

Macro Business Environmental Study in Singapore

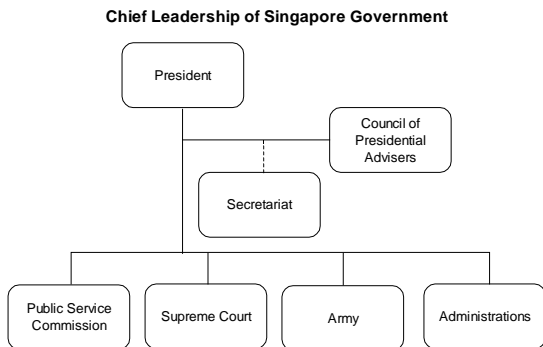
Executive Summary

Macro Pictures of Singapore

(1) Background

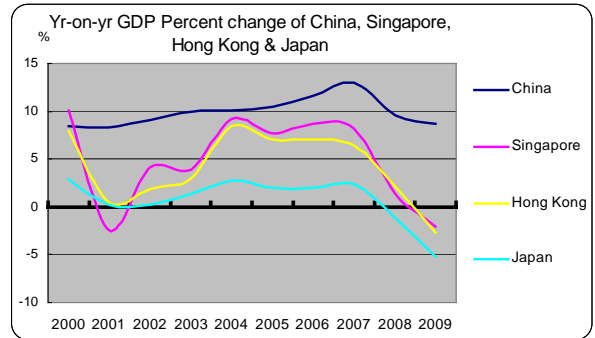
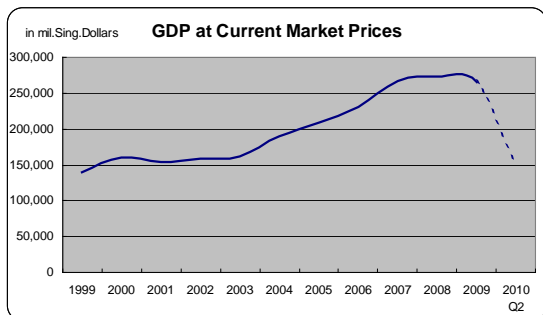
- * Occupies 710 km² land area with population of 5.1 million.
- * 74% Chinese, 14% Malaysian, 9% Indian and 3% other people.
- * Gained total independence in 1965.

(2) Political Framework

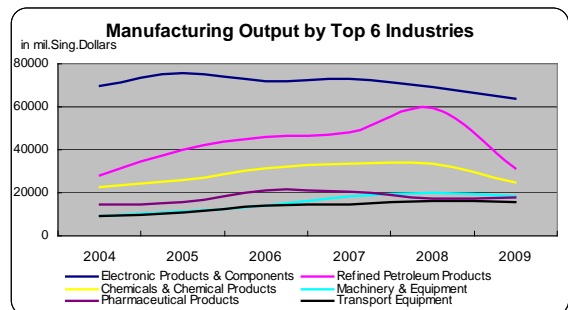
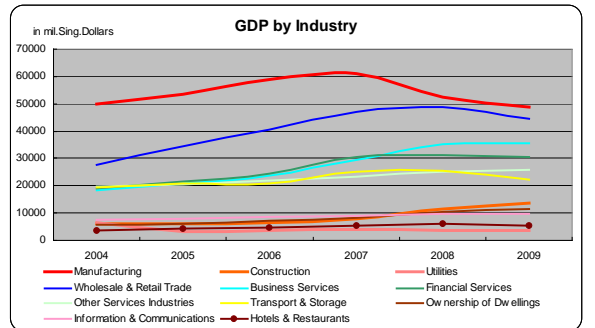
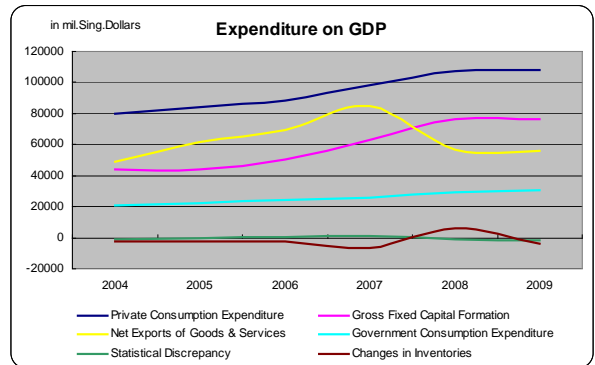


(3) Economic Scenario

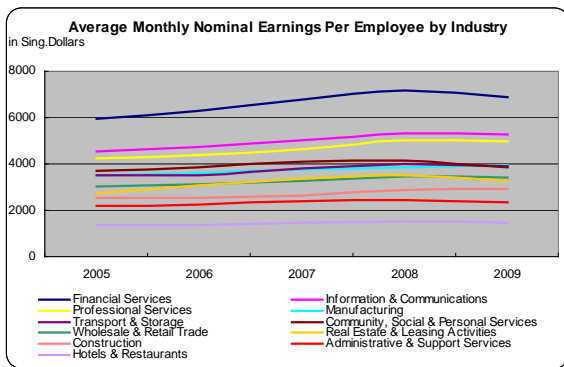
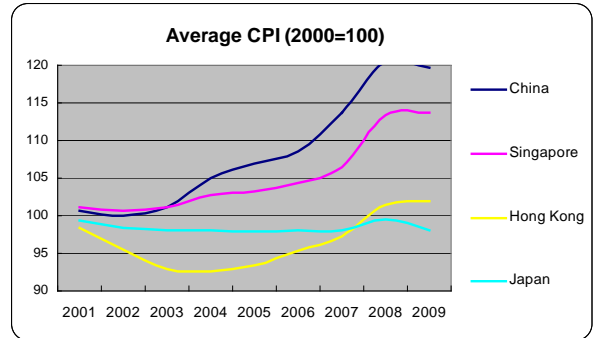
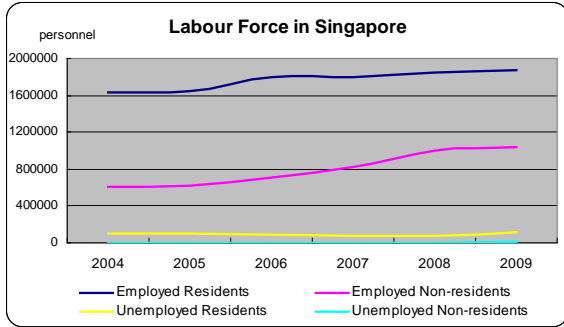
(3.1) Gross Domestic Production (GDP)



