



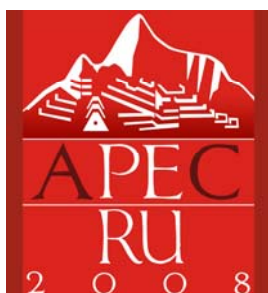
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Study Report of the 2007 Individual Action Plan (IAP) Peer Review of Singapore

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**Study Report of the
2007 Individual Action Plan (IAP) Peer Review of
Singapore**

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Executive Summary

Singapore is a small, open, highly diversified economy recording long term growth at the top of international rankings. Singapore's seventh place ranking in the 2007-2008 Global Competitiveness Index published by the World Economic Forum places it ahead of all other APEC economies except the US. Singapore ranks first in the World Bank's index of the ease of doing business and second in economic freedom behind Hong Kong, China.

Singapore is on track to meet the Bogor goals by 2010. APEC plays an essential role in defining the problems and identifying solutions for Singapore to assure Singapore's continued prosperity. Despite these successes some stakeholders are concerned that APEC needs new energy if it is to remain relevant to Singapore's policy choices as well as those of other member economies. In this regard, Singapore has been participating actively in efforts to shape APEC's agenda, and strengthen APEC as an organization, to ensure it continues to contribute meaningfully to regional trade and investment cooperation and liberalisation in the coming years.

Singapore takes justifiable pride in a 40-year development strategy that enabled the economy to move up the value chain by adopting measures to respond to the changing global economy. Prudent fiscal policies deserve a large measure of credit providing Singapore with the tools to deal constructively with external adjustments brought by globalization. Continuous economic reform makes an important contribution, notably deregulation. Diversified export markets provide Singapore exporters with a broad range of markets in both highly developed and rapidly expanding economies.

With few resources other than human capital, Singapore must continuously plan and organize for the future. Since independence, Singapore has evolved from a low cost manufacturing economy into a knowledge and innovation-oriented economy. Its manufacturing sector has expanded its world class strength in electronics to include a powerful presence in pharmaceuticals and chemicals. A vibrant services sector has established an important global presence in logistics and transport, biomedical and biotechnology and digital media.

Singapore's strategy is to expand its economic space, foster the growth of manufacturing and services as mutually reinforcing growth engines, develop capabilities and improve factor competitiveness. An integrated infrastructure, a focus on education and training to meet the needs of the economy and an outward orientation are essential complements of the core principles of honesty in government, harmonious industrial relations, meritocracy and individual self reliance.

Singapore is committed to fostering research and development, building human capital and labour market flexibility and reducing business costs. Further structural reform is needed to respond to the relentless pressures of globalization. Two areas warrant attention. The first is a streamlining of tax incentives as IMF reports and WTO reviews

have noted. The second is a faster pace of divestment of non-strategic GLCs which continue to play a prominent role in the Singapore economy.

The Singapore economy has demonstrated resilience to changing global economic conditions, underwritten by pragmatic policy responses and structural reform. In 2008, in the face of a global economic slowdown, the pace of economic expansion is expected to decline. The key factor for Singapore will be the state of global economy, notably the US economy. The latest trade figures indicate that the global economic downturn is affecting Singapore's exports. Although merchandise exports were robust at the beginning of 2008, exports in the European and US markets are suffering sharp falls. The Singapore authorities believe that there has been a significant decoupling of the pace of economic activity in Singapore from that in the US and that growth in India and China could help mitigate the effect of a US recession on Singapore. The consensus of Singapore and external forecasters (IMF, World Bank) is that Singapore should be able to record growth in 2008 in the 4-6 percent range, consistent with medium term economic potential.

The Singapore economy is vulnerable to the reemergence of inflation fed by the rapid rise of oil and food prices. Inflation in Singapore is at a 26-year high. Early dissipation of inflationary pressures is not expected. Singapore's anti-inflationary policy include: management of the Singapore dollar exchange rate, the diversification of food sources; support of home ownership to insulate Singaporeans from increases in rental costs; direct income support for low income people, education and training, the attraction of new investment and employment creation.

Singapore is a founding member of the WTO and has consistently punched above its weight in the conduct of WTO business and the evolution of the Doha negotiations. The successful completion of the Doha negotiations is the highest priority for Singapore trade policy since it offers the greatest benefits to the economy and the opportunity to address distortions arising from the inevitable differences in rules of origin regimes in regional and bilateral free trade agreements. Nevertheless, Singapore recognizes that there are formidable obstacles to reaching a timely and successful conclusion to the Doha negotiations and has been actively participating in regional and bilateral agreement alternatives to trade liberalization, which it believes will position Singapore as an integrated manufacturing centre, promote research and development in the knowledge-based economy and drive the services hub.

Singapore's trade regime reflects its embrace of globalization. Tariffs are applied on only six tariff lines. Non-tariff barriers do not exist except for those consistent with WTO rules related to universal public policy interests of health, safety and security. Its customs regime is a model of transparency and makes a major contribution to the achievement of APEC's trade facilitation objectives. In the areas of standards and conformity, the Singapore practice is to adopt international standards where possible and use them as a basis for the development of Singapore standards.

Singapore has one of the most liberal services regime in the world. Many services industries are open for foreigners. Only few exemption exist. For instance, the MFN exemption on Mode 4 allows Singapore to extend preferences to workers from traditional sources of supply. This measure is justified in light of domestic policy considerations, such as land constraints and the fundamental need for social cohesion among Singapore's multi-racial population. It regulates the flow of foreign workers to ensure that Singapore is not overpopulated, and that foreigners who could potentially disrupt the social order are not admitted.

Singapore also has an MFN exemption on Investment Guarantee Agreements (IGAs) as they are useful tools in Singapore's investment promotion and protection efforts. The obligations that Singapore and other countries undertake in bilateral IGAs on a reciprocal basis have added to a more secure investment environment.

Singapore participates actively and constructively in the review of MFN exemptions at the WTO. In this respect, Singapore periodically reviews the MFN exemptions in the light of domestic policy and international developments.

Singapore has a liberal investment regime. It actively promotes domestic and foreign investment by supporting policies which are predictable, transparent and market friendly. And enhances Singapore's attractiveness as an investment destination. There are around 34,500 international companies and 161,000 Small and Medium Enterprises (SMEs) in Singapore. Of 7,000 Multinational Corporations (MNCs), 60 percent have their regional/global headquarters functions in Singapore.

Singapore recognizes that protection of intellectual property is essential for the transition from a capital intensive to a knowledge-based economy. The economy is fully committed to the protection of IPR and employs an inter-agency process to formulate and coordinate policies on IPR. Singapore seeks to be an IP hub in Asia for the commercialization of ideas and innovation for companies and individuals. Singapore's reputation as a secure IP hub has been greatly enlarged by the launch of pro-business policies and support schemes to promote IP activities. Its IP policies center around legislative improvements, IP industry development to ensure that the regime caters to the shifting needs of industry, IP capacity development such as the development of patent drafters), awareness and education especially for the young generation, and a cooperative approach with all stakeholders enhance respect for IPRs and for enforcement.

In 2004, Singapore enacted the Competition Act to provide a robust competitive environment. The Competition Commission of Singapore set up the Interagency Competition Forum, to provide a platform for government agencies to discuss competition issues and policy concerns, to promote consistency and alignment in the application of generic and sector-specific competition laws where possible, to encourage co-ordination among agencies, and ensure a coherent approach to regulation, and to promote co-operation among agencies. Based on feedback from the legal community,

awareness of competition law in Singapore is gradually increasing, and there are several businesses which have implemented compliance programs.

Singapore has adopted an open procurement regime and is a signatory to the WTO Agreement on Government Procurement (GPA). The government procurement regime is consistent with the APEC Non-Binding Principles on Government Procurement, including transparency, value for money, open and effective competition, fair dealing, accountability and due process, and non-discrimination. Singapore reviews its government tendering procedures to maintain efficient, open, fair and competitive procurement practices. Only certain military and security procurements are excluded. Singapore has fully implemented the principle of non-discrimination and offers equitable access opportunities to all suppliers.

Singapore develops its economy based on a liberal trade and investment regime and the Government is constantly seeking to improve the operating laws and regulations to ensure that the business environment is market-driven, supportive of entrepreneurship and consistent with international best practices. It has a regulatory investment environment rooted in clarity, fair competition and sound business practices and recognizes that deregulation is a continuous process if Singapore is to become and remain the Asian hub for business. Singapore regards the purpose of regulation as providing prudential supervision (e.g. the financial services sector), ensuring public safety, protecting consumer interests and national security.

Singapore, develops bilateral and other co-operative Memoranda of Understanding to resolve disputes through bilateral consultation, arbitration and/or mediation. It has signed 35 bilateral investment guarantee agreements (IGAs) to resolve disputes between governments and disputes between governments and private entities. Singapore also has signed the Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York Convention) and the International Convention on the Settlement of Investment Dispute between States and Nationals of other States (ICSID). The economy has succeeded in developing an arbitration-friendly environment and capabilities, which has enabled it to become the venue of first choice for international businesses for dispute resolution in a neutral third country in Asia

Singapore is one of the most open economies for the movement of business people. It has a liberal policy towards investors and legal business persons entering Singapore. Consistent with supporting business and investment, Singapore has built facilities and implemented policies to support the of mobility business people including an intra-company trainee scheme, the Employment Pass Online (EPOL) system, and e-XTEND, which is a new on-line system that allows eligible foreign visitors to apply for extension of the short-term social visit pass via the ICA website. Singapore has streamlined ICT transfer to APEC 30 days processing; over 90 percent of the ICT's are processed within two weeks. Singapore joined APEC Business Travel Card (ABTC) Scheme in October 2005 as a full member. Singapore continues to review visa requirements with a view to facilitating business travel.

1. Introduction

Singapore is a small, open, highly diversified economy which has achieved remarkable long term growth at the top of international rankings. Since the last peer review, the economy has grown in the range of six to eight percent. Several factors explain this enviable performance.

- Prudent fiscal policies deserve a large measure of credit for providing Singapore with the tools to deal constructively with both external adjustments brought about by globalization and internal adjustments, notably an aging population. In FY2007, Singapore recorded a primary surplus of \$6.3 billion¹, equivalent to 2.5 percent of GDP.²
- A diversified economic structure is an important factor in Singapore's economic success. Manufacturing, business, financial and information services account for over 50 percent of the economy.
- Continuous economic reform makes an important contribution, notably deregulation in the power generation and telecommunications industries combined with other public policy initiatives, for example in education.
- Diversified export markets spread across ASEAN, the EU, the US, China, Hong Kong, China and Japan provide Singapore exporters with a broad range of markets in both highly developed and rapidly expanding economies.
- A commitment to an open economy embraces the challenges of globalization. Singapore's seventh place ranking in the Global Competitiveness Index published by the World Economic Forum places it ahead of all other APEC economies except the US.³ Singapore ranks first in the World Bank's index of the ease of doing business⁴, and second in the economic freedom index, behind Hong Kong, China.⁵
- Transparency, integrity and trust pervade Singapore's system and culture of governance.
- Rapid progress has been made towards achievement of the Bogor goals in all categories, which has placed Singapore at the forefront of APEC economies.

2. General Issues

Singapore Strategies

In discussions with the review team, the Singapore authorities conveyed a consistent message. As a small city state with few resources other than human capital, Singapore must continuously plan and organize for the future. The authorities are justly proud of the progress made since independence in progressing from an economy based on low cost manufacturing to one oriented towards knowledge and innovation. Its manufacturing

¹ All figures in Singapore dollars unless otherwise indicated

² Singapore budget highlight p.3 mof.gov.sg

³ gcr.weforum.org

⁴ doing business.org

⁵ Heritage .org

sector, while heavily reliant on the strength of the electronics sector, now boasts important capabilities in pharmaceuticals and chemicals. A vibrant services sector has established an important global presence in logistics and transport, biomedical and biotechnology, and digital media.

The Singapore authorities describe their strategies as consisting of the expansion of economic space, the growth of manufacturing and services as mutually reinforcing growth engines, the development of capabilities and the improvement of factor competitiveness. These strategies are reinforced by the core economic principles of excellence and reliability. Transparency and honesty in government, harmonious industrial relations, meritocracy and individual self reliance also play an essential role. An integrated infrastructure, a focus on education and training to meet the needs of the economy and an outward orientation are essential complements of these core principles.

The Singapore authorities intend to press ahead with continuous reform to moving the economy up the value chain, foster research and development, build human capital and labour market flexibility and reduce business costs. Further structural reform is clearly needed to respond to the relentless pressures of globalization. Two areas warrant attention. The first is a streamlining of tax incentives as IMF reports and WTO reviews have noted. The second is a faster pace of divestment of non-strategic GLCs which continue to play a prominent role in the Singapore economy to assure investors of a level playing field and promote private sector growth.

Recent Economic Performance

The review team agrees with the judgment of the IMF Staff report on the occasion of the most recent Article IV consultation that the Singapore economy has proven resilient to changing global economic conditions, a resilience underwritten by pragmatic policy responses and structural reform.⁶ Resulting from prudent fiscal management, three billion dollars in benefits will be given out to Singaporeans in 2008. The benefits are part of the \$1.8 billion of surplus sharing (including \$865 million of Growth Dividends) announced in the 2008 Budget Statement, and are accompanied by other measures such as the GST Offset Package, announced in the 2007 Budget.⁷

At the time the last review, Singapore had staged a solid recovery from the 2001 recession. Growth steadily accelerated to nine percent in 2004 followed by impressive rates of in the 7-8 percent range through 2007. High value sectors, notably pharmaceuticals, transport and engineering as well as resurgence in construction, drove growth.

The manufacturing sector, which accounts for 24 percent of GDP at today's prices, fuelled economic growth in the first quarter of 2008. As the recent report of the Economist Intelligence Unit notes, manufacturing value added expanded by 12.4 percent,

⁶ IMF Country Report No. 08/100 March 2008

⁷ April 14 press statement: " \$3 BILLION IN BENEFITS TO BE GIVEN OUT TO 2.4 MILLION SINGAPOREANS IN 2008" mof.gov.sg

significantly faster than the 0.2 percent growth rate recorded in the final quarter of 2007, as pharmaceutical manufacturers increased production. Growth strengthened across all manufacturing sectors except transport engineering and precision engineering. Construction continued to expand rapidly, fuelled by a building boom, but year-on-year growth slowed to 14.7 percent from the previous quarter's rate of 24.3 percent. Meanwhile, services value added expanded by 7.5 percent, fractionally slower than the rate of 7.7 percent posted in October-December last year. The services sector is the most important part of the economy, accounting for 66 percent of GDP in nominal terms. Financial services remained the fastest-growing segment of the services sector. Although the estimates will ease concerns that the economy will slow sharply this year, it should be noted that the period on which they are based was one during which exports were relatively resilient. Export figures for March suggest that trade-dependent Singapore will not be immune from the downturn in the world economy.⁸

Entering 2008, in the face of a global economic slowdown, the pace of economic expansion is expected to decline. As the 2008 Budget statement points out, the key factors for Singapore will be the state of the global economy, notably the US economy. If the US economy enters a recession, which many forecasters predict, Asian economies will be affected as they were in the last US recession in 2001. The Singapore authorities believe that there has been a significant decoupling of the pace of economic activity in Singapore from that of the US. Rapid growth in India and China based on strong domestic growth could help mitigate the effect of a US recession on Singapore. The consensus of Singapore and external forecasters (IMF, World Bank) is that Singapore should be able to record growth in the 4-6 percent range, lower than previous years but consistent with medium term economic potential. The Singapore authorities underline that economic fundamentals remain strong with a robust investment pipeline in the manufacturing sector and a services sector well positioned for growth.

The Singapore economy is also vulnerable to the reemergence of inflation fed by rapid increasing oil and food prices which are reflected in higher production costs and consumer prices. The result has been a rate of inflation in Singapore at a 26-year high. The Singapore authorities do not expect an early dissipation of inflationary pressures. Consumer prices were up by 6.6 percent year on year during the first quarter of 2008, compared with 4.1 percent in fourth quarter of 2007. Food price inflation stood at 6.7 percent in that quarter, while the cost of transport and communications increased by 7.5 percent. Most other components of the consumer price index are also rising more rapidly than in the past, driven by the strength of employment growth and wage gains over the past year.

The most recent budget adopted five anti-inflationary strategies. First, the management of the Singapore dollar exchange rate by allowing an appreciation of the dollar to keep imported inflation down; second, the diversification of food sources through helping private importers buying from new suppliers; third, support of home ownership to insulate Singaporeans from increases in rental costs; fourth, direct income support to add to the income and savings of low income people; and fifth, to keep the economy

⁸ Economist Intelligence Unit (EIU), April 2008

competitive through education and training, the attraction of new investment and employment creation.⁹

Further, sustained economic growth and signs of upward price pressures in 2007 have led the Monetary Authority of Singapore to allow a gradual appreciation of the Singapore dollar against the US dollar. As the economy continues to grow steadily, a tighter monetary policy stance (which was outlined in the central bank's April 2008 monetary policy release) and sustained large current-account surpluses will underpin a further appreciation in Singapore's currency against the US dollar. The IMF anticipates that the exchange rate will strengthen from an annual average of \$1.51:US\$1 in 2007 to \$1.36:US\$1 in 2008 and \$1.30:US\$1. If there are signs that the US slowdown is having a more severe effect on demand for Singapore's exports, the IMF predicts that the ability of the MAS to mitigate appreciation of the Singapore dollar against the US dollar will be limited in the event of a sharp weakening of the US currency.¹⁰

Singapore: Selected Economic and Financial Indicators, 2000-07^{1/}

	2000	2001	2002	2003	2004	2005	2006	2007
Growth (percentage change)								
Real GDP	10.1	-2.4	4.2	3.5	9.0	7.3	8.2	7.7
Consumption	15.6	4.7	5.2	0.9	4.2	4.4	4.8	4.1
Gross capital formation	24.1	-22.3	-5.8	-30.7	48.1	-1.0	15.2	21.4
Net exports	-23.4	19.6	20.6	55.6	-2.0	21.2	8.3	5.4
Inflation and unemployment (period average, percent)								
CPI inflation	1.3	1.0	-0.4	0.5	1.7	0.5	1.0	2.1
Unemployment rate	2.7	2.7	3.6	4.0	3.4	3.1	2.7	2.1
Central government budget (percent of GDP) ^{2/}								
Revenue	29.2	27.4	22.9	20.3	20.1	21.1	21.6	
Expenditure	20.4	23.9	18.6	14.1	14.3	13.0	14.4	
Overall balance	8.7	3.5	4.2	6.2	5.8	8.2	7.2	
Primary operating balance	1.1	-3.5	-2.7	-2.9	-1.9	-1.2	-1.8	
Money and credit (end of period, percentage change)								
Broad money (M3)	-1.8	4.0	-0.8	5.9	6.1	6.4	19.1	14.1
Lending to nonbanking sector	4.7	5.8	-1.0	6.3	4.5	2.2	6.3	20.0
Interest rate (three-month interbank, in percent)	2.8	1.3	0.8	0.8	1.4	3.3	3.4	2.4
Balance of payments (US\$ billion)								
Current account balance	10.7	10.7	11.1	21.6	18.2	22.3	29.8	39.2

⁹ Budget Highlights Financial Year 2008. Mof.gov.sg

¹⁰ IMF Staff Report

(percent of GDP)	(11.6)	(12.5)	(12.6)	(23.2)	(16.7)	(18.6)	(21.8)	(24.3)
Trade balance	14.0	17.3	18.8	29.4	31.0	37.1	43.4	49.2
Overall balance	6.9	-0.9	1.3	6.8	12.1	12.3	17.0	19.4
International reserves and international investment position								
Gross official reserves (US\$ billion)	80.2	75.7	82.2	96.2	112.6	116.2	136.3	163.0
MAS forward position (US\$ billion)	3.0	-0.3	-0.5	5.4	13.9	21.3	58.8	63.5
Net international investment position (US\$ billion)	...	60.9	81.7	98.2	108.9	116.4	129.2	...
Exchange rate (end of period)								
\$/US\$	1.732	1.851	1.737	1.701	1.634	1.664	1.534	1.441
Nominal effective exchange rate ^{3/}	100.0	101.66	100.8	98.4	97.9	98.7	102.8	104.7
Real effective exchange rate ^{3/}	100.0	100.5	97.9	94.3	93.3	92.1	94.3	95.7

Sources: Data provided by the Singapore authorities; and IMF staff estimates and projections.

1/ Data available as per August 2007. As per IMF classification

2/ Fiscal year beginning April 1.

3/ IMF Information Notice System monthly index (2000 full-year average = 100).

Productivity

	2002	2003	2004	2005	2006	2007
Manufacturing	11.0	5.4	9.7	2.9	3.9	-3.2
Construction	-4.0	1.4	-0.6	-0.1	-2.6	7.6
Financial services	0.5	9.5	0.5	0.0	2.2	2.1
Total	5.7	4.8	7.2	2.8	1.5	-0.9

^a Output per person employed.

Sources: Ministry of Trade and Industry, Economic Survey 2007; Department of Statistics, Monthly Digest of Statistics.

Singapore's Trade Performance¹¹

Singapore's external trade continued to grow by 16 percent year-on-year in the first quarter of 2008, compared to the 4.5 percent increase in 2007. In the first three months of 2008, total imports expanded by 21 per cent while total exports rose by 12 percent, supported by higher domestic exports and re-exports. In particular, Singapore's non-oil domestic exports (NODX) increased by 0.6 percent as growth of non-electronic NODX offset a decline in electronic domestic exports. Non-electronic NODX grew by 4.1 percent in the first quarter of 2008, supported by increased sales of ships and boats, measuring instruments and non-monetary gold. On the other hand, electronic domestic

¹¹ See Annex 1 for tables on the commodity composition of Singapore's exports and imports

exports fell by 4.3 percent on lower shipments of telecommunications equipment, consumer electronics, integrated circuits and parts of personal computers. The EU-27 and the US were the biggest contributors to the decline of NODX in the quarter. NODX to the EU-27 declined by 13 percent due to lower domestic exports of pharmaceuticals, parts of PCs and printing bookbinding machinery. NODX to the US also dropped by 14 per cent on falling sales of pharmaceuticals, parts of personal computers and consumer electronics.

Singapore Trade Profile

TOP 10 DESTINATIONS FOR EXPORTS	percent Share	percent Growth
Malaysia	12.9	3.1
EU-27	10.7	0.0
Hong Kong, China	10.5	8.8
Indonesia	9.8	12.2
China	9.7	3.5
United States	8.8	-7.8
Japan	4.8	-8.3
Thailand	4.1	3.9
Australia	3.7	4.0
South Korea	3.5	15.0
Total Exports	100.0	4.4

TOP 10 ORIGINS FOR IMPORTS	percent Share	percent Growth
Malaysia	13.1	4.7
EU-27	12.4	13.2
United States	12.3	2.5
China	12.1	11.2
Japan	8.2	2.5
Chinese Taipei	5.9	-3.7
Indonesia	5.6	-5.8
South Korea	4.9	15.7
Saudi Arabia	3.3	-10.3
Thailand	3.2	-7.6
Total Imports	100.0	4.5

(Economic Survey of Singapore 2007)

Singapore and the WTO

As a founding member of the WTO, Singapore's trade policy objective is to promote a free, open, and stable multilateral trading system. Without a sizeable domestic market, Singapore is by necessity outward-oriented. In 2007, the trade to GDP ratio was 348%,

the highest in the world. It is in Singapore's vital interest to advance the global trade and investment liberalisation agenda and ensure a strong rules-based multilateral trading system.

Singapore's principal priority remains the WTO, and the Doha Development Agenda. The Doha Round has entered the final phase with the release of negotiating texts on Agriculture, Non-Agricultural Market Access (NAMA) and most recently Rules. Singapore has actively participated in the negotiations in all areas including NAMA, Services and Rules, through its proposals and constructive suggestions on ways to move negotiations forward.

Regional and Bilateral Free Trade Agreements

Singapore believes that regional and bilateral trade liberalisation efforts could be useful building blocks for multilateralism. The role that trade has played in driving Asia's economic development is evident. ASEAN's overall trade for instance more than tripled from about US\$430 billion in 1993 to US\$1.4 trillion in 2006, in just over a decade. ASEAN is pursuing several economic integration initiatives to further enhance and facilitate trade in the region and with the world, and Singapore plays a key role in driving the process.

On the bilateral front, Singapore has signed 13 FTAs with its major trading partners. Singapore recently concluded FTA negotiations with the Gulf Cooperation Council in January 2008. Singapore views its bilateral FTAs as a critical complement to the efforts at the multilateral level. Singapore's FTAs are comprehensive, WTO-consistent and in many aspects, WTO-plus.

Membership of ASEAN and East Asian Community

Singapore is a member of both ASEAN and the East Asian Community.¹² Some observers consider that ASEAN has disappointed its founders, being unable to give effect to ambitious plans for regional integration and free trade. However, ASEAN has recently been recharged with its economic integration commitments for achieving an ASEAN Economic Community by 2015. Also, some may assess that the ASEAN group has negotiated three free trade agreements with Dialogue Partners, which are considerably less ambitious than Singapore's comprehensive bilateral free trade agreements and offer correspondingly fewer economic benefits to Singapore. However, an argument can be made that economic benefits flow from these ASEAN-plus free trade agreements through cumulative rules of origin, which allows goods worked upon and exported from Singapore, utilizing inputs from the region, to qualify for preferential tariff treatment.

¹² Indonesia, Malaysia, the Philippines, Singapore Thailand Brunei Vietnam Laos Myanmar, Cambodia are the members of ASEAN. The EAC is ASEAN plus China, Japan, South Korea, India, Australia and New Zealand.

The East Asia Community (EAC), which consists of the ten members of the Association of South-East Asian Nations (ASEAN) plus China, Japan, South Korea, India, Australia and New Zealand, may offer greater potential benefits to Singapore. The EAC was inaugurated at the East Asian Summit in mid-December 2005. Although not free from regional political controversy, modest progress was made at the EAC summit, held in the Philippines in January 2007, with the adoption of a declaration on energy security and biofuels and a commitment to study a Japanese proposal for a Comprehensive Economic Partnership for East Asia (CEPEA).

