



U.S. Department of State FY 2001 Country Commercial Guide: Singapore

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Chapter 1. Executive Summary

Singapore remained the United States' 10th largest export market in 1999. Beyond its important role as an entrepôt to Southeast Asia, it is also one of the most highly developed and sophisticated industrial, commercial, financial and consumer economies in the world. It is, therefore, 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 interested local buyers or regional ones as most of Singapore's distributors sell to other Southeast Asian countries.

Shipments from the U.S. accounted for about US\$19 billion or 17% of Singapore's total imports in 1999. Major U.S. exports were aircraft and parts, integrated circuits, semiconductors, computer parts, parts for electronic integrated circuits and micro assemblies and hard disk.

Singapore is extremely dependent on trade which was more than two and a half times the country's GDP in 1999. 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% of Singapore's exports are re-exported. Singapore's major exports are: integrated circuits, computer parts, printed circuit board assemblies and petroleum products. Singapore's major imports consist of integrated circuits, parts of automatic data processing machines, crude oil, semiconductors and printed circuit board assemblies. Total trade in 1999 reached US\$226 billion, of which US\$111 billion were imports and US\$115 billion were exports.

Singapore has a highly open investment regime, through which it successfully transformed itself from a trading port into a modern industrial economy. The government is presently pursuing a strategy to upgrade the country into a technology and innovation-driven knowledge-based economy (KBE) in response to stiffer competition from lower cost countries for exports and investment and increased economic globalization. To this end, the government is taking a bold, "creative destruction" approach to liberalize the economy (particularly financial services, telecommunications and power); revamp the education system to emphasize computer and thinking skills; advance manpower development and enhance the country's physical infrastructure. It also provides financial incentives and has modified laws and regulations to encourage research and development and entrepreneurship in technology-intensive fields (called 'technopreneurship', locally).

In line with its plans to become a KBE, Singapore is actively encouraging multinational companies (MNCs) to establish knowledge-intensive manufacturing and service operations and foreign skilled professionals to work and settle in the city-state. Through MNCs, Singapore aspires to become a world-class player in the electronics, chemicals, life sciences, engineering, communications and media, logistics, education, and healthcare industries. In addition, Singapore is aiming to

attract MNCs to set up headquarters in the city-state to manage their regional or global activities and leading foreign banking and financial institutions to establish or upgrade operations (which would enhance the city-state as an international financial center).

Singapore's open economy, which boasts the world's fifth highest per capita income of US\$28,620 (based on the World Bank's World Development Report 1999/2000 ranking of per capita gross national product or GNP in purchasing power parity terms), is dominated by government-linked companies (GLCs) and major foreign MNCs. GLCs straddle all major sectors of the economy; MNCs are mainly concentrated in the electronics and chemicals industries. Foreign banks and financial institutions and legal and accounting firms also pervade the financial and business services sectors.

The Singapore economy recovered from the Asian economic crisis with relatively strong GDP growth of 5.4% in 1999, compared to the anemic growth of 0.4% in 1998 when it experienced a mild recession in the second half of the year. Several factors underpinned Singapore's recovery. They were: robust electronics demand (emanating mostly from the vigorous U.S. economy), a strong Asian economic recovery which spurred regional demand for Singapore's goods and services and higher domestic consumer and investment spending encouraged by the improving economic climate. In addition, several cost-cutting, economic liberalization and counter-cyclical measures, implemented by the Singapore government to counter the Asian crisis, also facilitated the rebound.

The growth momentum generated in 1999 persisted into 2000 as evidenced by the unexpectedly strong first quarter GDP growth of 9.2%. Apart from construction, which contracted by 11.2%, all other sectors of the Singapore economy - particularly wholesale and retail trade and manufacturing - did well in the first quarter. The Singapore economy, however, is likely to experience more moderate growth in the second half of the year. Apart from the fact that second half GDP growth will be measured against last year's relatively high statistical base, manufacturing performance may weaken with falling domestic exports to the United States and Europe (Singapore's top two markets). Although the production of semiconductors and telecommunication equipment has been expanding rapidly, they may not be able to make up for the relatively faster decline in the output of disk drives, PCBAs and PCs during this period of structural change. In addition, segments of the electronics industry, such as contract manufacturers, may be hit by supply-side setbacks resulting from a recent worldwide components shortage.

Rising oil prices is another potential threat facing the manufacturing sector, Singapore's economic linchpin. At some point, this trend could hurt the recovery of oil-importing Asian countries. It could create additional cost-push pressures on the Singapore economy which is already starting to experience creeping costs as demand for scarce resources in the expanding economy intensifies. This in turn will affect Singapore's product price competitiveness in global markets.

Latest advance estimates released by the government showed that the Singapore economy grew 7.7% in the second quarter of 2000. Private sector analysts earlier

forecasted 2000 GDP to be around 6.5 to 7.0%, the top end of the government's more prudent forecast of 5.5 to 7.5%.

Chapter 2. Economic Trends and Outlook

Major Trends and Outlook

The Singapore economy recovered from the Asian economic crisis with relatively strong GDP growth of 5.4% in 1999, compared to the anemic growth of 0.4% in 1998 when it experienced a mild recession in the second half of the year. Several factors underpinned Singapore's recovery. They were: robust electronics demand (emanating mostly from the vigorous U.S. economy), a strong Asian economic recovery which spurred regional demand for Singapore's goods and services and higher domestic consumer and investment spending encouraged by the improving economic climate. In addition, several cost-cutting, economic liberalization and counter-cyclical measures, implemented by the Singapore government to counter the Asian crisis, also facilitated the rebound.

The growth momentum generated in 1999 persisted into 2000 as was evidenced by the unexpectedly strong first quarter GDP growth of 9.1%. Apart from construction, which contracted by 11.2%, all other sectors of the Singapore economy - particularly wholesale and retail trade and manufacturing - did well in the first quarter. April-May trade statistics suggest, however, that further growth may moderate in the second half of the year due in part to a slowdown in exports to the United States and Europe. GDP growth for 2000 is expected to fall within the range of the government's relatively conservative forecast of 5.5 to 7.5%.

Principal Growth Sectors

The following is an assessment of the main trends and prospects in the key economic sectors:

A) Manufacturing

Manufacturing, accounting for 24% of GDP, provided the main recovery impetus in 1999 and the first quarter of 2000, growing by 13.8 and 12.9%, respectively. Growth was driven mainly by the strong electronics demand from the United States and the European Union. The local electronics industry, which dominated the manufacturing sector with a 43% share of value-added, benefited particularly from the strong external demand for semiconductors and telecommunication equipment. This has filled the void created by the drop in the output of disk drives (once Singapore's key electronics product) which has declined as multinational firms relocated production to lower cost countries in response to pricing pressures. Printed circuit boards assembled (PCBA) and personal computers (PCs) have also declined in relative importance as the local electronics industry restructures and moves up the value chain.

The chemicals industry, the other key manufacturing industry responsible for 25% of the sector's value-added, grew by 15.3% in 1999 in response to strong demand for pharmaceuticals from the United States and the European Union.

Pharmaceutical output grew by 39.2% in 1999 and 31.9% in the first quarter of 2000. Industry sources expect this growth to moderate, however, in the second half of 2000 due to recent changes to the segment's product mix (which should result in lower production values). Regional demand for industrial and specialty chemicals showed great resilience and persisted on a growth path in the first quarter of 2000. Meanwhile, petroleum and petrochemicals output continued to fall as margins came under severe pressures from excess supply capacities in the region and from rising crude oil prices.

Some of these trends in the export-oriented manufacturing sector are also reflected in Singapore's export statistics. In 1999, Singapore's domestic exports to the United States - its largest market accounting for 23% of the total - rose by 2.9%, followed further by a 5% rise in the first quarter of 2000. Since then, however, domestic export growth has slowed significantly. April and May exports (in value terms) declined sharply by 11.1% and 8.5%, respectively. Even on a three-month moving average basis, Singapore's domestic exports to the United States fell by 5.6% in May, as growth in semiconductor exports was outweighed by declines in the export of disk drives (which constituted about one-third of Singapore's exports to the United States), printed circuit board assemblies and printers.

Similarly, domestic exports to the European Union (Singapore's second largest market accounting for 17% of the total) registered strong positive growth of 7.0% in 1999, but began to decline at the beginning of the 2000. Exports to EU countries declined by about 7.3% in the first quarter, and by 14.4% and 3.2%, respectively, in April and May. The drop in May - on a three-month moving average basis - was 6.2%. Again, the increase in exports of semiconductors, telecommunication products and other electronics goods was overshadowed by the shrinkage in disk drive and PCBAs, as well as pharmaceuticals.

Singapore's domestic exports to Asian markets, notably Malaysia (its third largest market accounting for 13% of total domestic exports), Taiwan, Korea, and Japan have, on the other hand, been growing at impressive rates averaging 20-30%, driven by strong regional demand for electronics and chemicals. Singapore's re-exports have also been expanding to meet resurgent demand from neighboring countries as they too emerge from the recent Asian crisis.

With the increase in global and regional demand and the draw down of excess capacity, Singapore is targeting to reach 1997's pre-crisis levels of about US\$5.0 billion in new manufacturing investment this year. It managed to secure US\$1.2 billion in the first quarter, a healthy 16% increase over the first quarter of 1999. Over 80% of new investment flow into the electronics and chemicals industries. Foreign companies typically make up about three-quarters of new manufacturing investment. The United States is Singapore's leading foreign investor, accounting for 57% of total foreign manufacturing investment commitments in 1999. Japan and Europe followed with 19% and 18% shares, respectively.

B) Wholesale and Retail Trade and Transport and Communications

The electronics upswing and the regional economic recovery generated demand

for entrepôt and other trade-related services and stimulated visitor arrivals. All benefitted Singapore which serves as the gateway to Southeast Asia. Consequently, the wholesale and retail trade and the transport and communications sectors, which contributed 15% and 11% to GDP, respectively, recorded strong growth of 17.2% and 9.7% in the first quarter of 2000.

The retail trade segment was also boosted by higher spending by locals as job prospects improved and incomes rose in tandem with the expanding domestic economy. The communications segment, meanwhile, is poised to benefit from the full liberalization of Singapore's telecommunication industry, which the government implemented two years ahead of schedule in order to help Singapore become the region's information and communications hub. Besides spurring demand for cellular phone, IDD call, internet and other communications services, liberalization of the telecommunications industry should result in additional investment spending (estimated at US\$1.8 billion by the government) over the next few years.

C) Financial Services

Financial services, accounting for 13% of GDP, recovered from the Asian crisis with 6.9% growth in the first quarter of 2000. Much of this stems from a low base in the previous years, however, as the sector experienced flat growth in 1999 and contracted by 8.1% in 1998.

The sector still faces sluggish demand for domestic credit and offshore loan facilities provided in the Asian Dollar Market (the Asian equivalent of the Eurodollar Market). This is because local banks are exercising greater lending prudence, particularly as non-performing loans (NPLs) are still relatively high at about 22% of total exposure to regional countries. Moreover, pockets of post-crisis excess capacity still exist. In addition, more local companies are turning to the equity market for funding or borrowing from overseas sources to finance offshore business expansion.

Foreign exchange activities have been slowed by capital controls imposed by neighboring Malaysia. Trading opportunities have also been reduced by the introduction of the Euro (resulting in the loss of intra-European currency trading) and the stabilization of regional currencies as the financial crisis receded. Meanwhile, stock trading volumes on the local stock exchange, which surged in the first quarter of the year in the wake of increased volatility, may level off in the second half with persisting 'bearish' sentiments in the region.

On the upside, the financial services sector is set to benefit from further liberalization and deregulation policies, which have been implemented by the government since 1998, to enhance Singapore as an international financial center. In particular, investment advisory and asset management services should expand. More buoyant regional economies will also translate into higher demand for offshore financial services for Singapore-based institutions.

D) Business Services

The business services sector (accounting for 12% of GDP) grew moderately by 4.8% in the first quarter. Real estate services, which dominate this sector, may grow as property market sentiments improve with the expanding economy. However, the property market, which experienced a major correction during the Asian crisis, has not returned to pre-crisis heights. The main boost to this sector should, instead, come from strong local and regional demand for professional services, especially information technology and electronic commerce-related services.

E) Construction

The sector that continued to be in the doldrums was construction, which contributed 7.5% to GDP. After contracting by 11.8% in 1999, it fell further by 11.2% in the first quarter of 2000. The value of contracts awarded (which serves as a leading indicator for the construction sector) has declined over the last nine consecutive quarters. The 9.3% reduction in commitments recorded in the first quarter of 2000 is the mildest thus far (the most severe contraction of 47% was recorded in the fourth quarter of 1998). This suggests that the sector may have turned the corner and will resume positive growth in the near future, assuming the rest of the economy continues to expand.

Prognosis For 2000

On the whole, prospects for the external demand-driven Singapore economy in 2000 appear secure. The United States and the European Union are projected to enjoy healthy economic growth in 2000, and hence sustain the global electronics boom. Asian economies, including Japan, are expected to persist along their recovery paths, providing more opportunities for intra-regional trade in goods and services, including tourism.

