

Singapore

Southeast Asia's financial hub and global trade gateway -- strategic base for regional headquarters

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Introduction

Singapore is a major financial, shipping and trading hub in Southeast Asia, and one of the most open economies in the world. As a key partner of China in ASEAN, Singapore has remained China's largest source of new foreign investment for consecutive years, with close bilateral economic and trade cooperation.

This guide adopts a six-part structure, systematically covering Singapore's country profile, investment environment and policies, Chinese enterprise investment, corporate financing, compliance and dispute resolution, and essential information on living and working in Singapore, providing a comprehensive reference for Chinese enterprises seeking to invest in Singapore.

Data sources include the latest figures published by authoritative institutions such as the Singapore Department of Statistics, the Singapore Economic Development Board, the Ministry of Foreign Affairs of China, and the Ministry of Commerce of China.

Part I: Singapore Overview

1 Country Profile

Singapore is located at the southern tip of the Malay Peninsula, at the entrance to the Strait of Malacca, commanding a vital shipping route connecting the Pacific and Indian Oceans. Its land area is 735.7 km² (2024), comprising Singapore Island and over 60 surrounding islets -- a quintessential city-state. Singapore has a tropical climate, with mean annual temperatures ranging from 24degC to 32degC and average annual rainfall of approximately 2,345 mm.

Singapore operates a parliamentary republic system. The President serves as Head of State with a six-year term. The incumbent President Tharman Shanmugaratnam was sworn in in September 2023. The Prime Minister is Head of Government, appointed from the leader of the majority party in Parliament. The incumbent Prime Minister Lawrence Wong took office in May 2024 and was re-elected in May 2025. Singapore has a multi-party system, though the People's Action Party (PAP) has governed continuously since 1959.

Singapore follows the English common law tradition, with an independent judiciary. The court system comprises the Supreme Court (consisting of the High Court and the Court of Appeal) and the State Courts. Singapore's legal framework is well-established, with strong intellectual property protection and efficient commercial dispute resolution mechanisms. The Singapore International Arbitration Centre

(SIAC) is one of the world's most popular arbitration institutions.

Singapore pursues a pragmatic foreign policy, maintaining good relations with all nations. As a founding member of ASEAN, Singapore actively participates in regional cooperation. It maintains close ties with major economies including the United States, China, Japan, and the European Union, playing an active role in global affairs. Singapore supports multilateralism and free trade, and is a signatory to the Regional Comprehensive Economic Partnership (RCEP).

Singapore is a multicultural society: ethnic Chinese constitute 74% of the population, Malays 13.5%, Indians 9%, and other ethnic groups 3.5%. The official languages are English, Mandarin Chinese, Malay, and Tamil, with English serving as the primary language for administration and business. Major religions include Buddhism, Islam, Christianity, Hinduism, and Taoism. Singapore is socially stable, with excellent public safety, and ranks among the safest cities in the world.

2 Economic Overview

Singapore's economy is trade-driven, with key sectors including electronics, petrochemicals, finance, shipping, and services. In 2024, Singapore's nominal GDP reached SGD 731.4 billion (approximately USD 547.5 billion), with real GDP growth of 4.4% -- a substantial improvement over the 1.8% recorded in 2023. The economy continued to strengthen in 2025, with projected full-year growth of 4.8%.

Indicator | 2024 Data

Nominal GDP | SGD 731.4 billion (approx. USD 547.5 billion)

GDP per Capita | SGD 121,000 (approx. USD 91,000)

Real GDP Growth Rate | 4.4%

Unemployment Rate | 2.0%

Inflation Rate | 2.4%

Singapore's economy has demonstrated robust resilience. Amid global trade fragmentation, it has achieved structural acceleration through high-value expansion in manufacturing, digital transformation in services, and reinforcement of its trade hub function. Biomedical manufacturing and electronics form a dual-pillar growth engine, while AI-related industries are experiencing explosive growth, injecting fresh momentum into Singapore's economic development.

