



TRADE POLICY REVIEW

REPORT BY

SINGAPORE

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Singapore is attached.

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1 INTRODUCTION

1.1. This is Singapore's eighth Trade Policy Review at the World Trade Organization (WTO). Singapore is a small and open economy, highly dependent on trade. The review period (2017-21) was marked by an unprecedented health and economic crisis triggered by the COVID-19 pandemic. Amidst a challenging economic landscape, Singapore is committed to keeping our markets open, promoting competition and supporting businesses and workers through the crisis.

1.2. With changes in technology, demand patterns and supply conditions in recent years, Singapore has focused on accelerating our transformation into an innovation-led economy, powered by technology, and ready to face the challenges of the future. Singapore aims to position itself as a Global-Asia node of technology, innovation and enterprise, that is sustainable, resilient and inclusive.

1.3. During the period under review, Singapore's trade policies focused on four key priorities: (i) navigating the post-pandemic economic landscape; (ii) supporting and contributing to the global multilateral trading system; (iii) enhancing regional and bilateral trade cooperation; and (iv) promoting an inclusive and sustainable trade policy.

2 RESPONDING TO THE COVID-19 PANDEMIC

2.1. The COVID-19 pandemic has caused severe disruptions to global economic activity. The impact on the Singapore economy has been broad and significant, affecting different sectors to varying degrees.

2.2. In 2020, the Singapore Government committed SGD 97.3 billion, or 20.8% of GDP in economic support (SGD 73.5 billion), social support (SGD 10 billion) and public health measures (SGD 13.8 billion) across five Budgets.

2.3. The first three Budgets¹ focused on directing resources to the public health sector to contain the outbreak, and providing immediate financial relief to firms, workers and households affected by the sharp decline in revenues and income. For example, the Jobs Support Scheme aimed to protect jobs by providing wage support to employers which offset 25 to 75% of local employees' wages. From April to December 2020, SGD 22.6 billion was disbursed. The Monetary Authority of Singapore (MAS) also released a series of support packages which included loan restructuring programmes, repayment moratoria, low-cost funding for government-assisted loans, and extensions of tenors for loans.

2.4. The fourth and fifth Budgets² shifted the focus to supporting sectors with strong prospects for growth and job creation and facilitating structural changes such as digitalisation and work automation. Due to global travel restrictions, new modalities of internationalization were developed to help firms maintain access to overseas markets, such as through e-commerce platforms, virtual trade missions, and virtual trade fairs. Efforts by firms to internationalize were also supported through grants such as the Market Readiness Assistance Grant, as well as through partners and channels such as GLOBALCONNECT@SBF (Singapore Business Federation), an initiative which assists Singapore enterprises to internationalise and deepen their presence in other markets. Businesses could also tap on capability-building grants focusing on forging partnerships amongst local and international enterprises, enhancing business processes through digital solutions, and supporting businesses to upgrade and innovate.

2.5. Considering the global and domestic economic situations, and heightened uncertainties especially arising from the trajectory of the COVID-19 pandemic, the Ministry of Trade and Industry expects GDP growth for 2021 to come in at 4.0 to 6.0%. Performance and outlook for different economic sectors continue to be highly uneven. In this regard, the SGD 107 billion Emerging Stronger Budget announced in February 2021 focused on continued support for businesses and individuals as well as accelerating structural adaptations to equip businesses and workers with deep and future-ready capabilities. For example, the Emerging Technology Programme was introduced to

¹ The Unity Budget, announced 18 February 2020; Resilience Budget, announced 26 March 2020; and Solidarity Budget, announced 6 April 2020.

² The fourth budget was the Fortitude Budget, announced on 26 May 2020; and the fifth was announced in two Ministerial Statements on 17 August 2020 and 5 October 2020.

co-fund costs of trials and adoption of frontier technologies like 5G, Artificial Intelligence and trust technologies.

Impact of COVID-19 on Singapore's Economy and Trade

2.6. Trade contributes significantly to the Singapore economy. Over the period of 2016-20, Singapore's total trade to gross domestic product (GDP) ratio averaged around 318%. External demand accounted for approximately 71% of total demand in the Singapore economy over the same period.

Exhibit 2.1 Percentage Change in Total Demand^a

	2020				2021
	I	II	III	IV	I
Total Demand	2.6	-15.3	-7.1	-4.5	-2.2
External Demand	4.0	-12.4	-5.0	-3.5	-1.3
Total Domestic Demand	-0.8	-22.5	-12.5	-7.0	-4.6
Consumption Expenditure	-0.3	-19.5	-6.7	-6.7	-3.9
Public	7.2	19.8	15.8	9.6	6.7
Private	-2.9	-29.4	-13.0	-11.3	-7.9
Gross Fixed Capital Formation	1.5	-27.9	-23.0	-4.7	-5.7
Changes in Inventories	-0.8	-0.4	-0.3	-0.8	-0.1

a For inventories, this refers to the contribution to GDP growth.

2.7. In 2020, the Singapore economy contracted by 5.4%, the worst full-year recession since Singapore's independence. This followed an average annual growth rate of 3.2% achieved over the period of 2016-19.

Exhibit 2.2
Real GDP Growth, 2016-2020

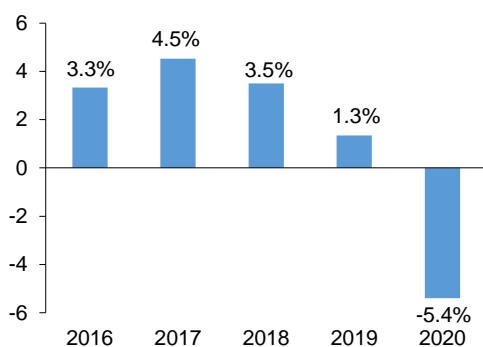
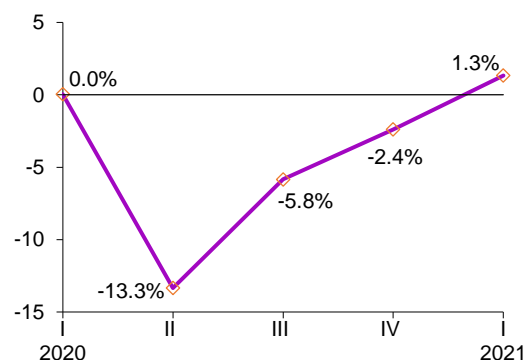
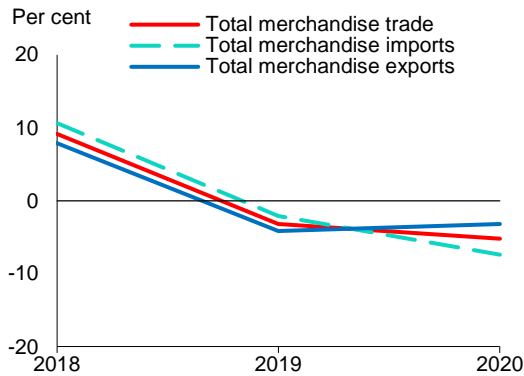


