

The Red D ● T

What It Is, And Why It's HOT!

Dan Thompson

**U.S. Commercial Service
Singapore**

**Hawaii
April 2009**



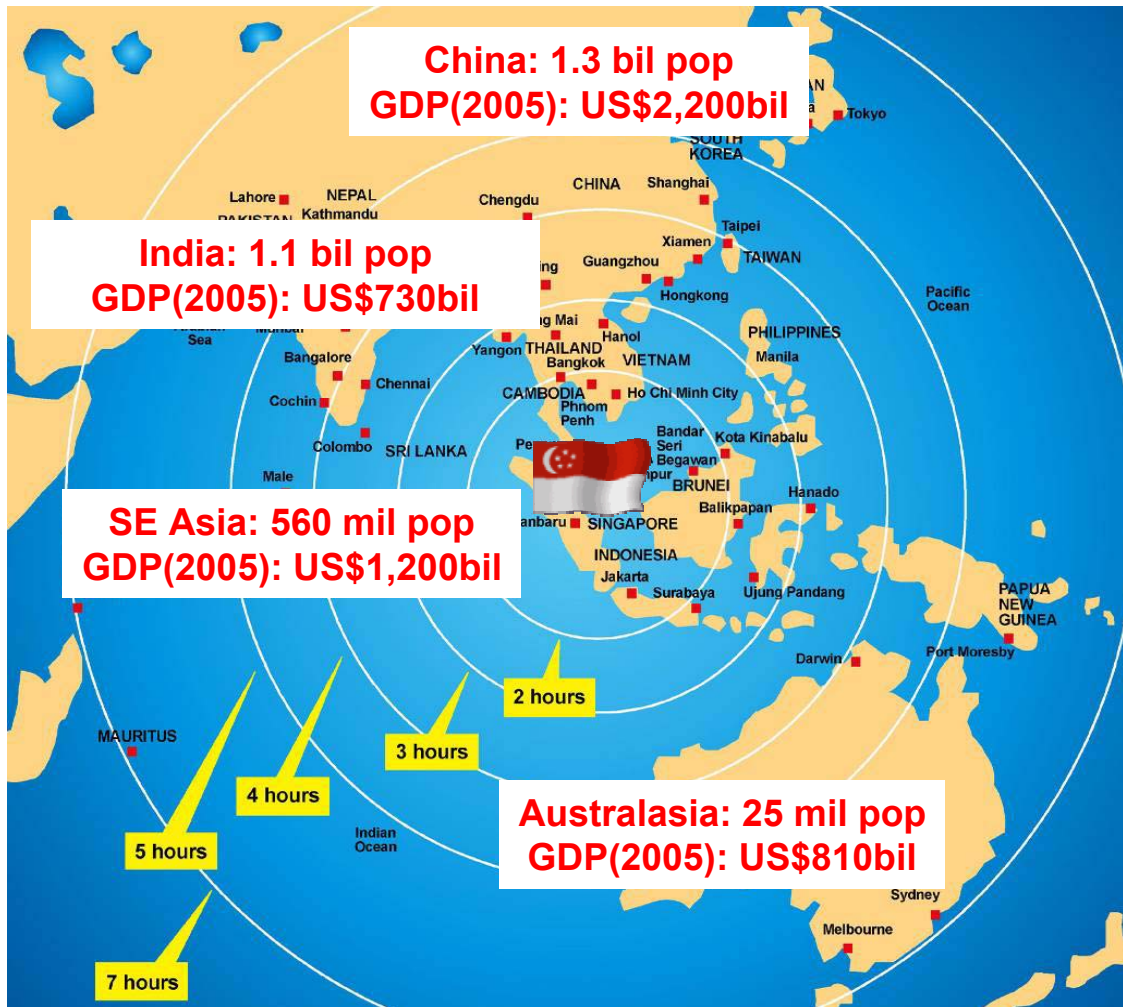
SINGAPORE

Top 10 Things You Should Know

1. **It's not in China**
2. **The language is English**
3. **37k per capita GDP**
4. **12th largest export market**
5. **Easy to do business**
6. **Small country, global hub**
7. **Great FTA**
8. **Stable, developed economy**
9. **Regional Gateway**
10. **Best place for NTEs**



Singapore at a glance



- **Total land area**
240 sq. miles
- **Population** – 4.8 million
Major ethnic groups – **Chinese**, Malays and Indians.
- **Climate** – **Hot and Hotter**
- **Language** - **English**,
96% literacy
English as first language
- **GDP** – \$181 Billion



Why Singapore?

