

ECONOMIC SURVEYS SERIES

Reference Year 2010

Introduction

The Singapore Department of Statistics conducts an annual survey on the services industries to collect a wide range of data for studies and analyses. The first survey on the services industries was conducted in 1968 for the reference year 1967 and subsequently at regular intervals. Since 1984, the inquiry was carried out on an annual basis.

The latest survey was carried out in 2011 for reference year 2010. This year, the reports will focus on several services industries of importance to the Singapore economy. This report on *Health Services* is the Department's first issue in the series. A final consolidated report on *The Services Sector* will provide a performance overview of the services sector.

28 September 2011

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Key Indicators of Health Services

	<i>% Change</i>	<i>2009</i>	<i>2010</i>
<i>Establishments (No.)</i>	↑ 1.5 %	4,071	4,132
<i>Employment (No.)</i>	↑ 8.7 %	60,813	66,080
<i>Operating Receipts</i>	↑ 9.2 %	\$8,192 mil	\$8,946 mil
<i>Operating Expenditure</i>	↑ 10.2 %	\$7,572 mil	\$8,344 mil
<i>Operating Surplus</i>	↑ 5.4 %	\$955 mil	\$1,007 mil
<i>Value Added</i>	↑ 13.2 %	\$4,345 mil	\$4,917 mil

In 2010, the health services industry comprised about 4,100 establishments. The industry employed about 66,100 workers, and had an average of about 16 workers per establishment.

I. ECONOMIC PERFORMANCE

Total operating receipts collected by the health services industry went up by 9.2 per cent, from \$8,192 million in 2009 to \$8,946 million in 2010. On a per establishment basis, operating receipts rose by 7.6 per cent to \$2.2 million in 2010.

Total operating expenditure was \$8,344 million in 2010, an increase of 10.2 per cent compared with 2009. On a per establishment basis, operating expenditure also increased by 8.6 per cent to \$2.0 million in 2010.

Total operating surplus increased by 5.4 per cent from \$955 million in 2009 to \$1,007 million in 2010. Operating surplus per establishment grew by 3.9 per cent to \$243,600 in 2010.

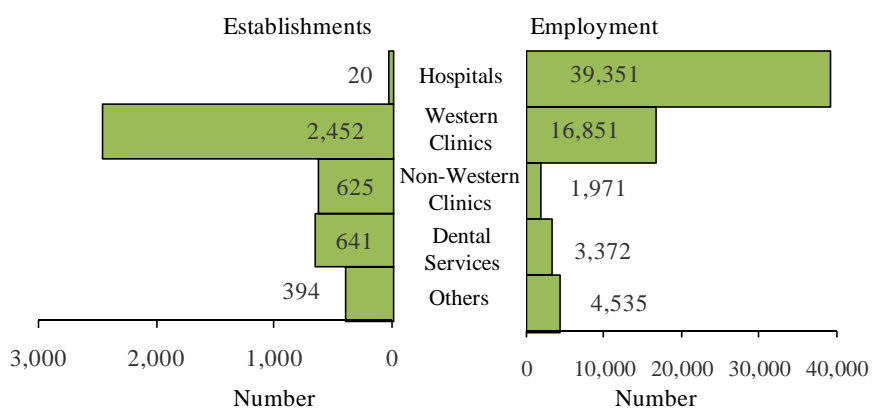
Total value added generated by the health services industry was \$4,917 million in 2010, representing an increase of 13.2 per cent over 2009. On a per establishment basis, value added grew by 11.5 per cent to \$1.2 million in 2010.

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II . MAIN ACTIVITIES IN HEALTH SERVICES

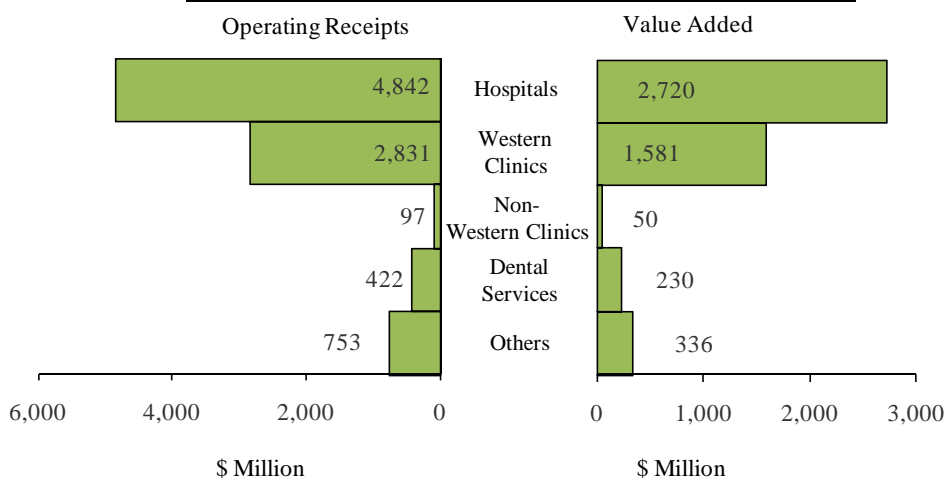
Western clinics¹ constituted a significant 59.3 per cent of the health services industry in 2010 (Chart 1). They employed a total of 16,900 workers, which accounted for 25.5 per cent of overall health services industry’s employment. Hospitals, however, were the largest employer, engaging some 39,400 workers in 2010, or an average of 1,970 workers per establishment.

