

**AGREEMENT BETWEEN JAPAN AND THE REPUBLIC
OF SINGAPORE FOR A NEW-AGE ECONOMIC
PARTNERSHIP**

MEDIA INFO-KIT



Introduction:

- Negotiations for the Agreement between Japan and the Republic of Singapore for a New-Age Economic Partnership (JSEPA) were launched in 22 Oct 00 between the governments of Japan and the Republic of Singapore. This followed the positive recommendation by the Japan Singapore Joint Study Group, which had been tasked to study the proposed FTA.
- Substantive negotiations on key issues were concluded in October 2001 after 12 rounds¹. The text has since been undergoing a process of legal vetting and technical fine-tuning in preparation for the signing of the Agreement. The Agreement will be signed by the Prime Ministers of Singapore and Japan on 13 Jan 2002 in Singapore. We expect the JSEPA to come into force in summer 2002, after the Agreement has undergone the necessary legislative processes in the respective parties.
- The Agreement comprises the following elements:
 - (a) Liberalisation and Facilitation
 - Trade in Goods
 - Rules of Origin
 - Customs Procedures
 - Mutual Recognition Agreement
 - Trade in Services (including Financial, Courier and Telecoms Services)
 - Investment
 - Movement of Natural Persons
 - Government Procurement
 - (b) Partnership and Co-operation
 - Customs Procedures
 - Paperless Trading
 - Intellectual Property
 - Competition Policy
 - Financial Services
 - Information and Communications Technology
 - Science and Technology
 - Human Capital Management and Development
 - Trade and Investment Promotion
 - Development of Small and Medium Sized Enterprises
 - Broadcasting
 - Tourism.

¹ Inclusive of 4 formal rounds at the Chief Negotiators' level.

- It also contains provisions for dispute settlement and the review of the agreement.
- The JSEPA is of special significance to businesses and nationals of both economic regions. Below is a short description of the salient features, and benefits that can be gained under the JSEPA.
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TRADE IN GOODS

- This Chapter builds on the WTO commitments of Japan and Singapore in the area of tariff concessions. With JSEPA, both countries have committed to further eliminate their tariff barriers to trade.
- The Trade in Goods Chapter provides for comprehensive tariff elimination that will reduce cost burdens for Singapore businesses exporting to the Japanese market. Savings from these preferential tariff concessions will make Singapore exports more competitive vis-à-vis other foreign exports to Japan. This will allow Singapore exporters to strengthen current market shares in Japan and will also create new opportunities for producers intending to penetrate the Japanese market. In the long run, such cost incentives will likely attract more businesses to site their operations in Singapore so as to tap on the preferential concessions from the FTA.

SUMMARY OF THE CHAPTER

- There are ten articles in this Chapter which essentially set out the rules governing trade in goods between Japan and Singapore. These rules are based on WTO disciplines and serve to eradicate barriers to trade in goods.
- Specifically, the Chapter commits both countries to grant preferential tariff-free market access to an extensive range of products. It also provides for possible acceleration of tariff elimination or inclusion of additional products for tariff elimination in the future. In addition, each country must ensure that its excise taxes and other charges are not levied in an unjust manner that would result in discrimination against imported products.
- To prevent any possible nullification of preferential tariff concessions, both countries must also conduct fairly the determination of customs value of goods. Furthermore, Japan and Singapore are prohibited from maintaining any export duties that may distort bilateral trade and are obliged to ensure that their non-tariff measures are similarly non-distortive and transparent.
- The individual tariff schedules of Japan and Singapore, which are annexed to this Chapter, consist of each country's commitments in the area of tariff concessions. These schedules stipulate the products that are subject to zero-tariff concessions and the corresponding time frames within which tariffs are eliminated.

SALIENT FEATURES

- This Chapter entails the elimination of tariffs on goods covering 98.5% of current bilateral trade. JSEPA's coverage of zero-tariff concessions is a substantial improvement from the WTO zero-tariff commitments, which currently covers approximately 65% of current Japan-Singapore trade.
- Under JSEPA, Singapore has committed to grant zero-tariff treatment on all imports from Japan as of entry into force of the Agreement, whilst Japan has increased its zero-tariff commitments from the current 34% (under WTO) to 77% of total tariff lines. Out of 6938 zero-tariff concessions accorded by Japan, 6928 will take effect as of entry into force of the JSEPA, while only 10 petrochemical products will be liberalised over a period of time².
- Although Singapore has little economic interest in agriculture (agricultural exports constitute only about 2% of all domestic exports), JSEPA does not exclude any sector from tariff elimination and tariff concessions cover both industrial and agricultural products. Under JSEPA, there is a 14% increase in the number of Japan's zero-tariff commitments with regard to agricultural products, from its commitments in the WTO.

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- Currently, about 84% of Singapore's exports enter Japan tariff-free. As a result of tariff elimination in JSEPA, approximately 94% of Singapore's exports will be able to enjoy zero-tariff treatment. Exporters to Japan will enjoy tariff-free treatment for a wide range of products, in particular, Singapore businesses will benefit from zero-tariff concessions in the following key sectors:

Key sector	Percentage of tariff-free products in the sector after JSEPA
Chemicals & petroleum products	95%
Electrical & electronic products	100%
Plastic products	94%
Pharmaceuticals	100%
Instrumentation equipment	100%
Transport equipment	100%
Fabricated metal products	100%

² Of the 10 petrochemical items, 7 will be subject to equal annual reduction of tariffs starting from 2003 and eliminated in 2010, 2 will be reduced annually starting from 2005 and eliminated in 2010 whilst 1 item will be eliminated with effect from 1 April 2006.

- Some of the products in the key sectors highlighted above currently attract tariffs up to 10%. We expect the elimination of such tariffs to provide greater cost incentive for companies to site their operations in Singapore.
- Given that these tariff concessions lower the costs of exporting to the Japanese market, there is likely to be greater trade creation given that new market access opportunities would be created for Singapore businessmen seeking to expand production for export. It is estimated that potential cost savings from the tariff concessions could grow from about S\$60 million to S\$330 million for Singapore exporters within 5 years after JSEPA comes into force³.

INFORMATION/CONTACT POINT

- For further enquiries, interested parties can write to:

Singapore Trade Development Board
230 Victoria Street
#09-00 Bugis Junction Office Tower
Singapore 188024
Tel: (65) 337 6628
Fax: (65) 337 6898

- An information booklet detailing the product codes of the products subject to tariff preferences will subsequently be available from the Singapore Trade Development Board/ Ministry of Trade and Industry. This booklet will also contain details of the rules governing determination of origin, and the criteria under which a product would qualify as a good entitled to the tariff concession.

³ The estimates are derived from an extrapolation of the export trends for the individual products subject to tariff concessions (Source: MTI)

RULES OF ORIGIN

- Rules of origin (ROO) identify the “nationality” of a product. In the context of the JSEPA, they ensure that only Singaporean or Japanese products enjoy the tariff preference negotiated under the Agreement.
- The JSEPA ROO are negotiated taking into consideration current and future production trends in Singapore. Most notably, the ROO acknowledge the unique production pattern of Singapore whereby certain stages of the production of the goods are outsourced to lower cost centres (ie. parts and components are shuttled to and from Singapore at various stages of production).
- Each product has one corresponding specific rule of origin. However, we have obtained additional flexibility for 264 products of interest to Singapore. Each of these 264 products has two alternative specific rules. As such, many of our companies would be able to take advantage of the JSEPA and export products manufactured in Singapore to Japan under preferential tariff rates.

SALIENT FEATURES

- This Chapter sets out:
 - (a) the origin criteria that identify products manufactured in Singapore for tariff preferences, and
 - (b) the documentary requirements to claim such preferences.

(a) Origin Criteria

Products are divided into two categories:

(i) Wholly Obtained Products

Wholly obtained products mainly refer to commodity products, such as orchids grown in Singapore. Such products are automatically accepted as originating in Singapore.

(ii) Manufactured Products

Most of the products of export interest to Singapore belong to this category, ie. the products are manufactured in Singapore from materials, components or parts. Examples of these products are:

- (a) petroleum refined in Singapore from imported crude oil, and
- (b) hair dryers assembled in Singapore from both imported and locally produced components and parts.

These products will be considered originating in Singapore if they meet the product-specific rules in the Agreement.

(1) General rule – change in tariff classification (CTC)

Essentially the ROO require that the products be substantially transformed in Singapore. Such transformation is deemed to have occurred if there is a change in tariff classification (CTC).

The Harmonized System of Classification categorizes products into chapters (2-digit), headings (4-digit) and subheadings (6-digit). The CTC rule in the JSEPA requires the final product to have a different 4-digit heading from the materials used in its production.

For example, motor spirit is refined in Singapore from imported crude oil. The final product, motor spirit (HS 2710), has a 4-digit heading different from that of the raw material, crude oil (HS 2709), used. Thus, the motor spirit is considered a Singapore product and can qualify for preferential tariff treatment when exported to Japan. There are some variations to this rule.

(2) Additional flexibility – value-add

For 264 products of interest to Singapore, they will also qualify for preferential tariff treatment if their Singaporean content is at least 60% of the selling price. Manufacturers that source inputs from overseas can include the Japan or Singapore component of these inputs towards the 60%.

(b) Documentary Requirements

The JSEPA also sets out a set of administrative procedures for the implementation of the ROO. We have negotiated rules that are easy to implement, trade facilitating and at the same time ensure no possibility of “backdooring”.

- Certificate of Origin (CO) – A Japan importer of a Singapore originating product has to produce a CO issued by the Singapore Trade Development Board (TDB) as proof of the Singapore origin of the product when claiming preference tariff treatment. This tight system of certification will prevent circumvention of the JSEPA by products from third countries.
- Advance Ruling – Japan has a system of advance ruling that enables Japan importers and Singapore exporters to obtain clarification as to whether their

products can be considered originating in Singapore. This system offers greater certainty for the businesses and helps them to better plan their production.

