



DOING BUSINESS IN SINGAPORE

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Introduction

 **CAPITAL: SINGAPORE**

 **POPULATION**

Total Population: 5,638,676

Natural Increase: 0.5%

Density: 7,953 Inhabitants/km²

Urban Population: 100.0%

Population of main cities: Singapore is a city state (5,469,700)

Ethnic Origins: About 74% of Chinese origin, 13% of Malay origin, 10% of Indian origin and 3% of other origins. ([Statistics Singapore](#))

Official Language: English, Mandarin Chinese, Malay, Tamil.

Other Languages Spoken: Hakka, Cantonese, Teochew, other Chinese dialects.

Business Language(s): English is the most commonly spoken language. It unites the different ethnic groups and business community.

Religion: Buddhism, Islam, Taoism, Hinduism, Christianity and other religious communities, including Jews, Sikhs, Jains, etc.

National Currency: Singapore Dollar (SGD)

 **COUNTRY OVERVIEW**

Area: 719 km²

Type of State: Singapore is officially a Republic based on parliamentary democracy.

Type of Economy: High-income economy.

Southeast Asia's hi-tech and wealthy city-state. Based on banking and financial services, shipyards and oil refining. The leading world port in tons of goods transported.

HDI*: 0.912/1

HDI (World Rank): 11/188

Note: () [The HDI](#), Human Development Index, is an Indicator Which Synthesizes Several Data Such as Life Expectancy, Level of Education, Professional Careers, Access to Culture etc.*

 **TELECOMMUNICATION**

Telephone Code:

To call from Singapore, dial 001

To call Singapore, dial +65

Internet Suffix: .sg

Computers: 74.3 per 100 Inhabitants

Telephone Lines: 37.8 per 100 Inhabitants

Internet Users: 74.2 per 100 Inhabitants

Access to Electricity: 100% of the Population

Foreign Trade in Figures

Foreign Trade Indicators	2014	2015	2016	2017	2018
Imports of Goods <i>(million USD)</i>	366,247	296,745	282,925	327,689	370,881
Exports of Goods <i>(million USD)</i>	409,787	350,506	329,773	373,237	412,953
Imports of Services <i>(million USD)</i>	155,248	143,268	155,581	170,582	186,729
Exports of Services <i>(million USD)</i>	150,449	139,335	149,642	164,404	183,712

Source: WTO – World Trade Organisation, 2017

[See the latest updates in the Country Profile for Singapore.](#)

Latest Update: December 2019

Economic and Political Overview

ECONOMIC OUTLINE

Economic Overview

Singapore's economy is characterised by excellent finances and a high degree of openness, with the country being highly dependent on international trade. GDP grew 2.9% in 2018 and is expected to grow 2.5% in 2019 and 2.7% in 2020. [Coface](#) estimated 3% GDP growth in 2018 and also forecasts 2.5% GDP growth in 2019. Growth factors include its business-friendly regulatory system, 180% of GDP in exports and domestic demand.

The country's government balance was positive at 2.2% of GDP but is expected to fall to 1.6% in 2019 and 2020. Singapore's gross debt remained high at 112.9% of GDP in 2018 and is projected to increase slightly to 114.3% in 2019 and 115% in 2020. The country also had a 1% inflation rate in 2018; the IMF predicts 2019 and 2020 will have 1.4% inflation rates while Coface expects a similar 2019 rate at 1.3%. Economic challenges include slower exports due to Chinese economic slowdown, the U.S.-China trade war, decreasing global demand for electronics (13.5% of exports), a lagging construction sector, and a tight monetary policy, according to Coface. While public debt is high, financial assets held by the country more than compensate for it. Politically, the People's Action Party (PAP) has ruled since the country's independence in 1965. Economic stability and lack of clear opposition guarantee stability for Prime Minister Lee Hsien Loong's mandate, which ends in 2021. Political objectives include restructuring Singapore's economy by weaning its dependence on foreign labour, addressing weak productivity growth, and increasing wages. Other public actions strive to tackle the question of social inclusivity by introducing more household support measures, GST vouchers, education scholarships and providing more support to the disadvantaged.

Although per capita wealth in Singapore is amongst the highest in the region, unemployment has appeared due to structural economic changes (outsourcing of low-skilled work). Singapore's annual average unemployment rate reached 2.0% in 2018 and is expected to slightly decrease at 1.9% in 2019 and 2020 (IMF). According to [Labour Market Advance](#), Singapore had improvements in total employment and local employment, with annual average unemployment rates lower than in 2017. Social challenges include rising income inequality and social discontent caused by overpopulation, high competition for employment and housing, lack of skilled labour, an ageing population, and distrust towards immigration.

Main Indicators	2017	2018	2019 (e)	2020 (e)	2021 (e)
GDP (billions USD)	338.40e	364.14e	362.82	369.63	383.83
GDP (Constant Prices, Annual % Change)	3.7e	3.1e	0.5	1.0	1.6
GDP per Capita (USD)	60,297e	64,579e	63,987	64,829	66,950
General Government Balance (in % of GDP)	1.9	0.5e	1.0	0.5	0.3
General Government Gross Debt (in % of GDP)	109.5	113.6e	114.1	114.6	115.1
Inflation Rate (%)	0.6	0.4e	0.7	1.0	1.3
Unemployment Rate (% of the Labour Force)	2.2	2.1e	2.2	2.2	2.1
Current Account (billions USD)	55.41	65.07e	60.03	61.53	62.55
Current Account (in % of GDP)	16.4	17.9e	16.5	16.6	16.3

Source: IMF - World Economic Outlook Database, Latest available data

Note: (e) Estimated Data

Main Sectors of Industry

Singapore's economy is based on electronics, petrochemicals, trade, finance, and business services. The agricultural sector is almost non-existent except for cultivation of orchids, vegetables and fish for aquariums. Its contribution to [GDP \(0.03%\)](#) and [employment \(0.12%\)](#) is negligible, although the country's 2019 intends to increase food resilience by developing a new aquaculture centre ([The Straits Times](#)). The Singapore Food Agency (SFA) was also established in 2019 to promote food security. Singapore does not have mineral resources.

Singapore's economy is highly industrialised. The industrial sector represents [23.21% of GDP](#) and employs [16.19% of the population](#). Electronics and petrochemicals dominate the industry, which also includes biomedical sciences, logistics, and transport engineering ([GuideMe Singapore](#)).

The services sector contributes [70.44% of GDP](#) and employs [83.69% of the active population](#). It is dominated by trade, business services, transportation, communications and financial services. As a regional commercial hub, the Port of Singapore is one of the most important in the world. It ranks second in total volume of container transshipment traffic after Hong Kong. The 2019 Singapore Budget aims to reduce the foreign worker quota by tightening the Dependency Ratio Ceiling (DRC) or proportion of foreign workers employed by firms ([The Straits Times](#)).

Breakdown of Economic Activity By Sector	Agriculture	Industry	Services
Employment By Sector <i>(in % of Total Employment)</i>	0.5	16.5	83.0
Value Added <i>(in % of GDP)</i>	0.0	25.2	70.4
Value Added <i>(Annual % Change)</i>	-1.4	4.9	1.2

Source: World Bank, Latest available data.

Learn more about [Market Analyses about Singapore](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Indicator of Economic Freedom

Score: 89,4/100
 World Rank: 2
 Regional Rank: 2

[Economic freedom in the world \(interactive map\)](#)

Source: [2019 Index of Economic Freedom, Heritage Foundation](#)

Business environment ranking

Score: 8.65
 World Rank: 1/82

Source: [The Economist - Business Environment Rankings 2014-2018](#)

Country Risk

See the country [risk analysis](#) provided by [Coface](#).

Sources of General Economic Information

Ministries	Ministry of Trade and Industry (MTI) Ministry of National Development (MND) Ministry of Manpower (MOM) Ministry of Home Affairs (MHA) Singapore Economic Development Board (EDB)
Statistical Office	Department of Statistics
Central Bank	Monetary Authority of Singapore (MAS)
Stock Exchange	Singapore Exchange
Other Useful Resources	Government of Singapore
Main Online Newspapers	Online newspapers in Singapore
Economic Portals	Economy Watch The Strait Times Singapore Economy

POLITICAL OUTLINE

Type of State	Singapore is officially a Republic based on parliamentary democracy.
Executive Power	The President of Singapore is the head of State. The role of the President is largely ceremonial. Following legislative elections, the leader of the majority party or the leader of the majority coalition is usually appointed Prime Minister by the President as head of the Government. The Prime Minister enjoys all of the executive powers, which include implementation of the law and running day-to-day affairs.
Legislative Power	The legislature is unicameral in Singapore. The Parliament consists of 87 to 89 seats: 9 members of parliament (MPs) are directly elected from single-member constituencies, and the majority is elected in teams of between four and six to represent the 15 Group Representation Constituencies (GRCs). Parliament controls the action of the government. This depends on the support of parliament, often expressed by a vote of confidence.
Main Political Parties	<p>Although Singapore is a multi-party nation, the centre-right People's Action Party (PAP) has dominated its legislature since 1959 and continues to hold an overwhelming majority of the single-chamber parliament.</p> <p>Opposition parties are widely considered to have no real chance of gaining power. Some opposition groups include:</p> <ul style="list-style-type: none"> - Singapore Democratic Party (SDP): a liberal democratic party - Workers' Party of Singapore (WP): centre-left, opposition party with the most seats
Current Political Leaders	<p>President: Halimah Yacob (since 14 September 2017)</p> <p>Prime Minister: LEE Hsien Loong (since 12 August 2004) - PAP</p>
Next Election Dates	<p>Presidential: 2023</p> <p>Parliamentary: December 2020</p>

Indicator of Freedom of the Press

World Rank: 151/180

Source: [2019 World Press Freedom Index, Reporters Without Borders](#)

Indicator of Political Freedom

Ranking: Partly Free

Political Freedom: 4/7

Civil Liberties: 4/7

[Political freedom in the world \(interactive map\)](#)

Source: [Freedom in the World 2019, Freedom House](#)

Latest Update: December 2019

Trade Profile

FOREIGN TRADE IN FIGURES

Singapore's trade represented 322% of its GDP in 2017 ([World Bank](#)). The country ranks amongst the fifteen top importers and exporters of the world. Main exports include electrical machinery and equipment, mineral fuels followed by chemicals, and optical and medical equipment. Imports, on the other hand, were led by integrated circuits, refined petroleum and electrical machinery/equipment.

Main export destinations include China, Hong Kong and Malaysia while most imports arrived from China, Malaysia and the U.S. The greatest risk to Singapore trade was the U.S. exit from the Trans-Pacific Partnership in January 2017; however, a formal signing ceremony excluding the U.S. was held in March 2018. Trade and exports also fell in 2018 due to global trade tension, weakening demand for electronics ([The Strait Times](#)).

In 2017, Singapore exported for an amount of 173.3% of GDP but imported goods and services at 149.1% of GDP. The trade balance, therefore, was positive at USD 78.59 billion (World Bank). The strategy adopted by the country is to promote exports while minimizing barriers to imports. Singapore has signed the Asian Free Trade Area agreements (AFTA in the ASEAN context), the Trans-Pacific Partnership (TPP) and several bilateral agreements. All customs duties between Singapore and the E.U. are expected to disappear once the European Union-Singapore Free Trade Agreement is ratified by both countries ([The Straits Times](#)).

