TRADE POLICY REVIEW
SINGAPORE

Singapore's economy ranks amongst the world's most dynamic. The TPRM report by the GATT Secretariat notes that outward-oriented policies continue to stimulate speedy structural transformation, with the private sector the principal engine of economic growth.

Most imports enter duty-free. There are no quotas, variable levies, minimum prices and similar restrictive measures. Exports may also in general be made freely, except where limited in connection with bilateral restraint arrangements. Certain trade controls and restrictions are imposed for health, safety or security reasons.

Singapore's economic performance remains crucially dependent on an open and predictable international environment which ensures stable conditions of market access. Through its participation in the Uruguay Round, therefore, Singapore has sought to strengthen GATT rules and disciplines.

However, the report points out that the predictability and stability of Singapore's open trade régime may be somewhat affected by very low levels of tariff bindings. The Secretariat also suggests that Singapore could contribute further to extending and reinforcing its participation in GATT through wider participation in the MTN Agreements.

The reports cover all aspects of Singapore's trade policies, including domestic laws and regulations; the institutional framework; bilateral, regional and other preferential agreements; and the wider economic and development needs.

Attached are summary extracts from the reports. Full reports are available for journalists from the GATT Secretariat on request.

The complete trade policy review of Singapore, including these two reports together with a record of the Council's discussions and of the Chairman's summing-up, will be published in June 1992 by the GATT Secretariat, Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21.

Singapore ranks amongst the world's most dynamic economies. Average annual growth (GDP) over the past two decades exceeded 8 per cent. Singapore's per capita income is now in the order of US$10,600, one of the highest in Asia. There is virtually no unemployment and inflation is very low.

Singapore's rapid economic growth has been founded on outward-oriented policies encouraging flexibility and speedy structural transformation. In the early 1960s, Singapore moved rapidly from entrepôt trade into manufacturing activities, mainly labour-intensive production. Later, the focus shifted towards higher value added industries, export-oriented and intensive in skills and technology, and to services, which now account for around 70 per cent of GDP and employment. The rôle of entrepôt trade, although declining, is still significant; re-exports now account for one-third of total merchandise exports.

Singapore's economy is based on a free trade régime, with the private sector the principal engine of economic growth. Nevertheless, the Government's involvement in the overall development of the economy has been substantial. Apart from conducting macro-economic policy, it maintains tax incentive schemes for new investments and R&D, holds shares in enterprises which are deemed important for development purposes and invests considerable funds in infrastructure development and in initiatives to upgrade human capital. Compulsory participation in the Central Provident Fund contributes to high levels of private savings, and guidelines established by the National Wages Council, comprising the Government, employers and trade unions, foster wage stability.

Economic expansion has been supported by large-scale foreign investment, attracted by the favourable and open economic environment and by Singapore's social and institutional stability. The outward orientation of the economy has been decisive in overcoming domestic supply bottlenecks, such as a lack of natural resources. The need for investment capital has been largely met without recourse to official foreign borrowing, unrequited transfers or deficit financing.

Although economic expansion is expected to be more moderate in 1991, general prospects appear promising. There are, however, certain domestic constraints, principally related to shortage of labour and land resources. Increased cooperation with neighbouring countries and regions, in the context of a so-called Growth Triangle, is intended to alleviate these. On the external side, heavy reliance on international trade means that actions taken by Singapore's trading partners have a direct impact on its economy - in this case, often without much scope for compensatory action.
Singapore in World Trade

Singapore has the highest trade to GDP ratio of any country in the world, and its merchandise trade has continued to grow more rapidly than world exports in recent years. In 1990, the value of Singapore's merchandise trade including re-exports (almost US$114 billion) was more than three times that of GDP. Exports of commercial services amounted to US$15 billion. Singapore currently ranks 18th and 15th respectively among world exporters and importers. Its share in world merchandise exports was 1.5 per cent in 1990.

