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REPORT OF SINGAPORES INDIVIDUAL ACTION PLAN (IAP) PEER REVIEW

The IAP Peer Review Session of Singapore was held on 2 October 2004 in Santiago, Chile. Delegates from Australia; Brunei Darrusalam; Canada; Chile; China; Indonesia; Japan; Korea; Malaysia; Mexico; New Zealand; Papua New Guinea; Peru; Philippines; Russia; Singapore; Chinese Taipei; Thailand; United States and Viet Nam were present. The APEC Secretariat, ABAC and PECC were also present.

The Review Team for Singapore was comprised of:

Moderator: Ambassador Makarim Wibisono
Indonesia

Discussant: Mrs. Wendy Cutler
Assistant U.S. Trade Representative
U.S.A.

Expert: Mr. Chen Wenjing
Vice President, Senior Economist
Chinese Academy of International Trade and
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This report contains the following Annexes.

- Annex 1 - Moderator's Wrap-up remarks
- Annex 2 - IAP Study Report – Singapore 2003
- Annex 3 - Discussant's Remarks
- Annex 4 - Written Questions Received During the Session

WRAP UP REMARKS
Singapore Peer Review Session

First of all, I would like to thank the review team: our expert from China, Mr. Wengjing, our discussant from the United States, Ms. Wendy and our Program Director, Mr. Cardenas, for your hard work in ensuring that this Session became a success.

I shall also thank all the distinguished participants of the Session for your active participation and contribution during the question and answer session and in making the session lively and interesting.

In concluding the session, the first thing that I would like to emphasize is that Singapore has become one of the most open economy in the region, Ms. Cutler even take it further by saying that it is one of the most open economy in the world.

Singapore's economic prosperity and its ability to maintain its economic growth even in a difficult period of economic crisis in Asia in the late nineties, has showed that its relentless support for the open trade in the sub-region, in the region as well as in the world trading system had paid off. The economic openness will only take Singapore becoming more and more prosperous.

Singapore has been very active in liberalizing trade in ASEAN, APEC and the WTO. Bilaterally, it now has concluded 6 bilateral FTAs, and is negotiating other 9 FTAs, while keeping an open eye for potential FTA partners globally.

Singapore's economic policy is focused on the creation of national wealth through sustained and stable economic growth. Its strategic location as a port of call between the East and West gives ways to Singapore's economic advancement. This link is increasingly important with the globalization of economies and increasing economic interdependence.

Of course it would not be very accurate if I say that Singapore need not do any efforts in improving its trade liberalization policies. Mr. Cheng Wengjing as well as Ms. Cutler have pointed out that there are areas to be improved. Some of those are to cut down its non-tariff barriers as well as to liberalize more its service sector.

To conclude, I would like to join the compliment presented by Mr. Chen and Ms. Cutler earlier, that Singapore should be congratulated for the achievements to meet the Bogor Goals. There is no doubt that it will reach its 2010 Bogor Goals dateline.

With this, I would like to close the Session, and thank you all once again for your participation.

Good day.

IAP PEER REVIEW OF SINGAPORE 2003
Study Report

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1.0 Introduction

1. In line with the Guidelines of APEC IAP Peer Review, this report is designed to evaluate the extent to which the progress Singapore has made in the implementation of the Osaka Action Agenda (OAA) and the Manila Action Plan and towards achieving the Bogor Goals, and attempt to identify some important lessons and best practices for the APEC community to realize, or accelerate steps in realizing, the agreed long-term goal of free and open trade and investment liberalization in the region, by no later than 2010 for Developed members and 2020 for developing members.
2. In the course of peer review, all the procedures and methodology required have been undertaken strictly and seriously so as to ensure such evaluation tally with the facts and the remaining items can be addressed. This report is based on an analysis of the various Singapore's IAPs, a detailed questionnaire and answers, a field visit and interviews with a number of government agencies and officials concerned, as well as the gathering of some valuable documents and publications from various sources.
3. Through an elaborate review and thorough analysis of Singapore's IAPs and implementation of its undertakings to meet the Bogor goals, the major findings that I have concluded in this report are as follows:
 - Singapore heavily relies on international trade, with the world' highest ratio of trade to GDP. As a result, Singapore has pursued an "open door" policy and "three-pronged trade strategy": multilateral, regional and bilateral. Currently, 99.9% of the tariff lines entering Singapore have been duty-free, with only 6 lines of alcoholic products subject to import duties, which will be removed by 2010. Under the free trade agreement schemes, products subject to MFN tariffs enjoy duty-free entry into Singapore.
 - Singapore has a relatively liberal investment regime, to which its economic wealth and well-being owe much. Foreign direct investment (FDI) since 1996 has accounted for around 80% of total investment commitments in the manufacturing sector, thus contributing a great deal to the economic development and the employment.
 - Singapore is a model APEC citizen in implementation of its undertakings under the IAP and CAP, and also set an example for other APEC member economies to achieve the Bogor goals by the agreed deadlines, since Singapore has committed to meet the developed members' deadline by 2010

rather than 2020.

- Singapore is a firm supporter and participant of the multilateral trading system under the GATT and the WTO. It was one of the first developing members of the WTO to declare that it is not avail itself of the paragraph 6 solution in TRIPS, except in situations of national emergency or other circumstances of extreme urgency, and has been active in the negotiations on non-agricultural market access, anti-dumping, trade facilitation and services. The WTO and the Doha Development Agenda remain its top priority in international trade and it has been working closely with other members in the Doha Round of negotiations for a successful conclusion.
 - Recognizing that FTA can accelerate the momentum of trade liberalization and strengthen the multilateral trading system, Singapore, as a city-country with the extensive restrains of factor endowment and hinterland market size, has been recently pursuing an positive FTAs strategy to broaden and deepen its economic links with the rest of the world. Since 2000, Singapore has concluded 6 bilateral FTAs, and is currently negotiating other 5 FTAs as well as actively seeking out potential FTA partners globally.
 - Notwithstanding Singapore has made further improvements in market access and it is ranked as the world's second freest economy according to the 2004 Index of Economic Freedom, restrictions still remain in certain areas, especially in services sector, such as legal service and broadcasting service, as well as some sectors which are considered strategic such as power distribution and security sectors.
 - While having a successful economic performance, Singapore also faces some major domestic and external challenges in the changed world. In response to the challenges and to remain a dynamic economy, immediate measures and long term strategies have been and are being undertaken to cope with uncertainties and reposition the economy to be a leading global city and a hub of talent, by lowering cost, training people, reforming tax regime, restructuring economy, giving a full play in "twin growth engines" of manufacture and services, and expanding external ties.
4. In general, as a consequence of the review of all sectors of the IAP and its economic performance, Singapore should be congratulated for its considerable achievements since 1996 towards the OAA objectives and the Bogor goals. It should be appreciated that the government has provided serious responses to the questions raised by the member economies and expert, as well as active cooperation in the in-economy visit, which are of particular importance to acquire something new and in detail, thus supporting the review and supplementing the report with necessary information. And I also express my special thanks to the

APEC Secretariat for its effective coordination during the review.

2.0 General Issues

2.1 Recent Economic Performance

5. Singapore's economic performance during the period 1996-2003 registered a 27.7% increase, with an average annual growth rate of 3.6%, in spite of emergence of the Asia financial crisis, the world economic slowdown, the war in Iraq and the outbreak of Severe Acute Respiratory Syndrome (SARS). Such successful outcome was mainly due to Singapore's stable macroeconomic environment and high openness to the outside world. On other hand, high openness also makes Singapore vulnerable to the impact of international market fluctuations.
6. As statistics shown, Singapore's economy experienced a "w" growth during the period: a decline of 0.9% in 1998 due to the Asia financial crisis, following an average annual growth of 8.3% in 1995-1997; a sharp rebound of 6.9% and 9.7% in 1999 and 2000 respectively; again a decline of 1.9% in 2001 due to the world economic slowdown; afterward, a recovering growth of 2.2% in 2002 and 1.1% in 2003. As a consequence, unemployment rate rose to 4.4% in 2002 and 4.7% in 2003. Particularly in the first half of 2003, the economy was dampened by the SARS outbreak. Tourism sector was hit seriously, with a 19% drop in visitor arrivals compared to the previous year. It in turn affected some related sectors. For instance, the hotel and restaurant sector shrank by 12%, and the transport and communications sector contracted by 2%. This notwithstanding, through the efforts that Singapore government had made to develop a series of comprehensive measures to address the impact of the SARS outbreak, as well as with sustained growth of the world economy, visitor arrivals today have been back to pre-SARS levels. And unemployment rate, released in the March Labour Force Survey, remained at seasonally adjusted 4.5% in March 2004, following a significant reduction in December 2003.
7. In the first quarter of 2004, the Singapore economy saw a stronger growth of 7.5%, up from 4.9% in the previous quarter, which was led by manufacturing sector and wholesale and retail trade sector, with an increase of 11% and 13.8% over the previous quarter respectively. It is quite evident that manufacturing and services as twin engines have indeed played an important role in its economic growth. According to the Economic Survey of Singapore, published by Ministry of Trade and Industry in the first quarter of 2004, Singapore's economic growth in 2004 is expected to be between 5.5% and 7.5% (as at 1Q04), but the latest expectation of growth is 8-9% (following the recent release of 2Q04 data), due to the more optimistic forecasts of the economic development in the major parts of the world.

8. Total demand expanded by 16% in the first quarter, following a 10% increase in the previous quarter, reflected the continued strength of external demand and a turnaround in domestic demand. External demand rose by 15.2%, up from 14.1% in the previous quarter, and domestic demand jumped by 17.6%, sharply turning from the 1.0% contraction in the previous quarter. Greater improvement in both external and domestic demand finds its reflection in strong private investment growth (16.1%), while public investment decline (-0.8%), and international market robust growth.

2.2 Trade and Investment Stance and Major Policy Initiatives

9. Singapore is a highly trade-dependent economy. Its merchandise trade is three times its Gross Domestic Product (GDP). Hence, Singapore has constantly pursued an “open-door” policy and “three-pronged trade strategy”: multilateral, regional and bilateral. These in turn have strongly promoted the development of its external trade.
10. During the period 1996-2003, Singapore’s external trade in goods and services increased by 34% and both enjoyed surplus in favor of Singapore. Merchandise trade has contributed almost all the surplus in the current account and even in overall balance of payments. From 1996 to 2003, merchandise trade recorded an average annual growth of 3.9%, higher than that of GDP. In the first quarter of 2004, merchandise trade grew by 17%, the strongest quarterly growth since the fourth quarter of 2000; total exports picked up by 15% from a year ago; imports (excluding aircraft and ships) jumped by 24 %.
11. Owing to its relatively liberal investment regime, utilization of foreign direct investment (FDI) by Singapore has accounted for around 75% of total investment commitments in the manufacturing sector since 1996. The foreign share of commitments in 2003 reached as high as 83% of the total amount, which in the government estimation would generate a value-added of \$6.4 billion and create 10,700 jobs.
12. In the first quarter of 2004, foreign investors contributed 71% of the total manufacturing commitments of \$1.6 billion. The United States, Europe and Japan committed 36%, 22% and 8.1% of the total investment respectively. About 52% of the total amount was invested in the electronics cluster, mainly in semiconductor industry. Some clusters like transportation engineering, chemicals and biomedical manufacturing also received commitments for plant expansions. With the implementation of these commitments, it is expected to generate a value added of \$2.3 billion and create about 3,100 jobs. The total investment commitments in services sector amounted to \$447 million, of which foreign investors contributed almost three-quarters. The majority of commitments in total business spending

were in business headquarters and professional services as well as info communications and media services. The government predicts that implementation of these commitments will generate a value added of \$611 million and create about 2,000 jobs that will employ 93% as skilled professionals and workers.

13. While having a successful performance in trade and investment since traditionally adopting a FDI-centric and export-oriented growth strategy, Singapore is at a turning point after the phase of rapid economic expansion, and faces two major challenges: accelerating globalization and intense competition from fast-growing lower-cost producers like China and India. In response to the challenges, the Economic Review Committee (ERC) was set up in December 2001 to comprehensively review current policies and propose appropriate strategies. Based on the recommendations provided by the ERC, the government has carried out various reforms to address current difficulties and longer-run challenges.
14. Immediate measures have been taken to lower business costs, remain competitive and reduce job losses. These measures include deferring for two years any further restoration of Central Provident Fund (CPF) contribution rate beyond its then level of 36%; opening-up of the electricity market to competition to lower tariffs for consumers, especially large users; lowering industrial land prices and posted rents to help existing business get ride of current uncertainties, and reassure new investors.
15. Longer- term strategies are aimed at remaking Singapore as a leading global city--a hub in the new Asia and global economic networks, and an entrepreneurial and diversified economy in 15 years. For this goal, the government has made great efforts to:
 - Expand external ties, by Supporting the WTO, and supplementing multilateral trading framework through regional trade fora and bilateral FTAs with key trading partners. More information can be found in the part of Singapore's FTA Strategy.
 - Maintain competitiveness and flexibility, through cutting the Corporate Income Tax Rates down from 25% to 20% by 2006, while raising the Goods and Services Tax (GST) from 3% to 5% as of January 1 of 2004.
 - Promote "twin growth engines" of manufacturing and services to upgrade and move towards higher value-added activities through mechanization and automation, especially focusing on the four key manufacturing clusters of electronics, chemicals, biomedical sciences and engineering, and further developing established service industries like trading and logistics, financial services, info communications technology, as well as tourism.
 - Strengthen Entrepreneurship and creativity to move from an investment-driven economy to an innovation-driven economy. Thus a number of investment promotion programs have been provided to attract

foreign MNCs and SMEs investment, such as exemption of corporate tax on profits from pioneer activity for up to 10 years, double deduction for qualifying R&D expenses against income, operational headquarters' income from the provision of approved services in Singapore taxed at 10%. Innovation development projects may obtain grants of 30% to 50% of approved direct development cost.

- Develop people by further improving education system, including training and retraining as well as continue education, to adapt to the upgraded manufacturing and new services sectors, supplemented by encouragement of inflow of global talent.

2.3 Approach to Trade and Investment Liberalization

16. As the second freest economy in the world (2004 Index of Economic Freedom, the Heritage Foundation and the Wall Street Journal), Singapore recognizes that the importance of trade and investment liberalization in the multilateral, regional and bilateral fronts can not be overstated so as to further open its market to competition, and deepen the reforms in certain areas.
17. In respect of cross-border trade in goods in APEC, the government has bound 94% of tariff lines at 6.5% or below as of 2003; it expects to bind 100% of tariff lines at 6.5% or below by 2005. Singapore is committed to the developed economies' deadline of 2010 to reach the Bogor Goals. Under the free trade agreements, Singapore has eliminated customs duties on imports applied most-favored-nation (MFN) tariffs from each contracting party. According to the newly amended laws and regulations regarding chewing gum, Singapore allows the importation and sale of therapeutic chewing gum from all countries as of 1 January 2004. Nevertheless, restrictions on the rest of chewing gums still remain for health and environmental reasons. Moreover, restrictions on imports such as rice and cars are maintained mainly for health, safety, security and environmental reasons or for fulfilling international obligations.
18. With regard to investment liberalization, one of concerns has been about disinvestment of government linked companies (GLCs) owned by Temasek, the government holding company. The government has noted that all Temasek companies will be divested except those being strategic or in the public interest. In 2003, Temasek fully or partially divested its stakes in a number of companies, including a 69% divestment of SingPost through an Initial Public Offering, the sale of CPG Corp to Downer EDI Ltd, as well as divestment of its remaining stakes in 98 Holdings. In early 2004, Temasek completed a \$2.1 billion placement of SingTel related securities, thus diluting its holdings by up to 5%.

19. Liberalization has taken place notably in several service sectors, such as telecommunications, financial services and transport. The telecommunications market was fully liberalized in April 2000, two years ahead of the plan, resulting in a marked increase of providers and a considerable decline of international call fees; after two phases of banking liberalization since 1999, the government announced new liberalization initiatives in January 2004, allowing Qualifying Full Bank (QFB) to conduct a fuller range of banking business and establish more service locations from 1 January 2005; access to Singapore Exchange Securities Trading opened up in 2002; the insurance market was also liberalized, as the 49% foreign shareholding limit was lifted; in transport services, taxi market was liberalized in 2003.
20. Liberalization and deregulation has also occurred in electricity industry and gas industry. These include phased liberalization of electricity retail market, separation of ownership of generation and transmission, and restructuring of gas industry, which is scheduled to be completed by 2004. However, the electricity transmission and distribution (T&D) business and gas transportation business will continue to remain natural monopolies and to be regulated. The reason behind, the government has noted, is that having two or more competing service providers will lead to the duplication of the T&D infrastructure and hence inefficiency.

2.4 Participation in the APEC Trade Facilitation Actions

21. The APEC Trade Facilitation Principles was endorsed by the economic leaders in 2001, aimed at reducing transaction cost by 5% within the region for next five years. Singapore has actively taken part in all related activities and has adopted concrete actions and measures to achieve the target.
22. An example of major achievements in trade facilitation is the implementation of TradeNet, a national electronic network for the submission of customs and trade declarations. This system allows for Business to Government (B2G) and Government to Government (G2G) electronic interface for clearance and approvals of all trade documentation through a single window. In the government's estimation, its introduction has resulted in savings of approximately 4-10% of then total trade of about US\$114 billion, based on the percentage of total costs comprising documentation costs. A new TradeNet system Version 3.1 was launched in 2003, taking into account the new requirements under ASEAN Harmonized Tariff Nomenclature (AHTN) and Strategic Goods Control system, as well as the revision of GST rate.
23. The systems form the base for 'paperless trading', which Singapore is also actively promoting in APEC. A related system allows for the submission and approval of the Electronic Certificates of Origin (ECO), an APEC Pathfinder

initiative that Singapore is promoting in APEC. The government expects that the implementation of the ECO system will result in yearly savings of S\$2.96 million for the Singapore trading community. Similar benefits are also expected for other economies that participate in the Pathfinder and completely implement the ECO system. Singapore's experience in this regard again demonstrates that trade facilitation has become one of essential avenues and vehicles towards the Bogor goals, and beneficiaries will be all of participants who are keen to implement the APEC Trade Facilitation Principles and Trade Facilitation Manu of Actions and Measures.

2.5 Implementation of the Transparent Provisions

24. Transparency is involved in all of the IAP areas. The major means applied to ensure transparency have been the updating of information in APEC databases on a regular basis and the provision of contact points as well as website addresses for respective IAP disciplines. To date, some of Singapore's efforts under various areas of the IAP include:

- *Tariffs:* Singapore has been updating the tariff data in the APEC Tariff Database on an annual basis.
- *Services:* The provision, under each service area, of appropriate contact points, and when applicable, internet website addresses.
- *Investment:* The regulatory investment environment is based on clarity, fair competition and sound business practice. For example, business license applications, if required, including procedures, information on standards, technical regulations and conformity requirements are available online with respective organizations.
- *Standards and Conformance:* SPRING Singapore, the standards and conformance authority, has established a process for disseminating standards development information through the internet and also a bimonthly publication entitled "Standardization Connection". Public access to the Standards Catalogue for purchase of standards and information on conformity assessment procedures is also available at the SPRING website.
- *Customs Procedures:* A new Singapore Customs homepage was launched on 1 April 2003. In addition, a new Strategic Goods Control website was launched to inform the public about the new enhanced system to regulate trade in strategic goods and technology, with effect from 1 January 2003.
- *Government Procurement:* Tender notices, schedules and awards are published in Government Electronic Business (GEBIZ), and can be accessed by suppliers and other interested parties. With effect from July 2003, suppliers are also able to do online tendering in GEBIZ.

2.6 Singapore and the WTO

25. Singapore is an original member of the WTO. It was one of the first developing

members of the WTO to declare that it is not avail itself of the paragraph 6 solution in TRIPS, except in situations of national emergency or other circumstances of extreme urgent. It has been active in the negotiations on non-agricultural market access, anti-dumping, trade facilitation and services. Singapore has tabled several papers and proposals in these areas. Although Singapore has no significant agricultural sector, the government recognizes that the negotiations on agriculture are a centerpiece of the Doha Development Agenda (DDA), and has been asked to narrow the differences.

26. The WTO and the DDA remain Singapore's top priority in international trade. For this reason, Singapore has been working closely with other members in the Doha Round of negotiations to ensure the success of the DDA.

2.7 Singapore's FTA Strategy

27. Since 2000, when the first bilateral free trade agreement was signed with New Zealand, Singapore has concluded 6 bilateral FTAs (with New Zealand in 2000, Japan in 2002, the European Free Trade Association in 2002, Australia in 2003, the United States in 2003, and Jordan in 2004). Singapore is currently actively negotiating several other FTAs with Canada, Korea, India, and Panama and a trilateral agreement spanning the Asia-Pacific with New Zealand and Chile, named the Pacific 3, and is keen to seek out potential FTA partners globally.
28. Singapore regards free trade agreements as a catalyst for realizing the APEC goal of free and open trade and investment, and also as building blocks towards multilateral trade and investment liberalization under the WTO. Its commitments to FTAs have gone beyond the commitments the government has made to the WTO and GATS in certain areas, particularly in services. The agreement between Singapore and the United States (USSFTA) is only one of free trade agreements that have been signed by Singapore to contain trade and labour as well as trade and environment provisions.
29. In the process of implementation of the bilateral free trade agreements, Singapore has received a due reward from its FTAs. The immediate benefits of the FTA network are the tariff concessions in goods. In the first year (2001) of coming into effect of the agreement with New Zealand (ANZSCEP), bilateral trade between the two countries increased by 7.7%; it was followed by a 4.5% growth in 2002, and 26.5% robust growth in 2003, with domestic exports jumping by 50.9%. Similar trends was seen in the first year of its coming into force of the agreement with Japan (JSEPA), when domestic exports to Japan rose by 10% to S\$10.6 billion. The robust growth was also seen in bilateral trade between Singapore and the European Free Trade Association (EFTA) in 2003, when the bilateral FTA (ESFTA) came into effect, Singapore's domestic exports to the EFTA economies grew by nearly 20% to S\$486 million, compared to the previous year.

30. The long-term benefits from FTAs will be gained by each economy. As impediments to trade and investment have been and will be removed, market size is enlarged and resources are freer flow across border. Thereby, consumers will enjoy greater choice in goods and services, and FTAs partners become competitive investment and export destinations, which in the long run, will help create more jobs and bring about economic growth.
31. Furthermore, under the agreements, trade is also facilitated through avoidance of duplicative testing from mutual recognition, customs cooperation measures and removal of onerous regulations. Cost savings arise from mutual tariff reductions as well as trade and investment facilitation. Nevertheless, the government notes that some short-term adjustment costs may arise. For instance, some sectors, financial sector in particular, will face fiercer competition with greater liberalization.

3.0 Assessment of Singapore's IAP and its Implementation

3.1 Tariffs

32. Singapore has been fully implementing its WTO commitments and actively participating in the process of achieving free and open trade in the APEC region. In the area of trade in goods, Singapore maintains a very liberal regime, with 99.9% of the tariff lines entering Singapore duty free, and import duties on only 4 lines of alcoholic products—beer, stout, medicated samsoo and other samsoo, which will be removed by 2010. Based on HS and the resulting tariff line harmonization amongst the ASEAN countries, the 4 tariff lines for alcoholic products were expanded to 6 lines with effect from 1 Jan 2003, and remained subject to import duties. This information should be updated in the IAP 2004.
33. Since 1996 Singapore has increased the coverage of bound tariff lines from about 70% of total tariff lines at rates of 10% and below to 94% at rates of 6.5% and below in 2003. The government is committed to increase binding coverage from 85% to 100% between 2001 and 2005, and further to reduce all bound tariffs to zero by 2010. These will be done by the deadline agreed for the developed member economies. In this regard, Singapore acts as a model APEC citizen and has set itself a good example for other members to achieve the Bogor goals.

3.2 Non-tariff Measures

34. Singapore remains relatively free of trade barriers and does not make use of non-tariff measures inconsistent with the WTO agreements. The non-tariff measures are applied mainly for public health, safety, security and the environment, or for fulfilling international obligations, such as the United Nations

Security Council resolutions, the Montreal Protocol, the Chemical Weapons Convention and CITES.

35. Singapore does not have voluntary import and export restraint arrangements, local content requirements and variable levies, and does not have safeguard legislation and impose any anti-dumping or countervailing duty as well as minimum import prices.
36. To facilitate external trade, Singapore regularly reviews the non-tariff measures with a view to streamlining unnecessary measures and procedures, and reducing their application. For example, the bilateral export restraints under the ATC with Norway was lifted in 1997; full color copying machines was exempted from discretionary import licensing in 1998; the subsidies of International trade Incentive and Production for Export Incentive were abolished in 1999; the import control of encryption hardware and software was lifted in 2000; and also prohibition on imports of certain volcanic rock was lifted in 2001. According to the newly amended laws and regulations regarding chewing gum, Singapore allows the importation and sale of therapeutic chewing gum from all countries as of 1 January 2004. Restrictions on the rest of chewing gums, however, still remain, for health and environmental reasons. The government states that it will continue to maintain the excise duties on 4 categories of products—motor vehicles, petroleum products, intoxicating liquors and tobacco products both locally manufactured and imported, for social and environment reasons.
37. The information on the non-tariff measures applied and the progress made in eliminating the above-mentioned measures can be available to the public from various internet websites set up by the government, thus ensuring the continued transparency of trade regime.

3.3 Services

38. This is an area on which there are nearly one-third of questions raised in the questionnaires focused. Hence, relatively more information will be provided on major segments for which the member economies have shown solicitude.
39. Services sector is of vital importance to the Singapore economy. In 2003, service industries accounted for 64.1 per cent of GDP (at 1995 market prices), with a contribution of 60.5 per cent of national economic growth, and created about 75.6 per cent of the total employment. Particularly, its percentage in the total employment saw an increase while decline in manufacturing sector. The importance of services in the economy has also been reflected in gradual liberalization of some sectors, particularly in financial, telecommunication and energy sectors, aiming to enhance the competitiveness and efficiency.

40. Singapore's service sectors are relatively liberal, currently with a few Most Favored Nation (MFN) exemptions, including legal services, broadcasting, maritime transport, insurance, banking and other financial services. The government has no plans to waive these exemptions at this stage. There also have been a few horizontal measures applied to all services, namely for commercial presence and entry of natural persons. A natural monopoly still exists in the business of electricity and gas transmission, though liberalization in the electricity and gas industries has been and is being implemented in batches.

Legal services

41. Singapore has taken an exemption on MFN from the General Agreement on Trade in Services (GATS) in legal services and has not made any specific commitments in this sector in APEC. All foreign law firms providing legal services in Singapore are required to fulfill the qualifications under the Legal Profession Act and the relevant rules, including law degrees of providers, where they are educated and what kind of expertise and experience they have had. Currently, there are a limited number of recognized law degrees from a few universities of the United Kingdom, Australia, New Zealand and the United States, on which the member economies raised queries in the questionnaires.
42. Singapore allows foreign law firms to establish a presence in four ways, namely Foreign Law Firm (FLF), Joint Law Ventures (JLV), Formal Law Alliances (FLA) and representative office. Foreign lawyers have been unrestrained to set up law practice to supply offshore legal services, including home-country law, third-country law and international law; Foreign lawyers working in JLV may practice Singapore Law relating to banking, finance or corporate work, subject to statutory conditions (eg the passing of qualifying examinations); Foreign lawyers working in FLA or FLF may not practice Singapore law ; Representative offices in Singapore serve only as liaison offices without carrying out any offshore legal consultancy work.
43. As of 17 Aug 2004 there are 526 foreign lawyers in Singapore from 13 foreign jurisdictions and 60 FLFs which have established offices in Singapore. But a limited number of foreign law firms have been approved by the Attorney- General to set up JLVs or FLAs. According to the Ministry of Law, since JLVs and FLAs schemes introduced, there have been 9 JLVs and 3 FLAs registered. Currently 6 JLVs and 1 FLA are still in operation.
44. Notwithstanding restraints are remained in legal service sector, the improvements in market access still have been made to certain extent. A recent example is that the Singapore International Arbitration Centre (SIAC) launched its Regional Panel in May 2003, including arbitration experts from the ASEAN region, instead of the previous Local Panel. In May 2004, an amendment to the Legal Profession Act

was also introduced to allow foreign lawyers to appear in arbitration proceedings concerning Singapore law issues without being required to engage local counsel. As of 17 August 2004, the Legal Profession (Amendment) Bill No. 17/2004 has not yet entered into force. These improvements in legal services market did not reflect in the IAP 2003.