Foreign Trade Indicators	2014	2015	2016	2017	2018
Imports of Goods <i>(million USD)</i>	366,247	296,745	282,925	327,689	370,881
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Exports of Services <i>(million USD)</i>	150,449	139,335	149,642	164,404	183,712
Imports of Goods and Services <i>(Annual % Change)</i>	2.8	3.4	0.1	7.5	4.7
Exports of Goods and Services <i>(Annual % Change)</i>	3.6	5.0	0.0	5.7	5.1
Imports of Goods and Services <i>(in % of GDP)</i>	168.5	151.1	138.9	146.4	149.8
Exports of Goods and Services <i>(in % of GDP)</i>	192.0	178.4	165.6	171.4	176.4
Trade Balance <i>(million USD)</i>	86,695	92,570	87,146	92,498	98,372
Trade Balance (Including Service) <i>(million USD)</i>	73,803	84,077	84,706	84,631	96,727
Foreign Trade <i>(in % of GDP)</i>	360.5	329.5	304.5	317.8	326.2

Source: World Trade Organisation (WTO) - 2017; World Bank - 2017

Main Partner Countries

Main Customers <i>(% of Exports)</i>	2018	Main Suppliers <i>(% of Imports)</i>	2018
China	12.2%	China	13.4%
Hong Kong	11.8%	Malaysia	11.5%
Malaysia	10.9%	United States	11.4%
Indonesia	8.0%	Japan	6.0%

Main Customers <i>(% of Exports)</i>	2018
United States	7.7%
Japan	4.9%
South Korea	3.8%
Thailand	3.8%
Australia	3.1%
India	3.0%

Main Suppliers <i>(% of Imports)</i>	2018
Indonesia	4.1%
South Korea	3.8%
Saudi Arabia	3.4%
France	3.1%
Switzerland	2.7%
Germany	2.7%

Source: Comtrade, 2017

Main Products

411.7 bn USD of products exported in 2018	
Electronic integrated circuits and microassemblies	20.2%
Petroleum oils and oils obtained from bituminous minerals (excl. crude); preparations containing >= 70% by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, n.e.s.; waste oils containing mainly petroleum or bituminous minerals	12.6%
Turbo-jets, turbo-propellers and other gas turbines	2.9%
Gold, incl. gold plated with platinum, unwrought or not further worked than semi-manufactured or in powder form	2.7%
Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, n.e.s.	2.4%
Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras; still image video cameras and other video camera recorders; digital cameras	2.3%
Machines and mechanical appliances having individual functions, not specified or included elsewhere in this chapter; parts thereof	1.8%
Diodes, transistors and similar semiconductor devices; photosensitive semiconductor devices, incl. photovoltaic cells whether or not assembled in modules or made-up into panels (excl. photovoltaic generators); light emitting diodes; mounted piezo-electric crystals; parts thereof	1.8%

370.5 bn USD of products imported in 2018	
Electronic integrated circuits and microassemblies	17.3%
Petroleum oils and oils obtained from bituminous minerals (excl. crude); preparations containing >= 70% by weight of petroleum oils or of oils obtained from bituminous minerals, these oils being the basic constituents of the preparations, n.e.s.; waste oils containing mainly petroleum or bituminous minerals	14.7%
Petroleum oils and oils obtained from bituminous minerals, crude	7.5%
Turbo-jets, turbo-propellers and other gas turbines	3.8%
Gold, incl. gold plated with platinum, unwrought or not further worked than semi-manufactured or in powder form	3.6%
Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras; still image video cameras and other video camera recorders; digital cameras	2.4%
Automatic data processing machines and units thereof; magnetic or optical readers, machines for transcribing data onto data media in coded form and machines for processing such data, n.e.s.	2.1%
Parts of aircraft and spacecraft of heading 8801 or 8802, n.e.s.	1.9%

411.7 bn USD of products exported in 2018	
Parts of aircraft and spacecraft of heading 8801 or 8802, n.e.s.	1.6%
Polymers of ethylene, in primary forms	1.5%

370.5 bn USD of products imported in 2018	
Diodes, transistors and similar semiconductor devices; photosensitive semiconductor devices, incl. photovoltaic cells whether or not assembled in modules or made-up into panels (excl. photovoltaic generators); light emitting diodes; mounted piezo-electric crystals; parts thereof	1.7%
Petroleum gas and other gaseous hydrocarbons	1.5%

Source: Comtrade, 2017

See More Products [More imports \(Intracen Data\)](#)
[More exports \(Intracen Data\)](#)

MAIN SERVICES

145.8 bn USD of services exported in 2016	
Transportation	29.39%
Other business services	27.49%
Travel	12.99%
Financial services	11.28%
Computer and information services	6.99%
Royalties and license fees	5.07%
Insurance services	4.03%
Communications services	1.29%
Construction services	0.71%
Cultural and recreational services	0.57%
Government services	0.19%

161.5 bn USD of services imported in 2016	
Other business services	31.28%
Transportation	27.05%
Travel	14.76%
Royalties and license fees	11.46%
Computer and information services	6.93%
Insurance services	3.96%
Financial services	2.59%
Communications services	1.13%
Cultural and recreational services	0.38%
Construction services	0.31%
Government services	0.14%

Source: United Nations Statistics Division, Latest Available Data

Exchange Rate System

Local Currency Singapore Dollar (SGD)
 Exchange Rate Managed floating with no pre-determined path for the exchange rate.
 Regime
 Level of Currency Low
 Instability
 Exchange Rate on :

Monetary Indicators	2014	2015	2016	2017	2018
Singapore Dollar (SGD) - Average Annual Exchange Rate For 1 USD	1.27	1.37	1.38	1.38	1.35

Source: World Bank - Latest available data.

TRADE COMPLIANCE

International Conventions	<p>Member of World Trade Organisation</p> <p>Party to the Kyoto Protocol</p> <p>Party to the Washington Convention on International Trade in Endangered Species of Wild Fauna and Flora</p> <p>Party to the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal</p> <p>Party to the Montreal Protocol on Substances That Deplete the Ozone Layer</p>
Main International Economic Cooperation	<p>Singapore does not belong to any Customs Union. It is a member of the Asia-Pacific Economic Cooperation Organisation (APEC).</p> <p>It is a member of the ASEAN (Association of Southeast Asian Nations) , AFTA and the ASEAN - China Free Trade Area.</p> <p>It is a member of the ASEM (Asia-Europe Meeting)</p> <p>It is a member of the SEAT (Six East Asian Traders)</p> <p>Singapore is a signatory to multilateral and bilateral agreements with many countries. Visit: IESingapore.</p>
Party of the ATA Convention on Temporary Admissions and Use of the Carnets	<p>Yes</p> <p><i>As a Reminder, the ATA is a System Allowing the Free Movement of Goods Across Frontiers and Their Temporary Admission Into a Customs Territory With Relief From Duties and Taxes. The Goods Are Covered By a Single Document Known as the ATA Carnet That is Secured By an International Guarantee System.</i></p> <p>Look Up the Other Member Countries And Read the Web Pages of the World Customs Organization Devoted to the ATA Carnet.</p>
Party of the TIR Convention	<p>No</p> <p><i>As a Reminder, the TIR Convention and its Transit Regime Contribute to the Facilitation of International Transport, Especially International Road Transport, Not Only in Europe and the Middle East, But Also in Other Parts of the World, Such as Africa and Latin America.</i></p> <p><i>The UNCTAD Website Allows You to Read the TIR Convention, See the List of Member Countries And to Find Further Information.</i></p>
Accompanying Documents For Imports	<p>The following documents need to be presented at the Singapore customs: Bill of Lading/Airway Bill, Certificate of Origin, Commercial Invoice and Customs Valuation.</p>
Free Zones	<p>Singapore has five free trade zones, out of which, four are for seaborne cargo and one for airfreight.</p>
For Further Information	<p>Singapore Customs , Ministry of Finance Ministry of Trade and Industry (MTI)</p>
Non Tariff Barriers	<p>Import procedures in Singapore are very liberal. Most goods can enter the territory without any restriction. Only a few products, such as chewing gum and weapons, are banned. There is a licence system required for about 6% of the total amount of imports, which concerns fresh fruits and vegetables, plants, meat, animals, medicines, broadcasting products (automatic licences) and also some sensitive products likely to represent a risk to health or the State (non automatic licences). These licences are</p>

	generally issued by International Enterprise Singapore . Some other institutions may be involved such as the Ministry of Health .
Sectors or Products For Which Commercial Disagreements Have Been Registered With the WTO	Polyethylene and polypropylene, shrimp and shrimp products, and certain computer equipment. For more details, visit: WTO .
Assessment of Commercial Policy	Country's commercial policy , as seen by the WTO Barriers to exchanges , inventoried by the United States Barriers to exchanges , inventoried by the EU Sanitary and phytosanitary barriers , inventoried by the EU

Learn more about [How to Export to Singapore](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

STANDARDS

National Standards Organisations	Singapore Standards, Productivity and Innovation Board (SPRING SG)
Integration in the International Standards Network	SPRING represents Singapore in regional and international standards activities. Singapore is a member of : International Standards Organisation (ISO) International Electrotechnical Commission (IEC) Asia Pacific Economic Cooperation (APEC) Sub-Committee on Standards & Conformance (SCSC) ASEAN Consultative Committee for Standards & Quality (ACCSQ) Pacific Area Standards Congress (PASC) International Telecommunication Union (ITU)
Obligation to Use Standards	Compliance to Singapore Standards is voluntary in Singapore. However, obliging to these standards becomes mandatory when used by government bodies in regulations or administrative requirements for safety, environmental and health issues.
Classification of Standards	Visit: The SPRING Singapore: Standardisation Division , operated by SPRING Singapore.
Assessment of the System of Standardization	SPRING Singapore manages the Singapore Accreditation Council (SAC). SAC's primary function is to accredit conformity assessment bodies based on international standards. SAC mark is highly appreciated in Singapore and could lead to better business opportunities. For more details, visit: Sac Accreditation .
Online Consultation of Standards	Refer to " e-services " provided by SPRING Singapore.
Certification Organisations	Singapore Accreditation Council (SAC)
Associations of Standards Users	Infocomm Development Authority of Singapore (IDA) The Singapore Standardization Program

Latest Update: December 2019

Tax System

CORPORATE TAXES

Tax Base For Resident and Foreign Companies A company is considered as resident for tax purposes if the place where the central management and control of its business is located in Singapore.

Tax Rate

Corporate Income Tax	17% (with a 75% exemption of the first SGD 10,000 and a 50% exemption of the taxable income up to SGD 290,000)
	For the year of assessment 2019 (income year 2018), a 20% tax rebate is available. This rebate is capped at SGD 10,000.

Tax Rate For Foreign Companies Both resident and non-resident companies that carry on a business in Singapore are taxed on their Singapore-sourced income when it arises and on foreign-sourced income when it is remitted or deemed remitted to Singapore. Non-residents are subject to WHT on certain types of income (e.g. interest, royalties, technical service fees, rental of movable property) where these are deemed to arise in Singapore.

Capital Gains Taxation Singapore does not tax capital gains. Nevertheless, if the taxpayer trades securities, capital gains obtained on the disposition of shares may be included in the tax base and taxed at the same rate as ordinary income.

Main Allowable Deductions and Tax Credits

Bad trade debts and provisions for trade debts are deductible to the extent that they are incurred in the business and previously included as trading receipts. Doubtful debts are deductible if they are properly estimated and specific. General provisions for bad debts are not deductible.

The tax deduction for medical expenses is limited to 2% of total payroll if the employer provides for certain portable medical insurance or benefit schemes (or maximum 1% of total payroll).

Donations are deductible only if they are made in cash or another prescribed form and to an approved recipient. The deduction allowed for qualifying donations is generally 250% of the value of the donation.

