

# RECENT DEVELOPMENTS IN THE SINGAPORE ECONOMY



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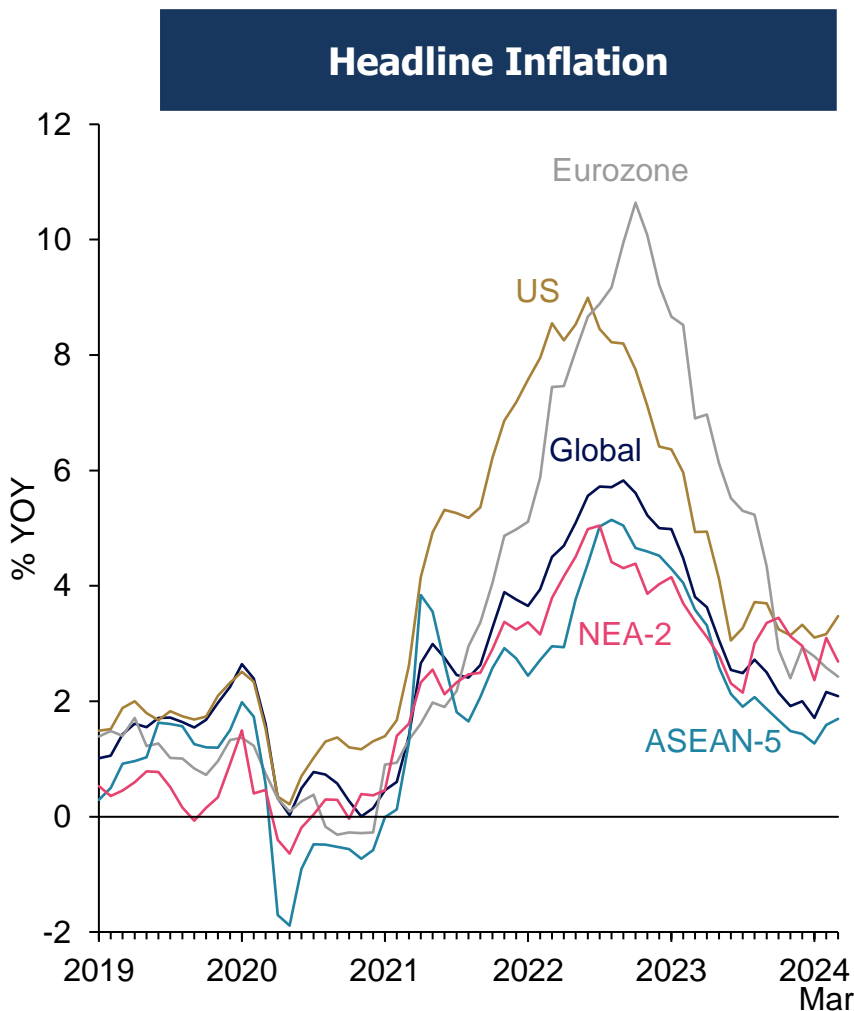
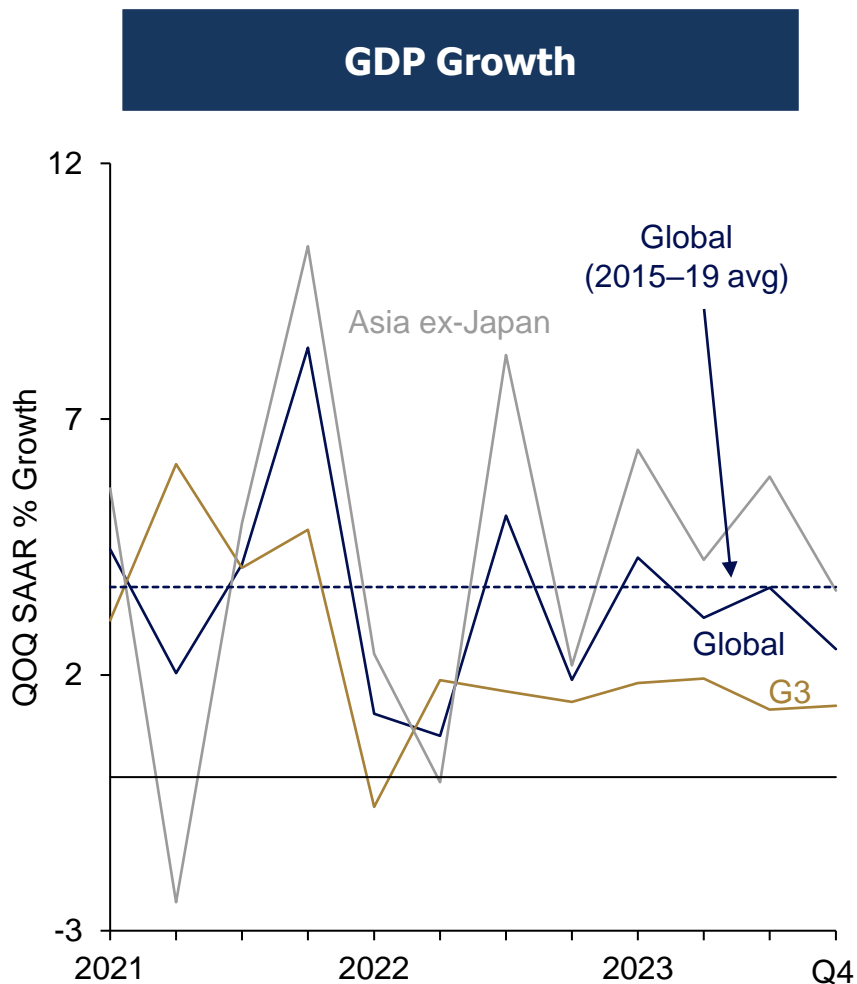
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# International Economy

