

### III. TRADE POLICIES AND PRACTICES BY MEASURE

#### (1) INTRODUCTION

1. Since its last Review in 1996, Singapore has continued to pursue liberal trade and investment policies, and showed no inclination to take protectionist measures during the Asian economic crisis. The authorities recognize that liberal trade and investment policies have served Singapore well in the past, enabling it to achieve the highest level of GDP per capita in the world. Moreover, its openness to trade and investment, and strong economic fundamentals have made an important contribution to Singapore's rapid recovery from the effects of the crisis.

2. Singapore's liberal trade policy is reflected, *inter alia*, in the virtual absence of tariff protection and scarce use of non-tariff border measures. Approximately 70% of Singapore's tariff was bound as a result of the Uruguay Round and WTO Information Technology Agreements. While the average bound tariff is currently 9.7%, applied tariffs are zero for all except four tariff lines, which relate to alcoholic products. Import prohibitions and licensing measures are used mainly for public safety and health reasons and to comply with international conventions; second-hand cars more than three years old are banned, ostensibly on environmental grounds; and import licensing for rice is maintained for food security reasons. Very little use has been made of contingency measures such as anti-dumping and countervailing duties. Singapore also tries to ensure that, to the largest extent possible, standards and sanitary and phytosanitary measures follow those established by international organizations.

3. In the context of its WTO commitments, Singapore has implemented fully its obligations under the Agreements on Customs Valuation (Article VII of GATT 1994) and Trade-Related Aspects of Intellectual Property Rights (TRIPS) well before the expiry of the deadline granted to developing countries. In addition, Singapore acceded to the WTO Agreement on Government Procurement in 1997.

4. Singapore has had an active industrial strategy over the years, whereby the Government's policy has been to direct the economy in a particular direction. This policy has been implemented by various statutory boards, notably the Economic Development Board (EDB), created in the early 1960s. The statutory boards provide, *inter alia*, a range of tax incentives for investment in particular activities or sectors. Tax incentives are currently provided to encourage investment in high value-added manufacturing and services, in keeping with government policy to encourage the development of these activities.

5. Another potential instrument of this industrial strategy has been the Government's considerable influence on the economy through its holding company, Temasek, a matter that has become the subject of domestic debate in recent years. Formed in the 1970s, Temasek took over the ownership and management of government-linked corporations, which are active in a wide range of sectors. Although the full extent of government involvement in the economy through Temasek remains rather unclear, Temasek has responded to the domestic debate by suggesting improved corporate governance and disclosure requirements among its companies.

6. While Singapore does not have a competition law, its liberal trade and investment policies ensure a competitive environment in the goods sector. In services, where key sectors, including telecommunications and energy, have been gradually liberalized, the Government has created regulatory frameworks intended to foster competition (Chapter IV).

**(2) MEASURES DIRECTLY AFFECTING IMPORTS**

**(i) Customs procedures**

**(a) Registration and documentation**

7. Registration and documentation procedures remain essentially unchanged since the previous Review. Under the Regulation of Imports and Exports Act, 1995, the Singapore Trade Development Board (TDB) may, with the approval of the Minister for Trade and Industry, formulate regulations regarding registration, regulation and control of goods imported into, exported from, or transshipped through Singapore. All importers are required to register with and obtain a Central Registration Number (CRN) from the TDB and to provide a customs declaration either to the TDB or to Customs or jointly to both. Most declarations are submitted and processed through an electronic system, "TradeNet".<sup>1</sup> Only companies registered in Singapore may apply to declare permits through TradeNet. For items subject to import (or export) restrictions, importers must obtain either an endorsement or a licence from the appropriate Government Ministry or statutory board before the product is imported (or exported).

