

For immediate reporting

UPGRADED SINGAPORE-NEW ZEALAND AGREEMENT ENTERS INTO FORCE ON 1ST JANUARY 2020

1. Singapore and New Zealand have ratified the upgraded Agreement between New Zealand and Singapore on a Closer Economic Partnership (ANZSCEP), which will enter into force on 1 January 2020.
2. Minister for Trade and Industry Chan Chun Sing said, “The swift ratification and entry-into-force of the upgraded ANZSCEP signals Singapore and New Zealand’s commitment to upholding an open and rules-based trading system. This modernised agreement will further reduce barriers to trade and enhance regulatory cooperation and e-commerce efforts, benefiting businesses from both our countries. I look forward to the deepening of economic relations between our countries.”
3. The ANZSCEP, which entered into force on 1 January 2001, is Singapore’s first and New Zealand’s second bilateral Free Trade Agreement (FTA). Negotiations for the upgraded ANZSCEP were launched in June 2017 under the trade and economic pillar of the Singapore-New Zealand Enhanced Partnership, and the upgraded ANZSCEP was signed on 17 May 2019.
4. The upgraded ANZSCEP has improved trade rules and provisions that are in line with newer FTAs to which Singapore and New Zealand are parties. It incorporates some of the most flexible and trade facilitative rules of origin among Singapore’s FTAs and the shortest release times for goods and expedited shipments. It also addresses modern trade issues and includes two new chapters on E-Commerce and Regulatory Cooperation.
5. Singapore and New Zealand share strong trade and investment ties. In 2018, bilateral trade registered a 12.1% year-on-year increase to S\$4.1 billion. Singapore was New Zealand’s 6th largest investor with a stock of approximately S\$3.9 billion worth of investments as of end-2017¹.

**MINISTRY OF TRADE AND INDUSTRY
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ANNEX A: KEY FEATURES OF THE UPGRADED ANZSCEP

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¹ Source: Statistics New Zealand

Annex A: Key Features of the Upgraded ANZSCEP

New Chapters

E-Commerce

1. The E-Commerce Chapter is a new addition to the ANZSCEP and contains a range of provisions including those related to data. Companies will be able to access data freely and will not be required to locate computing facilities in a market as a pre-requisite to doing business there. In addition, forward-looking provisions on cooperation in Logistics and E-Invoicing were also included in the Chapter. Both parties hope to build upon these provisions in future negotiations.

Regulatory Cooperation

2. The Regulatory Cooperation Chapter is a new addition to the ANZSCEP and creates a mechanism for both parties to raise and resolve issues that companies face in the course of trade with New Zealand. The Chapter also pre-emptively addresses such trade issues by promoting good regulatory practices and encouraging Singapore and New Zealand regulators to cooperate in various aspects on goods, services, and other trade-related matters.

Upgraded Chapters

Trade in Goods

3. The Trade in Goods Chapter incorporates modern provisions that address both tariff and non-tariff barriers to trade. For instance, it includes provisions which ensure non-discriminatory treatment of remanufactured goods, and goods which have undergone repair and alteration. Non-tariff measures such as administrative fees and formalities, and import licensing have also been enhanced. These aim to streamline customs procedures and reduce the costs of trade for businesses.

Rules of Origin

4. The upgraded ANZSCEP Rules of Origin (ROO) incorporate some of the most flexible and trade facilitative ROO ever agreed to in Singapore's FTAs. The ROO takes into account modern business production patterns, and helps companies qualify more easily for preferential tariff treatment in sectors such as electronics, pharmaceuticals, chemicals, and processed food. It also reflects the desire between both parties to forge a larger, trilateral trade area with Australia in the future.

Sanitary and Phytosanitary Measures

5. The Sanitary and Phytosanitary Measures (SPS) Chapter incorporates comprehensive disciplines from our recent FTAs, including the Comprehensive

and Progressive Agreement Trans-Pacific Partnership (CPTPP), which ensures that our food imports are held to stringent and robust food safety requirements while reducing trade barriers that could impede our food exports.

6. In addition, Singapore and New Zealand have also concluded three Implementing Arrangements (IAs) under the SPS Chapter. The IAs will allow our food exporters to benefit from improved market access and expedited clearance of their exports. The IAs will also enhance transparency of SPS regulations, which provides greater certainty for our exporters and enables them to better comply with New Zealand's SPS requirements.

Technical Barriers to Trade

7. Singapore and New Zealand concluded a Mutual Recognition Agreement (MRA) on Conformity Assessment under this upgrade. This provides a framework for negotiation of MRAs on a variety of sectors going forward. As a start, Singapore and New Zealand have agreed to a MRA on Good Manufacturing Practice (GMP) inspection of manufacturers of medicinal products. By avoiding duplication of GMP inspections, the MRA will save time and resources for the pharmaceutical industry and ensure quicker access to medicinal products for patient.

8. The Technical Barriers to Trade Chapter has been modernised by incorporating key provisions from the Trans-Pacific Strategic Economic Partnership (TPSEP or the P4) and the CPTPP including to: (i) enhance transparency of technical measures; (ii) promote the use of international standards; (iii) pursue equivalency of technical regulations; and (iv) facilitate the acceptance of conformity assessment conducted in Singapore. The upgraded ANZSCEP also incorporates the CPTPP Annexes on Cosmetics, Medical Devices, and Pharmaceuticals, which will ensure transparent and business-facilitative marketing authorisation procedures.

Customs Procedures and Trade Facilitation

9. The Customs Procedures and Trade Facilitation Chapter addresses key principles for the simplification, harmonisation, and modernisation of trade procedures with the objective of reducing trade transaction costs and time at the interface between business and customs administrations. Notably, 7 out of the 10 Articles in the Chapter contain provisions that are more facilitative than comparable provisions in the World Trade Organisation Trade Facilitation Agreement (WTO TFA). In particular, both parties have agreed to: (i) release goods that reach our respective borders within 24 hours of arrival; and (ii) release express consignments within 4 hours of submission of necessary customs documentation to respective customs authorities. These are the shortest release times for goods and expedited shipments agreed under Singapore's existing FTAs, and will bring about potential cost-savings for Singapore exporters through more efficient custom processes.

Investment

10. The Investment Chapter has been updated to include strong disciplines and protections that enhance stability and predictability for investors. These include new provisions that protect investors against serious instances of arbitrary, discriminatory or abusive conduct by the State, and commitments to compensate investors if the State appropriates or causes unnecessary damage or destruction to their investments during armed conflict or civil strife.

Services

11. To further our cooperation in trade in services, Singapore and New Zealand concluded a side letter on mutual recognition of professional qualifications, with a focus on accounting. This will support and encourage on-going cooperation and dialogue between Singapore and New Zealand accounting bodies, with a view to facilitate the flow of professionals in the accounting sector between the two countries

Competition and Consumer Protection Chapter

12. The upgraded Competition and Consumer Protection Chapter replaces an article in the original ANZSCEP that primarily sets out broad principles for competition policy. The new Chapter obliges both Singapore and New Zealand to adhere to principles of transparency, non-discrimination and procedural fairness. A basis for cooperation between both parties is also set out. The Chapter helps to ensure that businesses compete on a level-playing field and protects them against anti-competitive practices. The scope of the Competition Chapter has also been expanded to include an Article on Consumer Protection, which requires both parties to have laws to protect consumers against misleading and deceptive conduct.