EU-SINGAPORE

TRADE & INVESTMENT

2013 EDITION

THE EUROPEAN UNION

507 MILLION CITIZENS

28 MEMBER STATES

Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, United Kingdom

7 EUROPEAN UNION INSTITUTIONS

European Parliament, European Council, Council, European Commission,Court of Justice of the European Union, European Central Bank, Court of Auditors

1 SINGLE MARKET – 4 FREEDOMS

The free movement of people, goods, services and capital

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EU-SINGAPORE
TRADE & INVESTMENT 2013

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MESSAGE FROM THE EU TRADE COMMISSIONER

“The EU-Singapore FTA is one of our most ambitious agreements to date.

I have no doubt that business in both the EU and Singapore will greatly benefit from the new trade environment we have created."

The commercial and political ties between Europe and Southeast Asia have existed for centuries and have grown into what is today one of the most important exchanges of goods, services and investment in the world.

The European Union is the world’s largest economy, exporter and investor. It promotes open markets at home and abroad. Even in times of economic turmoil we have not resorted to protectionist measures.

Europe has risen to the challenge with a very ambitious trade agenda, engaging key partners in trade negotiations, pushing for progress on the multilateral level and vigorously enforcing the existing trade rules. Only by creating a level and fair playing field can we ensure that everyone benefits from trade, and the jobs and growth that it can bring.

The role of Singapore in this context cannot be overstated. As a forerunner of trade liberalisation and as a regional trading hub, it has for a long time been a key partner for Europe. That is why I am particularly pleased to have completed a ground-breaking free trade agreement (FTA) with Singapore.

The EU-Singapore FTA is one of our most ambitious agreements to date. It covers trade in goods and services as well as investments, and addresses crucial non-tariff barriers to trade such as technical standards and regulatory issues. I have no doubt that business in both the EU and Singapore will greatly benefit from the new trade environment we have created. The impact of this agreement is not limited to our bilateral relations: as the first of a series of FTAs we are negotiating with ASEAN Member States it will help foster greater regional integration in Southeast Asia and bring our two regions one step closer together.

I hope that this booklet will serve as a useful source of information for businesses, officials as well as broader audiences to learn about and build upon the excellent ties that exist between the EU and Singapore.

Karel De Gucht
EU Trade Commissioner

"2012 was a landmark year for EU-Singapore trade relations [...]. 2013 promises to be equally successful"

MESSAGE FROM THE EU AMBASSADOR

Each year, the EU Delegation to Singapore publishes its trade and investment booklet to highlight the strong economic ties between the EU and Singapore. As I take up my new position, I am particularly pleased that this year's brochure showcases the most impressive picture of this important economic relationship yet.

This booklet gives an overview of the EU's weight in the global economy, of EU-Singapore trade and investment relations, and also of trade and investment relations between the EU and ASEAN on a region-to-region basis.

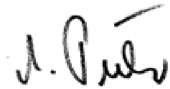
In 2012, the EU remained one of the most important trade and investment partners for Singapore, offering Singaporean companies access to the largest market in the world by GDP.

In addition to being its second largest partner in trade in goods in 2012, the EU continues to be Singapore's largest trading partner in services, as well as its most significant source of foreign direct investment.

Moreover, 2012 was a landmark year for EU-Singapore trade relations with the conclusion of negotiations for a free trade agreement, after over two years of talks. 2013 promises to be equally successful. Trade and investment relations remain prosperous, and with Croatia's accession in July 2013, the potential of the EU market has further expanded.

The EU's engagement in Singapore is supported by over 9,300 European companies, which operate and invest in this market. The European Chamber of Commerce and European national business groups in Singapore play an important role in supporting this business presence.

I hope that this brochure will serve as a valuable reference and will enhance your understanding of the importance and potential of EU-Singapore economic relations.



Ambassador Dr. Michael Pulch
Head of the EU Delegation to Singapore

THE EU IN THE WORLD

- The world's largest economy: 20% of global GDP
- One of the world's most lucrative markets: 507 million consumers
- The world's largest trading bloc: 12% of global trade in goods; 17% of global trade in services
- The world's prime investment destination: 26% of global annual FDI inflows
- The world's largest investor abroad: 33% of global annual FDI outflows
- A single market, a single tariff, a single set of rules

The EU as a Global Player

The EU is the world's largest economy representing over 20% of world GDP

The EU and its economic prosperity matter immensely to the rest of the world. The EU remains the world's largest economy with over 20% share of the world's GDP and more than 500 million inhabitants making it the world's most lucrative consumer market.

It is also the world's largest trading block, accounting for 12% of global trade in goods and 17% of global trade in services in 2012. The EU is the world's largest investor: in 2011, global Foreign Direct Investments (FDI) from the EU amounted to around €370 billion.

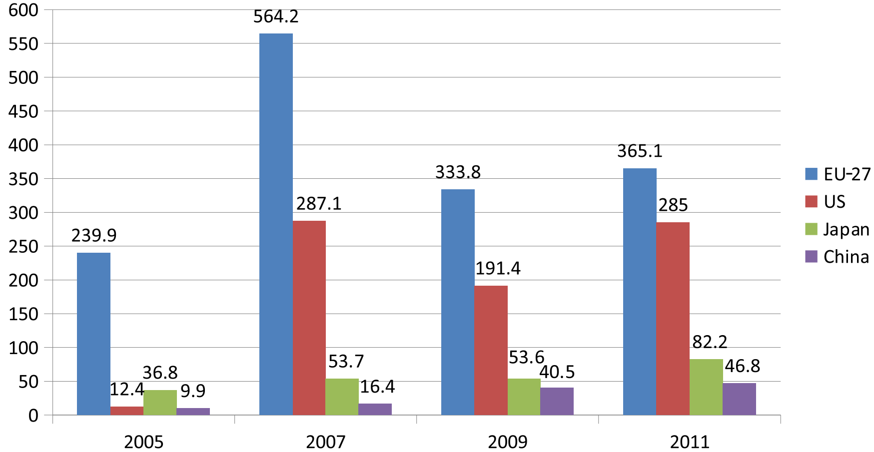
The EU's trading partners benefit greatly from such a large market, in which a single tariff and a single set of trade rules apply at the border and a single set of harmonised rules apply within all Member States, making it easier for companies to do business with the EU partners.

The EU's strength is further substantiated by the findings of the World Economic Forum's Global Competitiveness Report 2012-2013, showing that five out of the ten most competitive countries in the world are EU Member States.

