

Statistics Singapore Newsletter

ISSN 0218-6810

www.singstat.gov.sg

September 2012

Household Expenditure Survey 2012/2013

By

Mr Wilson Lee Chengxiang and Mr Yap Yee Liong
Income, Expenditure and Population Statistics Division
Singapore Department of Statistics

Introduction

The Singapore Department of Statistics (DOS) will be conducting the Household Expenditure Survey (HES) 2012/13 from October 2012 to September 2013.

The HES collects detailed information on households' expenditure and data on socio-economic characteristics, income and savings, as well as ownership of consumer durables.

Apart from providing information on the latest expenditure patterns of resident households, another objective of conducting the HES is to update the weighting pattern and basket of goods and services used in the compilation of the Consumer Price Index (CPI), an indicator of inflation in Singapore.

Findings from the HES are also published for use by government agencies, private sector organisations and the general public.

History of HES in Singapore

The first HES was conducted in 1956/57 and covered only 1,200 wage-earner households living in the urban areas of Singapore. The second HES was conducted in 1972/73 and its scope was expanded to include the whole of Singapore.

Since then, the HES has been regularly undertaken at five-year intervals island-wide to obtain relevant data for performing comparative studies over time. Sample sizes have also been gradually increased to enhance the level of detail and depth of coverage of the survey, and meet the growing demand for data.

The upcoming HES 2012/13 will be the tenth HES to be conducted in Singapore.

Various initiatives have been implemented since the inception of the first HES to

reduce respondent burden, increase data accuracy and improve operational efficiency.

Beginning with HES 1992/93, the period during which respondents were required to record their expenditure was reduced from one month to two weeks.

With the advent of technological improvements and computerisation, administrative data were increasingly leveraged upon since HES 1997/98 to reduce the reporting burden of respondents and improve the quality of data compiled.

New technologies were also introduced in recent HES to improve the efficiency of data capture and coding.

In HES 1997/98, the Optical Mark Reader was employed to capture data on the availability of consumer durables in households. In HES 2002/03, the Intelligent Classification and Coding System¹ was developed to facilitate data processing by streamlining the way in which codes were assigned and input.

Hand-held Personal Digital Assistants (PDAs) were used in HES 2007/08 in lieu of hardcopy survey forms to collect information during face-to-face interviews of households by field interviewers. The PDAs featured built-in checks for the completeness of data collected during field interviews, thus helping to enhance data quality at the

point of data collection instead of waiting until the data processing stage.

Approach for HES 2012/13

For the upcoming HES 2012/13, about 11,000 households in Singapore have been selected to participate in the survey. These households will be divided into batches over the period of the year-long survey, with each batch being surveyed for two weeks.

Interviewers from DOS will visit these households to conduct face-to-face interviews.

They will obtain detailed information on households' expenditure and data on socio-economic characteristics. The interviewers will also issue specially designed booklets to these households to record their regular and daily expenditure for a period of two weeks.

Apart from the booklets for recording regular and daily expenditure, other relevant information will be collected with the use of Ultra Mobile Personal Computers (UMPCs) instead of hardcopy survey forms.

Automatic branching of questions, as well as data completeness and consistency checks built into the UMPCs will allow clarifications to be sought on the spot by field interviewers and minimise the number of calls that may be made to respondents for clarifications following the interviews.

1 More information on the Intelligent Classification and Coding System for HES 2002/03 is available from the March 2003 issue of the Statistics Singapore Newsletter (<http://www.singstat.gov.sg/pubn/ssn/archive/ssnmar2003.pdf>).

Data quality is thereby directly improved during the face-to-face interviews of households, rather than later at the back-end during data processing.

With the elimination of hardcopy questionnaires, the amount of logistical effort in printing and transporting the forms is reduced. Efficiency of data processing is also improved as data are captured directly into the UMPCs without the need for manual input and coding of responses at the back-end.

The use of UMPCs will also lead to a significant reduction in IT software development efforts compared to using PDAs.

Table 1 summarises the key initiatives introduced for the HES since its first launch in 1956/57.

HES 2012/13 Data Items and Uses

Findings from the HES provide information on how the profile and expenditure patterns of resident households in Singapore have changed over time.

The data collected serve as vital inputs for policy formulation and evaluation by government agencies, as well as business decision-making by private sector organisations.

Table 2 provides an overview of the data items that will be collected in HES 2012/13 and the potential uses of the data.

Publicity for HES 2012/13

A series of publicity activities for HES 2012/13 will be launched to generate public awareness and encourage participation and cooperation from respondents.

For the first time, the publicity activities for HES 2012/13 will incorporate the use of posters in place of radio announcements that were previously used in the publicity for HES.

These posters will be displayed at selected mass rapid transit (MRT) and light rapid transit (LRT) stations, as well as other strategic locations, including community centres and town councils. The display of posters at specific locations enables the publicity efforts to be targeted at selected locations covered by the survey at any one time.

Apart from posters, monthly press releases will be issued to inform the public of the specific areas surveyed in that particular month. Households selected for the survey will receive a notification package via post.

Respondents and the general public may visit the HES 2012/13 website (<http://www.singstat.gov.sg/hes1213>) for more information regarding the survey.

A dedicated email feedback channel (singstat_hes@singstat.gov.sg) and a survey hotline (1800-888-1213) will also be in operation during the year-long survey for queries and feedback pertaining to the HES.

