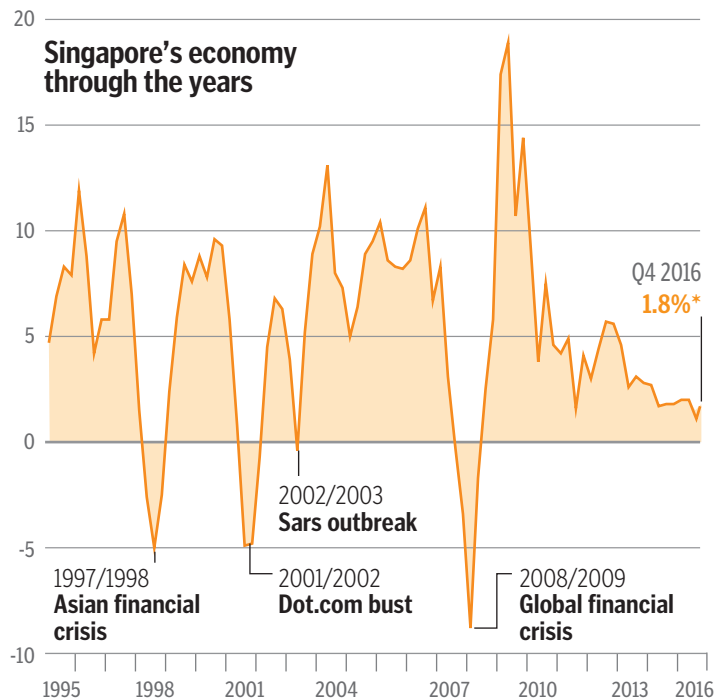


# What slower growth means



Note: \*Estimate

## Some bright spots

Slow growth does not mean no growth – there are still some reasons for optimism.



### Manufacturing

Singapore's Purchasing Managers' Index – an indicator of manufacturing activity – showed that factory activity grew for a fourth straight month in December 2016, after more than a year of contraction.



### Strong hiring demand in certain segments

- 30,000 IT professionals needed by this year.
- 3,000 more jobs for professionals, managers, executives and technicians in precision engineering by 2020.
- At least 1,200 professionals needed in finance, mostly in IT and compliance.
- 4,000 more early childhood educators needed in the coming years.



### Tourist arrivals

- International visitor arrivals from January to June last year rose 13 per cent over the same period in 2015 to hit 8.2 million.
- Visitors spent \$11.6 billion in the same six-month period, up 12 per cent.

## What “one-plus per cent” growth means for...



### The labour market

Layoffs reached 13,730 in the first nine months of last year, the highest for the period since 2009.



### Loans to businesses

Lending by banks to businesses declined year on year for 15 straight months as of last November.



### Retailers

Lacklustre consumer sentiment is weighing on retailers, which have also been hit by disruptive trends such as e-commerce.



### Consumer spending

Private consumption grew just 0.6 per cent in the third quarter of last year, compared with the same period in 2015, the slowest rate of growth since 2009.



### Civil servant bonuses

- The mid-year bonus for all 84,000 civil servants here was lower, compared with the previous two years, owing to the slowing economy.
- Civil servants received a mid-year bonus of 0.45 of a month's pay, compared with half a month previously.



### The property market

The property market has suffered falling rents and rising vacancies amid sluggish economic growth and a large supply of new units. Analysts expect the rental market to soften further, with suburban areas the most vulnerable.