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MESSAGE FROM THE EU TRADE COMMISSIONER

In 2017, the European Union is commemorating the 60th anniversary of the Treaty of Rome, which established the European Economic Community in 1957. Its basic principle was simple: we work better when we work together. This motto is as relevant today. The European Union remains committed to free and fair trade, openness and a rules-based international order. The EU is in effect the world's largest exporter and importer of goods and services taken together. In addition, the EU is the world's biggest recipient and source of foreign direct investment.

We recognise the opportunities and prosperity that this openness to trade generates. At the same time, times are changing and we must be honest when it comes to acknowledging that some parts of our societies have not seen the benefits of trade, technology and globalisation. However, returning to isolationism would not provide answers to today's challenges. Instead, it would result in fewer jobs and hamper progress. In this context, we do not see globalisation as something we must either oppose or submit to, but something we can harness and shape, for greater shared prosperity. The EU will therefore stick to the ideals of economic openness that brought us together 60 years ago. We will continue to actively cooperate with international partners. And we will seek to shape our values-based trade agenda in a way as to bring social stability and economic prosperity for the future.

I recently had the opportunity to visit Singapore, an important economic and trade partner of the EU. In view of reinvigorating our long lasting ties, the EU and Singapore are currently working to ensure that the EU-Singapore Free Trade Agreement, initialled in 2014, can be ratified and implemented as soon as possible.

Moreover, Singapore is an active member of the Association of Southeast Asian Nations (ASEAN), which is the EU's third largest trading partner outside of Europe. Over the years, ASEAN has fostered deeper connectivity and economic integration among the countries in Southeast Asia. As we celebrate 40 years of formal relations between the EU and ASEAN this year, we are looking to establish deeper and stronger relations. For this purpose, we have tasked our teams to develop a framework encompassing the parameters of a future EU-ASEAN FTA. Meanwhile, the EU is establishing bilateral trade agreements with trading partners in the region, including Vietnam, Indonesia and the Philippines, while supporting regional integration.

In a troubled time for global trade the EU will stand up for the prosperity and progress it promises. I am glad to find a likeminded partner in Singapore.

CECILIA MALMSTRÖM
EU Trade Commissioner



MESSAGE FROM THE EU AMBASSADOR

The European Union Delegation to Singapore has served to enhance bilateral ties between the EU and the city-state since opening its doors in 2003.

During these 15 years, we have seen EU-Singapore economic relations expand steadily. Last year was no exception. As mature economies with rather stable growth rates, the EU and Singapore continue to increase their commercial links. By publishing this annual Trade & Investment booklet, we would like to highlight the special economic relationship that links our economies together.

In 2016, EU-Singapore trade in goods increased by 4.5% and the latest figures on trade in services show a surge of 28% (2015). The total bilateral investment stocks rose around 25% between 2014 and 2015. These strong ties enabled the EU to confirm its position as Singapore's most important trading partner, goods and services combined. It is also noteworthy that the EU is the city-state's foremost investor.

Behind these figures, there are of course a lot of people-to-people meetings and contacts. This is an important element which we seek to support further, notably through EU-funded programmes such as the EU Business Avenues in South East Asia, launched in 2016. This business promotion initiative will bring 1,000 European small-

and medium sized enterprises to Singapore and the region over five years. A number of successful business missions have already taken place, covering a great variety of promising sectors ranging from green energy and water technologies to contemporary design as well as information and communications technologies.

As my term in Singapore will end this summer I will not personally be present to witness the entry into force of the highly anticipated EU-Singapore Free Trade Agreement. However, I am confident that many EU businesses and professionals will seize the opportunities presented by this agreement. In the meantime, I hope that this publication will contribute to providing the readers with a clearer picture of the progress of our work while highlighting the dynamic economic relations between the EU and Singapore.

DR MICHAEL PULCH
Ambassador / Head of the European Union
Delegation to Singapore



GENERAL OVERVIEW

EU'S TRADE WITH THE WORLD

In 2016, the EU reaffirmed its position as the world's largest single market and trading bloc. The top three destinations for EU exports of goods in 2016 were the United States, China and Switzerland. Singapore is the 16th most important export market for EU goods and the 18th most important source of imports of goods.

EU imports of services from the rest of the world reached €685 billion in 2015, while exports of services amounted to €831 billion. Moreover, the EU is the world's biggest recipient and source of foreign direct investment (FDI). The FDI stocks held by EU economic actors in the rest of the world amounted to €6 892 billion at the end of 2015.

EU-ASEAN TRADE

ASEAN as a region remains the EU's third largest trading partner, after the United States and China. Total trade in goods between ASEAN and the EU grew by over 3.2% between 2015 and 2016. In 2016, the EU imported €122 billion worth of goods and exported goods to a value of €85.8 billion to ASEAN.

In 2015, the total EU-ASEAN trade in services reached €80.1 billion. Singapore remained, by far, the EU's main partner within ASEAN for trade in services, which amounted to a total of €47.1 in 2015.

The EU is the largest foreign investor in ASEAN with €234 billion worth of FDI stocks held in the region. ASEAN direct investment in Europe reached a total stock of €64.8 billion in 2015.

The EU's direct investment in Southeast Asia is mostly concentrated in Singapore, which alone attracts close to 65.7% of the total EU FDI stocks in the ASEAN. Singapore is by far the largest investor in the EU amongst the ASEAN countries.



EU-SINGAPORE TRADE AND INVESTMENT

The EU remains Singapore most important trading partner when both goods and services are taken together.

The total EU-Singapore trade in goods has increased steadily since 2014. Trade in goods grew by 4.3% in 2016, reaching €50.8 billion. As such, the EU confirmed its position as Singapore's third most important trading partner, behind China and Malaysia. In 2016, total EU imports from Singapore reached €19.4 billion, while the EU exported €31.4 billion worth of goods to Singapore, resulting in a surplus in trade in goods of €12 billion in favour of the EU.

The trade in services between the EU and Singapore increased by 28% in 2015 (latest available data). The total value of the bilateral trade in services amounted to €47.1 billion, with the EU importing €21.5 billion worth of services from Singapore and exporting €25.6 billion. Singapore is the EU's 5th most important partner for trade in services overall – ahead of Japan,

Norway and Russia. The EU remains Singapore's most important partner for services trade, ahead of the United States, the ASEAN countries and Japan.

In 2015, the foreign direct investment stocks held by the EU in Singapore totalled €154 billion. This makes Singapore the 8th most important destination for EU direct investments globally, receiving higher amounts of investments than countries such as Japan or India. Conversely, Singapore is the 9th largest direct investor in the EU. Its investors held stocks worth almost €59 billion in 2015, up 11,3% compared to the end of 2014.