- Origin Verification – Singapore will assist Japan in verifying whether an exporter has accurately declared a product as Singapore origin.

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- The benefits obtained are as follows:
- The JSEPA ROO take into account operational patterns of companies in Singapore, including the shuttling of parts and components to and from Singapore during various stages of production. For 264 products of interest to Singapore, all value-adding activities conducted in Singapore and Japan can be counted towards Singapore origin.
- The total tariff savings from the 264 products of interest to Singapore amount to more than S\$20 million annually. Based on Singapore's domestic exports to Japan in 2000, the 264 products account for approximately 68% of total domestic exports to Japan. This estimation is based on year 2000 domestic export figures. Most of our remaining domestic exports already enter duty-free into Japan.
- The 264 products also include 40 chemical products which currently attract applied tariff rates of 2.2% - 7.9%. The chemical sector is a key growth sector in Singapore. Now, with duty-free access to the Japanese market under the JSEPA for these 40 key chemical products, chemical companies will find it even more competitive to site their operations in Singapore.

INFORMATION/CONTACT POINT

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DID: 433-4603

CUSTOMS PROCEDURES

- Traditionally, tariffs have been viewed by many, as barriers to the liberalization of trade in goods. However, with the elimination of tariffs upon entry in force of the JSEPA, there is still a need to have good Customs Procedures to ensure the free movement of goods traded between both Parties. Without good Customs Procedures, it would increase compliance costs and diminish the benefits that are accrued to the tariff elimination.
- The Customs Procedures Chapter is included in the JSEPA to facilitate the trade flow between the two Parties. It aims to complement the trade in goods through simplification of customs procedures to achieve a free and open trade.

SUMMARY OF THE CHAPTER

- This chapter is concluded under the JSEPA to cover the Customs procedures required for clearance of goods traded between both countries, with the objective of facilitating trade in goods between the Parties by improving the customs procedures of each Party.
- The Chapter commits both countries to improve customs clearance of goods in the two countries, through more extensive use of information and communications technology, simplification of customs procedures, and use of modern management tools such as risk management for cargo clearance processes.

SALIENT FEATURES

- The Chapter has the traditional facilitative and co-operative commitments of a Customs Agreement.

Example of facilitation elements

- Both Customs Administrations agreed to continuously improve their clearance procedures. Under the Agreement, both Customs Administrations would fully explore the use of information and communications technology in their customs procedures and to share their best practices.

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- The benefit to our traders is faster turnaround time which would lower compliance costs on the Customs regulatory requirements. With the simplification of the customs procedures, use of risk management and the

extensive use of information and communications technology, customs clearance and inspection procedures would be faster and more effective.

Other Derived Benefits

Exporters will benefit from the good Customs rules and procedures that are applicable in both the countries which will enhance market access opportunities and reducing costs and complexity in customs procedures and requirements.

With good efficient customs procedures, it would support logistics operators in their time critical services for products such as perishable goods or “just-in-time” inventory.

INFORMATION/CONTACT POINTS

- Interested parties who wish to know more about the arrangements between the two Customs Administrations could contact the Customs and Excise Department (CED) by fax or email:

Mailing Address

Customs & Excise Department
55 Newton Road, Revenue House, #10-01,
Singapore 307987
Fax : 250 8663

EMAIL: Ced_feedback@ced.gov.sg

PAPERLESS TRADING

- It is recognised that the adoption of electronic transfer of information and documents (referred to as "paperless trading" in this Chapter) would enhance the efficiency of trade information flow and documentation exchange. This Chapter is therefore included in the JSEPA to encourage and facilitate "paperless trading" as an alternative to paper-based methods.

SUMMARY OF THE CHAPTER

- This chapter sets out the areas of co-operation between Japan and Singapore and the commitment by Japan and Singapore to encourage and facilitate "paperless trading".

SALIENT FEATURES

- The trade regulatory bodies would work towards fully replacing the current paper-based trade documents submitted as supporting documents with electronic version of the same documents transferred between importers and exporters in Japan and Singapore.
- Japan and Singapore will also encourage co-operation between their private entities in activities related to "paperless trading". This include enterprise efforts in the provision of such conduits/infrastructure to support "paperless trading".
- Japan and Singapore would establish a Committee comprising senior officials and relevant private entities to promote paperless trading in general, and to review, not later than 2004, how to implement it.

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- This chapter allows interested parties to participate as a part of the Committee and to co-operate with interested private entities of Japan in activities related to paperless trading. Service providers in Singapore will be exposed to opportunities to work with their counterparts in Japan in providing the necessary conduits for electronic information and document exchange.
- When fully implemented, traders will be able to do away with the need to submit paper-based supporting documents to the regulatory bodies for permit application and clearance of cargo.

INFORMATION/CONTACT POINTS

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MUTUAL RECOGNITION

- The Japan-Singapore MR on conformity assessment provides for the mutual recognition of test results and certification by recognised conformity assessment bodies in both countries. With the MR, manufacturers and exporters can simply send their products to local conformity assessment bodies for testing and certification without having to undertake duplicative testing and certification of products in the importing country.
- The MR will benefit each country's manufacturers and exporters of electrical/electronic products as well as telecommunications equipment by reducing potential time lags and cost burdens. Furthermore, by obviating the need for products to be tested by foreign conformity assessment bodies, manufacturers and exporters are likely to encounter less procedural delays due to language differences. Cost savings and shortened product dissemination time will make our businesses more competitive, thus creating greater market access and opportunities for them.

SUMMARY OF THE CHAPTER

- The Chapter comprises thirteen articles that delineate the general framework of how the MR will function. It stipulates the fundamental obligation for both countries to recognise testing and accept certification done by each other's designated conformity assessment bodies without re-testing or re-certification.
- There are also disciplines to govern the activities of both countries' designating authorities and their designated conformity assessment bodies under the MR. In particular, the Chapter provides for stringent monitoring and verification procedures by the designating authorities to ensure integrity of their designated conformity assessment bodies.
- The Chapter also establishes a Joint Committee which will be responsible for overseeing the effective implementation of the MR as well as the possible expansion in scope of the MR chapter to cover more sectors.
- There are two Sectoral Annexes on Electrical and Electronic (E&E) products, and telecommunications equipment attached to the Chapter. The Sectoral Annexes essentially set out the applicable laws, regulations and administrative guidelines, and the list of designating authorities in respect of both countries' E&E and telecom regimes. Designated conformity assessment bodies in the exporting country must be able to test and certify

exports for compliance with the importing country's laws, regulations and administrative provisions stipulated in the Sectoral Annexes.

SALIENT FEATURES

- The Chapter commits Japan and Singapore to recognise the test results and accept the certificate of conformity issued by each other's designated conformity assessment bodies, with respect to the E&E products as well as the telecommunications equipment. In practice, this means that Singapore's exports of electrical and electronic, and telecommunications equipment to Japan can now be tested and certified without duplicative testing or certification in Japan, and vice versa.
- The MR between Singapore and Japan is of the same level as Japan's MR Agreement with the EU, which is the mutual recognition of conformity assessment (testing and certification) results. Singapore is the second country to conclude a MR Agreement with Japan after the EU. The Japan-Singapore MR will come into effect together with the entire JSEPA.
- In view of working towards a possible MR in the area of pharmaceuticals, both sides also agreed to embark on a cooperative work program which includes exchange of inspection reports and technical information on product recalls issued by the two governments. Similar forms of cooperative work programs had been adopted by Japan with the US, the EU and Australia. Such cooperation would not only accord greater protection of public health for both countries, but would also deepen the understanding of each country's technical standards. Japan and Singapore have also agreed to conduct triennial reviews to consider a future MR on pharmaceuticals.

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- E&E and telecom products have long been key components of our trade. Japan-Singapore trade in E&E products and telecom equipment alone was valued at S\$42.3 billion (i.e. 73% of total Japan-Singapore trade) in 2000. Exemption from duplicative testing and certification is expected to entail substantial cost savings and shorter time-to-market, thus giving further impetus to such current high trade levels.
- There will be immediate cost savings for E&E and telecom industries as unnecessary testing and certification are eliminated. Based on current average testing and certification costs in Japan, our exporters stand to save up to S\$5,000-10,000 per equipment if testing and certification of E&E products in Japan are eliminated. Removal of testing and certification for telecom equipment in Japan will also result in cost savings ranging from

about S\$1800 to as high as S\$12,000 per equipment. Such cost savings will render Singapore exports more competitive vis-à-vis exports from other countries, hence allowing our exports to gain larger share in the Japanese market in the future.

- With the MR, our exports need only to be tested once in Singapore and will be able to enter the Japanese market directly. This will result in the removal of duplicative testing and certification procedures in Japan, which currently take about 4 weeks for E&E products and 15 days for telecom equipment on average. As such, exporters to Japan will be able to enjoy accelerated time-to-market that would likely range around 2 weeks. Shorter product dissemination time is particularly important for E&E and telecom products which have increasingly shorter product cycles. Even a short delay in market introduction can cut significantly into the potential shelf life of a product.
- At the same time, importers of Japanese E&E products into Singapore can expect to benefit from lower registration costs (down from S\$280 to S\$180) and the elimination of registration time lag (accelerated from 3 weeks to immediate). Local dealers importing telecom equipment from Japan into Singapore will also enjoy approximately 72%-95% cost savings and 80% time savings in respect of registration.
- The MR will entail more frequent exchanges and updates between Singapore and Japan in terms of regulatory requirements. As such, manufacturers could be better informed during the early stages of product design to ensure that their products comply with Japan's regulatory requirements. Moreover, such technical cooperation could also help promote harmonization or establishment of common standards in the area of testing and certification between both countries in the long run. This will reduce certification-related problems and will enhance Singapore exporters' market access opportunities for E&E and telecom equipment.

