

**For immediate release**

## **SINGAPORE AND THE EUROPEAN UNION CONCLUDE NEGOTIATIONS ON A BILATERAL DIGITAL TRADE AGREEMENT**

1. Minister-in-charge of Trade Relations Grace Fu and European Commission Executive Vice President (EVP) for an Economy that Works for People and Commissioner for Trade Valdis Dombrovskis jointly announced the conclusion of negotiations on the European Union (EU)-Singapore Digital Trade Agreement (EUSDTA) today in Brussels, Belgium.

2. The EUSDTA builds on the EU-Singapore Digital Partnership (EUSDP), an overarching framework for all bilateral digital economy cooperation, signed on 1 February 2023, as well as the Digital Trade Principles which outline the scope of a possible digital trade agreement and marked the first step toward the EUSDTA.

3. The EUSDTA will provide clarity and legal certainty for companies and consumers on the rules for digital trade between Singapore and the EU, and strengthen digital connectivity and interoperability between our digital markets. The Agreement comprises high-standard commitments that will enable open and secure data flows, facilitate end-to-end digital trade, and establish trusted and secure digital systems for businesses and consumers. It puts in place legally binding rules to prohibit data localisation requirements and uphold the protection of personal data; allow for more seamless and cost efficient transactions; protect against forced transfers of technology and intellectual property; protect consumers from unfair practices and spam; and promote cooperation, including enhancing opportunities for Small and Medium Enterprises to participate in the digital economy.

4. Minister Fu said, “The EUSDTA underscores Singapore and the EU’s shared commitment to ensuring that our companies and people have legal certainty and confidence when transacting in the digital economy, amidst a rapidly evolving regulatory landscape. It will enable us to unlock greater opportunities in the digital economy, while ensuring digital inclusion, especially for Small and Medium Enterprises. The EUSDTA is also the first Digital Trade Agreement between the EU and an ASEAN country, and will help advance greater region-to-region digital connectivity.”

5. Minister Fu and EVP Dombrovskis also convened the second Trade Committee meeting under the EU-Singapore Free Trade Agreement (EUSFTA), which entered into force in November 2019. Minister Fu and EVP Dombrovskis affirmed the good cooperation between Singapore and the EU on the EUSFTA’s smooth implementation and effective functioning, discussed ways to deepen collaboration in forward-looking trade areas including the green economy, and exchanged views on regional and global economic developments.

6. Singapore and the EU share a strong economic relationship, anchored by the EUSFTA. The EU is Singapore's fourth largest goods trading partner. In 2023, bilateral trade in goods grew to over S\$105 billion, representing 8.7% of Singapore's total goods trade. The EU is also Singapore's second largest services trading partner, with bilateral trade in services reaching over S\$98 billion in 2022. Investment relations are also robust, with the EU being Singapore's second largest foreign investor and second largest overseas investment destination.

**Annex A: Factsheet on the EU-Singapore Digital Trade Agreement**  
**Annex B: Joint Statement on the conclusion of negotiations for the EU-Singapore Digital Trade Agreement and the second Trade Committee meeting under the EU-Singapore Free Trade Agreement**

**MINISTRY OF TRADE AND INDUSTRY**  
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## **Annex A**

### **Factsheet on the EU-Singapore Digital Trade Agreement**

The EU-Singapore Digital Trade Agreement (EUSDTA) is a legally binding agreement which will enhance digital connectivity and interoperability between the EU and Singapore's digital markets. It will provide greater clarity and legal certainty for our companies and people by putting in place rules for digital trade and cross-border data flows. It will also enable Singapore and the EU to be more efficient and reduce costs through digital transactions, especially for small and medium-sized enterprises, and make it easier for companies and people to access and benefit from opportunities in the digital economy.

#### **Highlights of the EUSDTA**

##### **Enabling and facilitating open and secure data flows**

###### **Cross-border Data Flows**

- To support trusted cross-border data flows for electronic commerce and other digitally enabled activities, Singapore and the EU commit to allow businesses to transfer data seamlessly across each other's territories, and to prohibit requirements to store data in specified locations. This will remove unnecessary barriers to digital trade.

###### **Personal Data Protection**

- Singapore and the EU agree to maintain a legal framework to protect the personal data of individuals, based on principles and guidelines developed by relevant international bodies. Singapore and the EU will also publish information on personal data protection measures it provides to individuals, including on how individuals can pursue remedies and how businesses can comply with legal requirements.

###### **Open Government Data**

- Enhancing public access to government data in digital formats fosters economic and social development, competitiveness, productivity, and innovation. To encourage the use of publicly available government data, especially for small and medium-sized enterprises (SMEs), Singapore and the EU will cooperate to enhance and generate business and research opportunities.