THE GLOBAL PERSPECTIVE: EU TRADE AND INVESTMENTS WITH THE REST OF THE WORLD

THE EU'S TRADE IN GOODS WITH THE WORLD

In 2016, the EU reaffirmed its position as the world's largest single market and trading bloc. Its total external trade in goods surpassed €3.45 trillion, including over €1.7 trillion in imports and €1.75 trillion in exports.

The EU-28 recorded a surplus for external trade in goods in 2016. The level of exports was 2.2% or €37.2 billion higher than the level of imports. The trade surplus resulted from a positive trade balance in the machinery and transport equipment sector (€193.1 billion) and the chemicals industry (€129.1 billion).

The top three destinations for EU exports in 2016 were the United States, China and Switzerland. Singapore is the 16th most important export market for EU goods and the 18th most important source of imports into the EU.

MAJOR EU EXPORTS DESTINATIONS 2016	Mn EURO	SHARE %
U.S.	362,043	20.7
China	170,136	9.7
Switzerland	142,432	8.2
Turkey	78,030	4.5
Russia	72,428	4.1
Japan	58,136	3.3
Norway	48,371	2.8
United Arab Emirates	45,847	2.6
South Korea	44,518	2.6
India	37,800	2.2
Canada	35,200	2
Hong Kong	34,989	2
Mexico	33,928	1.9
Saudi Arabia	33,925	1.9
Australia	32,437	1.9
Singapore	31,423	1.8
Brazil	30,909	1.8
South Africa	22,986	1.3
Israel	21,142	1.2
Algeria	20,908	1.2
TOTAL Extra EU 28	1,745,730	100%



EU imports of goods from the rest of the world was dominated by machinery and transport equipment, which accounted for 32% of the total value of imported goods, followed by manufactured goods and articles (26%) and mineral fuels, lubricants and related materials (15%). In effect, these categories of goods made up over 73% of the value of the EU imports in 2016, a slightly lower share compared to the previous year (75% in 2015). The top three countries from which the EU imported goods in 2015 were China, the United States and Switzerland, with the latter overtaking Russia as the third largest source of imports.

MAIN ORIGIN OF EU IMPORTS 2016	Mn EURO	SHARE %
China	344,642	20.2
U.S.	246,774	14.5
Switzerland	121,608	7.1
Russia	118,661	7
Turkey	66,652	3.9
Japan	66,383	3.9
Norway	62,935	3.7
South Korea	41,433	2.4
India	39,265	2.3
Vietnam	33,064	1.9
Brazil	29,334	1.7
Canada	29,094	1.7
Taiwan	26,057	1.5
South Africa	22,853	1.3
Malaysia	22,177	1.3
Thailand	20,339	1.2
Mexico	19,800	1.2
Singapore	19,436	1.1
Saudi Arabia	19,010	1.1
Hong Kong	18,212	1.1
TOTAL Extra EU 28	1,706,413	100%

EU TRADE IN SERVICES WITH THE WORLD

International trade in services has seen a remarkable increase in recent decades. The development of cross-border trade in services has been driven by improved digital communication and transportation as well as the so called servicification of many advanced products, including Internet of Things features. Between 2010 and 2015, EU's total external trade in services increased from €1031 billion to €1471 billion - an expansion pace of 42.7% over five years.

In 2015 (most recent data available), the EU exported €832 billion worth of services and imported €686 billion, resulting in a positive net balance for trade in service of €146 billion. Both imports and exports increased in the past year. EU imports of services from the rest of the world grew from €602 billion in 2014 to

€686 billion in 2015, or +14%, while exports of services expanded from €773 billion in 2014 to €832 billion in 2015, or +7.6%.

The most significant services trade took place in the field of business services (research & development, business services and professional & technical services). These services segments accounted for 28% of EU total exports and 30% of imports. Moreover, transport services also accounted for an important share (17% of exports and 19% of imports), as well as travel services (14% and 15%), telecommunications, computer and information services (13% and 9%) and financial services (11% and 6%).

EU EXPORT DESTINATIONS 2015	Share %
United States	27.2%
Switzerland	14.0%
China	4.5%
Norway	3.4%
Japan	3.4%
Singapore	3.1%
Russia	3.0%
Australia	2.4%
Canada	2.2%
Brazil	1.9%
India	1.7%

EXPORT – SECTOR BREAKDOWN	SHARE %
Transport	17.3%
Travel	13.5%
Insurance and pension	3.1%
Financial services	10.5%
Use of intellectual property	7.3%
Telecommunications, computer & information	12.7%
Other business services	28.3%
Other services ⁽¹⁾	7.2%

⁽¹⁾ Includes: manufacturing services on physical inputs owned by others; maintenance and repair services not identified elsewhere; construction; personal, cultural and recreational services; and government.

SOURCE OF EU IMPORTS 2015	SHARE %
United States	31.0%
Switzerland	10.6%
Bermuda	3.9%
China	3.8%
Singapore	3.1%
Bahamas	2.6%
Turkey	2.4%
Norway	2.4%
Japan	2.3%
India	2.0%
Canada	1.8%

*Turkey 2014 instead of 2015

IMPORT - SERVICES SECTOR BREAKDOWN	SHARE %
Transport	18.5%
Travel	14.5%
Insurance and pension	2.1%
Financial services	6.0%
Use of intellectual property	14.3%
Telecommunications, computer & information	8.7%
Other business services	30.2%
Other services ⁽¹⁾	5.7%

⁽¹⁾ Includes: manufacturing services on physical inputs owned by others; maintenance and repair services not identified elsewhere; construction; personal, cultural and recreational services; and government goods and services not indicated elsewhere.

