

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 *Information and Communications Services* is the Department's fourth issue in the series. A final consolidated report on *The Services Sector* will provide a performance overview of the services sector.

31 January 2012

INFORMATION & COMMUNICATIONS SERVICES

Key Indicators of Information & Communications Services

	<i>% Change</i>	<i>2009</i>	<i>2010</i>
<i>Establishments (No.)</i>	↑ 4.0 %	6,350	6,606
<i>Employment (No.)</i>	↑ 5.6 %	74,380	78,518
<i>Operating Receipts</i>	↑ 7.1 %	\$32.8 bil	\$35.1 bil
<i>Operating Expenditure</i>	↑ 7.6 %	\$29.3 bil	\$31.6 bil
<i>Operating Surplus</i>	↑ 1.9 %	\$4.8 bil	\$4.9 bil
<i>Value Added</i>	↑ 5.0 %	\$10.4 bil	\$11.0 bil

In 2010, the information & communications (Info & Comm) services industry comprised about 6,600 establishments. The industry employed some 78,500 workers. This represented an average of 12 workers per establishment.

I. ECONOMIC PERFORMANCE

Total operating receipts generated by the Info & Comm services industry was \$35.1 billion in 2010, a growth of 7.1 per cent over 2009. On a per establishment basis, operating receipts increased by 2.9 per cent, from \$5.2 million in 2009 to \$5.3 million in 2010.

Total operating expenditure incurred was \$31.6 billion in 2010, an increase of 7.6 per cent over 2009. Operating expenditure per establishment rose by 3.5 per cent, from \$4.6 million in 2009 to \$4.8 million in 2010.

Total operating surplus increased marginally by 1.9 per cent to \$4.9 billion in 2010. On a per establishment basis, operating surplus dropped by 2.1 per cent, from \$758,000 in 2009 to \$742,000 in 2010.

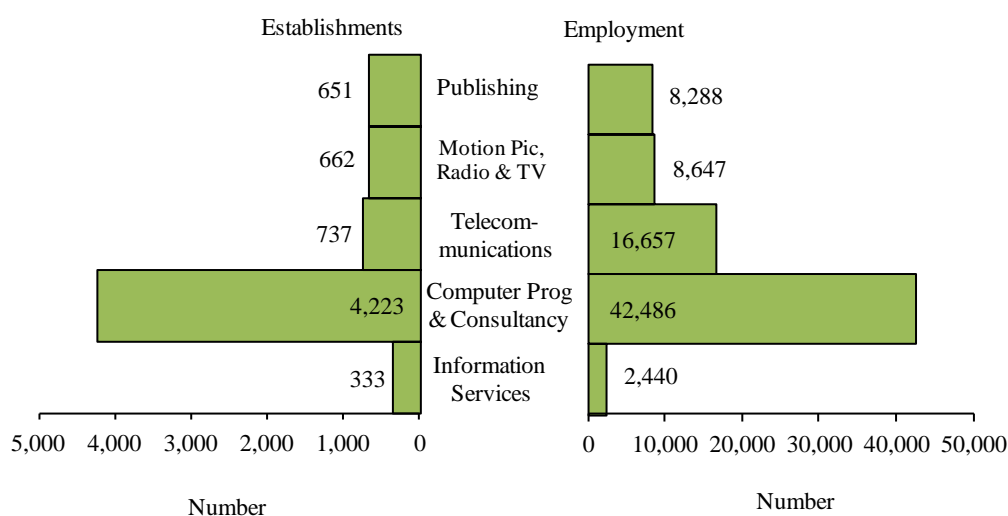
Total value added of the Info & Comm services industry grew by 5.0 per cent, from \$10.4 billion in 2009 to \$11.0 billion in 2010. On a per establishment basis, value added for the industry also increased by 0.9 per cent to \$1.7 million in 2010.

