

Economics Department

Quarterly Bulletin

*Volume II, Issue 1
March 2000*

 *Monetary Authority of Singapore*



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1 International Environment

1.1 External Economic Developments

Global economic conditions were generally strong in the fourth quarter of 1999, capping a marked improvement in Singapore's external economic environment for the year as a whole. The US and euro-zone economies accelerated in the fourth quarter, and while the Japanese economy slowed, its import growth continued to strengthen. The East Asian recovery generally picked up pace in the fourth quarter, completing a year of relatively quick rebound from the recession a year before.

US, Europe & Japan

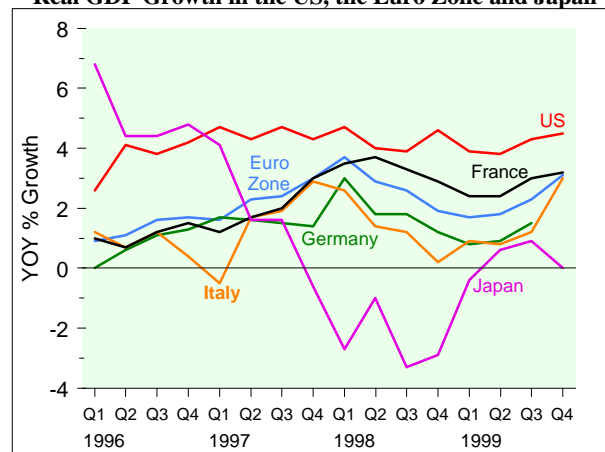
The US economy expanded by 4.1% in 1999, compared to 4.3% the year before. It grew by 4.5% in Q4, slightly higher than 4.3% in the previous quarter. (Chart 1.1) Growth was buoyed by strong domestic demand, particularly consumer spending and business investment, as well as government spending.

While the US economy remained robust, macroeconomic imbalances continued to be a major risk to future prospects. First, the US recorded a current account deficit amounting to 4.4% of GDP in Q4. Second, the personal savings rate fell to a low of 1.0% in December. Third, the labour market continued to be very tight, with the unemployment rate falling to 4.1% in December.

The euro-zone economy strengthened by 3.1% in Q4, down from 2.3% the previous quarter. For the year as whole, however, growth of the euro-zone economy slowed to 2.2% in 1999 compared to 2.7% the year before. Growth in 1999 was accounted for largely by domestic demand although net exports rebounded during the year.

The Japanese economy recovered from a contraction of 2.6% in 1998 to grow by 0.3% in 1999. Real GDP growth slowed to 0.1% in Q4 compared to 1% in Q3, reflecting weak consumer and government spending. However, private investment rose by 3.3% in Q4 after a fall of 4.6% in Q3. Imports surged by 13% in Q4,

Chart 1.1
Real GDP Growth in the US, the Euro Zone and Japan



outpacing export growth. Rising shipments of capital goods, rising private sector machinery orders and improvements in business and consumer confidence suggest room for cautious optimism in Japan's economic recovery.

Inflation in the G3 economies was broadly tame in 1999 although rising oil prices exerted an upward pressure on general prices. (Chart 1.2) US inflation remained low last year despite continued strength in aggregate demand, a sharp rise in oil prices, and tight labour market. Consumer prices rose by only 2.2% in 1999, compared to 1.6% the year before. The chain-index for consumer spending rose 1.6% in 1999, up from 0.9% the year before. Headline inflation trended steadily upwards through 1999 due to rising oil prices.

Inflation in the EMU remained below 2% throughout 1999. Upward pressures on energy prices were counter-balanced by relatively slower increases in food prices and declining prices for services. Inflation, however, rose through the later months of 1999 due to rising oil prices.

Japan experienced deflationary pressures in 1999, with the CPI falling by 0.3%. This was largely due to weak consumer demand, which comprises about two-thirds of the Japanese economy.

East Asia

East Asia recovered from its recession in 1999, although the pace and sources of recovery varied across countries. Stable financial conditions in concert with expansionary fiscal policies supported an upturn in domestic demand and services. Exports and manufacturing production generally rebounded, especially in electronics-exporting countries. Private investment, on the other hand, was generally slower to recover, in part due to strong capacity expansion in the pre-crisis years. The fourth quarter of 1999, however, saw generally greater contributions from investments and less from net exports. (Chart 1.3)

Korea recovered the strongest with economic growth of 11% in 1999. Real GDP expanded by 13% in Q4, slightly higher than the growth in Q3. Private consumption rose by 10% in 1999 while investment increased by only 4.1%, as the decline in construction investment offset some of the substantial gains in facility investment. Reflecting the recovery in domestic demand, imports surged by 28.9%, outpacing the 16.4% rise in exports.

Chart 1.2
CPI Inflation in the US, the Euro Zone and Japan

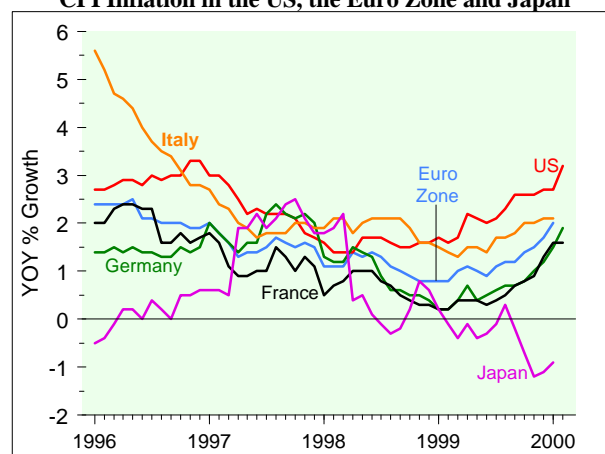
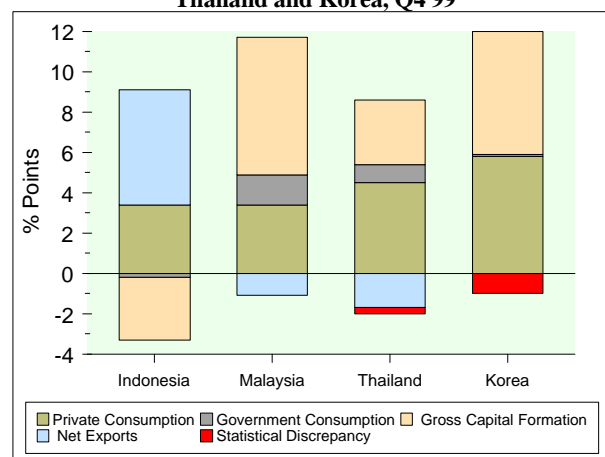


Chart 1.3
Contribution to Growth in Indonesia, Malaysia, Thailand and Korea, Q4 99



Malaysia's GDP rose by 11% in Q4 99, bringing full-year growth to 5.4% compared to a 7.5% contraction the year before. Similarly, the Thai economy strengthened by 6.5% in Q4, with a full-year growth of 4.2% compared to a 10% contraction in 1998. The rebound in 1999 was largely driven by the strength in exports. Private consumption also strengthened in both economies. However, while private investment picked up in Thailand, they remained weak in Malaysia in 1999. Also, government spending played a bigger role in driving growth in Malaysia compared to Thailand. To reduce reliance on government spending, Malaysia will focus its fiscal stimulus in 2000 on tax cuts. In year 2000, stronger private consumption, investment, and exports are expected to drive growth in Malaysia and Thailand.

Indonesia's GDP grew by 5.8% in Q4, bringing growth in 1999 to 0.2%. In 1999, private consumption was a key source of growth while exports, investment and government spending were generally weak. However, in Q4, exports rebounded and investment appeared to have bottomed out. Looking ahead to 2000, stronger export growth and a mild recovery in private investments are expected to support growth. (Chart 1.4)

Inflation in East Asia was generally low in 1999 despite the economic rebound and rising oil prices. Prices were subdued as substantial slack remained in many of the economies and exchange rates stabilised. (Chart 1.5)

Inflation in Thailand averaged a mere 0.3% in 1999 due in part to falling food prices. Korea's inflation averaged a record low of 0.8% in 1999. Consumer prices in Malaysia rose by only 2.8% in 1999. Indonesia's inflation slowed to 20% in 1999 from 58.4% the year before.

Economic conditions in Greater China generally improved in 1999. (Chart 1.6) The Hong Kong economy expanded by 8.7% in Q4 99, and 2.9% for the year as a whole. Inventory stocking, continued trade surpluses, stronger government spending and further recovery in private consumption underpinned the strong economic performance in Q4. Private investment remained weak although the rate of contraction is moderating.

Taiwan recorded real GDP growth of 5.9% in 1999, compared with 4.3% in 1998. Real GDP growth registered a sharp rebound in Q4 99, to grow by 7.0%, up from 5.5% in Q3 99. The sharp rebound was due to improved domestic conditions. Private investment rose by 10.7% in Q4 99, compared to a contraction of 4.2%

Chart 1.4
Real GDP Growth in the ASEAN-3 and Korea

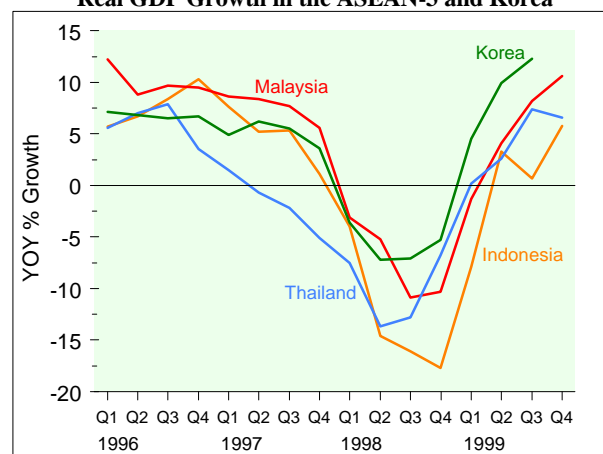


Chart 1.5
CPI Inflation in the ASEAN-3 and Korea

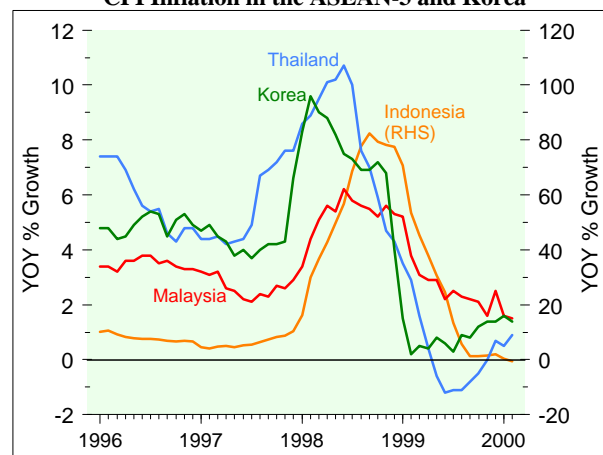
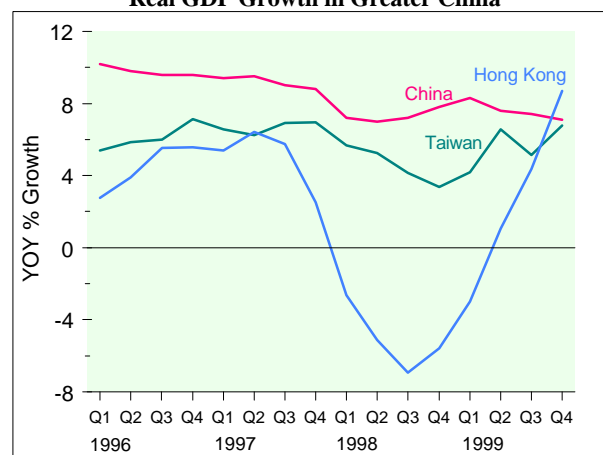


Chart 1.6
Real GDP Growth in Greater China



in the previous quarter. Exports also grew by 16.6% in Q4 99, up from 3.6%, buoyed by favourable external conditions and a global boom in electronics.

China recorded real GDP growth of 7.1% in 1999. Its economic growth slowed to 6.2% in Q4, compared to 7.0% in Q3. The slowdown in Q4 was due to slower public investment and the decline in net exports. Private consumption growth was also slightly lower in 1999 but there was a pick-up in Q4, which reflected the government's efforts to revive consumer spending, which included lower interest rates, an increase in civil servant wages, and a tax on interest income of bank deposits. A favourable external environment, continued fiscal pump-priming and likely recovery in private consumption, are expected to lead to continued strength in the Chinese economy in 2000.

Price pressures were generally weak in Greater China in 1999 despite improving economic conditions. (See Chart 1.7) Hong Kong's consumer prices fell by 3.3% in 1999, compared with an increase of 2.6% the year before. However, deflationary pressures appear to be easing, due to the recent improvement in retail sales, rising oil prices, the pick-up in global inflation and the weakening of the US\$ (to which the HK\$ is pegged).

Taiwan's CPI rose by 0.2% in 1999, compared to a rise of 1.7% the year before. A stronger Taiwan dollar and less disruption to food prices from typhoons contributed to the lower inflation.

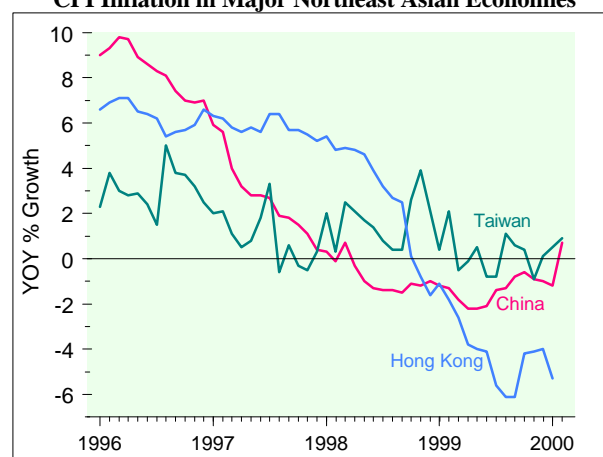
China's benchmark retail price index (RPI) fell by 0.4% in 1999. But deflationary pressures appear to be subsiding in China. The recovery in oil prices and the prices of building materials and electronic products have helped arrest the downtrend in China's RPI.

Outlook for 2000

The outlook for global growth in 2000 is positive. A resilient US economy and stronger growth in Europe and Japan are expected to support global growth. The US Federal Reserve expects growth to slow to 3.5-3.75%. European officials are expecting growth of about 3% in the euro-zone, while Japan's Economic Planning Agency expects GDP growth of 1.0% in FY2000.

The East Asian economies are expected to experience some convergence in growth rates in 2000. The Bank of

Chart 1.7
CPI Inflation in Major Northeast Asian Economies



Korea has forecast growth in 2000 to slow to 7.2% due to rising imports and a slowdown in inventory build-up. The Malaysian government has revised its growth forecast for 2000 to 5.8%. The Bank of Thailand has revised its GDP forecast for 2000 to 4.5%. The Indonesia government expects growth of 3-4% in 2000.

Growth in Greater China is expected to be robust in 2000. China's State Development Planning Commission has forecast growth of 7% in 2000. The Hong Kong government expects growth of 5% in 2000. The Taiwan government expects growth of 6.5% in 2000.

The year 2000 is expected to mark a period of coincident strength among the major economies of the world. As the Asian economies gain in strength, their current account surpluses is expected to narrow and their investment spending is expected to pick up. The higher rates of return from the recovering economies will likely attract greater flows of portfolio capital and direct investment. Expansionary fiscal policies are expected to be reined-in as private sector spending takes over, contributing to reduced public debt levels.

Productivity gains are expected to rise as output picks up. The restructuring and deregulation process taking place in the Asian economies are expected to lead to an accelerated amalgamation of new technologies and the productive efficiencies inherent in them. This capacity-enhancing development could provide some welcome relief to the backdrop of emerging inflationary pressures and moderate increases in interest rates.

1.2 International Financial Markets

Developments in international financial markets during the last quarter of 1999 reflected monetary tightening in industrial countries, notwithstanding Y2K related liquidity provisions at year end. Long-term bond yields in the US and Europe were significantly higher than the levels in the third quarter of 1999. The Japanese bond market remains an exception -- long-term bond yields there remained steady at around 1.8%. Despite the general rise in long-term interest rates in industrial countries, sovereign spreads of East Asian countries continued to narrow, following the improving external positions of these countries. Reflecting Y2K liquidity provisions at year-end and improving economic prospects, share prices in both industrial and emerging economies were significantly higher compared to their

respective levels in the third quarter. However, concerns over future monetary tightening, together with the withdrawal of liquidity post Y2k has led to a correction of equity prices in some markets since the beginning of the year.

Currencies

In the foreign exchange market, the yen appreciated against the US\$ in the last quarter of the year, peaking at about ¥101/US\$. (See Chart 1.8) The yen's strength was probably a result of greater confidence in the sustainability of Japan's economic recovery and substantial foreign portfolio investments into the equity market. More recently, however, the yen has depreciated against the US\$. The weakness of the yen in recent months has been attributed to the widening interest differential between US and Japan, aggressive interventions by the Japanese monetary authority, and increased skepticism about the strength of the Japanese economic recovery. In addition, sentiment on the yen could have been affected by Moody's decision to place Japan's Aa1 sovereign domestic currency rating on review for a possible downgrade.

The Euro continued to depreciate against the US\$, by about 6.5% in Q4 99. The European Central Bank's reluctance to intervene in the foreign exchange markets has been cited by market participants as factors weighing negatively on the near term prospects of the currency. The continued weakness of the Euro also reflected overseas acquisition activities by companies in the Euro zone, and relatively smaller foreign direct and portfolio investment into the Euro-zone.

Major Northeast Asian currencies came under strong pressures to appreciate in Q4 99. (See Chart 1.9.) Pressures on the Won were strongest, with the dramatic economic turnaround in Korea providing the basis for a surge in direct and portfolio investments. However, the Won's appreciation was capped by interventions by the Bank of Korea, which openly declared its concerns over the currency's rapid appreciation.

Major Southeast Asian currencies also rose against the US dollar in the closing months of 1999, but movements were relatively more volatile than their Northeast Asian

Chart 1.8
Yen and Euro against the US dollar

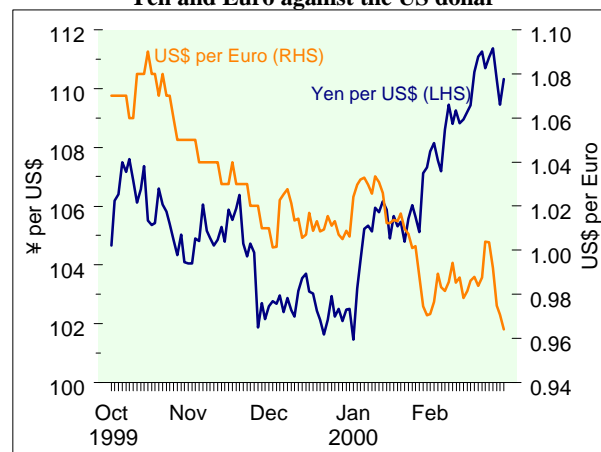
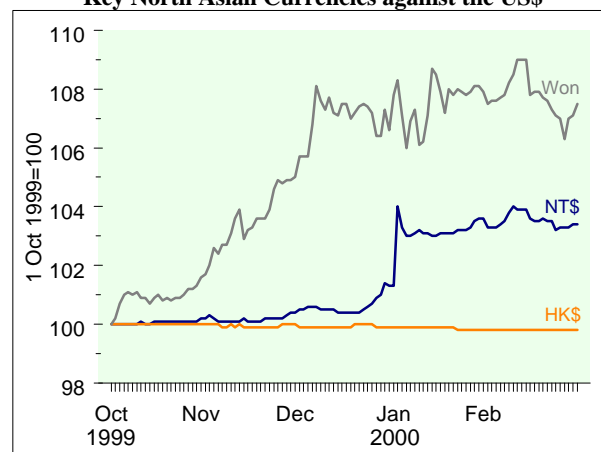


Chart 1.9
Key North Asian Currencies against the US\$



counterparts. (See Chart 1.10.) Moreover, the strength of the Southeast Asian currencies was partly reversed this year, unlike the North Asian currencies which continued to appreciate. After rising to as high as 6700Rup/US\$ in late Oct in response to the smooth political transition after the Presidential elections, the Indonesian Rupiah fell against the US\$ in the first two months of this year, as fears of political unrest re-emerged. Similarly, the appreciation of the Baht in the last quarter of 1999 has since been partly reversed, reflecting concerns over the pace of structural reforms in Thailand.

Interest Rates

Ten-year government bond yields in the US increased by about 50 basis points in the last quarter of 1999, reflecting expectations for higher future inflation. (See Chart 1.11.) However, the increase in yields has since been partly reversed, despite two further interest rate hikes by the US Fed. The fall in long-term government bond yields this year has been largely attributed to the US Treasury's plans to buyback outstanding long-term securities.

Ten-year German government bond yields were also higher, increasing by about 20 basis points during Q4 99. The increase in yields reflected further expectations of tighter monetary policy, given the strong economic performance of countries in the Euro zone, which has engendered tighter monetary policy. The ECB first raised its main refinancing rate by 50 basis points in Nov. Since then, the ECB has increased its policy interest rate by 25 basis points on two occasions this year, bringing total increase since the middle of 1999 to 100 basis points.

In Japan, ten-year government bond yields remained steady at around 1.8%, despite continuing market concerns over the large increase in the supply of government securities, and uncertain demand from the Trust Fund Bureau this year. However, bond yields were supported by the accommodative monetary policy stance of the Bank of Japan (BOJ). As Japanese banks did not expand their loan portfolios, most of the liquidity provided by the BOJ was invested in the government bond market.

Sovereign spreads of East Asian countries continued to narrow, in line with the improving external positions of these countries and favorable assessments by rating agencies. The yield differential between the sovereign issues of Korea and Indonesia and comparable US

Chart 1.10
Key Southeast Asian Currencies against the US\$

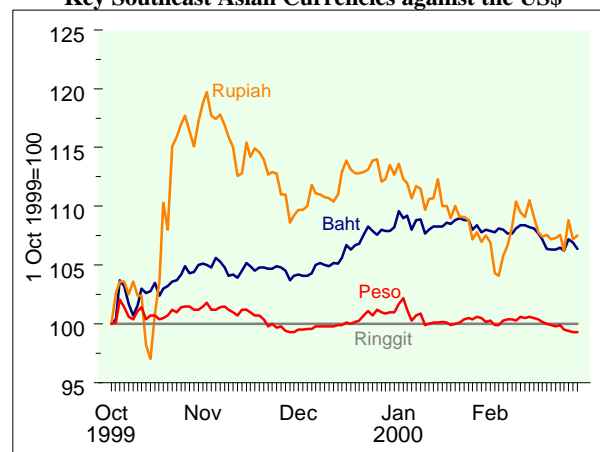


Chart 1.11
Yields on G3 10-year Government Bonds

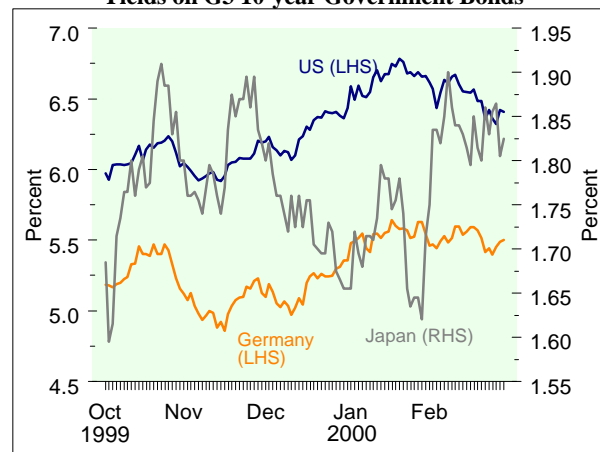
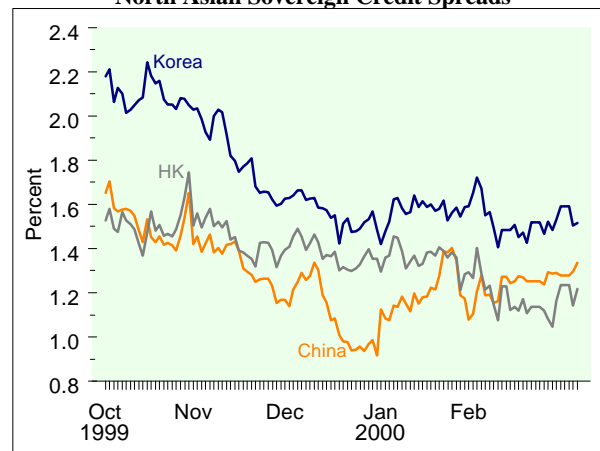


Chart 1.12
North Asian Sovereign Credit Spreads



government bonds narrowed the furthest, possibly because investors were attracted by the high yields on these securities.

