

ANNUAL SURVEY ON INFOCOMM INDUSTRY FOR 2015



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PART I: SURVEY COVERAGE AND METHODOLOGY

Introduction

Conducted since 1999, the 2015 Annual Survey of the Infocomm Industry (“Survey”) is the 17th 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

Data for the period of 2008 to 2012 were restated to include other resellers/ OEMs revenue in domestic and overall infocomm revenue.

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%.

PART II: SURVEY FINDINGS

1. EXECUTIVE SUMMARY

Overall Performance

- Infocomm industry revenue grew by CAGR 18.0% p.a. from 2010 to 2015 to reach S\$189.6 billion in 2015, largely due to re-exports of mobile and smart phones, telecommunication equipment and storage devices.
- The hardware segment continued to be the largest contributor to infocomm industry revenue, with a share of 73.1% of revenue. This is followed by the software segment that contributed 10.4% of revenue.

Export Market and Destinations

- Export revenue grew from S\$46.6 billion in 2010 to S\$136.2 billion in 2015.
- Re-exports formed 88.2% of the export revenue or S\$120.1 billion while processed exports formed the remaining 11.8% or S\$16.0 billion that year.
- The hardware segment continued to be the largest contributor for re-exports (96.3%), while software sector contributed majority of processed exports (53.6%).
- East Asia was the top export destination for infocomm products and services in 2015.

Domestic Market

- Domestic revenue grew from S\$36.2 billion in 2010 to S\$53.4 billion in 2015.
- The hardware (38.3%), IT services (19.1%) and software (19.0%) segments were the key contributors to domestic revenue.

2. PERFORMANCE OF THE INFOCOMM INDUSTRY

2.1 Overall Performance

Infocomm industry revenue grew by CAGR of 18.0% p.a. from 2010 to 2015

The infocomm industry revenue in 2015 was S\$189.6 billion, an increase from S\$167.1 billion in 2014 ([Chart 1](#)), largely due to re-exports of mobile and smart phones, telecommunication equipment and storage devices.

Chart 1: Infocomm industry revenue by year

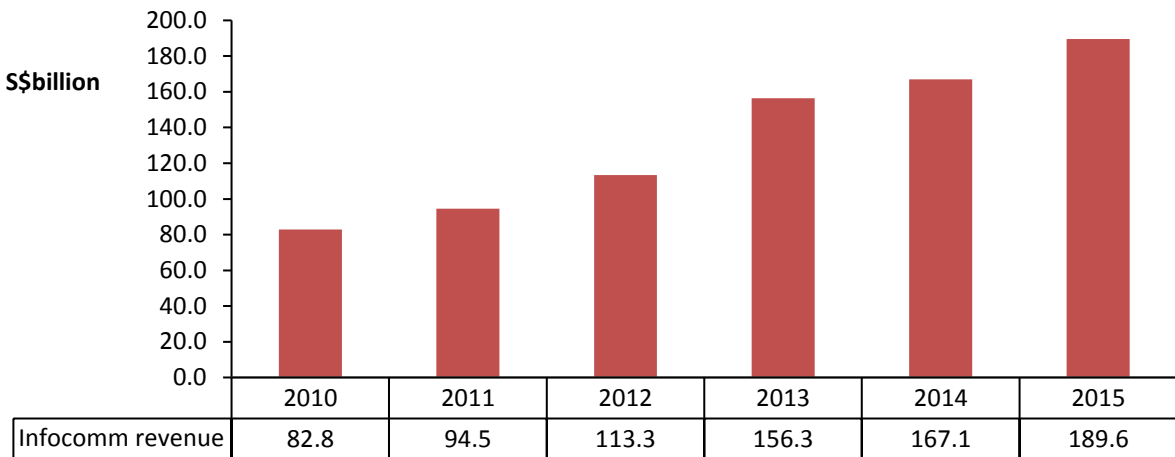


Table 1: Proportion of domestic and export revenue by year

	2010	2011	2012	2013	2014	2015
Domestic revenue	43.7%	37.9%	31.3%	31.0%	30.3%	28.2%
Re-export revenue	40.9%	49.7%	55.3%	59.4%	60.7%	63.4%
Processed exports revenue	15.5%	12.4%	13.4%	9.5%	8.9%	8.5%

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

Hardware segment continued to be largest contributor to infocomm industry revenue

The hardware segment grew from S\$115.0 billion in 2014 to S\$138.6 billion in 2015 (Chart 2). The hardware segment was the largest contributor, with a share of 73.1%, followed by the software segment with a share of 10.4% (Table 2).

