

# BUSINESS PUTS THE “SING” IN SINGAPORE

by Doug Barry

*U.S. Commercial Service*

Singapore, one of the most liberal and transparent commercial spots in the world, is the United States' eleventh-largest export market by value. Singapore consumed U.S. exports worth more than \$17.6 billion in 2001. Also, because Singapore is a center of trade and transshipment, U.S. companies can gain access to buyers across Southeast Asia through Singapore.

Singapore is the world's second-busiest port (after Hong Kong) and among the world's most e-commerce friendly markets. The city-state aspires to be among world's industrial leaders in electronics, chemicals, life sciences, engineering, communications and media, logistics, education, and health care. Singapore covets its status as a key Asian financial center and as an information-communications crossroads.

Due in part to a global boom in information technology (IT), Singapore's gross domestic product (GDP) in 2000 increased 10 percent over 1999 GDP. However, the economy slumped in 2001, hit hard by the fall in worldwide IT demand as well as the economic slowdown in the United States, Japan, and Europe, Singapore's primary

## FACTS AND FIGURES

**Total area:** 647.5 square km (a little more than 3.5 times the size of Washington, DC)

**Population:** 4.2 million

**GDP:** \$88 billion (2002 forecast)

**Real GDP growth:** 3% (2002 forecast)

**Inflation:** 1% (2002 forecast)

**GDP by sector:** services 70%, industry 30% (agriculture negligible)

**Main industries:** electronics, intermediary trade and transshipment, chemicals, financial services, oil drilling equipment, petroleum refining, rubber processing and related

products, processed food and beverages, biotechnology, ship repair

**Exports:** electronics, machinery and equipment, chemicals, mineral fuels

**Imports:** machinery and equipment, mineral fuels, chemicals, foodstuffs

**Official languages:** Mandarin Chinese, English, Malay, and Tamil

**Language and marketing:** English is widely spoken in Singapore and is taught as the first language in many schools. English is also used on public signs and notices, in many workplaces, and in most advertising and marketing communications.

Sources: U.S. Department of Commerce, CIA, IMF, EIU.

trading partners. Singaporeans are nevertheless confident of a recovery in 2002 and 2003.

Good markets continue to exist in Singapore for electronic components and related manufacturing production equipment, particularly information and communications products, semiconductors, data storage, and key modules. Domestic production in this industry declined in the early part of 2001, leading to an increase in imports of electronic components.

Health care in Singapore also provides good opportunities for U.S. companies. Burton Medical Inc., a small manufacturer of examination and surgical lights based in Chatsworth, California, entered this sector with the help of the U.S. Commercial Service at the U.S. embassy in Singapore. As the global business solutions unit of the U.S. Department of Commerce, the Commercial Service offers many products and services to assist U.S. companies throughout the export process, including market research and supplier contacts.

Burton Medical signed up two distributors in Singapore using the Gold Key service, which identifies potential buyers and distributors and arranges meetings, either face-to-face or by videoconferencing. Burton Medical's Michael O'Malley says that Gold Key is "the best way to go into a country cold."

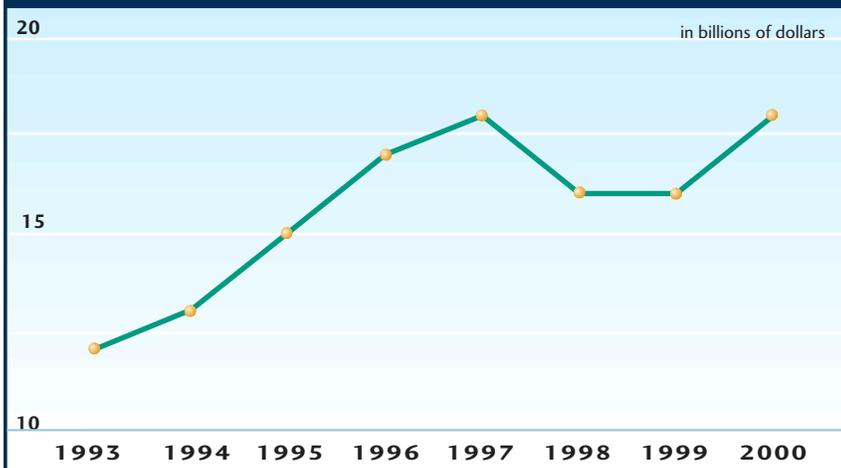
O'Malley discovered that although it is possible to cold-call prospective partners in the United States, this is not an accepted business practice in most Asian markets. Instead, he uses the U.S. Commercial Service, which operates in 85 countries within U.S. embassies and consulates, as his personal matchmaker. O'Malley says that without the Commercial Service, "first, I would never have found my distributors and second, they would have been suspicious of me without an introduction."

Singapore also attracts direct marketers, particularly to sell consumer goods such as gifts, cosmetics, health supplements, stationery, fitness equipment, household appliances, bags, and accessories. New legislation and regulations make it much easier for U.S. multilevel marketing firms to enter the Singaporean market. Singapore's direct marketing industry now includes direct mail, telemarketing, television sales, mail order, call centers, fulfillment, and e-commerce.

Singaporeans avidly embrace e-commerce. The U.S. Department of Commerce ranks Singapore as the eighth most "e-business ready" nation, based on connectivity and the business environment. In 1999, Singapore was the first country to offer universal broadband service. Household personal computer penetration and Internet access are higher in Singapore than in the United States. The country's 4.2 million people hold more than 2.5 million credit cards, and on-line payment systems are well established. Says Jonathan Bensky, senior commercial officer of the Commercial Service in Singapore, "This is an excellent market for small and midsize U.S. companies, and it's relatively easy to do business here."