Singapore and world merchandise trade, 1980-90

![Graph showing Singapore and world merchandise trade](image)

*Source: International Monetary Fund, International Financial Statistics; and GATT Secretariat estimates.*

Singapore's merchandise export structure has moved steadily towards higher value-added manufactures. While, in 1970, raw materials accounted for 30 per cent of total merchandise exports, their share has dropped since to no more than 10 per cent. In contrast, automatic data processing machines and components, telecommunications equipment and refined fuels now represent more than half of merchandise exports. Products related to the export sector - crude petroleum, parts for office machines and telecommunications equipment - rank top among imports, reflecting both the lack of natural resources and Singapore's high integration into the world economy.

The United States is the largest export market, representing 21 per cent (US$11 billion) of Singapore's total merchandise exports in 1990. Japan is the principal supplier (20 per cent of merchandise imports, US$12 billion). While the share of developing countries in Singapore's trade has declined from 51 per cent in 1980 to 44 per cent in 1990, ASEAN countries together account for a stable 19 per cent.
Institutional Framework

Singapore's trade policies are formulated and implemented by way of specific laws and regulations (orders). There is no fundamental trade legislation, and the GATT has not expressly been incorporated into Singapore's laws. All laws are approved by Parliament, in which the ruling People's Action Party traditionally enjoys a very strong majority.

Almost all important industrial and trade policy dossiers are in the hands of the Ministry of Trade and Industry (MTI). The Economic Development Board and the Trade Development Board - both reporting to MTI - are responsible for policy implementation. This concentration of responsibility in MTI appears to ensure coherence and consistency in Singapore's industrial and trade policies.

In order to involve private enterprise in the information- and decision-making process, the Government maintains a variety of formal and informal contacts. Special committees, such as the Economic Committee established during the 1985 recession, have been set up from time to time to discuss and propose specific policy measures. Consumer groups are represented in certain Government bodies dealing with specific consumer aspects. However, there is no independent body which reviews or assesses economic policies in order to advise the Government or provide a public monitoring function.

Trade Policy Features and Trends

Recent evolution

Because of its small size and limited policy leverage, Singapore depends heavily on stable conditions of market access within a rule-based trading system. It became a contracting party to the GATT in August 1973, has signed four MTN Agreements - Technical Barriers to Trade, Government Procurement, Import Licensing Procedures and Anti-Dumping - and is an observer in three others. Singapore has participated actively in the Uruguay Round, both individually and as a member of ASEAN.

Singapore's trade policies have changed little in recent years. Most imports enter duty free, and the import régime is characterized by the absence of tariff quotas, variable import levies, minimum import prices, import quotas, or import surveillance. Exports from Singapore may also in general be made freely, except where limited for health, safety or security reasons or in connection with bilateral restraint agreements.

Most of Singapore's exports are eligible for preferential treatment under the Generalized System of Preferences (GSP) schemes of the majority of industrialized countries. However, New Zealand (in 1985) and the United States (in 1989) have removed Singapore from their GSP schemes, in view of its level of development.
Type and incidence of trade policy instruments

The Singapore market is open and largely free of sector-specific interventions. The vast majority of merchandise imports enters free of duty. Tariffs, mostly at 5 per cent ad valorem, are levied on some 10 per cent of tariff lines; they mainly serve social and environmental purposes. Singapore operates no domestic policy schemes with a view to protecting or promoting narrowly-defined industries.

The predictability and stability of Singapore's open trade régime is somewhat affected by very low levels of tariff bindings, covering no more than 0.5 per cent of all items. The Singapore authorities have, however, offered a major increase in the framework of the Uruguay Round.

Excise taxes are levied on domestic products, generally at the same rates as import duties. However, the excise duty on domestic beer is lower than the tariff on imports. Domestically produced sugar confectionery, articles of leather, textiles and garment products are tax free, though specific duties are applied to imports.

A multi-layered system of tariffs, charges, fees and other disincentives on motor vehicle ownership and use has recently been extended in order to combat traffic congestion and related environmental problems. As a common feature, most measures are price-related, including a newly introduced tender system for car registrations. For more than one decade, there has been no domestic production or assembly operation in the sector.

Singapore accords m.f.n. treatment to all countries, whether or not GATT contracting parties. A few tariff preferences are extended in the ASEAN framework. Given the general openness of Singapore's trade régime, these preferences are, however, of limited economic importance. In the context of the Global System of Trade Preferences (GSTP), Singapore has undertaken to bind certain tariffs for imports from other participants.