- **English Speaking**
- **Per Capita GDP US\$37,597 in 2008**
- **Corruption Free**
- **U.S. Style of Doing Business**
- **Close Ties with the U.S.**
- **World Bank: Easiest country to do business**
- **Free Trade Agreement**



Singapore: Small Country, Global Hub

- Logistics – busiest container port
- Aviation – airlines, maintenance
- Oil Refining – world's 3rd largest
- Financial – forex, funds
- Education – global universities: NUS, Nanyang NTU
- Medical, Bioscience – health care, research
- Chips – wafer fabrication
- Pharmaceuticals – manufacturing and R&D
- MNC – 7,000 MNCs, 1,500 U.S. -- expat magnet



The U.S. in Singapore



GE imagination at work



Plus 1490 more!



U.S. Foreign Direct Investment in Singapore (Historical-Cost Basis)

Total U.S. FDI in Singapore at the end of 2007 was US\$82.6 billion

- 3rd largest FDI in Asia and Pacific
- 12th largest FDI in the world

| | <u>2007</u> (US\$Billion) |
|-------|------------------------------|
| China | <u>28.3</u> |
| Japan | <u>101.6</u> |



Source: USDOC/BEA



The U.S. – Singapore Free Trade Agreement (USSFTA)

- **The first Free Trade Agreement between the U.S. and an Asian country (January 1, 2004)**
- **Increases market access for U.S. companies**
- **No tariffs**
- **Strong IPR protection**
- **Waiting for ASEAN FTA**