Country	Global Competitiveness Index (GCI) 2011-2012 rank	GCI 2011-2012
Switzerland	1	5.72
Singapore	2	5.67
Finland	**3**	**5.55**
Sweden	**4**	**5.53**
Netherlands	**5**	**5.5**
Germany	**6**	**5.48**
United States	7	5.47
UK	**8**	**5.45**
Hong Kong	9	5.41
Japan	10	5.4

Source: World Economic Forum, Global Competitiveness Report 2012-2013

FDI outflows (billion €) by selected region/country



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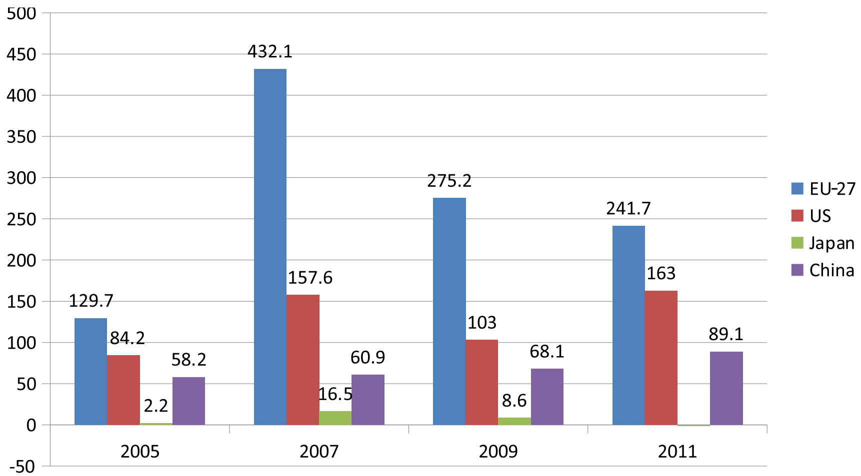


European companies are global players

In addition, European companies are global players: out of the world's top-20 non-financial multinational corporations (MNCs) ranked by foreign assets, 14 are from the EU. There are 135 EU companies in the Fortune 500, more than from the US (132), China (75) and Japan (62).

The fact that EU companies are the world's most active investors overseas is not due to a lack of opportunities for growth in their home market: on the contrary, the EU remains the world's number one location for FDI. In 2011, the EU was the biggest source of foreign investment stock, totalling almost €5 trillion, corresponding to almost 33% of the world's total outward FDI stocks. This is impressive, especially against the backdrop of the recent global crisis.

The EU promotes globalisation for the benefit of all

International trade and investment matters to Europe. Trade is an engine for global growth as it contributes to long-term employment in the EU and around the world, and has a real impact on the day-to-day lives of people and businesses in Europe and in its partner countries. It offers a path to development for those in most need, wherever they live. The challenge in a constantly changing world is for the EU to maintain and improve its position, and to leverage the benefits of trade to facilitate economic growth.

The EU will tackle this challenge by completing the trade deals that are currently on the table and engaging more closely with its strategic partners. For instance, the EU has recently launched negotiations with the US on the Transatlantic Trade and Investment Partnership and with Japan for an FTA. Trade liberalisation creates additional opportunities for innovation and stronger productivity growth, thus reinforcing the positive effect on the EU economy.

The EU promotes globalisation to the benefit of all, in developed and developing countries alike. Globalisation must continue to develop through commonly agreed rules and principles, ensuring benefits to the population as a whole. Trade openness can be an important lever to lift developing countries out of poverty and enable them to reap the benefits of globalisation.

Moreover, a rules-based trading system is a necessity for globalisation to work effectively. Enforcement of these rules is equally important, and institutions must be built and strengthened to ensure the proper enforcement of these rules.

Open trade contributes to growth

Global trade has grown rapidly in the last ten years. Between 1999 and 2008 — an important period in terms of trade growth — the value of world trade in goods grew by 73%. It has been estimated that about a quarter of that growth is due to trade policy choices: traditional tariff cuts as well as other measures that reduce non-tariff barriers. The other three quarters are due to overall economic growth (and increased demand), technology, efficiency gains in transport, etc.

The benefits of globalisation and open trade far outweigh the risks

Openness to trade can produce significant benefits for Europe and its partners:

• First, trade liberalisation generates economic growth. If the EU completes its free trade negotiations, more than half of EU trade will fall under the rules of its bilateral and multilateral FTAs, adding more than 0.5% to EU GDP.

• Second, increased trade can also bring lower prices, better quality and greater choice for consumers. For instance, cutting tariffs and removing trade barriers could put an extra €600 in the pockets of an average EU family every year.

• Third, by generating economic growth, increased trade provides more and better jobs for Europe and its partners. International trade directly provides employment for around 18% of the EU labour force, and generates a 7% wage premium for European workers. In partner countries, jobs in export-oriented manufacturing sectors have pay rates 3-9 times higher than those in closed economies, and many of those are linked to trade with Europe.

Protectionism? No thank-you!

Two thirds of EU imports are raw materials and components necessary for production processes. Raising the cost of imports would make EU producers less competitive both on the domestic EU market and for exports, leading directly to a loss of European production and jobs. Moreover, nowadays products are rarely made in one single country. For example, in the case of a smartphone that is 'assembled in China' less than 4% of its value is generated in China, while more than 16% of its value is added in Europe. In some 'made in China' smartphones or tablets, up to 54% of the value is produced in Europe. In this case, rising EU protectionism would exclude European companies from international supply chains; we could still buy mobile phones and tablets, but none of their value would be produced in Europe. All this demonstrates that, more and more, countries need to import in order to be able to export, underscoring the vital importance of integration into the world trading system for sustained growth.

Moreover, a rise in EU protectionism would lead to tit-for-tat action elsewhere. The EU would be the first to suffer from a protectionist war, both because it is a top world exporter and because many of its partners have liberalised autonomously and apply duties that fall below their legal obligations, which means that they can raise them again. During the financial crisis in 2008-2009, while border measures alone affected only around 1% of world trade, they affected double that of EU exports.

With a trade war, the EU would also find it more difficult to pay for its increasing deficit in energy products (€423 billion in 2012), due largely to its lack of natural resources. The EU has also taken major steps at home to reduce protectionism. In agriculture, one sign of this is reduced support for farmers in the EU as indicated by the falling difference between EU and global market prices for various agricultural goods. This difference, on aggregate, has fallen from 71% in the mid-eighties to only 7% today, a sharp reduction in support. The opening up of EU agricultural markets has also improved EU performance in a number of global indicators for reduced domestic support, measured by international institutions such as the Organisation for Economic Co-operation and Development (OECD).

The EU-Singapore FTA: a Landmark Agreement

Source: Ministry of Trade & Industry, 2012

A comprehensive agreement boosting bilateral and regional relations

On 16 December 2012, EU Trade Commissioner, Karel de Gucht, and Singapore's Minister of Trade and Industry, Lim Hng Kiang, announced the conclusion of negotiations for an EU-Singapore Free Trade Agreement (or EUSFTA). Once ratified, this will be the EU's first free trade agreement with one of the dynamically growing economies in Southeast Asia, and thus a milestone towards the objective of concluding an EU-ASEAN region-to-region agreement.

The agreement is one of the most comprehensive either side has ever negotiated and will create new opportunities for trade in many sectors where European and Singaporean companies have strong export interests.

Singapore is the gateway for most EU companies wishing to do business in Southeast Asia. Some 9,300 EU companies are present in Singapore and use it as a hub to serve the wider Asian region. These companies are active in manufacturing (e.g. electronics, pharmaceuticals, transport equipment and green technologies) and services (e.g. transport and logistics, engineering, finance, legal and other professional services) sectors. As a result, Singapore is by far the EU's largest trading partner in Southeast Asia.

The EU's global competitors from the US and Asia already enjoy preferential access to Singapore's market, as well as to a number of markets across ASEAN. This deal will level the playing field in Singapore and give EU businesses a level of access comparable to - or, in certain sectors, better than - Singapore's other FTA partners.

