

ANNUAL SURVEY ON INFOCOMM INDUSTRY FOR 2014



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PART I: SURVEY COVERAGE AND METHODOLOGY

Introduction

Conducted since 1999, the 2014 Annual Survey of the Infocomm Industry (“Survey”) is the 16th 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 15.7% p.a. from 2009 to 2014 to reach S\$167.1 billion in 2014, largely due to re-exports of mobile and smart phones as well as storage devices in the hardware segment.
- Hardware segment continued to be the largest contributor to infocomm industry revenue, with a share of 68.8% of the revenue. This is followed by the software segment that contributed 11.8% of revenue.

Export Market and Destinations

- Export revenue grew from S\$40.4 billion in 2009 to S\$116.4 billion in 2014.
- Re-exports formed 87.2% of the export revenue or S\$101.5 billion while processed exports formed the remaining 12.8% or S\$14.9 billion that year.
- The hardware segment continued to be the largest contributor for re-exports (94.3%), while software sector contributed majority of processed exports (55.0%).
- East Asia was the top export destination for infocomm products and services in 2014.

Domestic Market

- Domestic revenue grew from S\$40.2 billion in 2009 to S\$50.7 billion in 2014.
- The hardware (33.5%), telecom services (21.7%), and IT services (19.7%) 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 15.7% p.a. from 2009 to 2014

The infocomm industry revenue in 2014 was S\$167.1 billion, an increase from S\$156.3 billion in 2013 ([Chart 1](#)), largely due to re-exports of mobile and smart phones as well as storage devices in the hardware segment.

Chart 1: Infocomm industry revenue by year

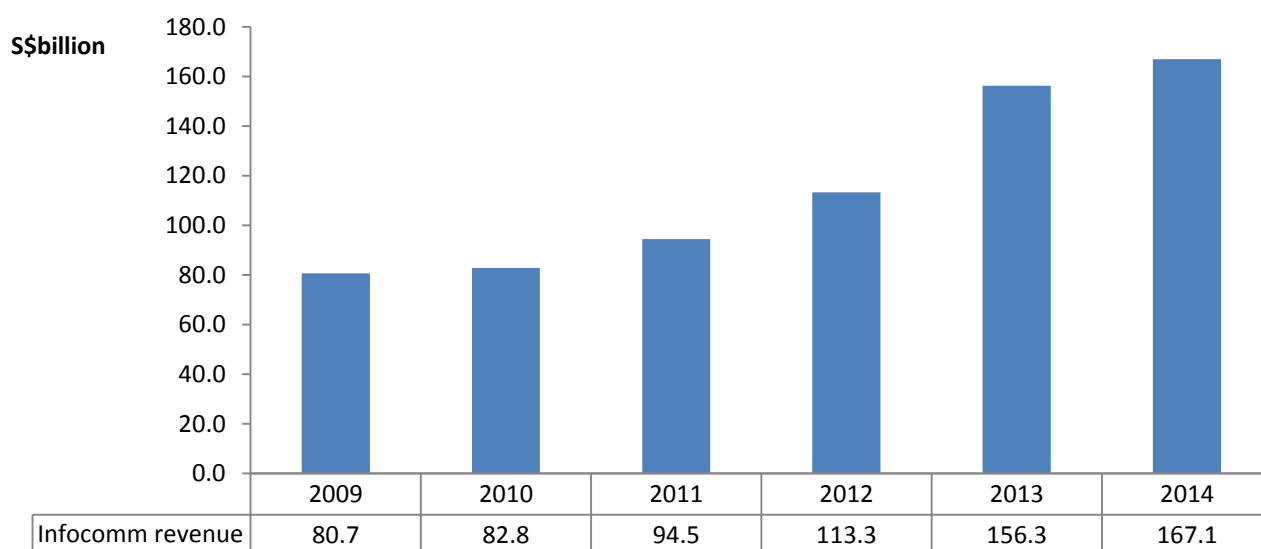


Table 1: Proportion of domestic and export revenue by year

	2009	2010	2011	2012	2013	2014
Domestic revenue	49.9%	43.7%	37.9%	31.3%	31.0%	30.3%
Re-export revenue	34.4%	40.9%	49.7%	55.3%	59.4%	60.7%
Processed exports revenue	15.6%	15.5%	12.4%	13.4%	9.5%	8.9%

