



Singapore: Opportunities and Risks in the Context of COVID-19

Report Overview:

Is opportunity hiding underneath the economic rubble of COVID-19? [Richard Chen](#), Managing Director; [Dawn Duong](#), Senior Director; and Christina Cheang, Senior Manager; with [Alvarez & Marsal's Global Transaction Advisory Group](#), say yes. In the "Singapore: Opportunities and risks in the context of COVID-19" report they explain why and discuss:

- Singapore's economic structure and the drivers behind the country's economic success despite having limited natural resources and small population
- Singapore's track record of delivering on the government's economic development goals and drive towards higher value
- The six dimensions for evaluating the impact of COVID-19 on the general economy and within specific sectors
- Newly identified economic opportunities, and associated risks, in the Semiconductor and Chemicals sectors
- How Singapore's strong IP protection, skilled workforce and stable government positions the region to benefit from Industry 4.0
- The socio-economic challenges, international trade opportunities and value-generating industry sectors embedded in the country.

Semiconductor Sector Focus:

Singapore's Semiconductor industry is one of the largest industries within manufacturing. It serves as the sector's bedrock, extending across the value chain and drawing global players to establish local manufacturing and R&D centers.

The report details Singapore's:

- Evolution from a low-cost production center to a R&D and high-tech manufacturing hub
- Importance to the global value chain that will garner Industry 4.0 benefits
- Policies that support the Semiconductor sector's Industry 4.0 push
- Sensitivity to global demand alongside accelerated geopolitical semiconductor competition
- Current plays and future opportunities

Semiconductor Industry at a Glance:



27.3%
S\$91.9bn
Share

Semiconductor share of manufacturing output 2019



6.7% CAGR
Growth in
Output

2000-2019 CAGR growth of manufacturing output



6.3%
S\$32.1bn of
GDP Output

Semiconductor share of GDP output 2019



34,046
Workers

Semiconductor industry employed 9% of the manufacturing sector workforce in 2019



19.8%
S\$105.0bn of
Gross Exports

Integrated circuits share of total merchandise exports LTM to Mar-20



83.4% are
Re-Exports

The export of integrated circuits, reexports accounted for 83.4%

Source: Singstat

Chemicals Sector Focus:

Chemicals is a key industry sector for Singapore, benefitting from positive government sentiment, well-defined regulations, strong IP protections and a petrochemical hub that attracts international companies to establish a significant presence.

The report details Singapore's:

- Jurong Island as a vital industry asset
- Leverage to capture specialty chemicals growth across Asia in both industrial (e.g., EHS related) and consumer (e.g., personal care or nutraceuticals) applications
- Advantage regarding stability of demand in specialty chemicals in relation to volatile oil prices
- Chemicals industry outlook in light of COVID-19

Chemical Industry at a Glance:

The country is regarded as the seventh largest producer of chemicals in the world



12.6%
S\$42.4bn
Share

Chemical share of manufacturing output 2019



7.4% CAGR
Growth in
Output

2000-2019 CAGR growth of manufacturing output



1.5%
S\$7.4bn of
GDP Output

Chemical share of GDP output 2019



14,757
Workers

Chemical industry employed 3.9% of the manufacturing sector workforce in 2019



13.9%
S\$73.9bn of
Gross Exports

Chemical share of total merchandise exports LTM to Mar-20

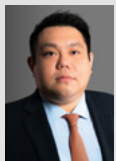


64.5% are
Domestic Exports

64.5% / S\$47.7bn of total chemical exports in LTM to Mar-20 are domestic exports

Source: Singstat

Contacts:



Richard Chen
Managing Director

+65 6818 5795
richard.chen@alvarezandmarsal.com



Dawn Duong
Senior Director

+65 6818 5759
dduong@alvarezandmarsal.com



Christina Cheang
Senior Manager

+65 6818 5759
ccheang@alvarezandmarsal.com

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