

EU to start bilateral trade negotiations with Singapore

SINGAPORE, 3 March 2010: EU Trade Commissioner Karel De Gucht and Singapore Minister for Trade and Industry Lim Hng Kiang met today to officially launch negotiations for a free trade agreement (FTA) between the EU and Singapore. The first round of negotiations is scheduled to take place from 8 – 12 March 2010 in Singapore. The EU-Singapore FTA (EUSFTA) marks a milestone in the EU's longstanding relations with Singapore.

Commissioner Karel De Gucht said: "The proposed free-trade agreement will strengthen economic ties between Singapore and the EU, provide new opportunities for traders and consumers alike, and contribute to generating growth in our economies. For Europe, it will also mark an important stepping-stone in the EU's engagement with the ASEAN region."

Minister Lim added: "The EU is an important economic partner of Singapore. This FTA is a major undertaking and when concluded, will further strengthen the excellent economic relations between Singapore and the EU. Singapore looks forward to working closely with the EU to develop an ambitious agreement that will benefit businesses from both sides."

At the end of their meeting, Minister Lim and Commissioner De Gucht expressed the commitment of both Singapore and the EU to work towards an expeditious conclusion of a high-quality FTA. Both sides also agreed to continue to work closely at the World Trade Organisation, and in particular to advance the conclusion of the Doha Round of negotiations.

Singapore and the EU enjoy close economic ties, which will be boosted by the EUSFTA. The EU is Singapore's largest trading partner and foreign investor. Bilateral trade exceeded € 55 billion in 2008. Conversely, Singapore is the EU's 15th largest trading partner and largest trading partner among ASEAN states. Both sides also enjoy robust bilateral investment ties. Over the years, Singapore and the EU have invested over € 100 billion in each other's economies.

Background

Singapore is one of the 10 members of the Association of Southeast Asian Nations. The ASEAN countries together are the EU's third largest trading partner outside Europe, with annual bilateral trade in goods and services of some € 175 billion. Almost a third of this trade takes place between the EU and Singapore (€ 55 billion) which makes Singapore by far the EU's most important trading partner in South East Asia. The EU and Singapore also have strong investment ties; the bilateral stock of investment has reached € 100 billion in 2007.

Already today EU companies in many sectors have chosen Singapore as a hub from which to serve the Pacific Rim region, and the FTA would seek to create additional trade and investment opportunities. The ASEAN markets have been identified as priority markets for EU exporters. Last December, EU Member States gave the green light for the Commission to pursue negotiations towards free trade agreements with individual ASEAN countries, beginning with Singapore.

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