

# ANNUAL SURVEY ON INFOCOMM INDUSTRY 2018

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Infocomm Media Development Authority  
10 Pasir Panjang Road  
#10-01 Mapletree Business City  
Singapore 117438  
Republic of Singapore  
Tel: (65) 6211-0888  
Fax: (65) 6211-2222  
Website: [www.imda.gov.sg](http://www.imda.gov.sg)

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# CONTENTS

<b>PART I: SURVEY COVERAGE AND METHODOLOGY</b> .....	<b>3</b>
<b>Introduction</b> .....	<b>4</b>
<b>Survey Methodology</b> .....	<b>4</b>
<b>Notes on Data</b> .....	<b>4</b>

<b>PART II: SURVEY FINDINGS</b> .....	<b>5</b>
1. EXECUTIVE SUMMARY .....	6
2. PERFORMANCE OF THE INFOCOMM INDUSTRY .....	7
2.1 Overall Performance .....	7
2.2 Export Market and Destinations.....	9
2.3 Infocomm Domestic Revenue and Market Composition.....	12

## TABLES

Table 1: Proportion of domestic and export revenue by year .....	7
Table 2: Proportion of infocomm revenue by segment .....	8
Table 3: Proportion of infocomm revenue by market.....	9
Table 4: Proportion of export revenue by type .....	9
Table 5: Proportion of domestic revenue by segment .....	12

## CHARTS

Chart 1: Infocomm industry revenue by year.....	7
Chart 2: Infocomm revenue by segment .....	8
Chart 3: Infocomm revenue by market .....	9
Chart 4: Re-exports by segment .....	10
Chart 5: Processed exports by segment .....	10
Chart 6: Exports by regions.....	11
Chart 7: Domestic revenue by segment.....	12

# PART I: SURVEY COVERAGE AND METHODOLOGY

## **Introduction**

Conducted since 1999, the 2018 Annual Survey of the Infocomm Industry (“Survey”) is the 19th in the series, with the objective of tracking the market performance of the infocomm industry.

## **Survey Methodology**

The Survey covered a representative sample of infocomm establishments which was selected from the establishment sampling frame maintained by the Singapore Department of Statistics (DOS).

## **Notes on Data**

Past years’ data are included for comparison purposes where appropriate. Due to rounding, the sum of the individual parts may not add up to the total or 100%.

Starting from the 2018 Annual Survey on Infocomm Industry, Infocomm industry revenue will be defined as revenue from the Hardware, Software, IT Services and Telecommunication Services segments. Revenue data from Content Services will henceforth be reflected in an upcoming report on media industry. Published overall statistics for the period of 2012 to 2016 were recomputed for comparability.

## PART II: SURVEY FINDINGS

## 1. EXECUTIVE SUMMARY

### Overall Performance

- The infocomm industry revenue increased by 15.1% year-on-year from 2016<sup>1</sup> to 2017 to reach S\$199.2 billion, having recovered from a 6.9% decline in 2016.
- The revenue growth in 2017 was mainly attributable to an increase in Hardware re-exports. The compounded annual growth rate (CAGR) of the infocomm industry revenue grew by 12.4% from 2012 to 2017.
- The Hardware segment continued to be the largest contributor to the infocomm industry revenue, with a share of 74.2% of revenue. This is followed by the IT Services and Software segments that contributed 13.6% and 7.0% of revenue respectively.
- The fastest growing segment was the IT Services segment, which grew by about 68.5% year-on-year from 2016 to 2017. The CAGR of the revenue contributed by the IT Services segment grew by 16.8% from 2012 to 2017.

### Export Market and Destinations

- Export revenue, the main contributor to the infocomm industry revenue, increased from S\$126.8 billion in 2016 to S\$144.9 billion in 2017.
- Re-exports formed 90.3% of the export revenue or S\$130.9 billion while processed exports formed the remaining 9.7% or S\$14.0 billion that year.
- The Hardware segment continued to be the largest contributor of re-exports (96.7%), while the Software sector was the largest contributor of processed exports (42.2%).
- East Asia, which includes China and Japan, was the top export destination by region for infocomm products and services in 2017.

### Domestic Market

- Domestic revenue increased from S\$46.3 billion in 2016 to S\$54.3 billion in 2017.
- The IT Services (38.1%) and Hardware (34.6%) segments were the key contributors to domestic revenue.
- The domestic revenue contributed by the IT Services segment almost doubled from 2016 (S\$10.6 billion) to 2017 (S\$20.7 billion).