Exhibit 2.3
Quarterly Real GDP Growth (Y-o-Y)

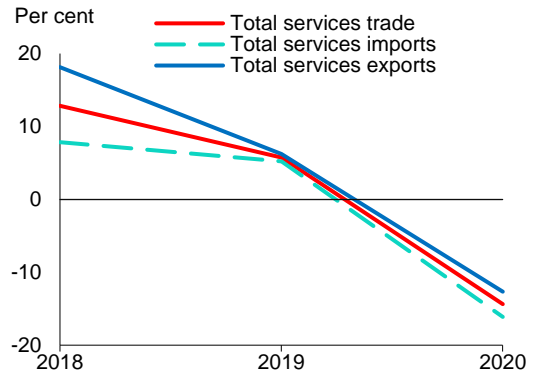


2.8. The sharp downturn in 2020 was a direct result of the economic fallout from the COVID-19 pandemic arising from the closure of most physical workplaces as well as fall in consumption. Additionally, international and domestic travel restrictions, along with the decline in global demand, saw Singapore's merchandise trade and services trade decrease. While air cargo volume saw a steep decline of almost 40% in April and May 2020, volume has gradually recovered. However, the total air cargo volume handled in 2020 still represented a 23% decline as compared to that in 2019. In contrast, container throughput remained relatively unaffected, with an average throughput of 3.1 million TEUs per month throughout 2020.

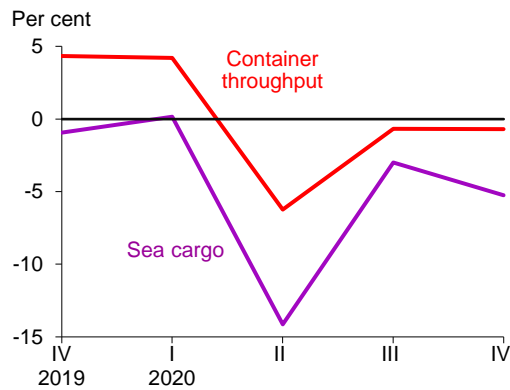
**Exhibit 2.4
Growth in Merchandise Trade**



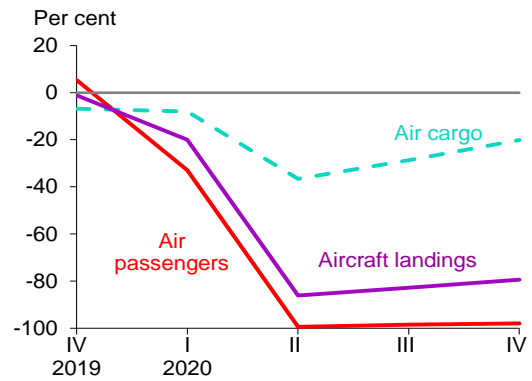
**Exhibit 2.5
Growth in Services Trade**



**Exhibit 2.6
Changes in Container Throughput and Sea Cargo Handled**



**Exhibit 2.7
Changes in Air Transport**



2.9. The overall services sector contracted by 6.9% in 2020, in contrast to an average annual growth rate of 2.8% between 2016 and 2019. Particularly, aviation- and tourism-related sectors were adversely affected by global and domestic border restrictions, which led to a large drop in air passengers handled and visitor arrivals. Consumer-facing sectors were negatively affected by subdued consumer sentiments on account of weak labour market conditions, as well as capacity constraints (e.g. in malls and restaurants) arising from measures to limit the spread of COVID-19. As a result, the output of the retail trade and food & beverage services sectors fell by 16% and 25% respectively in 2020, a reversal from their respective average annual growth rates of 0.5% and 1.3% between 2016 and 2019.