Chart 1 - Establishments & Employment, 2010



In terms of operating receipts and value added, hospitals were the largest contributor, accounting for 54.1 per cent and 55.3 per cent of the respective industry totals in 2010 (Chart 2). Western clinics constituted another major group in the health services industry, contributing 31.6 per cent and 32.2 per cent of total operating receipts and total value added respectively.

Chart 2 - Operating Receipts & Value Added, 2010



¹ Includes specialised medical services

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In 2010, the top two business cost items were remuneration and purchases of goods & materials for all health services groups (Table 1). Together, they accounted for 53-67 per cent of the respective group's total operating expenses. The third largest expenditure item was depreciation for hospitals and other medical services, and rental of premises for western clinics, non-western clinics and dental services.

Table 1 : Main Business Costs, 2010

Health Services	Cost Type and % Share				
	1 st	2 nd	3 rd	4 th	5 th
Hospitals	Rem 50.3	Pur 16.3	Dep 5.2	Rental 2.5	Contract 1.9
Western Clinics	Rem 42.3	Pur 23.8	Rental 6.5	Dep 2.7	Contract 2.4
Non-Western Clinics	Rem 38.2	Pur 24.5	Rental 16.8	Dep 3.2	Utilities 2.0
Dental Services	Rem 39.0	Pur 13.6	Rental 10.1	Contract 8.7	Pro 4.0
Others	Rem 42.4	Pur 11.0	Dep 6.2	Pro 3.8	Rental 2.4

Notation

Contract:	Subcontract charges / work given out	Rem:	Remuneration
Dep:	Depreciation	Rental:	Renting of offices, shops & other premises
Pur:	Purchases of goods & materials	Utilities:	Utilities charges
Pro:	Professional & business services		

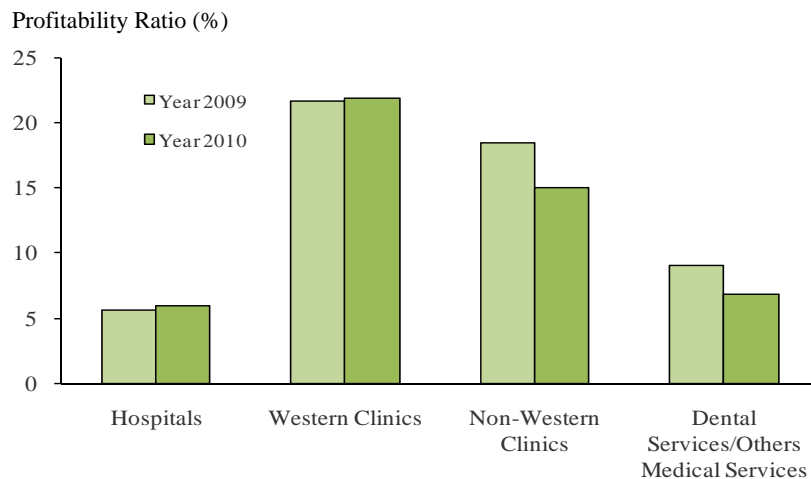
III . KEY PERFORMANCE RATIOS

Profitability Ratio² of overall health services was 11.3 per cent in 2010, slightly lower than the 11.6 per cent registered in 2009. The drop in profit ratio was mainly attributed to lower operating surplus recorded by non-western clinics, dental services and other medical services. Within the industry, western clinics registered the highest profitability ratio of 21.9 per cent in 2010 (Chart 3).

