



European Union
Delegation to Singapore

Media Report

Signature of EU-Singapore Free Trade Agreement, Investment Protection Agreement and Partnership and Cooperation Agreement

Brussels – 19 October 2018

Summary: On October 19th, in the margins of the 12th ASEM (Asia-Europe Meeting) Summit, Singapore and the European Union have inked three landmark agreements, hailing the occasion as a signal of their commitment to multilateralism, open trade and a rules based global order.

Prime Minister of Singapore Lee Hsien Loong signed the EU-Singapore Free Trade Agreement (EUSFTA), alongside European Council President Donald Tusk, Austrian Chancellor Sebastian Kurz - whose country holds the rotating EU presidency - and European Commission President Jean-Claude Juncker.

PM Lee and his EU counterparts also witnessed the signing of the EU-Singapore Investment Protection Agreement and EU-Singapore Partnership and Cooperation Agreement. Minister-in-charge of Trade Relations S. Iswaran and Foreign Minister Vivian Balakrishnan signed for Singapore, respectively.

European leaders have described the EUSFTA as a symbol of their commitment to free trade and its potential to benefit their people at a time when protectionism is on the rise. They also see it as a pathfinder to a wider FTA with ASEAN.

The run up to the signing of the Agreements was marked by extensive media coverage in Singapore. On October 20th, in the aftermath of the signature of the three Agreements, the Straits Times published an opinion editorial (op-ed) by the EU Ambassador to Singapore. In addition, Channel News Asia interviewed Ambassador Plinkert during the 'Asia Business First' morning news on October 19th.

Key Media Highlights

Singapore Media:

The Straits Times, Saturday, October 20th: Singapore's leading daily published an Opinion Editorial by EU Ambassador Barbara Plinkert and gave in general very extensive coverage about the EUSFTA in both the online and printed versions.

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3 landmark agreements deepen EU-S'pore ties

Barbara Plinkert
For The Straits Times

In this crucial year of Singapore's role as Asean chair and coordinator of Asean-EU relations for the next three years, three landmark agreements pave the way for even closer ties between the European Union and Singapore.

Prime Minister Lee Hsien Loong yesterday signed the EU-Singapore Free Trade Agreement (EUSFTA) with European Council President Donald Tusk and European Commission President Jean-Claude Juncker in Brussels. They witnessed also the signing of the EU-Singapore Investment Protection Agreement (IPA) and the EU-Singapore Partnership and Cooperation Agreement (PCA).

The signing of the comprehensive EUSFTA is a clear signal that the EU – the largest trading bloc in the world – and Singapore firmly believe in free and open trade and the benefits that it brings to consumers, workers, small and medium-sized enterprises (SMEs) and civil society at large. It helps strengthen an open, rules-based multilateral trading system for the world.

The EU remains by far the largest investor in Singapore. Bilateral foreign direct investment stocks reached €256 billion (\$340.4 billion) in 2016. The FTA contains a wide range of trade facilitating measures that will help promote greater access to each other's markets for trade in goods, services and public procurement. The IPA will encourage investments between the EU and Singapore, setting out rules that give investors a high level of protection, while the PCA will provide a framework to deepen cooperation in key political areas, from transport to science and technology.

Collectively, these agreements open a new chapter in EU-Singapore relations. Singapore is already the EU's first trading partner in the Asean region and the 14th worldwide, while the EU is Singapore's third-largest trading partner after Malaysia and China, with trade in goods and services expanding on a yearly basis.

With the EUSFTA in place, Singaporean firms have secured access to 500 million consumers in the EU. The EUSFTA adds to the already positive trends when it comes to trade. Annual bilateral trade between the EU and Singapore in goods and services has increased significantly in the past decade and could surpass the €100 billion mark this year.

Trade in goods expanded by 9.23 per cent in January-July this year on a year-to-year basis, with a positive trend for both imports and exports. Bilateral trade in goods amounted to €53.3 billion last year, with the EU exporting goods worth €33.16 billion, mainly cars and machinery, while importing €20.14 billion, in particular chemicals and pharmaceuticals.

Singapore's position as a gateway for European business to Asean will be reinforced through these new agreements. The EUSFTA and IPA are the first of their kind signed between an Asean member and the EU. They will serve as a reference point and set the standard for future trade deals of the EU in South-east Asia, as well as a future Asean-EU agreement.

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The EUSFTA will strengthen already positive EU-Singapore trade and investment relations. First, it will eliminate all tariffs for EU exports to Singapore. On entry into force, over 80 per cent of all imports from Singapore will enter the EU duty-free. For the remaining products, EU tariffs will be removed within three or five years, depending on the product category.

The EUSFTA will also lift restrictions in the service sector, where bilateral trade amounted to €44.4 billion in 2016. The EU is Singapore's largest trading partner in services, while over 12,000 EU companies use Singapore as a hub to serve South-east Asia.

Second, in addition to the removal of Customs duties and non-tariff barriers for trade in goods and services, the EUSFTA contains important new provisions on intellectual property protection, investment liberalisation, public procurement, competition and sustainable development. It will ease business dealings in Singapore and the EU, especially for SMEs.

The IPA with Singapore will offer more certainty to investors while safeguarding the rights of the EU and Singapore to regulate and pursue public policy objectives such as the protection of public health, safety and the environment. It will replace the 12 existing bilateral investment treaties between Singapore and EU member states.

Along with the EUSFTA and the IPA, the PCA reflects the commitment of both parties to deepen ties and set them on a new, wider and comprehensive foundation.

The PCA will provide a new and enhanced legal framework governing overall relations between the EU and Singapore. It will enable mutually beneficial cooperation in key areas such as security, environment, energy, transport, science and technology. The PCA will also improve people-to-people links through study and cultural exchanges.

Stronger Singapore-EU ties will also provide more opportunities for broader Asean-EU collaboration. As the two most advanced regional integration initiatives in the world, with over 40 years of collaboration, the EU and Asean are indeed natural partners working towards achieving shared goals. This is consistent with the conviction that thinking and acting beyond borders is a pre-condition for tackling global challenges such as climate change, terrorism and cybercrime.

For example, cooperation on security is a strategic and growing aspect of the EU's relationship with Asean, and includes areas such as maritime security, conflict prevention, mediation and reconciliation, crisis management, transnational crime, counter-terrorism, cyber security and non-proliferation.

Having advanced its internal capacity as a security actor in recent years, the EU has become a stronger partner on security matters externally too. With Asean, this has been translated into various key engagements in regional platforms such as the Asean Regional Forum, Shangri-La Dialogue and Singapore International Cyber Week.

Together, the EU and Singapore can overcome geographical distances through ever increasing digital and people-to-people links. Both sides are already like-minded partners which are committed to the principles of multilateralism, free and open trade, and a rules-based global order.

The conclusion of these three significant agreements with Singapore underlines the EU's commitment to establishing stronger networks and strengthening partnerships, and to remaining a dependable and steady partner, in times of rising protectionism and rapid global transformations.

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* Barbara Plinkert is Ambassador of the European Union to Singapore.

3 landmark agreements deepen EU-Singapore ties

Barbara Plinkert For The Straits Times

Oct 20, 2018, 5:00 am SGT

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With the EUSFTA in place, Singaporean firms have secured access to 500 million consumers in the EU. The EUSFTA adds to the already positive trends when it comes to trade. Annual bilateral trade between the EU and Singapore in goods and services has increased significantly in the past decade and could surpass the €100 billion mark this year.

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A version of this article appeared in the print edition of The Straits Times on October 20, 2018, with the headline '3 landmark agreements deepen EU-S'pore ties'.

16 October 2018

PM Lee Hsien Loong to visit Austria, Belgium, and sign EU-Singapore FTA



VIENNA - Prime Minister Lee Hsien Loong arrives in Austria on Wednesday (Oct 17) for an official visit, and will travel on to Belgium for a biennial summit of leaders from Asia and Europe.