Equities

Equity markets in industrial countries recorded significant gains in the last quarter of 1999, benefiting from the liquidity that was provided to financial system by central banks in anticipation of Y2K credit related needs. However, the liquidity has since been partly withdrawn. As in the case for much of 1999, the rise in share prices was led by technology related sectors.

In Q4 99, the Dow Jones Industrial Index rose by about 12%, while the NASDAQ Composite Index surged by 49% over the same period. However, gains recorded by the DJIA were not sustained through the New Year, as investors focused on monetary tightening. In contrast, the NASDAQ Composite Index continued its upward climb after the New Year. This was because market participants believe that higher interest rates would have little negative impact on the technology sector.

European stock markets also rose sharply with gains coming on the back of the strength of the economic recovery and hopes of structural reforms in Europe. The DAX index recorded gains of 36% in the final quarter of the year. Most of the gains in share prices took place in the last few days of 1999, boosted by the announcement of plans to reduce capital gains tax on cross-share holdings of companies in Germany.

In Japan, continued optimism over economic recovery and purchases by foreign investors resulted in significant increases in share prices, before concerns over a strong yen led to a slight decline. Foreign investors were again net buyers of Japanese stocks during Q4 99. Average monthly net purchases by foreign investors of stocks traded on Tokyo Stock Exchange's First Section was ¥686 billion for Q4 99, slightly lower than net purchases of ¥693 billion recorded for Q3 99. However, foreign investors' interest in Japanese stocks appeared to have waned in recent months. For Jan 2000, net purchases by foreign investors was less than ¥3 billion, the lowest level in more than a year.

In the last quarter of 1999, East Asian equity markets benefited from the exuberant performance of equity markets in industrial countries and the increased liquidity in financial system prior to the Y2K crossover,

Chart 1.13
Southeast Asian Sovereign Credit Spreads

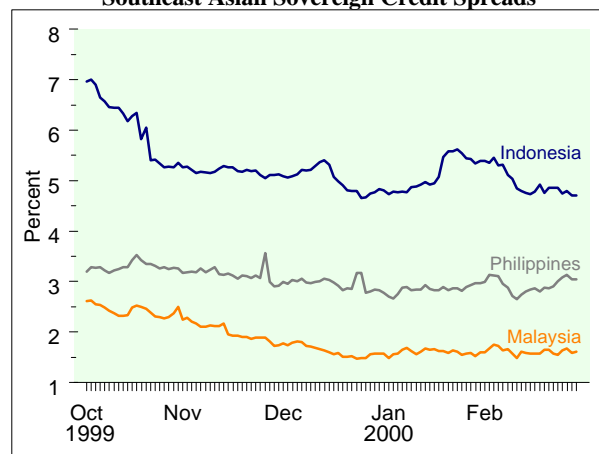


Chart 1.14
Movements of Industrial Countries Stock Market Indices

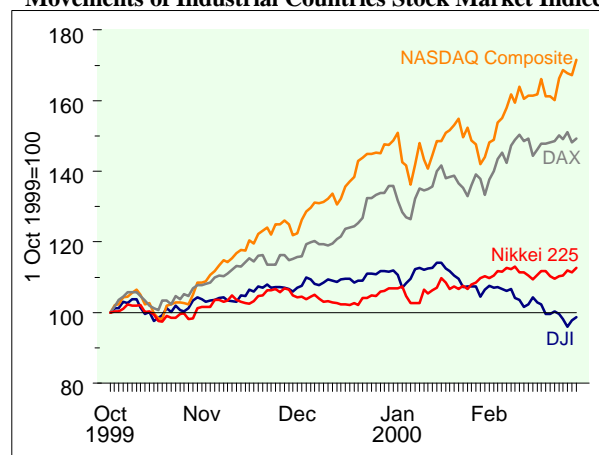
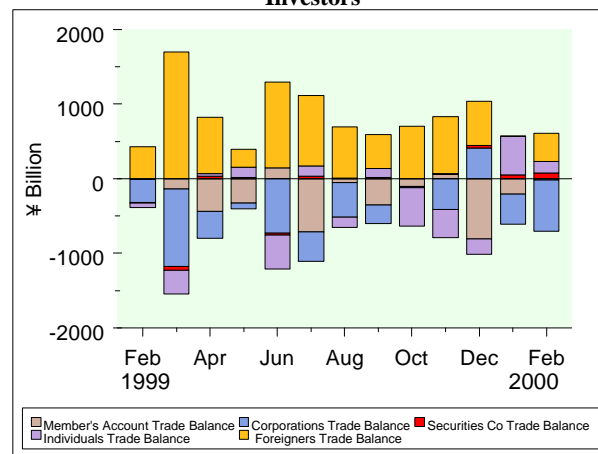


Chart 1.15
Trading Value of TSE 1st Section Stock by Type of Investors

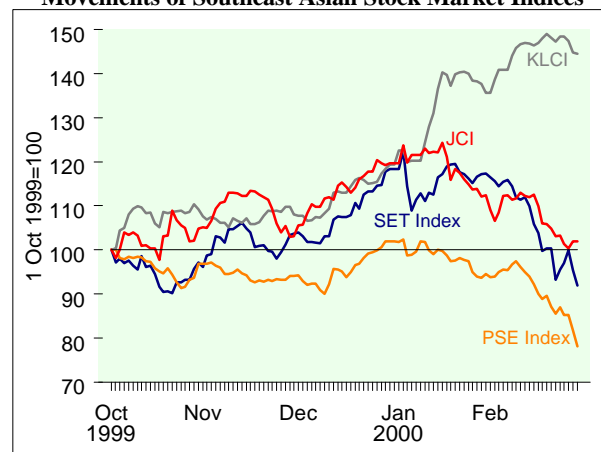


with share prices in almost all markets recording significant gains. However, the gains in most markets were not sustained through the New Year, as a withdrawal of liquidity and a general weakening of sentiment led to large falls in stock prices in Jan and Feb. The only exceptions were the Malaysian, Hong Kong and Taiwanese stock markets. Malaysian share prices built on large gains in the last quarter of 1999 to reach new post-crisis highs in late Feb, supported by an increase in buying from foreign investors ahead of Malaysia's re-admission into the MSCI Indices. In Hong Kong and Taiwan, the increase in stock market indices largely reflected the increase in share prices of technology companies.

Chart 1.16
Movements in North Asian Stock Market Indices



Chart 1.17
Movements of Southeast Asian Stock Market Indices



External Economies Division
Financial & Special Studies Division

2 Demand and Output

The Singapore economy recovered strongly in 1999 to grow by 5.4%, following growth of just 0.4% in 1998. GDP growth increased steadily from 0.8% in Q1 99 to 6.6% in Q2, 6.9% in Q3 and 7.1% in Q4. On a seasonally adjusted quarter-on-quarter annualised (SAAR) basis, GDP grew by 4.7% in Q4, compared to 1.1% in the previous quarter. (See Chart 2.1.)

The economy is forecast to grow by between 4.5-6.5% this year.

2.1 Aggregate Demand

Aggregate demand rose by 16% in Q4 99, up from 9.4% in Q3 99 and 0.9% in H1 99. The sharp recovery in external demand and sustained growth in domestic demand underpinned the strong growth in Q4 99. (See Chart 2.2.)

External Demand

External demand for Singapore goods and services strengthened steadily over the year to grow by 16% in Q4 99, compared to single-digit growth in the previous two quarters and a contraction in Q1 99. Both goods and services exports surged by double-digit rates in Q4 99.

Goods Exports

Goods exports expanded by 17% in Q4 99, bringing full-year growth to 5.4%. By comparison, goods exports contracted by 0.3% in 1998. The last time goods exports registered double-digit growth was in Q4 97.

Supported by strong electronics exports, growth of non-oil domestic exports (NODX) almost doubled to 21% in Q4 99 from the previous quarter. Electronics exports, which comprise about 80% of non-oil domestic exports, rose by 23%. Non-oil non-electronics exports rose by 9.4% following a marginal decline in Q3 99. For 1999 as a whole, NODX rose by 11%, compared to a marginal decline in 1998.

Chart 2.1
GDP Growth

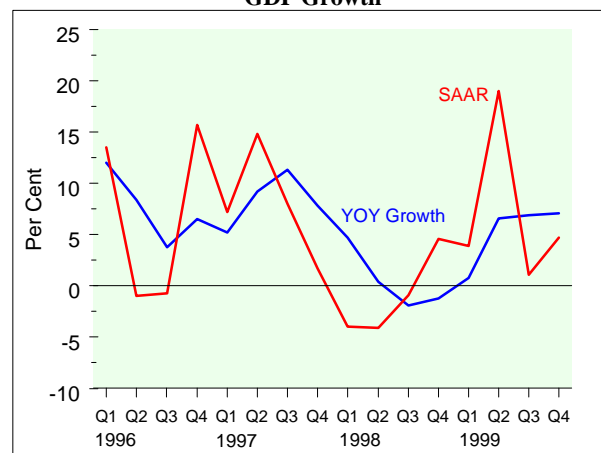


Chart 2.2
Domestic and External Demand

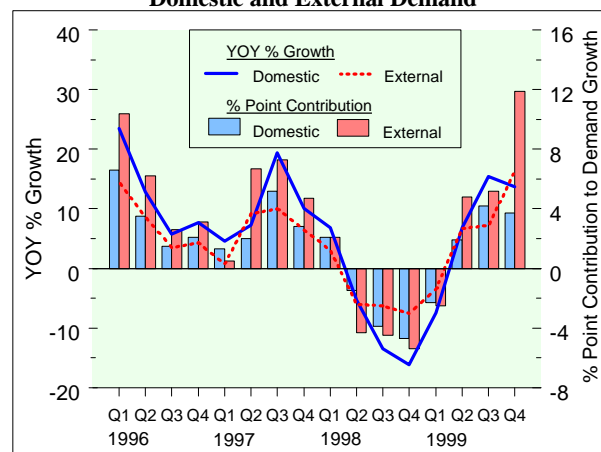
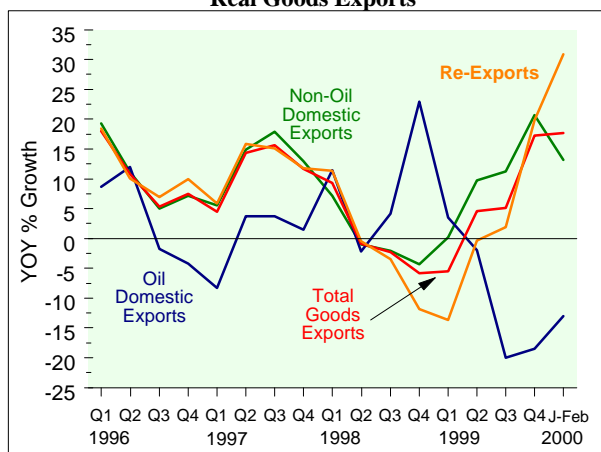


Chart 2.3
Real Goods Exports



The strong recovery in NODX was seen to most export destinations. NODX to the ASEAN-3 economies rose by 38% in Q4 99, while that to the NIE-3 rose by an even stronger 52%. This compares to growth of 14% and 29% respectively in Q3 99. Growth of exports to Japan and the US strengthened further in Q4 99, although that to the EU moderated to 4.7%, from 7.4% in Q3 99. (See Chart 2.4.)

Reflecting the pick-up in regional trade, re-exports also recovered strongly through last year. (See Chart 2.5.) Re-exports rose by 20% in Q4 99, bringing full-year growth to 1.6%, compared to a contraction of similar magnitude in 1998. However, continued oversupply in the region continued to pull down domestic exports of oil, which posted a third consecutive quarter of decline in Q4 99.

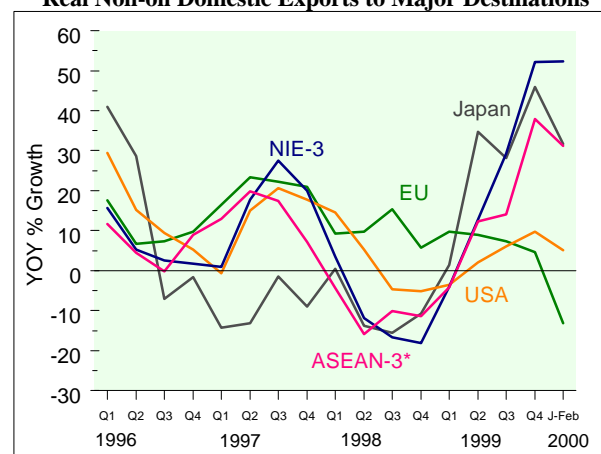
Services Exports

Services exports¹ rose by 19% in Q4 99, compared to 29% in Q3 and 34% in H1 99. (See Chart 2.6.) Growth in Q4 was supported by a 27% increase in exports of 'Other Services', comprising passenger fares, financial, communication, merchanting, professional and business services. Transportation receipts also increased strongly by 15%, while exports of travel services rose by 9.6%. For the whole of 1999, services exports rose by 28%. Exports of 'Other Services' posted the strongest growth of 53%, while travel and transportation receipts rose by 8.2% and 5.7% respectively.

Exports of goods and services are expected to expand at a faster pace this year, supported by a sustained upturn in the global electronics cycle and a further improvement in regional demand. New orders of US electronic components, a leading indicator of electronic exports, rose by 35% in Nov and 32% in Dec 99. At the same time, the recovery in the regional economies will continue to boost visitor arrivals from the region, and hence travel services receipts. The Singapore Tourism Board (STB) has forecast visitor arrivals to increase by 6-7% this year, following growth of 11% last year.

¹ As a proxy for real services exports, nominal services exports from the balance of payments was deflated using GDP deflator.

Chart 2.4
Real Non-oil Domestic Exports to Major Destinations



* ASEAN-3 comprises Malaysia, Thailand and the Philippines

Chart 2.5
Real Re-Exports to Major Destinations

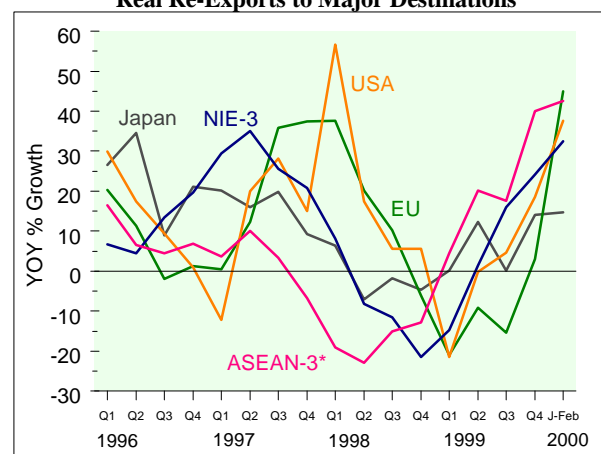
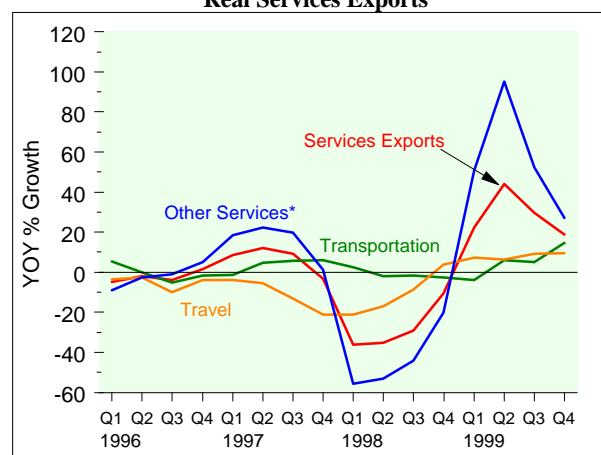


Chart 2.6
Real Services Exports



* Other services exports include passenger fares, financial, communication, merchanting, professional and business services

Domestic Demand

Domestic demand rose by 14% in Q4 99, slightly lower than growth of 15% in Q3. This brought growth for 1999 as a whole to 6.5%. The slightly lower growth in Q4 reflected a more modest increase in overall consumption, compared to the previous quarter. Public consumption shrank further while private consumption growth moderated. For 1999 as a whole, public and private consumption increased by 3.3% and 6.2% respectively. (See Chart 2.7.)

Growth of investment expenditure in Q4 99 was similar to Q3. (See Chart 2.8.) Investment expenditure rose by 3.6% in Q3 99 and 3.4% in Q4 99, a significant improvement over the 10% contraction in H1 99. Investment expenditure growth in Q4 99 was entirely due to higher spending on machinery & equipment, while outlays on transport equipment and construction activities fell. Investment spending on residential and non-residential construction also shrank in Q4 99, for the sixth consecutive quarter. For 1999 as a whole, investment expenditure declined by 3.6%, compared to a contraction of 6.7% in 1998.

Domestic demand is expected to strengthen further this year, underpinned by rising consumer and business confidence. Brighter employment prospects, the partial restoration of the CPF contribution rate as well as wealth effect from the recovery in property and equity prices will support consumer demand. The forward-looking MasterIndex of consumer confidence reached a 7-year high at the end of last year.

At the same time, improved business prospects will lead to an increase in investments. The business expectations survey by the Department of Statistics showed that more manufacturing and services firms expect business conditions to improve in H1 2000. (See Chart 2.9.) The more optimistic outlook was also reflected in the latest BT-NUS poll of 145 companies and Dun & Bradstreet's survey of 450 firms. Net investment commitments into the manufacturing sector rose from \$7.8 billion in 1998 to \$8.0 billion in 1999, and the Economic Development Board (EDB) aims to attract another \$8.5 billion worth of investments this year. The EDB has also forecast investment expenditure by the services sector to come in at \$1.8 billion this year, compared to \$1.6 billion in 1999. Investment demand in the construction sector is also likely to improve, with the Building and Construction Authority (BCA) expecting contracts awarded to rise by some \$15 billion, compared to \$10 billion in 1999.

Chart 2.7
Consumption

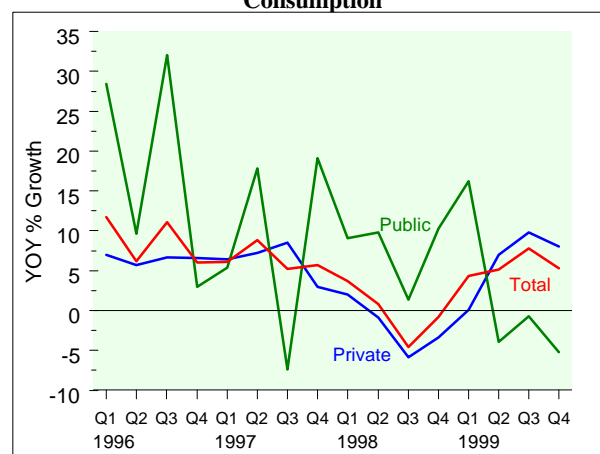


Chart 2.8
Investment

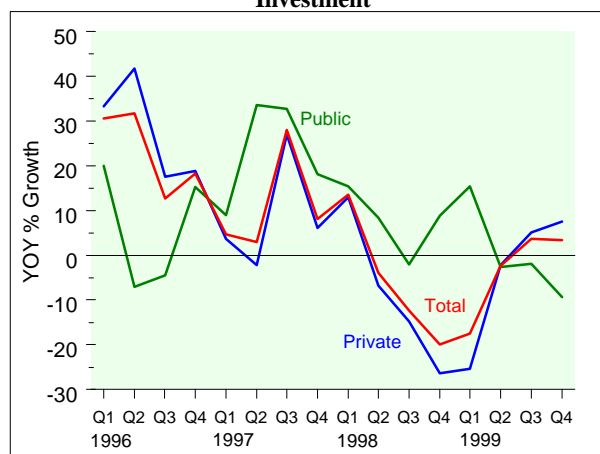
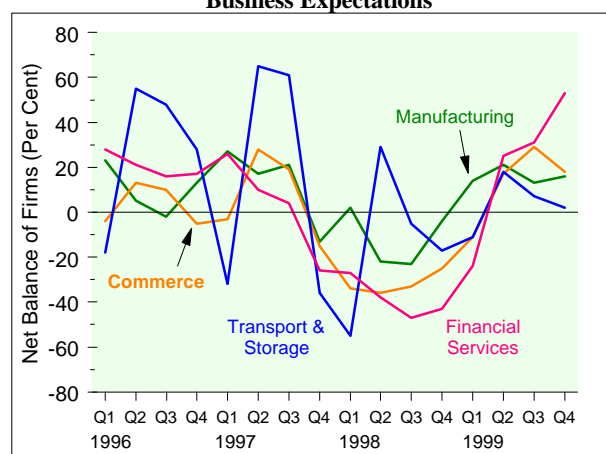


Chart 2.9
Business Expectations



Net balance refers to the per cent of firms reporting more favourable prospects net of those reporting less favourable prospects.

2.2 Domestic Output

The recovery in the economy was led by the manufacturing sector, which rebounded strongly on the back of an upturn in the global electronics cycle and capacity expansion in the chemicals industry. (See Chart 2.10.) As exports picked up, demand for trade-related services increased. The services sectors also received a boost from the recovery in the regional economies, given their closer links with the region. Only the construction sector continued to deteriorate, dampened by the oversupply situation in the property market.

Manufacturing

The manufacturing sector expanded by 16% in Q4 99, its third consecutive quarter of double-digit growth. (See Chart 2.11.) This brought full year growth for 1999 to 14%, largely driven by strong growth in the electronics and chemicals industries. Manufacturing output continued to rise by 19% in Jan-Feb 2000.

Output of electronics products rose by 30% in Q4 99, bringing overall growth to 24% for the whole of 1999. This compares with a 3.1% contraction in 1998. The robust electronics production was led by stellar growth in the telecommunications equipment and semiconductor industries, as manufacturers ramped up production in the face of strong global and regional demand. The performance of the computer & computer peripherals industries also improved in line with the pick-up in the global electronics cycle. The disk drive industry, on the other hand, continued to perform poorly, reflecting the decision by major players to shut down production lines in Singapore. Disk drive producer Western Digital announced that it would shift all of its disk drive production to Malaysia by early 2000, while Seagate shut down its disk media plant in Tuas late last year.

Output of non-electronics products rose by 6.8% in Q4 99, bringing full-year growth to 7.3%, up from 1.5% in 1998. As in the past quarters, the chemicals industry led growth in the non-electronics industries, expanding by 10% in Q4 99, following a 40% rise in Q3 99. (See Chart 2.12.) Growth in Q4 was largely due to new industrial and speciality chemical plants that started

Chart 2.10
GDP Growth by Major Sectors

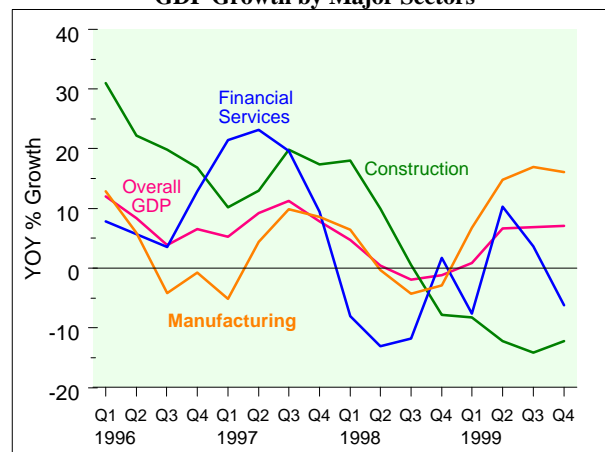


Chart 2.11
Industrial Production

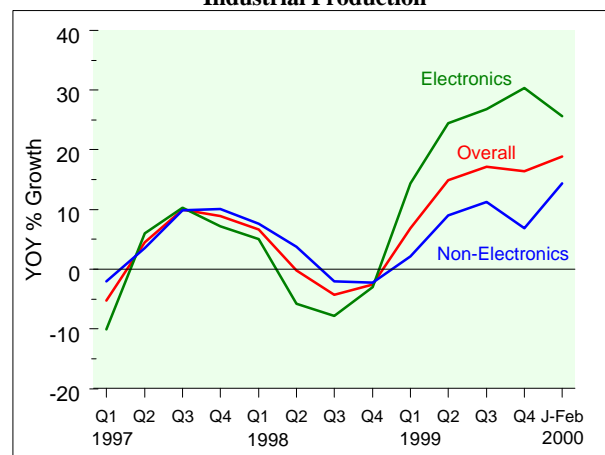
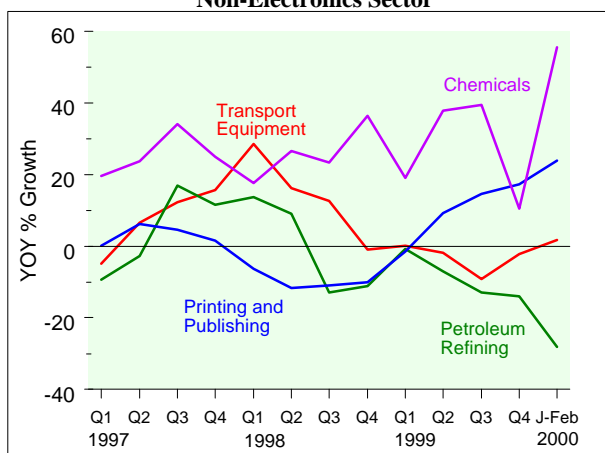


Chart 2.12
Non-Electronics Sector



production earlier in the year, which more than offset marginal declines in the pharmaceutical and petrochemical industries. (See Chart 2.13.) Apart from strong growth in the printing & publishing industry and a pick-up in production of electrical and non-electrical machinery, most other non-electronics industries turned in lacklustre performances in Q4. In particular, the petroleum refining industry continued to contract by 14%, while the transport equipment industry was dragged down by weakness in the marine transport equipment industry.