Exhibit 2.8
GDP and Sectoral Growth Rates in 2020

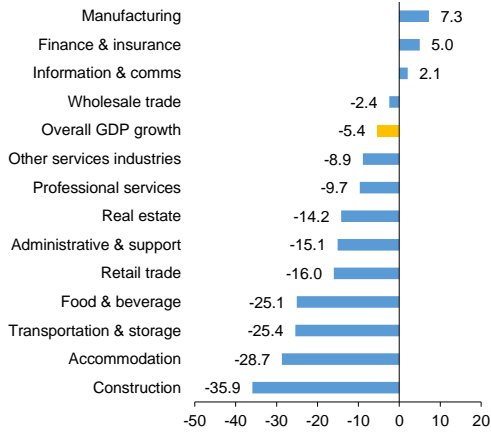


Exhibit 2.9
Real Growth in Wholesale Trade

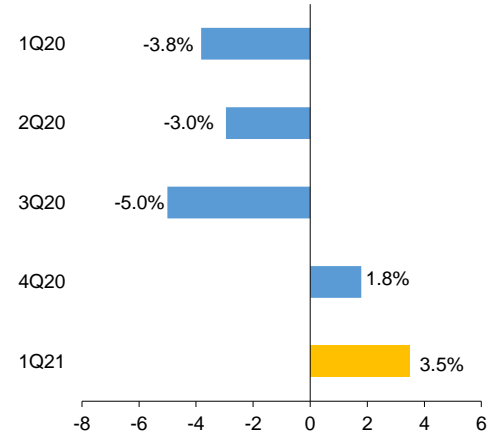


Exhibit 2.10
Real Growth in Retail Trade

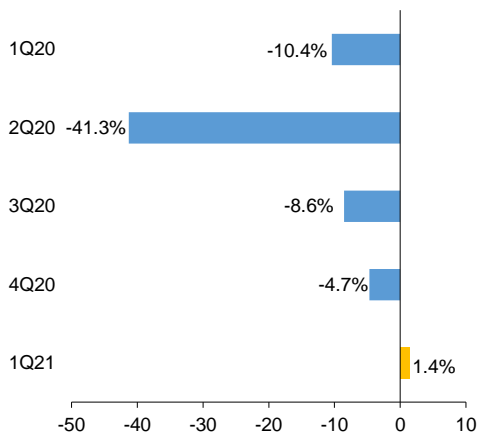


Exhibit 2.11
Real Growth in Accommodation

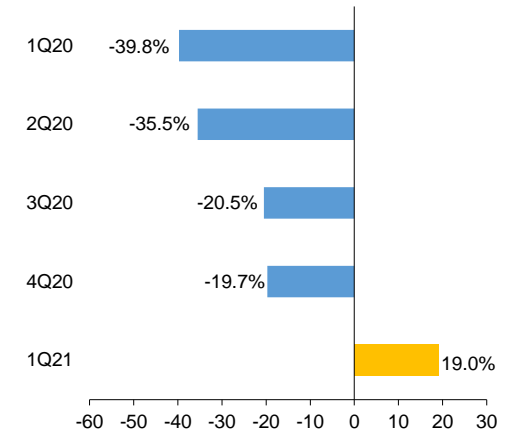


Exhibit 2.12
Real Growth in Food & Beverage

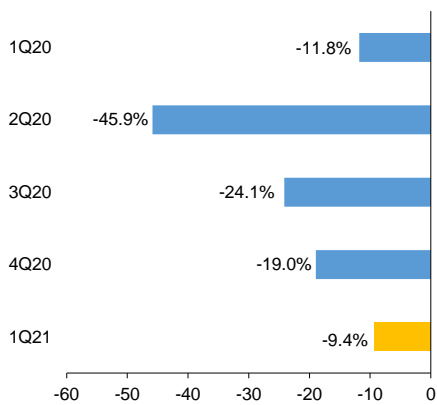
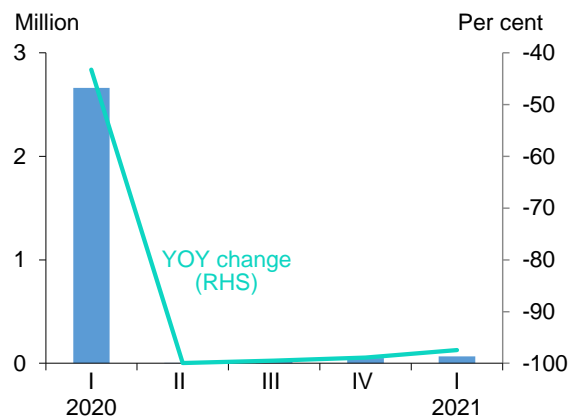


Exhibit 2.13
Visitor Arrivals



2.10. On the other hand, the performance of the manufacturing sector remained robust, with the sector expanding by 7.3% in 2020 compared to an average annual growth rate of 4.9% from 2016 to 2019. This was mainly driven by the electronics and precision engineering clusters, which saw output climb due to buoyant demand for semiconductors from 5G markets, data centres and cloud services, as well as semiconductor equipment. In contrast, the performance of the transport engineering cluster was weighed down by manpower disruptions and weak demand.

Exhibit 2.14
Real Growth in Manufacturing

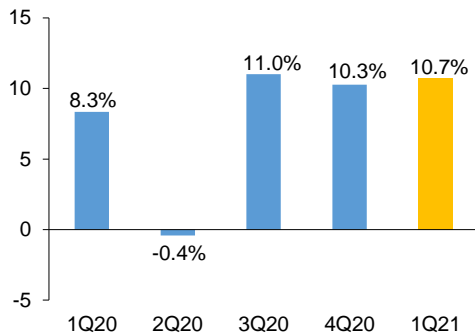
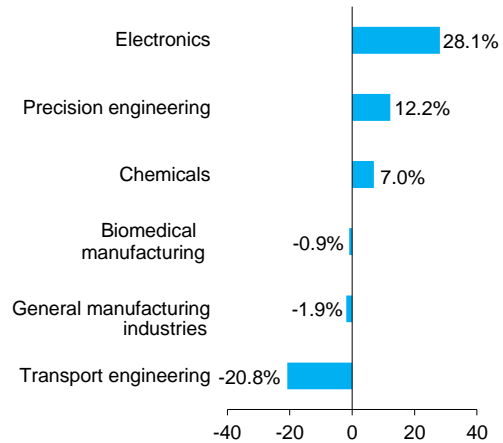


Exhibit 2.15
Clusters in Manufacturing Sector in 1Q21 (Y-o-Y Change)



2.11. The construction sector shrank by 36% in 2020, significantly worse than the average annual growth rate of -1.0% from 2016 to 2019. The poor performance of the sector was on account of a 30% decline in both public and private sector construction output due to pandemic-related stoppages of construction activity and measures at construction worksites as well as labour shortages due to border restrictions.

Exhibit 2.16
Real Growth in Construction

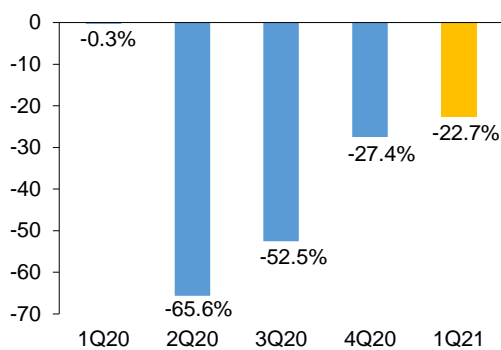
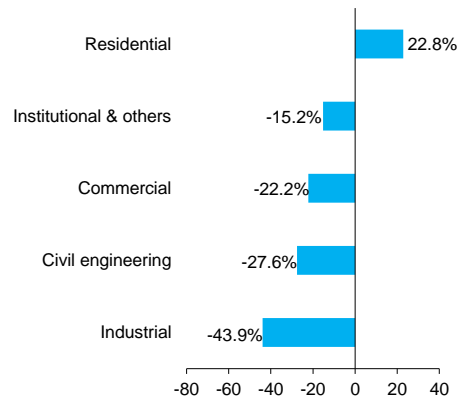


Exhibit 2.17
Contracts Awarded in 1Q21 (Y-o-Y Change)



2.12. The economic downturn caused by the pandemic impacted the labour market in 2020. The annual average resident unemployment rate, which ranged between 2.9% and 3.1% from 2016 to 2019, increased to 4.1% in 2020. Similarly, total employment, which grew at an average annual rate of 0.9% between December 2015 and December 2019, declined by 4.8% in 2020.