8. Import permits are required for all imports except: up to ten litres of alcohol and up to two kilogrammes of tobacco in possession of passengers arriving in Singapore; petroleum carried in a supply tank or in a spare container of a capacity no greater than ten litres; dutiable goods imported by post unless so required by Customs<sup>2</sup>; dutiable goods discharged from a vessel directly into a free-trade zone removed by an authority administering a free-trade zone.<sup>3</sup>

9. Documentation required includes the appropriate customs and/or TDB permits as well as invoices, packing lists, bills of lading, and any other supporting documentation. For imports of food products, importers are required to be registered with or licenced by the Primary Production Department (PPD) in the Ministry of National Development, and to be registered under the Business Registration Act or incorporated under the Companies Act.<sup>4</sup> Documentation required when applying for an import permit, in such cases, includes bills of lading and invoices, in addition to health certificates for meat products and certain fish products, and a phytosanitary certificate for fresh fruit and vegetables imported from South America. All imported consignments may be subject to testing and inspection by the PPD. In the case of meat imports and high-risk seafood, including frozen oysters, cockle meat, cooked prawn/shrimp and crab meat, all consignments are regularly subject to testing and inspection before sale is permitted in Singapore.

10. In general, certificates of origin are not required for imports other than food and plants. However, the TDB or any other relevant controlling agency, may require importers to submit certificates of origin as proof of origin. Certificates of origin may also be requested by authorized chambers of commerce if they are required to issue certificates for goods that are subsequently re-exported from Singapore.

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<sup>1</sup> A declaration is not required for commercial samples, unsolicited gifts, specimens for testing or analysis, the value of which does not exceed S\$400; unaccompanied personal or household effects; commercial documents; human remains; etc.

<sup>2</sup> Articles entering Singapore through the postal system are subject to customs clearance at the Singapore Post Centre. A clearance fee of S\$2 is levied on parcels subject to customs duty cleared at the Post Centre.

<sup>3</sup> Customs and Excise Department (undated).

<sup>4</sup> In addition, all consignments of meat must be shipped directly from the producing country.

11. All valuation decisions taken by Customs regarding imports may be appealed by the importer under Chapter 70, Section 22B of the Customs Act (section (ii) below). Since 1995, no appeals have been registered against customs decisions.

(b) Preshipment inspection

12. Singapore has notified the WTO Secretariat that it has no laws or regulations relating to preshipment inspection.<sup>5</sup> The authorities are aware of one company, SGS Singapore Private Limited, a member of the Société Générale de Surveillance, which provides preshipment inspection services (for exports).

**(ii) Customs valuation, clearance, and inspection**

(a) Customs valuation procedures

13. Under the provisions of the WTO Agreement on Implementation of Article VII of the GATT 1994 (Customs Valuation), by which developing country Members may delay application of customs valuation, Singapore invoked delayed application of this Agreement<sup>6</sup>; notice of Singapore's decision to implement Article VII of the GATT 1994 was given to the Committee on Customs Valuation in October 1997.<sup>7</sup> The Customs Amendment Bill was passed by Parliament on 17 October 1997.

14. Under the Customs (Valuation) (Import Duty) Regulations, 1997, transaction value is used as the basis for assessing customs duty payable on imported goods. The assessment of value is based on the c.i.f. price of the goods at the date of importation, which is the f.o.b. (free-on-board) price plus the costs of insurance and freight.

15. In addition to customs duty, all goods and most services are subject to a goods and service tax (GST) (section (v)(b)). For imported goods subject to customs duty, the taxable value of the GST is based on the c.i.f. value of the good plus the customs duty. For non-dutiable goods the value of the GST is based on the c.i.f. value.

16. Under the Customs Act (Part XIII), all imports may be subject to inspection at the border by the Customs Authority. Seizures of goods that do not comply with import requirements must be notified in writing to the owner of the goods, explaining the grounds for seizure. Customs officers also have the power to make arrests, without warrants, of persons found to be in violation of customs requirements.

17. All customs decisions concerning the valuation of imported goods may be appealed in writing to the Director General of the Customs and Excise Authority within 14 days after any determination of the value of the imported good.<sup>8</sup> Decisions made by the Director General of Customs may be further appealed to the High Court within 28 days of being given notice in writing of the Director General's decision. Prosecutions concerning offences committed under the Customs Act are normally dealt with by the district or magistrate's courts.

<sup>5</sup> WTO document G/PSI/N/1/Add.2, 26 July 1995.

<sup>6</sup> WTO document G/VAL/2/Rev.3, 15 April 1996. Singapore's reservations relate to Article 20.2 (delayed application of the computed value method); Annex III, paragraph 2 (minimum values), paragraph 3 (reversal of sequential order of Articles 5 and 6) and paragraph 4 (application of Article 5.2 whether the importer so requests) (WTO document G/VAL/13, 18 December 1997).

