

17. Country Report of Singapore¹

17.1 Current Status of the ICT Sector of Singapore

Being an urbanised country with an area of 719.2 sq km and 5.61 million total population (as at June 2016), Singapore has continued its efforts in integrating ICT for sustainable urbanisation and to build an inclusive Society for continued growth.

Infocomm Industry in Singapore

Based on the Annual Survey on Infocomm Industry for 2015 by Infocomm Development Authority of Singapore (copyright © 2016 IDA), Singapore's infocomm industry revenue grew by CAGR 18.0% p.a. from 2010 to 2015 to reach S\$189.6 billion in 2015, an increase from S\$167.1 billion in 2014 (Chart 1), largely due to re-exports of mobile and smart phones, telecommunication equipment and storage devices.

Table 1. Chart1: Infocomm Industry Revenue by Year

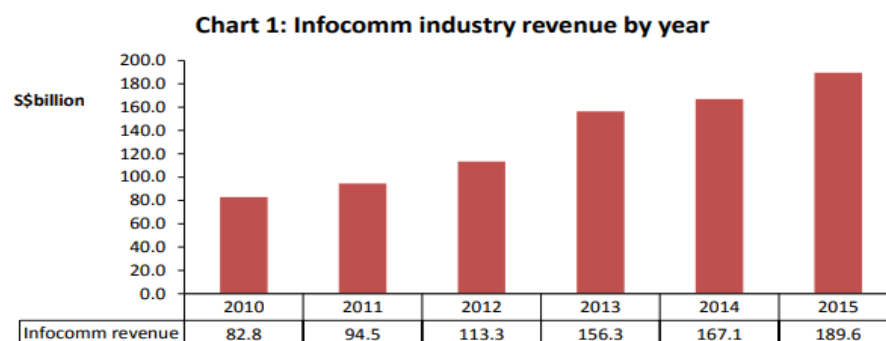


Table 1: Proportion of domestic and export revenue by year

	2010	2011	2012	2013	2014	2015
Domestic revenue	43.7%	37.9%	31.3%	31.0%	30.3%	28.2%
Re-export revenue	40.9%	49.7%	55.3%	59.4%	60.7%	63.4%
Processed exports revenue	15.5%	12.4%	13.4%	9.5%	8.9%	8.5%

*Figures may not add up to 100% due to rounding.

Hardware segment continues to be largest contributor to infocomm industry revenue. The hardware segment grew from S\$115.0 billion in 2014 to S\$138.6 billion in 2015 (Chart 2). The hardware segment was the largest contributor, with a share of 73.1%, followed by the software segment with a share of 10.4% (Table 2).

¹ This report was written by Irene Boey, Consulting Director, Integral Solutions (Asia) Pte Ltd, Singapore.

Table 2. Chart 2: Infocomm Revenue by Segment

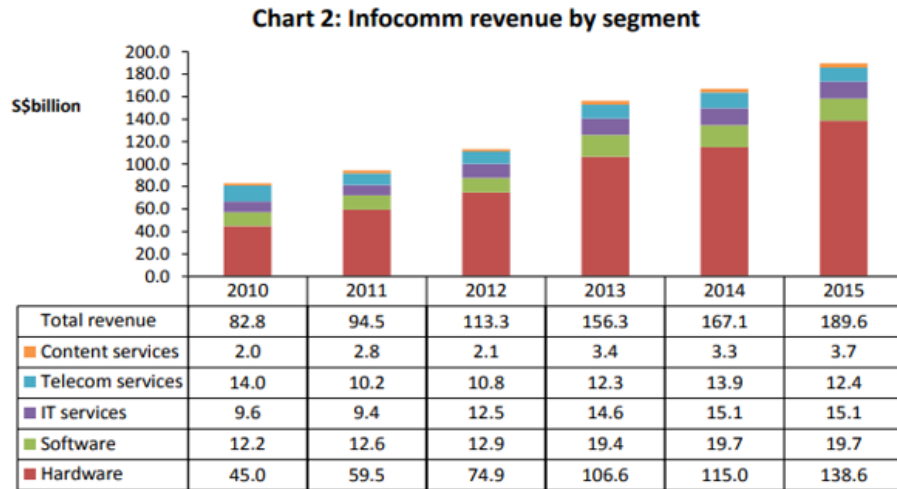


Table 2: Proportion of infocomm revenue by segment

2015	Hardware	Software	IT services	Telecom services	Content services	Total infocomm
Share of infocomm revenue	73.1%	10.4%	8.0%	6.5%	2.0%	100.0%

Total export revenue grew from S\$46.6 billion in 2010 to S\$136.2 billion in 2015 (Chart 3), with exports responsible for 71.8% of revenue in 2015 (Table 3).