² Defined as the ratio of operating surplus to operating receipts

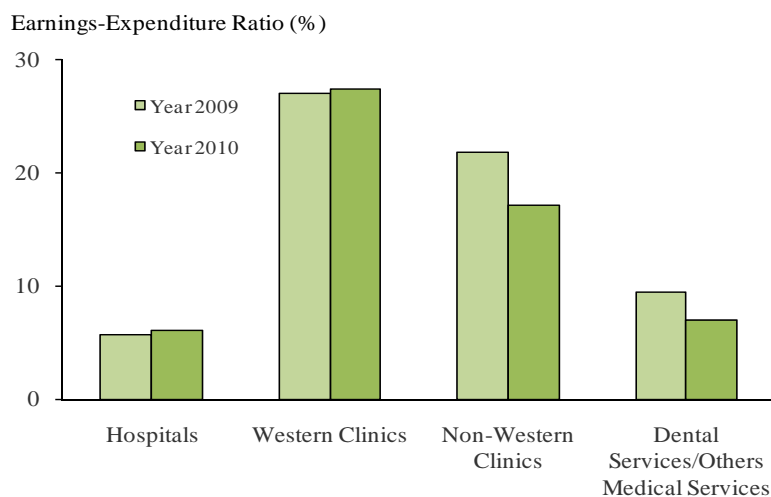
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Chart 3 - Profitability Ratio³, 2009 & 2010



Earnings-Expenditure Ratio⁴ stood at 12.1 per cent for overall health services in 2010. Western clinics in 2010 were the most cost-effective with a ratio of 27.4 per cent, followed by non-western clinics (17.1 per cent) (Chart 4).

Chart 4 - Earnings-Expenditure Ratio³, 2009 & 2010



Average Annual Remuneration per Employee was \$60,100 for employees working in the health services industry in 2010. Except for non-western clinics, employees in hospitals, western clinics, dental services and other medical services received higher annual remuneration on average in 2010 compared with previous year's remuneration (Table 2).

³ Exclude non-profit organisations

⁴ Defined as the ratio of operating surplus to operating expenditure

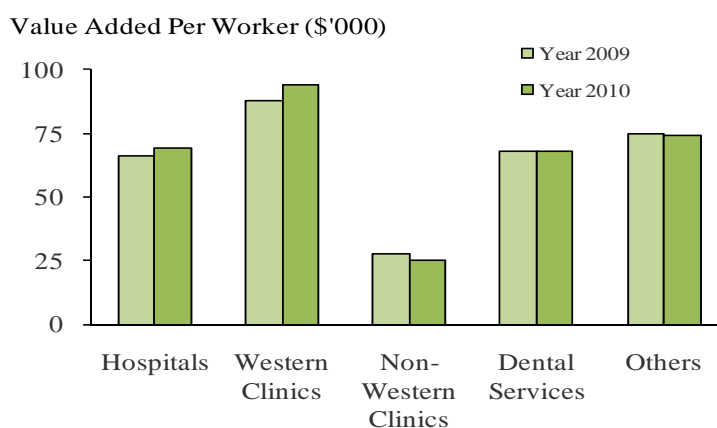
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Table 2 : Average Annual Remuneration per Employee, 2009 & 2010

Health Services	2009 (\$'000)	2010 (\$'000)	Change (%)
Hospitals	60.5	61.4	1.5
Western Clinics	53.8	59.7	11.0
Non-Western Clinics	24.9	21.0	-15.7
Dental Services	40.1	40.4	0.7
Others	77.7	79.0	1.7

Value Added per Worker for overall health services was \$74,400 in 2010. Within the industry, western clinics continued to record the highest average value added of \$93,800 per worker (Chart 5). On the other hand, non-western clinics' value added per worker was the lowest at \$25,200.

Chart 5 - Value Added per Worker, 2009 & 2010



IV . PERFORMANCE BY FIRM SIZE

Firms with less than 10 workers formed the majority (91.7 per cent) in the health services industry in 2010 (Table 3). However, firms with 100 workers and above, which constituted only 1.0 per cent of total health establishments, contributed the largest share of 69.7 per cent of the industry's total operating receipts.

Table 3 : Establishments, Operating Receipts & Value Added by Employment Size, 2010

Employment Size	Establishments (Number)	Operating Receipts (\$ Million)	Value Added (\$ Million)
Less than 10	3,788	1,704	1,009
10 – 99	302	1,011	579
100 & above	42	6,231	3,329

The publication on "Health Services" containing more detailed statistical tables will be released in 4th Quarter 2011.

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Summary Tables

Key Indicators of Health Services, 2008-2010

Health Services	Establishments (Number)			Employment (Number)			Operating Receipts (\$ Million)		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
Total Health Services	4,120	4,071	4,132	57,834	60,813	66,080	7,571	8,192	8,946
Hospitals	20	20	20	31,802	35,030	39,351	3,877	4,227	4,842
Western Clinics	2,531	2,486	2,452	16,132	16,481	16,851	2,479	2,762	2,831
Non-Western Clinics	594	611	625	1,660	1,746	1,971	89	94	97
Dental Services	674	638	641	3,222	3,213	3,372	372	393	422
Others	302	316	394	5,017	4,343	4,535	755	716	753

