

For immediate release

CONCLUSION OF THE SECOND REVIEW OF THE INDIA-SINGAPORE COMPREHENSIVE ECONOMIC COOPERATION AGREEMENT

1. Singapore and India have successfully concluded the second review of the India-Singapore Comprehensive Economic Cooperation Agreement (CECA). Today, in the presence of Prime Minister Lee Hsien Loong and India Prime Minister Narendra Modi, Mr Loh Khum Yean, Permanent Secretary for Ministry of Trade and Industry, Singapore, and Mr Jawed Ashraf, Indian High Commissioner to Singapore, exchanged the Joint Statement on the conclusion of the CECA second review. The Joint Statement was earlier signed by Mr Loh Khum Yean and Ms Rita Teatota, Commerce Secretary, Ministry of Commerce and Industry, India.
2. The enhancements to CECA will strengthen bilateral ties between Singapore and India through greater trade facilitation, allowing Singapore and Indian businesses increased access to each other's markets. These enhancements include expanded tariff concessions for an additional 30 products and improved rules of origin to provide more flexibility for Singapore exports into India to qualify for preferential tariffs under the agreement.
3. Minister-in-charge of Trade Relations S Iswaran said, "The upgraded agreement will enable more Singapore companies to qualify for lower tariffs. This improves local exporters' access to the Indian market. I encourage our companies to make full use of the upgraded agreement and explore more opportunities for collaboration in India."
4. In 2017, total bilateral trade between Singapore and India amounted to S\$25.2 billion. India was Singapore's largest trading partner in South Asia and Singapore was India's 2nd largest trading partner within ASEAN.
5. Singapore companies that are interested in business and investment opportunities in India can contact Enterprise Singapore at +65 6898 1800 or enquiry@enterprisesg.gov.sg.

Annex A: Key Benefits of the Upgraded India-Singapore Comprehensive Economic Cooperation Agreement

Annex B: Factsheet on Singapore-India bilateral economic relations

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Annex A: Key Benefits of the Upgraded India-Singapore Comprehensive Economic Cooperation Agreement

1. The India-Singapore Comprehensive Economic Cooperation Agreement (CECA) covers tariff reduction/elimination, enhancement to avoidance of double taxation agreement, mutual recognition agreement, education and movement of citizens. It entered into force on 1 August 2005 and the first review was concluded on 1 October 2007.

2. With the upgraded CECA, Indian and Singapore businesses will enjoy greater access to each other's markets. The key benefits of the upgraded CECA include:

- Expanded Tariff Concessions - Both countries have agreed to reduce / eliminate tariffs for an additional 30 products to the level under the ASEAN-India Free Trade Agreement. These new preferential tariffs apply to a variety of sectors, including food (e.g. sweet biscuits, curry paste and chilli sauce) and Nylon moulding powder.
- Improved Rules of Origin – Both countries have agreed to more flexible General Rule of Origin, inclusion of a de minimis provision; and new Product Specific Rules for goods such as machinery parts and edible oils. The General Rule of Origin refers to the criteria applied to determine if a good can qualify for preferential tariffs as a Singapore-originating Good while the de minimis provision provides flexibility for certain goods to qualify as a Singapore-originating good even when a limited amount of inputs used in its production does not meet the change in tariff classification requirement. Together with the Product Specific Rules, which are typically easier to meet than the General Rule, these improvements will make it easier for Singapore exports into India to qualify for preferential tariffs under CECA.
- Mutual-Recognition Agreement for Nursing – Both countries have agreed to a Mutual Recognition Agreement on Nursing to facilitate better understanding of the Parties' standards in regulating the training and practice of nursing.

Annex B: Fact Sheet on Singapore-India Bilateral Economic Relations

Trade

1. India is an important economic partner for Singapore. Total bilateral trade grew from \$16.6 billion in 2005 when the CECA was first signed to S\$25.2 billion in 2017. In 2017, India was Singapore's largest trading partner in South Asia and Singapore was India's 2nd largest trading partner within ASEAN.
2. Top imports from India in 2017 include petroleum oils as well as jewellery and precious metals. Top exports to India in 2017 include machineries, petroleum oils, styrene and gold.

Investment

3. Foreign Direct Investment from India to Singapore increased by S\$19.3 billion and the Direct Investment Abroad from Singapore to India increased by S\$35.6 billion in 2017 from 2005 when the CECA was first signed.

Companies

4. Indian companies in Singapore range from IT services and education to logistics and manufacturing. Indian companies see Singapore as a safe and reliable home, and a conducive and trusted springboard to start internationalising their businesses.
5. Leveraging India's fast-growing economy and its infrastructural needs, Singapore companies in India are involved in numerous key sectors ranging from Urban Solutions, Power, Transport and Logistics to Food Processing and Education.

Other agreements between Singapore and India

6. During Prime Minister Narendra Modi's visit to Singapore in November 2015, Mr Modi and Prime Minister Lee Hsien Loong signed a Strategic Partnership Under Economic Cooperation, there are five key areas of interest: (i) Trade and investment; (ii) Air and maritime connectivity; (iii) Urban development and rejuvenation; (iv) Skills and capacity development; and (v) State focus to strengthen business and cultural links.
7. A Framework Agreement to establish the ASEAN-India FTA (AIFTA) was signed in 2003, under which an AIFTA would be realised with Brunei, Indonesia, Malaysia, Singapore, Thailand and India by 31 December 2011 and with the remaining ASEAN countries by 2016. The Trade in Goods Agreement under the AIFTA was signed at the AEM-India Consultations on 13 August 2009 in Bangkok and entered into force on 1 January 2010. The Trade in Services and

Investments Agreement under the AIFTA were signed in November 2014 and entered into force on 1 July 2015.

8. A Memorandum of Understanding was signed between Singapore and Andhra Pradesh on 8 December 2014 to jointly prepare a master plan and develop the latter's new capital city, Amaravati, and surrounding region. Surbana-Jurong was appointed as the master planner to help create three master plans for the new capital city. The final seed development master plan was completed and delivered in July 2015.

9. A Memorandum of Understanding was signed between the Singapore government and the state of Maharashtra on 16 May 2018 to establish the Maharashtra-Singapore Joint Committee (MSJC), which covers three broad pillars of Urban Infrastructure, Industrial Development and Aviation. The efforts will focus on the city of Pune, the second-largest city in Maharashtra after Mumbai, with Surbana-Jurong appointed as the master planner of the Pune Metropolitan Region. Changi Airports International will provide advisory services for the proposed new Pune airport.