

ANNUAL SURVEY ON INFOCOMM INDUSTRY FOR 2007

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PART I: SURVEY COVERAGE AND METHODOLOGY

INTRODUCTION

The Annual Survey on Infocomm Industry for 2007 is the ninth edition in a series of infocomm industry surveys carried out by IDA.

SURVEY OBJECTIVE

To determine the market performance of the infocomm industry for 2007.

SURVEY 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).

PART II: SURVEY FINDINGS

1. EXECUTIVE SUMMARY

Overall Performance

- The infocomm industry revenue grew by 13.8% to reach \$51.68 billion in 2007, from \$45.42 billion in 2006.
- As in previous years, the *Hardware* segment continued to contribute more than half of the industry revenue; the *Hardware* segment share of industry revenue was 55%.
- The fastest growing segment was the *IT Services* segment, which grew by 40.6% in 2007.

Domestic Market

- Domestic revenue grew by 10.3% to reach \$18.13 billion in 2007, from \$16.44 billion in 2006.
- The top two performers, the *IT Services* and *Hardware* segments, saw growth rates of 51.9% and 25.5% respectively.

Export Market

- Export revenue, the main contributor to the infocomm industry revenue (with a share of 65%), grew by 15.8% to achieve \$33.56 billion, from \$28.98 billion in 2006.
- The top two contributors, the *Hardware* and *Software* segments, saw growth rates of 15.9% and 11.4% respectively.

Export Destinations

- North Asia remained the top export destination overall, with a share of 22% of the export revenue.

2. PERFORMANCE OF THE INFOCOMM INDUSTRY

2.1. Infocomm Industry Revenue

The infocomm industry revenue¹ grew 13.8% to reach \$51.68 billion in 2007 (Figure 2.1). The export revenue grew by 15.8% (Figure 2.2); the domestic market grew by 10.3% in 2007 (Figure 2.3). The ratio of domestic: export revenues remained about the same; with export revenue comprising 65% of the infocomm industry revenue in 2007 (Figure 2.4).

Figure 2.1: Overall Infocomm Industry Revenue Growth, 2003 – 2007

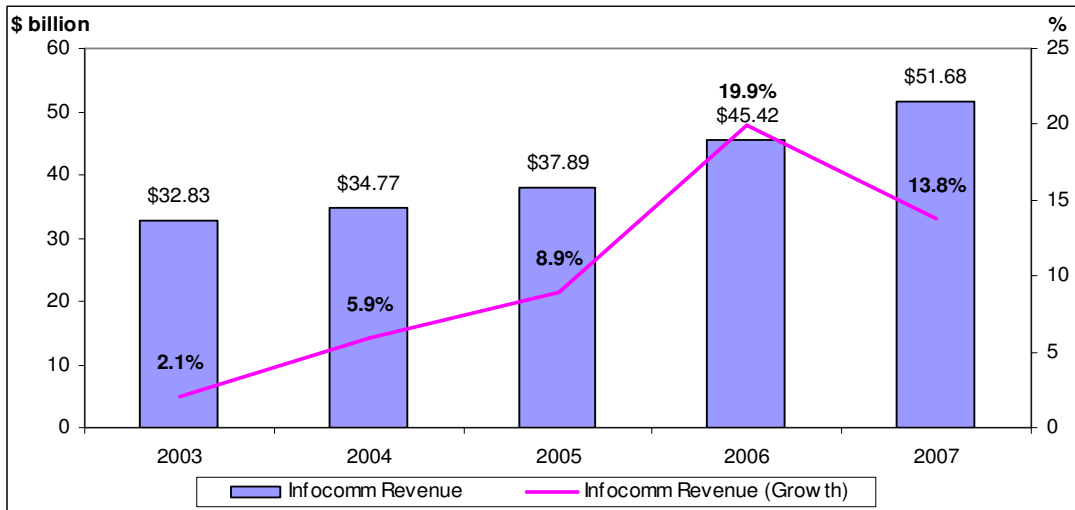
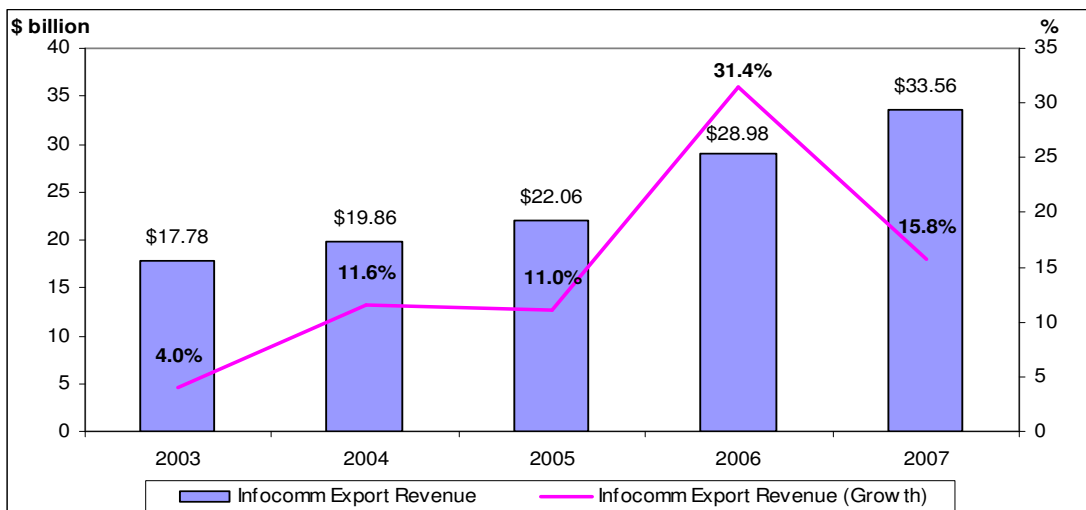


