



Profile of Singapore's Legal Industry

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Introduction

The legal industry plays an important role in Singapore's economy. A strong legal industry is both an enabler for other sectors of the economy, as well as an economic engine in its own right.

In 2017, there were about 1,000 firms in the legal industry, employing 12,900 workers¹, of which about half were lawyers.

The nominal value added (VA) of the legal industry in Singapore reached \$2.1 billion in 2017, contributing to approximately 0.5% of Singapore's Gross Domestic Product (GDP). Over the same period, legal services amounting to \$0.9 billion were exported from Singapore.

This article presents a profile of Singapore's legal industry and discusses its contribution to the Singapore economy.

Majority of Law Practices are Singapore Law Practices

Singapore's legal industry landscape comprises Singapore Law Practices (SLPs), Foreign Law Practices (FLPs), Qualifying Foreign Law Practices (QFLPs) and Joint Law Ventures (JLVs)². In addition, there are Formal Law Alliances (FLAs) where one or more SLPs and one or more FLPs and/or QFLPs enter into a "best friends" relationship and collaborate as freestanding law practices.³

SLPs, FLPs, QFLPs and JLVs differ in terms of the scope of Singapore law-related legal services that they are allowed to offer in or from Singapore.

A SLP is allowed to provide Singapore law-related legal services in all areas of legal practice, while a FLP is allowed to provide Singapore law-related legal services only in the limited context of international commercial arbitration or in relation to the Singapore International Commercial Court, through certain types of registered lawyers.

1 Estimated by the Ministry of Law.

2 A JLV is a legal entity formed between a SLP and either a FLP or a QFLP.

3 The member law practices in a FLA remain distinct entities and may only provide legal services that their respective law practices and lawyers are allowed to provide under the Legal Profession Act.

The QFLP scheme allows a foreign law practice which obtains a QFLP license to provide Singapore law-related legal services in permitted areas of legal practice through certain types of registered lawyers. There is an application and selection process prior to a QFLP licence being awarded.

Similarly, a JLV is allowed to provide Singapore law-related services in permitted areas of legal practice through certain types of registered lawyers. However, the constituent FLP/QFLP in a JLV can only practise law in or from Singapore through the JLV.

In 2017, most law practices are SLPs, followed by FLPs, QFLPs and JLVs (Chart 1).

Among SLPs, about 81% employed 1 to 5 lawyers; 16% employed 6 to 30 lawyers, while the remaining SLPs employed over 30 lawyers each (Chart 2).

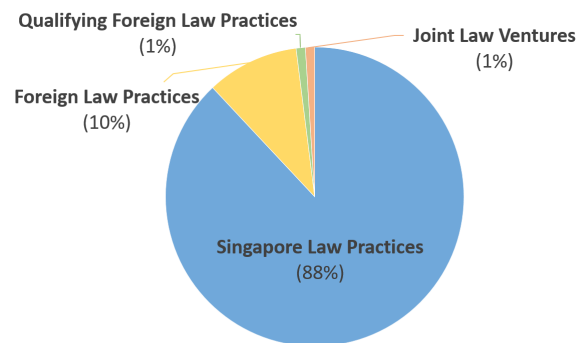
SLPs Contributed Two-Thirds of the Legal Industry’s Value Added

The nominal VA of the legal industry in Singapore grew by more than 40% over the past decade, from \$1.5 billion in 2008 to \$2.1 billion in 2017, following liberalisation of the legal sector in 2008 – the year in which the Ministry of Law (MinLaw) introduced the QFLP scheme, enhanced the JLV and FLA schemes, and allowed FLPs to provide Singapore law-related services in the context of international commercial arbitration. The annualised growth rate of the nominal VA of the legal industry for the period between 2008 and 2017 was 4%.

In 2017, SLPs contributed around two-thirds of the legal industry’s VA. FLPs and QFLPs contributed 16% and 14% respectively, while JLVs contributed 3% (Chart 3).

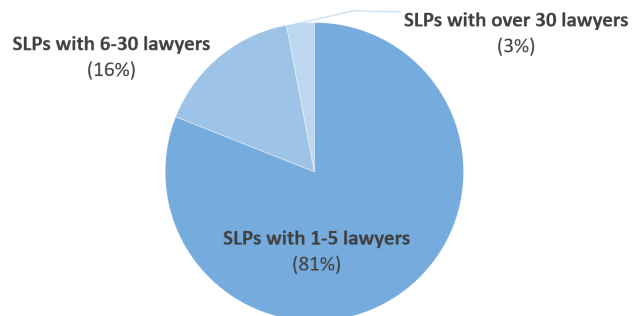
Among the SLPs, those which employed over 30 lawyers contributed 62% of the SLPs’ VA. SLPs which employed 1 to 5 lawyers contributed 18%, and SLPs which employed 6 to 30 lawyers contributed 20% (Chart 4).

