

Singapore's Growth Cycle Chronology, Coincident and Leading Indicators

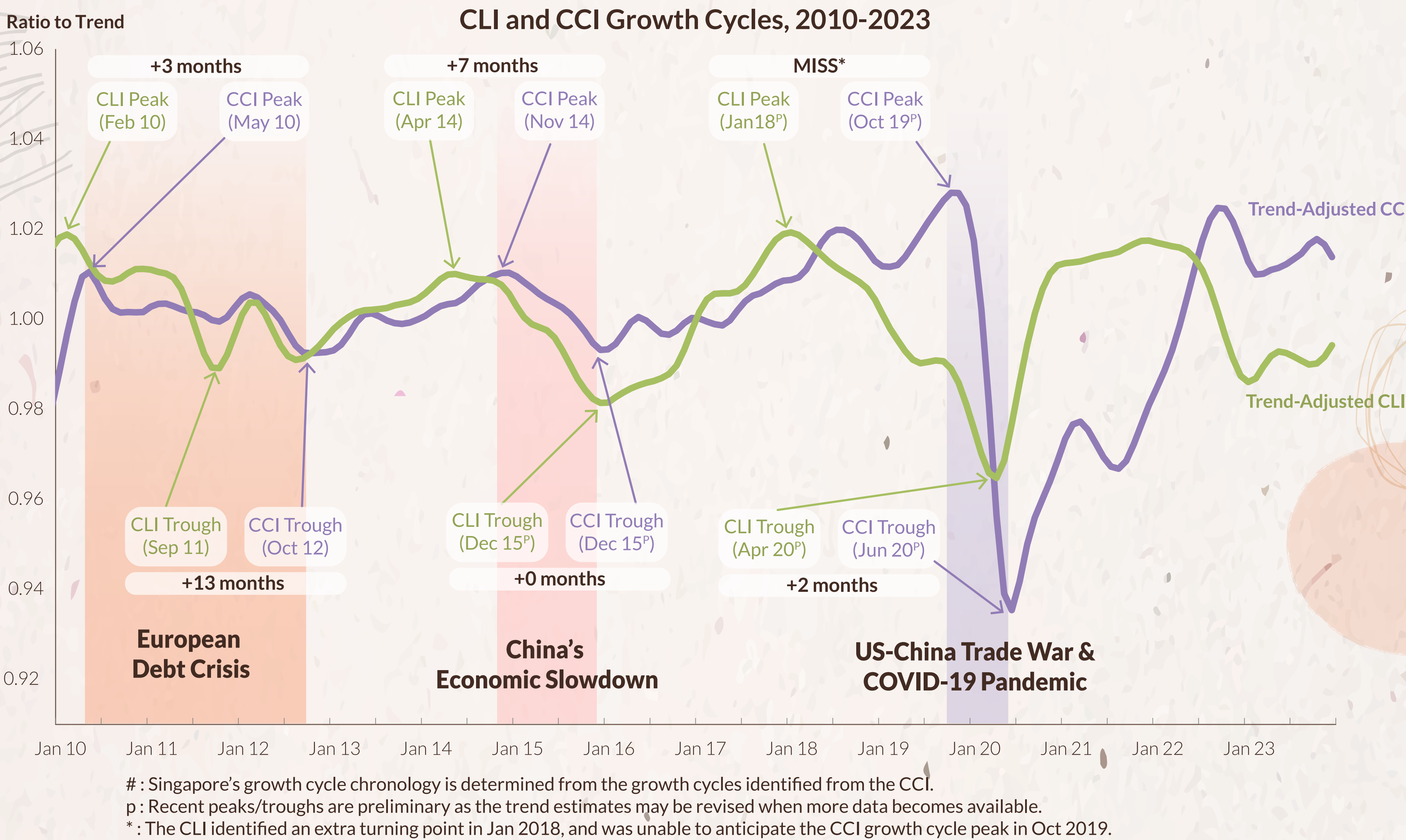
DOS has completed the comprehensive review of the composite coincident index (CCI) and composite leading index (CLI) in 2023. Findings show that the existing CCI and CLI remain relevant in tracking Singapore's prevailing overall economic activity and in anticipating growth cycles respectively.

3 Growth Cycles Since 2010

Since 2010, Singapore has experienced three growth cycles#. In May 2010, Singapore entered into the longest period of growth cycle recession (i.e., 29 months) since 1974, due to spill-over effects from the European debt crisis to the Asia-Pacific region.

Subsequently, in Nov 2014, Singapore experienced another growth slowdown as China's economic slowdown impacted export-dependent Asian economies such as Singapore, Malaysia, and Indonesia.

In Nov 2019, Singapore experienced the most severe economic recession due to a confluence of factors (e.g., the US-China trade war and the COVID-19 pandemic), affecting demand and global supply chains.

