

European Union – Singapore Trade *and* Investment Agreements



MTI MINISTRY OF TRADE
AND INDUSTRY
SINGAPORE

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Foreword

by EU Trade Commissioner Cecilia Malmström



The challenges our societies face today are global, so the solutions need to be global too. History holds stark lessons on the dangers of turning inwards, closing borders or building walls; the EU and Singapore are a testament to the prosperity that openness brings.

The EU and Singapore are natural partners. 2018 saw the signature of the Free Trade Agreement and the Investment Protection Agreement negotiated by the EU and Singapore. These agreements are the first bilateral trade and investment agreements concluded between the EU and a member of the Association of Southeast Asian Nations (ASEAN).

The agreements are a great opportunity for exporters on both sides. EU trade and investment with Singapore continue to grow, with the country providing a launching pad to the ASEAN region. In 2017, EU-Singapore trade in goods increased by 4.5% on a year-to-year basis, while in the last five years, trade in services has surged by 97%. Between 2011 and 2017 total EU-Singapore bilateral investment stock rose by 165%. These impressive figures have made the EU one of Singapore's top three trading partners and the city-state's foremost investor.

The EU-Singapore **trade agreement** is one of the EU's first 'new generation' bilateral trade agreements. In addition to cutting customs duties and non-tariff barriers on trade in goods and services, it contains commitments on protecting intellectual property, liberalising investment, public

procurement, competition and sustainable development.

The trade agreement between the EU and Singapore will create opportunities for growth and development on both sides. Over five years, it will remove tariffs on goods. Non-tariff barriers that make it complicated to export cars, pharmaceuticals, electronics and renewable energy systems will be tackled without compromising on health, safety and the environment. The agreement also provides new opportunities for trade in services, investment and public procurement, while at the same time safeguarding government's rights to regulate.

The agreement will also promote sustainable development by aiming to ensure that increased trade and investment supports decent work and environmental protection, including the fight against climate change. For the EU, the agreement is a lever to promote its values around the world – values like sustainable development, high social and environmental standards, and respect for human rights. It will also be a platform for working together more on fostering transparency and civil society engagement in trade and investment issues.

The EU-Singapore **investment protection agreement** will replace all existing bilateral investment treaties between EU Member States and Singapore. It provides a single set of rules for protecting all investments between the EU and Singapore. The investment protection agreement will protect investments while preserving the

EU and Singapore's right to regulate and pursue legitimate public policy objectives, such as protecting health, safety and the environment.

The investment protection agreement includes the EU's new approach to investment protection. It will replace the controversial investor-to-state dispute settlement procedures included in many of the bilateral treaties EU Member States have with Singapore with a new Investment Court System. The agreement also clearly defines investment protection standards, such as what constitutes a breach of fair and equitable treatment or indirect expropriation – problems frequently cited by investors in disputes with states. This system (also included in the EU's agreements with Canada and Vietnam) will be public, have professional and independent, government-appointed judges obliged to observe the highest ethical standards, its hearings will be open to the public and case documents published.

The EU-Singapore trade and investment agreements will lift EU-Singapore relations to a whole new level and will create further opportunities for EU and Singaporean businesses to grow and create new jobs. That is something we can all be proud of. Then, the agreements with Singapore also constitute an important step towards the EU's ultimate goal of a trade and investment agreement with the ASEAN region as a whole, and also set a benchmark for the other trade and investment agreements the EU is negotiating with ASEAN Member States.

Cecilia Malmström
EU Trade Commissioner



Foreword

by Singapore Minister for Communications & Information
and Minister-in-charge of Trade Relations S Iswaran

Since the Second World War, multilateralism has been an important basis for international cooperation between global partners, big and small. An open, inclusive and rules-based multilateral system has formed the foundation of prosperity, providing global public goods, like security and free trade, to our people. As the existing multilateral framework comes under strain with the sharpening of trade frictions, it becomes even more important that like-minded partners strive to sustain multilateral cooperation. Day by day, our economies are becoming more interconnected and interdependent than ever before. We must continue building upon these partnerships so as to ensure that the peace and prosperity that have been painstakingly earned over the past decades will continue to flourish.

Singapore and the EU are longstanding partners. We share robust bilateral relations, underpinned by strong and growing trade and investment links. The EU is Singapore's third largest trading partner in goods, largest trading partner in services, and our largest foreign investor. Over 10,000 EU companies are based here, making Singapore the number one location for European investments in ASEAN and number two in Asia. Conversely, Singapore is the EU's largest trading partner in both goods and services in ASEAN. Singapore is also the largest ASEAN and third largest Asian investor in the EU, with the stock of Singapore's direct investment into the EU increasing more than five times over the past decade.

The expeditious entry into force of the EU-Singapore Free Trade Agreement (EUSFTA) and Investment Protection Agreement (EUSIPA) will further boost bilateral trade and investment flows. Both Singapore and EU companies can look forward to significant benefits. In addition to the elimination of tariffs, the EUSFTA and EUSIPA will improve market access for trade in services, open up more government procurement opportunities, and raise the level

of protection for investors. Non-tariff barriers to trade will be addressed in four major sectors: electronics; motor vehicles and vehicle parts; pharmaceutical products and medical devices; and renewable energy generation. New trade challenges in the modern economy will also be addressed, with strong provisions for sustainable development, intellectual property rights protection, and other areas. We are hopeful that the EUSFTA and EUSIPA will facilitate closer collaborations between EU and Singapore companies and ultimately benefit EU citizens and Singaporeans by creating good jobs and new opportunities.

