

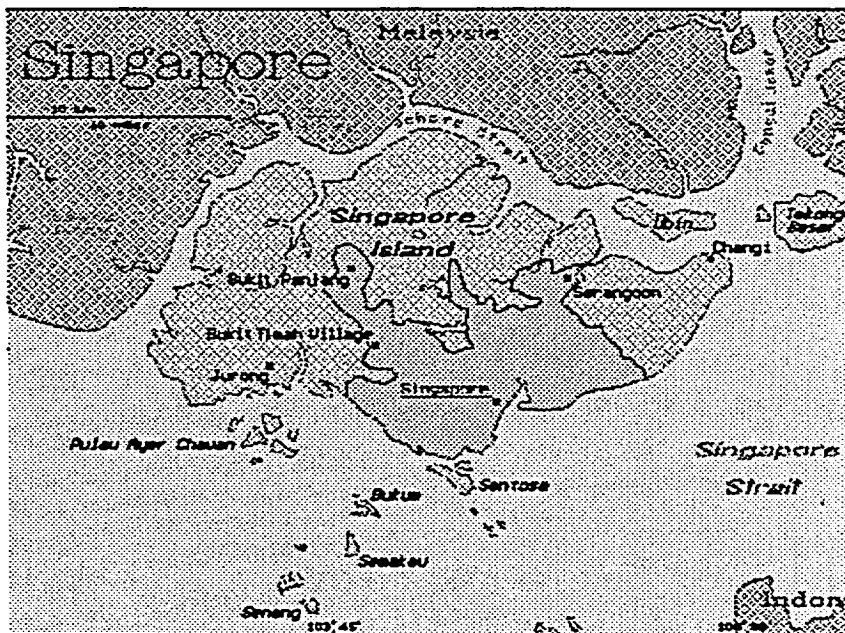


SINGAPORE IN THE ASEAN REGION



Singapore, situated at the tip of the Malay peninsula, encompasses a land area of just 641 square kilometres. Its population of 2.87 million people is predominantly Chinese, with Malay, Indian, and a variety of other ethnic groups make up the balance.

Singapore has been an independent Republic since its separation from Malaysia in 1965. The People's Action Party (PAP) has consistently led the parliamentary democratic government from the time of independence. As a result of the PAP's economic and social policies, Singapore has emerged as a dynamic trading, financial, manufacturing and distribution centre for South East Asia.



THE BUSINESS ENVIRONMENT

Singapore has few natural resources, outside of a deep water harbour, an educated and industrious labour force, and a strategic location.

Singapore's success on the international trade scene builds on its traditional role as an entrepot for the region. This role has been reinforced by its central geographic location in Asia, a well-developed infrastructure, world-class communications, political stability, and an English-speaking workforce.

Similar to Canada, Singapore has a small domestic market and is one of the world's most export-dependent countries. With its total trade amounting to over 3.6 times its GDP, Singapore is vulnerable to the vagaries of the international marketplace and external economic fluctuations.

Singapore's market economy is based on a free enterprise system. Fiscal and monetary policies promote Singapore as a business centre through the facilitation of private sector growth and export competitiveness. Large foreign reserves, relatively