MAS Monetary Authority of Singapore

Recent Economic Developments in Singapore

3 Dec 2010

	2009		2010		
	Q4	Full Year	Q1	Q2	Q3
Real Sector					
Real GDP Growth, y-o-y %	3.8	-1.3	16.9	19.5	10.6
Real GDP Growth, q-o-q saar %	-1.0	-	45.6	27.3	-18.7
Index of Industrial Production, y-o-y %	2.4	-4.2	37.2	45.4	14.0
Non-oil Domestic Exports, y-o-y %	8.2	-10.6	23.1	27.6	23.8
Labour Market and Prices					
Unemployment Rate, sa, % (Average)	2.3	3.0	2.2	2.2	2.1
CPI Inflation, y-o-y %	-0.8	0.6	0.9	3.1	3.4
Wage Growth, y-o-y %	-1.6	-2.6	3.7	5.8	5.4

Highlights:

The Singapore economy slows down after record growth in H1 2010

Domestic economic activity contracted by 18.7% q-o-q saar (seasonally adjusted annualised rate) in Q3 2010, following a record surge in the previous quarter. The manufacturing and construction sectors posted contractions, while the services sector saw a moderation in growth.

Global growth has eased and is expected to remain slow in H2 2010 and early 2011

The recovery of the global economy remains uneven. Growth in the advanced economies has generally eased in the first nine months of this year and is expected to hover at a modest pace into early 2011. Similarly, growth in emerging economies, including Asia, has also moderated as the effects of stimulus measures faded and exports slowed. Nonetheless, growth is expected to remain significantly stronger in Asia compared to the G3.

Singapore's GDP growth will moderate in 2011

GDP is on track to grow by around 15% in 2010, and is forecast to expand by 4 to 6% in 2011. While manufacturing and services contributed fairly evenly to GDP growth in 2010, services will play a bigger role next year, supported by strong regional growth.

Headline CPI inflation is expected to average between 2% and 3% in 2011

Domestic non-tradables including several consumer services will remain key drivers of inflation in Singapore going into 2011. However, weak global economic conditions are likely to cap external sources of inflation.

Note: Labour market statistics are obtained from the Ministry of Manpower, while trade and index of industrial production (IIP) data are provided by IE Singapore and the EDB respectively. All other data in this document are obtained from the Building and Construction Authority, Department of Statistics, Ministry of Trade and Industry, unless otherwise stated.

A. Macroeconomic Overview

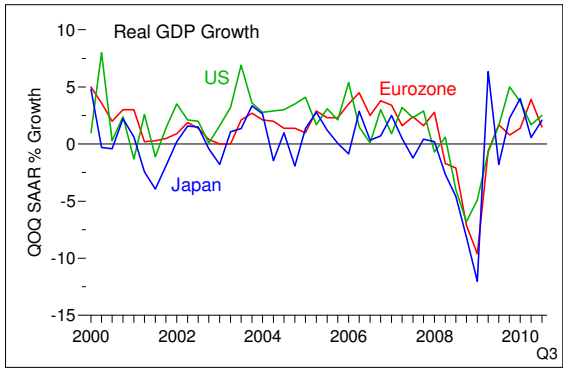
G3 economies: A modest start to H2 2010

After a relatively weak second quarter, economic growth in the G3 economies generally picked up in Q3 2010. Real GDP expanded modestly in the US and more strongly in Japan. The core Eurozone economies continued to see an expansion in exports, although overall growth in the region moderated significantly.

The US economy grew by 2.5% q-o-q saar in Q3, slightly higher than the 1.7% in Q2. Private consumption rose by a healthy 2.8% q-o-q saar, as the personal savings rate receded from a post-crisis high of 8.2% in May 2009 to 5.6% in September. Non-residential investment expanded by 10.3% q-o-q saar, while inventory restocking contributed 1.3% points to GDP growth. However, net exports subtracted 1.8% points from overall growth.

In Japan, GDP growth accelerated to 3.9% q-o-q saar in Q3 from 1.8% in Q2. This was mostly due to higher personal consumption and non-residential investment, which rose by 4.7% and 3.2%, respectively. Real private consumption was shored up by an increase in durable goods spending, as consumers rushed to purchase energy-efficient vehicles ahead of the expiration in September of government subsidies on such purchases.

Growth is picking up in the US and Japan, but moderating in the Eurozone.



Source: Datastream

The Eurozone economies expanded at a rate of 1.5% q-o-q saar in Q3, markedly slower than the 3.9% in Q2. The core economies of Germany and France continued to grow on the back of strong manufacturing exports and accounted for the bulk (about 1.1% point) of the growth in the Eurozone. Nevertheless, domestic demand in the region has continued to hold up fairly well in Q3, with retail sales remaining firm in September.

Meanwhile, headline CPI inflation for the G3 economies inched higher to 1.1% y-o-y in September from 1.0% in August as a result of higher energy prices. However, core inflation, which excludes food and energy, eased further in the US and Japan, generally reflecting the negative output gaps in these economies.

Regional economies: A mild deceleration in growth

Growth in Asia ex-Japan[1] has significantly outperformed that in the G3 this year, as the region exited the recession earlier and rebounded more rapidly. Economic growth was robust in H1 2010 as the region benefited from the upswing in the global economy, inventory restocking, and fiscal stimulus measures.