He will also sign a landmark free trade agreement between the European Union (EU) and Singapore in Brussels.

Austria is the current president of the EU Council, while Singapore is chairman of Asean this year, and both countries are keen to seize the momentum to strengthen cooperation between Europe and South-east Asia.

In Vienna, PM Lee will meet Austrian Federal Chancellor Sebastian Kurz, who will host him to lunch, the Prime Minister's Office said in a statement.

The leaders will witness the signing of a Memorandum of Understanding on Cooperation in the Area of Digitalisation and Information and Communications Technology.

The agreement covers the exchange of information and best practices in areas such as digitalisation, electronic commerce and emerging technologies.

Chancellor Kurz visited Singapore in August this year, and PM Lee noted then that both countries can do more to create new areas of cooperation between each other and their regions.

Mr Kurz, who took office last December (2017), had said both regions could work together to better coordinate their efforts in tackling climate change and improving cyber security.

PM Lee will also attend a dinner with Austrian business leaders.

He will then go to Brussels to attend the 12th Asia-Europe Meeting (Asem) Summit on Thursday and Friday.

Asem is an inter-governmental dialogue platform that seeks to strengthen understanding and cooperation between the two continents, and has 31 European and 22 Asian members today.

The theme of its leaders' meeting this year is Europe and Asia: Global Partners for Global Challenges, and it comes as countries on both continents are keen to deepen links at a time when multilateralism is under strain. Topics for discussion include climate change, and keeping trade free and open.

PM Lee will also attend an Asean-EU Leaders Meeting (AELM). Singapore is also the current country coordinator for Asean-EU dialogue relations.

On Friday (Oct 19), PM Lee will also sign the EU-Singapore Free Trade Agreement (EUSFTA) with President of the European Council Donald Tusk and President of the European Commission Jean-Claude Juncker.

The agreement is the first to be concluded between the EU and an Asean country and is seen as a pathfinder towards an eventual Asean-EU FTA.

Singapore and the EU enjoy robust trade relations, with the EU Singapore's third largest trading partner in 2017, with trade valued at S\$98.4 billion last year (2017) - 10 per cent of Singapore's trade with the world. Singapore is the EU's largest trading partner in Asean, and the EU is the Republic's largest foreign investor, with over 14,000 companies from the grouping in Singapore.

PM Lee and Presidents Tusk and Juncker will also witness the signing of the EU-Singapore Investment Protection Agreement (EUSIPA) and the EU-Singapore Partnership and Cooperation Agreement (ESPCA).

PM Lee will be accompanied by Foreign Minister Vivian Balakrishnan and Minister-in-charge of Trade Relations and Minister for Communications and Information S. Iswaran.

During Mr Lee's absence, Health Minister Gan Kim Yong will be acting PM on Oct 17 and 18, and Deputy PM Teo Chee Hean will be acting PM on Oct 19 and 20.

<https://www.straitstimes.com/singapore/pm-lee-hsien-loong-to-visit-austria-belgium-and-sign-eu-singapore-fta>

17 October 2018

PM Lee on official visit to Austria ahead of Asem summit in Belgium

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<https://www.straitstimes.com/singapore/pm-lee-on-official-visit-to-austria-ahead-of-asem-summit-in-belgium>

18 October 2018

EU trade czar confident of speedy ratification of FTA with Singapore



European Trade Commissioner Cecilia Malmstrom is looking forward to working with Singapore to ensure small and medium companies can take advantage of the benefits the deal offers for better access to each other's markets. PHOTO: EPA-EFE

BRUSSELS - Ahead of Singapore and the European Union signing a landmark free trade pact today (Oct 19), Europe's top trade official is confident that it will be ratified by the European Parliament and enter into force by early next year.

And European Trade Commissioner Cecilia Malmstrom is looking forward to working with Singapore to ensure small and medium companies, which she described as the backbone of economies on both sides, can take advantage of the benefits the deal offers for better access to each other's markets.

"This is very much a joint commitment: we want to make sure small companies on both sides get information on the possibilities to use and take advantage of the agreement," she said. Ms Malmstrom was speaking to Singapore reporters at her office at the European Commission building in Brussels after meeting Singapore's Minister-in-charge of Trade Relations S Iswaran.

Mr Iswaran, who is also Minister for Communications and Information, added that while such agreements benefit all companies in general, SMEs "are particularly benefited because it gives them the clarity and the scope to go into other economies".

Prime Minister Lee Hsien Loong, who arrived in Brussels yesterday (Oct 18) to attend the Asia-Europe Meeting summit, will sign the EU-Singapore Free Trade Agreement (FTA) with European Council president Donald Tusk and European Commission president Jean-Claude Juncker. The leaders will also witness the signing of the EU-Singapore Investment Protection Agreement (IPA) and the EU-Singapore Partnership and Cooperation Agreement.

Both ministers noted that the IPA has to be ratified by each of the 28 EU member states as well, and they discussed how they can work together to make sure it gets approved in an expeditious manner. More than 10,000 European companies are operating in Singapore and a sizeable number of Singapore companies are tapping into the European market, including digitally. "That becomes a powerful way to link them up," he said, adding that the FTA will give them the regulatory clarity to carry out their business.

Ms Malmstrom noted that the EU has also concluded talks on an FTA with Vietnam, and is in negotiations on one with Indonesia, as it sees these deals as a stepping stone for a wider Asean-EU FTA.

"That shows our commitment to this very important region," she said.

Asked about Britain's position in the FTA - the United Kingdom is one of the countries in the EU-Singapore FTA as it is presently an EU member - Ms Malmstrom noted that while the UK is due to leave the EU on March 30 next year, "hopefully and very likely our agreement has entered into force by then".

"And the UK will be part of that."

She noted there are ongoing tense discussions - but no decision yet - on a transition period for the UK after it leaves.

"During that period it would enjoy all the benefits of our FTA. But once that is over, they would have to leave that agreement and negotiate something on their own," she said.

"But that depends very much on the decisions of the PMs and that is not a done deal yet," she added, referring to Ms Theresa May and her European counterparts on ongoing negotiations over the terms of Brexit.

As for Singapore's trade links with the UK post-Brexit, Mr Iswaran said: "We have to be guided by the agreements and transition arrangements that have to be made, and Singapore will engage with other countries and the UK on that basis."

<https://www.straitstimes.com/world/europe/eu-trade-czar-confident-of-speedy-fta-ratification>

19 October 2018

EU-S'Pore FTA on track for ratification

EU-S'pore FTA on track for ratification



Minister-in-charge of Trade Relations S. Iswaran (left) and EU Trade Commissioner Cecilia Malmstrom at a bilateral meeting at the European Commission headquarters in Brussels yesterday before the opening ceremony of the Asia-Europe Meeting. ST PHOTO: ONG WEE JIN

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<https://www.straitstimes.com/world/eu-spore-fta-on-track-for-ratification>

EU-Singapore FTA deal could have multi-faceted benefits

THE signing of the EU-Singapore Free Trade Agreement (EUSFTA) - expected to be announced later today - is a panacea for Singapore, and for Asean as a region.

As far as trade agreements go, this is a big one for Singapore.

The EU is not only Singapore's third largest trading partner, it has also been the biggest investor into Asean since 2010, representing 20 per cent of all FDI flows to the region.

Tariffs on qualifying Singapore goods exports into the EU will be steadily abolished over the course of five years. As a result, electronics, pharmaceuticals, petrochemicals and processed food products - all of which make up 10 per cent of Singapore GDP - will become more competitive in the EU.

Non-tariff barriers will be addressed to remove burdensome administrative and double-testing procedures. For example, creating common safety and quality standards across selected sectors will remove the need for testing at both sides of the trade corridor, which would save both time and money.

This will benefit key sectors including electronics, motor vehicle and vehicle parts, pharmaceutical and medical devices.

And the EUSFTA's services chapter will enable and encourage the smoother flow of professionals between the markets by mutually recognising professional qualifications across both blocs.

