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“ Due to the small domestic market, local IT companies in Singapore have to become regional or global players to be competitive in this business.”

—Executive, *Singaporean IT company*

“ One of the most pervasive problems for the private sector to do business in Singapore is facing unfair competition from state-owned companies.”

—IT company executive, *Singapore*

Singapore has been the most successful country in Asia in promoting Networked Readiness, as evidenced by its eighth ranking in the overall global Networked Readiness Index. The city-state has been able to exploit its small and literate population, innovative private sector, and efficient government to make ICT a key stimulus to economic growth. Favorable laws, a stable political environment, and strategic geographical location have made Singapore a haven for hundreds of foreign ICT companies. Since the early 1990s, the government has made aggressive efforts to ensure that the benefits of Networked Readiness reach every citizen and every business institution in Singapore. Infocomm 21, a five-year national ICT plan, was put together with the belief that the national ICT strategy must be industry-led, and that the government role should be primarily that of catalyst.

To lay a strong foundation for an information-driven economy, the Singaporean government has invested heavily in the country's infrastructure since the mid-1970s. Fixed-line telephone access currently reaches more than 99 percent of households, and over 50 percent of households have access to the Internet<sup>1</sup> (Ranking in Information Infrastructure micro-index: 15). The government has built a nationwide broadband infrastructure called SingaporeONE (Ranking in Availability of Broadband: 4). To facilitate further development of the telecommunications sector, the government has fully liberalized the telecommunications market (Ranking in Effect of Telecommunications Competition: 11).

Singapore's advanced information infrastructure has been a key contributor to the nation's Readiness for e-commerce. The e-commerce market in Singapore is one of the most well developed in Asia (Ranking in e-Commerce micro-index: 13). However, many critics argue that B2B e-commerce revenue in Singapore mostly benefits the numerous large, foreign

multinational corporations based in the country, and that smaller domestic firms are still reluctant to use the Internet for sophisticated business purposes. The government has targeted programs to help these SMEs adopt e-commerce. The growth of B2C e-commerce has been quite conservative compared with the country's information infrastructure and income per capita. Another primary challenge to the Singaporean economy that has affected the growth of e-commerce in Singapore is the nation's small domestic market: the nation depends heavily on export revenues and foreign investment and, consequently, is very sensitive to global economic conditions.

Singaporean innovation in online services is best exemplified by its e-government initiatives. It is one of the few countries in the world where e-government services not only have provided more efficient access to the government but also have contributed significantly to realigning the way the government operates. The eCitizen initiative has received accolades from around the world as one of the best public-service delivery platforms in the world (Ranking in e-Government micro-index: 1).

The Singaporean government has also been progressive in using IT to create one of the most ICT-savvy societies in the world. Recognizing the inadequate supply of an ICT-skilled workforce, the education system has been largely revamped to generate innovative teaching and learning processes using ICT under a program called Masterplan for IT in Education (Ranking in Networked Learning micro-index: 4). To enhance people's quick access to online services, SingaporeONE is being made available at public places, schools, and libraries.

## Key Facts

|   |            |
|---|------------|
| Population  | 4,017,700  |
| Rural population (% of total population) 1999                       | 0.00 %     |
| GDP per capita (PPP)  | US\$23,000 |
| Global Competitiveness Index Ranking, 2001–2002                     | 4          |
| UNDP Human Development Index Ranking, 2001 (adjusted to GTR sample) | 24         |
| Main telephone lines per 100 inhabitants                            | 48.44      |
| Telephone faults per 100 main telephone lines                       | 4.32       |
| Internet hosts per 10,000 inhabitants                               | 437.56     |
| Personal computers per 100 inhabitants                              | 48.31      |
| Piracy rate   | 50.00 %    |
| Percent of PCs connected to Internet                                | 9.06 %     |
| Internet users per host   | 10.52      |
| Internet users per 100 inhabitants                                  | 46.05      |
| Cell phone subscribers per 100 inhabitants                          | 68.38      |
| Average monthly cost for 20 hours of Internet access                | US\$18.75  |

**RANK**

## Networked Readiness Index **8**

### Network Use component index **8**

### Enabling Factors component index **11**

#### ■ Network Access **16**

Information Infrastructure 15

Hardware, Software, and Support 16

#### ■ Network Policy **3**

Business and Economic Environment 1

ICT Policy 4

#### ■ Networked Society **16**

Networked Learning 4

ICT Opportunities 8

Social Capital 37

#### ■ Networked Economy **8**

e-Commerce 13

e-Government 1

General Infrastructure 9