

MARKET GUIDE SINGAPORE



NEW ZEALAND
TRADE & ENTERPRISE
Te Taurapa Tūhono

**KNOW
HOW**

About Singapore

Singapore was once a British colonial trading post – now it is a growing financial hub and described as one of Asia’s economic ‘tigers’. The country is full of opportunities for New Zealand exporters and its location helps open the door to other Asian markets.

Singapore is one of New Zealand’s largest trading partners and seventh largest export market. It’s a significant source of investment and an important tourism market.

With a population of 5.6 million, Singapore is a relatively small market. However, its strategic position as Asia’s hub is very important. The majority of New Zealand companies exporting to, and operating in, Singapore use the market as a strategic entry point and/or regional headquarters for their engagement with China, India and the Association of Southeast Asian Nations (ASEAN).

Some companies report feeling ‘safer’ about entering complex markets like China and India on the back of a partnership with Singaporean companies. This is because those partnerships help with strong connections, knowledge and understanding of these markets through a long history of inter-regional trade and a shared history and culture.

Singapore’s Economic Development Board offers support, well-paid incentives, and an English-speaking, highly educated and well-travelled workforce. It also provides clear rules and regulations, strong IP protection, and is

positioned as a global trading and transport focal point. All this strengthens Singapore’s position as Asia’s hub.

Singapore offers unrivalled access to regional knowledge, connections and experience, as well as venture capital. It is home to an estimated 4,000 multinational corporations, 60 percent of which have regional or international headquarters and decision-making based in Singapore.

Contents

QUICK FACTS AND TRADE AGREEMENTS	3	TRAVEL AND VISITING SINGAPORE	11	SETTING UP OPERATIONS AND ESTABLISHING A BUSINESS	14
OPPORTUNITIES FOR NEW ZEALAND BUSINESSES	4	Transportation	1	Customs and import regulations	14
Food and beverage	4	IT, internet and communications	11	Taxation	14
Retail	5	Currency, credit cards and ATMs	11	Opening a bank account	14
Specialised manufacturing	5	Gratuities and tipping	11	RESOURCES AND CONTACTS	15
Health care	6	Public holidays	11	Local government directory	15
Technology (ICT)	6	Language and useful phrases	12	Business associations	15
Education	7	Safety and security	12	NZTE / EMBASSY CONTACT DETAILS	16
BUSINESS CULTURE AND ETIQUETTE	8	Medical services and hospitals	12		
		TRADE SHOWS AND INDUSTRY EXHIBITIONS	13		

Quick facts

Singapore is:

- a wealthy city state in Southeast Asia
- a trade-driven economy with many foreign workers
- a relatively small market with an important strategic position as Asia's hub
- home to regional knowledge, connections, experience and venture capital
- a base for around 4,000 multinational corporations
- New Zealand's 7th largest two way trading partner (2017).

GDP:

US\$444 billion (2017)

GDP per capita (PPP):

US\$79,072 (2017)

Currency:

Singapore Dollars (SGD)

Official languages:

Mandarin, English, Malay, Tamil

World Bank Ease of Doing Business ranking (2018):

2 of 190 (NZ ranked 1 of 190)

Corruption Perceptions Index ranking (2016):

7 of 180 (NZ ranked 1 of 176)

Free-Trade Agreements:

AANZFTA (ASEAN-Australia- New Zealand), NZ-Singapore CEP, P4 (Trans-Pacific Strategic Economic Partnership)

Value of NZ exports:

NZD1.3 billion (2017)

New Zealand's 7th largest market in 2016

Land area:

687 sq km

Population:

5.6 million (2016)

Density:

8,056.8 people/km²

New Zealand currently has the following agreements in place: the ASEAN-Australia-New Zealand (AANZFTA), the NZ-Singapore Closer Economic Partnership, and the Trans-Pacific Strategic Economic Partnership (P4).

If you are a goods exporter, use the Ministry of Foreign Affairs and Trade [tariff finder](#) to find out the applicable tariff rates for Singapore plus HS codes, document and shipping requirements. The [Free Trade Agreements section](#) of the Ministry of Foreign Affairs and Trade website has further information.