Chart 2: Infocomm revenue by segment

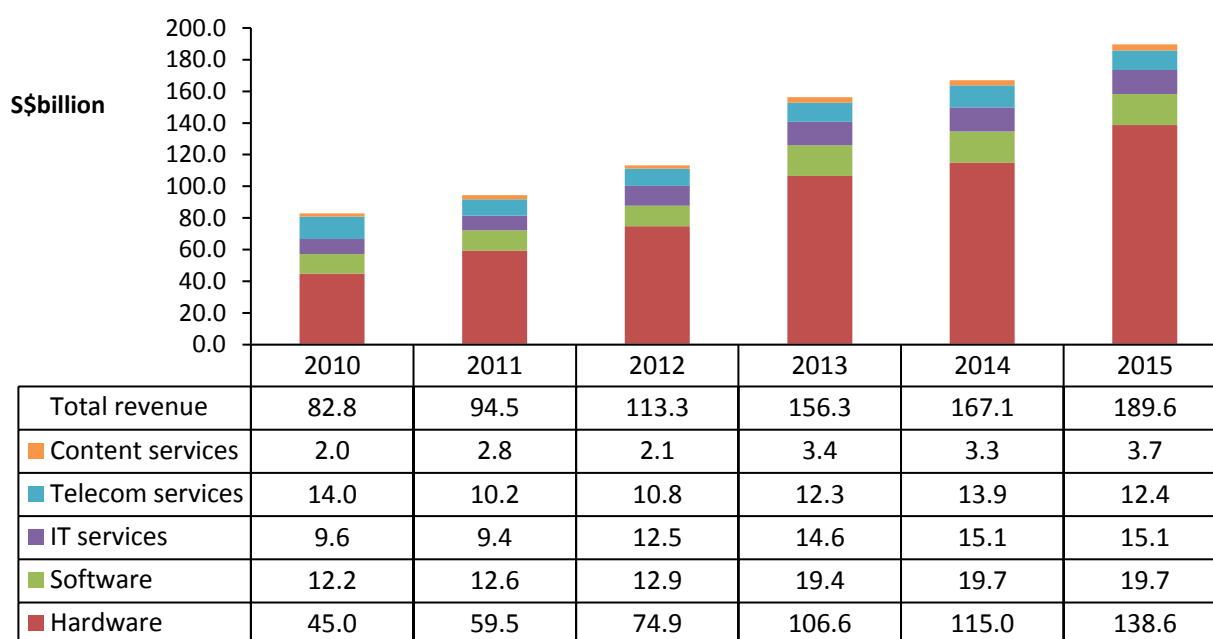


Table 2: Proportion of infocomm revenue by segment

2015	Hardware	Software	IT services	Telecom services	Content services	Total infocomm
Share of infocomm revenue	73.1%	10.4%	8.0%	6.5%	2.0%	100.0%

2.2 Export Market and Destinations

Increase in exports primarily due to growth in re-exports

Total export revenue grew from S\$46.6 billion in 2010 to S\$136.2 billion in 2015 ([Chart 3](#)), with exports responsible for 71.8% of revenue in 2015 ([Table 3](#)).