For Singapore, a deal with the world's largest trading bloc is naturally attractive. In 2012, the EU was Singapore's second largest trading partner, after Malaysia. Singaporean firms will be given secure access to over 500 million consumers in the 28 EU Member States. Likewise, EU importers and consumers will get better access to goods and services from Singapore, including those produced by European firms established there.

Both sides have moved beyond existing preferential commitments in many respects.

Under the negotiated terms of the EUSFTA, both sides have offered each other generally the best treatment made available to their existing preferential trade partners, and have offered further preferential treatment in many areas.

Notably, under the EUSFTA both sides:

• Have offered each other much better commitments on **services** and **government procurement** than is available under respective WTO commitments. EU firms in Singapore will enjoy new opportunities to participate in a range of domestic sectors: telecommunications, financial, environmental, engineering and architectural, postal, maritime transport, and computer services.

• Have agreed on an advanced **regulatory framework for many services sectors**. Disciplines on non-discrimination and transparency have been included in order to create predictability and a level playing field in key sectors. The EUSFTA also ensures that licensing requirements are not used to obstruct market entry. The agreement also sets out detailed procedures aiming for mutual recognition of professionals from both sides.

• Will **eliminate virtually all tariffs on goods**. In the case of the EU, 80% of the tariff lines will be eliminated upon entry into force of the agreement, with the remaining tariffs to be phased out after a five-year transition period. On its side, Singapore no longer applies custom duties tariffs on most imports, but will bind existing tariffs to zero and will remove remaining duties on EU imports (this is relevant, for example, for EU beer exporters).

• Will **foster and protect foreign direct investment**. In light of the strength of mutual investment ties which are close to €200 billion, it is also fitting that Singapore is among the EU's first foreign partners to negotiate an EU-wide investment protection agreement.

• Will remove many **technical barriers to trade**, such as duplicative testing requirements for motor vehicles, electronics or certain green technologies.

• Will **facilitate meat exports** based on modern audits of national systems.

• Have agreed on a high level of **protection and enforcement of intellectual property rights,** including better remuneration rights for certain creative activities. In addition Singapore has agreed to set up its own register of geographical indications (GI), offering a higher level of GI protection than foreseen in the WTO.

In addition, the EUSFTA contains a comprehensive chapter on **trade and sustainable development**. This chapter aims at ensuring that trade supports environmental protection and social development, in accordance with key international instruments, and is not promoted at the expense of the environment or labour rights. This chapter also promotes corporate social responsibility (CSR) and the sustainable management of forests and fisheries. In addition, it sets out how civil society will be involved in its implementation and monitoring.

Both the EU and Singapore are now seeking endorsement from their respective political authorities in order to ratify the negotiated text.

Trade in Goods

EU Merchandise Trade Performance

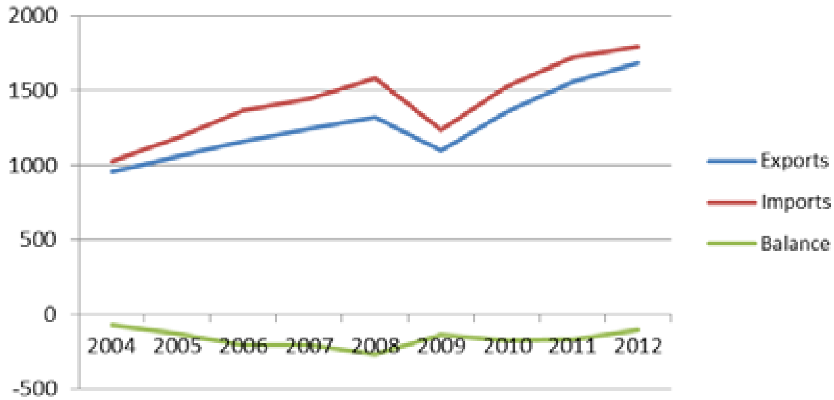
The EU is the largest trading block in the world **covering 12% of world trade in goods, totalling almost €3.5 trillion in 2012.** With the exception of the 2009 downturn, linked to the global financial crisis, EU trade in goods grew constantly throughout the last decade.

In 2012, the EU had a deficit in trade in goods reaching €105 billion.

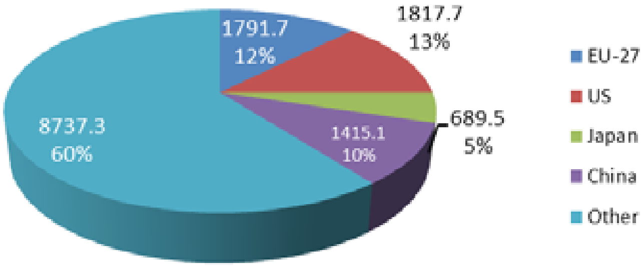
In 2012, the EU was the **world's largest exporter of goods** with 12% of total exports (€1 686.8 billion), ahead of China with 11% and the US with 9%. Japan followed in fourth place with a mere 4% of total world exports.

The EU was also the **world's second biggest importer of goods** with 12% of total imports valued at €1,791.7 billion, after the US (13%) but ahead of China with 10%. Japan followed in fourth position with 5% of total world imports.

EU balance of trade in goods (billion €)
2004 - 2012



Leading global importers of goods, 2012 (by share/billion €)



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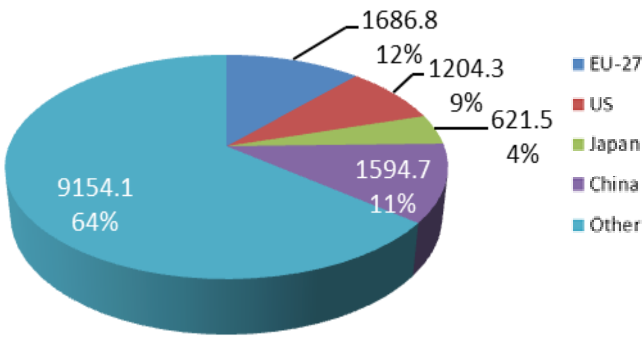
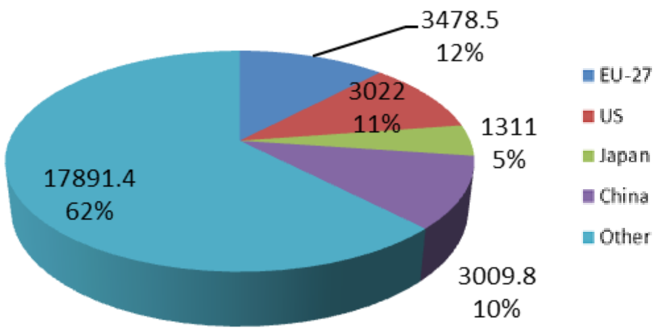


EU share of total trade in goods, 2012 (billion €)



