

The 2015 Borderfree Index

SINGAPORE

COUNTRY REPORT

Singapore Overview



Singapore is a “very attractive” market for cross-border ecommerce. Our Borderfree Index (BFI) score for Singapore is 4 out of possible 5 carts.

When Singapore turns 50 this year, there will be much for its 5.4 million people to celebrate at the Golden Jubilee. Since securing independence from Malaysia in 1965, this Southeast Asian island city-state and former British colony has steadily established itself as a tiny yet formidable sphere of financial strength, personal wealth and unapologetic luxury.

Singapore’s residents are overwhelmingly ethnic Chinese; there also are significant numbers of ethnic Malays and Indians. Around one-third of the population are nonresidents who are working, studying or living in Singapore, including around 400,000 high-skilled professionals from Western countries.

The economy is robust, characterized by high levels of trade freedom and regulatory efficiency. Singapore is ranked No. 2 in the 2014 Index of Economic Freedom. The country has a low, 2% unemployment rate and the highest disposable income per household in Asia. Though the ranks of wealth are rising in Singapore, the gap between the rich and poor is the narrowest among the Asian Tiger nations.

Singapore’s 50-year celebration, with a theme of “One People,” comes at an opportune time for the country, both culturally and commercially. Its cuisine, a bubbling cauldron of Chinese, Indian and Malaysian flavors, continues to draw tourists to its hawker centers and higher-end restaurants alike. And a wide range of attractions, including new developments like the National Art Gallery, Singapore Sports Hub and Marina Bay, a family-friendly entertainment complex, will draw tourists to the country’s shores. Popular travel guide publisher Lonely Planet named Singapore the No. 1 Best in Travel destination for 2015.

- ◆ Highest disposable income in Asia
- ◆ Large population of expatriates
- ◆ Overall familiarity with English and U.S. brands
- ◆ Around 55% of online spending comes from across borders
- ◆ Savvy consumers with high customer service and efficiency standards

From Suntec City to Universal Studio, Singapore also draws native and tourist shoppers with some of the best shopping in Asia. Since the country’s Internet and smartphone penetration is among the highest in Asia, Singaporeans are poised for ecommerce—especially cross-border buying.

Singapore’s wealth boom has driven greater consumption of luxury goods and demand for domestic services. Combine their love of luxury, plentiful dollars to spend and familiarity with English—it’s one of four official languages—and it’s no surprise that Singapore’s shoppers spend more than 50% of their online dollars across borders.

The country has enjoyed a revitalization of its fashion scene in recent years, and consumers are familiar with top fashion retailers like Michael Kors, Tory Burch and Kate Spade that have a brick-and-mortar presence within Singapore. Online retailers eyeing Singapore will find ready consumers in categories across fashion and beauty, and should be prepared for shoppers’ high standards for customer service and efficiencies like tracking and fast delivery.

On the whole, this Asian Tiger is one the world is watching, with solid economic prospects, booming tourism and a cosmopolitan flair that will be on display as the country celebrates its anniversary in signature style. Singapore ranks No. 5 by sales volume at Borderfree and receives 4 out of 5 possible shopping carts in the Borderfree Index, making it a “very attractive” market for U.S. retailers looking to sell abroad.

Singapore | Households

POPULATION^{1,2,5}

Total Singaporean population

5.4
MILLION

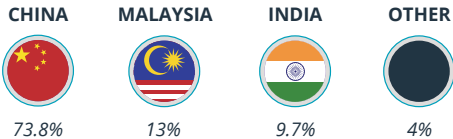
will increase to
6 million by 2020

7.7
PERSONS PER
SQUARE MILE

the second most densely
populated nation world wide



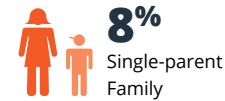
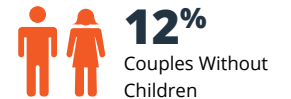
Population living in Singapore:



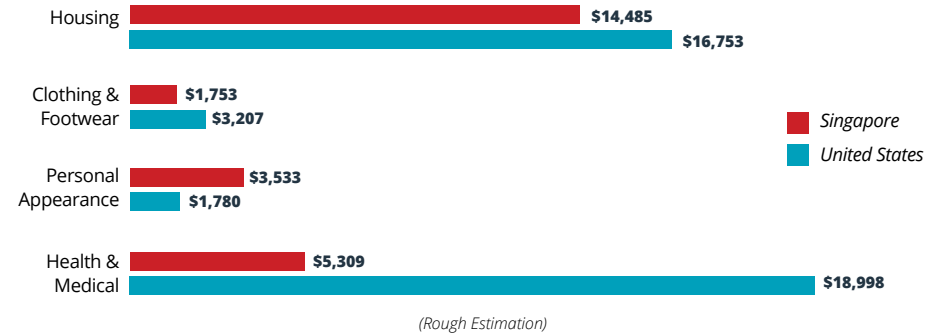
Official languages:



