

# **THE CORPORATE SECTOR**



Data on the Corporate Sector covered all companies incorporated or registered in Singapore, including branches of foreign companies. Partnerships and sole proprietorships were, however, not included because of the difficulty in obtaining financial statements for such business enterprises. All data were extracted from audited financial accounts. These were collected either directly via a postal survey or from the Accounting and Corporate Regulatory Authority (ACRA).

### Definitions

*Equity:* It is defined as the amount of paid-up capital and reserves of a company. Paid-up capital is the amount contributed by shareholders to the company and reserves refer to the company's retained surpluses, revaluation gains, share premium and other reserve funds earmarked for contingencies, improvements, etc. For Singapore branches of foreign banks, the net fixed assets of a branch is used as an approximation of the amount of foreign capital invested in Singapore. For branches of other foreign corporations, the net amount owing to the head office is used.

*Equity Ratio:* It is defined as the ratio of shareholders' equity and net amount due to foreign head office to total assets. The ratio measures the dependence of companies on external funding i.e. funding which is not from its shareholders or its overseas headquarters in the case of the local branch of a foreign enterprise. The lower is this ratio, the higher is the company's dependence on external funding.

*Current Ratio:* It is defined as the ratio of current assets (including the outstanding funds due from holding and related companies) to current liabilities (including the outstanding amount due to holding and related companies). This ratio measures the liquidity of companies, i.e. their ability to meet current debt payments when due. A ratio of 1 indicates that the company has exactly balanced its current liabilities with current assets. The lower is the ratio below 1, the higher is the risk of the company running into a liquidity problem. A ratio above 1 indicates an excess of liquidity in the company.

*Rate of Return on Total Assets (ROA):* It is defined as the ratio of pre-tax profit before deducting interest payments to average of total assets in the beginning and at the end of the year. This ratio measures the efficiency of companies in their use of resources available to them.

*Rate of Return on Total Equity (ROE):* It is defined as the ratio of pre-tax profit to average of total equity in the beginning and at the end of the year. This ratio measures the profitability i.e. the rate of return that companies have earned on the capital provided by the shareholders after accounting for payments to all other capital suppliers.

### Other References

The report "Singapore's Corporate Sector", published by the Singapore Department of Statistics, contains analysis of the data and detailed tables showing the aggregated balance sheets and profit and loss accounts.

## 7.1 TOTAL EQUITY BY INDUSTRY

(End of Period)

Industry	Billion Dollars						
	1996	2001	2002	2003	2004	2005	2006
Total	366.3	607.0	633.1	671.1	716.9	798.3	867.7
Financial & Insurance Services	163.3	300.1	302.1	330.2	357.8	419.2	468.7
Non-Financial & Insurance Services	202.9	306.9	331.0	340.8	359.1	379.0	399.0
Manufacturing	58.9	104.4	110.3	113.2	121.9	126.2	130.8
Construction	3.8	5.6	6.7	6.1	6.4	6.5	8.5
Wholesale & Retail Trade, Hotels & Restaurants	33.9	50.0	60.1	63.0	67.9	79.8	84.9
Transport & Storage	21.3	32.1	36.2	38.6	45.2	48.9	56.3
Information & Communications	7.8	26.2	30.4	33.5	31.8	30.8	27.8
Real Estate, Rental & Leasing	57.3	60.9	60.8	58.6	56.5	57.7	58.3
Professional & Technical, Administrative & Support Services	4.6	12.9	11.9	13.2	15.0	15.4	18.4
Others	15.2	14.8	14.5	14.7	14.3	13.6	13.9

## 7.2 TOTAL ASSETS BY INDUSTRY

(End of Period)

Industry	Billion Dollars						
	1996	2001	2002	2003	2004	2005	2006
Total	1,660.4	2,405.0	2,487.2	2,595.7	2,862.9	3,143.1	3,468.4
Financial & Insurance Services	1,140.6	1,620.3	1,672.5	1,755.0	1,951.4	2,152.6	2,414.9
Non-Financial & Insurance Services	519.8	784.7	814.7	840.7	911.5	990.4	1,053.5
Manufacturing	117.8	197.9	208.7	210.2	229.1	244.0	256.4
Construction	32.2	48.2	45.2	43.5	47.6	49.3	53.1
Wholesale & Retail Trade, Hotels & Restaurants	132.7	176.0	191.9	208.3	241.4	286.5	305.5
Transport & Storage	46.9	79.0	80.4	82.9	93.5	104.8	120.4
Information & Communications	14.5	53.0	56.4	59.1	58.0	59.6	60.2
Real Estate, Rental & Leasing	132.6	160.8	162.9	160.9	160.1	159.3	159.3
Professional & Technical, Administrative & Support Services	19.2	40.7	40.9	42.3	47.2	52.4	64.1
Others	23.9	29.1	28.3	33.6	34.7	34.6	34.5

## 7.3 RETURNS ON EQUITY BY INDUSTRY

(End of Period)