45. In order to removing restrictions on the provision of legal services by foreign firms, a review was undertaken in 2001. A further assessment on current legal services regime is scheduled to be conducted in or after 2005. The government has pointed out that, due to its small market size, the fact that Singapore law is not the preferred governing law for regional business and financial transactions, and inability to cope with a huge influx of foreign lawyers, restrictions have been placed on foreign lawyers mainly for maintaining certain level of quality of legal services, avoiding oversupply of lawyers in the legal market, and preventing an overly litigious society.

Architectural Services

46. All architects may practice in Singapore regardless of their nationalities if they fulfill the conditions of registration with the Board of Architects (BOA), including a continuous period of at least 12 months practical experience in Singapore. The government notes that BOA will be willing to consider waiving this requirement on the basis of reciprocity, as long as the individual is working under the supervision of a registered architect; architects who do not have the required practical experience in Singapore can still be eligible for registration as architects if they have 10 years of practical experience outside Singapore. The latest IAP, however, does not anticipate any changes in the requirements for the time length of architects' practical experience in Singapore

47. As for the nationality rule concerning the board of directors of a corporation supplying architectural services, the government has already planed to relax it, for instance:

- the requirement that “*chairman and the at least two-thirds of the board of directors of limited corporations must comprise professional engineers, architects or land surveyors*” will be revised to “*a majority of board of directors must be professional engineers, architects or land surveyors*”.
- The residency requirement for persons in control and management of architectural firm will be removed.

While welcoming the relaxation of the nationality rule, there is a query raised by the member economies on the “majority” requirement, which is still regarded as a market access barrier for foreign firms. The government indicates that it has no immediate plans to waive such requirement.

Engineering Services

48. There are no nationality requirements and no restrictions on foreigners practicing in Singapore as long as they meet the requirements of the Professional Engineers Board (PEB). All applicants to the PEB are required to possess an engineering degree from more than 500 universities accredited by the PEB and have a minimum of two years practical experience in Singapore. Currently, the government has made a similar adjustment as architectural services in the requirements for the time length of engineers' practical experience. The latest IAP also does not anticipate any changes in the requirements. Further changes the government has planned to make in this area will be as follows:

- the requirement that “*chairman and the at least two-thirds of the board of directors of limited corporations must comprise professional engineers, architects or land surveyors*” will be revised to “*a majority of board of directors must be professional engineers, architects or land surveyors*”.
- The residency requirement for persons in control and management of engineering firms will be liberalized.

49. In addition, since the provisional membership status was conferred by the Washington Accord in 2003, Singapore has been making all the necessary arrangements to ensure readiness for full signatory status by June 2005, and has also been making arrangements to submit an application to maintain an APEC Engineer Register to the APEC Engineer Co-ordination Committee for acceptance in June 2005.

Postal services

50. Under the Postal Services Act, the delivery of letters and postcards in Singapore must be licensed by the Infocomm Development Authority (IDA). In 1992, Singapore Post Pte Ltd was granted a public postal license with exclusive rights for both the domestic and international delivery of ordinary letters and postcards, till 31 March 2007.

51. In order to narrow the scope of postal services covered by the exclusive license held by Singapore Post Pte Ltd, IDA distinguished express letter delivery from ordinary ones as a pro-market policy. Since 1995, the provision of express letter services has been fully liberalized. Courier services are not regulated by IDA and the market is completely open to local and foreign services providers. IDA is currently studying the appropriate policy framework for the postal services sector after 31 March 2007 so as to further liberalize this sector.

Telecommunications Services

52. Singapore made its GATS commitments on basic telecommunications in 1997 and lifted its foreign ownership restriction in April 2000. The telecommunications market since has been fully liberalized; over 30 operators have been granted Facilities Based Operators (FBOs) licenses, and over 600 operators have obtained

Services Based Operator (SBO) licenses. As a result, the number of telecommunications service providers has increased significantly and international call charges have declined by between 60% and 80%.

53. Singapore's Telecommunications Competition Code has been crafted specifically to facilitate quick entry of new entrants into the market. On average, new entrants have been able to receive their FBO licenses within 8 weeks and SBO licenses within 4 weeks. The annual license fees for SBOs have been reduced to a flat annual fee of S\$ 5,000, previously levied at 1% of annual gross turnover, subject to a minimum of S\$10,000.
54. IDA is currently conducting its first triennial review of the Telecom Competition Code, aiming to result in less regulation in market segments that are effectively competitive and to enhance competition in segments that have yet to achieve effective competition. According to the authorities, the review is expected to be completed by the end of 2004. The government is also committed to continue to participate actively in GATS negotiations to seek substantial improvements in GATS telecom commitments from all WTO members and reciprocate accordingly.

Financial services

55. This sector is regulated by the Monetary Authority of Singapore (MAS), which also administers the Banking Act, the Finance Companies Act, the Insurance Act, Securities and Futures Act, Financial Adviser's Act, Currency Act and Money-changing and Remittance Businesses Act. In 1999 and 2001, Singapore launched two rounds of liberalization in financial sector. Foreign entrants have been allowed into the insurance, securities and wholesale banking segments, meanwhile the MAS has been moving towards a risk-based regulatory and supervisory framework.
56. Under the Agreement on Financial Services of the GATS, Singapore committed to increase offshore bank lending limits to residents of Singapore from S\$100 million per bank to S\$200 million, and allow up to 49% aggregate foreign equity ownership in locally owned insurance companies.
57. In practice, Singapore has moved well ahead of its commitments. Since 1999 when a five-year banking liberalization programme was introduced, foreign ownership restrictions in banking services have been abolished, previously restricted to 40%; the dollar lending limits of qualifying offshore banks were increased to S\$1 billion from S\$300 million and they are now allowed to engage in Singapore dollar swaps; the dollar lending limits of all other offshore banks were increased to S\$500 million from S\$300 million and they are allowed to engage in specific Singapore dollar swaps; two more foreign banks were granted Qualifying Full Bank (QFB) licences in December 2001, and all 6 QFBs were

allowed to branch and set up offsite AMTs. From July 2002, QFBs are able to provide Electronic Funds Transfer services, Central Provident Fund Investment and Minimum Sum Scheme as well as Supplementary Retirement Scheme accounts. The MAS has also upgraded 15 Offshore Banks to Wholesale Banks since October 2001, by totally granting 20 Wholesale Banking licenses from 2001 to 2003.

58. The latest liberalization measures, which are incremental adjustments to the earlier major liberalization packages , were announced in June 2004. QFB banks will be allowed to conduct a fuller range of banking business, establishing up to 25 service locations from the existing 15. With the current 6 QFBs permitted to share ATMs amongst themselves, this could lead to a QFB shared network of about 150 locations across Singapore. QFBs will also be allowed to negotiate with the local banks on a commercial basis to let their credit card holders obtain cash advances through the local banks' ATM networks.
59. In insurance sector, the 49% restriction on foreign ownership of local insurers was removed in 2000; 37 out of the 49 general insurers in Singapore were foreign-owned at the end December 2003. As a result, foreign-owned insurers accounted for 77% of the gross premiums of the general insurance market as well as 60% of the gross premiums of the life insurance market.
60. In 2002, a risk-based framework, which was a fundamental change in approach from the audit-based inspection to the prevention, was introduced to supervise the insurance industry. In 2004, the MAS will implement a Risk-Based Capital Framework, involving a "consistent approach" to the valuation of assets and liabilities. The insurance sector is currently and will continue to be regulated by the MAS.

Transport Services

61. In air services, there is fair and equal treatment to both local and foreign carriers, allowing carriers operating in Singapore to set their own fares. Air cargo tariffs have not been subject to regulation since 1987 and carriers need only keep CAAS informed. In order to strengthen Singapore's position as a regional aviation hub, the Civil Aviation Authority of Singapore (CAAS) announced the Air Hub Development Fund (AHDF), which will provide S\$210 million worth of rebates and other incentives, and will be in place for 3 years as of 1 January 2003.
62. In land transport services, the Land Transport Authority (LTA) in recent years has undertaken various measures to encourage competition. For instance, LTA offered market access in vehicle inspection services under the various FTAs from 2000; any private bus operator who is interested in running feeder services within the HDB towns can submit its application to the Public Transport Council from August 2002; the taxi market was liberalised in 2003;.

63. In maritime and port services, there are no restrictions on foreign participation for the provision of port services, nor a freight filing system. Singapore has also liberalized port services such as tug services, bunkering and ship chandlery. As a consequence of a policy change in June 2002 that Singapore Port was open to more cargo terminal operators, PSA Corporation, which manages most of Singapore's cargo terminals, recently entered into a joint venture with COSCO, a major player in the container market, to operate container facilities in Singapore Port. To keep port costs competitive, the Maritime and Port Authority of Singapore (MPA) has granted a 20% port dues concession to container ships. This concession has been given since May 1996, and recently extended for another 2 years to 30 June 2006.

Energy Services

64. Deregulation of the electricity market in Singapore began in the mid 1990s, and further deregulation of the market occurred in 2000, including separation of ownership between generation and transmission and liberalization of the retail market. Restructuring of the electricity industry was completed in April 2001, with the divestment of the generation companies, PowerSenoko Ltd and PowerSeraya Ltd from Singapore Power Ltd to Temasek Holdings. The electricity market was also liberalized. Singapore's New Electricity Wholesale Market commenced operation on 1 January 2003. Large consumers with average monthly consumption of 20,000 kWh and above are already open to competition. Consumers with average monthly consumption of 10,000 kWh and above will become contestable in batches commencing in December 2003.

65. Retail liberalization began on 1 July 2001 in three phases. Phase 1, completed in September 2003, allowed access to about 5,000 consumers with average monthly consumption of 20,000 kWh, representing 70% of total electricity sales; Phase 2, starting in December 2003 and being completed in the fourth quarter of 2004, touched upon another 5,000 consumers representing 5% of total electricity sales. Phase 3, which will result in full retail contestability, is currently being studied by the Energy Market Authority (EMA) of Singapore how best to introduce retail competition for 1.1 million household and small commercial consumers. This final phase of retail contestability is targeted for implementation in 3-4 years' time.

66. The deregulation of the electricity market has resulted in a 10.5% reduction in average electricity prices for consumers since December 2001, thereby maintaining fuel oil prices unchanged. However, the electricity transmission and distribution (T&D) business and gas transportation business will continue to remain natural monopolies and to be regulated. The reason behind, the government has pointed out, is that having two or more competing service providers will lead to duplication of the T&D infrastructure and hence

inefficiency.

67. The gas industry restructuring began in 2000. The Gas Act was passed in 2001, setting the legal basis for the separation of the "contestable" sectors of import and retail from the monopolistic sector of gas transportation. On 2 January 2002, PowerGas' "contestable" business was transferred to two companies (Gas Supply Pte Ltd and City Gas Pte Ltd) formed as wholly owned subsidiaries of the Government's holding company, Temasek Holdings. PowerGas will take over the gas pipeline assets and ultimately become the monopoly transporter and own all of Singapore's gas pipelines on liberalization of the industry. The gas industry restructuring was scheduled for completion by the first quarter of 2004. But, it is now expected to be completed by 2004. The government states that it is due to more time needed to resolve issues raised by the industry players in the consultation process.

3.4 Investment

68. Singapore's investment regime is relatively liberal. Generally, there are no restrictions on foreign investment except certain industries such as some service sectors and manufactured products. Since the government is committed to achieving a free and open investment regime and actively promote foreign investment, several of these restrictions have been reduced or removed. As stated earlier in the services sector, limits on foreign shareholders' stake in domestic banks and telecommunication companies have been removed; qualifying full banks (QFB) will be allowed to conduct a fuller range of banking business; the 49% restriction on foreign ownership of local insurers was abolished. As a part of further liberalization of non-internationalization of Singapore dollar, non-residents are allowed to borrow Singapore dollar freely to invest in Singapore dollar financial assets. There have been only a few specific products listed under the Control of Manufacturers Act (COMA), which may result in safety, health and environment concerns, required approval for manufacture, among which several new products like CD, CD-ROM, VCD, DVD and DVD-ROM have been added to the control list of manufacture since 1996 in support of intellectual property right protection. This requirement is also applicable to investors from economies that signed FTAs with Singapore and to local investors.

69. Foreign equity limits, however, still remain in certain sectors. For example, the restrictions currently apply to media companies that broadcast content to the Singapore public. The government explains that as a small country with a multi-racial and multi-religious society, it is crucial to ensure that broadcast media does not take advantage of their position to play up certain racial or religious issues in order to obtain better ratings. Foreign investments in some of GLCs, depending on the sectors they operate in, are also subject to restrictions.

70. With a view to encourage investment in Singapore, Singapore government has launched a number of incentive schemes, including tax incentives, such as cutting the Corporate Income Tax Rates progressively down from 27% in 1996 to 22% in 2003 and to 20% by 2006; shifting tax revenue sources to indirect taxes like the Goods and Services Tax (GST), which is being raised from 3% to 5% as of January 1 of 2004; exemption of corporate tax on profits from pioneer activity for up to 15 years; double deduction for qualifying R&D expenses against income; regional headquarters' income from the provision of approved services in Singapore taxed at 15% with lower concessionary tax rates possible if applicant companies have activities that exceed the minimum requirements for the award. Innovation development projects may obtain grants of 30% to 50% of approved direct development cost. Singapore promotes a pro-business environment through the reduction of red-tape and obstacles for enterprise. The Pro-Enterprise Panel was set up in 2000 to ensure that government regulations and rules remain relevant and supportive of a pro-enterprise environment.
71. The government is prepared in principle to fully divest its stakes in the government linked companies except those which are strategic and public interests. In 2003, there were 12 companies divested. The government intends to continue to divest those that are no longer relevant, where appropriate, and however will limit new investment to businesses with the potential to internationalize. These are to be in new growth sectors where the private sector in Singapore is unable or unwilling to undertake risks, such as large investments with long gestation periods.
72. Singapore has signed 32 bilateral investment guarantee agreements with other economies, 14 agreements reached since the first IAP, aimed at protecting investments against war and non-commercial risks like expropriation and nationalization, and has joined the Multilateral Investment Guarantee Agency (MIGA) in 1998 to provide guarantees against certain non-commercial risks. It has also signed 52 avoiding double taxation agreements, of which 21 agreements reached since 1996. All these help create a sound investment environment for Singapore and help offer more opportunities to foreign investors, especially attracting multi-national companies to establish regional headquarters and manufacturing capability in Singapore despite competition from other low cost labour markets.
73. Most recently, Singapore shows its interest in particular to signing of free trade agreements (FTAs) with other economies, adapting itself to the new trends of the development of FTAs and RTAs around the world. Up to now, there have been 6 bilateral FTAs signed with New Zealand (14 November 2000, effective 1 January 2001), Japan (13 January 2002, effective 30 November 2002), the European Free Trade Association (26 June 2002, effective 1 January 2003), Australia (17 February 2003, effective 28 July 2003), the United States (6 May 2003, effective 1 January 2004), and Jordan (16 May 2004, effective end 2004) besides the FTA

with ASEAN (AFTA). Singapore is currently actively negotiating several other FTAs with Canada, Korea, India, and Panama and a trilateral agreement spanning the Asia-Pacific with New Zealand and Chile, named the Pacific 3, and is keen to seek out potential FTA partners globally. The government believes that FTAs enable market environment more conducive to attracting foreign investment into the economy, catalyze the achievement of APEC goal of free and open trade and investment in the region, and supplement its objectives in the WTO. From this sense, FTAs in practice can create incentives to promote trade and investment through enhancement of both parties' market access, and help overcome economic disadvantage of small size economy, including resources supply and labour cost.

3.5 Standards and Conformance

74. Singapore complies with the WTO Agreement on Technical Barriers to Trade (TBT), adopts international standards or prevailing standards as a basis of the development of domestic standards, and actively involves in standards work in APEC and other international fora like ISO and IEC standardization activities. In 1996, there were 150 standards or 82% out of 183 standards aligned to international standards. Since then, remarkable progress has been achieved in the alignment to international standards as follows:

- As of March 1999, 90% of 284 standards
- As of July 2000, 76.5% of 413 corresponding standards
- As of September 2001, 78% of 427 standards;
- As of September 2002, 74.7% of 364 standards;
- As of August 2003, 75.3% of 372 standards.
- As of April 2004, 83% of 273 standards

It can be seen from the above that the alignment appears to be declining after 2001. The government indicates that the drop in the alignment is due to the phasing out of outdated standards as part of the standards review process and the method for measuring the extent of usage of international standards was changed in 2000.

75. Moreover, there is 100% alignment in quality control, environment, information technology and medical areas. Alignment is low in building and construction. Although there are few international standards in the sector, many could not be aligned because of infrastructural and historical reasons.

76. Importantly, the time taken for development of new Singapore standards has been significantly reduced by the national standardization programme review. For instance, product specifications from 9-18 months have been reduced to 6-12 months and codes of practice from 18-36 months have been reduced to 12-24 months.

77. Under the APEC Voluntary Alignment Programme (VAP), Singapore has fully achieved the alignment of domestic standards with international standards in priority areas identified by SCSC, and continues to explore and propose new areas

and sectors for alignment. Singapore proposed an additional priority area for alignment with international standards in the area of electrical safety of IT products (IEC 60950) in 2000. This was accepted, and APEC economies are to align their national standards to this international standard by 2004 for developed economies and 2008 for developing economies.

78. Singapore Accreditation Council (SAC), formed in 1996, carries out independent accreditation of conformity assessment bodies in accordance with relevant international guides and requirements, maintains integrity and impartiality and takes public interest into account. Recognizing the importance and value that mutual recognition arrangements (MRAs) play in removing technical barriers to trade associated with mandatory conformity assessment procedures, Singapore has been involved in a number of MRAs at both regional and bilateral levels, such as the APEC Food MRA, Tel MRA and Electrical MRA, and bilateral MRAs with New Zealand, Japan and Australia. Prior to 1996, there were, however, no bilateral MRAs signed with other APEC members at the government level except those in specific regulated sectors developed by individual regulatory agencies.
79. Singapore is one of the pioneers to fully participate in all three parts of the APEC Electrical MRA, which sets a good example for other member economies to speed up their rate of work in this regard, so as to facilitate trade flow by achieving the recognition of conformity assessment and ensuring the transparency of the standards and conformity assessment. Presently, Singapore is not a participant in the APEC Toy Arrangement and does not regulate the toy sector, and is reviewing whether to join the APEC Arrangement on Food Recalls.
80. Singapore has been also involved in a number of Specialist Regional Bodies as follows:
 - Asia Pacific Laboratory Accreditation Cooperation (APLAC)
 - Asia Pacific Legal Metrology Forum (APLMF)
 - Asia Pacific Metrology Programme (APMP)
 - Bureau International Des Poids Et Mesures (BIPM)
 - International Accreditation Forum (IAF)
 - International Laboratory Accreditation Cooperation (ILAC)
 - International Organization of Legal Metrology (OILM)
 - International Auditors and Training Certification Association (IATCA)
 - Pacific Accreditation Cooperation (PAC)
 - Pacific Area Standards Congress (PASC)
81. As a member of the above bodies, Singapore has played an active role in related areas, for instance, being Secretary of the PASC Standing Committee for the term 2001-2002, currently chairing the APMP with a two year term, Coordinating laboratory of various measurement comparison programmes, hosting the ISO General Assembly for the first time in 2005, and willing to extend its APLAC

MRA membership to inspection body accreditation.

82. The Standards, Productivity and Innovation Board (SPRING) Singapore, a statutory board under the Ministry of Trade and Industry, regulates 45 categories of electrical and electronic products and gas appliances. Information regarding these products and standards and conformance requirements is available to public through the internet, newsletter, e-newsletter entitled “Standardization Connection” or other government publications, thus ensuring the transparency of the standards and conformity assessment of Singapore.

3.6 Customs Procedures

83. Singapore has achieved remarkable improvements in this area since 1996, including information availability, capacity building and a range of measures adopted to simplify customs procedures to facilitate trade flow.
84. All information regarding customs laws, regulations and procedures have been made available to the public in the ways of press releases, brochures, circulars, books, Call Center and various websites. The TradeNet system, a national electronic network for the submission of customs and trade declarations, was established in 1989 and has since been working effectively. Electronic filling facility for refund over the customs website and a paperless system for the clearance of containerized cargo at all checkpoints are also implemented. These information and communication technologies platforms replace manual procedures, resulting in reduction of business cost as well as turnaround time for the preparation of documents and applications for the business community. As traders actively use the various electronic systems and facilities, almost 100% of all custom and trade declarations are currently submitted electronically through the TradeNet system.
85. Singapore became a contracting party to the Convention on the A.T.A Carnet for the Temporary Admission of Goods (A.T.A Convention) in 1983. Goods, except tobacco products and liquors, can be imported under Temporary Import Scheme for repairs, trade exhibitions, displays and other approved purposes without payment of duty and/or Goods and Services Tax (GST). Since 1998, import relief was extended to scientific and technical goods, equipment, apparel and accessories for allowable specific purposes. The security requirement for temporary import of goods for repairs and other approved purposes was reduced from 100% to 30-50% of the potential duty and /or GST.
86. In the area of clear appeals, Singapore has in place an open system for appeals. Business community can easily and directly reach the relevant authorities like the Singapore Customs, Ministry of Finance and Ministry of Trade and Industry through various avenues, for instance, in writing, in person, over the telephone or at regular dialogue meetings.

87. Since 1997 Singapore has implemented the WTO Valuation Agreement, three years ahead of Schedule. Singapore has joined the RKC pathfinder in SCCP and is currently studying the provisions of the Revised Kyoto Convention (RKC) for a better understanding and interpretation of the provisions of RKC, with a view of acceding to the RKC when it comes into force. Singapore Customs is also studying the Data Model V1.1 against its own data elements for customs and trade documentation. Initial findings show that the WCO Data Set is very different from the data sets required by Singapore as Singapore adopts a single-window concept. The government states that it will be examining the WCO Data Model V2.0 closely when it is released in 2005.
88. Singapore adopted the HS Nomenclature for classification of goods in 1989 and has applied the HS 2002 vision of Harmonized System to its tariff nomenclature since 2002. The ASEAN Harmonized Tariff Nomenclature (AHTN) has been implemented since 2003 to promote consistency, predictability and uniform interpretation in the classification of goods among the ASEAN members.
89. Singapore has fully implemented the border enforcement aspects of the TRIPS Agreement since 1999. In 2000, the WTO TRIPS Council reviewed Singapore's TRIPS regime and found that it was in compliance with TRIPS..
90. Singapore Customs adopts risk management in the core functional areas and processes, such as cargo clearance and passenger clearance. Risk management concept has been recently extended to trade processes. Singapore Customs constantly refines its risk management approach, with a view of better utilization of existing resources. Risk Management workshops and courses are also arranged to familiarize officers on the risk management process.
91. With regard to passengers in transit, regular spot checks are conducted daily by the Airport Police and appropriate action will be taken against those who pose a security concern. In addition, foreign liaison officers from some economies, including the US, are stationed in the transit areas to check the travel documents of passengers who are flying to these economies. If transit passengers are found with fraudulent travel documents, either by officers from Airport Police or the foreign liaison officers, the airlines that the transit passengers came in on will be requested to fly them back to their last port of embarkation. In addition to the daily regular spot checks on transit passengers, the Immigration and Checkpoints Authority will be participating in the APEC-funded Advance Passenger Information (API) feasibility study and will review if there is a need to require airlines to send advance information on transit passengers to Singapore so that risk profiling can be conducted on the passengers.
92. Shipping lines have to declare relevant information on their containers, including

transshipment and transit containers, to the port operator through the PortNet system to ensure proper handling of their containers. Information such as containers size, ports of loading and discharge, and vessel names, etc., are captured in the PortNet system. Such information could be utilized by Singapore Customs, if required.

93. In respect of Customs-Business Partnership, Singapore has established official liaison channels with trade to foster a better partnership between Customs and the business sector. Singapore also provided technical assistance to other member economies in developing Customs-Business partnership programmes, such as Advance Clearance for Courier and Express Shipments (ACCESS), dialogue sessions with trade. Singapore Customs will continue to explore ways to develop partnership programmes with traders.

3.7 Intellectual Property Rights

94. Singapore has in place a strong and effective Intellectual Property Rights (IPR) protection regime, which complies with the requirements of the TRIPS Agreement. IPR protection in Singapore has been conducted by a combination of strict laws, enforcement and public education. The authorities, the industry and the public share the responsibility in this area.
95. Singapore attaches great importance to the IPR education and has launched a number of initiatives to make the public aware of the adverse effects of piracy and promote respect for intellectual property rights. The IP Education Committee was formed in 1998; IP education was introduced to secondary school and a national-wide anti-piracy campaign was launched in 1999; the Registry of Trade Marks and Patents was restructured to form the Intellectual Property Office of Singapore (IPOS) in 1999 and the IPOS Act was enacted to establish an office to manage matters relating to IPR in 2001; the IP academy was established in 2003, aimed at the enhancement of IP capabilities by undertaking education and training for IP professionals, businesses and research organizations in Singapore and the region; a series of seminars and exhibition concerning IP rights were also organized . Thus all measures adopted have played an effective and positive role in creating a sound environment for IPR and enhance Singapore's international reputation.
96. IPR enforcement in Singapore is relied on a cooperative approach between the authorities and the rights holders, as well as *ex-officio* action. The High Court, the Registrar of Patents, the Registrar of Trade Marks and the Registrar of Designs have jurisdiction over matters arising under the Patents Act, the Trade Marks Act, Geographical Indications Act, Layout Designs of Integrated Circuits Act, Copyright Act, 1987 (Cap. 63), and the Registered Designs Act, 2000 (Cap. 266), the last replacing the UK Design (Protection) Act. Appeals on High Court

decisions may be referred to the Court of Appeal.

97. Civil remedies include injunctions to stop infringement. Damages may include recovery of profits and expenses or the destruction of infringing goods. The courts may also order additional damages if appropriate. Penalties for copyright offences range from a fine of S\$10,000 per infringing article, up to a maximum of S\$100,000 and/or imprisonment for up to five years. Penalties for counterfeiting of trademarks can be up to S\$100,000 and/or imprisonment for up to five years. From 2000 to 2003, there were a total of 616 arrests made under the Copyright Act and the Trade Marks Act, and where there has been successful prosecution, the courts have imposed an average minimum imprisonment sentence of four months, with the maximum imprisonment sentence so far at 84 months.
98. The Intellectual Property Rights Branch of the Police (IPRB) was established to deal exclusively with IPR offences. The strength of the IPRB has been increased from four to 24 currently; the unit has been re-organized to a specialized branch of the Police under the Criminal Investigations Department. The value of infringing articles seized under the Copyright and Trade mark Acts was some S\$33 million in 2003, with 163 arrests. Including the statistics recorded under the Film Act for 2002, the combined figure for the Copyright, Trademark and Film Acts for 2002 was some S\$38 million, with 1,755 arrests. Most of the copyright infringement cases are handled by the IPRB and syndicated cases are given the highest priority. To date, there has not been a reported case before a Singapore Court brought under the Geographical Indications Act.
99. The law in Singapore is adequate in providing Copyright owners in Singapore a course of action to stop any infringing activity or order the seizure of infringing material. The right owner may also apply to the court for a fiat and proceed to commence a private criminal prosecution. Besides bringing an action, there are also ongoing efforts made by the IPOS to raise awareness of the importance of IP protection as well as providing information and outreach programs about Copyright laws and the rights of copyright owners. Singapore intends to increase the term of protection for copyrights by 20 years to the life of the author plus 70 years.
100. Singapore has acceded to the 1991 UPOV Convention in July 2004, and will be amending the law shortly to comply with the provisions of the WIPO Copyright and WIPO Performers and Phonograms Treaty with a view to accession. Such information should be updated and reflected in its IAP 2004.

3.8 Competition Policy

101. Singapore has opened up many sectors of the economy at an early stage, and hence adopted a sector-specific approach to deal with competition issues as they arise in the economy instead of a comprehensive competition law. Recently, its

competition policy framework is undergoing a historical change. The government recognizes that there is a need to have a framework in place. As a result of the recommendations of the Economic Review Committee, Singapore is currently in the process of enacting a national competition law to create a pro-competition business environment. Singapore is now at the right stage of development to introduce a national competition law for a variety of reasons, not only to deal with cross-sector issues. Singapore's move to enact a comprehensive competition law has drawn the member economies' high attention, since it has the potential to ensure a level playing field for business in Singapore.

