

FREE TRADE AGREEMENT BETWEEN SINGAPORE AND THE PACIFIC ALLIANCE ENTERS INTO FORCE

1. The Pacific Alliance – Singapore Free Trade Agreement (PASFTA) has entered into force on 3 May 2025 for Singapore, Chile and Peru. The PASFTA is Singapore's 28th Free Trade Agreement.

2. Established in 2012, the Pacific Alliance (PA) is a Latin American trade bloc comprising Chile, Colombia, Mexico and Peru. Combined, the PA represents the 9th largest economy in the world and a total population of 235 million. About 100 Singapore companies are operating across the Pacific Alliance markets. Singapore is already FTA partners with Chile and Mexico through the existing Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), and with Peru through the CPTPP and the bilateral Peru-Singapore FTA.

3. Minister for Trade and Industry Gan Kim Yong and his counterparts from the Pacific Alliance member states signed the PASFTA at the 16th PA Summit in Colombia on 26 January 2022. Following Singapore's and Peru's ratification of the Agreement in July 2022 and February 2023, respectively, Chile ratified the Agreement on 4 March 2025, bringing the Agreement into force for the three Parties first. The PASFTA will enter into force for Colombia and Mexico upon the completion of their respective ratification procedures.

Annex A: Infographics on PASFTA and the Pacific Alliance

Annex B: Factsheet on PASFTA

Annex C: Quote from Singapore Company with Presence in the Pacific Alliance

MINISTRY OF TRADE AND INDUSTRY

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For media enquiries, please contact:

