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Singapore: Asia-Pacific's IT Mecca

by [Cindy Payne, Managing Director, Asia-Pacific Connections Pte Ltd](#)

IT spending in Singapore is expected to exceed \$4 billion next year. Backed by strong government initiatives, Singapore is Asia-Pacific's regional IT hub. The country's IT 2000 visionary program, initiated five years ago, was launched to turn Singapore into an intelligent island by the millennium. The Singapore One infrastructure, linking all businesses, homes, schools and government offices via a broadband cable network, is almost completed. In turn, Singapore boasts regional highs of over 30% of all households owning a PC, and one in five Singaporeans using the Internet.

Increasing Internet usage and online shopping

According to IDC (<http://www.idcresearch.com/>), Singapore's Internet user community is growing at 25% per year, with 1 out of 2 users being young adults in their 20's. Though the key uses of the Internet are e-mail, research and entertainment, online shopping is catching on.

Though still in its infancy, Singapore's Internet users have begun using E-commerce. According to (<http://www.consult.com.au/>), 1 out of 4 Internet users in Singapore has shopped online before, with 14% being regular shoppers. IDC estimates that \$35 million was spent on E-commerce purchases in 1998, including supply chain, business-to-business and business-to-consumer sales. This figure is expected to grow by more than 200% per year over the next five years, with consumer purchases focused mostly on books, concert tickets and computer software.

The real task is to convert the browsers into shoppers. In such a small geographical setting, Web convenience is overshadowed by Singaporeans' cultural preference to "tactile shopping". The high cost of Internet access and lackluster vendor response time compete with the allure of the glamorous shopping malls lining Orchard Road, Singapore's version of the Champs-Élysées. Other inhibitors include security and privacy concerns, which have doubled since last year.

Ramifications for the Future

Singapore knows that to succeed as the regional IT hub, local businesses must enhance their core Web capabilities. Investment in site development and maintenance, promotion and marketing, and customer service is on the rise, in hopes of driving more Internet usage and E-commerce. Though Singapore clearly is leading the region today as an IT mecca, it must compete with the likes of Malaysia's Multimedia Super Corridor and Hong Kong's Cyber Port that are vying for regional IT status. In a knowledge-based and trade-dependent country like Singapore, staying competitive in the IT arena is vital.

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