

SINGAPORE AND THE GULF COOPERATION COUNCIL (GCC) SIGN FREE TRADE AGREEMENT

1. Singapore and the Gulf Cooperation Council (GCC)¹ today signed the GCC-Singapore FTA (GSFTA), the first-ever FTA for the GCC, in a key step forward for economic relations between Singapore and its 7th largest trading partner.
2. The agreement was signed in Doha between Singapore Prime Minister Lee Hsien Loong and his GCC counterparts, President-in-Office of the GCC Ministerial Council and Qatar Prime Minister Sheikh Hamad bin Jassim Al Thani, and GCC Secretary-General Abdurrahman bin Hamad Al-Attiyah.
3. The GSFTA is a comprehensive free trade agreement covering areas including trade in goods, trade in services, investments, rules of origin, customs procedures, government procurement, electronic commerce, and economic cooperation.
4. The Agreement will grant tariff-free access for about 99% of Singapore's domestic exports², worth about S\$3.1 billion in 2007. All GCC goods entering into Singapore will also be granted tariff-free access.
5. The GSFTA will also encourage a greater recognition of Singapore's Halal standards in the six-member Arab trade group. The GCC countries have committed to either recognise or begin talks to recognise the Singapore Muis Halal Standards (SMHS) as consistent and compliant with similar standards in their countries. Recognition of SMHS by the GCC countries will not only facilitate trade in halal product exports to the GCC, but will also provide greater assurance to Gulf visitors that their dietary requirements will be met when they visit Singapore.

¹ The Gulf Cooperation Council comprises Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates

² Subject to being classified as a Singaporean product under the Rules of Origin

6. Other key features of the GSFTA are:
- **Services:** The GSFTA allows Singapore-based companies and Singapore Permanent Residents to hold majority stakes in key sectors of the GCC markets. In particular, Singapore gained enhanced access in the UAE, Saudi Arabia and Qatar for construction services, computer and related services, environmental services and professional services (such as legal, architectural, engineering, urban planning).
 - **Investments:** The GCC countries are committed to signing bilateral Investment Guarantee Agreements (IGAs) with Singapore in order to better protect the investments of our businessmen in each other's countries. Singapore will negotiate and complete bilateral IGA negotiations with GCC countries that have yet to sign them with us (i.e. the UAE, Qatar and Kuwait).
 - **Cooperation:** Both sides agreed to establish a framework for cooperation in wide-ranging areas, with particular attention to information and communications technology (ICT), air services and business visits.
 - **ICT:** The GCC and Singapore recognised the rising importance of ICT and agreed to enhance cooperation in the promotion of ICT development and ICT-related services.
 - **Air Services:** The GCC and Singapore agreed to enhance cooperation in the air services sector. Such cooperation may include, among other things, concluding air services agreements between one or more of the GCC countries and Singapore.
 - **Business Visits Cooperation:** Both parties recognised the importance of the exchange of business visits in their respective economies and agreed to promote such visits and exchanges.
7. Singapore and the GCC jointly announced the launch of GSFTA negotiations on November 25, 2006 during PM Lee's visit to Saudi Arabia. The first round of the GSFTA negotiations commenced in January 2007 and was concluded after four rounds of negotiations in January 2008.

8. The GCC currently accounts for 40% of Singapore's oil imports. Bilateral trade with the GCC, comprising Saudi Arabia, the United Arab Emirates (UAE), Qatar, Kuwait, Bahrain and Oman, reached a record high of S\$42.4 billion in 2007³, a 127% increase since 2002.

9. International Enterprise Singapore (IE Singapore) will organise seminars and workshops to inform companies how they can take advantage of the GSFTA. For more information, companies may refer to the official FTA website at <http://www.fta.gov.sg>.

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³ In 2007, total exports (ie both domestic exports and re-exports) to the GCC were worth an estimated S\$7.5 billion, while the GCC exported S\$34.8 billion worth of goods to Singapore.