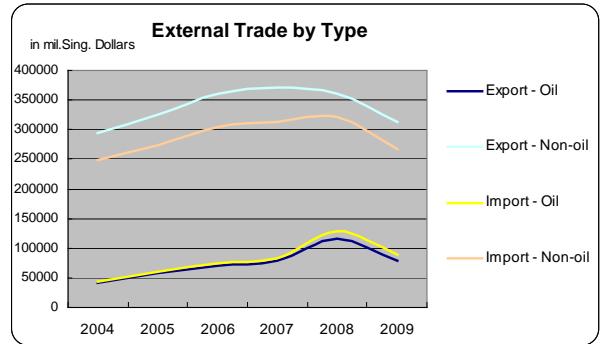
(3.2) GDP Division



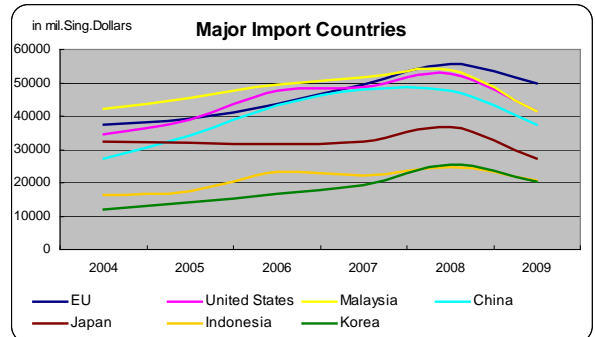
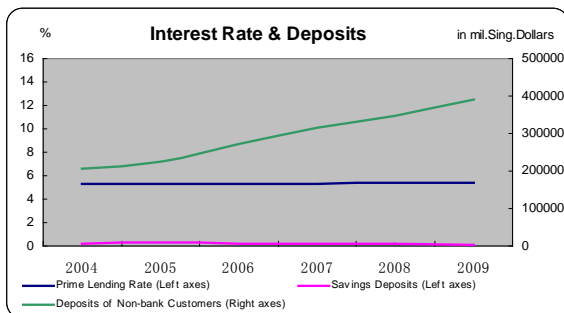
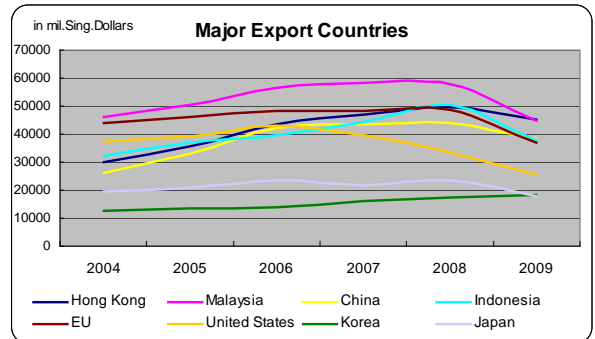
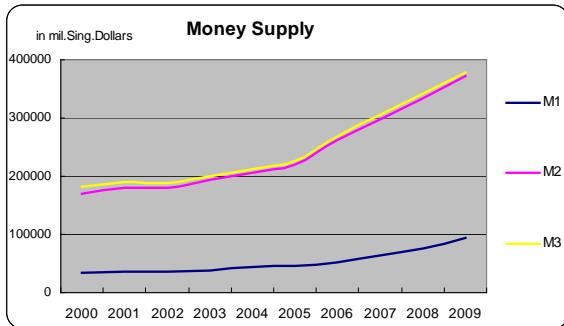
(3.3) The Environment for Businesses

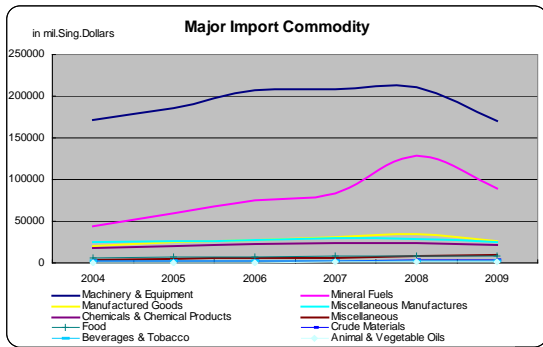
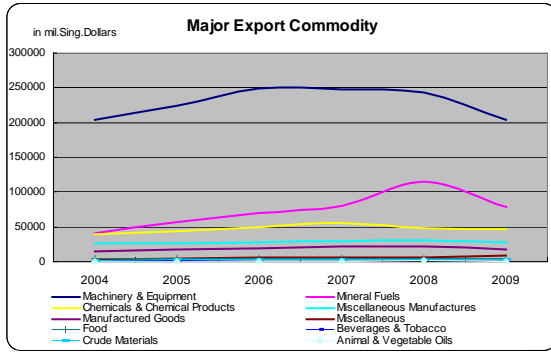


