

For immediate reporting

SINGAPORE AND MERCOSUR SUBSTANTIVELY CONCLUDE FREE TRADE AGREEMENT NEGOTIATIONS

1. Singapore and MERCOSUR have substantively concluded negotiations on the MERCOSUR-Singapore Free Trade Agreement (MCSFTA). Minister for Trade and Industry Gan Kim Yong and MERCOSUR Ministers jointly announced this yesterday via videoconference on the sidelines of the MERCOSUR Summit 2022 held in Paraguay. Minister of State for Trade and Industry Alvin Tan also delivered remarks via videoconference.
2. Minister Gan said, “The MCSFTA is built upon our mutual interest to connect more and grow together. It signals Singapore’s strong commitment towards deepening trade and investment ties with our Latin American partners. As Singapore’s first trade agreement with the MERCOSUR member states, the MCFSTA will secure market access and holds promising opportunities for Singapore businesses. We look forward to the expeditious signing of the agreement and its entry into force.”.
3. The MCSFTA is a comprehensive agreement with commitments by Singapore and MERCOSUR to provide greater access to each other’s markets, through lower tariff rates on products traded, enhanced market access for services that companies provide, and opportunities for companies to access government procurement projects. Singapore companies in sectors such as oil and gas, agri-business, digital, manufacturing, hospitality, logistics and infrastructure, can benefit from simplified trade procedures, fair competition, and investor protection.
4. The MCSFTA will facilitate greater flows in investment, knowledge and innovation for people and enterprises. Beyond direct economic benefits, the MCSFTA will include cooperation initiatives that facilitate institutional linkages and capacity building efforts.
5. MERCOSUR is a Latin American trade group comprising Argentina, Brazil, Paraguay, and Uruguay. It has a combined population of more than 295 million people and a GDP of US\$2.2 trillion. In 2021, Singapore’s total trade in goods with the MERCOSUR countries amounted to S\$7.9 billion, while trade in services amounted to S\$3 billion. Singapore’s stock of Direct Investment Abroad (DIA) in the MERCOSUR countries was S\$1.66 billion as at end-2021.
6. As the first trade deal between MERCOSUR and Singapore, the MCSFTA is a stepping stone to broader and deeper engagement between the two regions, and presents more opportunities for companies to trade and invest. Singapore and MERCOSUR member states will now work towards the signing and ratification of the FTA to bring it into force expeditiously.

Annex A: Photo and caption from Announcement at MERCOSUR Summit

Annex B: Factsheet on the MERCOSUR-Singapore Free Trade Agreement

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Annex A: Photo and caption from MERCOSUR Summit



Caption: Minister for Trade and Industry Gan Kim Yong and MERCOSUR Ministers jointly announced the substantial conclusion of the MERCOSUR-Singapore Free Trade Agreement (MCSFTA) via videoconference at the MERCOSUR Summit 2022 held in Paraguay.

Annex B: Factsheet on MERCOSUR-Singapore Free Trade Agreement

1. The MCSFTA is a comprehensive Free Trade Agreement that will feature 19 Chapters:

- National Treatment and Market Access for Goods
- Rules of Origin
- Trade Remedies
- Bilateral Safeguards
- Customs Procedure and Trade Facilitation
- Technical Barriers to Trade
- Sanitary and Phytosanitary Measures
- Cross-Border Trade in Services
- Movement of Natural Persons
- Investment
- E-Commerce
- Intellectual Property Rights
- Government Procurement
- Micro, Small and Medium Enterprises
- Competition Policy
- Transparency
- Dispute Settlement
- Initial Provisions and Definitions
- Institutional, General & Final Provisions

2. Beyond liberalising trade and investment, the MCSFTA will contain cooperation initiatives in a wide range of areas, including: Customs Procedures and Trade Facilitation; Competition Policy; Micro, Small and Medium Enterprises; and Intellectual Property Rights. Notably, the Parties to the MCSFTA will encourage greater transparency in customs procedures and the exchange of information on the simplification of customs procedures, with a view towards facilitating trade. These measures will benefit businesses by expediting the clearance of goods.

3. The FTA will also facilitate cooperation in capacity building for Micro, Small and Medium Enterprises by promoting collaboration between our governments in helping MSMEs internationalise and develop entrepreneurial skills.

Singapore Companies in MERCOSUR's Markets

4. There are more than 90 registered companies from MERCOSUR countries in Singapore and almost 70 overseas affiliates of Singapore

companies in MERCOSUR¹. Enterprise Singapore and the Economic Development Board have offices in São Paulo, Brazil. Singapore companies' business interests in MERCOSUR are currently in the oil and gas, agribusiness, digital, manufacturing, hospitality, logistics and infrastructure sectors. Some examples of Singapore companies doing business with or in MERCOSUR are Ascott, Changi Airports International, SEA Group, Olam International, Wilmar International Limited, Sunningdale Tech, and I Can Read. The MCSFTA can help such companies further grow in MERCOSUR, reduce business cost, and open more opportunities for them and for other companies interested to enter the MERCOSUR markets.

¹ Source: Accounting and Corporate Regulatory Authority (ACRA)