The Mineral Industry of Singapore

By Spencer D. Buteyn

Singapore is a city-state in Southeast Asia consisting of a mainland and multiple islets that together have a total land area of 719 square kilometers. The country lies just south of Peninsular Malaysia and east of the island of Sumatra. Singapore has a highly developed economy that relies heavily on trade. Its total merchandise trade was valued at $625 billion (SGD884 billion) in 2015 and $739 billion (SGD977 billion) in 2014.1 Owing to its limited mineral resources, Singapore must import most of its raw materials to meet the demand of its manufacturing sector. The real gross domestic product (GDP) had increased by 3.3% in 2014, but growth had slowed to 2.0% in 2015 (Department of Statistics, 2016a, p. 8; 2016b, p. 19, 165).

The service sector remained Singapore’s leading industry, accounting for 65% of the GDP in 2015. The construction sector, which accounted for 4.9% of the GDP, increased by 7.7% in 2014 and by 3.0% in 2015. Manufacturing output, which accounted for about 19% of the GDP in 2015, increased by 5.2% in 2014 and by 8.7% in 2015. The total value of domestic merchandise exports (exports of goods produced within Singapore) decreased by 13% in 2015; the largest contributing factor was a 32% decrease in the value of domestic exports of petroleum refinery products. The value of crude fertilizer and nonfuel mineral imports decreased by 20% in 2014 and by 25% in 2015, and the value of iron and steel imports decreased by 7% in 2014 and 19% in 2015. The value of nonferrous metals imported increased by 32% in 2014 but decreased by 15% in 2015. Petroleum and petroleum products remained Singapore’s leading domestic export, by value, accounting for 31% of total domestic exports in 2015. The export value of petroleum and petroleum products decreased by 33% in 2015 following an increase of less than 0.5% in 2014. Exports of electronics accounted for 19% of the total value of domestic exports in 2015 and, although the value had decreased by 10% in 2014, it remained steady in 2015 (Department of Statistics, 2016b, p. 79, 165, 171, 173, 175).

Singapore was one of the major manufacturing and trading hubs for the international chemical sector. Major multinational petrochemical companies, such as BASF Group of Germany, Chevron Corp. of the United States, Exxon Mobil Corp. of the United States, Mitsui Chemical Co. of Japan, Royal Dutch Shell plc of the Netherlands, and Sumitomo Chemical Co. of Japan, had set up plants on the island (Singapore Economic Development Board, 2017).

Production

Metalor Technologies SA of Switzerland (Metalor) operated Singapore’s only gold refinery through its subsidiary Metalor Technologies Singapore Pte Ltd. Metalor completed construction of its refinery in 2013 following the Government’s exemption of the 7% goods and service tax on the import and sale of precious metals in Singapore. In June 2014, the company announced that the refinery had reached its full capacity of 50 metric tons per year (t/yr) and that its capacity could be adjusted to up to 150 t/yr to meet future increases in demand. In July 2014, Metalor Technologies Singapore was added to the London Bullion Market Association’s (LBMA) Good Delivery List (a list of refiners that meet certain requirements with respect to the weight, quality, and purity of the gold and silver bullion they produce for trade on the London Bullion Market). Steel production in Singapore had increased to 540,000 metric tons (t) in 2014 but decreased to 501,000 t in 2015. Apparent steel consumption in Singapore was 4.8 million metric tons (Mt) in 2014 and 5.1 Mt in 2015 (Metalor Technologies SA, 2014a, b; Pakiam, 2015; World Steel Association, 2016, p. 2, 81).

Outlook

Global demand for electronics, which is a large component of Singapore’s export revenue, is expected to increase during the next several years. The domestic construction sector will likely drive demand for industrial minerals, which would need to be imported. Singapore will continue to rely on imports to meet its domestic demand for steel. Singapore will also likely continue to establish itself as a major trading hub for gold in Asia—the region that is the leading consumer of gold in the world (Sharma and Ananthalakshmi, 2015).

References Cited


---

1Where necessary, values have been converted from Singapore dollars (SGD) to U.S. dollars (US$) at an average annual exchange rate of SGD1.414=US$1.00 for 2015 and SGD1.322=US$1.00 for 2014.

SINGAPORE—2015 [ADVANCE RELEASE] 25.1