

**SINGAPORE-AUSTRALIA
FREE TRADE AGREEMENT**

MEDIA-INFO KIT



Introduction

- Negotiations for the Singapore-Australia Free Trade Agreement (SAFTA) were launched by the Prime Ministers of both sides at the fringe of the APEC Leaders' Summit on 15 November 2000.
- After 10 formal rounds of meetings, substantive negotiations on key issues were concluded in late October 2002, and on 3 November 2002, the Ministry of Trade and Industry in Singapore and the Department of Foreign Affairs and Trade, Australia, announced in their respective countries, the conclusion of negotiations. The Agreement then underwent a process of technical and legal vetting in preparation for signing. Singapore's Minister for Trade and Industry, BG George Yeo, and the Australian Minister for Trade, Mark Vaile, will sign the Agreement on Monday, 17 February 2002 in Singapore.
- The Agreement includes the following chapters:
 - Trade in Goods
 - Rules of Origin
 - Customs Procedures
 - Mutual Recognition
 - Government Procurement
 - Trade in Services
 - Investment
 - Financial Services
 - Telecommunication Services
 - Movement of Business Persons
 - Competition Policy
 - Intellectual Property
 - Electronic Commerce
 - Education Cooperation

- The Agreement also contains provisions for dispute settlement and review of the Agreement.
- The SAFTA marks another milestone in economic relations between Singapore and Australia. The key areas covered by the Agreement and the expected benefits are described in more detail in this info kit.
- You may contact the Ministry of Trade and Industry should you have further general queries. For specific queries on commitments made in each chapter, information on contact persons can be found at the end of the write-up in each chapter.

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Trade in Goods

- This Chapter builds on the WTO commitments of Australia and Singapore in the area of tariff concessions and non-tariff barriers. With SAFTA, both countries have committed to eliminate their tariffs and to work towards reducing non-tariff barriers.
- The Trade in Goods Chapter provides for immediate tariff elimination on all Singapore or Australian products entering the Australian and Singapore markets respectively, thereby reducing the cost burdens for Singapore businesses exporting to Australia. Savings from these preferential tariff concessions will enable Singapore exports to be more competitive vis-à-vis other foreign exports to Australia. Singapore exporters can leverage on this competitive edge to either strengthen their current market share in Australia or penetrate the Australian market. In the long run, such cost incentives are likely to attract more businesses to site their operations in Singapore to tap on the preferential concessions from the FTA.

SUMMARY OF THE CHAPTER

- There are thirteen articles in this Chapter which essentially set out the rules governing trade in goods between Australia and Singapore. These rules, based on WTO disciplines, serve to eradicate barriers to trade in goods and promote freer flow of goods between the two countries.
- Specifically, the Chapter commits both countries to grant immediate duty-free market access to all Singapore and Australian products.
- This Chapter contains stricter disciplines that restrain a country from denying tariff concessions or imposing other trade restrictive measures to the other without proper justification. These are above and beyond what both sides have committed at the WTO.
- In addition, both countries can only impose non-tariff measures that are permitted under the WTO, and are further obliged to ensure that such non-tariff measures are transparent and do not distort trade.

SALIENT FEATURES

- Under this Chapter, both sides committed to eliminate tariffs on all Singapore and Australian products. The expanded coverage of

products that would benefit from zero-tariff concessions is an improvement from what exports to Australia currently enjoy. In terms of current trade value, the SAFTA will allow up to S\$3.3 billion of Singapore products to enter Australia duty-free, as compared to the current value of about S\$2.6 billion. In terms of product coverage, all Australian tariff lines will be duty-free for Singapore products, up from the current 50% of duty free Australian tariff lines.

BENEFITS FOR SINGAPORE AND OUR BUSINESSES

- Currently, Singapore's exports may face tariffs of up to 25% when entering Australia. A breakdown of the tariff rates currently applied for certain sectors is as follows:

Sector	Range of tariffs before SAFTA
Agricultural products	0 -5%
Chemical products	0-5%
Electrical & electronic products	0-15%
Instrumentation equipment	0-15%
Metal products	0-15%
Mineral products, including mineral fuels and oils	0-5%
Paper and paperboard products	0-5%
Pharmaceuticals	0-5%
Plastic products	0-25%
Textiles and textile articles	0-25%
Transport equipment	0-15%

- As a result of tariff elimination in SAFTA, all Singapore's products will be able to enjoy zero-tariff treatment upon entry into Australia. It is estimated that potential cost savings from the tariff concessions, based on current trade figures, would be about S\$31.6 million.
- Given that these tariff concessions lower the costs of exporting to the Australian market, it is likely there will be trade expansion, since new market access opportunities would be created for Singapore businessmen seeking to expand production for export.