Import licensing, on a non-restrictive basis, is confined to only one product - rice - for food security reasons.

Certain import controls serve to implement international commitments, for example under the Montreal Protocol on ozone-depleting substances and under the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). For health policy reasons, most agricultural imports require sanitary or phytosanitary certificates.

The GATT Secretariat has no evidence of standards-related barriers to entry into Singapore, nor information about any complaints by trading partners. According to the Singapore Institute of Standards and Industrial Research (SISIR), by December 1990, 13 per cent of Singapore standards were identical with international requirements. All standards are applied equally to imported and domestic goods.

Government procurement is either by open, selective or single tendering, depending on the nature and value of the purchases. Procedures
for open tenders appear to be transparent and based on clear criteria. In contrast, selective or single tendering, whose importance in overall Government purchasing may be considerable, seemingly provide more scope for discretionary decisions. Yet there are no formal buy-national or otherwise preferential policies, except for a preferential margin of 2.5 per cent (up to a maximum of US$40,000) for bids from ASEAN suppliers.

On the export side, certain restrictions are applied for safety reasons, in connection with international conventions or agreements, or to ensure access to technologies whose further dissemination is restricted by the supplying countries. Since the Gulf crisis, all trade with Iraq has been under embargo.

An export quota allocation system serves to implement bilateral agreements on textiles and clothing with five industrialized countries under the Multi-Fibre Agreement. Three-quarters of the quota entitlements are distributed among Singapore's registered exporters according to their past trade performance; the rest is allocated through a tender system.

The Singapore Trade Development Board provides assistance for export promotion and marketing activities. There are no direct subsidies to domestic manufacturers, nor any subsidized export credit, insurance or guarantee schemes.

The absence of trade policy instruments does not mean that the Singapore Government has refrained from actively promoting economic development and structural change. Rather, long-standing incentive schemes are geared at providing tax incentives for new investments deemed advantageous on development grounds and, increasingly, at boosting research and development.

In addition, the Government maintains substantial holding companies and Statutory Boards, as well as equity shares in individual enterprises of strategic economic importance. Any such engagement is, however, intended to be temporary in nature, and according to the Singapore Government, equity participation is on the decline. However, no quantitative information is available.

Temporary measures

Singapore has never resorted to trade remedy provisions - safeguard actions or anti-dumping and countervailing measures - under the GATT or national laws. There is also no evidence of informal substitutes.

Exports of two products - umbrellas and colour television sets - to two member States of the European Communities have been subject to voluntary restraints in recent years. According to the Singapore Government and industry representatives, the measures had been implemented at the industry level.
New initiatives

No major changes to Singapore's current trading system are envisaged, except for the possibility of a substantial increase in tariff bindings resulting from the Uruguay Round.

In the context of ASEAN, an agreement was signed in October 1991 with the aim of creating a free-trade area (the East Asian Economic Caucus) within 15 years.

Trade Policies and Foreign Trading Partners

Foreign trading partners have benefited from Singapore's open trade régime. The general duty-free access to its expanding import market for overseas suppliers has been provided on a non-discriminatory basis.

Singapore's industrialists appear to have been very successful in reducing the impact of restrictive trade policies facing their exports. The focus of production has continuously been shifted towards items, such as electronic components, which have proved less vulnerable to measures applied by major markets. These changes have also generally been in line with Singapore's general policy orientation of upgrading the technological strength of its manufacturing base.

The scope for such strategies is not unlimited. New areas of successful trade expansion may become vulnerable to new defensive measures. While structural flexibility is an indispensable pre-requisite for economic growth, it is only of limited help in overcoming external barriers, in particular if these shift and change in coverage over time.

Singapore's economic performance thus remains crucially dependent on an open and predictable international environment. Its trade interests would be best served by clear multilateral rules that are effectively observed in practice. Accordingly, through its participation in the Uruguay Round, Singapore has sought to strengthen GATT rules on anti-dumping and countervailing actions, ensure a stable system of rules of origin, and secure the m.f.n. application of safeguards. Given the importance of services in Singapore's economic development strategy, the country has also participated actively in the negotiations in this sector. In return, it has offered a large increase in tariff bindings, which would significantly increase the predictability of its already open trade régime.

