FUTURE READY singapore

EDB singapore

2012/13

EDB Annual Report

Contents

Chairman's Message

2012 was a challenging year for the global economy. Nevertheless, the EDB achieved yet another year of record investment commitments, reflecting the continued strength of investor interest in Singapore.

Growth of Asia Continues to Benefit Singapore

EDB's Home Strategy gained further momentum with companies looking for a strategic base in the heart of the rapidly growing customer base in Asia. More companies are leveraging Singapore as a Global-Asia hub to orchestrate their pan-Asian business, innovation, and talent management activities. This comprises global companies expanding into Asia, and Asian companies seeking to grow in the region and globally. Visa, for example, expanded its Asia Pacific headquarters to better support its growing business in the region, and Singapore now hosts a significant part of Visa's global operations as well. Likewise, GlaxoSmithKline established its Emerging Markets & Asia Pacific hub here, and now manages close to 40 per cent of the company's global revenue from Singapore.

Beyond driving their business growth in the region, multinational companies are also innovating to develop products which are customised to the needs and preferences of consumers across Asia. One such example is Greatbatch's Active Implantable Medical Device (AIMD) R&D Centre, the company's first in Asia, which will develop devices tailored to the emerging markets' unique needs.

As they grow their operations in Asia, companies need talent with a global perspective, as well as a deep understanding of Asia. Increasingly, companies are making Singapore their global or regional hub for talent development, often in partnership with Singapore-based institutions. LVMH opened its Asia Pacific Talent Development Centre here, to equip its regional managers with this critical set of capabilities.

The Centre will conduct research together with INSEAD's Singapore campus, the National University of Singapore, and Singapore Management University.

Singapore has also seen increasing investment interest from Asian enterprises tapping into the growth of Asia. From Singapore, Mitsui Chemicals established its Asia Pacific headquarters to manage its regional operations, while its Singapore R&D Centre, the company's first outside of Japan, focuses on international markets. AmorePacific, South Korea's largest cosmetics company, also established its Asia Pacific headquarters here to drive growth in the region. Additionally, consumer insights gathered from Singapore enabled AmorePacific's Research & Innovation team here to develop a new foundation combining skincare, make-up and sunblock functions, that is suited for the humid Southeast Asia weather.

Singapore Continues to Attract High Value Manufacturing Projects

Beyond locating strategic business and headquarter activities in Singapore, many companies continue to establish high value manufacturing facilities here. Attracted by the growing Asian markets, these companies continue to choose Singapore for our robust intellectual property protection regime, deep technical capabilities and highly-skilled talent pool.

Mead Johnson's S$410 million paediatric nutrition manufacturing and R&D plant, and the 154,000m^2 Rolls-Royce Seletar Campus, are excellent examples of advanced manufacturing projects, coupled with innovation activities, which are coming to Singapore. Rolls Royce's Wide Chord Fan Blade (WCFB) manufacturing facility, which is the first outside the UK equipped to manufacture hollow titanium WCFBs, is a good example of the complex manufacturing activities that companies are undertaking in Singapore. On the innovation front, Mead Johnson's R&D centre will study paediatric nutrition and expand its capacity to produce leading infant formula for the burgeoning Asian market.

Growing Amidst Constraints

Over the past five decades, EDB has developed many industries in Singapore. We now compete with the best investment locations globally for investments in many of these industries. EDB will continue to transform these industries to optimise the use of Singapore's limited resources and enhance their global competitiveness, as well as seize new growth opportunities, to create better job and exciting career opportunities for Singaporeans.

Conclusion

I am proud of what my team has accomplished this year. The positive results we have achieved, despite significant challenges, speak of the hard work that has been put in by each and every one of my team members. I also extend my appreciation to you, our partners, for your support. Together, we will be able to achieve success for your businesses, as well as dynamic, sustainable and inclusive growth for Singapore.

LEO YIP
Chairman
Singapore Economic Development Board

Investment Commitments by Industry

Industry	FAI (S$ billion)	TBE (S$ billion)	Expected VA per annum (S$ billion)	Skilled Employment
Electronics	6.2	1.2	1.7	2,900
Chemicals	6.7	0.8	1.7	1,080
Biomedical Manufacturing	0.3	0.2	0.7	520
Precision Engineering	0.3	0.2	0.4	930
Transport Engineering	0.6	0.7	0.8	3,190
General Manufacturing Industries	0.1	0.1	0.1	160
Infocommunications & Media	0.1	0.3	0.6	730
Headquarters & Professional Services	0.8	1.4	4.8	5,510
Engineering & Environmental Services	0.4	0.9	8.8	2,540
Logistics	0.5	0.4	0.7	1,010
Education	0.0	0.01	0.003	30
Healthcare Services	0.0	0.0	0.0	0
Total	**16.0**	**6.2**	**20.3**	**18,600**

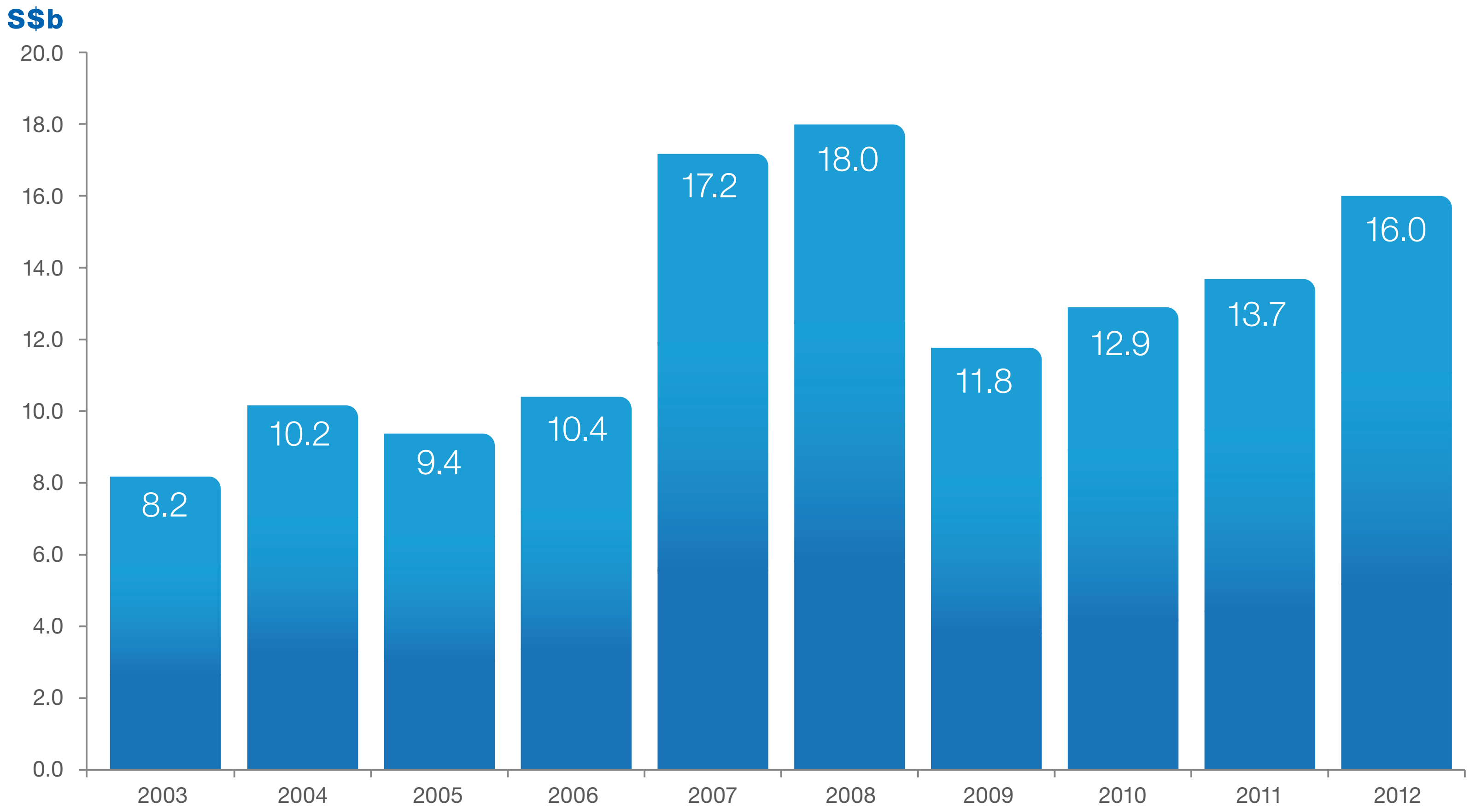
1 *FAI (Fixed Asset Investments) refers to capital investment in facilities, equipment and machinery.*

2 *TBE (Total Business Expenditure) refers to a company's incremental operating expenditure in Singapore (excluding depreciation). The major components include wages and rental.*

3 *VA (Value Added) measures the direct contribution to Singapore's Gross Domestic Product (GDP) excluding multiplier effects. The major components include wages and profit.*