Chart 3: Infocomm revenue by market

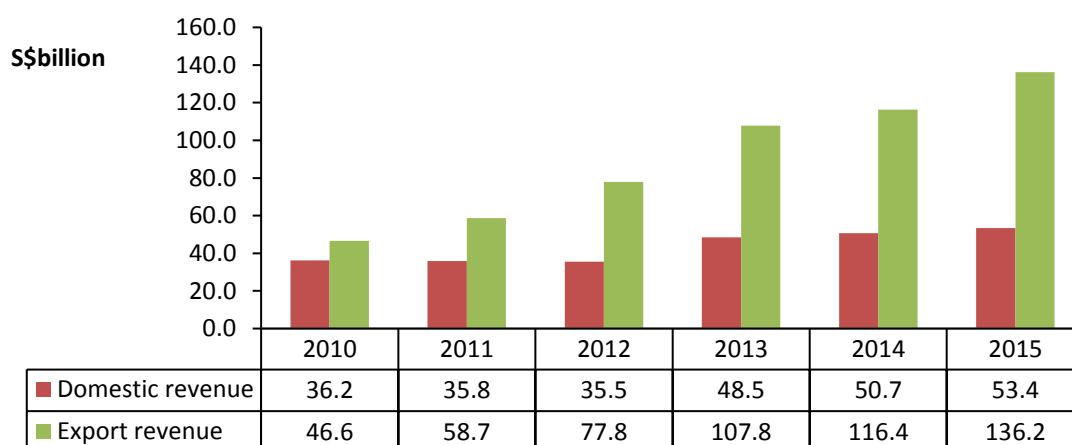


Table 3: Proportion of infocomm revenue by market

	2010	2011	2012	2013	2014	2015
Share of domestic revenue	43.7%	37.9%	31.3%	31.0%	30.3%	28.2%
Share of export revenue	56.3%	62.1%	68.7%	69.0%	69.7%	71.8%
Total Infocomm revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Re-exports formed 88.2% of export revenue in 2015, while the remaining 11.8% were from processed exports ([Table 4](#)).

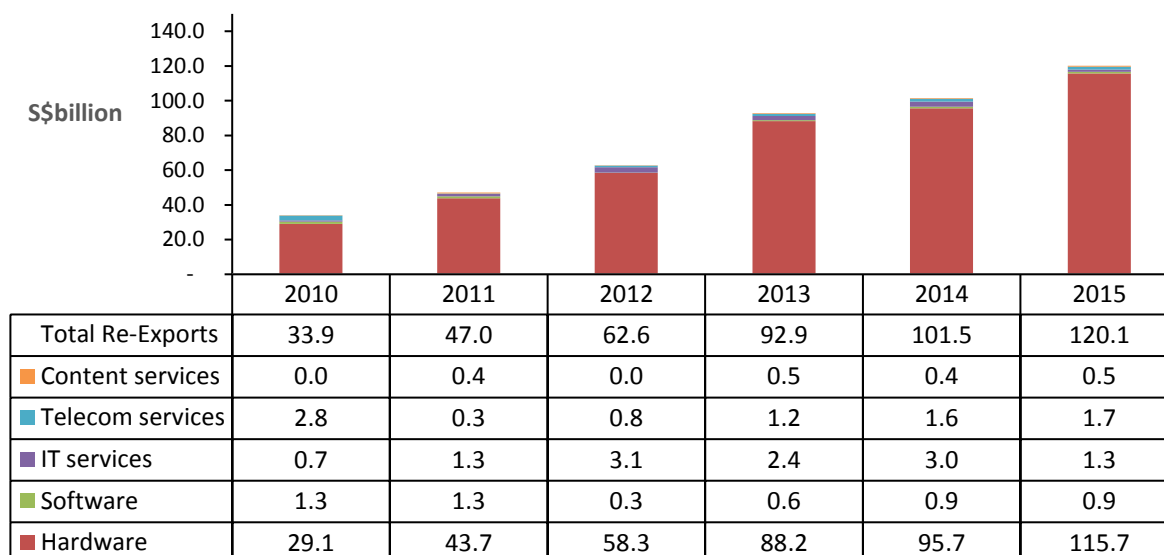
Table 4: Proportion of export revenue by type

	2010	2011	2012	2013	2014	2015
Share of processed exports	27.4%	19.9%	19.6%	13.8%	12.8%	11.8%
Share of re-exports	72.6%	80.1%	80.4%	86.2%	87.2%	88.2%
Total exports	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Hardware segment contributed the bulk of re-exports while software segment contributed more than half of processed exports.