Tax losses can be carried forward indefinitely (except unused donations for which the carryforward is limited to five years), provided that the company passes the shareholding test. Tax losses and unused donations can be carried back up to one year, capped at SGD 100,000 and subject to the shareholding test.

Various tax exemptions and incentive schemes exist to encourage investment and trading in the country. For an extensive list, visit the website of the [Inland Revenue Authority](#).

Other Corporate Taxes Property tax (0-16% for residential property occupied by its owner, 10-20% for residential property not occupied by its owner, 10% for non-residential property), stamp duty (applies only to financial instruments relating to stock shares and immovable property), and employment tax (monthly levy per foreign worker and training levy for all employees). The employer contribution to the social security fund is 17% of the gross salary (capped at SGD 6 000 per month). Visit the [IRAS](#) website for more details.

Other Domestic Resources [Inland Revenue Authority of Singapore](#)
[Consult Doing Business Website](#), to obtain a summary of the taxes and mandatory contributions.

Country Comparison For Corporate Taxation

	Singapore
Number of Payments of Taxes per Year	5.0
Time Taken For Administrative Formalities (Hours)	64.0
Total Share of Taxes (% of Profit)	20.6

Source: *Doing Business - 2017*.

Note: *The Greater the Index, the More Transparent the Conditions of Transactions. **The Greater the Index, the More the Manager is Personally Responsible. *** The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action. **** The Greater the Index, the Higher the Level of Investor Protection.

ACCOUNTING RULES

Accounting System

Accounting Standards Singapore's prescribed accounting standards ("Singapore Financial Reporting Standards" or SFRS) are aligned with those of the International Accounting Standards Board. The [Accounting Standards Council of Singapore \(ASC\)](#) develop, review, amend and approve accounting standards for use by companies, charities, co-operative societies and general societies. With permission of the securities regulator, public companies may also use IFRS Standards. Foreign companies, whose equity securities have a primary listing in Singapore are required to apply SFRS, IFRS Standards, or US GAAP, while those with a secondary listing are required only to reconcile their financial statements to SFRS, IFRS Standards or US GAAP.

Accounting Regulation Bodies [ACRA](#), Accounting and Corporate Regulatory Authority

Accounting Law The main accounting laws in the country are:
[Accounting and Corporate Regulatory Authority Act](#) ;
[Accountants Act](#) ;
[Business Names Registration Act](#) ;
[Companies Act](#) ;
[Limited Liability Partnerships Act](#)

Difference Between National and International Standards (IAS/IFRS) Singapore Financial Reporting Standards (SFRS), which are required for domestic public companies and one of the possible financial frameworks for foreign companies, are substantially converged with IFRS. SFRS for Small Entities, which apply to SMEs, are only marginally different from IFRS for SMEs Standard.

Accounting News [Singapore News](#)
[Accounting Standards in Singapore](#)
[Singapore News](#)

Accounting Practices

Tax Year	Calendar year (1 Jan to 31 Dec) and referred to as the Year of Assessment (YA). Income assessment for the YA is based upon the income derived from the previous calendar year (or basis year), although IRAS allows for businesses with a non-calendar accounting year end to use the accounting year as a basis year instead.
Accounting Reports	Income Tax Returns, Profit and Loss Statements, and Balance sheet.
Publication Requirements	<p>Each company has to produce a profit and loss account as well as a financial balance sheet. Accounting records must be kept for five years following the end of the business year of each transaction. Audited accounts must be filed with ACRA on an annual basis but companies are free to choose their tax year.</p> <p>A company is required to keep certain records in addition to accounting records, e.g. registers of substantial shareholders, debenture holders, directors' and chief executive officer's shareholdings, registrable controllers and nominee directors (if any).</p> <p>A foreign company is required to file its financial statements, together with the audited financial statements of the branch, within two months of the date of the annual general meeting of the head office, or within seven months from the financial year-end date if the head office is not required to hold an annual general meeting by law in the place of its incorporation.</p>

Accountancy Profession

Accountants	<p>In order to become a certified accountant, one needs to become member of "The Institute of Certified Public Accounts of Singapore" by passing a technical examination. The qualified accountant is then named "Certified Public Accountant Singapore (CPA-Singapore)".</p> <p>A CPA-Singapore provides services related to accounting & financial analysis, auditing, taxation, cost accountancy, etc.</p>
Professional Accountancy Bodies	Institute of Certified Public Accountants of Singapore
Member of the International Federation of Accountants (IFAC)	Yes
Member of Other Federation of Accountants	<p>Member of ASEAN Federation of Accountants (AFA)</p> <p>Member of International Federation of Accountants (IFAC)</p> <p>Member of Asia-Oceania Tax Consultants Association (AOTCA).</p>
Audit Bodies	<p>Companies have to seek a statutory auditor to conduct an annual audit of the financial health of their organisation. Dormant companies (companies with no significant accounting transactions during the fiscal year) and small companies are exempt from the statutory audit requirements that apply to other companies.</p> <p>You can consult the Institute of Internal Auditors (IIA).</p>

CONSUMPTION TAXES

Nature of the Tax	GST (Goods and Services Tax)
Standard Rate	7%
Reduced Tax Rate	Goods for export and international services are zero-rated. No other reduced rate are applicable in Singapore.

Exclusion From Taxation	Certain financial services (including life insurance), the sale or rental of residential properties, and the import and local supply of investment precious metals are GST-exempt.
Method of Calculation, Declaration and Settlement	GST of 7% is levied on goods and services supplied in Singapore and imported into Singapore. Individuals or businesses must register for GST if their annual turnover is more than SGD 1 million. Registered GST taxpayers must charge GST on supplies and pay GST on purchases. A registered taxable person is required to file a GST return on a quarterly basis no later than one month after the end of the relevant prescribed accounting period. Semi-annual or monthly returns are also eligible.
Other Consumption Taxes	Excise duties are imposed on intoxicating liquors, tobacco products, motor vehicles, and petroleum products.

INDIVIDUAL TAXES

Tax Base For Residents and Non-Residents	<p>A Singapore tax resident is a Singaporean citizen who normally resides in Singapore, or a foreigner who stays or works in Singapore for 183 days or more during the year preceding the year of assessment.</p> <p>An expatriate who enters Singapore on or after 1 January 2007 and stays or works in Singapore for a continuous period of at least 183 days spanning two calendar years will be considered a resident for those two years; irrespective of one's physical presence/employment period being less than 183 days in either or both the years.</p>
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Tax Rate

Taxable Income	Progressive rate from 0% to 22%
Up to SGD 30,000	0%
From SGD 30,001 to 40,000	2%
From SGD 40,001 to 80,000	7%
From SGD 80,001 to 120,000	11.5%
From SGD 120,001 to 160,000	15%
From SGD 160,001 to 200,000	18%
From SGD 200,001 to 240,000	19%
From SGD 240,001 to 280,000	19.5%
From SGD 280,001 to 320,000	20%
Over 320,000 SGD	22%
For more information	Access the tax calculator .

Allowable Deductions and Tax Credits	<p>Life insurance premiums are deductible but subject to certain conditions, and the total deduction (i.e. contributions to the CPF and life insurance premium) is restricted to SGD 5,000. A 250% deduction is granted for qualified donations to approved charities and foundations.</p> <p>Interest expense may be deductible, provided it is incurred wholly and exclusively in the production of taxable income. Mortgage interest is, therefore, deductible only where the property concerned yields income.</p> <p>No deductions are allowed for medical expenses or for any other personal or household expenditure.</p>
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Singapore citizens and permanent residents are allowed deductions against their taxable income for contributions made to the CPF or an approved pension/provident fund but subject to certain limits.

Several personal reliefs are also available (e.g. spouse, earned income, child reliefs, educational expenses, etc.).

For a full list of deductions and reliefs, consult the [Inland Revenue Authority](#) website.

Special Expatriate Tax Regime

Non-resident individuals are taxed at a flat rate of 22%, except that Singapore employment income is taxed at a flat rate of 15% or at resident rates with personal reliefs, whichever yields a higher tax. The [Not Ordinarily Resident \(NOR\) Taxpayer Scheme](#) allows an individual to be taxed only for the days spent in Singapore as well as to receive tax exemptions on contributions made by the employer to an overseas pension fund. To qualify for NOR status, an individual must have 3 consecutive non-resident YAs immediately prior to the first year of residency in Singapore. The status is granted for 5 consecutive YAs commencing on the first year as a Singapore tax resident.

Capital Tax Rate

There is no capital gains tax in Singapore. Property tax is levied on immovable properties in Singapore on the annual value (estimated annual rent at market price) of the property. The rate is progressive for residential properties and flat for non-residential properties. Employees who are Singapore citizens or Singapore permanent residents and working in Singapore are required to contribute to the Central Provident Fund, at a rate of up to 20% (up to a maximum contribution of SGD 1,200). Leases are taxed at 0.4% of the total rent for leases of up to four years or 0.4% of four times the average annual rent for the period of the lease for leases longer than four years. However, leases with average annual rents up to SGD 1,000 are exempt from stamp duty.

DOUBLE TAXATION TREATIES

Withholding Taxes

Dividends: 0; Interest: 0/15% (final rate)/17% (interests that are not eligible for the final rate); Royalties: 0/10% (final rate)/17% (royalties that are not eligible for the final rate)

SOURCES OF FISCAL INFORMATION

Tax Authorities

[Inland Revenue Authority of Singapore](#)
[Ministry of Finance, Singapore](#)

Other Domestic Resources

[Corporate Tax system presented by the Singapore Ministry of Finance](#)
[Personal Income Tax presented by the Singapore Ministry of Finance](#)
[Tax Academy of Singapore](#)

Learn more about [Service Providers in Singapore](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Learn more about [Taxes and Accounting in Singapore](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Legal Environment

BUSINESS CONTRACT

General Observation	It is very important to read the terms of the contract very carefully. The duty and responsibility of the vendor should be clearly mentioned in the contract. Singapore is the party to the United Nation Convention on Contract for the International Sale of Goods.
Law Applicable to the Contract	Contract Law in Singapore
Advisable Incoterms	Choose FOB or CIF . Even EXW is also chosen as organising domestic transport is very easy in Singapore.
Language of Domestic Contract	English
Other Laws Which Can Be Used in Domestic Contracts	The contract laws of Common Wealth nations, especially Australia and Canada

INTELLECTUAL PROPERTY

National Organisations	The organisation responsible for the protection of intellectual property in Singapore is the Intellectual Property Office of Singapore (IPOS) .
Regional Organisations	APEC Intellectual Property Rights Experts Group Association of South East Asian Nations -ASEAN
International Membership	Member of the WIPO (World Intellectual Property Organization) Signatory to the Paris Convention For the Protection of Intellectual Property Membership to the TRIPS agreement - Trade-Related Aspects of Intellectual Property Rights (TRIPS)

National Regulation and International Agreements

Type of property and law	Validity	International Agreements Signed
Patent Patents Act, 1995 Visit: Intellectual Property Office of Singapore	20 years (renewable)	Patent Cooperation Treaty (PCT)
Trademark Trade Marks Act, 2005 (revised) Visit: Intellectual Property Office of Singapore	10 years (renewable)	Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks

Type of property and law	Validity	International Agreements Signed
Design Registered Designs Act of 2000. Visit: Intellectual Property Office of Singapore	5 years and then renewable every 5 years up to a maximum of 15 years subject to payment of renewal fees.	
Copyright Copyright Act, 2005	The duration varies depending on the nature of work. Visit: Intellectual Property Office of Singapore .	Berne convention For the Protection of Literary and Artistic Works WIPO Copyright Treaty WIPO Performances and Phonograms Treaty
Industrial Models Layout-Designs of Integrated Circuits Act, 1999 Visit: Intellectual Property Office of Singapore	15 years (maximum from the date of creation)	

LEGAL FRAMEWORK OF BUSINESS

Equity of Judgments

Equal Treatment of Nationals and Foreigners	Foreigners can largely expect an impartial trial from the country's judicial system, especially in matters related to business.
The Language of Justice	English, Malay, Mandarin and Tamil.
Recourse to an Interpreter	English is a widely used language and hence an interpreter is not usually required.
Legal Similarities	The Constitution of 1959, amended in 1965. The country's legal system is based on English common law. Singapore has not accepted compulsory ICJ jurisdiction.