Figure 2.2: Infocomm Export Revenue Growth, 2003 – 2007



¹ Comprising revenue from export sales and domestic sales in Singapore; and excludes OEMs/other resellers' sales.

Figure 2.3: Infocomm Domestic Revenue Growth, 2003 – 2007

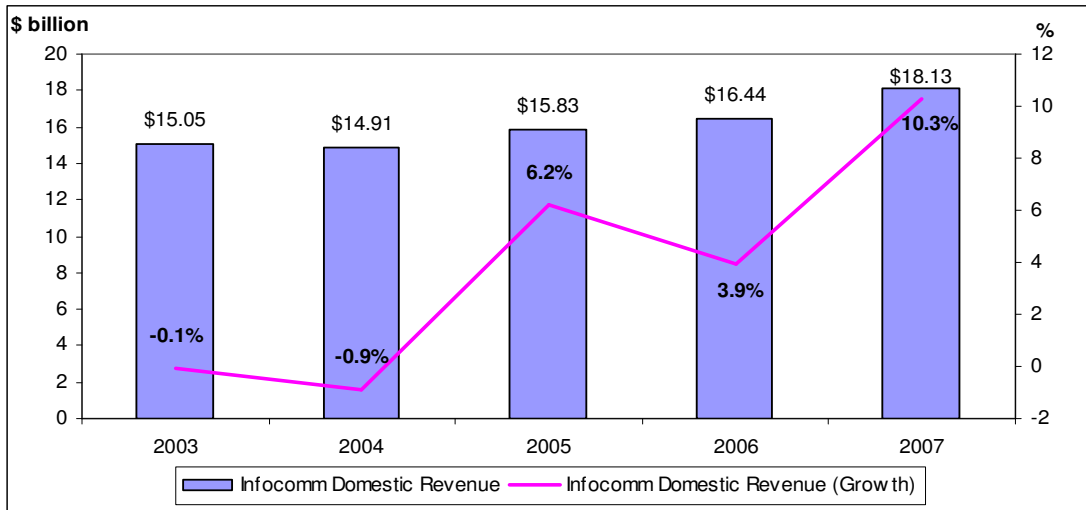
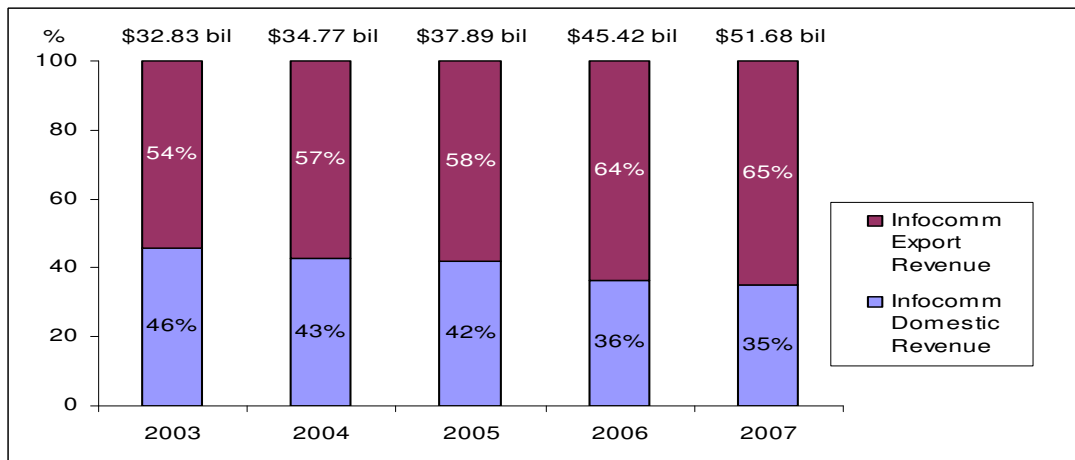


