

### Components of Overseas Investment

Total investment abroad by Singapore's corporate sector rose from \$513.1 billion as at end 2006 to \$625.8 billion as at end 2007.

The three main components of total investment abroad are direct investment, portfolio investment and other foreign assets. Direct investment accounted for about \$297.6 billion or 47.5 per cent of total investment abroad. Portfolio investment and other foreign assets contributed about \$178.6 billion (or 28.5 per cent) and \$149.7 billion (or 23.9 per cent) of total overseas investment respectively.

Table 1: Main Types of Investment Abroad  
(Stock as at Year-End)

|                                | 2006<br>(\$ bil) | 2007<br>(\$ bil) | Change<br>(%) |
|--------------------------------|------------------|------------------|---------------|
| <b>Total Investment Abroad</b> | <b>513.1</b>     | <b>625.8</b>     | <b>22.0</b>   |
| Direct Investment              | 243.7            | 297.6            | 22.1          |
| Portfolio investment           | 123.1            | 178.6            | 45.1          |
| Other Foreign Assets           | 146.3            | 149.7            | 2.3           |

#### Direct Investment

The stock of direct investment abroad amounted to \$297.6 billion as at end 2007, an increase of 22.1 per cent compared to amount invested as at end 2006.

About \$246.6 billion or 82.9 per cent of the direct investment abroad was in the form of equity investment (i.e. share capital and attributable reserves of overseas affiliates) while net lending to overseas affiliates accounted for the remaining \$51.0 billion or 17.1 per cent.

Table 2: Direct Investment Abroad  
(Stock as at Year-End)

|                           | 2006<br>(\$ mil) | 2007<br>(\$ mil) | Change<br>(%) |
|---------------------------|------------------|------------------|---------------|
| <b>Total</b>              | <b>243.7</b>     | <b>297.6</b>     | <b>22.1</b>   |
| Direct Equity Investment  | 201.9            | 246.6            | 22.1          |
| Net Lending to Affiliates | 41.7             | 51.0             | 22.1          |

#### Portfolio Investment

Portfolio investment reached \$178.6 billion as at end 2007, expanding significantly by 45.1 per cent from the \$123.1 billion invested as at end 2006.

Quoted and unquoted shares took up 61.5 per cent (or \$109.9 billion) of portfolio investment abroad. The remaining 38.4 per cent (or \$68.7 billion) of portfolio investment were in the form of debt securities.

Table 3: Portfolio Investment Abroad  
(Stock as at Year-End)

|                            | 2006<br>(\$ mil) | 2007<br>(\$ mil) | Change<br>(%) |
|----------------------------|------------------|------------------|---------------|
| <b>Total</b>               | <b>123.1</b>     | <b>178.6</b>     | <b>45.1</b>   |
| Quoted and Unquoted Shares | 60.6             | 109.9            | 81.5          |
| Debt Securities            | 62.6             | 68.7             | 9.8           |

#### Other Foreign Assets

Investment in other foreign assets amounted to \$149.7 billion as at end 2007. This was marginally higher than the \$146.3 billion invested as at end 2006. Other foreign assets were mainly in the form of money deposits (\$81.7 billion) and loans granted to non-affiliates entities abroad (\$44.8 billion).

Table 4: Other Foreign Assets Abroad  
(Stock as at Year-End)

|                                 | 2006<br>(\$ mil) | 2007<br>(\$ mil) | Change<br>(%) |
|---------------------------------|------------------|------------------|---------------|
| <b>Total</b>                    | <b>146.3</b>     | <b>149.7</b>     | <b>2.3</b>    |
| Money Deposits Held Abroad      | 76.2             | 81.7             | 7.1           |
| Properties Held Abroad          | 16.9             | 4.3              | -74.5         |
| Loans Granted to Non-Affiliates | 40.0             | 44.8             | 12.1          |
| Others                          | 13.2             | 18.9             | 42.9          |

## Distribution of Direct Investment

### Activity Abroad

Direct investments by Singapore enterprises were mainly concentrated in the financial & insurance services and manufacturing sectors.

Financial & insurance services attracted about \$168.0 billion or 56.5 per cent of Singapore's direct investment abroad while manufacturing accounted for about \$65.8 billion or 22.1 per cent of total overseas direct investment. Singapore companies also invested in the information & communications (4.9 per cent), wholesale & retail trade (4.6 per cent), and real estate, rental & leasing services (3.9 per cent) sectors.

