

ECONOMIC SURVEYS SERIES

Reference Year 2008

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 2009 for reference year 2008. This year, the reports will focus on several services industries of importance to Singapore's 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 comprehensive performance review of the services sector.

The remaining reports on the various industries and the consolidated report scheduled for release are as follows:

Food and Beverage Services

Information and Communications Services

Retail Trade

Transport and Storage Services

Wholesale Trade

The Services Sector

As at 12 November 2009

HEALTH SERVICES

Key Indicators

		2007	2008
Establishments	↑ 12.0 %	3,721	4,166
Employment	↑ 6.9 %	57,029	60,990
Operating Receipts	↑ 8.7 %	\$7,054 mil	\$7,669 mil
Operating Expenditure	↑ 8.9 %	\$6,477 mil	\$7,056 mil
Operating Surplus	↑ 4.4 %	\$904 mil	\$944 mil
Value Added	↑ 6.9 %	\$3,878 mil	\$4,144 mil

In 2008, the health services industry comprised about 4,200 establishments. The industry employed some 61,000 workers which represented an average employment size of 15 workers per establishment.

I. ECONOMIC PERFORMANCE

Total operating receipts in the health services industry increased by 8.7 per cent, from \$7,054 million in 2007 to \$7,669 million in 2008. On a per establishment basis, operating receipts decreased by 2.9 per cent to \$1.8 million in 2008.

Total operating expenditure was \$7,056 million in 2008, 8.9 per cent higher compared with 2007. On a per establishment basis, operating expenditure decreased by 2.7 per cent to \$1.7 million in 2008.

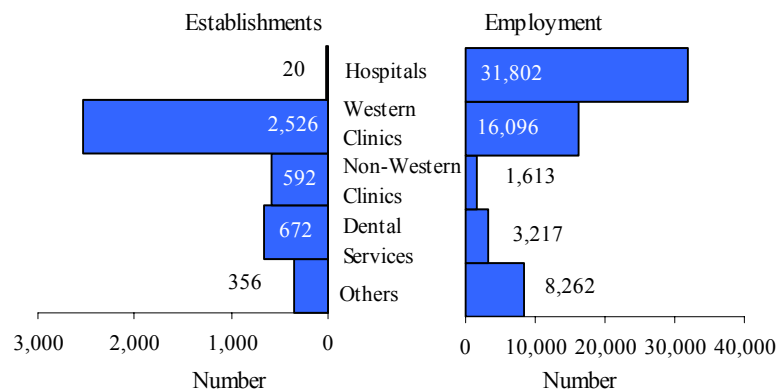
Total operating surplus increased from \$904 million in 2007 to \$944 million in 2008, an increase of 4.4 per cent. Operating surplus per establishment decreased by 6.7 per cent to \$226,600 in 2008.

Total value added generated by the health services industry was \$4,144 million in 2008, an increase of 6.9 per cent over 2007. On a per establishment basis, value added decreased by 4.6 per cent from \$1,042,100 in 2007 to \$994,600 in 2008.

II. MAIN ACTIVITIES IN HEALTH SERVICES

A significant 60.6 per cent of the health services industry was made up of western clinics¹ (Chart 1). They employed a total of 16,100 workers, which accounted for 26.4 per cent of overall health services industry's employment. Hospitals, though representing less than 1 per cent of total health services establishments, were the largest employer. They engaged 52.1 per cent of total health services' workforce, or an average of 1,590 workers per establishment.

Chart 1 - Establishments & Employment, 2008

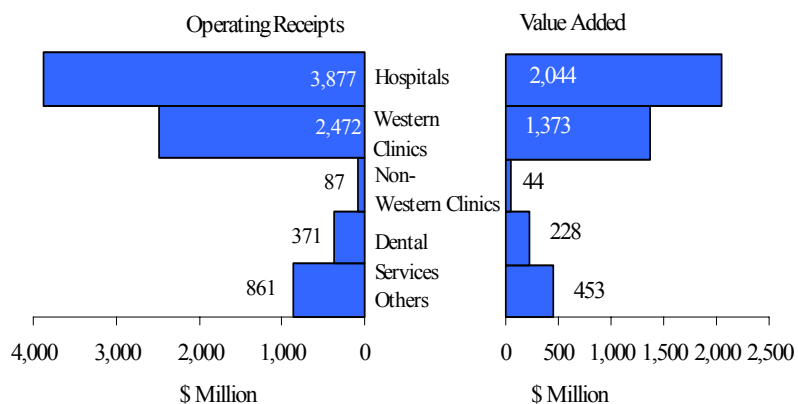


¹ Includes specialised medical services

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In terms of operating receipts and value added, hospitals were also the largest contributor, accounting for 50.6 per cent and 49.3 per cent of the respective industry totals in 2008 (Chart 2). Western clinics constituted another major group in the health services industry, contributing 32.2 per cent and 33.1 per cent of total operating receipts and total value added respectively.