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- An information booklet detailing the rules governing determination of origin, and the criteria under which a product would qualify as a good entitled to the tariff concession, will subsequently be available from International Enterprise Singapore / Ministry of Trade and Industry.

Rules of Origin

- Rules of origin (ROO) identify the “nationality” of a product. In the context of the SAFTA, they ensure that only Singaporean or Australian products enjoy preferences, such as tariff concessions, negotiated under the Agreement.
- The SAFTA ROO are negotiated taking into account ease of implementation. All products need only fulfil a general rule of a specified threshold of local value content of either 30% or 50%. At the same time the robust documentary requirements to claim such preferences ensure that only Singapore or Australian products benefit from the preferences offered under SAFTA.
- Further, the ROO take into account current and future production trends in Singapore. The ROO acknowledge the unique production pattern of Singapore currently, whereby certain stages of the production of the products are outsourced to lower cost centres (ie. parts and components are shuttled to and from Singapore at various stages of production). A review mechanism exists to take into account further technological developments which may impact on the manufacturing patterns of companies, and hence, the ROO.

SALIENT FEATURES

- This Chapter sets out:
 - a) the origin criteria that identify a Singapore product; 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 Singapore products.

(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.

In examples (a) and (b), the petroleum and the hair dryer will be considered Singaporean products if their Singaporean content is at least 50% of the cost price. For selected products of importance to Singapore, the threshold of content is lower, at 30% of the cost price. Singapore manufacturers that source inputs from overseas can include the Australian component of these inputs as part of the Singapore content.

(b) Documentary Requirements

- Claim for preference –
To prove that a product is Singaporean, an Australian importer will have to produce two documents to the Australian Customs at the point of importation:
 - a) a Certificate of Origin (CO), issued by International Enterprise Singapore and;
 - b) a self declaration made by the Singapore exporter.

As the CO is valid for two years and the self declaration is not in any prescribed form, the cost of obtaining the documents in order to benefit from SAFTA will be minimal.

BENEFITS FOR SINGAPORE AND OUR BUSINESSES

- The SAFTA ROO is easy to implement. As the rules of origin for local value content applies to all products, companies, in particular those producing a range of products, would not incur high costs in order to comply with the rule.
- Further, the SAFTA 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.

- Our businesses will hence be able to have the flexibility to leverage on the cost-competitiveness of the region and yet, still benefit from the tariff preferences offered under SAFTA.

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Customs Procedures

- The SAFTA coming into force will lead to the removal of tariffs. As a complement, the Customs Procedures Chapter aims to facilitate the flow of goods between the two Parties through simplification of customs procedures. This ensures that traders will enjoy the full benefits that are accrued to tariff removal.

SUMMARY OF CHAPTER

- The Chapter commits both countries to improve customs clearance of goods in the two countries, through paperless trading, use of modern management tools such as risk management for cargo clearance processes, and the sharing of the best practices.

BENEFITS FOR SINGAPORE AND OUR BUSINESSES

- Both Customs Administrations agreed to simplify and improve their clearance procedures. Under the Agreement, both Customs Administrations would explore the application of paperless trading in their customs procedures and to share best practices.
- Customs clearance and inspection procedures should be faster and more effective. Traders will benefit from faster turnaround time which would lower compliance costs for Customs regulatory requirements.

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Mutual Recognition

- The Chapter builds on the 2001 Mutual Recognition Agreement on Conformity Assessment between Australia and Singapore. It extends the coverage to sanitary and phytosanitary measures (SPS)¹. Taken together, they are complementary and are aimed at facilitating trade between the two countries as technical regulations and requirements could unnecessarily inhibit trade.
- The Agreement provides for mutual recognition of test reports and/or certificates issued by the exporting country to testify that they meet with the mandatory requirements of the importing country. This means that products would be already tailored for the destination market upon their arrival there, and removes the need for duplicative testing and/or certification in the importing country before the product can be sold.
- As a result of this, companies will be able to obtain savings on the cost of duplicative testing and/or certification.