Nonetheless, the growth momentum appeared to have peaked in Q1 – regional growth almost halved from 10.0% q-o-q saar in Q1 to 5.3% in Q2, and moderated further to 3.5% in Q3. The strong cyclical expansion was unsustainable in the more trade-dependent economies, as much of the boost came from inventory replenishment and other one-off factors such as fiscal stimulus measures.[2] In Q3, growth was dragged down further by slowing external demand, with output in Malaysia and Thailand registering sequential contractions. In comparison, growth has been more stable in the larger, domestic-oriented economies such as China and India due to continued strength in domestic consumption and investment spending. Average GDP growth in these countries held up at 8.0% y-o-y in Q3, against a peak of 9.1% in Q1.

In China, the latest figures revealed that GDP growth slowed to 9.6% y-o-y in Q3 2010, following a robust 10.3% expansion in the preceding quarter. Growth was weighed down by weakness in the output of the heavy industries sector due to a slowdown in public infrastructure investment. Following efforts by the authorities to rein in bank lending and dampen property speculation, growth in fixed asset investment eased slightly to 23.1% y-o-y in Q3 from 25.2% in Q2. However, private consumption spending appeared to have grown strongly, with retail sales expanding by 18.4% y-o-y during the quarter. On the external front, export growth decelerated to 32.2% y-o-y in Q3, from over 40% in Q2.

In contrast to the G3, headline CPI inflation in Asia ex-Japan and India[3] has been on the rise, from below zero in Q3 2009 to 3.4% in Q3 2010. In China, headline CPI inflation rose by a faster-than-expected 4.4% in October, from 3.6% in September. Higher energy and food prices, as well as a strengthening of domestic economic activity since mid-2009, contributed to these increases.

---

1 Asia here comprises China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan and Thailand.

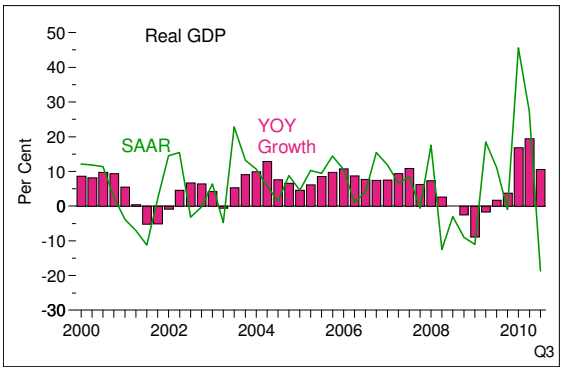
2 The trade-dependent economies are Hong Kong, Korea, Malaysia, Taiwan and Thailand while the domestic-oriented economies comprise China, India, Indonesia and the Philippines.

3 India is excluded because it has experienced markedly different inflation trends from the rest of the region. Inflation in India has remained high since early this year as a result of higher food prices and rising demand-push pressures, but has moderated in recent months due to favourable base effects and improved weather conditions, which lowered food price inflation.

Singapore economy: Activity contracted on pharmaceutical drag

The Singapore economy contracted by 18.7% q-o-q saar in Q3, after expanding by 27.3% the previous quarter. The contraction was largely due to a 53.6% fall in the manufacturing sector's value added, which was in turn weighed down by a plunge in pharmaceuticals output. The construction sector also declined by 10.4%, as activity came off its Q2 peak. Meanwhile, growth in the services sector slowed significantly to 1.4%, after two quarters of double-digit sequential gains. Excluding pharmaceuticals manufacturing, the economy was estimated to have contracted only marginally, following the 12.4% growth in the preceding quarter.

Singapore saw economic contraction of 18.7% q-o-q saar in Q3.



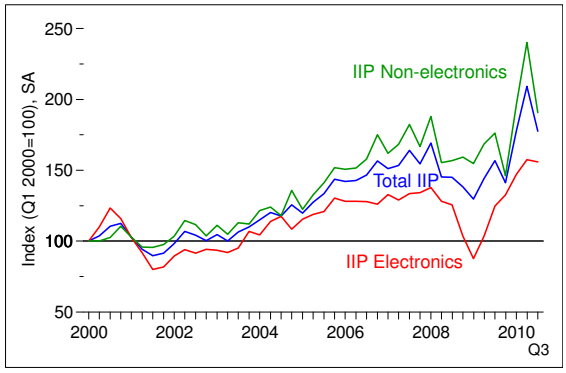
The third-quarter contraction was largely due to a 53.6% fall in the manufacturing sector's value added, which was in turn weighed down by a plunge in pharmaceuticals output.

i) Manufacturing Sector

Manufacturing activity fell by 53.6% q-o-q saar in Q3 2010, reversing the 66.4% surge in the preceding quarter.

The Index of Industrial Production contracted by 48.0% q-o-q saar in Q3, after recording a 91.6% expansion in Q2. The third quarter decline was led by a 90.2% drop in pharmaceuticals output, arising from a switch in the product mix for the quarter, as well as some plant maintenance shutdowns. Electronics production also slipped 3.8% in Q3, following the fading of the initial boost from inventory restocking and pent-up final demand after the downturn.

The manufacturing sector saw a pullback in Q3.

