

### Foreign Equity Investment (FEI)

Singapore's stock of foreign equity investment (FEI) reached \$533.5 billion as at end 2009, significantly higher than the \$488.9 billion recorded as at end 2008.

Table 1: Components of Foreign Equity Investment  
(Stock as at Year-End)

	2008 (\$ bil)	2009 (\$ bil)	Change (%)
<b>Total</b>	<b>488.9</b>	<b>533.5</b>	<b>9.1</b>
Direct Equity Investment	443.5	485.3	9.4
Portfolio Equity Investment	45.4	48.1	6.0

Direct equity investment constituted about 91.0 per cent (or \$485.3 billion) of total FEI, while the remaining \$48.1 billion was attributed to portfolio equity investment.

### Foreign Direct Investment (FDI)

Total stock of foreign direct investment (FDI) in Singapore, which comprises direct equity investment and net lending from foreign direct investors, grew 8.6 per cent to \$552.3 billion as at end 2009.

Table 2: Component of Foreign Direct Investment  
(Stock as at Year-End)

	2008 (\$ bil)	2009 (\$ bil)	Change (%)
<b>Total</b>	<b>508.3</b>	<b>552.3</b>	<b>8.6</b>
Direct Equity Investment	443.5	485.3	9.4
Net Lending from Foreign Direct Investors	64.8	66.9	3.2

The bulk of FDI in Singapore were in the form of direct equity capital. About 87.9 per cent (or \$485.3 billion) of FDI were in the form of direct equity investment with the remaining \$66.9 billion accounted for by net lending from foreign direct investors.

### Distribution by Industry

Singapore's FDI were concentrated in financial & insurance services (41.8 per cent or \$230.8 billion) and manufacturing (21.9 per cent or \$120.7 billion). Wholesale & retail trade (\$95.2 billion) and transport & storage (\$36.5 billion) were other sectors with substantial foreign investment.

Table 3: Distribution of FDI by Industry  
(Stock as at Year-End)

	2008 (\$ bil)	2009 (\$ bil)	Share in 2009 (%)
<b>Total</b>	<b>508.3</b>	<b>552.3</b>	<b>100.0</b>
Manufacturing	104.5	120.7	21.8
Wholesale & Retail Trade	92.5	95.2	17.2
Transport & Storage	36.3	36.5	6.7
Financial & Insurance Services	209.1	230.8	41.8
Real Estate Activities	14.7	14.6	2.6
Professional & Technical, Administrative & Support Services	35.6	36.0	6.5

### *Financial & Insurance Services*

Direct investment in financial & insurance services were predominantly in investment holding (82.8 per cent or \$190.3 billion). There were also

significant FDI in banks (\$14.1 billion) and insurance services (\$7.6 billion).

Table 4: FDI in Financial & Insurance Services Sector  
(Stock as at Year-End)

	2008 (\$ bil)	2009 (\$ bil)	Share in 2009 (%)
<b>Financial &amp; Insurance Services</b>	<b>209.1</b>	<b>230.8</b>	<b>100.0</b>
Investment Holding	167.4	190.3	82.4
Banks	13.1	14.1	6.1
Insurance Services	7.6	7.6	3.3

### Manufacturing

Within the manufacturing sector, major industries favoured by foreign investors were pharmaceutical products (\$37.4 billion), electronic products & components (\$34.3 billion), refined petroleum products (\$19.8 billion) and chemical & chemical products (\$7.8 billion). These industries accounted for more than four-fifths of FDI in the manufacturing sector.

