The advantages are explained in the table below.

Local Firm	American firm
Local firms in Singapore will be having location specific advantages. They would already be having an access to the best possible production factors, which would provide them an added advantage in terms of maintaining cost and quality. The immobile strategic assets, which the local firms will be a source of competitive advantage for the company.	The American firm being an MNC with much better turnover would be having better muscle powers in terms of finances. Therefore, they would be able to transfer at least some of the strategic assets to their part.
The firms in Singapore would already be having local customers who would be their regular clients and would not be willing to leave them readily.	American Firm would enter Singapore market as a well-established global brand which many of the consumers would be ready to accept immediately. Therefore, brand recognition is a big advantage for the American firm on which they would be able to charge a premium from the client.
The local firms already have the local market know how and they would be knowing local customer need in a better way than the American firms would.	The American firm would surely be having a technical knowhow advantage, which the local firm might not have.
The local firms would be more empowered and better equipped to handle the local political risks.	The American firm would be having a well developed infrastructure to support all kinds of processes in the business which the local firm may not have.

The Disadvantages are explained in the table below.

The Local Firm	The American Firm
The Singapore firm would have only the local knowhow whereas the American firm would be having arsenal of strategies and resources to fight local competitions.	The American firm would have to have strategic alliances with local firms or agencies to understand the local Singapore market. They would have to plan on appropriate work culture and make arrangements accordingly.
The technical knowhow of the American firm would be a disadvantage for the local firm. The local firm would not be having advanced technical expertise to support the operations and thus until the technical spillover happens, the local firm would have to fight a superior technology with their own knowledge base.	The American firm as a FDI, are more likely to attract more stringent rules which a local firm can easily avoid. In addition, these American firms would be more vulnerable to political and exchange risks which the local firms do not have.
The local firms would surely be losing a good portion of market share to American firms because of their brand recognition. This brand	The American firms would have to bear the liability of foreignness, which the local firms do not have. A good portion of the firm’s

share would be difficult to regain.	target market would have a tough time accepting foreign products.
As the firms are operating within the boundary of one country, they might not be able to fight the strong strategists of the MNCs who have been making strategies to sustain in many other developed countries.	The cost of production for MNCs could be a bit higher as they may not be able to get their hands on the best resources. Therefore, in order to maintain the quality culture the MNC would have to buy the factors of production at higher prices.