

SINGAPORE-AUSTRALIA

FREE TRADE AGREEMENT



Goods Outcomes

All Australian products have been able to enter Singapore tariff-free since the Singapore-Australia Free Trade Agreement (SAFTA) entered into force in 2003. As a result of the amendments to SAFTA, it will now be easier for Australian and Singaporean traders to claim preferential treatment under the Agreement. SAFTA will also now include rules aimed at facilitating the trade of cosmetics, medical devices, and wine and distilled spirits.

Two-way goods trade between Singapore and Australia was valued at \$16.2 billion in 2015, with gold and refined petroleum the most traded goods between the two countries. Other top Australian exports to Singapore are: crude petroleum, animal oils and fats, and aircraft, spacecraft and parts.

SAFTA will be updated to include a full schedule of product-specific rules of origin. Adopting a product-specific approach simplifies administration and reduces the compliance costs for traders using the Agreement. This is simpler than the existing general 50 per cent content rule that requires businesses to record all production costs. In general, SAFTA's updated rules of origin for Singapore will be in line with the rules of origin from the ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) and the Trans-Pacific Partnership (TPP) Agreement (yet to enter into force).

The procedures for claiming preferential treatment will also be modernised. Traders will now be able to self-certify that their goods meet the rules of origin. The procedures will also provide exporters with flexibility to continue to have goods certified by a third party.

Traded goods are often subject to mandatory technical regulations in the country of import, and may need to be tested and/or certified for compliance with those requirements. As a result of upgrade to SAFTA, Australia and Singapore have agreed to promote common regulatory approaches by incorporating into SAFTA the TPP's trade facilitating rules on cosmetics, medical devices, and wine and distilled spirits.



The **Wine and Distilled Spirits** annex provides guidance on labelling, including specific minimum requirements for labels for wine and spirits products. Importantly, key consumer information such as product name, country of origin, net contents and alcohol content need to be clearly displayed within a "single field of vision" on the bottle. The annex does not limit the government's ability to impose other labelling requirements. Standardising labelling requirements will reduce uncertainty for producers and exporters, lowering the costs of doing business.

Separate annexes covering **Medical Devices and Cosmetics** provide further commitments relating to the technical requirements of these industries. They share a range of overlapping themes, including avoiding unnecessary duplication in approvals processes and sharing information on requirements and regulatory bodies. Australia and Singapore are encouraged to consider international standards, recommendations and guidance when determining technical requirements and to take a risk-based approach, as appropriate, in assessing applications. Australia and Singapore have committed to base product approvals on safety, quality clinical data, design and product quality information.



The annexes do not mandate specific requirements or standards for these products. Australia's ability to set requirements and standards, including for testing and certification will not be affected. Improving the information available to importers and exporters, reducing unnecessary delays in approvals and improving standard-setting will benefit producers and consumers.