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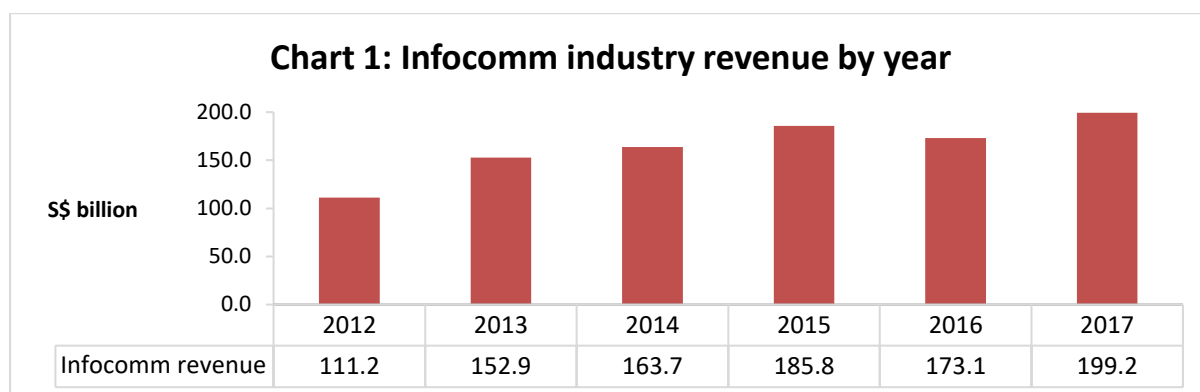
<sup>1</sup> Starting from the 2018 Annual Survey on Infocomm Industry, Infocomm industry revenue will be defined as revenue from the Hardware, Software, IT Services and Telecommunication Services segments. Revenue data from Content Services will henceforth be reflected in an upcoming report on media industry. Published overall statistics for the period of 2012 to 2016 were recomputed for comparability.

## 2. PERFORMANCE OF THE INFOCOMM INDUSTRY

### 2.1 Overall Performance

#### ***Infocomm industry revenue increased by 15.1% year-on-year from 2016<sup>2</sup> to 2017***

The infocomm industry revenue in 2017 increased to S\$199.2 billion from S\$173.1 billion in 2016 ([Chart 1](#)), having recovered from a decline in 2016. From 2012 to 2017, the infocomm industry revenue grew by a CAGR of 12.4%.



**Table 1: Proportion of domestic and export revenue by year**

	2012	2013	2014	2015	2016	2017
Domestic revenue	30.5%	30.5%	29.7%	27.3%	26.8%	27.3%
Re-export revenue	56.3%	60.4%	61.8%	64.4%	65.3%	65.7%
Processed exports revenue	13.2%	9.1%	8.6%	8.3%	8.0%	7.0%

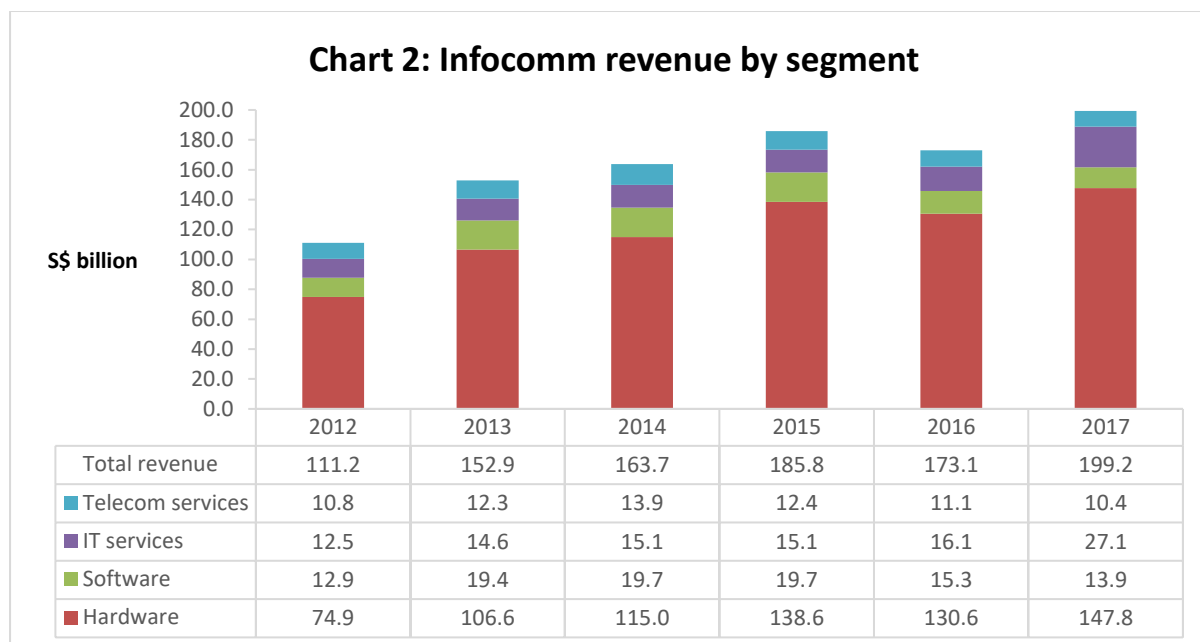
\*Figures may not add up to 100% due to rounding.

