

THE KOREA-SINGAPORE FREE TRADE AGREEMENT (KSFTA)

**INFORMATION KIT
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THE SIGNING OF THE KSFTA)**

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3. For further information on concluded FTAs or FTAs in general, please refer to the FTA website, <http://www.fta.gov.sg> or email mti_fta@mti.gov.sg

Introduction:

- Negotiations for the Korea-Singapore Free Trade Agreement (KSFTA) were launched in January 2004 between the governments of the Republic of Korea (ROK) and the Republic of Singapore. The launch of negotiations followed the signing of the Declaration of Intent on 23 October 2003 between BG(NS) George Yeo, then Minister for Trade and Industry, and Mr Hwang Doo-yun, then Minister for Trade, ROK.
- The Declaration of Intent had followed the positive recommendations by the KSFTA Joint Study Group, which had been tasked to examine the feasibility and desirability of the FTA. The Joint Study Group presented its report to the two Heads of Government, then PM Goh Chok Tong and ROK President Roh Moo-hyun, and recommended that the report form the framework for the negotiations.
- There were a total of 7 rounds of negotiations, covering a wide range of liberalisation and facilitation elements, as well as areas on bilateral cooperation. Inter-Ministerial teams were led by Ambassador K. Kesavapany, Director, Institute of Southeast Asian Studies, as the Chief Negotiator for Singapore, and Mr Lim Young-rok, Director-General, Multilateral Trade Bureau, Ministry of Foreign Affairs and Trade, as the Chief Negotiator for the ROK.
- Substantive negotiations on key issues were concluded in November 2004. The KSFTA was signed by the Minister for Trade and Industry of Singapore and the Minister for Foreign Affairs and Trade of the ROK during the former's visit to the ROK on 4 August 2005. We expect the KSFTA to come into force by end 2005.
- The KSFTA comprises the following elements:
 - (a) Liberalisation and Facilitation
 - National Treatment and Market Access for Goods
 - Rules of Origin (ROO)
 - Trade Remedies
 - Customs Procedures
 - Sanitary and Phytosanitary Measures
 - Technical Barriers to Trade and Mutual Recognition Agreement
 - Cross-Border Trade in Services
 - Telecommunications
 - Financial Services
 - Electronic Commerce
 - Temporary Entry of Business Persons
 - Investment
 - Intellectual Property Rights (IPR)
 - Competition
 - Government Procurement

(b) Bilateral Cooperation

- Paperless Trading
 - Trade and Investment Promotion
 - Broadcasting
 - Film Production
 - Gaming and Animation
 - Electronic Commerce
 - Environment
 - Human Resources Management and Development
 - Science and Technology
 - Financial Services
 - Maritime Transport
 - Energy
 - Information and Communications Technology (ICT)
 - Intellectual Property Rights (IPR)
- It also contains provisions for dispute settlement and the review of the KSFTA.
 - The KSFTA is of special economic significance to businesses and peoples of both the Southeast and Northeast Asia regions. Below is a short description of the various chapters, and the benefits that can be gained under the KSFTA.

National Treatment and Market Access for Goods

SUMMARY OF THE CHAPTER

- The Chapter sets out the rules governing trade in goods between the ROK and Singapore. These rules are based on WTO disciplines and contain WTO-plus provisions. Both countries will grant preferential tariff-free market access for an extensive range of products. The Chapter 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 will result in discrimination against imported products.
- To prevent any possible nullification of the preferential tariff concessions, both countries must also conduct fairly the determination of customs value of goods. Furthermore, the ROK 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-distorting and transparent.
- The individual tariff schedules of the ROK and Singapore, which are annexed to the Chapter, consist of each country's commitments in the area of tariff concessions. These schedules stipulate the products that are subject to tariff elimination and the corresponding time frames within which tariffs are eliminated.
- For instance, the customs duties on imports into the ROK originating from Singapore listed in the tariff elimination schedule under category Year 0, Year 5 and Year 10 shall be eliminated in equal installments in accordance with the following timetable:

Category	Entry into force	Year 1 ¹	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Year 0	100%										
Year 5	16.7%	33.3%	50%	66.7%	83.3%	100%					
Year 10	9.1%	18.2%	27.3%	36.4%	45.5%	54.5%	63.6%	72.7%	81.8%	90.9%	100%

