



U.S. Department of State

FY 2000 Country Commercial Guides:

Singapore

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Chapter I. EXECUTIVE SUMMARY

This Country Commercial Guide (CCG) presents a comprehensive look at Singapore's commercial environment, using economic, political and market analysis. The CCGs were established by recommendation of the Trade Promotion Coordinating Committee (TPCC), a multi-agency task force, to consolidate various reporting documents prepared for the U.S. business community. Country Commercial Guides are prepared annually at U.S. Embassies through the combined efforts of several U.S. government agencies.

Singapore is the United States' 10th largest export market largely due to its status as a transshipment point for the rest of Southeast Asia.

Beyond its important role as an entrépot, it is also one the most highly developed and sophisticated industrial, commercial, financial and consumer economies in the world. It is also an excellent market (and test market) for U.S. products. Singapore's role as one of the principal gateways to Southeast Asia means that most American manufacturers can find either interested local buyers or regional ones as Singapore's distributors sell to other Southeast Asian countries.

Shipments from the U.S. accounted for about US\$18.7 billion or 18 percent of Singapore's total imports in 1998. These were: electronic equipment, electrical machinery, aircraft and parts, optical/photographic/measuring devices and plastics.

Singapore is extremely dependent on foreign trade which was two and a half times the country's GDP in 1998. Singapore levies minimal import duties and has no real non-tariff barriers to trade. The country's role as a regional commercial hub is underscored by the fact that 40 percent of Singapore's total imports are re-exported. Singapore's major exports are: automatic data processing machines, electronic integrated circuits and micro-assemblies, semiconductor devices, petroleum products, disk drives and telecommunication equipment. Singapore's major imports consist of electronic integrated circuits and micro-assemblies, automatic data processing machines, crude oil, petroleum products, semiconductor devices and transport equipment. Total trade in 1998 reached US\$211 billion, of which US\$101 billion were imports and US\$109 billion were exports.

New foreign manufacturing investment, which accounted for two-thirds of total manufacturing investment commitments, fell to US\$3.1 billion in 1998 from US\$4.0 billion in 1997. The U.S. remains Singapore's largest investor, accounting for 44 percent of total foreign investment commitments in 1998. The decline is not only due to the Asian financial crisis, but also to the ongoing industrial restructuring process in which fixed asset-intensive production facilities were relocated to lower cost countries as higher-end manufacturing and service operations became established. The Economic Development Board (EDB) expects total new manufacturing investment (foreign and local) to contract further by about 4.0 percent to US\$4.4 billion in 1999, following a 7.8 percent decline in 1998.

The Singapore economy grew by 0.3 percent in 1998, a sharp drop from the average annual growth rate of about 9.0 percent in the preceding 10 years. The economy lapsed into a minor recession when GDP contracted by 1.9 percent and 1.1 percent in the third and fourth quarters, respectively. The weak economic performance in 1998 was due to the regional financial and economic crisis which dampened external demand for Singapore's goods and services. It also eroded Singapore's cost competitiveness vis-à-vis countries in the region whose currencies were sharply devalued as a result of the crisis. In addition, the economy was hit by the global electronics slump and excess capacity which caused the export-oriented manufacturing sector to contract by 0.5 percent.

The economy emerged from the recession in the first quarter of 1999 when GDP grew by 0.6 percent, and it strengthened in the second quarter, expanding by 6.7 percent. The manufacturing sector led growth, expanding on the back of a strong electronics upturn and higher

output of pharmaceuticals and petrochemicals products. Consequently, unemployment, which peaked at 4.5 percent in the third quarter of 1998, eased to 3.3 percent in June 1999. Meanwhile, the deflationary cycle was also halted when the consumer price index went up by 0.1 percent in May 1999, after 11 consecutive months of decline.

Singapore's recovery in the first half of 1999 was largely due to the marked electronics upswing in developed markets and the booming economic conditions in the United States. Moreover, the regional economy is recovering more rapidly than earlier forecast, responding positively to expansionary fiscal and monetary policies, low interest rates, currency stability, higher exports and a stock market rally which is reviving consumer spending.

In addition, various counter-cyclical and competitiveness-boosting measures that Singapore adopted in 1998 have also positioned it well to ride the crests of the current strong electronics and regional upturns. These included a US\$6.0 billion business cost-cutting package which included a 10 percent across-the-board cut in salary benefits and a US\$1.2 billion "off-budget" package that provided US\$400 million for stepped-up construction of the country's educational and economic infrastructure. The Monetary Authority of Singapore (MAS) - Singapore's central bank - estimated that the boost from the November and June fiscal measures will add about 1.3 to 1.5 percent to real GDP in 1999.

Furthermore, Singapore has intensified efforts to strengthen its domestic economic fundamentals. These include: restructuring its economy towards knowledge-based and high valued-added activities; pursuing labor development strategies; undertaking reforms to become an international financial center; and developing new export markets. Singapore secured the top spot in the 1999 World Economic Forum (WEF) ranking of economic competitiveness, ahead of the United States and Hong Kong which took second and third places, respectively.

Analysts of the Singapore economy are unanimous in their prognosis that the economic outlook has brightened considerably since the beginning of the year, notwithstanding the significant challenges that remain. The primary threats to the recovery include: a sharp correction in the U.S. financial markets leading to a downturn in the real economy; failure of Japan to pull out of its decade-long economic malaise; and a deterioration of regional economies due to unresolved structural weaknesses.

While these threats remain serious, we do not see them reversing the positive growth trends of the region or at the very least that of Singapore's, in the near future. Hence, we expect the Singapore economy to remain firmly on the recovery track. The economy is likely to gain momentum in the second half of the year when the global electronics upswing, continued regional recoveries, and domestic competitiveness-enhancing measures begin to register their full effects. These factors, together with the statistical low base of 1998, should enable the Singapore economy to achieve a 4.0 to 5.0 percent GDP growth rate for 1999. (The Singapore government is predicting a full 5.0 percent).

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Chapter II. ECONOMIC TRENDS AND OUTLOOK

Major Trends and Outlook

The Singapore economy grew by 0.3 percent in 1998, a sharp deceleration from the average annual growth rate of about 9.0 percent in the preceding 10 years. (Note: The government revised its 1998 growth figure downwards from 1.5 percent when it recently introduced a methodology for calculating the output of financial services that included offshore stockbroking, investment advisory and insurance activities.) The economy lapsed into a minor recession when GDP contracted by 1.9 percent and 1.1 percent in the third and fourth quarters respectively. The weak economic performance in 1998 was due to the regional financial and economic crisis which dampened external demand for Singapore's goods and services (particularly in the commerce, financial and business services, and transport and communications sectors). It also eroded Singapore's cost competitiveness vis-à-vis countries in the region whose currencies have devalued sharply as a result of the crisis. In addition, the economy was hit by the global electronics slump and excess capacity, which caused the export-oriented manufacturing sector to contract by 0.5 percent. (Note: Electronics - notably disk drives and other data storage components, semiconductors, computers and communication equipment - contribute 10 percent to Singapore's GDP, 43 percent to total manufacturing output, and 61 percent to total domestic exports.)

The economy emerged from the recession in the first quarter of 1999, when GDP grew by 0.8 percent. The manufacturing sector led first quarter growth, expanding by 6.5 percent (after three consecutive quarters of decline) on the back of a strong electronics upturn, and higher output of pharmaceuticals and petrochemicals products. Consequently, unemployment, which peaked at 4.5 percent in the third quarter of 1998, eased to 3.9 percent in March 1999. (Note: Singapore's average annual unemployment rate in the last 10 years was 2.0 percent.) At the same time, labor productivity grew by 3.2 percent after three consecutive quarters of decline. The manufacturing sector, in particular, witnessed a 14.3 percent surge in productivity in the first quarter. Meanwhile, the deflationary cycle was also halted when the consumer price index went up by 0.1 percent in May 1999, after 11 consecutive months of decline.

Singapore's nascent and tentative recovery in the first quarter has since strengthened, largely due to the marked electronics upswing in the developed markets and booming economic conditions in the United States. Moreover, the regional economy is recovering more rapidly than earlier forecast, responding positively to expansionary fiscal and

monetary policies, low interest rates, currency stability, higher exports, and a stock market rally which is reviving consumer spending.

In addition, various counter-cyclical and competitiveness-boosting measures that Singapore adopted in 1998 have also positioned it well to ride the crests of the current strong electronics and regional upturns. These included a US\$6.0 billion business cost-cutting package which included a 10 percent across-the-board cut in salaries (November 1998), and a US\$1.2 billion "off-budget" package (June 1998) that provided US\$400 million for stepped-up construction of the country's educational and economic infrastructure. The Monetary Authority of Singapore (MAS) - Singapore's central bank - estimated that the boost from the November and June fiscal measures will add about 1.3 to 1.5 percent to real GDP in 1999.

Furthermore, Singapore has intensified efforts to strengthen its domestic economic fundamentals. These include: restructuring its economy towards knowledge-based and high valued-added activities; pursuing manpower development strategies; undertaking reforms to become an international financial center; and developing new export markets. Singapore secured the top spot in the 1999 World Economic Forum (WEF) ranking of economic competitiveness, ahead of the United States and Hong Kong which took second and third places, respectively.

Analysts of the Singapore economy, including the government are unanimous in their prognosis that the economic outlook has brightened considerably since the beginning of the year, notwithstanding the significant challenges that remain. The primary threats to the recovery include: a sharp correction in the U.S. financial markets leading to a downturn in the real economy; failure of Japan to pull out of its decade-long economic malaise; and a relapse of regional economies due to unresolved structural weaknesses.

While these threats remain serious, we do not see them reversing the positive growth trends of the region in the near future. Hence, we expect the Singapore economy to remain firmly on the recovery track. The economy is likely to gain momentum in the second half of the year, when the global electronics upswing, continued regional recoveries, and domestic competitiveness-enhancing measures begin to register their full effects. These factors, together with the statistical low base of 1998, should enable the Singapore economy to achieve a 4.0 to 5.0 percent GDP growth rate for 1999.

Principal Growth Sectors

Financial & business services, and manufacturing are the key sectors of the Singapore economy, accounting for 29 and 22 percent of GDP, respectively. The other economic sectors are commerce, which accounts for 17 percent of GDP, transport and communications (11 percent), construction (9.0 percent), and other services (12 percent).

Financial and Business Services

Within the financial and business services sector, business services dominate with a 16 percent contribution to GDP (financial services make up the balance of 13 percent). This sub-sector has experienced declining (but positive) growth rates throughout the economic crisis, affected by weak demand for real estate brokerage, conveyancing, engineering, and architectural services on the back of a sluggish

property market which saw private home prices plummeting by over 40 percent from their peak levels in 1996.

A revival in the private residential property market, which started at the beginning of the year, should help to improve prospects for these business services in 1999. The following factors should also bolster this sub-sector: strong public sector demand for information technology (IT) services (to intensify the use of IT in education); establishment of an electronic commerce infrastructure; and the roll-out of Singapore ONE (a country-wide high-speed fiber optic broadband network providing multimedia applications and internet services). In addition, there is ongoing, strong, private and public sector demand for services to solve the Y2K problem, develop applications, integrate networks and provide IT training.

The financial services sub-sector has been contracting at an average quarterly rate of 8.6 percent since the first quarter of 1998, reflecting the slump in domestic and offshore lending business opportunities following the Asian economic crisis. Growth in bank loans and advances to domestic non-bank customers plunged from pre-crisis double-digit rates to single-digit numbers. Looking ahead, the demand for credit by the local corporate sector may perk up as the economy picks up steam amid low interest rates. Demand for loans by private individuals to finance property and car purchases are also expected to increase as job market prospects improve.

Offshore loans to non-bank customers in Singapore's Asian Dollar Market (the Asian equivalent to Europe's Euro Dollar Market), a thriving business for Singapore-based banks prior to the Asian crisis, fared even worse. Besides posting quarterly declines averaging 19 percent since the fourth quarter of 1997, banks are also saddled with many non-performing loans (NPLs). As of March 1999, NPLs have risen to 24.3 percent and 8.0 percent of the regional and global loan portfolios, respectively, of Singapore banks. The NPL problem will continue to be a drag on the financial services sub-sector in 1999. However, it poses little systemic risks as Singapore banks are generally well-capitalized and well-provisioned, and the financial system as a whole is soundly and prudently supervised by the MAS. Apart from offshore lending business, offshore trading of stocks and investment advisory activities also fell sharply over the year as a consequence of the Asian crisis. (Note: This is reflected in the revised growth figures which had been adjusted to better reflect offshore financial activities.)

Despite the sluggish offshore lending business, the financial services sub-sector could still record modest growth in 1999, notwithstanding a sharp contraction of 8.4 percent experienced in the first quarter (its fifth, consecutive, quarterly decline). Growth is projected to come from the stronger demand for services in corporate finance (mergers and acquisitions), asset management (which will benefit from increased government fund placements and tax incentives), and the bond market.

Moreover, trading on the futures, equity and foreign exchange markets (Singapore is the world's fourth largest foreign exchange transactions center, according to the Bank of International Settlements) is also expected to gather steam. The Singapore International Monetary Exchange (SIMEX), Singapore's financial futures market, saw its trading volume rise to an all-time high of 3.24 million contracts in June 1999.

Turnover also went up by 13 percent compared to a year ago. At the Stock Exchange of Singapore (SES), the first six months of 1999 recorded a trading volume of 90.2 billion shares, exceeding the 74.2 billion units that were traded for the whole of 1998. The value of shares traded in the first half of 1999 also went up by 8.0 percent to about US\$62 billion, helping to establish a US\$185 billion record for total market capitalization on the SES.

In addition, the financial services sub-sector will also benefit from the gradual but strong market-opening and reform measures that the government has begun to implement recently. These measures are targeted at turning Singapore into an international financial center. Singapore is seeking to extend itself beyond an offshore loan syndication and service center for the Southeast Asian region and a major foreign exchange market, into new areas like asset management and bond market. Greater foreign competition in the domestic retail banking scene will also be gradually introduced as part of the market liberalization measures.

Manufacturing

The export-oriented manufacturing sector will probably be the star performer of 1999, leading the economy along the recovery path as it expands in response to a strong pick-up in demand for electronics and chemicals (specifically pharmaceuticals) in the developed economies. Manufacturing output grew 8.2 percent in the first five months of 1999 year-on-year. This was spurred by a 16.9 percent rise in electronics and a 29.5 percent expansion of pharmaceutical products. Oil refining - Singapore is the world's third largest oil refining center after Houston and Rotterdam - continued to contract due to a supply glut as new Asian refineries come on stream. Nonetheless, the recent rise in world oil prices may cushion the fall.

Export growth lagged industrial production, reversing its declining trend only in April 1999 when total domestic exports grew 7.8 percent. In particular, exports to the U.S. - Singapore's top export market which takes a quarter of its total domestic exports, mainly electronics - started to recover in May 1999 when growth of 12.9 percent was recorded. Export growth to the European Union - Singapore's second largest market which accounts for 18 percent of domestic exports - materialized earlier with strong sales of pharmaceutical products.

New foreign manufacturing investment, which accounted for two-thirds of total manufacturing investment commitments, fell to US\$3.1 billion in 1998 from the US\$4.0 billion in 1997. Besides the Asian economic crisis, the decline is also due to the ongoing industrial restructuring process, in which fixed asset-intensive production facilities are relocated to lower cost countries as higher-end manufacturing and service operations are being established. Examples of such higher value-added activities include research and development, product design and development, process engineering, testing, market research, and headquarter functions (for example, Caltex Petroleum moved its U.S.-based global corporate headquarters to Singapore this year).

The Economic Development Board (EDB) expects total new manufacturing investment (foreign and local) to contract further by about 4.0 percent to US\$4.4 billion in 1999, following a 7.8 percent decline in 1998. Despite Singapore's strong domestic economic fundamentals, foreign

investment in Singapore in 1999 will be restrained by the recession in Japan (which discourages investment abroad by Japanese firms), and excess industrial capacity.

U.S. manufacturing investment commitments in Singapore - concentrated in the petroleum refining, chemicals and electronics industries - totaled US\$1.4 billion in 1998, a decline of 5.3 percent from 1997. The U.S. remains Singapore's largest foreign investor, responsible for 44 percent of total foreign manufacturing investment commitments in 1998, followed by Japan (35 percent) and Europe (20 percent).

Other economic sectors

The commerce sector, which contracted by four percent in 1998 when it was severely hit by the Asian economic crisis, should do better in 1999 with increased visitor arrivals. The number of visitor arrivals, which declined by 13.3 percent last year, went up by 7.2 percent between January and May this year. Consumer spending is also expected to perk up in response to a bullish stock market and improved labor market prospects.

The transport and communications sector grew by 5.5 percent in 1998, moderating from 1997's expansion rate of 9.2 percent. The demand for sea and air transportation services for goods and personnel in 1999 should benefit from the economic recovery in Singapore and the region, as should the demand for communications services. This was evidenced by the 7.9 percent increase in outgoing international calls recorded by Singapore telecom in the second quarter of 1999 on a year-on-year basis.

The construction sector, which grew by 3.9 percent in 1998, largely on the basis of public sector projects, fell by 9.0 percent in the first quarter of 1999. This was due to the slump in demand for residential properties, which began in mid-1996 but became acute in the second half of 1998. A quick recovery is not expected as the excess supply is just beginning to clear, thereby restraining developers from committing to new building projects. Moreover, contracts awarded in the first quarter of 1999, a leading indicator of construction activity, fell by 43 percent to about US\$1.4 billion. The public sector accounted for 63 percent of this figure.

Government Role in the Economy

Government-Linked Companies (GLCs)

The public sector is dominant in the Singapore economy. Revenue-generating statutory boards are responsible for providing public goods. Some of these include the Jurong Town Corporation, the Civil Aviation Authority of Singapore and the Housing and Development Board. Together with GLCs, they account for over 60 percent of Singapore's GDP. Singapore GLCs, which straddle the economic sectors, are registered companies that are generally run along commercial lines, unlike typical parastatals. Examples include Singapore Airlines, Neptune Orient Lines, Development Bank of Singapore, Singapore Technologies, Keppel Corporation, Sembawang Corporation, Chartered Semiconductor Manufacturing, Singapore Telecom, Petrochemical Corporation of Singapore and Singapore Refining Corporation. Many GLCs are publicly-

listed entities, while some have foreign or other local equity partners.

Besides counterbalancing Singapore's heavy dependence on foreign MNCs to drive its economy, GLCs are also sometimes useful government instruments to spearhead national initiatives, such as regional investments to overcome Singapore's market and resource constraints and diversify risk. However, critics charge that GLCs crowd-out private enterprises, particularly in cases when they venture out of their core businesses into purely commercial areas (such as the retail food and beverage industry) that are not justified by national interests. The government is currently restructuring and rationalizing its stable of GLCs, to improve corporate governance, achieve greater efficiency and provide a clearer focus to guide their expansion plans.

The government is also involved in targeting potential growth industries (or sectors) for the economy, such as financial services, electronics, chemicals, trade logistics, electronic commerce, and exhibitions and conventions industries. Through the civil service and statutory boards, the government formulates and implements policies and strategies to guide the economy. It also administers fiscal and other incentives to local and foreign firms to promote selected targeted industries.

Government Budget Priorities

Singapore's FY99 budget is projected to incur a deficit of US\$3.0 billion, or about 3.5 percent of GDP. This shortfall, which follows a US\$271 million deficit incurred in FY98 (there were 10 consecutive years of surpluses prior to that), is largely due to increased development spending on education and the economic infrastructure, aimed at preparing Singapore for the next growth wave after the Asian economic crisis. The deficit is also caused by a projected fall in revenue of 11 percent due to the recession, and the impact of last November's counter-cyclical and business cost-cutting measures. Reflecting its commitment to a policy of maintaining a credible defense capability as the basis for sustained economic growth, the budget kept defense spending at 5.1 percent of GDP and 25 percent of total expenditure, despite the recession.

Balance of Payments Situation

Singapore's balance of payments surplus shrank to US\$3.0 billion in 1998, from US\$8.0 billion in 1997. While the current account surplus rose to US\$17.6 billion, attributed mainly to a higher merchandise trade surplus resulting from a sharp contraction in imports, the capital and financial accounts experienced a larger net outflow of US\$17.9 billion (compared to the net outflow of US\$4.0 billion in 1997). This was triggered mainly by the financial crisis, which reduced direct investment inflows and created a net outflow of funds from Singapore-based branches of foreign banks. Singapore's official foreign reserves stood at US\$75 billion as of end-1998, providing a healthy import cover of 8.8 months.

As the economy recovers in 1999, the current account surplus is likely to narrow, as imports of inputs for production will probably increase, offsetting improvements in the balance of services that may follow the pick-up in regional countries. The capital and financial account could

also record a smaller deficit if the improved economic climate leads to a smaller net outflow of funds by overseas banks.

Infrastructure

Singapore has a highly pro-business and modern infrastructure that rivals that of developed nations. The city-state enjoys reliable and sophisticated networks for information-technology (IT) and telecommunications services, transportation, and utilities.

Singapore's IT and telecommunications infrastructure is highly developed. The phone-line penetration rate is on par with developed countries. One-third of Singaporeans have mobile phones and 70 percent own pagers. Over 40 percent of households own personal computers and almost one-fifth have internet access or subscriptions. To promote the growth of information industries, the country has installed Singapore ONE, the nationwide high-speed fiber optic broadband network that provides multimedia applications and internet services to all homes, schools and offices. In the most recent Information Society Index survey by the International Data Corp (IDC), Singapore was ranked fourth (after the U.S., Sweden and Finland) as an information-driven economy.

Singapore's transportation network is highly efficient and modern. The city-state boasts the world's busiest port in shipping tonnage terms for the thirteenth year running. Singapore's airport is also frequently surveyed as among the best in the world. The road system is well-maintained, and road congestion is managed through the use of an electronic road pricing system (ERP) and a quota on the vehicle population. The public transportation system, which includes an efficient metro system, provides island-wide coverage at reasonable prices. The utilities networks provide reliable services. Health, safety, and building codes have become strict over the years and provide adequate protection.

The government has also taken advantage of lower building costs during the lull period throughout the Asian economic crisis to intensify the construction and upgrading of its physical economic infrastructure. These include extending the metro line to the north-eastern part of Singapore and to the airport, and engaging in reclamation works to increase the land stock of the city-state (total land area in Singapore is a mere 650 square kilometers). In particular, significant resources are being directed to create Jurong Island, to house a vertically integrated petroleum and chemicals industry (a project estimated to cost over US\$4.0 billion). Other infrastructural enhancement projects include the development of tourist attractions and mega-exhibition facilities.

