

Tourism and Development in Singapore

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Introduction

At the time of the presentation of the 2011-2012 budget for the Ministry of Trade and Industry of Singapore estimated that real GDP growth for 2011 was between 4% and 6% considering together with modest positive growth in developed economies, an expansion of domestic demand in Asia, more tourists as a result of new attractions at the Integrated Resorts, the risks of sovereign debt of peripheral EU economies (Bo-Ling, 2013). Monetary tightening in Asia combat inflation and the labor market situation in Singapore, all in the limit.

Importance of Tourism

Tourism is a sector composed of different industries (transport, accommodation, catering, sports and cultural activities, etc.) It occupies an increasingly important role in service activities and has a significant impact on economies, societies, cultures, countries, territories concerned. According to the World Travel and Tourism Council (WTTC), in 2010, activities related to tourism and travel have contributed to 9.2% of global GDP and the revenue spending by international visitors representing 6.1% of total of world exports. This sector is responsible for more than 235 million jobs worldwide, or 8.1 % of total employment. The economy of some states dependent on tourism for more than 50 % of GDP and it can represent input vital currencies. Tourism is supporting development but also contacts between peoples and cultures of different lifestyles. It can contribute to the transformation of societies in their development and modernization.

To measure the effects of tourism on development, it is necessary to develop specific indicators. A number of indicators were then determined for these measures: turnover and corporate revenues depend directly or indirectly on tourism, jobs related to these businesses,

salaries, wages and benefits. Keynes theorized the concept of the multiplier effect of the investment (Ashraf, 2009). This paradigm, he demonstrated a primary investment (made by the state in most cases) leads to a series of subsequent investment. This theory of the multiplier effect is applicable to the tourism sector to the extent that it allows to assess the economic impacts of tourism. The idea here is to see how spent by a tourist currency circulating in the economy of a state.

For a comprehensive study, it may be noted that the first circle of beneficiaries of tourist spending, consists of activities directly related to tourism, in direct contact with the main tourist activities (housing, food, tours, entertainment etc.). The second circle gathers about her services ancillary to tourism, it is accounting services since increased turnover of travel agencies and hotels will have more work and will increase their fees. Finally, in the third circle of beneficiaries, there are all these activities and professions in a society; Indeed, the increase in income of workers present in the first and second circle of beneficiaries result de facto higher consumption that will affect all economic agents of the state (Bhatia, 2008).

Tourism is a major source of employment for countries. Part of the local population working in the hotel and in other branches of business, which gives them higher incomes. Nevertheless, it can lead people to a level shift life. In addition, there are acculturation or transfer of identity at the service of tourism, from a sociological point of view, distort the behavior of the local population (change in consumption patterns or folklore for example).

Tourism involves "externalities". Indeed, international tourism, beyond the simple development of hotels and travel agencies are effects that can be qualified as "normal" may be the cause of development of capital goods industries equipment and services; for this reason it is

important opportunities for various sectors such as agribusiness, transport or communications. The tourism sector needs therefore influences the creation of new critical infrastructure both for the sector and for local populations (Bhatia, 2006).

Tourism in Singapore

The impact of tourism on the development of a Singapore making is a real opportunity for the developing countries. The interest of Singapore to the tourism sector has so many reasons: the point of view of the national accounts, tourism positively affects the balance of payments and generates tax revenues; from the point of view of society, tourism creates jobs, provides income within the population, and finally stimulates local development and diversifying local economies.

Singapore is a major tourist destination, which annually hosts a number of visitors in proportion nearly twice the number of residents on the island. This tourism can be passing, benefiting from excellent communications, or go in search of provision of high quality services, from financial to health. The impact of tourism on budget is important, especially regarding the retail trade and the provision of services, so the government is concerned to provide the Island entertainment media and enjoyment that make it attractive and stays longer. This is in turn promoting Singapore as a cultural center of the region and as a worldwide meeting and conventions place (Bo-Ling, 2013).