Singapore's Economic Development

**Innovation &
Knowledge - intensive**

Beyond 2001



**1990s
Technology-intensive**



**1980s
Capital-intensive**



**1970s
Skills-intensive**



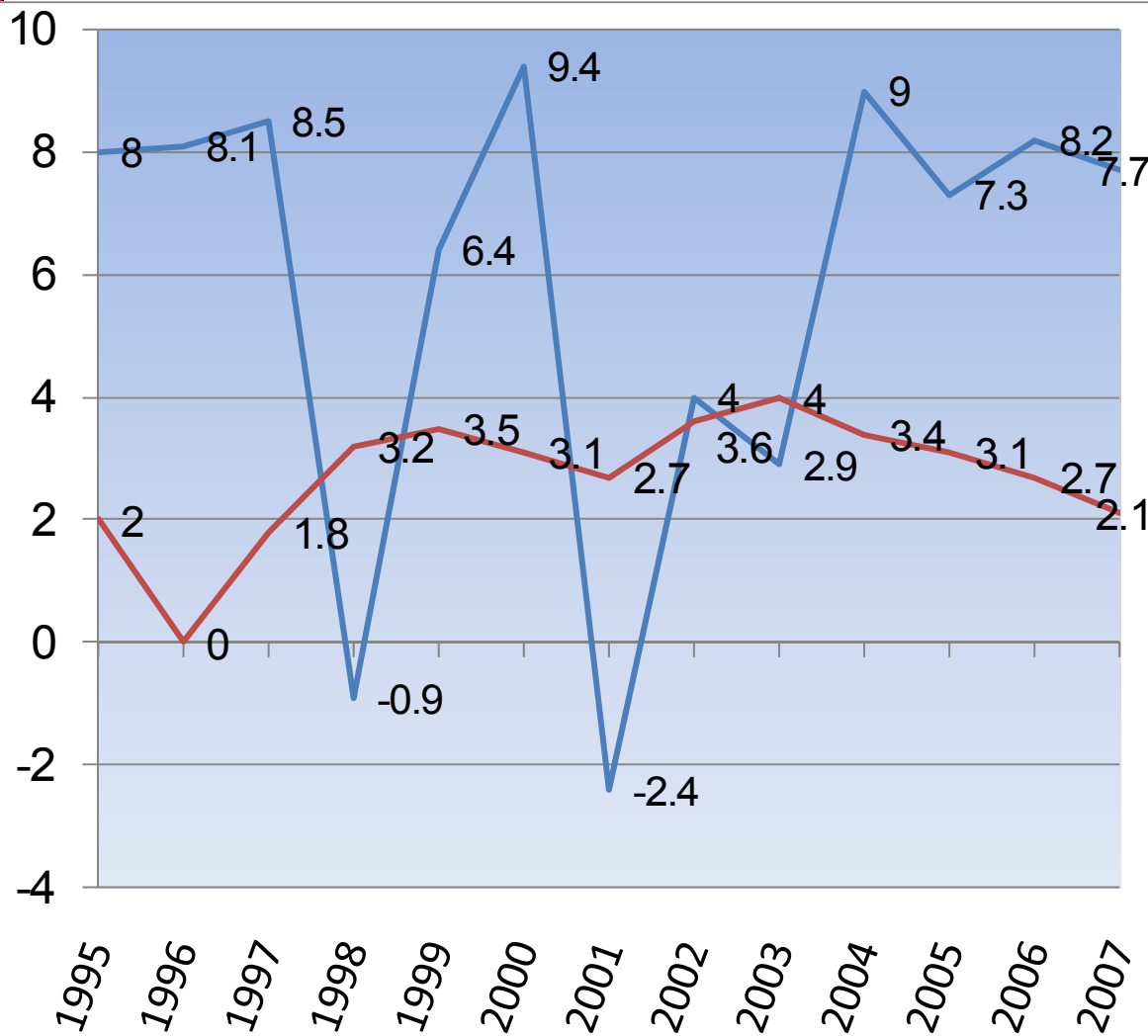
**1960s
Labor-intensive**

Source: The Singapore Economic Development Board



U.S. Commercial Service, Singapore

Economic Highs and Lows



- Singapore Inc.
- Economic success
- Low unemployment
- Demographic transition
- Growing income inequality
- Staying competitive

