

## **WORLD TRADE ORGANISATION (WTO) MEMBERS COMMEND SINGAPORE FOR MAINTAINING AN OPEN TRADE AND ECONOMIC REGIME**

World Trade Organisation (WTO) Members commended Singapore for maintaining open and transparent trade and economic policies at its 7<sup>th</sup> WTO Trade Policy Review (TPR) in Geneva, Switzerland.

2 The delegation, led by Permanent Secretary for Trade and Industry, Mr Loh Khum Yean, was at the WTO for the TPR on 26 and 28 July 2016, where a total of 40 WTO Members spoke. Singapore was recognised as a model for free and open trade. Members also acknowledged Singapore's strong commitment to the multilateral trading system and its active participation at the WTO.

3 Prior to the TPR, Singapore received 213 written questions on various aspects of the Singapore economy which we responded to. During the TPR session, there was keen interest by Members in Singapore's restructuring efforts towards innovation and productivity-led growth, including the work of the Committee on the Future Economy (CFE).

4 Mr Loh said, "There are on-going debates in many parts of the world on the importance of social outcomes alongside the pursuit of trade benefits. For Singapore, social development and progress is a core objective, and also a key enabler, of economic development".

5 Mexican Ambassador Fernando de Mateo, who led the discussion on Singapore's trade and economic policies, said in his closing statement, "We are confident that Singapore will continue implementing government policies which allow it to remain at the top of all economic, social welfare and human development indices."

*Please refer to Annex A for the captioned photo of Mr Loh at the TPR and Annex B for Mr Loh's closing statement at the TPR.*

**MINISTRY OF TRADE AND INDUSTRY, SINGAPORE  
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**ANNEX A**



*Permanent Secretary for Trade and Industry Loh Khum Yean delivers Singapore's closing statement at Singapore's 7<sup>th</sup> Trade Policy Review at the World Trade Organisation in Geneva, Switzerland on 28 July 2016*

*From left to right: Director, Trade Policy Review Division, Willy Alfaro; Mexican Permanent Representative to the WTO, Ambassador Fernando de Mateo; Permanent Secretary for Trade and Industry Loh Khum Yean; Permanent Representative of the Hong Kong SAR of China to the WTO, Ambassador Irene Young; Counsellor, WTO Trade Policies Review Division, Thomas Friedheim*

**ANNEX B**

**DELIVERED**  
**SINGAPORE TRADE POLICY REVIEW**  
**26 & 28 JULY 2016, GENEVA**  
**CLOSING STATEMENT BY HEAD OF DELEGATION,**  
**MR LOH KHUM YEAN, PERMANENT SECRETARY,**  
**MINISTRY OF TRADE AND INDUSTRY, SINGAPORE**

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1. Madam Chair, let me first thank you and our discussant, Ambassador De Mateo, for your insightful comments and questions. You helped to frame and facilitate a very productive TPR session for us. I would also like to thank the 40 Members who spoke. We appreciate your active interest in Singapore's trade policy and your affirmation. Your constructive suggestions are also well taken. Allow me to now address some of the points that you have raised.

**Facing the Challenges of a Global Trade Slowdown**

2. As several Members observed, Singapore has also been affected by the ongoing global economic slowdown. This has been compounded by global trade lagging behind world GDP growth. Small and open economies like Singapore, which are proponents of free trade and efficient global markets, are particularly vulnerable to the swings of the global economy. At the same time, Singapore has to continue pressing on with overcoming our domestic constraints in land, labour and natural resources.

*Maintaining an Open Market*

3. At the crossroads between globalisation, technological change and growing protectionist sentiments amidst adjustment challenges, Singapore has made clear our position. Our policies reflect our commitment to open markets. This includes policies that facilitate participation in international markets and global value chains, and also policies that welcome global production and trade flows to our market.

4. Staying open as the global context changes does not mean maintaining status quo. Instead, we have sought to proactively press on with structural reform focusing on innovation and productivity-led growth. We have also worked hard with like-minded partners and entered into agreements that promote trade outcomes consistent with the objectives of the multilateral system, and we are committed to staying on course.

5. The Committee on the Future Economy, which some Members have enquired about, is a key platform in this respect. We note the strong interest from Members on the work of the Committee which is tasked with identifying future growth opportunities and strategies for the Singapore economy. The Committee's recommendations are expected to be published early next year, and we will be happy to share our findings with Members.

