INTERNATIONAL ENTERPRISE SINGAPORE
ANNUAL REPORT 2010/2011

ie Singapore

Driving
Singapore's
External
Economy

Contents

About IE Singapore

International Enterprise Singapore

International Enterprise (IE) Singapore is the government agency driving Singapore's external economy. We spearhead the overseas growth of Singapore-based companies and promote international trade.

We partner Singapore-based companies in their international expansion through our "3C" framework of assistance (Connections, Competency and Capital), and through our global network in over 35 locations spanning many emerging markets.

We also anchor global trading companies in Singapore and position the country as a base to expand into the region in partnership with Singapore-based companies.

Visit **www.iesingapore.com** for more information.

Board members

CHAIRMAN

Mr Sunny G. Verghese
Group Managing Director and Chief Executive Officer
Olam International Limited

DEPUTY CHAIRMAN

Mr Tang Kin Fei
Group President and Chief Executive Officer
Sembcorp Industries Ltd

MEMBERS

Dr Beh Swan Gin
Managing Director
Economic Development Board

Mr Seah Moon Ming
Deputy Chief Executive Officer
Singapore Technologies Engineering Ltd

Mr Quek Chin Thean (until 13 Jul 2010)
Chief Executive Officer
Brightoil Petroleum Universal Pte. Ltd.

Mr Bill Foo Say Mui
Vice Chairman
South & South East Asia
ANZ Singapore

Mr Chew Hock Yong
Chief Executive Officer
Land Transport Authority

Dr Robert Yap
Chairman and Chief Executive Officer
YCH Group

COL Perry Lim Cheng Yeow
Head Joint Plans & Transformation Department
Ministry of Defence

Dato' Kho Hui Meng (wef 1 Jan 2011)
President
Vitol Asia Pte Ltd

Mr Chong Lit Cheong (until 31 Dec 2010)
Chief Executive Officer
International Enterprise Singapore

Mr Teo Eng Cheong (wef 1 Jan 2011)
Chief Executive Officer
International Enterprise Singapore

Organisation chart

CEO Teo Eng Cheong

- **Deputy CEO** Chua Taik Him
- **Assistant CEO** Yew Sung Pei
- **Assistant CEO** Kathy Lai
- **Assistant CEO** Terence Seow

International Operations

AMERICAS GROUP
Los Angeles • Mexico City • New York • São Paulo • *Miami** • *Panama** • *Santiago**

CHINA GROUP

North China
Beijing • Dalian • Qingdao

South China
Guangzhou • Hong Kong • Wuhan

East China
Shanghai

West China
Chengdu • Chongqing • Xi'an

Planning & Development

EUROPE GROUP
Frankfurt • London • Moscow

MIDDLE EAST & AFRICA GROUP
Abu Dhabi • Doha • Dubai • Jeddah • Johannesburg • Riyadh

NORTH ASIA & PACIFIC GROUP
Seoul • Sydney • Taipei • Tokyo

SOUTH ASIA GROUP
Chennai • Mumbai • New Delhi

SOUTHEAST ASIA GROUP
Bangkok • Hanoi • Ho Chi Minh City • Jakarta • Kuala Lumpur

INTERNATIONAL ORGANISATIONS

Industry Clusters

ENVIRONMENT & ENGINEERING GROUP
Environment • Oil & Gas

INFRASTRUCTURE SERVICES GROUP
Tourism Infrastructure • Urban Infrastructure & Solution

LIFESTYLE BUSINESS GROUP
Business Services • Food • Retail

TECHNOLOGY BUSINESS GROUP
Infocomm & Media • Machinery • Precision Engineering

TRANSPORT & LOGISTICS GROUP
Land & Air • Sea & Logistics

Capability Development

CAPABILITY DEVELOPMENT GROUP
Capability Enabling • Financing Management • Incentive Management

International Trade

TRADE PROMOTION GROUP
Agricomm & Consumer Goods • Energy & Chemicals • Metals & Minerals and Industrial Goods

TRADE SERVICES & POLICY GROUP
Free Trade Agreement and Rep Office • Trade Services

COMMODITY TRADING ACT REGULATORY UNIT

Customer Services

CUSTOMER SERVICES GROUP
Alliance & Partnership • Customer & Event Management • Market Promotion

Corporate Functions

- CORPORATE COMMUNICATIONS GROUP
- FINANCE, ADMINISTRATION & EMERGENCY PLANNING GROUP
- HUMAN RESOURCE GROUP
- INFORMATION MANAGEMENT GROUP
- INTERNAL AUDIT GROUP
- ORGANISATIONAL EXCELLENCE UNIT
- PLANNING GROUP

* Represented by Honorary Business Representatives

With effect from July 2011

Senior management

Teo Eng Cheong
Chief Executive Officer

Chua Taik Him
Deputy Chief Executive Officer

Yew Sung Pei
Assistant Chief Executive Officer

Kathy Lai
Assistant Chief Executive Officer

Terence Seow
Assistant Chief Executive Officer

INTERNATIONAL OPERATIONS

Chua Kay Chuan
Group Director Special Projects
Deputy CEO
Sino-Singapore Tianjin Eco-City Investment and Development Company Ltd (SSTEC)