Exhibit 2.18
Unemployment Rates
(Seasonally Adjusted)

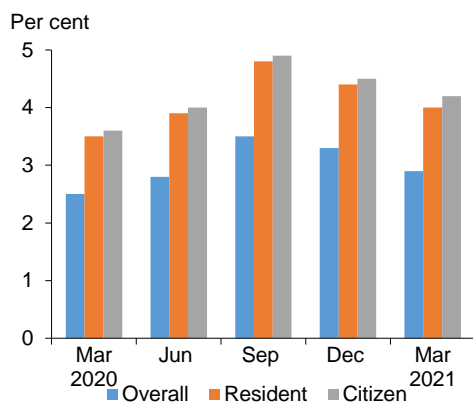
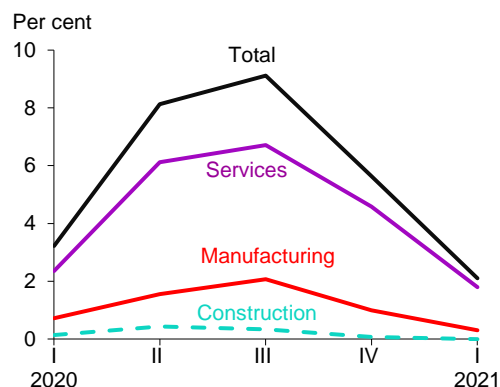


Exhibit 2.19
Changes in Retrenchments



Macroeconomic Policies

2.13. During the period under review, Singapore's macroeconomic policies were adjusted in view of prevailing economic conditions. Specifically, for 2020, in response to the COVID-19 pandemic, Singapore's monetary, financial, fiscal and regulatory policies were eased to provide timely and targeted support.

2.14. Singapore's fiscal policy was expansionary, focusing on targeted measures for macroeconomic stability, economic growth, and redistribution to promote social equity, fiscal sustainability and microeconomic efficiency. In 2020, fiscal policy was the most expansionary on record for Singapore and played a key role in mitigating the impact of the recession. Notably, in line with the pace and breadth of economic recovery, policy focus shifted from broad emergency assistance to targeted fiscal policies and financial relief to support post-pandemic priorities.

2.15. Singapore's exchange rate centred monetary policy seeks to ensure price stability over the medium term as a basis for sustainable economic growth. Monetary policy settings between 2016-20 were characterized by four distinct phases, in line with the changing macroeconomic environment. In 2016-17, the MAS kept monetary policy accommodative, via a zero per cent rate of appreciation in the Singapore dollar nominal effective exchange rate (S\$NEER) policy band in light of the subdued outlook for growth and inflation. By early 2018, prospects for core inflation had turned around, and upward pressures on inflation were building with the emergence of a positive output gap. In turn, the MAS tightened monetary policy, increasing the rate of appreciation of the S\$NEER policy band twice during the year. In October 2019, the MAS shifted to an eased monetary policy stance, through a slight reduction in the slope of the S\$NEER policy band. This was in view of the effects of US-China trade tensions on global growth, and consequently domestic core inflation.

2.16. In Q1 2020, the S\$NEER depreciated within the then-prevailing policy band to a level slightly below the mid-point. Subsequently in April 2020, the MAS set the S\$NEER policy band on a zero per cent appreciation path to prevent sharper drops in output, wages and prices. This accommodative monetary policy stance complemented the strongly expansionary fiscal policy. In keeping the S\$NEER on a stable path, it also helped to underpin confidence in the Singapore economy during the crisis. At the same time, the MAS provided increased liquidity to the domestic financial system through its money market operations. With core inflation expected to remain well-below its long-term average, the MAS will continue to maintain an accommodative monetary policy stance for some time.

3 ECONOMIC OUTLOOK AND NAVIGATING RECOVERY

3.1. Singapore's positioning as a global business hub is borne of its strategies to develop and maintain a business-friendly environment, strong rule of law, skilled and diverse workforce, advanced infrastructure, and a globally competitive ecosystem of financial and professional services.

Despite the uncertainties brought about by the COVID-19 pandemic, the above factors have allowed Singapore to remain an attractive investment destination for many global companies in a diverse range of sectors. Singapore topped the World Economic Forum's Global Competitiveness rankings in 2019, and INSEAD's Global Talent Competitiveness Index 2020 ranked Singapore top in the Asia Pacific and third globally for talent competitiveness. The Economist Intelligence Unit's Business Environment Rankings forecasted for 2020 to 2024 have also placed Singapore first in the world for doing business.

3.1 Transforming the Singapore economy

3.2. In recent years, Singapore's focus has been on accelerating our transformation into an innovation-led economy, powered by technology and ready to face the challenges of the future. This is even more imperative today, amidst changing times and the urgency of pandemic recovery.

3.3. **National strategy to develop a knowledge-based and innovation-driven economy and society.** Research, Innovation and Enterprise (RIE) are cornerstones of Singapore's broader national strategy to develop a knowledge-based innovation-driven economy and society. Building on the RIE2015 and RIE2020 plans, RIE2025 supports strengthening capabilities in strategic and emerging areas (e.g. climate change, food resilience, human potential) and key technologies (e.g. artificial intelligence (AI), cybersecurity). SGD 3.75 billion, or 15% of the budget, has been set aside as 'White Space' for greater agility in responding to emergent priorities and breakthroughs.

3.4. **Building an economy fit for the future.** In 2017, the Future Economy Council (FEC) was established to (i) grow an economy that is vibrant, open, and connected to the world, and where trade associations and chambers (TACs), unions, enterprises, and individuals come together to harness opportunities; (ii) strengthen our enterprises through industry-specific transformation approaches to help them grow, innovate, and scale-up; and (iii) help Singaporeans to acquire and utilise deep skills, so as to pursue quality jobs opportunities in the future economy, and facilitate the building of a resilient and flexible workforce. The FEC comprises members from diverse backgrounds, including the government, businesses, TACs, unions, institutes of higher learning, and training institutes. Notably, the FEC spearheaded the launch of 23 Industry Transformation Maps (ITMs), which are road maps to drive transformation of 23 sectors, covering about 80% of the Singapore economy. Each ITM consists of a holistic growth and competitiveness plan comprising strategies in key pillars such as: productivity, jobs and skills, innovation, and trade and internationalization.

