

PROFILE OF ENTERPRISES IN SINGAPORE

Introduction

1 This article presents the composition and profile of enterprises in Singapore in terms of enterprise size and ownership.

2 Small and Medium Enterprises (SMEs) are defined as follows:

- In the manufacturing sector, SMEs are enterprises with net fixed assets investment less than \$15 million.
- For non-manufacturing sectors¹, SMEs are enterprises with employment size less than 200 workers.

3 In terms of ownership, majority local-owned enterprises refer to enterprises with at least 50% local equity. Majority foreign-owned enterprises refer to enterprises with less than 50% local equity.

Composition and Profile by Enterprise Size

Majority of enterprises are SMEs

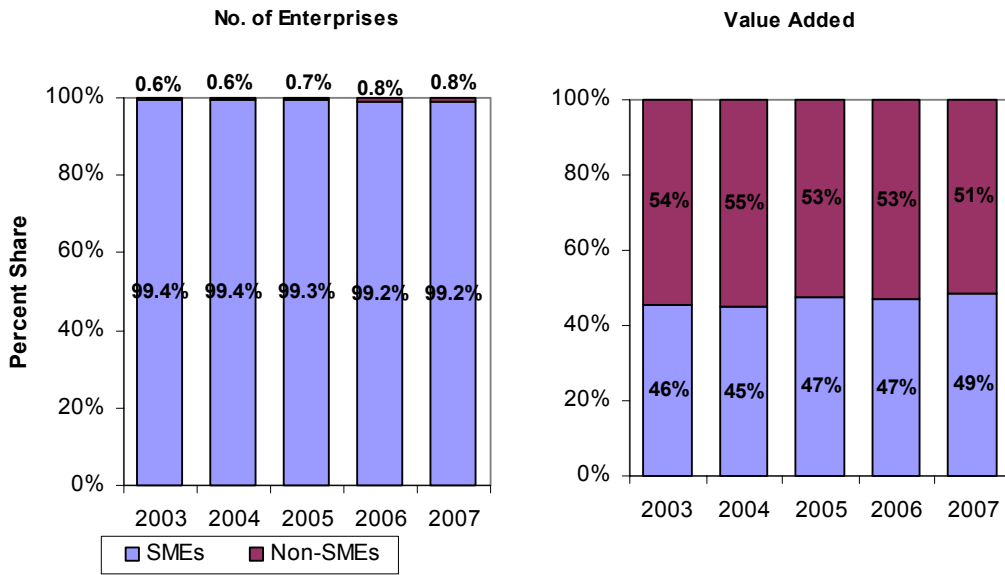
4 There were about 160,000 enterprises in 2007, of which 99% were SMEs (Chart 1). These SMEs contributed significantly to the Singapore economy, employing nearly six out of every ten workers and generating almost half of total enterprises' value-added.

5 Over the five-year period of 2003-2007, SMEs' share to all enterprises had remained around 99%. Their value-added contribution had increased steadily from 46% in 2003 to 49% in 2007, while their employment share had maintained at about 60%.

6 Non-SMEs, though making up less than 1% of all enterprises in the economy, provided jobs for the remaining 40% of total enterprises' workforce and contributed slightly more than half of total enterprises' value-added.

¹ Comprise Services-Producing Industries, Construction, Utilities and Other Goods Industries (include Agriculture, Fishing and Quarrying).

Chart 1: Composition by Enterprise Size, 2003-2007^P

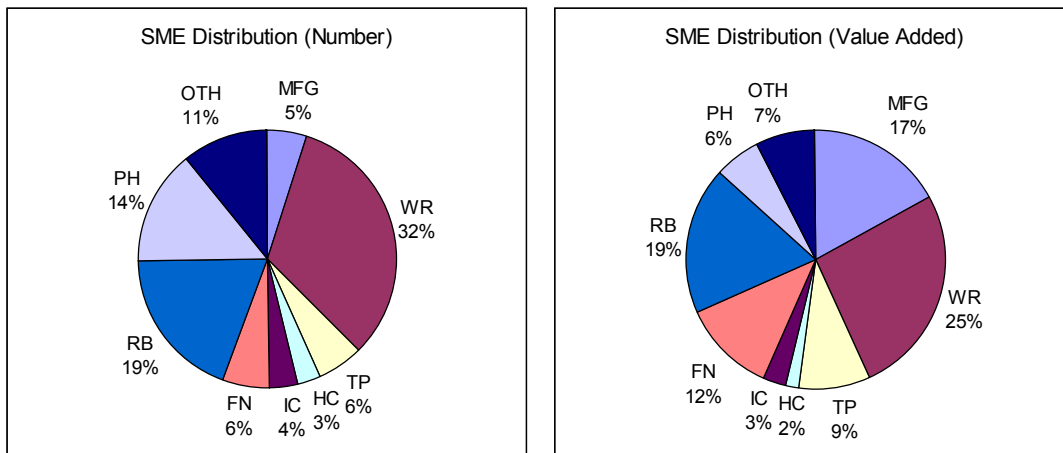


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Industry Profile by Enterprise Size

7 SMEs were mainly engaged in wholesale & retail trade (32%), real estate & business services (19%) and community, social & personal services (14%) (Chart 2). Together, they accounted for half of total SMEs' value-added. Manufacturing SMEs, though constituting only 5% of total SMEs, generated 17% of SMEs' total value-added.