The Different Legal Codes

Overview of the Singapore legal system	For details, visit the web site of Singapore Academy of Law
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Checking National Laws Online	Law in Singapore Law Net
Other Useful Resources	Law Society of Singapore
Country Guides	GloLex , Legal System Guide Lawyerment Legal Guide

Learn more about [Lawyers and Legal in Singapore](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

The Jurisdictions

<p>The Supreme Court</p>	<p>Highest court in the country, headed by the 'Chief Justice'. It consists of the 'Court of Appeal' and the 'High Court'.</p> <p>The 'Court of Appeal' hears appeals against the decisions of High Court Judges in both civil and criminal matters. The Chief Justice sits in the Court of Appeal together with the Judges of Appeal. For more details visit:</p> <p style="text-align: center;">Supreme Court of Singapore</p>
<p>Subordinate Courts</p>	<p>The District Courts try all offences for which the maximum term of imprisonment provided by law does not exceed 7 years or which are punishable by a fine only. For details visit : The State Courts of Singapore</p>
<p>Industrial Arbitration Court (IAC)</p>	<p>The IAC enjoys the status of the High Court and handles exclusively industrial disputes. For more details visit:</p> <p style="text-align: center;">Industrial Arbitration Court</p>

Court Officials

<p>Attorney General of Singapore</p>	<p>The government's chief public prosecutor, he's assisted by the Solicitor General and a staff of deputy public prosecutors, all of whom are legally qualified and recruited through the Legal Service Commission.</p>
<p>Public Prosecutors</p>	<p>A public prosecutor represents the state in court and is equivalent to the US District Attorney. Public prosecutors are legally qualified and recruited through the Legal Service Commission.</p>
<p>Legal Service Officers</p>	<p>They are qualified lawyers employed by the Legal Services Commission of Singapore.</p>

Learn more about [Legal and Compliance in Singapore](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

INTERNATIONAL DISPUTE RESOLUTION

<p>Arbitration</p>	<p>Arbitration is recognized under Singaporean law as a legitimate method for settling disputes, used both in the domestic and international transactions.</p> <p>Moreover the Free-Trade policy of Singapore aims at solving all trade related disputes through consultation and trade-enhancing remedies, setting higher standards of openness and transparency.</p>
<p>Arbitration Law</p>	<p>Singapore Arbitration Act, 2001, based on United Nations Commission on International Trade Law Model Law.</p>
<p>Conformity to International Commercial Arbitration Rules</p>	<p>Party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.</p>
<p>Appointment of Arbitrators</p>	<p>Visit this website</p>
<p>Arbitration Procedure</p>	<p>For details, visit this website.</p>

Permanent Arbitration Bodies [Singapore Institute of Arbitrators](#)
[Singapore International Arbitration Center \(SIAC\)](#)
[Singapore Mediation Center \(SMC\)](#)

[Singapore International Chamber of Commerce \(SICC\)](#)

Learn more about [Lawyers and Legal in Singapore](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Reaching the Consumers

CONSUMER PROFILE

Consumer Profile

Singapore has a population of almost 6 million people (July 2018 est.), growing at a rate of 1.79% (2018 est.). 74.3% of the inhabitants are Chinese, 13.4% are Malay and 9% are Indian (2017 est.). A household in Singapore count in average 3.3 people, 12% of the households count one person, 39% of the households count 2 or 3 people, 38% of the households 4 or 5 people and 11% of the households 6 people or more. As Singapore is a city-state, 100% of the population is urban, and most of the population along the southern coast, with relatively dense population clusters found in the central areas.

There is 0.96 man per woman (2017 est.). The literacy rate is 98.7% among male population and 95.7% among the female population (2016 est.). The median age is 34.9 years. 12.77% of the population is between 0 and 14 years old, 16.05% of the population is between 15 and 24 years old, 50.61% of the population is between 25 and 54 years old, 10.53% of the population is between 55 and 64 years old and 10.03% of the population is 65 years old or older.

The unemployment rate is at 2.2% (2017). 0.7% of the population works in agriculture, 25.6% of the population works in industry and 73.7% of the population works in services.

Education spending usually makes up about 20 percent of the annual national budget, which subsidises state education and government-assisted private education for Singaporean citizens and funds the Edusave program. Non-citizens bear significantly higher costs of educating their children in Singapore government and government-aided schools. In 2000 the Compulsory Education Act codified compulsory education for children of primary school age (except those with disabilities), and made it a criminal offence for parents to fail to enrol their children in school and ensure their regular attendance. Exemptions are allowed for home schooling or full-time religious institutions, but parents must apply for exemption from the Ministry of Education and meet a minimum benchmark. The OECD consistently ranks the education system in Singapore as one of the best in the world. It is believed that this comes from the style of teaching that is implemented in Singapore. Teachers focus on making sure that each of their students thoroughly moves through the syllabus before moving on. By doing this, teachers in Singapore teach a much more narrow but deeper type of instruction.

Purchasing Power

GDP - per capita (PPP) in Singapore was USD 94,100 in 2017, growing from USD 90,900 in 2016. The Gini index is 45.8 (2016), putting Singapore in the 38th spot worldwide. Singapore's Private Consumption Expenditure was reported at USD 30.296 bn in Mar 2018, a decrease from the previous number of USD 31.194 bn for Dec. 2017. The consumption in percent of GDP has been constantly decreasing since 2014. Rising inflation levels poses a risk to Singapore's bright consumption outlook, as the prices of goods and services are expected to pick up pace from 0.5% in 2018 to 1.5% in 2019, according to Fitch Solutions. The average salary in Singapore is \$67,152. However, in 2017, the Economist Intelligence Unit (EIU) ranked Singapore as the most expensive city in the world. This makes it four years in a row that Singapore has managed to clinch this honour.

At a media roundtable today, MGI unveiled a 0.68 Gender Parity Score (GPS) for Singapore on gender equality in work – well above the APAC overall of 0.44, but still somewhat behind the best in the region (0.73). The GPS uses 15 indicators of gender equality in work and three types of gender equality in society: essential services and enablers of economic opportunity, legal protection and political voice; and physical security and autonomy. The research further revealed that the island nation doubled women’s labour-force participation from 28% in 1970 to 58% in 2016. Today, it is best in the region on physical security and autonomy.

Consumer Behaviour

The consumer in Singapore enjoys a high standard of living and is a keen buyer of foreign products. Singaporeans are not only brand conscious, but are also very loyal and cautious towards exploring alternatives: they like new products, but they stay loyal to familiar brand names. They like to experiment with new products only after feeling assured about their quality and customer care service. Consumers keep in mind factors such as price, quality and service when making purchasing decisions. Pricing has to be very competitive, as bargaining is commonplace. Increased spending power and more preferences that are sophisticated are driving demand for more premium products. Online shopping has grown due to the considerable tech-savvy population looking for bargains (80% of millennials have shopped online in the past 12 months, out of which 69% have done cross-border online shopping). High rates of home ownership have supported sustained demand for household-related goods and services, particularly from young first-time homebuyers.

A growing number of late-lifers is set to greatly influence the consumer landscape in the next years. Consumers are increasingly choosing to live healthier lifestyles, thus the growing demand for healthy foods and sustainable products. Singaporean, like other Asian consumers, are sensitive to environmental issues, though they are not willing to pay more or change their habits to support the cause. When the country’s major supermarket chains considered introducing a levy on plastic bags to ease the country’s waste problem, the idea received heated criticism from customers and the charge was abandoned. Consumers are also concerned by CSR, and a YouGov Omnibus research from 2017 finds that 88% of Singaporeans think businesses have a responsibility to do social good, and a majority (53%) of Singaporean consumers believe businesses have a responsibility to ensure that their supply chain is free from damaging practises, such as forced labor or (???)

Household Consumption Expenditure

Sector	Percentage
Food and non-alcoholic beverages	9.0%
Clothing and footwear	3.3%
Housing and utilities	9.0%
Furnishing and household equipment	5.6%
Health	5.5%
Transport	17.2%
Communication	4.6%
Recreation and culture	8.4%
Education	6.6%

Sector	Percentage
Miscellaneous goods and services	12.2%

Consumer Recourse to Credit Resorting to bank consumer credits has decreased, but the use of credit cards has grown following agreements signed between banks and distributors. Credit is commonly given for 30, 60 or 90 days. Currently, in the Singaporean market, credit cards are the most preferred method of payment. The debt situation in Singapore has been a topic of discussion for the past few years with more consumers not being able to manage their overall debt. Due to the rising consumer debt on the island, the government introduced TDSR rules (Total Debt Servicing Ratio) which prevented Singaporeans whose monthly payments were equal to about 60% of their income from taking out any further loans. The government is also constantly introducing programs to raise awareness regarding consumer debt in the country. A study conducted by Worldpay for their Global Payments Report 2016 concluded that by 2020, credit card use in Singapore is likely to fall by 24%.

Growing Sectors Computing, telecommunications, building products, university education services, gifts, cosmetics, health supplements, stationery, fitness equipment, household appliances, bags and accessories.

Consumers Associations [Consumer Association of Singapore](#)

Population in Figures

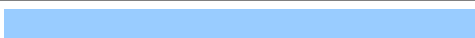

Total Population: 5,638,676
 Urban Population: 100.0%
 Density of Population: 7,953 Inhab./km²
 Men (in %) 50.3%
 Women (in %) 47.7%
 Natural increase: 0.47%
 Medium Age: 38.0
 Ethnic Origins: About 74% of Chinese origin, 13% of Malay origin, 10% of Indian origin and 3% of other origins. ([Statistics Singapore](#))

Population of main cities

Name	Population
Singapore is a city state	5,469,700

Source: [Statistics Singapore](#), 2014 - Latest available data.

Age of the Population

Life Expectancy in Years	
Men:	80.7 
Women:	85.2 

Source: [World Bank](#), last available data., 2009 - Latest available data.

Distribution of the Population By Age Bracket in %

Under 5:	4.1%	
6 to 14:	11.5%	
16 to 24:	14.2%	
25 to 69:	63.5%	
Over 70:	6.7%	
Over 80:	2.0%	

Source: [United Nations, Department of Economic and Social Affairs, Population Division, Prospects 2010](#)- Latest available data.

Household Composition

Total Number of Households (in million)	0.9
Percent of Households of 1 Person	12.2%
Percent of Households of 2 Persons	18.8%
Percent of Households of 3 or 4 Persons	43.2%
Percent of Households of 5 Persons and More	25.8%

Source: [UN data](#), 2011 - Latest available data.

Consumption Expenditure

Purchasing Power Parity	2017	2018	2019	2020 (e)	2021 (e)
Purchasing Power Parity (Local Currency Unit per USD)	0.86	0.86	0.85	0.84	0.84

Source: [IMF - World Economic Outlook Database, 2015](#)

Definition: Purchasing Power Parity is the Number of Units of a Country's Currency Required to Buy the Same Amounts of Goods and Services in the Domestic Market as USD Would Buy in the United States.