3.5. **Responding to new realities in a changed world.** As part of the FEC's work, the Emerging Stronger Taskforce (EST) was set up in May 2020 to identify systemic shifts arising from the COVID-19 pandemic; assess the impact of these shifts on the Singapore economy, and how they translate into challenges and opportunities; and provide recommendations on how Singapore should refresh, reimagine, or reset its economic strategies, to stay economically resilient and build new sources of dynamism in the post-pandemic world. Tapping on the collective experience and strength of industry stakeholders, the EST piloted a new model of private-public partnership – the Singapore Together Alliances for Action (AfAs). The AfAs serve as pathfinders for new and creative ideas and seek to deliver minimum viable products to validate new business ideas, models, and solutions in areas such as sustainability, robotics, and safe visitor experiences. In May 2021, the EST presented its vision and recommendations³ for Singapore to build a Virtually Unlimited Singapore that offers limitless opportunities for our nation, businesses and people. The recommendations will be incorporated into the work of the FEC.

3.2 Strengthening our position as a critical node in the global value chain

3.6. The COVID-19 pandemic has changed travel patterns, increased the volatility of supply chain networks, and accelerated digitalization in different markets. It has also heightened emphasis on resilience as companies and countries review their operations. Post-pandemic, Singapore's economic

³ The EST proposed five key recommendations: (i) creating new virtual frontiers, (ii) seizing growth opportunities from sustainability, (iii) enabling global champions, and growing an agile and strong Singapore core, (iv) institutionalising the Singapore Together Alliances for Action model, a novel form of private-public partnership, and (v) strengthening international partnerships, especially with Southeast Asia.

priorities lie in deepening and broadening links and capabilities to build up our role at the heart of Asia's growth, while forging connectivity with other key markets.

3.7. Position Singapore as a key and trusted node in global supply chains. Global supply chains were disrupted as a result of border and movement control during the COVID-19 pandemic. These had implications on pandemic response and economic recovery. Throughout the pandemic, Singapore has continued to keep its borders and connectivity channels open to facilitate the efficient flow of goods, including through facilitating crew change for ships in a safe manner. In March 2020, Singapore and New Zealand initiated a Joint Ministerial Statement to affirm our shared commitment to maintaining open supply chains amidst the pandemic, which has since been joined by ten other countries. Singapore has also committed to the timely and efficient distribution of COVID-19 vaccines. To this end, Singapore has partnered leading vaccine manufacturers to establish local facilities to produce vaccines and therapeutics, which are capable of reaching the regional and global markets.⁴ Beyond supporting the critical supply chains during the pandemic, Singapore remains committed to further strengthen its trade and physical connectivity to help businesses build resilient, agile and sustainable supply chains.

3.8. Rebuilding and growing physical connectivity in travel and trade. Singapore is committed to working with other countries and regions, and through multilateral forums, to reopen borders safely and gradually, ensuring our processes and infrastructure meet public health requirements to safely handle air travellers, and to position Singapore as a safe destination. In facilitating recovery and growth in trade, Singapore will continue to strengthen its air, sea and land transport solutions, to provide businesses with efficient connectivity to better cope with a more challenging transportation and logistics environment globally.

3.9. Strengthening digital capabilities to improve productivity and resilience. Digitalization makes the exchange of goods and services more efficient, opens up new possibilities, and strengthens Singapore's value proposition as a trading node. In this regard, initiatives such as the AfA on Supply Chain Digitalisation⁵, refreshing the ITMs in the Advanced Manufacturing and Trade (AMT) and Connectivity Clusters, and Digital Economy Agreements have been undertaken to enhance access to new markets and opportunities for businesses. In February 2021, Singapore's Electronic Transactions Act was enhanced to adopt the United Nations Commission on International Trade Law (UNCITRAL) Model Law on Electronic Transferable Records (MLETR). This facilitates the use of electronic transferable instruments such as Bills of Lading, enabling trade including the shipping, finance and legal sectors to benefit from faster transactions, cost savings, and lowered fraud risks.

3.10. Leveraging innovation capabilities to tap on new opportunities. The Global Innovation Index ranked Singapore as the world's eighth most-innovative economy in 2020, and top in Asia for the past seven years. A strong Intellectual Property (IP) regime and translation of IP to commercial outcomes have been essential to support Singapore's innovation-driven economy and the growth of industry and commerce. To increase and expedite translation of public sector IP and R&D outputs towards private sector commercialisation outcomes and increased value creation, Singapore rolled out the National IP Protocol in 2018, which sets out clear principles and guidelines for the management and commercialisation of IP generated from publicly-funded R&D. In addition, Singapore seeks to maintain a vibrant open innovation ecosystem where the public and private sectors can co-develop challenges based on identified pain points or new opportunities, and tap on resources such as the Open Innovation Network and the Startup SG Network, which respectively aggregate relevant challenges and startups in Singapore.

3.3 Becoming a 'Bright Green Spark'

3.11. As a small island city-state, Singapore has limited natural resources to generate alternative energy. Nonetheless, we will meet our commitments under the Paris Agreement and aspire to

⁴ Thermo Fisher will be establishing a Fill-and-Finish facility in Singapore by 2022. BioNTech, which partnered with Pfizer to develop the world's first COVID-19 mRNA vaccine, will establish a fully integrated mRNA manufacturing facility by around 2023.

⁵ The AfA on Supply Chain Digitalisation brought together private and public sector stakeholders to pilot a common data infrastructure (CDI) which will enable trusted and secure data sharing between industry players, to drive efficiency, productivity and resilience through information flows across the ecosystem through augmenting existing data sharing systems and platforms.

achieve net-zero emissions as soon as viable in the second half of the century. To achieve this, we are investing in low-carbon technologies, tapping on renewable energy at home and from the region and electrifying our vehicles. We are also developing Singapore into a carbon trading and services hub for the region, and reviewing our carbon tax to encourage companies to become more carbon efficient.

3.12. **Creating a green finance ecosystem.** Under the Green Economy pillar of the Singapore Green Plan 2030⁶, Singapore seeks to grow as a leading centre for green finance in Asia. The Green Finance Action Plan was developed by the MAS in 2019 to (i) strengthen the financial sector's resilience to environmental risks, (ii) develop green finance solutions, (iii) build knowledge and capabilities, (iv) support green FinTech innovation and (v) enhance data and disclosures. Some initiatives include a USD 2 billion Green Investment Programme to place funds with asset managers committed to deepen green finance activities and capabilities in Singapore, and Project Greenprint, a technology platform aimed at promoting a green financial ecosystem through mobilizing capital, monitoring commitment and measuring impact of green and sustainable projects.