Singapore's Efforts to Address the Year 2000 Problem

Singapore is generally in a high state of readiness to tackle the Y2K problem. According to the National Computer Board (NCB) Chairman, all key government services and infrastructure will be Y2K ready, including telecommunications, power, banking systems, airports and hospitals, for which US\$58 million have been invested to achieve readiness. The Stock Exchange of Singapore (SES) too has revealed that it is Y2K compliant after having spent US\$6.0 million on the project. About 30 Singapore-based banks, including all the local banks, also recently passed a Global Payment Systems Test initiated by the New York Clearing House.

Singapore Airlines and Singapore Telecom have also provided assurances of having spent about US\$30 million and US\$12 million, respectively, to achieve Y2K readiness. Singapore's small to medium enterprises (SMEs) are, however, less well-prepared for Y2K. According to a recent NCB survey, 27 percent of SMEs will not be Y2K-ready by year-end. The Board, however, does not expect significant effects on the nation because SMEs typically have small computer systems that are not connected to any network.

Singapore received international endorsement for its Y2K readiness when it became one of just two countries (the other being Hong Kong) to receive an "all-green rating" by the Global 2000 Co-ordinating Group, a leading international Y2K watchdog group with representations from 65 countries. The rating affirms Singapore's high degree of Y2K readiness in financial services firms, clearing and settlement organizations, telecom providers, transport systems, basic utilities (energy and water) and government.

Indicators On Domestic Economy

(Note: Data is given in US\$ million units, unless specified otherwise. 1998 data which are converted from S\$ to US\$ terms are lowered by the weaker exchange rate for the Singapore currency in 1998 as compared to 1997.)

	1997	1998	
1999(Est)			
GDP	95,139	84,379	85,976
GDP Growth Rate (percent)	8.0	1.5	
3.5 (year-on-year)			
GDP per capita (US\$)	25,461	21,828	21,489
Government spending as a percent of GDP (%)	9.5	10.0	
10.5			
Inflation (percent)	2.0	-0.3	0
Unemployment (percent)	1.8	3.2	
3.5			
Foreign Exchange Reserves	71,392	75,028	77,000
Average Exchange Rate	1.48	1.67	
1.70 (S\$ per US\$)			
Foreign Debt Service Ratio (government debt)	0	0	0
U.S. Economic Military / Economic Assistance	nil	nil	
nil			

Total Country Exports (Domestic plus transshipments) 113,501	125,009	109,801
Total Country Imports 104,916	132,412	101,496
Exports to U.S. 22,548	22,978	21,813
Imports from U.S. 19,303	22,237	18,674

Chapter III. POLITICAL ENVIRONMENT

Nature of Political Relationship With The U.S.

The U.S. and Singapore have a close relationship that is undergirded by cooperation on security issues and active economic ties.

Major Political Issues Affecting Business Climate

Singapore is a parliamentary republic, with a multi-ethnic population, that prides itself on political and social stability, and the predictability this atmosphere offers to foreign investors and traders.

Brief Synopsis of Political System, Schedule for Elections and Orientation of Major Political Parties

The ruling People's Action Party (PAP) has dominated Singapore politics since independence, and currently controls 80 of the 83 regularly-contested seats in Parliament. Opposition parties, which hold two of these seats (one is vacant), and one additional seat reserved to the opposition by the Constitution, do not espouse views that are radically different from mainstream Singapore political opinion. Signs of political change are beginning to be more apparent, but the expression of political difference still is non-confrontational. There has been no political violence in over thirty years. This is attributable, in part, to tough internal security laws, but primarily to the substantial popular support that the effective and well-organized ruling PAP has consistently attracted.

Chapter IV. MARKETING U.S. PRODUCTS AND SERVICES

Distribution and Sales Channels

Singapore's distribution and sales channels are simple and direct. Most consumer goods are imported by stocking distributors who resell to retailers. Some goods are imported directly for sale in the importer's own retail outlets.

Information On Typical Product Pricing Structures

Depending on the type of product, importer mark-ups range from 20-40 percent, while retail mark-ups are often more than 100 percent. Industrial goods are brought in by stocking distributors, who add on at least 20 percent before sale to end-users, or by agents whose commissions generally run about 7-10 percent. These mark-ups are approximate, and will vary widely, depending on the product and the contractual relationship in question.

Use of Agents and Distributors: Finding a Partner

Many American exporters use agents or distributors to serve the Singapore market and other markets in the rest of Southeast Asia. Finding prospective partners presents no problem. Singapore firms are aggressive when it comes to representing new products and usually respond enthusiastically to new opportunities. Most American companies that use U.S. & Foreign Commercial Service (USFCS Singapore) business programs in Singapore find several interested agents or distributors. USFCS Singapore offers a wide range of business programs and has an excellent record of success in introducing U.S. firms to the market.

Franchising

Franchising is growing in popularity. Many cash-rich Singaporean firms are looking for new growth opportunities and are interested in American franchise concepts. Franchisees usually buy franchise licenses for the Southeast Asian region and not for Singapore alone. Most franchisees finance their purchases of franchises through bank loans, personal savings or pooling resources from family members. See the "Best Prospects" section in Chapter V for details on the franchising sector in Singapore.

Direct Marketing

The direct marketing industry in Singapore began about 13 years ago and now includes direct mail, telemarketing and television sales. Direct marketing through television began five years ago and is growing very fast. There are many creative consultants in Singapore, each employing 10-20 employees, who provide advice, market research, mailing lists, printing and mailing services. Several companies provide telemarketing services and are involved in direct marketing through television. Typical products sold through direct marketing in Singapore include consumer goods such as gifts, cosmetics, health supplements, stationery, fitness equipment, household appliances, bags and accessories. Items that cost less than US\$50 are popular and prices rarely exceed US\$200 per item.

Joint Ventures/Licensing

Most Singapore companies are open to joint venture proposals, and many are interested in manufacturing under license. USFCS Singapore is active in matching American and Singapore firms for joint ventures not only in Singapore but also in the rest of Southeast Asia.

Steps to Establishing an Office

The Singapore Registry of Companies and Businesses publishes an excellent guide that walks the first time registrant through the process of establishing an office. The process takes about one day for a sole proprietorship, while more complex business entities can take up to six weeks and will require the assistance of lawyers and accountants to help with incorporation documents. One point to bear in mind is that registration of a company does not automatically mean that expatriate staff can be assigned to Singapore. Foreign staff must obtain an employment pass from the Immigration Department.

Selling Factors and Techniques

Price, quality and service are the main selling factors in Singapore. Prospective exporters to Singapore should be aware that competition is strong and that buyers expect good after-sales service. Selling

techniques vary according to the industry or product involved, but are comparable to the techniques used in any other sophisticated market.

Advertising and Trade Promotion

There are many specialized trade magazines in Singapore and scores of trade fairs that can be used to promote U.S. goods and services. The major English-language daily newspapers are the Straits Times and the Business Times. The leading business magazine is Singapore Business. The major Chinese daily is Lian He Zao Bao. Contact USFCS Singapore for a list of specialised trade magazines and trade fairs.

Pricing Product

Pricing is very competitive. Major department stores and retail chains offer fixed-price merchandise, while the smaller shops expect buyers to bargain. Hard bargaining is common in the commercial and industrial sectors as well, where buyers usually want a discount and vendors inflate their initial offers accordingly. Credit terms of 30-60-90 days are common. Buyers will often retain 10 percent of the sales price for major electronic equipment purchases until the vendor has installed the machine and it is performing according to specifications.

Sales Service/Customer Support

Good sales and customer support are vital in Singapore. The market is so price competitive that good sales support or customer service can make a big difference. Singapore distributors respond well to training on new products and if properly supported by the U.S. manufacturer will do a good job cultivating old customers and developing new ones.

Selling to the Government

U.S. firms generally find Singapore to be a receptive, open and lucrative market. The Singaporean government procurement system is considered by most American firms to be fair and transparent. Bidders must meet the specifications set out in the tender and offer a competitive price in order to be successful. Government procurement regulations are contained in Instruction Manual 3, available from the Ministry of Finance or through CS Singapore. The Singapore Government also advertises its tenders on their web-site page, <http://app.internet.gov.sg/gitis/>.

Protecting your Product from IPR Infringement

Enforcement of relevant copyright laws is left largely to private industry, so small U.S. firms are advised to join trade associations to protect their interests if they cannot afford to hire specialized Singaporean IPR firms. Large corporations and business associations such as the Business Software Alliance (BSA) and the Software and Information Industry Association (SIIA) spend large sums of money investigating and prosecuting software pirates in Singapore. The software piracy rate in Singapore was 52% in 1998 resulting in an estimated loss of \$58.3 million in retail revenue.

Need for a Local Attorney

U.S. and other foreign law firms are not allowed to practice law in Singapore. Legal matters involving Singapore law must be handled by a local attorney. A list of local law firms is available through USFCS Singapore.

Performing Due Diligence

Anyone who wants to carry out a business in Singapore must register with the Registry of Companies and Businesses (RCB). U.S. firms can run a check on Singapore companies by accessing the RCB database. Dunn and Bradstreet Corporation (D&B) recently formed an alliance with the RCB to offer D&B's customers worldwide access to 250,000 active Singapore registered businesses via the internet at www.dnb.com.sg.

Chapter V. LEADING SECTORS FOR U.S. EXPORTS AND INVESTMENT

Best Prospects for Non-Agricultural Goods and Services

All figures are in millions of U.S. dollars.

Exchange rates used are:

1997 US\$1.0 = S\$1.48

1998 US\$1.0 = S\$1.67

1999 US\$1.0 = S\$1.70

1 - Aircraft and Parts (AIR)

Singapore's aerospace industry, comprising primarily repair and overhaul (R&O) operations, continued to be competitive in 1998, enabling it to gain ground in the growing Asia-Pacific civil aviation market. In 1998, the industry registered a healthy 24 percent growth in output to reach US\$1.38 billion. Repair and overhaul accounted for 86.3 percent of total output. Manufacturing operations made up the remaining which comprises largely the production of precision sub-assemblies and components such as aircraft passenger doors, landing gears, engine mounts, precision gears, engine and aircraft structural components and avionics components.

Aerospace is one of the high value-added industries targeted for development by the Singapore government in its "National Technology Plan". Singapore is evolving into a "one-stop" aerospace hub in the Asia-Pacific with comprehensive, high value-added and critical aerospace manufacturing, repair and overhaul operations.

In the longer term, Asia is expected to be the main growing area for the world air travel market despite its current economic downturn. The region is projected to absorb up to 25 percent of the global aircraft deliveries over the next decade or so.

In June 1999, Singapore Airlines (SIA) announced the purchase of ten more Boeing 777 aircraft in a deal worth US\$1.9 billion. The aircraft which were on option in an order placed in 1996, will be delivered between 2001 and 2004. The 1996 deal consisted of seventy-seven B777's aircraft comprising 34 on firm order and 43 on option. The latest acquisition will allow the airline to phase out progressively its Airbus A340-300 fleet. To date, SIA operates 89 aircraft, including seven freighters. It expects to have a fleet of around 120 aircraft by the end of financial year 2004-5 comprising Boeing 777s, 747-400s, the super long-range Airbus 340-500s and possibly one smaller-capacity aircraft type for regional operations. This, coupled with the deregulation of the Asian airline climate, would further fuel massive regional growth that will generate sales of aircraft over the next twenty years.

1997

1998

1999

A. Total Market Size	3486	3383	3721
B. Total Local Production	1243	1377	1514
C. Total Exports	588	598	657
D. Total Imports	2831	2604	2864
E. Imports from the U.S.	1811	1783	1961

The above statistics are unofficial estimates.

2 - Industrial Process Control (PCI)

Over the past thirty years, Singapore has acquired considerable technical and process expertise in the manufacturing sector. The Singapore Government's long-term plan is to maintain the contribution of the manufacturing sector at 25 percent of Singapore's GDP. The government actively promotes high value-added activities in front-end engineering and process technology development. In addition, its new strategy, Industry 21, is aimed at widening the manufacturing sector's focus to include manufacturing services. This plan is committed to expand the manufacturing value chain into related services like research and development, process engineering, testing services and market research. The Process Control & Instrumentation sector will emphasize on providing total integrated process solutions, as customers value enhanced plant efficiency, productivity and optimization through real-time information feedback.

Singapore's manufacturing activities provide good market opportunities for U.S. firms to supply instrumentation and control test equipment and services. Its petrochemical and petroleum industries are growing with a combined annual output of about US\$12 billion. Pharmaceutical and semiconductor industries are also experiencing robust growth. Opportunities also abound in the infrastructural, environmental, pulp & paper and power markets in Singapore and the Asian region.

	1997	1998	1999
A. Total Market Size	1478	1166	1370
B. Total Local Production	424	507	550
C. Total Exports	949	938	980
D. Total Imports	2004	1598	1800
E. Imports from U.S.	952	765	920

The above statistics are unofficial estimates.

3 - Electronic Components (ELC)

Although the Asian economic downturn affected the performance of the electronics industry in 1998, the impact was alleviated by strong electronics exports to the U.S. and Europe. The sector's output is projected to pick up in the next couple of years and contribute substantially to the 43 percent share of Singapore's total manufacturing output. In 1998, electronics output dropped by 3 percent to US\$36 billion. The lower output was due to reduced production in the computer and consumer electronics sectors. However, the output of semiconductors and printed circuit board assemblies increased in 1998 compared with 1997.

The current downturn in Asian economies will have an impact on the rate of recovery for the electronics sector. However initial statistics for the first quarter of 1999 reflected a 10 percent growth. With the continued strong demand from the U.S. and Europe, the electronics sector will likely experience growth for 1999 and 2000. There are good opportunities for American companies to sell their products to Singapore and through Singapore to the Asian region.

	1997	1998	1999
A. Total Market Size	11012	8245	9500
B. Total Local Production	10611	9558	10500
C. Total Exports	20589	19473	21000
D. Total Imports	20989	18159	20000
E. Imports from U.S.	3060	3092	3200

The above statistics are unofficial estimates.

4 - Electronic Industry Production/Testing Equipment (EIP)

Despite the slowdown in Singapore's electronics sector in 1998, confidence in Singapore and long-term potential in the Asian region is evident from the amount of foreign investments committed in 1998. Electronic investments in 1998 amounted to US\$1.8 billion, accounting for 40 percent of the total investments committed for the year.

The Singapore Government has been aggressively attracting investments in wafer fabrication facilities. It is projected that by 2003, there will be over 10 wafer fabrication plants (invested by multinationals such as Chartered Semiconductor, ST Microelectronics, Hitachi Nippon Steel, TECH Semiconductor, Chartered Silicon Partners and Philips & TMSC). Expansion in these facilities will become good opportunities for equipment suppliers.

In addition, the Singapore Government has a vision for the nation to be a world-class electronics in the areas of manufacturing solutions, the creation of new-generation electronics products and innovative applications for new markets. In the longer term, Singapore aims to secure 150 new electronics projects over the next ten years and generate US\$88 billion worth of business by 2010. This will provide good opportunities for American firms to supply equipment, materials and services to current and future facilities.

	1997	1998	1999
A. Total Market Size	2030	1498	1750
B. Total Local Production	942	1071	1200
C. Total Exports	1804	1690	1850
D. Total Imports	2892	2118	2400
E. Imports from U.S.	1009	750	850

The above statistics are unofficial estimates.

5 - Construction Equipment (CON)

Construction growth moderated to 3.9 percent in 1998, down from a robust 15 percent in 1997. Given the narrowing pipeline of private sector construction projects in conjunction with the slowing demand in the property market, the expansion was largely underpinned by public sector construction activity. Notwithstanding the construction sector's sluggish growth in 1998, its share of the national GDP has climbed to 9.1 percent. The proportion of the construction share of the GDP is expected to remain in the 8.0 percent and 9.0 percent range in 1999.

Based on the Development Plans surveys conducted in September 1998, the Building and Construction Authority (BCA) expects the total value of building contracts to be awarded in 1999 to range between US\$6.5 billion and US\$7.9 billion. The Singapore government is expected to remain the main force behind the 1999 construction demand. Among the major public projects would include the US\$3.0 billion public housing developments, and several industrial projects like the fifth refuse incineration plant and the first sea water desalination plant worth a total of US\$778 million. In addition, several reclamation projects, amounting to US\$719 million, are expected to be awarded by the Jurong Town Corporation, the Urban Renewal Authority and the Housing & Development Board. This means that there is still a tremendous scope for the supply of construction and earthmoving equipment to the local construction industry. This is particularly so because there is no domestic production of construction equipment and there is minimal local assembly, such that the market is dominated by imports.

	1997	1998	1999
A. Total Market Size	1090	791	854
B. Total Local Production	302	322	348
C. Total Exports	1156	1282	1385
D. Total Imports	1944	1751	1891
E. Imports from the U.S.	846	1006	1086

The above statistics are unofficial estimates.

6- Computer Hardware and Peripherals (CPT)

Singapore was ranked the world's fourth most information driven economy (after the U.S., Sweden and Finland) in 1998, according to the Information Society Index published by International Data Corp (IDC). The survey projected that Singapore will move up to second place by 2002.

The Singapore government's push to turn the country into an intelligent island early in the next century will boost the demand for computer hardware and peripherals in Singapore. The United States is viewed as the most important source of state-of-the-art computer technologies and products. Total market is much smaller than total imports as Singapore is a major trading center for information technology products; about two-thirds of Singapore's imports of computer hardware are re-exported to third countries. Most promising sub-sectors include networking equipment, multi-media systems and PCs.

	1997	1998	1999
A.Total Market Size	2258	1302	2200
B.Total Local Production	18362	16294	15000
C.Total Exports	23276	20372	18000
D.Total Imports	7172	5379	5200
E.Imports from the U.S.	1093	948	1000

The above statistics are unofficial estimates.

7 - Telecommunication equipment (TEL)

Despite the economic slowdown in Singapore and the region, there are still excellent opportunities for U.S. vendors of telecommunication products. The Singapore government's liberalization of the industry and its push to turn the country into an "intelligent island" by 2002 will drive demand for telecommunication products and services. Singapore depends heavily on imports as the indigenous manufacturing industry is small and dominated by foreign firms. The U.S. plays a dominant role in the Singapore telecommunications market. It is viewed as the world leader in telecommunication products, and Singapore end-users look to U.S. companies for the latest state-of-the-art technologies.

Singapore is a major distribution center; more than half of all telecommunication imports is re-exported to other countries. The republic serves as a regional showcase, and it is not uncommon that equipment that is type-approved in Singapore is generally accepted in the surrounding countries. Best prospects are multi-media, electronic commerce and internet related solutions including gigabit internet switches, voice- over Internet Protocol products, value-added network products and security products.

	1997	1998	1999
A.Total Market Size	1672	1174	1300
B.Total Local Production	2289	1882	2000
C.Total Exports	4079	3223	3500
D.Total Imports	3462	2515	2800
E.Imports from the U.S.	508	358	400

The above statistics are unofficial estimates.

8 - Franchising (FRA)

Singapore boasts one of the most developed industrial, commercial, financial and consumer economies in the world with a per capita income of more than \$24,000. The republic is a city-state with a population of 4.0 million people, including foreigners and permanent residents. Despite its small size, it is home to many franchises from around the world, particularly from the United States. The U.S. dominates franchise concepts in Singapore both in numbers and variety. According to the Singapore Trade Development Board, there are some 140 foreign franchise concepts and 137 local franchise concepts in Singapore in 1998. The figures are expected to grow to 200 and 165 respectively by the year 2005.

Despite the regional economic crisis, the market outlook for U.S. franchises is still excellent as many cash rich Singapore firms and individuals continue to seek new opportunities. With its well

developed infrastructure, the country serves as one of the region's principal distribution centers and showcase for imported products and services. It is therefore a good launching pad and pilot market for U.S. franchisors wishing to enter the markets of the Asia Pacific region. Most promising sub-sectors include children-related franchises, training and food-related franchises.

	1997	1998	1999
A.Total Sales	3036	2660	2750
B.Sales by Local Firms	304	266	270
C.Foreign Sales by Local Firms	31	26	20
D.Sales by Foreign-owned Firms	2763	2420	2500
E.Imports from the U.S.	2493	2180	2200

The above statistics are unofficial estimates.

9 - Building Products (BLD)

The construction industry is forecast to chalk up some US\$7.9 billion worth of projects in 1999, with the public sector expected to award between US\$4.67 billion and US\$5.33 billion of projects, which will make up about 70 percent of the total construction demand in 1999. The bulk of the public contracts would go to the construction and retrofitting of Housing Board flats, building of industrial plants and educational institutions and social welfare and sports complexes. Public civil engineering demand is expected to be in the improvement and expansion of road networks, construction and upgrading of sewerage and drainage systems as well as land reclamation projects.

Although private residential contracts are not expected to pick up in view of the current economic situation, private commercial construction demand is anticipated to remain at the level comparable to that of 1998, while private industrial construction demand is expected to range from US\$420 million to US\$659 million. With long-term growth opportunities anticipated in the petrochemical sector, 1999 is likely to see several petrochemical plants being developed. Construction demand for private institutional and other buildings is expected to lie between US\$114 million and US\$222 million. Private civil engineering construction demand is expected to continue to be generated by the port, telecommunications and utilities providers such as PSA Corporation, Singapore Telecoms, PowerGas and PowerGrid in their bid to improve efficiency and market share. These developments would provide great opportunities for U.S. firms to supply building materials to the Singapore construction industry, especially state-of-art building products.

	1997	1998	1999
A. Total Market Size	2965	3186	3441
B. Total Local Production	660	1001	1081
C. Total Exports	1749	1056	1140
D. Total Imports	4053	3241	3500
E. Imports from the U.S.	260	122	132

The above statistics are unofficial estimates.

10- Medical Equipment (MED)

Demand is not expected to increase given the completion of hospital projects by the Ministry of Health. Private hospitals have reduced spending due to the decrease in patients from neighboring countries. Total imports of medical equipment will continue to be affected by demand from neighboring countries as more than 40-45 percent of imports are re-exported. Prospects for U.S. medical equipment in 1999 remains positive given that imports from the U.S. grew by 3.0 percent in real terms in 1998. The U.S. accounted for more than 40 percent of the import market share. There is potential for growth for U.S. exporters in devices for critical care, wound care, patient care, devices for cardiology and oncology, and furniture and fittings for elderly care.

	1997	1998	1999
A. Total Market Size	396	285	285
B. Total Local Production	588	716	645
C. Total Exports	702	794	730
D. Total Imports	510	363	370
E. Total Imp. from U.S.	166	150	155

The above statistics are unofficial estimates.

11 - Laboratory & Scientific Instruments (LAB)

Singapore continues to attract overseas partners to enhance itself as a hub for life sciences research. The private sector increased its research and development (R&D) spending by 7.0 percent in 1997 while the public sector spending rose by 18 percent. Singapore's gross expenditure on R&D grew to US\$1.37 billion. The regional economic downturn had affected demand as more than 25 percent of imports are re-exported to neighboring countries.