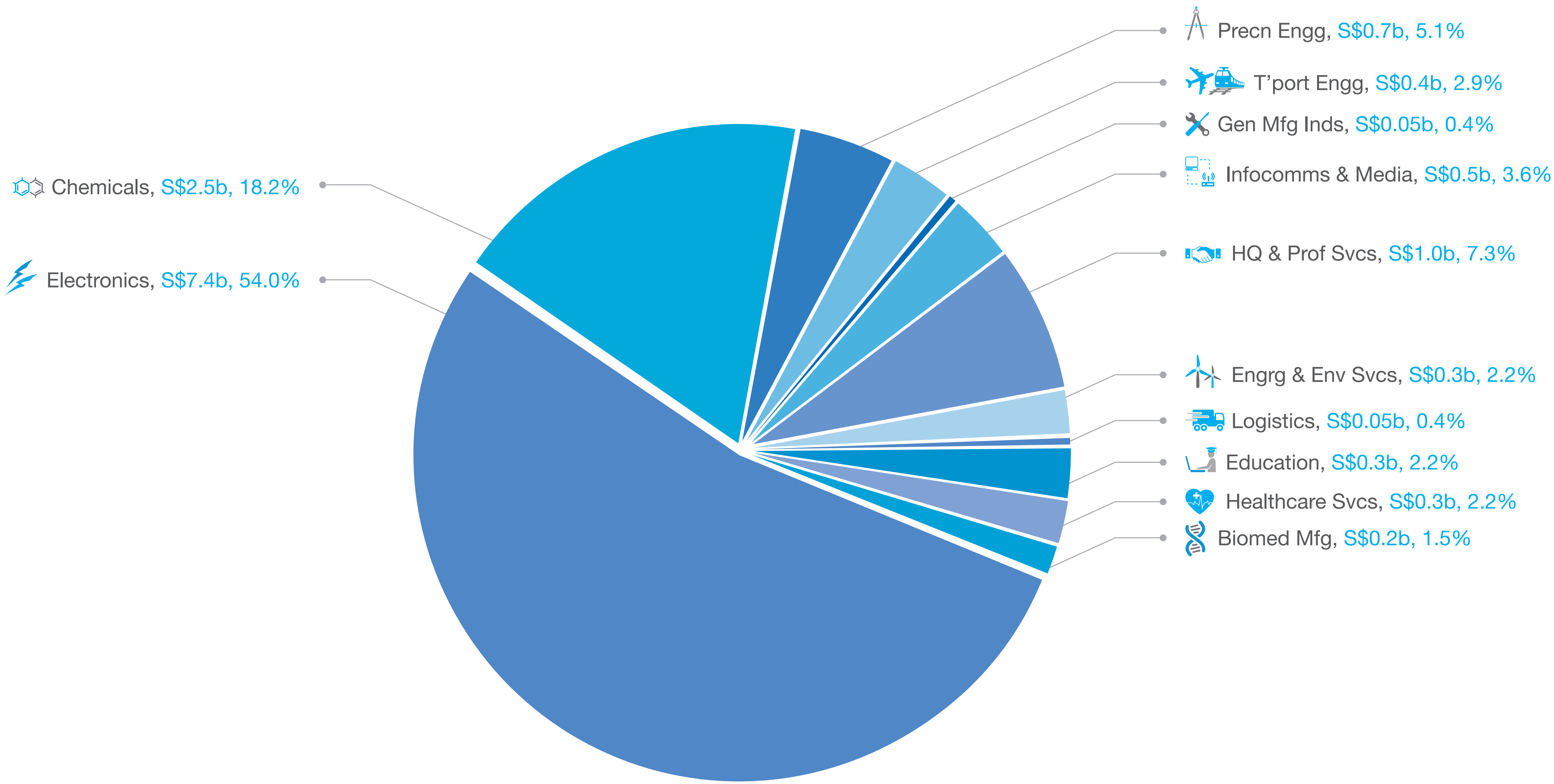
4 *Skilled Employment are defined as occupations in the Professional, Manager, Executive, Technician and Skilled Production Craftsman categories.*

FAI Investment Commitments



FAI Investment Commitments by Industry (2011, 2012)

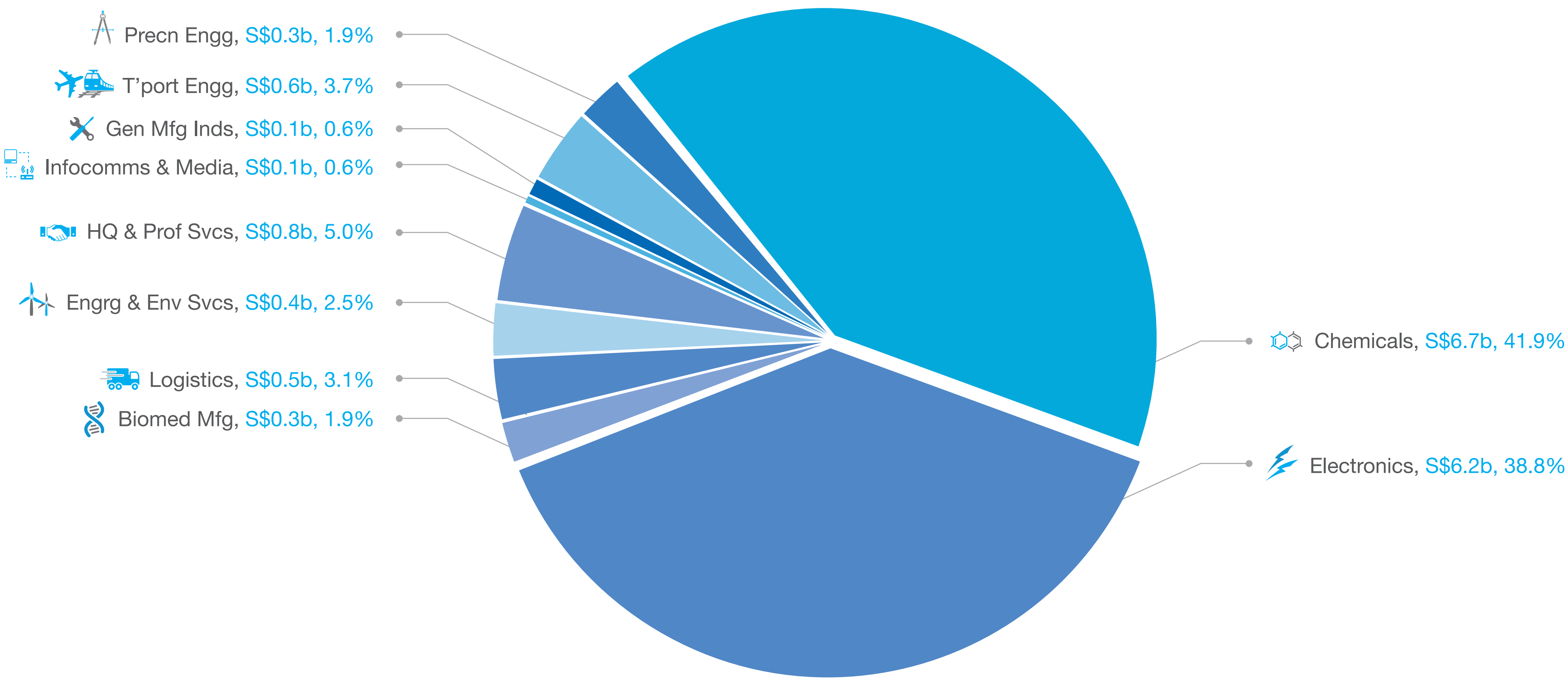
2011



Total: **S$13.7 billion**

FAI Investment Commitments by Industry (2011, 2012)

