

ANNUAL SURVEY ON INFOCOMM INDUSTRY FOR 2008

June 2009



Infocomm Development Authority of Singapore
8 Temasek Boulevard
#14-00 Suntec Tower Three
Singapore 038988
Republic of Singapore
Tel: (65) 6211-0888
Fax: (65) 6211-2222
Website: www.ida.gov.sg

Copyright © 2009 IDA

All rights reserved. No part of this material may be stored in a retrieval system, transmitted, or reproduced in any way, including but not limited to photocopy, photograph, magnetic or other record, without the prior agreement and written permission of the Infocomm Development Authority of Singapore.

Notwithstanding the above, part or parts of this publication may be used with the proper acknowledgement of its source without having to first obtain the prior agreement and written permission of the Infocomm Development Authority of Singapore.

CONTENTS

PART I: SURVEY COVERAGE AND METHODOLOGY	3
INTRODUCTION	4
SURVEY METHODOLOGY	4
PART II: SURVEY FINDINGS	5
1. EXECUTIVE SUMMARY	6
2. PERFORMANCE OF THE INFOCOMM INDUSTRY	7
2.1. Infocomm Industry Revenue	7
2.2. Infocomm Industry Revenue by Market Segment	9
2.3. Infocomm Domestic Revenue by Market Segment.....	10
2.4. Infocomm Export Revenue by Market Segment	11
3. EXPORT DESTINATIONS	13
3.1. By Region	13
3.2. Exports to ASEAN	13
3.3. Exports to Asia Pacific.....	14
3.4. Exports to Middle East	14
3.5. Exports to Americas	15
3.6. Exports to Europe.....	15

LIST OF CHARTS¹

Chart 2.1: Overall Infocomm Industry Revenue Growth, 2004 – 2008	7
Chart 2.2: Real GDP Growth, 2004 – 2008	7
Chart 2.3: Infocomm Domestic/Export Revenue Composition, 2004 – 2008	8
Chart 2.4: Infocomm Export Revenue Growth, 2004 – 2008.....	8
Chart 2.5: Infocomm Domestic Revenue Growth, 2004 – 2008	9
Chart 2.6: Infocomm Industry Revenue by Market Segment, 2004 – 2008.....	9
Chart 2.7: Infocomm Industry Revenue Growth by Market Segment, 2008 over 2007	10
Chart 2.8: Infocomm Domestic Revenue by Market Segment, 2004 – 2008	10
Chart 2.9: Infocomm Domestic Revenue Growth by Market Segment, 2008 over 2007	11
Chart 2.10: Infocomm Export Revenue by Market Segment, 2004 – 2008	11
Chart 2.11: Infocomm Export Revenue Growth by Market Segment, 2008 over 2007	12
Chart 3.1: Export Destinations, 2008	13
Chart 3.2: Export Revenue from ASEAN, 2008	13
Chart 3.3: Export Revenue from Asia Pacific, 2008	14
Chart 3.4: Export Revenue from Middle East, 2008	14
Chart 3.5: Export Revenue from Americas, 2008	15
Chart 3.6: Export Revenue from Europe, 2008.....	15

¹ Due to rounding, data may not add up to the total or 100%.

PART I: SURVEY COVERAGE AND METHODOLOGY

INTRODUCTION

The 2008 Annual Survey is the tenth in the series conducted since 1999 with the objective of tracking the market performance of the infocomm industry

SURVEY METHODOLOGY

The survey covered a representative sample of infocomm establishments which are grouped into the following five main segments 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 12.4% to reach \$58.10 billion in 2008, from \$51.68 billion in 2007.
- As in previous years, the *Hardware* segment continued to be a major contributor with a share of more than half (52%) of the infocomm industry revenue.
- The *IT Services* segment saw strong revenue growth of 41.3% while the *Content Services* segment saw negative revenue growth of 9.8%.

Domestic Market

- Domestic revenue saw a growth of 25.9% to reach \$22.82 billion in 2008, from \$18.13 billion in 2007.
- The top two performers, *IT Services* and *Software* segments, saw growth rates of 41.2% and 26.0% respectively.

Export Market

- Contributing 61%, export revenue remains as the main contributor to the infocomm industry revenue. In 2008, it saw a small growth of 5.1% to reach \$35.28 billion, from \$33.56 billion in 2007.
- The top two performers, the *IT Services* and *Software* segments, saw growth rates of 41.5% and 7.3% respectively.

Export Destinations

- Overall, ASEAN was the top export destination, with a share of 23% of the export revenue.
- Indonesia and Malaysia formed more than half (62%) of ASEAN export revenue.

2. PERFORMANCE OF THE INFOCOMM INDUSTRY

2.1. Infocomm Industry Revenue

The infocomm industry grew 12.4% to reach \$58.10 billion² in 2008 (Chart 2.1). This is in line with the slower growth for the general economy shown in Chart 2.2, though it is noteworthy that the infocomm industry growth is much higher than that of GDP at 1.1%. The export composition of infocomm revenue dropped slightly to 61% while domestic composition increased to 39% (Chart 2.3).