Singapore and Bogor

Singapore espouses and practices pro economic development policies. It takes justifiable pride in a 40-year development strategy that has consistently enabled the economy to move up the value chain, striving with some success to stay ahead the curve and constantly adapt to the changing global economy. Accordingly, it pursues a holistic approach to the broad range of public policies which impact upon economic growth. Trust in government, the rule of law and transparency were emphasized as the quintessential components of success.

APEC has played a key role in making Singapore the leading economy of Southeast Asia. Its principal trade and investment partners are in the APEC region. APEC plays an essential role in defining the problems and identifying solutions for Singapore to assure Singapore's continued prosperity. An original member, Singapore is an APEC leader and firmly set upon a course to meet the goals of the Bogor Declaration by 2010.

Singapore's small size means that within APEC, as in any regional or multilateral organization, its ability to influence APEC agendas and outcomes is moderate. Some stakeholders underlined that APEC is a means to an end and not an end in itself. It is felt that APEC may be at a crossroads on the eve of its 20th anniversary and could usefully take a fresh look at its core mission of promoting free and open regional trade and investment and how that mission will be taken forward in the coming years. In this regard, Singapore has been actively working together with other APEC economies to shape APEC's agenda, and strengthen APEC as an organization so that it can better fulfill its mission. One stakeholder observed that that Singapore has alternatives to APEC to help it retain its place among the world's leading small economies with an enviable standard of living.

3. Assessment of Singapore's IAP

3.1 Tariffs

Bogor Goal

APEC economies will achieve free and open trade in the Asia-Pacific region by:

- a) progressively reducing tariff measures*
- b) ensuring the transparency of APEC economies' respective tariff measures*

Singapore is the APEC leader in achieving this Bogor goal. Import duties are applied to only six tariff lines, all of which are alcoholic products—beer, stout, medicated samsu and other samsu. These lines account for less than 0.1 percent of total imports.

Since 2004, there has been no change to the level of Singapore's tariff bindings which apply to 94 percent of total tariff lines. Singapore indicates that it is prepared to consider undertaking further bindings in the WTO Doha negotiations.

In its response to the questionnaire, Singapore notes that the ASEAN Harmonized Tariff Nomenclature 2007 (AHTN), harmonized at the 8-digit HS level, for intra-ASEAN trade is also extended for non-ASEAN trade. Hence, there is only one classification system for Singapore's trade and investment with ASEAN, APEC economies and members of WTO.

Under the ASEAN Free Trade Area Common Effective Preferential Tariff (AFTA CEPT) scheme, Singapore offers ASEAN Member States duty free access for all products (i.e. 100% of tariff lines), including the 6 lines of alcoholic beverages on a reciprocal basis. For ASEAN-plus FTAs (ACFTA, AKFTA, AJCEP), Singapore also provides to all parties of the FTAs, duty free access for all products, including the 6 lines of alcoholic beverages on a reciprocal basis.

Singapore has indicated that it intends to participate in APEC's computerized tariff base development project and update tariff data annually.

The Ministry of Finance (MOF) works with Singapore Customs to review the customs tariff structure and rates periodically. Although there are no specific procedures which allow for the private sector to ask for a review of particular rates, feedback to Singapore Customs and MOF, such as industry dialogue sessions, are given due consideration in periodic reviews.

3.2 Non-tariff Measures (NTMS)

Bogor Goals

APEC economies will achieve free and open trade in the Asia-Pacific region by:

- a) progressively reducing non- tariff measures*
- b) ensuring the transparency of APEC economies' respective non-tariff measures*

Singapore does not apply non-tariff measures inconsistent with the WTO agreements. In common with other countries, Singapore does apply certain non-tariff measures for reasons of public health, safety, security, the environment, and implementing international obligations, such as Convention on Trade in Endangered Species (CITES).

Singapore does not employ voluntary import and export restraint arrangements, local content requirements and variable levies. Singapore does not have safeguard legislation and does not impose any anti-dumping or countervailing duties. Singapore keeps its non-tariff measures under constant review to ensure they serve the public purpose intended without unduly restricting trade.

The importation and sale of therapeutic chewing gum from all countries has been permitted since January 2004. Restrictions on other chewing gum are maintained for health and environmental reasons.

Singapore prohibits the import of used automobiles more than three years old, regardless of country of origin. This measure is justified by the Singapore authorities on the grounds of keeping the local vehicle population young as older vehicles are more pollutive and more prone to breakdowns. This would minimize disruption to traffic flow as a result of car breakdowns to ensure optimized utilization of Singapore’s road networks, given the land constraints..

The transparency of these measures is assured by information provided on various government websites.

Trade Remedy Measures

The table below provided by Singapore authorities shows the number of anti-dumping cases that Singapore has been subject to since 2004. In addition, Singapore has been subject to one safeguard action since 2003 and none for countervailing measures.

Stage of Anti-dumping case	1 July 2004-30 June 2005	1 July 2005-30 June 2006	1 July 2006-30 June 2007
Initiation of investigation	1	0	6
Provisional measure applied	0	1	4
Definitive measure applied	1	0	4

Singapore licenses importers of rice which are required to maintain a stipulated level of stockpile. In the event of escalating prices as a result of shortages in rice, the authorities can allow importers to release their stockpile to increase supply to the market, thereby maintaining a certain level of price stability. Being a free market economy and a non-producing economy of rice, there are no quantitative restrictions with respect to the maximum amount of rice that can be imported. In response to rising global prices for

rice, the authorities are encouraging importers to expand their sources of supply and have increased the amount of rice that may be imported without changing the amounts committed to the stockpile.

3.3 Services

Bogor Goal

APEC economies will achieve free and open trade and investment in the Asia-Pacific region by:

- (a) progressively reducing restrictions on market access for trade in services*
- (b) progressively providing for, inter alia, most favoured nation (MFN) treatment and national treatment for trade in services.*

The services sector is a vitally important to the Singapore economy. In 2007 the contribution of the services sector to GDP in constant 2000 prices was 63.28 percent, higher than the 2006 figure (63.02 percent). This indicates that the service sector is experiencing growth in the economy. The wholesale and retail trade sub sector has the highest contribution to GDP. In 2006, the service sector contributed 76.67 percent to total employment (Yearbook of Statistics Singapore, 2007).

From a business perspective, there are in general no restrictions on the service sector in Singapore. However, there are residency requirements that must be fulfilled. Managers, executives, and specialists employed by foreign corporations may freely be transferred into local offices or affiliates in Singapore, at least one year preceding the application for entry. The mechanism is flexible but entry requirements are subjected to review to ensure relevancy and applicability.

Singapore has one of the most liberal services regimes in the world. Many services industries are open for foreigners. Only few exemption exist. For instance, the MFN exemption on Mode 4 allows Singapore to extend preferences to workers from traditional sources of supply. This measure is justified in light of domestic policy considerations, such as land constraints and the fundamental need for social cohesion among Singapore's multi-racial population. It regulates the flow of foreign workers to ensure that Singapore is not overpopulated, and that foreigners who could potentially disrupt the social order are not admitted.

Singapore also has an MFN exemption on Investment Guarantee Agreements (IGAs), as they are useful tools in Singapore's investment promotion and protection efforts. The obligations that Singapore and other countries undertake in bilateral IGAs on a reciprocal basis have added to a more secure and certain investment environment for Singapore's investors.

Singapore participates actively and constructively in the review of MFN exemptions at the WTO. In this respect, Singapore periodically reviews the MFN exemptions in the light of domestic policy and international developments.

Another significant development relating to the service sector regulation in Singapore is the implementation of the Competition Policy in 2006. There are also many changes in several sectors such as telecommunications, energy, and transportation which are overseen by sectoral competition regulators. It should be noted that natural monopolies are likely in Singapore given the economy's small size and population. On that note, the service sector is still undergoing deregulation, with periodical evaluation made to ensure that healthy competition prevails within a minimum contestable market structure. (See Section II:8 for a discussion of Singapore's competition policies.)

Business Services

Legal

Despite ongoing liberalization of legal services, Singapore continues to apply an MFN exemption. As in the case of other services, legal services are obliged to satisfy several resident and immigration requirements. Singapore also sets certain quality standards for practitioners of legal services. The Legal Profession (Qualified Persons) Rules 2006 set the qualifications and requirements that a person has to possess and satisfy in order to be considered a qualified person as defined in the Legal Profession Act, which include:

- Graduates from National University Singapore.
- Graduates from institutions of higher learning in United Kingdom or elsewhere.
- Citizens and permanent residents of Singapore conferred with degrees of Bachelor of Laws from institutions in Australia and New Zealand.
- Citizens and permanent residents of Singapore conferred with degrees of Doctor of Jurisprudence by institutions of higher learning in the USA.

Under the Legal Profession (Qualified Persons) Rules 2006, law degrees from the National University of Singapore (NUS) and from 19 universities in the United Kingdom are recognized; in addition, degrees obtained by citizens of Singapore and permanent residents of Singapore from ten universities in Australia, 4 universities in the United States and two universities in New Zealand, are also recognized. Over the past 7 years, the number of educational institutions, which meet the qualifications, has markedly increased, paving the way for an opening of business services in Singapore consistent with the provisions of several FTAs.

Singapore permits a foreign law firm to provide legal services in Singapore. This is stipulated in the Legal Profession Act (Chapter 161, section 130I and 130J) on Legal Profession (International Services) Rules. The above mechanism implies that operation of a foreign law firm can take the form of:

- Representative Offices
- Foreign Law Firms (FLF)
- Foreign Lawyer

- Foreign Lawyers Practicing Singapore Law in Singapore Law Firms
- Joint Law Ventures (JLVs) and formal law alliances

The regulation of lawyers, especially foreign lawyers in Singapore, is based on the policy objective of maintaining a certain level of quality of legal services and to ensure that there is no oversupply of lawyers in the domestic legal market. Offshore legal services in Singapore are regulated by the Attorney General's Chambers, which handles all registration-related issues with respect to foreign law firms and foreign lawyers.

Under Singapore's existing regulatory system, foreign law firms may set up offices in Singapore to advise clients only on the laws of their home country or international law. Foreign law firms with a track record in financial work are allowed to enter into joint law ventures or establish formal alliances with Singapore law firms. In such cases, certified foreign lawyers participating in the joint venture may, on completion of prescribed courses on Singapore law, practise Singapore law with the exception of representation before judicial or regulatory bodies.

In line with increasing openness and reducing restrictions on foreign firms, the Legal Profession Act (Chapter 161, section 130I and 130J) is always under review and revision, the latest of which was made in 2007. In December 2007, the Singapore Government accepted in principle the recommendations of the Committee on the Comprehensive Review of the Legal Services Sector ("the Committee"). The Government has accepted the following proposals of the Committee to liberalise the legal services sector:

- (a) to widen the scope of work foreign law firms (FLFs) may carry out in international commercial arbitration involving Singapore law to include work prior to a notice of arbitration being issued;
- (b) to enhance the joint law venture (JLV) scheme, to allow greater collaboration between FLFs and SLFs; and
- (c) to introduce a new scheme (*Qualifying Foreign Law Firm scheme*) where up to 5 FLFs will be allowed to practise Singapore law in commercial areas through Singapore-qualified lawyers employed by them. (Presently FLFs are not permitted to do any Singapore law work except within a JLV.) The QFLFs will be selected through a Request For Proposal (RFP) process. However, domestic areas of litigation and general practice, for example, criminal law, retail conveyancing, family law, administrative law and all aspects of criminal and commercial litigation, will continue to be excluded.

To elaborate, the Government accepted the Committee's recommendations to enhance the Joint Law Venture (JLV) scheme as follows:

- (i) FLFs and Singapore law firms (SLFs) will be allowed to form an Enhanced JLV (EJLV), where the foreign law firms will be able to hire Singapore-qualified lawyers to advise on Singapore law.

- (ii) FLFs may hire up to one Singapore lawyer for every foreign lawyer, and the Singapore lawyers should have more than three years' experience.
- (iii) FLFs and SLFs may share profits in permitted JLV practice areas of cooperation, which will now include the newly expanded scope of work for international arbitration. The foreign law firm will be allowed to share up to 49% of the profits of the constituent Singapore law firm in the permitted areas. Apart from this, the EJLV constituents will be allowed to decide whether, and to what extent, to share profits.
- (iv) The partners from the Singapore law firms will be allowed to concurrently hold partnership and administrative positions in the foreign law firms.

In addition, parties which are interested in a joint venture or which are currently in a joint venture agreement, may suggest any other arrangement beneficial to their particular circumstances. The Minister for Law and the Attorney-General will be given the discretion to approve joint venture structures that go beyond the proposed conditions set out above.

As stated, the Government will also introduce a Qualifying Foreign Law Firm (QFLF) Scheme. Under this Scheme:

- (i) Up to five FLFs will be given a QFLF license to practise Singapore law through Singapore-qualified lawyers employed by the firm.
- (ii) FLFs will have to compete for the licences by demonstrating a commitment to Singapore. They would be asked for proposals regarding the size and constituency of their local office, the areas of work in which they will engage, and the countries which they will service from Singapore.
- (iii) The practice areas for these QFLFs will not include work pertaining to litigation, and domestic areas of law such as criminal law, retail conveyancing, family law, and administrative law.

Foreign lawyers are also now permitted to hold shares in a domestic Law Firm to a maximum of 25 percent.

Architectural

Unlike legal services, a liberal regime exists for architectural services in Singapore. All architects may practice in Singapore irrespective of their nationalities, which attests to the assertion that this services sector is liberal in Singapore. That said, foreign architects have to fulfill the condition of registration with the Board of Architects (BOA). However, the architectural services sector is generally open in terms of market access. In reality, any person who is qualified by having recognized training in architecture will be allowed to apply to be registered in Singapore subject to passing the examinations required by the Board.

Basic operational requirements are maintained to uphold the integrity of the architectural profession. In line with the desire to increase openness and minimize restriction, Singapore will continue to review the list of accredited degrees and to consider removing market access restrictions where appropriate.

Accounting and Other Professional Services

In the field of accounting all public accountants, regardless of nationality/citizenship, may freely practice in Singapore so long as they fulfill the applicable registration requirements with ACRA as stipulated in the Accountants Act. Basic operational requirements are maintained to uphold the audit quality, consistency and integrity of the public accounting profession. In line with efforts to promote openness, Singapore will continue to review the list of accredited qualifications and to consider removing market access restrictions where appropriate.

Medical practitioners must be registered by the Singapore Medical Council to practise in Singapore. Similarly, dentists must be registered by the Singapore Dental Council, pharmacists by the Singapore Pharmacy Council and nurses and midwives by the Singapore Nursing Board. These professional Boards/Councils regulate the professional conduct and ethics of the respective health professionals. The Ministry of Health oversees these Boards/Councils.

Irrespective of nationality, the number of doctors registered may be limited depending on the total supply in Singapore. The objective of the policy is to avert the problem of oversupply, considering the small size of Singapore.

Energy

The Singapore electricity industry had traditionally been vertically integrated and government-owned. The monumental development that occurred in 1995, which involved the liberalization of electricity industry, aimed at enhancing efficiency and innovation. The liberalization process is on course to create a contestable market.

The deregulation process established the National Electricity Market of Singapore (NEMS) which commenced operation on 1 January 2003. Generation companies bid every half-hour to sell electricity into the new wholesale electricity market. On 1 June 2003, phase 1 liberalization of the electricity retail market commenced. Phase 2 commenced on 21 December 2003, and on 1 January 2004, vesting contracts were introduced to curb the exercise of market power by generation companies in the wholesale electricity market. Finally, on 12 February 2006, phase 2 liberalization in the electricity retail market was completed, bringing 10,000 large consumers who account for about 75% of Singapore total electricity demand opened for retail competition.

In the wake of such deregulation, entities in the electricity supply chain can be broadly grouped as operating in either the contestable or non-contestable sectors. The players in the contestable sectors: generation licensees; electricity retail licensee; wholesaler

(interruptible load service) licensee; wholesaler (generation) licensee. In the non-contestable sectors (monopoly services providers): the wholesale market operator; the transmission licensee; the transmission agent licensee; and the market support services licensee.

The Energy Market Authority (EMA) employs price and quality indicators of electricity service delivery to protect consumers, and promote economic efficiency in the electricity industry. To this end, EMA seeks to maintain a level playing field and to keep the barriers to entry and exit low for market player in the contestable sectors. As for the monopolies (non-contestable) sectors, the EMA regulates them using independently ascertained weighted average cost of capitals (WACC) or price-benchmarking to set allowable financial returns to the monopoly service provider. A regulatory regime sets the allowable expenditure for a 5-year price control period, during which the monopoly service provider is allowed to earn returns higher than its WACC if achieved through efficiency gains.

There has been a significant effect on market performance in terms of lower prices and higher operational efficiency. Liberalization has encouraged generation companies to switch from using fuel oil to natural gas, which is more efficient and friendly to the environment. Electricity generated from natural gas increased from 43 percent in 2002 to 83 percent by December 2007. Electricity generated from fuel oil has been reduced from 54 percent in 2002 to around 14 percent by December 2007.

Natural gas being a dominant source of electric energy in Singapore, the efficiency of the gas industry would impact the electricity industry directly. As a first step towards creating a competitive gas industry, the gas transportation business, which is a natural monopoly, is being separated from the competitive parts of the industry at the ownership level so as to ensure fair competition and a level playing field. Today, PowerGas (PowerGas is a single word)Ltd holds a license to transport gas to consumers and is responsible for maintaining the reliability and safety of the gas transportation network in Singapore. As the gas transportation business is a natural monopoly, PowerGas Ltd will continue to be price regulated by the Energy Market Authority. PowerGas Ltd will be the gas transporter and will not be allowed to participate in gas import, trading and retailing. SembCorp Gas Pte Ltd, which currently imports, transports and retails natural gas, is required to transfer its onshore natural gas pipeline assets to PowerGas Ltd and exit the gas transportation business. The transfer of SembCorp Gas Pte Ltd's assets to PowerGas Ltd is in progress.

In implementing the gas industry restructuring process, EMA has developed the gas network code, which sets out the common terms and condition on which the gas transporter will provide transportation service to each gas shipper under a fair and non-discriminatory access regime. The Gas Act has been amended in respect of the licensing regime, open access to gas pipelines, appeal process, prevention of gas pipe damage by contractors, etc. Gas licenses have been granted to regulate the activities of gas market players.

Financial Markets

Singapore emphasizes risk-focused supervision rather than implementing one-size-fits-all regulation, and the evaluation of the adequacy of an institution's risk management is conducted in context of its specific risk and business profiles. Correspondingly, Singapore has implemented various guidelines to manage these risks, including:

- Internet banking technology risk management guidelines (2003). In principle, banks offering internet banking services are obliged to consistently develop information technology in order to minimize operational risk.
- Further guidance on business continuity management (2006). Board directors and senior management of financial institutions are expected to provide leadership, direction and oversight in the risk associated with the business, so as to ensure overall business continuity. These include pandemic measures, as well as security and infrastructure measures to ensure the rapid recovery and resumption of critical business functions for fulfillment of business obligations.
- Internal controls (2006). The main purpose is to internally establish policies, procedures and processes to provide reasonable assurance of prudent risk management in the institution's business activities and operations.
- Credit risk (2006). An institution should determine the level of credit risk that it can bear. It should develop a risk management strategy that is consistent with its credit risk tolerance and business goals. In addition, the Board of Directors should periodically review the credit risk strategy and any changes and concerns should be effectively communicated to all relevant staff.
- Market risk (2006). In developing a sound management strategy to minimize market risk, institutions are obliged to pay serious attention to economic and market conditions; experience in identifying, monitoring and controlling market risk in specific markets from which profits are derived.
- Insurance business core activities (2007). Insurers are encouraged to adopt sound practices recommended by MAS in carrying out insurance business covering core activities of product development, pricing, underwriting, claims handling and reinsurance management.
- Risk management practices for insurance business fraud risk (2007). Insurers are encouraged to adopted recommended practices which also incorporate guidelines from the International Association of Insurance Supervisors (IAIS) Guidance Paper on Preventing, Detecting and Remediating Fraud in Insurance.

MAS expanded the Boutique Fund Managers (BFM) Scheme in 2004 to accommodate new Start-up Boutique Fund Managers. With the existence of the scheme, a company that has experience of less than three years, on satisfying the MAS that it has qualified personnel in Singapore, is allowed to set up in Singapore. However, these managers are restricted to servicing 100 qualified investors for the first three years of operations; the restriction may subsequently be lifted.

To facilitate greater market access by foreign representatives of Capital Market Services (CMS) and Financial Advisers (FA) licencees, MAS extended the list of foreign

qualifications that may be exempted from the Capital Markets and Financial Advisory Services (CMFAS) exams in 2005. These foreign qualifications include:

- the Australia Diploma in Financial Planning Association of Australia.
- Associate Membership of CPA Australia.
- Banking or Financial Studies Diploma from Chartered Institute of Bankers UK.
- the Association of Chartered Certified Accountants (ACCA) Qualification UK.
- the Charter Accountant (ACA) Qualification.
- the Royal Melbourne Institute of Technology University's Diploma of Financial Services conducted by SIM.

Singapore has an open financial services market, and is fully liberalised in the insurance and securities sectors. The wholesale banking sector is opened up and foreign banks use Singapore as a base to serve regional clients. Foreign competition in the retail banking sector has been managed so as to nurture strong and competitive local banks for financial stability reasons. In general, capital and prudential requirements are applied on a non-discriminatory basis to all financial institutions operating in Singapore. In 2007, there were 107 foreign banks in Singapore, in comparison to six domestic banks.

Tourism and Travel Related Services

Singapore has one of the most liberal tourism services sectors in the world. Singapore has made market access commitments in hotels, restaurant services, travel agents and tour operator services; and tourist guide services. Commercial presence is generally unrestricted. Subject to notification and the following residency requirements, all forms of commercial presence are allowed in Singapore:

- a. Business - one manager who is either a Singapore citizen, Singapore Permanent Resident or Singapore Employment Pass holder ("locally resident")
- b. Branch - two agents who are locally residents
- c. Local company - one director who is locally resident

Current entry requirements are regulated in some acts and application licenses: (a) Hotel Act Chapter 127 and application license is to be made to the Hotel Licensing Board, (b) Travel Agent and Tour Operators Services, Travel Agents Act Chapter 334 and application license is to be made to the Singapore Tourism Board, and (c) Tourist Guide Services, application license is to be made to the Singapore Tourism Board.

Singapore tourism and travel related policies support a strong base for doing business in one of the world's leading business hubs. Over 7000 multinational companies are located in Singapore. Singapore also has excellent air links and trade links with the world's key economies, which makes it a strategic gateway and launch pad to the Asian market and beyond. Singapore's world-class infrastructure and strategic location means that the city offers a truly international market for the exchange of business ideas, opportunities and products.

Recreational Cultural and Sporting Services

Services provided include sport for all provided by Singapore Sports Council (SSC). There are no special entry requirements. Like the case with other professional services (architecture, accounting), MFN is applied in this field as well. Quality control is necessary only as required by professional bodies, e.g. medical qualifications to be registered with the Singapore Medical Council of the Ministry of Health for doctors.

The SSC is committed to promoting Singapore as a regional sports hub through establishing a Singapore calendar of world-class events, and support for business development in sports and the development of Singapore as a centre of excellence in sports training, and sports sciences and sports medicine services.

With the goal of achieving a major position in the Asian and global sport markets the SSC, together with the Economic Development Board (EDB), aims to ensure that international sports federations and companies looking to set up sports-related ventures find Singapore an attractive venue. The prime example of a successful sports public-private partnership (PPP) between government and private industry is the upcoming Sports Hub. This massive redevelopment of National Stadium in the Kallang area of Singapore will position Singapore as an important regional centre for sports business and events hosting, and as a world-class centre for sports training.

Education Services

Singapore has several competitive advantages that position it as a global education hub. These include a strategic geographical location, reputation for educational excellence, a vibrant business hub (which presents opportunities for institutional-industry collaboration), and a safe and cosmopolitan environment. Singapore has a strong academic reputation with a well-developed public education system. However, there are various constraints, including regulation at various educational levels, lack of a quality assurance system for the private commercial schools, high land and building costs, and numerous student visa requirements.

To further improve the reputation of Singapore's private education sector, regulation of the private education sector will be enhanced. A new Private Education Act will be introduced to strengthen the existing registration framework and enforcement provisions. A quality certification scheme called 'EduTrust' will also be introduced. These measures will seek to ensure a baseline of quality in the private education industry, while preserving a marketplace that allows for student choice.

Singapore hosts more than 70,000 international students, drawn to the offer of an extensive range of high-quality educational programs and the promise of a safe, cosmopolitan environment. Singapore's vision of becoming a Global Schoolhouse has led to the cultivation of relations with foreign universities, thus resulting in the 15 leading international universities that now call Singapore home. These include MIT, INSEAD,

Johns Hopkins University, University of Pennsylvania's Wharton School of Business, University of Chicago Graduate School of Business, Georgia Institute of Technology, Technical University of Eindhoven, Technical University of Munich, Shanghai Jiao Tong University and Stanford University.

Private educational institutions, both local and foreign-owned, in Singapore are required to register with the Ministry of Education (MOE), a process that requires the fulfillment of various requirements, such as having planning permission, fire safety clearance, qualified teachers and appropriate facilities, and keeping the regulatory body informed of its degree programme titles. Private schools may be owned by sole proprietorship/partnership business, limited liabilities partnership (LLP), companies and societies which are registered with the Accounting & Corporate Regulatory Authority (ACRA)/Registry of Societies (ROS). Singapore does not separately keep track of private schools run by foreign companies. Local educational institutions can compete fairly with foreign educational institutions.

Environment Services

In general there is no discriminatory treatment of environment service providers between local and foreign providers.

The Environmental Services regulations in Singapore have ensured that economic and industrial activities are conducted in an environmentally friendly manner to promote clean air, clean water, clean land and a high standard of environmental public health. Singapore wants to grow and nurture a vibrant environmental and water industry to contribute to sustainable economic growth in Singapore. A total budget of \$870.22 million has been allocated to Ministry of the Environment and Water Resources² (MEWR) in FY2007 to achieve this mission.

