



TEXTS ADOPTED

P8_TA(2019)0089

EU-Singapore Free Trade Agreement (resolution)

European Parliament non-legislative resolution of 13 February 2019 on the draft Council decision on the conclusion of the Free Trade Agreement between the European Union and the Republic of Singapore (07971/2018 – C8-0446/2018 – 2018/0093M(NLE))

The European Parliament,

- having regard to the draft Council decision (07971/2018),
- having regard to the proposed text for a Free Trade Agreement (FTA) between the European Union and the Republic of Singapore (Singapore), which largely reflects the agreement initialled on 20 September 2013,
- having regard to the proposal for a Council decision on the conclusion of the Investment Protection Agreement between the European Union and its Member States of the one part, and the Republic of Singapore, of the other part (COM(2018)0194),
- having regard to the request for consent submitted by the Council in accordance with Articles 91, 100(2), 207(4), 218(6), second subparagraph, point (a)(v), and 218(7) of the Treaty on the Functioning of the European Union (C8-0446/2018),
- having regard to the EU-Singapore Partnership and Cooperation Agreement to be signed on 19 October 2018,
- having regard to Opinion 2/15 of the Court of Justice of 16 May 2017 pursuant to Article 218(11) of the TFEU, requested by the Commission on 10 July 2015,
- having regard to its resolution of 5 July 2016 on a new forward-looking and innovative future strategy for trade and investment¹,
- having regard to its resolution of 3 February 2016 containing the European Parliament's recommendations to the Commission on the negotiations for the Trade in Services Agreement (TiSA)²,
- having regard to the Commission communication of 14 October 2015 entitled 'Trade for all – Towards a more responsible trade and investment policy',

¹ OJ C 101, 16.3.2018, p. 30.

² OJ C 35, 31.1.2018, p. 21.

- having regard to the Council decision of 22 December 2009 to pursue bilateral FTA negotiations with individual member states of the Association of Southeast Asian Nations (ASEAN), starting with Singapore,
 - having regard to the negotiating directives of 23 April 2007 for a region-to-region FTA with ASEAN member states,
 - having regard to the Treaty on European Union, and in particular Title V thereof on the Union's external action,
 - having regard to the TFEU, in particular Articles 91, 100, 168 and 207 in conjunction with Article 218(6)(a)(v),
 - having regard to its legislative resolution of 13 February 2019¹ on the draft Council decision,
 - having regard to Rule 99(2) of its Rules of Procedure,
 - having regard to the report of the Committee on International Trade (A8-0048/2019),
- A. whereas the EU and Singapore share important values, including democracy, rule of law, respect for human rights, cultural and linguistic diversity and a strong commitment to open and rule-based trade and the multilateral trading system;
 - B. whereas this is the first bilateral trade agreement concluded between the EU and an ASEAN member state and an important stepping stone towards the final objective of a region-to-region FTA; whereas the agreement will also serve as a benchmark for the agreements the EU is currently negotiating with the other main ASEAN economies;
 - C. whereas within the ASEAN region Singapore is by far the EU's largest partner, accounting for slightly under one third of EU-ASEAN trade in goods and services, and roughly two thirds of investment between the two regions;
 - D. whereas EU-Singapore trade is worth more than EUR 50 billion annually;
 - E. whereas 90 % of future world economic growth is predicted to be generated outside Europe and notably in Asia;
 - F. whereas Singapore is a party to the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) and to the ongoing negotiations on the Regional Comprehensive Economic Partnership (RCEP);
 - G. whereas Singapore is a high-income economy with a gross national income of USD 52 600 per capita as of 2017; whereas its economic growth has been among the world's highest, at an annual average of 7,7 % since independence;
 - H. whereas Singapore ranks among the easiest countries in the world to do business with, is one of the world's most competitive economies and is one of the least corrupt worldwide;
 - I. whereas the manufacturing – particularly electronics and precision engineering – and services sectors remain the twin pillars of Singapore's high value-added economy;

¹ Texts adopted, P8_TA(2019)0088.