(3.5) External Trade

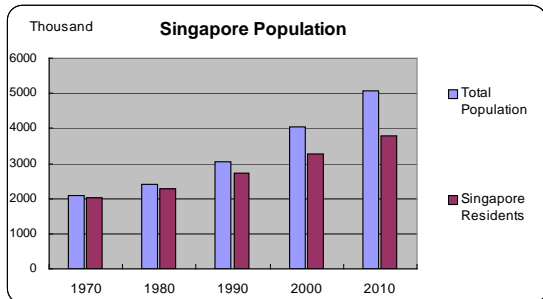


(3.4) Money Supply, Interest Rate and CPI

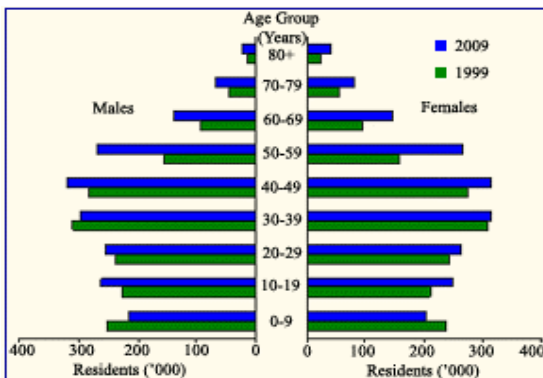




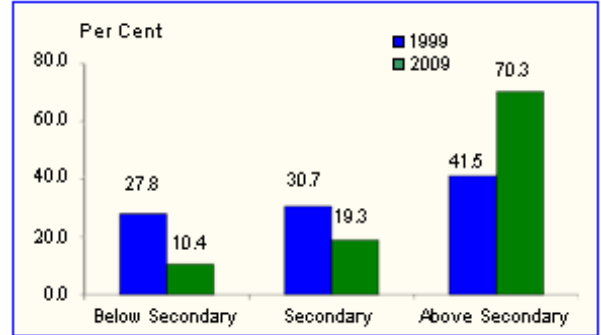
(4) Population



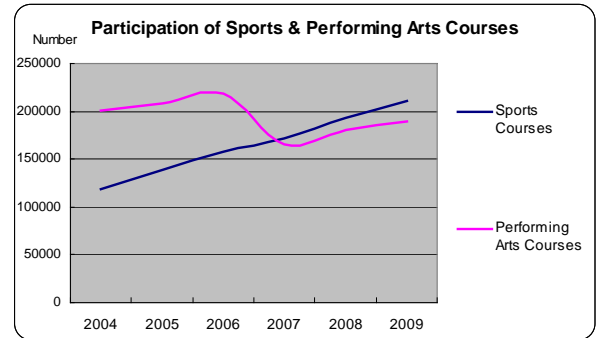
Population Age Pyramid for Residents



Educational Attainment (among resident non-students aged 25-39 years)