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# Global economic growth has displayed resilience, while the pace of disinflation slowed



# Global growth for 2024 set to moderate slightly but should become more even

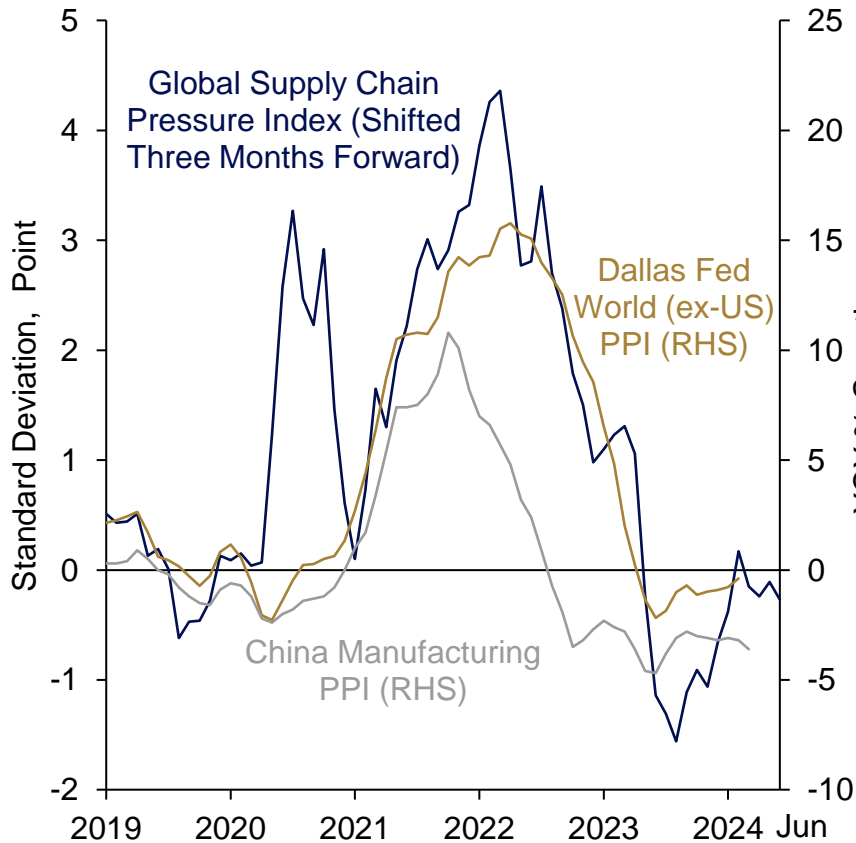
|               | QOQ SA (%) |             |             | Annual (%) |            |            |
|---------------|------------|-------------|-------------|------------|------------|------------|
|               | 2023<br>Q4 | 2024<br>Q1* | 2024<br>Q2* | 2023       | 2024*      | 2025*      |
| G3            | 0.3        | 0.3         | 0.3         | 1.7        | 1.3        | 1.6        |
| Asia ex-Japan | 0.9        | 1.1         | 1.2         | 4.7        | 4.6        | 4.6        |
| ASEAN-5       | 0.4        | 1.4         | 1.0         | 4.3        | 4.6        | 5.3        |
| <b>Global</b> | <b>0.6</b> | <b>0.7</b>  | <b>0.8</b>  | <b>3.3</b> | <b>3.0</b> | <b>3.3</b> |

\*EPG, MAS forecasts

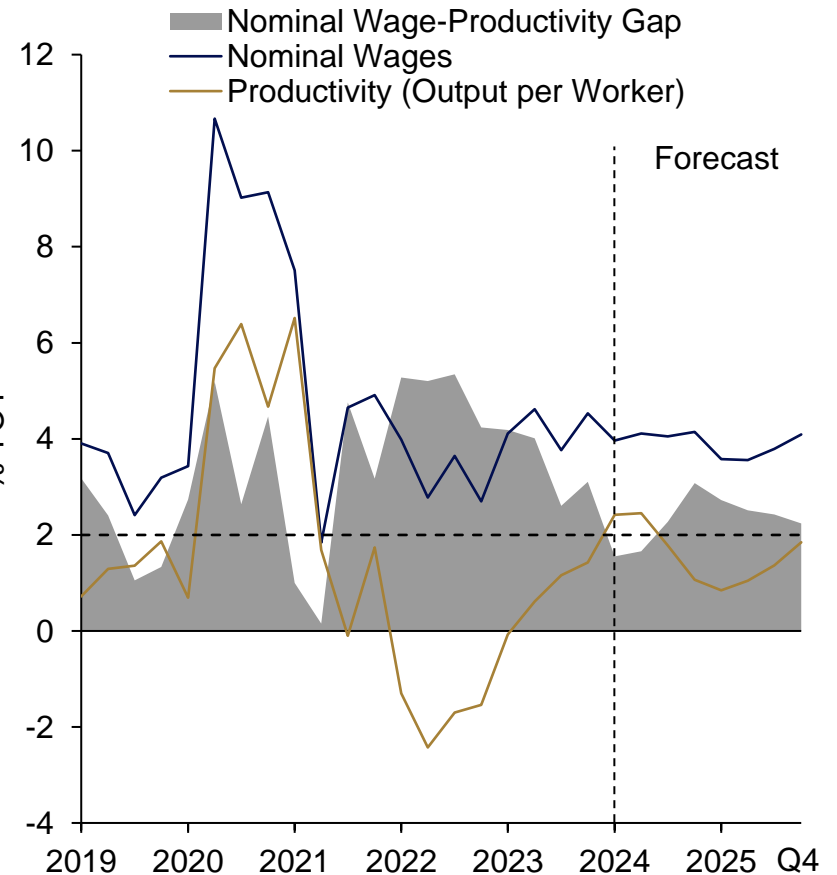
Notes: The G3 refers to the Eurozone, Japan, and the US, while the ASEAN-5 comprises Indonesia, Malaysia, the Philippines, Thailand, and Vietnam. Asia ex-Japan comprises China, Hong Kong SAR, India, South Korea, Taiwan, and the ASEAN-5. All aggregates are weighted based on Singapore's value added by destination of final demand (using TiVA data).