- J. whereas Singapore is a global player in financial and insurance services;
 - K. whereas more than 10 000 European companies have their regional offices in Singapore and operate in an environment of legal security and certainty; whereas around 50 000 European companies export to Singapore, of which 83 % are small and medium-sized enterprises (SMEs);
 - L. whereas the EUSFTA is likely to have a very positive effect on trade and investment flows between the EU and Singapore; whereas a 2018 study prepared for the European Parliament estimated that, over the first five years, trade volumes between the EU and Singapore would grow by 10 %;
 - M. whereas other major economies such as Japan, the USA and China already have FTAs with Singapore in place, thus putting the European Union at a competitive disadvantage;
 - N. whereas the trade and sustainability impact assessment on the EU-ASEAN FTA of 2009 concluded that this bilateral FTA would be mutually beneficial in terms of national income, GDP and employment; whereas no trade and sustainability impact assessment has been produced specifically for EU-Singapore trade relations and for a more recent period;
 - O. whereas the economic impact analysis of the EU-Singapore FTA conducted by the European Commission in 2013 stated that Singapore's GDP could increase by 0,94%, or EUR 2,7 billion, and the EU's GDP by EUR 550 million;
- 1. Welcomes the signing in Brussels, on 19 October 2018, of the FTA;
 - 2. Stresses that negotiations were originally concluded in 2012 and were based on the Council negotiating directives for an EU-ASEAN FTA adopted in April 2007; regrets the long delay in bringing forward the agreement for ratification which was due, among other factors, to the Commission's request for an opinion of the European Court of Justice in order to provide clarity on whether matters covered by the agreement fall within the EU's exclusive competence or under shared competence; welcomes the legal clarity that has been provided by the European Court of Justice opinion and considers this to have strengthened the European Parliament's democratically legitimate role and provided clarity regarding the EU's competences on trade policy; welcomes Singapore's continued engagement despite this delay and calls for the swift entry into force of the agreement once it has been ratified by Parliament;
 - 3. Considers it vital that the EU remain at the forefront of an open and rules-based trading system, and welcomes the fact that 10 years on from the start of the negotiations the EU-Singapore FTA is now an important element of this; calls, therefore, on the Commission and the Member States to actively reach out to other global partners in the continued pursuit of an ambitious global fair and open trade agenda, drawing lessons from and building on the FTA with Singapore;
 - 4. Stresses the economic and strategic importance of this agreement, as Singapore is a hub for the entire ASEAN region; considers this agreement to be an important step towards, and will set the precedent for, trade and investment agreements with other ASEAN member states, and that it is a stepping stone for a future region-to-region trade deal; highlights also that this agreement will avoid EU exporters being at a competitive disadvantage in respect of businesses from the other CPTPP and RCEP countries;

welcomes the fact that the conclusion of this agreement, as part of the EU's global fair and open trade agenda, will not only bring major benefits to consumers, but also to employees;

5. Notes that Singapore had already removed most of its tariffs on EU products and that this agreement will eliminate the few remaining ones completely as of its entry into force;
6. Welcomes the fact that Singapore will remove certain measures that may constitute barriers to trade, such as double safety tests in cars and car parts and electronics, which will simplify the export of goods by EU businesses to Singapore;
7. Underlines that the agreement will grant EU companies better access to the Singapore services market such as in financial, telecommunications, engineering, architectural, maritime transport and postal services, and that such liberalisation follows a 'positive list' approach;
8. Recalls, in relation to the liberalisation of financial services, that the agreement includes a prudential carve-out clause which allows the Parties to adopt or maintain measures for prudential reasons, and notably to protect depositors and investors, and to ensure the integrity and stability of the Parties' financial systems;
9. Welcomes Singapore's signing on 21 June 2017 of the Multilateral Competent Authority Agreement (MCAA) for implementing the global standard for the automatic exchange of information for tax purposes and its notification to the OECD on 30 June 2017 of its intention to activate automatic exchanges under that agreement with all the EU Member States for which there was no bilateral agreement for the same purpose in place; notes that Singapore is neither on the 'blacklist' nor on the 'watchlist' of the EU Code of Conduct Group's list of non-cooperative tax jurisdictions, although it has been criticised by some NGOs for offering tax incentives to companies;
10. Stresses the improved access under this agreement to Singapore's public procurement market as compared to under the Government Procurement Agreement (GPA); highlights that social and environmental criteria should also be taken into account when awarding public procurement contracts; highlights that public procurement in both the EU and Singapore must continue to serve the best interests of citizens;
11. Welcomes the fact that Singapore agreed to set up a GI registration system which will protect around 190 EU geographical indications, with the possibility of adding more at a later stage; recalls that in 2016, the EU exported EUR 2,2 billion worth of agri-food products to Singapore, and notes that Singapore is the fifth largest market in Asia for EU food and drink exports, offering significant opportunities to EU farmers and agri-food producers; welcomes, therefore, Singapore's commitment in this agreement to keep zero duties on agri-food products, and the putting in place of a system for certifying EU meat-producing establishments seeking to export to Singapore; regrets, however, that the agreement does not offer automatic protection for the 196 EU GIs included in the Annex to the Intellectual Property Rights chapter, as all GIs – regardless of origin – will need to be examined and pass through publication (and opposition, if any), according to the registration procedure in Singapore, in order to be protected; underlines that the implementing legislation on GIs, which establishes the Singapore GI registry and the GI registration procedure, will come into force upon the ratification of the agreement by Parliament; calls on the Singapore authorities to start work