BENEFITS TO THE ROK AND SINGAPORE

- Under the KSFTA, the ROK will substantively remove tariffs on most of Singapore's exports to the ROK. To cater to the ROK's domestic concerns,

¹ If the date of entry into force of the KSFTA falls before the last quarter of a year, Year 1 means the twelve-month period starting on January 1 of the subsequent year after entry into force of the KSFTA,. If the date of entry into force is in the last quarter of a year, Year 1 means the twelve-month period starting on January 1 of the second year after the entry into force.

certain products which can pose a competitive challenge to the ROK industry will have their tariffs phased out over a period of either five or ten years. This will provide enough time for the affected ROK industry sectors to gradually adjust to increased competition from Singapore's businesses.

- Almost 75% of Singapore's domestic exports to the ROK, which amount to over S\$3 billion, will enjoy an immediate tariff elimination which will secure them a cost advantage and first mover advantage into the ROK's market. Products ranging from our freshwater ornamental fish to woven cotton fabrics as well as some of our exports from key sectors like electronics, electrical equipment and chemicals will stand to benefit.
- Other sectors of importance to Singapore such as consumer electronics, precision engineering, biomedical sciences and chemicals are also covered under the KSFTA. Even though agriculture is a sensitive sector in the ROK, agricultural products are also included, given Singapore's keen interest in the processed food industry. For example, manufacturers of distinctively Singapore products such as three-in-one coffee mixes, chocolate confectionery, flour and tea concentrates will all benefit from the KSFTA.
- For the ROK, Singapore has committed to grant zero-tariff treatment on all ROK goods entering Singapore as of entry into force of the KSFTA. For example, ROK producers of alcoholic products like beer will enjoy easier access to the Singapore market and become more price-competitive. ROK manufacturers that source intermediate products like IT components from Singapore for their finished goods will also benefit from reduced costs resulting from tariff benefits accruing to these imports into the ROK. Intra-company trade between the ROK and Singapore will thus receive a boost from the KSFTA.

RULES OF ORIGIN & TRADE REMEDIES

SUMMARY OF THE CHAPTERS

- The Rules of Origin (ROO) Chapter was negotiated on a product-specific approach. This means that each product has a corresponding specific rule of origin, to cater to the specific needs of every industry. The ROO ensure that only goods manufactured in the ROK or Singapore will benefit from the KSFTA. Goods from third countries will not be able to pass off as ROK or Singapore-originating goods.
- Although the KSFTA allows for the continued use of Anti-dumping (AD) measures under the Trade Remedies Chapter, the provisions have been tightened to limit the amount of AD duties that may be imposed. Both countries are also allowed to take bilateral safeguard action of durations of not more than

two years. The countries have also reaffirmed their commitments under the WTO safeguards and countervailing and subsidies agreements.

BENEFITS TO THE ROK AND SINGAPORE

- To ensure that there can be no unauthorised goods benefiting from the KSFTA, an ROK importer of a Singapore originating product has to produce a Certificate of Origin (CO) issued by the Singapore Customs as proof of its Singapore origin when claiming preferential tariff treatment from the Korean Customs Authority, and vice versa. This tight system of certification will help to prevent circumvention by products from third countries and ensure that only traders from the two countries benefit from the KSFTA.
- The ROO Chapter also takes into account the unique manufacturing processes in each country. The specific product rule will enable each product to be assessed in terms of its particular production method in either Singapore or the ROK. This rule will enable manufacturers from the ROK and Singapore to easily work out if their products will qualify as originating goods under the KSFTA.

CUSTOMS PROCEDURES

SUMMARY OF THE CHAPTER

- The Chapter aims to facilitate the flow of trade in goods between the ROK and Singapore by committing both countries to improve customs clearance of goods, through the simplification of customs procedures, and use of modern management tools such as risk management for cargo clearance processes.

BENEFITS TO THE ROK AND SINGAPORE

- Authorised CO: The KSFTA waives the requirement for a certificate of origin for low-value originating goods, thereby saving time and costs for importers and exporters.
- Trade Facilitation: The customs authorities on both sides will further enhance the application of risk management to target high risk goods and facilitate the clearance of low risk consignments. In addition, they will also enhance transparency in regulation so that traders will be fully aware of the requirements and procedures in both countries.
- Advance Ruling: Under the KSFTA, the importing customs authority will provide an advance ruling on the eligibility of originating goods for preferential tariffs and

tariff classification, upon the request of the trader. This will provide traders with greater certainty on the status of their goods at the country of import.

