q1	6372	4852	1466	615	435	412	1520	4231	3156	1075	2141	n.a.
Q2	5755	4505	2204	323	288	425	1250	2976	1928	1048	2779	n.a.
Q3	6513	5414	2621	607	330	415	1099	3572	2585	987	2941	n.a.
Q4	6142	4808	2475	294	311	395	1334	4775	3214	1561	1367	n.a.
1996 Q1	6845	5169	1473	533	342	391	1676	6086	3721	2365	759	n.a.
Q2	6745	4969	2418	289	451	483	1776	3489	2238	1251	3256	n.a.
Q3	7427	6307	2982	500	593	475	1120	4449	3036	1413	2978	n.a.
Q4	7021	5474	2666	308	448	439	1547	5151	3259	1892	1870	n.a.
1997 Q1	7737	6455	2885	727	386	349	1282	10199	5626	4573	-2462	n.a.
Q2	6444	5692	2678	395	524	738	752	4386	2330	2056	2058	n.a.
Q3	8044	6684	3140	762	453	509	1360	5167	3158	2009	2877	n.a.
Q4	8388	5610	2761	519	332	393	2778	6113	4045	2068	2275	n.a.
1998 Q1	6305	5025	1616	659	380	287	1280	7376	4547	2829	-1071	n.a.
Q2	7141	5363	2861	389	255	523	1778	4841	2834	2007	2300	n.a.
Q3	7140	5957	3200	488	224	527	1183	5268	2893	2375	1872	n.a.
Q4	7626	5809	3289	313	222	352	1817	7308	3962	3346	318	n.a.
1999 Q1 (p)	5412	4200	1991	339	252	249	1212	8765	4906	3859	-3353	n.a.

Source: Ministry of Finance

**TABLE 9 : BALANCE OF PAYMENTS - Current Account**

Period	Current Account Balance		Goods Account			Services Account						Income Balance	Current Transfers
			Exports	Imports	Balance	Total	Transportation	Travel	Insurance	Govt. Servs	Other		
	S\$ Million	% of GNP	S\$ Million										
1992	9635	11.7	108432	111400	-2967	10854	-1330	5239	-596	-14	7556	2522	-774
1993	6804	7.3	125802	130204	-4401	11757	-1359	5253	-599	-8	8469	315	-866
1994	17413	16.0	149566	147497	2069	13970	-1153	4450	-674	10	11337	2384	-1010
1995	20462	16.8	167897	166512	1384	17089	-1136	3855	-878	-36	15284	3244	-1255
1996	20458	15.3	177680	174543	3136	14460	-1538	2480	-855	1	14372	4375	-1513
1997	22320	15.2	186708	185048	1660	16474	-1722	1093	-823	-28	17953	5949	-1762
1998	29479	20.0	184731	160167	24565	553	-2561	-744	-528	-48	4434	6332	-1971
1995 Q1	5840	n.a.	38059	37152	908	4280	-203	1161	-185	-9	3516	943	-291
Q2	4480	n.a.	40846	40997	-150	3974	-312	763	-220	-1	3744	956	-299
Q3	5697	n.a.	43946	43443	503	4921	-291	1284	-237	-15	4181	595	-323
Q4	4445	n.a.	45045	44921	124	3914	-331	648	-236	-11	3844	750	-342
1996 Q1	4126	n.a.	43717	43461	255	3100	-416	904	-228	-1	2842	1127	-357
Q2	4396	n.a.	43803	43307	496	3251	-373	508	-213	5	3325	1018	-369
Q3	7456	n.a.	44363	42302	2061	4267	-358	728	-202	1	4098	1513	-385
Q4	4480	n.a.	45796	45473	324	3841	-392	341	-212	-4	4108	717	-402
1997 Q1	4572	n.a.	42369	42621	-252	3804	-390	650	-183	-15	3742	1435	-415
Q2	7081	n.a.	46253	45117	1136	4580	-429	376	-202	2	4834	1797	-431
Q3	5752	n.a.	48097	48459	-362	5000	-431	360	-220	-6	5297	1565	-452
Q4	4915	n.a.	49989	48851	1138	3089	-472	-293	-218	-9	4080	1152	-464
1998 Q1	4892	n.a.	46546	42083	4462	-603	-517	-52	-156	-17	139	1515	-482
Q2	7500	n.a.	45550	39090	6460	-383	-543	-334	-125	-10	629	1908	-486
Q3	8671	n.a.	47467	40347	7120	602	-733	0	-128	-14	1478	1452	-503
Q4	8417	n.a.	45169	38647	6522	937	-768	-358	-118	-7	2188	1456	-499
1999 Q1	6930	n.a.	42313	37804	4509	1142	-606	68	-115	-22	1816	1773	-493