Moreover, Singapore's economic fundamentals remain strong, as reflected by its top position in the World Economic Forum Global Competitiveness Ranking in 1999. Policies implemented by the government to deregulate and liberalize key industries (notably financial services, telecommunications and power), advance manpower development and attract knowledge-based industries are also positive factors.

The economy already has a strong head start with robust 9.1% GDP growth in the first quarter of 2000. However, the Singapore economy is likely to experience more moderate growth in the second half of the year. Apart from the fact that second half GDP growth will be measured against last year's relatively high statistical base, manufacturing performance may weaken with falling domestic exports to the United States and Europe (Singapore's top two markets). Although the production of semiconductors and telecommunication equipment has been expanding rapidly, this may not be enough to make up for the relatively faster decline in the output of disk drives, PCBAs and PCs during this period of structural change. In addition, segments of the electronics industry, such as contract manufacturers, may be hit by supply-side setbacks resulting from a recent worldwide components shortage.

Rising oil prices is another potential threat facing the manufacturing sector, Singapore's economic linchpin, in 2000. At some point, this trend could hurt the recovery of oil-importing Asian countries. It could also create additional cost-push pressures on the Singapore economy, which is already starting to experience creeping costs, as demand for scarce resources in the expanding economy intensifies. This, in turn, will affect Singapore's product price competitiveness in global markets.

On the basis of the foregoing factors, private sector analysts have forecast 2000 GDP at around 6.5 to 7%, the top end of the government's more prudent forecast of 5.5 to 7.5%.

The Government's Role In The Economy

A) Government Management of the Economy and Government-linked Companies

The Singapore government is a major and active player in the local economy. It owns substantial factors of production (especially land and capital) and directs resources to targeted industries through laws, regulations and fiscal incentives and by participating in business ventures through government-linked companies (GLCs) and statutory boards.

Singapore GLCs, unlike typical parastatals, are generally well-run, efficient and profitable. Although they were established in the 1960s to 1980s, primarily to catalyze industrialization and economic development, they have evolved into a major economic institution that accounts for over 60% of Singapore's GDP. The major GLCs – examples include Singapore Airlines, Neptune Orient Lines, Chartered Semiconductors, Keppel and Sembawang – are publicly listed, and are among the best known corporate names, locally and regionally. Nonetheless, there is currently debate on whether these GLCs can continue to do business as usual in an increasingly globalized new economy of cross border alliances and mergers. Many also point to the 'crowding out' of the private sector as a negative consequence of GLC expansion.

The government is presently pursuing a strategy to re-position Singapore as an innovation and technology-driven knowledge-based economy in the face of stiff cost competition from other countries and from economic globalization. It is aiming to diversify into manufacturing-related services (such as product design, research and development, marketing and logistics) in knowledge-intensive industries like electronics, chemicals and life sciences, as well as "exportable services" (such as finance, healthcare, education, communications and media). To this end, wide-ranging policies have been adopted to encourage entrepreneurship in technology-related fields (or 'technopreneurship' as it is known locally); revamp the education system; to emphasize IT and thinking skills and step up manpower development, among other things.

The government has achieved a strong track record of success in managing and steering the economy to become one of the world's most prosperous countries in

terms of per capita income. Its involvement in resource allocation and business has generally been driven by market, not ideological, considerations. Its focus is also aimed at addressing “market failure” issues and promoting enterprise.

B) Government Budget Priorities

Singapore’s FY2000 budget, hailed as a “budget in transition,” has two main thrusts: 1) fine-tune and ease recession-related fiscal policies implemented during the 1997/98 Asian economic crisis; and 2) facilitate Singapore’s transition into a knowledge-based economy. Among the measures introduced was a cut in the corporate tax rate from 26 to 25.5%. Tax benefits were also announced to stimulate inventions and innovations in the service industry and by foreigners, as well as encourage financial institutions to further engage in fee-based activities.

A surplus of about US\$1.4 billion is projected for the FY2000 budget (Singapore’s thirteenth consecutive annual surplus), with operating income and total expenditure amounting to US\$18.5 billion and US\$17.1 billion, respectively. Defense, education, public housing, and communications and information technology infrastructure will receive the largest allocations in the new budget, reflecting Singapore’s security, economic and social policy priorities.

Balance Of Payments

Singapore enjoyed a balance of payments surplus of US\$4.3 billion in 1999, exceeding the US\$3.0 billion surplus recorded in 1998. The current account surplus increased to US\$21.5 billion, helped by higher export of services to the recovering regional economies. These offset the lower merchandise trade surplus that resulted from increased imports. The capital and financial account had a smaller outflow of US\$17.6 billion in 1999. The reduced net outflow of banks’ funds and portfolio investment offset the lower, net inflow of direct investment. The latter reflected Singapore-based companies’ aggressive acquisition efforts in the region in the wake of opportunities that arose from the Asian economic crisis. The official foreign reserves on Singapore’s balance of payments amounted to US\$77.1 billion as of year-end-1999. This was an amount sufficient to cover 8.2 months of imports.

Singapore’s overall balance of payments, however, moved into a deficit of about US\$1.3 billion in the first quarter of the year. The government attributes this to a seasonal decline in the current account surplus that usually follows strong festive-season shipments in the fourth quarter and the return of strong financial outflows in the “other investment” account. Offshore inter-bank lending increased after they were reduced towards the end of 1999 in view of the Y2K-crossover. Net portfolio outflows also doubled due to a reallocation of foreign funds out of the Singapore equity market during the first quarter. The direct investment account, however, registered a larger net surplus due to increased foreign investment in Singapore.

The overall deficit in the balance of payments was reflected in the slightly lower official foreign reserves to about US\$75 billion, sufficient to cover approximately eight months’ worth of imports.

Infrastructure

Singapore has a strong 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 particularly well-developed. The fixed line and mobile phone penetration rates of 58.6 and 53.9%, respectively, are on par with developed countries. In addition, 47% of households have personal computers while 53.8% of the residential population have internet access or subscriptions. To promote the growth of the information industry, 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.

Singapore's transportation network is highly efficient and modern. It boasts the world's busiest port in shipping tonnage terms for the fourteenth year running, attracting 877 million gross tons in 1999. 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 through vehicle quotas. 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 more strict over the years, and provide adequate protection.

The government has also taken advantage of lower building costs during the economic downturn in 1998 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 reclaiming land to increase the land stock (total land area in Singapore is a mere 650 square kilometers). In particular, significant resources have been directed to create Jurong Island, a US\$4.0 billion project which now houses a vertically-integrated petroleum and chemicals industry. Other infrastructural enhancement projects include the development of tourist attractions and mega-exhibition facilities.

Regional Economic Integration

As an ardent supporter of free trade, Singapore has been a leader in promoting regional economic integration and liberalization among the ten members of the Association of Southeast Asian Nations (ASEAN). At their meeting in Singapore in October 1999, the ASEAN economic ministers reached agreement on a number of key trade and investment liberalization measures, including a schedule to eliminate import duties on all products by 2015 (for the six original members) and by 2018 (for the remaining four new members) within the ASEAN Free Trade Area (AFTA). This will be done ahead of the APEC goal of 2020 for developing countries.

They also signed a protocol including, for the first time, unprocessed agricultural

products in tariff reduction talks; and they endorsed a set of parameters to guide further liberalization of trade in services. At their informal consultations with Australia and New Zealand, the ministers established a high-level task force to explore the feasibility of a free-trade area combining ASEAN and these two countries by 2010. This could effectively accelerate AFTA by another five years.

To further attract foreign investment, the ministers indicated that ASEAN has begun preparing temporary exclusion lists (TEL) in various sectors which will be gradually phased out and opened to foreign investment over the next few years. They expanded the scope of the ASEAN Investment Area (AIA) Agreement to cover services incidental to these sectors (including manufacturing, agriculture, forestry, fishery and mining). Acting on a Singapore initiative, ASEAN also embarked on a series of joint investment promotion missions to Japan (Feb.-Mar. 2000), United States (Mar./Apr. 2000) and Europe (June 2000).

Singapore has also begun to initiate talks beyond ASEAN, with a number of countries aimed at reaching bilateral Free Trade Agreements (FTA). Singapore began formal negotiations with New Zealand in late 1999, and an FTA is expected to be signed before the end of 2000. It undertook a joint feasibility study with Japan in early 1999, and it has announced that the two countries will decide on whether to proceed with FTA negotiations by November 2000. More recently, it has also announced that it is planning to begin FTA negotiations with Mexico and Canada, linking Singapore to two key North America Free Trade Agreement (NAFTA) members.

Chapter 3. Political Environment

Nature of Political Relationship with the U.S.

The U.S. and Singapore have a close relationship that is underpinned by co-operation on security issues and active economic ties.

Major Political Issues Affecting Business Climate

Singapore is a parliamentary republic, with a multi-ethnic population. It 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 Singapore political environment is stable. The ruling People's Action Party (PAP) has dominated Singapore politics since 1965, 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 usually 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. As of August 2000, the government will allow citizens to speak on all issues – certain

racial and religious matters excepted – without first having to obtain a police permit. This will be at a designated 'Speakers' Corner' in the city. There has been no political violence in Singapore in over thirty years. Tough internal security laws (the Internal Security Act), whose use in politically-related (especially communist) security cases has declined in recent years, are a factor in the maintenance of political order, but are secondary to other economic, social and cultural factors.

Chapter 4. Marketing U.S. Products And Services

Establishing an Office

The Singapore Registry of Companies and Businesses (RCB) publishes an excellent guide that takes the first time registrant through the process of establishing an office. General information on establishing a business in Singapore can be viewed at www.gov.sg/rcb/information. The process takes about one day for a sole proprietorship, while more complex business entities can take up to six weeks and 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 employment passes from the Singapore Immigration Department.

Joint Ventures/Licensing

Most Singaporean companies are open to joint venture proposals, and many are interested in manufacturing under license. The Commercial Service at the U.S. Embassy in Singapore is active in matching American and Singapore firms for joint ventures not only in Singapore but also for third country markets.

Use of Agents and Distributors: Finding a Partner

Many American exporters use agents or distributors to serve the Singapore market and other markets in 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 the U.S. & Foreign Commercial Service (CS Singapore) business programs in Singapore find several interested agents or distributors. CS Singapore offers a wide range of business programs and has an excellent record of success in introducing U.S. firms to the market.

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 CS Singapore.

Performing Due Diligence

Anyone wanting to carry out a business in Singapore must register with the RCB. U.S. firms can run a check on Singapore companies by accessing the RCB database which is linked to several credit agencies like Singbiz Info (a merger between Dun & Bradstreet and

Credit Info) and DP Information Network. This can be done via the internet at www.dnb.com.sg or at www.1QuestNet.com.

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

Franchising

Franchising is growing in popularity. Many Singaporean firms are looking for new growth opportunities and are interested in investing in foreign 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 5 for more information on the franchise sector in Singapore.

Direct Marketing

The direct marketing industry in Singapore began about 14 years ago and now includes direct mail, telemarketing, television sales, mail order, call centers, fulfilment and e-commerce firms. The Direct Marketing Association of Singapore represents users and service providers who are engaged in database marketing, call center activity, fulfilment and e-commerce. There are many creative consultants in Singapore 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. The direct marketing industry is well supported by service companies including Singapore Post, Singapore Telecom Call Center, Teledirect, TNT International Mail, Dun & Bradstreet, Olgilvy One and MMS Consultancy. The Singapore government also actively supports the industry through its Direct Marketing Program by assisting companies (through financial incentives) in using direct marketing for their trading activities.

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 specialised 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. They are available at www.straitstimes.asia1.com.sg and www.business-times.asia1.com.sg. The leading business magazine is Asian Business and Asia Inc. The major Chinese daily is Lian He Zao Bao (www.zaobao.com). E-commerce web sites can be found at www.ida.gov.sg and at www.sg. Leads for local advertising and promotional service agencies can be found at www.yellowpages.com.sg. Contact CS Singapore for a list of specialised trade magazines and trade fairs.

Product Pricing

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% 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 website, <http://app.internet.gov.sg/gitis/>.

Chapter 5. 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:

1998 US\$1.0 = S\$1.67
 1999 US\$1.0 = S\$1.69
 2000 US\$1.0 = S\$1.70

1. Electronic Components (ELC)

As indicated from the estimates, the Asian economic downturn affected the performance of the electronics industry in 1998. However, the quick recovery of Singapore's economy was largely supported 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 substantially (44%) contribute to Singapore's manufacturing sector. The electronics industry recorded an output of US\$41.5 billion in 1999. This is a 14% growth over the US\$36.4 billion in 1998. Growth was largely driven by the info-communications products (25%) and semiconductors (22%).

The Singapore Government projects that the electronics industry, in particular, and the overall manufacturing sector, in general, will continue to grow despite a global shortage of electronic components. According to the Economic Development Board (EDB), global demand for telecommunications products was very strong, and this will help overcome the constraints and performance of component shortages.

