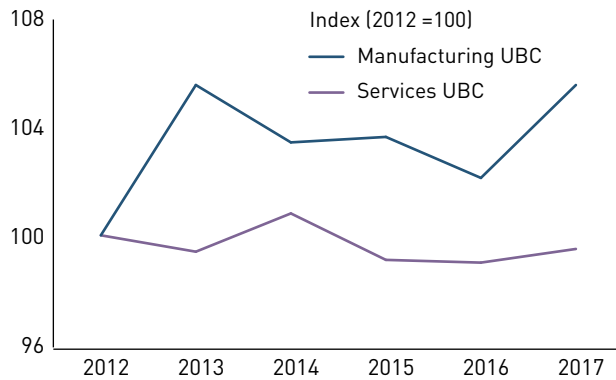
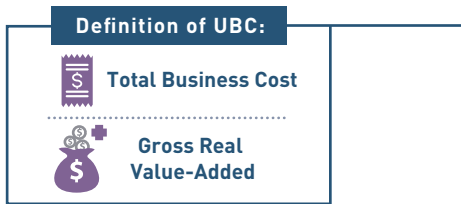


**BOX  
ARTICLE  
3.1**

# Business Costs of Singapore's Manufacturing and Services Sectors

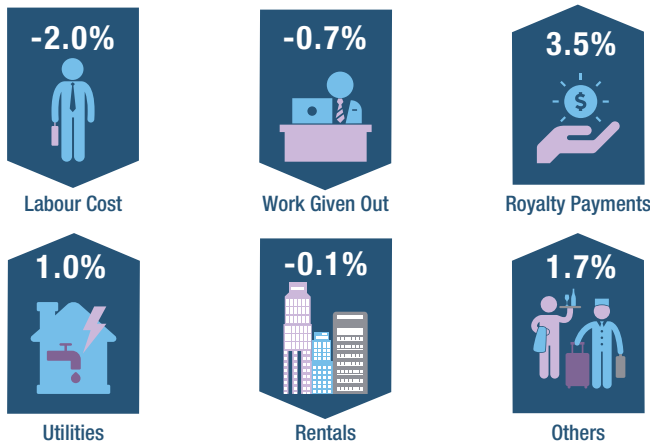
In 2017, the unit business cost (UBC) for the manufacturing sector rose by 3.4%, while the UBC for the overall services sector rose by 1.3% in the first 3 quarters of the year.



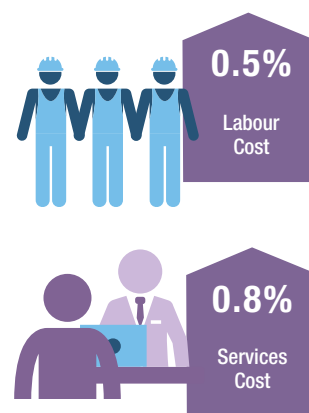
The increase in the manufacturing UBC in 2017 was primarily due to increases in unit services cost components such as royalty payments, "others" and utilities cost, even as the manufacturing unit labour cost declined.

Meanwhile, the increase in the services UBC in the first three quarters of 2017 was driven by increases in the unit labour cost and unit services cost.

Percentage-Point Contribution to Manufacturing UBC in 2017

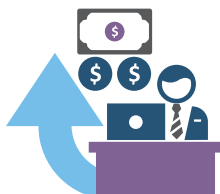


Percentage-Point Contribution to Services UBC in 2017



Looking ahead, the unit labour cost for the overall economy is likely to face upward pressures in 2018. Meanwhile, utilities cost could increase slightly, while the healthy supply of industrial and commercial space coming on-stream would help to rein in rental cost.

**UNIT LABOUR COST**



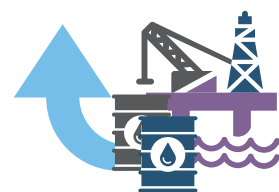
Wages are expected to rise modestly, while productivity growth is expected to moderate

**RENTAL COST**



Healthy supply coming on-stream

**UTILITIES COST**



Uptick in global oil prices

## Following declines in recent years, unit business costs in the manufacturing and services sectors saw an uptick in 2017

Over the five-year period of 2012 to 2017, the unit business cost index for the manufacturing sector (UBCI) rose by 1.1 per cent per annum on a compound annual growth rate (CAGR) basis, while that for the services sector (UBC-Services Index) fell marginally, by 0.1 per cent per annum (Exhibit 1).<sup>1</sup>

<sup>2</sup> Within the period, the manufacturing UBCI saw a general downward trend between 2013 and 2016, before rising by 3.4 per cent in 2017. Similarly for the overall services sector, the UBC-Services Index declined between 2014 and 2016, before posting an increase of 1.3 per cent in the first three quarters of 2017<sup>3</sup> as compared to the same period a year ago (Exhibit 2).