The Singapore Government continues to advance its "Manufacturing 2030 Vision", committed to positioning Singapore as a global business, innovation, and talent hub for advanced manufacturing, targeting 50% growth over the next decade while maintaining manufacturing's GDP contribution at 20%. In 2025, the Government launched a new round of economic strategy review, focusing on three key directions: strengthening supply chain resilience, deepening AI and advanced manufacturing integration, and expanding regional services trade networks.

Singapore's economy is services-dominated, with the services sector accounting for approximately 70% of GDP. Key service industries include wholesale trade, finance and insurance, information and communications, and transportation. Manufacturing accounts for approximately 17.3% of GDP, concentrated in electronics, biomedical sciences, chemicals, and precision engineering. Construction accounts for approximately 3.8% of GDP.

Industry | Share of GDP

Wholesale Trade | 20.3%

Finance and Insurance | 14.3%

Manufacturing | 17.3%

Transportation and Storage | 9.1%

Information and Communications | 6.0%

Professional Services | 5.5%

Singapore boasts world-class infrastructure. Changi Airport is a major Asian aviation hub, handling approximately 67.7 million passengers in 2024, and has been consistently ranked the world's best airport for multiple years. The Port of Singapore is one of the world's busiest transshipment ports, processing approximately 100 million TEUs of containers in 2024. Singapore is a key Asian telecommunications hub with 99% network coverage, and 5G networks have achieved full island-wide coverage.

3 Multilateral and Bilateral Agreements

Singapore actively participates in multilateral and regional trade agreements, having established an extensive free trade agreement network with major trading partners. Key agreements include:

- Regional Comprehensive Economic Partnership (RCEP): entered into force on 1 January 2022
- Singapore-China Free Trade Agreement: signed in 2008, making Singapore the first Asian country to sign an FTA with China; the upgraded Version 4.0 took effect on 31 December 2024
- Singapore-United States Free Trade Agreement: entered into force in 2004
- Singapore-European Union Free Trade Agreement: entered into force in 2019
- Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP): entered into force in 2018

Part II: Singapore Investment Environment and Policies

1 Business Environment

Singapore consistently ranks among the world's best countries for doing business. The World Bank's Doing Business Report shows Singapore regularly placing at the top among 190 economies. Singapore's advantages include:

- Political stability: Clean and efficient government with strong policy continuity
- Rule of law: Transparent legal system, strong contract enforcement, robust IP protection
- Favourable tax regime: 17% corporate income tax rate, no capital gains tax, extensive double taxation avoidance agreements
- Skilled talent pool: High-quality workforce, widespread English proficiency
- Strategic location: A vital hub connecting East and West, serving the ASEAN market of 700 million people

Singapore's business environment advantages are globally unique. Its "neutral hub" status has become even more valuable amid complex and shifting geopolitics, making it the preferred "safe haven" for Chinese enterprises expanding overseas. Chinese companies have elevated Singapore's positioning from an early "stepping stone" to a "regional headquarters hub", forming a strategic layout of "headquarters in

Singapore, production in Johor", providing a practical model for regional supply chain restructuring.

2 Foreign Direct Investment

Singapore is one of the world's most successful countries in attracting foreign investment. According to UNCTAD data, Singapore's FDI inflows reached USD 143.4 billion in 2024, an all-time high, ranking second globally behind only the United States.

Indicator | 2024 Data

FDI Inflows | USD 143.4 billion (2nd globally)

FDI Inflow Growth Rate | 6.1%

Major Investment Sources | United States, United Kingdom, Japan, China, Ireland

Major investment sectors include finance and insurance (60.4% of FDI inflows), professional services, wholesale trade, manufacturing, and information and communications.

3 Factors of Production

Singapore's workforce is highly skilled, supported by a comprehensive education system. The total population in 2024 was approximately 6.04 million, comprising around 3.64 million citizens and approximately 540,000 permanent residents. The labour force participation rate is approximately 68%, with an unemployment rate of about 2%. Singapore operates a foreign worker policy, allowing enterprises to hire foreign employees as needed.

Land resources in Singapore are scarce and land prices are high. Industrial land is primarily allocated through government tender, with lease terms typically of 30 or 60 years. Enterprises can choose from different types of industrial parks based on their business needs.