INFORMATION/CONTACT POINTS

For further enquiries, parties could write to:

Singapore Trade Development Board
Market Access (WTO/FTA/OECD) Division
230 Victoria Street #09-00
Bugis Junction Office Tower
Singapore 188024
Fax: (65) 337 6898
URL: www.stdb.com

Parties interested in taking advantage of the Japan-Singapore MR could apply to the following agencies:

- (1) For electrical and electronic products:

Singapore Productivity and Standards Board
Consumer Product Safety Department
1 Science Park Drive
Singapore 118221
Fax: (65) 778 1315
URL: www.safety.org.sg

- (2) For telecommunications equipment:

Assistant Director
Terminal Equipment and Facility Management Department
Infocomm Development Authority of Singapore
8 Temasek Boulevard
#14-00 Suntec Tower 3
Singapore 038988
Fax: (65) 211 2218
Email: typeappr@ida.gov.sg
URL: www.ida.gov.sg

TRADE IN SERVICES

- The Services Chapter builds on what has been accomplished at the multilateral level. Both countries have substantially improved their market-opening commitments. The Chapter affords Singapore service suppliers enhanced market opportunities and also provides assurance that Japan will not impose additional barriers on Singaporean services which are already being marketed to Japan.
- The domestic services sector can tap on the increased and preferential opportunities in order to expand. We expect the services sector to create more investment and jobs not only by expanding business with Japan, but also because MNCs are likely to invest in Singapore in order to take advantage of the FTA to penetrate the Japanese market.

SUMMARY OF THE CHAPTER

- The Chapter consists of fourteen articles that prescribe the general disciplines governing trade in services between Japan and Singapore. These disciplines are based on international WTO-standards. In particular, Singapore suppliers are not only given market access to the Japanese market, but are also assured that they will be given the same treatment that the Japanese government gives to Japanese suppliers. There are also disciplines to govern Japanese authorities when they set domestic regulations, and government-sanctioned monopolies.
- The sectoral commitments form the core of the obligations undertaken by each country. These commitments identify the services sectors for which it agrees to offer market access and national treatment. In addition, additional disciplines for financial services and telecommunications services are imposed through two separate annexes.

SALIENT FEATURES

- The Chapter liberalises trade in services by expanding commitments significantly beyond what both countries had ever done. In terms of the sectors covered, Japan expanded its commitments to 135 services sectors (86% of a total of 157 sectors), while Singapore expanded its commitments to 139 sectors (88.5%). This is significantly beyond each country's WTO commitments, where Singapore and Japan committed 61 and 103 sectors respectively. These commitments distinguish between the various modes that services can be supplied, for example, through the Internet, or by setting up a company in Japan.

- These committed sectors are subjected to market access, national treatment and domestic regulation disciplines. In essence, this means that a country cannot impose additional market access restrictions for these sectors, must accord the same treatment to both local and foreign service suppliers, and must impose measures in a manner that is reasonable, objective and impartial. In addition, there are also provisions against companies that engage in anti-competitive practices. Either country can be taken to task if it is found in breach of these disciplines.

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- The Japanese services market is huge. In 2000, the services sector accounted for 70.1% of the country's gross domestic product (GDP)⁴. With Japan's GDP of around S\$ 8.2 trillion in 2000⁵, the services market is worth almost S\$5.7 trillion. However, it has generally been regarded as one of the more difficult markets for foreign companies to penetrate, evident from its relatively low level of external trade in services and inward foreign direct investment. In 2000, Japan's imports of commercial services is only about S\$199 billion (3.5% of total Japanese services market), and exports of commercial services about S\$117 billion⁶ (2% of total services market). Inward foreign direct investment in the non-manufacturing sector in 2000 was only about S\$ 37 billion⁷. This was only 0.6 % of the total services sector.
- The services sector is very important to the Singapore economy (64.2 % of GDP⁸). Services exports also make up a key component of our trade. We exported about S\$ 47 billion of commercial services in 2000. This made us the world's 15th largest services exporter in 2000. Such exports have strong multiplier effects on our economy. Each \$1 million increase in services exports from Singapore will generate about S\$ 1.4 million in terms of domestic business⁹.
- The Chapter will guarantee Singaporeans greater access into the Japanese services market compared to that from any other country. The benefits of the FTA will extend to citizens, PRs, local companies, and MNCs as long as these companies have substantive business operations in Singapore.

⁴ The Economist Intelligence Unit, *Country Commerce Japan* (July 2001).

⁵ The Economist Intelligence Unit, *Country Report Japan* (July 2001). Converted into S\$ using average exchange rate in 2000 (S\$1.72 per unit of US\$)

⁶ World Trade Organisation, *International Trade Statistics 2001*. Converted into S\$ using average exchange rate in 2000 (S\$1.72 per unit of US\$).

⁷ Ministry of Finance, Japan. Converted into S\$ using average exchange rate in 2000 (S\$1.6 per 100 units of Japanese yen).

⁸ Ministry of Trade and Industry, *Economic Survey of Singapore 2000*.

⁹ Department of Statistics, 1990.

- With the JSEPA, Singapore service suppliers will now be able to supply a broad range of services to the Japanese market. Services sectors that Japan has committed include professional services, construction services, computer services, distribution services, telecommunication services, financial services, and transport services. There will be transparency in the regulations governing committed sectors, and certainty in the trading environment. In short, the Chapter defines a level playing field for Singapore suppliers interested in competing in the Japanese market.
- In particular, Singapore companies can take advantage of improved commitments by Japan in the following sectors:
 - a) Maritime transport: Japan has committed international transport of freight and passengers, which means that Singapore-based shipping companies are free to call at Japanese ports. Japan has also made commitments for maritime freight forwarding and non-discriminatory access to inland transport services (internal waterways transport, rail and road transport). With these enhanced commitments from Japan, Singapore shipping companies are now assured of unrestricted access to the world's second most important maritime nation¹⁰. Japan's seaborne cargo volume in 1999 amounted to 850.85 million tonnes, accounting for 16.7% of the world's seaborne cargo volume¹¹. In addition, Singapore shipping companies can also provide integrated logistics services, such as trucking, and delivery of the cargo which they have carried. Our companies in the maritime and logistics sectors will be able to benefit from this enhanced commitment.
 - b) Testing and analysis services: Japan has also committed its technical testing and analysis services for manufactured goods, a sector that Japan did not commit at the WTO. This sector has high economic potential given the enormous size of Japan's manufacturing sector, and Singapore companies can make use of the enhanced market opportunity to penetrate this market.
 - c) Research and Development services: In 1999/2000, Japanese companies spent S\$260 billion on R&D¹². At the WTO, Japan has committed R&D services on social sciences and humanities. Japan expanded on its scope of commitments in the JSEPA, and included R&D services on natural sciences as well as interdisciplinary R&D services. These additional commitments mean that Singapore companies wanting to participate in the R&D market can do so. The Japanese government has agreed not to

¹⁰ United Nations Conference on Trade and Development (UNCTAD), *Review of Maritime Transport* (2000).

¹¹ Maritime Bureau, Ministry of Land, Infrastructure and Transport, Japan.

¹² Japan Statistics Bureau, *2001 Survey of Research and Development*. Converted in S\$ using average exchange rate in 2000 (S\$1.6 to per 100 units of Japanese yen)

limit the activities of Singapore R&D companies, or impose regulations that would discriminate against them.

- d) **Medical and Dental Services:** In 2000/2001, Japan spent a total of S\$ 466 billion on medical care. It is ranked 6th in the world in terms of medical care expenditure per head¹³. With its rapidly ageing population, healthcare expenditure in Japan has been increasing in recent years. The Japanese government has opened up this huge market for foreign capital investment.
 - e) **Education Services:** In 1998, Japan spent about S\$487 billion on education, science, sport and culture (6% of Japan's Gross National Product)¹⁴. Japan has committed in the JSEPA child day-care services and other education services, which would allow Singapore companies to venture into the Japanese market providing education services in areas like early childhood education, information technology, corporate training, and industry-related training like packaging design centres.
- Market opportunities for financial services, courier and telecommunications services will be discussed separately.

HOW DO YOU TAKE ADVANTAGE OF THIS AGREEMENT?

Interested parties could apply to

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230 Victoria Street #09-00
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Tel: (65) 337 6628
Fax: (65) 337 6898
URL: www.stdb.com

¹³ The Economist Intelligence Unit, *Country Profile Japan* (March 2001). Converted in S\$ using average exchange rate in 2000 (S\$1.6 to per 100 units of Japanese yen)

¹⁴ Ministry of Education, Culture, Sports, Science and Technology, Japan. Converted in S\$ using average exchange rate in 2000 (S\$1.6 to per 100 units of Japanese yen)

FINANCIAL SERVICES

- Singapore and Japan have enjoyed strong financial relations. The JSEPA builds on these ties by establishing an official platform for both countries to enhance bilateral co-operation to promote financial sector and capital market development. Strengthening financial sector linkages between the two countries would be one of the most significant benefits of the JSEPA.
- Under JSEPA, both countries have also committed enhanced market opening measures that build on the benefits of the multilateral trading system. These commitments would expand trade in financial services and improve the competitive business environment in both countries.

BENEFITS FROM FINANCIAL SERVICES COOPERATION INITIATIVES

- The co-operation initiatives under JSEPA aim to create an environment that will encourage financial institutions and other market players from both countries to collaborate for their mutual gain. Such collaborations could enhance and open up new business opportunities in the area of financial services for both Singapore and Japan. Both businesses and consumers would benefit. The JSEPA would also provide a useful framework for enhanced regulatory co-operation to meet the challenges posed by increased globalisation and technological advancements as well as to improve the market infrastructure between both countries. These benefits would be significant into the longer term.
- The following are the main cooperation initiatives in financial services :

Securities Market Mutual Assistance Agreement

- Japan's Financial Services Agency (JFSA) and the Monetary Authority of Singapore (MAS) have agreed to provide mutual assistance in the securities markets, to facilitate the enforcement of securities laws in the two countries. This cooperation will also increase the scope for both regulators to work together in promoting sound, efficient and dynamic capital markets in their supervision of cross border capital market activities.