The EUSFTA and EUSIPA are also strategically important agreements for Singapore and the EU. They are a tangible demonstration of our shared commitment to free and open trade. As the first trade and investment agreements initiated and concluded between the EU and an ASEAN member state, the EUSFTA and EUSIPA will anchor the EU's presence in ASEAN and serve as pathfinders to an eventual EU-ASEAN trade and investment agreement. This will benefit our companies and peoples by deepening region-to-region economic integration between the EU, the world's largest single market, and ASEAN, a fast-growing market of over 600 million consumers expected to become the fourth largest economic bloc by 2030.

The EU and Singapore are like-minded partners in supporting free and open trade, and in taking a long view of economic and global developments. I look forward to a new and exciting era in our partnership, rich in opportunities with the EUSFTA and EUSIPA as the cornerstone of our bilateral relations.

S Iswaran
Minister for Communications & Information and
Minister-in-charge of Trade Relations, Singapore

EU-Singapore Trade and Investment Relations

Key Trading Partners

Singapore and the EU are key trading partners. For Singapore, the EU is its third largest trading partner in goods, accounting for 10% of its total trade with the world. For the EU, Singapore is its largest trading partner in ASEAN, representing close to a quarter of total EU-ASEAN trade in goods and over half of EU-ASEAN trade in services.

Since 2006, total trade in goods between Singapore and the EU has increased by 30% to about €53 billion¹ or S\$83 billion in 2017. Trade flows are dominated by machinery, transport equipment, chemicals and mineral fuels, as well as optical and photographic instruments, and beverages.

Trade in services has picked up significantly in recent years. From 2011 to 2017, trade in services between the EU and Singapore increased by more than half, reaching €51 billion or S\$79 billion in 2017. Key sectors include transport, telecommunications services, business and financial services.

EU-Singapore trade in goods and services 2010-2017 (billion €)



Strong Investment Ties

Investment ties are also strong. The EU is the largest investor in ASEAN, and more than half of these investments are in Singapore making Singapore the EU's largest investment destination in Asia. In 2017, EU Foreign Direct Investment (FDI) in Singapore amounted to a total of €227 billion or S\$351 billion. This constitutes more than one-quarter of the total FDI stock in Singapore, making the EU Singapore's largest foreign investor. There are more than 10,000 EU companies in Singapore, many of whom use Singapore as a hub for their operations in Southeast Asia.

Conversely, Singapore is the EU's third largest Asian investor (after Japan and Hong Kong) and sixth largest external investor, holding investments stocks amounting to about €117 billion or S\$181 billion in 2017.

¹ All trade and investment figures included in this document have been obtained from Eurostat

New Opportunities under the EU-Singapore Trade and Investment Agreements



The trade and investment agreements the EU and Singapore have negotiated provide new opportunities for companies from the EU and Singapore, while protecting labour rights and the environment.

The EU-Singapore agreements are the first bilateral trade and investment agreements concluded between the EU and an ASEAN country. Negotiations on the agreements were launched in 2009 and completed in 2012 for the trade agreement, and in 2017 for the investment protection agreement.

This guide is intended for companies to better understand the practical aspects of the trade and investment agreements.

The EU-Singapore Free Trade Agreement (henceforth referred to as the “trade agreement”) will yield significant benefits for businesses, including:

- by increasing market access;
- by reducing technical barriers to trade;
- by removing obstacles to trade and investment in green technologies; and
- by fostering green public tendering and creating new opportunities in environmental services.

The trade agreement will also present new opportunities for companies wanting to establish a commercial presence abroad and will make it easier for firms to access markets, notably for many non-services sectors such as manufacturing. This means further opportunities for various EU regions to attract investments, for example in areas such as industrial production.

The EU-Singapore Investment Protection Agreement (henceforth referred to as the “investment protection agreement”) will:

- replace all the existing bilateral investment treaties between EU Member States and Singapore;
- lay down a single set of rules for the protection of all investments between the EU and its Member States, and Singapore;
- offer legal certainty to investors on both sides; and
- improve the investment climate, introducing modern provisions that are not currently in EU Member States’ bilateral treaties with Singapore, such as clearer investment protection standards, and new rules for resolving investment disputes.

TRADE IN GOODS

Elimination of Customs Duties

Consumers and producers in Singapore and the EU will benefit from the elimination of customs duties on all qualifying goods. On the day the trade agreement enters into force, approximately 84% of Singapore’s exports to the EU will enter duty-free, while customs duties on remaining qualifying exports will be removed over a period of 5 years. Examples of sectors that will benefit from the immediate elimination of customs duties include:

- electronics;
- pharmaceuticals;
- petrochemicals; and
- processed agricultural products.

Singapore will fully bind its current level of duty-free access for all products originating in the EU. Singapore will also eliminate all its remaining tariffs on beer, stout and samsu. Consumers in Singapore can expect to benefit from lower prices for these EU products.

In addition, the EU and Singapore have agreed not to increase any existing customs duties or introduce any new customs duties on goods imported from the other partner, following the entry into force of the trade agreement.

