

Foreign demand for professional services up

It is playing an increasingly important role in driving professional services growth

By Teh Shi Ning
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SINGAPORE'S professional services have been traditionally dependent on domestic demand but external demand for them has risen in recent years and will be key to the sector's future growth, says a Ministry of Trade and Industry (MTI) report.

Professional services defied the downturn to grow 3.5 per cent in the first three quarters of this year, as the overall economy and the services sector contracted 4.1 per cent.

For architectural and engineering services, this was thanks to a strong pipeline of construction projects. Recent liberalisation moves in the legal sector have attracted foreign law firms to Singapore, boosting legal services.

And accounting firms have been kept busy by continued demand for restructuring and forensic reporting services, despite the slowdown in their auditing business, the MTI report says.

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per cent in the second quarter, versus Singapore's overall employment growth of 2.2 per cent.

Examining the longer-term growth trend of professional services here, MTI economist Kenny Goh says in the report that their compounded annual growth rate of 8.8 per cent from 2000 to 2008 outpaced the nominal GDP growth of 6.1 per cent over the same period.

A key driver has been the growth of other sectors of the economy that use professional services – such as the wholesale and retail trade, manufacturing, other business services and the financial services sector.

Professional services have tra-

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ditionally catered mainly to domestic demand. But exports have risen in recent years, and foreign demand is playing an increasingly important role in driving professional services growth.

According to the report, accountancy, legal and architectur-

al and engineering services were the most inward-looking segments with over 70 per cent of output consumed domestically in 2000.

But all three segments showed double-digit growth in their export receipts from then until 2008.

Mr Goh thinks that the sector's medium-term prospects are bright, as domestic demand rises in tandem with Singapore's economic growth, and Asia's growth spurs greater overseas demand for professional services too.

One challenge for the sector will therefore be "to ensure an adequate supply of qualified manpower to meet the expected increase in demand", Mr Goh says.

S'pore-based firm to advise Obama portrait artist on private deal

IT is the only portrait of US President Barack Obama that he has signed, and Singapore-based boutique investment banking advisory firm DeConseil Pte Ltd has been tasked to exclusively advise the artist behind the painting on a private art deal.

Done by artist Gilbert Young – known for his art piece *He ain't heavy* – the painting is a dual portrait of Mr Obama. It is drawn using a mix of oil, pen and pencil, and depicts the hope people have of him to bring about change.

The work was presented to the president at the annual National Association for the Advancement of Coloured People (NAACP) convention in Cincinnati, Ohio, in July last year before Mr Obama entered the White House. He liked it so much that he gave the painting his mark of approval by signing on it.

"You've made me look good," he said to Mr Young at the convention.

Speaking on the occasion, Mr Young said: "When I handed my (name)card to President Obama, he said he knew my work and it was all worth it. He told the crowd that I was a legend. I felt I received the greatest honour of my artistic life."

Gaurav Shah, chief executive and managing director of DeConseil, said that DeConseil will first look at gathering interest from the public and "if there is a pressing need, we will bring the original art work to Singapore."

"Otherwise, we will bring a full-sized giclee print for showcasing. Currently, we have a sample lithograph of 24 x 28 inches in Singapore, if someone wants to have a look at it."

DeConseil will also do a soft launch of a Mr Young Fan Club some time around next February, he said.



YES, WE CAN

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Wholesale trade growth eases in Q3

By Joyce Hooi
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DOMESTIC wholesale trade increased 6.1 per cent in Q3 quarter-on-quarter compared to a 7.7 per cent increase in Q2, according to the latest figures from the Singapore Department of Statistics.

Excluding petroleum, overall domestic sales grew 4.4 per cent quarter-on-quarter.

Year-on-year, it decreased 23.3 per cent, because of declining sales for ship chandlers and bunkering, petroleum and petroleum products, as well as electronic components.

After removing the price effect however, domestic wholesale trade volume saw a year-on-year increase of 5 per cent.

Foreign wholesale trade followed suit, increasing marginally by 0.7 per cent quarter-on-quarter but falling 28.8 per cent compared to last year. Excluding petroleum, foreign wholesale trade fell by 3.8 per cent over the previous quarter.

With the exception of food, beverages and tobacco and telecommunications and computers which saw single-digit negative growth, all other sectors saw double-digit negative growth over last year.

After adjusting for price changes, foreign wholesale trade volume posted a decline of 5.4 per cent over the corresponding period a year ago. Excluding petroleum, it fell 13.7 per cent year-on-year.

On the domestic front, chemical and chemical products gained 16.5 per cent quarter-on-quarter, after growing 14.6 per cent in Q2.

Petroleum and petroleum products saw a slower pace of increase, at 13.2 per cent for Q3, compared to a 26.9 per cent increase in Q2 over Q1 this year.

Only one sector saw quarter-on-quarter negative growth – the

industrial and construction machinery sector, at -7.8 per cent after a 9 per cent increase in Q2 over Q1.

In the foreign wholesale trade index, the ship chandlers and bunkering sector recorded the largest quarter-on-quarter increase, with 19.4 per cent, compared to its 10.7 per cent growth in Q2.

Food, beverages and tobacco saw the largest negative growth for the quarter at -10 per cent against the 10 per cent increase the previous quarter.

Data for the wholesale trade index is obtained from a quarterly survey of over 1,000 wholesale establishments.