

INTERNATIONAL ENTERPRISE SINGAPORE

Singapore, Your Global Trading Hub

Be where the action is



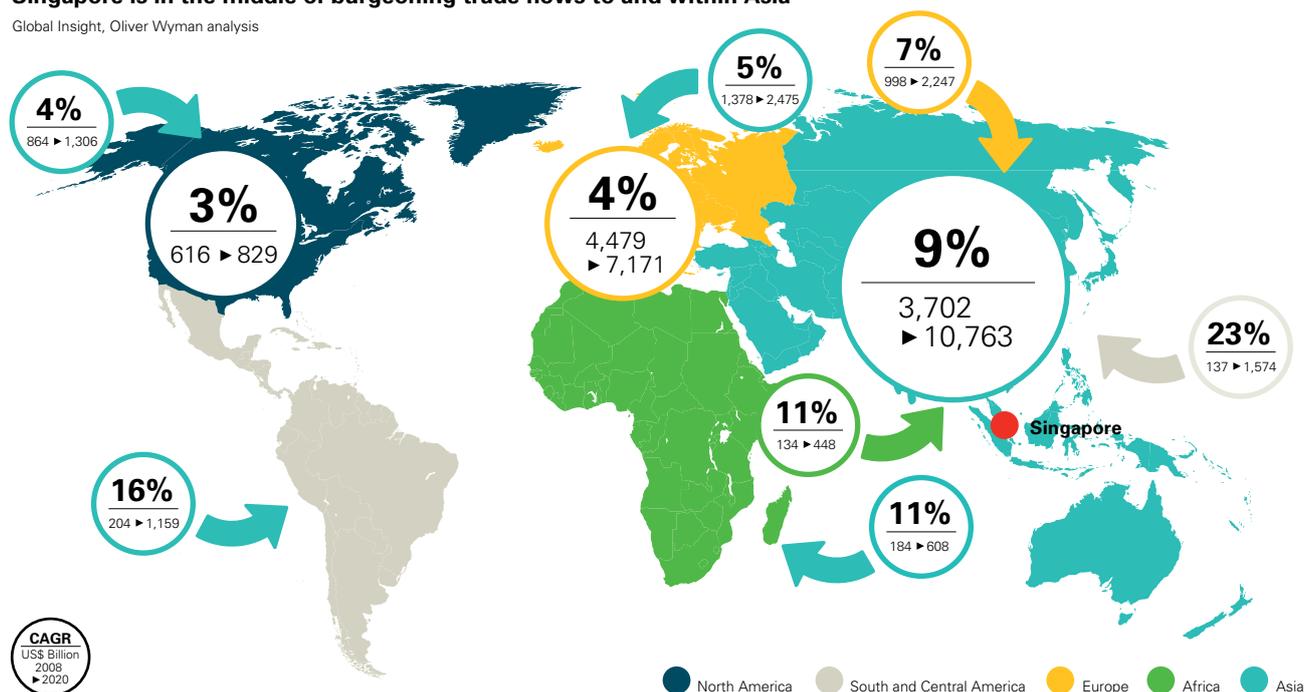
Driving
Singapore's
External
Economy

Asia is on everyone's lips and minds today.

So are commodities. Global trade is forecasted to grow an average of 7% each year till 2020. Of this, Asia is expected to account for about 60%, shifting the focus away from Europe and North America, the traditional centres of global trade.

Singapore is in the middle of burgeoning trade flows to and within Asia

Global Insight, Oliver Wyman analysis



Centre of the Trading Universe

Singapore is right in the thick of the action, being strategically located in the middle of key trade flows from Asia, Australia, Europe, the Middle East and the US.

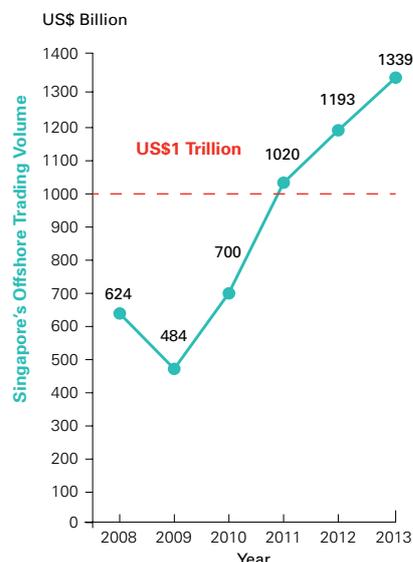
Many global trading companies have relocated some of their most vital operations, like global shipping and trade finance, to Singapore. With the upward trend in trade volumes, their Singapore offices are expanding into regional or strategic headquarters, performing significant functions such as finance & treasury, risk management, freight & logistics management, business development and global procurement & marketing.