<sup>7</sup> WTO document G/VAL/N/1/SGP/1, 13 October 1997.

<sup>8</sup> Customs Act, Chapter 70 (1997 edition), Section 22B.

(iii) **Rules of origin**

(a) Non-preferential rules of origin

18. Singapore notified the WTO Secretariat that it has no non-preferential rules of origin.<sup>9</sup>

(b) Preferential rules of origin

19. Singapore has preferential rules of origin under the ASEAN preferential trading arrangement where ASEAN content must be at least 40% of the free-on-board (f.o.b.) price of the finished product.<sup>10</sup> In addition, textiles and textile products qualify for CEPT preferences under the Substantial Transformation Criterion, if substantial transformation has taken place in an ASEAN country. Preferential entry is also granted under the GSTP to other participants of the Scheme (Table III.1).<sup>11</sup> In practice, however, since Singapore's tariff is zero for most imports, preferential rates are not applied to imports from any source.

**Table III.1**  
**Singapore's preferential rules of origin**

Agreement	Rules
ASEAN	Imported products must be wholly produced in an ASEAN country or have an ASEAN content on at least a cumulative basis of 40% of the f.o.b. price of the finished product. Textiles and textile products qualify for preferential treatment under CEPT if substantial transformation has taken place in an ASEAN country.
GSTP	Products must be wholly produced in a participating country or have a participating country produced content of at least 50% of the f.o.b. price of the finished product. Partial cumulation of at least 60% is allowed.

Source: WTO notifications; and Trade Development Board, *Certificate of Origin*, (Annexes IV and V) [Online]. Available at: [www.tdb.gov.sg/ieinfo/copro/](http://www.tdb.gov.sg/ieinfo/copro/).

(iv) **Tariffs**

(a) Structure

20. Singapore adopted the Harmonized Commodity Description and Coding System (HS) on 1 January 1989 and the HS96 nomenclature on 1 January 1996.<sup>12</sup> The current applied most-favoured-nation (MFN) tariff consists of 5,843 lines at the HS-9 digit level.<sup>13</sup> The majority of tariff lines are duty free (99.9%), with only four lines attracting tariffs. All four lines, which relate to alcoholic products, have specific rates of duty (Table III.2). The rates range from S\$0.80 per litre for beer to S\$8.00 per litre of alcohol for Samsou; *ad valorem* equivalents for these specific rates are not available. According to the authorities, specific rates are preferred over *ad valorem* tariffs because of the relative simplicity in administering them and because they ensure a constant revenue.<sup>14</sup> The authorities also state that these duties are imposed for strategic considerations such as the health and

<sup>9</sup> WTO document G/RO/N/3, 27 July 1995.

<sup>10</sup> The free-on-board price excludes the cost of additional charges such as insurance and freight.

<sup>11</sup> Trade Development Board.

<sup>12</sup> Singapore has not, however, acceded to the HS Convention.

<sup>13</sup> There are 17 lines in Chapter 98 of the Singapore tariff, which has been omitted from the analysis contained in this report. Chapter 98 is country specific and is not systematically included in all national tariffs. For this reason, in general, Chapter 98 is not included in the tariff analysis conducted in Trade Policy Reviews.

<sup>14</sup> Specific tariffs may, however, conceal very high *ad valorem* equivalents. Specific duties also tend to tax all imports within a particular tariff line at the same rate, thereby taxing cheaper products more heavily and encouraging domestic firms to produce less expensive equivalent goods.

well-being of the community. However, it is unclear why tariffs as well as excise duties are preferred for some kinds of alcohol, whereas excise taxes only are charged on others. The authorities state that this difference is partly due to historical reasons, although the gap between taxes levied on imported beer, stout and samsoo and their local counterparts has been narrowed over the years.

**Table III.2**  
**Applied MFN tariffs, 1999**

HS Code (9-digit)	Description	Duty rate
2203 00 100	Stout and porter	S\$1.70 per litre
2203 00 200	Other beer, including ale	S\$0.80 per litre
2208 90 310	Samsoo (medicated)	S\$8.00 per litre of alcohol
2208 90 390	Samsoo (other)	S\$8.00 per litre of alcohol

Source: Government of Singapore.