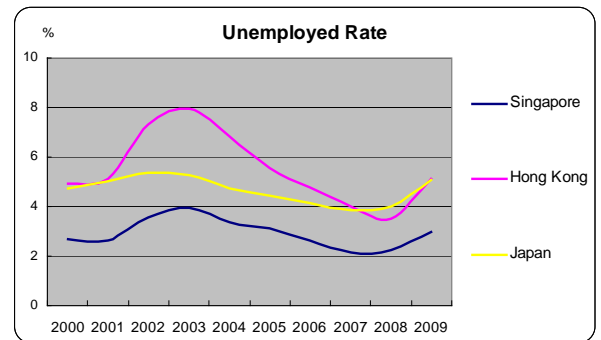


(5) Culture

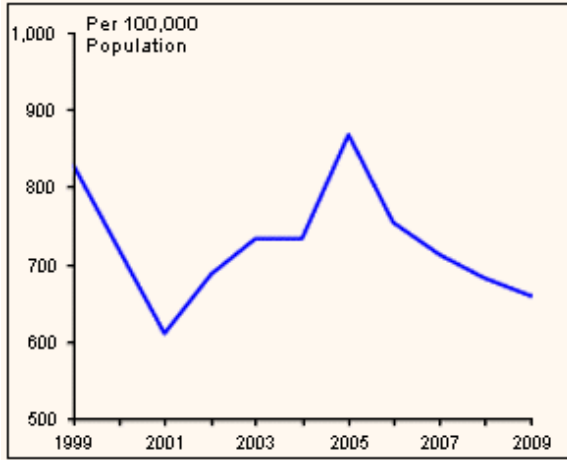


(6) Social Matter

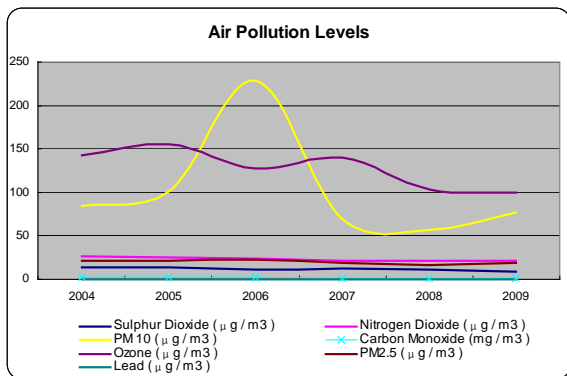
(6.1) Unemployed Rate



(6.2) Crime Rate

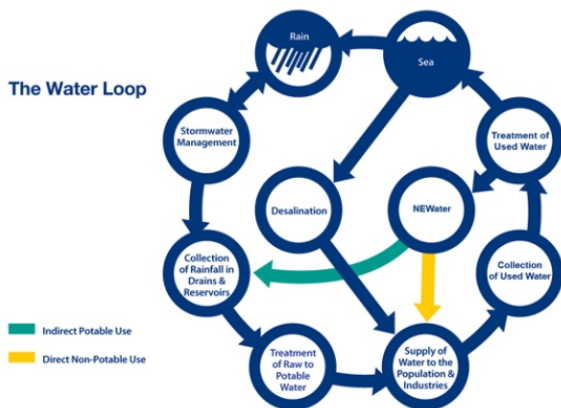


(6.3) Natural Environments



Conclusion

- * Singapore is the safest and most secure area in Asia.
- * Although Singapore was hit by the financial tsunami in year 2008 also, the year on year percentage change of GDP was not low as Hong Kong and Japan.
- * In financial tsunami, Singapore also has some industries that developed in their average way. They are Machinery & Equipment, Pharmaceutical Products and Transport Equipment.
- * Comparing with Hong Kong, although the year on year percentage change of GDP is quite similar, but CPI in Singapore is going too fast.
- * Though Singapore is a small place, the energy products such as Mineral Fuels is in large demand.



Original Content

Introduction

Singapore is a well-developed country in the world. Every year, its GDP has a high growing-up speed, even though in the years that the world hits economic crises. Studying the macro environment of Singapore can give readers the hints about its development.

Another interesting point is that this report is written after the 8-23 Manila hostage accident. Reviewing all information, one can find that Singapore is the safest and most secure place in Asia area.

Methodology

This study will look into Singapore in various columns through a series of parameters. Referring to the experiences of it, one can find out the information of how to operate a country or/and a corporate running in a high speed.

Macro Pictures of Singapore

(1) Background

Singapore is famous for its transportation and the beautiful port since 19 century. Singapore occupies 710 km² land area with population of 5.1 million. Amount them, there are 74% Chinese, 14% Malaysian, 9% Indian and 3% other people.

Singapore was well known from 18 century. Firstly, it was the colony of England. About in 1959, it gained the self-management right. And it won its total independence in 1965.

Singapore locates in the entrance of the water-road from East Asia to Africa and Europe; but her natural resources are limited. Ascribing to the location and the management wisdom of the leaders, Singapore becomes a well-developed country in 1980's.

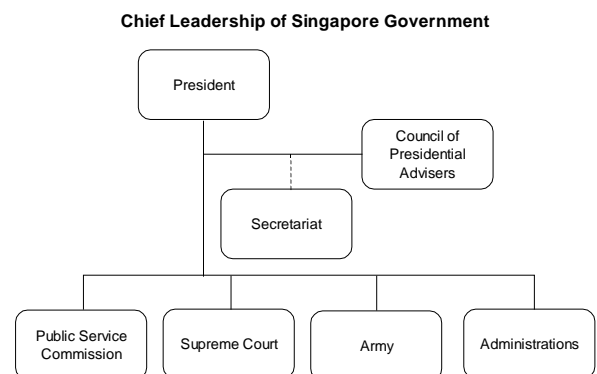
(2) Political Framework

For political framework influences the regional economy, a better knowledge of the ministry of Singapore enhances more reasonable study.

Since Singapore was conquered by England for a long time, the department-setting format is similar to England.

Exhibit 1 gives picture of the framework.

Exhibit 1



(Source: www.istana.gov.sg/AboutIstana/CPA/ and the relevant websites)

President has been voted by election since 1993. The dominion term for a president is 6 years. The present president, Mr. S R Nathan is for his second term from 2005.

Council of presidential advisers (CPA) is the most powerful organization. Although president has the right to determine lots of matters in Singapore, he must consult CPA before all his decisions are made.

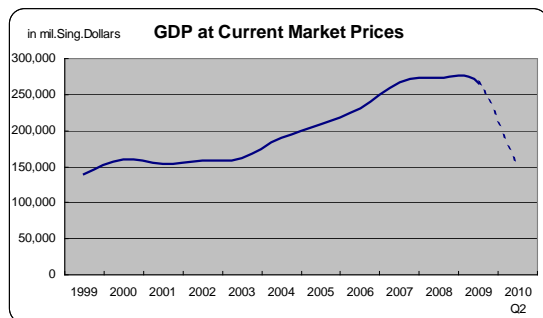
Secretariat is the assistance organization of President and CPA.

(3) Economic Scenario

(3.1) Gross Domestic Production (GDP)

Gross Domestic Product (GDP) is always a very helpful tool to measure the economy of a region. Exhibit 2 is the GDP measured in current price. Since there are two big issues influencing the global economy in the last ten years, the exhibit is started from 1999. The two issues are Asian Crisis and the 911 accidents.