### *Inclusive Growth*

6. At the same time, we note debates in many parts of the world on the importance of social outcomes alongside the pursuit of trade benefits. We believe this is an important point. For Singapore, social development and progress is a core objective, and at the same time a key enabler, of economic development. Many of our policies are targeted at achieving inclusive growth, with measures to redistribute the benefits of globalisation in a way that encourages entrepreneurship and effort, while preserving individual dignity and drive. Ambassador De Mateo and several Members highlighted several factors. While these are not observations unique to Singapore, I would like to mention two areas where Singapore has made determined efforts to improve on: First, income pressures reflected in the GINI coefficient; and second, women's participation in the workforce.

7. To mitigate inequality, Singapore has kept the overall tax burden low while providing targeted support for the low and middle-income groups. We continue to invest heavily in education and skills upgrading, and have also stepped up efforts in job-matching, as we believe that employment and quality jobs are the best and the most sustainable approaches towards improving the standards of living of our people. To this end, Singapore has managed to sustain real income growth across all income groups in the past decade, with at least 3% growth in average household incomes per annum. But this remains a challenge and a work in progress.

8. Given our manpower constraints, we have to maximise the contributions of all our people. This includes the need for greater female workforce participation. Our female labour force participation rate has risen from 54% in 2006 to just above 60% in 2015, higher than the 52% average of OECD countries. One significant area where work continues is in helping women re-enter the workforce after childbirth. More supportive childcare, providing for longer paid maternity leave and promoting the adoption of flexible work arrangements are examples of measures we have adopted. We continue to look at ways to foster greater female participation in the workforce.

### *Trade Policy*

9. On the issue of Singapore's bound duty commitments, we are taking steps to increase it through our participation in the ITA and its recent expansion, and the ongoing EGA negotiations. Our binding coverage will be further increased in the context of future market access negotiations. Meanwhile, our applied tariffs are zero for virtually all products.

10. On Services and Investments, Singapore maintains a generally liberal regime, consistent with our philosophy that a high-performing economy needs, at its core, a competitive range of supporting functions such as logistics, telecommunications and business services amongst others. In some specific areas, however, we have to take into account regulatory needs and considerations.

11. In legal services, the restrictions are only in place for the practice of Singapore law. This is due to our small domestic market and the need to maintain the high standards of the legal profession. We have fully liberalised the practice of foreign and international law. In financial services, the expansion of the retail banking sector is calibrated to maintain efficiency, confidence and stability in the financial system.

12. In the telecommunications sector, price regulation is only imposed on dominant licensees to prevent the abuse of market power and anti-competitive practices. The intent is to *allow* for competition, rather than to stifle it. Non-dominant licensees are not subject to such a regulation.

### *SPS*

13. A few Members also posed questions on our SPS regime. As a net food importer with no agricultural base, the availability and safety of food is of utmost importance to Singapore. It is neither Singapore's intent, nor in our interest, to impede the flow of imports. The measures we have in place are for protection of public health and safety. We have responded to the specific questions raised in our written responses, and would be happy to continue discussing them on a bilateral basis with Members.

### *NTM Unit*

14. Members have also expressed interest in our NTM unit. As I mentioned earlier, the unit's function is two-fold. First, to identify and address NTMs faced by companies based in Singapore, and second, to ensure that Singapore's trade measures are consistent with our international obligations. The NTM unit's work complements the work of UNCTAD and the Economic Research Institute for ASEAN and East Asia (ERIA) on the collection and cataloguing of ASEAN's NTMs. We hope to share the outcomes of the unit's work in time to come. We believe that addressing NTMs should be a priority for all of us, and we look forward to working with Members on this.

### **Technical Assistance**

15. We are heartened to hear the positive feedback from some Members that have benefited from our various technical assistance programmes. Singapore is committed to helping other developing countries participate in the multilateral trading system through the Singapore Cooperation Programme. Together with the WTO Secretariat, we organised a training course on Trade in Services last year, as well as a Trade Dialogue ahead of MC10. This year, we will be organising a workshop on Agriculture and SPS, as well as one on Trade Facilitation and TBT, for participants in the Asia-Pacific region. We welcome opportunities to collaborate further with other Members to strengthen the programme and maximise its reach.

### **Concluding Remarks**

16. Madam Chair, let me reiterate the value of the TPR process to Singapore. The honest and constructive views provided by Members have been most useful to us. While you have been very generous in your compliments, we are also well aware that the implicit challenge in them is for us to stay the course.

17. At this juncture, I am glad to inform Members that Singapore has responded to all 213 written questions that we have received.

18. I will conclude by reaffirming Singapore's commitment to the WTO's rules-based multilateral trading system. We will continue to work with Members towards ensuring the WTO's strength and relevance.

19. On behalf of my delegation, I once again thank you, Madam Chair; our Discussant, Ambassador Fernando De Mateo; the Secretariat; and all Members for your active participation and contributions. Thank you.