

Supporting the Multilateral Trading System
Country Report: Singapore

OVERVIEW

1. 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.

2. During the recent economic downturn, the WTO and its international trade rules have successfully limited protectionist tendencies, hence contributing to stabilizing the global economic situation. In 2009, Singapore's total trade was severely impacted by the global credit crunch, falling 19.4% as global consumption declined. Nevertheless, there was a slight recovery in 4Q2009 with total trade increasing by 1.2% Q-on-Q. In 1Q2010, total trade increased by 26.9% Q-on-Q.

3. Singapore has benefited from the certainty and stability of the rules-based multilateral trading regime provided by the WTO which has brought greater predictability and security to the conduct of trade among nations. Singapore believes that the success of the global trading system depends on simultaneous efforts to pursue the maximum possible extent of liberalisation on the multilateral, regional and bilateral fronts.

GLOBAL TRADING SYSTEM DEPENDS ON SIMULTANEOUS EFFORTS

Multilateral

4. 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 Rules (anti-dumping and subsidies, including fisheries subsidies). Singapore has actively participated in the negotiations in all areas including NAMA, Services, Rules and Trade Facilitation. Singapore has tabled proposals and made constructive suggestions on ways to move negotiations forward, and conclude a deal of high ambition. With much of the world still slowly recovering from the global economic crisis, it is all the more crucial that protectionist moves are checked. The conclusion of DDA with stronger rules would facilitate this.

5. We will also continue to use current WTO rules and platforms to safeguard our rights and interests. The Dispute Settlement Mechanism is the cornerstone of the rules-based multilateral system of the WTO, providing all members, small and large, with access to a legally binding avenue to settle trade disputes. This is an invaluable asset of the WTO and Singapore will continue to support the Dispute Settlement Body.

6. The development dimension of the Doha Round is important. Singapore supports the objectives of the Aid-for-Trade Initiative (AFT) through, *inter alia*, the Singapore Cooperation Programme (SCP), Singapore's technical assistance programme to developing countries¹. We have been sharing our development experiences with other countries since the inception of the SCP in 1992. As a strong supporter of free trade, Singapore has committed substantial resources to help strengthen the human resource and institutional capacity of developing countries in harnessing trade as an engine of growth and development.

¹ As much as 80% or more of SCP programmes have a direct or indirect contribution to AFT. Through the SCP, Singapore has been organising technical assistance programmes on trade policies and regulations to equip developing countries with the requisite knowledge on trade opportunities and skills to access them. They cover areas such as trade policy and planning, e.g. market access and trade facilitation, trade liberalisation and negotiation, dispute management and anti-dumping; economic infrastructure, e.g. sea and airport management, logistics and distribution, customs management and ICT; macroeconomic reforms and trade liberalisation, e.g. banking, trade financing, enterprise development and competitiveness; and other areas in which Singapore has experience.

Regional

7. 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 2006², 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.

8. ASEAN. A landmark development for ASEAN in recent years was the signing of the Declaration on the ASEAN Economic Community (AEC) Blueprint by ASEAN Leaders, at the 13th ASEAN Summit held in Singapore. The goal of the AEC initiative is to realise by 2015, a single market and production base, with the free movement of goods, services, investment and skilled labour and the freer flow of capital in the region.

9. The AEC Blueprint details economic integration measures that ASEAN Member States are committed to implement, and the timelines they have to abide by. These measures include initiatives like the enhancement of ASEAN's trade in goods, commitments to progressively liberalise trade in services, development of an Intellectual Property Rights (IPR) action plan, and development of a workplan on Competition Policy. In parallel with pursuing internal integration, ASEAN is also working on deepening economic relations with its dialogue partners in the region.

10. APEC. Beyond ASEAN, Singapore participates actively at Asia-Pacific Economic Co-operation (APEC) meetings, which is viewed as a key forum to promote free and open trade and investment in the Asia Pacific region. APEC has continued to deepen regional economic integration and make progress toward the Bogor Goals of free and open trade and investment. In addition to tariff reduction and liberalisation at

² Source: ASEAN Secretariat

the borders, APEC members have also focused their attention on behind-the-border barriers to trade and investment across the region.

11. As host of APEC 2009, Singapore sought to maintain the momentum on Regional Economic Integration in APEC. On the multilateral trading system, APEC Leaders also reaffirmed their commitment to free trade, and to reject all forms of protectionism. APEC also institutionalised a new bi-annual review of economies' adherence to commitments undertaken against protectionism. These reviews will be coordinated by the APEC Secretariat and be based on the WTO Director General's regular reports to the Trade Policy Review Board, as well as reports by other relevant multilateral organisations. They will reinforce the WTO's own monitoring mechanism and serve as another bulwark against protectionist pressures.

12. ASEM. The Asia Europe Meeting (ASEM) partnership structure is an important framework of cooperation uniting Europe and Asia. Singapore believes that ASEM has value as a platform for frank dialogue between Asian and European leaders, and we are committed to further promoting Asia-Europe interaction through the ASEM process.

Bilateral

13. Singapore views its bilateral FTAs as a critical complement to the efforts at the multilateral level. We have ensured that Singapore's FTAs are comprehensive, WTO-consistent, WTO-plus. They are comprehensive in that they cover all aspects of trade, including Goods, Services and Investment. They are WTO-consistent in that elements in the FTAs are based on, and are not in conflict with, WTO rules. They are WTO-plus in that they go beyond existing WTO obligations to achieve a freer and more predictable trading environment.

14. Singapore has signed the following FTAs: New Zealand, Japan, the European Free Trade Association, Australia, the United States, China, Korea, India, Jordan, Panama, Peru, Costa Rica, the Gulf Cooperation

Council, a four-party agreement with Chile, New Zealand, and Brunei (Trans-Pacific Partnership Agreement), ASEAN, ASEAN-Japan, ASEAN-China, ASEAN-Korea, ASEAN-India, and ASEAN-NZ-Australia. Singapore's bilateral agreements have set the stage for broader trade agreements. For example, 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). More recently, Singapore has also embarked on negotiations for the EU-Singapore FTA, as well as expanding the Trans-Pacific Partnership. The high-standard, comprehensive agreements can catalyse further trade liberalisation by binding domestic reforms, and eventually regionalising or multilateralising those liberalisation measures.

* * * * *