21. Singapore removed tariffs on high-speed diesel on 25 November 1998. Moreover, in the aftermath of the Asian financial crisis, Singapore did not increase its applied tariff rates.

22. Customs revenue (based on customs duties plus excise taxes) has remained relatively stable since the previous Review, at around S\$1.6 billion (about 1% of GDP). Revenue based only on customs tariffs, according to the authorities, is around 1.3% of this total.

23. Singapore has no variable levies or tariff quotas.

(b) Preferences

24. Under the AFTA Common Effective Preferential Tariff (CEPT), which officially came into effect on 1 January 1993, Singapore offered preferences to ASEAN member countries on 5,739 tariff lines. In practice, however, since Singapore had already met the 0-5% target for all products included under the CEPT scheme by 1993, MFN tariff rates are applied to ASEAN members as well as all other trading partners. Preferences are also offered under the Generalized System of Preferences, under the GSTP, and under the Commonwealth System of Preferences, although in practice MFN rates are levied.

(c) Tariff concessions

25. Tariff exemptions on dutiable goods are available to a number of end-users, including the President, diplomatic missions and international organizations, members of the armed forces, travellers, and crew members (Table AIII.1). In addition, local industries importing dutiable raw materials for industrial use may apply for duty exemptions from the Customs and Excise Department. Currently, exemptions are granted for imports of Samsoo used by three food industries.