Figure 2.4: Infocomm Domestic/Export Revenue Composition, 2003 – 2007



2.2. Infocomm Industry Revenue by Market Segment

The *Hardware* segment continued to be a major contributor to the infocomm industry revenue, with a share of 55% of the industry revenue in 2007 (Figure 2.5). Most of the market segments showed an increase in revenue in 2007, except for the *Content Services* segment² (Figure 2.6).

Figure 2.5: Infocomm Industry Revenue by Market Segment, 2003 – 2007

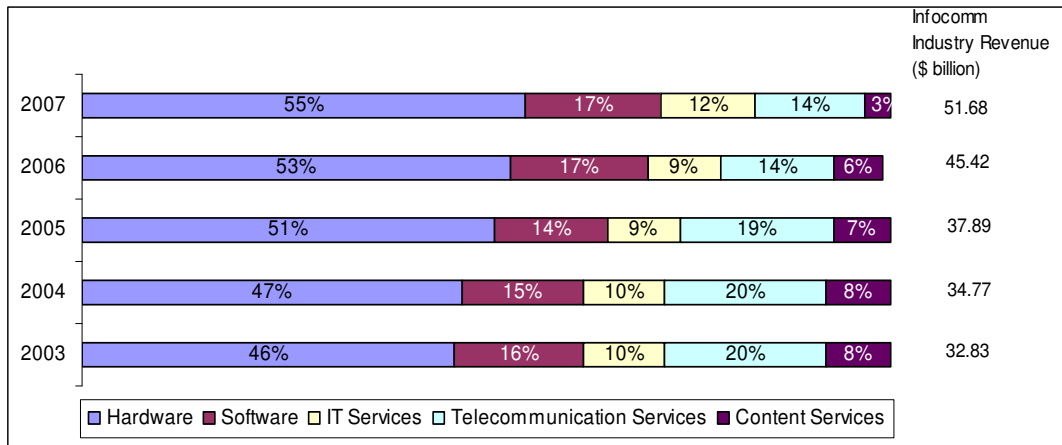
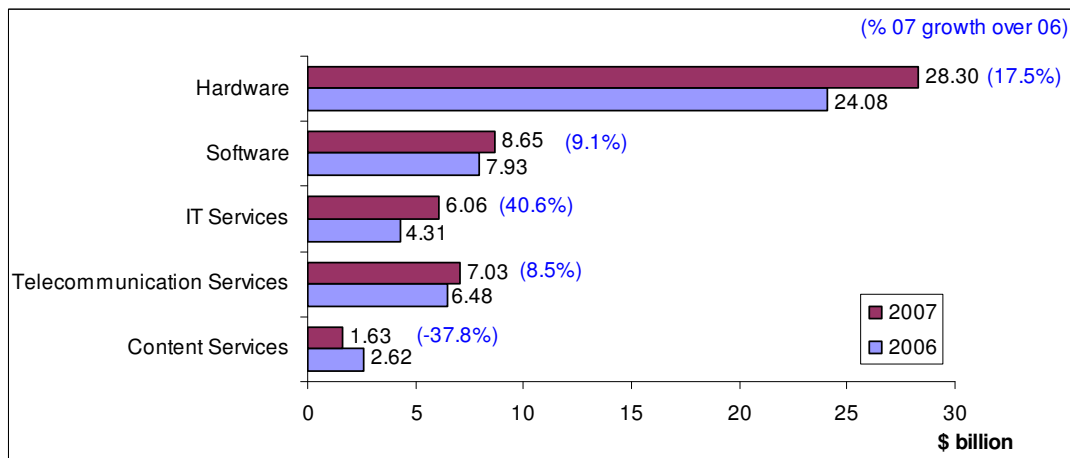