# The last leg of the disinflation journey is likely to be uneven

## Global Supply Chain Pressures and PPI



## US Wages and Productivity





# Singapore Economy

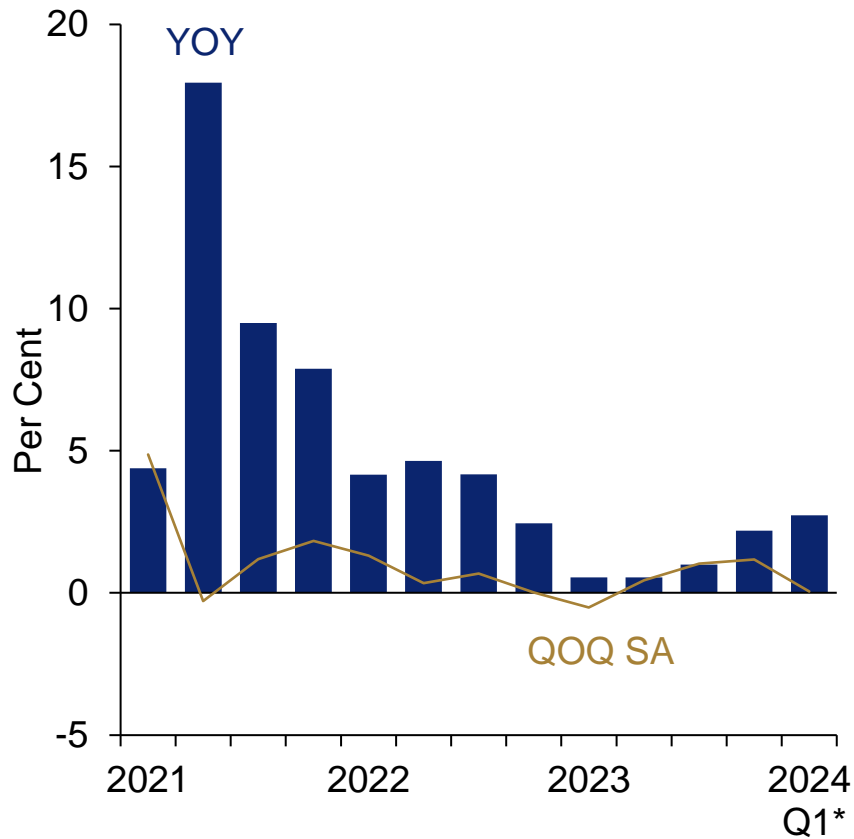
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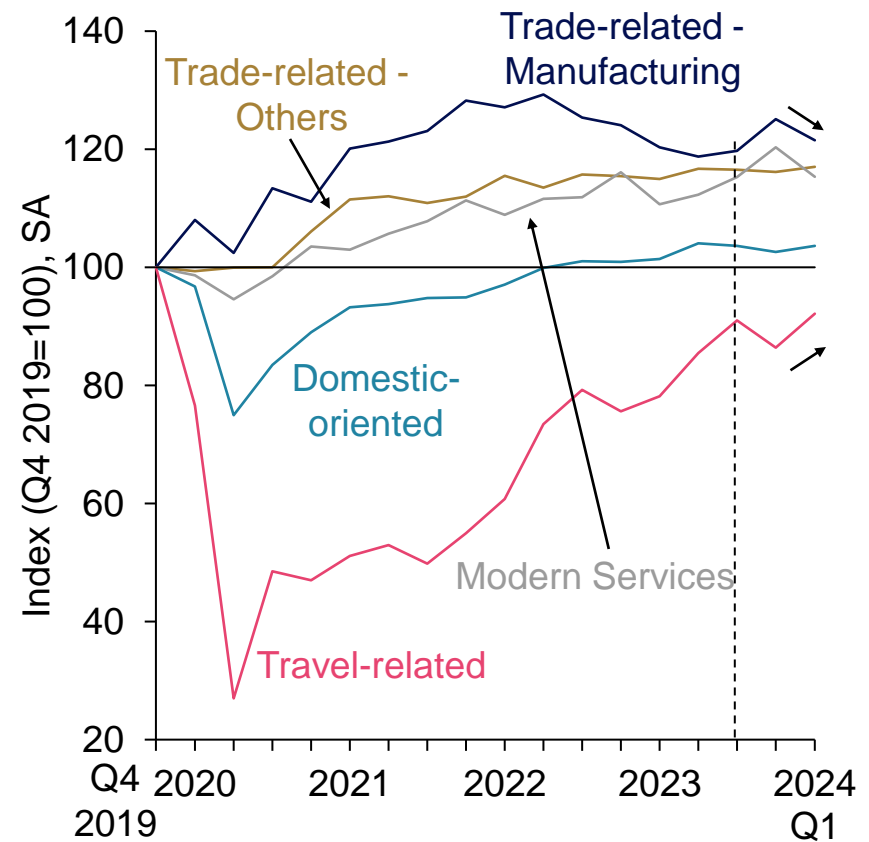
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# Singapore's economic growth eased in Q1 2024 after gathering pace in the latter half of 2023