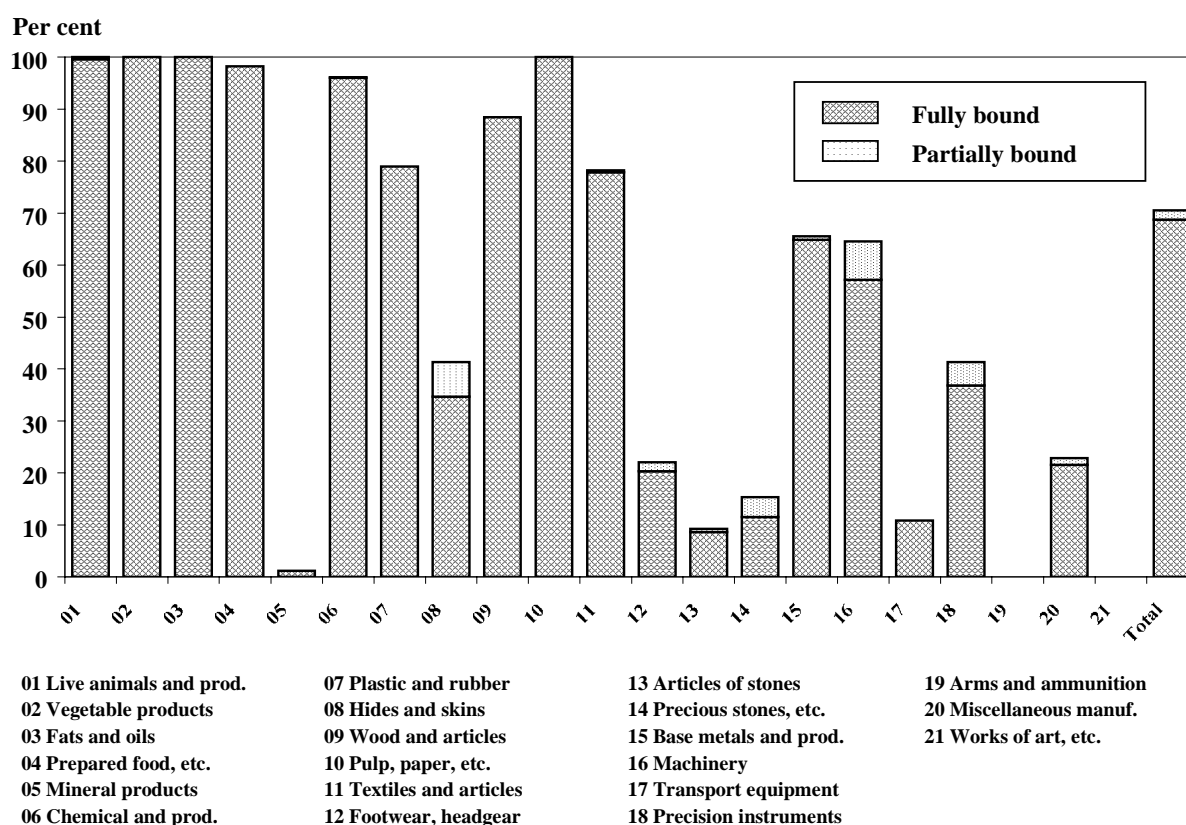
(d) Bindings

26. As a result of the Uruguay Round and WTO Information Technology Agreements, Singapore has bound 70.5% of its tariff (compared to 73% on average for developing countries), with a coverage of around 75.6% of the value of imports in 1998.<sup>15</sup> Of a total 5,843 lines at the HS 9-digit level, 4,120 lines are bound; 4,065 lines (69.6% of the tariff) have *ad valorem* rates, while 55 lines or 0.9% of the tariff carries specific duties. In addition, of the bound lines, 100 lines, or 1.7% of the tariff, are

<sup>15</sup> As mentioned previously, 17 tariff lines corresponding to Chapter 98 have been omitted from this analysis.

partially bound.<sup>16</sup> The subsequent analysis of Singapore's bound rates was carried out on 4,065 tariff lines or those lines with *ad valorem* tariff rates (including partially bound tariff rates) only. Although for certain products, including agriculture, up to 100% of the tariff was bound, bindings are low in some other product categories, in particular works of art, arms and ammunition, mineral products, articles of stone, transport equipment, precious stones, and footwear (Chart III.1).

**Chart III.1**  
**Share of bound tariff lines by HS section, 1999**



**Note:** The bound rate analysis includes Singapore's commitments under the Information Technology Agreement (ITA). Chapter 98 is excluded from the analysis.

**Source:** WTO Secretariat based on information provided by the authorities of Singapore.

27. The analysis also includes products bound by Singapore under the WTO Agreement on Information Technology Products (ITA). All bindings under the ITA are at zero rates of duty, representing around 44% of the value of all imports in 1998. Although the ITA was to be implemented in four stages between 1997 and 2000, products covered by the Agreement already enter Singapore duty free.

28. In 1999, the overall average bound tariff rate was 9.7%, 16.8% for agriculture (17.7% for the Uruguay Round definition of agriculture) and 7.9% for industrial products. Four tariff lines at the HS

<sup>16</sup> Partially bound in this context means that the same tariff line consists of different products, which may be bound at different tariff rates.

9-digit level under the Uruguay Round definition of agriculture are unbound. According to the authorities, the lines may have been inadvertently omitted during the Uruguay Round negotiations; Singapore plans to notify the omission to the Committee on Market Access and subsequently to bind the four tariff lines in accordance with its Uruguay Round commitments.<sup>17</sup> The overall bound average is expected to decline to 6.9% by 2005, once the Uruguay Round cuts are fully implemented (Table III.3). Bindings range up to 18.5% for *ad valorem* rates and from S\$1.18 per litre to S\$133.25 per kg. for specific rates. Bound tariff rates are particularly high for vegetable products, fats and oils, prepared food, hides and skins, textiles, and livestock (Chart III.2).

**Table III.3**  
**Bound tariff rates, 1999, 2000 and 2005**  
(No. of lines and per cent)

	No. of lines	1999	2000	2005
Overall average	4,065	9.7	9.0	6.9
Agriculture (HS 01-24)	838	16.8	15.4	9.6
Agriculture (Uruguay Round definition)	779	17.7	16.0	9.5
Industrial products (HS 25-97)	3,227	7.9	7.4	6.2

Note: Analysis based only on lines with *ad valorem* tariff rates (55 lines carry specific tariff rates).

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

29. Given that Singapore's average applied tariff in 1999 was virtually zero the decision to bind only 70% of the tariff is perhaps open to question. An overall average bound rate of 9.7% also represents a considerable gap between applied and bound rates even after final bound rates are implemented in 2005. The gap, according to the authorities, is maintained for negotiation purposes in future trade rounds.