<sup>2</sup> Starting from the 2018 Annual Survey on Infocomm Industry, Infocomm industry revenue will be defined as revenue from the Hardware, Software, IT Services and Telecommunication Services segments. Revenue data from Content Services will henceforth be reflected in an upcoming report on media industry. Published overall statistics for the period of 2012 to 2016 were recomputed for comparability.

**Hardware segment continued to be the largest contributor to infocomm industry revenue and the IT Services segment is the fastest growing segment**

The revenue contributed by the Hardware segment increased from S\$130.6 billion in 2016 to S\$147.8 billion in 2017 (Chart 2). The Hardware segment continues to be the largest contributor, with a share of 74.2%, followed by the IT Services segment with a share of 13.6% (Table 2).

Notably, the IT Services segment is the fastest growing segment, which grew by about 68.5% year-on-year from 2016 (S\$16.1 billion) to 2017 (S\$27.1 billion).



**Table 2: Proportion of infocomm revenue by segment**

2017	Hardware	IT Services	Software	Telecom Services	Total Infocomm
Share of infocomm revenue	74.2%	13.6%	7.0%	5.2%	100.0%

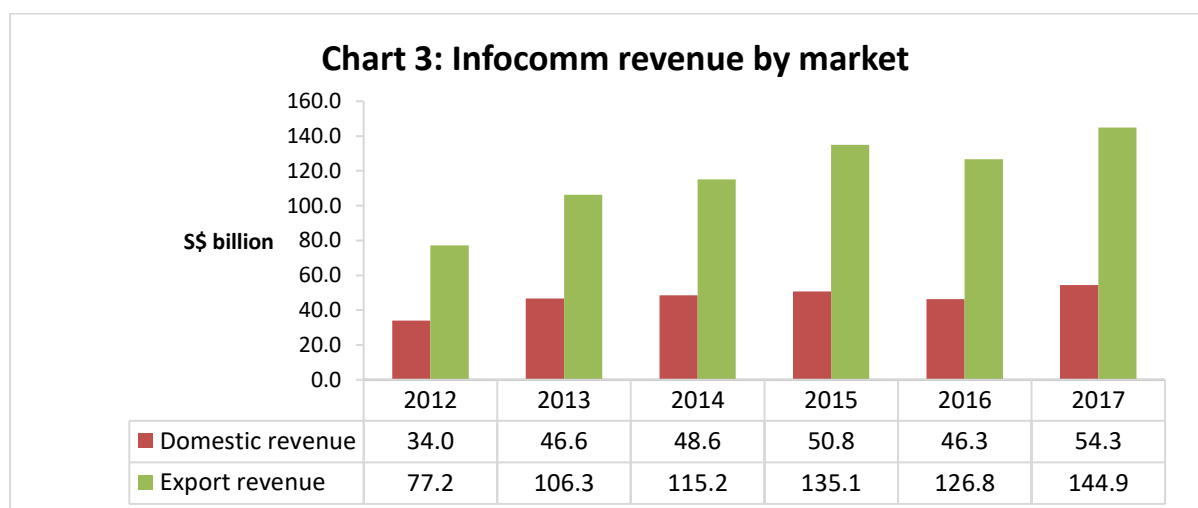
\*Figures may not add up to 100% due to rounding.



