

SPEECH

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**Launch of the 2018 Singapore 1000 and SME 1000 incorporating
Singapore International 100**

Media Conference

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1. Thank you for attending this morning's media briefing.
2. I would like to begin by explaining what the Singapore 1000 is, and why it is important.
3. For more than three decades, DP Information has published the Singapore 1000 to identify the best performing companies in Singapore.
4. DP Information has the most extensive database of company financials, which places us in a unique position to undertake this project.

5. These rankings are an enormous undertaking. It involves analysing the financial returns of more than 70,000 companies, including thousands which are voluntarily submitted and are unavailable through public sources.
6. We publish the Singapore 1000 alongside two companion rankings – the SME 1000 and the Singapore International 100.
7. Together they represent the most comprehensive audit of Singapore’s corporate sector ever undertaken.
8. The Singapore 1000 is a list of companies ranked by turnover. But more importantly, it is a goldmine of information on Singapore’s economy.
9. By reviewing the performance of our biggest and most successful enterprises as well as our most dynamic SMEs, we can see which industries are thriving, and which are doing it tough, and how each is contributing to Singapore’s economic success.

S1000 PERFORMANCE

10. I will now like to share with you our analysis of this year’s Singapore 1000.
11. Singapore’s top companies enjoyed their most profitable year ever.

12. Companies are in business to make money, and we can see in this year's ranking they have been doing just that.
13. The Singapore 1000 companies generated a combined profit of S\$182.8 billion this year compared to S\$165.4 billion in 2017, an increase of 10.5 per cent.
14. This double-digit increase takes their combined profits to a record high.
15. Between 2013 and 2018, the combined profits of the S1000 companies increased by S\$36.0 billion. This equates to a five-year compounded annual growth rate of 4.5 per cent.
16. While not all companies posted a profit, the number making losses fell from 176 to 147. As anyone in business knows, companies may experience losses when they restructure or invest in new ways to take their business forward.
17. Finance companies were the most profitable, with each recording an average profit of S\$811.5 million.
18. The next most profitable group of companies were in the Property Sector with an average profit per company of S\$428.6 million.
19. The industry which recorded the largest increase in profit was Electricity/Gas/Water sector, with a 30.2 per cent improvement to S\$198.8 million per company.

20. The next largest increase was in the Commerce/Wholesale sector where the profit per company increased by 29.4 per cent to S\$106.4 million.
21. It is important to note that this 10.5 per cent increase in profit was achieved in a period where turnover remained flat. The combined sales of the Singapore 1000 increased by just 1.1 per cent to S\$2.79 trillion in 2018.
22. This tells us the increase in profits is the result of improved margins, rather than increased sales volumes.
23. Profit margins have improved from 10.4 per cent in 2017 to 11.4 per cent in 2018.
24. In other words, the companies were more efficient and productive in their operations or were disciplined enough to reduce costs.
25. So overall, it was a good year for the Singapore 1000 companies. It was a year in which they did what they do best – generate revenue while remaining profitable.
26. The improvements were not limited to just one or two sectors. We see increased profits in most industries, which is a sign of an improved business environment and a strengthening economy.

27. Having strong and profitable corporations has a flow on effect to the wider economy.
28. As large companies see their bottom-line improve, they are more likely to pursue growth strategies and expansion.
29. This means increased spending on wages and employment, as well as opportunities for smaller firms to supply their goods and services.
30. So when companies are doing well, the rest of Singapore also does well.

SME 1000 PERFORMANCE

31. While the Singapore 1000 companies enjoyed a record year, it was a different story for the SME 1000 companies which include the largest mid-sized businesses in Singapore.
32. The top 1000 SMEs saw both their turnover and profits fall during the ranking period.
33. Combined turnover is down by 11.8 per cent from S\$30.2 billion in 2017 to S\$26.7 billion in 2018.
34. Profits declined from a combined S\$3.5 billion in 2017 to S\$2.9 billion in 2018 – a drop of 17.1 per cent.