Figure 2.6: Infocomm Industry Revenue Growth by Market Segment, 2007 over 2006³



² The main reason for the drop was the exclusion of 'Advertising activities' and 'Art and graphic design services' from the scope of the infocomm industry cluster in 2007. Excluding these two activities for 2006, the *Content Services* segment showed a robust growth of 72.2% in 2007 over 2006.

³ Numbers may not add up to the overall infocomm industry revenue due to rounding.

2.3. Infocomm Domestic Revenue by Market Segment

The infocomm domestic revenue grew 10.3% to reach \$18.13 billion, from \$16.44 billion in 2006. The domestic market continued to be dominated by the *Telecommunication Services* segment with a revenue share of 32% (Figure 2.7). Compared to 2006, the 2007 domestic market saw the largest growth in the *IT Services* segment at 51.9% (Figure 2.8).

Figure 2.7: Infocomm Domestic Revenue by Market Segment, 2003 – 2007

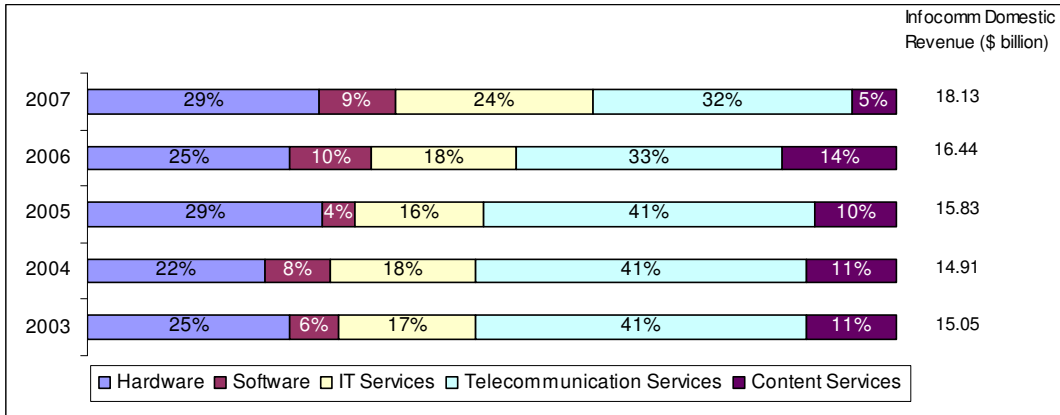
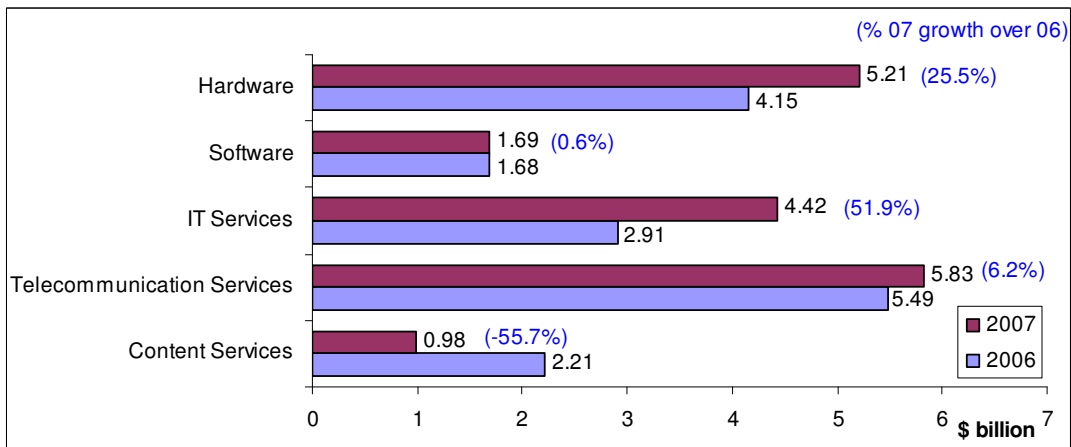


