

SINGAPORE AND THE EUROPEAN UNION SUCCESSFULLY CONCLUDE EU-SINGAPORE FREE TRADE AGREEMENT

Singapore and the European Union (EU) have successfully concluded negotiations for the EU-Singapore Free Trade Agreement (EUSFTA) today in Singapore. The EUSFTA will be signed after all domestic processes, including translations and verifications, are completed.

2 Under the agreement, Singapore and EU companies will enjoy greater access to each other's markets.

3 The EU will eliminate tariffs on all imports from Singapore over a period of five years. 80 per cent of the tariff lines will be covered upon entry into force of the agreement. Singapore exporters of electronics, pharmaceuticals, chemicals and processed food products in particular will benefit from the removal of the EU's tariffs. Singapore will grant immediate duty-free access for all imports from the EU.

4 Through the EUSFTA, both Singapore and the EU will make extensive commitments guaranteeing access to each others' services markets. These commitments cover a wide range of sectors of interest to EU and Singapore companies, including environmental services, computer and related services, professional and business services, financial services and maritime transport services.

5 The EUSFTA will see the removal of a number of non-tariff measures between the EU and Singapore, improving access for exporters of pharmaceuticals and electronics. The Agreement will also widen access to government procurement opportunities in the EU and Singapore.

6 Singapore's Minister for Trade and Industry Mr Lim Hng Kiang said, "There are numerous opportunities and benefits that EU and Singaporean companies can look forward to, once the Agreement enters into force. Singapore is confident that the EUSFTA will further enhance our bilateral economic relations, and pave the way for improved trading links between the EU and ASEAN."

7 "Singapore is a dynamic market for EU companies and is a vital hub for doing business across Southeast Asia. This agreement is key to unlocking the gateway to the region and can be a catalyst for growth for EU exporters ", said EU Trade Commissioner Mr Karel De Gucht. "After our agreement with South Korea, sealing this deal with Singapore clearly puts the EU on the map in Asia. But we do not intend to stop here – I hope it will open the doors for FTAs with other countries in the ASEAN region."

8 The conclusion of the EUSFTA negotiations marks a milestone in bilateral relations between the EU and Singapore. Negotiations commenced in March 2010. The EUSFTA is the first bilateral Free Trade Agreement concluded by the EU with an ASEAN country. It is a comprehensive and broad-based agreement covering tariff-free access for goods, improved market access for services (including specific commitments on sectoral markets for financial, professional, legal, telecommunications and postal services), intellectual property protection, competition policy, technical barriers to trade, government procurement and sustainable development. Last year, the EU was Singapore's second largest trading partner, while Singapore was the EU's thirteenth largest trading partner. Bilateral trade hit S\$106 billion in 2011, up 7 per cent from 2010.



Singapore Minister for Trade and Industry Mr Lim Hng Kiang and the EU Trade Commissioner Mr Karel de Gucht at the successful conclusion of the EU-Singapore Free Trade Agreement negotiations in Singapore on 16 December 2012.

Jointly issued by:

**EUROPEAN COMMISSION
MINISTRY OF TRADE AND INDUSTRY, SINGAPORE**

Date:

16 December 2012

FAQs on EU-SINGAPORE FTA (EUSFTA)

(i) What benefits would the EUSFTA bring to companies?

The EU-Singapore FTA (EUSFTA) is expected to yield significant benefits for both the EU and for Singapore. The EUSFTA is a high ambition and comprehensive agreement covering a wide range of areas, including trade in goods, services, government procurement, competition, intellectual property rights, and other newer areas such as recognition for geographical indications (GIs).

The EUSFTA will provide for greater market access and commercial opportunities for EU and Singaporean businesses. The Agreement eliminates tariffs on nearly all trade in goods, including for industrial and agricultural products. It will open new opportunities for EU and Singaporean companies in the services sector, and provide enhanced government procurement opportunities not covered by the WTO Government Procurement Agreement commitments. The Agreement will also address non-tariff barriers to trade in electronics, pharmaceuticals and medical devices, as well as the renewable energy sectors. In addition, the Agreement establishes a framework for cooperation on trade and sustainable development, including commitments by both sides to labour and environmental standards.

About 8,800 EU companies have operations in Singapore, reflecting the importance of Singapore as a strategic gateway to Asia and ASEAN for EU companies. The EU companies can leverage on Singapore as a base to tap the growing commercial opportunities in the region.

(ii) Does the EUSFTA include investment protection elements?

The EU Commission (EC) was only given the authorisation by the European Council to negotiate investment agreements with Canada, India and Singapore on September 2011. Negotiations on a standalone investment chapter began in March 2012. Once concluded, the investment chapter would serve as a catalyst for greater two-way investment flows between Singapore and the EU.

(iii) How long would it take for the EUSFTA to enter into force after it is signed?

After the conclusion of the negotiations, the EU-Singapore FTA (EUSFTA) will have to be approved by the European Council and ratified by the European Parliament before entering into force. For the EU-Korea FTA, the agreement was initialled on 14 October 2009 and was provisionally applied on 1 July 2011 after both parliaments approved it. The process took approximately two years.