

For Immediate Release

SINGAPORE WILL JOIN WORLD TRADE ORGANIZATION JOINT STATEMENT INITIATIVE ON SERVICES DOMESTIC REGULATION

1. Singapore's eighth Trade Policy Review (TPR) is being held at the World Trade Organization (WTO) in Geneva, Switzerland, from 22 to 24 September 2021. Mr Lee Chuan Teck, Permanent Secretary (Development) at the Ministry of Trade and Industry (MTI), is leading the Singapore delegation which comprises officials from MTI, Permanent Mission to the WTO and the Attorney-General's Chambers.

2. As a WTO member, Singapore is required to undergo a periodic review of its trade and economic policies, to ensure transparency and coherence with its obligations under the WTO. Since Singapore's last TPR in 2016, the global trade environment has become more challenging, aggravated by the ongoing COVID-19 pandemic. The WTO plays an important role in fostering a strong and sustainable economic recovery. Singapore is fully committed to supporting and strengthening the WTO, including the TPR mechanism, which encourages governments to fulfil their WTO commitments, and contributes to the smooth functioning of the multilateral trading system.

3. In a speech on 22 September, Mr Lee announced that Singapore will join the WTO Joint Statement Initiative (JSI) on Services Domestic Regulation. Mr Lee said, "I am pleased to announce that Singapore will join the JSI on Services Domestic Regulation. We have taken time to review our regime and are ready to actively participate in the discussions. We will be submitting our draft schedules shortly and look forward to working closely with participants to substantially conclude this initiative at Ministerial Conference 12." The transcript of Mr Lee's speech is at the [Annex](#).

4. The JSI will establish enhanced rules to improve the overseas business environment for Singapore's services exporters. It will increase transparency through a variety of ways including requiring participating WTO Members to implement mechanisms to respond to enquiries from businesses and publish information on authorisation requirements and processes. It will also ensure predictability and fairness by requiring that regulatory processes are based on objective and transparent criteria.

5. At the review, other WTO Members will be able to deliver comments and pose questions on Singapore's trade and economic policies. Following the TPR, a Government report and WTO Secretariat report will be made available at the WTO website at www.wto.org.

* * * * *

Annex

A: Photo of Mr Lee Chuan Teck, Permanent Secretary (Development), MTI, at Singapore's 8th Trade Policy Review

B: Opening Statement by Mr Lee Chuan Teck, Permanent Secretary (Development), MTI, at Singapore's 8th Trade Policy Review on 22 September 2021

For media queries, please contact:

Judith Chew
Senior Assistant Director, Communications and Engagement Division
Ministry of Trade and Industry
Tel: +65 6332 7523
Email: Judith_CHEW@mti.gov.sg

Eoin Ee
Senior Assistant Director, Communications and Engagement Division
Ministry of Trade and Industry
Tel: +65 6332 7315
Email: Eoin_EE@mti.gov.sg

Annex A: Photo of Mr Lee Chuan Teck, Permanent Secretary (Development), MTI, at Singapore's 8th Trade Policy Review



Mr Lee Chuan Teck, Permanent Secretary (Development), Ministry of Trade and Industry, at Singapore's 8th Trade Policy Review at the World Trade Organization in Geneva, Switzerland on 22 September 2021.

Annex B: Opening Statement by Mr Lee Chuan Teck, Permanent Secretary (Development), MTI, at Singapore's 8th Trade Policy Review on 22 September 2021

1. Thank you, Ambassador Molokomme.
2. Madam Chair, Ambassadors and Distinguished Representatives, I am pleased to be here in Geneva to participate in Singapore's 8th Trade Policy Review. Allow me to first express my appreciation to Ambassador Sorli, Permanent Representative of Norway, for being the Discussant for Singapore's TPR, and to the Secretariat for the hard work in preparing the report and organising the proceedings.
3. Singapore attaches great importance to the trade policy review process, which we regard as a critical function of the WTO. The TPR process enhances accountability and encourages Members to learn from each other. This year, we have received an unprecedented number of questions from Members – 500 questions. We are honoured by the keen interest that Members have shown in our policies and practices even amidst the hectic preparations for the 12th Ministerial Conference.

