



2011 Minerals Yearbook

SINGAPORE

THE MINERAL INDUSTRY OF SINGAPORE

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Singapore is a city-state located in the Strait of Malacca in Southeast Asia. Singapore is one of the world's busiest ports and identifies itself as "the place where Asia and the West meet." The global financial crisis and the slowdown of industrial activities in the West hit the economy of the country hard in 2008 and 2009. The country's economy rebounded in 2010, however, and the gross domestic product (GDP) increased by 14.8% in 2010 and 4.9% in 2011.

Because it has limited mineral resources, Singapore must import most of the raw materials needed for manufacturing. The value of output in the manufacturing sector increased by 29.7% in 2010 and 7.6% in 2011. Overall investment increased by 5.1% in 2010 and 10% in 2011. The value of nonoil exports increased by 2.2% in 2011 after increasing by 23% in 2010 owing to the higher value of nonelectronic exports, which increased by 11% in 2011 following an increase of 21% in 2010. The higher value of nonelectronic products was the result of increased exports of engineering equipment, pharmaceutical products, and printed materials. Exports of electronic products decreased in volume by 13% in 2011 compared with that of 2010. Although electronics remained the leading trade commodity in Singapore, Singaporean total trade was valued at US\$693 billion (S\$902 billion) and US\$773 billion (S\$974 billion) in 2010 and 2011, respectively. Asian countries accounted for about 70% of the total trade (Department of Statistics, 2012, p. 41–48; Ministry of Trade and Industry, 2012).

The service sector accounted for 70% of total employment in the country. The unemployment rate was 2.0% after the Government tightened the foreign worker levies in 2011 (Department of Statistics, 2012, p. 41–48; Ministry of Trade and Industry, 2012).

Production

NatSteel Asia Pte Ltd. was the sole integrated steel melting, rolling, and fabricating producer in Singapore; it was owned by Tata Iron and Steel Co. of India. The company's plant in Singapore had a design output capacity of 720,000 metric tons per year (t/yr) of crude steel [from its 80-metric-ton (t) electric arc furnace and 80-t ladle furnace] and 720,000 t/yr of rolled steel. In 2010, NatSteel produced about 728,000 t of crude steel

in Singapore. NatSteel's steel production capacity worldwide was more than 2 million metric tons per year owing to the acquisition in 2010 of steel plants in Indonesia, Thailand, and Vietnam. Singapore consumed about 2.7 million metric tons of steel in 2010 (South East Asia Iron and Steel Institute, 2011, p. 72).

Singapore was one of the major manufacturing and trading hubs for the international chemical sector. Chemical, petroleum, and petroleum products were Singapore's leading exports and reexports after electronics. The Government planned to increase the output share of petrochemical products in the manufacturing industry to 30% in 2010. Major multinational petrochemical companies, such as BASF Group, Chevron Corp., Exxon Mobil Corp., Mitsui Chemical Co., Royal Dutch/Shell Group, and Sumitomo Chemical Co., had set up plants on the island.

Outlook

Singapore recovered slowly after the global financial crisis in 2008 and 2009. The global demand for electronics, which was a major component of the country's export revenue, is expected to improve during the next several years. The domestic construction sector is likely to be the major source of demand for construction materials during the next 2 years. Several construction projects, including the expansion of a financial center and the development of new infrastructure, are in process. The demand for steel products is expected to increase during the next 2 to 3 years, and Singapore will continue to rely on steel imports to meet its domestic needs. Facing strong competition from neighboring countries, the Singaporean electronics companies have plans to restructure and seek higher value-added products. Biomedical manufacturing appears to have strong growth potential in Singapore.

References Cited

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