



EU-SINGAPORE

Free Trade Agreement (EUSFTA)
Investment Protection Agreement (EUSIPA)
Partnership and Cooperation Agreement (ESPCA)

MESSAGE FROM THE MINISTER FOR FOREIGN AFFAIRS



I was delighted that Singapore and the EU signed the EU-Singapore Free Trade Agreement (EUSFTA), EU-Singapore Investment Protection Agreement and the EU-Singapore Partnership and Cooperation Agreement (ESPCA) on Oct 19.

In the current climate of global uncertainty, rising protectionism, isolationism and populism, the signing of the three agreements underscore that Singapore and the EU are like-minded partners who share a commitment to multilateralism, rule of law, and free and open trade. They lay the foundation for even stronger ties between Singapore and the EU.

The ESPCA that I signed with the High Representative for Foreign Affairs and Security Policy and Vice-President of the European Commission Federica Mogherini will strengthen our bilateral account.

It will allow for greater cooperation in a broad span of areas, including science and technology, information society, transport and energy, as well as environment and sustainable development. We also look forward to more exchanges between educational institutions to promote the understanding and appreciation of each other's culture, economies and social systems.

The ESPCA will also give impetus for more cooperation within the framework of regional and international fora such as the United Nations (UN), ASEAN, the World Trade Organization (WTO) and the Asia-Europe Meeting (ASEM).

This complements Singapore's role as the Coordinator for ASEAN-EU Dialogue Relations for the next three years. During our term, we hope to achieve greater ASEAN-EU connectivity and enhance people-to-people ties, through the conclusion of the ASEAN-EU Comprehensive Air Transport Agreement and the resumption of negotiations for an ASEAN-EU Free Trade Agreement.

I look forward to the strengthening of the partnership between Singapore and the EU in the years ahead.

Dr Vivian Balakrishnan
Minister for Foreign Affairs

THE EUSFTA AND EUSIPA — A NEW CHAPTER FOR EU-SINGAPORE TRADE AND INVESTMENT RELATIONS

After nearly a decade since negotiations commenced in 2009, the EU-Singapore Free Trade Agreement (EUSFTA) and EU-Singapore Investment Protection Agreement (EUSIPA) were signed on Oct 19, 2018. It is a much-awaited milestone and, once ratified in the EU, these agreements will herald a new chapter in EU-Singapore economic relations.

Singapore and the EU are longstanding partners. Our robust bilateral relations are underpinned by strong and growing trade and investment links. The EU is Singapore's third largest trading partner in goods, largest trading partner in services, and our largest foreign investor. Over 10,000 EU companies are based here, making Singapore the number one location for EU investments in ASEAN and number two in Asia. Conversely, Singapore is the EU's largest trading partner in both goods and services in ASEAN. We are also the EU's largest ASEAN and third largest Asian investor, with the stock of Singapore's direct investments in the EU increasing more than five fold over the past decade.

Singapore and EU companies, MNCs and SMEs, will benefit significantly from both agreements. Apart from the elimination of tariffs, the agreements will improve market access for trade in services, open up more government procurement opportunities, and raise the level of protection for investors. New trade challenges in the modern economy will also be addressed, with strong provisions for sustainable development, intellectual property rights protection, and other areas. More importantly, the agreements will offer greater clarity and confidence to SMEs seeking to venture into the EU or Singapore markets. The EUSFTA will improve the business environment by addressing technical barriers to trade that make it difficult for companies to sell their products in different markets in four major sectors: electronics; motor vehicles and vehicle parts; pharmaceutical products and

medical devices; and renewable energy generation.

Singapore food manufacturers, many of whom are SMEs, will welcome the news that the EUSFTA marks the first trade deal to secure enhanced market access for Asian food products made in Singapore. EU consumers will be able to enjoy a wider range of food products that may otherwise not be available in their local markets. Similarly, EU producers of distinctive regional food products, wines and spirits will stand to benefit from greater levels of protection for Geographical Indications (GIs) registered in Singapore. Consumers in Singapore will also be able to better recognise authentic quality EU food products, wines and spirits.

The EUSFTA is expected to boost bilateral trade in goods by 10 per cent within five years of entering into force. It will also facilitate both EU and Singapore businesses' access to large markets on both sides — 500 million consumers in the EU, and, given Singapore's position as a launch pad to South-east Asia, more than 600 million consumers in ASEAN. We are confident that this agreement will create new jobs and opportunities in both Singapore and the EU. We look forward to the EUSFTA and EUSIPA paving the way for greater region-to-region connectivity between the EU and ASEAN, and to the commencement of this new and exciting phase in our bilateral relationship.



Mr S Iswaran
Minister for Communications and Information and Minister-in-charge of Trade Relations

“The EUSFTA is an ambitious and positive agreement, which will strengthen and deepen our economic ties with Singapore. This deal will attract new investment and create business opportunities for European companies based in Singapore and for those looking to expand their business to South-east Asia.

Mr Federico Donato
President, European Chamber of Commerce (Singapore)

“The EU is Singapore's third largest trading partner. With the EUSFTA, Singapore businesses can look forward to better access to the 500 million consumers in the EU. It will also reinforce Singapore's position as a gateway to ASEAN for European businesses. Enterprise Singapore will continue to identify new trade opportunities and support our companies setting up a footprint in the EU.

