

Quick Facts: U.S.-Singapore Free Trade Agreement

The leading edge U.S.-Singapore Free Trade Agreement is the first U.S. FTA with an Asian nation and the first FTA signed by President Bush.

The U.S.-Singapore FTA expands U.S. market access in goods, services, investment, government procurement, intellectual property, and provides for groundbreaking cooperation in promoting labor rights and the environment.

This Agreement will serve as the foundation for other possible FTAs in Southeast Asia under President Bush's Enterprise for ASEAN Initiative (EAI).

The U.S.-Singapore FTA was launched on November 16, 2000. The first round of negotiations was held that year, in Washington DC, December 4-21. The final round was in Singapore, November 11-17 2002, and the Agreement was concluded on January 15, 2003.

At over 1,400 pages and containing 21 chapters, the agreement fully achieves all of the negotiating objectives Congress called for in the Trade Act of 2002 (TPA).

The U.S.-Singapore FTA will further enhance an already strong and thriving commercial relationship with America's 12th largest trading partner. Annual two-way trade of goods and services between the United States and Singapore approached \$40 billion.

Singapore guarantees zero tariffs immediately on all U.S. goods, and the FTA ensures that Singapore cannot increase its duties on any U.S. product. For Singapore, products entering the U.S. market, duties are phased-out at different stages, with the least sensitive products entering duty-free upon entry into force of the FTA and tariffs on the most sensitive products phased-out over a ten-year period.

In services, the U.S.-Singapore FTA provides the broadest possible trade liberalization. Singapore will treat U.S. services suppliers as well as its own suppliers. Market access in services is supplanted by strong disciplines on regulatory authority.

U.S. foreign direct investment in Singapore was over \$27 billion in 2001. The U.S.-Singapore FTA provides important protection for U.S. investors. U.S. investors will be treated as well as local Singaporean investors or any other foreign investor.

Throughout the negotiations, USTR held public hearings and consulted frequently with Congress and interested parties. U.S. negotiators also held more than 100 meetings with some 700 cleared advisors from business, farm groups, labor unions, environmental groups, consumer organizations, and state governments to discuss and seek their advice on U.S. negotiating positions. Thirty out of USTR's 31 chartered advisory committees supported the final agreement.

During the negotiations, proposed texts were shared with cleared Congressional staff and advisors before presenting them to Singapore. The full text of the FTA was made available for review by Congress and advisors in early January, 2003, and the text has been available to the general public on USTR's website since March 6, 2003.