Table 3. Chart 3: Infocomm Revenue by Market

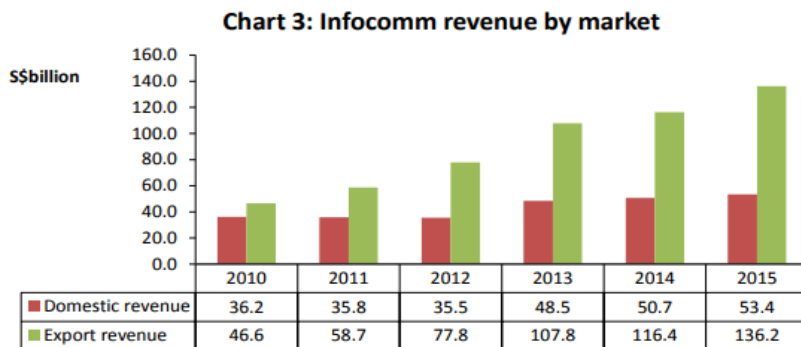


Table 3: Proportion of infocomm revenue by market

	2010	2011	2012	2013	2014	2015
Share of domestic revenue	43.7%	37.9%	31.3%	31.0%	30.3%	28.2%
Share of export revenue	56.3%	62.1%	68.7%	69.0%	69.7%	71.8%
Total Infocomm revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Re-exports formed 88.2% of export revenue in 2015, while the remaining 11.8% were from processed exports (Table 4)

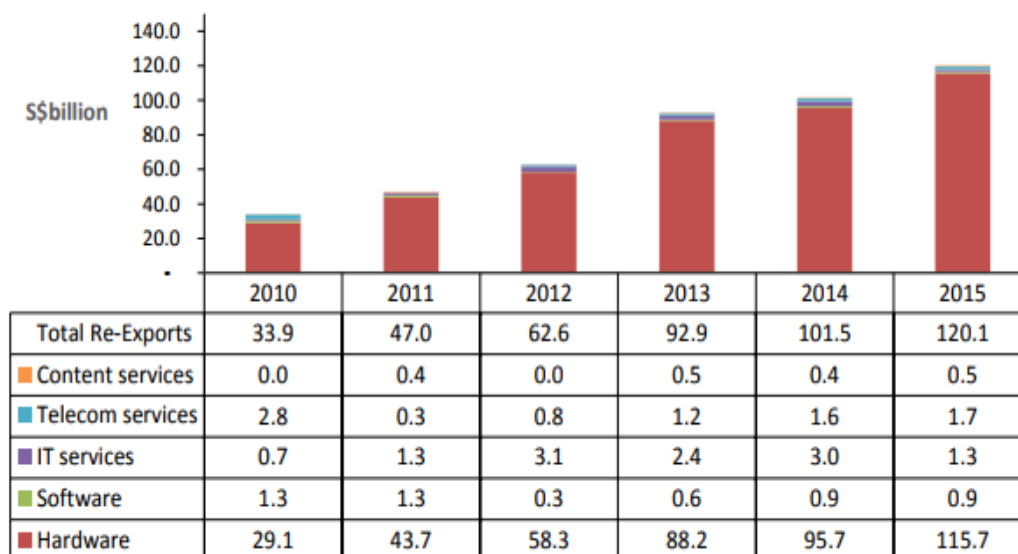
Table 4: Proportion of export revenue by type

	2010	2011	2012	2013	2014	2015
Share of processed exports	27.4%	19.9%	19.6%	13.8%	12.8%	11.8%
Share of re-exports	72.6%	80.1%	80.4%	86.2%	87.2%	88.2%
Total exports	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Hardware segment contributed the bulk of re-exports while software segment contributed more than half of processed exports. Re-exports grew from S\$33.9 billion in 2010 to S\$120.1 billion in 2015 (Chart 4), mainly driven by the hardware segment which accounted for 96.3% of re-exports.