Exhibit 1: Manufacturing Sector UBCI and Services Sector UBC-Services Index

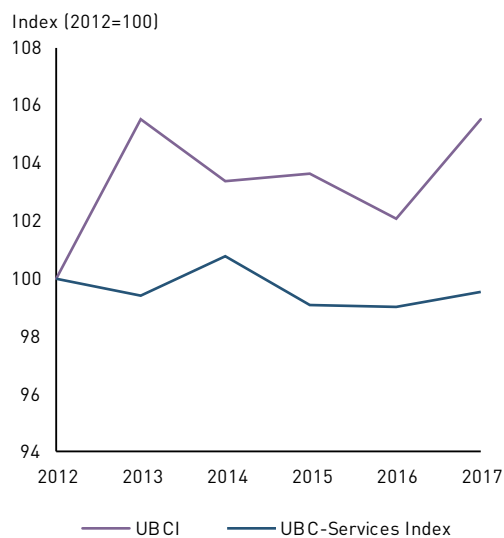
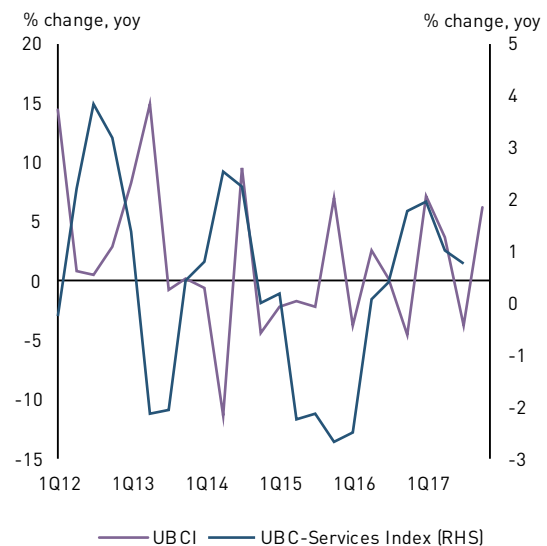


Exhibit 2: Year-on-Year (YoY) % Change of the UBCI and UBC-Services Index



Source : Department of Statistics, Monetary Authority of Singapore

Note: The UBC-Services Index for 2017 refers to the average of the first three quarters

The rest of the article is organised as follows. We first examine the business cost structure of the manufacturing and services sectors, before discussing the factors contributing to the manufacturing UBCI and UBC-Services Index trends in the last five years. We then end with a discussion on recent trends in labour, rental and utilities costs, as well as the outlook for these cost components.

1 Only operating expenses (except material costs and depreciation) are included in business costs. This follows the definition adopted by the Department of Statistics (DOS) in its computation of the Unit Business Cost for Manufacturing. See DOS' Information Paper, "Methodological Review on the Unit Business Cost Index for Manufacturing Industry (Base Year 2010=100)". The manufacturing UBCI series based on the revised methodology is available from 1Q10.

2 The UBC-Services Index is estimated by MAS to assess cost conditions in the services sector. It is a composite index of proxy cost indicators for each component of business cost, combined using the weights derived from the 2013 Input-Output tables.

3 Latest available UBC-Services Index is up to 3Q17.

## (I) Business Cost Structure of Manufacturing and Services Sectors

### **Labour cost, royalty payments and “others” are the main components of business costs in the manufacturing sector, while non-production taxes account for a very small share**

In the manufacturing sector, labour cost, royalty payments<sup>4</sup> and “others”<sup>5</sup> constitute the largest components of total business costs. These three components account for around 71 per cent of the business costs of small- and medium-sized enterprises (SMEs) and 67 per cent of the business costs of non-SMEs in the sector.<sup>6</sup>

The other services cost components, including utilities, fuel, rental of building/premises and charges paid to other firms for inland transportation and ocean/air/other freight, make up a smaller share of business costs, at 11 per cent for non-SMEs and 8.9 per cent for SMEs. Notably, non-labour production taxes<sup>7</sup>, which include property, road and other indirect taxes, account for around 0.5 per cent or less of the business costs of both the non-SMEs and SMEs in the sector.

Details of the cost structure of the non-SMEs and SMEs in the manufacturing sector, as well as in the various manufacturing clusters, are in Annex A, Exhibit A1.

### **Similarly, labour cost constitutes a major cost component for firms in the services sectors**

Labour cost constitutes a major cost component for firms in the services sectors, with its share of total business costs ranging from around 14 per cent for firms in the finance & insurance sector, to 35 per cent or more for firms in labour-intensive sectors such as retail trade and accommodation & food services. Across all services sectors, except for the transportation & storage sector, the labour cost share of total business costs is larger for SMEs than for non-SMEs.

On the other hand, utilities cost is a relatively small cost component for firms in the services sectors, accounting for less than 1 per cent of total business costs for firms in most sectors. A key exception is the accommodation & food services sector, where utilities cost constitutes close to 5 per cent of total business costs. Similarly, rental cost accounts for a small share of business costs for firms in most services sectors. Key exceptions include the retail trade and accommodation & food services sectors, where the rental cost share of business costs for SMEs is 30 per cent and 22 per cent respectively.

