



*For immediate reporting*

## **THE EU-SINGAPORE FREE TRADE AGREEMENT ENTERS INTO FORCE**

1. The EU-Singapore Free Trade Agreement (EUSFTA) will enter into force tomorrow, 21 November 2019. Following the Council of the European Union (EU)'s approval on 8 November 2019, the EU and Singapore expeditiously completed their remaining processes to bring the agreement into effect.
2. Minister for Communications and Information and Minister-in-charge of Trade Relations S Iswaran said, "The EUSFTA's entry-into-force is a strong signal of the EU and Singapore's shared commitment to uphold open and rules-based trade. As an ambitious agreement with forward-looking provisions, it marks a new chapter in EU-Singapore relations and will provide a solid foundation for Singapore and the EU to take our economic partnership to the next level. We hope that all companies, including SMEs, will use the EUSFTA and benefit from the opportunities unlocked by the agreement."
3. EU Commissioner for Trade Cecilia Malmström said, "Today marks an important moment in our bilateral trade relations with the entry into force of the EU-Singapore trade agreement. This agreement will enhance our bilateral relationship, boost the EU's commitment to ASEAN, and is a sign of strong support for the rules-based international order."
4. From tomorrow, companies based in Singapore will enjoy greater market access into the EU, with benefits ranging from tariff elimination, reduced technical barriers to trade and increased access to the EU's services and procurement markets. As a strategic pathfinder for an eventual EU-ASEAN FTA, the agreement will also enhance region-to-region connectivity between the EU – the world's largest single market, and ASEAN – the fourth largest economic bloc by 2030.
5. Negotiations for the agreement were launched in 2009. Goods and services negotiations were concluded in 2012, while investment protection negotiations were concluded in 2014. The investment protection elements later became the EU-Singapore Investment Protection Agreement (EUSIPA), which is undergoing ratification by the regional and national parliaments of the EU Member States.
6. For more details on the key benefits of the EU-Singapore Free Trade Agreement, please refer to the business guide jointly produced by the Ministry of Trade and Industry, Singapore, and the European Commission at <https://bit.ly/2BYRryQ>.



**ANNEX A: Factsheet on the EUSFTA and EU-Singapore Bilateral Trade Relations**

**ANNEX B: Factsheet on the Key Benefits of the EUSFTA**

**MINISTRY OF TRADE AND INDUSTRY**

**EUROPEAN UNION IN SINGAPORE**

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## **ANNEX A: Factsheet on the EUSFTA and EU-Singapore Bilateral Trade Relations**

1. Singapore and the EU launched negotiations on the EU-Singapore Free Trade Agreement (EUSFTA) in December 2009. The negotiations were concluded in October 2014.
2. The EUSFTA is an ambitious and forward-looking free trade agreement. In addition to providing increased market access and addressing non-tariff barriers, the EUSFTA has progressive provisions to address 21st century trade challenges. The EUSFTA also contains strong rules on trade and sustainable development, including the protection of labour rights and the environment. For instance, the EUSFTA will foster green public tendering and create new opportunities in environmental services.

### **EU-Singapore bilateral trade relations**

1. The EU is Singapore's third largest goods trading partner, while Singapore is the EU's largest goods trading partner in ASEAN. In 2018, bilateral trade in goods exceeded S\$114 billion, comprising S\$49 billion of Singapore exports to the EU and S\$65 billion of Singapore imports from the EU.
2. The EU is Singapore's largest services trading partner, while Singapore is the EU's largest services trading partner in ASEAN. In 2017, bilateral trade in services exceeded S\$79 billion, comprising S\$39 billion of Singapore exports to the EU and over S\$40 billion of Singapore imports from the EU.
4. The EU is the largest foreign investor in Singapore, accounting for foreign direct investment (FDI) stock of over S\$376 billion in Singapore in 2017. The robust inflow of EU FDI has also made Singapore the EU's largest investment destination in ASEAN and second largest in Asia. As of December 2018, there are more than 14,000 EU companies in Singapore.
5. Singapore's Direct Investment Abroad (DIA) in the EU stood at approximately S\$122 billion in 2017, making Singapore the EU's 7<sup>th</sup> largest foreign investor and largest ASEAN investor.

