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(FOR IMMEDIATE RELEASE)

**SINGAPORE'S ELECTRONICS INDUSTRY SET FOR STRONG GROWTH
IN 2010 AND BEYOND**

1. The Singapore Economic Development Board (EDB) is optimistic that the electronics industry will see strong growth in 2010 and beyond. Electronics output grew by 60.6% in 1H 2010, riding on recovery in global demand and capacity expansions from electronics manufacturers in Singapore. This positive performance is driven by both manufacturing and services sectors of the electronics industry. The industry rebound has fuelled employment. EDB expects to generate more than 4,500 skilled electronics jobs from the investments attracted this year, which includes more than 2,000 services positions.
2. “EDB was able to attract a steady stream of investments in the electronics industry in 2009 despite a challenging global environment. With strong performances from both manufacturing and services sectors of the electronics industry, we are optimistic about continued growth for the industry in 2010 and beyond. We would also like to highlight the significant contribution from electronics-related services activities which include regional headquarters, control tower operations and R&D. These complement and strengthen the manufacturing sector,” said Mr Yeoh Keat Chuan, Assistant Managing Director, Singapore Economic Development Board (EDB).

Electronics commitments in 2009

3. In 2009, electronics investments amounted to S\$4.9 billion in fixed asset investment (FAI) and S\$1.8 billion in total business spending (TBS). These investments will generate more than 4,000 skilled jobs when fully implemented. This result brings electronics commitment figures back to pre-recession levels, and reflects investor confidence in Singapore's fundamentals of good governance, pro-business policies, established infrastructure, and an educated and skilled workforce.

Electronics manufacturing - Strong rebound to robust growth

4. The outlook for the electronics industry in Singapore this year is highly positive. The industry experienced a swift and sharp rebound on the back of an Asia-led global demand recovery. Electronics manufacturing output in Singapore grew 60.6% year on year in 1H 2010, with the semiconductor sector posting the largest year on year gain of 89.3%. This growth has outpaced global industry growth forecasts for the same period¹, which is a testament to Singapore's competitiveness in the global arena.
5. Our sustained competitiveness allowed Singapore's electronics industry to rapidly capitalize on the global recovery. Electronics companies with operations in Singapore were able to make decisive and timely investment decisions to take advantage of the upturn. In 4Q 2009, STMicroelectronics and United Microelectronics Corporation (UMC) announced plans to expand their Singapore fab capacities by 30%. TECH Semiconductor and UMC also upgraded to industry-leading process technologies.
6. The investment momentum has continued well into 2010. IM Flash Singapore, a twelve-inch NAND flash memory fab that was delayed during the downturn is now moving forward with start-up activities. These include placing purchase orders and preparing the facility for tool installations. Foundries such as GLOBALFOUNDRIES and Systems-on-Silicon Manufacturing Company (SSMC) have also announced new investments and accelerated their hiring.

Electronics services - Riding on the growth of Asia

7. Besides manufacturing, services is the other key growth engine for Singapore's electronics industry. Services refers to headquarters, control tower and R&D activities. The electronics services VA grew at a CAGR of 18% from 2004, accounting for 38% of total electronics VA, or S\$8.4 billion in 2008. This boost from services has brought electronics' contribution to Singapore's GDP to 9.3% in 2008. The growing importance of electronics services is why EDB is reporting the services VA contribution for the first time.

¹ Global electronics industry YOY growth (1H10): 26.9% (Source: Custer Consulting Group)

Global semiconductor industry YOY growth (1H10): 52.4% (Source: Future Horizons and Semiconductor Industry Association)

8. Singapore's electronics services sector is set to grow further with Asia as the centre of gravity for global electronics companies. The electronics supply chain is now firmly established in Asia, and the region is also the fastest-growing market. Singapore, located in the heart of Asia with our breadth and depth of electronics capabilities, makes us a natural choice for companies looking to set up regional headquarters to manage their expanding Asian footprint. More than half the world's top 50 electronics companies already carry out regional headquarters and control tower activities here. Besides the MNCs, global SMEs have also made Singapore their home in Asia to capitalize on the region's opportunities. Earlier this year, global SMEs, Inphi Corporation and Lattice Semiconductor, set up their Asian headquarters in Singapore that would undertake a myriad of activities, including business development, production management, quality assurance and engineering support.
9. R&D is the other key services segment in electronics that is gaining in importance. Electronics accounts for 59% of total private sector gross expenditure on R&D, according to A*STAR's survey. Traditionally, a significant proportion of electronics R&D is focused on developing cutting edge processes to support the corresponding manufacturing operations in Singapore. Increasingly, we are seeing more companies develop next generation components and products for developed markets and Asia here.
10. The growing Asian markets and rising consumer sophistication mean that there is now a need for global companies to stay in-market for product design and innovation targeting the regional markets. Singapore, with our highly-skilled talent pool, established electronics base and linkages to other main manufacturing sites in the region, has emerged as a trusted hub for R&D in Asia. This year, Infineon and Hewlett-Packard have set up R&D and design centres respectively to come up with solutions and products tailored to suit the needs of Asian markets.