*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\$106.6 billion in 2013 to S\$115.0 billion in 2014 ([Chart 2](#)). The hardware segment was the largest contributor, with a share of 68.8%, followed by the software segment with a share of 11.8% ([Table 2](#)).

Chart 2: Infocomm revenue by segment

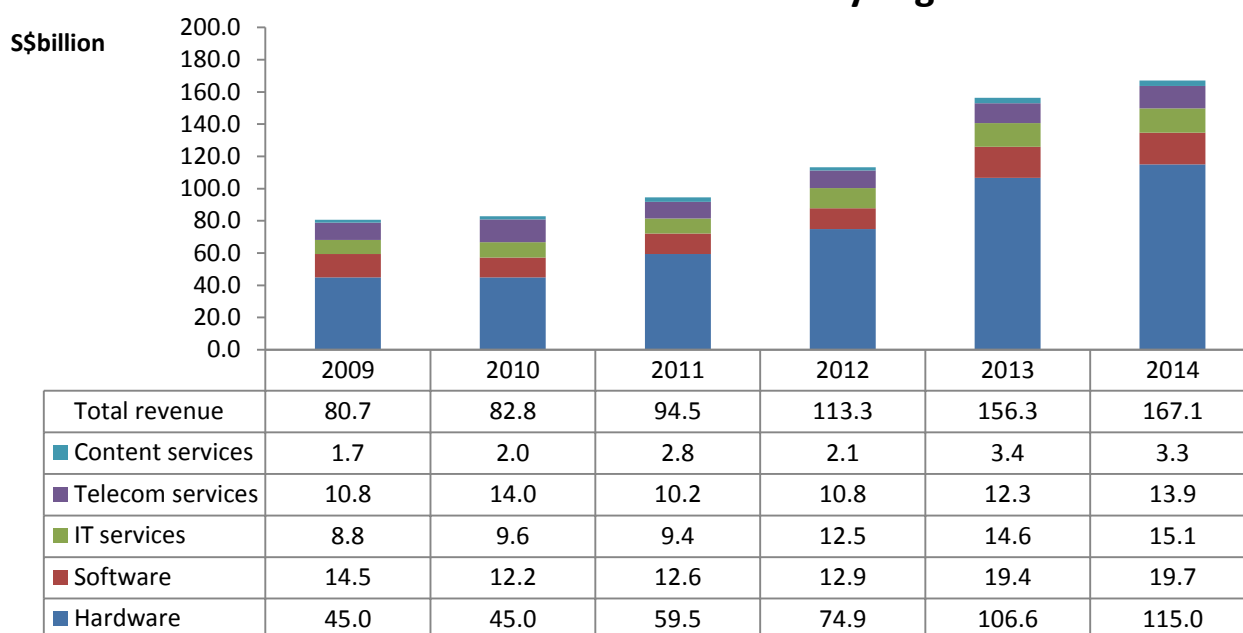


Table 2: Proportion of infocomm revenue by segment

2014	Hardware	Software	IT services	Telecom services	Content services	Total infocomm
Share of infocomm revenue	68.8%	11.8%	9.1%	8.3%	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\$40.4 billion in 2009 to S\$116.4 billion in 2014 ([Chart 3](#)), with exports responsible for 69.7% of revenue in 2014 ([Table 3](#)).

