

The American Business Presence in Singapore

2021 Facts and Figures

Singapore and the United States have a dynamic economic relationship, underpinned by the U.S. – Singapore Free Trade Agreement (USSFTA), which came into effect in 2004. Both sides have seen significant growth in bilateral trade and investments since.

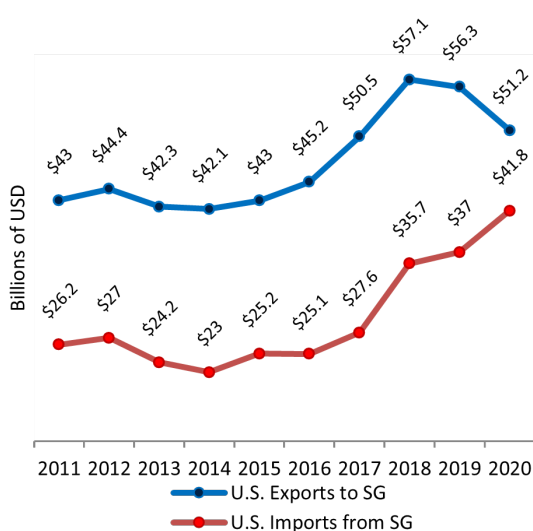
There are 4,200 American companies operating in Singapore¹, with many using the city-state as their regional hub for Asia-Pacific business activities. Despite having a relatively small population of nearly 6 million, Singapore has a remarkable ability to attract global trading partners and investment opportunities, making it a key member of the Association of Southeast Asian Nations (ASEAN) economic bloc.

U.S. – Singapore Bilateral Trade

- In 2020, Singapore was the 14th largest export market for the U.S., importing US\$271.1 billion worth of goods. The U.S. was Singapore’s fourth largest source of imports, after China, Malaysia and Taiwan²
- In 2020, total U.S.-Singapore goods and services trade totaled US\$93 billion (Figure 1)

Figure 1

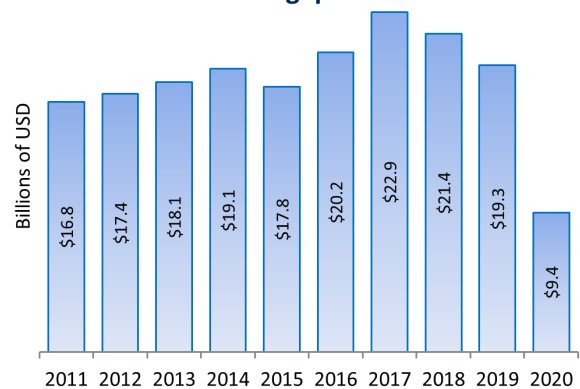
U.S.-Singapore Trade Balance



- The U.S. trade surplus with Singapore was US\$9.4 billion in 2020 (Figure 2)³

Figure 2

U.S. Balance on Goods & Services with Singapore

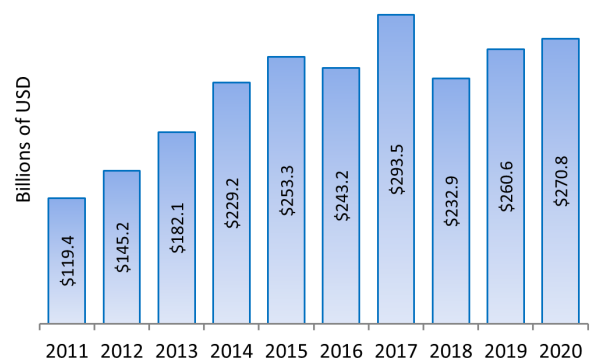


Investment

In 2020, U.S. Foreign Direct Investment (FDI) in Singapore stood at US\$270.8 billion in stock (Figure 3).⁴

Figure 3

U.S. FDI in Singapore (Stock)
Historical-cost basis



U.S. FDI in Singapore is made up primarily by non-bank holding companies, manufacturing, and wholesale trade.⁵

Singapore as a Regional Hub

Singapore has historically been the ideal location for companies to base their headquarters for both the Southeast Asia region, as well as the broader Asia-Pacific. The choice of Singapore is underscored by the World Bank consistently ranking Singapore among the top nations to conduct business in.⁶

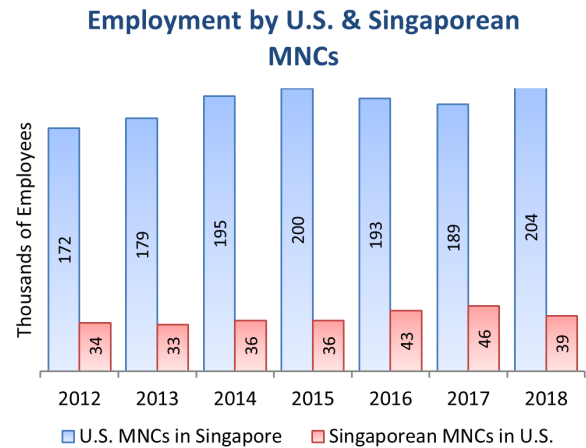
A survey of AmCham Singapore members in late 2020 during the height of the COVID-19 pandemic, summarizes the benefits to American companies by conducting business in Singapore.⁷

- 75% of member companies reported their company's trade and investment in ASEAN is expected to increase
- 90% are expecting to further increase their investment in ASEAN in the next five years
- Half of surveyed American companies in Singapore still expect ASEAN to become more important to their company's worldwide revenues over the next two years compared to 58% in 2019

Employment Opportunities

American businesses are a strong source of employment for Singaporeans. In 2018, American multinational companies based in Singapore employed 204,000 workers in Singapore (Figure 4)⁸

Figure 4



- 72% of surveyed American companies in Singapore comprise of a workforce with at least half of the employees are Singaporean citizens and Permanent Residents (PRs)
- 50% of surveyed companies report a senior-level workforce where more than half are Singaporean citizens and PRs⁹

References

- 1 U.S. Department of State, "U.S. Relations With Singapore" (<https://www.state.gov/u-s-relations-with-singapore/>)
- 2 International Trade Administration, "Singapore - Country Commercial Guide" (<https://www.trade.gov/country-commercial-guides/singapore-market-overview>)
- 3 Bureau of Economic Analysis, "U.S. International Trade in Goods and Services - SINGAPORE" (<https://apps.bea.gov/international/factsheet/factsheet.cfm>)
- 4 Bureau of Economic Analysis, "U.S. International Trade in Goods and Services - SINGAPORE" (<https://apps.bea.gov/international/factsheet/factsheet.cfm>)
- 5 Bureau of Economic Analysis, "U.S. International Trade in Goods and Services - SINGAPORE" (<https://apps.bea.gov/international/factsheet/factsheet.cfm>)
- 6 The World Bank "Ease of Doing Business Rankings" (<https://www.doingbusiness.org/en/rankings>)
- 7 AmCham Singapore. "ASEAN Business Outlook Survey 2021." (<https://m2q6x9u7.stackpathcdn.com/wp-content/uploads/2021/05/ASEAN-Business-Outlook-Survey-2021-240521.pdf>)
- 8 AmCham Singapore. "Manpower Survey 2020." (<https://m2q6x9u7.stackpathcdn.com/wp-content/uploads/2020/09/Manpower-Survey-2020.pdf>)
- 9 AmCham Singapore. "Manpower Survey 2020." (<https://m2q6x9u7.stackpathcdn.com/wp-content/uploads/2020/09/Manpower-Survey-2020.pdf>)