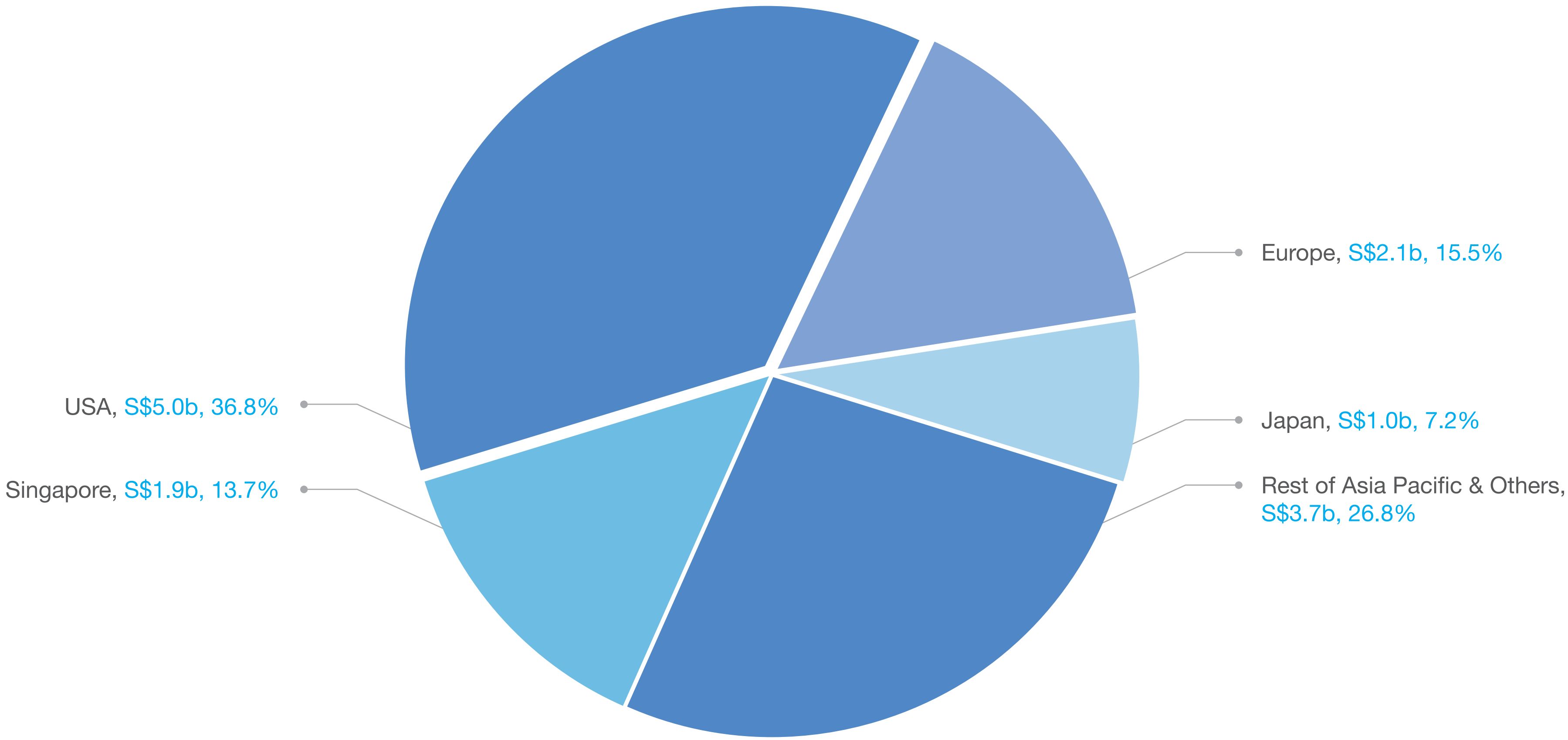
2012



Total: **S$16.0 billion**

FAI Investment Commitments by Region (2011, 2012)

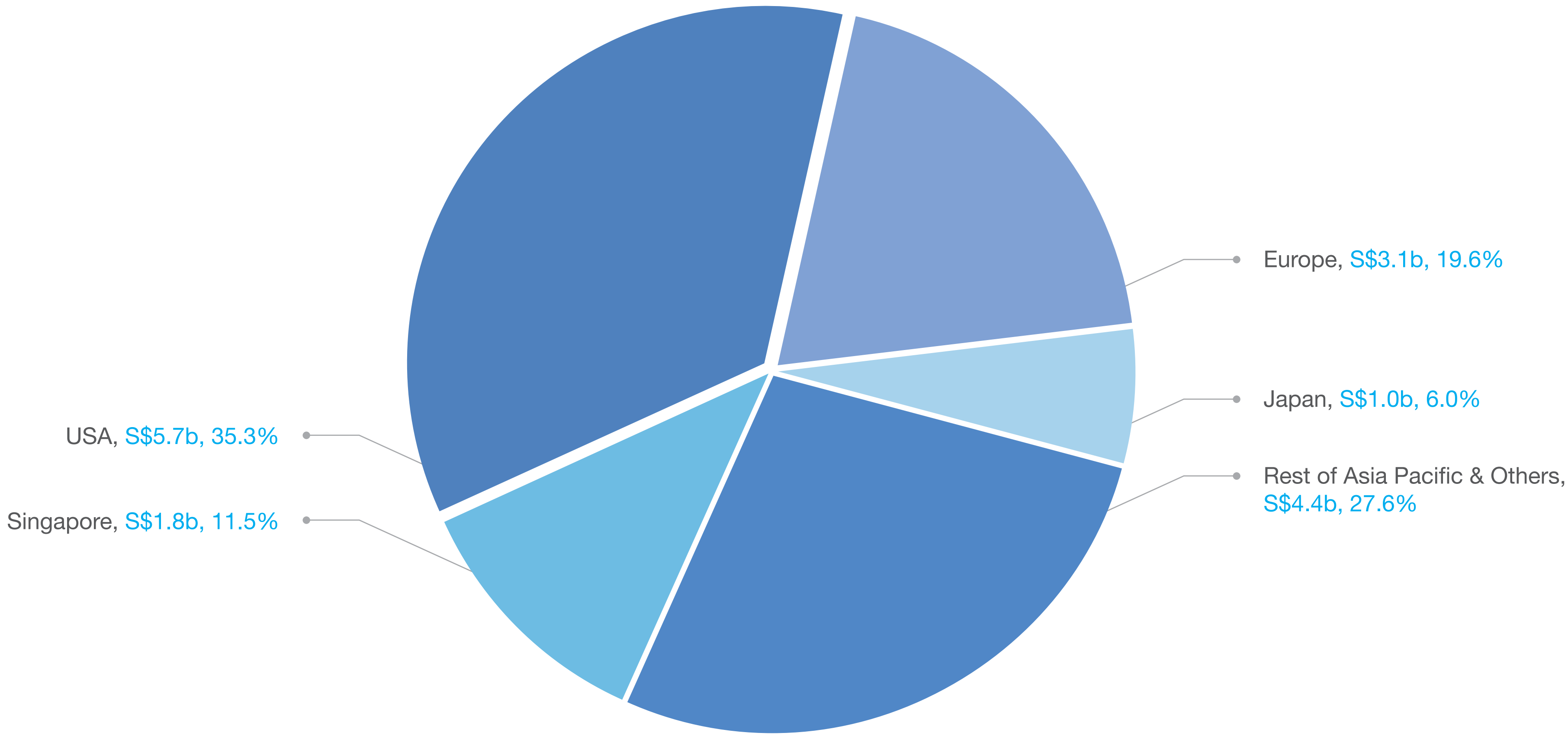
2011



Total: **S$13.7 billion**

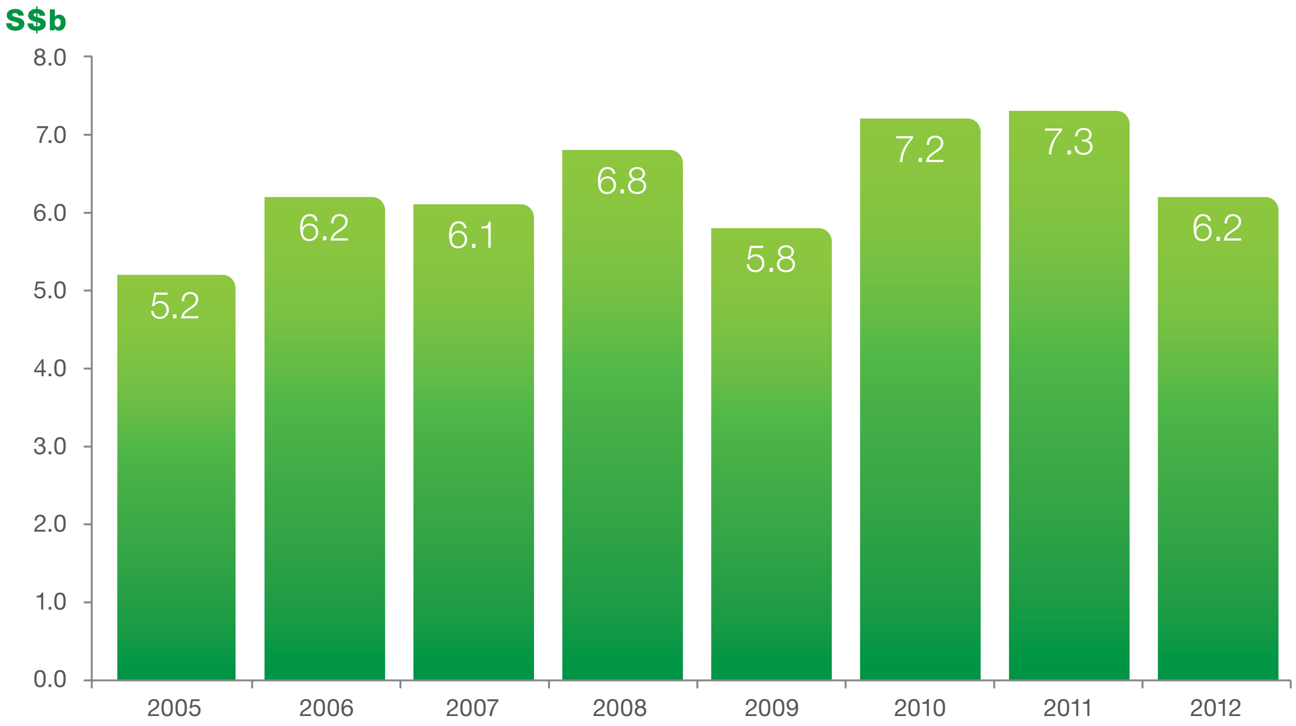
FAI Investment Commitments by Region (2011, 2012)