The economic benefits will be profound.

Indeed, European exports to Singapore are expected to grow 3.6 per cent, while Singapore's exports are expected to grow 10.4 per cent over a 10-year period.

The EUSFTA will also be a game changer for Asean's flourishing supply chains and will solidify Singapore at the centre of this trade activity.

This will happen through several manufactured goods coming under a concept within the EUSFTA known as "Asean cumulation".

What this means, effectively, is that inputs sourced by Singapore businesses from other Asean member states will be considered as "domestic content" for the determination of the origin of the final product made in Singapore.

Put even more simply, these inputs will come under the city state's zero tariff regime with Europe.

This is a big deal given a significant amount of Singapore products that have parts produced in other Asean countries, particularly in areas like electronics and pharmaceuticals.

Electronics, in particular, is one of Asean's most important sectors directly employing more than 2.5 million workers. According to the Asean Secretariat, the bulk of the world's consumer electronics comes from the region, with 80 per cent of the world's hard drives being produced in Asean countries.

Beyond the conventional freer flow of goods and services, the EUSFTA will help to encourage green activity within the corridor by removing trade and investment obstacles in green technology and removing duties on many environmental goods.

This is important in ensuring Singapore and Asean businesses progress further along the green agenda.

According to an HSBC-commissioned report released this year, only 24 per cent of Asian respondents have an ESG (environmental, social and governance) strategy, compared to 48 per cent of corporates globally and 87 per cent of European and UK companies.

Europe is clearly leading the way in ESG adoption, and the bloc's willingness to ensure its trading partners raise their own ESG standards is evident in the policies contained in the EUSFTA.

Large European corporations will want to see a similar shift in their suppliers' ESG stance. With South-east Asia increasingly becoming the supply chain "factory" for several European countries, suppliers of European clients will be expected to transform, or risk being left behind when further FTAs come into force.

This could act as a push for Asean businesses to start taking ESG more seriously and accelerate the region's sustainability efforts.

In sum, the EUSFTA is a significant moment for the two dynamic economies and its impact goes to the heart of sectors and issues that matter for Singapore.

By eliminating virtually all tariffs and lowering non-tariff barriers, the EUSFTA could not only create economic benefits, but open commercial opportunities and lead to substantial social changes and improvements.

While signing the trade agreement is an incredible first step and milestone, the key now is to convert trade policy into pragmatic commercial activity for Singapore corporates.

The opportunities are there, but it is up to corporates to capture them.

<https://www.businesstimes.com.sg/opinion/eu-singapore-fta-deal-could-have-multi-faceted-benefits>

20 October 2018

Singapore, European Union sign landmark free trade, partnership agreements



Prime Minister Lee Hsien Loong at the signing of the EU-Singapore FTA with (from left) European Council President Donald Tusk, European Commission President Jean-Claude Juncker and Austrian Chancellor Sebastian Kurz. ST PHOTO: ONG WEE JIN

BRUSSELS - Singapore and the European Union have inked a landmark trade agreement, hailing it as a signal of their commitment to open trade and its potential to benefit their people.

Prime Minister Lee Hsien Loong signed the EU-Singapore Free Trade Agreement (FTA), alongside European Council President Donald Tusk, Austrian Chancellor Sebastian Kurz - whose country holds the rotating EU presidency - and European Commission President Jean-Claude Juncker on the sidelines of the Asia-Europe Meeting (Asem) summit in Brussels on Friday (Oct 19).

PM Lee told BBC Radio: "It is an ambitious trade deal, it is a high quality arrangement, and it is one which will fly the flag and encourage others, I hope, to do the same."

European leaders have described the deal as a symbol of their commitment to free trade and its potential to benefit their people at a time when protectionism is on the rise. They also see it as a pathfinder to a wider FTA with Asean.

PM Lee and his EU counterparts also witnessed the inking of the EU-Singapore Investment Protection Agreement and EU-Singapore Partnership and Cooperation Agreement. Minister-in-charge of Trade Relations S Iswaran and Foreign Minister Vivian Balakrishnan signed for Singapore.

The new FTA will further free up access for each side to the other's market and offer opportunities for Singapore companies to bid for jobs with European government entities including at local levels, and vice versa.

It also recognises the complex nature of global supply chains by allowing some products that draw on material from Asean but are put together in Singapore to be exempted from customs duties.

The two-day Asem summit saw 53 partners commit to strengthening multilateralism.

"As a small country, Singapore feels more acutely than most the need for a strong multilateral system," PM Lee told fellow leaders. "But such a system actually benefits all countries big and small."

<https://www.straitstimes.com/world/europe/singapore-eu-sign-landmark-free-trade-partnership-agreements>

Strong support for multilateral system, but work needed to update it: PM Lee

BRUSSELS - The free trade deal Singapore and the European Union signed on Friday shows that both sides are open for business, and that they are committed to free trade, liberalisation and the principles of interdependence and cooperation, Prime Minister Lee Hsien Loong said.

"We hope that other countries will also maintain this line and will also uphold the multilateral system which we all benefit from," he added in an interview with Singapore reporters shortly after the signing ceremony at the end of the Asia-Europe Meeting (Asem) summit.

Expressing a similar hope was European Commission (EC) president Jean-Claude Juncker, who said the signing "is a strong message by like-minded partners to defend and promote an international system based on rules, cooperation and multilateralism".

The summit involving 30 European and 21 Asian countries, the EU and the Asean secretariat took place amid ongoing trade tensions between the US and China, and days after US Commerce Secretary Wilbur Ross blamed the EU for unsatisfactory progress in ongoing trade talks.

Many Asem members, however, did not explicitly single out the US for drifting towards unilateral action, even as they called for upholding multilateral cooperation to tackle pressing and emerging challenges.

Asked about their mood, PM Lee said he sensed the Europeans were anxious.

"They also have a lot of business with China, at the same time America is crucial to them. It's not just a big economic partner, but a treaty ally for the Nato members. How do they manage both relationships and stay friends with both?" he said.

"They don't really want to be forced to go one way or the other, just as we don't want to be forced to have to choose sides."

PM Lee added that just as EU leaders are working hard to deal with the trade issues with the US, they also had trade issues with China that are not negligible.

He cited how at the Asem retreat on Friday, Premier Li Keqiang had to excuse himself after he spoke as he was due to have a separate bilateral lunch with EC president Juncker on trade issues.

"These are tensions which have arisen in the multilateral system," PM Lee said, noting it was why he had raised the need to not just uphold multilateralism but also bring it up to date, which would include addressing new issues like e-commerce and cyber security.

"You can't go back to where it was, because the old system was showing its strains and limitations. But if you abandon it and go one to one bilaterally, I arm wrestle you and you arm wrestle him and whoever is stronger bilaterally wins, in the end... everybody will lose, and not just economically," he added.

"That is a message that people will accept. Whether there will therefore be the give and take sufficient to reach a wearable and sustainable solution, there's a lot of work to be done still," he said.

Earlier in the day, PM Lee told fellow leaders that without agreed rules for cyberspace, countries that are attacked will respond in kind, and the world would risk degenerating into a state of open warfare unfettered by any rules.

Countries should therefore form enforceable rules and norms to restrain and verify errant behaviour, he said.

<https://www.straitstimes.com/world/strong-support-for-multilateral-system-but-work-needed-to-update-it-pm-lee>

Singapore, European Union sign landmark free trade, partnership agreements

[BRUSSELS] Singapore and the European Union have inked a landmark trade agreement, hailing it as a signal of their commitment to open trade and its potential to benefit their people.

Prime Minister Lee Hsien Loong signed the EU-Singapore Free Trade Agreement (FTA), alongside European Council President Donald Tusk, Austrian Chancellor Sebastian Kurz - whose country holds the rotating EU presidency - and European Commission President Jean-Claude Juncker on the sidelines of the Asia-Europe Meeting (Asem) summit in Brussels on Friday (Oct 19). PM Lee told BBC Radio: "It is an ambitious trade deal, it is a high quality arrangement, and it is one which will fly the flag and encourage others, I hope, to do the same."