TSE-SGX Strategic Initiative

- On 1 Oct 2001, the TSE and the SGX announced plans to pursue a strategic alliance aimed at broadening distribution and enhancing the liquidity of products traded on both markets. The two exchanges would explore initiatives relating to cross access arrangements for the co-trading and clearing of products listed on both exchanges, new product development,

marketing, information technology development and information sharing. Singapore welcomes the growing ties between the SGX and the TSE. Strategic alliances between the two exchanges would yield benefits to investors and intermediaries in both countries by broadening the range of available products and boosting liquidity for existing products.

Joint Committee on Financial Services Cooperation

- Singapore and Japan have agreed to establish a Joint Committee on Financial Services Cooperation. This Committee will meet once a year to review the progress of cooperation initiatives agreed to under JSEPA, and to explore further areas for cooperation. At these annual meetings, the Monetary Authority of Singapore will discuss with relevant counterparts in Japan a broad range of issues. These could include regulatory issues resulting from cross border activities and private sector collaborations, supervisory responses to the internet and other technological advances, as well as ways to improve clearing and settlement efficiency across the two countries to reduce such costs for businesses and individuals.

Joint Technical Assistance Project

- Singapore and Japan share mutual interests in the development of capital markets in Asia. We plan to work on a joint technical assistance project to conduct workshops in the area of cross-border capital flows and the development of bond markets.

Bilateral Swap Arrangement

- In view of the shared interest in enhanced bilateral co-operation in financial services under JSEPA, Singapore and Japan will explore the possibility of starting negotiation on a bilateral swap agreement between the two countries under the Chiang Mai Initiative of the ASEAN+3 Finance Ministers Process. The Chiang Mai Initiative includes a network of bilateral financing arrangements among ASEAN countries, China, Japan and the Republic of Korea, aimed at enhancing economic and financial stability in the region.

BENEFITS FROM JSEPA MARKET OPENING COMMITMENTS

- The JSEPA will guarantee a more level playing field for Singapore financial institutions interested in expanding in the Japanese market. Japan has committed to provide Singapore financial institutions with greater access to its market than it had previously committed at the WTO. Japan has also promised more transparency in government regulations.

- Japan liberalised the management of its public pension funds in April 2001, and has committed this in JSEPA for Singapore investment advisors. Japan has also committed to allowing our investment trust managers to set up as branches in Japan, rather than as subsidiaries. This would reduce the set up costs for Singapore trust managers who are keen on establishing a market presence in Japan. In addition, Japan will remove the restrictions to its automobile third party liability reinsurance market from April 2002.

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INFORMATION & COMMUNICATIONS TECHNOLOGY

- The Japan-Singapore Free Trade Agreement (FTA) or Economic Partnership Agreement (JSEPA) comprises a significant ICT component. This reflects the growing importance of ICT trade between Japan and Singapore.
- In 2000, Japan contributed to 20.4 per cent of Singapore's overall ICT imports from the world while 8.3 per cent of Singapore's ICT exports went to Japan. Compared to 1999, growth of ICT exports to Japan rose by 29.7 per cent, while ICT imports from Japan expanded by 30.4 per cent in the year 2000. In 2001, the downturn in electronics demand, as well as the slowdown in the global economy took its toll on Singapore's external trade. As a result, in Jan-Nov 2001, growth of ICT exports to Japan contracted by 5.2 per cent, while ICT imports from Japan declined by 28.9 per cent.¹⁵
- Nonetheless, the previous years' growth, together with the business benefits derived from the successful negotiation of the JSEPA, spells good news for ICT businesses in Singapore while providing them with a bright spot as they ride out the present economic downturn.
- In relevance to today's Internet Age, the JSEPA has also achieved new ground in areas of cooperation that fuels e-Commerce growth.

JSEPA'S ICT BUSINESS BENEFITS

- 1) **Better market access in Japan for Singapore-based businesses supplying ICT products and services**
 - a) For the first time, Japan has committed to opening its market to courier operators. Courier operators in Singapore can now offer pick-up, transport, delivery, sorting, conveyance and distribution of services in Japan for packages and parcels.
 - b) Japan has increased its foreign equity limit on the domestic telecommunications incumbent, Nippon Telegraph and Telephone Corporation (NTT) from 20 to 33 per cent, making Singapore the first country in the world to enjoy this privilege in a trade agreement.

¹⁵ Based on TDB calculations for calendar year import-export data for ICT goods.

- c) Despite the fairly liberalised state of trade for Singapore and Japan, under the JSEPA, an additional 21 ICT products will be able to enter Japan tariff-free. ICT businesses in Singapore are expected to save S\$850,000 annually due to this improvement.
- 2) **Familiarity with business environment and a more level playing field for businesses dealing in Telecommunication Services**¹⁶
- a) Suppliers of telecommunication services in Singapore and Japan will now find it easier to obtain interconnection services in either country¹⁷:
 - i) Not only will there be a general obligation on the relevant regulatory authorities to ensure interconnection, but the JSEPA will also provide for additional certainty with regard to locating and installing interconnection equipment.
 - ii) Both countries will also require major telecommunications suppliers in their markets to provide a Reference Interconnection Offer (RIO)¹⁸. The RIO will need to be approved by the relevant authorities and will provide greater business operating certainty to Singaporean telecommunication suppliers seeking to interconnect with major telecommunication suppliers in Japan. The JSEPA goes further on to specify that RIOs must include information to suppliers on interconnection services offered, cost-based pricing, operational and technical requirements on foreign operators as well as reasonable timeframes for commencement of interconnection services.

¹⁶ The JSEPA will incorporate an Annex on Telecommunications services. Recognizing the specificities of the telecommunications services sector, the Annex supplements the trade provisions on market access for telecommunications by elaborating on measures which are relevant or which affect access to and use of telecommunications services. It is based upon, and is wholly consistent with the Infocomm Development Authority of Singapore's (IDA) Code of Practice for Competition in the Telecommunications Sector.

¹⁷ In order for a Singaporean operator to supply telecommunications services in the Japanese market, it needs to interconnect its equipment to the local network of an incumbent Japanese operator or build its own network at considerable expense.

¹⁸ A RIO generally refers to a standard interconnection offer containing a comprehensive statement of the prices, terms and conditions on which a telecommunications supplier (usually a major supplier with significant market power) is prepared to provide interconnection related services to other telecommunication suppliers seeking to interconnect their equipment and networks with the former.

- b) Japan and Singapore will ensure that major suppliers of telecommunication services cannot discriminate against other suppliers nor engage in anti-competitive activities such as predatory pricing or price squeezes.

3) Lower technical/ technology barriers to ICT trade

Japan and Singapore will now recognise each other's telecommunications conformity assessment systems so that businesses benefit from faster time-to-market and reduced costs. In particular, Singapore companies exporting telecommunication equipment to Japan need not submit their equipment for additional testing in Japan as long as they are tested in Singapore by test labs accredited and recognised by Japan. The good news to Singapore companies is that they will enjoy cost-savings of between S\$1,800 to S\$12,000 [per equipment] from not having to re-test their equipment in Japan. They will also be able to gain immediate entry into the Japanese market with time-savings of about 2 weeks, which would have been the time needed to re-test in Japan.

4) Additional Recourse to Dispute Settlement

ICT Suppliers in Japan and Singapore will have greater opportunities to resolve the trade related problems encountered when entering either market. The JSEPA provides for recourse to dispute settlement procedures when either side believes that they have been subjected to measures, which are inconsistent with the obligations in the JSEPA. ICT suppliers can approach their respective Governments for advice on possible avenues for redress.

5) Catalyse e-Commerce growth and further ICT cooperation

- a) Japan and Singapore will now enhance the inter-operability of each other's Public Key Infrastructure (PKI) systems to achieve:-
 - Legal recognition of certified digital signatures in both countries
 - Faster accreditation of Certification Authorities¹⁹
 - Greater online security

¹⁹ Certification Authorities are organisations that issue certificates for the purpose of supporting digital signatures by confirming the identity of the person who created it.

- b) Singapore IT Project Managers who have been certified under Singapore's National IT Skills Certification Programme will be recognised as having qualifications equivalent to Japanese IT Engineers who have taken Japan's IT Engineers Examination. As such, they will no longer have to pay the examination fees nor sit for the examinations which are conducted in Japanese.

- c) The agreement has fostered cooperation with the private sector. In particular, Singapore's Commerce Trust Pte Ltd has signed two Memoranda of Understanding with the Japan Computer Communications Association and the Japan Information Processing Development Corporation to explore the possibility of mutually recognising each organisation's personal data protection marks.

- d) Aside from the above, the JSEPA will also see both sides sharing information and exploring further cooperation in other areas such as interactive broadband multimedia services; the development of advanced telecommunication networks; e-Government; postal services and at various international fora.

- e) The JSEPA further includes the formation of a joint committee to oversee implementation of the specific areas of cooperation and to discuss any other additional cooperative issues that may arise from time to time.