EU TRADE IN SERVICES 2015 SECTOR BREAKDOWN BILLION EUROS	EXPORTS	IMPORTS	BALANCE
Manufacturing services on physical inputs owned by others	20.2	8.5	11.7
Maintenance and repair services, not included elsewhere (n.i.e.)	11.7	9.8	1.9
Transport	143.6	126.9	16.7
Travel	112.5	99.2	13.3
Construction	13.3	5.3	8.0
Insurance and pension services	25.9	14.4	11.5
Financial services	87.4	40.9	46.5
Charges for the use of intellectual property n.i.e.	60.8	98.0	-37.2
Telecommunications, computer, and information services	105.2	59.4	45.8
Other business services	235.0	207.4	27.6
Personal, cultural, and recreational services	7.8	10.7	-2.9
Government goods and services n.i.e.	7.6	5.0	2.6
Services not allocated	0.6	0.2	0.4
TOTAL Services	831.6	685.7	145.9



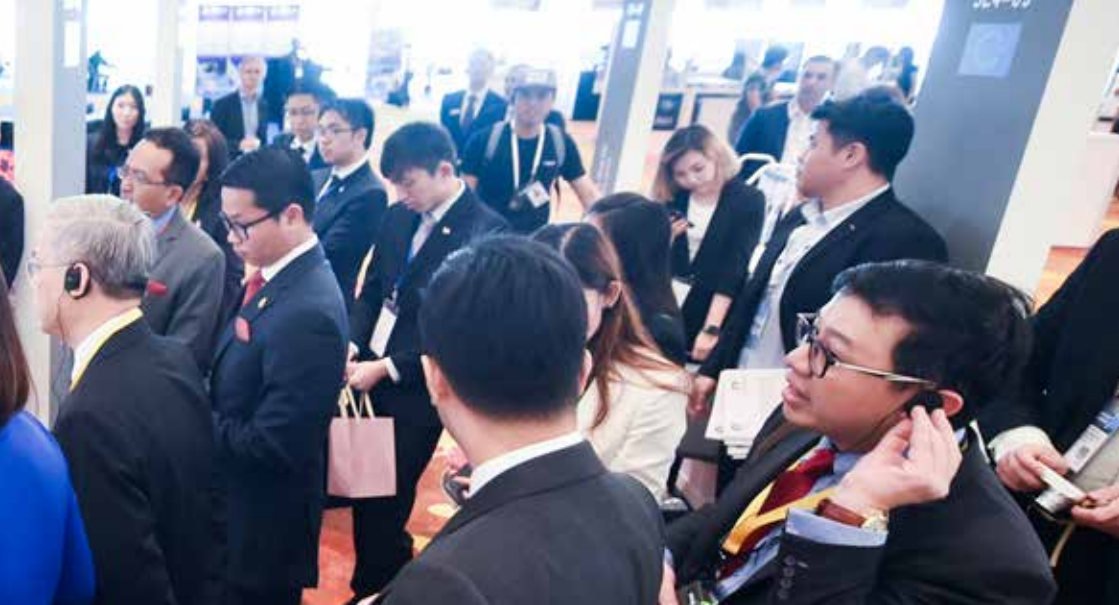
EU'S OUTWARD AND INWARD FOREIGN DIRECT INVESTMENT STOCKS

Foreign direct investment (FDI) refers to the establishment of business operations abroad or acquisition of ownership shares in companies. Such investments are an important indicator of the magnitude of international economic relationships and also provide a measurement of the longstanding links between trading partners.

The EU is the world's biggest recipient and source of foreign direct investment. The foreign direct investment stocks held by **EU economic actors** worldwide amounted to €6 892 billion at the end of 2015, an increase of 14.9% year-on-year. Meanwhile, the inward investment stocks held by foreign investors in the **EU** amounted to €5 745 billion in 2015, a remarkable increase of 20.7% from the previous year. In sum, the **EU holds a larger amount of investment abroad in comparison to what foreign investors have invested in the EU, resulting in a net investment position of a surplus slightly above €1 140 billion for the EU vis-a-vis the rest of the world.**

MAJOR DESTINATIONS FOR EU OUTWARD DIRECT INVESTMENTS 2015 (BN EUROS)

Outward	Value Bn Euros	Share %
United States	2,559.8	37.1
Switzerland	821.8	11.9
Brazil	329.9	4.8
Canada	248.8	3.6
China <i>(except Hong Kong)</i>	167.9	2.4
Russia	162.2	2.4
Mexico	161.6	2.3
Singapore	154.1	2.2
Hong Kong	119.4	1.7
Australia	117.7	1.7
Japan	88.4	1.3
Total Extra EU-28	6,891.6	100



North America and the United States in particular remain the most significant destination for outward EU direct investment. Hosting €2.6 trillion worth of EU investment in 2015, the United States was the leading recipient of EU FDI, followed by Switzerland (€822 billion or 12%), Brazil (€330 billion or 4.8%) and China (€168 billion or 2.4%). Singapore had received €154 billion worth of investment stocks by 2015 (+32%) and was thereby the 8th most important destination for EU outward investments, moving up from its 10th position in 2014.

Looking at inward direct investment into the EU, the United States was again the leading investment partner, holding €2.4 trillion worth of investment stocks in the EU, equivalent to 41.4% of total FDI stocks held by the foreign economic operators in the EU, ahead of Switzerland (€619 billion or 10.8%). Together, these two countries accounted for more than half of the total inward FDI stocks held by third country investors in the EU at the end of 2015. Singapore, with its €57 billion of investment stocks in the EU, maintained its position as 9th most important investor. Although Singapore accounted for 1% of the total inward FDI stock in 2015, it increased its investments by an impressive 11.2% on a year-on-year basis.

MAJOR SOURCES OF INWARD DIRECT INVESTMENTS TO THE EU 2015 (BN EUROS)

Outward	Value Bn Euros	Share %
United States	2,380.9	41.4
Switzerland	619.3	10.8
Canada	219.2	3.8
Japan	168.9	2.9
Brazil	127.6	2.2
Hong Kong	80.4	1.4
Norway	76.8	1.3
Russia	61	1.1
Singapore	57	1
Israel	44.9	0.8
Total Extra EU-28	5,744.9	100



THE REGIONAL PERSPECTIVE: EU-ASEAN TRADE AND INVESTMENTS

In 2016, the EU and ASEAN continued to strengthen their relationship at several levels. For example, the EU and ASEAN recently launched negotiations on a comprehensive air transport agreement, covering conditions for air traffic operations as well as regulatory cooperation in aviation security.

Recently, the parties discussed the next steps towards the resumption of the ASEAN-EU Free Trade Agreement negotiations and decided to develop a framework encompassing the parameters of a future ASEAN-EU FTA. In the meantime, the EU is pursuing a bilateral agenda and creating stepping stones to support the long-term objective of closer region-to-region cooperation.