Note: (e) Estimated Data

Household Final Consumption Expenditure	2016	2017	2018
Household Final Consumption Expenditure (Million USD, Constant Price 2000)	108,125	111,780	114,853
Household Final Consumption Expenditure (Annual Growth, %)	2.7	3.4	2.7
Household Final Consumption Expenditure per Capita (USD, Constant Price 2000)	19,283	19,917	20,369
Household Final Consumption Expenditure (% of GDP)	36.0	35.6	n/a

Source: [World Bank, 2015](#)

Consumption Expenditure By Product Category as % of Total Expenditure	2013
Housing, water, electricity, gas and other fuels	20.5%
Recreation and culture	13.1%
Transport	11.8%
Restaurants and hotels	9.1%
Health	7.1%
Food and non-alcoholic beverages	6.8%
Furnishings, household equipment and routine maintenance of the house	5.3%
Education	3.8%
Clothing and footwear	2.4%
Communication	2.0%
Alcoholic beverages, tobacco and narcotics	2.0%

Source: [UN Data](#), Latest available data

Household Equipment

Main Consumer Durables as % of Households Owning Them	2008
Refrigerators	99.0%
Microwave ovens	55.0%
Washing machines	92.0%
Room air conditioners	71.0%
Vacuum cleaners	69.0%
Car/Station Wagon	35.0%
Motorcycle/Scooter	8.0%
Audio/Video Compact Disc Player	83.0%
Personal Computer	70.0%
Hand phone	89.0%
Video Camera	11.0%
Piano/Organ	12.0%

Source: [Statistics Singapore](#), Latest available data

Information Technology and Communication Equipment, per 100 Inhabitants	2012
Telephone Subscribers	149.5
Main Telephone Lines	37.8
Cellular mobile subscribers	149.5
Internet Users	74.2
PCs	74.3

Source: [International Telecommunication Union](#), Latest available data

MARKETING OPPORTUNITIES

Media in Which to Advertise

Television Singapore's media environment is highly controlled. Self-censorship is common. TV is the most expensive but also the most popular media of advertising in the country. Nearly all the households in Singapore have TV sets. Growth in traditional advertising segments like TV and print is slowing in dollar terms. MediaCorp, owned by a state investment agency, operates TV and radio stations.

Main Televisions

[MediaCorp TV](#)

Press The print media in Singapore is well developed and reaches nearly the entire population of the country. For now, print advertising remains the largest advertising segment in Singapore, accounting for 44.5% of the total advertising pie (Singapore Business Review). Nevertheless, overall print advertising is expected to decline by 2.1% per annum over the next five years.

Main Newspapers

[The Straits Time](#)

Mail Not so popular in Singapore, but is still used.

In Transportation Venues Out-of-Home advertising is used on a big scale in Singapore. Advertising space is widely available on rails, buses, taxis and other specialized mobile vehicles. There are further opportunities for the digital OOH market to grow by utilising new technologies in advertisements to interact directly with consumers and even act as a point of sale.

Market Leaders:

[Billboarders](#)

[SovereignAd-Singapore](#)

Radio Radio is by far the least expensive and most traditional form of mass advertisement in the country. It reaches almost entire population.

Main Radios

[MediaCorp Radio Class 95](#)

[SAFRA Radio](#)

[SPH UnionWorks](#)

[List of radio stations in Singapore](#)

Web Singapore has a well-developed broadband-internet and telecommunication systems, which has made it possible to use them as a new means for advertisement. Especially, Internet advertising is growing very fast in the country: there were 4.7 million internet users by 2016 (InternetLiveStats) and online advertising now represents 14.7% of total advertising expenditure in Singapore, nonetheless the direction is clearly moving towards an increase in online advertising (PwC). Display continues to be the largest internet advertising sub-component in Singapore, comprising 52.9% of the total online advertising revenues.

Market Leaders:

[IH Digital](#)

[DigitasLBI](#)

Main Advertising Agencies [Association of Accredited Advertising Agencies \(4As\)](#)
[List of regional advertising agencies](#)

Main Principles of Advertising Regulations

Beverages/Alcohol	In Singapore, alcohol advertisements are not allowed to be shown during programmes intended for children and young persons and during Malay-language programmes. Refer to Singapore Code of Advertising Practice (SCAP)
Cigarettes	Virtually all advertising of tobacco products is banned, with “advertising” defined very broadly to encompass most forms of direct and indirect advertising and promotion. Refer to Singapore Code of Advertising Practice (SCAP)
Pharmaceuticals/Drugs	For detailed information, consult the Health Sciences Authority's regulatory guidance on pharmaceutical products .
Other Rules	Refer to Singapore Code of Advertising Practice (SCAP)
Use of Foreign Languages in Advertisement	No language restrictions exist. English, Chinese and other local languages are used.
Organizations Regulating Advertising	Advertising Standards Authority of Singapore (ASAS)

Learn more about [Sales in Singapore](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Selling

MARKET ACCESS PROCEDURES

Customs Procedures

Import Procedures	<p>All goods imported into Singapore are regulated under the Customs Act, the Goods and Services Tax (GST) Act and the Regulation of Imports and Exports Act. Imported goods are subject to GST and/or duty payment. A customs permit is required to account for the import and tax payment of the goods.</p> <p>Dutiable goods, which incur both GST and duty, are:</p> <ul style="list-style-type: none"> - Intoxicating liquors - Tobacco products - Motor vehicles - Petroleum products <p>Ad valorem or specific duty rates may be applied for dutiable goods. All other goods are non-dutiable and incur GST only. GST is levied at 7% of the CIF (cost, insurance and freight) value, which includes duties (if it is a dutiable good) and other charges, costs and expenses incidental to the sale and delivery of the goods into Singapore, whether or not shown on the invoice.</p> <p>For more information, please visit the website of Singapore Customs.</p>
Specific Import Procedures	<p>Controlled goods require proper authorisation (advance notification, license or certificate approval) from Competent Authorities before they may be imported into Singapore. Please consult the full list of controlled and prohibited goods on the website of Customs Singapore.</p>
Importing Samples	<p>Imports of trade samples that are below USD 330 are not subject to payment of duty and/or GST and no permit is required for their import. Goods entering the country temporarily for repair, stage performance, etc. can do so without payment of duty or GST. Using an ATA carnet, foreign companies/exhibitors can import products into the country. For details, visit: Customs Singapore</p>

Customs Duties and Taxes on Imports

Customs threshold (from which tariffs are required)	SGD 400
Average Customs Duty (Excluding Agricultural Products)	Singapore is duty free except for such products as automobiles, gasoline, tobacco and alcohol. For more details, visit: Tariff Schedule
Products Having a Higher Customs Tariff	Singapore is duty free, with the exception of automobiles, gasoline, tobacco, and alcohol.
Preferential Rates	They are granted to imports from the countries with which Singapore has signed Free Trade Agreements (FTA). For details visit Singapore customs website .
Customs Classification	Singapore applies the Harmonised Customs System.
Method of Calculation of Duties	The customs duties are calculated Ad valorem on the CIF value of the goods. The Customs and Excise Department is in charge of implementing the customs duties and

	regulations.
Method of Payment of Customs Duties	The most efficient way to make payment of custom duties is by GIRO (an electronic direct debit mechanism). For details, visit the website of the Association of Banks in Singapore .
Import Taxes (Excluding Consumer Taxes)	The goods entering straight away in the free-trade area are exempted from GST (goods and services tax). The exemption is not applicable when they are later introduced on the Singaporean territory. GST at a rate of 7% assessed on the CIF + duty value of the product then becomes applicable.

Labeling and Packaging Rules

Packaging	The Customs services are very particular about the quality of packaging and labeling, and should meet the international standards.
Languages Permitted on Packaging and Labeling	English
Unit of Measurement	Metric units of measurement and weight.
Mark of Origin "Made In"	Mark of origin is obligatory on imported food, drug, liquor, solvent and paints.
Labeling Requirements	The labels should display the following: <ul style="list-style-type: none"> - Name and address of the seller or manufacturer. - Net quantity in terms of metric standard of weights and measurement. - The country of origin. - Packages of food described as "enriched," "fortified," "vitaminized" must show the quantity of vitamins or minerals added per metric unit. - Labels/packaging materials should not have any reference to diseases/conditions as specified in the schedule to the Medicines (Advertisement & Sale) Act.
Specific Regulations	Items such as food, medicine and goods such as edible and non-edible animal fats, and liquors, paints and solvents require special labels.

DISTRIBUTING A PRODUCT

Distribution Network

Types of Outlet

Hypermarkets	A hypermarket is a superstore with large retail facility, thus combining a supermarket and a department store. Hypermarkets sell a wide range of products under one roof, ranging from grocery to general merchandise Giant Hypermarket, Singapore
Supermarkets	These are large scale retail shops operating at lower costs, selling at lower price; and offer a wide variety of consumer goods of regular use such as food items. Cold Storage Singapore , FairPrice Online , Tanglin Market Place
Department Stores	A department store is a retail establishment which specializes in selling a wide range of products without a single predominant merchandise line. Department stores usually sell products including apparel, furniture, appliances, electronics, and additionally select other lines of products such as paint, hardware, toiletries, cosmetics, photographic equipment, jewelry, toys, and sporting goods. Robinsons Group , Metro

Discounters	A discount store (discounter) is a type of department store, which sells products at prices lower than those offered by traditional retail outlets. Most discount stores offer wide assortments of goods; others specialize in such merchandise as jewelry, electronic equipment, or electrical appliances. Mustafa Centre, Mega Discount Store Pte Ltd
Convenience Stores	These are small stores or shops often located alongside residential areas, busy roads, or at corners and gas/petrol stations. They sell all types of general consumer goods of regular use like bread, butter, paper and pencils, etc. Some of them may remain open 24/7. 7eleven, Cheers
Specialized stores	These are shops which deal in only one or two special types of goods. They are generally located in shopping centers. For example, chemist shops, grocery shops, readymade garments shop, gardening, alcohol, sweets shop, etc.

Evolution of the Retail Sector

Growth and Regulation *Euromonitor* has estimated the retail sales value of packaged foods in Singapore at nearly US\$2.2 billion in 2016, an increase of 14% since 2012. The packaged food retail sales could reach over US\$2.6 billion by 2021. Post reports that the Singapore grocery retail sector had total sales of US\$6 billion in 2015. Most of the food retail sales in Singapore take place in hypermarkets, supermarkets and modern mini-marts. In 2015, Mom and Pop stores such as convenience shops, neighbourhood/traditional provision shops, wet market stalls and petrol stations took 20% of total sales. Online grocery shopping is only popular among busy working adults who do not have to do physical grocery shopping, as consumers generally prefer to shop physically at supermarkets and convenience stores as they are highly accessible and conveniently located

Generally, the large supermarket chains and several up-market retailers import western-type products directly from source countries, consolidators and distributors for their own outlets, while smaller retailers buy from local distributors. Products procured from local importers would include products from the Asian region, dry groceries, tropical fruit, frozen chicken and chicken parts, frozen beef, local sauces and ethnic foods.

There is a saturation of convenience stores in Singapore and they face stiff competition from supermarkets which offer products at lower prices as well as wider variety. Furthermore, an increasing number of supermarkets are extending their operating hours to cater to consumers, thus increasing competition.