EU-ASEAN Trade in Goods

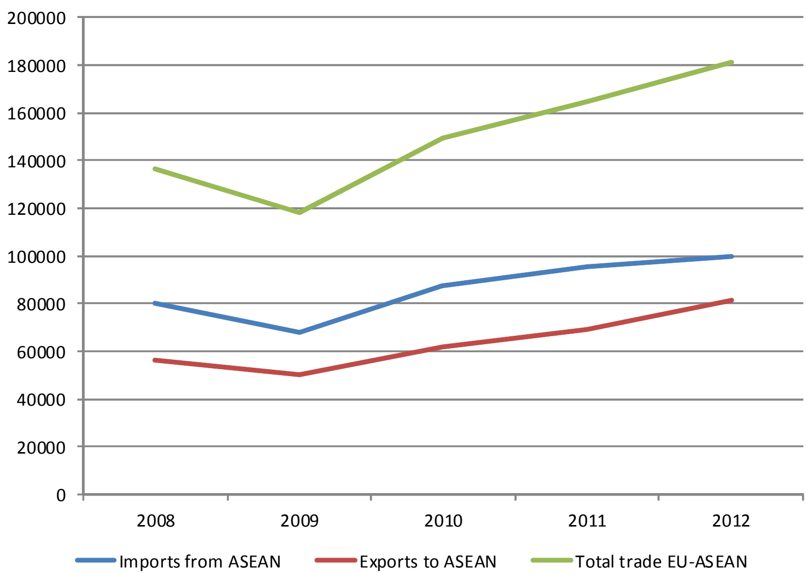
The EU is ASEAN's third largest partner for trade in goods

In 2011 (latest available data), the **EU was ASEAN's third largest partner for trade in goods**, ranking after China and Japan but ahead of the US. According to the ASEAN Secretariat, in 2011 the EU accounted for 9.8% of ASEAN's total external trade. In addition, the **EU is ASEAN's second largest export market**. The trade flows between the two regions in 2012 saw significant growth of 12%, following strong growth of 10.2% in 2011. According to the latest Eurostat figures, overall trade in goods between the EU and ASEAN amounted to €181.1 billion in 2012.

ASEAN is the EU's fifth largest trading partner

ASEAN, as a single trading entity, is the EU's fifth largest trading partner after the US, China, Russia and Switzerland, but ahead of Norway, Turkey, Japan and Brazil. Overall, in 2012, ASEAN accounted for 4.8% of total EU exports and 5.6% of total EU imports. The EU has a trade deficit of €18.7 billion with ASEAN, down from €24.8 billion in 2011.

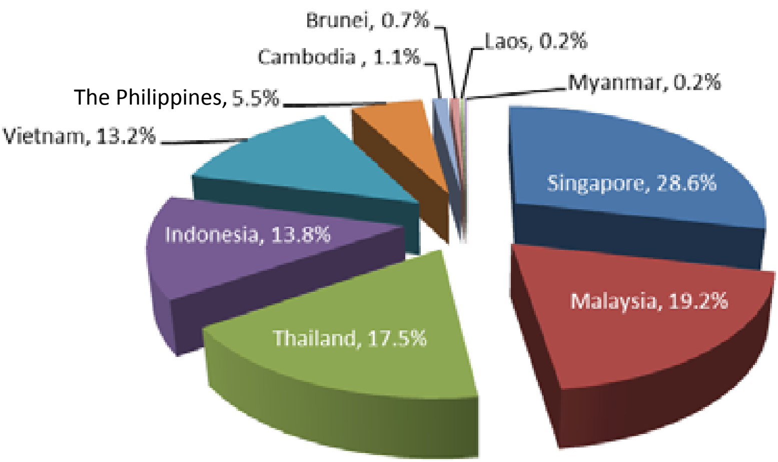
EU-ASEAN trade in goods (billion €) 2008-2012



EU's top trading partners in 2012

Rank	Country	Volume of trade in goods (€ billion)	Share (%)
1	US	497.7	14.3
2	China	433.8	12.5
3	Russia	336.5	9.7
4	Switzerland	237.8	6.8
(5)	**ASEAN**	**181.3**	**5.2**
:			
14	Singapore	51.8	1.5
24	Malaysia	34.8	1.0
25	Thailand	31.7	0.9
29	Indonesia	25.0	0.7
31	Vietnam	23.9	0.7
47	Philippines	9.9	0.3
81	Cambodia	2.0	0.0
100	Brunei	1.2	0.0
132	Laos	0.4	0.0
137	Myanmar	0.4	0.0

ASEAN Member States' share of EU-ASEAN trade in goods, 2011



The EU's trade with ASEAN is dominated by a few key sectors

The key product groups in EU exports are machinery and transport equipment (51.9% of total EU exports to ASEAN), chemical products (12.8%) and manufactured goods (7.4%), which represent altogether nearly three-quarters of EU exports to ASEAN. In terms of imports, leading sectors are machinery and transport equipment (41.3% of EU imports from ASEAN), manufactured goods (19.8%) and chemicals products (13.4%). For the animal and vegetable oil sector, ASEAN is the EU's main supplier with 54.2% of all EU imports of these products coming from the region.

EU-ASEAN trade in goods by main product categories in 2011

EU exports to ASEAN	Value (€ million)	Share of total (%)	Share of total EU exports (%)
Total	81,324	100.0%	4.8
Machinery and transport equipment	42,183	51.9%	6.0
Chemicals and related products	10,446	12.8%	3.8
Manufactured goods	5,982	7.4%	3.4

EU imports from ASEAN	Value (€ million)	Share of total (%)	Share of total EU imports (%)
Total	100,035	100.0%	5.6
Machinery and transport equipment	41,316	41.3%	9.1
Miscellaneous manufactured articles	19,807	19.8%	9.1
Chemicals and related products	13,406	13.4%	8.3

EU-Singapore Trade in Goods

The EU is one of Singapore's most important partners for trade in goods

Singapore is the EU's largest trading partner in ASEAN.

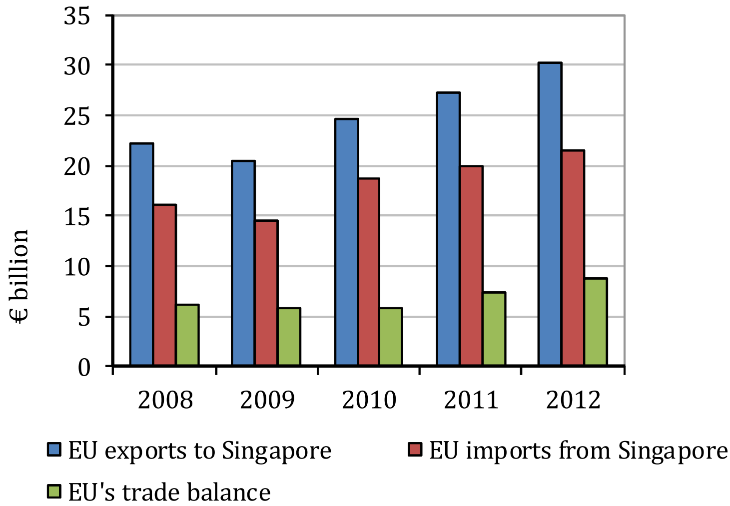
For many EU companies, Singapore is the gateway into a dynamically growing market of some 600 million consumers. According to the latest annual figures, Singapore alone accounted for 28.6% of total EU-ASEAN trade in goods.

During recent years, the EU has become one of Singapore's most important partners for trade in goods. The EU represents 10.7% of Singapore's total external trade. According to the latest data, trade in goods in 2012 amounted to €51.8 billion an increase of 9.7% from 2011 results. In 2012, the EU recorded a trade surplus of €8.8 billion. The EU's exports to Singapore amounted to €30.3 billion, while its imports reached €21.5 billion.