## **Facilitating end-to-end digital trade**

### Electronic payments (E-payments)

- The EUSDTA recognises the benefits of supporting the development of cross-border e-payments. Singapore and the EU will foster the adoption and use of internationally accepted standards, promote interoperability, and encourage innovation and competition in payment services.

### Electronic invoicing (E-invoicing)

- To drive cost-effectiveness, efficiency, accuracy, and reliability of digital trade, Singapore and the EU will ensure that the implementation of measures related to e-invoicing is designed to support cross-border interoperability between both sides' e-invoicing frameworks.

### Paperless Trading

- Singapore and the EU will make available trade documents required for import, export, or transit of goods in electronic format and accept electronic versions of these documents as the legal equivalent of paper versions.

### Customs Duties

- Singapore and the EU will not impose customs duties on electronic transmissions.

## **Establishing trusted and secure digital systems**

### Source Code

- It is important to foster trust in the markets within which software developers operate, encourage innovation, and ensure that source code used by companies are protected. To this end, Singapore and the EU will not require the transfer of or access to source code as a condition of market access.

### Cybersecurity

- Recognising the evolving nature of threats to cybersecurity, Singapore and the EU will collaborate to identify and mitigate these threats, as well as build the capabilities of our workforce.

### Online Consumer Protection

- To enhance consumer protection, Singapore and the EU will adopt or maintain measures that guard against fraudulent, misleading, or deceptive commercial activities that cause harm to consumers engaged in electronic commerce.

### **Promoting greater participation and access to opportunities in the Digital Economy for our companies and people**

#### Digital participation of Small and Medium Sized Enterprises (SMEs)

- SMEs play a fundamental role in enhancing bilateral trade and investment. Singapore and the EU will cooperate to exchange information and best practices in leveraging digital tools and technology, to enhance SMEs' participation in digital trade opportunities.

#### Digital Inclusion

- Singapore and the EU recognise the importance of digital inclusion and enabling all people and businesses to participate in, contribute to, and benefit from the digital economy. To this end, Singapore and the EU will cooperate to enhance digital inclusion, including through exchanges of information and best practices, as well as addressing barriers to accessing digital trade opportunities.

**Annex B**

**Joint Statement on the conclusion of negotiations for the EU-Singapore Digital Trade Agreement and the second Trade Committee meeting under the EU-Singapore Free Trade Agreement**

Joint Statement by European Commission Executive Vice-President (EVP) for an Economy that Works for People and Commissioner for Trade Valdis Dombrovskis and Singapore Minister-in-charge of Trade Relations Grace Fu on the conclusion of negotiations on the EU-Singapore Digital Trade Agreement and the second Trade Committee meeting under the EU-Singapore Free Trade Agreement.

Today, European Commission Executive Vice-President (EVP) for an Economy that Works for People and Commissioner for Trade Valdis Dombrovskis and Singapore Minister-in-charge of Trade Relations Grace Fu announced the conclusion of negotiations between the EU and Singapore on a Digital Trade Agreement. The Agreement reflects the strategic importance of digital trade and the pivotal role that Southeast Asia plays given the sizeable growth of its digital economy.

The EU and Singapore share long-standing and robust economic relations anchored by the 2019 EU-Singapore Free Trade Agreement. A Digital Trade Agreement deepens our partnership in the digital domain, and underscores the EU and Singapore's key role in setting high-standard and legally-binding digital trade rules.

The Digital Trade Agreement sets digital trade rules and facilitates cross border data flows between the EU and Singapore. It also demonstrates our shared objective to uphold open digital economies that are competitive, transparent, and fair. The Agreement will contribute to our societies' digital transformation that enables our companies and people to keep pace with the fast-evolving nature of the digital economy, as well as access and benefit from greater opportunities.

The Agreement's digital trade rules will build trust, ensure cross border data flows free of unjustified barriers, ensure predictability and legal certainty for businesses, especially micro, small, and medium-sized enterprises, while ensuring that we can continue to develop and implement the policies required to address new challenges posed by the digital economy.

The EU and Singapore will now proceed with their domestic approval processes to work towards the formal signature and conclusion of the Agreement.

In conjunction with the announcement on the Digital Trade Agreement, Minister Fu and EVP Dombrovskis co-chaired the second Trade Committee meeting under the EU-Singapore Free Trade Agreement (EUSFTA), which entered into force on 21 November 2019. The Co-Chairs affirmed the strong trade relations between Singapore and the EU which have grown from strength to strength, with annual trade in goods and services exceeding EUR 130 billion in 2022. They recognised the good bilateral cooperation on the FTA's smooth implementation and effective functioning, and highlighted the significant progress that has been made on bilateral digital cooperation since the inaugural Trade Committee meeting in December 2021. The Co-Chairs also discussed ways to strengthen collaboration in forward-looking trade areas including the green economy, exchanged views on regional and global economic developments including at the World Trade Organisation (WTO), and agreed to continue working together on shared priorities to strengthen trade and investment links.