

III. TRADE POLICIES AND PRACTICES BY MEASURE

(1) MEASURES DIRECTLY AFFECTING IMPORTS

(i) Customs procedures and trade facilitation

1. There have been no changes to customs procedures in Singapore since its previous Trade Policy Review. Customs processing takes place online through Singapore Customs' TradeNet facility.¹ This is a single electronic window through which registered traders (importers, exporters, and transshippers) are required to submit import permit applications (see below), import licensing applications (if applicable (see section (v) below) and the required import documentation online.² The TradeNet system is linked to all of the Governmental agencies from which authorizations are required; it operates 24 hours a day, 7 days a week.³ Likewise, there have been no changes to import documents required since Singapore's previous Review.⁴ Customs duties (where applicable), the Goods and Services Tax (GST) (see section iv (below)) and other fees are automatically calculated and deducted from the traders' bank account.

2. An import permit is required for each import consignment, except for goods that remain in free-trade zones (FTZs) for transshipment to another country. Permits must be obtained prior to importation (there is no stipulated advance timeframe). Approval time for import permit applications through TradeNet is 10 minutes, in 99% of cases. Since 2009, each trader has been given a Unique Entity Number (UEN), which is its standard identification number used in dealing across government agencies.⁵ This, *inter alia*, allows them to view the results of their TradeNet permit applications through the TradeXchange Portal (see below).

3. Singapore has no laws or regulations relating to preshipment inspection.

4. At the national level, the Government is engaged in a number of activities to facilitate trade. One such initiative (in partnership with the private sector) is TradeXchange, an online platform that offers a variety of business-to-government and business-to-business services designed to facilitate the efficient exchange of documents and information through industry-accepted standardized formats, and thereby minimize the need for multiple data entries (Table III.1).

¹ For an overview of customs procedures, see Singapore Customs' elearning module. Viewed at: <http://www.customs.gov.sg/elearning/main.htm>.

² Traders that wish to apply for permits must register with Singapore Customs and obtain a user ID. They must also set up inter-bank giro accounts to pay permit application fees, duties, and GST. Importers of goods that are subject to control by other government agencies must comply with their regulatory requirements. Singapore Customs online information. Viewed at: <http://www.customs.gov.sg/leftNav/trad/TradeNet/Highlights+on+Competent+Authorities+%28CAs%29+Procedures.htm>.

³ An upgraded version of TradeNet, rolled out in 2012, is aligned with regional and international standards and introduces some new facilitative measures.

⁴ All imports must be accompanied by invoices, packing lists, and bills of lading. Certificates of origin are required in order to benefit from preferential tariff rates under FTAs. Imports of high technology products, that are subject to export controls by the exporting country, may require an Import Certificate and Delivery Verification (ICDV) from Singapore Customs. Additional documents may be required for imports of food with specific animal health, plant health or food safety concerns. (See WTO, 2008).

⁵ Traders may activate their UEN once they have registered with the Accounting and Corporate Regulatory Authority (ACRA) or through the TradeXchange portal. The Central Registration Number (CRN) previously used to access TradeNet no longer exists.

Table III.1
TradeXchange services

Integrated multimodal solution:	Provides linkages to Cargo Community Network (CCN) and Portnet.com for air/sea schedule and cargo tracking
Overseas highway customs:	Enables trade declaration data to be reused and sent online conveniently for customs clearance among the Pan Asian eCommerce Alliance partners: Chinese Taipei; Hong Kong, China; Indonesia; Japan; China; Korea; Macau SAR; Malaysia; Thailand; and the Philippines
Overseas highway manifest:	Allows easy submission of advanced manifest data to the relevant regulatory authorities in Australia, Canada, and the United States
RosettaNet automated enablement (RAE):	Connects major industry players to their customers and suppliers for the exchange of commercial documents such as purchase orders, packing lists, and invoices using the RAE framework
Shipping line linkages	Enables cargo-space booking enquiries and other relevant messages to be transmitted electronically to shipping lines
Title registry	Allows the secure creation and transfer of the title of goods electronically as part of the export/import process
Trade declaration	Provides easy access to trade declaration services for TradeNet trade declaration submissions and permit information. Trade declaration submissions and receipts of approved permit messages may be integrated with the in-house systems of end users or those of value-added services providers
Trade permit preparation	Enables shippers to transmit shipping information from their enterprise resource planning systems to TradeXchange so as to automatically fill in trade permit declaration forms
Marine cargo insurance applications	Connects freight forwarding companies and insurance companies to facilitate and expedite electronic application for and approval of marine cargo insurance
Trade finance (factoring) applications	Enables finance documents such as invoices to be exchanged electronically and securely among suppliers, buyers, and banks

Source: TradeXchange online information. Viewed at: <https://www.tradexchange.gov.sg/tradexchange/ShowBinary/BEA%20Repository/txwp/document/tx-brochure.pdf>; and information provided by the authorities.

5. Singapore also runs the Secure Trade Partnership (STP) programme launched in 2007. Under this voluntary certification scheme, companies commit to adopting enhanced security measures in their trading operations as set out in Singapore Customs' STP and STP-Plus Guidelines. The advantage to companies is that their cargos are considered to be low-risk, will be less prone to customs inspections, and hence there should be time-saving benefits at the border. Participation may also facilitate exports to certain countries, since STP-Plus certified businesses will be recognized under mutual recognition arrangements (MRAs) signed by Singapore and will thus be considered low-risk by the respective MRA partner. Singapore has MRAs with Japan (2011), South Korea (2010), and Canada (2010) and is negotiating MRAs with China, New Zealand, and the United States.⁶ As at March 2012, there were 29 STP, and 47 STP-Plus certified companies.

6. The Trade Facilitation and Integrated Risk-based System (TradeFIRST), launched in January 2011, is intended to allow Singapore Customs to better engage with trading companies and help them access the customs schemes they require. Companies are assessed by Singapore Customs, based on a single set of criteria, and then placed in one of five bands that determine the customs schemes and facilitation they are afforded (Table III.2).⁷ No assessment fee is charged. In addition, account managers (customs officers) are designated to assist each TradeFIRST-certified company. The authorities noted that companies that choose not to be assessed will be offered the schemes only in the basic band and any other schemes that they had previously been using. An assessment is required for the other customs schemes.

⁶ Singapore Customs online information. Viewed at: <http://www.customs.gov.sg/NR/rdonlyres/97C1A7A5-00EC-43B4-80B8-DA36D3AA50C9/0/HB2STPhandbook.pdf>.

⁷ These criteria relate to the company's profile, its inventory management and controls, compliance issues, procedure and process issues, and security.

Table III.2
Overview of TradeFIRST scheme, March 2012

TradeFIRST bandings	Customs schemes included	Number of certified companies
Basic	Waiver of security amount of S\$2,000; Free Trade Zone; Temporary Import Scheme; Inter-Gateway Haulage (IGH) / Inter-Gateway Barge (IGB); Cargo Agents Import Authorisation (CAIA); Certificate of Origin (CO); TradeNet account	All registered entities
Standard	Basic (above), plus: Licensed Warehouse (LW) scheme and Zero-GST Type 1 Warehouse	66
Intermediate	Standard (above), plus: Zero-GST Type II Warehouse; Secure Trade Partnership (STP)	76
Enhanced	Intermediate (above), plus: Strategic Trade Scheme (STS) Tier 2; Strategic Trade Scheme (STS) Tier 3; Zero-GST Type III Warehouse; Air Store Bond (ASB); Duty Free Shop (DFS); Excise Factory; Container Freight Warehouse (CFW); Company Declaration Scheme (CDS); Industrial Exemption Factory (IEF)	61
Premium	Basic, Standard, Intermediate, and Enhanced (above), plus: waiver of security; reduced container sealing; waiver of factory inspection; waiver of post-importation document checks; Secure Trade Partnership (STP) Plus; APEX licence; consolidated declaration; Bonded Truck Scheme (BTS)	73

Source: Singapore Customs online information. Viewed at: http://www.customs.gov.sg/NR/rdonlyres/0C795393-36AB-4B1A-B7D6-E5140DB1E08E/0/TF_low_res.pdf.

7. There are various ongoing initiatives at the ASEAN level to facilitate trade.⁸ ASEAN is moving towards the establishment (by 2012) of national single window systems for customs processing and interoperability between these systems by 2015, also known as the ASEAN Single Window (ASW).⁹ The expected benefits of the ASW include: enhanced risk management, improved levels of security for Governments, and less cumbersome and duplicative administrative procedures for traders. An ASEAN Trade Repository is being developed to make tariff and regulatory information in ASEAN countries more publically accessible.¹⁰ The ASEAN Trade in Goods Agreement (ATIGA) contains a chapter on trade facilitation, requiring ASEAN Members to develop and implement an ASEAN Trade Facilitation Work Programme, with actions on: customs procedures; trade regulations and procedures; standards and conformance; sanitary and phytosanitary measures; and the ASEAN Single Window. The work programme and implementation indicators were adopted in 2009.

(ii) Customs valuation and rules of origin

8. As reported in Singapore's previous Review, valuation is carried out under the Customs (Valuation) Regulations, which follows the valuation sequencing set out in the WTO Customs Valuation Agreement.¹¹ Imports are valued on the basis of their transaction value and are assessed on the c.i.f. value (plus any other charges) of the product when imported. Exchange rates for valuation

⁸ These initiatives stem from the 2005 Agreement to Establish and Implement the ASEAN Single Window and from the trade facilitation provisions contained in the 2009 ASEAN Trade in Goods Agreement (ATIGA) (Article 13 and Chapter 5). ASEAN online information. Viewed at: <http://www.asean.org/Fact%20Sheet/AEC/AEC-01.pdf>.

⁹ NSW systems are to enable the single submission of data and information; single and synchronous processing of data and information; and a single point of decision for customs release and clearance. Agreement to Establish and Implement the ASEAN Single Window. Viewed at: <http://www.aseansec.org/18005.htm>.

¹⁰ Such information will include tariff nomenclature, preferential tariffs, rules of origin, non-tariff measures, national trade and customs laws and rules, documentary requirements, and the list of authorized traders of member states.

¹¹ Customs (Valuation)(Amendment) Regulations may be viewed at: <http://statutes.agc.gov.sg>.

purposes are published online by Singapore Customs.¹² Since January 2011 importers have been able to apply for a binding advance customs valuation ruling, subject to a fee of S\$165.00 (including GST); the ruling process can take up to 30 days.

9. Singapore does not apply any specific MFN rules of origin. However preferential rules of origin requirements are contained in the FTAs it has signed (Chapter II). Given that Singapore only maintains MFN tariffs above 0% on six tariff lines (see below), the specificities of these preferential rules of origin (ROO) will largely not affect imports into Singapore from its trading partners. Rather, FTA ROO requirements will be significant for Singapore's exporters. The Singapore authorities have therefore made efforts to increase the transparency of ROOs (as well as preferential tariff rates) contained in its various FTAs, through the development of an FTA Tariff Calculator.¹³

(iii) Tariffs

(a) Applied MFN tariffs

10. On 1 January 2012, Singapore adopted the revised ASEAN Harmonized Tariff Nomenclature as the basis for classifying its traded goods, which is based on the 2012 version of the Harmonized Commodity Description and Coding System. As a result, Singapore's current (2012) applied MFN tariff consists of 9,558 eight-digit tariff lines, up from 8,300 at the time of its previous Review.

11. There were no changes to items attracting tariffs during the review period: these remain stout and porter, beer and ale, and medicated and non-medicated samsu. These tariffs have been maintained for socio-cultural reasons.¹⁴ Six tariff lines attract specific tariffs, no tariff lines attract *ad valorem* tariffs, and 9,552 are lines duty free (Table III.3). Data needed to calculate *ad valorem* equivalents of specific duties were not provided.