These figures rank the EU as **Singapore's second largest trading partner** behind Malaysia, but ahead of China, the US and all the other ASEAN countries. Conversely, **Singapore is the EU's 14th largest trading partner** and ranks fifth among Asian trading partners after China, Japan, India and South Korea.

In 2012, the EU was Singapore's largest supplier of goods with 12.6% of total imports, ahead of Malaysia, China, US and South Korea. The EU was Singapore's fifth export market, accounting for around 9% of Singapore's total exports, behind Malaysia, Hong Kong, China and Indonesia. Excluding oil products, the EU was however the largest export market for Singapore, representing 14.5% of Singapore's non-oil domestic exports.

EU-Singapore trade in goods (2008-2012)



Singapore's top 10 partners for trade in goods in 2012

Rank	Country	2012 (S$ million)	Share in 2012 (%)
	TOTAL world	**984,884**	**100.0**
1	Malaysia	113,371	11.5
2	EU-27	105,227	10.7
	China	103,823	10.5
5	Indonesia	79,359	8.1
4	United States	75,646	7.7
6	Hong Kong	59,538	6.0
7	Taiwan	49,659	5.0
8	South Korea	52,739	5.4
9	Japan	52,147	5.3
10	Thailand	32,175	3.3
-	Rest of the world	261,200	26.5

Source: IE Singapore

The three most traded groups of products are machinery and transport equipment, chemicals and manufactured articles

EU trade with Singapore is dominated by a few key sectors. The three most traded groups of products are **machinery and transport equipment** (accounting for 48.9% of EU exports and 45.8% of EU imports), **chemicals** and related products (12.8% of EU exports and 35.3% of imports) and **miscellaneous manufactured articles** (9.2% of EU exports and 8.2% of imports). Mineral fuels and lubricants also represent a significant share of EU exports to Singapore with a share of 11.1%.

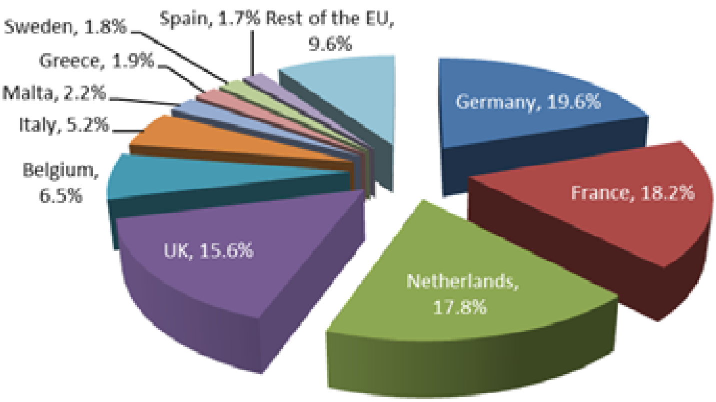
Overall, **Singapore represents 1.8% of total EU goods exports and 1.2% of total EU goods imports.** In terms of sector, EU-Singapore trade is concentrated in key products such as chemicals and related products, which account for 6.1% of EU imports from Singapore, and machinery and transport equipment, which represent 2.1% of total EU exports of these products. These two groups of goods combined represent 81.1% of EU imports from Singapore and 61.7% of EU exports to Singapore.

EU exports to Singapore	Value (€ million)	Share of total (%)	Share of total EU exports (%)
Total	30,342	100	1.8
Machinery and transport equipment	14,823	48.9	2.1
Chemicals and related products	3,894	12.8	1.4
Mineral fuels, lubricants and related materials	3,369	11.1	2.7
Miscellaneous manufactured articles	2,801	9.2	1.6

EU imports from Singapore	Value (€ million)	Share of total (%)	Share of total EU imports (%)
Total	21,517	100	1.2
Chemicals and related products	9,865	45.8	6.1
Machinery and transport equipment	7,595	35.3	1.7
Miscellaneous manufactured articles	1767	8.2	0.8

At Member State level, Germany is Singapore's biggest European trading partner in goods, accounting for 19.6% of total EU-Singapore trade, followed by France (18.2%), the Netherlands (17.8%) and the UK (15.6%). These four partners represented 71.2% of EU trade in goods with the city-state in 2012.

EU Member States' share of EU-Singapore trade in goods, 2012



Trade in Services

EU Services Trade Performance

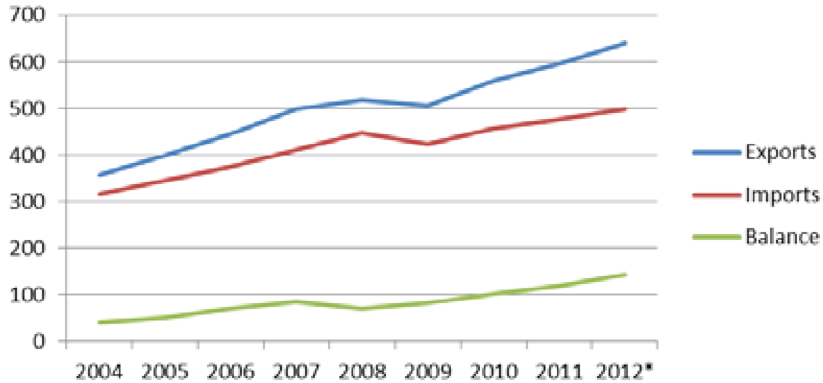
The services sector accounts for some three-quarters of gross domestic product (GDP) for the EU. Over three-quarters of EU jobs are in the services sector.

In 2012, the EU was the world's largest market in terms of trade in commercial services, with a trade value of €1,138.6 billion - equivalent to 17% of total trade. In the same year, the EU had a trade surplus in commercial services of €143.2 billion.

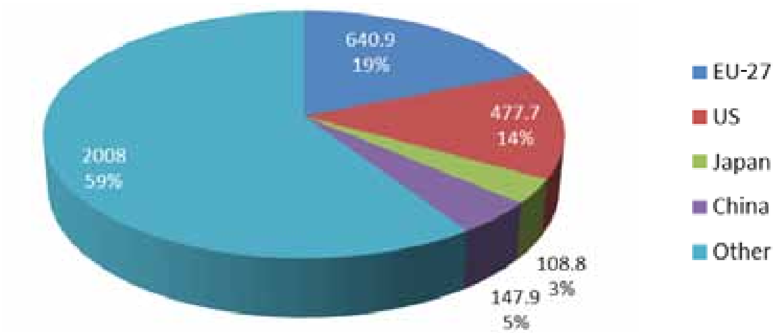
The EU was the world's largest global exporter of commercial services with 19% of total trade valued at €640.9 billion, ahead of the US with 14%, China with 5% and Japan with 3% of commercial services.

The EU was also the world's largest global importer of commercial services with 16% of total trade valued at €497.7 billion, ahead of the US with 10%, China with 7% and Japan with 4% of imported commercial services.

