

SINGAPORE WELCOMES UNITED STATES JOINING TRANS-PACIFIC TRADE AGREEMENT

22 September, 2008. The United States announced today that it intends to join a comprehensive trans-Pacific trade agreement among Singapore, Brunei, Chile and New Zealand. Singapore Foreign Affairs Minister George Yeo, Brunei Darussalam Foreign Affairs and Trade Minister II Lim Jock Seng, Chilean Foreign Affairs Minister Alejandro Foxley, and New Zealand Trade Minister Phil Goff joined United States Trade Representative Susan Schwab in New York City today to announce the launch of negotiations for the US to join the comprehensive Trans-Pacific Strategic Economic Partnership (“TPSEP”) Agreement.

2 The first round of negotiations will be held early next year in Singapore. The US has already been participating in negotiations on the outstanding Financial Services and Investment chapters of the TPSEP Agreement since March 2008.

3 Conceived by Singapore in 2003, together with Chile and New Zealand, as a pathway to trade liberalization across the wider Asia-Pacific region, the TPSEP came into force in 2006, with Brunei joining the negotiations in 2005. It is today the only free trade agreement that spans both sides of the Pacific, linking Asia with the Americas. Open to accession by other like-minded economies, the TPSEP Agreement is seen as a potential building block for a larger Free Trade Area of the Asia-Pacific (FTAAP). Leaders of the Asia-Pacific Economic Co-operation (APEC) grouping endorsed FTAAP in 2006 as a long-term prospect for the region.

4 “The addition of the US to the TPSEP Agreement is a significant development”, said Mr Lim Hng Kiang, Minister for Trade and Industry. “It represents a big step forward in advancing APEC’s agenda on regional economic integration. We hope the entry of the US into the TPSEP Agreement will encourage other like-minded economies to also consider joining this high-quality Agreement”, added Mr Lim.

5 Singapore, Brunei, Chile and New Zealand have been in active discussion with several other APEC members about the possibility of joining the TPSEP Agreement. The expansion of the TPSEP Agreement to include the US and a few other APEC members will place renewed focus on regional economic integration in 2009, when Singapore takes over the chair of APEC. It will also give a strong boost to the trade liberalisation agenda and complement efforts to achieve a successful conclusion to the stalled WTO Doha negotiations.

6 The TPSEP Agreement is among the highest-quality of Singapore's free trade agreements, and achieves significant trade liberalisation. For example, tariffs on all trade products are eliminated within 12 years, with tariffs on 90 percent of trade in goods among the parties eliminated immediately.

7 The APEC region stands out as one of the most rapidly growing, economically dynamic, and business friendly regions in the world. Together, the 21 APEC members account for nearly 60 percent of global GDP and roughly 50 percent of international trade. The average GDP growth rate in the rapidly growing and dynamic economies in this region was 5.1 percent in 2006, compared with the world average of 3.9 percent. Since 1990, Asia-Pacific goods trade has increased by 300 percent, while global investment in the region has increased by over 400 percent.

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