

# Annual Report 2017/18





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**“ We will continue to focus on industry transformation, to help companies stay competitive and to upskill their workforce. ”**

Singapore's economic recovery gathered pace in 2017, with the economy expanding 3.6 per cent for the year. EDB's investment commitments also met or exceeded our forecast for all indicators. This will lead to the creation of 22,500 skilled jobs when the projects are fully implemented.

#### **Manufacturing remains a key pillar of the Singapore economy**

The manufacturing sector was a key contributor to this expansion, growing 10 per cent last year and accounting for approximately 20 per cent of our GDP. We will continue to strengthen Singapore's position as a strategic manufacturing hub and build on our ranking as the world's fourth-largest global exporter of high-tech goods.

At the same time, we are driving the adoption of advanced manufacturing and digital technologies across the sector, to ensure its long term competitiveness. In line with this, we worked with TÜV SÜD to launch the Singapore Smart Industry Readiness Index in November 2017. This is a first-of-its-kind diagnostic tool for manufacturers to determine their preparedness for Industry 4.0. I am particularly proud of this initiative as it was conceptualised by a team of young EDB officers. Over 200 companies, comprising local companies and global MNCs, have started to use the Index. We believe that it has the potential to become a key tool for any manufacturer seeking to transform its operations and improve productivity.

#### **Springboard into ASEAN and Asia**

Global companies see Singapore as the preferred location to base their key business functions for ASEAN and Asia. A key reason is the pool of sophisticated

professional services players that can help firms navigate the different growth opportunities in the region. ASEAN, in particular, is set to become the fourth-largest market in the world by 2030, with a combined GDP estimated at US\$10 trillion.

Companies are also starting to innovate from Singapore to create new products and solutions that can better address the needs of their customers in ASEAN and Asia. They are able to tap into the strong scientific and technological base, our growing design community, as well as collaborate with partners from different industries to power this effort.

#### **Conclusion**

Although there are uncertainties in the global economy, we expect investment commitment numbers in 2018 to be sustained at 2017 levels. We will focus on industry transformation, help companies stay competitive and upskill their workforce. This will ensure that Singapore remains a vibrant and thriving economy that generates sustainable growth and good jobs for Singaporeans.

I would like to express my gratitude to all members of the EDB team for their contributions; and to government and industry partners, companies and unions for their partnership, support and confidence in Singapore.



**Dr Beh Swan Gin**

Chairman  
Singapore Economic Development Board



## 2017 investment commitments by industry

Industry	FAI (S\$ million)	TBE (S\$ million)	Expected VA generated/annum (S\$ million)	Expected jobs created
Biomedical Manufacturing	646	377	1,969	1,903
Chemicals	1,317	186	666	340
Education/Health Services	212	65	52	355
Electronics	2,115	172	1,195	1,173
Engineering & Environmental Services	581	1,132	4,255	3,874
General Manufacturing Industries	1,087	265	530	289
Headquarters & Professional Services/ Research & Development	1,676	2,342	5,014	7,035
Infocommunications & Media	469	1,066	1,497	2,500
Logistics	311	353	678	1,452
Precision Engineering	640	402	1,147	2,706
Transport Engineering	396	173	240	854
<b>Total</b>	<b>9,449</b>	<b>6,533</b>	<b>17,243</b>	<b>22,481</b>

**Fixed Asset Investment (FAI)** refers to a company's incremental capital investment in facilities, equipment and machinery.

**Total Business Expenditure (TBE)** refers to a company's incremental operating expenditure in Singapore (excluding depreciation).

The major components include wages and rental.

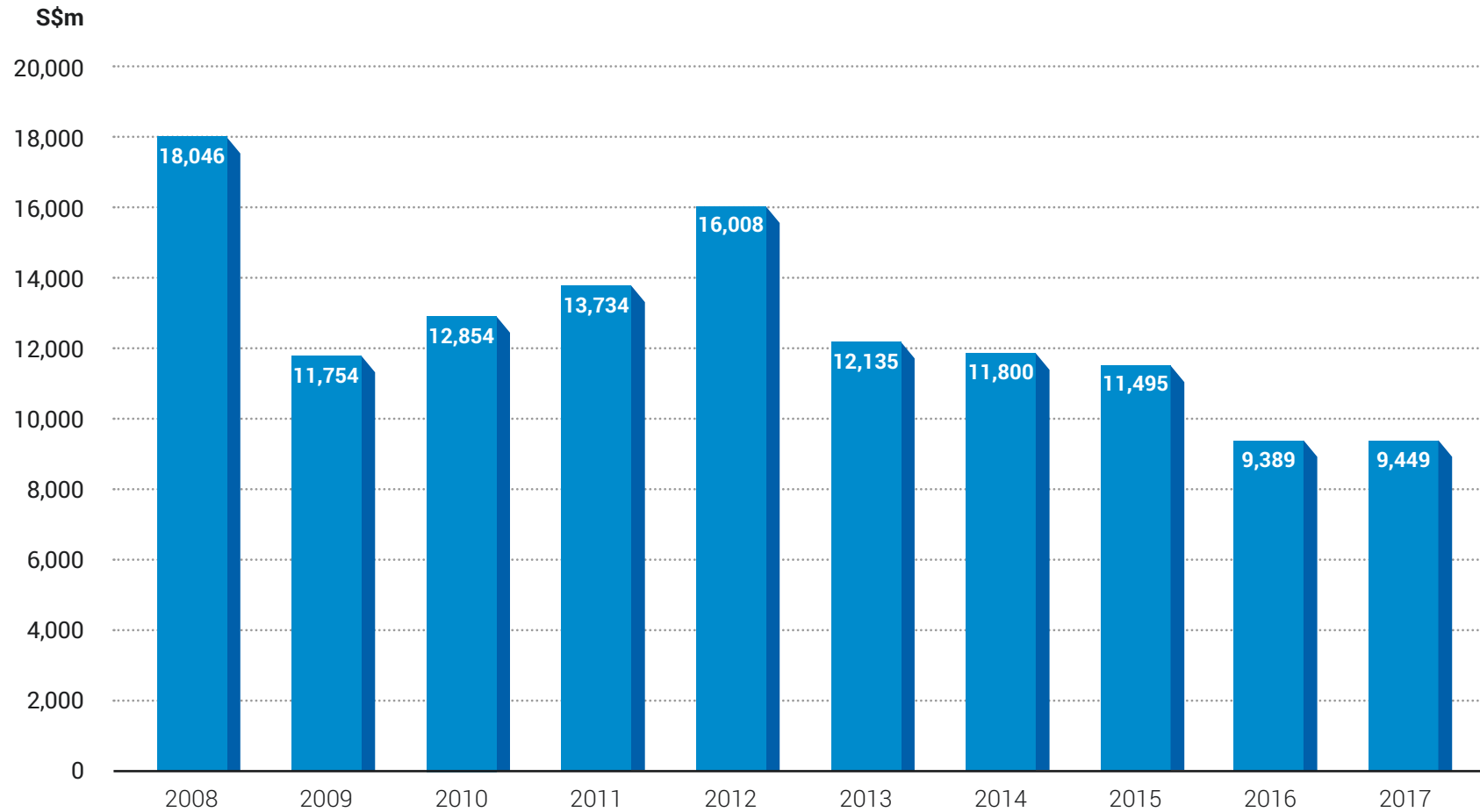
**Value Added (VA)** measures the direct contribution a company makes to Singapore's Gross Domestic Product (GDP) excluding multiplier effects.