Jayakrishnan Gopalakrishnan
Group Director
Americas Group

Ho Chee Hin
Group Director
Europe Group

Law Chung Ming
Group Director
China Group

Danny Lim Ban Hoe
Group Director
Middle East & Africa Group

Ignatius Lim
Group Director
China Group

Tan Soon Kim
Group Director
Southeast Asia Group

INDUSTRY CLUSTERS

Kow Juan Tiang
Group Director
Environment & Engineering Group

Danny Lim Ban Hoe
Group Director
Transport & Logistics Group

Azlina Sulaiman
Group Director
Lifestyle Business Group

Tham Poh Cheong
Group Director
Infrastructure Services Group

Reginald Wee
Group Director
Technology Business Group

INTERNATIONAL TRADE

Gina Lim
Group Director
Trade Services & Policy Group

Satvinder Singh
Group Director
Trade Promotion Group

Jacelyn Teo
Director
Commodity Trading Act Regulatory Unit

CORPORATE FUNCTIONS

Fong Wai Leng
Group Director
Information Management Group

Khoo Wee Lin
Group Director
Planning Group

Sandy Loke
Group Director
Internal Audit

Ong Seok Bin
Group Director
Human Resource Group

Ong Siew Hwee
Group Director
Finance, Administration
& Emergency Planning Group

Satvinder Singh
Group Director
Organisational Excellence Unit

Caroline Wong
Group Director
Corporate Communications Group

CAPABILITY DEVELOPMENT

Mike Ng
Group Director
Capability Development Group

CUSTOMER SERVICES

Tan Li Lin
Group Director
Customer Services Group

Chairman's message

As an export-oriented economy, we are keenly aware of the influence external factors have on our economic performance and success. In this regard, 2010 was not short of challenges, or opportunities.

While the global economy has largely recovered from the financial crisis of 2008/2009, Europe and the US continue to struggle with high unemployment and debt issues. Asia, despite its strong growth, faces risks from global commodity price volatility and inflation. IE Singapore and the companies we support must find a balance between mitigating the potential risks, and seizing the opportunities.

Rising Asia

The key trend in the global economy is the rise of Asia as the world's main engine of growth. The region has increased its share of global consumption, and this is set to continue in the years ahead. China, India and Southeast Asia stand out as three of the largest and fastest-growing markets in the world. Governments in these markets are moving forward with large infrastructure investments, laying the foundation for future development and growth. This build-up is driving greater investment, spending and trade, both within Asia and with the rest of the world.

As an open economy with excellent business and trading infrastructure, Singapore stands to gain significantly from the increased economic activity in the region.

Asia has also benefited from the transition of global manufacturing to the region in recent years, as US and European manufacturers shift their attention to Asia and seek cost-competitive solutions here. A new development is China has moved beyond being a factory of the world, to being an important end market. Manufacturers now make "in China for China", rather than just for export. The same can be said for the burgeoning Southeast Asian markets of Indonesia and Vietnam, which are driving the region's growth with their strong domestic demand.

We also see an increasing number of enterprises from emerging markets looking to internationalise. With its excellent intellectual property rights, a deep pool of talent and competitive pricing, Singapore has developed a strong reputation as an efficient base for Asian operations. Building on these strengths, we will continue to work with companies to position them to ride on Asia's growth.

Finding opportunity in Europe

Despite struggling with debt crises, Europe remains an important part of the global economy. It is home to some of the world's most affluent consumer markets, while modernisation and urban development in emerging Europe, Russia and Central Asia are driving investments in infrastructure. Our companies can provide consulting services to these developing economies, and take advantage of consumer opportunities in developed Europe.

Opportunities also exist closer to home, as European companies look for longer-term partnerships in areas such as medical technology and aerospace. Singapore-based companies can step in as service providers and partners to help European companies access the growth in Asia. Singapore-based companies can also consider investments or mergers and acquisitions with these companies, to acquire new technological competencies to drive corporate growth.

Pockets of promise in the United States

While the US may not regain the vibrancy of previous decades, there are several niches where US industries continue to be among the most dynamic globally. US companies continue to be leaders in innovation and technology, particularly in areas such as information technology, aerospace and medical devices. IE Singapore will step up efforts to develop a pipeline of supply and partnership opportunities for Singapore-based companies in these resilient segments.

The Latin American growth story

In Latin America, Brazil remains the big story, with high growth driven by global demand for natural resources, strong domestic demand from a growing middle class, and sound macroeconomic management. Singapore-based companies are already participating in long-term investments, and providing world-class solutions in oil and gas, transport and logistics, master-planning, water and environmental engineering, and consumer sectors like electronics, textiles and furniture.

A similar picture is emerging in other countries in the region. Inadequate infrastructure, rising inflation and tight labour markets are common challenges across Latin America. This spells opportunities for Singapore-based companies.

The benefits of trade

By 2020, Asia will account for about 60 per cent of global trade flows, replacing Europe and North America as the centre of global trade.[1] Situated in the heart of Asia, Singapore is strategically located between the producers and consumers of commodities such as coal, rubber, palm oil and iron ore, making it an ideal base for commodities trading activities.

Despite a strong outlook for global trade, increasingly volatile commodity prices highlight the importance of risk management and hedging for commodity traders. Singapore's ideal combination of physical and financial infrastructure provides traders with a wide range of risk management tools, and efficient access to global futures trading platforms and clearing houses, helping companies navigate uncertainty in the commodities markets.

Singapore also continues to support the development of new commodity futures and over-the-counter (OTC) products, tailored to the trading community here. This is in response to the high demand for contracts, due to Asia's increasing prominence as a major producer and consumer of key commodities.

Given our economy's dependence on exports, increased protectionist sentiments and non-tariff barriers are another set of challenges. For this reason, we continue to place great importance on Free Trade Agreements (FTAs). We currently have 18 FTAs in force, with 24 trading partners, another reason why Singapore is an attractive location to base global operations.

Looking ahead

As the pace of change in the global economy accelerates and volatility becomes the norm, IE Singapore's ability to adapt and adjust its strategies is critical. We must be flexible and find ways to maximise our trade and internationalisation outcomes. With this as our focus, we have strong foundation to successfully internationalise our Singapore-based companies.

