

***ROLLS
ROYCE
PRODUCTION
OF MARINE
AND AERO
ENGINES IN
SINGAPORE***

**MODULE: GLOBAL BUSINESS
ENVIRONMENT**

CODE: LCBB 4005

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ROLLS-ROYCE MARINE AND AERO ENGINES PRODUCTION IN SINGAPORE

FROM UK TO ASIA

GLOBALIZATION



Fig. 5

- A phenomenon that has a multitude of dimensions
- Born due to modernization
- Started at the beginning of the 20th century
- Involves: free trade markets, technology, foreign investment
- Has ideological, political and cultural facets.
Hassi et all., (2012)

SINGAPORE UNDER PESTLE ANALYSIS

■ **POLITICAL:**

Migrated from a third world country into a modern and developed one due to the leadership of visionary president Lee Kuan Yew. Hyvarinen, (2019)

■ **ECONOMIC:**

Stable economic environment, success in developing a wide range of industries, free market and international trade. Hyvarinen, (2019)

■ **SOCIO-CULTURAL:**

Singapore is home to a mix of cultures, dominant ethnicities are Chinese, Malaysian and Indians. 36.5% of Singapore population is represented by foreigners. Hyvarinen, (2019)

■ **TECHNOLOGICAL:**

Singapore is known as Asia's capital of technology – benefits of a well developed and modern IT infrastructure. Hyvarinen, (2019)

■ **LEGAL:**

Singapore benefits of a legal system that is corruption-free, takes pride in developing laws with regards to employment, defamation and contracts. Built on three jurisdictions: Supreme Court, Subordinate Courts and Industrial Arbitration Court. Hyvarinen, (2019)

■ **ENVIRONMENTAL:**

Similar climate with UK, rainfall throughout the year, high temperatures and humidity. The state fights against pollution which represents one of the biggest issues Singapore has. The state has a strong policy for recycling and is a big advocate of reusing the recycled products. Hyvarinen, (2019)

AIRCRAFTS ENGINES PRODUCTION IN SINGAPORE

- Global producer of integrated power systems used on land, in the air and at sea.
- Rolls-Royce produces in Singapore aircraft engines such as:
- Boeing 787 Dreamliner that works with the turbofan Trent 1000 engine
- Airbus A330 aircrafts that works using the turbofan Trent 700 engines
- Airbus A330, A340, A350, A380, Boeing 777 – produced by RR
- Aircraft engines: TRENT 500, TRENT 700, 800, 900, 7000 and TREN XWB
- Singapore Airline is a faithful customer of Rolls-Royce