Initial statistics indicated that the first quarter of 1999 the electronics sector experienced a robust 22% growth. With the continued strong demand from the U.S. and Europe, the electronics sector will likely experience growth for 2000 and 2001. There are good opportunities for American companies to sell their products to - and through - Singapore to the Asian region.

| | 1998 | 1999 | 2000 |
|---------------------------|-------|-------|-------|
| A. Total Market Size | 8245 | 10178 | 11500 |
| B. Total Local Production | 9558 | 11193 | 12000 |
| C. Total Exports | 19473 | 23094 | 24500 |
| D. Total Imports | 18159 | 22078 | 24000 |
| E. Imports from U.S. | 3092 | 3447 | 4000 |

The above statistics are unofficial estimates.

2. Electronic Industry Production/Testing Equipment (EIP)

There is continued confidence in Singapore and in the long-term potential in the Asian region, evident from the amount of foreign investments committed in 1999. Electronic investments in 1999 amounted to US\$2.0 billion, accounting for 42% 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 over 10 wafer plants (invested by multinationals such as Chartered Semiconductor, ST Microelectronics, Hitachi Nippon Steel, TECH Semiconductor, Chartered Silicon Partners and Philips & TMS). Expansion in these facilities will offer good opportunities for equipment suppliers.

In addition, the Singapore Government has a vision for the nation to be a world-class electronics hub with global leadership in the areas of manufacturing solutions and the creation of new-generation electronics products and 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 present good opportunities for American firms to supply equipment, materials and services to current and future facilities.

| | 1998 | 1999 | 2000 |
|---------------------------|------|------|------|
| A. Total Market Size | 1498 | 1578 | 1850 |
| B. Total Local Production | 1071 | 1351 | 1450 |
| C. Total Exports | 1690 | 2224 | 2400 |
| D. Total Imports | 2118 | 2450 | 2800 |
| E. Imports from U.S. | 750 | 837 | 1100 |

The above statistics are unofficial estimates.

3. Aircraft and Parts (AIR)

Singapore's aerospace industry continues to experience good growth, riding on the strong demand for aerospace repair and overhaul services. Aerospace industry output grew by an estimated 6.0% in 1999 to reach US\$1.37 billion. Although the Asian economic crisis has affected growth in 1999, its effect was temporary.

Singapore has continued to grow as an aviation hub in the Asia-Pacific despite the Asian economic crisis. Today, over 60 international airlines fly scheduled services into Singapore from all over the world. Singapore serves as a transit hub for flights into Europe as well as Asia and the United States. Excellent connectivity and ground and aerospace repair support make Singapore an excellent stopover point for passenger transfer, aircraft servicing as well as refuelling. Singapore is poised to take on an even greater role as a key aviation hub in the Asia-Pacific region as it enters a new era of global airline alliances and ultra-long haul carriers.

Asia's outlook for the aerospace industry is very positive now as Asian economies emerge from the last two years' economic crisis. IATA projected North and Southeast Asia to post air traffic growth rates of 4.5% and 4.4%, respectively, between 1998 and 2002. Rolls Royce projected the Asia-Pacific region to need more than 5,000 new passenger aircraft, ranging in size from 100-seat jets to those carrying more than 400 people over the next 20 years. Airlines based in the Asia-Pacific region operate the greatest share of large aircraft today and Rolls Royce forecasts that these airlines will take 41% of all wide-body deliveries over the next 20 years. If these projections come true, and coupled with the deregulation of the Asian airline climate, further massive regional growth would result.

| | 1998 | 1999 | 2000 |
|---------------------------|------|------|------|
| A. Total Market Size | 3293 | 3380 | 3623 |
| B. Total Local Production | 1287 | 1365 | 1447 |
| C. Total Exports | 598 | 536 | 579 |

| | | | |
|--------------------------|------|------|------|
| D. Total Imports | 2604 | 2551 | 2755 |
| E. Imports from the U.S. | 1783 | 1882 | 2033 |

The above statistics are unofficial estimates.

4. Laboratory & Scientific Instruments (LAB)

The market for laboratory and scientific instruments made a remarkable recovery in 1999, due largely to the growth in the electronics, specialty chemicals and pharmaceuticals sectors. Demand is expected to increase, as growth for these sectors is likely to be sustained for 2000 to 2001. The recovery is also fuelled by the Singapore Government's efforts to develop the life sciences industry (comprising pharmaceuticals and medical device manufacturing) to become the fourth pillar of Singapore's manufacturing sector. The other three pillars are electronics, chemicals and engineering. The Singapore Government will spend US\$600 million to attract world-class private sector research and development investments into the life sciences industry. It also aims to attract ten top manufacturers of life sciences products to locate their manufacturing bases here by 2010. The US\$4.0 billion development of the Jurong Petrochemical Complex presents a lucrative market for laboratory instrument vendors. Currently, there are 20 companies producing chemicals and petrochemical products with a total, fixed investment of US\$7.0 billion on the island.

Products from the U.S. have traditionally been favoured by end-users, and many U.S. manufacturers based in Singapore prefer to use U.S. products. In general, U.S. manufacturers of laboratory and scientific equipment have a credible standing for their technology and quality. About 40% of total imports are re-exported, mainly to neighboring countries.

| | 1998 | 1999 | 2000 |
|---------------------------|------|------|------|
| A. Total Market Size | 870 | 913 | 1010 |
| B. Total Local Production | 359 | 370 | 400 |
| C. Total Exports | 599 | 987 | 1090 |
| D. Total Imports | 1110 | 1530 | 1700 |
| E. Imports from the U.S. | 538 | 795 | 880 |

The above statistics are unofficial estimates.

5. Industrial Process Controls (IPC)

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% of Singapore's GDP. The Government actively promotes high value-added activities in front-end engineering and process technology development. In addition, the government's 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 the provision of total

integrated process solutions since customers must enhance 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 infra-structural, environmental, pulp & paper and power markets in Singapore and the Asian region.

| | 1998 | 1999 | 2000 |
|---------------------------|------|------|------|
| A. Total Market Size | 1478 | 1166 | 1650 |
| B. Total Local Production | 507 | 608 | 700 |
| C. Total Exports | 938 | 1071 | 1200 |
| D. Total Imports | 1598 | 2112 | 2200 |
| E. Imports from U.S. | 765 | 1049 | 1100 |

The above statistics are unofficial estimates.

6. Franchising (FRA)

Singapore has one of the highest per capita income (US\$28,620) in the world. It has a population of nearly 3.9 million which includes more than 600,000 foreign workers. Expatriate professionals form a significant number of foreigners here, estimated at 34% of the foreign population. Despite its small size, Singapore is home to many franchises from around the world, particularly from the United States. The market outlook for U.S. franchises is good, and the Singapore Government strongly promotes franchising as a form of business start-up and expansion. This push is not just for promoting local franchising but also for the acquisition of foreign master franchises.

Seven million foreigners visit Singapore, annually. They come as tourists as well as visitors to the major trade shows and conventions held in the city-state. With its well-developed infrastructure, Singapore serves as one of the region's principal distribution centers as well as showcase for imported products and services. It is, therefore, a good test market and springboard for U.S. franchisers wishing to enter the markets of the Asia Pacific region.

| | 1998 | 1999 | 2000 |
|---------------------------------|------|------|------|
| A. Total Sales | 2660 | 2750 | 2809 |
| B. Sales by Local Firms | 266 | 270 | 280 |
| C. Foreign Sales by Local Firms | 26 | 20 | 21 |
| D. Sales by Foreign-owned Firms | 2420 | 2500 | 2550 |
| E. Imports from the U.S. | 2180 | 2200 | 2240 |

The above statistics are unofficial estimates.

7. Electric Power Systems (ELP)

Singapore's consumption of electricity for 1998 and 1999 was 26,072 and 27,082 million-kilowatt hours, respectively. This represents a growth rate of nearly 4.0%. Singapore Power (SP) expects demand to grow at an average annual rate of about 5.0-6.0% in the next 10 years. Currently, SP is the largest electricity generation company with assets exceeding US\$7.0 billion. The electricity generating capacity of SP's generation stations is about 7,000 megawatts (MW) while Tuas Power (TP), the second largest generation company, produces 1,200 MW. SembCorp Cogen and Island Power Company are two smaller generation companies, producing mainly for chemical and petrochemical plants located in the Jurong Petrochemical Complex. PowerSenoko, currently owned by SP, is in the process of re-powering its Stage 1 Development. The 3x120 MW conventional thermal plant will be converted into a 3x360 MW combined-cycle plant. The first re-powered block will come into operation in early 2001. Tuas Power is in the process of building its Stage 2 unit (at a cost of more than US\$300 million). The unit comprises two blocks of combine-cycle plants, each with a generating capacity of about 360 MW. Black & Veatch is working with Mitsubishi in the construction of the plant. Imports from the U.S., in particular, high-powered and large-scale equipment, account for more than 20% of the share of total imports. Demand for U.S. equipment will be sustained in 2000 and 2001 with the on-going construction and re-powering projects. About 15% of total imports are re-exported, mainly to neighboring countries.

| | 1998 | 1999 | 2000 |
|---------------------------|------|------|------|
| A. Total Market Size | 2055 | 2183 | 2350 |
| B. Total Local Production | 1150 | 970 | 950 |
| C. Total Exports | 2119 | 1345 | 1400 |
| D. Total Imports | 3024 | 2558 | 2800 |
| E. Imports from the U.S. | 484 | 606 | 640 |

The above statistics are unofficial estimates.

8. Telecommunication equipment (TEL)

Singapore has one of the most advanced telecommunication infrastructures in the world. It invested \$3.0 billion in a high-speed nationwide internet backbone called, "Singapore ONE" to transform the country into an "Intelligent Island." Over 99.5% of homes in Singapore have telephones. With more than 1.8 million mobile phone users, Singapore has one of the highest mobile phone penetration rates (53%) in the world. It is one of the first countries to adopt number portability technology to facilitate switching between operators. Singapore also has a high paging penetration rate of nearly 34%, with more than 1.0 million subscribers serviced by four operators. Internet subscribers jumped from 393,600 in December 1998 to more than 1.7 million, at the end of May 2000. One in two households in Singapore has a PC, while 42% of homes have internet access.

The Singapore telecommunications industry was fully liberalized two years ahead of schedule, on April 1, 2000. The Singapore Government lifted the existing direct and indirect foreign equity limits of 49% for all public telecommunications services licenses from January 24, 2000. The liberalization of the Singapore telecom industry offers excellent opportunities for U.S. firms to enter the market. The Singapore Government is

actively and aggressively encouraging foreign info-communications organizations such as portals, web server farms, content creators, packagers and aggregators and delivery platform companies to invest in Singapore. It is especially interested in firms that can offer new services and new technology.

More than half of all telecommunication imports into Singapore are 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. Singapore depends heavily on imports as the indigenous manufacturing industry is small and dominated by foreign firms. There are excellent opportunities for U.S. firms to sell in this market as it is viewed as the world leader in telecommunication products and services. Singapore firms look to the U.S. and other developed countries for the latest state-of-the-art technologies. The major telecommunication companies in Singapore are also seeking partners for regional ventures.

| | 1998 | 1999 | 2000 |
|---------------------------|------|------|------|
| A. Total Market Size | 1174 | 1388 | 1500 |
| B. Total Local Production | 1882 | 2283 | 2600 |
| C. Total Exports | 3223 | 3877 | 4300 |
| D. Total Imports | 2515 | 2983 | 3200 |
| E. Imports from the U.S. | 358 | 369 | 400 |

The above statistics are unofficial estimates.

9. Pollution Control Equipment (POL)

Projects currently under implementation include the deep tunnel sewerage system project, the 4th incineration plant with a fifth incineration plant commencing possibly in 2001. 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 Singapore Government's plan to tighten air emission standards around the end of 2000 would imply that new air pollution control equipment would be purchased. Products from the U.S. have good market prospects, given that imports of environmental products from the U.S. currently account for more than 30% of the share of total imports. About 20% of total imports are re-exported, mainly to neighboring countries.

The Ministry of the Environment (ENV) is the authority on environmental matters and is the prime mover of environmental projects. The 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 have been eligible to bid for refuse collection contracts for nine different sectors; this exercise will take another 18 months to complete.

| | 1998 | 1999 | 2000 |
|---------------------------|------|------|------|
| A. Total Market Size | 405 | 400 | 430 |
| B. Total Local Production | 80 | 70 | 80 |
| C. Total Exports | 195 | 180 | 200 |

| | | | |
|--------------------------|-----|-----|-----|
| D. Total Imports | 520 | 500 | 530 |
| E. Imports from the U.S. | 180 | 150 | 180 |

The above statistics are unofficial estimates.

10. Construction Equipment (CON)

Last year (1999) was a year of slowdown for the Singapore construction industry. Construction demand, in terms of value of contracts awarded, fell by a third, from US\$9.0 billion in 1998 to US\$6.2 billion in 1999. Construction output also contracted by 20%. The good news is that the industry is on the path to recovery. With the Singapore economy back on track to sustain growth, the Building and Construction Authority's (BCA) view is that construction demand will grow in tandem. BCA's preliminary forecast shows that the amount of construction work for this year will reach US\$9.1 billion. Public housing and infrastructure construction will continue to underpin construction demand. The BCA also expects to see recovery in the private residential construction.