TABLE 1 HISTORY OF HES, 1956/57 - 2012/13

Years	Sample Size	Key Initiatives
1956/57	1,200	<ul style="list-style-type: none"> • First expenditure survey. • Covered urban areas only. • Required respondents to record their expenses over a one-month period.
1972/73	3,500	<ul style="list-style-type: none"> • Second expenditure survey. • Covered the whole country. • Collected information on the socio-economic characteristics of the general population.
1977/78	5,200	<ul style="list-style-type: none"> • Third expenditure survey.
1982/83	5,900	<ul style="list-style-type: none"> • Fourth expenditure survey.
1987/88	7,700	<ul style="list-style-type: none"> • Fifth expenditure survey.
1992/93	8,500	<ul style="list-style-type: none"> • Sixth expenditure survey. • Shortened the period for respondents to record their expenditure from one month to two weeks to reduce respondent burden.
1997/98	9,000	<ul style="list-style-type: none"> • Seventh expenditure survey. • Used the Optical Mark Reader to capture data from the survey of consumer durables in households, leading to savings of time, manpower and costs as compared with the traditional key-punching method, while minimising errors in data capture.
2002/03	9,000	<ul style="list-style-type: none"> • Eighth expenditure survey. • Included one-person households in the analysis of HES results for the first time. • Developed Intelligent Classification and Coding System to improve the efficiency of data capture and coding.
2007/08	10,500	<ul style="list-style-type: none"> • Ninth expenditure survey. • Used PDAs to collect information during face-to-face interviews of households by field interviewers, in lieu of hardcopy survey forms. • Adopted the Singapore Standard Classification of Individual Consumption According to Purpose (S-COICOP) for the coding of expenditure items to allow for better international comparability. • Leveraged to a greater extent on administrative data to reduce respondent burden and improve data quality.
2012/13	11,000	<ul style="list-style-type: none"> • Tenth expenditure survey. • Used UMPCs in place of PDAs, resulting in a significant reduction in IT software development efforts.

TABLE 2 DATA ITEMS IN THE HES AND USES OF THE DATA

Data Items	Uses
Demographic and Social Data	
<ul style="list-style-type: none"> • Name • Date of Birth • Whereabouts • Ethnic Group • Identification Type • Marital Status • Household Grouping • Parent and Spouse Linkage 	Data on the basic demographic profile of the population are used in studies on changes in expenditure patterns through the years. Some examples of use include: <ol style="list-style-type: none"> 1. To study the changes in the profile of households over time, such as household size and the impact on household income and expenditure. 2. To analyse the nature of living conditions and income and expenditure patterns of specific segments of the population, such as retirees and young families.
Housing Data	
<ul style="list-style-type: none"> • Dwelling Type • Tenancy • House Purchase and Mortgage • House Insurance • Repairs and Renovations • Rent Paid • Maintenance Cost 	Housing data are used to study the profile of home owners and tenants. Data on dwelling type are also studied together with income and expenditure data for the analysis of household consumption expenditure and income across different types of housing.
Data on Availability of Consumer Durables	
<ul style="list-style-type: none"> • Audio-Visual Products/ Services • Household Appliances • Motor Vehicles • Telecommunication Equipment & Apparatus • Personal Computer & Information Processing Equipment • Others 	Data on availability of consumer durables serve as a proxy indicator of households' access to modern day conveniences and standard of living. Such data can be used to assess households' economic well-being over time.
Expenditure Data	
<ul style="list-style-type: none"> • Durable Goods • Cars • Travel • Wedding • Funeral • Regular Expenditure 	Expenditure data are used by government agencies, private sector organisations and academics to analyse household consumption expenditure patterns and changes over time. Such data are also used to update the weighting pattern and basket of goods and services for the compilation of the CPI.
Education and Employment Data	
<ul style="list-style-type: none"> • Current Activity Status • Highest Qualification Attained • Level of Education Attending • Employment Status • Occupation 	Education and employment data may be used to generate distribution patterns of income and consumption expenditure across households based on various profiles, such as: <ol style="list-style-type: none"> 1. Working status or occupation of main income earner 2. Number of working persons within household
Income Data	
<ul style="list-style-type: none"> • Employment Income • Self Employment Income • Other Employment Income • Rental Income • Investment Income • Other Income Sources 	Data on income, including income from various non-work sources, may be used for policy analysis on the economic well-being of individuals and households. Some examples of use include: <ol style="list-style-type: none"> 1. To analyse expenditure patterns at different levels of income 2. To study the sources of income for various household deciles

Concluding Remarks

The HES is an important national survey to collect information on the latest consumption expenditure of Singapore households. Respondents' cooperation

is crucial to the success of the HES. The HES is conducted under the Statistics Act (Chapter 317) which ensures that all information supplied by households will be kept in confidence in accordance with the Statistics Act.

Availability of Consumer Durables in Households, 1972/73 – 2007/08

Among the many varied uses of data from the HES, analysis of the trends in the availability of consumer durables in households over time provides useful insights into the lifestyle changes and quality of life of households.

This section outlines some observations on the evolving trends in the availability of selected consumer durables in households using data collected from the HES conducted in the 1970s to date.

Audio-Visual Products

Availability of televisions among Singapore households had become almost universal, with over 99 per cent of households having at least one television set in 1997/98, compared with a corresponding figure of only 49 per cent in 1972/73 (Chart 1).

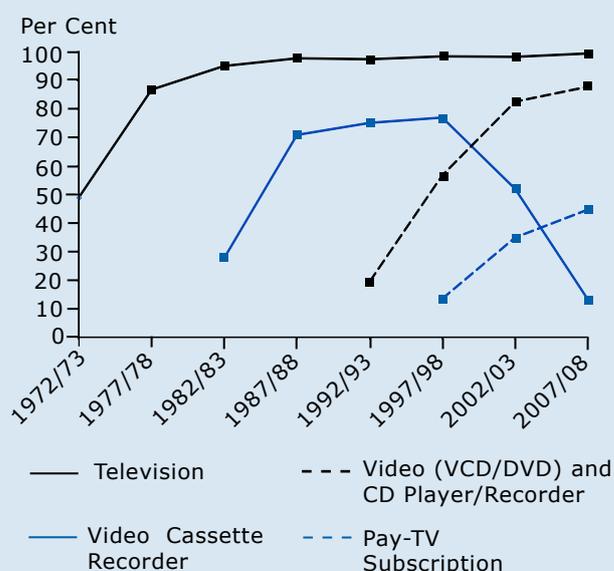
The proportion of households with video (VCD/DVD) and CD players and recorders² rose from 20 per cent in 1992/93 to 88 per cent in 2007/08.

This increase could be attributed to more consumers switching from audio and video cassette recorders to video (VCD/DVD) and CD players/recorders as the latter became more common and affordable.

In contrast, the number of households with video cassette recorders dropped sharply between 1997/98 and 2007/08 from 77 per cent to 13 per cent.

Between 1997/98 and 2007/08, the proportion of households with pay-television (pay-TV) subscriptions more than tripled from 14 per cent to 45 per cent.