Chart 2: SME Distribution, 2007^P

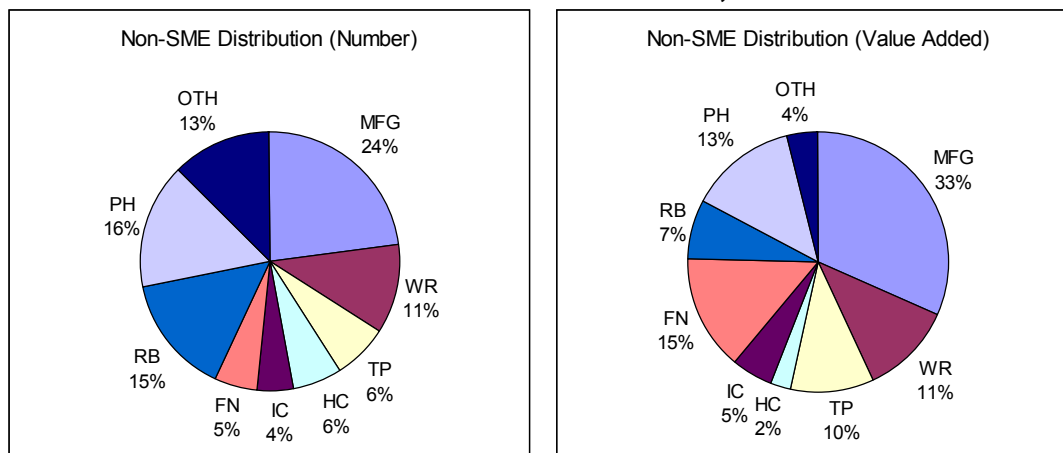


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Note: MFG: Manufacturing; WR: Wholesale & Retail Trade; TP: Transport & Storage Services; HC: Accommodation and Food & Beverage Services; IC: Information & Communications; FN: Financial Services; RB: Real Estate & Business Services; PH: Community, Social & Personal Services; OTH: Other goods-producing industries

8 Non-SMEs in manufacturing (24%), community, social & personal services (16%) and real estate & business services (15%) represented 55% of total non-SME count in 2007 (Chart 3). Similarly, they contributed slightly more than 50% to total value-added of non-SMEs. Non-SMEs in the financial services and transport & storage services made up slightly more than 10% of the total non-SME count and accounted for a quarter of non-SME's total value-added.

Chart 3: Non-SME Distribution, 2007^p



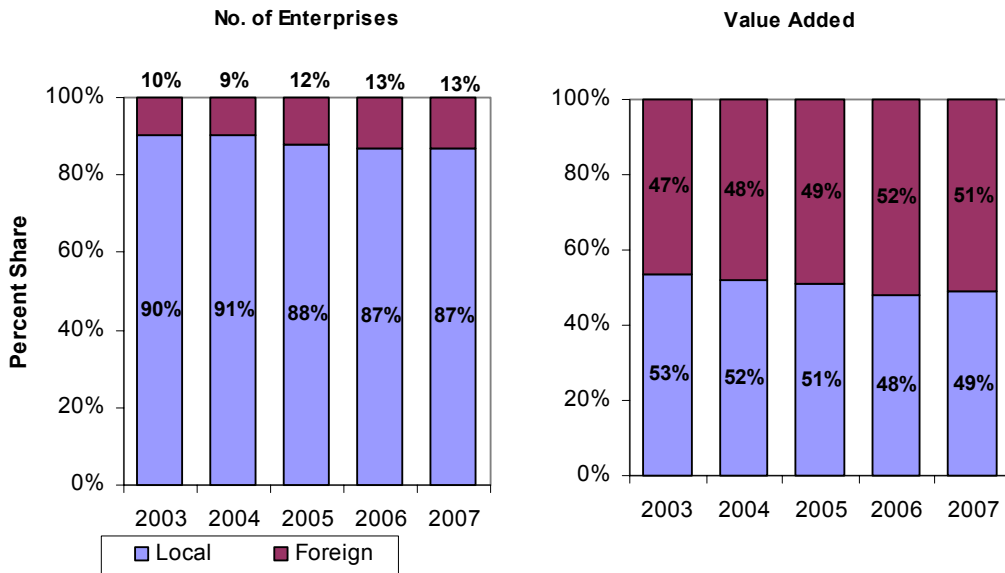
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Composition and Profile by Enterprise Ownership

9 In 2007, majority local-owned enterprises, which constituted 87% of total enterprises in Singapore, accounted for about 72% of total enterprises' workforce. In terms of value-added, majority local-owned and majority foreign-owned enterprises each contributed about 50% of total enterprises' value-added. During 2003-2007, the composition of enterprise count and value-added of majority local-owned and majority foreign-owned enterprises had remained fairly stable (Chart 4).

