

Preparing to export

Consultation and bespoke research

A range of information for exporters can be found online, including advice and guidance on how to research overseas markets thoroughly. For more information visit: <https://www.great.gov.uk/>.

Researching the Singapore market

Make regular visits to Singapore, and make contact with others in your industry/sector who are already in Singapore. This will keep you updated on all advice and information, and can give you a new understanding of the country. At the very least, this can help you form the foundation for further research.

For more information and guidance on how to develop your marketing strategy, competitor and SWOT analyses and customer/market segmentation, visit: https://www.great.gov.uk. The IOE&IT can also help with this: <https://www.export.org.uk/>.

You need to make sure that there is a market for your product/service, if your pricing is competitive, whether you will need to change your product in terms of its packaging or marketing, and whether you need to adapt your business model.

The questions listed here should help to focus your thoughts. Your answers to them will highlight areas for further research and also suggest a way forward that is right for your company. You may then want to use this as a basis for developing a formal strategy, although this may not be necessary or appropriate for all companies:

Your aims:

- Do you wish to buy from Singapore, sell to Singapore or both?
- Do you wish to establish your own company presence in Singapore, or consider for example direct sales, licensing or franchising?
- Do you need to be involved in Singapore at all?
- Do you see Singapore as part of a wider plan including e.g. other Asia-Pacific markets, now or in the future?

Your company:

- Can you carry out a detailed SWOT analysis of your company?

- Are your competitors already in Singapore? If so, what are they doing?
- Can you carry out a detailed SWOT analysis of your competitors?
- What are the Unique Selling Points (USPs) of your product or service?
- Do you know if there is a market for your product or service in Singapore?
- Do you know if you can be competitive in Singapore?
- Do you have the time and resources to handle e.g. the demands of communication, travel, product delivery and after-sales service?

Your knowledge:

- Do you know how to secure payment for your products or service?
- Do you know how to locate and screen potential partners, agents or distributors?
- Have you carried out any Singapore-specific customer segmentation, and do you know how to best reach potential customers in-market?

It is unlikely that you will have the answers to all these questions at the outset and these 'knowledge gaps' could form the basis for further research and investigation. Some of these questions will require quantitative research in your sector, while others involve more contextual and cultural considerations.

Talking to other people in your industry and regularly visiting Singapore will give you access to the most current advice and such experience can often lead to new insights and form the basis for further research.

Export plan

You will need to create an export plan after you have carried out your initial research, which will identify your best route into the Singapore market. Guidance on developing an export plan, including marketing strategy, customer segmentation, competitor and SWOT analyses, etc. is available on the <https://www.great.gov.uk/advice/create-an-export-plan/how-to-create-an-export-plan/> site, and also on the Institute of Export's Open to Export site at: <https://opentoexport.com/info/export-action-plan/>.

Trade shows held in Singapore each year are a way for you to test whether your product/service would be viable in the Singaporean market. The UK's Department for International Trade (DIT) provides funding in the form of grants via the Tradeshow Access Programme that allows eligible businesses to attend overseas trade shows.

This funding helps businesses to gain the most out of overseas trade shows, including market knowledge, experience and advice from trade experts. Visit: <https://www.gov.uk/guidance/tradeshows-access-programme> for more information.

For information on future events and trade missions in Singapore, visit the DIT events portal at: <https://www.events.great.gov.uk/ehome/index.php?eventid=200183029&>.

For company launches and events held at British High Commission locations, contact the Department for International Trade (DIT) in Singapore at: <https://www.gov.uk/world/organisations/department-for-international-trade-singapore#contact-us>.

[Source – DIT, gov.uk]

Start-up considerations

Setting up a company or office

In Singapore, all businesses must register with the Accounting and Regulatory Authority of Singapore (ACRA). This can be completed online and the process is simple.

The three most common types of business in Singapore are:

- a foreign registered branch that is not a separate legal entity. Liabilities will extend to the parent company
- a representative office. This may only conduct market research or co-ordinating activities
- a private limited company: a distinct legal entity with limited liability

Registering your business can take between one to five days, depending on the structure of your business.

There are certain criteria you must meet before you can start a business in Singapore, for example:

- you must be 18 years old or older
- you must not be an undischarged bankrupt
- you must not have been disqualified under the Companies Act's sections 149, 149A or 154

- to be involved in the management of a company's operations, you must have applied for an EntrePass from the Ministry of Manpower (MOM)

For more information regarding legal and accounting professionals who can give advice to British businesses wishing to set up their businesses in Singapore, contact the Department for International Trade (DIT) team in Singapore: <https://www.gov.uk/world/organisations/department-for-international-trade-singapore#contact-us>.