Jobs in Singapore's electronics industry

11. Singaporeans can look forward to more than 4,500 skilled jobs in the electronics industry. The jobs, which include over 2,000 services related jobs, will be created from the investments attracted this year. Electronics jobs are among the most

productive, with a VA per worker of S\$165,700, 56% higher than the Singapore's overall manufacturing and services sector average.

12. An engineering career in electronics offers the opportunity to work at the forefront of technology, developing innovative solutions for cutting-edge products. Companies such as Broadcom, Infineon, Philips Lumileds and Sony have key operations in Singapore that play a significant role in enabling the development and delivery of next generation devices such as smartphones, tablet PCs and game consoles.
13. In addition, electronic components and systems are critical enablers in other industry verticals such as information and communications technology, transport engineering, medical technology, robotics and solar energy. Electronics capabilities ranging from IC design and components development to testing and system integration are key skills required to develop novel and innovative solutions across these industry verticals. In addition to the horizontal opportunities across various job functions in the electronics industry, the versatile skill sets can be applied across industries as well, providing an even larger selection of job offerings.
14. Singapore's electronics industry also provides the opportunity to develop solutions addressing the challenges of tomorrow, through the new growth areas of green electronics, bioelectronics, security and plastic electronics. Our strong fundamentals have helped attract companies such as Panasonic Electronic Devices, SSMC and STMicroelectronics to invest and expand the operations in these new growth areas in Singapore. Being at the cutting edge of advanced technology, electronics engineers and researchers are empowered to push the frontiers of technology to come up with innovative solutions.
15. "With the full value chain of electronics R&D, manufacturing and headquarters activities here in Singapore, EDB will continue to create a wide range of high-technology and exciting jobs which contribute to innovative solutions addressing current and future challenges," added Mr Yeoh.

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ABOUT THE EDB

EDB is the lead government agency for planning and executing strategies to enhance Singapore's position as a global business centre and grow the Singapore economy. We dream, design and deliver solutions that create value for investors and companies in Singapore. In so doing, we generate economic opportunities and jobs for the people of Singapore; and help shape Singapore's economic future.

'Host to Home' articulates how EDB is sharpening its economic development strategies to position Singapore for the future. It is about extending Singapore's value proposition to businesses not just to help them improve their bottom line, but also to help them grow their top line. EDB plans to build on existing strengths and add new layers of capabilities to enable Singapore to become a 'Home for Business', a 'Home for Innovation' and a 'Home for Talent'.

For more information about Singapore's electronics sector,
please visit www.edb.gov.sg

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ELECTRONICS MANUFACTURING PROJECTS ANNOUNCED IN 2010 TO DATE**IBM (US) - 20 May 2010**

IBM opened its S\$90 million facility in Tampines to carry out high end server and systems manufacturing for the European and Asia Pacific markets. This facility, known as the IBM Singapore Technology Park, is one of the world's most technologically advanced manufacturing plants and will serve the technology giant's high-end clients across Asia, Africa and Europe who need to buy sophisticated computer servers and mainframes. The high-end servers are based on the mainframe computer architecture, and are branded as IBM System z and IBM High-end System p. The High-end Servers are built to ensure zero downtime and continuous operations. They are mainly used in business-critical installations in government, financial services, retail, and manufacturing industries, where downtime costs are high.

SHOWA DENKO (Japan) - 28 April 2010

Showa Denko, the world's second largest hard disk drive media manufacturer, will be expanding its hard disk media operations in Singapore. It will install a new clean room and additional production lines. This expansion is part of Showa Denko's capacity building plan in Asia which is estimated to cost US\$106 million.

mitsubishi chemical infonics - 22 April 2010

Mitsubishi Chemical Infonics Pte Ltd, a leading manufacturer of DVD, BD discs and organic photo conductor drum, upgraded its manufacturing operations for Blu-ray Disc media storage in Singapore. The company plans to increase its manpower by 20% to support the new operations. This will also make Singapore a leading location for the process development and manufacturing of the next generation recordable and rewritable Blu-ray Disc media.

STATS ChipPAC (Singapore) - 13 April 2010

STATS ChipPAC Ltd (SCL), a leading semiconductor test and advanced packaging service provider, announced expansion of embedded Wafer-Level Ball Grid Array (eWLB) technology to reconstituted 300mm wafers. SCL had jointly developed innovative eWLB technology with its partners Infineon Technologies AG and STMicroelectronics, and has invested more than US\$100 million in eWLB technology in its Yishun plant in Singapore.