CHART 1 AVAILABILITY OF AUDIO-VISUAL PRODUCTS AND SERVICES IN HOUSEHOLDS, 1972/73 - 2007/08

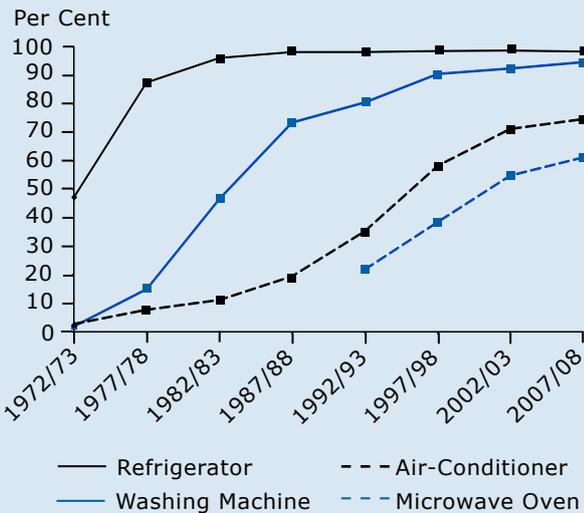


2 'VCD' refers to Video Compact Disc, 'DVD' refers to Digital Versatile Disc and 'CD' refers to Compact Disc. Data on availability of video (VCD/DVD) and CD players/recorders were first collected in HES 1992/93, and include laser disc players for HES 1992/93 and HES 1997/98.

Household Appliances

Due to increasing affluence and a rising standard of living, the proportion of households with microwave ovens, air-conditioners and washing machines rose steadily over the years to reach 61 per cent, 75 per cent and 95 per cent respectively in 2007/08 (Chart 2).

CHART 2 AVAILABILITY OF HOUSEHOLD APPLIANCES IN HOUSEHOLDS, 1972/73 - 2007/08



Personal Computer, Telecommunication Equipment and Services

For the first time in 2007/08, the proportion of households with mobile phones (95 per cent) overtook the proportion of households with telephone lines (88 per cent) (Chart 3).

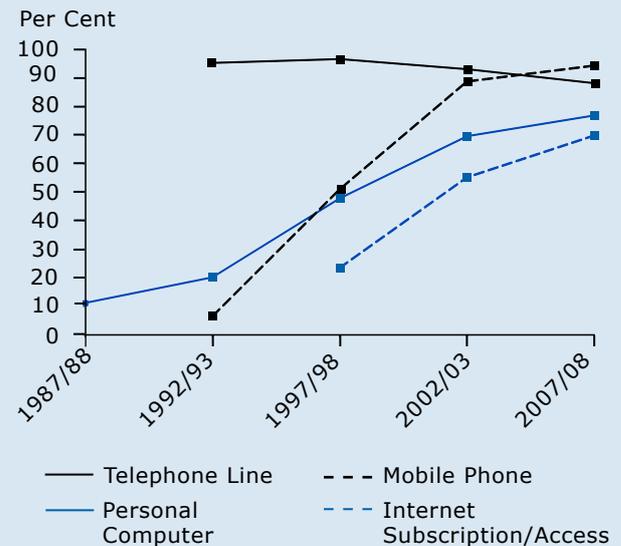
This is in contrast to 1992/93, when 95 per cent of households had at least one telephone line and only 7 per cent of households had at least one mobile phone.

The convenience and mobility of mobile phones with additional value-added

services and competitive pricing had boosted the proportion of households with mobile phones.

The rising popularity of mobile phones had also contributed to the fall in the proportion of households with telephone lines as some households substituted their telephone lines with mobile phones.

CHART 3 AVAILABILITY OF PERSONAL COMPUTER, TELECOMMUNICATION EQUIPMENT AND SERVICES IN HOUSEHOLDS, 1987/88 - 2007/08



With rising proficiency in the use of information technology (IT) among the general population and the increased availability of more affordable personal computers (PCs) in the market, the proportion of households with desktop or laptop computers grew steadily from 11 per cent in 1987/88 to 77 per cent in 2007/08.

In tandem with the increase in the number of households with PCs, the proportion of households with Internet subscription/access rose from 24 per cent in 1997/98 to 70 per cent in 2007/08.

Implementation of IMF Balance of Payments and International Investment Position Manual, Sixth Edition

By

Mr Justin Tai Wei Chuen and Miss Tracy Tan Li Ling
Economic Accounts Division
Singapore Department of Statistics

Introduction

The Singapore Department of Statistics (DOS) compiles Singapore's balance of payments (BOP) which summarises economic transactions between Singapore residents and non-residents, as well as the international investment position (IIP), a statement showing at a point in time the value of Singapore's financial assets and liabilities with non-residents.

DOS has implemented the latest international statistical standards set out in the Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6), and Singapore's BOP and IIP are now presented on a BPM6 basis.

The International Monetary Fund (IMF) published the final version of BPM6, which serves as an update to the previous Balance of Payments Manual, Fifth Edition (BPM5), in 2009.

The revised manual has incorporated changes to the methodological framework for the compilation of the BOP and IIP, taking into account recent economic developments such as globalisation,

financial and technological innovations, increased emphasis on the use of the balance sheet in examining vulnerabilities, as well as the enhancement of consistencies between international accounts and national accounts.

This article highlights the main changes and improvements with the implementation of BPM6, and provides an analysis of the major accounts and aggregates in the new presentational format.

Major Changes and Improvements

DOS has adopted major changes and enhancements to the compilation of Singapore's BOP and IIP, including external debt which is a subset of the IIP covering the outstanding amount of current debt liabilities owed to non-residents.

The implementation process mainly involved reclassifications and refinements to existing data items as well as the adoption of several methodological improvements.

With the completion of these changes, DOS has been compiling Singapore's BOP

and IIP statistics in accordance with the conceptual and compilation framework set out in BPM6 with effect from the Economic Survey of Singapore for 2011 and the release of IIP 2011.

Current Account

The BOP current account records trade in goods and services, along with primary and secondary income flows. Most of the changes affect the goods account and services account, resulting in further differentiation and greater clarity in distinguishing between the values of physical goods traded and services performed.

