

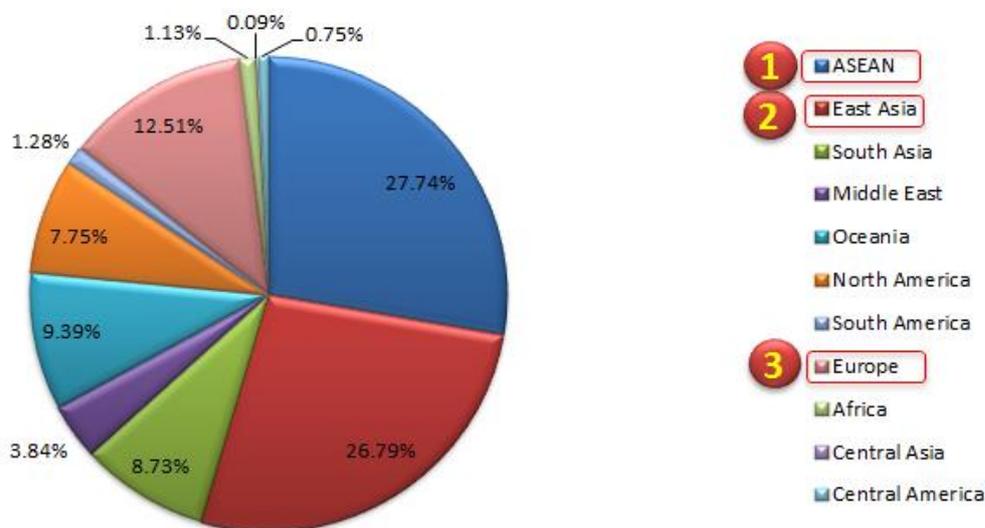
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**FOR IMMEDIATE RELEASE**

**Rebound in overseas credit searches  
 amid turnaround in trade growth in 2017**  
*Rise in ASEAN and East Asian Credit Searches by Singapore firms*  
*-Singapore Commercial Credit Bureau*

**Singapore, 20 Mar 2018** – Overseas credit searches by Singapore has rebounded in 2017 after experiencing a slight decline in 2016. According to Singapore Commercial Credit Bureau (SCCB), overseas credit searches by local businesses have risen by 3.04 per cent in 2018, compared to the 1.16 per cent decline in 2016 in light of a turnaround in overall trade growth in 2017. In a recent report released by International Enterprise (IE) Singapore, total merchandise trade increased by 11.1%. Non-oil domestic exports (NODX) and non-oil re-exports (NORX) rose by 8.8 per cent and 5.5 per cent respectively in 2017.

**Commercial Searches by Singapore Companies on Foreign  
 Companies in 2017**



*Figure 1. Regional Breakdown of Overseas Commercial Searches by Singapore Companies in 2017*

The ASEAN region accounted for the highest proportion of overseas credit searches by Singapore firms for the fifth consecutive year, followed by East Asia and Europe. Both ASEAN and East Asia saw a slight uptrend in overseas searches made in 2017 compared to 2016. According to SCCB, the proportion of credit searches made on ASEAN companies rose slightly from 27.17 per cent in 2016 to 27.74 per cent in 2017. Malaysia, Indonesia and Thailand registered the most credit searches within ASEAN by Singapore firms. According to IE Singapore’s recent trade statistics, the three countries were Singapore’s top ASEAN trading partners for 2017.

Credit searches on East Asian companies have also increased, climbing marginally from 26.70 per cent in 2016 to 26.79 per cent in 2017. According to SCCB, China, Hong Kong and the Republic of Korea were the most searched countries within East Asia by Singapore firms. Statistics from IE Singapore also showed that the three countries were the top trade destinations within East Asia.

Meanwhile, credit searches on Europe have declined for the second consecutive year, down from 13.13 per cent in 2016 to 12.51 per cent in 2017. United Kingdom, Italy and Germany were the most searched European countries by local firms.