The manufacturing sector should continue to perform strongly in 2000, supported by growth in the electronics and chemicals sectors. While the Purchasing Managers' Index (PMI), a leading indicator for the manufacturing sector, has moderated in recent months, it has consistently remained well above 50%. (See Chart 2.14.) A reading above 50% indicates that manufacturing activity is expanding.

Prospects for the electronics sector remain bright, in line with the upturn in the global electronics cycle. For the first two months of 2000, electronics production expanded by a robust 26%. International Data Corp. has forecast an 18% increase in global PC shipments for the year 2000 as commercial demand picks up and consumer demand stays strong. Local semiconductor production will also be boosted by capacity expansions this year, with new joint venture wafer fabs like Chartered Silicon Partners and SSMC due to come onstream from mid-2000. In contrast, the performance of the disk drive industry is expected to remain poor, as restructuring in the industry continued.

Growth in the non-electronics industries should also improve in line with the recovery in the regional economies and new plants come onstream in the petrochemical and industrial chemical industries. In particular, growth in the petrochemical industry will see a massive boost towards the end of the year, as Exxon's new 800,000 tpa ethylene cracker and its related downstream plants come onstream. Bolstered by the pick-up in regional demand, growth in the fabricated metals, electrical and non-electrical machinery industries has turned positive in Q4 99, and should continue to strengthen this year. Output of air transport equipment should also pick up as higher passenger and freight traffic in the region drive up the need for aircraft repair and overhaul. Nevertheless, non-electronics growth may be constrained by the weakness in the petroleum refining and marine transport equipment industry, which face severe competition from the region.

Chart 2.13
Output of Chemicals

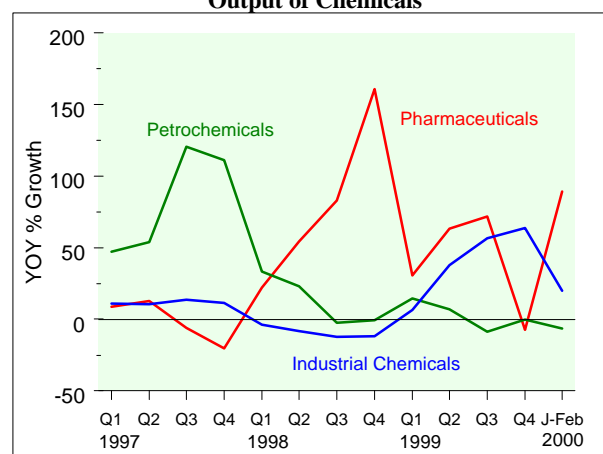
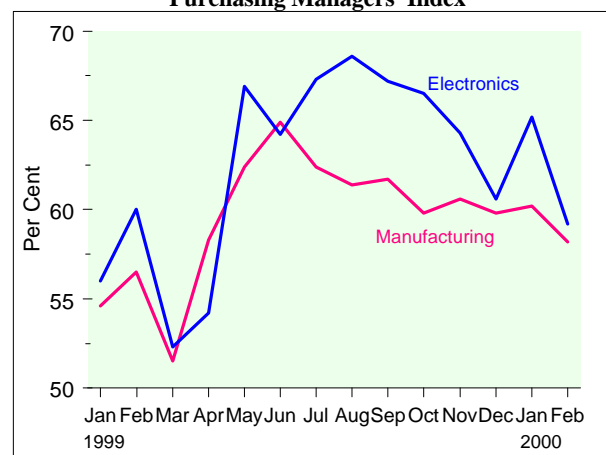


Chart 2.14
Purchasing Managers' Index



Financial Services

The financial services sector registered flat growth in 1999 after declining by 8.1% the previous year. In the last quarter of 1999, the sector contracted by 6.2%, following growth in the previous two quarters. However, on a quarter-on-quarter annualised basis, the financial services sector grew by 2.9% in Q4 99. (See Chart 2.15.)

Stock market activity moderated further in Q4 99, following the surge in activity in Q2. The average daily turnover on the Singapore Exchange Securities Trading (SGX-ST, formerly the Stock Exchange of Singapore) declined from a peak of \$1.26 billion in Q2 99 to \$778 million in Q3 and \$617 million in Q4. (See Chart 2.16.) Compared to the corresponding period in 1998, average daily turnover rose by 22% and 14% in value and volume terms respectively in Q4. For the whole year 1999, the volume of shares traded more than doubled compared to 1998. Trading activity picked up in Jan-Feb 2000, with an average daily turnover of \$898 million.

Trading on Singapore Exchange Derivatives Trading (SGX-DT, formerly the Singapore International Monetary Exchange), on the other hand, fell in 1999. The average number of contracts traded daily fell by 7.9%. The decline of 22% in Q4 was the most severe. In Jan-Feb 2000, daily turnover volume saw a small growth of 1.4%. Trading activity in the foreign exchange market was also weaker throughout much of 1999. In US\$ terms, daily turnover volume fell by 19% in 1999, and 25% in Jan 2000.

Lending in the domestic and offshore banking sectors remained weak in 1999. Commercial bank lending to non-bank customers fell by 2.9%, compared to a decline of 1.6% in 1998 after adjusting for the effect of DBS' acquisition of POSBank in Nov 98. It continued to contract in the first two months of this year. The amount of outstanding loans, however, has increased since October, but fell slightly in Feb. At the same time, the increase in finance companies loans to non-bank customers since Aug 99, has continued into the first two months of this year, supported by demand for hire-purchase financing. Compared to the corresponding period a year ago, however, loans were still lower.

Lending in the offshore Asian Dollar Market (ADM) fell by 7.0% in 1999 compared to a decline of 8.4% in 1998, and has continued to decline in the first two months of this year. (See Chart 2.17.) In level terms, outstanding loans rose between Aug-Nov 99, but subsequently

Chart 2.15
Growth of Financial Services

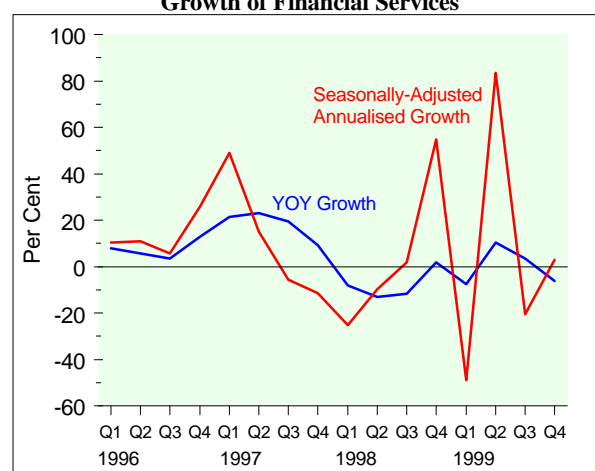


Chart 2.16
Stock Market Average Daily Turnover

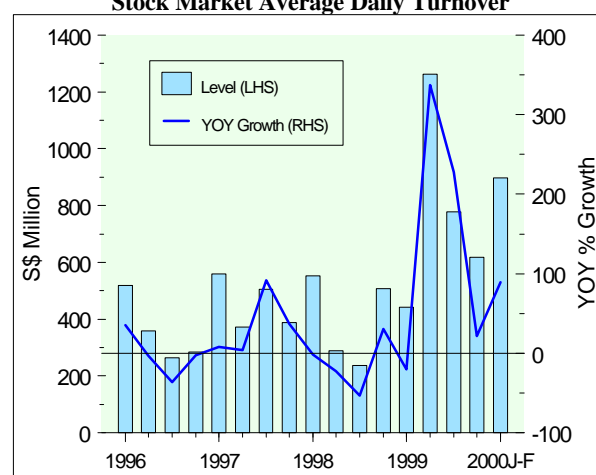
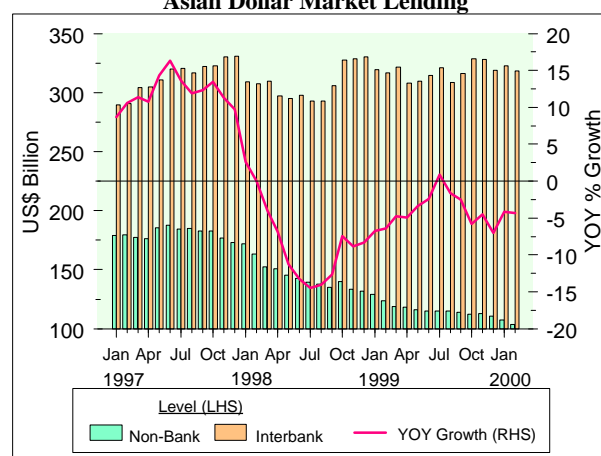


Chart 2.17
Asian Dollar Market Lending



declined between Dec 99-Feb 2000. Loans to the region have generally remained weak, but should improve as the outlook for the regional economies strengthen.

Supported by a pick-up in the economy, the insurance business has seen a steady improvement throughout last year. The number of new life insurance policies bought rose steadily from 74,975 in Q1 99 to 118,817 in Q4 99, while policy premiums collected rose from \$321 million to \$680 million respectively. (See Chart 2.18.) Total life premiums collected increased by 126% in 1999. The general insurance industry also saw some improvement in business, as total gross premiums collected rose by 3.5% to \$2.8 billion in 1999.

Business Services

The business services sector grew by 0.8% in Q4 99, compared to growth of 0.2% in Q3. For 1999 as a whole, the business services sector grew by 0.1%, down from 5.1% in 1998. (See Chart 2.19.) Growth was dragged down by weakness in real estate services. According to the Business Expectations Survey (BES) by the Department of Statistics, a net balance² of 28% of real estate firms recorded lower earnings in Q4, compared to 31% in Q3. This largely reflected the deterioration in the business of property developers and real estate agents.

Experiencing strong growth, however, was the professional services industry and computer-related services industry. A net balance of 6% of firms engaged in business services (excluding real estate) experienced increased business activity in Q4 99. These firms which experienced improved performances were mostly engaged in management consultancy, accounting & auditing and information technology services.

For the period Jan-Jun 2000, a net balance of 20% of real estate firms expect business to improve, while a net balance of 22% of firms engaged in business services (excluding real estate) expect higher earnings. (See Chart 2.20.)

Chart 2.18
Premium Collected for General Insurance & Life Insurance
New Business

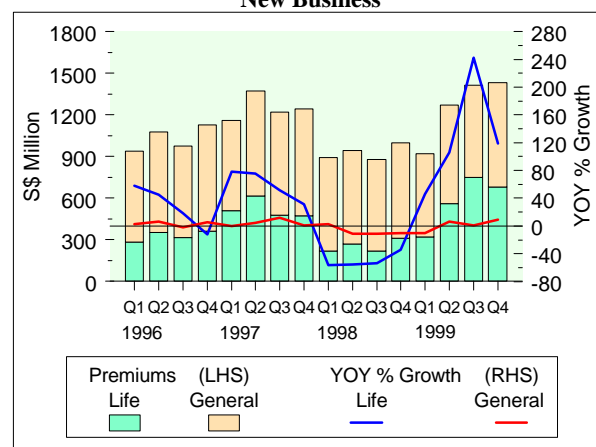


Chart 2.19
Business Services Growth

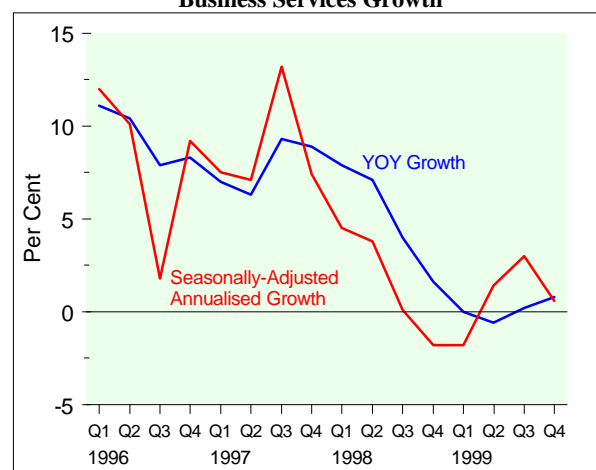
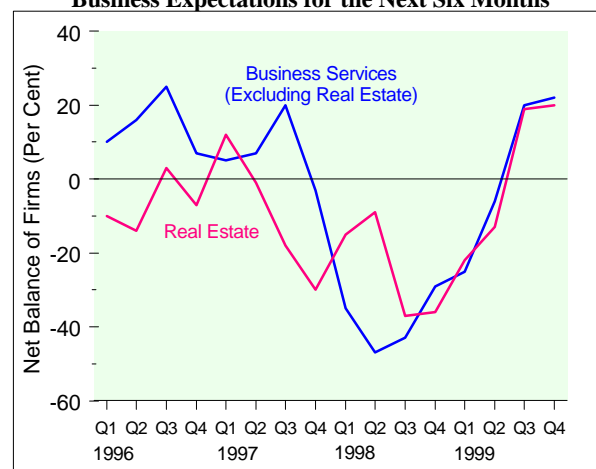


Chart 2.20
Business Expectations for the Next Six Months



² Net balance is the difference between the performance of firms reporting more favourable performance minus the percentage reporting less favourable performance.

Commerce

The commerce sector strengthened steadily in 1999, as consumer confidence picked up with the recovery in the domestic and regional economies. (See Chart 2.21.) Growth of the wholesale and retail trade industry strengthened to 15% in Q4 99, leading to full-year growth of 7.1%. Increased regional visitor arrivals, coupled with improved domestic demand, led to double-digit growth in retail sales, while entrepot trade was boosted by a pick-up in regional trade. The hotel and restaurant industry also strengthened by 3.7% in 1999, as increased visitor arrivals led to higher hotel occupancy rates.

Visitor Arrivals

Visitor arrivals grew by 11% in 1999 to reach almost seven million, after contracting by 13% the previous year. (See Chart 2.22.) In particular, this reflected the strong rebound of Asian arrivals. Arrivals from the ASEAN countries, which accounted for about one third of total arrivals, surged by 18%, after shrinking by a similar magnitude in 1998. Arrivals from Indonesia grew by 30% and arrivals from Thailand rose by 25%, as economic conditions improved in these countries. In contrast, Malaysian arrivals registered a 2.1% decline in 1999, dragged down by the drop in the first half of the year. Arrivals from Malaysia subsequently picked up to grow by 11% in Q4 99, its strongest growth since the last quarter of 1993.

Arrivals from the NIEs also rose by 12% in 1999, after double-digit contractions in the past two years. This reflected a strong rebound in Korean arrivals, which rose by 144%, as the economy recovered strongly. On the other hand, arrivals from both Hong Kong and Taiwan fell by 4.9% and 12% respectively.

Arrivals from the industrial countries also saw stronger growth in 1999. Arrivals from Europe recorded a 6.8% increase, compared to a 0.5% decline in 1998. In particular, arrivals from the UK, which account for over one third of European arrivals, rose by 12% in 1999. Australian arrivals grew by 9.0%, while arrivals from Japan rose by 2.0% in 1999. Arrivals from the US also rebounded by 2.5% after a 9.0% decline in 1998.

In Jan-Feb 2000, total visitor arrivals rose by 14%, supported by double-digit growth in arrivals from ASEAN and the NIEs. Arrivals from the industrial countries remained strong. For year 2000, the

Chart 2.21
Commerce Sector Growth

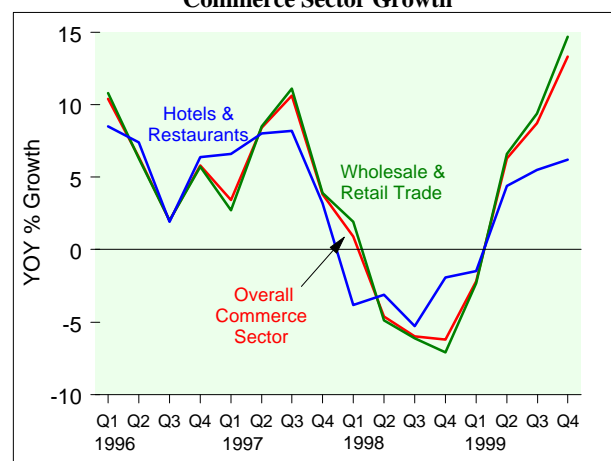


Chart 2.22
Visitor Arrivals

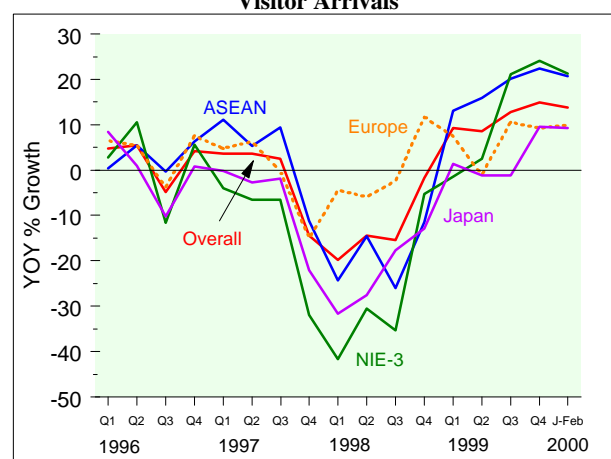
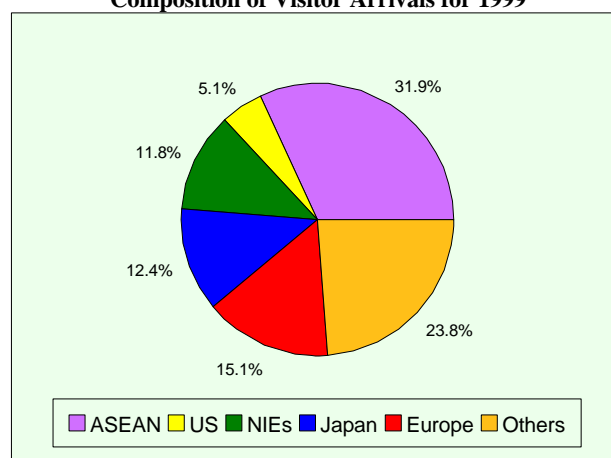


Chart 2.23
Composition of Visitor Arrivals for 1999



Singapore Tourism Board (STB) projected a 6-7% increase in visitor arrivals to 7.4 million. The number of visitors to Singapore is expected to exceed 10 million in three years' time.

Hotels/F&B/Retail Industries

Reflecting the pick-up in visitor arrivals, hotel occupancy rates improved in 1999. Hotel occupancy rates rose by 12% in Q4 99, following single digit growth in the first three quarters of the year. As a result, revenues earned by hotels from letting out their rooms rose by 5.9% in Q4 99. (See Chart 2.24) For 1999 as a whole, however, revenues fell by 6.4%. This reflected the decline in hotel room rates as a result of keen competition among hotels. Room rates fell by 12% in 1999 following a decline of 8.8% in 1998. The average room rate fell from \$139 in 1998 to \$121.6 in 1999.

Stronger consumer spending in 1999 boosted revenues generated at food and beverage (F&B) outlets, which grew by 0.8%, after registering a 9.9% contraction in 1998. (See Chart 2.24.) The catering trade (comprising restaurants, fast food outlets and other eating places) business also improved, as revenues fell by a smaller 0.7% in 1999, compared to a 6.3% decline the previous year. This reflected a larger increase in revenues generated at fast food outlets, and a turnaround in restaurant revenues. However, business at other eating places, like coffee shops and canteens, continued to deteriorate.

At the same time, retail sales increased steadily through 1999 to register double-digit growth in Q3 and Q4 99. For the whole of 1999, retail sales grew by 14%, following an 8.5% decline in 1998. (See Chart 2.25.) The increase in retail sales reflected a surge in motor vehicle sales, which rose by 37% in 1999. Excluding motor vehicle sales, retail sales would have risen by a smaller 5.4%. Sales of almost all other major retail categories also improved. Sales of wearing apparel & footwear grew by 15%, while that of furniture and household equipment rose by 5.9%. At department stores, sales rebounded by 10%, after having declined in 1998.

Transport & Communications

The transport & communications sector also benefited from the recovery in tourist arrivals and regional trade,

Chart 2.24
Indicators of F&B Performance & Hotel rooms revenue

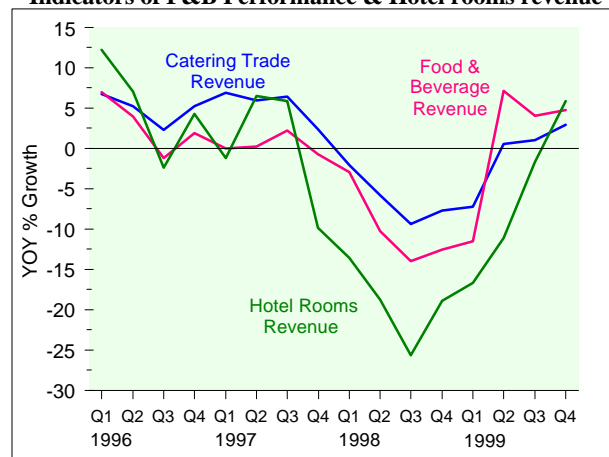
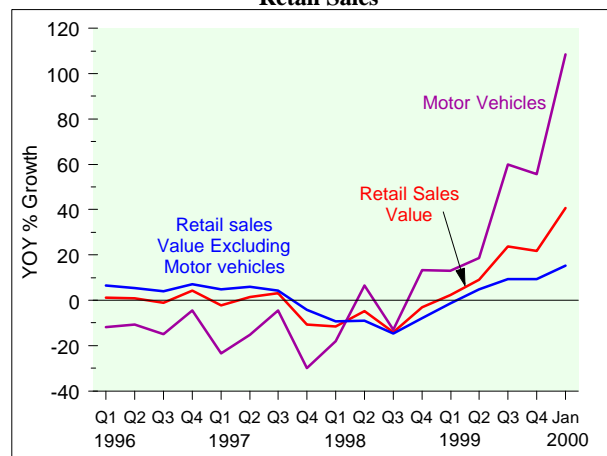


Chart 2.25
Retail Sales



growing by 7.1% in 1999, compared to 5.5% in 1998. (See Chart 2.26.) Growth in the volume of air cargo handled increased steadily from 8.5% in Q1 99 to 26% in Q4, after having contracted throughout 1998. In addition, the number of passengers passing through Changi Airport rose by 9.5% last year, compared to a 5.5% decline in 1998. (See Chart 2.26) Freight and air passengers carried by Singapore Airlines also saw strong growth. In the water transport industry, the volume of sea cargo handled at Singapore's port rose by 4.4% in 1999, after declining by 4.6% in 1998. However, it fell by 4.4% in Jan 2000, possibly due to the build-up of inventories at companies at the end of last year before the turn of the millennium.

The post & communications industry recorded strong growth in 1999. Mobile phone subscriptions rose by 34% in 1999 at the expense of the pager market, which continued to shrink. At the same time, international call volume, an indicator of business activity, grew by 8.6% in 1999, while in the dial-up internet market, subscriptions increased by 39%. (See Chart 2.27.) The telecommunications industry is expected to grow further this year, especially with the full liberalisation of the industry in Apr 2000.

Construction

The construction sector was the worst performing sector in 1999. It contracted by 12% in Q4 99 and the year as a whole, compared to growth of 4.4% in 1998 and 15% in 1997. Certified payments, a direct indicator of the level of construction activity, registered its sixth consecutive quarter of decline in Q4, as both private and public construction activity declined at double-digit rates. (See Chart 2.28.)