102. The first phase public consultations were completed and the comments from the public are being reviewed. The draft Bill will be revised for second public consultations on the substantive areas of concern, which is scheduled for July/August. The plan is to table the Competition Bill in Parliament in the last quarter of 2004, and enact a generic competition law by 2005. This law, adapted from international best practices, may be cited as the Competition Bill, which comprises of five parts. The Act is taking into account the following key elements:

- differences in the various sectors, in terms of their industry structure and stage of market development. It will not burden businesses with unnecessary regulatory costs.
- factoring the APEC Principles to Enhance Competition and Regulatory Reform into the policy framework underlying the draft Competition. Regulated activities currently subjected to sectoral competition regulation will be excluded from the generic competition law.
- certain regulated activities in the telecommunication, energy and media sectors will be excluded from the ambit of the competition law and will continue to be regulated by their sectoral regulators
- the sectoral competition frameworks will provide for provisions that deal with horizontal restraints. There will be a complementary provision in the generic competition law to be enacted.
- The sectoral regulatory frameworks have provisions to address conduct amounting to abuse of a dominant position. The proposed competition law also has a section prohibiting such conduct.
- vertical agreements (including resale price maintenance and exclusive dealings) will be excluded from the scope of the proposed law as in general, vertical agreements are now acknowledged to have more pro-competitive than anti-competitive effects.

more information is available at:

http://www.mti.gov.sg/public/PDF/CMT/frm_LEG_Competition_Consultation_Paper_AnnexB.pdf

103. Since 1996, Singapore has continued with its efforts to review and introduce

competition through privatization, corporatization and deregulation. Areas include telecommunication, port services, financial services, and electricity generation and supply. Following a comprehensive review of the electricity industry, the government in 2000 pressed on with further deregulation of the electricity industry. The key restructuring initiatives that were implemented include the separation of the contestable and non-contestable parts, the establishment of an independent system operator under the Public Utilities Board (PUB), and the liberalization of the retail market. In 2001, PUB was restructured into a comprehensive water authority under the Ministry of Environment. A new statutory body, the Energy Market Authority of Singapore under the Ministry of Trade and Industry, was established to regulate the electricity and gas industries. Telecommunication market was fully liberalized in 2000, two years ahead of the plan. Aside from the sections of General Policy and Measures to Deal with Vertical Restraints, the latest IAP does not provide any information regarding other eight sections in area of competition policy. The related information, if has, should be added to the IAP.

3.9 Government Procurement

104. Singapore is a signatory to the Plurilateral WTO Agreement on Government Procurement (GPA). The Government Procurement Act was enacted in 2002. Singapore's government procurement regime has been consistent with the APEC Non-Binding Principles, including transparency, value for money, open and effective competition, fair dealing, accountability and due process and non-discrimination. The government has completed the voluntary review of government procurement procedures over the years. One major review is in the use of e-procurement for government procurement to enhance the transparency of the government procurement regime.
105. The tender notices, schedules and awards are published through the Government Electronic Business System (GEBIZ), an internet-based website, which is designed to encourage levels of competition among suppliers by providing a predictable bidding environment through the use of a single platform for suppliers to source for, and submit their proposals, tenders and quotations, and to make the government procurement market as accessible as possible to suppliers, including SMEs and partners of all sizes. Suppliers are now able to do online tendering on the GEBIZ with effect from July 2003. The suppliers can also obtain information on the bids received after the tender closed.
106. Singapore has benchmarked the subscription fee against fees collected by other e-procurement portals offering similar services across the world. SMEs are given the assurance that the government will operate GeBIZ as cost effectively as possible. More information with respect to benefits offered by GEBIZ can be found in the questionnaires.

107. The Government Procurement Adjudication Tribunal was established in 1998 in the Ministry of Finance under the Government Procurement Act to handle complaints of non-compliance with the GPA. Complaints can also be directed to the Ministry of Finance. So far there are no any complains received.

3.10 Deregulation/Regulatory Review and Reform

108. Singapore believes in the discipline of market forces and adopts a hands-off approach to economic management. Since the early 1990s Singapore has launched a number of programmes to corporatize and privatize the provision of major public services, including electricity, gas, telecommunications, local transport, broadcasting and postal services. This approach has served Singapore well in meeting the challenges of more global economy.

109. In 2003, Temasek Holdings, the government's investment holding company, fully or partially divested its stakes in a number of companies. For example, SingTel has divested 69% of its wholly-owned subsidiary, SingPost, through an Initial Public Offering. Other divestment activities undertaken by Temasek include the sale of CPG Corp to Downer EDI Ltd (a company based in Australia) in April 2003, as well as Temasek's remaining stake in 98 Holdings which was divested in October 2003. More recently in January 2004, Temasek completed a **\$2.1** billion placement of SingTel related securities, which would dilute its holdings in SingTel by up to 5%.

110. Singapore has adopted a holistic approach to its review of rules and regulations. The Cut Red Tape movement showcases this approach, aiming to eliminate red tape and increase convenience to businesses and the general public as much as possible. It consists of 4 initiatives, namely Rules Review Panel (RRP), Pro-Enterprise Panel (PEP), Public Officers Working on Eliminating Red Tape (POWER) and Zero-In Process (ZIP). Over the past year, the RRP reviewed 2912 rules, 23% of the total; 373 were removed and 721 were updated. By the end of FY2005, public agencies will have reviewed all their existing rules, removed outdated ones and streamlined the rest, with the plan to review all rules regularly on a rolling five-year cycle.

111. PEP addresses business rules through online feedback mechanisms and feedback sessions with business groups. POWER invites public officers to feedback on internal red tape through online feedback mechanisms and *ad hoc* sessions. ZIP tackles non-business rules surfaced by the public and rules involving more than one government agency. These reviews are currently in progress, and depending on their respective outcomes, future follow-up reviews may be conducted. The importance of these reviews is to institute an ongoing and systematic evaluation

and improvement to the way the government works.

112. Training courses such as the Cut Red Tape workshops have been developed to sensitize public officers on the need to have the private sector's perspective when setting new rules and regulations as well as reviewing of current rules. Informal dialogue sessions like the Blue sky Evenings also provide an opportunity for public officers to mingle with the private entrepreneurs to have a better understanding of the concerns faced by the businesses. Public sector publications and forums such as the Challenge Magazine and Rules Review Forum also serve as conduits to disseminate principles, best practices and success stories that will help to promote a pro-business mindset within the public service.

3.11 Implementation of WTO Obligations (including Rules of Origin)

113. Singapore has completed the implementation of all its WTO commitments and has been actively engaged in the work programme under the Doha Development Agenda which aims to bring about further trade liberalization. Singapore's efforts in implementing the WTO commitments have been commended and set a role model for other WTO members.
114. As for Rules of Origin, Singapore had already complied with the disciplines set up in Article 11 of the WTO Agreement on Rules of Origin, and applies a general rule of 25% of local content, based on the ex-factory price of the finished product.

3.12 Dispute Mediation

115. Singapore undertakes the WTO dispute settlement procedures to settle trade disputes between governments, and has worked successfully to reach agreements with trading partners over differing issues. Under the bilateral investment guarantee agreements and other co-operative Memorandums of Understanding, there are general provisions for settling disputes through bilateral consultations, arbitration and/or mediation. Singapore is also a signatory to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention), and a signatory to the International Convention on the Settlement of Investment Disputes between States and Nationals of Other States (ICSID). The government states that these internationally accepted procedures and norms have served Singapore adequately.
116. Singapore has instituted several channels to settle disputes between private parties. Singapore Mediation Centre (SMC) provides mediation and other alternative dispute resolution services; Singapore Information Technology

Dispute Resolution Advisory Committee SITDRAC) under the SMC provides expert knowledge of the industry for the dispute settlement; the Advisory Committee on Construction Mediation (ACCOM) as well as the Travel Service Bureau provide mediation services for each industry respectively; the Singapore International Arbitration Centre (SIAC) provides all round services related to arbitration and conciliation. The Electronic Filing System (EFS) allows for the use of electronic documents for the hearing of appeals.

117. Furthermore, in May 2003, the SIAC launched its Regional Panel, which includes arbitration experts from the ASEAN region, instead of the previous Local Panel. In May 2004, an amendment to the Legal Profession Act was also introduced to allow foreign lawyers to appear in arbitration proceedings concerning Singapore law issues without being required to engage local counsel. These improvements in legal services market have not reflected in the IAP yet.

3.13 Mobility of Business People

118. As stated in the IAP, Singapore has a very liberal policy towards investors and bona fide businessmen. This makes Singapore one of the most open economies for the movement of business people.

119. For short-term business entry, visa information and application forms are available on the internet; visa processing time for APEC business persons have been reduced from 14 working days to 3 working days. For temporary entry, business persons can download application forms for extension of stay from the Immigration & Checkpoints Authority (ICA) website; employers and companies can submit their intra-corporate transferees' Employment Pass (EP) applications including renewals, through a web-based service, EP Online.

120. In respect of professional service and travel document examination, some actions Singapore has taken and future plans are summarized as follows:

- A Code of Conduct has been established to incorporate ethical and integrity issues as well as professional conduct matters.
- An Internal Audit Branch in ICA has been formed to audit the procedures and practices.
- A Culture Audit was recently done to identify gaps and areas which may need improvement.
- To raise ICA officers' awareness on the importance of integrity, an anti-corruption video was produced to drive home.
- ICA deploys some advanced document verification equipment, such as QDX-430 and EDISON, at the checkpoints to assist officers in detecting forged and altered documents.
- The Identity Authentication & Document Analysis (IADA) Branch was established in 2003 to examine forgery trends and techniques as well as in

charge of training ICA officers. In February 2004, a two-and-a-half-day travel document forgery detection course was conducted for participants from some ASEAN economies. As feedback from the participants was positive, more training courses are being planned for ASEAN economies.

- Under the APEC Technical & Assistance Project, immigration officials from Australia, Hong Kong (China) and USA have provided forgery detection training to ICA officers.

121. Singapore has decided to join the APEC business Travel Card Scheme (ABTC) and is currently working out the details of its implementation by mid-2005. Other economies applaud Singapore's recent decision to speed up the entry process and enhance the mobility of business people.

4.0 Conclusions

122. Singapore is a heavily external trade-dependent economy, with the world's highest ratio of trade to GDP. As a result, Singapore has pursued an "open door" policy and "three-pronged trade strategy": multilateral, regional and bilateral. Currently, 99.9% of the tariff lines entering Singapore have been duty-free, with only 6 lines of alcoholic products subject to import duties, which will be removed by 2010. Under the free trade agreement schemes, products subject to MFN tariffs enjoy duty-free entry into Singapore.
123. Singapore has a relatively liberal investment regime, to which its economic wealth and well-being owe much. Foreign direct investment (FDI) since 1996 has accounted for around 80% of total investment commitments in the manufacturing sector, thus contributing a great deal to the economic development and the employment.
124. Singapore is a firm supporter and participant of the multilateral trading system under the GATT and the WTO. It was one of the first developing members of the WTO to declare that it is not avail itself of the paragraph 6 solution in TRIPS, except in situations of national emergency or other circumstances of extreme urgency, and has been active in the negotiations on non-agricultural market access, anti-dumping, trade facilitation and services. The WTO and the Doha Development Agenda remain its top priority in international trade and it has been working closely with other members in the Doha Round of negotiations for a successful conclusion.
125. Recognizing that FTA can accelerate the momentum of trade liberalization and strengthen the multilateral trading system, Singapore, as a city-country with the extensive restraints of factor endowment and hinterland market size, has been recently pursuing a positive FTAs strategy to broaden and deepen its economic links with the rest of the world. Since 2000, when the first bilateral free trade

agreement was signed with New Zealand, Singapore has concluded 6 bilateral FTAs, and is currently negotiating other 5 FTAs as well as actively seeking out potential FTA partners globally.

126. Notwithstanding Singapore has made further improvements in market access and it is ranked as the world's second freest economy according to the 2004 Index of Economic Freedom, restrictions still remain in certain areas, especially in services sector, such as legal service and broadcasting service, as well as some sectors which are considered strategic such as power distribution and security sectors.
127. In general, as a consequence of the review of all sectors of the IAP, Singapore should be congratulated for its considerable achievements since 1996 towards the Bogor goals. Singapore is a model APEC citizen in implementation of its undertakings under the IAP and CAP, setting an example for other APEC members to achieve the Bogor goals by the agreed deadlines, since Singapore has committed to meet the developed members' deadline by 2010 rather than 2020.

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Annex 1

Review Team

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Annex 2

Singapore's Responses to Written Questions and Comments by Member Economies and Expert

General

NEW ZEALAND

New Zealand appreciates Singapore's active promotion of APEC Bogor goals and commitment to trade liberalization and facilitation. In this respect, we were delighted to make progress on some of APEC's goals by negotiating a comprehensive closer economic partnership (CEP) with Singapore in 2000.

New Zealand also places considerable value on our cooperation with Singapore in regional and international trade organizations such as APEC and the WTO and Singapore's support of the AFTA/CER CEP process.

Singapore thanks New Zealand for its comments.

Q1. Trade Facilitation: We wish to congratulate Singapore on being one of the first countries to implement the Container Security Initiative. Noting that Singapore is a vital regional transportation hub, we would be interested to learn more about Singapore's experience implementing this initiative and how it ensures that commerce can continue to flow through its ports efficiently?

Tracking and physical inspection of the selected containers are carried out at the customs checkpoints. Prior to the CSI implementation in Singapore on 17 March 2003, dialogue sessions with major shippers and shipping lines in Singapore have been held to explain the rationale behind Singapore's participation in the CSI and to seek their cooperation. To date, the implementation of the CSI has been successful. No major problems have been faced and no negative feedback has been received from the port operators or shippers.

INDEPENDENT EXPERT

Q2. Please comment on recent economic developments in Singapore, including relevant statistics, and describe major recent policy initiatives being implemented and planned to promote economic activities

The Singapore economy has continued to liberalise and improve its competitiveness. The economy expanded by an average of 3.2% p.a. from 1992-2002, and grew 1.1% in 2003 despite

difficult conditions in the first half of the year occasioned by the war in Iraq and the SARS outbreak. The government expects the economy to grow by 3.5-5.5%. These expectations have been supported by growth in the first quarter of 2004, which registered a strong 7.5%, up from 4.9% in the previous quarter. Growth momentum (on an annualised quarter-on-quarter basis) was maintained at 11 per cent, similar to that a quarter earlier. All major sectors saw an improvement in year-on-year growth when compared with the previous quarter, led by manufacturing and wholesale and retail trade. Singapore continues to be one of the world's top destinations for foreign direct investments (FDI), with inward FDI stock of S\$235 billion in 2002. Its stock of outward FDI amounted to S\$146 billion in 2002, with significant investments in all of the ASEAN countries and in Australia, China and India.

Q3. Please advise what have been the major economic challenges and opportunities facing Singapore in the process of trade and investment liberalization as well as economic globalization and regionalization, and what is a new economic orientation of Singapore in the region under the prevailing circumstances.

The Singapore economy fundamentally faces two challenges going forward into the 21st century. The first is how to respond to the prospect of accelerating globalisation. The second is to mitigate increased vulnerability of the Singapore economy as a consequence of it being more closely intermeshed and linked to the world. (Please refer to Annex A for the "Opening Statement by Head of Delegation, Mr Heng Swee Keat, Permanent Secretary, Ministry of Trade and Industry" at Singapore's 4th Trade Policy Review, Geneva, 14-16 June 2004 .)

In view of these challenges, Singapore's economic strategy was comprehensively reviewed by the Economic Review Committee (ERC) set up in 2001, and chaired by the Deputy Prime Minister. The Committee's work, lasting 14 months, involved more than a thousand people from the private sector, unions, government and other stakeholders. The government intends to carry out major structural reforms as recommended by the ERC. These reforms are aimed at addressing the immediate problem of competitiveness as well as the longer run challenge of moving into high-value added industries. Some of these reforms include wage reform to introduce greater competitiveness and flexibility to the wage system and workforce restructuring to enhance the employability of the local workforce and the competitiveness of industries. Singapore will also continue to pursue simultaneous efforts in liberalising trade at the multilateral, regional and bilateral forums. Domestically, Singapore will continue to promote a pro-business environment, by reducing red-tape, as well as growing key manufacturing clusters like the chemicals, electronics, engineering and biomedical sciences sectors. Similarly, Singapore has embarked on autonomous liberalisation of the services sector to ensure global competitiveness, and encourage the emergence of strong domestic sector.

The government remains committed to the successful policies that have delivered sustained economic growth, low inflation, and a stable currency for more than 40 years. Going forward, the government's strategy is to create a competitive economy that is globalised, entrepreneurial and diversified.

Q4. Please describe the impacts of accidents, such as the outbreaks of SARS and bird flu, on the economy, and what are the major lessons of dealing with these.

Singapore's economic growth in the first half of 2003 was dampened by the outbreak of SARS. This affected particularly the tourism sector, which saw a 19% drop in visitor arrivals as compared to the previous year. It in turn had a negative impact on related sectors like the hotel and restaurant sector, which shrank by 12%, and the transport and communications sector, which contracted by 2%. However, the efforts of the Singapore government and people in combating SARS have been successful. Today, visitor arrivals are back to pre-SARS levels. The impact of the bird flu on the economy has been largely limited, being confined to the poultry industry. The government has developed a series of comprehensive measures to address the impact of SARS on public health and hygiene, tourism and employment.

Singapore's key lessons from SARS are:

- (a) A vigorous and comprehensive response by government is necessary. This is most effective when citizens are equally committed and dedicated to the cause.
- (b) It is necessary to have in place a system of surveillance and containment which can effectively detect, prevent and isolate future outbreaks of infectious diseases. This system has to work both within the community, within hospitals, and also ensure the import/export of infectious cases at Singapore's borders.
- (c) Regional cooperation is necessary. The ASEAN+3 Ministers of Health Special Meeting, and the ASEAN+China Leaders Meeting on SARS in Bangkok during Apr 03 were important in generating a coordinated regional response to restore confidence in travel in the region.

Q5. Please summarize Singapore's progress in meeting the Osaka Action Agenda (OAA) objectives and the Bogor goals since 1996. Please advise what have been concrete action plans to fully achieve the Bogor goals by 2010.

Singapore has substantively met the OAA objectives and the Bogor goals. Some areas of concrete action include:

Energy Services: Singapore is liberalising the electricity retail market and also restructuring the gas industry to enhance efficiency through creating competition in contestable sectors, while ensuring reliability and security of supplies. 7.

Financial services: Singapore further liberalised the banking industry. From 1 January 2005, Qualifying Full Banks (QFBs) will be permitted to establish up to 25 service locations from the existing 15. The 25 locations can either be branches or offsite ATM locations. If the QFBs share ATMs amongst themselves, they would have a network of about 150 ATMs across Singapore. This provides QFBs with significant scope for expanding their presence in the domestic market.

Trade and Investment Promotion: Singapore continues to promote free trade agreements with other key trading partners, in order to catalyse the APEC goal of free and open trade and investment, and also as building blocks towards realising global trade and investment

liberalisation under the WTO.

Q6. Please provide information on the Regional Trade Agreements (RTAs) and Free Trade Agreements (FTAs) that Singapore has concluded and that are still under negotiation, as well as additional information on Singapore's strategy towards the development of RTAs/FTAs and your priorities of possible partners in this process.

Singapore is a highly trade-dependent economy, with the world's highest trade to GDP ratio at 3:1. Singapore relies heavily on imports as the major source of food, energy and industrial raw materials. Singapore's small domestic market also means that industries in Singapore rely on overseas export markets to absorb their outputs. International trade has historically been and will continue to be an important source of economic wealth and well-being for the country. The multilateral trading system under the GATT and now the WTO has served Singapore well. It has provided a rules-based trading environment that is open, fair and transparent. Singapore fully supports a free, open and fair trading environment. The Singapore economy is free and open with practically no barriers to the free flow of goods in and out of Singapore.

While Singapore is an unequivocal supporter of the WTO, Singapore also strongly believes that trade efforts undertaken in regional fora such as APEC, ASEM and ASEAN, as well as under bilateral Free Trade Agreements (FTAs) can accelerate the momentum of trade liberalisation and strengthen the multilateral trading system. As legally binding arrangements between willing member countries, FTA enhances trade and investment flows by providing lower tariffs, hassle-free custom procedures, improved market access for various commercial and professional services, easier mobility for businessmen, better terms for investment in foreign countries etc. It sets a framework for businesses to grow and expand globally, which in turn will generate more employment opportunities for Singaporeans.

Thus, since 2000, Singapore has signed bilateral free-trade agreements with New Zealand (14 November 2000, effective 1 January 2001), Japan (13 January 2002, effective 30 November 2002), the European Free Trade Association (EFTA) (26 June 2002, effective 1 January 2003)¹, Australia (17 February 2003, effective 28 July 2003), and the United States (6 May 2003, effective 1 January 2004). In addition to improving market access for goods and services, negotiations also cover investment, intellectual property rights, and other trade-related issues such as competition policy. (Please see Table 1 on the sectors included in the various FTA that have been concluded.)

Table 1

Elements of Singapore's bilateral free-trade agreements

Agreement/ Sector	ANZSCEP	JSEPA	ESFTA	SAFTA	USSFTA
	Agreement between	Agreement between	Agreement between	Agreement between	Agreement

¹ The members of the EFTA are: Iceland, Liechtenstein, Norway, and Switzerland.

Agreement/ Sector	ANZSCEP	JSEPA	ESFTA	SAFTA	USSFTA
	Singapore and New Zealand on a Closer Economic Partnership, in force since January 2001. To be reviewed biannually.	Singapore and Japan for a New-Age Economic Partnership (JSEPA) in force since November 2002. To be reviewed annually	Singapore and EFTA States in force in January 2003. To be reviewed biannually.	Singapore and Australia in force since July 2003. To be reviewed annually.	between Singapore and the United States in force since January 2004. To be reviewed annually.
Goods	Elimination of customs duties on date of entry into force.	Singapore eliminated all remaining customs duties on imports from Japan on date of entry into force. For most exports to Japan, tariff elimination is immediate. For the rest, tariff elimination is phased over a 3 ½ to 8-year period.	Elimination of duties on industrial goods from date of entry into force. Liberalization of duties on agricultural goods based on agreements concluded with each EFTA state; duties on processed agricultural and fish products to be liberalized on basis of positive lists with each EFTA state.	Elimination of customs duties on date of entry into force.	Singapore eliminated all remaining customs duties on imports from the United States on date of entry into force. For most exports to the United States, tariff elimination is immediate, although there is also a transition period of 3 to 10 years for some exports.
Services	Based on a positive list and to be reviewed with the goal of free trade in services by 2010. Preferential treatment also extended to non-parties engaged in "substantive business operations" in either of the parties. Singapore's commitments	Based on a positive list and preferential treatment also extended to non-parties engaged in "substantive business operations" in either of the parties. Singapore's commitments beyond GATS includes sectors like professional services, telecommunications	Based on a positive list and to be reviewed with the goal of eliminating substantially all remaining restrictions in services covered at the end of the the ten years. Singapore's- commitments beyond GATS. includes sectors like professional	Based on a negative list; exceptions to market access and national treatment listed in annexes. Preferential treatment also extended to non-parties engaged in "substantive business operations" in either of the parties. Singapore's commitments beyond GATS	Based on a negative list approach with exceptions to market access and national treatment listed in annexes. Singapore's commitments beyond the GATS includes sectors like professional services, telecommunications, financial

Agreement/ Sector	ANZSCEP	JSEPA	ESFTA	SAFTA	USSFTA
	beyond GATS includes sectors like professional services, telecommunications, financial services, business services and transport services.	, financial services, business services and transport services.	services, telecommunications, financial services, business services and transport services.	includes sectors like professional services, telecommunications, financial services, business services and transport services.	services, business services and transport services.
Contingency measures	No right to take safeguard measures against each others' imports; anti-dumping provisions are stricter than those applied under GATT Article VI.	May take emergency measures against each others' imports but only during the 10-year transition period; anti-dumping measures may be taken in accordance with GATT Article VI.	May take emergency measures against each others' imports but not anti-dumping measures.	No right to take safeguard measures against each others' imports; anti-dumping provisions are stricter than those applied under GATT Article VI.	Safeguard measures may be taken during the ten-year transition period; anti-dumping measures may be taken in accordance with GATT Article VI
Intellectual Property Rights	WTO TRIPS Agreement provisions to apply.	WTO TRIPS Agreement provisions to apply. Cooperation on IPR matters, including through a Joint Committee.	WTO TRIPS Agreement provisions to apply.	WTO TRIPS Agreement provisions to apply. Cooperation <i>inter alia</i> on enforcement and education.	Singapore to accede to international conventions including WIPO Copyright Treaty, WIPO Performances and Phonographs Treaty, and UPOV. TRIPS plus provisions include <i>inter alia</i> extending copyright protection to life of author plus 70 years, measures against the circumvention of

Agreement/ Sector	ANZSCEP	JSEPA	ESFTA	SAFTA	USSFTA
					technologies that protect copyright works, protection of well-known marks, term extension for unreasonable curtailment of patent term for pharmaceutical products due to delays in marketing approval process.
Competition	Commitment to creating and maintaining open and competitive markets; endeavouring to implement the APEC Principles to Enhance Competition and Regulatory reform. Parties also agreed to consult with each other in the development of any new competition measures.	Cooperation on controlling anti-competitive practices including the exchange of information on such practices	Cooperation through consultations on eliminating anti-competitive business practices.	Commitment to promoting competition by addressing anti-competitive practices including through consultation and review. Within six months of a generic competition law being enacted by Singapore, a review of the competition provisions of the FTA to be conducted.	Commits Singapore to enacting generic competition legislation by 2005.
Investment	Apply to all goods and those services listed in the parties' schedules.	Apply to all goods and those services listed in the parties' schedules. Performance requirements are prohibited.	Provisions on investment do not apply to measure affecting trade in services and to investors investing in services (subject to a review after ten years).	Apply to all goods and services (except where reservations have been listed by the parties).	Based on a negative list for goods and services except those scheduled and contains detailed investor-state dispute settlement provisions.

Agreement/ Sector	ANZSCEP	JSEPA	ESFTA	SAFTA	USSFTA
					Performance requirements are prohibited.
Government procurement	Single market between the two parties for procurement valued at over SDR 50,000.	Provisions of the WTO Agreement on Government Procurement (GPA) apply. Procurement threshold of SDR 100,000.	Provisions of the WTO GPA apply.	Single market between the two parties.	Preferences for thresholds up to S\$ 102,710 for goods and services for Ministries (S\$ 910,000 for statutory boards), and S\$ 11,376,000 for construction services for ministries and statutory boards.
Others					Provisions on labour and environment.

Singapore has also recently concluded an agreement with Jordan, and is currently actively negotiating several other FTAs with Canada, Korea, India, and Panama and a trilateral agreement spanning the Asia-Pacific with New Zealand and Chile, named the Pacific 3. Singapore continues to be active in seeking out potential FTA partners globally in order to expand the networks of business and commerce, and also give added impetus to the larger goal of global trade liberalisation espoused by the WTO. In the near future, negotiations with Bahrain, China, and Pakistan are likely to commence.

For further information on Singapore FTAs, including texts and media releases, please refer to www.fta.gov.sg

Q7. Please advise what have been the costs and benefits resulted from RTAs and FTAs that Singapore has implemented? Please illustrate with such examples as sectors or groups.

The immediate benefits of the FTA network are the tariff concessions in goods. In the first year of coming into effect of the ANZSCEP, bilateral trade between the two countries increased by 7.7%. In the following year in 2002, bilateral trade rose by another 4.5% to S\$1.09 billion. In its third year in 2003, bilateral trade grew by 26.5% to a healthy S\$1.3 billion, with domestic exports jumping by a phenomenal 50.9% to S\$591 million. This demonstrates that the ANZSCEP has created increased awareness amongst businesses in the two countries. Similar trends are also seen in JSEPA, which saw domestic exports to Japan picking up by a robust 10% to S\$10.6 billion

in the first year of its coming into force. The same robust growth was also seen in Singapore bilateral FTA with the European Free Trade Area (EFTA), where domestic exports to the EFTA states grew by nearly 20% to S\$486 million, compared to 2002.

The long-term benefits will be felt by consumers, workers and companies in Singapore and its FTA partners. As more overseas service suppliers set up operations in Singapore and vice-versa, consumers in Singapore and its FTA partners will enjoy greater choice in services. FTAs empower Singapore and its FTA partners to become competitive investment and export destinations, which in the long run, will help create more jobs and bring about economic growth.