Like in the manufacturing sector, non-labour production taxes account for less than 1 per cent of total business costs for firms in most services sectors. Even for the business services and accommodation & food services sectors, where the share of non-labour production taxes is the highest, it is at less than 2 per cent.

Further details of the cost structure of the non-SMEs and SMEs in the various services sectors are in Annex A, Exhibit A2.

4 Royalty payments refer to payments to another party (the licensor or franchisor who owns a particular asset) for the right to ongoing use of that asset.

5 “Others” consists of sub-components such as professional fees, advertising, commission and agency fees, sundry expenses etc.

6 Based on SPRING’s definition, SMEs refer to firms with annual sales turnover of not more than S\$100 million or employment size of not more than 200 workers.

7 Government Rates and Fees” has been renamed as “Non-Labour Production Taxes”. Labour-related taxes on production (e.g., foreign worker levy) are classified under labour cost. Taxes on income (e.g., corporate income tax) are excluded. For details, refer to information paper on “Methodological Review on the Unit Business Cost Index for Manufacturing Industry (Base Year 2010=100)” [http://www.singstat.gov.sg/docs/default-source/default-documentlibrary/publications/publications\\_and\\_papers/labour\\_employment\\_wages\\_and\\_productivity/ip-e39.pdf](http://www.singstat.gov.sg/docs/default-source/default-documentlibrary/publications/publications_and_papers/labour_employment_wages_and_productivity/ip-e39.pdf).

## (II) Factors Contributing to the Changes in Unit Business Costs in Manufacturing and Services

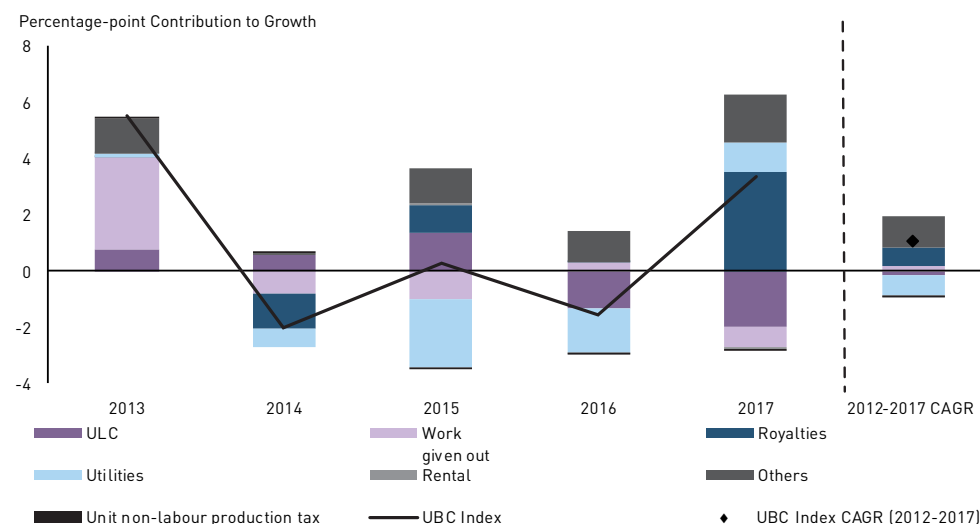
### Labour cost, royalty payments and “others” were the key contributors to business cost changes in the manufacturing sector in the last five years

As labour cost, royalty payments and “others” constitute a large part of business costs in the manufacturing sector, they were some of the key contributors to manufacturing UBCI changes in the past five years (Exhibit 3). For instance, manufacturing unit labour cost (ULC) dampened UBCI increases in 2016 and 2017 on the back of strong productivity gains even as total labour cost (TLC) per worker increased. Royalty payments, which tend to be volatile, contributed negatively to manufacturing UBCI in 2014 but rose sharply in 2017, thereby contributing to the UBCI increase in 2017.<sup>8</sup> On the other hand, the “others” segment, which includes payments for professional fees and advertising, contributed positively to manufacturing UBCI across all five years.

Despite its relatively small share in total business costs, utilities cost was also a key contributor to UBCI changes over the five-year period due to the sharp changes in oil prices. For instance, in 2015, utilities cost had a negative contribution of -2.4 percentage-points (pp) to the 0.3 per cent increase in UBCI due to the steep decline in global oil prices, as well as greater competition in the wholesale and retail electricity markets with new generation capacity. By contrast, in 2017, utilities cost contributed 1.0pp to the 3.4 per cent increase in UBCI, in part due to a rebound in global oil prices which led to higher electricity tariffs.<sup>9</sup>

Overall, for the five-year period of 2012 to 2017, the increase in the manufacturing UBCI of 1.1 per cent per annum was primarily due to unit services cost components such as “others” and royalty payments, which collectively contributed 1.7pp to the increase. On the other hand, manufacturing ULC (-0.1pp) and utilities cost (-0.7pp) contributed negatively to the UBCI increase over the same period. The rest of the business cost components like rentals and non-labour production taxes had a relatively small impact on business costs due to their low share of business costs.