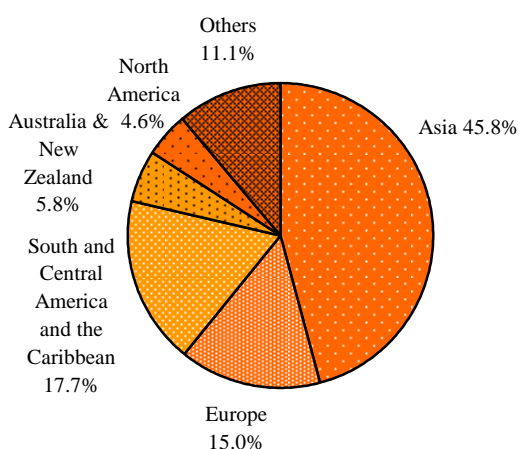
Table 5: Distribution of Direct Investment Abroad by  
Activity of Investor Abroad  
(Stock as at Year-End)

|   | 2006<br>(\$ bil) | 2007<br>(\$ bil) | Share<br>in 2007<br>(%) |
|---|------------------|------------------|-------------------------|
| <b>Total</b>  | <b>243.7</b>     | <b>297.6</b>     | <b>100.0</b>            |
| Manufacturing   | 54.8             | 65.8             | 22.1                    |
| Wholesale & Retail Trade                                    | 13.1             | 13.6             | 4.6                     |
| Hotels & Restaurants  | 2.3              | 2.7              | 0.9                     |
| Transport & Storage   | 8.3              | 8.4              | 2.8                     |
| Information & Communications                                | 13.0             | 14.6             | 4.9                     |
| Financial & Insurance services                              | 131.2            | 168.0            | 56.5                    |
| Real Estate, Rental & Leasing Services                      | 10.7             | 11.7             | 3.9                     |
| Professional & Technical, Administrative & Support Services | 4.5              | 5.0              | 1.7                     |

### Geographical Distribution

Collectively, Asia was the top destinations of Singapore's direct investment abroad. Asian countries attracted \$136.3 billion or 45.8 per cent of Singapore's direct investment abroad as at end 2007. Other regions favoured by Singapore investors included South and Central America and the Caribbean (17.7 per cent) and Europe (15.0 per cent).

Chart 1: Direct Investment Abroad by Region



*Asia*

Within Asia, major destinations of Singapore's direct investment abroad included China, Malaysia, Indonesia, Hong Kong and Thailand. Together, these five countries accounted for nearly 82 per cent of Singapore's direct investment in Asia.

Table 6: Major Destinations of Singapore's Investment in Asia (Stock as at Year-End)

|             | 2006 (\$ bil) | 2007 (\$ bil) | Change (%)  |
|-------------|---------------|---------------|-------------|
| <b>Asia</b> | <b>117.7</b>  | <b>136.3</b>  | <b>15.8</b> |
| China       | 33.5          | 39.3          | 17.2        |
| Malaysia    | 18.9          | 21.2          | 11.8        |
| Indonesia   | 16.7          | 18.3          | 9.2         |
| Hong Kong   | 15.6          | 17.5          | 12.4        |
| Thailand    | 10.4          | 15.4          | 48.2        |
| Taiwan      | 5.2           | 5.0           | -4.2        |

Singapore's direct investment in China expanded from \$33.5 billion as at end 2006 to \$39.3 billion as at end 2007. In China, 58.7 per cent of Singapore's direct

investments were in the manufacturing sector, 14.3 per cent were in the real estate, rental & leasing services sector and 11.9 per cent were in the financial & insurance services sector.

Singapore's investment in Malaysia rose by 11.8 per cent to reach \$21.2 billion as at end 2007. In Malaysia, 46.1 per cent of Singapore's direct investments were in the financial & insurance services sector and 36.9 per cent in manufacturing sector.

*Europe*

Singapore's direct investments in Europe were primarily located in the United Kingdom (70.0 per cent) and Switzerland (9.6 per cent). The stock of Singapore direct investments in United Kingdom rose from \$20.1 billion as at end 2006 to \$31.1 billion as at end 2007 while direct investments in Switzerland surged from less than \$1.0 billion to \$4.3 billion during the same period.

Table 7: Major Destinations of Singapore's Investment in Europe (Stock as at Year-End)

|                | 2006 (\$ bil) | 2007 (\$ bil) | Change (%)  |
|----------------|---------------|---------------|-------------|
| <b>Europe</b>  | <b>33.8</b>   | <b>44.6</b>   | <b>31.9</b> |
| United Kingdom | 20.2          | 31.2          | 54.5        |
| Switzerland    | 0.6           | 4.3           | >100.0      |
| Netherlands    | 3.1           | 3.1           | 1.4         |

*Other Regions*

Australia (\$15.8 billion) and United States (\$13.5 billion) were other key destinations of Singapore's direct investments. The main sectors invested in Australia were the financial & insurance services (38.7 per cent) and information & communications (25.6 per cent) sectors. Investment in the United States were mainly in the manufacturing (53.4 per cent) and financial & insurance services (30.3 per cent) sectors.

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

|               | 2006<br>(\$ bil) | 2007<br>(\$ bil) | Change<br>(%) |
|---------------|------------------|------------------|---------------|
| Australia     | 10.9             | 15.8             | 45.2          |
| United States | 8.5              | 13.5             | 58.0          |