

SINGAPORE

TRADE SUMMARY

U.S. goods exports in 2014 were \$30.5 billion, down 0.5 percent from the previous year. Singapore is currently the 13th largest export market for U.S. goods. Corresponding U.S. imports from Singapore were \$16.5 billion, down 7.7 percent. The U.S. goods trade surplus with Singapore was \$14.1 billion in 2014, an increase of \$1.2 billion from 2013.

U.S. exports of services to Singapore were \$11.4 billion in 2013 (latest data available), and U.S. imports were \$5.6 billion. Sales of services in Singapore by majority U.S.-owned affiliates were \$53.2 billion in 2012 (latest data available), while sales of services in the United States by majority Singapore-owned firms were \$8.6 billion.

The stock of U.S. foreign direct investment (FDI) in Singapore was \$154.4 billion in 2013 (latest data available), up from \$139.7 billion in 2012. U.S. FDI in Singapore is led by the nonbank holding companies, manufacturing, and finance/insurance sectors.

Singapore is a major trans-shipment hub for world trade, handling approximately one-fifth of world container trans-shipments and almost two million tons of airfreight.

Trade Agreements

The United States-Singapore Free Trade Agreement (FTA) entered into force on January 1, 2004. Exports from the United States increased 85 percent between 2003 and 2013, with steady growth in exports of such products as medical devices, machinery, and electronics components.

Singapore is a participant in the Trans-Pacific Partnership (TPP) negotiations, through which the United States and 11 other Asia-Pacific partners are working to establish a comprehensive, high-standard, next-generation regional agreement to liberalize trade and investment in the Asia-Pacific. Once concluded this agreement will advance U.S. economic interests with some of the fastest-growing economies in the world; expand U.S. exports, which are critical to the creation and retention of jobs in the United States; set high standards for regional trade and investment that promote U.S. interests and values; and serve as a potential platform for economic integration across the Asia-Pacific region. The United States is proposing to include in the TPP agreement ambitious commitments on goods, services, and other traditional trade and investment matters, and enforceable labor and environment obligations. TPP will also address a range of new and emerging issues of concern to U.S. businesses, workers and other stakeholders in the 21st century. In addition to the United States and Singapore, the TPP negotiating partners currently include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, and Vietnam.

TECHNICAL BARRIERS TO TRADE / SANITARY AND PHYTOSANITARY BARRIERS

Sanitary and Phytosanitary Barriers

Beef and Beef Products

Only fresh/frozen boneless beef derived from animals less than 30 months of age are currently eligible for entry into Singapore. However, the United States and Singapore are now negotiating the terms and conditions to restore full market access. The United States will continue to engage Singapore to open its market fully to U.S. beef and beef products.

Beef, Pork and Poultry Pathogen Reduction Treatments (PRTs)

Prior to 2012, Singapore prohibited the use of all PRTs in the production of beef, pork, and poultry products, which added significantly to the cost of U.S. companies exporting such products to Singapore. Based on documentation provided by the United States regarding the safety of certain PRTs, Singapore now allows the use of eight PRTs that have risk-assessments completed by the Joint FAO/WHO Expert Committee on Food Additives. The United States will continue to work with Singapore to secure the approval of additional PRTs.

Pork/Trichinae and Shelf Life

Singapore requires U.S. fresh and chilled pork exports to be frozen or tested for trichinosis, even though U.S. producers maintain stringent biosecurity protocols that limit the presence of trichinae in the United States to extremely low levels in commercial swine. Singapore also imposes overly-restrictive shelf life requirements on frozen and processed meat and poultry products that limit the time after slaughter or manufacture that a product must arrive in Singapore. The United States will continue to work with regulatory authorities in Singapore to resolve these pork trade concerns.

IMPORT POLICIES

Import Licenses and Internal Taxes

Singapore maintains a tiered motorcycle-operator licensing system based on engine displacement which, along with a road tax based on engine size, discourage imports of large motorcycles from the United States. Singapore also restricts the import and sale of non-medicinal chewing gum. It levies high excise taxes on distilled spirits and wine, tobacco products, and motor vehicles.

INTELLECTUAL PROPERTY RIGHTS (IPR) PROTECTION

Singapore has developed a strong IPR regime and was first in Asia and second in the world for Intellectual Property protection, according to the World Economic Forum's Global Competitiveness Report 2014-2015 -- the fourth consecutive year that Singapore has retained its position in IP protection.