Opportunities for New Zealand businesses

In November 2000, New Zealand and Singapore signed a Closer Economic Partnership (CEP) which came into force on 1 January 2001. The New Zealand-Singapore CEP boosted New Zealand exports to Singapore. These have doubled over the past 10 years, and increased by over 50 percent in the past five years. Singapore is also an important investment partner for New Zealand – Singapore's stock of foreign direct investment in New Zealand was \$5.65 billion in the year to March 2016. More than 40 New Zealand companies have a presence in Singapore. The country is often a first entry point and regional hub for the Southeast Asia region. These companies are mainly from the information and communications technology (ICT), food and beverage and specialised manufacturing sectors.

Food and beverage

- More than 50 percent of New Zealand exports are food and beverage items. This will continue to remain a priority sector for New Zealand in Singapore.
- Singapore, is among New Zealand's largest markets for food and beverage products. Exports are valued at \$558.9 million. Dairy was the most valuable export in 2015 (\$317.7 million) with meat (\$49.4 million), fruit, wines, seafood and vegetables rounding out the high-volume food trade. Over the last 10 years New Zealand F&B exports to Singapore have more than doubled.
- Singapore is the seventh largest export market for New Zealand wines (\$21.5 million).
- Across the Southeast Asia region, growing economic success is driving several trends – which present opportunities for New Zealand. These include (but are not limited to): increasing disposable incomes, a growing focus

on health and wellness, a growing appetite for Western/imported products, convenience, brand consciousness, and an ageing population. Other aspects are an increasing focus on halal certification, interest in knowing where products originate from, a growing focus on food safety, and an increasing awareness of sustainability drivers – all of which are influencing purchasing decisions.

- The opening of Singapore's two integrated resorts, Resorts World Sentosa and Marina Bay Sands in 2010, represent significant new opportunities for New Zealand companies. These two integrated resorts serve more than 70,000 meals a day. No expense is spared to exceed expectations of their guests, particularly the high rollers. Marina Bay Sands, costing SG\$8 billion to construct, is the world's most expensive 'standalone' casino property.

Retail

The retail sector is dominated by two retailers and includes NTUC FairPrice and Cold Storage. NTUC FairPrice has a 55 percent market share.

Singaporean supermarkets are expanding the range of eco- products they offer, in response to growing demand from consumers. In the last five years, the range of eco-friendly products sold in Cold Storage's 42 supermarkets has risen from 10 to more than 100. Recently, Cold Storage replaced shark products with more than 10 sustainable seafood items including red snapper from New Zealand and mussels from Australia. This development presents significant opportunities for New Zealand products.

The shopping environment in Singapore is also changing. Cold Storage has opened its first green supermarket with energy-saving lighting and chillers. NTUC FairPrice has an eco-friendly outlet which has over 400 eco-friendly products. Carrefour has introduced dedicated checkout lanes for shoppers using their own shopping bags.

Sales of ready-to-cook foods are growing in Singapore as time-limited consumers look for easier options at the end of a busy day. Supermarkets are in the market for new pre-prepared items that meet the needs of Singaporean customers.

A growing number of Singaporean consumers are choosing frozen meat cuts over fresh. Rising demand for frozen meat is partly the result of a push to reduce grocery bills (fresh products are 20 percent more expensive than frozen products). There is also the convenience of frozen food, and greater confidence in freezing technology.

Singapore Agri-Food and Veterinary Authority (AVA) figures show imports of frozen beef increased by almost 70 percent in 2011. Volumes of frozen pork rose 59 percent, and sheep and chicken about 15 percent. Supermarket statistics also support the trend with NTUC FairPrice seeing a 10 percent rise in sales of frozen meats in the last two years.

Specialised manufacturing

Singapore's manufacturing sector plays an important role in Singapore's economy, with total output reaching SG\$270M in 2016. Identified as a manufacturing hub, SG\$193.3B of machinery and transport equipment were imported into Singapore in 2016.

