

**FOR IMMEDIATE REPORTING**

## **SINGAPORE AND EURASIAN ECONOMIC COMMISSION SIGN MOU TO ENHANCE ECONOMIC TIES**

1. Singapore signed a Memorandum of Understanding (MOU) with the Eurasian Economic Commission (EEC)<sup>1</sup> in Moscow today, to promote greater cooperation and enhance economic ties between Singapore and the Member States of the Eurasian Economic Union (EAEU). Member States of the EAEU comprise Russia, Armenia, Belarus, Kazakhstan and Kyrgyzstan.
2. The MOU was signed by Minister of State for Trade and Industry Dr Koh Poh Koon and the EEC Minister for Development of Integration and Macroeconomics, Tatyana Valovaya. The signing took place in the presence of Prime Minister Lee Hsien Loong, who is in Russia on an official visit, and the Board Chairman of the EEC, Tigran Sargsyan. The MOU will provide a platform for regular interactions and facilitate closer collaboration between the EEC and Singapore in areas such as customs administration, trade in services and investments and information technology.
3. This is Dr Koh's second official visit to Russia. It is part of an overall effort to engage the EAEU to launch an EAEU-Singapore Free Trade Agreement (FTA). This proposed FTA could give Singapore companies access to a combined market of 180 million people with a GDP of S\$6 trillion.
4. Speaking on the business opportunities for Singapore companies, Dr Koh said, "Global economic growth is expected to slow down this year. However, there remain opportunities for growth, particularly in overseas markets, which our businesses can tap on. These are not just the traditional and more established markets which our companies are already familiar with, but less explored markets in regions such as the Middle East, Africa, Latin America, and Central Asia."
5. Dr Koh added, "The Singapore Government is committed to providing the necessary support for our companies to venture abroad, by expanding and deepening Singapore's trade infrastructure with these markets. The Eurasian Economic Union (EAEU) represents a large and dynamic market of about 180 million people, and we are excited by the possibilities for economic cooperation. The signing of the MOU between Singapore and the Eurasian Economic Commission is a start. I hope that we will be able to launch negotiations for a Free Trade Agreement with the EAEU soon, so as to open up more business opportunities for our companies."
6. Earlier, Dr Koh had visited Armenia and Belarus in April 2016, and following his visit to Russia, Dr Koh will travel to Kyrgyzstan (Bishkek) from 20 to 23 May and Kazakhstan (Astana) from 24 to 26 May where he will call on leaders from both countries. Dr Koh will speak at a luncheon organised by the American Chamber of Commerce in Kyrgyzstan, and conclude his visit in Kazakhstan, where he will attend

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<sup>1</sup> The Eurasian Economic Commission is a permanent regulatory body of the Eurasian Economic Union (EAEU)

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the Astana Economic Forum on 25 May and participate in a panel discussion on the “One Belt, One Road” initiative.

**Annex A: Photos of the MOU Signing Ceremony**

**Annex B: Factsheet on the Eurasian Economic Union (EAEU)**

**MINISTRY OF TRADE AND INDUSTRY  
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PRESS RELEASE

**Annex A – Photos**



*(Photo Credit to MCI)*



*Minister of State for Trade and Industry Dr Koh Poh Koon, signing a Memorandum of Understanding (MOU) with the EEC Minister for Development of Integration and Macroeconomics, Tatyana Valovaya on 18 May 2016. (Photo Credit to MTI)*

**Annex B**

**Factsheet on the Eurasian Economic Union (EAEU)**

1. The EAEU is an economic bloc comprising five countries: Russia, Kazakhstan, Kyrgyzstan, Armenia and Belarus. It was established on 1 January 2015.
2. The EAEU represents a market of about 180 million people and a total GDP of S\$6 trillion (US\$4.1 trillion).

**Singapore-EAEU Economic Relations**

*Trade*

3. In 2015, Singapore's total bilateral trade with the EAEU amounted to S\$7.95 billion. Singapore's top exports to the EAEU include machinery and metals, while top imports from the EAEU include petroleum and mineral oils.

*Existing Agreements between Singapore and the EAEU Member States*

4. Singapore has signed Avoidance of Double Taxation Agreements (DTA) with Russia, Kazakhstan and Belarus.
  - The Singapore-Russia DTA was signed in September 2002 and came into force in January 2009.
  - The Singapore-Kazakhstan Avoidance of Double Taxation Agreement was signed in September 2006 and came into force in August 2007.
  - The Singapore-Belarus Avoidance of Double Taxation Agreement was signed in March 2013 and came into force in December 2013.
5. Singapore has signed Bilateral Investment Treaties (BIT) with Russia and Belarus.
  - The Singapore-Russia BIT was signed in September 2010 and came into force in June 2012.
  - The Singapore-Belarus BIT was signed in May 2000 and came into force in January 2001

## **Singapore's Interests in the EAEU**

### *Russia*

6. Commercial collaboration between Singapore and Russia has grown in several sectors, including food, education, infrastructure and oil and gas. Examples of Singapore business presence in Russia include:
  - Changi Airports International (CAI), which manages US\$500 million in airport assets in Krasnodar including Sochi Airport, through its joint venture with Basic Element and Sberbank;
  - Olam International Limited (Olam), which invests and operates a modern industrial dairy farm in Penza Region totalling 14,000 heads of high productivity dairy cows, and an extensive grain trading and procurement operation in Krasnodar Region;
  - Food Empire Holdings Ltd (Food Empire), which dominates Russia's 3-in-1 instant coffee market with its highly successful MacCoffee brand which won Russia's Golden Award for Most Popular Coffee Brand in 2013. In recent years, Food Empire has launched new products brands as such KRACKS potato chips;
  - Educare International Consultancy (Educare), which is experiencing rising consultancy success in Russia due to its unique service offering to transform the teaching pedagogy of Russian schools for the 21<sup>st</sup> century. Educare's unique solution is scalable and replicable as its programme graduates could go on to train other teachers.

### *Armenia*

7. There are opportunities for Singapore companies in Armenia's priority sectors such as agriculture (specifically, industrializing the farming of high value nuts and fruit such as pecans and apricots), tourism and hospitality.

### *Belarus*

8. Belarus's priority sectors include information technology and dairy farming and processing. Significant Belarusian companies have set up trading houses in Singapore. They include:
  - JSC Belarusian Potash Company, which supplies 43% of the world's potash fertilisers.
  - JSC BelAZ, which manufactures heavy machines.



*Kazakhstan*

9. According to public records, there are 16 Singapore companies set up in Kazakhstan. These include:

- Educare, which provides training and teaching workshops to Kazakh educators supported by Temasek Foundation.
- Surbana Jurong, which has completed master planning works for Taraz Chemical Park, Atyrau Petrochemical Park (NIPT) and Atyrau SME Park.

*Kyrgyzstan*

10. There are opportunities for Singapore companies in Kyrgyzstan's priority sectors such as tourism, logistics, light industry (textile), energy, and high-value added agriculture and agri-technology.