1st Year
84 %² customs duties on goods of Singapore’s domestic exports to the EU will be removed

3rd Year
90 % of Singapore’s domestic exports will enter the EU tariff-free



² Based on the trade patterns of 2012

Staging category (No. of years from FTA ratification)	Tariff staging (Upon implementation)	Hypothetical date of entry into the EU tariff	Examples of products
Entry into force	Immediate elimination	1 January 2020	Beer and Stout
3	Removed in 4 equal annual stages beginning at entry into force	1 January 2023	Selected Produce, meat such as duck, liver, textiles
5	Removed in 6 equal annual stages beginning at entry into force	1 January 2025	Selected seafood, pork, fruit, textiles, consumer goods such as footwear

Rules of Origin: Benefitting from Preferential Tariffs

The trade agreement provides for flexible rules of origin that will allow products from the EU and Singapore to qualify for preferential tariff treatment. In today's global economy, both large and small companies often operate global value chains and their products generally contain domestically produced components as well as others sourced from abroad. With this in mind, the rules of origin in the trade agreement strike a balance between:

- leaving companies some flexibility to source parts from third countries; and
- being clear on the minimum conditions that products must meet to qualify for preferences under the agreement.

To benefit from preferential tariff treatment, products have to be considered as originating (produced or processed) in Singapore or the EU. There are two categories of products:

- 'wholly obtained' products (such as natural resources, plants, and vegetables); and
- 'sufficiently worked or processed' products containing materials that are not wholly obtained in Singapore or the EU, but have been sufficiently worked or processed there such that the products meet the necessary rules of origin.

Rules of origin are product-specific, which means that the criteria by which to determine if a product qualifies for preferential tariff treatment will differ from product to

product. Most key exports have 'co-equal' rules, which allow companies flexibility to utilise change in tariff classification or a regional value content (RVC) rule to meet the rules of origin.

At the same time, the trade agreement also provides for 'process' rules of origin for certain products, such as petrochemical products, thus providing even greater flexibility to producers. The trade agreement recognises the integrated nature of supply chains in Southeast Asia by incorporating the concept of 'ASEAN cumulation' for certain manufactured products as set out in Annex D to the Protocol on Rules of Origin. Singapore-based manufacturers of products in Annex D are allowed to incorporate raw materials and parts originating from other ASEAN Member States as Singapore-originating¹ content when determining whether their products meet the rules of origin.

Singapore companies will be able to more extensively cumulate materials from ASEAN Member States that have concluded trade agreements with the EU.

Asian food products

The trade agreement marks the first bilateral FTA where Asian food products made in Singapore can enter the EU tariff-free under specialised rules of origin,

¹ The principles governing this limited cumulation are similar to those applied under the EU's Generalised Scheme of Preferences from which most ASEAN Member States currently benefit.



Asian food products made in Singapore can enter the EU tariff free up to a combined quota of **1 250 tonnes annually**

* such as sambal ikan bilis (spicy crispy anchovies), canned luncheon meat, and siew mai

up to a combined quota of 1 250 tonnes annually. The Asian food products are classified separately in the agreement's Protocol on Rules of Origin. Examples of Asian food products that will benefit from this food quota are set out in Annex B(a) of the Protocol and include:

- sambal ikan bilis (spicy crispy anchovies);
- canned luncheon meat;
- various dim sums e.g. *siew mai* (Chinese dumplings), *har gow* (prawn dumplings); and
- pastries e.g. samosa.

Principle of Non-Discrimination

The trade agreement:

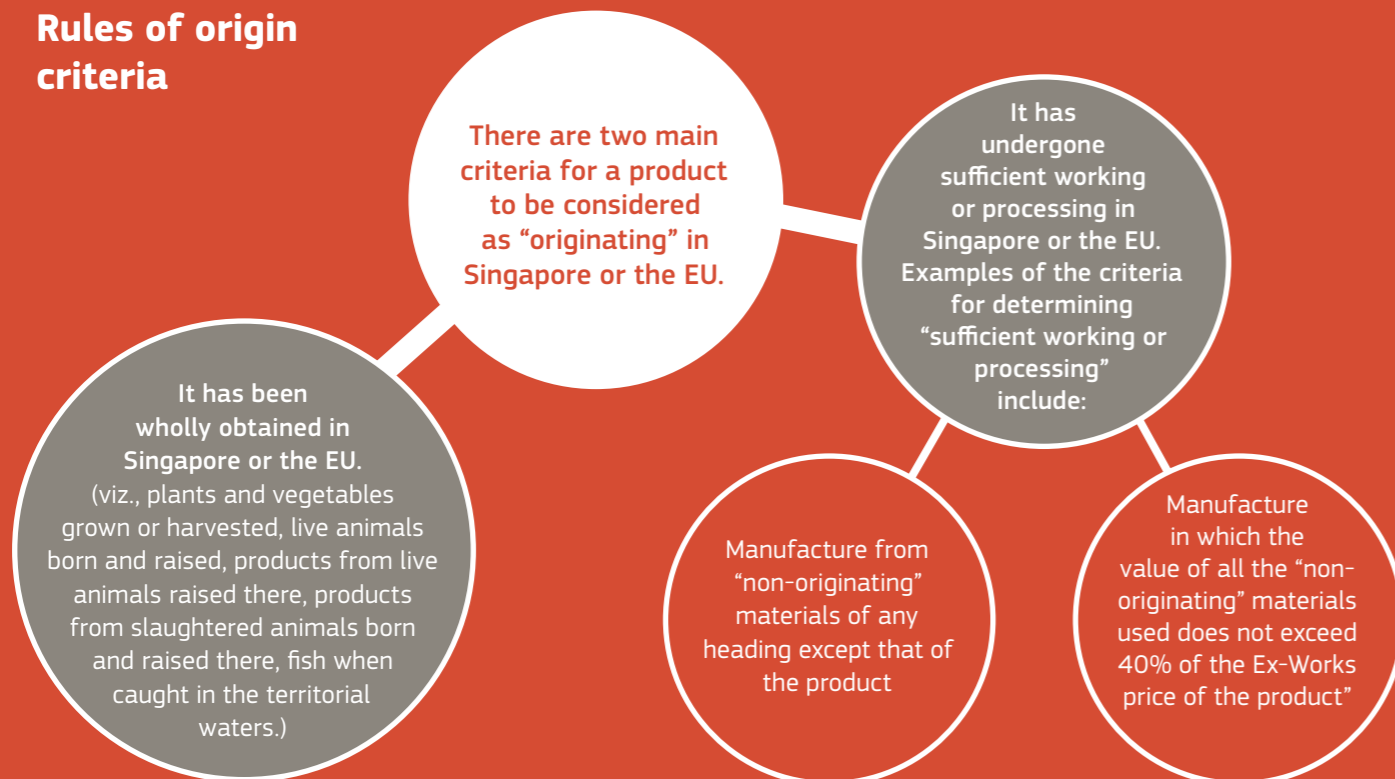
- includes fundamental World Trade Organization rules, such as the principle of national treatment so that foreign products are treated the same as domestically produced ones;
- prevents either partner from introducing new restrictions on imports and exports; and
- eliminates non-tariff measures on goods such as automobiles, electronics, and pharmaceuticals.

