

ANNUAL SURVEY ON INFOCOMM INDUSTRY FOR 2006

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1. EXECUTIVE SUMMARY

Key Findings

Overall Performance

- Total revenue of the infocomm industry grew by 19.9% to reach S\$45.42 billion in 2006 from S\$34.77 billion in 2005.
- As in previous years, *Hardware* continued to dominate the infocomm industry, contributing 53% of the total infocomm industry revenue in 2006.

Domestic Market

- Slower growth rate of 3.9% to reach S\$16.44 billion in 2006 from S\$15.83 billion in 2005.
- All segments saw a growth in the domestic revenue except for the *telecommunication services* and the *hardware* segment.

Export Market

- Export revenues made up about 64% of the total infocomm industry revenue.
- Stellar growth rate of 31.4% to reach S\$28.98 billion in 2006 from S\$22.06 billion in 2005.
- Growth was very much influenced by the *Hardware* segment which constituted about 69% of the export revenue in 2006.

Export Destinations

- Bulk of export revenue came from exports to countries in North Asia with 37% followed by the ASEAN countries with 19%.

2. INTRODUCTION

The Annual Survey on Infocomm Industry for 2006 is the 8th edition in a series of infocomm industry surveys carried out by IDA.

2.1 Survey Objective

To determine the market performance of the infocomm industry for 2006.

2.2 Methodology

The survey covered a representative sample of infocomm establishments within the infocomm industry cluster:

- Hardware
- Software
- IT Services
- Telecommunication Services
- Content Services.

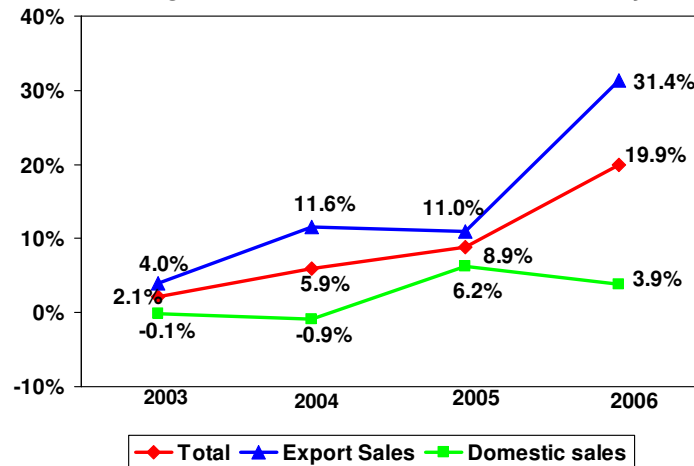
The sample was selected from the Establishment Sampling Frame maintained by the Department of Statistics (DOS).

3. PERFORMANCE OF THE INFOCOMM INDUSTRY

3.1 Total Revenue

The total revenue¹ of the infocomm industry grew by 19.9% to reach S\$45.42 billion in 2006. The infocomm export market experienced a record growth of 31.4%, the highest in recent years albeit a slower growth in the infocomm domestic market with 3.9% (Figure 3.1).