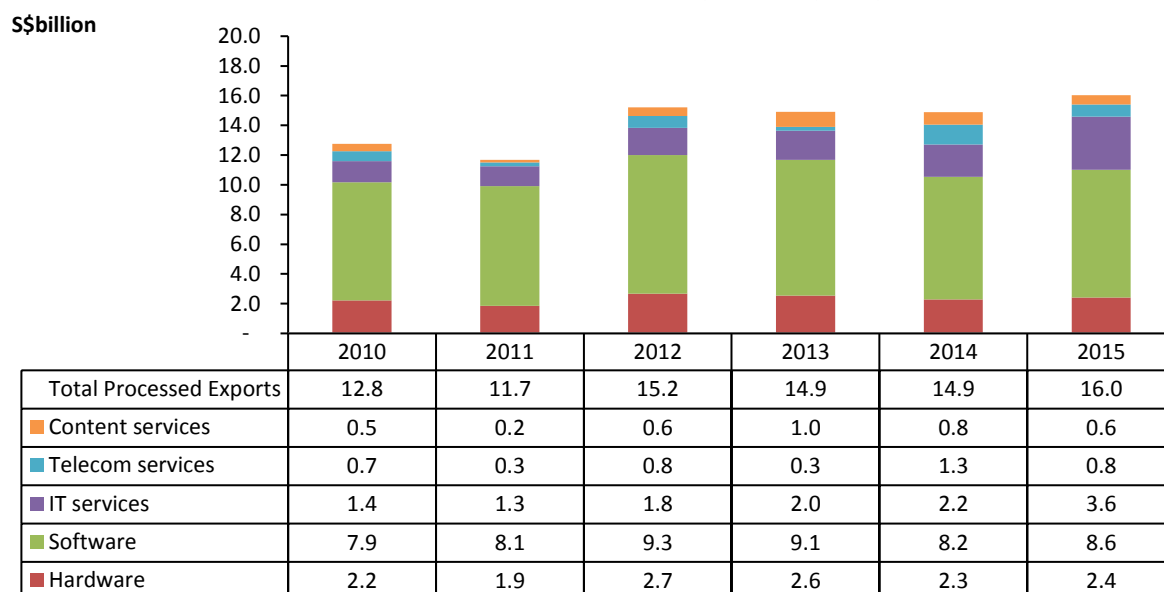
Re-exports grew from S\$33.9 billion in 2010 to S\$120.1 billion in 2015 ([Chart 4](#)), mainly driven by the hardware segment which accounted for 96.3% of re-exports.

Chart 4: Re-exports by segment



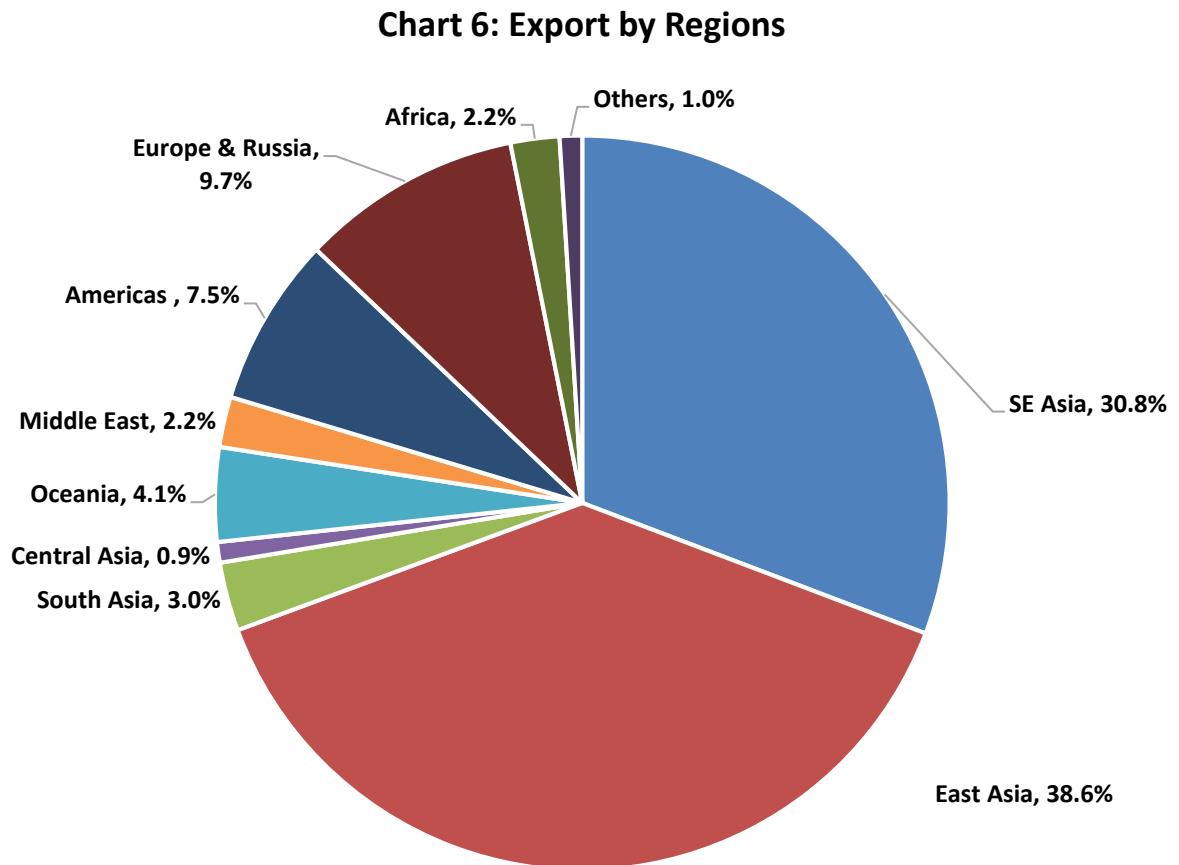
While processed exports rose from S\$12.8 billion in 2010 to S\$16.0 billion in 2015 ([Chart 5](#)) due to the software segment which contributed 53.6% of processed exports.