Customs Cooperation and Trade Facilitation

The EU and Singapore will strengthen cooperation in customs procedures. They have agreed on basic principles for simplifying, harmonising, standardising, and modernising procedures to reduce costs for businesses.

The importance of trade between the EU and Singapore means both sides must be vigilant about the safety and security of legitimate trade. The agreement will strengthen cooperation on the security of supply chains, including steps towards the mutual recognition of trade partnership programmes such as the EU 'Authorised Economic Operators' programme.

Rules of origin criteria



Customs and trade facilitation





SERVICES AND ESTABLISHMENT

Services are the backbone of both the EU and Singapore economies. Singapore is a major hub in Southeast Asia for EU services providers and accounts for more than half of all trade in commercial services between the EU and ASEAN. The trade agreement aims to boost the already-dynamic trade in services between Singapore and the EU. It covers a wide range of services and provides additional market access for services providers. Both Singapore and the EU have also agreed to ensure that the same rules and regulations apply to domestic and foreign services providers in certain sectors.

The EU and Singapore retain the right to regulate and introduce new regulations to pursue legitimate policy objectives such as security, public health and safety.

The trade agreement upholds the right of the EU and Singapore to set quality and safety standards, and to regulate services.

Measures such as professional qualifications, technical standards and licensing requirements will continue to apply.

Market Access and Commercial Establishment

As part of the trade agreement, the EU and Singapore have agreed to provide preferential market access to each other's companies and to remove certain restrictions that would prevent companies from providing services in each other's markets. These include reducing and/or removing restrictions on:

- the number of services suppliers;
- the value of services transactions or assets;
- the number of services operations or quantity of services outputs;
- the number of persons that may be employed;
- the specific type of legal entity permitted; and
- foreign shareholding/equity limits.

This applies to a wide range of sectors, including:

- telecommunications services;
- financial services;
- computer and related services;
- transport services;
- environmental services;
- certain business services; and
- postal services.

The trade agreement includes specific rules on non-discrimination and transparency in certain services sectors, so as to create predictability and a level playing field.

For example:

- Postal services – the EU and Singapore have agreed to ensure that dominant market players will not engage in anti-competitive practices.
- Telecommunication services – major suppliers, such as network owners, must agree to provide other operators access to specific network elements, on an unbundled basis, on terms and conditions that are reasonable and transparent.

Electronic Commerce

Singapore and the EU recognise the importance of free flow of information, and have agreed not to impose custom duties on electronic transmissions.







Both sides nonetheless also agree that:

- e-commerce should not impair intellectual property rights; and
- the development of e-commerce must be compatible with international standards of data protection.

To encourage e-commerce, the EU and Singapore have agreed to maintain a dialogue to discuss how best to address issues such as:

- consumer protection; and
- the liability of intermediary service providers – for example social media platforms – with regard to the transmission and storing of information.

Examples of sectors where the EU and Singapore have agreed to allow each other's services providers to operate:

	EU	SINGAPORE
 Professional services	<ul style="list-style-type: none"> • architectural services • accounting • engineering and integrated engineering services • urban planning and landscape architectural services • management consulting services 	<ul style="list-style-type: none"> • international commercial arbitration services • legal services • accounting • taxation • architectural services • integrated engineering • medical and dental services • veterinary services
 Computer and related services	All related services in this field	All related services in this field
 Research and Development	<ul style="list-style-type: none"> • natural sciences and interdisciplinary sciences except for publicly funded R&D services • social sciences and humanities 	<ul style="list-style-type: none"> • natural sciences • social sciences, except legal research services
 Business services	<ul style="list-style-type: none"> • advertising • market research • management consulting services • advisory and consulting related to manufacturing • printing and publishing • convention services • translation • design services 	<ul style="list-style-type: none"> • advertising • market research • management consulting services • technical testing and analysis services of automobiles • services related to manufacturing • security consultation • alarm monitoring • photographic services • convention and exhibition management services • translation services
 Postal services	All related services under this field	Basic and express letter services
 Telecommunication services	Services consisting of the transmission and reception of signals by electromagnetic means, excluding broadcasting	Services (excluding broadcasting), such as: <ul style="list-style-type: none"> • facilities-based and services-based services • mobile services and value-added network services