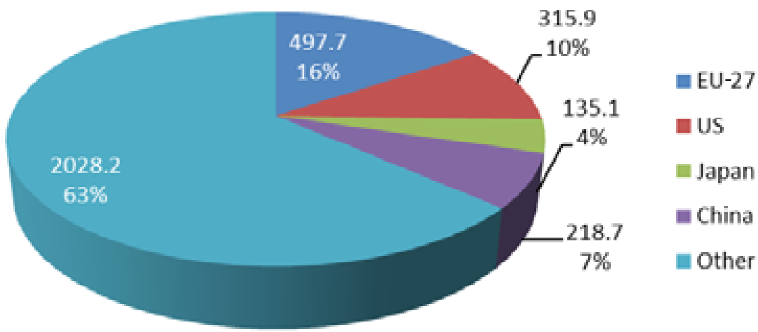
EU balance of trade in commercial services, 2004 - 2012* (billion €)



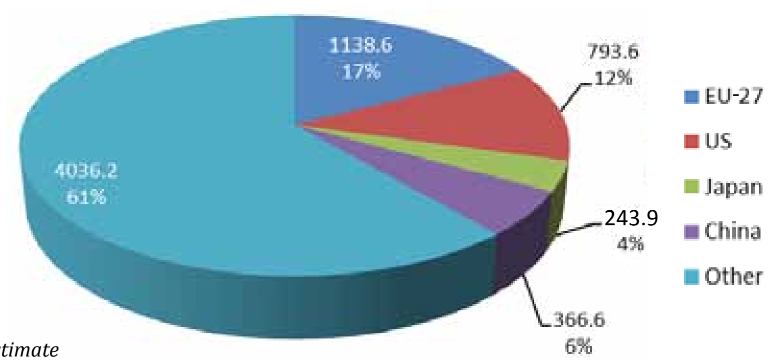
Leading global exporters of commercial services, 2012*
(by share/billion €)



Leading global importers of commercial services, 2012*
(by share/billion €)



Leaders in global commercial services trade, 2012*
(by share/billion €)



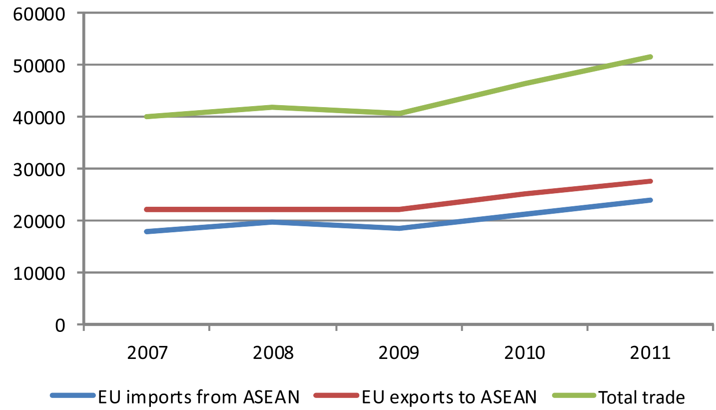
*Source: *WTO Estimate*

EU-ASEAN Trade in Services

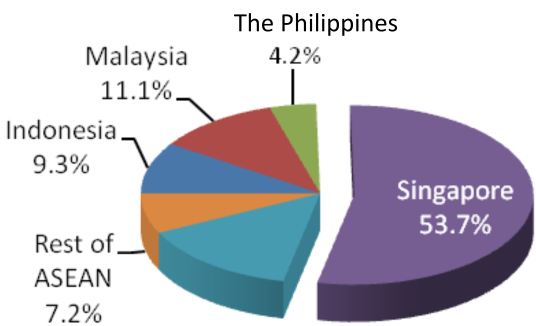
Trade in services between the EU and ASEAN grew by 11.3% in 2011.

In 2011 (latest data), EU-ASEAN trade in services totalled **€51.6 billion**. The **trade balance was positive for the EU**, with a surplus of €3.6 billion. The importance of trade in services between the two regions is growing: **trade in this sector grew by 11.3% in 2011.** The EU represents one of ASEAN's biggest trading partners in services, accounting for 12.6% of overall trade in services for the region. At country level, **Singapore accounts for the majority of the flows** with €27.7 billion (53.7% of total EU-ASEAN trade in services), followed by Thailand (€7.5 billion), Malaysia (€5.4 billion), Indonesia (€4.8 billion) and the Philippines (€2.2 billion).

EU-ASEAN trade in services (€ billion) 2008-2012



ASEAN member state share in EU-ASEAN trade in services



EU-Singapore Trade in Services

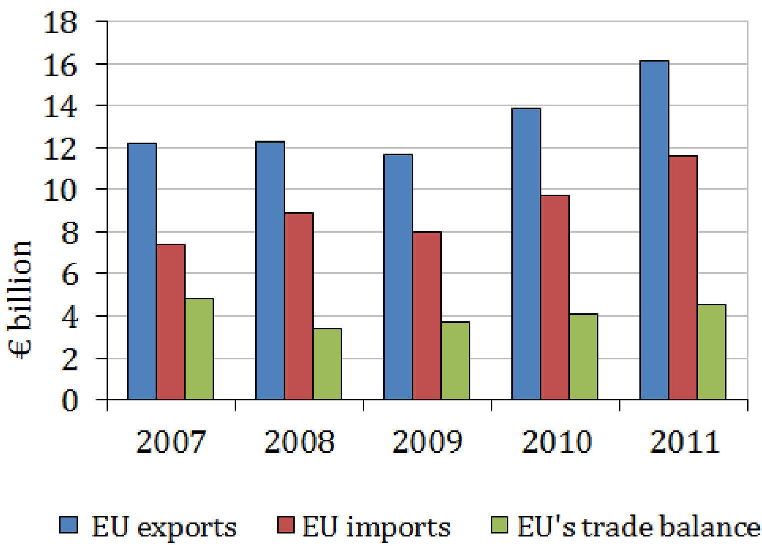
Singapore is the EU's largest trading partner in services in ASEAN

In 2011, total trade in services between the EU and Singapore amounted to €27.7 billion, which represented more than half of the value of the EU-Singapore trade in goods in 2011. The EU holds a surplus of €4.5 billion. It is a quickly growing sector of trade between Singapore and the EU with trade in services increasing by 17.3% in 2011 compared to 2010.

The EU is Singapore's largest trading partner in services, with a share of 18.6% of overall trade in services, well ahead of the US, China, Japan and Australia, as well as ASEAN. Conversely, **Singapore is the EU's seventh largest trading partner in services** with a share of 2.5% of total EU trade in services.

According to the Singapore Department of Statistics (Singstat), **EU-Singapore trade in services is highly concentrated in a few key sectors. Transport and business-related services** accounted for, respectively, 41.8% and 21.5% of Singaporean exports to the EU and 29.2% and 10.7% of Singapore's imports from the EU. Nearly half of Singaporean imports of services from the EU were charges for the use of intellectual property such as patents, trademarks, industrial designs, etc. Those three sectors altogether add up to 63.7% of Singapore's exports to the EU and to 83.2% of EU's exports to Singapore.

