

MFA-MTI JOINT STATEMENT

SINGAPORE AND MERCOSUR SIGN THE MERCOSUR-SINGAPORE FREE TRADE AGREEMENT

1 Minister for Foreign Affairs Dr Vivian Balakrishnan and Ministers from the four MERCOSUR Member States – Argentina, Brazil, Paraguay and Uruguay – signed the MERCOSUR-Singapore Free Trade Agreement (MCSFTA) today at the 63rd Summit of Heads of State of MERCOSUR and Associate States in Rio de Janeiro, Brazil. The signing was witnessed by the Heads of State of the MERCOSUR Member States. Also present at the Summit was Minister of State, Ministry of Culture, Community and Youth & Ministry of Trade and Industry Alvin Tan. The signing follows the announcement by Singapore and MERCOSUR of the substantial conclusion of negotiations in July 2022.

2 The MCSFTA is the first trade deal between the MERCOSUR Member States and Singapore, and MERCOSUR’s first free trade agreement with a Southeast Asian country. The MCSFTA will deepen economic integration between Singapore and the four South American economies by facilitating greater trade flows through lowered tariff rates, establishing transparent and predictable investment conditions, and fostering cooperation in areas such as trade facilitation, entrepreneurship, digitalisation, sustainable development, security of food supply and SME development.

3 The Parties will now work on their respective domestic ratification processes to bring the Agreement into force.

4 Minister Balakrishnan said: “This signing comes after more than four years of intensive negotiations. The MCSFTA creates a new bridge between Southeast Asia and South America, bringing our regions closer together. We welcome more companies from MERCOSUR to establish a presence in Singapore and to access the larger Southeast Asian market.”

5 Minister for Trade and Industry Gan Kim Yong said: “The MCSFTA is a strong reflection of our shared commitment to keeping our economies open and globally connected, and to bringing our regions, companies and peoples closer together. The MCSFTA strengthens Singapore’s growing trade-enabling architecture with Latin America, and it will bring tangible benefits to our companies by lowering business costs, easing tariff and regulatory barriers, and opening doors to new business opportunities, such as in e-commerce, agri-trade and government procurement.”

6 MERCOSUR is a Latin American bloc comprising Argentina, Brazil, Paraguay, and Uruguay. Collectively, it represents the 8th largest economy in the world, with a combined GDP of US\$2.7 trillion and a market of 272 million people. In 2022, merchandise trade between Singapore and MERCOSUR accounted for 45% (S\$13.8 billion) of Singapore's total trade with the 33 independent economies in the Latin American region, while trade in services in 2021 accounted for 40% (S\$7.6 billion).

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**MINISTRY OF FOREIGN AFFAIRS AND MINISTRY OF TRADE AND
INDUSTRY
SINGAPORE
7 DECEMBER 2023**

**Annex A: Factsheet on the MCSFTA
Annex B: Infographic on the MCSFTA
Annex C: Company quotes on the MCSFTA**

Annex A: Factsheet on the MCSFTA

1. The MCSFTA is a comprehensive Free Trade Agreement that features 15 Chapters:

- National Treatment and Market Access for Goods
- Rules of Origin
- Trade Remedies
- Bilateral Safeguards
- Customs Procedure and Trade Facilitation
- Technical Barriers to Trade
- Sanitary and Phytosanitary Measures
- Trade in Services
- Movement of Natural Persons
- Investment
- E-Commerce
- Intellectual Property Rights
- Government Procurement
- Micro, Small and Medium Enterprises (MSMEs)
- Competition Policy

2. Beyond facilitating market access for goods and establishing stability and predictability for investors, the MCSFTA will encourage greater transparency in, and simplification of, customs procedures, and cooperation between the Parties in areas of mutual interest, such as SME development, competition law enforcement, e-commerce, and cybersecurity.

Singapore Companies in the MERCOSUR Markets

3. There are currently more than 100¹ Singapore companies operating in the MERCOSUR markets, in sectors such as oil and gas, agri-business, digital solutions, manufacturing, hospitality, logistics and infrastructure.

4. Examples of Singapore companies doing business in MERCOSUR are Ascott, Changi Airports International, Grupo Kaybee, PSA International, SEA Group, Olam International, Wilmar International Limited and Sakura Tech.

