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**FOR IMMEDIATE RELEASE**

**Strong decline in overseas credit searches by local firms in 2015**  
**Credit quality of local firms remain mixed amid heightened global risks**  
*-Singapore Commercial Credit Bureau*

**Singapore, 30 March 2016** – Overseas commercial searches by local firms have declined for the second consecutive year amid global uncertainties and tough economic conditions. According to Singapore Commercial Credit Bureau (SCCB), overseas credit searches by local businesses have made a marked decrease by 19.13 per cent in 2015. This represented an accelerated decline from the previous year when overseas credit searches fell by 12.83 per cent in 2014. According to International Enterprise (IE) Singapore, total merchandise exports fell 7.2 per cent.

**Commercial Searches by Singaporean Companies on Foreign Companies in 2015**

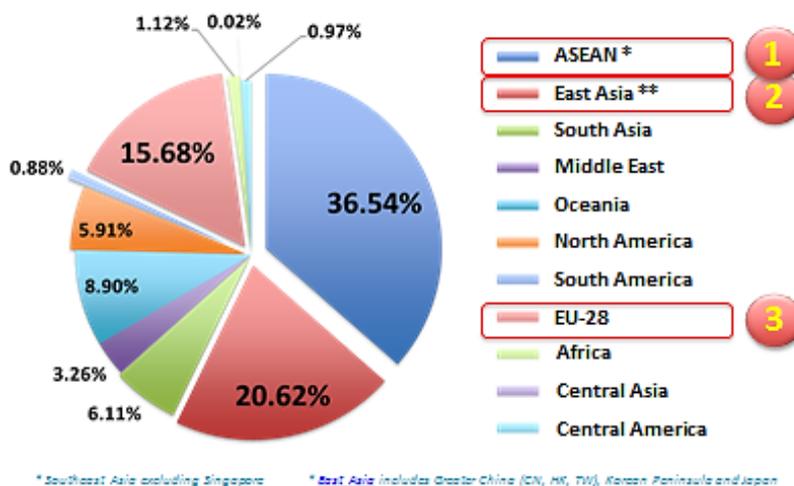


Figure 1. Regional Breakdown of Overseas Commercial Searches by Singapore Companies in

As with years 2013 and 2014, the ASEAN region accounted for the highest proportion of overseas credit searches by local firms, followed by East Asia and Europe (EU-28). For 2015, ASEAN made up slightly more than one-third of all overseas credit searches rising slightly from 33.04 per cent in 2014 to 36.54 per cent in 2015. Malaysia, Indonesia and Thailand emerged as the most searched on countries by Singapore companies. According to IE Singapore, the three countries remained as Singapore’s top non-oil domestic export markets for 2015.

Overseas credit searches on East Asian companies fell from 24.01 per cent in 2014 to 20.62 per cent in 2015, accounting for one-fifth of all overseas searches by local firms. China, Hong Kong and the Republic of Korea were the most searched East Asian countries by Singapore companies. IE Singapore reported growth in NODX in both Hong Kong and Republic of Korea in 2015.

Meanwhile, foreign credit searches on Europe (or EU-28) companies rose further from 12.69 per cent in 2014 to 15.68 per cent in 2015. The United Kingdom, Germany and the Netherlands were the most searched EU-28 countries by local firms. According to IE Singapore, total NODX for the region expanded by 4.2 per cent in 2015.

According to the statistics, Malaysia remained atop as the most searched country by Singapore companies for the third consecutive year, accounting for nearly one-tenth of total overseas credit searches in 2015. Australia and Indonesia ranked as the second and third most searched countries at 7.37 per cent and 6.30 per cent respectively. Both United Kingdom and the Republic of Korea have entered into the upper tier of the most searched countries, accounting for 3.29 per cent and 3.27 per cent of total overseas credit searches respectively.

