

## **COUNCIL OF THE EUROPEAN UNION APPROVES THE EU-SINGAPORE FREE TRADE AGREEMENT**

1. The Council of the European Union (EU)<sup>1</sup> has adopted the decision to conclude the EU-Singapore Free Trade Agreement (EUSFTA) today in Brussels, Belgium. Minister for Communications and Information and Minister-in-charge of Trade Relations S Iswaran and EU Commissioner for Agriculture and Rural Development and Commissioner-Designate for Trade Phil Hogan jointly announced the EU Council's approval of the EUSFTA at an EUSFTA gala dinner in Singapore.

2. This marks the final stage in the EU's internal approval process for the EUSFTA. The EU and Singapore will now proceed to complete their respective remaining administrative processes, with a view to enable the EUSFTA to enter into force on 21 November 2019.

3. Mr Iswaran said, "The Council's strong support reflects the EU and its Member States' interest and commitment to continue deepening economic relations with Singapore. Many Singapore companies are keen to grow their business in the EU and are looking forward to the EUSFTA's entry into force. As the first agreement between the EU and an ASEAN country, the EUSFTA will further strengthen trade and investment links between our regions. It also signals Singapore's strong commitment to open and rules-based trade."

4. Commissioner Hogan said, "I am happy to be here in Singapore to mark the historic adoption of the EU-Singapore FTA. This agreement will enhance our bilateral relationship, boost the EU's commitment to ASEAN, and is a sign of support for the rules based international order. In particular, I welcome the protection of Geographical Indications – iconic food and drink names which represent rural intellectual property – in the agreement."

5. Singapore and the EU enjoy longstanding and robust relations. The EUSFTA is the first FTA concluded between the EU and an ASEAN country and reflects both parties's steadfast support for a open and rules-based global trading system.

6. For more details on the key benefits of the agreements, please refer to the business guide jointly produced by the Ministry of Trade and Industry, Singapore, and the European Commission at <https://bit.ly/2BYRryQ>.

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<sup>1</sup> The EU Council comprises ministerial-representatives of the EU's 28 member states.

**ANNEX A: Photos of Minister S Iswaran and Commissioner Phil Hogan**  
**ANNEX B: Factsheet on the EUSFTA and EU-Singapore Bilateral Trade Relations**  
**ANNEX C: Factsheet on the Key Benefits of the EUSFTA**

**MINISTRY OF TRADE AND INDUSTRY**

**EUROPEAN COMMISSION**

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For media queries, please contact:

Huang Wanxin  
Assistant Director, Corporate Communications Division  
Tel: +65 6332 7109  
Email: HUANG\_wanxin@mti.gov.sg

Deepika Shetty  
Press Officer, European Union in Singapore  
Tel: +65 6576 0112  
Email: Deepika.SHETTY@eeas.europa.eu

**ANNEX A: Photos of Minister Iswaran and Commissioner Phil Hogan**





Caption: Minister-in-charge of Trade Relations S Iswaran and the EU Commissioner for Agriculture and Rural Development and Commissioner-Designate for Trade reaffirmed the commitment on both sides to implementing the EUSFTA expeditiously.

## **ANNEX B: Factsheet on the EUSFTA and EU-Singapore Bilateral Trade Relations**

1. Singapore and the EU launched negotiations on the EU-Singapore Free Trade Agreement (EUSFTA) in December 2009. The negotiations were concluded in October 2014.
2. The EUSFTA is an ambitious and forward-looking free trade agreement. In addition to providing increased market access and addressing non-tariff barriers, the EUSFTA has progressive provisions to address 21st century trade challenges such as e-commerce. The EUSFTA also contains strong rules on trade and sustainable development, including the protection of labour rights and the environment. For instance, the EUSFTA will foster green public tendering and create new opportunities in environmental services.

### **EU-Singapore bilateral trade relations**

1. The EU is Singapore's third largest goods trading partner, while Singapore is the EU's largest goods trading partner in ASEAN. In 2018, bilateral trade in goods exceeded S\$114 billion, comprising S\$49 billion of Singapore exports to the EU and S\$65 billion of Singapore imports from the EU.
2. The EU is Singapore's largest services trading partner, while Singapore is the EU's largest services trading partner in ASEAN. In 2017, bilateral trade in services exceeded S\$79 billion, comprising S\$39 billion of Singapore exports to the EU and over S\$40 billion of Singapore imports from the EU.
4. The EU is the largest foreign investor in Singapore, accounting for foreign direct investment (FDI) stock of over S\$376 billion in Singapore in 2017. The robust inflow of EU FDI has also made Singapore the EU's largest investment destination in ASEAN. As of December 2018, there are more than 14,000 EU companies in Singapore.
5. Singapore's Direct Investment Abroad (DIA) in the EU stood at approximately S\$122 billion in 2017, making Singapore the EU's 7<sup>th</sup> largest foreign investor and largest ASEAN investor.