SUMMARY OF THE CHAPTER

- The Chapter comprises ten articles that set out the overall general principles which needed to be incorporated for the different product sectors. The detailed requirements and procedures to ensure that specific types of products meet the mandatory requirements of the destination market are set out in separate Annexes.
- The overall principles aim to do the following:
 - set out the scope, coverage and definitions of the technical jargon used;
 - stipulate the fundamental obligations for both countries to accept the equivalence of mandatory requirements and/or the results of conformity assessment and approval procedures of the other Party;
 - provide for information exchange and updates of changes in each other's regimes.

¹ SPS measures refer to any measure, procedure, requirement, or regulation, taken by governments to protect human, animal, or plant life or health from the risks arising from the spread of pests, diseases, disease-causing organisms, or from additives, toxins, or contaminants found in food, beverages, or feedstuffs.

BENEFITS FOR SINGAPORE AND OUR BUSINESSES

- The extension to sanitary and phytosanitary measures is significant as Australia is our 2nd largest source of meat and meat products and our 3rd largest source of fruit and vegetables. For cut orchids and other foliage, Australia is our 3rd largest export market, after Japan and US.
- As an illustration, exemption from mandatory fumigation requirements for orchids exported to Australia is expected to result in immediate cost savings and shorter time-to-market benefits, thus giving further impetus to such current high trade levels. Currently, every consignment of cut flowers and foliages has to undergo mandatory fumigation on import into Australia, at the cost of S\$170. Such fumigation also results in a shortening of the shelf life of the products by about 20-30%. The exemption means improved quality and shelf life of orchids sold in the market relative to other sources; hence increasing the competitiveness of Singapore-sourced cut orchids vis-à-vis exports from other countries.
- Customs clearance of products included in the agreement is also expected to be faster. It is expected that the clearance through the fast track can be at least 2 hours faster than the normal track. Given the premium placed on the freshness of the perishable products, this fast track will enhance the competitiveness of Singapore's exports when compared to those from other countries.
- The provision for regular exchanges and updates regulatory requirements between Singapore and Australia means that adaptation can be sped up at the source. For example, information relating to the non-compliance of orchid exports from accredited exporters will be handled swiftly through direct communication with the plant quarantine counterparts in Australia. The accredited exporter will be notified promptly, together with the reasons, should its consignments of orchids be destroyed or denied entry due to pests being detected in that shipment. This will enable the accredited exporter to take prompt corrective actions, and ensure that its consignments will be allowed entry into Australia as soon as possible.
- Australia will also notify Singapore promptly on any proposed changes to its mandatory requirements, hence allowing Singapore exporters more time to comply with the new requirements before they come into effect.

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- Parties interested in taking advantage of the Australia-Singapore Mutual Recognition can apply to:

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Government Procurement

SUMMARY OF THE CHAPTER

- Australia and Singapore are both parties to the Asia-Pacific Economic Cooperation (APEC). The APEC is based on non-binding principles of non-discrimination, national treatment and transparency in government procurement.
- In the spirit of APEC, the SAFTA is aimed at expanding the scope for promotion of trade between Australia and Singapore through government procurement. Under the agreement, suppliers from both parties will be treated equally as any locally established supplier.
- Both countries also agreed to cooperate to ensure that policies and procedures that are adopted will facilitate access to government procurement opportunities by suppliers via electronic means, or e-procurement.

BENEFITS FOR SINGAPORE AND OUR BUSINESSES

- This chapter increases the opportunities for Singapore suppliers to participate in procurement by 79 entities in the Australian Commonwealth government, listed in the Annex of the Chapter. Australia has also agreed to encourage their State governments to be part of this Agreement by the first year review and this should see more opportunities being opened to suppliers.

INFORMATION / CONTACT POINT

- Interested parties can contact the following office to find out more about the provisions under the Government Procurement chapter:

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Trade in Services

- Both Singapore and Australia have significantly improved their market access and national treatment commitments made at the multilateral level, thus making the SAFTA Services Chapter both WTO-consistent and WTO-plus. In this chapter, both countries have committed to offer service suppliers of the other country greater market access within their domestic economy for a variety of services sectors. In addition, both countries would also guarantee that there would not be any additional barriers to the other country's service suppliers in these sectors.
- Both Singapore service suppliers and companies with business operations in Singapore that have keen business interests in the Australian market would be able to take advantage of the preferential opportunities under this agreement. With more Australian companies entering the Singapore market, and other foreign companies investing in Singapore to take advantage of enhanced business opportunities in Australia, Singapore would benefit from a more competitive services market, a higher employment rate and greater economic growth prospects.

