



European
Commission

EU SINGAPORE
TRADE & INVESTMENT
2016

EDITION 



Trade



SOURCES

EUROPEAN COMMISSION, DG TRADE
EUROSTAT

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MESSAGE FROM THE EU TRADE COMMISSIONER

Over the past year the European economy has continued to strengthen. The EU remains the world's largest exporter and importer of goods and services taken together, the largest foreign direct investor and the leading destination for investments from abroad. In 2015 total EU merchandise trade surpassed €3.5 trillion, with imports growing 2% and exports growing 5%, compared to 2014 levels. This meant more growth and more jobs that benefited industries, workers and consumers alike.

However, if trade policy is to continue delivering economic opportunities for all, it must be adapted to the realities of today's economy based on global value chains. This is why as part of its work in 2015 the European Commission unveiled the European Union's trade and investment strategy for the coming years. In this new trade strategy "Trade for All", we have taken on board the lessons from the intense debate about trade we have had across the EU. As a result, trade policy will become more effective, more transparent and will not only project our interests but also our values. More details on our approach are provided in this booklet.

I am pleased to say that Asia will take centre stage in our forward-looking programme of multilateral and bilateral trade negotiations. While the EU remains determined to reinvigorate the

multilateral trading system – the foundation of the world trading order – in parallel, we will pursue a deeper strategic engagement with Asia. This will involve the work towards the conclusion of the EU-Japan FTA negotiations and a broad network of investment agreements with China and other partners in East Asia. In Southeast Asia, we hope that the EU-Singapore FTA, the EU's first one in the region, will enter into force soon. Following this agreement, and the one with Vietnam, we are set to open negotiations with the Philippines and with Indonesia. The EU is determined to use these agreements as stepping stones towards an ambitious region-to-region FTA with ASEAN.

As Singapore's most important trade partner, the EU continues to engage actively with the city-state. This is why I am pleased to present this publication, illustrating the importance of our trade and investment ties and our shared contribution to our mutual prosperity. Over the coming months, I look forward to working with Singapore and our partners from across the region to shape a stronger trade policy that continues delivering economic opportunities for all.

CECILIA MALMSTRÖM

EU Trade Commissioner



MESSAGE FROM THE EU AMBASSADOR

Over the past year, EU-Singapore trade and investment ties have strengthened despite headwinds for the global economy. In 2015, EU-Singapore trade in goods increased by 7.7% while the latest figures show that bilateral trade in services grew by 15.4% and bilateral investment stocks by 15.0% year-on-year. This strong performance enabled the EU to confirm its position as Singapore's most important trade partner, when taking goods and services combined, and the city-state's foremost investor.

As a sign of our strong economic relationship, Commissioner Vice-President Katainen launched the global promotion tour for the "Investment Plan for Europe" initiative in Singapore in September 2015. Our newly launched ASEAN strategy also reaffirms the EU's stake in the success of ASEAN. We see our cooperation with Singapore as a bedrock from which to expand our engagement with the region.

Singapore and the EU have also continued to work together on flagship projects to support the internationalisation of SMEs. Following the conclusion of a successful pilot, this July the EU will launch a new five year business support programme – EU Business Avenues – that will bring 1,000 SMEs to Singapore and the region. European and Singaporean SMEs will also be able to count on the support of the recently

inaugurated Enterprise Europe Network (EEN) Singapore Centre. In this year's edition of the trade and investment booklet, we also highlight EU-Singapore agri-food trade, a sector where EU exports to Singapore grew by 5.7% in 2015 and where European SMEs are particularly active.

By shedding light on the magnitude and strength of the EU-Singapore trade and investment relationship – across different sectors and industries – I hope that the information provided in this booklet encourages both European and Singaporean businesses – and SMEs in particular – to seek new opportunities and forge new partnerships. I look forward to seeing our mutually beneficial bilateral relationship developing further and continuing to flourish in the years ahead.

DR MICHAEL PULCH

*Ambassador/Head of the European Union
Delegation to Singapore*



TRADE FOR ALL: A NEW TRADE & INVESTMENT STRATEGY FOR THE EU

THE POTENTIAL CONTRIBUTION OF TRADE AND INVESTMENT TO THE EU ECONOMY

The EU is well placed to use trade and investment policy to create new jobs that benefit companies and consumers alike. In fact, the EU remains the world's largest exporter and importer of goods and services. It is also the largest foreign investor and the most important destination of foreign direct investment (FDI). This scale makes the EU the largest trading partner of about 80 countries and the second most important partner for another 40 countries globally.

The EU's ambitious bilateral agenda to grow trade and investment means that, currently, one-third of EU trade is covered by FTAs, rising to two-thirds of EU trade once all on-going negotiations are concluded. It is estimated that if concluded successfully, bilateral negotiations could boost EU GDP by more than 2% – or €250 billion – equivalent to the size of the Austrian or Danish economy. On average, each additional €1 billion of exports supports 14,000 additional jobs across the EU.

In October 2015 the European Commission unveiled the trade and investment strategy for the European Union for the coming five years. This new approach builds on Europe's excellent trade track record to consolidate the economic recovery through stronger links with the new centres of global growth. More than 30 million jobs in Europe already depend on exports to countries outside the EU.

As 90% of future global growth will happen outside Europe's borders, the new strategy sets a path that will make trade agreements more effective and that will create more opportunities and jobs. It also advances an ever more transparent trade and investment policy based on values that will ensure the EU continues to play a key role in shaping globalisation in a manner that is more attentive to workers, small businesses and sustainable development.

Concretely, the Communication announces a range of initiatives under the headings of: effectiveness, transparency, values, and the EU's programme of negotiations.



1. EFFECTIVENESS

Updating trade policy to take account of the new economic realities such as global value chains, the digital economy and the importance of services.

This comprises supporting mobility of experts, senior managers, and service providers as well as including effective SME provisions in future trade agreements.

In addition, this involves setting up an enhanced partnership with EU Member States, the European Parliament and stakeholders to implement trade and investment agreements better.

2. TRANSPARENCY

Extending the TTIP transparency initiative to all the EU's trade negotiations. Some new negotiating texts are already available on the Commission's website.

3. VALUES

Responding to the public's expectations on regulations and investment: a clear pledge on safeguarding EU regulatory protection and a strategy to lead the reform of investment policy globally.

In addition, this involves expanding measures to support sustainable development, fair and ethical trade and human rights, by ensuring effective implementation of related FTA provisions and the Generalised Scheme of Preferences and including anti-corruption rules in future trade agreements.

4. NEGOTIATIONS

Designing an open approach to bilateral and regional agreements, including TTIP* and strengthening the EU's presence in Asia by setting ambitious objectives with China, requesting a mandate for FTA negotiations with Australia and New Zealand and starting new FTA negotiations with the Philippines and Indonesia.

Our negotiations agenda will also involve modernising the EU's existing agreements with Mexico and Chile and the Customs Union with Turkey while ensuring that we deepen relationships with African partners that are willing to go further and with the African Union.

