

FOR IMMEDIATE RELEASE

**SINGAPORE STRENGTHENS ECONOMIC TIES WITH
AFRICAN COUNTRIES**

Agreements will support greater Singapore-Africa Trade and Investment

1. Singapore has strengthened its economic relations with the African region with the signing of three bilateral agreements today. Minister for Trade and Industry (Industry) Mr S Iswaran signed an Avoidance of Double Taxation Agreement (DTA) with Ethiopia, a Bilateral Investment Treaty (BIT) with Mozambique; and a Bilateral Air Services Agreement (ASA) with Nigeria. The Ethiopia-Singapore DTA was signed with Ethiopia's Minister of Foreign Affairs, Tedros Adhanom. The Mozambique-Singapore BIT was signed with Mozambique's Minister of Trade and Industry, Ernesto Max Elias Tonela. The Nigeria-Singapore ASA was signed with Senator Hadi Sirika, Nigeria's Minister of State of Aviation.

2. Minister Iswaran said, "While our traditional overseas markets remain important, Singapore companies must venture beyond these markets to seize opportunities in untapped markets in regions such as Africa. Ethiopia, Mozambique and Nigeria are three fast-growing African economies and the agreements signed today signify commitment on the part of Singapore and the respective African governments to support trade, tourism and investment between our countries. We are keen to build a long-term relationship with African countries and will continue to strengthen our economic ties with the African region."

3. The signings took place at the 4th Africa Singapore Business Forum being held in Singapore from 24 to 25 August 2016. This is a key platform which brings together the business communities from Singapore and Africa every two years. The agreements come at a time of growing interest among the Singapore business community to explore opportunities in Africa. In 2015, Singapore's total trade with Africa amounted to S\$10.95 billion. As of end-2014, Singapore's stock of Total Direct Investment Abroad in Africa was S\$22.1 billion, while Singapore's stock of Foreign Direct Investment from Africa amounted to S\$21.5 billion. Singapore companies are present in Africa in sectors such as urban solutions, agribusiness, and oil and gas.

About the Ethiopia-Singapore Avoidance of Double Taxation Agreement

4. The Ethiopia-Singapore DTA clarifies the taxing rights between Singapore and Ethiopia, on all forms of income flows arising from cross-border business activities, and minimises the double taxation of such income. This will lower barriers to cross-border investment and boost trade and economic flows between both countries.

About the Mozambique-Singapore Bilateral Investment Treaty

5. The Mozambique-Singapore BIT is a legally-binding agreement which establishes rules on how the government of Mozambique should treat investments from Singapore, and vice versa. With this agreement, Singapore companies operating in Mozambique will enjoy protection on top of that already accorded under the country's domestic laws. Singapore investors and investments will be:

- Treated favourably as any other foreign investments;
- Provided prompt, adequate and effective compensation in the event of nationalisation;
- Allowed cross border transfer of capital and returns;
- Given the option to resolve investment disputes amicably through consultation. The agreement also provides Singapore investors the option to resolve the dispute through international arbitration.

About the Nigeria-Singapore Air Services Agreement

6. The Nigeria-Singapore ASA provides a framework to enable the establishment of air linkages between both countries, as carriers from both countries can operate an agreed number of passenger and cargo flights between Nigeria and Singapore, and beyond both countries. This will serve to facilitate the growth of trade, investment and tourism, as well as the people-to-people flows between our two countries.

Annex A: Factsheet on Sub-Saharan Africa-Singapore Economic Relations

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For media queries, please contact:

Ministry of Trade and Industry;

Ms Sarah Raziff
Senior Executive, Corporate Communications Division
Telephone: +65 6332 7296
Email: sarah_natasha_RAZIFF@mti.gov.sg

Ms Puurani Ragupathy
Senior Assistant Director, Corporate Communications Division
Telephone: + 65 6332 7511
Email: Puurani_RAGUPATHY@mti.gov.sg

Ministry of Finance:

Mr Febrin Low
Senior Associate, Corporate Communications Division
Telephone: +65 6332 7407
Email: Febrin_LOW@mof.gov.sg

Ministry of Transport:

Ms Grace Chen
Senior Executive, Corporate Communications Division
Telephone: +65 6375 7196
Email: Grace_CHEN@mot.gov.sg

ANNEX A

Factsheet on Africa-Singapore Economic Relations

Trade in Goods

3. Total bilateral trade in goods between Singapore and Africa in 2015 was S\$10.95 billion. Singapore's imports from Africa amounted to S\$2.55 billion while Singapore's exports to Africa amounted to S\$8.4 billion.