The major components include wages and profit.

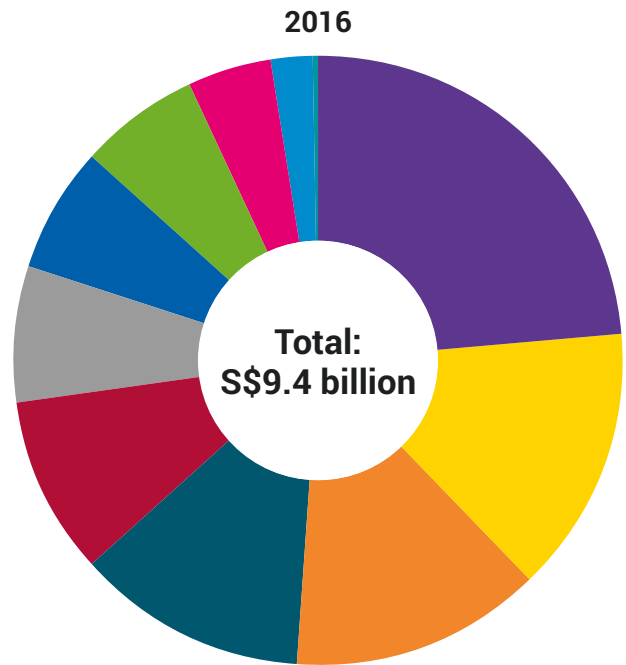
**Jobs** is defined as the sum of all incremental jobs created when the investments are fully implemented.

*Note: The investment commitment classification by industry for 2017 is based on the latest Singapore Standard Industrial Classification (SSIC 2015). Due to rounding, numbers may not add up to the total figure.*

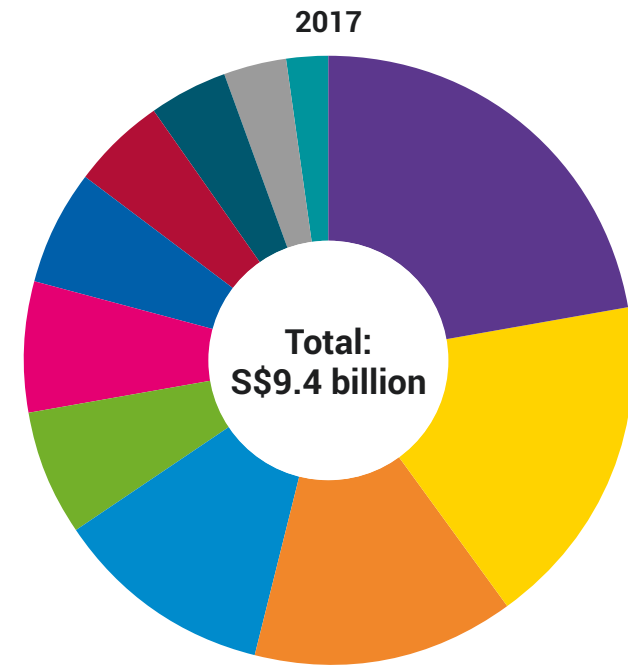
# FAI investment commitments (2008-2017)