Market share Two major supermarket chains dominate the Singapore retail industry:

Dairy Farm International Holdings Ltd.: 123 supermarket stores, comprised of 53 Cold Storage supermarket retail stores, 5 premier Market Place stores, 5 Speciality stores and 29 Giant Express, 22 Giant Supermarkets and 8 Hypermarkets. In addition, the Dairy Farm Group operates the 7-Eleven Convenience Chain of 530 stores and 128 Guardian Pharmacy outlets.

NTUC Fairprice: 100 Fairprice supermarkets, 16 Fairprice Finest stores and 8 Fairprice Xtra (Hypermarkets). In addition, the group has 160 Cheers Convenience Stores and 20 Fairprice Convenience Stores some of which are located in Esso-Mobil Stations. NTUC Fairprice's target audience is principally the upper-middle, middle and lower income groups . The items are, on average, priced 10% to 15% lower than comparable products

There are several independently managed supermarkets such as Big Box, Isetan, and Meidi-Ya, Mustafa's, and Prime Supermarket. The locally established supermarket chain, Sheng Siong which has 33 small and medium sized stores and Prime Supermarket with 19 outlets are family-owned business entities which originated from small single grocery outlets to their current sizes today. Both Sheng Siong and Prime are very price competitive as they procure most of their products from China and other neighbouring low cost Asian supplier countries. Customers of both supermarket chains come mostly from the lower middle-income groups. The rest of the above mentioned supermarkets are independently operated supermarket stores with only one outlet each. Isetan and Meidi-Ya target principally the upper middle-income groups and the Japanese community in Singapore.

Retail Sector
Organisations

[Singapore Retailers Association](#)
[Federation of Merchant Associations](#)

E-commerce

Internet access

Smartphones are ubiquitous in the country as Singaporeans use them to listen to music, connect with friends, find restaurants, get the latest news and shop online. The country has one of the most developed ICT infrastructures in the world with a nation-wide super high-speed fiber optic broadband network. According to the Infocomm Media Development Authority (IMDA), 86% of Singaporean households are connected to the internet. In December 2016, Singapore's mobile penetration reached 149.8% with 3.4 million 3G subscriptions and 4.8 million 4G subscriptions. The most used search engines are Google (97.3%), Bing (1.25%), Yahoo! (0.9%), Yandex.Ru (0.33%), Baidu (0.09%) and DuckDuckGo (0.05%).

E-commerce market

Singapore's e-commerce market is growing fast, helped by its pervasive, ultra-high speed, and trusted ICT infrastructure, tech savvy population, and the government's dedication to embracing the digital economy and achieving its goal of becoming a Smart Nation. Online shopping in Singapore tripled from S\$1.1 billion in 2010 to S\$ 3.5 billion in 2014 and is forecast to grow to as much as S\$ 46.3 billion in 2020. Digital buyer penetration shows room for growth, given that in 2018 that rate was 68.6%, a number that is expected to hit 72.6% by 2022. In 2018, revenue in the e-commerce market amounted to US\$3,968 million, and is expected to show an annual growth rate of 9.5%, resulting in a market volume of US\$ 5,705 million by 2022. The average amount spent by digital buyers is US\$ 1,390 and is expected to reach US\$ 1,665 by 2020. The high adoption rate for mobile devices will drive mobile e-commerce, with 55% of online shoppers choosing to do their shopping using their mobile device, according to PayPal.

E-commerce sales and
customers

A favourite pastime of Singaporeans is shopping, and online shopping is especially popular with young adults and higher income households. A study by Visa showed that 26% of Singaporeans shop online at least once a week – the highest in Southeast Asia. There is no gender bias between online shopping users; men and women engage in Singapore's e-commerce equally except for those in the 45-54 age bracket where there are 50% more female buyers than male. Those in the 25 to 44 age group are the ones that most frequently shop online in Singapore, and 33.4% of shoppers in 2017 were aged between 25 and 34 years old. In 2018, the average revenue per user amounted to US\$ 1,001. Singapore has the most mature e-commerce payment infrastructures in Southeast Asia. A survey by Payvision showed that most domestic e-commerce sales are paid by credit cards and bank transfers. Cash on delivery is not as commonly used in Singapore as in other countries in Southeast Asia. For cross-border purchases, Singapore's preferred payment methods are credit cards and PayPal. 65% online shoppers said they bought shoes, clothes or accessories online. Clothing is the

most popular e-commerce category for women, with men mostly buying technology and personal electronics.

Social media

Singaporeans are among the most active social media users in the world. According to We Are Social, 70% of Singaporeans are active social media users on the go, more than double the global average of 34%. The report also showed more than 3 in 4 Singaporeans now use social media, up 22 per cent from 2016, with 800,000 new users coming on board. The most popular social networks are Facebook (82.9%), YouTube (9.1%), Instagram (2.63%), Pinterest (2.42%), Twitter (1.74%) and Tumblr (0.51%).

Direct Selling

Evolution of the Sector

The direct selling sector in Singapore is now well established. According to the World Federation of Direct Selling Associations, retail sales in this sector during 2016 amounted to USD 384 million, a 3.5% increase compared to 2015. The industry also has 407,277 independent representatives. Euromonitor International expects increased enrollment of independent representatives due to a deteriorating economy. Social media tools are heavily used by sellers.

The industry is regulated by the [Direct Selling Association of Singapore \(DSAS\)](#). Members of this direct selling association include AMC Allied Metalcraft, [Amway](#), [Best World Lifestyle](#), Creative Network International, DXN, Enagic Singapore, Elken, Extra Excellence, Forever Living, HDI Network, Healthy Homes Marketing, Herbalife, Mary Kay, Morinda Singapore, Nefful Singapore Holdings, Nu Skin, PM-International, QNET, Sante & Beaute, Tupperware, Unicity, Usana Health Sciences, and Viva Life Science. Nu Skin is the main direct selling company in Singapore, particularly because of its anti-aging products that have been well received by the market.

The Singapore government launched a new scheme in 2015 in which direct selling companies with good businesses practices were authorized to use a CaseTrust logo to be identified as such. Requirements include a seven-day "cooling-off" period in which customers can change their minds and receive a full refund, as well as including a salesman's contact info. Accredited companies can be found [here](#).

Commercial Intermediaries

Trading Companies

Type of Organization

In Singapore, it can take the shape of an Agent or a Distributor. An agent acts as an importer and typically purchases the product on his own account and stocks the products before selling it to the retailer or even to an end user.

Main Actors

Vitol, Gunvor, Archer Daniels Midland, Wilmar.

Wholesalers

Type of Organization

There are two types of wholesalers:

- Import-export wholesalers. They are particularly useful for their logistic organization, information processing, product promotion and selection.
- Normal wholesalers who mainly offer a logistic service, stocking goods so as to supply retailers, as they need them.

However distribution and sales channels in Singapore are simple and direct.

Main Actors Interlocal Exim Pte Ltd, Angliss Singapore, Pan Malayan Pharmaceuticals. For a list of wholesalers visit [this link](#).

Using a Commercial Agent

The Advantages Appointing an agent can be advantageous since they have a better understanding of Singapore market and can take care of your interests in your absence. Also, because of Singapore's role as a regional hub most local distributors will also have knowledge of regional distribution rules and regulations.

Where to Be Vigilant Though due diligence study is necessary before establishing a relationship, generally most of the Singapore companies have good reputations and are aggressive when it comes to representing new products and usually respond enthusiastically to new opportunities.

Elements of Motivation Exclusivity, higher sales commissions, incentives for achieving sales targets, etc.

The Average Amount of Commission

- 3% to 10% for regular business transactions, and from 10% to 20% for occasional transactions
- 1% to 5% in the case of bulk materials (iron ore or coal)
- up to 25% in the case of medical, laboratory, scientific analytical instruments, and software products.

Breach of Contract It depends upon the terms and conditions of the contract. But, in case the local agent goes to court, the foreign company can expect a fair judgment.

Finding a Commercial Agent [Alibaba](#)
[Globalrepresentation](#)

Learn more about [Traders, Agents in Singapore](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Setting Up a Commercial Unit

The Advantages Setting up a commercial unit in the country is an advantage for tax reasons.

Where to Be Vigilant Setting up a commercial unit in Singapore should be considered in case the foreign company has long term business interests in the country. Also, one must be vigilant about factors like cost of the office space and availability of desired manpower.

Different Possible Forms of Settlement

A Representative Office Such an office can obtain market data and other information and provide necessary promotional and service support. A representative office has to register with International Enterprise Singapore. Expatriate employees have to apply to Ministry of Manpower for employment passes. However, a representative office must not involve itself in commercial transactions.

A Branch Office A branch office may take and fill orders and carry out a full marketing program, including advertising, recruiting a sales force, and performing promotional activities. A branch office must file regular financial statement with [ACRA](#).

A Company Setting up a wholly-owned corporation will involve more time and expense, but it can offer an effective means of guaranteeing better protection for proprietary information,

obtaining credit, and penetrating markets.

Franchising

Evolution of the Sector Singapore is home to a wide variety of franchise concepts. Foreign franchises are well received and the United States is by far the largest supplier of foreign franchises in the country. Although the market is saturated, Singaporeans continue to seek out fresh franchise concepts to introduce into the country. The success of selling a franchise in Singapore is based on a number of factors including brand name, up-front costs and royalties, the concept's uniqueness, and the flexibility of the franchise agreement.

With its strategic location and well-developed infrastructure, Singapore serves as the regional showcase and distribution center for foreign franchisors wishing to enter Asia markets. There have been instances where visitors from the region saw a franchise concept in Singapore and were interested in bringing it back to their own countries. In 2016, Singapore attracted over 16.4 million visitors from around the world. The country's multi-ethnic society also makes it an ideal location for foreign franchisors to test their concepts and use the reaction to gauge the acceptance of their franchise in Asia.

Singapore investors may buy franchise licenses for additional markets in the Southeast Asian region and not for Singapore alone.

Some Big Franchises [McDonald's](#), fast food
[Starbucks](#), coffee
[Ben and Jerrys](#), ice creams
[Carls' Jr.](#), fast food
[Avis](#), Car rent
[Hertz](#), Car rent
[Contours Express](#), sport

For Further Information [Franchising and Licensing Association of Singapore](#)

Learn more about [Sales in Singapore](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Buying

CUSTOMS PROCEDURES

Export Clearance	An outward declaration to export or re-export goods out of Singapore is required. Certain items such as rubber, timber, granite and chlorofluorocarbons are subjected to export control and licensing. For details, visit the Singapore customs website .
Necessary Declaration	Certain items such as rubber, timber, granite and chlorofluorocarbons are subjected to export control and licensing. For details, visit the Singapore customs website .
Restrictions	Exports from Singapore are not subjected to any restrictions except for quantitative restrictions existing for certain textiles and garments to Canada, EU countries and the U.S.A.
Export Taxes	The Customs and Excise Department is in charge of implementing the customs regulations, including export taxes.

INDUSTRIAL AND MANUFACTURING PROFILE

Type of Production	Manufacturing and services are the twin engines of Singapore's economy and account respectively for about 25% and 75% of the country's GDP. Electronics and chemicals are the two leading sectors of the manufacturing industry.
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To maintain its competitive position despite rising wages, the Government seeks to promote higher value-added activities in the manufacturing and services sectors. It also has opened the financial services, telecommunications, power generation and retailing sectors to foreign service providers to promote greater competition.