MEWR has two statutory boards: the National Environment Agency (NEA) and the Public Utilities Board (PUB), whose purpose is to deliver and sustain a clean and healthy environment and water resources for all in Singapore. Under the legal framework of the Environmental Protection and Management Act (Cap 94A) and its Regulations, NEA implements programmes to monitor, reduce and prevent environmental pollution. Furthermore, NEA is responsible for the overall cleanliness in Singapore and a high standard of hygiene in our food retail industry, both of which are governed by Environmental Public Health Act (Cap 95) and its Regulations. NEA also protects the population from dangerous vector-borne diseases under legal frame work of Control of Vectors and Pesticides Act (Cap 59) and its Regulations.

In early 2007, the National Research Foundation (NRF) and the Research, Innovation and Enterprise Council (RIEC) identified the clean energy industry as a strategic key growth industry for Singapore. A total of \$170 million was dedicated to develop this industry. Together with funding from other governments, this forms a total of \$350 million of funds for research and development, test-bedding and pilot projects in Clean Energy.

The Clean Energy Program Office (CEPO) was set up in April 2007 to implement and coordinate the various research and test-bedding public programs, leveraging on the strengths of various government agencies for a comprehensive approach to develop the clean energy industry.

On waste management, Singapore seeks to increase the overall recycling rate from 54 percent to 60 percent by 2012. This will help to extend the life span of Semakau Landfill to beyond 40 years and reduce the need for new incineration plants to one every 10-15 years. Singapore is also striving "towards zero landfill" and "closing the waste loop".

Health Related and Social Services

Singapore's healthcare system was ranked as the sixth best in the world and the best in Asia by the World Health Organization in 2000. The turnover of the healthcare services industry rose by 9.7 per cent in 2Q2007, with hospital and clinics and specialized medical service providers registering 13.0 per cent and 6.2 per cent rise in revenue respectively¹³. Through the Singapore-Medicine initiative, the government builds upon Singapore's well-established healthcare system and reputation for quality healthcare, to strengthen Singapore's position as a premier medical hub in Asia¹⁴.

Furthermore, through the Biomedical Sciences initiative, Singapore has developed a holistic approach to healthcare industry development by integrating pharmaceutical, biotechnology and medical technology industries with healthcare services. This covers the whole value chain, from basic research, clinical development, product and process development, and manufacturing to clinical services. Today, Singapore plays host to leading multi-national companies and world renowned scientists who leverage on Singapore for a range of activities across the healthcare value chain. In an attempt to continuously advance its medical expertise, the Singapore government teams up with highly regarded medical institutions for collaboration in medical research and development.

Singapore also features a dedicated Biomedical Sciences Research and Development complex, the Biopolis, which is home to seven biomedical research institutions and other laboratories belonging to the Agency for Science, Technology and Research (A*STAR). The Biopolis also offers a "plug and play" infrastructure for pharmaceutical and biotechnology companies to use common scientific facilities and services, as well as facilitate cross-disciplinary research and public-private collaborations for the advancement of science and creation of economic value.

Foreign staff who possess qualifications in early childhood care and education recognized by MCYS can be considered for employment in child care centres. There is a quota on the number of S Pass foreign-trained staff a child care centre can employ. This quota is set and monitored by the Ministry of Manpower (MOM) at 15 percent of the

¹³ Source: Department of Statistics, Singapore. Press release on Business Receipt Index for Service Industries, Second Quarter 2007. 27 August 2007.

¹⁴ Refer to <http://www.singaporemedicine.com/> for more details on the SingaporeMedicine initiative.

centre's staff strength. In general, commercial service providers do not receive help from government in terms of funding or subsidy.

Singapore limits market access for non-profit service providers as the number of facilities is based on a development master plan taking into consideration the number of facilities required throughout the economy. Full national treatment is accorded subject to the following conditions:

- the agency must have a good international track record.
- the agency must be an approved society under Singapore's Registry of Societies, as well as be a registered charity with Singapore's Commissioner of Charities.
- the agency must be willing to accept clients regardless of race or religion.
- the agency must provide a service/program that is approved by the Government if state funding is received.

Transport Services

Singapore adopts strategies such as promoting the use of public transport and measures to regulate car ownership and manage usage (such as through the Vehicle Quota System, various vehicle taxes and Electronic Road Pricing) to help address problems of congestion, and these measures also help to manage the problems of pollution and road damage.

Singapore's taxi industry was fully liberalized in 2003, when controls on the number of taxi companies and the fleet size quota for each company were lifted. Operators can then respond freely to market conditions. The taxi driver vocational license is not issued to non-Singaporeans, as a measure to protect the safety of the commuting public. But there is no restriction on foreign ownership/operators on rental of cars/buses and coaches/goods vehicles, schedule bus services and taxi services.

Singapore has long pursued a liberalisation of air services arrangements with her bilateral and multilateral partners. Where possible, Singapore seeks to put in place a framework for a more flexible and liberal airline investment and operating regime; non-governmental interference in 'doing business' matters pertaining to tariffs, provision of computer reservation system services, access to ground-handling services, amongst others; and fair and equal opportunities for both local and foreign services suppliers.

The Civil Aviation Authority of Singapore (CAAS) is a statutory board under the Ministry of Transport, established under the CAAS Act in 1984. CAAS advises on and implements air transport policy and represents Singapore in respect of matters relating to civil aviation. The Air Navigation Act (Chapter 6) and subsidiary legislation enacted thereunder provide for the control and regulation of civil aviation in Singapore.¹⁵

¹⁵ In addition to regulating civil aviation in Singapore, the Act and the subsidiary legislation together give effect to the Convention on International Civil Aviation ("Chicago Convention") and its 18 Annexes, all of

Foreigners can apply for flight crew licences and aircraft maintenance engineer's licences. Applicants for flight crew licences will need to comply with the Singapore Air Navigation Order, paragraph 20 and in particular the Eighth and Fourteenth Schedules with regard to licensing and medical requirements. Applicants for Aircraft Maintenance Engineer's licences will need to comply with the Singapore Air Navigation Order, paragraph 11 and Singapore Airworthiness Requirements Part 66.

Information and Communication Services

The liberalization of the telecommunications sector in April 2000 attracted many global telecom players to Singapore, including NTT, AT&T, Reach and Belgacom. In software & IT services, Singapore has more than 600 local IT companies. In addition, 69 of the top 100 global software and IT companies, and 15 of the top 20 Indian IT companies, are also here. Singapore E-commerce total revenue is higher than that of Australia, Chinese Taipei, South Korea and Hong Kong, China.

The postal services market was liberalized in April 2007. A license is required for any persons conveying addressed letters weighing 500g and below. With liberalization, the licensing framework will be revised to allow two types of Postal Services licenses:

- Postal Services Operators designated as Public Postal Licensees with Universal Service Obligations.
- All other Postal Services Operators regardless of service scope.

With liberalization of the postal services sector, any entity can enter the market and there will not be any foreign equity limit.

Media Cooperation Chapters are included in the India-Singapore Comprehensive Economic Co-operation Agreement (CECA) (June 2005) and the Korea-Singapore Free Trade Agreement (August 2006). These chapters focus on media industry facilitation and cooperation activities and do not provide any market access preferential treatment.

Singapore is also party to separate agreements relating to the co-production of media content with Australia, Canada, Japan, Korea and New Zealand, which serve as frameworks for the respective parties to approve audiovisual content co-productions involving each other's media companies as national productions for the purposes of audiovisual regulation and to qualify for benefits accorded to national audiovisual content productions.

All broadcasting companies, locally- or foreign-owned, have to abide by the requirements of the Broadcasting Act. The Act stipulates that unless the Authority (Media Development Authority/MDA) otherwise approves, the CEO of a broadcasting company and at least one-half of its directors shall be citizens of Singapore. On content regulation,

which contain the Standards and Recommended Practices adopted in accordance with the Chicago Convention.

MDA's broadcast Program Codes and standards apply across the board to all local and foreign broadcasters.

Construction and related engineering

The Building and Construction Authority (BCA) develops and regulates the building and construction industry in Singapore, mainly through administering the Building Control Act and Regulations. The Building Control Act and Regulations set out legislation to control building works and specify the building codes and standards to ensure the safety and quality of buildings in Singapore. Construction companies do not need a license to operate in Singapore. In accordance with existing regulations, foreign construction companies do not face any discrimination whatsoever in operating in Singapore. The same treatment applies for government projects. All companies, local or foreign, must register with the Building and Construction Authority (BCA) if they work on government projects. Only sensitive Ministry of Defence (MINDEF) projects are off-limits to foreign companies.

For Government procurement purposes, construction companies are required to register with the BCA's Contractors Registry System. There are no additional regulatory requirements for foreign construction companies, besides those listed in the generic section.

3.4 Investment

Bogor Goal

APEC economies will achieve free and open investment in the Asia-Pacific region by:

- (a) Liberalizing their respective investment regimes and the overall APEC investment environment by, inter alia, progressively providing for MFN treatment, and ensuring transparency; and*
- (b) Facilitating investment activities through, inter alia, technical assistance and cooperation.*

Singapore has a liberal investment regime. It actively promotes domestic and foreign investment by supporting policies which are predictable, transparent and market-friendly. The policy enhances Singapore's attractiveness as an investment destination, which can be seen from the fact that the value of FDI inflow was US\$25 billions in 2007. There are around 34,500 international companies and 161,000 Small and Medium Enterprises (SMEs) in Singapore. Of 7,000 Multinational Corporations (MNCs), 60 percent have their regional/global headquarters functions in Singapore.

Singapore adopted "open door" policies in the early 1970s. Foreign investors are allowed to own 100 percent equity in most sectors and there are no limitations on profit repatriation. The Economic Development Board (EDB) promotes investment by providing information pertaining to investment and a range of services to investors. The government continues to support a pro-business environment with less red tape, simpler

procedures, more online access to services and improvement of its one-stop service facilities, including the grouping of economic, trade and tourist promotion agencies under one roof for the convenience of investors wanting to do business in Singapore. Singapore also encourages its companies to invest abroad as part of its globalization strategy.

With exceptions for national security purposes and in certain industries, no restrictions are placed on foreign ownership of Singapore operations. Applicable to both foreign and local investors, only a few specific products require government approval for manufacture under the Control of Manufacture Act (COMA). The list of items under COMA was lessened by removing air-conditioners, pig iron, sponge iron, refrigerators, rolled steel products and steel ingots, billets, blooms, slabs and firecrackers. Compact disc (CDs), compact disc-read only memory (CD-Roms), video compact disc (VCDs), digital video disc (DVDs), and digital video disc-read only memory (DVD ROMs) were removed from the COMA list and came under the Manufacture of Optical Discs Act (MODA) in July 2004. Under the MODA, a licence would be required for the manufacture of these products as well as master discs and stampers used in the production of optical discs. Investment liberalization continued with the removal of limits on foreign shareholders' stakes in domestic banks and telecommunications companies and the enabling of foreign/local joint ventures in the legal profession with approval from the Attorney General.

Efforts to improve company law (amendments to the Companies Act between 2002-2005) and regulatory framework for company law are market-driven, supportive of entrepreneurship and aligned to international best practices.

Singapore has a regulatory investment environment based on transparency, fair competition and sound business practice. There are minimal investment regulations. The APEC Leaders' Transparency Standards on Investment have been comprehensively applied. Singapore in general provides MFN treatment. All foreign investors alike are allowed to maintain 100 percent foreign equity and are free to make their own decisions on markets, technology licensing and other investment areas. The Government actively encourages foreign investment and generally treats foreign capital the same as local capital. Generally there are no restrictions on the types of businesses that may be set up in Singapore, with the exception of certain industries such as some service sectors and manufactured products. In addition, there are no limitations on foreign companies' access to sources of finance. Singapore extends national treatment economy-wide.

In 2007, Singapore amended the Land Acquisition Act, a process which included abolishing the use of a statutory date in determining the basic compensation for land that is compulsorily acquired on or after 12 February 2007. Under the Land Acquisition Act, the Singapore government is empowered to acquire land for any public purpose and for residential, commercial and industrial purposes. The Act provides for awards of compensation to the owners of such acquired land and for appeals against awards of such compensation made by the Collector of Land Revenue. Appeals Boards hear appeals from such awards. The provisions for expropriation and compensation are usually

included in bilateral investment guarantee agreements and investment chapters of free trade agreements.

Under Singapore's IGAs investments by nationals or companies of both contracting parties in each other's economies are protected for an initial period of usually 15 years against war and non-commercial risks like expropriation and nationalization. In the event of non-commercial risks, Singapore will compensate such foreign investors in a manner no less favourable than that which the latter party accords to investors of any third economy. To date Singapore has signed investment guarantee agreements (IGAs) with 34 economies, such as with ASEAN, Bahrain, Bangladesh, Belgo-Luxembourg Economic Union, Belarus, Bulgaria, Cambodia, Canada, China, Czech Republic, Egypt, France, Germany, Hungary, Indonesia, Mauritius, Mongolia, Laos, Latvia, Netherlands, Pakistan, Peru, Poland, Riau Archipelago (superseded by IGA with Indonesia), Saudi Arabia, Slovak Republic, Slovenia, Sri Lanka, Switzerland, United Kingdom, United States of America, Vietnam, Ukraine and Uzbekistan. Besides bilateral IGAs, the Multilateral Investment Guarantee Agency (MIGA) which Singapore joined in 1998 provides guarantees at the multilateral level against certain non-commercial risks for eligible investors. In the future, Singapore is negotiating more bilateral investment guarantee agreements to promote and protect investment coming into and going out of Singapore. There are no laws or policies stating performance requirements, local content requirements or technology transfer requirements which are inconsistent with WTO Trade Related Investment Measures (TRIMs). All contracts are treated as commercial dealings.

Singapore follows an "open-door" policy for foreign talent. Various entry schemes to meet business needs have been developed. For example, foreign entrepreneurs who are ready to start a new company/business and will be actively involved in the operation of the business can now apply for an employment pass with an initial validity period of up to 2 years under the EntrePass Scheme.

To mitigate the effects of international double taxation on its residents deriving foreign-sourced income. Singapore has concluded agreements for the Avoidance of Double Taxation (DTA) on a bilateral basis with other countries. Singapore has concluded two types of DTAs – comprehensive DTAs which cover all income flows and limited DTAs which cover only shipping and/or air transport income. The scope of the DTAs are limited to residents of Singapore and that of the treaty partner. As of 2007 Singapore has signed comprehensive DTAs with 61 economies. These are Australia, Austria, Bangladesh, Bahrain, Belgium, Brunei, Bulgaria, Canada, China, Cyprus, Czech Republic, Denmark, Egypt, Estonia, Fiji, Finland, France, Germany, Hungary, India, Indonesia, Israel, Italy, Japan, Kazakhstan, Korea, Kuwait, Latvia, Lithuania, Luxembourg, Malaysia, Malta, Mauritius, Morocco, Mexico, Mongolia, Myanmar, Netherlands, New Zealand, Norway, Oman, Pakistan, Papua New Guinea, Philippines, Poland, Portugal, Qatar, Romania, Russia, Slovak Republic, South Africa, Sri Lanka, Sweden, Switzerland, Chinese Taipei, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom and Vietnam. More DTAs are being negotiated.

Singapore continues to privatize government services. Besides quality physical infrastructure including one-stop shop facilities for greater efficiency, legal, financial, accounting, taxation, corporate governance and labour sourcing system capabilities are in place, which serve well the domestic business environment and add to Singapore's attractiveness for investment.

3.5 Standards and Conformance

Bogor Goal

APEC economies will, in accordance with the Declaration on APEC Standards and Conformance Framework and with the Agreement on Technical Barriers to Trade (TBT Agreement) and the Agreement on the Application of Sanitary and Phytosanitary Measures (SPS Agreement) attached to the WTO Agreement:

- (a) align their domestic standards with international standards;*
- (b) encourage recognition of conformity assessment including mutual recognition arrangements in regulated and voluntary sectors;*
- (c) promote cooperation for technical infrastructure development to facilitate broad participation in mutual recognition arrangements in both regulated and voluntary sectors; and*
- (d) ensure the transparency of the standards and conformity assessment of APEC economies.*

Singapore fully implements the WTO Agreement on Technical Barriers to Trade (TBT), and takes up international standards for the development of domestic standards. Singapore's policy is to adopt international standards where possible and use them as a basis for the development of any Singapore Standards, in line with the TBT Agreement. Singapore encourages the direct use of international standards and withdraws Singapore standards where international standards suffice.

As of December 2006, more than 81 percent of Singapore standards were aligned with international standards. Under the APEC Voluntary Alignment Programme (VAP), which targets 168 IEC standards covered under the IECEE CB Scheme, Singapore has fully aligned domestic standards to international standards.

Singapore actively participates in standards work in APEC and other international fora like ISO, where it has 33-P membership and 100-O membership in Technical Committees/Subcommittees, and in IEC, where it has 7-P membership and 54-O membership in Technical Committees/Subcommittees. Singapore is an active participant in the meetings of the Codex Alimentarius Commission and the Asia Coordinating Meetings of the Codex. Singapore chairs the Joint Advisory Committee of the APEC EE MRA from 2007-2009 and encourages other economies to take part in Parts II and III of the Agreement.

Singapore has concluded a number of bilateral EE MRAs with New Zealand, Australia, Japan, India, Korea and with APLAC (Asia Pacific Laboratory Accreditation Cooperation for the accreditation of medical testing laboratories to ISO 15189).

The Standards, Productivity and Innovation Board (SPRING) Singapore, is a statutory board under the Ministry of Trade and Industry. It regulates 45 categories of electrical, electronic products and gas products. Transparency standards and conformity assessment is assured through the internet and newsletters, as well as other government publications.

SPRING is incorporating the use of IT tools into Singapore's national standardization programme in the development, delivery and promotional aspects of the programme. The intention is to enhance the transparency of the national process and encourage higher participation from stakeholders leading to better dissemination of information on Singapore's standards.

3.6 Customs Procedures and Trade Facilitation

Bogor Goal

APEC economies will facilitate trade in the Asia-Pacific region by simplifying and harmonising customs procedures.

Singapore has a highly advanced customs and trade facilitation system having achieved APEC and WCO objectives. The review team was particularly impressed with the following measures undertaken by Singapore:

- The publication of a trade facilitation kit and establishment of a dedicated help line to respond to specific issues raised by traders,
- The launch of a revamped customs website, providing a one stop platform for all trading transactions with links to e-services and TradeNet,
- The utilization of IT in customs and trade operations. Most applications are processed with ten minutes. A paperless system has also been implemented for clearing containerized cargo,
- The provision of a variety of facilities for temporary importation,
- An appeal procedure providing that any person disagreeing with a customs officer's valuation decision may make an objection to the Director-General of Customs and still dissatisfied may appeal to the High Court,
- The publication of advance rulings through FAQs, circulars and help lists on the customs website,

- The advance clearance of courier and express shipments,
- A risk management system in cargo and passenger clearance operations; the use of radiographic inspection systems at port areas and the deployment of four more scanners to augment inspection at Singapore's air checkpoints and an additional unit at one of the land checkpoints,
- Effective partnership with businesses providing for system based controls and customized solutions, liaison channels involving outreach sessions, dialogues and a Customs Advisory Committee, and
- A commitment to stringent standards of integrity as one of the key values in the Singapore public service. Regular briefings, mandatory declarations of investments, assets and indebtedness and internal and external audits comprise an integrated approach to ensuring integrity.

3.7 Intellectual Property Rights (IPRs)

Bogor Goal

APEC economies will, in conformance with the principles of the TRIPS Agreement, ensure adequate and effective protection, including legislation, administration and enforcement of intellectual property rights, foster harmonization of intellectual property rights systems in the APEC region, strengthen public awareness activities and promote dialogue on emerging intellectual property policy issues, with a view to further improve intellectual property rights protection and use of the intellectual property rights systems for the social and economic benefit of members.

Singapore recognizes that a robust intellectual property regime is essential for its transition from a capital-intensive economy to a knowledge-based economy. The economy is fully committed to the protection of IPR and takes an inter-agency approach to formulate and implement its IP policies, including its policies on protection, development of the IP services industry, public awareness and education and IPR enforcement.

Singapore seeks to be an IP hub in Asia. Singapore's reputation as a secure IP hub has been greatly enlarged by the launch of various pro-business policies and support schemes to promote IP activities.

The Intellectual Property Office of Singapore (IPOS), a statutory board under the Ministry of Law since April 2001, is the lead government agency that advises on and administers IP laws, promotes IP awareness and provides the infrastructure to facilitate the development and strategic use of IP in Singapore. The Ministry of Law and IPOS work closely with (among others) the Attorney General's Chambers, Ministry of Trade

and Industry, International Enterprise Singapore, the Singapore Police Force and the Singapore Customs.

Singapore has been fully compliant with the TRIPS Agreement requirements since 1999. In certain cases, protection conferred under Singapore IP framework is broadened beyond the TRIPS requirements (e.g. a trade mark registration is longer than that required as per Article 18 of the TRIPS Agreement). Since 2004 there have been legislative improvements made in all major areas of IP including patents, trade marks, copyrights, registered designs and new plant varieties.

Numerous IP developments have taken place in Singapore through the years. In January 2000, Singapore set up the Intellectual Property Rights Branch (IPRB) under the Singapore Police Force to better enforce the criminal provisions of the Copyright Act and the Trade Marks Act. Since 2000, IPRB has carried out many copyright and trade mark raids. IPRB conducted 201 raids against both trade mark and copyright infringements in 2006, and 250 raids in 2007, resulting in seizures of goods amounting to over \$13 million in street value.

In August 2003, IPOS launched the e-Patents system, a fully computerized workflow system with e-filing facilities, download capabilities for patent documents, and a completely computerized electronic register. In 2006, IPOS introduced the online publication of the Patent Journals so they could be more easily accessed by the public.

In June 2005, the World Intellectual Property Office (WIPO) established its first Asian office in Singapore. The WIPO Singapore Office has conducted numerous IP capacity building programmes for WIPO's constituents in the Asia-Pacific Region, and facilitated the ongoing dialogue between IP stakeholders and encouraged the sharing of knowledge between IP review team, professionals, institutions and IP Offices. Singapore is also a signatory to many WIPO-administered IP conventions and treaties such as the Patent Cooperation Treaty, Paris Convention, Berne Convention, Madrid Protocol, Budapest Treaty, and the WTO Agreement on Trade-related aspects of IP Rights (TRIPS).

In March 2006, the Singapore Treaty on the Law of Trade Marks (STLT) was concluded at the Diplomatic Conference for the Adoption of a revised Trade Mark Law Treaty. The STLT harmonizes the administrative procedures for trade mark registration. It is applicable to all kinds of marks capable of registration under the law of a Contracting Party and is also the first international trade mark law treaty which recognizes explicitly non-traditional marks. Singapore became the first economy to ratify the STLT on 26 March 2007.

In September 2007, Singapore accepted a 2005 Protocol of the WTO General Council to amend the TRIPS Agreement which confirms the 2003 decision of the WTO General Council to waive the requirements of Article 31(f) of the TRIPS Agreement in specified circumstances, thus enabling Singapore to import patented pharmaceutical products made under compulsory licence during a national emergency. Amendments to the Patents Act are being drafted to give effect to Singapore's obligations under the Protocol.

Singapore's steady developments in its IP regime and policies have brought about an environment conducive for the commercialization of IP and for the development of IP as an essential tool for economic growth. From 1997 to 2006, the number of patents filed in Singapore increased by about 52 percent, the number of patent grants/registrations increased by about 137 percent, and the number of patents in force increased by about 180 percent.

To imbue the new generation with greater IP awareness, IPOS regularly organizes IP awareness initiatives to educate the public on the need to respect IP. Another initiative is the Honor IP (or HIP) Alliance, which is a collaborative effort with industry players, comprising (among others) seminars and school visits that aim to educate consumers to adopt a piracy-free lifestyle. IPOS has also launched diagnostic tools and one-on-one consultations for the business community to help them evaluate and exploit their IP.

3.8 Competition Policies

Bogor Goal

APEC Economies will enhance the competitive environment in the Asia-Pacific region by introducing or maintaining effective and adequate competition policy and/or laws and associated enforcement policies, ensuring the transparency of the above, and promoting cooperation among APEC economies, thereby maximizing, inter-alia, the efficient operation of markets, competition among producers and traders, and consumer benefits.

Since the last IAP Peer Review, Singapore has made tremendous progress in regulating competition. Prior to 2004, Singapore relied upon sector-specific rules to regulate business competition in, for example, the telecommunications, energy and media sectors. Singapore enacted a generic competition law in 2004. The Competition Commission of Singapore ("CCS") was established in 2005 and the Act was introduced in phases in 2006 and 2007.

The Competition Act has three major prohibitions: (1) Section 34 prohibition: agreements that prevent, restrict or distort competition; (2) Section 47 prohibition: abuse of dominant position; (3) Section 54 prohibition: mergers that substantially lessen competition. Given Singapore's small economy with some markets, which are characterized by few players, a high concentration would not be unexpected. In light of that, only mergers and acquisitions that substantially lessen competition are prohibited because of the fear that it might further reduce market competition.

The Competition Act applies to all undertakings, i.e. all natural or legal persons capable of commercial or economic activity. This is regardless of whether they are foreign or local. Undertakings could be individuals operating as sole traders, businesses, companies, firms, partnerships, societies, co-operatives, business chambers, trade associations or even non-profit organizations. There is no exemption for small and medium enterprises (SMEs), though the CCS Guidelines on the Section 34 Prohibition states that an

agreement will generally have no appreciable adverse effect on competition in the case of an agreement between undertakings where each undertaking is a small or medium enterprise (unless it involves price-fixing, bid-rigging, market sharing, or output limitation).