The Singapore Government is the main force behind this healthy construction climate; it has made commitments to major projects, such as the US\$1.2 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, school development contracts worth about US\$770 million are likely to be awarded by the Ministry of Education and the Land Transport Authority's US\$590 million, five-kilometer long, underground Marina MRT project will be awarded within this year. 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; there is minimal local assembly so that the market is dominated by imports.

| | 1998 | 1999 | 2000 |
|---------------------------|------|------|------|
| A. Total Market Size | 935 | 982 | 1046 |
| B. Total Local Production | 364 | 378 | 393 |
| C. Total Exports | 936 | 941 | 969 |
| D. Total Imports | 1507 | 1545 | 1622 |
| E. Imports from the U.S. | 593 | 552 | 580 |

The above statistics are unofficial estimates.

11. Building Products (BLD)

After a year-long decline in the demand from both the public and private sectors, the construction industry looks forward to an upswing in demand. The Building & Construction Authority (BCA) estimated that with the recovery of the Singapore economy, construction demand is expected to reach around US\$9.1 billion for the year 2000.

According to the BCA, the public sector alone is expected to award about US\$6.1 billion worth of projects, bringing its share of the total construction demand back to around 70%. Residential and institutional projects will dominate the public sector building programs; they should constitute around 85% of the total public sector construction demand.

On the public residential demand side, the Housing & Development Board (HDB) is expected to spend around US\$1.2 billion in constructing 24,000 new residential units and about US\$294.1 million in upgrading existing housing estates. Institutional construction demand, on the other hand, is expected to head for a two-fold expansion to US\$1.41 billion this year. School development contracts worth about US\$765 million are likely to be awarded by the Ministry of Education. Civil engineering construction demand is expected to reach US\$2.71 billion.

Another highlight of the government's infrastructure developments this year is the construction of the US\$588 million, a five kilometer long, underground Marina MRT Line with six stations linking Dhoby Ghaut to Stadium Boulevard.

Private sector construction demand is anticipated to reach US\$3.0 billion this year, an increase of 9.7% over 1999. Residential construction demand is expected to see a strong recovery with around US\$1.76 billion worth of contracts to be awarded. Condominium developments would constitute about 55% of these. Commercial construction demand in the private sector is forecast to reach US\$388 million, turning in a slight expansion of 1.7% over 1999. This bright outlook is driven by the imminent resumption of the expansion plans by multi-national corporations in Singapore and the strengthening of rental values and improvement of occupancy rates for prime office space. Institutional construction demand is anticipated to remain at a level comparable to that of 1999, with around US\$235 million worth of projects expected to be awarded.

Construction Outlook for 2001: With the economy well on track to sustain growth, gradual recovery in construction demand is likely to extend to the year 2001. BCA's preliminary forecast of the construction demand for next year pointed to a figure of US\$8.82 billion. Ambitious world-class rail system projects, Changi Airport Passenger Terminal 3 development, Singapore Management University, the Paya Lebar Expressway and the first desalination plant, should generate a considerable amount of construction demand next year.

These developments would provide great opportunities for U.S. firms to supply building materials, especially state-of-art building products to the Singapore construction industry.

| | 1998 | 1999 | 2000 |
|---------------------------|------|------|------|
| A. Total Market Size | 2913 | 2770 | 2908 |
| B. Total Local Production | 944 | 962 | 1010 |
| C. Total Exports | 1092 | 1133 | 1190 |
| D. Total Imports | 3061 | 2941 | 3088 |
| E. Imports from the U.S. | 250 | 254 | 267 |

The above statistics are unofficial estimates.

12. Pumps, Valves, Compressors (PVC)

The market for pumps, valves and compressors is projected to recover from the negative impact of the regional economic crisis, with growth from the chemical and pharmaceutical

sectors. The recovery presents good prospects for U.S. products, as the share of imports from the U.S. is about 30% of total imports. The following constructions should boost demand: Stage 2 of Tuas Power Station, the utility complex and chemical plants within the US\$4.0 billion Jurong Petrochemical Project, pharmaceutical plants of multi-national companies, country-wide deep-tunnel sewage system, and increase in oil exploration and drilling. The proposed 480-kilometer gas pipeline from West Natuna (Indonesia) to Singapore which is expected to be completed by the end of 2001, will also bolster the market. About 30% of the imports are re-exported, mainly to neighboring countries.

| | 1998 | 1999 | 2000 |
|---------------------------|------|------|------|
| A. Total Market Size | 721 | 711 | 765 |
| B. Total Local Production | 330 | 325 | 365 |
| C. Total Exports | 679 | 658 | 715 |
| D. Total Imports | 1070 | 1044 | 1115 |
| E. Imports from the U.S. | 311 | 309 | 320 |

The above statistics are unofficial.

13. Medical Devices

Singapore's healthcare service is comparable to those of developed nations. In 1998, Singapore's total government healthcare expenditure was US\$1.1 billion or 1.2% of its GDP. Per capita healthcare spending by the government was about US\$350. Government hospitals account for about 70% of the total number of hospital beds in Singapore. Singapore is renowned for its role as the healthcare hub for the region, treating patients from Malaysia, Indonesia, Thailand, Brunei and the Philippines. From 2001, the Singapore Government will implement a nationwide screening program, costing US\$4.0 million, for Singapore residents aged 55 and above. Market growth in the next two years is expected to be about 5.0% as hospitals continue to purchase new equipment for replacements and as new technologies are continuously introduced. The economic recovery in neighboring countries has contributed to higher patient admissions in 1999, thus motivating hospitals to increase purchases of new equipment to upgrade their services. U.S. products account for a 38% share of the import market. Demand for equipment to diagnose and treat cancers and heart diseases would continue to have good market prospects. More than 40% of total imports are re-exported, mainly to neighboring countries.

| | 1998 | 1999 | 2000 |
|---------------------------|------|------|------|
| A. Total Market Size | 285 | 217 | 225 |
| B. Total Local Production | 716 | 624 | 655 |
| C. Total Exports | 794 | 819 | 860 |
| D. Total Imports | 363 | 412 | 430 |
| E. Imports from the U.S. | 150 | 157 | 163 |

The above statistics are unofficial estimates.

14. Computer Hardware and Peripherals (CPT)

The Singapore Government's vision to transform the country into a global "Info-Communications Technology" (ICT) capital with a thriving internet economy by the year 2010 should sustain the demand for computer equipment here. The republic was ranked the world's fourth most information driven economy 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.

Based on data released by the IDC, there are excellent opportunities for U.S. vendors of computer hardware to sell their products in the Asia region as it recovers from the economic downturn. This is especially true for Singapore, with its long tradition as an entrepôt since it serves as a major distribution center for the region. It re-exports more than two thirds of all its computer imports. U.S. products are well-received in Singapore as the U.S. is seen as the source for state-of-the-art equipment.

| | 1998 | 1999 | 2000 |
|---------------------------|-------|-------|-------|
| A. Total Market Size | 1302 | 1639 | 1700 |
| B. Total Local Production | 16294 | 16199 | 13700 |
| C. Total Exports | 20372 | 19809 | 17500 |
| D. Total Imports | 5379 | 5249 | 5500 |
| E. Imports from the U.S. | 948 | 862 | 700 |

The above statistics are unofficial estimates.

Best Prospects for Agricultural Goods and Services

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

Dairy Products PS&D:022/023/024

The European Union (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.

| | 1998 | 1999 | 2000 |
|-------------------|------|------|------|
| Total Market Size | 151 | 165 | 178 |

| | | | |
|------------------------|-----|-----|-----|
| Total Local Production | 0 | 0 | 0 |
| Total Exports | 75 | 80 | 82 |
| Total Imports | 226 | 245 | 260 |
| Imports from the U.S. | 10 | 18 | 20 |

Fresh Vegetables PS &D Code 054

Singapore imports practically all the vegetables it consumes, domestically. The high per capita 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, the 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 revival 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 (with an approximate 60% market share) of frozen vegetables to the Singapore market. In this category, frozen french-fried potatoes are the dominant product. Other significant product categories include frozen prepared and cut vegetables.

| | 1998 | 1999 | 2000 |
|------------------------|------|------|------|
| Total Market Size | 128 | 130 | 133 |
| Total Local Production | 0 | 0 | 0 |
| Total Exports | 59 | 45 | 47 |
| Total Imports | 187 | 175 | 180 |
| Imports from the U.S. | 16 | 16 | 17 |

Fruit & Nut , Fresh and Dried

Fresh fruit imports form one of the major categories of agricultural imports into the country. As Singapore produces no 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, pitted fruit and oranges.

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

| 1998 | 1999 | 2000 |
|------|------|------|
|------|------|------|

| | | | |
|------------------------|-----|-----|-----|
| Total Market Size | 179 | 192 | 199 |
| Total Local Production | 0 | 0 | 0 |
| Total Exports | 103 | 106 | 107 |
| Total Imports | 282 | 298 | 305 |
| Imports from the U.S. | 62 | 52 | 58 |

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, power and telecommunication industries offers significant opportunities for U.S. firms to participate 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 subway system and expansion of the airport will result in good opportunities for U.S. participation.

Chapter 6. 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, power, 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% of all imports into Singapore enter the country duty-free. The only exceptions are heavy tariffs on the import of motor vehicles, 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%. 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% = 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 has no 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:

(Chinese family names often precede given names; they are indicated in upper case letters)

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

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 and videos, arms and ammunition. Companies wanting export controlled items to 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 must be licensed or registered. However, most over-the-counter vitamins and food supplements need not be licensed. If a U.S. company has any concerns regarding licensing of its products, these can be addressed by contacting the Ministry of Health or by requesting its potential distributor to submit samples to the Ministry of Health.

There is also labeling and advertising legislation which applies to the sale of vitamins and supplements. Generally, labeling laws require that: 1) the composition of the products be disclosed in English; 2) labels/packaging 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, providing 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, silencers and other items. A full list of prohibited products can be obtained from the Trade Development Board website, www.tdb.gov.sg/ieinfo/ie_home.html.

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, satellite dishes and receivers, 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. The PSB is the national standards and certification authority.

The 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 the 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 the PSB. A list of accredited laboratories and national certification bodies is also available from the PSB. U.S. suppliers of these products planning to expand sales into Singapore should check with the Consumer Protection Agency and the PSB before exporting.

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

For the construction industry, the Building and Construction Authority uses the Construction Quality Assessment System (CONQUAS) to objectively rate building works. Details of the system are available at their website, www.bca.gov.sg.

Free Trade Zones/Warehouses

Singapore has seven Free Trade Zones (FTZ); six for seaborne cargo and one is 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, and they can also be processed and re-exported with minimum customs formalities.

The FTZ's at the port facilitate entrepôt 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.

The Port Authority of Singapore (PSA) is the single largest owner of warehouse space in Singapore, managing over 500,000 sq. meters of space. It manages the Tanjong Pagar, Alexandra and Pasir Panjang Distriparks. Located close to the port and within easy reach of the airport and Jurong Industrial hub, the PSA distriparks are home to many established multinationals. The distriparks in varying designs and sizes, cater to a host of Central Distribution Center operators, manufacturers, traders, forwarders and others.

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% of its content originates from any member states. The 40% local content requirement refers to both single country and cumulative ASEAN content.

Chapter 7. 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. The Government is presently pursuing a strategy to upgrade Singapore into a technology and innovation-driven knowledge-based economy (KBE) in response to stiffer competition from lower cost countries for exports and investment, and increased economic globalization. To this end, the government is taking a bold, "creative destruction" approach to: liberalize the economy (particularly financial services, telecommunications and power); revamp the education system to emphasize computer and thinking skills; advance manpower development and enhance the country's physical infrastructure. It also provides financial incentives and has modified laws and regulations to encourage research and development, and entrepreneurship in technology-intensive fields (called 'technopreneurship', locally).

In line with its plans to become a KBE, Singapore is actively encouraging multinational companies (MNCs) to establish knowledge-intensive manufacturing and service operations, and to foreign skilled professionals to settle and work in the city-state. Through MNCs, Singapore aspires to become a world-class player in

the electronics, chemicals, life sciences, engineering, communications and media, logistics, education, and healthcare industries. In addition, Singapore is aiming to attract MNCs to set up headquarters to manage their regional or global activities, and leading foreign banking and financial institutions to establish or upgrade operations. This is being done with the hopes of enhancing Singapore's status as an international financial center.

Openness to Foreign Investment

Singapore's open economy, which boasts the world's fifth highest per capita income of US\$28,620 (based on the World Bank's World Development Report 1999/2000 ranking of per capita gross national product or GNP in purchasing power parity terms), is dominated by government-linked companies (GLCs) and major foreign MNCs. GLCs straddle all major sectors of the economy, while MNCs are mainly concentrated in the electronics and chemicals industries. Foreign banks and financial institutions, and legal and accounting firms also populate the financial and business services sectors.

Besides its high per capita GDP, Singapore is also top ranked for its economic competitiveness. It was the world's most competitive economy as ranked by the World Economic Forum (WEF) in its Global Competitiveness Report 1999, and the world's second freest economy (after Hong Kong) according to the Heritage Foundation's annual Index of Economic Freedom. During the 1997/98 Asian economic crisis, the government took the opportunity to sharpen the country's competitiveness by implementing policies to reduce wage and business costs and further liberalize the economy, particularly the banking and financial services, telecommunications and, eventually, power industries.