## Top 20 Most Searched Foreign Markets by Singaporean Companies in 2015

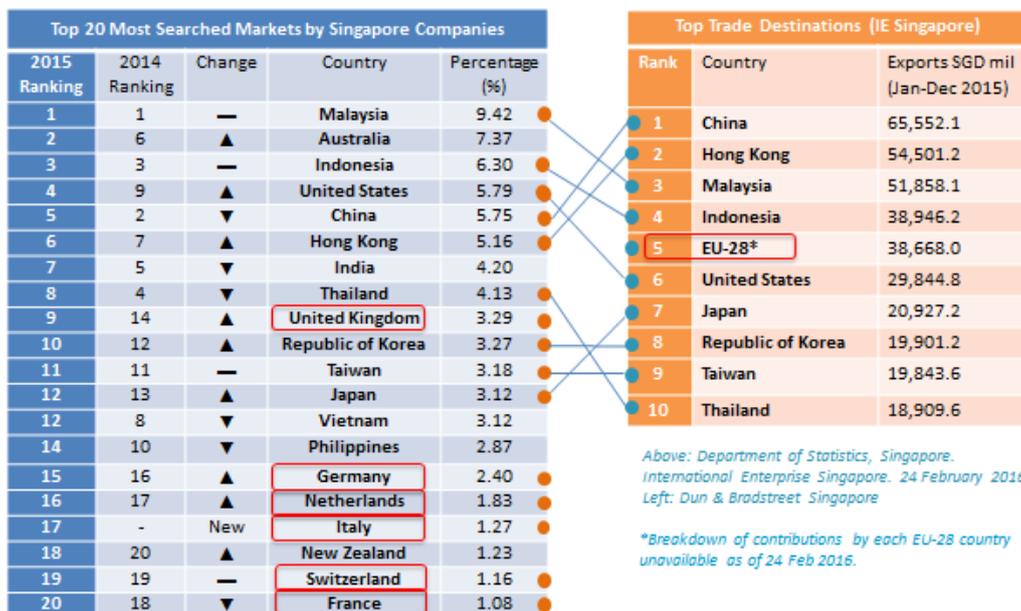


Figure 2. Singapore's Top 20 Most Searched Countries & Top Exporting Partners

The findings also revealed a strong correlation between Singapore's top trading partners and the most searched countries. A comparison between IE Singapore's latest export figures and SCCB's findings showed that 9 of the 20 most searched countries matched those in IE Singapore's list of top 10 exporting countries excluding EU-28 countries, with a further 4 matching the top 5 for 2015. Six EU-28 countries were represented in the top 20 most

searched countries by Singapore companies – United Kingdom, Germany, Netherlands, Italy, Switzerland and France.

However, credit searches made by foreign companies on local firms have moved in the opposite direction, rising significantly by 36.97 per cent over the past year from 2014 to 2015. EU-28 accounted for the highest proportion of credit searches done on Singapore companies, followed by North America and East Asia.

### Commercial Searches by Foreign Companies on Singaporean Companies in 2015

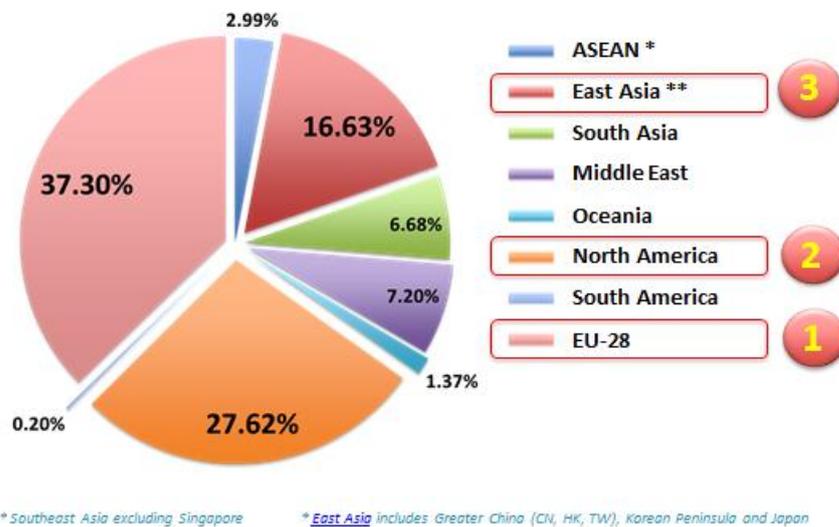


Figure 3. Regional Breakdown of Credit Searches by Overseas Companies

As with 2014, EU-28 represented the most credit searches done on Singapore, decreasing slightly from 39.44 per cent in 2014 to 37.3 per cent in 2015. The United Kingdom, Germany and The Netherlands accounted for the most searches on Singapore firms.

Credit searches by North American firms made up more than a quarter of credit searches, rising from 22 per cent in 2014 to 27.62 per cent in 2015. Meanwhile, credit searches by East Asia fell from 32.41 per cent in 2014 to 16.63 per cent in 2015. Japan, Hong Kong and China were the top 3 East Asian countries conducting the most searches on Singapore firms.