TRADE IN GOODS CATEGORIES

Food and live animals
Beverages and tobacco
Crude materials, inedible, except fuels
Mineral fuels, lubricants and related materials
Animal and vegetable oils, fats and waxes
Chemicals and related prod, n.e.s.
Manufactured goods classified chiefly by material
Machinery and transport equipment
Miscellaneous manufactured articles
Commodities
Other
Total

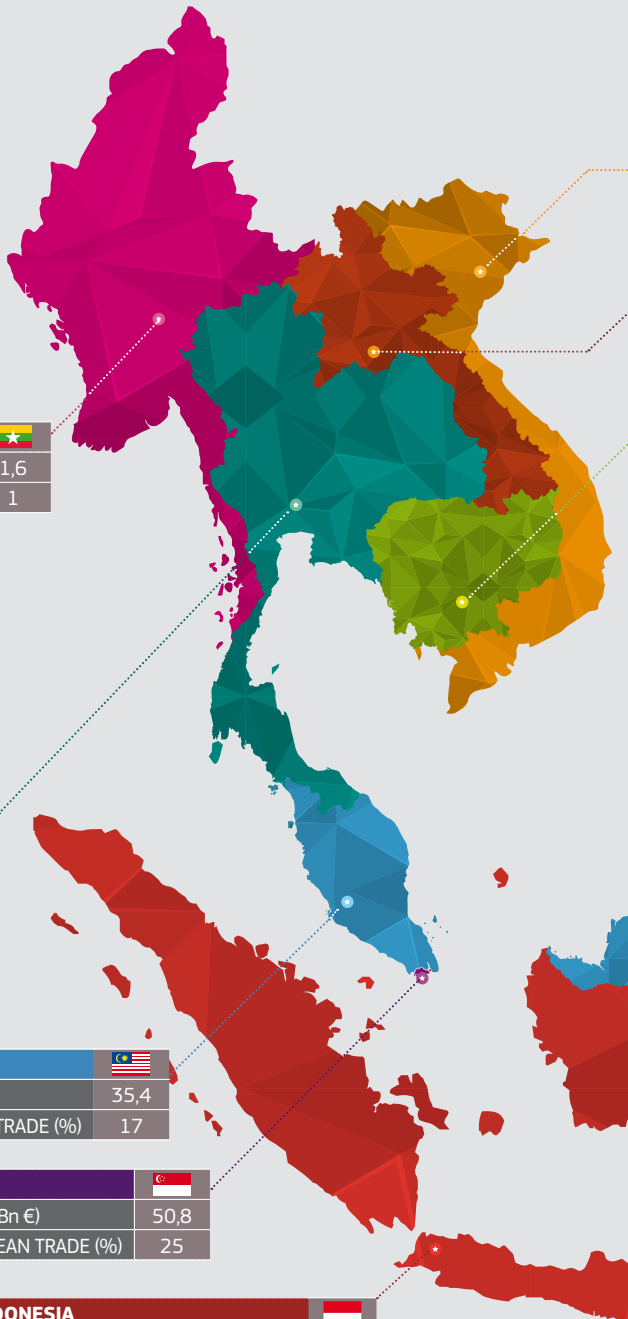


EU-ASEAN TRADE IN GOODS

Amid global uncertainties and economic headwinds, total trade in goods between ASEAN and the EU grew by over 3.2% between 2015 and 2016. In effect, ASEAN as a region remains the EU's third largest trading partner, after the United States and China, and accounts for around 6% of the EU's total merchandise trade with the world.

In 2016, EU's imports from the ASEAN countries grew by 2.9%, while the EU's exports to ASEAN expanded by 3.5% year-on-year. In 2016, the EU imported €122 billion worth of goods and exported €85.8 billion worth of goods, resulting in a trade deficit of €36.2 billion vis-à-vis ASEAN.

EU 28 Imports Mn Euros		EU 28 Exports Mn Euros		Total Trade in Goods Mn Euros		EU Trade Balance vis-à-vis ASEAN Mn Euros	
2015	2016	2015	2016	2015	2016	2015	2016
8,533	8,536	4,432	4,914	12,965	13,450	-4,101	-3,622
273	263	1,899	1,856	2,171	2119	1,626	1593
2,702	2,304	1,629	1,834	4,331	4138	-1,073	-470
1,555	1,771	3,215	4,196	4,770	5967	1,660	2,425
4,691	4,525	151	148	4,842	4673	-4,540	-4,377
11,541	10,899	12,240	12,785	23,780	23,684	699	1886
6,977	6,987	7,794	7,360	14,771	14,347	817	373
53,318	55,658	41,059	42,008	94,377	97,666	-12,259	-13,650
28,108	29,554	7,684	8,240	35,792	37,794	-20,424	-21,314
395	350	1,848	1,283	2,243	1,633	1,459	933
323	1,226	1,026	1,217	1,349	2,443	703	-9
118,416	122,073	82,977	85,841	201,391	207,914	-35,433	-36,232