Figure 2.8: Infocomm Domestic Revenue Growth by Market Segment, 2007 over 2006⁴



⁴ Numbers may not add up to overall domestic revenue due to rounding.

2.4. Infocomm Export Revenue by Market Segment

The infocomm export revenue grew by 15.8% to reach \$33.56 billion, from \$28.98 billion in 2006. The export market continued to be dominated by the *Hardware* segment with a 69% revenue share (Figure 2.9). Compared to 2006, the two main contributors of the export revenue, *Hardware* and *Software* segments, grew 15.9% and 11.4% respectively (Figure 2.10).

Figure 2.9: Infocomm Export Revenue by Market Segment, 2003 – 2007

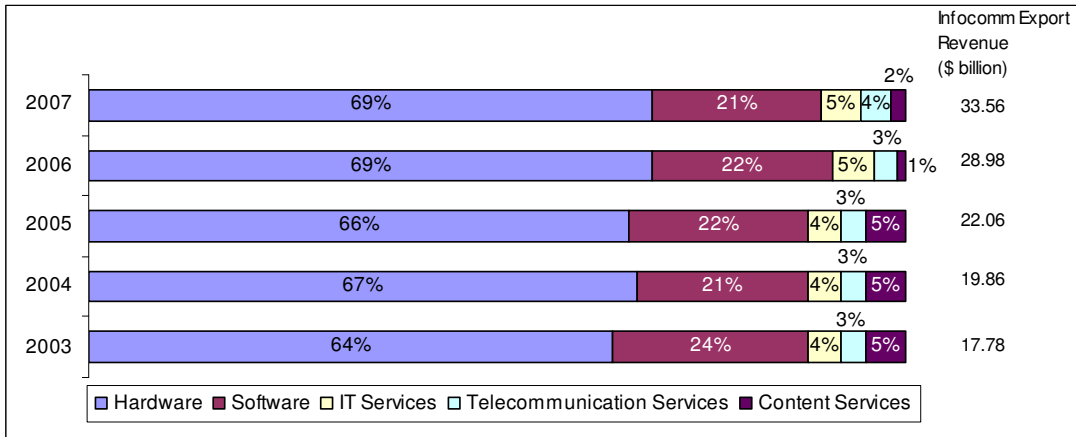
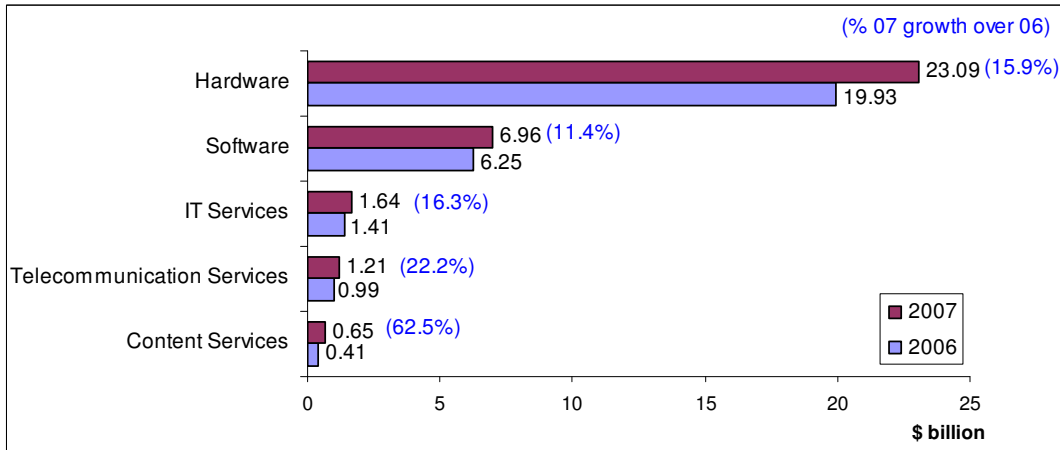