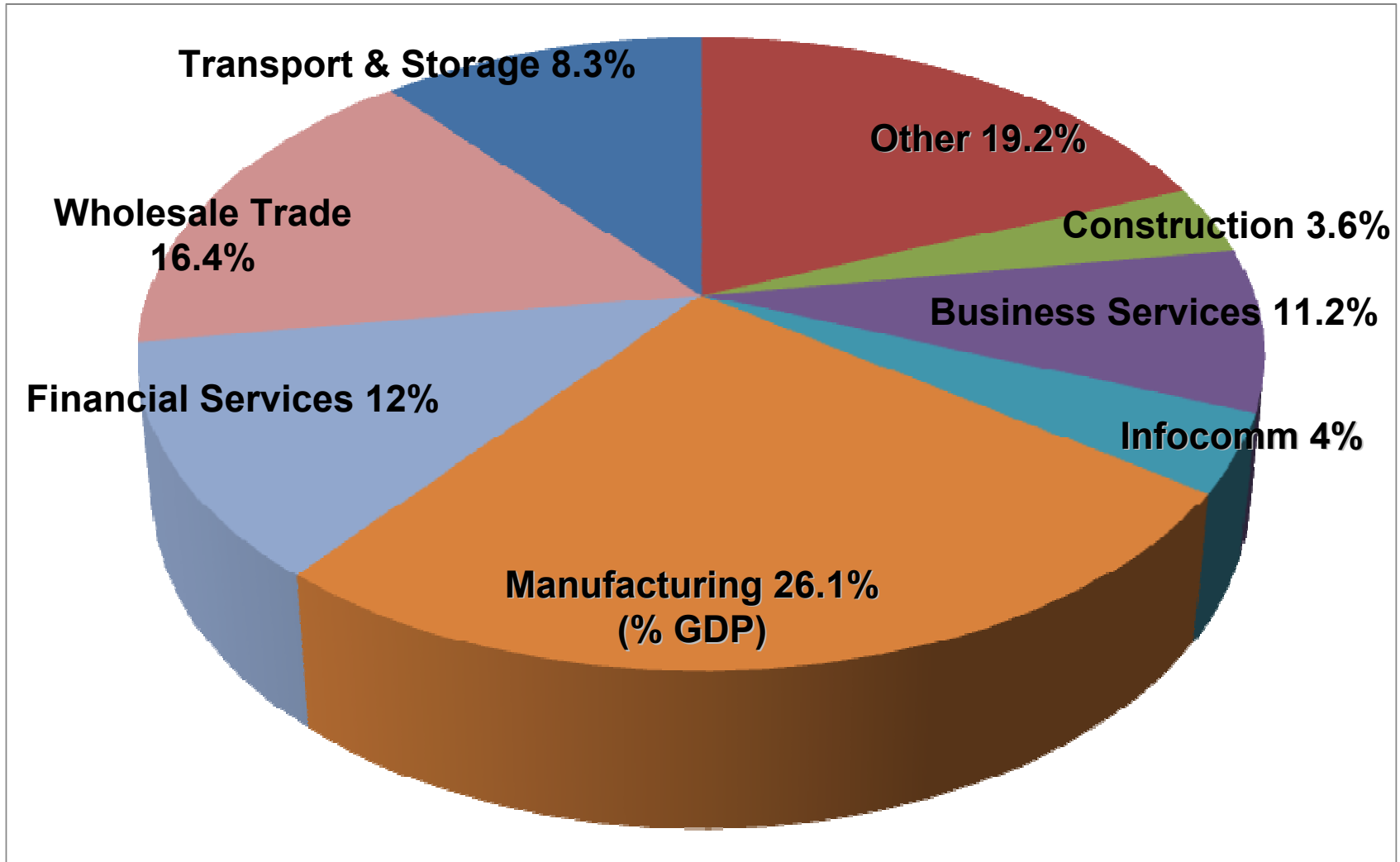
Growth



Total Unemployment

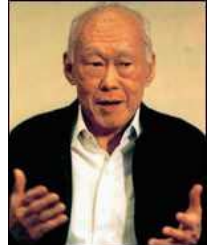


Singapore's Economic Strategy



Singapore Politics

- **Stable, but concern about effect of terrorism/Middle East issues on racial harmony**
- Lee Hsien Loong became 3rd PM in 2004, replaced Goh Chok Tong
- PAP in power since 1959, holds 82 of 84 seats
- Why? Good government, economic success, anti-corruption, strong incumbency advantages – SARS highlighted competence
- Ethnic harmony longstanding concern (population is 75% Chinese, 14% Malay, 8% Indian)



2008 U.S. Export Markets

| Rank | Country | Billion |
|-----------|--------------------------------------|-------------|
| 1 | Canada | 261.4 |
| 2 | Mexico | 151.5 |
| 3 | China | 71.5 |
| 4 | Japan | 66.6 |
| 5 | Germany | 54.7 |
| 6 | United Kingdom | 53.8 |
| 7 | Netherlands | 40.2 |
| 8 | South Korea | 34.8 |
| 9 | Brazil | 32.9 |
| 10 | France | 29.2 |
| 11 | Belgium | 29.0 |
| 12 | Singapore | 28.8 |
| 13 | Taiwan | 25.3 |
| 14 | Australia | 22.5 |
| 15 | Switzerland | 22.0 |
| Source: | Dept of Commerce, manufactured goods | |



2008 Top Suppliers

| <u>Country</u> | <u>Billion Dollars (USD)</u> |
|----------------------|------------------------------|
| Malaysia | 37.4 |
| United States | 36.7 |
| China | 33.0 |
| Japan | 25.4 |
| South Korea | 17.6 |
| Indonesia | 17.2 |
| Taiwan | 16.1 |
| Saudi Arabia | 14.4 |
| Thailand | 11.1 |
| Germany | 9.0 |

Source: International Enterprise Singapore



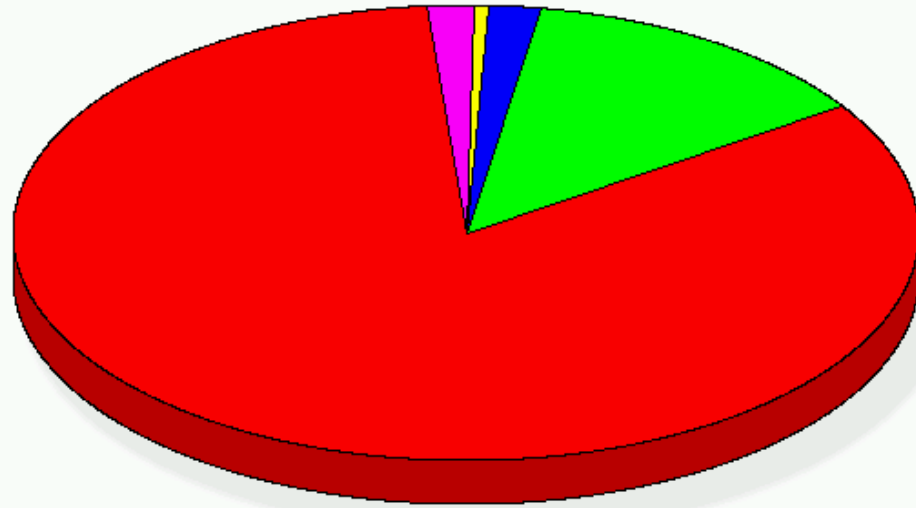
2008 Top U.S. Imports

| <u>Product</u> | <u>Billion Dollars (USD)</u> |
|---------------------------------------|----------------------------------|
| Integrated Circuits | 4.4 |
| Aircraft parts | 3.1 |
| Equipment/parts for Offshore/oil rigs | 2.0 |
| Aircrafts | 1.9 |
| Computer Parts & accessories | 1.6 |
| Fuel Oils | 1.6 |
| Turbine parts | 1.0 |

Source: International Enterprise Singapore



2008 Exports from Hawaii to Singapore – US\$75 million



| Product | Value (\$) | Percent |
|-----------------------------------|------------|---------|
| 324 _Petroleum & Coal Products | 62,436,945 | 83.0% |
| 336 _Transportation Equipment | 9,728,287 | 12.9% |
| 311 _Processed Foods | 1,427,712 | 1.9% |
| 114 _Fishing, Hunting, & Trapping | 352,490 | 0.5% |
| All Others | 1,296,931 | 1.7% |
| Grand Total | 75,242,365 | 100% |

Source: Foreign Trade Division, U.S. Census Bureau.



