A brief history of Singapore

The city of Singapore exists because of its strategic location and its entrepôt trade (the re-exporting of imported goods).

In the 18th and 19th centuries British ships and companies conducted valuable trade between Calcutta in India and Canton in China, with most ships sailing through the Straits of Malacca. The Dutch were rivals in this region, controlling the port of Malacca. Sir Thomas Stamford Raffles, an Englishman, suggested that Singapore — at the southern end of the straits — was an ideal location on which to establish a British presence to increase influence on this trade route.

Raffles landed in Singapore on 29 January 1819, and signed an agreement with the resident local Malay ruler leasing the island to Britain. The local ruler had no authority to do this; Raffles had also exceeded his instructions - but by the time his superiors in Calcutta and London knew, Singapore was thriving as a trading post. Goods from Europe were imported and then shipped to other parts of Southeast Asia. Products from the region were shipped to Europe via Singapore.

Entrepôt means that Singapore acts as a 'go-between' centre. Goods from other countries were (and still are) shipped to Singapore, and temporarily stored -without passing through customs — before being re-exported. Today, to assist this there are seven free-trade zones on the island with storage facilities and services.

The growth of Singapore

Singapore’s growth is due to its location and associated trade. Economic growth as a trading centre resulted in population growth and growth in the area covered by the city.

The beginnings

Raffles and Colonel William Farquhar established the original settlement on the banks of the Singapore River. deep natural harbour and no tariffs on goods landed in Singapore attracted traders: Malays, Bugis (pronounced boogiss), Chinese, Indians, Arabs and others. The British took formal control in 1824, and in 1826 Singapore, Penang and Malacca became the Straits Settlements under the control of British India administered from Calcutta. In 1828 Raffles commissioned a town plan in this, the different ethnic groups were to live in different areas and the functions of government and were separated.

Because of Singapore’s location on major shipping routes, trad flourished. Opium, arak, ebony, Chinese tea, silk, pepper, whisky, ivory and some of the major commodities traded through the port. Migrants to make good. Chinese immigrants came from Melaka in Malaya, Island, Hokkien and Kwangtun Province in China. They were fishermen, craftsmen and traders. Indians from Tamil Nadu and Kerala established businesses as money lenders. Others came as indentured labourers tap rubber and pick coffee; 1200 arrived as British prisoners. Europeans owned and ran many of the banks, shipping and insurance companies.

Colonial Singapore

On 1 April 1867, Singapore became a crown colony and took over the administration of some of its own affairs. A full regiment of the British army was stationed there.

The opening of the Suez Canal in 1869 increased trade between Europe and Asia. Situated on the shipping route, Singapore became the main port between Europe and Asia, and trade increased rapidly. Malaya also became a British colony in 1867, and as tin and then rubber production increased much of it was exported via Singapore, creating work and money.

The population grew and the city spread outside the original boundaries. Europeans built large houses with deep verandas on the hills of Tanglin, and Chinese and Indians moved beyond their designated areas. By 1900 the Chinese were the largest ethnic group.

Until 1939, immigration was the main cause of population growth, rather than natural increase.

Modern Singapore

In 1965 Singapore became fully independent after leaving the Federation of Malaysia. With no natural resources the government encouraged industries based on building and repairing, the development of the port itself and tourism. Singapore was still heavily reliant on importing and exporting Malaysian produce, but to reduce the country’s reliance on entrepôt trade a major industrialisation programme began.

Today the Port of Singapore is the world’s busiest by tonnage handled, and is still the trans-shipment point for many Malaysian imports and exports. In addition it has the third largest oil-refining centre, oil being transported by ship.

Since the 1960s Singapore has continued to experience economic growth through trade, resulting from it’s location. The city is a communications and financial services centre. The development of good infrastructure,
roads, electricity, clean water and industrial facilities has caused a multiplier effect. Tourists visit because it is a chance to experience a part of Asia that is safe and clean, and markets itself as a ‘shopper’s paradise’. More hotels and attractions are being built to accommodate greater numbers of visitors. Population growth has continued slowly, immigration still contributes almost as much as natural increase. Between 1980 and 1990 natural increase accounted for just 50.7% of population growth.