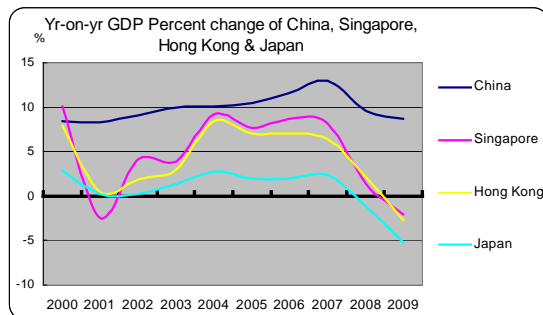
Exhibit 2



(Source: Yearbook of Statistics Singapore 2010)

The GDP year-on-year percentage change comparison of China, Singapore, Hong Kong and Japan can give a more clear effect of it.

Exhibit 3



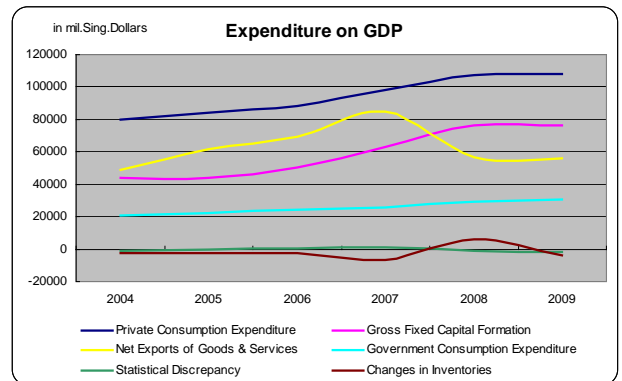
(Source: statistics of International Monetary Fund 2010)

Through the comparison, one can see that even global crisis hits the economy fiercely, Singapore government can cover it in a very short time. Among all the Asian countries, the growth rate of Singapore's economy is high.

(3.2) Division in expenditure & output

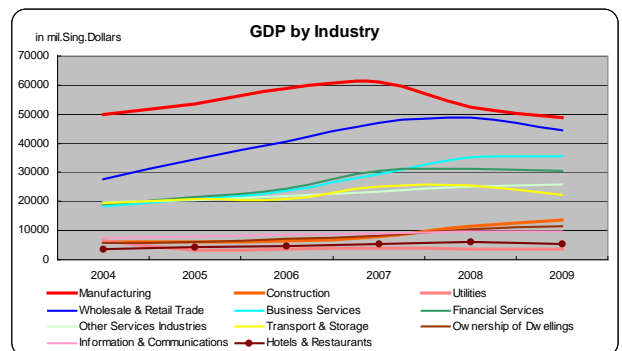
GDP can be divided into two ways. One is expenditure, the other is value added by industries. Exhibit 4, 5 and 6 are the details of it.

Exhibit 4



(Source: Yearbook of Statistics Singapore 2010)

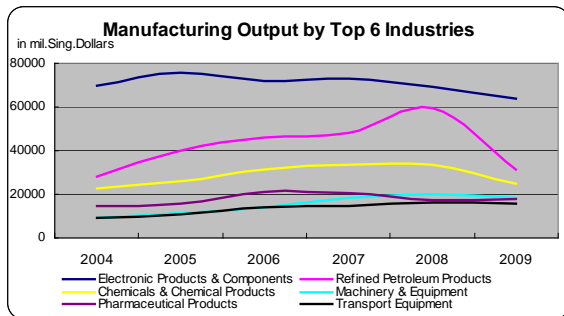
Exhibit 5



(Source: Yearbook of Statistics Singapore 2010)

Comparing with Yearbook of Statistics Singapore 2008, two industries are added. These two industries are Information & Communications and Hotels & Restaurants. Unfamiliar with Yearbook of Statistics Singapore 2008, Yearbook of Statistics Singapore 2010 does not show detail for each industry.

Exhibit 6



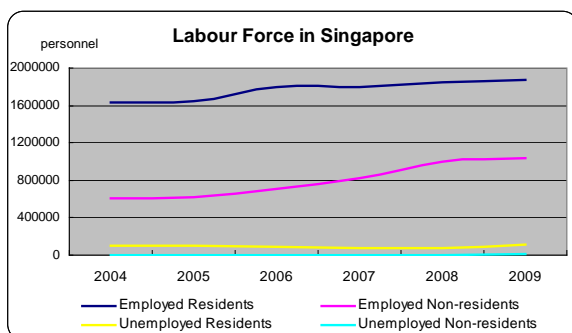
(Source: Yearbook of Statistics Singapore 2010)

From Yearbook of Statistics Singapore 2008, it tells that the products in manufacturing industry are Electronics, Chemicals and Biomedical Manufacturing most. In Yearbook of Statistics Singapore 2010, the situation seems to have a little bit change. According to exhibit 6, except the curves of Electronic Products & Components and Refined Petroleum Products declined most, the other manufacturing industries are still in their average level.

(3.3) The Environment for Businesses

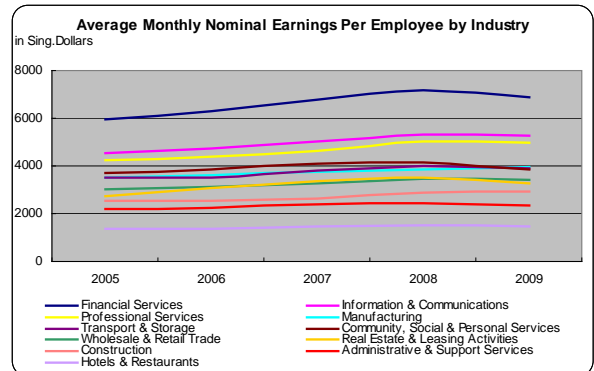
Singapore is a very small place, but Singapore never worries about lacking of labour force. Exhibit 7 and 8 shows the picture of manpower in Singapore.