Transition to a COVID-Resilient State

4. Allow me to first share with you a brief update on the state of the Singapore economy. Madam Chair has already touched on this previously. The COVID-19 pandemic is the crisis of a generation that has inflicted devastating human and economic costs globally. It has upended our economies and the lives of people everywhere. Like all Members, Singapore has been severely impacted by the COVID-19 pandemic, especially given our openness and heavy reliance on trade. We experienced our worst full-year recession in 2020. The Singapore economy contracted by 5.4 per cent as we grappled with both

demand and supply-side shocks. Our outward-oriented sectors such as tourism, logistics, and professional services were particularly impacted due to the precipitous fall in external demand and extensive supply chain disruptions. As an air hub, Singapore suffered badly as visitor arrivals plummeted by more than 85 per cent, and commercial aircraft movements plunged by more than 67 per cent in 2020.

5. To help support our people, workers and businesses through this unprecedented crisis, Singapore committed fiscal resources amounting to about 20 per cent of our GDP to provide economic and social support, as well as public health measures in 2020. The bulk of our support was delivered in the Job Support Scheme – where we encouraged firms to preserve jobs by defraying 25 to 75 per cent of employees’ wages.

6. One and a half year since the onset of COVID-19, COVID-19 cases continue to rise globally, including Singapore, due to the spread of highly transmissible variants. But we are beginning to see some light at the end of the tunnel. Despite a rise in infections due to the Delta variant, our high vaccination rates have given us comfort as our experience thus far suggests that vaccination can significantly weaken the link between infections and deaths. If this observation can be affirmed over time, it will pave the way towards a calibrated re-opening of our economy as we learn to adapt to an endemic COVID-19 world.

7. Responding to the challenges of the pandemic requires a fine balance between the twin objectives of ensuring public health safety and preserving economic livelihoods. Striking the right balance is made even more challenging because we are dealing with a novel virus and there are many “unknown unknowns”.

8. We will need to adjust this balance constantly. So far, our economy has rebounded fairly well this year. Our manufacturing sector grew by 14 per cent

in the first half of 2021, supported by output expansions in most manufacturing clusters. In particular, we expect robust growth in our electronics and precision engineering clusters on the back of strong semiconductor and semiconductor equipment demand.

9. The challenges brought about by the pandemic have also not deterred companies from investing in Singapore, including in new segments of growth in areas such as agri-food tech and advanced manufacturing. In the case of agri-food tech, we are leveraging on Singapore's unique farm-to-fork ecosystem and track record for technical capabilities, quality branding, and IP protection. We are also committed to growing our manufacturing sector by 50 per cent in the next 10 years for Singapore to become a global business innovation and talent hub for advanced manufacturing.

10. We want to ride on exigencies of the crisis to spur upgrading and transformation in our firms. We have convened industry-led coalitions called "Alliances for Action" that work in partnership with the Government to act on emerging growth opportunities, such as supply chain digitalisation, sustainability, digitalising construction, smart commerce, robotics, and so on. Take supply chain digitalisation, for example. We recently launched the Singapore Trade Data Exchange to facilitate trusted and secure sharing of data through the regulatory, logistical, and financial ecosystems in trade. As a public and neutral infrastructure that can connect to local and global data systems, SGTraDex, as it is called, can become an end-to-end enabler of supply chain ecosystems in Singapore and globally.

11. Taking these factors and policies into consideration, Singapore recently upgraded our GDP growth forecast for 2021 to 6 to 7 per cent. Barring a major setback in the global economy and a significant spike in COVID-19 cases locally, we expect to see a gradual recovery to pre-covid levels in the second half of 2021.