## ANNEX C: Factsheet on the Key Benefits of the EUSFTA

1. When the EUSFTA enters into force, EU and Singapore companies will benefit from greater market access across many sectors, increased government procurement opportunities and the progressive elimination of tariffs on exports into Singapore and the EU, amongst others. Key benefits for companies include:

### Tariff Elimination

2. **Singapore will remove tariffs on all EU products entering Singapore. The EU will remove tariffs on 84% of all Singapore products entering the EU within the first year, and the remaining 16% over a period of 3 to 5 years.**

3. The EUSFTA will provide **for liberal and flexible rules of origin (ROO)** for the EU's and Singapore's key exports to each other's markets including automobiles, chemicals, clothing and textiles, electronics, machinery, pharmaceuticals, and petrochemicals.

4. The EUSFTA is the first bilateral FTA where Singapore **incorporated enhanced market access for Asian food products made in Singapore**, such as *har gow* (prawn dumplings) and *sambal ikan bilis* (spicy crispy anchovies). These can enter the EU tariff-free under flexible ROOs<sup>2</sup>, up to a combined quota of 1,250 tonnes annually.

### Reduced Non-Tariff Barriers

5. **Unnecessary technical barriers to trade (TBT)** for Singapore and EU exporters which sometimes makes it difficult for companies to sell their products in different markets **will be removed**. The provisions in the agreement go beyond the requirements of the World Trade Organization's Technical Barriers to Trade (TBT) Agreement, and are aimed at reducing costs for exporters.

6. Provisions include rules on marking and labelling, reducing duplicative conformity testing for a range of electronic goods, promoting the recognition of international standards for motor and vehicle parts, and certifying systems for meat-producing establishments so that inspection of individual abattoir / food processing plants for companies to export their goods will not be required.

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<sup>2</sup> There is no need to ensure that the ingredients used in these processed food products were grown or produced in Singapore. All that is necessary is to show that the product was made in Singapore. These food products will be subjected to relevant EU sanitary and phytosanitary requirements.

7. This will create a level playing field for EU and Singapore companies to facilitate trade between EU and Singapore. A wide range of sectors in both the EU and Singapore will benefit, such as electronics, motor vehicles and vehicle parts, pharmaceuticals, renewable energy, as well as meat and meat products.

### **Trade in Services Sectors**

8. Services sectors are crucial for both the EU and Singapore economies, and the EUSFTA aims to further boost the dynamic trade in services between Singapore and the EU.

9. The EUSFTA provides **enhanced market access for service providers, professionals and investors**, and creates a level-playing field for businesses in each other's markets, including through certain sector specific rules on non-discrimination and transparency.

10. The agreement covers a wide range of services sectors including financial services, professional services, computer and related services, research and development, business services, telecommunication services, environmental services, and tourism and travel related services.

### **Government Procurement Opportunities**

11. The EUSFTA's Government Procurement chapter includes rules on transparency and non-discrimination that go beyond the WTO's Agreement on Government Procurement, which Singapore and the EU are signatories to.

12. The EU, which has the largest government procurement market in the world, will **grant Singapore enhanced access to city-level and municipal-level government procurement opportunities**. Given the significant role of the EU's sub-central level government entities as purchasers of goods and services, this represents sizeable new opportunities for Singapore companies.

13. Companies that will benefit include those with strengths in computer-related services, telecommunications services, land transport services, maintenance and repair services, sewage and refuse disposal, and architecture and engineering services.

14. In return, Singapore's commitments in the GP Chapter will allow EU companies more opportunities to participate in our public tenders.

## Enhanced Intellectual Property Rights

15. Both the EU and Singapore rely on innovation as a driving force to support their economies, and have established modern systems for protecting and enforcing intellectual property rights in their territories. To continue encouraging innovation, the trade agreement includes a **comprehensive intellectual property rights chapter covering provisions on copyright, designs, enforcement and geographical indications (GIs).**