Private residential construction activity continued to be dampened by the overhang of private housing units despite the improvement in property prices over the past year. The stock of unsold private housing units under construction edged up to 14,109 in Q4, from 12,715 in Q2. The occupancy rate fell slightly in Q4 as the supply of new housing entering the market exceeded demand. (See Chart 2.29.) Similarly, the private non-residential sector was weighed down by weak demand, with occupancy rates and rentals remaining below their pre-crisis levels. Public residential construction activity also slowed due to the reduced demand for new HDB flat as homebuyers turned to the HDB resale and private property markets, attracted by the substantial decline in

Chart 2.26
Transport & Communications Sector Growth

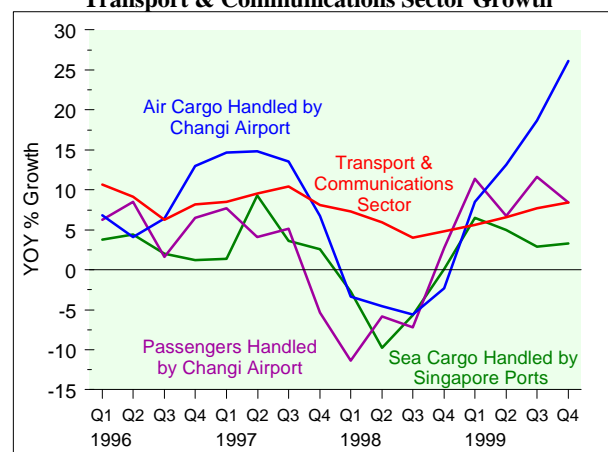


Chart 2.27
Mobile Phone, Internet and Pager Subscriptions

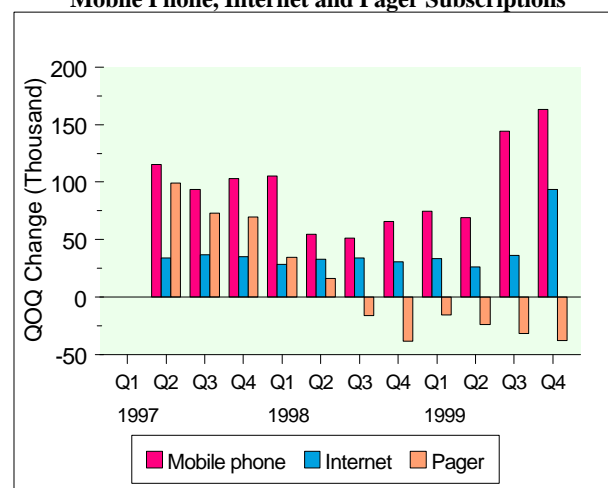
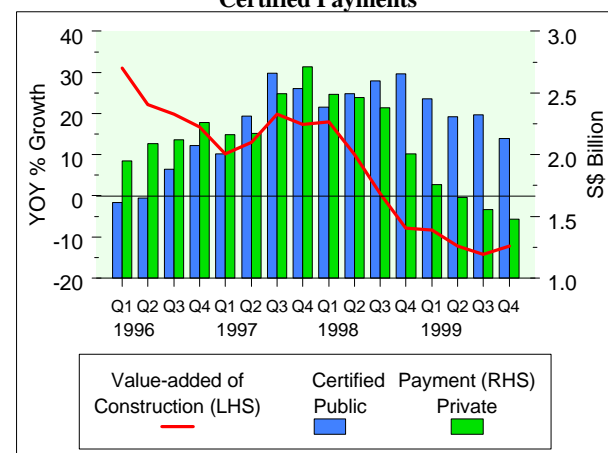


Chart 2.28
Certified Payments

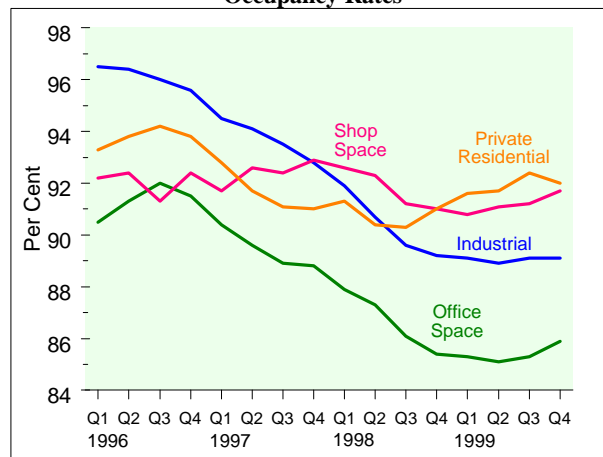


property prices during 1996-98.

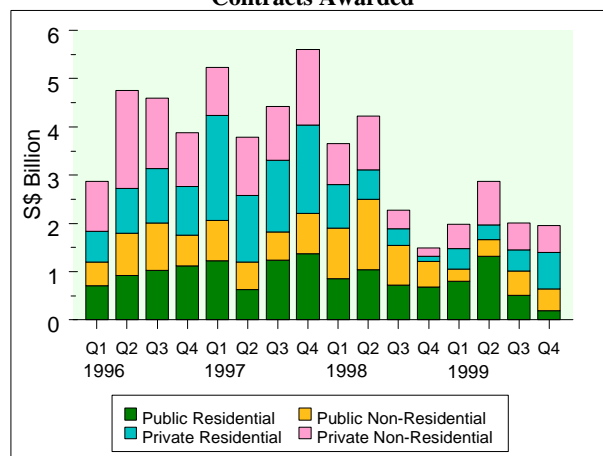
The construction sector is expected to remain weak in 2000. Contracts awarded, a leading indicator of construction activity, continued to decline by 23% in Q4 99, largely due to the 62% decline in public contracts awarded as demand for new HDB flats slowed. (See Chart 2.30.) In contrast, private contracts awarded surged by over 300%, in line with the upturn in residential prices and sentiments. Contracts awarded are expected to improve this year, with property developers expecting private residential prices to rise by another 10-15% following an increase of 31% in 1999.

The oversupply situation in the non-residential market has also begun to ease, with occupancy rates in the office sector starting to pick up from Q3 99 and shop space since Q2. Prices for private commercial and industrial prices also recovered slightly in the final quarter of 1999, after declining to their lowest levels in recent years.

**Chart 2.29
Occupancy Rates**



**Chart 2.30
Contracts Awarded**



Domestic Economy Division

3 Inflation

Consumer prices trended up further in Q4 99, rising by 1.4% year-on-year following a 0.9% increase in the previous quarter. This brought overall CPI inflation in 1999 to 0.4%, up from negative 0.3% in 1998. Despite the pick-up in the regional economies, and strong growth in the industrial countries, foreign CPI inflation has generally remained fairly subdued. In contrast, commodity prices, particularly that of crude oil, have strengthened further in recent months, reflecting the continued tight production discipline amongst OPEC members.

3.1 External Inflation

Foreign CPI Inflation

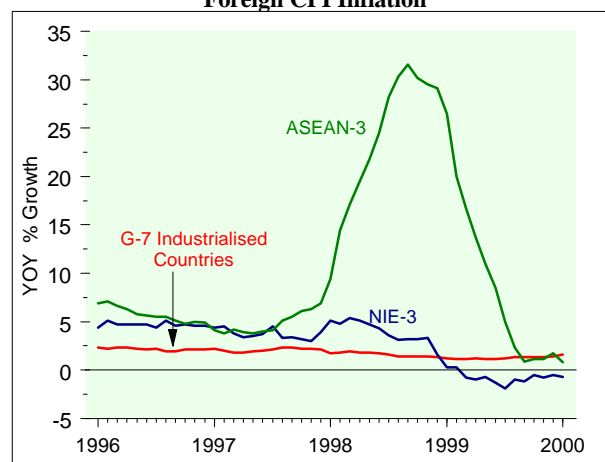
Inflationary pressures in both regional and industrial countries have remained benign. (See Chart 3.1.) CPI inflation in Thailand moderated from 8.1% in 1998 to 0.3% in 1999, while that in Malaysia fell from 5.3% to 2.7% over the same period. In Jan-Feb 2000, consumer prices in these two countries rose by an average of 0.7% and 1.6% respectively. Prices in Indonesia have been on a trend decline since the second half of 1999, with the CPI falling by 0.3% in the first two months of this year.

Consumer price inflation was also mild in Taiwan and South Korea, averaging 0.7% and 1.5% respectively in Jan-Feb 2000, following inflation of 0.2% and 0.8% respectively in 1999. The disinflationary trend in Hong Kong and China continued, recording negative inflation rates of 3.3% and 2.9% respectively in 1999 as a whole. Reflecting rising productivity growth and central bank vigilance against any resurgence in inflation, the G-7 industrialised economies as a whole recorded low inflation rates averaging 1.2% in 1999 and 1.6% in Jan-Feb 2000.

Commodity Prices

Compared with Q3 99, world prices for crude oil strengthened by 17% in Q4 and 30% in Jan-Feb 2000. The price of OPEC oil has more than doubled over the

Chart 3.1
Foreign CPI Inflation



course of 1999, surging from US\$10.66 per barrel in Jan 1999 to US\$24.67 per barrel in December and US\$25.89 per barrel in Jan-Feb this year. The buoyancy of world oil prices was due to the successful adherence to oil production cutbacks by the OPEC members as well as market uncertainty about the extension of supply curbs beyond the Mar 2000 expiry. On the demand side, oil prices have been supported by the strong global economic activity.

Reflecting the spike in world crude oil prices, domestic producer prices, as measured by the Domestic Supply Price Index (DSPI)³, turned around very strongly in 1999. (See Chart 3.2) Following an increase of 3.1% in Q3 99, the DSPI rose further by 8.9% and 9.8% respectively in Q4 99 and Jan 2000. For the year as a whole, overall DSPI inflation was 2.1% in 1999, up from negative 3.2% in 1998. This largely reflected higher import prices of mineral fuel, which rose by about 37% in 1999. Excluding mineral fuels, the underlying DSPI inflation remained a negative 0.2% in Q4 99, as producer prices of most non-oil items continued to contract.

World prices of non-oil commodities, which contracted throughout 1999, saw a slight turnaround in Jan 2000. (See Chart 3.3.) The uptrend in prices of base metals, which accounted for the bulk of increase in prices of non-oil commodities, gathered momentum on the back of a recovery in the manufacturing sectors of the regional economies. Nonetheless, world prices of non-oil commodities continued to be weighed down by the decline in prices of soft commodities, especially food. Prices of rice, sugar, coffee and palm oil continued to contract in Q4 99, albeit at a less severe rate compared to the previous quarter. Continued oversupply and limited import demand exacerbated the fall in the price of Thai rice. Moreover, stiff competition from rival countries like Vietnam and India, and the imposition of higher tariffs on rice imports by some leading importers such as Indonesia have further dampened rice prices.

At the same time, palm oil prices continued to stay low in anticipation of new plantations starting production. The imposition of import quotas and tariffs by both India and China has also depressed demand for Malaysian crude palm oil. Coffee prices have also declined, amid a glut in world supply and low consumption.

Chart 3.2
Commodity Prices and DSPI

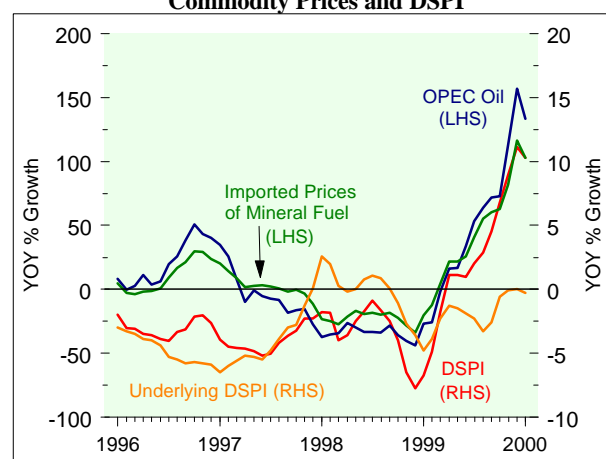
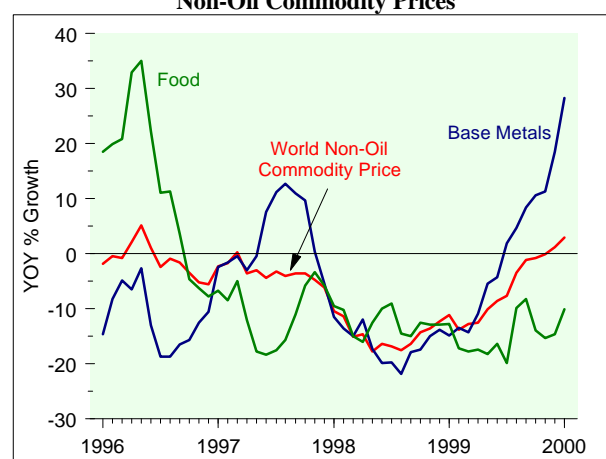


Chart 3.3
Non-Oil Commodity Prices



³ The DSPI, which is a weighted average of the import price index and the Singapore-manufactured products price index, measures the price level of locally manufactured and imported goods that are retained for domestic consumption.

3.2 Consumer Price Inflation

Overall CPI Inflation

Consumer prices rose by 0.4% in 1999, reversing the negative inflation trend seen in 1998. The increase in CPI inflation through 1999 largely reflected the strong turnaround in prices of durable goods. Price inflation of non-durable goods has been increasing since Q2 99, while that of services turned positive in Q4 following four consecutive quarters of negative rates. (See Chart 3.4.)

Prices of durable goods strengthened by 5.7% in Q4 99, compared to 4.1% in Q3 99. Durable goods prices rose further by 4.0% in Jan 2000. The increase in durable goods prices over the past year reflected higher private road transport costs, as car price rose on the back of increased demand for cars and the impact of a stronger Japanese yen on import prices of cars. The premium on the Certificate of Entitlement (COE) for a medium-sized car – a certificate required for car ownership in Singapore – moderated slightly in Q4 99 before rising further in Jan-Feb 2000 ahead of the festive Chinese New Year period in Feb.

At the same time, price inflation of non-durable goods also accelerated in Q4 99, underpinned by price increases in non-cooked food, particularly meat and poultry, as pork sellers passed on their higher costs of operation from mandatory installation of chillers. The increase in non-durable goods prices by 1.6% in Jan 2000 also reflected the pass-through of higher world oil prices to local petrol prices, which has risen by about 9.0% since Q3 99. Reflecting the recovery in tourist arrivals and improvement in domestic consumer confidence, the cost of ready-made clothing rose by 2.0% in Q4 99, but fell by 0.7% in Jan 2000. (See Chart 3.5.)

The cost of services rose marginally by 0.1% in Q4 99, the first increase after four quarters of decline. Following the upward revision of electricity charges by Singapore Power in Jan 2000, prices of services rose by a slightly higher 0.8% in Jan 2000. The cost of 'other miscellaneous' services such as tour packages also went up as improved consumer sentiment led to an increase in overseas travel. However, overall price inflation of services was dampened by the continued contraction in accommodation costs, which fell by 1.9% in 1999 and 2.1% in Jan 2000. (See Chart 3.6.)

Chart 3.4
Goods and Services Inflation

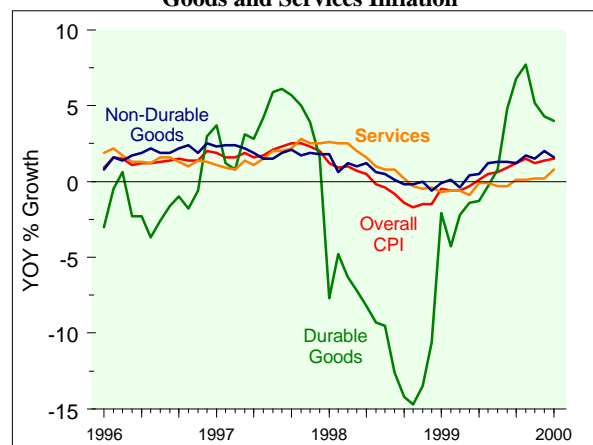


Chart 3.5
Selected Components of CPI

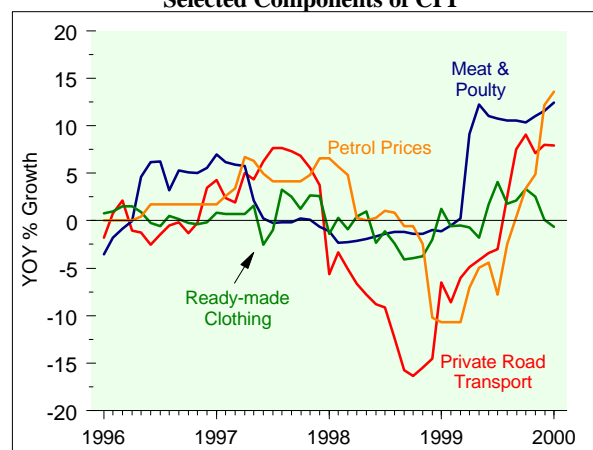
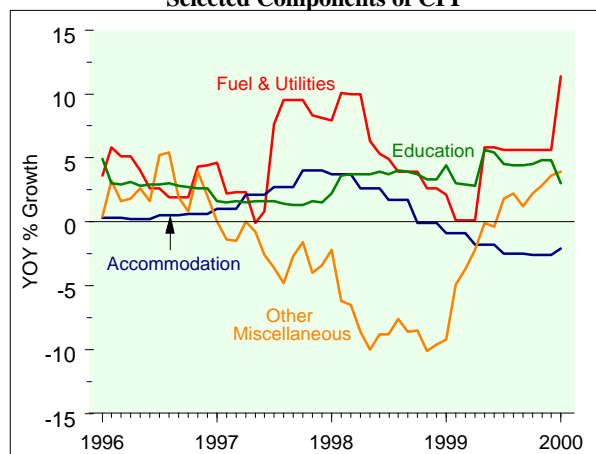


Chart 3.6
Selected Components of CPI



Underlying Inflation

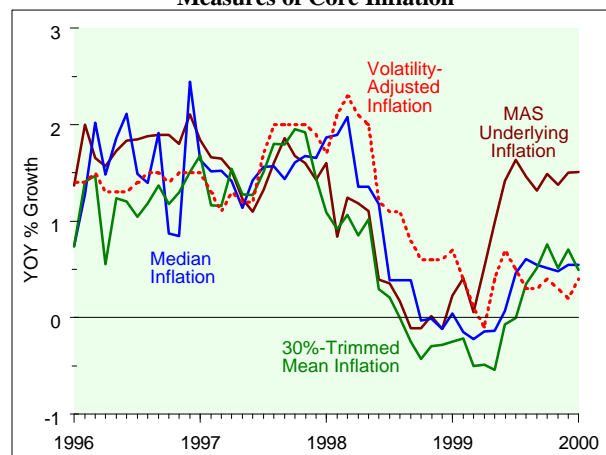
To get an indication of an economy's underlying price trends, core inflation measures are monitored, in addition to the CPI. These core inflation measures, which systematically exclude those components that exhibit excessive price volatility from the CPI basket, is aimed at minimising the impact of temporary and idiosyncratic shocks on CPI inflation.

Except for the MAS underlying inflation, which excludes private road transport and accommodation costs, all other measures of core inflation remained below 1.0% throughout 1999. The MAS underlying inflation was sustained at 1.5% in Q4 99 and Jan 2000, unchanged from the previous quarter. Reflecting the exclusion of accommodation costs, which has been falling throughout 1999, the underlying inflation averaged 1.0% for the whole of 1999. (See Chart 3.7.)

In contrast, volatility-adjusted inflation remained benign at 0.3% in Q4 99, compared with 0.4% in Q3. This reflected the exclusion of meat & poultry and private road transport price inflation, which were the main contributors to the overall increase in CPI inflation in 1999. The median and the 30% trimmed mean inflation also indicated little inflationary pressures. The former remained unchanged at 0.5% in Q4 99 while the latter strengthened to 0.7% from 0.3% in Q3 99. The rise in the 30%-trimmed mean inflation was due to higher price inflation of ready-made clothing and other miscellaneous items in Q4 99. For 1999 as a whole, the median inflation came in at 0.2% while the 30%-trimmed mean inflation was 0.1%, reflecting the exclusion of price inflation of private road transport and education, which has risen substantially throughout 1999. Although both have trended up to 0.5% each in Jan 2000, they remained below that of the headline CPI inflation.

Abstracting from one-off price hikes such as the mandatory installation of meat chillers by pork sellers, and the third instalment of a series of increases in water charges, CPI inflation would have been about 0.9% in Q4 99 and 0.1% in 1999, instead of 1.4% and 0.4% respectively. Inflation remained benign at 0.8% in Jan 2000, after also removing the effect of the latest hike in electricity tariffs.

Chart 3.7
Measures of Core Inflation



Outlook for Inflation

Although price pressures have picked-up in recent months, the increases in overall CPI inflation have remained relatively mild. Despite the strong recovery in economic activity, the continued slack in the domestic labour and other factor markets has helped keep a lid on overall inflation. The rise in consumer prices in Q4 99 largely reflected higher imported inflation as a result of the substantial rise in international crude oil prices.

Going forward, CPI inflation would see the impact of further price increases in several regulated items such as utility charges, university tuition fees, excise tax on cigarettes, as well as the mandatory installation of chillers by all meat sellers by Nov 2000. In addition, an impending hike in taxi-fares and a further rise in petrol prices would also exert some upward pressure on overall inflation. However, accelerated deregulation and increased competition, particularly in the service sectors, would keep a restraint on inflation. Overall CPI inflation and underlying inflation are expected to come in at 1-2% for 2000 as a whole.

3.3 Asset Price Inflation

Property Prices

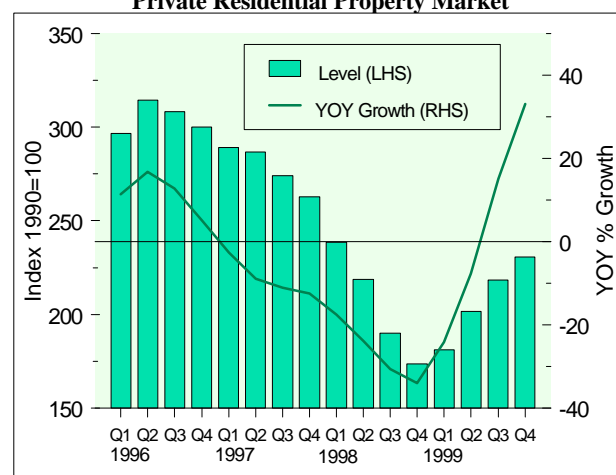
Residential Property Prices

The private residential property market recovered strongly in 1999. (See Chart 3.8.) Compared to the previous quarter, private residential prices rose by 5.5% in Q4 99, more moderate than the increases of 8.3% in Q3 and 11% in Q2. Prices have risen by a total of 33% since the end of 1998, although it is still some 27% lower than its peak in Q2 96. Despite the increase in property prices, there remained an overhang in the market, with the unsold stock of housing units increasing from 12,715 in Q2, to 13,760 in Q3 and 14,109 in Q4.

Commercial and Industrial Property Prices

Prices of commercial and industrial property finally turned around in Q4 99, to record quarter-on-quarter increases of 5.6% and 8.1% respectively. (See Chart 3.9.) On a year-on-year basis, however, prices continued

Chart 3.8
Private Residential Property Market



to contract, albeit at a more moderated rate compared to the previous quarters.

Occupancy rates for office and shopping space have improved somewhat since Q2 99, while occupancy rates for industrial space appear to have bottomed out. In line with the improvement in occupancy rates, rentals for shop and office space have picked up more recently, although they continue to remain well below their pre-crisis levels. (See Chart 3.10.)

Equity Prices

The Singapore Exchange Securities Trading (SGX-ST) All SingEquities Index rose by 49% in 1999, after contracting by 29% the previous year. (See Chart 3.11.) Following a sharp rebound in share prices in the first half of the year, prices subsequently consolidated, but picked-up strongly from Nov onwards.

Share prices weakened in Q1 99 due to fears of a Chinese yuan devaluation and interest rate hikes by the US Federal Reserve. Positive investor sentiments returned in Q2, underpinned by the strong performance of the Dow Jones Industrial Index. From a high of 2,222 on 2 Jul 99, the market underwent a correction but subsequently rebounded in Nov, supported by the strong performance of the US stock market as well as inflow of foreign funds.