30. Singapore notified the WTO Committee on Market Access that it reserved its right to modify its Schedule during a three-year period beginning 1 January 1997, in accordance with Article XXVIII.<sup>18</sup>

#### (v) Other charges levied on imports

##### (a) Excise tax

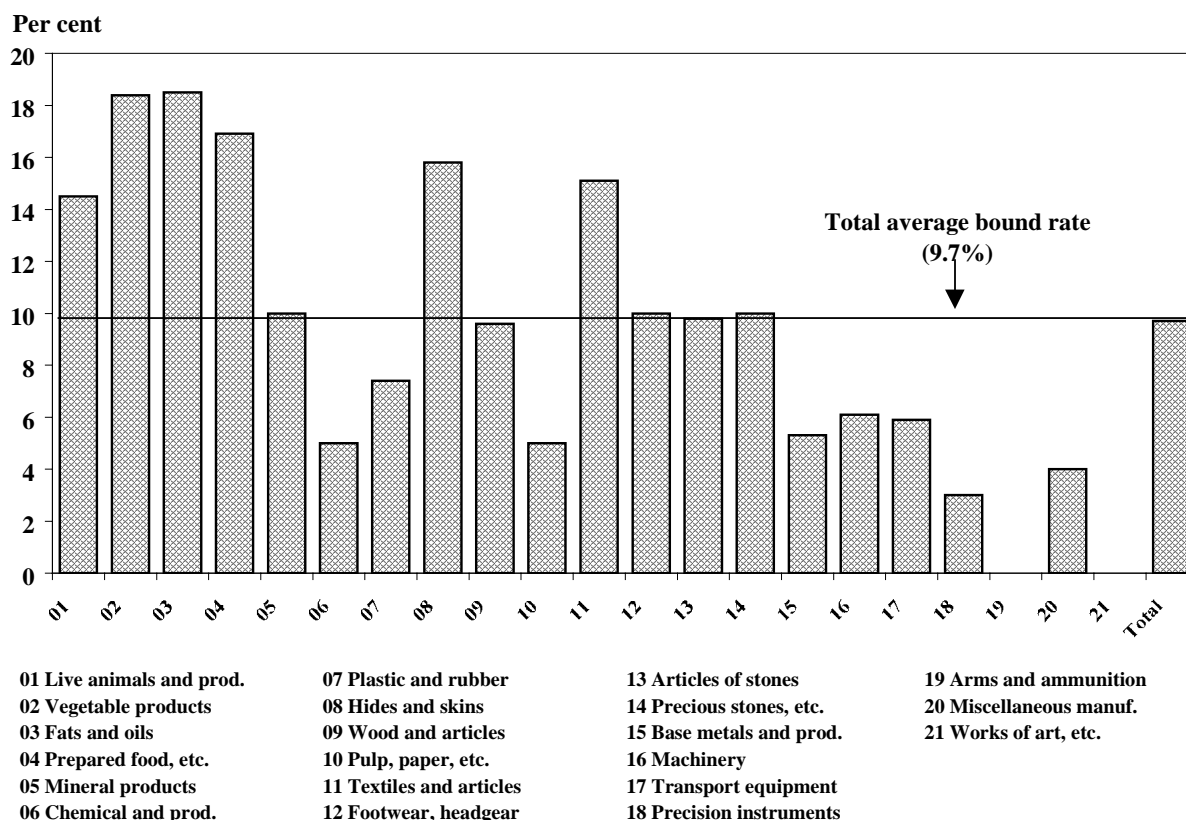
31. Excise duties are charged on four categories of products, alcohol, tobacco, petroleum products and motor vehicles (86 tariff lines at the HS-9 digit level) regardless of whether imported or locally produced. All except those levied on motor vehicles are specific or mixed rates (Table AIII.2). *Ad valorem* rates on motor vehicles are 7% for taxis, 12% for motor cycles and scooters, and 31% for all other motor vehicles. Excise taxes accounted for 7.3% of total taxes collected in fiscal year 1998 (Table III.4).

<sup>17</sup> Under the Agreement, 100% of tariff lines according to the Uruguay Round definition of agriculture were to be bound. The four lines that are unbound in Singapore's Schedule are HS 051000200, 170410000, 190190920 and 190190960.

<sup>18</sup> WTO document G/MA/52, 29 January 1997.

**Chart III.2**

**Average bound tariff rates by HS section, 1999**



**Note:** The bound rate analysis includes Singapore's commitments under the Information Technology Agreement (ITA). It includes fully and partially bound rates. Chapter 98 is excluded from the analysis.

