

# The impact of globalisation on singapore essay sample

[Finance](#), [Investment](#)



Over the past half-century, Globalisation has been imminent throughout the world. Globalisation can be defined as the movement of mainly economic activity around the world, within a borderless marketplace. In other words, the economies of countries are becoming increasingly integrated with one-another, and influences on one country will cause dramatic ripple effects on others. Globalisation brings both positive and negative effects. One country in which the positives of globalisation have far outweighed the negatives is Singapore. Without the global market, an economy that is substantially export-orientated such as Singapore would not be able to function. The global market plays a vital role in the economic development strategies that Singapore implements. Globalisation plays a major role in the concerns all over the world, and this is clearly shown in Singapore.

Singapore is a small, densely populated country situated in South-east Asia. The country boasts one of the most open, trade-oriented economies on the earth and has world class financial and elaborately - transferred manufacturing (ETM) sectors. Singapore is home to over 6000 Trans-national corporations (TNCs), making it a haven for international investors. Foreign direct investment from abroad TNCs has led to Singapore's robust international surplus, and this strong inflow of income has let Singapore achieve a GDP per capita of \$US 36000, one of the highest in the world, even higher than a large number of western economies. Singapore's vital export base consists of mainly manufacturing, services (financial advisory, etc) and electronic/IT sectors. Singapore is a substantial international creditor into China and other parts of Asia, thus other countries seem to have a sense of dependency on Singapore for loans. This poses a financial risk for the

country, but it also demonstrates that Singaporeans have a healthy entrepreneurial ability. All of these excellent statistics from Singapore are advantages brought about by an increasingly globalised world. However, globalisation brings negative impacts also.

Singapore is a country that has benefited from globalisation immensely. But the country also has experienced several strong negative impacts. Severe Acute Respiratory Syndrome (SARS), a disease quickly spread by the dense integration of Asian countries, was existent in Singapore for period of time. This decreased international business confidence in the country, and hence investment declined. The global threat of terrorism also reduced confidence - since Singapore is home to so many TNCs that are " sky-scrapers," a similar fate to that of the World Trade Center was feared. The Asian economic crisis of the late 90's dropped the price of the Singapore dollar immensely, hurting the countries GDP and living standards. The demand for Singapore's exports (IT, electronics, etc) bottomed in the late 1990's, due to the Y2K virus scare. Singapore has experienced numerous negative impacts, but with their strong, stable government, the country has been able to survive and prosper.

Globalisation plays a crucial role in the economic development strategies used by the Singaporean government. The government manages the country like administrating a large corporation, aggressively buying and selling Singaporean dollars on the global market to influence the exchange rate and to achieve government objectives. Singapore has a very small land mass, with no room for agriculturally-based industries. Thus, the government has

used microeconomic reform to reallocate Singapore's resources to highly skilled and efficient industries, including electronics, IT, and financial services. The government uses fiscal policy to influence interest rates and the value of Singapore's currency, in order to manipulate the corporate taxation that TNCs pay to be operational in the country. Using this surplus of funds, Singapore is able to invest in technology and social services, increasing the level of economic development. Singapore now boasts:

Education levels equivalent to western countries

A large GDP per capita

The most ecologically sustainable development on the planet

100% free healthcare

A culture rich in tradition as well as modern entrepreneurship.

Globalisation has played a major role in the economic development of Singapore, and it will continue to do so.

Globalisation plays an important role in the concerns of countries all over the world. The increased integration of countries means that the consumer will be exposed to a larger range of products, and proportionally increase the standards of living for many countries. Globalisation brings both positive and negative effects on countries. Singapore is a country in which the positives of globalisation have far outweighed the negatives. The government accepts the positives with open arms and implements various policies to counter the

negatives. This has led to a sound economic development and Singapore is now referred to as one of the “ Asian Lions,” in other words, an economic miracle.