Goods Account

Major changes to the goods account include the reclassification of merchanting from services to goods, the exclusion of migrants' personal effects, as well as the moving of repairs on goods and processing fees to the services account.

Merchanting refers to the purchase and subsequent resale of goods abroad, with the goods not entering or leaving the compiling economy in the process. Previously recorded as the provision of merchanting services and classified

as a services transaction, goods under merchanting have now been reclassified to the goods account in BPM6, with the difference between the value of goods acquired and sold recorded as net exports of goods under merchanting.

The movement of migrants' personal effects, which arise when individuals move their residence from one economy to another, was formerly recorded in the goods account under BPM5.

This was an exception to the principle of change in economic ownership, a term introduced in BPM6 taking into account the risks and rewards of ownership.

With the elimination of these exceptions under BPM6, migrants' personal effects are no longer recorded as international transactions and are excluded from the BOP.

The main differences between the goods accounts under BPM5 and BPM6 are presented in Table 1.

Services Account

In recognition of its growing importance and contribution to global trade, BPM6 also introduced several improvements to the compilation of trade in services statistics.

TABLE 1 KEY CHANGES TO BOP GOODS ACCOUNT

BPM5	BPM6	Key Changes
-	Net exports of goods under merchanting	Reclassified to goods
Migrants' effects	-	Removed from the BOP
Repairs on goods	-	Reclassified to services
Processing fees	-	Reclassified to services

The main changes include the introduction of maintenance and repair services as a major services category, the inclusion of financial intermediation services indirectly measured (FISIM) in financial services, and the reclassification of merchanting from the services account to the goods account.

Maintenance and repair services include maintenance and repairs performed on ships, aircraft and other transportation equipment. Classified as repairs on goods in the goods account under BPM5, such maintenance and repairs have been reclassified to services and included as a new standard component in the BOP services account under BPM6.

FISIM is generated when financial intermediaries such as banks, which provide services when taking in deposits and making loans, charge for these services indirectly by offering lower rates of interest to their depositors and levying higher rates of interest on their borrowers.

Whereas previously included indistinguishably under interest in investment income, FISIM

has been reclassified to financial services based on the new BPM6 guidelines. In addition, margins on debt securities, or implicit service charges associated with the buying and selling of debt securities, have also been included in financial services.

Other major changes to trade in services statistics include the formation of telecommunications, computer and information as a new major services category (by incorporating telecommunications services, license fees for the use of computer software and multimedia previously under royalties, and sales and purchases of related intellectual property ownership rights, with computer and information services) as well as the incorporation of sales and purchases of outcomes of research and development (R&D) along with manufacturing and processing services in other business services.

Table 2 provides a summary of the major changes to the services account with the implementation of BPM6.

TABLE 2 KEY CHANGES TO BOP SERVICES ACCOUNT

BPM5	BPM6	Key Changes
-	Maintenance and repair services	Reclassified to services
Financial	Financial	Includes FISIM and margins on debt securities
Communication	-	Reclassified to transport and telecommunications, computer and information
Computer and Information	Telecommunications, computer and information	Includes telecommunication services Includes license fees for the use of computer software and multimedia / sales and purchases of related intellectual property ownership rights
Royalties	Charges for the use of intellectual property	Excludes license fees for the use of computer software and multimedia
Other Business Services	Other Business Services	Excludes merchanting Includes manufacturing and processing services (processing fees) Includes sales and purchases of outcomes of R&D

Primary and Secondary Income Accounts

The primary income account replaces the income account in the BOP with the adoption of BPM6.

It consists mainly of investment income and compensation of employees, and has been adjusted to reflect pure interest flows with the inclusion of FISIM in financial services.

Current transfers under BPM5, which mainly comprise cross-border remittances, have also been renamed as the secondary income account under BPM6.

Administrative data on remittances have replaced the use of data models to derive estimates of cross-border remittances.

In addition, associated transfers relating to nonlife insurance services receipts and payments in terms of net premiums and claims are also recorded as secondary income flows.

The capital account in the BOP includes acquisitions and disposals of nonproduced, nonfinancial assets in the form of marketing assets such as trademarks and franchises.

With the removal of financial assets and liabilities of migrants moving from one economy to another based on BPM6 recommendations (similar to the removal of migrants' personal effects in the goods account), the capital account is no longer shown as a separate series and is instead

consolidated under the financial account to maintain the confidentiality of data reported by individual respondents.

Financial Account and IIP

Several changes have been made to the coverage and conceptual treatment of the BOP financial account, which records the net acquisition of financial assets and the net incurrence of financial liabilities.

Due to the close relationships among the various statistical aggregates within the international accounts, DOS has also aligned and integrated the changes to the financial account with Singapore's IIP and external debt statistics.

Both the financial account and IIP consist of functional categories such as direct investment, portfolio investment, financial derivatives and other investment.

An illustration of the key changes to the financial account in the BOP and IIP is shown in Table 3.

With the implementation of BPM6 and to be in line with international standards, DOS has changed the treatment of Asian Currency Units or ACUs (offshore banking units) from non-resident to resident institutional units.

The new treatment of ACUs has an impact across all functional categories in the financial account and IIP, with cross-border transactions and holdings of such units recorded under the deposit-taking or banking sector.

Direct Investment

Direct investment is now compiled according to the asset/liability principle in the BOP and IIP.

Based on the asset/liability presentation, investment from the direct investor to the direct investment enterprise will be recorded as outflows and stock of assets of the resident economy of the direct investor, while reverse investment from the direct investment enterprise to the direct investor, which had previously been netted off based on the directional principle, will be recorded as inflows and liabilities.

Financial Derivatives

Financial derivatives, or financial instruments whose values are derived from other financial instruments, indicators or

commodities, has been introduced as a major functional category.

With the incorporation of financial derivatives, the financial account and IIP include all the functional categories recommended in BPM6.

Other Investment

Under other investment, interbank positions have been reclassified from loans to currency and deposits. BPM6 recommends that all interbank positions other than securities and accounts receivable/payable be classified as deposits to ensure symmetry in recording.

In addition, allocations of Special Drawing Rights¹ or SDRs, previously not recognised as a liability and excluded from the BOP financial account and IIP, are now recorded as the incurrence of long-term liabilities.