**Source:** WTO Secretariat based on information provided by the authorities of Singapore.

(b) Goods and services tax

32. Singapore charges a flat 3% tax on most goods and services irrespective of whether domestically produced or imported, with the exception of "the grant, assignment or surrender of any interest in, or right over, any residential properties"; and financial services as listed in the Fourth Schedule to the GST Act. Exports of goods, as well as internationally traded services, are exempt from payment of the GST as are traders with sales of less than S\$1 million per year. The GST is a value-added tax levied both at the border (in the case of imports) and internally at all stages of production and sale. Although levied on producers and sellers of goods as well as on providers of services, the tax tends to be ultimately passed on to consumers, with the producers and sellers of goods and service providers acting as collection agents. Whereas, the Customs and Excise Department is in charge of GST collection at the border, the Inland Revenue Authority of Singapore (IRAS) is in charge of GST collection internally. Goods imported and stored in a Free-Trade Zone, in any warehouse licenced by Customs, or in a bonded warehouse, are also exempt from payment of the GST unless released into the domestic market. Under the Major Exporters Scheme (MES), payment of GST may be deferred by a GST-registered trader at the point of importation; the GST may



subsequently be paid when the goods are sold domestically. The MES is available to exporters who export 51% or more of their total supplies; MES status is granted by the Comptroller of GST.<sup>19</sup>

33. The GST was introduced in April 1994 and the rate has remained at 3%. In fiscal year 1998, the GST accounted for around 8.3% of total taxes collected (Table III.4).

**Table III.4**  
**Tax revenue, fiscal years 1995-99**  
(S\$ million and per cent)

	1995	1996	1997	1998	1999 <sup>a</sup>
Total tax revenue	19,896.1	23,205.3	23,011.1	20,870.8	18,175.6
(per cent of GDP)	(15.9)	(17.5)	(15.8)	(14.5)	(12.8)
<b>Per cent of total tax revenue</b>					
Income tax	44.1	47.2	44.3	49.3	45.4
Corporate tax	29.6	27.4	29.6	27.8	24.2
Personal tax	11.4	11.7	11.7	12.9	12.7
Contributions by statutory boards	3.2	8.1	3.0	8.5	8.5
Asset taxes	8.8	7.9	10.1	7.1	7.7
Property tax	8.5	7.6	9.9	6.9	7.4
Estate duty	0.3	0.3	0.3	0.2	0.2
Motor vehicles tax	10.8	8.6	7.6	7.1	8.0
Additional registration fees	6.1	4.4	3.4	2.9	3.4
Road tax	4.0	3.6	3.6	3.7	4.0
Special tax on heavy-oil engines	0.6	0.5	0.5	0.5	0.5
Customs and excise taxes	8.1	7.2	7.1	7.3	7.4
Petroleum products	2.9	2.6	2.6	2.7	2.5
Tobacco	1.8	1.8	1.7	1.9	2.1
Liquors	1.6	1.4	1.5	1.6	1.8
Motor vehicle import duty	1.8	1.4	1.2	1.1	1.0
GST	8.2	7.5	8.4	8.3	9.1
Betting tax	5.2	5.0	5.6	6.5	7.1
Stamp duty	6.4	8.1	7.3	4.3	5.0
Selective consumption tax	0.3	0.3	0.4	0.6	0.8
Other	8.1	8.2	9.1	9.5	9.6

a Budget book.

Source: Republic of Singapore, *Annual Budget*, various years.

#### (vi) Import prohibitions and licensing

34. In 1998, around 19.2% of all tariff lines were subject to some form of import restriction, either in the form of import prohibitions (0.6% of all tariff lines), or through automatic and non-automatic licensing (18.6% of all tariff lines) (Table III.5). Compared to 1995, this represents a small decline in the percentage of the tariff subject to import prohibitions (0.7%) and to import licensing (19.9%), although the percentage of tariff lines subject to non-automatic licensing has increased from 7% to 8.4%.

<sup>19</sup> Exporters who export 50% or less of their supplies may also be included under the MES, but must furnish bankers' guarantees in support of their application.