## Singapore's GDP Growth



## GDP of broad clusters

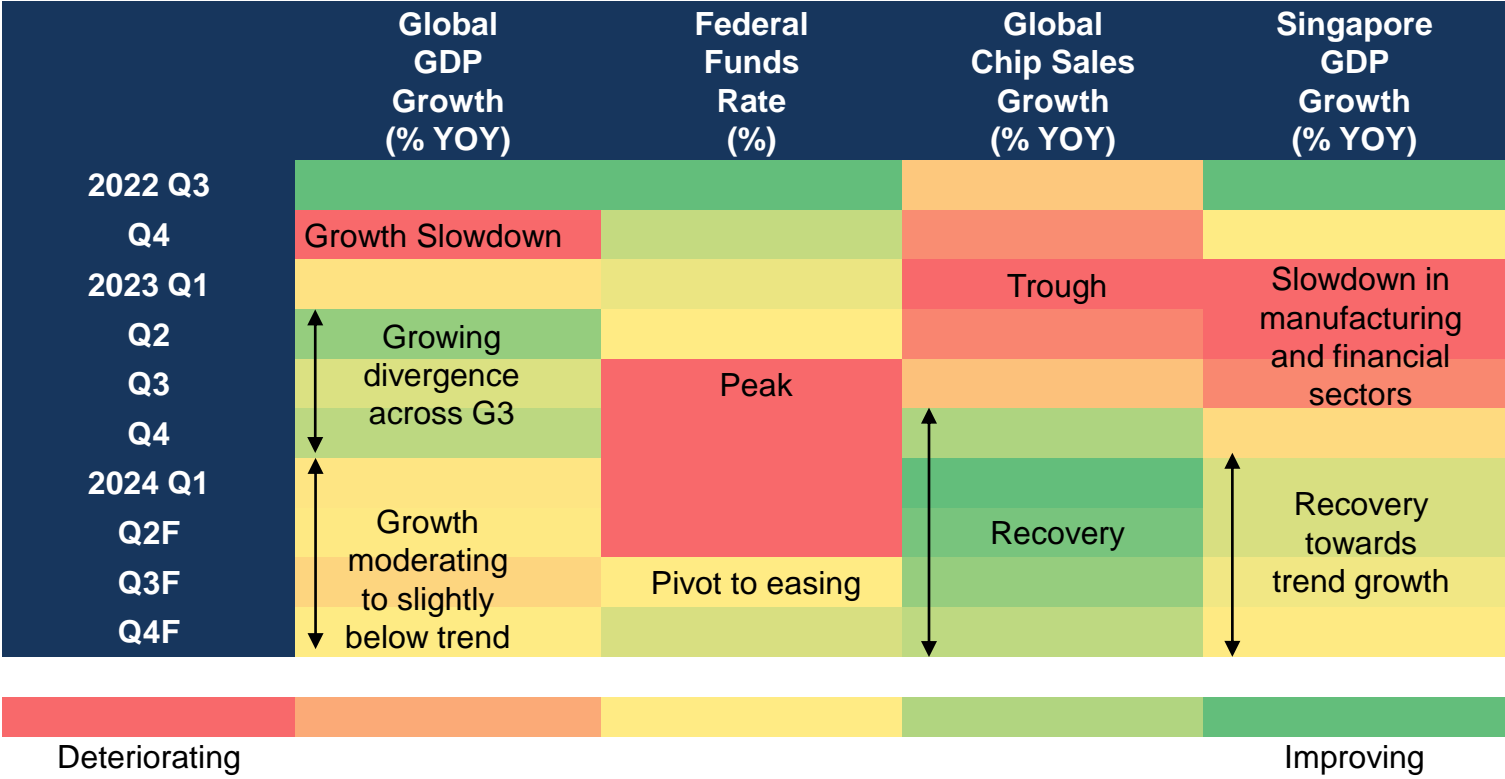


\* Advance Estimates



# Growth in 2024 should be supported by improvements in the global macroeconomic, tech and interest rate cycles

## Macro cycle heatmap and Singapore's GDP growth



Note: Each coloured cell in the heatmap corresponds to the indicated macroeconomic outcome in the quarter. The colour scale depicts the relative ranking of outcomes over the period Q3 2022 to Q4 2024. For Q1 2024, Singapore's GDP growth is based on *Advance Estimates*, while that of global GDP growth and global chip sales are forecasts by EPG, MAS.

