

SINGAPORE AND COSTA RICA CONCLUDE NEGOTIATIONS ON FREE TRADE AGREEMENT

Singapore and Costa Rica have successfully concluded negotiations on a Free Trade Agreement (FTA) after 4 rounds of talks.

Both sides agreed to launch FTA negotiations on 2 December 2008, during the official visit to Singapore by the President of Costa Rica, Dr Oscar Arias Sanchez. The first round of negotiations was held in April 2009. Singapore and Costa Rica will sign the FTA once domestic processes are completed.

Under the agreement, Singaporean and Costa Rican companies will enjoy greater access to each other's markets. Both Singapore and Costa Rica have committed to full product coverage for tariff elimination - Singapore will grant immediate duty free access for all imports from Costa Rica, while Costa Rica would eliminate tariffs for 90.6% of its tariff lines upon entry into force of the agreement. The tariffs on the remaining products would be eliminated over a period of 10 years, with possibility of accelerated tariff elimination.

The services and investments chapters cover key areas of interest for Singaporean companies, including hotel and restaurant services, private education services, and construction services. In addition, under the Agreement, investors will be assured of protection for their investments.

The conclusion of the Singapore-Costa Rica FTA is a sign of the warming bilateral economic relations between both countries, and provides a platform to grow our bilateral trade and investments even further. Bilateral trade hit S\$413.7 million in 2009, up 40% from 2004. Singapore's imports from Costa Rica comprise mainly electronic valves and machine parts whilst Singapore exports mainly measuring instruments and rubber to Costa Rica.

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