

IMF Executive Board Concludes 2025 Article IV Consultation with Singapore

July 16, 2025

Washington, DC: The Executive Board of the International Monetary Fund (IMF) concluded the Article IV consultation with Singapore.^[1]^(#_ftn1)

Singapore's economy recovered strongly in 2024 but has since slowed due to recent trade tensions. Growth increased to 4.4 percent in 2024, up from 1.8 percent in 2023, supported by strong private consumption and an upturn in the global technology cycle. However, amid an increase in trade tensions and global policy uncertainty, GDP contracted by 0.6 percent quarter-on-quarter on a seasonally-adjusted basis in 2025Q1, due to a slowdown in externally-oriented sectors such as manufacturing and wholesale trade. Disinflation continued, with inflation falling below 2 percent at end-2024 and further in early 2025, supported by lower inflation in tradable and non-tradable prices. Two-year ahead inflation expectations based on consensus forecasts remain anchored just under 2 percent.

Singapore's tight labor market continued to normalize in 2024 and recently showed some signs of weakening, with the advance estimate unemployment rate increasing from 1.9 percent in December 2024 to 2.1 percent in March 2025. The current account balance recorded a surplus of 17.5 percent of GDP in 2024, decreasing from 17.7 percent of GDP in 2023, led by a decline in the goods surplus. The banking system is well capitalized, with the capital adequacy ratio at 18.9 percent in 2025Q1, supported by good asset quality and adequate provisioning. Banks remain profitable, and their liquidity positions are strong, with the liquidity coverage ratio and net stable funding ratio of Domestic Systemically Important Banks comfortably meeting the minimum requirements. Investment funds, which account for one-fourth of total assets of non-bank financial institutions, have been able to meet investor redemption requests in an orderly manner during recent periods of high market volatility in August 2024 and April 2025.

Executive Board Assessment^[2]^(#_ftn2)

Executive Directors commended the resilience of Singapore's economy underpinned by the authorities' strong policy framework. Directors noted that amid ongoing trade tensions, Singapore's growth is projected to slow sharply in the near term, while inflation is expected to stay muted. Risks to growth are tilted to the downside from potentially escalating trade tensions and tightening global financial conditions. In that context, Directors underscored that policies should remain agile and focus on macroeconomic and financial stability.

Directors agreed that further easing of monetary policy is warranted in the near term, in view of ongoing disinflationary pressures and slowing growth. Nonetheless, monetary policy should remain vigilant and data dependent in light of the large uncertainty and the two-sided inflation risks.

Directors generally agreed that the expansionary fiscal stance in the FY2025 budget will appropriately support economic activity. A few Directors noted the repeated fiscal overperformance and emphasized the need for options to also support external rebalancing. More broadly, Directors underscored that, should downside growth risks materialize, Singapore has substantial fiscal space to deploy temporary and targeted support. Directors also agreed that Singapore's rising medium term spending needs should be accommodated by reducing the fiscal surplus within the balanced budget rule, gradually phasing out untargeted transfers, and increasing infrastructure spending.

Directors noted staff’s assessment that Singapore’s external position remained substantially stronger in 2024 than warranted by medium term fundamentals and desirable policies. Many Directors, however, considered that Singapore’s unique characteristics can lead to uncertainty around the external balance assessment and care is needed in communicating such assessment. They also viewed that Singapore’s external current account surpluses will moderate over the medium term due to population ageing, slowing income growth, and anticipated increases in public spending. A few other Directors called for greater emphasis on analyzing Singapore’s external imbalances and the required policy responses. Directors generally acknowledged the authorities’ ongoing efforts to raise public investment and strengthen social safety nets, and encouraged them to continue those efforts, to also help reduce Singapore’s large external surpluses in the medium and long run.