## 2.2 Export Market and Destinations

### *Increase in exports primarily due to increase in hardware re-exports*

Total export revenue grew by 14.3% to reach S\$144.9 billion in 2017, from S\$126.8 billion in 2016 ([Chart 3](#)). Exports accounted for 72.7% of total revenue in 2017 ([Table 3](#)).



**Table 3: Proportion of infocomm revenue by market**

	2012	2013	2014	2015	2016	2017
Share of domestic revenue	30.5%	30.5%	29.7%	27.3%	26.8%	27.3%
Share of export revenue	69.5%	69.5%	70.3%	72.7%	73.2%	72.7%
<b>Total Infocomm revenue</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

\*Figures may not add up to 100% due to rounding.

Re-exports formed 90.3% of export revenue in 2017, while the remaining 9.7% were from processed exports ([Table 4](#)).

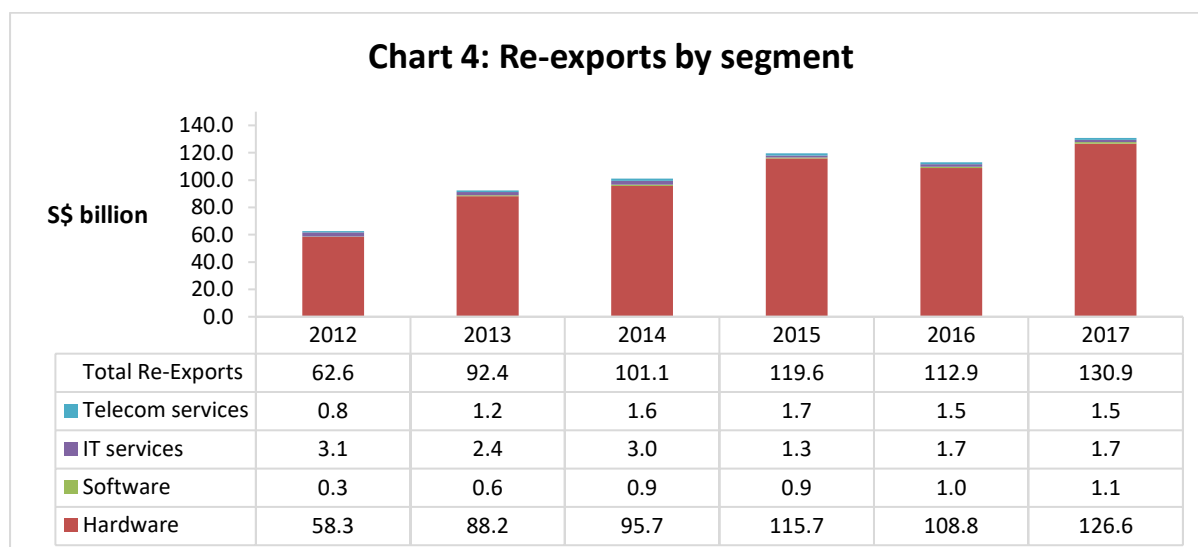
**Table 4: Proportion of export revenue by type**

	2012	2013	2014	2015	2016	2017
Share of processed exports	19.0%	13.1%	12.2%	11.4%	10.9%	9.7%
Share of re-exports	81.0%	86.9%	87.8%	88.6%	89.1%	90.3%
<b>Total exports</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