TABLE 3 KEY CHANGES TO BOP FINANCIAL ACCOUNT AND IIP

BPM5	BPM6	Key Changes
Direct Investment Abroad In Reporting Country	Direct Investment Assets Liabilities	Presented according to the asset/liability principle
-	Financial Derivatives	Introduced as a new functional category
Other Investment	Other Investment	Interbank positions reclassified from loans to currency and deposits New allocations of SDRs treated as the incurrence of long-term liabilities

¹ Special Drawing Rights are interest-bearing international reserve assets created by the IMF to supplement other reserve assets of member countries.

Trends of Major Accounts and Aggregates

Balance of Payments

Current Account

The current account balance in the BOP and the key analytical balances of its standard components presented on a BPM6 basis are shown in Table 4.

Singapore's current account has been recording consistent surpluses over the years, largely underpinned by strong surpluses in the goods account.

The positive balance on the current account increased from 2004 to 2007 as the goods surplus widened while the services deficit narrowed during the period.

After declining significantly in 2008, the current account surplus increased on the back of an expansion in trade in goods along with the reversal of services deficits to surpluses in recent years (Chart 1).

The goods account surplus rose steadily as the growth of general merchandise exports outpaced that of imports for most years, with the exception of a decline in the surplus in 2008.

With the contraction in external trade when the world economy went into recession in 2009, the trade surplus in goods rebounded as imports fell more than exports. The surplus rose further and peaked in 2010 following the recovery of global trade and improvements in economic conditions.

The deficit in the services account declined significantly from 2005 to 2008, with services receipts rising faster than payments resulting from increased freight earnings and expansion in exports of financial and travel services.

The services shortfall further widened in 2009 as exports and imports of services fell in the midst of the global economic recession, but reversed to surpluses in subsequent years on the backdrop of increasing receipts from transport and travel services (Chart 2).

TABLE 4 CURRENT ACCOUNT - KEY ANALYTICAL BALANCES

	S\$ billion				
	2007	2008	2009	2010	2011
Current Account Balance	69.1	37.3	43.8	75.7	71.7
Goods Balance	86.0	58.9	68.8	86.0	84.8
Services Balance	-3.8	-3.8	-4.6	2.1	2.3
Primary Income Balance	-8.5	-12.6	-14.5	-5.4	-7.0
Secondary Income Balance	-4.5	-5.3	-5.8	-7.0	-8.4

Note: Figures may not add up due to rounding.

CHART 1 CURRENT ACCOUNT

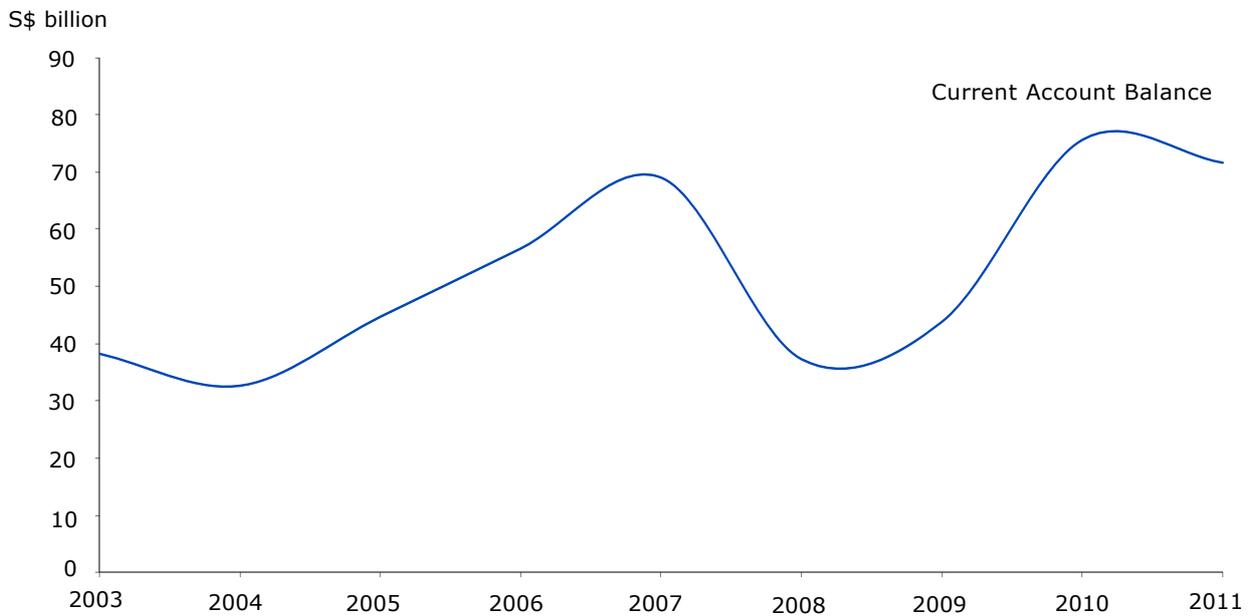
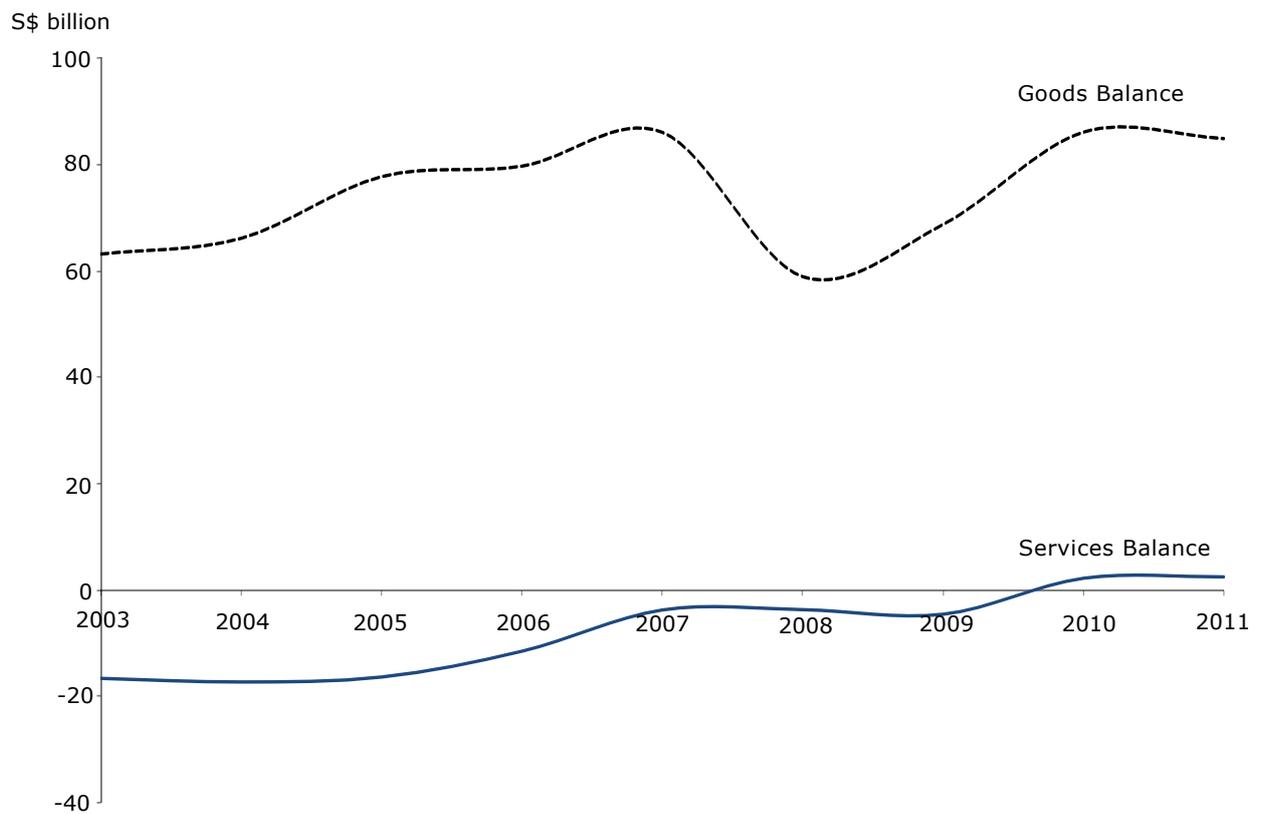