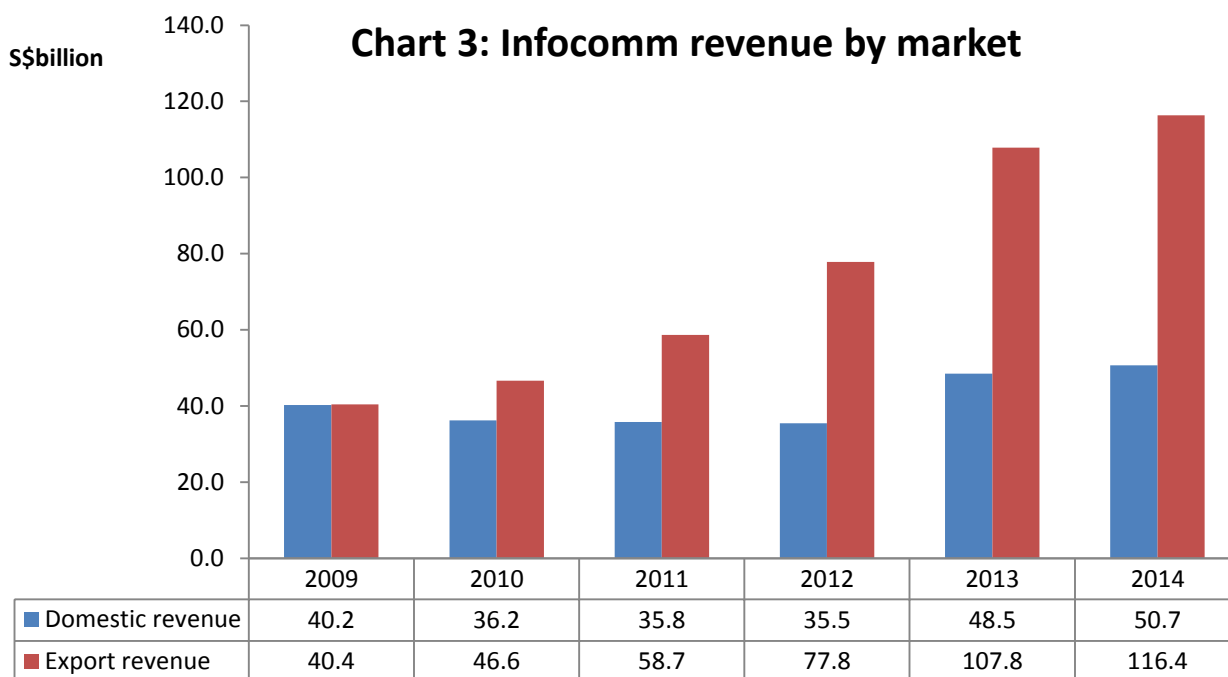


Table 3: Proportion of infocomm revenue by market

	2009	2010	2011	2012	2013	2014
Share of domestic revenue	49.9%	43.7%	37.9%	31.3%	31.0%	30.3%
Share of export revenue	50.1%	56.3%	62.1%	68.7%	69.0%	69.7%
Total Infocomm revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