Kenneth Low

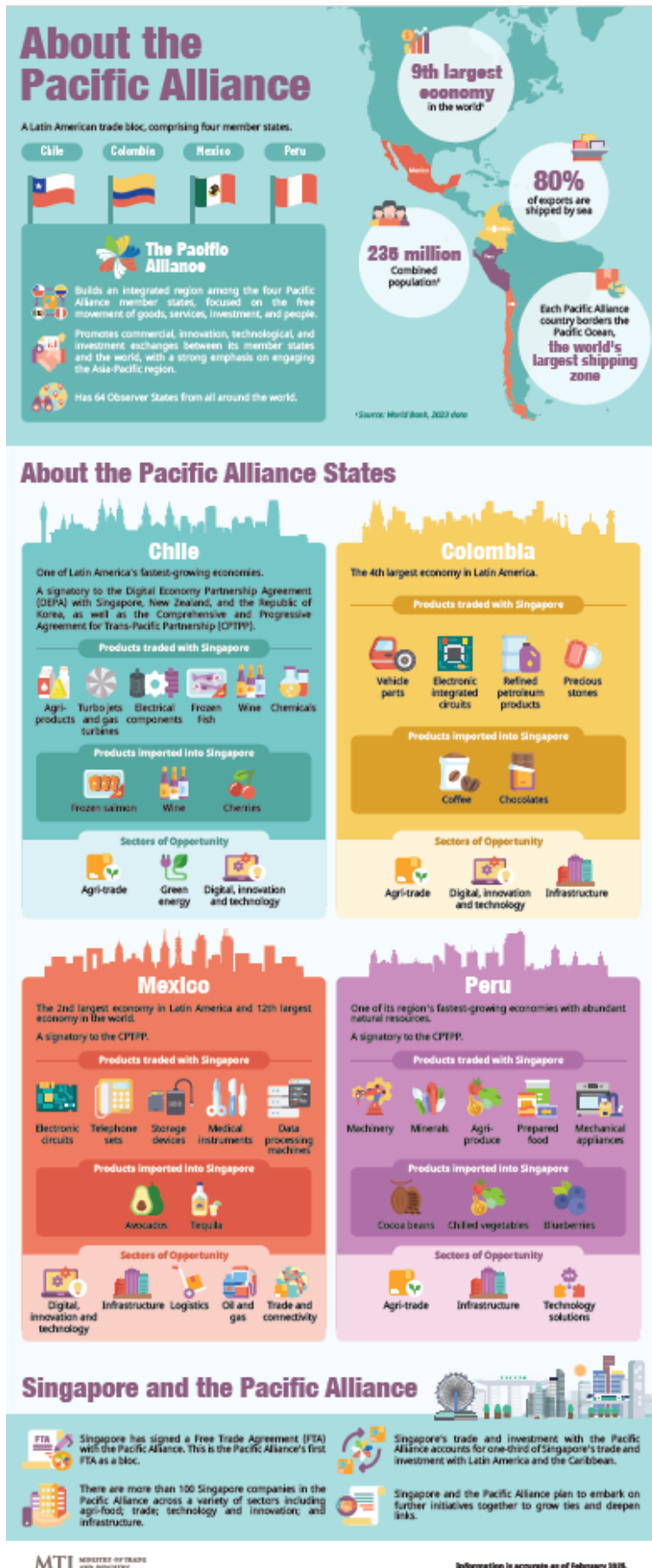
Senior Assistant Director

Communications and Engagement Division

Kenneth_Low@mti.gov.sg

Annex A: Infographics on PASFTA and the Pacific Alliance





Annex B: Factsheet on PASFTA

What is the Pacific Alliance (PA)?

- **The Pacific Alliance (PA) is a progressive and pro-trade economic bloc in Latin America with an orientation towards the Asia-Pacific. Combined, it is the 9th largest economy in the world.**
 - The PA comprises Chile, Colombia, Mexico, and Peru. Collectively, these four PA member states represent the 9th largest economy in the world, with a combined GDP of more than US\$2.7 trillion in nominal terms¹. This accounts for around 40% of the total GDP of the Latin America and the Caribbean region².
 - The PA has a total population of 235 million people and an expanding middle class which offers opportunities for companies to meet the region's growing demand for quality consumer products and services. Its young and increasingly educated population also provides for a skilled labour force.
 - Singapore's bilateral trade with the Pacific Alliance in 2024 was S\$12.5 billion. Some top traded products include electric machinery, refined metal products, cocoa products, wine and seafood. This accounts for more than a third of Singapore's total trade with the Latin America and the Caribbean region.
 - There are about 100 Singapore companies operating in the PA markets, in sectors including technology and the digital economy, food trade, infrastructure, and port management and logistics.

What is the PASFTA?

- **The Pacific Alliance-Singapore Free Trade Agreement (PASFTA) establishes a modern, high-quality, and mutually beneficial economic partnership that caters to today's business needs and contemporary realities.** It builds on the existing agreements that Singapore has with the PA member states and facilitates greater economic integration between our markets.
- Following four years of negotiations, the PASFTA was concluded and signed on 26 January 2022 by the Economic Ministers of the four PA member states and Singapore, at the 16th Pacific Alliance Summit in Colombia.

¹ Source: World Bank, last accessed Apr 2025.

² Source: World Bank, last accessed Apr 2025.

Features of the PASFTA

- The PASFTA is a comprehensive FTA containing 25 chapters, including trade in goods, services, and investment, small and medium sized enterprises, good regulatory practices for trade and investment, and electronic commerce.
- The PASFTA is Singapore's first FTA with a chapter on international maritime transport services. This chapter aims to enhance physical connectivity between the PA and Singapore and facilitate the exchange of best practices and training opportunities.

Key Benefits of the PASFTA

1. Trade in Goods. There will be no tariffs imposed on the majority of tariff lines. In particular, Colombia – once it ratifies the Agreement – will reduce or eliminate tariffs on 85.7% of tariff lines.³
2. Rules of Origin. Businesses can use materials originating in any PASFTA Party to contribute towards a good's originating status, so that their exports can qualify for preferential tariff treatment more easily, subject to certain conditions.
3. Customs Procedures and Trade Facilitation. There will be improved transparency in customs procedures and integrity in customs administrations through simplified customs procedures and enhanced trade facilitation provisions, including for express consignments and perishable goods.
4. Technical Barriers to Trade. There will be transparent and non-discriminatory rules for developing technical regulations, including rules that will facilitate the acceptance of the results of conformity assessment procedures from the conformity assessment bodies in any of the PASFTA Parties.
5. Investment. The PASFTA provides basic investment protection found in other investment-related agreements, including national treatment and most-favoured-nation treatment. Investments will be treated fairly and equitably and will be given protection and security in accordance with customary international law.
6. Trade in Services and Investment. Includes core obligations found in the WTO and other trade agreements, such as national treatment, most-favoured nation treatment, and market access. Singapore service providers can enjoy lower operating costs as they need not establish or maintain a

³ Colombia is the only PA member state with which Singapore does not yet have an FTA. Singapore and Colombia will establish new FTA links once Colombia ratifies the PASFTA.

local representative office in the PA for sectors which have been committed for liberalisation. Service providers can also be assured of efficient transfers and payments for cross-border supply of services.