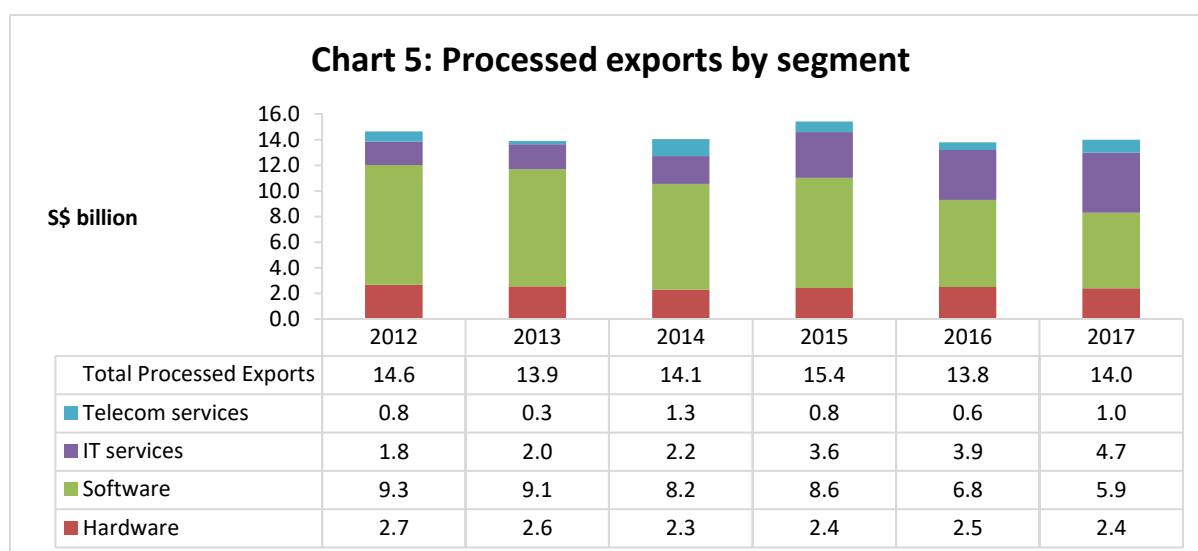
\*Figures may not add up to 100% due to rounding.

**Hardware segment contributed to the bulk of re-exports while Software and IT Services segments contributed to the bulk of processed exports.**

Re-exports increased from S\$112.9 billion in 2016 to S\$130.9 billion in 2017 ([Chart 4](#)), mainly due to an increase in the Hardware segment which accounted for 96.7% of re-exports.