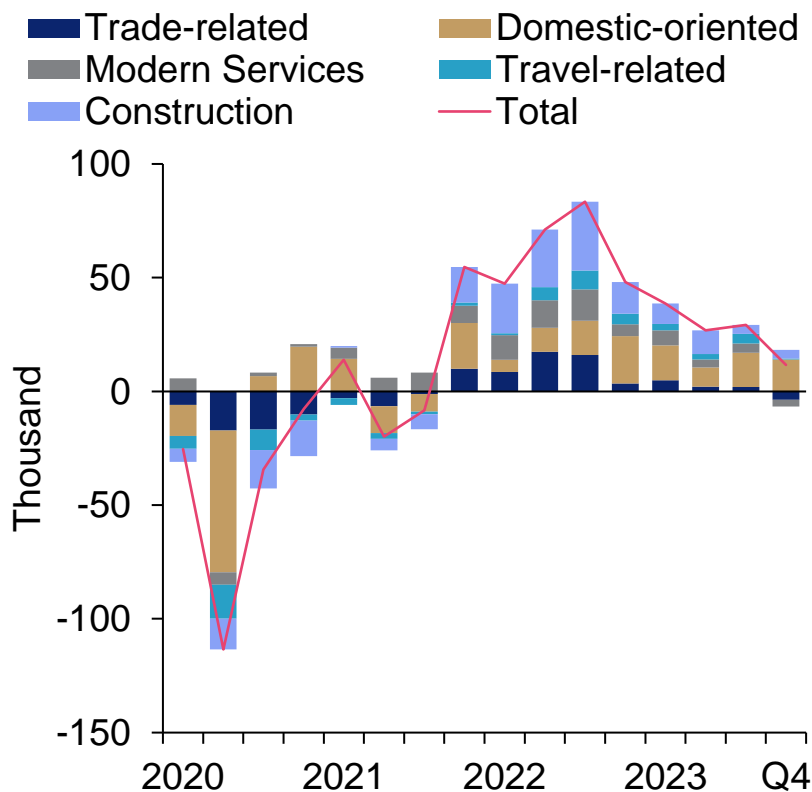


# Labour Market and Inflation

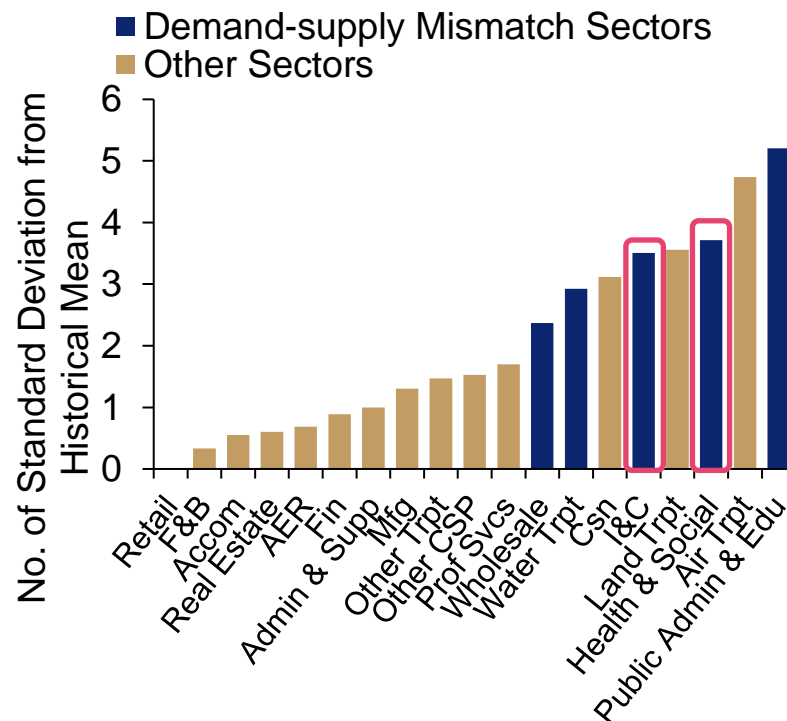
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# Labour market tightness continued to ease in Q4 last year as labour demand slowed

## Employment change (q-o-q) by Broad sector



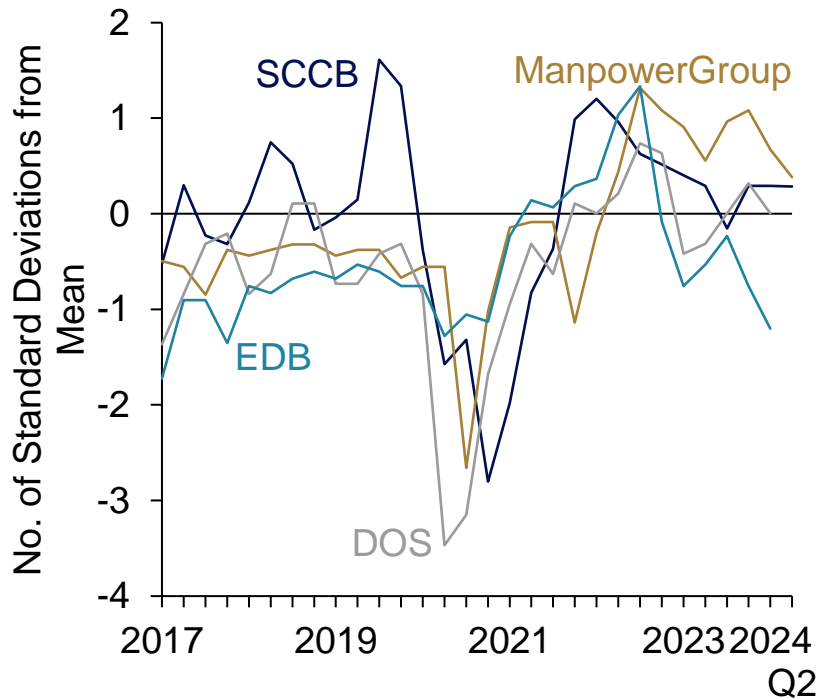
## H2 2023 Job Vacancy Rate Relative to Historical (2015–19) Mean