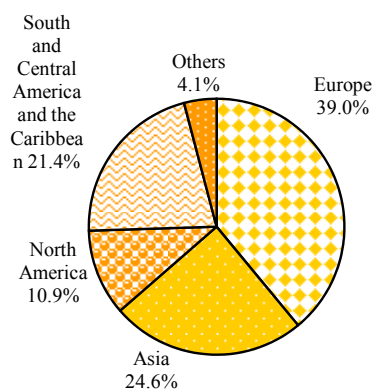
Table 5: FDI in Manufacturing Sector  
(Stock as at Year-End)

	2008 (\$ bil)	2009 (\$ bil)	Share in 2009 (%)
<b>Manufacturing</b>	<b>104.5</b>	<b>120.7</b>	<b>100.0</b>
Pharmaceutical Products	30.9	37.4	31.0
Electronic Products & Components	30.1	34.3	28.5
Refined Petroleum Products	14.6	19.8	16.4
Chemicals & Chemical Products	7.1	7.8	6.5
Machinery & Equipment	6.1	5.8	4.8

### Geographical Distribution

Europe and Asia remained the top sources of FDI in Singapore as at end 2009. European investors accounted for 39.0 per cent (or \$215.2 billion) of total FDI while about \$136.1 billion (or 24.6 per cent) of FDI in Singapore were contributed by Asian investors. South and Central America and the Caribbean (21.4 per cent) and North America (10.9 per cent) were other major sources of investment in Singapore.

Chart 1: Source of FDI by Region, 2009



FDI from Europe were mainly in financial & insurance services (\$68.6 billion) and manufacturing (\$61.5 billion). Wholesale & retail trade (\$43.6 billion) and transport & storage (\$19.7 billion) sectors were also favoured by European investors.

The bulk of FDI in Singapore from Asia were in financial & insurance services (\$63.5 billion), wholesale & retail trade (\$29.3 billion) and manufacturing (\$16.1 billion) sectors.

### Europe

The Netherlands (\$61.6 billion) and United Kingdom (\$48.6 billion) were the top sources of Singapore's FDI from Europe. There were also significant FDI from Switzerland (\$23.1 billion), Norway (\$22.2 billion) and Luxembourg (\$18.1 billion).

Table 6: Major Investor Countries from Europe  
(Stock as at Year-End)

	2008 (\$ bil)	2009 (\$ bil)	Change (%)
<b>Europe</b>	<b>203.9</b>	<b>215.2</b>	<b>5.6</b>
Netherlands	61.0	61.6	1.0
United Kingdom	50.1	48.6	-2.9
Switzerland	23.5	23.1	-1.9
Norway	21.3	22.2	4.2
Luxembourg	8.1	18.1	>100.0

Dutch and British investment in Singapore were concentrated in manufacturing and financial & insurance services. Investment from Switzerland were mainly in financial & insurance services and wholesale & retail trade sectors.

### Asia

Japan, which accounted for 37.0 per cent or \$50.2 billion of total FDI from Asia, remained a key source of FDI in Singapore. Other major Asian investment in Singapore originated from India (\$20.8 billion), Malaysia (\$15.5 billion), Hong Kong (\$15.4 billion) and China (\$9.4 billion).

FDI from Japan were predominantly in wholesale & retail trade and financial & insurance services whereas majority of FDI from India and Malaysia were in financial & insurance services.

Table 7: Major Investor Countries from Asia  
(Stock as at Year-end)

	2008 (\$ bil)	2009 (\$ bil)	Change (%)
<b>Asia</b>	<b>117.9</b>	<b>136.1</b>	<b>15.4</b>
Japan	50.2	50.2	0.1
India	16.9	20.8	23.2
Malaysia	12.6	15.5	23.1
Hong Kong	11.5	15.4	34.1
China	4.4	9.4	>100.0

### Other Regions

As at end 2009, FDI from United States and Australia stood at \$57.1 billion and \$5.7 billion respectively. Direct investment from United States were largely in financial & insurance services (\$28.1 billion) and manufacturing (\$13.2 billion) sectors while investment from Australia were mainly in financial & insurance services (\$3.9 billion).

Table 8: Other Major Sources of Singapore's  
FDI  
(Stock as at Year-End)

	2008 (\$ bil)	2009 (\$ bil)	Change (%)
United States	53.0	57.1	7.8
Australia	4.6	5.7	23.9