Type of Manufacturers

Original Equipment Manufacturers	A number of OEMs have established themselves in the country, particularly in sectors like electronics, pharmaceutical, and high-end engineering equipment. One of the major reasons behind growth of the OEMs in Singapore is the world-class infrastructural facilities, especially its ports which help it to make it a regional hub for exports.
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Original Design Manufacturers	The designing activity in now gathering momentum in the country. There are very good R&D professionals available in Singapore which have been an asset for those multinational companies who have set up their design centers in the country. Most of the designing activities are focused on high-technology and bio-medical research.
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The government of Singapore has set up a Research, Innovation and Enterprise Council (RIEC) to promote R&D in the country.

Subcontractors	With rising labor costs and higher cost of living, Singapore is losing its attraction as a destination for subcontracting. Most of the labor-intensive manufacturing activities are being relocated to China. However, it is still an attractive subcontracting destination for high-technology and high-end products.
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Useful Resources	Singapore International Chamber of Commerce Singapore Chinese Chamber of Commerce and Industry Singapore Indian Chamber of Commerce and Industry
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IDENTIFYING A SUPPLIER

Business Directories

Multi-sector Directories [Asia Yellow Web](#) - Singapore's business directory.
[Asia Yellow Web](#) - Singapore's business directory.
[Exporters.com.sg](#) - Business directory by product.
[Iso Guide](#) - Directory of Certified Companies in Singapore
[Singapore Medical Technology](#) - Directory of medical technology organisations, manufacturing, engineering and components suppliers in Singapore.
[The Green Book](#) - Find your suppliers.
[Times Business Directory of Singapore \(Buku Merah\)](#) - Directory provided by Marshall Cavendish Business Information.
[Yellow pages Singapore](#) - Find a business in Singapore.
[Zipleaf](#) - Business directory for several countries in the world.

Marketplaces

Domestic Marketplaces [Singapore Business Federation](#)
[Singapore Business](#)

Regional Marketplaces [Asian Manufacturers](#)
[EE Times Asia](#)
[Asia Net](#)

Other Useful Resources

Trade Agencies and Their Representations Abroad [Singapore International Chamber of Commerce](#)
[Association of Small and Medium Enterprises](#)
[International Enterprise Singapore](#)

Fairs and Trade Shows [EXPORT.GOV>](#)
[BUYUSA.GOV](#)
[Uniquely Singapore](#)

Learn more about [Service Providers in Singapore](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Finding Assistance

Recommended Resource [Ministry of Transport](#)

CONTROLLING THE QUALITY OF THE PRODUCTS

Quality Control Organizations [SPRING Singapore](#)
[Singapore Standard e-shop](#)

ORGANIZING GOODS TRANSPORT TO AND FROM SINGAPORE

Main Useful Means of [Singapore has a well-developed and advanced transportation infrastructure.](#)

Transport The [Port of Singapore](#), with 6 free-trade zones, is ranked second in the world in terms of container traffic. It is operated by [Maritime and Port Authority of Singapore](#). It is also the world's busiest hub for transshipment traffic.

The main airport of Singapore (international Changi airport) is considered to be one of the best in the world. It is composed of two air terminals connected by monorail.

The road network consists of 8 highways. The objective of the [Land Transport Authority \(LTA\)](#), (under the Ministry of Communication and Information Technology), is to promote ground transport for a better use of the city by developing public transport. The construction of 9 expressways and two highways (partially subterranean) of a total length of 155 km is in progress in the Eastern part of the island.

By Sea

Ports [Port of Singapore](#)

Transport Professionals [Mercury Freight Distribution Pte. Ltd.](#)
[Orient Project Shipping](#)

Government Transport Organisations [Maritime and Port Authority of Singapore](#)
[Port of Singapore Authority](#)

By Air

Airports [Changi Airport](#)
[Seletar Airport](#)

Transport Professionals [Singapore Air-cargo Agents Association](#)
[Transit Air Cargo Singapore Pte. Ltd.](#)

Government Transport Organisations [Civil Aviation Authority of Singapore](#)

By Road

Transport Professionals [SBS Transit](#)
[SMRT Buses](#)

Government Transport Organisations [Land Transport Authority \(LTA\)](#)
[Public Transport Council \(PTC\)](#)

By Rail

Transport Professionals [Keretapi Tanah Melayu \(Malayan Railways Limited\)](#)

Government Transport Organisations [Land Transport Authority \(LTA\)](#)

Learn more about [Sourcing in Singapore](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Operating a Business

LEGAL FORMS OF COMPANIES

Private limited company	Number of partners: No minimum. 1 or more partners/shareholders Capital (max/min): No minimum capital required Shareholders and liability: Liability is limited to the amount of guarantees
Public limited company	Number of partners: Minimum 50 shareholder. Capital (max/min): No minimum capital required. Shareholders and liability: Liability is limited to the amount contributed.
Public limited company by guarantee	Number of partners: Minimum 3 shareholders. Capital (max/min): Minimum SGD 1. Shareholders and liability: Liability is limited to the amount contributed.
Limited Partnership	Number of partners: Minimum 2 partners with a maximum of 20. Capital (max/min): No minimum capital required. Shareholders and liability: At least one person has an unlimited liability. Other partners' liability is limited to the amount they contributed.
Sole Proprietorship	Number of partners: 1 person. Capital (max/min): No minimum capital required. Shareholders and liability: Liability is unlimited.
Enterprises Federation	Singapore Business Federation
Find a Company or a Financial Report	ACRA , Registered Entities on the Accounting and Corporate Regulatory Authority.

BUSINESS SETUP PROCEDURES

Setting Up a Company	Singapore
Procedures (number)	2.00
Time (days)	1.50

Source: *Doing Business*.

For Further Information [Consult the Doing Business Website](#), to know about procedures to start a Business in Singapore.
[Accounting and Corporate Regulatory Authority](#)

The Competent Organisation [The Accounting and Corporate Regulatory Authority of Singapore](#).

Recovery Procedures

Principle As a company declares bankruptcy, an Official Assignee takes over to manage the process.
The bankrupt would be subject to several restrictions, one of which is that he/she may not travel out of the country without the Official Assignee's permission.
The bankrupt would also be automatically disqualified from acting as a Director of a company or from taking part in the management of a business, whether directly or indirectly.

Certain provisions in the Bankruptcy Act may be invoked to “claw back” assets given away or transferred by the bankrupt within qualifying periods before his/her bankruptcy. The assets clawed back would be used to repay creditors. Provisions may seem less severe for foreign companies, since they are not required to guarantee debt in the original registration. A company may be reorganized through a scheme or arrangement, or by applying to the court for an order for the company to be placed in judicial management. For more details, visit: [Insolvency and Public Trustee' Office](#) (PTO Online)

Minimum Debt-to-Capital Ratio Triggering Liquidation There is no minimum debt-to-capital ratio that triggers recapitalization or liquidation. In many cases, however, foreign shareholders recapitalize in order to continue business or liquidate in order to withdraw business without dispute with local creditors.

Bankruptcy Laws [Read the Bankruptcy Act](#)

Reorganization and Rehabilitation Laws A company can be re-organized after applying to the court for judicial management. For more details, consult [Bankruptcy Law](#).

THE ACTIVE POPULATION IN FIGURES

	2011	2013	2015
Labour Force	3,237,000	3,444,000	3,588,000

Source: CIA - The World Factbook

	2015	2016	2017
Total activity rate	67.16%	66.96%	66.76%
Men activity rate	48.95%	49.01%	49.06%
Women activity rate	58.24%	58.03%	57.83%

Source: ILO, Laborstat - Yearly Statistics

Employed Persons, by Occupation (% of Total Labour Force)	2015
Wholesale and retail trade; repair of motor vehicles and motorcycles	16.9%
Public administration and defence; compulsory social security	13.5%
Manufacturing	11.1%
Transportation and storage	8.8%
Financial and insurance activities	7.8%
Professional, scientific and technical activities	7.8%
Accommodation and food service activities	6.5%
Administrative and support service activities	5.2%
Construction	5.1%
Human health and social work activities	4.9%
Information and communication	3.9%
Real estate activities	2.6%
Arts, entertainment and recreation	1.7%

Source: [ILO, Laborstat - Yearly Statistics](#)

For Further Statistics [Ministry of Manpower](#)
 For Further Information [Statistics, Labour, Employment and Wages](#)
 About the Labour Market

WORKING CONDITIONS

Opening Hours

Legal Weekly Duration	8 hours per day and 40 hours per week with one-hour lunch break.
Maximum Duration	44 hours
Night Hours	11 pm – 7 am

Working Rest Day As per the [Employment Act](#), an employee is entitled to a rest day comprising one whole day (midnight to midnight) every week. The rest day can be on a Sunday or any other day.

Paid Annual Vacation The [Employment Act](#) specifies that all workers are entitled to seven days of paid annual vacation during their first year of service and an additional day of paid leave for every year after that. This implies a maximum of 14 extra days, or 21 days total.

Retirement Age 62 years

Child Labour and Minimum Age For Employment [Employment Act](#) prohibits the employment of children under the age of 12.

Informal Labour Market Because of a higher demand for foreigners working in Singapore, a huge informal sector of illegal foreign workers exists in the country.

THE COST OF LABOUR

Pay

Minimum Wage No minimum wage exists, except for certain specific sectors (hygiene services, public works, security).

Average Wage Gross average monthly wage in Singapore is SGD 3,949 (source: mom.gov.sg, 2015). According to the national statistics of Singapore, the average monthly wage is SGD 5 596 in January 2018.

Other Forms of Pay

Pay For Overtime	1,5 times the normal hourly rate.
Pay For Rest Days Worked	Twice the normal hourly rate.

Social Security Costs

The Areas Covered The [Central Provident Fund](#) (CPF) covers retirement, housing and healthcare.

Contributions	Contributions Paid By the Employer: Employers contribute up to 17%, capped at a maximum average monthly salary of SGD 6 000. Contributions Paid By the Employee: Only employees who are Singaporean citizens or permanent residents must contribute 20% income to the CPF, with graduated rates available for the first three years of an employee's permanent residency.
Competent Organization	Singapore Provident Fund Board

MANAGEMENT OF HUMAN RESOURCES

Recruitment

Method of Recruitment	Advertising, educational institutions, direct recruitment.
Recruitment Agencies	Employment Agencies (Private), Labor Contractors (Private).
Recruitment Websites	Association of Employment Agencies (Singapore) Singapore Jobs Directory Singapore Job Market

The Contract

Type of Contract	The nature of the contract depends on the type of contract , which could include the following: annual hours contract, casual workers contract, fixed-term contract, home-workers contract, job sharing contract, flexi-time contract, part-timers contract, self-employed workers contract.
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Breach of Contracts

Retirement	It can take several forms: general resignation, resignation for one's own convenience, resignation by agreement, resignation by employee's request, voluntary retirement, etc. The retirement age is 62 years and a company cannot ask the employee to retire before that age. Employees who turn 62 can continue to be employed in the organisation if they meet the eligibility criteria for re-employment.
Dismissals	Employment laws in Singapore are flexible, and allow for relatively free hiring and firing practices. Either party can terminate employment by giving the other party the required notice which is governed by Employment Act.
Other Possible Methods	Collective dismissals due to economic reasons, disciplinary dismissals, resignation as per the terms of contract.
Labour Laws	Law in Singapore LawNet - Singapore Academy of Law Consult Doing Business Website , to obtain a summary of the labour regulations that apply to local enterprises.

Dispute Settlement

Conciliation Process

Cases of Dispute	Singapore enjoys a peaceful and productive industrial climate.
Legal Framework	The Conciliation Section of the Labor Relations Department of the Ministry of Manpower Singapore is responsible for the mediation or conciliation of labor disputes.