However, the Act does not apply to any activity, agreement or conduct undertaken by the Government, a statutory board or any person acting on their behalf. The Act also excludes activities such as those activities relating to services that are in the general economic interest; those necessary to comply with legal requirements or to avoid conflict with Singapore's international obligations; those relating to vertical agreements; those arising from exceptional or compelling reasons of public policy; goods and services regulated by sector-specific competition law; mergers approved under any other law or competition code; and agreements providing a net economic benefit. Specially, because of public interest considerations, certain activities are excluded: the supply of ordinary letter and postcard services; piped potable water; wastewater management services; scheduled bus services; rail services; cargo terminal operations; and clearing house activities by specified persons. Sector or activities for which there are specialized competition frameworks, such as the telecommunications and energy sectors, are also excluded from the Act. This is because sectoral regulators are better equipped to address competition issues given their industry knowledge and technical expertise. Moreover, more active market regulation may be needed from the sectoral regulators for industries transiting from a previously monopolistic situation to a more competitive environment. However, the sectoral exclusions will be reviewed after the Competition Act has been in place for some time, taking into account market developments at that point in time. This review is slated to take place in 2009.

Based on feedback from the legal community, awareness of competition law in Singapore is gradually increasing, and there are several businesses which have implemented compliance programs.

The CCS, in 2005, initiated the set-up of the Interagency Competition Forum, to provide a platform for government agencies to discuss competition issues and policy concerns, so as to promote consistency and alignment in the application of generic and sector-specific competition laws where possible, to promote co-ordination among agencies so as to ensure a coherent approach to regulation, and to promote co-operation among agencies.

Since the Act became fully operational, the CCS has dealt with several competition matters, including Qantas & British Airways Restated Joint Services Agreement and Qantas & Orangestar Cooperation Agreement. The CCS has also issued its first infringement decision against certain pest control operators (six companies) in Singapore for bid rigging. The six companies are: Ardwolf Pestkare (S) Pte Ltd; Alliance Pest Management Pte Ltd; Elite Pest Management Pte Ltd; Killem Pest Pte Ltd; Pest Busters Pte Ltd; and Rentokil Initial (S) Pte Ltd.

Relating to mergers (section 54), by August 2007, CCS had tackled at least 5 cases. The cases include: Proposed Merger between Dubai Drydocks World LLC and Labroy

Marine Ltd; Proposed Merger between Thompson Corration and Routers Group PLC; Proposed Merger between Kraft Foods Global Inc. and Groupe Danone S.A.; Proposed Merger between Flextronics International Ltd and Solectron Corporation; and Joint Venture between Intel Corporation, ST Microelectronics N.V., and Francisco Partners LLP.

In light of the enforcement described above, it can be said that the implementation of the Competition Act has been effective in promoting competition and dealing with anti-competitive conduct in Singapore.

In connection with international cooperation, there are competition chapters in several of the FTAs and RTAs entered into by Singapore. These competition chapters generally relate to the promotion of co-operation and mutual assistance amongst competition agencies. Examples include the Agreement between Japan and Singapore for a New-Age Economic Partnership (JSEPA), the Singapore-Australia Free Trade Agreement (SAFTA), the Korea- Singapore Free Trade Agreement (KSFTA) and the Agreement between New Zealand and Singapore on a Closer Economic Partnership (ANZSCEP).

This indicates Singapore's strong commitment to regulating competition in accordance with Bogor Goals and the APEC Principles 1999. The economy has adopted a non-discrimination policy in regulating business between domestic and foreign companies. Singapore competition policy is also comprehensive, and has been able to create a free and fair competitive business environment. Although some factors, such as a small market, favor natural monopoly structure, Singapore ensures that a contestable market exists. The existence of some exceptions is explained by the continuing transition to full implementation.

The implementation of the competition policy to date has met with some remarkable success. To date, 12 guidelines have been published. Enforcement and competition policy has been similarly successful. Singapore has been able to provide a sufficiently conducive environment for the development of SMEs by guaranteeing a healthy level of competition. In light of this fact, it can be asserted that competition policy is transparent and accountable.

3.9 Government Procurement

Bogor Goal

APEC Economies will:

- (a) Develop a common understanding on government procurement policies and systems, as well as on each APEC economy's government procurement practices;*
- and*
- (b) Achieve liberalization of government procurement markets throughout the Asia-Pacific region in accordance with the principles and objectives of the Bogor Declaration, contributing in the process to the evolution of work on government procurement in other multilateral fora.*

Singapore has adopted an open procurement regime and has been a signatory to the WTO Agreement on Government Procurement (GPA) since September 1997, supported by the Government Procurement Act, enacted in 2002. The government procurement regime is consistent with the APEC Non-Binding Principles on Government Procurement, including transparency, value for money, open and effective competition, fair dealing, accountability and due process, and non-discrimination. The economy has completed a voluntary review of government procurement procedures and has adopted e-procurement in order to enhance the transparency of the government procurement regime. Singapore reviews its government tendering procedures to maintain efficient, open, fair and competitive procurement practices. So far about 90 percent of government procurement occurs under open tender. Only certain military and security procurements are excluded.

The Singapore public sector's invitations for quotations and tenders are posted openly on the Government Electronic Business System (GeBIZ, website: www.gebiz.gov.sg), which is the government's one-stop e-procurement portal. Suppliers can search for government procurement opportunities, download tender documents, and submit their bids online. Apart from tender notices, tender schedules and awards are also published in GeBIZ. In addition, information on Singapore's procurement regime can also be found on GeBIZ. GeBIZ allows any supplier, whether local or overseas, including SMEs and partners of all sizes, to access public sector business opportunities easily. GeBIZ has increased the transparency of Singapore's GP regime.

Singapore has been practicing procedures aimed at achieving best available value for money in the procurement of goods and services. The Invitation to Tender contains information necessary to permit interested suppliers to submit responsive tender proposals, and it also contains the evaluation criteria which will be used to assess the tender bid. Singapore has an open procurement regime and there is no discrimination between a foreign and local supplier. The tender is awarded to the supplier that is deemed to be most advantageous to Government, such as the supplier providing overall best value for money. No consideration is given to whether the supplier is from an APEC economy. Singapore does not assess the response rate of suppliers by countries.

As Singapore's one stop system for e-procurement, GeBIZ has also launched a Government Procurement Guide for SMEs. The guide is available for download at the following website: http://www.gebiz.gov.sg/index_sg_procure_info.html#4.

Open tender is the default mode of sourcing, and tender notices are published on GeBIZ, which is accessible to all potential suppliers. Suppliers are also able to benchmark their competitiveness with other suppliers, since the tender schedules and award notices are posted on GeBIZ. Singapore has fully implemented its obligations under the WTO-GPA (Agreement on Government Procurement), and one of the key principles is non-discrimination. Singapore's Government procurement regime offers equitable access opportunities to all suppliers. All suppliers, foreign or domestic, are treated fairly and are given the same information to prepare their bids with the same equitable access opportunities.

Singapore's practices are consistent with the fair dealing principle. GeBIZ is an open procurement system. In addition, procurement personnel are required to discharge their official duties in an impartial manner, without pursuing their private interests (that is, they must declare any conflict of interest), nor accept/solicit gifts which might influence the conduct of their duties. Government procurement, like all government expenditures, is subject to the same control and requirements. It is subject to auditing by the Auditor-General who will submit a report to Parliament if there are any discrepancies, inefficiencies or non-conformances detected. There are also strict laws in Singapore that govern anti-corruption practices.

Government agencies are required to keep proper records of the entire procurement process, including decisions and actions taken during the process. These records are retained for a specific number of years (usually 3 years) and they are subject to independent audit checks.

Since April 2005, all suppliers who register as a GeBIZ Trading Partner are entitled to one free user account. Each account in addition to the first free account is chargeable at \$280 per annum. The fee is affordable and does not jeopardize the operations of SMEs. GeBIZ also provides an on-line channel for GeBIZ Trading Partner to promote and market their products and services.

Singapore has fully implemented the principle of non-discrimination, offers equitable access opportunities to all suppliers and has met the Bogor Goals in government procurement and the APEC Non-Binding Government Procurement Principles.

3.10 Deregulation/Regulatory Review

Bogor Goal

APEC economies will facilitate free and open trade and investment in the Asia-Pacific Region by, inter alia:

- (a) enhancing the transparency of regulatory regimes; and*
- (b) eliminating domestic regulations that may distort or restrict trade, investment or competition and are not necessary to achieve a legitimate objective.*

Singapore is recognized as number one in the Ease of Doing Business in the World survey by International Finance Corporation (IFC, World Bank) in 2006 and 2007. The economy develops its economy based on a liberal trade and investment regime and the Government constantly seeks to improve the operating laws and regulations to ensure that the business environment is market-driven, supportive of entrepreneurship and consistent with international best practices. These efforts help to ensure that Singapore has a regulatory investment environment based on clarity, fair competition and sound business practices.

In May 2004, the Council on Corporate Disclosure and Governance (CCDG)¹⁶ of Singapore reviewed the Code of Corporate Governance for companies. The revised Code has taken effect for AGMs held on or after January 2007.

On 11 April 2005, Singapore introduced the Limited Liability Partnership (LLP) as a new type of business structure. It combines the limited liability features of companies with the operational flexibility of partnerships. While an LLP gives the benefit of limited liability to its partners, the LLP itself will be fully liable to its clients for the actions of its partners. Claims can therefore be made against an LLP to the full extent of its assets. Also, if a partner is negligent, claims for losses resulting from his own negligence can be made against him and his personal assets. LLPs also have perpetual succession that ensures any changes in LLP do not affect its existence, rights or liabilities. The launching of LLPs makes doing business easier and more attractive to investors, who are more willing to join as partners since liability for partners is limited. While the LLP has less onerous reporting requirements than companies, there are safeguards, such as the claw-back provision (e.g. allowing money withdrawn by partners to be recovered), to minimize abuse and protect the LLP's other stakeholders. The LLP structure was made available to general businesses on 11 Apr 2005 and to the public accounting profession on 6 Oct 2006.

With certain exceptions, all businesses operating in Singapore are required to register with the Accounting and Corporate Regulatory Authority (ACRA). ACRA amended the Companies Act from 2003 to 2005 to implement recommendations from the Company Legislation and Regulatory Framework Committee (CLRFC) in batches. The Accounting Standards Act was passed in Parliament on 27 Aug 2007 and the Act came into effect on 1 Nov 2007. With the enactment of the Accounting Standards Act, the new Accounting Standards Council (ASC) has taken over the task of prescribing accounting standards for companies from the Council on Corporate Disclosure and Governance (CCDG). The ASC comprises representatives from stakeholder groups such as the accounting profession, the users and preparers of financial information, academia and government. The ASC prescribes accounting standards for corporate entities, as well as non-corporate entities such as charities and co-operative societies.

The Government of Singapore is planning to conduct a holistic review of the Companies Act. In Oct 2007, a Steering Committee was formed to review and redraft the Act. The aim of the review of the Companies Act is to devise an efficient corporate regulatory framework that is both business and investor-friendly while at the same time keeping pace with the relevant international legal and technological developments. Singapore in the past lacked a formalized system whereby it published proposed regulations for public comment. Beginning in April 2003, the government established a new centralized Internet portal (<http://www.reach.gov.sg>) to solicit feedback on selected draft legislation and regulations, a process used with increasing frequency.

¹⁶ The CCDG has since been dissolved in 2007; the CCDG's task of promoting best practices in the Code of Corporate Governance for listed companies was handed over to the Monetary Authority of Singapore and the Singapore Exchange.

Sectoral regulators closely monitor their respective sectors and regularly solicit feedback from the industry and public. For example, regular reviews of policy and regulatory frameworks for the telecommunications sector are conducted by the Infocomm Development Authority of Singapore (IDA), including frameworks for competition, interconnection, licensing and enforcement to ensure that they are relevant and suited to the needs of the market (Full competition was introduced into the telecommunications sector by IDA in 2000).

Singapore recognizes that deregulation is a continuous process if Singapore is to become and remain a principal Asian hub for business. The government of Singapore considers the goals of regulation to be the exercise of prudential supervision (e.g. the financial services sector), public safety, and the protection of consumer interests and national security. The Pro-Enterprise Panel solicits feedback on rules and regulations that hinder businesses and stifle entrepreneurship, and also responds to feedback on government rules to ensure that they remain relevant and supportive of a pro-business environment. The panel, which started operations in August 2000, has received more than 1,700 suggestions, of which more than half have been accepted.

3.11 Implementation of WTO Obligations (including rules of origin)

Bogor Goal

APEC Economies will ensure full and effective implementation of Uruguay Round outcomes within the agreed time frame in a manner fully consistent with the letter and spirit of the WTO Agreement. On Rules of Origin, APEC Economies will:

- (a) Ensure full compliance with internationally harmonized rules of origin to be adopted in relevant international fora; and*
- (b) Ensure that their respective rules of origin are prepared and applied in an impartial, transparent and neutral manner.*

Singapore's economic strategy is reinforced by the comprehensive implementation of the WTO agreement's WTO disciplines, which contribute to the efficient allocation of capital, technology and labour.

Singapore participates actively in all aspects of the WTO. Since the WTO came into effect, Singapore has been the complainant in only one dispute settlement case (against Malaysia settled in 1995), a respondent in none, and has participated in four cases as a third party, the last in 1998.

It is in Singapore's vital interest to advance the global trade and investment liberalisation agenda and ensure a strong rules-based multilateral trading system.

The Singapore authorities believe that the Doha Round has entered the final phase with the release of negotiating texts on Agriculture, Non-Agricultural Market Access (NAMA) and most recently Rules. Singapore has actively participated in the negotiations in all

areas including NAMA, Services and Rules, through its proposals and constructive suggestions on ways to move negotiations forward.

The rules of origin for Singapore's FTAs are clear and transparent, and published on Singapore's FTA website. Most of the rules of origin consist of alternative rules (value-add, Change in Tariff Classification or Process rules) to take into account the interests of each FTA partner, as sourcing patterns of the businesses and sensitivities might vary.

Singapore Customs does not require any non-preferential Certificate of Origin (CO) for the importation of goods into Singapore. However, in the event that a CO is required, the CO issued by the relevant authorities in that exporting Party may be accepted.

For preferential claims, Singapore Customs relies on the CO as the main document to grant tariff preference. In the verification of documents, especially in cases where there is suspicion of under-pricing, the authorities may require the importer to explain the rationale for such invoicing.

In most of Singapore's FTAs, originating products must meet the direct consignment rule. However, transshipment from a non-Party may be allowed. In this regard, the documents (i.e. commercial or official documents) required may be stipulated in the respective FTAs.

3.12 Dispute Mediation

Bogor Goal

APEC Economies will:

- (a) Encourage members to address trade disputes cooperatively at an early stage with a view to resolving their differences in a manner which will help avoid confrontation and escalation, without prejudice to rights and obligations under the WTO Agreement and other international agreements and without duplicating or detracting from WTO dispute settlement procedures.*
- (b) Facilitate and encourage the use of procedures for timely and effective resolution of disputes between private entities and governments and disputes between private parties in the Asia-Pacific region; and*
- (c) Ensure increased transparency of government laws, regulations and administrative procedures with a view to reducing and avoiding disputes regarding trade and investment matters in order to promote a secure and predictable business environment.*

In order to resolve disputes among governments, Singapore, in addition to the WTO procedures, develops bilateral and other co-operative Memoranda of Understanding to resolve disputes through bilateral consultation, arbitration and/or mediation. Singapore has signed 35 bilateral investment guarantee agreements (IGAs) to resolve disputes between governments and also disputes between governments and private entities. Singapore also has signed the Convention on the Recognition and Enforcement of

Foreign Arbitral Awards (New York Convention) and the International Convention on the Settlement of Investment Disputes between States and Nationals of other States (ICSID).

Disputes between private parties, can be resolved using various institutions, especially the Singapore International Arbitration Centre (SIAC). Some examples of cases which the SIAC helped to resolve include a dispute under quota share reinsurance treaty, where the claimant was Malaysia and the respondent was Singapore. The Parties adopted SIAC Rules by post-dispute agreement. The size of the claim was U\$1,100,000. Another example involved a case between Singapore and Hong Kong, China with Singapore as claimant and Hong Kong, China as respondent. The case involved software system agreement for securities trading, in which there was an alleged breach of obligations and failure to make payment. The size of the claim was \$3,000,000.

Besides the SIAC, Singapore has developed an arbitration and mediation business system, which has spawned the emergence of many arbitration and mediation agencies specializing in certain areas. This has enabled Singapore to host arbitrations of all kinds. Singapore has many arbitration and mediation institutions which are not only involved in resolving business to business (B2B) disputes, but also between consumers (C2C), between consumers and business (B2C), and on intellectual property rights (IPR). With effect from August 2007, Singapore established an alternative dispute resolution (ADR) mechanism.

Singapore has succeeded in developing an arbitration-friendly environment and strong capabilities in arbitration services, which has enabled it to become the venue of first choice among international businesses for dispute resolution in a neutral third country in Asia. Increasingly, parties from abroad choose Singapore not because their contract has any connection with Singapore, but due to the many advantages that Singapore has to offer as the seat of their arbitration. Mediation, under the Singapore Mediation Centre and industry mediation bodies, has also gained prominence as a means of resolving commercial disputes.

To illustrate the point, SIAC data show that it handled 45 cases in 2005, lower than South Korea, China, and Sweden. In 2006, SIAC handled 65 cases, higher than the three countries mentioned above. Most claimants and respondents were largely from other countries. Claimants and respondents in some disputes hail from the same country, (for instance Malaysia vs Malaysia). In light of these statistics, it is no longer in doubt that Singapore has become an Asian arbitration center.

In 2006 Singapore established the International Centre for Dispute Resolution, a joint venture between the American Arbitration Association and the Singapore International Arbitration Centre. It plans to establish an integrated high-tech arbitration complex. Parties looking for dispute resolution services from established international bodies which are located closer to markets in Asia can consider turning to the ICDRS. The setting up of this body in Singapore provides an additional level of dispute resolution service to the industry in this region.

As regards FTA and RTA developments, Singapore incorporates dispute settlement procedures in the agreements it enters into. The spirit of the regulations on dispute resolution is based on effective, efficient, transparent, and accountable consultations. However, if consultations fail to produce agreement, the arbitration process is then employed. In several FTAs, for example, the Comprehensive Economic Cooperation Agreement with the Republic India, chapter 15, provides the framework for the dispute settlement obligations of the Parties. The Agreement provides a consultation scheme, and if there are any complaints within a period of 10 days, and not more than 30 days, the consultation mechanism is used. Complaints that emerge within a period of 60 days of the consultation process and are not resolved are forwarded to the arbitration process.

During 2006-2007, there were no significant developments in the arrangements on handling disputes between governments and between government and private entities. This is because existing international mechanisms for handling disputes between governments and between government and private entities adequately meet the current need. The Permanent Court of Arbitration, which recently signed an agreement to set up a regional office in Singapore, is an example of one such mechanism.

3.13 Business Mobility

Bogor Goal

APEC Economies will enhance the mobility of people engaged in the conduct of trade and investment in the Asia-Pacific region.

Singapore is one of the most open economies for the movement of business people. It has a liberal policy towards investors and legal businesspersons entering Singapore for investment and business visits. Consistent with supporting business and investment, Singapore has been building many facilities and policies to support mobility of business people, as described below. Accordingly, since July 1, 2004, the number of foreign employees has generally increased across nationalities, including the APEC countries.

Most foreigners visiting Singapore are not subject to visa requirements and hence do not need entry visas. Multiple journey visas may be issued to business persons affected by visa requirements if they need to travel to Singapore frequently for short visits. All foreign nationals who wish to stay in Singapore on a long-term basis for specific purposes (e.g. study, work, etc) are required to apply for an appropriate immigration or work pass. From 1 Feb 2008, foreigners have also had the flexibility to enter Singapore and perform certain activities for short durations without a Work Pass. Foreigners performing such Work Pass Exempt Activities can do so for the duration of their Social Visit Passes subject to a maximum of 60 days, and will need to e-notify MOM via our website before performing these activities. More information on the specific list of activities can be found at:

http://www.mom.gov.sg/publish/momportal/en/communities/work_pass/other_passes/e-services_and_forms/Work_Pass_Exempt_Activities/list_of_work_pass.html.

Singapore accommodates specialists who need to work in Singapore on a temporary basis. Singapore is also flexible in granting work passes to this group. Along with any sector-specific requirement, the Ministry of Manpower (MOM) currently allows for an intra-company trainee scheme whereby Singapore companies may train employees from overseas in Singapore for up to 6 months. Singapore also has in place a Sponsorship Scheme at the EP level, which permits overseas employees to arrive and perform specific tasks for the Singapore entity. At the work permit level Singapore facilitates and allows for change of employment between subsidiary companies.

The enhanced Employment Pass Online (EPOL) system was recently launched on 1 March 2008. MOM has been constantly augmenting the EPOL system to make it more user-friendly. Companies may now check their existing pool of Employment Pass/S pass holders via EPOL. An Employment Pass may be issued for a period of between one month and 5 years, although in practice it is not usually granted for more than 2 years at a time. Employment Passes can be extended, subject to the Ministry of Manpower's discretion. There is no limit on the number of extensions that may be requested. The Employment, Dependant or Long-Term Social Visit Pass will allow the holder to remain in Singapore for the duration of the pass without any further registration requirements.

Since 1 December 2006, the Immigration and Checkpoints Authority (ICA) has implemented e-XTEND, an on-line system that allows eligible foreign visitors to apply for extension of the short-term social visit pass via the ICA website (<http://www.ica.gov.sg>). Applicants may check the application outcome after one working day via the ICA Call Centre or by checking online via e-XTEND. Comprehensive and updated information on ICA's services is regularly uploaded onto ICA's website. It is accessible by the public, including persons from Member Economies. The ICA also provides a feedback system, available on the ICA website, which allows members of the public, including the business community, to provide feedback.

Singapore has streamlined ICT transfer to APEC to 30 days for processing. In fact, over 90 percent of the ICT's are processed within two weeks. Singapore joined APEC Business Travel Card (ABTC) Scheme in October 2005 as a full member. Singapore continues to review visa requirements with a view to facilitating business travel. Currently, visas are only imposed on 21 countries. Singapore has also introduced the Submission of Application for Visa Electronically (SAVE) System. SAVE is a web-based e-service application that allows the submission of visa applications via the internet.

Singapore is studying the policy, technical and operational aspects of the Advance Passenger Information (API) system and will be conducting a trial in the first half of 2008. Singapore passports issued in Singapore after 1991 are machine readable. As of December 2007, 99.8 percent of the Singapore passports in circulation are machine-readable and ICAO compliant. The economy started issuing biometric passports from August 15, 2006.

Dialogue sessions are regularly conducted with business chambers and industry associations comprising both local and foreign businesses, such as the Singapore Business Federation, Singapore Manufacturers' Federation, and the Singapore Chinese Chambers of Commerce and Industry. MOM meets with various industry partners regularly to gather feedback and to communicate new policies.

3.14 Regional and Bilateral Free Trade Agreements

As a small, trade-dependent economy, Singapore is a full participant in the regional and global dynamic of free trade agreements. Singapore considers such agreements to be “superhighways that connect Singapore to major economies and new markets. With FTAs, Singapore-based exporters and investors stand to enjoy a myriad of benefits such as tariff concessions, preferential access to certain sectors, faster entry into markets, and Intellectual Property (IP) protection.”¹⁷

Singapore has signed FTAs with New Zealand, Japan, the European Free Trade Association, Australia, the United States, Korea, India, Jordan, Panama, and a four-party agreement with Chile, New Zealand, and Brunei. Discussions are ongoing with China, Canada, and Ukraine.

Singapore’s bilateral agreements have set the stage for broader trade agreements. The FTAs with Japan and Korea for instance have set the platform for ASEAN to negotiate the ASEAN-Japan Comprehensive Economic Partnership (AJCEP) and ASEAN-Korea Free Trade Agreement (AKFTA). Moreover, the high-standard, comprehensive agreements can catalyse further trade liberalisation by binding domestic reforms, and eventually regionalising or multilateralising those liberalisation measures.

3.15 Trade Facilitation

See section II.6

3.16 The APEC Food System (AFS)

In the response to the questionnaire, Singapore indicates that “the Agri-Food & Veterinary Authority (AVA) adopts a pro-trade, risk-based approach in the area of food control in line with international guidelines. Only high-risk foods are subjected to safety assessments prior to entry into the market, while lower-risk foods, which form the majority, are placed under post-market surveillance. AVA's risk assessment takes into account (a) the potential for identified hazards, (b) nature of food and incidence of contamination, (c) compliance history of the food and (d) whether the targeted consumers are at-risk population groups. This approach has helped ensure food safety for the consumer while promoting food trade in the market.”account (a) the potential for identified hazards, (b) nature of food and incidence of contamination, (c) compliance history of the food and (d) whether the targeted consumers are at-risk population groups.

¹⁷ [Mti.goc.sg/ trade/free trade agreements](http://Mti.goc.sg/trade/free-trade-agreements)

This approach has helped ensure food safety for the consumer while promoting food trade in the market.”

3.17 Transparency

As will be evident from this report, transparency is a hallmark of Singapore governance.