Investment

4. As of end-2014, Singapore's stock of Direct Investment Abroad in Africa was S\$22.1 billion. Singapore's stock of Foreign Direct Investment from Africa was S\$21.5 billion.

Bilateral Agreements signed between Africa and Singapore

5. Bilateral Investment Treaty (BIT). To date, Singapore has signed BITs with six other African countries: Egypt, Zimbabwe, Mauritius, Libya, Burkina Faso and Cote d'Ivoire.

6. Avoidance of Double Taxation Agreement (DTA). To date, Singapore has signed DTAs with seven other African countries: Mauritius, South Africa, Egypt, Libya, Morocco, Seychelles and Rwanda.

7. Bilateral Air Services Agreement (ASA). To date, Singapore has concluded more than 20 ASAs with African states, of which about half are Open Skies Agreements (OSAs), including those with Burundi, Cape Verde, Gambia, Namibia and Tanzania.

Singapore Companies in Africa

8. Singapore companies in Africa are present in the agribusiness, infrastructure, urban solutions, logistics and info-communication technology sectors. Notable companies include:

Sector	Company Interests
Agribusiness	Indorama is a global manufacturer of textiles and polyesters. Indorama has invested close to US\$2 billion into West Africa's petrochemical sector and has plans to invest a further US\$2 billion by 2018.
Agribusiness	JOil has a focus on the research and development of Jatropha for energy and non-energy applications. In Africa, JOil has operations in Ghana that stretches

	over 500ha of land, of which 100ha has been activated to grow Jatropha crops.
Agribusiness	Olam International is an agri-business company in the food processing industry with operations in 70 countries across the world. It is the world's largest producer of dehydrated onions and supplier of sesame seeds. The company has operations in 24 African countries and has made investments into downstream sectors, including an integrated animal feed mill, breeding farm and hatchery which will be the largest of its kind in Nigeria; a port in Gabon; and palm and sunflower refining facilities in Mozambique.
Engineering and Project Management	Meinhardt provides end-to-end consultancy on engineering projects. It is involved in several projects across Africa, including the Nairobi Tower in Kenya, which will be the tallest building on the continent when completed in 2018. The company has a base in Nairobi, Kenya, and also has a presence in Egypt and Libya. Infrastructure and real estate development are key areas of growth for the company.
Food and Consumer	Vega Foods owns and markets a variety of food and beverage brands. In 2004, the company made its first inroads into Cameroon, where it quickly gained 60% share of the condensed milk market. Today, the company sources, packages and sells processed food to over 30 countries across both Africa and Asia.
Transport, Logistics and Info-communication Technology	Ascent Solutions was established in 2010 and provides Internet of Things (IOT) software to the logistics industry. The company has clinched cargo tracking projects in Uganda and Rwanda by identifying and fulfilling the niche gap in global logistics. Ascent has also worked closely with Kenyan custom agencies to reduce the time for goods to travel across Kenya.
Urban Solutions and Infrastructure Development	Hyflux provides solutions in the areas of water, power and waste management. In November 2015, Hyflux announced a joint venture to develop infrastructure, utilities and environmental solutions for an integrated township project, Star City, in the Morogoro District of Tanzania. Star City will feature

	<p>a township, industrial estate, university town and dry port. When completed, Star City, will house approximately 140,000 residents and create approximately 100,000 jobs.</p>
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Singapore's Economic Relations with Ethiopia, Mozambique and Nigeria

9. **Ethiopia** is one of the fastest growing economies in East Africa with a Gross Domestic Product (GDP) growth of 9.6% in 2015. It has a population of 94 million. Singapore's total bilateral trade in goods with Ethiopia was S\$33 million in 2015. Ethiopia is positioning itself as the manufacturing hub of East Africa and offers opportunities in the manufacturing and agribusiness sectors.

10. **Mozambique** is an up-and-coming economy in Southern Africa. In 2015, Singapore's total bilateral trade with Mozambique was S\$141.4 million. Mozambique is reputed to have the fourth-largest gas reserves in the world with estimated gas reserves of 127 trillion cubic feet. The market presents opportunities in the natural resources, transport and logistics, and agriculture sectors.

11. **Nigeria** is Africa's largest economy, and the dominant economic powerhouse in West Africa. It is the most populous country in Africa with a population of 174 million. Nigeria is consistently ranked as one of Singapore's top five trading partners and investment destinations in the region. Total bilateral trade in goods was S\$311 million in 2015. Nigeria presents diversified investment opportunities in oil, consumer goods and agribusiness.

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