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 government since independence in 1965. Through it, Singapore has evolved into a base for MNCs to engage in high-end manufacturing and product development, and coordinate regional procurement, production, marketing, and distribution operations. This has complemented 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 addition to policies aimed at gearing the local workforce and populace for a technology and innovation-driven new economy - as competition from countries with lower labor and land costs stiffens and economic globalization intensifies - Singapore actively woos MNCs to invest in knowledge-intensive manufacturing and service activities. Skilled foreign professionals are also sought out to work and settle in the city-state and contribute to Singapore's economy of just two million workers.

The knowledge-based industries that Singapore is targeting to attract MNCs are: electronics (especially semiconductor-related), chemicals, life sciences,

engineering, communications and media, logistics, education and healthcare. The government aims to diversify the economy into less cost-sensitive manufacturing-related services (such as product design, research and development, marketing and logistics), and “exportable” services (including regional/global headquarters and finance). These are areas that allow Singapore to exploit its comparative advantages in the region. Those are: a relatively well-educated and technology-savvy workforce, superior communications and logistical infrastructure and developed-country living standards.

Foreign investors are not required to enter into joint ventures or cede management control to local interests. The Singapore government does not generally restrict or discourage foreign investment either to protect local industries or for any other reason. However, notable exceptions exist in the armament manufacturing, domestic news media and broadcasting industries. They exist, too, in private property ownership, where investment opportunities are still relatively restricted. There has been a complete liberalization of the telecommunications sector as of April 2000, two years ahead of the original schedule, to secure Singapore’s position as a major information and communications hub in Asia. Foreign ownership limitations have also been recently lifted for local banking and insurance as well as power companies.

The Economic Development Board (EDB), the government’s lead agency for the formulation and implementation of economic and industrial development strategies, 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 highly responsive to changing business conditions and investor needs.

The Monetary Authority of Singapore (MAS), Singapore’s central bank, oversees the market-opening and reform measures 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. This is done with the view to spearhead Singapore’s drive to become an international financial center.

Conversion and Transfer Policies

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

The Singapore Dollar has depreciated against the U.S. Dollar since July 1997 (when it traded at a S\$/US\$ exchange rate of 1.43) when the Asian financial crisis erupted. The Singapore Dollar is expected to trade at about 1.7 to the U.S. Dollar in 2000, a slight weakening from average exchange rate of 1.69 recorded in 1999.

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, Burma 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, however, 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.

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. Instead, it

encourages companies to automate and re-engineer their work processes. To manage the foreign worker problem, the government sets a limit on the percentage of foreign workers that various industries may employ; it 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 investments relevant to Singapore's goal of becoming a knowledge-based economy and a global financial center.

Singapore's corporate income tax was lowered from 26% to 25.5% in this year's Government Budget.

Rights to Private Ownership and Establishment

Foreign and local entities may freely establish and operate their own enterprises in Singapore. Except for representative offices, where 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);
- foreign company: registered as a branch of the parent company under the Companies Act but not incorporated as a Singapore company; or
- 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 foreign ownership of real estate in Singapore. Under the Residential Property Act, foreigners may purchase freehold condominiums. They are, however, not permitted to own landed homes (houses) and apartments in buildings of fewer than six levels, even if they are leasehold properties, unless approval is first obtained from the Minister of Law. (Note: Recent easing of height controls, however, will allow more six-level high apartments to be built and hence increase the supply of properties available to foreigners.) 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.

Intellectual Property Rights

Singapore has enacted strong intellectual property rights (IPR) legislation in the areas of copyrights, patents and trade marks. Singapore notified the World Trade Organization (WTO) in 1999 that a series of recent amendments have brought its copyright and trademark laws into full compliance with the WTO's 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. Retail level IPR piracy remains a serious problem, however, as the smuggling of pirated OD products into the country continues, and the long-term effect of recently strengthened enforcement efforts is not yet clear. 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 receive 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 came into force in February 1995. Amendments to the IPR regime that came into effect in January 1996 and 1999 made Singapore's IPR regulations fully TRIPS-consistent. The new regime 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 came 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.

The Singapore government has, generally, interpreted the Copyright Law in such a way as to place a large portion of the responsibility for copyright enforcement on industry. Challenged by piracy stemming from the proliferation of optical disc technology, U.S. industry and the U.S. government have urged the Singapore Government to take greater initiative. Recognizing that rising piracy levels could discourage inflows of high-tech foreign investment and adversely affect its own plans to develop a knowledge-based economy, Singapore executed an unprecedented number of police raids on retail outlets and makeshift stalls in 1999. The enforcement authorities conducted over 2,700 raids, seized around 1.5 million IP-infringing OD products. They also arrested 1,980 suspected IP pirates. In 2000, the government has significantly increased police IP enforcement staff, although the problem of retail IPR piracy remains a serious concern.

Broad government initiatives have also addressed industry concerns to prevent 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 must release information about the order and the customer.

In August 1999, Singapore passed amendments to the Copyright Act to protect digital works and provide protection for works on the Internet. However, some IP industry representatives have expressed their concern that these amendments may offer too much immunity to Internet Service Providers for prosecution for copyright infringement. They worry, too, that the law allows a user to legally copy up to 10% of the bytes of a digital work.

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, the TDB unveiled a series of anti-piracy posters that were intended to highlight the harm to industry and consumers caused by IP pirates. Anti-piracy messages are posted in major music outlets and are printed on movie tickets and screened at most theatres before the beginning of each show. In May 2000, the TDB informed industry that it

intends to continue the PR campaign and plans to add anti-piracy messages in Chinese as well as English.

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 approximate US\$890,000 fine. In another case, 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 piracy was 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 publicize its efforts better and to stop piracy and 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 51% in 1999, with resulting business losses estimated at US\$50.3 million. Entertainment software piracy rates fell in 1999 to 65% (from 73% in 1998) with business losses estimated at US\$52.3 million. Piracy rates for films/videos held steady at 25% for both 1998 and 1999 with losses estimated at US\$8.0 million for each year. The rate of piracy for sound recordings was estimated at 20% with an approximate US\$2.0 million in losses in 1999. Singapore's overall piracy rates remain high compared to other nations of equivalent levels of wealth and development. IIPA estimates total piracy-related losses in 1999 at US\$114.6 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. It also 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.

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.

Efficient Capital Markets and Portfolio Investment

Singapore has a liberal exchange control regime, with virtually 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 215 (mainly foreign offshore) commercial and merchant banks. These financial institutions offer a full range of financial services from traditional retail banking (e.g., loans and deposits), 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 some 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 the MAS if their credit extended to any single non-resident client exceeds S\$5.0 million (US\$3.0 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. As part of these reforms, the MAS began to lift many of the restrictions on foreign banks in the domestic retail banking sector. In May 1999, it removed the 40% ceiling on foreign ownership of local banks. In October 1999, it granted "qualifying full bank" (QFB) licenses to four foreign banks (including Citibank) that would allow these banks to operate up to ten locations (branches or off-premise ATMs), freely re-locate their existing branches and share ATMs among themselves. It indicated that more QFB licenses would be issued in the next few years. In addition, the MAS issued another eight new restricted bank licenses and eight new "qualifying offshore bank" (QOB) licenses to Singapore-based foreign banks. QOB banks will have their Singapore dollar lending limit raised further to S\$1.0 billion (from S\$300 million) and will be allowed to accept Singapore Dollar funds from non-bank customers through swap transactions.

The government has also sought to boost the country's fund management industry by releasing an additional S\$35 billion (US\$20 billion) to private asset managers between 1997-2000 and liberalizing guidelines to encourage investment of national pension funds in professionally-managed funds. By mid-1999, the industry had grown to include 189 fund managers investing funds amounting to nearly S\$204 billion (US\$120 billion), as compared to 169 fund managers investing S\$112 billion (US\$88 billion) at year-end-1998.

To develop and provide a benchmark for its debt market, the government issued its first ten-year bonds in June 1998. It also encouraged statutory boards and government-linked corporations to issue their own development bonds. It relaxed restrictions against the internationalization of the Singapore dollar by allowing foreign entities to borrow in Singapore dollars, as long as the funds were converted to foreign currencies for use abroad. Additionally, it 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 S\$300 million (US\$175 million) by the World Bank, followed by a series of private issues by foreign corporations and government statutory boards. In 1999, the total amount of debt issued (excluding government securities) reached S\$19.5 billion (US\$11.4 billion), more than double that of 1998. Foreign entities accounted for nearly S\$4.0 billion (US\$2.3 billion) of this total. The MAS also raised the limit on offshore banks' Singapore dollar loans to residents to S\$500 million (US\$300 million).

The Singapore Exchange (SGX) included, as of mid-2000, 436 listed companies with a total market capitalization of S\$344 billion (US\$225 billion). Of these, 344 companies, with total market capitalization of S\$378 billion (US\$220 billion), were listed on the Main Board, and 92 companies with market capitalization of S\$5.9 billion (US\$3.4 billion) were listed on the SESDAQ. In 1999, the government announced new regulations allowing foreign companies to convert their foreign currency-denominated listing on the local exchange to Singapore dollars, while removing limits on local fund investments in foreign currency-denominated stocks. It began to reduce, and plans eventually to eliminate, fixed brokerage

commissions. Since September 1998, it has also approved the trading of new derivative contracts, including a variety of Singapore, Thailand and Hong Kong stock index futures contracts. This further solidified Singapore's futures and options exchange as one of the region's leading derivatives exchanges and provided investors in Singapore with an effective and efficient global risk management and trading facility.

In late 1999, the MAS announced a series of measures that significantly opened up the local securities market to foreign brokers. The government first passed the "Exchange Act" which demutualized and merged the previously separate securities and futures exchanges to create one integrated exchange starting December 1, 1999. The MAS then announced that the new Singapore Exchange (SGX) would admit an unspecified number of new members to the exchange starting July 2000. The plan is eventually to make the SGX a publicly-listed company and open up full access to the SGX by January 2002.

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. In January 2000, the Singapore Parliament approved a bill submitted by the Government to permit a limited number of foreign law firms to enter into joint ventures (including partnerships) or "formal alliances" with local law firms in an effort to upgrade the country's legal services sector. Under the new law, the Attorney General--in consultation with appropriate authorities - must approve such applications. These approved joint ventures and formal alliances will be permitted to market themselves as single service providers, competent to provide legal services in all areas in which the constituent firms are qualified to provide. Foreign lawyers in joint law ventures may practice Singapore law if they are registered to do so by the Attorney General, but may not appear before judicial and regulatory bodies. Foreign lawyers in formal alliances may prepare all the documents in cases involving the laws of more than one country, but cannot render legal opinions relating to Singapore law. The constituent firms may also share office premises, staff equipment, databases and other resources.

Political Violence

The Singapore political environment is stable. The ruling People's Action Party (PAP) has dominated Singapore politics since 1965, 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 usually 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. As of August 2000, the government will allow citizens to speak on all issues – certain

racial and religious matters excepted – without first having to obtain a police permit. This will be at a designated 'Speakers' Corner' in the city. There has been no political violence in Singapore in over thirty years. Tough internal security laws (the Internal Security Act), whose use in politically-related (especially communist) security cases has declined in recent years, are a factor in the maintenance of political order, but are secondary to other economic, social and cultural factors.

Corruption

Singapore is well known in business circles for its clean, corruption-free government. It was ranked as Asia's least corrupt country and the world's fifth least corrupt by the World Economic Forum (WEF). It was also ranked as the least corrupt country in Asia, and the seventh least corrupt in the world by the Berlin-based Transparency International. 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.

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.

Labor

Singapore's labor market is characterized by a small, comparatively well-disciplined labor force of two million, including nearly half a million unskilled foreign workers and about 100,000 skilled foreign professionals.

To control dependency on unskilled foreign labor, the government places a ceiling on the percentage of foreign workers certain industries may employ; and it 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. Generally, 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. Skilled and professional staff and those earning more than S\$2,000 per month (about US\$1,176) are given two to three-year employment passes which are generally renewable as long as the skills and qualifications continue to be relevant.

The Government also grants residency, liberally, to foreign professionals, academics and artists whose talents contribute to the country's overall development.

With Singapore and the region recovering from the Asian economic crisis, the supply of specialists with knowledge-based skills has tightened, 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 live and work in Singapore. Apart from setting up an efficient system to process applications for employment passes and permanent residency permits, the Government regularly extolls the contribution of "foreign talents" and offers companies 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 (covering manual laborers and vehicle operators but excluding seamen and domestic workers), 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.

Singapore's wage rates are among the highest in Asia, even though there was a nationwide wage cut arising from a reduction in employers' contribution to employees' Central Provident Fund (CPF) accounts - a government-managed retirement fund - from 20% to 10% in January 1999. It was, however, partially restored to 12% in April 2000. (Note: The cut in employers' contribution to CPF was 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 1.0% of wages paid to employees earning S\$1,500 per month (about US\$882) 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. This resulted in the loss of 122 worker-days. Although 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 15% of the work force is 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; it is staffed by a variety of government officials, including Members of Parliament from the ruling political party.

Foreign Trade Zones / Free Trade Zones

Singapore has six free-trade zones (FTZs) for seaborne cargo and one for airfreight. The FTZs 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.