European leaders have described the deal as a symbol of their commitment to free trade and its potential to benefit their people at a time when protectionism is on the rise. They also see it as a pathfinder to a wider FTA with Asean.

PM Lee and his EU counterparts also witnessed the inking of the EU-Singapore Investment Protection Agreement and EU-Singapore Partnership and Cooperation Agreement. Minister-in-charge of Trade Relations S Iswaran and Foreign Minister Vivian Balakrishnan signed for Singapore. The new FTA will further free up access for each side to the other's market and offer opportunities for Singapore companies to bid for jobs with European government entities including at local levels, and vice versa.

It also recognises the complex nature of global supply chains by allowing some products that draw on material from Asean but are put together in Singapore to be exempted from customs duties.

The two-day Asem summit saw 53 partners commit to strengthening multilateralism.

"As a small country, Singapore feels more acutely than most the need for a strong multilateral system," PM Lee told fellow leaders. "But such a system actually benefits all countries big and small."

<https://www.businesstimes.com.sg/government-economy/singapore-european-union-sign-landmark-free-trade-partnership-agreements>

22 October 2018

Singapore businesses welcome EUSFTA



SINGAPORE'S business community has welcomed Friday's signing of the European Union - Singapore Free Trade Agreement (EUSFTA), with exporters of electronics, pharmaceuticals, chemicals and processed food products particularly well-placed to benefit.

Calling it "a timely development given the growing international trade tensions", Singapore Business Federation (SBF) chief executive officer Ho Meng Kit said: "SBF is committed to support the successful implementation of the EUSFTA by promoting the new economic opportunities it offers to our companies, especially SMEs (small and medium enterprises)."

Association of SMEs president Kurt Wee said the EUSFTA will create a "greater marketplace for our SMEs in a time when there's a great push towards internationalisation".

"We welcome this move as the broadening of freer markets for Singapore SMEs is important at a time when there are trade tensions in other parts of the world," he added.

The agreement - the first between the EU and an Asean country - will improve market access across many sectors, increase government procurement opportunities and progressively eliminate tariffs on exports, among others.

It is also the first bilateral FTA with enhanced market access for Asian food products made in Singapore, such as lap cheong (dried Chinese sausage) and roti prata. These can enter the EU tariff-free under flexible rules of origin, up to a combined quota of 1,250 tonnes annually.

HSBC Singapore managing director and head of commercial banking Alan Turner noted that the FTA's impact "goes to the heart of sectors and issues that matter for Singapore including electronics, pharmaceuticals, and chemical manufacturing".

The EUSFTA was signed on the sidelines of the 12th Asia-Europe Meeting Summit in Brussels, Belgium. Also signed was the EU-Singapore Investment Protection Agreement (EUSIPA), for bilateral investments.

Minister for Communications and Information and Minister-in-charge of Trade Relations S Iswaran said the EUSFTA "reflects the EU's continued interest in engaging Asean and anchoring its presence in the region", adding that both agreements serve as building blocks towards an eventual EU-Asean FTA.

The agreements will be sent to the European Parliament for approval, and the EU and Singapore will work towards ratifying them. The EUSIPA will also be sent to the regional and national parliaments of the EU member states for approval before it enters into force.

The EUSFTA also stands to benefit other Asean states as it includes the concept of Asean cumulation for Singapore's key export interests. In determining whether such exports qualify for tariff concessions, materials from Asean states will be deemed as originating from Singapore.

Said HSBC APAC regional head of global trade receivables finance Ajay Sharma: "A high proportion of Singapore products have parts produced in other Asean countries. With the rule of 'Asean cumulation', more Singapore exports produced along

intra-Asean value chains can benefit under the EUSFTA."

Mr Ho said the SBF has been working with the Singapore government, the EU delegation in Singapore and the European Chamber of Commerce (Singapore) to raise awareness and prepare Singapore-based companies to make the most of the EUSFTA. The SBF will be organising two events on the EUSFTA, one in November and another in January.

"The EUSFTA is a real game changer for all European companies already present in Singapore or considering an expansion in this part of the world," said EuroCham president Federico Donato.

UPS president for Asia-Pacific Ross McCullough said the FTA is expected to open up new opportunities for its customers - particularly Singapore exporters in electronics, machinery and chemicals - to find new markets and diversify trade lanes.

CapitaLand International chief executive officer Gerald Yong said the property firm stands to benefit from the expected uptick in investment, expatriates and business travellers in both

markets, generating greater demand for its lodging and commercial properties. CapitaLand can also look forward to a greater competitive edge and equal treatment when bidding for contracts in Europe, he added.

CapitaLand will continue deepening its presence in gateway European cities where it is now present, and explore "opportunities across various asset classes in key gateway cities as well as growth locations and sectors".

<https://www.businesstimes.com.sg/government-economy/singapore-businesses-welcome-eusfta>

Channel News Asia, a broadcast news network that covers all key political and economic developments in the region gave a large coverage on the EUSFTA. Moreover, CNA interviewed Ambassador Barbara Plinkert on Friday 19th of October, at 9.20am. Link to video (minute 24.15):

<https://www.channelnewsasia.com/news/video-on-demand/asia-business-first>

16 October 2018

Singapore

PM Lee to make official visit to Vienna, attend Asia-Europe summit and sign EUSFTA in Brussels



Singapore Prime Minister Lee Hsien Loong. (Photo: AFP/Roslan Rahman)

SINGAPORE: Prime Minister Lee Hsien Loong will make an official visit to Vienna on Wednesday (Oct 17) before flying to Brussels to attend the biennial Asia-Europe Meeting (ASEM) Summit and sign a landmark trade deal between Singapore and the European Union (EU).

Mr Lee's visit to the Austrian capital is at the invitation of Austrian Federal Chancellor Sebastian Kurz, a statement from the Prime Minister's Office said. This follows Mr Kurz's three-day official visit to Singapore in August.

In Vienna, Mr Lee will meet and be hosted to lunch by Mr Kurz, after which both leaders will witness the signing of a memorandum of understanding (MOU) on Cooperation in the Area of Digitalisation and Information and Communications Technology.

This MOU covers the exchange of information and best practices in several areas, including digitalisation strategies, e-commerce and digital trade, as well as emerging technologies such as artificial intelligence.

Later in the day, Mr Lee will attend a dinner with Austrian business leaders.

After Vienna, the prime minister will travel to Brussels to attend the 12th ASEM Summit from Thursday to Friday.

With an aim to strengthen links between Asia and Europe, the biennial summit will see leaders of 51 European and Asian countries discuss a wide range of global issues, such as trade and investment, climate change and security challenges.

When in Brussels, Mr Lee will also attend a leaders' meeting between the EU and the Association of Southeast Asian Nations (ASEAN). Singapore is the ASEAN chair this year and the coordinator for ASEAN-EU dialogue relations.

On the sidelines of the ASEM summit, Mr Lee will sign the EU-Singapore Free Trade Agreement (EUSFTA) with European Council president Donald Tusk and European Commission president Jean-Claude Juncker.

Together, they will also witness the signing of the EU-Singapore Investment Protection Agreement (EUSIPA) and the EU-Singapore Partnership and Cooperation Agreement (ESPCA). The signings are set to take place on Friday. The EU is Singapore's biggest foreign investor, as well as the third largest trading partner at S\$98.4 billion in 2017. Singapore is the EU's largest trading partner in ASEAN.

Negotiations for the EUSFTA – which aims to remove import duties and taxes, improve protection and market access for services providers, investors and firms, among other things – were concluded in 2014. However, ratification was delayed when the European Commission decided to ask the court in 2015 if the EU had the exclusive competence to sign and conclude the EUSFTA.

Given that it is the first concluded trade deal between the EU and an ASEAN country, the EUSFTA has been touted as “the steppingstone” to a wider EU-ASEAN trade and investment agreement.

