Abstract

A Study of Singapore’s Domestic Exports of Industrial Products: 1960-1971

Singapore has started its industrialization since 1951, and her initial strategy of industrialization was through import substitution rather than export promotion. In 1967 Singapore introduced the Economic Expansion Incentives (Relief from Income Tax) Ordinance, to shift the industrial policy to export promotion.

Data from the annual Census of Industrial Production for the period 1967 - 1971 revealed seven leading export industrial groups, i.e., petroleum, rubber processing, electrical machinery, food, textiles & wearing apparel, transport equipment and wood, which was 89% of total export of the domestic industrial products. The total export value was 2,380 millions in 1971.

The export areas of the products covered 116 foreign markets. The major export markets were S. Vietnam, U.S.A., Japan, Hong Kong, Malaysia and Australia. Southeast Asia alone contained 44.5% of total export value in 1967, and in 1971 it decreased to 35.9%. That means Singapore has promoted overseas market in other regions.

According to the capital ownership, Singapore’s factories can be divided into three main categories, they are either wholly local capital, wholly foreign or local-foreign capital. The products of the foreign capital factories mainly used for export, and according to the author’s survey, their distribution channel is from manufacturers to their main plants or branches in overseas after that to foreign markets. Factories with only domestic capital, usually follow the type of old distribution system, that is through the local wholesalers to the foreign markets.

The manufacturers are facing some serious problem in foreign markets, e.g., tariff, quota restrictions and trade policy introduced by foreign countries. The role of the government in this case is to provide all the necessary service facilities, and encourage the conglomerates between small and medium size of local firms, to enhance their ability of export.