	EU	SINGAPORE
 Environmental services	<ul style="list-style-type: none"> • waste water services • solid/hazardous waste management, excluding cross-border transport of hazardous waste • protection of ambient air and climate treatment and clean-up of soil and waters • noise and vibration abatement • protection of biodiversity and landscape 	<ul style="list-style-type: none"> • refuse collection and disposal services, except landfill services • hazardous waste management • sanitation and similar services • cleaning services of exhaust gases • noise abatement services • nature and landscape protection services
 Tourism and travel related services	Travel agencies and tour operating services	<ul style="list-style-type: none"> • hotel and other lodging services • food and beverage serving services, except meal serving services in eating facilities run by the government • travel agencies and tourist guide services
 Transport	<p>Maritime – services related to:</p> <ul style="list-style-type: none"> • international passenger and freight transport • storage and warehousing • container station and depot • freight forwarding and supporting services for maritime transport <p>Road and rail – supporting services like:</p> <ul style="list-style-type: none"> • freight transport agency • cargo-handling • storage 	<p>Maritime – services related to:</p> <ul style="list-style-type: none"> • international passenger and freight transport • maritime agency services • international towage • shipping brokerage • freight forwarding • rental of vessels with crew <p>Road transport – supporting services like:</p> <ul style="list-style-type: none"> • rental services • certain supporting services such as maintenance and repair of parts of motor vehicles
 Manufacturing	<ul style="list-style-type: none"> • food and beverages • clothing • footwear • machinery • paper products • computing and electrical machinery 	<ul style="list-style-type: none"> • food and beverages • clothing • paper products • chemicals • certain machinery equipment • computing and telecom equipment

GOVERNMENT PROCUREMENT

Government procurement is about how public authorities and agencies can provide the best value for money for the public when buying products, works or services. Procurement activities can range from buying new IT equipment to providing water, electricity and gas, or building a hospital or a new road.

Singapore and the EU are members of the World Trade Organization's Agreement on Government Procurement (WTO GPA). This means:

- they already have modern procurement regimes;
- they apply high standards of transparency and procedural fairness to their public tendering; and
- foreign firms, in many cases, are already able to compete for public contracts above a certain value threshold.

In the trade agreement, both the EU and Singapore have gone beyond their WTO commitments in the area of government procurement. They:

- agree to extend GPA procurement requirements so they apply to all public contracts covered under the agreement;
- allow each other's firms to bid for public contracts put out to tender by additional central and sub-central procuring entities; and
- will lower the value threshold of contracts subject to open tendering.

This provides firms additional opportunities to bid for contracts.

The EU has:

- added to the list of entities open for bids for public contracts additional central-level government ministries, agencies and other bodies – compared to those included in its WTO GPA list – as well as entities active in certain utility sectors.
- included more types of public services contracts covered by open tendering compared to what it has agreed in the WTO, such as:
 - railway services;
 - computer services;
 - telecommunications services; and
 - landscape architectural services.

Singapore has:

- included additional procuring entities, for example entities in certain utility sectors such as the Energy Market Authority; and
- expanded the types of public service contracts covered by its commitments on transparency and non-discrimination.

With its extensive scope and rules on transparency, the trade agreement will increase efficiency and value for money in government procurement.

MEASURES TO IMPROVE THE BUSINESS ENVIRONMENT

Reducing Technical and Non-Tariff Barriers in Key Sectors

States usually introduce technical requirements for products to protect the public interest, such as:

- human health and safety;
- animal and plant life and health; and
- the environment.

Technical requirements exist in all sectors of the economy and affect most products we buy – for example the safety of toys and energy efficiency of domestic appliances. They can determine a product's size, shape, design, labelling, marking and packaging, function and performance.

These technical requirements can be created by:

- mandatory regulations; or
- voluntary standards.

Countries often share similar goals when they introduce technical regulations but actual standards and procedures for testing products may differ. As such, they may constitute technical barriers to trade (TBT).

Building on the World Trade Organization's existing Agreement on TBT, the EU-Singapore trade agreement seeks to reduce technical barriers to trade between the EU and Singapore. The agreement:

- enhances transparency;
- strengthens cooperation; and
- aims to reduce unnecessary duplication of costly and burdensome procedures for testing products.

The agreement also contains rules on marking and labelling aimed at reducing the burden and costs for exporters, which can sometimes make it difficult for companies to sell their products in different markets.

The agreement addresses non-tariff barriers in key sectors such as:

- electronics;
- motor vehicles and vehicle parts; and
- pharmaceuticals and medical devices.