Chart 2.1: Overall Infocomm Industry Revenue Growth, 2004 – 2008

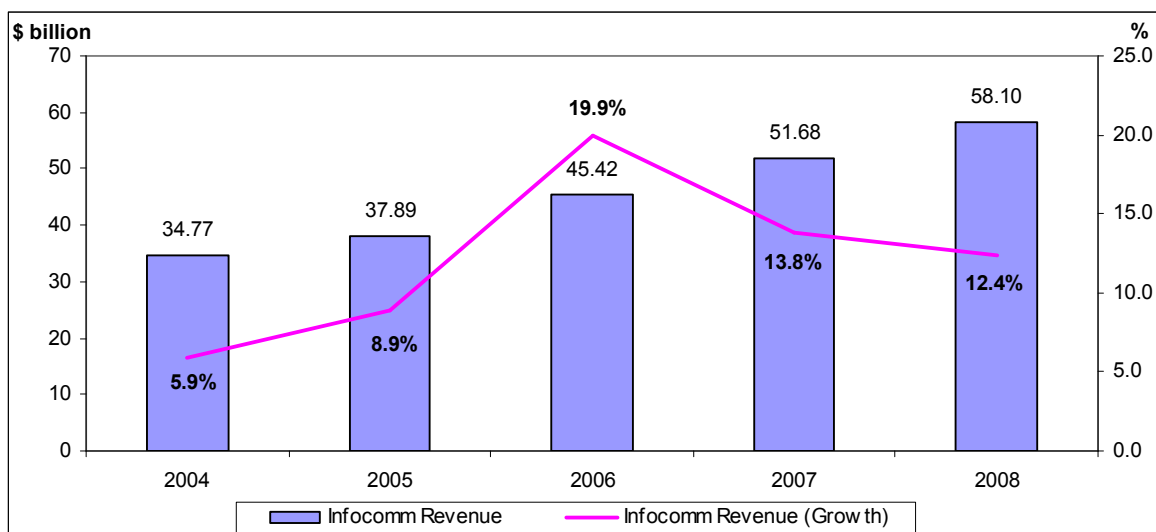
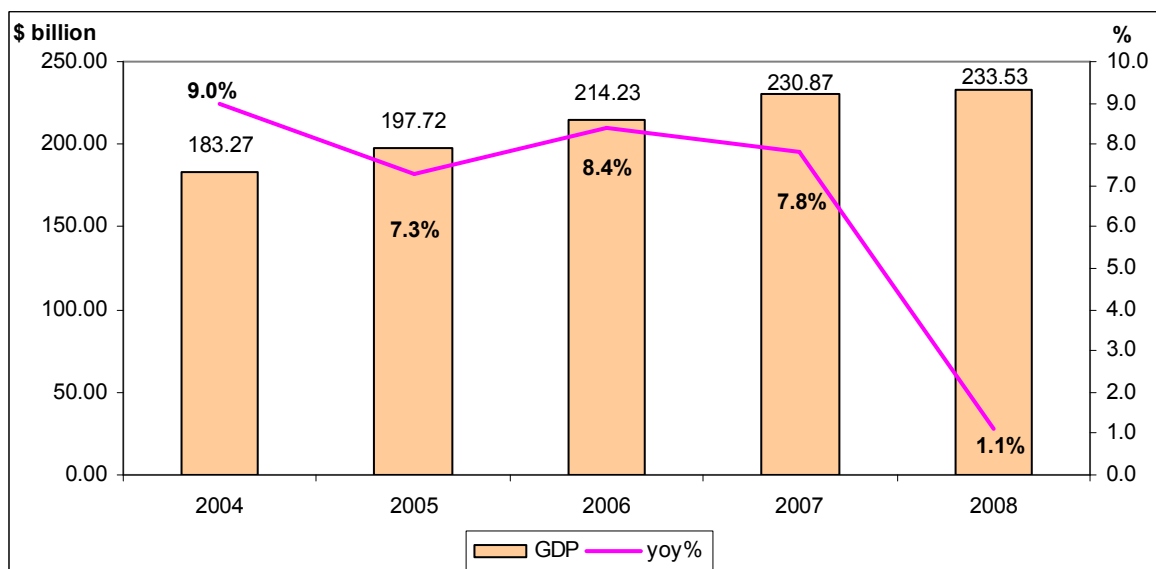


