

MOBILITY STUDY: SINGAPORE

A World Bank and International Finance Corporation (IFC) report finds that Singapore continues to provide the world's most business-friendly regulatory environment for local entrepreneurs.¹ Among 155 countries Singapore is one of the key logistics hubs and it is strategically located in the heart of Southeast Asia – and at the nexus of major shipping lanes – which attracts jobs and people to the country. In addition, the evolution of new tourism attractions is adding to the rejuvenation, so travelers and expatriates can experience Singapore in a new light.



ABOUT SINGAPORE

FACTS

- > **Founded in 1819;** became an independent state in 1965
- > **The republic's motto:** "Majulah Singapura" ("Onward Singapore")
- > **Population:** 3.5 million (median age: 32)
- > **Climate:** Warm, tropical and high humidity, with sun all year round
- > **Official languages:** English, Mandarin, Malay, and Tamil
- > **Local currency:** Singapore dollar (SGD or S\$ for short)

GDP BY INDUSTRY²

INDUSTRY	2011	2012	2013
Manufacturing	1.4%	2.8%	3.7%
Construction	4.8%	7.9%	7.1%
Transportation & storage	-7.1%	5.8%	5.0%
Business services	9.7%	6.2%	6.4%
Finance and insurance	10.6%	3.7%	11.6%

AN ECONOMY ON THE RISE

Singapore, often referred to as an economic miracle by the government, has achieved so much in such a short time.³ With global economic growth likely to improve in 2014 compared to 2013, many Asian economies are predicted to see upsides to growth this year. This expectation is particularly true for open economies, such as Singapore.⁴ The country raised its economic growth forecast last year, as activity in the island nation gained traction in the third quarter, illustrating the boost that international demand is giving to Asian economies.⁵ The quarterly forecast for 2014 predicts a strong, sustained increase (see Figure 1).

**FIGURE 1:
SINGAPORE GDP ANNUAL
GROWTH RATE (2014)⁶**



Singapore's economy grew 3.7-percent in 2013, up from 1.3-percent in 2012.⁷ This performance was better than initially expected. Both manufacturing (+0.8-percent) and service-producing industries such as wholesale and retail, transportation and storage, and accommodation and food (+5.1-percent) grew faster in 2013, compared with 0.1-percent and 1.2-percent, respectively, in 2012.⁸ This growth is proving to be beneficial

for emerging businesses, as jobs in both manufacturing and IT are pulling in the masses, especially younger, technically savvy expats.⁹

The country's Prime Minister Lee Hsien Loong noted that there were a few rough spots this year that tested the country as a whole.¹⁰ But the country's 2013 GDP growth figure was in line with the government's earlier revised growth forecast of between 3.5- and 4-percent, which translated into positive news for workers. Median salaries also increased by 3.9-percent, while the pay for the lower-income group went up as well. This ultimately means better jobs and new opportunities for workers. The country's stability, combined with its job market and financial security, create ample opportunities for companies expanding into or entering Singapore.

Singapore scores fifth in the world for ease of settling in, and expats find it easy to adjust to the climate (74-percent) and to the new culture and lifestyle (68-percent against the global average of 59-percent).¹¹ With the country gaining momentum, established businesses are expected to grow and may find that candidates who visit before accepting placements will be motivated to take assignments, and expatriates may be unwilling to relocate from Singapore.

A GLOBALLY CONNECTED COUNTRY

Singapore is an important hub for the Asia-Pacific region. The economy depends heavily on foreign trade – both from port activities and from exports of electronic components and refined oil. Singapore's

¹ "Singapore Continues to be Most Business-Friendly Economy in the World, the Philippines among the Top 10 in Improving Business Regulation." The World Bank, October 28, 2013.

² Department of Statistics Singapore, 2014.

³ "Singapore's Transformation from a Small Struggling Island Nation to a Thriving Metropolis." HubPages, January 23, 2014.

⁴ Jeff Ng. "Not Overly Concerned for Singapore in 2014." Forbes, January 24, 2014.

⁵ Gaurav Raghuvanshi and Natash Brereton-Fukui. "Singapore's Economy to Benefit as Global Growth Gains Traction." Wall Street Journal, November 21, 2013.