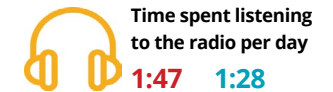
HOUSEHOLD CHARACTERISTICS²



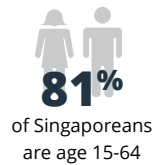
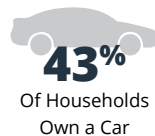
HOUSEHOLD EXPENDITURES (USD)²



MEDIA CONSUMPTION³

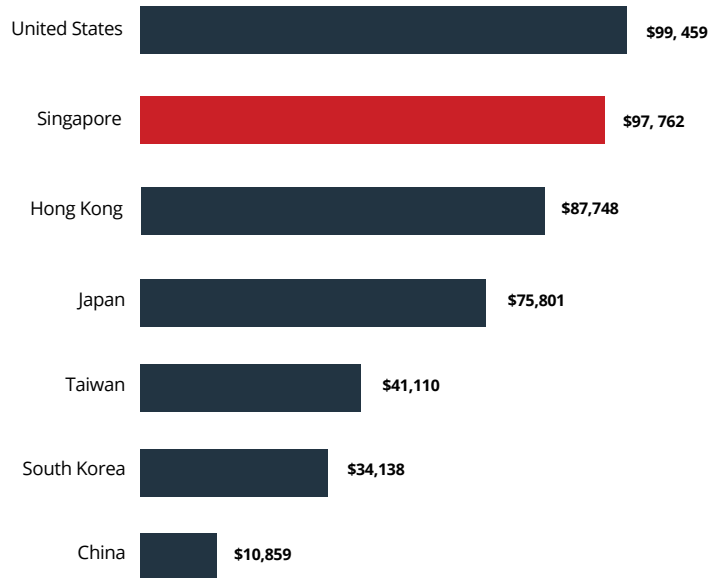


■ Singapore ■ United States

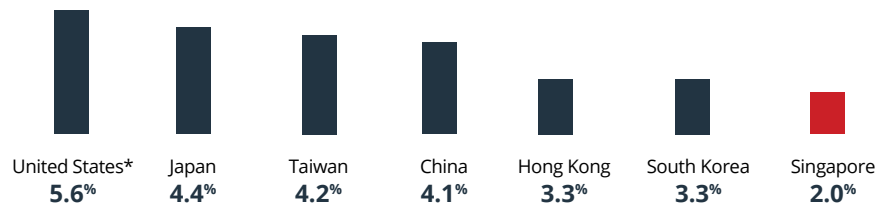


Singapore | Economy

DISPOSABLE INCOME PER HOUSEHOLD (USD)¹



UNEMPLOYMENT RATE (2013)¹



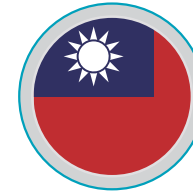
*2014

ECONOMY (USD)¹

GDP of four Asian Tiger countries



\$1.6 TRILLION
South Korea



\$903.5 BILLION
Taiwan



\$369.4 BILLION
Hong Kong



\$326.5 BILLION
Singapore

SINGAPORE IS RANKED **2ND** IN THE 2014 INDEX OF ECONOMIC FREEDOM

CREDIT CARDS PER ADULT^{2,11}

Age 20-64



United States
2.2 credit cards

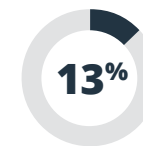


Singapore
2.7 credit cards

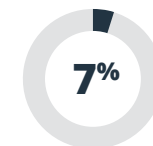
Preferred payment methods



Credit card



PayPal



Other

INTERNET PENETRATION^{8,12,13}



87%
Internet
penetration



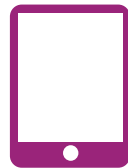
8.4 MBPS
Average Internet
connection speed



53%
Internet users
below age 35



50%
eCommerce
traffic via mobile



42%
Tablet
penetration






82%
Smartphone
penetration

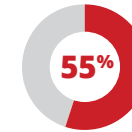
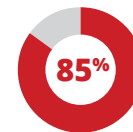
TRAVEL AND CROSS-BORDER INFLUENCE^{11,15}



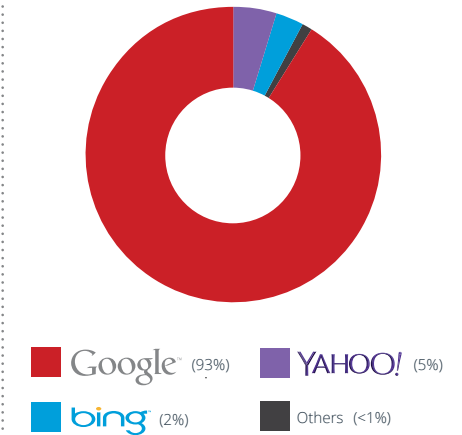
TOP SOCIAL NETWORKS AND SEARCH ENGINES^{7,8}