2012



Total: **S$16.0 billion**

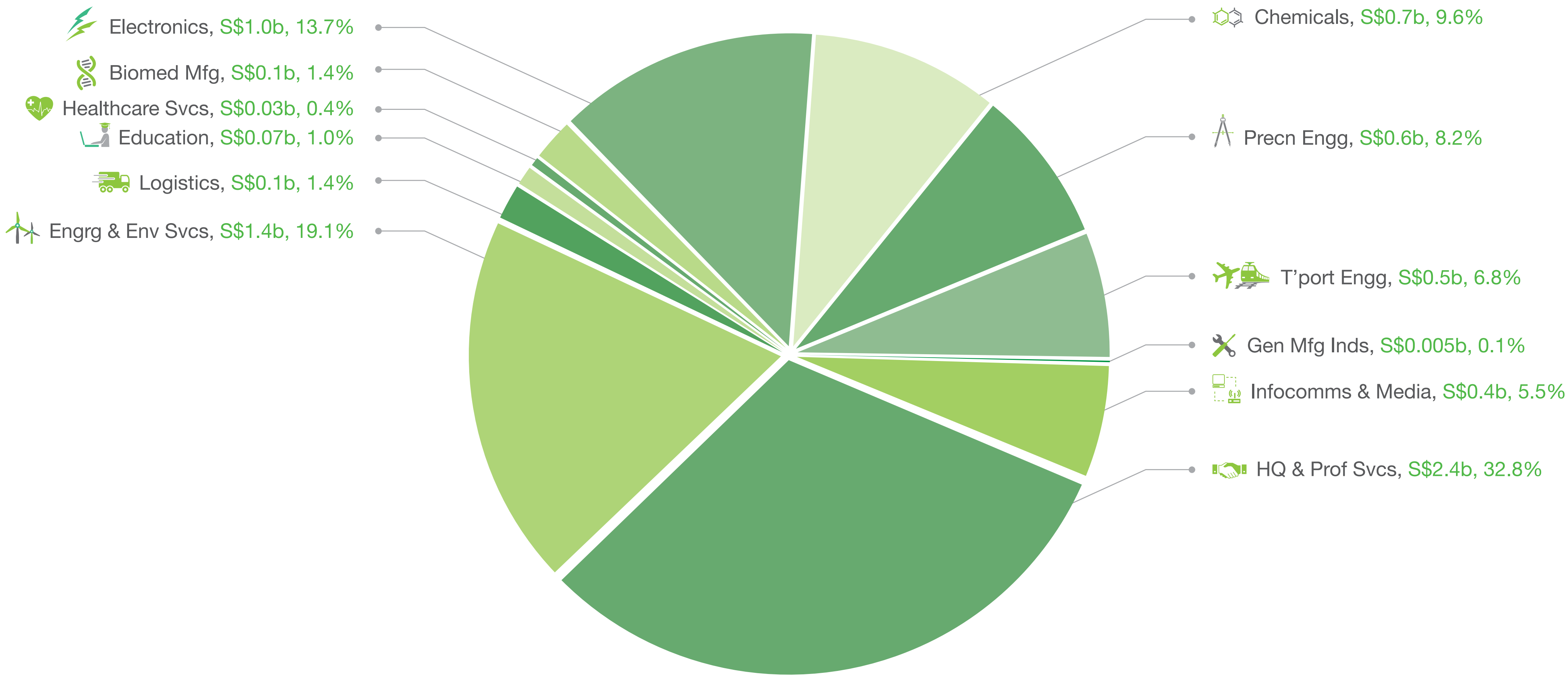
TBE Investment Commitments



[5] *TBE (Total Business Expenditure) was not measured before 2005.*

TBE Investment Commitments by Industry (2011, 2012)

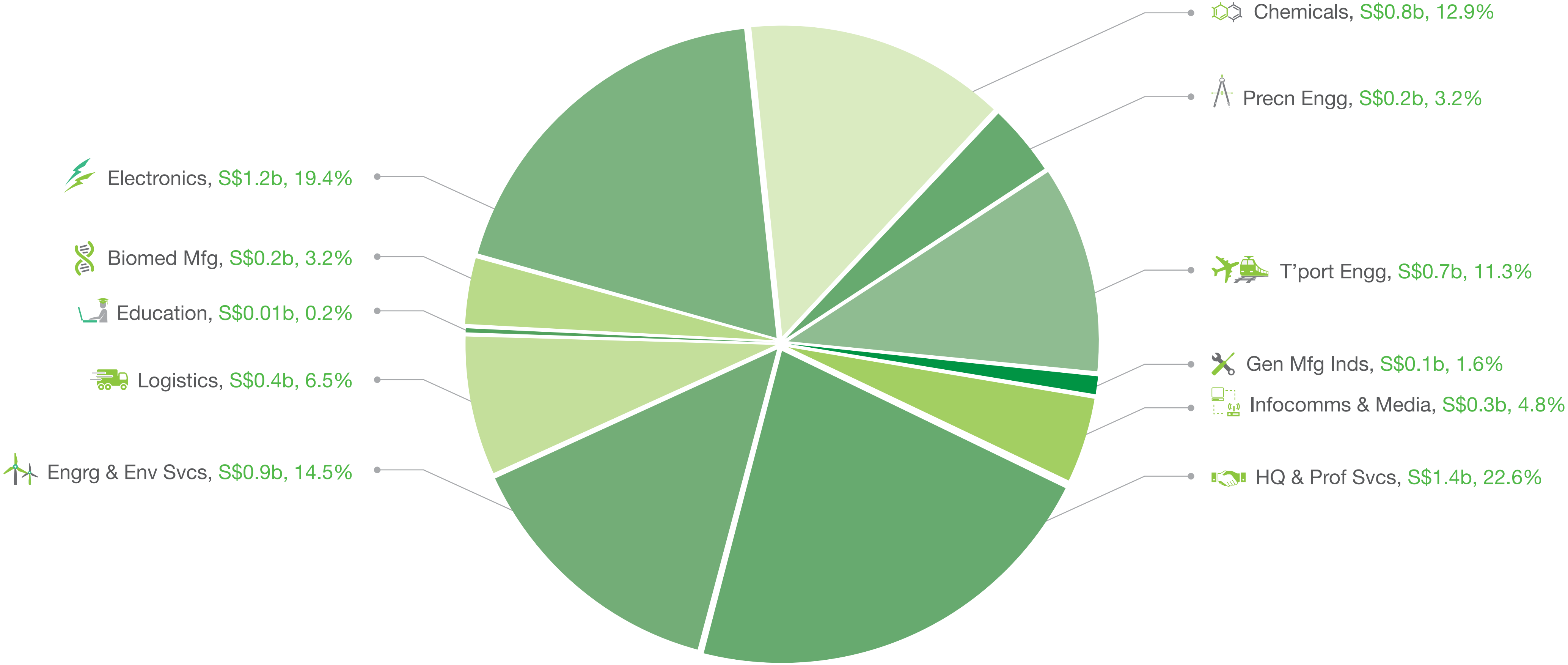
2011



Total: **S$7.3 billion**

TBE Investment Commitments by Industry (2011, 2012)