Exhibit 7



(Source: Yearbook of Statistics Singapore 2010)

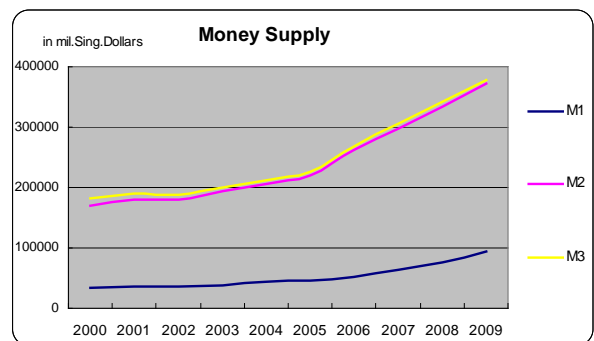
Exhibit 8



(Source: Yearbook of Statistics Singapore 2010)

(3.4) Money Supply, Interest Rate and CPI

Exhibit 9



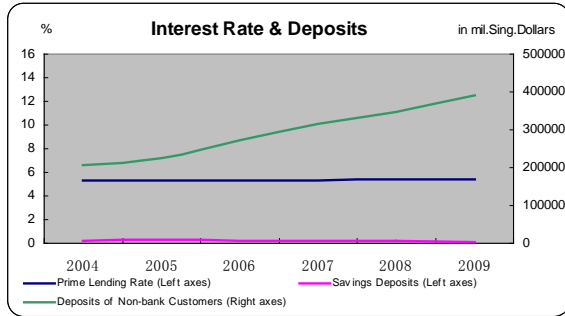
(Source: Yearbook of Statistics Singapore 2010)

M1 = Currency in Active Circulation + Private Sector Demand Deposits with Banks.

M2 = M1 + Quasi-money

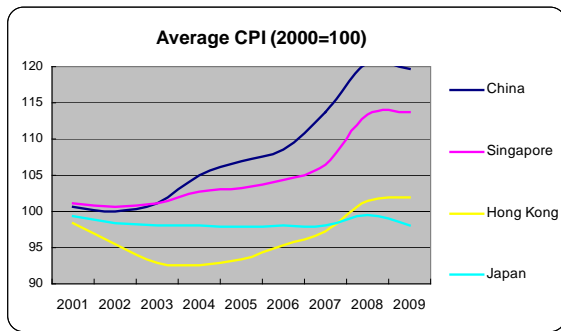
M3 = M2 + Net Deposits with Non-bank Financial Institutions (NBFIs)

Exhibit 10



(Source: Yearbook of Statistics Singapore 2010)

Exhibit 11



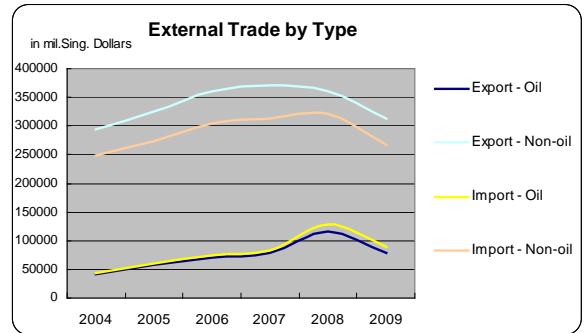
(Source: statistics of International Monetary Fund 2010)

Above exhibit 9, 10 and 11 show that people like to deposit their money into bank. In addition, the CPI seems going too fast.

(3.5) External Trade

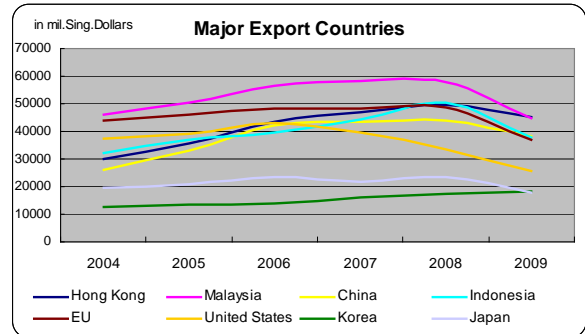
Singapore is a small place, so external trade is very important for it. Even because of this, Singapore always gains No.1 in the port rankings by container traffic in TEUs. (Source: Forbes news). Exhibit 12 to 16 will show the detail of this.

Exhibit 12



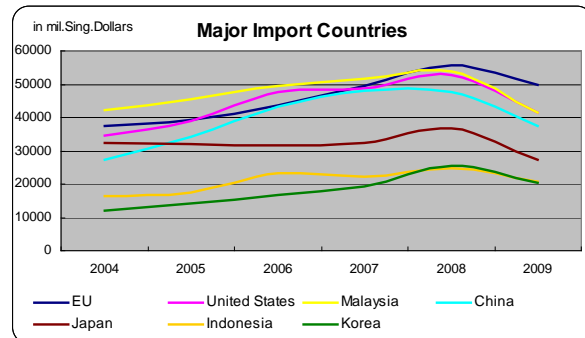
(Source: Yearbook of Statistics Singapore 2010)

Exhibit 13



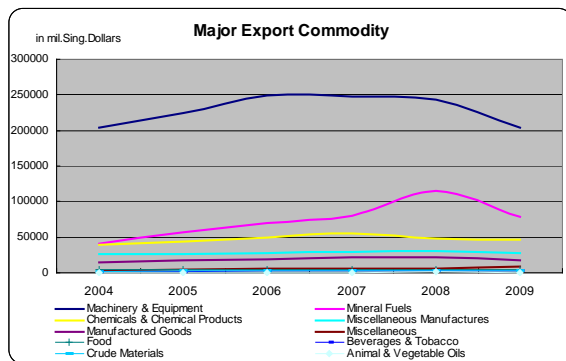
(Source: Yearbook of Statistics Singapore 2010)