(*) Transatlantic Trade and Investment Partnership



VALUE OF EU28 EXPORTS TO TOP 20 PARTNERS, 2015

THE EU'S TRADE IN GOODS WITH THE WORLD

In 2015 the EU remained the largest single market and trading bloc in the world as total trade surpassed €3.5 trillion, with over €1.7 trillion in imports and €1.8 trillion in exports.

EU exports of goods to the rest of the world are concentrated in a few sectors. Machinery and transport equipment make up the lion's share of EU exports, with 42% of total export value, followed by manufactured goods and articles (22.5%) and chemicals and related products (17.6%). Together, goods in these categories made up over 80% of EU exports in 2015.

The top three destination countries for EU exports in 2015 were the United States, China and Switzerland. Singapore is the 17th most important export market for EU goods and the 20th most important source of imports into the EU. If imports and exports are taken together (i.e. total trade), Singapore is the EU's 16th most important trade partner, ahead of Australia and Taiwan.

| EU EXPORTS TO... | | EURO (Bn) | SHARE (%) |
|------------------|----------------------|-----------|-----------|
| World | | 1,790.652 | 100 |
| 1 | USA | 370.871 | 20.7 |
| 2 | China | 170.393 | 9.5 |
| 3 | Switzerland | 150.821 | 8.4 |
| 4 | Turkey | 79.089 | 4.4 |
| 5 | Russia | 73.887 | 4.1 |
| 6 | Japan | 56.532 | 3.2 |
| 7 | Norway | 48.865 | 2.7 |
| 8 | United Arab Emirates | 48.504 | 2.7 |
| 9 | South Korea | 47.877 | 2.7 |
| 10 | Saudi Arabia | 40.262 | 2.2 |
| 11 | India | 38.124 | 2.1 |
| 12 | Hong Kong | 35.380 | 2.0 |
| 13 | Canada | 35.213 | 2.0 |
| 14 | Brazil | 34.590 | 1.9 |
| 15 | Mexico | 33.665 | 1.9 |
| 16 | Australia | 31.643 | 1.8 |
| 17 | Singapore | 29.692 | 1.7 |
| 18 | South Africa | 25.451 | 1.4 |
| 19 | Algeria | 22.308 | 1.2 |
| 20 | Egypt | 20.452 | 1.1 |



VALUE OF EU28 IMPORTS TO TOP 20 PARTNERS, 2015

| EU IMPORTS FROM... | | EURO (Bn) | SHARE (%) |
|--------------------|--------------|------------------|------------|
| | World | 1,726.483 | 100 |
| 1 | China | 350.357 | 20.3 |
| 2 | USA | 248.148 | 14.4 |
| 3 | Russia | 135.717 | 7.9 |
| 4 | Switzerland | 102.308 | 5.9 |
| 5 | Norway | 74.256 | 4.3 |
| 6 | Turkey | 61.615 | 3.6 |
| 7 | Japan | 59.738 | 3.5 |
| 8 | South Korea | 42.342 | 2.5 |
| 9 | India | 39.445 | 2.3 |
| 10 | Brazil | 31.083 | 1.8 |
| 11 | Vietnam | 29.970 | 1.7 |
| 12 | Canada | 28.213 | 1.6 |
| 13 | Taiwan | 25.503 | 1.5 |
| 14 | Malaysia | 22.747 | 1.3 |
| 15 | Saudi Arabia | 21.526 | 1.2 |
| 16 | Algeria | 20.888 | 1.2 |
| 17 | Mexico | 19.682 | 1.1 |
| 18 | Thailand | 19.557 | 1.1 |
| 19 | South Africa | 19.362 | 1.1 |
| 20 | Singapore | 18.938 | 1.1 |

EU imports of goods from the rest of the world showed a similar sectorial distribution with machinery and transport equipment accounting for 31% of total value of imported goods, followed by manufactured goods and articles (26%) and mineral fuels, lubricants and related materials (19%). Together, goods in these categories made up over 75% of EU imports in 2015.

The top three countries where EU imports in 2015 originated from were China, the United States and Russia.

THE EU'S TRADE IN SERVICES WITH THE WORLD

Greater liberalisation and facilitation of international trade in services has been a boon to global commerce. In the past, most services were mainly delivered locally, but thanks to technology innovations, EU exports of services have doubled in the last 10 years.

In addition, beyond the growth in trade of services itself, manufacturing companies increasingly buy, and produce services that allow them to sell their products. This embedding of services in the manufacturing process has significantly expanded in recent years and today, services make up almost 40% of the value of goods exported from Europe.

In 2014 (most recent data available), the EU exported €765 billion in services and imported €602 billion, for a net positive balance of €163 billion. Over the past year, EU imports of services from the rest of the world grew faster (from €544 billion in 2013 to €602 billion in 2014, or +11%) than exports (from €720 billion in 2013 to €765 billion in 2014, or +6%).

In 2014, main services traded included business services (R&D, business, professional & technical services) which accounted for 26% of EU total exports and 28% of imports, transport services (18% and 20%), travel services (14% and 16%), telecommunications, computer and information services (12% and 9%) and financial services (10% and 6%).

EU TRADE IN SERVICES BY TYPE OF SERVICE

Total services

| |
|------------------------------------|
| Manufacturing services |
| Maintenance & repair |
| Transport |
| Travel |
| Construction |
| Insurance & pension |
| Financial |
| Charges for use of IP |
| Telecommunications |
| Other business services |
| Cultural and recreational services |
| Government services |
| Others |

EU TRADE IN SERVICES BY KEY PARTNERS

Total services

| | |
|----|-------------|
| 1 | USA |
| 2 | Switzerland |
| 3 | China |
| 4 | Russia |
| 5 | Norway |
| 6 | Japan |
| 7 | Singapore |
| 8 | Canada |
| 9 | India |
| 10 | Brazil |
| 11 | Hong Kong |
| 12 | Others |

| | 2014 | | | | |
|--|----------------|----------------------------|----------------|----------------------------|----------------|
| | Exports (€ Bn) | Share in total exports (%) | Imports (€ Bn) | Share in total imports (%) | Balance (€ Bn) |
| | 764.9 | 100 | 602 | 100 | 162.9 |
| | 20.6 | 2.7 | 6.4 | 1.1 | 14.2 |
| | 10.1 | 1.3 | 7.8 | 1.3 | 2.3 |
| | 141.5 | 18.5 | 122.8 | 20.4 | 18.7 |
| | 108.6 | 14.2 | 98.0 | 16.3 | 10.6 |
| | 13.4 | 1.8 | 5.0 | 0.8 | 8.4 |
| | 33.5 | 4.4 | 13.1 | 2.2 | 20.4 |
| | 78.2 | 10.2 | 38.1 | 6.3 | 40.1 |
| | 49.4 | 6.5 | 68.4 | 11.4 | -19.0 |
| | 94.4 | 12.3 | 55.6 | 9.2 | 38.8 |
| | 199.9 | 26.1 | 168.6 | 28.0 | 31.3 |
| | 8.0 | 1.0 | 11.7 | 1.9 | -3.7 |
| | 7.1 | 0.9 | 6.4 | 1.1 | 0.7 |
| | 0.2 | 0.0 | 0.2 | 0.0 | 0.0 |