SUMMARY OF THE CHAPTER

- The Services Chapter consists of twenty-three articles that govern trade in services between Singapore and Australia. Under the Market Access article, neither country may restrict access to their markets, either by quantitative restrictions (e.g. numerical quotas on services suppliers) or qualitative restrictions (e.g. requirement to supply a service through joint venture). Under the National Treatment Article, both countries also agreed to grant services and service suppliers of the other country the same treatment that they give to their domestic services and service suppliers. There are also disciplines on domestic regulation to ensure that both countries impose measures in a manner that is reasonable, objective and impartial, as well as provisions that prevent monopolies from abusing their position. Additional disciplines pertaining to Telecommunication Services and Financial Services are found in other Chapters of this Agreement.
- Both Singapore and Australia have committed to a wide range of services sectors in SAFTA beyond what has been committed at the WTO. Services sectors covered by this Agreement include professional services, transportation services, distribution services, tourism services,

environmental services, and recreational, cultural and sporting services.

- With a negative-list FTA approach, all sectors are *a priori* liberalised with the exception of those reserved in Annexes 4, which includes a list of measures which each country can continue to maintain, notwithstanding commitments in the Chapter. This creates a more predictable business environment for Singapore businessmen, who would have a better knowledge of the sectors in Australia which are protected before entering into the Australian market.
- Australia's services commitments are in Annexes 4-I(A) and 4-II(A), while Singapore's services commitments are in Annexes 4-I(B) and 4-II(B). Australia has currently made commitments at its Federal level and would be making further commitments at the State level during the first review of this Agreement. In Annexes 4-I(A) and 4-I(B), both countries list down any of their existing measures maintained in the various services sectors that violate the Market Access and National Treatment obligations. Annexes 4-II(A) and Annex 4-II(B) contain sensitive service sectors where the parties reserve flexibility to impose non-conforming Market Access and National Treatment measures.
- Annex 4-III contains both countries' commitments in addition to the Market Access and National Treatment obligations, such as in the area of legal services, where Singapore will now recognise a total of 8² Australian law schools (up from the current 4), and will make it easier for Australian law firms to enter into joint law ventures and formal law alliances with Singapore law firms.

BENEFITS FOR SINGAPORE AND OUR BUSINESSES

- Despite the global economic downturn, Australia is likely to be one of the fastest-growing OECD economies in 2002 with a real GDP growth estimated to be at 3.6%³. Currently, the services sector comprises more than 80% of the GDP of Australia⁴. With an estimated 2002 GDP of S\$695 billion⁵, the Australian services sector is worth close to S\$500 billion. Singapore exports about S\$2 billion worth of services to the

² The 4 law schools currently recognised are: Monash University, University of Melbourne, the University of New South Wales and the University of Sydney. The 4 additional law schools that will be recognised when the Agreement comes into force are: the Australian National University, Flinders University, the University of Queensland, and the University of Western Australia.

³ The Economist Intelligence Unit, *Country Report (Australia)*, December 2002

⁴ http://www.dfat.gov.au/trade/negotiations/aussing_fta_cost_benefit_study.html#execsumm

⁵ The Economist Intelligence Unit, *Country Report (Australia)*, December 2002 (converted into S\$ using an average exchange rate of 2001, where Aus\$1 = S\$0.98)

Australian market in 2001⁶. Singapore service suppliers can thus leverage on preferential business opportunities accorded by the SAFTA to seek opportunities in the Australian service market.

- For Singapore service suppliers, there are various sectors that Australia has fully liberalised at the Federal level. Some examples would be real estate services, distribution services, tourism services, energy services and professional services such as legal services, engineering services, and architectural services. Singapore firms specialising in scientific and technical consulting services and dealing with IT and related services would also benefit from the unfettered market access to the Australian domestic market.
- On top of the current commitments made by Australia at its Federal level, the Australian states and territories will be making further commitments during the first review of the Agreement. Such additional commitments will help Singapore firms make further inroads into the services sectors in the various states of Australia and provide for greater business opportunities for Singapore businessmen.

