

# **PRESS RELEASE**

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## **TRADE POLICY REVIEW BODY**

### **REVIEW OF SINGAPORE**

#### **TPRB'S EVALUATION**

The Trade Policy Review Body of the World Trade Organization (WTO) concluded its third review of Singapore's trade policies on 29 and 31 March 2000. The text of the Chairperson's concluding remarks is attached as a summary of the salient points which emerged during the discussion.

The review enables the TPRB to conduct a collective examination of the full range of trade policies and practices of each WTO member countries at regular periodic intervals to monitor significant trends and developments which may have an impact on the global trading system.

The review is based on two reports which are prepared respectively by the WTO Secretariat and the government under review and which cover all aspects of the country's trade policies, including its domestic laws and regulations, the institutional framework, bilateral, regional and other preferential agreements, the wider economic needs and the external environment. A record of the discussion and the Chairperson's summing-up together with these two reports will be published in due course at the complete trade policy review of Singapore and will be available from the WTO Secretariat, Centre William Rappard, 154 rue de Lausanne, 1211 Geneva 21.

Since December 1989, the following reports have been completed: Argentina (1992 and 1999), Australia (1989, 1994 and 1998), Austria (1992), Bangladesh (1992), Benin (1997), Bolivia (1993 and 1999), Botswana (1998), Brazil (1992 and 1996), Burkina Faso (1998), Cameroon (1995), Canada (1990, 1992, 1994, 1996 and 1998), Chile (1991 and 1997), Colombia (1990 and 1996), Costa Rica (1995), Côte d'Ivoire (1995), Cyprus (1997), the Czech Republic (1996), the Dominican Republic (1996), Egypt (1992 and 1999), El Salvador (1996), the European Communities (1991, 1993, 1995 and 1997), Fiji (1997), Finland (1992), Ghana (1992), Guinea (1999), Hong Kong (1990, 1994 and 1998), Hungary (1991 and 1998), Iceland (1994 and 2000), India (1993 and 1998), Indonesia (1991, 1994 and 1998), Israel (1994 and 1999), Jamaica (1998), Japan (1990, 1992, 1995 and 1998), Kenya (1993 and 2000), Korea, Rep. of (1992 and 1996), Lesotho (1998), Macau (1994), Malaysia (1993 and 1997), Mali (1998), Mauritius (1995), Mexico (1993 and 1997), Morocco (1989 and 1996), New Zealand (1990 and 1996), Namibia (1998), Nicaragua (1999), Nigeria (1991 and 1998), Norway (1991 and 1996), Pakistan (1995), Papua New Guinea (1999), Paraguay (1997), Peru (1994), the Philippines (1993 and 1999), Poland (1993), Romania (1992 and 1999), Senegal (1994),



Singapore (1992, 1996 and 2000), Slovak Republic (1995), the Solomon Islands (1998), South Africa (1993 and 1998), Sri Lanka(1995), Swaziland (1998), Sweden (1990 and 1994), Switzerland (1991 and 1996), Tanzania (2000), Thailand (1991, 1995 and 1999), Togo (1999), Trinidad and Tobago (1998), Tunisia (1994), Turkey (1994 and 1998), the United States (1989, 1992, 1994, 1996 and 1999), Uganda (1995), Uruguay (1992 and 1998), Venezuela (1996), Zambia (1996) and Zimbabwe (1994).

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**TRADE POLICY REVIEW OF SINGAPORE****29 AND 31 MARCH 2000****CONCLUDING REMARKS BY THE CHAIRPERSON**

The Trade Policy Review of Singapore, which generated enormous enthusiasm among the Member countries, was most useful to all participants in a variety of ways. To the Singapore delegation, so ably led by Permanent Secretary Khaw Boon Wan, it provided a helpful assessment of how their trade and investment policies are perceived by us; to all others it demonstrated how sound macroeconomic fundamentals, wise socio economic management, continued liberalization and bold regulatory reforms helped sustain growth for a couple of years after the last Review and thereafter assisted recovery in the aftermath of the economic crisis that hit the Asian region in 1997. The size of Singapore has come up; we all know that Singapore in low tide is larger than at high tide but Singapore has shown that small can be beautiful.

It was acknowledged by several that the example of Singapore merited emulation. Many others saw lessons to learn. Particularly noted was Singapore's swift and flexible response to the crisis, without taking protectionist measures, at the same time accelerating liberalization in key services as financial and telecommunications, as also planning the same in the energy sector. They observed that Singapore was one of the most open economies in the world with zero tariffs for most lines, a liberal foreign investment regime and on-going reform programmes in the services sector which went beyond its GATS commitments. Singapore's steadfast faith in the multilateral trading system was appreciated, as was its prompt implementation of WTO Agreements including those for which it has a transition period. Members also noted Singapore's active involvement in regional arrangements under a policy of open regionalism.

Some concerns were expressed. One was over an apparent decline, or threat thereof, in Singapore's external competitiveness in certain activities. Suggestions were made that efforts to encourage innovation as well as further liberalization and deregulation should be continued. Some Members also queried why Singapore had left almost 30% of its tariff lines unbound, and asked why it maintained a sizeable gap between bound and applied rates; this tended to lend a degree of unpredictability and uncertainty to its tariff regime. Details were sought on bilateral trade agreements currently under negotiations with Japan, Mexico and New Zealand, and their status in terms of notifications to the WTO.

Furthermore, Members asked for details in a number of more specific areas including:

- the relationship between Singapore's multilateral liberalization commitments and regional and bilateral agreements; in particular, the rationale of negotiating bilateral preferential agreements given that Singapore was already a substantially open market economy;
- the reason for imposing tariffs as well as excise duties on certain alcoholic products;
- the ban maintained on imports of cars of three years and older for environmental reasons, given the already stringent environmental compliance standards imposed by Singapore on all cars;
- the rationale for providing investment incentives;

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- harmonization of standards and details on new guidelines being developed on the labelling of genetically modified organisms;
- the consistency of the Major Exporter's Scheme (MES) with the WTO Agreement on TRIMs;
- enforcement of intellectual property rights, particularly at the retail level and the success of self-policing of alleged infringements of intellectual property rights;
- the role of Government in the economy, in particular through the holding company Temasek and the Government linked corporations;
- intentions to develop an economy wide competition policy;
- transparency in government procurement and the 2.5% preference granted for ASEAN members;
- the possibility of increasing Singapore's services commitments under the GATS and scheduling services not already included in Singapore's GATS schedule; and
- market access in some services, including professional services.

Members greatly appreciated the clarification and responses provided by the Singapore delegation.

Singapore's impressive results, flowing from its prudent policies, are self evident. Its stated desire to be the hub of some identified economic activities, both regionally and globally, is being supported by a variety of well-designed efforts.

Singapore's continued commitment to trade liberalization and the multilateral trading system is to be applauded. In conclusion I cannot help but observe that what another City State, Athens was long ago to the Age of Pericles, Singapore has become, in contemporary times, to the Age of dot Com.

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