| | 2014 | | | | |
|--|----------------|----------------------------|----------------|----------------------------|----------------|
| | Exports (€ Bn) | Share in total exports (%) | Imports (€ Bn) | Share in total imports (%) | Balance (€ Bn) |
| | 764.9 | 100 | 602 | 100 | 162.9 |
| | 197.0 | 25.8 | 190.4 | 31.6 | 6.6 |
| | 109.7 | 14.3 | 63.9 | 10.6 | 45.8 |
| | 29.1 | 3.8 | 22.9 | 3.8 | 6.2 |
| | 29.0 | 3.8 | 12.5 | 2.1 | 16.5 |
| | 27.7 | 3.6 | 15.5 | 2.6 | 12.2 |
| | 25.7 | 3.4 | 15.2 | 2.5 | 10.5 |
| | 20.4 | 2.7 | 15.7 | 2.6 | 4.7 |
| | 16.5 | 2.2 | 11.4 | 1.9 | 5.1 |
| | 12.3 | 1.6 | 12.1 | 2.0 | 0.2 |
| | 15.0 | 2.0 | 7.5 | 1.2 | 7.5 |
| | 10.7 | 1.4 | 10.8 | 1.8 | -0.1 |
| | 271.8 | 35.5 | 224.1 | 37.2 | 47.7 |

THE EU'S OUTWARD AND INWARD FDI STOCK

Modern trade in goods and services also requires openness to foreign direct investment (FDI). Investing around the world not only improves competitiveness, but also supports the connections of EU manufacturing and service companies to global value chains. In Europe, inward investment is generating employment for 7.3 million people.

At the end of 2014 (most recent data available), EU companies held FDI stocks of €5.7 trillion globally (+7.6% compared with the end of 2013), while stocks held by the rest of the world in the EU amounted to €4.6 trillion (+9.6% from 2013).

FDI STOCKS HELD BY THE EU IN THE REST OF THE WORLD (2014)

| EU outward FDI Stock in.... | Total EU outward stock (€ Bn) | Share % |
|-----------------------------|-------------------------------|---------|
| World | 5,748.568 | 100 |
| 1 US | 1985.270 | 34.5 |
| 2 Switzerland | 632.290 | 11.0 |
| 3 Brazil | 343.595 | 6.0 |
| 4 Canada | 274.654 | 4.8 |
| 5 Russia | 171.545 | 3.0 |
| 6 China | 144.215 | 2.5 |
| 7 Mexico | 119.158 | 2.1 |
| 8 Australia | 115.331 | 2.0 |
| 9 Hong Kong | 106.333 | 1.8 |
| 10 Singapore | 102.914 | 1.8 |
| 11 Japan | 72.958 | 1.3 |
| 12 Norway | 71.705 | 1.2 |
| 13 Turkey | 64.903 | 1.1 |
| 14 South Korea | 43.720 | 0.8 |
| 15 Israel | 13.580 | 0.2 |

North America, and in particular the United States, represented the main partner of the EU for FDI. At the end of 2014, the United States, with almost €2 trillion, or 35% of total stocks held by the EU in the rest of the world, was the leading location for EU FDI, followed by

Switzerland (€632 billion or 11%), Brazil (€344 billion or 6%) and Canada (€275 billion or 5%). Singapore was the 10th most important destination for EU investments with €103 billion at the end of 2014.

The United States was also by far the main investor in the EU, holding €1.8 trillion, or 40% of total FDI stocks held by the rest of the world in the EU, ahead of Switzerland (€509 billion or 11%). Together, these two countries accounted for slightly over half of

FDI stocks held by the rest of the world in the EU at the end of 2014. In comparison, with almost €44 billion of investments in the EU, Singapore was the 9th most important source of investments, accounting for 1% of EU inward FDI stock in 2014.

FDI STOCKS HELD BY THE REST OF THE WORLD IN THE EU (2014)

| Country | Total EU inward stock (€ Bn) | Share % |
|----------------|------------------------------|---------|
| World | 4,582.549 | 100 |
| 1 US | 1,810.772 | 39.5 |
| 2 Switzerland | 509.449 | 11.1 |
| 3 Japan | 166.282 | 3.6 |
| 4 Canada | 165.860 | 3.6 |
| 5 Brazil | 113.619 | 2.5 |
| 6 Russia | 74.444 | 1.6 |
| 7 Hong Kong | 71.195 | 1.6 |
| 8 Norway | 70.044 | 1.5 |
| 9 Singapore | 43.763 | 1.0 |
| 10 Israel | 39.034 | 0.9 |
| 11 Mexico | 28.326 | 0.6 |
| 12 Australia | 26.384 | 0.6 |
| 13 China | 20.716 | 0.5 |
| 14 South Korea | 20.252 | 0.4 |
| 15 Turkey | 8.344 | 0.2 |



THE REGIONAL PERSPECTIVE: EU-ASEAN TRADE & INVESTMENT

In 2015, the European Union published a new strategic roadmap for elevating the EU-ASEAN partnership. Among the different pillars identified to deepen engagement with the region, boosting trade, investment and business were recognised as playing pivotal roles in strengthening the relationship.

After the suspension of the region-to-region FTA negotiations, the EU has continued to engage actively with individual members through bilateral deals. Taking the trade and economic relationship to a different level will include working towards an ambitious EU-ASEAN FTA, building on those bilateral agreements as stepping stones towards this objective.

| EU-ASEAN TRADE IN GOODS, 2014-2015, (MILLIONS €) | EU28 IMPORTS | | CHANGE (%) |
|---|----------------|----------------|-------------|
| | 2014 | 2015 | 14/15 |
| TOTAL | 101,078 | 118,401 | 17.1 |
| Agri-food products | 7,627 | 8,533 | 11.9 |
| Beverages & tobacco | 237 | 273 | 15.2 |
| Crude materials (except fuels) | 2,709 | 2,702 | -0.3 |
| Mineral fuels, lubricants & related | 1,642 | 1,555 | -5.3 |
| Animal & vegetable oils & fats | 4,921 | 4,691 | -4.7 |
| Chemicals and related products | 8,753 | 11,541 | 31.8 |
| Manufactures | 29,664 | 35,071 | 18.2 |
| Machinery & transport equipment | 43,794 | 53,318 | 21.7 |
| Commodities | 442 | 395 | -10.5 |
| Other | 1,289 | 323 | -74.9 |