Chart 2 - Operating Receipts & Value Added, 2008



Remuneration and purchases of goods & materials were the top two business cost items for all health services groups in 2008. Together, they accounted for 57-66 per cent of 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, 2008

Health Services	Cost Type and % Share				
	1 st	2 nd	3 rd	4 th	5 th
Hospitals	Rem 46.4	Pur 17.1	Dep 4.4	Rental 3.0	Pro 2.8
Western Clinics	Rem 41.6	Pur 23.5	Rental 8.3	Pro 3.2	Dep 2.3
Non-Western Clinics	Rem 33.4	Pur 32.6	Rental 13.2	Dep 4.3	Utilities 2.4
Dental Services	Rem 47.1	Pur 10.2	Rental 9.5	Pro 2.7	Dep 2.0
Others	Rem 45.4	Pur 12.9	Dep 5.3	Rental 3.5	Pro 3.0

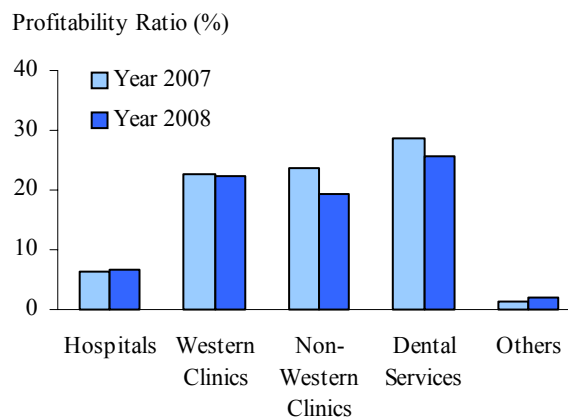
Notations

- Dep : Depreciation
- Pro: Professional & business services
- Pur : Purchases of goods & materials
- Rem : Remuneration
- Rental : Renting of offices, shops & other premises
- Utilities : Utilities charges

III. KEY PERFORMANCE RATIOS

Profitability Ratio of overall health services was 12.3 per cent in 2008, lower than the 12.7 per cent registered in 2007. The drop in the profit ratio was mainly attributed to lower operating surplus recorded by non-western clinics and dental services. Within the industry, dental services registered the highest profitability ratio of 25.7 per cent in 2008.

Chart 3 - Profitability Ratio, 2007 & 2008*

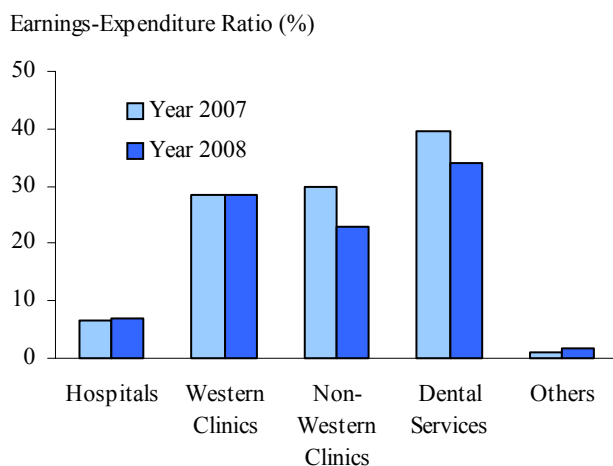


* Exclude non-profit organisations

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Earnings-Expenditure Ratio for overall health services was 13.5 per cent in 2008, lower than the 14.0 per cent registered in 2007. Among the health services groups, only hospitals and other medical services recorded higher earnings-expenditure ratios in 2008 (Chart 4).

Chart 4 - Earnings-Expenditure Ratio, 2007 & 2008*



* Exclude non-profit organisations

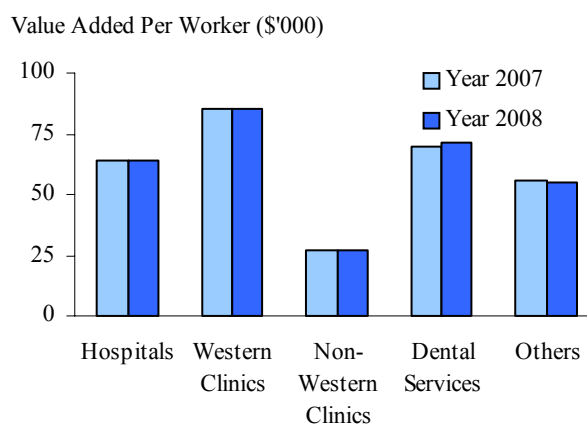
Average Annual Remuneration per Employee was \$53,500 for employees working in the health services industry in 2008. Employees in hospitals received the highest average annual remuneration of \$55,400, followed by those in western clinics at \$54,500 (Table 2).

