

## SINGAPORE

### GENERAL INFORMATION

Situated at the tip of the Malay Peninsula, the island of Singapore and 54 adjacent islets constitute the Republic of Singapore, encompassing a total land area of 622 square kilometres. The country's population is predominantly Chinese (76%) with Malays, Indians and a variety of other ethnic groups making up the balance. Singapore is a parliamentary democracy.

### POLITICAL AND ECONOMIC SITUATION

Singapore has been an independent republic since its separation from Malaysia in 1965. Although the Head of State is President Wee Kim Wee, executive power rests with the Prime Minister and his Cabinet. The People's Action Party (PAP) under Lee Kuan Yew, has won every general election since 1959, although the percentage of the party's popular vote dropped from 75% to 65% in the last two elections (1980 and 1984). It is generally recognized that Singapore's emergence as a dynamic trade and economic centre for Southeast Asia has been the result of the PAP's social and economic policies.

With no natural resources, Singapore has developed on the basis of an industrious labour force and a vital geographic location. Government objectives are to ensure Singapore's development as the foremost financial, communications and transportation services centre in the region. After real growth dropped to -2.6% in 1986, the government began pursuing a number of strategies to turn around this uncharacteristic performance, including cuts in property, corporate and personal taxes and increased public spending, as a result, real growth reached a spectacular 8.1% in 1987 and observers forecast a 6% growth rate for 1988.

### FOREIGN POLICY ORIENTATION

Singapore's foreign policy is pragmatic. Its perception of issues is based primarily on the assessment of their relevance to the economic development of Singapore. Given its size, Singapore, as a member of ASEAN, has much to gain from the strengthening of the organization mechanisms to deal with international and political developments. As a nation depending extensively on international financial, commercial and trading relationships, issues such as protectionism, the international debt crisis, low commodity prices, the availability of investment funds and volatile oil prices are all of crucial interest to Singapore.