

REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT SIGNED

1. Minister for Trade and Industry Chan Chun Sing signed the Regional Comprehensive Economic Partnership (RCEP) agreement today, on the sidelines of the 37th ASEAN Summit and Related Meetings, with his counterparts from the ASEAN Member States (Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Thailand, and Vietnam) and Australia, China, Japan, New Zealand, and Republic of Korea. The signing was witnessed by Prime Minister Lee Hsien Loong and the Leaders of RCEP Participating Countries.
2. The RCEP establishes a modern, comprehensive, high-quality and mutually beneficial economic partnership that builds on existing bilateral ASEAN agreements with its five Free Trade Agreement (FTA) Partners. Comprising about 30% of global Gross Domestic Product (GDP) and close to a third of the world's population, RCEP is the world's largest FTA to date.
3. As a key regional agreement, the RCEP will complement Singapore's existing network of FTAs, expand our economic space, and boost trade and investment flows. It will further broaden and deepen Singapore's economic linkages and connectivity with the region, open up opportunities and provide businesses with preferential access into growing markets.
4. Mr Chan said, "The RCEP is a demonstration of partner countries' commitment to greater economic integration for the benefit of our people and businesses. Beyond its economic value, it is also a statement of our strategic intent to have a shared interest in each other's prosperity and success. This bodes well for the security of the region. We look forward to the swift implementation of the agreement and we are committed to keeping this agreement up to date to meet the evolving realities and demands."
5. Countries will now work on their respective ratification processes towards the entry into force of the agreement.

**MINISTRY OF TRADE AND INDUSTRY
15 NOVEMBER 2020**

**ANNEX A: Factsheet on the RCEP
ANNEX B: Infographic on the RCEP**

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ANNEX A: Factsheet on the RCEP

What is RCEP?

- **The Regional Comprehensive Economic Partnership (RCEP) Agreement was signed on 15 November 2020 by the Economic Ministers from the 10 ASEAN Member States¹, Australia, China, Japan, Republic of Korea, and New Zealand at the 4th RCEP Summit.**
 - The RCEP Negotiations were formally launched in 2012 at the ASEAN Summit in Cambodia and were completed after eight years.
- **The RCEP bolsters an open and inclusive regional economic architecture.**
 - It brings together a diverse group of countries:
 - Developed economies - Japan, Korea, Australia, New Zealand
 - Middle income economies in ASEAN
 - China, the second biggest economy in the world
- **The RCEP is the world's largest Free Trade Agreement (FTA), comprising about 30% of global GDP and about a third of the world's population.**
 - It will broaden and deepen individual RCEP Participating Countries' (RPCs') economic linkages and connectivity with the region, open up new opportunities and give them preferential access into growing markets in the region.
 - Amidst the COVID-19 pandemic, a regional agreement like the RCEP demonstrates the RPCs' solidarity and signals their strong commitment to maintain open and connected supply chains during difficult times.
 - The RCEP will also contribute to the region's economic recovery and strengthen confidence in the longer-term economic prospects of our region.

¹ Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam.

Features of the RCEP Agreement

- The RCEP's objective is to establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership that builds on existing bilateral ASEAN agreements with its FTA Partners and contributes to global economic growth and development.
 - **Modern**: The RCEP builds on the existing ASEAN Plus One FTAs (ASEAN's FTAs with the five partners) and accounts for emerging trade realities including: electronic commerce, potential of Micro, Small and Medium Enterprises, the interdependency of regional value chains, and the complexities of market competition.
 - **Comprehensive**: The RCEP is comprehensive both in coverage and in depth of commitments. It comprises 20 chapters, spanning traditional areas such as Trade in Goods, Rules of Origin, Customs Procedures and Trade Facilitation, as well as Trade in Services and Investment and Temporary Movement of Natural Persons. It also enhances emerging areas such as Competition Policy, Intellectual Property Rights and Electronic Commerce covered by existing ASEAN Plus One FTAs and includes newer areas such as Government Procurement.
 - **High Quality**: The RCEP contains provisions that go beyond the existing ASEAN Plus One FTAs in selected areas and support the Parties' engagement in global and regional supply chains. In addition, the RCEP Agreement consolidates and brings together a single rulebook to help facilitate the development and expansion of regional supply chains among Parties.
 - **Mutually Beneficial**. The RCEP brings together countries with diverse levels of development. It includes technical cooperation and capacity building to support the subsequent implementation of the Agreement, as well as provisions to ensure that economies with different levels of development, businesses of differing sizes, and the broader stakeholders can all benefit from the Agreement.
- The RCEP improves on existing ASEAN Plus One agreements in four key areas:
 - **Comprehensive trade facilitative measures** that introduces additional clarity on goods clearance procedures at the border as well as more flexible rules of origin for companies to benefit from regional supply chains;

