



Monetary Authority of Singapore

economic policy group

A nighttime aerial photograph of Singapore's cityscape, showing illuminated skyscrapers, a harbor, and a road with traffic. The word 'SURVEY' is overlaid in large, white, serif font, with 'of professional forecasters' in a smaller, white, sans-serif font to its right.

SURVEY of professional
forecasters

December 2012

The *December 2012 Survey* was sent out on 16 November 2012 to a total of 26 economists and analysts who closely monitor the Singapore economy. This report reflects the views received from 21 respondents (a response rate of 81%) and does not represent MAS' views or forecasts.

GDP growth in Q3 2012 was much weaker than expected

The Singapore economy expanded by 0.3% in Q3 2012 compared with the same period last year. This was much lower than the median forecast of 2.3% reported in the *Sep 2012 Survey*.

The economy is forecast to expand by 1.5% in 2012

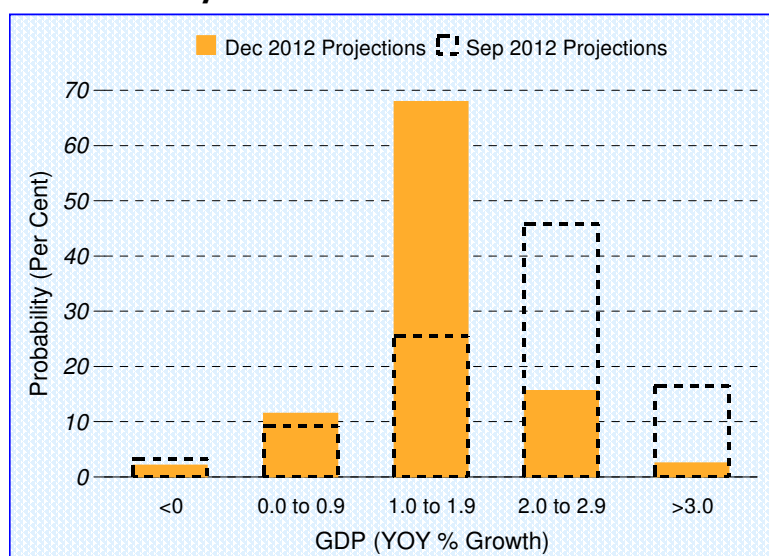
The respondents expect the economy to grow by 1.5% in 2012, a significant downgrade from the 2.4% median forecast in the previous survey.

Table 1
Median Forecasts of Macroeconomic Indicators for 2012

Key Macroeconomic Indicators Year-on-Year % Change	Sep Survey	Current Survey
GDP	2.4	1.5
Manufacturing	2.7	1.1
Finance & Insurance	1.1	-0.5
Construction	5.6	8.9
Wholesale & Retail Trade	0.6	-0.3
Accommodation & Food services	3.8	3.2
Private Consumption	3.0	2.2
Non-oil Domestic Exports	4.2	1.6

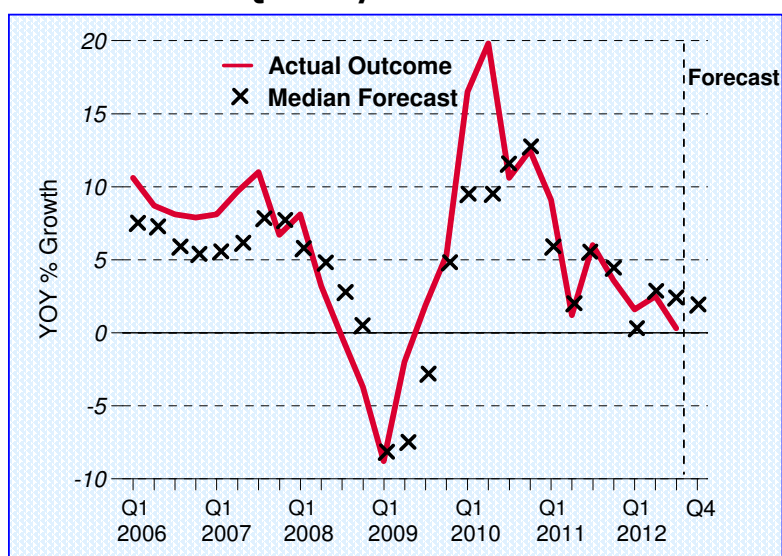
As reflected by the mean probability distribution, the most likely outcome is for the Singapore economy to grow by between 1.0 to 1.9% this year, lower than the 2.0 to 2.9% projected in the previous survey.

Chart 1
Mean Probability Distribution of 2012 GDP Growth Forecasts



For Q4 2012, the respondents expect GDP to expand by 1.8%. This is lower than the 3.6% forecast in the previous survey.

