



**Committee on Regional Trade Agreements
Ninety-ninth Session**

**FREE TRADE AGREEMENT BETWEEN THE EUROPEAN UNION AND SINGAPORE
(GOODS AND SERVICES)**

NOTE ON THE MEETING OF 22 MARCH 2021

Chairman: Ambassador H.E. Mr. Mārtiņš KREITUS (Latvia)

1.1. The 99th Session of the Committee on Regional Trade Agreements (hereinafter "CRTA" or the "Committee") was convened in Airgram WTO/AIR/RTA/24/Rev.1 dated 12 March 2021.

1.2. Under Agenda Item D.I of the Session, the CRTA considered the Free Trade Agreement between the European Union and Singapore, goods and services (hereinafter "the Agreement"). The Chairman stated that the Factual Presentation had been prepared by the Secretariat on its own responsibility in full consultation with the Parties, in accordance with paragraph 7(b) of the Transparency Mechanism for Regional Trade Agreements (document WT/L/671).

1.3. The Chairman indicated that the Agreement had entered into force on 21 November 2019. It had been notified on 1 April 2020 under Article XXIV:7(a) of the GATT 1994 and GATS Article V:7(a) (documents WT/REG402/N/1 and S/C/N/1003) as an agreement establishing a free trade area for trade in goods within the meaning of Article XXIV of the GATT 1994 and for trade in services within the meaning of Article V of the GATS, respectively. The text of the Agreement and its Annexes was available on Parties' official websites. The Factual Presentation on the goods and services aspects of the Agreement (document WT/REG402/1 dated 11 January 2021) and questions and replies on this Agreement (document WT/REG402/2 dated 11 March 2021) had been distributed.

1.4. The representative of Singapore said that the Agreement was a symbol of the excellent bilateral relations between the Parties, which had endured and thrived for decades. It was and remained an important signal of the shared commitment to an open rules-based multilateral trading system. Additionally, the Agreement was a high-standard agreement which had brought many tangible benefits to enterprises in both economies.

1.5. The EU and Singapore were like-minded partners with many common interests. Their economies were deeply intertwined, anchored by substantive trade, investment and people-to-people ties. The EU was Singapore's 4th largest trading partner for goods and second largest trading partner for services. The EU was also Singapore's second largest foreign investor. Singapore, in turn, was the EU's largest ASEAN trading partner and third-largest Asian investor. Singapore hosted over 11,000 EU companies, and many Europeans called Singapore their home, adding to the vibrancy of its cosmopolitan society.

1.6. The pandemic had accentuated the importance of bilateral and multilateral trade relations. Singapore continued to be a firm supporter of a robust trading system. Its bilateral trade with the EU had held steady in the previous year – despite the severe economic and health challenges posed by the COVID-19 pandemic. The Agreement had helped to cushion the impact. In 2020, bilateral trade in goods exceeded 90 billion Singaporean dollars, representing close to 10% of Singapore's total goods trade that year.

1.7. The Agreement was the first FTA between the EU and an ASEAN country. Singapore was happy to play a role in continuing to foster deeper ties between the two regions in its capacity as the country coordinator for ASEAN-EU dialogue relations.

1.8. Overall, the EU and Singapore continued to maintain a strong stance in favour of free trade and multilateralism. Singapore was glad to have an abiding partner in the EU, and other like-minded nations.

1.9. The Agreement provided certainty and predictability while opening doors to overseas markets. Under the comprehensive Agreement, companies stood to benefit from substantive commitments in tariff elimination, rules of origin and market access. There were also provisions on 21st century trade issues like intellectual property, renewable energy and sustainable development.

1.10. Despite the economic and geopolitical challenges of the moment, like-minded partners like the EU and Singapore had upheld and championed the open and rules-based order that underpinned economic growth and resilience for many decades. In that regard, he was confident that the EU and Singapore would continue to build on their strong partnership for a resilient and sustainable recovery from COVID-19.

1.11. The representative of the European Union agreed with everything said by the representative of Singapore and thanked him. Singapore and the EU were long standing partners and shared a robust bilateral relation underpinned by strong and growing trade and investment links. The also shared a commitment to open, fair and rules-based trade.

1.12. Bilateral trade and investment protection negotiations with Singapore began in 2010 and had been completed in 2017. The long period did not in any way reflect complexity in negotiations which had been rather easy. It had reflected the complexities in the EU and changes in its legislation.

1.13. The two agreements had been signed on 19 October 2018. The trade agreement had entered into force on 21 November 2019. The EU-Singapore Investment Protection Agreement would enter into force after its ratification by all EU member States, according to their own national procedures. At the moment 8 EU Member States had already ratified it. The trade agreement did not require ratification by each EU Member State in order to enter into force.

1.14. Singapore was the EU's 14th largest trading partner in goods and the largest in Southeast Asia. It was also the EU's fifth largest trade in services partner worldwide. Between 10,000 and 11,000 European companies had set up their offices or regional hubs in Singapore which had become the EU's sixth largest global destination for outbound direct investment and accounted for two-thirds of the EU's direct investment stock in Southeast Asia.