Directors concurred that Singapore’s financial sector remains resilient. The current tight macroprudential policy should continue to prevent a buildup of housing related systemic risks. Directors underscored the importance of continued vigilance on vulnerabilities from cross border and foreign exchange exposures and a small number of highly leveraged corporates and households. Exposures to commercial real estate and the connections between non-bank financial institutions and banks also merit vigilance. In this regard, Directors welcomed the authorities’ efforts to step up stress testing and contingency planning. Continued efforts to strengthen the AML/CFT framework will also be important.

Directors welcomed the authorities’ efforts to promote a stronger and more inclusive economy, including introducing a temporary financial support scheme for involuntarily unemployed workers. Ongoing efforts to support workers to reskill and helping firms to adopt AI technologies are also important, as well as investments, including in climate resilient infrastructure.

Table 1. Singapore: Selected Economic and Financial Indicators, 2019-26

Nominal GDP (2024): US\$547.5 billion

Population (2024): 6.0 million

GDP per capita (2024): US\$90,689

Main goods exports (2024, percent of total non-oil goods exports):
machinery & transport equip (65.0 percent); chemical products (12.4 percent); and misc. manuf. articles (10.3 percent).

Top three destinations for goods exports (2024, percent of gross goods exports): The Chinese mainland (14.0 percent); Hong Kong SAR (11.0 percent); and Malaysia (10.4 percent).

Projection

2019 2020 2021 2022 2023 2024 2025 2026

Growth
(percentage
change)

Real GDP	1.3	-3.8	9.8	4.1	1.8	4.4	1.7	1.7
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Total domestic demand	1.9	-9.3	11.9	5.3	-2.2	7.2	2.9	2.6
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Final domestic demand	3.1	-9.8	11.7	5.8	2.3	4.7	2.9	2.7
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Consumption	3.3	-7.6	6.3	6.4	4.1	5.7	3.2	2.9
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Private consumption	3.3	-13.6	7.2	9.7	4.9	4.8	2.2	2.4
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Gross capital formation	-0.6	-12.6	22.9	3.5	-12.7	10.1	2.1	2.1
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Gross fixed investment	2.5	-14.0	23.2	4.7	-0.9	2.9	2.2	2.1
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Change in inventories (contribution to GDP growth, percentage points)	-0.7	0.1	0.3	-0.2	-2.6	1.5	0.0	0.0
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Net exports (contribution to GDP growth, percentage points)	-0.1	2.2	2.6	0.4	2.9	0.3	-0.3	-0.2
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Saving and
investment
(percent of GDP)

Gross national saving	39.9	40.3	43.8	40.6	38.9	39.7	39.2	39.0
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Gross domestic investment	24.5	22.8	24.0	22.2	21.2	22.2	22.1	22.1
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Inflation and
unemployment

(period average,
percent)

CPI inflation	0.6	-0.2	2.3	6.1	4.8	2.4	1.1	1.5
CPI inflation, excluding food and energy 1/	0.4	-0.4	1.7	4.6	4.2	2.5	1.1	1.4
MAS core inflation 1/	1.0	-0.1	0.9	4.1	4.2	2.8	1.0	1.4
Unemployment rate	2.3	3.0	2.7	2.1	1.9	2.0	2.3	2.3
Output gap	-0.3	-2.7	1.3	1.7	-0.5	0.4	-0.5	-0.9

Inflation (end of
year, percent)

CPI inflation	0.8	0.0	4.0	6.5	3.8	1.5	1.2	1.5
CPI inflation, excluding food and energy 1/	0.6	-0.4	3.2	4.9	3.7	1.5	1.2	1.4
MAS core inflation 1/	0.6	-0.3	2.1	5.1	3.3	1.7	1.1	1.4