CHART 2 GOODS AND SERVICES ACCOUNTS



Both the primary and secondary income accounts registered deficits from 2003 to 2011. The rising net transfer payments in the secondary income account were due to increases in overseas remittances by foreigners working in Singapore, while annual net payments in primary income were largely attributable to healthy returns for foreign investors from significant inward foreign direct investment (FDI) in the local economy.

Financial Account

Table 5 presents the BOP financial account in the new BPM6 format, along with the major functional categories of the account.

The financial account deficit rose significantly from 2004 to 2007 as a result of increasing net outflows in other investment and portfolio investment. With the reversal of net outflows in portfolio investment to significant net inflows in 2008, net shortfalls declined significantly and have since been relatively volatile due to continued uncertainties in external conditions in the world economy (Chart 3).

Net assets in portfolio investment rose significantly in 2007 but reversed to net inflows in the following year due to the withdrawal of investments in foreign debt securities by deposit-taking corporations (i.e. the banking sector). Portfolio investment flows have reflected movements in the banking sector over the years. Similar to portfolio investment, financial derivatives has also been recording net outflows since 2006 (the first reference year for which data on cross-border derivative transactions are available), except for net inflows in 2008.

Other investment has been relatively volatile and driven by movements in all institutional sectors. While recording net outflows in general at an overall level, other investment in the banking sector has been registering consistent net inflows with the exception of significant net outflows coinciding with the financial crisis of 2008 and moderation of economic growth in 2011.

In contrast to other functional categories, direct investment has been recording constant net inflows, as liabilities exceeded assets on a yearly basis (Chart 4).

TABLE 5 FINANCIAL ACCOUNT - KEY ANALYTICAL BALANCES

	S\$ billion				
	2007	2008	2009	2010	2011
Financial Account Balance	-39.4	-21.9	-33.0	-17.6	-50.4
Direct Investment	15.1	7.1	9.8	37.4	48.8
Portfolio Investment	-71.5	16.4	-58.4	-36.7	-36.1
Financial Derivatives	-0.8	2.8	-25.6	-13.1	-14.0
Other Investment	17.8	-48.1	41.3	-5.2	-49.0

Note: Figures may not add up due to rounding.

