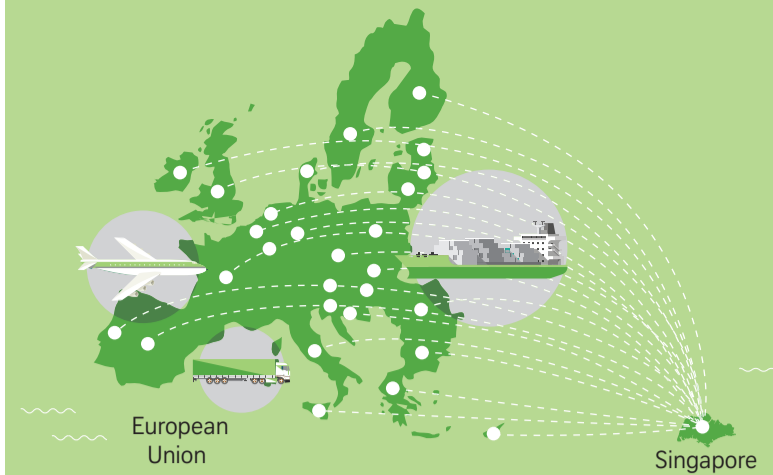


# Free trade agreements signed in 2018

Singapore signed three major free trade agreements (FTAs) this year, which are expected to progressively remove tariffs on Singapore products entering the European Union, as well as eliminate import tariffs on trade with countries such as Mexico and Canada, which the Republic had no trade agreements with. Over the years, Singapore has forged a network of over 22 implemented agreements.



## European Union-Singapore FTA (EUSFTA)

- First bilateral trade agreement concluded and signed between the European Union and an Asean country.
- Signed on Oct 19 in Brussels, on the sidelines of the 12th Asia-Europe Meeting Summit.
- Agreements will be sent to the European Parliament for approval early next year, and the EU and Singapore will work towards ratifying them.
- EUSFTA will provide Singapore companies greater market access to all EU member states.
- EU is Singapore's third-largest trading partner and world's largest single market.

### KEY BENEFITS

#### Elimination of Customs duties

##### ENTRY INTO FORCE

**84%** of Singapore exports will be able to enter the EU tariff-free.



(Asian food products, electronics, pharmaceuticals, petrochemicals, processed agricultural products)

##### THIRD TO FIFTH YEAR

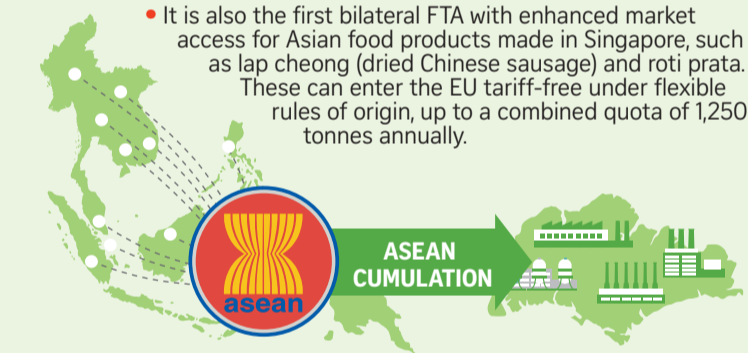
tariffs for the remaining products will be removed



(Selected meat and seafood produce, fruits, textiles, consumer goods)

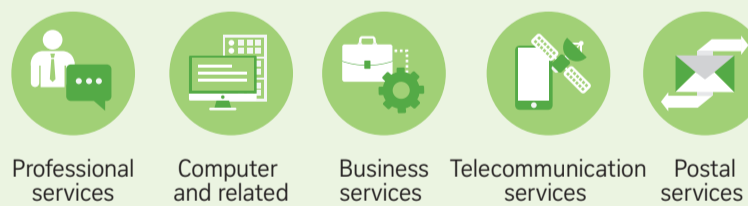
#### Liberal and flexible rules of origin for Singapore's exports

- Key products originating in Singapore (either produced or processed) will be able to enter the EU tariff-free.
- Materials from Asean states will be deemed as originating from Singapore when incorporated into certain final products, which can enable such products to qualify for preferential tariff treatment
- It is also the first bilateral FTA with enhanced market access for Asian food products made in Singapore, such as lap cheong (dried Chinese sausage) and roti prata. These can enter the EU tariff-free under flexible rules of origin, up to a combined quota of 1,250 tonnes annually.