Figure 2.10: Infocomm Export Revenue Growth by Market Segment, 2007 over 2006⁵



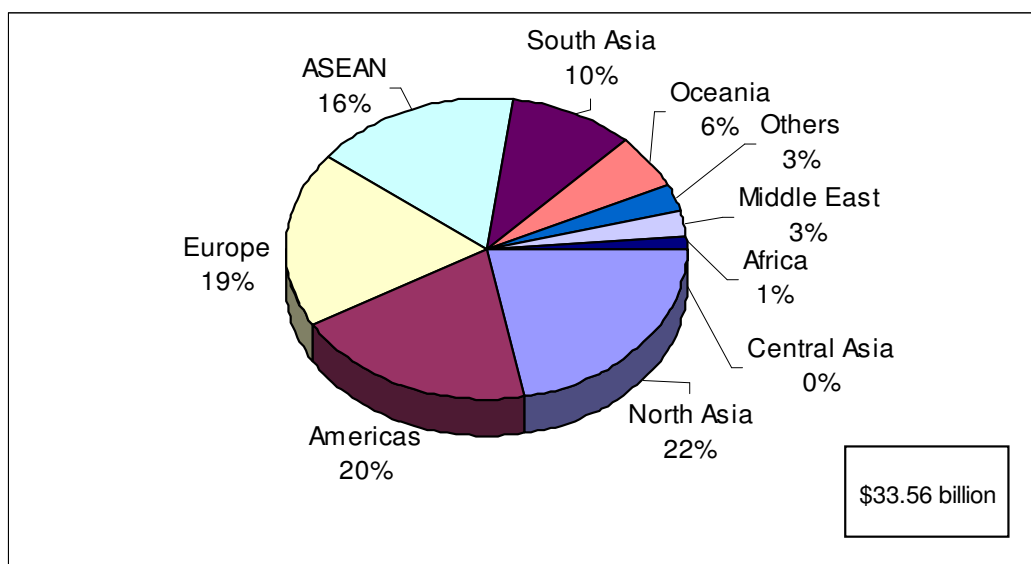
⁵ Numbers may not add up to overall export revenue due to rounding.

3. EXPORT DESTINATIONS

3.1. By Region

In 2007, the top three export destinations by region⁶ were North Asia (22%), Americas (20%) and Europe (19%) (Figure 3.1).

Figure 3.1: Export Destinations, 2007



⁶ The export regions were grouped as followed:

ASEAN: Brunei, Malaysia, Indonesia, Vietnam, Thailand, Philippines and others;

North Asia: Japan, China, Hong Kong, South Korea and others;

South Asia: India, Pakistan and others;

Central Asia: Kazakhstan and others;

Oceania: Australia, New Zealand and others;

Middle East: Saudi Arabia, Kuwait, Qatar, UAE, Bahrain, Oman and others;

Americas: US, Canada, Central America, South America and others;

