

**SINGAPORE AND CHINA ARE COMMITTED TO ENSURING THAT THE
CHINA-SINGAPORE FREE TRADE AGREEMENT (CSFTA) FURTHER
UPGRADE PROTOCOL WOULD ENTER INTO FORCE ON 31 DECEMBER
2024**

1. At the 20th Joint Council for Bilateral Cooperation (JCBC) meeting in Singapore today, Deputy Prime Minister (DPM) and Minister for Trade and Industry Gan Kim Yong and the People's Republic of China (PRC) Vice Premier Ding Xuexiang announced that Singapore and China are committed to ensuring that the China-Singapore Free Trade Agreement (CSFTA) Further Upgrade Protocol would enter into force on 31 December 2024.

2. The CSFTA Further Upgrade Protocol was signed by then-Minister for Trade and Industry Gan and PRC Minister of Commerce Wang Wentao at the 19th JCBC meeting last year. DPM Gan said, "Singapore and China share a strong bilateral relationship and the entry into force of the CSFTA Further Upgrade Protocol is a reflection of our commitment to advancing our economic cooperation. Over the years, we have continued to upgrade the CSFTA to address the changing business environment and to promote greater trade and investments between Singapore and China. I encourage more businesses to utilise the agreement, and I look forward to continue working with our Chinese counterparts to further strengthen our partnerships for the benefit of our businesses and our people."

3. The Further Upgrade Protocol delivers a high-quality and forward-looking outcome that enhances the CSFTA in three areas:

- i) Singapore investors and service suppliers will enjoy more liberal and transparent rules that level the playing field for them to invest in and trade with China.
- ii) Singapore businesses will benefit from greater market access to China through a "negative list" approach, where by default, all sectors are opened to investors except for those specifically listed. Notably, China commits to not limiting foreign equity limits for Singapore investors in 22 sectors such as construction, retailing & wholesale, and architectural & urban planning services.
- iii) The new standalone Telecommunications Services Chapter will enhance transparency in domestic regulatory processes, promote competition, and facilitate industry participation in collaborative activities for innovation and development.

4. The CSFTA is China's first comprehensive bilateral FTA with an Asian country and entered into force on 1 January 2009. The CSFTA has since been upgraded twice, in 2011 and 2019. Negotiations on the CSFTA Further

For immediate reporting

Upgrade Protocol started in 2020 as part of a Work Programme in the 2019 CSFTA Upgrade Protocol.

Annex A: Infographic on CSFTA Further Upgrade Protocol

MINISTRY OF TRADE AND INDUSTRY
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PRESS RELEASE

Annex A – Infographic on CSFTA Further Upgrade Protocol

China-Singapore Free Trade Agreement (CSFTA) Further Upgrade Protocol

The CSFTA was China's first comprehensive bilateral FTA with an Asian country.


It is the cornerstone of bilateral economic relations between Singapore and China.

The CSFTA entered into force in 2009 and was last upgraded in 2019.

Negotiations on the Further Upgrade Protocol commenced in 2020 as part of a Work Programme in the 2019 Upgrade Protocol.

The Further Upgrade Protocol was signed in Dec 2023 and will enter into force in Dec 2024.

This is China's first FTA with an Asian country where commitments for Services and Investment are done through a negative list approach, where the commitments apply to all sectors except those specifically reserved.



Key Benefits of the Further Upgrade Protocol

Market Access

Singapore secured greater market access to China's services sectors.

Singapore investors in over 20 sectors will no longer be subjected to equity limits. These include:

Construction & Related Engineering Services

Retailing & Wholesale

Architectural & Urban Planning Services

Technical Testing and Analysis Services

Renting & Leasing

Rules

Singapore investors and service suppliers will enjoy more liberal and transparent rules that level the playing field for them to invest in and trade with China.

The **Investment Chapter** includes new rules that prohibit:

Nationality-based discrimination when an investor first enters a market

Performance requirements, e.g. local content requirement and technology transfer requirements

Nationality requirements on the appointment of Senior Management and Board of Directors

The **Services Chapter** incorporates new rules, such as prohibiting local presence requirement in committed sectors.

There is a new **Telecommunications Services Chapter** that provides clearer rules and enhanced transparency for telecommunications regulatory processes to facilitate industry collaboration for innovation and development.

Singapore-China Economic Relations

China has been Singapore's largest merchandise trading partner since 2013, making up 13.9% of Singapore's total merchandise trade with the world in 2023.

Singapore has been China's largest foreign investor in terms of investment flows since 2013, with China being Singapore's top investment destination since 2007.

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Information is accurate as of November 2024.