On this three-day trip, Mr Lee will be accompanied by Foreign Affairs Minister Vivian Balakrishnan, Communications and Information Minister and Minister-in-charge of trade relations S Iswaran, as well as other government officials. During his absence, Health Minister Gan Kim Yong will be acting Prime Minister on Oct 17 and 18. Deputy Prime Minister Teo Chee Hean will assume that role from Oct 19 to 20.

<https://www.channelnewsasia.com/news/singapore/pm-lee-to-make-official-visit-to-vienna-attend-asia-europe-10832924>

19 October 2018

Singapore

PM Lee, German Chancellor Merkel welcome upcoming signing of EU-Singapore trade deal



Singapore's Prime Minister Lee Hsien Loong (right) shakes hands with German Chancellor Angela Merkel (Photo: Ministry of Communications and Information)

BRUSSELS: Prime Minister Lee Hsien Loong and German Chancellor Angela Merkel on Thursday (Oct 18) welcomed the upcoming signing of the European Union–Singapore Free Trade Agreement (EUSFTA) when they met on the sidelines of the 12th Asia–Europe Meeting Summit in Brussels.

The landmark trade deal – which aims to remove import duties and taxes, improve protection and market access for services providers, investors and firms, among other things – is set to be inked by Mr Lee with European Council president Donald Tusk and European Commission president Jean-Claude Juncker on Friday evening in the Belgium capital.

During their meeting, both leaders also reaffirmed the strong bilateral relations between Singapore and Germany that spans trade and investment, science and technology, education and cultural sectors, a statement from the Prime Minister's Office (PMO) said.

Both Mr Lee and Ms Merkel also underscored their shared commitment to multilateralism, free trade and the rule of law, and had a frank exchange of views on developments in their respective regions.

Mr Lee also met UK Prime Minister Theresa May, whom he last met in April on the sidelines of the Commonwealth Heads of Government Meeting in London.

They reaffirmed the close and excellent ties between Singapore and the UK, and welcomed closer cooperation between the UK and ASEAN.

Regional developments were also discussed and both leaders reiterated their shared belief in the rules-based multilateral system, according to the PMO statement.

Mr Lee also had his first meeting with Portuguese Prime Minister Antonio Costa on Thursday.

With both countries serving as gateways for their respective regions, both leaders looked forward to closer economic cooperation.

Mr Lee arrived in Brussels on Thursday morning after a one-day visit to Vienna, where he witnessed the signing of a memorandum of understanding between Singapore and Austria. The newly signed agreement aims to bolster the exchange of information and best practices in key areas of digitalisation and information and communications technology (ICT).

Apart from the ASEM summit, Mr Lee will also attend a leaders' meeting between the EU and the Association of Southeast Asian Nations (ASEAN) in Brussels.

<https://www.channelnewsasia.com/news/singapore/pm-lee-german-chancellor-merkel-welcome-upcoming-signing-of-eu-10842276>

19 October 2018

Business

Britain in EUSFTA for now, but will have to start own talks post-Brexit: EU top trade official



Singapore's Communications and Information Minister S Iswaran and European Trade Commissioner Cecilia Malmstrom speaking to the Singapore media on Oct 18, 2018. (Photo: Tang See Kit)

BRUSSELS: Britain remains in the trade deal that the European Union is set to sign with Singapore this week but once its so-called post-Brexit transition period ends, it will have to leave the pact and start its own negotiations, said European Trade Commissioner Cecilia Malmstrom on Thursday (Oct 18).

Singapore will, in turn, fall back on the terms of the EU-Singapore Free Trade Agreement (EUSFTA), as well as arrangements agreed by Britain and the EU for the transition period, according to Communications and Information Minister S Iswaran.

Both Ms Malmstrom and Mr Iswaran were speaking to the Singapore media after their meeting at the Berlaymont building, which houses the headquarters of the European Commission in Brussels.

When asked by Channel NewsAsia whether the soon-to-be-signed EUSFTA could be impacted by ongoing Brexit talks, Ms Malmstrom said while Britain is set to exit the 28-member bloc at the end of next March, "hopefully and very likely our agreement has entered into force by then so the UK will be part of that".

She added that “intense” discussions going on between the EU and UK have not yielded a decision on the transition period – which starts after the UK’s formal exit in March and involves London accepting almost all EU rules without having a say in them – thus far.

“During that period, they will enjoy the benefits of our joint FTA but once that is over, they would have to leave that agreement and negotiate something on their own,” said the EU’s top trade official.

“But that depends very much on the decisions on the prime ministers and that is not a done deal yet.”

Following up on that, Mr Iswaran said Singapore will “be guided by what are the agreements and what are the transition arrangements that have to be made” in a post-Brexit scenario.

“Singapore will engage with other countries, including the UK, on that basis,” he added.

The landmark EUSFTA – which aims to remove import duties and taxes, improve protection and market access for service providers, investors and firms, among other things – will be signed on Friday by Prime Minister Lee Hsien Loong, European Council president Donald Tusk and European Commission president Jean-Claude Juncker on the sidelines of the 12th Asia-Europe Meeting Summit.

Together, they will also witness the signing of the EU-Singapore Investment Protection Agreement (EUSIPA) and the EU-Singapore Partnership and Cooperation Agreement (ESPCA).

In the case of the EUSIPA, which needs to be ratified by each of the 28 EU member states, Ms Malmstrom said how Singapore and the EU can cooperate to ensure an “expeditious” approval was on the agenda for her meeting with Mr Iswaran on Thursday.

Beyond that, discussions are also underway on how to promote the trade deal to small - and medium-sized enterprises (SMEs), which form the backbone of economies and yet often face larger difficulties than their bigger counterparts.

“We want to make sure that small companies on both sides get information on the possibilities to use and take advantage of the agreement,” said Ms Malmstrom.

Echoing that, Mr Iswaran said SMEs will stand to benefit given how such trade pacts can offer them clarity and scope to venture deeper into other economies.

There are more than 10,000 European companies operating in Singapore at the moment, while a sizable contingent of Singapore firms is also eyeing opportunities in Europe.

“In this case, between Europe and Singapore, we think there's much scope for SMEs,” he said.

Apart from being an “important moment” between Singapore and the EU, Ms Malmstrom also described the EUSFTA as the European bloc’s “most ambitious agreement” in the Southeast Asia region.

Taken together with the EU’s final push for a trade deal with Vietnam and ongoing negotiations with Indonesia, these can be “stepping stones” towards the EU’s “long-term goal” of inking a wider trade pact with the Association of Southeast Asian Nations (ASEAN).

To be sure, this process will “by no means be a straightforward matter” given that it will involve a much larger grouping of countries, said Mr Iswaran.

However, individual agreements with Singapore and other ASEAN countries will give “a more specific form to the architecture”, and support will gain momentum once benefits become apparent, he added.

<https://www.channelnewsasia.com/news/business/britain-eu-singapore-fta-leave-after-brex-10842234>

19 October 2018

Singapore

PM Lee calls on Asia, Europe leaders to strengthen multilateral system



Prime Minister Lee Hsien Loong waves as he arrives for an Asia-Europe Meeting (ASEM) at the European Council in Brussels on Oct 18, 2018. (Photo: AFP)

BRUSSELS: With multilateralism coming under severe stress, Singapore's Prime Minister Lee Hsien Loong called on leaders from Asia and Europe gathered at a biennial summit to work together in strengthening the long-standing system.

He said that a strong multilateral system benefits countries regardless of size and if it is weakened, consequences can range from reduced living standards to heightened rivalry that risk destabilising the world order.

Mr Lee was speaking at the second plenary session of the 12th Asia-Europe Meeting (ASEM) Summit on Friday (Oct 19). The two-day summit, themed "Global partners for global challenges", was attended by the heads of state or governments of 51 European and Asian countries who discussed issues ranging from trade to climate change, and security challenges.