EU-Singapore trade in services (2007-2011)



EU-Singapore trade in services by major services categories in 2011

Major service category (ranked by total trade flows in 2011)	Total trade (S$ million)	SGP exports to #$ (S$ million)	Share from total exports (%)	SGP imports from EU (S$ million)	Share from total imports (%)
Transport	**14,139.4**	**7,875.2**	41.8	6,264.2	29.2
Charges for the use of Intellectual property[1]	**9,359.0**	67.5	0.4	9,291.5	43.3
Business management and related	**6,356.0**	4,056.7	21.5	2,299.3	10.7
Financial	**3,209.7**	2,518.7	13.4	691.0	3.2
Maintenance and repair services	**2,395.8**	2,159.4	11.4	236.4	1.1
Telecommunications	**2,264.5**	911.6	4.8	1,352.9	6.3
Trade related	**1,265.4**	789.4	4.2	476.0	2.2
Insurance	**807.4**	336.1	1.8	471.3	2.2
Personal, cultural and recreational	**296.2**	34.1	0.2	262.1	1.2
Construction	**209.6**	111.4	0.6	98.2	0.5
TOTAL	**40,303.0**	**18,860.1**	**100.0**	**21,442.9**	**100.0**

Source: Singapore Department of Statistics

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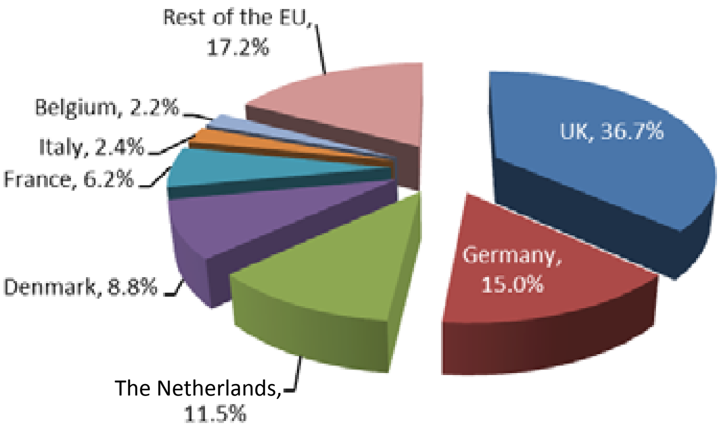
[1] Charges for the use of intellectual property include fees and charges for the use of patents, industrial design, manufacturing rights, trademark and franchising fees, reproduction and distribution rights of computer software and audiovisual products, etc.

At Member State level, the UK is Singapore's biggest European trading partner in services, accounting for 36.7% of total EU-Singapore trade. It is followed by Germany (15.0%), the Netherlands (11.5%), and Denmark (8.8%). These four main partners represent 72% of the EU's trade in services with the city-state.

EU Member State's share of EU-Singapore trade in services, 2011



Source: Singapore Department of Statistics

Foreign Direct Investment

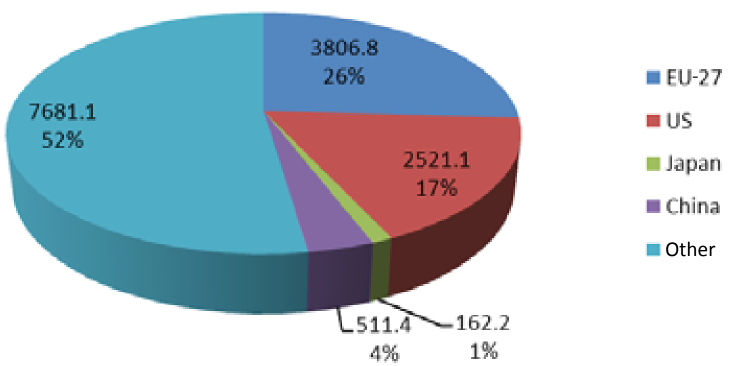
EU Investment Performance

The EU is the top recipient of world FDI with a total of €3,806.80 billion in 2012, equivalent to 26% of global inward stocks, substantially ahead of the US with a 17% share of global trade valued at €2,521.1 billion.

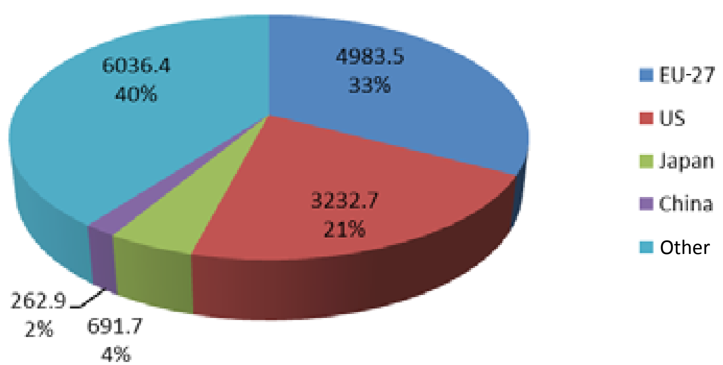
The EU also had the dominant market position in terms of FDI outward stocks with a 33% market share valued at a total of €4,983.5 billion, ahead of the US which had a 21% market share valued at €3,232.7 billion.

Overall, the EU consistently tops the tables as the largest source and destination for FDI flows in the global economy.

Largest global inward FDI stocks, 2011
(by share/billion €)



Largest global outward FDI stocks, 2011
(by share/billion €)



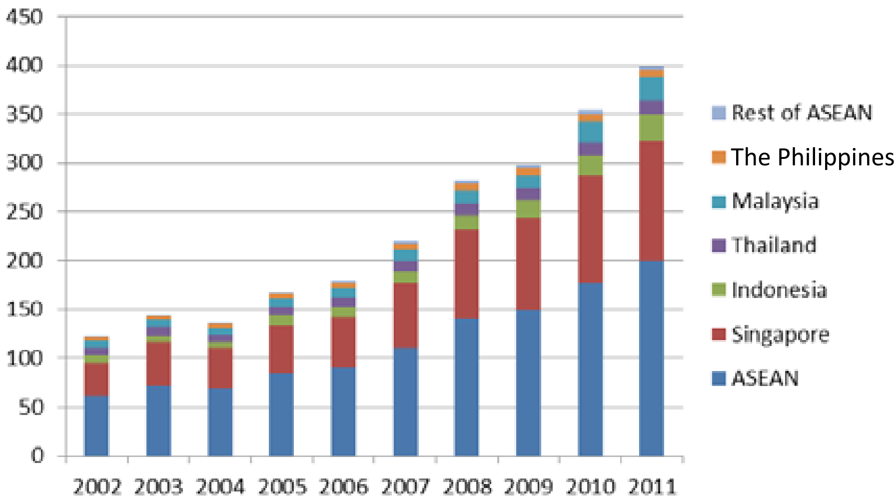
EU-ASEAN Investment Relations

The EU is ASEAN's largest investor, with around 17% of inflows for the period 2009-2011. In 2011 the EU's FDI stock in ASEAN stood at €199.6 billion. The stock in ASEAN has seen very strong growth in recent years. EU FDI stock in ASEAN is concentrated in Singapore (61.5%), Indonesia (13.5%), Malaysia (12%), Thailand (7.1%), and the Philippines (3.8%).

The EU is ASEAN's largest foreign investor but is also increasingly hosting investments from ASEAN

While EU investment into ASEAN continues to grow, the EU's inward FDI stocks from the region increased strongly in just five years, from €27.6 billion in 2006 to €72 billion in 2011.

