

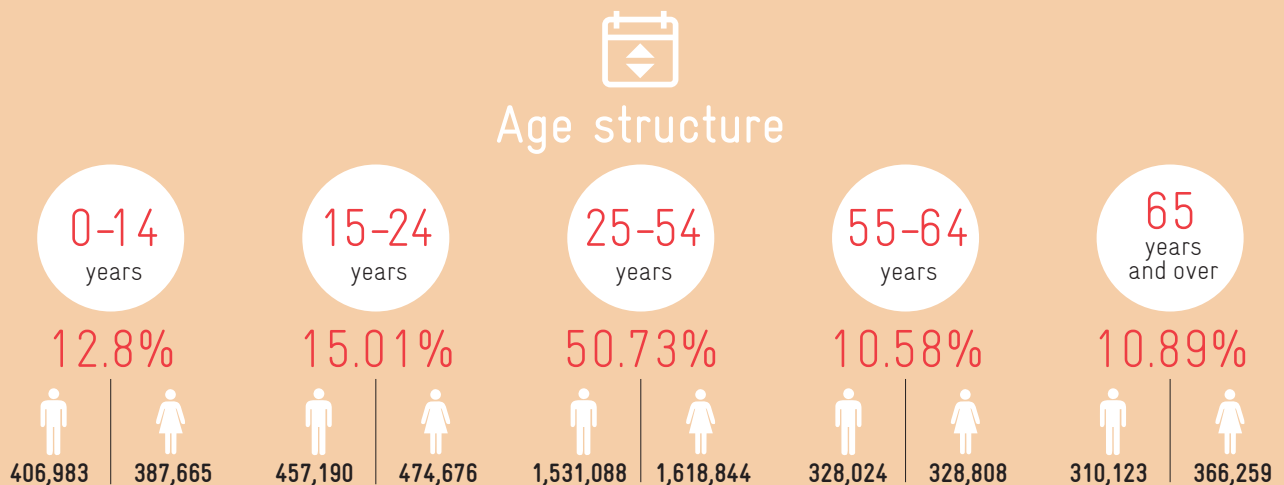
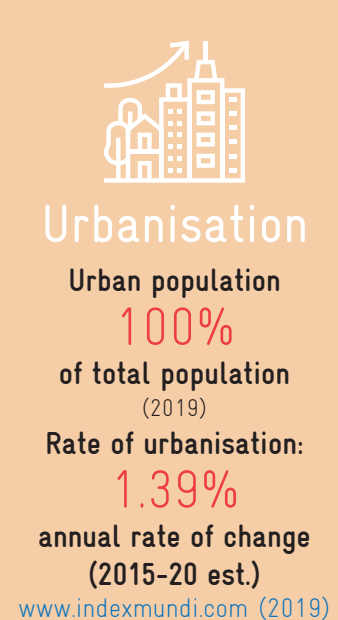


COUNTRY PROFILE

REPUBLIC OF SINGAPORE



REPUBLIC OF SINGAPORE – Basic Facts



www.indexmundi.com (2020 est.)

Number of registered SMEs and numbers employed in relation to the total number of registered companies

Singapore defines SMEs as companies which are

- Registered and operating in Singapore;
- Have minimum 30% local shareholding; AND
- Company's group annual sales turnover is not more than S\$100 million (US\$ 69 million); OR
- Company's group employment size not more than 200 workers.

As of 2019, there are about 273,100 enterprises in Singapore, of which 99% of them are SMEs and they employ about 72% of the total workforce.





Overview



Singapore is located in the heart of Southeast Asia. The country gained its independence in 1965, but became an independent city state in 1965. The country has an open, highly trade-dependent economy, with an active investment regime and a strong commitment to economic development. It is a major finance, ICT, distribution and logistics hub, and has a well-earned reputation for not tolerating corruption. The country is consistently ranked as one of the most business-friendly countries in the world and is frequently named as one of the most innovative and competitive economies. The World Bank ranked Singapore 2nd in its Doing Business Ranking in 2019.

Due to the COVID-19 pandemic, Singapore registered a negative GDP growth of -6% in 2020, exacerbated by the continued trade war between USA and China. However, IMF forecasts in late 2020 predict a strong rebound of up to 5% in 2021 and a stabilisation at around 2.6% in 2022, depending on the speed of post-pandemic global economic recovery.