Appendix One: Singapore Trade Statistics

Singapore Exports by Major Commodity at Current Prices (millions of dollars)

	2004	2005	2006	2007	2006				2007				2007	2008
					I	II	III	IV	I	II	III	IV		
Total	335,615.0	382,532.0	431,559.2	450,627.7	102,927.0	107,142.3	112,169.1	109,320.8	106,430.4	110,199.1	116,847.7	117,150.5	118,687.1	
Mineral Fuels	41,421.9	57,414.5	70,552.6	79,723.8	16,018.1	18,910.5	20,207.6	15,416.5	16,004.5	20,766.6	20,231.9	22,720.8	25,511.9	
Petroleum Products	32,845.1	45,880.9	55,735.7	61,376.0	12,473.8	15,033.6	16,337.8	11,890.5	12,402.2	16,516.8	15,348.6	17,108.4	19,434.6	
Non-oil	294,193.1	325,117.5	361,006.6	370,903.9	86,908.9	88,231.8	91,961.5	93,904.4	90,425.9	89,432.5	96,615.7	94,429.8	93,175.2	
Food	3,711.4	3,865.1	4,007.1	4,387.2	950.9	971.6	1,058.3	1,026.4	1,014.8	1,058.5	1,162.0	1,151.9	1,170.3	
Meat, Fish & Dairy Produce	1,051.2	1,088.5	1,065.8	1,107.2	265.9	264.0	271.8	264.1	261.3	268.9	290.1	286.8	303.3	
Cereals, Fruits & Vegetables	776.6	851.5	804.4	878.9	196.6	197.6	211.8	198.4	175.5	146.4	153.0	142.0	133.1	
Coffee & Spices	984.4	905.2	958.2	1,105.8	214.1	217.7	252.0	274.4	251.9	264.9	296.3	292.7	306.8	
Beverages & Tobacco	1,917.2	2,053.3	2,284.2	2,725.1	533.3	543.4	570.3	637.2	696.2	563.4	666.8	798.6	668.4	
Crude Materials	2,126.4	2,257.2	2,798.2	2,887.9	583.2	704.4	773.8	736.7	702.1	731.7	740.9	713.2	821.0	
Rubber	518.2	518.0	648.5	514.4	140.8	193.4	196.8	117.5	95.7	158.8	138.0	121.9	148.7	
Wood	145.4	167.7	153.4	145.7	40.9	41.0	40.0	31.6	42.2	34.3	33.6	35.5	33.7	
Animal & Vegetable Oils	476.3	422.5	454.8	552.6	109.0	104.3	108.7	132.8	128.1	133.6	146.2	144.7	206.1	
Palm Oil	231.7	181.9	182.3	237.5	47.0	46.0	41.5	47.9	48.5	46.0	69.4	73.6	83.5	
Chemicals	38,947.1	43,610.8	49,070.2	55,615.3	12,241.4	11,850.6	11,608.2	13,370.0	14,158.2	13,752.9	13,949.4	13,754.7	13,479.4	
Medicinal Products	2,010.2	4,915.6	8,370.8	9,482.7	1,834.5	2,060.5	2,325.5	2,150.3	2,580.9	2,168.6	2,427.6	2,305.8	2,473.4	
Manufactured Goods	13,985.3	17,497.7	18,495.8	21,889.8	4,236.6	4,423.4	4,684.9	5,150.9	5,227.3	5,265.0	5,725.9	5,671.6	5,342.2	
Veneer & Plywood	89.7	74.0	70.2	70.8	16.7	16.5	18.3	18.7	17.4	19.6	18.7	15.1	13.1	
Textile Yarn & Fabrics	1,197.8	1,050.0	961.5	956.7	200.3	238.4	287.0	235.8	231.7	248.1	246.3	230.6	210.3	
Iron & Steel	2,525.8	3,335.4	4,061.1	5,233.3	911.4	937.2	1,072.5	1,140.0	1,290.2	1,358.3	1,317.5	1,267.3	1,492.7	
Machinery & Equipment	203,519.6	224,980.2	249,240.5	247,655.1	59,917.1	60,789.8	64,471.5	64,062.1	60,008.1	59,314.0	64,948.7	63,384.3	62,061.4	
Power Generating Machines	2,010.7	2,912.9	4,660.7	4,904.9	1,019.5	1,211.7	1,116.9	1,312.6	1,073.4	1,110.9	1,305.1	1,415.5	1,620.9	
Industrial Machines	7,492.5	9,168.0	9,646.3	10,671.9	2,427.3	2,352.7	2,493.3	2,373.0	2,483.0	2,640.8	2,848.2	2,699.9	2,562.3	
Radio/Television Receivers/Parts	6,320.8	6,575.0	7,164.7	6,726.3	1,822.7	1,714.2	1,828.7	1,799.2	1,351.4	1,360.6	2,057.4	1,956.9	1,201.9	
Electronic Components/Parts	83,763.8	91,654.0	109,988.4	108,152.5	26,474.6	27,115.5	28,270.5	28,127.9	26,263.3	25,309.5	28,464.5	28,115.2	26,961.0	
Road Motor Vehicles	3,778.1	4,337.3	4,416.9	5,003.7	1,081.1	1,010.0	1,136.6	1,189.2	1,162.3	1,249.1	1,284.1	1,308.2	1,378.7	
Ships, Boats & Oil Rigs	535.0	1,680.7	1,348.7	1,697.8	100.1	402.1	548.8	297.8	387.1	168.0	673.2	469.4	837.3	
Miscellaneous Manufactures	26,308.2	26,048.6	28,273.1	29,159.1	6,820.7	6,892.4	7,260.1	7,299.9	6,875.2	7,234.5	7,671.8	7,377.6	7,678.1	
Clothing	3,337.2	2,835.5	2,160.9	2,679.8	770.1	784.5	933.0	673.3	607.1	576.6	807.2	689.0	553.3	
Miscellaneous	3,201.6	4,382.2	6,382.7	6,031.9	1,516.7	1,951.8	1,425.6	1,488.6	1,615.8	1,378.9	1,603.9	1,433.3	1,748.4	

Source: International Enterprise Singapore

Singapore Exports by Major Commodity at Current Prices (Percentage Change Over Corresponding Period of Previous Year)

	2004	2005	2006	2007	2006				2007				2007	2008
					I	II	III	IV	I	II	III	IV		
Total	20.5	14.0	12.8	4.4	22.4	17.3	12.2	2.0	3.4	2.9	4.2	7.2	11.5	
Mineral Fuels	36.1	38.6	22.9	13.0	42.4	30.2	25.7	-0.9	-0.1	9.8	0.1	47.4	59.4	
Petroleum Products	43.0	39.7	21.5	10.1	36.0	27.7	26.5	-1.1	-0.6	9.9	-6.1	43.9	56.7	
Non-oil	18.6	10.5	11.0	2.7	19.3	14.8	9.6	2.5	4.0	1.4	5.1	0.6	3.0	
Food	12.1	4.1	3.7	9.5	0.1	0.1	8.9	5.6	6.7	8.9	9.8	12.2	15.3	
Meat, Fish & Dairy Produce	7.7	3.6	-2.1	3.9	-1.8	-6.1	-3.4	3.5	-1.7	1.9	6.7	8.6	16.1	
Cereals, Fruits & Vegetables	26.4	9.7	-5.5	-28.0	-8.9	-8.4	2.9	-7.4	-30.1	-25.9	-27.8	-28.4	-3.2	
Coffee & Spices	5.4	-8.0	5.9	15.4	-4.9	-1.9	16.5	13.5	17.7	21.7	17.6	6.7	21.8	
Beverages & Tobacco	20.4	7.1	11.2	19.3	18.5	12.7	6.4	8.9	30.5	3.7	16.9	25.3	-4.0	
Crude Materials	24.9	6.1	24.0	3.2	9.2	19.1	33.2	33.6	20.4	3.9	-4.3	-3.2	16.9	
Rubber	38.9	0.0	25.2	-20.7	17.1	28.2	45.1	5.6	-32.0	-17.9	-29.9	3.8	55.4	
Wood	-10.7	15.3	-8.5	-5.1	10.3	4.1	-12.9	-30.5	3.3	-16.3	-15.9	12.4	-20.1	
Animal & Vegetable Oils	2.2	-11.3	7.7	21.5	-3.6	-3.3	12.2	26.8	17.6	28.1	34.5	9.0	60.8	
Palm Oil	5.3	-21.5	0.2	30.3	-10.4	0.2	3.6	9.8	3.2	0.1	67.3	53.8	72.1	
Chemicals	21.0	12.0	12.5	13.3	18.9	15.8	8.6	7.9	15.7	16.1	20.2	2.9	-4.8	
Medicinal Products	17.7	144.5	70.3	13.3	139.0	96.6	62.5	28.9	40.7	5.2	4.4	7.2	-4.2	
Manufactured Goods	20.5	25.1	5.7	18.3	9.5	-0.6	-3.8	19.5	23.4	19.0	22.2	10.1	2.2	
Veneer & Plywood	24.2	-17.5	-5.1	0.9	-6.3	-24.7	8.9	7.2	4.1	18.8	2.2	-19.1	-24.7	
Textile Yarn & Fabrics	-5.0	-12.3	-8.4	-0.5	-22.8	-13.3	6.9	-4.7	15.6	4.1	-14.2	-2.2	-9.2	
Iron & Steel	50.3	32.1	21.8	28.9	19.2	10.9	25.4	30.9	41.6	44.9	22.8	11.2	15.7	
Machinery & Equipment	19.2	10.5	10.8	-0.6	20.1	15.1	10.6	0.1	0.2	-2.4	0.7	-1.1	3.4	
Power Generating Machines	14.1	44.9	60.0	5.2	86.1	90.9	37.1	43.4	5.3	-8.3	16.8	7.8	51.0	
Industrial Machines	25.1	22.4	5.2	10.6	25.1	5.3	3.8	-8.5	2.3	12.2	14.2	13.8	3.2	
Radio/Television Receivers/Parts	11.4	4.0	9.0	-6.1	29.3	12.9	10.1	-9.5	-25.9	-20.6	12.5	8.8	-11.1	
Electronic Components/Parts	26.1	9.4	20.0	-1.7	34.8	31.8	16.8	3.3	-0.8	-6.7	0.7	0.0	2.7	
Road Motor Vehicles	30.9	14.8	1.8	13.3	7.6	-10.6	2.6	8.7	7.5	23.7	13.0	10.0	18.6	
Ships, Boats & Oil Rigs	-28.2	214.1	-19.8	25.9	-90.1	98.6	65.0	114.4	286.9	-58.2	22.7	57.6	116.3	
Miscellaneous Manufactures	12.4	-1.0	8.5	3.1	12.7	12.7	8.2	1.8	0.8	5.0	5.7	1.1	11.7	
Clothing	-0.6	-15.0	11.5	-15.2	43.9	53.8	7.6	-27.1	-21.2	-26.5	-13.5	2.3	-8.9	
Miscellaneous	0.4	36.9	45.6	-5.5	113.6	83.1	27.1	0.3	6.5	-29.4	12.5	-3.7	8.2	

Source: International Enterprise Singapore

Singapore Imports by Major Commodity at Current Prices (millions of dollars)

	2004	2005	2006	2007	2006				2007				2007	2008
					I	II	III	IV	I	II	III	IV	I	
Total	293,337.5	333,190.8	378,924.1	395,979.7	88,463.5	95,370.2	99,615.7	95,474.7	90,513.7	97,629.0	100,169.3	107,667.7	109,942.9	
Mineral Fuels	43,632.7	59,145.2	74,644.6	83,366.9	17,236.5	19,414.1	22,270.0	15,724.0	16,773.5	21,311.6	20,319.5	24,962.4	29,457.8	
Crude Petroleum	21,108.3	30,819.8	32,404.3	33,830.1	8,233.4	8,172.9	9,328.1	6,669.8	7,249.0	7,946.9	8,096.5	10,537.7	12,498.6	
Non-oil	249,704.7	274,045.6	304,279.5	312,612.8	71,227.0	75,956.1	77,345.7	79,750.7	73,740.2	76,317.5	79,849.8	82,705.3	80,485.1	
Food	6,396.0	6,680.4	6,797.0	7,763.6	1,589.3	1,668.4	1,762.8	1,776.6	1,779.9	1,902.3	1,999.5	2,081.9	2,032.6	
Meat, Fish & Dairy Produce	2,947.0	3,199.2	3,118.8	3,620.5	748.8	789.6	770.8	809.6	825.2	894.6	899.3	1,001.4	978.3	
Cereals, Fruits & Vegetables	1,748.9	1,781.3	1,817.4	2,010.7	432.8	433.0	478.7	472.9	479.5	483.2	529.5	518.5	532.2	
Coffee & Spices	807.1	742.0	829.0	993.7	173.3	186.4	245.7	223.5	224.5	233.1	276.9	259.2	255.1	
Beverages & Tobacco	1,990.0	2,190.4	2,318.4	2,656.3	491.3	509.4	651.1	666.5	554.6	634.2	697.8	769.6	614.8	
Crude Materials	2,009.4	2,189.7	2,630.0	2,837.9	631.9	695.5	691.9	610.7	622.1	715.8	765.2	734.8	802.3	
Rubber	544.6	588.8	673.0	610.2	184.5	185.3	177.1	126.1	158.8	175.1	140.3	136.0	195.9	
Wood	209.5	235.1	249.2	258.3	57.2	64.8	66.8	60.5	60.6	62.7	68.0	66.9	58.3	
Animal & Vegetable Oils	532.0	479.5	514.8	672.8	116.3	119.9	139.4	139.2	138.9	158.1	173.8	202.1	246.4	
Palm Oil	250.1	96.3	58.6	105.8	16.9	13.0	18.3	10.4	13.2	21.5	18.0	53.1	121.8	
Chemicals	18,404.0	20,743.8	22,694.6	23,918.7	5,318.2	5,399.8	6,013.9	5,962.6	5,457.3	6,134.3	6,013.7	6,313.4	5,875.6	
Plastic Materials	2,644.5	2,696.8	2,936.9	3,090.5	682.3	763.5	780.3	710.7	756.2	767.7	757.4	809.3	750.5	
Manufactured Goods	20,284.4	25,040.0	27,932.7	30,715.2	5,960.0	7,378.2	7,243.2	7,351.3	7,096.6	7,663.4	8,035.0	7,920.1	8,016.0	
Paper & Paperboard	1,002.6	1,042.0	1,096.7	1,112.7	262.1	288.8	285.8	260.0	256.0	281.5	288.4	286.8	269.9	
Textile Yarn & Fabrics	1,074.5	950.0	920.2	879.5	185.0	245.1	268.6	221.5	187.9	241.9	247.7	202.1	193.8	
Iron & Steel	4,821.3	5,993.1	6,783.0	8,548.0	1,382.6	1,627.9	1,902.7	1,869.7	2,094.2	2,313.2	2,019.7	2,120.9	2,518.2	
Machinery & Equipment	171,301.9	185,980.5	207,371.6	208,406.5	49,147.3	51,455.3	52,229.6	54,539.4	50,102.5	50,549.3	52,853.6	54,901.2	53,755.9	
Power Generating Machines	4,574.7	5,958.0	7,274.2	7,855.3	1,648.5	2,029.3	1,842.5	1,753.9	1,739.3	1,983.9	2,009.5	2,122.6	2,385.7	
Industrial Machines	6,694.5	7,090.9	8,216.9	10,045.0	1,774.5	2,006.1	2,147.1	2,289.1	2,154.7	2,575.5	2,707.1	2,607.7	2,669.9	
Radio/Television Receivers/Parts	5,240.9	6,217.5	7,846.5	4,807.0	1,797.4	1,933.1	2,075.4	2,040.6	1,231.6	1,101.9	1,420.5	1,053.0	977.3	
Electric Generators	10,927.9	12,028.0	12,403.8	11,672.4	3,059.6	3,068.0	3,178.4	3,097.7	2,817.5	2,862.0	2,973.5	3,019.3	2,765.4	
Electronic Components/Parts	64,900.3	71,392.5	80,811.7	79,813.9	19,489.9	21,130.2	20,370.6	19,821.0	19,153.7	19,243.4	20,496.1	20,920.8	19,333.5	
Road Motor Vehicles	5,990.0	6,395.3	6,322.5	6,602.5	1,561.7	1,596.5	1,546.5	1,617.8	1,420.4	1,652.0	1,723.4	1,806.7	1,780.9	
Aircraft & Vessels	7,207.7	7,240.5	10,538.1	12,735.7	2,190.3	2,105.3	1,842.5	4,400.0	3,331.5	3,166.8	2,293.6	3,943.8	5,845.2	
Miscellaneous Manufactures	25,269.8	26,525.7	27,692.6	29,238.5	6,484.0	6,803.6	7,210.3	7,194.7	6,520.3	7,084.3	7,529.5	8,104.3	6,859.9	
Watches & Clocks	1,383.5	1,477.5	1,572.6	1,746.8	346.3	382.5	393.2	450.5	328.9	388.2	460.7	569.0	437.3	
Miscellaneous	3,517.1	4,215.6	6,327.8	6,403.3	1,488.7	1,926.0	1,403.5	1,509.7	1,467.8	1,475.8	1,781.8	1,677.9	2,281.6	

Source: International Enterprise Singapore

Singapore Imports by Major Commodity at Current Prices (Percentage Change Over Corresponding Period of Previous Year)

	2004	2005	2006	2007	2006				2007				2007	2008
					I	II	III	IV	I	II	III	IV	I	
Total	23.6	13.6	13.7	4.5	19.1	18.4	14.8	4.2	2.3	2.4	0.6	12.8	21.5	
Mineral Fuels	36.9	35.6	26.2	11.7	28.2	36.7	46.3	-3.4	-2.7	9.8	-8.8	58.8	75.6	
Crude Petroleum	45.6	46.0	5.1	4.4	8.7	18.9	22.4	-23.8	-12.0	-2.8	-13.2	58.0	72.4	
Non-oil	21.5	9.7	11.0	2.7	17.2	14.4	8.1	5.8	3.5	0.5	3.2	3.7	9.1	
Food	5.2	4.4	1.7	14.2	-0.2	1.9	3.7	1.4	12.0	14.0	13.4	17.2	14.2	
Meat, Fish & Dairy Produce	12.3	8.6	-2.5	16.1	-2.5	-0.3	-4.4	-2.8	10.2	13.3	16.7	23.7	18.6	
Cereals, Fruits & Vegetables	0.9	1.9	2.0	10.6	0.3	0.3	4.6	2.8	10.8	11.6	10.6	9.6	11.0	
Coffee & Spices	-3.8	-8.1	11.7	19.9	-3.6	7.5	27.7	13.8	29.5	25.1	12.7	16.0	13.6	
Beverages & Tobacco	15.2	10.1	5.8	14.6	10.0	7.6	-1.3	9.1	12.9	24.5	7.2	15.5	10.8	
Crude Materials	16.2	9.0	20.1	7.9	31.6	31.0	13.6	7.2	-1.5	2.9	10.6	20.3	29.0	
Rubber	29.7	8.1	14.3	-9.3	34.6	30.3	20.5	-22.4	-13.9	-5.5	-20.8	7.9	23.3	
Wood	-3.0	12.2	6.0	3.7	20.1	13.0	-5.0	1.0	5.9	-3.1	1.9	10.7	-3.8	
Animal & Vegetable Oils	12.7	-9.9	7.4	30.7	-8.8	-1.4	24.7	17.4	19.4	31.9	24.6	45.2	77.4	
Palm Oil	0.7	-61.5	-39.2	80.7	21.3	-34.1	-52.2	-57.5	-21.9	65.3	-1.6	411.9	820.6	
Chemicals	19.7	12.7	9.4	5.4	14.8	6.9	14.4	2.7	2.6	13.6	0.0	5.9	7.7	
Plastic Materials	21.9	2.0	8.9	5.2	5.4	12.7	24.8	-4.9	10.8	0.5	-2.9	13.9	-0.7	
Manufactured Goods	24.6	23.4	11.6	10.0	7.7	12.5	6.3	19.9	19.1	3.9	10.9	7.7	13.0	
Paper & Paperboard	7.7	3.9	5.2	1.5	6.8	-0.2	13.7	1.6	-2.3	-2.5	0.9	10.3	5.4	
Textile Yarn & Fabrics	-5.4	-11.6	-3.1	-4.4	-7.0	-9.2	4.4	-1.1	1.5	-1.3	-7.8	-8.8	3.2	
Iron & Steel	48.0	24.3	13.2	26.0	0.6	2.5	20.2	29.3	51.5	42.1	6.1	13.4	20.2	
Machinery & Equipment	22.8	8.6	11.5	0.5	18.3	16.0	8.0	5.5	1.9	-1.8	1.2	0.7	7.3	
Power Generating Machines	37.3	30.2	22.1	8.0	54.6	43.6	7.8	-0.9	5.5	-2.2	9.1	21.0	37.2	
Industrial Machines	26.5	5.9	15.9	22.2	12.5	8.3	19.4	22.9	21.4	28.4	26.1	13.9	23.9	
Radio/Television Receivers/Parts	33.4	18.6	26.2	-38.7	32.5	50.2	42.6	-3.7	-31.5	-43.0	-31.6	-48.4	-20.6	
Electric Generators	11.5	10.1	3.1	-5.9	15.2	0.7	4.0	-5.2	-7.9	-6.7	-6.4	-2.5	-1.9	
Electronic Components/Parts	26.7	10.0	13.2	-1.2	23.0	27.7	7.7	-1.3	-1.7	-8.9	0.6	5.5	0.9	
Road Motor Vehicles	23.0	6.8	-1.1	4.4	-1.3	-1.4	-1.2	-0.7	-9.0	3.5	11.4	11.7	25.4	
Aircraft & Vessels	-4.2	0.5	45.5	20.9	23.2	32.5	-6.5	131.3	52.1	50.4	24.5	-10.4	75.5	
Miscellaneous Manufactures	20.9	5.0	4.4	5.6	16.6	3.2	3.1	-2.5	0.6	4.1	4.4	12.6	5.2	
Watches & Clocks	17.9	6.8	6.4	11.1	8.4	5.4	9.1	3.7	-5.0	1.5	17.1	26.3	33.0	
Miscellaneous	4.3	19.9	50.1	1.2	71.4	86.3	36.5	17.5	-1.4	-23.4	27.0	11.1	55.4	

Appendix Two: Questionnaire and Singapore's Responses

A. TARIFFS

1. Singapore is proceeding to adopt the ASEAN tariff classification system. What are the costs and benefits of operating two classification systems one for non-ASEAN trade according to the Harmonized system and one for ASEAN trade? In particular what is the anticipated impact of two classification systems on Singapore's trade and investment patterns with ASEAN countries, APEC economies and members of the WTO?

Ans: Since 2003, all ASEAN countries, including Singapore, adopted a common tariff nomenclature known as the ASEAN Harmonized Tariff Nomenclature 2007 (AHTN), harmonized at the 8-digit HS level, for intra-ASEAN trade. For Singapore, the AHTN is also extended for non-ASEAN trade. Hence, there is only one classification system for Singapore's trade and investment with ASEAN, APEC economies and members of WTO.

2. What mechanism exists to support regular review of the Singapore tariff structure and rates? Are there procedures by which the private sector may request a review of particular rates?

Ans: The Ministry of Finance (MOF) works with Singapore Customs to review the customs tariff structure and rates periodically. There are no specific procedures which the private sector need to undertake to ask for a review of particular rates. Feedback from the private sector to Singapore Customs and MOF, given through normal feedback channel, such as industry dialogue sessions, are given due considerations in our periodic reviews.

3. What are the criteria employed by Singapore for tariff exemptions and remissions?

Ans: For imports into Singapore, imports of beer, stout, samsu and medicated samsu originating from the FTA partner countries into Singapore will be subjected to lower or zero customs duties.

4. Although Singapore applies almost all tariff rates at zero, has it considered the benefits of stability and predictability for traders and investors of binding all its rates at zero?

Ans: As part of the DDA NAMA negotiations, Singapore is prepared to increase our level of tariff bindings. The actual rate at which the tariffs are bound, and to what extent this narrows the differential between bound and applied rates will depend on the outcome of the dual-coefficient Swiss formula approach as part of the current round of negotiations.

5. Singapore's current applied MFN tariff, based on the HS2002 nomenclature, consists of 10,689 lines. The United States whose imports are several times greater than those of Singapore has approximately the same number of tariff lines. Has Singapore considered the benefits of a simplification and reduction of its tariff lines?

Ans: As the AHTN is a harmonized nomenclature adopted by all 10 ASEAN countries, it has to take into consideration every ASEAN's country's tariff lines and hence this increases the number of tariff lines. Nevertheless, for AHTN 2007/1, the nomenclature has been significantly simplified and the number of tariff lines reduced. Singapore's applied MFN tariffs, with effect from 30 Oct 2007, would consist of 8,316 tariff lines.

B. NON-TARIFF MEASURES

1. Singapore prohibits the import of used automobiles more than three years old. What is the justification for this measure? To the extent that the justification relates to environmental goals has Singapore considered less trade restrictive measures to achieve these goals such as regular vehicle emission standards testing?

Ans: In addition to limiting the certificate of entitlement (COE), which allows the purchase or import of a car, to a maximum of ten years, Singapore also prohibits the import of used automobiles more than three years old as an additional measure to discourage old cars on the roads. Repair statistics have shown that car morbidity increases after three years of usage. Singapore has severe land constraints, of which a significant portion is already taken up by roads. Given the limited space of our traffic lanes, car breakdowns are minimized by discouraging old cars on the road.

2. Does Singapore permit the sale of used automobiles more than three years old in the domestic market?

Ans: There are no restrictions on the sale of automobiles more than 3 years old in the domestic market.

3. What been the recent exposure of Singapore's exports to anti-dumping and or countervailing measures and safeguard actions of other countries?

Ans: The table below shows the number of anti-dumping cases that Singapore has been subject to since 2004. In addition, Singapore has been subject to one safeguard action since 2003 and none for countervailing measures.

Stage of Anti-dumping case	1 July 2004-30 June 2005	1 July 2005-30 June 2006	1 July 2006-30 June 2007
Initiation of investigation	1	0	6
Provisional measure applied	0	1	4
Definitive measure applied	1	0	4

4. Does Singapore continue to restrict the imports and exports of rice on grounds of food security and price stability and require importers to stockpile a minimum quantity of varieties of rice, for release into the market when the government determines? If so, has it considered less trade restrictive ways to meet the goals of food security and price stability, for example, a government owned and managed stockpile?

Ans: Licensed importers of rice are required to maintain a stipulated level of stockpile rice in addition to their trading stocks, which is meant for serving the domestic needs of the market. In the event of escalating prices as a result of shortages in rice, the Singapore Government can allow importers to release their stockpile rice to increase supply to the market, thereby maintaining a certain level of price stability. Being a free market economy and a non-producing country of rice, there are no quantitative restrictions with respect to the maximum amount of rice in tonnes that can be imported into Singapore. These imports are driven mainly by market demand.

C. SERVICES

1. With the exception of a few MFN exemptions, arising from social , historical and reciprocal concession reasons, in general, there is a high degree of transparency in the services sector in your country. Could shade more light on the significance of the exemptions, and the general condition to date? Could you please elaborate on some of the cases above, and the factors that underpinned the offering of such exemptions? What are the future plans? Besides, Singapore also has very few horizontal measures that apply to all services. Could please describe such horizontal measures?

Ans: Singapore has taken MFN exemptions on Mode 4, Investment Guarantee Agreements (IGAs), broadcasting, legal services, computer reservation systems, maritime transport services, and the currency interchangeability agreement with Brunei. These MFN exemptions are taken prudently and only where necessary.