	1997	1998	1999
A. Total Market Size	950	870	875
B. Total Local Production	260	359	360
C. Total Exports	580	599	595
D. Total Imports	1270	1110	1110
E. Total Imp. from U.S.	581	538	530

The above statistics are unofficial estimates.

12 - Pollution Control Equipment (POL)

Projects currently under implementation include the deep tunnel sewerage system project, the 4th incineration plant with a possible fifth incineration plant in the near future. In addition, the development of a group of offshore islands into an integrated chemical island will see strong demand for environmental control technology in the next five years. Moreover, the authorities plan to tighten air emission standards which imply that new air pollution controls need to be purchased.

The Ministry of the Environment (ENV) is the authority on environmental matters and is the prime mover of environmental projects. ENV has set up two private companies called SEMES to provide consultancy services and SEMAC to provide refuse collection and treatment of solid waste. From April 1999, other companies are able to bid for refuse collection

contracts for 9 different sectors and this exercise will take approximately 18-24 months to complete.

	1997	1998	1999
A. Total Market Size	580	405	400
B. Total Local Production	113	80	70
C. Total Exports	273	195	180
D. Total Imports	740	520	500
E. Imports from the U.S.	236	180	150

The above statistics are unofficial estimates.

13 - Pumps, Valves, Compressors (PVS)

Major projects under development in Singapore such as the Jurong Petrochemical island complex, the Tuas Power station, chemical and pharmaceutical plants will continue to generate demand for pumps, valves and compressors. Growth in this sector has been revised downwards due to the regional economic turmoil. Approximately 70 percent of total imports are re-exported to the region. Currently, demand from the region comes mainly from the state-owned petroleum refineries. The proposed 480-kilometer gas pipeline from West Natuna (Indonesia) to Singapore, to be completed by end of year 2001, will boost demand in the next two years. Equipment incorporating newer technologies will have market potential.

	1997	1998	1999
A.Total Market Size	859	721	600
B.Total Local Production	418	330	300
C.Total Exports	822	679	620
D.Total Imports	1263	1070	920
E.Imports from the U.S.	364	311	260

The above statistics are unofficial.

14 - Electric Power Systems (ELP)

Demand for electricity decreased in 1998 due to the regional economic downturn but it rebounded in the first quarter of 1999 in line with recovery in the manufacturing sector. Tuas Power Station will invest about US\$600 million in equipment and services in the second stage of its power plant. Singapore Power (SP) will spend about US\$1.0 billion on building transmission systems of 400 kilovolts at various substations in the country. SP will also install systems for direct transformation (step-down) of electricity from 230 kv to 22 kv for high-density developments. SP will also invest in the development of an underground cable tunnel network which will provide for the installation of transmission cables for bulk power transportation. Electrical cables will also be laid by end of 1999 to connect two substations to a major industrial zone. The connection, which will cost about US\$80 million will include an undersea cable tunnel. Two underground cable tunnels have also been planned: two-km tunnel and 16-km tunnel due for completion by 2001 and 2003. SP will spend US\$349 million to refurbish PowerSenoko to boost efficiency by 39 percent.

	1997	1998	1999
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A.Total Market Size	2292	2055	1850
B.Total Local Production	1223	1150	1100
C.Total Exports	2072	2119	2130
D.Total Imports	3141	3024	2880
E.Imports from the U.S.	566	484	410

The above statistics are unofficial estimates.

Best Prospects for Agricultural Products

The following agricultural sectors offer the best prospects for increased U.S. agricultural exports to Singapore.

Dairy Products

PS&D:022/023/024

The EU, Australia and New Zealand are major suppliers in this category of products which include fresh milk, milk powder, condensed milk, yogurt and cheese. As Singapore consumers are particularly brand conscious, it is difficult to displace existing established European and Australian brands in the market.

However, there is significant market potential for bulk dry milk powder for repacking into consumer size packs. The re-packed milk powder is distributed to other emerging Asian markets by Singapore traders. There are market opportunities for U.S. companies in products like cheese, yogurt and ice cream. Singapore consumers are avid consumers of ice cream and yogurt and hold U.S. brands in high regard.

	1997	1998	1999
Total Market Size	232	151	156
Total Local Production	0	0	0
Total Exports	105	75	81
Total Imports	337	226	237
Imports from the U.S.	15	10	11

Fresh Vegetables

PS &D Code 054

Singapore imports practically all the vegetables it consumes domestically. The high percapita incomes together with the large number of annual tourist arrivals contribute to the purchase of higher quality and higher priced vegetables from Australia, New Zealand, EU and the U.S.

The economic downturn in the neighboring ASEAN countries are to some extent responsible for the significant reduction in re-exports of vegetables. However, with the expected pickup in the regional economies, it is expected that the import and re-export trade of high value vegetables will increase significantly.

The U.S. is a major supplier of frozen vegetables to the Singapore market occupying about 60 percent market share. In this category, frozen fries is the dominant product. Other significant product categories include frozen prepared and cut vegetables.

	1997	1998	1999
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Total Market Size	126	128	131
Total Local Production	0	0	0
Total Exports	84	59	64
Total Imports	210	187	195
Imports from the U.S.	18	16	18

Fruit & Nut, fresh and dried
PS& D Code: 057

Fresh fruit imports form one of the major categories of agricultural imports into the country. As Singapore does not produce any fresh fruit, it imports from a wide range of countries all of the tropical and temperate climatic fruit consumed domestically. Malaysia, Thailand, Indonesia and Philippines supply most of the tropical fruit while the EU, Australia, New Zealand and China and South America and the U.S. provide the temperate climatic fruit. The U.S. is a major supplier of apples, oranges, pears, summer fruit and raisins. Competitor countries include Australia, New Zealand, China, Brazil and Chile. In recent years, South Africa has become an increasingly important supplier of apples, pears, stone fruit and oranges.

Singaporeans like to try newer and more exotic fruit. There is a good market potential for new stone fruit varieties. In addition, the market for dried temperate fruit has not been fully tapped.

	1997	1998	1999
Total Market Size	209	179	194
Total Local Production	0	0	0
Total Exports	148	103	129
Total Imports	357	282	323
Imports from the U.S.	77	62	72

Significant Investment Opportunities

Singapore continues to attract foreign investments. Petroleum, electronics and computer manufacturing, telecommunications, banking and financial services head the list, but opportunities abound as well in shipping, pharmaceuticals, franchising and regional distribution of food and consumer goods. Singapore's firms are usually very receptive to joint venture proposals from American firms and, especially in the case of the government-linked companies, are good business partners who can offer excellent regional contacts and access to capital.

The Singapore government's recent move to liberalize the finance/banking, legal services and telecommunication industry offers significant opportunities for U.S. firms to gain a toehold in the market place. In addition, the implementation of several major infrastructure development projects including the reclamation of Jurong Island (to house the oil refining and chemicals industries); deep tunnel sewerage; extension of the sub-way system and expansion of the airport will result in opportunities for U.S. participation.

The Government of the United States acknowledges the contribution that outward foreign direct investment makes to the U.S. economy. U.S. foreign direct investment is increasingly being viewed as a complement or even a necessary component of foreign trade. Nearly 60 percent of

total U.S. exports originate with American firms with investments abroad. Recognising the benefits that U.S. outward investment brings to the U.S. economy, the Government of the United States undertakes initiatives, such as Overseas Private Investment Corporation (OPIC) programs, bilateral investment treaty negotiations and business facilitation programs, that support U.S. investors.

Chapter VI. TRADE REGULATIONS, CUSTOMS AND STANDARDS

Trade Barriers

Singapore has very few trade barriers. There are restrictions in a few sectors, including legal services, banking services, some telecommunications services, professional engineering services and trade in tobacco products. However, the Government is slowly allowing more freedom for market forces in the economy, as can be seen in its move to liberalize the telecommunications, financial and legal services industries. In the area of intellectual property rights, the Singapore Government does have laws to protect against piracy and copyright infringement, but it relies on the private sector to take the lead against transgressors. In general, Singapore maintains one of the most liberal trading regimes in the world.

Customs Regulations

In Singapore, valuation for Customs purposes is based on the Brussels Definition of Value (BDV). The basic principle of the BDV is that dutiable value is the normal price or import price of goods at the port or place of importation. It pre-supposes that the sale has taken place in the open market between an independent buyer and seller.

Where goods are dutiable, ad valorem or specific rates may be applied. An ad valorem rate, which is the most commonly applied, is a percentage of the assessed value of the imported goods. A specific rate is a particular amount per unit of weight or other quantity.

Cost, insurance, freight, handling charges and all other charges incidental to the sale and delivery of the goods are taken into account when duty is assessed.

Exporters are required to ensure that the declared values of goods for Customs purposes are correct. If the goods have been undervalued, the Customs and Excise Department will increase the values declared. Severe penalties may be imposed on traders attempting to evade duty.

Tariff Rates

Singapore is generally a free port and an open economy. More than 96 percent of all imports into Singapore enter the country duty-free. The only exceptions are heavy tariffs on the import of motor-cars, liquor, petrol, and cigarettes.

Import Taxes

The Singapore Goods and Services Tax (GST) is a tax on domestic consumption within Singapore. It is paid whenever customers buy goods or services from GST-registered businesses within Singapore. The rate is charged at 3.0 percent. The GST Act says, "...Goods and Services Tax shall be charged on the supply of goods and services in Singapore...and on the importation of goods and services...to Singapore".

GST is a multi-stage tax and is collected at every stage of the production and distribution chain. A registered trader/company will be able to claim credits from the Comptroller for GST paid on goods or services imported and used within the production chain.

All imported goods (whether for domestic sale or re-exports), are taxable unless the goods are specifically given GST relief by the Comptroller of GST (A list of GST reliefs is available from the Inland Revenue Authority of Singapore). If the goods are kept in the Free Trade Zones (Changi Airport and the seaports of Pasir Panjang, Keppel, Jurong and Sembawang) they are not treated as imports; GST is not charged until the goods leave the Free Trade Zones (FTZ) for sale in Singapore (re-exported goods from the FTZ are exempt from all GST).

Outside the FTZ, when goods are imported, GST (Input Tax) must be paid to the Customs and Excise Department at the point of importation, irrespective of whether the importer is a trader or a final consumer. At the point of importation, GST is charged, on the landed CIF (Cost of Insurance and Freight) value inclusive of actual duty (if dutiable and as assessed by Customs). For example:

CIF value of imports = S\$80
 Actual customs duty = S\$20
 Value of imports = S\$100
 GST (Input Tax) payable = S\$100 x 3 percent = S\$3.00

Company A, which is importing the goods, must pay \$3.00 (Input Tax) at the point of importation to the Customs and Excise Department. When Company A sells the imports to Company B, assuming at the price of S\$200, Company B has to pay GST of \$6.00 (Output Tax) to Company A. The Singapore government must ultimately receive GST payment of \$6.00. In view of the fact that Company A has already paid GST of \$3.00 to the government, The total net GST payable (by company A) is calculated as follows:

Output Tax (\$6.00) - Input Tax Credit (\$3.00) =
 \$3.00 (Net GST payable by Company A)

When a Singapore company/agent imports goods on behalf of an overseas non-taxable person who does not have any business establishment in Singapore, the Singapore company will be treated as the principal importing the goods, irrespective of whether the Singapore company calls itself an agent or not. The Singapore company must pay GST Input Tax to Customs and Excise Department.

Assuming that the non-resident person is liable for GST because of an agent agreement with the Singapore company/agent importing on behalf of a non-resident person, it is required to account for GST Input Tax on behalf of that non-resident. A liable non-resident person is defined as having a business turnover of more than S\$1.0 million and not physically operating in Singapore but conducts trading activities through a Singapore agent. Turnover of less than S\$1.0 million will mean that the agent is liable for payment of the GST Input Tax. The agent must register in the name of the non-resident exporter whose turnover exceeds S\$1.0 million. Separate accounts must be kept for the taxable non-resident.

For more information on GST-related topics pertaining to U.S. exporters, please contact the following:

Inland Revenue Authority of Singapore
 55 Newton Road
 Revenue House
 Singapore 307987
 Tel: 65/356-8233
 Fax: 65/351-3553
 Contact: Mr. Koh Soo How, Manager Tax Audit
 Website: www.iras.gov.sg/info/gst/gst.html

Customs and Excise Department
 55, Newton Road
 #07-01 Revenue House
 Singapore 307987
 Tel: 65/272-8222
 Fax: 65/250-8663
 Contact: Mr. Loh Yew Meng, Deputy Head, (Permits, Manifest & GST),
 Documentation Branch

Import License Requirements

Companies must make an inward declaration for all goods imported into Singapore. Most goods can be imported freely without licenses. The import of a few items such as lighters in the shape of pistols or revolvers and fire crackers is prohibited. Generally, the import of goods which the government says pose a threat to health, security, safety and social decency are controlled. Licenses are required for pharmaceuticals, hazardous chemicals, films, arms and ammunition. Companies that want to import controlled items into Singapore must apply for licenses from the appropriate government agencies.

Temporary Goods Entry Requirements

For goods entering Singapore on a temporary basis, companies can apply for an ATA Carnet with the Singapore International Chamber of Commerce. The ATA Carnet serves as a guarantee against payment of import duties/taxes should the temporary admission period be exceeded. Goods imported under a carnet may not be sold and must be re-exported within the temporary admission period. If the items to be imported are subject to controls, companies must obtain endorsement/approvals from the relevant Government agencies before importing the goods into Singapore.

Bona fide trade samples may be imported without payment of duty if they are imported solely:

- (A) for the purpose of soliciting orders for goods to be supplied from abroad; or
- (B) for demonstration in Singapore to enable manufacturers in Singapore to produce such articles to fulfil orders from abroad; or
- (C) by a manufacturer for the purpose of copying, testing or experimenting before he produces such articles in Singapore.

Special Import/Export Requirements And Certification (Health, Pharmaceuticals, Pre-Shipment Inspection)

Health Supplements Import Regulations

Vitamins with very high dosages of certain nutrients need to be licensed or registered. However, most over-the-counter vitamins and food supplements do not need to be licensed. If a U.S. company has any concerns regarding licensing of its products, these can be addressed by contacting or requesting its potential distributor to submit samples to the Ministry of Health.

There is also labeling and advertising legislation which applies to vitamins and supplements. Generally, labeling laws require that: 1) the composition of the products be disclosed in English; 2) labels/package materials do not contain any reference to diseases/conditions as specified in the schedule to the Medicines (Advertisement & Sale) Act; and 3) the advertising/sales promotion of the product in the public media be approved by the Pharmaceutical Department of the Ministry of Health.

The Regulations which govern the sale of vitamins and food supplements in Singapore include:

- The Medicines Act,
- The Medicines (Advertisement & Sales) Act,
- The Medicines (medical Advertisements) regulations,
- The Sale of Drugs Act and Regulations,
- The Medicines (Labeling) regulations 1986, and
- The Medicines (Non-medicinal Products) Order 1988

The sale of Vitamin B15 (Pangamic Acid) and Vitamin B17 (Amygdalin) is prohibited under the Sale of Drugs (Prohibited Drugs) Regulations 1985.

Pharmaceuticals Imports Regulations

Prescription drugs and over-the-counter drugs must be registered and approved by the Pharmaceutical Department (Ministry of Health).

Labeling Requirements

Labels are required on imported food, drugs, liquors, paints and solvents and must specify the country of origin. Repackaged foods must be labelled to show (in English) the appropriate designation of the food content printed in capital letters at least 1/16 inch high; whether foods are compounded, mixed or blended; the minimum quantity stated in metric net weight or measure; the name and address of the manufacturer or seller; and the country of origin.

A description (in English) of the contents of the package may be added to the face of the label provided the additional language is not contrary to, or a modification of, any statement on the label. Pictorial illustrations must not mislead about the true nature or origin of the food. Foods having defined standards must be labelled to conform to those standards and be free from added foreign substances. Packages of food described as "enriched", "fortified", "vitaminized" or in any other way which implies that the article contains added vitamins or minerals must show the quantity of vitamins or minerals added per metric unit.

Special labels are required for certain foods, medicines and goods such as edible and non-edible animal fats as well as paints and solvents. Processed foods and pharmaceuticals must be inspected and approved by

the Ministry of Health. Electrical goods must be checked by Singapore Power before they can be installed, while paints and solvents are the responsibility of the Chief Inspector of Factories, Ministry of Manpower.

Prohibited Imports

Singapore prohibits the import of chewing gum, firecrackers, horns, sirens, silencers, and satellite dishes and receivers. A full list of prohibited products can be obtained from the Trade Development Board.

Warranty And Non-Warranty Repairs

Dutiable goods are allowed to be imported for repair without payment of duty on condition that they are re-exported within three months of the date of importation. If the goods are not re-exported after the expiration of the given period, duty will become payable. This facility provision is also extended to dutiable goods which are imported for trade exhibitions, fashion shows and displays.

Export Controls

Companies must make an outward declaration to export or re-export their goods out of Singapore. Except for selected items, there are very few controls on exports of goods from Singapore. Quantitative restrictions exist for certain textiles and garments to Canada, EU countries and the U.S. Items such as rubber, timber, granite and chlorofluorocarbons are subject to export control and licensing. Items under export control must be endorsed or licensed by the appropriate government agencies before they can be exported.

Standards

Singapore uses the metric system. While industrial standards applied in the engineering and construction fields are basically those used by other developed countries, the Productivity and Standards Board (PSB) has developed standards for certain electrical, sanitary and building products. PSB is the national standards and certification authority.

PSB also administers the Good Manufacturing Practice Scheme and the PSB Certification Mark Scheme. They are awarded to manufacturers whose quality assurance systems and products comply with the ISO 9000 series of quality systems or the relevant Singapore standards.

Under the Consumer Protection (Safety Requirements) Regulations of 1991, 17 products (LPG systems, cooking ranges, electric irons, gas cookers, hair dryers, microwave ovens, televisions, video display units, video cassette recorders, table fans, high-fidelity equipment, immersion water heaters, kettles, refrigerators, rice cookers, room air-conditioners, vacuum cleaners and washing machines) which are potentially hazardous to consumers must be registered and declared safe before they can be sold in Singapore. The Consumer Protection Act (CPA) mark is a compulsory stamp of approval given by PSB to ensure that consumers are safe from hazards such as fire, explosion and electrical shock when using these appliances. However, test reports issued by accredited testing laboratories and national certification bodies are recognised by PSB. A list of accredited laboratories and national certification bodies is available from PSB. U.S. suppliers of these products planning to expand sales into Singapore should check with the Consumer Protection Agency and PSB before exporting.

Similarly, telecommunications equipment imported for use in Singapore is subject to "Type-Approval" by the Telecommunication Authority of Singapore.

For the construction industry, the Building and Construction Authority uses the Construction Quality Assessment System (CONQUAS) to objectively rate building works. The system examines the contractor's work in three areas: structural (40 points), architectural (50 points) and external works (10 points) based on a 100-point score. The system measures the extent to which a building conforms with the contract specifications. Contractors with high CONQUAS scores are given preferential margins when they tender for public contracts.

Free Trade Zones/Warehouses

Singapore has seven Free Trade Zones (FTZ), six for seaborne cargo and one for air cargo (Singapore Changi Airport), within which a wide range of facilities and services are provided for storage and re-export of dutiable and controlled goods. Goods can be stored within the zones without any customs documentation until they are released in the market. They can also be processed and re-exported with minimum customs formalities.

The FTZ's at the port facilitate entrépot trade and promote the handling of transshipment cargo. They offer free 72-hour storage for import/export of conventional and containerized cargo and 14-day free storage for transshipment/re-export cargo.

Within the FTZ, PSA Corporation Limited provides more than two million square meters of covered and open storage space. Outside the FTZ, PSA has 473,000 square meters of covered warehouse space. The PSA operates the Pasir Panjang Distripark, Alexandra Distripark and Keppel Distripark.

Membership in Free Trade Arrangements

Singapore is a party to the World Trade Organization (WTO). Since January 1993, Singapore has participated in the ASEAN Common Effective Preferential Tariff (CEPT) program for the ASEAN Free Trade Area (AFTA). The program involves the application of preferential tariffs to goods of ASEAN origin as defined under the Rules of Origin for CEPT. Under the rules, a product is of ASEAN origin if it is wholly produced or obtained in an ASEAN country. The product can also be deemed to originate from ASEAN Member States if at least 40 percent of its content originates from any member states. The 40 percent local content requirement refers to both single country and cumulative ASEAN content.

Customs Contact Information

Customs and Excise Department

55, Newton Road

#07-01 Revenue House

Singapore 307987

Tel: 65/272-8222

Fax: 65/250-8663

Contact: Mr. Loh Yew Meng, Deputy Head, (Permits, Manifest & GST),
Documentation Branch

Chapter VII. Investment Climate

Investment Policy Summary

Singapore has a highly open investment regime, through which it successfully transformed itself from a trading port into a modern industrial economy. Presently, anticipating rapid technological changes, increasing globalization of business operations, and keener competition from other countries offering lower land, labor and business costs, Singapore is engaging in active manpower development, infrastructure enhancement and market liberalization efforts to advance itself to a knowledge-based economy.

To catalyze its transition to a knowledge-based economy, Singapore is encouraging foreign skilled professionals to settle in the city-state, and multinational companies (MNC's) to establish knowledge-intensive manufacturing and service activities. These include research and development, product design and development, high-tech manufacturing, process engineering, and value-added logistics.

Through MNC's, Singapore aspires to become a world class player in electronics, petroleum and petrochemicals, life sciences, engineering, education, healthcare, logistics, and communications and media. Singapore is also aiming to draw MNC's to set up headquarters in the city-state to manage their regional or global activities, and leading banking and financial institutions to establish or upgrade operations to develop the city-state into an international financial center.

Openness to Foreign Investment

Singapore's free enterprise economy, which recorded the world's second highest per capita GDP of US\$24,610 in 1997 in purchasing power parity terms (according to a World Bank ranking), is dominated by government-linked companies (GLC's) and major foreign MNC's. GLC's straddle all major sectors of the economy, while MNC's are mainly concentrated in the electronics and chemicals industries.

Besides its high per capita GDP, Singapore is also highly ranked for its economic competitiveness. It was the world's most competitive country in 1999 (ahead of the U.S. and Hong Kong) and the world's second freest economy (after Hong Kong) as ranked by the World Economic Forum (WEF). The US\$6 billion wage and business cost cutting package introduced by the government in November 1998 in response to the recession brought on by the Asian economic crisis, and moves to liberalize the economy, particularly banking and financial services, will further enhance Singapore's economic competitiveness.

