

SINGAPORE AND THE EUROPEAN UNION AFFIRM COMMITMENT TO PUTTING FREE TRADE DEAL IN PLACE

1. Singapore's Minister for Trade and Industry (Trade), Lim Hng Kiang and the EU Commissioner for Trade, Cecilia Malmström reiterated their commitment to a swift entry into force of the free trade agreement between Singapore and the EU.
2. Commissioner Malmström, who is on a two-day visit to Singapore, said, "In a time of rising protectionism in many quarters of the world, we look forward to the entry into force of the EU-Singapore trade agreement. It will open doors and create opportunities for companies big and small, help to boost economic growth and investment, and create jobs. Our trade agreement is a key element in the EU's pursuit to further strengthen our trade relations with Southeast Asia. Together with our agreement concluded with Vietnam and those under negotiation with other Southeast Asian countries, we are building new bridges to our most important trade partners."
3. The EU-Singapore Free Trade Agreement (EUSFTA) is the first deal between the EU and a Southeast Asian country. It is a landmark deal that paves the way for greater engagement between the EU and the whole of the Southeast Asia region.
4. "The EU and Singapore share a strong commitment to free and fair trade. We have many common interests, and among other things we had the chance today to discuss ongoing international efforts to reform investment rules," said Commissioner Malmström.
5. Minister Lim said, "Singapore and the EU are longstanding partners who share a firm belief in free and open trade on a rules-based global trading system. The EUSFTA will reinforce our efforts to remain open and connected, and strengthen our robust economic relations with the EU. The early ratification of the EUSFTA will demonstrate the EU's resolve as a key player in the global trading system and send a clear signal about the EU's commitment to step up its engagement of the region. It will also allow both Singapore and EU companies to tap on numerous growth and collaboration opportunities in Asia and Europe."
6. The EUSFTA will provide greater access to each other's markets, including for services providers, investors and companies interested in public procurement. Customs duties, as well as technical and other regulatory barriers to trade will be removed on both sides. As a result, trade conditions for goods such as pharmaceuticals, electronics, chemicals and food products will improve significantly. In addition, the EUSFTA is designed to stimulate green growth.
7. The agreement was concluded in October 2014. Subsequently, the ratification of the EUSFTA was put on hold pending legal advice from the European Court of Justice on the European Commission's and EU Member States' areas of competence in the Agreement. The ratification of the EUSFTA will proceed following the court's opinion which is expected in the first half of this year. In the meantime, the European Commission and Singapore are discussing ways to facilitate the approval process of the EUSFTA.

PRESS RELEASE

8. Singapore and the EU enjoy longstanding and robust relations. In 2016, the EU was Singapore's second largest trading partner, accounting for 11% of global trade. Conversely, Singapore remains the EU's largest trading partner in ASEAN region. Negotiations on the EUSFTA were launched in 2009 and concluded in 2014.

Annex A: Photo of EU Commissioner for Trade Cecilia Malmström calling on Singapore's Minister for Trade and Industry (Trade) Lim Hng Kiang

Annex B: Information about the EUSFTA and EU-Singapore Bilateral Trade Relations

MINISTRY OF TRADE AND INDUSTRY, SINGAPORE

EUROPEAN UNION DELEGATION TO SINGAPORE

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ANNEX A



Caption: EU Commissioner for Trade Cecilia Malmström called on Singapore's Minister for Trade and Industry (Trade) Lim Hng Kiang today where they both reiterated their commitment to a swift entry into force of the EU-Singapore Free Trade Agreement (EUSFTA) so that businesses can reap the benefits as soon as possible. Commissioner Malmström also met with Singapore's Deputy Prime Minister Tharman Shanmugaratnam, spoke to students and faculty at the Singapore Management University and visited the Port of Singapore.

ANNEX B

The EU-Singapore FTA

1. Singapore and the EU launched negotiations of the EU-Singapore Free Trade Agreement (EUSFTA) in December 2009. The negotiations were concluded in October 2014.
2. Beyond increased market access and the removal of technical barriers, the EUSFTA contains strong rules on the protection of labour rights, investment, and the environment. The investment chapter will introduce important innovations such as more precise investment protection standards and new rules for investment dispute resolution. In the area of green growth, in addition to removing obstacles to trade and investment in green technologies, the agreement will foster green public tendering and create new opportunities in environmental services.

EU-Singapore bilateral trade relations

1. The EU and Singapore are important trading and investment partners. Singapore is by far the EU's largest commercial partner in ASEAN, representing 25% of EU-ASEAN trade in goods and over 50% of trade in services¹. Investment relations are strong. There are over 11,000 European companies in Singapore, many of which use the country as a hub for their operations in the larger region of Southeast Asia. The agreement will further open the door for Europe to the broader ASEAN market with a total of 600 million consumers.
2. In 2016, the EU is Singapore's second largest trading partner, with yearly bilateral trade worth nearly €63 billion. Singapore is the EU's 17th largest trading partner globally and the 6th largest trading partner in Asia in 2015. In terms of investment flows, the EU is the largest Foreign Direct Investor (FDI) in Singapore, accounting for €193 billion and approximately 23% of the total FDI stock in Singapore in 2015. Singapore is the 3rd largest Asian investor in the EU with €56.8 billion of FDI in 2015.

¹ Source: European Commission Directorate General for Trade Report 2015