



Monetary Authority of Singapore

economic policy group

A wide, panoramic photograph of the Singapore skyline at night, showing numerous illuminated skyscrapers and the city's layout along the water. The image is used as a background for the main title.

# SURVEY of professional forecasters

December 2016

The **December 2016 Survey** was sent out on 24 November 2016 to a total of 27 economists and analysts who closely monitor the Singapore economy. This report reflects the views received from 22 respondents (a response rate of 81.5%) and does not represent MAS' views or forecasts.

### GDP growth in Q3 2016 was weaker than expected

The Singapore economy expanded by 1.1% in Q3 2016 compared with the same period last year. This was lower than the median forecast of 1.7% reported in the *Sep 2016 Survey*.

### For 2016 as a whole, the economy is forecast to grow by 1.4%

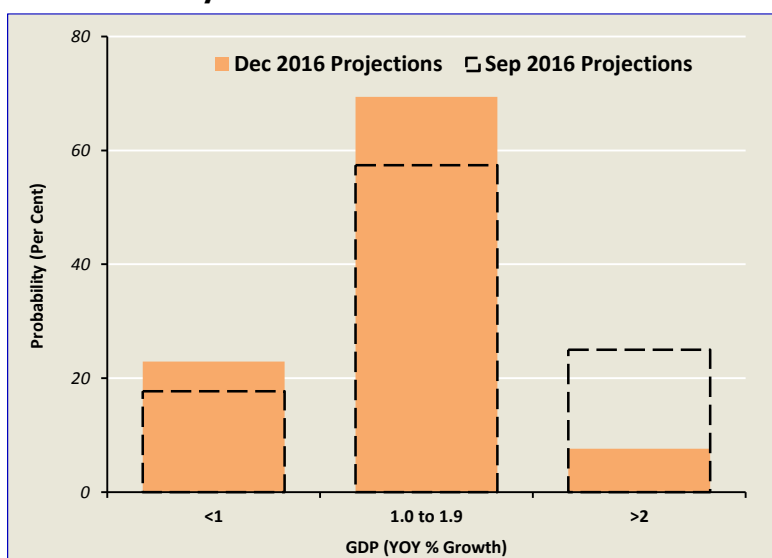
The respondents expect the GDP growth to come in at 1.4% in 2016, a decline from the 1.8% median forecast in the previous survey.

**Table 1**  
**Median Forecasts of Macroeconomic Indicators for 2016**

Key Macroeconomic Indicators Year-on-Year % Change	Sep Survey	Current Survey
GDP	1.8	1.4
Manufacturing	0.7	0.8
Finance & Insurance	2.0	0.5
Construction	3.0	2.3
Wholesale & Retail Trade	2.1	0.1
Accommodation & Food services	1.4	1.9
Private Consumption	3.0	1.4
Non-oil Domestic Exports	-3.6	-4.4

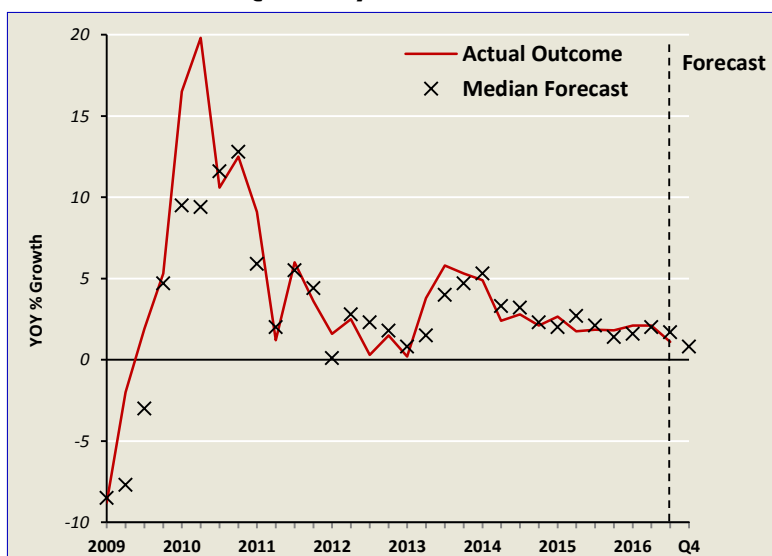
As reflected by the mean probability distribution, the most likely expected outcome is for the Singapore economy to record growth of between 1.0–1.9% this year. This is unchanged from the last survey.

**Chart 1**  
**Mean Probability Distribution of 2016 GDP Growth Forecasts**



For Q4 2016, the respondents expect GDP to expand by 0.8%.