Exhibit 3: Contribution to UBCI Changes by Key Cost Components



Source: Department of Statistics

Note: “Others” consists of sub-components such as professional fees, advertising, commission and agency fees, sundry expenses etc

<sup>8</sup> There could be many reasons for the spike in 2017. For instance, royalty payments vary with company-specific licence agreements which could vary from year to year. Also, royalties are usually computed as a percentage of sales, which could have seen a surge in 2017.

<sup>9</sup> The UK Brent spot prices fell by 2.8% in 2013, 9.1% in 2014, 47% in 2015, and 16% in 2016. By contrast, it rose by 23% in 2017.

For the overall services sector, the average decline in the UBC-Services Index between 2012 and 2017 (i.e., -0.1 per cent per annum) was mainly driven by a fall in unit services cost, which includes rental and leasing expenses, freight and transportation costs. Specifically, the contribution of unit services cost to the overall decline was -0.7pp, and this more than offset the positive contribution of ULC (0.6pp).<sup>10</sup> For the first three quarters of 2017, the ULC contributed positively to the increase in the UBC-Services Index (i.e., 1.3 per cent year-on-year), at 0.5pp, while unit services cost saw an uptick and contributed 0.8pp to the overall increase.

### (III) Recent Trends and Outlook for Labour, Rental and Utilities Costs

#### **Remuneration growth outpaced productivity growth and led to an increase in ULC over the last five years**

From 2012 to 2017, the overall ULC for the economy increased by 1.8 per cent per annum. This came on the back of a 3.1 per cent per annum increase in TLC per worker and a more moderate 1.3 per cent per annum increase in labour productivity growth (gross real value-added per worker) (Exhibit 4).<sup>11</sup> (An increase in TLC per worker raises the ULC, while an increase in labour productivity reduces the ULC.)

In turn, the increase in TLC per worker was primarily due to higher remuneration per worker.<sup>12</sup> Over the last five years, remuneration per worker increased by 3.3 per cent per annum, contributing 3.1pp to the rise in TLC per worker. By contrast, the increase in foreign worker levy (FWL) only accounted for 0.2pp of the increase in TLC per worker, and this was partly offset by the increase in wage subsidies per worker provided by the Government (around -0.1pp contribution).<sup>13</sup>

At the sectoral level, most sectors registered positive ULC growth in recent years (Exhibit 5). The ULC for the overall services sector rose by 1.8 per cent on a CAGR basis from 2012 to 2017, in part due to remuneration growth outpacing labour productivity growth. Among the services sectors, ULC growth was the strongest for sectors with negative productivity growth, such as business services (3.4 per cent per annum) and accommodation & food services (2.8 per cent per annum). Consistent with the earlier analysis on the manufacturing UBCI, manufacturing ULC declined by 0.5 per cent on a CAGR basis from 2012 to 2017 on the back of strong productivity gains in the sector since 2016.

For 2018, the overall ULC for the economy is likely to see a modest increase. Wages are expected to rise modestly amidst a gradual recovery in the labour market. At the same time, productivity growth in 2018 is likely to moderate as GDP growth eases and labour demand recovers.

Over the longer term, it is important to press ahead with efforts to ensure that productivity growth is sustained, so as to maintain wage growth without eroding our competitiveness.

<sup>10</sup> Detailed cost component breakdowns for the UBC-Services Index are not available.

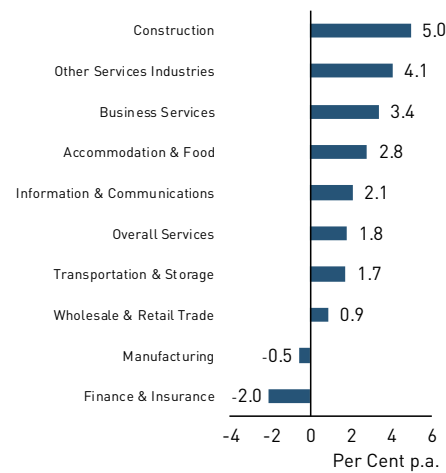
<sup>11</sup> Changes in overall ULC can be decomposed as the difference of the change in TLC per worker and the change in gross real value-added per worker (i.e., excluding taxes on products). The official real VA per worker statistics for the overall economy are computed based on GDP at 2010 market prices (i.e., including taxes on products). Growth in gross real VA per worker is similar to the growth in real VA per worker, and may be used to approximate labour productivity growth. Based on the decomposition, an increase in TLC per worker or a fall in labour productivity will raise ULC, ceteris paribus.

<sup>12</sup> The TLC comprises remuneration and other labour-related costs, including the skills development levy, foreign worker levy, wage subsidies, and recruitment and net training cost.