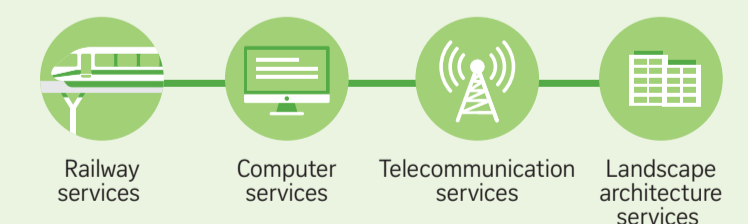
#### Improved market access to service sectors

- Singapore businesses will have better market access to a wider range of service sectors in the EU:



#### Government procurement

- Singapore companies can bid for more government procurement projects in the EU, such as in:



#### Reduction of duplicative testing and certification procedures in the following sectors

- Electronics, motor vehicles and vehicle parts; pharmaceuticals and medical devices

#### Stronger protection of intellectual property rights

- Singapore-based producers can collect broadcasting and public performance royalties for productions that are exported into the EU.

## Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)

is a free trade agreement between 11 countries

- Australia
- Brunei
- Canada
- Chile
- Japan
- Malaysia
- Mexico
- New Zealand
- Peru
- Singapore
- Vietnam



The CPTPP was concluded on Jan 23, and signed on March 8



Singapore was the third country to ratify the agreement on July 19

### The agreement will enter into force on Dec 30 in:



### KEY BENEFITS

#### Trade facilitative Rules of Origin (ROO)

- With "regional cumulation", materials sourced from CPTPP countries will be deemed as originating content and qualify for preferential tariffs when the finished good is exported to other CPTPP countries.



#### Source Ingredients

Sugar from Malaysia



Milk from Australia



- For example, a Singapore ice cream producer can source ingredients from CPTPP countries and count these ingredients towards meeting the ROO for preferential tariffs.

- The alternative origin criteria give Singapore companies a choice of which criteria to use to benefit from preferential tariffs.

#### Tariff elimination

- Greater market access for all trade in goods.

Upon entry into force **94%** of Singapore's trade with CPTPP parties will be tariff-free.

- For Mexico and Canada, (which Singapore has no trade agreement with)

**88%** and **99%** of our import tariffs, respectively, will be eliminated upon entry into force.

#### Greater access to services sectors

Singapore businesses can enjoy preferential market access in the CPTPP markets. The sectors include:



#### Facilitative framework for the digital economy



Cross-border data flow and removal of localisation requirements.



A free and open Internet enables the creation and growth of new Internet services.



Market access no longer contingent on forced transfers of technology.



Electronically transmitted products will be free from import duties.



#### Investment protection and guarantees

- Strong and predictable investment rules ensure that Singapore businesses will not be treated less favourably than local or non-CPTPP country investors, while enjoying preferential investment conditions.



#### More opportunities in government procurement

- Singapore companies can bid for government projects that were previously closed to foreign bidders.



#### Intellectual property protection

- Robust IP protection, including in the registration of trademarks, patents and geographical indicators.

## Sri Lanka-Singapore FTA (SLSFTA)



- Signed on Jan 23, came into effect in May
- Sri Lanka's first FTA since 2005, and the most comprehensive one signed so far

### BENEFITS

#### Tariff elimination

- Elimination of tariffs for Singapore exports on 80 per cent of all tariff lines in up to 15 years from when FTA enters into force.
- Singapore exports enjoy potential tariff savings of about \$10 million a year.

#### Access to government contracts

- Singapore companies allowed to bid for projects by several of Sri Lanka government's large central entities and state-owned enterprises.

#### Access to wider range of services

- Singapore and Sri Lanka have committed to granting better access to each other's services markets, such as professional, environmental, construction, tourism and travel-related services.

#### Cross-border transfer of information by electronic means.

- FTA contains e-commerce chapter covering disciplines such as cross-border transfer of information by electronic means and data flows.

#### Greater protection of investments

- Singapore International Arbitration Centre is listed as an institution where investor-state disputes can be brought.
- FTA also includes safeguards against discriminatory treatment based on nationality, and protection against expropriation.

## China-Singapore FTA Upgrade Protocol

- Signed in November
- The expanded deal will give Singapore businesses greater access to China's legal, maritime and construction service sectors, and stronger protection for their investments.
- In turn, Singapore will open up its air transport, courier and environmental sectors to Chinese companies that want to compete here.
- China has been Singapore's top investment destination since 1997 as well as the Republic's largest trading partner since 2013.