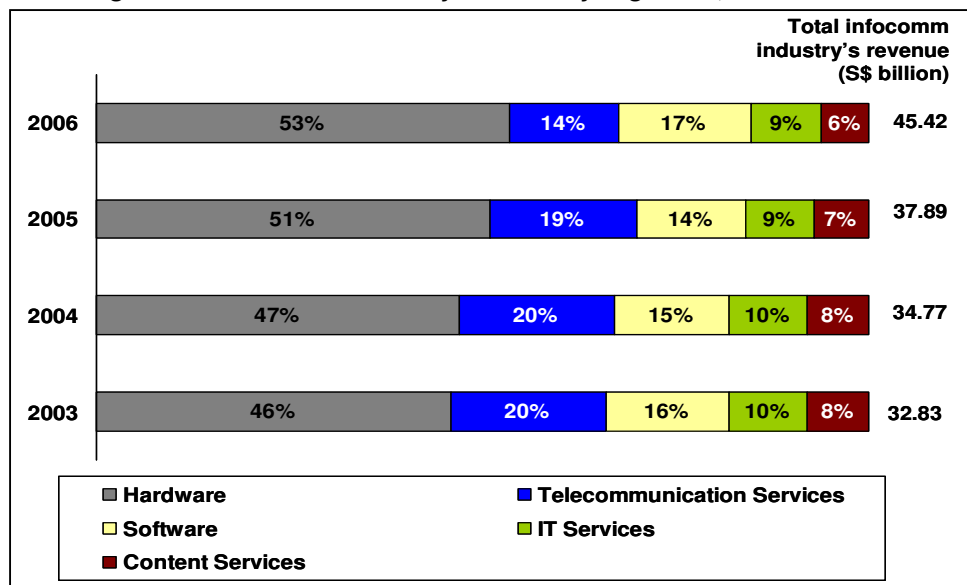
Figure 3.1: Revenue growth of the overall infocomm industry, 2003 - 2006



3.2 Total Revenue by Market Segment

The hardware segment continued to dominate the infocomm industry, contributing the largest proportion to the total infocomm industry revenue (Figure 3.2).

Figure 3.2: Infocomm industry revenue by segments, 2003 - 2006

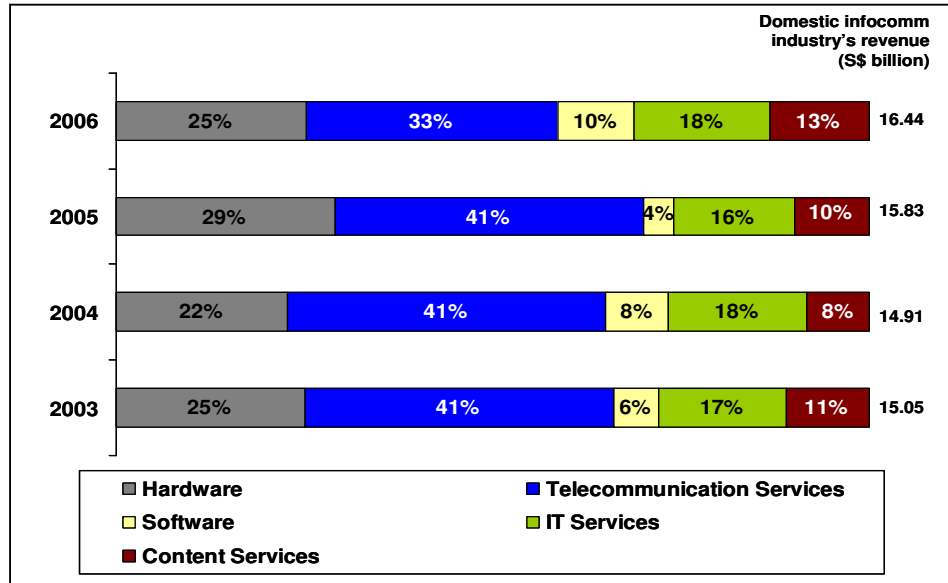


¹ Infocomm industry revenue is defined as Export sales and End-User sales in Singapore. This revenue excludes OEM/Other Resellers' sales. Domestic revenue is defined by End-User sales in Singapore and export revenue is defined by Export sales.

3.3 Total Domestic Revenue

The domestic infocomm market grew by 3.9%. All segments saw a growth in the domestic revenue except for the telecommunication services and the hardware segment (Figure 3.3).