Table III.3
Applied and bound MFN tariffs, 2012

HS Code	Product description	Applied rate	AVE	Bound rate
22.03	Beer made from malt			
2203.00.10	Stout or porter	S\$16.00 / litre of alcohol		S\$4.80 / litre ^a
2203.00.90	Other including ale	S\$16.00 / litre of alcohol		S\$3.60 / litre ^a
22.08	Undenatured ethyl alcohol of an alcoholic strength by volume of less than 80% vol.; spirits, liqueurs and other spirituous beverages			
2208.90.10	Medicated samsu of an alcoholic strength by volume not exceeding 40% vol.	S\$8.00 / litre of alcohol		S\$27.00 / litre of alcohol
2208.90.20	Medicated samsu of an alcoholic strength by volume exceeding 40% vol.	S\$8.00 / litre of alcohol		S\$27.00 / litre of alcohol
2208.90.30	Other samsu of an alcoholic strength by volume not exceeding 40% vol.	S\$8.00 / litre of alcohol		S\$27.00 / litre of alcohol
2208.90.40	Other samsu of an alcoholic strength by volume exceeding 40% vol.	S\$8.00 / litre of alcohol		S\$27.00 / litre of alcohol

a Bound rate refers to per litre of the beverage; the rate per litre of alcohol is not available.

Source: Singapore Customs online information. Viewed at: <http://www.customs.gov.sg/leftNav/trad/val/List-of-Dutiable-Goods.htm>.

¹² Singapore Customs online information. Viewed at: <http://appm4.internet.gov.sg/scripts/customs/exc/exrate.asp>.

¹³ International Enterprise Singapore FTA Tariff Calculator. Viewed at: <http://www.fta.gov.sg/calculator/tariff-calculator-step1.aspx#>.

¹⁴ WTO document WT/TPR/M/202/Add.1, 15 September 2008.

12. Singapore has eliminated its customs duties for imports of originating goods from all FTA partners. Goods eligible for customs duties exemptions are listed in the Customs (Duties)(Exemption) Order. These exemptions are mainly granted based on international or bilateral diplomatic relations to specific organizations or persons.

13. In 2011, Singapore collected just over S\$8.4 million in customs duties and just under S\$2.1 billion in excise duties. Taken together, this represents 4.6% of total tax revenue.¹⁵

14. Singapore's bound tariff is in the HS2002 nomenclature. At the end of the Uruguay Round Singapore bound 69.6% of its tariff lines. The simple average bound rate is 6.9%, with tariffs ranging from 0 to 10%. The categories of products attracting the most unbound rates are: minerals and metals; leather, rubber, footwear, and travel goods; and transport equipment (Table III.4). During its previous Review meeting, it was noted that the absence of bindings for around 30% of Singapore's tariff lines created some unpredictability in its trading regime. Singapore was encouraged to consolidate its tariff regime for the benefit of all economic agents and business operators. Singapore responded that it would increase its level of tariff bindings and reduce the differential between bound and applied rates as part of its Doha Development Agenda (DDA) commitments.¹⁶

Table III.4
Summary analysis of Singapore's bound rates

Description	No. of lines	Average bound rate (%)	Range (%)	Percentage of bound tariff lines	Percentage of <i>ad valorem</i> rates
Total	5,383	6.9	0-10	69.6	98.6
HS 01-24	780	9.5	0-10	99.7	93.3
HS 25-97	4,603	6.3	0-10	64.5	100.0
By WTO category					
WTO Agriculture	747	9.4	0-10	100.0	100.0
Animals and products thereof	93	8.9	0-10	100.0	100.0
Dairy products	20	7.0	0-10	100.0	100.0
Fruit, vegetables and plants	193	9.5	0-10	100.0	100.0
Coffee and tea	24	10.0	10.0	100.0	100.0
Cereals and preparations	93	9.1	0-10	100.0	97.8
Oil seeds, fats and oils and their products	77	10.0	10.0	100.0	100.0
Sugar and confectionary	16	10.0	10.0	100.0	100.0
Beverages, spirits and tobacco	73	10.0	10.0	100.0	31.5
Cotton	5	10.0	10.0	100.0	100.0
Other agricultural products n.e.s.	153	9.3	0-10	100.0	100.0

Table III.4 (cont'd)

¹⁵ Singapore Statistics online information. Viewed at: <http://www.singstat.gov.sg/pubn/reference/mdsfeb12.pdf>.

¹⁶ WTO document WT/TPR/M/202/Add.1, 15 September 2008.

Description	No. of lines	Average bound rate (%)	Range (%)	Percentage of bound tariff lines	Percentage of <i>ad valorem</i> rates
WTO Non-agriculture (incl. petroleum)	4,636	6.4	0-10	64.9	100.0
Fish and fishery products	118	9.9	0-10	98.3	100.0
Minerals and metals	934	5.9	0-10	45.8	100.0
Chemicals and photographic supplies	887	5.1	0-10	96.8	100.0
Wood, pulp, paper and furniture	256	3.0	0-10	96.1	100.0
Textiles	625	9.9	0-10	64.8	100.0
Clothing	237	10.0	10.0	100.0	100.0
Leather, rubber, footwear and travel goods	165	10.0	10.0	22.4	100.0
Non-electric machinery	544	6.3	0-10	63.6	100.0
Electric machinery	282	5.1	0-10	59.9	100.0
Transport equipment	127	6.0	0-10	11.8	100.0
Non-agriculture articles n.e.s.	456	3.0	0-10	33.6	100.0
Petroleum	5	n.a.	n.a.	0.0	n.a.

n.a. Not applicable.

Note: Calculations exclude specific rates and include partially bound rates. Calculations are based on the 2005 tariff schedule in HS02 nomenclature.

Source: WTO Secretariat calculations, based on data provided by the Singapore authorities.

(iv) Other charges affecting imports

(a) Goods and services tax (GST)

15. The supply of goods and services (both imports and domestic production) is subject to the GST. It is levied at a rate of 7% and is zero-rated (0%) on exports of goods and international services.¹⁷ This 7% rate is the same as at the time of Singapore's previous Review. The only GST-exempt items are financial services, the sale or lease of residential property, and investment-grade gold and precious metals (since 2012). Singapore collected S\$8.9 billion in tax revenue from the GST in 2011 (just over 19% of total government revenue for that year).¹⁸ Disaggregated figures are not available on GST levied on imports alone.

16. The GST on imports is based on the c.i.f. value of the imports and any other charges, plus the import duty (if levied). It is collected automatically by Singapore Customs at the point of importation. Various schemes allow GST to be suspended on imports, largely to reduce financial and administrative costs for businesses that export much of what they import (Table AIII.1). Changes to these relief schemes over the review period involved expanding zero-rating of GST for ship and ship-related supplies as well as granting GST relief to all imported clinical trial materials, in order to promote the growth of the biomedical sector. Since 2010, the Government has operationalized the Import GST Deferment Scheme (IGDS), which allows approved GST-registered businesses to defer

¹⁷ International services are: international transport for goods and services; lease or hire of transport; services related to land/buildings/goods located overseas; services related to goods for export; services performed completely overseas; services supplied to overseas persons; supplies related to ships or aircraft; telecommunications services; trust services; colocation services for computer server equipment; services related to electronic systems for the import and export of goods; advertising services; and supplies related to air and sea containers.

¹⁸ Singapore Statistics online information. Viewed at: <http://www.singstat.gov.sg/pubn/reference/mdsfeb12.pdf>.

payment until their monthly GST-return due dates; this eases cash flow by removing the time lapse between payment of GST and claim. In addition, the Specialized Warehouse Scheme (SWS) was introduced in 2011 to provide storage facilities for goods meant for export.

(b) Excise duty

17. Customs collects excise duties on imports of alcohol products, tobacco, petroleum products (motor spirits and compressed natural gas), and motor vehicles (Table III.5). The only change over the review period was the imposition of an excise duty (of S\$0.20 per kg) on compressed natural gas. This entered into effect on 1 January 2012.¹⁹

Table III.5
Excise duty rates, 2012

Product	Rate	No. of tariff lines (8-digit level)
Alcohol products	Mainly attract a rate of \$70 per litre of alcohol, with the main exceptions being stout, beer, cider, and perry, which attract a rate of \$48 per litre of alcohol. A formula for calculating the duty payable results in higher strength liquors attracting higher tax rates ^a	50
	Certain alcoholic preparations or concentrates attract a rate of S\$90 per kg	
Tobacco and tobacco products	Ranges from \$239 to \$352 per kg; for certain cigarettes the rate is 35.2 cents for every gram, or part thereof, of each cigarette stick	30
Motor spirits and compressed natural gas	Range from \$3.70 per decalitre (dal) to \$7.10 per dal with leaded spirits attracting higher rates. Compressed natural gas attracts a rate of S\$0.20 per kg	7
Motor vehicles	20% duty, except for mopeds and motorcycles, which attract a 12% rate	151

a Formula for computation of duty payable on liquors: $\text{duty} = \text{total quantity in litres} \times \$70.00 \times \% \text{ of alcoholic strength}$.

Source: Singapore Customs online information. Viewed at: <http://www.customs.gov.sg/leftNav/trad/val/List+of+Dutiable+Goods.htm>.

(v) Import prohibitions, restrictions, and licensing

18. Singapore prohibits the import of some products mainly for health, safety, and environmental reasons or under UN or other international agreements (Tables AIII.2). As at the time of Singapore's previous Review, prohibitions include chewing gum (except for therapeutic purposes) and used motor vehicles of more than three years old (except vintage and classic cars). Implementing United Nations Security Council resolutions, Singapore prohibits the importation of arms and related materials as well as goods and technology related to nuclear, ballistic missile, and weapons of mass destruction programmes from the Democratic People's Republic of Korea and Iran, as well as any arms or related material from Eritrea and Libya.²⁰

19. Restricted imports are subject to licensing requirements, which may be automatic or non-automatic depending on the product (Table AIII.3). The licensing system applies to listed products from all countries.

20. Rice remains subject to non-automatic import licensing under a stockpile scheme maintained for food security and price stability purposes (rice is considered to be a staple food, but is not

¹⁹ Singapore Customs online information. Viewed at: <http://www.customs.gov.sg/NR/ronlyres/D8707724-81E4-48CE-8C2D-D08EBA90F1BD728668/PressReleaseCNGDutyweb.pdf>.

²⁰ Regulation of Imports and Exports Regulations (Seventh Schedule). Viewed at: <http://www.statutes.agc.gov.sg>.

produced domestically). This scheme is operated under the Price Control Act and the Price Control (Rice) Order 1990. Import licences, issued by International Enterprise Singapore, are required for all rice imports. Licences cost S\$50, may be applied for online (with a three-day processing time) and are valid indefinitely. Different types of licence are granted depending on the purpose of the import. The "Stockpile licence" is required for all imports of stockpile grade rice to be sold for local consumption.²¹ Stockpile grade rice includes white rice and fragrant rice, and since April 2010, also ponni, basmati, and parboiled rice. Importers of stockpile rice are required to maintain two-months' equivalent of their monthly import quantity (minimum monthly import is 50 tonnes), stored in a Government-designated warehouse (currently Singapore Storage and Warehouse Pte Ltd). The non-stored portion of the imports may be sold directly to licensed wholesalers. Importers are required to replace the rice stockpile with new stocks, so that rice may not be kept in storage for more than a year.²² The warehousing-related costs of the stockpiled rice are built into the final selling price and borne by consumers.²³ The authorities confirmed that rice prices are determined by the market with no government intervention.

(vi) Contingency measures

(a) Anti-dumping and countervailing measures

21. There have been no changes over the review period to Singapore's law on anti-dumping and countervailing measures, the Countervailing and Anti-Dumping Duties Act (Cap. 65B), nor to its implementing regulations.²⁴ Over the review period, Singapore has not undertaken any anti-dumping or countervailing investigations, nor imposed any final measures. It has no anti-dumping (AD) or countervailing (CV) measures in force: it has never imposed a countervailing measure and its last AD measures were terminated in 2003.

22. Singapore is a participant in the Friends of Anti-Dumping Negotiations (FANs). Together with other Members, it has, over the review period, submitted several proposals to the DDA Negotiating Group on Rules to seek strengthened disciplines in the Anti-Dumping Agreement (ADA).²⁵ Issues raised in these proposals include support for a prohibition on zeroing as a method of calculating the margin of dumping; the inclusion of a broadly applicable "public interest" provision in the ADA; and a mandatory lesser duty rule.