Foreign Direct Investment Statistics and Outlook

Current surveys estimate that there are over 1,300 U.S. firms, and over 17,000 U.S. citizens in Singapore. According to U.S. Department of Commerce statistics, U.S. firms (manufacturing and services) had cumulative total assets worth US\$19.8 billion in Singapore in 1998.

New foreign manufacturing investment, which accounted for two-thirds of total manufacturing investment commitments, rose to US\$3.7 billion in 1999 from the US\$3.1 billion in 1998 as excess capacity was gradually drawn down and as global and regional demand picked up in tandem with the Asian recovery. Singapore is targeting to reach 1997's pre-crisis levels of about US\$5.0 billion in new manufacturing investments in 2000. It managed to secure US\$1.2 billion in the first quarter, a healthy 16% increase over the first quarter of 1999.

New U.S. manufacturing investment in Singapore - concentrated in the electronics and chemicals industries - totaled US\$2.1 billion in 1999 (up from US\$1.4 billion in 1998). The United States is Singapore's leading foreign investor, accounting for 57% of total foreign manufacturing investment commitments in 1999. Japan and Europe followed with 19% and 18% shares, respectively.

In recent years, the Singapore government has been attempting to complement the dominance of foreign MNCs in the economy by nurturing large, government-linked companies to become regional MNCs, and by assisting promising local small to medium sized enterprises to grow and upgrade.

Brief Description of Banking System

Singapore is an established financial center. It is the fourth largest foreign exchange trading center in the world and the fifth largest trader in derivatives. There are more than 700 local and foreign financial institutions in Singapore. The services provided include trade financing, foreign exchange, derivatives products, capital markets activities, loan syndication, underwriting, mergers and acquisitions, asset management, securities trading, financial advisory services and specialized insurance services.

The Monetary Authority of Singapore (MAS) performs all the functions of a central bank except issuance of currency, which remains 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; it is responsible for all matters relating to banks and other financial institutions. Besides regulating financial institutions, the MAS recently created the Financial Sector Promotion Department. The department aims to promote new financial activities, develop IT infrastructure and manpower resources for the financial sector, as well as design appropriate incentives to attract international financial firms to conduct activities in Singapore.

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 1999, loans to the private sector accounted for 82.9% of the banking system's assets while 17.1% went to the government. There is no separate category for state-owned enterprises as they are run like private companies.

Foreign Exchange Controls Affecting Trade

There is free movement of capital and profits in Singapore. Banks are required to consult the MAS 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 137 commercial banks in Singapore, comprising 31 full-license banks (of which eight were locally incorporated), 16 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% of plant and machinery costs and up to 65% 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-one 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.

The 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' 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, OPIC, as well as state and local bodies like the Small Business Administration offer a variety of programs to assist exporters with their financing and insurance needs. Firms seeking such assistance should contact the nearest Export Assistance Center.

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

American Express Bank Ltd.
16 Collyer Quay
Hitachi Tower
Singapore 049318
Tel: (65) 538-4833 Fax: (65) 534-3022
Website: americanexpress.com
General Manager: Mr. Edward Sadler

Bank of America
9 Raffles Place
Republic Plaza Tower 1
#18-00

Singapore 048619
Tel: (65) 239-3101 Fax: (65) 239-3137
Website: bankofamerica.com
Managing Director: Mr. Calm McCarthy

The Chase Manhattan Bank
150 Beach Road
35th Floor Gateway West
Singapore 189720
Tel: (65) 291-1298 Fax: (65) 392-7375
Website: www.chase.com
Chief Executive Officer: Mr. Morgan McGrath

Citibank
3 Temasek Avenue
#14-00 Centennial Tower
Singapore 039190
Tel: (65) 224-2611 Fax: (65) 224-8172
Website: www.citibank.com.sg
Country Chief Officer: Mr. Sunil Sreenivasan

Development Bank of Singapore Ltd.
6, Shenton Way,
DBS Building, Tower 1, 46th Floor,
Singapore 068809
Tel : (65) 220-1111 Fax : (65) 221-1306
Website: www.dbs.com.sg
Chief Executive Officer: Mr. John Olds

Bank One
9 Raffles Place
#29-02 Republic Plaza
Singapore 048619
Tel: (65) 438-2488 Fax: (65) 438-2070
Website: www.international.bankone.net
First VP & Region Head, Southeast Asia: Mr. Dennis Tortelli

First Union National Bank
30 Raffles Place, UOB Plaza 2
#11-20
Singapore 048624
Tel: (65) 395-2525 Fax: (65) 395-2526
Website: www.firstunion.com
Senior Vice President: Mr. Gwynno Master

Bank of Hawaii
77 Robinson Road
#10-03 SIA Building
Singapore 068896

Tel: (65) 538-5248 Fax: (65) 536-9430
Website: www.boh.com
General Manager: Mr. Donald J. Huse

Merrill Lynch International Bank Ltd
2 Raffles Link
Marina Bayfront
Singapore 039392
Tel: (65) 331-3888 Fax: (65) 331-3500
Website: www.ml.com

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
Website: www.jpmorgan.com
Managing Director: Ms. Jeanette Wong

The Bank of New York
1 Temasek Avenue
#02-01 Millenia Tower
Singapore 039192
Tel: (65) 432-0222 Fax: (65) 337-4302
Website: bankofny.com
Managing Director: Mr. Jai Arya

The Northern Trust Company
80 Raffles Place
#46-02 UOB Plaza 1
Singapore 048624
Tel: (65) 437-6666 Fax: (65) 437-6609
Website: ntrs.com
General Manager: Mr. Jeffrey Conover

Overseas-Chinese Banking Corporation Ltd.
65, Chulia Street OCBC Centre
Singapore 049513
Tel: (65) 535-7222 Fax: (65) 533-7955
Website: ocbc.com.sg
CEO: Mr. Alex Au

Overseas Union Bank Ltd.
1, Raffles Place,
OUB Centre,
Singapore 048616
Tel: (65) 533-8686 Fax: (65) 530-2213
Website: www.oub.com.sg
President & CEO: Mr. Peter Seah

Republic National Bank of New York
143 Cecil Street
#01-00 GB Building
Singapore 069542
Tel: (65) 224-0077 Fax: (65) 225-5769
Managing Director: Mr. John C. Hanson

United Overseas Bank Group Ltd.
80, Raffles Place, OUB Plaza,
Singapore 048624
Tel: (65) 539-2000 Fax: (65) 534-2334
Website: www.uobgroup.com
Chairman: Mr. WEE Cho Yaw

Chapter 9. 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 same 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 2001 are listed below:

| | | |
|--|----------------------|-------------------------------------|
| January 1, Monday | - | New Year's Day |
| January 15, Monday | - | Birthday of Martin Luther King, Jr. |
| January 24 & 25, Wednesday & Thursday | - | Lunar New Year |
| February 19, Monday | - | Washington's Birthday |
| March 6, Tuesday | - | Hari Raya Haji |
| April 13, Friday | - | Good Friday |
| May 1, Tuesday | - | Labor Day (Singaporean) |
| May 7, Monday | - | Vesak Day |
| May 28, Monday | - | Memorial Day |
| July 4, Wednesday | - | Independence Day |
| August 9, Thursday | - | National Day (Singaporean) |
| September 3, Monday- | Labor Day (American) | |
| October 8, Monday | - | Columbus Day |
| November 11, Monday | - | Veteran's Day |
| November 14, Wednesday | - | Deepavali** |
| November 22, Thursday | - | Thanksgiving |
| December 16 & 17 Sunday & Monday | - | Hari Raya Puasa |
| December 25, Tuesday | - | Christmas Day |

** This date may change according to the Indian Almanacs.

Business travelers to Singapore seeking appointments with U.S. Embassy Singapore officials are encouraged to schedule an appointment with Commercial Officers prior to departure from the U.S. The Commercial section can be reached by telephone at (65) 476-9037, fax at (65) 476-9080, or email at commerce@pacific.net.sg.

Workweek

Singapore is twelve hours ahead of Eastern Daylight Savings (or thirteen hours ahead of E.S.T). Business hours normally are 8:30 a.m. - 5:00 p.m., Monday-Friday, 8:30 am – 1:00 p.m., Saturday. Shops are open from 10:00 am – 9:00 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 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. International 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 telecommunications system. Public telephones accepting cash cards or cash are located throughout. 'Cyber cafes' are also gaining in popularity, and internet connections are available in most hotels. 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 rain showers 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 for the traveller. 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% 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 6 on temporary goods entry requirement.

Chapter 10. Economic and Trade Statistics

Indicators on Domestic Economy

(Note: Data is given in US\$ million units, unless specified otherwise. Data are converted from S\$ values to US\$ terms. As such, they may be lowered by the relatively weaker Singapore currency in 1999 and 2000.)

| | 1998 | 1999 | 2000 (Est.) |
|---|---------|---------|-------------|
| GDP at current prices | 82,951 | 85,196 | 90,000 |
| GDP Growth Rate (%) (year-on-year) | 0.4 | 5.4 | 6.5 |
| GDP per capita (US\$) | 21,828 | 21,818 | 21,752 |
| Government spending as a% of GDP (%) | 10.0 | 9.7 | 10.0 |
| Inflation (%) | -0.3 | 0.0 | 1.5 |
| Unemployment (%) | 2.3 | 3.3 | 3.3 |
| Foreign Exchange Reserves (US\$ billion) | 75,028 | 77,176 | 77,000 |
| Average Exchange Rate (S\$ per US\$) | 1.67 | 1.69 | 1.70 |
| Foreign Debt Service Ratio | 0 | 0 | 0 |
| U.S. Economic Military/Economic Assistance | 0 | 0 | 0 |
| Total Country Exports (Domestic plus re-exports of transshipments) | 110,038 | 114,964 | 137,000 |
| Total Country Imports | 101,715 | 111,326 | 136,000 |
| Exports to U.S. | 21,816 | 22,021 | 23,000 |
| (Domestic plus re-exports of transshipments) Imports from U.S. | 18,714 | 18,961 | 19,600 |

Foreign Direct Investment Statistics

TABLE A

Cumulative Foreign Investments In Manufacturing by Country of Origin, 1995-1998
(Measured by Gross Fixed Assets)

US\$ Millions

| | 1995 | 1996 | 1997 | 1998 |
|--------|---------|----------|----------|----------|
| U.S. | 9,468.0 | 10,529.7 | 13,022.0 | 12,042.3 |
| Japan | 8,461.3 | 9,100.8 | 9,932.0 | 9,268.6 |
| Europe | 6,845.6 | 6,819.4 | 7,807.8 | 6,950.9 |

| | | | | |
|-------------------------------|----------|----------|----------|----------|
| EU | 6,467.5 | 6,422.2 | 7,379.4 | 6,584.6 |
| UK | 2,331.0 | 2,158.7 | 2,250.8 | 1,982.6 |
| Netherlands | 2,599.1 | 2,643.1 | 3,417.3 | 2,961.9 |
| Germany | 667.4 | 787.2 | 887.0 | 886.1 |
| France | 508.0 | 477.3 | 458.0 | 420.7 |
| Other EU Countries | 361.9 | 356.0 | 365.7 | 332.8 |
| Switzerland | 258.9 | 283.7 | 319.9 | 286.2 |
| Other European Countries | 119.2 | 112.8 | 108.4 | 80.1 |
| Others Countries | 1,580.4 | 1,511.2 | 1,515.4 | 1,220.1 |
| Cumulative Foreign Investment | 26,356.0 | 27,961.1 | 32,277.1 | 29,482.0 |

Source: Economic Development Board

TABLE B

Net Foreign Investment Commitments In Manufacturing by Country of Origin, 1995-1998
US\$ Millions

| | 1996 | 1997 | 1998 | 1999 |
|--------------------------|---------|---------|---------|---------|
| U.S. | 1,656.6 | 1,631.6 | 1,370.1 | 2,116.1 |
| Japan | 1,391.4 | 1,368.5 | 1,088.8 | 696.1 |
| Europe | 985.1 | 958.8 | 621.4 | 671.9 |
| EU | 936.5 | 941.8 | 526.3 | 648.9 |
| UK | 282.0 | 299.8 | 5.1 | 54.1 |
| Netherlands | 367.2 | 259.1 | 26.3 | 110.3 |
| Germany | 174.7 | 81.7 | 312.3 | 372.1 |
| France | 41.9 | 182.9 | 82.7 | 56.7 |
| Italy | 38.2 | 117.9 | 53.7 | 50.1 |
| Sweden | - | - | 14.5 | 5.0 |
| Other EU Countries | 32.4 | 0.5 | 31.7 | 0.6 |
| Switzerland | 42.6 | 17.0 | 91.9 | 15.6 |
| Other European Countries | 6.0 | - | 3.2 | 7.4 |
| Others Countries | 74.3 | 57.6 | 34.9 | 207.6 |
| TOTAL | 4,107.4 | 4,016.6 | 3,115.1 | 3,691.7 |