Singapore could contribute further to extending and reinforcing its participation in GATT through wider participation in the MTN Agreements. At the same time, there appears to be scope for more transparency in the process of domestic policy formulation and implementation. This could include broader information on the use of policy instruments, such as tax incentives or State participation in industries, and independent reviews of the ensuing results. The rationale behind Singapore's basic trade policy stance, in particular its reliance on open markets, would also argue in favour of more openness with respect to information and independent policy monitoring.
EXECUTIVE SUMMARY

Trade is a very important component of the Singapore economy. The value of total trade is more than three times the value of GDP. The primary objective of Singapore's trade policies is to maintain an open trading régime so that trade growth contributes to sustainable non-inflationary economic growth rates in the long-term.

Singapore has traditionally adopted a free trade policy and has one of the most open trading régimes in the world. With a small population of three million (1990), Singapore has to look to the global market to sell its products and services. The philosophy underlying all economic policies is to encourage the private sector to be competitive globally. The trade régime is kept very liberal, with no tariff or non-tariff barriers imposed to protect domestic industries. Ninety-six per cent of all imports enter Singapore free from tariffs and other border measures. Singapore does not maintain any tariff quotas or surcharges, safeguards, anti-dumping or countervailing actions. It does not operate any state-trading enterprises, and has no foreign exchange control. To ensure that the pattern of trade growth reflects market forces, the government does not extend any subsidies or other protective measures to the private sector.

Singapore has participated actively in multilateral and regional groupings to achieve greater trade liberalization. As a contracting party to the General Agreement on Tariffs and Trade (GATT) since 1973, Singapore is committed to upholding and strengthening the fair and open international trading system which has contributed to economic growth and development in the last forty years. The GATT is the cornerstone of Singapore's trade policy. Singapore also works closely with like-minded countries, for example within the Association of South East Asian Nations (ASEAN) to prevent market access from being adversely affected by regional trading blocs, protectionism and unilateral trade action.

Objectives of trade policies

The primary objective of Singapore's trade policies is to maintain an open trading régime so that trade growth contributes to sustainable non-inflationary growth rates in the long-term. Specifically, Singapore's trade policies are intended:

(a) to contribute towards the strengthening of a free, open and stable multilateral trading system;

(b) to develop Singapore into an international trading centre;

(c) to identify new markets while defending existing markets;
(d) to safeguard and diversify sources of imports;
(e) to increase services exports; and
(f) to uphold the integrity of an open trading system.

Constrained by a small domestic market and the limitation of resources, Singapore needs access to foreign markets and efficient firms for long-term economic expansion. The Singapore Government's philosophy is to allow market forces to determine the pattern of trade. It seeks to ensure that the trading system is, as far as possible, unfettered by tariffs and other border measures and that customs and trade documentation procedures are streamlined to minimise inconvenience to traders. Singapore does not have any sector-specific policies or trade instruments to promote exports.

Objectives of participating in the Uruguay Round negotiations

By participating in the Uruguay Round of multilateral trade negotiations, Singapore hopes to achieve the following objectives:

(a) exchange tariff concessions on items of mutual interest with its trading partners;
(b) strengthen the rules on the use of anti-dumping and countervailing actions;
(c) secure a multilateral agreement on m.f.n. application of safeguards;
(d) secure a comprehensive multilateral agreement on the use and application of rules of origin;
(e) enhance access for its services exports through concessions exchanged under a multilateral Services Agreement; and
(f) contribute towards developing a more efficient and expeditious GATT dispute settlement system.

Description of the import and export system

Free trade régime

Singapore has a generally duty-free trade régime. Given Singapore's import dependence, which is above 70 per cent, it is not in its interest to impose protective tariffs. Ninety-six per cent of imports covering 91 per cent of the tariff lines in Singapore's national customs schedule

1 Ratio of retained imports to domestic exports expressed as a percentage.
2 Harmonized System product classification at 9-digit level.
are duty-free. The few significant import duties are levied only on alcohol to discourage drinking, on tobacco and cigarettes to discourage smoking and on vehicles and fuel to discourage car ownership and control traffic congestion. The import duties on these items are GATT-consistent and are administered on an m.f.n. basis. They are not included in Singapore's liberalisation commitments under the ASEAN Preferential Trading Arrangement (APTA).