Singapore Market-What's Hot

- **Medical Devices & Cosmeceuticals**
- **Specialty Chemicals**
- **Education/Training Services**
- **Environmental Equipment/Technologies**
- **Safety and Security Equipment**
- **Logistics Services**
- **Construction**
- **Information & Telecommunications Technologies**
- **Aerospace**



Singapore – Major Buzz

- **Two Mega Resorts with casinos**
 - **US\$4 to \$5 billion each**
- **Standard ICT Operating Environment**
 - **2 parts: 60,000 PCs/100,000 PCs MOE**
- **National Broadband Network**
 - **Ultra High Speed, Next Generation**
- **MRT Downtown Line expansion \$10 bil**



PHOTO: LILLIAN FOO



Singapore is the Gateway to the region

- **Launch pad to region**
- **Financial & Logistics Hub**
- **Leading container port**
- **Great airport**
- **Reps. cover region**



U.S. Trade With Singapore and ASEAN

- **Major destination for U.S. exports**
- Approx. 60% exports to Singapore are re-exported to the region
- Largest ASEAN market for U.S. exports
42% of exports in 2008
- U.S. exports nearly as much to ASEAN (\$68 billion) as to China (\$71 billion)!



"Singapore - the best location in Asia for trade shows."



Upcoming Trade Events

- June 16 – 19, 2009 CommunicAsia/BroadcastAsia2009 (ICT)
- September 2009 NATAS Fair (tourism)
- September 30 – October 2, 2009 Safety & Security Asia 2009 (safety & security)
- October 3, 2009 Linden Education Fair (education)
- October 15 – 17, 2009 Franchising & Licensing Asia 2009 (franchising)
- November 11 – 15, 2009 Asia-Pacific Economic Cooperation (APEC) Meetings
- February 1 – 2, 2010 Singapore Airshow 2010 (aerospace)
- March 24 – 26, 2010 Asia Pacific Maritime 2010 (maritime)
- April 2010 International Dental Exhibition & Meeting (IDEM 2010) (dental)
- April 2010 Food & Hotel Asia 2010 (food & hotel)



Challenges

- **Concerns about Economic disruption and instability**



- Avian Influenza (AI)
Singapore among best prepared for an AI outbreak; worries about more vulnerable neighbors
- Regional security, terrorism
- High labor costs, availability
- Credit Card fraud

What CAN WE Do To Help You?



Core Programs & Services

Market Research

- **Customized Market Research (CMR)**
- **Country Commercial Guide (CCG)**
- **Industry Sub-sector Analysis (ISA)**

Contacts

- **Gold Key Service (GKS)**
- **Platinum Key Service (PKS)**
- **International Partner Search (IPS)**
- **Contact List**

Trade Events

- **Single Company Promotion**
- **International Buyer Program**
- **Missions**
- **Trade shows**



Successes



R&D company – GKS client - develops advanced mattress cushioning material; signed license agreements for manufacturing and distribution in Singapore, Malaysia, Indonesia, Philippines, Vietnam, Brunei & UAE



NTM IPS client – appointed a Singapore-based distributor to cover Singapore, Malaysia & Indonesia



AES Trade Mission member – produced helicopter usage monitoring system; appointed a Singapore agent and make a sale worth US\$2 million



NTE – GKS client; appointed Singapore based distributor to cover Singapore, Malaysia & Indonesia



GKS client – developer of commercial software products for content visualization, web publishing, and knowledge management; appointed Singapore company to cover Singapore, Malaysia, Indonesia & Thailand



GKS client – provide online learning courses – signed non-exclusive agreements for various courses



GKS client -Produced non-destructive testing equipment; appointed Singapore agent to cover Singapore & Malaysia



GKS client – manufacturer of acoustic transducers for ship and submarine sonar, oceanographic survey, seismic exploration, marine life research, medical devices and industrial proximity sensing; appointed 2 Singapore companies to cover 18 countries in the region.



the greatest privilege is to make a difference

NTM-GKS client – appointed Singapore-based distributor to cover Singapore & Brunei



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