Chart 2
Quarterly GDP Growth



CPI-All Items inflation and MAS Core Inflation are expected to come in at 4.7% and 2.6% respectively in 2012.

The median CPI-All Items inflation forecast for 2012 rose to 4.7%, an increase from the 4.4% reported in the September survey. For Q4 2012, CPI-All Items inflation is projected at 4.4%. The respondents expect MAS Core Inflation to be 2.6% in 2012, marginally higher than the 2.5% from the previous survey. As for the labour market, the respondents expect the unemployment rate to be 2.0% by year-end, slightly lower than the 2.1% from the previous survey.

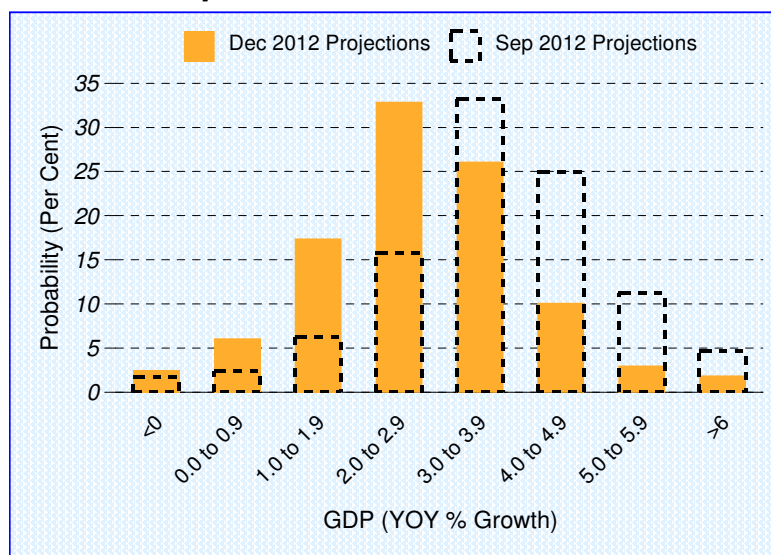
Table 2
Median Forecasts of Other Economic Indicators for 2012

Indicators	September Survey	Current Survey
CPI-All Items (year-on-year % change)	4.4	4.7
MAS Core Inflation (year-on-year % change)	2.5	2.6
Unemployment Rate (end-period, SA %)	2.1	2.0
Exchange Rate (end-period, S\$ per US\$)	1.250	1.225
3-month US\$ SIBOR (end-period, % per annum)	0.42	0.35
3-month S\$ Interbank Rate (end-period, % per annum)	0.40	0.40
Bank Loans (end-period, % growth)	18.5	17.2

GDP is forecast to expand by 2.7% in 2013

For 2013, the respondents expect GDP growth to be 2.7%, while CPI-All Items and MAS Core Inflation are forecast to come in at 3.8% and 2.2% respectively. As reflected by the mean probability distribution, the most likely outcome is for the Singapore economy to grow by 2.0 to 2.9% next year, a downshift from the 3.0 to 3.9% in the last survey.

Chart 3
Mean Probability Distribution of 2013 GDP Growth Forecasts



APPENDIX: SUMMARY TABLES

Table A.1
Key Macroeconomic Indicators for Q3 2012

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	Median Forecast Sep Survey	Actual Outcome
GDP	2.3	0.3
Manufacturing	2.6	-0.8
Financial Services	0.2	-2.7
Construction	5.0	7.7
Wholesale & Retail Trade	1.0	-0.3
Accommodation & Food services	2.9	2.0
Private Consumption	2.0	1.1
Non-oil Domestic Exports	2.2	-3.2
CPI-All Items	4.0	4.2
MAS Core Inflation	2.4	2.4
Unemployment Rate (end-period, SA %)	2.1	1.9
Exchange Rate (end-period, S\$ per US\$)	1.251	1.225
3-month US\$ SIBOR (end-period, % per annum)	0.44	0.37
3-month S\$ Interbank Rate (end-period, % per annum)	0.39	0.38
Bank Loans (end-period, % growth)	17.9	16.5

Table A.2
Forecasts of Key Macroeconomic Indicators for Q4 2012

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	Median	Mean	Min	Max
GDP	1.8	1.8	0.2	3.7
Manufacturing	1.0	1.1	-2.0	4.1
Financial Services	0.1	0.3	-2.1	3.0
Construction	6.5	6.0	-5.5	10.1
Wholesale & Retail Trade	0.0	0.3	-1.6	2.2
Accommodation & Food services	2.5	2.3	-1.6	5.0
Private Consumption	1.4	1.6	0.5	2.8
Non-oil Domestic Exports	2.0	1.1	-3.0	4.5
CPI-All Items	4.4	4.3	3.7	5.0
MAS Core Inflation	2.2	2.2	1.9	2.3
Unemployment Rate (end-period, SA %)	2.0	2.0	1.8	2.8
Exchange Rate (end-period, S\$ per US\$)	1.223	1.224	1.200	1.250
3-month US\$ SIBOR (end-period, % per annum)	0.33	0.37	0.30	0.52
3-month S\$ Interbank Rate (end-period, % per annum)	0.38	0.38	0.30	0.49
Bank Loans (end-period, % growth)	15.0	15.1	9.5	20.0