In keeping with the Singapore Government's philosophy of allowing market forces to operate freely as far as possible, non-tariff measures have been kept to a minimum. The handful of non-tariff measures are those that are maintained for social or security reasons or as part of Singapore's obligations under international agreements. The controls are enforced either through the licensing of importers and exporters or through the issuance of import and export licences on the traded products. Trade is prohibited only on grounds of essential security interests and as part of Singapore's commitments under the Convention on International Trade in Endangered Species of Flora and Fauna (CITES).

Generally, quantitative restrictions are not applied as part of the control process, unless these are required by international convention or by Singapore's trading partners. For instance, Singapore administers quotas on the import and use of chlorofluorocarbons and halons. This is intended to keep Singapore's consumption of these substances within the levels permitted by the Montreal Protocol on Substances that Deplete the Ozone Layer, to which Singapore is a signatory. The export of textiles and apparel is similarly subject to quotas set out in the Multi-Fibre Arrangement (MFA). Bilateral textile agreements have been signed with five countries, the United States, the European Community, Canada, Sweden and Norway. In this connection, the Singapore Government is committed to achieving a successful integration of the MFA into GATT.

**Singapore's trade policy measures**

There is no conscious attempt or pressing need to devise specific trade policy measures or co-ordinate trade policies with other macro-economic policies in Singapore. This is because the Government believes that the generally free-trade régime already provides the best framework for other aspects of macro-economic policies to achieve their targets and also for the private sector to maintain and improve its competitiveness and efficiency. Under this free-trade policy, the private sector has a free hand in making economic and business decisions within the broad regulatory framework. Thus, export performance and the pattern of economic growth are basically determined by market forces.

**Prospective changes in trade policies and practices**

Singapore's laisser-faire, export-oriented and free trade policy is instrumental in accounting for her economic growth since the mid-1960s, enabling it to ride the crest of the post-war boom in world trade, survive the two oil shocks in the 1970s and recover quickly from the recession in the mid-1980s. This successful formula of an unfettered trading system combined with export-oriented manufacturing and services sectors will MORE
continue to underpin Singapore's economic policies in future. Local companies are required to comply with the same rules and regulations as any foreign company. Trading practices, customs procedures, etc. do not discriminate against foreign companies.

Faced with the prospect of emerging trade blocs in the major markets, notably, in the US, Singapore's largest market, the Government is encouraging companies to diversify and expand their trade elsewhere, such as the People's Republic of China, India, Eastern Europe and Latin America, while continuing to strengthen their foothold in the region.

The Singapore Government will continue to play the rôle of the facilitator, by providing internationally-competitive infra-structure and maintaining a market-oriented operating environment.

Economic policies

Singapore's economic policies are aimed at sustaining non-inflationary economic growth. As in the past, the Government's rôle will be to provide an environment conducive to the activities of the private sector, which will continue to play a leading rôle in Singapore's economic development.

Major trends in imports and exports

According to the GATT Report for 1990, Singapore was the eighteenth largest exporter and fifteenth largest importer in the world.

Between 1980 and 1990, Singapore's total trade grew at an average annual rate of 8.3 per cent from US$43 billion to US$113 billion. Over this period, imports expanded at an average annual rate of 7.9 per cent from US$24 billion to US$61 billion while exports grew at an average annual rate of 8.7 per cent from US$19 billion to US$53 billion (please refer to table below).

Singapore's Total Trade

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<td>37.8</td>
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Source: Trade Development Board
The main features of Singapore's trade between 1980 and 1990 are:

(a) The share of re-exports in Singapore's global exports has declined as domestic exports have expanded more rapidly.

(b) The proportion of primary commodities in Singapore's re-exports has declined as re-exports of consumer products, industrial equipment, components and parts have expanded more rapidly.

(c) The importance of petroleum in Singapore's domestic exports has declined with the expansion of domestic exports, particularly of electronics and telecommunication products.

(d) Singapore's dependence on the US market for exports has expanded significantly. The other important markets are the EC, Japan and Malaysia.