Mr Sunny G. Verghese
Chairman
International Enterprise Singapore

[1] Global Insight, WTO, Oliver Wyman analysis

CEO's message

The 2010/2011 financial year was a strong one for Singapore's external economy. Building on our solid response to the financial crisis in 2009, trade performance has returned to pre-crisis levels as exports, overseas investment and offshore trading activity picked up strongly throughout the year.

However, we are aware that global markets can be highly volatile, and the trading environment can swing from one extreme to the other. This is why 2010 was an opportunity for Singapore-based companies to focus on key markets to lay the foundation for future growth. We fine-tuned our initiatives to ensure our companies continue to have the capabilities, knowledge and resources necessary to seize overseas opportunities.

2010/2011 performance

Despite continued uncertainty in the global economy, Singapore's exports of goods and services rose 19.3 per cent in 2010. Trade rebounded strongly, with goods exports jumping 22.4 per cent from 2009 to S$479 billion, while the services sector registered a 7.3 per cent increase to S$111 billion.[2]

Singapore's offshore trading turnover increased 50.5 per cent in 2010 to reach US$700 billion, demonstrating that Singapore remains a leading Asian hub for trading activities. We supported the development of key trading infrastructure, like the setting up of a talent development framework, to ensure that trading companies have access to a steady supply of skilled trading professionals.

[2] The services in this context refer to IE Singapore's selected sectors, such as transportation, construction, computer and information, and royalties.

An emerging focus

To align Singapore to the changing global marketplace, we placed increased emphasis on our activities in key emerging markets. We set up our newest overseas centre in Wuhan, Central China, to help Singapore-based companies access the region's rapidly growing economy.

Increased engagement with India and Southeast Asia continue to be important thrusts. Non-traditional markets with strong promise were also on our radar, as we continued to develop ties and opportunities in Latin America, the Middle East and Russia. Within the emerging markets, urbanisation and consumerism are key areas of opportunity for Singapore-based companies.

Platforms for growth

Platform projects are an effective springboard for Singapore-based companies to access big projects. Projects like the Tianjin Eco-city and the Vietnam-Singapore Industrial Parks are an integral part of our strategy to grow our companies' presence overseas.

Our International Partners (iPartners) Programme continues to be popular, allowing companies to pool their resources and capabilities to increase their competitiveness overseas. A total of 13 new iPartners consortiums were formed in 2010, spanning sectors including oil and gas, urban solutions, information and communication technologies (ICT), and food manufacturing.

As I look back on our achievements in 2010, I commend everyone at IE Singapore for their unrelenting efforts to support Singapore-based companies as they venture abroad. At the same time, I applaud the companies that have taken up the challenge to internationalise. Given the positive results from 2010, I am confident that Singapore is on the right track for success in the international arena.

Mr Teo Eng Cheong
Chief Executive Officer (wef 1 Jan 2011)
International Enterprise Singapore

Our achievements

International trade

In 2010, Singapore's total trade was S$902 billion (US$662 billion), a growth of 21 per cent from 2009. Singapore's trade recovered from the lows seen in 2009, riding the wave of the global recovery. Domestic exports were S$249 billion, a growth of 24 per cent while re-exports hit S$230 billion, an expansion of 20 per cent over the previous year.

Value (S$ billion)	2008	2009	2010	% Growth in 2010
TOTAL TRADE	927.7	747.4	902.1	20.7%
EXPORTS	476.8	391.1	478.8	22.4%
IMPORTS	450.9	356.3	423.2	18.8%
DOMESTIC EXPORTS	247.6	200.0	248.6	24.3%
RE-EXPORTS	229.1	191.1	230.2	20.5%
NON-OIL DOMESTIC EXPORTS	158.1	141.3	173.6	22.8%
NON-OIL RE-EXPORTS	203.2	171.4	201.7	17.7%

Singapore's top trading partners

Singapore's top trading partner in 2010 was Malaysia, followed by the EU-27 and China.

Value (S$ billion)	2008	2009	2010
MALAYSIA	111.5	86.1	106.6
EU-27	104.4	86.8	99.4
CHINA	91.4	75.7	95.3
UNITED STATES	86.3	66.9	78.4
INDONESIA	75.1	58.5	67.9
HONG KONG	54.4	49.2	60.1
JAPAN	60.1	45.0	55.6
KOREA, REPUBLIC OF	42.7	38.6	44.1
TAIWAN	36.6	31.2	42.7
THAILAND	34.5	26.5	31.3

Singapore's trade with emerging markets

Total trade with emerging markets rose by 21 per cent in 2010, reversing the 24 per cent decline in 2009.

Value (S$ billion)	2008	2009	2010
EMERGING MARKETS	156.0	119.0	144.3
MIDDLE EAST	68.6	44.8	53.1
SOUTH ASIA	34.5	26.6	37.1
LATIN AMERICA	21.8	20.0	23.1
CAMBODIA, LAOS, MYANMAR, VIETNAM	18.5	16.6	17.2
EASTERN AND SOUTHERN EUROPE (NON-EU)	5.5	5.2	6.5
CARIBBEAN	5.0	4.0	4.6
SOUTH AFRICA	2.1	1.7	2.6
CENTRAL ASIA	0.1	0.1	0.1

Singapore's domestic exports

Domestic exports expanded by 24 per cent in 2010, due to an increase in both oil and non-oil domestic exports, which rose by 28 per cent and 23 per cent respectively.

Value (S$ billion)	2008	2009	2010
MACHINERY & EQUIPMENT	88.8	76.0	94.9
MINERAL FUELS	89.5	58.7	75.0
CHEMICALS & CHEMICAL PRODUCTS	37.6	36.8	43.5
MISCELLANEOUS MANUFACTURES	15.9	15.2	19.2
MANUFACTURED GOODS	7.4	5.4	7.0
FOOD	3.2	3.1	3.6
MISCELLANEOUS	2.6	3.0	3.1
CRUDE MATERIALS	1.8	1.1	1.5
BEVERAGES & TOBACCO	0.4	0.4	0.4
ANIMAL & VEGETABLE OILS	0.5	0.2	0.3

Singapore's domestic re-exports

2010 saw a rise of 20 per cent in re-exports, due to an increase in both oil and non-oil re-exports, which rose by 44 per cent and 18 per cent respectively.

