
SINGAPORE RISES TO PROMINENCE IN THE WORLD MARKET

- 1) As the economic adviser to the president of a small, developing country, what lessons can you take from Singapore's economic approach to apply to your own country? Your country also has a functional, but not overly busy, port. What steps would you take to encourage trade with foreign countries?**

Based on the information above, it can be seen the country also have the characteristic which is similar to Singapore. The main differences between this small, developing country and Singapore is the economic strategy.

The steps should be taken by the country are:

- i. Develop the infrastructure supporting port activities, and also supports all activities in the country.
- ii. Establish various trade regulations such as import duties. This import duties will attract the international market, and maintain the local product.
- iii. Promote the existence of the port through diplomatically approach and also the tourism in the country.
- iv. Applying the technology in processing the raw materials into finished products with high added value. The raw materials which was purchased from other country will give added value to the country which can lead to high profitability.
- v. Improve the quality of education in a country in order to prepare the citizens to face the global competition.

2) Do you think that the economy of Singapore will be greatly affected by changes in the financial status of traditional economic superpowers? Why or why not? If the economy is affected, will it be positive or negative?

Yes, Singapore's economy is highly depending on the conditions of the financial status of traditional economic superpowers. This is because most of income of Singapore comes from the import and export trade that occurs from Singapore's port. Consumers, producers and international traders which involve in Singapore's business comes from every countries in the world.

The disadvantage of economic superpowers is that it will declined the purchasing power of a country, which makes the Singapore's consumer export cannot be absorbed. When the international market didn't absorb exports from Singapore, Singapore's economy would falter because the income of the state will declined. Singapore itself has a high import export linkage with national superpower. Not only as consumer trade services which was provided by Singapore, but it is also the main keys in cooperation, whether it is as an investors or the traders. Cooperation with this country will ease Singapore to cooperate in trade freely and are open for all kinds of investments and well maintain it.

As a conclusion, financial status of economic superpower changes does affect the Singapore's economy.

3) Why do you think the strategy of extended entrepot trading- importing raw material, refining them, then exporting them to foreign countries- is effective?

Entrepot trading strategy is very effective those country which don't owned the natural resources (SDA). This countries should be well in applying knowledge in order to overcome the limitations.

One of the best ways is to rule the worlds' technology process to add value to the product and sell it to other countries. The higher the value given to a product, the higher the price of the product. The added value of a product can be improve based on the aspects below:

a) Man (Labor)

- i. Provide additional knowledge
- ii. Provide skills to improve work efficiency

b) Material (raw and auxiliary materials)

A country need to change the type of raw material or additives in order to provide product differentiation for superiority of countries.

c) Machine

In order to add value for a product, a country need to improve their machines by using a machine which support production in order to reduce the input, increase the output or using a combination of both with the ultimate aim of improving the efficiency of production.

d) Methods

Method is an established, habitual, logical, or prescribed practice or systematic process of achieving certain ends with accuracy and efficiency, usually in an ordered sequence of fixed steps. In order to add value based on this aspect is by changing the production methods or regular work done which leads to giving added value at a low cost.

e) Market

An actual or nominal place where forces of demand and supply operate, and where buyers and sellers interact (directly or through intermediaries) to trade goods, services, or contracts or instruments, for money or barter.

Markets include mechanisms or means for:

- o Determining price of the traded item
- o Communicating the price information
- o Facilitating deals and transactions
- o Effecting distribution.

The market for a particular item is made up of existing and potential customers who need it and have the ability and willingness to pay for it. In order to add value to the products, a country need to open new market for each

product. This can bring a higher level of sales to a country for each of their products which can increase the profitability and income for a country.

f) Money

A medium that can be exchanged for goods and services and is used as a measure of their values on the market, including among its forms a commodity such as gold, an officially issued coin or note, or a deposit in a checking account or other readily liquefiable account.

When it comes to money, a country might suffer, but in order to improve their product, a country need to give a company capital injection which is an investment of capital generally in the form of cash or equity and rarely in the form of assets which is brought into a company or institution. The word "injection" connotes that the company or institution into which capital is being invested may be floundering or in some distress, although it is not uncommon for the term to also refer to investments made in a start-up or new company.

Besides that, countries should also support their production process which is concerned with transforming a range of inputs into those outputs that are required by the market. This involves two main set of resources:

➤ **The transforming resources**

Include the buildings, machinery, computers, and people that carry out the transforming processes

➤ **The transformed resources**

The raw materials and components that are transformed into end products.

Any production process involves a series of links in a production chain. At each stage value is added in the course of production. Adding value involves making a product more desirable to a consumer so that they will pay more for it. Adding value therefore is not just about manufacturing, but includes the marketing process including advertising, promotion and distribution that make the final product more desirable. It is very important for

businesses to identify the processes that add value, so that they can enhance these processes to the ongoing benefit of the business.

There are three main types of process:

i. Job Production

Job or 'make complete' production is the creation of single items by either one operative or a team of operative's. It is unique in the fact that the project is considered to be a single operation, which requires the complete attention of the operative before he or she passes on to the next job.

The benefits of job production are:

1. The job is a unique product, which exactly matches the requirements of the customer, often from as early as the design stage. It will therefore tend to be specific to a customer's order and not in anticipation of a sale.
2. As the work is concentrated on a specific unit, supervision and inspection of work are relatively simple.
3. Specifications for the job can change during the course of production depending upon the customer's inspection to meet his or her changing needs.

ii. Batch Production

The term batch refers to a specific group of components, which go through a production process together. As one batch finishes, the next one starts. Batches are continually processed through each machine before moving on to the next operation. This method is sometimes referred to as 'intermittent' production as different job types are held as work-in-progress between the various stages of production.

