



Decide with Confidence

PRESS RELEASE

Contact:

FOR IMMEDIATE RELEASE

Eugene Z., Marcom & Product Development

eugene.tan@dnb.com.sg

+65 6439 6670

Overseas Commercial Searches rose in 2013 as Malaysia topped list of most searched countries - D&B Singapore

Singapore, 8 April 2014 – With an ever-increasing trend of local companies looking to deepen their global footprint, more Singapore firms have been turning to overseas commercial information as part of their efforts to mitigate external risks and to lay the groundwork needed for internationalization. According to a recent study by Dun & Bradstreet (D&B) Singapore, the total number of overseas commercial credit searches conducted by local firms rose significantly over a 2-year period from 2011 to 2013. The increase in total overseas commercial credit searches comes amid Singapore's strong external trade activities within the 2-year period. Trade statistics released by International Enterprise (IE) Singapore showed that Singapore's total trade climbed from an estimated \$974.4 billion to \$984.9 billion in 2012 before slipping slightly to \$980.2 billion at current prices in 2013. Exports also expanded by 0.6 per cent in 2013.

D&B Singapore revealed that the total number of overseas commercial credit searches made a significant 20.25 per cent jump in 2012. While the total number of overseas commercial credit searches plateaued slightly in 2013, with a modest decrease by 4.75 per cent, it still represented a significant 14.54 per cent increase from 2011.

"The rise in overseas commercial credit searches over the past two years clearly underscored the growing demand for readily accessible and reliable business information that is important in helping local companies increase their footprint internationally. Risk management has played an increasingly prominent role in corporate planning over the past few years as the drive to internationalize firms continues to accelerate. These encouraging signs are indicative of a renewed focus on leveraging credit risk information in a way that can both guide and drive core business processes and performance in local companies." commented Ms. Audrey Chia, D&B's Chief Executive Officer.

D&B Singapore's overseas commercial searches feature key information such as credit ratings and scores, registry of charges, directorships, litigation, bankruptcy and payment history of foreign companies which aids local firms to better assess the creditworthiness of their overseas business partners and clients.

D&B Singapore also notes that comprehensive credit searches have increased by 23 per cent over the past two years. "Comprehensive due diligence goes beyond a simple company search and involves a more rigorous and holistic approach towards credit risk management. Corporate decision makers are increasingly relying on credit ratings to have a more detailed assessment of who they are dealing with." added Ms. Chia.



Decide with Confidence

According to D&B Singapore, Southeast Asia forms the largest most searched region by Singapore companies. For 2013, Southeast Asia made up more than two-fifths of all overseas commercial credit searches at 43.05 per cent. Recent trade statistics by International Enterprise (IE) Singapore also revealed that Southeast Asia alone accounted for an estimated \$161.2 billion, the second largest contributor by region to the total export revenue of \$513.4 billion in 2013. Within Southeast Asia, Malaysia, Indonesia and Thailand are the top three most searched countries by Singapore companies.

Northeast Asia which comprises of Japan, South Korea, China, Hong Kong and Taiwan accounted for close to one-fifth of all overseas commercial credit searches at 18.61 per cent. According to IE Singapore, Northeast Asia's export revenue totaled an estimated \$179.9 billion in 2013, the largest contributor by region to Singapore's total export revenue.

Meanwhile, Europe (or EU-28) is the third most searched region by Singapore companies, accounting for near to one-tenth of all overseas commercial credit searches at 9.94 per cent. South Asia which comprises of India, Pakistan, Bangladesh, Sri Lanka, Nepal, Bhutan and Maldives is the fourth most searched region at 9.10 per cent. Oceania (Australia, New Zealand and the Pacific Islands) and North America accounted for 7.53 per cent and 4.65 per cent of total overseas commercial credit searches respectively.

