

For Immediate Release

SINGAPORE AND THE EUROPEAN UNION INITIAL THE INVESTMENT PROTECTION CHAPTER

1. Singapore and the European Union (EU) have completed the legal scrubbing of the Investment Protection Chapter (IPC) of the EU-Singapore Free Trade Agreement (EUSFTA). The finalised text of the IPC was initialled today by the State Counsels of both sides. This marks the closure of the negotiations of the EUSFTA. The IPC, together with the Goods and Services portions of the EUSFTA initialled in September 2013, make up a comprehensive and ambitious free trade agreement.
2. When the IPC comes into force as part of the EUSFTA, it will replace the 12 existing Bilateral Investment Treaties between Singapore and various EU Member States that were concluded over the past four decades. The IPC introduces important innovations such as more precise investment protection standards and new rules on the conduct of arbitration.
3. The IPC will be translated into the 23 other official EU languages before the complete EUSFTA is signed and ratified by both parties.
4. The EUSFTA is the first FTA concluded between EU and an ASEAN country. It will improve Singaporean and European companies' access to each other's markets through commitments such as improved market access for services and government procurement, enhanced intellectual property protection and reduction of technical barriers to trade. The EUSFTA will also provide a stable and fair regime for foreign investors while preserving the right of the parties to regulate in the public's interest. The EUSFTA is expected to boost bilateral trade and investment relations between the EU and Singapore. The completion of the EUSFTA also signals the EU's commitment to step up its engagement with Southeast Asia. It is also a building block towards a potential EU-ASEAN FTA.
5. While the initial expectation was for the EUSFTA to enter into force by end-2015, this is now expected to be delayed beyond 2016. This is due to the European Commission's decision to request for a European Court of Justice (ECJ) opinion on its competences and mandate with regard to the EUSFTA.

Trade relations between Singapore and the European Union

6. Singapore is the EU's 15th largest global trading partner and largest trading partner in ASEAN. In 2014, our bilateral trade in goods with the EU stood at close to S\$96 billion.

7. In 2013, the EU was Singapore's largest investor, with Foreign Direct Investment (FDI) stock from the EU standing at close to S\$228 billion and accounting for more than a quarter of the total stock of FDI in Singapore. Over the past decade, the stock of Singapore's direct investment into the EU has increased more than seven-fold, from about S\$10 billion in 2003 to more than S\$75 billion in 2013.

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