Source: Economic Survey of Singapore, 1999

TABLE C

CUMULATIVE INVESTMENTS IN MANUFACTURING
BY MAJOR INDUSTRY GROUP, 1995-1998
(Measured by Gross Fixed Assets)

| US\$ Millions | 1995 | 1996 | 1997 | 1998 |
|---------------|------|------|------|------|
|---------------|------|------|------|------|

| | | | | |
|----------------------------------|----------|----------|----------|----------|
| Food, Beverages & Tobacco | 1,741.2 | 1,868.7 | 1,928.2 | 1,724.4 |
| Textiles | 149.6 | 148.9 | 130.0 | 110.5 |
| Wearing Apparel | 263.9 | 258.1 | 230.3 | 181.6 |
| Leather Products & Footwear | 36.7 | 27.7 | 35.7 | 31.1 |
| Wood & Wood Products | 98.1 | 93.6 | 92.9 | 98.6 |
| Paper Products | 612.4 | 635.4 | 639.1 | 574.2 |
| Publishing & Printing | 1,273.5 | 1,373.7 | 1,502.6 | 1,451.4 |
| Refined Petroleum Products | 6,011.7 | 6,379.0 | 6,360.5 | 5,623.8 |
| Chemicals & Chemical Products | 4,273.3 | 4,423.8 | 8,095.4 | 7,403.8 |
| Rubber & Plastics Products | 1,259.3 | 1,365.2 | 1,452.0 | 1,324.7 |
| Non-metallic Mineral Products | 884.7 | 1,024.8 | 1,155.0 | 1,015.2 |
| Basic Metal Industries | 382.4 | 378.7 | 341.5 | 314.3 |
| Fabricated Metal Products | 2,339.5 | 2,619.7 | 2,755.3 | 2,555.0 |
| Machinery & Equipment | 2,633.0 | 2,928.2 | 2,957.3 | 2,643.4 |
| Electrical Machinery & Apparatus | 1,330.6 | 1,331.8 | 1,360.5 | 1,174.1 |
| Electronic Products & Components | 9,590.1 | 11,522.6 | 12,710.8 | 12,478.5 |
| Instrumentation Equipment | 615.2 | 668.0 | 639.1 | 604.1 |
| Transport Equipment | 2,594.2 | 2,661.5 | 2,500.7 | 2,188.7 |
| Other Manufacturing Industries | 601.1 | 548.2 | 546.2 | 539.6 |
| TOTAL | 36,760.3 | 40,257.4 | 45,462.7 | 42,071.0 |

Source: Economic Development Board

TABLE D

NET INVESTMENT COMMITMENTS IN MANUFACTURING
BY MAJOR INDUSTRY GROUP, 1996-1998
 US\$ Millions

| | 1996 | 1997 | 1998 | 1999 |
|----------------------------------|---------|---------|---------|---------|
| Food, Beverages & Tobacco | 142.8 | 96.0 | 78.2 | 149.6 |
| Textiles | 1.6 | - | 6.1 | - |
| Wearing Apparel | 7.2 | 0.3 | - | - |
| Leather & Footwear | 0.3 | - | - | - |
| Wood & Wood Products | - | - | 11.6 | - |
| Paper & Paper Products | 2.0 | 2.0 | 21.3 | 1.5 |
| Publishing & Printing | 226.7 | 109.9 | 36.4 | 44.6 |
| Petroleum & Petroleum Products | 76.8 | 391.5 | 15.8 | 3.5 |
| Chemicals & Chemical Products | 1,953.6 | 1,508.4 | 1,741.0 | 1,557.3 |
| Rubber & Plastics Products | 73.0 | 74.2 | 98.1 | 49.9 |
| Non-metallic Mineral Products | 59.9 | 57.7 | 19.2 | 23.4 |
| Basic Metals | 6.7 | 75.4 | 6.0 | 8.5 |
| Fabricated Metal Products | 248.6 | 246.9 | 207.5 | 176.8 |
| Machinery & Equipment | 217.2 | 218.0 | 266.2 | 287.2 |
| Electrical Machinery & Apparatus | 3.8 | 83.8 | 98.9 | 66.5 |
| Electronic Products & Components | 2,466.2 | 2,563.2 | 1,821.2 | 1,941.5 |

| | | | | |
|---------------------------------|---------|---------|---------|---------|
| Instrumentation Equipment | 58.6 | 47.2 | 26.4 | 219.9 |
| Transport Equipment | 177.6 | 242.4 | 213.6 | 187.2 |
| Furniture & Other Manufacturing | 11.5 | - | 10.6 | 24.7 |
| TOTAL | 5,733.7 | 5,716.9 | 4,678.2 | 4,742.1 |

Source: Economic Survey of Singapore, 1999

TABLE E

SINGAPORE'S DIRECT EQUITY INVESTMENT ABROAD
BY COUNTRY OF DESTINATION, 1994-1997
US\$ MILLIONS

| | 1994 | 1995 | 1996 | 1997 |
|-----------------|----------|----------|----------|----------|
| Asia | 11,364.4 | 16,413.2 | 17,060.5 | 18,852.4 |
| ASEAN | 6,337.6 | 9,166.8 | 8,822.1 | 8,923.8 |
| Brunei | 50.4 | 24.7 | 17.7 | 10.8 |
| Indonesia | 1,307.5 | 2,331.7 | 2,177.9 | 3,144.5 |
| Malaysia | 4,255.6 | 5,443.1 | 4,925.2 | 4,213.4 |
| Philippines | 250.1 | 436.7 | 585.8 | 505.1 |
| Thailand | 473.4 | 689.3 | 729.7 | 483.6 |
| Vietnam* | 83.1 | 241.3 | 385.1 | 567.1 |
| Hong Kong | 3,234.3 | 3,819.7 | 3,321.0 | 3,785.0 |
| Taiwan | 324.7 | 402.1 | 370.9 | 392.6 |
| China | 1,003.7 | 2,174.4 | 3,604.7 | 4,564.3 |
| Japan | 112.0 | 278.7 | 253.2 | 340.8 |
| Others | 269.7 | 572.9 | 688.6 | 845.9 |
| Europe | 1,440.4 | 2,726.8 | 3,847.2 | 5,000.7 |
| Netherlands | 296.6 | 317.5 | 317.0 | 291.6 |
| U.K. | 608.9 | 1,726.4 | 2,804.1 | 3,884.7 |
| Others | 535.6 | 683.6 | 726.9 | 824.4 |
| Australia | 654.1 | 886.8 | 853.8 | 827.0 |
| U.S. | 1,100.6 | 1,473.8 | 1,613.4 | 1,750.4 |
| Other Countries | 4,928.0 | 6,116.8 | 6,569.0 | 9,610.7 |
| TOTAL | 19,487.4 | 27,617.5 | 29,944.0 | 36,041.2 |

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

Source: Yearbook of Statistics, 2000

TABLE F

TOP TEN FOREIGN INVESTORS IN SINGAPORE BY NATIONALITY
(1998/1999)

United States

| Company Name | Type of Business | Total Assets (SD Mil) | Total Sales (SD Mil) |
|------------------------|------------------|--------------------------|-------------------------|
| J.P. Morgan Securities | Investment | 15,801 | 10,089 |
| Compaq Asia | Electronics | 3,001 | 3,265 |
| Motorola Electronics | Electronics | 2,914 | 1,986 |
| Compaq Holdings | Electronics | 2,674 | 137 |
| Chase Manhattan | Banking | 2,303 | 143 |
| Du Pont Singapore | Chemicals | 1,439 | 712 |
| Caltex Trading | Petroleum | 1,383 | 20,074 |
| Caltex Singapore | Petroleum | 1,062 | 991 |
| Texas Instruments | Electronics | 967 | 3,429 |
| Maxtor Peripherals | Electronics | 887 | 3,673 |

Japan

| Company Name | Type of Business | Total Assets (SD Mil) | Total Sales (SD Mil) |
|---------------------|------------------|--------------------------|-------------------------|
| Nissho Iwai Int'l | Trading | 1,967 | 847 |
| Fuji Xerox | Office Equipment | 1,618 | 932 |
| Hitachi Asia | Trading | 1,510 | 4,203 |
| Asia Matsushita | Electrical | 1,425 | 5,761 |
| Nomura Singapore | Banking | 1,124 | 269 |
| Toshiba Capital | Finance | 952 | 4,870 |
| Sumitomo Coprn. | Trading | 790 | 2,761 |
| Suntory Pacific | Food | 590 | 525 |
| Cerebos Pacific | Food | 523 | 489 |
| Asahi Techno Vision | Electronics | 503 | 331 |

Europe

| Company Name | Type of Business | Total Assets (SD Mil) | Total Sales (SD Mil) |
|------------------------------------|------------------|--------------------------|-------------------------|
| Glaxo F.E. U.K. | Pharmaceuticals | 10,569 | 2,223 |
| Glaxo Wellcome U.K. | Chemicals | 8,532 | 2,009 |
| Prudential Assurance U.K. | Insurance | 3,159 | 789 |
| BP Singapore U.K. | Petroleum | 1,683 | 4,577 |
| STMicro Electronics Netherlands | Electronics | 923 | 2,009 |
| Inchape Motor U.K. | Transport | 495 | 686 |
| Thomson Multimedia France | Consultancy | 491 | 1,486 |

Malaysia

| Company Name | Type of Business | Total Assets (SD Mil) | Total Sales (SD Mil) |
|------------------------|------------------|--------------------------|-------------------------|
| Kuok Singapore | Finance | 3,825 | 791 |
| Sime Singapore | Consultancy | 554 | 634 |
| Tan Chong & Sons Motor | Transport | 371 | 366 |

Note:

- a. The total assets and sales are for 1998/1999.
- b. The 1998 and 1999 exchange rates were S\$ 1.6736 and S\$ 1.6949 per US\$ 1 respectively.

Source: "The Singapore 1000, 1999/2000", 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 qualify for complete exemption from the 25.5% 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% for up to ten years with provision for extension.

C) Investment Allowance Incentive: companies engaged in qualifying activities (for example, manufacturing, engineering services, 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%) 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 S\$ 200,000 (about US\$118,000) from a foreign lender to purchase production 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) Overseas Investment Incentive: companies eligible for this incentive must be involved in investments in overseas projects. The companies must be 50% 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% of equity invested overseas, against their other taxable income.

G) 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% (global HQs are eligible for full tax exemption). The incentive is given for up to 10 years with provision for extension.

H) Accelerated Depreciation Allowances: in lieu of the normal initial depreciation allowance of 20% and annual allowance of between 5.0% to 20% on capital expenditure, companies can claim an annual depreciation allowance of 33 1/3% over three years for all plants and machinery. They may also claim 100% in one year for prescribed automation equipment, robots and certain environmental-related equipment (e.g., energy-saving equipment). Industrial buildings may be depreciated over 25 years.

I) 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% owned by Singapore citizens or Singapore permanent residents, and incorporated and resident in Singapore for tax purposes.

J) 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.

K) 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.

L) 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.

M) 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.

N) 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% 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% 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% 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% 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 is 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%; 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%.

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%. 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% 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 receive a concessionary tax rate of 10% 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 11. U.S. and Country Contacts

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Website: www.sra.org.sg
President: Dr. Jannie Tay

Singapore/US Business Council
c/o Singapore Economic Development Board
250 North Bridge Road
Raffles City Tower
Singapore 179101
Tel: (65) 336-2288 Fax: (65) 336-5763
Website: www.sedb.com
Chairman: Dr. Tony Tan

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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

Instrumentation & Control Society Singapore
16A Lorong 37 Geylang
Singapore 387912
Tel: (65) 746-3441 Fax: (65) 749-0730
President: Dr. Philip Chin

Process Industry Contractors' Association (s)
2 Leng Kee Road
#6-08, Thye Hong Centre
Singapore 159086
Tel: (65) 475-4272 Fax: (65) 475-3125
Manager: Mr. Henri Tan

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

AUTOMATION & ELECTRONICS

Singapore Precision Engineering & Tooling Association
114 Balestier Road
Singapore 329679

Tel: (65) 291-6430 Fax: (65) 292-4517
Chairman: Dr. Ricky SOUW

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

The Association of Bank in Singapore
10 Shenton Way, #12-08 MAS Building
Singapore 079117
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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. SEOW Nee Shek

Life Insurance Association
30 Cecil Street
#23-04A Prudential Tower
Singapore 049772
Tel: (65) 438-8900 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

Singapore Exchange Ltd.
20 Cecil Street, #26-01/08 The Exchange
Singapore 049705
Tel: (65) 236-8888 Fax: (65) 533-6162

CEO: Mr. Thomas Kloet

COMPUTERS

GINTIC Institute of Manufacturing Technology
71 Nanyang Drive
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Managing Director: Dr. Frans M.A. Carpay

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

Infocomm Development Authority of Singapore
8 Temasek Boulevard, #14-00
Suntec Tower 3
Singapore 038988
Tel: (65) 211-0888 Fax: (65) 211-0222
Web site: <http://www.ida.gov.sg>
Chief Executive Officer: Ms. YONG Ying I

Singapore Computer Society
53 Neil Road
Singapore 088891
Tel: (65) 226-2567 Fax: (65) 226-2569
President: Dr. Alex Siow