As the senior executives in these trading houses move to Singapore, the country becomes a natural marketplace of choice for decision-making, deal-brokering and supply chain management. This has led to Singapore's emergence as a top trading hub for commodities such as coal, iron ore, oil, liquefied natural gas, grains, sugar and rubber.

Right on time

Singapore is conveniently located in a time zone that enables foreign companies to oversee the Asia Pacific markets. Being seven hours ahead of London and 12 hours ahead of New York, Singapore allows traders to complete the 24-hour trading cycle, giving flexibility in trading operations.

Singapore is Asia's largest physical commodities trading hub



Singapore is the Asian home to the top global commodities players across the three key clusters

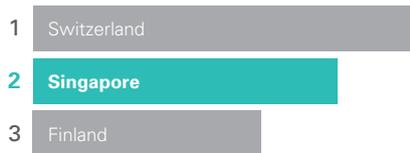
 <p>Agri-Commodities</p> <p>Asia Pacific hub for grains, palm oil and sugar</p> <p>World pricing hub for rubber</p>	 <p>Energy & Chemicals</p> <p>Largest oil trading hub and pricing centre in Asia</p>	 <p>Metals & Minerals</p> <p>Key hub for base metals, iron ore and coal</p>
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Singapore is recognised globally as one of the most competitive economies in the world

Economist Intelligence Unit
 "Hot Spots: Benchmarking Global City Competitiveness", 2012

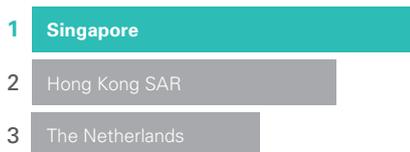


World Economic Forum
 "The Global Competitiveness Index", 2013-2014

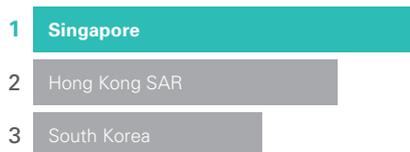


Singapore is also acknowledged as the economy most open to and conducive for trading

World Economic Forum
 "Global Enabling Trade Report", 2014



The World Bank Group
 "Ease of Doing Business Report" – Trading Across Borders index, 2014



Bram Klaijzen
 President and Regional Director for Asia Pacific
 Cargill Asia Pacific Holdings

How big are your operations in Singapore?

We opened our Singapore office in 1981 and currently employ about 500 employees. Four of Cargill's business units are headquartered here alongside some of our global and regional trading desks. Our regional management team and regional corporate functions for Asia Pacific are also based in Singapore.

What enticed you to do business in Singapore and how important is this to your business?

Singapore, Cargill's Asia Pacific regional hub, provides a conducive environment for us to do business. The country offers many advantages such as political stability, excellent telecommunications and transport infrastructure, access to world-class talent and good governance and transparency. We are fully committed to Singapore as our regional hub. In fact, our workforce in our Singapore office has nearly doubled over the past five years.

How is Singapore benefiting your business in the region?

Thanks to the country's liberal immigration policies, we have been able to build a global team in our Singapore office comprising 26 nationalities. Additionally, Singapore's strategic location, attractive tax regime and status as a premier business, banking and maritime centre position us well to capitalise on growth opportunities in Asia Pacific.



Martin Houston
Executive Director
BG Group

Please share with us how your business started in Singapore.

BG Group opened its office in Singapore in the 1990s, primarily as a regional head office location with holding company and financing activities supporting businesses in Thailand, the Philippines and Malaysia. This has grown over time to include many additional regional activities and our domestic Singapore LNG supply and gas marketing business, which underpins Singapore's strategic energy security policy.

Has basing your operations in Singapore given you an edge over your competition?

We have a substantial customer base in Asia. The benefits of being based in a first class location in the Asia Pacific region, closer to our customers, have undoubtedly improved our competitiveness.

Any expansion plans in Singapore and the region?

In partnership with the Singapore Government, we have quickly established a material demand for LNG in Singapore. In the medium term, this demand will exceed the initial target of three million tonnes per annum of long-term sales. Having underpinned the required infrastructure, we expect to see the market open up and increasingly participate in the spot and medium-term LNG markets and we see possible expansion in Singapore as a regional trading hub. We also expect the continued transfer of some of our corporate activities to cover the Asia Pacific region and the potential for increased LNG and oil trading activities to be based in Singapore as part of our global energy marketing footprint.