In his speech, Mr Lee said multilateralism has been an important basis for international cooperation since World War II. But with countries resorting to unilateral actions and bilateral deals, and even explicitly repudiating multilateral approaches and institutions, the system is now under severe stress.

Given the interdependence among economies now, Mr Lee stressed that even the biggest players rely on a stable global system to cooperate productively, compete peacefully, resolve disputes and work together on new areas.

"If we weaken the multilateral framework, at the minimum we will reduce our standards of living but beyond that, we will exacerbate rivalries and conflicts and further risk destabilising the world order." For one, the rules of the World Trade Organisation will need to be updated and strengthened so that the trade framework can deal with new issues, such as technology transfer and e-commerce.

It must also reflect the changed balance in the world economy – both the influence and responsibilities that countries have – in order to be seen as fair and politically sustainable, said Mr Lee.

On global financial governance, Mr Lee said the Group of 20 (G20) Eminent Persons Group, chaired by Singapore's Deputy Prime Minister Tharman Shanmugaratnam, has recommended practical reforms to strengthen global financial resilience and reduce the incidence and severity of crises so that countries need not fear openness.

When implemented, these proposals, which have received strong support from the European Commission and the European Central Bank, will bolster and stabilise the global financial system. Mr Lee also noted that many other global issues, such as climate change and nuclear non-proliferation, can only be solved multilaterally.

Nonetheless, the Prime Minister said he is glad that many Asian and European countries have stepped forward to affirm their commitment to multilateralism, both through words and deeds. The 28-member European Union, for instance, will be signing a free trade agreement with Singapore later on Friday.

"As a small country, Singapore feels more acutely than most the need for a strong multilateral system but such a system actually benefits all countries big and small.

"If countries take a purely realpolitik approach acting on the basis that might is right, they may gain in the short term, but they will forgo many more opportunities for win-win cooperation in the long term," said Mr Lee.

"This will ultimately not be sustainable."

Prior to the plenary session, Mr Lee had roundtable meetings at the ASEM summit with the leaders of South Korea, France, Vietnam, Slovenia and Slovakia.

On the sidelines, Mr Lee met Finnish Prime Minister Juha Sipila and both leaders took stock of bilateral ties, while welcoming closer cooperation in areas such as education and climate change.

"Finland is among the world leaders in education and there is much more that we can learn from each other," said a statement from the Prime Minister's Office. During Mr Lee's

meeting with Polish Prime Minister Mateusz Morawiecki, both leaders affirmed the growing ties between Singapore and Poland.

They also agreed that the European Union-Singapore Free Trade Agreement (EUSFTA) will provide a positive framework for further cooperation. Mr Lee is set to sign the EUSFTA on Friday afternoon, alongside European Commission president Jean-Claude Juncker, European Council president Donald Tusk and Austrian Chancellor Sebastian Kurz. Austria is the current president of the EU Council.

The leaders will also witness the signing of the EU-Singapore Investment Protection Agreement (EUSIPA) and the EU-Singapore Partnership and Cooperation Agreement (ESPCA).

Mr Lee also had a meeting with Japanese Prime Minister Shinzo Abe on the sidelines of the summit, with trade featuring heavily on the agenda. Both leaders discussed ways to broaden and deepen bilateral cooperation, including ongoing discussion on the review of the Japan-Singapore Economic Partnership Agreement.

They also exchanged views on regional issues, such as the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and Regional Comprehensive Economic Partnership (RCEP), as well as regional developments including the situation on the Korean Peninsula.

"They looked forward to the early completion of the ratification process of the CPTPP and reaffirmed their commitment to reaching a substantial conclusion of the RCEP soon," PMO's statement said, which added that both countries remain committed to free trade and a rules-based multilateral trading system.

Earlier in the day, Mr Lee revealed during an interview with BBC Radio 4 that Singapore hopes to continue arrangements with Britain, whether or not it is inside the EU.

Britain remains in the EUSFTA for now but in a post-Brexit scenario, a "short-form agreement" may be possible between both countries, said Mr Lee.

"In the first instance, we can do what the trade people call in their jargon, a short-form agreement, which is basically to continue to do with Britain what we have agreed to do with the EU as if you were still inside it.

"Then we have time to work some better, long-term arrangements over time," said Mr Lee, who revealed that he has discussed this possible deal with UK Prime Minister Theresa May and "it can be done".

<https://www.channelnewsasia.com/news/singapore/pm-lee-calls-on-asia-europe-leaders-to-strengthen-multilateral-10845934>

International News Reports

19 Oct 2018

EU signs Singapore trade deal, urges China to open up

BRUSSELS (Reuters) - The European Union signed a free-trade deal with Singapore at a summit with Asian leaders on Friday and pressed China to allow greater foreign investment in its economy, but ran into familiar resistance from Beijing over state subsidies.

At a biennial Asia-Europe Meeting bringing together leaders representing 65 percent of global economic output, France, Britain, Germany, Italy and the European Commission held private meetings with Chinese Premier Li Keqiang, hoping for greater access for EU companies to the world's No. 2 economy.

When asked about Chinese trade practices, Austrian Chancellor Sebastian Kurz told reporters after the summit that Europe expected rules to be upheld, and wanted reforms of the World Trade Organization.

"When we find protectionism, we reject it. Free trade must always be fair, equitable and based on rules. That goes in both directions," he said.

Li told British Prime Minister Theresa May that he "looked forward to ushering in a diamond era" after their bilateral meeting, a British government statement said.

In a sign of China's outsized role, Li led the pack of European and Asian leaders along the summit red carpet and stood in the centre of the 50 other leaders for a photo, alongside German Chancellor Angela Merkel and the summit chair, European Council President Donald Tusk.

LESS OR MORE STATE CONTROL?

China has been promising for years to ease restrictions on foreign investment, but Western governments say little has changed and many are worried that Beijing is heading towards more state control under President Xi Jinping.

China restricts foreign investment more than the EU in every sector except real estate, according to a report by the Rhodium Group consultancy.

French President Emmanuel Macron held talks with Li on Thursday evening, lobbying for better access to China's poultry, dairy, pharmaceuticals, services and financial services sectors, a French official said. But there was no sign of a breakthrough. "Some gestures have been made, but it must go further now," the official said.

China did appear to win some sympathy for U.S. President Donald Trump's tariffs on billions of dollars of its exports.

Russian Prime Minister Dmitry Medvedev, visiting Brussels on official business for the first time since Moscow annexed Crimea in 2014, told his counterparts: “At this table, there are the leaders of countries that have experienced the signs of those trade wars in full. And it is, probably, the saddest thing that is happening now.” A final summit communique omitted a call for an end to government trade distortions that EU officials had hoped for.

China requested the changes at talks between senior EU and Asian officials overnight, two diplomats said. The statement instead committed to “free and open trade on a level playing field” and to fighting “all forms of protectionism”, in an indirect reference to Trump’s tariffs on Chinese imports.

SUBSIDIES

The European Union and the United States accuse China of directly funding state companies through Chinese banks to help them to dominate global markets, breaking rules set down by the World Trade Organization, of which China is a member.

After sessions on improving connectivity and the multilateral system and a host of bilateral meetings, the summit finished on Friday with the EU signing the agreement with Singapore Prime Minister Lee Hsien Loong.

That pact has been eight years in the making. Negotiations ended in 2014, but as protests mounted against other trade accords, such as one planned with the United States and one struck with Canada, the deal was sent for approval to the European Court of Justice

Singapore and the Commission hope the agreement, which still needs the backing of the European Parliament, will take effect next year.

It would probably follow a larger free trade agreement that the EU plans with Japan, and would be the EU’s first trade agreement with a member of the 10-strong Association of Southeast Asian Nations (ASEAN).