Source: Singapore Department of Statistics

**TABLE 10 : BALANCE OF PAYMENTS - Capital & Financial Accounts**

S\$ Million

Period	Capital & Financial Account Balance	Capital Account	Financial Account						Errors & Omissions	Overall Balance	Official Foreign Reserves (End-of-Period)
			Total	Direct Investment	Portfolio Investment	Other Investment					
						Total	Banks	Others			
1992	2859	-62	2921	1446	4056	-2580	-1173	-1408	-2535	9959	65788
1993	-2074	-115	-1958	4095	-8024	1971	4391	-2421	7423	12154	77867
1994	-13633	-129	-13504	6069	-11801	-7772	1707	-9479	3522	7302	85166
1995	-6811	-101	-6710	1311	-10430	2410	7904	-5494	-1477	12174	97337
1996	-4560	-196	-4364	2269	-14499	7865	6344	1521	-5492	10407	107751
1997	-5976	-257	-5719	7406	-17022	3897	9362	-5465	-4489	11856	119617
1998	-29902	-378	-29524	6879	-12523	-23880	-17689	-6191	5404	4981	124584
1995 Q1	2028	-23	2050	22	-2683	4711	3496	1214	-5883	1985	87161
Q2	1456	-23	1478	683	-1903	2698	4139	-1441	-216	5720	92876
Q3	-231	-31	-200	257	-2937	2479	1917	562	-3207	2258	95125
Q4	-10063	-25	-10038	349	-2908	-7478	-1648	-5830	7829	2211	97337
1996 Q1	-7524	-36	-7488	131	-4531	-3088	1390	-4478	5186	1788	99134
Q2	5153	-48	5201	782	-3059	7478	1716	5762	-6725	2823	101955
Q3	-1744	-65	-1678	376	-3625	1570	1900	-329	-2993	2720	104675
Q4	-2629	-46	-2583	981	-3284	-279	-846	567	1225	3076	107751
1997 Q1	-6835	-54	-6782	726	-3814	-3694	1246	-4940	8348	6086	113848
Q2	1358	-71	1429	1286	-4361	4504	2282	2222	-6760	1679	115528
Q3	5224	-59	5283	2951	-3981	6312	4363	1949	-8073	2903	118436
Q4	-5723	-73	-5649	2443	-4866	-3226	1470	-4696	1996	1188	119617
1998 Q1	-10771	-84	-10687	1703	-1840	-10550	-7877	-2673	6218	340	119956
Q2	-8901	-108	-8793	1826	-3347	-7273	-979	-6293	2611	1210	121196
Q3	-5247	-101	-5146	1742	-3764	-3124	-7985	4861	-2558	866	122062
Q4	-4984	-86	-4899	1607	-3572	-2934	-849	-2085	-867	2566	124584
1999 Q1	-3517	-85	-3432	2370	-1426	-4376	-5960	1584	-3828	-415	124327