Electronics

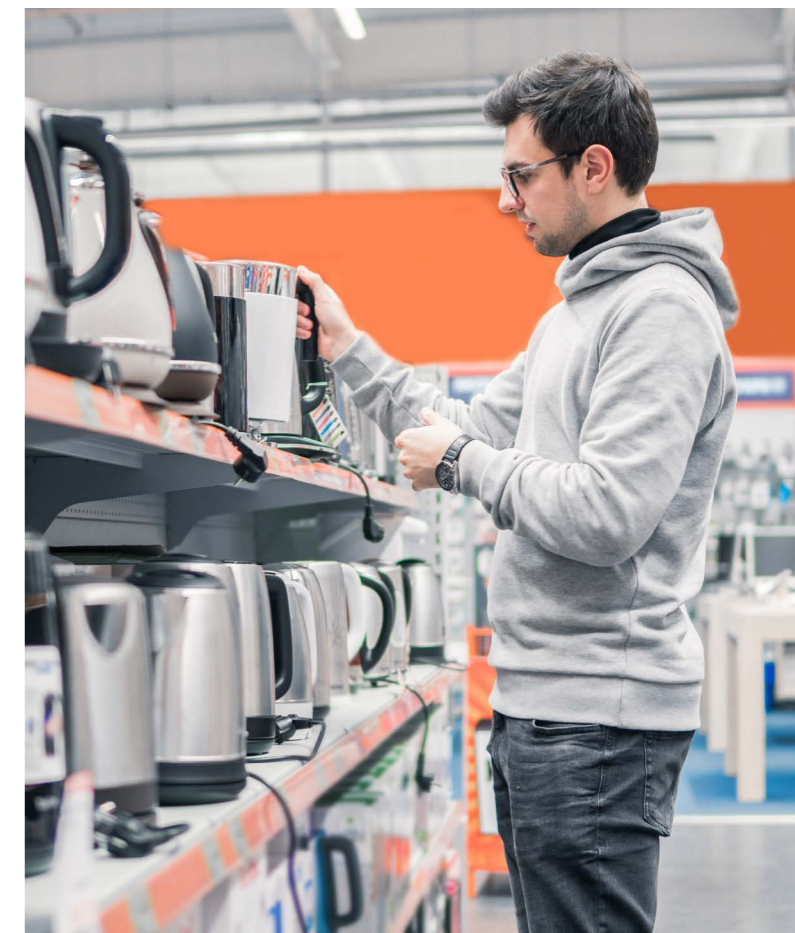
The EU and Singapore have agreed to base their standards, technical regulations and conformity assessment procedures on relevant international standards, where

appropriate. This applies to electronic products ranging from refrigerators and air-conditioners to coffee makers and toasters.

The agreement also includes commitments to avoid duplicative and unnecessarily burdensome conformity testing procedures for product safety and electromagnetic compatibility of electrical and electronic equipment, electrical household appliances and consumer electronics.

Singapore and the EU have also agreed to avoid requiring mandatory third party conformity assessment for regulated products, wherever possible. They will prioritise trade-facilitative measures such as the supplier's declaration of conformity and post-market surveillance mechanisms, so long as this is compatible with consumer safety, health and environmental concerns.

As part of its obligations under the trade agreement, Singapore has reviewed its administrative procedures to streamline the categories of regulated products, and introduced a tiered-risk conformity assessment framework. Under this framework, a supplier's declaration of conformity can be accepted for products deemed to be of low risk.



Motor Vehicles and Vehicle Parts

The EU-Singapore trade agreement promotes the recognition of international standards for cars and car parts.

The EU and Singapore will refrain from introducing new regulatory measures which differ from international standards. They will allow the sale of products incorporating new technologies, unless such technologies are proven to create a significant risk to human health, safety or the environment.

It will be possible to sell new motor vehicles and car parts from the EU in Singapore without any additional testing or certification, provided they are certified in line with international standards accepted in the EU, notably United Nations Economic Commission for Europe (UNECE) type approval regulations.



Pharmaceuticals and Medical Devices

Pharmaceutical products and medical devices are among the EU's most important exporting industries, generating a yearly trade surplus of over €60 billion and employing more than one million workers in the EU. For Singapore, the pharmaceutical manufacturing sector contributes about S\$17 billion in output and close to 7,000 jobs.

Recognising that access to safe and effective medicines and medical devices is crucial, the agreement seeks to minimise non-tariff barriers and create appropriate conditions for a competitive market environment based on openness and non-discrimination.

The EU and Singapore have agreed to use international standards, practices, and guidelines for pharmaceutical products and medical devices, particularly those developed by relevant international standard setting bodies. Also, through the agreement, the EU and Singapore commit to ensuring criteria, rules, procedures and guidelines with respect to the listing, pricing and reimbursement of pharmaceuticals are fair, reasonable, and non-discriminatory.

Foreign pharmaceutical companies generally do not face non-tariff barriers for pharmaceutical products and medical devices in Singapore, and Singapore continues to remain committed to broad disciplines on transparency in the regulation of such products in the trade agreement. Such disciplines are particularly beneficial for the many leading European pharmaceutical and biomedical sciences companies that leverage Singapore as their base to drive regional innovation and R&D activities.

The EU will recognise Singapore's standards of "Good Manufacturing Practices" (GMP) in the manufacture of active pharmaceutical ingredients (API) as equivalent to its own, which will facilitate the exports of Singapore API into the EU.

Renewable Energy Generation

In line with global efforts to reduce greenhouse gas emissions, the trade agreement aims to promote, develop and increase the generation of energy from renewable and sustainable sources.

Both the EU and Singapore have committed that respective regimes for investment in renewable energy generation remain open and investor friendly. Relevant commitments include removing or reducing tariffs and non-tariff barriers, and fostering regulatory convergence with or towards regional and international standards. This is the first time that Singapore has agreed to do so under a bilateral trade agreement.