Despite Singapore's strong record on IP protection, areas for improvement exist. U.S. rights holders have raised a range of concerns, including the absence of standalone legislation making the illicit camcording of a film in a theater a criminal offense, limitations of trade secrets protection, the trans-shipment of infringing goods through Singapore, insufficient deterrent penalties for end-user software piracy, and the lack of effective enforcement against online peer-to-peer infringement.

U.S. rights holders previously have noted concerns regarding pirated online content access from Singapore. In March 2012, the Minister for the Ministry of Communications and Information appointed a Media Convergence Review Panel to study the issues impacting consumers, stakeholders and society in the converged media environment, and to put forth recommendations on how to address such challenges. After consulting on this issue with stakeholders for over a year, the panel issued a final report in November 2012 which included three recommendations to reduce online piracy through: strengthening public education efforts; encouraging publishers to provide more legitimate, affordable and timely digital content sources; and increasing regulatory/enforcement measures. In July 2014, the Singapore Parliament passed an anti-piracy amendment to its Copyright Act, which came into force in December 2014.

SERVICES BARRIERS

Pay Television

In 2011, the Media Development Authority (MDA) implemented regulations requiring pay TV providers to “cross carry” exclusive broadcasting content acquired after March 12, 2010. These rules require a pay TV company with an exclusive contract for channels/content to offer that content to other pay TV companies for their subscribers at similar commercial rates. U.S. content providers remain concerned about the negative impact these regulations have on private contractual arrangements, innovation in the packaging and delivery of new content to consumers, and investment in the market.

In 2014, SingTel, the pay-TV subsidiary of telecommunications business SingNet, was permitted to sign licensing deals with FIFA, the international governing body of football, to broadcast World Cup matches. Under MDA’s cross-carriage rule, SingTel had to share the World Cup content with local competitor StarHub in the same way that it was required to share its English Premier League content in 2013.

Audiovisual and Media Services

Singapore restricts the use of satellite dishes and has not authorized direct-to-home satellite TV services. MDA licenses the installation and operation of broadcast receiving equipment, including satellite dishes for TV reception. Parties who require TV services received via satellite need to apply for a TV Receive-Only System License. MDA issues this license only to organizations, such as financial institutions, that need to access time-sensitive information for business decisions.

Distribution, importation, or possession of any “offshore” or foreign newspaper must be approved by the government. Singapore has curtailed or banned the circulation of some foreign publications based on perceived defamation of the Singapore government by the publication.

Licensing of Online News Websites

Citing the need to align the regulatory frameworks of online and traditional news platforms, MDA released new guidelines in May 2013 requiring all online news websites that provide regular reports on Singapore and have significant reach to acquire an individual license. Any news website that reports an average of at least one article per week on Singapore news and current affairs over a period of two months and reaches at least 50,000 unique Internet Protocol addresses in Singapore over the same two month period requires a special license. The licensed sites must also put up a performance bond of SGD \$50,000 (\$42,000), similar to that required for niche TV broadcasters. The new license requires holders to take down content that breaches certain standards within 24 hours of being notified by the Singaporean government.

Legal Services

U.S. and other foreign law firms with offices in Singapore cannot practice Singapore law or employ Singapore lawyers to practice Singapore law unless they have a “Qualified Foreign Law Practice” license. Singapore has issued 10 such licenses to foreign law firms, allowing them to practice Singaporean law except in certain excluded areas such as litigation, family law, and probate.

Banking

Unless they have been awarded Qualifying Full Bank (QFB) privileges, foreign banks and other financial institutions that issue credit cards in Singapore can provide ATM services to locally issued credit card holders only through their own networks or through a foreign bank’s shared ATM network. QFBs,

however, can negotiate with local banks on a commercial basis to let their credit card holders obtain cash advances through the local banks' ATM networks.

The Minister in charge of the Monetary Authority of Singapore (MAS) must approve the merger or takeover of a bank incorporated in Singapore or financial holding company, as well as the acquisition of voting shares in such institutions above specific thresholds. Singapore has also indicated that, although it has lifted the formal ceilings on foreign ownership of local banks and finance companies, the Minister in charge of the MAS must approve controllers of local banks.

Healthcare: Procedural Transparency and Fairness

U.S. stakeholders have expressed interest in greater transparency regarding Ministry of Health (MOH) policies. In particular, U.S. stakeholders are seeking a feedback mechanism and greater clarity regarding MOH's process for adding drugs to the Standard Drugs List, including timelines for evaluation and specific criteria for inclusion. U.S. medical device manufacturers have urged MOH to accelerate the review periods for approvals of new medical devices in Singapore and to enhance transparency and procedural fairness related to the determination of reimbursement levels.