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INVESTMENT

- Investments have played, and will continue to play, an important role in Singapore's economic development. Singapore's position is, therefore, best served by maintaining an open economy with minimum restrictions on the free flow of capital, goods and services. The Chapter on Investment under the JSEPA, which contains comprehensive provisions on investment promotion and protection, aims to foster an open international environment for cross-border investment, minimize restrictions, strengthen protection of investments and provide access to each other's markets.
- Japan is a key investor in Singapore. The provisions in the Investment Chapter will increase Singapore's attractiveness as an investment location to Japanese investors as the investment regime and protection for Japanese investments will be enhanced. In addition, since the chapter also serves to encourage mutual investment flows between Japan and Singapore, it will also encourage Singapore investments into Japan to access its market and leverage on its technological progress

SUMMARY OF THE CHAPTER

- The chapter consists of nineteen articles that prescribe the general disciplines governing the investment regimes in Japan and Singapore for investors from both countries. As the aim of the Investment Chapter is to create favourable conditions for bilateral economic activities and to stimulate bilateral investment flows between Japan and Singapore, the chapter focuses on two key elements, comprising of provisions on (i) investment promotion, and (ii) investment protection.
- The chapter is comprehensive in terms of scope of coverage and depth of disciplines. It covers the various stages of investment, ranging from the pre-investment stage to the post-investment stage. Investors who can benefit from this chapter are also not limited to only nationals of Singapore or companies owned by Singaporeans but include permanent residents and enterprises with substantive business operations in Singapore. In addition, in terms of concessions, which are premised on a negative list approach, Japan and Singapore have listed a total of 21 reservations (12 reservations for Japan, covering about 20 industries and 9 for Singapore). Except for these limited areas, investors from both countries will enjoy the liberal investment regimes that both countries will be binding under the chapter.

SALIENT FEATURES

- The disciplines provided for under this chapter are comprehensive and include both the traditional disciplines of investment agreements like

national treatment, expropriation and compensation, as well as more advanced provisions such as prohibition of performance requirements and access to investor-to-state dispute settlement. The salient features of this chapter include:

Who is covered?

- (a) **Beneficiaries**: The chapter covers investors who are nationals of Japan or Singapore and enterprises that are owned or controlled by nationals. In respect of Singapore, permanent residents of Singapore who are investors are also included as beneficiaries under the JSEPA. In addition, the chapter also covers enterprises constituted in either Japan or Singapore, which are owned or controlled by non-Singaporeans/Japanese and engaged in substantive business operations. This latter point is important for Singapore as it enhances our role as a hub from which MNCs can invest in Japan.

What is covered?

- (b) **Broad range of investment instruments**: For investments, the chapter includes both traditional investment instruments, such as stocks and equities, as well as intellectual property rights, debt instruments, and rights conferred by licenses and permits.

Preferential Treatment

- (c) **National treatment**: Both countries cannot discriminate the other country's investors vis-à-vis their own investors. This means that a Singapore investor will enjoy the same treatment that Japan gives to its own nationals save for a limited number of industries where Japan has taken reservations. National treatment ensures that Singapore investors will be given a level playing field when they invest in Japan.
- (d) **Prohibition of Performance Requirements**: Both countries cannot impose unfair performance requirements on investors as conditions for the establishment, operation and management of their investments. An example of a prohibited performance requirement is that both countries cannot impose a condition that the factory exports a certain percentage of its production.
- (d) **Expropriation & Compensation**: Both countries cannot unduly expropriate investments unless the expropriation is premised on public purposes as defined in the Agreement. In the event that such expropriation occurs, the governments are required to afford compensation for the expropriated investment. For example, if the government takes over land of an investor to upgrade or expand a vital road system, then the government is obliged to pay compensation to the investor.

- (e) Free Transfers: Both countries will allow the investors to freely repatriate and transfer funds related their investments (such as capital, profits, dividends and royalties) into and out of the country.
- (f) Investor to State Dispute Settlement: To give investors even greater confidence in investing in either country, both countries have committed to allowing investors from either country, aggrieved of government actions that violate their benefits under this chapter, to take the dispute to an international arbitration tribunal for resolution. The investor has several international arbitration platforms to choose from, including that of the International Centre for Settlement of Investment Disputes (ICSID) and the United Nations Commission on International Trade Law (UNCITRAL).

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- In a nutshell, when a Singapore-based company, (either locally-owned or foreign-owned with substantial business operations), invests in Japan, it will enjoy the same treatment as that which is accorded to Japanese companies, and it will have the right to freely transfer in and out its funds relating to this investment. Japan has committed not to impose certain performance requirements as a condition for the investment, and that it will not take over the assets of the company unreasonably, and in cases where there are legitimate reasons, compensation will be paid. If the company is for any reason aggrieved, it can seek recourse at an international arbitration tribunal. The same treatment is enjoyed by a Japanese company investing in Singapore.
- As a small economy with no natural resources, it is imperative for Singapore to be plugged into the global economic system. One of the ways is through the promotion of foreign investments in Singapore. Foreign investments bring in jobs, technology, management expertise and access to international markets.
- Japan is Singapore's 2nd largest investor in the manufacturing sector after the US, with Japanese investment commitments amounting to \$1.5 bil in 2000. These investments have created value for the Singapore economy through the generation of skilled jobs, as well as the introduction of new technology and innovation into our industry clusters. With the JSEPA, Japanese investors will have stronger confidence in investing in Singapore as the Agreement has secured enhanced protection, ease of entry and operation for investors from Japan. Likewise, investments from Singapore into Japan will also be accorded similar protection.

- The JSEPA's benefit to Singapore is not limited to investments from Japan. All investments made out of Singapore into Japan will be covered under the Investment Chapter (except where these are not Singaporean owned and without substantial business operations here). This means that if a foreign company has substantive business operations in Singapore, it is also considered a beneficiary under the JSEPA when it invests in Japan from Singapore. This broad coverage of beneficiaries is important for Singapore as, indirectly, it can attract investments from other countries and enhance our role as a hub from which MNCs can invest in Japan.
- An added key benefit of the Investment Chapter is that if the government reneges upon the agreement to promote and protect investments as provided for under the chapter, e.g. fails to accord national treatment, and as a result the investor incurs loss or damage to his investment, the investor can take the government to an international arbitration tribunal. This undertaking sends a strong signal that both countries are committed to maintaining open economies with attractive investment regimes.

HOW DO YOU TAKE ADVANTAGE OF THIS AGREEMENT?

- Interested parties could contact the International Agreements Department at the Economic Development Board, 250 North Bridge Road #24-00 Raffles City Tower, Singapore 179101, telephone 3362288 for further information.

THE MOVEMENT OF NATURAL PERSONS

- Below is a short description of the salient features, and benefits that can be gained under the Chapter on Movement of Natural Persons of the JSEPA.
- The cross-border movement of business persons plays a central role in initiating trade and investments. The purpose of the Movement of Natural Persons chapter is to facilitate trade in services and investment by making it easier for highly skilled Singaporeans and Permanent Residents to enter Japan to do business.

SUMMARY OF THE CHAPTER

- The chapter is divided into two parts. The framework of 5 articles lays out the terms and extent to which the natural persons of one Party, which include her citizens/nationals and permanent residents, can enter into the other Party's territory for the purpose of doing business. The annex lays out the specific obligations that each country has committed.

SALIENT FEATURES OF THE CHAPTER

- The Chapter will facilitate the movement of 4 major categories of business persons:
 - (a) Business visitors, such as salespersons, will be permitted to enter and operate in Japan for a period of 90 days;
 - (b) Intra-corporate transferees will be permitted to stay and work in Japan for as long as they are required by their companies;
 - (c) Investors will be permitted to stay in Japan in order to establish and maintain their investments; and
 - (d) Engineers can enter Japan to service their contracts with companies in Japan.
- Japan has also committed that for these categories of people, it will ensure that they are treated no worse than the Japanese when they are working in Japan. However, the chapter does not apply to measures affecting persons who are seeking access to the employment market of a Party, or to those regarding citizenship, residence or employment on a permanent basis. It also does not apply to immigration measures as long as these immigration measures do not nullify or impair the commitments made by either country.
- In addition, both countries have also agreed on the importance of a built-in work programme to work towards the mutual recognition of professional qualifications. When completed, this part of the Agreement will ensure that Singapore professionals will be able to practice in Japan and vice versa..

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- Japan receives about 75,000 Singaporean visitors every year. More than a third of these enter Japan for business purposes and could benefit from the Agreement. In 2000 for example, about 25,000 short-term business visitors, 400 intra-corporate transferees and 300 investors visited Japan.
- The Movement of Natural Persons chapter will grant Singaporeans guaranteed entry and stay in Japan to work and to oversee their investments, as long as the necessary conditions have been met. Our investors will be allowed to enter Japan to solicit, set up and manage their investments there. Companies in Singapore will also be assured that they can deploy their staff to work in their branches and subsidiaries in Japan. There are currently more than 40 Singapore companies that have operations in Japan, including Creative Technologies, Sembcorp Industries and Singapore Airlines. Under the terms of the Chapter, companies like these will have greater certainty when they choose to deploy Singapore staff to help manage their Japan operations, instead of only depending on Japanese staff.
- Our engineers will also benefit from this Chapter as they will be allowed to bid for contracts with any company or organisation in Japan, as long as they satisfy Japanese laws.

HOW DO YOU TAKE ADVANTAGE OF THIS AGREEMENT?

- Singaporeans and Singapore Permanent Residents can approach the Singapore Trade Development Board for details on doing business in Japan, while Japanese nationals can approach the Singapore Ministry of Manpower and the Singapore Immigration and Registration for information on our entry and work passes.

INTELLECTUAL PROPERTY

- Significant collaborative measures and co-operative activities on Intellectual Property (IP) were arrived at under the chapter.

SUMMARY OF THE CHAPTER

- This chapter was concluded under the JSEPA and the key organisations involved are the Intellectual Property Office of Singapore (IPOS) and the Japan Patent Office (JPO).
- It will create opportunities for traders that wish to exploit their IP, in addition to facilitating the use of IP databases and the patenting process in Singapore. It also provides a platform for the exchange of IP knowledge and training. It will give opportunities for IP experts from both countries to work together on IP ventures.