Procedure If mediation efforts fail, the dispute is referred to the Industrial Arbitration Court.
 A dispute can be referred to the Industrial Arbitration Court if efforts to resolve the dispute through discussion and negotiation between the parties and with the conciliation of the Ministry of Manpower have failed. For more information about the process, visit the [IAC website](#).

Judicial Structures

Legal Framework [Industrial Relations Act](#)
 [Employment Act](#)
 [Trade Unions Act](#)
 [Retirement Age Act](#)

Competent Legal Body [Industrial Arbitration Court \(IAC\)](#)

Social Partners

Social Dialogue and Involvement of Social Partners Trade Union Act does not allow the unionisation of government employees and uniformed personnel. The act also restricts the Trade Unions' right to select the leader and whom to employ.
 Most of the Trade Unions are part of [National Trade Union Congress \(NTUC\)](#) which is closely associated with the government. The government grants renewable licences to trade unions on a yearly basis and strictly controls them.

Unionisation Rate 24%

Unions [National Trade Union Congress \(NTUC\)](#)

Regulation Bodies [Ministry of Manpower](#)
 [Singapore National Employers' Federation \(SNEF\)](#)

Learn more about [Operating a Business in Singapore](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

Latest Update: December 2019

Investing

FDI IN FIGURES

According to UNCTAD's [World Investment Report 2019](#), Singapore was the fourth largest recipient of FDI inflows in the world in 2018, after the United States, China and Hong Kong. FDI inflows rose to USD 77.65 billion in 2018, from USD 75.72 billion a year earlier and at their highest to date, according to revised figures of UNCTAD. Singapore is also a major investor abroad and has sought to diversify its investment beyond its traditional target markets in Asia, namely China, India and Vietnam in recent years. The main investors in Singapore are the United States, British Virgin Islands, Cayman Islands and the Netherlands. Financial and insurance activities are by far the main recipient of foreign investment, accounting for 54.5% of all FDI stock.

Singapore has based its economic development on a proactive strategy to attract FDI using its trade openness. Since the first publication of the World Bank's [Doing Business ranking](#) in 2003, the country has always been in the lead until 2018, when it was overtaken by New Zealand. The country maintained the second position in 2019. Being favourable for lending to foreign investors, a simple regulatory system, tax incentives, a high-quality industrial real estate park, political stability and the absence of corruption make Singapore an attractive destination for investment.

Foreign Direct Investment	2016	2017	2018
FDI Inward Flow <i>(million USD)</i>	73,863	75,723	77,646
FDI Stock <i>(million USD)</i>	1,112,642	1,393,380	1,481,033
Number of Greenfield Investments***	391	390	420
FDI Inwards <i>(in % of GFCF****)</i>	83.4	n/a	n/a
FDI Stock <i>(in % of GDP)</i>	369.2	n/a	n/a

Source: UNCTAD, Latest available data.

Note: * The UNCTAD Inward FDI Performance Index is Based on a Ratio of the Country's Share in Global FDI Inflows and its Share in Global GDP. ** The UNCTAD Inward FDI Potential Index is Based on 12 Economic and Structural Variables Such as GDP, Foreign Trade, FDI, Infrastructures, Energy Use, R&D, Education, Country Risk. *** Green Field Investments Are a Form of Foreign Direct Investment Where a Parent Company Starts a New Venture in a Foreign Country By Constructing New Operational Facilities From the Ground Up. **** Gross Fixed Capital Formation (GFCF) Measures the Value of Additions to Fixed Assets Purchased By Business, Government and Households Less Disposals of Fixed Assets Sold Off or Scrapped.

FDI STOCKS BY COUNTRY AND INDUSTRY

Main Investing Countries	2017, in %	Main Invested Sectors	2017, in %
United States	21.6	Financial and Insurance Services	54.5
Cayman Islands	8.8	Wholesale & Retail Trade	18.5
British Virgin Islands	8.0	Manufacturing	11.6
The Netherlands	7.8	Professional & Technical, Administrative & Support Services	7.2
Japan	6.4	Real estate	2.6
United Kingdom	5.4	Transport and storage	2.0
Luxembourg	4.3		
Bermuda	4.1		

Main Investing Countries		2017, in %		Main Invested Sectors		2017, in %	
Hong Kong		3.9		Information and Communications		1.9	
Switzerland		2.6					

Source: [Statistics Singapore](#) - Latest available data.

Form of Company Preferred By Foreign Investors	Private limited company is generally preferred because of its easier tax status and incentives.
Form of Establishment Preferred By Foreign Investors	A company
Main Foreign Companies	There are more than 7,000 foreign MNCs and around 10,000 foreign SMEs from around the world which have set up base in Singapore. For more details, visit: International Enterprises Singapore .
Sources of Statistics	Statistics Singapore International Enterprise Singapore

WHAT TO CONSIDER IF YOU INVEST IN SINGAPORE

Strong Points

Singapore has been considered for many years by the World Bank as one of the best countries in the world in terms of the ease of doing business. Its second position in the [World Bank's ranking \(Doing Business 2018\)](#) attests to it. Advantages for FDI include:

- Its workforce is one of the most qualified in the world, and is composed of many expatriates, which by definition makes it diversified, flexible and very open to international functions.
- High value-added sectors (such as ICT, finance, chemistry and pharmaceuticals) are very well developed.
- Financial infrastructure (solid banking system), telecommunications and transport are excellent.
- Its strategic location at the crossroads of shipping routes and close to major emerging markets (in Asia and in the Middle East) makes it an important hub for regional and international trade.
- In order to attract more and more FDI, the country is working to maintain an attractive tax regime and offers tax reductions and facilitated loan conditions and other investment incentives.

Weak Points

Disadvantages for FDI include:

- Voluntarily very open internationally, the national economy is very dependent on exports and is therefore vulnerable to the state of the economies of its main trading partners and to the world economy.
- Like all developed countries, the country is facing an ageing population and "soft" growth, forcing the country to find new growth drivers.
- It is becoming increasingly difficult to obtain a work permit in Singapore, while the island state needs manpower for its technology sectors.
- The lack of transparency in administrative incentives and the non-internationalisation of the Singaporean dollar are the main obstacles to investment.
- Although Singapore is a free port, tariff protection for industrial enterprises is not granted.
- Singapore levies high excise taxes on alcohol, tobacco, automobiles and petroleum

products.
The preponderant role of (semi) -public companies can inhibit investment in certain sectors.

Government Measures to Motivate or Restrict FDI
Singapore is open to foreign investment and offers tax benefits that businesses can enjoy after registering with the [Economic Development Board](#). The government is continuously supplying the national economy with public investments. Examples include transportation infrastructure projects (such as the high-speed train line between the city-state and Kuala Lumpur) or programs encouraging the transfer towards the future economy. In 2017, the government mobilised more than US\$8 billion (about 2.5% of GDP) to improve productivity and boost innovation in 23 associated industries in growth sectors. The main obstacle to FDI lies in the fact that the country continues to hold a monopoly on certain key sectors (financial services, professional services, media, telecommunications). Government-related enterprises play a dominant role in the domestic economy and, in turn, in investment.

PROTECTION OF FOREIGN INVESTMENT

Bilateral Investment Conventions Signed By Singapore
Singapore has signed Bilateral Investment Treaties (BITs) with 46 countries. Some are terminated and others are not yet in force. For more details visit [this link](#). These agreements mutually protect nationals or companies of either country against war and non-commercial risks of expropriation and nationalisation.

International Controversies Registered By UNCTAD
Singapore has no laws that force foreign investors to transfer ownership to local interests and as such no disputes are pending with UNCTAD.

Organizations Offering Their Assistance in Case of Disagreement
[SIAC](#) , The Singapore International Arbitration Center
[SMC](#) , Singapore Mediation Center

Member of the Multilateral Investment Guarantee Agency
Yes

Country Comparison For the Protection of Investors

	Singapore
Index of Transaction Transparency*	10.0
Index of Manager’s Responsibility**	9.0
Index of Shareholders’ Power***	9.0

Source: Doing Business - Latest available data.

Note: *The Greater the Index, the More Transparent the Conditions of Transactions. **The Greater the Index, the More the Manager is Personally Responsible. *** The Greater the Index, the Easier it Will Be For Shareholders to Take Legal Action. **** The Greater the Index, the Higher the Level of Investor Protection.

PROCEDURES RELATIVE TO FOREIGN INVESTMENT

Freedom of Establishment
Guaranteed

Acquisition of Holdings
Possible. A majority stake in the capital of a local company is legal in Singapore.

Obligation to Declare
It is obligatory to declare if the proposed company name includes a trademark or

	patent name or the name of another company/business already existing in any other country.
Competent Organisation For the Declaration	Monetary Authority of Singapore (MAS) Accounting and Corporate Regulatory Authority
Requests For Specific Authorisations	Although Singapore's legal framework and governmental policies do not require any specific authorisation to invest in the country, certain limits exist in such sectors as telecommunications, broadcasting, domestic news media, financial and some professional services. For these sectors, the Articles of Incorporation may include shareholding limits that restrict ownership in corporations by foreign persons. Moreover, Finance Ministry approval is required for the acquisition of local banks when exceeding the specified share limit.

Learn more about [Foreign Investment in Singapore](#) on Globaltrade.net, the Directory for [International Trade Service Providers](#).

OFFICE REAL ESTATE AND LAND OWNERSHIP

Possible Temporary Solutions	Guide for investors Singapore Expatriates Relocation Specialist
The Possibility of Buying Land and Industrial and Commercial Buildings	It is possible to buy real estate in Singapore.
Risk of Expropriation	Singapore has no law forcing foreign investors to transfer ownership locally and has not expropriated any property till date.

INVESTMENT AID

Forms of Aid	Founders of a new business in Singapore can request assistance from certain institutions or national organisations. Generally, aid or incentives are negotiated before the company's registration. Investors can contact the Singapore Trade Development Board (STDB) , which mainly aims at promoting foreign investment and exports. Moreover, the Economic Development Board (EDB) is in charge of increasing the number of foreign firms setting-up in Singapore by granting different forms of subsidies.
Privileged Domains	The government gives preference to investments in high value-added manufacturing and services activities as part of its strategy to replace labor-intensive, low value-added activities that have migrated offshore, particularly China.
Privileged Geographical Zones	The free-trade zones (FTZs) in Singapore may be used for storage and repackaging of import and export cargo and goods transiting for subsequent re-export. Manufacturing is not carried out within the zones. Foreign and local firms have equal access to the FTZ facilities.
Free Zones	Singapore has five free trade zones, out of which, four are for seaborne cargo and one for airfreight.
Organizations Which Finance	Credit Bureau of Singapore Ltd (CBS) Credit Scan

INVESTMENT OPPORTUNITIES

The Key Sectors of the National Economy	Services (financial, logistics, telecoms) and construction sectors.
High Potential Sectors	Aeronautics and aircraft parts, petroleum and refinery trade, medical and scientific devices, telecommunications, computer hardware and software, environment, luxury goods.
Privatization Programmes	Privatisation is being enforced in sectors like telecommunications and airlines, which are dominated by public companies.
Tenders, Projects and Public Procurement	Singapore SME's Portal , Public Tenders Tenders Info , Tenders in Singapore Asian Development Bank , Procurement Plans in Asia DgMarket , Tenders Worldwide

SECTORS WHERE INVESTMENT OPPORTUNITIES ARE FEWER

Monopolistic Sectors	Broadcasting, national news media, financial, legal and professional services.
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FINDING ASSISTANCE FOR FURTHER INFORMATION

Investment Aid Agency	Economic Development Board (EDB)
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Latest Update: December 2019