In 2012, the number of visits increased by 9% over the previous year, to a record 9.7 million visitors, it stresses the number of visits from Indonesia which accounted for 19.7% of the total, followed by those from China (10.6%), Australia (7.1%), India (6.8%), Malaysia (6.5%) and Japan (6.1%). However, according to Singapore Tourism Board the number of visitors from

Europe is relatively less than from Asia. Hotel occupancy in 2012 was also the highest recorded in the past four years, with an average of 85.2%, which represented an increase of 1.4% over the previous year. As a result, the tourism sector generated in 2012 15.4 hundred million Singapore dollars, 14% more than in 2011. The Tourist Office in Singapore has designed a plan to get an arrival of 17 million visitors in 2015. Such a plan will focus on the following areas: business, trade shows and conventions, leisure travel, education and tourism related to health (Bo-Ling, 2013).

In April 2005 the government authorized the opening of two new integrated resorts for Leisure, each with its casino, located in the adjacent island of Sentosa and Marina Bay. The investment is estimated three billion U.S. dollars and is expected to generate 35,000 jobs. The approval of casinos is set to attract more tourists to Singapore, avoid the current evasion for that reason to casinos in neighboring countries and strengthen economic stability by reducing dependency cycles in the electronics industry. Although it may seem anecdotal, opening casinos was the subject of heated social and political debate by the risk of addiction which triggered the game.

Exchanges in Tourism

According to the Singapore Tourism Board, in 2012 the number of UK visitors to Singapore was 21,231, 23.6% more than during the previous year. However, it should be kept in mind that some of them do not actually visit the country, but used it as a door input to other countries in the area. According to the latest figures provided by the Commissioner General of Immigration and Documentation of the National Police of Spain, the number of Singaporeans

left for Europe in 2012 was 2,892, compared with 3,452 registered during the previous year (Foo, 2013).

Investments

Singapore spent much of their surplus current account balance to investment in foreign countries. The locations of these investments are mainly countries considered the preferred region (Indonesia, China, Vietnam, Burma). Other countries in which it invests are Japan and the United States. Nevertheless, investments in Europe are not very significant.

The suitability of Singapore today to receive foreign investment can be seen in the reports of various international organizations. Thus, the Global Competitiveness Report 2011-2012 of the World Economic Forum ranks Singapore 6th place in the global competitiveness index for growth, which assesses the quality of the macroeconomic framework, the state of public institutions and the level of technological readiness and various data in the opinion of the directors of the WEF, such as security, legal and judicial independence, institutional corruption, the degree of inefficient government intervention, etc. Meanwhile, the World Bank ranks Singapore the 2nd Ranked in world for ease of doing business; it also assesses the regulatory framework for the business.

Today, the Government of Singapore conducts an active policy of attracting foreign investment of quality and technological leadership that includes strong tax incentives, encouraging creativity and attracting scientific talent always with the goal of becoming an economy based on knowledge. Tax incentives for investment are such that the effective rates of corporate Tax stood at 7.3% for industry and 13.1 % for services (on average, 11.5 %, where the

theoretical rate is 20 %), which puts Singapore in a privileged place for investors from the point of view of global tax competition.

In line with the above, it is not surprising that in the period 2010-2012 Singapore was the third largest recipient of foreign direct investment in Asia (after Brunei and Hong Kong) and the world's fifth largest economy (after the U.S., Norway, United Kingdom and Canada) for their Potential Index of receiving investment for foreign direct investment, all according to the latest World Investment Report. According to the National Statistics Institute Singstat, the Foreign Investment in Singapore in 2012 came mainly from the UK (17%), the U.S. (15%) and Japan (13%).

Global competition, especially with the emergence of China and India, will push the ASEAN countries to integrate their markets more than 500 million people. The ASEAN nations have pledged to form an Economic Community in the near future. Singapore is the economic capital of regional Southeast Asian regional headquarters and 7,000 multinational companies, many of them European. In the field of ASEAN, Singapore is center of transshipment, financial and commercial distribution based economy plus knowledge and industrial center of cutting-edge technologies.

Conclusion

To maximize the effects of tourism on Singapore's development, it should promote the comparative advantages of the country by setting up a strategy characterized by the pursuit of quality, competitiveness and originality. De facto to ensure sustainable development of international tourism, it is increasingly necessary to adopt economic policies that constitute real sectors of tourism in most industrialized countries and developing tourism.

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