Value (S$ billion)	2008	2009	2010
MACHINERY & EQUIPMENT	153.9	127.3	150.0
MINERAL FUELS	26.0	19.7	28.5
MISCELLANEOUS MANUFACTURES	14.0	12.3	14.2
CHEMICALS & CHEMICAL PRODUCTS	10.9	9.8	13.1
MANUFACTURED GOODS	15.0	11.4	11.9
MISCELLANEOUS	3.5	5.1	6.2
BEVERAGES & TOBACCO	2.5	2.4	2.8
FOOD	1.8	1.6	1.8
CRUDE MATERIALS	1.3	1.1	1.3
ANIMAL & VEGETABLE OILS	0.4	0.3	0.3

Offshore trade

Offshore trade in 2010 was US$700 billion. The increase in offshore trade was driven by higher commodity prices as a result of investors' demand for hard assets and the need for raw materials in emerging industrial economies such as China.

Promoting internationalisation

Export of services (XS) was S$111 billion in 2010, a rise of 7.3 per cent from 2009's level.[3] Direct investment abroad (DIA) flow hit S$27 billion in 2010. DIA stock reached a new high of S$359 billion in 2009.

Assistance to companies

IE Singapore continued to play a key role in these overseas expansion efforts, facilitating 366 projects in 2010. These projects generated S$14.4 billion in overseas sales, which was a threefold increase from 2009. IE Singapore also organised 232 events and 417 missions. With our extensive network of FTAs, we also had aggregate tariff savings of S$1.18 billion.

To help SMEs develop and tailor their in-market strategies, nine targeted workshops were organised in 2010 ranging from internationalisation capability development to market roundtables. Due Diligence, Intellectual Property and Finance Readiness were some of the capabilities covered to better SMEs' knowledge in these areas as they expand overseas. Others include sharing sessions on the oil and gas sector and business meetings with US advisors for companies to have a diagnosis of their approach for the US market. These were interactive and hands-on sessions with active participation by the companies. We received strong customer feedback, with an average of 86 per cent in customer satisfaction.

[3] Export of services here refers to IE Singapore-specific sectors such as transportation, construction, computer & information and royalties.

New opportunities, new directions

This past year, IE Singapore's focus remained on the BRIC countries (Brazil, Russia, India and China), the Gulf Cooperation Council (GCC) countries in the Middle East and our close trading partners in Southeast Asia. We also explored opportunities in Sub-Saharan Africa. These markets are on track to deliver strong positive economic growth in the short to medium term, translating into greater business opportunities for our companies.

Within these markets — China, India and Southeast Asia in particular — we concentrated on second and third tier cities, areas that will see significant growth in the near future.

China

China's gross domestic product (GDP) growth rate for the past decade averaged more than 9 per cent annually.[4] While the coastal regions continue to be a major contributor to economic growth, the focus is shifting towards higher-end value-added industries. In the inland areas, opportunities are opening up as economic activity migrates there. The China growth story is broadening to embrace both second and third tier cities as well as the inland areas.

These second and third tier cities in China are major growth markets, forming the bulk of projects that IE Singapore facilitated in 2010. The projects resulted in overseas sales of S$930 million and overseas investment of S$593 million. Tianjin, Xi'an and Chongqing are a few of the cities where Singapore companies have established a presence.

The "Rise of Central China" plan by the Chinese government in 2004, and subsequent long-term strategy for sustainable development for the region have ramped up infrastructure development needed to support expanding industrial activity. These developments will encourage more economic growth through consumption, instead of manufacturing and exports.

In 2010, we built in-depth relationships with 35 promising Chinese companies, paving the way for collaborations with Singapore partners. Business councils will continue to play an important role in our engagement with the private and public sectors in China. Led by ministerial-level officials from both sides, the councils will facilitate business partnerships and cultural exchanges between Singapore and the respective province/ municipality, further strengthening bilateral ties.

[4] www.imf.org

Accessing Central China

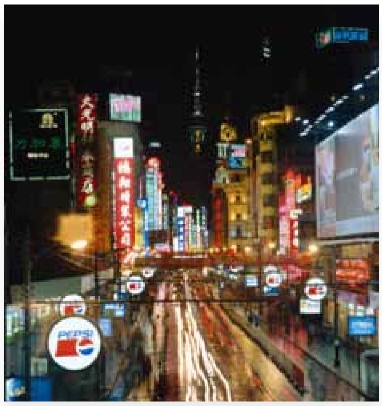
IE Singapore opened our tenth China overseas centre in Wuhan, Hubei Province, in November 2010. Through the Centre, companies can tap on us to build networks with local governments and businesses, and gain insights on the market.

Comprising six inland provinces — Hubei, Hunan, Jiangxi, Anhui, Henan and Shaanxi — Central China accounted for 21 per cent of China's GDP in 2009, and posted an impressive growth of 10.6 per cent.[5] [6] The region's geographical location is a key link to other parts of China, and significant resources are being put in to improve the connectivity within the region and with the rest of the country. With a highly educated workforce, Central China is well equipped to support new growth industries.

The rapid development in Central China makes it a promising market for Singapore-based companies in the urban and industrial solutions, transport, and logistics sectors. The increase in economic activity translates to a rise in employment and affluence, presenting opportunities for companies in the consumer sector.

[5] China Statistical Yearbook, 2009

[6] www.dbresearch.com



Platform projects

Together with the rise of Central China, IE Singapore also concentrated our efforts on developing platform projects, an effective avenue for growing Singapore's footprint in China.