The agreement also contains disciplines to ensure that both Singapore and the EU facilitate a level playing field for all investments in renewable energy generation rather than seeking to safeguard the domestic development of the sector. Specifically:

- a. companies investing in this sector will not be subjected to mandatory local sourcing requirements;
- b. companies will not be required to form partnerships with local companies, unless such local partnerships are necessary for technical reasons; and
- c. the rules concerning authorisation, certification and licensing procedures relating to investment in this sector would have to be objective, transparent, non-arbitrary and non-discriminatory.

Such initiatives, if expanded to a regional level, will help to ensure greater market access and openness in this sector. It will also provide opportunities for Singaporean companies seeking to invest in this field in the EU, including those in the urban solutions cluster.



Animal and Plant Health and Hygiene



Removing non-tariff barriers to trade is relevant for raw or processed products of animal (meat and meat products) and plant origin (fruits and vegetables).

These product groups include food and feed products for which safeguards for human, animal, and plant life and health are important. As a result, most jurisdictions in the world – including the EU and Singapore – have stringent laws and procedures in place to ensure animal and plant health and hygiene.

While maintaining strong requirements to safeguard human, animal, and plant life and health safety, the EU-Singapore trade agreement aims to facilitate the trade of food products. For instance, the EU and Singapore will evaluate each other's inspection and certification systems for meat producing establishments rather than requiring each individual abattoir or food processing plant to be inspected by the other Party before it can export.

INTELLECTUAL PROPERTY

Both the EU and Singapore rely on innovation as a driving force to develop and support their economies. Both have already established modern systems for protecting and enforcing intellectual property rights in their territories. To continue encouraging innovation and creativity, the trade agreement includes a comprehensive intellectual property rights chapter covering provisions on copyright and related rights, trademarks, geographical indications (GIs), designs, plant varieties and enforcement. A number of commitments undertaken by the EU and Singapore are highlighted below.

Copyright and Related Rights

The trade agreement provides for 70 years of copyright protection. It provides for a single equitable remuneration for producers of sound recordings broadcasted or performed in public. This will be implemented within two years of the trade agreement entering into force. The agreement will:

- align Singapore's copyright laws with countries that allow producers of sound recordings to collect broadcasting and public performance royalties; and
- encourage a vibrant local music scene.

Trademarks

The Parties will protect well-known trademarks and, in determining whether a trademark is well-known, give due consideration to the WIPO Joint Recommendation concerning Provisions on the Protection of Well-Known Marks.

Geographical Indications

As part of Singapore's commitments under the trade agreement, Singapore will enhance its existing Geographical Indications (GI) regime by setting up a GI Registry for the protection of such products, i.e. products that have special qualities or enjoy certain reputation or other characteristics due to their geographical origin. EU producers will then be able to apply to register their GIs in Singapore. Other producers will also be able to apply to register GIs in Singapore, where the products fall within the prescribed categories.

Once registered in Singapore, such GIs will enjoy enhanced protection to strengthen consumers' recognition of authentic quality EU food products, wines and spirits in Singapore.

Protecting Test Data

The agreement also includes provisions on protecting test data submitted to obtain an administrative marketing approval to place pharmaceutical and agrochemical products on the market.

Doha Declaration

The EU and Singapore recognise the importance of the Declaration on the TRIPS Agreement and Public Health. They commit that in interpreting and implementing the rights and obligations on the protection of test data and on patent related rights, they will ensure consistency with the Doha Declaration.

Enforcement

The enforcement chapter sets out detailed provisions on civil enforcement measures, including general obligations related to the availability and the application of these measures, provisions on preserving evidence in disputes, injunctions, damages and on the liability of intermediary service providers.

With regard to border enforcement, as soon as the trade agreement enters into force, right holders will be able to request that Singapore's customs authorities seize counterfeit trademark goods and pirated copyright goods. Within three years from the entry into force of the trade agreement, right holders will be able to request that Singapore's customs authorities also seize counterfeit GI goods and pirated design goods when they are to be imported or exported.

Singapore and the EU also commit to have procedures in place where its authorities may act upon their own initiative to suspend the release of counterfeit trademark goods, pirated copyright goods and counterfeit GI goods. With regard to counterfeit GI goods, Singapore will implement this commitment within three years from the entry into force of the trade agreement.

SUSTAINABLE DEVELOPMENT

Trade can have wide-ranging effects on the economy, jobs, labour standards, social cohesion, and the environment.

The EU-Singapore trade agreement includes a robust and comprehensive chapter on trade and sustainable development. It deals with labour and environmental matters relevant to trade and investment between the EU and Singapore.

The trade agreement sets out commitments to ensure that domestic levels of environmental and labour protection are consistent with core international standards and agreements. It prohibits "race-to-the-bottom" practices where labour and environmental laws are lowered to attract trade or investment, while recognising the EU's and Singapore's rights to establish their own levels of environmental and labour protection

The trade agreement aims 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 management and conservation and management of fish stocks.

The chapter on trade and sustainable development also sets out how to involve stakeholders in discussions on how the EU and Singapore can implement the sustainable development parts of the trade agreement. This includes:

- making use of new or existing consultative mechanisms or outreach to stakeholders; and
- plans for a dedicated mechanism for settling any differences in how the EU and Singapore implement the sustainable development parts of the trade agreement.

Labour Standards

Specific commitments address the effective implementation of International Labour Organization (ILO) core labour standards.

The agreement promotes progress on effectively implementing all the ratified ILO Conventions, not only the fundamental ones.

Environment

The agreement includes commitments by the EU and Singapore on the effective implementation of Multilateral Environmental Agreements to which the EU and/or Singapore are respectively parties.