Furthermore, cost savings arise from mutual tariff reductions, and trade is also facilitated through avoidance of duplicative testing from mutual recognition agreements, customs cooperation measures and removal of onerous regulations. Nevertheless, some short-term adjustment costs may arise. For example, some sectors of the economy, such as the financial sector, will face fiercer competition with greater liberalisation.

Q8. Please outline achievements in the implementation of the APEC Trade Facilitation Principles and Trade Facilitation Menu of Actions and Measures. What have been their benefits and beneficiaries? How far has Singapore advanced towards the Shanghai Accord (2001) objectives, lowering the international transaction cost between APEC economies by 5% over next 5 years? Does Singapore conduct any quantitative research and analysis? If so, please provide some details of cost reduced through taking the trade facilitation measures

One of Singapore's major achievements in trade facilitation has been the implementation of TradeNet. This system allows for Business to Government (B2G) and Government to Government (G2G) electronic interface for clearance and approvals of all trade documentation through a single window. Its introduction in 1989 has resulted in estimated savings of approximately 4-10% of then-total trade of about US\$114 billion, based on the percentage of total costs comprising documentation costs.

The systems form the base for 'paperless trading' which Singapore is also actively promoting in APEC. A related system allows for the submission and approval of the Electronic Certificates of Origin (ECO), an APEC Pathfinder initiative which Singapore is promoting in APEC. Singapore estimates that the implementation of the ECO system will result in yearly savings of S\$2.96 million for the Singapore trading community. Singapore also expects similar benefits for other economies which participate in the Pathfinder and complete the implementation of the ECO system.

Q9. With regard to the transparency provisions embodied in the menu of options and principles adopted by APEC, what actions have been taken and are being planned?

Transparency is operational or included in all of the IAP areas. They include the updating of information in APEC databases and the provision of contact points, as well as website addresses for respective IAP disciplines. To date, some of Singapore's efforts under various areas of the IAP include:

- a) Tariffs: Singapore has been updating the tariff data in the APEC Tariff Database on an annual basis.
- b) Services: The provision, under each service area, of appropriate contact points, and when applicable, internet website addresses.
- c) Investment: The regulatory investment environment is based on clarity, fair competition and sound business practice. For example, business licence applications, if required, including procedures, information on standards, technical regulations and conformity requirements are available online with respective organisations.
- d) Standards and Conformance: SPRING Singapore, the standards and conformance authority, has established a process for disseminating standards development information through the internet and also a bimonthly publication entitled "Standardisation Connection". Public access to the Standards Catalogue for purchase of standards and information on conformity assessment procedures is also available at the SPRING website.
- e) Customs Procedures: A new Singapore Customs homepage was launched on 1 Apr 03. In addition, a new Strategic Goods Control website was launched to inform the public about the new enhanced system to regulate trade in strategic goods and technology, with effect from 1 Jan 03.
- f) Government Procurement: Tender notices, schedules and awards are published in Government Electronic Business (GEBIZ), and can be accessed by suppliers and other interested parties. With effect from July 03, suppliers are also able to do online tendering in GEBIZ.

(Further details on Singapore's transparency efforts can be found under respective chapters of the IAP.)

Q10. As one of the most liberal economic regimes in the world, Singapore has actively implemented the WTO obligations and provides its longstanding support of the WTO and the multilateral system. What is Singapore's further contribution to the new round of WTO negotiations?

Singapore has always been a firm supporter and believer of the multilateral trading system. Singapore had worked actively with other WTO members to launch the Doha Round of negotiations and will continue to do so to ensure its successful conclusion. Singapore often plays an interlocutor role to better understand the issues and concerns of economies. As a result, Singapore has been able to help to bridge differences amongst WTO members. For example, Singapore's Minister for Trade and Industry George Yeo has been chairing discussions on agriculture issues during the DDA as well as post DDA WTO Ministerial meetings on agriculture.

Chapter 1 – Tariffs

HONG KONG, CHINA

We commend Singapore's implementation of the plan to increase binding coverage from 85% to

100% between 2001 and 2005 and welcome its planned improvements to reduce all bound tariffs to zero between 2005 and 2010. This will make significant contributions to achieving the Bogor goals. In this regard, Singapore has set itself a good example for other APEC member economies

NEW ZEALAND

New Zealand commends Singapore for putting in place a programme to bind all of its tariffs at zero by 2010.

UNITED STATES

Welcome indication that Singapore will bind 100% of its tariff lines by 2010 and eliminate duties on remaining 4 tariff lines by 2010. Also welcome that these will be done by developed country deadline.

INDEPENDENT EXPERT

Q11. With regard to applied tariffs, it is noted that Singapore only imposes customs and excise duties on 4 broad categories of goods, namely, intoxicating liquors, tobacco products, motor vehicles and petroleum products, and is also noted that Singapore will eliminate import duties on the remaining 4 tariff lines by 2010. Could you please clarify whether the “remaining 4 tariff lines” are the same as the “4 broad categories of goods” or they are different, and how many lines of products are involved in tariff elimination.

The “remaining 4 tariff lines” cover alcoholic products, namely stout, beer medicated samsu and other samsu.

Q12. Please indicate that will import duties on the remaining 4 tariff lines be eliminated progressively or altogether at the end of 2010. If doing in a former way, please provide a timetable for each tariff line.

As part of the efforts of all APEC economies to reach the Bogor Goals, Singapore is committed to eliminate the tariffs by 2010.

Chapter 2 – Non-Tariff Measures

HONG KONG, CHINA

Q13. The NTMs are applied mainly for health, safety, security and environmental reasons or for fulfilling international obligations. However, to facilitate international trade, we encourage Singapore to regularly review the NTMs with a view to reducing their application as far as possible.

Singapore’s NTMs are WTO consistent. Where applied, they are for the protection of public health and safety, animal and plant health, environmental and national security, or to meet international obligations like the Montreal Protocol on Substances that Deplete the Ozone Layer.

UNITED STATES

Welcome Singapore's efforts to ensure vigorous enforcement of NTMs consistent with Multilateral Environmental Agreements (i.e., CITES, Montreal Protocol)

Q14. Disappointed that Singapore indicates no plans to eliminate NTM on chewing gum. How is this ban consistent with the WTO?

Singapore instituted the chewing gum ban in 1992. This was duly notified to the WTO, and is recognised as a WTO-consistent measure, being applied on both an MFN and NT basis for environmental and public safety concerns.

INDEPENDENT EXPERT

Q15. Please outline the progress Singapore has made on the reduction of NTMs since 1996 and the current status of remaining ones. Does Singapore intend to further reduce the remaining NTMs, for instance, the excise duties for motor vehicles and petroleum products? If so, please indicate when and how.

Singapore's has implemented numerous improvements since 1996 on reducing NTMs. For example, with effect from July 1999, subsidies of International Trade Incentive and Production for Export Incentive were discontinued, while Double Tax Deduction was amended to conform to the WTO Agreement on Subsidies and Countervailing Measures.

Singapore's existing NTMs are WTO consistent, being in place for health, safety, security, social and environmental protection reasons. They are applied on an MFN basis and national treatment applies. The example of 'excise duties for motor vehicles and petroleum products', which are WTO-consistent, will continue to be imposed on a non-discriminatory basis on both locally manufactured and imported goods for social/environmental reasons.

Chapter 3 – Services

3(a)1: Business Services – Legal

AUSTRALIA

Q16. Law degrees as part of dual degrees. Australia notes that Singapore makes a distinction between lawyers who have undertaken a straight law degree and lawyers who have undertaken a law degree as part of a dual degree. The effect of this distinction is to discriminate against lawyers who have a dual degree, regardless of their coverage of the knowledge requirements, or their competence. Australia requests that Singapore does not discriminate between law degrees undertaken as single degrees or dual degrees.

Singapore recognises that given the convergence of knowledge and business applications in the

new economy, it would be advantageous for lawyers to have added education and training in other fields of knowledge that interface with the law. From 1999-2001, Singapore considered the issue of accepting combined LLB (Honours) degrees as qualifying degrees for the purpose of admission to the Singapore Bar. Due to the unique characteristics of each of these degree programmes, Singapore has refrained from employing general principles for comparing them with the conventional three-year programme. Nevertheless, Singapore recognises the importance of these degrees in positioning lawyers to enter the Singapore bar, and has taken the alternative approach of according recognition to dual degree or combined degree LLB programmes on a case-by-case basis.

HONGKONG, CHINA

Q17. There are 3 ways in which foreign law firms can establish their presence in Singapore, namely, Joint Law Ventures, Formal Law Alliances and Representative Offices. Would Singapore explain the restrictions and different ways in which Joint Law Ventures and Formal Law Alliances can share profits, liabilities and expenditure with the local Singaporean local law firms?

There are actually 4 ways in which a foreign law firm can establish a presence in Singapore, by:

- a) setting up as a foreign law firm (FLF);
- b) forming a joint law venture (JLV); or
- c) forming a formal law alliance (FLA) with a Singapore law firm (SLF); or
- d) setting up as a representative law office in Singapore.

A JLV would be structured as a distinct business entity from its constituent firms. The constituent firms of the JLV will mutually agree on the areas of legal practice. A FLF in a JLV with a SLF may share the profits of the JLV in such proportion as may be mutually agreed upon. There is no objection to the sharing of the JLV profits based on any agreed formula between the partners of the SLF and the FLF provided that the shares of the FLF's partners in the JLV's profits do not exceed the total profits of the JLV arising from the areas of practice permitted to the JLV and they also do not share in SLF's profits arising from Singapore law work outside the JLV. The JLV may corporatise their practice with limited liability in accordance with the existing law. The JLV must comply with the Common Conditions Imposed on All JLV Licences dated 5 May 2000 (<http://www.agc.gov.sg/lps/14-LPS-20000505-CommonConditions.pdf>) and the Additional Practical Guidelines for JLVs dated 14 September 2000 (<http://www.agc.gov.sg/lps/15-LPS-20000914-AdditionalPracticalGuidelines.pdf>)

In contrast, a FLA is essentially an alliance of law firms without a new business entity being created. There is no profit sharing but the SLF and FLF lawyers working in a cross-border transaction may allocate the fees derived from cross-border and offshore work between themselves. No fees may be shared in wholly Singapore law work. However, the SLF may pay technical support fees and consultancy fees to the FLF for advice in structuring and documenting any transaction. The FLA must comply with the Common Conditions Imposed on All FLA Licences dated 5 May 2000

(<http://www.agc.gov.sg/lps/18-LPS-20000505-CommonConditions-JLA.pdf>).

The privileges which both JLVs and FLAs can enjoy include sharing staff, premises and resources;

marketing themselves as one-stop service providers and billing their clients as a single entity.

Q18. As far as Representative Offices are concerned, is there any requirement for the presence of foreign lawyers(s) in Representative Offices since they are not required to carry out any business activities of any kind?

As far as Representative Offices are concerned, there is no requirement that the Representative Office must be staffed by a foreign lawyer resident in Singapore. Since a Representative Office in Singapore is not allowed to offer offshore consultancy services but can only do liaison work in Singapore, it suffices to have a manager/liaison officer who is a non-lawyer who would be purely managing the commercial matters of the Representative Office.

UNITED STATES

Q19. Singapore maintains extensive restrictions on the provision of legal services. Existing Measures: Foreign firms operate in Singapore, but they can only practice offshore law. They cannot practice Singapore law (even if they hire Singaporean lawyers); cannot give advice and prepare contracts using Singapore law; and cannot litigate in Singapore courts.

Under the US-Singapore FTA, Singapore agreed to recognize degrees from four US law schools for admission to the bar. However, the provision applies only to Singaporeans with law degrees from these schools. Singapore lawyers that join a foreign law firm in Singapore must give up their Singapore law practicing certificates in order to accept such a US law firm partnership.

A limited number of foreign firms have been approved by the Attorney General's Chambers (AGC) to enter into "Joint Law Ventures" (JLV) or "Formal Law Alliances" with local law firms. The Attorney General's Chambers can refuse an application for a JLV or alliance without specifying a reason. Many U.S. legal service providers in Singapore say that the JLV or Law Alliance system is extremely cumbersome and does not provide the access they want. We welcome indication that Singapore will consider removing restrictions limiting entry by foreign lawyers and law firms. We believe such restrictions are inconsistent with free and open trade.

It is inaccurate to characterise the legal services market as being subject to extensive restrictions.

Since 1981, a liberal and largely unregulated regime exists for foreign lawyers to set up law practice to supply offshore legal services. The record speaks for itself. There are 525 foreign lawyers in Singapore, out of 3,500 lawyers. 61 foreign law firms have established offices in Singapore.

As for the provision of legal services relating to Singapore law, Singapore introduced schemes for Joint Law Ventures and Foreign Law Alliances in order to allow foreign lawyers and law firms to practice local banking, corporate and finance law. Since the schemes started, of the 12 applications made, 9 JLVs and 3 FLAs have been approved with none rejected and out of which 6 JLVs and 1 FLA are still in operation.

The conditions governing JLV are reasonable and judicious. Limits are placed on sharing of profits in order to prevent the JLVs from being used as a means to circumvent the policy on the practice of local law. In practice, if the JLV's profits accrue as a result of activities for which they are properly licenced to carry out, there is no restriction on sharing of profits.

Q20. What is the justification for restrictions that limit the ability of Singapore lawyers working in a foreign law firm from practicing local law, especially commercial and financial law, and handling litigation in those areas? Are there plans to allow Singapore lawyers working in foreign law firms to practice certain types of Singapore law? What is the justification for restricting the ability of foreign law firms from practicing Singapore law (especially civil/commercial law; criminal law much less important), and handle civil / commercial litigation, directly, without having to form a JVL or law alliance?

The regulation of lawyers in Singapore applies equally to Singapore lawyers as to foreign lawyers in Singapore.

With respect to Singapore domestic legal market, due to its small size and its inability to cope with a huge influx of foreign lawyers, restrictions are placed on foreign lawyers only in respect of the practice of Singapore law or host country law. These restrictions are based on the policy objective of maintaining a certain level of quality of legal service and to ensure that there is no oversupply of lawyers in the small domestic legal market. The policy is clear and transparent.

There are no restrictions imposed on foreign lawyers for the practice of home-country law, third-country law and international law. Foreign lawyers working in FLF or SLF and Singapore lawyers working in FLF may not practise Singapore law in Singapore. However, those Singapore lawyers working in the JLV who are treated the same as foreign lawyers working in the JLV who had passed the prescribed qualifying examination, complied with all the rules and guidelines and are registered with the Attorney-General Chambers can practise Singapore law in those areas of Singapore law relating to banking, finance or corporate law.

The full impact of the current legal services regime, in particular, the JLV and FLA schemes, can only be evaluated over a period of time. There are plans to initiate a review sometime in or after 2005.

Q21. What is the rationale behind limiting the number of recognized law degrees (presently restricted from a few UK, Australian, NZ, and US universities)? Are there plans to increase the number of recognized universities, both within those economies and beyond?

Given Singapore's small domestic legal services market and the fact that Singapore law is not the preferred governing law for regional business and financial transactions, there is a need to cap the number of lawyers admitted to the Singapore Bar to (i) avoid an overly litigious society; (ii) ensure the optimal spread of talent; and (iii) maintain a high level of quality of legal services. Hence, there is a need to regulate the growth in the supply of lawyers for the domestic legal services market (note: the restriction does not apply to the supply of "offshore legal services" in

Singapore).

In the determination of the optimal number of lawyers to prevent oversupply, factors taken into consideration are (i) Singapore's projected economic growth concentrating on the specific growth sectors which would see a corresponding growth in support services including legal services; (ii) Singapore's population growth; and (iii) developments in legal practice.

The principal means to maintain an optimal supply of lawyers is through limits on the annual intake of law students in Singapore. However, a reduction in the local intake of law students will result in more Singapore students pursuing law studies abroad. This will lead to an increasing supply of overseas-trained lawyers. To check this trend, the number of recognised law degrees was limited.

The last review on the supply of lawyers was concluded in 2001, and a further assessment will be made sometime in or after 2005

As in the past, Singapore continues to welcome foreign law firms and foreign lawyers to come to Singapore to practise home-country law, third-country law and international law. Many have done so. The offshore legal services market in Singapore is one of the most liberal in the world.

Most Favoured Nation Derogation

AUSTRALIA

Q22. Australia requests that Singapore remove the most favoured nation exception on legal services under the General Agreement on Trade in Services (GATS).

Singapore has not, at this stage, made any specific commitments in the legal services sector in APEC, nor the WTO. When Singapore undertakes a review of the current legal services regime in or after 2005, the issue of making commitments at APEC and the WTO, if any, may be studied. Until such time and at this juncture, Singapore is not able to speculate on how its commitments for legal services, if any, would be made.

INDEPENDENT EXPERT

Q23. The IAP notes that currently Singapore maintains a few MFN exemptions imposed for either social or historical reasons, or because concessions are generally granted on the basis of reciprocity. Could you please list the sectors subject to MFN exemptions and give a further explanation of reasons why the exemptions cannot be removed, giving a for instance? Are there plans to waive such exemptions gradually and partly?

MFN exemptions under Article II of the GATS include: a preference for workers from traditional sources of supply; investment guarantees against unforeseen contingencies (such as nationalization, war etc.) only for signatories of Investment Guarantee Agreements with

Singapore²; and tax relief for income derived from a Commonwealth country. Several service sectors also have exemptions including legal services, broadcasting, maritime transport, insurance, banking and other financial services.³ There are no plans to waive such exemptions, but they are subject to periodic government reassessment.

3(a)3: Business Services – Architecture

AUSTRALIA

Q24. The Architects Accreditation Council of Australia has concluded negotiations of a Mutual Recognition Agreement (MRA) on registration of architects with its Singapore counterpart, the Singapore Board of Architect. The MRA will further liberalise trade in architectural services between the two countries and simplify requirements for registration of architects. Australia requests that Singapore expedite the domestic legal processes for this and other MRAs concluded under the framework of the Singapore Australia Free Trade Agreement (SAFTA).

Singapore notes Australia's comments and has been facilitating the said MRA. Singapore also notes that in the SAFTA, a wide variety of areas for mutual recognition are covered and these would include Singapore's interest in other professions like dentists and pharmacists.

UNITED STATES

Q25. The IAP does not anticipate any changes to existing restrictions that require persons have a minimum of between 12 months and two years of practical experience in Singapore in order to be eligible for registration as an architect (see Subparagraph 2(a) and 2(b) of Section 15 of the Architect's Act). Some foreign architectural service providers say basing the requirements on time spent in Singapore under the direction of a Singapore architect prevents firms from entering the market.

US architectural service providers say that the requirement that the Chairman and at least two-third of the board of directors of limited corporations must be professional architects also serves as a significant market access barrier. Singapore's IAP states that the requirement will be relaxed from two-thirds to a majority.

Welcome relaxation of the nationality rule concerning the board of directors of a corporation supplying architectural services. But while this is a positive step (also consistent with Singapore's commitments under the US-Singapore FTA), the "majority" requirement remains discriminatory and a barrier to entry for foreign firms.

² Signatories of such IGAs are: ASEAN countries; Belgo-Luxembourg Economic Union; Belarus; Cambodia; Canada; China; Czech Republic; Egypt; France; Germany; Hungary; Laos; Latvia; Mongolia; Netherlands; Pakistan; Poland; Peru; Republic of Mauritius; Riau Archipelago; Slovenia; Sri Lanka; Switzerland; Taiwan; United Kingdom; United States of America; Uzbekistan and Vietnam. IGAs signed with Bahrain, Bangladesh, Bulgaria and Zimbabwe have yet to come into force.

³ WTO documents GATS/EL/76, 15 April 1994; and GATS/EL/76/Suppl.1, 28 July 1995 and WTO (2000), *Trade Policy Review—Singapore*..

Singapore has no immediate plans to waive the “majority” board of director requirements.

Q26. The IAP does not indicate any plans to relax the requirement that, to be registered, an architect must have a minimum of 12 months practical experience in Singapore. Are there reasons why this restriction cannot be waived on the basis of reciprocity, as long as the individual is working under another architect with such experience?

The Board of Architects (BOA) is the relevant authority regulating the practice of architectural services in Singapore. Currently, if an individual does not have the required practical experience in Singapore, he/she can still be eligible for registration as an architect if he has 10 years of practical experience outside Singapore. BOA will be willing to consider waiving this requirement on the basis of reciprocity, as long as the individual is working under the supervision of a registered architect.

3(a)4: Business Service – Engineering

AUSTRALIA

Q27. Australia requests that Singapore provide a progress report on its plan to become a full signatory to the Washington Accord, and encourage it to participate in the APEC Engineers Register. Australia would also be interested in any developments regarding the review of the Professional Engineers Act.

Singapore has been conferred provisional membership status by the Washington Accord in Jun 03. As the award of provisional status by the Accord does not imply a guarantee of the granting of full signatory status, Singapore is making all the necessary arrangements to ensure readiness for full signatory status by Jun 05. Singapore is also making arrangements to submit an application to maintain an APEC Engineer Register to the APEC Engineer Co-ordination Committee for acceptance in Jun 05.

UNITED STATES

Q28. The IAP does not anticipate any changes to existing restrictions that require persons have a minimum of two years of practical experience in Singapore. US engineering service providers say that the requirement that the Chairman and at least two-third of the board of directors of limited corporations must be professional architects also serves as a significant market access barrier. Singapore’s IAP states that the requirement will be relaxed from two-thirds to a majority. Welcome relaxation of the nationality rule concerning the board of directors of a corporation supplying engineering services. But while this is a positive step (also consistent with Singapore’s commitments under the US-Singapore FTA), the “majority” requirement remains discriminatory and a barrier to entry for foreign firms.

Singapore has no immediate plans to waive the “majority” board of director requirements.

Q29. The IAP does not indicate any plans to relax the requirement that, to be registered, an

engineer must have a minimum of two years practical experience in Singapore. Are there reasons why this restriction cannot be waived on the basis of reciprocity, as long as the individual is working under another engineer with such experience?

The Professional Engineers Board (PEB) is the relevant authority regulating the practice of engineering services in Singapore. Currently, if an individual does not have the required practical experience in Singapore, he/she can still be eligible for registration as a professional engineer if he has 10 years of practical experience outside Singapore. PEB will be willing to consider waiving this requirement on the basis of reciprocity, as long as the individual is working under the supervision of a registered professional engineer.

3(a)5: Business Services – Other Professional Services

HONG KONG, CHINA

Q30. It is noted that managers, executives, and specialists employed by foreign corporations may freely be transferred into local offices or affiliates in Singapore and that they will be granted entry for a two-year period, which may be extended for up to three additional years. It is however noted from Annex (i), "tourism and travel related services", that the entry is a three-year period with extension of up to two additional years. Would Singapore explain the discrepancy between the general section inscription and the sector-specific inscription and clarify its regime with respect to temporary entry and stay of service providers?

There is no operational discrepancy. Hong Kong's understanding is correct that all temporary entry of natural persons, will be granted entry for a two-year period, which may be extended for up to 3 additional years. This also applies to the tourism and trade related services. Singapore thanks Hong Kong China for highlighting the error. Annex (i) will be amended in future IAPs.

NEW ZEALAND

Q31. With respect to professional services, we welcome Singapore's decision to liberalise the residency requirements for persons in control of engineering or architectural firms, and the plan for engineers to participate in the APEC Engineer framework. What steps is the Government taking to ensure that the requirements for registration (including recognition of professional qualifications) as set down by Singapore's professional bodies do not act as a barrier to trade in services?

Singapore is periodically reviewing its policies on registration and recognition of professional qualifications to reflect Singapore's liberal services regime.

3(a)6: Business Services – Other

JAPAN

Q32. Under the Foreign Workers Employment Act, employers of foreign workers are imposed the levy by each business category. Please explain the reason why Singapore imposes the levy on foreign workers.

With respect to Singapore's IAP, Movement of Natural Persons is defined as those for "managers, executives, and specialists" (their definitions are stated in WTO-GATS Mode 4 commitments by Singapore). For these occupational groups who come into Singapore on employment pass, their employers will not be subjected to foreign worker levy for employing them. The foreign worker levy is used to moderate the demand for foreign workers (such as those who work in the construction and ship-repair industries), who come into Singapore on work permit.

3(b)1: Communications Services – Postal

MEXICO

Q33. In the section Operational Requirements (postal services), for Currently Entry Requirements, points out: "All persons operating and providing postal services will be licensed". Nevertheless, the section Foreign Entry mentions: "None, currently under monopoly". Since the Postal services refer just to the traditional services, it seems that there exists a discrepancy between both sections due to the authorized organization to grant a license is Singapore Post (a private company) and this company has the monopoly of these services until the end of March of 2007. After this date will the operators be available to provide postal services?

Under the Postal Services Act, the conveyance of letters and postcards must be licensed by the Infocomm Development Authority (IDA). In 1992, IDA granted Singapore Post Pte Ltd a public postal licence with exclusive rights for the domestic and international conveyance of ordinary letters and postcards, till 31 March 2007. IDA is currently studying the appropriate policy framework for the postal services sector after 31 March 2007.

Q34. In the section Operation Requirements (express delivery services), for Current Entry Requirements, points out: "Express letter conveyance is a premium letter delivery service. This is separate from courier service, which is not regulated or licensed." We think that the separation between postal services and express delivery was proposed in order to set apart the courier companies. Is this an attempt to make smaller the category of postal service?

The distinction between ordinary and express letter delivery was intended to narrow the scope of postal services covered by the exclusive license held by Singapore Post Pte Ltd. This is a pro-market policy as it liberalises the delivery of express letters.

NEW ZEALAND

Q35. New Zealand welcomes Singapore's resolve to proceed further with liberalisation in several services sectors including financial services and telecommunications. In particular, Singapore has made considerable efforts to de-regulate the telecommunications sector. Does Singapore have any plans to further liberalise the postal sector?

In Singapore, the liberalisation status of the postal sector is as follows:

- a) Postal services

These refer to the conveyance of ordinary letters and postcards domestically and internationally. SingPost Pte. Ltd. has been granted exclusive rights to these services until 31 March 2007. IDA is reviewing the appropriate policy framework for postal services after 31 March 2007.

b) Express letters

The provision of express letter services has been fully liberalised since 1995. Many operators provide express letter services in Singapore today and they are class licensed by IDA.⁴

c) Courier services

These services are not regulated by IDA and the market is completely open to local and foreign operators.

3(b)3: Communications Services – Telecommunications

AUSTRALIA

Q36. Australia is pleased that all Facilities Based Operators (FBOs) will be required to ensure interconnection, interoperability and access with all telecommunications licensees. However, we note that in practice, new entrants are still experiencing delays and difficulties in securing access to the Singapore telecommunications sector. How does Singapore propose to resolve these problems?

The statement “in practice, new entrants are still experiencing delays and difficulties in securing access to the Singapore telecommunications sector” is an inaccurate reflection of the situation in Singapore. Since 2000 when Singapore fully liberalised its telecommunications market, over 30 operators have been granted FBO licenses, and over 600 operators have obtained Services Based Operator (SBO) licenses. From Singapore’s experience, these operators have generally been able to gain quick and easy access into the market, including getting their licence, establishing interconnection and access arrangements, rolling out their networks and services and commencing commercial operations.

Singapore’s Telecommunications Competition Code has been crafted specifically to facilitate quick entry of new entrants in the market. On average, new entrants who submit full and complete licence applications have been able to receive their FBO licences within 8 weeks and SBO licences within 4 weeks. Interconnection under the Reference Interconnection Offer (RIO) and access to Interconnection Related Services (IRS) follow strict timelines set out in the RIO.

CANADA

Q37. Further to the information provided concerning requirements of service providers, could Singapore clarify what are the foreign ownership levels for telecommunications services providers?

There is no foreign ownership restriction for telecommunications services providers.

⁴ A Class Licence is a licensing scheme where the terms and conditions are gazetted.

Q38. What are the criteria on which frequency band allocations are made?

Firstly, frequency allocations made by IDA must be in conformity with the Table of Frequency Allocations specified in the ITU Radio Regulations and in line with the ITU-R Recommendations where relevant. At the national level, frequency allocations should also facilitate the adoption, growth or development of infocomm technologies in Singapore.

Q39. What are Singapore's plans for further opening up of unlicensed frequency bands?

Singapore has opened up several unlicensed frequency bands (e.g. 2.4 GHz and 5.8 GHz) for low power radio communication in line with international practices. In February 2004, Singapore further opened up spectrum in the 5 GHz band (i.e. 5.15 - 5.35 GHz) for unlicensed wireless LANs in compliance with the Final Acts of ITU WRC-2003. Currently, Singapore is looking into making available new spectrum in the UHF band for unlicensed RFID applications.