The benefits of batch production are:

- ✓ It is particularly suitable for a wide range of almost similar goods, which can use the same machinery on different settings.
- ✓ It economises upon the range of machinery needed and reduces the need for a flexible workforce.
- ✓ Units can respond quickly to customer orders by moving buffer stocks of work-in-progress or partly completed products through the final production stages.

- ✓ It makes possible economies of scale in techniques of production, bulk purchasing and areas of organisation.
- ✓ It makes costing easy and provides a better information service for management.

iii. Flow production

Flow production is therefore a continuous process of parts and sub-assemblies passing on from one stage to another until completion. Units are worked upon in each operation and then passed straight on to the next work stage without waiting for the batch to be completed. To make sure that the production line can work smoothly each operation must be of standard lengths and there should be no movements or leakages from the line. The benefits of flow production are:

- Ease of using just-in-time techniques to eliminate waste and minimise costs
- Labour and other production costs will be reduced through detailed planning and the use of robotics and automation
- Deviations in the line can be quickly spotted through ongoing quality control techniques.

4) Is it possible for a country as small as Singapore to become a worldwide economic superpower? What factors must be considered in answering this question? In the new global economy, does the size of a country matter at all if the economic strategy is effective? Is having a busy port enough of an economic boost to lift a small country to economic prominence?

Economic superpower is a country that has more power in international political arena which both influences events and global decision making in international project. These countries are usually considered a leader by other countries. Singapore is a country that has been recognized to have a strong economy, nevertheless Singapore is the second ranking country in Swiss's competitive advantage.

Singapore also rates as a competitive advantage that was relatively stable against the changes of economy. Singapore is able to re-establish their economies in short time. This action is vital and tremendous factor which is expected for a country to hold an economic superpower.

One of the most significant features in considering the economic superpower is the level of stability of the country's economy. Trade has always been the backbone of Singapore's economy. In addition to promoting export of goods and services, IE Singapore also attracts global commodities traders to establish their global or Asian home base in Singapore. Today, Singapore is a thriving trading hub with a complete ecosystem for the energy, agri-commodities and metals & minerals trading clusters. Renowned worldwide for their dedication to quality and innovation, Singapore-based companies make ideal business partners. With our global network in over 35 locations spanning many developed and emerging

Foreign investment is and should not be the only driver of economic growth in Singapore. Plenty of countries grow without relying heavily on foreign investment. In addition, economic growth is not a zero-sum game. Singapore is becoming more and more like the Manhattan of Southeast Asia or the financial centre of SEA. So, a strong Indonesia or Malaysia or Philippines, will increase the volume of financial transaction in Singapore.

Rated the world's second 'most network-ready' country⁵ for five years running, Singapore has one of the world's leading national ultra-high speed fibre infrastructure and services direct to homes and offices. Home to more than 90% of Fortune 1000 technology companies, Singapore's infocomm technology (ICT) expertise spans consumer infocomm, e-Government, enterprise technology, interactive digital media and telecommunications. Telecommunications Singapore is one of the most advanced telecommunications hubs worldwide with a well-established infrastructure for international connectivity.

It is among the first in the world to implement a nationwide wireless broadband network, Wireless at SG, with about 5,000 hotspots across the nation. Singapore's mobile penetration stands at 156%⁶, one of the highest in the world. Such mobile proliferation makes it the ideal test bed for new mobile innovations. Local companies like Singapore Telecommunications and ST Tele media have made substantial investments in telecommunications and media across Asia Pacific, Europe and the US. iCELL Network and Tele choice International have also successfully rolled out network infrastructure projects in the region, ranging from turnkey in-building solutions to municipal-wide Wi-Fi deployment.

Singapore is one of the world's leading oil and gas centres, boasting a comprehensive oil and gas equipment manufacturing and services sector, as well as a vibrant marine and offshore cluster. Singapore companies have earned international acclaim for top notch quality, reliability and safety standards, and there is growing global demand for their expertise in designing, building and maintaining critical infrastructures to support upstream and downstream oil and gas activities. Within the industry, Singapore is undisputedly one of the front runners providing services in ship repairs and conversion, shipbuilding and offshore construction. Their clients include Diamond Offshore, ENSCO, Petrobras, Saipem, SBM and Transocean. The country also hosts two of the world's biggest oil rig builders, Keppel Offshore & Marine and

Sembcorp Marine. Both contribute significantly to Singapore's 70% market share of the world's jack-up rig production. Supporting these yards is a sizeable industry providing classification services, design and engineering, marine equipment and services.

Downstream, Singapore's capabilities are exemplified in the Jurong Island development, home to over 95 leading international petroleum, petrochemicals, speciality chemicals and manufacturing companies. Homegrown Engineering, Procurement and Construction (EPC) contractors such as Hiap Seng Engineering, PEC and Rotary Engineering, support the activities of industry luminaries like BASF, BP, ExxonMobil, Mitsui Chemicals and Shell on Jurong Island. This strong track record has contributed to the international success of companies in Singapore's process industry, which have clinched engineering, EPC and plant maintenance contracts from the likes of Chiyoda, Foster Wheeler, Petronas, Saudi Aramco and Woodside.

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