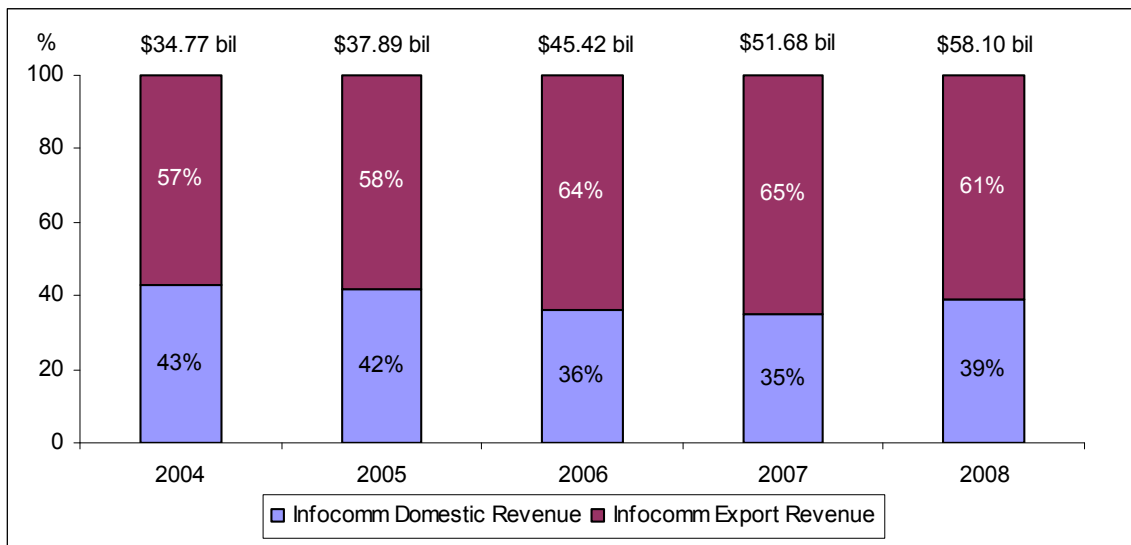
Chart 2.2: Real GDP Growth, 2004 – 2008³



² Comprising revenue from export sales and domestic sales in Singapore; and excludes OEMs/other resellers' sales.

³ Source: Economic Survey of Singapore 2008, MTI.

Chart 2.3: Infocomm Domestic/Export Revenue Composition, 2004 – 2008



The main reason for the slower growth in infocomm industry revenue was a reduction in export revenue growth in 2008 (5.1%) to a third of the growth in 2007 (15.8%) (Chart 2.4). On the other hand, the domestic market experienced strong growth of 25.9% in 2008 (Chart 2.5).

Chart 2.4: Infocomm Export Revenue Growth, 2004 – 2008

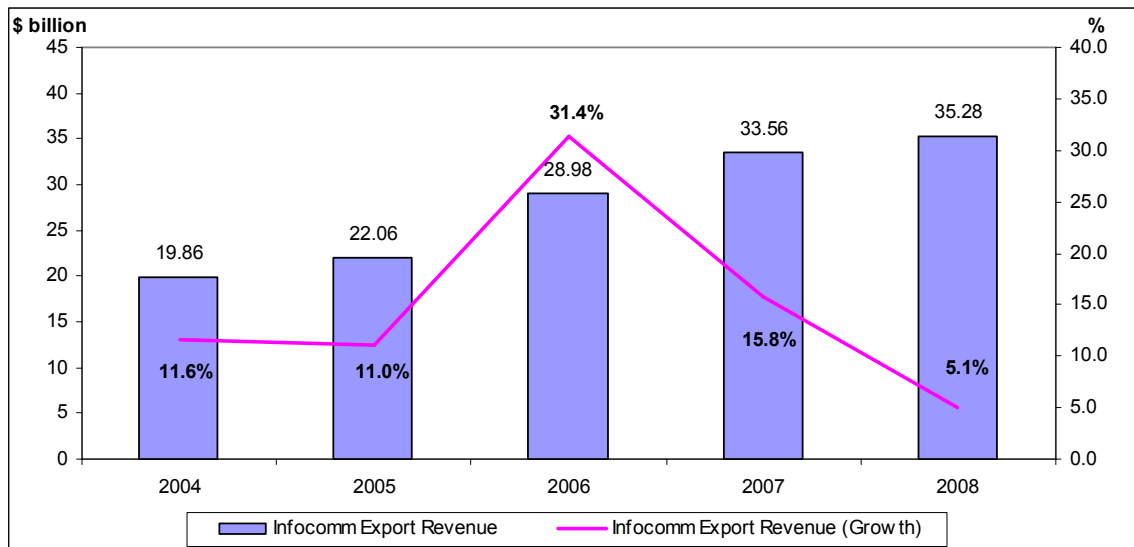
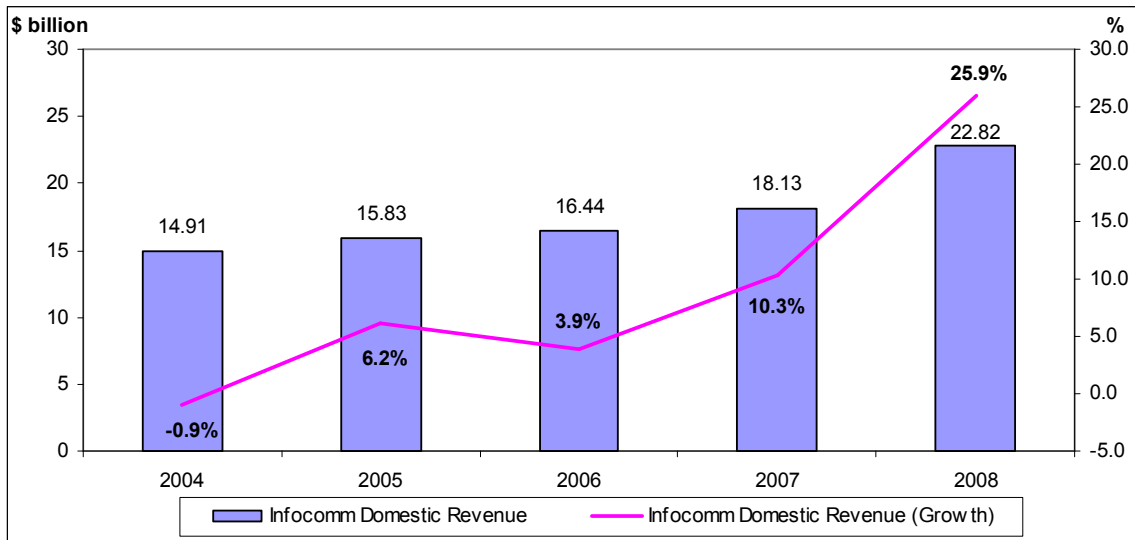