Top social media sites

-  1. Facebook (66%)
-  2. LinkedIn (20%)
-  3. Twitter (16%)



Leading search engines



RETAIL ECOMMERCE (USD)^{9,10}

\$1.6
BILLION
2012

↑

\$4.4
BILLION
2015

 **2%**
OF THE WORLD'S
APPAREL MARKET IS
HELD BY SINGAPORE

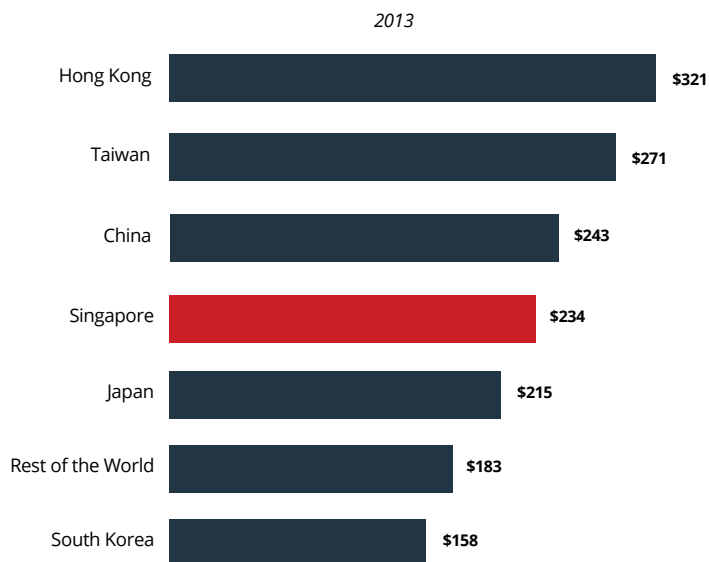
IMPORT FRIENDLINESS¹⁴



Imports with value of **MORE THAN 400 SGD (\$320 USD)**
are subject to Goods & Services Tax (7%).
Most goods are imported duty-free.

Valuation method: CIF (cost, insurance and freight)

AVERAGE ORDER VALUE (USD)¹⁶



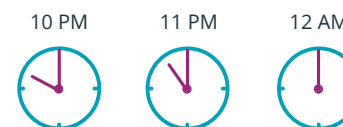
MOST POPULAR BRANDS¹⁷



TOP SELLING CATEGORIES¹⁷

Categories	Average unit retail	Sold More or Less	More or Less Expensive
Shirts & Tops	\$62	↑	↑
Activewear	\$44	↑	↓
Dresses	\$144	↑	↓
Pants	\$85	↑	↑
Shorts	\$49	↑	↑
Underwear & Socks	\$25	↑	↓
Shoes	\$102	↑	↓
Baby/Toddler Clothing	\$28	↓	↑
Swimwear	\$56	↑	↓
Bedding	\$75	↑	↓

PEAK SHOPPING HOURS¹⁷



Order volumes are equally distributed throughout the week, with a **slight increase on Sundays**

About the Borderfree Index

The BFI is a proprietary measure established by Borderfree, and is meant to provide an indication of a market's relative cross-border ecommerce attractiveness, specifically from the vantage point of a U.S. retailer selling abroad. The index is comprised of proprietary Borderfree data and pivotal market indicators across five broad dimensions.

In the 2015 Borderfree Index country reports, countries are ranked across five dimensions critical for cross-border ecommerce success. To calculate the rankings, we first standardize each of the measures across a 100-point scale and use weighted sums to arrive at a proprietary total score for each country.

A country's BFI score is distilled into a 'shopping cart' ranking ranging from one to five carts, with one cart representing a 'low priority' market and five carts representing an 'ideal' market. Thus, the BFI gives retailers an at-a-glance summary of a country's overall attractiveness to U.S. retailers looking to sell abroad.

The BFI is a composite score based on the following five criteria:

- ◆ Consumer appetite for purchasing cross-border
- ◆ Household income and purchasing power
- ◆ Ecommerce infrastructure
- ◆ Import friendliness and ease
- ◆ Forecasted market growth & performance trends



Ideal Market



Very Attractive Market



Desirable Market



Below-Average Market



Low Priority Market

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About Borderfree

Borderfree is the market leader in international ecommerce, operating the most comprehensive global technology and services platform that enables U.S. retailers to transact with consumers in more than 100 countries worldwide.

We're experts in navigating cross-border commerce, logistics and marketing channels. Our Global Insights team delivers unique and data-driven insights into consumer preferences and global buying patterns through our series of country reports including:

- Australia
- Canada
- China
- Hong Kong
- India
- Russia
- Singapore
- South Korea
- United Kingdom
- United States of America

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