- **Improved market access for Trade in Services** with more sectors open to foreign participation and increase in allowed foreign shareholding limits;
- **Enhanced Investment rules and disciplines** to support businesses' regional investments; and
- **Expanded scope and commitments in new areas** such as E-Commerce, Competition policy and Intellectual Property Rights.

Key Benefits of the RCEP Agreement

- a) Trade in Goods. Tariff elimination of at least 92% of goods traded amongst RPCs. Additional preferential market access for Singapore's exports as well as stronger provisions to allow duty-free temporary admission of goods into the region.
- b) Non-Tariff Measures (NTMs) Provisions. Stronger provisions to address NTMs, including providing a platform to allow RPCs to conduct technical consultations, and enter into stronger binding commitments to improve the transparency on import regulations. These provisions aim to better facilitate preferential market access and reduce trade transaction costs for businesses.
- c) Rules of Origin. Streamlined rules to give businesses greater flexibility to tap on preferential market access benefits. Regional cumulation provisions will also allow businesses to take advantage of regional supply chains in RPCs. Key sectors include Processed Food and Chemicals & Plastics.
- d) Customs Procedures and Trade Facilitation. Simplified customs procedures and enhanced trade facilitation provisions will allow efficient administration of procedures and expeditious clearance of goods including the release of express consignments and perishable goods within six hours of arrival.
- e) Trade in Services. At least 65% of services sectors will be fully open with increased foreign shareholding limits including in Professional Services, Telecommunications, Financial Services, Computer and Related Services, Distribution and Logistics Services. RPCs will take on the 'negative-list' approach where their markets will be fully open to foreign service suppliers, unless exceptions have been taken. This ensures transparency of regulations and measures which will allow greater certainty for businesses.
- f) Investment. RCEP includes commitments to prohibit performance requirements on investors as conditions for entering, expanding or operating in RPCs. It also prevents the adoption of more restrictive measures in the

future. The Agreement also includes a built-in work programme on investor-state dispute settlement provisions.

- g) Electronic Commerce. RCEP includes enhancements in areas such as online consumer protection, online personal information protection, transparency, paperless trading and acceptance of electronic signatures. It also includes commitments on cross border data flows. This provides a more conducive digital trade environment for businesses and provides for greater access to RPC markets.
- h) Intellectual Property (IP). RCEP will raise standards of IP protection and enforcement in all RPCs. Businesses venturing into other RPCs can obtain protection including for non-traditional trademarks such as sound marks and a wider range of industrial designs. RPCs have also agreed to accede to IP treaties that will enable Singapore companies to file a single patent or trademark application designating multiple countries, instead of having to file individual applications in each country, thus saving cost and time.
- i) Competition. RPCs are committed to maintaining competition law regimes based on international best practices and agreed principles. They will also facilitate cross-border enforcement cooperation including safeguards on the protection of confidential information. This protects businesses from anti-competitive activity when operating in the RCEP markets.
- j) Government Procurement. Government Procurement is a new area of cooperation that is not in any existing ASEAN agreements. RPCs are committed to publish laws, regulations and procedures regarding government procurement, as well as tender opportunities if available. This allows greater transparency for businesses to pursue government procurement market opportunities in the region. RPCs have also committed to a review aimed at improving this in future.

Next steps

- After the signing, RPCs will begin their respective domestic processes to expeditiously bring the Agreement into force.
- The RCEP Agreement will enter into force after six ASEAN Member States and three ASEAN FTA Partners have deposited their instrument of ratification, acceptance or approval with the Secretary-General of ASEAN, who has been designated as the Depository for the RCEP Agreement.

ANNEX B: Infographic on the RCEP