Table A.3
Forecasts of Key Macroeconomic Indicators for 2012

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	Sep Survey	Current Survey			
	Median	Median	Mean	Min	Max
GDP	2.4	1.5	1.6	1.1	2.0
Manufacturing	2.7	1.1	1.1	0.2	1.8
Financial Services	1.1	-0.5	-0.2	-1.0	3.0
Construction	5.6	8.9	8.8	5.8	10.0
Wholesale & Retail Trade	0.6	-0.3	-0.2	-0.8	0.3
Accommodation & Food Services	3.8	3.2	3.4	2.1	7.4
Private Consumption	3.0	2.2	2.2	1.9	2.5
Non-oil Domestic Exports	4.2	1.6	1.5	-1.2	2.7
CPI-All Items	4.4	4.7	4.7	4.3	5.0
MAS Core Inflation	2.5	2.6	2.5	2.0	2.8
Unemployment Rate (end-period, SA %)	2.1	2.0	2.0	1.8	2.8
Exchange Rate (end-period, S\$ per US\$)	1.250	1.225	1.224	1.180	1.250
3-month US\$ SIBOR (end-period, % per annum)	0.42	0.35	0.37	0.30	0.52
3-month S\$ Interbank Rate (end-period, % per annum)	0.40	0.40	0.40	0.35	0.50
Bank Loans (end-period, % growth)	18.5	17.2	17.8	14.0	21.0

Table A.4
Forecasts of Quarterly GDP Growth for 2012 & 2013

Period under Forecast	Median	Mean	Min	Max
	Year-on-Year % Change			
2012 Q4	1.8	1.8	0.2	3.7
2013 Q1	1.2	1.5	-0.6	3.3
2013 Q2	2.0	1.9	-0.2	4.4
2013 Q3	3.4	3.8	2.3	5.4
2013 Q4	3.9	3.7	1.7	5.6

Table A.5
Forecasts of GDP Growth and CPI-All Items Inflation for 2013

Key Macroeconomic Indicators	Median	Mean	Min	Max
	Year-on-Year % Change			
GDP	2.7	2.8	2.0	4.0
CPI-All Items	3.8	3.6	2.0	4.0
MAS Core Inflation	2.2	2.1	1.2	2.5

Table A.6
Forecasts of Key Macroeconomic Indicators for 2013

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	Median	Mean	Min	Max
GDP	2.7	2.8	2.0	4.0
Manufacturing	3.0	3.0	1.0	5.6
Financial Services	2.5	3.1	0.9	6.5
Construction	4.8	5.2	0.7	10.0
Wholesale & Retail Trade	2	2.1	0.2	3.5
Accommodation & Food services	2.9	3.3	1.3	6.5
Private Consumption	3.0	3.0	0.9	4.8
Non-oil Domestic Exports	4.3	4.4	2.5	7.7
CPI-All Items	3.8	3.6	2.0	4.0
MAS Core Inflation	2.2	2.1	1.2	2.5
Unemployment Rate (end-period, SA %)	2.0	2.1	1.9	2.8
Exchange Rate (end-period, S\$ per US\$)	1.200	1.195	1.150	1.250
3-month US\$ SIBOR (end-period, % per annum)	0.35	0.37	0.25	0.50
3-month S\$ Interbank Rate (end-period, % per annum)	0.40	0.40	0.30	0.50
Bank Loans (end-period, % growth)	11.9	12.7	3.0	18.0

Table A.7
Mean Probabilities Attached to Possible Outcomes in GDP Growth

Forecasts for 2012		Forecasts for 2013	
Growth Range Year-on-Year Change	Probabilities (%)	Growth Range Year-on-Year Change	Probabilities (%)
3.0% or more	2.6	6.0% or more	1.9
2.0 to 2.9%	15.7	5.0 to 5.9%	3.0
1.0 to 1.9%	68.0	4.0 to 4.9%	10.1
0.0 to 0.9%	11.6	3.0 to 3.9%	26.1
Less than 0.0%	2.2	2.0 to 2.9%	32.9
		1.0 to 1.9%	17.4
		0.0 to 0.9%	6.1
		Less than 0.0%	2.5
Total	100	Total	100