Source: airmachinist.com/rolls-royce.com/business-standard.com

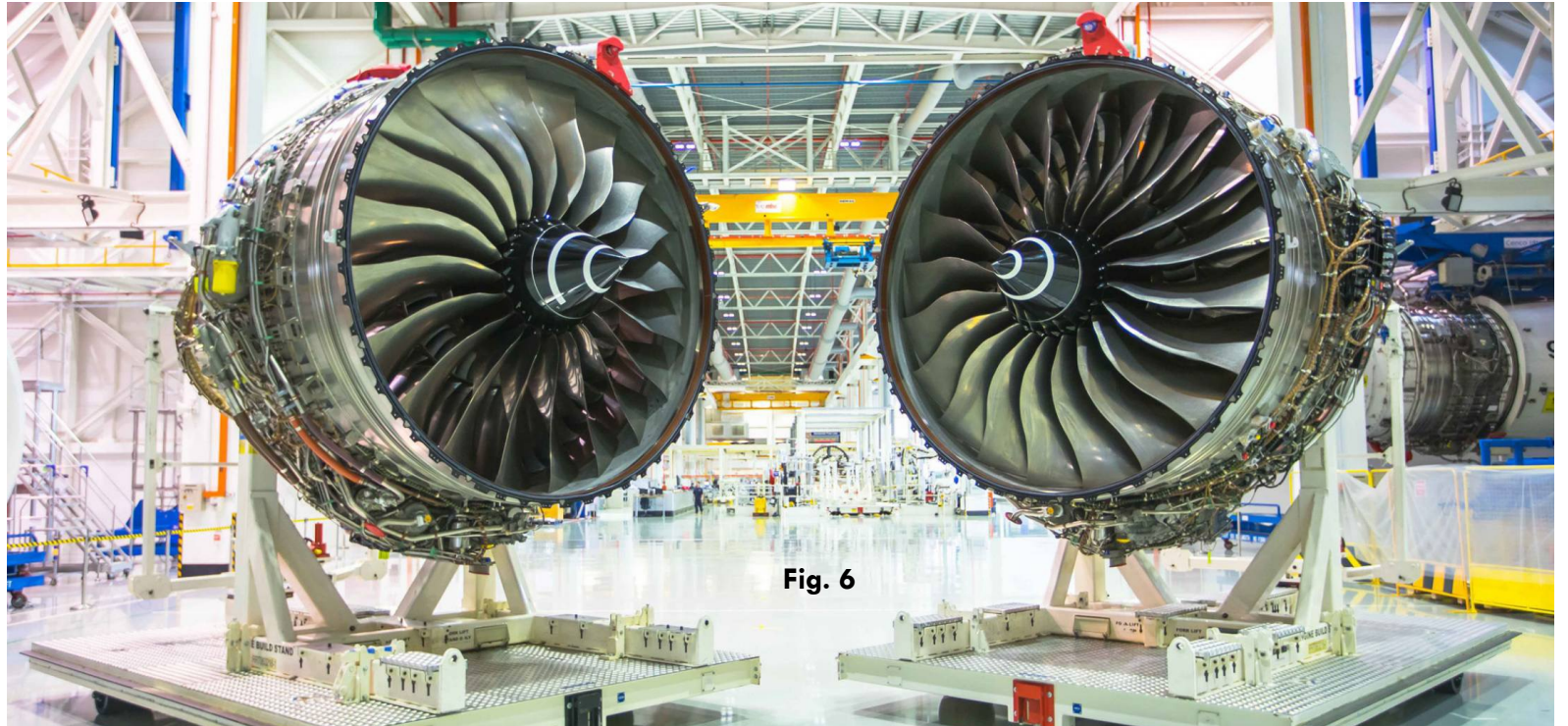


Fig. 6



Fig. 7



Fig. 8

SOLE INVESTMENT & BENEFITS OF MOVING ENGINES PRODUCTION TO SINGAPORE

- Rolls-Royce invested over \$700million in the Seletar Campus to build the factory that will produce aircrafts engines
- First factory outside the UK
- Closer to the Asian-Pacific market
- Easy to satisfy Asian clients needs
- Space – Seletar Park has 140 hectares. Calder, (2016)
- Innovative and technology driven state (Singapore)
- Well developed
- Income per capita of US\$54,530. World Bank, (2017)
- Clear business policies, corruption free. Yeo, (2010)
- Continuously growing markets (Asian-Pacific).



Fig. 9



Fig. 10

Fig. 11

CHALLENGES OF MOVING AIRCRAFTS ENGINE PRODUCTION TO SINGAPORE

- Singapore has a limited number of natural resources due to limited space
- Pollution.
- Singapore neighbor countries benefit of more natural resources, cheap labour, densely populated
- Further away from China – main business market. Yeo, (2010).
- Increased operating costs for foreign investors due to global suppliers competition. ITA, (2022)
- American companies have import barriers for meat such as: beef, pork and poultry products. ITA, (2022)
- Concerns have been raised regarding the limited enforcement against the erosion of goods that are transhipped through Singapore and misuse of unauthorized streaming services and illegal devices that gain access to pirated content. ITA, (2022)



Fig. 12

SOLUTIONS TO THE PROBLEM

- I'd ensure there are in place collaborations with high-schools, universities or training facilities for under skilled workers; this way RR would benefit from well trained staff, professionals and skilled workers.
- As RR, I'd ensure staff have the opportunity for training, either on the premises of the company or internationally.
- Would look into creating safer technologies that protect the IP (intellectual property) of businesses – either finding these technologies inside the country or from foreign companies.
- I'd encourage more the use of cleaner fuels and less use of fossil fuel.



Fig. 13

CONCLUSION

- Singapore has built its name through the help of its great leader that bases its work on pragmatism and by envisioning a better life for Singapore citizens
- Although small, it's a modern country, a technology hub and a very attractive place for foreign investors.
- Its neighbors continue to pose a threat to business investments.
- Singapore could be even more attractive to businesses by keeping a tight collaboration with high-school, universities and training facilities that could produce raw talent, creative workers, professionals.

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- Fig. 1 taken from <https://www.jetex.com/network/seletar-singapore/> - Seletar Airport
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Terima Kasih Kerana Menonton! (Malay) – Singapore
main language

Multam fain de vizionare! (Romanian)

Blagodarya vi, che gledakhte! (Bulgarian)

Spasibo za prosmotr! (Russian)



Fig. 14