Chart 5: Processed exports by segment



East Asia was the top region for exports

East Asia, which includes China, Japan and South Korea, was the top export destination region for 2015, accounting for 38.6% of exports ([Chart 6](#)).



2.3 Infocomm Domestic Revenue Growth and Market Composition

Hardware also drove the growth in domestic revenue

Domestic revenue was S\$53.4 billion in 2015, an increase from S\$36.2 billion in 2010 (Chart 7). The hardware segment was the largest contributor of domestic revenue with a share of 38.3% (Table 5).

Chart 7: Domestic revenue by segment

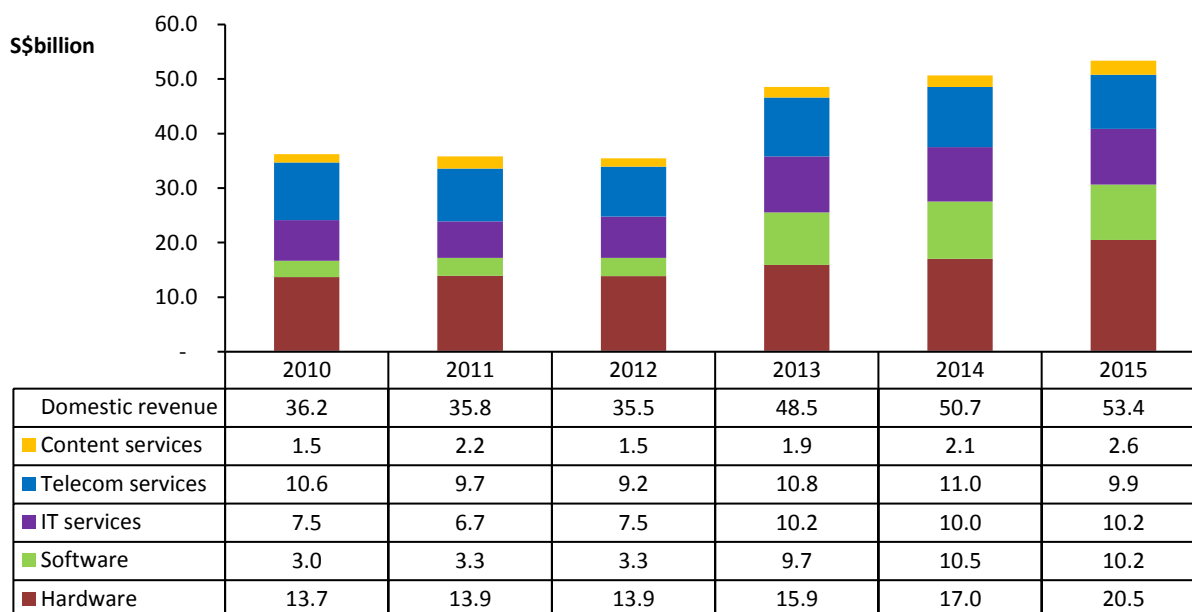


Table 5: Proportion of domestic revenue by segment

2015	Hardware	Software	IT services	Telecom services	Content services	Total domestic revenue
Share of domestic revenue	38.3%	19.0%	19.1%	18.6%	4.9%	100.0%