

## Singapore Monthly Update

January 2025



GDP US\$521bn	Population 6.04mn	Per capita US\$84,734
Unemployment 1.9%	Ratings Moody's (Aaa); S&P (AAA); Fitch (AAA)	FX Rate US\$/SGD 1.35

### IFC Highlights

As of January 2025, the Singapore office committed **US\$960mn to 7 deals** (Aqua Tanzania, GWFP Valency, Jungle Fund V, DFP NAC, DFP Orion, Actis AACT, and Weigao Asia), with an additional **11 deals** in the pipeline worth **US\$1,513mn** for FY25.

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### Macro Highlights

- **2024 GDP growth beats forecasts at 4% and is expected to drop between 1-3% in 2025.**
- **Core inflation dropped further to 1.3% in December (YoY)**, which was the lowest it had been since November 2021.
- **Labor market growth was slower in Q4**, with total employment slowing from 22,000 in Q3 to 8,000 in Q4. Unemployment rate slightly up across the board at 1.9%.
- **Top GDP sectoral components are Manufacturing (22%), Wholesale Trade (19%), Finance & Insurance (14%).** Purchasing Manager's Index (PMI) increased by 0.3 points to 51.1 in December, which signaled continued expansion for the 17<sup>th</sup> consecutive month.



### Politics, Policies & Economy

- PM Lawrence Wong: "Singapore's economy grew 4% in 2024, **exceeding expectations**, while median income has risen by 2.2% per annum above inflation over the past decade."
- PM Wong to deliver the 2025 **Budget speech** on Feb 18, with cost of living and job security among the top-of-mind concerns to be addressed.
- Singapore's **exports** rose 9.0% in December (YoY), stronger than forecasts, boosted by increased shipments of electronic and non-electronic goods. Economists expect export growth **to slow in the latter half** of 2025, as front-loading of shipments (due to Trump's tariffs) are expected to cool off.
- Latest Singapore 6-month **T-bill** cut-off yield rises to 3.05%.
- Singapore eases **monetary policy** for the first time in 4 years, with MAS citing 'trade frictions' as it trims growth and inflation forecasts for 2025. The SG dollar's weakness is **likely to endure** amid expectations that MAS pivots to easing and US tariffs ripple through the global economy.
- Singapore and Malaysia signed an MOU on January 7th to **officialize the Johor-Singapore SEZ**: 50 project expansions and 20,000 jobs to be created.
- For the first time, Singapore has publicly launched plans to cut emissions to meet its 2030 climate targets, with energy efficiency, carbon capture technology and **clean energy imports** expected to be among the most effective measures.
- Singapore's stock exchange hits a **20-year low** in listed companies, after just four companies went public in 2024 and several were delisted.
- Economists weigh in after Tesla CEO Elon Musk says Singapore is '**going extinct**' amid low birth rate.



## Financial Institutions, Asset Managers, and Venture Capital

- Temasek unveils US\$7.5bn **private credit platform** that will focus on direct investments and credit funds.
- Investment management firm Vertical Theme is **considering a sale** of its 29% stake in Alliance Bank Malaysia to DBS that could fetch ~US\$500mn.
- The MAS and the Association of Banks in Singapore (ABS) have announced the launch of two **new e-payment solutions** slated for mid-2025.
- Singapore banks posted **substantial increases** in their capital equity Tier 1 ratios as the final Basel III reforms came into effect.
- Singapore banks will face **margin pressures** in 2025 as interest rates head south.
- Singapore's 3 banks to remain in **climate alliance** despite US peers' exit (Goldman Sachs, Morgan Stanley, JPMorgan Chase & Co, Wells Fargo & Co).
  
- Ex-Gojek backer turns to cleantech with a US\$230mn impact fund, to invest in startups driving **decarbonisation** in the transport industry.
- responsAbility secures US\$350mn as part of the **third closing** of its US\$500mn Asia climate investment strategy.
- Singapore's CarDekho SEA raises first-ever outside funding, with US\$60mn to further **expansion into Southeast Asia**, focusing on the used car and bike financing industry in Indonesia and the used auto financing sector in the Philippines.
- US broker Robinhood to establish Singapore HQ for **Asian expansion** in 2025.
- Singapore-based digital banking group Tyme becomes the first **SEA unicorn** of 2024, after raising fresh funding at a valuation of US\$1.5bn.
- Singapore's Insurtech bolttech, valued at US\$2.1bn, **raises** over US\$100mn in a round led by Dragon Fund, part of Mitsubishi UFJ Financial Group.
- Swiss-Singapore digital asset bank Sygnum successfully **raises** a US\$58mn strategic growth funding round and officially becomes a unicorn.



## Real Sectors

- Keppel and Vietnamese conglomerate Sovico Group are discussing plans for a new US\$150mn Singapore-Vietnam **undersea fiber-optic cables**.
- Keppel Infrastructure Trust eyes **strategic acquisition** in the water sector, including a 50% equity interest in Marina East Water.
- Long-awaited Asia Direct Cable, connecting Japan to Singapore, is now **ready to operate**.
- Tenaga Nasional Berhad (TNB) and Sembcorp have advanced regional energy sustainability by signing a **renewable energy supply agreement** (RESA) and opening the tap in December 2024. Under the agreement, Malaysia will export **300 MW of renewable energy** to Singapore.
- Singapore's Telemedia to **sell majority stake** in U Mobile of Malaysia to Mawar Setia.
- Sembcorp is set to acquire 49 MW of **hydropower assets** in Vietnam in the first half of 2025 and to acquire a Philippines company developing a 96MW **solar farm** for US\$105mn.
- Sembcorp is set to build a **green hydrogen plant** and industrial park in India's Odisha state.
- Abu Dhabi-listed shipping and maritime logistics company Adnoc L&S signs ~US\$1bn hybrid capital instrument to fund its **acquisition** of Singapore-headquartered Navig8.

- Singapore-based V Medical Aesthetics is seeking to raise US\$200mn at a US\$1.3bn valuation in a Malaysia IPO.
- Wilmar will acquire Adani Group's 31% stake in their consumer goods JV Adani Wilmar in a US\$2bn deal.
- GIC is in advanced talks to acquire indebted property developer China Vanke's 81.6% stake in VX Logistics, which was valued at US\$3.7bn in 2022.
- Temasek eyes multiple bolt-on acquisitions in the healthcare sector in India.
- SP Manufacturing (SPM), a leader in Electronic Manufacturing Services (EMS), is expanding with a new facility in Senai, Malaysia, and the acquisition of Ideal Jacobs Corporation.
- US-based company Micron will be investing US\$7bn to build a new memory chip plant in Singapore.