3.13. **Towards a zero waste nation.** Under the Sustainable Living pillar of the Green Plan, Singapore hopes to encourage a greener citizenry that consumes and wastes less. The inaugural Zero Waste Masterplan launched in 2019 maps out Singapore's key strategies to build a sustainable, resource-efficient and climate-resilient nation. This includes adopting a circular economy approach to waste and resource management practices and shifting towards more sustainable production and consumption. The plan supports businesses in turning "trash to treasure" – namely, to recycle or transform waste into useful inputs for production. Notably, JTC Corporation, the government agency which champions industrial development, is working with companies on Jurong Island⁷ to build a more sustainable Jurong Island.

4 OPEN, FACILITATIVE AND INCLUSIVE TRADE INFRASTRUCTURE

4.1. Singapore aims to have a fair and inclusive economy that uplifts all businesses, workers and Singaporeans with the gains from globalization and trade.

4.2. Singapore has invested heavily in workforce development. For instance, the SGUnited Jobs and Skills Package was introduced in May 2020 to create jobs and training opportunities for workers affected by the economic fall-out from the pandemic, and has since helped nearly 76,000 people to find new jobs. Workforce transformation and productivity grants were also introduced to help Singaporeans tap on cross-border remote work opportunities.

Helping SMEs adapt to the digital economy

4.3. Small and medium enterprises (SMEs) are at the heart of Singapore's economy, employing two-thirds of the workforce and contributing to nearly half of GDP. With digital technology transforming every sector of Singapore's economy, Singapore supported its SMEs to capitalize on digital technologies to thrive and seize growth opportunities.

4.4. Launched in April 2017, the SMEs Go Digital programme by the Infocomm Media Development Authority (IMDA) made going digital simpler for SMEs, with more than 63,000 adopting digital solutions from the programme as of March 2021. As part of the programme, sector-specific Industry Digital Plans, which are aligned with their respective ITMs, have provided SMEs with a step-by-step guide on digital solutions and relevant employee training at different stages of their growth. In June 2020, the programme was expanded to include Grow Digital, which helps businesses participate in Business-to-Business (B2B) and Business-to-Consumer (B2C) e-commerce platforms to sell overseas without a need for in-market physical presence.

⁶ Launched in 2021, the Singapore Green Plan 2030 is a whole-of-nation movement to advance the national agenda on sustainable development. The Green Plan charts ambitious and concrete targets over the next ten years, which will strengthen ongoing efforts towards achieving UN's 2030 Sustainable Development Agenda and Singapore's commitments under the Paris Agreement. It also positions Singapore to achieve its long-term net-zero emissions aspirations as soon as viable.

⁷ Jurong Island is the cornerstone of Singapore's energy and chemicals industry and home to a vibrant portfolio of more than 100 leading global petroleum, petrochemical and specialty chemical companies.

4.5. The Association of Banks in Singapore, in close partnership with MAS, launched PayNow Corporate in August 2018, further extending the capabilities of PayNow.⁸ PayNow Corporate enables SMEs to not only accept real-time account-to-account payments with low to no fees using only a proxy identifier with their Unique Entity Number (UEN), but also facilitates seamless vendor-supplier payments across the supplier value chain. Registrations for PayNow Corporate have more than doubled since end-2019 to around 250,000 businesses today. As of April 2021, more than 80% of residents and businesses are on PayNow; PayNow transaction value has crossed SGD 6 billion since March 2021, almost triple the transaction volume from the same period the previous year.

4.6. To develop a global digital infrastructure for seamless trade and digital business services connectivity between SMEs, businesses and ecosystems worldwide, MAS and IMDA launched Business sans Borders (BSB). BSB leverages on machine learning to seamlessly integrate trade discovery, financing and key business services across regions, enabling SMEs' access to available financing/financial services and logistics support to complete trades. BSB was operationalized as Proxtera in late 2020 and has rapidly grown to connect with numerous SME ecosystems and B2B platforms in ASEAN, South Asia and Africa. More specifically, in the financial services sector, the MAS-supported API⁹ Exchange (APIX) is the world's first cross-border, open-architecture platform which enables financial institutions and FinTech firms to (i) connect to one another through an international marketplace; (ii) conduct collaborative experiments in a bespoke sandbox amongst financial industry participants; and (iii) drive adoption of APIs for digital transformation and financial inclusion across the Asia-Pacific.

Enabling secure and reliable transactions with citizens and businesses

4.7. Singapore's broader national digital identity infrastructure has enabled greater online convenience and security in transactions between government agencies, citizens and businesses. Since 2016, businesses and other entities in Singapore have conducted online transactions with government agencies using Corppass, a corporate digital identity to access digital services based on the rights and roles that are assigned by their company.

4.8. To provide more convenience for users when transacting with government agencies online, Myinfo was launched in 2016 to minimize the need to repeatedly provide and verify the same personal information. From 2017, locally registered businesses could increase business efficiency by integrating Myinfo into their own online services; and in 2019, Myinfo Business was launched, expanding on Myinfo to encompass government-verified entity data, such as corporate profile, financial performance and ownership information.

4.9. Government-to-Business (G2B) services have also been enhanced through the GoBusiness portal, which consolidates and streamlines e-services and information for businesses. The portal was launched in 2019 to improve the ease of doing business and increase discoverability of G2B services in Singapore. E-services on the portal include: receiving guidance on starting a business, identifying and applying for the required licenses and permits across various agencies, and receiving guidance on government assistance across the government landscape (i.e. grants, toolkits and programmes, tax incentives, etc.), based on the business' needs.

5 SUPPORTING A MULTILATERAL TRADING SYSTEM FIT FOR THE FUTURE

5.1. As a small and open economy with high reliance on trade, Singapore's trade policy is anchored in the rules-based multilateral trading system as embodied by the World Trade Organization (WTO). As a founding Member, Singapore has consistently supported efforts to strengthen the WTO and ensure that it remains relevant for the future.