immediately on the registration procedure and to expeditiously set up the registry and bring it into force upon Parliament's ratification of the agreement; encourages the Commission to continue to work intensively with the Singaporean authorities in order to ensure that the highest number of EU GIs will be protected in line with the terms of protection laid down in the FTA, without any exceptions or limitations (including annexes or footnotes);

12. Stresses that the agreement recognises the right of Member States at all levels to define and provide public services and does not prevent governments from bringing any privatised service back into the public sector;
13. Underlines that the agreement safeguards the EU's right to maintain and apply its own standards to all goods and services sold in the EU and therefore that all imports from Singapore must respect EU standards; highlights that EU standards should never be considered as trade barriers and emphasises the importance of promoting these standards at global level; stresses that nothing in the agreement prevents the application of the precautionary principle as set out in the Treaty on the Functioning of the European Union;
14. Highlights the importance of a value-based and responsible trade policy and the need to promote sustainable development; welcomes, therefore, the fact that both Parties committed in the trade and sustainable development (TSD) chapter to ensure a high level of environmental and labour protection and that this can thus be considered as a progressive trade agreement; notes that the agreement also includes a chapter on non-tariff barriers in renewable energy generation; points out that the EU-Singapore agreement could be an instrument to combat climate change and to accelerate and intensify the action and investment needed for a sustainable low carbon future; calls on the EU and Singapore to take all necessary action to implement the Sustainable Development Goals;
15. Recalls that the Parties committed to make sustained efforts towards ratifying and effectively implementing the fundamental ILO conventions; takes note of the information provided so far by the Government of Singapore in relation to its compliance with three outstanding fundamental ILO conventions, namely those on Freedom of Association and Protection of the Right to Organise, on Discrimination and on Forced Labour, and calls on Singapore to further engage with the ILO with a view to progressing towards full alignment with their content and ultimately pursuing their ratification within a reasonable timeframe;
16. Welcomes the commitment to effectively implement multilateral environmental agreements such as the Paris Agreement on climate change and to the sustainable management of forests and fisheries;
17. Stresses that regulatory cooperation is voluntary and should by no means limit the right to regulate;
18. Encourages the Parties to make full use of the provisions on animal welfare cooperation and to establish as soon as possible after the entry into force of the FTA a joint working group to agree on an action plan addressing relevant sectors such as fish welfare in aquaculture;
19. Stresses that the involvement of civil society and social partners in monitoring the

implementation of the agreement is crucial and calls for a swift establishment of domestic advisory groups following the entry into force of the agreement and for a balanced representation of civil society therein; calls on the Commission to allocate sufficient financing to enable them to work effectively and to provide support to ensure the constructive participation of civil society;

20. Notes that the EU-Singapore Partnership and Cooperation Agreement (PCA) envisages the possibility for the EU to suspend the FTA in case of fundamental human rights violations by Singapore;
21. Calls on the Commission to make good use of the general review clause of the agreement as soon as possible in order to strengthen the enforceability of labour and environmental provisions, including among the various enforcement methods consideration of a sanctions-based mechanism as a last resort;
22. Instructs its President to forward this resolution to the Council and the Commission, the Vice-President of the Commission / High Representative of the Union for Foreign Affairs and Security Policy, the European External Action Service, the governments and parliaments of the Member States and the government and parliament of the Republic of Singapore.