²¹ Other licences include: non-stockpile rice licence (for imports of glutinous rice, brown rice, red rice, cargo rice, and wild rice); import for re-export licence (rice may be imported for re-export only and must be stored in a free-trade zone (FTZ)); manufacturer licence (only 100% broken rice may be imported and must be used for manufacturing purposes and not sold locally; and wholesale licence (the licensee may not import rice, but may undertake wholesale dealings in all types of rice).

²² IE Singapore online information. Viewed at: <https://rice.iesingapore.gov.sg/>.

²³ WTO (2008).

²⁴ The Act and its implementing regulations (Countervailing and Anti-dumping Duties (Expedited Review of Anti-dumping Duties) Determination and Countervailing and Anti-Dumping Duties Regulations may be viewed at: <http://statutes.agc.gov.sg>. A fuller description of the main features of the legislation may be found in the 2004 Trade Policy Review of Singapore. Viewed at: WTO document WT/TPR/S/130, 17 May 2004.

²⁵ The FANs comprises the delegations of Brazil; Chile; Colombia; Costa Rica; Hong Kong, China; Israel; Japan; Korea, Rep. of; Mexico; Norway; Singapore; Switzerland; Chinese Taipei; Thailand; and Turkey.

(b) Safeguards

23. Currently there is no safeguard legislation in Singapore. The authorities confirmed that Singapore has no plans to enact any such laws.

(vii) Government procurement

24. The total value of procurement by the Singapore Government (excluding Ministry of Defence "classified" purchases) in FY2011 was S\$26.7 billion (Table III.6). Over the review period, open tendering procedures were used for about 80% of all tenders (compared with around 85% at the time of Singapore's previous Review).

Table III.6
Value of the government procurement market, 2008-11

	2008	2009	2010	2011 ^a
Total (\$ billion) of which (%)	27.1	20.1	15.1	26.7
Construction (%)	63	65	58	54
Services (%)	32	25	32	35
Goods (%)	5	10	10	11

a Data for 2011 are accurate as of 5 March 2012.

Source: Data supplied by the MoF.

(a) Procurement policy

25. The legislative framework for government procurement, is the Government Procurement Act and its subsidiary legislation.²⁶

26. Procurement is generally by individual ministries, agencies, and statutory boards, although some centralized purchasing is carried out by the Ministry of Finance and other lead agencies. The Government has 89 procuring entities (24 ministries, departments and organs of State as well as 65 statutory boards (see section (3)(iii)). There is no sub-central procurement in Singapore. The Government may engage the private sector in the delivery of public services through public-private partnerships (PPPs) where feasible, and usually for large projects.²⁷

27. Singapore is party to the WTO Agreement on Government Procurement (GPA) and participated in negotiations concluded in 2011 to revise this Agreement.²⁸ The main addition to Singapore's pre-existing commitments was executive search services (CPC 87201) under Annex 5 (the Services Annex). Singapore's most recently notified Government procurement statistics are from 2008. The total value of awards in 2008 was just over S\$4 billion for Central Government (Annex 1)

²⁶ Subsidiary legislation includes: the Government Procurement Act (Commencement) Notification 2002; Government Procurement (Application) Order; Government Procurement (Challenge Proceedings) Regulations; and Government Procurement Regulations. The Act and subsidiary regulations may be viewed at: <http://statutes.agc.gov.sg>. There have been no significant changes to the Government Procurement Act or subsidiary legislation over the review period.

²⁷ Ministry of Finance online information. Viewed at: app.mof.gov.sg/ppp.aspx.

²⁸ WTO online information. Viewed at: http://www.wto.org/english/news_e/news11_e/gpro_15dec11_e.htm.

entities (96% of these purchases were above Singapore's GPA thresholds), and just under S\$19 billion for other (Annex 3) entities (94% of these purchases were above Singapore's GPA thresholds).²⁹

28. There are no government procurement provisions under any of the ASEAN FTAs with third countries. However there are commitments under Singapore's bilateral FTAs with Australia, Japan, Korea, New Zealand, Panama, Peru, its Trans-Pacific partners, and the United States. In all cases Singapore's security-sensitive procurements are exempt, as are procurements made by a covered entity on behalf of a non-covered entity (Table III.7). The authorities indicated that Singapore also abides by the non-binding principles on government procurement developed by APEC's Government Procurement Expert's Group (GPEG).³⁰

Table III.7
Agreements covering government procurement, February 2012

Agreement	Coverage, exclusions, and selected features	Thresholds
WTO GPA	Agreement covers selected procuring entities in Singapore Agreement applies to (a) All goods (subject to thresholds) (b) Listed services subsectors (subject to thresholds and the limitations and conditions specified in Singapore's GATS schedule) (c) Construction services are subject to the limitations and conditions specified in Singapore's GATS schedule	Central Government (Annex 1) entities: Goods: SDR 130,000 Services: SDR 130,000 Construction: SDR 5,000,000 Other (Annex 3) entities: Goods: SDR 400,000 Services: SDR 400,000 Construction: SDR 5,000,000
Singapore-Australia FTA (SAFTA)	Agreement covers selected procuring entities in Singapore. Suppliers from each party are treated equally as any locally established supplier Agreement allows parties to promote industry development including measures to assist small and medium-sized enterprises to gain access to procurement opportunities within their respective territories	No minimum threshold (for either party) for goods, services, and construction
EFTA-Singapore FTA (ESFTA)	Parties' rights and obligations <i>vis-à-vis</i> public procurement are governed by the WTO GPA. However, they have agreed to cooperate with a view to achieving further liberalization of procurement markets	See GPA thresholds (above)
Singapore-Japan FTA (JSEPA)	The Government Procurement Chapter mainly follows the WTO GPA (which both Singapore and Japan are members of). However, the thresholds for purchases of goods and most services by Annex 1 and Annex 3 entities has been reduced. These reduced thresholds do not apply to construction work; architectural, engineering and other technical services	Central Government (Annex 1) entities and other (Annex 3) entities: Goods: SDR 100,000 Services: SDR 100,000 Construction: SDR 5,000,000
Singapore-Korea FTA (KSFTA)	Agreement covers selected procuring entities in Singapore Agreement applies to (a) All goods (subject to thresholds) (b) Listed services subsectors (subject to thresholds and the limitations and conditions specified in Singapore's GATS schedule) (c) Construction services (subject to WTO GPA thresholds, a review of which may be considered at the review meeting of the KSFTA provided under Article 22.1). Construction services are subject to the limitations and conditions specified in Singapore's GATS schedule	Central Government entities: Goods: SDR 100,000 Services: SDR 100,000 Construction: SDR 5,000,000 Other entities: Goods: SDR 400,000 Services: SDR 400,000 Construction: SDR 5,000,000

Table III.7 (cont'd)

²⁹ WTO document GPA/102/Add.5, 23 February 2011.

³⁰ These principles include: transparency; value for money; open and effective competition; fair dealing; accountability and due process; and non-discrimination.

Agreement	Coverage, exclusions, and selected features	Thresholds
Singapore-New Zealand FTA (ANZSCEP)	The agreement does not specify which procuring entities are covered.	Minimum threshold of SDR 50,000 for goods, services, and construction
Singapore-Panama FTA (PSFTA)	Agreement covers selected procuring entities in Singapore Agreement applies to (a) All goods (subject to thresholds) (b) Listed services subsectors (subject to thresholds and the limitations and conditions specified in Singapore's GATS schedule) (c) Listed construction services (subject to thresholds). Individuals in charge of engineering or architectural works must be qualified professional engineers or architects in Singapore. The construction services offer is subject to the limitations and conditions specified in Singapore's GATS schedule	Central Government entities: Goods: SDR 130,000 Services: SDR 130,000 Construction: SDR 5,000,000 Other Government entities: Goods: SDR 400,000 Services: SDR 400,000 Construction; SDR 5,000,000
Peru-Singapore FTA (PeSFTA)	Agreement covers selected procuring entities in Singapore Agreement applies to (a) All goods (subject to thresholds) (b) Listed services subsectors (subject to thresholds and the limitations and conditions specified in Singapore's GATS schedule) (c) Listed construction services (subject to thresholds). The construction services offer is subject to the limitations and conditions specified in Singapore's GATS schedule	Central Government entities: Goods: SDR 130,000 Services: SDR 130,000 Construction: SDR 5,000,000 Other Government entities: Goods: SDR 400,000 Services: SDR 400,000 Construction; SDR 5,000,000
Trans-Pacific SEP (Brunei, GNew Zealand, Chile and Singapore)	Agreement covers selected procuring entities in Singapore Agreement applies to (a) All goods (subject to thresholds) (b) Listed services subsectors (subject to thresholds and the limitations and conditions specified in Singapore's GATS schedule) (c) Listed construction services (subject to thresholds). The construction services offer is subject to the limitations and conditions specified in Singapore's GATS schedule	Central Government entities: Goods: SDR 50,000 Services: SDR 50,000 Construction: SDR 5,000,000 This agreement does not cover other Government entities
Singapore-United States FTA (USSFTA)	Agreement covers selected procuring entities in Singapore Agreement applies to: (a) All goods (subject to thresholds) (b) All services subsectors (subject to thresholds) (c) Construction services (subject to thresholds). Values of these thresholds may be adjusted in accordance with a formula (set out in Annex 13B)	Central Government Entities: Goods: S\$102,710 Services: S\$102,710 Construction: S\$11,376,000 Other entities: Goods: S\$910,000 Services: S\$910,000 Construction: S\$11,376,000

Source: WTO document GPA/W/315/Add.1, 15 December 2011; and IE Singapore online information. Viewed at: www.fta.gov.sg/sg_fta.asp.

(b) Procurement procedures

29. Procurement procedures are unchanged since Singapore's previous Review: purchases of goods and services up to a value of S\$3,000 are considered to be small value purchases. The authorities noted that procuring entities may approach any supplier to make such purchases; all suppliers are eligible. Purchase of goods and services between S\$3,000 and S\$70,000 is through invitations to quote (ITQs). The authorities noted that specifications and terms, and conditions in ITQs tend to be simpler than those in open tenders (see below). ITQs are published in GeBIZ (www.gebiz.gov.sg). No preferences or set-asides are accorded to domestic suppliers. All procurement above \$70,000 is through competitive open tendering, except in circumstances when selective or limited tendering is required (Table III.8)

30. At the time of Singapore's previous Review, the authorities noted that tenders are awarded to the supplier that provides an overall best value for money that meets the specifications and requirements stipulated in the tender. Hence, both quality and price are taken into account. Moreover, all foreign and domestic suppliers are subject to the same procedures. Given that there is no distinction or discrimination between local and foreign suppliers, Singapore does not monitor the proportion of foreign-supplier-awarded contracts.³¹

Table III.8
Government procurement bidding processes, 2012

Contracting process	Instances when used	Contracts: number and value (2011)
Open tendering	Used for all procurements over S\$70,000 (except in instances below). Tenders are published on the Government Electronic Business System (GeBIZ) website (http://www.gebiz.gov.sg). Tender documents must include all evaluation criteria. Unless other criteria have been defined, the contract is awarded for the lowest acceptable price (i.e. also taking quality into account). Bidder selection and contract award are announced on GeBiz	Number: 3,533 Value: S\$24.8 billion
Selective tendering	Used for complex projects. It usually involves 2 stages: pre-qualification of interested suppliers, based on the technical merits of the offer; and invitation to qualified suppliers to tender	Number: 5 Value: S\$171,673,813
Limited tendering	Involves inviting one or a limited number of tenderers to participate in a tender. Use of limited tendering is subject to the conditions stipulated in the WTO-GPA, for example, procurement in situations of urgency or when a tendering bid has failed (i.e. when no responsive bid has been submitted)	Number: 1,429 Value: S\$ 1.7 billion

Source: ADB/OECD (2006), *Curbing Corruption in Public Procurement in Asia and the Pacific*. Viewed at: <http://www.oecd.org/dataoecd/4/40/37575976.pdf>; WTO document WT/TPR/S/2002/Rev.1, 26 September 2008; and information provided by the authorities.

31. The Ministry of Finance puts the public sector's indicative purchasing plan for the financial year online, generally for purchases over S\$200,000. This is to help suppliers plan ahead, rather than as an invitation to tender.³² In 2011, a new GeBIZ alerts service was rolled out, through which subscribed suppliers may receive alerts on procurement opportunities published on GeBIZ.

