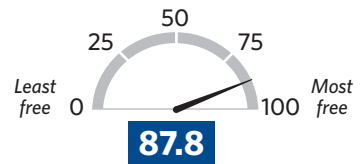


# SINGAPORE

World Rank: **2** Regional Rank: **2**

## Economic Freedom Score



**E**conomic growth has slowed in Singapore, but the city's openness to global trade and investment continues to provide a solid basis for economic dynamism. A transparent regulatory environment, buttressed by well-secured property rights, provides commercial security for the innovative and resilient private sector.

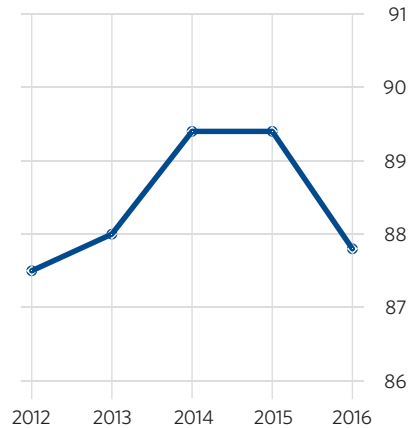
### ECONOMIC FREEDOM SNAPSHOT

- 2016 Economic Freedom Score: **87.8** (down by 1.6 points)
- Economic Freedom Status: **Free**
- Global Ranking: **2nd**
- Regional Ranking: **2nd in the Asia-Pacific Region**
- Notable Successes: **Rule of Law, Regulatory Efficiency, and Trade Freedom**
- Concerns: **Monetary Freedom and Fiscal Freedom**
- Overall Score Change since 2012: **+0.3**

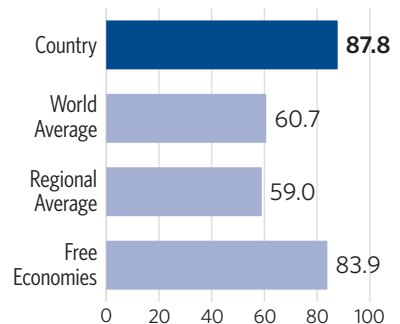
A strong intolerance for corruption is institutionalized in the efficient judicial framework. However, key sectors remain bogged down by state ownership or intrusive management. A government statutory entity, the Central Provident Fund, administers public housing, health care, and various other programs, and public debt is equivalent to almost a full year's GDP.

**BACKGROUND:** Lee Kuan Yew, modern Singapore's founder and longtime leader, passed away in 2015. Singapore is a nominally democratic state that has been ruled by the People's Action Party (PAP) since independence in 1965. In the September 2015 election, the PAP won 83 of the 89 parliamentary seats and 69.9 percent of the vote. Certain civil liberties, such as freedom of assembly and freedom of speech, remain restricted, but the PAP has embraced economic liberalization and international trade. Singapore is one of the world's most prosperous nations. Its economy is dominated by services, but the country is also a major manufacturer of electronics and chemicals.

## Freedom Trend



## Country Comparisons



## Quick Facts

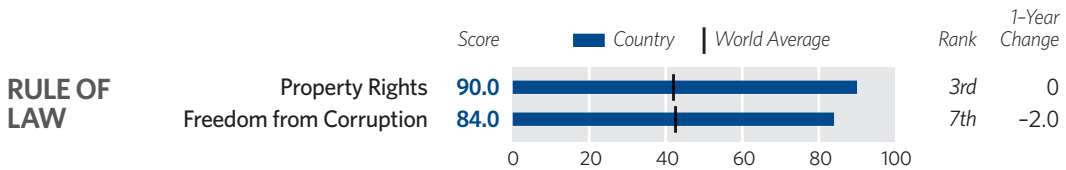
- Population:** 5.5 million
- GDP (PPP):** \$452.7 billion
- 2.9% growth in 2014
- 5-year compound annual growth 6.4%
- \$82,762 per capita
- Unemployment:** 3.0%
- Inflation (CPI):** 1.0%
- FDI Inflow:** \$67.5 billion
- Public Debt:** 98.8% of GDP

### How Do We Measure Economic Freedom?

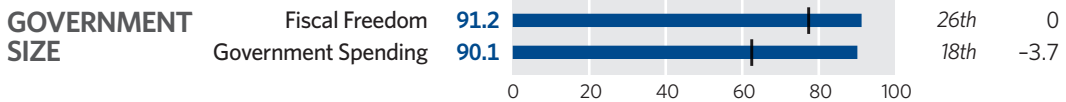
See page 467 for an explanation of the methodology or visit the *Index* Web site at [heritage.org/index](http://heritage.org/index).

2014 data unless otherwise noted.  
Data compiled as of September 2015.

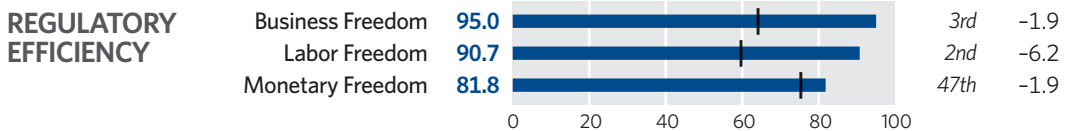
**THE TEN ECONOMIC FREEDOMS**



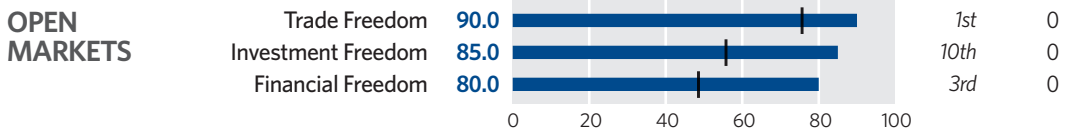
Singapore is one of the world’s least corrupt countries. Legislators are allowed to and often do serve on the boards of private companies, including as chairpersons, creating potential conflicts of interest. Contracts are secure, there is no expropriation, and commercial courts function well. Singapore has one of Asia’s best intellectual property rights regimes.



The top income tax rate was 20 percent as of 2015 but will rise to 22 percent on income earned starting in 2016. The top corporate tax rate is 17 percent. The overall tax burden equals about 13.8 percent of domestic income. Government spending amounts to 18.2 percent of GDP. Government debt is near 100 percent of GDP, a level manageable due to state-linked enterprises’ contribution to the budget.



The regulatory environment remains one of the world’s most efficient. With no minimum capital required, launching a business takes only three days. There is no statutory minimum wage, but wage adjustments are guided by the National Wage Council. Inflation is under control despite the challenging external environment. The government influences prices through state-linked enterprises and can impose price controls as it deems necessary.



Singapore’s average tariff rate is 0 percent. Imports of chewing gum and “objectionable” publications are restricted, and some service industries face barriers. Government-owned Temasek Holdings has significant investments in government-linked corporations. The government has steadily been opening the domestic market to foreign banks. Over 95 percent of banks operating in Singapore are now foreign owned.

**Long-Term Score Change (since 1995)**

RULE OF LAW		GOVERNMENT SIZE		REGULATORY EFFICIENCY		OPEN MARKETS	
Property Rights	0	Fiscal Freedom	+10.4	Business Freedom	-5.0	Trade Freedom	+7.0
Freedom from Corruption	-6.0	Government Spending	+2.0	Labor Freedom	-7.5	Investment Freedom	-5.0
				Monetary Freedom	-3.4	Financial Freedom	+10.0