Chart 2.5: Infocomm Domestic Revenue Growth, 2004 – 2008



2.2. Infocomm Industry Revenue by Market Segment

The *Hardware* segment continued to be a major contributor with a share of more than half (52%) of the infocomm industry revenue in 2008, followed by the *Software* segment with 17% ([Chart 2.6](#)). Most of the market segments showed positive revenue growth in 2008, except for the *Content Services* segment ([Chart 2.7](#)).

Chart 2.6: Infocomm Industry Revenue by Market Segment, 2004 – 2008

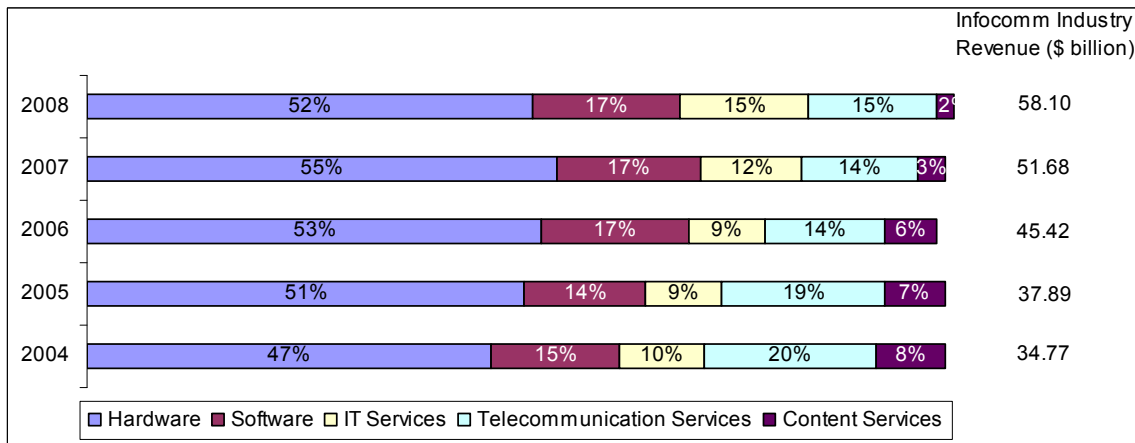
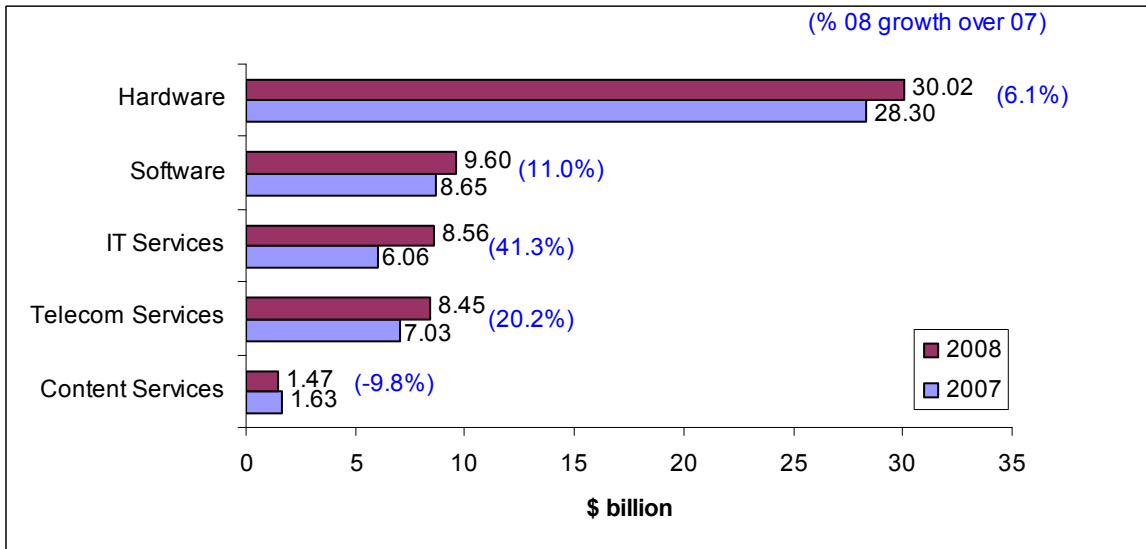