INFORMATION & COMMUNICATIONS SERVICES

II . MAIN ACTIVITIES IN INFORMATION & COMMUNICATIONS SERVICES

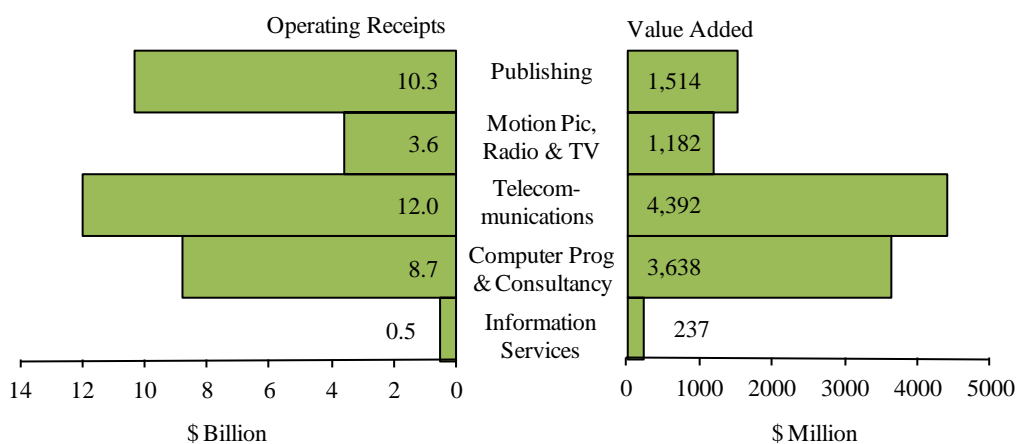
Firms engaged in computer programming & consultancy, which constituted about two-thirds of the total establishments in Info & Comm services, accounted for 54.1 per cent of the industry’s total employment in 2010 (Chart 1). On a per establishment basis, the telecommunications segment registered the highest average employment size of 23 workers.

Chart 1 - Establishments & Employment, 2010



In terms of operating receipts and value added, the telecommunications segment was the largest contributor, accounting for 34.2 per cent and 40.1 per cent of the respective totals in the Info & Comm services industry (Chart 2). The computer programming & consultancy segment also contributed a significant 24.9 per cent to the industry’s operating receipts and 33.2 per cent to the industry’s value added.

Chart 2 - Operating Receipts & Value Added, 2010



INFORMATION & COMMUNICATIONS SERVICES

In 2010, remuneration and purchases of goods & materials were among the top five business cost items across all the segments in the Info & Comm services industry (Table 1). In particular, these two business cost items made up 65.1 per cent of the computer programming & consultancy's segment total operating expenditure. For firms engaged in publishing services, royalties was the top business cost item, accounting for 48.5 per cent of the segment's total operating expenditure.

Table 1 : Main Business Costs, 2010

Info & Comm Services	Cost Type and % Share				
	1 st	2 nd	3 rd	4 th	5 th
Publishing	Royalties 48.5	Agency 21.0	Rem 8.6	Pur 7.9	Pro 5.5
Motion Pic, Radio & TV	Pur 21.1	Rem 16.8	Royalties 11.7	Admin 10.9	Entertain 6.1
Telecommunications	Pur 23.0	Tele 15.3	Rem 13.0	Ren_mac 12.1	Dep 9.0
Computer Prog & consultancy	Rem 37.3	Pur 27.8	Pro 9.7	Contract 7.6	Admin 2.6
Information Services	Rem 43.9	Pur 6.8	Ren_Mac 6.0	Tele 5.8	Dep 4.6

Notation

Admin:	Administrative & management fees	Pur:	Purchases of goods & materials
Agency:	Commission and agency fees	Rem:	Remuneration
Contract:	Subcontract charges / work given out	Royalties:	Royalties and franchise fees
Dep:	Depreciation	Ren_Mac:	Renting of machinery and equipment
Entertain:	Entertainment expense	Tele:	Postal, courier, telecommunication, internet & cable charges
Pro:	Professional and business services		