Exports

Singapore's global exports cover domestic exports and re-exports. Both domestic exports and re-exports have expanded rapidly between 1980 and 1990. Domestic exports expanded by an average annual growth of 9.3 per cent from US$12 billion to US$35 billion. Re-exports grew at an average annual rate of 7.6 per cent from US$7 billion to US$18 billion.

The rapid development of Singapore's manufacturing sector in the 1980s contributed to a faster expansion in domestic exports compared to re-exports. As a result the share of re-exports in Singapore's global exports declined from 38 per cent to 34 per cent between 1980 and 1990. Correspondingly the share of domestic exports in total exports expanded from 62 per cent to 66 per cent over the same period (please refer to table above).

Domestic Exports

In 1980, 55 per cent of Singapore's domestic exports comprised mineral fuels. By 1990, the proportion of mineral fuels in Singapore's domestic exports declined to 28 per cent. On the other hand, the relative importance of machinery and equipment in Singapore's domestic exports increased with its share rising from 25 per cent to 52 per cent over the same period. Domestic exports of computers, computer peripherals and telecommunication equipment expanded rapidly through the decade.

Re-exports

Between 1980 and 1990, the relative importance of primary commodities in Singapore's re-exports declined. With the development of resource-based industries in the region, the volume of primary commodities such as rubber, timber and timber products, and palm oil being exported through Singapore by regional countries declined. However the proportion of manufactured products, machinery and equipment in total re-exports has expanded significantly. The rapid industrialization of regional countries and the intra-industry linkages between companies in Singapore and the region have contributed more to this trade through Singapore.
Markets

Singapore's top fifteen major sources of imports have remained fundamentally the same. However, the relative importance of these import sources have changed over the decade. The main change is the emergence of the Newly Industrializing Economies (NIEs) which have become important major import sources.

In 1980, Singapore's main domestic export markets were the United States, Japan, Thailand, Malaysia and Hong Kong. By 1990, the share of Singapore's domestic exports going to the United States had expanded from 15 per cent to 27 per cent. Similarly the relative importance of the European Community (EC) as a market for Singapore's domestic exports expanded from 15 per cent to 18 per cent. The Federal Republic of Germany, United Kingdom and The Netherlands mainly accounted for the increased importance of Europe for Singapore's domestic exports. On the other hand the share of Japan and Hong Kong declined while that of Malaysia remained stable.

Singapore's main re-export markets in 1980 were Malaysia, the European Community and the United States. Except for Malaysia, the relative importance of the United States, Japan, Hong Kong, Thailand, Taiwan and India in Singapore's global re-exports increased noticeably by 1990.

Problems in external markets

Singapore's export performance is influenced to a large extent by the production patterns and markets of MNCs, which account for two thirds of domestic exports, with local manufacturers accounting for the remaining one third. The United States, European Community and Japan will continue to be major markets because of the presence of their MNCs in Singapore. Nearly half of Singapore's exports are to developed countries. In 1990, the United States, Japan and Germany alone accounted for about one third of total exports. Thus, Singapore's trade is very vulnerable to economic downturns and protectionism in its major markets.

Common problems encountered by Singapore companies in gaining access to their major markets include anti-dumping and countervailing actions and quantitative restrictions. Singapore is also concerned with the proliferation of product-specific rules of origin, technical standards and environment-related trade measures.

Anti-dumping and countervailing actions

The two main types of trade actions that have been taken against Singapore are anti-dumping and countervailing duty actions. Between 1984 and 1990, a total of 34 anti-dumping investigations were initiated against Singapore companies. Over the same period, seven countervailing duty (CVD) investigations were initiated. Anti-dumping actions were mainly initiated by Australia, the European Community and the United States, while the United States was the only country that initiated countervailing duty investigations against Singapore.
Singapore is concerned with several provisions in the national legislations of countries which frequently resort to anti-dumping and CVD proceedings. In particular, Singapore is seriously concerned with the application of these provisions relating to the initiation of investigations, standing of petitioners and the calculation of dumping and subsidy margins. Some procedures and practices are biased towards the finding of dumping. For example, Singapore's exports were subject to investigations filed by petitioners which did not adequately represent the domestic industries. Cumulative injury assessments in anti-dumping investigations have resulted in positive determinations despite Singapore's minimal market shares of products investigated. Singapore is concerned that national legislation on anti-dumping and countervailing measures could be extended into areas that have no legal basis in GATT. The anti-circumvention provisions in the United States and European Community anti-dumping laws are of particular concern to Singapore. Singapore's exports of photo-albums and colour television picture tubes have recently been subject to investigations under the anti-circumvention provisions of the United States' anti-dumping laws.

