

## **U.S. Trade With Singapore: 2009 (1st Half) vs. 2008 (1st Half)**

### **Trade**

- Singapore was the United States' 12th largest export market in 2009 H1, down from 9th place in 2008 H1. U.S. exports to Singapore shrank 36.7 percent, from \$15.8 billion in 2008 H1 to \$10.0 billion in 2009 H1.
- Singapore's exports to the United States shrank 17.6 percent to \$7.0 billion, from \$8.5 billion in 2008 H1.
- Singapore was our 16th largest trading partner in 2009 H1, unchanged from 2008 H1 as two-way trade fell 30 percent to \$17.0 billion.
- During the first five years of the U.S.-Singapore FTA, which came into effect January 1, 2004, two-way trade has increased 41 percent and U.S. exports by nearly 58 percent.

### **Trade Balance (Goods)**

- The U.S. goods trade surplus with Singapore in 2009 H1 fell 59 percent to \$3.0 billion from \$7.3 billion in 2008 H1.
- The United States ran its sixth largest surplus in 2009 H1 with Singapore (\$3.0 billion) after the Netherlands (\$8.7 billion), Hong Kong (\$8.0 billion), the U.A.E. (\$5.7 billion), Australia (\$5.3 billion) and Belgium (\$4.6 billion).
- Primary U.S. exports to Singapore in 2009 Q1 (latest available) consisted of machinery (\$1.2 billion, down 36.8 percent from 2008 Q1); electrical machinery (\$1.0 billion, down 44.4 percent); aircraft/aircraft parts (\$0.9 billion, down 18.2 percent); and optical/medical instruments (\$0.4 billion, unchanged).

### **Singapore vs. ASEAN and Other Trade Partners**

- The United States exported more to Singapore (\$10.0 billion) in 2009 H1 than to many other economies with significantly larger populations, including Australia (\$9.1 billion), India (\$7.5 billion), Taiwan (\$7.6 billion), Italy (\$6.1 billion), and Malaysia (\$4.4 billion).
- U.S. exports to Singapore (population 4.9 million) were 33 percent of those to China (population 1.3 billion) in 2009 H1; 40 percent of those to Japan (population 128 million); and 79 percent of those to South Korea (population 49 million).
- Singapore is the largest ASEAN market for U.S. exports. It took 42 percent of total exports to ASEAN in 2009 H1, compared with 48.3 percent in 2008 H1.
- With exports of \$23.8 billion to ASEAN member countries in 2009 H1, the United States sold nearly as much to this region (population 583 million and, taken together, our fifth

largest trading partner) as to China (\$30.4 billion). The United States exported more to ASEAN than to Germany (\$21.2 billion), and France (\$13.9 billion).

### **Trade in Services (2007 latest available)**

- Two-way trade in services between the United States and Singapore shrank 5.9 percent to \$11.1 billion in 2007, from \$11.8 billion in 2006.
- During the first four years of the U.S.-Singapore FTA, which came into effect January 1, 2004, two-way trade in services increased 35.4 percent and U.S. exports of services by 20 percent to US\$7.2 billion.
- Singapore was the United States' 19th largest trading partner in services in 2007, down from 18<sup>th</sup> place in 2006 and remained our 16th largest export market at \$7.2 billion. The United States ran its tenth largest surplus in services in 2007 with Singapore (\$3.3 billion).
- Twenty-six percent of U.S. services exports to Singapore consisted of royalties (\$1.9 billion), primarily for manufacturing, broadcasting, IT, publications, franchises and trademarks.
- Singapore is the largest ASEAN market for U.S. exports of services. It took 50 percent of total exports to ASEAN (\$14.5 billion) in 2007.
- With services exports of \$14.5 billion in 2007, the United States sold more services to ASEAN countries (taken together, our 9th largest trading partner (\$23.8 billion) in services) than to China (\$14.2 billion), South Korea (\$12.7 billion), the Netherlands (\$12.3 billion), or Australia (\$10.4 billion).

### **Cumulative Foreign Direct Investment (2008 latest available)**

- U.S. FDI in Singapore grew 12.3 percent to \$106.5 billion in 2008, compared to \$94.8 billion in 2007. Singapore was the largest recipient of U.S. investment in Asia, overtaking Japan (\$79.2 billion), and the tenth largest recipient worldwide.
- The United States has invested nearly three times the amount of FDI in Singapore as it has in China (\$45.7 billion). However, much of the investment is reportedly in "holding companies" which may indicate the investment was later directed to a third country.
- U.S. investment in ASEAN (\$152.8 billion) exceeded that invested on a combined basis in Greater China (\$113.8 billion) – China (\$45.7 billion), Hong Kong (\$51.5 billion), and Taiwan (\$16.6 billion).

Sources: Department of Commerce, U.S. Census Bureau, BEA, and ITA