

BACKGROUND ...

COMPETITOR ANALYSIS

PROCESS OF SUPPLYING

KEY PARTICIPANTS IN THE DEFENSE INDUSTRY

INTERMEDIARY APPROACH

Several foreign companies have opted to go through a third party because of they are not familiar with procedures and persons to contact. Another advantage of going through a local agent is that it facilitates coordination with local contractors/suppliers in the case of projects costing S\$10m or more, as these require 30% local sourcing.

Companies that opt to go through intermediaries may approach MINDEF-linked companies which include Unicorn International Pte Ltd, The International Marketing Division of the Singapore Technical and Industrial Corporation or the Marketing Division of the Singapore Aircraft Industries. These companies are usually familiar with MINDEF's plans and future equipment requirements.

They may also go through private intermediaries which include local agents cleared to do business in defense products.

APPENDICES

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FUTURE TRENDS AND MARKET OPPORTUNITIES

The market for defense equipment is expected to remain at about 6% of GDP. Although this percentage figure is not expected to change, the actual dollar value of defense product purchases is expected to rise over the next several years.

This, therefore, offers market opportunities for suppliers of defense equipment and services. The major growth areas are:

- Training equipment.
- New and more technologically advanced equipment.

With MINDEF's plans to establish its own company for spare parts, supply of spare parts will no longer be listed as open tenders.

The Singapore government encourages foreign manufacturers to set up joint ventures for the production of high technology defense products. As Canadian manufacturers have unique technological know-how on certain defense products such as air-to-ground missiles, radar equipment and other, they may consider setting up manufacturing and servicing operations to service the region.

Initially, however, Canadian companies may choose to establish presence and a track record either by going directly to MINDEF or by approaching licensed MINDEF contractors or private agents.