

Singapore

The Republic of Singapore's success in international trade lies in its central location in Southeast Asia and its traditional function as an entrepot for the ASEAN region.

Overview

A city state of 3.1 million people, Singapore, at \$30,589, boasts one of the world's highest per-capita income rates. In 1994, its Gross Domestic Product (GDP) was \$89.6 billion, with an economic growth rate of almost 10 per cent. A recent World Bank report on the world's richest countries ranked Singapore ninth, displacing Canada.

Singapore is the business and financial centre of ASEAN — and for good reason: it has the highest national savings rate in the world (48.3 per cent of GDP in 1993 and estimated at 45 per cent in 1995); superior infrastructures; large foreign reserves; relatively low inflation; and competitive interest rates.

With most goods free of quotas, duties and the need for import licences, Singapore, with its free-market economy, encourages foreign firms to establish facilities and regional offices locally. Generous investment and tax incentives — especially for technology development activities — are widely available.

Canada-Singapore Trade

Singapore, for most Canadian exporters, represents a relatively straightforward market to enter, although there is very strong competition. The language of business is English, business practices are very similar to Canada's, communications are efficient, and tariffs and duties virtually non-existent.

Canada's exports of goods and services to Singapore in 1994 exceeded \$377 million, making Singapore Canada's biggest export market in ASEAN. In the same year, total two-way trade reached \$1.2 billion, leaving Canada with a significant trade deficit of \$775 million.

Canada's major exports to Singapore include aircraft and parts, machinery, telecommunications, electrical equipment, paper, software, building products, and food and fisheries products.

Canadian direct investment has increased steadily through the 1990s to almost \$2.2 billion in 1994, primarily in the service sectors, especially banking and financial services.

Canadian Presence

Viewing foreign business as essential to its own economic growth, Singapore generally imposes no restrictions on foreign ownership. Today, there are more than 3,000 multinational corporations located in Singapore, including more than 75 Canadian companies, associations and offices, and some 200 agents and distributors of Canadian products and services.

There also are a great many joint ventures and technology transfers between Canada and Singapore,

particularly in aerospace, defence, educational services, public utilities, and R&D initiatives.

Singapore's total trade is more than triple its GDP and the city state is among the world's largest entrepot trading centres (75 per cent of ASEAN trade goes through Singapore). It is the second-largest offshore banking centre after Hong Kong, and the second-largest foreign exchange dealer in Asia.

Promising Sectors

There are many promising sectors. Those identified by the Canadian High Commission as offering excellent potential for Canadian exporters include:

- **information technology/electronic products** — These are growth industries and pre-requisites to establishing Singapore as a regional services centre;
- **agriculture/food products** — Singapore accounts for more processed food sales than any other country in Southeast Asia. An evolving westernized middle class and the impact of tourism have heightened interest in specialty, niche market food products.
- **transport systems/services** — Singapore's intent to maintain its status as the regional transportation hub and its drive for more efficient solutions to urban transportation challenges give rise to abundant opportunities for exports and joint ventures.
- **defence products** — Having one of the region's best equipped armed forces creates opportunities for suppliers of all types of radar, avionics, and advanced military equipment.
- **oil and gas equipment/services** — The concentration of petroleum refineries and oilfield service companies creates numerous opportunities.
- **environmental equipment/services** — Growing regional environmental concerns give rise to opportunities for technology transfer. Canadians can benefit from environmental management capabilities and regional connections of local companies.

PUBLICATIONS

SINGAPORE

AgriFood		
34539 Special Crops & Pulses: Singapore	95	11pgs
34608 Beef: Singapore	94	7pgs
34649 Pork: Singapore	95	4pgs
76375 Beef Products		2pgs
76376 Bottled Water		1pg
76381 Pork Products		1pg
76382 Seafood and Marine Products		2pgs

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