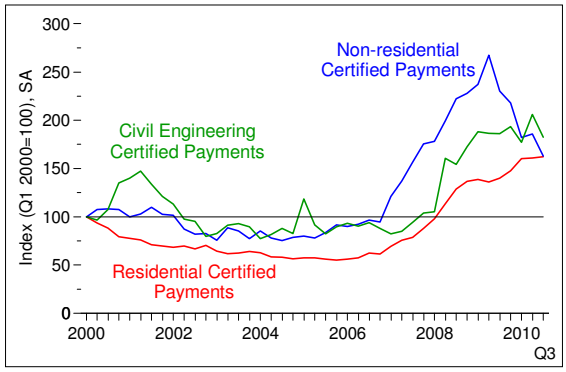


The latest data for October suggests continued weakness in the electronics segment, which contracted by 7.8% m-o-m sa (seasonally adjusted). However, this was more than offset by a 14.2% m-o-m sa rebound in pharmaceutical production.

ii) Construction Sector

Activity in the construction sector fell by 10.4% q-o-q saar in Q3 after expanding for nine consecutive quarters. The decline was broad-based with private residential construction the only segment in expansion. Private non-residential construction activity dropped sharply, as several large projects have reached completion. Meanwhile, activity in the public residential building segment remained weak. Civil engineering activity eased in Q3, although it remained supported by public infrastructure projects.

Construction activity peaked in Q2 and posted broad-based declines in Q3.



Source: EPG, MAS estimates

iii) Services Sector

The services sector grew by a slight 1.4% q-o-q saar, after two consecutive quarters of double-digit gains, reflecting contractions in some segments. An exception was the "other services" segment which, bolstered by new activities in the gaming industry, expanded by 15.1% in Q3, after surging by 40.3% in the previous quarter.

Activity in the financial sector also increased in the third quarter with growth coming in at 6.4% q-o-q saar in Q3, albeit lower than the 9.7% expansion in the Q2. The sentiment-sensitive industries witnessed a pullback. Domestic stock market turnover volumes continued to trend downwards in Q3 2010 with 1.7 billion units traded daily compared to its recent peak of 2.4 billion units in Q2 2009. Turnover volumes in the forex market also slipped by 4.5%. Meanwhile, activity in the financial intermediation cluster remained resilient. Within the domestic non-bank lending segment, business lending continued to see broad-based improvement while consumer lending was underpinned by growth in the housing segment despite the introduction of property cooling measures in August, supported by the drawing down of existing loans.

B. Labour Market

Net job creation in Q3 2010 was slightly lower compared to Q2 2010

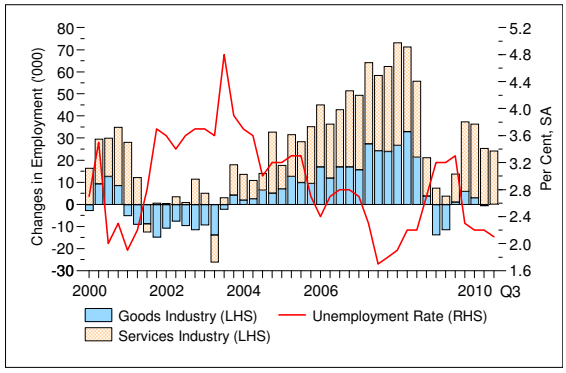
Preliminary estimates show that total employment grew by 24,100 in Q3, lower than the gains of 24,900 in the previous quarter. While the services sector added workers at a comparable pace to Q2, manufacturing employment continued to fall, albeit more moderately, by 400 compared to job losses of 2,300 in the preceding quarter. Meanwhile, employment growth in the construction sector was flat.

The seasonally-adjusted overall unemployment rate fell slightly to 2.1% in September 2010 from 2.2% in June. Among the resident labour force, the unemployment rate also edged down by 0.1% point to 3.1% in September 2010. Meanwhile, wages rose by 5.4% y-o-y in Q3 2010, following the 4.7% increase in H1 2010.

According to the Hudson Survey, the current pace of hiring is likely to be sustained. Of nearly 550 executives polled, 58% of respondents forecast headcount to grow in Q4, similar to the previous quarter.

However, following the trend thus far, job creation would be uneven across sectors. Labour demand should be relatively strong in most services sectors, where more than two-thirds of respondents expect to add headcount. In contrast, manufacturing employers are more cautious with 47% intending to hire.

The unemployment rate fell slightly in September.



C. Inflation

CPI inflation edged up further in Q3 2010

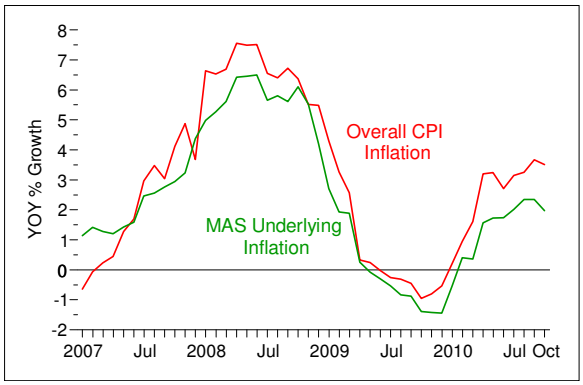
Headline CPI inflation rose to 3.4% in Q3 2010, from 3.1% in Q2. This was due to a broad-based price increase on a sequential basis. In Q3, as much as 83% of the CPI basket saw sequential price increases, leading to a firm 1.2% q-o-q increase in the CPI.

In particular, prices of domestic non-tradable items such as accommodation and services rose strongly in Q3. Correspondingly, the MAS underlying inflation measure, which excludes the cost of accommodation and private road transport, rose to 2.2% from 1.7% in Q2 2010.