HONG KONG, CHINA

Q40. There are no foreign entry requirements for telecommunications services. However, it is provided in Singapore's GATS commitments that foreign shareholding of commercial presence for basic telecommunication services and mobile services is subject to investment caps. Would Singapore clarify whether such foreign shareholding caps still exist? If not, would Singapore consider reflecting its freer regime of the sector in its offers in the context of GATS negotiations so as to bring its commitments into line with its actual regime and to increase the predictability of the regime?

Singapore made its GATS commitments on basic telecommunications in 1997. Singapore completely lifted its foreign shareholding caps in April 2000, when the telecommunications market was fully liberalised. Singapore will continue to participate actively in GATS negotiations to seek substantial improvements in GATS telecom commitments from all WTO members and are ready to reciprocate accordingly.

MEXICO

Q41. There are few improvements since last IAP. It is interesting to note that the flat annual license fee is \$5000. What is the impact of this decision on the entrance of new players into the market?

The telecoms markets is already extensively liberalised. In 2001, IDA reduced the annual license fee for Services-Based Operators (SBOs) (Individual) from 1% of the annual gross turnover (AGTO) to a flat fee of \$5000. The decision was a deliberate move by IDA to lower the business entry costs for new entrants and to increase services-based competition in the telecommunications sector. This move was welcomed by the industry and the number of new SBOs has continued to increase. Singapore welcomes specific feedback, if any, from Mexico and other members.

UNITED STATES

We applaud the Infocomm Development Authority's for its efforts to ensure effective competition in the telecommunications sector, including through efforts to update the Competition Code and measures to ensure that local leased lines are available at reasonable cost from dominant

providers.

Q42. However, the fact that regulatory decisions of the IDA are automatically placed on hold should an aggrieved party file an appeal, is of concern. We would urge Singapore to institute a more discretionary system, where such appeals do not automatically stop implementation of a decision.

Appeals by an aggrieved party do not automatically stay the implementation of an IDA decision. Stays are done on a case-by-case basis and after careful and detailed consideration by IDA of the implication of proceeding with the implementation of a decision pending appeal. Where a decision is likely to have severe consequences were it to be implemented without clarity on the outcome of the appeal, decisions are usually stayed pending appeal.

3(b)4: Communications Services – Audiovisual

UNITED STATES

Q43. The IAP does not mention, under this section, restrictions on the installation and use of satellite receiving dishes. We would like to confirm, therefore, that the restriction on satellite receiving dishes has been removed, and that US providers of satellite broadcasting services will be able to sell their services in Singapore. If the restriction has not been removed, we would urge Singapore to liberalize or remove the restriction, in order to guarantee technological neutrality on various means of delivering digital audio-visual material, including through satellite receivers.

Singapore Broadcasting Authority (SBA) is now the Media Development Authority of Singapore (MDA). The former SBA Act (Chapter 297) is now the MDA Act (Chapter 172). The Part VI of the SBA Act that the United States is referring to is now Part V of the Broadcasting Act (Chapter 28).

MDA issues two types of licences relating to satellite, i.e. the Satellite Broadcasting Uplinking Licence and the TV Receive-Only (TVRO) System Licence. Many providers of satellite broadcasting services, including CNN and Walt Disney Television, are already using Singapore to uplink their programming to TV viewers in Southeast Asia, East Asia, the Indian subcontinent and other parts of the world. Satellite broadcasting services may also sell their services to Singapore-based entities, who qualify to be licensed as a TVRO licensee by MDA or offer their services to Singapore consumers via cable TV. Some examples of such broadcasters are ESPN and HBO, and other foreign broadcasters, such as Japan's NHK and JET TV, and Hong Kong's TVB and Celestial TV, are already being received via cable TV.

There are no plans to modify existing policy on Television Receive-Only satellite dishes. The policy to disallow the installation of satellite dishes is to keep out undesirable content at odds with Singapore's multi-racial and multi-religious society, and to prevent the influencing of Singapore politics from a distance. It is even more important now given the security challenges that the region faces. It should be noted that this policy does not leave Singapore consumers deprived of

programming variety since this is available through cable TV.

For more information on the above-mentioned licences, please see ;
http://www.mda.gov.sg/licences/l_satellite.html.

3(c): Construction and Related Engineering Services

MEXICO

Q44. Is there any plan to amend the Building Control Act in order to modify the regulation on building and construction matters in Singapore?

There is no immediate plan to amend the Building Control Act.

Q45. Are there special requirements for construction companies in order to register with the Building Control Act's Contractors Registry System?

As stated in the IAP, construction companies intending to participate in government procurement, have to register with the Building Control Act's Contractors Registry System. If they do not intend to participate in government procurement, there is no need to register with the Contractors Registry System.

UNITED STATES

Q46. There appears to be a glitch in the "current entry requirements" box under foreign entry.

Singapore thanks the US for highlighting this. The relevant entry should read "There are no additional regulatory requirements for foreign construction companies, besides those listed in 'Chapter 3: Singapore's General Approach to Trade in Services in 2003'." This will be rectified in Singapore's IAP for 2004.

3(e): Educational Services

AUSTRALIA

Q47. Could Singapore please explain the entry requirements for foreign and foreign-trained teachers. Australia encourages Singapore to streamline these requirements to facilitate trade in educational services.

The Ministry of Education in Singapore welcomes foreign and foreign-trained teachers to teach in schools in Singapore. These teachers provide a greater diversity of perspectives and experiences to the broad-based and well-rounded education students in Singapore.

Trained foreign teachers who apply to join the Singapore Education Service should possess the following:

- a) at least a general degree with a major in relevant teaching subjects;

- b) teacher-training qualification; and
- c) at least 3 years relevant teaching experience.

Singaporeans with foreign qualifications, such as those from Australia, will be considered together in competition with the rest of the applicants with local qualifications. Applicants should preferably possess a degree in relevant teaching subjects. Teacher training will be provided for those who have not been trained as a teacher.

All shortlisted applicants will need to undergo an interview to assess their suitability to teach in schools in Singapore.

3(g): Financial Services

HONG KONG, CHINA

Q48. We would encourage Singapore to further open up its banking sector, for example, by speeding up the liberalisation process, granting more Qualifying Full Bank (QFB) licences to foreign banks and allowing QFB licence banks to conduct a fuller range of banking business.

In 1999, Singapore introduced a five-year banking liberalisation programme to further open up access by foreign banks to Singapore's domestic market. The liberalisation measures were phased in over time, to give the local banks time to prepare themselves to meet the increased competition and maintain the stability of the financial system. All six Qualifying Full Bank licences have been issued. The latest in a series of liberalization measures were those announced in Jun 04. These are incremental adjustments to the earlier major liberalisation packages. For example, QFB banks will be able to conduct a fuller range of banking business, establishing up to 25 service locations from the existing 15. With the current 6 QFBs permitted to share ATMs amongst themselves, this could lead to a QFB shared network of about 150 locations across Singapore, providing QFBs with significant scope for expanding their domestic presence. QFBs will also with immediate effect be allowed to negotiate with the local banks on a commercial basis to let their credit card holders obtain cash advances through the local banks' ATM networks.

Q49. There are no special requirements for foreign entry for the sub-sector of insurance services and full national treatment is granted. In the GATS commitments of Singapore, it is however stated that this sub-sector is subject to commercial presence limitations in terms of foreign equity caps. Would Singapore clarify whether such limitations still exist? If not, would Singapore consider reflecting its freer regime of the sub-sector in its offers in the context of GATS negotiations so as to bring its commitments into line with its actual regime and to increase the predictability of the regime?

Singapore has already unilaterally liberalised the foreign shareholding limit on local insurers. As always, Singapore has participated and will continue to participate actively in the DDA Services negotiations. There has to be a balance of concessions or offers from all Members to facilitate a successful outcome in services.

3(h): Health Related and Social Services

MEXICO

Q50. Is there any further plan to modify the Aged Act and the Aged Regulations in order to improve the aged care provisions?

With respect to provisions on foreign entry, the current regime already satisfies the conditions of being MFN and NT-consistent. As such, there would not be a need for a further review of these provisions.

3(k)1: Transport Services – Marine

AUSTRALIA

Q51. By what reference are licensees prohibited from engaging in conduct that would have the effect of distorting or preventing competition in the market for port services and facilities - general anti-trust legislation or contractual obligations of the licence?

The public licences contain a provision on the “Prohibition on Misuse of Monopoly or Market Power”. This provision prohibits the licensee from engaging in any conduct which has or is intended to have the effect of distorting or preventing competition in the Singapore market for port services and facilities.

Q52. What are the current price control arrangements for passenger terminal operators?

The main passenger terminal operator is Singapore Cruise Centre Pte Ltd or SCCPL. The Maritime Port Authority (MPA) regulates SCCPL through a public licence that requires SCCPL to among other things comply with the price control arrangements established by MPA. Under the current price control arrangements, SCCPL is not allowed to raise its tariffs beyond the posted rates at the time when the licence was issued to SCCPL, without obtaining MPA’s prior approval.

Q53. With reference to information on foreign entry into maritime services and licensing qualification requirements; does Singapore recognise at least three years operational experience outside Singapore for potential foreign entrants into the market?

MPA will consider operational experience outside Singapore if it is relevant. The number of years of operational experience might vary from one maritime activity to another.

3(k)3: Transport Services – Rail

MEXICO

Q54. It is important to include websites in this part in order to check the whole requirements contained in the regulations.

The Rapid Transit System (RTS) Act can be found at the website: <http://statutes.agc.gov.sg>

3(k)4: Transport Services – Road

MEXICO

Q55. It would be useful to include some websites in which APEC members can access and verify domestic regulation about scheduled bus services and taxi services.

Please refer to [www.lta.gov.sg/public transport/](http://www.lta.gov.sg/public_transport/).

Q56. It also would be important to know about regulations on domestic cargo transportation services. Is there any sort of restrictions on foreign investment for this service?, as well is there any discriminatory treatment for foreign operators?

There are no restrictions on domestic freight operations.

3(l): Energy Services

INDEPENDENT EXPERT

Q57. Please outline the status of restructuring and liberalization in the electricity and piped gas industries. Are there any problems Singapore has encountered and addressed in the course of restructuring and liberalization?

Key restructuring initiatives such as the separation at the ownership level of the contestable and non-contestable parts of the electricity industry and the establishment of an independent system operator under the Regulator were completed in April 2001. The wholesale electricity market that co-optimises the despatch of energy and reserves commenced operation on 1 Jan 2003. It replaced the Singapore Electricity Pool which had been in place in 1998. As for the electricity retail market liberalisation, the status is as follows:

As at end 2002

Beginning 1 July 2001, consumers with a maximum power requirement (contracted capacity) of 2 megawatt (MW) and above are able to buy electricity from competitive electricity retailers apart from Power Supply Ltd (now known as SP Services Ltd).

As at end 2003

Phase 1 of the retail market liberalisation involving consumers with an average monthly consumption of 20,000kWh and above started on 1 June 2003. Phase 2 involving consumers with an average monthly consumption of 10,000kWh and above started on 21 December 2003.

Future plans

All remaining domestic and small non-domestic consumers will become contestable in the final phase of retail contestability which is targeted for implementation in 3-4 years' time.

Experiences in electricity market retail liberalisation

From the experience in retail liberalisation, the larger consumers generally have a better understanding of the liberalised retail market and have the capability to evaluate and select electricity packages that best meet their needs. The smaller consumers needed more help to

understand the electricity retail market. More effort is needed to educate smaller consumers.

Gas

The gas industry restructuring is now scheduled to be completed by 2004 as more time is needed to resolve issues raised by the industry players in the consultation process.

General Lessons learnt

Singapore's experience in progressively liberalising sectors like the electricity and piped gas industries were developed in the light of the experiences of other jurisdictions. For example, in the energy market, Singapore broke down vertically integrated monopolies into their competitive segments - electricity generation and electricity retailing. The transmission grid remains as a natural monopoly and has to be tightly regulated. Many lessons were learnt from the regulators in the US, the UK, Europe, Australia and New Zealand, and Singapore appreciates their generous sharing of experiences and of the pitfalls. One particular lesson learnt was to ensure that there was a good regulator who understands the complexity of the market, and is firm in enforcing the rules of competition.

3(m): Other Services

INDEPENDENT EXPERT

Q58. Please elaborate on the definition and coverage of "specialists" with respect to temporary entry and stay of service providers and corporate transferees?

Specialists are persons within an organization who possess knowledge at an advanced level of expertise and who possess proprietary knowledge of the organisation's service, research equipment, techniques, or management. (Specialist may include, but are not limited to, members of licensed professions).

Q59. Are there plans to liberalize other sectors, in your view, contestable?

Other forms of sectoral liberalisation are taking place. In the area of cargo air services, Brunei, Singapore and Thailand signed a Multilateral Agreement (MA) on the Full Liberalisation of All-Cargo Air Services in Feb 04. With the signing of the MA, carriers of the three countries will have the flexibility to operate unlimited all-cargo services on any route between Brunei, Singapore and Thailand, via or beyond to any third country.

In the area of armed security services, the auxiliary police force unit, Commercial and Industrial Security Corporation of Singapore (CISCO), formerly a statutory board under the Singapore Police Force, will be corporatised. This is part of a move to provide a level playing field, and allow two or three auxiliary forces to operate in Singapore to meet the increasingly complex security environment.

Q60. It is noted that the T&D business and PowerGas Ltd.'s business of gas transportation are both natural monopoly. Does Singapore intend to relax the sectors still monopolized? If not,

what are the reasons behind?

The electricity transmission and distribution (T&D) business and gas transportation business will remain natural monopolies and they will continue to be regulated. This outcome is consistent with the deregulation approaches in other jurisdictions. T&D business and gas transportation business are natural monopolies as it would be inefficient to duplicate the infrastructure by having two or more competing service providers. However, it is also necessary that these monopolies are sufficiently regulated to ensure that prices charged for these services are fair.

Q61. It is noted that Singapore will continue to review the list of accredited degrees and consider removing market access restrictions where appropriate on legal, accounting, architectural, engineering and other professional services. Does Singapore intend to provide further information in reducing such restrictions, including timetable and certain sectors being planned to be relaxed? (to be addressed by relevant agency)

Singapore continues to review the list of accredited degrees for certain sectors on a periodic basis. No further information is available at this point.

Q62. Please provide more information on recent developments in privatization of government services. What is the impact of this process on the economy, citing a few recent examples as far as possible?

To maintain an open services regime, Singapore has, over the years, privatised and liberalised various services sectors. In the areas of telecommunications for example, prior to 1 April 1992, Telecommunication Authority of Singapore was the all encompassing government authority responsible for telecommunications regulations, network operation and services. Through various liberalisation and privatisation plans from 1992 - 2000, Singapore introduced full competition in the telecommunications markets on 1 April 2000. As a result, the number of telecommunications service providers has increased significantly and international call rates have declined by between 60% and 80%.

A more recent example would be the restructuring of the Housing and Development Board (HDB). From Jul 03, HDB has devolved its building and consultancy services to a new corporate entity, HDB Corporation Pte Ltd. HDB Corporation is a commercial operation which will be able to market and export Singapore's housing development expertise overseas.

CHAPTER 4 – INVESTMENT

AUSTRALIA

Australia has had a tax treaty with Singapore since 1969. An amending Protocol to the treaty came into force in 1990. The treaty has assisted trade and investment flows between the two countries.

Q63. We welcome Singapore's planned relaxation of certain licensing and residency requirements for architects and engineers. However, if Singapore accepts that this relaxation will realise benefits to both the industry and consumers, will it consider extending this approach to other professional services still subject to such restrictions?

Please refer to Chapter 3 Services.

Q64. What does Singapore mean by the following: "All industries and services are developed to enhance national competitiveness"? There is a process of privatization of Government services to stay ahead of competition"? Could Singapore expand on the above wording in its IAP by commenting specifically on the role of government business enterprises in the process of enhancing national competitiveness including the present timetable for privatization?

Singapore has always maintained a pro-competitive approach towards developing its industries and services. According to the IMD World Competitiveness Yearbook 2003, Singapore is the world's second most competitive economy (with a population below 20 million). In this pro-competitive environment, government-linked companies (GLCs) are likewise subject to the same regulatory regime and market discipline as all other private sector companies. The government does not condone unfair competition whether by GLCs or private sector companies.

In principle, the Singapore government is prepared to fully divest its stakes in the GLCs other than those which are of strategic interest for defence and the economy. In the last one year, the government has divested 12 companies. The government will continue to rationalise its stable of companies, and divest those that are no longer relevant, in order to stay ahead of competition. This will be done at the right time, at a fair price, in a way which does not unsettle the market, and which ensures that the companies could continue to be properly managed after divestment. However, it is unwise to announce the candidates or timetable for divestment as such information is price sensitive, especially for listed companies.

The Singapore government will limit new investment to businesses with the potential to internationalise. These are to be in new growth sectors where the private sector in Singapore is unable or unwilling to undertake risks, such as large investments with long gestation periods.

INDEPENDENT EXPERT

Q65. Are there any other measures being employed and planned to improve the market environment?

Singapore has worked at maintaining a stable, predictable and transparent business environment through various policies, both internally and externally oriented. Internally oriented policies would cover areas like the development of physical and knowledge infrastructure and the provision of tax and other incentives to enterprises. Externally oriented policies would cover areas like the development of a network of Free Trade Agreements in line with multilateral trade principles, to attract investors from Singapore's key trading partners.

Moving forward, there are four key areas which Singapore has identified to improve its

attractiveness as an investment destination and accelerate the globalisation of the economy. These are, namely:

- a) **Development of Human Capital:** Singapore is embarking on wage reform to introduce greater competitiveness and flexibility to the wage system. An example would be moving to a system with a larger variable component that is linked to better individual and company performance. In addition, the Workforce Development Agency (WDA) was established in Sep 03 to enhance the employability of the local workforce through continuing education and training programmes.
- b) **Sectoral Liberalisation:** Singapore is further liberalising the financial, energy and telecoms sectors to encourage greater competition between local and foreign players. The details of this liberalisation are explained in Singapore's answers to questions pertaining to each sector.
- c) **Encouraging Enterprise:** Singapore will keep direct taxes on companies and individuals as low as possible, keeping the long-term budget sustainable by shifting tax revenue sources to indirect taxes like the Goods and Services Tax (GST). Singapore will also continue to promote a pro-business environment through the reduction of red-tape and obstacles for enterprise. For example, the Pro-Enterprise Panel was set up in 2000 to ensure that government regulations and rules remain relevant and supportive of a pro-enterprise environment.
- d) **Enhancing Legal Infrastructure:** With experience gained from enforcing sector-specific competition regimes, Singapore is moving towards the introduction of a generic competition law by 2005 that will cover all sectors. In addition, Singapore has continued to strengthen its intellectual property rights protection framework. This is a key element that will help Singapore become more innovative and assist in creating a "knowledge-based" economy. Enhancements to this framework include criminal penalties for wilful trade mark and copyright piracy on a commercial scale, and stronger protection for rights management information.

Q66. Please outline major changes in the investment regime since 1996, in line with the APEC Non-Binding Investment Principles and the Menu of Options for Investment Liberalization and Business Facilitation. What is the impact of changes on the entrance of new investors into the market?

The main changes to enhance Singapore's investment regime since 1996, in line with the APEC Non-Binding Investment Principles and the Menu of Options for Investment Liberalization and Business Facilitation included:

- a) Enlarging the framework conducive to investment promotion and protection through the signing of 6 more free trade agreements besides the FTA with ASEAN, 11 more bilateral investment guarantee agreements and 21 more avoidance of double taxation agreements, and the continued negotiation of more of such agreements;

- b) Liberalization reforms in the few sectors partially open to foreign investment such as removal of limits on foreign shareholders' stake in domestic banks and telecommunications companies;
- c) Greater encouragement of foreign talent for employment in various activities;
- d) Strengthening intellectual property rights protection framework;
- e) Working on enactment of national competition law to reinforce Singapore's pro-business environment by 2005;
- f) Improving the domestic business environment through business facilitation measures such as increase in online provision of services, increase in involving people in policy-making, concerted governmental effort to remove rules; and
- g) Adopting improved standards of accounting and auditor independence aligned with international standards and of corporate governance with the Singapore Corporate Governance Code having taken effect on Jan 2003.

The changes have enhanced efficiency in the business environment, increased opportunities and made it easier for new investors to start and do business in Singapore. Inward FDI continues to remain high, especially in manufacturing. According to the BERI Report for 2003,⁵ Singapore was ranked the 2nd most profitable location for investors. For example, in the area of telecoms services, there has been greater involvement by foreign players like British Telecoms and NTT Communications. The liberalisation of the financial sector has also led to increased participation from foreign banks. For example, foreign banks were given access to Singapore's domestic market through a new category of Qualifying Full Bank (QFB). As a result of further liberalisation moves this year, QFBs will be able to conduct a fuller range of banking businesses.

Q67. It is noted that the government continued to take measures to improve the domestic market environment, such as building up more educated workforce and world class financial, transport and telecommunication infrastructures. Please indicate that how these measures have been implemented and what effects have been achieved thus far.

Singapore has undertaken wide-ranging measures to improve the domestic market environment. The government strategy is to create a competitive economy that is globalised, entrepreneurial and diversified. This necessitates an upgrading of the workforce, as well as developing and maintaining world class infrastructure.

In the area of workforce development, Singapore established in 2003 the Singapore Workforce Development Agency (WDA). The WDA aims to enhance the employability of the local workforce and the competitiveness of industries by developing a comprehensive, adult continuing

⁵ BERI stands for Business Environment Risk Intelligence

education and training framework that is closely linked to the changing demands of the economy. The WDA will also help industries develop their capabilities to plan and meet their manpower needs, as well as upgrade human capital management practices. For more details on the WDA, please refer to the website at www.wda.gov.sg

In the area of infrastructural development, there is generally a liberalised climate, with further liberalisation being carried out. Sectorally, these are:

a) Financial

Singapore has embarked on phased liberalisation of the financial sector, that began in 1999, to build stronger local financial institutions through competition and to enhance Singapore's standing as an international financial centre.

Under the 1st phase of banking liberalisation, foreign banks were given access to Singapore's domestic market, through creating a new category of Qualifying Full Bank (QFB), increasing the number of restricted banks, giving offshore banks greater flexibility in the S\$ wholesale business, and lifting 40% foreign shareholding limit on local banks. In the 2nd phase of banking liberalisation that was announced in 2001, access to the domestic wholesale banking industry was significantly broadened, and competition in retail banking was enhanced. In Jun 04, the government announced its new liberalization changes, which are incremental adjustments to the earlier major liberalisation packages. For example, QFB banks will be able to conduct a fuller range of banking business, establishing up to 25 service locations from the existing 15. With the current 6 QFBs permitted to share ATMs amongst themselves, this could lead to a QFB shared network of about 150 locations across Singapore, providing QFBs with significant scope for expanding their domestic presence. QFBs will also with immediate effect be allowed to negotiate with the local banks on a commercial basis to let their credit card holders obtain cash advances through the local banks' ATM networks.

In the securities market, Singapore embarked on a 3-year phased liberalization from Jul 2000, where the trading limits for international members (IMs) were reduced to \$500K, and new IMs were admitted. In Jan 01, the trading limits for the IMs admitted before Jul 2000 were removed, and in Jan 02, access to Singapore Exchange Securities Trading was opened up. The insurance market was also liberalized. Measures included freeing up entry to the direct insurance industry, lifting the 49% foreign shareholding limit of locally owned direct insurers and allowing an open admission policy on new insurance brokers.

b) Transport

Air: Singapore's aviation policy, implemented by the Civil Aviation Authority of Singapore (CAAS), provides an extensive and liberal framework for more air services and city links to Singapore. Unilateral operations by foreign carriers are welcomed, and there is fair and equal treatment to both local and foreign carriers. There is a liberal regime on air fares, allowing carriers operating in Singapore to set their own fares, which are dictated by market forces. For passenger air fares, carriers file their fares to the CAAS either for information or approval

depending on the tariff regime adopted in the respective bilateral Air Services Agreements. Approval would normally be granted unless there is evidence of predatory pricing or unfair competition. Furthermore, air cargo tariffs have not been subject to regulation since 1987 and carriers need only keep CAAS informed. In addition, Singapore is strengthening its position as a regional aviation hub. The CAAS announced the Air Hub Development Fund (AHDF), which will provide S\$210 million worth of rebates and other incentives, and will be in place for 3 years as of 1 Jan 03.

Land: The Land Transport Authority's (LTA) provides a quality, integrated and efficient land transport system, which meets the needs and expectations of Singaporeans, supports economic and environmental goals, and provides value for money. In doing so, LTA has adopted a multi-pronged strategy, comprising (i) integrated planning of facilities and building development; (ii) expansion of the road network; (iii) harnessing advanced technology e.g. Electronic Road Pricing (ERP) system, the Expressway Monitoring and Advisory System (EMAS) and the Green Link Determining (GLIDE) intelligent traffic light system; (iv) demand management; and (v) improving public transport.

In recent years, in a move to encourage competition, the LTA has implemented the following: (i) From 2000, LTA offered market access in vehicle inspection services under the various FTAs; (ii) In 2003, LTA liberalised the taxi market and introduced a new licensing framework for taxis; (iii) from August 2002, any private bus operator who is interested in running feeder services within the HDB towns can submit its application to the Public Transport Council⁶.

Maritime: The Maritime and Port Authority of Singapore (MPA) implements maritime policy, manages port waters and ensures navigational safety in the ports. It is also in charge of licensing and regulation of maritime and port services and facilities, and regulates "economic behaviour of the port industry".

Singapore does not have a freight filing system; shipping companies may determine their own freight rates. There are no restrictions on foreign participation for the provision of port services. To promote and strengthen the maritime cluster, MPA created an S\$80 million Maritime Cluster Fund (MCF) in Apr 02. S\$50 million will be set aside for training, and S\$30 million will be used to help shipping companies reduce operating costs in Singapore. Other assistance programmes include the Maritime Innovation and Technology (MINT) Fund and the Maritime Enterprise IT Programme.

Singapore has also liberalised port services such as tug services, bunkering and ship chandlery. This has resulted in more competitive rates, and better service levels. PSA Corporation, which manages most of Singapore's cargo terminals, recently entered into a joint venture with Cosco, a major player in the container market, to operate container facilities in Singapore Port. This was the result of a policy change in Jun 02 that Singapore Port was open to more cargo terminal operators running terminals in the port, including dedicated terminals. To keep port costs competitive,

⁶ The Public Transport Council (PTC) is a statutory board and has the following functions:

- a) To receive and consider applications for the issue of bus service licenses;
- b) To receive and consider applications for approval of bus and rapid transit system fares; and
- c) To regulate bus routes and rapid transit system fares.

MPA has granted a 20% port dues concession to container ships. This concession has been given since May 1996, and was recently extended for another 2 years to 30 Jun 2006.

c) Telecoms

Since 2000, Singapore has fully liberalised its telecommunications market. To date, over 30 operators have been granted Facilities Based Operator (FBO) licenses, and over 600 operators have obtained Services Based Operator (SBO) licenses. From Singapore's experience, these operators have generally been able to gain quick and easy access into the market, including getting their licence, establishing interconnection and access arrangements, rolling out their networks and services and commencing commercial operations.

Q68. Please provide some details of enforcement of the new Corporate Governance Code, and how significant it is in the context of improving efficiency in the domestic business market.

As part of the initiatives to develop and promote world-class corporate governance practices, Singapore issued a Code of Corporate Governance for listed companies in April 2001. The Code was developed based on corporate governance benchmarks and best practices in major financial jurisdictions, such as the US Blue Ribbon Committee's Report, the UK Combined Code and the OECD Principles of Corporate Governance.

The Code sets out 15 principles and 55 guidelines on board composition, board performance, directors' remuneration, accountability, and improving communication with shareholders. The Code is appended to the SGX Listing Manual. Listed companies are encouraged to comply with the Code. They are required to describe how they have applied the principles, as well as to disclose and explain any deviation from the guidelines in their annual reports.

In May 2004, the Council on Corporate Disclosure and Governance (CCDG⁷) announced that it was embarking on a review of the Code. The review is intended to introduce improvements to the Code, taking into account feedback received since the inception of the Code and international developments in corporate governance.

Q69. In the most recent IAP, it is stated that both foreign and local investors require government approval for manufacturing specific products, and also noted that some new products have been added to the list under control of manufacture. Please specify the rationale behind the changes in policies. Is this requirement also applied to the investors from the economies that signed Free Trade Agreements with Singapore? Does Singapore have plans to keep control over more products besides existing ones?