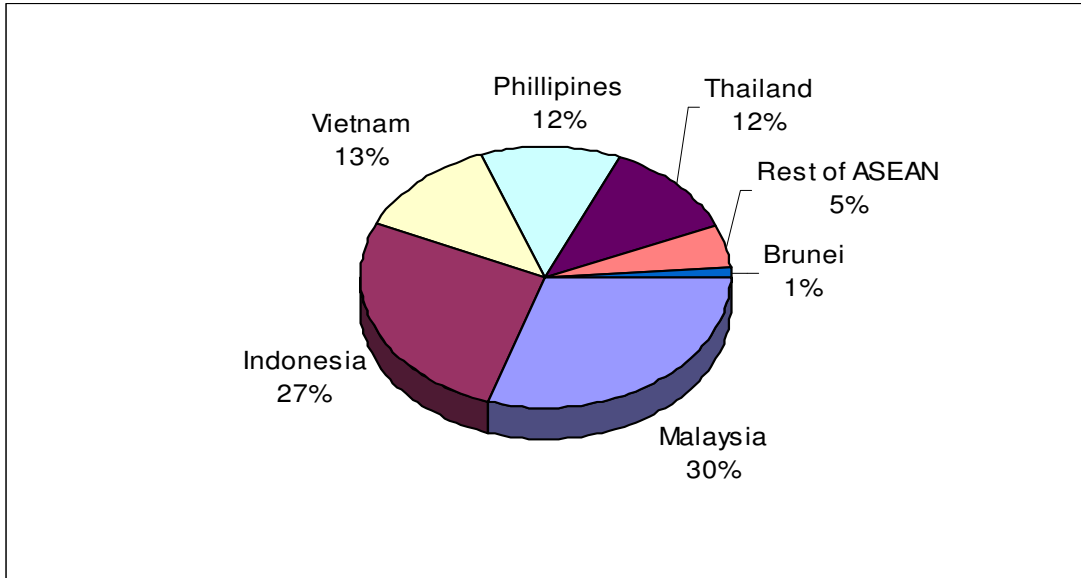
Europe: Western Europe, Central Europe, Eastern Europe and others; and

Africa: North Africa and others.

3.2. Exports to ASEAN

Amongst the ASEAN countries, the revenue from exports to Malaysia contributed the largest share at 30% followed by Indonesia (27%) (Figure 3.2).

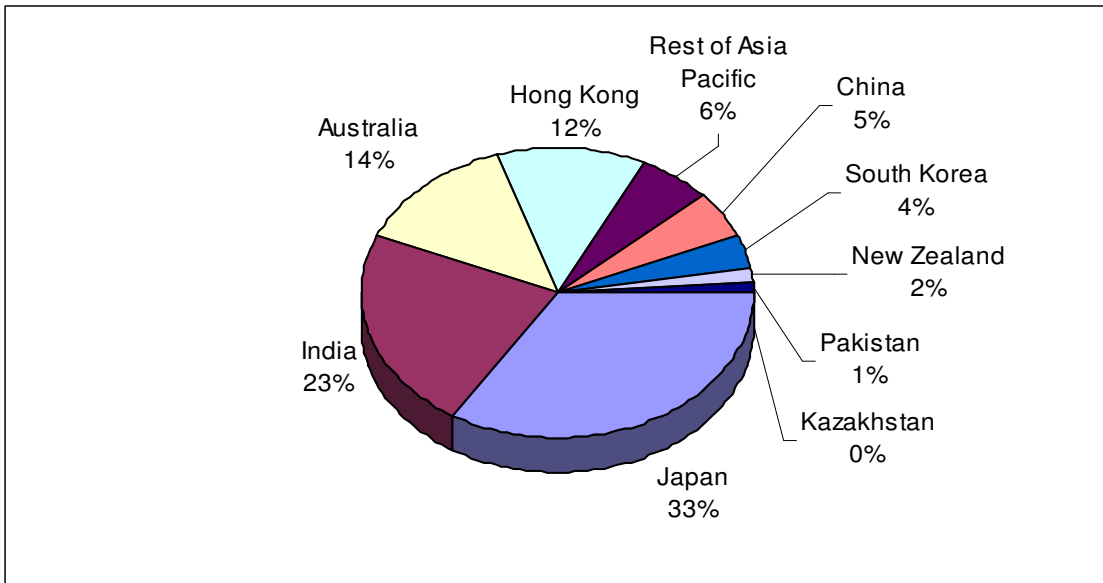
Figure 3.2: Export Revenue from ASEAN, 2007



3.3. Exports to Asia Pacific

Japan (33%), India (23%) and Australia (14%) contributed 70% of the export revenue for the Asia Pacific region (Figure 3.3).