32. The authorities noted that there are regular internal and external audits on compliance with procurement processes. These include the auditing activities of the Auditor-General's office, which are published annually and are publically available. In the Auditor-General's reports for FY 2010-11, it was highlighted that many of the Government ministry and statutory board lapses in audits were in procurement, arising from non-adherence to procurement rules of transparency, and open and fair competition. Examples included waiving competition based on weak grounds; setting an unrealistically short period for submission of bids, thereby limiting competition; not giving equal opportunity to tenderers to revise their bid price when requirements were changed; and accepting a tender that did not meet specifications. It was further noted that these lapses were largely due to administrative expediency taking precedence over financial prudence.³³

(c) Dispute resolution

33. The Government Procurement Adjudication Tribunal handles complaints of non-compliance with the Agreement on Government Procurement. Since 2008, the Tribunal has received two

³¹ WTO document WT/TPR/M/202/Add.1, 15 September 2008.

³² Listing viewed at: <http://app.mof.gov.sg/mfeupdate/index.asp>.

³³ Auditor-General (2010).

complaints (in 2009 and in 2010). However, the authorities indicated that these did not reach the formal hearing stage as they were resolved amicably between the supplier and government agency.

(viii) State trading

34. Singapore notified the Secretariat in 2010 that it does not maintain any state trading enterprises of the kind described in paragraph 1 of the Understanding on the Interpretation of Article XVII of the GATT 1994.³⁴ As reported in Singapore's previous Review, the authorities confirmed that Singapore does not have any legislation relating to state trading in imports and exports.

(ix) Standards, technical regulations, and conformity assessment

35. SPRING Singapore, a statutory board under the purview of the Ministry of Trade and Industry, is the national standards and accreditation body.³⁵ SPRING Singapore's responsibilities include the regulation of "controlled goods" to ensure consumer safety and protection. Technical regulations are also developed by the Infocomm Development Authority of Singapore (IDA), the Ministry of Health, the Ministry of Environment, the National Environment Agency (NEA), and the Public Utilities Board (PUB). Since the last Review of Singapore, no specific trade concerns have been raised in the TBT Committee regarding its measures.

Standards

36. Singapore's guiding principles for standardization are alignment with international standards; a performance-based approach; and active participation and support of government agencies and the private sector in the development of standards used in technical regulations. It favours the direct use of internationally accepted standards wherever appropriate. Singapore has a small collection of national standards, which are developed only for specific reasons, such as environmental conditions. In developing these national standards, internationally accepted standards are used or referred to, wherever appropriate, and deviations must be justified in the national standard document. Singapore Standards become mandatory when referenced in legislation through Acts or in regulations through administrative control.

37. The timeframe for drafting and approving a new or revised standard ranges from 12 months for a product standard to 24 months for a code of practice. Draft standards are released for a 60-day public comment period. Upon approval by the standards committee, they are published in the *National Gazette*. There were 705 Singapore Standards (including technical references) as of 31 December 2011, of which 173 are used by regulators (i.e. mandatory); the remainder are voluntary. Singapore standards are reviewed every five years to consider whether they should be confirmed, revised, amended, archived or withdrawn; they may be reviewed earlier, if the need arises.

38. A technical reference is a pre-Singapore standard that is developed with the aim of meeting an urgent industry need. This could be in light of rapid technological change or absence of a reference industry standard. Unlike a Singapore standard, a technical reference is published without going through broad consensus procedures. It is implemented for two years before a review is made on its suitability to become a Singapore standard based on feedback by industry. The review may also result in the continuation of the technical reference for further industry trial or its withdrawal.

³⁴ WTO document: G/STR/N/13/SGP, 17 March 2010.

³⁵ SPRING Singapore is one of three national enquiry points under the TBT Agreement; the others are the Agri-Food and Veterinary Authority (AVA), and the Ministry of Trade and Industry.

39. Under the Quality for Enterprises through Standards (QUEST) Programme launched by SPRING in July 2011 (see Box III.1), enterprises are eligible for incentives to encourage the use of standards that allow them to realize productivity and competitiveness gains.

Technical regulations

40. Technical regulations are applied mainly in the machinery, telecommunications, medical devices, electrical and electronic products, and food sectors. SPRING Singapore administers the Singapore Consumer Protection (Safety Requirements) Registration Scheme³⁶, under which all goods on a control list must be registered with SPRING Singapore before they may be advertised, traded or displayed for sale in Singapore. Third-party conformity assessment based on type testing is required to carry the Singapore Safety Mark. There is no batch testing, pre-factory inspection or border inspection for electrical products. A total of 45 items are currently covered by the scheme; 41 are electrical and electronic appliances and there are 4 categories of gas products. The scheme is reviewed every 2-3 years. With effect from 1 April 2011, the new Consumer Protection (Consumer Goods Safety Requirements) Regulations are intended to protect consumers from unsafe consumer goods such as toys, children's products, apparels, sports and recreation products, furniture, mattresses and bedding, and do-it-yourself tools. SPRING Singapore has the power to stop the circulation of consumer goods that do not meet applicable safety standards, and to direct suppliers to inform users of the potential dangers of such goods. Pre-market testing or certification is not required, and there are no border inspections for consumer goods. Non-compliance with the regulations is subject to fines and/or imprisonment.

Conformity assessment procedures

41. The Singapore Accreditation Council of SPRING is responsible for accrediting conformity assessment bodies. Its objective is to develop, maintain, and improve the standard of conformity assessment activities and to facilitate trade by establishing bilateral and multilateral mutual recognition with other countries. Accreditation is voluntary and based on international standards, i.e. ISO/IEC 17025 for laboratories, ISO/IEC 17020 for inspection bodies, ISO/IEC 17021 for management systems certification bodies, and ISO/IEC Guide 65 for product certification bodies. Any conformity assessment body whether local or foreign may operate in Singapore. Accredited bodies may use the SAC mark of accreditation.

42. The Singapore Accreditation Council operates accreditation programmes in: calibration and testing laboratories covering chemical, biological, environmental, medical, medical imaging, electrical, non-destructive testing, and testing related to civil and mechanical engineering; inspection bodies for areas such as industrial pressure vessels and lifting equipment, motor vehicles, and structural steelwork; quality management system (ISO 9001) certification bodies; environment management system (ISO 14001) certification bodies; product certification bodies; occupational safety and health management system (OSHMS) certification bodies; HACCP food safety management system certification bodies; and ISO 22000 certification bodies.

43. The Singapore Accreditation Council is a signatory member of various regional and international mutual recognition agreements (MRAs) such as the Asia Pacific Laboratory Accreditation Cooperation (APLAC), Pacific Accreditation Cooperation (PAC), International Laboratory Accreditation Cooperation (ILAC) and International Accreditation Forum (IAF). Through

³⁶ Consumer Protection (Safety Requirements) Regulations (Cap 53).

these MRAs, the equivalence of accredited test reports and certifications from overseas partners are recognized.

44. Competent private sector bodies such as manufacturers, installers, suppliers and repairers of weighing and measuring instruments may apply to be designated by SPRING Singapore to handle the verification of weighing and measuring instruments for trade use (Weights and Measures Programme - Authorised Verifier Scheme). To date, 22 authorized verifiers have been appointed and undertake third-party conformity assessment of weighing and measuring instruments for trade use. The Authorised Verifier Scheme has given business users of these instruments greater choice of service providers and reduced the turnaround time from three days to within a day, thereby reducing compliance costs.

(x) Sanitary and phytosanitary measures (SPS)

45. As Singapore relies for over 90% of its food needs on imports, its food import policy is aimed mainly at assuring a steady supply of safe food from a large number of countries. There have been no major changes to Singapore's SPS regime since its last TPR, although a number of laws and regulations have been updated (Table III.9). Since the last Review, no specific trade concerns have been raised in the SPS Committee regarding Singapore's SPS measures.

Table III.9
Amendments to SPS requirements, 2008-11

Name of legislation	Date of amendment	Description	WTO notification	Conformity with an international standard
Animals and Birds (Importation) Order	1 April 2009	Import requirements for various animal products (animal semen; fertilizer containing any animal products; feed containing any animal products; clinical and pathological specimens and carcasses). No change of SPS measures, merely re-drafting of the Importation Order for greater clarity	-	-
Animal and Birds Act	1 January 2010	New import and quarantine requirements as part of the rabies risk-management approach for imports of dogs and cats, involving re-categorizing countries according to their rabies risk	G/SPS/N/SGP/37	Yes
Animals and Birds (Live Fish) Rules	20 January 2011	To replace the Animals and Birds (Ornamental Fish) Rules and to specify import conditions, such as the requirement for health certificate and penalties for non-compliance	G/SPS/N/SGP/38	Yes

Table III.9 (cont'd)

Name of legislation	Date of amendment	Description	WTO notification	Conformity with an international standard
Food (Amendment) Regulations 2011	15 April 2011	New additives and extension of use of existing additives; revised limits of contaminants; revised requirements for imported food; new and revised food standards; new and revised requirements for food labelling. Regulation 14(2) of the Food Regulations previously allowed the use of the word "unbranded" for declaration on the import permit if the processed food product has no brand name at the time of import. With the amendments, the word "unbranded" is no longer allowed. The brand name of the processed food product must be declared on the import permit. If the product does not have a brand name at the time of import, the name of the manufacturer of the product or the intended brand name of the product must be declared on the import permit. This is for source-tracing purposes	G/SPS/N/SGP/39 G/TBT/N/SGP/10	Yes
Requirement for import of puffer fish	8 October 2011	Imported puffer or fugu fish must be accompanied by a health certificate from the relevant government authority of the exporting country certifying that the tetrodotoxin in the fish has been removed by a qualified chef and is fit for human consumption	G/SPS/N/SGP/40	No relevant international standard available

- Not available.

Source: Agri-Food and Veterinary Authority online information. Viewed at: http://www.ava.gov.sg/NR/rdonlyres/40210FDA-4EA7-4EAB-AD16-214FAC01036C/18743/circular_FoodAmendmentRegulations2011.pdf; and Information provided by the Singapore authorities.

46. The main statutes governing SPS measures are the Agri-Food and Veterinary Authority Act; Animal and Birds Act; Control of Plants Act; Wholesome Meat and Fish Act; Sale of Food Act; Endangered Species (Import and Export) Act 2006; Wild Animals and Birds Act; Fisheries Act; and Feeding Stuffs Act.

47. SPS measures are implemented by the Agri-Food and Veterinary Authority (AVA), which is also Singapore's SPS enquiry point. The AVA is responsible for ensuring food safety (from importation and manufacture to retail level), and animal and plant health. According to the authorities, Singapore ensures that its SPS measures are consistent with international standards, guidelines, and recommendations. In the absence of such standards, Singapore conducts its own risk-assessment and makes risk-management decisions taking into account economic, technical, and other relevant factors. Risk-assessment costs are borne by the AVA. Singapore may also impose provisional SPS measures in accordance with Article 5.7 of the SPS Agreement, where scientific evidence is insufficient.

48. All food products and food appliances are regulated by the AVA. Import licensing procedures apply (Table AIII.3). Thus, annual importer licences are required under the Wholesome Meat and Fish Act, and the Control of Plants Act, i.e. for imports of meat, fish/seafood, and fresh fruits and vegetables. The purpose of the importer licensing system is to maintain a register of all importers for traceability purposes. Imports of other food items, including processed foods, do not require an annual importer licence under the Sale of Food Act. However, Singapore has implemented a similar system (importer "registration") for processed foods, through which traders must register

their imports with the AVA.³⁷ Selected high-risk food products are subject to additional controls, such as health certificates, laboratory analysis reports or proof that the source or factory is regulated by the authority of the exporting country through a licensing system or similar food safety regulation. This is to guard against exports into Singapore from "backyard" operations. The AVA carries out inspections of imported (and domestically produced) foods, animals, and plants; local farms; slaughterhouses; food processing establishments; and storage facilities. According to the authorities, inspections (including sampling for laboratory analysis) are carried out in a risk-based manner. Unfit consignments are refused entry and destroyed or returned to the country of origin. All food items are subject to traceability requirements, indicating at least the country of origin, if not the farm/establishment. Imports of dairy products, livestock, meat, and fish are considered to be "high risk" and are subject to strict controls, involving, *inter alia*, accreditation of foreign farms and establishments, inspection, and testing. Accreditation is carried out by the AVA based on risk assessment, including factors such as the veterinary infrastructure, disease status, legislation and other SPS measures, and hygiene. Meat imports are allowed only from accredited establishments in countries with which Singapore has protocol agreements. Chilled pork may only be imported from Australia, Canada, Denmark, New Zealand, Sweden, and the United States. Frozen beef, mutton, and poultry may be imported from a limited number of countries, and in some cases, only from AVA-accredited establishments.