Industry	Per Cent						
	1996	2001	2002	2003	2004	2005	2006
Total	14.2	6.8	7.7	11.6	13.1	15.4	18.0
Financial & Insurance Services	14.7	6.5	7.5	11.2	10.3	12.2	16.1
Non-Financial & Insurance Services	13.9	7.2	8.0	12.0	15.9	18.8	20.2
Manufacturing	17.2	10.3	12.2	17.5	21.1	23.9	21.7
Construction	-4.7	-10.0	-6.6	-7.7	-6.9	-1.6	6.5
Wholesale & Retail Trade, Hotels & Restaurants	11.9	11.1	12.5	12.4	17.7	22.5	28.2
Transport & Storage	14.6	12.4	9.8	15.1	27.1	27.4	22.0
Information & Communications	29.1	3.9	4.1	11.5	7.1	6.0	8.3
Real Estate, Rental & Leasing	12.0	0.7	3.5	2.6	5.6	9.0	15.3
Professional & Technical, Administrative & Support Services	13.7	-8.3	-3.7	8.5	10.5	11.6	15.4
Others	8.9	12.6	-2.5	10.5	8.7	11.2	10.2

## 7.4 RETURNS ON ASSETS BY INDUSTRY

(End of Period)

Industry	Per Cent						
	1996	2001	2002	2003	2004	2005	2006
Total	4.5	4.0	3.3	4.0	4.4	5.4	6.5
Financial & Insurance Services	3.5	4.0	3.0	3.3	3.1	4.2	5.6
Non-Financial & Insurance Services	6.7	3.9	4.0	5.6	7.1	8.0	8.4
Manufacturing	9.6	6.6	7.1	9.9	11.8	13.1	11.7
Construction	-0.1	-0.9	-0.5	-0.7	-0.5	0.2	1.3
Wholesale & Retail Trade, Hotels & Restaurants	4.7	4.3	4.5	4.5	5.8	7.0	8.7
Transport & Storage	8.1	6.3	5.1	7.7	13.6	13.8	11.1
Information & Communications	16.8	2.6	2.8	6.9	4.5	3.4	4.3
Real Estate, Rental & Leasing	6.7	1.8	2.5	2.1	3.2	4.6	6.8
Professional & Technical, Administrative & Support Services	4.4	-1.9	-0.7	2.9	3.8	4.1	5.2
Others	6.1	6.8	-0.7	5.9	4.8	5.5	5.1

## 7.5 EQUITY RATIOS OF COMPANIES BY INDUSTRY

(End of Period)

Industry	1996	2001	2002	2003	2004	2005	2006
Total	0.26	0.26	0.27	0.27	0.25	0.25	0.25
Financial & Insurance Services	0.20	0.20	0.21	0.20	0.18	0.19	0.19
Non-Financial & Insurance Services	0.39	0.39	0.41	0.41	0.39	0.38	0.38
Manufacturing	0.50	0.53	0.53	0.54	0.53	0.52	0.51
Construction	0.12	0.12	0.15	0.14	0.13	0.13	0.16
Wholesale & Retail Trade, Hotels & Restaurants	0.26	0.29	0.31	0.30	0.28	0.28	0.28
Transport & Storage	0.45	0.41	0.45	0.47	0.48	0.47	0.47
Information & Communications	0.54	0.49	0.54	0.57	0.55	0.52	0.46
Real Estate, Rental & Leasing	0.43	0.38	0.37	0.36	0.35	0.36	0.37
Professional & Technical, Administrative & Support Services	0.24	0.28	0.29	0.31	0.32	0.29	0.29
Others	0.64	0.51	0.51	0.44	0.41	0.39	0.40

## 7.6 CURRENT RATIOS OF COMPANIES BY INDUSTRY

(End of Period)

Industry	1996	2001	2002	2003	2004	2005	2006
Total	1.05	1.06	1.08	1.08	1.04	1.06	1.06
Financial & Insurance Services	1.07	1.07	1.08	1.08	1.01	1.04	1.04
Non-Financial & Insurance Services	0.96	1.03	1.07	1.09	1.11	1.11	1.11
Manufacturing	1.23	1.29	1.29	1.31	1.33	1.34	1.27
Construction	0.97	0.98	1.02	1.02	1.02	1.01	1.05
Wholesale & Retail Trade, Hotels & Restaurants	1.07	1.13	1.19	1.19	1.18	1.20	1.21
Transport & Storage	0.80	0.89	0.88	0.95	1.09	1.04	1.04
Information & Communications	1.71	1.03	1.40	1.55	1.41	1.09	0.99
Real Estate, Rental & Leasing	0.50	0.59	0.60	0.60	0.59	0.57	0.66
Professional & Technical, Administrative & Support Services	1.05	1.15	1.18	1.23	1.24	1.20	1.13
Others	0.78	1.05	1.12	1.32	1.21	1.24	1.25