¹ Source: Accounting and Corporate Regulatory Authority (ACRA)

Annex B: MERCOSUR-Singapore Free Trade Agreement Infographic

MERCOSUR-SINGAPORE FREE TRADE AGREEMENT (MCSFTA)

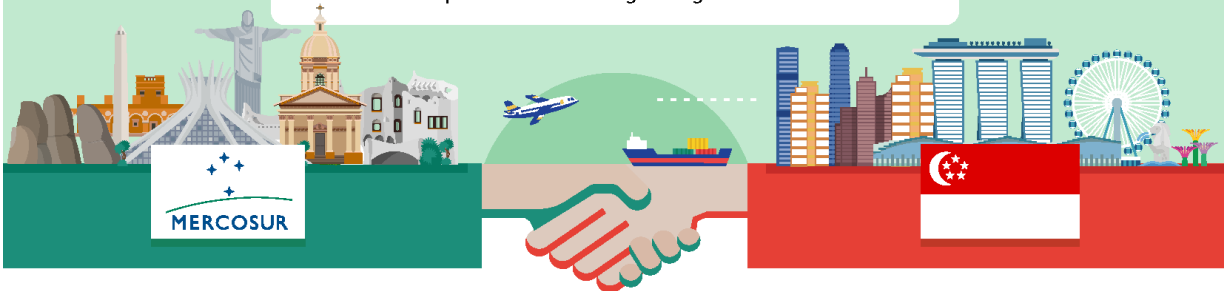
2022
JULY

The MCSFTA was substantially concluded.

2023
DEC

The MCSFTA was signed.

Both parties would now complete their domestic ratification procedures to bring the agreement into effect.



MERCOSUR is a Latin American trade bloc consisting of:



Argentina



Brazil



Paraguay



Uruguay



MERCOSUR is the 8th largest economy worldwide, with a combined GDP of US\$2.7 trillion and a market of 272 million people in 2022.



The MCSFTA is the first trade deal between MERCOSUR and Singapore.



Over 100 Singapore companies established in MERCOSUR markets, and more than 100 registered companies from MERCOSUR countries in Singapore.

Key Benefits include:

Trade in Goods

MERCOSUR will gradually eliminate import tariffs on approximately 96% of products over 15 years, offering immediate tariff free access for around 25% of products.



Customs Procedures and Trade facilitation

Simplified procedures and increased transparency, for more efficient clearance of goods.



Rules of Origin

Singapore exporters can enjoy flexible rules of origin for their goods to qualify for preferential tariffs when imported by MERCOSUR state.



Government Procurement

Singapore companies are ensured fair and non-discriminatory treatment in competing for government contracts, providing equal opportunity to access MERCOSUR Government Procurement market.



Trade in Services

More favourable business environment grants market access and same treatment as MERCOSUR state service suppliers for Singapore service suppliers, in sectors like computer and R&D services, and construction.



Micro, Small and Medium Enterprises (MSMEs)

Facilitate cooperation in capacity building to help Singapore MSMEs internationalise and develop entrepreneurial skills, easing the expansion of their products and solutions to the region.



Services and Investments

Singapore companies can expect greater clarity in market entry conditions, and enhanced stability and predictability for investors and investments between MERCOSUR and Singapore.



E-Commerce

Promote digital trade facilitation, including electronic authentication and paperless trading. Enhance trust in the digital economy, such as through stronger online consumer protection.



Annex C: Company quotes on the MERCOSUR-Singapore Free Trade Agreement

Sector	Company	Quote & Spokesperson
Food Security	Oceanus Group Limited	<p>“The Oceanus Group welcomes the MCSFTA as an important initiative to bring the MERCOSUR markets closer to Asia. The Oceanus Group, as a leading food security company in Asia, already has a history of diversifying food sources into Asia from MERCOSUR, and applauds this step which we foresee will not only facilitate more effective cross-border trade, but also contribute to greater food resilience in Asia. This is firmly aligned to our belief that a world of Food Without Borders is a food-secured world.”</p> <p>– Mr Peter HK Koh (许兴江), P.B.M, Group Chief Executive Officer, Oceanus Group Limited</p> <p><i>Born from beginnings in aquaculture, Oceanus is listed on the Mainboard of the SGX-ST since May 2008, with a diverse business portfolio spanning Food Production, Food Distribution, Services and Ventures. With 36 subsidiaries with global reach across China, Southeast Asia, Europe and Latin America, Oceanus is poised to be the Asian leader in food security, with a mission to build a world of Food Without Borders.</i></p>
Trading	GrupoKaybee	<p>"GrupoKaybee was a pioneer in developing trade between Asia and Latin America since the 1960s. We have had an office in Brazil since 1995.</p> <p>We welcome the signing of the MERCOSUR-Singapore FTA that will provide us with opportunities to grow</p>

		<p>further trade flows between the MERCOSUR countries and Singapore."</p> <p>– Govind Karunakaran, CEO, Grupo Kaybee</p> <p><i>Grupokaybee, a global company headquartered in Singapore, has a wide portfolio of lifestyle and consumer products such as textile, home furnishing, apparel, packaged food and industrial products such as yarn, fiber, steel and tires.</i></p>
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