2012

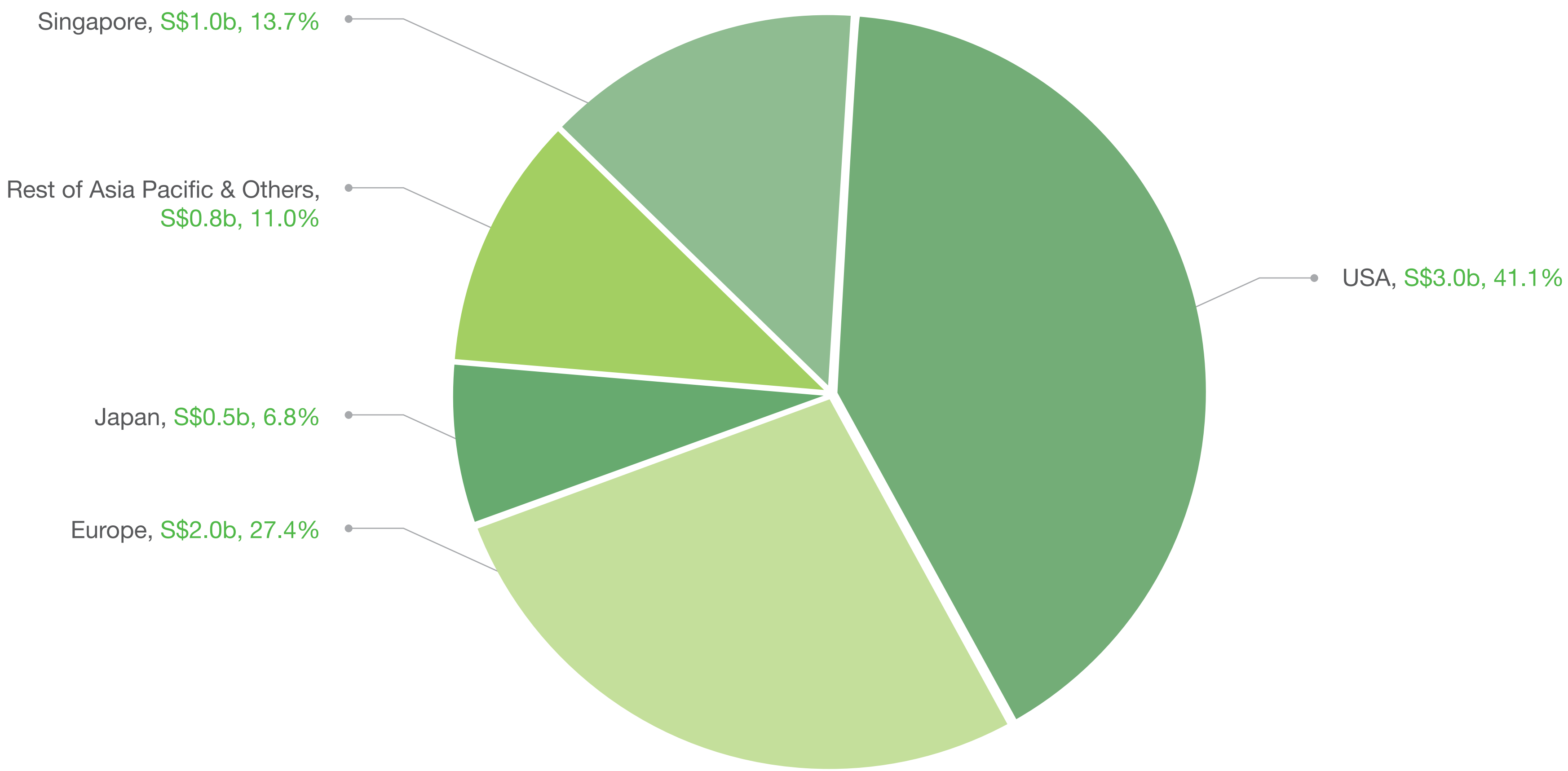


Total: **S$6.2 billion**

TBE

Investment Commitments by Region (2011, 2012)

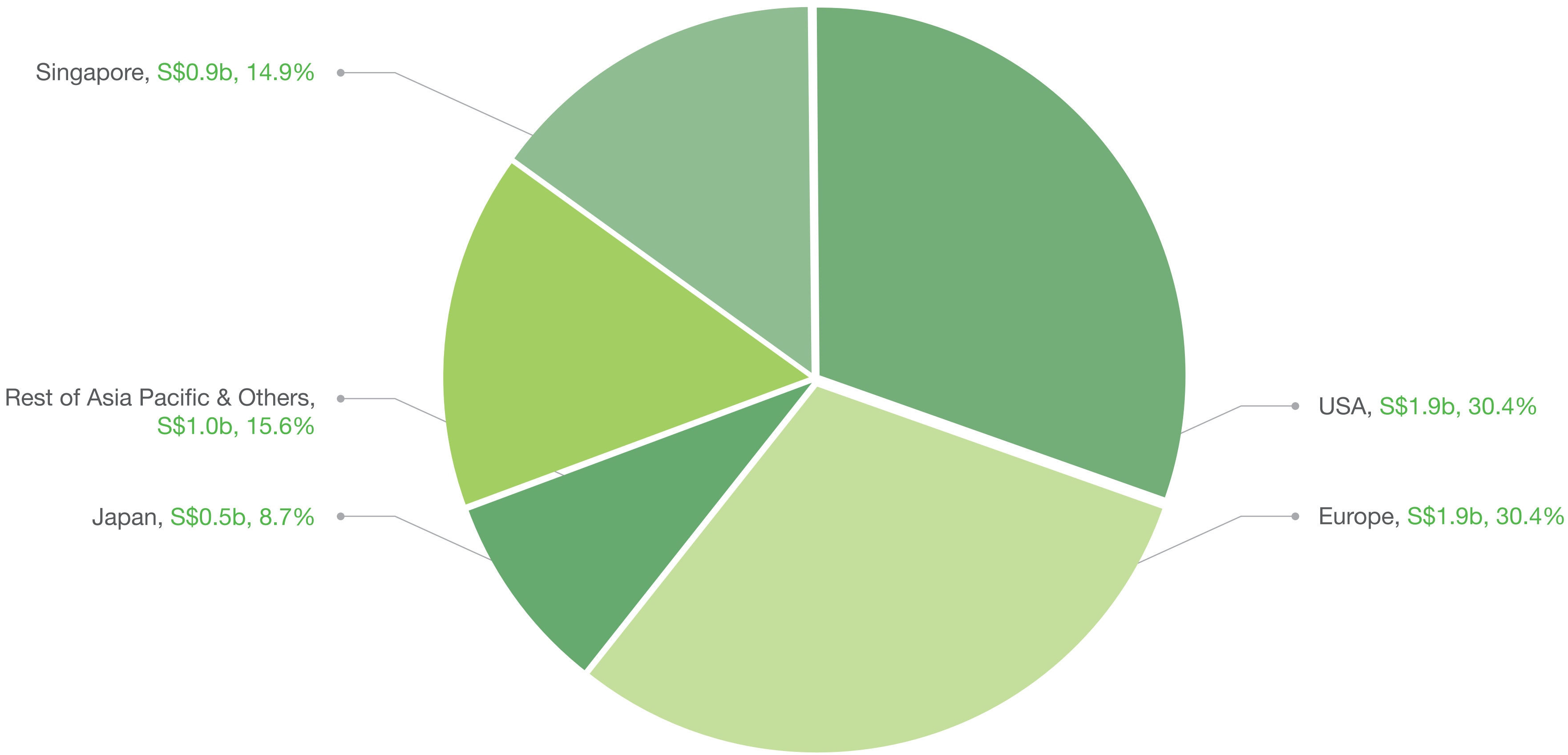
2011



Total: **S$7.3 billion**

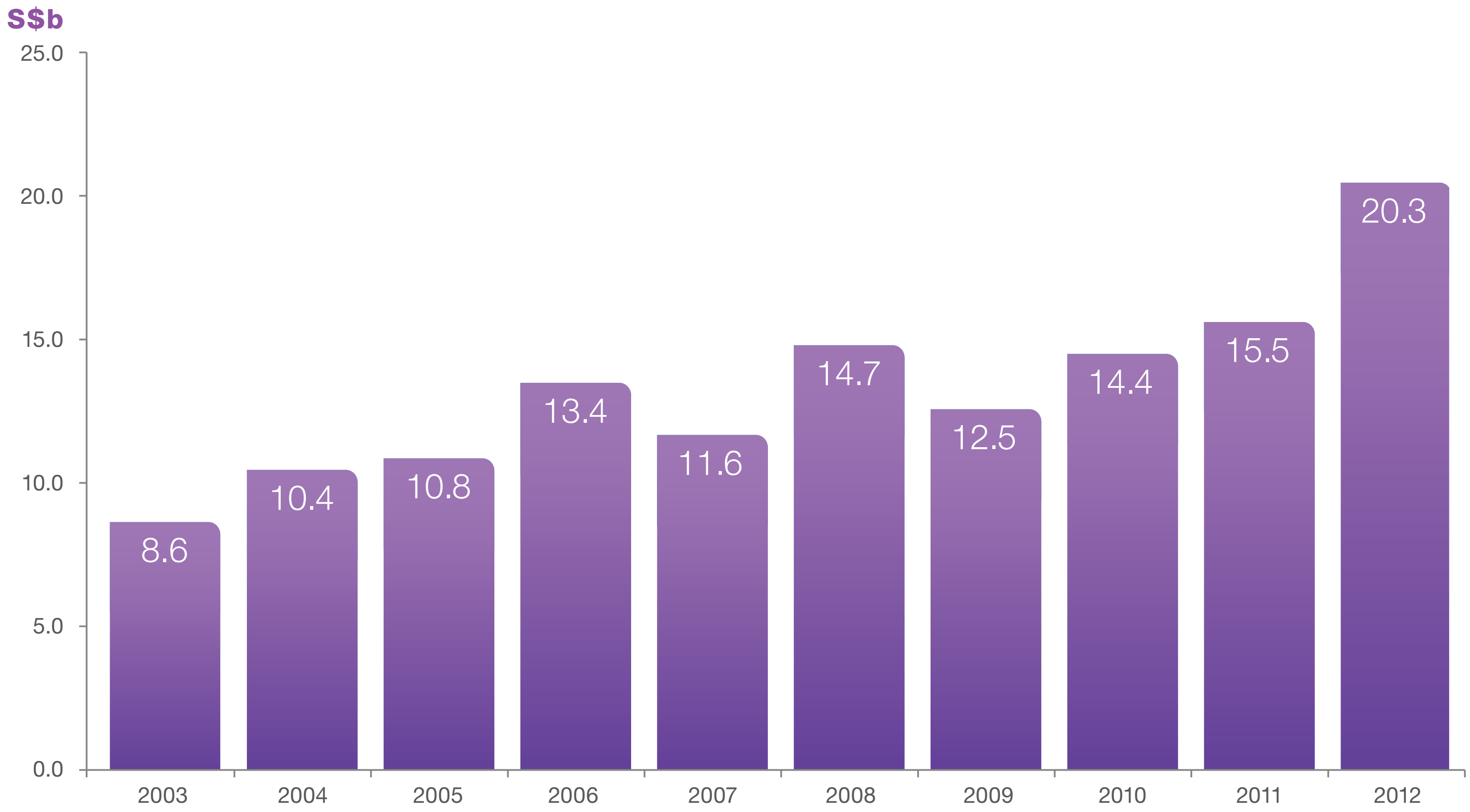
TBE Investment Commitments by Region (2011, 2012)