**Chart 2**  
**Quarterly GDP Growth**



**CPI-All Items inflation and MAS Core Inflation are expected to come in at  $-0.5\%$  and  $0.9\%$  respectively in 2016.**

The median CPI-All Items inflation forecast for 2016 remains unchanged from the September survey, at  $-0.5\%$ . For Q4 2016, CPI-All Items inflation is projected to be  $0.0\%$ . The respondents further expect MAS Core Inflation to be  $0.9\%$  in 2016, down from  $1.0\%$  in the previous survey. As for the labour market, the respondents expect the unemployment rate to be  $2.1\%$  by year-end.

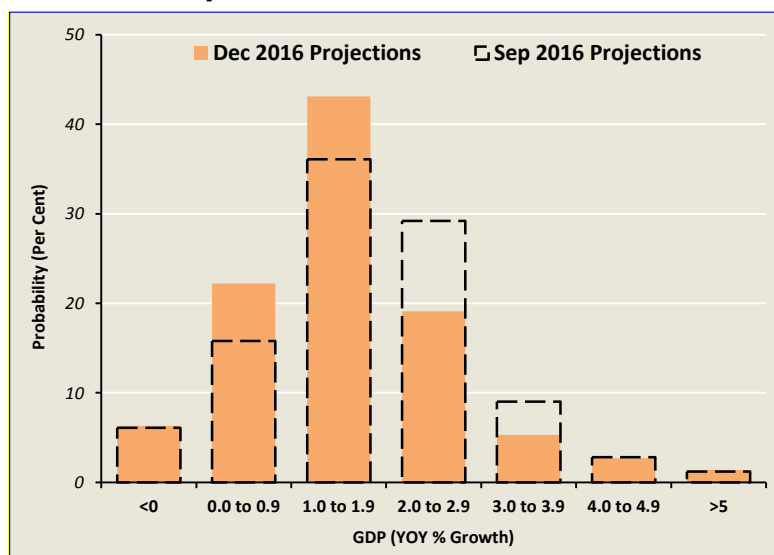
**Table 2**  
**Median Forecasts of Other Economic Indicators for 2016**

Indicators	September Survey	Current Survey
CPI-All Items (year-on-year % change)	-0.5	-0.5
MAS Core Inflation (year-on-year % change)	1.0	0.9
Unemployment Rate (end-period, SA %)	2.2	2.1
Exchange Rate (end-period, S\$ per US\$)	1.380	1.430
3-month S\$ SIBOR (end-period, percent per annum)	1.08	1.00
Bank Loans (end-period, % growth)	-1.5	-0.8

### GDP is forecast to expand by 1.5% in 2017

For 2017, the respondents expect GDP growth to reach 1.5% for the year as a whole, while CPI-All Items and MAS Core Inflation are forecast to come in at 1.0% and 1.3% respectively. As reflected by the mean probability distribution, the most likely outcome is for the Singapore economy to grow by 1.0 to 1.9% next year, unchanged from the last survey.

**Chart 3**  
**Mean Probability Distribution of 2017 GDP Growth Forecasts**



**APPENDIX: SUMMARY TABLES**

**Table A.1**  
**Key Macroeconomic Indicators for Q3 2016**

<b>Key Macroeconomic Indicators</b> Year-on-Year % Change (unless otherwise stated)	<b>Median Forecast</b> <b>Sep Survey</b>	<b>Actual Outcome</b>
GDP	1.7	1.1
Manufacturing	1.0	1.3
Finance & Insurance	1.7	-0.7
Construction	2.8	1.6
Wholesale & Retail Trade	2.1	-1.5
Accommodation & Food services	1.2	2.1
Private Consumption	2.9	0.6
Non-oil Domestic Exports	-5.0	-5.4
CPI-All Items	-0.4	-0.4
MAS Core Inflation	1.1	1.0
Unemployment Rate (end-period, SA %)	2.1	2.1
Exchange Rate (end-period, S\$ per US\$)	1.370	1.366
3-month S\$ SIBOR (end-period, % per annum)	0.90	0.87
Bank Loans (end-period, % growth)	-2.2	-0.8

**Table A.2**  
**Forecasts of Key Macroeconomic Indicators for Q4 2016**

<b>Key Macroeconomic Indicators</b> Year-on-Year % Change (unless otherwise stated)	<b>Median</b>	<b>Mean</b>	<b>Min</b>	<b>Max</b>
GDP	0.8	0.6	-0.6	1.4
Manufacturing	1.0	1.0	-2.3	2.4
Finance & Insurance	-0.1	-1.2	-6.8	2.0
Construction	1.5	1.3	-0.4	3.3
Wholesale & Retail Trade	-1.4	-1.2	-3.3	1.1
Accommodation & Food services	1.7	1.5	-0.9	2.3
Private Consumption	-0.9	-0.4	-2.5	2.0
Non-oil Domestic Exports	-4.0	-4.2	-9.4	-0.1
CPI-All Items	0.0	0.0	-0.3	0.6
MAS Core Inflation	1.2	1.2	0.8	1.7
Unemployment Rate (end-period, SA %)	2.1	2.2	2.1	2.4
Exchange Rate (end-period, S\$ per US\$)	1.430	1.434	1.420	1.450
3-month S\$ SIBOR (end-period, % per annum)	1.00	1.01	0.80	1.26
Bank Loans (end-period, % growth)	0.6	0.7	-1.4	3.3