Chart 2.7: Infocomm Industry Revenue Growth by Market Segment, 2008 over 2007



2.3. Infocomm Domestic Revenue by Market Segment

Infocomm domestic revenue grew by 25.9% to reach \$22.82 billion in 2008. The *Telecommunication Services* segment had the largest domestic revenue share of 32%, followed by *Hardware* and *IT Services* with an equal share of 27% each (Chart 2.8). The 2008 domestic market saw growth of more than 20% in the *Telecommunication Services*, *Software* and *IT Services* segments (Chart 2.9).

Chart 2.8: Infocomm Domestic Revenue by Market Segment, 2004 – 2008

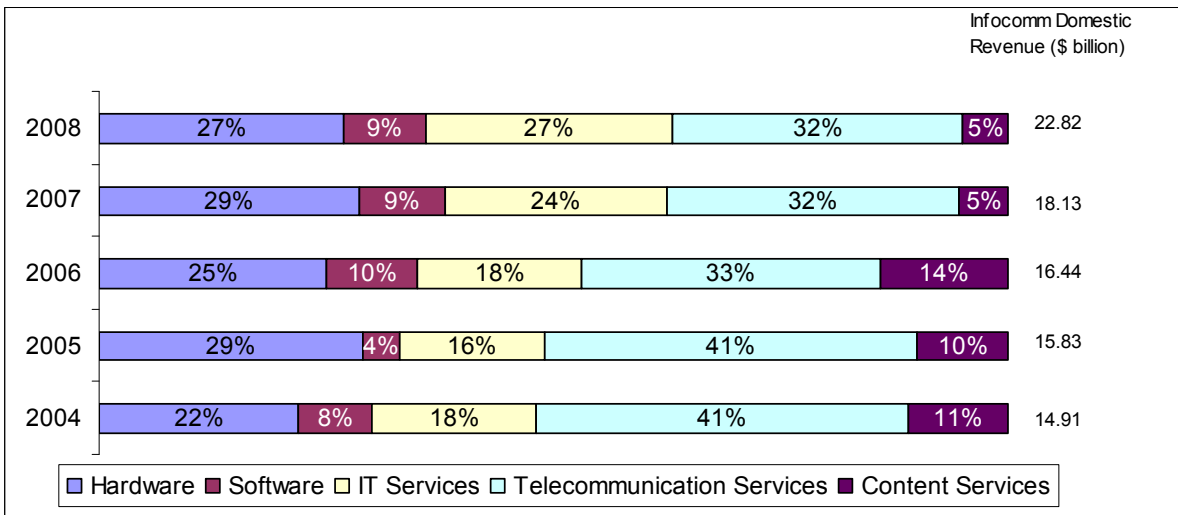
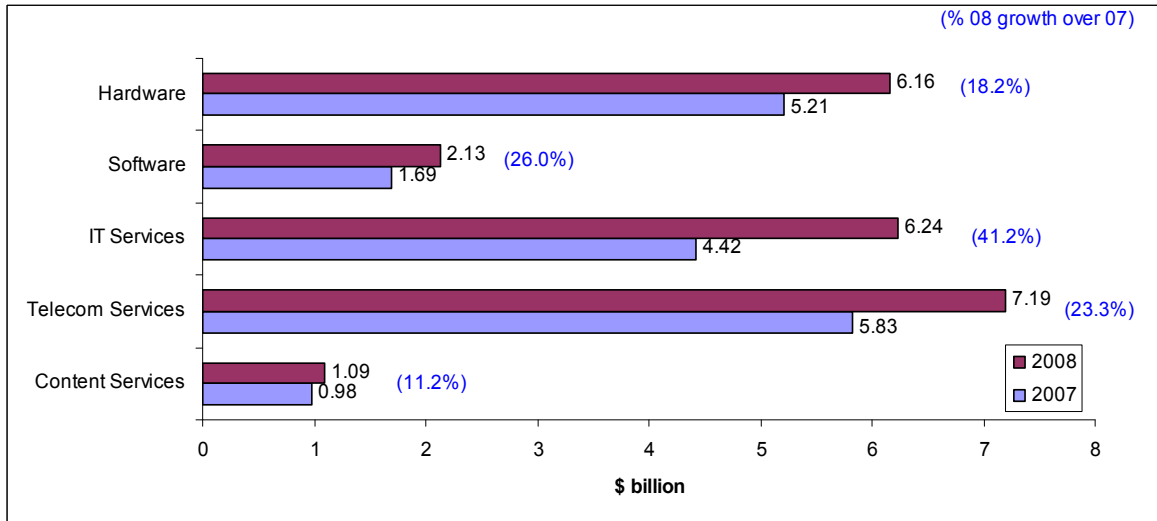


Chart 2.9: Infocomm Domestic Revenue Growth by Market Segment, 2008 over 2007



2.4. Infocomm Export Revenue by Market Segment

Infocomm export revenue grew by 5.1% to reach \$35.28 billion in 2008. As in previous years, the export market continues to be dominated by the *Hardware* segment (Chart 2.10). The revenue growth of the *Hardware* segment was 3.3% and the growth of the top performer, the *IT Services* segment, was 41.5% (Chart 2.11).