2012



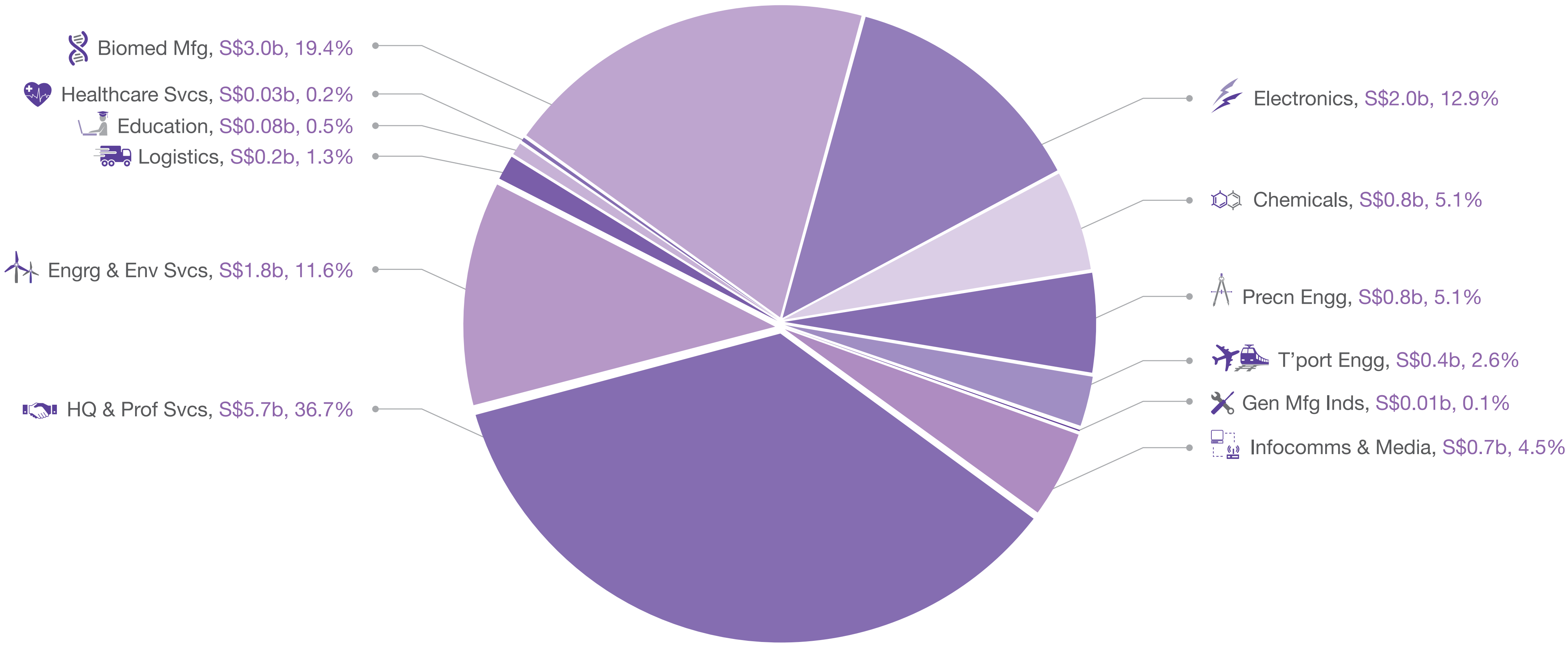
Total: **S$6.2 billion**

VA Expected to be Generated



VA Expected to be Generated by Industry (2011, 2012)

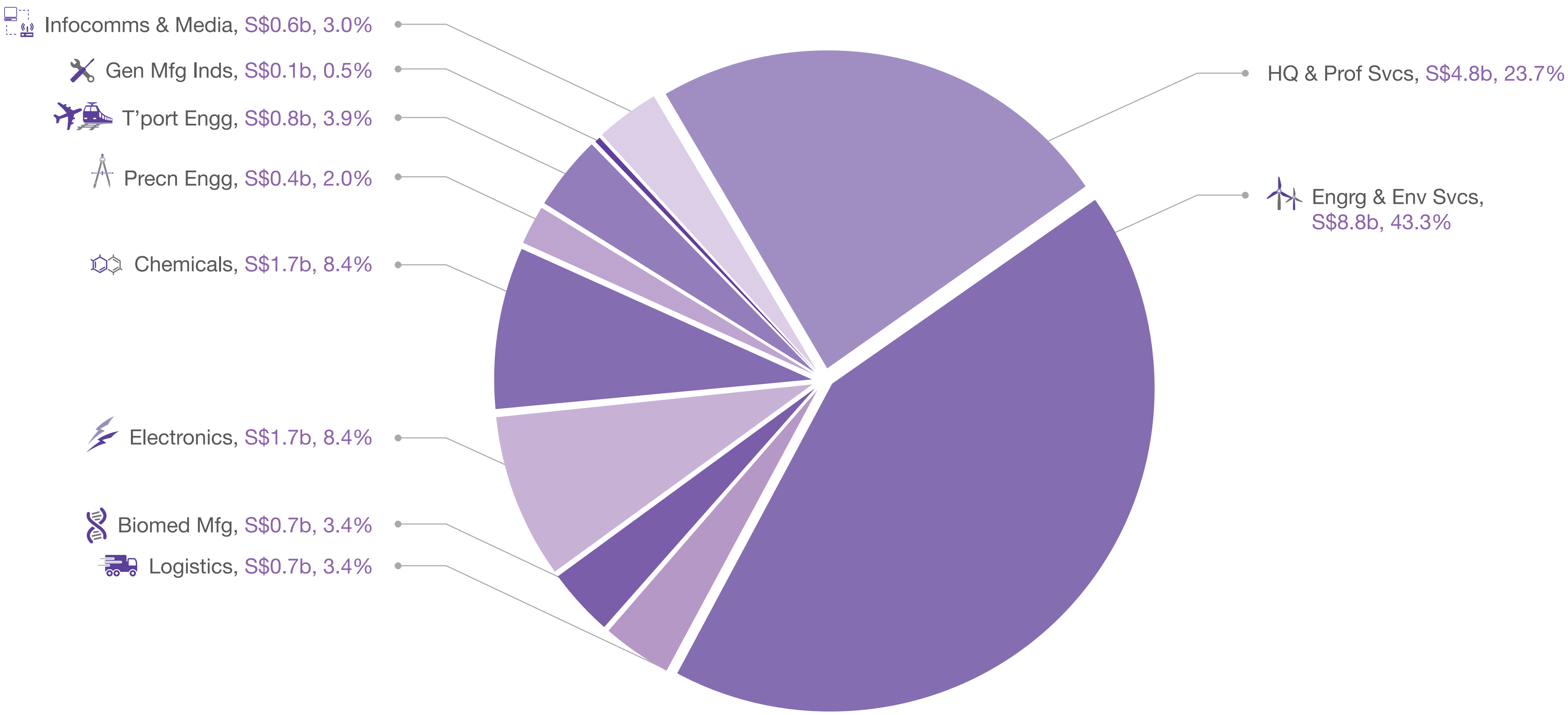
2011



Total: **S$15.5 billion**

VA Expected to be Generated by Industry (2011, 2012)

