



Singapore

Member Countries - Commonwealth Chamber
of Commerce

Singapore, city-state located at the southern tip of the Malay Peninsula, about 85 miles north of the Equator. It consists of the diamond-shaped Singapore Island and some 60 small islets. The main island occupies all but about 18 square miles of this combined area. Singapore is the largest port in Southeast Asia and one of the busiest in the world. It owes its growth and prosperity to its focal position at the southern extremity of the Malay Peninsula, where it dominates the Strait of Malacca, which connects the Indian Ocean to the South China Sea. Once a British colony and now a member of the Commonwealth, Singapore first joined the Federation of Malaysia on its formation in 1963 but seceded to become an independent state on August 9, 1965.



Demographics

Singapore's population as of July 2022 is estimated to be 5,921,231. The population is divided into four categories Chinese, Malay (includes indigenous Malays and Indonesians), Indian (includes Indian, Pakistani, Bangladeshi, or Sri Lankan), and other ethnic groups (includes Eurasians, Caucasians, Japanese, Filipino, Vietnamese). The distribution is 74.2% Chinese, 13.7% Malay, 8.9% Indian, 3.2% other.

Migration has played a key role in Singapore's development. As Singapore's economy expanded during the 19th century, more and more Chinese, Indian, and Malay labor immigrants arrived. Most of Singapore's pre-World War II population growth was a result of immigration. During World War II, immigration came to a halt when the Japanese occupied the island but revived in the postwar years. Policy was restrictive during the 1950s and 1960s, aiming to protect jobs for residents by reducing the intake of low-skilled foreign workers and focusing instead on attracting professionals from abroad with specialist skills. Consequently, the nonresident share of Singapore's population plummeted to less than 3%.

History

Singapore Island originally was inhabited by fishermen and pirates. In [Javanese](#) inscriptions and Chinese records dating to the end of the 14th century, the more-common name of the island is Tumasik, or Temasek, from the Javanese word *tasek* ("sea"). At the end of the 14th century, Temasek fell into decay and was supplanted by [Malacca](#) (now Melaka).

In 1819, British statesman Stamford Raffles negotiated a treaty whereby Johor allowed the British to locate a trading port on the island, ultimately leading to the establishment of the crown colony of Singapore in 1867. During World War II, Singapore was conquered and occupied by the Japanese Empire from 1942 to 1945. When the Japanese surrendered, Singapore reverted to British control, with increasing levels of self-government being granted, resulting in Singapore's merger with the Federation of Malaya to form Malaysia in 1963. However, social unrest and disputes between Singapore's ruling People's Action Party and Malaysia's Alliance Party resulted in Singapore's expulsion from Malaysia. Singapore became an independent republic on 9 August 1965.

Key dates

1819 – Sir Stamford Raffles of British East India Company establishes trading post on Singapore island.

1942 – Singapore falls to Japan, which renames it Syonan (Light of the South).

1945 – Japan defeated. Singapore under British military administration.

1946 – Singapore becomes separate crown colony.

1959 – Self-government attained with Lee Kuan Yew as prime minister.

1971 – Last British military forces withdrawn.



Legal System and Government

Singapore is a republic with a parliamentary system of Government based on the Westminster Model. The Executive includes the Elected President, the Cabinet and the Attorney-General. The President is elected by the people and is empowered to veto government budgets and appointments to public office. The Cabinet comprises the Prime Minister and Ministers appointed from among the Members of Parliament and is responsible for the general direction and control of the Government and is accountable to Parliament. The Attorney-General is the principal legal advisor to the government and has the power and discretion to prosecute offenders.

The Legislature comprises the President and Parliament and is the legislative authority responsible for enacting legislation. Parliament is made up of elected, non-constituency and nominated Members of Parliament. The President's assent is required for all bills passed by Parliament and he may in his discretion withhold assent to certain bills.

Being a former British colony, the legal system in Singapore is based on the English common law. The Chief Justice, who is appointed by the President, is the head of the Judiciary. The Judiciary is made up of the Supreme Court and the Subordinate Courts. The Supreme Court hears both civil and criminal matters and is separated into the Court of Appeal and the High Court. The Subordinate Courts consist of District Courts, Magistrates' Courts, Juvenile Courts, Coroners' Court and Small Claims Tribunals. A Senior District Judge overlooks the Subordinate Courts.

Economy

The economy of Singapore is a highly developed free-market economy. Singapore relies on an extended concept of intermediary trade to entrepôt trade, by purchasing raw goods and refining them for re-export. The country's main exports include electronics, chemicals and services. Small and medium-sized enterprises (SMEs) are the backbone of the Singapore's economic landscape. SMEs contribute about 40% of Singapore's nominal GDP and employs 70% of Singapore's total workforce of 3.35 million.

Singapore's trade-to-GDP ratio is among the highest in the world, as of 2020, the ratio was 320%. The Port of Singapore is the second-busiest in the world by cargo tonnage and is the busiest transshipment port in the world. Singapore is also a regional, continental and global hub for the management and operations of various MNCs, with its strategic location in close proximity with other Asia-Pacific markets, along with its advanced connectivity and infrastructure as an airline hub and maritime port with a diverse array of destinations, fiber-optic communications, efficient road transport and public transport as well as its immigration policies being receptive to human capital. In addition, Singapore is a popular international tourist destination for various types of tourism, such as business tourism, MICE (Meetings, Incentives, Conferences, Exhibitions) tourism, medical tourism and urban tourism.

Trade

In 2020 Singapore was the number 36 economy in the world in terms of GDP (current US\$), the number 19 in total exports, the number 17 in total imports, the number 10 economy in terms of GDP per capita (current US\$) and the number 6 most complex economy according to the Economic Complexity Index (ECI).

In February 2022, the top exports of Singapore were Electrical Machinery Apparatus & Appliances Nes... (SGD16.9B), Petroleum & Products & Related Materials (SGD6.28B), Oil Bunkers (SGD2.78B), Office Machines & Automatic Data-processing Machines (SGD1.84B), and Organic Chemicals (SGD1.71B). In February 2022 the top imports of Singapore were Electrical Machinery Apparatus & Appliances Nes... (SGD14.1B), Petroleum & Products & Related Materials (SGD8.37B), Office Machines & Automatic Data-processing Machines (SGD1.53B), Miscellaneous Manufactured Articles Nes (SGD1.47B), and Telecommunications & Sound-recording & Reproducing Apparatus (SGD1.36B).

Investment Opportunities

Singapore is the fourth largest financial centre globally and the third richest in the world. It is home to the biggest foreign exchange centre in Asia-Pacific and the third largest worldwide, after New York and London.

Singapore has a large trade network that amounts to over 25 free trade agreements. This includes 15 bilateral and regional agreements among 15 countries as of January 2021. The country is also one of the largest export economy and importer. Singapore benefits from government policies that position the country as open to trade, attract foreign direct investment inflows and that welcome overseas business setting up shop on its shores. Its low corporate tax rate and low level of corruption attracts more than half of Asia's global firms to locate their regional main office in Singapore.

Singapore's proximity to other countries and key markets in the region open up many possibilities for investors and businesses based here. In fact, many Chinese and Australian producers and trading houses have major offices in Singapore, boosting its position as the region's stand-out commodities hub.

Singapore is also appealing to investors as an offshore wealth management hub, with 58% of participants in a 2018 survey conducted by Asian Private Banker rating it as their preferred market, followed by Hong Kong and Switzerland.

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