

For immediate release

SINGAPORE REAFFIRMS RELATIONS WITH MEXICO AND THE PACIFIC ALLIANCE

1. Senior Minister of State for Trade and Industry and Education Chee Hong Tat visited Puerto Vallarta and Mexico City, Mexico from 21 to 25 July. He represented Singapore at the Ministerial Meeting between the Pacific Alliance (PA) and Candidate Associate States and the 13th Pacific Alliance Summit held in Puerto Vallarta. The PA is a Latin American grouping comprising Mexico, Chile, Colombia and Peru. Collectively, the PA represents a market of over 220 million people and a combined GDP of almost US\$4 trillion.
2. At the PA meetings, Mr Chee reaffirmed Singapore's commitment to deepen and grow trade and investment links with the PA through the Pacific Alliance-Singapore Free Trade Agreement (PASFTA). He spoke about the benefits and importance of greater regional integration and trade liberalisation. He also encouraged the PA to work with Singapore and ASEAN on initiatives to promote economic growth and connectivity within the Asia-Pacific region.
3. While in Mexico, Mr Chee met with various Ministers of Trade from the PA and its Observer States, leaders of the Pacific Alliance and Mexican business communities. He also met representatives of Singapore companies based in Mexico.
4. Mr Chee said, "I congratulate Mexico on hosting a successful Pacific Alliance Summit. The outcomes support Singapore's commitment to free trade and economic integration with like-minded countries around the world. In my meetings with Mexican government and business leaders, we spoke about Singapore's role in supporting Mexican companies that are interested to expand to Asia. We also discussed the potential for further collaboration in areas such as infrastructure and manufacturing."
5. In the spirit of promoting free trade and greater economic integration, Mr Chee announced earlier in his trip, that Singapore and MERCOSUR had launched negotiations for a Free Trade Agreement. MERCOSUR is a South American customs union comprising Argentina, Brazil, Paraguay and Uruguay.
6. Mr Chee was accompanied by officials from the Ministry of Trade and Industry and Enterprise Singapore.

Ministry of Trade and Industry
26 July 2018

**Annex A: Fact sheet on Singapore-Pacific Alliance Economic Relations
and the PASFTA**

Annex B: Fact sheet on Singapore-Mexico Economic Relations

For media queries, please contact:

MINISTRY OF TRADE AND INDUSTRY

Huang Wanxin

Assistant Director, Corporate Communications Division

Tel: +65 6332 7109, HP: +65 9159 3059

Email: HUANG_wanxin@mti.gov.sg

Annex A: Fact sheet on Singapore-Pacific Alliance Economic Relations and the PASFTA

The Pacific Alliance

1. The Pacific Alliance (PA), a Latin American grouping comprising Mexico, Chile, Colombia and Peru, was formally established in June 2012. Collectively, it is the 8th largest economy worldwide, accounting for 40.6% of the GDP of the 33 Latin American and Caribbean (LAC) countries.

Singapore's Trade with the Pacific Alliance

2. Singapore's total trade in goods with the four PA countries amounted to S\$5.6 billion in 2017, making up 27% of our total trade with the 33 LAC countries. Trade in services amounted to S\$1.8 billion in 2016, accounting for 28.5% of Singapore's total trade in services with the region. Singapore's stock of Direct Investment Abroad (DIA) in the PA markets was S\$3.8 billion as at end-2016.

The Pacific Alliance-Singapore Free Trade Agreement

3. Singapore currently has existing agreements with three of the four PA countries – Chile, Peru and Mexico:

Chile, Mexico, Peru	<p><u>Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP)</u></p> <p>The CPTPP is an agreement between 11 countries: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. Concluded in January 2018 and signed in March 2018, the trade pact has been ratified by Mexico, Japan and Singapore. It is expected to enter into force in 2019.</p>
Chile	<p><u>Trans-Pacific Strategic Economic Partnership (TPSEP)</u></p> <p>A trade agreement between four Pacific Rim countries, Brunei, Chile, Singapore and New Zealand, the TPSEP entered into force in 2006.</p>
Peru	<p><u>Peru-Singapore Free Trade Agreement (PeSFTA)</u></p>

	The PeSFTA, in force since August 2009, is a comprehensive agreement aimed at providing Peruvian and Singapore companies with enhanced access to each other's markets.
--	--

4. The PASFTA will provide an additional platform for Singapore to engage with Chile, Mexico, Peru and the PA as a group. There will also be market access benefits from Colombia with whom we do not have any trade agreements with.

Annex B: Fact sheet on Singapore-Mexico Economic Relations

Trade in Goods

1. In 2017, bilateral trade between Singapore and Mexico amounted to S\$4.5 billion, making Mexico Singapore's 2nd largest trading partner in Latin America and 27th largest trading partner worldwide. Singapore's exports to Mexico amounted to S\$1.7 billion in 2017. Top exports to Mexico for 2017 included electronic integrated circuits, petroleum oil, and telephone sets.

2. Singapore's imports from Mexico in 2017 amounted to S\$2.7 billion. Singapore's top imports from Mexico were in instruments and appliances used in medical or veterinary sciences, petroleum oil, and telephone sets.

Trade in Services

3. Singapore's stock of Direct Investment Abroad (DIA) in Mexico was S\$1.08 billion as at end-2016, mainly in the manufacturing, financial and insurance services sectors. Singapore's stock of Foreign Direct Investment (FDI) from Mexico was S\$631 million as at end-2016, mainly in financial and insurance services.

Bilateral Economic Agreements

Comprehensive and Progressive Agreement for the Trans-Pacific Partnership (CPTPP)

4. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) is a free trade agreement between 11 countries: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. The CPTPP was concluded on 23 January 2018 in Tokyo, Japan and signed on 8 March 2018 in Santiago, Chile. Mexico was the first CPTPP party to ratify the agreement on 24 April 2018. Following Japan's ratification on 6 July 2018, Singapore was the third country to ratify the agreement, on 19 July 2018.

Avoidance of Double Taxation Agreement (DTA)

5. The Singapore-Mexico DTA was signed in November 1994 and entered into force in September 1995. Following Singapore's endorsement of the internationally-agreed Standard for the Exchange of Information (EOI), both States signed a protocol to incorporate the Standard into our DTA in September 2009, which entered into force on 1 January 2012 after Singapore's ratification of the protocol. The EOI provisions in the bilateral DTA took effect from 1 January 2013.

Singapore Companies in Mexico

6. There are currently more than 40 known Singapore-based companies with presence in Mexico, spanning across the wide spectrum of sectors such as manufacturing, urban infrastructure and hospitality. Singapore companies present in the Mexican market include Banyan Tee Hotels & Resorts, CrimsonLogic, Gardyon, GIC, Olam International, Pacific Radiance, ST Electronics, Sunningdale Tech, Surbana Jurong and Temasek Holdings.