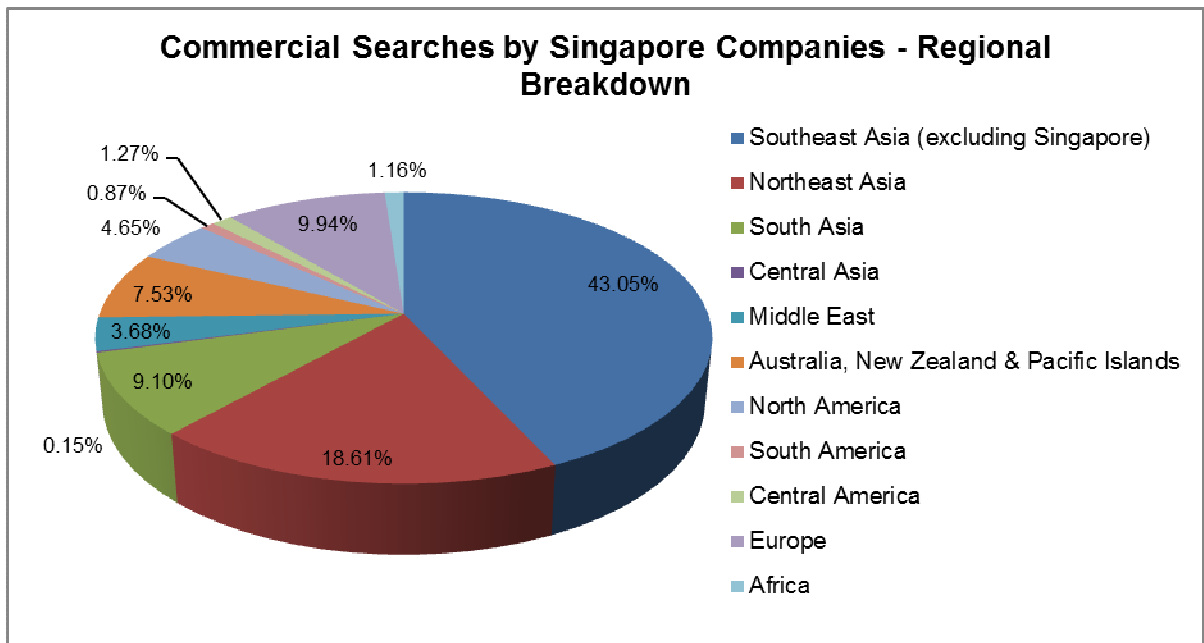


Figure 1: Regional Breakdown of Overseas Commercial Searches by Singapore Companies

D&B Singapore revealed that a strong correlation between Singapore's top trading partners and the most searched countries was highly evident. A comparison between IE Singapore's latest export figures and D&B Singapore's findings showed that 17 of the 20 most searched countries matched those in IE Singapore's list of top 20 export countries, with a further 8 matching the top 10 and 3 matching the top 5 in 2013 (refer to Table 1).

2013 Exports by Region/Country		
Rank	Country	Export (in millions)
1	Malaysia	62,460.9
2	China	60,530.6
3	Hong Kong	57,351.1
4	Indonesia	50,740.9
5	United States	29,444.0
6	Japan	22,054.2
7	Korea, Republic of	20,798.9
8	Australia	19,707.5
9	Taiwan	19,142.1
10	Thailand	18,986.9
11	India	14,038.4
12	Vietnam	13,602.7
13	Philippines	8,378.9
14	Netherlands	8,031.9
15	United Arab Emirates	7,020.7
16	Germany	7,310.4
17	France	5,298.1
18	United Kingdom	4,318.3
19	Brazil	3,421.6
20	Bangladesh	3,177.3