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⁶ Fact Sheet of Singapore, www.dfat.gov.au (converted into S\$ using an average exchange rate of 2001, where Aus\$1 = S\$0.98)

Investment

- Investments have played and will continue to play, an important role in Singapore's economic development. Singapore's economic interest is, therefore, best served by maintaining an open economy with minimum restrictions on the free flow of capital, goods and services. The Chapter on Investments under the SAFTA, 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.
- The provisions in the Investment Chapter will increase Singapore's attractiveness as an investment location to Australian companies as the investment regime and protection for Australian investments will be enhanced. In addition, since the chapter also serves to encourage mutual investment flows between Australia and Singapore, it will also encourage Singapore investments into Australia to gain access to its market, and leverage on its technological progress and natural resources.

SUMMARY OF THE CHAPTER

- The chapter consists 21 articles that prescribe the general disciplines governing the investment regime in Australia 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 Australia and Singapore, the chapter focuses on two key elements, comprising provisions on (i) investment promotion and (ii) investment protection.
- The chapter is comprehensive in terms of scope of coverage and depth of disciplines. The investment chapter covers both investments in the manufacturing and service sectors. It covers the various stages of investment, ranging from the pre-establishment to post-establishment stage. Investors who can benefit from this chapter are also not limited to nationals of Singapore or companies owned by Singaporeans but include permanent residents and enterprises with substantive business operations in Singapore. Concessions are premised on the more liberalizing and transparent negative list approach.

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 review of commitments and access to investor-to-state dispute settlement, which are explained further below. The salient features of this chapter include:

Who is covered?

- **Beneficiaries:** The chapter covers investors who are nationals or permanent residents of Australia and Singapore and enterprises that are owned or controlled by them. In addition, the chapter also covers enterprises constituted in either Australia or Singapore with are owned or controlled by foreigners 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 Australia.

What is covered?

- **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

- **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 Australia gives to its own nationals save for a number of industries where Australia has taken reservations. National treatment ensures that Singapore investors will be given a level playing field when they invest in Australia
- **Expropriation and 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. Land expropriation will be governed by the domestic legislation of each country.
- **Free transfers:** Both countries will allow the investors to freely repatriate and transfer funds related to their investments (such as capital, profits, dividends and royalties) into and out of the country.

- 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 platforms to choose from, specifically that of the International Centre for Settlement of Investment Disputes (ICSID) and the United Nations Commission on International Trade Law (UNCITRAL).
- Australia's Foreign Investment Review Board (FIRB): Foreign investments of more than A\$50 million require the prior approval of the FIRB. Foreign investments will be denied approval if they are assessed to be detrimental to Australia's national interest. Following consultations with Singapore investors in Australia, we requested Australia to improve certain aspects of the approval process. Australia has agreed to set up a designated help desk to assist Singapore companies with issues relating to the national interest test and information required for their investment application.

BENEFITS FOR SINGAPORE AND OUR BUSINESSES

- When a Singapore-based company invests in Australia, it will enjoy the same treatment as that which is accorded to Australian companies, and it will have the right to freely transfer in and out its funds relating to this investment. Both countries have committed not to 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.
- As a small economy with no natural resources, it is important that Singapore is strongly plugged to 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.
- With SAFTA, Singapore is now a better location for Australian companies to access the regional Southeast Asian markets by leveraging on Singapore's ASEAN network. Australian investors will have greater confidence to invest in Singapore as the agreement has secured enhanced protection, ease of entry and operation for investors from Australia. Likewise, investments from Singapore into Australia will be accorded similar protection.

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Financial Services

- Building on the strong financial relations between Singapore and Australia, the SAFTA will further strengthen the financial sector linkages between the two countries. The SAFTA will promote bilateral trade and investment in financial services through market opening measures committed under the FTA.

SUMMARY OF THE CHAPTER

- The Chapter on Financial Services adds to commitments made in the Chapters on Trade in Services and Investment, for the financial services sector. These commitments will ensure that the market access treatment of financial services is based on transparent principles that are applied in a non-discriminatory manner. Singapore financial institutions are not only given market access to the Australian market, but are also assured of receiving the same treatment that the Australian government gives to Australian suppliers.