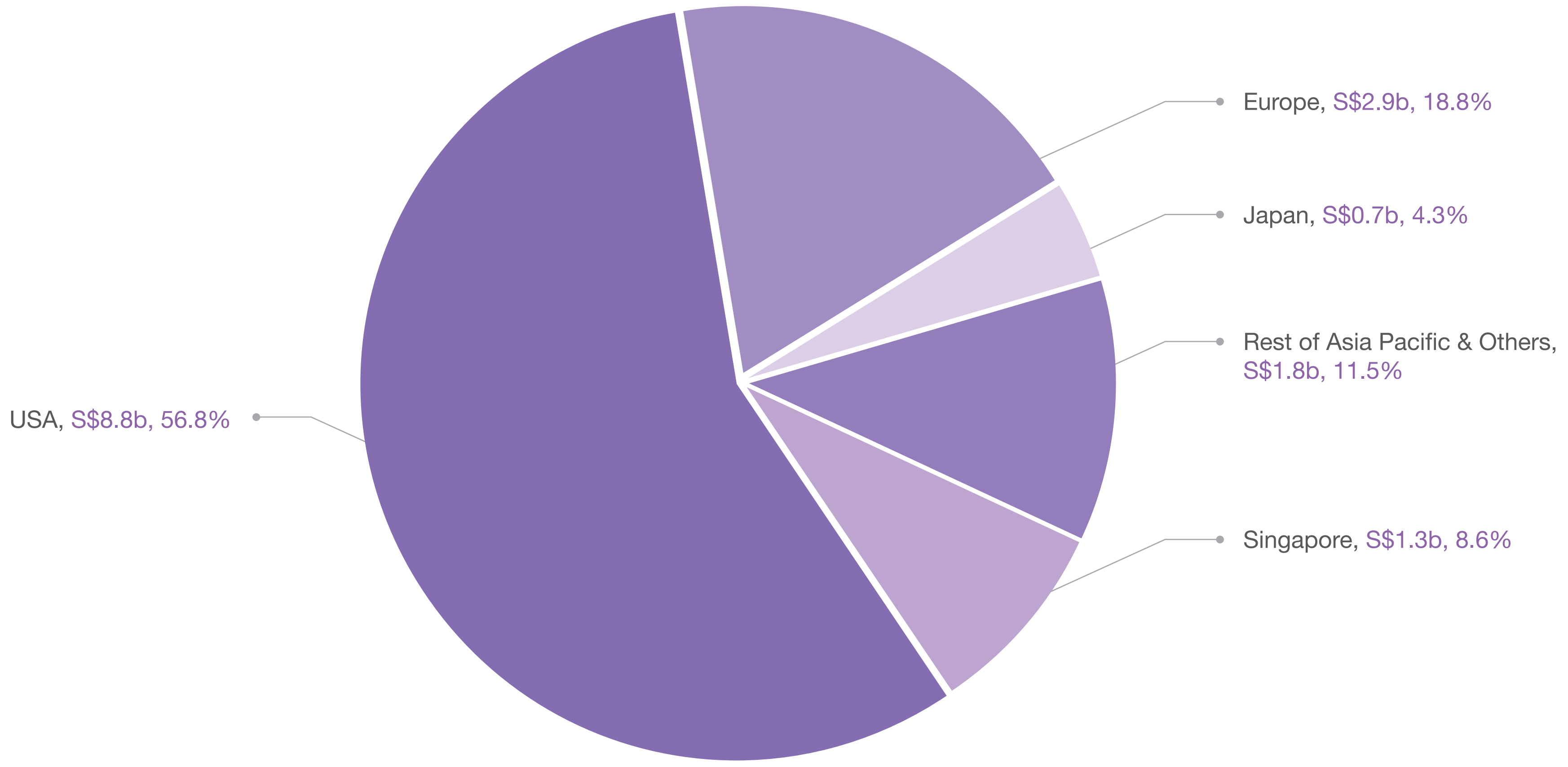
2012



Total: **S$20.3 billion**

VA Expected to be Generated by Region (2011, 2012)

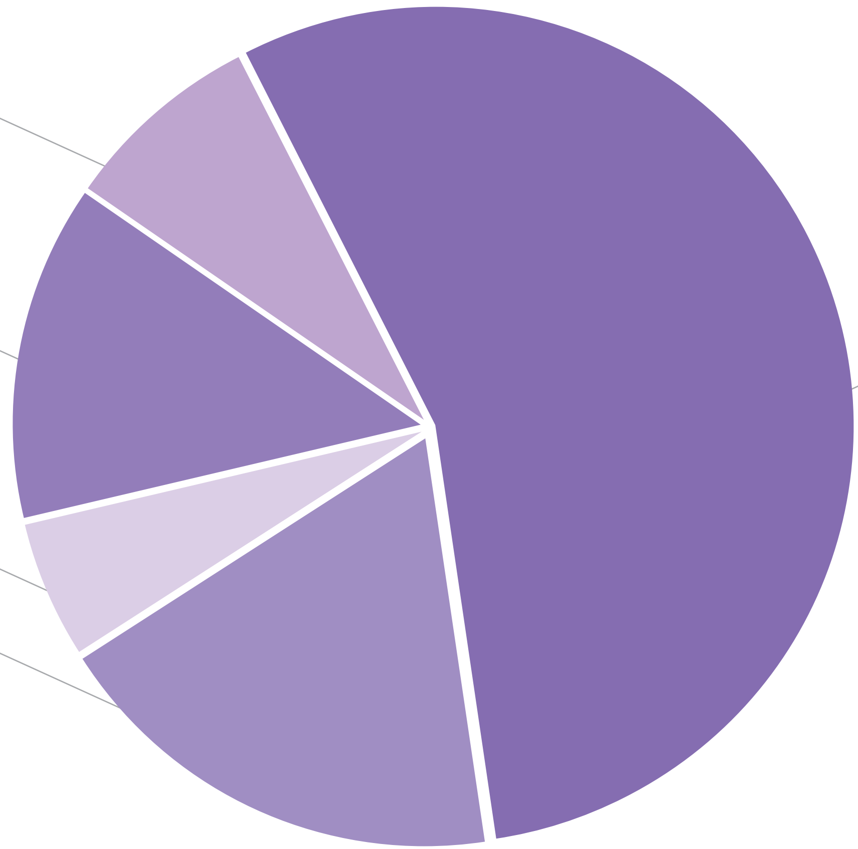
2011



Total: **S$15.5 billion**

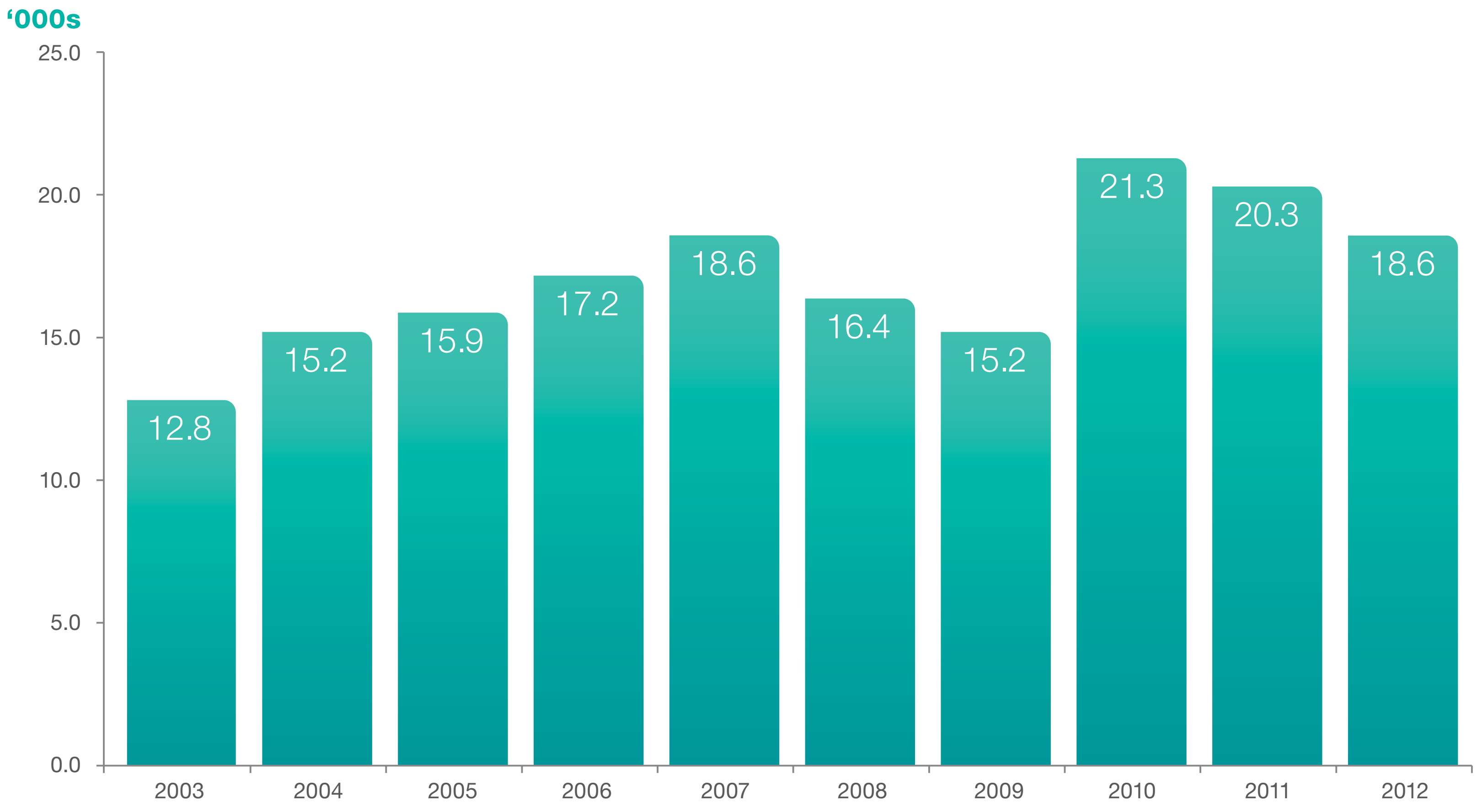
VA Expected to be Generated by Region (2011, 2012)

2012



Total: **S$20.3 billion**

Total Skilled Employment Created



Project Highlights

Biomedical Sciences

Chugai

Chugai, one of Japan's leading research-based pharmaceutical companies established its first independent research centre in Singapore – Chugai Pharmabody Research. Chugai will be investing approximately S$200 million over the next five years to develop innovative antibody drugs with the potential of making dramatic improvements in therapeutic effects using its novel antibody engineering technologies.

Novartis

Novartis, headquartered in Basel Switzerland, provides innovative healthcare solutions that address the evolving needs of patients and societies. The company broke ground in Feb 2013 for a US$500 (S$610) million Biopharmaceutical-Ops facility in Tuas - its first biologics production site in Asia and the largest biomedical investment in Singapore in 2012. Novartis also has 3 other manufacturing facilities, 1 R&D institute and regional HQ based in Singapore.