Robust Trade Ecosystem

Singapore's large cluster of trading firms, across the energy, agri-commodities and metals & minerals sectors, is undergirded by a strong ecosystem of trade services in finance, risk management, insurance, arbitration and logistics.

Access to Financing

Affordable trade finance is akin to the lifeblood of trading firms and Singapore offers the necessary infrastructure and expertise in this regard. Ranked fourth among 83 global financial hubs¹, Singapore is the largest corporate banking centre in Asia. The nation has over 500 financial institutions which provide merchant and wholesale banking, including trade finance and structured commodity financing banks. Some of these have even established regional headquarters in Singapore. Due to the low cost of financing, many trading companies have also set up finance and treasury centres in Singapore to borrow for subsidiaries

globally. The sheer number of banks also presents loan syndication as a viable financing option. The volume of loan syndication reached US\$30 billion in 2011. Riding on the growth in confidence and appetite of banks in Singapore, loan syndication will allow trading firms to tap into the diverse range of well-capitalised Asian banks for funding.

Capital financing is also an attractive option, with the Singapore Exchange (SGX) being Asia's most internationalised exchange. In particular, 36 commodities companies are listed on SGX, with a total market capitalisation of more than US\$50 billion. This makes it attractive for commodities companies seeking equity financing. SGX is also the top listing venue in Asia for international debt securities, with more than 1,300 listed debt securities from 35 countries in 19 currencies, raising up to S\$840 billion.

Singapore has over 500 financial institutions providing merchant and wholesale banking



¹ "The Global Financial Centres Index 15", Z/ Yen Group, March 2014

² "Survey of Singapore Foreign Exchange Volume in April 2014", The Singapore Foreign Exchange Market Committee, July 2014

In fact, the resource and commodities sector accounts for about 13% of the issuers of debt securities. SGX also holds the largest market share of convertible bonds in Asia ex-Japan at 67%. Compared to the traditional fixed or floating bond in the debt market, convertible bonds feature a lower coupon/ yield rate, especially helpful for companies with an aggressive demand for new funding.

Risk Management

As commodities and financial markets turn increasingly volatile, risk management has become an inextricable function of trading houses. Commodities firms looking to hedge foreign exchange exposure find it easy to do so with Singapore being the second largest foreign exchange centre in Asia, having an average daily turnover volume of US\$291 billion in April 2014².

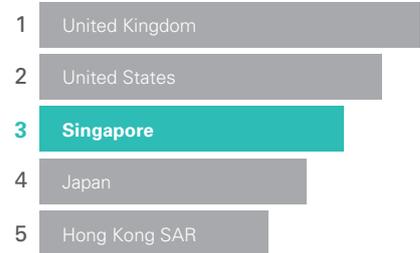
Insurance

Singapore has a diverse mix of more than 200 insurance players with sophisticated risk management solutions, making it one of the key insurance hubs in Asia. Together with leading reinsurers and brokers, insurance companies have gradually expanded their presence in step with the growth in business here. The Republic continues to progress as the region's centre for more specialised and complex risks such as aviation, energy, marine, political and trade credit risks.

Singapore ranks among the top 5 foreign exchange centres in the world

"Triennial Central Bank Survey", Bank for International Settlements, 2013

2013



IE Singapore's Global Trader Summit brings together leaders in the global trading community to shape the future of global trading markets



Legal Arbitration

Accompanying the rise in Asian trades, the number of arbitration cases administered in Singapore has also increased steadily. The city state has been ranked first for how its legal framework encourages the competitiveness of enterprise³. The strong rule of law, high connectivity with other cities and developed infrastructure are some reasons why many companies are choosing Singapore as the arbitration point in their contracts. It also gives companies great comfort to know that Singapore practises common law and recognises contractual issues against sovereign states acting in a commercial capacity.

Singapore is the top arbitration centre in Asia

"International Arbitration Study", White & Case LLP, 2010

1	France	International Chamber of Commerce, International Court of Arbitration (ICC)
2	United Kingdom	London Court of International Arbitration (LCIA)
3	United States	American Arbitration Association/ International Centre for Dispute Resolution (AAA/ ICDR)
4	Singapore	Singapore International Arbitration Centre (SIAC)
5	Japan	Japan Commercial Arbitration Association (JCAA)
6	Hong Kong	Hong Kong International Arbitration Centre (HKIAC)

Logistics & Freight Management

Singapore has one of the world's most vibrant ports. Total bunker sales in 2013 reached 42.5 million tonnes, making Singapore the leading bunker port. With Singapore having such a large pool of international shipping groups, shipping brokers and third party logistics players, commodities trading firms have chosen to base global freight management teams here as well.