There has not been a change in policy. The Control of Manufacturers Act (COMA) was enacted in 1959 listing manufactured products in Singapore which may result in safety, health and

⁷ The CCDG is a private-sector-led body that was set up by the Ministry of Finance in August 2002. The CCDG is constituted under the Companies Act. It is tasked to prescribe accounting standards and to advise the government on corporate disclosure and governance matters.

environment concerns. The COMA applies to both local and foreign investors, and a license is required for manufacture of the products listed under the Act. The licensing requirement is also applicable to investors from economies that signed FTAs with Singapore. There are no plans to expand the list of items in the COMA Schedule.

Q70. Are there cases taking place in the area of expropriation and compensation, notwithstanding no disputes brought to court for expropriation and compensation of foreign investment in Singapore? If so, please give a for instance.

There are no cases of dispute taking place in the areas of expropriation and compensation.

Q71. Please outline Singapore's overseas investment, including relevant statistics, and policies and measures pursued to encourage companies to invest abroad.

Singapore's outward FDI abroad amounted to S\$146 billion in 2002. Investments abroad were largely in financial and insurance services and manufacturing. Since 1999, the proportion of investment in manufacturing has decreased while that in services has increased.

International Enterprise Singapore (IE Singapore) was launched in April 2002 to help Singapore-based companies internationalize and grow in the global market. IE Singapore currently has a global network of 36 offices around the world, covering the regions of the Americas; China; Europe; North Asia and Pacific; South Asia; Middle East and Africa; and Southeast Asia. IE Singapore continually reviews its network of offices, in consultation with the business community.

Chapter 5 - Standards and Conformance

HONG KONG, CHINA

Q72. It is noted from the "participation in plurilateral recognition arrangements of conformity assessment in the regulated sector" that Singapore currently does not regulate the toy sector. Would like to know if Singapore has imposed any measures relating to imports of toys.

There are no mandatory safety standards or compulsory conformity assessment procedures for toys in Singapore. Only toy guns including pistols and revolvers are controlled imports and their import is regulated by the Singapore Police Force under the Regulation of Imports and Exports Regulations. However, the intention is to focus on controlling the entry of gun replicas which resemble an actual gun, and can be used to commit crime or cause serious injury to persons. It should not be interpreted as a "catch-all" control on all possible forms of toy gun imports

NEW ZEALAND

Q73. Where regulators have introduced specific regulatory requirements (for food or other goods) for health and safety or environmental concerns, which regulators use the national accreditation body for assurance of competence in testing and inspection and which of these

regulators also recognise accreditation by MRA signatories of the national accreditation body?

The regulatory authorities for health and safety or environmental concerns are sector specific. Where there are mandatory requirements they are governed by Acts of Parliament. The national accreditation body for assurance of competence in testing and inspection, and for which regulators recognise accreditation by MRA signatories is the Singapore Accreditation Council (SAC). The SAC is an independent body residing in the Standards, Productivity and Innovation Board (SPRING) Singapore.

The following are regulators that recognise the SAC for assurance of competence in testing and inspection:

1. Standards, Productivity and Innovation Board (SPRING Singapore) – 45 categories of electrical, electronic products and gas appliances
2. Infocomm Development Authority (IDA) – Telecommunications equipment
3. Building & Construction Agency (BCA)- Building & Construction materials
4. Public Utilities Board (PUB) – Water fittings
5. Ministry of Manpower (MOM) – Non destructive testing services
6. National Environmental Agency (NEA) – water testing
7. Housing & Development Board (HDB) – building & construction materials, electrical products & accessories
8. Maritime Port Authority (MPA) – bunker fuel oil testing
9. Energy Market Authority (EMA) – Meters
10. Health Sciences Authority (HSA) – Chinese Proprietary Medicine pharmaceutical products and Good Manufacturing Practices (GMP)
11. Civil Aviation Authority (CAAS) – Calibration Services, mechanical testing
12. Land Transport Authority (LTA) – Construction
13. Jurong Town Corporation (JTC) – Building & Construction
14. National Environment Agency - source emissions
15. Agrifood and Veterinary Authority (AVA) – food

The following are the regulators that also recognise accreditation by MRA signatories of the SAC:

1. SPRING
2. IDA
3. MOM
4. PUB
5. BCA
6. LTA
7. CAAS

Q74. Where regulators do rely on internationally accepted standards as the basis of their regulations, which regulators use the national accreditation body for assurance of competence

in testing and inspection and which of these regulators also recognise accreditation by MRA signatories of the national accreditation body?

For regulators that use the SAC for assurance in competence in testing and inspection when relying on internationally accepted standards, pls see answer to Q2.

The following are the regulators that also recognise accreditation by the MRA signatories of the SAC:

1. SPRING
2. IDA
3. BCA
4. PUB
5. MOM
6. NEA
7. HDB
8. MPA
9. EMA
10. HSA
11. CAAS
12. LTA
13. JTC
14. NEA

Q75. Could Singapore explain why it has decided to adopt EU exhaust emission standards for petrol and diesel-driven vehicles rather than International Standards (or a range standards equivalent to each other that can be used to achieve the same objective), when EU standards could have a restrictive impact on trade which would go against APEC's trade facilitation objective?

There are currently no international standards on exhaust emission for petrol and diesel-driven vehicles. Singapore has, for the past 20 years, adopted the EU exhaust emission standards as the EU is the major manufacturer of vehicles.

Q76. Electronics, electrical and gas consumer products designated as controlled items are required to be registered with the Singapore Productivity and Standards Board based on type test report with supporting documents. These products would be required to have a Safety Mark on them or their packaging. Regular and random market surveillance is conducted to ensure that only registered goods with the Safety Mark are supplied in the local market. We understand the registration and labelling scheme developed by SPRING is one of self-declaration. This seems to be a good example of the use of self-declaration and monitoring by the market and we suggest the scheme be publicized amongst other APEC economies and in training courses, such as the recently held Workshops on Good Regulatory Practice funded by APEC -TILF in Vietnam

Singapore wishes to clarify that registration for sale in the Singapore market is based on certification by designated third-party conformity assessment bodies (CABs), and not self-declaration as mentioned. The registration process is automatic. All controlled goods that are meant for sale in the Singapore market must be affixed with the SAFETY Mark before they can be sold, supplied or advertised in Singapore.

In the area of electrical and electronic (EE) equipment, Singapore with Australia were the two pioneer economies to participate in the APEC EE MRA. Singapore has and will continue to share its experience in this area at APEC, especially in the CTI Sub-Committee on Standards and Conformance.

UNITED STATES

We applaud Singapore's policy of adopting international standards wherever possible, active involvement in standards work in APEC and other international fora, as documented in the IAP. We hope Singapore can continue to actively participate in such fora, including the CODEX Alimentarius committee.

INDEPENDENT EXPERT

Q77. It is noted that Singapore is presently not a participant to the APEC Toy Arrangement and does not intend to participate in the APEC Arrangement on Food Recalls. Please indicate what the rationale behind rejection is and when Singapore plans to join them?

Singapore does not regulate toy safety in Singapore; hence it is not necessary for Singapore to participate in the APEC Toy Safety Arrangement. On the APEC Arrangement on Food Recalls, the relevant authorities will be conducting a review to determine Singapore's participation.

Q78. Does Singapore face any problems in promoting alignment of its standards with international standards, as well as participation in international standardization activities and MRAs in both regulated and voluntary sectors? If so, how is the economy addressing such problems?

Being a signatory to the WTO TBT Agreement, Singapore's policy with regard to alignment to international standards has always been to achieve maximum alignment of Singapore Standards (SS) to international standards, and to adopt international standards directly, wherever appropriate. This is also in line with the Singapore Standardisation Strategy (www.standards.org.sg). In areas where no available or appropriate international standards exist, Singapore looks to regional standards, national standards of other countries, or consortia standards.

In terms of participation in international standardisation activities, Singapore is a member of both the ISO and IEC and currently holds 33 participating (P) memberships in various ISO and IEC technical committees. Singapore is also an ISO Council member for the term 2003-2004. In addition, Singapore will also be hosting the ISO General Assembly for the first time in 2005.

Singapore recognises the importance and value that MRAs play in removing technical barriers to trade associated with mandatory conformity assessment procedures. Singapore has sealed MRAs with major trading partners such as Japan, Australia and New Zealand. Singapore is also a signatory to the MRAs within APEC and ASEAN.

In the area of voluntary MRAs, Singapore is a signatory to the MRAs under the International Bureau of Weights and Measures (BIPM), International Laboratory Accreditation Co-operation (ILAC), Asia Pacific Laboratory Accreditation Co-operation (APLAC), Pacific Accreditation Co-operation (PAC), and also participates in the IECEE-CB Scheme for recognition of test reports and certificates.⁸

Q79. We note that Singapore has made efforts to achieve 100% alignment under the APEC Voluntary Alignment Programme and continue to actively explore and propose new areas and sectors for alignment. Could you please advise what new areas and sectors are being explored and proposed recently?

Singapore had proposed an additional priority area for alignment with international standards in the area of electrical safety of IT products (IEC 60950) in 2000. This was accepted and APEC economies are to align their national standards to this international standard by 2004 for developed economies, and 2008 for developing economies.

Singapore would like to further elaborate on its standards and conformance, and accreditation systems in Singapore as follows:

Standards

Standards in Singapore are developed by the Singapore Productivity and Innovation Board (SPRING Singapore).⁹ SPRING Singapore is a statutory board under the Ministry of Trade and Industry and is responsible for developing and establishing national standards and enhancing Singapore's competitiveness.¹⁰ It is also the national authority on metrology, weights and measures, and consumer product safety and is responsible for the accreditation of conformity assessment bodies. SPRING Singapore is headed by a Chairman of a Board of Directors representing industry, trade unions, and government.

⁸ The IECEE-CB (International Electrotechnical Commission System for Conformity testing and Certification of Electrical Equipment) Scheme is an international system for acceptance of test reports dealing with the safety of electrical and electronic products. The objective of the Scheme is to facilitate trade by promoting harmonisation of national standards with international standards.

⁹ SPRING Singapore was established on 1 April 2002 and took over the national standards activities of the Singapore Productivity and Standards Board.

¹⁰ To achieve its overall goal of annual TFP growth of 1.5% over the next 15 years, SPRING Singapore is focusing on "productivity and innovation, standards and metrology, and small and medium-sized enterprises and the domestic sector". (SPRING Singapore online information). Available at: http://www.spring.gov.sg/portal/aboutus/spring/springprofile.html_friendly.html, [14 October 2003]).

The development of national standards, which are usually voluntary, is coordinated by SPRING Singapore's Standardization Department under the guidance of an industry-led national Standards Council. The Council, which includes representation from the private and public sectors, formulates strategies on Singapore's Standardisation Programme. The Council heads nine standards committees, which are responsible for formulating and establishing national standards in nine identified areas.¹¹ Each committee has representatives from government, industry, professional and tertiary institutions, and consumer associations. The Singapore National Committee of the International Electrotechnical Commission (SNC(IEC)) was set up in 1989 to monitor the work of the IEC and provide inputs to the Singapore Standardisation Programme.

The process of developing standards has remained essentially unchanged since the previous Review. A request for a new standard or update of an existing standard is submitted to the Standards Council, which examines it in light of the national priority. If the request is considered to have a significant impact on improving trade and competitiveness, interoperability, productivity, quality, environment, safety and health, and in line with the Government's overall objectives in the national economic plans, a draft standard will be prepared by a Technical Committee set up under the relevant standards committee. The draft standard is then released for public comment for a period of 60 days, during which the comments received may be incorporated into the draft standard after being reviewed by the standards committee. Upon approval by the standards committee, the standard will appear in the *National Gazette*, before it is printed as a Singapore Standard. The timeframe for drafting and approving a new national standard by the standards committee ranges from 12 months for a product standard to 24 months for a code of practice.

SPRING also develops technical references that do not undergo the full consensus process, i.e. they do not go through the two-month public comment period, and they are endorsed as technical references, rather than approved, like Singapore Standards. Technical references are developed to help meet urgent industry demands for areas where there are few, if any, widely accepted standards. It is a document developed for industry trial and feedback, for voluntary application over a limited period of two years. Feedback, at the end of the two-year period, will be considered for incorporation into the document before its approval as a Singapore Standard, failing which the document may be withdrawn or in exceptional cases, remains as a technical reference for further trial. As at April 2004, there were 18 technical references covering areas such as cleaning, property management, and thermal imaging, many of which are developed for services.

Around 34% of Singapore's standards were equivalent to international standards in 2003, down from just over 36% in 2000. The method for measuring the extent of usage of international standards was changed in 2000. The authorities state that it was more meaningful to gauge this using Singapore standards that could be aligned to international standards rather than using all Singapore standards. This practice has also been adopted by other established national standards bodies. As at April 2004, about 83% of alignable Singapore standards (determined on the basis

¹¹ The committees areas are: electrical and electronic standards; building and construction standards; information technology standards; services standards; chemical standards; medical technology; general engineering and safety standards; management system standards; and food standards.

of whether there was a corresponding international standard to be aligned to) were aligned to international standards. There is 100% alignment in quality control, environment, information technology and medical areas. Alignment is low in building/construction because although there are few international standards in the sector, many could not be aligned because of infrastructural reasons. There have been no changes to conformity assessment procedures.

Singapore is a member of the International Organization for Standardization (ISO) (since 1966) and the International Electrotechnical Commission (IEC) (since 1990). The Standardisation Department of SPRING Singapore represents Singapore's interests at the meetings of these bodies, as well as in regional standards and conformance fora including: the ASEAN Consultative Committee on Standards and Quality (ACCSQ); the Pacific Area Standards Congress (PASC); the APEC Sub-Committee for Standards and Conformance (SCSC); and the Asia-Europe Meeting (ASEM) Group on Standards and Conformance.

Accreditation

Formed in 1996, the Singapore Accreditation Council (SAC) carries out independent accreditation of conformity assessment bodies in Singapore accordance with relevant international guides and requirements, maintains integrity and impartiality and takes public interest into account. SAC represents Singapore in regional and international fora on accreditation and related conformity assessment activities. It also works closely with Government agencies on mutual recognition agreements with regional and international bodies for the facilitation of trade.

SAC operates these accreditation / registration schemes:

- Accreditation Scheme for Quality System Certification Bodies
- Accreditation Scheme for Laboratories
- Registration Scheme for Quality Management System Auditors
- Accreditation Scheme for Environmental Management System Certification Bodies
- Registration Scheme for Internal Quality Management System Auditors
- Accreditation Scheme for Inspection Bodies
- Accreditation Scheme for Product Certification Bodies

SAC is a MRA member of the International Accreditation Forum (IAF), International Laboratory Accreditation Co-operation (ILAC), Asia Pacific Laboratory Accreditation (APLA), Pacific Accreditation Co-operation (PAC), European co-operation for Accreditation and the International Auditor and Training Certification Association.

Chapter 6 – Customs Procedures

Adoption of Kyoto convention

UNITED STATES

Q80. Does Singapore intend to sign and ratify the revised Kyoto Convention?

Singapore Customs is currently studying the provisions of the revised Kyoto Convention and reviewing the compatibility of its provisions with Singapore's legislation and practices, with a view of acceding to the revised Kyoto Convention when it comes into force.

Greater Public Availability of Information

UNITED STATES

Q81. It is unclear whether all Customs regulations are now available on-line through the Internet. While legislation is available on line, some regulations may not be. We welcome Singapore Customs' ongoing efforts to ensure regulatory information is easily accessible. Can we confirm that all customs-related subsidiary legislation and all Customs circulars and other administrative regulations are now available on the Internet?

All circulars and administrative guidelines are available on Singapore Customs website at <http://www.customs.gov.sg>. All statutes of Singapore can be viewed online via the Attorney-General's Chambers website at <http://statutes.agc.gov.sg/>. The statutes and the subsidiary legislation are also available at the LawNet website at <http://www.lawnet.com.sg>. Hard copies of these are also available for sale in bookstores.

Paperless trading

HONG KONG, CHINA

Q82. Nearly all customs and trade declarations are submitted electronically through the TradeNet system. Would like to know if there is any legislation in Singapore that requires all customs and trade declarations to be submitted electronically. If not, would like to know how Singapore Customs assists in promoting and developing paperless trading.

Section 90A of the Customs Act allows Singapore Customs to establish and operate a computer service and make provision for any manifest, return, list, statement, declaration, direction, notice, permit, receipt or other document required or authorised by this Act to be made, served or submitted by electronic transmission.

Singapore Customs has made available several electronic systems and facilities for the traders. For example, the TradeNet system was established in 1989 and E-filing applications were made available in 1998. These ICT platforms replace manual procedures and have resulted in reduction of business cost as well as turnaround time for the preparation, transmission and processing of documents/applications for the business community. Traders recognize the benefits of paperless trading over manual processes for their businesses and have been actively utilizing the various electronic systems and facilities.

JAPAN

Q83. It is mentioned that nearly 100% of all customs and trade declarations are submitted electronically through the TradeNet™ system, which complies with the UN/EDIFACT standards. Japan would like to know whether all of the electronically processed declarations use actually UN/EDIFACT or not. Japan also would like to know which messages of UN/EDIFACT are used for which Customs procedures.

Most of the declarations use UN/EDIFACT compliant messages such as CUSDEC and CUSRES. However, some are specifically created or were modified from the CUSDEC message to cater to Singapore's own operational needs.

Risk Management

AUSTRALIA

Q84. Does Singapore have a Risk Management program/system in place to support the training of staff?

Singapore Customs adopts risk management in the core functional areas and processes, such as cargo clearance and passenger clearance. Singapore Customs constantly refines its risk management approach, with a view to achieve better utilisation of existing resources. Risk Management workshops and courses are also arranged to familiarise officers on the risk management process.

UNITED STATES

We applaud Singapore Customs for its extension of the risk management process to its entire passenger and cargo clearance operations, and for its acquisition of gamma-ray scanners at the Port of Singapore.

Q85. We wish to confirm, however, the extent to which risk management processes are applied to transshipment and transit cargoes, and passengers in transit. Application of risk management processes to all cargoes, whether import, export, re-exports, transshipment, or transit, is an important element in ensuring secure trade in the APEC region. If such processes are not currently in place for transshipment and transit cargoes, and passengers in transit, does Singapore have plans to implement them?

Transshipment of controlled goods must be declared to the relevant Singapore controlling agencies due to either health or security reasons, or certain international convention obligations. Transshipment cargo information is therefore available for risk profiling by different authorities. The degree of checks on such shipments will depend on the level of risk posed by the products as well as the reliability and timeliness of the intelligence received.

With regards to passengers in transit, regular spot checks are conducted daily by the Airport Police and appropriate action will be taken against those who pose a security concern. In addition, foreign liaison officers from some economies, including the US, are stationed in the transit areas to check the travel documents of passengers who are flying to these economies. If transit passengers are found with fraudulent travel documents, either by officers from Airport Police or the foreign liaison officers, the airlines that the transit passengers came in on will be requested to fly them back to their last port of embarkation.

In addition to the daily regular spot checks on transit passengers, the Immigration and Checkpoints Authority will be participating in the APEC-funded Advance Passenger Information (API)

feasibility study and will review if there is a need to require airlines to send advance information on transit passengers to Singapore so that risk profiling can be conducted on the passengers.

Q86. An important element in risk management is information. Does Singapore have plans to collect advance manifest data on all cargoes passing through the port, including transshipment and transit cargoes, and on all passengers passing through Changi Airport, including transit passengers?

Singapore does not plan to collect advance manifest data and is currently using available information for risk assessment. With regards to advance information on passengers, this would depend on the outcome of the API feasibility study that the Immigration and Checkpoints Authority will be embarking on.

Development of a Compendium of Harmonised Trade Data

JAPAN

Q87. It is mentioned that Singapore is studying the WCO Data Model sets against its own data requirements for Customs and trade documentation. Japan would like to know when the WCO Data Model will be implemented, if Singapore has a concrete plan.

Singapore Customs is currently studying the Data Model V1.1 against its own data elements for customs and trade documentation. Initial findings show that the WCO Data Set is very different from the data sets required by Singapore as Singapore adopts a single-window concept.

Singapore understands that the WCO Data Model V2.0 would be released in 2005 and this will include both Customs and Other Government Agencies' (OGA) requirements and a transit model. Singapore would examine closely the new WCO Data Model V2.0.

Q88. Japan's business organization indicates that container yard regulations on hazardous materials classified under PG2 of U.N. (Singapore Port Authority Regulations) are too strict in comparison to the international port standard. Please explain the reason why Singapore port authority applies such strict regulation in comparison to the international standard.

Singapore notes that the hazardous materials classified as Packaging Group 2 of UN are similar to those in the International Maritime Dangerous Goods (IMDG) Code adopted by the International Maritime Organisation (IMO). As the Maritime and Port Authority's (MPA) Dangerous Goods Regulations follow the IMDG Code with regard to the classification, marking/labelling, and packaging group of dangerous goods, Singapore regulations would be in compliance with the international standards. Singapore does not impose any additional requirements other than those laid down in international standards for storage of goods in ports.

INDEPENDENT EXPERT

Q89. The IAP notes that Singapore has not been a contracting party to the Kyoto Convention, but currently is studying the Revised Kyoto Convention (RKC) and has agreed to participate in Part A of the RKC Pathfinder in SCCP. Please outline the progress in the study and when Singapore is able to join it. What have been the major difficulties that have had to be overcome to sign the RKC?

Singapore Customs is currently studying the provisions of the revised Kyoto Convention and reviewing the compatibility of Singapore's provisions with domestic legislation and practices, with a view to accede to the revised Kyoto Convention when it comes into force. By joining the RKC pathfinder in SCCP, Singapore hopes to have a better understanding and interpretation of the provisions of RKC.

Q90. Please highlight Singapore's achievements in implementing each of the SCCP CAP items. Which items have been not fully implemented to date, and what is your target date?

To date, Singapore Customs has implemented most of the CAP items and achieved most of the objectives under each CAP item.

With regards to CAP item 3: Simplification and Harmonization on the Basis of the Kyoto Convention, Singapore Customs is currently studying the provisions of the revised Kyoto Convention and reviewing the compatibility of its provisions with Singapore's legislation and practices, with a view of acceding to the Revised Kyoto Convention when it comes into force. Singapore has joined the RKC pathfinder in SCCP and hope to have a better understanding and interpretation of the provisions of RKC.

With regards to CAP item 10: Harmonized APEC Data Elements, Singapore Customs is currently studying the Data Model V1.1 against its own data elements for customs and trade documentation. Initial findings show that the WCO Data Set is very different from the data sets required by Singapore as Singapore adopts a single-window concept. Singapore would be examining the WCO Data Model V2.0 closer when it is released in 2005.

With regards to CAP item 14: Customs-Business Partnership, Singapore Customs will continue to explore ways to develop better partnership programmes with the trading community.

Chapter 7 - Intellectual Property Rights

NEW ZEALAND

Q91. We note that under the 1998 amendment made to the Copyright Act it is now a criminal offence to possess equipment that is used to make infringing copies of copyright material. Could Singapore please clarify what types of equipment that this provision relates to? Does the equipment's use need to be purely for making infringing copies? Does the equipment need to be

able to produce infringing copies in large numbers?

This can relate to any kind of equipment that is specifically designed or adapted for making copies where the infringer knows, or ought reasonably to know that the equipment in question is to be used for making infringing copies. It depends on what form the infringement takes and on what is the medium or the nature of the infringement. The facts of each case would differ depending on the criminal charge that is made out. This offence usually accompanies other offences such as the making or reproduction of the infringing material itself. The law provides that where the criminal infringer possesses equipment that is specifically designed or adapted to be used for making copyright infringing copies, then the possession can constitute a criminal offence. This is intended to be a strong deterrent against potential criminal infringers.

Q92. We note that the Geographical Indications Act entered into force on 15 January 1999. Could Singapore give an indication of the number of times action has been taken in the courts under this Act, and whether in these instances the alleged infringement related to foreign or local geographical indications?

To date, there has not been a reported case before a Singapore Court brought under the Geographical Indications Act. Singapore is also unaware of any private settlements or civil actions that may not have proceeded to court.

UNITED STATES

Q93. Given the increasingly integrated nature of Asia-Pacific economies and trade flow among them, Singapore, as an important shipping hub, can help ensure that illegal trade does not undermine legitimate trade. What measures does Singapore have in place to ensure that infringing goods are not transshipped through its port?

The Intellectual Property Rights Branch (IPRB) of the Police may seize goods that infringe trade mark and copyright protection, both upon official notification and also in an ex officio capacity. The IPRB follows up with investigation and prosecution. At the borders, IPRB is assisted by the Immigration & Checkpoints Authority in locating the infringing goods and in facilitating enforcement and investigation. This arrangement extends beyond inland and border enforcement, and also applies to goods that are trans-shipped (imported and re-exported) through Singapore's territorial jurisdiction.

Q94. The publishing industry is concerned that commercial copying of textbooks continues in Singapore, carried out mainly by a small number of copy shops. What actions does Singapore contemplate to ensure that these shops cease infringing activity?

The law in Singapore is adequate in providing Copyright owners in Singapore a cause of action to stop any infringing activity or order the seizure of infringing material. Where there is a criminal case made out, the Intellectual Property Rights Branch (IPRB) may initiate investigations and commence prosecutions against criminal infringers. The right owner may also apply to the court for a fiat and proceed to commence a private criminal prosecution. Besides bringing an action,

there are also ongoing efforts made by the Intellectual Property Office of Singapore to raise awareness of the importance of IP protection as well as providing information and outreach programs about Copyright laws and the rights of copyright owners.

Enforcement of IP Rights

Q95. The IAP notes that “IPR Enforcement is the shared responsibility of the authorities, the industry and the public.” There is indeed a shared responsibility, but the primary burden for enforcement of IP rights, as with other property rights, must reside with the State.

The Singapore government takes its role as an enforcer of IP rights seriously. As in all countries, the copyright owners must make a reasonable case before they can obtain a search warrant. Instead of furnishing the “trap” purchase to the Courts, copyright owners have been able to obtain search warrants based on their reports on their observations. Since last year, Intellectual Property Rights Bureau of the Police (IPRB) has seized items that were not included in the warrant, if the right holders are present at the crime scene to identify the “infringing” products.

The IPRB was established to deal exclusively with IPR offences. The strength of the IPRB has been increased from four, when it was still a warrant enforcement unit at the time of the last review, to 24 currently; the unit has been reorganised to a specialized branch of the Police under the Criminal Investigations Bureau. In syndicate cases of IP infringement, the IPRB investigate and prosecute the case.

Q96. While it may be useful for IP owners to pursue private criminal action in an IPR suit, it is important that the rules of Court are not more burdensome for private criminal actions as for criminal actions initiated by the authorities. It would be useful if Singapore could elaborate on this point.

The rules of Court in relation to a private criminal action are the same as when the action is brought by the State. As the rules of evidence and procedure are important elements in any legal system to ensure consistency and fairness, these rules are applied equally in all judicial proceedings.

INDEPENDENT EXPERT

Q97. Please comment on how effectively Singapore implements the IPR-related measures to ensure adequate enforcement against infringement of IPRs, citing a few recent examples of imposing penalties for IPRs infringement.

The Intellectual Property Rights Branch of the Police (IPRB) was established in the 3rd quarter of 1999 to deal exclusively with IPR offences. The strength of the IPRB has been increased from four, when it was still a warrant enforcement unit at the time of the last review, to 24 currently; the unit has been reorganised to a specialized branch of the Police under the Criminal Investigations Bureau. The value of infringing articles seized under the Copyright and Trade mark Acts was some S\$33 million in 2003, with 163 arrests. Including the statistics recorded under the Film Act

for 2002, the combined figure for the Copyright, Trade mark and Film Acts for 2002 was some S\$38 million, with 1,755 arrests.¹² Most of the copyright infringement cases are handled by the IPRB and syndicated cases are given the highest priority.

Singapore has a good reputation in IPR enforcement. In its annual survey, released in April 2004, the Hong Kong-based Political and Economic Risk Consultancy (PERC) ranked Singapore as Asia's safest place for intellectual property. PERC found that "foreign companies feel quite comfortable about being able to protect their intellectual property rights in Singapore". This sense of security is attributed by the survey to Singapore's tightly policed and regulated environment where IPR is concerned, and Singapore's legal system.

Q98. With respect to implementing the TRIPS obligations, the IAP notes that several of IP-related provisions are TRIPS-plus. Could you please clarify which provisions enacted by Singapore are beyond TRIPS?

Singapore law is currently consistent with all the provisions required under the TRIPS agreement.