MYANMAR	
TOTAL TRADE WITH EU (Bn €)	1,6
SHARE OF TOTAL EU-ASEAN TRADE (%)	1


THAILAND	
TOTAL TRADE WITH EU (Bn €)	33,9
SHARE OF TOTAL EU-ASEAN TRADE (%)	16

MALAYSIA	
TOTAL TRADE WITH EU (Bn €)	35,4
SHARE OF TOTAL EU-ASEAN TRADE (%)	17


SINGAPORE	
TOTAL TRADE WITH EU (Bn €)	50,8
SHARE OF TOTAL EU-ASEAN TRADE (%)	25


INDONESIA	
TOTAL TRADE WITH EU (Bn €)	25,1
SHARE OF TOTAL EU-ASEAN TRADE (%)	12

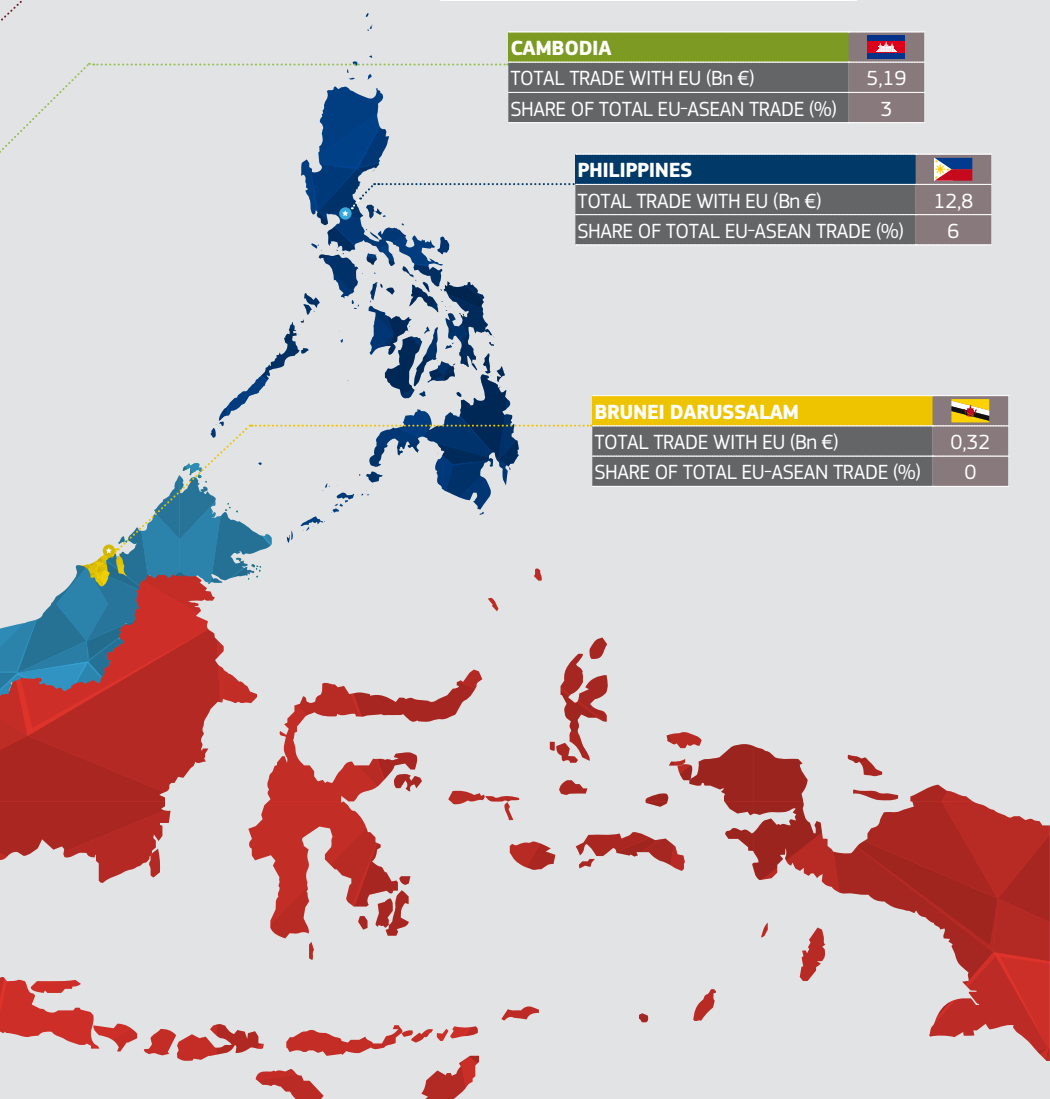
VIETNAM		
TOTAL TRADE WITH EU (Bn €)	42,4	
SHARE OF TOTAL EU-ASEAN TRADE (%)	20	

LAOS		
TOTAL TRADE WITH EU (Bn €)	0,3	
SHARE OF TOTAL EU-ASEAN TRADE (%)	0	

CAMBODIA		
TOTAL TRADE WITH EU (Bn €)	5,19	
SHARE OF TOTAL EU-ASEAN TRADE (%)	3	

PHILIPPINES		
TOTAL TRADE WITH EU (Bn €)	12,8	
SHARE OF TOTAL EU-ASEAN TRADE (%)	6	

BRUNEI DARUSSALAM		
TOTAL TRADE WITH EU (Bn €)	0,32	
SHARE OF TOTAL EU-ASEAN TRADE (%)	0	





The bilateral trade in goods between the EU and ASEAN continued to be dominated by machinery and transport equipment, miscellaneous manufactured goods as well as chemicals and related products. In effect, the EU's imports of machinery and transport equipment alone accounted for 45.6% of its total imports from ASEAN. Looking at the reverse trade flows, the machinery and transport equipment exports accounted for 48.9% of total EU exports to ASEAN. Together, these three product categories represented a value of €159,1 billion, almost 76% of the total value of the merchandise trade between the EU and ASEAN.

EU-ASEAN TRADE IN SERVICES

In 2015, the total EU-ASEAN trade in services reached €80.1 billion, with a surplus of €4.7 billion in favour of the EU. Overall, the total trade in services increased by 18.7% compared to the previous year. Singapore remained, by far, the EU's main partner within ASEAN for trade in services, with a bilateral services trade amounting to a total of €47.1 in 2015. Singapore is followed by Thailand, with €9.4 billion worth of services trade, and Malaysia with €7.7 billion.

EU TRADE IN SERVICES WITH ASEAN 2015

PARTNERS	Bn EUROS			
	Imports	Exports	Balance	Total
Singapore	21.5	25.6	4.2	47.1
Thailand	5.7	3.7	-2	9.4
Malaysia	3.3	4.4	1.1	7.7
Indonesia	2.1	4	1.9	6.1
Philippines	2.2	2	-0.2	4.2
Vietnam	1.8	1.7	-0.1	3.5
Myanmar	0.3	0.4	0.1	0.7
Brunei	0	0.4	0.4	0.4
Cambodia	0.3	0.1	-0.2	0.4
Laos	0.1	0.1	0	0.2
TOTAL ASEAN	37.7	42.4	4.7	80.1

SERVICE SECTOR BREAKDOWN* (VALUE MIO €)	EU Exports	EU Imports	Balance
Manufacturing services	473,5	591,1	-117,6
Maintenance and repair services n.i.e.	431,1	273,3	157,8
Transport	6623,9	7829,4	-1205,5
Travel	2353,6	6133,9	-3780,3
Construction	690,6	251	439,6
Insurance and pension services	563,3	207,8	355,5
Financial services	2266,2	3666,8	-1400,6
Charges for the use of intellectual property n.i.e.	5822,2	4510,5	1311,7
Telecommunications, computer, and information services	532	408,8	123,2
Other business services	3614,6	2528,2	1086,4
Personal, cultural, and recreational services	155	314,8	-159,8
Government goods and services n.i.e.	187,4	105,9	81,5
Total services ASEAN 4*	23.713,4	26.821,5	-3108,1

*Top 4 ASEAN partners, which include: Singapore, Malaysia, Thailand and Indonesia



EU-ASEAN FOREIGN DIRECT INVESTMENT

The EU remained the largest investor in ASEAN with €234 billion worth of FDI stocks held in the region at the end of 2015 (most recent statistics available). ASEAN direct investment in Europe has also been growing and reached a total stock of €64.8 billion in 2015.

The EU's direct investment in Southeast Asia is mostly concentrated in Singapore, which alone attracts close to 65.7% of the total EU FDI stocks in the ASEAN. In fact, Singapore's share of the total EU FDI even increased compared to 2014. The second largest destination for EU investment in the region is Indonesia (12.9%), followed by Malaysia (8.15%).

In terms of inward direct investments to the EU, Singapore is by far the largest investor amongst the ASEAN countries. While several ASEAN countries disinvested in the EU 2015, Singapore held a higher amount of FDI stocks in the EU than the all the other ASEAN countries taken together.