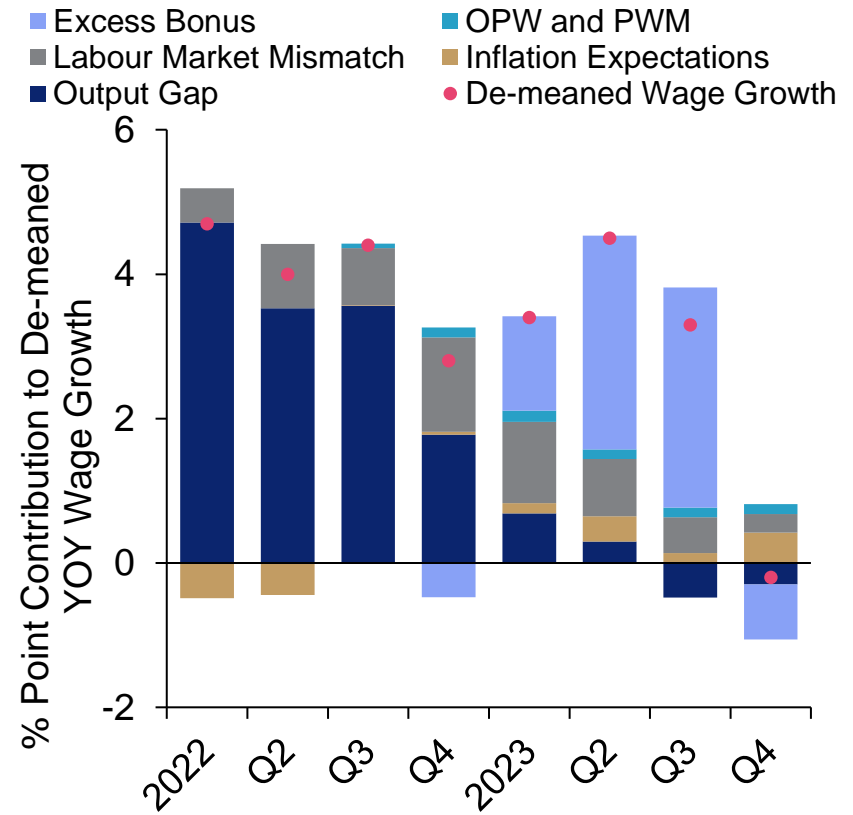
Note: High demand-supply mismatch sectors are marked by blue bars, and are defined as those where job vacancy rates in H2 2023 were more than two standard deviations above 2015–19 mean, while VA growth was below their pre-COVID mean.