Singapore has tabled specific proposals for improvements to the Anti-Dumping Code in the Uruguay Round Negotiating Group on MTN Agreements and Arrangements. Clearer anti-dumping and CVD rules and tighter disciplines on their application are needed to contain trade harassment and disruption to legitimate trade, and minimise inconvenience to exporters. Otherwise, strong domestic lobbies and major companies can easily ensure that competitive suppliers from overseas are shut out and denied access to their markets.

**Quantitative restrictions**

Singapore's exports have been affected by the following quantitative restraints:

(a) The growth of Singapore's textile and apparel industry is constrained by quotas imposed under the Multi-Fibre Arrangement (MFA);

(b) Singapore's exports of colour televisions (CTVs) and umbrellas to the United Kingdom and France respectively are subject to quota restrictions under Orderly Marketing Arrangements (OMA). The OMAs on CTVs and umbrellas have been in place since 1977 and 1978 respectively;

(c) Singapore's exports of machine tools are monitored under the Voluntary Restraint Arrangement (VRA) in the United States. Singapore is concerned that the monitoring programme causes uncertainty and inconvenience to companies and is another form of trade harassment; and

(d) The United States' global quota on imports of peanuts results in uncertainty for Singapore exporters.

MORE
Singapore is committed to achieving a successful integration of the MFA into GATT and the progressive phasing-out of grey-area measures following the conclusion of the Uruguay Round.

**Arbitrary interpretation of rules of origin**

The rules of origin administered by the United States and the European Community have been of particular concern to Singapore. In the European Community, the trend towards developing product-specific rules of origin could potentially affect Singapore's access to the market and affect the flow of investments to Singapore. Two of the European Community's product-specific rules of origin that are of concern to Singapore are:

(a) The rules relating to semi-conductors which require the process of 'diffusion' to be conducted in Europe in order to be recognised as being of 'Community' origin; and

(b) A high local content requirement of 40 per cent required for various electrical appliances/electronic products.

Singapore would like to see multilateral disciplines on the formulation, modification, interpretation and application of rules of origin included in the Uruguay Round package. To provide a predictable basis for international trade, rules of origin should be precise, transparent and consistently administered on an m.f.n. basis, to pre-empt arbitrary interpretation and to minimise inconvenience to traders.

**Technical barriers to trade**

Technical standards that have impeded Singapore's exports or are of concern to Singapore are:

(a) The technical standards required by the United States Federal Communication Commission and the procedures involved in meeting these standards are onerous and could pose a serious impediment to Singapore's exports of electronic goods to the United States;

(b) The harmonization of national product standards, testing and certification requirements in the Single European Market; and

(c) Health standards maintained by Japan on the import of meat products from Singapore.

Although GATT endorses the use of technical standards per se, it is important to have in place multilateral disciplines to ensure that these standards are not so onerous as to be in effect disguised trade barriers for protecting domestic industries.

**Environment-related trade measures**

Singapore notes that the United States has banned imports of tuna from various countries under the United States Marine and Mammal Protection Act (Amendments of 1988). With environmental problems such as depletion of
natural forests, pollution and warming of the earth becoming more acute, Singapore supports efforts to protect the global environment. In fact, Singapore is ahead of schedule in implementing controls on the consumption of chlorofluorocarbons required under the Montreal Protocol on Substances that Deplete the Ozone Layer. However, Singapore is concerned with the growing use of environmental protection as a pretext for creating trade barriers. The GATT can contribute to the cause of environmental protection by ensuring, \textit{inter alia}, that m.f.n. and National Treatment, principles fundamental to trade liberalization and economic development, are upheld in the application of trade measures for environment purposes. As an environmentally-aware GATT contracting party, Singapore is committed to keeping markets as open as possible while taking appropriate measures to preserve the ecological balance necessary for sustainable development.