Attracting foreign investment into the country - initially to spearhead industrialization and subsequently to climb the technological and value-added ladders - has been a key economic strategy of the Singapore Government since independence in 1965. Through it, Singapore evolved into a base for MNC's to engage in high-end manufacturing and product development, and coordinate regional procurement, production, marketing, and distribution operations, thus complementing lower-end assembly operations located in other Southeast Asian countries where production and business costs are lower. Consequently, the country's legal framework and public policies have always been foreign investor-friendly.

In response to increasing globalization of business operations, rapid technological changes, and keener competition from other countries offering lower land, labor and business costs, Singapore recently launched a national initiative, called Industry 21 or I21 for short, to advance itself into a knowledge-based economy.

To achieve its goal, Singapore is intensifying efforts to upgrade its manpower capabilities (in addition to attracting relevant foreign skilled professionals to work and settle in the country), and promote entrepreneurship among citizens (particularly in information-technology (IT)-related fields). Singapore is also encouraging businesses to invest in new technology and engage in research and development, and actively enhancing its economic and IT infrastructure. The infrastructural improvement projects include Jurong Island, which is being created through reclamation works to house the oil refining and chemicals industries, and Singapore ONE, a nation-wide high-speed fiber optic broadband network providing multimedia applications and internet services to virtually all homes, schools and offices. Additionally, the country is liberalizing its economy, particularly the banking and financial services sector, which is presently undergoing a gradual but significant market-opening and reform process. It has also recently permitted joint ventures and alliances between foreign and local law firms to upgrade the country's legal services industry.

In line with I21, Singapore is encouraging MNC's to establish high value-added manufacturing and service operations in the city-state, including research and development, product design and development, high-tech manufacturing, process engineering, and value-added logistics. Through foreign investment, Singapore aspires to become a world class player in the electronics, petroleum and petrochemicals, life sciences, engineering, education, healthcare, logistics, and communications and media industries. It also aims to be a choice location as headquarters of MNC's, from which regional or global operations are managed, and a vibrant international financial center.

Foreign investors are not required to enter into joint ventures or cede management control to local interests. The Singapore Government generally does not restrict or discourage foreign investment either to protect local industries or for any other reason. However, notable exceptions exist in the armament manufacturing, news media, telecommunications, broadcasting, property ownership and domestic banking sectors, where investment opportunities are still limited.

The Economic Development Board (EDB), the Government's manufacturing investment promotion agency, does screen investment proposals to determine their eligibility for various incentive schemes and to provide assistance. While those investments that do not meet the criteria are not given incentives, they are not prohibited from proceeding. As a one-stop service that helps foreign investors avoid red tape, the EDB has a reputation for being responsive to changing business conditions and investor needs.

The Monetary Authority of Singapore (MAS), Singapore's central bank, is overseeing the market-opening and reform measures introduced by the government to expand fund management services, develop the bond market, and gradually allow greater foreign competition in domestic retail banking and other financial services. The MAS administers generous tax

and other incentives to encourage leading banking and financial institutions to invest in new operations or upgrade existing ones, with the view to spearhead Singapore's drive to become an international financial center.

Rights to Private Ownership and Establishment

Foreign and local entities may freely establish and operate their own enterprises in Singapore. Except for representative offices, whereby foreign firms maintain a local representative but do not conduct commercial transactions in Singapore, there are no restrictions on carrying out remunerative activities.

All businesses in Singapore must be registered with the Registry of Companies and Businesses. Foreign investors can operate their businesses in one of the following forms:

- sole proprietorship: an individual operating as a sole trader regulated under the business registration act;
- partnership: two to 20 persons, regulated under the business registration act;
- incorporated company: comprising not more than 50 shareholders and operating as a company limited by shares or guarantee, or as an unlimited company regulated by the provisions of the Companies Act (Cap. 50); or,
- foreign company: registered as a branch of the parent company under the Companies Act but not incorporated as a Singapore company;
- representative office: offices of foreign corporations, which undertake promotional and liaison activities on their parent company's behalf. They must not engage in business, conclude contracts, provide consultancy for a fee, undertake transshipment of goods, or open or negotiate any letters of credit directly or on behalf of their parent companies.

Protection of Property Rights

Common law protects and facilitates the acquisition and disposition of all property. There are some restrictions on foreigners owning real estate in Singapore. Under the Residential Property Act, foreigners can purchase freehold condominiums. They are, however, not permitted to own landed homes (houses) and apartments in buildings of less than 6 levels, even if they are leasehold properties, unless approval is first obtained from the Minister of Law. Such approvals are granted very selectively; an example where approval may be granted is a foreign MNC buying properties to house its executives. There are no restrictions on foreign ownership of industrial and commercial real estate.

Foreign Trade Zones / Free Trade Zones

Singapore has six free-trade zones (FTZ's) for seaborne cargo and one for airfreight. The FTZ's may be used for storage and repackaging of import and export cargo and goods transiting Singapore for subsequent re-export. Manufacturing is not carried out within the zones. Foreign and local firms have equal access to the FTZ facilities.

Performance Requirements/Incentives

Singapore does not impose performance requirements on foreign investors as a condition for establishing operations. However, if investment incentives are requested, a company's track record, the amount of its investment, and their contributions to Singapore's goal of becoming a knowledge-based economy are important considerations in the selection process.

The Government does not require investors to purchase from local sources or specify a percentage of output for export. The government also does not limit investors' access to foreign exchange or require local equity ownership in the investment.

The Companies Act requires that every company must have at least two directors, one of whom must be resident in Singapore. Foreign investors face no requirement to reduce equity over time and are free to obtain their necessary financing from any source. Employment of host country nationals is not required. The Government discourages dependency on unskilled foreign labor, encouraging companies to automate and re-engineer their work processes instead. To manage the foreign worker problem, the government sets a limit on the percentage of foreign workers that various industries may employ, and imposes a monthly levy for each foreign worker (see the section on Labor below).

There are no rules on the level and period for investors to effect transfer of technology. However, a conducive business climate and supportive government policies have encouraged foreign investors to deepen and diversify their manufacturing and service operations, as well move up the value-added and technological ladders, providing Singapore with valuable engineering and management know-how in the process.

The EDB, the Trade Development Board (TDB) and the MAS offer a broad range of attractive tax and other incentives to entice specific types of investments relevant to Singapore's goal to become a knowledge-based economy and global financial center. (Note: Apart from these tax incentives and as part of the November 1998 US\$6.0 billion cost-cutting package, a 10 percent rebate on corporate income tax - currently at 26 percent - was also provided to help companies tide over the economic slowdown caused by the Asian economic crisis.)

Transparency of the Regulatory System

Singapore's regulatory environment is business-friendly and is characterized by transparency and clarity. The bureaucracy is efficient and effective.

Prior to implementing any law or regulation, the government usually consults relevant bodies and agencies, companies and the public. Tax, labor, banking and finance, industrial health and safety, arbitration, wage and training rules and regulations are formulated and reviewed with the interests of foreign investors and local enterprises in mind. However, local laws give regulatory bodies wide discretion to modify regulations and impose new conditions. This allows government agencies to negotiate the way they provide incentives or other services to foreign companies on a case-by-case basis.

Corruption

Singapore is well known in business circles for its clean, corruption-free government. It has been ranked by the Berlin-based Transparency International as the least corrupt country in Asia, and the seventh least corrupt in the world. When cases of corruption are uncovered, the government deals with them harshly, swiftly and publicly, as they do in cases where public officials are involved in dishonest and illegal behavior. The Prevention of Corruption Act and the Corruption (Confiscation of Benefits) Act provide the legal basis for government action by the Corrupt Practices Investigation Bureau (a division of the Prime Minister's Office). These laws cover acts of corruption both within Singapore as well as those committed by Singaporeans abroad.

Labor

Singapore's labor market is characterized by a small, comparatively well-disciplined labor force of 1.9 million; a considerable pool of about 530,000 foreign, mostly unskilled, workers from the region (including domestic helpers); and a shortage of local skilled professionals.

To control dependency on unskilled foreign labor, the government places a ceiling on the percentage of foreign workers various industries may employ, and charges a monthly levy for each foreign worker. At the same time, the government provides incentives and assistance to firms to automate and invest in labor-reducing technology. Foreign workers who earn S\$2,000 (about US\$1,176) or less per month are given two-year work permits, usually renewable for another two years. Those with a certified skill are given three-year work permits, which are renewable up to age 60, while professional staff and those earning more than S\$2,000 per month (about US\$1,176) are given employment passes.

Although the labor shortage problem and wage pressures have eased as a result of the economic recession, specialist positions requiring knowledge-based skills continue to be generally hard to fill, despite active ongoing government collaborative efforts with the labor movement to upgrade and redevelop manpower capabilities. These include positions in the fields of information technology, engineering, banking and finance, regional marketing and sales, and telecommunications. To alleviate the shortage of local skilled professionals and to spearhead Singapore's move towards a knowledge-based economy, the government actively encourages foreign professionals and qualified individuals to work and live in Singapore. Besides an efficient system to process applications for employment passes and permanent residency, and regular government exhortations to citizens about the economic importance of attracting foreigners to Singapore, companies can claim a double tax deduction on approved hiring and relocation expenses related to hiring talent from abroad.

Local labor laws allow for relatively free hiring and firing practices. Employees with three years' continuous service with an employer may claim benefits if they are retrenched on the grounds of redundancy or reorganization of the company. The cash benefit paid out is negotiated between employers and the retrenched workers. The Employment Act regulates the working conditions of all workmen (regardless of salary), and of employees whose monthly wages are less than S\$1,600 per month (about S\$940). Working hours, paid annual leave and overtime salaries are usually determined by general prevailing practices. The current retirement age is 62 years.

Although there was a nation-wide reduction in wages arising from a cut in employers' contribution to employees' Central Provident Fund (CPF) accounts - a government-managed retirement fund - from 20 percent to 10 percent, wages in Singapore are still among the highest in Asia.

(Note: The 10 percent cut in employers' contribution to CPF is part of a wider US\$6.0 billion business cost-cutting package instituted by the government in November 1998 as a counter-recession and competitiveness-sharpening measure.) Firms also pay a levy equivalent to one percent of wages paid to employees earning SG\$1,000 per month (US\$588) or less, to the Skills Development Fund (SDF), a pool from which the government draws to provide incentives and grants for manpower training. The National Wages Council (NWC) - comprising representatives from the unions, employer groups and the government - sets non-binding but influential guidelines for orderly wage adjustments. There is no minimum wage law in Singapore.

Labor-management relations in Singapore are excellent. There has been only one strike since 1986, which resulted in the loss of 122 worker-days. Though workers other than those in essential services have the legal right to strike, the chances of strikes taking place are minimal given the dispute settlement process. Industrial disputes are usually settled through mediation by the government. When this fails, the matter is decided by the Industrial Arbitration Court (IAC), whose rulings are binding. Once the IAC recognizes a dispute, strikes or lockouts are illegal under the Trade Disputes Act. About 14 percent of the work force are unionized. The vast majority of unions are affiliated with the National Trades Union Congress (NTUC). The NTUC is headed by a Cabinet Minister who has no government portfolio, and is staffed by a variety of government officials, including Members of Parliament from the ruling political party.

Efficient Capital Markets and Portfolio Investment

Singapore has a liberal exchange control regime, with no restrictions on current and capital account flows and with market-driven exchange rates. Singapore's policies are designed to facilitate the flow of financial resources to support the product and factor markets in Singapore and the region. According to a Bank of International Settlements survey in 1998, Singapore has the world's fourth largest foreign exchange market. Its Asian Dollar Market is among the world's largest offshore lending center. An increasing number of multinational corporations with substantial operations in Asia have located their regional treasury offices in Singapore.

The MAS formulates and implements the country's monetary and exchange rate policy. It supervises and regulates all of the financial and capital markets and more than 700 financial institutions in Singapore, including approximately 230 (mainly foreign offshore) commercial and merchant banks. These financial institutions offer a full range of financial services, from trade financing and foreign exchange to derivatives products, asset management, securities trading and other capital market activities. Singapore laws do not distinguish operationally between foreign and domestic banks; the only legal distinction is that between offshore and domestic units, and in the type of license (full, restricted or offshore) held. The government has a strict policy of separating the domestic capital market from the offshore market, primarily to maintain control over developments in the

domestic retail market and limit the internationalization of the Singapore dollar in order to prevent speculative attacks on the country's currency. Banks are required, for example, to consult with MAS if their credit to any single non-resident client exceeds S\$5 million (US\$3 million).

In late 1997, the government began a comprehensive program to revamp the country's financial services sector to promote Singapore as an international financial center. It started with measures to boost the country's fund management industry which presently comprises over 160 fund managers investing funds amounting to nearly US\$75 billion out of the country.

The government announced that it will place out an additional US\$20 billion to private asset managers over the next three years while liberalizing guidelines to encourage investment of national pension funds in professionally-managed funds. To develop and provide a benchmark for its debt market, the government also issued its first 10-year bonds in June 1998, and encouraged statutory boards and government-linked corporations to issue their own development bonds as well. It relaxed restrictions against the internationalization of the Singapore dollar by allowing foreign entities to borrow in Singapore dollar, as long as the funds are converted to foreign currencies for use abroad, and clarified that MAS consultation is not required for Singapore Dollar loans to residents for overseas projects. Soon after these policy changes, Singapore saw its first supranational (3-year) bond issue of SG\$300 million (US\$176 million) by the World Bank, followed by a series of private issues by foreign corporations and government statutory boards. The MAS also raised the limit on offshore banks' Singapore dollar loans to residents to S\$500 million (US\$300 million).

The Stock Exchange of Singapore (SES) included, as of mid-1999, more than 350 listed companies with a total market capitalization of US\$130 billion. Foreign companies may list foreign currency-denominated shares on the local exchange. The government has undertaken measures to ease conditions for foreign companies to list in Singapore dollars on the SES and removed limits on local fund investments in foreign currency-denominated stocks. It began to reduce, and plans eventually to eliminate, fixed brokerage commissions. It approved the launch of a number of new derivative contracts over the past year, further solidifying Singapore's futures and options exchange as one of the region's leading derivatives exchange and providing investors in Singapore with an effective and efficient global risk management and trading facility. The government has set a timetable for opening up foreign access to the SES and the eventual merging of the SES with the local futures exchange.

More recently in 1999, as part of its financial liberalization efforts, the government announced that it will be issuing additional full and restricted-bank licenses over the next three years, allowing foreign banks greater access to the domestic retail banking market as well. These foreign full-license banks will be permitted to expand the number of their branch offices and ATM's, as well as share an ATM network among them. The MAS also lifted the 40 percent foreign ownership restriction on local banks as a means of encouraging greater foreign participation in and upgrading the technical level of local banks. At

the same time, it raised banking standards by requiring disclosure of significant exposures and details on non-performing loans and provisions.

Conversion and Transfer Policies

Singapore lifted all restrictions on foreign exchange transactions and capital movements in 1978 and places no restrictions on reinvestment or repatriation of earnings and capital.

Affected by the contagion of the financial crisis in Southeast Asia, the Singapore Dollar has depreciated against the U.S. Dollar since July 1997 when the Asian financial crisis erupted. The Singapore Dollar is expected to trade at about 1.72 to the U.S. Dollar in 1999, a 14 percent depreciation (based on US\$ per S\$ terms) compared to the 1997 average rate of 1.48, and a three percent drop from last year's rate of 1.67.

Expropriation and Compensation

Singapore has investment promotion and protection agreements with all countries in the Association of Southeast Asian Nations (ASEAN)-Malaysia, Thailand, the Philippines, Indonesia, Brunei, Laos, Cambodia and Vietnam. Additionally, Singapore has similar agreements with the Belgo-Luxembourg Economic Union and 19 other countries, including the United States.

These agreements mutually protect nationals or companies of either country for a specific period (usually 15 years) against war and non-commercial risks of expropriation and nationalization. In the event that expropriation or nationalization occurs, the host government will compensate affected foreign investors based on the market value of the properties concerned prior to expropriation or nationalization. To date, there have been no significant disputes between the government and foreign investors. The risk of expropriation or nationalization of foreign investments in Singapore is virtually nil. Political risk insurance is available from the U.S. Overseas Private Investment Corporation (OPIC).

Dispute Settlement

Singapore has institutionalized and internationalized arbitration through the creation of arbitration bodies and ratification of international conventions. The Singapore International Arbitration Center (SIAC), a non-profit organization, was set up in 1991 to promote the settlement of disputes by arbitration and conciliation. The UNCITRAL (United Nations Commission for International Trade Law) Model Law, with modifications for international arbitration and conciliation under the International Arbitration Act (IAA), provides the main framework for international arbitration.

Singapore ratified the recognition and enforcement of Foreign Arbitration Awards (New York, 1958) on 21 August 1986; and the International Convention on the Settlement of Investment Disputes on 13 November 1968.

Political Violence

The Singapore political environment is stable. The ruling People's Action Party (PAP) has dominated Singapore politics since independence, and currently controls 81 of the 83 regularly contested parliamentary

seats. Opposition parties, which hold two regularly-contested parliamentary seats and one additional seat reserved to the opposition by the constitution, do not espouse views that are radically different from the mainstream of Singapore political opinion. The expression of political differences takes place predominantly in a non-confrontational way. There has been no political violence in Singapore in over thirty years. Tough internal security laws, whose use in politically related (especially communist) security cases has declined in recent years, are a factor in the maintenance of political peace, but are secondary to other economic, social and cultural factors.

Bilateral Investment Agreements

Singapore has signed General Investment Guarantee Agreements (IGA's) with ASEAN member nations, the Belgo-Luxembourg Economic Union and the following 19 economic partners: Canada, China, the Czech Republic, Egypt, France, Germany, Hungary, Latvia, Mongolia, the Netherlands, Pakistan, Poland, the Riau Archipelago, Slovenia, Sri Lanka, Switzerland, Taiwan, the United Kingdom and the United States. The U.S. and Singapore signed a trade and investment framework agreement in October 1991.

OPIC and Other Investment Insurance Programs

Under the 1966 investment guarantee agreement with Singapore, the U.S. Overseas Private Investment Corporation (OPIC) offers insurance to U.S. investors in Singapore against currency inconvertibility, expropriation and losses arising from war. Singapore became a member of the Multilateral Investment Guarantee Agency (MIGA) in February 1998.

Intellectual Property Rights

Singapore has enacted strong intellectual property rights (IPR) legislation in the areas of copyrights, patents and trade marks. A series of recent amendments have brought these laws into full compliance with the World Trade Organization's (WTO) Trade-Related Intellectual Property Agreement (TRIPS). Singapore also adopted in 1998 new regulations controlling the local manufacture of optical disc (OD) products and the import/export of OD manufacturing equipment. IPR piracy at the retail level remains a serious problem, however, as the smuggling of pirated OD products into the country continues unabated and enforcement efforts remain insufficient. Singapore is a signatory to the Paris Convention for the Protection of Industrial Property, the Patent Cooperation Treaty, and the Budapest Treaty. Singapore also became a member of the Berne Convention in December 1998. Under the Berne Convention, all works first published in Singapore will enjoy copyright protection in over 100 member countries, including the United States. However, Singapore is not a signatory to the Geneva Phonogram Convention, or the Universal Copyright Convention.

Patents

Singapore's parliament passed a new Patent Law at the end of 1994, which entered into force in February 1995. Amendments to make the new law fully TRIPS-consistent came into effect on January 1, 1996. The new law replaced the previous system whereby patent protection was accorded through registration in Great Britain. The new Patent Law establishes patent registration in Singapore and provides product protection for a 20-year period.

Copyrights

Singapore's Copyright Act came into effect in 1987, covering (first level) musical, literary, dramatic and artistic property; and (second level) sound recording, films, broadcast and published editions of works. It also protects computer programs and databases. Amendments to make the Copyright Act TRIPS-consistent were passed by the parliament and entered into force in April 1998. Specifically, the amendments enhanced performers' rights, provided new protection for rental rights, strengthened customs controls and procedures, and legalized the seizure of business documents in raids on IPR violators. Singapore is a member of the World Intellectual Property Organization (WIPO) but has not yet ratified the two WIPO treaties. Singapore became a signatory to the Berne Convention in December 1998. Singapore does not subscribe to the Universal Copyright Convention (UCC).

Generally, the Singapore Government has interpreted the Copyright Law in such a way as to place the responsibility for enforcement largely on industry. Challenged by piracy stemming from the proliferation of optical disc technology, U.S. industry and the U.S. government have urged the government to take greater initiative. Recognizing that rising piracy levels could discourage inflows of high-tech foreign investment, Singapore executed an unprecedented number of police-initiated raids on retail outlets and makeshift stalls in 1998, during which enforcement authorities conducted nearly 700 raids and seized over two million IP-infringing OD products. This increased effort - continued into 1999 - has had notable results, although the problem of retail IPR piracy remains a serious concern.

The broad Government initiative also addressed industry concerns about the local production of pirated optical discs by introducing new regulations on OD manufacturers in April 1998. The new regulations impose controls on the import, export, and transfer of OD manufacturing equipment and require OD manufacturers to be licensed. The Government has announced that it will revoke the license of manufacturers caught violating the Copyright Act. To complement the new regulations, the government facilitated the development of a Code of Conduct, which all ten of Singapore's OD manufacturers have signed since April 1998. By signing the Code of Conduct, the manufacturers voluntarily pledged to verify orders, maintain internal controls subject to verification by the manufacturer's external auditors, and use source identification codes (SID) unless otherwise directed in writing by the customer. Moreover, if SID codes are not used, and the order is found to be unauthorized, manufacturers shall release information about the order and the customer.

In December 1998, the TDB, in partnership with private sector IPR protection associations, launched an anti-IPR piracy public awareness campaign. The campaign was kicked-off by a three-month series of radio advertisements featuring local music, film and television celebrities. In June 1999, TDB unveiled a series of six anti-piracy posters that will be used over the next twelve months. The posters are intended to highlight the harm to industry and consumers caused by IP pirates.

Increased enforcement activities by the Government and industry have been accompanied by tough penalties for offenders. In April 1998, one IP pirate was given an approximately US\$890,000 fine. In another case in May 1998, the IPR offender was fined about US\$90,000 and subsequently sentenced to 49 months in prison for failing to pay the

fine. Perhaps sending the strongest signal about judicial concern over IPR is a February 1999 case involving three co-defendants whose case was on appeal before the Chief Justice of Singapore. The Chief Justice actually increased the penalty imposed by the lower court on the three men, adding 30 months of jail time on top of a US\$35,000 fine.