CHART 1 DISTRIBUTION OF DIFFERENT TYPES OF LAW PRACTICES, 2017



Source: Ministry of Law (Legal Services Regulatory Authority)

CHART 2 DISTRIBUTION OF SINGAPORE LAW PRACTICES (SLPs) BY SIZE, 2017



Source: Ministry of Law (Legal Services Regulatory Authority) and Supreme Court

CHART 3 CONTRIBUTION OF VALUE ADDED BY DIFFERENT TYPES OF LAW PRACTICES, 2017

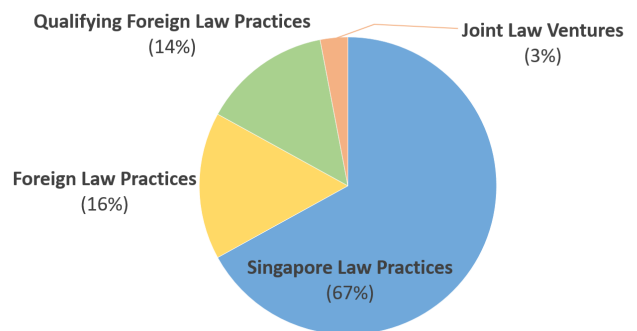
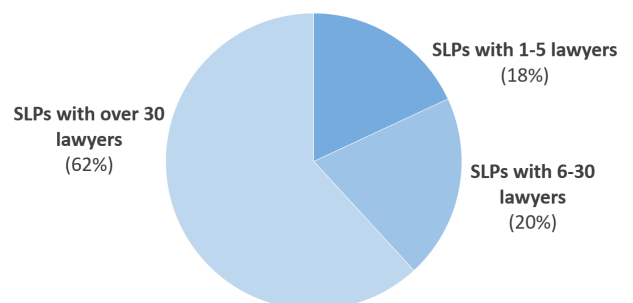


CHART 4 VALUE ADDED CONTRIBUTION OF SINGAPORE LAW PRACTICES (SLPs) BY SIZE, 2017



Source for Charts 3 and 4: Singapore Department of Statistics
Note: The value added breakdown for 2017 is estimated.

Exports of Legal Services Grew Over the Last Decade

Between 2008 and 2017, the value of legal services exported from Singapore more than doubled, from \$0.4 billion to \$0.9 billion. The value of legal services exported as a percentage of operating receipts increased from 19% in 2008 to 29% in 2017 (Chart 5).

The growth in exports of legal services suggests that there is scope for Singapore lawyers and SLPs to venture out of Singapore to meet and capture a greater share of international demand for legal services.

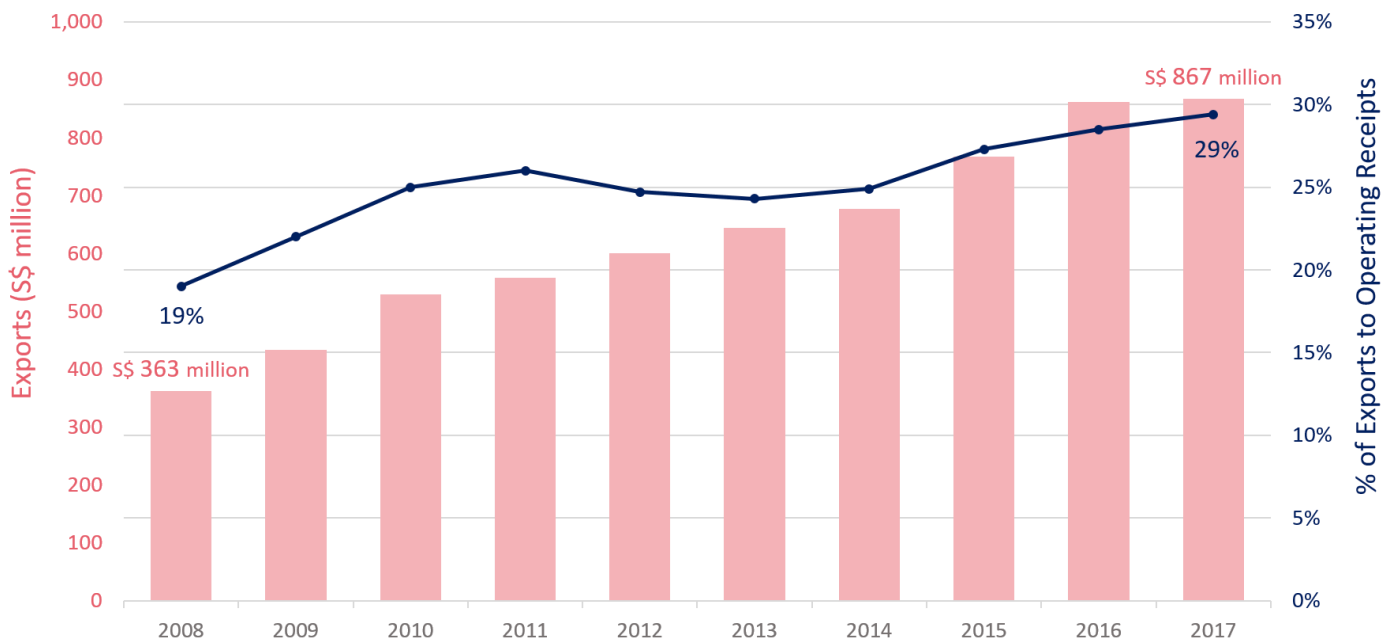
Conclusion

The legal industry plays an important role in maintaining Singapore’s role as an international financial and commercial centre.

Strong rule of law and high quality of legal services provide a foundation for economic growth, and give businesses the confidence to invest in Singapore.

MinLaw will build upon Singapore’s strengths as an international legal services hub to further develop the legal industry, focusing on potential high growth practice areas.

CHART 5 VALUE OF LEGAL SERVICES EXPORTED FROM SINGAPORE, 2008 - 2017



Source: Singapore Department of Statistics

Obtain the latest official statistics on economic and socio-demographic characteristics of Singapore from the **Yearbook of Statistics 2018**. It contains over 270 statistical tables and infographics.

Download a copy at: www.singstat.gov.sg/yos