Central
government
finances (percent
of GDP) 2/

Revenue	17.7	17.5	16.9	16.3	17.8	18.8	19.6	19.9
Expenditure	14.0	21.6	17.7	15.1	14.9	14.6	16.2	17.1
Net lending/borrowing	3.7	-4.1	-0.8	1.2	2.9	4.2	3.4	2.8
Net lending/borrowing, excluding nonproduced assets	1.4	-5.8	-2.8	-0.6	0.5	1.0	0.7	0.2
Primary balance 3/	-1.9	-9.4	-6.2	-3.8	-2.8	-2.2	-2.8	-3.4
Public Debt to GDP	124.9	146.3	132.6	153.9	170.8	173.1	174.9	176.0

Money and credit
(end of period,
percent change) 4/

Broad money (M2) 4.5 10.7 9.7 7.8 3.2 6.7 2.9 3.2

Credit to private
sector 3.0 1.4 6.8 0.5 -2.0 6.4 2.9 3.2

Three-month S\$
SIBOR rate 1.8 0.4 0.4 4.3 4.1 3.3
(percent)

Balance of
payments (US\$
billions)

Current account
balance 57.9 61.1 86.4 93.8 89.4 96.0 96.0 98.5

(In percent of GDP) 15.4 17.5 19.8 18.4 17.7 17.5 17.1 16.9

Goods balance 94.7 102.8 121.2 160.1 157.2 148.1 150.5 154.9

Exports, f.o.b. 440.2 417.3 513.0 607.8 559.5 583.0 590.8 612.5

Imports, f.o.b. -345.5 -314.4 -391.8 -447.7 -402.2 -434.9 -440.2 -457.6

Financial account
balance 5/ 67.9 -12.8 20.8 209.4 29.3 65.9 55.2 57.1

Overall balance 5/ -8.4 74.9 66.2 -114.2 60.9 29.7 40.8 41.5

Gross official
reserves (US\$
billions) 279.5 362.3 417.9 289.5 351.0 371.4 420.4 462.1

(In months of
imports) 6/ 6.4 6.8 6.7 4.8 5.4 5.5 6.0 6.3

Singapore
dollar/U.S. dollar
exchange rate
(period average) 1.36 1.38 1.34 1.38 1.34 1.34

Nominal effective
exchange rate 1.4 -2.5 0.4 6.4 3.9 2.6

(percentage
change) 7/

Real effective exchange rate (percentage change) 7/	4.5	-25.1	2.9	13.5	9.3	-0.7	...	...
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Memorandum
items:

Nominal GDP (in billions of Singapore Dollars)	513.1	481.8	586.6	701.8	678.7	731.4	752.8	777.3
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Growth (%)	0.9	-6.1	21.8	19.6	-3.3	7.8	2.9	3.2
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Sources: Data provided by the Singapore authorities; and IMF staff estimates and projections.

Note: Data and forecasts as of March 20, 2025

1/ IMF staff estimates. MAS core inflation excludes the costs of accommodation and private transport.

2/ IMF staff estimates on a calendar year basis following GFSM 2014.

3/ Net lending/borrowing excluding net investment return contribution (NIRC).

4/ Data reporting by financial institutions changed since July 2022 after two major changes in MAS' banking sector regulatory framework took effect, creating a break in the broad money and credit to private sector series.

5/ Following the BPM6 sign convention, a positive entry implies net outflows.

6/ In months of following year's imports of goods and services.

7/ Increase is an appreciation; based on unit labor costs.

[1] (#_ftnref1) Under Article IV of the IMF's Articles of Agreement, the IMF holds bilateral discussions with members, usually every year. A staff team visits the country, collects economic and financial information, and discusses with officials the country's economic developments and policies. On return to headquarters, the staff prepares a report, which forms the basis for discussion by the Executive Board.

[2] (#_ftnref2) At the conclusion of the discussion, the Managing Director, as Chairman of the Board, summarizes the views of Executive Directors, and this summary is transmitted to the country's authorities. An explanation of any qualifiers used in summings up can be found here:

<http://www.IMF.org/external/np/sec/misc/qualifiers.htm> (<http://www.IMF.org/external/np/sec/misc/qualifiers.htm>).

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