



“Next-wave” Location Profile – Singapore

Locations Insider™ (LI)

Market Report – August 2018: Complimentary Abstract / Table of Contents

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- Price book
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Custom research capabilities

- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment


This report provides perspectives on key aspects of the global sourcing market in Singapore


Singapore | Quick snapshot



Established location operating as the Southeast Asian business and financial hub, with an highly favorable operating and business environment

KEY FACTOIDS

**14,000-16,000**
annual tertiary graduates

**Annual operating cost per FTE - 40-50% savings over Dallas 100-120% more expensive than Kuala Lumpur**

Current overview

- Leveraged by both service providers and Global in-house centers (GICs) for delivery of transactional and complex IT and BP
 - Asia is the predominant geography served followed by North America and Europe
 - Multiple players have set up innovation labs for next generation services
- Players predominantly support English delivery; select instances of players delivering Korean, Mandarin, and European languages






Key drivers


- Highly favorable business and political environment with one of the lowest corporate tax rates (17%) in Asia Pacific
- High-quality infrastructure and good ground & air connectivity with other key locations
- High-quality experienced talent pool for both IT and BP service delivery

Key challenges

- Smaller entry-level talent pool for both IT and BP services than other mature APAC locations (e.g., India, Philippines)
- Higher operating costs than most peer APAC locations, given higher salaries and infrastructure costs

KEY PLAYERS:



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Singapore | Risk profile (page 1 of 3)


Highly favorable risk profile with all institutions and political structures being business friendly

Parameter

Everest Group rating


Comments

Geopolitical




- Singapore's key strength is its Political stability and all institutions and political structures are business friendly
- Although there have been a small number of protests against the government since 2013, they have not posed significant challenge to the dominance of the ruling People's Action Party over the political landscape
- An earlier than anticipated leadership change may increase political risk (given the current Prime Minister's health problems); however, the impact is likely to be minimal
- Policymaking systems are institutionalized rather than personalized, and are designed within a carefully laid out, long-term framework
- Ranked 69th out of 167 countries in the Democracy Index 2017 by the Economic Intelligence Unit (EIU)

Macroeconomic




- GDP growth is expected to be stable in 2018-2019 with strong external demand and consumption as the main drivers for growth
 - However, the expected slowdown of the Chinese economy and the interdependence of Singapore with China might impact GDP growth in the long term
- Currency is expected to remain stable as Singapore has large reserves of foreign exchange
- Credit rating agencies, Fitch and S&P, have maintained Singapore's credit rating as prime grade with stable outlook

Source: Everest Group (2018); EIU, WEF Global Competitiveness Report, World Bank



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Research calendar – Locations Insider™

■ Published ■ Planned ▨ Current release

Flagship Locations Insider™ reports

Release date

"Next-wave" Location Profiles – Manchester, United Kingdom	February 2018
Global Locations Annual Report 2018: Service Delivery Portfolios in a Disrupted World	June 2018
"Next-wave" Location Profile – Timisoara, Romania	June 2018
"Next-wave" Location Profiles – Santiago, Chile	June 2018
"Next-wave" Location Profile – Bangalore, India	July 2018
"Next-wave" Location Profiles – Johannesburg, South Africa	August 2018
"Next-wave" Location Profile – Singapore	August 2018
"Next-wave" Location Profile – Campinas, Brazil	Q3 2018

Thematic Locations Insider reports

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What is the True Maturity of Indian Contact Center Market?	October 2017
Brexit, GDPR, and Digital Winds of Change: Disruption or Transformation of Service Delivery to the UK and Ireland?	October 2017
Poland Tier-2/3 Cities: Complementing Tier-1 Cities or Carving a Niche for Digital Services	December 2017
Betting on the Future – The Bangladesh IT-ITeS Industry is Poised for Growth	December 2017
What Will 2018 Have in Store for Locations Strategies?	May 2018
Contact Center Services for the U.S. Market: Shifting Location Strategies for Shifting Market Demands	July 2018
Where are FinTech Startups Concentrated?	Q3 2018

Note: For a list of all Locations Insider™ reports published by us, please refer to our [website page](#)

Additional research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details or complementary content that may be of interest:

1. **“Next-wave” Location Profile – Bangalore, India** ([EGR-2018-37-R-2725](#)); 2018. This report analyses Bangalore and offers perspectives on global sourcing profile of Bangalore, key opportunities, drivers, and challenges, along with an overview of talent availability, operating costs, and environment risks
2. **Global Locations Annual Report 2018: Service Delivery Portfolios in a Disrupted World** ([EGR-2018-37-R-2646](#)); 2018. The Global Locations Annual Report 2018 is a unique and comprehensive guide to understanding the nuances of the global services locations landscape and interpreting locations-related developments and trends to frame locations strategy. This report has three tenets – Key Trends Shaping the Landscape, Risk Watch, and Locations PEAK Matrix. It presents insights into the size and growth of the global services market, update of locations activity, changes in risk profiles of locations, and an analysis of the relative maturity, arbitrage, and potential of locations for multiple functions
3. **IT Services Delivery from APAC** ([EGR-2017-2-R-2137](#)); 2017. While IT services delivery in the Asia Pacific region has traditionally been centered predominantly in India, companies have shown increased interest in exploring alternative locations such as the Philippines, China, Malaysia, Singapore, and even destinations such as Sri Lanka and Vietnam. In addition to offering lower cost than onshore United States and Europe, each of these locations has a unique value proposition, making them attractive choices for setting up alternative delivery centers / regional hubs for IT operations. This report provides a detailed assessment of location options within the Asia Pacific region for global IT service delivery

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About Everest Group

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