For instance, our MFN exemption on Mode 4 allows us a preference for workers from traditional sources of supply. This measure is taken in light of domestic policy considerations, such as land constraints and the fundamental need for social cohesion among Singapore's multi-racial population. The Government needs to regulate the flow of foreign workers, both to ensure that Singapore is not

overpopulated, and that foreigners who could potentially disrupt social order are not admitted.

We also have an MFN exemption on IGAs, as they have been, and continue to be, useful tools in Singapore's investment promotion and protection efforts. The obligations that Singapore and other countries undertake in our bilateral IGAs on a reciprocal basis have added to a more secure and certain investment environment for Singapore's investors.

As we do in other areas of services negotiations, we have always participated actively and constructively on the review of MFN exemptions at the WTO, and will continue to do so. In this respect, we will periodically review our MFN exemptions in the light of domestic policy and international developments.

On Singapore's horizontal measures applying to services, as stated in our revised offer, they related to Modes 3 and 4. On Mode 3, Singapore maintains certain measures requiring the presence of local managers and directors not for preferential treatment but for accountability purposes. On Mode 4, Singapore committed to allow temporary movement of skilled personnel in the form of intra-corporate transferees, along with an elaboration of the level of personnel and duration of stay permitted.

2. Basing on available records, the Audio-Visual Services sector the restriction that limits the total aggregate foreign shareholding for broadcasting companies to 49%, and MDA also issues codes of practice relating to broadcast and programming standards. In relation to that, what is the state of press freedom in Singapore? Are locally owned and foreign owned broadcasting companies given different treatment? If so, in which way?

Ans: "All broadcasting companies, locally- or foreign-owned, have to abide by the requirements of the Broadcasting Act. The Act stipulates that unless the Authority (Media Development Authority) otherwise approves, the CEO of a broadcasting company and at least one-half of its directors shall be citizens of Singapore.

On content regulation, MDA's broadcast Programme Codes and standards apply across the board to all broadcasters, that is, both local and foreign.

With regard to press freedom, Singapore enjoys free flow of information. We also have about 92 foreign TV channels offered through the cable TV network. With IPTV, Singaporeans have greater access to foreign programmes. There are 18 satellite broadcasters based in Singapore such as ESPN STAR Sports, Walt Disney Television (S) P/L and Discovery Asia, amongst others. BBC World, also one of the satellite broadcasters in Singapore, operates round-the-clock here.

Singaporeans have ready access to local and foreign news wires, magazines, television and radio channels and the Internet. Today, Singapore is among the most connected countries in the region, with over 1.7 million Singaporeans having access to the Internet. Websites on the Internet are highly accessible in Singapore, and anyone can set up a website, including political ones, under the Class Licence Scheme. There are 190 correspondents from 72 foreign media organisations and 15 satellite broadcasters based here reporting on local and regional events. There are some 5,500 foreign newspapers and publications in circulation here."

3. In accordance with existing regulations, foreign construction companies do not face any discrimination whatsoever in operating in Singapore. Does the same treatment apply in the awarding of government projects? Is there a list of certain projects which foreign construction companies aren't allowed to operate?

Ans: The same treatment applies for government projects. All companies, local or foreign, must register with the Building and Construction Authority (BCA) if they work on government projects. Only sensitive Ministry of Defence (MINDEF) projects are off-limit to foreign companies.

4. The current policy in Singapore on the operation of educational institutions in Singapore is required to register with the Ministry of Education , a process that demands the fulfillment of various requirements, including the curriculum. Are World class educational institutions exempted from fulfilling such requirements, for instance, curriculum? How many foreign educational institutions operate in Singapore to this date? How do local educational institutions compete with foreign educational institutions?

Ans: Local educational institutions compete fairly with foreign educational institutions. There are several foreign institutions which have been granted exemption from the provisions of the Education Act, for instance, INSEAD.

These private schools could be owned by sole proprietorship/partnership business, limited liabilities partnership (LLP), companies and societies which are registered with Accounting & Corporate Regulatory Authority (ACRA)/Registry of Societies (ROS). We do not separately keep track of private schools run by foreign companies. More information on private institutions registered with MOE can be found in the MOE website (<http://www.moe.gov.sg/privatesch/>).

5. The number of airlines is restricted by the bilateral air services agreement. Could you explain the criteria used in allowing a foreign airline to operate in Singapore?

Ans: As noted, the number of airlines that a country may designate is restricted by the bilateral air services agreement (ASA). Hence, depending on the agreement, countries may designated one or multiple airlines. Depending on the terms of the

ASA, airlines would also need to have their "principal place of business" incorporated in the country that is designating it, or show that "substantial ownership" or "effective control" rests with its country's nationals.

6. What is the level of competition in air services in Singapore especially between local and foreign operators? Are certain routes designated for local and foreign airlines in Singapore?

Ans: Singapore adopts an open and liberal aviation policy, and encourages all airlines to operate to Singapore. Singapore does not designate routes for local or foreign airlines -- these are commercial decisions that the airlines themselves will have to make, subject to the frequency, routing and capacity restrictions of Singapore's ASAs with other countries.

7. What is the level of standard of flight safety worthiness applied in Singapore?

Ans: As a contracting state to ICAO, Singapore adopts and complies with international safety standards set down by ICAO.

8. Previously the number of taxis was regulated through a taxi license quota; with effect from June 2003, taxi companies were given the freedom to decide on the size of their taxi fleet. Interested parties could apply to LTA to operate a taxi business. What is the level of competition in taxi services sector? Have new regulations been enacted to regulate such competition? Why is that only Singaporeans can apply for taxi driver vocational licenses? Don't foreigners have any chance to become taxi drivers even if it's on a part time basis? What solutions and regulations has Singapore developed to handle problems associated with the increase in road services such as traffic jam, pollution, road damage and so on?

Ans: The liberalisation of the taxi industry in 2003 has seen the entry of 4 new companies, bringing the total number of taxi companies to 8, and an increase in the number of taxis from 19,000 to about 22,000. Taxi companies have provided more choices for the commuters through differentiated services such as limousine services as well as in niche areas like the medical chaperon and drink jockey services. The taxi industry is also subject to competition laws under the Competition Act. The taxi driver vocational licence is not issued to non-Singaporeans, as a measure to protect the safety of the commuting public. Should a non-Singaporean taxi driver commit a serious offence against passengers and subsequently leave the country, it is harder for us to track and prosecute them.

Singapore adopts strategies such as promoting the use of public transport and measures to regulate car ownership and manage usage (such as through the Vehicle Quota System, various vehicle taxes and Electronic Road Pricing) to help address problems of congestion, and these measures also help to manage the problems of pollution and road damage. The Vehicle Quota System (VQS) was introduced in 1990 to regulate the growth of the vehicle population at a rate that can be sustained

by the road network. Under the VQS, potential buyers need to bid for a Certificate of Entitlement (COE) before they can register their vehicles. The Electronic Road Pricing (ERP) System was introduced in 1998. ERP manages congestion so that traffic can flow smoothly on the roads. Motorists are charged when they drive past an ERP gantry during operational hours.

9. Today, the electricity industry in Singapore has been further restructured and liberalized. What impact have restructuring and liberalization had on efficiency?

Ans: There has been positive impact with downward pressure on electricity prices arising from improved operating efficiency. The generation companies have also embarked on shifting generation from the less cost- efficient oil-fired steam plants to the more cost- efficient gas-fired combined cycle plants. Overall, market competition and the fuel switch from oil to gas have improved the competitiveness of electricity prices, reduced air pollution, and lowered our CO2 intensity.

What are the problems and obstacles that have undermined efficiency and effectiveness?

Ans: There is significant market power in Singapore's electricity generation market due to high concentration levels. This market power is kept in check through the use of vesting contracts.

What is the level of self sufficiency in energy requirements (especially electricity) in Singapore?

Ans: Except for electricity produced by incineration of waste which accounts for about 2% of electricity generation, electricity is generated using imported oil and gas.

What are the sources of such energy supplies, from within or outside Singapore?

Ans: Waste is from Singapore. Oil and gas is imported. Gas-fired power generation currently accounts for about 80% of electricity generation. Gas is imported from Malaysia and Indonesia. Oil is imported from several sources, mainly from the Middle East.

Does Singapore face any problems in procuring energy from foreign sources?

Ans: Singapore is embarking on import of LNG to meet its future energy needs. Indonesia has indicated that it needs more gas to meet its increasing domestic demand and would not be able to export additional gas.

How does Singapore anticipate the potential danger of an energy crisis?

Ans: With LNG import, Singapore would be able to diversify its sources of gas and enhance its energy security.

10. Currently, what has been the impact of the Environment Services regulation on the quality of living in Singapore?

Ans: The Environmental Services regulations in Singapore have ensured that economic and industrial activities are conducted in an environmentally friendly manner for clean air, clean water, clean land and a high standard of environmental public health. Two examples are highlighted below:

Under sanitation and similar services, the service provider is to ensure that outdoor cleansing work is delivered professionally. This ensures a high standard of public health and a clean environment.

Waste collection and disposal services in Singapore are regulated by the Environmental Public Health Act and its regulations. The regulation of waste management services seeks to ensure that all solid waste generated are properly collected and disposed so as to maintain a high standard of public health. The National Recycling Programme provides a convenient means for Singaporeans living in high-rise and landed residential areas to recycle their waste. By increasing recycling, less waste would require disposal, thereby conserving incineration and landfill capacities. This reduces the need for land to build more incineration plants and landfills, freeing up land for other uses, including housing and recreation, and helps to improve the quality of living in Singapore.

Considering what Singapore has done to keep the country clean and orderly, how much is the Government willing to spend on Environment matters?

Ans: Ministry of the Environment and Water Resources' (MEWR) mission, which also includes the work of MEWR's two statutory boards, the National Environment Agency (NEA) and the Public Utilities Board (PUB), is to deliver and sustain a clean and healthy environment and water resources for all in Singapore. We also want to grow and nurture a vibrant environmental and water industry to contribute to sustainable economic growth in Singapore. A total budget of \$870.22 million has been allocated to MEWR in FY2007 to achieve this mission.

What is the long-term plan for Singapore government regarding the Environment condition, especially waste management?

Ans: On waste Management, Singapore targets to increase the overall recycling rate from 44% to 60% by 2012. This will help to extend the lifespan of Semakau Landfill to 50 years and reduce the need for new incineration plants to one every 10-15 years. We are also striving "towards zero landfill" and "closing waste water loop".

11. As one of the financial hubs in Asia, Singapore needs to ensure that their financial institutions are prudent with good risk-management. Could you describe the most recent developments in the risk-management regulation in Singapore?

Ans: MAS has periodically published guidelines on various risks (credit, market, operational, and technology risk, internal controls and etc). These guidelines aim to provide financial institutions supervised by MAS guidance on sound risk management practices. Please refer to:
http://www.mas.gov.sg/legislation_guidelines/risk_mgt/Guidelines_on_Risk_Management_Practices.html for more information.

We have also recently published a monograph - "MAS' Framework for Impact and Risk Assessment of Financial Institutions", which provides detailed information on MAS' risk-based supervision of financial institutions. More information can be found at:
http://www.mas.gov.sg/publications/monographs/info_papers_and_monographs.html#monographs

Singapore requires a great pool of talents in financial industries; how does Singapore attract and develop first class workforce in this sector?

Ans: The MAS works closely with industry, government agencies and educational institutes to build a quality workforce for Singapore's financial sector. To increase talent flows into the sector, MAS and industry have made concerted efforts to reach out to diverse sources of talent pools, such as students, working professionals and overseas talent. To raise the quality of our workforce, we continue to work with industry to continually enhance the level of competency, professionalism and ethical standards.

One of Singapore's latest policies in the financial industry has been the creation of Start-up Boutique Fund Management (BFM) Scheme, what are the expected by-products of this scheme actually?

Ans: The Start-up BFM Scheme was introduced in 2004 as an extension of the BFM scheme introduced in 1999. The purpose of the scheme is to promote the development of the fund management industry by accommodating niche players that only target accredited investors. Companies with less than a three-year corporate track record may be admitted under the Start-up BFM Scheme if they can assure MAS that they have experienced and qualified key persons in Singapore on an ongoing basis. These companies would be restricted to serving no more than 100 qualified investors until they have built up a credible track record.

12. Does Singapore government provide public child care centers for its citizens?

Ans: No, the Singapore government does not operate public child care centres. The government issues licences to child care centres. Centre operations are left to

market forces, and child care centres may be run by private entities or voluntary welfare organisations.

13. What are key reasons behind government restriction on the number of foreign-trained staff each child care centre can employ?

Ans: The quota is catered for allowing these centres to hire mid-skilled level foreign workers.

It was mentioned that the government plans to introduce a user-subsidy system for Aged-care commercial service providers in Singapore, what is the current progress of this plan?

Ans: The scheme is currently in progress.

14. Question from Hong Kong, China:

14a. Health Related and Social Services : We would be interested to learn more about Singapore' proposal under aged care for introducing a user-subsidy system in which a Singaporean who meets the eligibility criteria will receive a subsidy, regardless of the service providers he/she chooses. In particular, we would like to know whether the "user-subsidy system" is a coupon system, whether the system applies to both residential care services and home-based services for elders ageing in their own homes, whether the eligibility criteria include both the frailty test and means-test, whether all the elderly homes in Singapore, be they private or publicly-funded, will be eligible for admitting eligible elders under the user-subsidy system, and when the system will be implemented.

Ans: The user-subsidy is not a coupon system; it applies to residential care services, and needy patients receive such subsidies if they pass the means test which includes assessments of the care and treatment needs as well as income level of the patient. All providers of nursing home services in Singapore can apply for eligibility to admit elderly patients under this scheme, provided they meet minimum nursing home care and service standards

14b. Tourism and Travel Related Services: we welcome that Singapore will streamline the licensing procedures for travel agents and tourist guides. Such initiatives will help remove regulatory impediments to tourism business and investment and achieve the policy goal adopted in the APEC Tourism Charter under the Seoul Declaration.

Ans: Singapore thanks Hong Kong, China for its comments.

15. Question from Canada:

15a. Business Services: Accounting

- i. Under Operational Requirements, Singapore indicates that it “will continue to review the list of accredited degrees and to consider removing market access restrictions where appropriate”. Under what conditions will Singapore consider the removal of market access restrictions as appropriate? Are there specific restrictions that will be given focus and if yes, what would those restrictions be?

Ans: Singapore does not hold any market access restrictions with regard to accounting services sector, except for the condition stated in our GATS commitments, that public accountants must be effectively resident in Singapore or at least one of the partners of the firm must be effectively resident in Singapore.

Singapore is currently reviewing the requirement for applicants to have a certain amount of practical experience in Singapore, with a view to recognising experience in jurisdictions that follow internationally accepted standards.

- ii) Under Foreign Entry, Singapore notes that there are no nationality or citizenship requirements and no restrictions on foreigners practising in Singapore as long as they fulfill the conditions of ACRA registration and at least one of the partners/directors of firm/company must be ordinarily resident in Singapore. Does Singapore intend to bind this existing regime in respect of its trade agreements, including the GATS? We note that Singapore currently requires public accountants to be effectively resident in Singapore or at least one of the partners of the firm must be effectively resident in Singapore.

Ans: For accounting/auditing services, we have committed the present regime in our trade agreements as well as in GATS.

15b. Business Services: Architectural

Ans: Under Operational Requirements, Singapore indicates that it “will continue to review the list of accredited degrees and to consider removing market access restrictions where appropriate”. Under what conditions will Singapore consider the removal of market access restrictions as appropriate? Are there specific restrictions that will be given focus and if yes, what would those restrictions be?

Ans: Generally, the architectural services sector is open in terms of market access. In reality, any person who is qualified by having proper and recognised training in architecture will be allowed to apply to be registered in Singapore subject to passing the required examinations by the Board.

15c. Business Services: Legal

Under Operational Requirements, Singapore indicates that it “will continue to review the list of accredited degrees and to consider removing market access restrictions where appropriate”. Under what conditions will Singapore consider the removal of market access restrictions as appropriate? Are there specific restrictions that will be

given focus and if yes, what would those restrictions be? Does Singapore intend to bind this current regime in its trade agreements?

Ans: In the last few years, Singapore has been reviewing and expanding its list of accredited foreign degrees both unilaterally and through negotiations of free trade agreements with key trading partners in order to meet the increased demand for legal services within Singapore and the region. We will continue to do so in the years ahead.

15d. Environment Services

Please clarify what is meant by "N/A" under each sector listed in both the "Improvements since last IAP" and "Future planned improvements" columns. Is Singapore referring only to its domestic regime or to its commitments taken in its trade agreements (i.e., bilateral FTAs and WTO GATS)?

Ans: Singapore had not submitted an IAP on Environmental services previously, this is the reason why "Improvement since the last IAP" is listed as "N/A"

As for the column on "Future Planned Improvement", Singapore has made improvements on environmental services in our revised offer at the WTO.

15e. Tourism and Travel-Related Services

i) We have noted from your annex to Chapter 3 (i) on Tourism and Travel-Related Services that "*subject to licensing requirements...there are no restrictions on foreign suppliers of hotels and restaurant services, travel agencies and tour operator services, and tourist guide services*". Moreover, under Discriminatory Treatment/MFN, Singapore states that there is no discriminatory treatment of domestic and foreign service suppliers in this sector. In this respect, will this extent of liberalization be bound in Singapore's trade agreements?

Ans: This extent of liberalization has already been bound in Singapore's trade agreements.

ii) Under Foreign entry, Singapore notes that it has made market access commitments in hotels and restaurant services, travel agencies and tour operator services, and tourist guide services. In this respect, does Singapore intend to reflect this level of liberalization in its trade agreements, including the GATS?

Ans: The level of liberalization has already been reflected in our revised GATS offer to the WTO and in our trade agreements.

16. Questions from Chinese Taipei

16a. Chinese Taipei appreciates the Singaporean government's efforts to maintain its policies on trade and investment facilitation, seeking the reduction of trade barriers,

and strengthening energy security in the APEC. Chinese Taipei thinks it would definitely benefit the healthy development of the energy sector in the APEC region as a whole. Thank you.

Ans: Singapore thanks Chinese Taipei for its comments.

16b. Pursuant to “the Guidelines for Operation of Offshore Bank,” offshore banks in Singapore are under the following restrictions: In respect of both its Singapore resident and non-resident customers, an offshore bank can provide SGD current account service to the customers on condition that they are credit facilities related customers or customers having existing banking relationship with the bank’s head office or any overseas branches. In addition, the SGD current accounts shall not be interest-bearing. We would like to know the rationale of imposing such restrictions on offshore banks, and if there are any possibilities for lifting the restrictions.

Ans: MAS operates a tiered licensing regime for commercial banks comprising full banks, wholesale banks and offshore banks. Banks apply for the license category that is appropriate for their business profile. Offshore Banks do not conduct SGD deposit-taking from residents. Banks wishing to conduct SGD deposit-taking from residents may apply to be licensed as a Wholesale Bank.

16c. In Chinese Taipei, the quality of childcare institutions is supervised through inspections and evaluations conducted by local authorities. We would like to ask Singapore which methods it has adopted to monitor or guide the quality of licensed childcare centres.

Ans: Child care centres in Singapore are required to be licensed under the Child Care Centres Act the Child Care Centres Regulations. This is to ensure that centres provide acceptable standards of care and quality. The Ministry conducts regular inspections to licensed centres and also carries out centre assessments and evaluations for the renewal of licences. All child care centres are also provided with a copy of the “Assessment of Licensing Standards in Child Care Centres” and “Good Practices Handbook for Child Care Centres” to use as references in their delivery of services

16d. In the “Qualification Requirements of Service Providers” section for childcare, there is the statement that a 15% quota is set and monitored by the MOM for foreign staff in childcare centres. What is the rationale for this quota? Why is it 15%?

Ans: The quota is catered for allowing these centres to hire mid-skilled level foreign workers.

D. INVESTMENT

1. What is the most significant progress made with respect to Singapore policy services that provide new or enhance benefits to APEC member countries since the last IAP review?

Ans: Singapore's liberalized trade and investment regime led to greater trade and investment flows with APEC member economies and contributed to the economic enhancement of most economies concerned.

2. Has Singapore made any progress in negotiating more bilateral investment guarantee agreements that promote and protect investment inflows? If so, could you describe briefly the substantive advance

Ans: Besides bilateral investment guarantee agreements (IGAs) signed to promote and protect investment with 35 economies, Singapore also concluded a network of 13 FTAs mostly including investment chapters. More IGAs and FTAs are being negotiated.

3. In relation to performance requirements, local content requirement, and technology transfer requirement, what strategy(ies) has Singapore adopted to enhance the domestic investors capability and performance to cope with globalization?

Ans: Singapore's strategies to enhance domestic investors' capability and performance to cope with globalization and build up the competitive edge of our enterprises include rapid advancing of technology particularly in information dissemination and communication; developing, promoting, implementing and facilitating of standards that have potential impact and application for business to improve productivity; encouraging innovation and the application of technical advances for instance with the help of technical experts; encouraging development in management systems and processes to achieve high performance and competitiveness; boosting technopreneurship by linking up technopreneurs and technology-related companies across the island in the HOTspots programme; encouraging participation in business missions, trade exhibitions and networking forums organized by industry associations and chambers to explore and identify key markets of interest; and promoting collaboration between SMEs of Singapore and other economies.

4. Do all investment treaties or investment chapters embedded in trade agreements to which Singapore is party foresee recourse to both state-to-state and investor-state dispute settlement procedures? Please describe.

Ans: Most investment treaties foresee recourse to both state-to-state and investor-state dispute settlement procedures while few foresee recourse to only state-to-state dispute settlement. Most investment chapters in trade agreements foresee recourse to investor-state dispute settlement procedures.

5. Tell us about some double taxation cases in Singapore and how Singapore handled those cases?

Ans: With increasing trend of Singapore businesses and Singaporeans venturing overseas, income derived from the foreign country could be subject to tax both in the foreign country (country of source) and in Singapore (country of residence). To mitigate the effects of this international double taxation on its residents deriving income from outside its own national boundary, a measure that Singapore has taken is to conclude an Agreement for the Avoidance of Double Taxation (DTA) on a bilateral basis with other countries. Singapore has concluded two types of DTAs – comprehensive DTAs which cover all income flows and limited DTAs which cover only shipping and/or air transport income. The scope of the DTAs has been limited to residents of Singapore and that of the treaty partner.

Singapore laws provide for the ordinary credit method to eliminate double taxation for residents of Singapore, i.e. a credit is allowed in respect of foreign tax paid against Singapore tax payable on the same income, but the credit is restricted to the lower of the foreign tax and the Singapore tax payable on the same income. There are also provisions under Singapore's domestic laws to exempt certain foreign-sourced income. As announced in Budget 2003, foreign-sourced dividend, foreign branch profits and foreign-sourced service income received in Singapore on or after 1 June 2003 are tax exempt subject to certain conditions. In Budget 2004 the tax exemption regime has been extended to all foreign-sourced income received by resident individuals in Singapore on or after 1 January 2004. In the case of dividends, Singapore usually agrees, as a policy to encourage direct investments, to take into account the foreign corporate tax paid on the profits of the dividend-paying company (referred to as "underlying tax credit") if the minimum shareholding requirement specified in the DTA is met. Under Singapore's domestic laws, underlying tax credit is allowed where the shareholding is at least 25%. In most of Singapore's DTAs, the minimum percentage is reduced to 10%.

6. What new negotiations (except 61 economies in IGAs) has Singapore made to avoid double taxation?

Ans: Singapore has signed 61 comprehensive avoidance of double taxation agreements (DTAs, not IGAs). The new ones signed were with Morocco, Qatar and Ukraine. More DTAs are being negotiated.

7. Explain the progress you have achieved in the area of R & D networks, innovative capabilities and improving the climate for entrepreneurship) Do they work? Are there any barriers or problems?

Ans: Singapore achieved progress in building new innovation and R & D capabilities under the two previous national science and technology plans, the first formulated in 1991. The current Science and Technology Plan of 2005 for up to 2010 builds on the first two plans and focuses on strengthening R & D in niche areas,

nurturing local talent and recruiting global talent, and working with industry through technology transfer and other mechanisms. Strategic thrusts include growing the private sector share of R & D and strengthening the linkages between R & D and business. Singapore is differentiated as a compelling investment location and its strong manufacturing and technology base helps it to attract quality R & D activities which in turn attract higher value-added industrial activities. Set up on 1 April 2006 to drive national research and development, the National Research Foundation provides the coherent strategic overview so that the research activities of different Government agencies are coordinated within the larger national framework. Importance is placed on close linkages and collaboration between research institutes, tertiary institutions, public research agencies, disease centres and hospitals to facilitate the continuum of research from basic science to applied science to commercial application. Singapore still needs to intensify its efforts to promote and diversify private sector R & D and to increase R & D funding.

8. Under the iGov2010 plan, greater efficiency will be created through the implementation of a Unique Establishment identifier for establishments including companies, businesses, societies and non-profit organizations. Has any progress been made? If so, could you please describe briefly substantive advance made?

Ans: A public consultation exercise on the proposal for the use of a unique establishment identifier has been conducted. The factsheet to UEI can be found at: <http://www.igov.gov.sg/NR/rdonlyres/466A9836-820A-4E3F-826F-22AFCCD1A2C6/0/FactsheetUEI.pdf>

9. **Question from PRC:**

Singapore's [2007] IAP states "MAS announced the new risk-based capital (RBC) framework for insurers in Singapore on 25 August 2004. The RBC framework aims to put in place a more transparent and risk-focused capital and valuation basis that reflects all major financial risks of insurers." As the EU's Solvency II Standards are expected to be commonly accepted by the international insurance industry, does Singapore have any plan to further apply the EU's Solvency II Standards to the insurers in Singapore?

Ans: MAS is currently in the process of reviewing the RBC framework for insurers to ensure that the framework is robust and effective in the evolving financial landscape. During the process of review, we will take into account international development in the capital standards for insurers, which will include the Solvency II standards.

E. STANDARDS AND CONFORMANCE

Questions from Canada

1. It is the stated policy of Singapore "*to adopt international standards where possible and use them as a basis for the development of any Singapore Standards, in line with the WTO TBT Agreement.*" What are the specific criteria used by Singapore to determine where it is possible to use international standards?