MUTUAL RECOGNITION

SUMMARY OF THE CHAPTER

- The Chapter provides for the mutual recognition of conformity assessment procedures to assess that products from Singapore destined for the ROK meet with the standards and technical regulations of the ROK, and vice versa. Detailed procedures are also provided for the exchange of information and for addressing issues arising from the Chapter.
- The Chapter provides for sectoral annexes for specific product sectors which are subjected to mandatory requirements. Both countries have agreed to two sectoral annexes, and the details will be worked out at the first KSFTA Review. This is scheduled to take place within a year after the KSFTA has entered into force.

BENEFITS TO THE ROK AND SINGAPORE

- When fully implemented, products in the two sectors, i.e. telecommunications equipment and electrical and electronic goods, will not be subject to duplicative testing and certification in the market place. They can be sold immediately on entry into the market without having to be re-tested and/or re-certified in the destination country. This will ensure market access, reduce cost as well as shorten time to market. Such benefits are particularly important for products with a short life cycle. As a result, products from Singapore for the ROK market are likely to be more cost competitive than competing products from a non-FTA partner. The same applies to products coming into the Singapore market from the ROK.

CROSS-BORDER TRADE IN SERVICES

SUMMARY OF THE CHAPTER

- The Chapter governs cross-border trade in services between the ROK and Singapore. Under the *National Treatment* Article, both countries agree to grant services and service suppliers of the other country the same treatment given to their domestic services and service suppliers. Under the *Market Access* Article, both countries cannot impose quantitative restrictions like limitations on number of service suppliers or number of service operations. Under the *Local Presence* Article, both countries agree not to require a service supplier to establish a

representative office or any other form of enterprise as a pre-condition for the provision of cross-border services.

- There are also disciplines on domestic regulation to ensure that measures affecting trade in services are imposed in a reasonable, objective and impartial manner, as well as provisions that prevent monopolies from abusing their position.
- The Chapter is based on a negative-list approach, where all sectors are *a priori* committed except for those sectors or measures listed down in Annex 9. In Annex 9A, both countries list down any of their existing measures pertaining to cross-border trade in services that violate the *National Treatment*, *Market Access* and *Local Presence* obligations. Annex 9B contains sensitive service sectors where both countries reserve flexibility to impose additional restrictions. Collectively, Annexes 9A and 9B provide a snap-shot of the regulations governing the provision of cross-border trade in services in both countries. In the KSFTA, both the ROK and Singapore have substantially improved their market-opening commitments on trade in services made at the multilateral level.

BENEFITS TO THE ROK AND SINGAPORE

- Service suppliers from both countries are assured of fair and non-discriminatory treatment. This creates a level playing field for Singapore-based service suppliers as they will be treated as favourably as ROK service suppliers and vice versa. There is a mechanism to lock in future liberalisation of exempted measures, which creates certainty in the business climate since both governments are making a commitment to maintain an open trading environment.
- Both domestic service suppliers and multinational companies in Singapore will be able to take advantage of the preferential opportunities accorded by the KSFTA. With more ROK companies entering the Singapore market, and other foreign companies investing in Singapore to take advantage of enhanced business opportunities in the ROK, Singapore can also benefit from the creation of more jobs and a more competitive services market.
- In particular, Singapore companies can take advantage of improved commitments by the ROK in the following sectors:
 - a. Education Sector: Within the Asian region, the ROK is one of the top 5 largest spenders in education, with expenditure on education taking up a large proportion of household expenditure. The KSFTA provides Singapore-based companies with access to the ROK education services market, in particular, in the areas of language education, certified language programmes like TOEFL and TOEIC, corporate training and service quality programmes.

b. Environmental Services: The ROK environmental services market is open in the areas of industrial waste treatment and refuse disposal services, environmental testing and assessment services, and recycling services. The ROK's environmental market has maintained a growth rate of over 15% since 1995, which is higher than the world's average, and is projected to be worth approximately US\$11 billion in the years between 2003 and 2005. This growing sector presents opportunities for our increasingly vibrant environmental services industry.

c. Services Incidental to Manufacturing: Contract manufacturers are free to provide services that support the manufacture of machinery (office, computing, electrical), communications equipment, medical precision and optical instruments, rubber and plastics products.

d. Courier Services: Singapore service suppliers are given guaranteed access to the ROK's courier services sector. This certainty will provide an opportunity for the ROK and Singapore to complement each other as hubs in their respective regions for courier and logistics services. The ROK's domestic market for courier services has reportedly grew by about 17.1% since 2002 to reach a value of US\$1.68 billion in 2003.

