

BACKGROUND ...

ECONOMIC OVERVIEW ...

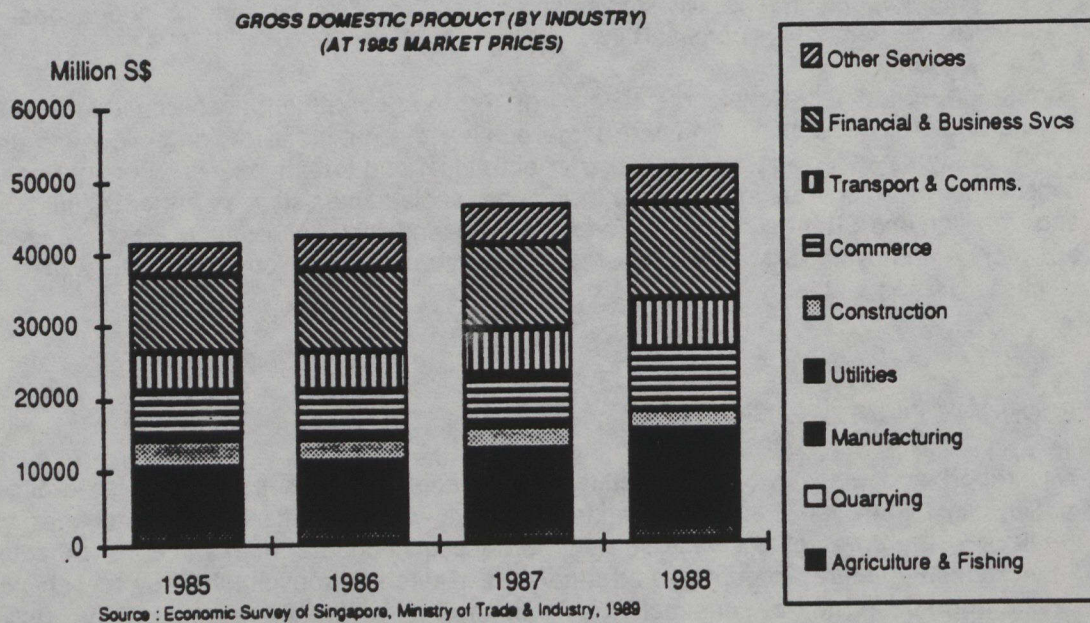
Major companies offering general management consultancy services like Booz Allen and Hamilton, Arthur D Little and SRI (which started with just 4 consultants 5 years ago) have now increased their staff pool to the 20-50 range in Singapore. They have also established and expanded a network of offices throughout the region.

Likewise, consulting arms of the big accounting firms have increased their number of consultants to between 30-60 professionals (they started with an average of 5 consultants in 1984).

This growth is attributed to rising demand for consultancy services by the construction, transportation, financial, petrochemical, electronics sectors and the government ministries in Singapore as well as the rest of the region. As these industries have reached a certain level of maturity and they have developed a more global outlook for business. This, in turn, has led them to demand external sources of expertise.

Sectoral Performance

The Singapore economy grew by 8.7% in the last quarter of 1989. This was due in part to slower growth in the transport and communications sectors. During the same period, the other key sectors, namely manufacturing, financial and business services, and commerce expanded by 9.7%, 14.0% and 9.1% respectively.* Overall, Singapore's economic growth averaged 9.1% for the first nine months of 1989.



* All growth rates are CAGRs (Compounded Annual Growth Rates)