Singapore invests heavily in developing industries to stay ahead of the market and provide scale for growth opportunities.

Key sectors are:

- Aviation
- Marine
- Building & Construction
- Transportation
- Electronics

Electronics manufacturing industry contributes significantly to the Singapore SM market (e.g. 33% increase in monthly output for Sept 2017), despite competition from neighbouring Malaysia; this is particularly applicable to the semiconductor industry, where both exports and production have remained mired in a downtrend despite a global pick-up.

All manufacturing clusters (electronics, precision engineering, chemicals, biomedical manufacturing, and general manufacturing) except for transport engineering, recorded output growth, ranging from 4.3% (general manufacturing) to 33.2% (electronics) in September 2017.

Health care

Health care is one of the key economic sectors currently undergoing transformation, as Singapore addresses the rising costs associated with an aging population. The country is keen to adopt an integrated Health care approach, and improve clinical outcomes and cost efficiencies in the health care system.

Health care expenditure has more than doubled from SG\$4.7 billion in 2012 to SG\$11 billion in 2016. It is expected that the Singapore Government will continue to invest in quality infrastructure and medical services over the next five years. Private sector spending will remain stable, despite an expected increase in the arrival of foreign patients.

Although the Government's health care spending ranks among the lowest in developed countries (there is a co-payment system with its citizens), Singapore invests heavily in this area. The Government is developing platforms to help health care providers develop and test new products. The Government also assists with business models for health care companies such as health IT, medical equipment/device, pharmaceuticals, and consumer health.

Technology (ICT)

Singapore's total market value in IT was SG\$10 billion in 2015 with a steady forecast CAGR growth rate of 2.8% by 2021. The Government is actively investing in a Smart Nation initiative (from wearables, contactless payment to assistive technology).

FinTech (Financial Technology) is the fastest growing ICT sector in Singapore. There are 18 Innovation Hubs in Singapore, all with strong government support across IT market segments including cloud computing and smart services.

In health technology, the Government plans to build new/replacement nursing homes to bring the total to 25 by 2020. A new National Heart Centre Singapore (NHCS) building was opened in 2014, significantly boosting the capacity at NHCS to address the needs of the ageing population. The centre aims to become a digital heart hospital without paper, scripts, charts and film.

Key issues impacting New Zealand business

New Zealand is generally viewed favourably. However, most New Zealand companies are not doing a lot to make the most of this goodwill and there is a low awareness of New Zealand products.

Except for companies such as Zespri, Fonterra and apple exporters, many New Zealand companies invest very little in marketing and do not appreciate the power of branding.

This impacts their ability to work with the right partners in Singapore. Many of these partners are looking for advertising and promotion support, as well as longer-term sales of their products.

New Zealand exporters also tend to rely too much on distributors and are not close enough to their customers. This results in poor knowledge of the market and the situation where many end up being price takers.

New Zealand F&B companies should take a more sophisticated approach to Singapore – visiting the market more often and using Singapore's ethnic mix as an opportunity to test products for markets in China, India, and other Southeast Asian countries. New Zealand companies could also look at basing some food processing in the region for export around Southeast Asia due to cost efficiencies (e.g. packaging or processing).

Education

The New Zealand-Singapore education relationship is an important one for both policy dialogue and export education reasons. Opportunities for New Zealand in Singapore are education businesses (including resources and consulting), New Zealand universities delivering programmes in Singapore, and schooling policy exchange/collaboration.

There is a large body of international students in Singapore, mainly from other Asian countries such as China, Malaysia, Indonesia and Korea. These students may also provide a market for New Zealand – either for further qualifications in New Zealand, or if New Zealand providers establish a presence in Singapore (perhaps in collaboration with local partners).

Singapore is interested in New Zealand's experience as they improve and reform various parts of their education system.

This includes curriculum, training, and quality assurance of private tertiary colleges. Specific areas of interest in schooling have been arts education, 'soft skills', physical education and outdoor education, mathematics education and literacy.