The Straits Times Index reached a high of 2,395 on 10 Dec, led by a rise in banking stocks following a series of financial sector liberalisation measures which boosted sentiment in banking stocks. Equity prices early this year also received support from the strong performance of the US stock market, euphoria over a trouble-free Y2K rollover, and growth prospects particularly in the technology sector. Concomitantly, the average daily turnover on the Singapore Exchange Securities Trading, which had fallen from a peak of \$1.72 billion in Jun to a low of \$443 million in Oct, recovered to \$944 million in Feb 2000.

The Business Times Singapore Regional Index (BT-SRI) has also been trading relatively flat since July before picking-up again in Nov. 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.

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Chart 3.9
Commercial & Industrial Property Price Index

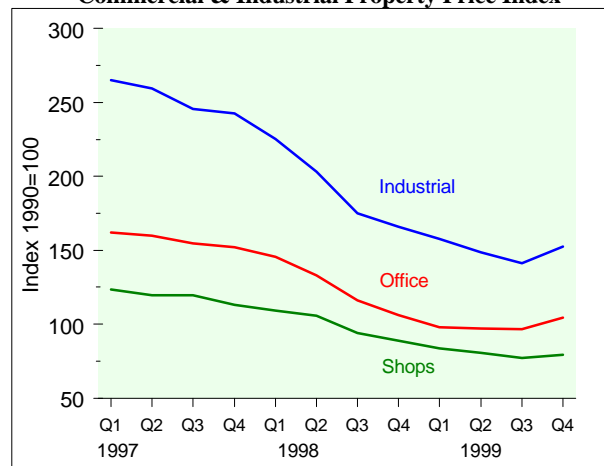


Chart 3.10
Commercial & Industrial Rental Index

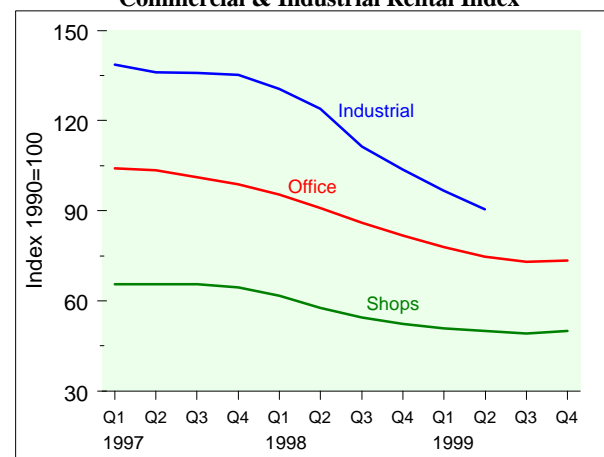
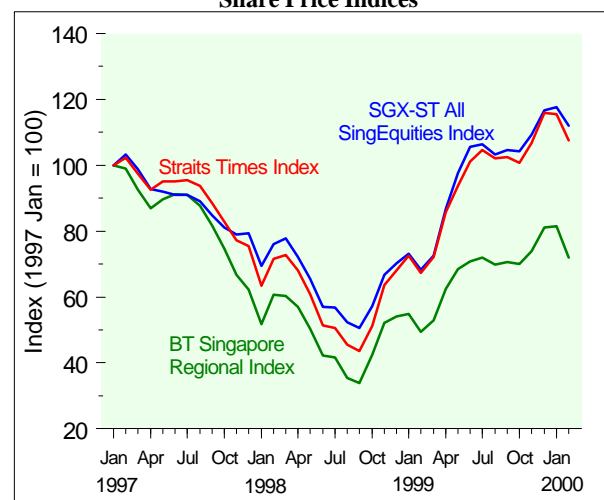


Chart 3.11
Share Price Indices



4 Labour Market

4.1 Employment

The labour market improved over the course of last year in line with the pick-up in economic activity. Coupled with the boost from the Millennium celebration, the seasonally-adjusted unemployment rate fell to 2.9% in Dec 99, from 4.0% in Sep 99 and a peak of 4.4% in H2 98.

Overall employment expanded by 26,286 in Q4 99, more than the total increase in the first nine months of 1999. The increase in employment in Q4 99 was mostly in the services sectors, especially the Community, Social & Personal Services (CSP), Business & Real Estate (BRE) and Wholesale & Retail Trade (WRT). (See Chart 4.1.) In particular, the BRE and WRT sectors saw a rise in the number of overtime hours worked. For the first time in more than a year, the construction sector increased its intake of workers. The manufacturing sector registered a more moderate net job gain of 1,177 due to restructuring and consolidation in the electronics industry and at local shipyards.

Retrenchments totalled 14,622 in 1999, about half that in 1998 but higher than the 9,784 registered in 1997. (See Chart 4.2.) A total of 4,475 workers were retrenched in Q4 99, of which 73% was from the manufacturing sector. There were also retrenchments in the services sectors, although these were only about one-third that in manufacturing. Displacements in the services sectors were largely from the wholesale and retail, financial services, and business and real estate services industries.

Although retrenchments in Q4 99 were higher than the average in Q1-Q3 99, the re-employment rate improved to 68% in Dec 99, from 60% in Jan-Sep 99. The average time taken to secure re-employment also dropped to 1.3 months in Q4 99, compared to 1.4 months a quarter earlier. In addition, fresh graduates had an easier time getting a job. The NUS-NTU employment survey found that approximately 90% of those who graduated last June had found jobs by the end of 1999.

Chart 4.1
Changes in Employment by Sector

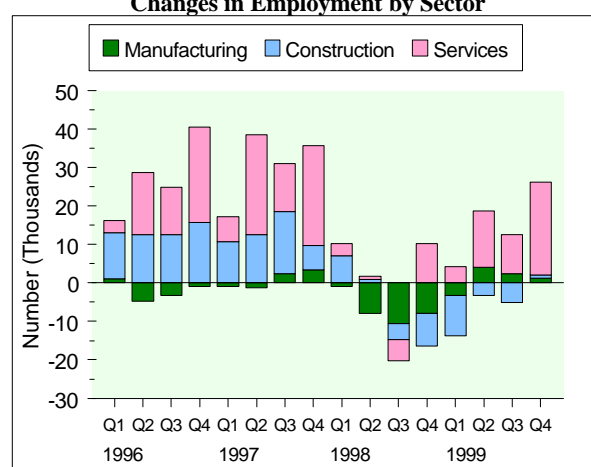
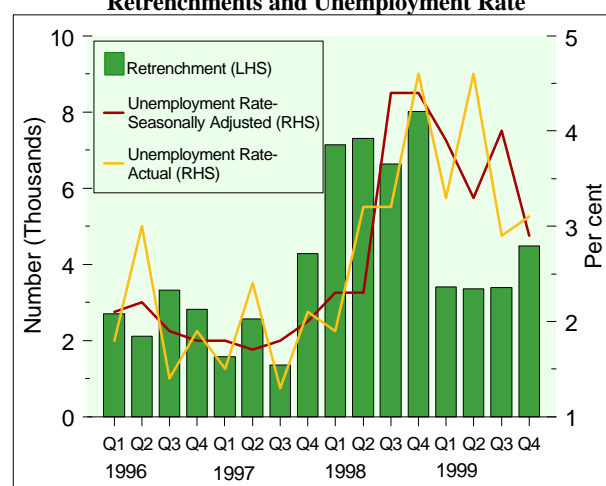


Chart 4.2
Retrenchments and Unemployment Rate



Despite the increase in employment, the job vacancy rate remained above 2% in Q4 99, compared to 1.3% in Q4 98 and 1.8% in Q1 99. (See Chart 4.3.) Nevertheless, this was still lower than the pre-crisis rate of 4-5%. Reflecting the improved outlook for the labour market, the seasonally-adjusted job vacancy to unemployed persons ratio rose to 0.86 in Dec 99, up from 0.60 in Sep 99 and 0.34 in Dec 98.

4.2 Earnings, Productivity and ULC

With the slack in the labour market diminishing, nominal earnings rose by 5.9% in Q4 99, up from 3.5% in Q3 99. This was primarily due to higher bonuses at the end of the year as employees were compensated for the earlier wage restraint as well as the low salary base in 1998. For 1999 as a whole, however, nominal earnings rose by a milder 2.7%, about the same as the growth rate in 1998 but half that in 1997. (See Chart 4.4.) In real terms, earnings rose by 4.4% in Q4 99, implying an increase of 2.3% in 1999.

Productivity rose by 5.5% in Q4 99, compared to 7.9% in Q2 and 7.0% in Q3 99. (See Chart 4.4.) Productivity growth was highest in the manufacturing sector, but continued to contract in the construction sector. Healthy productivity growth, coupled with the 10%-point cut in the employers' CPF contribution rate since Jan 99, kept unit labour costs (ULC) down in Q4 99, although the contraction was much smaller than the double-digit declines in the previous two quarters. Going forward, ULC is expected to rise this year as wages increase and the employers' CPF contribution rate is partially restored in April. A survey conducted by Remuneration Data Specialists in January found that 95% of firms will raise average salary by 4.4% this year, compared to 3.0% last year. Similarly, Hay Management Consultants' poll showed increases of 3.9-4.0%, compared to 2.2-2.6% in 1999. And based on a survey of over 300 firms by Watson Wyatt, only 3% of firms are expected to freeze salaries this year, compared with 32% last year.

4.3 Outlook

The labour market is expected to continue to improve this year. According to Dun & Bradstreet's recent poll of 450 firms, total employment is expected to increase

Chart 4.3
Indicators of Labour Demand

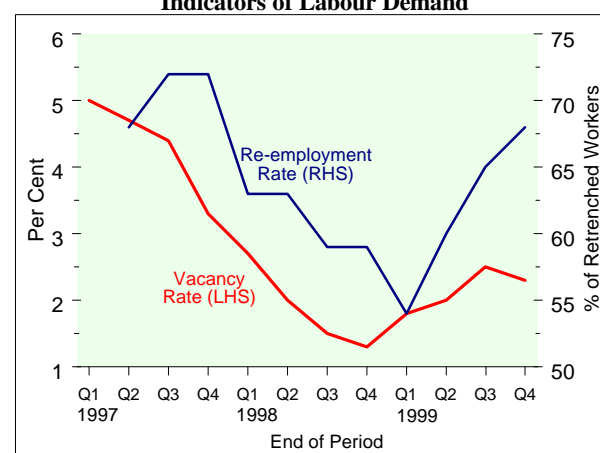
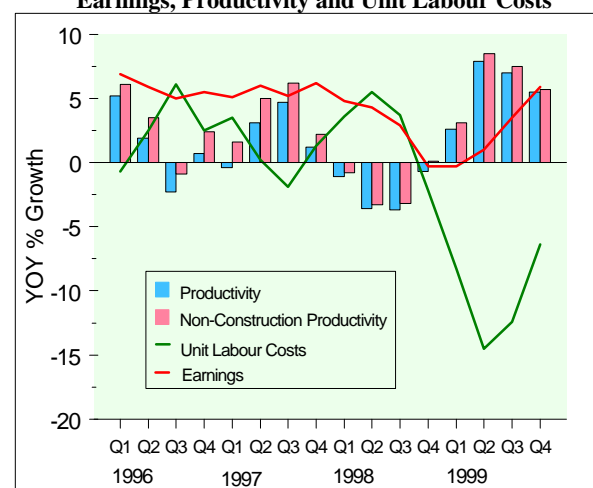


Chart 4.4
Earnings, Productivity and Unit Labour Costs



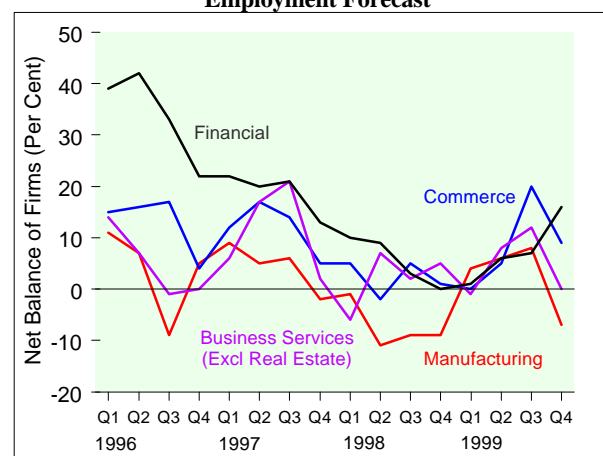
further. Employment growth would largely be supported by the services sectors while more retrenchments would be seen in manufacturing, based on DOS' survey of business expectations. (See Chart 4.5) The employment sub-component of the Purchasing Managers' Index (PMI) hovered around the 50% threshold in Jan and Feb 2000, down from over-50% in the previous few months. Retrenchments in the manufacturing sector would mainly be in lower-end activities, while the National Manpower Council (NMC) expects more job creation in higher-end electronics, chemical and life sciences industries. Employment in the construction sector is not expected to improve significantly this year, given the continued overhang in the property market and on-going effort to reduce Singapore's reliance on low-skilled foreign workers.

The NMC expects 45,000 new jobs to be created a year over the next 5 years. This is significantly lower than the average of 83,000 seen prior to the crisis, as firms move towards higher value-added activities and increase efficiency. (See Chart 4.6.) More than half of the new positions created would be concentrated in the business services, financial intermediation, computer-related and transport & logistics sectors. This is due to rapid expansion of IT-related activities, liberalisation of the financial and telecommunications sectors, and an increasing trend towards global outsourcing and "just-in-time" delivery. EDB's Industry-21 plan is expected to generate about 15,000 jobs a year, of which about two-thirds would require fairly high skills.

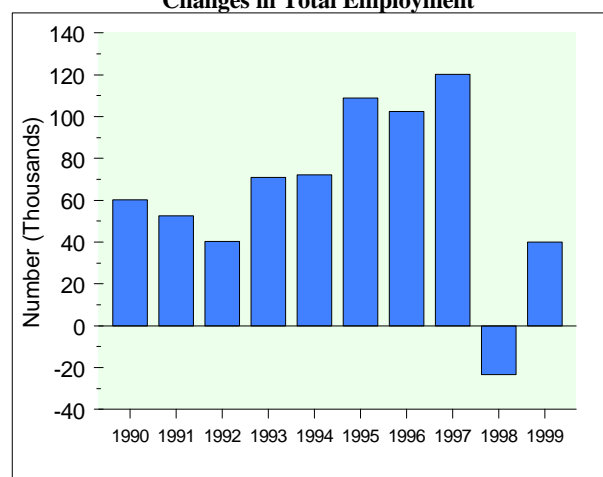
As Singapore moves up the value-added chain, demand for workers with post-secondary education would increase, while that for lower-educated workers would fall. As such, the NMC has recommended an extension of the Skills Redevelopment Programme and Strategic Manpower Conversion Programme to more industries to help workers upgrade themselves. The NMC has also outlined new goals for tertiary institutions to ensure a better match between the supply and demand for labour in future. Universities are to enrol more engineering, computer science, communications studies and pharmacy students, while polytechnics need to increase intake for media and health-related disciplines.

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**Chart 4.5
Employment Forecast**



**Chart 4.6
Changes in Total Employment**



5 Money and Credit

5.1 Monetary Aggregates

Narrow money M1 growth moderated slightly in Q4 99 to 14%, from 15% in the previous quarter. Although the rate of increase in currency in active circulation doubled, this was offset by the slowdown in demand deposit growth. The growth of M1 in 1999 compares with a contraction of 0.9% in 1998, reflecting increased transaction demand for money with the recovery in the economy. Broad money measures M2 and M3 grew by 8.5% and 7.3% respectively in Q4, compared to growth of 9.0% and 7.3% respectively in the third quarter. The 1999 rates of growth of broad money were lower compared to the previous year's expansion of 9.7% and 8.1% respectively. (See Chart 5.1.)

The growth in broad money M2 in 1999 was underpinned largely by strong growth in net foreign asset (NFA) holdings of commercial banks, while domestic credit remained weak. (See Chart 5.2.) Banks' net domestic credit contracted as credit extended to the private sector fell, while government deposits rose. The growth of banks' NFA holdings reflected a sharp jump in banks' lending overseas in view of the weak credit market in Singapore. This stands in sharp contrast to 1998, when the increase in banks' NFA position was due to a decline in their foreign liabilities, as banks withdrew funds from Singapore in response to a decline in credit activity as well as heightened concerns over credit risks. This situation has since reversed and funds from foreign banks' head office & branches have returned.

5.2 Domestic Credit

Domestic non-bank lending remained weak in 1999. Bank credit extended to non-bank customers shrank by 2.9% in Q4 99, compared with a decline of 3.3% in Sep and 1.6% fall in Dec 98. Loans to all major sectors of the economy continued to contract, except housing loans, which grew by 11% in 1999. (See Chart 5.3.) Lending to the transport and communications sector and non-bank financial institutions, in particular, declined by 16% and 7.3% respectively in 1999, compared with growth of 25% and 8.2% in 1998. The contractions in loans to the manufacturing and building and construction sectors were also sharper in 1999, compared with the

Chart 5.1
Monetary Supply

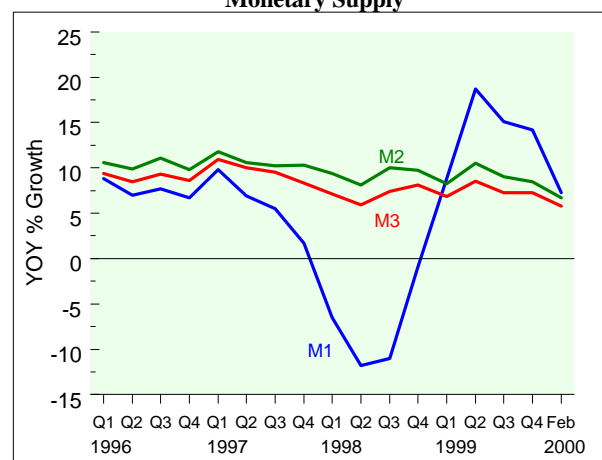
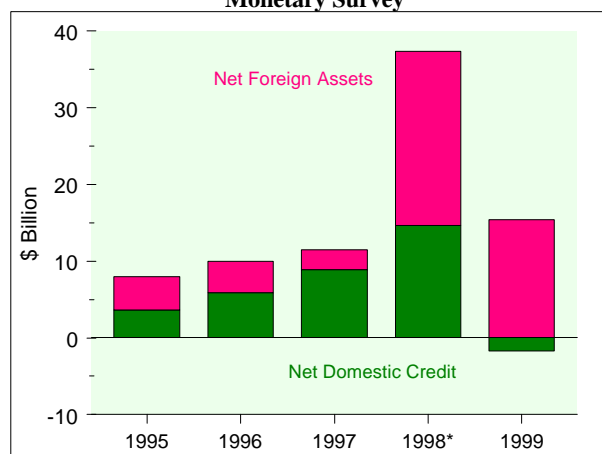
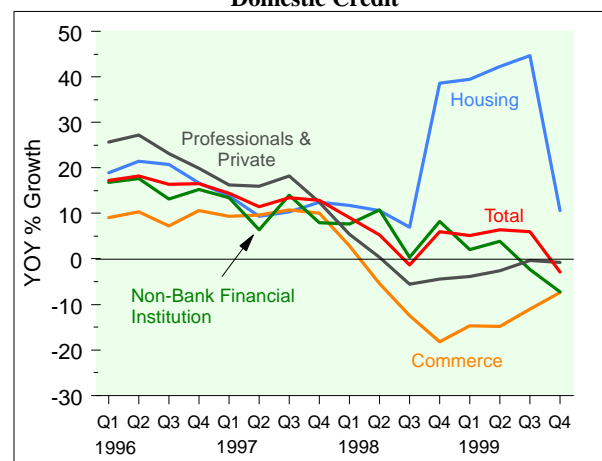


Chart 5.2
Monetary Survey



* Net domestic assets was boosted by the inclusion of POSB in Nov 98.

Chart 5.3
Domestic Credit



year before. However, the fall in credit extended to the commerce sector and to professional and private individuals moderated. Reflecting weak loan demand, the loan-to-deposit ratio fell from 0.93 at end-98 to 0.84 at end-99.

Despite the contraction in bank loans to non-bank customers in 1999, there was a pick-up in the levels of outstanding loans in the last three months of the year and in Jan 2000. In particular, lending to the manufacturing sector, professionals & private individuals, and non-bank financial institutions saw some recovery. However, outstanding loans moderated slightly in Feb.

5.3 Interest Rates

The continued easy liquidity conditions in the economy can be seen in the sustained increase in the ratio of M2 and M3 to nominal GDP. (Chart 5.4.) Banks have also continued to hold relatively high levels of excess reserves. The liquidity ratio⁴ was maintained at about 20% in 1999, rising to 21.6% in December as banks built up their liquidity position in preparation for the Y2K crossover.

Nevertheless, the domestic 3-month interbank rate rose steadily from 1.39% in Apr 99 to 2.58% in December, in line with the increase in interest rate by the US Federal Reserve and central banks in other industrial countries. (Chart 5.5.) The increase in the interbank rate in December also reflected year-end short covering and Y2K liquidity concerns. This has led to a narrowing of the interest differential between the 3-month US\$ SIBOR and domestic interbank rate in December, although it widened slightly in Jan 2000.

Mirroring the interbank rate, yields of Singapore Government Securities began rising after hitting a low in Apr 99. However, strong demand for these low-risk instruments by banks in the run up to Y2K caused yields to decline significantly from Sep onwards. Papers with shorter maturities appeared to be more popular and their yields fell more sharply than longer-term bonds. (See Chart 5.6.) The yield on the 3-month T-bill, for instance, fell to 0.38% in Dec although the 3-month interbank rate reached a high. This preference resulted in a steeper SGS yield curve that only flattened in the New Year.

Chart 5.4
Ratio of Money Supply to GDP

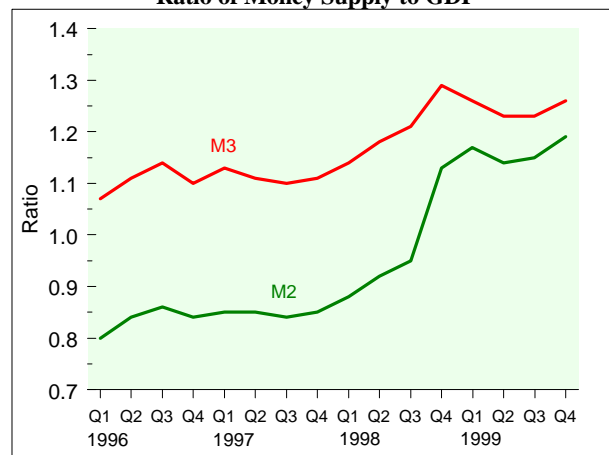


Chart 5.5
Interest Rates

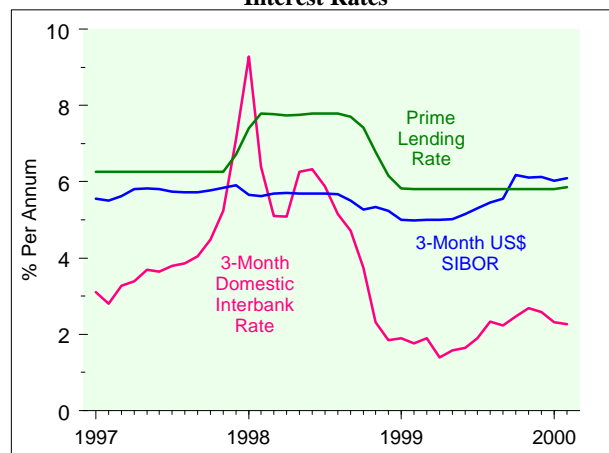
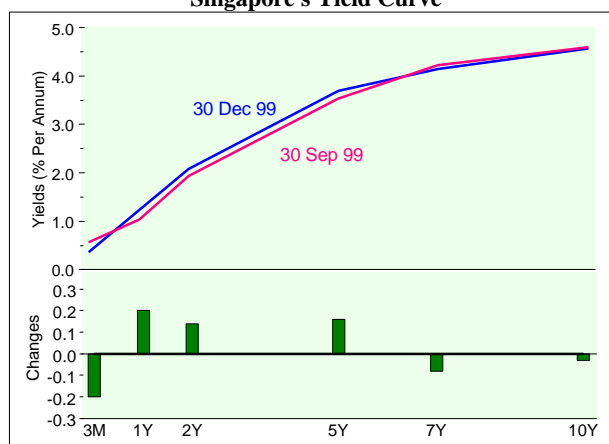


Chart 5.6
Singapore's Yield Curve



⁴ This is the ratio of banks statutory liquid assets to their total liabilities' base.

Despite increases in the interbank rate, retail interest rates have remained relatively unchanged in 1999 in view of the weak domestic credit market. The prime lending rate of the ten leading banks in Singapore has remained at 5.8% over the past 12 months, while the 3-month and 12-month fixed deposit rates have stayed at 1.68% and 2.46% respectively since Mar 99.