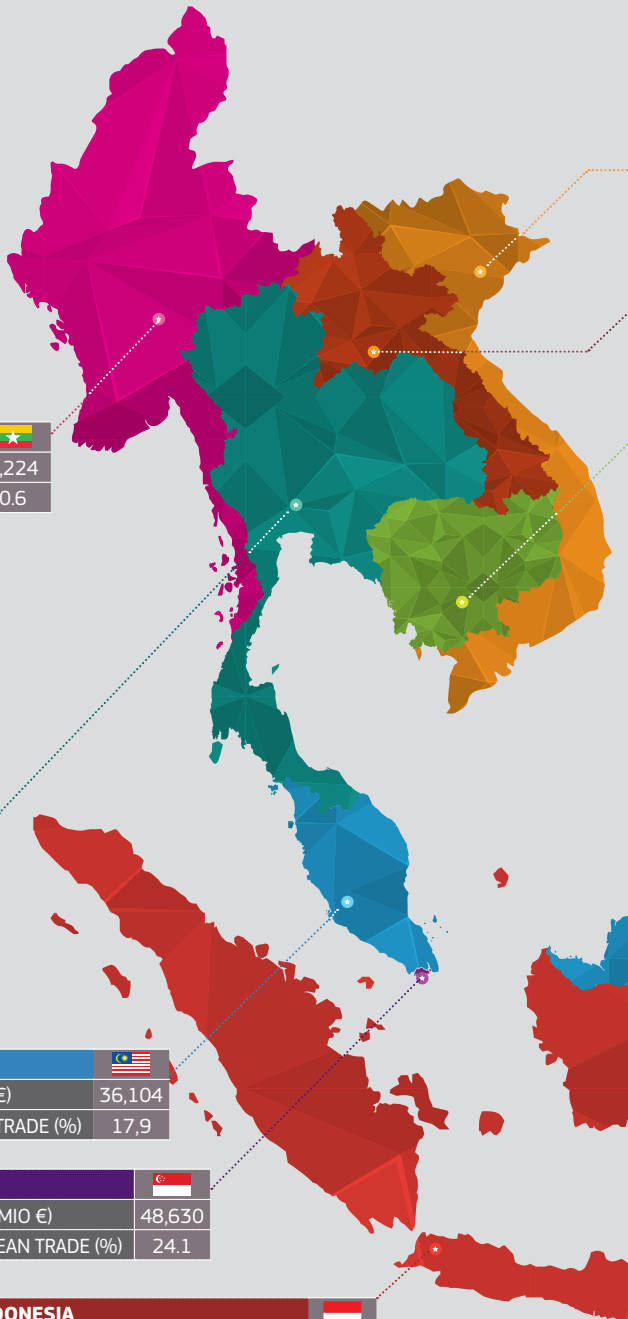


EU-ASEAN TRADE IN GOODS


Emerging from a lacklustre period of growth, total trade in goods between ASEAN and the EU grew by over 12.1% between 2014 and 2015. Taken as a single trading entity, ASEAN is the EU's third largest trade partner outside of Europe (after the United States and China), accounting for around 5.7% of the EU's total merchandise trade with the world.


In 2015, EU imports from ASEAN grew by 17% year-on-year, while EU exports to ASEAN expanded by 5.6% year on year. In 2015, the EU imported €118.4 billion worth of goods and exported €83 billion worth of goods, resulting in a trade deficit of €35.4 billion.


| EU28 EXPORTS | | CHANGE (%) | TOTAL TRADE | | CHANGE (%) | TRADE BALANCE | |
|---------------|---------------|------------|----------------|----------------|-------------|----------------|----------------|
| 2014 | 2015 | 14/15 | 2014 | 2015 | 14/15 | 2014 | 2015 |
| 78,583 | 83,010 | 5.6 | 179,661 | 201,412 | 12.1 | -22,494 | -35,391 |
| 4,094 | 4,432 | 8.3 | 11,720 | 12,965 | 10.6 | -3,533 | -4,101 |
| 1,793 | 1,899 | 5.9 | 2,030 | 2,171 | 7.0 | 1,556 | 1,626 |
| 1,469 | 1,629 | 10.9 | 4,178 | 4,331 | 3.7 | -1,240 | -1,073 |
| 3,134 | 3,215 | 2.6 | 4,777 | 4,770 | -0.1 | 1,492 | 1,660 |
| 124 | 151 | 21.8 | 5,045 | 4,842 | -4.0 | -4,797 | -4,540 |
| 11,136 | 12,240 | 9.9 | 19,889 | 23,780 | 19.6 | 2,383 | 699 |
| 14,796 | 15,512 | 4.8 | 44,460 | 50,582 | 13.8 | -14,868 | -19,559 |
| 39,928 | 41,059 | 2.8 | 83,721 | 94,377 | 12.7 | -3,866 | -12,259 |
| 1,402 | 1,848 | 31.8 | 1,844 | 2,243 | 21.7 | 960 | 1,452 |
| 708 | 1,026 | 45.0 | 1,996 | 1,349 | -32.4 | -581 | 703 |



| | |
|-----------------------------------|---|
| MYANMAR |  |
| TOTAL TRADE WITH EU (MIO €) | 1,224 |
| SHARE OF TOTAL EU-ASEAN TRADE (%) | 0.6 |

| | |
|-----------------------------------|---|
| THAILAND |  |
| TOTAL TRADE WITH EU (MIO €) | 32,929 |
| SHARE OF TOTAL EU-ASEAN TRADE (%) | 16.3 |

| | |
|-----------------------------------|---|
| MALAYSIA |  |
| TOTAL TRADE WITH EU (MIO €) | 36,104 |
| SHARE OF TOTAL EU-ASEAN TRADE (%) | 17.9 |

| | |
|-----------------------------------|---|
| SINGAPORE |  |
| TOTAL TRADE WITH EU (MIO €) | 48,630 |
| SHARE OF TOTAL EU-ASEAN TRADE (%) | 24.1 |

| | |
|-----------------------------------|---|
| INDONESIA |  |
| TOTAL TRADE WITH EU (MIO €) | 25,339 |
| SHARE OF TOTAL EU-ASEAN TRADE (%) | 12.6 |

VIETNAM

| | |
|-----------------------------------|--------|
| TOTAL TRADE WITH EU (MIO €) | 38,413 |
| SHARE OF TOTAL EU-ASEAN TRADE (%) | 19.1 |

LAOS

| | |
|-----------------------------------|-----|
| TOTAL TRADE WITH EU (MIO €) | 361 |
| SHARE OF TOTAL EU-ASEAN TRADE (%) | 0.2 |