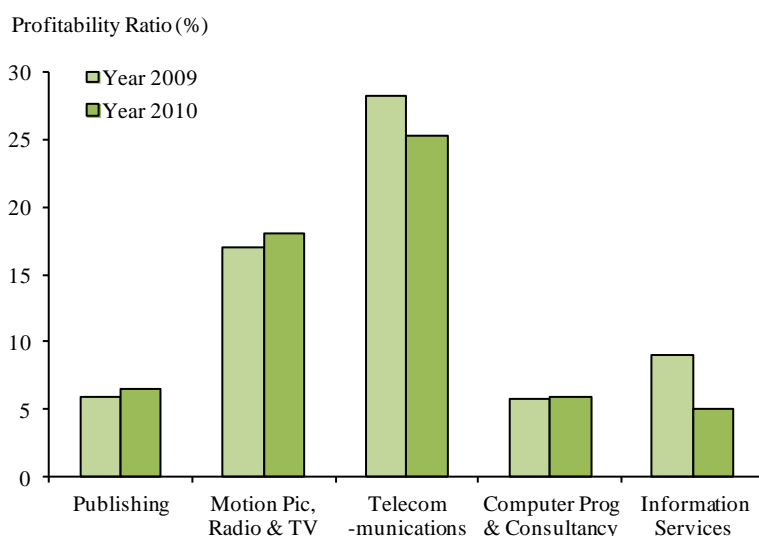
III . KEY PERFORMANCE RATIOS

Profitability Ratio¹ of the telecommunications segment continued to be the highest within the Info & Comms industry, at 25.3 per cent in 2010 (chart 3). The ratio was, however lower than the 28.3 per cent registered in 2009 due to lower operating surplus registered by the telecommunications segment in 2010. On the other hand, Information services segment recorded the lowest profitability ratio of 5.1 per cent in 2010.

¹ Defined as the ratio of operating surplus to operating receipts

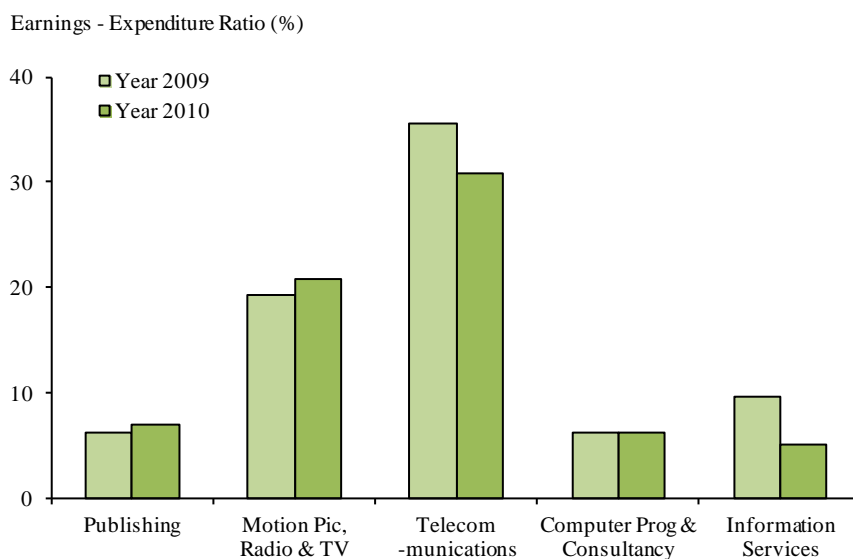
INFORMATION & COMMUNICATIONS SERVICES

Chart 3 - Profitability Ratio, 2009 & 2010



Earnings-Expenditure Ratio² was 15.5 per cent for the overall Info & Comms industry in 2010, lower than the 16.4 per cent registered in 2009. Within the industry, the publishing, motion picture, radio & TV and computer programming & consultancy segments had higher earnings-expenditure ratio in 2010 compared to 2009, while the telecommunications and information services segments recorded declines.