For more information about Singapore from the U.S. Commercial Service, call 1-800-USA-TRAD(E) or visit [www.export.gov](http://www.export.gov) to gain immediate access to numerous research reports. ■

### TOTAL U.S. EXPORTS TO SINGAPORE



## 2002 CALENDAR

### January

1 - New Year's Day  
Back to school

### February

12 - Chinese New Year  
13 - 2nd Day of Chinese New Year  
23 - Hari Raya Haji

### March

29 - Good Friday  
Easter Holiday and School Break

### March/April

Tax Season

### May

1 - Labor Day  
26 - Vesak Day  
(Observed on Monday, May 27)

### June

Mid-Year School Break

### July

Singapore Food Festival

### August

9 - National Day

### September

Teachers' Day and School Break

### October

Children's Day

### November

3 - Deepavali  
(Observed on Monday, Nov. 4)

### November/December

School Year end and Annual Holiday

### December

6 - Hari Raya Puasa  
25 - Christmas Day



- Certain magazines also offer their lists for sale, including *IS* (targets younger PMEBS), *Her World*, *Home & Décor*, and *Drive/Torque*.

#### OTHER CONSIDERATIONS

- **Seasonality.** Depending on the goods or services, seasonality may be important. Consult the local calendar for holidays and other important dates.
- **Payment Methods.** Credit cards and domestic debit cards are widely used and accepted. International debit cards that ride on Visa and MasterCard are not as common. Personal checks also tend not to be accepted even at major stores. There is a deliberate effort by the Singapore government to move to a “cashless” society. (Card companies offer consumers zero interest payment.)
- **Customer Service.** While consumers are used to inquiring by phone (via a toll-free number) and Internet, fax and e-mail are also acceptable. Singaporeans are generally demanding and expect a quick response, preferably by the next day.
- **On-line Shopping.** More and more consumers are shopping on the Internet, but the total volume is still relatively low. The most popular shopping site is yahoo.com.sg, but its total business ranges from only about \$150,000 to \$200,000 monthly, aside from during the Christmas season when volume triples. The government is steering the nation towards e-commerce and an e-lifestyle.

#### TIPS FOR DOING BUSINESS

##### TARGETING SINGAPOREANS WITH MAIL

Mailing lists are available from the following sources:

- Singapore Post ([www.singpost.com.sg](http://www.singpost.com.sg))  
Singapore Post provides pre-selected mailing lists that break consumer information into 13 categories: happy families, ambitious professionals (PMEBs), caring environmentalists, good sports, insurance buyers, mail order buyers, leisure holiday travelers, frequent travelers, private property owners, HDB dwellers (public housing), car owners, electronic enthusiasts, and computer owners.
- Singapore Power ([www.singaporepower.com.sg](http://www.singaporepower.com.sg))  
Singapore Power can send inserts with water and electricity bills that will reach virtually every household on the island.
- Credit card companies often allow inserts with statements, direct mail, or eDM.



USEFUL WEB SITES

U.S. Commercial Service in Singapore.



This is the best first stop for U.S. businesses interested in exporting to Singapore. The site provides full information on the range of services available in Singapore to help

U.S. exporters. It also contains a wide variety of links to useful Singaporean and American contacts. [www.buyusa.com/singapore/eu](http://www.buyusa.com/singapore/eu)

U.S. Embassy in Singapore.

This contains an abundance of information on diplomacy, trade policy, and economic relations between the United States and Singapore, as well as reports on economic, political, and military developments within the country. [www.usembassysingapore.org.sg](http://www.usembassysingapore.org.sg)

American Chamber of Commerce in Singapore.



This contains information on economic, commercial, and political matters in Singapore, as they relate to U.S. business—for example, trade between the two countries and support for U.S.

export promotion programs. [www.amcham.org.sg](http://www.amcham.org.sg)

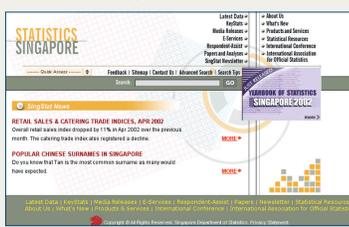
Singapore Government.



This provides information on current events, as well as many useful links to information sources related to business, finance, foreign affairs, travel to and within Singapore, and

the Singapore stock market. [www.gov.sg](http://www.gov.sg)

Official Singapore Statistics.



This includes a wide range of current data on Singapore's economy, investment, trade, business, and society. [www.singstat.gov.sg](http://www.singstat.gov.sg)

Ministry of Foreign Affairs, Singapore.

This offers useful information to foreign businesspeople, such as Singapore's relations with other countries, its position on various foreign policy issues, and links to Singapore's embassies. [www.mfa.gov.sg](http://www.mfa.gov.sg)

Singapore Infomap: The National Website.



This offers a wealth of information for the foreign visitor to Singapore, including arts and entertainment, business, government, news and media, reference and research, sight-seeing, and travel. [www.sg](http://www.sg)

Asia One: Asia's News, Business, and Lifestyle Channel



This site provides the latest news stories, as well as links to other news sources, business and financial information, lifestyle topics, etc. [www.asia1.com.sg](http://www.asia1.com.sg)

The Business Times.



This newspaper focuses on business in Singapore, while also providing regional and world news. <http://business-times.asia1.com.sg>