Cleantech and Engineering Services

ABB

ABB is a world leader in power and automation technologies. In Singapore, ABB employs around 1,600 people and has revenues of around S$1 billion. In 2012, ABB further strengthened its global Control Technologies business, headquartered in Singapore, by establishing its Data Centre Hub, the first of its kind in Asia-Pacific. ABB continues to invest and grow in Singapore, around megatrends such as transportation, energy efficiency and productivity savings, which are key to Singapore's future success as a world city.

Mann+Hummel

Mann+Hummel is a German manufacturer of automotive, industrial and water filtration and water treatment systems. The company has set up its Asia Pacific headquarters as well as the global headquarters of its water filtration division in Singapore. Beyond that, Singapore also hosts Mann+Hummel's membrane manufacturing and research capabilities. Its comprehensive range of activities and strong commitment to Singapore strengthens Singapore's reputation as a Global HydroHub.

Project Highlights

Consumer Business

Moët Hennessy Louis Vuitton

Moët Hennessy Louis Vuitton (LVMH) launched its Asia Pacific Talent Development Centre in Singapore, its first outside of Europe. The centre is a testament to Singapore being a home and hub for talent, dedicated to grooming management talents from high-growth Asian markets including Singapore. It will collaborate with education institutes to deepen its understanding of talent development and luxury brand management. The centre adds to LVMH's other strategic regional activities here –supply chain management and distribution (customised packaging and labelling), branding and marketing—for brands like LVMH Fashion & Leather Goods and Moet Hennessy.

NIELSEN

Nielsen, a leading global provider of information and insights into what consumers watch and buy, launched their innovation hub, NielsenLAB, in Singapore in May 2012. The first of its kind in Asia, the NielsenLAB will develop and leverage cutting-edge technologies in neuroscience, shopper technology and measurement science. Nielsen experts in those 3 fields will also be focused on training local talent. Locating the hub in Singapore is a strategic move for Nielsen, who cited Singapore's world-class infrastructure and talent as the ideal conditions to enable Nielsen to provide better insights into Asian consumers, and help clients identify and capture the multitude of opportunities Asia offers.

Electronics

GLOBALFOUNDRIES

GLOBALFOUNDRIES is the world's second largest semiconductor foundry, with some 13,000 employees and eight Wafer Fabs in USA, Germany and Singapore. In 2012, it announced a plan to invest in the expansion of Fab 7, its most advanced 300mm wafer fab in Singapore, enabling the fab to produce nearly one million wafers a year. The Singapore site today produces the largest wafers output for the company and its 300mm capacity expansion here will address the market growth for advanced 300mm analog technologies.

Qualcomm

Qualcomm is a world leader in advanced mobile technologies. Qualcomm established a global distribution centre in Singapore in 2000 followed up by building a test development centre for digital, analog, power management and radio frequency wireless technologies – its first outside the United States. Recently, Qualcomm announced the formation of an R&D facility that will complement Qualcomm's existing test development centre and focus on chipset design and development. The company will also manage certain strategic business planning and development, supply chain, and other marketing and administrative functions from Singapore.

Project Highlights

Energy and Chemicals

Mitsui Chemicals

Mitsui Chemicals is one of the largest chemicals companies in Japan. Since the company began operations here more than 30 years ago, it has invested over S$1 billion in the country. Today, Mitsui undertakes the entire value chain of activities in Singapore, ranging from its Asia Pacific HQ in charge of corporate functions like sales and marketing; manufacturing of phenol and elastomers, which form Mitsui's largest manufacturing base for these products globally; as well as the Mitsui Chemicals Singapore R&D Centre, its first R&D centre outside Japan.

Sumitomo Chemicals

Sumitomo Chemical, one of Japan's leading chemical companies, commenced construction for its first synthetic rubber plant outside of Japan. With an annual production capacity of 40,000 metric tonnes of solution styrene-butadiene rubber (S-SBR), the facility will help Sumitomo meet growing demand for high performance, fuel-efficient tires. The company decided to construct its new plant in Singapore due to geographical proximity to the rapidly growing Asian markets, ability to tie-up with key business partners in the region, and availability of butadiene.

Infocomms & Media

Rakuten

Rakuten is Japan's top eCommerce company and one of the world's largest online retailers. In 2012, Rakuten established its Asian Headquarters in Singapore to drive internationalisation and global marketing. Central to this is the company's first consumer analytics laboratory that analyses Pan-Asian consumer data to enable personalised recommendations and targeted marketing. This consumer insight is critical for Rakuten to address changing needs in Asian markets, which the company feels it could not have achieved otherwise. Rakuten's presence adds significantly to our growing base of eCommerce companies leveraging Singapore to access regional markets.

Ubisoft

Ubisoft Singapore develops AAA-quality games across multiple platforms for an international audience. The Singapore studio created the highly-acclaimed Naval Battle sequence in the company's record-breaking flagship title: *Assassin's Creed 3* in 2012. The ability to create a world-class development team comprising of both local and international talent in Singapore was the key to company's success. Ubisoft Singapore is now working on the sequel to *Assassin's Creed 3*, and online titles such as *Ghost Recon Online*.

Project Highlights

Logistics

Panalpina

Panalpina is one of the world's leading providers of supply chain solutions to businesses. The company has set up its regional head office for Asia Pacific in Singapore to move closer to the many decision makers that are present here and to tap into the huge growth potential of the Intra Asia trade lane. With many manufacturers choosing to locate their key supply chain functions in Singapore, the company opened a Logistics Competence Centre to provide customised logistics and warehousing solutions and design catering to regional customers' growing demand. It is one of Panalpina's four centres globally.

Texas Instruments Incorporated

Texas Instruments Incorporated (TI), the fourth largest semiconductor company globally in 2012, announced it has installed the AutoStore® inventory management system in its Product Distribution Center (PDC) in Singapore. The AutoStore will further enhance the efficiency and reliability of its product shipments throughout Asia and allow four times the amount of product to be stored within the same footprint. This marks the first installation of AutoStore by a semiconductor company, as well as the first of its kind in Asia.

Precision Engineering

Kulicke & Soffa

Kulicke & Soffa (K&S), a global leader in the design and manufacture of semiconductor assembly equipment, broke ground to mark the beginning of construction of its global headquarters building, which will house the company's current workforce of over 900 employees carrying out manufacturing, R&D and headquarters activities. Most of its top management team has relocated from Pennsylvania, USA, to Singapore since 2010. This is a strategic decision based on more than 90% of the company's sales are from Asia annually. K&S will also expand its existing research and development and manufacturing activities to include the development and manufacture of next generation semiconductor assembly and packaging equipment. A strong focus on R&D enables K&S to maintain its position as the market leader in ball bonder, wedge bonder and copper wire bonding.

Rohde & Schwarz

Rohde & Schwarz (R&S), a family-owned global high-tech electronics company, announced plans to invest $85 million (EUR 52 million) in Singapore's economy over the next three years. Part of this investment includes the injection of $58 million (EUR 35 million) to design and build its own global hub in Singapore - its first outside Germany. It will serve as a global hub for R&D, Engineering and Production as well as a regional headquarter to manage the businesses in the Eastern Hemisphere - comprising Asia Pacific, Middle East and Africa - worth more than a third of Rohde & Schwarz's net revenue.

Project Highlights

Professional Services

Boston Consulting Group

The Boston Consulting Group (BCG) is a global management consulting firm and the world's leading advisor on business strategy. In October 2012, BCG launched in Singapore its first ever Centre for Business Excellence in Asia. BCG has also located its Global Leadership & Talent Enablement Centre there to serve clients globally in developing dedicated curriculum and programs to help its clients on pan-Asian talent and leadership, boosting Singapore's position as a Home for Talent.

Visa

Visa is a global payments technology company that connects consumers, businesses, financial institutions, and governments in more than 200 countries and territories to fast, secure and reliable electronic payments. Visa recently expanded its Asia Pacific HQ in Singapore to meet the increase in payment volume in Asia Pacific. Singapore is now host to a majority of its operations outside the US, while the number of Visa employees in Singapore has grown significantly.

Transport Engineering

Halliburton

Halliburton is one of the world's largest oilfield services providers. The company invested in its third facility in Singapore, the Completion Technology and Manufacturing Centre, which opened in March 2013. This facility is also Halliburton's global headquarters for its Completion Tools business line. The Completion Tools business provides a full suite of design, advanced equipment and services to optimize well production. Not only does the investment significantly expand the company's manufacturing and R&D capabilities in Singapore, with this investment Halliburton will employ over 800 skilled employees ranging from corporate managers, engineers and skilled craftsmen.

Pratt & Whitney

Pratt & Whitney is a world leader in the design, manufacture and service of aircraft engines, auxiliary and ground power units, and small turbojet propulsion products. In 2012, Pratt & Whitney expanded its already comprehensive aftermarket footprint in Singapore with the addition of a PW4000-engine part repair capability at Seletar Aerospace Park. It also broke ground in January 2013 for its first Asian production facility to manufacture fan blades and high pressure turbine disks for its latest game-changing PurePower® Geared Turbofan™ engines.