Chart 4 - Earnings-Expenditure Ratio, 2009 & 2010



² Defined as the ratio of operating surplus to operating expenditure

INFORMATION & COMMUNICATIONS SERVICES

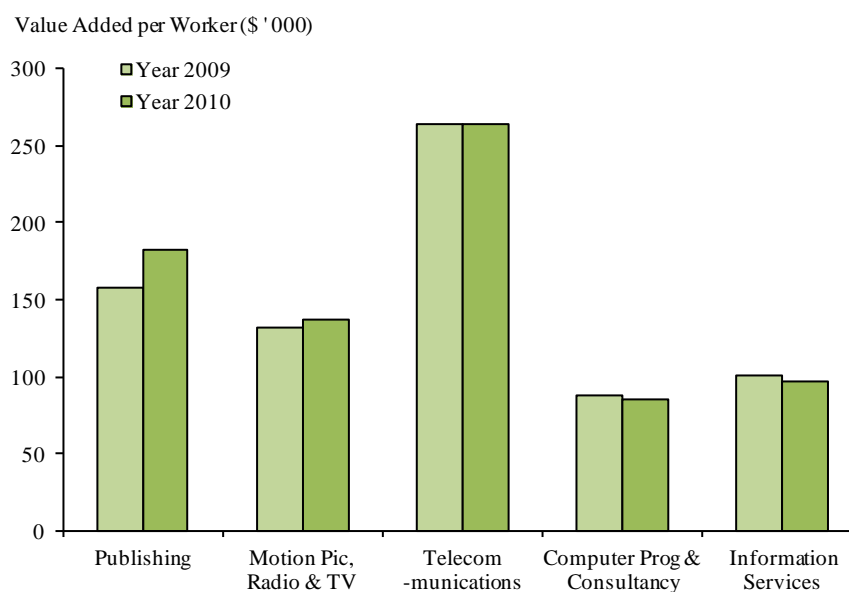
Average Annual Remuneration per Employee was the highest for employees in the publishing segment in 2010 (Table 2). They received an average annual remuneration of \$102,700 in 2010, higher than the industry's average of \$77,600. On the other hand, employees in the motion picture, radio & TV segment received the lowest average annual remuneration of \$61,800 for the same period.

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

Info & Comm Services	2009 (\$'000)	2010 (\$'000)	Change (%)
Publishing	94.5	102.7	8.6
Motion Pic, Radio & TV	58.7	61.8	5.3
Telecommunications	71.1	77.3	8.8
Computer Prog & Consultancy	78.6	75.4	-4.1
Information Services	84.6	90.2	6.6
Total	76.6	77.6	1.4

Value Added per Worker was \$139,600 for the Info & Comm services industry in 2010, lower than the \$140,400 registered in 2009. Telecommunications firms continued to record the highest average value added of \$263,700 per worker within the Info & Comm services industry (Chart 5). This was followed by firms in the publishing segment, which reported an average value added of \$182,700 per worker.

Chart 5 - Value Added per Worker, 2009 & 2010



INFORMATION & COMMUNICATIONS SERVICES

IV . PERFORMANCE BY FIRM SIZE

Firms with less than 10 workers formed the majority (88.0 per cent) in the Info & Comm services industry in 2010 (Table 3). However, firms with 100 workers & above which constituted only 1.8 per cent, contributed the most to total operating receipts (73.1 per cent). This segment's valued added was also the highest at \$8.2 billion in 2010, about 75.2 per cent to total value added of the Info & Comm services industry.

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

Employment Size	Establishments (Number)	Operating Receipts (\$ Million)	Value Added (\$ Million)
Less than 10	5,812	4,355	917
10 – 99	673	5,096	1,803
100 & above	120	25,693	8,244

The publication on "Information & Communications Services" containing more detailed statistical tables will be released in 1st Quarter 2012.

INFORMATION AND COMMUNICATIONS SERVICES

Summary Tables

Key Indicators of Information and Communications Services, 2008-2010

I&C Services	Establishments (Number)			Employment (Number)			Operating Receipts (\$ Million)		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
Total I&C Services	6,744	6,350	6,606	73,089	74,380	78,518	31,417	32,816	35,144
Publishing	704	622	651	7,864	8,273	8,288	9,184	9,327	10,332
Motion Pic, Radio & TV	624	599	662	8,195	8,160	8,647	3,097	3,418	3,572
Telecommunications	708	650	737	16,748	16,694	16,657	10,681	11,075	12,008
Computer Prog & consultancy	4,436	4,195	4,223	38,168	39,101	42,486	7,869	8,439	8,745
Information Services	272	283	333	2,114	2,151	2,440	586	558	488

I&C Services	Operating Expenditure (\$ Million)			Operating Surplus (\$ Million)			Value Added (\$ Million)		
	2008	2009	2010	2008	2009	2010	2008	2009	2010
Total I&C Services	28,189	29,321	31,556	4,448	4,813	4,904	9,663	10,446	10,964
Publishing	8,826	8,837	9,732	412	549	673	1,092	1,304	1,514
Motion Pic, Radio & TV	2,784	3,026	3,099	476	584	643	953	1,073	1,182
Telecommunications	8,466	8,829	9,852	3,070	3,135	3,041	4,358	4,420	4,392
Computer Prog & consultancy	7,533	8,104	8,388	466	494	523	3,045	3,432	3,638
Information Services	580	526	485	24	50	25	215	216	237