In October, CPI inflation eased to 3.5%, from 3.7% in September. The decline was mainly due to the higher base in October last year when electricity tariffs were raised by 12.5% and average car COE premiums climbed by around 14%. On a sequential basis, the increase in the CPI picked up pace from 0.1% in September to 0.5% in October, led by the increase in the costs of accommodation, retail-related items and private road transport, excluding petrol.

CPI inflation averaged 2.5% in the first ten months of 2010. Domestic non-tradables have become the key drivers of price increases.

CPI inflation reached 3.5% in October.



CPI Inflation is forecast to reach 2-3% in 2011

Going forward, domestic non-tradables will continue to be the main source of price increases, on account of the strong cost pressures that will be sustained by the high level of economic activity. Notably, the cumulative rise in employment, at a time when the resident labour force participation rate is at a near-historical high, has led to a further tightening of the labour market and heightened wage pressures. In comparison, external sources of inflation will be generally capped by the weakness in the global economy although food prices could face upward pressures in the next few months due to the recent spate of weather-related supply disruptions in various parts of the world.

Reflecting these price pressures, the CPI will continue to rise sequentially, albeit at a more moderate pace compared to the last two quarters, resulting in CPI inflation reaching around 4% on a year-ago basis at the end of 2010. It will likely stay high in H1 2011 before moderating to around 2% in H2. Headline CPI inflation is projected to be 2.5-3% in 2010 and 2-3% in 2011. The MAS underlying inflation measure, which excludes the costs of accommodation and private road transport is expected to rise to 2-3% next year, from around 2% this year.

D. Outlook

Global economy: Slower growth ahead

Following a buoyant first half of the year, economic growth around the world slowed in Q3, particularly in Asia ex-Japan. In the immediate quarters ahead, the global economy is expected to advance at a milder clip, as the G3 economies continue on a path of slow recovery from the financial crisis.

In the US and Europe, the outlook for personal consumption remains clouded in view of high unemployment and ongoing balance sheet adjustments, while a sharp slowdown in exports growth (from a peak of 45% y-o-y in February 2010 to 7.8% in October) will continue to weigh on the Japanese economy. Even so, forward-looking indicators such as Purchasing Managers' Indices (PMIs) and composite leading indices point towards a continued, albeit weaker, expansion in both manufacturing and services output in the major economies.

US economic growth is expected to be sustained at a moderate pace over the next few quarters. Although the Composite Leading Index peaked in May this year, the ISM indices for both the manufacturing and non-manufacturing sectors have remained firm at 56.6 in November and 54.3 in October respectively, allaying fears of a double-dip recession. Still, the labour market remains weak, with the unemployment rate staying high at 9.6% in October, well above the pre-crisis average of around 5%. With private investment spending likely to be held back by prospects of a sluggish recovery and policy uncertainties, GDP growth is expected to come in at 2.7% in 2010 and 2.4% in 2011, a downward revision from the 3.3% and 3.1% projected six months earlier. (Table 1)

The Japanese economy will likely be held down by a slowdown in export growth in the near term due in part to the continued appreciation of the yen. Confirming this, the latest Tankan survey of manufacturers in September pointed to a softening in business conditions in the period ahead, after a fairly brisk recovery. GDP growth is forecast to slow to 1.2% in 2011 from 3.0% in 2010, given lacklustre domestic demand and a lack of fiscal space to stimulate the economy further.

In the Eurozone, financial conditions remain challenging as the peripheral economies – most recently Ireland – attempt to recapitalise their financial systems and restore confidence in the economy without jeopardising long term fiscal sustainability. Contagion risks remain significant. In the near term, continued efforts to accelerate fiscal consolidation will dampen economic growth. The balance of risk in the Eurozone is thus towards slower growth with moderate inflation.

The short-term outlook for Asia ex-Japan remains positive, although the rapid pace of growth seen in the first half will moderate to a more sustainable rate in the later part of the year and into early 2011, in line with slackening external conditions including weakening global IT demand. Overall, GDP growth rates in the trade-dependent countries are generally projected to be lower by around 1–2% points in 2011 compared to 2010 (Table 1). Nevertheless, given the region's sound fundamentals, domestic demand is expected to remain firm while relatively accommodative monetary policies in most of the region will continue to underpin the economic expansion.

The Chinese economy is expected to sustain its growth at a fairly high level – the latest PMI reading (which rose to 55.2 in November) and buoyant retail sales (up 18.6% y-o-y in October) affirm the positive outlook for the economy. Furthermore, bank lending growth has continued unabated in October, although this may slow down in early 2011 as a result of credit restraint measures. The other Asian economies are expected to benefit from the robust growth in China.

Against this backdrop, inflation will be subdued in the G3 arising from relatively low resource utilisation rates and weak domestic demand. Inflationary pressures will be of greater concern for a number of countries in Asia ex-Japan due to closing output gaps, rising wages and higher food and commodity prices going forward. Strong capital inflows could further add fuel to economic activity and stoke inflation. Nonetheless, the expected moderation in economic growth will help to alleviate some of the upward pressures on costs and prices.