## Top 20 Most Searched Foreign Markets by Singaporean Companies in 2017

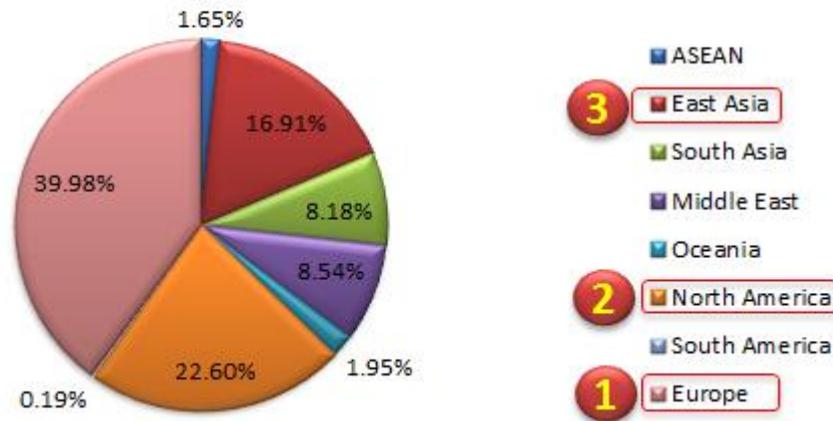


Figure 2. Singapore’s Top 20 Most Searched Countries & Top Exporting Partners in 2017

A comparison between IE Singapore’s latest trade annual trade figures and SCCB’s findings showed that 10 of the 20 most searched countries matched those in IE Singapore’s list of top 10 exporting countries with a further 5 countries matching the top 20 most searched countries for 2017.

Credit searches made by foreign companies on local firms have increased visibly by 12.85 per cent, compared to the 1.21 per cent decline in 2016. Europe registered the highest proportion of credit searches done on Singapore companies, followed by North America and East Asia.

### Commercial Searches by Foreign Companies on Singapore Companies in 2017



*Figure 3. Regional Breakdown of Credit Searches by Overseas Companies on Singapore Companies in 2017*

According to SCCB, credit searches by European companies have increased from 26.56 per cent in 2016 to 39.98 per cent in 2017. The United Kingdom, Germany and Netherlands were the top European countries which accounted for the highest proportion of searches done on Singapore firms. Credit searches by North American companies accounted for the second highest proportion of searches, sliding further from 26.48 per cent in 2016 to 22.60 per cent in 2017. East Asian companies registered the third highest proportion of credit searches, falling visibly from 21.13 per cent in 2016 to 16.91 per cent in 2017. Japan, Hong Kong and China were the top 3 East Asian countries which accounted for the highest number of searches on Singapore firms.

