



AmCham
The American Chamber of Commerce in Singapore

Media Release

For Immediate Release

2006 Sees Huge Growth in U.S.-Singapore Trade

Singapore, March 1, 2007: Two-way trade between the U.S. and Singapore experienced the second highest rate of growth among the United States' major trading partners in 2006, increasing 19.0 percent to US\$42.5 billion in 2006. Only U.S. trade with China grew more rapidly (20.2 percent).

Singapore remained the United States' fifteenth largest trading partner in 2006, and rose to be the United States' ninth largest export market in 2006 (US\$24.7 billion), up from eleventh largest in 2005 (US\$20.6 billion).

Mr. Dom LaVigne, AmCham Singapore Executive Director, said the strong results for 2006 continued a positive trend of growth in two-way trade since the U.S. Singapore Free Trade Agreement came into effect in January 2004. "The FTA has had the effect of increasing business confidence in Singapore and has supported the Singapore Government's efforts to promote the country's standing in the region as a high-trust economy," he said. "This has had the effect of not only increasing trade, but also ensuring that Singapore is attractive to U.S. foreign direct investment."

Since the FTA came into effect, two-way trade has increased 34 percent, with U.S. exports increasing by nearly 49 percent.

In addition to trade, Singapore is also a preferred destination of U.S. foreign direct investment (FDI), ranking as the second largest recipient of U.S. foreign direct investment in Asia. In 2005 (latest available data), Singapore received US\$48.1 billion compared to Japan's US\$75.5 billion, and is the fourteenth largest recipient worldwide of U.S. FDI. The United States has invested more than twice the amount of FDI in Singapore than it has in China (US\$16.9 billion).

The significance of the trade relationship between the two countries is apparent when compared to volumes of trade between the U.S. and countries with significantly larger populations than Singapore. For example, the U.S. exports more to Singapore, with its population of 4.5 million, than to France, Taiwan, Brazil, Australia, India, Malaysia or Italy.

The latest trade statistics also confirmed Singapore's position as an ASEAN hub with Singapore remaining the largest ASEAN market for U.S. exports. Singapore accounts for 43 percent of total U.S. exports to ASEAN in 2006, up from 41.5 percent in 2005.

When total exports, imports and FDI is considered, the ASEAN region emerges as a more important market for the United States than South America and Sub-Saharan Africa combined.

"The ASEAN market will continue to be incredibly important to U.S. business, and this trend can only continue, particularly as the ASEAN economic integration process proceeds," said Mr. LaVigne. "ASEAN is a market of 570 million people, and closer regional economic integration, standardization of customs regulations, and removal of tariffs and other barriers to trade will make doing business in ASEAN even more efficient and allow the region to compete against larger markets."

Primary U.S. exports to Singapore through the first nine months of 2006 consisted of: machinery (US\$4.7 billion, up 12 percent on Q3 2005); electrical machinery (US\$4.6 billion, up 21 percent); aircraft/aircraft parts (US\$1.7 billion, down 15 percent); and optical/medical instruments (US\$1.3 billion, up 30 percent).

The trade data was released by the U.S. Department of Commerce and can be found on the U.S. Embassy in Singapore website at http://singapore.usembassy.gov/ep_reports.html

AmCham represents an estimated S\$50 billion of investments in Singapore and the region

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