Exhibit 14



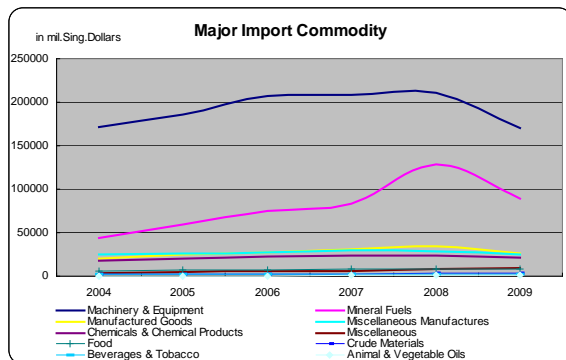
(Source: Yearbook of Statistics Singapore 2010)

Exhibit 15



(Source: Yearbook of Statistics Singapore 2010)

Exhibit 16



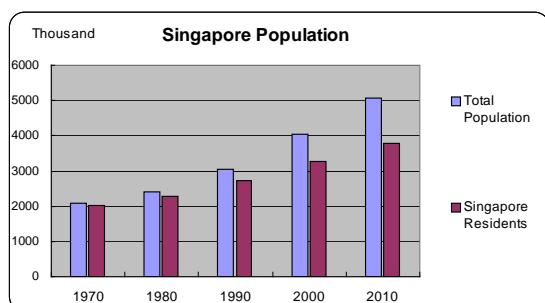
(Source: Yearbook of Statistics Singapore 2010)

From exhibit 13 & 14, one can see that Malaysia is always the biggest trade partner of Singapore.

(4) Population

Exhibit 17, 18 and 19 will show the situation of population in Singapore.

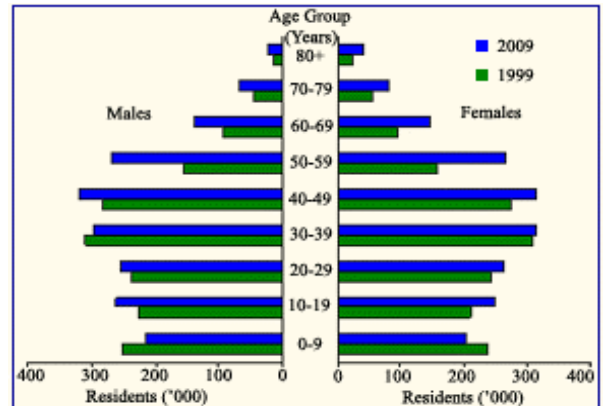
Exhibit 17



(Source: www.singstat.gov.sg 2010)

Exhibit 18

Population Age Pyramid for Residents

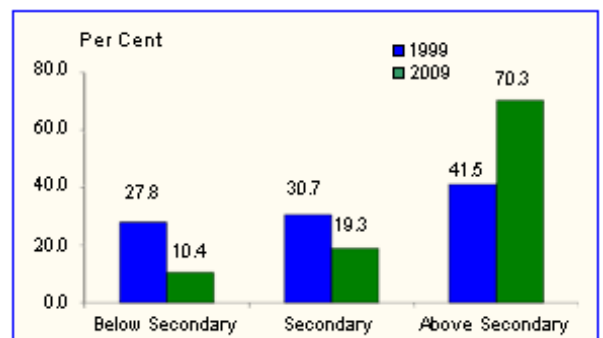


(Source: www.singstat.gov.sg 2010)

According to the above exhibit 17 and 18, one can see that Singapore is an immigrant country. Non-residents share larger and larger number in total population. It makes Singapore always have competitive manpower and energy.

Exhibit 19

Educational Attainment (among resident non-students aged 25-39 years)

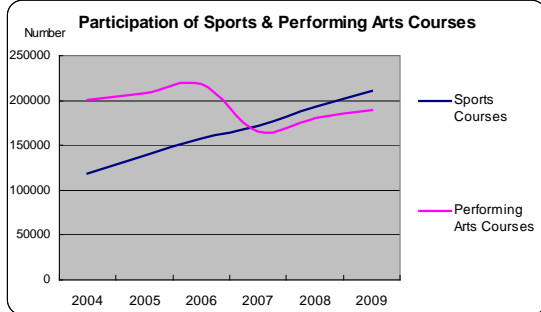


(Source: www.singstat.gov.sg 2010)

According to exhibit 17 to 19, one can know that people in Singapore are good educated.

(5) Culture

Exhibit 20



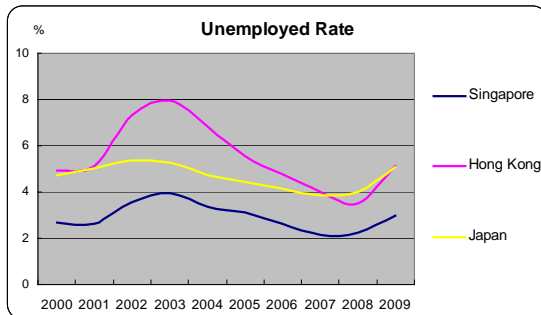
(Source: Yearbook of Statistics Singapore 2010)

While a country have enough resources, people in that country will have more requirement to their spirit world. People in Singapore are well educated, so the art markets in Singapore are flourishing. Singapore people welcome arts courses in a large number every year.