BENEFITS FOR SINGAPORE AND OUR BUSINESSES

- The SAFTA will ensure a more level playing field for Singapore financial institutions interested in expanding in Australia. Australia has committed its current regime on market access policies with respect to all major areas of financial services.
- With the inclusion of the New Financial Services article in the Chapter, Australia shall also permit financial institutions in Singapore to supply new financial services of a type similar to those services that Australia would permit its own financial institutions to provide under its domestic law.
- The Chapter also prevents either side from impeding transfers of information and processing of financial information, including through electronic means, where necessary for a financial service supplier to carry out his ordinary business operations.

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Telecommunication Services & Electronic Commerce

- The successful conclusion of the SAFTA offers Singapore-based companies greater market access and a more level-playing field in the Australian telecommunications (telco) market.

BENEFITS FOR SINGAPORE AND OUR BUSINESSES

Telecommunications Services

1) Greater Controls Over The Conduct of Telstra Corporation

- The Australian government has undertaken strong pro-competitive disciplines to manage the dominance of which owns and operates a large part of Australia's network and services. This means Singapore-based companies can enjoy greater business certainty as well as participate in a more level-playing field in the Australian telco market.
- In this respect, Australia will require Telstra to:
 - a) publish either its interconnection agreements or make available a⁷ reference interconnection offer (RIO). The commitment will ensure Singapore operators now get the same timely, cost-oriented and non-discriminatory interconnection from Telstra that Australian operators already enjoy in Singapore.
 - b) offer its competitors, services and networks that it offers to itself or its subsidiaries at non-discriminatory rates. Australia's planned accounting separation guidelines will help enhance the transparency of Telstra's rates.
 - c) offer last-mile bottleneck infrastructure, such as local loops and line-sharing, at cost-oriented rates to its competitors. Again, this is already available in Singapore. [see also footnote⁷ below]
 - d) allow resale of its retail services by its competitors at reasonable rates.

⁷ A Reference Interconnection Offer or 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. For Singapore, SingTel's RIO is published on the IDA website <http://www.ida.gov.sg>, '*Policy and Regulation*', '*Interconnection & Access*'.

- e) provide speedy number portability to customers wishing to switch operators. In Singapore, this process takes an average of 18 days. Telstra has in the past, taken up to 10 months. Australia will now work towards improving its record.

2) Improving the Timeframe for Resolving Interconnection Disputes

- Another key landmark of the Telecommunications Chapter is Australia's agreement to resolve interconnection disputes between Telstra and its competitors within six months. This will allow Singapore-based companies to benefit from shorter dispute resolution timeframes.
- In the past, the Australian Competition and Consumer Commission (ACCC) has taken an average of 446 days (about 14 months) to resolve these disputes, resulting in severe setbacks for Telstra's competitors. By contrast, Singapore is bound by its ⁸Telecom Competition Code to resolve such disputes within two months.

3) Lower Technical/ Technology Barriers to ICT trade

- Singapore and Australia 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-based companies exporting telecommunication equipment to Australia need not submit their equipment for additional testing in Australia as long as they are tested in Singapore by test labs accredited and recognised by Australia.
- The good news to Singapore-based companies is that they can potentially enjoy cost-savings ranging from A\$1,000 (about S\$988) to A\$8,000 (about S\$7,905) from not having to re-test their equipment in Australia. They will also be able to gain immediate entry into the Australia market.

Electronic Commerce

4) Greater Trade Efficiency

⁸ Singapore's Telecom Competition Code provides for a clear, coherent and robust competition framework to prevent anti-competitive and unfair practices. It also provides for the development of sustainable competition in the telecoms market by setting clear boundaries for competitive behaviour. See <http://www.ida.gov.sg>, 'Policy and Regulation', 'Codes of Practice'.

- Under the SAFTA, Singapore companies can look forward to greater trade efficiency for the import and export of goods to and from Australia. Both sides have agreed to accept and make available electronic versions of all trade administration documents by 2005.

INFORMATION / CONTACT POINT

- For media clarification, please contact

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Suntec Tower 3
Singapore 038988

Movement of Business Persons

- The cross-border movement of business persons plays a central role in initiating trade and investments in goods and services. The purpose of the Movement of Business Persons chapter is to enhance such trade and investment flows by facilitating easier temporary entry to Australia for Singaporeans and Singapore Permanent Residents (PRs) on business through expeditious and streamlined immigration clearance procedures.