Singapore lacks domestic energy resources and relies on imports. Electricity supply is stable and reliable, with tariffs fluctuating based on fuel costs. In 2024, industrial electricity prices ranged from approximately SGD 0.25 to SGD 0.35 per kWh. Singapore is actively advancing its energy transition, targeting net-zero emissions by 2050.

4 Investment Policies and Regulations

The Singapore Economic Development Board (EDB) is the primary agency for attracting foreign investment, responsible for approving major investment projects, providing investment advisory services, and offering one-stop facilitation. Enterprise Singapore (EnterpriseSG) supports local enterprise development and internationalisation.

Singapore imposes minimal restrictions on foreign investment access. Most industries permit wholly foreign-owned operations. A few sectors have special requirements -- financial services, telecommunications, and media require approval from the relevant regulatory authorities.

Singapore operates a territorial tax system with a corporate income tax rate of 17%, among the lowest globally. Enterprises may benefit from multiple tax incentives:

- New Start-up Tax Exemption Scheme: 75% exemption on the first SGD 100,000 of taxable income for the first three years
- Partial Tax Exemption Scheme: 75% exemption on the first SGD 10,000 of taxable income, and

50% exemption on the next SGD 190,000

- Pioneer Certificate Incentive: Qualifying pioneer enterprises may enjoy 5-15 years of tax exemption
- Development and Expansion Incentive: Qualifying enterprises may benefit from concessionary tax rates for 5-10 years

Singapore offers a range of investment incentive policies, including:

- Economic Development Incentives: Tax concessions for enterprises creating high-value-added employment and investment
- Land Incentives: Preferential rental rates for facilities in government industrial parks
- R&D Incentives: Additional deductions for research and development expenditure
- Finance and Treasury Centre Incentive: Concessionary tax rates for qualifying financial activities

Part III: Chinese Enterprise Investment in Singapore

1 China-Singapore Economic and Trade Cooperation

China-Singapore economic and trade cooperation has yielded significant results. In 2024, bilateral trade reached USD 111.11 billion, a year-on-year increase of 2.6%. China's exports to Singapore totalled USD 79.22 billion, while imports from Singapore amounted to USD 31.89 billion. China has been Singapore's largest trading partner for 12 consecutive years, and Singapore is China's fifth-largest trading partner within ASEAN.

Indicator | 2024 Data

China-Singapore Bilateral Trade | USD 111.11 billion

China's Exports to Singapore | USD 79.22 billion

China's Imports from Singapore | USD 31.89 billion

Singapore's New Investment in China | USD 10.69 billion

China's New Investment in Singapore | USD 11.79 billion

Singapore has been China's largest source of new foreign investment for 12 consecutive years since 2013. In April 2022, Singapore overtook Japan for the first time to become China's largest cumulative source of foreign investment. In 2024, Singapore's new investment in China reached USD 10.69 billion, up 9.2% year-on-year; Chinese enterprises' new direct investment across all sectors in Singapore totalled USD 11.79 billion.

2 Evolution of China-Singapore Relations

China and Singapore established diplomatic relations on 3 October 1990. Since then, bilateral relations have deepened continuously. During President Xi Jinping's visit to Singapore in 2015, both sides agreed to characterise the relationship as an "All-Round Cooperative Partnership Progressing with the Times". In 2023, President Xi and Singapore Prime Minister Lee Hsien Loong jointly announced the elevation of bilateral relations to an "All-Round High-Quality Forward-Looking Partnership". On 3 October 2025, the two nations celebrated the 35th anniversary of diplomatic relations.

- 3 October 1990: Establishment of China-Singapore diplomatic relations
- 1994: Launch of the Suzhou Industrial Park

- 2007: Launch of the Sino-Singapore Tianjin Eco-City project
- 2008: Signing of the China-Singapore Free Trade Agreement
- 2015: Launch of the China-Singapore (Chongqing) Strategic Connectivity Demonstration Project
- 2023: Elevation to "All-Round High-Quality Forward-Looking Partnership"
- December 2024: Implementation of the CSFTA 4.0 Upgrade Protocol

China and Singapore have established three G-to-G cooperation projects -- the Suzhou Industrial Park, the Tianjin Eco-City, and the China-Singapore (Chongqing) Strategic Connectivity Demonstration Project -- as well as the Guangzhou Knowledge City as a national-level bilateral cooperation project. These projects have become landmark achievements of China-Singapore cooperation.