Table 1: Consensus Forecasts of GDP Growth

	2009	Forecast	
		2010	2011
	y-o-y % Growth		
Industrial			
US	-2.6	2.7	2.4
Japan	-5.2	3.0	1.2
Eurozone	-4.0	1.6	1.4
UK	-5.0	1.7	2.0
NIE			
Hong Kong	-2.8	6.0	4.6
Korea	0.2	6.0	4.2
Taiwan	-1.9	8.4	4.1
ASEAN			
Indonesia	4.5	6.0	6.1
Malaysia	-1.7	7.1	5.0
Thailand	-2.2	7.5	4.3
Philippines	1.1	6.7	4.9
China	9.1	10.1	9.1
India *	7.4	8.4	8.5

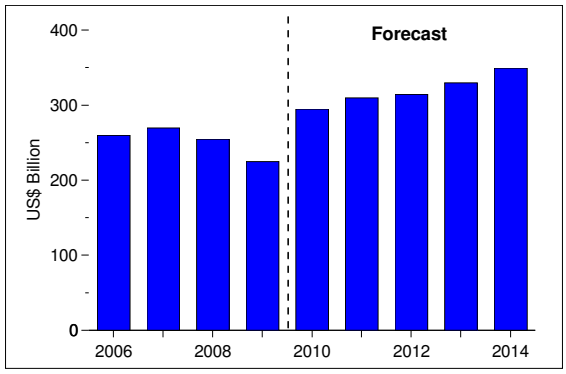
Source: CEIC and Consensus Economics, Nov 2010
* Fiscal year starting 1 April.

IT outlook: Cooling off after exceptional rebound

Some vulnerable spots in IT final demand have emerged in recent months, stemming from weakness in the consumer segment. In particular, PC sales have been weak, with worldwide PC shipments recording a 7.6% y-o-y increase in Q3, significantly below market consensus of around 13%. The drag from the consumer segment has rippled through the IT supply chain, resulting in slower orders for semiconductor firms further upstream, a reversal from the shortages and extended production lead times of the last few quarters. PC-related chip sales have been the worst hit, with 1 GB DRAM spot prices contracting by 19% q-o-q in Q3 after peaking in Q2.

Nevertheless, emerging economies will continue to drive growth in key IT end markets next year, even as consumer demand from the G3 economies remains patchy. Corporate IT spending is also expected to hold up, driven by the ongoing PC upgrade cycle in developed countries, as well as continued enterprise formation in emerging markets. According to Gartner, global corporate IT spending is expected to increase by 3.1% next year, from 2.4% in 2010.

Semiconductor industry revenue is expected to moderate after booming in 2010.



Source: iSuppli

On balance, the global IT sector is likely to take a breather going into 2011. Global chip sales are expected to moderate to 5.1% growth in 2011, from 32% in 2010, according to iSuppli.

Domestic economy: Growth set to ease, but activity levels to stay high

The Singapore economy started to display signs of moderating in the middle of this year, following an unprecedented expansion in H1, in line with a loss of recovery momentum around the world. Looking ahead, while the risk of the global economy relapsing into recession has subsided, final demand in the developed economies is expected to remain sluggish. In comparison, the outlook for Asia ex-Japan economies is more positive. Although growth in the region will likely slow, it should continue to be supported by firm domestic demand.

Against this backdrop, the level of economic activity in Singapore is projected to remain high across a broad range of industries but it could ease further in the near term. For 2010 as a whole, GDP is on track to grow by around 15% while in 2011, the domestic economy will see a more sustainable rate of growth of 4 to 6%.

While manufacturing and services contributed fairly evenly to GDP growth in 2010, services will play a bigger role next year, on the back of a relatively sanguine outlook for the region. After a sharp rebound from the trough, the domestic manufacturing sector is likely to take a breather going into 2011 as demand in the global IT industry has shown signs of softening recently. Concomitantly, the services sector could potentially account for up to two-thirds of Singapore's GDP growth next year, up from around 50% this year. In particular, the financial, trade related and tourism-related sectors are likely to see stronger growth, as these sectors are highly geared towards Asian markets and together will contribute slightly over half to GDP growth next year.

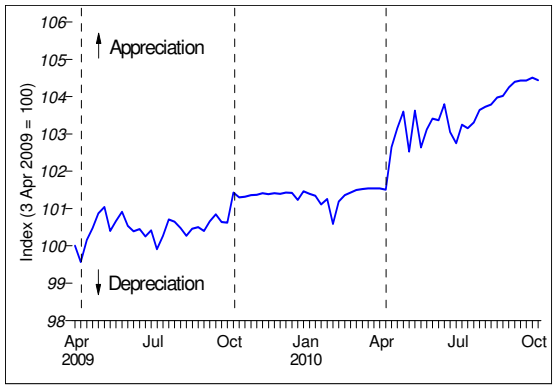
E. Macroeconomic Policies

A shift in policy stance to ensure price stability over the medium term

i) Monetary Policy

The steep GDP contraction in Q3 2010 notwithstanding, the level of economic activity in the Singapore economy is projected to remain high, with the domestic economy expected to continue expanding, albeit at a slower and more sustainable pace. Meanwhile, inflationary pressures are rising, given the high rates of resource utilisation in the economy, tight labour market and as well as the diminishing boost from the cyclical uplift in productivity seen earlier this year. Against this backdrop of upside risks to inflation, MAS shifted to a slightly steeper appreciation of the S$NEER policy band in October 2010, with no change to the level at which the band was centred. At the same time, the policy band was widened slightly in view of the volatility across international financial markets.

In October 2010, MAS shifted to a slightly steeper appreciation of the S$NEER, while the policy band was widened slightly.