<sup>13</sup> Examples of wage subsidies provided to companies include the Special Employment Credit and the Wage Credit Scheme. These subsidies are generally applicable only for the Singaporean workers hired by these companies.

*Exhibit 4: Decomposition of ULC Growth Growth for Overall Economy, 2012-2017 CAGR*

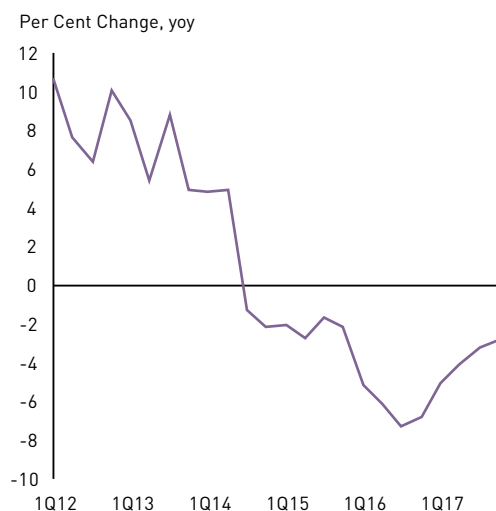
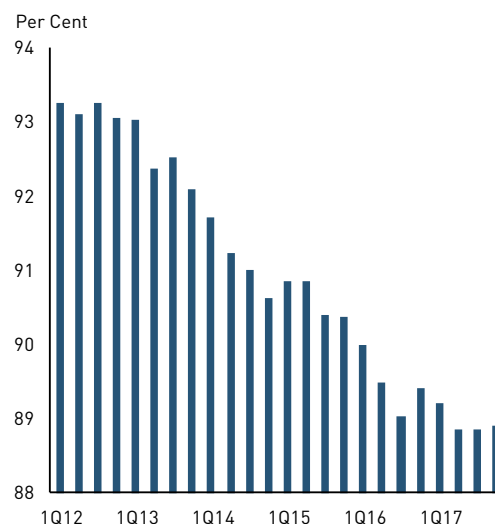
	2012-2017 CAGR (% p.a.)
<b>ULC</b>	<b>1.8</b>
<b>TLC per worker</b>	<b>3.1</b>
Remuneration per worker	3.1 pp
FWL per worker	0.2 pp
Wage subsidies per worker	-0.1 pp
Other labour costs	-0.1 pp
<b>Gross real labour productivity</b>	<b>1.3</b>

*Exhibit 5: ULC Growth by Sectors, 2012-2017 CAGR*

Source: MTI Staff estimates using data from Department of Statistics and Ministry of Manpower

## Industrial and commercial rentals are likely to remain subdued due to the healthy supply coming on-stream

From 2012 to 2017, rentals of industrial space rose marginally by 0.1 per cent per annum, mainly due to the increase in rentals between 2012 and 2014. There has been a sustained decline in rentals since the third quarter of 2014 (Exhibit 6). For 2017 as a whole, industrial rentals decreased by 2.8 per cent, moderating from the 6.8 per cent decline in 2016. The decline in industrial rentals in 2017 generally came on the back of a fall in the occupancy rate of industrial space, which is at its lowest since 2005, primarily due to the injection of new industrial space into the market (Exhibit 7).

*Exhibit 6: Industrial Rental Index**Exhibit 7: Industrial Occupancy Rate*

Source: JTC Corporation

Note: Both the industrial rental index and the industrial occupancy rate cover multiple-user factory space, single-user factory space, business parks and warehouses parks and warehouses

For 2018, a healthy supply of industrial space is expected to come on-stream. In total, an additional 1.6 million gross square metres of industrial space is expected to be completed within the year, compared to the annual average increase of 2.2 million gross square metres of industrial space completed from 2012 to 2017 (Annex B, Exhibit B1). On the other hand, as reflected in the low occupancy rates in recent quarters, the demand for industrial space may not increase at the same pace as supply. Against this backdrop, industrial rentals are likely to remain subdued in the year ahead.

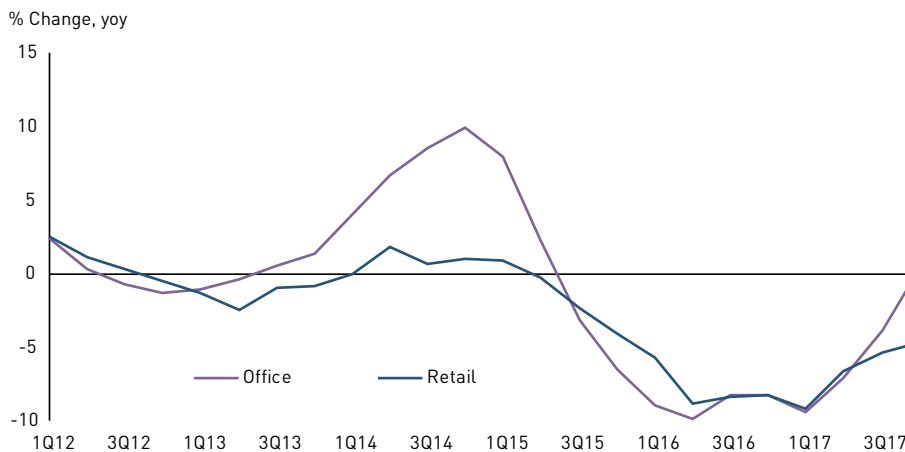
As for commercial space, the rentals of retail and office space declined by 3.0 per cent and 0.9 per cent per annum respectively from 2012 to 2017. This was on account of the fall in retail and office rentals since 2015 (Exhibit 8), due to lacklustre demand and an increase in the supply of retail and office space.

