BSA®
BUSINESS SOFTWARE ALLIANCE

2011 IT INDUSTRY COMPETITIVENESS INDEX

Singapore

OVERALL RANKING

COUNTRY	2011 RANK	2011 SCORE	2009 RANK	2009 SCORE
Singapore	**3**	**69.8**	**9**	**68.2**
Australia	8	67.5	7	68.7
Taiwan	13	64.4	15	63.4
Japan	16	63.4	12	65.1
New Zealand	18	61.3	19	58.8
Hong Kong	19	60.8	21	57.5
South Korea	19	60.8	16	62.7
Malaysia	31	44.1	42	35.6
India	34	41.6	44	34.1
China	38	39.8	39	36.7
Thailand	50	30.5	49	31.8
Philippines	52	27.9	51	28.5
Vietnam	53	27.1	56	25.0
Indonesia	57	24.8	59	22.8

HIGHLIGHTS

> Singapore has improved six places in this year's rankings mainly due to a significant increase in its human capital score. It is also now the top-ranked performer in the Asia-Pacific region.

> The country continues to perform strongly in the R&D category, with private sector R&D, royalty and license receipts and IT patent generation all on the increase in recent years.

> Singapore is among the region's leaders when it comes to IP and other forms of legal protection for technology firms, and it maintains a positive business environment for domestic and foreign producers.

Singapore ranks 3rd in the world in the 2011 IT Industry Competitiveness Index, a significant improvement from 9th in 2009. This is mainly due to a marked increase in its human capital score. Singapore is the top Index performer in Asia-Pacific, ahead of its closest rivals Australia (8th), Taiwan (13th) and Japan (16th).

Developed by **Economist Intelligence Unit** | The Economist

Business environment: Singapore ranks 10th in the world on this measure, unchanged from 2009. The country continues to receive high scores in areas that are important to IT producers operating in the country. These include strong protections for private property and a supportive, open-arms approach toward foreign investment. Singapore's progressive regulatory environment has contributed to the development of a competitive and advanced technology industry.

IT infrastructure: Singapore's position in this category remains unchanged at 17th globally. Improvements in IT investment, PC ownership and broadband penetration scores were offset by declines in other areas, such as internet security. Singapore's IT infrastructure remains one of the most developed in Asia with a high percentage of mobile subscriptions and PC ownership while broadband penetration increased though not as significantly as in many other countries, owing to market saturation. The government's aggressive promotion of IT in workplaces, schools and homes have been leading factors in developing a solid IT infrastructure.

Human capital: Singapore places 13th in the world on this measure, improving significantly from 28th in 2009. This was mainly due to a change in how the country's higher education enrolment rate is calculated, resulting in a significant increase of this figure to 62% of the gross university-age population. Conversely, Singapore experienced a drop in numbers enrolled in tertiary-level science programmes, as reported by UNESCO. The country's IT employment numbers increased from 2009, in line with an increase in overall employment, and the quality of technology training continues to receive a high assessment.

R&D environment: Although falling two places to 5th, Singapore continues to perform strongly in the R&D category, with its actual score increasing from 2009. While public sector R&D spending remained at 2009 levels, private sector spending rose over the same period in per capita terms, according to UNESCO. Singapore remains a prolific patent generator, with IT-related applications accounting for 17% of all patent applications, according to WIPO (World Intellectual Property Organization). Two-thirds of the biggest 100 IT firms in the world have a presence in Singapore, with many regarding the country as an attractive location for R&D activities.

Legal environment: Singapore places 15th in the world when it comes to the strength of its IT legal environment; it fell one place although its scores in this area are unchanged from 2009. Singapore attracts significant amounts of foreign direct investment in the technology area, and its legal regime is a contributing factor in this performance. Its scores in intellectual property protection and enforcement are higher than all of its Asian neighbours. (Only Australia ranks higher in the Asia-Pacific region.)

Support for IT industry development: Ranked 4th in the world on this measure, Singapore has moved up three places from its 2009 performance. Government spending on IT has risen, although its score declined from 2009 when it comes to access to investment capital. Singapore continues to perform well in terms of e-government strategy with one of the most efficient public service deliveries in the world. The government also provides strong but reasonably balanced direction to the industry through the Infocomm Development Authority (IDA).