Ms Kathy Lai
Deputy Chief Executive Officer, Enterprise Singapore

“The EUSFTA — a timely and crucial development in support of open and free trade — will provide Singapore companies opportunities with preferential and improved access for products and services to the EU's large market. SBF is committed to support the successful implementation of the EUSFTA and to help our companies, especially our SMEs, take advantage of its enormous benefits.

Mr Teo Siong Seng
Chairman, Singapore Business Federation (SBF)

LANDMARK AGREEMENTS DEEPEN EU-SINGAPORE TIES

By AJ Leow

On Oct 19, Singapore Prime Minister Lee Hsien Loong signed the EU-Singapore Free Trade Agreement (EUSFTA) with European Council President Donald Tusk and European Commission President Jean-Claude Juncker in Brussels.

They also witnessed the signing of the EU-Singapore Investment Protection Agreement (EUSIPA) and the EU-Singapore Partnership and Cooperation Agreement (ESPCA).

Says Her Excellency Barbara Plinkert, European Union (EU) Ambassador to Singapore: “This is a significant step forward in sending a strong signal that the EU and Singapore are like-minded partners and believe in an open, rules-based, multilateral free trade order.”

The first trade deal signed between the EU and a South-east Asian economy, the EUSFTA's trade provisions include the removal of non-tariff barriers and areas such as intellectual property rights, public tenders, as well as safety and environmental standards.

These span key sectors such as electronics, motor vehicles, renewable energy, food products, and pharmaceuticals and medical devices.

The EUSFTA recognises the integrated nature of supply chains in South-east Asia and Singapore's regional trade hub status, allowing Singapore-based manufacturers to include components sourced from ASEAN countries for exports to the EU.

Companies in the services sector can compete on an equal footing more easily, due to the alignment of regulations and standards in telecommunications, environmental services, computing and financial services.

The EU is the largest investor in Singapore. In 2016, bilateral foreign direct investment stocks reached €255 (\$398) billion.

With the EUSFTA, Singaporean firms can gain access to the



H.E. Barbara Plinkert, European Union Ambassador to Singapore

EU's 500 million consumers. Annual bilateral trade between the EU and Singapore in goods and services could surpass 100 billion Euros this year.

Ambassador Plinkert calls it “a stepping stone towards greater engagement between the EU and South-east Asia” and says Singapore is “a gateway for European companies in the region”.

More than 10,000 EU companies in Singapore use it as a hub to serve the whole Asia Pacific region.

The EUSIPA will encourage investments between the EU and Singapore, setting rules that protect investors, while the ESPCA will deepen cooperation in key political areas, from transport and science, to technology.

The ESPCA will also provide a new and enhanced legal framework governing overall relations between the EU and Singapore, and enable cooperation in security, environment, energy, transport, sciences and technology.

The conclusion of these three significant agreements with Singapore underlines “the EU's commitment to remaining a dependable and steady partner, in times of rising protectionism and rapid global transformations”, says Ambassador Plinkert.

Benefits of the agreements



1st— Singapore is EU's largest trading partner in South-east Asia.



It will set the benchmark for EU cooperation with other countries in the region.



Areas covered by the EUSFTA: Improved market access for goods and services, labelling and safety testing, renewable energy, public procurement, intellectual property, and environment and labour standards.



Enhanced access for Singapore companies to government procurement opportunities in the EU — the largest government procurement market globally. Likewise, more opportunities for EU companies to participate in Singapore's public tenders.



Over **10,000** EU companies use Singapore as a regional hub. The deal opens up the market for European services such as transport and telecoms.



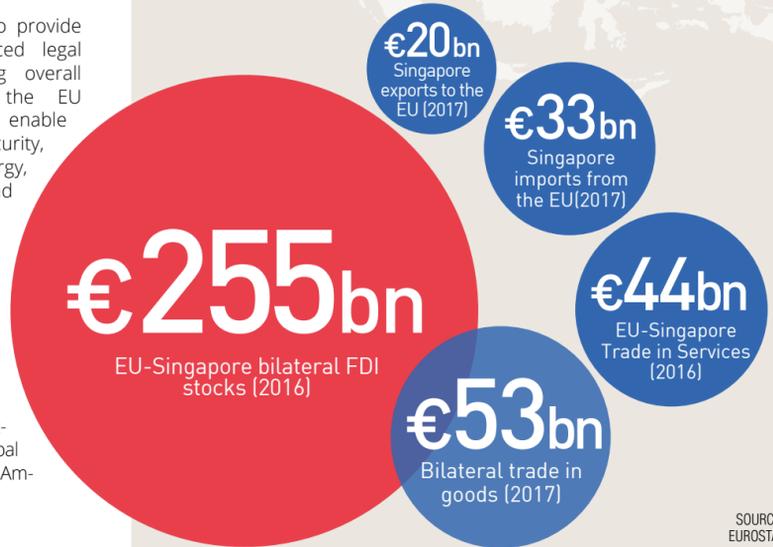
Enhanced protection for EU geographical indications which includes wines, spirits and agri-food products. Protection for intellectual property right-holders — **70** years copyright protection, **20** years patent protection, **10** years trademark protections.



The **EUSIPA** promotes investments while providing guarantees to companies that their investments will be protected and treated fairly and on an equal footing with local investors.



The **ESPCA** provides an enhanced legal framework governing overall relations between the EU and Singapore. It will broaden and deepen mutual cooperation in areas such as security, energy, transport, science and technology as well as improve people-to-people links by facilitating mobility of students and scholars.



SOURCE: EUROSTAT