Chart 4: Composition by Enterprise Ownership, 2003-2007^p

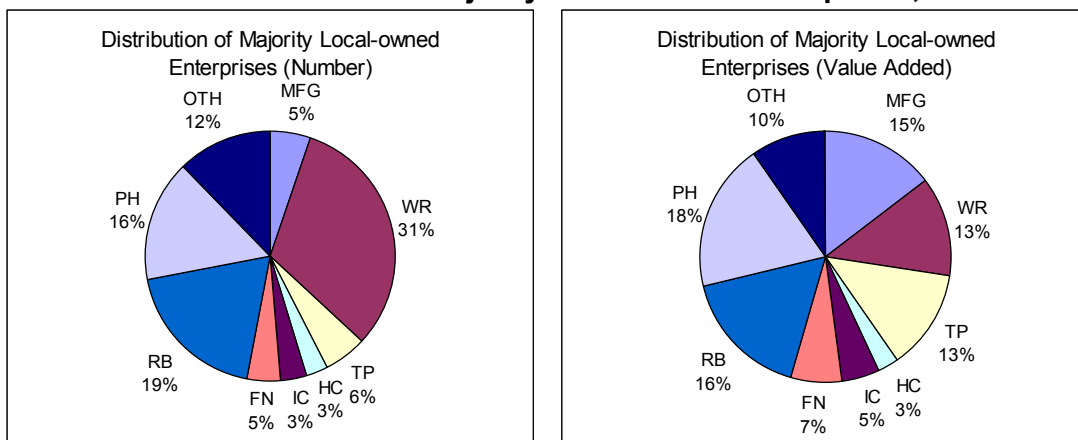


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Industry Profile by Enterprise Ownership

10 Within the majority local-owned enterprises, wholesalers & retailers formed the largest number (31%), followed by enterprises in real estate & business services (19%) and personal, community & social services (16%) (Chart 5). In terms of the majority local-owned enterprises' value-added, the top 3 contributors were personal, community & social services (18%), real estate & business services (16%) and manufacturing (15%).

Chart 5: Distribution of Majority Local-Owned Enterprises, 2007^p

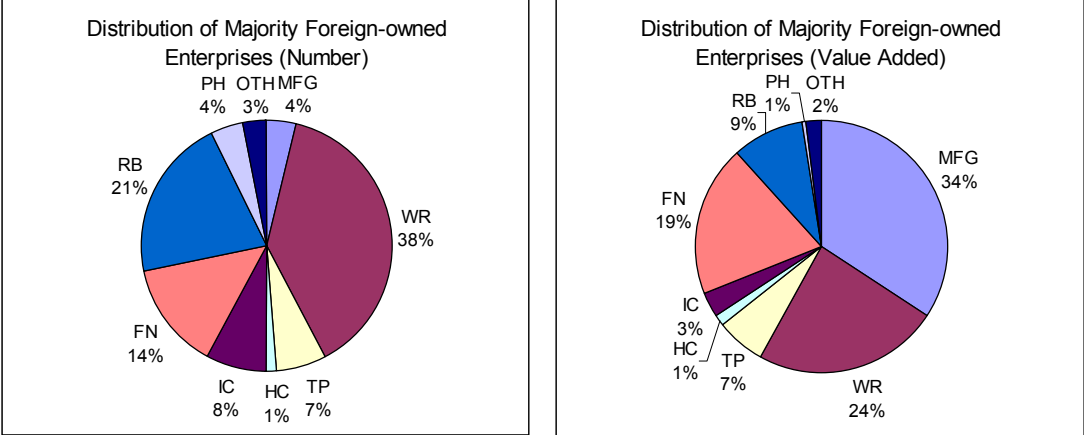


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11 As for majority foreign-owned enterprises, they were more dominant in wholesale & retail trade, real estate & business services and financial services. Together, they accounted for slightly more than half of total value-added of majority foreign-owned enterprises (Chart 6). Those in the manufacturing sector also contributed a significant 34% of total value-added of majority foreign-owned enterprises though making up only 4% of total number of majority foreign-owned enterprises.

Chart 6: Distribution of Majority Foreign-Owned Enterprises, 2007^p



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Conclusion

12 Enterprises, whether SMEs or non-SMEs, majority local-owned or majority foreign-owned enterprises, have played, and will continue to play, an important role in various aspects of the Singapore economy.

As at 10 July 2009