FDI stocks from the EU to ASEAN countries (billion €) 2002-2011



EU-Singapore Investment Relations

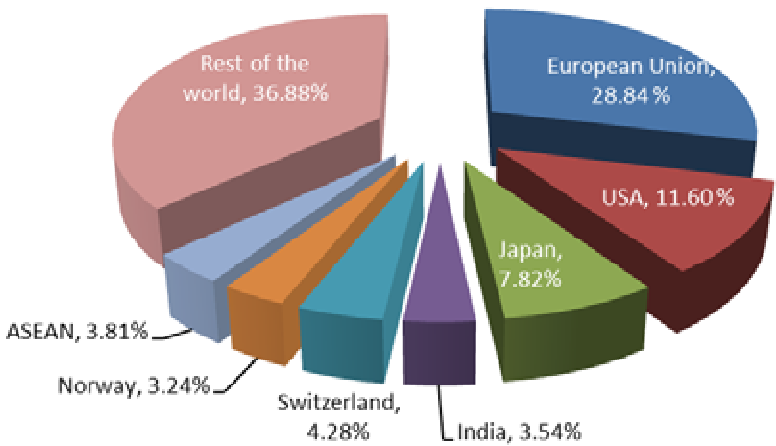
The EU is the biggest source of FDI in Singapore, where over 9300 EU companies are present

The EU is the largest source of FDI in Singapore. In 2011 the EU's share in Singapore's FDI stock was 28.8% while the US's share was 11.6%, and Japan accounted for 7.82% of total.

The EU's FDI stock in Singapore has seen very strong growth in the past decade. According to Eurostat, in 2011 (the latest year for which investment figures are available), Singapore held €122.8 billion of EU FDI stocks or 61.5% of EU's FDI in ASEAN.

According to Singapore's Department of Statistics over 9,300 EU companies are present in Singapore. The most important sectors for EU FDI in Singapore are financial and insurance services, and manufacturing.

FDI in Singapore by major countries/regions (stock at the end of 2011)



Singapore: the EU's tenth largest destination for investment

In 2011, Singapore was the tenth largest destination for EU FDI, with outflows reaching €5.8 billion. In Asia, Singapore was the fourth largest destination for investment flows (behind China, India and Hong Kong). The city-state was the sixth largest holder of EU FDI stocks globally in 2011.

Strong growth of Singapore's FDI stock in the EU

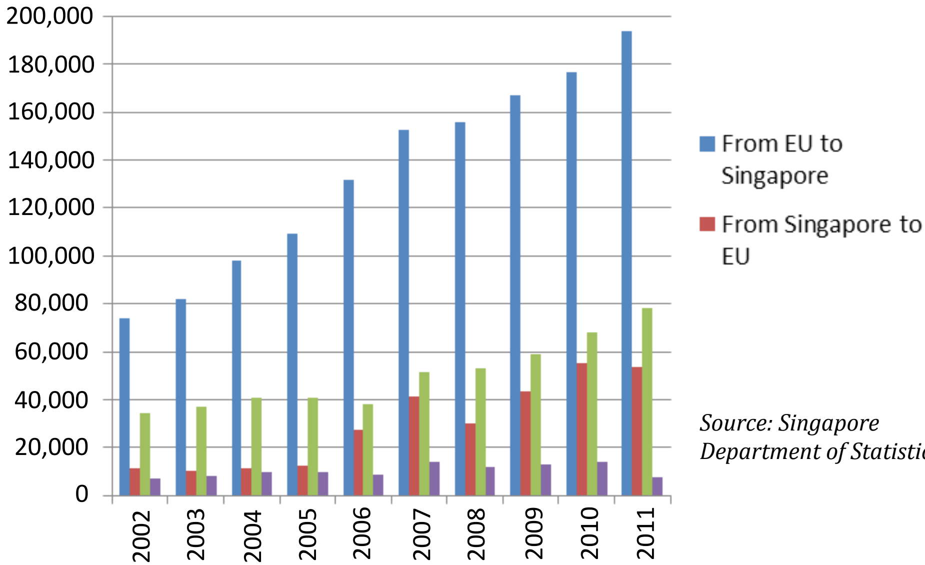
At the end of 2011, the total stock of Singapore's FDI in the EU amounted to €67.3 billion, a 12% increase compared to the 2010 level. During the last decade, Singapore's FDI stock in the EU grew almost fivefold, from only €14.6 billion in 2001. In 2011, the city-state accounted for 94% of the FDI stock from ASEAN.

Singapore is the EU's fifth largest investor

In terms of investment flows, Singapore was the EU's 5th largest investor (with €8.1 billion FDI inflows) in 2011. It was the sixth largest investor in terms of stock held in the EU in 2012.

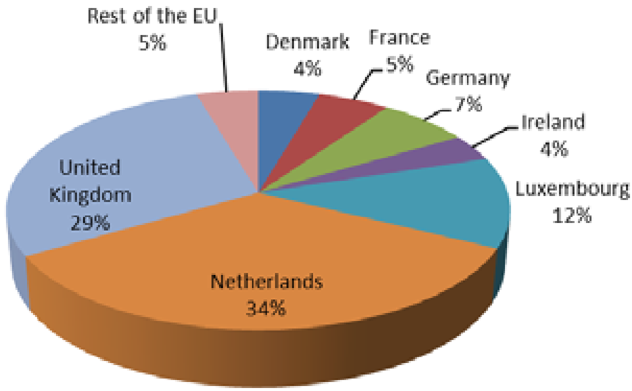
Most of Singapore's FDI in the EU is in financial and insurance services, in wholesale and retail trade, followed by the manufacturing, information and communications, and transport and storage sectors.

EU-Singapore and US-Singapore FDI stocks, 2002-2011 (USD Million)

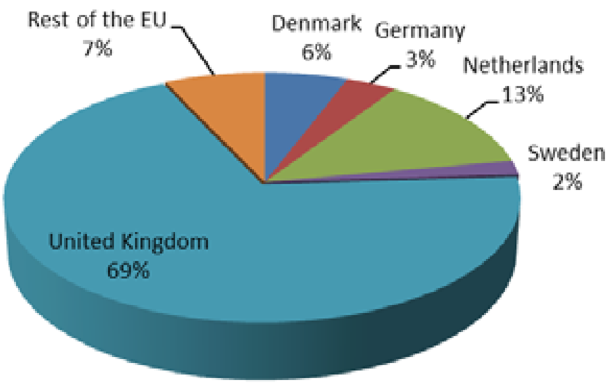


Source: Singapore Department of Statistics

Stock of foreign direct investment in Singapore by EU Member State, 2011



Stock of Singapore's direct investment abroad by EU Member State, 2011



Source: Singapore Department of Statistics

Three Member States stand out in terms of investment stocks with Singapore. The United Kingdom has a high level of both inward and outward stocks with Singapore; the Netherlands has a very high level of outward FDI stocks in Singapore and is on the receiving end of a significant volume of FDI from the city-state; EU companies based in Luxembourg are also important investors in Singapore. Finally, Denmark, Germany, France and Ireland are also noteworthy sources of, and destinations for, FDI for Singapore.

Sources

- European Commission, DG Trade
- Eurostat
- IE Singapore
- Singapore Department of Statistics (Singstat)
- United Nations Conference on Trade and Development (UNCTAD)
- World Economic Forum (WEF)
- World Trade Organisation (WTO)

Unless otherwise stated, tables, charts and graphs in the brochure are based on statistics from Eurostat. Data pre-dating July 1, 2013 (accession of Croatia) refers to EU-27 only.

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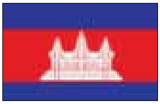

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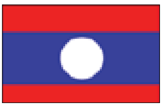

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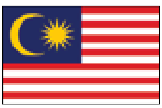

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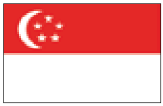

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