Source: Singapore Department of Statistics

**TABLE 11 : EXCHANGE RATES**

End of Period	Singapore Dollar Per											
	US Dollar	Pound Sterling	EURO	Deutsche Mark	100 Swiss Franc	100 French Franc	100 Japanese Yen	Malaysian Ringgit	Hong Kong Dollar	100 New Taiwan Dollar	100 Korean Won	Australian Dollar
1992	1.6449	2.4867	n.a.	1.0175	112.39	29.84	1.3198	0.6306	0.2125	6.4758	0.2086	1.1312
1993	1.6080	2.3802	n.a.	0.9272	108.61	27.28	1.4364	0.5953	0.2082	6.0338	0.1989	1.0885
1994	1.4607	2.2782	n.a.	0.9405	111.18	27.26	1.4628	0.5707	0.1888	5.5370	0.1850	1.1341
1995	1.4143	2.1884	n.a.	0.9839	122.61	28.79	1.3744	0.5567	0.1929	5.1821	0.1827	1.0540
1996	1.3998	2.3670	n.a.	0.9001	103.80	26.72	1.2046	0.5538	0.1809	5.0919	0.1657	1.1150
1997	1.6755	2.7771	n.a.	0.9363	115.23	27.98	1.2893	0.4313	0.2162	5.1433	0.0993	1.0935
1998	1.6605	2.7666	n.a.	0.9891	120.15	29.48	1.4484	0.4370	0.2143	5.1552	0.1394	1.0190
1995 Q1	1.4191	2.2781	n.a.	1.0068	121.40	28.88	1.5886	0.5597	0.1835	5.4673	0.1839	1.0348
Q2	1.3965	2.2213	n.a.	1.0095	121.38	28.77	1.6507	0.5725	0.1805	5.4078	0.1839	0.9925
Q3	1.4205	2.2451	n.a.	1.0021	124.55	29.06	1.4432	0.5666	0.1837	5.2404	0.1849	1.0731
Q4	1.4143	2.1884	n.a.	0.9839	122.61	28.79	1.3744	0.5567	0.1929	5.1821	0.1827	1.0540
1996 Q1	1.4080	2.1493	n.a.	0.9549	118.43	28.00	1.3206	0.5550	0.1821	5.1674	0.1799	1.0983
Q2	1.4099	2.1834	n.a.	0.9274	112.79	27.43	1.2864	0.5652	0.1822	5.1200	0.1740	1.1132
Q3	1.4080	2.2014	n.a.	0.9242	112.32	27.32	1.2680	0.5615	0.1821	5.1229	0.1705	1.1142
Q4	1.3998	2.3670	n.a.	0.9001	103.80	26.72	1.2046	0.5538	0.1809	5.0919	0.1657	1.1150
1997 Q1	1.4451	2.3609	n.a.	0.8603	99.49	25.54	1.1654	0.5829	0.1865	5.2468	0.1635	1.1330
Q2	1.4300	2.3793	n.a.	0.8229	98.41	24.40	1.2513	0.5665	0.1845	5.1417	0.1610	1.0660
Q3	1.5295	2.4626	n.a.	0.8641	105.05	25.74	1.2640	0.4783	0.1976	5.3476	0.1672	1.1030
Q4	1.6755	2.7771	n.a.	0.9363	115.23	27.98	1.2893	0.4313	0.2162	5.1433	0.0993	1.0935
1998 Q1	1.6060	2.6926	n.a.	0.8695	105.54	25.95	1.2200	0.4412	0.2073	4.8951	0.1155	1.0673
Q2	1.7068	2.8461	n.a.	0.9443	112.16	28.18	1.2141	0.4098	0.2203	4.9509	0.1237	1.0462
Q3	1.6850	2.8783	n.a.	1.0080	121.59	30.06	1.2456	0.4434	0.2175	4.8954	0.1216	1.0070
Q4	1.6605	2.7666	n.a.	0.9891	120.15	29.48	1.4484	0.4370	0.2143	5.1552	0.1394	1.0190
1999 Q1	1.7322	2.7914	1.8548	0.9483	116.21	28.27	1.4385	0.4558	0.2235	5.2253	0.1413	1.0886

Source: Monetary Authority of Singapore