## Top 20 Most Searched by Foreign Markets on Singaporean Companies in 2017

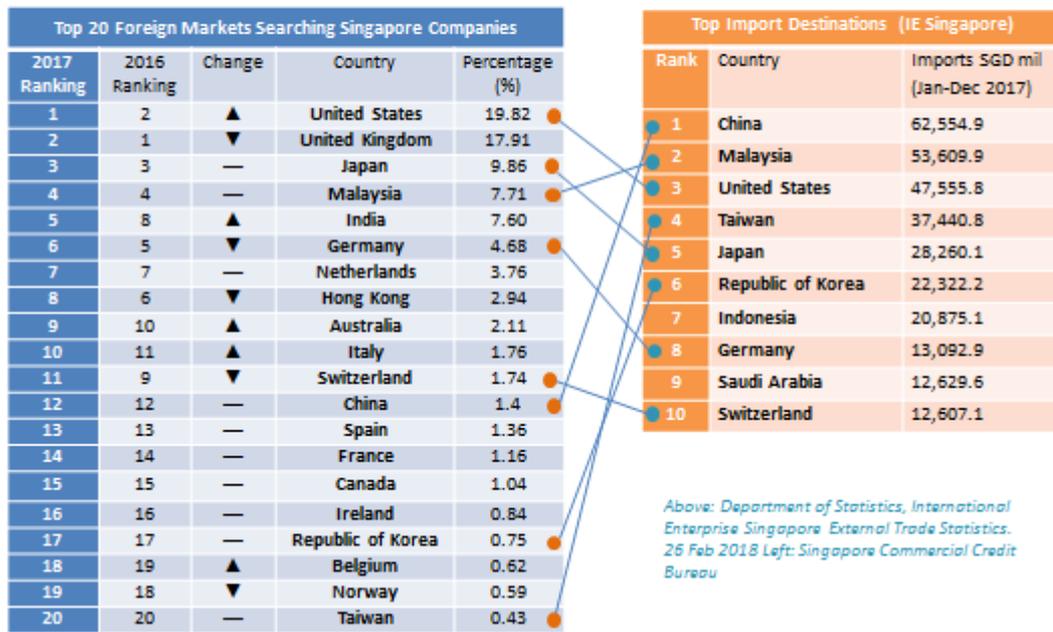


Figure 4. Top 20 Countries doing searches on Singapore firms & Top Importing Partners in 2017

The findings also revealed some correlation between Singapore’s top import partners and countries conducting the most searches on Singapore companies. A comparison between IE Singapore’s latest import figures and SCCB’s findings showed that 8 of the top 20 most searched countries matched those in IE Singapore’s list of top 10 import destinations, with a further 5 matching the top 20 for 2017.

“The improved trade environment in 2017 has encouraged higher levels of credit vigilance among local firms over the past year. This is especially the case for the rise in overseas searches done on companies in ASEAN and East Asia. While credit searches on European companies have declined slightly, we would expect due diligence activities to pick up in 2018 with the ratification of the bilateral trade and investment deal between Singapore and the EU in the coming months.” commented Singapore Commercial Credit Bureau’s Chief Executive Officer, Ms. Audrey Chia.

As with 2016, majority of Singapore firms have experienced an unchanged credit rating in 2017. The credit rating comprises of both financial strength and risk indicator components. According to SCCB, the proportion of firms which saw an unchanged status in financial strength increased marginally from 58.55 per cent in 2016 to 59.82 per cent in 2017. In the meantime, the proportion of firms with unchanged risk standing decreased moderately from 67.95 per cent in 2016 to 61.17 per cent in 2017.

On the overall, risk standing of local firms has improved. The proportion of firms which experienced a decline in risk standing decreased slightly from 18.41 per cent in 2016 to 15.13 per cent in 2017 while the proportion of firms which experienced improvements increased from 13.64 per cent in 2016 to 23.70 per cent in 2017.

However, the proportion of local firms with a deterioration in financial strength has increased approximately three times from 10.26 per cent in 2016 to 30.04 per cent in 2017. Conversely, significantly fewer firms saw improvements in financial strength, sliding from 31.19 per cent in 2016 to 10.14 per cent in 2017.

Financial Strength	2017 %	2016 %	Risk Indicator	2017 %	2016 %
▼ (Deteriorated)	30.04%	10.26%	▼ (Deteriorated)	15.13%	18.41%
▲ (Improved)	10.14%	31.19%	▲ (Improved)	23.70%	13.64%
◀▶ (Unchanged)	59.82%	58.55%	◀▶ (Unchanged)	61.17%	67.95%

*Table 1. Credit Quality of Singapore Firms (2015 -2017)*

“The deterioration in financial strength of companies generally reflects the spillover effects of weaker business conditions seen in 2016 and 2017. Moving into 2018, we expect the fundamentals of companies to strengthen moderately.” added Ms. Chia.

**About Singapore Commercial Credit Bureau**

Established in 2005, Singapore Commercial Credit Bureau (SCCB) operates a database of local enterprises and their credit history to provide clients with the insight needed to build trust and improve the quality of business relationships with their customers, suppliers and business partners. SCCB operates under D&B Singapore.

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