EU-ASEAN FDI STOCKS AND FLOWS, 2015, (BILLION EUROS)

COUNTRY	FDI STOCKS		FDI FLOWS	
	Held by ASEAN country in the EU	Held by the EU in ASEAN country	From ASEAN country to the EU	From the EU to ASEAN country
Singapore	57.0	153.2	14.2	27.8
Malaysia	10.3	19.1	-0.3	-0.1
Indonesia	-3.8	30.7	-0.1	-0.1
Thailand	-0.5	15.6	-0.8	-5.4
Philippines	1.1	6.1	0.1	-0.9
Vietnam	-0.2	5.5	0.0	0.7
Cambodia	0.0	1.8	0.0	0.1
Brunei	1.0	1.3	0.0	0.1
Myanmar	-0.1	0.4	0.0	0.1
Laos	0.0	0.3	0.0	0.0
TOTAL ASEAN	64.8	234.0	13.1	22.3

Negative FDI stock may be recorded when (i) continuous losses in the direct investment enterprise lead to negative reserves; (ii) the value of loans /debt securities extended by direct investment enterprise to foreign direct investors exceeds the corresponding value advanced by foreign direct investors to the direct investment enterprise.



THE BILATERAL PERSPECTIVE: EU-SINGAPORE TRADE AND INVESTMENT TIES

EU-SINGAPORE TRADE IN GOODS

Singapore remains the EU's most important trading partner in ASEAN and a key destination for investments, despite the steep competition from emerging markets. Last year, the EU and Singapore continued to further build on their solid economic and political relationship in areas such as internationalisation, research and development. The EU and Singapore are also looking to proceed with the ratification and implementation of a comprehensive Free Trade Agreement as well as a Partnership and Cooperation Agreement in view of fostering further collaboration in various fields.

Against the backdrop of previous fluctuations, the total EU-Singapore trade in goods has been increasing steadily since 2014. In particular, trade in goods grew by 4.3% in 2016, reaching €50.8 billion. As such, the EU confirmed its position as Singapore's third most important trading partner, behind China and Malaysia. In 2016, total EU imports from Singapore reached €19.4 billion, while the EU exported €31.4 billion worth of goods to Singapore, resulting in a surplus in trade in goods of €12 billion in favour of the EU.

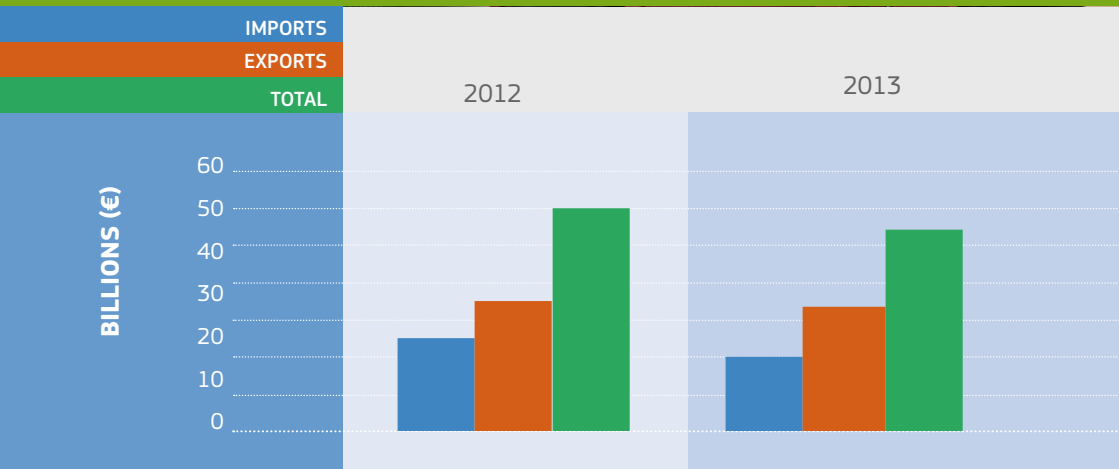


EU-SINGAPORE TRADE IN GOODS (BN OF EUROS, APPROXIMATED)

YEAR	IMPORTS	EXPORTS	TOTAL TRADE
2016	19.4	31.4	50.8
2015	19	29.7	48.7
2014	16.9	28.3	45.2
2013	17.3	29.1	46.4
2012	21.6	30.4	52



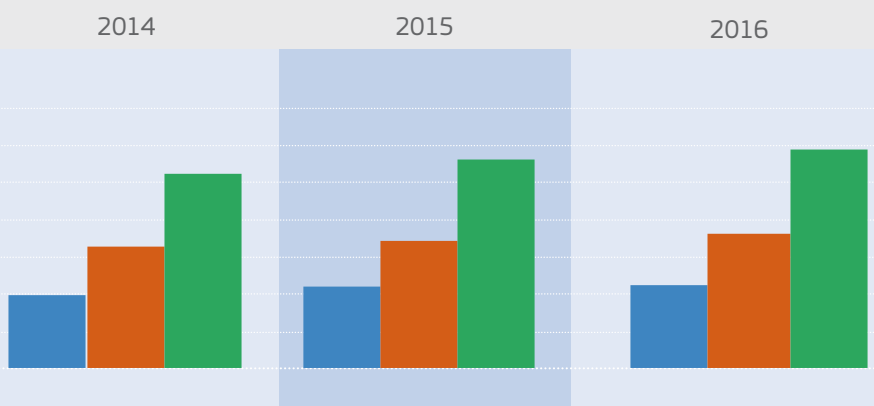
TIMELINE OVER EU-SINGAPORE TRADE IN GOODS (BN OF EUROS, APPROXIMATED)



EU IMPORTS OF GOODS FROM SINGAPORE - TOP FIVE CATEGORIES (SITC SECTIONS)

IMPORTS 2016 (VALUE MIO €)

Product	Value	Total %
Chemicals and related products	7,678	39.50%
Machinery and appliances	6,464	33.25%
Miscellaneous manufactured articles	2,190	11.30%
Mineral fuels, lubricants and related materials	1,117	5.70%
Other	1,022	5.30%



EU EXPORTS OF GOODS TO SINGAPORE - TOP FIVE CATEGORIES (SITC SECTIONS)

EXPORTS 2016 (VALUE MIO €)

Product	Value	Total %
Machinery and transport equipment	14,737	46.90%
Chemicals and related products	4,356	13.90%
Miscellaneous manufactured articles	3,865	12.30%
Mineral fuels, lubricants and related materials	3,313	10.50%
Manufactured goods classified chiefly by material	2,059	6.60%



SNAPSHOT: EU-SINGAPORE TRADE IN TRANSPORT EQUIPMENT

2016 was a positive year for trade in transport equipment. EU exports to Singapore reached €4,005 million, up 15% compared to 2015. Meanwhile, imports from Singapore to the EU increased by 33% to €1,593 million in 2016.