49. Beef imports are prohibited from countries in which Bovine Spongiform Encephalopathy (BSE) has been detected. Singapore previously required six years of non-BSE detection in a country before re-establishing trade, but in 2006 established a minimal-risk rule in line with World Organization for Animal Health (OIE) guidelines. In 2006, Singapore reopened its market to U.S. boneless beef from animals under 30 months of age. Since then, the Singapore market has been similarly opened to Canada (2009), Japan (2010), and France and Ireland (2011). In the case of the Netherlands, Singapore allowed imports of boneless and bone-in veal in 2010.³⁸ Dairy products from countries that are not free from Foot-and-Mouth Disease may be imported if subject to double pasteurization treatment.

50. Imports of high-risk shellfish products, such as oysters, cockle meat, cooked prawns, and cooked crab meat, are permitted only from certain sources with acceptable sanitation programmes, and must be accompanied by a health certificate from the country of origin; live oysters may only be imported from Australia, Canada, France, Ireland, the Netherlands, New Zealand, the United Kingdom, and the United States. All consignments of these products undergo laboratory testing upon arrival in Singapore. New import requirements involving a health certificate for cleaned and processed puffer fish entered into force on 8 October 2011; imports of live and whole, unprocessed puffer fish are prohibited (Table III.9).

51. Under the Control of Plants Act, all imports of plants are regulated by the AVA to prevent the introduction of exotic plant pests and diseases into Singapore and the region; domestically produced plants cultivated in Singapore's agri-technology parks are also monitored by the AVA. Plants must be accompanied by phytosanitary certificates from the country of origin. Some plants require additional documentation. Phytosanitary certificates are provided by the AVA for domestically produced plants being exported from Singapore, to certify freedom from pests and disease.

³⁷ For details of the system, see: <http://www.ava.gov.sg/Services/LicensesPermitsAndCerts/>. Then select: 15. Registration to Import Processed Food Products and Food Appliances (excluding meat and fish products, fresh fruits and vegetables).

³⁸ Imports of bone-in veal from the Netherlands are considered of negligible BSE risk for reasons of the age and feeding management of the calves.

Labelling

52. Singapore has made no major changes with respect to marking, labelling, and packaging requirements since its last TPR.

53. However, Singapore's energy labelling schemes have been updated. The National Environment Agency administers the Mandatory Fuel Economy Labelling (FEL) scheme for passenger cars and light goods vehicles, which has been mandatory for importers and manufacturers since 1 April 2009.³⁹ The Mandatory Energy Labelling Scheme has been implemented since January 2008 for household fridges and air-conditioners (two of the most energy-intensive household appliances) and was extended to cover clothes dryers from 1 April 2009.

54. Under the Sale of Food Act and the Food Regulations, labels are required on imported food, which must specify the country of origin. Pre-packaged foods must be labelled to show (in English): the appropriate designation of the food content; whether foods are compounded, mixed or blended; the minimum quantity stated in metric net weight or measure; the name and address of the manufacturer or seller; and the country of origin.⁴⁰ Expiry dates are required on the labels of 19 groups of food products (listed under the Third Schedule of the Food Regulations).⁴¹ Labels for bottled natural mineral water and spring water must include the brand name, the source of the water and the amounts of sodium, calcium, potassium, magnesium, bicarbonates, chloride, and sulphates present, in addition to the basic labelling information. The Food Regulations were amended on 15 April 2011 with respect to labelling requirements (see Table III.9).

55. There are no specific labelling requirements for pre-packed genetically modified (GM) food products. The labelling of GM food is currently being discussed in the Sub-Committee on Labelling, under the Genetic Modification Advisory Committee, which is following developments in international fora, including the Codex Alimentarius.

(2) MEASURES DIRECTLY AFFECTING EXPORTS**(i) Procedures**

56. There have been no changes to export procedures during the review period. Under the Regulation of Imports and Exports Act (1995), an export permit is required for all exports. Export declarations must be made through TradeNet; once approved a permit is issued. In 90% of cases a TradeNet declaration may be processed within ten minutes. For controlled exports and goods exported by road and rail, export permits must be obtained before export. For exports by sea and air, the customs declaration may be submitted within three days post-export. As explained by the authorities this flexibility is afforded to air and sea shipments because they are normally covered by a manifest, allowing trade statistics to be verified through a post-export manifest reconciliation process.

³⁹ Environmental Protection and Management (Energy Conservation) (Amendment) Regulations 2009.

⁴⁰ A description (in English) of the contents of the package may be added to the face of the label, provided that the additional language is not contrary to, or a modification of, any statement on the label. Illustrations must accurately describe the true nature or origin of the food. Foods having defined standards must be labelled to conform to those standards and be free from added substances. Packages of food described as "enriched", "fortified", "vitaminized" or in any other way that implies that the article contains added vitamins or minerals must show the quantity of vitamins or minerals added per metric unit.

⁴¹ AVA online information, viewed at: http://www.ava.gov.sg/nr/rdonlyres/0ca18578-7610-4917-bb67-c7df4b96504b/19280/2web_sof_foodregulations15april2011.pdf.

(ii) Export taxes and other charges

57. Singapore has no export taxes or levies

(iii) Export prohibitions, restrictions and licensing

58. Under the Regulation of Imports and Exports Regulations, exports of arms and related material are prohibited to: the Côte d'Ivoire; the Democratic Republic of Congo; Lebanon; Somalia; Sudan; Iraq; Korea, Dem. Rep.; Eritrea; Iran; and Libya. In addition, exports of materials that could contribute to the development of nuclear weapons are prohibited to Iran and Korea, D.R. as well as all exports to all individuals and entities belonging to or associated with the Taliban and Al-Qaida organizations. Export prohibitions to Korea, D.R. are also in place on certain luxury items. Exports of chlorofluorocarbons (CFCs) are prohibited.

59. Approvals in the form of licences or permits are required for various controlled items. These are required prior to export and must be obtained from the relevant agencies through TradeNet (Table AIII.4)

(iv) Export finance and insurance

60. Export finance is available only through private-sector institutions. However, in order to encourage private-sector lending, IE Singapore, through the Internationalization Finance (IF) Scheme, underwrites 70% of the value of loans by participating financial institutions (PFIs) to Singapore-based companies. Loans must be for overseas expansion activities (including, but not limited to export finance) and the maximum loan amount is S\$15 million.⁴² To be eligible for a loan under this scheme, the turnover of trading companies must not exceed S\$500 million, and other conditions apply. Interest rates are determined by the respective PFIs. In addition, Singapore has the Loan Insurance Scheme (LIS) to encourage private-sector lending to Singapore-based companies for working capital and short-term trade financing. Such risks are underwritten by commercial insurers. The scheme comprises a LIS+ layer, whereby International Enterprise (IE) Singapore underwrites limits that are beyond the capacity of commercial insurers. Interest rates are determined by the PFIs.

61. Export insurance is also provided only by the private sector. Under the Trade Credit Insurance Scheme (TCIS), IE Singapore provides 50% of the minimum premium for trade credit insurance policies held by small and medium-sized enterprises (SMEs) with Singapore-registered credit insurers.⁴³ To be eligible for government support under this scheme, companies must be Singapore-based and have a maximum turnover of S\$100 million (up from S\$80 million as of April 2011), as well as other requirements. Support under the scheme covers sales both to domestic and overseas customers. The maximum support per company is S\$100,000. The TCIS (formerly Export Coverage Scheme (ECS)) was launched in March 2009.⁴⁴ Between 1 March 2009 and 29 February 2012, there were 146 beneficiaries and approved support of S\$4.93 million.

⁴² These thresholds were increased temporarily during the global financial crisis. Between 2009 and 2011, the maximum loan amount was increased from S\$15 million to S\$50 million, with IE Singapore extending its portion of the risk sharing from 70% to 80%.

⁴³ Trade credit insurance policies cover insolvency of and protracted default by end buyers.

⁴⁴ As noted by the authorities, the ECS was a recessionary scheme designed to address a short-term liquidity crunch. With the transition from ECS to TCIS, a government guarantee to cover risks beyond the capacity of commercial insurers was removed.

(v) Export assistance

62. International Enterprise (IE) Singapore is the statutory board responsible for trade promotion. Through its network of 37 offices worldwide, it helps to build networks and alliances abroad with a view to enhancing market access for Singapore-based companies. It also funds business participation in trade missions under the International Marketing Activities Programme (iMAP), and the Malaysia-Singapore Third Country Business Development Fund.

63. IE Singapore also provides financial support through a variety of programmes to assist companies to expand or develop new overseas operations. Singapore-based businesses may be eligible for tax deductions under the Double Tax Deduction for Internationalisation scheme for various market and investment development costs, such as market feasibility studies, participation in trade fairs, advertising and the establishment of overseas marketing offices. IE Singapore grant funding is also available for firm capability development, and market access for new market entry or expansion of presence in existing overseas markets. Areas supported under capability development include developing strategies in e-commerce, manpower, branding, design and IP.⁴⁵ Between 2008-11, 21,600 companies benefited from financial assistance from IE Singapore, with grant support totaling S\$273 million.

64. The Government, through IE Singapore continues to offer tax concessions to global and regional commodity trading companies to base their trading activities in Singapore through the Global Trader Programme (GTP)(Table AIII.5). As of December 2011, over 350 companies were engaged with IE Singapore with a combined turnover of \$1.1 trillion. Agri-commodities and energy companies each make up about 35% of the cluster with metals and minerals companies accounting for the rest.

(vi) Free-trade zones

65. Singapore has nine free-trade zones (FTZs), grouped together in five geographical areas. These largely provide the services and facilities for the country's substantial transshipment activities. In 2010, re-exports accounted for 48% of exports (representing S\$230.2 billion), mainly destined to Malaysia (14% of re-exports); Hong Kong, China (13%); Indonesia (13%); and China (11%). Seven of the FTZs cater for seaborne cargo and two for air cargo.⁴⁶

66. The main law governing FTZs in Singapore remains the Free Trade Zones Act (Cap. 114). There were no substantial changes to this Act over the review period. Changes to subsidiary

⁴⁵ IE Singapore online information. Viewed at: <http://www.iesingapore.gov.sg/wps/portal/Capitals> and <http://www.iesingapore.gov.sg/wps/portal/Competency>. The authorities noted that the separate programmes on branding, design, and IP, which are part of the International Capability Development Programme (iCDP) will be consolidated into one integrated programme, in April 2012, to be called the Global Company Programme (GCP). The stated aim of this move is to streamline the marketing and processing of these now separate programmes, and to focus on companies' internationalization plans. The GCP will continue to operate on the same grant principles as the iCDP.

⁴⁶ FTZs in operation are: Tanjong Pagar Terminal and Keppel Terminal; Jurong Port; Sembawang Wharves; Changi Airport Cargo Terminal Complex; Brani Terminal; Keppel Terminal; Keppel Distripark Linkbridge; Pasir Panjang Terminal; and Airport Logistics Park of Singapore. These FTZs are listed in the Free Trade Zones (Declared) Notification (as amended in 2008, 2009, 2010, and 2011). The authorities designated to administer and operate them, are listed in the Free Trade Zones (Appointment of Authorities to Administer Free Trade Zones) Notification (as amended in 2009 and 2011).

legislation reflect changes to the designation of FTZs and appointment of authorities to administer them.⁴⁷

67. Goods may be stored in FTZs for an unlimited period until they are either released into the domestic market or transhipped. Customs permits are not required for goods discharged directly into an FTZ unless they are subject to import prohibitions or restrictions, and goods are not subject to border or internal taxes. Tobacco and liquor may only be stored in FTZs if they are to be transhipped. Processes such as re-packaging, sorting, and grading of goods may be undertaken in FTZs. Manufacturing may also be carried out, upon application to Customs.