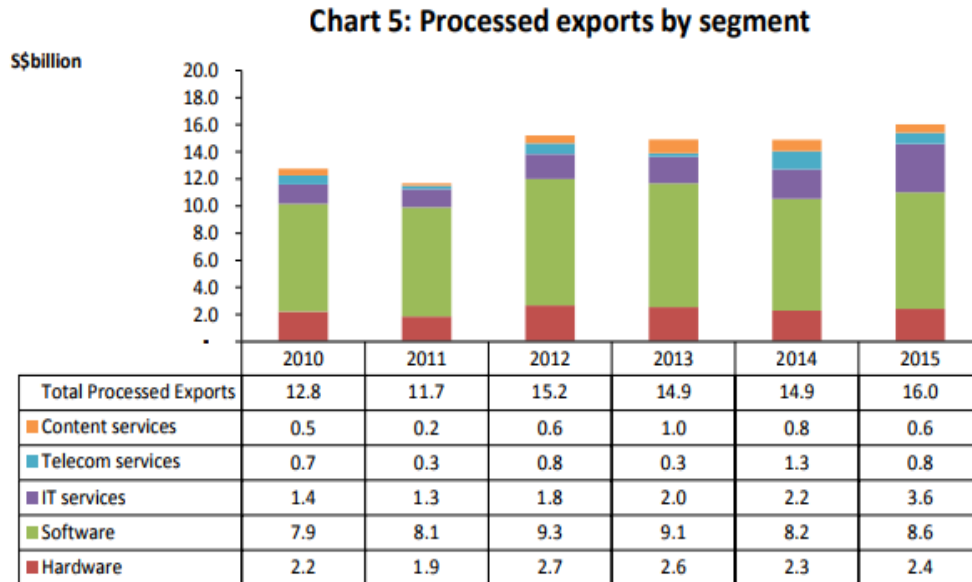
Table 4. Chart 4: Re-Exports by Segment

Chart 4: Re-exports by segment



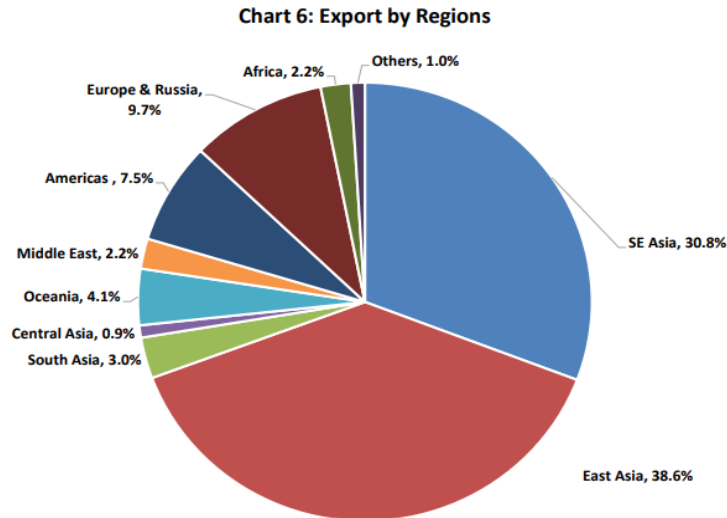
While processed exports rose from S\$12.8 billion in 2010 to S\$16.0 billion in 2015 (Chart 5) due to the software segment which contributed 53.6% of processed exports.

Table 5. Chart 5: Processed Exports by Segment



East Asia was the top region for exports East Asia, which includes China, Japan and South Korea, was the top export destination region for 2015, accounting for 38.6% of exports (Chart 6).

Table 6. Chart 6: Exports by Regions



Hardware also drove the growth in domestic revenue Domestic revenue was S\$53.4 billion in 2015, an increase from S\$36.2 billion in 2010 (Chart 7). The hardware segment was the largest contributor of domestic revenue with a share of 38.3% (Table 5).

Table 7. Chart 7: Domestic Revenue by Segment

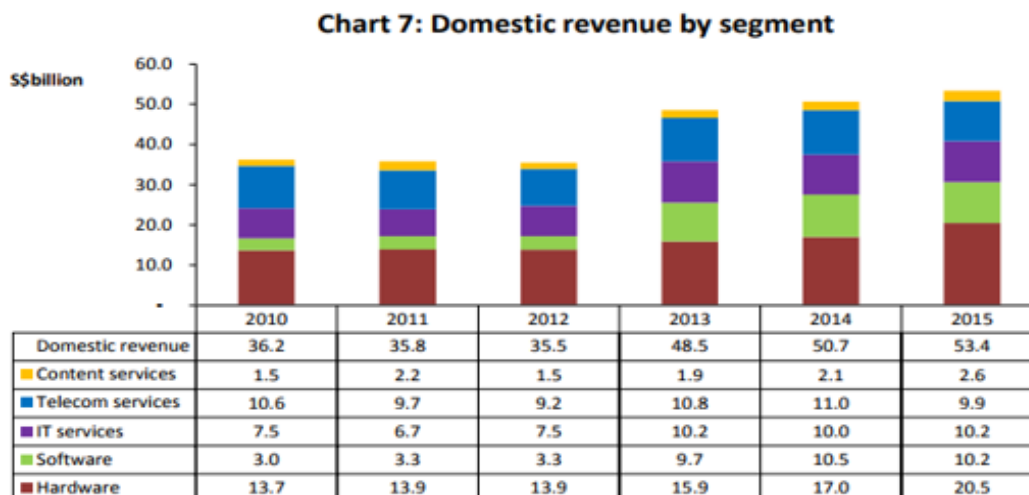


Table 5: Proportion of domestic revenue by segment

2015	Hardware	Software	IT services	Telecom services	Content services	Total domestic revenue
Share of domestic revenue	38.3%	19.0%	19.1%	18.6%	4.9%	100.0%

The Institute of Policy Studies reported on July 2017 that the transformation of Singapore into a Smart Nation highlights the fact that it has a hyper-connected society that is heavily plugged into a digital world. With the current emphasis on increasing automation, Artificial Intelligence (AI) and big data for companies to transform their business models, the government has focused on the following growth strategies:

- Investing in frontier capabilities such as through the launch of the Singapore Data Science Consortium, and AISG, a new national programme to boost Singapore’s AI capabilities.
- Support promising enterprises Singapore based companies through various programmes and initiatives such as SMEs Go Digital. This is to raise SMEs’ overall level of digital readiness to help them at various stages of their digital transformation journey. The SMEs Go Digital initiative has close to 50 pre-approved digital tech solutions that SMEs could tap on to innovate.
- Develop a pipeline of frontier tech talent such as through the IMDA’s TechSkills Accelerator that will equip the workforce with tech skills for the digital economy.