## Top 20 Most Searched by Foreign Markets on Singaporean Companies in 2015

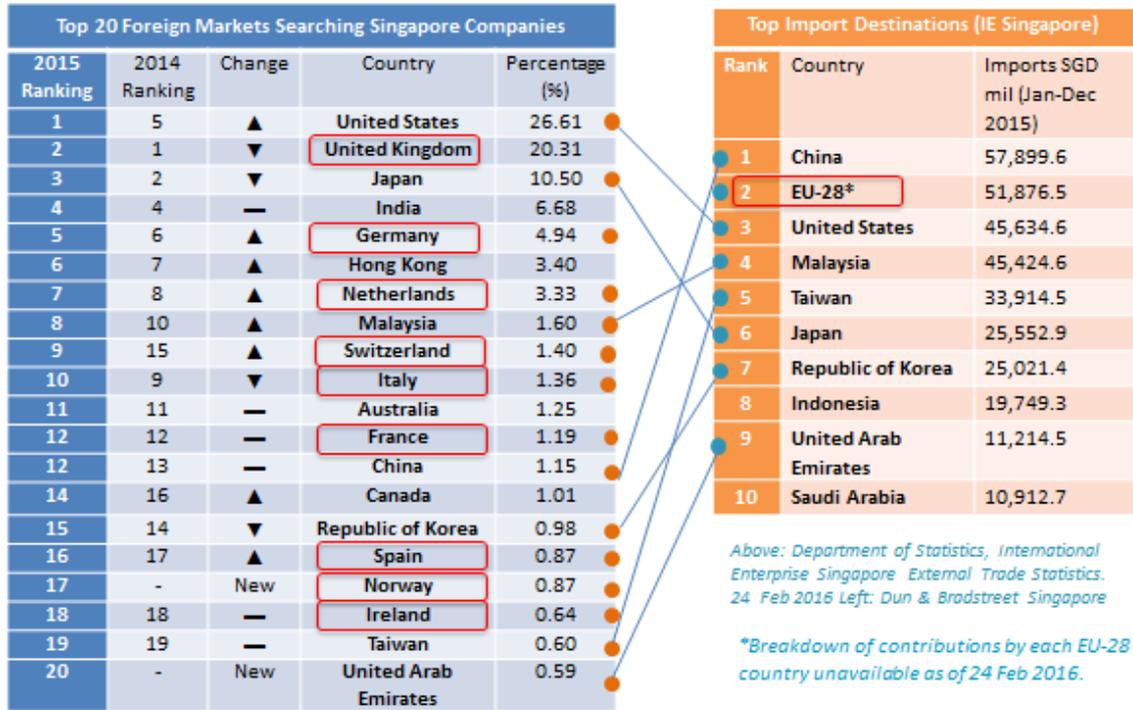


Figure 4. Top 20 Countries doing searches on Singapore firms & Top Importing Partners

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 export figures and SCCB’s findings showed that 7 of the 20 most searched countries matched those in IE Singapore’s list of top 10 importing countries, excluding EU-28 countries, with a further 3 matching the top 10 for 2015. Nine EU-28 countries were represented in the top 20 countries doing searches on Singapore companies – United Kingdom, Germany, Netherlands, Switzerland, Italy, France, Spain, Norway and Ireland.

“Over the past year, we have seen a visible decrease in overseas credit searches by Singapore companies, as firms are more cautious and have scaled back their overseas expansion plans given the global uncertainties and tougher economic conditions. However, our findings also revealed that foreign searches on local companies have increased which points to the fact that foreign investment interest in local markets has remained strong. With the growing clout of trade blocs within ASEAN and beyond, we foresee an increasing need for local firms to rise above the competition and be recognized for their credibility in the global arena.” said Singapore Commercial Credit Bureau’s Chief Executive Officer, Ms. Audrey Chia.

The credit quality of local firms has remained largely mixed over the past year. A visibly higher proportion of firms experienced an unchanged credit rating, which consists of both financial strength and risk indicator components. While the proportion of firms which saw deteriorations in financial strength was lower than those which saw improvements, a higher proportion of firms saw a decline in their risk standing compared to those which experienced improvements.

According to SCCB, the proportion of firms which experienced deteriorations in financial strength accounted for slightly more than one-tenth of firms at 10.93 per cent while those which saw improvements made up slightly more than two-fifths at 40.43 per cent. Meanwhile, close to half of firms experienced unchanged financial strength at 48.64 per cent.

On the other hand, the proportion of firms which saw improvements in risk indicator formed the minority, accounting for a mere 15.01 per cent compared to those which saw downgrades accounting for 21.11 per cent. Firms which experienced an unchanged risk indicator accounted for more than half of the firms at 63.88 per cent.

Financial Strength	% Change	Risk Indicator	% Change
▼ (Deteriorated)	10.93	▼ (Deteriorated)	21.11
▲ (Improved)	40.43	▲ (Improved)	15.01
◀▶ (Unchanged)	48.64	◀▶ (Unchanged)	63.88

Table 1. Credit Quality of Singapore Firms (2014 -2015)

“The deterioration in credit ratings stems largely from declines in the risk scores of firms in Singapore amid the global uncertainties. Out of every 100 firms, an average of 20 firms has had their risk indicator scores downgraded over the past year. However, we are also seeing a higher proportion of improvements in terms of the financial strength of firms. Hence, there should be no cause for alarm as the credit ratings are also evaluated based on a company’s merits and fundamentals.” commented 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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