# FAI investment commitments by industry (2016, 2017)

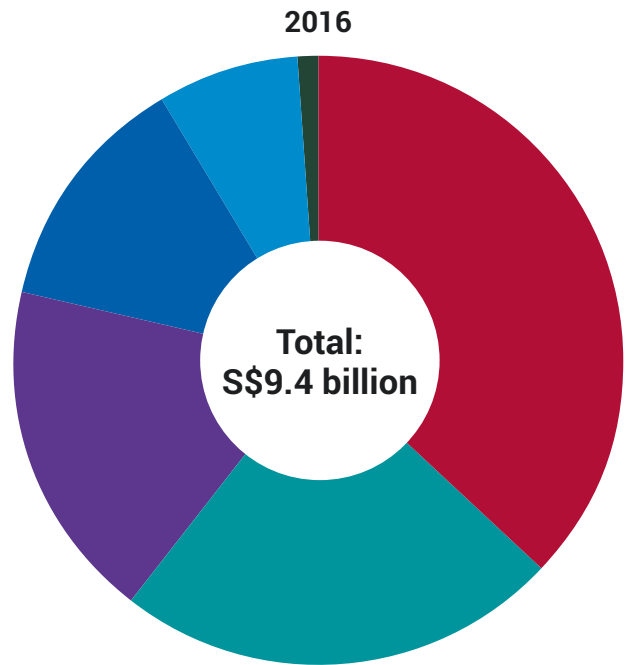


■ Electronics	<b>23.8%</b>
■ Headquarters & Professional Services / R&D	<b>14.0%</b>
■ Chemicals	<b>13.4%</b>
■ Transport Engineering	<b>12.2%</b>
■ Infocommunications & Media	<b>9.6%</b>
■ Logistics	<b>7.1%</b>
■ Engineering & Environmental Services	<b>6.7%</b>
■ Biomedical Manufacturing	<b>6.3%</b>
■ Precision Engineering	<b>4.5%</b>
■ General Manufacturing Industries	<b>2.4%</b>
■ Education/Health Services	<b>0.0%</b>

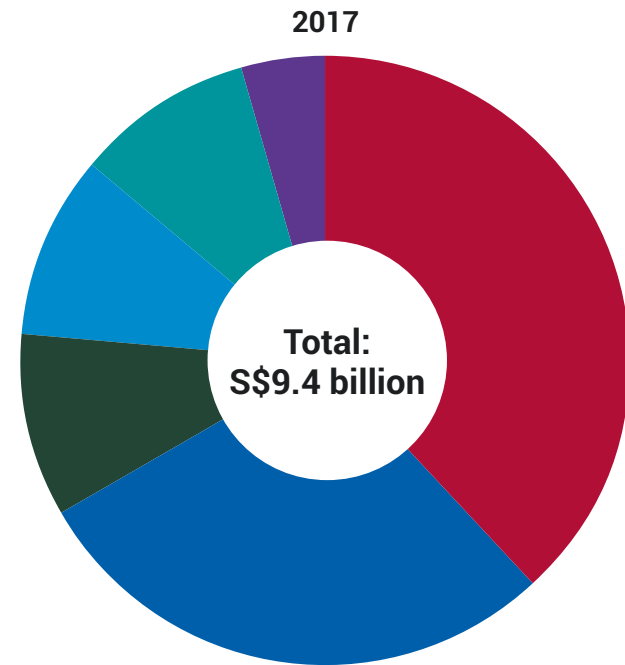


■ Electronics	<b>22.4%</b>
■ Headquarters & Professional Services / R&D	<b>17.7%</b>
■ Chemicals	<b>13.9%</b>
■ General Manufacturing Industries	<b>11.5%</b>
■ Biomedical Manufacturing	<b>6.8%</b>
■ Precision Engineering	<b>6.8%</b>
■ Engineering & Environmental Services	<b>6.1%</b>
■ Infocommunications & Media	<b>5.0%</b>
■ Transport Engineering	<b>4.2%</b>
■ Logistics	<b>3.3%</b>
■ Education/Health Services	<b>2.2%</b>

 FAI investment commitments by region (2016, 2017)