TRIPS plus provisions enacted by Singapore include:

- Laws implemented under the commitments of Madrid Protocol and the Patent Cooperation Treaty;
- New provisions in our law based on proposals made in the WIPO Joint Recommendation for the protection of well known marks;
- The increase of term of protection for copyrights by 20 years [i.e., the term of protection will now be the life of the author plus 70 years instead of the life of the author and 50 years]; and
- The enactment of Plant Varieties Protection Act 2004 which comply with 1991 UPOV Convention;
- New provisions relating to patent term extension for a granted pharmaceutical patent where there had been either administrative delays in the patent office or delays in obtaining marketing approval;
- New provision relating to restriction on parallel import of patented pharmaceutical products; and
- New provisions relating to the registration of sound and scent marks.

Chapter 8 – Competition Policy

AUSTRALIA

Q99. You have indicated that Singapore relies on a sector-specific approach to promoting competition. What measures have you introduced, or do you plan to introduce, in industries other than financial securities, electricity and telecommunications to promote competition? How is competition monitored and enforced within each sector and in the broader economic context?

¹² The word "arrests" refer to persons arrested.

Singapore will be implementing a competition law by 2005, covering most sectors of the economy. A draft Bill is currently undergoing public consultation. Certain regulated activities in the telecommunication, energy and media sectors will be excluded from the ambit of the competition law and will continue to be regulated by their sectoral regulators. Australia may wish to refer to Annex B of Singapore's public consultation paper on the full list of activities proposed to be excluded and to be subject to sectoral competition management instead. The relevant link can be found at:

http://www.mti.gov.sg/public/PDF/CMT/frm_LEG_Compensation_Consultation_Paper_AnnexB.pdf

Q100. Have you implemented any measures to prevent abuse of market share by dominant players?

The sectoral regulatory frameworks have provisions to address conduct amounting to abuse of a dominant position. The proposed competition law will also have a section prohibiting such conduct.

Q101. You have indicated that foreign equity limits of 49% have been lifted for public telecom service licences. Do such limits apply in other sectors, and, if so, do you have plans to reassess these limits in the future?

There are no generic limits in existence. There are also no foreign equity limits in the electricity and gas industries. Certain sectoral restrictions however remain. For example, the restrictions currently apply to media companies that broadcast content to the Singapore public. This was necessary as broadcasting was a sensitive sector, which plays a vital role in maintaining the social fabric of Singapore. As a small country with a multi-racial and multi-religious society, it is crucial to ensure that broadcast media does not take advantage of their position to play up certain racial or religious issues in order to obtain better ratings.

Foreign investment in some of Singapore's government linked companies (GLCs), depending on the sectors they operate in, are also subject to restrictions. For example, the aggregate foreign shareholding limit in PSA Corporation, which manages Singapore's ports, is 49%.

Q102. Have you implemented competitive neutrality measures to enable private firms to compete on a level playing field with corporatised Government entities?

In practice, the Singapore government has not favoured government linked companies. In the proposed competition law, corporatised government entities are subjected to the law. If any of these entities infringed the prohibitions in the competition law relating to anti-competitive activities, the appropriate enforcement action will be taken against them.

Q103. What has been your experience with self regulation in the telecommunications sector? Have you found this approach to be effective?

The Singapore market has been fully liberalised for about 4 years, a relatively short period of time compared with some other APEC economies. Nonetheless, one of IDA's goals is to promote, facilitate and encourage industry self-regulation in the telecoms sector. To the extent market segments are competitive, IDA will place primary reliance on market forces, whilst maintaining minimum requirements to protect end-users and prevent anti-competitive conduct.

An example would be the Code of Practice for Info-communications Facilities in Buildings (COPIF) which was developed by operators in consultation with IDA. IDA endorsed the Code and enforces it. There are also a number of industry working groups where operators discuss issues such as inter-operator SMS, directory enquiries and number portability.

Industry self regulation has proved effective where industry players share a common interest, such as in technical and operational issues. It also works best where there is no possibility for one or two operators to stymie consensus or dictate outcomes. It has proved effective for IDA to enforce compliance with any codes which industry develops and to set down some minimum "rules for the road" for it to follow. These rules normally pertain to consumer protection and the prohibition of anti-competitive conduct.

Q104. Are there any areas of competition policy that have worked particularly effectively? Based on the Singapore experience, are there any lessons you could pass on to other nations?

Based on IDA's experience and feedback from industry over the last 4 years, the Telecom Competition Code has proved to be useful in meeting the objectives for which it was designed, i.e. to introduce swift competition in the Singapore market for facilities and services based operations.

The Code has been particularly useful in the following areas: (a) ensuring that licensees comply with the minimum rules put in place to protect consumers' interest in a competitive market; (b) facilitating interconnection and access arrangements via the dominant licensee's Reference Interconnection Offer (RIO), which provides standard terms, conditions and rates to its competitors; (c) facilitating timely dispute resolution processes, for example, IDA's 180-day timeline to resolve interconnection disputes between FBOs if a new entrant fail to secure interconnection with the dominant licensee; and (d) ensuring that players do not engage in anti-competitive practices.

From a general perspective, some lessons have been learnt. These are:

- a) A better understanding of the nature and dynamics of the market in determining the appropriate market structure and if competition can be introduced. If so, then consideration needs to be taken concerning the pace of market opening. For instance, in network industries, there are contestable market segments and non-contestable market segments ("natural monopoly").
- b) Once the appropriate market structure is determined, one would need to consider if there is need for ex ante regulation or if it is possible to rely on ex post regulation. In particular, during

transition from a monopolistic environment to more a competitive market, there may be specific issues that need a more hands-on regulatory supervision in order to ensure that the incumbent player doesn't distort the market e.g. in telecommunications, equal and open interconnection and access to the incumbent's telephone networks are critical to ensuring that new entrants can even compete.

c) Some considerations would then be i) to review the market development and where appropriate, relax the ex ante regulatory requirements and rely on ex post enforcement; and ii) ensuring a careful and balanced regulatory intervention in a timely fashion. New entrants should not overly rely on regulators if they are not more efficient or more innovative than the incumbent, as they will not be able to compete and survive in the market

Q105. What beneficial outcomes has the ongoing process of deregulating the energy services sector produced?

Overall, the deregulation has resulted in a 10.5% reduction in average electricity prices for consumers since Dec 01, assuming fuel oil prices had remained unchanged

Q106. We note the structural reforms in the electricity industry to 1 April 2001, and note Singapore's indication that the electricity and gas industries are being further restructured, scheduled for completion by end-2001. Please advise of Singapore's progress against this schedule, and please advise of any reforms since 2001 in the electricity and gas industries.

Please refer to Chapter 3(l) Energy Services

MEXICO

Q107. Has Singapore considered issuing a comprehensive competition law and accompanying regulations? What are the main reasons for maintaining a sector-specific approach?

Singapore's reasons for maintaining a sector-specific approach to competition policy has been explained in an earlier IAP Peer Review. Nevertheless, with the experience gained in sectoral regulations, Singapore will be enacting a generic competition law by 2005.

Q108. Please specify sources, for example, electronic addresses or other means where guidelines to ensure a competitive environment can be consulted.

The information on competitive guidelines can be found at the respective sectoral agency websites.

Infocomms Development Authority: www.ida.gov.sg

Energy Market Authority: www.ema.gov.sg (electricity and gas)

Media Development Authority: www.mda.gov.sg

Draft Competition Bill: www.feedback.gov.sg

Q109. What are the main licensing and qualification requirements for domestic and foreign providers in the following sectors: securities/derivatives, telecommunication and electricity?

- a) The licensing requirements for the securities/derivatives industry can be found at:
[http://www.mas.gov.sg/masmcm/upload/mm/MM_31B73364_6295_5312_442D85F1BAF0FC05_31B73373_6295_5312_4FAE8068ABB12495/Notice%20on%20Examination%20\(finalised%20\).pdf](http://www.mas.gov.sg/masmcm/upload/mm/MM_31B73364_6295_5312_442D85F1BAF0FC05_31B73373_6295_5312_4FAE8068ABB12495/Notice%20on%20Examination%20(finalised%20).pdf)
- b) For the provision of telecommunication networks and services in Singapore, either a facilities-based or services-based licence is required from the Infocommunication Development Authority of Singapore (IDA).

A Facilities-Based Operator (FBO) licence would allow the operator to deploy any form of telecommunication networks, systems and facilities and to offer telecommunication services to third parties, which may include other licensed telecommunication operators, business customers or the general public.

A Services-Based Operator (SBO) licence would allow the operator to lease telecommunication network elements (such as transmission capacity and switching services) from any FBO to provide telecommunication services to third parties, or to resell the telecommunication services of FBOs to third parties.

IDA does not limit the number of licences issued, unless there are spectrum or other resource constraints. There are also no foreign direct investment (FDI) limits imposed on licensees.

All criteria for these licences are publicly available and can be found at:
<http://www.ida.gov.sg/idaweb/pnr/infopage.jsp?infopagecategory=licensing:pnr&versionid=1&infopageid=I190>

- c) For electricity, please refer to Chapter 3(l) Energy Services in the IAP.

Q110. We are aware that differential treatment exists among license holders operating in the Securities Industry. Does your government plan to change this situation. When and how?

The Monetary Authority of Singapore (MAS) has introduced a modular, single licensing regime for securities and future intermediaries with the Securities and Futures Act ("SFA"), which came into operation on 1 Oct 2002. The SFA has also consolidated the Securities Industry Act and Futures Trading Act into one comprehensive legislation. Currently, a company that conducts business in any of the regulated activities in Singapore is required to hold a Capital Markets Services ("CMS") licence under the SFA.¹³

¹³ The regulated activities specified in the SFA include: dealing in securities, fund management, trading in futures contracts, leveraged foreign exchange trading, advising on corporate finance, providing custodial services for securities and securities financing.

Q111. Does your government foresee allowing direct life insurance and general insurer companies to be admitted into the insurance industry in the near future? Why or why not?

MAS has lifted the closed-door policy on direct insurance, which includes direct life and general insurance. In considering applications by companies that wish to carry out insurance business in Singapore, MAS evaluates if the applicant is fit and proper as well as whether the applicant meets admission criteria. The criteria for admitting direct insurers include the applicant's financial soundness and credit rating; track record; compliance with regulations and the strength of internal control systems.

THAILAND

Q112. During drafting the competition law, do you have any resistance from interest parties, academic or mass media?

Singapore is currently in the process of public consultations regarding the draft competition bill. To date, a number of briefings for businesses and chambers of commerce and industry have been carried out, and constructive feedback has been received.

UNITED STATES

We strongly welcome Singapore's commitment to enact a general competition policy law, which has the potential to ensure a level playing field for business in Singapore.

Q113. The IAP notes Singapore's continued efforts to privatize government services. We note the tendency in the past for some government functions to be corporatized by establishing a state-owned enterprise to perform them, and later that SOE to offer similar services in competition with existing private enterprises. In doing so, such SOEs often undermine the participation of private enterprises in the market. We should urge Singapore, should it move to corporatize other public functions, to consider outsourcing these functions to private business, rather than establish a new SOE to perform them.

The government is taking an active approach towards the outsourcing of the provision of government services. There is a clear preference to outsource services to the private sector. However, the successful outsourcing of services depends on certain factors, such as whether the function is a critical state function, whether there is a ready competitive market, and whether it makes economic sense to outsource. In the event that suitable private sector service providers are not available, the service will be provided by a government entity or a corporatised entity subject to regulation.

Q114. We understand that the Government of Singapore intends to enact a comprehensive competition law and will publish a draft in 2004. Can you tell us:

- when and where the draft law will be published;***
- what procedures for public comment will be available; and***
- when the bill is expected to be submitted to, and enacted by, the Parliament?***

Please see answer to Q99, or refer to the relevant website, at www.feedback.gov.sg

INDEPENDENT EXPERT

Q115. Has Singapore conducted a review of competition policy, including pros and cons of administration and enforcement of the competition regulations? If so, please provide your findings and what is your future direction of competition regime reform.

IDA is currently conducting its first triennial review of the Telecom Competition Code. The review is expected to be completed by the end of 2004.

Q116. We are aware that Singapore intends to introduce a comprehensive competition law (CCL). The question is that after this law enacted, will the sector-specific measures be replaced by, or combined with, the CCL?

Singapore plans to avoid duplication by providing that regulated activities currently subjected to competition regulation will be excluded from the generic competition law. The competition regulator will also work closely with the sectoral regulators to ensure alignment where appropriate. Singapore recognises the need to avoid imposing unduly burdensome regulatory compliance requirements.

General Policy Framework

AUSTRALIA

Q117. Has Singapore identified any areas of current regulation that may require review and further improvement?

Singapore has 4 key initiatives:

- a) Rules Review Process (RRP), a process for all government agencies to review all their rules over three years, by end FY2004, and thereafter on a five-year cycle.
- b) Pro-Enterprise Panel (PEP), which addresses business rules through online feedback mechanisms and feedback sessions with business groups.
- c) Zero-In Process (ZIP), which tackles non-business rules surfaced by the public and rules involving more than one government agency.
- d) Public Officers Working On Eliminating Red Tape (POWER), which invites public officers to feedback on internal red tape through online feedback mechanisms and ad hoc sessions.

These 4 initiatives seek to draw feedback from all key stakeholders. For instance, over the past year, the RRP reviewed 2912 rules, 23% of the total. It removed or updated 1094 rules.¹⁴ By end FY2005, public agencies will have reviewed all their existing rules, removed outdated ones

¹⁴ Of the 1094 rules, 373 were removed and 721 updated.

and streamlined the rest, with the plan to review all rules regularly on a rolling five-year cycle.

Q118. Where Singapore has retained government provisions of services, are they applying measures to ensure government businesses do not enjoy a net competitive benefit in the market?

GLCs in Singapore are subject to full commercial discipline. They do not receive subsidy or preferential treatment from the government. The government does not interfere in their day-to-day operational decisions. The companies have to comply with all obligations under the Companies Act and are subject to the same regulatory regime as all other private sector companies and the disciplines of the market. Many GLCs are listed on the Stock Exchange, with their shares held by international shareholders. They are subject to strict reporting requirements and detailed scrutiny by investors.

Q119. We are interested in knowing what the legislated competition measures are? Is there a website for this?

The names for the legislated competition measures can be found in the websites of the respective sectoral regulators.

Electricity and Gas: www.ema.gov.sg

Telecommunications: www.ida.gov.sg

Media: www.mita.gov.sg

The details of these statutes can be found at Singapore Statutes Online: <http://agcvldb4.agc.gov.sg/>

Measures to Deal with Horizontal Restraints

AUSTRALIA

Q120. Does Singapore have measures to deal with horizontal restraints?

Currently, measures dealing with horizontal restraints exist only in the sector-specific competition frameworks. The proposed competition law will contain a complementary provision.

Measures to Deal with Vertical Restraints

AUSTRALIA

Q121. Apart from the securities, insurance and banking industries' liberalisation, what measures does Singapore have in place to deal with conduct such as resale price maintenance and exclusive dealing? What measures have been used to assess the effectiveness in the lifting of the closed door policy in the insurance industry on increasing competition in the market?

These details remain the subject of public consultation.

JAPAN

Q122. In the column of further improvements planned, it is written, "The electricity and gas industries in Singapore are being further restructured to enhance efficiency through

competition in the contestable sectors, while ensuring reliability and security of supply. The restructuring is scheduled for completion by end-2001." However, it is written in 2002 IAP, "The restructuring is scheduled for completion by end-2002." Please explain which is correct and provide a reason of delay, if such restructuring remains unfinished.

There was an error in the 2003 IAP timeline of end-2001. The situation has changed considerably since the time of the 2002 IAP, and is laid out below:

Electricity

Key restructuring initiatives such as the separation at the ownership level of the contestable and non-contestable parts of the electricity industry and the establishment of an independent system operator under the Regulator were completed in April 2001. The wholesale electricity market that co-optimises the despatch of energy and reserves commenced operation on 1 Jan 2003. It replaced the Singapore Electricity Pool which had been in place in 1998. As for the electricity retail market liberalisation, the status is as follows:

As at end 2002

Beginning 1 July 2001, consumers with a maximum power requirement (contracted capacity) of 2 megawatt (MW) and above are able to buy electricity from competitive electricity retailers apart from Power Supply Ltd (now known as SP Services Ltd).

As at end 2003

Phase 1 of the retail market liberalisation involving consumers with an average monthly consumption of 20,000kWh and above started on 1 June 2003. Phase 2 involving consumers with an average monthly consumption of 10,000kWh and above started on 21 December 2003.

Future plans

All remaining domestic and small non-domestic consumers will become contestable in the final phase of retail contestability which is targeted for implementation in 3-4 years' time.

Gas

The gas industry restructuring is now scheduled to be completed by 2004 due to more time needed to resolve issues raised by the industry players in the consultation process.

Singapore thanks Japan for highlighting and will rectify IAP 2004 to incorporate the information above

Securities Industry

AUSTRALIA

Q123. Clarification of the last sentence in paragraph three: 'At present, retail Singapore-resident investors can generally only be accessed by full SGX members'. Does this mean that it relates to all securities and is there no role for non-SGX members in relation to Singapore resident investors?

Non-SGX members may accept orders from customers, including retail investors, to trade on the SGX, but the orders have to be "put-through" a SGX member.

Q124. In point 2, it states that International SGX Members transactions must be greater than S\$500,000. However, later in their response, it states that this limit was removed in January 2001. Which is correct?

The trading limit for international members was reduced to S\$150,000 in July 2001, and then removed completely in Jan 2002. The IAP will be amended accordingly to reflect this change.

Q125. Paragraphs 9 & 10 state that the restrictions on access were removed in January 2002 for non-members as long as they were 'qualified players'. Does this mean that the new members are dealing only as principals?

Restrictions on the value of trades for new members (of SGX) have been lifted with effect from Jan 2002. New members admitted as SGX members have the right to access markets or facilities organised and maintained by SGX and to enter into and conclude contracts in accordance with SGX Securities Trading Rules and Directives.

Banking Industry

AUSTRALIA

Q126. What are the current restrictions on the number or size of operations of foreign banks in the Singaporean market?

MAS embarked on a 5-year programme to liberalise the banking industry in 1999. The 1999 liberalisation programme allowed foreign banks more access to the retail banking market by permitting four Qualifying Full Banks (QFBs) to establish up to ten locations each, relocate their existing branches and share ATMs among themselves. The wholesale banking segment was also further opened with eight new Restricted Bank licences granted to banks that wanted to expand their wholesale S\$ business. Offshore Banks were also given more flexibility to lend in Singapore dollars and engage in S\$ swaps.

To provide further impetus for upgrading and progress in the financial sector, MAS proceeded with the second phase of liberalisation in 2001. MAS awarded QFB privileges to two additional foreign full banks and expanding their scope of activities. QFBs may establish up to a total of 15 locations (previously 10) of which up to 10 (previously 5) can be branches, and the rest off-site ATMs. In addition, QFBs may provide debit services on an EFTPOS network, offer Supplementary Retirement Scheme (SRS) accounts, accept Central Provident Fund (CPF) fixed deposits, and offer agent bank accounts under the CPF Investment and Minimum Sum Schemes. MAS broadened participation by foreign banks in the domestic wholesale market by granting 20 Wholesale Banking licences from 2001 to 2003. With the liberalisation programme, MAS also made a fundamental shift towards a licensing regime that distinguishes between retail and wholesale banks, away from the 3-tier licensing regime of Full, Restricted and Offshore Banks. Restricted Bank licence has been renamed "Wholesale Banking" licence to better reflect the wide range of wholesale banking activities that can be conducted under the licence. Offshore Bank (OB)

licences will be phased out, and all existing OBs will be upgraded to Wholesale Bank status over time. The upgrading will allow these banks to accept S\$ fixed deposits above \$250,000 and operate Singapore dollar (S\$) current accounts. It will also remove limits on the amount of S\$ lending that they otherwise face as offshore banks.

In fact, Singapore has in Jun 04 undertaken further steps to liberalise the banking industry. These are incremental adjustments to the earlier major liberalisation packages. For example, QFB banks will be able to conduct a fuller range of banking business, establishing up to 25 service locations from the existing 15. With the current 6 QFBs permitted to share ATMs amongst themselves, this could lead to a QFB shared network of about 150 locations across Singapore, providing QFBs with significant scope for expanding their domestic presence. QFBs will also with immediate effect be allowed to negotiate with the local banks on a commercial basis to let their credit card holders obtain cash advances through the local banks' ATM networks.

Q127. What are the limitations on the juridical form of bank operations? Are foreign bank-owned subsidiaries subject to the same legislative and prudential requirements as locally-owned banks?

Banks can operate as branches or subsidiaries. Foreign bank-owned subsidiaries are not treated less favourably than locally-owned banks.

Q128. When will Singapore be adopting the new capital accord (Basel II)? Will the new capital accord (Basel II) become mandatory for all banks in the Singaporean market?

Singapore intends to implement Basel 2 at the same time as the G10 economies (2007).

Q129. Do you expect any bank incorporated in Singapore to adopt the advanced internal ratings based (IRB) approach?

All banks in Singapore are all working towards adopting the IRB approaches.

Q130. What are the current limitations on shareholdings for individual shareholders, groups of associated shareholders, and foreign shareholders in a Singaporean bank?

Any individual shareholder or group of associated shareholders must obtain MAS' approval to obtain shareholdings of 5%, 12% and 20% in local banks.

Q131. What risk management and internal control systems are currently required for banks?

MAS adopts a risk-focused approach to bank examination, which focuses on the institution's management quality and processes, and its risk management and control systems. MAS' examination procedures focus on a top-down, risk focused approach as compared to a bottom-up, micro approach. Emphasis is placed on the process by which a bank's management itself

addresses its risks, instead of reviewing the books for control deficiencies. On-site examination is supplemented by off-site reviews which involves continuous tracking of institutions, the review of statistical returns and audit reports submitted by banks, and regular meetings with bank management.

Measures to Deal with Mergers and Acquisition

AUSTRALIA

Q132. How does Singapore deal with abuse of dominant position and anticompetitive mergers?

The Code on Take-Overs and Mergers is administered by the Securities Industry Council, and it supplements the statutory provisions on takeovers in the Securities and Futures Act. This Act seeks to protect minority shareholders in the case of a change in effective control of a public company.

Improvements in Singapore's Approach to Competition Policy since 1996

AUSTRALIA

Q133. How has Singapore measured the effectiveness of introducing competition through privatisation, corporatization and deregulation?

With respect to the electricity market, the deregulation has resulted in a 10.5% reduction in average electricity prices for consumers since Dec 01, assuming fuel oil prices had remained unchanged. With respect to the telecommunications sector, please refer to answers for Q104.

INDEPENDENT EXPERT

Q134. Does Singapore have plans to change your competition legal system, taking into account the APEC Principles to Enhance Competition and Regulatory Reform?

Singapore is pleased to inform that the APEC principles were factored into the policy framework underlying the draft Competition Bill.

Chapter 9 – Government Procurement

AUSTRALIA

Q135 Australia notes that Singapore aims to achieve best available value for money in the procurement of goods and services. Could Singapore please outline how it assesses value for money in government procurement processes?

Open tendering is the preferred method of procurement. This is to encourage wider participation and increase competition. Government procuring entities are required to spell out detailed tender specifications in the Invitation to Tenders. Under no circumstances must specifications be crafted in

a manner that will have the effect of precluding competition. When drawing up the prescribed evaluation criteria, considerations must be given to the adequacy, soundness and completeness of the criteria. Tenders are not only evaluated in terms of price, but also compliance with tender specifications, quality, timeliness, reliability, after-sales service, etc. Award of public sector tenders is based on value for money offers that best meet requirements.

In addition to instituting value for money in the government procurement rules and procedures, Singapore also has an economy in procurement initiative that aims to achieve value for money in government procurement through e-procurement, demand aggregation, performance management, supplier relationship management and procurement expertise management. Each of these activities aims to transform government procurement to achieve greater value for money for the government procurement expenditure.

Q136 Could Singapore please explain the avenues that are available to suppliers to pursue complaints regarding government procurement activities?

A Government Procurement Adjudication Tribunal, set up in accordance with the Government Procurement Act, will handle complaints of non-compliance with the GPA. Suppliers can also direct any complaints to the Ministry of Finance, which will take up the case with the Government procuring entity concerned.

HONG KONG, CHINA

We are pleased to see Singapore's commitment to continuously review its government tendering procedures to maintain efficient, open, fair and competitive procurement practices. We encourage Singapore to keep up the good efforts.

Q137. We commend Singapore's acceptance of online tendering via its GEBIZ website with effect from July 2003, but would like to clarify whether the practice that 'the tender schedules (bids received) would be posted to GEBIZ a few days after the close of the tender' is consistent with the requirement in para. 3 of Article XIV of the WTO GPA that 'entities shall treat tenders in confidence.'

Singapore disallows negotiation in government procurement. The practice of publishing the tender schedules (bids received) after the close of the tender applies to open and selective tendering and tenderers are not allowed to make alterations to their tender proposals after tender has closed. The practice is therefore not inconsistent with paragraph 3 of Article XIV. The practice of publishing tender schedules in fact promotes transparency in government procurement process.

NEW ZEALAND

Q138. New Zealand wishes to commend Singapore on its E-Government Action Plan I and II and the range of services now available on-line, including GeBiz, TradeNet and E-Search. We also note Singapore's on-going commitment to respond to the business communities' suggestions on how to make government information more accessible. We would be interested to learn from Singapore how the general public and business community has responded to

e-government and whether Singapore has identified other areas to bring on-line?

Singapore's e-services are designed for a pro-business environment, with the following key considerations: greater productivity, cost effectiveness, efficiency, flexibility and convenience through simplified procedures and faster turnaround times. Business.gov.sg is a one-stop portal for companies to access information and services essential to their business.

An example of cost savings and reduced turnaround time is the company incorporation process which has been made easier online by the Accounting & Corporate Regulating Authority (ACRA, formerly known as the Registry of Companies and Businesses (RCB)). Depending on company size, the fee for incorporation has been reduced from the previous range between SGD\$1,200 and SGD\$35,000 to a flat rate of SGD\$300. The time to incorporate a company has also been reduced from 2 days to 2 hours.

The public and business community has responded well to the e-government efforts. According to a 2003 e-Government Customer Perception Survey by AC Nielson, 75% of all those who transacted with the Government in the past year did so electronically, out of which 4 in 5 expressed satisfaction with the quality of service. The goal is to have 90% of customers using e-services at least once year by 2006, and to have 90% of these users satisfied with the overall quality of e-services as part of the commitment to place customers at the centre of focus.

As all key public services suitable for electronic delivery are already online, the government is moving towards integration of services between agencies. For instance, an Online Business Licensing Service was launched recently aimed at providing licensing information and resources, as well as an integrated licence application for startups operating in Singapore. This enables the business community to apply for licences with multiple government agencies concurrently by filling up one online application form, saving them both time and money. The average processing time for approval of licences is reduced from 3 to 2 weeks. More of such integrated services are being identified.

Q139. Has Singapore been able to assess to what degree APEC member economies are utilising its e-services such as GeBiz to identify business opportunities? Singapore has recently introduced a fee for access to GeBiz. We appreciate that this fee is intended to ensure the on-going high quality of this service. Is Singapore concerned, however, that the fee may discourage SMEs from using the service?

Singapore is unable to ascertain to what degree APEC member economies use GeBIZ to identify business opportunities in Singapore as GeBIZ is an internet portal accessible to all interested parties and suppliers and GeBIZ does not monitor the number of hit rates according to the respective member economies under APEC.

The subscription fee is a one-time annual amount set at cost recovery level. This fee is only applicable if contractors and suppliers wish to bid for invitation to quotes and tenders on line. Business opportunities such as tender notices and Invitations-to-Quote (ITQs) can be viewed openly

and free of charge by the public.

GeBIZ offers subscribers tangible benefits. With GeBIZ, suppliers can find all the tenders and ITQs called by government procuring entities on a single portal with just an Internet connection, minimising the effort needed to search for business opportunities. Subscribers to GeBIZ need not passively wait for buying agencies to invite quotes from them as in the past. GeBIZ aims to make the government procurement market as accessible as possible to suppliers, including SMEs and partners of all sizes.

Other benefits offered by GeBIZ allow subscribers to avoid the hassle of generating paperwork when processing orders; obtain detailed information on tender and ITQs awards; enjoy free unlimited downloading of tender documents; receive purchase orders and submit invoices for purchases electronically; and carry out analyses of their sales with data in GeBIZ.