Chart 2.10: Infocomm Export Revenue by Market Segment, 2004 – 2008

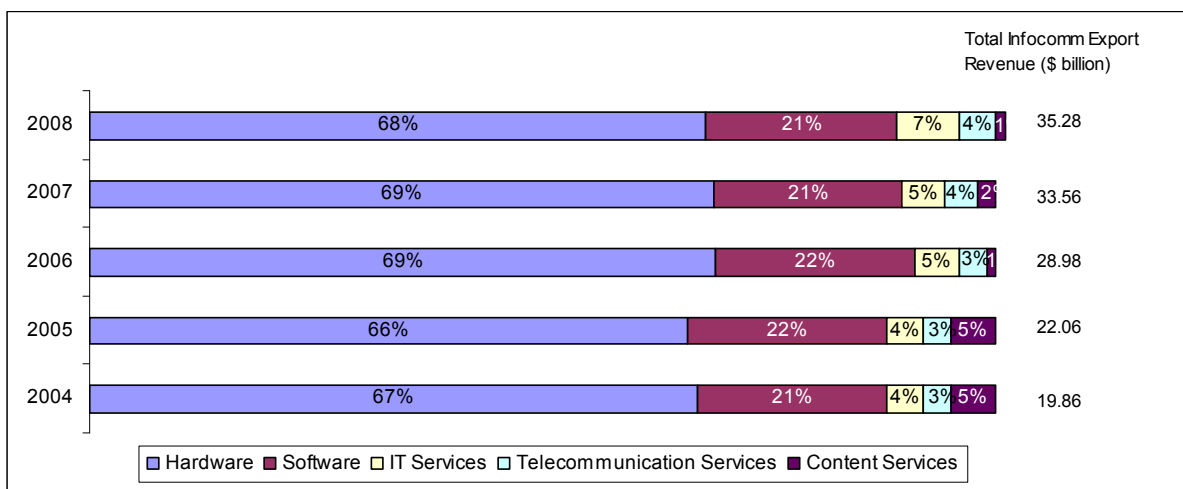
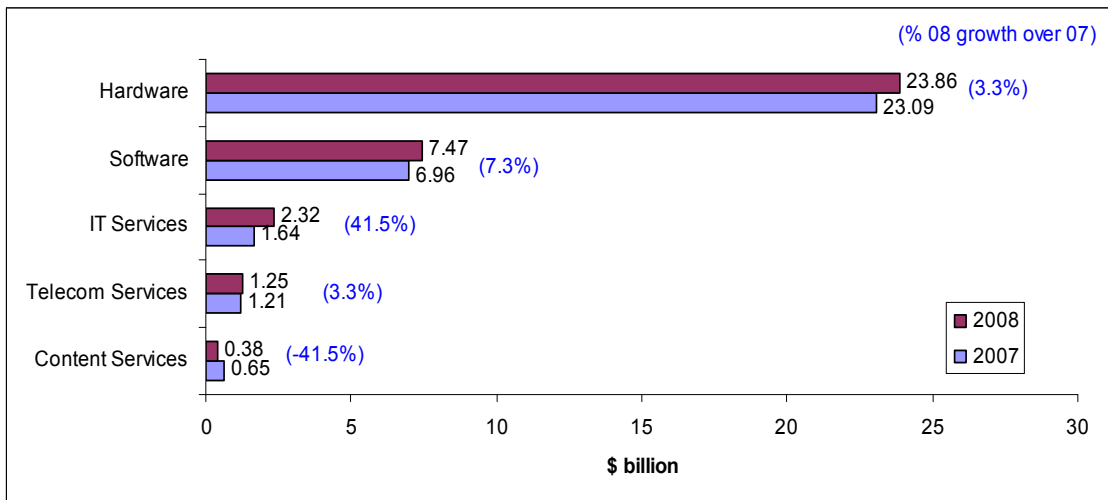