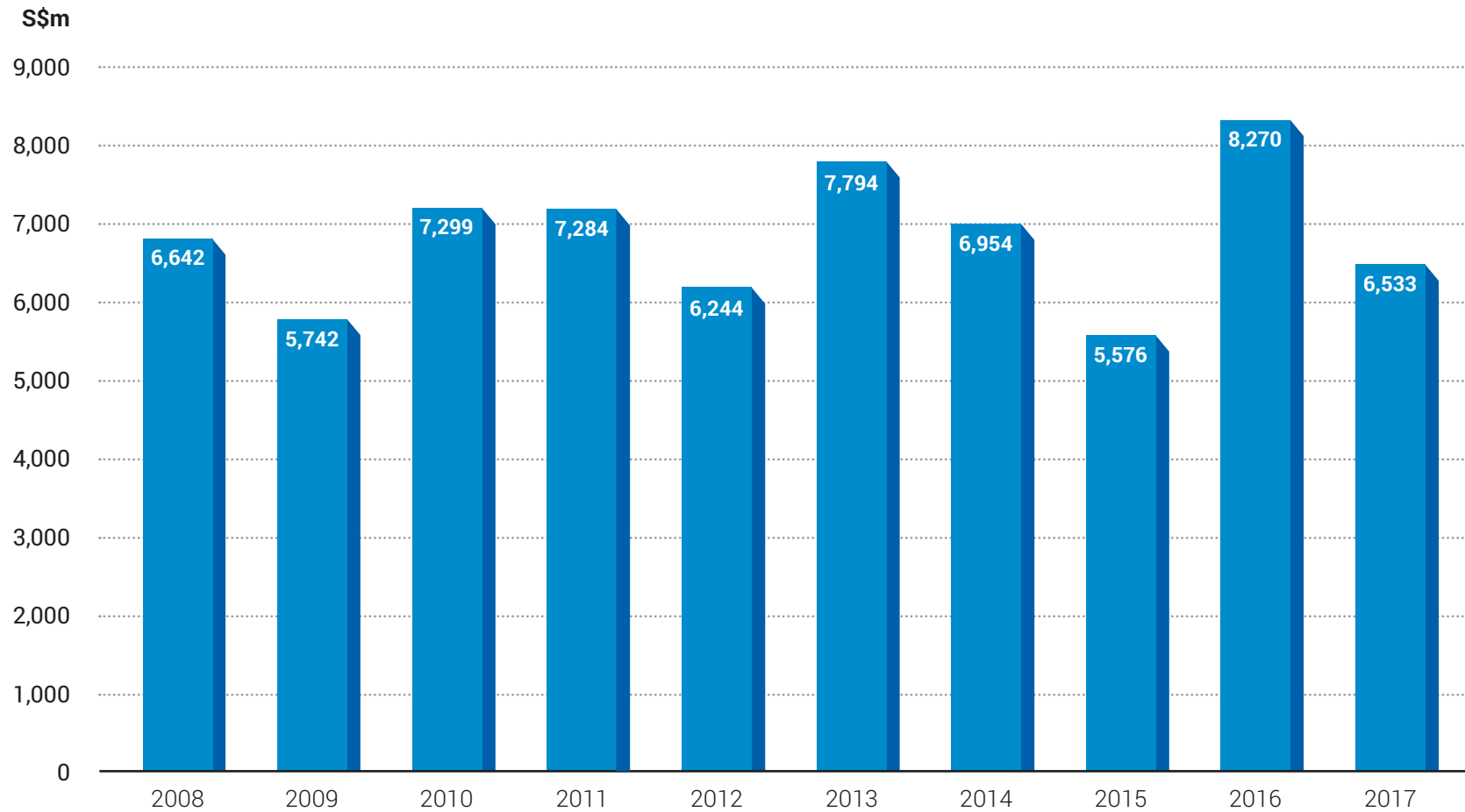


<span style="color: red;">■</span> USA	<b>37.2%</b>
<span style="color: teal;">■</span> Singapore	<b>23.4%</b>
<span style="color: purple;">■</span> Others	<b>18.1%</b>
<span style="color: darkblue;">■</span> Europe	<b>12.8%</b>
<span style="color: lightblue;">■</span> Japan	<b>7.4%</b>
<span style="color: darkgreen;">■</span> China	<b>1.1%</b>



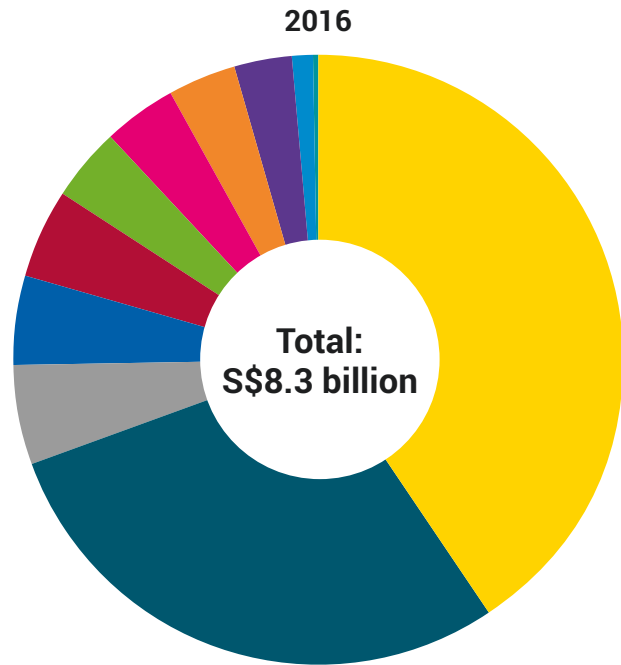
<span style="color: red;">■</span> USA	<b>38.3%</b>
<span style="color: darkblue;">■</span> Europe	<b>28.7%</b>
<span style="color: darkgreen;">■</span> China	<b>9.6%</b>
<span style="color: lightblue;">■</span> Japan	<b>9.6%</b>
<span style="color: teal;">■</span> Singapore	<b>9.6%</b>
<span style="color: purple;">■</span> Others	<b>4.3%</b>

# TBE investment commitments (2008-2017)

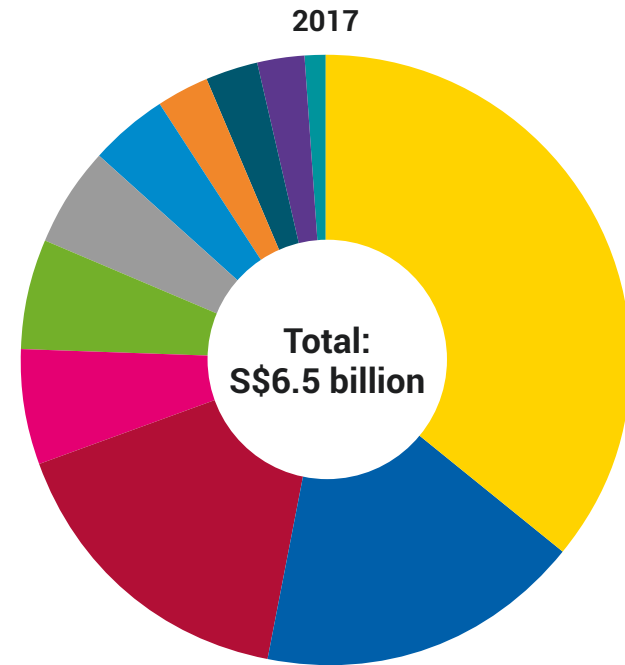




TBE investment commitments by industry (2016, 2017)