Table 2 : Average Annual Remuneration per Employee, 2007 & 2008

Health Services	2007 (\$'000)	2008 (\$'000)	Change (%)
Hospitals	55.2	55.4	0.4
Western Clinics	54.5	54.5	0.0
Non-Western Clinics	18.5	22.4	21.1
Dental Services	42.8	45.6	6.5
Others	52.6	51.8	-1.5

Value Added per Worker for overall health services was \$67,900 in 2008. Within the industry, western clinics continued to record the highest average value added of \$85,300 per worker in 2008 (Chart 5). On the other hand, non-western clinics' value added per worker was the lowest at \$27,400.

Chart 5 - Value Added per Worker, 2007 & 2008



IV. PERFORMANCE BY FIRM SIZE

Firms with less than 10 workers formed the majority (87.4 per cent) in the health services industry in 2008 (Table 3). However, firms with 100 workers and above, which constituted only 1.2 per cent of total health establishments, contributed the largest share of 67.4 per cent of the industry's total operating receipts.

Table 3 : Establishments, Operating Receipts & Value Added by Firm Size, 2008

Employment Size	Establishments (Number)	Operating Receipts (\$ Million)	Value Added (\$ Million)
Less than 10	3,641	1,579	943
10 – 99	474	924	527
100 & above	51	5,166	2,674

The publication on "Health Services" containing more detailed statistical tables will be released in 4th Quarter 2009.

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Summary Tables

Key Indicators of Health Services, 2006-2008

Health Services	Establishments (Number)			Employment (Number)			Operating Receipts (\$ Million)		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
Total Health Services	3,580	3,721	4,166	54,687	57,029	60,990	6,327	7,054	7,669
Hospitals	20	20	20	27,160	28,678	31,802	2,996	3,418	3,877
Western Clinics	2,237	2,263	2,526	15,619	15,899	16,096	2,278	2,412	2,472
Non-Western Clinics	490	508	592	1,717	1,537	1,613	81	80	87
Dental Services	564	618	672	3,025	3,190	3,217	286	346	371
Others	269	312	356	7,167	7,725	8,262	686	798	861

Health Services	Operating Expenditure (\$ Million)			Operating Surplus (\$ Million)			Value Added (\$ Million)		
	2006	2007	2008	2006	2007	2008	2006	2007	2008
Total Health Services	5,718	6,477	7,056	910	904	944	3,624	3,878	4,144
Hospitals	2,895	3,353	3,793	244	223	259	1,664	1,826	2,044
Western Clinics	1,808	1,931	1,974	533	543	548	1,325	1,355	1,373
Non-Western Clinics	70	71	81	19	18	17	43	42	44
Dental Services	216	251	281	78	99	95	197	223	228
Others	729	871	927	36	20	25	394	432	453

Key Indicators of Health Services by Employment Size of Firm, 2008

Employment Size	Establishments (Number)	Employment (Number)	Operating Receipts (\$ Million)
All Categories	4,166	60,990	7,669
Less than 10 persons	3,641	10,747	1,579
10 to 99 persons	474	9,408	924
100 persons & above	51	40,835	5,166

Employment Size	Operating Expenditure (\$ Million)	Operating Surplus (\$ Million)	Value Added (\$ Million)
All Categories	7,056	944	4,144
Less than 10 persons	1,127	466	943
10 to 99 persons	793	193	527
100 persons & above	5,135	285	2,674

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Key Indicators of Health Services by Size of Operating Receipts of Firm, 2008

Size of Operating Receipts	Establishments (Number)	Employment (Number)	Operating Receipts (\$ Million)
All Categories	4,166	60,990	7,669
Less than \$200,000	1,291	2,667	103
\$200,000 to \$999,999	2,278	9,828	1,135
\$1,000,000 to \$4,999,999	520	7,189	919
\$5,000,000 & above	76	41,305	5,511

Size of Operating Receipts	Operating Expenditure (\$ Million)	Operating Surplus (\$ Million)	Value Added (\$ Million)
All Categories	7,056	944	4,144
Less than \$200,000	102	18	49
\$200,000 to \$999,999	848	311	715
\$1,000,000 to \$4,999,999	746	224	519
\$5,000,000 & above	5,360	391	2,861

Note:

- 1 Data for 2008 are preliminary.
- 2 Industries are classified according to the Singapore Standard Industrial Classification (SSIC) 2005.
- 3 Figures may not add up to the total due to rounding.

HEALTH SERVICES

Explanatory Note

Objective

The data presented in this report were compiled from the results of the *Community, Social & Personal Services Survey 2008* and *Non-Profit Organisations Survey 2008*. The objective of the surveys is to gather information on Singapore's health services to enable in-depth analyses and understanding of the performance, structure and profile of this industry. The data and analytical findings are used extensively for the compilation of national accounts, input-output tables and other related studies. In addition, the results are used by policy makers, economic planners and academicians, business community and researchers in their work.

Scope & Coverage

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

Hospitals

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

Nursing and personal care facilities (including hospices)
Medical laboratories
Radiology services
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 (except capital expenditure) 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 organizations (i.e. entities which cannot distribute any surplus made 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 the value of operating surplus, remuneration and indirect taxes. The impact of taxes including Goods & Services Tax (and subsidies) on products is removed.
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.