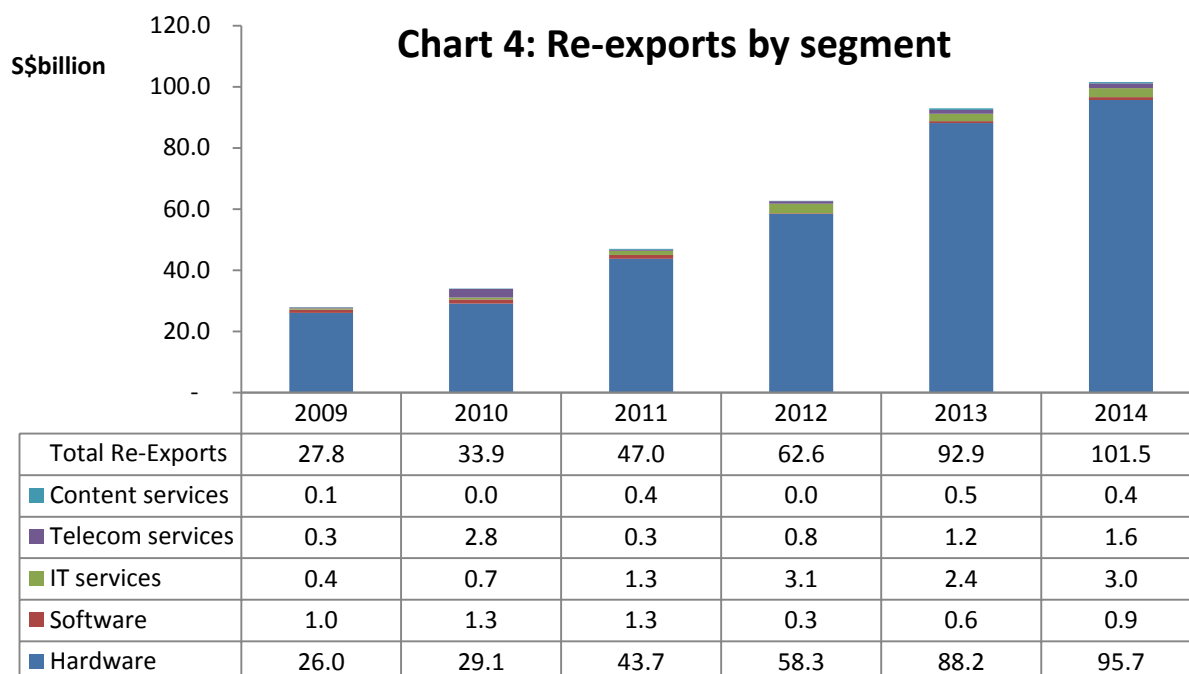
Re-exports formed 87.2% of export revenue in 2014, while the remaining 12.8% were from processed exports ([Table 4](#)).

Table 4: Proportion of export revenue by type

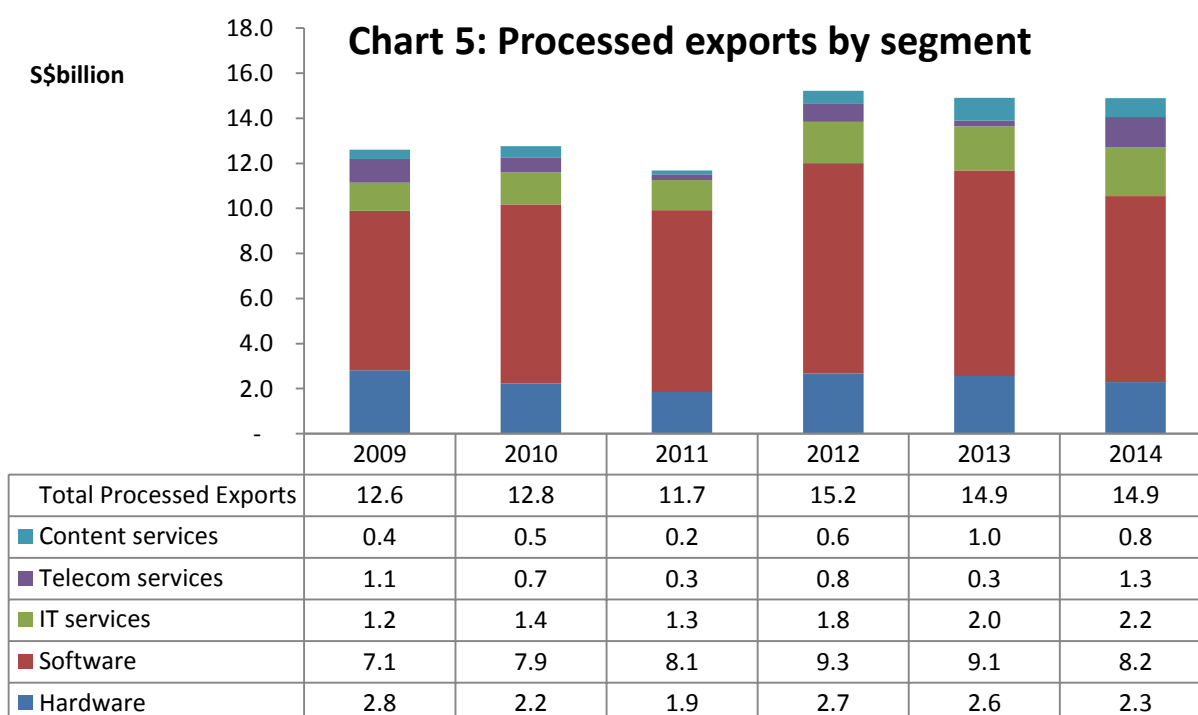
	2009	2010	2011	2012	2013	2014
Share of processed exports	31.2%	27.4%	19.9%	19.6%	13.8%	12.8%
Share of re-exports	68.6%	72.6%	80.1%	80.4%	86.2%	87.2%
Total exports	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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