- ROK companies will also be able to benefit from enhanced access to Singapore's services market in the following sectors:

a. Professional Services: The KSFTA provides ROK companies greater access to Singapore's professional services market, particularly in the area of architectural, land surveying, engineering services and real estate services. As Singapore is home to more than 7,000 multinational companies, many of which have established their international or regional headquarters here, this growing list of international companies will present increasing opportunities for ROK professional services.

b. Construction Services: ROK companies will enjoy guaranteed access to Singapore's construction market which had contracts worth \$10 billion awarded in the year 2004. This will undoubtedly help to further boost ROK construction companies' presence in Singapore.

c. Real Estate Services/Tourism: Under the KSFTA, ROK private developers will be allowed to develop specific plots of land on Sentosa and the Southern Islands of Singapore for tourism, commercial, residential and recreational purposes.

d. Logistics Services: Singapore has been maintaining its international competitiveness and attractiveness as a logistics hub and supply chain management nerve centre in Asia even as competition stiffens. In 2004, investments in the logistics industry, including storage capacity expansion by

Vopak and diversification by Accord Group into new areas such as reverse logistics, are expected to generate \$405 million in total business spending. Through the KSFTA, ROK logistics companies can now tap into this exciting landscape.

- The ROK and Singapore will also enjoy mutual benefits in the following sectors:
 - a. Financial Sector: The KSFTA will allow the Singapore Exchange (SGX) and the Korean Stock Exchange (KSE) to work towards a SGX-KSE linkage that can enhance the liquidity pool in both markets and range of products available to investor.
 - b. ICT/E-Commerce: The ROK and Singapore agreed to explore cooperation in research and training activities that will enhance the development of ICT and in particular, e-commerce in both countries. Both countries also reaffirmed and strengthened their commitment to ensure telecommunications companies operating or intending to operate in the other country's market are accorded fair and non-discriminatory treatment, with specific obligations on the dominant suppliers in both countries. In addition to this greater market certainty, operators are also provided with a recourse mechanism to resolve telecommunications disputes through the relevant telecommunications regulatory bodies from each country.

THE MOVEMENT OF BUSINESS PERSONS

SUMMARY OF THE CHAPTER

- The Chapter lays out the terms and extent to which citizens and permanent residents of one country can enter into the other country's territory for the purpose of doing business. It will facilitate the movement of 4 major categories of businesspersons:
 - (a) Service sellers;
 - (b) Short-term service suppliers;
 - (c) Traders and investors who are managers, executives or specialists; or
 - (d) Intra-corporate transferees who are employed as managers, executives or specialists.

BENEFITS TO THE ROK AND SINGAPORE

- Under the Chapter, citizens from the ROK and Singapore in all the above categories will be granted 90 days upfront stay when they visit each other's country; and

- Intra-corporate transferees, traders and investors will be granted entry for a period of up to two years, which may be extended for subsequent periods up to a total of eight years. Further extensions beyond eight years may be possible

INVESTMENT

SUMMARY OF THE CHAPTER

- The Chapter sets out comprehensive commitments on investment promotion and protection. These ensure that investors will enjoy non-discriminatory treatment, free repatriation of funds, strong safeguards against expropriation and an investor-state dispute settlement mechanism. In addition, the Chapter is based on a negative-list approach, which means that all investment sectors will be open unless otherwise listed in the shared Annexes of the Services and Investment Chapters.
- Significantly, both countries have agreed not to impose a list of restrictive conditions ("performance requirements") relating to the establishment and management of investments, as well as to the granting of incentives. This is a strong commitment found in the most forward-looking of FTAs.