12. However, our economic recovery will be uneven. The outlook for sectors worst hit by the pandemic like tourism- and aviation-related sectors remain weak as a substantial re-opening of international borders will not occur in the near term. Similarly, consumer-facing sectors such as retail and food & beverage services are also not expected to return to pre-pandemic levels within the year, partly because of the slow recovery in tourist arrivals. The outlook of labour-intensive sectors such as construction has been dampened by manpower shortages due to border restrictions. As a small open economy, we are also subject to the vagaries of the global economy and will need to be nimble to overcome any challenges that come our way.

Seizing Opportunities in Digital Economy and Sustainability

13. While the pandemic has brought disruptions, it has also thrown up many opportunities. Singapore hopes to work with Members in these new areas of growth so that we can collectively emerge stronger from this crisis. Allow me to highlight two areas which Singapore sees as the next frontier of economic recovery and growth.

14. First, the digital economy. Singapore recognises the importance of digitalisation. The growth of digital economy has been hastened by the pandemic. Our goal is to transform our economy to be digital end-to-end. This includes:

- a. Actively reaching out and onboarding small local companies, even food hawkers, to also be part of the digital economy;
- b. Digitalising each stage of the business process within firms by fully integrating front-end operations with back end, so that transactions are fully paperless and presence-less; and
- c. Ensuring that digital systems are inclusive and inter-operable across firms.

15. We are also interested to work with like-minded partners to create an open, trusted global digital commons to unlock more opportunities for all countries, large and small companies, and individuals alike.

16. To this end, Singapore has developed a network of digital economy agreements (or DEAs) with countries such as Australia, Chile, and New Zealand to complement our efforts at the Joint Statement Initiative (JSI) on E-Commerce. Through our DEAs, we aim to help establish common frameworks, inter-operable standards and rules for digital trade that would allow businesses to connect seamlessly with overseas partners. This includes promoting the use of electronic trade documents and cross-border e-payment and e-invoicing networks. Further, by facilitating the cross-border flow of data, which underpins the digital economy, in a trusted and secure manner, the DEAs seek to open up new possibilities to businesses and how they operate, be it in data analytics, providing insights on consumer trends and preferences to payroll processing.

17. Second, sustainability and the green economy. Climate change and environmental policies are increasingly shaping economic growth and trade. Sustainability must be mainstreamed into economic activities to achieve global carbon emission reductions, while supporting prospects for new green activities. In particular, Singapore sees a need to develop new green capabilities such as green financing, carbon services and low carbon solutions. Earlier this year, we launched the Singapore Green Plan, which sets out a Whole-of-Nation movement to advance Singapore's agenda on sustainable development with ambitious and concrete targets over the next 10 years.

18. As in the case of the digital economy, we are also exploring Green Economy Agreements (or GEAs) with like-minded partners. We believe that sustainable development and economic growth must go hand in hand and ensure that environmental protection is upheld, even as we achieve economic

growth. Some issues that Singapore would be keen to address both in and outside of the GEAs include:

- a. Carbon trading and related services to provide quality and cost-effective ways to meet emissions reduction targets;
- b. Green financing to facilitate investments into green technologies, products and services; and
- c. Low carbon energy solutions, such as hydrogen.

19. Madam Chair, climate change is a challenge that demands all Members, big or small, to work together. There is tremendous scope for us to learn from each other, share experiences, and test ideas through cooperative projects. Singapore is committed to play our part in the global fight against this generational challenge.

Singapore's Commitment to the WTO

20. The rules-based multilateral trading system, as embodied in the WTO, is the cornerstone of our trade policy and we continue to play an active and constructive role at the WTO.