CAMBODIA

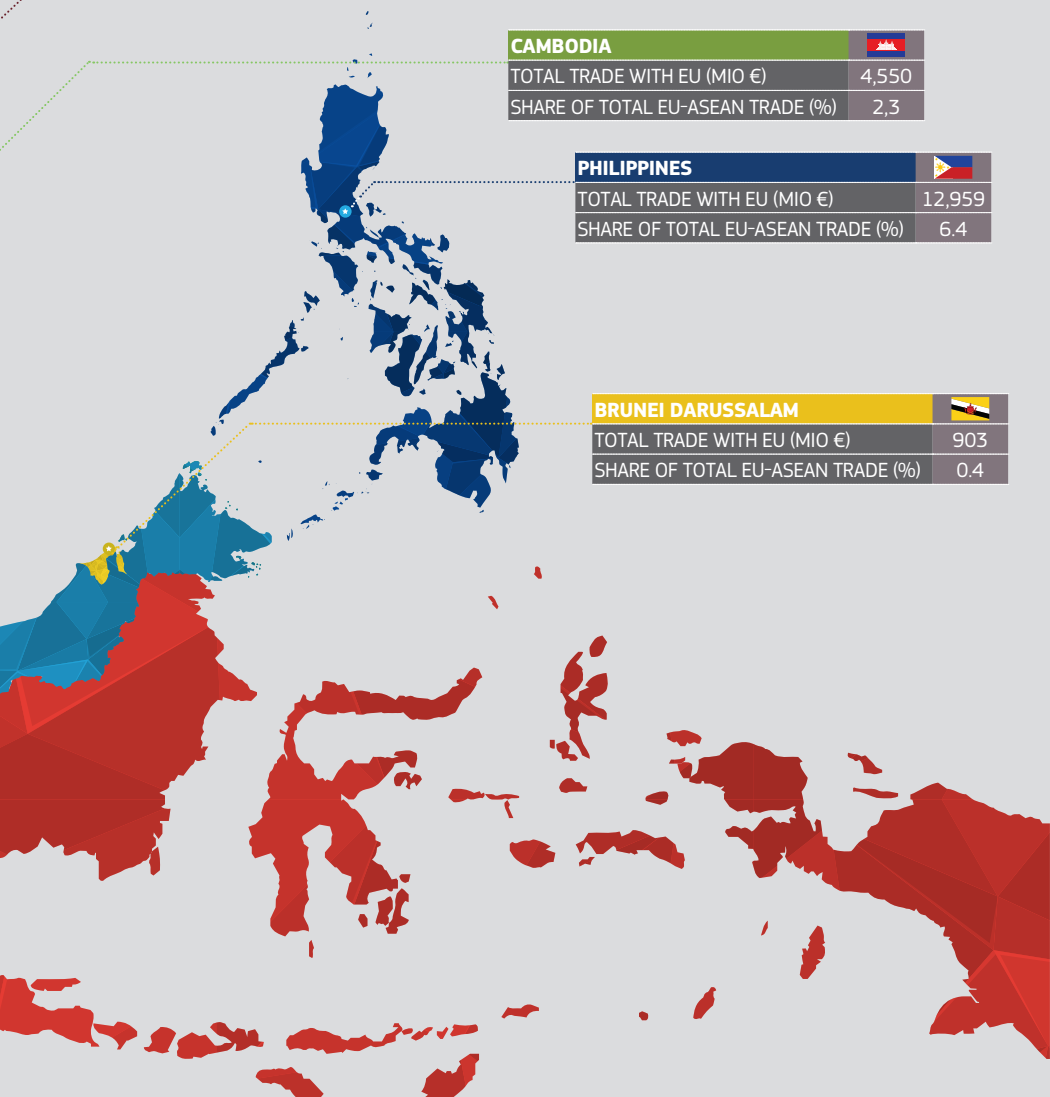
| | |
|-----------------------------------|-------|
| TOTAL TRADE WITH EU (MIO €) | 4,550 |
| SHARE OF TOTAL EU-ASEAN TRADE (%) | 2,3 |

PHILIPPINES

| | |
|-----------------------------------|--------|
| TOTAL TRADE WITH EU (MIO €) | 12,959 |
| SHARE OF TOTAL EU-ASEAN TRADE (%) | 6.4 |

BRUNEI DARUSSALAM

| | |
|-----------------------------------|-----|
| TOTAL TRADE WITH EU (MIO €) | 903 |
| SHARE OF TOTAL EU-ASEAN TRADE (%) | 0.4 |



Bilateral trade between the EU and ASEAN continued to be concentrated in a few sectors, namely machinery and transport equipment, manufactured goods and chemicals and related products. In 2015, EU imports of machinery and transport equipment from ASEAN accounted for 45%

of total imports, while exports to ASEAN in this product category accounted for 49.5% of total exports. Together, these three product categories accounted for almost 84% of total value of merchandise trade between the EU and ASEAN.

EU-ASEAN TRADE IN SERVICES

In 2014, EU-ASEAN trade in services reached €67.4 billion, with a surplus of €5.7 billion in favour of the EU. This represents a 6% increase compared to the previous year. Singapore remained the EU's main partner for trade in services in ASEAN with €36 billion in bilateral trade, followed by Thailand with €9 billion and Malaysia with almost €8 billion.

Overall, main services imported by the EU from the top four ASEAN trade partners – which together account for close to 90% of bilateral trade in services – included transport, business and travel related services. Main services exported by the EU to these countries included telecommunication, business and transport related services.

EU'S TRADE IN SERVICES WITH ASEAN (2014)

| | MILLIONS (€) | | | | Y-o-Y GROWTH % | | |
|--------------------|---------------|---------------|--------------|---------------|----------------|-----------|-----------|
| | Imports | Exports | Balance | Total | Imports | Exports | Total |
| Singapore | 15,730 | 20,397 | 4,667 | 36,126 | 11% | 19% | 15% |
| Malaysia | 3,229 | 4,669 | 1,440 | 7,899 | 1% | -2% | -1% |
| Thailand | 5,770 | 3,232 | -2,538 | 9,001 | -4% | -6% | -5% |
| Vietnam | 1,779 | 1,733 | -47 | 3,512 | 13% | 3% | 8% |
| Indonesia | 1,894 | 4,107 | 2,213 | 6,001 | -16% | -2% | -7% |
| Philippines | 1,848 | 1,455 | -393 | 3,304 | 6% | 3% | 5% |
| Laos | 93 | 83 | -10 | 175 | -22% | 28% | -4% |
| Myanmar | 183 | 312 | 130 | 495 | -18% | -4% | -10% |
| Brunei | 26 | 477 | 451 | 502 | -2% | -15% | -14% |
| Cambodia | 257 | 129 | -128 | 386 | -19% | 8% | -12% |
| Total ASEAN | 30,808 | 36,593 | 5,786 | 67,401 | 4% | 9% | 6% |

*Numbers may not exactly add up due to rounding

EU'S TRADE IN SERVICES WITH TOP FOUR* ASEAN PARTNERS (2014)

| | MILLIONS (€) | | | | |
|------------------------------------|--------------|----------------------------|---------|----------------------------|---------|
| | Exports | Share in total exports (%) | Imports | Share in total imports (%) | Balance |
| Total services ASEAN 4* | 32,405 | 100 | 26,623 | 100 | 5,782 |
| Manufacturing services | 549 | 1.7 | 582 | 2.2 | -33 |
| Maintenance & repair | 481 | 1.5 | 223 | 0.8 | 258 |
| Transport | 7,197 | 22.2 | 7,288 | 27.4 | -91 |
| Travel | 1,946 | 6.0 | 5,703 | 21.4 | -3,757 |
| Construction | 530 | 1.6 | 232 | 0.9 | 298 |
| Insurance & pension | 372 | 1.1 | 207 | 0.8 | 165 |
| Financial | 2,005 | 6.2 | 3,140 | 11.8 | -1,135 |
| Charges for use of IP | 3,603 | 11.1 | 1,076 | 4.0 | 2,527 |
| Telecommunications | 6,844 | 21.1 | 1,437 | 5.4 | 5,407 |
| Other business services | 8,306 | 25.6 | 6,264 | 23.5 | 2,042 |
| Cultural and recreational services | 111 | 0.3 | 229 | 0.9 | -118 |
| Government services | 185 | 0.6 | 221 | 0.8 | -36 |
| Others | 276 | 0.9 | 21 | 0.1 | 255 |

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



EU-ASEAN FDI

In 2014 (most recent statistics available) the EU was ASEAN's largest investor with €184 billion in FDI stocks held in the region at year-end. ASEAN investment in Europe has also been growing and reached a total stock of €54 billion in 2014.