SALIENT FEATURES

- The Chapter aims to develop co-operation in the field of IP between Singapore and Japan. The scope of the co-operation includes patents, trade secrets and related rights and foreign patent laws; IP brokerage or licensing, IP management, IP registration, IP exploitation, patent mapping; trade marks, unfair competition and related rights; copyright, designs and related rights, particularly in the area of protection in the digital environment and the development of e-commerce; intellectual property databases; technology and market intelligence; and IP public education and awareness programmes.
- It commits both regions to take appropriate measures to facilitate the use of their IP databases open to the public; to jointly undertake IP training and exchange of experts; and to jointly organise IP workshops and fairs (eg an international Patent & Licensing Fair is already in the pipeline)

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- This chapter will allow interested parties to benefit from the direct access links between the 2 parties' websites/databases, as well as the enhancement of links through the hosting of IPOS' SurfIP search banner on JPO's website, the designation of JPO as a prescribed patent office and the joint organization of IP fairs. Traders will now be able to have faster retrieval of IP information from JPO's IP databases in an aggregated and integrated manner. IP experts, R&D staff, students, independent inventors and businessmen will all benefit from the higher productivity in information retrieval from Japan's IP databases. The direct access links allows access to be provided which is independent of web changes made at JPO's website.

Traders who list their IP on IPOS' SurfIP MarketPlace will have an increased exposure to Japanese businesses/licensing markets as a result of the SurfIP's search banner being hosted on JPO's website. In addition, patent applicants, in relevant cases, will have the added option of relying on Japanese patent search and examination reports, leading to likely savings in the applicants' resources. Traders who are interested in showcasing their IP or in seeking licences could also apply to participate in the IP fairs to be jointly organised by both countries. The first international patent & licensing fair to be jointly organised by Japan & Singapore will be in 2002.

HOW DO YOU TAKE ADVANTAGE OF THIS AGREEMENT?

- Interested parties could find out more from Intellectual Property Office of Singapore.
- Please contact Ms Chiam Lu Lin , Deputy Registrar, IPOS at telephone number 3302708.

GOVERNMENT PROCUREMENT

SALIENT POINTS

- Japan and Singapore are both signatories to the World Trade Organisation Agreement on Government Procurement (GPA). The GPA establishes an agreed framework of rights and obligations among its Parties with respect to their national laws, regulations, procedures and practices regarding government procurement with a view to achieving greater liberalisation and expansion of world trade and improving the international framework for the conduct of world trade. The GPA is based on the principles of non-discrimination, national treatment and transparency of procedures and practices. The details of the GPA can be found on the World Trade Organisation's website: <http://www.wto.org>
- The JSEPA aimed at expanding the scope for promotion of trade between Japan and Singapore through government procurement. The JSEPA lowered the threshold values above which government procurement would be subject to GPA discipline. Both countries agreed on the lowering of the GPA threshold values for goods and services (except construction services) to SDR²⁰ 100,000. This is a SDR 30,000 reduction from both Singapore's and Japan's GPA threshold of SDR 130,000.
- Both countries also agreed on joint cooperation in the exchange of information on government procurement.

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- This chapter lowers the monetary threshold above which both the Japanese and Singapore Governments would have to call for open and competitive tenders and to adopt GPA consistent processes when they procure services or goods. This gives greater certainty and offers more opportunities to Singapore companies and businesses that would like to participate in Japanese government procurement contracts.
- Interested parties can contact the following office to find out more about the provisions under the Government Procurement chapter:
 - Ministry of Finance
 - The Treasury
 - 100 High Street #10-01
 - Singapore 179434
 - Republic of Singapore
 - E-mail: mof_pdg_secy@mof.gov.sg
 - Fax: 3328509

²⁰ SDR is Special Drawing Rights. Prevailing rate: 1 SDR = S\$2.2752.

COMPETITION POLICY

- This chapter provides for increased cooperation between the Singapore Ministry of Trade and Industry (MTI) and the Japan Fair Trade Commission (JFTC) in the area of competition policy. Such cooperation is expected to promote the effective control of anti-competitive business activities, which will in turn facilitate trade and investment flows under the JSEPA.

SUMMARY OF THE CHAPTER

- While trade and investment liberalisation efforts under WTO and traditional FTAs focus on government actions, it is sometimes the private business practices and arrangements in a country which impede and restrict the market access of foreign competitors into the domestic market of that country. Hence, even though significant liberalisation might have already occurred through removal of tariffs and other border measures, there is potential that restrictive business practices of various kinds could undermine the value of inter-governmental concessions.
- Both Japan and Singapore recognise that strengthening cooperation between national agencies in charge of anti-competitive business practices and the domestic economy is an important way to alleviate such denials of market access by private business practices. As such, Japan and Singapore have spelt out the general principles and procedures for promoting cooperation between MTI and JFTC under the JSEPA Competition Chapter.

SALIENT FEATURES

- Both countries have committed to take necessary action within available resources to control anticompetitive practices. The definition of anticompetitive practices is pegged to the respective existing domestic laws and regulations of each country.
- The scope of cooperation is confined to the telecommunications and energy sectors only. As such, MTI will work closely with the IDA and EMA to give effect to Singapore's obligations under this Chapter. Given the rapid developments in competition policy, MTI and JFTC will review the progress of cooperation in 3 years, with a view to expanding the cooperation to other sectors.
- The types of cooperation are as follows:
 - (a) Notification, i.e. Party A notifies Party B if Party A decides that Party B's "important interests" are affected by enforcement activities of Party A.

- (b) Exchange of information, i.e. Party A shares "significant information" about anticompetitive activities relevant to Party B to the extent consistent with A's "important interests".
- (c) Technical assistance, i.e. Party A may render technical assistance to Party B to help manage and adopt laws and regulations controlling anticompetitive activities.
- Both countries have also agreed on various provisions to safeguard the confidentiality of information exchanged between the two Governments for the purpose of enforcing against anticompetitive practices, which might contain market-sensitive or business-specific data.
 - The chapter recognises that both countries adopt different approaches towards competition policy.

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

The Chapter will build a long-term and fruitful working relationship between MTI and JFTC in the field of competition policy. As such cooperation grows, Singapore businesses would have greater confidence that their entry into the Japanese market will not be restricted by anticompetitive practices of Japanese businesses.

SCIENCE & TECHNOLOGY

- The JSEPA establishes a formal science and technology (S&T) cooperation framework between the two governments. It recognises the key role S&T play in economic development and seals the desire of the Japan and Singapore political leaderships and research and development (R&D) communities to enhance R&D cooperation for peaceful purposes that will positively impact our economies.
- This framework is inclusive. It allows for the cooperation of agencies and R&D groups within and without the government.

SUMMARY OF THE CHAPTER

- The governments of both countries recognise that R&D in S&T has an impact in our economic well being. Therefore, the chapter sets up a framework to foster R&D cooperation in areas of advanced technologies relevant to the development of current and future industries and community in the two economies. A Joint Committee comprising of senior officials from both countries will meet to discuss and implement ways to encourage and advance science and technology projects that will positively impact the development of our two economies.
- This agreement will create opportunities for researchers in the two countries to form researcher-to-researcher and institution-to-institution ties, especially between Japanese research universities and institutions and A*STAR's Research Institutions and Centre (RICs) as well as our universities. It will allow the researchers to raise project proposals to their respective R&D promotion authorities. It is envisaged that the synergy gained from the cooperation will enable research groups to do cutting edge, world-class research.

SALIENT FEATURES

- The science and technology cooperation chapter is a “first” for a FTA. It is representative of the “new age” outlook of the governments and sets forth their vision of a greater economic future by fostering efforts in developmental activities today.
- A Joint Committee is to be formed to foster cooperative activities. It will identify and bring about cooperation activities both with government agencies and institutions as well as those outside the government. The terms of reference of this committee are broad. It is envisaged that the activities of the Committee will lead to fostering of joint activities of impact.

- The key focus of cooperative research is on advanced technologies that are relevant to industry development. This “mission” oriented approach will give direction to the cooperative activities to be proposed under JSEPA.

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- This chapter allows interested parties to propose research and activities that will nurture human capital. These include joint projects, building up post-doctoral, doctoral and other postgraduate manpower, attachments, workshops and other co-operative activities. These proposals will be prioritised. The Committee will discuss the merit of the proposals. If deemed beneficial, the Committee will encourage and promote selected proposals to relevant authorities within our respective countries. The Committee itself will not deliberate on the award of grants but will act as a facilitator to encourage activities in science and technology.
- Researchers in Singapore can make proposals to the A*STAR on collaborative projects and other activities that will enhance R&D and R&D manpower in Singapore. If appropriate, this will be brought to the Committee for discussion. For example, if a mechanism exists to fund and encourage joint collaborative R&D, it would be more efficient if the researchers leverage on such a mechanism. However, if such a mechanism does not exist or if there are specific impediments, this could be brought up for discussion at the Committee. Additionally, if the Committee agrees that specific activities would benefit the R&D effort of both countries, the Committee could then encourage the relevant institutions to consider undertaking these joint activities.

HOW DO YOU TAKE ADVANTAGE OF THIS AGREEMENT?

- Interested parties could apply to the Agency for Science, Technology and Research (A*STAR) . Please refer to A*STAR’s website for more information.
- For more information , please contact:-

Mr. Seow Wee Seong, Head
 International Policy,
 Agency for Science, Technology and Research (A*STAR)
 10 Science Park Rd.
 #01-01/03, The Alpha
 Singapore Science Park II
 Singapore 117684
 Tel: 779 – 7066
 Fax: 777 - 1711

HUMAN RESOURCE DEVELOPMENT

- As a New Age FTA, the JSEPA includes joint co-operation in human resource development which is important for sustained economic growth in our two countries. It would also encourage interaction between our two peoples, not only promote understanding but also inspire new ideas, encourage technological innovation and entrepreneurship among the peoples. The joint co-operation will allow Singapore and Japan to tap on the creativity of our peoples to improve the attractiveness and robustness of our economies.
- The JSEPA will also provide a platform to enhance our cooperation with Japan in providing technical assistance to developing countries within this region and beyond. We will be able to help develop the human resources of these countries and promote the culture of continuous learning through joint technical training.