The transport equipment sector comprises mainly road vehicles and other vehicles (ships, aircraft, railway) as well as internal combustion engines and certain electrical equipment. In particular, the EU is a major exporter of aircraft and spacecraft equipment to Singapore.

EU EXPORTS OF TRANSPORT EQUIPMENT TO SINGAPORE 2016

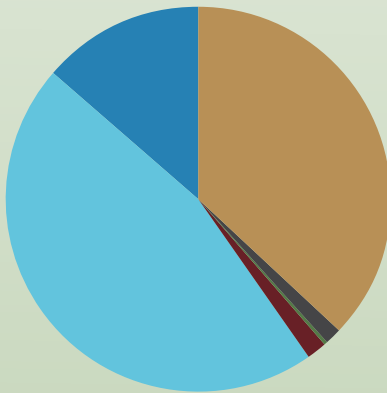
	Million (€)	%
Motor vehicles	1,489	37.2
Motorcycles	47,6	1.2
Trailers and semi-trailers	13,1	0.3
Railway vehicles	70,6	1.8
Aircraft and spacecraft	1,839	45.9
Ships and boats	545	13.6
Total Transport equipment	4,005	100

Standard International Trade Classification (Rev. 3) categories



The jump in EU exports in the aircraft, spacecraft and associated equipment category (+79.8% year-on-year) mainly resulted from a surge in exports of airplanes and other aircrafts, which accounted for €1245 million. These data may be explained by last year's decision by Singapore

Airlines to order 11 Airbus A350s to enlarge its fleet and reach new destinations in Europe such as Amsterdam and Düsseldorf.



Motor vehicles	37.2
Motor cycles	1.2
Trailers and semi-trailers	0.3
Railway vehicles	1.8
Aircraft and spacecraft	45.9
Ships and boats	13.6

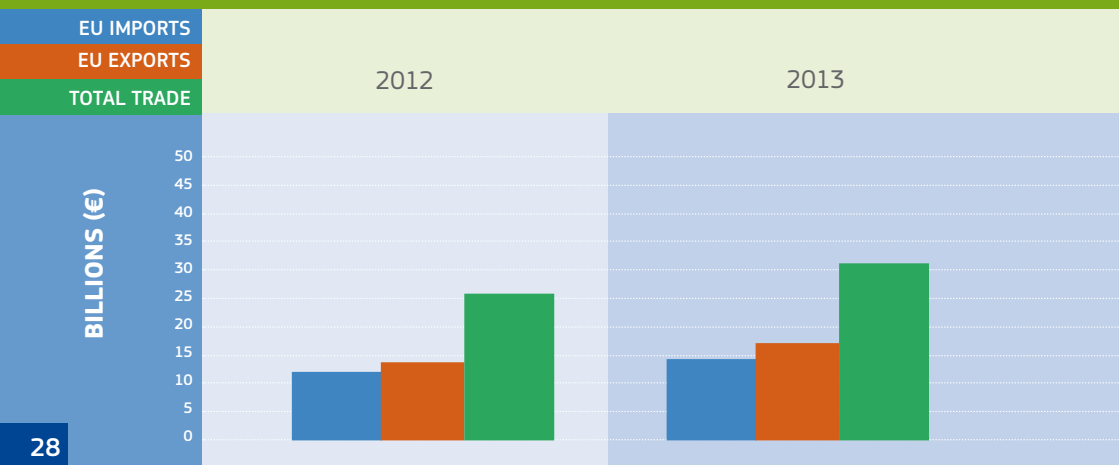


EU-SINGAPORE TRADE IN SERVICES

The trade in services between the EU and Singapore increased by a remarkable 28% in 2015. The total value of the bilateral trade in services amounted to €47.1 billion, with the EU importing €21.5 billion worth of services from Singapore and exporting €25.6 billion.

Singapore is in effect the EU's 5th most important partner for trade in services overall – ahead of Japan, Norway and Russia. From Singapore's perspective, the EU remains the most important partner for services trade, ahead of the United States, the ASEAN countries and Japan.

EU SINGAPORE TRADE IN SERVICES (BILLION EUROS)





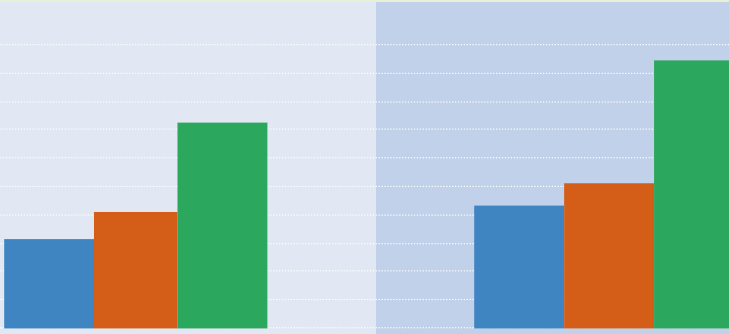
EU-SINGAPORE TRADE IN SERVICES (BILLION EUROS)

Bn EUROS

Year	EU Imports	EU Exports	Total Trade	% Change	Balance
2013	14.7	17	31.7	20.9	2.2
2014	16.2	20.6	36.8	16	4.4
2015	21.5	25.6	47.1	27.9	4.2

2014

2015



EU-SINGAPORE TRADE IN SERVICES 2015 – SELECTED SECTORS (MILLION EUROS)

Manufacturing services
Maintenance and repair services n.i.e.
Transport
Travel
Construction
Insurance and pension services
Financial services
Charges for the use of intellectual property n.i.e.
Telecommunications, computer, and information services
Other business services
Personal, cultural, and recreational services
Government goods and services n.i.e.

EU-SINGAPORE BILATERAL DIRECT INVESTMENT

In 2015 (latest available data) , the foreign direct investment stocks held by the EU in Singapore increased by 32% to a total of €154 billion, or around 2.2% of total EU outward FDI. This makes Singapore the 8th most important destination for EU direct investments globally, receiving higher amounts of investments than countries such as Japan or India

Conversely, Singapore is the 9th largest direct investor in the EU. Its investors held stocks worth €57 billion in 2015, up 8% compared to the end of 2014. This makes Singapore the leading investor in the EU amongst the ASEAN countries by a significant margin. It is also the third largest investor from Asia overall, behind Japan and China. In terms of its share of the total inward FDI to the EU, Singapore holds around 1% of the foreign investment stocks in the EU.