# Wage growth should slow this year as labour market tightness further dissipates

## Net Employment Outlook

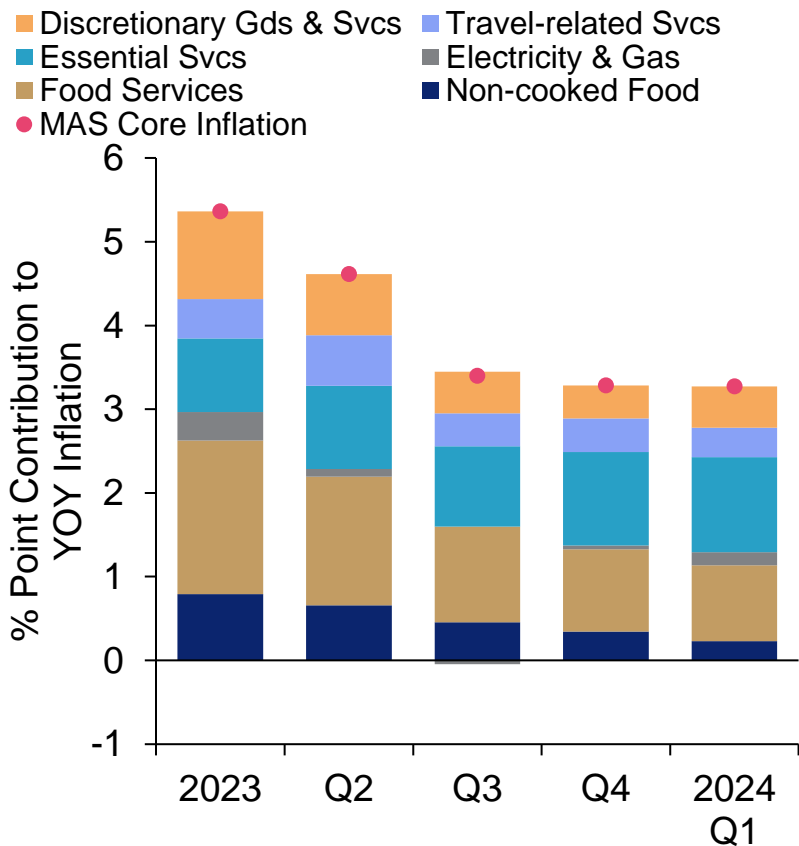


## Decomposition of Wage Growth (Q1 2022—Q4 2023)

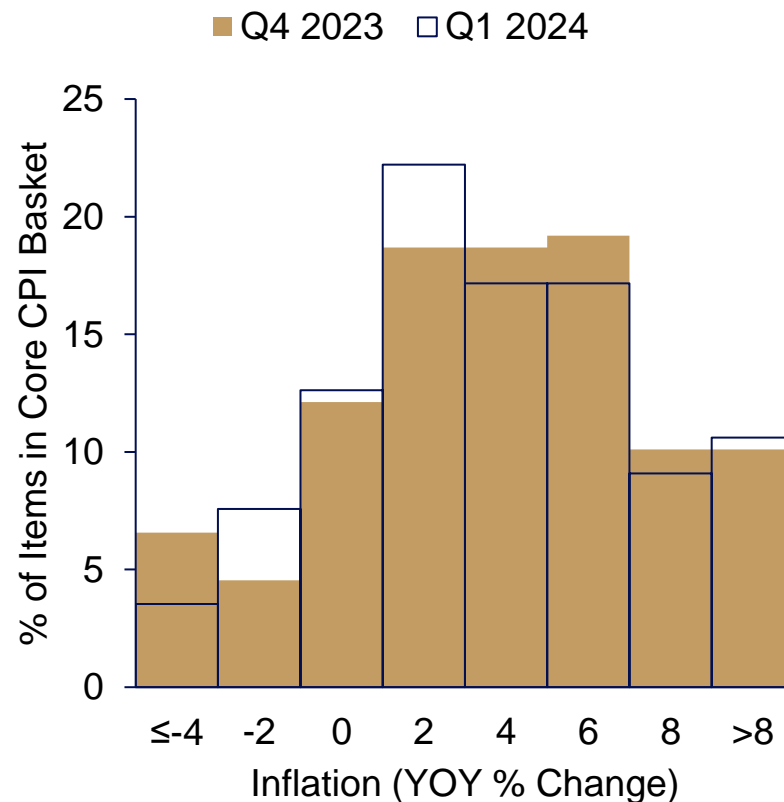


# MAS Core Inflation was unchanged in Q1 compared with Q4 last year, slightly lower than anticipated

## Contribution to MAS Core Inflation

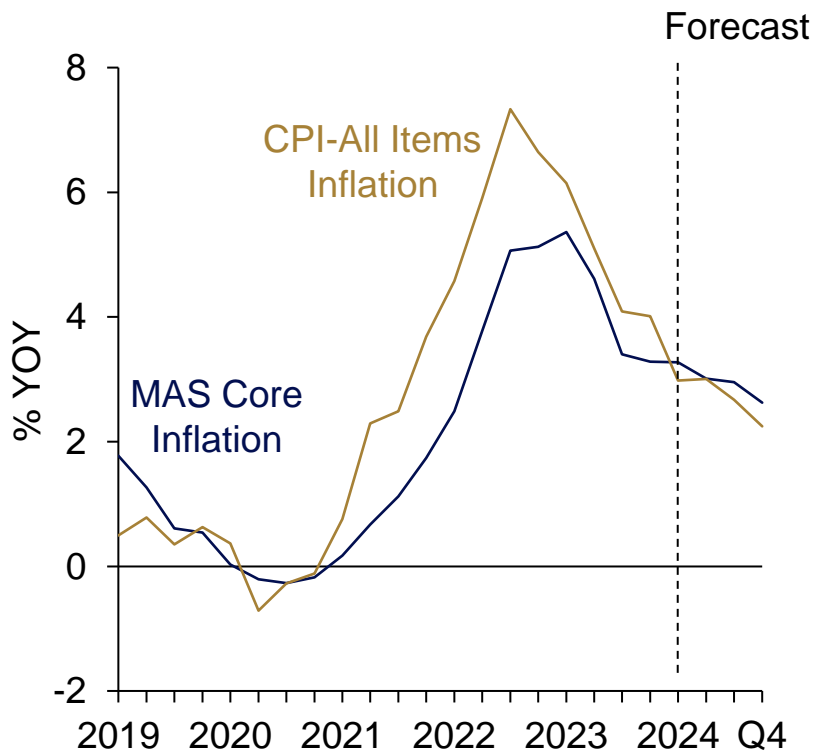


## Distribution of Y-O-Y Price Changes

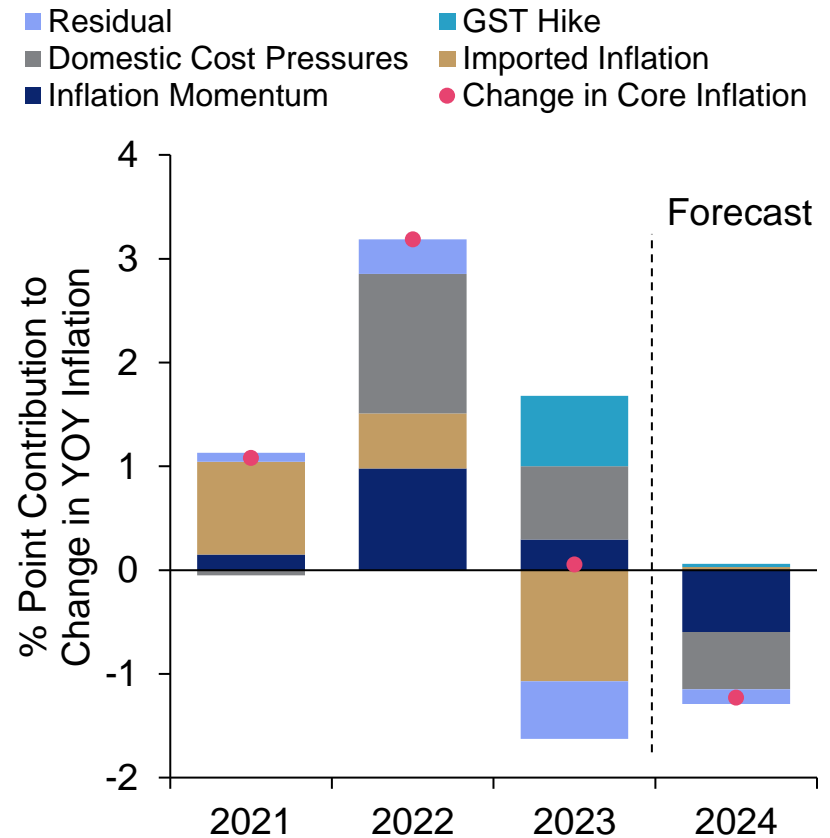