Sino-Singapore Guangzhou Knowledge City

Guangzhou Knowledge City (GKC) aims to create a sustainable urban development for knowledge-based industries. Singbridge International, the anchor Singapore-based company for GKC, partnered IE Singapore to launch the GKC Partners programme, through which it promotes and facilitates Singapore-based companies' participation in the project.

To date, Singbridge has explored opportunities with over 200 Singapore-based companies, and 12 companies are involved in the project. Singbridge aims to reach out to 400 companies from the urban solutions and high-tech manufacturing sectors by the end of 2012.

Wing Tai Holdings will develop the first residential project in GKC, which will include 2,000 smart-eco homes, to be phased in over five years.

Tianjin Eco-city

Sino-Singapore Tianjin Eco-city

The Sino-Singapore Tianjin Eco-city focuses on sustainable development.[7] This is aligned with the capabilities of Singapore-based companies, enabling them to use this as a platform to showcase their expertise to the wider China market.

The Tianjin Eco-city Assistance Programme (TAP) was created to support Singapore-based companies' set-up and market entry into Tianjin Eco-city.

Since inception in 2007, Tianjin Eco-city has awarded more than S$22 million worth of consulting projects to 20 Singapore-based companies, including Jurong International, G-Energy and STSE Engineering Services. As of December 2010, Singapore's investments into Tianjin Eco-city totalled RMB1.19 billion (S$ 228.84 million). Key Singapore investors include Pan Asian Water, PV World and Keppel District Heating & Cooling Systems.

[7] The Sino-Singapore Tianjin Eco-city is developed by the Sino-Singapore Tianjin Eco-City Investment and Development Company Ltd (SSTEC), which the Singapore Consortium (led by Keppel Corporation) and the Chinese Consortium both have 50 per cent equity in.

India

With a population of over 1 billion, India is the world's largest democracy. Its strong economic growth has resulted in the country being the world's fourth largest economy in purchasing power parity terms.[8]

This huge market is non-homogeneous; regional differences and social hierarchy distinctions have influenced and segmented the market. To successfully enter the market, companies must be clear about their target market, and understand the local needs and business conditions.

In 2010, Singapore's total trade with India reached a record high of S$30.7 billion, a 42 per cent increase from 2009. The 28 projects facilitated by IE Singapore resulted in more than S$7 billion in overseas sales and S$400 million in overseas investments. Many of these projects were in infrastructure, manufacturing, logistics and retail — priority sectors for the Indian market.

Developing India's infrastructure

Public-Private Partnership investments were identified by the Indian government as an important avenue for developing housing, airports, seaports, roads, metros and power. IE Singapore positioned Singapore-based companies as integrated providers of urbanisation and infrastructure development solutions.

We led a business delegation to explore opportunities in two integrated industrial logistics zones in the Delhi Mumbai Industrial Corridor (DMIC) — the Dighi Port & Special Economic Zone (SEZ) in Maharashtra and Dholera Special Investment Region in Gujarat. In Andhra Pradesh, Sembcorp Industries is building a coal-based power plant, while Sembawang Shipyard is constructing a marine and offshore facility. In West Bengal, Changi Airports International is developing the Durgapur Aerotropolis Project.

[8] www.worldbank.org



Rising Indian consumption

India's GDP per capita has grown from US$1,800 in 2003, to more than US$3,000 in 2010. The demographics are also attractive; with more than 50 per cent of the population aged below 25, potential remains strong, spelling opportunities for Singapore retailers.[9]

Singapore-based furniture companies Celini, Lorenzo, Soflex and Sitra Holdings entered the market in 2010. We assisted Cordlife India to expand their sales operations into new cities, and facilitated iTransact's e-payment project with the Andhra Pradesh government. We also partnered the Singapore Tourism Board to introduce food products to Indian hotel and restaurant chains.

India's growing manufacturing sector holds promise for Singapore-based companies looking to set up operations to meet Indian demand. Companies that have established manufacturing operations in 2010 include Advanex, Boerger Pumps Asia, Cyclect, Jenmon International and Stamford Tyres.

[9] AT Kearny Global Retail Development Index

Southeast Asia

The experience of the 1997 Asian Financial Crisis has helped the Southeast Asia nations weather the recent global financial crisis. Indonesia, Malaysia, the Philippines, Singapore, Thailand and Vietnam — accounting for about 95 per cent of the region's economy — attracted nearly US$50 billion in foreign direct investment last year.[10]

The strong growth however is threatening to overheat the developing economies. These countries must manage trade and liquidity imbalances, and inflation to ensure sustained growth.

Southeast Asia was, and remains a core part of IE Singapore's strategy in 2010. More than half of the projects we facilitated in Southeast Asia in 2010 were in Vietnam and Indonesia. Urban solutions, and transport and logistics are our priority sectors. As affluence increases, we also see potential in the retail sector.

The food manufacturing and agriculture sectors continue to be strategically and economically important to Singapore. By leveraging Southeast Asia's rich agriculture and mining resources, we have positioned Singapore as the preferred offshore trading hub in the region.

[10] www.businessweek.com

Indonesia

Strong domestic demand and a fiscal stimulus package helped cushion the largest economy in Southeast Asia from the impact of the global financial crisis. After India and China, Indonesia is the third fastest growing economy in the Group of Twenty (G20) industrialised and developing economies.

Indonesia's rising middle-class, growing consumer market and urbanisation provide opportunities in numerous sectors. The 54 per cent jump in foreign direct investment into the country in 2010 clearly signals that it is on the rise.[11]

The improved connectivity between Singapore and Indonesia is driving increased business interactions and trade flows between the two countries. Singapore-based companies have set up logistics presence in Indonesia, catering to its growing industrial sector. GEP Group introduced Intermediate Bulk Containers targeting the semi-processed industrial and consumer products sectors, and CWT Globelink expanded its network through a joint venture with an Indonesian freight forwarding company.