Opportunities and challenges

As a freeport, over 99% of imports by volume to Singapore enter duty-free. Like any developed economy, the country is facing the issues of an aging workforce, a maturing economy, rising labour and property costs, as well as competition from other regions. However, Singapore has established a number of development plans to maintain its leading economic position including major investments in improving transport and logistics infrastructure, IT infrastructure, the healthcare and education sectors. The various industries in Singapore are also undergoing transformation to digitalise and adopt tech solutions, as well as improve their business capabilities, as they strive to become more competitive. Clear industry transformation roadmaps have been laid out to guide industries on this move.

In 2005, Singapore introduced the Green Mark Scheme to recognise buildings that achieve high standards of environmental design and performance and encourages **green awareness** in the construction sector. All buildings are assessed for energy and water use, air quality and environmental impact. By 2030, 80% of building gross floor area (GFA) in Singapore is expected to meet minimum environmental sustainability standards or achieve BCA Green Mark certification and the construction authorities also have policy levers targeted at supporting retrofitting of existing buildings to be more energy efficient.

Within green technologies, Singapore is particularly interested in technology and infrastructure for filtering and purifying, wastewater recycling and treatment and desalination. There is a US\$8 million pilot project for using floating solar panels on reservoirs as a source of electricity, as well as a US\$22.55 million project by SP Group to develop next generation technologies to improve reliability and efficiency of electricity and gas distribution. Opportunities in the environmental technologies sectors include provision of systems and technologies for urban and industrial water, smart systems including water accounting and payment, as well as water treatment and monitoring.

At the same time, Singapore is working towards a zero-waste target, which includes mandatory reporting for brand owners, importers, and large retailers on data on packaging material produced and waste reduction plans. Food separation systems will be required for commercial and industrial companies with large food waste figures and onsite waste treatment systems will be needed from 2021 onwards in many food companies and commercial canteens.

Another interesting growth area is within **healthcare**, where the country ranks as one of the world's most advanced and efficient. Key to Singapore's position as a leading medical hub is an integrated cluster of leading healthcare providers, biomedical sciences companies, manufacturers and scientific research institutes. At the nation-level, the ageing population is expected to drive healthcare expenditure significantly. With 19% of the population expected to be over the age of 65 by 2030, the government has been investing in elderly care, hospitals and polyclinics. Another healthcare challenge is the rise of chronic disease and the country has embarked on a national campaign to fight diabetes. These healthcare efforts are backed by strong Research and Development investments Singapore had made into the biomedical eco-system in the past decade. Today, Singapore has a burgeoning biomedical start-up scene which supports new healthcare areas such as value-based healthcare care, digital health, and precision medicine.



To maintain its position as the leading logistics hub, Singapore is expanding its airports and seaport transport infrastructure. Changi Airport Terminal 5 is under construction, with a third runway ready by around 2030 to cope with increasing numbers of travellers. For sea freight, the Tuas Mega Port is under development, which will become the largest fully automated container terminal in the world, handling capacity up to 65 million TEU per year. The construction is based on four phases with full completion expected in 2040. There are opportunities at different construction phases for SMEs to provide relevant technologies, installation services and equipment. At the same time, the government is also committed to spending up to S\$3.5B on ICT procurement in 2020 as it looks to drive the adoption of digital tools.

Singapore is also increasingly moving towards an innovation-driven economy, with start-ups a key driver of innovation. The 2019 Global Innovation Index ranked Singapore as the most innovative country in Asia, and 8th globally. Singapore also consistently ranks within the top 20 start-up hubs in the Global Startup Ecosystem Report. As a global Asian node for technology and innovation, Singapore offers a diverse pool of talent, cutting-edge research from top universities and a strong network of thought leaders. Singapore offers one of the most well-educated and highly skilled talent pools in Asia, having been ranked by the most recent Global Competitiveness Index as second in the world and the only Asian country in the top 10 when it comes to attracting talent. Singapore's IP regime is also one of the best in the world, having been ranked first as the world's most competitive country and top in Asia for having the best IP protection by the World Economic Forum's Global Competitiveness Report 2019. Considered amongst the top in the world for start-up talent, Singapore has one of the fastest growing start-up communities in the world and there are an estimated 3,600 tech start-ups in Singapore in world-class facilities and collaborative spaces.