Chart 2.11: Infocomm Export Revenue Growth by Market Segment, 2008 over 2007

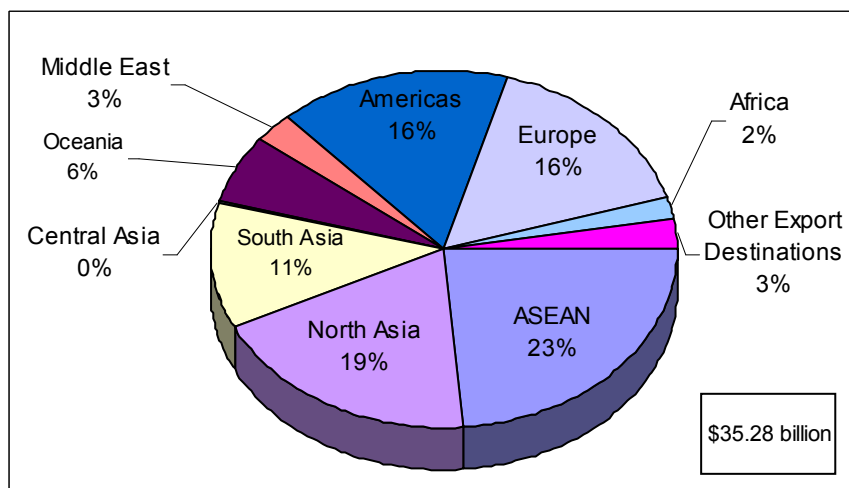


3. EXPORT DESTINATIONS

3.1. By Region

In 2008, the top two export destinations by region⁴ were ASEAN (23%), and North Asia (19%) (Chart 3.1).

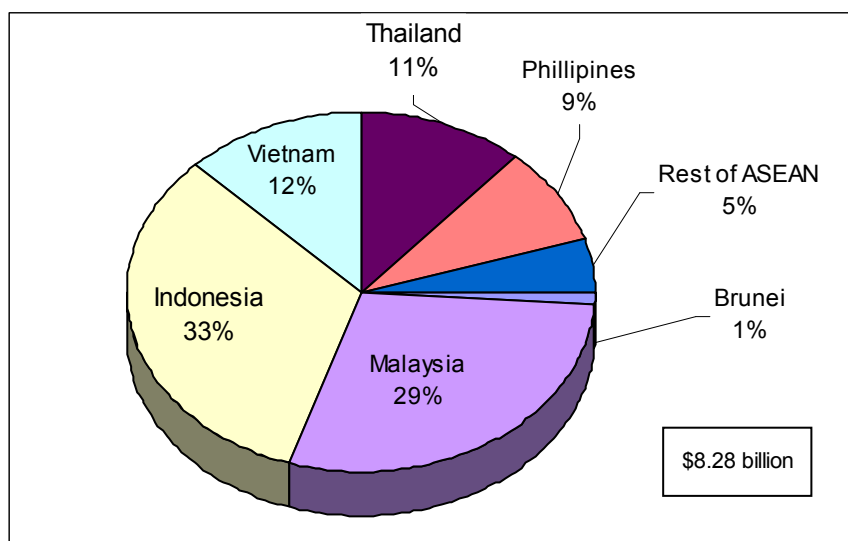
Chart 3.1: Export Destinations, 2008



3.2. Exports to ASEAN

Amongst the ASEAN countries, more than half of the export revenue was contributed by Indonesia (33%) and Malaysia (29%) (Chart 3.2).

Chart 3.2: Export Revenue from ASEAN, 2008



⁴ 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;

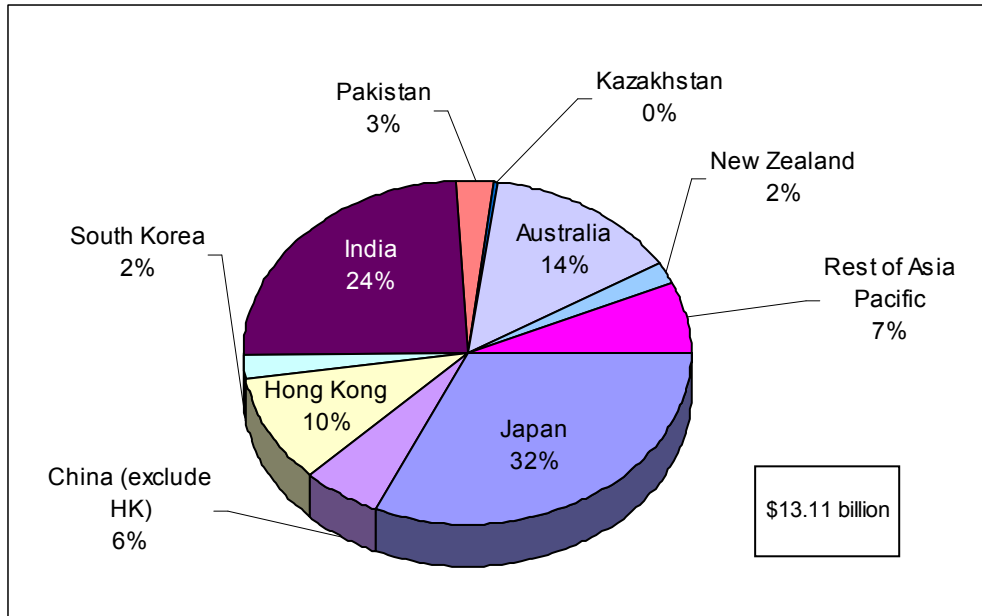
Europe: Western Europe, Central Europe, Eastern Europe and others; and

Africa: North Africa and others.