5.4 Exchange Rates

The Singapore dollar strengthened against most industrial countries' currencies in Q4 compared to Q3, but was largely weaker against regional currencies over the same period. For 1999 as a whole, the movement in the Singapore dollar exchange rate against various currencies was mixed. Although it depreciated by 4% against the US dollar at the start of the year, the Singapore dollar recovered and was only 0.3% weaker by end-99 compared with end-98. The turnaround came in light of the stronger-than expected economic recovery in Singapore and renewed interest in the local stockmarket. However, the strengthening of the Yen in tandem with Japan's improved economic outlook resulted in a larger depreciation of the Singapore dollar, by 11%, against it.

In contrast, the Singapore dollar firmed against all major European currencies. It rose by 2.8% against the Pound Sterling, and by 17% against the Euro since its introduction in Jan 99. Thus, the Singapore dollar also appreciated by the same magnitude of 17% against the component currencies of the Euro such as the Deutschmark, French Franc and Italian Lira.

The Singapore dollar weakened against most of the currencies of the ASEAN countries and the NIEs. With the rebound in economic performance and the relative stability of financial markets, regional currencies had strengthened in 1999 following significant depreciation the year before. Against the Indonesian Rupiah, the Singapore dollar depreciated the most, by 13%, while against the Malaysian Ringgit it depreciated by 0.3%. However, the Singapore dollar strengthened by 2.0% against the Thai Baht. Against both the New Taiwan dollar and Korean Won, the Singapore dollar depreciated by 3.0% and 5.2% respectively.

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Chart 5.7
Singapore Dollar Exchange Rate

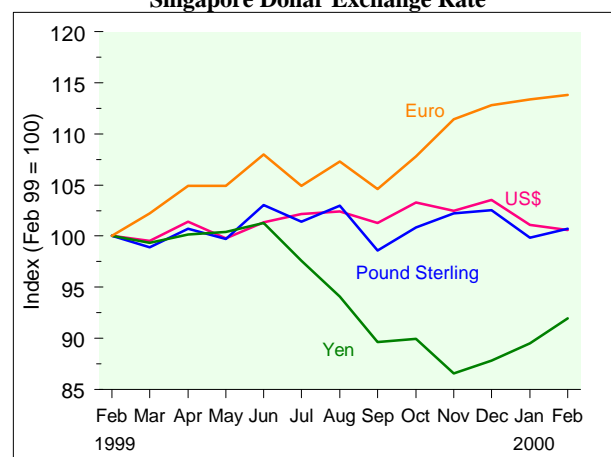
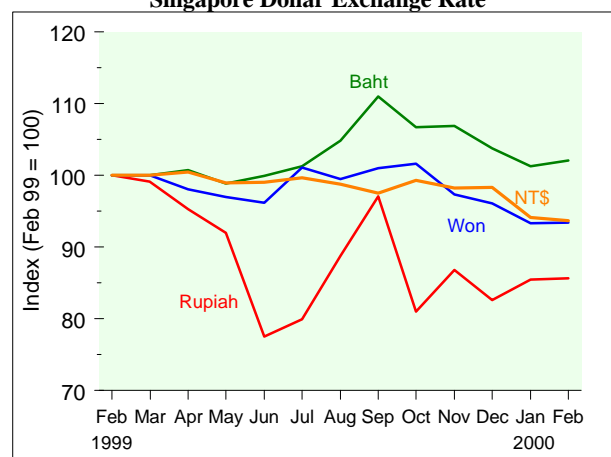


Chart 5.8
Singapore Dollar Exchange Rate



6 Fiscal Balance

6.1 Overall Balance

The government ran a smaller surplus⁵ of \$923 million in Q4, compared to \$4.1 billion in Q3. (See Chart 6.1.) This was due to an increase in total expenditure and a decline in operating revenue. For the whole of 1999, the surplus rose to \$3.7 billion, from \$3.4 billion in 1998. Except for a deficit in Q1 99, where there was a seasonal dip in the balance, surpluses were registered in the remaining quarters of 1999. The latter were largely supported by higher revenue from statutory board contributions, stamp duty and fees & charges as economic activity recovered, while the moderation in wages of public employees also lowered operating expenditure.

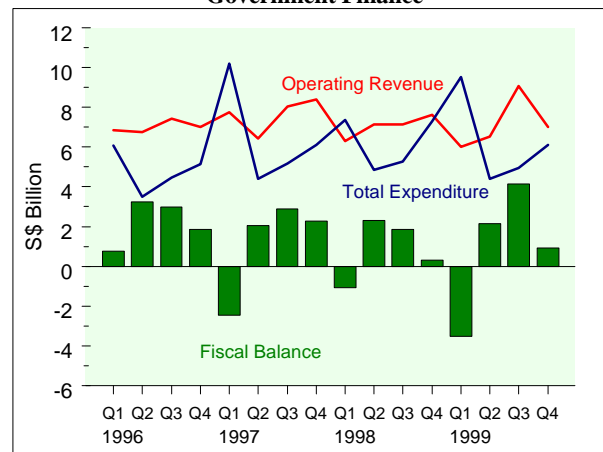
For fiscal year (FY) 1999, the government expects to record a surplus of \$3.2 billion, in contrast to the deficit of \$5.1 billion projected earlier. The stronger and earlier-than-expected recovery in the economy is projected to boost operating revenue by an additional \$4.8 billion, while total expenditure is expected to be \$3.4 billion less for the year as a whole. In the first nine months of FY99, the surplus has reached \$7.2 billion.

In view of these surpluses, the government announced various transfers in the latest Budget in February 2000. Medifund and the ElderCare fund will receive \$100 million and \$200 million respectively, while every Singaporean who has made at least one CPF contribution between 1 Jan 98 and 31 Dec 99 will receive a \$250 top-up into their Ordinary Accounts. These transfers total \$685 million, implying an overall budget balance⁶ of \$2.5 billion for FY99.

6.2 Operating Revenue

In Q4 99, total operating revenue declined to \$7.0 billion, from \$9.1 billion in Q3. On a year-on-year basis, operating revenue fell by 7.9%, following a significant increase of 27% in the quarter before. This was due to a decrease in tax revenue and a smaller

Chart 6.1
Government Finance



⁵ This is defined as operating revenue less total expenditure.

⁶ Budget surplus is defined as operating revenue less total expenditure and government transfers.

increase in non-tax revenue. For 1999 as a whole, total operating revenue rose by \$406.7 million to \$28.6 billion.

Tax revenue fell from \$7.2 billion in Q3 99 to \$5.1 billion in Q4. (See Chart 6.2.) This reflected the decline in income tax collection. Contributions from statutory boards, which are lumpy, moderated to \$518 million in Q4, from \$1.2 billion in Q3. At the same time, corporate and personal income tax collections dipped to \$2.2 billion, from \$3.2 billion in Q3. However, the year-on-year rate of increase in corporate and personal income tax collections has steadily improved in the second half of 1999. With the removal of the 10% rebate on corporate income tax and the halving of the personal income tax rebate to 5% for the Year of Assessment 2000, total income tax collection can be expected to pick up further.

The decline in asset tax collections also contributed to the fall in tax revenue. Continuing the downward trend seen since Q1 98, asset tax collection contracted by 32% in Q4 99. This was due to the 55% rebate for commercial and industrial properties granted since June 1998. The rebate has been extended for another year to June 2001 but at a lower rate of 25%. (See Chart 6.3.)

Stamp duty sustained an increase of more than 70% in Q4, reflecting the pick up in transactions in the private housing market. Although stamp duty for contract notes on share transactions will be abolished from 30 June 2000, it is unlikely to have a significant impact on revenue as these have been suspended since 1999.

Reflecting the improvement in consumer sentiment, revenue from other major indirect tax categories, which are largely consumption-based, continued to increase. GST collection rose by 2.3%, largely boosted by the rapid increases in retail sales and the bigger year-end bonuses given out by companies last year.

Non-tax revenue collection increased by 7.7% in Q4, contributing to a 16% rise for the whole of 1999. Certificates of Entitlement (COE) premiums boosted revenue from fees & charges. This partly reflected the increase in the quota of COEs released compared with 1998. The quota is expected to be increased further this year.

Chart 6.2
Tax Revenue

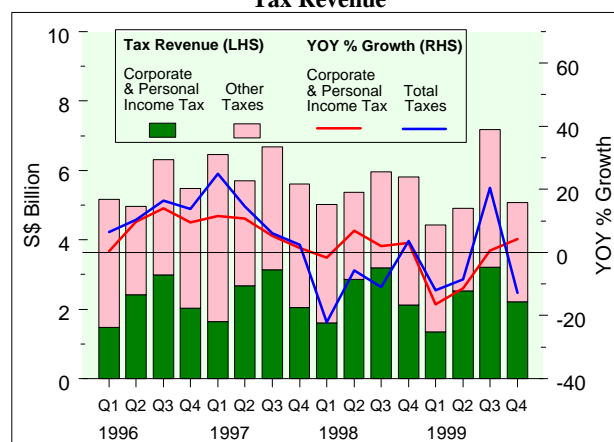
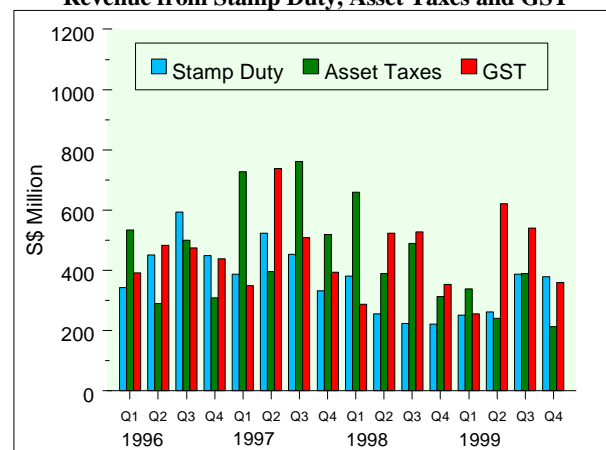


Chart 6.3
Revenue from Stamp Duty, Asset Taxes and GST



6.3 Total Expenditure

Total expenditure increased to \$6.1 billion in Q4 99, from \$4.9 billion in the previous quarter. For 1999 as a whole, total government expenditure grew marginally by 0.6% to \$24.9 billion. Both operating and development expenditure registered year-on-year increases in Q1 before contracting the rest of the year. (See Chart 6.4.)

In Q4, operating expenditure amounted to \$3.6 billion, an increase from \$2.9 billion in Q3. However, the increase was partly seasonal reflecting the payment of year-end bonuses. Compared with the year before however, operating expenditure registered a fall of 8.7% in Q4. While operating expenditure on economic services rose by 25%, largely due to spending on national development and trade & industry, this was offset by the decline in social & community services, as expenditure on education shrank. In 2000, operating expenditure is likely to be boosted by the government's payment to Singtel and StarHub in compensation for bringing forward the full liberalization of the telecommunications sector from 2003 to April 2000. In 1997, the government paid \$1.5 billion to Singtel for the earlier-than-expected loss of monopoly status in the sector.

Development expenditure also contracted, by 26%, in Q4 to \$2.5 billion. Spending in most expenditure categories shrank. (See Chart 6.5.) However, for 1999 as a whole, development expenditure expanded by 4.6%. Spending on social and community services rose by 22%, boosted by the compensation paid to HDB dwellers and shop owners under the Selective En-bloc Redevelopment Scheme. In addition, several on-going sewerage projects contributed to increased spending on the environment. Development expenditure on economic services however, declined, reflecting a large drop in spending in the communications sector. In contrast to the \$13.9 billion budgeted for FY99, total development expenditure in the first three-quarters of the fiscal year amounted to only \$6.5 billion. Major development projects had benefited from lower tender prices, while projects of lower priority were rescheduled.

Against the backdrop of continued healthy economic growth, the government's budget surplus is expected to be sustained at \$2.5 billion in FY2000. Notwithstanding this accumulation of reserves, total expenditure is budgeted to increase by more than 12%, with development spending rising by 21%.

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Chart 6.4
Government Expenditure

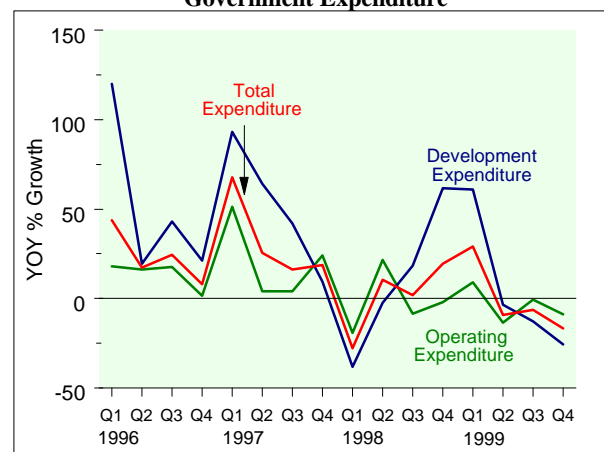
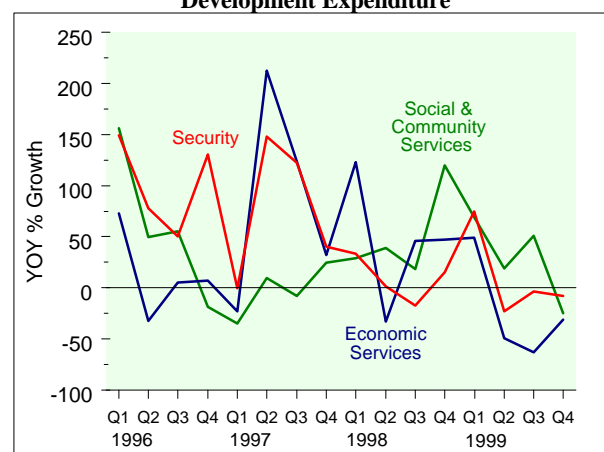


Chart 6.5
Development Expenditure



7 Balance of Payments

7.1 Overall Balance

Singapore's overall balance of payments posted a surplus of \$2.9 billion in Q4 99, following a small deficit in Q3. For 1999 as a whole, the overall balance of payments recorded a surplus of \$7.3 billion, up from \$5.0 billion in 1998. (See Chart 7.1) This reflected an improvement in the current account surplus, coupled with a smaller outflow in the capital and financial account. Singapore's official foreign reserves (OFR) stood at \$128 billion as at end-1999, equivalent to 8.2 months of current imports.

7.2 Current Account

The current account surplus increased by \$1.2 billion to \$36.4 billion in 1999, with the largest quarterly surplus of \$10.7 billion recorded in Q4. (See Chart 7.2) The improvement in the current account surplus in 1999 reflected the significantly larger surplus in the services account. The services account surplus tripled as the recovery in visitor arrivals, particularly from the region, led to an increase in travel receipts. Receipts from other miscellaneous services exports also rose strongly. (Chart 7.3) In contrast, the transportation account saw a larger deficit of \$2.9 billion, as payments for freight and port services increased with the pick-up in exports. Balances on the insurance and government accounts also recorded larger deficits. At the same time, the income balance rose by \$699 million to \$10.7 billion in 1999, as income receipts more than offset the increase in income payments. The increase in income receipts reflect higher interest and other returns, from foreign investments undertaken by residents as well as interest earning by banks in Singapore from lending offshore due to the weak credit market domestically.

Supported by the upturn in the global electronics cycle and pick-up in the regional economies, exports of goods rose strongly to \$196 billion in 1999, compared to \$185 billion in 1998. However, reflecting even stronger increase in goods imports, the goods balance saw a smaller surplus of \$19.2 billion, compared with \$24.8 billion previously.

Chart 7.1
Components of Balance of Payments

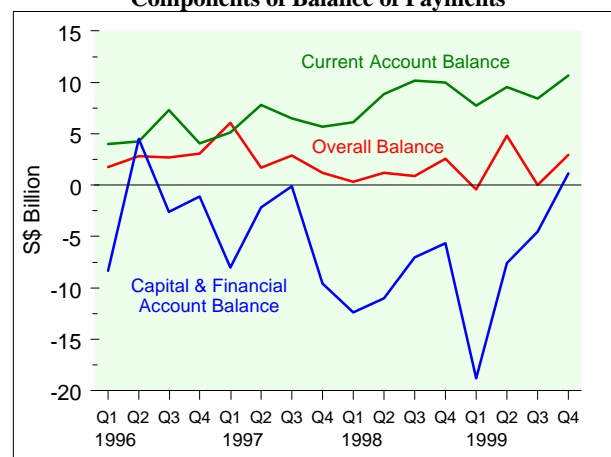


Chart 7.2
Components of Current Account

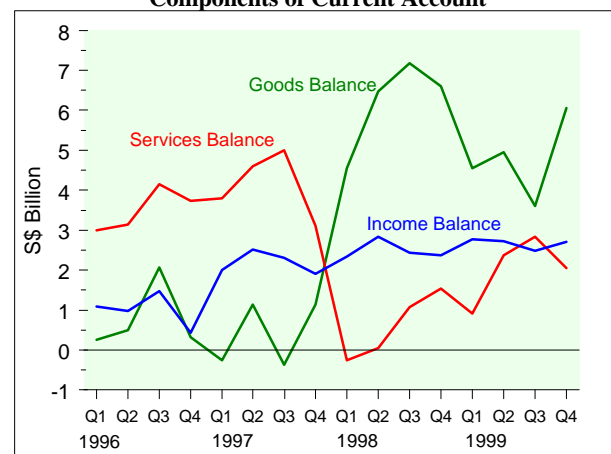
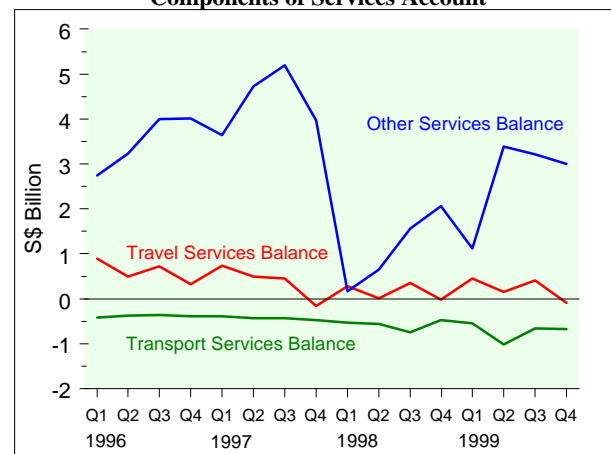


Chart 7.3
Components of Services Account



7.3 Capital and Financial Account

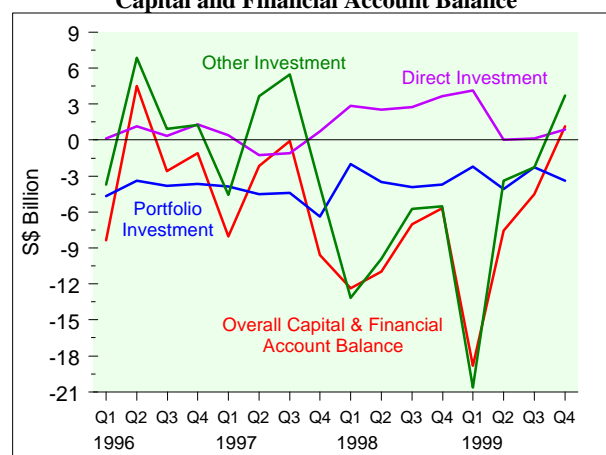
The capital and financial account recorded an inflow of \$1.1 billion in Q4 99, the first inflow since Q2 96. For the full year of 1999, the capital and financial account saw a smaller outflow of \$29.8 billion in 1999, compared to \$36.0 billion in 1998. (Chart 7.4.)

This smaller deficit in the capital and financial account in 1999 reflected a smaller net outflow of 'other investment' and portfolio investment. Outflows from 'other investment' moderated from \$34.3 billion in 1998 to \$22.6 billion in 1999, as banks saw a smaller net outflow of funds. In contrast to a large withdrawal of foreign interbank deposits from Singapore in 1998, funds flowed back in 1999. However, there was a concurrent sharp increase in resident banks' loans to non-resident banks, reversing the retrenchment of loans in the previous year.

At the same time, direct investment saw a smaller net inflow in 1999 compared to the previous year. Although inflows rose by \$2.6 billion, this was more than offset by the resumption of direct investments by residents overseas.

Domestic Economy Division

Chart 7.4
Capital and Financial Account Balance



8 Survey of Professional Forecasters

March 2000

8.1 Introduction

The MAS Survey of Professional Forecasters is aimed at collating the estimates of Singapore's key macroeconomic indicators produced by professional forecasters based in Singapore. The survey is conducted quarterly in the first week of March, June, September and December following the release of economic data for the previous quarter by the Ministry of Trade and Industry. The main objective of the survey is to establish a regular and consistent benchmark reference on expectations of key economic variables that are relevant for the Singapore economy. The summary results are incorporated in the MAS Economics Department's Quarterly Bulletin and posted on the MAS website. These survey results reflect expectations held by respondents and do not represent the views or forecasts of the MAS.

8.2 Sample Composition

In the March 2000 survey, 33 economists were polled for their forecasts on 11 key macroeconomic variables up to one year ahead. The overall response rate for this quarter was close to 82%. Of the 27 economists who responded by the deadline, 14 were first-time participants. The economists represented banks, securities houses, research and asset management institutions.

8.3 Summary of Results

The results of the survey are summarised in Table 1 and 2 at the end of this section. In general, the respondents were upbeat about the outlook for Singapore in 2000 and 2001, expecting domestic export growth to remain robust, largely underpinned by the continued strong global demand for electronics and capacity expansions in the chemicals cluster. Nevertheless, it was felt that the sustainability of external demand hinges very much on the growth of the major economies, particularly, Japan and the US. A Fed-induced slowdown in the US economy remains the top concern among the forecasters. In addition, recent political and social tensions in the region, rising world oil prices and the long-term competitiveness of Singapore were also cited as potential downside risks.

Stronger real GDP growth expected compared to three months ago

The Singapore economy expanded by 7.1% year-on-year (YOY) in Q4 99, bringing the full year's growth to 5.4%. This was slightly higher than the respondents' median forecast of 5.3% in the previous survey conducted in December 1999. The forecast for GDP growth in 2000 was revised upward in the current survey, with the median forecast rising from 6.0% to 6.1%, which is at the higher end of the government's official forecast of 4.5%-6.5%. Indeed, a larger proportion of the estimates was revised upward or remained unchanged, as measured by the diffusion index⁷ of 68%. The range of expectations for GDP growth in 2000 was also narrower, at 3.2% points compared with 4.5% points previously. For 2001, however, the median consensus forecast, at 6.0%, was unchanged from the December survey.

Downward revisions to total consumption growth forecast

Reversing the contraction of 0.2% recorded in 1998, total consumption expenditure rose by 5.6% in 1999. This was slightly lower than the respondents' median forecast of 5.9% in the last survey. Despite brighter employment prospects and expectations of wage increases, the outlook for consumption expenditure growth has been revised downward for 2000 and 2001, with the median forecast at 6.5% and 6.0% respectively, compared with previous forecasts of 6.6% and 6.2%. The diffusion indices for both the 2000 and 2001 forecasts are below 50%. Nonetheless, reflecting less uncertainty in the forecasts, the range of expectations for 2000 and 2001 has narrowed to 5.2% points and 3.9% points respectively, from 11.4% and 5.2% in the previous survey.

Stronger rebound in investment growth can be expected

The decline in investment by 3.6% in 1999 was as expected by the respondents. However, forecasts for

⁷ Diffusion index (DI) measures the proportion of the forecasts that is rising/falling compared with that in the previous quarter. The DI takes on a maximum value of 100 when all of the estimates are revised upward and a minimum value of zero when all of the estimates are revised downward. A DI of 50% implies an equal balance between estimates with upward and downward revisions.