When taken as a single entity, ASEAN was the 5th most important location of EU FDI abroad in 2014, while ASEAN was the 9th most important source of FDI in the EU.

EU FDI in ASEAN tends to be concentrated in Singapore, which alone accounts for close to 56% of EU FDI stocks in the region, followed by Indonesia (14%) and Malaysia (12%).

Similarly, Singapore accounts for the lion's share (81%) of ASEAN FDI stocks held in the EU, followed by Malaysia (21%).

EU-ASEAN FDI STOCKS AND FLOWS, 2014, (MILLIONS €)

| | STOCKS | | FLOWS | |
|-------------------|---------------------------------|---------------------------------|------------------------------|--------------------------|
| | HELD BY ASEAN COUNTRY IN THE EU | HELD BY THE EU IN ASEAN COUNTRY | FROM THE ASEAN COUNTRY TO EU | FROM EU TO ASEAN COUNTRY |
| SINGAPORE | 43,763 | 102,914 | -5,489 | 8,477 |
| MALAYSIA | 11,527 | 21,654 | 638 | 1,563 |
| INDONESIA* | -2,458 | 25,807 | 1,348 | 1,761 |
| THAILAND | 460 | 19,215 | -219 | 983 |
| PHILIPPINES | 646 | 6,655 | 616 | 165 |
| VIETNAM | 152 | 4,114 | 123 | 369 |
| CAMBODIA | 16 | 1,629 | -15 | -20 |
| BRUNEI DARUSSALAM | 314 | 1,342 | 11 | 211 |
| MYANMAR | -74 | 274 | -73 | 45 |
| LAOS* | -35 | 358 | 8 | 15 |
| ASEAN | 54,311 | 183,961 | -3,052 | 13,609 |

* 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.

**Numbers may not exactly add up due to rounding



THE BILATERAL PERSPECTIVE: EU-SINGAPORE TRADE & INVESTMENT TIES

In 2015, the EU and Singapore continued to build on an already robust economic and political relationship and enhanced cooperation in a number of fields, including SME internationalisation, transportation policy and research and development. As Singapore continues to be the EU's most important trading partner in ASEAN and a key destination for investments from the EU, it will continue to play an important role in deepening cooperation with the region and the upgrading of the overall EU-ASEAN relationship.

EU-SINGAPORE MERCHANDISE TRADE

Total EU-Singapore trade in goods grew by 7.7% in 2015 to reach €48.6 billion and the EU confirmed itself as Singapore's third most important trading partner, behind only China and Malaysia. In 2015, total EU imports from Singapore reached €18.9 billion, while the EU exported €29.7 billion worth of goods to Singapore, resulting in a trade surplus of €10.8 billion in favour of the EU.



EU-SINGAPORE TRADE IN GOODS, 2010-2015

| | MILLIONS (€) | | | % CHANGE |
|------|--------------|---------|-------------|----------|
| | IMPORTS | EXPORTS | TOTAL TRADE | |
| 2010 | 18,772 | 24,556 | 43,328 | - |
| 2011 | 19,197 | 27,265 | 46,462 | 7.2 |
| 2012 | 21,559 | 30,414 | 51,973 | 11.9 |
| 2013 | 17,623 | 29,129 | 46,752 | -10.0 |
| 2014 | 16,887 | 28,285 | 45,172 | -3.4 |
| 2015 | 18,938 | 29,692 | 48,630 | 7.7 |



EU TRADE IN GOODS WITH SINGAPORE, 2010-2015



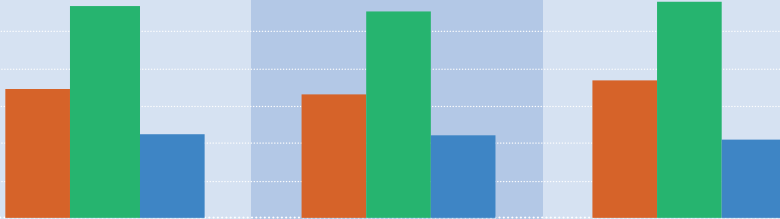
In 2015, bilateral merchandise trade between the EU and Singapore continued to be dominated by a few sectors. EU imports from Singapore were accounted for primarily by machinery and transport equipment (35.5%), chemical products (44.5%), and manufactures (11.1%), while EU exports to Singapore consisted primarily in machinery and transport equipment (46.7%), chemical products (14.3%) and manufactures (12.1%).



2013

2014

2015



EU-SINGAPORE TRADE IN GOODS BY MAIN PRODUCT CATEGORIES, 2015, (MILLIONS €)

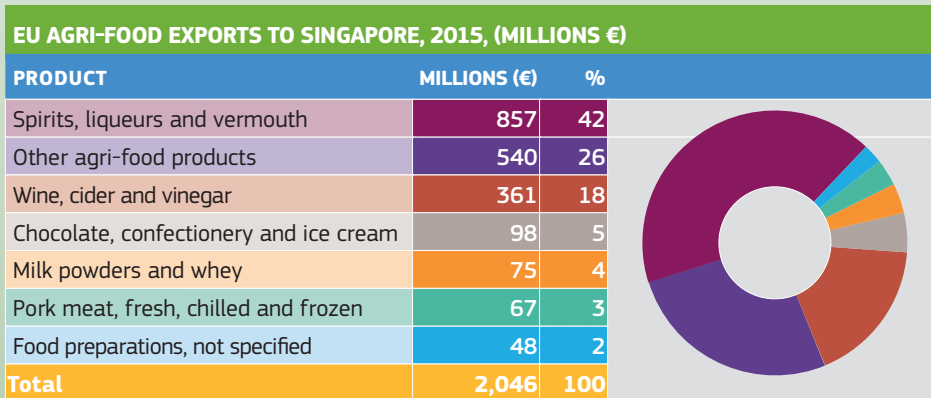
| | IMPORTS | SHARE IN TOTAL IMPORTS (%) | EXPORTS | SHARE IN TOTAL EXPORTS (%) |
|------------------------------------|---------------|----------------------------|---------------|----------------------------|
| Manufactures | 2,094 | 11.1 | 3,585 | 12.1 |
| Chemicals & related products | 8,419 | 44.5 | 4,259 | 14.3 |
| Mineral fuels and related products | 732 | 3.9 | 2,842 | 9.6 |
| Machinery & transport equip. | 6,729 | 35.5 | 13,860 | 46.7 |
| Total | 18,938 | 100 | 29,692 | 100 |



SNAPSHOT: EU-SINGAPORE AGRI-FOOD TRADE

With a total worth of €242 billion in overall trade (€113 billion of imports and €129 billion of exports), the EU is the world's leading trader in agricultural and food products, benefiting producers and consumers around the world.