(3) MEASURES AFFECTING PRODUCTION AND TRADE

(i) Incentives

68. Singapore maintains a wide array of incentive schemes in the form of tax incentives and grants to assist companies. These, *inter alia*, are intended to encourage Singapore-based companies to expand and internationalize production; invest in research and development (R&D) and training; promote investment in technology; access procurement opportunities and support the development of small and medium sized enterprises (SMEs) and start-up companies. A number of incentive schemes are also geared towards making Singapore attractive as a centre for services activities and a base for global or regional headquarters.

69. In 2008, Singapore notified the WTO that it does not maintain any subsidies required to be notified under Article XVI:1 of the GATT 1994 and Article 25.2 of the Agreement on Subsidies and Countervailing Measures.⁴⁸ Since 2008, one WTO Member (Australia) has requested further information within the Committee on Subsidies and Countervailing Measures on subsidies provided by Singapore in relation to the pharmaceutical sector.⁴⁹ Singapore has responded to this request to clarify that it does not maintain specific subsidies as defined by the SCM Agreement and hence does not apply incentive or subsidy schemes solely to the pharmaceutical sector.⁵⁰

70. During the review period, the Government's policy and budgetary focus shifted from implementing measures to respond to the global financial crisis to investing in skills, innovation, and productivity. This shift in emphasis can be seen in the budgetary initiatives introduced since 2010 (see below); the recommendations of the Government's Economic Strategies Committee in 2010 (Chapter I(4)); and in the Government's Framework for Research, Innovation and Enterprise Plan (RIE) for 2011-15 (Chapter I(4)).⁵¹

71. The agencies most active in providing grants and tax incentives are: Singapore Economic Development Board (EDB); International Enterprise (IE) Singapore; Monetary Authority of Singapore (MAS); Maritime and Port Authority of Singapore (MPA); and SPRING Singapore. Most tax incentives offer relief from corporate income tax (17%) and withholding tax (WHT) on payments to non-residents or non-resident companies (WHT rates generally range from 10% to 20%).⁵² Both the EDB and SPRING maintain loan facilities. Since Singapore's previous Review, two of the EDB's

⁴⁷ For the Free Trade Zones Act and subsidiary legislation, see: <http://statutes.agc.gov.sg>.

⁴⁸ WTO document G/SCM/N/155/SGP, 2 September 2008.

⁴⁹ WTO document G/SCM/Q2/SGP/13, 13 April 2010.

⁵⁰ WTO document G/SCM/Q2/SGP/14, 25 May 2010.

⁵¹ Ministry of Trade and Industry (2011); ESC (2010).

⁵² For WHT, see: <http://www.iras.gov.sg/irasHome/page01.aspx?id=758>.

schemes (the Resource Productivity Scheme and the Regionalization Finance Scheme) have been terminated. Other existing loan facilities remain in place, and no new ones have been created.⁵³

72. The authorities noted that certain incentive schemes (for example the Productivity and Innovation Credit Scheme) are designed to be broad-based and require no prior approval. Businesses may avail themselves of these incentives when filing their annual tax returns. While agencies are given some autonomy to decide on the potential recipients of incentives that require approval, recipients must satisfy the conditions established between agencies and the Ministry of Finance. These conditions generally require the creation of substantive operations, and business spending in Singapore, and that they bring economic benefits to Singapore. The authorities further noted that as part of the annual budgetary process, Singapore conducts reviews of its incentives to ensure they remain consistent with its economic development strategy.

73. Major new incentive schemes introduced over the review period are summarized in Box III.1. In addition, a number of existing fiscal incentive and grant schemes were enhanced (Table AIII.5, Table AIII.6) while others have been phased out. As noted in Singapore's previous Review, there are no publicly available studies on tax revenue foregone as a result of tax incentives offered.

Box III.1: New Incentive Schemes, 2008-12

Fiscal incentives	
Productivity and Innovation Credit (PIC) Scheme	Introduced in 2010 Budget and enhanced in 2011 and 2012 Budgets. Covers: (i) research and development (done in Singapore or overseas); (ii) acquisition of intellectual property; (iii) registration of intellectual property (IP); (iv) investments in design done primarily in Singapore; (v) spending on equipment and software to automate processes; and (vi) workers' training. All businesses may deduct 400% of their eligible expenses on these activities from their taxable income, with a cap of S\$400,000 expenditure per activity. To support small businesses to innovate and improve productivity, businesses can convert their expenditure into a non-taxable cash pay-out at a conversion rate of 30% for YA2011 and 2012, and 60% for YA 2013-15.
Land Intensification Allowance (LIA)	Introduced in 2010 Budget. Gives businesses allowances on the qualifying costs incurred to build qualifying buildings or structures. Businesses are able to claim an initial allowance of 25% and an annual allowance of 5%. Scheme administered by EDB.
Tax Deduction for Angel Investors Scheme	Introduced in 2010 Budget. Tax deduction (equal to 50% of investment amount at the end of a two-year holding period) for approved angel investors who commit a minimum of S\$100,000 of equity investment in a qualifying start-up. Tax deduction subject to a cap of S\$250,000 in each year of assessment (YA). The Scheme is for a five-year period (March 2010 to March 2015) and is administered by SPRING.
Tax incentives for ship brokers and forward freight agreement (FFA) traders	Introduced in 2010 Budget. Concessionary corporate income tax rate of 10% (on incremental income derived from ship broking and FFA trading) for ship brokers and FFA traders. Scheme is for a five-year period (April 2010 to March 2015). Scheme has been subsumed under the Maritime Sector Incentive (see Chapter IV(2)(iv)).
Incentive to promote insurance and re-insurance broking activities	Introduced in 2008 Budget. 10% tax rate (for up to ten years) on fees and commissions of qualifying direct and reinsurance brokers from insurance broking and advisory services to non-Singapore-based clients. Incentive valid until March 2013 and administered by the Monetary Authority of Singapore (MAS).
Incentive to promote family-owned investment holding companies	Introduced in 2008 Budget. Tax exemption on locally sourced investment income and foreign-sourced income received by qualifying family-owned investment holding companies (to the extent that such tax exemption mirrors that granted to individuals). Scheme administered by MAS.
Grants	

Box III.1 (cont'd)

⁵³ The EDB loan facility is known as the Capital Assistance Scheme. SPRING Singapore's loan facilities are: the Local Enterprise Finance Scheme; Micro Loan Programme; and Loan Insurance Scheme. For details on these programmes and eligibility criteria, see WTO document WT/TPR/S/202/Rev.1, 26 September 2008 (Table AIII.8). SPRING Singapore's Bridging Loan Programme was also reintroduced temporarily between February 2009 and January 2011 to tide companies through the global financial crisis.

QUEST	Introduced in July 2011 by SPRING Singapore. Grant support (of up to 50% of costs, with a cap of S\$50,000 per company) to help companies adopt standards. Support available to all Singapore-based companies but special attention paid to carbon-emission management, clean technologies, and energy management
National Productivity Fund	Introduced in 2010 Budget. Grant funding for initiatives in all sectors, clusters, and enterprises, with a special emphasis on sectors with potential for larger gains in productivity. The use of the Fund will be guided by the advice of the National Productivity and Continuing Education Council (NPCEC). Government put S\$1 billion into the Fund in FY2010, and another S\$1 billion in FY2011; S\$250 million went to raise productivity in the construction sector (including initiatives to help Singapore's local contractors to develop their capabilities).
Partnerships for Capability Transformation (PACT)	Introduced in 2010 Budget. Grant funding to assist Singapore-based enterprises in developing the competencies to meet manufacturing quality and certification requirements. This replaces the Local Industry Upgrading Programme (LIUP). Government has committed S\$250 million over five years. Administered by the EDB.
Public-Private Co-Innovation Partnership	Introduced in 2010 Budget. Partnership under which government agencies will work with private-sector companies to develop innovative solutions for medium-to-long-term needs in, e.g. urban mobility, environmental sustainability. Government is committing S\$450 million over five years; will be used as grant funding to help companies build R&D capabilities and to test-bed innovative solutions.
Test-Bedding Fund	Introduced as a result of the 2009 Budget; a S\$200 million fund aimed to facilitate private and public sector tie-ups and test-bedding opportunities in Singapore.
Core Innovation Fund	Introduced as a result of the 2009 Budget. Grant funding provided under the Fund will cease after FY2012. This scheme will be replaced by the Public-Private Co-Innovation Partnership (PPICIP).
Technology Incubation Scheme (TIS)	Introduced in 2009. Grant funding to incubate and nurture young companies before they are ready for venture capital (VC) funding. The government co-invests up to 85% (capped at S\$500,000) in Singapore-based start-up companies that are incubated by approved incubators (selected on a competitive basis). In return, incubators provide their investee companies with physical space and management guidance. Incubator operators are given an option to take over the government's stake in the start-up companies within 3 years by repaying the investment with a nominal interest. The National Research Foundation is the administering agency.
Early Stage Venture Fund (ESVF)	Introduced in 2008. Grant funding to seed the development of early-stage VC funds in Singapore. The government co-invests on a 1:1 matching basis in VC funds (selected on a competitive basis) that are mandated to invest in Singapore-based early stage high-tech companies. The VCs are given an option to buy out the government's share of the fund within 5 years by returning the capital with a nominal interest. The National Research Foundation is the administering agency.

Source: Singapore Budgets 2008-2010. IRAS online information. Viewed at: <http://www.iras.gov.sg>.

(ii) Competition policy and price controls

74. Singapore's competition regime is largely unchanged since 2008, although enforcement provisions have been strengthened and enforcement activity has increased. However, a number of areas are still exempt from competition rules.

75. Singapore enacted the Competition Act in 2004. The Competition Commission of Singapore (CCS) was established on 1 January 2005 to administer and enforce the Competition Act. The CCS is funded through an operating grant from the Ministry of Trade and Industry Singapore.

76. The Competition Act (Chapter 50B) prohibits anti-competitive activities that unduly prevent, restrict or distort competition.⁵⁴ There are three main prohibited activities under the Act:

- anti-competitive agreements, decisions or concerted practices, such price-fixing, bid rigging in tenders, market-sharing or exchange of price information (the section 34 prohibition);
- abuse of a dominant position (the section 47 prohibition); and

⁵⁴ Singapore Statutes. Viewed at: <http://statutes.agc.gov.sg/>.

- mergers that substantially lessen competition (the section 54 prohibition).

77. The Act applies to all undertakings, i.e. all natural or legal persons capable of commercial or economic activity, regardless of whether they are foreign-owned, Singapore-owned, or owned by the Government or its statutory boards. However, the Act does not apply to activities, agreements, and conduct of the Government, statutory bodies, or entities acting on their behalf. Government-linked companies are covered by the Act, with the exception of those engaging in excluded activities or sectors. These include energy, telecommunications and postal services, media, and airport services (Chapter IV(2)). These sectors have been excluded because Singapore has sectoral regulators with their own set of competition frameworks and regulations. Other activities, excluded under Paragraph 6 of the Third Schedule to the Act, include the supply of piped water; supply of wastewater management services; supply of scheduled bus and rail services; and maritime cargo terminal operations.

78. Singapore's competition regime follows the effects doctrine common to many jurisdictions, meaning that activities that are not aimed at or that do not have the effect of preventing, restricting or distorting competition within Singapore, are excluded from the reach of the Act (for example, export cartels). Vertical agreements are also conditionally excluded.⁵⁵

79. Block exemptions apply only to the prohibition of anti-competitive agreements, decisions, and practices (not to abuse of a dominant position). The criteria for granting a block exemption require that the agreement in question has a net economic benefit that contributes to improving production or distribution, or promoting technical or economic progress, without imposing restrictions that are dispensable to the attainment of the benefits and do not substantially eliminate competition. In 2010, the Block Exemption Order for liner shipping agreements was extended by the Ministry of Trade and Industry until 31 December 2015 (Chapter IV(2)(iv)(a)).

