

SINGAPORE WELCOMES AUSTRALIA AND PERU JOINING TRANS-PACIFIC TRADE AGREEMENT

20 November, 2008 - Australia and Peru announced today, at the sidelines of the APEC Ministerial Meeting in Lima, Peru their interest to join negotiations to participate in the comprehensive Trans-Pacific Strategic Economic Partnership ("TPP") Agreement, an FTA among Singapore, Brunei Darussalam, Chile and New Zealand.

2 Singapore Minister for Trade and Industry Lim Hng Kiang, Brunei Darussalam Foreign Affairs and Trade Minister II Lim Jock Seng, Chilean Foreign Affairs Minister Alejandro Foxley, New Zealand Trade Minister Tim Groser and United States Trade Representative Susan Schwab joined Australian Minister for Trade Simon Crean and Peruvian Minister of Foreign Trade and Tourism Mercedes Araoz for the announcement. The United States has already announced in September 2008 its decision to join the TPP negotiations.

3 Members of the TPP and the United States warmly welcomed the announcement by Australia and Peru of their intent to join the initiative. The seven economies affirmed the TPP Agreement as a potential building block for a Free Trade Area of the Asia-Pacific (FTAAP) and a tangible expression of the growing relationship among the Asia-Pacific economies.

4 The first round of negotiations for the expanded TPP Agreement will be held in March 2009 in Singapore.

5 "The addition of Australia and Peru, together with the US, to the TPP is a significant development", said Mr Lim Hng Kiang, Minister for Trade and Industry. "It creates critical mass and establishes the TPP as a promising building block to a Free Trade Area of the Asia-Pacific. The joint announcement is especially timely amidst the current economic difficulties. It signals our shared commitment to resist protectionism and accelerate regional economic integration. We hope other like-minded economies will be encouraged to consider joining this high-quality agreement."

6 The TPP came into force in 2006, conceived as a pathway to trade liberalization across the wider Asia-Pacific region. It is today the only regional free trade agreement that spans both sides of the Pacific, linking Asia with the Americas. Open to accession by other like-minded economies, the TPSEP Agreement is seen as a potential building block for a larger Free Trade Area of the Asia-Pacific (FTAAP). Leaders of the Asia-Pacific Economic Co-operation (APEC) grouping endorsed FTAAP in 2006 as a long-term prospect for the region.

7 The expansion of the TPP to include other APEC members will place renewed focus on regional economic integration in 2009, when Singapore takes over the chair of APEC. It will also give a strong boost to the trade liberalisation agenda and complement efforts to achieve a successful conclusion to the stalled WTO Doha negotiations.

8 The TPP is among the highest-quality of Singapore's free trade agreements, and achieves significant trade liberalisation. For example, tariffs on all trade products are eliminated within 12 years, with tariffs on 90 percent of trade in goods among the parties eliminated immediately.

9 The APEC region stands out as one of the most rapidly growing, economically dynamic, and business friendly regions in the world. Together, the 21 APEC members account for nearly 60 percent of global GDP and roughly 50 percent of international trade. The average GDP growth rate in the rapidly growing and dynamic economies in this region was 5.1 percent in 2006, compared with the world average of 3.9 percent. Since 1990, Asia-Pacific goods trade has increased by 300 percent, while global investment in the region has increased by over 400 percent.

**MINISTRY OF TRADE AND INDUSTRY
21 NOVEMBER 2008**