Summary








Singapore is one of the most open and attractive markets in Asia, with a wealthy population, well-developed business infrastructure, and strong connectivity to global markets. The market provides a good location to set up HQ or regional base, and the opportunity to scale up to the rest of Asia from here, due to Singapore's established networks and strengths as a regional hub.






Further information and assistance can be obtained from:

- Singapore Business Federation – Apex business chamber championing the interests of the Singapore business community in the areas of trade, investment and industrial relations
- Association of Small & Medium Enterprises (ASME) – Business association that strives to equip member SMEs with the business knowledge and market opportunities to help them grow their businesses.
- Singapore International Chamber of Commerce – Business association which helps companies (both local and foreign) in Singapore.
- There is information on key trade and industry fairs in Singapore on <https://www.visitsingapore.com/mice/en/events-calendar/>
- Enterprise Singapore provides information on key industries, as well as both financial and non-financial assistance provided to support the growth of enterprises.
- Economic Development Board (EDB) is a government agency that seeks to enhance Singapore's competitiveness as a global centre for business, innovation and talent.



Trade figures by products

● Largest import partner	● Trade value million USD (2019)	● Partner share %
 China	49,033	13.7
 USA	43,939	12.2
 Malaysia	41,690	11.6
 Other Asia	32,376	9.0
 Japan	19,372	5.4

● Largest export partner	● Trade value million USD (2019)	● Partner share %
 China	51,619	13.2
 Hong Kong	44,377	11.4
 Malaysia	41,152	10.5
 USA	34,401	8.8
 Indonesia	27,359	7.0

Trade figures by product

● Largest exports by 6-digit HS code	● Value USD (thousands) WITS 2019
854239 Electronic integrated circuits; n.e.c. in heading no. 8542	33,440
271019 Petroleum oils and oils from bituminous minerals, not containing biodiesel, not crude, not waste oils; preparations n.e.c, containing by weight 70% or more opetroleum oils or oils from bituminous minerals; not light oils and preparations	31,970
270900 Oils; petroleum oils and oils obtained from bituminous minerals, crude	24,222
271012 Petroleum oils and oils from bituminous minerals, not containing biodiesel, not crude, not waste oils; preparations n.e.c, containing by weight 70% or more of petroleum oils or oils from bituminous minerals; light oils and preparations	13,926

● Largest imports by 6-digit HS code	● Value USD (thousands) WITS 2019
854239 Electronic integrated circuits; n.e.c. in heading no. 8542	35,193
271019 Petroleum oils and oils from bituminous minerals, not containing biodiesel, not crude, not waste oils; preparations n.e.c, containing by weight 70% or more of petroleum oils or oils from bituminous minerals; not light oils and preparations	29,294
854231 Electronic integrated circuits; processors and controllers, whether or not combined with memories, converters, logic circuits, amplifiers, clock and timing circuits, or other circuits	21,201
854232 Electronic integrated circuits; memories	16,600
271012 Petroleum oils and oils from bituminous minerals, not containing biodiesel, not crude, not waste oils; preparations n.e.c, containing by weight 70% or more of petroleum oils or oils from bituminous minerals; light oils and preparations	16,589

Source: <https://comtrade.un.org/data/>

Import restrictions by country, e.g., quotas or non trade-barriers



Singapore has a very open market, and the Port of Singapore includes a duty-free zone where goods in transit may be stored, resorted or repacked without incurring duty. However, the following products are not permitted in the country:

● Prohibited Goods

● Competent Authority

Chewing gum (excluding Health Sciences Authority approved oral dental and medicinal chewing gum)

[Singapore Customs](#)

Pistol or revolver - shaped cigarette lighters

Arms & Explosives Division, General Licensing Division, Police Licensing & Regulatory Department, [Singapore Police Force](#)

Fire crackers

Arms & Explosives Division, General Licensing Division, Police Licensing & Regulatory Department, [Singapore Police Force](#)

- Rhinoceros horn (worked, unworked or prepared and the any part, power or waste of such horn),
- Endangered species of wildlife and products derived from the body of such animals

[National Parks Board](#)

Telecommunication equipment
([Examples of prohibited telecommunication equipment](#))

[Info-communications Media Development Authority of Singapore](#)

- Scanning receivers
- Military communication equipment
- Telephone voice changing equipment
- Radio-communication equipment operating in frequency bands 880-915 MHz, 925-960 MHz, 1900-1980 MHz and 2110-2170 MHz except cellular mobile phones or such other equipment approved by Info-communications Media Development Authority of Singapore
- Radio-communication jamming devices operating in any frequency band
- Obscene articles, publications and video tapes or discs
- Seditious and treasonable materials.