Ans: Singapore will adopt International Standards which are widely used by local industries and are applicable for use in Singapore.

2. Singapore states in its IAP that it "*encourages the direct use of international standards.*" In what specific ways does Singapore encourage this?

Ans: Singapore will withdraw Singapore Standards where International Standards suffice.

F. CUSTOMS PROCEDURES

1. What timelines exist for rendering decisions that are appealed?

Ans: In general, Singapore Customs replies most letters and e-mails within 4 working days; more complex enquiries may take a slightly longer time to respond.

2. Do Singapore's appeal procedures allow for judicial review?

Ans: The legislation provides that if any person disagrees with a customs officer's valuation decision, he may make an objection to the Director-General of Customs. If he is still dissatisfied with the Director-General's decision, he may appeal to the High Court.

3. Does Singapore publish new or amended customs regulations in advance and allow for comment from interested parties?

Ans: Singapore Customs generally consults the industry before amending the customs legislation. We also conduct industry dialogues and feedback sessions on a regular basis.

4. Does Singapore publish advance rulings?

Ans: Advance rulings are made available as FAQs, circulars and help lists on the customs website.

G. INTELLECTUAL PROPERTY

1. Now your Intellectual Property legal framework is fully compatible with all WTO Agreement on Trade – Related Aspects of Intellectual Property Rights (TRIPS). Could you please give us an elucidation of such Intellectual Property legal

framework? What is your future plan in developing the legal framework? Will it move toward WTO framework, or some more advanced alternative plan than that under WTO?

Ans: The following forms of intellectual property are recognised under Singapore law: patents* (as set out in the Patents Act), trademarks* (Trade Mark Act), registered designs* (Registered Designs Act), new plant varieties* (Plant Varieties Protection Act), layout designs of integrated circuit (Layout-Designs of Integrated Circuits Act), geographical indications (Geographical Indications Act), copyright (Copyright Act), trade secrets and confidential information. The Acts can be found on <http://statutes.agc.gov.sg>.

(“*” indicates forms of intellectual property that may be registered in Singapore)

The Intellectual Property Office of Singapore (IPOS) is the lead government agency that advises on, and administers IP laws, promotes IP awareness and provides the infrastructure to facilitate the development of IP in Singapore.

Singapore has been fully compliant with the requirements in the TRIPS Agreement since 1999. In certain instances, protection conferred under our IP framework extends beyond the requirements in the TRIPS Agreement. For example, a trade mark registration in Singapore is valid for ten years from the date of application and protection can last indefinitely subject to the payment of renewal fees every 10 years, and with proper use of the mark. This term is longer than that required as per Article 18 of the TRIPS Agreement, which stated that “Initial registration, and each renewal of registration, of a trademark shall be for a term of no less than seven years.”.

IPOS continually monitors advancements in technology and developments in the field of IP in other jurisdictions and at international fora so as to ensure that our IP laws stay relevant and effective.

2. Since 1998, you have enacted various laws, which are aimed at protecting Intellectual Property Rights. Such laws include the Copy Right Act; Trade Marks Act; Geographical Indications Act; Layout Design of Integrated Circuits Act; Patent Act; and several amendments to such Acts. How has the enforcement of such law progressed? How have such laws contributed to the development of innovations and prevention of piracy? Could you please give some examples of cases you have handled, decisions taken, along with arguments on which such decisions were based?

Ans: Protection for geographical indications, integrated circuit designs and patents is available through judicial recourse. The Intellectual Property Rights Branch (IPRB) of the Singapore Police Force enforces the criminal provisions of the Copyright Act and the Trade Marks Act. IPRB's works closely with rights holders in its enforcement. The following table details enforcement actions by IPRB.

Raids And Total Value Seized

Year	Copyright Raids	Trade Mark Raids	Total Raids	Total Value Seized
2000	308	146	454	S\$16,310,436.28
2001	308	183	491	S\$15,553,324.95
2002	284	207	491	S\$9,415,266.00
2003	266	160	426	S\$33,185,092.00
2004	126	190	316	S\$12,665,969.00
2005	61	168	229	S\$19,774,083.00
2006	57	144	201	S\$9,952,296.00

3. You established the Intellectual Property Rights Broad (IPRB) of Criminal Investigation Department (CID) in 2006, to enhance the effectiveness of IPR protection. What powers does the institution have and what are its roles? How effective is the enforcement undertaken by the institution? In what direction does the development of the institution heading in the future?

Ans: The IPRB officially started operations in 2000 (not 2006). The IPRB is part of the Singapore Police Force's Criminal Investigation Department.

For IP offences, Police may initiate action based on powers derived from the Copyright and Trade Marks Acts, which give police officers the authority to, amongst other things, arrest individuals who publicly sell or offer articles for sale that infringe copyrights and trade marks.

The IPRB has been active in helping to reduce the piracy rate in Singapore and will continue to do so.

4. According to our records, you have since 2006 implemented an e-patent system through on-line publication. Besides, you have come up with developments and various policies, which are in principle, simplify and cut patent costs. What impact have such developments had on business development? How effective has such a program been in promoting economic progress?

Ans: The e-Patents system was launched in August 2003. It is a fully computerized workflow system with full e-filing facilities and download capabilities for patent documents and a completely computerized electronic register.

On 30 August 2006, IPOS introduced the online publication of the Patents Journals.

It became more convenient for users when we launched the e-Patents system since they can file for a patent or conduct other transactions online. Searches on published patents may also be done online which helps users to save traveling time.

An example of a policy which helped to simplify the patent process and cut patent costs was relaxation of the requirement for furnishing priority documents and the translation requirements for non-English priority documents, through the enactment of the Patents (Amendment) Rules 2004. These documents need only be furnished when required by the Registrar.

Our statistics show that there has been an increase in the number of patent applications, patent grants / registrations and patents in force since 1997. These increases indicate that our IP developments and policies have a positive influence on business development and economic progress.

Number of patents filed in Singapore:

In 1997 – 6048

In 2006 – 9164 (an increase of about 52%)

Number of patent grants / registrations in Singapore:

In 1997 – 3120

In 2006 – 7390 (an increase of about 137%)

Number of patents in force in Singapore:

In 1997 – 16,401

In 2006 – 45,897 (an increase of about 180%)

5. With special reference to the handling of trademarks, you established the Singapore Treaty on the Law of Trademarks (STLT), an institution, entrusted with the special task of handling problems related to trademarks. What powers are vested in the institution? What are its roles? How effective has the institution been so far? What are the future plans for the institution?

Ans: The Singapore Treaty on the Law of Trademarks (“Singapore Treaty”) is an international treaty administered by the World Intellectual Property Organization. It was concluded at the Diplomatic Conference for the Adoption of a revised Trade Mark Law Treaty in March 2006. The Singapore Treaty aims to harmonise the administrative procedures for trademark registration. It is applicable to all kinds of marks registrable under the law of a Contracting Party and is also the first international trade mark law treaty which recognizes explicitly non-traditional marks.

Singapore has since become the first country to ratify the Singapore Treaty on 26 March 2007. When the Singapore Treaty comes into force, the harmonized framework contained therein will provide greater convenience and benefits to trade

mark applicants and IP professionals seeking trademark registration in signatory countries.

6. With the aim of raising public awareness about IP, you have developed and implemented various IP public education and awareness programs. How effective have such programs been? What is the current level of public awareness about IP, and what are the future plans?

Ans: IPOS regularly organises IP awareness initiatives to engage and educate the public on the need to respect IP and get stronger buy-in. These include the Honour IP (or HIP) Alliance, which is a collaboration with industry players to educate and urge consumers to adopt a piracy-free lifestyle, seminars and regular school visits. IPOS has also launched self audit tools and one-on-one consultations for the business community.

The Police works closely with IP stakeholders and our other law enforcement agencies on IP enforcement. A total of 201 raids – against both trademarks and copyright infringements - were conducted by the Police in 2006. Infringing articles with a market value of nearly S\$10 million were seized.

Singapore has performed well in international IP rankings. For example, in the IMD-World Competitiveness Yearbook 2007, Singapore was ranked 2nd in the world for adequate enforcement of IP rights, after Switzerland. Singapore is also ranked favourably by the World Economic Forum's Global Competitiveness Report and the Political and Economic Risk Consultancy report. According to the Business Software Alliance, Singapore's software piracy rate has declined steadily over the past few years.

We intend to continue with our awareness and education programmes as we believe that the solution to curb piracy is a two-pronged approach – strong enforcement as well as education. By educating Singaporeans on IP and the importance of protecting it, we can groom a new generation of IP savvy individuals creating a IP ready market that respects new inventions and creations.

Please see our response to Q8c for the effectiveness of our public education and awareness programs and the current level of public awareness about IP.

7. With reference to APEC, does the development of your IPR tending toward CAP, or you have in store an even better program than that ? .

Ans: Yes, we develop our IPR taking into account the CAP. Cooperation with other international organizations (e.g. WIPO, ASEAN etc) and IP offices are also taken into consideration when we develop our IP policies, practices or cooperation and awareness programs.

8. Question from Australia:

a. Singapore states that in April 2006 the Intellectual Property Rights Board successfully prosecuted an interior design firm for using pirated software and under licensing and that this was the first successful prosecution of a firm under the new copyright offence provisions introduced after the signing of the USSFTA. Could Singapore please provide further information on this case and in particular on:

i) how the investigation was conducted and evidence collected (i.e. ex officio or by a private party)

Ans: Upon receipt of information from the Business Software Alliance, IPRB verified the information and established that there was a violation of the Copyright Act. IPRB applied for a search warrant and conducted a raid at the premises. All involved parties were interviewed, and case exhibits were seized and examined.

ii) the nature of the penalty imposed (fine or imprisonment)?

Ans: The company was served with three charges. Upon conviction, they were fined a total of \$30,000, \$15,000 for each of the two charges and the third charge was taken into consideration.

b. Could Singapore please provide further information on its "TRIPS-plus" regime for IP enforcement under which IPR owners are able to pursue private criminal actions in an IPR suit. In particular, could Singapore provide:

i) specific examples of private criminal actions and

ii) elaborate on the relationship between IPR owners and Government law enforcement bodies in carrying out these court actions?

Ans: An effective IPR enforcement strategy requires the cooperation between authorities, the industry and the public. The IPRB focuses its resources in tackling syndicated piracy cases. In the cooperative approach, the IPRB is involved in the execution of the search warrant (applied for by the rights owners) to take custody of seized properties. The rights owners decide on the extent of legal action to take against infringers. Legal action can come in the form of injunctions or damages.

Singapore's legal system also allows the right holder to pursue private criminal proceedings against the offender, acting on fiats issued by the Attorney-General's Chambers. Some examples of this are Public Prosecutor v Poh Kim Video Pte Ltd in 2004 and Public Prosecutor v Tan Yan Tong in 2003. In the former, the accused was convicted of 5 charges of selling 90 infringing VCDs and was fined \$10,000. In the latter, the accused was convicted of 6 charges of falsely applying a trade mark and 24 charges of possessing infringing CD-Roms for the purpose of sale. The accused was sentenced to 18 months imprisonment.

c. Australia is interested in learning more about Singapore's experience and successes with public campaigns to raise IP awareness and build IP capabilities. Could Singapore please provide further information on:

- i) the nature and results of the 2007 survey of young Singaporeans' awareness and attitudes toward IP

Ans: The 2007 survey of young Singaporeans' awareness and attitudes towards IP was conducted in two phases: focus group discussion and peer investigation (qualitative), as well as online questionnaire survey (quantitative). The total sample size is 666.

It revealed that 8 in 10 respondents surveyed are conscious of the importance of protecting ideas and creations. 33 percent say they think about the consequences of buying copies of pirated or counterfeit products.

Although less than half of the respondents have expressed that they are not bothered or affected by IP infringement, 6 out of 10 feel that legal consequences will stop them from downloading unauthorised material and this is especially so amongst the educated adults.

Other key findings from the survey include:

- **Cost cited as the main barrier to buying original goods**
42 percent of all respondents think piracy and counterfeiting is acceptable, with 19 percent of them citing that it is fine if the price of the original product is beyond their means. However, majority of the respondents (58 percent) feel that piracy and counterfeiting is not correct.
- **Supporting local creativity the most important motivator in IP protection**
While cost was cited as the biggest barrier to IP protection, at least 7 out of 10 respondents say that supporting local creativity is the most important factor in motivating them to protect IP. 7 out of 10 respondents also say they will buy original products to support their favourite artist.

- ii) any publications or studies that consider the effectiveness of previous public awareness campaigns involving either traditional or new media?

Ans: The above survey also investigated young Singaporeans' awareness and perceptions of Honour Intellectual Property (HIP) Alliance, which is IPOS' lead public awareness campaign.

25 percent of respondents are aware of HIP Alliance itself, 74 percent say they recall the slogan "Say NO! to Piracy", part of HIP Alliance's advertising campaign last year to encourage respect for original creative works.

9. Question from Chinese Taipei:

- a. It is to our understanding that patent examination in Singapore is conducted by foreign patent agencies. We are interested in knowing whether the commissioned agency conducts the examination in accordance with Singapore's patent law, and how

is the examination timeline monitored?

Ans: Yes, the commissioned agency conducts the patent examination in accordance with the Singapore's Patents Act and Rules. We use our internal patents e-system to monitor the examination timeline.

b. In your "Ensuring the Expeditious Granting of IP Rights", it is mentioned that "This round of amendments also provide for a default fast track timeline for patent applications to proceed to grant quickly and an optional slow track timeline for patent applications to proceed at a slower pace." Please provide further explanation. How does Singapore plan to proceed with this proposal?

Ans: The Patent (Amendment) Act 2004 introduced a new two-Track Application System for applications with a filing date on or after 01 July 2004.

The prescribed periods under the Fast Track system shall apply by default when an application is first filed. These periods shall continue to apply until a request for block extension of periods is made within 39 months from the priority date or where there is no priority date, the date of filing of the application. Upon approval of this request by the Registry, the prescribed periods under the Fast Track will be replaced by the later prescribed periods under the Slow Track system.

The above amendment had already been implemented through the Patents (Amendment) Act 2004 and Patents (Amendment) Rules 2004, which came into force on 01 July 2004.

H. COMPETITION POLICY

1. In 2004 you enacted the Competition Act, and in January 2006, saw the coming into force of the prohibition against anti-competitive agreement, decision and practices; and the abuse of dominance. How has the enforcement of the Competition Act affected businessmen in Singapore? What cases you have ever handled, and what were the process and procedures used in handling them? What decisions were made in handling such cases, and what arguments formed the basis of the decisions made? How has been the impact of the Competition Act on business competition in Singapore?

Ans: In February 2003, the Economic Review Committee (ERC) recommended that a generic competition law be enacted to create a level playing field for businesses, big and small, to compete on an equal footing, and so make for a more conducive business environment. The enactment of the Competition Act helps to reinforce Singapore's pro-enterprise and pro-competition policies.

Since 1 January 2006, the CCS has handled a diverse range of issues and cases arising from complaints, notifications from businesses and associations for guidance or decision, requests for advice from government agencies and merger notifications.

The CCS' approach is based on sound economic principles applied objectively and consistently. Its focus is on activities that have an appreciable adverse effect on competition in Singapore. In assessing whether an action is anti-competitive, the CCS gives due consideration to whether it promotes innovation, productivity or longer-term economic efficiency.

Based on feedback from the legal community, awareness of competition law in Singapore is gradually increasing, and there are several businesses who have proactively put in place compliance programmes.

2. Basing on our analysis, vertical agreements are excluded from the ambit of the Competition Act 2004. Why is it so? Please elaborate, whether the exclusion in connection with the character of industry in Singapore, and what is the relationship?

Ans: Vertical agreements have been excluded from the section 34 prohibition (against anti-competitive agreements) in Singapore. This is because they are generally considered to have pro-competitive effects that outweigh the potential anti-competitive effects. This is so, especially in the context of Singapore's open economy, where the need to ensure intra-brand competition is relatively less crucial given the existence of strong inter-brand competition.

Although vertical agreements will in the first instance be excluded from the scope of competition law, if there are cases where the potential anti-competitive effects outweigh the pro-competitive effects, the Minister of Trade and Industry may issue an order to declare that the Competition Act will be applicable to a certain type of vertical agreement. It should also be noted that vertical agreements are not excluded from the section 47 prohibition against abuse of dominance.

3. The provision relating to anti-competitive mergers came into force 1 July 2007. How has the enforcement of the anti-competitive mergers gone? Do such provisions applicable to mergers between local and foreign enterprises? What cases have been handled so far? What processes and procedures were used in handling them? What decisions were reached, and basing on what arguments? What impact has the enforcement of anti-competitive mergers been on business competition in Singapore?

Ans: Section 54 of the Competition Act prohibits mergers that have resulted, or may be expected to result, in a substantial lessening of competition within any market in Singapore for goods or services. Essentially, the merger provisions will apply to mergers that have infringed, or anticipated mergers that if carried into effect will infringe, the section 54 prohibition unless they are excluded or exempt under the Act.

The merger provisions are applicable to mergers between enterprises, local and foreign.. Under section 33(1)(d), (e), (f) and (g) of the Competition Act, the provisions also apply to an anticipated merger/merger carried into effect/or is effected outside Singapore, to any party to an anticipated merger/merger, who is outside Singapore, or to any other matter, practice or action arising out of an anticipated merger/ merger is outside Singapore if such a merger or anticipated merger will infringe the section 54 prohibition.

Merger parties may, if they so wish, apply to the CCS under sections 56 to 58 of the Act for a decision as to whether the section 54 prohibition has been or will be infringed by their merger situation (“notification”). The CCS has adopted a two phase-approach in the evaluation of notifications by merger parties. Upon the receipt of a complete notification, a preliminary assessment will be carried out, which the CCS normally expects to complete within 30 working days. If the CCS is unable during the Phase 1 review to conclude that the merger situation does not raise competition concerns, it will proceed to a Phase 2 review. The Phase 2 review is more complex and the CCS will endeavour to complete it within 120 working days. The CCS may also undertake investigations in respect of any merger situation.

To-date, the CCS has issued favourable decisions in relation to two notified mergers, the proposed joint venture between STMicroelectronics N.V. and Intel Corporation notified by the parties on 29 August 2007 and the proposed acquisition of Solectron Corporation by Flextronics International Ltd notified by the parties on 4 September 2007. Both decisions were issued by the CCS upon the completion of a Phase 1 review on the basis that they did not raise any concerns about a lessening of competition in the relevant markets in Singapore.

Details of the notifications received by the CCS, and public versions of the CCS’ decisions in respect of these notifications are available on the public register on the CCS website.

4. Who are the targets of the Competition Act 2004? Is it all businessmen? Does the competition act exempt certain businessmen? If so what arguments underpin such exemption? What about state owned companies, foreign businessmen, and SMEs?

Ans: The Competition Act applies to all undertakings, i.e. all natural or legal persons capable of commercial or economic activity. This is regardless whether they are foreign or local. Undertakings could be individuals operating as sole traders, businesses, companies, firms, partnerships, societies, co-operatives, business chambers, trade associations or even non-profit organisations. There is no exemption for small and medium enterprises, though the CCS Guideline on the Section 34 Prohibition states that an agreement will generally have no appreciable adverse effect on competition in the case of an agreement between undertakings where each undertaking is a small or medium enterprise (unless it involves price-fixing, bid-rigging, market sharing, or output limitation).

Certain sectors have been excluded from the Act, as they are subject to regulation by their sector-specific regulators, with their own set of competition frameworks and regulations. These include the gas, electricity, telecommunications and media industries. These sectors are highly specialized and technical. Sector-specific regulators, with their industry knowledge and expertise, are better able to handle them.

Certain specified activities are also excluded, such as the supply of potable water, supply of scheduled bus and rail services etc.

5. With effect from 1 January 2005, the Competition Commission of Singapore (CCS) came into being, responsible for regulating business competition in Singapore. What power/authority does CCS have? How independent is CCS? What are the relations of CCS to the existing judiciary system? How effective has CCS been so far?

The Competition Act gives the CCS powers of investigation which it can exercise where there are reasonable grounds to suspect an infringement.

The CCS has a range of investigative powers, which are:

- **the power to require production of relevant documents or information under section 63 of the Act;**
- **the power to enter business premises to require the production of relevant documents or information without a warrant under section 64 of the Act; and**
- **the power to apply to the court for a warrant to enter and search business premises for the relevant documents or information under section 65 of the Act.**

Undertakings who are in doubt as to the status of their activities may file a notification for decision with the CCS. Notifications for guidance may also be filed in respect of the section 34 prohibition and the section 47 prohibition only.

The CCS will adjudicate on its investigations by deciding whether the activity is anti-competitive; and if it is, to impose a financial penalty and/or give directions to end the infringement. If parties are dissatisfied with the decision, they may appeal to the Competition Appeal Board (CAB), an independent specialist tribunal comprising lawyers, economists, accountants and representatives from the banking and business sectors. Parties may appeal to the Minister of Trade and Industry, only if the decision relates to a merger involving public interest considerations. In all other cases, appeals will have to be made to the CAB. Further appeals on points of law and the amount of financial penalty to the High Court and the Court of Appeal are also possible.

Directions may involve the modification or termination of the agreement or conduct. The financial penalty is capped at 10% of the turnover of the business in Singapore for each year of infringement up to a maximum of 3 years.

If parties refuse to comply with the direction of CCS, CCS can register the direction with the District Court, which can be enforced as an order of court thereafter.

The CCS is a statutory board under the Ministry of Trade and Industry. The Minister of Trade and Industry may give the CCS direction on broad strategic issues, but it is the Commission that makes decisions in respect of the cases that the CCS deals with.

Since 1 January 2006, the CCS has handled a diverse range of issues and cases arising from complaints, notifications from businesses and associations for guidance or decision, requests for advice from government agencies and merger notifications. The CCS has dealt with a number of complaints, with some of them leading on to formal investigations.

6. Our records indicate you have conducted many economic cooperation agreements, both FTA and RTA. Are provisions on competition policy under such cooperation agreements handled in a special chapter? What are the basis arguments for such a decision? How are regulations on business competition harmonized under such FTA and RTA cooperation agreements?

Ans: There are competition chapters in several of the FTAs and RTAs entered into by Singapore. These competition chapters generally relate to the promotion of co-operation and mutual assistance amongst competition agencies. Examples include the Agreement between Japan and Singapore for a New-Age Economic Partnership (JSEPA), the Singapore-Australia Free Trade Agreement (SAFTA), the Korea-Singapore Free Trade Agreement (KSFTA) and the Agreement between New Zealand and Singapore on a Closer Economic Partnership (ANZSCEP). Competition policy is dealt with in separate chapters as it is a specialised area and is also a cross cutting issue that can affect different aspects of trade. We ensure that our laws and regulations are at all times able to comply with our FTA and RTA obligations.

7. In accordance with competition policy reviews, sectoral exclusions under the Competition Act will be reviewed in 2009. How does the plan stand?

Ans: The Competition Act provides for exclusions for sectors which already have sectoral competition frameworks. This is because they are in transition from a previously monopolistic situation to a more competitive environment, and more active market regulation and intervention is needed. Moreover, there are considerable technical matters affecting competition in these areas. Hence, the sectoral regulators, with their industry knowledge and expertise, are in a better position to handle competition issues in these sectors. However, cross-sectoral

competition issues will be dealt with by the CCS, in consultation with the sectoral regulators.

The sectoral exclusions listed in the Third and Fourth Schedules are not intended to be permanent. The policy intent is to review the need for such sectoral exclusions after the Competition Act has been in place for some time, taking into account market developments at that point in time. This review is slated to take place in 2009.

The CCS, in 2005, initiated the set-up of the Interagency Competition Forum, to provide a platform for discussing competition issues and policy concerns, so as to promote consistency and alignment in the application of generic and sector-specific competition laws where possible, to promote co-ordination among agencies, so as to ensure a coherent approach to regulation, and to promote co-operation among agencies.

8. As regards APEC, what is the level of progress achieved in developing regulations on competition policy? Are there any plans to develop competition policy outside the collective action plan within the APEC framework?

Ans: From 1-3 August 2007, Singapore, together with Japan, organised the 3rd APEC training course with the two themes- “Competition Policy and SMEs” and “Effective Implementation of Competition Policy and Law”, which was hosted in Singapore.

The purpose of this project was to build capacity in the area of competition policy by better utilizing the accumulated APEC knowledge and expertise on competition policy.

The CCS also participates in the various APEC conferences, for example, the CCS was a panelist during one of the sessions at the recent APEC Economic Committee II Seminar on the Role of Competition Policy in Structural Reform, held in Cairns on 27 June 2007.

I. GOVERNMENT PROCUREMENT

1. As we know, invitations for quotations and tenders in the public sector are posted openly on GeBIZ. Please describe the benefit GeBIZ has in attracting business in Singapore. Does the program engender a more open and transparent GP regime? Will the government take the next step necessary to improve this program? Has Singapore made an assessment of the degree to which APEC member economies are utilizing its e-services such as GeBiz in identifying business opportunities? Could you please give us the outcome of the review?

Ans: GeBIZ is an open procurement system. It is the Singapore’s Government’s one-stop e-procurement portal. All public sector invitations for quotations and tenders are posted on GeBIZ. Suppliers can search for government procurement opportunities, download tender documents, and submit their bids online. GeBIZ allows any supplier, whether local or overseas, to access public sector business

opportunities easily. Apart from tender notices, tender schedules and awards are also published in GeBIZ. GeBIZ has certainly made Singapore's GP regime more open and transparent. We have not assessed the practices of other APEC countries.

2. Please review the steps taken to improve Government Procurement in compliance with APEC Non-Binding Principles.

Ans: Singapore's government procurement regime is consistent with APEC Non-Binding Principles and Singapore constantly reviews its government tendering procedures to maintain efficient, open, fair and competitive procurement practices.

3. How does Singapore rate the performance of its current government procurement regime in terms of transparency, speed of award procedures and overall economic efficiency?

Ans: We have met the requirements expected of us as an APEC economy and we have fully conformed to the practices and requirements of the WTO-GPA which many APEC economies are not a party to.