The EU remains interested in a deal with ASEAN, after talks were shelved in 2009. In the meantime, it has agreed a trade accord with Vietnam, is in negotiations with Indonesia, and has held talks with three other ASEAN members.

https://www.reuters.com/article/us-eu-asia/eu-to-sign-trade-deal-with-singapore-avoid-criticizing-china-idUSKCN1MT14I?feedType=RSS&feedName=businessNews&utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+reuters%2FbusinessNews+%28Business+News%29

19 Oct 2018

EU, Singapore sign free trade agreement

BRUSSELS, Oct. 19 (Xinhua) -- The European Union (EU) and Singapore on Friday signed a free trade agreement at a two-day Asia-Europe meeting which brings over 50 leaders from European and Asian countries.

"The signature of the EU-Singapore agreements is another strong message by like-minded partners to defend and promote an international system that is based on rules, on cooperation, and on multilateralism," said European Commission President Jean-Claude Juncker.

The EU trade agreement with Singapore will remove nearly all remaining tariffs on certain EU products, simplify customs procedures and set high standards and rules.

It still needs the consent of the European Parliament and could enter into force before the end of the current mandate of the European Commission in 2019.

http://www.xinhuanet.com/english/europe/2018-10/20/c_137545129.htm

19 Oct 2018

EU emerges as champion of free trade with Singapore deal

The European Union and Singapore signed the EU-Singapore Free Trade Agreement, which will boost services, improve market access, and see tariffs between both parties eliminated in five years.

In signing the deal on Friday, Singapore's Prime Minister Lee Hsien Loong, President of the European Council Donald Tusk and President of the European Commission Jean-Claude Juncker pledged to continue pushing for global free trade.

"The signature of the EU-Singapore agreements is a strong message by like-minded partners to defend and promote an international system based on rules, cooperation and multilateralism," said Juncker.

Lee called the deal a high quality agreement that will significantly benefit companies from both parties.

The US and China are locked in a tit-for-tat trade war, with both sides slapping tariffs on hundreds of billion dollars' worth of goods.

The FTA, expected to come into force next year, will enhance protection and market access for services providers, investors and firms, boosting trade both ways.

Britain remains in the deal for the time being, but it seems likely that come March, when it leaves the EU, it will have to begin its own negotiations.

In 2017, bilateral trade grew to US\$98.4 billion, making up slightly more than 10 per cent of Singapore's total trade. Singapore is the EU's largest trading partner in the Asean region.

Observers hailed the sealing of the FTA, noting that both parties will benefit significantly from the deal. More importantly, the FTA is a major boost for free trade at a time when countries around the world are starting to erect walls.

For Singapore, the FTA will help make its exports to Europe more competitive, especially those in the pharmaceutical, electronics and petrochemicals sectors. Companies will also be able to start exporting processed food products such as fishballs, *ikan bilis* (anchovies) and *roti prata* (a type of flatbread) tariff-free up to a prescribed annual quota.

These sectors make up nearly 10 per cent of Singapore's GDP. But more than that, the EU FTA is part of the trade-reliant economy's broader strategy to ensure that it keeps free trade lanes open.

To date, it has signed more than 20 FTAs with various economies and regions, making it one of the most connected economies in the world, noted DBS economist Irvin Seah.

"The element of certainty that these FTAs provide, particularly against the backdrop of an increasingly challenging trade landscape, will also enhance Singapore's appeal as a strategic investment destination for multinational companies hoping to diversify their operations to Southeast Asia," he said.

The EU, on the other hand, is unlikely to see much tangible benefit from the FTA given the size of the deal relative to its entire economy.

Oxford Economics lead euro zone economist Angel Talavera believes the deal is a stepping stone for the EU, which is also eyeing a wider deal with the bloc of Asean countries, one of the fastest-growing regions in the world.

"Following the recent FTA signed with Japan, it does show the EU is keen on expanding its trade ties with regions that have not been big trading partners until now, and in that sense, it does open the door for further deals with Asean countries in the future," Talavera said.

The FTA also holds political significance for the EU, which is rapidly emerging as the foremost champion of free trade.

In July, the EU signed a free-trade pact with Japan, creating the world's largest free-trade bloc. It is also negotiating deals with Korea, Vietnam, Indonesia, Malaysia and Australia, noted Dr Fraser Cameron, director of the EU-Asia Centre.

"It shows that the EU is indeed positioning itself as a champion of free trade at a time when protectionism is on the rise globally," Talavera said.

He added that with Brexit negotiations ongoing, such FTAs were being used as bargaining chips by the EU to pressure the UK.

On a broader level, these moves represent a significant shift of EU foreign policy, with a sharp pivot to the East. With US President Trump turning frosty, the EU is casting its eyes to less traditional partners, including economies in Asia, Cameron said.

“The EU has been pivoting towards Asia for some time but the move has accelerated under Trump,” Cameron said.

Indeed, President Trump could end up becoming a catalyst to creating a free trade “coalition of the willing”, led by the EU, Japan and Canada, said Nick Marro, an analyst at the Economist Intelligence Unit.

“The retreat of the US from its global leadership role and its caustic approach to multilateral trade bodies risks upending major trade institutions, such as the WTO,” Marro said.

“The EU has stepped up its trade promotion, but we also have seen Canada, Australia, Japan and others actively engaged in promoting free trade ideals.”

<https://www.scmp.com/news/asia/southeast-asia/article/2169439/eu-emerges-champion-free-trade-singapore-deal>

20 Oct 2018

European Union, Singapore Sign Free-Trade and Investment Pacts

The European Union and Singapore signed free-trade and investment protection agreements in Brussels on Friday in a bid to improve bilateral business ties amid rising global trade conflicts.

The EU and Singapore will remove tariffs, reduce technical barriers, and provide better opportunities in services and government procurement under the deals, the Singapore government said in a statement Friday.

The city-state will drop tariffs on all products coming from the European Union. The EU will remove tariffs on 84 percent of Singapore’ products and the remaining 16 percent over three to five years. The investment-protection agreement will replace the existing bilateral treaties and set up a new dispute-resolution mechanism for investors.

The trade pacts “give Singapore companies greater market access to the EU and boost confidence for investors and entrepreneurs,” Prime Minister Lee Hsien Loong said on his Facebook page. The FTA, which has been under negotiation since 2010, will get ratified by next year, he added.

The EU was Singapore’s third-largest trading partner in 2017, with bilateral trade in goods exceeding S\$98 billion (\$71 billion), while the city-state is the bloc’s top trading partner in southeast Asia.

“Both agreements serve as building blocks toward an eventual EU-ASEAN FTA, paving the way for future region-to-region cooperation,” said S. Iswaran, Singapore’s minister for communications and information.

<https://www.bloomberg.com/news/articles/2018-10-20/european-union-singapore-sign-free-trade-and-investment-pacts>

Social Media Coverage

The EUSFTA received large social media coverage on platforms including Twitter, Facebook and Instagram, including the following selection:





Cecilia Malmström @MalmstromEU · Oct 19

EU and Singapore forge closer economic and political ties - today we signed our trade and investment agreements. Singapore is already our biggest trading partner in the region. [trade.ec.europa.eu/doclib/press/i...](https://trade.ec.europa.eu/doclib/press/index.cfm?id=13208)



1 44 98



Lee Hsien Loong

19 hours ago



Glad to be home from the ASEM Summit!

For more than 70 years, since WWII, multilateralism has been an important basis for international cooperation. But this framework is under severe stress. Some countries are resorting to unilateral actions, and even explicitly repudiating multilateral approaches and institutions.

We can't go back to the old days, but we can't do away with multilateralism either. In the plenary session, I spoke about the need to update and strengthen WTO rules. The rules must deal with new issues like technology transfer and e-commerce. They must also reflect the changed balance in the world economy, to be seen as fair and politically sustainable.

Glad that many Asian and European countries have affirmed their commitment to multilateralism, through words and deeds. Some countries are liberalising their economies and reforming outdated practices. Several are working on major regional FTAs, e.g. the RCEP and the CPTPP.