80. The Government provides a merger and acquisition allowance (non-repayable grant) to encourage companies to use M&A as a strategy for growth and globalization. Oligopolies are regulated through merger and anti-cartel policies. Certain mergers are excluded or exempted from the competition law, including mergers with net economic efficiencies where the merger parties can demonstrate that the merger may, despite the loss in competition, result in, *inter alia*, lower costs, greater innovation, and greater choice or quality; and mergers on the grounds of public interest considerations. According to the Guidelines of the Competition Commission of Singapore (CCS), competition concerns are unlikely to arise in a merger situation unless the merged entity reaches a market share of at least 40%; or the merged entity reaches a market share of between 20% and 40% and the post-merger combined market share of the three largest firms is at least 70%. There is no mandatory requirement for merger parties to notify their merger situations to the CCS.⁵⁶ A voluntary notification system allows parties to self-assess before they decide whether to notify their merger situations to CCS and apply for a decision as to whether the merger has resulted, or may be expected to result, in a substantial lessening of competition. There has been no blocked merger to date.

81. The Competition Commission also publishes guidelines to help businesses understand how it administers and enforces infringements of the prohibitions in the Act. To date, 13 competition guidelines have been developed based on input and feedback from the public. The Commission has also issued guidelines to assist government agencies in identifying and assessing the potential impact

⁵⁵ The Minister of Trade may, by order, specify that the section 34 prohibition shall apply to vertical agreements, found to have adverse anti-competitive effects.

⁵⁶ Competition Act, section 56-58 and CCS Guidelines on Merger Procedures, section 2.3-2.4.

on competition of their proposed policies.⁵⁷ Singapore is a member of the International Competition Network, a forum for informal dialogue and cooperation among anti-trust authorities. The CCS is also a member of the ASEAN Experts Group on Competition. Established in 2007, the group serves as a forum for discussing and coordinating regional cooperation in competition policy, with the goal of promoting a healthy competitive environment in ASEAN.

82. The Singapore-Peru FTA contains a chapter on competition policy (Chapter 14) with provisions, such as cooperation, notifications, transparency, and information requests. In addition, the ASEAN-Australia-New Zealand FTA and the Costa Rica-Singapore FTA have chapters that contain competition-related commitments (Chapters 14 and 9 respectively).

Enforcement

83. The Competition Commission is empowered under the Act to investigate anti-competitive activities, to adjudicate, and to impose a financial penalty and require the offender to carry out structural or behavioural remedies (Table III.10). Structural or behavioural remedies are based on the redress needed to stop the anti-competitive activity. In the case of mergers, remedies may be through the CCS' acceptance of commitments that address the competition concerns, or by directions issued by CCS; commitments offered to the CCS must remedy or prevent the competition concerns identified. Commitments may be structural or behavioural, although structural commitments are preferable.

84. The Competition Appeal Board, an independent specialist tribunal, hears appeals against Competition Commission decisions; further appeals may be made to the High Court, and thereafter to the Court of Appeal, but only on points of law and the amount of the financial penalty. The penalty imposed may be up to 10% of the turnover of the undertaking in Singapore for each year of infringement, up to a maximum of three years. The CCS may also impose a financial penalty on any party that infringes the prohibition of anti-competitive agreements or of abuse of dominance, provided that the infringement has been committed intentionally or negligently, on or after 1 January 2006. There are no prison sentences for such infringements.

85. Key enforcement decisions in recent years include a fine (currently subject to appeal) for abuse of dominance by the ticketing office SISTIC.com Pte Ltd, which is a Government-linked company; fines for 14 electrical and building works companies for bid rigging; and infringement decisions against employment agencies, modelling agencies, express bus operators and pest control operators. In 2011, the Competition Appeal Board upheld the CCS' infringement decisions on liability against price fixing in express bus services.

Table III.10
Competition statistics, 2008-10

	2008	2009	2010
Preliminary enquiries/investigations	18	16	14
Notifications for guidance	2	0	1
Notification for decision	0	0	1
Merger notifications	8	3	7

Table III.10 (cont'd)

⁵⁷ Competition Commission of Singapore online information. Viewed at: http://www.ccs.gov.sg/content/dam/ccs/PDFs/CCSGuidelines/GuidelineOnCompetitionAssessmentcleanv1_14Oct08rev.pdf.

	2008	2009	2010
Appeals	0	0	3
Competition advisories	6	6	5
Market studies	2	0	6

Note: Fiscal years.

Source: Competition Commission of Singapore.

86. In January 2009, the Competition Commission enhanced its leniency programme and issued revised "Guidelines on Lenient Treatment for Undertakings Coming Forward with Information on Cartel Activity Cases 2009". The revised leniency programme includes a marker system, and a "Leniency Plus" system to enhance the effectiveness of the current leniency programme in enforcement action against cartels. The marker system allows a potential leniency applicant to keep its place in the leniency queue for a given period of time, while it gathers the necessary information and evidence for the leniency application. The Leniency Plus system encourages cartel members under investigation for a cartel activity to report on involvement in another cartel activity, so as to obtain a discount on the financial penalty that may be imposed by the Competition Commission for its involvement in the first cartel activity, in addition to full immunity from financial penalty for the second reported cartel. The Competition Commission may also offer monetary rewards to whistle-blowers from the public for information on cartel activity.

Price controls

87. According to the authorities, in general Singapore does not regulate or control the prices of goods and services. However, price regulation may be imposed on dominant telecommunication and postal licensees. These dominant licensees must seek IDA approval prior to offering, modifying or withdrawing services. Fares for essential public transport services (bus and railway) that are provided by a private sector duopoly require approval from the regulator (Public Transport Council); taxi fares were deregulated in 1998. Following corporatization of the airport operations on 1 July 2009, involving the separation of the commercial airport operations from the regulatory functions, the reconstituted Civil Aviation Authority of Singapore (CAAS) has put in place a pricing regulatory framework to regulate charges for airport facilities and services provided by monopoly airport operators (Chapter IV(2)(iv)(b)).

(iii) Role of state-owned enterprises and privatization

(a) Temasek

88. Temasek Holdings was incorporated under the Companies Act in 1974 to hold and manage investments and assets previously held by the Government of Singapore. As noted by the authorities, the objective of the transfer of these assets to a commercial company was to allow the Ministry of Finance to focus on its core role of policymaking and regulations, while Temasek would own and manage these investments on a commercial basis. Temasek is one of two investment companies owned by the Singapore Government (the other is the Government of Singapore Investment Corporation (GIC), which manages the Government's foreign reserves).

89. The Government is Temasek's sole shareholder. Divestment and business decisions are undertaken by the Temasek Board and management. The authorities stressed that the Government is not involved in Temasek's investment, divestment, or any other business or operational decisions. However, it does ensure that a competent Board of Directors is in place and it holds the Board

accountable for delivering good overall financial returns. The President of Singapore has an independent custodial role to safeguard Singapore's critical assets and past reserves.⁵⁸

90. In March 2011, Temasek owned a portfolio valued at S\$193 billion. Its investments are concentrated in Asia (77%), including 32% in Singapore. Investments are mostly in financial services; transportation and industrials; and telecommunications, media, and technology (Chart III.1). Temasek's shareholdings in major companies are listed in its annual review. They include a number of key infrastructure and service providers in Singapore: one of Singapore's major telecommunications providers, SingTel (54% shareholding at end-March 2011); the port operator, PSA International Pte Ltd (100%); the main air carrier, Singapore Airlines Limited (55%); and one of Singapore's major transport operators, SMRT Corporation Ltd (54%). It also owns 100% of Singapore Power Limited, which owns Singapore's electricity transmission and distribution networks.⁵⁹

91. During the review period Temasek became involved in government projects to provide project and seed capital. As set out in the 2012 Budget, Temasek will lead a project financing company (PFC), established by a consortium of investors, to provide financing for larger, long-tenure, cross-border projects. The Government will guarantee the debt instruments issued by the PFC. Once it has built up its operations and market presence, the PFC is expected to provide around S\$400 million of financing every year, in turn catalysing about S\$2-3 billion of projects annually. In addition, Temasek manages, and is a co-investor in, the Co-Investment Programme for Singapore-based companies (CIP) established in 2010, through its wholly-owned subsidiary Heliconia Capital Management Pte Ltd. Under the CIP, government seed capital is channelled through private equity fund managers to Singapore-based small and medium-sized enterprises to assist their growth. The Government will seed up to S\$250 million of capital, to be matched by a similar amount of private sector capital.

92. Temasek funds its investment activities predominantly from dividends distributed by its portfolio companies, proceeds from its divestments, commercial borrowings, bond issues, and the occasional capital injection from the Singapore Government. It declares dividends annually, balancing distributions to its shareholder, the Government, and reinvestments to sustain future returns.⁶⁰ From its inception to March 2011, Temasek produced an annualized compound return of 17%. Its total shareholder return (in S\$ reporting currency) for the financial year 2010-2011 was 4.6%.⁶¹ The authorities noted that Temasek's portfolio companies as well as other GLCs (see below) compete on a commercial basis with all other companies, foreign and domestic. Statutory boards and statutory board companies

(b) Statutory boards and statutory board companies

93. Singapore has 65 statutory boards, which are autonomous government agencies set up via legal statutes to deliver public services on behalf of the Government, and to undertake activities that are integral to their supervising Ministry's core functions. The authorities noted that statutory boards are structured independently from ministries to provide them with greater autonomy and flexibility (Table AIII.7).

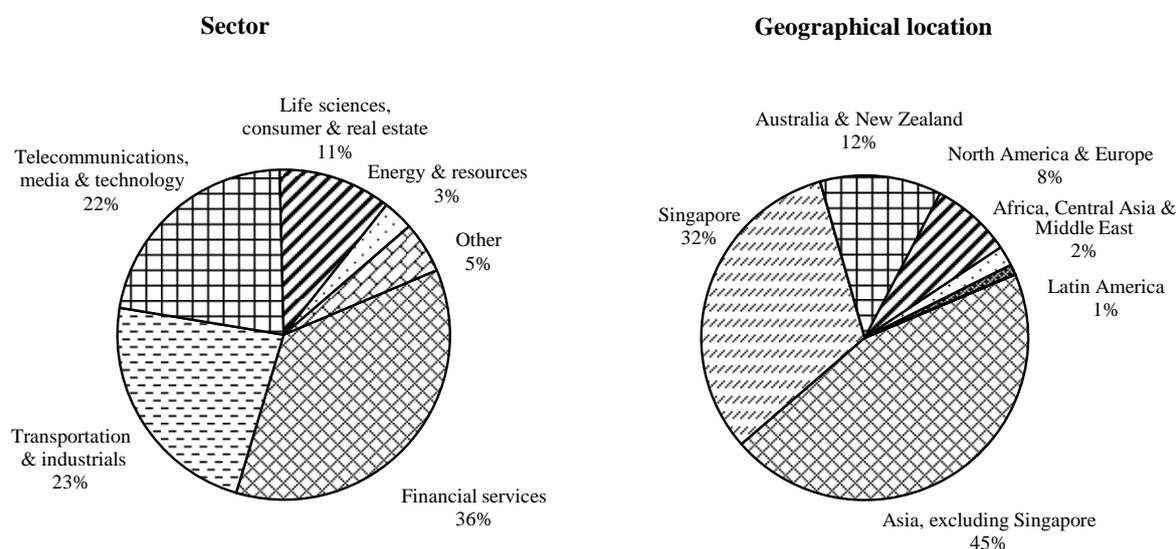
⁵⁸ Further information on the President's role in safeguarding past reserves may be viewed at: http://www.ifaq.gov.sg/mof/apps/fcd_faqmain.aspx.

⁵⁹ Temasek (2011).

⁶⁰ WTO (2008).

⁶¹ Temasek (2011).

Chart III.1
Temasek portfolio, 2011



Net portfolio value: S\$193 billion

Source: Temasek (2011), *Temasek Review 2011, Building for Tomorrow*. Viewed at: http://www.temasekreview.com.sg/2011/downloads/full_temasek_review_2011.pdf.

94. A number of statutory boards have established statutory board companies (SB companies) to perform public policy functions that are not considered appropriate for outsourcing to the private sector. The authorities did not provide a full list of existing SB companies, indicating that this information was not publicly available. Hence it was not possible to consider their impact on the economy.