[Source – DIT: Doing business in Singapore: Singapore trade and export guide]

Distributorship agreement

Rather than export directly, it may be easier to work with a Singaporean partner or advisor. They will be more familiar with the business environment in Singapore and should be able to help with:

- keeping in contact with customers
- seeking new business
- getting information on the latest market trends

Before choosing an agent or distributor, research several potential associates, visit the market numerous times and make sure you are positive you have made the best choice for your company. Make sure you check their reputation, marketing ability and resources. Be aware of those who promote similar or the same products/services as you.

The Department for International Trade (DIT) team in Singapore at: <https://www.gov.uk/world/organisations/department-for-international-trade-singapore#contact-us> can assist you in locating and meeting potential agents and distributors for your products in Singapore.

[Source – DIT: Doing business in Singapore: Singapore trade and export guide]

Direct exports and sales

When you directly export, you must take care of the logistics of marketing, selling and sending your products or services overseas, and getting paid. If you plan to sell your goods/services online to potential Singaporean purchasers, or you are responding to enquiries, this may be the most viable option.

Further information on selling directly overseas can be found at: <https://www.great.gov.uk/advice/define-route-to-market/direct-sales/>.

Online selling

DIT can help to find suitable online marketplaces for your product/service. They can also help to access preferential government deals.

The Department for International Trade (DIT) can help you export your goods to Singapore through the E-Exporting Programme. Find out more at: <https://www.gov.uk/guidance/e-exporting>.

DIT has also negotiated listings at better-than-commercial rates. See online marketplaces in Singapore at: <https://www.great.gov.uk/selling-online-overseas/>.

Franchising

Franchising has proved successful in Singapore, with UK companies such as Marks & Spencer and New Look already having a presence there.

Franchises in Singapore are due to foreign franchisors selling brand licences to franchisees. This means that these franchisees can operate under a franchise's brand name.

For more information on franchising, visit the international section of the British Franchise Association at: <http://www.thebfa.org/international>.

[Source – British Franchise Association, DIT: Doing business in Singapore: Singapore trade and export guide]

Consumer protection

If you are selling to consumers (rather than businesses), you should ensure that you comply with relevant consumer protection laws, which guarantee consumer rights when buying goods and services.

Consumers are protected by the Consumer Protection (Safety Requirements) Regulations (CGSR) from unsafe products.

Singapore's Consumer Protection (Fair Trading) Act (CPFTA) was passed in 2003 and effects began to take place in 2004. The Act was then revised in 2009.

The Act was put into place to protect consumers within the country from unfair practices and to give them rights concerning products and services that were not delivered to the expectations of the consumer and the promise of the producer.

[Source – DIT: Doing business in Singapore: Singapore trade and export guide, Legislation Division of the Singapore Attorney-General's Chambers]

Professional indemnity insurance

You may require professional indemnity insurance if you provide a service and need to protect yourself against negligence claims from clients or third parties in Singapore.

See the Association of British Insurers (ABI) website at: <https://www.abi.org.uk/products-and-issues/choosing-the-right-insurance/business-insurance/liability-insurance/professional-indemnity-insurance/> for further information, or alternatively, contact the DIT team in Singapore at: <https://www.gov.uk/world/organisations/department-for-international-trade-singapore#contact-us> for further advice, and for contacts of local insurers or specialist brokers if appropriate.

[Source – DIT: Doing business in Singapore: Singapore trade and export guide]

Financial considerations

Getting finance to fulfil an export contract

Globally, Singapore ranks 37th out of 190 economies for ease of 'Getting Credit', in the World Bank's Doing Business report 2020. See: <https://www.doingbusiness.org/en/data/exploreeconomies/singapore>.

There are schemes available for UK companies that wish to sell their products/services to Singapore. These schemes are to help simplify the growth of your business and can also help you to fulfil an export contract. For up-to-date information regarding current schemes, contact your bank or financial adviser.

Payment risks

UKEF can help UK companies to get paid for the products and services they export by insuring against buyer default.

Before exporting, make sure you are confident you will be paid as you may face difficulty when accessing foreign exchange. Contact one of UKEF's export finance advisers

at: <https://www.gov.uk/government/publications/find-an-export-finance-manager> for free and impartial advice on your insurance options, or contact one of UKEF's approved export insurance brokers at: <https://www.gov.uk/government/publications/uk-export-finance-insurance-list-of-approved-brokers/export-insurance-approved-brokers>.

Currency risks when exporting to Singapore

In order to fix your price, it is essential to fix your exchange rate. Before signing any contract, you need to consider whether the best option for you is to agree terms in Pounds Sterling (GBP), US Dollars (USD) or Singapore Dollars (S\$). It may also be advisable to seek expert financial advice on exchange rates (FX).

[Source – DIT: Doing business in Singapore: Singapore trade and export guide]

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