21. First, Singapore has, and will, continue to support efforts to strengthen the WTO. Singapore hosted the first Ministerial Conference (MC) in 1996. In fact, the current WTO logo was adapted from the logo originally created by Singapore-based Su Yeang Design for the first MC. Over the years, Singapore has continued to contribute wherever and whenever we can by serving in WTO's bodies and collaborating with Members to strengthen the WTO as the cornerstone of the rules-based multilateral trading system. Given Singapore's commitment to maintain a two-tier binding dispute settlement mechanism, we became a founding participant of the Multi-Party Interim Appeal Arbitration

Arrangement (or MPIA), which ensures that disputes at the appeal stage can continue to be adjudicated via arbitration amongst MPIA participants notwithstanding the ongoing Appellate Body impasse. However, we view this as a temporary arrangement which should not replace the restoration of the Appellate Body. Singapore will continue to support all efforts aimed at restoring the full functioning of the Dispute Settlement Mechanism.

22. Second, Singapore recognises the importance of ensuring that the WTO remains open and inclusive to all Members and stakeholders. Since 1995, we have collaborated with the WTO to deliver training and technical assistance on international trade issues through our Third Country Training Programmes. To date, Singapore and WTO have jointly conducted 45 Third Country Training Programmes for over 900 government officials from the Asia-Pacific, Africa, and Latin America regions. Despite the COVID-19 restrictions this year, Singapore and the WTO jointly organised two virtual workshops on Food Supply Chains and Advanced Dispute Settlement, with a third virtual dialogue in the pipeline that is scheduled for October 2021.

23. Third, we believe that the WTO should be relevant and equipped to respond to evolving global challenges, especially the relentless pace of digital transformation that is re-shaping the global economy and trade. In this context, Singapore plays an active role in the Joint Statement Initiatives (or JSIs), as co-convenor of the JSI on E-Commerce alongside Australia and Japan.

24. I am pleased to announce that Singapore will join the JSI on Services Domestic Regulation. We have taken time to review our regime and are ready to actively participate in the discussions. We will be submitting our draft schedules shortly and look forward to working closely with participants to substantially conclude this initiative at MC12.

25. In addition to supporting efforts to strengthen the WTO, Singapore continues to pursue deeper economic integration and connectivity with our key partners. These two prongs complement each other to strengthen the rules-

based multilateral trading system and help to grow global trade. At the onset of and throughout the pandemic, Singapore has strived to be a responsible member of the international community. We continued to maintain free flow of goods and services and did not impose export controls. For example, we initiated, together with New Zealand, the Singapore-New Zealand Joint Ministerial Statement in March 2020 to affirm our shared commitment to ensure that supply chains remain open and connected for essential goods. We are pleased that 10 additional Members subsequently joined us as co-sponsors. At the regional level, Singapore and other ASEAN Member States issued the MOU on Implementation of Non-Tariff Measures of Essential Goods under the Hanoi Plan of Action in November 2020 as part of the regional response to the pandemic. Similarly, Singapore has strongly supported initiatives such as the COVAX Facility. We have also contributed to the COVAX Advance Market Commitment, to support affordable and equitable access to vaccines for low and lower-middle income economies.

26. We have also been deepening our bilateral and regional engagements with a view to complement the rules-based multilateral trading system. During the period under review, Singapore signed five new agreements – namely, the Sri Lanka-Singapore FTA (SLSFTA), the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), the EU-Singapore FTA (EUSFTA), the UK-Singapore FTA (UKSFTA), and the ASEAN-led Regional Comprehensive Economic Partnership (or RCEP).

Conclusion

27. Madam Chair, throughout our history, Singapore has always been a place where goods, people, and ideas congregate. This remains our aspiration – to be a global node for technology, innovation, and enterprise – a “nerve centre” that adds value to the flow of capital, goods, services, and people. As a small and open economy, Singapore cannot afford to be closed off to the world. The global economy and the multilateral trading system are critical for our economic growth and improving the lives of our people. We will continue to do

our best and look forward to working alongside other Members to strengthen the WTO's role and relevance for the future.

28. In closing, allow me to reiterate my appreciation to Members for all your questions and active participation in Singapore's 8th Trade Policy Review.

29. Thank you.

* * * * *