In 2018, the outlook for the retail space market remains cautious. While the demand for retail space is expected to stabilise on the back of improving consumer sentiments and a recovery in retail sales volumes, the sector continues to face headwinds from competition from e-commerce and manpower shortages. On the other hand, the office space market saw stronger leasing activities in the last quarter of 2017 and the demand for office space is expected to continue to strengthen in the year ahead, supported by improving business sentiments amongst financial, insurance and business services firms as well as expansion activities from the technology sectors and co-working operators.

At the same time, there remains a large supply of retail and office space in the pipeline. In particular, 0.28 million gross square metres of retail space and 0.21 million gross square metres of office space are expected to come on-stream within the year, close to the historical annual average increases of 0.23 million and 0.25 million gross square metres of retail and office space completed respectively from 2012 to 2017 (Annex B, Exhibit B2).

On balance, there is likely to be continued downward pressures on retail rentals in 2018. For the office sector, while rentals might potentially recover further in 2018, the magnitude of the increase would likely be dampened by the healthy supply of office space due for completion within the year.

Exhibit 8: Office and Retail Rental Indices



Source: Urban Redevelopment Authority

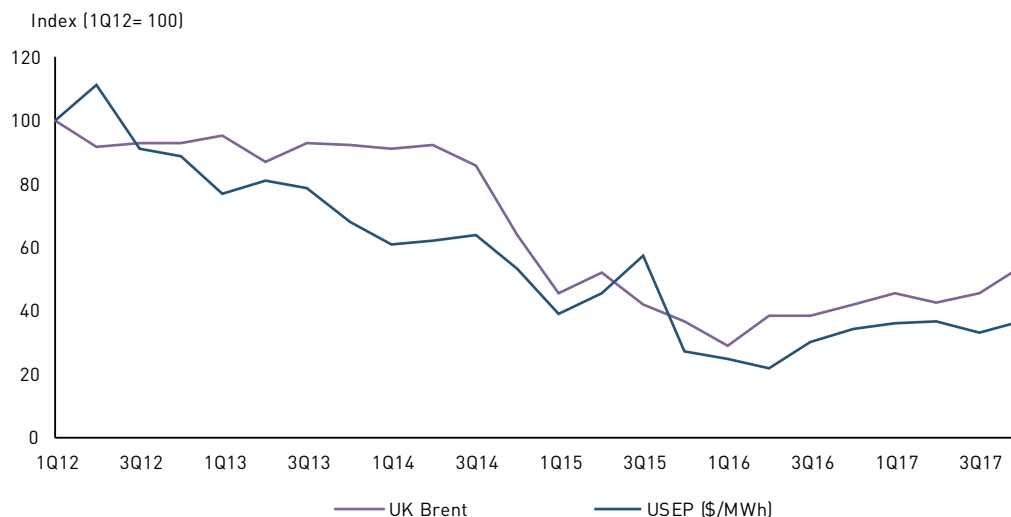
## An expected increase in global oil prices could translate to higher utilities cost in 2018

The cost of utilities borne by manufacturers is closely linked to electricity tariffs,<sup>14</sup> which are in turn influenced by movements in global oil prices.<sup>15</sup> Oil prices also contribute to business costs indirectly through transportation costs.

In tandem with the decline in global oil prices and increased competition in the wholesale and retail electricity markets, the average wholesale electricity price fell by 18 per cent per annum between 2012 and 2017 (Exhibit 9).<sup>16</sup> However, global oil prices have picked up in recent quarters. For the whole of 2017, the UK Brent averaged US\$54 per barrel, 23% higher than the average price of US\$44 per barrel in 2016.

For 2018, the US Energy Information Administration (EIA) is forecasting that oil prices will average around US\$62 per barrel, an increase compared to 2017 levels.<sup>17</sup> The projected increase in oil prices, along with the scheduled increase in water tariff in July 2018, is expected to translate to slightly higher utilities costs for businesses.