# Although risks to the outlook remain, inflation is expected to remain on a broad moderating trend

## Core and Headline Inflation Forecasts



## Contribution to Change in MAS Core Inflation Based on Cost Mark-up Model

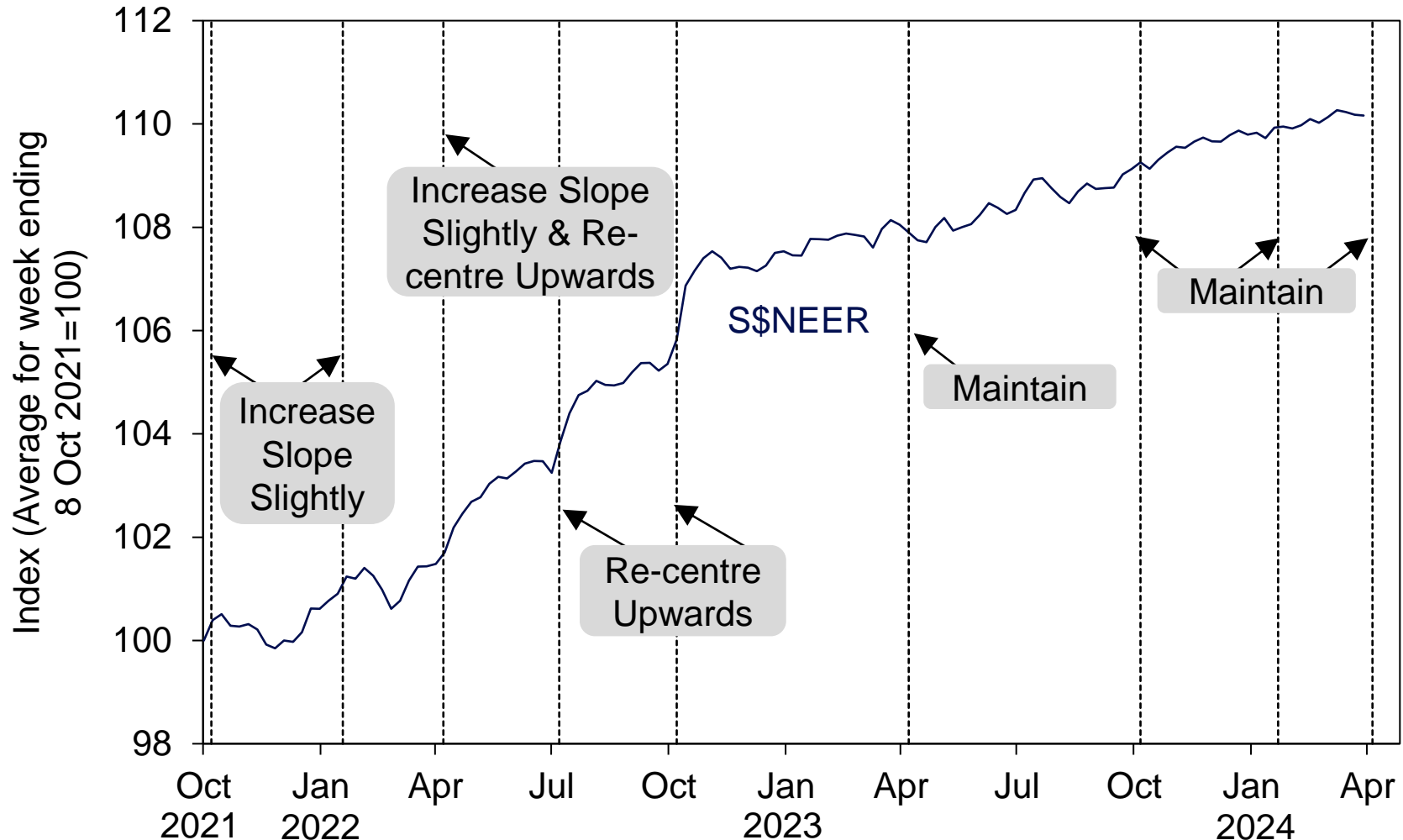




# Macroeconomic Policy

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# In January and April 2024, MAS kept the S\$NEER on its current appreciating path





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