

**Spire E-Newsletter**

Spire Research and Consulting is the leading research agency in global emerging markets.

Q4-2011 Issue

**In this issue**

- Singapore's Economy in 2012
- Corporate Community Day in Spire Singapore

**Singapore's Economy in 2012**

**21 November 2011**

**Channel NewsAsia – AM Live**



***Leon Perera, Chief Executive Officer of Spire, was invited to discuss the prospects for Singapore's economy in 2011 and the coming year.***

Leon Perera commented that the manufacturing sector is the primary issue behind the weaker fourth quarter of 2011. He also expected 3% GDP growth in 2012. This is mainly due to weakness in global export markets. Also, when we look at the financial and business services sector, which is 25% of the GDP in Singapore, there are some uncertainties. This is because "the health of banks will be partly dependent on what happens in Europe, whether there will be an orderly resolution of the issue. Hence, slow growth in financial and business services and definite weakness in the manufacturing sector, in particular electronics, will translate into weak growth for Singapore next year. However, on balance, we feel that Singapore will dodge the bullet of a recession, as we do not see any obvious triggers for recession globally. In fact, there are some signs of life coming back into the US economy, and even in Europe a weak Southern Europe is being counter-balanced by a stronger Germany."

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Perera added that the 5% inflation rate in Singapore was primarily driven by domestic factors, such as property and car prices. The core inflation rate (excluding these two factors) should be considerably less, at around 2 – 3%.

Commenting on the economic outlook for neighbouring countries in 2012, Perera felt that Malaysia's economic growth would be flat with 2011. As a globalised economy that is rather export-dependent, Malaysia may be impacted by the weakness in global export demand. On the other hand, with 2012 being an election year, increased government spending would also stimulate the economy, counterbalancing the impact.

As for Indonesia, Perera was more bullish. Positive customer sentiment, strong foreign direct investment and commodities exports are some factors that would stimulate the economy in Indonesia. Hence, Indonesia's GDP growth rate would be the same, if not higher than the figure this year.

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**Corporate Community Day in Spire Singapore**

**5 November 2011**



Along with 33 other organisations, Spire Singapore once again supported AmCham Corporate Community Day in 2011.

For the fourth consecutive year, we were delighted to be able to give back to the community and encourage employee volunteerism. This year, Spire collaborated with the Singapore Children's Society to reach out to children and youth from at-risk families.

Held at the Singapore Children's Society premises, we guided the beneficiaries – both children and parents – on the making of clay dolls of their family members, highlighting the importance of family bonds. Beneficiaries went on to set the clay dolls onto photo frames. Participating families were then photographed with their creations, and the photographs were printed on the spot for insertion into the photo-frames, as keepsakes.

We were pleased to be visited by Mr Louis Mazel, Deputy Chief of Mission of the United States Embassy in Singapore. Mr Mazel and his wife enjoyed interacting with the participants.

Spire is privileged to have been able to support the fantastic work of Singapore Children's Society. A great time was had by all. The lesson we took away? Happiness is the sweetest when shared.

**Did you know?**

The Singapore Children's Society aims to help protect and nurture children and youth of all races and religions, especially those who are abused, neglected, and/or from dysfunctional families. For more information, please visit <http://www.childrensociety.org.sg>.