EU agri-food exports to Singapore account for around 7% of total EU merchandise exports to the city-state. In 2015, the EU exported €2 billion in agri-food products to Singapore, equivalent to 1.6% of its total exports to the world. This placed Singapore as the 16th most important destination globally for this sector. Overall, EU agri-food exports to Singapore grew 5.7% between 2014 and 2015.





EU-SINGAPORE TRADE IN SERVICES

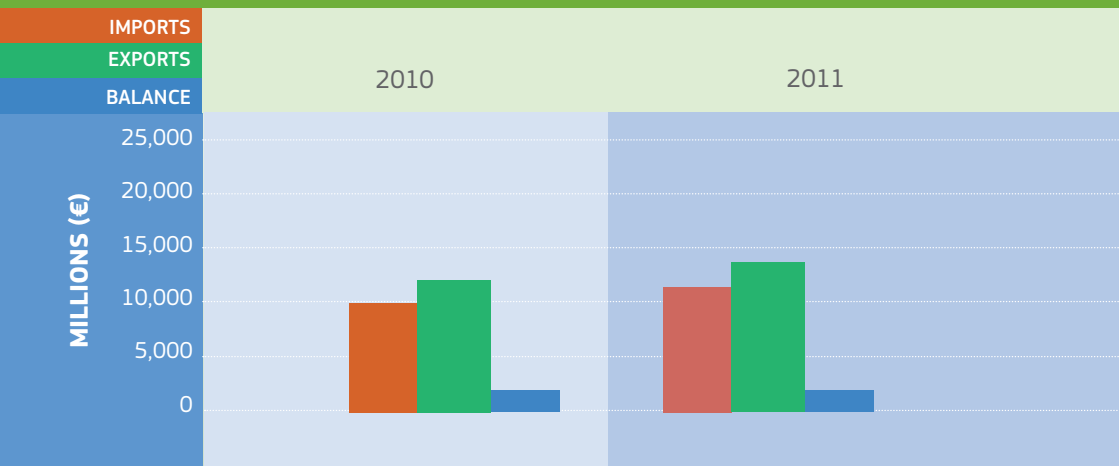
In 2014, bilateral trade in services between the EU and Singapore reached €36.1 billion with the EU importing €15.7 billion worth of services from Singapore and exporting €20.4 billion. This made Singapore the EU's 7th most important partner for trade in services – ahead of Canada, Turkey and India.

EU-SINGAPORE BILATERAL TRADE IN SERVICES, 2010-2014

| YEAR | IMPORTS | EXPORTS | TOTAL TRADE | % CHANGE | BALANCE |
|------|--------------|---------|-------------|----------|---------|
| | MILLIONS (€) | | | | |
| 2010 | 10,040 | 12,179 | 22,219 | - | 2,139 |
| 2011 | 11,529 | 13,714 | 25,243 | 13.6 | 2,185 |
| 2012 | 12,113 | 13,777 | 25,890 | 2.6 | 1,663 |
| 2013 | 14,179 | 17,122 | 31,301 | 20.9 | 2,943 |
| 2014 | 15,730 | 20,397 | 36,126 | 15.4 | 4,667 |



EU TRADE IN SERVICES WITH SINGAPORE, 2010-2014



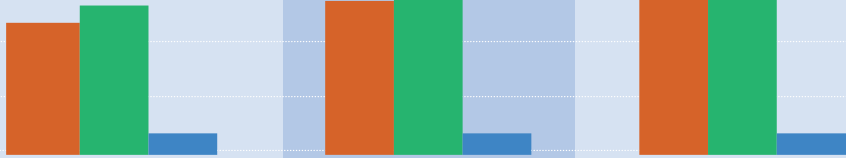
The EU's imports of services from Singapore were concentrated in a few sectors, namely €4.7 billion of business related services (or 30.2% of total services imports), €4.6 billion of transport services (or 29.4% of total services imports) and €3.0 billion of financial services (or 19.3% of total services imports).



2012

2013

2014



The EU's exports of services to Singapore were dominated by €4.9 billion in telecommunications-related services exports (24.1% of total exports), €4.8 billion of transport services-related exports (or 23.7% of total exports) and €4.7 billion of business services-related exports (23.4% of total exports).

EU-SINGAPORE TRADE IN SERVICES BY MAIN PRODUCT CATEGORIES, 2014^(*)

| | 2014, (Millions €) | | | | |
|------------------------------------|--------------------|-------------------------------------|---------|-------------------------------------|---------|
| | EXPORTS | SHARE IN TOTAL EXPORTS (%) | IMPORTS | SHARE IN TOTAL IMPORTS (%) | BALANCE |
| TOTAL SERVICES | 20,397 | 100 | 15,730 | 100 | 4,667 |
| Manufacturing services | 428 | 2.1 | 81 | 0.5 | 348 |
| Maintenance & repair | 184 | 0.9 | 146 | 0.9 | 38 |
| Transport | 4,832 | 23.7 | 4,617 | 29.4 | 215 |
| <i>Sea transport</i> | 3,913 | 19.2 | 2,911 | 18.5 | 1003 |
| <i>Air transport</i> | 624 | 3.1 | 1,233 | 8.2 | -669 |
| <i>Postal and courier services</i> | 78 | 0.4 | 12 | 0.1 | 67 |
| <i>Others</i> | 217 | 1.1 | 400 | 2.5 | -183 |
| Travel | 599 | 2.9 | 528 | 3.4 | 71 |
| Construction | 264 | 1.3 | 141 | 0.9 | 124 |
| Insurance and pension | 214 | 1.0 | 112 | 0.7 | 102 |
| Financial services | 1,354 | 6.6 | 3,038 | 19.3 | -1,684 |
| Charges for use of IP | 2,634 | 12.9 | 1,048 | 6.7 | 1,586 |
| Telecommunications | 4,920 | 24.1 | 1,078 | 6.9 | 3,842 |
| Other business services | 4,769 | 23.4 | 4,746 | 30.2 | 23 |
| Cultural and recreational services | 41 | 0.2 | 60 | 0.4 | -19 |
| Government services | 25 | 0.1 | 131 | 0.8 | -106 |
| Others | 132 | 0.6 | 4 | 0.0 | 128 |

*Numbers may not exactly add up due to rounding

EU-SINGAPORE BILATERAL INVESTMENT TIES

In 2014, FDI stocks held by the EU in Singapore totalled €102.9 billion, or around 2% of total EU FDI held abroad, making Singapore the 10th most important destination for EU investments globally. By means of comparison, EU companies invested more in Singapore than in Japan or India.