It is recognised internationally that Singapore and New Zealand have some of the top-performing schooling systems in the world. Singapore recently ranked first for having an education system that best meets the needs of a competitive economy (Global Competitiveness Report, World Economic Forum 2009/2010).

Business culture and etiquette

Singapore society and culture

The concept of 'face' is extremely important in Singapore. Face is an untouchable quality that reflects a person's reputation, dignity, and respect. You may lose face, save face, or give face to another person.

Companies and individuals have face. This is often the basis behind business transactions. You give someone face by complimenting them, showing them respect or doing anything that increases their self-esteem.

These actions must be done with absolute sincerity. Doing them in a superior manner causes both parties to lose face. Humiliating people by publicly telling them off, insulting them, or contradicting them in front of someone else causes them to lose face.

Etiquette and customs

Meeting and greeting

The handshake is commonly used when greeting Westerners. At smaller functions, it is polite to wait for your host or hostess to introduce you.

The Chinese traditionally have three names: the surname or family name is first and is followed by two personal names. The first personal name is their father's name and the second personal

name is their own name. It is appropriate to address the person by their surname. If they want to move to a first name basis, they will let you know which name to use. Some Chinese adopt more Western names and may ask you to call them by that name.

Gift giving etiquette

A gift may be refused one or two times before it is accepted. If you are invited to someone's home, bring good quality sweets, fruit, flowers, or imported spirits to the hostess.

There are several other important points to consider:

- Do not write a person's name in red ink.
- Do not give red or white flowers.
- Do not give scissors, knives or other cutting utensils, as they indicate that you want to split the relationship.
- Do not give clocks, handkerchiefs or straw sandals, as they are associated with funerals and death.
- Do not wrap gifts in white, blue or black paper.
- Gold and red are lucky colours, so they make excellent gift wrapping.
- Decorative gift wrapping is important.

- Do not give odd numbers of things as many are considered unlucky.
- Never give a quantity of four items.
- Eight is a particularly promising number, so giving eight of something gives good fortune on the recipient.
- A small gift for the children is always appreciated; however, do not give green hats.
- Always present gifts with two hands.
- Gifts are not opened when received.

Dining etiquette

Table manners are rather relaxed in Singapore, although there are certain rules of etiquette. When in doubt, watch what others do and copy their behaviour.

- Wait to be told where to sit. There is often a seating plan.
- Wait for the host to tell you to start eating or for them to begin eating.
- Food is served on a revolving tray when you are in a Chinese restaurant.
- You should try everything.
- Never eat the last piece from the serving tray.

- Chopsticks should be returned to the chopstick rest after every few bites and when you drink or stop to speak.
- Always refuse a second serving at least once if you don't want to appear greedy.
- When you have finished eating, place your chopsticks in the chopstick rest or on the table. Do not place your chopsticks across the top of your bowl.
- The host offers the first toast. You may reply later in the meal.

Building relationships and communication

Although business-people in Singapore do not require long-standing personal relationships to do business, many businesses are family-owned. This means personal relationships are an important part of doing business.

Once you have begun to work with a Singapore business-person, it is important to maintain the relationship. When you first meet, expect some small talk. Your Singapore colleagues will want to get to know you well enough that they are comfortable working with you. Don't be surprised if you are asked questions that might be considered extremely personal in your home country.

The Singapore Chinese are generally sophisticated and diverse. They are quite familiar and comfortable with people from other countries.

Some business-people may overlook poor behaviour to settle a business deal, however, many will not. The Singapore Chinese take a long-term view of business relationships.

Singapore Chinese are direct communicators and also make use of non-verbal communication. In general, businesspeople are non-confrontational and will never openly say no, so that they do not embarrass the other person.

If someone sucks air through their teeth while you are speaking, it means they are unhappy with what you have just said. If possible, try to re-state your position or change your request.

As in many Asian cultures, silence is a form of communication.

It's also important to not to jump into the conversation if your Singapore business colleague remains silent for a minute.

Business meetings and negotiations

Appointments are necessary and should be made between three to four weeks in advance if you are travelling to Singapore.