Chart 8.1
Actual and Expectations of Real GDP Growth

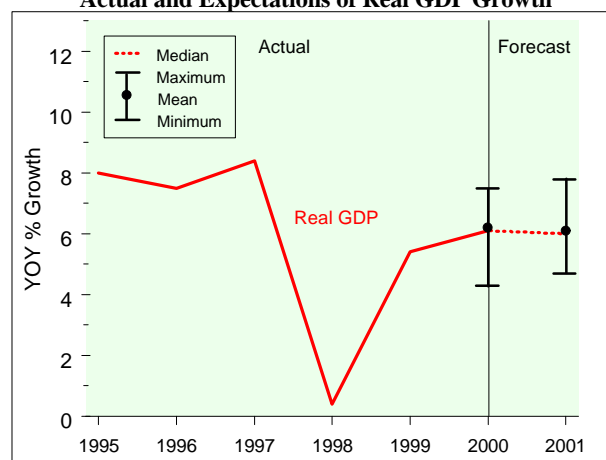


Chart 8.2
Actual and Expectations of Consumption

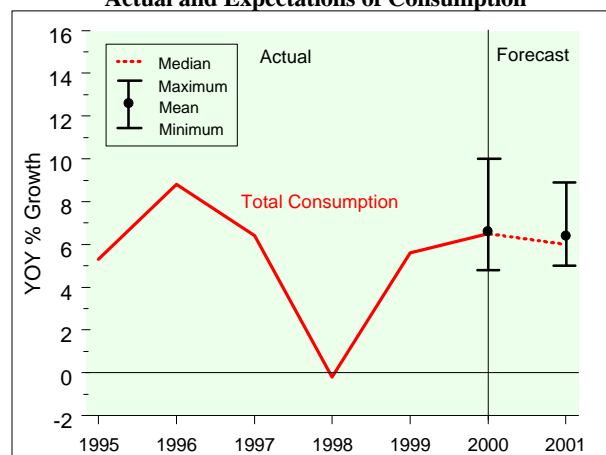
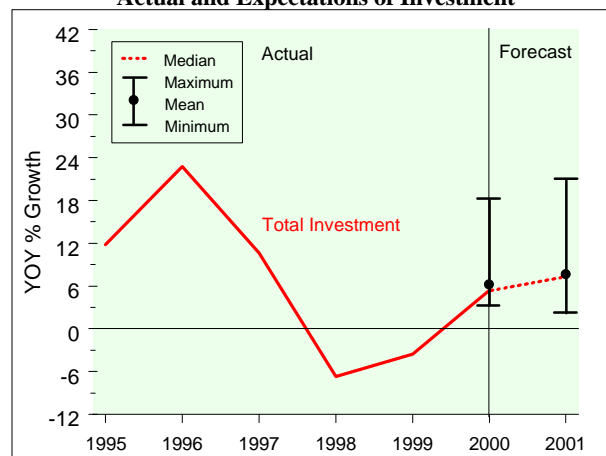


Chart 8.3
Actual and Expectations of Investment



total investment in 2000 and 2001 have been revised upward significantly, in tandem with improved business conditions. The median forecast in the current survey shows a stronger turnaround with growth at 5.3% in 2000, an increase over the previous forecast of 4.2%. A further expansion of 7.3% is expected in 2001, up from 6.7% in the last survey. However, there is considerable uncertainty in the outlook as indicated by the wide range of forecasts of between 3.3% to 18.3% for 2000 and 2.2% to 21.0% for 2001.

Forecasts of manufacturing output growth have been revised downward

Reflecting strong expansion in the electronics and chemicals clusters, the manufacturing sector performed slightly better than expected, growing by 13.9% for the whole of 1999. Nonetheless, growth of manufacturing output is expected to moderate somewhat in 2000 and 2001, with the median forecasts at 9.0% and 7.5% respectively, down from previous forecasts of 9.4% and 7.9%. The consensus expectation that growth will moderate partly reflected the high base in 1999 and relocation of lower-end production out of Singapore. As in the previous survey, the range of expectations for 2000 and 2001 remains fairly wide, at 10.5% points and 7.3% points respectively.

Non-oil domestic exports are expected to remain buoyant

Following a marginal 0.9% increase in 1998, non-oil domestic exports (NODX) grew strongly by 9.5% in 1999, higher than the consensus forecast of 7.9%. The export momentum is expected to continue in 2000 and 2001, with the respondents' median forecasts at 9.0% and 8.0% respectively. Although growth is expected to moderate in 2001, the median forecast for NODX in the current survey remains higher than the previous forecast of 7.5%. The diffusion index, which is at 65% and 61% for 2000 and 2001 respectively, also indicated the upward revisions to the forecasts. Moreover, there is less uncertainty in the forecasts, as the range of expectations has narrowed to 7.9% points and 8.5% points for 2000 and 2001 respectively. This compares with 10.1% and 10.3% points in the last survey.

Chart 8.4
Actual and Expectations of Manufacturing Sector Growth

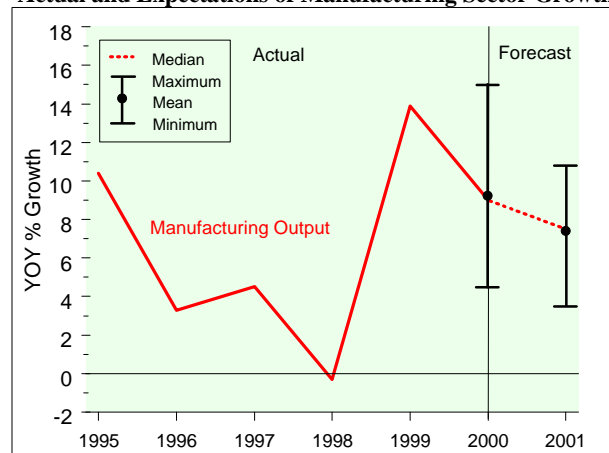


Chart 8.5
Actual and Expectations of NODX

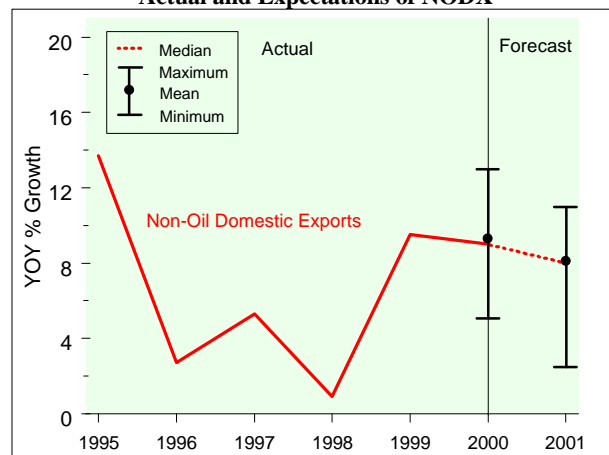
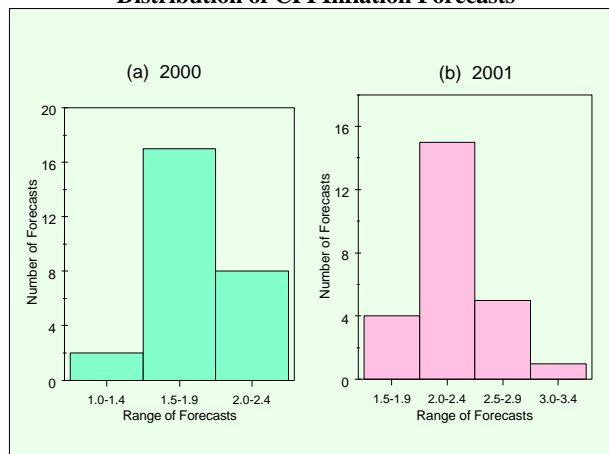


Chart 8.6
Distribution of CPI Inflation Forecasts



Expectations of inflation hold steady

Overall CPI inflation came in slightly lower than expected at 0.4% in 1999 against the respondents' median forecast of 0.5% in the last survey. Despite recent increases in commodity prices, largely due to crude oil prices, and the upward revisions to GDP growth forecasts, inflation for 2000 and 2001 is expected to remain relatively benign. The median forecasts for overall CPI inflation in 2000 and 2001 are 1.8% and 2.2% respectively, unchanged from the previous survey. Chart 8.6 shows the distribution of forecasts for CPI inflation in 2000 and 2001.

Brighter outlook for the labour market

Singapore's unemployment rate averaged 3.5% in 1999, lower than the forecast of 3.7% by the respondents in the last survey. Continued improvement in the labour market is expected and the median forecasts of the rate of unemployment are 2.8% in 2000 and 2.6% in 2001. This compares with earlier forecasts of 3.3% and 3.0% respectively.

Projections of interest rate revised down

The 3-month domestic interbank rate ended the year at 2.63% in 1999, 12 basis points lower than the respondents' median forecast of 2.75% in the last survey. A fair amount of uncertainty remains about the direction of interest rates going forward. While the median forecast is 3.20% for 2000, the individual forecasts range from 2.50% to 4.00%. The benchmark interbank rate is expected to rise to a median forecast of 3.50% in 2001. However, the forecasts for both 2000 and 2001 in the current survey are lower than in the previous survey.

A faster appreciation of the SGD against the USD is expected

The strength of the Singapore Dollar (SGD) against the US Dollar (USD) in 1999 was greater than expected. The USD/SGD ended the year at US\$/S\$1.666 in 1999 against the respondents' median forecast of US\$/S\$1.675 in the last survey. The estimates for the USD/SGD exchange rate at end-2000 range between US\$/S\$1.550 to US\$/S\$1.730, with a median of US\$/S\$1.620, compared with the previous projection of US\$/S\$1.630. Further appreciation is expected in 2001, and with the median forecast rising to US\$/S\$1.580 at end of 2001.

Chart 8.7
Actual and Expectations of Unemployment Rate

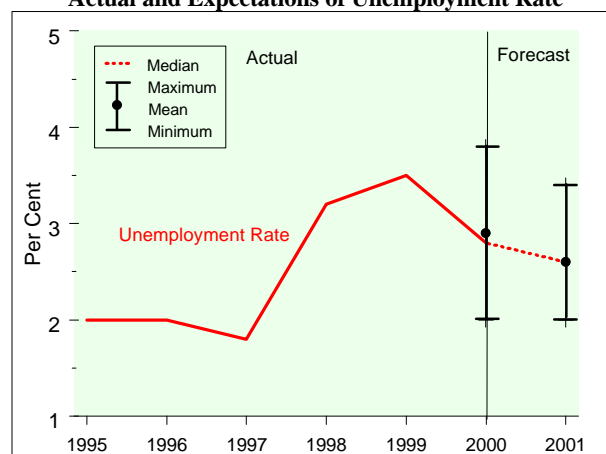


Chart 8.8
Actual and Expectations of 3-Month Interbank Rate

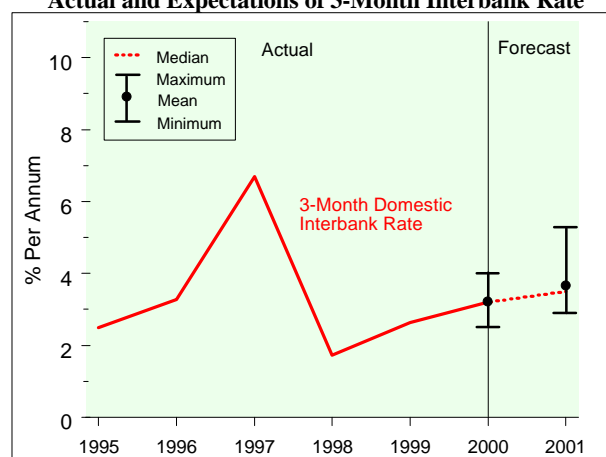


Chart 8.9
Expectations of US\$/S\$ Exchange Rate

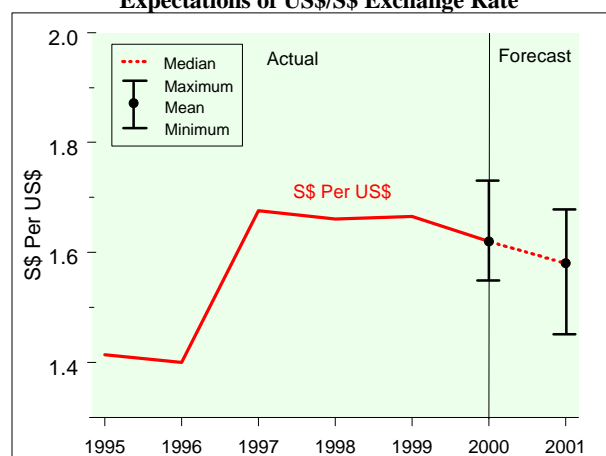


Table 1
Key Macroeconomics Indicators, 1999-2001
Mean of Forecasts

Economic Variables	1999		2000 ^f			2001 ^f	
	<i>Previous</i>	<i>Actual</i>	<i>Q1</i>	<i>Previous</i>	<i>Current</i>	<i>Previous</i>	<i>Current</i>
Gross Domestic Product	5.4	5.4	7.4	5.9	6.2	5.9	6.1
Total Consumption	6.1	5.6	6.5	6.7	6.6	6.5	6.4
Total Investment	-1.6	-3.6	4.9	4.6	6.2	6.0	7.6
Industrial Production	13.8	13.9	14.1	9.5	9.2	8.7	7.4
Non-oil Domestic Exports	7.8	9.5	11.2	8.0	9.3	7.8	8.1
Consumer Price Index	0.5	0.4	1.6	1.9	1.8	2.2	2.2
Unemployment Rate	3.7	3.5	2.9	3.5	2.9	3.0	2.6
3-month Interbank Rate	2.65	2.63	2.51	3.34	3.21	3.96	3.65
Exchange Rate (USD/SGD)	1.674	1.666	1.701	1.623	1.624	1.580	1.577

Table 2
Key Macroeconomics Indicators, 1999-2001
Median of Forecasts

Economic Variables	1999		2000 ^f			2001 ^f	
	<i>Previous</i>	<i>Actual</i>	<i>Q1</i>	<i>Previous</i>	<i>Current</i>	<i>Previous</i>	<i>Current</i>
Gross Domestic Product	5.3	5.4	7.4	6.0	6.1	6.0	6.0
Total Consumption	5.9	5.6	6.5	6.6	6.5	6.2	6.0
Total Investment	-3.6	-3.6	4.0	4.2	5.3	6.7	7.3
Industrial Production	13.6	13.9	14.5	9.4	9.0	7.9	7.5
Non-oil Domestic Exports	7.9	9.5	11.0	8.5	9.0	7.5	8.0
Consumer Price Index	0.5	0.4	1.6	1.8	1.8	2.2	2.2
Unemployment Rate	3.8	3.5	2.8	3.3	2.8	3.0	2.6
3-month Interbank Rate	2.75	2.63	2.50	3.50	3.20	3.83	3.50
Exchange Rate (USD/SGD)	1.675	1.666	1.700	1.630	1.620	1.590	1.580

Compiled by Domestic Economy Division

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	Commerce			Transport & Comm.	Total	Manu- facturing	Financial & Business Services				Con- struction	Commerce			Transport & Comm.								
			Total	Financial Services	Business Services			Total	Wholesale & Retail	Hotels & Rest.				Total	Financial Services	Business Services			Total	Wholesale & Retail	Hotels & Rest.									
Year-on-Year % Change											Seasonally-adjusted Quarter-on-Quarter % Change																			
1992	6.5	2.3	8.5	8.2	8.8	22.3	3.8	2.4	9.5	5.7	6.5	2.3	8.5	8.2	8.8	22.3	3.8	2.4	9.5	5.7	6.5	2.3	8.5	8.2	8.8	22.3	3.8	2.4	9.5	5.7
1993	12.7	9.6	15.2	25.0	6.6	9.0	19.7	23.2	6.0	10.6	12.7	9.6	15.2	25.0	6.6	9.0	19.7	23.2	6.0	10.6	12.7	9.6	15.2	25.0	6.6	9.0	19.7	23.2	6.0	10.6
1994	11.4	12.8	11.6	11.7	11.5	16.6	12.1	13.7	5.0	10.1	11.4	12.8	11.6	11.7	11.5	16.6	12.1	13.7	5.0	10.1	11.4	12.8	11.6	11.7	11.5	16.6	12.1	13.7	5.0	10.1
1995	8.0	10.0	5.3	2.8	7.9	8.8	8.8	9.6	4.9	10.6	8.0	10.0	5.3	2.8	7.9	8.8	8.8	9.6	4.9	10.6	8.0	10.0	5.3	2.8	7.9	8.8	8.8	9.6	4.9	10.6
1996	7.5	2.9	8.4	7.3	9.4	22.0	6.1	6.1	6.0	8.5	7.5	2.9	8.4	7.3	9.4	22.0	6.1	6.1	6.0	8.5	7.5	2.9	8.4	7.3	9.4	22.0	6.1	6.1	6.0	8.5
1997	8.4	4.5	13.0	18.3	7.9	15.3	6.4	6.4	6.5	9.1	8.4	4.5	13.0	18.3	7.9	15.3	6.4	6.4	6.5	9.1	8.4	4.5	13.0	18.3	7.9	15.3	6.4	6.4	6.5	9.1
1998	0.4	-0.6	-1.7	-8.1	5.1	4.4	-4.0	-4.1	-3.5	5.5	0.4	-0.6	-1.7	-8.1	5.1	4.4	-4.0	-4.1	-3.5	5.5	0.4	-0.6	-1.7	-8.1	5.1	4.4	-4.0	-4.1	-3.5	5.5
1999	5.4	13.8	0.0	0.0	0.1	-11.8	6.5	7.1	3.7	7.1	5.4	13.8	0.0	0.0	0.1	-11.8	6.5	7.1	3.7	7.1	5.4	13.8	0.0	0.0	0.1	-11.8	6.5	7.1	3.7	7.1
1996 Q1	12.0	12.9	9.5	7.8	11.1	31.0	10.4	10.8	8.5	10.7	13.5	14.5	11.3	10.5	12.0	36.8	12.6	12.8	11.1	9.3	13.5	14.5	11.3	10.5	12.0	36.8	12.6	12.8	11.1	9.3
Q2	8.4	5.9	8.0	5.7	10.4	22.2	6.4	6.3	7.4	9.2	-1.0	-16.7	10.5	10.8	10.1	16.7	-3.3	-4.1	1.0	7.2	-1.0	-16.7	10.5	10.8	10.1	16.7	-3.3	-4.1	1.0	7.2
Q3	3.8	-4.2	5.7	3.5	7.9	19.8	2.0	2.0	1.9	6.3	-0.7	-7.7	3.7	5.7	1.8	2.5	-6.1	-6.7	-3.0	1.9	-0.7	-7.7	3.7	5.7	1.8	2.5	-6.1	-6.7	-3.0	1.9
Q4	6.5	-0.8	10.5	12.9	8.3	16.8	5.8	5.7	6.4	8.2	15.7	9.3	17.2	25.9	9.2	16.6	22.2	23.3	16.8	15.7	15.7	9.3	17.2	25.9	9.2	16.6	22.2	23.3	16.8	15.7
1997 Q1	5.2	-5.2	14.1	21.4	7.0	10.2	3.4	2.7	6.6	8.5	7.2	-3.4	27.0	49.1	7.5	5.4	4.0	2.2	13.9	9.5	7.2	-3.4	27.0	49.1	7.5	5.4	4.0	2.2	13.9	9.5
Q2	9.2	4.4	14.6	23.2	6.3	13.0	8.4	8.5	8.0	9.5	14.8	20.4	11.2	15.0	7.1	28.6	15.0	17.2	4.2	10.4	14.8	20.4	11.2	15.0	7.1	28.6	15.0	17.2	4.2	10.4
Q3	11.3	9.8	14.4	19.6	9.3	19.8	10.6	11.1	8.2	10.4	8.0	15.3	3.0	-5.6	13.2	29.2	2.2	2.7	0.2	7.0	8.0	15.3	3.0	-5.6	13.2	29.2	2.2	2.7	0.2	7.0
Q4	7.8	8.6	9.1	9.4	8.9	17.4	3.8	3.9	3.2	8.1	1.7	3.1	-2.6	-11.4	7.4	9.7	-5.7	-5.7	-5.6	6.2	1.7	3.1	-2.6	-11.4	7.4	9.7	-5.7	-5.7	-5.6	6.2
1998 Q1	4.7	6.4	-0.4	-8.0	7.9	18.0	0.9	1.9	-3.8	7.3	-4.0	-10.3	-11.3	-25.2	4.5	6.4	-5.3	-3.9	-12.4	5.7	-4.0	-10.3	-11.3	-25.2	4.5	6.4	-5.3	-3.9	-12.4	5.7
Q2	0.4	-0.3	-3.5	-13.1	7.1	10.0	-4.6	-4.9	-3.1	6.0	-4.1	-8.0	-2.9	-9.8	3.8	-3.7	-10.0	-12.7	5.4	4.1	-4.1	-8.0	-2.9	-9.8	3.8	-3.7	-10.0	-12.7	5.4	4.1
Q3	-1.9	-4.3	-4.2	-11.8	4.0	0.5	-6.0	-6.1	-5.3	4.0	-0.9	-0.7	0.9	1.9	0.1	-9.8	-2.5	-1.7	-6.8	0.8	-0.9	-0.7	0.9	1.9	0.1	-9.8	-2.5	-1.7	-6.8	0.8
Q4	-1.2	-2.9	1.6	1.7	1.6	-7.8	-6.2	-7.1	-1.9	4.8	4.6	8.4	22.5	54.9	-1.8	-21.2	-7.1	-9.6	6.7	9.1	4.6	8.4	22.5	54.9	-1.8	-21.2	-7.1	-9.6	6.7	9.1
1999 Q1	0.8	6.7	-3.7	-7.6	0.0	-8.3	-2.2	-2.3	-1.5	5.6	3.9	31.2	-28.2	-48.8	-1.8	3.0	13.0	18.1	-9.6	8.6	3.9	31.2	-28.2	-48.8	-1.8	3.0	13.0	18.1	-9.6	8.6
Q2	6.6	14.8	4.6	10.3	-0.6	-12.2	6.3	6.6	4.4	6.6	19.0	22.9	34.7	83.6	1.4	-19.0	24.3	23.0	31.8	7.6	19.0	22.9	34.7	83.6	1.4	-19.0	24.3	23.0	31.8	7.6
Q3	6.9	16.9	1.8	3.6	0.2	-14.2	8.7	9.4	5.5	7.7	1.1	6.8	-9.2	-20.4	3.0	-18.2	7.2	9.0	-2.1	5.9	1.1	6.8	-9.2	-20.4	3.0	-18.2	7.2	9.0	-2.1	5.9
Q4	7.1	16.1	-2.6	-6.2	0.8	-12.2	13.3	14.7	6.2	8.4	4.7	5.6	1.7	2.9	0.6	-12.3	9.2	9.3	8.6	11.6	4.7	5.6	1.7	2.9	0.6	-12.3	9.2	9.3	8.6	11.6

Source: Singapore Department of Statistics

TABLE 2 : REAL GDP GROWTH by expenditure

Period	Total Demand	Domestic Demand							External Demand	Year-on-Year % Change
		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	12.4	11.9	14.7	10.3	10.9	7.6	17.2	
1994	15.3	4.0	5.8	7.5	-1.7	9.6	6.5	22.8	20.5	
1995	12.6	9.2	5.3	4.0	11.7	11.8	14.6	1.7	14.0	
1996	8.7	12.1	8.8	6.5	19.3	22.8	27.0	5.2	7.4	
1997	7.6	10.2	6.4	6.2	7.1	10.6	8.1	22.9	6.6	
1998	-5.3	-7.3	-0.2	-2.1	7.7	-6.7	-9.9	7.2	-4.4	
1999	6.6	6.5	5.6	6.2	3.3	-3.6	-4.7	0.2	6.7	
1996 Q1	17.0	23.5	11.7	7.0	28.4	30.6	33.3	19.9	14.5	
Q2	9.7	12.8	6.2	5.7	9.6	31.7	41.7	-7.0	8.6	
Q3	4.1	5.7	11.1	6.7	32.0	12.7	17.6	-4.5	3.5	
Q4	5.2	7.7	6.0	6.6	3.0	18.2	18.8	15.3	4.3	
1997 Q1	1.8	4.6	6.1	6.4	5.4	4.7	3.7	9.0	0.7	
Q2	8.7	7.3	8.8	7.2	17.8	3.0	-2.2	33.6	9.2	
Q3	12.5	19.4	5.2	8.5	-7.4	28.0	26.9	32.7	10.0	
Q4	7.5	10.0	5.7	3.0	19.1	8.1	6.1	18.1	6.5	
1998 Q1	4.2	6.8	3.7	2.0	9.1	13.5	13.0	15.4	3.1	
Q2	-5.8	-5.3	0.8	-0.9	9.8	-3.9	-6.8	8.4	-6.0	
Q3	-8.4	-13.5	-4.6	-5.9	1.4	-12.3	-14.8	-2.0	-6.3	
Q4	-10.1	-16.2	-0.8	-3.4	10.3	-20.0	-26.3	8.8	-7.6	
1999 Q1	-4.8	-7.5	4.3	0.1	16.2	-17.5	-25.3	15.4	-3.5	
Q2	6.7	6.8	5.1	7.0	-3.9	-2.3	-2.2	-2.6	6.7	
Q3	9.4	15.4	7.8	9.8	-0.7	3.6	5.1	-1.9	7.2	
Q4	15.6	13.7	5.3	8.0	-5.2	3.4	7.5	-9.3	16.3	

