

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.



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 17th 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).
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- 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.