5.2. Singapore strongly supports efforts to reform the WTO, including adoption of innovative pathways to ensure it is fit-for-purpose in the 21st century. In this regard, Singapore supports

⁸ PayNow is a peer-to-peer funds transfer service launched in 2017 that enables retail customers of participating banks and eligible Non-Bank Financial Institutions to send and receive Singapore Dollar funds instantly from one participating entity to another through FAST (Fast and Secure Transfer) by using their mobile number, Singapore NRIC/FIN, or Virtual Payment Address (VPA). It is provided free to retail customers and is available 24/7, every day of the year.

⁹ An API, or Application Programming Interface, is a software intermediary that allows two applications to talk to each other.

the Joint Statement Initiatives (JSIs) as a means to address key emerging issues such as electronic commerce (E-Commerce), and trade and environmental sustainability. Hence, Singapore, together with Australia and Japan, co-convenes the JSI on E-Commerce, which aims to develop new rules on trade-related aspects of E-Commerce that will help to contribute towards maintaining the WTO's relevance in the face of rapid digital transformation. Singapore also participates actively in other JSIs, such as investment facilitation for development (IFD) and micro-, small-, and medium enterprises (MSMEs). Singapore is also actively involved in ongoing WTO discussions on forward-looking issues like trade and health, and trade and environmental sustainability.

5.3. Singapore participates actively in informal groupings that are committed to strengthening the WTO and steering discussions to support systemic interests and achieve pragmatic outcomes. Singapore has participated actively in the 14-Member Ottawa Group, as well as other groupings such as the Friends of the System.

5.4. Singapore is committed to supporting the WTO's regular work in trade monitoring, dispute settlement, and capacity building. During the review period, Singapore has stepped up third-party participation in disputes and expressed serious concerns over the impasse on appointments to the Appellate Body (AB). Singapore has also partnered with several WTO Members to establish the Multi-Party Interim Appeal-Arbitration Arrangement (MPIA). Until the AB is re-constituted, the MPIA will ensure that participating WTO Members will continue to benefit from an appeals stage in WTO dispute settlements. We remain committed to working with other WTO Members to find a permanent solution to the AB impasse.

5.5. Singapore is committed to helping developing Members integrate into and benefit from the multilateral trading system through technical assistance and capacity building activities. Under the Singapore-WTO Third Country Training Programme (TCTP), Singapore has collaborated closely with the WTO Secretariat to organize a variety of programmes for developing Members in the Asia-Pacific region. These include the WTO-Singapore Trade Policy Dialogue, which brings together senior trade officials for strategic discussions ahead of Ministerial Conferences, short trade policy courses, and courses on specific issues of interest, such as trade in services, food supply chains and dispute settlement. To date, Singapore and the WTO have jointly conducted 43 courses for over 900 officials.

6 REGIONAL AND BILATERAL TRADE COOPERATION

6.1. Singapore sees bilateral and plurilateral Free Trade Agreements (FTAs) as a practical way for like-minded parties to work towards a more ambitious level of trade liberalization, and therefore complement multilateralism. In total, Singapore has 26 FTAs that represent over 85% of global GDP. However, current trade rules and policies do not adequately address the needs of the future economy - specifically for the digital economy and the green economy. Therefore, Singapore has also sought to drive ambitious agreements in these two areas with like-minded and progressive countries. These agreements can forge the pathway for new multilateral agreements at the WTO.

Digital Economy Agreements

6.2. Digital Economy Agreements (DEAs) anchor Singapore's engagement with like-minded partners in wide-ranging and critical aspects of the digital economy. Complementing Singapore's network of FTAs, DEAs aim to establish international rules, set benchmarks and align standards that will enable or enhance digital trade, particularly in the newer digital issues (such as e-invoicing, e-payments, artificial intelligence governance and ethics and digital identities) that have not yet been addressed in our existing FTAs.

6.3. Singapore has concluded two DEAs: (i) the Digital Economy Partnership Agreement (DEPA) between Singapore, Chile and New Zealand, and (ii) the Singapore-Australia Digital Economy Agreement (SADEA). The DEAs establish a framework for collaboration in digital trade issues, promote interoperability between different regimes and address emerging trade policy issues brought about by digitalisation. They are also supplemented with tangible projects undertaken by different government agencies. For example, the SADEA includes seven Memoranda of Understanding to operationalize some of the rules in the SADEA by identifying or mapping collaboration projects, specifically in the areas of Artificial Intelligence, Data Innovation, Digital Identities, Personal Information Protection, E-invoicing, Trade Facilitation and E-certification on

Agricultural Commodities. The DEPA also contains projects on National Single Window linkage, e-invoicing, and an international connectivity system. Singapore is currently negotiating its third DEA with Korea and hopes to conclude further agreements with other like-minded economies in future.

Green Economy Agreements

6.4. Singapore is also exploring Green Economy Agreements (GEAs) with like-minded trading partners, that seek to (i) facilitate trade and investment in environmental goods and services, (ii) strengthen environmental governance, and (iii) enhance capacity to address climate change. Some areas of cooperation could include carbon trading, green financing and clean energy solutions.

Association of Southeast Asian Nations

6.5. Singapore is an active member of the Association of Southeast Asian Nations (ASEAN). During Singapore's ASEAN Chairmanship in 2018, several initiatives were completed to boost ASEAN's attractiveness as a business and investment destination, namely: (i) the ASEAN Single Window through which ASEAN Member States (AMS) are able to exchange trade documents electronically; (ii) the ASEAN-wide Self Certification Scheme, which saves time and costs for businesses; and (iii) the ASEAN Agreement on E-Commerce, ASEAN Trade in Services Agreement and enhancements to the ASEAN Comprehensive Investment Agreement which boosted digital connectivity, improved market access in ASEAN's growing services sector and reduced investment impediments.

6.6. During the period under review, ASEAN also accomplished the following initiatives to advance the vision of an ASEAN Economic Community (AEC)¹⁰, amongst others: (i) the ASEAN Customs Transit System which will allow businesses to transport goods overland more freely, across borders, via a single customs formality and transport journey, amongst participating AMS; (ii) Mutual Recognition Arrangements to eliminate duplicative testing and reduce time to market costs; (iii) initiatives to realise an eventual single 'ASEAN Digital Economy' which will include a regional e-commerce ecosystem; and (iv) the ASEAN Comprehensive Recovery Framework (ACRF) which will identify existing vulnerabilities and seize opportunities that have arisen from the COVID-19 pandemic for the region to emerge stronger and more resilient.

6.7. ASEAN concluded the ASEAN-Hong Kong, China Free Trade Area (AHKFTA) as well as upgraded two other FTAs, namely: (i) the ASEAN-China Free Trade Area (ACFTA); and (ii) the ASEAN-Japan Comprehensive Economic Partnership (AJCEP).