These include:

- the UN Convention on Biological Diversity
- the UN Convention on International Trade in Endangered Species (CITES)
- the UN Framework Convention on Climate Change (UNFCCC).

Specific provisions on climate change further underline the EU's and Singapore's efforts to tackle climate change.



INVESTMENT PROTECTION

A predictable regulatory environment is important for promoting and attracting investment. This, in turn, can spur job creation and economic growth.

The investment protection agreement that the EU and Singapore have agreed to in parallel to the EU-Singapore trade agreement will replace the 12 existing bilateral investment treaties between Singapore and EU Member States. It includes modern provisions on investment protection that are not contained in these 12 bilateral investment treaties.

The new investment protection agreement will ensure a high level of investment protection. At the same time, it will safeguard the EU's and Singapore's rights to regulate and pursue legitimate public policy objectives, such as the protection of public health, safety and the environment.

Better Protection for Investment

The EU and Singapore have agreed to protect investments from both sides by:

- not discriminating between EU and Singapore investments that are in similar situations;
- treating foreign investments fairly and equitably;
- prohibiting expropriation of investments, unless the expropriation is:
 - for public purposes;
 - in accordance with due process;
 - done on a non-discriminatory basis; and
 - compensated promptly, adequately and effectively according to fair market value of the expropriated investment.
- allowing free transfer and repatriation of funds relating to an investment, while allowing both sides to apply laws in an equitable and non-discriminatory manner; and
- compensating investors in a non-discriminatory manner if their investments suffer losses during wartime or other conflict.

At the same time, to prevent frivolous claims, the investment protection agreement specifies the circumstances under which such breaches would occur.

A Transparent Process for Resolving Investment Disputes between Investors and the State

The investment protection agreement offers investors a modern and reformed investment dispute resolution mechanism. This Court-like system ensures that investment protection rules are adhered to and strikes a balance between protecting investors in a transparent manner and safeguarding a state's right to regulate to pursue public policy objectives.

For example, investors have access to the dispute resolution system when their rights under the investment protection agreement, such as 'fair and equitable treatment', have been breached.

The investment protection agreement sets up a standing international and fully independent dispute resolution system. The cornerstones of the new system are:

- a permanent investment Tribunal of First Instance and an Appellate Tribunal (for appeals). This will ensure that the investment protection agreement is interpreted in a legally correct and predictable manner;
 - the pre-appointment of all Tribunal members by Singapore and the EU. They will be subject to strict rules on:
 - independence;
 - integrity; and
 - ethical behaviour.
- all Tribunal members will have to comply with a binding code of conduct set out in the investment protection agreement;
- the Tribunal members must:
 - demonstrate expertise in public international law; and
 - possess the qualifications required in their respective countries to be appointed to judicial offices or to be jurists of recognised competence;
 - the transparency of proceedings before the Tribunals:
 - all documents will be published;
 - all hearings will be open to the public; and
 - interested third parties will be allowed to make submissions to the Tribunal;
 - the banning of parallel or multiple proceedings; and
 - provisions against abuses of the system. For example, the investment protection agreement contains rules to prevent fraudulent or manipulative claims such as the re-structuring of a business for the purpose of submitting a claim.



EU-SINGAPORE PARTNERSHIP AND COOPERATION AGREEMENT

Relations between the EU and Singapore go back decades. This longstanding and strong partnership, based on shared values and mutual benefit, and a commitment to a peaceful and prosperous world, is one that both sides have sought to strengthen in recent years.

Parallel to the negotiation of the EU-Singapore trade and investment agreements, the EU and Singapore also negotiated a Partnership and Cooperation Agreement (PCA). Once in force, the PCA will provide a framework for the overall relations between Singapore, and the EU and its Member States.

The PCA will strengthen the foundations for developing broad-based and mutually-beneficial cooperation in fields such as education, non-proliferation, security, environment, energy, maritime transport, air services, and science and technology. Together with the EU-Singapore trade and investment agreements, it will further strengthen ties between the EU and Singapore.

Contact Points and Online Information

Further information on the EU-Singapore trade agreement and the EU-Singapore investment protection agreement will be made available on Singapore's FTA Network (www.fta.gov.sg/) and the European Commission (ec.europa.eu/trade/policy/in-focus/eu-singapore-agreement/) websites.

Useful Information

Getting in touch with the EU

In person

All over the European Union there are hundreds of Europe Direct information centres. You can find the address of the centre nearest you at: <http://europa.eu/contact>

On the phone or by email

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

- by freephone: 00 800 6 7 8 9 10 11
(certain operators may charge for these calls),
- at the following standard number: +32 22999696 or
- by email via: <http://europa.eu/contact>

Finding information about the EU

Online

Information about the European Union in all the official languages of the EU is available on the Europa website at: <http://europa.eu>

EU publications

You can download or order free and priced EU publications from EU Bookshop at: <http://publications.europa.eu/eubookshop>. Multiple copies of free publications may be obtained by contacting Europe Direct or your local information centre (see <http://europa.eu/contact>).

EU law and related documents

For access to legal information from the EU, including all EU law since 1951 in all the official language versions, go to EUR-Lex at: <http://eur-lex.europa.eu>

Open data from the EU

The EU Open Data Portal (<http://data.europa.eu/euodp>) provides access to datasets from the EU. Data can be downloaded and reused for free, both for commercial and non-commercial purposes.

Getting in touch with Singapore

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