Singapore has benchmarked the subscription fee against fees collected by other e-procurement portals offering similar services across the world, and is found to be competitive. SMEs are given the assurance that the Singapore government will operate GeBIZ as cost effectively as possible. There are plans to develop an option whereby companies can pay per transaction instead of on an annual subscription basis.

INDEPENDENT EXPERT

Q140. Please highlight the achievements in improving the consistency of Singapore's government procurement regime with the APEC Non-Binding Principles, and provide details of the voluntary review of government procurement procedures.

Singapore's approach to government procurement has been consistent with APEC's Non-Binding Principles. As reported at the GPEG I in February 2004, Singapore has completed the voluntary review against GPEG Non-Binding Principles of Transparency, Value for Money, Open and Effective Competition, Fair Dealing, Accountability and Due Process and Non Discrimination over the years. The documents detailing the review should be available on APEC's website. One major review is in the use of e-procurement for government procurement to enhance the transparency of the government procurement regime. Singapore had the opportunity of sharing its experiences in e-procurement at the 15th GPEG meeting in February 2002.

Chapter 10 – Deregulation and Regulatory Review

AUSTRALIA

Q141. Has Singapore encountered problems with the co-ordination of agencies responsible for competition law? Are there future plans to enact economy-wide competition legislation? Has the application of sector-specific competition regulations hindered successful prosecution of anti-competition cases?

Please refer to answers under Chapter 8 - Competition Policy.

Q142. How often does Singapore conduct its regulation review? Is there a set procedure and timetable for the review? After a review has been completed on a particular area, would there be systematic future reviews?

Rules Review Panel (RRP) is a process for all government agencies to review all their rules over three years, by end FY2004, and thereafter on a five-year cycle. For instance, over the past year, the RRP reviewed 2912 rules, 23% of the total. It removed or updated 1094 rules.¹⁵ By end FY2005, public agencies will have reviewed all their existing rules, removed outdated ones and streamlined the rest, with the plan to review all rules regularly on a rolling five-year cycle.

CHILE

Q143. Under the section "Identification and Review of Proposed Regulations", Singapore mentions a Pro-Enterprise Panel and a high-level Rules Review Panel. The question is how those panels work?

The Pro-Enterprise Panel (PEP) was established in August 2000, as part of the Public Service 21 effort to ensure that government regulations and rules remain relevant and supportive of a pro-enterprise environment. PEP is supported by a network of senior public officers who are activists for rules review within the Civil Service. Currently, there are about 100 activists. These include all Permanent Secretaries and Deputy Secretaries of ministries, CEOs of Statutory Boards and Heads of major departments.

PEP welcomes all feedback and suggestions to make Singapore a more pro-enterprise environment. These could be on outdated government rules, cumbersome red tape or approval processes, or regulatory impediments to businesses. It welcomes feedback from all sources, including MNCs, SMEs, professionals and private individuals. Feedback received is first sent to the relevant activists who will initiate and oversee a prompt review in the agency. Agencies are expected to respond within two weeks upon receipt of feedback. The responses of agencies are evaluated by a joint public-private Panel which ensures that a pro-enterprise approach is taken. To date, PEP has handled more than 1200 suggestions and about 50% of these suggestions have been accepted. Agencies' responses to feedback are posted at the PEP website at: www.mti.gov.sg.

NEW ZEALAND

The Government Linked Corporation, Temasek, has recently announced that it will make its annual report public for the first time. New Zealand welcomes Temasek's decision to provide this report and improve its level of transparency.

General Policy Position

UNITED STATES

We applaud Singapore's expanded efforts to consult the private sector and public at large on

¹⁵ Of the 1094 rules, 373 were removed and 721 updated.

proposed legislation and regulations, before they are finalized, through the expanded use of mechanisms such as consultation papers posted on the Internet. We note that the Infocomm Development Authority (IDA), Monetary Authority of Singapore (MAS) and Ministry of Trade and Industry (MTI) have been at the forefront of this process.

We look forward to the continued expansion of this policy until all proposed regulations and appropriate legislation are published in advance for comment.

We also applaud Singapore's initiative to subject appropriate regulations or administrative procedures to a regular review and sunset provision.

Improvement in Singapore's Approach Since 1996

UNITED STATES

Singapore has an excellent record and approach, with an equal emphasis on enacting and maintaining strong, effective laws, sustained allocation of resources to enforcement efforts by different branches of the government, and a model public awareness and education/informational program by the government in cooperation with the private sector and industry.

Chapter 11 – Implementation of WTO Obligations

Including Rules of Origin

HONG KONG, CHINA

We commend Singapore's efforts in implementing the WTO commitments. It has set a role model for other WTO members. Singapore has been actively engaged in the work programme under the Doha Development Agenda which aims to bring about further trade liberalisation.

Q144. We look forward to seeing Singapore's further broadening and deepening of its WTO commitments in this round of negotiations.

Singapore will continue to participate actively and constructively in the WTO negotiations.

INDEPENDENT EXPERT

Q145. To what extent has Singapore implemented its commitments under UR/WTO? Based on Singapore's experiences in implementing the WTO obligations, what lessons and advice could be given to other economies still in the process of meeting their commitment goal?

Singapore has completed the implementation of all WTO commitments. Singapore's top priority is the WTO. Singapore is fully committed to the multilateral process. The rule-based multilateral trading system provides a predictable environment for all economies. Singapore believes that a good record of compliance to the WTO and other international obligations enhances investor confidence. This is especially important for a small economy like Singapore. Singapore stands ready to share its experiences with other economies on all aspects of how Singapore meet its obligations and undertake its commitments.

Q146. What measures has Singapore taken to ensure the impartial, transparent and neutral preparation and application of rules of origin?

Singapore has an easy to implement 25% value added rule of origin. This rule is neutral in its application as it applies to all products. This rule and its explanation can be found on the following websites:

- http://www.tradenet.gov.sg/trdnet/index.jsp?catName=9&artName=10&url=/html/4_Rules_of_Origin.html
- http://www.tradenet.gov.sg/trdnet/index.jsp?catName=46&artName=10&url=/html/6_Annex_VI_-_Origin_Criteria_for_Ordinary_CO.html

Chapter 12 - Dispute Mediation

Transparency

HONG KONG, CHINA

Q147. HKC notes the subscription nature of LawNet and the difficulties with opening it up to the public free of charge. For the sake of transparency, we would suggest that Singapore explore alternative means of allowing the public to have free access to its legislation by electronic means.

Singapore's primary legislation is available free of charge at the Attorney-General's Chambers' Versioned Legislation Database, at:

<http://agcvldb.agc.gov.sg/html/homepage.html>.

INDEPENDENT EXPERT

Q148. Please provide an overview of the settlement of disputes between governments and between private parties, citing a few recent examples.

On the settlement of disputes between governments, Singapore follows the WTO dispute settlement procedures. Under Singapore's bilateral investment guarantee agreements (IGAs) and other co-operative Memorandums of Understanding, there are general provisions for settling disputes through bilateral consultations, arbitration and/or mediation. Singapore is also a signatory to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

On the settlement of disputes between governments, Singapore has worked successfully to reach agreements with trading partners over differing issues. A recent example would be the series of consultations between Singapore and the Philippines with regards to the latter's temporary suspension of concessions for 11 petrochemical products. Singapore, as a substantial supplier of these products sought consultations for compensatory adjustment measures as provided for under the ASEAN protocol. Bilateral consultations were conducted in a positive spirit with both sides

having the common aim of preserving the integrity of the ASEAN protocol. The Philippines has since effected the compensatory adjustment to Singapore by reducing tariffs on a list of mutually agreed products.

On the settlement of disputes between private parties, Singapore has instituted several arrangements. Private parties can choose to either i) submit their disputes to litigation in the courts, or ii) engage in Alternative Dispute Resolution (ADR). For i), the Electronic Filing System (EFS) allows for the use of electronic documents for the hearing of appeals. For ii), ADR is offered at the Singapore International Arbitration Centre (SIAC), and the Singapore Mediation Centre (SMC) at the Singapore Academy of Law. The details of the ADR, SIAC and the SMC can be found at the following websites:

ADR: www.e-adr.org.sg

SIAC: www.siac.org.sg

SMC: www.mediation.com.sg

Since its establishment in 1991, the SIAC has handled 723 cases. Of these, more than 50% were in the areas of shipping and maritime, or related to trade and commerce. Further to this, in May 2003, the SIAC launched its Regional Panel to replace the previous Local Panel. The Regional Panel includes arbitration experts from the ASEAN region, to complement the existing International Panel consisting of arbitrators located beyond the region. In May 2004, an amendment to the Legal Profession Act was also introduced to allow foreign lawyers to appear in arbitration proceedings concerning Singapore law issues without being required to engage local counsel. This amendment will further enhance Singapore's attractiveness as a location for hearing international arbitration cases, as part of the effort to develop Singapore into a legal services hub in the region.

Chapter 13 – Mobility of Business People

AUSTRALIA

Australia greatly appreciates Singapore's active participation in and willingness to provide speakers and experts to the various TILF funded Business Mobility workshops. Singapore's recent decision to join the APEC Business Travel Card scheme is also appreciated by Australia and other economy participants.

Q149. In respect of the Collective Action – Technical Cooperation and Training - the Action requires the implementation of mutually agreed standards. Prior to SOMI 2004, the agreed standards included Professional Service and Travel Document Examination. Australia requests information on the current situation, and any actions planned, in Singapore to implement the agreed standards in both these areas.

Singapore is able to meet most, if not all, the agreed standards in the areas of Professional Service and Travel Document Examination. Some of the action Singapore has taken and future plans in these areas are highlighted below. Wherever possible, Singapore will continue to participate

actively and cooperate in the areas of professional services development and document examination/ fraud detection.

Professional Service

Code of Conduct established

Singapore's Immigration & Checkpoints Authority (ICA), which oversees the clearance of people, goods and conveyances at the checkpoints, has a Code of Conduct. The Code of Conduct incorporates ethical and integrity issues as well as professional conduct matters. In addition, ICA has also undertaken the following initiatives:

- A shared vision ("Inspiring Confidence in All") and guiding principles have been developed to nurture a culture of discipline within ICA.
- Through ICA's Departmental values of "Integrity Commitment Accountability", ICA's officers are regularly reminded of the need to maintain integrity and professionalism at all times.
- Pocket books are issued to all ICA officers to declare any cash possessed by the officers before and after their duty.
- A structured posting programme has been developed for all ICA officers to encourage professional development and to prevent job fatigue.
- All ICA officers are required to make annual declarations of investment and indebtedness.
- An Internal Audit Branch in ICA has also been formed to audit the procedures and practices.

ICA has been and will continue to monitor statistics on disciplinary cases closely so that timely and appropriate action can be taken.

Integrity and Professional Services Action Plan established/implemented/monitored.

ICA's core values of Integrity, Commitment and Accountability are communicated to all officers through training programmes and informal means of dissemination. The Strategic Planning Branch in ICA monitors and ensures that the organisation's core values are in place.

Currently, the number of officers with disciplinary problems is not large. Nonetheless, ICA continues to monitor whether the number of such cases will decline as a result of conscious efforts that are made to inculcate the organisation's core values in all officers.

Travel Document Examination

ICA deploys the following document verification equipment at the checkpoints to assist officers in detecting forged/ altered documents.

- QDX-430: Suspected documents encountered by the clearing officers are sent for further probing using QDX-430 (deployed at all checkpoints in secondary check areas). Slight discrepancies can be detected including traces of alterations invisible to the naked eye.
- EDISON: an advanced computerised image and data storage system containing current

information and specimen of various travel documents around the world. It provides samples of detected forged travel documents and highlight the areas of forgery.

In addition, ICA also established the Identity Authentication & Document Analysis (IADA) Branch in April 2003. Among other things, IADA examines forgery trends and techniques. IADA is also in charge of training ICA officers on the issuance of travel document examination and provides technical support to projects related to document security (e.g. the security features for new generation of Singapore International Passports) and forgery detection.

In early February 2004, IADA conducted a 2½ day travel document forgery detection course for participants from some ASEAN economies. Feedback from the participants was positive. More of such training courses for ASEAN countries are being planned in future.

Officers from IADA also made a study trip to Australia from 18 – 27 Feb 2004 to learn about travel document and related issues. Following the study trip and the visit to the document lab at Sydney Airport, IADA will be working with the relevant Branches/ Commands concerned in setting mini-labs at the major checkpoints.

Under the APEC Technical & Assistance Project, immigration officials from Australia, Hong Kong (China) and USA have provided forgery detection training to ICA officers.

INDEPENDENT EXPERT

Q150. The IAP notes that Singapore is considering participation in the APEC business Travel Card Scheme to enhance the mobility of business people. Please advise the progress Singapore has made in this regard and possible time of participation.

Singapore has officially committed to participate in the ABTC during the recent SOM II meetings in Pucon, Chile. The Immigration and Checkpoints Authority of Singapore (ICA) handles the application and issuance of ABTCs. The target implementation date is mid-2005, and Singapore is currently working with the 15 other participating economies to ensure the effective and problem-free implementation of the ABTC.

Annex 3

In-Economy Visit Programme

(6-8 July 2004)

Day 1, 6 July 2004 (Tue)

Morning Session

- General Economic Policy

Lunch hosted by Senior Official or equivalent

Afternoon Session

- Tariffs
- Non-tariff Measures
- Implementation of WTO Obligations
- Visit to a Goods of Checkpoint

Day 2, 7 July 2004 (Wed)

Morning Session

- Services:
 - General
 - Construction and Engineering Services
 - Legal Services
 - Rail/Road Transportation Services
 - Maritime Transportation Services
 - Professional Services
 - Telecoms Services
 - Financial Services
 - Energy Services
 - Other Services

- Investment

Working Lunch

Afternoon Session

- Competition Policy:
 - General Competition Framework
 - Sectoral Issues (Energy, Telecoms, Financial, Mass Media)

Day 3, 8 July 2004(Thu)

Morning Session

- Standards and Conformance
- Government Procurement
- Regulation and Deregulation of Policy

Concluding Session

Annex 4

List of Agencies and Officers Interviewed

(July 6-8, 2004)

Ministry of Trade and Industry (MTI)

Ms. Ng Kim Neo, Consultant (chair)
Ms. Sim Ann, Deputy Director, Directorate A
Ms. Ong Kiat Yeng, Senior Assistant Director, Directorate A
Mr. Edwin Ng, Assistant Director, Directorate A
Mr. Maurice Teo, Assistant Director, Directorate A
Ms. Deborah Lee, Assistant Director, Directorate B
Mr. Seah Kwang Wee, Economist
Ms. Chan Lai Fung, Deputy Secretary
Ms. Mark Wai Ling, Assistant Director, Directorate B
Ms. Ng Cher Keng, Director, Market Analysis Division

Immigration & Checkpoints Authority (ICA)

Mr. Lim Wei Meng, Commander (Ports)
Mr. Png Eng Hock, Deputy Commander (Ports)
Mr. Koh Wee Sing, Assistant Commander (Operations)
Mrs. Michele Tan-Lim, Head (International Affairs & Legislation)
Mr. Colin Tan, Deputy Head (International Affairs & Legislation)
Ms. Chua Yeng Eng, Deputy Head (Policy)
Mr. Chua Tuan Meng, Deputy Head (Operations)
Ms. Ong Chai Bee, Senior Administrator (International Affairs & Legislation)

Singapore Customs (SC)

Mr. Yeo Sew Meng, Head (Trade Controls)
Ms. Ivy Chong, Head (Research & International)
Mr. Teh Thiam Siong, Research & International Officer
Mr. Phua Ree Kee, Research & International Officer

Ministry of Manpower (MOM)

Mr. Raymond Tan, Senior Manager (Policy)

Ministry of Law

Mr. Mark Jayaratnam, Senior Assistant Director, Legal Policy Division

Attorney-General's Chambers (AGC)

Mr. Ramesh Suppiah, Legal Executive
Mr. Christopher Goh, State Counsel and Deputy Public Prosecutor

Energy Marketing Authority (EMA)

Mr. Wong Siew Kwong, Director, Market Development and Assessment
Mr. Lim Khoo Huat, Senior Engineer, Electricity and Gas Safety
Mr. Daniel Lee, Senior Analyst, Wholesale Market Branch

Economic Development Board (EDB)

Ms. Judy Tan, Senior Officer, International Policies Division

Monetary Authority of Singapore (MAS)

Ms. Valerie Tay, Senior Analyst, External Department

Intellectual Property Office of Singapore (IPOS)

Mr. Dennis Low, Legal Counsel, Legal Policy & International Affairs Group

Standards, Productivity and Innovation Board (SPRING Singapore)

Mr. Teo Nam Kuan, General Manager, Standards and Quality
Ms. Amabel Ang, Manager, International Standardisation

Agri-Food and Veterinary Authority of Singapore (AVA)

Mr. Ong Keng Ho, Deputy Head, Regulatory and Health Planning Division
Mr. Chu Sin-I, Head, Food Legislation and Factory Control Branch

Ministry of Finance (MOF)

Ms. Neo Gim Huay, Deputy Director, Governance and Investment Directorate
Ms. Tan Guat Eng, Coordinator (Projects), Governance and Investment Directorate
Mr. Dexter Tan, Policy Analyst, Investment Projects
Ms. Tng-Tjen Su Tju, Policy Analyst, Investment Projects
Mr. Matthew Poh, Head, Expenditure and Procurement Policies Unit
Ms. Cecilia Gan, Procurement Policies Executive, Procurement Policies

APEC IAP Peer Review of Singapore –October 2, 2004**Discussant's Statement
Assistant U.S. Trade Representative Wendy Cutler**

Thank you Ambassador Wibisono for chairing this peer review of Singapore's Individual Action Plan. I am pleased to serve as the discussant for this session. My predecessor, Ralph Ives, negotiated the Singapore-U.S. Free Trade Agreement – so maybe Singapore will get an easier time with me! They got lucky.

I would also like to thank Singapore for its work to prepare its IAP, and am pleased to be here with Ms. Chan Lai Fung, the Deputy Secretary for Trade of Singapore's Ministry of Trade and Industry, and her team. The United States was reviewed last time. I was spared that work but I know how much goes into this. I also hear from the CTI Chair, Alan Bowman, that at SOM I next year, all economies not being reviewed have to serve as moderator or discussant because seven reviews will take place then. Maybe I will have to find another replacement soon.

I'd like to start my substantive remarks by making a few general observations and continue by focusing on several specific topics, including economic challenges and market access issues. Mr. Chen Wenjing, our expert, prepared a full report that drew out many aspects of Singapore's progress to meet the Bogor Goals.

General Observations

Singapore has long recognized its interest in weaving a network of global trade ties, and in fact, was founded in large part on the hopes of profitable trade. Today, Singapore is one of the most open economies in the world. Singapore's economic prosperity, and ability to prosper even in challenging economic periods, is, in large part, attributable to its unwavering commitment to opening markets for trade, development and economic opportunity and its active role in the campaign to advance openness, democracy, and the rule of law. Singapore's open trade regime is complemented by a relatively open investment regime, which draws investors from around the world to Singapore.

Singapore's aggressive efforts to promote open markets through multilateral, regional, and bilateral initiatives have not only enhanced the competitiveness of the Singaporean economy but catalyzed liberalization efforts around the world. There is no doubt that Singapore is one of the most effective advocates of, and role models for, the benefits of global trade liberalization. Singapore played an instrumental role in helping to generate the momentum necessary to overcome the challenges we all faced in launching the Doha Development Agenda and in pushing the DDA forward this year. It continues to play a leading role in advancing the negotiations toward a successful conclusion.

Economic Challenges

Singapore has faced a number of economic challenges in the last few years. Its sluggish growth reflected, not unexpectedly, the slow down in global economic growth, with the compounding effects on its economy of the SARs crisis added in. We have seen Singapore's economy bounce back in 2004, as economic conditions in the world economy have improved, but also in response to measures taken by the Singapore Government to improve the business climate. Singapore's efforts to take those policy measures and continually adjust its economic model are at the heart of its ability to remain competitive over time. As the expert noted in his comments, the challenge facing Singapore in the future is remaining competitive in the face of greater globalization, and the movement of lower cost producers into some of Singapore's traditional manufacturing sectors.

Trade Regime

Market Access

Goods

It is rare in this world that we encounter a country like Singapore that levies virtually no customs duties. In this context, Singapore is one of the rare. Nearly all goods entering Singapore enter duty-free. As indicated in the IAP, Singapore has committed to eliminate duties by 2010 on the four products still subject to tariffs, in line with the Bogor goals.

Of course tariffs are not the whole picture in assessing a country's openness. Non-tariff barriers often substitute for tariffs, and NTB can be less transparent and sometimes even more restrictive than tariff barriers. Singapore maintains relatively few NTBs, but there are some. Importing an auto into Singapore remains an expensive proposition—not because of import tariffs, but due to high excise taxes and other fees. Of course, Singapore's restrictions on the sale of chewing gum have attracted attention. These restrictions have been relaxed for some types of gum, but the underlying restriction remains.

Trade facilitation is an issue of extreme importance to APEC and also to members of the international trading community at large. Here APEC's work under the Leaders' Trade Facilitation Action Plan to cut transaction costs for business is an extremely important initiative. The Expanded Dialogue on Trade Facilitation yesterday, chaired by our ABAC Chair Hernan Sommerville, gave APEC needed input to successfully complete our work by 2006 on schedule.

Singapore has focused substantial attention on facilitating trade through its ports and into the country borders. The model Singapore has created, including transparency in its rules and regulations, electronic submission and clearance for entries, and an open appeals process, combined with a robust risk management program, bears close study by all trading countries. These achievements are noted

in the IAP and emphasized in the expert's report.

Services

Services is arguably the most important sector in Singapore's economy. I note with interest the figures set out in the expert's report: services is responsible for nearly 65% of GDP and 75% of employment.

Singapore's regime is relatively liberal in many services sectors, and less so in others. The more restricted sectors include insurance, banking, and other financial services, broadcasting and legal services. Of additional interest is the involvement of Government-linked Companies (GLCs) in many services sectors, including some of the more restricted sectors. The level of interest in these sectors is high, if only evidenced by the volume of questions received from APEC economies in the peer review process.

Let me comment on three sectors where further liberalization is welcome:

Many economies are particularly interested in the legal services sectors. Singapore is a destination for significant foreign investment, particularly services sectors, from all parts of the world. Investors generally always need legal advice when they make investments. They particularly need advice on the laws of the country where they are considering investing, and not just advice on other countries' laws, international law or their home country laws. The monopoly for Singapore lawyers to practice Singapore law seems out of place in a competitive, international economy.

The financial services sector has undergone liberalization in recent years, including in areas that go beyond Singapore's GATS commitments. Most recently, in June 2004, additional measures were announced that will allow certain types of institutions to conduct a fuller range of banking business. But restrictions remain. We urge Singapore to expand access to Singapore's banking sector. We do note that the Monetary Authority of Singapore is moving toward a regulatory framework based on risk assessment and supervision, and this aspect of Singapore's progress is certainly welcome.

In the audiovisual sector, Singapore still retains significant restrictions on broadcasting, through the establishment of different rules on the delivery of digital programming depending on the delivery media. This raises the question of technological neutrality and how this restriction fits in an economy that is a significant player in the information technology world.

Competition

Competition policy and competitiveness are issues of importance to Singapore, both in terms of its ability to compete internationally and as a country in which the government plays a significant role in the economy. Traditionally, the government's role has been exercised through government-linked companies (GLCs), many of which continue to have a significant presence in specific sectors and, through the Temasek holding company, a significant presence in the economy as a whole. During the last decade, Singapore has allowed more competition in its economy by privatizing some GLCs,

removing monopoly rights held by other GLCs and deregulating some sectors. These changes are most welcomed and should continue.

Notably, Singapore is in the process establishing, for the first time, an economy-wide competition law, designed to create a pro-competition business environment. This, too, is a welcome step. One question that arises here is whether Singapore's new legal regime, once its competition law is adopted and takes effect, will allow regulators to be sufficiently independent.

There is obviously interest in this subject. I would like to echo the expert's request for additional information on those sectors not covered in the IAP.

Singapore and the World Trading System

As I conclude my remarks, I want to highlight Singapore's leadership in the world trading system. Singapore's active participation in APEC, the WTO, ASEAN, and now, as a party to six already-concluded free trade agreements (FTAs) and nine FTAs under negotiation is a testament to the significance of trade to Singapore and to the benefits liberalized trade can bring. Singapore and its partners, including the United States, have greatly benefited from its open and liberalized trading regime. Singapore has established itself as an important model in this regard.

SINGAPORE IAP PEER REVIEW

Written Questions

AUSTRALIA

Business Services — Financial

- We welcome and support Singapore's liberalisation program efforts to date in respect of financial services.
- Singapore began a 5 year financial sector reform program in 1999. What are Singapore's plans for future reforms in the financial sector beyond the completion of this program?
 - We would seek to encourage Singapore to pursue ongoing reforms and continue to remove potential barriers to trade and competition in financial services.

Banking

- Does Singapore have any intentions to further reduce market access restrictions on the establishment of new full and restricted banks, such as further increasing the number of 'Qualifying Full Banks' (QFB)?
 - Singapore has increased the number permitted full bank status to six under the QFB category and upgraded the 15 restricted 'Offshore Banks' to 20 under 'Wholesale Banking' licences.
- We would be interested in any plans to further reduce restrictions placed on the number and kind of service locations (particularly ATMs) for foreign banks. With the June 2004 reforms increasing the number of permitted service locations to 25, are there any restrictions on the number of these locations that can be ATMs?
- We would be interested in obtaining information on the number of approvals and rejections by the Monetary Authority of Singapore (MAS) for foreign shareholdings in Singaporean banks, particularly in relation to the restriction on individual foreign investors holding no more than (the low level of) 5% of the shares of a local bank without approval. Further, given the introduction of an additional 12% approval limit what significance or concern remains with shareholdings of only 5%?
 - Singapore has removed aggregate foreign ownership restrictions in banking services (paragraph 57 - refers to the previous 40 per cent limit), but the MAS has stated that it will only approve increases in shareholding beyond 5 per cent only in significant transactions that are considered beneficial to the bank and to Singapore.

Insurance

- Are restrictions on foreign insurance companies undertaking cross-border supply or having a commercial presence in the delivery of insurance services in operation? We note the open admission of insurance brokers but would appreciate clarification on insurance providers.

Energy Services

- Has the Energy Market Authority of Singapore further developed its analysis of the best methods for introducing full retail contestability? Have any concerns been raised regarding such issues as consumer protection and 'retailer of last resort'?

- You mentioned the restructuring of the gas industry has been delayed until end 2004 owing to issues raised by the industry players in the consultation process. What were some of the key issues raised?

Telecommunications Services

- In cases where service based operators (SBOs) seek to resell international leased lines that terminate in other jurisdictions:
 - are any limitations placed on service SBOs in supplying international leased line services ?
 - are any special licence or compliance requirements placed upon SBOs in supplying international leased line services, that are not placed upon facilities-based operators ?
 - Do SBOs have access to leased lines on wholesale terms similar to those available to facilities based operators?

Investment

- What action is Singapore taking to improve the transparency of Government-Linked Companies (GLCs) in line with its commitments in Chapter 12 of the USSFTA?
- The USSFTA allows the US to request information regarding the shares and voting rights of the Singaporean government and its government enterprises in specific enterprises? Will Singapore make this information available to other APEC members?

HONG KONG, CHINA

General

- Since the selection of actions from the Trade Facilitation Menu of Concrete Actions and Measures last year, has Singapore adopted any new initiatives?
- What is the progress of implementation of the actions selected?

INDONESIA

STATEMENT BY INDONESIAN DELEGATION ON SINGAPORE – APEC PEER REVIEW Santiago, Chile, 2 October, 2004

Indonesia appreciates Singapore for its comprehensive IAP presentation, which gave us a clear picture on the policies has been taken by Singapore in achieving the Bogor Goals.

We believe Singapore is in advance position in implementing transparency in her economic and trade policy.

For the shake of transparency as mandated by the Leaders, we would like you to present your statistical data regarding balance of trade between Singapore and trading partners, particularly with Indonesia.

So far, Singapore is not publish openly bilateral trade statistics with Indonesia. In the 'stat links' website, an official Singapore trade statistic website, Indonesia is not appear as one of the top 100 Singapore trade partners. In addition, Singapore also does not release its trade statistics with Indonesia to the WTO, and the United Nations.

Once again, for the shake of transparency I strongly request Singapore to publish its official trade statistic with Indonesia, both in 'stat links' and the WTO and the United Nations as well.

Now, I would like to ask the APEC Secretariat to put this Indonesian request as record of the meeting.

Thank you,