Source: International Enterprise Singapore & Department of Statistics Singapore

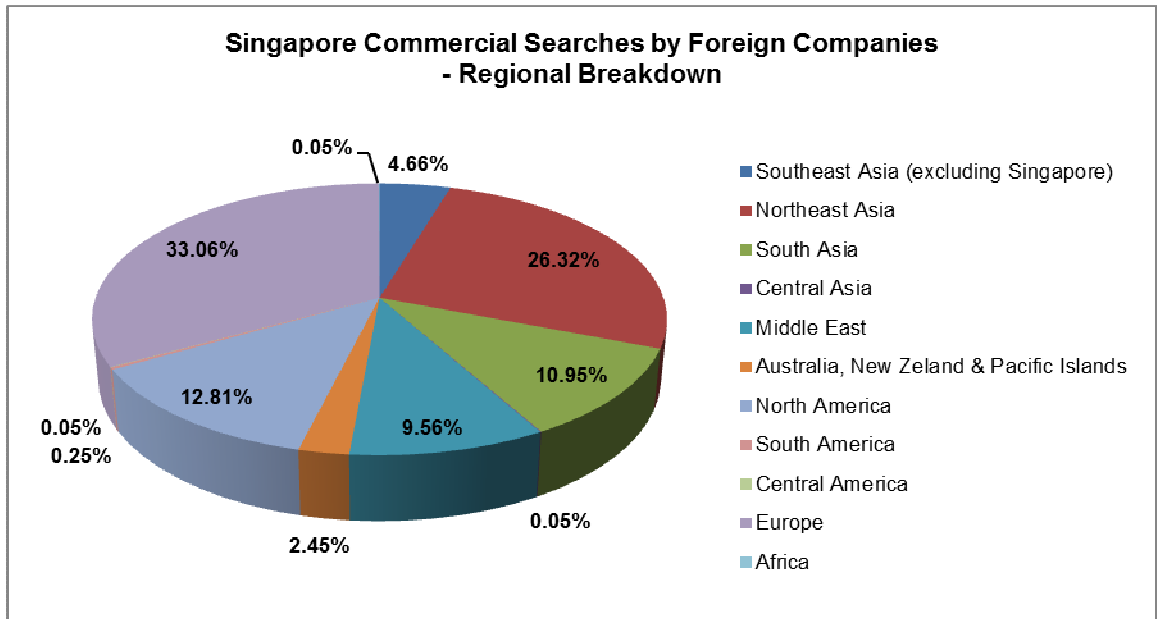
The upper tier of the most searched countries by Singapore companies remained largely unchanged over the past two years. Malaysia ranked atop the list of most search countries by local firms for two consecutive years, accounting for slightly more than 10 per cent of the total overseas commercial credit searches in 2013. China was the second most searched country by Singapore firms last year. The slower but steady and sustainable growth have continued to spur local firms to expand their exports of financial services, information and communication technology, industrial machinery and other Non-oil domestic exports (NODX). Indonesia rounded off the top three most searched countries, accounting for 7.63 per cent of the total overseas commercial credit searches in 2013.

More movements in the rankings were noted in the bottom tier of the most searched countries by Singapore companies. The Philippines, United Arab Emirates and New Zealand saw improvements in their rankings as the volume of commercial credit searches for these countries increased substantially over the past two years. Export figures from the Philippines rose by 13.36 per cent to \$8,378.9 million while export revenue from United Arab Emirates increased by 19.21 per cent to \$7020.7 million in 2013. Pakistan entered the top 20 list as trade activities between the two economies increased over the two-year period. According to D&B Singapore, the number of local searches on Pakistan increased significantly by 93.9 per cent, the greatest increase for the most searched country. IE Singapore reported that export figures from Pakistan grew by 13.87 per cent, accounting for \$1,274.3 million in export revenue last year.

Top 20 Most Searched Countries by Singapore Companies				
2013 Ranking	2012 Ranking	Change	Country	Percentage (%)
1	1	—	Malaysia	10.91%
2	2	—	China	7.74%
3	3	—	Indonesia	7.63%
4	4	—	Thailand	7.13%
5	5	—	India	6.61%
6	6	—	Australia	6.29%
7	7	—	Vietnam	6.01%
8	8	—	Hong Kong	5.91%
9	9	—	United States	4.27%
10	10	—	Taiwan	4.24%
11	13	▲	Philippines	3.92%
12	11	▼	South Korea	3.35%
13	12	▼	Japan	3.12%
14	14	—	United Kingdom	2.20%
15	15	—	Germany	1.57%
16	19	▲	United Arab Emirates	1.26%
17	-	New	Pakistan	1.22%
18	20	▲	New Zealand	1.01%
19	17	▼	Netherlands	0.99%
20	18	▼	Switzerland	0.88%

Table 1: Top 20 Most Searched Countries by Singapore Companies in 2013

A different pattern was observed in the profile of commercial credit searches done on Singapore companies by other countries. According to D&B Singapore, Europe accounted for nearly one-third of Singapore commercial credit searches done by foreign companies at 33.06 per cent. Northeast Asia is the second region with the most number of commercial credit searches being done on Singapore companies, making up more than a quarter of the commercial credit searches at 26.32 per cent. North America ranks third accounting for 12.81 per cent of all Singapore commercial credit searches. Recent import figures from IE Singapore showed that revenue from Europe, Northeast Asia and North America totaled \$72.1 billion, \$150.2 billion and \$49.8 billion respectively.



Fig

Figure 2: Regional Breakdown of Singapore Commercial Searches by Foreign Companies

However, D&B Singapore revealed that similarities were noted in a cross-comparison between Singapore's top importers and the list of top countries doing commercial credit searches on Singapore companies. A total of 14 countries doing searches on Singapore firms matched IE Singapore's list of top importers, with a further 5 matching the top 10 and 2 matching the top 5 in 2013.