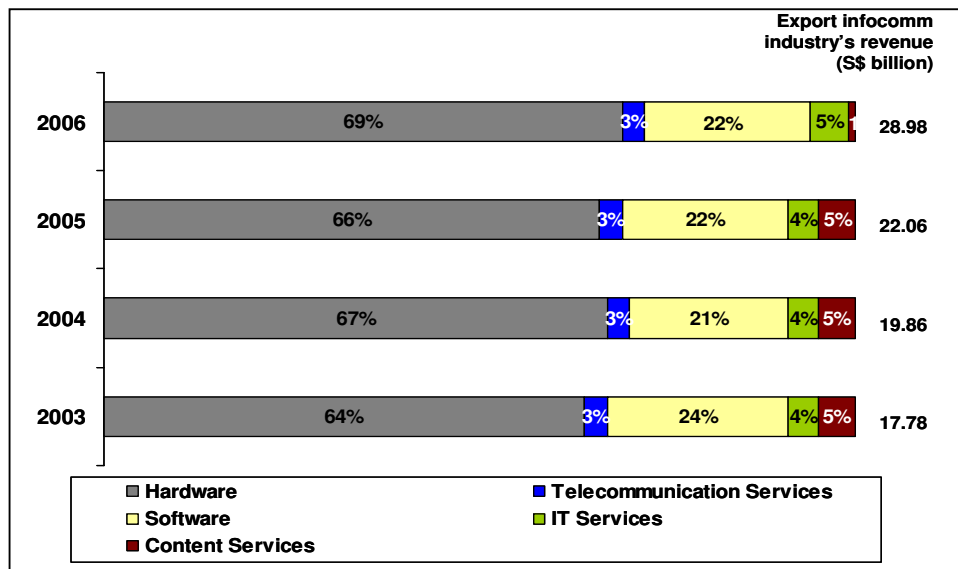
Figure 3.3: Domestic market composition by market segment, 2003 - 2006



3.4 Total Export Revenue

The infocomm export revenue increased 31.4% to reach \$28.98 billion from \$22.06 billion in 2005. This growth was largely driven by the hardware segment, which remained the largest contributor to the infocomm export revenue since 2003 (Figure 3.4).

Figure 3.4: Export market composition by market segment, 2003 - 2006

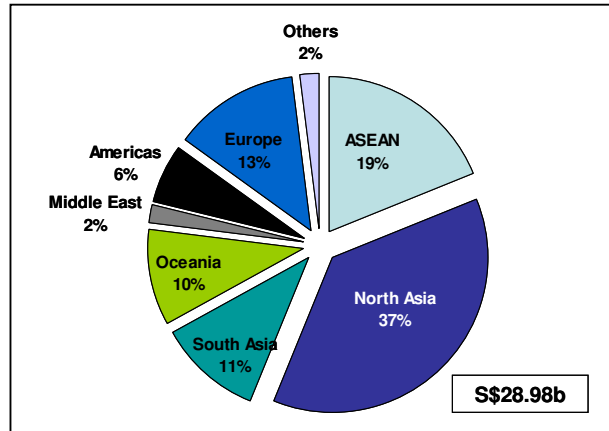


4. EXPORT DESTINATIONS

4.1 By Region

Of the total export revenues in 2006, 37% came from exports to countries in North Asia², followed by 19% from exports to the ASEAN countries ([Figure 4.1](#))

Figure 4.1: Export revenues by region, 2006

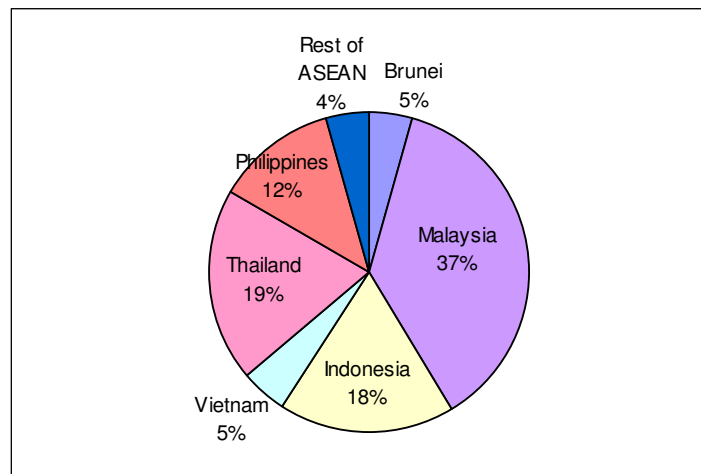


4.2 By Country

a. Exports to ASEAN

Out of the ASEAN countries, revenues from exports to Malaysia contributed the largest share with 37% followed by Thailand with 19% in 2006 ([Figure 4.2](#)).