35. Transport/Storage SMEs fared the worst with a 24.6 per cent decrease in combined turnover resulting in a 53.8 per cent drop in combined profits.
36. Another sector where SMEs were under strain was the Commerce-Wholesale sector which recorded a 17.8 percent drop in combined turnover and a 22.7 per cent decline in combined profits.
37. When analysing the results of these two sectors it is important to remember, their performance is strongly linked to international trading conditions.
38. SMEs are emerging from a difficult period which is reflected in the SME 1000 results this year.
39. Many struggled against factors beyond their control including slow GDP growth, weak global trade and the need to invest in technology and productivity improvements in response to manpower restrictions.
40. However, there were some bright spots within the SME 1000 companies.
41. Hospitality/F&B was the best performing sector, with a 12.1 per cent increase in combined turnover leading to a 6.7 per cent improvement in combined profits.

42. The lower Singapore dollar during the ranking period attracted more foreign visitors to Singapore, driving up economic activity in this sector.
43. It is a result that confirms Singapore's attractiveness as a holiday destination with a unique food culture.
44. I would also like to draw your attention to the performance of the retail, construction and manufacturing sectors.
45. These three sectors were among the most affected by changes to foreign labour policies and a tightening of the labour market.
46. Each of these sectors achieved higher profits compared to last year. However, they did so despite having lower turnover.
47. So their profitability gains are from greater efficiencies, either through cost savings or productivity improvements.
48. We can see that after the shock of the labour restrictions, they have now emerged as more competitive, efficient and profitable companies.

SI100 - Top 100 Companies

49. I will now discuss the results of the Singapore International 100 rankings, which is based on the available data of the 100 companies with the largest overseas revenue.

50. Our analysis shows that overseas revenue fell 11.0 per cent to S\$165.4 billion compared to 2017. This follows a 9.9 per cent drop in international revenue last year.
51. The decline reflects global trading conditions during the ranking period, which saw trade volumes grow at their slowest rate since the financial crisis, as investment slumped in the US and China moved its economy towards domestic consumption.
52. China continues to be the largest source market for Singapore corporations doing business overseas, accounting for 42.9 per cent of offshore revenue.
53. The region which has shown the fastest growth is Africa where revenue has grown by 63.0 per cent in the last five years to S\$9.6 billion and now accounts for 6.1 per cent of international revenue.

SI100 - Top 50 SMEs

54. I would now like to look at how our mid-sized companies have been performing in the global marketplace.
55. This year the total overseas revenue of the top 50 internationalised SMEs increased by 3.3 per cent to S\$1.6 billion.

56. Our analysis shows SMEs prefer to do business close to home. Southeast Asia was again the most important market for the 50 SMEs with the highest international revenue.
57. This year 41.8 per cent of their revenue came from the ASEAN region - more than three times the revenue generated in China.
58. Singapore SMEs are extremely adept at doing business in ASEAN countries. Geographical proximity as well as cultural familiarity means there are fewer barriers to trading goods and services among Singapore's neighbouring countries.
59. We expect Southeast Asia to grow in prominence for SMEs as Singapore uses its position as ASEAN Chair to strengthen economic ties and to boost regional business opportunities.

AWARD WINNERS

60. Tomorrow night we will hold a Gala Dinner to celebrate the companies that have achieved something special during the ranking period and qualified to receive an award.
61. We will recognise the companies that performed the best compared to other ranked companies in their industry sector.
62. The awards are for turnover and profit growth, as well as international revenue growth. There is also a special category for promising SMEs.

63. The full list of Award winners is available in your media kit.

ACKNOWLEDGEMENTS

64. Let me conclude by thanking the partner organisations that worked with us to bring you this year's S1000.

65. I would like to thank our co-producer EY for their ongoing partnership. Their professional advice, along with the prestige that comes with their name are both greatly appreciated.

66. I also thank the supporting organisations for their contributions – the Singapore Business Federation, ACRA, IMDA, IE and SPRING.

67. Additionally, I would also like to thank our official media partners, The Business Times and the Fortune Times.

68. And I have a special thank you for our two sponsors – MasterCard and My Republic.

69. Thank you.

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