

TRADE AND ECONOMIC OVERVIEW

Singapore's economic growth in 1991 (6.7 percent) and 1992 (5.8 percent) has slowed from previously high rates, however, 1993 is not expected to have improved significantly unless U.S. and European markets demand boosted export led growth. Per capita Gross National Product now exceeds US \$14,300, second only to Japan in Asia and making Singapore's population of over 2.8 million a wealthy pool of aspiring consumers. Singapore's trade health is founded on a free trading environment; efficient local infrastructure (ports, airports, financial services, etc.); highly skilled labour force; low taxes; strong currency; and, a stable government which continues to attract substantial numbers of foreign companies to set up operation in Singapore.

Bilateral trade between Canada and Singapore remained relatively stable in 1992 at CDN \$975 million, and a solid base has been established for expanding Canada's exports to Singapore and the region in the next few years. Singapore is continuing to maintain its drive to invest heavily in infrastructure to make the Republic increasingly competitive and attractive to international business. Major programs are under way as well to enhance the lifestyle and living conditions of Singaporeans in order to give them an increased stake in the future of the country.

The strategic approach is evidenced in the Strategic Economic Plan (SEP) which was launched in early 1992 and gives a 30-40 year blueprint for the development of Singapore. Instrumental to its success will be developing and expanding the base of science and technology, and research & development activities; increasing the productivity of Singaporean workers; attracting higher technology international investors and strategic partners to move Singapore industry increasingly upstream; and, continuing to encourage more Singapore firms to venture abroad (even if only in a regional context at first).

It remains essential to demonstrate to the Singapore business community that Canada and Canadian firms are interested in doing business in Singapore and in collaboration with Singaporean businesses in other regional markets. Competition in this market is from the United States, Australia, New Zealand, Europe and Japan, with the result that Canada is often overlooked as a potential supplier or partner. Canadian economic and commercial relations with Singapore are strengthened by the Canadian community in Singapore, with some provinces maintaining active trade and investment offices. There are now some 80 companies established in Singapore, many using it as a base for their regional operations. The Canada-Singapore Business Association, the Canadian Alumni Association, and the Canadian Association all contribute in a significant manner to promoting trade and economic links between Canada and Singapore.