SALIENT FEATURES

- The Chapter will facilitate the movement of two major categories of business persons directly involved in cross-border trade and investments through the following commitments:
 - a) Business visitors will be permitted to enter and engage in business activities within Australia for a period of 3 months;
 - b) Intra-corporate transferees (i.e., managers, executives and specialists within organisations) will be permitted to stay and work in Australia for a committed period of up to 14 years.
- Both countries have agreed to confer the same benefits on both citizens and PRs of the other country under this chapter. Further, Australia committed that with regard to the conditions of entry and immigration formality processing, Singaporeans and Singapore PRs will not be treated less favourably than citizens of any other country.
- In addition, both countries have committed that neither country shall require labour market testing, labour certification tests or other similar procedures as a condition for temporary entry of business persons.
- The chapter does not apply to measures 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.

BENEFITS FOR SINGAPORE AND OUR BUSINESSES

- SAFTA creates immense business opportunities for a combined market of 22.5 million people with a combined gross domestic product of US\$640 billion. The Movement of Business Persons chapter will grant

Singaporeans guaranteed entry and stay in Australia as business visitors and intra-corporate transferees.

- Singapore companies will have certainty when they choose to deploy Singapore staff to help manage their Australian operations. With freer movement of business persons between countries, bilateral trade and investment flows should be significantly enhanced. Hence, companies in Singapore can leverage on the chapter to drive greater economic integration between the two countries.

INFORMATION / CONTACT POINT

- Singaporeans and Singapore PRs can approach the International Enterprise Singapore for details on doing business in Australia, while Australian nationals can approach the Singapore Immigration & Registration and Singapore Ministry of Manpower on entry requirements and work passes respectively.

Singapore Immigration & Registration
SIR Building
10 Kallang Road
Singapore 208718
Email: sir_feedback@sir.gov.sg
SIR Enquiry Line: (65) 6391 6100
Fax: (65) 6298 0843 / 6298 0837

Ministry of Manpower
18 Havelock Road
#07-01
Singapore 059764
Email: mom_hq@mom.gov.sg
MOM OneCall Centre: (65) 6438 5122
Fax: (65) 6534 4840

Competition Policy

SUMMARY OF THE CHAPTER

- The aim of this Chapter is to contribute to the fulfillment of the objectives of SAFTA through the promotion of fair competition and the curtailment of anti-competitive business practices. The Chapter thus sets out generally the means by which this is to be achieved.

SALIENT FEATURES

- Australia and Singapore have both committed to ensuring that anti-competitive business practices are proscribed. In an acknowledgement of the fact that Singapore does not have a generic competition law yet, the Chapter provides that this may be done through existing law or through the enactment of a general competition regime.
- The Parties have also agreed that unless a specific exemption applies, the relevant competition laws will apply to all businesses irrespective of ownership.
- In addition, Australia and Singapore have committed to ensuring that government-owned enterprises are not given any competitive advantage in their commercial activities simply as a result of being government-owned. Australia has agreed to ensure that, apart from the federal government, its state and local governments are bound by this commitment as well.
- Recognising the value of consultation and cooperation, the Parties have agreed that either of them may request consultations with the other on particular anti-competitive practices that affect trade or investment between them. Any information exchanged in consultations is to be kept confidential, unless disclosure is compelled by domestic legal requirements.
- They have also agreed to initiate a review of the Chapter within six months of a generic competition law coming into force in Singapore. This review will include exploring ways to strengthen cooperation between the two countries in the area of competition policy, such as through an agreement between the respective competition authorities.
- In order to ensure finality and recognising that both countries may take different approaches towards competition regulation, the Chapter

prohibits the Parties and their investors from challenging the decision of a competition authority under the dispute settlement procedures provided by the Agreement. Australia and Singapore have also agreed that they will not subject any issue relating to the Chapter to the dispute settlement procedures under the Agreement.

BENEFITS FOR SINGAPORE AND OUR BUSINESSES

- Businesses will gain confidence from the assurance that they will be operating in an environment that is open and fair when they invest in Australia, whether at federal or state level, and that the benefits of the Agreement will not be undermined by anti-competitive practices. The ability of the Parties to consult each other will also help to ensure that any problems that investors may face can be dealt with more easily. In addition, cooperation between the competition authorities will mean that they can learn from best practices and exchange ideas to enhance enforcement capabilities.

