

Monetary policy in Singapore

Unlike most major economies, Singapore's central bank uses the exchange rate as a monetary policy tool, rather than the interest rate. By choosing to manage the exchange rate, the Monetary Authority of Singapore (MAS) gives up control over domestic interest rates.

MAS adjusts the pace of appreciation or depreciation of the Singdollar by changing the slope, width or centre of the band. It does not disclose details of the basket, the band, and the pace of appreciation or depreciation.