⁶ www.tradingeconomics.com

⁷ Imelda Saad. "Singapore's economy grew by 3.7% in 2013, says PM Lee." Channel NewsAsia, December 31, 2013.

⁸ Ibid.

⁹ HSBC Expat Explorer Survey 2013.

¹⁰ Ibid.

¹¹ HSBC Expat Explorer Survey 2013.

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Changi Airport is one of Asia's largest cargo airports and is served by more than 6,500 weekly flights, connecting to 250 cities in 60 countries, and handles close to 2 million tons of cargo per year. The country also boasts the world's busiest ocean freight hub, handling about one-seventh of the world's steamship container throughput.¹² The country is connected by 200 shipping lines to 600 ports in 123 countries, with daily sailings to every major port of call in the world.¹³

Broader industry trends suggest that many of the global transport and logistics leaders of the future will come from Asia. The long-term shift in trade and investment from the West to the East will provide growing opportunities for expansion in the region across all segments. Additionally, Asia has an early advantage in low-cost competition and "frugal engineering" (a product design approach that emphasizes using the bare minimum of resources to create basic, no-frills products), giving businesses an edge in the marketplace. Rooted in these trends and innovations is the need for intelligence, expertise, and collaboration, bringing more individuals to the region.

Strong among the reasons for people to migrate to Singapore is the career advancement opportunities afforded there. Career prospects have emerged as the most significant factor driving expats to Singapore, with more than half of respondents in a survey by HSBC (54-percent) citing this as the key motivator.¹⁴ This wealth of career opportunities combined with forecasts for greater economic prosperity contribute to Singapore ranking ninth in HSBC's Expat Economics League Table.¹⁵

In addition, Singapore's environment encourages advancement in every sense. Even the immigration policies encourage competition in the marketplace. Singapore has welcomed educated Chinese immigrants who are prepared to compete for higher paying jobs. These policies could keep everyone from becoming complacent and falling behind in their career and personal pursuits. The Singaporean government encourages and supports these factors by offering several years of tax breaks for companies that set up offices in the country.

NEW ATTRACTIONS BOOST TOURISM

It's not just the economy that's booming lately either. Singapore continues to rejuvenate its tourism

offerings as it transforms into a cosmopolitan city-state, while retaining its Asian charm. It provides accessible and user-friendly offerings that provide visitors and expatriates with a personalized experience and customized activities.¹⁶

From culture and history to nature and adventure, Singapore's attractions offer distinct experiences across the country. Several major attractions are in the works to boost tourism in this densely populated area in 2014. In April, the Singapore Sports Hub is slated to open – a massive 86.5-acre sports and entertainment complex.¹⁷ Other developments for 2014 include the Jurong Lake District, which will be a unique lakeside destination for business and leisure; the Orchard Gateway shopping mall on Singapore's prime shopping belt, Orchard Road; and the National Art Gallery at the Old Parliament House.¹⁸

Infrastructural transportation development is also at the front-line for Singapore's future. The Downtown Line (DTL), a 42-kilometer fully underground train, is in various stages of construction. It will pass through 34 stations connecting the northwest regions of Singapore to the new downtown at Marina Bay and the Central Business District.

THE BOOM BRINGS EXPANSION

As Singapore approaches its 50th anniversary of becoming an independent nation in 2015, achievements in its sustained business growth and transformation continues, and the country continues to attract tourists and expats alike. Visitors and relocating individuals are sure to reap the benefits of a booming economy, enjoying vibrant housing, and the newest attractions.

As infrastructure, housing, and the society as a whole continue to advance, its people will adapt to the forward-thinking country and its progressive changes. With a Singapore office staffed with global mobility industry veterans, Graebel helps companies and their expatriates on long- or short-term assignments prepare for their relocation into this changing region. And as an industry leader, Graebel also offers attractive career path opportunities in Singapore and worldwide. For answers to questions concerning your company's global mobility program, contact Graebel today.

¹² www.edb.gov

¹³ Ibid.

¹⁴ HSBC Expat Explorer Survey 2013.

¹⁵ Ibid.

¹⁶ Deanna Ting. "Uniquely Singapore." Incentive Magazine, February 3, 2014.

¹⁷ Ibid.

¹⁸ "7 major attractions to boost Singapore tourism in 2013-2014." Singapore Business Review, January 2, 2013.