Frasers entered the market with a US$30 million investment in the 108-unit Fraser's Residence Sudirman. It has plans to add three additional properties, and more than 600 apartment units to its portfolio in the next three years.

IE Singapore assisted Dian Xiao Er to establish a franchise presence in Indonesia, entering into a master franchise agreement with PT Jaya Indomatrix, with two outlets to date.

The Indonesian economy is expected to continue its strong macroeconomic performance. We will continue to engage Indonesia by developing strategic partnerships, participating in the growth of Indonesia's natural resources sector, and forging stronger linkages with Indonesia's growing cities.

[11] The Jakarta Post

Vietnam

Since opening up its economy, Vietnam has had good average growth of 7 per cent for the last decade.[12] However, there are concerns in recent years over its inflation situation and currency depreciation pressures. Despite this, the economy should hold good growth potential over the mid and long-term horizon.

Vietnam is a key market for Singapore-based companies for exports and investments. As of April 2011, Singapore is the second largest investor in Vietnam, with cumulative investments of US$22.9 billion from 912 investment projects. Urban development and industrialisation have opened up a wide range of opportunities for foreign enterprises ranging from urban solutions, development and operation of industrial parks, real estate, logistics, and development of transport infrastructure.

In January 2010, groundbreaking of the iconic Vietnam-Singapore Industrial Park (VSIP) Hai Phong project took place in the presence of Singapore and Vietnam's prime ministers. The latest of the four VSIP projects in Vietnam will be developed into a 1,600 hectare integrated township and industrial park.

Vietnam's growing middle class also presents significant potential for Singapore-based companies. In December 2010, NTUC Fairprice Co-operative Ltd announced its joint venture with Vietnam's state-owned Saigon Union of Trading Co-operatives Ltd to set up a chain of hypermarkets in Vietnam.

[12] www.FT.com

Emerging markets

While Brazil, Russia and the GCC countries are not Singapore's traditional trading partners, they have high growth potential. Riding on the rise in global commodity prices, the economic growths of these countries outperformed that of developed countries.

In 2010, the incremental overseas sales and investment generated by these non-traditional markets rose more than twofold to reach S$4.87 billion and S$1.04 billion respectively. The largest contributors to this were the infrastructure, technology and retail sectors.

Brazil

Consumer and investor confidence stemming from the sound economic policies initiated during the global economic crisis has brought the Brazilian economy back to recovery. Latin America's largest economy grew 7.6 per cent in 2010, on track to be one of the fastest-growing emerging markets globally.[13] The growth has encouraged consumer spending, and as a result the economy runs the risk of overheating. As with the other emerging markets, the government has had to tighten fiscal policy to ensure that inflation is kept in check.

In Brazil, we kept our eye on the high-growth states — São Paulo, Rio de Janeiro, Minas Gerais and the Federal District. Consistent economic growth, a burgeoning middle class and the country's hosting of the 2014 World Cup and 2016 Olympics make this an attractive market. Recent deep-water oil and gas discoveries have drawn high interest from our players servicing the oil and gas exploration and production industry.

Brazil's rich natural resources have made it Asia's most important supplier for agri-commodities, minerals, energy and bio-fuel. IE Singapore worked to position Singapore as the preferred destination for Brazilian companies looking to establish an Asian trading post.

Intensified visits by Singapore-based companies and key government stakeholders to Brazil, as well as the strong Brazilian presence at the 7th Latin Asia Business Forum, resulted in greater awareness of the opportunities in Brazil.

[13] www.reuters.com

Russia

Russia was hit by the global economic crisis, but is on the gradual road to recovery, with GDP growth of 4 per cent last year.[14] The country is forecast to maintain growth at 4 per cent in the medium term.[15]

With the country hosting major events like the Universiade 2013, Sochi Olympic and Paralympic Winter Games in 2014, Ice Hockey World Championships in 2016, and football's World Cup in 2018, demand for urban and industrial infrastructure services will increase. In the offshore and marine sector, Singapore players will see increasing opportunities as more oil and gas exploration and extraction activities in Russia move offshore.

In 2010, a high-level dialogue between political leaders on the Russia-Singapore Inter-Governmental Commission took place to facilitate bilateral trade and investment. The 5th Russia Singapore Business Forum was also a valuable channel for our companies to gain a better understanding of the market and cultivate business relationships.

GCC countries

While the political instability in the Middle East and North Africa (MENA) [16] is of concern, there are countries which remain stable despite turmoil in the broader region. GDP in the GCC is estimated to grow at 7.8 per cent in 2011, substantially higher than the projected 4.1 per cent growth for the MENA region. Our focus markets of Saudi Arabia, Abu Dhabi (UAE) and Qatar remain buoyant due to their rich store of oil and gas, which enabled them to weather the recent financial crisis.

In this region, strong connections and knowledge of local business conditions and customs are vital, hence IE Singapore worked on developing these critical relationships and facilitating trade opportunities. Urban and industrial infrastructure services, oil and gas, environmental services, transport and logistics are IE Singapore's priority sectors in the GCC, with ICT, healthcare and education as second tier sectors.

[14] www.bx.businessweek.com

[15] www.worldbank.org.ru

[16] MENA comprises Algeria, Bahrain, Djibouti, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Oman, Mauritania, Morocco, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, the United Arab Emirates (U.A.E.) and Yemen.

Sub-Saharan Africa

Sub-Saharan Africa's (SSA) growth prospects are bright but differ country to country. Promising sectors include fast moving consumer goods and food, oil and gas, agriculture and urban solutions.