3 Investment Forms

Chinese enterprises may invest in Singapore through various forms:

- Company incorporation: A private limited company is the most common form, requiring at least one local resident director
- Branch office: A branch of a foreign company, not a separate legal entity
- Representative office: Suitable for market research and business liaison
- Mergers and acquisitions: Acquisition of equity or assets of Singapore enterprises

4 Priority Investment Sectors

Chinese enterprise investment in Singapore is concentrated in the following areas:

Singapore is a major Asian financial centre, with the financial sector accounting for 14.3% of GDP. Bank of China, ICBC, and China Construction Bank maintain branches in Singapore with Qualifying Full Bank licences. Singapore is a significant offshore RMB centre, providing enterprises with RMB financing and settlement services.

Singapore is vigorously developing its digital economy, which reached SGD 128.1 billion in 2024, accounting for 18.6% of GDP. Chinese technology companies are actively expanding in Singapore -- ByteDance has established Singapore as its global second headquarters, with a workforce of several thousand employees.

Singapore's manufacturing sector focuses on high-value-added activities, primarily in electronics, biomedical sciences, chemicals, and precision engineering. In 2025, Chinese enterprises contributed SGD 12.1 billion in fixed asset investment commitments in Singapore's manufacturing sector.

Singapore is a leading Asia-Pacific logistics hub, with world-class port and airport handling capacities. Chinese logistics companies have established regional centres in Singapore to manage Southeast Asian supply chain operations.

5 Case Studies

ByteDance has designated Singapore as its global second headquarters, establishing the subsidiary Picoheart (SG) to operate chip R&D business, with a workforce of several thousand. ByteDance has built data centres in Singapore, with business operations spanning TikTok and enterprise collaboration

platform Lark.

WuXi Biologics invested USD 1.4 billion to build a drug R&D centre in Singapore, representing a landmark investment in Singapore's biomedical sector. This project not only expanded WuXi Biologics' global production capacity but also reinforced Singapore's position as a biomedical hub.

Jinko Solar, TCL Zhonghuan, and other Chinese clean energy companies have established R&D centres or production bases in Singapore. NIO, BYD, and other new energy vehicle makers leverage Singapore as a base to reach the ASEAN market.

Over 70% of Chinese enterprises position Singapore as a "regional headquarters hub", forming a regional ecosystem of "Singapore HQ + ASEAN manufacturing + local sales". The Johor-Singapore Special Economic Zone has become an important hinterland for capacity expansion and cost management.

Part IV: Corporate Financing

1 Financial Market Overview

Singapore is a major Asian financial centre with well-developed financial markets. The Singapore Exchange (SGX) is one of the Asia-Pacific's leading exchanges, with over 600 listed companies. The banking sector is highly developed, with the world's major banks all maintaining branches here. Singapore is the world's fourth-largest foreign exchange trading centre, with average daily FX turnover exceeding USD 600 billion.

2 Financing Channels

Singapore's banking sector is well-developed, offering enterprises a diverse range of loan products. Chinese banks maintain branches in Singapore, providing RMB lending and cross-border settlement services for Chinese enterprises.

Singapore's bond market is mature, allowing enterprises to issue SGD-denominated or foreign-currency bonds. Panda bonds listed on SGX provide international investors with RMB investment channels. In 2024, UOB successfully issued CNY 5 billion in Panda bonds.

Enterprises may pursue IPOs on the Singapore Exchange or private equity financing. Singapore's relatively flexible listing requirements have attracted numerous SMEs and new-economy companies.

The Singapore Government offers multiple enterprise financing support programmes:

- Enterprise Development Grant: Co-funding business development initiatives
- Loan Insurance Scheme: Assisting SMEs in securing bank financing
- Temporary Bridging Loan Programme: Providing working capital for enterprises

Part V: Compliance and Dispute Resolution

1 Operating in Compliance in Singapore

Incorporating a private limited company requires registration with the Accounting and Corporate Regulatory Authority (ACRA), with at least one shareholder, one director (one of whom must be a local

resident), and one company secretary. The registration process is efficient, typically completed within 1-2 days.