Re-exports grew from S\$27.8 billion in 2009 to S\$101.5 billion in 2014 ([Chart 4](#)), mainly driven by the hardware segment which accounted for 94.3% of re-exports.

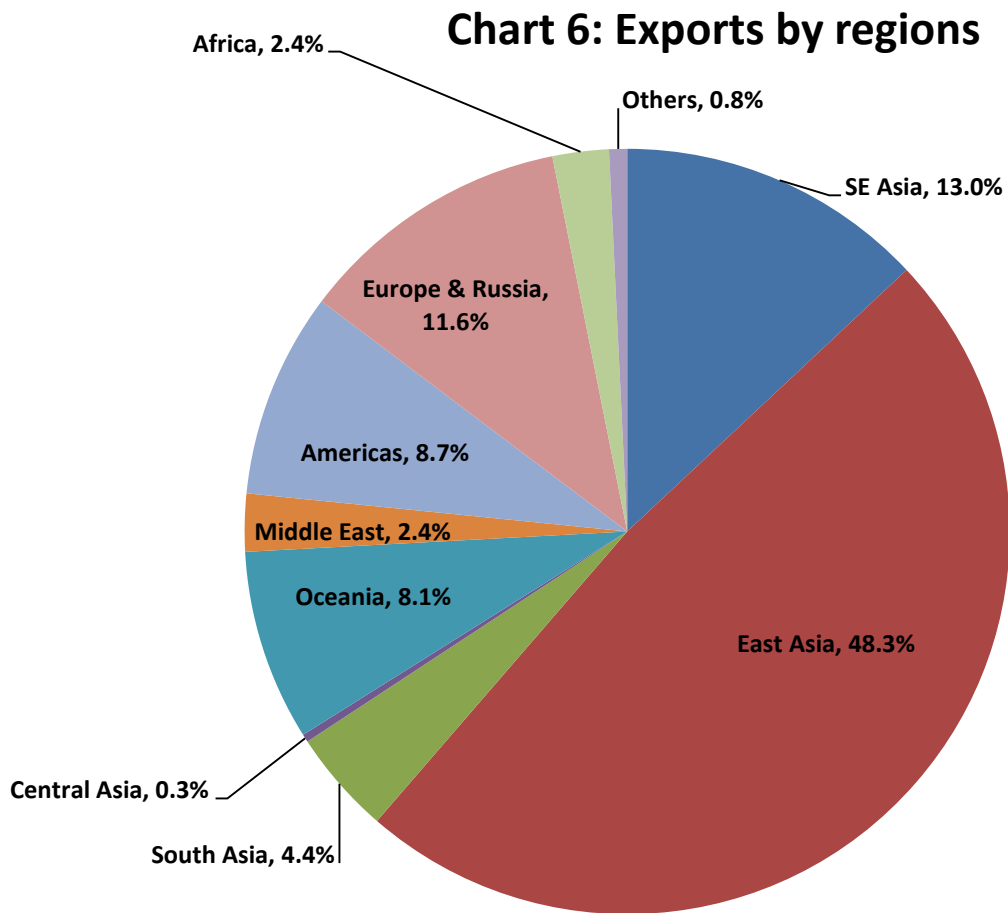


While processed exports rose from S\$12.6 billion in 2009 to S\$14.9 billion in 2014 ([Chart 5](#)) due to the software segment which contributed 55.0% of processed exports.