– – – – indicates release of Monetary Policy Statement

ii) Fiscal Policy

Amidst the improvement in economic conditions, the government announced in late 2009 the exit strategies for the two key measures of the "Resilience Package" that were put in place last year to help businesses and households tide over the economic downturn. The Jobs Credit Scheme, which involves cash grants to employers to subsidise part of their wage bills for local workers, was extended for another six months until June 2010, but at a stepped-down rate. Similarly, while the financing schemes under the Special Risk-Sharing Initiative (SRI) were continued for another year until January 2011, they have been scaled back in terms of the size and tenure of loans, as well as the share of the risk borne by the

government. The overall budget deficit for FY2009 came in at $0.8 billion (0.3% of GDP), significantly lower than the $8.7 billion projected last year, on the back of higher revenues from the better-than-expected performance of the economy and the property market.

The focus of Budget 2010, announced on 22 February, has shifted from crisis relief-type measures towards initiatives that are targeted at restructuring the Singapore economy in order to enhance productivity over the medium to long term. This represents a crucial step towards implementing the recommendations charted out by the Economic Strategies Committee (ESC) to support the economy's growth in the next phase of its development. Budget measures were introduced to boost investment for the future through three approaches. First, the government has committed $1.1 billion a year over the next five years in the form of tax benefits, grants and training subsidies to help companies and workers to innovate and deepen their skills and expertise. Second, measures were put in place to enable companies to develop growth capabilities, commercialise their R&D and expand abroad. Third, the government continues to aim at building a society where everyone has the best opportunity to stretch their potential and enjoy a better quality of life. In particular, the latter measures were geared towards helping the lower-skilled workers and benefiting the lower-to-middle income households. For FY2010, the government is expecting to run an overall budget deficit of around $3.0 billion (1.1% of GDP).

Summary of Fiscal Position

	FY 2008		FY 2009		FY 2010 Budgeted	
	$billion	**% of GDP**	**$billion**	**% of GDP**	**$billion**	**% of GDP**
Operating Revenue	41.1	15.4	39.5	14.4	40.7	14.7
Total Expenditure	38.1	14.3	41.9	15.3	46.4	16.7
Operating Expenditure	28.7	10.8	30.9	11.3	33.9	12.2
Development Expenditure	9.4	3.5	11.0	4.0	12.5	4.5
Primary Surplus/Deficit (-)	**3.0**	**1.1**	**-2.3**	**-0.9**	**-5.6**	**-2.0**
Add: NII/NIR Contribution	4.3	1.6	7.0	2.6	7.8	2.8
Less: Special Transfers	7.1	2.7	5.5	2.0	5.2	1.9
Budget Surplus/Deficit (-)	**0.2**	**0.1**	**-0.8**	**-0.3**	**-3.0**	**-1.1**

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

Selected Indicators

GENERAL INDICATORS, 2009			
Land Area (Sq km)	710.3	Literacy Rate* (%)	96.3
Total Population ('000), 2010	5,076.7	Real Per Capita GDP (US$)	34,094
Labour Force ('000)	3,030.0	Gross National Savings (% of GNI)	45.7
Resident Labour Force Participation Rate (%), 2010	66.2		

* Refers to resident population aged 15 years and over.

COMPONENTS OF NOMINAL GDP SECTORAL (% of GDP), 2009		COMPONENTS OF NOMINAL GDP EXPENDITURE (% of GDP), 2009	
Manufacturing	19.5	Private Consumption	40.9
Financial Services	12.2	Public Consumption	11.5
Business Services	14.1	Private Gross Fixed Capital Formation	24.3
Construction	5.4	Public Gross Fixed Capital Formation	4.4
Transport & Storage	8.8	Increase in Stocks	-1.5
Information & Communications	3.9	Net Exports of Goods & Services	21.1
Wholesale & Retail Trade	17.7	Statistical Discrepancy	-0.6
Hotels & Restaurants	2.2		

MAJOR EXPORT DESTINATIONS (% SHARE), 2009		MAJOR ORIGINS OF IMPORTS (% SHARE), 2009	
Total Exports (S$ Billion)	391.1	Total Imports (S$ Billion)	356.3
Hong Kong	11.6	US	11.6
Malaysia	11.5	Malaysia	11.6
China	9.7	China	10.5
Indonesia	9.7	Japan	7.6
USA	6.5	Indonesia	5.8
ASEAN	30.3	ASEAN	24.0
NIEs	19.5	EU	13.7
EU	9.5	NIEs	12.0

Source: IE Singapore

MAJOR DOMESTIC EXPORTS BY COMMODITY (% SHARE), 2009		MAJOR IMPORTS BY COMMODITY (% SHARE), 2009	
Domestic Exports (S$ Billion)	200.0	Total Imports (S$ Billion)	356.3
Mineral Fuels	29.3	Electronics	28.1
Electronics	25.9	Mineral Fuels	25.0
Chemicals	18.4	Machinery & Transport Equipment (ex. Electronics)	19.8
Machinery & Transport Equipment (ex. Electronics)	12.1	Manufactured Goods	7.3
Manufactured Articles	7.6	Manufactured Articles	7.0
Manufactured Goods	2.7	Chemicals	6.0