Singapore enterprises must file and pay corporate income tax, Goods and Services Tax (GST), and other applicable taxes on time. Companies must submit annual returns and maintain accounting records for at least five years.

Singapore's employment legislation protects employee rights, governing working hours, leave entitlements, and termination compensation. Hiring foreign employees requires the appropriate work passes, with different categories corresponding to different salary and qualification requirements.

Singapore's Personal Data Protection Act (PDPA) regulates the collection, use, and disclosure of personal data. Enterprises must comply with data protection obligations; violations may result in fines.

2 Commercial Dispute Resolution

Singapore has a comprehensive commercial dispute resolution framework:

Singapore's court system is efficient and impartial, with relatively short commercial case processing times. The Singapore International Commercial Court specialises in handling international commercial disputes.

The Singapore International Arbitration Centre (SIAC) is one of the world's most popular arbitration institutions. Arbitral awards are enforceable in New York Convention contracting states. An increasing number of Chinese enterprises are choosing Singapore arbitration for cross-border dispute resolution.

The Singapore Mediation Centre provides professional mediation services. Mediated settlement agreements can be enforced through court application. The Singapore Convention on Mediation provides a legal framework for the enforcement of international mediation agreements.

Part VI: Living and Working in Singapore

1 Visas

Chinese citizens require a visa to enter Singapore. Tourist visas are typically valid for 35 days to two years, with a permitted stay of up to 30 days. Work passes are divided into three categories -- Employment Pass (EP), S Pass, and Work Permit -- each corresponding to different salary and qualification requirements.

Category | Applicable To | Requirements

Employment Pass (EP) | Professionals, managers, executives | Minimum monthly salary of SGD 5,000

S Pass | Mid-level skilled technicians | Minimum monthly salary of SGD 3,150

Work Permit | Semi-skilled workers | No minimum salary requirement

2 Housing

Singapore's housing is divided into public HDB flats and private condominiums. Foreigners may purchase private condominiums and certain landed properties, but cannot buy HDB flats. The rental market is active, with private condominium monthly rents ranging from approximately SGD 2,000 to SGD 5,000, depending on location and size.

3 Health Insurance

Singapore's healthcare system is well-established, with both public and private hospitals providing high-quality services. Employers are required to purchase medical insurance for foreign employees. Singapore citizens and permanent residents can use the Medisave scheme to cover medical expenses.

4 Bank Accounts

Foreigners may open bank accounts in Singapore with a valid work pass. Major banks include DBS Bank, UOB, and OCBC Bank. Chinese banks also offer RMB accounts and cross-border financial services.

5 Contact Information

- Singapore Economic Development Board (EDB): www.edb.gov.sg
- Accounting and Corporate Regulatory Authority (ACRA): www.acra.gov.sg
- Enterprise Singapore (EnterpriseSG): www.enterprisesg.gov.sg
- Economic and Commercial Office, Embassy of the PRC in Singapore
- Address: 150 Tanglin Road, Singapore 247969
- Phone: +65-6412 1900
- Email: sg@mofcom.gov.cn
- Singapore Chinese Chamber of Commerce & Industry
- Address: 6001 Beach Road #11-01 Golden Mile Tower, Singapore 199589
- Phone: +65-6299 5961
- Email: members@s-cba.sg
- Website: www.s-cba.sg
- Singapore Business Federation
- Address: 160 Robinson Road #06-01, SBF Center, Singapore 068914
- Phone: +65-6827 6828
- Website: www.sbf.sg

Appendix

Data sources for this guide include the latest publicly available data from authoritative institutions such as the Singapore Department of Statistics, the Singapore Economic Development Board, the Ministry of Trade and Industry of Singapore, the Ministry of Foreign Affairs of China, and the Ministry of Commerce of China. Content is for reference only; please refer to the latest official policies for specific circumstances.

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