While commending the Government for stepped-up enforcement and tough penalties, industry still urges the government to better publicize its efforts to stop piracy and to initiate a sustained and long-term enforcement effort to deal with the retail sale of pirated OD products. According to the International Intellectual Property Alliance (IIPA), Singapore's piracy rate for business software stood at 54 percent in 1998, with resulting business losses estimated at US\$49.6 million, slightly below the previous two years. Entertainment software piracy rates rose in 1998 to 73 percent (from 68 percent in 1997) with business losses estimated at US\$65.2 million. Piracy rates for films rose to 25 percent in 1998 with losses estimated at US\$8.0 million. The rate of piracy for sound recordings, however, fell to 19 percent and US\$16 million in losses in 1998, down from 30 percent and US\$17.3 million lost in 1997. Singapore's overall piracy rates, nevertheless, remain high compared to other nations of equivalent levels of wealth and development. IIPA estimates total piracy-related losses in 1998 at US\$140.8 million.

Trade Marks

The Registry of Trade Marks and Patents administers Singapore's Trade Marks Act. A new TRIPS-consistent Trade Marks Act came into force on January 1, 1999. The new Act includes new border enforcement measures to help prevent trade mark-infringing goods from entering the country. The Act also includes protection of well known trade marks, collective marks and service marks and contains administrative improvements to the trade mark registration process. Singapore also passed in December 1998 the Geographical Indications Act to prevent misleading and unfair uses of geographical indications (i.e. Virginia ham, California wine), and afford adequate protection for the interests of persons entitled to use such geographical indications.

Trade secrets

The Official Secrets Act and the Internal Security Act protect all government trade secrets. Investors' commercially valuable proprietary information is protected under common law by the Law of Confidence.

Semiconductor chip layout design

In December 1998, Singapore passed the Layout-Designs of Integrated Circuits Act. This Act provides for a new intellectual property right known as the "layout-design right." The Act gives individuals designing integrated circuits statutory protection over their layout-designs. Under the Act, any "original" layout-design which is the result of its creator's own intellectual effort and not commonplace will be entitled to protection.

Legal Services Reform

In support of the country's efforts to become a global financial center, the government also recently announced measures to upgrade its legal services sector to meet the demands of an expanding volume and growing sophistication of onshore, offshore and cross-border financial transactions. In addition to attracting more top quality law firms to

Singapore, the government sought to intensify the collaboration between foreign and local law firms in the country. It announced in June 1999 that, for the first time, the government would permit the establishment of five foreign-local legal services joint ventures and an indefinite number of "formal alliances" in Singapore. These firms would be able to practice both foreign and Singapore law (as appropriate to the lawyers within the joint ventures or alliances) and market themselves as a one-stop service to its business clients. The constituent firms may also share office premises, staff equipment, databases and other resources.

Foreign Direct Investment Statistics and Outlook

Current surveys estimate that there are over 1,200 U.S. firms, and over 17,000 U.S. citizens in Singapore. U.S. Department of Commerce statistics indicate that U.S. firms (manufacturing and services) had cumulative total assets worth US\$17.5 billion in Singapore in 1997.

New foreign manufacturing investment, which accounted for two-thirds of total manufacturing investment commitments, fell to US\$3.1 billion in 1998 from the US\$4.0 billion in 1997. Besides the Asian economic crisis, which brought Singapore into a mild recession in the second half of 1998, the decline also reflects an ongoing industrial restructuring process, in which fixed asset-intensive assembly facilities are relocated to lower cost countries as higher-end manufacturing and service operations are being established.

New U.S. manufacturing investment in Singapore - concentrated in the petroleum refining, chemicals and electronics industries - totaled US\$1.4 billion (down from US\$1.6 billion in 1997). The U.S. remains Singapore's largest foreign investor, responsible for 44 percent of total foreign manufacturing investment commitments in 1998, followed by Japan (35 percent) and Europe (20 percent).

The EDB forecasts that total manufacturing investment (foreign and local) will decline by about 4 percent to US\$4.4 billion in 1999, despite Singapore's strong domestic economic fundamentals and improved business sentiment towards Asia following tentative signs of a recovery from the economic crisis. The recession in Japan (which discourages investment abroad by Japanese firms), excess industrial capacity in the region arising from the Asian economic crisis and corporate mergers, are the main factors restraining foreign investment into the region, of which Singapore is a part in a region-wide manufacturing and distribution network.

In terms of cumulative gross fixed assets in the manufacturing sector, foreign firms - led by those from the U.S., Europe and Japan - accounted for 71 percent in 1997. In recent years, the Singapore government has been attempting to balance the city-state's heavy dependence on foreign MNC's by nurturing large, government-linked companies to become regional MNC's, and by assisting promising local small and medium enterprises to grow and upgrade.

Chapter VIII. Trade and Project Financing

Brief Description of Banking System

As a result of the Government's decision in the late 1960's to open Singapore to foreign banks, the banking sector has been a major growth

sector for the Singapore economy. Financial activities have become an important adjunct to Singapore's export-oriented industries and development as a manufacturing centre. The Monetary Authority of Singapore (MAS) performs all the functions of a central bank except currency issue, which remains in the domain of the Board of Commissioners of Currency. The unit of legal tender is the Singapore dollar. The MAS is a wholly-owned and controlled statutory board under the Ministry of Finance, and is responsible for all matters relating to banks and other financial institutions. It licenses and supervises banks, merchant banks, finance companies, insurance companies, money changers, securities dealers, investment advisers, futures companies, and other financial institutions. The MAS also formulates and implements Singapore's monetary and exchange rate policies.

Singapore does not have a deposit insurance program. Banks are very well supervised by the MAS in Singapore. The MAS requires foreign banks operating in Singapore to meet the minimum BIS standard of 8.0% but local banks have to meet a more stringent ratio of 12%. Financial statements are in compliance with international standards and audits are performed by internationally recognised accounting firms. In 1998, loans to the private sector accounted for 85.4% of the banking system's assets while 14.6% went to the government. There is no separate category for state-owned enterprises as they are run like a private company.

Foreign Exchange Controls Affecting Trade

There is free movement of capital and profits in Singapore. Banks are required to consult the Monetary Authority of Singapore before considering Singapore dollar credit facilities exceeding S\$5.0 million to any non-resident, or to a resident where the Singapore dollars are to be used outside Singapore.

General Availability of Financing

Three types of commercial banks operate in Singapore, depending on the type of license they possess. There are 142 commercial banks in Singapore, comprising 31 full-license banks (of which 9 were locally incorporated), 13 commercial banks with restricted licenses, and 98 with offshore licenses. Three U.S. banks operate full licensed branches in Singapore. Several large commercial banks offer a variety of banking services to manufacturing firms and other clients. Most banks extend credit for five to ten years at competitive interest rates covering up to 50 percent of plant and machinery costs and up to 65 percent of the value of factory buildings. Higher percentages are available for particularly desirable projects and for expansion loans. Many larger Singapore banks have subsidiaries that carry out merchant banking, insurance, property development, securities trading as members of the stock exchange, and underwriting issues of government bonds. Sixty-nine merchant banks provide a wide range of services not covered by some commercial banks, including investment portfolio management, investment advisory services, advice on corporate restructuring, mergers and acquisitions, financing, lending or participating in syndicated loans, capital equipment leasing, and underwriting and floating bond and stock issues.

MAS engages in limited money market operations to influence interest rates and ensure adequate liquidity in the banking system. The Government does not set targets for monetary aggregates. Money supply

and domestic interest rates are primarily determined by international, rather than local conditions. The exchange rate is the MAS's most important tool for controlling inflation.

How to finance exports/methods of payment

Singapore has a well developed financial system and Singapore offers the whole range of export finance instruments. Shipments are generally made under letters of credit and sight drafts, depending on the exporter's preference and the extent of past dealings with the purchaser. Standard credit terms are generally 30 to 90 days. Quotations are generally made on a C.I.F. basis. The prices given are in U.S. dollars but should be clearly stated. Exporters making quotations in Singapore dollars should consult their banks for the prevailing exchange rate. Singapore uses the metric system, so it is often beneficial for price/quantity quotations to be prepared accordingly.

Types of available export financing and insurance

U.S. government agencies like the Export-Import Bank of the United States and the U.S. Department of Agriculture, as well as state and local bodies like the Small Business Administration offer a variety of programs to assist exporters with their financing needs. Firms seeking such assistance should contact the nearest Export Assistance Centers.

Types of project receiving financing/Availability of project financing
Singapore is considered a developed country and does not receive development assistance from multilateral institutions.

List of Banks with correspondent U.S. banking arrangements

Please see Appendix E.

Chapter IX. Business Travel

Business Customs

Business discussions are straightforward. English is widely spoken and most businesspeople are skilled and technically knowledgeable. Most agents/distributors have visited the United States and often handle several U.S. product lines. Corruption is virtually non-existent.

Many Singapore business people are ethnic Chinese, and many of them will have "Christian" first names (e.g., Albert Lim, Sally Lee). Those who do not will have only their Chinese name on their business card, in which case the family name is listed first. Mr. Lim Siew Fook would be addressed as "Mr. Lim" and Mrs. Tan Lee Yik as "Mrs. Tan". For the sake of politeness and respect, it is wise to address a business person by the last name rather than the first name - unless an immediate rapport is developed.

Business cards are a must as they are immediately exchanged during business and social meetings. The "Chinese" practice of presenting a business card with both hands is observed. There is no need to have special business cards printed in Chinese, however.

Travel Advisory and Visas

While in a foreign country, a U.S. citizen is subject to that country's laws and regulations which sometimes differ significantly from those in

the United States and do not afford the protections available to the individual under U.S. law. Penalties for breaking the law can be more severe than in the United States for similar offences. Persons violating the law, even unknowingly, may be expelled, arrested or imprisoned. Visitors should be aware of Singapore's strict laws and penalties for a variety of offences that might be considered minor in the United States, including jaywalking, littering and spitting, as well as the importation and sale of chewing gum. Singapore imposes a mandatory caning sentence on males for vandalism offences. Caning may also be imposed for immigration violations and other offences. Penalties for possession, use, or trafficking in illegal drugs are strict, and convicted offenders can expect jail sentences and fines. Singapore has a mandatory death penalty for many narcotics offences. Commercial disputes that may be handled as civil suits in the U.S. can escalate to criminal cases in Singapore and result in heavy fines and prison sentences. There are no jury trials in Singapore. Judges hear cases and decide sentencing. The Singapore Government does not provide legal assistance except in capital cases.

A valid U.S. passport is required for tourist and business travel to Singapore. No visa is necessary for U.S. citizens visiting Singapore. To facilitate regional travel, it is advisable to replace any passport with less than six months validity.

Holidays

The American Embassy closes on American and local holidays. The dates on which holidays are observed in 2000 are listed below:

December 31, Friday	-	New Year's Day
January 8, Saturday	-	Hari Raya Puasa
January 17, Monday	-	Birthday of Martin Luther King, Jr.
February 5, Saturday	-	Chinese New Year
February 6, Sunday*		
& February 7, Monday		
February 21, Monday	-	Washington's Birthday
March 16, Thursday	-	Hari Raya Haji
April 21, Friday	-	Good Friday
May 1, Monday	-	Labor Day (Singaporean)
May 18, Thursday	-	Vesak Day
May 29, Monday	-	Memorial Day
July 4, Tuesday	-	Independence Day
August 9, Wednesday	-	National Day (Singaporean)
September 4, Monday	-	Labor Day (American)
October 9, Monday	-	Columbus Day
October 26, Thursday#	-	Deepavali
November 10, Friday	-	Veteran's Day
November 23, Thursday	-	Thanksgiving
December 25, Monday	-	Christmas Day
December 27, Wednesday	-	Hari Raya Puasa

* The following Monday will be a public holiday.

Subject to change. The confirmed date will be known towards the end of 1999.

U.S. Business travelers are encouraged to obtain a copy of the "Key Officers Of Foreign Service posts: Guide For Business Representatives" available for sale by the superintendent of documents, U.S. government

printing office, Washington, D.C. 20402; Tel: (202) 512-1800; Fax (202) 512-2250. Business travelers to (name of country) seeking appointments with U.S. Embassy (name of capital) officials should contact the Commercial section in advance. The Commercial section can be reached by telephone at (65) 476-9037, fax at (65) 476-9080, or email at Singapore.Office.Box@mail.doc.gov

Work week

Singapore is 12 hours ahead of Eastern Daylight Savings (or 13 hours ahead of E.S.T). Business hours normally are 8:30 a.m. - 5:30 p.m., Monday-Friday, 8:30 am - 1:00 p.m., Saturday. Shops are open from 10:00 am - 7:00 p.m.

Business Infrastructure

Taxis are abundant, metered, inexpensive and air-conditioned, and most drivers speak English. Give drivers place names for the destination, as these are often more familiar than street names. Traffic flow is quite good. The Government limits the total number of cars on the road through heavy fees/taxes and imposes a surcharge on vehicles entering the Central Business District during much of the day. In addition, an exceptionally clean, efficient subway system links the major business/shopping areas.

Singapore's unit of currency is the Singapore Dollar. Travelers' checks and currency may be exchanged in the baggage claim area at Changi Airport (at a reasonable good rate) or at any hotel (at a less favorable rate). Singapore features dozens of Government-authorized "money changers" located in major shopping centres, who offer competitive rates and will usually accept U.S. travellers' checks as well as major currencies. U.S. credit cards are widely accepted in hotels, restaurants and retail shops.

In addition to having one of the world's best airports and container ports, Singapore features an exceptionally modern telecommunication system. Electrical current is 220V, 50HZ.

Located a few degrees from the Equator, Singapore has a constant tropical climate year-round. Daytime temperatures average between 85 and 90 degrees Fahrenheit. Humidity is very high and rainshowers are frequent. Temperatures at night average between 76 and 80 degrees. All public buildings, indoor restaurants and taxis are air-conditioned.

Summer-weight suits/dresses, several dress-shirts, an umbrella and swimsuit are recommended. Singapore business dress is shirt and tie for men, although one will not be out of place occasionally wearing a jacket. Businesswomen wear conservative, light-weight attire. Evening dinner-dress is a shirt and tie for men, a dress for women.

Tipping is not customary in Singapore. Restaurants automatically add a 10 percent service charge.

Temporary entry of goods

There is no restriction on the temporary entry of laptop computers, software and exhibition materials into the country. Please see Chapter VI on temporary goods entry requirement.

Chapter X. Economic and Trade Statistics

APPENDIX A: COUNTRY DATA

				Estimate		
1. PROFILE	1995	1996	1997			
Population, including non-residents (million)				3.39	3.45	3.52
Population growth (percent)	1.9	1.9	1.9			
Major religions	Christianity, Taoism, Buddhism, Islam,			Hinduism		
Government System	Unicameral parliament, universal suffrage with elections held every 5 years					
Official languages (in order of usage)	English, Mandarin, Malay and Tamil					
Work Week	5 and 1/2 days (44 hours)					

APPENDIX B: DOMESTIC ECONOMY (1)

	1995	1996	1 Qtr 1997
Exchange Rate	1.4174	1.4101	1.4451
GDP (US\$ M at 1990 prices)	72423.0	77857.7	19211.8
GDP Growth Rate (percent)	8.8	7.0	3.8
GDP per capita (US\$)	21757.0	26041.9	n.a
Government Spending (pct of GDP)	12.8	14.5	26.4
Inflation (pct change in CPI)	1.7	1.4	1.7
Unemployment Rate (percent)	2.0	2.0	1.8
Forex Reserves (US\$ M)	68672.6	76413.6	78887.2
Foreign Debt (US\$ M)	n/a	n/a	n/a
Debt-Service Ratio	n/a	n/a	n/a
U.S. Economic / Military Assistance	None	None	None

Note:

(1) All dollar figures were originally denominated in Singapore dollars. They were converted to U.S. dollars using exchange rates (averaged over each year) provided by the Monetary Authority of Singapore.

APPENDIX C: TRADE (1)	1995	1996
Total Exports (US\$ M)	118184.4	125006.0
Total Imports (US\$ M)	124392.2	131326.4

Exports to U.S. (US\$ M)	18560.5	20340.4
as pct of total exports	16%	17%
Imports from U.S. (US\$ M)	15333.2	16685.5
as pct. of total imports	13%	13%
Trade Balance with U.S. (US\$ M)	3227.3	3654.9
Trade Balance with Malaysia (US\$ M)	3414.6	2790.5
Trade Balance with Japan (US\$ M)	-17089.2	-13589.1
Trade Balance with Hong Kong (US\$ M)	6019.1	6925.7
Top 5 U.S. Exports to Singapore (US\$ M):		
electronic equipment (disk drives, automated data processing machine parts, turbojets and parts, oil/ gas equip.)	4026.7	4658.4
electrical machinery and parts (microprocessors, wafers/chips, circuits, magnetic discs)	5254.3	5901.6
aircraft and parts	1271.4	1293.3
opt./photographic/meas. Devices	699.4	828.2
plastics/plastic articles	519.0	524.5
Top 5 U.S. Imports from Singapore (US\$ M):		
automated data processing equipment (disk drives, printers, scanners, monitors)	11687.2	13565.2
electrical machinery and parts (wafers/chips, circuits, telecom equip., hi-fi, VCRs)	4325.0	4178.4
U.S. goods returned after partial assembly (electronics)	405.0	556.6
organic chemicals	557.0	521.9
opt./photo./measuring devices	382.4	354.3

Notes: (1) All data reflects merchandise trade only; services are excluded.

APPENDIX D: INVESTMENT STATISTICS

TABLE A

CUMULATIVE FOREIGN INVESTMENTS IN MANUFACTURING
BY COUNTRY OF ORIGIN, 1994-1997
(Measured by Gross Fixed Assets)

US\$ Millions

	1994	1995	1996	1997
U.S.	7,937.7	9,468.0	10,529.7	12,773.4
Japan	7,069.5	8,461.3	9,100.8	9,932.0
Europe	6,124.1	6,845.6	6,819.4	8,056.3
EU	5,810.5	6,467.5	6,422.2	7,379.4
UK	2,019.8	2,331.0	2,158.7	2,250.8
Netherlands	2,482.7	2,609.0	2,653.0	3,432.8
Germany	542.8	667.4	787.2	887.0
France	421.6	508.0	477.3	458.0
Other EU				
Countries	343.1	352.1	346.1	350.2
Switzerland	211.5	258.9	283.7	569.1
Other European				
Countries	102.8	119.2	112.8	108.4
Others Countries	1,276.0	1,580.4	1,511.2	1,515.4
Cumulative Foreign Investment	22,407.4	26,356.0	27,961.1	32,277.1

Source: Economic Development Board

TABLE B

NET FOREIGN INVESTMENT COMMITMENTS IN MANUFACTURING
BY COUNTRY OF ORIGIN, 1995-1998
US\$ Millions

	1995	1996	1997	1998
U.S.	1,464.5	1,656.6	1,631.6	1,370.1
Japan	813.1	1,391.4	1,368.5	1,088.8
Europe	1,076.8	985.1	958.8	838.9
EU	1,065.9	936.5	941.8	526.3
UK	544.4	282.0	299.8	5.1
Netherlands	276.1	367.2	259.1	26.3
Germany	129.7	174.7	81.7	312.3
France	99.1	41.9	182.9	82.7
Italy	9.0	38.2	117.9	53.7
Sweden	-	-	-	14.5
Other EU				
Countries	7.5	32.4	0.5	31.7
Switzerland	9.3	42.6	17.0	91.9
Other European				
Countries	1.6	6.0	-	3.2
Others Countries	69.0	74.3	57.6	34.9

Cumulative

Foreign Investment	3,423.5	4,107.4	4,016.6	3,115.1
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Source: Economic Survey of Singapore, 1998

TABLE C

CUMULATIVE INVESTMENTS IN MANUFACTURING
BY MAJOR INDUSTRY GROUP, 1994-1997
(Measured by Gross Fixed Assets)

US\$ Millions

	1994	1995	1996	1997
Food, Beverages & Tobacco	1,444.3	1,741.2	1,868.7	1,928.2
Textiles	152.5	149.6	148.9	130.0
Wearing Apparel	268.4	263.9	258.1	230.3
Leather Products & Footwear	35.4	36.7	27.7	35.7
Wood & Wood Products	93.6	98.1	93.6	92.9
Paper Products	570.9	612.4	635.4	639.1
Publishing & Printing	992.5	1,273.5	1,373.7	1,502.6
Refined Petroleum Products	5,669.1	6,011.7	6,379.	6,360.5
Chemicals & Chemical Products	3,533.5	4,273.3	4,423.8	8,095.4
Rubber & Plastics Products	1,011.5	1,259.3	1,365.2	1,452.0
Non-metallic Mineral Products	675.0	884.7	1,024.8	1,155.0
Basic Metal Industries	404.6	382.4	378.7	341.5
Fabricated Metal Products	2,005.4	2,339.5	2,619.7	2,755.3
Machinery & Equipment	2,297.4	2,633.0	2,928.2	2,957.3
Electrical Machinery & Apparatus	1,050.8	1,330.6	1,331.8	1,360.5
Electronic Products & Components	7,578.9	9,590.1	11,522.6	12,710.8
Instrumentation Equipment	536.9	615.2	668.0	639.1
Transport Equipment	2,269.2	2,594.2	2,661.5	2,500.7
Other Manufacturing Industries	538.8	601.1	548.2	546.2
TOTAL	31,128.7	36,760.3	40,257.4	45,462.7

Source: Economic Development Board

TABLE D

NET INVESTMENT COMMITMENTS IN MANUFACTURING
BY MAJOR INDUSTRY GROUP, 1995-1998
US\$ Millions

	1995	1996	1997	1998
Food, Beverages & Tobacco	65.3	142.8	96.0	78.2
Textiles	2.3	1.6	-	6.1
Wearing Apparel	-	7.2	0.3	-
Leather & Footwear	-	0.3	-	-
Wood & Wood Products	-	-	-	11.6
Paper & Paper Products	13.1	2.0	2.0	21.3
Publishing & Printing	93.5	226.7	109.9	36.4
Petroleum & Petroleum Products	837.0	76.8	391.5	15.8
Chemicals & Chemical Products	1,117.5	1,953.6	1,508.4	1,741.0
Rubber & Plastics Products	38.7	73.0	74.2	98.1
Non-metallic Mineral Products	30.4	59.9	57.7	19.2
Basic Metals	45.0	6.7	75.4	6.0
Fabricated Metal Products	196.5	248.6	246.9	207.5
Machinery & Equipment	233.5	217.2	218.0	266.2
Electrical Machinery & Apparatus	79.4	3.8	83.8	98.9
Electronic Products & Components	1,800.0	2,466.2	2,563.2	1,821.2
Instrumentation Equipment	34.9	58.6	47.2	26.4
Transport Equipment	209.2	177.6	242.4	213.6
Furniture & Other Manufacturing	7.5	11.5	-	10.6
TOTAL	4,803.9	5,733.7	5,716.9	4,678.2