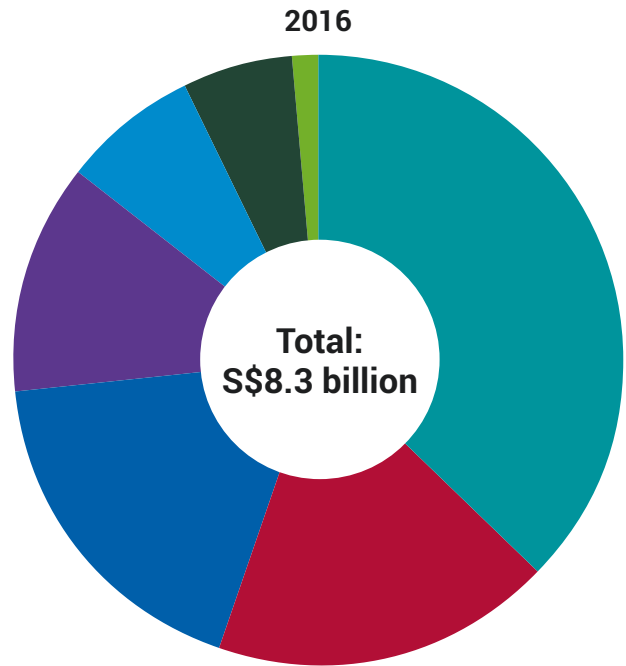


Headquarters & Professional Services / R&D	<b>40.8%</b>
Transport Engineering	<b>28.8%</b>
Logistics	<b>5.3%</b>
Engineering & Environmental Services	<b>4.8%</b>
Infocommunications & Media	<b>4.7%</b>
Biomedical Manufacturing	<b>3.9%</b>
Precision Engineering	<b>3.9%</b>
Chemicals	<b>3.5%</b>
Electronics	<b>3.0%</b>
General Manufacturing Industries	<b>1.2%</b>
Education/Health Services	<b>0.1%</b>

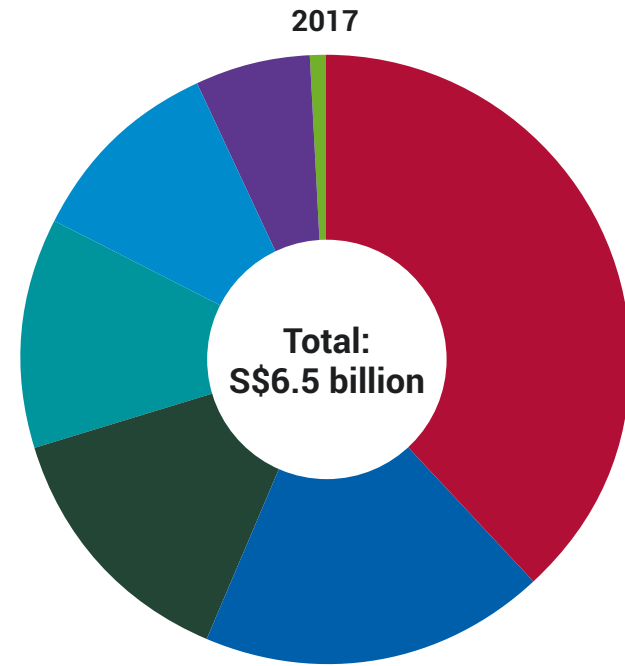


Headquarters & Professional Services / R&D	<b>35.8%</b>
Engineering & Environmental Services	<b>17.3%</b>
Infocommunications & Media	<b>16.3%</b>
Precision Engineering	<b>6.1%</b>
Biomedical Manufacturing	<b>5.8%</b>
Logistics	<b>5.4%</b>
General Manufacturing Industries	<b>4.1%</b>
Chemicals	<b>2.8%</b>
Transport Engineering	<b>2.6%</b>
Electronics	<b>2.6%</b>
Education/Health Services	<b>1.0%</b>

TBE investment commitments by region (2016, 2017)