● Prohibited Goods

- Chewing tobacco (loose leaf chewing tobacco, plug chewing tobacco, twist chewing tobacco, tobacco bits intended for chewing)
- Imitation tobacco products (electronic cigarettes, vaporisers) and components of imitation tobacco products
- Shisha
- Smokeless cigars, smokeless cigarillos or smokeless cigarettes
- Dissolvable tobacco or nicotine
- Any product containing nicotine or tobacco that may be used topically for application, by implant or injected into any parts of the body
- Any solution or substance, of which tobacco or nicotine is a constituent, that is intended to be used with an electronic nicotine delivery system or vaporizers
- Nasal snuff
- Oral snuff
- Gutkha, khaini and zarda.

● Competent Authority

Tobacco Regulation Branch,
[Health Sciences Authority](#)

Controlled drugs listed under 4th Schedule of Misuse of Drugs Regulation.

Health Products Regulation Group,
[Health Sciences Authority](#)

This does not contain the complete list of prohibited items. For more details, please visit the websites of the respective competent authorities.

Specific plant and animal products including fresh fruit and vegetables, meat and fish, eggs and processed foods require permits issued by the Singapore Agri-Food & Veterinary Authority (AVA) and there are specified metric size packages for several food items including butter, rice, white sugar, wheat flour and cooking salt. All pre-packed food must be labelled according to the Singapore Food Regulations, which are enforced by the Singapore Food Authority (SFA). More details can be found on SFA's website at <https://www.sfa.gov.sg/ava>

Cosmetics, medicines and medical devices are regulated by the Health Sciences Authority (HSA). More details can be found on HSA's website at <https://www.hsa.gov.sg/>.

Product and Trade indexes

(efficiency of customs clearance, openness to trade and trade tariffs)



The ASEAN Trade in Goods Agreement (ATIGA) aims to achieve free flow of goods in the region resulting in fewer trade barriers and closer economic linkages between the ten Member States, lower business costs, increased trade, and a larger market and economies of scale for businesses. The agreement was signed by the Economic Ministers of the Governments of Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Viet Nam, Member States of the Association of Southeast Asian Nations (ASEAN) on 26 February 2009 at Cha-am, Thailand. From 1st January 2010, Malaysia, Brunei Darussalam, Indonesia, the Philippines, Singapore and Thailand) made a complete free trade area and have eliminated import duties on 99 per cent of products in the Inclusion List (except for products listed in the Sensitive and Highly Sensitive Lists). Today, the ASEAN-6 have 99.20% of tariff lines in the Inclusion List at 0% import duty. This means that, only 0.35 per cent of the tariff lines in the Inclusion list incur import duties.

Form D is required in order to benefit from ATIGA preferential tariffs: [download here](#).

Full information can be found [here](#).

Business dynamism index

(financing to SMEs, costs of starting a business, time of starting a business)



Singapore is frequently listed as one of the most dynamic markets in the world. According to the World Bank Doing Business 2020 report, Singapore is ranked 2nd among 190 economies in the world for ease of doing business. At the same time, Singapore is ranked first out of 141 economies in the 2019 edition of the Global Competitiveness Report published by the World Economic Forum. Transparency International's 2019 Corruption Perceptions Index ranked Singapore 4th out of 180 countries for having the least corruption in the public sector.

It is easy to set up a business in Singapore. Registering a business with the Accounting and Corporate Regulatory Authority can be done online via BizFile+, the business registration and filing portal. The entire process can take as little as 15 minutes. A newly registered business can also avail itself of other services at the same portal, such as Goods and Services Tax registration and Customs Account activation for import and export permits, as well as opening of a corporate bank account.

More details can be found on the World Bank website:

<https://www.doingbusiness.org/en/data/exploreeconomies/singapore>