Conversely, Singapore is the 9th largest investor in the EU, with an investment stock of almost €43.8 billion at the end of 2014. This makes Singapore the largest investor in the EU from ASEAN by a considerable margin and the third largest investor in Asia, behind Japan and Hong Kong. Overall, Singapore accounts for around 1% of the inward investment stocks in the EU.

| EU FDI OUTWARD STOCKS, 2014 | | | |
|-----------------------------|---------------|---|------------|
| | | STOCKS HELD BY EU IN PARTNER COUNTRY (€ Bn) | SHARE % |
| 1 | United States | 1,985.270 | 34.5 |
| 2 | Switzerland | 632.290 | 11.0 |
| 3 | Brazil | 343.595 | 6.0 |
| 4 | Canada | 274.654 | 4.8 |
| 5 | Russia | 171.545 | 3.0 |
| 6 | China | 144.215 | 2.5 |
| 7 | Mexico | 119.158 | 2.1 |
| 8 | Australia | 115.331 | 2.0 |
| 9 | Hong Kong | 106.333 | 1.8 |
| 10 | Singapore | 102.914 | 1.8 |
| TOTAL | | 5,748.568 | 100 |

| EU FDI INWARD STOCKS, 2014 | | | |
|----------------------------|---------------|---|------------|
| | | STOCKS HELD BY PARTNER COUNTRY IN EU (€ Bn) | SHARE % |
| 1 | United States | 1,810.772 | 39.5 |
| 2 | Switzerland | 509.449 | 11.1 |
| 3 | Japan | 166.282 | 3.6 |
| 4 | Canada | 165.860 | 3.6 |
| 5 | Brazil | 113.619 | 2.5 |
| 6 | Russia | 74.444 | 1.6 |
| 7 | Hong Kong | 71.195 | 1.6 |
| 8 | Norway | 70.044 | 1.5 |
| 9 | Singapore | 43.763 | 1.0 |
| 10 | Israel | 39.034 | 0.9 |
| TOTAL | | 4,582.549 | 100 |

INVESTMENT HIGHLIGHTS 2015

SINGAPORE INVESTMENTS IN THE EU

2015 marked an important year for Singaporean investments into the EU, with the city-state's two sovereign wealth funds, Temasek Holdings and GIC Private Limited, concluding a number of high-profile deals.

Over the course of 2015, European investments made by Temasek included a €425 million venture into NN Group, a Dutch insurance and asset management company and a shared investment of €200 million into Adyen, another Netherlands-based payment technology company. Other major deals saw Temasek invest in Gaztransport & Technigaz (a French-based firm providing liquefied natural gas transport and storage solutions) and Bishopgate (a UK real estate firm).

Notable deals concluded by GIC over the past year include a €1.5 billion co-investment in the UK's O2 mobile network. GIC also entered into a number of shared investments, including a participation in the €3.7 billion purchase of Dutch car leasing firm LeasePlan, which manages a fleet of nearly 1.5 million cars in 32 countries.

During the course of 2015, Singapore's PSA also grew its investments in Antwerp, Belgium, expanding its container terminal to a capacity of 9 million TEU, making it the largest container terminal in Europe (see image below).





EU INVESTMENTS IN SINGAPORE

Over the past year, Singapore remained a favoured investment destination for European companies. Important commitments made over the course of the year included the opening of a new 9,250 square metre flight training centre by European multinational aerospace and defence corporation, Airbus Group. The €88 million Airbus Asia Training Centre (AATC) will be equipped with eight full-flight simulators and six fixed-cockpit training devices. Operating 24 hours a day, 7 days a week, an estimated 10,000 new pilots will be trained at the AATC over the next 20 years.

Other important commitments included the opening of a new methionine production facility by German-based, Evonik. This amino acid is used in the biosynthesis of proteins and complements animal feed. With an annual capacity of 150,000 metric tons, the €500 million complex will create around 200 jobs and bring the company's methionine capacity worldwide up to 580,000 metric tons.

In 2015, Belgian chemical company Solvay inaugurated a new large-scale alkoxylation plant in Singapore, the largest plant of its kind in Asia. This €30 million investment will help meet growing demand, complementing existing facilities in India and China and joining Solvay Novocare's seven other alkoxylation plants in Europe and North America.

In this same sector, Lanxess, a German-based specialty chemicals company, concluded an investment of approximately €200 million. The new facility, which opened its doors in August 2015, is set to produce 140,000 metric tons of rubber per annum, which will make its way into applications such as tyres, golf balls and running shoes.

Netherlands-based 2Getthere, a company specialised in sustainable Automated Transit Networks (ATN) and Group Rapid Transit (GRT) systems, entered into a joint-venture with SMRT to form 2getthere Asia - to bring automated vehicle systems into Singapore and the region. While the magnitude of the investment was not disclosed, by the end of 2016, 2getthere Asia aims to showcase an autonomous driving GRT-vehicle: an air-conditioned, 24-passenger "pod" in a live environment in Singapore.

German testing, inspection, certification and training provider TÜV SÜD set up a Digital Service Centre of Excellence, making it the first centre of its kind outside of Germany. With a total investment of over €26 million in the next three years, this centre will specialise in providing solutions for new technologies involving predictive data analytics, industrial cyber security and functional safety for evolving smart market segments.



DRIVING THE INTERNATIONALISATION OF EUROPEAN SMEs: BUSINESS SUPPORT PROGRAMMES IN SINGAPORE

In the EU, SMEs represent 99% of all businesses, provide 80 million jobs or two-thirds of all private sector employment and contribute 58 cents of every euro in value added. Thanks to their versatility and adaptability, over the past five years, they have created around 85% of new jobs in the EU. However, the 600,000 goods exporting SMEs only represent a fraction of over 20 Million SMEs in Europe. In light of the significant untapped export potential and the specific constraints faced by smaller companies in accessing foreign markets, business support programmes such as EU Business Avenues to South East Asia and the Enterprise Europe Network (EEN) play a fundamental role in driving the internationalisation of SMEs.

Following a successful Pilot – which saw over 100 companies travel to Singapore and the region – the Business Avenues programme has been extended and expanded. The second phase of the programme will run for five years (2016-2020), cover six ASEAN markets (Singapore, Malaysia, Vietnam, Indonesia, Thailand, Philippines) and seven priority sectors (environment & water technologies; green energy technologies; construction building technologies; healthcare & medical technologies; information & communication technologies; contemporary European design; and food & beverage).



With 20 business missions, 1000 European SMEs will benefit from market intelligence, coaching, logistical and follow-up support services that will help them penetrate new markets in ASEAN. Participating companies will be able to count on IP advice from the regional South-East Asia IPR SME Helpdesk as well as a dedicated team of professional in target markets, to sound-out business opportunities and minimise market-entry costs.

In addition, the opening of the EEN - Business Cooperation Centre in Singapore will allow European and local SMEs to benefit from a network spanning 600 partner organisations across 63 countries. EEN Singapore will promote and assist businesses, technology and research and development partnerships between Singaporean and European companies, encouraging them to grow together as they venture abroad.

LEFT TO RIGHT:

Mr Satvinder Singh (*Assistant Chief Executive, IE Singapore*),
Dr Michael Pulch (*EU Ambassador to Singapore*),
Mr Douglas Foo (*SMF President*),
Mr S Iswaran (*Minister for Trade and Industry, Industry*),
Prof. Lam Khin Yong (*Exec. Director IPI Singapore*).

These programmes are testament to the EU's commitment to SMEs, offering unparalleled opportunities for European companies to share knowledge, transfer technology and develop business cooperation that will boost their already important contribution to the EU's bilateral trade relations with Singapore and the region.