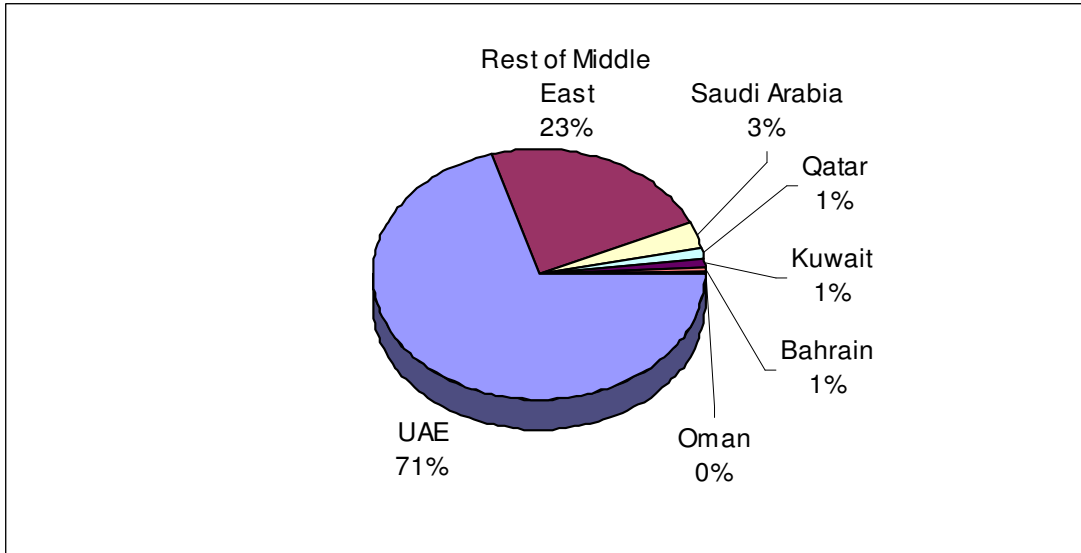
Figure 3.3: Export Revenue from Asia Pacific, 2007



3.4. Exports to Middle East

The UAE was the top export destination in the Middle East with a 71% share of the export revenue (Figure 3.4).

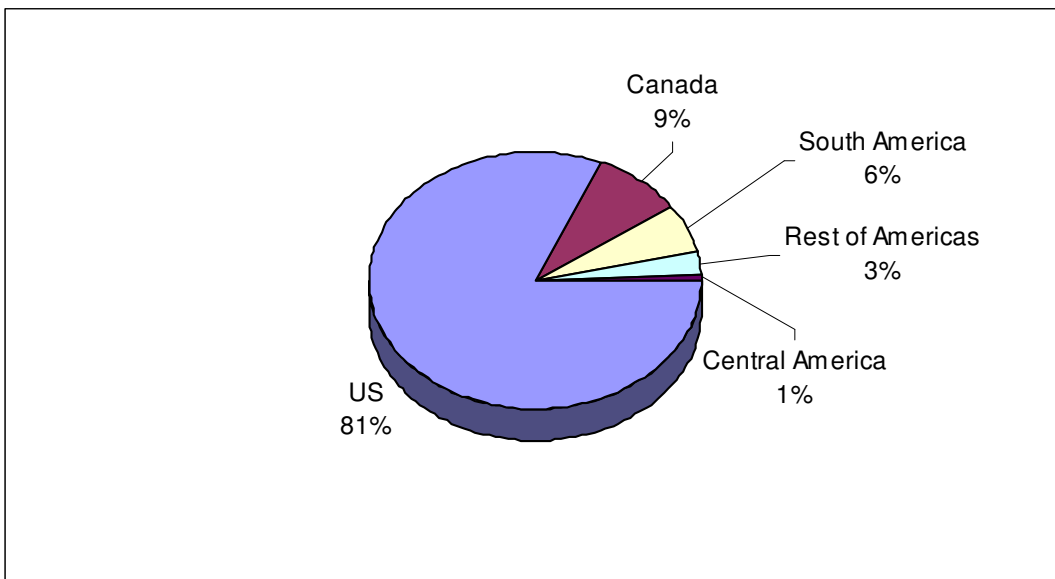
Figure 3.4: Export Revenue from Middle East, 2007



3.5. Exports to Americas

The US was the top export destination in the Americas with an 81% share of export revenue (Figure 3.5).

Figure 3.5: Export Revenue from Americas, 2007



3.6. Exports to Europe

The rest of Europe (i.e. Northern and Southern Europe) was the top contributor to export revenue from Europe with a 37% share, followed by Western Europe with a 34% share ([Figure 3.6](#)).

Figure 3.6: Export Revenue from Europe, 2007