Health Services	Operating Expenditure (\$ Million)			Operating Surplus (\$ Million)			Value Added (\$ Million)		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
Total Health Services	6,935	7,572	8,344	929	955	1,007	4,074	4,345	4,917
Hospitals	3,793	4,179	4,805	259	239	290	2,044	2,308	2,720
Western Clinics	1,978	2,228	2,274	551	598	621	1,378	1,444	1,581
Non-Western Clinics	83	84	92	17	17	15	45	48	50
Dental Services	282	308	337	96	98	99	229	219	230
Others	799	773	837	7	2	-18	378	326	336

Key Indicators of Health Services by Employment Size of Firm, 2010

Employment Size	Establishments (Number)	Employment (Number)	Operating Receipts (\$ Million)
All Categories	4,132	66,080	8,946
Less than 10 persons	3,788	12,816	1,704
10 to 99 persons	302	6,508	1,011
100 persons & above	42	46,757	6,231

Employment Size	Operating Expenditure (\$ Million)	Operating Surplus (\$ Million)	Value Added (\$ Million)
All Categories	8,344	1,007	4,917
Less than 10 persons	1,213	524	1,009
10 to 99 persons	859	202	579
100 persons & above	6,272	281	3,329

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Key Indicators of Health Services by Size of Operating Receipts of Firm, 2010

Size of Operating Receipts	Establishments (Number)	Employment (Number)	Operating Receipts (\$ Million)
All Categories	4,132	66,080	8,946
Less than \$500,000	2,551	6,920	464
\$500,000 to \$999,999	968	4,547	645
\$1,000,000 to \$4,999,999	520	5,517	954
\$5,000,000 & above	93	49,096	6,883

Size of Operating Receipts	Operating Expenditure (\$ Million)	Operating Surplus (\$ Million)	Value Added (\$ Million)
All Categories	8,344	1,007	4,917
Less than \$500,000	328	172	308
\$500,000 to \$999,999	482	172	393
\$1,000,000 to \$4,999,999	745	236	533
\$5,000,000 & above	6,789	426	3,683

Note:

- 1 Data for 2010 are preliminary.
- 2 Industries are classified according to the Singapore Standard Industrial Classification (SSIC) 2010.
- 3 Figures may not add up to the total due to rounding.

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Explanatory Note

Objective

The data presented in this report are compiled from the results of the Annual Survey of Services 2010. The objective of the survey is to gather information on the services sector for studying the structure and performance of the various activities in the sector. The data are also used for the compilation of national accounts, input-output tables and other related studies. In addition, the results are used by policy makers, economic planners, academicians, the business community and other interested users in their work.

Scope & Coverage

The health services industry comprises hospitals, western clinics, non-western clinics, dental clinics and establishments providing other medical services. The detailed activities for each group are presented below:

Hospitals

Acute hospitals

Other hospitals (eg community hospital)

Western Clinics

Clinics and other general medical services (Western)

Specialised medical services including day surgical centres

Non-Western Clinics

Clinics and other general medical services (Non-Western)

Dental Services

Other Medical Services

Medical laboratories

X-ray laboratories and other diagnostic imaging centres

Medical evacuation/ travel medicine services

Home healthcare services

Other medical activities nec¹

¹ Not elsewhere classified

The data include all establishments and statutory boards engaged in health services but exclude government ministries and departments.

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Definition of Terms

Establishment	Defined as a business or organisation unit engaged in one activity and operating in a single location.
Employment	Refers to paid employees, working directors, working proprietors/partners and unpaid family workers. It includes those temporarily away on medical or casual leave.
Employees	Employment excluding working proprietors and partners.
Operating Receipts	Includes those arising from services rendered, commission charges, sale of goods and rental of premises, machinery and equipment.
Operating Expenditure	Refers to all current expenses connected to the business operations such as purchases of goods and services, remuneration, utilities and professional services. It includes depreciation and adjustment for changes in stocks.
Operating Surplus	Refers to the amount of operating receipts less operating expenditure plus depreciation of fixed assets. For non-profit organisations (i.e. entities which cannot distribute any surplus to their shareholders) which mainly rely on funds (such as grants and donations) other than receipts from sales of goods and services rendered to cover their operating expenditure, operating surplus refers only to depreciation of fixed assets.
Value Added (At Basic Price)	Comprises operating surplus, remuneration and taxes (less subsidies) on production.
Remuneration	Comprises wages and salaries, employers' contribution to Central Provident Fund/pension funds and other benefits of all employees as well as fees paid to non-working directors.
Depreciation	The value, at current replacement cost, of reproducible fixed assets such as buildings, plants and machinery used during a period of time as a result of normal wear and tear, foreseen obsolescence and the normal rate of accidental damage.
Profitability Ratio	Defined as the ratio of operating surplus to operating receipts. It shows the proportion of operating receipts that is converted to profits.
Earnings-Expenditure Ratio	Defined as the ratio of operating surplus to operating expenditure.