Avoid trying to schedule meetings during Chinese New Year (late January or early February) as many businesses close for a week during this time.

You should arrive at meetings on time. If you're running late for the appointment, telephone and advise the person you are meeting.

There will be a period of small talk before getting down to business discussions. When meeting your Singapore business associates, allow the most senior person in your delegation to lead the group and be introduced first. Business negotiations happen at a slow pace.

A couple of other important points: Avoid losing your temper or you will lose face and damage your relationship. Also, do not use high-pressure tactics – you might be outmanoeuvred. Decisions are usually made at the top of the company. However, the pace of decision-making is quicker than in other Asian countries. Your starting price should leave room for negotiation, so don't offer your best price right at the beginning. Business is more price than quality driven.

Business Do's

- Do ask your colleagues how they prefer to be addressed, and also clarify with them how you would like to be addressed.
- Maintain harmony, avoid conflict and confrontation during discussions.
- Perform introductions in order of seniority.
- Business cards must be exchanged with two hands.
- Focus on building rapport with colleagues, business partners and clients.

Favourite Singaporean topics are on food and holidays:

- Where can I find the best char kuay teow?
- Which is the best island to visit in Southeast Asia during December?

Business card etiquette

Business cards are exchanged after the initial introductions. They are exchanged using both hands. Hand your card so the words face the recipient. Look at the business cards carefully before putting them in a business card case.

It is important to treat business cards with respect - never write on someone's card unless asked to do so.

Your own business cards should be kept in perfect condition. Make sure your business card includes your job title. This helps your Singapore business contacts understand where you fit in your company's hierarchy.

Business Don'ts:

- Do not question your business partners in public.
- Do not disagree with your business partners in public.
- Do not correct your business partners' mistakes in public.
- Do not refuse your business partners or supervisors outright.
- Employees may publicly comply to unreasonable demands with an agreeable "yes" but the "yes" may be accompanied with signs of non-compliance (i.e. "yes but, it might be difficult...").
- Do not engage in public displays of anger or confrontation against your business partners.
- Do not be confrontational or forceful nor disagree in public with other people on your team.

Travel and visiting Singapore

Visas and immigration

New Zealand passport holders do not require a visa to enter Singapore for business. Singapore's [Immigration and Checkpoints Authority](#) has information on the entry requirements.

Accommodation

Singapore boasts a range of accommodation options. The [Singapore Hotel Association](#) has details on some of the options available.

Transportation

There are a number of transport options to travel in and around Singapore:

To / from airport

[Singapore Changi Airport](#) is easily accessible with many modes of transportation available to and from the airport.

[You can also hire cars from Changi Airport.](#)

Public transport:

[SMRT Corporation](#)

- SMRT Trains
- SMRT Bus
- SMRT Taxi

Taxi

[Comfort Taxi](#) - +65 6552 1111

[CityCab](#) - +65 6552 1111

[SMRT](#) - +65 6555 8888

[Transcab](#) - +65 6555 3333

[Premier Taxi](#) - +65 6214 8880

[Yellow Top Taxi](#) - +65 6293 5545

Grab

Ride-hailing app, [Grab](#), is a popular and cheaper alternative to get around Singapore. It also offers food delivery and ride-sharing services. To access the service, simply download the Grab app on your smartphone. The service accepts both cash and credit card payment

IT, internet and communications

Information on connectivity can be found at [YourSingapore](#)

Currency, credit cards and ATMs

The major credit cards found in New Zealand are generally accepted in Singapore. ATM machines are spread throughout the country. New Zealand and Singapore dollars can be exchanged at registered money exchanges.

Gratuities and tipping

Tipping is usually not required or expected as many hotels and restaurants already put a compulsory 10 percent service charge on top of the bill.

Public holidays

Singapore has a number of public holidays; for a list visit the [Ministry of Manpower website](#)

Language and useful phrases

English is one of four official languages, along with Mandarin, Tamil and Malay. English is also the language of the business and service industries. Other Chinese dialects include Hokkien, Cantonese and Teochew.