Source: Economic Survey of Singapore, 1998

TABLE E

SINGAPORE'S DIRECT EQUITY INVESTMENT ABROAD
BY COUNTRY OF DESTINATION, 1993-1996
US\$ Millions

	1993	1994	1995	1996
Asia	7,022.3	1,364.4	16,413.2	17,355.5
ASEAN	3,683.4	6,337.6	9,166.8	9,482.3
Brunei	45.2	50.4	24.7	19.1
Indonesia	373.9	1,307.5	2,331.7	2,368.6
Malaysia	2,785.9	4,255.6	5,443.1	5,370.5
Philippines	121.8	250.1	436.7	616.3
Thailand	356.5	473.4	689.3	763.8
Vietnam*	42.2	83.1	241.3	344.7
Hong Kong	2,320.3	3,234.3	3,819.7	3,427.4
Taiwan	237.6	324.7	402.1	396.4
China	393.2	1,003.7	2,174.4	3,004.8
Japan	57.9	112.0	278.7	275.9

Others	287.7	269.7	572.9	768.7
Europe	944.5	1,440.4	2,726.8	3,672.8
Netherlands	301.0	296.6	317.5	312.0
U.K.	197.8	608.9	1,726.4	2,571.4
Others	445.7	535.6	683.6	789.3
Australia	351.6	654.1	886.8	934.0
U.S.	1,069.4	1,100.6	1,473.8	1,810.5
Other Countries	3,991.0	4,928.0	6,116.8	8,025.0
TOTAL	13,378.2	19,487.4	27,617.5	31,797.0

* - With effect from 1995, Vietnam is included in Asean total

Source: Yearbook of Statistics, 1998

TABLE F

TOP TEN FOREIGN INVESTORS IN SINGAPORE BY NATIONALITY
(1997/1998)

UNITED STATES

COMPANY NAME	TYPE OF BUSINESS	TOTAL TOTAL	
		ASSETS (S\$ Mil)	SALES (S\$ Mil)
J.P. Morgan Investment/ Securities	Stockbroking	16,099	656
Mobil Oil	Petroleum	3,435	3,553
Motorola Electronics	Electronics	3,015	2,312
Compaq Asia Electronics	2,666	3,331	
Compaq Holdings	Electronics	2,368	102
Chase Manhattan	Banking	2,303	143
Caltex Trading	Trading (fuels)	1,729	16,901
Texas Instruments	Electronics	1,551	3,893
Du Pont Singapore	Chemicals	1,455	622
Caltex Singapore	Trading (fuels)	1,113	1,079

JAPAN

COMPANY NAME	TYPE OF BUSINESS	TOTAL TOTAL	
		ASSETS (S\$ Mil)	SALES (S\$ Mil)
Nomura Singapore	Banking	2,095	206
Fuji Xerox	Services	1,557	1,331
Asia Matsushita	Trading	1,554	6,065
Hitachi Asia	Services	1,197	4,776
Sumitomo Coprn.	Trading	936	4,417
Toshiba Capital	Finance	896	4,982
Nissho Iwai Int'l	Trading	845	857
Suntory Pacific	Hotels/ Restaurants	590	651
Cerebos Pacific	Food & Beverage	587	632
Asahi Techno Vision	Electronics	553	369

EUROPE

COMPANY NAME	TYPE OF BUSINESS	ASSETS	SALES	TOTAL	TOTAL
				(S\$ Mil)	(S\$ Mil)
Glaxo F.E. U.K.	Finance	6,944	1,514		
Glaxo Wellcome U.K.	Chemicals	5,448	1,491		
Shell Eastern Petroleum	Nether-				
	Lands Petroleum	3,366	5,452		
Prudential Assurance	U.K. Insurance	2,754	1,161		
BP Singapore	U.K. Petroleum	1,737	5,673		
Danone Asia	France Food & Beverage	1,216	1,326		
Shell Eastern Trading	Nether-				
	Lands Petroleum	1,039	12,174		
Inchape Motor	U.K. Trading	924	1,115		
Siemens Components	Germany Electronics	710	1,913		
STMicro-electronics	Nether-				
	Lands Electronics	678	3,305		

MALAYSIA

COMPANY NAME	TYPE OF BUSINESS	ASSETS	SALES	TOTAL	TOTAL
				(S\$ Mil)	(S\$Mil)
Kuok Singapore	Finance	4,082	829		
Sime Singapore	Services	553	660		
Tan Chong & Sons	Motor Trading (retail)	379	213		
Pacific Carriers	Transport/Storage	354	114		
Low Keng Huat	Construction	325	161		

Note:

a. The total assets and sales are for 1997/1998. The 1997 and 1998 exchange rates were S\$1.4848 and S\$1.6736 per US\$1 respectively.

Source: "The Singapore 1000, 1998/99", Datapool (S) Pte. Ltd.

Summary of Main Singapore Government Investment Incentives

Incentives Administered by the Economic Development Board (EDB):

A) Pioneer Status: new manufacturing and service investments introducing high-tech skills can enjoy complete exemption from the 26 percent corporate tax on profits for five to ten years.

B) Development & Expansion Incentive: this incentive replaces the post-pioneer incentive. Firms that engage in new projects, expand or upgrade operations in Singapore which result in significant economic spin-offs are eligible for a concessionary tax rate of 13 percent for up to 10 years with provision for extension.

- C) Investment Allowance Incentive: companies engaged in qualifying activities (for example, manufacturing research and development activities, construction or projects to reduce consumption of water) are eligible for exemption of taxable income equal to a specified proportion (up to 50 percent) of new fixed investment. The exempted firms must make the specified investments within five years.
- D) Approved Foreign Loan Scheme: a company that takes a minimum loan of SGD 200,000 (US\$143,000) from a foreign lender to purchase productive equipment will be wholly or partially exempt from withholding tax on the interest payable to the lender. This is subject usually to the condition that the tax relief does not result in an increase in tax liability in the foreign country.
- E) Approved Royalties: full or partial exemption of withholding tax on royalties is given to eligible companies, subject usually to the condition that the tax relief does not result in an increase in tax liability in the foreign country.
- F) Venture Capital Incentive: companies with at least 50 percent local equity content and incorporated in Singapore for tax purposes that invest in approved new technology projects are eligible for this incentive. Losses incurred from the sale of shares of up to 100 percent of equity invested can be set off against the investor's other taxable income.
- G) Overseas Investment Incentive: companies eligible for this incentive must be involved in investments in overseas projects. The companies must be 50 percent owned by Singapore citizens or permanent residents, and must be incorporated and resident in Singapore for tax purposes. These companies can offset losses incurred from the sale of shares or liquidation of up to 100 percent of equity invested overseas, against their other taxable income.
- H) Operational Headquarters (OHQ) Incentive: entities providing management and other approved headquarters-related services to subsidiary, associated, or related companies in other countries are taxed at the concessionary corporate rate of 10 percent (global HQs are eligible for full tax exemption). The incentive is given for up to 10 years with provision for extension.
- I) Accelerated Depreciation Allowances: in lieu of the normal initial depreciation allowance of 20 percent and annual allowance of between 5 to 20 percent on capital expenditure, companies can claim an annual depreciation allowance of 33 1/3 percent over three years for all plants and machinery. They may also claim 100 percent in one year for prescribed automation equipment, robots and certain environmental-related equipment (eg, energy-saving equipment). Industrial buildings may be depreciated over 25 years.
- J) Overseas Enterprise Incentive: exemption of corporate tax on qualifying income earned from approved overseas investments and projects is granted for up to ten years. Companies must be at least 50 percent owned by Singapore citizens or Singapore permanent residents, and incorporated and resident in Singapore for tax purposes..

K) Business Headquarters (BHQ) Status: may be awarded to eligible companies in manufacturing and service activities which qualify for an incentive under the economic expansion incentives act and which provide business and professional expertise, business and management direction and key support services to companies in the region. Period varies depending on the incentive granted.

L) Double Deduction for Research and Development (R&D) Expenses: applicable to manufacturing and service activities engaged in R&D. The project must be carried out in Singapore. Double deduction allowed for qualifying R&D expenses against income.

M) Double Deduction for Overseas Investment Development Expenditure: eligible manufacturing and business activities can enjoy double deduction for qualifying expenditure incurred in approved feasibility studies and maintenance of overseas project offices against income.

N) Research and Development (R&D) Assistance Scheme: grants can be offered to support specific projects on product or process R&D which lead to the enhancement of the company's competitiveness and in-house capability development.

O) Research Incentive Scheme for Companies: under this scheme, grants may be offered to support the development of in-house R&D capabilities among Singapore-based companies.

Incentives Administered by the Trade Development Board (TDB)

A) Pioneer Status Scheme for Counter Trade: companies that engage solely in counter trade, performing at least one segment of each transaction through Singapore, can obtain pioneer status. This status gives full exemption of income tax on profits arising from counter trade for a period of five years, and it may be extended.

B) Approved Oil Trader (AOT) Incentive: the AOT incentive aims at facilitating and expanding international oil trading activities in Singapore. Applicants should be established oil traders with good worldwide networks, strong track records and conduct a substantial volume of physical trade on a principal basis. Approved oil traders will be taxed at a concessionary tax rate of 10 percent on income derived from international trading activities in approved oil products. The concession is for five years with a provision for renewal.

C) Approved International Trader (AIT) Incentive: conditions for the AIT scheme are similar to the AOT. The difference is that the AIT offers a concessionary tax rate of 10 percent on income derived from international trading activities in approved non-petroleum commodities and products.

D) Approved International Shipping Enterprise (AIS) Incentive: international shipping companies which establish operations in Singapore can qualify for the incentive. The qualifying income includes those derived from operation of non-Singapore vessels outside Singapore.

E) Approved Aircraft Leasing Incentive: under this incentive, approved aircraft operating lessors will enjoy a concessionary tax rate on income derived from offshore aircraft leasing operations.

F) Approved Cyber Trader (ACT) Incentive: the ACT incentive is aimed at promoting Singapore as the region's e-commerce hub by anchoring e-commerce core players in Singapore and helping local companies to expand into the region. Companies with e-commerce operations in Singapore and provide e-commerce solutions from the country will enjoy a concessionary tax incentive of 10 percent on offshore income derived from transactions over the internet for up to five years.

Incentives Administered by the Monetary Authority of Singapore (MAS)

A) Tax Incentive Scheme for Asian Currency Unit (ACU) Income: the scheme is aimed at encouraging banks and merchant banks to undertake offshore banking activities with non-residents and provides a concessionary tax rate of 10 per cent on income earned from such activities.

B) Tax Exemption Scheme for Syndicated Facilities: tax exemption is extended to all facilities denominated in any currency that are syndicated by banks, merchant banks or Approved Securities Companies in Singapore for Singapore resident borrowers. However, to qualify, the proceeds raised from the syndicated facilities must be used outside Singapore, and any allowable expenses are deducted only against foreign-sourced income.

C) Double Tax Deduction Scheme for Financial Research and Development: this incentive, designed to encourage financial institutions in Singapore to develop new and innovative financial products, allows double tax deduction for expenses such as the cost of R&D personnel, legal expenses, training costs and consultancy fees.

D) Tax Exemption Scheme for Fund Management: the scheme provides a concessionary tax rate of 10 percent on fee income to fund management companies. Tax holidays will also be granted to fund managers who manage more than S\$5.0 billion (about US\$2.9 billion) of foreign funds in Singapore. Investment income earned by foreign investors are also exempt from Singapore tax.

E) Tax Incentive Scheme for Bond Market Activities: to encourage a vibrant bond market, fee income from arranging, underwriting and distributing debt securities will enjoy a tax holiday; interest income from holding debt securities will be taxed at 10 percent; interest from debt securities payable to non-residents without permanent establishments in Singapore will be exempted from withholding tax; and income from trading in debt securities will be taxed at 10 percent.

F) Tax Incentive Scheme for Credit Rating Agencies: to encourage credit rating agencies to set up operations in Singapore, this incentive provides a concessionary tax rate of 10 per cent on income from the provision of credit rating services for foreign securities.

G) Tax Incentive Scheme for Transactions in Foreign Securities: to encourage regional securities trading activities, income from transactions in foreign securities and from providing services with

respect to foreign securities will be taxed at 10 percent. Income from arranging and underwriting initial public offerings (IPOs) of foreign currency-denominated shares on the Singapore stock exchange (SES), and from transactions in foreign securities listed on the SES are exempted from tax.

H) Tax Incentive Scheme for Foreign Securities Lending and Borrowing: designed to promote the lending and borrowing of foreign securities, a concessionary tax rate of 10 percent will apply to net income from loans of foreign securities to eligible parties, and to income from arranging such loans. Withholding tax exemption on loan fees, manufactured dividends, or interest paid in respect of a loan of foreign securities, and exemption of stamp duty on the loan contract are also provided under the scheme.

I) Tax Incentive for Approved Trustee Companies: companies and financial institutions will enjoy a concessionary tax rate of 10 percent on selected income streams from trustee and custodian services offered in Singapore. Investment income generated by the trusts is also exempted from tax.

J) Tax Incentive Scheme for Operational Headquarters: the scheme allows financial institutions with substantial international operations a concessionary tax rate of 10 per cent on income derived from providing qualifying headquarters services to overseas related companies and on income derived from treasury activities.

K) Tax Incentive Scheme for Finance and Treasury Centers: to encourage MNC's to use Singapore as a base for conducting treasury management activities, this incentive provides a concessionary tax rate of 10 per cent on income derived from provision of finance and treasury services to related companies. Interest payments on foreign loans obtained from overseas banks or related companies may also be exempted from withholding tax.

L) Tax Incentive Scheme for Offshore Insurance Business: a concessionary tax rate of 10 per cent can be granted to insurance companies on income derived from writing offshore insurance business.

M) Initiatives in New Technology Scheme (INTECH): to encourage the development of manpower resources in the insurance industry, this incentive provides a financial grant to registered insurers, reinsurers and approved captive managers in Singapore to help defray the cost of manpower training.

CHAPTER XI: U.S. AND COUNTRY CONTACTS

APPENDIX E. U.S. AND COUNTRY CONTACTS

U.S. Government Contacts

Ambassador Steven J. Green
U.S. Embassy
PSC 470
FPO AP 96507
Tel: (65)476-9167 Fax: (65)476-9337

Jonathan M. Bensky
Commercial Counselor
U.S. Embassy
PSC 470-FCS
FPO AP 96507
Tel: (65)476-9037 Fax: (65)476-9080

Douglas G. Spelman
Economic/Political Counselor
U.S. Embassy
PSC 470-E/P
FPO AP 96507
Tel: (65)476-9424 Fax: (65)476-9389

Dale Good
Agricultural Trade Officer
U.S. Embassy
PSC 470-ATO
FPO AP 96507
Tel: (65)737-1233 Fax: (65)732-8307

Colonel Robert C. McAdams
Office Of Defense Cooperation
U.S. Embassy
PSC 470 Box ODC
FPO AP 96507
Tel: (65)476-9379 Fax: (65)476-9483/9101

Chan Yiu Kei
U.S.-Asia Environmental Partnership Director
U.S. Embassy
PSC 470-FCS
FPO AP 96507
Tel: (65)476-9026 Fax: (65)476-9311

Singapore Government Agencies

Building & Construction Authority
5 Maxwell Road
#16-00 Tower Block
MND Complex
Singapore 069110
Tel: (65) 325-8833 Fax: (65) 325-4800
Chief Executive Director: Mr. Chua Koon Hoe

Central Provident Fund Board
CPF Building, 79 Robinson Road
Singapore 068897
Tel: (65)220-2422 Fax: (65)225-8732
Chairman: Mr. Ngiam Tong Dow

Civil Aviation Authority of Singapore
Singapore Changi Airport, P.O. Box 1
Singapore 918141
Tel: (65)542-1122 Fax: (65)542-1231
Director-General: Mr. Wong Woon Liang

Communications & Information Technology (Ministry of)
460 Alexandra Road, #39-00 PSA Building
Singapore 119963
Tel: 65-270 7988 Fax: 65-375 7734
Minister: Mr. Yeo Cheow Tong

Customs and Excise Department
55 Newton Road, Revenue House #09-00
Singapore 307987
Tel: (65)272-8222 Fax: (65)250-8663
Director-General: Mr. Koh Chong Hwa

Defence (Ministry of)
Upper Bukit Timah Road, Gombak Drive, MINDEF Building
Singapore 669638
Tel: (65)760-8828 Fax: (65)762-5306
Minister: Dr. Tony Tan

Economic Development Board
250 North Bridge Road, #24-00 Raffles City Tower
Singapore 179101
Tel: (65)336-2288 Fax: (65)339-6077
Chairman: Mr. Philip Yeo

Education (Ministry of)
Kay Siang Road, Singapore 248922
Tel: (65)473-9111 Fax: (65)475-6128
Minister: Mr. Teo Chee Hian

Environment (Ministry of the)
Environment Building, 40 Scotts Road
Singapore 228231
Tel: (65)732-7733 Fax: (65)731-9456
Minister: Mr. Yeo Cheow Tong

Finance (Ministry of)
100 High Street, #10-01 The Treasury
Singapore 179434
Tel: (65)225-9911 Fax: (65)332-7435
Minister: Dr. Richard Hu Tsu Tau

Health (Ministry of)
16 College Road, College of Medicine Building
Singapore 169854
Tel: (65)223-7777 Fax: (65)224-1677
Minister: Mr. Lim Hng Kiang

Immigration & Registration Department
10 Kallang Road
SIR Building
Singapore 208718
Tel: (65)391-6100 Fax: (65)298-0843/0873
Director: Mr. Lu Cheng Yang

Information and the Arts (Ministry of)
460 Alexandra Road, #37-00 PSA Building
Singapore 119963

Tel: (65)270-7988 Fax: (65)375-7765
Minister: Mr. Yeo Cheow Tong

Inland Revenue Authority of Singapore
55 Newton Road, Revenue House
Singapore 307987
Tel: (65)356-8300 Fax: (65)351-3636
Commissioner: Mr. Koh Cher Siang

Jurong Town Corporation
301 Jurong Town Hall Road
Singapore 609431
Tel: (65)560-0056 Fax: (65)568-8301
Chairman: Mr. Lim Neo Chian

Law (Ministry of)
The Treasury, 100 High Street, #08-02
Singapore 179434
Tel: (65)332-8840 Fax: (65)332-8842
Minister: Prof. S. Jayakumar

Land Transport Authority (LTA)
460 Alexandra Road, PSA Building, #28-00
Singapore 119963
Tel: (65)375-7100 Fax: (65)375-7203
Managing Director: Mr. Han Eng Juan

Manpower (Ministry of)
18 Havelock Road, #07-01
Singapore 059764
Tel: (65)534-1511 Fax: (65)534-4840
Minister: Dr. Lee Boon Yang

National Computer Board
71 Science Park Drive, NCB Building
Singapore 118253
Tel: (65)778-2211 Fax: (65)778-9641
Chief Executive: Mr. Michael Yap

National Development (Ministry of)
5 Maxwell Road, #22-00, Tower Block MND Complex
Singapore 069110
Tel: (65)222-1211 Fax: (65)325-7254
Minister: Mr. Mah Bow Tan

National Science and Technology Board
10 Science Park Road, #01-01, The Alpha
Singapore Science Park 2, Singapore 117684
Tel: (65)779-7066 Fax: (65)777-1711
Managing Director: Mr. Chong Lit Cheong

Port of Singapore Authority Limited
460 Alexandra Road, PSA Building
Singapore 119963
Tel: (65)274-7111 Fax: (65)274-4677
Chief Executive Officer: Mr. Koo Teng Chye

Productivity and Standards Board
2 Bukit Merah Central, PSB Building
Singapore 159835
Tel: (65)278-6666 Fax: (65)278-6665
Chief Executive: Mr. Lee Suan Hiang

Public Utilities Board
111 Somerset Road, #15-01 PUB Building
Singapore 238164
Tel: (65)235-8888 Fax: (65)731-3020
Chief Executive Officer: Mr. Ong Ho Sim

PWD Corporation Ltd
5 Maxwell Road
#12-00 Tower Block
MND Complex
Singapore 069110
Tel: (65)325-8830 Fax: (65)325-8848
President & CEO: Mr. Khor Poh Hwa

Registry of Companies and Businesses
10 Anson Road, #05-01/15 International Plaza
Singapore 079903
Tel: (65)227-8551 Fax: (65)225-1676
Registrar: Ms. Juthika Ramanathan

Registry of Trade Marks and Patents
51 Bras Basah Road, #04-01 Plaza by the Park
Singapore 189554
Tel: (65)330-2700 Fax: (65)339-0252
Registrar: Ms. Liew Woon Yin

Singapore CableVision Pte. Ltd.
2D Ayer Rajah Crescent, A.O.S. Building
Singapore 139938
Tel: (65)773-5088 Fax: (65)870-1703
President: Mr. Yong Lum Sung

Singapore Environmental Management & Engineering Services Pte. Ltd.
(SEMES)
40 Scotts Road, #11-00 Environment Building
Singapore 228231
Tel: (65)738-9720 Fax: (65)738-9719
General Manager: Mr. Donald Goh

Singapore Power Ltd
111 Somerset Road, #16-01 PUB Building
Singapore 238164
Tel: (65)733-1668 Fax: (65)831-8190
Chairman: Mr. Ho Kwon Ping

Singapore Science Centre
15 Science Centre Road
Singapore 609081
Tel: (65)560-3316 Fax: (65)565-9533
Ag Director: Dr. Chew Tuan Chiong

Singapore Sports Council
 15 Stadium Road, National Stadium, Kallang
 Singapore 397718
 Tel: (65)340-9570 Fax: (65)346-4953
 Executive Director: Col (RET) Kwan Yue Yeong

Singapore Tourist Board
 1 Orchard Spring Lane, Tourism Court
 Singapore 247729
 Tel: (65)736-6622 Fax: (65)736-9423
 Chief Executive Officer: Mr. Yeo Khee Leng

Singapore Trade Development Board
 230 Victoria Street #07-00
 Bugis Junction Office Tower, Singapore 188024
 Tel: (65)337-6628 Fax: (65)337-6898
 Chief Executive Officer: Mr. Barry Desker

Television Corporation of Singapore
 Caldecott Hill, Andrew Road
 Singapore 299939
 Tel: (65)256-0401 Fax: (65)253-8808
 Chief Executive (Channels 5 & 8): Mr. Lee Cheok Yew

Television 12
 12 Prince Edward Road, #05-00 Bestway Building
 Singapore 079212
 Tel: (65)225-8133 Fax: (65)220-3381
 Chief Executive (Channel 12): Mr. Lim Hup Seng

Trade and Industry (Ministry of)
 100 High Street, #09-01 The Treasury
 Singapore 179434
 Tel: (65)225-9911 Fax: (65)332-7260
 Minister: Mr. George Yeo