³ "World Competitiveness Yearbook", Institute for Management Development (IMD), 2011

Singapore's international network of agreements enhances its attractiveness for investment holding

76

Avoidance of double taxation agreements

Reduce tax burdens in repatriating profits

42

Investment guarantee agreements

Protect investments in politically volatile countries

21

Free trade agreements with 32 trading partners

Ease market access

More than 140,000 ships call at Singapore, the leading bunker port, every year



Capital for Talent

Trading talent forms the backbone of trading houses. The country houses the largest pool of trading talent in the world, after London, New York City and Houston and has been the most attractive assignment choice for Asian expatriates for the past 13 years⁴.

Singapore is attractive for its low personal income tax rates which reach a maximum of 20% for top income earners, and also lends itself well to those who play as hard as they work. The flourishing arts and cultural scene brings the city to life with its host of acclaimed museums and exhibitions, exciting sporting events and international theatre productions. For those who enjoy their time under the sun, the green metropolis devotes more than 3,000 hectares to parks and reservoirs, enjoyed by avid cyclists and nature enthusiasts alike.

It is therefore not surprising that Singapore has been consistently named as Asia's most liveable city⁵. This is a testament also to its safe environment, affordable public transportation system, well-established healthcare services and highly regarded educational system.

⁴ "Location Ratings", ECA International, 2012

⁵ "Quality of Living Ranking", Mercer, 2014



Ben Burnand
Country Manager, Singapore
Anglo American

What made you agree to relocate with your family to Singapore?

To be perfectly honest, when I was first asked, I knew very little about Singapore. The only thing I had to go on was a text from my brother-in-law saying I would be mad not to go. With that, I did some research around schooling, accommodation, food and general lifestyle before I broached the subject with my family. Singapore ticked almost all the boxes for us. As a plus it provides the ideal platform from which to educate ourselves and our kids about the region's many fascinating cultures.

What was the transition like?

We heard some horror stories about relocating to other countries. Though, in our case, the support from our company, the relocation agents, the Singapore Government and the many new friends who have helped us along the way made the experience a memorable one for all the right reasons.

What does your family enjoy most about living in Singapore?

It is not one thing but rather a balance of a number of things. We love the fact that we can go as a family to run at the track or swim at Toa Payoh Sports Hall; we have options on how we want to get around the island and can go from beautiful parks like MacRitchie Reservoir or the Botanical Gardens to shows, museums or high-end shopping at the Marina Bay Sands or Orchard Road. At the moment, every week is still a new adventure.

How does Singapore compare with other cities you have lived in?

For us, the mark of a great city is how it welcomes and accommodates others, appreciating the role 'outsiders' need to play in respecting local customs and values as part of this relationship. To date, we have felt welcomed by the large majority of Singaporeans and expatriates alike. We look forward to learning more about what it has taken to create this relatively unique multicultural society and hope that some of the humility of the many Singaporeans (permanent and temporary) we are meeting rubs off sufficiently on us.

How International Enterprise (IE) Singapore can grow your commodities trading business in Asia Pacific

International Enterprise (IE) Singapore is the government agency driving Singapore's external economy. We spearhead the overseas growth of Singapore-based companies and promote international trade.

Trade has always been the backbone of Singapore's economy. In addition to promoting export of goods and services, IE Singapore also attracts global commodities traders to establish their global or Asian home base in Singapore. Today, Singapore is a thriving trading hub with a complete ecosystem for the energy, agri-commodities and metals & minerals trading clusters.

Renowned worldwide for their dedication to quality and innovation, Singapore-based companies make ideal business partners. With our global network in over 35 locations spanning many developed and emerging markets, we connect businesses with relevant Singapore-based companies for their business expansion by:

- helping to identify and cultivate relationships with Singapore-based partners that have a pan-Asian or global presence
- keeping companies abreast of the latest business trends and opportunities in Asia

Visit www.iesingapore.com for more information.

Our Global Network

Abu Dhabi
Accra
Bangkok
Beijing
Chengdu
Chennai
Chongqing
Dalian
Doha
Dubai
Frankfurt
Guangzhou
Hanoi
Ho Chi Minh City
Istanbul
Jakarta
Jeddah
Johannesburg
Kuala Lumpur
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Los Angeles
Manila
Mexico City
Moscow
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New Delhi
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Yangon



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