Source: IE Singapore

OVERALL ECONOMY	2008	2009	Q1 08	Q2 08	Q3 08	Q4 08	Q1 09	Q2 09	Q3 09	Q4 09	Q1 10	Q2 10	Q3 10	Sep-10	Oct-10
GDP at current prices (S$ bil)	273.5	265.1	67.5	68.0	69.9	68.2	61.2	64.2	68.7	70.9	70.7	76.0	77.3	na	na
GDP (US$ bil)	193.3	182.2	47.9	49.8	50.0	45.8	40.5	43.6	47.7	50.9	50.4	54.6	56.9	na	na
Real GDP Growth (YOY % change)	1.8	-1.3	7.4	2.7	0.0	-2.5	-8.9	-1.7	1.8	3.8	16.9	19.5	10.6	na	na
Real GDP Growth (QOQ SAAR % change)	na	na	17.6	-12.5	-3.0	-9.0	-11.0	18.5	11.1	-1.0	45.6	27.3	-18.7	na	na
By Sector (YOY % change):															
Manufacturing [1/]	-4.2	-4.1	12.3	-5.6	-11.0	-10.7	-23.8	-0.4	7.6	2.2	38.1	46.1	14.3	26.8	31.0
Electronics [2/]	-7.0	-8.5	3.5	-0.9	-5.4	-23.2	-36.6	-19.4	-1.2	28.0	66.4	52.8	26.8	28.0	12.9
Non-electronics [2/]	-2.8	-2.2	16.4	-7.6	-13.4	-4.4	-18.4	8.3	11.8	-8.0	27.6	42.7	8.3	26.2	41.6
Financial Services	5.7	1.3	14.6	7.7	3.9	-1.9	-7.6	0.7	3.5	8.5	19.0	10.1	9.3	na	na
Business Services	9.4	4.5	9.8	10.8	9.6	7.4	6.2	4.0	3.7	4.2	6.4	6.1	5.4	na	na
Construction	20.1	16.2	8.5	22.7	25.6	23.2	25.5	18.1	11.7	11.5	9.7	11.5	7.1	na	na
Transport & Storage	2.2	-7.0	4.3	5.0	2.8	-3.2	-10.5	-10.1	-7.2	0.1	7.9	8.2	4.7	na	na
Information & Communications	6.1	1.2	5.7	6.6	6.8	5.3	1.8	1.3	-0.1	1.6	2.1	2.6	2.6	na	na
Wholesale & Retail Trade	3.1	-8.2	7.7	6.4	3.3	-4.7	-14.3	-11.8	-7.5	1.5	16.9	18.9	14.4	na	na
Hotels & Restaurants	0.8	-1.5	2.7	1.4	-0.7	-0.1	-4.0	-4.3	0.2	2.0	7.6	11.1	8.1	na	na
By Expenditure Component (YOY % change):															
Consumption	3.9	2.1	5.6	5.0	4.2	0.7	-2.8	0.0	4.6	7.0	8.2	6.8	5.7	na	na
Private	2.7	0.4	5.8	5.7	2.3	-2.7	-3.1	-3.2	2.1	6.0	6.2	7.3	5.2	na	na
Public	8.4	8.2	5.0	1.3	12.4	15.4	-1.9	17.1	14.3	10.9	13.1	4.9	7.5	na	na
Gross Fixed Capital Formation	13.6	-3.3	29.2	25.3	15.3	-9.9	-12.6	-6.1	1.1	6.0	11.2	-1.4	5.6	na	na
Private	13.3	-5.9	34.8	25.6	14.1	-13.4	-16.7	-8.5	-0.4	4.1	10.0	-4.7	3.7	na	na
Public	15.6	17.2	-3.4	22.8	25.3	23.6	20.8	17.3	11.9	18.6	18.2	23.5	18.3	na	na
External Demand	4.1	-9.0	9.7	7.3	5.1	-5.0	-17.6	-13.1	-9.1	4.8	20.1	23.8	20.4	na	na
TRADE															
Total Exports, fob (YOY % change)	5.8	-18.0	11.5	13.2	11.4	-12.0	-27.8	-25.4	-20.0	4.9	28.2	29.1	20.1	18.3	19.6
Non-Oil Domestic Exports	-7.9	-10.6	0.6	-5.5	-8.6	-17.7	-25.6	-14.5	-7.8	8.2	23.1	27.6	23.8	22.6	34.5
Re-Exports	6.2	-16.6	10.3	15.5	8.1	-8.1	-24.1	-23.8	-17.9	1.9	24.5	24.6	21.0	19.7	10.8
Total Imports, cif (YOY % change)	13.9	-21.0	21.5	21.4	22.2	-7.1	-27.6	-28.4	-22.8	-2.7	25.5	26.4	15.7	6.8	10.1
WAGE-PRICE INDICATORS															
Unemployment Rate (SA,%)	2.2	3.0	1.9	2.2	2.2	2.7	3.2	3.2	3.3	2.3	2.2	2.2	2.1	na	na
Average Nominal Wages (S$ per month)	3977	3872	4316	3690	3674	4229	4155	3609	3562	4160	4310	3819	3754	na	na
Consumer Price Index Inflation (YOY % change)	6.6	0.6	6.6	7.5	6.6	5.8	3.4	0.2	-0.3	-0.8	0.9	3.1	3.4	3.7	3.5
MAS Underlying Inflation (YOY % change)	5.7	0.0	5.3	6.5	5.7	5.3	2.2	0.0	-0.7	-1.4	0.1	1.7	2.2	2.3	2.0
FINANCIAL INDICATORS [3/]															
S$ Exchange Rate Against: (end-period)															
US Dollar	1.4392	1.4034	1.3799	1.3616	1.4314	1.4392	1.5194	1.4498	1.4141	1.4034	1.4028	1.4013	1.3175	1.3175	1.2987