SYSTEMS-ON-SILICON MANUFACTURING COMPANY (SINGAPORE) - 24 March 2010

Systems-on-Silicon Manufacturing Company (SSMC), a Singapore-based 8" wafer foundry, is a joint venture between NXP, a leading semiconductor company, and TSMC, the world's top foundry. The company will be investing over US\$30 million over the next two years to increase production focus on specialty wafers. Of the US\$30 million, US\$18.6 million is

earmarked for R&D efforts while the remaining US\$11.4 million will be dedicated towards expanding the company's manufacturing capacity.

ELECTRONICS HEADQUARTERS PROJECTS ANNOUNCED IN 2010 TO DATE

INPHI CORPORATION (US) - 2 June 2010

Inphi, a leading provider of high-speed analog connectivity ICs to diverse markets in networking, high-end computing and storage as well as niche areas in military and aerospace applications, has established its International Headquarters and its global supply chain control tower with IC design & test engineering activities in Singapore. This marks the company's first major overseas establishment in Asia-Pacific as the company looks to expand its global operations.

HITACHI DATA SYSTEMS - 2 June 2010

Situated in Airport Logistics Park, Singapore (ALPS), Hitachi Data System's new Asia-Pacific Distribution Centre (ADC) will perform configure-to-order (CTO) operations for mid-to-high-end network storage systems such as the Hitachi Universal Storage Platform (USP) V & VM, and Hitachi Adaptable Modular Storage (AMS) 2100, 2300 & 2500. The ADC will be one of only 3 global distribution centres, importing and warehousing manufactured components from Japan for final assembly, configuration, image loading, and testing, before shipping the finished products to customers in the Asia-Pacific region (excluding Japan).

LATTICE SEMICONDUCTOR CORPORATION - 26 February 2010

Lattice Semiconductor Corporation, the world's third largest supplier of programmable logic devices, inaugurated its new Asia Operations Centre to manage production, packaging and test development, reliability and quality assurance for Lattice products throughout Asia. The new operations will be housed in a 421 square meter facility at Techpoint in Ang Mo Kio with 17 staff on board. The company plans to grow this with primarily local hires to a headcount of about 40 in two to three years.

ELECTRONICS R&D PROJECTS ANNOUNCED IN 2010 TO DATE

INFINEON TECHNOLOGIES AG (Germany) - May 24 2010

Infineon offers semiconductor and system solutions addressing the world's energy efficiency, communications and security needs. The company announced plans to invest about S\$14 million to set up an Application Innovation Centre (AIC) in Singapore that focuses on the application of semiconductors in developing turn-key solutions in electric-mobility, renewable energies and wireless communications for the Asian markets. The AIC will bring product innovation closer to Asian consumers by developing innovative system solutions unique to customers' product requirements for the region.

PANASONIC ELECTRONIC DEVICES (Japan) - 23 April 2010

Panasonic Electronic Devices (PED) is the world's 4th largest manufacturer of electronic passive components. PED started operation in Singapore in 1977 and have 450 employees in Singapore. In April 2010, PED set up the Technology Development Centre (TDC) in Singapore, its first corporate R&D centre outside of Japan. TDC will be responsible for R&D of novel devices, new materials and solutions for Environment, Energy and Medical Electronics applications. This new centre will work with the 4 Agency for Science, Technology and Research (A*STAR) research institutes and 3 research labs in NUS and NTU on 6 projects. PED plans to invest S\$20 million and grow the centre to 50 RSEs in the next 5 years.

HEWLETT-PACKARD (US) - 31 March 2010

Hewlett-Packard (HP), the world's largest technology company, established its first Inkjet and Web Solutions (IWS) Global Design Centre outside the US in Singapore. The 50-strong team is responsible for the design and development of the entire HP IWS portfolio for worldwide markets. Citing the availability of talent as one of the main advantages of Singapore, Executive Vice President Vyomesh Joshi reiterated that HP will continue to carry out important design and development activities in the city-state.

HEWLETT-PACKARD (US) - 24 February 2010

Hewlett-Packard (HP) launched its 7th corporate research facility worldwide, HP Labs Singapore. Fully staffed, the S\$50 million HP Labs Singapore will be the company's 3rd largest corporate lab globally. The lab will engage in a range of projects that fundamentally re-examine data centre and application design principles to explore how future cloud computing needs will be met. It will collaborate closely with other HP Labs sites in Bristol, UK and Palo Alto, USA, as well as customers, HP business divisions and academia to drive advancements in Cirrious, HP's vision for creating an enterprise cloud software platform.