4. Do companies from APEC member countries enjoy specific privileges in bidding on government contracts in Singapore? If so, are such privileges applied on a non-discriminatory basis to all APEC members? Is there any opposition (especially from domestic producers) towards opening the international e-government procurement in Singapore?

Ans: No APEC economy enjoys any specific privileges in bidding for government contracts in Singapore. All suppliers, foreign or domestic, are treated fairly and are given the same information to prepare their bids. They have the same equitable access opportunities.

5. What has been the response rate (in bidding terms) of suppliers from other APEC members? Please provide examples of foreign bidders gaining the upper hand over domestic suppliers.

Ans: Singapore has a open procurement regime and there is no discrimination between a foreign and local supplier. The tender is awarded to the supplier which provides best overall value for money and which meets all the specifications and requirements stated in the tender. No consideration is given to whether the supplier is from an APEC economy. We do not assess the response rate of suppliers by countries.

6. Has the Singapore government or an independent auditor agency documented the benefits of e-procurement in efficiency terms as well as in combating corruption practices?

Ans: Government procurements, like all government expenditures, are subject to the same control and requirements. It is subject to auditing by the Auditor-General who will submit a report to Parliament if there are any discrepancies, inefficiencies or non-conformances detected. There are also strict laws in Singapore that govern anti-corruption practices.

7. As we know, using the GeBIZ service requires the payment of some fee. Does this program discourage SMEs to operate in Singapore? Please review the cost and benefit of GeBIZ for SMEs

Ans: Since 1 Apr 2005, all suppliers who register as a GeBIZ Trading Partner are entitled to one free user account. Each account in addition to the first free account is chargeable at S\$280 per annum. The fee is an affordable one and does not jeopardize the operations of SMEs. GeBIZ also provides an on-line channel for GeBIZ Trading Partner to promote and market their products and services.

8. **Question from Hong Kong, China:**

We commend Singapore's efforts in recent years to modernize its GP regime and to share its procurement information with other APEC members. We appreciate that Singapore will continue with its efforts in moving towards a further open and transparent GP regime.

Ans: Singapore thanks Hong Kong, China for its comments.

J. DEREGULATION / REGULATORY REVIEW

1. Please describe recent examples of what Singapore considers best practice industry or sector specific regulatory reforms which have been able to eliminate distortions in trade and investment or restrictions in competition. Who is responsible for developing such instruments and how are they tailored to suit various sectors of the economy especially in telecommunication, transport and energy?

Ans: Singapore has a liberal trade and investment regime. In addition to our open regime, we enacted a generic competition law - the Competition Act - in October 2004. The substantive prohibitions in the Act against anti-competitive agreements and abuse of dominance came into force on 1 January 2006. The Act was amended this year pursuant to the passing of the Competition (Amendment) Bill 2007 by Parliament on 21 May 2007. The amendments were made to facilitate the coming into force of the prohibition against anti-competitive mergers on 1 July 2007. Subsidiary legislation was also enacted or amended to this effect.

Overall responsibility for trade policy formulation and implementation in Singapore remains with the Ministry of Trade and Industry, though certain sectors are

overseen by specific regulatory agencies. For instance, the telecommunications sector is regulated by the Infocomm Development Authority of Singapore (IDA), which introduced full competition in the telecommunications market in 2000.

2. What criteria are used to determine whether or not regulations achieve the objectives?

Ans: The Competition Commission of Singapore determines the effectiveness of the Act and subsidiary legislation enacted thereunder through the carrying out of its own internal monitoring and the soliciting of feedback from stakeholders. For instance, regular reviews of policy and regulatory frameworks for the telecommunications sector are conducted, including frameworks for competition, interconnection, licensing and enforcement to ensure that they are relevant and suited to the needs of the market. These reviews generally encompass engagement with stakeholders, including consumers and members of the industry, through consultation processes to gather feedback on the effectiveness of regulations. IDA also receives formal and informal feedback on its regulatory frameworks from time to time, and takes these into consideration when reviewing its frameworks.

3. The Government is planning to conduct a holistic review of the Companies Act. Have any advances been made in this area? If so, please describe briefly the substantive advances.

Ans: In Oct 2007, a Steering Committee was formed to review and draft a new Companies Act. The Steering Committee is to conduct a comprehensive review and revamp of the Companies Act, with the aim to come up with an efficient corporate regulatory framework that is both business and investor-friendly while at the same time keeping pace with the relevant international legal and technological developments. Specifically, the Steering Committee's review is to:

- a) provide a conducive, effective and efficient regulatory framework for setting up and doing business in Singapore;**
- b) be in line with relevant international legal developments and technological advances;**
- c) provide flexibility and clarity to directors and management of enterprises in the operation of the corporate entities, without compromising the interests of stakeholders and the public;**
- d) maintain a proper balance of the use of statutory provisions and non-statutory standards in regulating corporate behaviour; and**
- e) promote greater accountability and transparency while keeping the costs of compliance low and manageable.**

Members of the Steering Committee represent the various stakeholders involved, such as legal practitioners, accountants and businessmen.

4. The Government is currently in the process of introducing another new business structure i.e. the limited partnership (LP). The LP is essentially a general partnership, comprising at least one general partner with unlimited liability and limited partners with limited liability. Have any advances been made in this area? If so, what has been the response of businessmen to the new scheme? Will the new design provide adequate protect to the passive investor, as well as improve the business structure in Singapore ?

Ans: Following feedback received from public consultation, we are currently making changes to the draft LP Bill. Once all the changes have been incorporated, we would be conducting one more round of public consultation before tabling the Bill in Parliament. Based on the feedback received during public consultation, there is a healthy interest from the private equity and investment industry regarding the new business structure. We believe that the new LP structure would provide adequate protection to the passive investors as well as the people transacting with the new structure. The new LP structure would be implemented in Singapore in the first half of 2008.

5. The new plan is that CCDG will be dissolved and later replaced by a new Accounting Standards Council (ASC). ASC will be set up to prescribe accounting standards, not only for corporate entities, but also non-corporate entities such as co-operative societies and societies. Have any advances been made in this area? What is the state of readiness of corporate and non corporate entities for this new standard? Please describe the socialization process to corporate and non corporate entities, their responses, and the potential impact the new accounting standard will have.

Ans: The Accounting Standards Act was passed in Parliament on 27 Aug 2007 and the Act came into effect on 1 Nov 2007. With the enactment of the Accounting Standards Act, the new Accounting Standards Council will take over the task of prescribing accounting standards for companies from the Council on Corporate Disclosure and Governance (CCDG). The ASC comprises of representatives from stakeholder groups such as the accounting profession, the users and preparers of financial information, academia and government.

Unlike the CCDG, the ASC will prescribe accounting standards for companies and for other entities such as societies, charities and cooperatives. Its mandate is to develop, review, amend and approve financial reporting standards for entities that are under its purview, taking into account:

- (a) The information needs of the stakeholders of the entities;**
- (b) Facilitation of comparability, disclosure and transparency;**
- (c) Compatibility with relevant international standards; and**
- (d) Singapore's reputation as a trusted international business and financial hub.**

As a start, the new Council would be looking at introducing accounting standards for Small and Medium Sized Enterprises as well as the accounting standards for

Charities. The ASC will track closely the introduction of new International Financial Reporting Standards for possible application in Singapore as well as the local economic and business circumstances and context, and the specific entity to which the FRS would apply.

K. MOBILITY BUSINESS PEOPLE

1. Has there been any noticeable increase in the number of people from APEC member countries working and living in Singapore since July 1, 2004?

Ans: The number of foreign employees has generally increased across nationalities including the APEC countries. We currently have more than 110,000 EP and S Pass Holders working in Singapore

2. Has Singapore made any progress in evaluating the feasibility of the Advance Passenger Information (API) system? If so, could you please describe the progress made.

Ans: Singapore is studying the policy, technical and operational aspects of the system.

3. What progress has Singapore made in enhancing the EP Online system by increasing its functionalities and making it more user-friendly?

Ans: The Ministry of Manpower (MOM) has been continually enhancing the EP Online (EPOL) system. Examples of enhancements to make EPOL more user-friendly include:

a. Previously, for approved applications, applicants needed to separately download the declaration and medical forms from the MOM website. Enhancements were made to allow applicants to print the approval letter together with the declaration and medical forms; and

b. Companies may now check their existing pool of Employment Pass / S pass holders via EPOL.

We are currently redeveloping our EPOL, and the new version is scheduled to be launched in early 2008.

4. Are there any special requirements applicable to specialists working on a temporary basis in Singapore?

Ans: Our mainstream work pass policies are able to accommodate specialists who need to work in Singapore on a temporary basis. We are also flexible in granting work passes to this group.

5. Please describe briefly current policies and procedures governing business temporary residency, including intra-company transfers. Issues addressed may include: any sector specific requirements; streamlined arrangements; service standards for processing applications and extensions of stay

Ans: The Immigration and Checkpoints Authority (ICA) has implemented e-XTEND, a new on-line system that allows eligible foreign visitors to apply for extension of the short term social visit pass via the ICA website (<http://www.ica.gov.sg>). This has been implemented with effect from 1 December 2006. Applicants will then be notified of the outcome after one working day via email or by checking online via e-XTEND.

In addition, MOM currently has an intra-company trainee scheme where Singapore companies could train employees from overseas in Singapore for up to 6 months. We also have a Sponsorship Scheme at the Employment Pass level, where overseas employees are allowed to come and perform specific tasks for the Singapore entity. At the work permit level we facilitate and allow for change of employment between subsidiary companies

6. Please describe briefly current arrangements or mechanisms for information sharing agreements with other Member Economies including the outcome/s of any surveys or evaluations undertaken this year

Ans: Comprehensive and updated information on ICA's services is regularly uploaded onto ICA's website. It is accessible by the public, including persons from Member Economies.

7. Please describe briefly mechanisms for dialogue with business including any regular activities such as surveys.

Ans: Dialogue sessions are regularly conducted with business chambers and industry associations, which comprise both local and foreign businesses, such as the Singapore Business Federation, Singapore Manufacturers' Federation, Singapore Chinese Chambers of Commerce and Industry. These dialogue sessions often have representatives from several government agencies present, to better address the concerns raised, and these issues would subsequently be followed-through by the relevant agencies.

In addition, MOM meets with various industry partners regularly to gather feedback and to communicate new policies. These include the Singapore National Employer Federation, Singapore Human Resource Institute, Singapore Contractors Association, Singapore Hotel Association and National Trades Union Congress. Ad hoc sessions of a smaller scale are also conducted with industry groupings such as the Human Resources Management Congress, Precision Machining Group, Restaurant Association of Singapore, and Singapore Chemical Industry Council.

The ICA also provides a feedback system available on the ICA website, where members of the public, including the business community, can provide feedback.

8. Question from Canada:

- a. As a general comment, Singapore's description of its position: "*Singapore has a very liberal policy towards investors and bona fide businessmen*", seems very broad and general.

Ans: Singapore thanks Canada for its comments.

- b. In addition, a number of Singapore's improvements listed under "Cumulative Improvements Implemented to Date" under the "Section Short Term Business Entry" seem far too detailed and activity-based, rather than what has been accomplished. For example:

- (2004/IAP) -- Singapore had on 19-20 Apr 2004 attended a workshop on APP/API in Auckland, New Zealand to learn about New Zealand's experience in the development and implementation of the APP/API system.

Ans: Singapore is studying the policy, technical and operational aspects of the API system.

- (2005/IAP) -- Singapore attended the immigration Liaison Officer (ILO) workshop was held in Incheon on 21-22 February 2005. The meeting was held with the aim to raise the awareness of the important role and effectiveness of Immigration Liaison Officers in border operations.

Ans: Following this workshop, ICA contributed to the revised paper on the Best Practices of ILO operations, which has since been adopted by the BMG.

- (2006/IAP) -- Singapore also participated in the 2nd Phase of the APEC IEGBM (Informal Experts Group on Business Mobility) Seminar on "Biometric Technology in Machine Readable Travel Documents and Border Applications that was held in Hang Kong from 18 - 20 July 2006. The workshop was organised to allow economies to gain a greater insight into the current and potential benefits of e-passports, biometric matching technology and associated border applications.

Ans: ICA participated in the Seminar both as a participant and as a subject expert. ICA presented on the subject "Benefits of Biometrics for Automated Border Clearance". Apart from this, ICA was also a co-sponsor of the APEC TIL funded capacity building project to produce a guide to Biometric Technology in Machine Readable Travel document. ICA had actively contributed to the drafting of the

Reference Document which was launched in the Department of Immigration and Citizenship office in Melbourne, Australia on 31 August 2007.

L. DISPUTE MEDIATION

1. Apparently, there is no significant development in arrangements on handling disputes between governments and between government and private entities. Why is it so? What are the existing principles and mechanisms? Are such arrangements having sufficient capability to handle cases that arise today? Could you please give some elucidation on cases you have handled, decisions you made, and arguments used to back such decisions?

Ans: There are existing international mechanisms for handling disputes between governments and between government and private entities which can adequately meet the current need. The Permanent Court of Arbitration, which recently signed an agreement to set up a regional office in Singapore, is an example of one such mechanism.

2. Since 2006, Singapore International Arbitration Centre (SIAC) entered into a joint venture with the American Arbitration Association to open a new arbitration centre in Singapore, called the International Centre for Dispute Resolution Singapore. What has been the impact of this policy on dispute mediation? Could you please give some elucidation on cases you have ever handled, decisions you made, and arguments used to back such decisions?

Ans: The ICDRS is a joint venture between the American Arbitration Association and the Singapore International Arbitration Centre, two established arbitration bodies. Parties looking for dispute resolution services from established international bodies which are located nearer markets in Asia can consider turning to the ICDRS. The setting up of this body in Singapore provides an additional level of dispute resolution service to the industry in this region.

3. In relation to various economic cooperation agreements in the form of FTA and RTA, how are disputes between governments handled? How are disputes between governments and private entities handled? How are such cooperation arrangements regulated? Is a special chapter designated for the purpose?

Ans: Under Singapore's Free Trade Agreements with other countries, disputes will be referred to the International Centre for the Settlement of Investment Disputes (ICSID).

4. **Question from Hong Kong, China:**

The information relating to government-to-government disputes is considered factual, clear and in order. Singapore has been mainly utilizing the WTO dispute settlement

procedures to resolve trade disputes between governments. As Singapore has entered into various FTAs, the settlement of disputes between governments would also be referred to the dispute mediation procedures set out in their respective FTAs.

Ans: Singapore thanks Hong Kong, China for its comments.

M. THE APEC FOOD SYSTEM (AFS)

Please highlight the specific actions taken to implement the goals of the AFS which aim to improve the efficiency of food production and trade for the benefit of APEC Economies.

Ans: Under food security, the Agri-Food & Veterinary Authority (AVA) adopts a pro-trade, risk-based approach in the area of food control in line with international guidelines. Only high-risk foods are subjected to safety assessments prior to entry into the market, while lower-risk foods, which form the majority, are placed under post-market surveillance. AVA's risk assessment takes into account (a) the potential or identified hazards, (b) nature of food and incidence of contamination, (c) compliance history of the food and (d) whether the targeted consumers are at-risk population groups. This approach has helped ensure food safety for the consumer while promoting food trade in the market.

N. WTO

1. Does Singapore plan any initiatives to give effect to the Leaders' declaration on the Doha Round negotiations made at Sydney?

Ans: Singapore remains committed to the Doha Round of negotiations and is prepared to work with other Members towards a balanced and ambitious outcome. Through intensive and serious negotiations at the WTO, we are determined to bring the Round to an early and successful conclusion.

O. RULES OF ORIGIN

1. The rules of origin contained in Singapore's various FTAs appear to differ significantly. Some agreements have well defined outward processing provisions; others do not. Is Singapore encountering trade and investment diversion as a result of these differences?

Ans: The rules of origin differ for different FTAs so as to take into account the specificities with each FTA partner, as sourcing patterns of the businesses and sensitivities of the sectors might vary. Notwithstanding, in negotiating our FTAs, Singapore would as far as possible seek to harmonize the rules of origin with those in other concluded FTAs.

Similarly, the provisions on outward processing might differ from FTA to FTA, due to the specificities of each FTA partner.

Questions from PRC

2. When a product that is produced by more than one economy is imported into Singapore with the certificate of origin provided by the export economy indicating that the product has not undergone substantial transformation in that export economy and the origin of the product is a third economy, how does the Customs Administrations determine the origin of the product? Is the third economy origin certificate provided by the export economy acceptable? If not, what kind of supporting documentation is required to verify and determine the origin of the product?

Ans: Singapore Customs does not require any non-preferential Certificate of Origin for the importation of goods into Singapore. However, in the event that we require a CO, we can accept the CO issued by the relevant authorities in that exporting Party.

3. Please explain what kind of rules of origin (change in tariff classification or value added or other criterion) apply to trade remedy measures in Singapore? Do the same rules of origin apply to trade remedy and general trade?

Ans: Singapore has notified the WTO that there are no non-preferential rules of origin applied to imports into Singapore in the context of trade remedy measures.

4. In the implementation of the preferential rules of origin under a FTA, please clarify the customs operation procedures regarding the following cases:

a) In case an FTA originating product is transported directly between FTA parties but invoiced by non-party trader, will Singapore Customs grant preferential tariff to the said product?

Ans: For preferential claims, Singapore Customs will rely on the Certificate of Origin as the main document to grant tariff preference. In our verification of documents, especially in cases where there is suspicion of under-pricing, we may require the importer to explain the rationale for such invoicing.

b) If an FTA originating product has been transported from a non-party, what kind of supporting documentation is required by the Singapore Customs and what authority should provide the supporting documentation?

Ans: In most of our FTAs, originating products must meet the direct consignment rule. Nevertheless, transshipment from a non-Party may be allowed. In this regard, the documents (i.e. commercial or official documents) required may be stipulated in the respective FTAs.

P. FREE TRADE AGREEMENTS

1. Singapore has ten FTAs currently in force. How many are under negotiation but not yet concluded? What is the status of these negotiations? Does Singapore plan to negotiate additional FTAs and, if so, with which economies or countries?

Ans: Since 2004, FTAs have been concluded with India, Jordan, Korea, Panama and Brunei, Chile, and New Zealand in the Trans-Pacific Strategic Economic Partnership (SEP) Agreement; Singapore is currently in negotiations with Canada, China, Mexico, the Gulf Cooperation Council, Pakistan, and Ukraine. Under the ASEAN umbrella, negotiations are under way with Australia and New Zealand, China, India and Japan. Additionally, negotiations for the ASEAN-Korea FTA and Singapore-Peru FTA have been concluded and are expected to be signed in Nov 2007 and in 2008 respectively.

2. Can Singapore provide an estimate the volume of its exports and imports which are conducted under FTAs and the WTO? Can Singapore break down this estimate into preferential and MFN trade with APEC economies?

Ans: Singapore has concluded FTAs with most of its major trading partners, such as the ASEAN, the US, China, Japan, Korea and India. These FTAs collectively account for an estimate of more than 60% of Singapore's total trade with the world.

Appendix Three: Members of the Review Team

Moderator: **Mr CHEN, Xu**
APEC Senior Official for People Republic of China

Experts: **Mr. William Dymond**
Executive Director, Centre for Trade Policy and Law,
Carleton University, Canada

Ms. Sri Adiningsih
Head of Center of Asia Pacific Studies,
Gadjap Mada University, Indonesia

APEC Secretariat: **Ms. Tran Bao Ngoc**
Director (Program)
APEC Secretariat

Appendix four: In-economy visit – schedule of meetings and list of involved agencies

SINGAPORE’S INDIVIDUAL ACTION PLAN PEER REVIEW
IN-ECONOMY VISIT

14-17 APR 2008

PROGRAMME FOR IAP EXPERTS’ VISIT

Day 1: 14 April 2008, Monday

Time/Venue	Agenda	Agency Involvement
09.15 – 09.30 am	5 Min Walk to Ministry of Trade & Industry (MTI) LO: Yuhua (+65-90055465)	MTI
09.30 – 10.00 am Venue: MTI, 8 th floor Conference Room	Welcome and Opening Remarks by Mr Ravi Menon, 2nd Permanent Secretary, MTI	MTI
10.00 – 10.30 am	Tea Break	
10.30 – 12.30 pm Venue: MTI, 8 th floor Conference Room	<u>Session 1</u> Presentation on General Economic Policy	MTI
12.30 – 2.00 pm Venue: 9 th Floor Dining Room	Lunch hosted by 2PS Ravi Menon	
2.00 – 3.30 pm Venue: MTI, 8 th floor Conference Room	<u>Session 2</u> <ul style="list-style-type: none"> • Tariffs • Non-Tariff Measures • Implementation of WTO Obligations Including Rules of Origin 	MTI SC MOF MOT
3.30 – 4.00 pm	Tea Break	
4.00 – 5.30 pm	<u>Session 3</u>	MTI SPRING

Venue: MTI, 8 th floor Conference Room	<ul style="list-style-type: none"> • Standards and Conformance • Customs Procedures 	SC
5.30 – 5.45 pm	Return to Hotel	MTI
6.40 – 7.00 pm	Travel to Singapore Flyer	MTI
7.00 – 7.30 pm	Singapore Flyer Experience	MTI
7.30 – 9.00 pm Venue: Palm Beach @ One Fullerton	Dinner hosted by Director (APEC, Americas, South East Asia) Han Kok Juan	
9.00 – 9.20 pm	Return to Hotel	MTI

Day 2: 15 April 2008, Tuesday

Time/Venue	Agenda	Agency Involvement
08.45 – 09.00 am	5 Min Walk to MTI LO: Yuhua (+65-90055465)	MTI
09.00 – 10.30 am Venue: MTI, 8 th floor Conference Room	<u>Session 4</u> • Services	MTI MinLaw MICA ACRA BCA URA MOT EMA MEWR MCYS MOH MOE IDA
10.30 – 11.00 am	Tea Break	
11.00 – 12.30 pm Venue: MTI, 8 th floor Conference Room	<u>Session 5</u> • Investment	MTI SPRING MOF IDA EDB
12.30 – 2.00 pm Venue: 1827 Thai, Old Parliament House	Working Lunch	
2.00 – 3.30 pm Venue: MTI, Meeting Room 9A	<u>Session 6</u> • Government Procurement • Mobility of Business People	MOM ICA MOF MTI
3.30 – 4.00 pm	Tea Break	
4.00 – 5.30 pm Venue: MTI, Meeting Room 9A	<u>Session 7</u> • Competition Policy • Deregulation/Regulatory Review • Financial Services	CCS MAS MOF MTI
5.30 – 5.45 pm	Return to Hotel	MTI
Free Night		

Day 3: 16 April 2008, Wednesday

Time/Venue	Agenda	Agency Involvement
08.45 – 09.00 am	5 Min Walk to MTI LO: Yuhua (+65-90055465)	MTI
09.00 – 10.30 am Venue: MTI, 9 th floor Conference Room	Session 8 <ul style="list-style-type: none"> • Dispute Mediation • IPR 	MinLaw IPOS MTI
10.30 – 11.00 am	Tea Break	
11.00 – 11.30 am Venue: 2 Nassim Road +65-67349600	Travel to Singapore Institute of International Affairs (SIIA)	MTI
11.30 – 12.30 pm	Call on SIIA	SIIA MTI
12.30 – 1.00 pm	Travel to Ministry of Foreign Affairs (MFA)	MTI
1.00 – 3.00 pm Venue: Ministry of Foreign Affairs (MFA) Contact: Wei Jiang	Lunch hosted by Deputy Secretary (Management) Ho Meng Kit, MFA	
3.00 – 3.30 pm Venue: 30 Heng Mui Keng Terrace	Travel to Institute of Southeast Asian Studies (ISEAS)	MTI
3.30 – 4.30 pm Venue: Director's Meeting Room Contact: <i>Christina Goh</i> +65-67780955 <i>chris@iseas.edu.sg</i>	Call on ISEAS Director Amb K Kesavapany	Dr Lee Poh Onn MTI
4.00 – 4.40 pm	Return to Hotel	MTI
Free Night		

Day 4: 17 April 2008, Thursday

Time/Venue	Agenda	Agency Involvement
10.30 – 11.00 am	Travel to Singapore Business Foundation (SBF)	MTI
11.00 – 12.00 pm Venue: SBF, Keppel Towers Contact: Martin Yuoon	Call on SBF CEO Teng Theng Dar	Martin Yuoon MTI
12.00 – 1.30 pm Venue: TBC	Lunch hosted by SBF CEO Teng Theng Dar	
1.30 – 2.00 pm	Travel to MTI	MTI
2.00 – 3.00 pm Venue: MTI, 9 th floor Conference Room	Wrap-up session by 2PS Ravi Menon	MTI
3.00 – 3.15 pm	Return to Hotel	MTI
Farewell		

** At least one staffing officer will accompany the IAP experts during all official functions, including meals hosted by non-MTI staff.*

List of Singapore Agencies Involved (alphabetical order)

1. Accounting & Corporate Regulatory Authority, ACRA
2. Building & Construction Authority, BCA
3. Competition Commission of Singapore, CCS
4. Singapore Economic Development Board, EDB
5. Energy Market Authority, EMA
6. Immigration & Checkpoints Authority, ICA
7. Infocomm Development Authority, IDA
8. Intellectual Property Office of Singapore, IPOS
9. Ministry of Community Development, Youth and Sports, MCYS
10. Ministry of Education, MOE
11. Ministry of Environment and Water Resources, MEWR
12. Ministry of Finance, MOF
13. Ministry of Health, MOH
14. Ministry of Information, Communications and the Arts, MICA
15. Ministry of Law, MinLaw
16. Ministry of Manpower, MOM
17. Ministry of Trade and Industry
 - APEC Division
 - Economics and Strategy Division
 - Research and Enterprise Division
 - WTO & International Trade Negotiations Division
18. Ministry of Transport, MOT
19. Monetary Authority of Singapore, MAS
20. Singapore Customs, SC
21. Singapore Police Force, SPF
22. Singapore Tourism Board, STB
23. SPRING Singapore
24. Urban Redevelopment Authority, URA

List of Singapore Think Tanks and Business Associations Involved

1. Institute of Southeast Asian Studies, Trade Policy Unit, ISEAS
2. Singapore Business Federation, SBF
3. Singapore Institute of International Affairs, SIIA