7. International Maritime Transport Services. This chapter aims to strengthen cooperation in maritime transport services between Singapore and the PA through the exchange of best practices and knowledge, and education and training opportunities.
8. Temporary Entry. Singapore business visitors can enter Chile and Colombia for up to 90 days; Mexico for up to 180 days; and Peru for up to 183 days. Singapore investors can enter Peru for up to 90 days; Chile and Mexico for up to 1 year; and Colombia for up to 3 years.
9. Telecommunications Services. Businesses can benefit from a pro-competition and market-based regulatory environment and disciplines that prevent anti-competition behaviours.
10. Electronic Commerce. This chapter contains comprehensive commitments on cross-border data flows and location of computing facilities. Companies which sell products with embedded software would not be obliged to release their source code, except for legal reasons. There are also safeguards for the protection of personal information.
11. Government Procurement. Singapore and the PA have committed to core disciplines of national treatment and non-discrimination. Relevant information will be published in a timely manner so that suppliers have sufficient time to obtain the tender documentation and submit a bid. Suppliers can be assured that their tenders will be treated fairly, impartially, and with confidentiality.
12. Competition. Singapore and the PA are to maintain legal regimes that prohibit anti-competitive business conduct so that businesses can enjoy fair competition. Consumers will also be protected from fraudulent and deceptive commercial activities.
13. Economic and Trade Cooperation. The PASFTA parties have agreed to undertake and strengthen economic and trade cooperation activities between them, particularly in the following sectors: (i) industrial and services; (ii) innovation, science, and technology, including information and communications technology; and (iii) trade infrastructure, transport, and urban mobility infrastructure.
14. Small and Medium Enterprises (SMEs). Singapore and the PA have agreed to explore ways to promote an environment that supports the development, growth, and competitiveness of SMEs.

15. Good Regulatory Practices. Businesses can benefit from an open, fair, and predictable regulatory environment as Singapore and the PA have committed to achieving a coherent regulatory approach by encouraging transparency and coordination across each government.

Annex C: Quote from Singapore Company with Presence in the Pacific Alliance

Sector	Company	Quote and Spokesperson (on how improved market access/ PASFTA will benefit them)	Contact person and details
Agri-business	ofi	<p>“ofi, a global leader in naturally good food and beverage ingredients and food solutions, welcomes the Entry into Force of the Pacific Alliance–Singapore Free Trade Agreement (PASFTA). As a leading coffee exporter within the Pacific Alliance, we source high-quality beans directly from farmers from Colombia, Mexico and Peru for a global customer base. With over 18 years operating within the PA, ofi sees clear benefits in PASFTA helping us better deliver high-quality sustainable ingredients to our roasters and manufacturing customers worldwide.</p> <p>The PASFTA is expected to reduce tariffs and export costs, provide a streamlined regulatory framework, simplify customs procedures, and enhance trade facilitation provisions. These changes are timely and will enable ofi to better support customers by navigating increasing tariff risks in the market today. Enhanced trade flows can also empower businesses like ours to scale investments in the region, foster greater innovation, and underscores Singapore’s forward-thinking approach to global trade. Most importantly, ofi looks forward to improved market access for local farming communities and to scaling up partnerships in support of helping farmers prosper.”</p> <p>- Manish Dhawan, President, Coffee Division, ofi</p>	<p>James Loo Communications Manager, APAC, ofi james.loo@ofi.com +65 9111 4302</p> <p>RICE Communications ofi@ricecomms.com</p>

PRESS RELEASE

		<p><i>ofi (olam food ingredients) is a new operating group born out of Olam Group. ofi offers sustainable, natural, value-added food products and ingredients so that consumers can enjoy the healthy and indulgent products they love. It consists of industry-leading businesses of cocoa, coffee, dairy, nuts, and spices. ofi has built a unique global value chain presence including its own farming operations, farm-gate origination, and manufacturing facilities. ofi partners with customers, leveraging its complementary and differentiated portfolio of 'on-trend' food products, to co-create solutions that anticipate and meet changing consumer preferences as demand increases for healthier food that's traceable and sustainable.</i></p>	
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