## **ANNEX B: Factsheet on the Key Benefits of the EUSFTA**

1. When the EUSFTA enters into force, EU and Singapore companies will benefit from greater market access across many sectors, increased government procurement opportunities and the progressive elimination of tariffs on exports into Singapore and the EU, amongst others. Key benefits for companies include:

### **Tariff Elimination**

2. **Singapore will remove tariffs on all EU products entering Singapore. The EU will remove tariffs on 84% of all Singapore products entering the EU within the first year, and the remaining 16% over a period of 3 to 5 years.**

3. The EUSFTA will provide **for liberal and flexible rules of origin (ROO)** for the EU's and Singapore's key exports to each other's markets including automobiles, chemicals, clothing and textiles, electronics, machinery, pharmaceuticals, and petrochemicals.

4. The EUSFTA is the first bilateral FTA where Singapore **incorporated enhanced market access for Asian food products made in Singapore**, such as *har gow* (prawn dumplings) and *sambal ikan bilis* (spicy crispy anchovies). These can enter the EU tariff-free under flexible ROOs<sup>1</sup>, up to a combined quota of 1,250 tonnes annually.

### **Reduced Non-Tariff Barriers**

5. **Unnecessary technical barriers to trade (TBT)** for Singapore and EU exporters which sometimes makes it difficult for companies to sell their products in different markets **will be removed**. The provisions in the agreement go beyond the requirements of the World Trade Organization's Technical Barriers to Trade (TBT) Agreement, and are aimed at reducing costs for exporters.

6. Provisions include rules on marking and labelling, reducing duplicative conformity testing for a range of electronic goods, promoting the recognition

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<sup>1</sup> There is no need to ensure that the ingredients used in these processed food products were grown or produced in Singapore. All that is necessary is to show that the product was made in Singapore. These food products will be subjected to relevant EU sanitary and phytosanitary requirements.

of international standards for motor and vehicle parts, and certifying systems for meat-producing establishments so that inspection of individual abattoir / food processing plants for companies to export their goods will not be required.

7. This will create a level playing field for EU and Singapore companies to facilitate trade between EU and Singapore. A wide range of sectors in both the EU and Singapore will benefit, such as electronics, motor vehicles and vehicle parts, pharmaceuticals, renewable energy, as well as meat and meat products.

### **Trade in Services Sectors**

8. Services sectors are crucial for both the EU and Singapore economies, and the EUSFTA aims to further boost the dynamic trade in services between Singapore and the EU.

9. The EUSFTA provides **enhanced market access for service providers, professionals and investors**, and creates a level-playing field for businesses in each other's markets, including through certain sector specific rules on non-discrimination and transparency.

10. The agreement covers a wide range of services sectors including financial services, professional services, computer and related services, research and development, business services, telecommunication services, environmental services, and tourism and travel related services.

### **Government Procurement Opportunities**

11. The EUSFTA's Government Procurement chapter includes rules on transparency and non-discrimination that go beyond the WTO's Agreement on Government Procurement, which Singapore and the EU are signatories to.

12. The EU, which has the largest government procurement market in the world, will **grant Singapore enhanced access to city-level and municipal-level government procurement opportunities**. Given the significant role of the EU's sub-central level government entities as purchasers of goods and services, this represents sizeable new opportunities for Singapore companies.

13. Companies that will benefit include those with strengths in computer-related services, telecommunications services, land transport services,



maintenance and repair services, sewage and refuse disposal, and architecture and engineering services.

14. In return, Singapore's commitments in the GP Chapter will allow EU companies more opportunities to participate in our public tenders.

### **Enhanced Intellectual Property Rights**

15. Both the EU and Singapore rely on innovation as a driving force to support their economies, and have established modern systems for protecting and enforcing intellectual property rights in their territories. To continue encouraging innovation, the trade agreement includes a **comprehensive intellectual property rights chapter covering provisions on copyright, designs, enforcement and geographical indications (GIs)**.