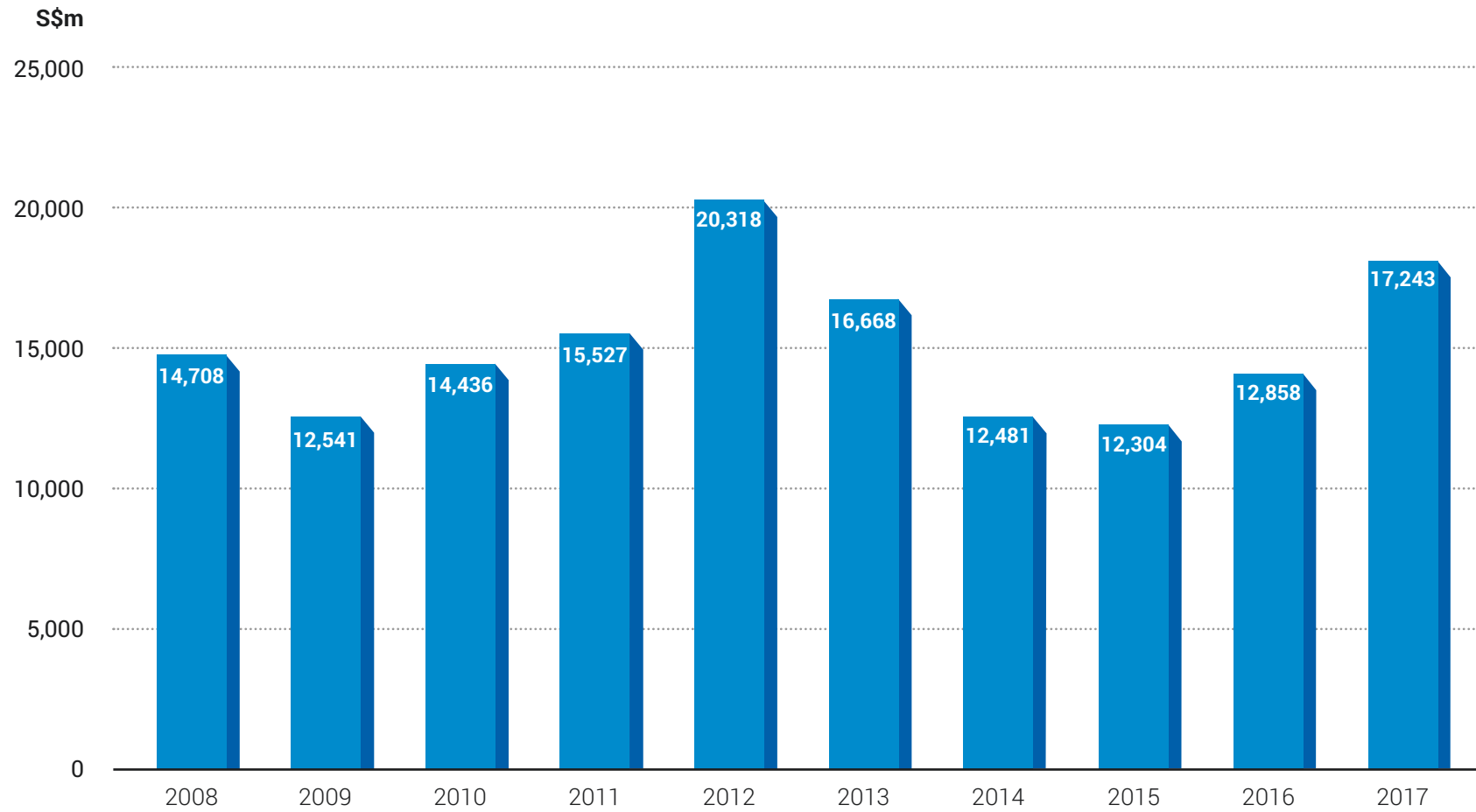


■ Singapore	<b>37.3%</b>
■ USA	<b>18.1%</b>
■ Europe	<b>18.1%</b>
■ Others	<b>12.0%</b>
■ Japan	<b>7.2%</b>
■ China	<b>6.0%</b>
■ India	<b>1.2%</b>



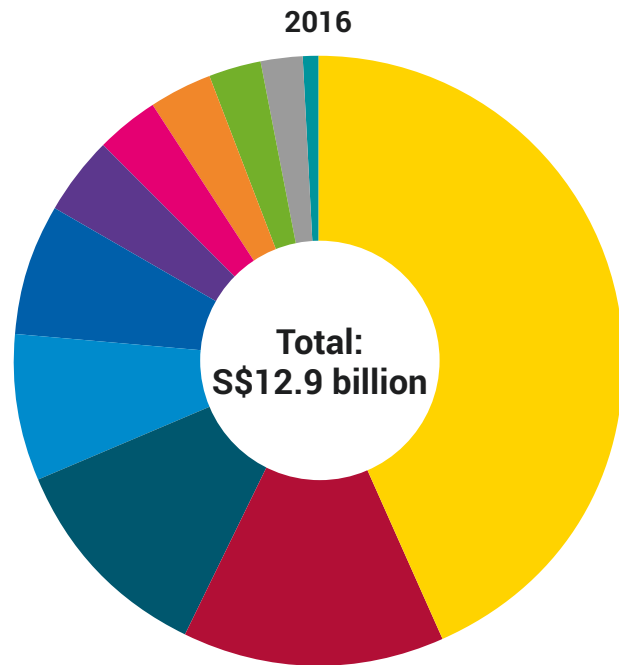
■ USA	<b>38.2%</b>
■ Europe	<b>18.3%</b>
■ China	<b>13.8%</b>
■ Singapore	<b>12.2%</b>
■ Japan	<b>10.7%</b>
■ Others	<b>6.1%</b>
■ India	<b>0.6%</b>