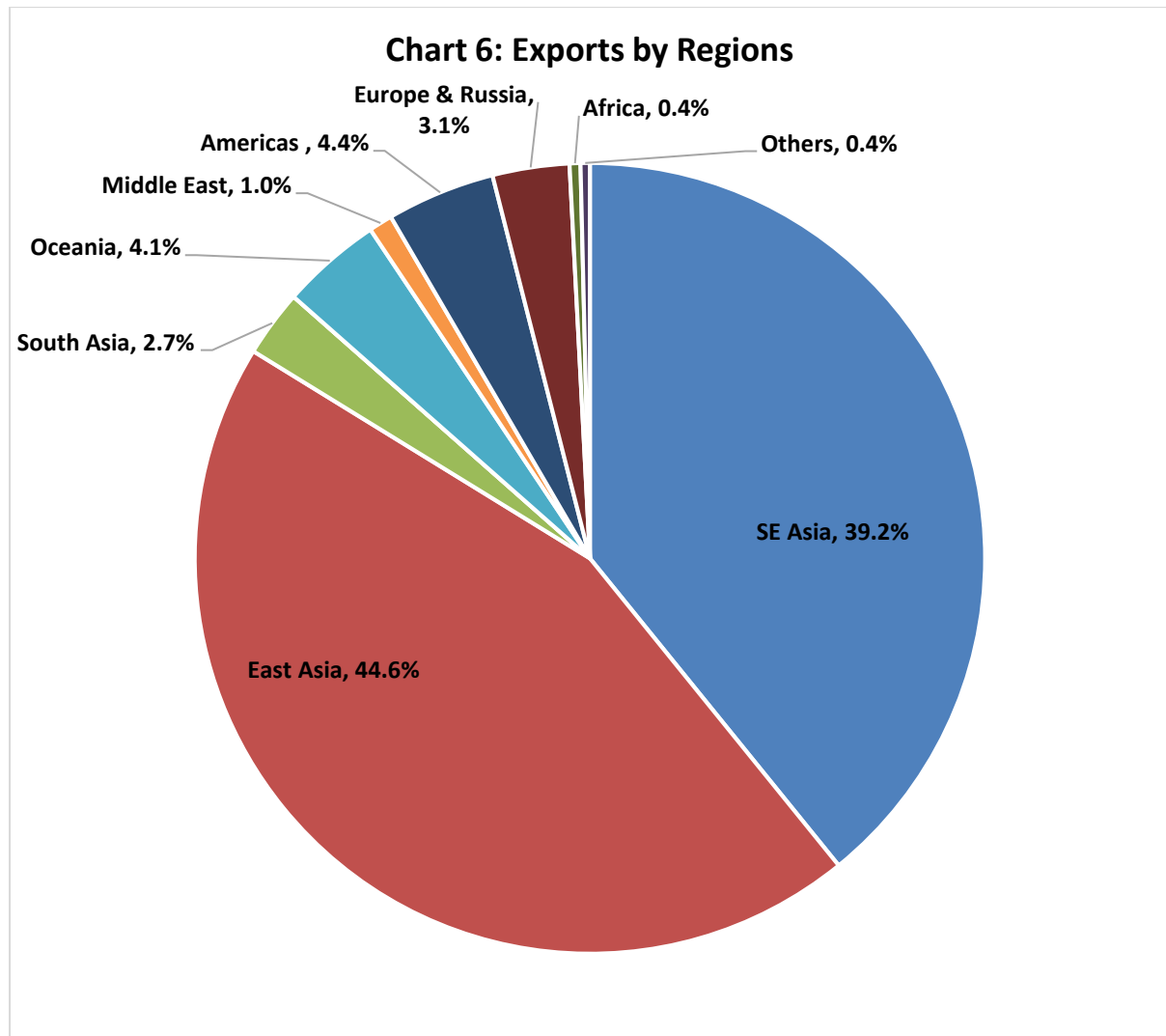


Processed exports increased slightly from S\$13.8 billion in 2016 to S\$14.0 billion in 2017 ([Chart 5](#)) mainly due to an increase in the IT Services and Telecommunication Services segments.



**East Asia was the top region for exports**

East Asia, which includes China, Japan and South Korea, was the top export destination region for 2017, accounting for 44.6% of exports (Chart 6).

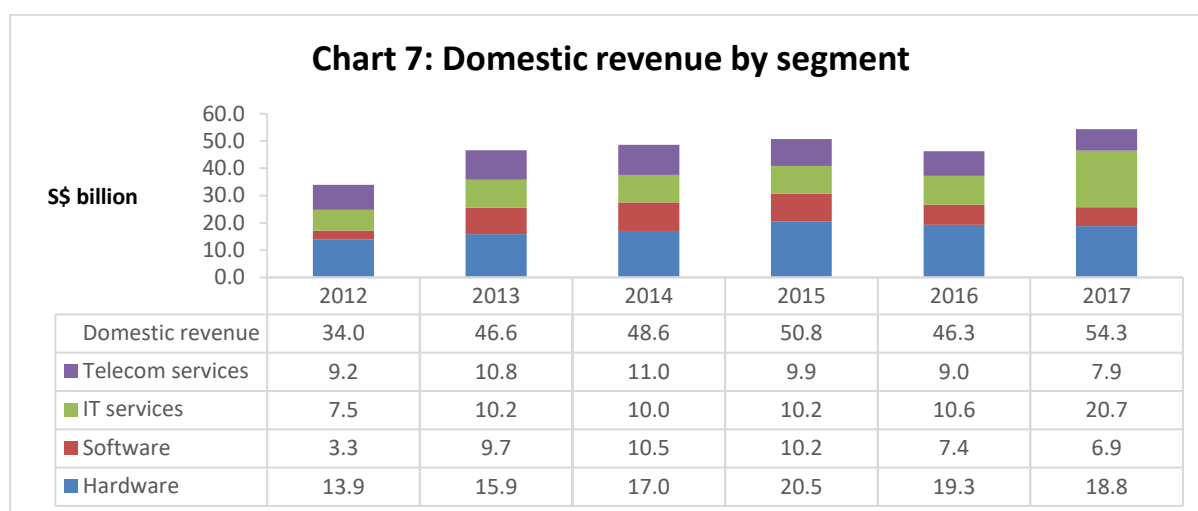


## 2.3 Infocomm Domestic Revenue and Market Composition

### *Increase in domestic revenue due to IT Services segment*

Domestic revenue was S\$54.3 billion in 2017, an increase from S\$46.3 billion in 2016 ([Chart 7](#)).

In 2017, the IT Services segment surpassed the Hardware segment to become the largest contributor to domestic revenue with a share of 38.1% ([Table 5](#)). In fact, the domestic revenue for the IT Services segment almost doubled from 2016 (S\$10.6 billion) to 2017 (S\$20.7 billion) ([Chart 7](#)).



**Table 5: Proportion of domestic revenue by segment**

2017	IT Services	Hardware	Telecom Services	Software	Total domestic revenue
Share of domestic revenue	38.1%	34.6%	14.5%	12.7%	100.0%

\*Figures may not add up to 100% due to rounding.