Exhibit 9: Global Oil Prices and Uniform Singapore Energy Prices



Source: International Monetary Fund, CEIC, Energy Market Company

## Conclusion

Between 2012 and 2017, the unit business cost for the manufacturing sector rose mainly due to an increase in unit services cost components such as royalty payments and “others”, which more than offset the decline in manufacturing ULC and utilities cost. For 2017, the unit business cost for the manufacturing sector increased primarily due to increases in royalty payments, “others” (e.g., advertising and professional fees) and utilities cost, even as the manufacturing ULC declined. On the other hand, the unit business cost for the overall services sector fell marginally from 2012 to 2017 as the increase in ULC for overall services was outweighed by a decline in unit services cost. However, in 2017, the unit business cost for the services sectors increased, mainly on the back of increases in both the ULC and unit services cost.

<sup>14</sup> Electricity cost accounts for 85% of utilities cost in the manufacturing sector.

<sup>15</sup> About 95% of our electricity is generated from natural gas, the price of which is indexed to oil prices. This is the common market practice in Asia. As fuel cost is a key cost component accounting for around half of the electricity tariff, the tariff moves in tandem with oil prices.

<sup>16</sup> The Uniform Singapore Energy Price (USEP) is the average wholesale energy price in the National Electricity Market of Singapore (NEMS).

<sup>17</sup> EIA Short-Term Energy Outlook Report, 6 February 2018



Looking ahead, the ULC for the overall economy is likely to face upward pressures in 2018 as wages are expected to rise modestly amidst a gradual recovery in the labour market, while productivity growth is expected to moderate. An uptick in global oil prices could also lead to slightly higher utilities costs this year. However, the healthy supply of industrial and commercial space coming on-stream would continue to help to rein in rental costs in 2018.

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## ANNEX A: BUSINESS COST STRUCTURE OF NON-SMES AND SMES IN THE MANUFACTURING AND SERVICES SECTORS

Exhibit A1: Business Cost Structure of the Manufacturing Sector by Firm Size, 2016

	Total		Electronics		Chemicals		Biomedical Services		Precision Engineering		Transport Engineering		General	
	Non-SMEs	SMEs	Non-SMEs	SMEs	Non-SMEs	SMEs	Non-SMEs	SMEs	Non-SMEs	SMEs	Non-SMEs	SMEs	Non-SMEs	SMEs
<b>Labour Cost</b>	20.4	28.3	15.2	4.7	18.8	28.1	18.4	13.5	17.9	44.1	40.1	38.1	41.3	49.8
<b>Services Cost</b>	79.3	71.2	84.6	95.3	80.3	70.7	81.3	86.0	81.9	55.4	59.3	61.5	58.2	49.3
Work given out	21.2	19.7	32.3	24.6	6.7	3.3	4.3	16.8	5.6	15.6	36.4	39.7	9.3	11.3
Royalty payments	24.8	21.4	26.3	42.3	5.4	4.3	44.5	48.0	50.9	18.7	2.8	0.6	3.1	1.5
Utilities	3.3	2.3	2.9	0.3	8.4	9.8	1.3	1.0	1.1	2.1	1.7	0.9	6.2	2.9
Fuel	4.4	1.2	0.8	0.0	25.0	8.3	0.4	0.2	0.1	0.2	0.3	0.7	2.2	0.9
Rental of building/ premises	0.8	2.2	0.4	0.4	0.9	1.9	0.6	0.9	0.5	3.0	1.5	2.2	3.9	5.3
Charges paid to other firms for inland transportation and ocean/air/other freight	2.5	3.0	1.4	0.9	6.4	12.7	1.2	2.0	2.5	2.2	1.2	1.0	6.8	4.0
Others	22.2	21.4	20.4	26.7	27.6	30.4	28.9	17.1	21.2	13.6	15.5	16.4	26.7	23.4
<b>Non-Labour Production Taxes</b>	0.4	0.5	0.2	0.1	0.9	1.2	0.2	0.5	0.2	0.5	0.6	0.4	0.5	0.9