# Expected VA generated (2008-2017)

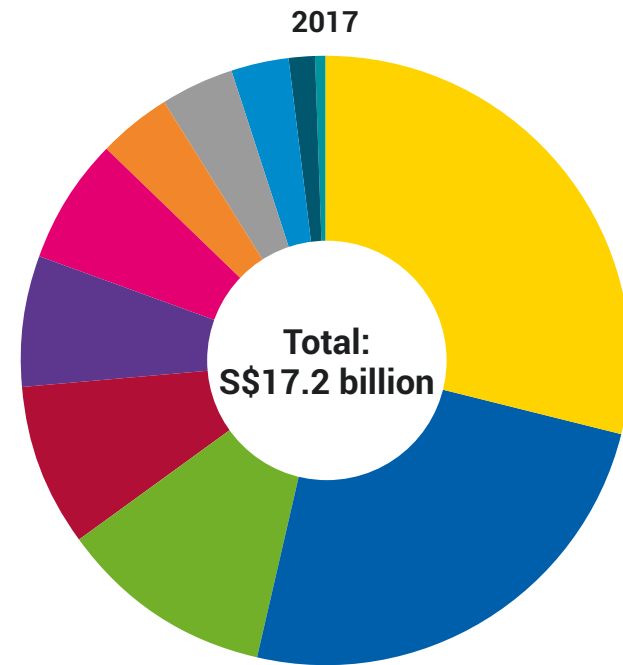




# Expected VA generated by industry (2016, 2017)

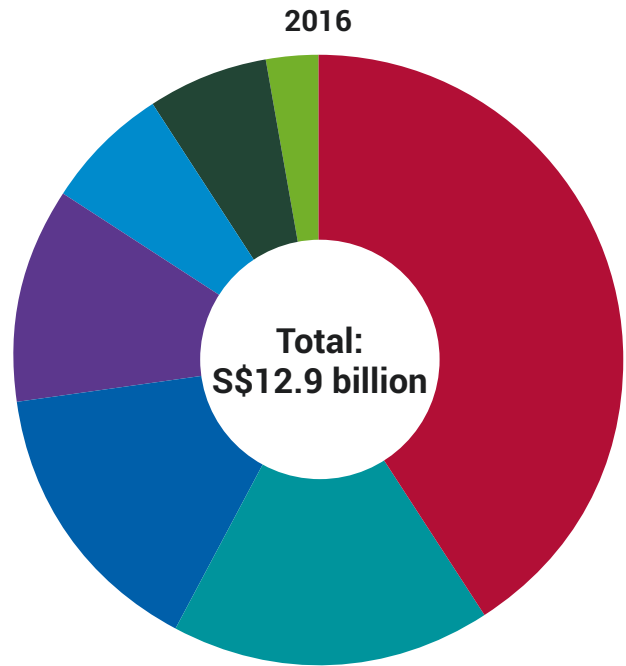


Headquarters & Professional Services / R&D	<b>43.6%</b>
Infocommunications & Media	<b>13.7%</b>
Transport Engineering	<b>11.4%</b>
General Manufacturing Industries	<b>7.7%</b>
Engineering & Environmental Services	<b>7.2%</b>
Electronics	<b>3.9%</b>
Precision Engineering	<b>3.4%</b>
Chemicals	<b>3.3%</b>
Biomedical Manufacturing	<b>2.8%</b>
Logistics	<b>2.2%</b>
Education/Health Services	<b>0.8%</b>

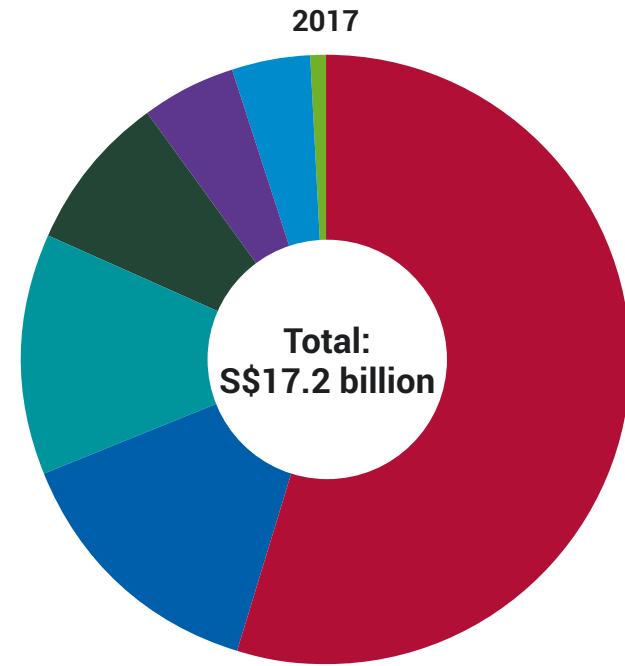


Headquarters & Professional Services / R&D	<b>29.1%</b>
Engineering & Environmental Services	<b>24.7%</b>
Biomedical Manufacturing	<b>11.4%</b>
Infocommunications & Media	<b>8.7%</b>
Electronics	<b>6.9%</b>
Precision Engineering	<b>6.7%</b>
Chemicals	<b>3.9%</b>
Logistics	<b>3.9%</b>
General Manufacturing Industries	<b>3.1%</b>
Transport Engineering	<b>1.4%</b>
Education/Health Services	<b>0.3%</b>

Expected VA generated by region (2016, 2017)