At the EU-ASEAN Leaders' Meeting, we discussed ways to strengthen the relationship. We are close to an ambitious EU-ASEAN Comprehensive Air Transport Agreement, which will enhance connectivity between our two regions. We are also exploring resuming negotiations for an ASEAN-EU FTA. The EUSFTA we just signed can be a pathfinder to this.

As a small country, Singapore feels more acutely than most the need for a strong multilateral system, but it actually benefits all countries big and small. We will continue to work with like-minded partners to strengthen multilateralism, and grow and prosper in peace together. – LHL





European External Action Service ...
@eu_eeas

Follow

EU and Singapore forge closer economic and political ties. The signature today of three new agreements signify an important step towards increasing the EU's presence in a fast-growing, important region [europa.eu/rapid/press-re...](#)

9:15 am - 19 Oct 2018

14 Retweets 33 Likes



2

14

33



Channel NewsAsia @ChannelNewsAsia · 20 ott

EUSFTA sends message that EU, Singapore are committed to free trade: PM Lee
[cna.asia/2P5iBMT](#)



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MTI Singapore
@MTI_Sg

Segui

With the [#EUSFTA](#), [#Singapore](#) and [#EU](#) companies will benefit from greater market access – thus driving economic growth and business opportunities for companies on both sides. Watch the video to find out about the benefits of the EUSFTA! Read more: [bit.ly/EUSFTAPressRel...](#)



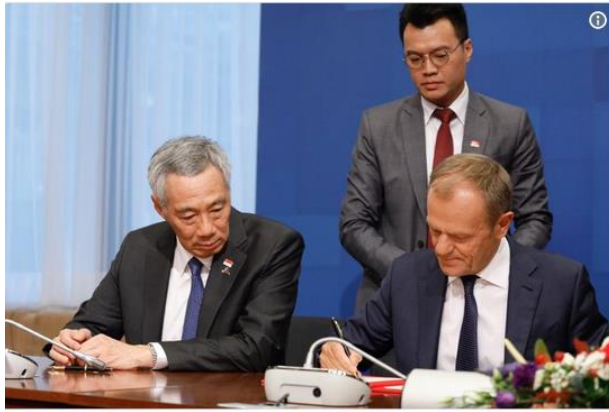
Antonio Tajani @EP_President · 19 ott

EU-Singapore trade is worth €50bn a year. An open and fair trade agreement could be beneficial to EU entrepreneurs, businesses and workers. We look forward to working and voting on EU-Singapore Trade and Investment Agreements.
[#ASEM](#)

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Donald Tusk 
 @eucopresident

EU-Singapore Free Trade Agreement signed!  

Our first FTA in the ASEAN region means more opportunities for our companies, and closer ties with our great partner in South-East Asia.

The EU remains committed to free and fair trade.

The FTA: europa.eu/IGd96pr

11:48 PM - Oct 19, 2018

♥ 731 💬 412 people are talking about this



Barbara Plinkert  @BPlinkertEU · 18 ott

 High Representative for Foreign Affairs and Security Policy @FedericaMog and  Minister for Foreign Affairs @VivianBala meeting in Brussels, a day ahead of the signing of the   Free Trade and Investment Protection Agreements, and Partnership & Cooperation Agreement.



💬 5 ♥ 12



Vivian Balakrishnan  @VivianBala · 20 ott

Delighted that we have signed the EU-Singapore Free Trade Agreement (EUSFTA) yesterday!

The EU is our largest investor and third largest trading partner, and we share a firm belief in free and open trade on a... [facebook.com/30332546206/po...](https://www.facebook.com/30332546206/post/1015744444444444)

💬 3 ↻ 30 ♥ 86

MTI Singapore @MTI_Sg · 17 h

The #EUSFTA not only benefits businesses in #Singapore and #EU but also drives growth for the ASEAN region. Find out how.







EU-Singapore FTA deal could have multi-faceted benefits, Comme...
 THE BUSINESS TIMES Commentaries - THE signing of the EU-Singapore Free Trade Agreement (EUSFTA) - expected to be announced later today...
[businesstimes.com.sg](https://www.businesstimes.com.sg)

2 5

Vivian Balakrishnan on Friday

Delighted that we have signed the EU-Singapore Free Trade Agreement (EUSFTA) yesterday!

The EU is our largest investor and third largest trading partner, and we share a firm belief in free and open trade on a rules-based global trading system. In a time of rising protectionism in many quarters of the world, the EUSFTA sends a strong signal that the EU and Singapore remain committed to free trade. This FTA will give Singapore companies greater market access to all EU member s... [See More](#)



A photograph of Singapore Prime Minister Lee Hsien Loong. He is an older man with grey hair, wearing a dark suit, a light pink shirt, and a red and black striped tie. He is speaking at a podium with a microphone. The background consists of two red flags with blue cantons, likely the Singaporean flag, set against a blue backdrop.

SINGAPORE: Prime Minister Lee Hsien Loong will make an official visit to Vienna on Wednesday (Oct 17) before flying to Brussels to attend the ...
channelnewsasia.com

1 8 11



Also witnessed the signing of the EU-Singapore Partnership and Cooperation...
[See More](#)

1.4K 117 202





MTI Singapore @MTI_Sg · 21 ott

Minister-in-charge of Trade Relations S Iswaran: Signing of the [#EUSFTA](#) and [#EUSIPA](#) sends a strong signal about the EU and Singapore's shared commitment towards free and open trade.



4



Sorin Moisa @sorinmoisa · 19 ott

In risposta a [@EUCouncil](#)

At long last, signing a great treaty after a tortuous process. [#Singapore](#) is a key European partner in [#ASEAN](#) & we now have a moral duty to consider quick endorsement [@EuropeanParl](#) [@davidmartinmep](#) [@SeanKellyMEP](#) [@ramontremosa](#) [@MTI_Sg](#) [@MalmstromEU](#) [@EUinSingapore](#)



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Lee Hsien Loong @leehsienloong · 20 ott

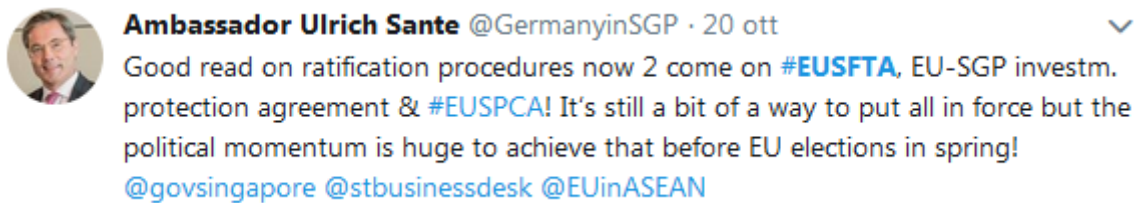
Gave a short interview on [@BBCr4today](#) ytdy morning. Regarding the [#EUSFTA](#) after Brexit, we are prepared to continue to do with the UK what we have agreed to do with the EU. – LHL bit.ly/2S38B5d



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43

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Key Links to Coverage

The Straits Times

<https://www.straitstimes.com/opinion/3-landmark-agreements-deepen-eu-spore-ties>

Channel News Asia

<https://www.channelnewsasia.com/news/singapore/pm-lee-calls-on-asia-europe-leaders-to-strengthen-multilateral-10845934>

The Business Times

<https://www.businesstimes.com.sg/government-economy/singapore-european-union-sign-landmark-free-trade-partnership-agreements>

Other Reports

Reuters: EU signs Singapore trade deal, urges China to open up

Xinhua: EU, Singapore sign free trade agreement

South China Morning Post: EU emerges as champion of free trade with Singapore deal

Bloomberg: European Union, Singapore Sign Free-Trade and Investment Pacts

http://europa.eu/rapid/press-release_IP-18-6139_en.htm

http://europa.eu/rapid/press-release_IP-18-6136_en.htm

<https://www.consilium.europa.eu/en/press/press-releases/2018/10/15/eu-singapore-council-adopts-decisions-to-sign-trade-and-investment-agreements/>

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