

CHINA-SINGAPORE FREE TRADE AGREEMENT (CSFTA) FURTHER UPGRADE PROTOCOL ENTERS INTO FORCE ON 31 DECEMBER 2024

1. The China-Singapore Free Trade Agreement (CSFTA) Further Upgrade Protocol¹ will enter into force on 31 December 2024.
2. Businesses utilising the CSFTA can benefit from three areas enhanced by the Further Upgrade Protocol:
 - 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.
3. 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 Upgrade Protocol started in 2020 as part of a Work Programme in the 2019 CSFTA Upgrade Protocol.

Annex: Infographic on CSFTA Further Upgrade Protocol

MINISTRY OF TRADE AND INDUSTRY
30 December 2024

For media enquiries, please contact:

Carista Wee
Senior Assistant Director
Communications and Engagement Division
carista_wee@mti.gov.sg

¹ The CSFTA Further Upgrade Protocol was signed by then-Minister for Trade and Industry Gan Kim Yong and PRC Minister of Commerce Wang Wentao at the 19th Joint Council for Bilateral Cooperation (JCBC) meeting in 2023.

Annex – 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.

MTI MINISTRY OF TRADE AND INDUSTRY SINGAPORE

Information is accurate as of November 2024.