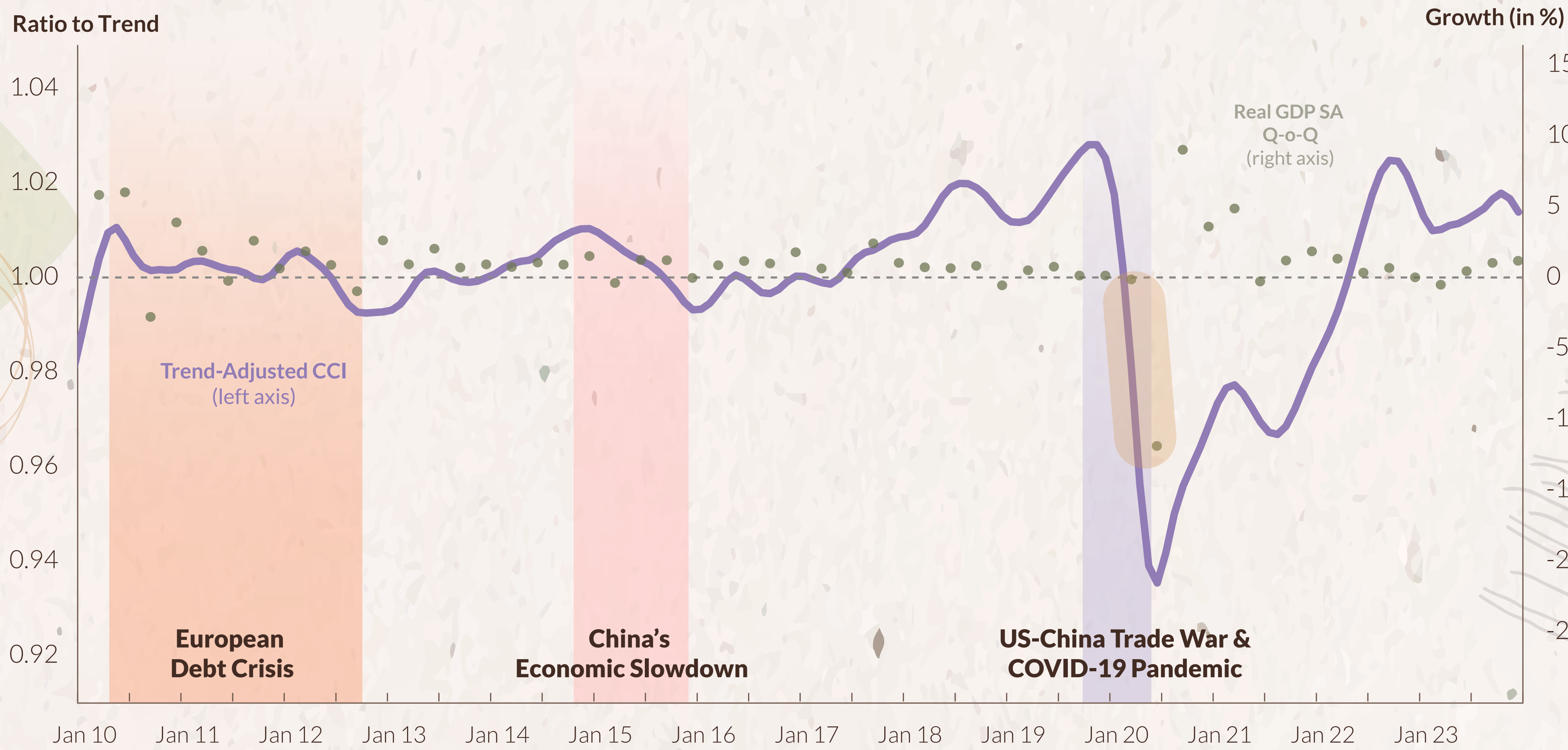


Difference Between Growth Cycle Recessions and Technical Recessions

Growth cycle recessions are defined as the period of economic downturns registered during every peak-trough phase identified by the growth cycle. This is distinct from technical recessions which are defined as two consecutive periods of quarter-on-quarter (q-o-q) declines of the seasonally-adjusted (SA) real gross domestic product (GDP).

For example, while Singapore experienced three growth cycle recessions since 2010, the Singapore economy only slipped into a technical recession in the second quarter of 2020 following two consecutive quarters of decline in the SA real GDP.

CCI Growth Cycles with Seasonally-Adjusted Quarter-on-Quarter Real GDP, 2010-2023



CLI Maintains its Lead Over CCI

For 2010-2023, Singapore's CLI registered an average lead of 5.0 months over the CCI, comparable to the 4.8 months lead for 2003-2010.

For example, the CLI peaked three months before the economic slowdown in May 2010 and bottomed out thirteen months in advance of the subsequent recovery.

Leads/Lags of the CLI over the CCI, 2010-2023

Growth Cycle	CCI Turning Points	CLI Turning Points	Lead[+]/Lag[-] (Months)
Peak	May 10	Feb 10	3
Trough	Oct 12	Sep 11	13
Peak	Nov 14	Apr 14	7
Trough	Dec 15	Dec 15	0
Peak*	Oct 19	-	-
Trough	Jun 20	Apr 20	2
Average (2010-2023)			5

* The CLI was unable to anticipate the CCI growth cycle peak in Oct 2019.