While Singapore's trading relationship with SSA is still in its early stages, there were a number of positive developments in 2010. IE Singapore set up our first African overseas centre in Johannesburg, South Africa, to explore opportunities on the continent for Singapore-based companies.

We also co-organised the inaugural Africa Singapore Business Forum (ASBF). The forum helped to create awareness of Singapore-based companies' capabilities in construction, urban solutions, education and training.

Trade

The demand for primary resources to fuel Asia's rapid development, particularly in China, India and Indonesia, is shifting the balance of global trade to Asia. Today, 60 per cent of the world's sea container trade is Asia related.[17]

A leading trading hub

In 2010, offshore trading turnover hit US$700 billion, a 50.5 per cent increase over 2009. Singapore is growing strongly as one of the largest physical commodity trading hubs in Asia, particularly for energy, agri-commodities, metals and minerals.

To develop Singapore's trade services cluster, we supported Singapore-based exchanges in their product development and marketing of new commodity derivatives contracts in gold, coffee, coal and pepper. We aim to establish Singapore as a regional trading hub for Asia-centric commodity derivatives, making it a centre for price discovery and risk management.

Entrenching Asian traders

In the past year, 36 of 47 trading companies that set up presence in Singapore were Asian, with the bulk from China, India and Indonesia. To make Singapore more attractive as a trading hub, we supported the development of local price discovery platforms in both over-the-counter and exchange-traded environments in Singapore; encouraged price reporting agencies to create new benchmarks; and enhanced liquidity by building a network of inter-dealer brokers to service physical commodity and derivative trades.

In 2010, IE Singapore facilitated better supply chain risk management through structured commodity financing activities. The consolidation of risk management functions in Singapore strengthened the resilience of the Singapore-based commodity trading community, making Singapore a more attractive location for global traders to set up operations.

[17] International Trade Statistics 2009, World Trade Organisation

Drawing key players

Companies are attracted by Singapore's strategic location in the heart of Asia, high quality business and finance infrastructure, deep talent pool, and the agglomeration of major players in various sectors along the entire trading value chain.

IE Singapore successfully attracted global machinery giant Caterpillar to set up a Product Distribution Centre in Singapore, alongside its global trading headquarters. Leading rubber company Michelin moved its quality laboratory from Kuala Lumpur to Singapore, complementing the company's trading operations here.

In an effort to encourage re-exports, four companies were attracted to set up their regional distribution centres here, including Schneider Electric Logistics Asia.

In 2010, IE Singapore identified three new growth sectors — liquid natural gas (LNG), coal and sugar — and worked closely with industry players to develop a sustainable trading marketplace in Singapore for these commodities.

- Singapore now hosts the trading operations of LNG's major players, including BG Group, BP, ConocoPhillips, Gazprom, and Shell. Trading volume is expected to grow strongly as the global supply of LNG is set to top 360 million tonnes by 2015, with Asia increasing its share of consumption from 50 per cent to 55 per cent.

- Coal trading operations in Singapore include Peabody Energy, the world's top coal trading exporter; major coal importers Bhatia from India; and Zhushui and Winsway Resources from China. Activity will grow as seaborne coal trade increases, and buyers use Singapore to manage their investments and access to coal globally.

- Several large global traders have set up sugar operations in Singapore in the past three years, including Noble and ED&F Man. In 2010, Sucre Export and Armajaro set up teams in Singapore, catering to increasing sugar trading demand in the region. A significant development took place when Singapore-based Wilmar acquired Australia's Sucrogen, the second-largest exporter of sugar globally. Singapore is now one of the largest trading hubs for internationally traded sugar.

Organisation excellence

Continuous improvement and innovation are key drivers of excellence for an organisation. This is not limited to improvements made in an officer's core work, but also the work environment and skills developed in the process.

12 projects on process improvements were successfully completed in 2010. Addressing board-wide and internal issues, we improved the processes by which we delivered business contacts to customers, and channelled opportunities to Singapore-based companies.

To date, S$1.45 million and S$113.6 million of value-add have been delivered to the organisation and our customers respectively. New strategies were also put together for customer satisfaction, incentive schemes, corporate social responsibility and employer branding. Through this process, more than 70 practitioners in innovation and lean Six Sigma were groomed.

IE Singapore received four awards at the annual Ministry of Trade and Industry Firefly Symposium – the MTI Innovation Award, MTI Borderless Award, MTI Outstanding Activist Award, and MTI Ideas Champion Award – testament to our progress towards organisation excellence. IE Singapore received recognition for high-impact initiatives like the Urban Solutions Programme and the Global Business Development Centre of Excellence. We also attained the SQC Star and People Developer recertification in October, an endorsement of our progress in quality and people development.

We are currently exploring other innovative methodologies such as Creative Problem Solving to drive growth while keeping an eye on internal operational excellence.

Corporate social responsibility

With climate change as one of the most critical global environmental challenges, IE Singapore is committed to reducing our eco-footprint.

IE Singapore's CSR policy focuses on creating a green office culture with environmentally-friendly work practices and conservation of resources. GreenIE complements IE Singapore's efforts to develop Green as a competency for Singapore-based companies by helping the staff to internalise this strategy.

We aim to reduce our eco-footprint in three ways: adopting energy efficient practices to conserve resources; monitoring our paper usage and encouraging staff to going paperless; sustainable consumption through recycling, reducing the use of disposables and procure green where possible.

To reduce electricity consumption, IE Singapore adopted the use of energy efficient bulbs, energy saving adaptors and motion sensors in meeting rooms. Employees are encouraged to switch off their computers at the end of the day, and turn off lights where natural light is sufficient. We supported Earth Hour, and a "Switch it off" challenge was held to encourage all staff to save electricity by turning off their laptops at the mains from 26 March to 21 April 2010.

The Go Paperless initiative encourages employees to use less paper and print double-sided where possible. The organisation also provides platforms for e-filing and circulation of papers in soft copy to reduce paper use.