**Table A.3**  
**Forecasts of Key Macroeconomic Indicators for 2016**

Key Macroeconomic Indicators Year-on-Year % Change (unless otherwise stated)	Sep Survey	Current Survey			
	Median	Median	Mean	Min	Max
GDP	1.8	1.4	1.4	1.1	1.6
Manufacturing	0.7	0.8	0.8	-1.2	2.2
Finance & Insurance	2.0	0.5	0.2	-1.1	1.2
Construction	3.0	2.3	2.3	1.8	2.8
Wholesale & Retail Trade	2.1	0.1	0.1	-0.4	0.8
Accommodation & Food services	1.4	1.9	1.9	1.7	2.0
Private Consumption	3.0	1.4	1.5	0.5	3.2
Non-oil Domestic Exports	-3.6	-4.4	-4.0	-5.6	1.8
CPI-All Items	-0.5	-0.5	-0.4	-0.6	0.8
MAS Core Inflation	1.0	0.9	1.0	0.8	1.7
Unemployment Rate (end-period, SA %)	2.2	2.1	2.2	2.1	2.3
Exchange Rate (end-period, S\$ per US\$)	1.380	1.430	1.435	1.420	1.450
3-month S\$ SIBOR (end-period, % per annum)	1.08	1.00	1.06	0.80	1.80
Bank Loans (end-period, % growth)	-1.5	-0.8	-0.3	-2.1	3.3

**Table A.4**  
**Forecasts of Quarterly GDP Growth for 2016 & 2017**

Period under Forecast	Median	Mean	Min	Max
	Year-on-Year % Change			
2016 Q4	0.8	0.6	-0.6	1.4
2017 Q1	1.3	1.0	-0.2	1.5
2017 Q2	1.4	1.3	0.2	2.4
2017 Q3	1.7	1.8	1.1	2.8
2017 Q4	1.8	1.8	1.1	2.5

**Table A.5**  
**Forecasts of GDP Growth and CPI-All Items Inflation for 2017**

Key Macroeconomic Indicators	Median	Mean	Min	Max
	Year-on-Year % Change			
GDP	1.5	1.5	0.7	2.3
CPI-All Items	1.0	0.8	-1.0	1.5
MAS Core Inflation	1.3	1.3	0.6	1.7

**Table A.6**  
**Forecasts of Key Macroeconomic Indicators for 2017**

<b>Key Macroeconomic Indicators</b> Year-on-Year % Change (unless otherwise stated)	<b>Median</b>	<b>Mean</b>	<b>Min</b>	<b>Max</b>
GDP	1.5	1.5	0.7	2.3
Manufacturing	1.1	0.9	-1.0	2.2
Finance & Insurance	1.8	2.0	1.0	4.0
Construction	2.4	2.2	0.9	3.6
Wholesale & Retail Trade	1.0	1.1	0.1	2.3
Accommodation & Food services	1.7	2.0	1.4	4.3
Private Consumption	1.5	1.4	-0.5	3.0
Non-oil Domestic Exports	0.3	-0.5	-4.6	2.8
CPI-All Items	1.0	0.8	-1.0	1.5
MAS Core Inflation	1.3	1.3	0.6	1.7
Unemployment Rate (end-period, SA %)	2.4	2.3	2.1	2.7
Exchange Rate (end-period, S\$ per US\$)	1.465	1.466	1.370	1.550
3-month S\$ SIBOR (end-period, % per annum)	1.50	1.55	1.00	2.32
Bank Loans (end-period, % growth)	2.0	1.7	-1.8	6.4

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

<b>Forecasts for 2016</b>		<b>Forecasts for 2017</b>	
<b>Growth Range</b> Year-on-Year Change	<b>Probabilities</b> (%)	<b>Growth Range</b> Year-on-Year Change	<b>Probabilities</b> (%)
2.0% or more	7.6	5.0% or more	1.4
1.0 to 1.9%	69.4	4.0 to 4.9%	2.7
Less than 1.0%	22.9	3.0 to 3.9%	5.3
		2.0 to 2.9%	19.1
		1.0 to 1.9%	43.1
		0.0 to 0.9%	22.2
		Less than 0.0%	6.3
Total	100	Total	100