

Lifestyle & Hospitality

Factsheet 2011

Singapore ~ Asia's Vibrant Lifestyle Lab

At a Glance

Singapore aspires to be Asia's Vibrant Lifestyle Lab, and the Window to the Future of Urban Asia. Lifestyle and Hospitality companies tap on Singapore's strategic location, consumer insights into the region and strong intellectual property (IP) to design, develop, and test-bed new products and concepts for the burgeoning Asian market.

The EDB's purview of the Lifestyle industry spans the range of Fashion (Apparel and Footwear), Luxury brands and Alcohol companies; while Hotels groups and other Tourism-related companies fall under Hospitality.

Why Singapore?

Heart of the Asian Growth Story

In the past few years, Asia has seen a burgeoning middle class population that is demanding quality lifestyle products and hospitality services.

Singapore is strategically situated at the centre of this phenomenon, and is well-positioned as a global showcase and launch pad for Lifestyle and Hospitality companies to capture this growth.

World's Top Logistics Hub

Ranked the world's top logistics hub by the World Bank in 2007, Singapore offers world-class infrastructure, excellent global connectivity and thought leadership in logistics and supply chain management. 21 of the world's top 25 third-party logistics service providers (3PLs) have also set up significant operations in Singapore, offering high value, integrated supply chain services. This has attracted many Lifestyle companies to use Singapore as their regional and global supply chain management centre.

Brand and IP Management

To facilitate Lifestyle and Hospitality companies' expansion into Asia, Singapore possesses the robust brand management and marketing capabilities, supported by a global talent pool and abundance of creative and media agencies. Lauded for possessing Asia's best Intellectual Property (IP) protection (IMD World Competitiveness Yearbook 2008) and an extensive network of Avoidance of Double-Taxation Agreements (DTA), Singapore is an ideal choice for Lifestyle and Hospitality companies to locate their IP management hub for the region.

City of Life

As a buzzing cosmopolitan city, Singapore is a key tourism hub in the Asia-Pacific region with many exciting developments such as the upcoming integrated resorts, a revamped retail scene, flagship stores, and world-class lifestyle and sporting events all year round. This presents abundant opportunities for new Asian products and concepts to be test-bedded in Singapore, before being rolled out to the rest of the region.

Facts & Figures

- World's leading premium beverage alcohol company *Diageo*, opened its \$13 million *Diageo* Asia Pacific Logistics Hub facility in 2006. As a result of this Singapore operation, average product lead-time from production to point-of-sale was cut down from 8-10 weeks to 1-3 weeks.
- More than US\$2.5 billion worth of apparel is estimated to be sourced through Singapore.
- Seven of the world's top fifteen Luxury Brand companies have chosen Singapore as their Regional Headquarters, for eg. LVMH, Richemont, Hermes and Rolex.
- Five of the world's top ten International Hotel Groups have established their Asia-Pacific Headquarters in Singapore; including Starwood, Hilton, Jumeirah, Four Seasons, Intercontinental, Accor, Marriott Vacation Club International.
- Apart from witnessing the rise of the middle class, Asia is also home to several of the world's fastest growing high net-worth individuals (HNWI) markets. In 2007, India came in first with a growth rate of 22.7 per cent, and China emerged a close second with 20.3 per cent. Singapore is within a seven-hour flight radius of no less than 2.6 million HNWIs, who pack an aggregate wealth of S\$11.9 trillion (US\$8.4 trillion).
- Singapore was ranked as having the best quality of life in Asia by Mercer HR Consulting (2007).

Featured Companies

The *LVMH* group is one of the world's largest luxury goods companies. Various business units like *Moët Hennessey*, *DFS Group Limited*, *LVMH Watches & Jewelry*, *Fragrances & Cosmetics* and *Fashion & Leather Goods* use Singapore as an Asian base for a variety of activities.

Some examples include:

- *Moët Hennessey*, one of the world's premium alcoholic beverages company uses Singapore as its Asia Pacific Headquarters and Regional Distribution Hub. Besides providing shared services, the Singapore hub handles more than 2.5 million cases per year.
- *DFS Group Limited*, the world's largest travel retailer has an Asia Pacific Headquarters and Global Trading Hub in Singapore. This office manages regional training, a Global Shared Services Centre, and a flagship store that houses more than 1000 brands.

The Asia Pacific Headquarters of *Levi's Strauss* is situated in Singapore and oversees the operations of more than 50 markets. Apart from undertaking Regional Headquarter functions such as brand strategy, finance, marketing and administration; a Global Sourcing Organisation (GSO) was also established in 2005 to manage sourcing operations for some 45 countries.

About the Singapore Economic Development Board

The Singapore Economic Development Board (EDB) is the lead government agency for planning and executing strategies to enhance Singapore's position as a global business centre. EDB dreams, designs and delivers solutions that create value for investors and companies in Singapore. Our mission is to create for Singapore, sustainable economic growth with vibrant business and good job opportunities. EDB's 'Host to Home' strategy articulates how we are positioning Singapore for the future. It is about extending Singapore's value proposition to businesses not just to help them improve their bottom line, but also to help them grow their top line through establishing and deepening strategic activities in Singapore to drive their business, innovation and talent objectives in Asia and globally.

For more information on how EDB can help in your business and investment, please visit www.sedb.com

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