100 Japanese Yen	1.5924	1.5194	1.3814	1.2819	1.3732	1.5924	1.5450	1.5115	1.5752	1.5194	1.5016	1.5822	1.5760	1.5760	1.6121
Euro	2.0258	2.0163	2.1807	2.1493	2.0558	2.0258	2.0153	2.0464	2.0674	2.0163	1.8789	1.7113	1.7919	1.7919	1.8056
Interest Rates (end-period, % p.a.)															
3-month Fixed Deposit Rate	0.39	0.25	0.42	0.41	0.41	0.39	0.32	0.27	0.26	0.25	0.22	0.21	0.20	0.20	0.19
3-month Domestic Interbank Rate	1.00	0.69	1.31	1.19	1.88	1.00	0.69	0.69	0.69	0.69	0.69	0.56	0.50	0.50	0.44
Prime Lending Rate	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38	5.38
Money Supply (end-period)															
Broad Money, M2 (YOY % change)	12.0	11.3	11.9	7.5	10.4	12.0	11.5	12.9	11.3	11.3	8.8	7.3	8.1	8.1	10.0
Straits Times Index (end-period)	1761.6	2897.6	3007.4	2947.5	2358.9	1761.6	1700.0	2333.1	2672.6	2897.6	2887.5	2835.5	3097.6	3097.6	3142.6
YOY % change	-49.2	64.5	-4.9	-15.2	-35.3	-49.2	-43.5	-20.8	13.3	64.5	69.9	21.5	15.9	15.9	18.5
GOVERNMENT BUDGET [4/]															
Operating Revenue (S$ mil)	41377	37872	9046	10678	11391	10261	8756	10000	10621	8495	10430	11912	12395	na	na
Total Expenditure (S$ mil)	37470	40483	12453	6710	8447	9860	13073	7874	9177	10359	14509	7888	10360	na	na
Operating Expenditure	28590	29871	10252	4502	6693	7144	10395	5269	6695	7512	11433	5346	7328	na	na
Development Expenditure	8880	10612	2201	2209	1754	2716	2678	2604	2482	2847	3077	2542	3032	na	na
Primary Surplus/Deficit (S$ mil)	3907	-2611	-3407	3968	2945	400	-4317	2126	1444	-1864	-4079	4024	2035	na	na
% of GDP	1.4	-1.0	-5.0	5.8	4.2	0.6	-7.1	3.3	2.1	-2.6	-5.8	5.3	2.6	na	na
BALANCE OF PAYMENTS															
Current Account Balance (% of GDP)	18.5	17.8	18.8	19.9	20.8	14.5	16.8	18.3	17.1	18.8	16.1	19.6	23.4	na	na
Goods Balance	13.7	16.5	15.6	13.9	16.3	8.9	11.6	16.4	17.7	19.5	16.4	21.4	24.2	na	na
Services Balance	7.0	4.7	7.1	7.2	7.6	6.2	5.0	4.7	4.1	4.9	3.2	3.0	4.0	na	na
Income Balance	-0.7	-1.7	-2.5	0.3	-1.5	0.7	2.0	-1.1	-3.1	-4.0	-1.9	-3.3	-3.3	na	na
Current Transfers	-1.5	-1.7	-1.4	-1.5	-1.5	-1.3	-1.8	-1.7	-1.6	-1.6	-1.6	-1.5	-1.6	na	na
Capital & Fin Account Balance (% of GDP)	-12.6	-11.3	-1.5	-15.3	-24.9	-8.2	-25.2	-17.5	-3.9	-0.9	10.4	1.0	-16.1	na	na
Financial Account Balance (% of GDP)	-12.4	-11.1	-1.4	-15.1	-24.7	-8.0	-25.0	-17.3	-3.7	-0.7	10.5	1.2	-16.0	na	na
Direct Investment	10.0	5.9	9.0	9.3	5.9	16.0	3.6	7.3	4.6	8.1	7.2	12.1	11.7	na	na
Portfolio Investment	-20.8	-16.6	-16.8	-21.5	-20.4	-24.6	-17.0	-14.2	-22.2	-12.8	-8.5	-10.3	-10.0	na	na
Other Investment	-1.6	-0.5	6.5	-3.0	-10.2	0.7	-11.6	-10.3	13.9	4.0	11.8	-0.6	-17.7	na	na
Overall Balance (% of GDP)	6.8	6.2	17.7	6.3	-3.1	6.5	-5.8	1.6	10.2	16.9	29.8	18.0	8.1	na	na
Official Foreign Reserves (US$ mil) [5/]	174196	187809	177462	176650	168802	174196	166251	173191	182039	187809	197112	199960	214662	214662	221398
Months of Imports	6.6	9.2	7.5	7.0	6.2	6.5	6.8	7.8	9.0	9.2	8.9	8.5	8.6	8.6	8.8

Source:

[1/] Monthly data from Index of Industrial Production, EDB

[2/] Data from Index of Industrial Production, EDB

[3/] Straits Times Index from SGX. All other indicators from MAS.

[4/] Ministry of Finance

[5/] MAS

na: Not available