CHART 3 FINANCIAL ACCOUNT

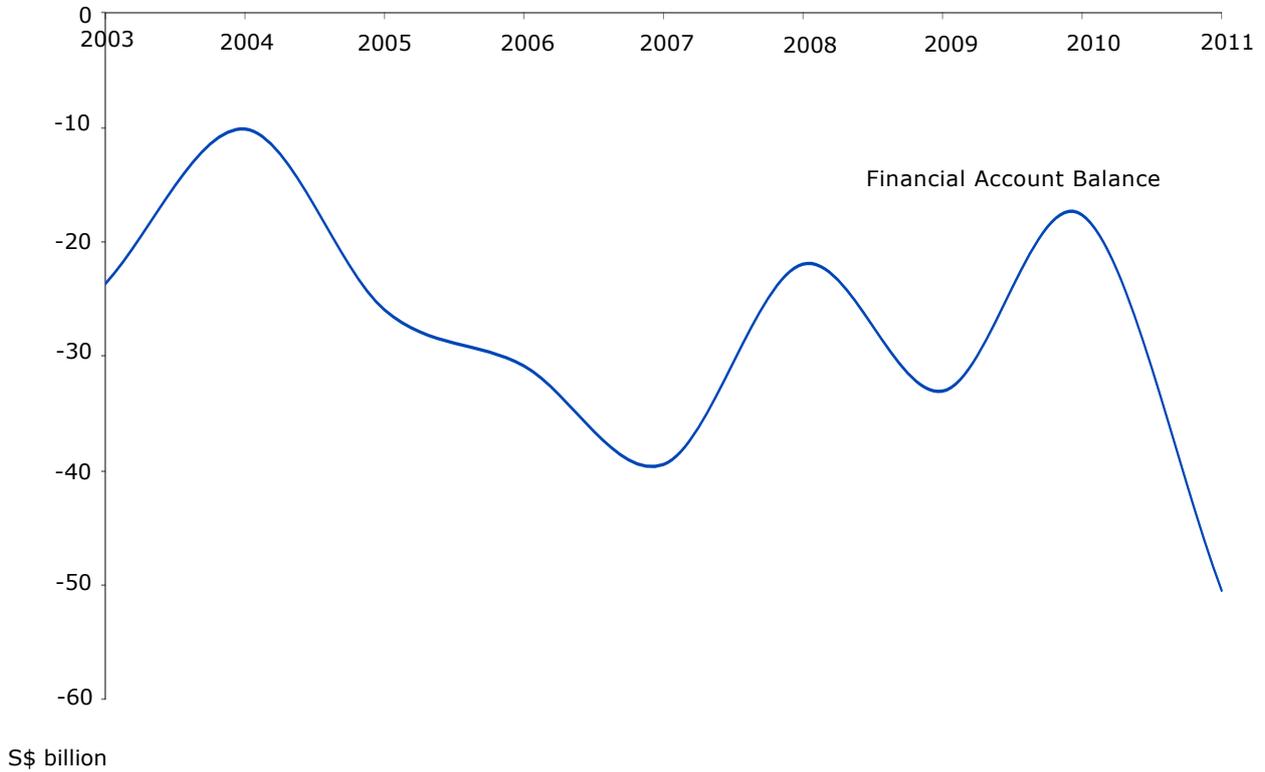
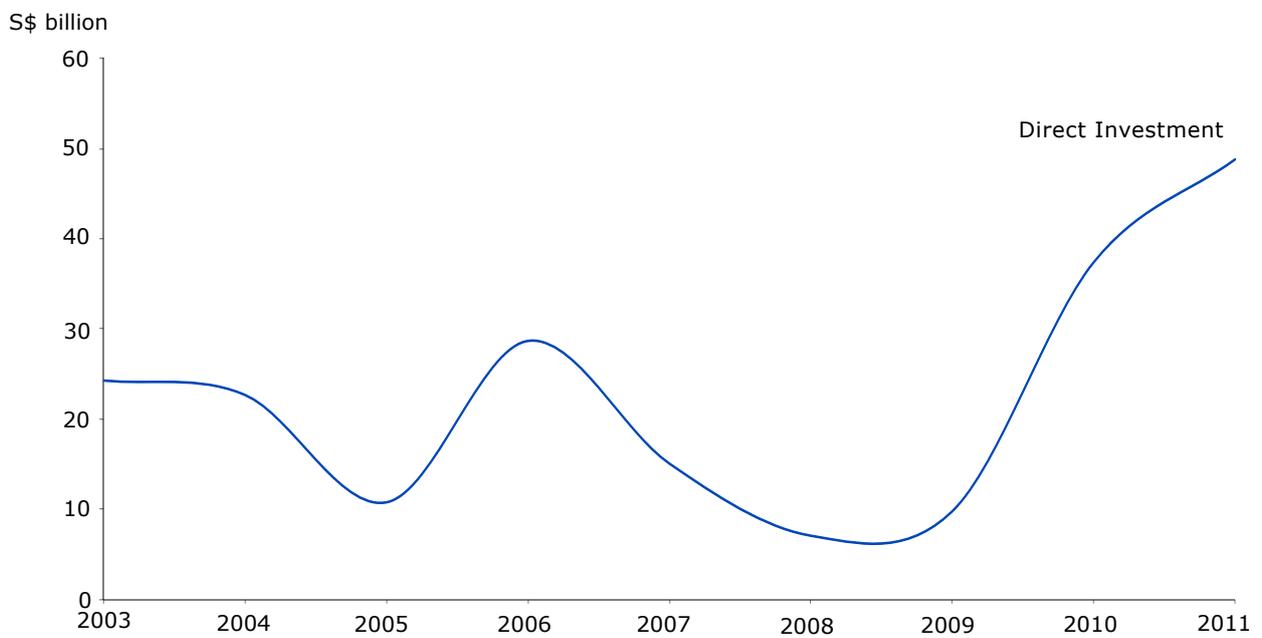


CHART 4 DIRECT INVESTMENT



Direct investment net liabilities fell in 2008 as investors withheld cross-border investments with the advent of the financial crisis, but rebounded sharply thereafter as inward FDI rose with the strong recovery of the Singapore economy in 2010.

International Investment Position

As a net creditor nation, Singapore’s IIP has been recording net asset positions as resident holdings of external assets (overseas investment) consistently exceeded external liabilities (Chart 5). The net IIP rose steadily from 2003 to 2006 as the growth in overseas investment outpaced that of total liabilities or foreign investment.

With the onset of the global financial crisis, the net IIP asset position decreased