SALIENT FEATURES

- Several bilateral programmes were put in place under the JSEPA to enhance the cooperation in human resource development between the two countries. These include:

(a) Japan Singapore Partnership Programme for the 21st Century

The JSPP21 is one of the most successful Third Country Training Programme (TCTP) that Singapore has implemented. It was launched by Japan and Singapore in 1997 for a period of 5 years to jointly provide training assistance to the developing countries. Administered by Singapore's Ministry of Foreign Affairs and Japan International Co-operation Agency, more than 500 participants from 54 developing countries in Asia-Pacific, Africa, Central Asia and the Middle East have attended the JSPP21 training courses in Singapore and Japan. Under the auspices of the JSEPA, Japan and Singapore agreed to extend the JSPP21 beyond 2002. A MOU to extend the JSPP21 was signed between FM Makiko Tanaka and Minister Jayakumar on 14 Oct 2001. Besides training courses, the scope of the joint co-operation will also be expanded to include a Senior Volunteer Programme to jointly despatch senior volunteers to third countries.

(b) Japan-Singapore Joint Training Programme

The JSJTP is a joint programme by Singapore Ministry of Trade and Industry and Japan Ministry of Economy, Trade and Industry to provide training courses for professionals and managers from the ASEAN countries on modern business management and industrial technology. This will allow Japan and Singapore to promote technology transfer to and human resource development in the private sectors of ASEAN countries. The training courses will be conducted in Singapore, and organised by both Japanese and Singaporean associations. Japan-related and Singapore-related companies with business operations and ties in ASEAN countries can nominate trainees to participate in the programme. The programme will start in 2002.

(c) University Exchange Programmes

The Nanyang Technological University signed an agreement with Hiroshima University in February 2001. The National University of Singapore signed agreements with Kyushu University in April 2001 and Keio University in June 2001 to develop academic exchange and cooperation in research. Under the exchange programmes, students will be sent to the host university to engage in the academic exchange and participate in joint research. The university exchange programmes will provide opportunities for students of both countries to exchange ideas and tap each other's creativity and knowledge. This will contribute to the improvement of the quality of our academic research. Through the programmes, our students can also acquire an international perspective in preparation for a more globalised working environment in the new century.

(d) Exchange Of Attachment Of Government Officials

Singapore and Japan have agreed to an exchange of attachment of government officials. This underscores the excellent relationship and mutual trust between the two governments. The exchange will not only enhance mutual understanding of each other's policies and systems, it will also enable officials of both countries to establish personal relationships which will help bring the two governments closer together.

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- The renewal of the JSPP21 and the JSJTP will institutionalise linkages between Singapore and Japan and enhance our bilateral co-operation. In particular, the JSJTP would also provide Singapore-related companies with business operations and ties in ASEAN countries an opportunity to train

their employees in these countries in modern business management and industrial technology.

- Our students will be provided opportunities through the university exchange programmes to visit Japan so that they can broaden their horizon and gain more experiences. Besides academic exchanges and research, they will also be able to interact with the Japanese students and obtain a better understanding of the Japanese society and culture.
- The exchange of attachments of government officials will also enable Singapore officials to gain a better understanding of the system and policies in Japan. During their attachments, they can take note of some of the useful policies and work methods in Japan and bring the ideas back to Singapore to improve our system and policies. The attachment will also allow them to build contacts in the Japanese agencies and will help improve their working relationship with their counterparts in Japan.

HOW DO YOU TAKE ADVANTAGE OF THIS AGREEMENT?

- JSJTP: the Ministry of Trade and Industry, Trade Division.
- University Exchange Programmes : Ms Kartini Abdul Rahman, Manager, The NUS International Relations Office. DID: 874 2429 and Fax : 778 0177.

TRADE AND INVESTMENT PROMOTION

- Enhancement of cooperation between Singapore and Japan in trade and investment promotional activities.
- Enhancement of facilities for export credit insurance and overseas investment reinsurance, through cooperation between Nippon Export and Investment Insurance (NEXI) and Export Credit Insurance Corporation of Singapore (ECICS).

SUMMARY OF THE CHAPTER

- Under this chapter, Japan and Singapore will co-operate in promoting trade and investment activities by private enterprises from these 2 countries through the following:
 - a) co-operation between JETRO and TDB in trade and investment promotional activities,
 - b) co-operation between Nippon Export and Investment Insurance (NEXI) and ECICS Credit Insurance Ltd. (ECICS) in trade and investment insurance.
- The former aims to promote further business collaboration between private enterprises of, Japan and Singapore. The latter increases ECICS' underwriting capacity, in cooperation with NEXI, to help Singapore traders/investors mitigate counter-party risks in increasingly volatile markets.

SALIENT FEATURES

Under the auspices of this chapter,

- TDB and JETRO signed a MOU on 26th October 2001 to further strengthen co-operation in promoting trade and investment between private enterprises in Japan, Singapore and 3rd countries. The MOU covers three areas.
 - (a) both sides will jointly organise industry-specific missions and seminars for high-growth and other industries, including the information technology, electronics and logistics sectors.
 - (b) JETRO and TDB will jointly organise study missions to research and gather data on trade and investment environments, as well as to assess business opportunities in third countries for Japanese and Singapore businessmen and enterprises.

- (c) an electronic link will be set up between JETRO's Trade Tie-Up Promotion Programme (TTPP) and TDB's online International Business Opportunities (IBO) service. When ready in mid-2002, the system will help companies to exchange information that will facilitate business tie-ups.
- NEXI and ECICS agreed to enhance the trade and investment insurance co-operation between the two organisations, as follows under the Memorandum dated 1 June 2001 issued by NEXI, in addition to the existing re-insurance co-operation based on the Reinsurance Agreement of 1999:
 - (a) Co-insurance co-operation for medium-to-long term export credit insurance for the export of goods and services.
 - (b) Exchange of Buyer information.
 - (c) Training for ECICS staff in credit and investment insurance.

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- The co-operation between TDB and JETRO will create more opportunities for Japanese and Singapore companies to interact with one another, as well as jointly seek business opportunities in 3rd countries like China, India and countries in the ASEAN region. The MOU between JETRO and TDB would allow both organizations to leverage on their strong networks in the region to assist these companies to jointly seek out new opportunities and new markets.”
- With the enhanced co-operation between ECICS and NEXI, Singapore companies are now eligible to benefit from reinsurance facilities, extended through NEXI to ECICS, for making an overseas investment in a third country. Previously, only Japanese corporations operating out of Singapore could qualify.
- More export credit coverage can be made available to Singapore companies through this co-operation arrangement. Similarly, more capacity is made available for overseas investment insurance, based on the facilities extended to ECICS through NEXI.

HOW DO YOU TAKE ADVANTAGE OF THIS AGREEMENT?

- For more details of the export credit insurance application process, interested parties may write to:

ECICS Credit Insurance Ltd. (ECICS)
7 Temasek Boulevard, #11-01, Suntec Tower One,
Singapore 038987.

Tel: 337 4779

Fax: 338 9267

Attn: Mr Albert Lim (General Manager, Marketing)

- For details on the co-operation between TDB and JETRO, interested parties may write to:

Singapore Trade Development Board

230 Victoria Street #09-00

Bugis Junction Office Tower

Singapore 188024

Tel: (65) 337 6628

Fax: (65) 337 6898/ 337 6838

Email: enquiries@tdb.gov.sg

URL: www.stdb.com

JETRO Singapore

16 Raffles Quay #38-05

Hong Leong Building

Singapore 048581

Tel: (65) 221 8174

Fax: (65) 224 1169

Email: spr@jetro.org.sg

URL: www.jetro.go.jp

SMALL AND MEDIUM ENTERPRISES

- Both governments recognise the important role Small and Medium Enterprises (SMEs) play in our economies. Under this chapter, the parties will work together to promote cooperation amongst SMEs in the two economies. The agreement will make it easier for SMEs in the two economies to form partnerships. It will facilitate Japanese companies wanting to set up operations in Singapore as well as Singapore companies wanting to set up operations in Japan.

SUMMARY OF THE CHAPTER

- The SME chapter acknowledges that SMEs are the engines of growth in a knowledge-based economy and that they play an important role in the economies of both countries. As such, both governments through its representing agencies will work together to promote cooperation between and amongst SMEs in Japan and Singapore.
- To achieve this objective, the Singapore Productivity and Standards Board (PSB) and Japan External Trade Organisation (JETRO) have drawn up several areas of cooperation under the implementing agreement. This has been reinforced through an MOU signed between JETRO and PSB on 26th October 2001.
- The MOU focused on the following initiatives :
 - (a) promotion of business alliances between Singapore and Japanese SMEs through business matching;
 - (b) development of one-stop information services to facilitate the efforts of Japanese SMEs to establish operations in Singapore, and the efforts of Singapore SMEs to establish operations in Japan;
 - (c) establishment of a Business Support Centre in Singapore by JETRO

SALIENT FEATURES

- The Chapter spells the efforts of the two parties to promote cooperation between Singapore and Japanese SMEs. It highlighted 3 areas of cooperation between PSB and JETRO under the MOU signed in Oct 2001.
 - a. Promotion of business alliances between Singapore and Japanese SMEs through business matching. Both PSB and JETRO will identify and facilitate business matching opportunities for both Singapore and Japanese businesses. In fact, both PSB and JETRO, through the Prefectural Governments have been working together to lead delegations of Singapore SMEs to Japan on business matching missions and to lead

delegations of Japanese SMEs to Singapore on business matching missions.

b. Development of one-stop information services by JETRO and PSB to facilitate the efforts of Japanese SMEs to establish operations in Singapore and the efforts of Singapore SMEs to establish operations in Japan. PSB will be extending its Expert Finder System to JETRO's Business Support Centre in Singapore. The system contains a database of information in the form of FAQs on various aspects of doing business in Singapore. The Expert Finder System in JETRO's Business Support Centre is expected to be ready by the early Jan 2002. At the same time, JETRO has also provided PSB its FAQ system "Invest Japan" which addresses the various aspects of doing business in Japan.

c. Also, JETRO would establish a Business Support Centre (BSC) at Hong Leong Building, to assist Japanese companies who are considering the Singapore market. The BSC was officially opened in Singapore on 26 October by JETRO's Chairman, Mr Noboru Hatakeyama and PSB's Chief Executive, Mr Lee Suan Hiang

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- The agreement will help Singapore SMEs find Japanese business partners.
- It will make it easier for Singapore SMEs to seek business opportunities in Japan.
- The Business Support Centre (BSC) will help create a conducive atmosphere in Singapore for many Singapore and Japanese businesses to interact.