INFORMATION / CONTACT POINT

- For further information, please contact:

Ministry of Trade and Industry
100 High Street #09-01
The Treasury
Singapore 179434
Tel: (65) 6225 9911
Fax: (65) 6332 7260
E-mail: MTI_FTA@mti.gov.sg

Intellectual Property

SUMMARY OF THE CHAPTER

- Australia and Singapore are both signatories to the World Trade Organisation (WTO) Agreement on Trade-Related Aspects of Intellectual Property Rights (the TRIPS Agreement) which sets out the minimum standards of intellectual property rights (IPR) protection for WTO member countries. The IP chapter under SAFTA seeks to provide an enhanced standard of IPR protection beyond that which is required under the TRIPS Agreement in areas that are of mutual benefit to both Australia and Singapore.
- This Chapter also aims to increase dialogue and co-operation between Australia and Singapore on IPR-related matters and to review areas of cooperation with a view to improving IP relations between the countries.

SALIENT FEATURES

- Australia and Singapore have committed to accede to the World Intellectual Property Organisation (WIPO) Copyright Treaty (hereafter called WCT) and the WIPO Performances and Phonograms Treaty (hereafter called WPPT) by 1 Jan 2005. The WCT and WPPT (commonly called “WIPO Internet treaties”) address copyright protection issues raised by the digital revolution by enacting clear and appropriate legal provisions which are not found in the existing international agreements and conventions on copyright.
- Australia and Singapore have also committed to adopt a common standard of protection for the protection of industrial designs by ensuring compliance with the provisions of the Geneva Act (1999) of the Hague Agreement Concerning the International Registration of Industrial Designs.
- Australia and Singapore have also agreed to affirm elements of protection to account for the changing nature of media and communication such as digitisation of content and internet communication.
- Australia and Singapore have also committed to ensuring effective enforcement of intellectual property rights by agreeing to take efforts to improve communication between enforcement agencies as well as cooperating on information exchange on education and awareness

programs. Parties will continue to develop a closer working relationship between their respective enforcement agencies, educational and awareness organisations and policy bodies.

BENEFITS FOR SINGAPORE AND OUR BUSINESSES

- The enhanced copyright protection brought about by agreeing to accede to the WCT and WPPT would establish a clear and secure legal framework for e-commerce to flourish between the Australia and Singapore.
- Clearer framework for cooperation on enforcement and information exchange on protection, management and exploitation of intellectual property rights.

INFORMATION / CONTACT POINT

- Please address all media queries to:

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Tel : (65) 6339 8616
Fax : (65) 6338 2676
E-mail: Elizabeth_Cardoza@ipos.gov.sg

Intellectual Property Office of Singapore
51 Bras Basah Road
#04-01 Plaza By The Park
Singapore 189554
Website : <http://www.ipos.gov.sg>
Email Address : ipos_enquiry@ipos.gov.sg

Education Cooperation

SUMMARY OF THE CHAPTER

- The Education Cooperation Chapter aims to enhance the bilateral trade and investment relationship between Singapore and Australia by promoting mutual cooperation in education.
- Both countries committed to encourage and facilitate exchanges in a number of fields, such as online education, higher education and teacher development. Both sides also agreed to encourage more interaction between relevant government agencies and educational establishments through projects, joint studies, and information exchanges on the study opportunities in Australia and Singapore.
- In addition, each country will allow scholarships for overseas study to be tenable at universities in the other country, subject to any professional qualification requirements. Both parties will also encourage nominees of their government scholarships to consider pursuing their studies in the other country.

BENEFITS FOR SINGAPORE AND OUR BUSINESSES

- In 2001, Singapore was Australia's largest source of overseas students, with over 20,000 students enrolled in both on and offshore Australian educational institutions. Through this Chapter, we hope to further enhance this symbiotic relationship through exchanges at several levels (primary to higher education), open sharing of information, joint research, as well as through other meaningful forms of mutual collaboration in the area of education.

INFORMATION / CONTACT POINT

- For further information, please contact:

Ministry of Trade and Industry
100 High Street #09-01
The Treasury
Singapore 179434
Tel: (65) 6225 9911
Fax: (65) 6332 7260
E-mail: MTI_FTA@mti.gov.sg

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 Australia have negotiated a comprehensive set of dispute settlement procedures. Disputes are subject to consultations, negotiations, conciliation and arbitration just like the WTO, thereby enhancing the rule of law in international trade.