Singapore IT Federation
77 Science Park Drive, #02-18 Cintech 8
Singapore Science Park
Singapore 118256
Tel: (65) 775-1927 Fax: (65) 778-4968
Web site: www.sitf.org.sg
Executive Director: Mr. CHUNG Seng Hong

CONSTRUCTION/PROPERTY

Association of Consulting Engineers, Singapore
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Building & Construction Authority
5 Maxwell Road
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MND Complex
Singapore 069110
Tel: (65) 325-8833 Fax: (65) 325-4800
Chief Executive Officer: Mr. TAN Siong Leng

Institution of Engineers, Singapore
70 Bukit Tinggi Road
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President: Engineer Professor CHEW Yong Tian

Real Estate Developers' Association of Singapore
190 Clemenceau Avenue, #07-01 Singapore Shopping Centre
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President: Mr. Daniel Teo

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Construction House,
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Singapore 159760
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President: Mr. TAN Kian Hoon

Singapore Institute of Architects
100 Selegie Road
Singapore 188308
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President: Mr. Edward Wong

Singapore Institute of Planners
c/o 23 Duxton Hill
Singapore 089606
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20 Orchard Road, SMA House
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Manager: Ms. Josephine Ong

Clean Technology & Environmental Management (CTEM)

20 Orchard Road, SMA House
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FILM, VIDEO & MUSIC

Rediffusion (Singapore) Pte. Ltd.
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FOOD

Singapore Fruits and Vegetables
Importers & Exporters Association
Blk 1 Wholesale Centre, #02-07
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U.S. Meat Export Federation
541 Orchard Road
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U.S. Poultry and Egg Export Council
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U.S. Wheat Associates
541 Orchard Road
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American Soya Bean Association
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Tel: (65) 737-6233 Fax: (65) 737-5849
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545 Orchard Road, #11-02
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President: Mr. S.J. Khafi

Singapore Jewelers Association
38C North Canal Road
Singapore 059294
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President: Mr. HO Nai Chuen

MARINE

Association of Singapore Marine Industries
1 Maritime Square, #10-32 World Trade Centre
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President: Mr. HENG Chiang Gnee

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Executive Secretary: Ms. CHUA Gek Eng

Singapore Dental Association
2 College Road
Singapore 169850
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President: Dr. Lewis Lee
Honorary Secretary: Dr. TAN Peng Hui

Singapore Association of Pharmaceutical Industry
151 Chin Swee Road, #02-13A, 14 Manhattan House
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President: Mr. Jimmy Chan

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Singapore Plastic Industry Association
15-B Lorong 4 Geylang
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President: Mr. CHEONG Chee Chiew

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

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 Council of Singapore
c/o Singapore Confederation of Industry
20 Orchard Road, SMA House
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Chairman: Mr. C. S. WONG

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Defense Science & Technology Agency
No.1 Depot Road, #22-01 Defence Technology Tower A
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Tel: (65) 373-2577 Fax: (65)373-3418
Director: Mr. TEO Chin Hock

Commercial and Industrial Security Corporation
20 Jalan Afifi, CISCO Center
Singapore 409179
Tel: (65) 747-2888 Fax: (65) 747-2275
Website: <http://www.cisco.com.sg>
General Manager/Chief Executive Officer: Mr. CHAN Boon Kiong

Defense Science & Technology Agency
No. 1 Depot Road, Defense Technology Tower A, #03-01J
Singapore 109679

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Director: Deputy Chief Exec. SOH Kong Pheng, Operation

DSO Laboratories
20 Science Park Drive, Singapore Science Park
Singapore 118230
Tel: (65) 772-7005 Fax: (65) 775-9011
Website: www.dso.org.sg
Chief Executive Officer: Mr. QUEK Tong Boon

Defence Procurement Division
Defense Science & Technology Agency
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Director: Mr. C. Manohara

Singapore Civil Defence Force
1500 Bendemeer Road
Singapore 339946
Tel: (65) 280-0000 Fax: (65) 284-2048
Website: www.mha.gov.sg/scds
Chief-of-Staff: Colonel Derek Pereira

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Ministry of Communications and Information Technology
460 Alexandra Road
39th Floor, PSA Building
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Website: www.mcit.gov.sg
Permanent Secretary: Mr. Alan Chan

Infocomm Development Authority of Singapore
8 Temasek Boulevard, #14-00
Suntec Tower 3
Singapore 038988
Tel: (65) 211-0888 Fax: (65) 211-0222
Web site: <http://www.ida.gov.sg>
Chief Executive Officer: Ms. YONG Ying I

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

Singapore Broadcasting Authority
140 Hill Street, #04-01
Nita Building
Singapore 099253
Tel: (65) 837-9973 Fax: (65) 336-8023
Website: <http://www.sba.gov.sg>
Chief Executive Officer: Mr. LIM Hock Chuan

1-Net Singapore Pte Ltd
750A Chai Chee Road
#07-01, Chai Chee Industrial Park 5
Singapore 469001
Tel: (65) 244-7888 Fax: (65) 244-7877
Website: <http://www.1-net.com.sg>
Chief Executive Officer: Mr. MOK Pak Lum

Association of the Telecommunications Industry of Singapore
30 East Coast Road
#03-41/42, Paramount Shopping Centre
Singapore 428751
Tel: (65) 334-4838 Fax: (65) 344-4838/344-0626
Website: <http://www.atis.org.sg>
President: Ms. Wendy Aw

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, #26-00
Comcentre
Singapore 239732
Tel: (65) 838-2800 Fax: (65) 235-2535
Chief Executive Officer: Mr. SIN Hang Boon

Starhub Pte Ltd (operational April 1, 2000)
51 Cuppage Road
#07-00
Singapore 229469
Tel: (65) 825-5000 Fax: (65) 721-5000
Chief Executive Officer: Mr. Terry Clontz

SingTel Mobile Pte Ltd
10 Eunos Road 8
Singapore Post Centre
Singapore 408600
Tel: (65) 838-8311 Fax: (65) 732-7672
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
31 Exeter Road
19th Storey Comcentre
Singapore 239732
Tel: (65) 838-3843 Fax: (65) 734-0661
Web site: <http://www.singnet.com.sg>
Chief Executive Officer: Mr. LEONG Shin Loong

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

StarHub Internet Pte Ltd
31 Kaki Bukit Road 3
#05-18/20, Techlink Lobby A
Singapore 417818
Tel: (65) 1800 825-7900 Fax: (65) 844-1312
Web site: <http://cyberway.com.sg>
Managing Director: Mr. KYONG Yu

UUNet
No. 6 Temasek Boulevard
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Tel: (65) 333-883 Fax: (65) 333-8839
Website: www.sg.uu.net
Managing Director: Mr. CHAN Kin Hung

DataOne
c/o Keppel T&T
No. 4, Aljunied Ave. 1, #02-01
Singapore 389978
Tel: (65) 1800-748-0101 Fax: (65) 787-8001
Website: www.d1.com.sg
Executive Director: Mr. Peter Moulson

C&W Network Services
c/o Cable & Wireless PLC
7 Temasek Boulevard #31-00
Suntec Tower One
Singapore 038987
Tel: (65) 477-5888 Fax: (65) 334-9041
Chief Executive Officer: Mr. David L. Lawrence

TEXTILES/APPARELS

Sewing Machine Traders Association
135 Middle Road, #03-02 Bylands Building
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Tel: (65) 338-2256 Fax: (65) 334-7738
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) 837-2816
President: Mr. KWONG Chi Khiong

Textile and Fashion Federation
60 Martin Road, #07-16 TradeMart Singapore
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TIMBER/FURNITURE

Singapore Timber Exporters' Association
2 Finlayson Green, #09-08 Asia Insurance Building
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President: Mr. Anthony K. Y. Lo

Singapore Precision Engineering and Tooling Association
114 Balestier Road
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President & Chairman: Dr. Ricky Souw

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Applied Research Corporation
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210 Twin Dolphin Drive, Redwood City, CA 94065-1402
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Regional Director (Western U.S.): Mr. QUEK Swee Kuan
Centre Directors: Mr. KOK Ping Soon, Mr. SOON Chin Yang

Singapore Economic Development Board-Washington
1100 New York Avenue
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Centre Director: Mr. YEOH Keat Chuan

Singapore Trade Development Board-New York
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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. Elena Mikalis, Tel: 202-482-3316, Fax: 202-482-3894

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

Overseas Private Investment Corporation: Tel: 800-424-6742

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American Chamber of Commerce in Singapore

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Website: www.amcham.org.sg
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Chapter 12. MARKET RESEARCH

Following is a bibliography of market research by the U.S. & Foreign Commercial Service; it is available via the internet at www.usatrade.gov:

List Of ISA FY 2000

1. Aircraft Repairing Equipment (APG)
2. Networking Hardware (CPT)
3. Industrial Process Control (PCI)
4. Telecommunication Services (TES)
5. Oil & Gas Field Machinery (OGM)
6. Industrial and Municipal Waste Recycling (POL)
7. Singapore Restaurant Franchise Market
8. Laboratory Instruments (LAB)
9. Automotive Parts and Accessories (APS)
10. Metalworking and Machine Tools (MTL)
11. Plastic Production Machinery
12. Medical Devices

List Of IMI FY 2000

1. Shawls
2. Medical Devices on SIA Aircraft
3. Survey on Singapore's Franchise Industry
4. New Telecom Authority
5. Health Survey
6. Telecommunications: Full Liberalization
7. Control on Encryption Products Lifted
8. Life Sciences
9. Information Technology Usage Survey 1999
10. Information Technology Household Survey
11. Regulations on Health Supplements
12. Health Care For The Elderly
13. Future Demand For Singapore Construction
14. Highlights Of The Singapore Chemicals Industry - 1999
15. Highlights Of The Singapore Electronics Industry - 1999
16. E-Commerce Highlights
17. GPS-Based Fleet Management System
18. Energy/Power Highlights

19. Life Sciences Highlights
20. Singapore 's Electronics Industry
21. The Singapore Spa Market
22. Trends in denim clothing

Following is a list of the U.S. Department of Agriculture Commodity Reports; they are available at www.fas.usda.gov:

1. Singapore Market Guide - Confectionery
2. Singapore Market Guide - Fresh Fruits
3. Singapore Market Guide - Non-alcoholic beverages
4. Singapore Market Guide - Seafood

Chapter 13. TRADE EVENT SCHEDULE

Singapore is a regional center for trade fair activity and hosts many events each year. The following is a partial list. Those marked with an * are events supported by the U.S. Government.

*LUMINAIRE

Profile: An International showcase & forum on luminaires, lighting components, light sources and lighting services for the Asia Pacific region.

Date: November 1 - 3, 2000

Venue: Singapore International Convention & Exhibition Centre

Frequency: Biennial

Organizer contact: Hannover Fairs Asia Pte Ltd, 84 Amoy Street, 3rd Floor, Singapore 069903

Tel: (65) 220-7633 Fax: (65) 220-9733

*OSEA 2000 - Offshore Southeast Asia 2000

Profile: Exhibition & conference on oil exploration & production technology; welding, surface treatment & joining technology; refining, LNG & petrochemical technology; geosciences.

Date: November 28 - December 1, 2000

Venue: Singapore International Convention & Exhibition Centre

Frequency: Biennial

Organizer contact: Singapore Exhibition Services Pte Ltd, 47 Scotts Road, 11th Floor, Goldbell Towers, Singapore 228233

Tel: (65) 738-6776 Fax: (65) 732-7667

*MANUFACTURING ASIA 2001

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: February 27 - March 2, 2001

Venue: Singapore Expo

Frequency: Biennial

Organizer contact: Singapore Exhibition Services Pte Ltd, 47 Scotts Road, 11th Floor,
Goldbell Towers, Singapore 228233
Tel: (65) 738-6776 Fax: (65) 732-7667

COMDEX ASIA 2001

Profile: Information technology tradeshow featuring computer systems, software, hardware and multimedia services.

Date: April 10 - 12, 2001

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

INDUSTRIAL AUTOMATION/LOGISMAT 2001

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: June 5 - 8, 2001

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

SIAL ASIA

Profile: Premier international food & beverage exhibition for Asia.

Date: June 5 - 8, 2001

Venue: Singapore Expo

Frequency: Biennial

Organizer contact: SIAL ASIA Pte Ltd, Pico Creative Centre, 20 Kallang Avenue, 2nd Floor, Singapore 339411

Tel: (65) 392-9269 Fax: (65) 392-9260

*COMMUNIC ASIA 2001/BROADCAST ASIA 2001

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

Date: June 19 - 22, 2001

Venue: Singapore Expo

Frequency: Annual

Organizer contact: Singapore Exhibition Services Pte Ltd, 47 Scotts Road, 11th Floor, Goldbell Towers, Singapore 228233

Tel: (65) 738-6776 Fax: (65) 732-7667

*GLOBAL FRANCHISING 2001

Profile: The 3rd international exhibition and conference for franchising, licensing and business opportunities.

Date: September 20 - 22, 2001

Venue: Singapore International Conference & Exhibition Centre

Frequency: Annual

Organizer contact: Singapore Exhibition Services Pte Ltd, 47 Scotts Road, 11th Floor,
Goldbell Towers, Singapore 228233

Tel: (65) 738-6776 Fax: (65) 732-7667