

For Immediate Release

THE COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP ENTERS INTO FORCE IN DECEMBER

1. The Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) will enter into force on 30 December 2018, following the ratification by six Parties – Mexico, Japan, Singapore, New Zealand, Canada and Australia. Vietnam is the seventh country to ratify the CPTPP.
2. The CPTPP is a comprehensive, high-standard regional free trade agreement which will create new trade and investment opportunities for Singapore companies in the Asia-Pacific region. It brings together 11 economies¹ from both sides of the Pacific, representing 14% of the global economy. It also establishes Singapore's first preferential trade agreement with Canada and Mexico.
3. From 30 December 2018, companies will be able to export to CPTPP markets substantially tariff-free and gain access to CPTPP goods and services markets, including government procurement opportunities. Updated rules in technical standards, sanitary and phytosanitary measures, services and investment, address non-tariff barriers to trade. The agreement also tackles trade issues relevant to the 21st century economy by establishing enforceable rules in areas such as e-commerce and intellectual property.
4. Minister for Trade and Industry Chan Chun Sing said, "The CPTPP is a game-changing FTA which complements Singapore's extensive network of free trade agreements and deepens regional economic integration. It will benefit companies of all sizes from a diverse range of sectors in Singapore. In particular, e-commerce and intellectual property disciplines will promote the growth of the digital economy, innovation and the creation of new industries. We look forward to the swift ratification of the CPTPP by all Parties so that the full potential of the Agreement can be realised."
5. Companies interested in business and investment opportunities in CPTPP markets can contact Enterprise Singapore at enquiry@enterprisesg.gov.sg or refer to the MTI website² for more information.

MINISTRY OF TRADE AND INDUSTRY
20 November 2018

ANNEX A: KEY BENEFITS OF THE CPTPP

¹ Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

² <https://www.mti.gov.sg/Improving-Trade/Free-Trade-Agreements/CPTPP>

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Annex A: Key Benefits of the CPTPP

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

When the CPTPP enters into force, Singapore companies will benefit from greater market access across many sectors, reduction of tariff and non-tariff barriers, greater investment protection, increased government procurement opportunities and provisions that address new trade challenges in the modern economy. The CPTPP was also designed to be more inclusive, so that small and medium-sized enterprises can take full advantage of its benefits. Key benefits for companies include:

Tariff Elimination

- The CPTPP provides for comprehensive and commercially meaningful market access.
- For Singapore, 94% of our trade with CPTPP countries would be tariff-free upon entry into force.^[1]
- The remainder would be phased out over a longer timeframe.
- Goods manufacturers and exporters will be able to enjoy duty-free treatment on more types of goods than what our previous trade agreements provided for.
 - The CPTPP also establishes Singapore's first preferential trade agreement with Canada and Mexico. Upon entry into force of the CPTPP, **Canada and Mexico will eliminate tariffs on 99% and 88% of Singapore's trade with these countries respectively.**
 - This includes Singapore's exports of pharmaceutical products to Mexico, where current tariffs range from 10 to 15% ad valorem, as well as Singapore's exports of organic chemicals, which are currently subjected to tariffs of up to 6.5% ad valorem.

More trade facilitative rules of origin

- Provisions on "**regional cumulation**"^[2] allow companies to tap into more efficient and cost effective CPTPP supply chains.
- The **alternative original criteria** for most products gives companies a choice of which criteria to use i.e. regional value add or change in tariff classification, in order to benefit from preferential tariffs.

^[1] Products would need to meet CPTPP origin criteria.

^[2] Regional cumulation means that the CPTPP will recognise input from all CPTPP countries as originating content.

Greater access to services sectors

- The CPTPP **provides enhanced market access** for service providers, professionals and investors, and creates a level-playing field for businesses in each other's markets. Countries have adopted the "**negative-list**" approach, where their markets will be fully open to foreign service suppliers, unless exceptions have been taken.
- Companies will **enjoy preferential access** that goes beyond our existing bilateral agreements and countries' WTO commitments in sectors such as professional services, telecommunications, transport and energy.
- The Agreement includes **transparency of non-conforming measures** taken at state-level, previously not available for Canada and Mexico, as well as of regulations developed for new services.

Investment Protection and Guarantees

- The CPTPP Investment chapter provides **market access, national treatment, and investment protection and guarantees** to facilitate cross-border investments.
- The Agreement establishes strong and predictable investment rules, including the **principle of non-discrimination** which ensures that CPTPP investors will not be treated less favourably than local or third country investors.
- Companies will benefit from **preferential investment conditions** such as higher investment thresholds for countries which impose a screening mechanism.

Government Procurement Opportunities

- The CPTPP's Government Procurement chapter improves Singapore companies' access to opportunities in CPTPP countries' government procurement markets.
- Parties commit to setting **transparent, objective and non-discriminatory tender specifications** in government procurement.
- The Agreement establishes domestic procedures to aid companies in the event of disputes involving the award of government projects.
- Companies in the IT, construction, and consultancy sectors will be able to bid on government procurement projects in markets such as Malaysia, Mexico and Vietnam, which were previously closed to foreign bidders.

Establishes standards in new areas

Intellectual Property (IP)

- It addresses a **wide variety of business IP concerns** – registration of trademarks, geographical indications, trade secrets, and enforcement.
- Under the CPTPP, it is easier to **search, register and protect trademarks and patents** through Madrid and Patent Cooperation Treaty (PCT).
- These contribute to a robust IP regime that will facilitate and attract R&D, grow innovative businesses and create high-value employment opportunities in the 21st century economy.

Creating a facilitative framework for the digital economy

- To protect the consumer, CPTPP Parties agree to **adopt and maintain consumer protection laws** related to fraudulent and deceptive commercial activities online.
- The CPTPP also **promotes a free and open internet** that enables the creation and growth of new, emerging and game-changing Internet services that transform the social-networking, information, entertainment, e-commerce, and other services we have today. CPTPP affirms that consumers will be able to access content and applications of their choice when online.
- The CPTPP **establishes requirements that ensures continued cross-border data flows**, and discourages forced technology transfers, or the substitution of local technology into produce and services.
- Innovative companies would also be able to **utilise the technology that works best and suits their needs**. For example, mobile phone companies would be able to choose among wireless transmission standards. The CPTPP also discourages forced technology transfers, or substitute local technology into produce and services in order to access another CPTPP market.

Promoting inclusive trade through enhancing the participation of Small and Medium Sized Enterprises (SMEs) in international trade

- The CPTPP **supports the growth and development of micro, small and medium-sized enterprises** by enhancing their ability to participate in and benefit from the Agreement.
- The CPTPP **provides information on standards and regulations**, as well as other relevant procedures relating to IP rights, foreign investment rules, business registration procedures, employment regulations and taxation procedures, to facilitate SMEs' participation in trade in CPTPP markets.