1.15. Before the Agreement entered into force, almost all goods originating in the EU could have already entered Singapore free of customs duties. Since the entry into force of the Agreement, Singapore was bound to apply duty free access to all goods originating from the EU, including those that were formerly subject to tariffs, mainly beer and stout. As regards imports to the EU, as of 21 November 2019, approximately 84% of imports from Singapore to the EU entered duty-free. Examples of sectors that had benefited from the immediate elimination of customs duties included electronics, pharmaceuticals, most petrochemicals, and processed agricultural goods. Nearly all remaining customs duties, mostly on agriculture products and textiles, applying to Singaporean goods entering the EU would be phased out before November 2024. The EU would continue to apply tariffs on a few products even after the end of the phase out period, including on some fish products such as Tilapia and Skipjack and some processed agriculture goods, as well as chemically pure fructose and sweet corn.

1.16. To qualify for the lower or zero preferential tariff under the Agreement, the product had to originate in the EU or Singapore. A product was considered originating in the EU or in Singapore, if it had been wholly obtained in the EU or Singapore or manufactured in the EU or Singapore using non-originating materials and fulfilled the product specific rules set out in Annex B to the protocol on rules of origin

1.17. Another important factor of the Agreement was intellectual property rights and Geographical Indications (GIs). Singapore had strengthened its existing GIs regime by setting up a system to register GIs in Singapore for the protection of products that had special qualities or enjoyed a certain reputation or other characteristics due to their geographical origin. EU producers were able to apply to register their GIs in Singapore. Non-EU producers were also able to apply to register GIs in Singapore. The enhanced protection would strengthen consumers recognition of authentic quality

EU food products, wines and spirits in Singapore, such as Bordeaux wines, Parma ham, Champagne, Bavarian beer, various source of olives and more.

1.18. The Agreement covered a wide range of services and provided additional market access for services providers. Concretely, the EU and Singapore had agreed to reduce or remove certain restrictions on a number of services suppliers, the value of services transactions or assets, the number of services operations or the quantity of services outputs, the number of persons that may be employed and specific types of legal entities permitted.

1.19. The EU and Singapore had also agreed to ensure that the same rules and regulations applied to domestic and foreign services providers in certain sectors to create predictability and a level playing field. That applied for example to postal services, telecommunication services, international maritime transport, computer services and domestic legislation.

1.20. Singapore and the EU were members of the WTO's Agreement on Government Procurement (GPA). However, the trade agreement offered even more opportunities for EU firms to compete for public procurement contracts in Singapore and vice versa. Singapore had agreed to additional disciplines on tendering, lower value thresholds for open tendering procedures and had expanded the types of public service contracts covered by commitments on transparency and non-discrimination. The EU had added, compared to those included in the GPA, to the list of entities open for bids for public contracts additional central-level government ministries, agencies and other public bodies.

1.21. On sustainable development, the Agreement set out binding commitments to ensure that domestic levels of environmental and labour protection were consistent with core international standards and agreements. It also aimed to enhance the contribution of trade and investment to sustainable development, including corporate social responsibility, eco-labelling initiatives, fair and ethical trade and conserving and sustainably managing natural resources, including through sustainable forest and fish stocks management.

1.22. Singapore was the EU's largest commercial partner in ASEAN, accounting for slightly under one third of EU-ASEAN trade in goods and services, and roughly two thirds of investments between the two regions. Over 10,000 EU companies were established in Singapore and used it as a hub to serve the whole South Pacific. The Agreement was a first stepping-stone towards more EU-ASEAN economic engagement as it ensured better access for EU exporters to the dynamic ASEAN market. Strengthening those ties was a priority for the EU.

1.23. The representative of the United Kingdom thanked the EU and Singapore for the interesting presentations for which the slides were very useful. She welcomed the Agreement entering into force with its impressive level of liberalization, the ambitious services chapter as well as the rules of origin regime and provisions on intellectual property, Government procurement and sustainable development.

1.24. The representative of the United States thanked the Parties and the Secretariat for the transparency on the Agreement. She also commended the Parties for the high level of liberalization achieved. She noted that the Parties had some non-notified agreements in force, and hoped that they would be notified.

1.25. The representative of Mexico congratulated the Parties for the transparency exercise and the detailed presentations. She thanked them for their responses to Mexico's advance questions.

1.26. The Chairman noted that the consideration of the Goods and Services Aspects of the Free Trade Agreement between the European Union and Singapore, had allowed the Committee to clarify a number of questions and thus concluded oral discussion of the RTA in accordance with paragraph 11 of the Transparency Mechanism. If any delegations wished to ask follow up questions they were invited to forward submissions in writing to the Secretariat by 29 March 2021 and Parties were asked to submit replies in writing by no later than 12 April 2021. In accordance with paragraph 13 of the Transparency Mechanism all written submissions, as well as minutes of this meeting would be circulated promptly, in all WTO official languages, and would be made available on the WTO website.

1.27. The Committee took note of the comments made.