2013 Imports by Region/Country		
Rank	Country	Export (in millions)
1	China	54,669.1
2	Malaysia	51,090.7
3	United States	48,278.7
4	Taiwan	36,271.6
5	Korea, Republic of	30,069.1
6	Japan	25,510.6
7	Indonesia	24,049.3
8	United Arab Emirates	20,685.7
9	Saudi Arabia	16,095.0
10	Germany	13,605.2
11	Thailand	11,605.3
12	India	11,415.8
13	France	10,116.0
14	United Kingdom	9,958.0
15	Netherlands	7,156.2
16	Philippines	6,366.1
17	Australia	5,195.3
18	Kuwait	4,325.1
19	Vietnam	3,825.8
20	Hong Kong	3,687.4

Source : International Enterprise Singapore & Department of Statistics Singapore

For 2013, Japan unseats the United States to be the top country conducting credit searches on Singapore companies, making up almost 16 per cent of commercial searches done on Singapore companies. Since tariff concessions in Japan and Singapore’s New Age Economic Partnership Agreement (JSEPA) came into effect in 2008, trade activities between both economies have been strong as market access for goods improved. United Kingdom (UK) inched up a notch from third to second place, accounting for more than one-tenth of commercial searches done on Singapore companies while the United States (US) fell to the third place possibly due to a slowdown in exports in 2013.

Korea made the largest leap moving up seven notches from 20th to 13th place, to be one of Singapore’s fast-growing importers over the past two years. Trade statistics from IE Singapore also showed that import of Korean products and services continued on an expansionary path in 2013.

Top 20 Countries Doing Commercial Searches on Singapore Companies				
2013 Ranking	2012 Ranking	Change	Country	Percentage (%)
1	2	▲	Japan	15.99%
2	3	▲	United Kingdom	13.14%
3	1	▼	United States	11.53%
4	5	▲	India	9.91%
5	4	▼	United Arab Emirates	9.47%
6	6	—	Germany	7.64%
7	7	—	Hong Kong	5.81%
8	8	▲	Malaysia	3.45%
9	10	▲	Netherlands	2.83%
10	11	▲	Australia	2.30%
11	9	▼	Italy	1.91%
12	13	▲	China	1.80%
13	20	▲	Korea	1.71%
14	12	▼	Canada	1.28%
15	14	▼	Switzerland	1.25%
16	16	—	Spain	1.11%
17	18	▲	France	1.10%
17	-	New	Ireland	1.10%
19	17	▼	Pakistan	1.04%
20	19	▼	Taiwan	1.01%

Table 2: Top 20 Countries Doing Commercial Searches on Singapore Companies in 2013

“The link between imports and credit searches on Singapore companies from foreign firms is less defined compared to exports and credit searches by Singapore companies. This is likely due to the fact that credit reports are less commonly used in developing economies or emerging markets.” said Ms. Chia.

As the outlook in advanced economies remained uncertain and the Eurozone in recession, D&B Singapore highlights that recovery in Singapore's exports shifted towards emerging markets mainly in Southeast Asia, South Asia and the Middle East. Both regions represented Singapore's most promising routes for trade last year. The credit bureau notes that significant increases in the volume of searches were also evident for Vietnam, Myanmar, Philippines and United Arab Emirates.

"Singapore remains very much an attractive destination for developed economies to expand their business here with its highly advanced and efficient business infrastructure. This is evident from the fact that at least 10 of the top 20 countries performing commercial searches on Singapore companies are from developed economies. On the other hand, the rising role of emerging markets in Singapore's external trade is reflected by a greater representation of developing economies in the most searched countries by Singapore companies, with Pakistan, Vietnam, Myanmar and the United Arab Emirates taking the lead. Local companies have been struggling on two fronts with rising business costs and intense domestic competition. Emerging markets have a lot to offer as an alternative for companies planning to go regional." added Ms. Chia.

About D&B

D&B is the world's leading provider of business-to-business credit, marketing and purchasing information and receivables management services. D&B manages the world's most valuable commercial database with information on more than 225 million companies. D&B has a database of 100 million tradelines on a global basis and 26 million within the Asia Pacific region.

Information is gathered in over 220 countries, in 95 languages or dialects, covering 186 monetary currencies. The database is refreshed more than one million times daily as part of D&B's commitment to provide accurate, comprehensive information for its customers around the world.

For more information, please visit www.dnb.com.sg.

Contact Information

Eugene Z.
Marcom & Product Development
DID: +65 6439 6670
HP: +65 9478 5568
Email: Eugene.tan@dnb.com.sg