BENEFITS TO THE ROK AND SINGAPORE

- Attracting ROK investments to Singapore: The ROK is Singapore's 20th largest investor, with foreign direct investments totalling \$1.68 billion by end 2003. 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. ROK investors will now have stronger confidence in investing in Singapore as the KSFTA has secured enhanced protection, ease of entry and operation for them.
- Helping Singapore-based companies invest in the ROK: Investments from Singapore into the ROK will also be covered by the Chapter. These can be made by either (a) Singapore citizens or permanent residents or (b) Singapore-incorporated companies with substantive business operations here. This means that a foreign-owned company with substantive business operations in Singapore will also enjoy the benefits of protection and liberalisation from the Chapter when investing in the ROK. This broad coverage of beneficiaries is important for Singapore to help enhance our role as a hub for foreign investments to invest in third-countries like the ROK.
- Investment liberalisation: The Chapter entitles investors to national treatment in all sectors of the other country, except for those explicitly listed in the Annexes. Thus, in liberalised sectors, a Singapore investor will enjoy the same level of

treatment which is accorded to local companies, at both national and provincial levels. Write-ups of some of the beneficiary sectors - such as courier services, education services, environmental services and contract manufacturing - can be found in the section on the Services Chapter.

- Investment protection: The Chapter contains provisions allowing the right to freely transfer funds relating to investment between the two countries. Both sides have also agreed not to take over the assets of the company unreasonably without proper compensation. If an aggrieved investor that has suffered losses deems that the ROK or Singapore has acted in breach of its obligations under the KSFTA, it can take the ROK or Singapore government to an international arbitration tribunal. This right of the investor is in addition to and independent of any other contractual rights. This undertaking sends a strong signal that both countries are committed to maintaining open economies with attractive investment regimes.

GOVERNMENT PROCUREMENT

SUMMARY OF THE CHAPTER

- The KSFTA builds on the commitments of the ROK and Singapore in the WTO Agreement on Government Procurement (GPA). Both countries are signatories of the GPA, which establishes a framework of rights and obligations among its signing members with respect to their national laws, regulations, procedures and practices regarding government procurement, based on the principles of non-discrimination, national treatment and transparency of procedures and practices.
- Under the Chapter, the threshold values above which government procurement will be subject to GPA disciplines have been lowered to SDR² 100,000 for their central government entities (except for construction services). This is a SDR 30,000 reduction from both the ROK and Singapore's GPA threshold of SDR 130,000.
- Both countries also agreed on joint cooperation in the exchange of information on government procurement.

BENEFITS TO THE ROK AND SINGAPORE

- Although Singapore already benefits from the government procurement market of the ROK under the WTO GPA, the KSFTA will provide increased benefits. For example, the lowered threshold of GP projects will allow more companies to

² SDR is Special Drawing Rights. Prevailing rate: 1 SDR = S\$2.36.

benefit from government procurement opportunities. Companies in Singapore will be treated on equal terms as ROK companies in supplying such goods and services, and vice-versa.

INTELLECTUAL PROPERTY

SUMMARY OF THE CHAPTER

- The Chapter will allow both countries to benefit from collaboration and cooperation in areas such as patent technology and licensing, the promotion of education and awareness of IPR, and the exchange of technical expertise in the field of plant varieties protection (PVP). In this way, greater opportunities will be created for both countries to work together on IP exploitation ventures, and programmes for the exchange of IP and PVP expertise, knowledge and training.

BENEFITS TO THE ROK AND SINGAPORE

- Upon the coming into force of the KSFTA, Singapore will appoint the Korean Intellectual Property Office (KIPO) as an International Search Authority (ISA) and as an International Preliminary Examination Authority (IPEA) under the Patent Cooperation Treaty (PCT). This is in respect of International Applications filed in English with the Registry of Patents, Intellectual Property Office of Singapore (IPOS) as a receiving Office.
- The inclusion of KIPO will add to the list of other competent ISAs and IPEAs for Singapore, such as the Austrian Patent Office, IP Australia and the European Patent Office. As a result of this appointment, a citizen of Singapore or a person resident in Singapore who makes an international patent filing with IPOS as a receiving Office will have an additional option of choosing KIPO as the ISA and IPEA to conduct the International Search and Examination for his international application. Further technical details relating to this appointment will be published later.
- Singapore's Patent Rules will also reflect KIPO as a prescribed patent office (PPO). The inclusion of KIPO as a PPO will augment the list of seven patent offices³ currently recognised by Singapore. It will allow an applicant for a patent in Singapore to rely on the search and examination results of a similar patent application which has been filed with KIPO (furnishing English translations where necessary). This will result in time and cost savings for patent applications in Singapore by ROK individuals and companies, making Singapore a highly attractive location for R&D investments from the ROK.