6.8. **Regional Comprehensive Economic Partnership.** The Regional Comprehensive Economic Partnership (RCEP) is a modern, comprehensive, high-quality, and mutually beneficial ASEAN-led economic partnership between the 10 AMS, Australia, China, Japan, Republic of Korea and New Zealand. The RCEP, signed on 15 November 2020, is the largest FTA to-date, comprising approximately 30% of global GDP and close to a third of the world's population. It builds on existing bilateral ASEAN agreements with its FTA Partners, providing a single rulebook and enhanced trade facilitation measures to help businesses take advantage of the regional value chains. The RCEP also covers new areas such as electronic commerce, competition policy, intellectual property and government procurement. On 9 April 2021, Singapore became the first RCEP Participating Country to ratify the RCEP. The RCEP is targeted for entry into force on 1 January 2022, 60 days after at least six AMS and three ASEAN FTA Partners ratify the Agreement.

Asia-Pacific Economic Cooperation

6.9. As a founding economy, Singapore plays an active role at the Asia-Pacific Economic Co-operation (APEC), and has contributed to APEC's initiatives to advance regional economic integration by providing leadership and targeted capacity building in the areas of trade facilitation, supply chain connectivity and regulatory reform. Singapore is working with the other 20 APEC economies on the Implementation Plan for the Putrajaya Vision 2040. Singapore has also contributed

¹⁰ The AEC aims to create a single market and production base that facilitates the free flow of trade and investment in the region. Notably, a Singaporean, Mr Satvinder Singh, was appointed as the deputy secretary-general for the AEC as part of the ASEAN Secretariat in March 2021. His appointment will be for a period of three years.

actively to conversations on APEC's agenda following the Bogor Goals, including the vision of a Free Trade Area of the Asia Pacific (FTAAP). Following the APEC Ministers Responsible for Trade (MRT) Meeting on 5 June 2021 and in line with the consensus MRT Joint Statement, Singapore is committed to work with other APEC economies to: (i) supporting the safe and efficient distribution of COVID-19 vaccines and essential goods, (ii) advance the work on environmental goods and services, and (iii) facilitate safe travel within the Asia Pacific region, amongst others.

Other Regional and Bilateral FTAs and Economic Partnerships

6.10. During the period under review, Singapore concluded three regional and bilateral FTAs and economic partnerships, namely: (i) the Sri Lanka-Singapore FTA (SLSFTA); (ii) the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP); and (iii) the United Kingdom-Singapore FTA (UKSFTA).

6.11. The SLSFTA was signed on 23 January 2018 and entered into force on 1 May 2018. It is a modern and comprehensive free trade agreement covering areas such as Trade in Services, E-Commerce, Telecommunications, Investments, Intellectual Property and Government Procurement.

6.12. The CPTPP was signed on 8 March 2018 and entered into force on 30 December 2018, following ratification by six Parties, including Singapore. It was signed between 11 APEC members: Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Viet Nam. The CPTPP is a comprehensive, high-standard regional FTA which addresses non-tariff barriers to trade through updated rules in technical standards, sanitary and phytosanitary measures, services and investment; and tackles trade issues relevant to the 21st century economy by establishing enforceable rules in areas such as E-Commerce and IP. The CPTPP has an open and inclusive architecture and welcomes economies which are able and willing to subscribe to its high standards to join the Agreement. This will further the vision of CPTPP to promote deeper economic integration of the region and beyond. Following the formal request by the United Kingdom to accede to the CPTPP, the CPTPP Commission made a decision on 2 June 2021 to commence the United Kingdom's accession process.

6.13. The UKSFTA was signed on 10 December 2020 and entered into force on 11 February 2021. Notably, this was the first FTA between the United Kingdom and an ASEAN Member State. The UKSFTA removes unnecessary technical barriers to trade (TBT) for Singapore and United Kingdom exporters, going beyond the requirements of the WTO's TBT Agreement and Sanitary and Phytosanitary Measures (SPS) Agreement. The Government Procurement chapter includes rules on transparency and non-discrimination that also go beyond the WTO's Agreement on Government Procurement.

6.14. In addition, two FTAs entered into force in the same period, namely: (i) the European Union-Singapore FTA (EUSFTA); and (ii) the Turkey-Singapore FTA (TRSFTA). Singapore sees these regional and bilateral agreements as building blocks towards broader regional and multilateral trade liberalisation. Singapore also updated and upgraded four FTAs, namely: (i) the Agreement between New Zealand and Singapore on a Closer Economic Partnership (ANZSCEP); (ii) the Singapore-Australia FTA (SAFTA); (iii) the United States-Singapore FTA (USSFTA); and (iv) the India-Singapore Comprehensive Economic Cooperation Agreement (CECA). Singapore has also substantially concluded negotiations for the Pacific Alliance-Singapore FTA (PASFTA) and launched negotiations for a Eurasian Economic Union-Singapore FTA (EAEU) and MERCOSUR-Singapore FTA (MSFTA).

Bilateral Investment Treaties

6.15. Bilateral Investment Treaties (BITs) enhance Singapore's attractiveness as an investment destination and ensure greater protection for investors and their investments overseas. Nine BITs were concluded with Iran, Indonesia, Kazakhstan, Kenya, Mozambique, Myanmar, Nigeria, Qatar and Rwanda in the period under review. The BITs with Indonesia, Iran, Myanmar, Qatar and Rwanda also entered into force during this period. Negotiations for new BITs are ongoing with Ghana and Morocco.

7 CONCLUSION

7.1. COVID-19 has changed the world irrevocably. In navigating the "new normal" and working on post-pandemic recovery, Singapore will continue to support our businesses and workers, preserve jobs and prepare for the future by staying open and connected to the world as well as strengthening our connectivity and position as a hub for goods, data, talent, businesses and technology.

7.2. As a small and open economy, free trade is Singapore's lifeblood and has undergirded our economic growth and prosperity. In this regard, we staunchly support and depend on an open, fair, transparent and rules-based trading system with the WTO at its core. At the same time, Singapore actively pursues further regional integration and global cooperation through an extensive network of free trade agreements that can serve as building blocks for multilateralism. We will continue to actively participate in the work of the WTO, and support efforts to ensure that the WTO stays relevant and ready to meet the needs of the future economy.
