

For Immediate Release

## **Singapore hosts inaugural Joint Working Group Meeting with the Eurasian Economic Commission**

1. Singapore and the Eurasian Economic Commission (EEC<sup>1</sup>) held its first Joint Working Group (JWG) meeting in Singapore today. The meeting was co-chaired by Minister of State for Trade and Industry Dr Koh Poh Koon and EEC Member of the Board (Minister) for Integration and Macroeconomics Tatiana Valovaya.
2. The JWG is a platform to explore areas of economic cooperation and trade links between Singapore and the Member States of the Eurasian Economic Union (EAEU<sup>2</sup>). The JWG was established through a Memorandum of Understanding (MoU) between Singapore and the EEC which was signed at the sidelines of Prime Minister Lee Hsien Loong's first bilateral visit to Moscow, Russia in May 2016.
3. The Meeting discussed topics related to trade in agriculture and food, regulation, standards conformity and industrial policy. Singapore also offered capacity building programmes on sustainable energy for EEC and EAEU policymakers as part of our upcoming participation in the Astana EXPO 2017 in Kazakhstan.
4. Dr Koh said, "We encourage our local enterprises to be bold and adaptable to venture into more markets. Emerging markets such as the EAEU have strong potential for growth, given their economic reforms, a well-educated workforce and the rise of the urban middle class. Companies that are nimble to seize these opportunities will gain first-mover advantage."
5. Singapore companies interested to find out more about the EAEU market can attend a seminar organised by the Singapore Business Federation this afternoon. The EEC delegation will also meet officials from the Ministry of Trade and Industry to review the progress of the Joint Feasibility Study on EAEU-Singapore Free Trade Agreement. Chairman of the EEC Board Tigran Sargsyan will call on Prime Minister Lee Hsien Loong tomorrow.

**Ministry of Trade and Industry**  
**16 February 2017**

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

<sup>2</sup> The Eurasian Economic Union (EAEU) is an economic bloc comprising five countries: Russia, Kazakhstan, Kyrgyzstan, Armenia and Belarus

**Enclosures:**

- 1. Background on Eurasian Economic Commission (EEC)**
- 2. Factsheet on Eurasian Economic Union (EAEU)**
- 3. Photos and captions of first EEC-Singapore Joint Working Group Meeting**

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### **Background on Eurasian Economic Commission (EEC)**

1. The EEC is the executive body of the Eurasian Economic Union (EAEU). It is responsible for implementing decisions and preparing proposals for further integration.
2. The EEC has a supranational regulatory body status and its activities are guided by the interests of the EAEU Member States. The Board of the Commission operates as a cabinet government, with 14 members of the Commission. The Chairman of the Commission is nominated by the heads of state of the EAEU Member States. The current Chairman is Tigran Sargsyan, the former Prime Minister of Armenia.
3. The EEC includes an administrative body composed of 23 departments, 18 consultative committees, and 2,000 civil servants. The working language of the Commission is Russian.
4. The competencies of the EEC include customs tariff and non-tariff regulation, customs administration, technical regulation, enrolment and allocation of import customs duties, establishment of trade regimes with third parties, competition policy, industrial and agricultural subsidies, energy policy, and internal trade in services and investment, among others. In particular, the EEC ensures the implementation of international treaties. Within its competencies, the EEC also has the mandate to issue non-binding instruments, and may also take decisions that are binding on the EAEU Member States.

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

1. The EAEU is an economic bloc and customs union 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\$2.2 trillion (or S\$6 trillion in PPP terms).

### **Singapore-EAEU Relations**

3. In 2016, Singapore's total bilateral trade with the EAEU amounted to S\$4.61 billion. Singapore's top exports to the EAEU included machinery and metals, while top imports from the EAEU included petroleum and mineral oils.
4. Singapore and the EAEU are currently studying the possibility of an EAEU-Singapore Free Trade Agreement. The feasibility study commenced on 28 October 2016 and is targeted for completion in 2017.

### Existing Agreements between Singapore and the EAEU Member States

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

## Commercial Opportunities for Singapore Companies in the EAEU

### *Russia*

7. 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), through its joint venture with Basic Element and Sberbank, develops and manages the Airports of the South (AOS). The AOS airports include Sochi, Krasnodar, Anapa and Gelendzhik, all within 300km from each other. CAI is also in the process of acquiring the Vladivostok International Airport with its partners, Russian Direct Investments Fund and Basic Element. This will be Singapore's most significant entry into Russia Far East;
- Olam International Limited (Olam) invests and operates a modern industrial dairy farm in Penza Region, and has an extensive grain trading and procurement operation in Krasnodar Region;
- Food Empire Holdings Ltd (Food Empire) is prominent in Russia's 3-in-1 instant coffee market with its MacCoffee brand which won Russia's Golden Award for Most Popular Coffee Brand in 2013; and
- Educare International Consultancy (Educare) is experiencing rising consultancy success in Russia due to its unique service offering to transform the teaching pedagogy of Russian schools for the 21st century. Educare's unique solution is scalable and replicable as its programme graduates could go on to train other teachers.

### *Armenia*

8. There may be opportunities for Singapore companies in Armenia's priority sectors such as agriculture, tourism and hospitality.

### *Belarus*

9. 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*

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

- Educare provides training and teaching workshops to educators in Kazakhstan.
- Surbana Jurong provides urban and infrastructure development, engineering and consulting expertise. The company completed master planning works for Taraz Chemical Park, Atyrau Petrochemical Park (NIPT) and Atyrau SME Park.

*Kyrgyzstan*

11. There may be opportunities for Singapore companies in Kyrgyzstan's priority sectors such as tourism, logistics, energy, and high-value added agriculture and agri-technology.

## Photos and captions of first EEC-Singapore Joint Working Group Meeting in Singapore on 16 February 2017



Caption: Delegates from Singapore and the EEC meet at the inaugural EEC-Singapore Joint Working Group meeting in Singapore today.



Caption: Minister of State for Trade and Industry Dr Koh Poh Koon and EEC Member of the Board (Minister) for Integration and Macroeconomics Tatiana Valovaya exchanging the Joint Statement of the Meeting.