English is the main language for business. The following phrases can be used to engage better with Chinese Singaporeans:

English	Mandarin
Nice to see you	Nihao (Nee-haoww)
Thank you	Xièxie (sshyeah-sshyeah)
I'm sorry	Duìbuqi (dway-boo-chee)

Safety and security

Visit the [Safe Travel](#) website for the latest travel advisory updates. New Zealanders in Singapore are strongly encouraged to register their details on Safe Travel.

Medical services and hospitals

Singaporeans and permanent residents benefit from medical subsidies under the Government's universal health care system. These subsidies do not apply to foreign patients, so expect to pay more for your care. Visitors to Singapore can go to public or private hospitals for treatment.

Singapore's [Ministry of Health](#) medical directory provides a current list of medical providers

Trade shows and industry exhibitions

Singapore has a wide and changing calendar of shows and exhibitions. These websites are a good place to start research in this area:

[YourSingapore](#)

[SGmeetings](#)

www.yoursingapore.com/mice/en/events-calendar.html

www.sgmeetings.com/event/list.

Product registration

[AVA](#) is the authority for food and beverage products.

Setting up operations and establishing a business

The [*Ministry of Manpower*](#) has links and information about setting up a business in Singapore

The [*Accounting and Corporate Regulatory Authority*](#) has further details on foreign ownership.

The [*World Bank*](#) has a helpful section on starting a business in Singapore.

Customs and import regulations

Visit the [*Singapore Customs*](#) website for more information on Customs and import regulations.

Taxation

The [*Inland Revenue Authority of Singapore*](#) is a good starting point on taxation matters.

Opening a bank account

The list of major banks in Singapore below can be contacted regarding the latest requirements to open a bank account.

[*Citibank*](#)

[*OCBC*](#)

[*UOB*](#)

[*DBS*](#)

[*ANZ*](#)

Resources and contacts

Local government directory

The [Singapore Government](#) website has a full list of government ministries.

Business associations

Singapore has some business and industry associations that may be relevant:

Service Provider	Address	Telephone	Website / Email
Singapore Business Federation	10 Hoe Chiang Rd #22-01, Keppel Towers	+65 6827 6828	www.sbf.org.sg
Singapore Manufacturing Federation	2985 Jalan Bukit Merah	+65 6826 3000	www.smfederation.org.sg
New Zealand Chamber of Commerce	One George Street, #21-04	+65 6235 7119	www.nzchamber.org.sg

NZTE/Embassy contact details

NZTE and the New Zealand Embassy have a presence in Singapore.

Organisation	Address	Telephone	Website / Email
New Zealand Trade and Enterprise 8.30am - 5.00pm	One George Street, #21-04	+65 6572 4363	www.nzte.govt.nz exporthelp@nzte.govt.nz
New Zealand Embassy 9.00am - 5.00pm	One George Street, #21-04	+65 6235 9966	www.mfat.govt.nz/ en/countries-and- regions/south-east- asia/singapore/ new-zealand- high-commission- singapore/



New Zealand Trade and Enterprise (NZTE) is the Government agency charged with a single purpose: growing companies internationally, bigger, better and faster, for the good of New Zealand.

We employ 600 people, have over 200 private sector partners and draw on a global network of thousands more. We have people based in 50 offices, working across 24 time zones and 40 languages to support New Zealand businesses in over 100 countries. Our global presence lets us deliver value to the businesses we support, through our unique know-how (knowledge and experience) and know-who (networks and connections).

Our know-how and know-who is expressed in our Māori name: Te Taurapa Tūhono. Te Taurapa is the stern post of a traditional Māori waka, which records valuable knowledge, and stabilises and guides

the craft forward. Tūhono represents connections to people and an ability to build relationships.

We provide customised services and support to ambitious businesses looking to go global. We help them build their capability, boost their global reach, connect to other businesses and invest in their growth. We also connect international investors with opportunities in New Zealand through a global network of investment advisors.

We call on our Government network and work closely with our NZ Inc partners and the business community, to grow our national brand and help businesses to open doors in global markets.

nzte.govt.nz

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