(6) Social Matter

(6.1) Unemployed Rate

Exhibit 21

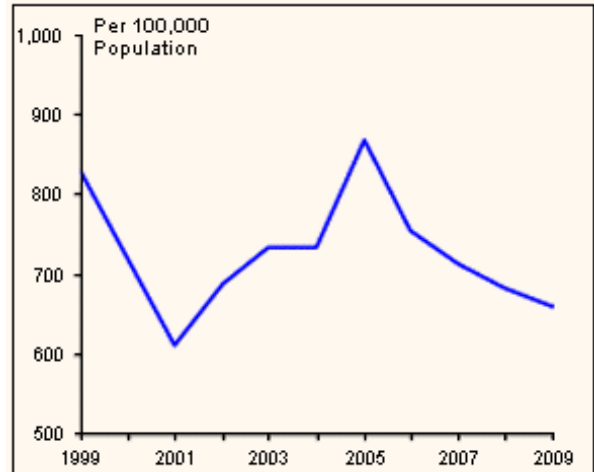


(Source: statistics of International Monetary Fund 2010)

The unemployed rate in Singapore is the least among with Hong Kong and Japan. Comparing with the pictures of output in Singapore, it seems that Singapore has found its “blue sea”. Except agriculture, the industries in Singapore are high value added industries. So the unemployed rate in Singapore is low.

(6.2) Crime Rate

Exhibit 22

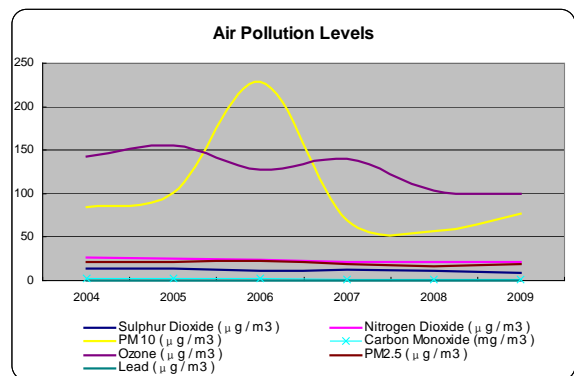


(Source: www.singstat.gov.sg 2010)

The crime rate in Singapore is always very low. One reason is that Singapore's legal system is very harsh.

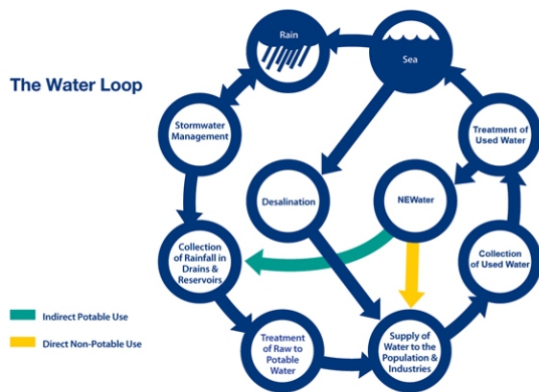
(6.3) Natural Environments

Exhibit 23



(Source: Yearbook of Statistics Singapore 2010)

Exhibit 24



(Source: www.singstat.gov.sg 2010)

Conclusion

Singapore is a well-developed society. The average education level in Singapore is high. With over 74% Chinese population, Singapore is the safest and most secure area in Asia.

Although Singapore was hit by the financial tsunami in year 2008 also, the year on year percentage change of GDP is not low as Hong Kong and Japan. It is believed that Singapore can resume from the tsunami better and faster than other Asia areas.

In financial tsunami, all export countries are hit fatally. Singapore is also. But Singapore also has some industries that developed in their average way. They are Machinery & Equipment, Pharmaceutical Products and Transport Equipment.

Comparing with Hong Kong, although the year on year percentage change of GDP is quite similar, but CPI in Singapore is going too fast.

Singapore is a small place, so even in the situation of financial tsunami, the energy product such as Mineral Fuels is still in a high demand.

– Eng of Report –

BY: Jade Xuan
Analyst
(September 2010)

Jade Xuan

Disclaimer

.....

This report was produced by a member company of the Levin Human Resources Consulting Group (“Group”). This report is for the use of the intended recipients only and may not be reproduced (in whole or in part) or delivered or transmitted to any other person without our prior written consent. By accepting this report, the recipient agrees to be bound by the terms and limitations set out herein.

The information contained in this report has been obtained from public sources believed to be reliable and the opinions contained herein are expressions of belief based on such information. No representation or warranty, express or implied, is made that such information or opinion is accurate, complete or verified and it should not be relied upon as such. This report does not constitute a prospectus or other offering document. Information and opinions contained in this report are published for reference of the recipients and are not to be relied upon as authoritative or without the recipient’s own independent verification or taken in substitution for the exercise of judgment by the recipient. All opinions contained herein constitute the views of the analyst(s) named in this report, they are subject to change without notice and are not intended to provide the sole basis of any evaluation of the subject matter and content mentioned in this report. No member company of the Group accepts any liability whatsoever for any direct or consequential loss arising from any use of the materials contained in this report.

The analyst(s) named in this report certifies that (i) all views expressed in this report accurately reflect the personal views of the analyst(s) with regards to any and all of the subject matter and content mentioned in this report and (ii) no part of the compensation of the analyst(s) was, is, or will be, directly or indirectly, related to the specific recommendation or views expressed herein.

Distribution or publication of this report in any other places to persons which are not permitted under the applicable laws or regulations of such places is strictly prohibited.