HOW DO YOU TAKE ADVANTAGE OF THIS AGREEMENT?

- Singapore SMEs interested to know more about these initiatives can contact PSB and JETRO.

Singapore Productivity and Standards Board

PSB Building

2 Bukit Merah Central

Singapore 159835

Tel : (65) 898 1800

Fax : (65) 779 8901

E-mail : firststop@psb.gov.sg

URL : www.psb.gov.sg

JETRO Singapore

16 Raffles Quay #38-05

Hong Leong Buidling

Singapore 048581

Tel : (65) 221 8174

Fax : (65) 224 1169

E-mail : spr@jetro.org.sg

URL : www.jetro.go.jp

BROADCASTING

- With the rapid development of innovative broadcasting services and the role of broadcasting in promoting cultural understanding, Japan and Singapore are keen to encourage cooperation in the field of broadcasting between industry players and regulatory bodies.

SUMMARY OF THE CHAPTER

- Under this Chapter, closer exchange on broadcasting policy and technology issues between Government authorities will be established via a Joint Committee co-chaired by Ministry of Information, Communications and the Arts (Singapore) and Ministry of Public Management, Home Affairs, Posts and Telecommunications (Japan).
- The Singapore Government and Japan Government also intend to sign a Common Statement of Policy on Audiovisual Coproduction to encourage tie-ups between Singapore and Japanese audiovisual producers. Under the Common Statement, more funding sources for joint Singapore-Japan production projects will be available as joint productions would be eligible to apply for funding from relevant funding sources in Singapore or Japan.

SALIENT FEATURES

- The Chapter aims to promote the development of innovative broadcasting services and cross-cultural understanding.
- It commits both Governments to set up a Committee on Broadcasting to exchange views and information on broadcasting policy issues and newly emerging broadcasting services. Via exchange of views between policy makers, our regulatory frameworks would seek to foster the development of new broadcasting services. The Committee will also identify and explore areas for mutually beneficial cooperation in the field of broadcasting.
- To promote cross-cultural understanding, both Governments will sign a Common Statement of Policy to encourage audiovisual cooperation in our film, television and video industry by allowing Singapore and Japan co-productions to apply for relevant funding benefits available in Singapore and Japan. Through such co-productions, Singaporean and Japanese producers can not only tap more funding sources, they could gain from bigger potential markets and each other's creative or technical expertise.

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- The Common Statement of Policy on Film, Television and Video Co-production between Japan and Singapore will soon allow interested Singapore or Japanese producers who are jointly producing a film, video or TV production to apply for audiovisual coproduction funds available in Singapore or Japan. In Singapore, the Singapore Broadcasting Authority (SBA) and the Singapore Film Commission (SFC) extends funding support for TV/animation and film co-productions respectively whilst in Japan, relevant entities like the Japan Foundation extends funding support for audiovisual co-productions which further an understanding of Japan and Japanese culture.

HOW DO YOU TAKE ADVANTAGE OF THIS AGREEMENT?

- For more information on the respective audiovisual co-production funding schemes available in Singapore and Japan under the Common Statement of Policy on Film, Television and Video Co-production, please contact

For TV & animation co-productions:

Singapore Broadcasting Authority

140 Hill Street, #04-01 MITA Building, Singapore 179369

Ms Tania Patricia Lim
Asst Director (Industry Promotion)
Tel: (65) 837 9754
Fax: (65) 336 1170
Email: tania_patricia_LIM@sba.gov.sg

Ms Keh Li Ling
Asst Director (Industry Development)
Tel: (65) 837 9756
Fax: (65) 336 1170
Email: KEH_li_ling@sba.gov.sg

For feature film co-productions:

Singapore Film Commission Secretariat

140 Hill Street, #05-01 MITA Building, Singapore 179369

Ms Wong Wai Leng
Asst Director
Tel: (65) 837 9892
Fax: (65) 837 9890
Email: waileng@sfc.org.sg

Ms Sagaymarie S
Tel: (65) 837 9891
Fax: (65) 837 9890
Email: sfc@sfc.org.sg

For co-productions related to Japan or Japanese culture:

Mr Toru Onishi
Embassy of Japan
16 Nassim Road Singapore 258390
T: (65) 830 3582
F: (65) 733 2957

TOURISM

- Japan and Singapore have been in the business of tourism for many decades, and the two countries have developed comprehensive systems for managing the flow of visitor traffic. In a highly competitive global tourism environment, it is useful for the two countries to share experiences and expertise to further assist in the development of the respective tourism sectors.
- This agreement also provides opportunities for different entities involved in tourism from the two countries to work closely and enhance their competitiveness by seeking and developing complementary relationships with their business counterparts.

SUMMARY OF THE CHAPTER

- Recognising the mutual interest and benefits in strengthening tourism co-operation between Japan and Singapore, this chapter was concluded to further develop and promote tourism between the two countries through two key initiatives:
 - (a) Setting up of a Joint Committee on Tourism; and
 - (b) Concluding a Memorandum of Understanding (MOU) on the twinning of Ginza and Orchard Road

SALIENT FEATURES

- Building on the close economic and strategic ties that Japan and Singapore already enjoy, the chapter encourages government as well as non-government co-operation in the tourism development of the two countries.
- The Joint Committee on Tourism comprising tourism government officials from both countries aims to identify and recommend ways in which Japan and Singapore can contribute to each other's tourism growth. The Committee will look into ways to enhance two-way tourism, including through study visits, media exchanges and the sharing of information. To encourage greater private sector collaboration between the two countries, private sector industry members from both countries may be invited to participate in the Committee to discuss and explore potential areas of cooperation. The Committee will hold its inaugural meeting within 12 months after the JSEPA comes into force.
- A significant outcome of the cooperation initiative was the signing of the MOU on the twinning of Ginza and Orchard Road between Japan's Ginza Street Association (GSA) and Singapore's Orchard Road Business

Association (ORBA). The MOU on twinning would help to create greater awareness of the two premier shopping districts among Japanese, Singaporeans and other visitors through a series of promotions and events. The promotions and events held would feature the arts and culture of both countries.

- The twinning commemorative event in Ginza was held from 20 to 28 October 2001 and the event in Orchard Road will be held from 1 to 17 March 2002. Despite the challenging tourism environment, GSA and ORBA have proceeded with the plans for the twinning events and this has helped to send a message of confidence in the tourism industry of both countries.
- The twinning agreement has also provided the Singapore Tourism Board (STB) the opportunity to participate in the Ginza twinning commemoration event to showcase Singapore and Orchard Road, and to send a message of assurance that Singapore continues to be a stable and secure destination offering a unique tourism experience. STB has been working with tour operators in Japan to put together special twinning commemorative packages that will be valid from October 2001 till March 2002.

BENEFITS TO OUR BUSINESS AND TO SINGAPORE

- Japan has always been an important source-market of visitors for Singapore, accounting for some 800,000 visitors per year. According to STB's Survey of Overseas Visitors to Singapore, many Japanese travellers have chosen Singapore as a travel destination because Singapore offers "good value for money" and has "many tourist attractions and sightseeing opportunities".
- The cooperation initiatives outlined in this chapter, in particular the twinning of Ginza and Orchard Road, would help Singapore and Orchard Road to gain greater exposure in Japan. ORBA would have opportunities to showcase Orchard Road as a premier shopping district to Japanese consumers, and STB would have an additional platform to promote Singapore as an exciting, vibrant city of diverse cultures and lifestyles.

HOW DO YOU TAKE ADVANTAGE OF THIS AGREEMENT?

- For more details on the chapter on tourism, please contact:

Industry Members

Elaine Lim
Manager, Corporate Planning
Singapore Tourism Board

Media

Huang Peiling
Assistant Manager, Corporate & Media
Communications

DID: 8313644
Fax: 7349217
Email: elainel@stb.com.sg

Singapore Tourism Board
DID: 8313897
Fax: 7347226
Email: peiling@stb.com.sg

- Interested businesses can participate in the Orchard Road twinning event in March 2002 by organising special promotions and activities. Such promotions and activities will help to bring traffic to their respective malls/stores.
- Please contact Steven Goh at Secretariat of Orchard Road Business Association at:

SG Retail Network Pte Ltd
157 Still Road
Singapore 423993
Tel: 837 0123
Fax: 837 3456
Email: steven@sgretailnetwork.com

DISPUTE SETTLEMENT

- In any international agreement, whilst we do not expect nor hope for disputes between the Parties as to what the agreement means, it would nevertheless be prudent to prepare for such an eventuality. In this connection, Singapore and Japan have negotiated a comprehensive set of dispute settlement procedures, to ensure that if differences arise as to the interpretation or the implementation of rights and obligations under the Agreement, a predictable, efficient and effective framework is in place to resolve the dispute as quickly as possible.