	Exports	Imports	Balance
	376,4	73,8	302,6
	204,9	175,3	29,6
	4736,4	5235,8	-499,4
	851,8	1035,4	-183,6
	256,4	126,3	130,1
	371,4	103,3	268,1
	1614,9	3494,5	-1880
	4545,7	4469	76,7
	4,998	842	4,155
	7,418	5,781	1,637
	81,2	51	29,7
	22	61	-39

MAJOR DESTINATIONS FOR EU OUTWARD DIRECT INVESTMENTS (BILLION EUROS)

2015		
Partner	Value Bn Euros	Share %
United States	2,559.8	37.1
Switzerland	821.8	11.9
Brazil	329.9	4.8
Canada	248.8	3.6
China (except Hong Kong)	167.9	2.4
Russia	162.2	2.4
Mexico	161.6	2.3
Singapore	154.1	2.2
Hong Kong	119.4	1.7
Australia	117.7	1.7
Japan	88.4	1.3
TOTAL EXTRA EU-28	6,891.6	100

MAJOR SOURCES OF INWARD DIRECT INVESTMENTS TO THE EU (BILLION EUROS)

2015		
Partner	Value Bn Euros	Share %
United States	2,380.9	41.4
Switzerland	619.3	10.8
Canada	219.2	3.8
Japan	168.9	2.9
Brazil	127.6	2.2
Hong Kong	80.4	1.4
Norway	76.8	1.3
Russia	61	1.1
Singapore	57	1
Israel	44.9	0.8
TOTAL Extra EU-28	5,744.9	100.0



INVESTMENT HIGHLIGHTS 2016

SINGAPORE DIRECT INVESTMENTS IN THE EU

Illustrative of Singapore's confidence in the long-term prospects of the EU market, its two sovereign wealth funds, Temasek Holdings and GIC Private Limited, invested in a number of successful operations in 2016.

GIC bought P3 Logistics Parks for €2.4 billion in 2016, reportedly the largest real-estate deal in Europe that year. P3, which runs logistics properties across Europe, was sold by TPG Real Estate and Ivanhoé Cambridge. In addition to its 163 warehouses across nine countries, P3 has 11 new sites under construction.

In July 2016, Temasek announced an investment in Moncler, an Italian/French luxury company, leader in high-end outerwear and apparel, via the acquisition of an equity stake in a newly

incorporated investment company from Ruffini Partecipazioni. This investment represents Temasek's first significant investment in an Italian company. Established in 1952 in Grenoble, France, Moncler operates in over 70 countries through a leading network of mono-brand stores and major exclusive luxury department and multi-brand stores.

GIC also acquired, in late June 2016, a 16% stake in the Irish telecommunications company Eir, purchasing at a price of €232 per share from exiting minority shareholders, amounting to a total investment of €230 million. This is not the first time a Singapore fund is taking interest in the company. In fact Singapore Technologies Telemedia, a company owned by Temasek Holdings Pte, previously invested in the phone carrier in 2010, but exited its investment in 2012.



EU DIRECT INVESTMENTS IN SINGAPORE

Several examples illustrate the great interest of European companies and investors in venturing into the dynamic business environment in Singapore.

The French CMA CGM engaged in a strategic partnership with the Singaporean port operator, PSA Singapore Terminals, to operate and use four mega container berths at Pasir Panjang Terminal Phases 3 and 4 in Singapore. The investment is doubling the total operating capacity of the terminal bringing it to 4 million TEUs (twenty-foot equivalent units).

PWNT, a Dutch water utility company, has been assigned by Singapore's Public Utility Board to build a €120 million water treatment plant at Choa Chu Kang Waterworks. Due to be operational in 2018, the plant will be one of the world's largest ceramic membrane plants for drinking water treatment.

UK electrical appliances company Dyson invested €394 million in a new R&D Tech Centre in Singapore. Featuring development labs, this new technology and advanced manufacturing centre

will lead downstream R&D for new product categories and Internet of Things technologies to support the company's move into the Smart Homes market.

German controls and automation manufacturer Pepperl+Fuchs Group invested over S\$65 million in a new Global Distribution Centre in Singapore. This new intelligent warehouse, featuring an Internet of Things enabled automated storage and retrieval system, will provide worldwide distribution of over 15000 products.

The Danish water and environment company DHI Group invested S\$15 million to expand its research and development centre in Singapore, focused on providing water monitoring services and marine environment impact assessment technologies.

Finally, BlueSG, a subsidiary of French electric car-sharing operator Bolloré Group, was appointed by Singapore's Land Transport Authority and Economic Development Board to run a fleet of 1,000 electric cars by 2020 and install charging infrastructure as part of Singapore's car-sharing programme.



DRIVING THE INTERNATIONALISATION OF EUROPEAN SMALL AND MEDIUM SIZED ENTERPRISES

99% of all business entities in the EU are small- and medium sized companies. Their significance is further illustrated by the fact that SMEs all together provide 80 million jobs, or two thirds of all private sector employment in the EU. At the same time, there is much untapped export potential that could be released by addressing constraints that specifically hamper the ability of SMEs to access foreign markets.

In view of supporting the internationalisation of SMEs, the EU is running the **Business Avenues in Southeast Asia**, a business promotion programme operating for five years (2016-2020). The Business Avenues aims to allow EU SMEs to gain market exposure in Southeast Asia and network with local companies and stakeholders. The programme covers six ASEAN markets, including Singapore, Malaysia, Vietnam, Indonesia, Thailand and the Philippines.

The most recent business missions took place in sectors such as environment & water technologies; green energy technologies; information & communication technologies and contemporary design. The programme has already generated success stories, including for example LG Sonic, a Dutch company specialized in algae monitoring solutions, signing a contract with the Public Utility Board of Singapore.

Moreover, protecting intellectual property such as copyright, trademarks, patents and designs is important for companies venturing abroad. For this purpose, the EU-funded **Southeast Asia IPR SME Helpdesk** is available to provide companies with free business-focused advice, tailored consultation and training related to protecting and expanding a business abroad.



Also, in order to facilitate focused business-to-business meetings, the **Enterprise Europe Network (EEN)** is present in Singapore through a consortium formed by Singapore Manufacturing Federation, International Enterprise Singapore and the Intellectual Property Intermediary Singapore. By accessing the EEN networking database, European and Singaporean companies can obtain useful information about possible business and partnership events, upcoming business missions and business-to-business meeting activities.



Business Support on Your Doorstep