Urban Redevelopment Authority
 45 Maxwell Road, URA Building
 Singapore 069118
 Tel: (65)221-6666 Fax: (65)224-8752
 Chief Executive Officer & Chief Planner: Dr. Tan Kim Siew

Trade Associations/Chambers of Commerce in Singapore

American Chamber of Commerce in Singapore
 1 Scotts Road
 #16-07 Shaw Centre
 Singapore 228208
 Tel: (65) 235-0077 Fax: (65) 732-5917
 Executive Director: Ms. Claire Adams

Association of Small and Medium Enterprises
 8 Queen Street, #02-06
 Singapore 188535
 Tel: (65)338-5868 Fax: (65)338-6859
 President: Mr. Derek Goh

Singapore Chinese Chamber of Commerce and Industry
 47 Hill Street, #09-00 Chinese Chamber of Commerce Building
 Singapore 179365
 Tel: (65)337-8381 Fax: (65)339-0605
 President: Mr. Tay Beng Chuan

Singapore Federation of Chambers of Commerce and Industry
 47 Hill Street, #03-01 Chinese Chamber of Commerce Building
 Singapore 179365
 Tel: (65)338-9761/2 Fax: (65)339-5630
 President: Mr. Kwek Leng Joo

Singapore Indian Chamber of Commerce and Industry
 101 Cecil Street, #23-01 Tong Eng Building
 Singapore 069533
 Tel: (65)222-2855, (65)222-2505 Fax: (65)223-1707
 Chairman: Mr. D.D. Gupta

Singapore International Chamber of Commerce
 6 Raffles Quay, #10-01 John Hancock Tower
 Singapore 048580
 Tel: (65)224-1255 Fax: (65)224-2785
 Chairman: Mr. P.I. Overmyer

Singapore Malay Chamber of Commerce
 72A Bussorah Street
 Singapore 199485
 Tel: (65)297-9296 Fax: (65)392-4527
 President: Mr. Umar Abdul Hamid

Singapore Confederation of Industries
 20 Orchard Road, SMA House
 Singapore 238830
 Tel: (65)338-8787 Fax: (65)338-3358
 President: Mr. Robin Lau

Singapore Retailers Association
 31-A, Ann Siang Road
 Singapore 069711
 Tel: (65)223-6221 Fax: (65)223-6621
 President: Mr. Teh Ban Lian

Singapore/US Business Council
 C/o Ministry of Defence
 Gombak Drive
 Upper Bukit Timah Road
 MINDEF Building
 Singapore 669638
 Tel: (65) 768-2152 Fax: (65) 769-6500
 Chairman: Dr. Tony Tan

Singapore Contacts Listed by Industry

AEROSPACE

Singapore Technologies Aerospace Ltd.
 540 Airport Road, Paya Lebar

Singapore 539938
 Tel: (65)287-1111 Fax: (65)280-9713
 President: Mr. Wee Siew Kim

AUTOMATION

Singapore Industrial Automation Association
 151 Chin Swee Road, #03-13 Manhattan House
 Singapore 169876
 Tel: (65)734-6911 Fax: (65)235-5721
 Executive Director: Mr. Stephen Teng

AUTOMOTIVE

Singapore Cycle & Motor Traders' Association
 Blk. 261 Waterloo Centre, #03-09 Waterloo Street
 Singapore 180261
 Tel: (65)339-7648 Fax: (65)336-6181
 Executive Secretary: Mr. Boo Yeow Thong

Singapore Motor Cycle Trade Association
 40 Sam Leong Road
 Singapore 207930
 Tel: (65)297-1991 Fax: (65)297-1313
 Administrative Officer: Mr. Michael Wong

BANKING, FINANCE AND INSURANCE

Banks in Singapore (The Association of)
 10 Shenton Way, #12-08 MAS Building
 Singapore 079117
 Tel: (65)224-4300 Fax: (65)224-1785
 Director: Mrs. Ong-Ang Ai Boon

General Insurance Association of Singapore
 48 Amoy Street
 Singapore 069874
 Tel: (65)221-8788 Fax: (65)227-2051
 President: Mr. Albert Koh

Life Insurance Association
 30 Cecil Street
 #23-04A Prudential Tower
 Singapore 049772
 Tel: (65) 438-8908 Fax: (65) 438-6989
 President: Mr. N.A. Ganesan

Monetary Authority of Singapore
 10 Shenton Way, MAS Building
 Singapore 079117
 Tel: (65)225-5577 Fax: (65)229-9229
 Managing Director: Mr. Koh Yong Guan

Stock Exchange of Singapore Ltd.
 20 Cecil Street, #26-01/08 The Exchange
 Singapore 049705
 Tel: (65)535-3788 Fax: (65)535-6994

President: Mr. Lim Choo Peng

COMPUTERS

GINTIC Institute
71 Nanyang Drive
Singapore 638075)
Tel: (65)793-8383 Fax: (65)791-6377
Director: Dr. Frans M.A. Carpay

Kent Ridge Digital Labs
21 Heng Mui Keng Terrace
Singapore 119613
Tel: (65) 874-7590 Fax: (65) 775-0938
Chief Exec. Officer: Dr. Juzat Motiwalla

National Computer Board
71 Science Park Drive, NCB Building
Singapore 118253
Tel: (65)778-2211 Fax: (65)778-9641
Chief Executive: Mr. Michael Yap

Singapore Computer Society
1 Maritime Square
#11-07A World Trade Center
Singapore 099253
Tel: (65)377-3011 Fax: (65)377-3022
President: Dr. Alex Siow

Singapore IT Federation
71 Science Park Drive, NCB Building
Singapore 118253
Tel: (65)775-1927 Fax: (65)778-4968
Chairman: Mr. Wilson Tan

CONSTRUCTION/PROPERTY

Association of Consulting Engineers, Singapore
51 Anson Road, #02-65 Anson Center
Singapore 079904
Tel: (65)324-2682 Fax: (65)324-2581
President: Dr. Kog Yue Choong

Building & Construction Authority
5 Maxwell Road
#16-00 Tower Block
MND Complex
Singapore 069110
Tel: (65) 325-8833 Fax: (65) 325-4800
Chief Executive Director: Mr. Chua Koon Hoe

Institution of Engineers, Singapore
70 Bukit Tinggi Road
Singapore 289758)
Tel: (65)469-5000 Fax: (65)467-1108
President: Engineer Ong Ser Huan

Real Estate Developers' Association of Singapore
 190 Clemenceau Avenue, #07-01 Singapore Shopping Centre
 Singapore 239924
 Tel: (65)336-6655 Fax: (65)337-2217
 President: Mr. Daniel Teo

Singapore Contractors Association Ltd. (SCAL)
 Construction House,
 1 Bukit Merah Lane 2
 Singapore 159760
 Tel: (65)278-9577 Fax: (65)273-3977
 President: Mr. Tan Kian Hoon

Singapore Institute of Architects
 100 Selegie Road
 Singapore 188308
 Tel: (65) 339-5516 Fax: (65) 339-8516
 President: Mr. Tham Tuck Cheong

Singapore Institute of Planners
 c/o 23 Duxton Hill
 Singapore 089606
 Tel: (65)225-0322 Fax: (65)225-0366
 President: Mr. Loh Who Chung

Singapore Institute of Surveyors & Valuers
 20 Maxwell Road, #10-09B Maxwell House
 Singapore 069113
 Tel: (65)222-3030 Fax: (65)225-2453
 President: Associate Prof. Lim Lan Yuan

ELECTRONICS

GINTIC Institute of Manufacturing Technology
 Nanyang Technological University
 71 Nanyang Drive, Nanyang Avenue
 Singapore 638075
 Tel: (65)793-8383 Fax: (65)791-6377
 Director: Dr. Frans M. A. Carpay

Institute of Microelectronics
 11 Science Park Road, Science Park II
 Singapore 117685
 Tel: (65)779-7522 Fax: (65)778-0136
 Director: Dr. Bill Chen

National Science and Technology Board
 10 Science Park Road, #01-01/02/03 The Alpha
 Science Park 2
 Singapore 117684
 Tel: (65)779-7066 Fax: (65)777-1711
 Deputy Director, New Business Division: Mr. David Lim

Singapore Economic Development Board
 #24-00 Raffles City Tower, 250 North Bridge Road
 Singapore 179101
 Tel: (65)336-2288 Fax: (65)339-6077

Director: Mr. Barry Sim

Singapore Industrial Automation Association
151 Chin Swee Road, #03-13 Manhattan House
Singapore 169876
Tel: (65)734-6911 Fax: (65)235-5721
Executive Director: Mr. Stephen Teng

Singapore Trade Development Board
230 Victoria Street #07-00
Bugis Junction Office Tower
Singapore 188024
Tel: (65)337-6628 Fax: (65)337-6898
Manager : Mr. Francis Tay

ENVIRONMENT

Singapore Environmental Management & Engineering Services Pte. Ltd.
40 Scotts Road, #11-00 Environment Building
Singapore 228231
Tel: (65)738-9720 Fax: (65)738-9719
General Manager: Mr. Donald Goh

Singapore Association for Environmental Companies (SAFECO)
20 Orchard Road, SMA House
Singapore 238830
Tel: (65)338-8578 Fax: (65)334-5740
Manager: Ms. Josephine Ong

Clean Technology & Environmental Management (CTEM)
20 Orchard Road, SMA House
Singapore 238830
Tel: (65)331-1586 Fax: (65)338-5906
Administrator: Ms. Kavita Gandhi

FILM, VIDEO & MUSIC

International Federation of the Phonographic Industry
163 Tras Street
#04-00 Lian Huat Building
Singapore 079024
Tel: (65)220-6744/4166 Fax: (65)220-4177
Regional Director: Ms. Leong May Seey

Rediffusion (Singapore) Pte. Ltd.
6 Harper Road, #04-01/08 Leong Huat Building
Singapore 369674
Tel: (65)383-2633 Fax: (65)383-2622
Managing Director: Mr. Wong Ban Kuan

Singapore CableVision Pte. Ltd.
2D Ayer Rajah Crescent, Level 3, A.O.S. Building
Singapore 139938
Tel: (65)872-0188 Fax: (65)870-1742
President: Mr. Yong Lum Sung

Singapore Phonogram & Videogram Association

67A Tras Street
 Singapore 079006
 Tel: (65)220-4166 Fax: (65)220-9452
 Administrative Executive: Ms. Nicole Tan

FOOD EQUIPMENT

Singapore Association of Food Equipment
 Manufacturers & Suppliers
 c/o Focus Management Pte Ltd
 20 Maxwell Road, #06-03 Maxwell House
 Singapore 069113
 Tel: (65)324-3114 Fax: (65)222-3703
 Honorary Secretary: Mr. Tan Choon Boon

FOOD

Singapore Fruits and Vegetables
 Importers & Exporters Association
 Blk 1 Wholesale Centre, #02-07
 Singapore 110021
 Tel: (65)775-3676 Fax: (65) 773-1336
 Contact: Mr. Tay Khiam Back, Chairman

U.S. Meat Export Federation
 541 Orchard Road
 #15-03, Liat Towers
 Singapore 238881
 Tel: (65) 733-4255 Fax: (65) 732-1977
 Contact: Mr. Eric Choon, Asean Director

U.S. Poultry and Egg Export Council
 541 Orchard Road
 #15-04, Liat Towers
 Singapore 238881
 Tel: (65) 737-1726 Fax: (65) 737-1727
 Contact: Ms. Margaret Say, Regional Director

U.S. Wheat Associates
 541 Orchard Road
 #15-02, Liat Towers
 Singapore 238881
 Tel: (65) 737-4311
 Fax: (65) 733-9359
 Contact: Mr. Mark Samson, Vice President for South Asia

American Soya Bean Association
 541 Orchard Road
 #11-03, Liat Towers
 Singapore 238881
 Tel: (65) 737-6233
 Fax: (65) 737-5849
 Contact: Mr. John Linblom, Regional Director

JEWELRY

Diamond Exchange of Singapore

545 Orchard Road, #11-02
 Far East Shopping Centre
 Singapore 238882
 Tel: (65)738-6162 Fax: (65)737-0993
 President: Mr. S.J. Khafi

Singapore Jewelers Association
 38C North Canal Road
 Singapore 059294
 Tel: (65)535-2989 Fax: (65)533-0867
 President: Mr. Wan Shung Ming

MARINE

Association of Singapore Marine Industries
 1 Maritime Square, #09-10 World Trade Centre
 Singapore 099253
 Tel: (65)270-7883 Fax: (65)273-1867
 President: Mr. Heng Chiang Gnee

Singapore Shipping Association
 456 Alexandra Road, #09-02 NOL Building
 Singapore 119962
 Tel: (65)278-3464 Fax: (65)274-5079
 President: Mr. Lua Cheng Eng

MEDICAL

Drug Registration Division
 Pharmaceutical Department
 Ministry of Health
 2 Jalan Bukit Merah
 Singapore 169547
 Tel: (65) 325-5632 Fax: (65) 224-2352
 Director: Mrs. Tan Shook Fang

Department of Scientific Services
 Ministry of Health
 11 Outram Road
 Singapore 169078
 Tel: (65) 221-6800 Fax: (65) 229-0749
 Director: Dr. Ng Tju Lik

Singapore Medical Association
 2 College Road, Level 2, Alumni Medical Centre
 Singapore 169850
 Tel: (65)223-1264 Fax: (65)224-7827
 Executive Secretary: Ms. Chua Gek Eng

Singapore Dental Association
 2 College Road
 Singapore 169850
 Tel: (65)220-2588 Fax: (65)224-7967
 President: Prof. Richard Ow
 Honorary Secretary: Dr. Rama Sreeghandhan

Pharmaceutical Industry (Singapore Association of)

151 Chin Swee Road, #02-13A, 14 Manhattan House
 Singapore 169876
 Tel: (65)738-0966 Fax: (65)738-0977
 President: Mr. Tan Chwee Choon

Plastic Surgeons (Singapore Association of)
 (address same as Academy of Medicine)

Singapore Society of Ophthalmology
 Singapore National Eye Centre Pte Ltd
 11 Third Hospital Avenue
 Singapore 168751
 Tel: (65)227-7255 Fax: (65)227-7290
 Medical Director: Associate Prof. William Balakrishnan

Singapore Society of Radiographers
 c/o Department of Diagnostic Imaging
 National University Hospital, No. 5 Lower Kent Ridge Road
 Singapore 119074
 Tel: (65)772-5272 Fax: (65)772-5219
 President: Mr. Albert Low

PACKAGING

Packaging Industry Council of Singapore
 c/o Singapore Confederation of Industry
 20 Orchard Road, SMA House
 Singapore 238830
 Tel: (65)338-8787 Fax: (65)338-3358
 Chairman: Mr. C. S. Wong

PRESS

Straits Times Press (1975) Ltd.
 Times House, 390 Kim Seng Road
 Singapore 239495
 Tel: (65)737-0011 Fax: (65)732-0131
 Editor: Mr. Leslie Fong

SECURITY AND SAFETY EQUIPMENT

Chartered Industries of Singapore Pte. Ltd.
 249 Jalan Boon Lay
 Singapore 619523
 Tel: (65)265-1066; Fax: (65)261-6932
 President: Mr. Wu Tzu Chien

Command Control Communications and Computer Systems Organization
 No.1 Depot Road, #22-01 Defence Technology Tower A
 Singapore 109679
 Tel: (65)373-2577 Fax: (65)373-3418
 Director: Col. Larry Ang

Commercial and Industrial Security Corporation
 20 Jalan Afifi, CISCO Center
 Singapore 409179

Tel: (65)747-2888 Fax: (65)747-2275
General Manager/Chief Executive Officer: Mr. Chan Boon Kiong

Defense Materiels Organization
Ministry of Defense
Depot Road, Defense Technology Tower A, Level 18
Singapore 109679
Tel: (65)373-4678 Fax: (65)273-1078
Director: Col. Soh Kong Pheng

DSO Laboratories
20 Science Park Drive, Singapore Science Park
Singapore 118230
Tel: (65)772-7005 Fax: (65)775-9011
Chief Executive Director: Mr. Quek Tong Boon

Ministry of Defence, Defence Procurement Division
Depot Road, 3rd Storey, Defense Technology Tower A
Singapore 109679
Tel: (65)373-4072 Fax: (65)276-8443
Director: Mr. C. Manohara

Singapore Civil Defence Force
1500 Bendemeer Road
Singapore 339946
Tel: (65)380-4006 Fax: (65)284-2048
Chief-of-Staff: Colonel Derek Pereira

Systems and Computer Organization
No. 1 Depot Road
#08-01
Singapore 109679
Tel: (65)373-2600 Fax: (65)273-9052
Director: Mr. Lai Kim Fatt

TELECOMMUNICATIONS

Ministry of Communications and Information Technology
460 Alexandra Road
39th Floor, PSA Building
Singapore 119963
Tel: (65) 375-7703 Fax: (65) 375-7734
Permanent Secretary: Mr. Alan Chan

Telecommunication Authority of Singapore
35 Robinson Road
TAS Building
Singapore 068876
Tel: (65) 323-3888 Fax: (65) 323-1486
Web site: <http://www.tas.gov.sg>
Director General: Mr. Leong Keng Thai

Singapore Communication Investments (subsidiary of TAS)
35 Robinson Road
TAS Building
Singapore 068876
Tel: (65) 323-3888 Fax: (65) 323-1486

Director General: Mr. Leong Keng Thai

Center for Wireless Communications
20 Science Park Road
#02-34/37 Teletech Park
Singapore Science Park II
Singapore 117674
Tel: (65) 872-9030 Fax: (65) 779-5441
Website: <http://www.cwc.nus.edu.sg>
Director: Mr. Lye Kin Mun

Center for Signal Processing
Nanyang Technological University
50 Nanyang Avenue, Level B4, S2-B4B-05
Singapore 639798
Tel: (65) 790-4687 Fax: (65) 791-2383
Web site: <http://cspwww.eee.ntu.ac.sg:8000>
Director: Associate Professor Ser Wee

Telecommunication Authority of Singapore, Licensing
35 Robinson Road
TAS Building
Singapore 068876
Tel: (65) 323-3888 Fax: (65) 323-1486
Assistant Director: Mr. Ng Boon Sin

Singapore Broadcasting Authority
1 Maritime Square,
World Trade Center #05-59
Singapore 099253
Tel: (65) 270-8191 Fax: (65) 278-6009
Website: <http://www.sba.gov.sg>
Chief Executive Officer: Mr. Lim Hock Chuan

1-Net Singapore Pte Ltd
2D Ayer Rajah Crescent
#07-01, A.O.S. Building
Singapore 139938
Tel: (65) 777-4224 Fax: (65) 779-1912
Website: <http://www.1-net.com.sg>
Chief Executive Officer: Mr. Mok Pak Lum

Association of the Telecommunications Industry of Singapore
7 Temasek Boulevard
#12-12 Suntec Tower One
Singapore 038987
Tel: (65) 883-0200 Fax: (65) 883-0210
Website: <http://www.atiss.org.sg>
President: Mr. Desmond EE

Singapore Telecommunications Ltd
31 Exeter Road
Comcentre
Singapore 239732
Tel: (65) 838-3388 Fax: (65) 737-3691
Chief Operating Officer: Mr. Lim Toon

Singapore Telecommunication International Pte Ltd
31 Exeter Road
Comcentre
Singapore 239732
Tel: (65) 838-2800 Fax: (65) 235-4855
Chief Executive Officer: Mr. Sin Hang Boon

Singtel Ventures (Singapore) Pte Ltd
31 Exeter Road
Comcentre
Singapore 239732
Tel: (65) 838-3388 Fax: (65) 732-8300
Minister: BG LEE Hsien Yang

Starhub Pte Ltd (operational April 1, 2000)
51 Cuppage Road
#07-00
Singapore 229469
Tel: (65) 880-5000 Fax: (65) 736-6068
Chief Executive Officer: Mr. Terry Clontz

SingTel Mobile Pte Ltd
31 Exeter Road
Comcentre
Singapore 239732
Tel: (65) 838-8311 Fax: (65) 738-6381
Chief Executive Officer: Mr. Lucas Chow

MobileOne (Asia) Pte Ltd
10 International Business Park
Singapore 609928
Tel: (65) 561-4138 Fax: (65)899-3908
Chief Executive Officer: Mr. Neil Montefiore

SingNet Pte Ltd
20 Pickering Street, #20-01 POC
Singapore 048658
Tel: (65)838-3843 Fax: (65) 734-0661
Web site: <http://www.singnet.com.sg>
Chief Executive Officer: Mr. Paul Chong

Pacific Internet Pte Ltd
89 Science Park Drive
#04-09/12 The Rutherford
Singapore Science Park
Singapore 118261
Web site: <http://www.pacific.com.sg>
Tel: (65) 872-0322 Fax: (65) 773-6812
Chief Executive Officer: Mr. Nicholas Lee

Cyberway Pte Ltd
82 Genting Lane
Level 5, News Centre
Singapore 349567
Tel: (65) 843-4800 Fax: (65) 841-1653
Web site: <http://cyberway.com.sg>
Managing Director: Mr. Tan Tong Hai

TEXTILES/APPARELS

Sewing Machine Traders Association
 135 Middle Road, #03-02 Bylands Building
 Singapore 188975
 Tel: (65)338-2256 Fax: (65)339-4976
 Secretary: Ms. Molly Teo

Singapore Master Tailors' Association
 3E Lorong 12 Geylang
 Singapore 398984
 Tel: (65)748-3878 Fax: (65)747-4200
 Chairman: Ms. Tham Siew Leng

Singapore Textiles & General Merchants Association
 148 Neil Road
 Singapore 088877
 Tel: (65)223-8061 Fax: (65)222-3501
 President: Mr. Kwong Chi Khiong

Textile and Fashion Federation
 60 Martin Road, #07-16 TradeMart Singapore
 Singapore 239065
 Tel: (65)735-8390 Fax: (65)735-8409
 President: Mr. Patrick Lee

TIMBER/FURNITURE

Singapore Timber Exporters' Association
 2 Finlayson Green, #09-08 Asia Insurance Building
 Singapore 049247
 Tel: (65)224-2437 Fax: (65)225-7987
 President: Mr. Anthony K. Y. Lo

Singapore Precision Engineering and Tooling Association
 14 Balestier Road
 Singapore 329679
 Tel: (65)291-6430 Fax: (65)292-4517
 President & Chairman: Dr. Ricky Souw

Singapore Furniture Industries Council
 2 Jurong East Street 21, #02-110/111 IMM Building
 Singapore 609601
 Tel: (65)568-2626 Fax: (65)568-2922
 President: Mr. Bert Choong

SINGAPORE MARKET RESEARCH FIRMS

D. Richmond & Associates Pte Ltd
 Ms. Dee Richmond, Ph.D.
 Managing Director
 70A Prinsep Street
 Singapore 188662
 Tel: (65) 338-3812
 Fax: (65) 338-3813