Sustainable consumption revolves around reducing, reusing and recycling resources. All corporate collaterals are printed on recycled paper, black and white ink cartridges are recycled and paper cups have also been replaced by porcelain ones. To encourage greater recycling within the office, we have increased the number of recycling units. TRASH OUT! Day was organised on 5 February 2010 to launch the sustainable green movement and get everyone onboard.

Our collective efforts reduced paper and electricity consumption by 20 per cent and 4 per cent respectively. Through our actions, we aim to inspire our staff and the companies we support to do the same, and make a positive difference to the environment.

Corporate governance

IE Singapore's Board comprises 11 members with Mr Sunny Verghese as Chairman and Mr Tang Kin Fei as Deputy Chairman. The Board's members include representatives from leading private sector companies as well as senior government officials.

The Board assumes overall responsibility for IE Singapore's strategic direction, key financial and operational initiatives, risk management and corporate governance practices. The Board met six times in 2010 to review and approve strategies, key performance indicators, major policies and projects.

To assist the Board in the execution of its duties, the Board has established four sub-committees: the Finance and Investment Committee, the Audit and Risk Committee, the Human Resource Development Committee, and the Strategy Committee. These committees are empowered by and remain accountable to the Board on the decisions made within their respective Terms of Reference and applicable limits of authority.

Finance and Investment Committee

Chairman:	Mr Seah Moon Ming
Members:	Mr Bill Foo
	Mr Chong Lit Cheong (until 31 Dec 2010)
	Mr Teo Eng Cheong (wef 1 Jan 2011)

The Finance and Investment Committee's Terms of Reference are:

Financial Review

1. Review and approve the level of financial authority to incur expenditures.
2. Review and endorse the commitment of International Marketing Activities Programme (iMAP) funds.

Investment Review

1. Review and approve broad overall investment policies of IE Singapore and its immediate Subsidiary, IE Singapore Holdings Pte Ltd (IEH).
2. Assess investment opportunities for IE Singapore and for IEH's investment amount that is higher than S$1 million. This is required by the Ministry of Trade and Industry (MTI) as stated in the Investment Policies for IEH.
3. Review the investment performance of IE Singapore and IEH.

The Finance and Investment Committee met three times in Calendar Year 2010.

Audit and Risk Committee

Chairman: Mr Bill Foo
Members: Mr Quek Chin Thean (until 13 Jul 2010)
Mr Chew Hock Yong
Dato' Koh Hui Meng (wef 1 Jan 2011)

The Audit and Risk Committee's Terms of Reference are:

Internal Audit

The Committee shall:

1. Review and approve the scope of work and work plans;
2. Review the processes and measures in order to establish a satisfactory and effective level of internal control and minimise any risk exposures, including fraud;
3. Review the internal audit reports and the extent to which recommendations are implemented and whether they are effective;
4. Review the Internal Auditor's performance and effectiveness;
5. Review the adequacy of the Internal Audit function and approve the staffing level, staff appointment and other audit resources.

External Audit

The Committee shall:

1. Review and endorse the recommendation on the appointment of the external auditors, except where the Auditor-General assumes the responsibility of the statutory audit;
2. Review the independence of external auditors;
3. Review management's responses to the external auditors' final audit observations and recommendations report and the extent to which the recommendations are implemented.

Financial Reporting

The Committee shall review and approve the audited annual financial statements and the accompanying audit report issued by the external auditors.

Risk Management

The Committee shall:

1. Review the appropriateness and quality of the system of risk management in achieving IE Singapore's goals and objectives while minimising risks;
2. Assess the design and operating effectiveness of the controls that govern key business processes and risks identified in the overall risk framework of the Group.

Meetings

The Committee shall meet with the internal and external auditors without the presence of management, at least annually, in order to comply with the MTI Code of Corporate Governance.

The Audit and Risk Committee met three times in Calendar Year 2010.

Human Resource Development Committee

Chairman:	Mr Soo Kok Leng
Members:	COL Perry Lim Cheng Yeow
	Dr Robert Yap
	Mr Chong Lit Cheong (until 31 Dec 2010)
	Mr Teo Eng Cheong (wef 1 Jan 2011)

The Human Resource Development Committee's Terms of Reference are:

1. Oversee the Human Capital Planning and Development of IE Singapore and IEH. The key focus areas include succession planning, appointing, learning and development, and mentoring of senior management, recruitment and retention of core talent, as well as determining and reviewing compensation levels.

2. Review and approve the following:
   (a) Appointment and promotion of Superscale officers, including MD/ CEO/ GM of IE Holdings;
   (b) Succession and development plan of Superscale officers;
   (c) Recruitment and retention strategies for core talents;
   (d) IE Singapore's Total Learning Plan;
   (e) Recommendations on variable bonuses to be paid to staff based on Board's performance; and
   (f) Review of policies governing compensation and benefits.

The Human Resource Development Committee met four times in Calendar Year 2010.

Strategy Committee

Chairman: Mr Tang Kin Fei
Members: Dr Beh Swan Gin
Dr Robert Yap
Mr Chong Lit Cheong (until 31 Dec 2010)
Mr Teo Eng Cheong (wef 1 Jan 2011)

The Terms of Reference for the Strategy Committee are:

1. Review IE Singapore's key performance indicators (KPIs) as approved by MTI; and the associated targets in IE Singapore's Balanced Scorecard.
2. Review and approve the relevant strategies/ initiatives developed and adopted by Management to achieve IE Singapore's KPI targets.
3. Monitor the performance and effectiveness of relevant strategies/ initiatives in achieving IE Singapore's KPI targets.
4. Assist Management to identify new international market/ industry trends for IE Singapore's attention and development.

The Strategy Committee met three times in Calendar Year 2010.