Key Indicators of Information and Communications Services by Employment Size of Firm, 2010

Employment Size	Establishments (Number)	Employment (Number)	Operating Receipts (\$ Million)
All Categories	6,606	78,518	35,144
Less than 10 persons	5,812	11,832	4,355
10 to 99 persons	673	17,661	5,096
100 persons & above	120	49,024	25,693

Employment Size	Operating Expenditure (\$ Million)	Operating Surplus (\$ Million)	Value Added (\$ Million)
All Categories	31,556	4,904	10,964
Less than 10 persons	4,146	397	917
10 to 99 persons	4,645	580	1,803
100 persons & above	22,765	3,927	8,244

INFORMATION AND COMMUNICATIONS SERVICES

Key Indicators of Information and Communications Services by Size of Operating Receipts of Firm, 2010

Size of Operating Receipts	Establishments (Number)	Employment (Number)	Operating Receipts (\$ Million)
All Categories	6,606	78,518	35,144
Less than \$1,000,000	5,631	11,714	960
\$1,000,000 to \$9,999,999	731	14,648	2,470
\$10,000,000 & above	243	52,156	31,714

Size of Operating Receipts	Operating Expenditure (\$ Million)	Operating Surplus (\$ Million)	Value Added (\$ Million)
All Categories	31,556	4,904	10,964
Less than \$1,000,000	995	-16	417
\$1,000,000 to \$9,999,999	2,426	104	973
\$10,000,000 & above	28,136	4,816	9,574

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.

INFORMATION AND COMMUNICATIONS SERVICES

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 and academicians, the business community and other interested users in their work.

Scope & Coverage

The information and communications services industry comprises 5 broad groups, namely, publishing activities, motion picture, radio & TV, telecommunications, computer programming, consultancy & related activities and information services activities. The detailed activities for each group are presented below:

Publishing Activities

Publishing of books, brochures, musical books and other publications
Publishing of directories and mailing lists
Publishing of newspapers
Publishing of journals, periodicals and magazines
Other publishing activities
Publishing of computer games
Publishing of software nec¹

Telecommunications

Fixed-line services (including local/ international PSTN and leased circuits)
Mobile cellular, radio paging and other wireless telecommunications activities
Satellite telecommunications activities
Telecommunications resellers/ third party telecommunications providers (including value-added network operators)
Internet access providers include ISPs
Cyber 'cafes'
Other telecommunications activities nec (e.g. provision of VoIP (Voice over Internet Protocol services))

Motion Picture, Radio and TV

Motion picture/video production
Video filming and recording activities (including video-taping of events)
Television programme production
Animation production
Motion picture, video and television programme production activities nec
Motion picture, video and television programme post-production activities
Motion picture/video distribution
Television programme distribution
Motion picture, video and television programme distribution activities nec
Cinema services
Motion picture projection activities nec
Other motion picture, video and television related activities
Sound recording production
Music publishing and distribution activities
Radio programme production and broadcasting
Television programming and broadcasting (including cable, satellite, terrestrial television, internet and mobile)

INFORMATION AND COMMUNICATIONS SERVICES

Computer Programming, Consultancy & Related Activities

Development of e-commerce applications
Development of computer games
Development of software for interactive digital media (except games)
Development of other software and programming activities nec
Hardware consultancy (including systems consultancy)
Software consultancy
Computer facilities management activities
Computer systems integration activities
Other IT and computer service activities (e.g. disaster recovery services)

Information Services Activities

Web hosting services
Computer time-sharing services
Data entry services
Data processing, hosting and related activities nec (e.g. data tabulation services, application service providers, data storage, data hosting)
Web portals (including social networking sites)
News agency activities
Other information service activities nec

¹Not elsewhere classified

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

INFORMATION AND COMMUNICATIONS SERVICES

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 and remuneration. 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.
Value Added (At Basic Prices)	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 was converted to profits.
Earnings-Expenditure Ratio	Defined as the ratio of operating surplus to operating expenditure.