Source: Economic Development Board

Exhibit A2: Business Cost Structure of the Services Sector by Firm Size, 2016

	Wholesale Trade		Retail Trade		Accommodation & Food Services		Transportation & Storage		Finance & Insurance		Information & Communications		Business Services	
	Non-SMEs	SMEs	Non-SMEs	SMEs	Non-SMEs	SMEs	Non-SMEs	SMEs	Non-SMEs	SMEs	Non-SMEs	SMEs	Non-SMEs	SMEs
<b>Labour Cost</b>	<b>18.7</b>	<b>22.7</b>	<b>35.0</b>	<b>37.9</b>	<b>41.3</b>	<b>42.8</b>	<b>17.0</b>	<b>9.9</b>	<b>14.0</b>	<b>14.6</b>	<b>14.1</b>	<b>33.0</b>	<b>20.6</b>	<b>27.8</b>
<b>Services Cost</b>	<b>79.1</b>	<b>74.9</b>	<b>57.9</b>	<b>56.6</b>	<b>49.4</b>	<b>47.9</b>	<b>72.3</b>	<b>83.5</b>	<b>84.2</b>	<b>84.3</b>	<b>81.4</b>	<b>60.2</b>	<b>73.8</b>	<b>64.6</b>
Utilities	0.2	0.3	2.5	1.4	4.4	4.7	0.7	0.2	0.1	0.1	0.4	1.5	0.3	1.0
Freight & Transport	9.3	28.2	1.2	2.0	0.9	0.3	34.3	56.2	0.0	0.1	-	0.6	-	3.1
Financial Services	1.4	1.9	2.1	2.3	1.1	1.6	0.7	0.7	3.3	5.1	0.5	0.2	0.1	0.5
Communications	0.7	0.5	0.5	0.7	0.3	0.5	0.6	0.4	0.3	0.3	1.8	6.6	0.2	0.4
Renting of Premises	3.7	5.2	33.0	29.5	16.8	22.3	0.8	2.1	1.0	1.3	1.1	4.0	1.0	3.2
Professional Services	7.7	4.3	1.7	2.1	1.1	1.2	1.0	0.6	2.9	2.5	13.9	7.1	14.4	3.6
Other Services	56.1	34.6	16.8	18.5	24.8	17.3	34.2	23.3	76.7	75.0	63.7	40.2	57.8	52.7
Advertising & Entertainment	6.3	6.8	5.0	4.9	3.7	2.6	0.7	0.5	1.5	0.5	2.9	5.9	1.2	4.0
Admin & Management Fees	9.5	5.5	3.0	2.3	3.6	4.0	2.4	3.7	5.9	7.6	14.7	6.9	2.7	6.5
Contract labour & work given out	4.3	3.0	1.6	2.5	2.3	2.9	1.9	2.0	0.9	0.6	3.4	9.8	31.0	20.3
Commission	7.3	6.4	0.7	3.1	0.9	1.3	3.5	1.8	3.8	7.1	7.9	2.5	0.7	2.3
Royalties	22.2	5.2	1.2	1.0	5.5	0.9	0.1	-	1.4	0.2	27.1	6.0	2.2	1.6
Maintenance & repairs	0.8	0.9	2.9	1.8	3.4	3.1	5.7	2.0	0.6	0.3	1.1	1.4	1.0	2.5
Fuel	-	0.2	-	0.1	0.1	-	13.3	8.3	-	0.0	-	-	-	0.1
Others	5.7	6.6	2.4	2.7	5.2	2.4	6.5	5.0	62.5	58.7	6.6	7.7	19.0	15.5
<b>Non-Labour Production Taxes</b>	<b>0.2</b>	<b>0.3</b>	<b>0.8</b>	<b>0.6</b>	<b>1.8</b>	<b>1.1</b>	<b>0.9</b>	<b>0.3</b>	<b>0.2</b>	<b>0.3</b>	<b>0.4</b>	<b>0.3</b>	<b>1.0</b>	<b>1.9</b>

## Notes:

1. SMEs refer to enterprises with operating receipts of not more than \$100 million or employment of not more than 200 workers. Large enterprises refer to enterprises with operating receipts of more than \$100 million and employment of more than 200 workers.
2. The cost components do not sum to 100% as depreciation cost is excluded.
3. "-" refers to nil or negligible.

Source: Department Of Statistics and Monetary Authority of Singapore

**ANNEX B: SUPPLY OF INDUSTRIAL AND COMMERCIAL SPACE***Exhibit B1: Supply of Industrial Space*

	Total	2018	2019	2020	2021	2022	>2022
Factory Space ('000 sqm gross)							
<b>Total</b>	<b>3,071</b>	<b>1,275</b>	<b>534</b>	<b>876</b>	<b>385</b>	-	-
Under Construction	1,992	1,036	341	445	170	-	-
Planned	1,079	239	193	431	216	-	-
Warehouse Space ('000 sqm gross)							
<b>Total</b>	<b>741</b>	<b>346</b>	<b>171</b>	<b>65</b>	<b>159</b>	-	-
Under Construction	577	336	160	48	34	-	-
Planned	164	10	11	17	126	-	-
<b>Total Industrial Space</b>	<b>3,812</b>	<b>1,621</b>	<b>705</b>	<b>941</b>	<b>544</b>	-	-

*Source: JTC Corporation**Exhibit B2: Supply of Commercial Space*

	Total	2018	2019	2020	2021	2022	>2022
Office Space ('000 sqm gross)							
<b>Total</b>	<b>597</b>	<b>206</b>	<b>104</b>	<b>151</b>	<b>93</b>	<b>2</b>	<b>41</b>
Under Construction	501	206	90	135	70	-	-
Planned	96	-	14	16	23	2	41
Retail Space ('000 sqm gross)							
<b>Total</b>	<b>509</b>	<b>280</b>	<b>96</b>	<b>58</b>	<b>42</b>	<b>13</b>	<b>20</b>
Under Construction	449	280	94	56	19	-	-
Planned	60	-	2	2	23	13	20
<b>Total Commercial Space</b>	<b>1,106</b>	<b>486</b>	<b>200</b>	<b>209</b>	<b>135</b>	<b>15</b>	<b>61</b>

*Source: Urban Redevelopment Authority*

