

PACIFIC ALLIANCE AND SINGAPORE CONCLUDE NEGOTIATIONS FOR THE PACIFIC ALLIANCE-SINGAPORE FREE TRADE AGREEMENT

1. The Pacific Alliance (PA) and Singapore have concluded negotiations for the Pacific Alliance-Singapore Free Trade Agreement (PASFTA). This was welcomed by the Ministers of Trade of Colombia Ms. Maria Ximena Lombana, of Peru Ms. Claudia Cornejo, of Mexico Ms. Tatiana Clouthier and Mr. Andres Allamand the Minister of Foreign Relations of Chile as members of the PA, and the Minister for Trade and Industry of Singapore Mr. Gan Kim Yong, via a videoconference on 21 July 2021.

2. **Ms. Maria Ximena Lombana**, Minister of Trade, Industry and Tourism for Colombia, in her capacity as Pro Tempore President of the PA announced the closing of negotiations for the PASFTA, which will strengthen the commercial partnership ties between the PA and Singapore.

“This FTA marks a milestone in the PA’s integration with the Asia Pacific Region. This will allow the PA to grant Singapore the status of the first Associated State to the PA. In 2017, the PA launched negotiations with Singapore, Australia, New Zealand and Canada, which are Candidates to be Associated States. This is an important instrument for economic and commercial integration, stressing the PA’s commitment to effectively insert ourselves in the Asia Pacific Region.”

“With this new Agreement between Singapore and the PA, we are embarking on the path of improving our commercial relationship, attracting investments, expanding market access of goods, and boosting access for service suppliers in a wide range of sectors. Reaching Singapore’s market allows us to use regional inputs from different countries, which will enhance productive regional chains. We expect to attract Singaporean investors to the PA’s extended market as a productive and export platform to the region.”

“The Alliance perceives that being an Associated State is a mechanism that promotes free trade agreements and provides windows of opportunity for cooperation. This instrument will enable us to explore areas for collaboration on technology and digital economy that may include the linking of Singapore’s National Single Window with the PA’s, port management and logistics, infrastructure and urban solutions, energy collaboration and food trade. Additionally, Singapore suggested the Digital Economy Partnership Agreement (DEPA) as another initiative which we may explore with the PA states, recognising that it may bring tangible benefits for all the countries involved.”

“The PA is aligned with Singapore’s idea of free trade agreements, which will bring growth and ensure long-term sustainable economic development, and will also boost our commercial and economic relationship.”

3. **Mr. Gan Kim Yong**, Singapore’s Minister for Trade and Industry, said that, “Singapore is honoured to be joining the Pacific Alliance in announcing the conclusion of the Pacific Alliance-Singapore Free Trade Agreement (PASFTA). The PASFTA establishes a modern, comprehensive, high-quality, and mutually

beneficial economic partnership that builds on existing agreements between the Pacific Alliance and Singapore. This agreement complements Singapore's existing bilateral and plurilateral links with each Pacific Alliance country, including the Trans-Pacific Strategic Economic Partnership Agreement, Peru-Singapore FTA, and, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership. It is significant that the PASFTA will be our first FTA with Colombia."

"The PASFTA represents the shared commitment by the Pacific Alliance and Singapore to persevere with greater economic integration and support the rules-based multilateral trading system. It sends a powerful message to the global community that our countries remain open for business and, despite the pressures placed on economic multilateralism, we want to reach out to one another and create more opportunities for our people. We want to build on this foundation, grow our links even more, and generate opportunities for our people and businesses."

"We agree with the Pacific Alliance that the Associated Status provides a platform for collaboration in various areas such as energy collaboration, food trade, digital economy, infrastructure and urban solutions, port management and logistics, and the linking of National Single Windows."

4. The PA comprises of Chile, Colombia, Mexico and Peru. Collectively, it has a combined population of 230 million, a per capita GDP of US\$19,000 and exports that reach US\$627 billion, making the Alliance the 8th largest exporter in the world. In 2019, Singapore's total trade in goods with the PA was S\$6.1 billion, which accounted for 33.2% of our total trade in goods with Latin America.

5. The PA is also the 8th largest economy worldwide, attracting 56 million tourists, representing 41% of Latin America and the Caribbean GDP, and accounting for 38% of its foreign direct investment. Additionally, both, the World Competitiveness Centre and Doing Business rank the PA countries as the most competitive in the region.

6. Singapore became an Observer State to the PA in 2014, and a Candidate Associated State in 2017. This event complies with the mandate from the presidential statement of the PA's Presidents and the Prime Minister of Singapore at Santiago's Summit last December.

7. Singapore and the PA will work towards a formal signing of the PASFTA during the Pacific Alliance Summit in December in 2021, in Colombia. Singapore will become the first Associate State of the PA upon signing of the PASFTA. The PA and Singapore look forward to using this platform to catalyse closer people-to-people ties, and further economic cooperation in areas of mutual interest such as infrastructure, digital and innovation, energy, and food trade.

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For media queries, please contact:
Cheryl Lee
Senior Assistant Director and Press Secretary to Minister
Communications and Engagement Division
Tel: 9631 8511
Email: Cheryl_LEE@mti.gov.sg