3.3. Exports to Asia Pacific

Japan (32%), India (24%) and Australia (14%) contributed 70% of the export revenue for the Asia Pacific region (Chart 3.3).

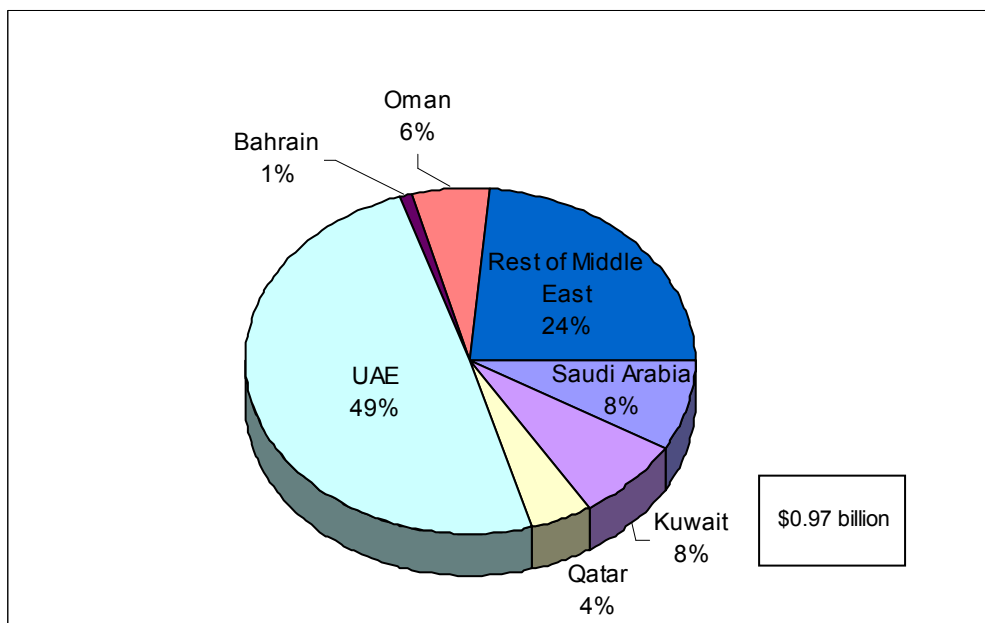
Chart 3.3: Export Revenue from Asia Pacific, 2008



3.4. Exports to Middle East

The UAE was the top export destination in the Middle East with a 49% share of the export revenue (Chart 3.4).

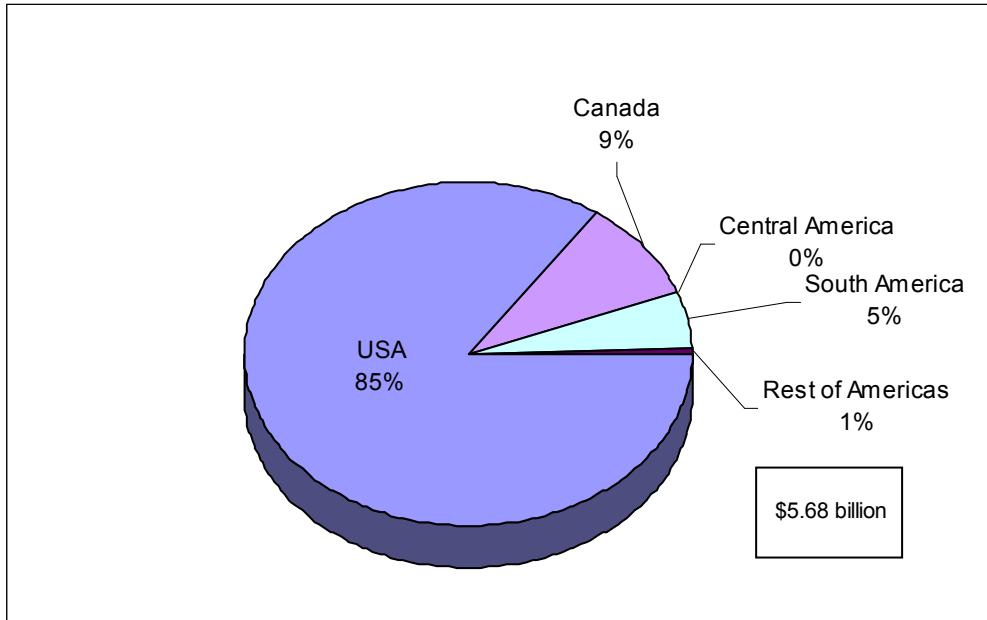
Chart 3.4: Export Revenue from Middle East, 2008



3.5. Exports to Americas

The USA was the top export destination in the Americas with an 85% share of export revenue, followed by Canada (9%) (Chart 3.5).

Chart 3.5: Export Revenue from Americas, 2008



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 42% share, followed by Western Europe with a 23% share (Chart 3.6).

Chart 3.6: Export Revenue from Europe, 2008