Figure 4.2: Export revenues from ASEAN, 2006

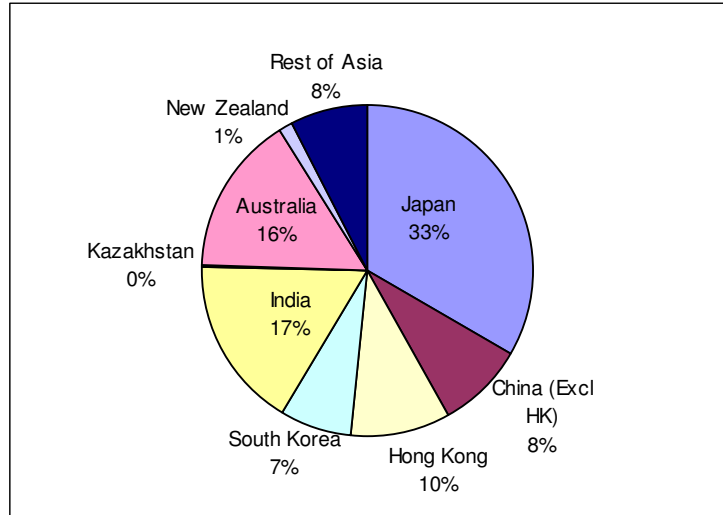


² North Asia: Japan, China, Hong Kong, South Korea
 South Asia: India, Sri Lanka, Bangladesh and Pakistan
 Oceania: Australia and New Zealand
 Middle East: Saudi Arabia, Kuwait, Qatar, UAE, Bahrain
 Americas: US, Central and South America

b. *Exports to Asia Pacific*

Exports to Japan contributed the largest proportion of export revenues in Asia Pacific with 33%. This is followed by exports to India with 17% (Figure 4.3).

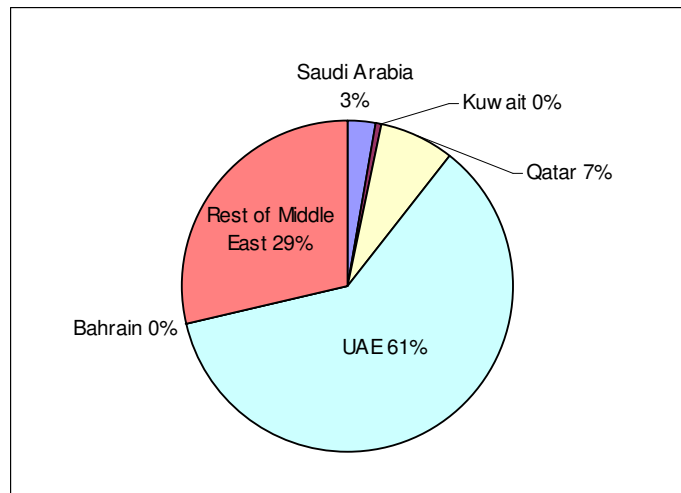
Figure 4.3: Export revenues from Asia Pacific, 2006



c. *Exports to Middle East*

Compared to the rest of the countries in the Middle East region, exports to the UAE contributed the largest share of export revenues with 61%. This is followed by exports to the other Middle Eastern countries like Dubai (Figure 4.4).

Figure 4.4: Export revenues from Middle East, 2006



d. *Exports to Americas/Europe*

From the Americas/Europe region, exports to Western Europe formed the largest proportion of export revenues with 43% followed by exports to the US and Eastern Europe with about 26-27% each (Figure 4.5).

Figure 4.5: Export revenues from Americas/Europe, 2006