East Asia was the top region for exports

East Asia, which includes China, Japan and South Korea, was the top export destination region for 2014, accounting for 48.3% 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\$50.7 billion in 2014, an increase from S\$40.2 billion in 2009 (Chart 7). The hardware segment was the largest contributor of domestic revenue with a share of 33.5% (Table 5).

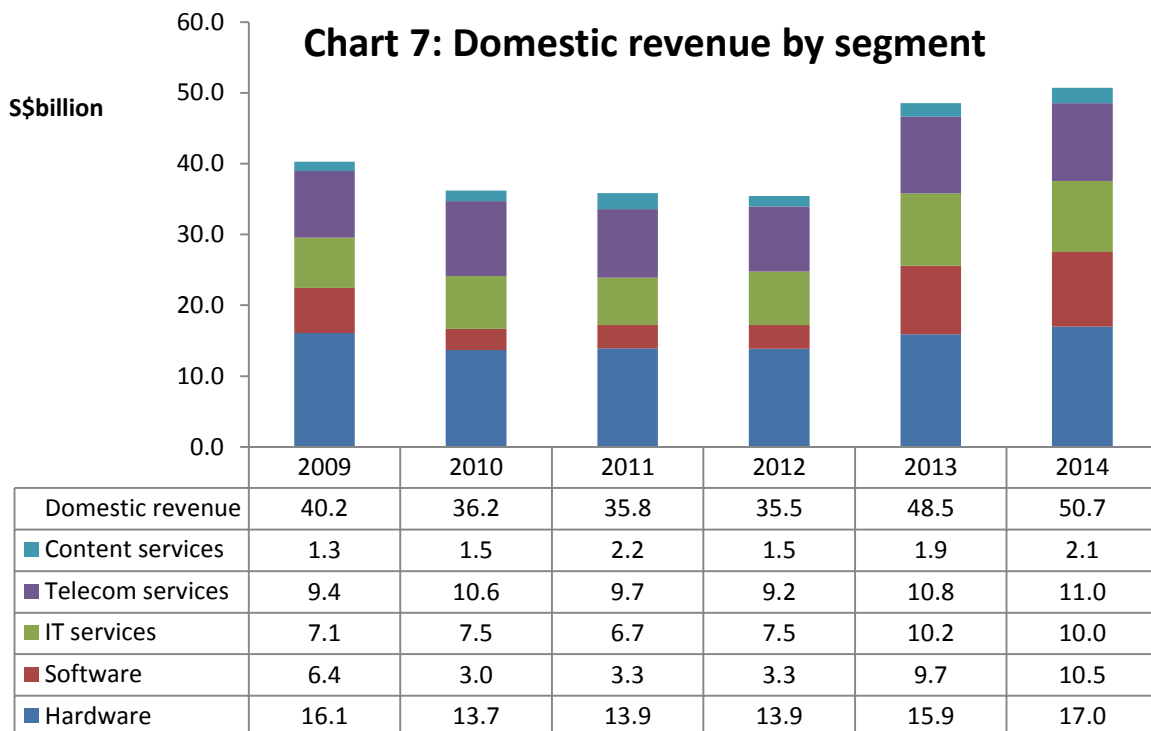


Table 5: Proportion of domestic revenue by segment

2014	Hardware	Software	IT services	Telecom services	Content services	Total domestic revenue
Share of domestic revenue	33.5%	20.8%	19.7%	21.7%	4.2%	100.0%