SUMMARY

Industrial site selection is a complex process. It involves the objective and judgemental balancing of a variety of location factors and intricate corporate goals. Therefore, it is important to understand the location factors which affects the industrialists’ site selection.

The theories of plant location developed along two approaches. The first approach emphasized the search for the least cost location. The second, the maximum profit theory is based on condition of monopolistic competition. Review of empirical studies show that location conditions as determinants fall into four broad categories – market size, regional efficiency, cost advantage and infrastructure adequacy.

This study examines the factors that attracted investors to the China-Singapore Suzhou Industrial Park (CS-SIP). Questionnaire surveys were conducted to gather data on the profile of the investors and to solicit informaiton on the reasons for their selection of China/Suzhou as a manufacturing base and the factors that attracted them to CS-SIP.

The outcome of the survey supports the hypotheses that :

(a) Investors are attracted to locate in CS-SIP because of the involvement of the Singapore Government, provision of good infrastructure, good accessibility to the Park, attractive tax incentives, one stop approval by SIPAC and labor availability/skilled labor.

(b) The Singapore Model of management will attract investment from countries that are not familiar with the China environment, as they are comfortable with Singapore’s involvement.