Source: Singapore Department of Statistics

TABLE 3 : CONSUMER PRICE INDEX

Period	All Items	Food	Housing	Clothing	Transport & Comms.	Education & Stationery	Health	Misc- ellaneous	All Items	Food	Housing	Clothing	Transport & Comms.	Education & Stationery	Health	Misc- ellaneous
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
1999	109.2	112.0	106.5	104.4	106.3	121.3	118.4	106.9	0.4	0.9	-0.9	0.6	-0.4	4.3	0.9	0.7
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	-0.5	-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
Q2	109.1	112.1	106.2	104.2	105.4	121.2	118.3	106.9	0.1	1.0	-0.9	-0.4	-2.5	4.6	1.5	0.6
Q3	109.6	112.2	106.6	104.4	107.6	122.5	118.4	107.0	0.9	1.4	-1.0	1.6	1.1	4.4	0.4	1.2
Q4	109.7	112.2	106.3	104.3	108.2	122.5	118.4	107.3	1.4	1.4	-1.0	1.2	4.3	4.7	-0.1	1.0

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			Oil	Non-oil	Re-exports	Imports
					Total	Electronics	Non-electronics													
At Current Prices										At 1995 Prices										
1992	2.2	1.4	0.5	-22.1	8.4	11.9	3.3	3.3	2.9	7.6	8.9	-11.0	14.6	5.5	6.5					
1993	16.4	15.6	13.7	8.6	14.9	21.4	4.9	19.1	17.1	17.2	16.1	15.6	16.3	18.9	18.9					
1994	18.1	23.3	17.4	-3.9	22.5	30.3	8.4	33.4	13.7	27.6	24.0	11.0	26.8	33.5	14.7					
1995	13.2	13.7	11.2	-1.9	13.7	16.3	8.1	17.4	12.7	16.5	14.9	-0.1	17.7	18.8	14.0					
1996	5.1	5.2	5.2	20.6	2.7	4.3	-1.0	5.3	5.0	10.1	9.3	3.6	10.3	11.1	9.5					
1997	5.7	5.3	3.8	-3.9	5.3	3.4	9.8	7.4	6.2	11.6	11.2	0.1	12.9	12.2	10.2					
1998	-7.5	-1.0	-1.5	-15.3	0.9	-0.5	4.2	-0.3	-13.6	-0.3	0.7	8.5	-0.4	-1.6	-12.9					
1999	8.1	5.7	9.8	12.4	9.5	6.1	16.8	0.2	10.8	5.4	8.1	-9.3	10.6	1.6	9.5					
1996 Q1	15.8	14.1	14.2	22.5	12.7	17.7	1.4	14.0	17.4	18.0	17.7	8.7	19.3	18.4	21.7					
Q2	6.1	6.4	7.7	22.6	5.2	7.2	0.7	4.5	5.9	10.8	11.2	12.0	11.1	10.1	11.2					
Q3	-1.2	0.1	0.0	15.5	-2.4	-1.0	-5.4	0.4	-2.4	5.3	4.1	-1.8	5.0	7.0	2.3					
Q4	1.4	1.7	0.4	21.7	-2.8	-3.9	0.0	3.5	1.3	7.5	5.8	-4.2	7.2	10.0	5.1					
1997 Q1	-2.5	-2.8	-4.1	-4.3	-4.1	-6.7	2.7	-0.8	-2.2	4.5	3.6	-8.3	5.6	5.9	2.6					
Q2	5.3	5.9	3.8	1.0	4.4	4.2	4.9	9.1	4.6	14.3	13.3	3.7	14.9	15.8	10.1					
Q3	11.7	8.7	7.5	-2.5	9.3	8.0	12.6	10.3	14.6	15.6	16.1	3.7	17.9	15.1	19.4					
Q4	8.4	9.1	7.9	-9.6	11.2	8.2	18.6	10.8	7.7	11.7	11.6	1.5	12.9	11.8	9.1					
1998 Q1	4.1	9.7	6.7	-14.1	10.7	8.5	15.9	14.0	-1.1	9.3	7.7	11.5	7.2	11.4	-0.7					
Q2	-7.7	-1.3	-3.3	-19.5	-0.2	-2.1	4.3	1.4	-13.8	-0.9	-1.2	-2.2	-1.0	-0.5	-13.8					
Q3	-9.3	-1.1	-0.9	-15.4	1.4	-0.6	6.0	-1.3	-16.9	-2.3	-1.4	4.2	-2.1	-3.5	-17.4					
Q4	-15.5	-9.7	-7.4	-11.8	-6.7	-6.6	-7.0	-12.8	-21.0	-5.8	-1.5	22.9	-4.3	-11.8	-18.0					
1999 Q1	-9.4	-9.0	-3.8	-7.9	-3.2	-4.8	0.2	-15.7	-9.9	-5.5	0.6	3.5	0.2	-13.7	-7.2					
Q2	8.0	5.2	9.8	6.9	10.3	5.4	21.1	-1.0	11.1	4.6	8.2	-2.0	9.7	-0.4	9.8					
Q3	10.3	5.2	9.6	13.7	9.0	5.1	17.3	-0.6	16.0	5.1	7.4	-20.0	11.2	1.9	15.0					
Q4	24.6	21.9	23.6	37.8	21.5	18.4	28.5	19.5	27.4	17.2	15.6	-18.5	20.7	19.8	21.2					

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								
Year-on-Year % Change													
1995	13.7	7.7	1.7	24.2	23.8	14.8	7.8	30.3	19.5	11.9	36.1	14.1	12.2
1996	2.7	0.1	-3.4	-0.5	21.0	-1.2	-4.8	16.6	-5.8	5.8	5.1	2.4	2.6
1997	5.3	6.5	4.9	1.3	40.3	9.2	9.7	-1.6	16.6	4.6	-15.3	12.0	7.1
1998	0.9	-9.6	-9.7	-9.1	-10.2	-10.4	-9.3	-22.3	-4.5	3.1	-8.7	11.1	16.4
1999	9.5	11.7	12.4	18.5	11.4	20.1	2.2	50.1	32.4	2.2	27.7	7.0	7.6
1996 Q1	12.7	6.5	1.9	14.0	18.4	9.2	-1.6	19.2	23.6	21.8	33.2	10.9	-6.0
Q2	5.2	1.1	-5.5	1.2	46.7	-0.6	-7.5	28.6	-5.6	9.0	21.8	1.0	3.6
Q3	-2.4	-6.1	-8.1	-9.6	11.4	-4.7	-4.6	17.5	-17.8	1.5	-13.2	-0.4	3.8
Q4	-2.8	-0.1	-1.0	-5.1	14.1	-7.6	-5.3	2.8	-17.2	-5.2	-10.6	-1.1	8.5
1997 Q1	-4.1	3.3	2.7	-4.7	31.4	-7.8	-8.9	0.9	-11.8	-10.6	-21.7	4.9	6.6
Q2	4.4	8.3	9.2	2.8	30.4	7.7	11.1	-10.7	16.9	3.2	-20.4	11.3	9.0
Q3	9.3	9.0	4.5	11.9	46.0	19.0	20.0	1.8	31.1	10.7	-8.0	12.6	4.5
Q4	11.2	5.4	3.3	-4.2	50.1	19.0	16.8	2.7	35.0	14.8	-10.0	18.4	8.2
1998 Q1	10.7	-1.3	-6.1	4.5	22.3	7.2	11.8	-26.8	25.0	18.0	3.8	12.6	21.2
Q2	-0.2	-14.7	-17.0	-8.2	-17.9	-10.9	-3.1	-25.1	-15.4	6.2	-13.0	10.8	15.3
Q3	1.4	-7.8	-3.2	-17.5	-14.4	-13.7	-14.1	-25.5	-5.5	-0.8	-12.5	19.9	21.4
Q4	-6.7	-13.9	-12.1	-14.4	-21.8	-20.8	-27.4	-12.0	-16.0	-7.3	-12.4	3.1	8.6
1999 Q1	-3.2	-8.6	-7.1	-5.8	-14.4	-7.7	-21.4	43.2	-10.0	-6.8	-0.9	6.4	0.1
Q2	10.3	9.9	12.5	11.2	15.3	12.2	-14.9	49.8	44.5	2.3	38.9	10.2	13.0
Q3	9.0	10.4	6.0	30.9	14.7	25.7	12.0	44.8	37.5	3.2	27.2	6.2	1.9
Q4	21.5	35.8	38.4	43.1	31.9	52.9	41.8	60.3	62.8	9.8	48.5	5.6	15.4
% Share of All Countries													
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
1999	100.0	18.4	11.8	3.8	1.9	12.7	5.4	2.7	4.5	27.7	8.0	20.8	12.4

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	Wholesale & Retail Trade	Hotels & Rest- aurants	Transport & Comms.	Financial Services	Business Services	Overall Economy	Manu- facturing	All Sectors	Manu- facturing	Con- struction	Wholesale & Retail Trade	Hotels & Rest- aurants	Transport & Comms.	Financial Services	Business Services	
		Year-on-Year % Change										Thousand								
1992	7.5	3.2	2.8	14.5	-0.8	6.0	1.7	4.8	3.2	3.5	6.5	40.3	-7.9	11.3	8.1	1.0	6.2	1.8	6.5	
1993	6.3	9.2	11.6	-4.9	18.6	6.4	6.1	18.7	1.6	-0.9	-2.5	70.8	-3.1	26.4	12.3	2.6	4.8	4.8	7.3	
1994	8.8	6.6	11.3	5.0	10.0	0.8	8.1	3.2	4.3	2.4	-3.2	72.1	11.6	13.1	8.6	4.8	2.6	5.1	10.9	
1995	6.4	2.8	6.5	-3.5	6.2	3.5	6.1	-4.0	-0.9	2.8	-1.5	109.0	12.5	40.6	11.4	2.7	9.3	4.8	13.2	
1996	5.8	1.2	2.9	-2.9	3.2	2.9	3.8	1.2	0.2	2.5	2.2	102.6	-7.7	52.8	5.7	3.2	6.2	5.4	13.0	
1997	5.7	2.2	5.5	-4.0	3.9	1.9	4.9	9.0	-0.8	0.8	0.9	120.3	3.7	45.8	7.5	5.2	6.2	8.1	18.0	
1998	2.8	-2.3	1.4	-2.9	-3.3	-5.1	3.7	-10.4	-2.7	2.5	-1.4	-23.4	-27.6	-4.7	-11.9	-1.6	-0.5	-2.0	8.6	
1999	2.7	5.8	17.7	-5.4	8.8	3.5	6.3	-1.1	-5.9	-10.2	-18.0	39.9	4.4	-18.0	3.4	1.4	4.5	4.7	17.4	
1996 Q1	6.9	5.2	10.3	5.2	7.1	5.5	4.8	1.3	1.9	-0.7	-4.0	17.4	1.1	12.0	-0.4	-2.6	0.4	1.1	2.2	
Q2	5.9	1.9	5.6	-4.1	3.1	4.1	3.9	0.3	1.1	2.5	0.8	23.3	-4.7	12.5	1.1	0.1	1.9	1.5	6.5	
Q3	5.0	-2.3	-3.4	-5.3	-0.9	-1.1	2.4	-2.0	-1.3	6.1	9.2	22.1	-3.2	12.6	0.9	-0.4	1.8	0.9	1.7	
Q4	5.5	0.7	0.9	-5.9	3.5	3.3	4.1	5.7	-0.6	2.5	4.0	39.8	-1.0	15.8	4.1	6.1	2.2	1.9	2.6	
1997 Q1	5.1	-0.4	-3.2	-9.4	0.5	3.0	4.4	13.7	-0.6	3.5	9.4	16.2	-0.9	10.7	0.5	-2.1	0.5	1.2	1.6	
Q2	6.0	3.1	6.1	-6.3	5.9	3.1	5.3	13.8	-2.0	0.2	0.3	37.2	-1.2	12.5	2.8	2.3	2.1	3.0	8.2	
Q3	5.2	4.7	10.5	-0.6	8.3	3.3	6.2	9.4	0.3	-1.9	-4.3	31.1	2.4	16.2	-0.1	-1.3	2.2	1.4	3.3	
Q4	6.2	1.2	7.9	-0.5	1.4	-1.7	4.0	-0.3	-1.0	1.3	-2.5	35.8	3.4	6.4	4.3	6.4	1.4	2.4	4.8	
1998 Q1	4.8	-1.1	5.4	3.3	0.0	-7.4	3.7	-14.9	-3.1	3.6	-3.7	9.1	-1.0	7.1	-1.7	-3.7	-0.6	-1.0	3.3	
Q2	4.3	-3.6	0.0	-1.1	-4.7	-4.6	3.5	-17.2	-0.9	5.5	1.6	-5.9	-8.0	0.9	-5.0	-0.4	0.3	0.4	0.7	
Q3	2.9	-3.7	-1.5	-4.9	-4.6	-7.0	2.9	-11.6	-3.1	3.7	0.9	-20.3	-10.6	-4.1	-3.8	-0.5	-0.4	-3.8	5.3	
Q4	-0.3	-0.7	2.9	-7.8	-3.9	-1.6	4.9	3.8	-3.8	-2.2	-3.5	-6.3	-7.9	-8.6	-1.3	3.0	0.2	2.3	-0.8	
1999 Q1	-0.3	2.6	14.4	-4.3	1.4	0.0	6.1	-5.2	-3.7	-8.3	-15.3	-9.6	-3.3	-10.5	-0.2	-2.9	-0.2	-0.6	2.7	
Q2	1.0	7.9	20.8	-5.1	8.9	4.2	6.4	11.9	-6.9	-14.5	-23.5	15.5	4.1	-3.3	0.0	0.7	1.0	1.1	7.0	
Q3	3.5	7.0	19.3	-6.5	11.0	5.0	6.4	0.3	-5.9	-12.4	-20.7	7.7	2.4	-5.1	-0.8	-0.1	1.8	2.0	2.8	
Q4	5.9	5.5	15.6	-5.9	13.7	4.6	6.2	-10.7	-6.9	-6.4	-13.4	26.3	1.2	0.9	4.4	3.8	2.0	2.1	4.9	

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	2.44	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	3.38	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	6.63	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	1.75	5.13	1.43	2.51
1999	31.1	174.5	186.2	21.4	14.2	8.5	7.3	28.6	5.80	2.63	6.06	1.36	2.46
1996 Q1	25.9	104.7	138.7	17.0	8.8	10.6	9.4	7.9	6.26	2.31	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	3.31	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	3.38	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	3.50	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	3.63	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	4.00	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	6.63	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	4.75	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	6.13	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	4.31	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	1.75	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	2.13	5.00	1.36	2.46
Q2	29.6	167.9	179.6	16.7	18.9	30.4	8.5	-10.9	5.80	1.75	5.34	1.36	2.46
Q3	28.8	170.3	181.8	17.0	15.4	28.4	7.3	11.5	5.80	2.19	6.05	1.36	2.46
Q4	31.1	174.5	186.2	21.4	14.2	8.5	7.3	28.6	5.80	2.63	6.06	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	8.0
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	1824	1878	1746	5725	23288	14159	9129	5642	4.3
FY1997	29181	23011	10195	2335	1689	1927	6170	23042	14080	8962	6139	4.3
FY1998	27911	21551	11331	1529	953	1657	6360	26933	14652	12282	978	0.7
FY1999 (Revised)	28957	21467	11076	1150	1360	1800	7491	25778	15124	10654	3179	2.1
FY 2000 (Estimated)	31449	23248	11261	1783	1600	1900	8201	28995	16094	12901	2454	1.5
1996 Q1	6845	5169	1473	533	342	391	1676	6086	3721	2365	759	2.4
Q2	6745	4969	2418	289	451	483	1776	3489	2238	1251	3256	10.4
Q3	7427	6307	2982	500	593	475	1120	4449	3036	1413	2978	9.3
Q4	7021	5474	2666	308	448	439	1547	5151	3259	1892	1870	5.5
1997 Q1	7737	6455	2885	727	386	349	1282	10199	5626	4573	-2462	-7.6
Q2	6444	5692	2678	395	524	738	752	4386	2330	2056	2058	5.9
Q3	8044	6684	3140	762	453	509	1360	5167	3158	2009	2877	7.9
Q4	8388	5610	2761	519	332	393	2778	6113	4045	2068	2275	6.2
1998 Q1	6305	5025	1616	659	380	287	1280	7376	4547	2829	-1071	-3.1
Q2	7141	5363	2861	389	255	523	1778	4841	2834	2007	2300	6.7
Q3	7140	5957	3200	488	224	527	1183	5268	2893	2375	1872	5.3
Q4	7626	5809	3289	313	222	352	1817	7308	3962	3346	318	0.9
1999 Q1	6004	4422	1981	339	252	256	1582	9516	4962	4554	-3512	-10.4
Q2	6522	4909	2537	241	262	622	1613	4390	2454	1936	2132	5.9
Q3	9072	7182	4377	389	387	539	1890	4942	2874	2068	4130	11.1
Q4	7021	5065	2729	212	379	360	1956	6098	3617	2481	923	2.5

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	17412	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	19597	14.8	177680	174543	3136	14013	-1538	2438	-855	0	13968	3961	-1513
1997	25112	16.8	186708	185048	1660	16496	-1721	1525	-823	-24	17539	8718	-1762
1998	35188	23.7	185085	160297	24788	2402	-2304	616	-328	-27	4445	9979	-1982
1999	36398	23.5	196004	176846	19158	8160	-2899	928	-537	-50	10718	10678	-1599
1996 Q1	3975	n.a.	43717	43461	255	2990	-416	895	-228	-2	2741	1086	-357
Q2	4239	n.a.	43803	43307	496	3139	-373	497	-213	5	3224	973	-369
Q3	7304	n.a.	44363	42302	2061	4157	-358	719	-202	1	3997	1471	-385
Q4	4079	n.a.	45796	45473	324	3727	-392	328	-212	-4	4006	430	-402
1997 Q1	5131	n.a.	42369	42621	-252	3794	-390	742	-183	-14	3639	2003	-415
Q2	7804	n.a.	46253	45117	1136	4592	-429	490	-202	3	4730	2508	-431
Q3	6488	n.a.	48096	48459	-362	4995	-430	457	-220	-5	5194	2307	-452
Q4	5690	n.a.	49989	48851	1138	3115	-472	-164	-218	-8	3977	1900	-464
1998 Q1	6125	n.a.	46651	42109	4542	-265	-528	277	-166	-12	164	2333	-485
Q2	8875	n.a.	45590	39117	6473	55	-554	6	-50	-5	658	2839	-492
Q3	10177	n.a.	47545	40374	7171	1073	-744	349	-81	-8	1558	2440	-508
Q4	10011	n.a.	45299	38697	6602	1539	-478	-16	-30	-2	2065	2368	-497
1999 Q1	7738	n.a.	42315	37766	4549	917	-549	447	-81	-18	1119	2763	-490
Q2	9566	n.a.	48204	43255	4949	2369	-1014	158	-162	-6	3392	2728	-480
Q3	8417	n.a.	50283	46684	3599	2827	-658	416	-128	-12	3210	2485	-494
Q4	10678	n.a.	55203	49140	6062	2048	-678	-92	-166	-13	2998	2702	-134

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	-128	-13504	6069	-11801	-7772	1707	-9479	3522	7302	85166
1995	-6811	-101	-6710	1311	-10430	2410	7904	-5494	-1477	12174	97337
1996	-7525	-196	-7329	2890	-15531	5312	6344	-1032	-1666	10407	107751
1997	-19907	-257	-19650	-1149	-19167	666	9362	-8696	6650	11856	119617
1998	-36049	-378	-35671	11745	-13128	-34287	-17689	-16598	5841	4981	124584
1999	-29761	-324	-29437	5155	-12009	-22583	-12607	-9976	684	7321	128457
1996 Q1	-8335	-36	-8299	108	-4681	-3726	1390	-5116	6147	1788	99134
Q2	4535	-48	4584	1124	-3380	6840	1716	5123	-5951	2823	101955
Q3	-2613	-65	-2548	350	-3830	932	1900	-968	-1971	2720	104675
Q4	-1112	-46	-1066	1308	-3641	1266	1337	-71	109	3076	107751
1997 Q1	-8042	-54	-7988	424	-3863	-4549	1246	-5796	8996	6086	113848
Q2	-2178	-71	-2107	-1232	-4523	3648	2282	1366	-3946	1679	115528
Q3	-99	-59	-40	-1085	-4412	5457	4363	1093	-3486	2903	118436
Q4	-9588	-73	-9515	744	-6369	-3889	1470	-5360	5086	1188	119617
1998 Q1	-12364	-84	-12281	2859	-1992	-13147	-7877	-5270	6579	340	119956
Q2	-10992	-108	-10884	2517	-3520	-9881	-979	-8902	3327	1210	121196
Q3	-7023	-101	-6922	2729	-3918	-5733	-7985	2252	-2289	866	122062
Q4	-5670	-86	-5584	3640	-3698	-5527	-849	-4678	-1776	2566	124584
1999 Q1	-18802	-83	-18719	4133	-2224	-20628	-5965	-14663	10649	-415	124327
Q2	-7578	-93	-7485	15	-4093	-3407	-358	-3050	2811	4799	125856
Q3	-4515	-82	-4433	108	-2294	-2247	-9026	6779	-3908	-6	129593
Q4	1134	-66	1200	900	-3398	3699	2742	957	-8869	2943	128457

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		1.0175	112.39	29.84	1.3198	0.6306	0.2125	6.4758	0.2086	1.1312
1993	1.6080	2.3802		0.9272	108.61	27.28	1.4364	0.5953	0.2082	6.0338	0.1989	1.0885
1994	1.4607	2.2782		0.9405	111.18	27.26	1.4628	0.5707	0.1888	5.5370	0.1850	1.1341
1995	1.4143	2.1884		0.9839	122.61	28.79	1.3744	0.5567	0.1929	5.1821	0.1827	1.0540
1996	1.3998	2.3670		0.9001	103.80	26.72	1.2046	0.5538	0.1809	5.0919	0.1657	1.1150
1997	1.6755	2.7771		0.9363	115.23	27.98	1.2893	0.4313	0.2162	5.1433	0.0993	1.0935
1998	1.6605	2.7666		0.9891	120.15	29.48	1.4484	0.4370	0.2143	5.1552	0.1394	1.0190
1999	1.6660	2.6914	1.6810	0.8593	104.50	25.63	1.6272	0.4384	0.2143	5.3142	0.1471	1.0896
1996 Q1	1.4080	2.1493		0.9549	118.43	28.00	1.3206	0.5550	0.1821	5.1674	0.1799	1.0983
Q2	1.4099	2.1834		0.9274	112.79	27.43	1.2864	0.5652	0.1822	5.1200	0.1740	1.1132
Q3	1.4080	2.2014		0.9242	112.32	27.32	1.2680	0.5615	0.1821	5.1229	0.1705	1.1142
Q4	1.3998	2.3670		0.9001	103.80	26.72	1.2046	0.5538	0.1809	5.0919	0.1657	1.1150
1997 Q1	1.4451	2.3609		0.8603	99.49	25.54	1.1654	0.5829	0.1865	5.2468	0.1635	1.1330
Q2	1.4300	2.3793		0.8229	98.41	24.40	1.2513	0.5665	0.1845	5.1417	0.1610	1.0660
Q3	1.5295	2.4626		0.8641	105.05	25.74	1.2641	0.4783	0.1976	5.3476	0.1672	1.1030
Q4	1.6755	2.7771		0.9363	115.23	27.98	1.2893	0.4313	0.2162	5.1433	0.0993	1.0935
1998 Q1	1.6060	2.6926		0.8695	105.54	25.95	1.2200	0.4412	0.2073	4.8951	0.1155	1.0673
Q2	1.7068	2.8461		0.9443	112.16	28.18	1.2141	0.4098	0.2203	4.9509	0.1237	1.0462
Q3	1.6850	2.8783		1.0080	121.59	30.06	1.2456	0.4434	0.2175	4.8954	0.1216	1.0070
Q4	1.6605	2.7666		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
Q2	1.7013	2.6787	1.7562	0.8985	109.76	26.80	1.4105	0.4477	0.2193	5.2736	0.1468	1.1255
Q3	1.7026	2.8002	1.8129	0.9267	113.28	27.63	1.5941	0.4480	0.2192	5.3556	0.1399	1.1124
Q4	1.6660	2.6914	1.6810	0.8593	104.50	25.63	1.6272	0.4384	0.2143	5.3142	0.1471	1.0896

Source: Monetary Authority of Singapore