³ These are Australia, Canada (for applications for a Canadian patent filed in the English language), Japan, New Zealand, the United Kingdom, the United States of America and the European Patent Office (for applications for a European patent filed in the English language).

COMPETITION POLICY

SUMMARY OF THE CHAPTER

- The Chapter puts in place a framework for the ROK and Singapore to promote competition by addressing anti-competitive practices in their respective territory, adopting and enforcing such measures as it deems appropriate and effective to counter such practices. Among these, both countries are to ensure that their respective laws on competition are equally applied to all businesses in their territory.
- The Chapter also provides that both countries can enter into consultations on competition matters, including the elimination of particular anti-competitive practices that affect bilateral trade or investment. Both countries recognise the importance of cooperation and coordination between their competition authorities for effective competition law enforcement. To this end there is also a provision to consult on a separate arrangement between competition authorities regarding such cooperation and coordination.

BENEFITS TO THE ROK AND SINGAPORE

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

COOPERATION

SUMMARY OF THE CHAPTER

- The Chapter covers thirteen areas of bilateral cooperation, and aims to promote better understanding and communication, and enhance the sharing of information and experiences between the two countries. Under the Chapter, the countries agree to establish or build on existing mechanisms to strengthen bilateral ties.

BENEFITS TO THE ROK AND SINGAPORE

- The Chapter offers benefits for both countries in a wide range of areas, including new areas such as nanotechnology and biotechnology. MOUs signed in the areas of Trade and Investment Promotion, Broadcasting, Film and Games, Human Resource Management and Development, and Environment will create more avenues for increased cooperation and exchange of knowledge in the respective areas. Particularly noteworthy areas include:
 - a. Trade and Investment Promotion: The MOU between International Enterprise Singapore and Korea Trade and Investment Promotion Agency (KOTRA) will allow the two countries to jointly promote strategic alliances between Singapore-based companies and ROK companies. This will help such companies expand their operations in the two markets, build market knowledge, exchange expertise and develop business networks. The MOU is expected to be signed by end 2005.
 - b. Broadcasting: The MOU between the Media Development Authority (MDA) and the Korea Broadcasting Commission (KBC) will allow various forms of cooperation, such as the co-production of television programmes or digital media and the research and development of cutting-edge broadcast technologies. This MOU was signed on 19 January 2005.
 - c. Film and Games: The MOUs will allow Singapore to learn from the advanced knowledge the ROK possesses in this area, such as through training and attachment programs, and the co-production of films and gaming content by interested parties in both countries. These MOUs are expected to be signed by end 2005.
 - d. People's Developer Standard: The MOU will help the ROK gain knowledge of the People's Developer Standard adopted in many Ministries in Singapore. This MOU was signed on 11 April 2005.
 - e. Exchange of Government Officials: This area of collaboration provides for exchange programs for government officials from both countries. This will help to promote understanding of the other country's government policies, and enhance the strong bilateral ties between the two countries' governments.
 - f. Environment: The MOU signed between the Environment Ministries of both countries will encourage the exchange of CNG technology. This MOU was signed on 15 February 2005.
 - g. Energy: The ROK will stand to benefit from the collaboration in this area as Singapore will share our experiences in electricity and gas restructuring. This can be through the exchange of information, or study visits.

DISPUTE SETTLEMENT

- In any international agreement, whilst we do not expect nor hope for disputes between the countries as to what the KSFTA means, it will nevertheless be prudent to prepare for such an eventuality. In this connection, the ROK and Singapore 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 KSFTA, a predictable, efficient and effective framework is in place to resolve the dispute as quickly as possible.

REVIEW

- Ministers of the ROK and Singapore, who are in charge of trade negotiations, or their designated officials, will meet within a year of the date of entry into force of the KSFTA for a review. Subsequent reviews will be done annually or otherwise as appropriate.