Current Economic Situation

An island geographically smaller than O’ahu but with a population quintuple that of Hawai‘i’s, the city-state of Singapore is one of the most densely populated places on earth. Culturally, Singapore is a melting pot of Southeast Asia, with significant populations of Chinese, Malay and Indian people, all of whom hold a Singaporean identity. This diversity, along with a large English-speaking population, is an asset of Singapore and is used to further strengthen its economy with neighboring nations.

With 76 percent of the labor force employed in the services sector, Singapore is considered a major trade hub of Asia, and the Port of Singapore is the busiest in the world. Indeed, its ultra-modern rail transportation system reflects the Singaporean ethic of efficiency and speed.

For the past three years, Singapore has consecutively placed first on the World Bank’s Ease of Doing Business ranking. In 2008, Singapore received a 8.70 out of 10 for economic freedom, ahead of the APEC members’ average. Although the economy suffered as a result of the global financial crisis, with its GDP growth rate declining from 8.5 percent to -1.3 percent in 2009, Singapore remained a bastion of financial stability, retaining Fitch’s ‘AAA’ rating.

APEC Relations

Singapore has established a trade regime that has embraced trade and investment liberalization. Thus, it is only natural that APEC is headquartered in Singapore, where business, financial and legal services dominate the economy. APEC economies are Singapore’s major trading partners: 75 percent of all Singapore’s merchandise exports are sent to APEC, while 68 percent of all imports to Singapore come from APEC. APEC’s trade facilitation objectives gain a major contribution from Singapore’s customs regime, which is transparent. In the areas of standards and conformity, the Singapore practice is to adopt international standards where possible and use them as a basis for the development of Singapore standards.

Energy and Environmental Policy

Singapore has made the environment a priority, seeing the establishment of “green collar” jobs and new technologies as a major economic opportunity. In 2008, the government began to execute its vision and commissioned a special committee for sustainable development. The committee has created several plans, including a $692 million USD green plan and $470 million USD clean technology plan, the latter of which would provide funding for research and development and manpower training. Other aspects of the plan include private sector awards for more energy efficient building projects, which would use solar energy.

In addition, Singapore is exploring options in biofuels and wind technology, as well as a project to establish Singapore as a carbon hub for Asia, as the economy already has many leading carbon services companies.