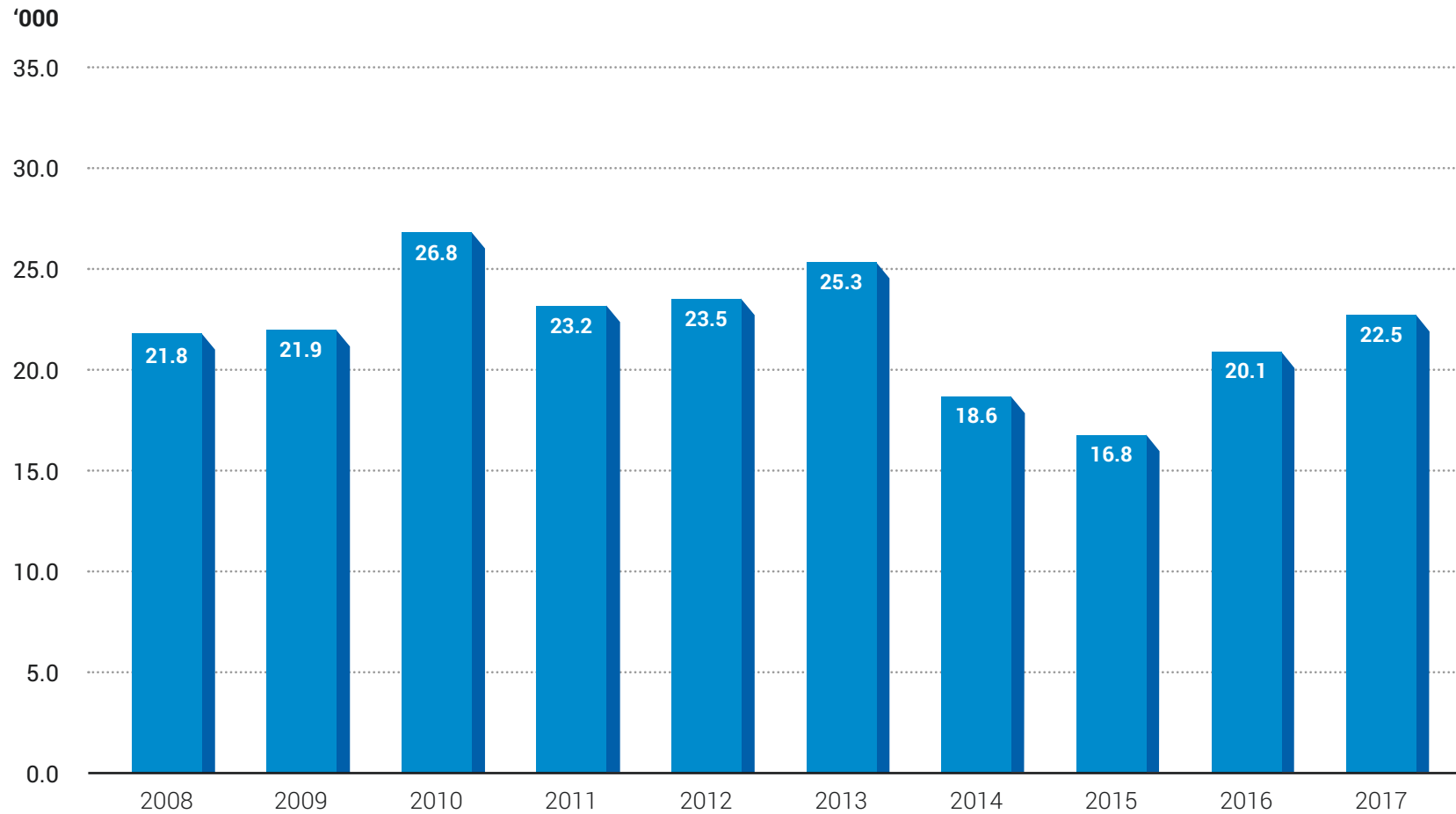


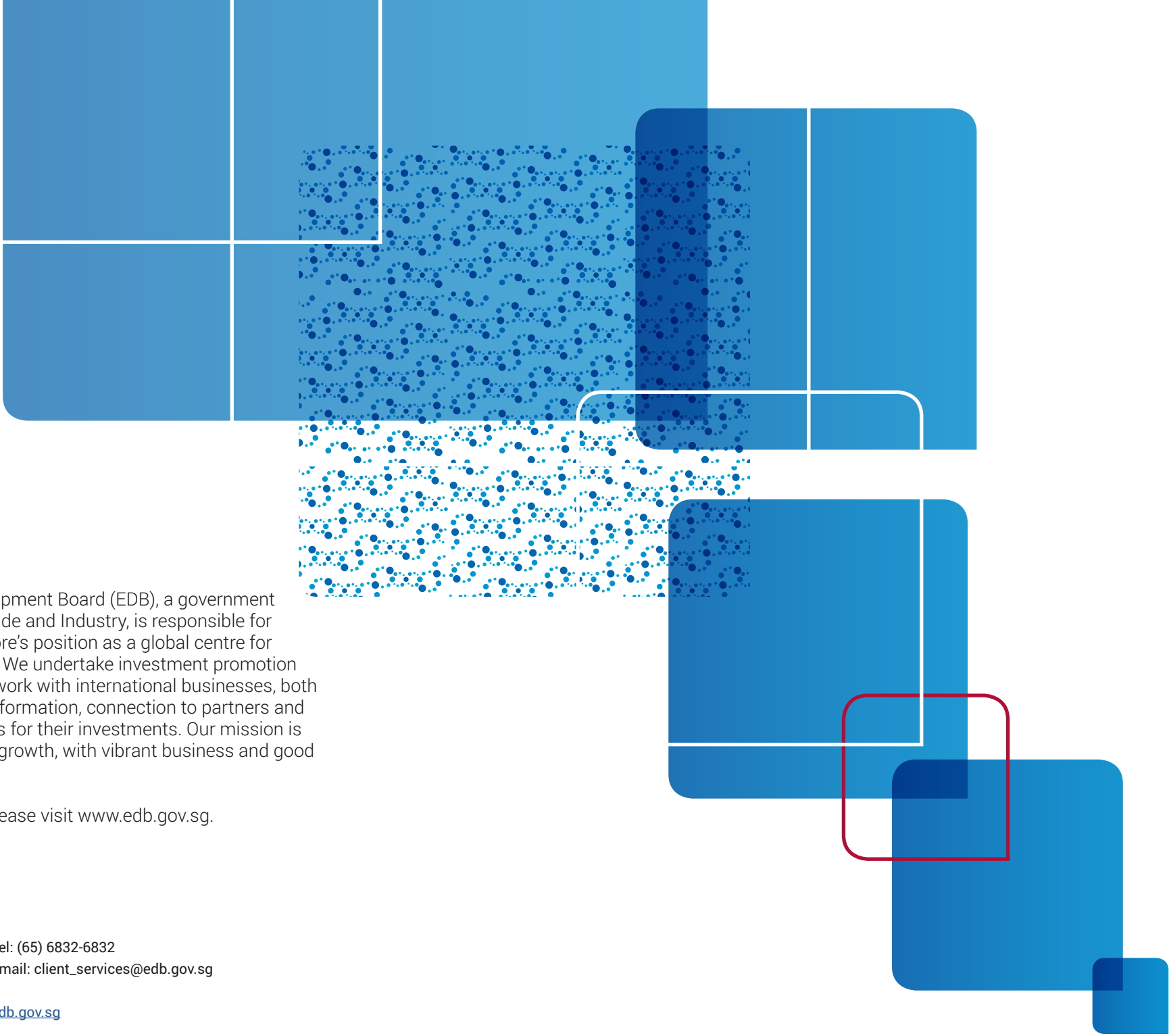
USA	40.9%
Singapore	16.9%
Europe	15.0%
Others	11.6%
Japan	6.6%
China	6.3%
India	2.7%



USA	54.9%
Europe	14.1%
Singapore	12.8%
China	8.2%
Others	5.2%
Japan	4.2%
India	0.6%

# Expected jobs created (2008-2017)





## About EDB

The Singapore Economic Development Board (EDB), a government agency under the Ministry of Trade and Industry, is responsible for strategies that enhance Singapore's position as a global centre for business, innovation, and talent. We undertake investment promotion and industry development, and work with international businesses, both foreign and local, by providing information, connection to partners and access to government incentives for their investments. Our mission is to create sustainable economic growth, with vibrant business and good job opportunities for Singapore.

For more information on EDB, please visit [www.edb.gov.sg](http://www.edb.gov.sg).

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