95. The authorities emphasized that SB companies are expected to operate commercially. They are not granted subsidies or preferential treatment from the Government, and are subject to the same regulations and market forces as other private companies. SB companies are reviewed annually by the Ministry of Finance: those deemed as no longer fulfilling public policy functions are shut down or divested.

96. Some SB companies undertake investment or financing activities. EDB Investments (EDBI), the corporate investment arm of the EDB, invests globally and owns shares in a number of Singapore-based companies. Its main investment activities are in biomedical sciences, clean technologies, digital media, and other economically strategic industries. EDBI's portfolio companies are listed on its website.⁶² SPRING Seeds Capital Pte Ltd, a wholly-owned subsidiary of SPRING Singapore, manages the SPRING Start-up Enterprise Development Scheme (SPRING SEEDS), which is a co-matching equity-based financing scheme for Singapore-based start-ups creating innovative products or processes, possessing intellectual content and with strong growth potential across international markets. SPRING SEEDS co-invests into commercially viable local start-ups together with

⁶² EDBI online information. Viewed at: <http://edbi.com/companiesdetails.aspx>.

independent third party investors under one of three programmes: SEEDS, Business Angel Scheme, and the Biomedical Sciences Accelerator. Depending on the programme SPRING SEEDS can match dollar-for-dollar up to S\$1 million, S\$1.5 million, and, S\$4 million respectively. Both SPRING SEEDS Capital and the third-party investors take equity stakes in the company in proportion to their investments.

(iv) Intellectual property rights

97. One of Singapore's strategic objectives is transformation into a high-tech economy based on innovation and intellectual property (knowledge-based economy). To that end, Singapore is committed to developing a robust IPR framework that encourages innovative investments and activities. According to the authorities, IPR protection policies are administered in a manner conducive to maintaining an appropriate balance between the rights of intellectual property holders and the interests of consumers. Patent and trade mark filings by local entities, one of the indicators for innovation, have increased by 30% and 7% respectively, since 2008. Table III.11 provides an overview of intellectual property protection in Singapore.

98. The Intellectual Property Office of Singapore (IPOS), a statutory board under the Ministry of Law, is the IP regulator responsible, *inter alia*, for implementing intellectual property legislation; providing administrative support to the Copyright Tribunals; representing the Government internationally on intellectual property matters; and promoting intellectual property awareness. Singapore has routinely notified its new IP laws and amendments to the TRIPS Council.

99. Regarding the 2003 Decision on the Implementation of Paragraph 6 of the Doha Declaration on the TRIPS Agreement and Public Health of 2001 (WT/L/540), and the subsequent General Council Decision on the Amendment of the TRIPS Agreement of 6 December 2005 (WT/L/641), Singapore has notified its acceptance of the Protocol Amending the TRIPS Agreement on 28 September 2007 (WT/Let/594). Through the Patents (Amendment) Act 2008, which entered into force on 1 December 2008, Singapore has implemented certain measures under the "Paragraph 6 System" into national law, to enable it to use the system as an importer.

100. In accordance with the understanding during the adoption of the 2003 and 2005 Decisions⁶³, the amended Patent Act permits the Government or authorized parties to import any relevant health product for or during a national emergency or other circumstances of extreme urgency, if the relevant notifications have been made to the TRIPS Council and other conditions are met.⁶⁴ Adequate remuneration to the patentee must be paid by the Government, as agreed with the patentee or determined by a court, unless the patentee receives other remuneration in respect of the health product concerned.⁶⁵ The Patent Act further ensures that it remains a patent violation to import, sell or offer for sale health products that were produced in other countries under the Paragraph 6 System and are destined for other countries.⁶⁶ Singapore has not implemented the option of permitting the use of the Paragraph 6 System as an exporter, thus providing no opportunity for Singaporean companies to apply for compulsory licences for the production and export of pharmaceutical products to countries with no or insufficient manufacturing capacity in the pharmaceutical sector.

⁶³ Minutes of the General Council Meeting of 25, 26, and 30 August 2003 (WT/GC/M82, para. 29).

⁶⁴ Article 56, section (1A) Patents Act. Amended Patent Act, notified in IP/N/1/SGP/P/1/Rev.1, 16 July 2009.

⁶⁵ Article 62 Patents Act.

⁶⁶ Article 66, section (5A) Patents Act.

101. Singapore has amended the scope of certain exceptions to copyright protection.⁶⁷ These include that, in respect of sound recordings, the exception to the right to make sound recordings available to the public by way of, or as part of, a digital audio transmission, applies only to non-subscription and non-interactive digital audio transmissions that are sound broadcasts. Circumvention of technological access control measures may be authorized by the relevant Minister also in cases where a dealing with a work, subject-matter or performance, that does not amount to an infringement of copyright, is likely to be adversely impaired or affected by the prohibition on circumvention. Educational institutions conducting film or media courses are specifically permitted to circumvent technological access measures on VCDs and DVDs for the sole purpose of classroom teaching.

102. Singapore has been an active participant in the WTO negotiations on the establishment of a multilateral system of notification and registration of geographical indications (GIs) for wines and spirits.⁶⁸ It has stated its support for a proposal submitted jointly by a number of Members.⁶⁹

103. The ASEAN-Australia-New Zealand Free Trade Agreement, one of the "new" FTAs concluded by Singapore since its last TPR, contains intellectual property commitments regarding copyright, government use of software, trade marks and geographical indications. According to the authorities, no further implementing steps were required by Singapore as its regime was already compliant with IP obligations under the AANZFTA.

Table III.11
Intellectual property protection, 2012

Form and main legislation	Coverage	Selected exclusions and limitations	Duration	Penalties
Copyright and related rights Copyright Act (Cap 63, 2006 Rev Ed)	Literary, dramatic, musical, and artistic works; published editions of literary, dramatic, musical or artistic works; sound recordings; films; television and radio broadcasts; cable programmes; and performances	Fair dealing	Life of the author plus 70 years for literary, dramatic, musical or artistic works; 70 years for sound recordings and films; 50 years for a broadcast or cable programme; 25 years for published editions of literary, dramatic, musical or artistic works	Fines of S\$10,000 per infringing article, to a maximum of S\$100,000 and/or imprisonment for up to 5 years
Patents Patents Act (Cap 221, 2005 Rev Ed)	Products and processes that are new, involve an inventive step, and are capable of industrial application	Treatment methods for humans or animals; inventions that may encourage offensive, immoral or anti-social behaviour	20 years from the date of filing	Civil remedies

Table III.11 (cont'd)

⁶⁷ Amended Copyright Act notified in IP/N/1/SGP/C/12 of 29 March 2010.

⁶⁸ WTO document TN/IP/21, 21 April 2011.

⁶⁹ TN/IP/W/10/Rev.4, 31 March 2011.

Form and main legislation	Coverage	Selected exclusions and limitations	Duration	Penalties
Industrial designs Registered Designs Act (Cap 266, 2005 Rev Ed)	Features of shape, configurations, pattern or ornament applied to an article by any industrial process	Designs contrary to public order or morality, computer programs, layout-designs, methods or principles of construction, features of shape or configuration of an article that are dictated solely by the function the article has to perform or are dependent upon the appearance of another article of which the article is intended by the designer to form an integral part	5 years, renewable every 5 years up to a maximum period of 15 years	Civil remedies
Trademarks Trade Marks Act (Cap 332, 2005 Rev Ed)	Trade marks, service marks, certification marks, and collective marks	Marks contrary to public policy, deceptive marks, descriptive marks, marks common to a specific trade	Granted for an indefinite period, subject to renewal every 10 years	Fines up to S\$100,000 and/or imprisonment for up to 5 years
Trade secrets and confidential information Common law (there is no specific legislation regarding trade secrets and confidential information); Medicines Act, Control of Plants Act			5 years for test data and trade secrets of pharmaceuticals; 5 years for agricultural chemicals	Civil remedies
Layout designs of integrated circuits Layout-designs of Integrated Circuits Act (Cap 159A, 2000 Rev Ed)	Layout-designs of integrated circuits	No protection for an idea, procedure, process, system, method of operation, concept, principle or discovery, regardless of the form in which it is described, explained, illustrated or embodied in a layout-design. No infringement if (i) the copying is done for a private purpose and not for the purpose of commercial exploitation; (ii) if the copying is done for the sole purpose of evaluation, analysis, research or teaching	If a layout-design is first commercially exploited within 5 calendar years (CYs) after the CY in which it was created, protection expires at the end of the 10th CY after the CY in which it was first commercially exploited; in any other case, layout-design protection expires at the end of 15 CYs after the CY in which it was created	Civil remedies
Plant varieties Plant Varieties Protection Act (Cap 232A, 2006 Rev Ed)	New plant varieties	Any act for private and for non-commercial purposes; for experimental or research purposes; or for the purpose of breeding other varieties	25 years	Civil remedies
Geographical indications and appellations of origin Geographical Indications Act (Cap 117B, 1999 Rev Ed)	Any natural or agricultural product or any product of handicraft or industry	Geographical indications that: are contrary to public policy or morality; cease to be protected or have fallen into disuse in its country or territory of origin; become the common name of the goods or services in Singapore	Unlimited	Civil remedies

Source: Singapore authorities.

Enforcement

104. IPR enforcement in Singapore is based on cooperation between the authorities and the rights-holders, as well as ex-officio action. The supreme and subordinate courts, the Registrar of Patents, the Registrar of Trade Marks, the Registrar of Designs and the copyright tribunals have jurisdiction over matters arising under Singaporean IP legislation. Appeals of High Court decisions may be referred to the Court of Appeal. Civil remedies include injunctions to stop infringement, damages including recovery of profits and expenses, and destruction of infringing goods. The courts may also order punitive damages where provided for in legislation (e.g., Trade Marks and Copyrights Acts).

105. The copyright tribunals (CT) are a quasi-judicial forum to resolve disputes over copyright licensing issues. In the face of technological advances (e.g. works are increasingly distributed in digital format), the CT jurisdiction was refined with effect from 31 December 2009. CTs may hear licence disputes relating to all types of copyright works, regardless of format. Complaints have been limited to cover only licensors that are in the business of collectively administering copyright licenses in relation to a repertoire of works of copyright owners (collective management organizations). The CT's powers have also been refined to allow them to vary the terms of any license scheme, up to point of substituting it (i.e. completely revamping the scheme), as appropriate.

106. IPR offences are primarily handled by the Intellectual Property Rights Branch of the Police (IPRB). The IPRB may seize goods that infringe trade mark or copyright legislation, both upon official notification and in an ex officio capacity, where there is reasonable cause to suspect that a criminal offence has been committed under the legislation. IPRB follows-up with investigation and prosecution (Table III.12). However, to facilitate successful enforcement and investigation, rights holders are requested to identify the goods as infringing products before seizure. IPRB may be assisted by Singapore Customs or the Immigration and Checkpoints Authority in locating infringing goods, and in facilitating enforcement and investigation. This arrangement extends beyond inland and border enforcement, and applies to goods that are imported and re-exported through Singapore's territorial jurisdiction. All vessels arriving in Singapore are required to submit a manifest containing descriptions of goods carried in each container. Customs declarations are also required to be lodged for all goods imported into and exported from Singapore. Singapore verifies this information through a risk-management system, cargo inspections, intelligence, and collaboration with rights holders.

107. Singapore has participated in the negotiation of the Anti-Counterfeiting Trade Agreement (ACTA), signed on 1 October 2011. ACTA aims to create enforcement standards and cooperation procedures among the 11 negotiating parties, to deal with rising challenges of trade in counterfeit and pirated products.⁷⁰

Table III.12
IPRB raids, 2004-11

Year	Copyright raids	Trade mark raids	Total value seized (S\$ million)
2004	126	190	12.7
2005	61	168	19.8
2006	57	144	10.0
2007	54	196	3.4
2008	60	122	3.3

Table III.12 (cont'd)

⁷⁰ Australia, Canada, the European Union, Japan, Mexico, Morocco, New Zealand, the Republic of Korea, Singapore, Switzerland, and the United States.

Year	Copyright raids	Trade mark raids	Total value seized (S\$ million)
2009	51	189	3.0
2010	60	194	6.6
2011	35	197	2.0

Source: Intellectual Property Rights Branch, Singapore Police Force.