Market Behaviour (Singapore) Pte Ltd
Ms. Tan Jee Lui
Managing Director
19 Keppel Road #03-10
Jit Poh Building
Singapore 089058
Tel: (65) 222-2432
Fax: (65) 222-2436

Research Singapore (Pte) Ltd
Mrs. Ho Chin See
Managing Director
51 Newton Road
#09-01 Goldhill Plaza
Singapore 308900
Tel: (65) 252-8595
Fax: (65) 253-4287

Acorn Marketing & Research
Mr. Kenneth Tan
Director
241 River Valley
River Valley Road
Singapore 238298
Tel: (65) 733-6565
Fax: (65) 732-6128

Applied Research Corporation
Mr. Ong Chor Eong
Managing Director
Engineering Block E4-04-11
National University of Singapore
Kent Ridge
Singapore 119260
Tel: (65) 775-5822
Fax: (65) 773-0924

Frank Small & Associates (SEA) Pte Ltd
Mr. Gordon Stewart
Managing Director
Marketing & Research Consultants
Asia-Pacific Region Specialists
510 Thomson Road
#15-03 SLF Building
Singapore 298135
Tel: (65) 258-9911
Fax: (65) 258-2672

BANKS IN SINGAPORE

American Express Bank Ltd.
16 Collyer Quay
Hitachi Tower
Singapore 049318
Tel: (65) 538-4833
Fax: (65) 534-3022

Bank of America
9 Raffles Place
Republic Plaza Tower 1
#18-00
Singapore 048619
Tel: 239-3101
Fax: 239-3137

The Chase Manhattan Bank
150 Beach Road
35th Floor Gateway West
Singapore 189720
Tel: 291-1298
Fax: 392-7375

Citibank
UIC Building, 8th Floor
Singapore 068808
Tel: 224-2611
Fax: 224-8172

Development Bank of Singapore Ltd.
6, Shenton Way,
DBS Building, Tower 1,
46th Floor,
Singapore 068809
Tel : 220-1111
Fax : 323-9112

First National Bank of Chicago
9 Raffles Place
#29-02 Republic Plaza
Singapore 048619
Tel: (65) 438-2488
Fax: (65) 438-2070

First Union National Bank
6 Battery Road
#13-03
Standard Chartered Building
Singapore 049909
Tel: (65) 224-6177
Fax: (65) 224-6170

Bank of Hawaii
77 Robinson Road
#10-03 SIA Building
Singapore 068896
Tel: (65) 538-5248
Fax: (65) 536-9430

Merrill Lynch International Bank Ltd
2 Raffles Link
Marina Bayfront
Singapore 039392
Tel: (65) 334-3368
Fax: (65) 331-3500

Morgan Guaranty Trust Co. Of New York
6 Shenton Way
#32-08
DBS Building Tower 2
Singapore 068809
Tel: (65) 220-8144
Fax: (65) 326-9981

The Bank of New York
1 Temasek Avenue
#02-01 Millenia Tower
Singapore 039192
Tel: (65) 432-0222
Fax: (65) 337-4302

The Northern Trust Company
80 Raffles Place
#46-02 UOB Plaza 1
Singapore 048624
Tel: (65) 437-6666
Fax: (65) 437-6679

Oversea-Chinese Banking Corporation Ltd.
65, Chulia Street,
Singapore 049513
Tel : 535-7222
Fax : 535-5219

Overseas Union Bank Ltd.
1, Raffles Place,
OUB Centre,
Singapore 048616
Tel : 533-8686
Fax : 530-2213

Republic National Bank of New York
143 Cecil Street
#01-00 GB Building
Singapore 069542
Tel: (65) 224-0077
Fax: (65) 225-5769

United Overseas Bank Group Ltd.
80, Raffles Place, OUB Plaza,
Singapore 048624
Tel : 539-2000
Fax : 534-2334

U.S.-BASED MULTIPLIERS RELEVANT FOR SINGAPORE

Embassy of the Republic of Singapore-Washington
1 International N.W. Washington, D.C. 20008
Tel: (202) 537-3100; Fax: (202) 537-0876
Ambassador: Prof. Ms. Chan Heng Chee

Singapore Economic Development Board-Boston

8th Floor, One International Place, Boston, MA 02110-2600
 Tel: (617)261-9981; Fax: (617)261-9983
 Centre Director: Mr. Jonathan Kua Soo Hean

Singapore Economic Development Board-Chicago
 Two Prudential Plaza, 180 N. Stetson Ave., Suite 970
 Chicago, IL 60601-6712
 Tel: (312)565-1100; Fax: (312)565-1994
 Centre Directors: Andrew Khaw Hong Chin, Loh Chin Siew, Mok Chee Liang,
 Yun Kok Siong

Singapore Economic Development Board-Los Angeles
 2029 Century Park East, Suite 1540, Los Angeles, CA 90067
 Tel: (310)553-0199; Fax: (310)557-1044
 Centre Director: Mr. Lim Beng Yong Simon

Singapore Economic Development Board-New York
 55 East 59th St., New York, NY 10022-11122
 Tel: (212)421-2200; Fax: (212)421-2206
 Centre Director: Ms. Jacqueline Tan Yi Ping

Singapore Economic Development Board-San Francisco
 210 Twin Dolphin Dr., Redwood City, CA 94065-1402
 Tel: (415)591-9102; Fax: (415)591-1328
 Regional Director (Western U.S.): Mr. Quek Swee Kuan
 Centre Directors: Mr. Png Cheong Boon, Mr. Soon Chin Yang

Singapore Economic Development Board-Washington
 1100 New York Avenue
 NW, Suite #440 Washington DC 20005
 Tel: (202)223-2570/2571; Fax: (202)223-2572
 Centre Director: Mr. Yeoh Keat Chuan

Singapore Trade Development Board-New York
 55 East 59th Street, Suite 21B
 New York 10022
 Tel: (212)421-2207; Fax: (212)888-2897
 Centre Director: Mr. Satvinder Singh

Singapore Trade Development Board-Washington
 c/o Embassy of the Republic of Singapore-USA
 3501 International Place, NW
 Washington DC 20008
 Tel: (202)537-3100; Fax: (202)537-3204
 Regional Director/Counsellor (Economics): Ms. Kathy Lai

U.S.-ASEAN Council for Business & Technology, Inc.
 1400 L St. N.W., Suite 375, Washington, D.C. 20005
 Tel: (202)289-1911; Fax: (202)289-0519
 President: Mr. Ernest Bower

Important U.S. Government contacts in the United States

TPCC Trade Information Centre number in Washington: 1-800-USA-TRADE

U.S. Department of State Office of Business Affairs: Tel: 202-746-1625, Fax: 202-647-3953

U.S. Department of Commerce MAC Country Desk Officer: Ms. Susan Abbatecola, Tel: 202-482-3647, Fax: 202-482-3316

U.S. Department of Agriculture, Foreign Agricultural Service, Trade Assistance and Promotion Office: Tel: 202-720-7420

Overseas Private Investment Corporation: Tel: 202-336-8799

Other American Organizations in Singapore

American Chamber of Commerce in Singapore
1 Scotts Road
#16-07 Shaw Centre
Singapore 228208
Tel: (65) 235-0077 Fax: (65) 732-5917
Website: www.amcham.org.sg
Executive Director: Ms. Claire Adams

Port of Charleston
c/o Jardine Shipping Agencies
1 Maritime Square, Lobby D
#10-40 World Trade Centre
Singapore 099253
Tel: (65) 374-8223 Fax: (65) 275-3098
E-mail: lawrence.leong@jsajta.com.sg
General Manager: Mr. Lawrence Leong

State of Indiana, Wisconsin and Missouri
c/o US-ASEAN Business Council
70-A Prinsep Street
Singapore 188662
Tel: (65) 339-8885 Fax: (65) 339-1982
Director: Mr. Stephen Patillo

Port of Los Angeles
c/o PIERS Resource & Services Pte Ltd
Blk 334, #03-10
Kreta Ayer Road
Singapore 080334
Tel: (65) 324-6823 Fax: (65) 324-6825
E-mail: piers@mbox3.singnet.com.sg
Managing Director: Mr. K.C. Tan

State of Mississippi, ASEAN Office
7 Temasek Boulevard
#12-02C Suntec City Tower 1
Singapore 038987
Tel: (65) 338-6377 Fax: (65) 337-6377
E-mail: msasean@mbox5.singnet.com.sg
Director (ASEAN): Mr. Simon Beh

State of Massachusetts

45C/D Boat Quay
Singapore 049834
Tel: (65) 538-8744 Fax: (65) 538-8745
E-mail: massport@tansitoh.com.sg
Trade Representative (ASEAN) : Mr. Sitoh Yih Pin

Port Authority of New York and New Jersey
24 Jurong Port Road
#03-00 Office Block CWT
Distripark (HQ)
Singapore 619097
Tel: (65) 261-1061 Fax: (65) 261-1659
E-mail: DesmondTamaki@compusere.com
Regional Director: Mr. Desmond Tamaki

State of Oklahoma
Department of Commerce
International Trade & Investment
7500A Beach Road
#07-306/307, The Plaza
Singapore 199591
Tel: (65) 295-6575 Fax: (65) 295-6576
E-mail: atc3139@singnet.com.sg
Director (ASEAN): Mr. Stanley Ang

State of Pennsylvania
200 Cantonment Road
#02-05 South Point
Singapore 089763
Tel: (65) 225-8667 Fax: (65) 225-8330
E-mail: pastate@singnet.com.sg
Associate Director: Sarath Kumar Menon
Director: Osith Nathan

Port of Seattle
Singapore Representative Office
171 Chin Swee Road
#09-01 San Centre
Singapore 169877
E-mail: windmill@windmill.com.sg
Director: Mr. Kirpa Ram Vij

Port of Tacoma
c/o Henry Noon Co.
Citylink #05-05
102F Pasir Panjang Road
Singapore 118530
Tel./HP: (65) 9-652-9364 Fax: (65) 254-7251
Director: Mr. Keith Hillier

U.S. ASEAN Council for Business and Technology
70-A Prinsep Street
Singapore 188662
Tel: (65) 339-8885 Fax: (65) 339-1982
E-mail: usasean@pacific.net.sg
Regional Director: Mr. Stephen Patillo

United States Education Information Center
 12 Prince Edward Road
 #01-03 Bestway Building
 Podium A
 Singapore 079212
 Tel: (65) 226-6996 Fax: (65) 223-0550
 E-mail: inquiry@useic.com.sg
 Director: Ms. Hong Nih Ly

Port Authority of Commonwealth of Virginia
 Blk 857 #06-364
 Tampines Street 83
 Singapore 520857
 Tel: (65) 743-8270 Fax: (65) 743-8325
 E-mail: vpsin@mbox4.singnet.com.sg
 Manager: Mr. Sunny How Keok Pin

Chapter XII. Market Research and Trade Events

APPENDIX F. MARKET RESEARCH

Industry Subsector Analyses from the U.S. & Foreign Commercial Service

WRE - Water recycling and conservation systems
 ELP - Power Generation Plant Equipment
 EIP - Electronic Production and Testing Equipment
 JLR - Fine Jewelry
 HCS - Healthcare Services
 SPT - Sporting Goods
 TEL - Data Communication Equipment
 PRT - Port Facilities
 ELC - Printed Circuit Board
 PVC - Pumps and Valves
 AIR - Aircraft Repairing Equipment
 CPT - Networking Hardware

U.S. Department of Agriculture Commodity Reports and Market Briefs:

- Overview of the Foodstuffs Market
- Food Processing Industry
- Microwave Foods
- Health Foods
- Snack Foods
- Western Packaged Meals
- Processed Meats
- Juices
- Beer and Ale
- Fresh Vegetables
- Temperate Fresh Fruit
- Stone Fruits
- Apples
- Berries
- Grapes
- Pears
- Nuts
- Pistachios, Macadamias and Walnuts
- Peanuts

- Almonds

APPENDIX G. TRADE EVENT SCHEDULE

Singapore is a regional center for trade fair activity and hosts many events each year. The following list is not exhaustive. Those marked with an * are events supported by the U.S. Government.

*SECURITY ASIA '99

Profile: Access control, alarms biometric identification, building management, CCTV, communication, etc.

Date: October 5 - 7, 1999

Venue: Singapore Expo

Frequency: Biennial

Organizer contact: The Commercial & Industrial Security Corporation c/o Conference & Exhibition Management Services Pte Ltd, World Trade Center, #09-43, 1 Maritime Square, Singapore 099253

Tel: (65) 278-8666, Fax: (65) 278-4077

*BAUCON ASIA '99

Profile: 5th international trade fair to building materials, building services, prefabricated parts construction technology, construction equipment & building material machinery.

Date: October 5 - 8, 1999

Venue: Singapore Expo

Frequency: Biennial

Organizer contact: Conference & Exhibition Management Service Pte Ltd, World Trade Center, #09-43, 1 Maritime square, Singapore 099253

Tel: (65) 278-8666, Fax: (65) 278-4077

INDUSTRIAL AUTOMATION/LOGISMAT '99

Profile: Industrial Automation is held together with Logismat, a material handling, warehousing and distribution exhibition. It features factory automation machinery, robots & vision automation, pneumatics, hydraulics and fluid control. Materials handling & storage, transportation and distribution, logistics software, packaging and freight forwarding.

Date: October 5 - 8, 1999

Venue: Singapore Expo

Frequency: Biennial

Organizer contact: Singapore Industrial Automation Association 151 Chin Swee Road, #03-13 Manhattan House, Singapore 169876

Tel: (65) 734-6911, Fax: (65) 235-5721

WIRE SINGAPORE '99

Profile: A comprehensive exhibition on wire manufacturing and finishing machinery, process technology tools, measuring and control technology, test engineering, spring making machinery, fastener technology and materials, special wires and cables.

Date: October 19 - 21, 1999

Venue: Singapore Expo

Frequency: Biennial

Organizer contact: Messe Dusseldorf ASIA Pte Ltd

5 Temasek Boulevard, #05-05 Suntec City Tower, Singapore 038985

Tel: (65) 332-9620, Fax: (65) 332-9655/337-4633

CORRUGATED ASIA '99

Profile: The third international exhibition and symposium for Asia's corrugated board and box-making business. Includes machinery, equipment, materials, services and software for the production of corrugated board and boxes.

Date: November 17 - 19, 1999

Venue: Singapore Expo

Frequency: Biennial

Organizer contact: Miller Freeman Pte Ltd

100 Beach Road, #26-00 Shaw Towers, Singapore 189702

Tel: (65) 294-3366, Fax: (65) 299-9782

*CIA '99

Profile: An exhibition and instrumentation, control measurement and testing, chemical & process engineering, laboratory & analytical technology & equipment.

Date: November 30 - December 3, 1999

Venue: Singapore International Convention & Exhibition Centre

Frequency: Biennial

Organizer contact: Singapore Exhibition Services Pte Ltd

2 Handy Road, #15-09 Cathay Building, Singapore 229233

Tel: (65) 338-4747, Fax: (65) 339-5651

*ENVIROMEXASIA '99 & WATERMEX ASIA '99

Profile: An exhibition on equipment and services for monitoring screening and processing of wastes, noise, soil & air pollution; analysis, test, measurement & separation techniques; gas cleaning and odour abatement; dust separation; storage, collection and transportation of solid wastes; sorting, crushing/compacting, recycling, incineration, composting; processing of special wastes, sludge treatment, excavation and processing of contaminated soil; instil techniques, isolation techniques; computer models/systems, waste management recycling, miscellaneous accessories and consultancy services.

Date: November 30 - December 3, 1999

Venue: Singapore International Convention & Exhibition Centre

Frequency: Biennial

Organizer contact: Singapore Exhibition Services Pte Ltd

2 Handy Road, #15-09 Cathay Building, Singapore 229233

Tel: (65) 338-4747, Fax: (65) 339-5651

*ASIAN AEROSPACE 2000

Profile: Commercial & military aircraft equipment & systems for the aerospace, retrofitting & manufacturing industries

Date: February 2000

Venue: Changi Exhibition Centre Singapore

Frequency: Biennial

Organizer contact: Asian Aerospace Pte ltd c/o Reed exhibitions Pte Ltd, Millenia Tower, #17-01, 1 Temasek Avenue, Singapore 039191

Tel: (65) 338-2002, Fax: (65) 338-2112

*GLASSTECH ASIA 2000

Profile: 2nd international glass products, glass manufacturing, processing & materials exhibition & conference

Date: March 1 - 3, 2000

Venue: Singapore Expo

Frequency: Biennial

Organizer contact: Singapore Glass Merchants & Glaziers Association (SGMGA), c/o Conference & Exhibition Management Services Pte Ltd, World Trade Centre, #09-43, 1 Maritime Square, Singapore 099253
Tel: (65) 278-8666, Fax: (65) 278-4077

*MTA2000/MANUFACTURING ASIA 2000

Profile: An exhibition on industrial machinery and equipment; industrial material supplies, sub-contracting and contract-manufacturing, support engineering; industrial services; material handling & storage, factory maintenance, cleaning, safety & occupational health equipment; specialised production equipment; welding & surface treatment technology, machine tools, hardware & supplies.

Date: March 21 - 25, 2000

Venue: Singapore Expo

Frequency: Biennial

Organizer contact: Singapore Exhibition Services Pte Ltd

2 Handy Road, #15-09 Cathay Building, Singapore 229233

Tel: (65) 338-4747, Fax: (65) 339-5651

*SINGAPORE 2000

Profile: Asia's premier maritime exhibition & conference incorporating port and maritime equipment, shipbuilding and ship repair, logistics and warehousing

Date: March 29 - 31, 2000

Venue: Singapore Expo

Frequency: Biennial

Organizer contact: PSA Exhibition Pte Ltd, 1 Maritime Square #09-72

World Trade Centre, Singapore 099253

Tel: (65) 321-2103, Fax: (65) 274-0721

COMDEX ASIA 2000

Profile: Asia #1 information technology tradeshow featuring computer systems, software, hardware and multimedia services

Date: April 5 - 7, 2000

Venue: Singapore International Convention & Exhibition Centre

Frequency: Annual

Organizer contact: Singapore Information Technology Federation c/o

Times Conference & Exhibition Pte Ltd, Times Centre, 1 New Industrial Road, Singapore 536196

Tel: (65) 284-8844, Fax: (65) 286-5754

*FOOD & HOTEL ASIA 2000

Profile: 12th Asian international exhibition of food & drink, hotel, restaurant & catering equipment, supplies & services & conference

Date: April 11 - 14, 2000

Venue: Singapore Expo

Frequency: Biennial

Organizer contact: Singapore Exhibition Services Pte Ltd, Cathay

Building #15-09, 2 Handy Road, Singapore 229233

Tel: (65) 338-4747, Fax: (65) 339-5651

*Communic Asia 2000/Broadcast Asia 2000

Profile: An exhibition on broadcasting telecommunications equipment, systems and services for private and public networks.

Date: June 6 - 9, 2000

Venue: Singapore Expo

Frequency: Biennial

Organizer contact: Singapore Exhibition Services Pte Ltd
2 Handy Road, #15-09 Cathay Building, Singapore 229233
Tel: (65) 338-4747, Fax: (65) 339-5651

ScanTech Asia 2000

Profile: A showcase of Automatic Identification and Data Capture (AIDC), identification, bar-coding and scanning technology and their applications.

Date: June 21 - 23, 2000

Venue: Singapore International Convention and Exhibition Center

Frequency: Annual

Organizer contact: Reed Exhibitions Pte Ltd

No. 1 Temasek Avenue, #17-00 Millenia Tower, Singapore 039192

Tel: (65) 338-2002, Fax: (65) 338-2112/334-2748

NETWORLD/INTEROP 2000

Profile: Asia's premier technology event for network computing, internet/intranet and telecommunication (convergence of voice, video and data)

Date: August 16 - 18, 2000

Venue: Singapore International Convention & Exhibition Centre

Frequency: Annual

Organizer contact: ZD Comdex & Forums, International Plaza #29-08, 10 Anson Road, Singapore 079903

Tel: (65) 227-5755, Fax: (65) 227-8755

*HOSPIMEDICA ASIA 2000

Profile: International hospital, pharmaceutical, medical and rehabilitation equipment and supplies exhibition with special focus on the diagnostic, pharmaceutical and rehabilitation sectors.

Date: August 29 - September 1, 2000

Venue: Singapore International Convention & Exhibition Centre

Frequency: Biennial

Organizer contact: Messe Dusseldorf ASIA Pte Ltd

5 Temasek Boulevard, #05-05 Suntec City Tower, Singapore 038985

Tel: (65) 332-9620, Fax: (65) 332-9655/337-4633

ENEX-ASIA 2000

Profile: Feature a wide range of electrical manufacturing and installation technology; external & internal lighting systems; and power generation equipment, systems & technology.

Date: September 12 - 15, 2000

Venue: Singapore Expo

Frequency: Biennial

Organizer contact: Reed Exhibitions Pte Ltd

No. 1 Temasek Avenue, #17-00 Millenia Tower, Singapore 039192

Tel: (65) 338-2002, Fax: (65) 338-2112/334-2748

*GLOBALTRONICS 2000

Profile: Asia's leading electronics manufacturing exhibition and conference. Global TRONICS showcases the latest technology innovations in the PCB manufacturing and assembly, semiconductor manufacturing and assembly, process testing, components manufacturing and design, OEMs and ODMs manufacturing, subcontractors and international procurement for electronics manufacturers in Asia at the "Buyer Village".

Date: September 12 - 15, 2000

Venue: Singapore Expo
Frequency: Biennial
Organizer contact: Reed Exhibitions Pte Ltd
No. 1 Temasek Avenue, #17-00 Millenia Tower, Singapore 039192
Tel: (65) 338-2002 , Fax: (65) 338-2112/334-2748

*GLOBAL FRANCHISING 2000

Profile: The 2nd international exhibition and conference for franchising, licensing and business opportunities
Date: September 20 - 22, 2000
Venue: Singapore International Conference & Exhibition Centre
Frequency: Annual
Organizer contact: Singapore Exhibition Services Pte Ltd, 2 Handy Road, #15-09, Cathay Building, Singapore 229233
Tel: (65) 338-4747, Fax: (65) 339-5651

HEATING, VENTILATION & AIR-CONDITIONING ASIA 2000
(HVAC ASIA 2000)

Profile: heating, ventilation, air-filtration & purification and air-conditioning systems.
Date: September 25 - 28, 2000
Venue: Singapore Expo
Frequency: Biennial
Organizer contact: HQ Link Pte Ltd
150 South Bridge Road, #13-01 Fook Hai Building, Singapore 058727
Tel: (65) 534-3588, Fax: (65) 534-2330

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