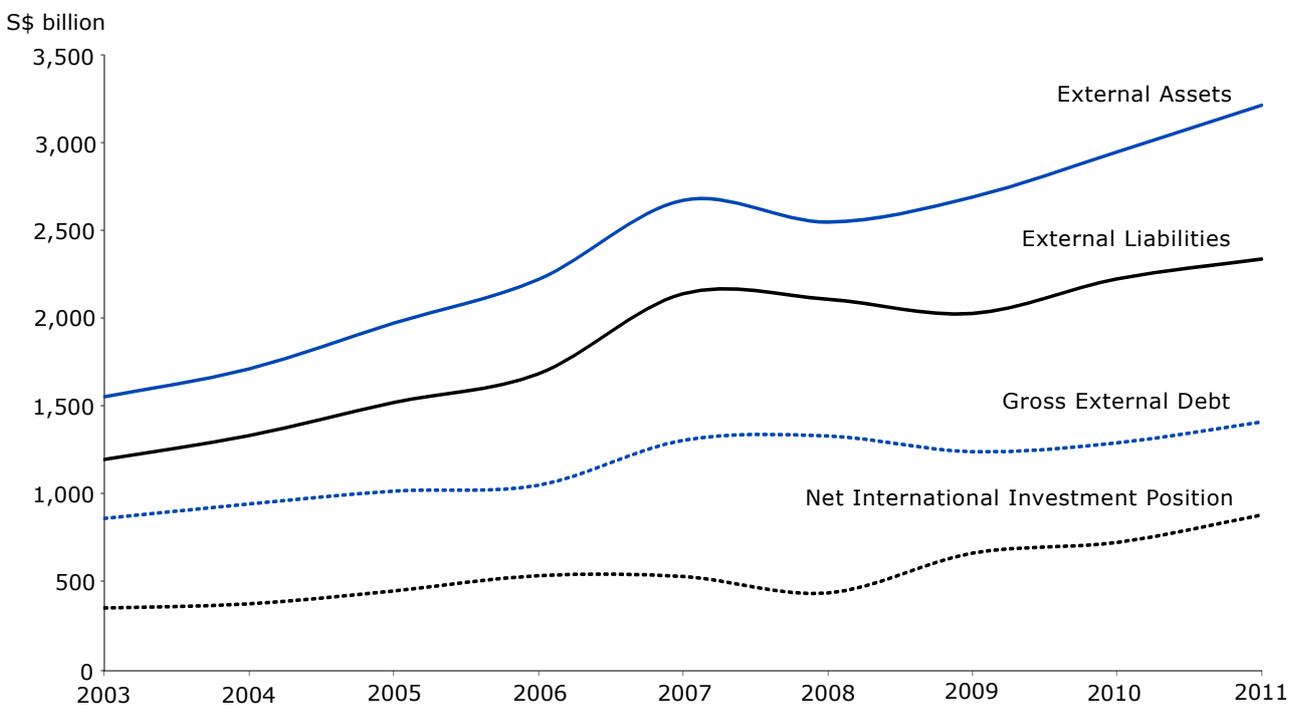
over the next two years as the stock of liabilities rose faster than assets in 2007 while both overseas investment and foreign investment fell in 2008.

The net IIP has since increased from 2009 onwards with the recovery of external assets.

The stock of overseas investment, largely driven by portfolio investment assets, generally increased over the period of 2003 to 2011, with the exception of 2008.

Foreign investment in Singapore also grew over the years, but declined in 2008 and 2009 respectively on the back of decreasing liabilities in portfolio investment followed by a reduction in other investment and financial derivative liabilities.

CHART 5 INTERNATIONAL INVESTMENT POSITION AND EXTERNAL DEBT



In addition, gross external debt, which constitutes part of external liabilities, rose in most years except for 2009 with the deposit-taking or banking sector accounting for the bulk of total debt liabilities.

Concluding Remarks

The implementation of BPM6 has been a major exercise undertaken by DOS to bring Singapore's BOP and IIP in line with the latest international statistical standards and guidelines.

The successful adoption of BPM6 recommendations has enhanced the coherence of Singapore's international accounts and increased its relevance to underlying economic conditions.

DOS will continue to conduct additional research and reviews on further conceptual issues highlighted in BPM6, with a view to developing new methodologies and data sources for further improvements and enhancements to the quality and analytical usefulness of Singapore's BOP and IIP statistics.

.....

Overseas Visitors

The Singapore Department of Statistics (DOS) welcomed a five-member delegation from Guangxi Zhuang Autonomous Region, China over the past six months.

Topics discussed included the annual and short-term industry surveys conducted by DOS that cover the logistics sector.

Contents

- 1 Household Expenditure Survey 2012/2013**

- 6 Availability of Consumer Durables in Households, 1972/73 – 2007/08**

- 8 Implementation of IMF Balance of Payments and International Investment Position Manual, Sixth Edition**

The *Statistics Singapore Newsletter* is issued half-yearly by the Singapore Department of Statistics.

It aims to provide readers with news of recent research and survey findings. It also serves as a vehicle to inform readers of the latest statistical activities in the Singapore statistical service.

Contributions and comments from readers are welcomed.

Please address all correspondence to:

The Editor
Statistics Singapore Newsletter
100 High Street #05-01
The Treasury
Singapore 179434

Fax : 65 6332 7689
Email: info@singstat.gov.sg

Dear Readers,

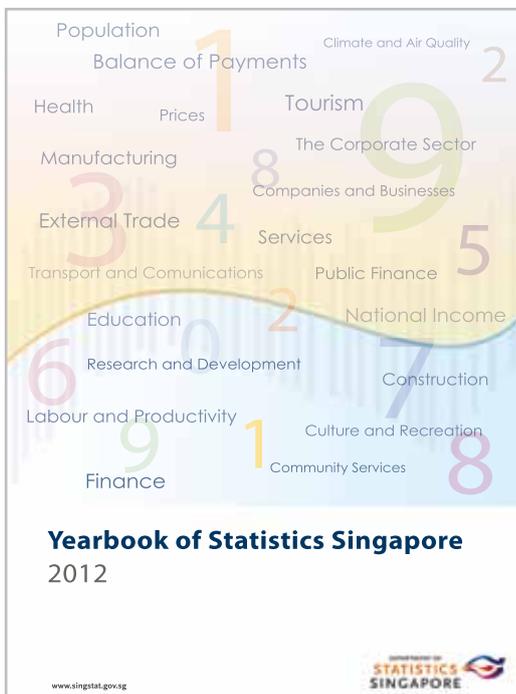
Starting from 2013, the Statistics Singapore Newsletter (SSN) will only be available online. It will continue to be published twice yearly on the SingStat website.

You may read the online newsletter via the following weblink:
<http://www.singstat.gov.sg/pubn/pubn.html#ssn>

To receive email or SMS notifications on the release of SSN or other statistical releases, you may subscribe to SingStat Express at:
<http://www.singstat.gov.sg/express/>

We would like to take this opportunity to thank you for your continued support and readership of the SSN.

Yearbook of Statistics 2012 is now available



An annual publication of the Singapore Department of Statistics, the Yearbook of Statistics (YOS) 2012 features important statistical series on Singapore's economy and population.

Organised into 24 sections, it presents an up-to-date and useful statistical record of the key economic and social characteristics of Singapore.

Download YOS 2012 at
<http://www.singstat.gov.sg/pubn/reference.html#yos>



YOUR RESPONSE MATTERS.
WITH GOOD INFORMATION, BETTER DECISIONS CAN BE MADE.

FOR MORE INFORMATION, PLEASE VISIT [HTTP://WWW.SINGSTAT.GOV.SG/HES1213](http://www.singstat.gov.sg/hes1213)