**Table III.5**  
**Scope of restrictions affecting imports, 1995 and 1998**

Import restriction	1995		1998	
	No. of tariff lines	Lines (% of total)	No. of tariff lines	Lines (% of total)
Prohibited imports	38	0.7	35	0.6
Import licensing	1,161	19.9	1,088	18.6
Automatic	750	12.8	595	10.2
Non-automatic	411	7.0	493	8.4

*Source:* Information provided by the Singapore authorities.

35. Imports of certain items are prohibited under the Regulation of Imports and Exports Act (272A), for reasons of public health and safety, environmental protection, national security, and in accordance with international agreements and United Nations Security Council regulations. Among the changes in Singapore's policy on import prohibitions are new prohibitions on controlled telecommunications equipment including scanning receivers and military communications equipment, and cosmetics containing prohibited substances or additives above the stipulated limit (Table III.6).<sup>20</sup> Singapore also requires that each Singapore registered car leaving Singapore for Malaysia have its tank three-quarters full of gasoline.

36. Singapore regulates imports of a number of products through automatic and non-automatic import licensing for health, safety and environmental, and national security reasons, as well as to meet obligations arising from international agreements (Table III.7). A non-automatic licensing regime is also maintained for rice to ensure a consistent and adequate stockpile for domestic consumption (Chapter IV(2)(iii)).

**Table III.6**  
**Import prohibitions, 1996 and 1999**

Products, 1996	Purpose	Status in 1999
Toy coins and toy currency notes	National security	Removed
Chewing gum	Public safety	Unchanged
Cigarette and table lighters in the shape of a pistol or revolver	Public safety	Unchanged
Fire-crackers	Public safety	Unchanged
Medicines containing amidopyrine, noramidopyrine, amygdalin, danthron, pangamic acid and suprofen	Public health	Unchanged
Volcanic rock aggregates not exceeding 40 mm.	Public safety	Unchanged
All goods originating from or consigned to Iraq	UN Security Council resolutions	Unchanged except for imports of petroleum and petroleum products under the UNSCs "Oil for Food" programme which are permitted.
PCB and its substitutes	Environment	Unchanged
Asbestos brake and clutch linings in vehicles registered after 1 April 1995	Environment	Unchanged
Used motor vehicles more than three years old	To minimize traffic congestion and pollution	Unchanged

Table III.6 (cont'd)

<sup>20</sup> APEC Secretariat (1999).

Products, 1996	Purpose	Status in 1999
Certain ozone depleting substances meant for local distribution/consumption	Protecting ozone layer (in accordance with the Montreal Protocol on Substances that Deplete the Ozone Layer)	Unchanged
<ul style="list-style-type: none"> <li>- Halon 1211 and five extinguishers using halon 1211</li> <li>- Halon 1301 and fire protection systems using halon 1301</li> <li>- Halon 2402</li> <li>- Carbon tetrachloride</li> <li>- 1, 1, 1 – trichloroethane (methyl chloroform)</li> <li>- CFCs 11, 12, 113, 114, 115 as a refrigerant in new air-conditioning and refrigeration equipment except for automotive air-conditioners in vehicles registered before 1 January 1995 and domestic refrigerators</li> <li>- Other CFCs</li> <li>- Hydrobromofluorocarbons (HBFCs)</li> </ul>		
Rhinoceros horn, worked, unworked or prepared, waste and powder	Preventing extinction (CITES)	Unchanged
Ivory for commercial consignments	Preventing extinction (CITES)	Unchanged
Tiger products	Preventing extinction (CITES)	Unchanged
Cosmetics containing prohibited substances/additives above the stipulated limits	Public health	Added
Controlled telecommunications equipment such as scanning receivers, military communication equipment and automatic call diverters	National security	Added
Asbestos in the form of crocidolite, amosite and amphiboles and products containing these forms of asbestos	Environment	Added
Asbestos in the form of chrysotile except for manufacturing of gaskets	Environment	Added
Aerosol products except medical aerosols	Environment	Added
Plants of rubber, cocoa, coconut and oil palm from Central and South America and West and Central Africa	To ensure plant health	Added

Source: Singapore authorities.

37. Since its last Review, Singapore has added to the list of products requiring non-automatic import licensing, Chinese proprietary medicines, scheduled chemicals under the Chemical Weapons Convention, controlled equipment, materials or substances useful for the manufacture of controlled drugs and merchandise, and products containing a photograph, drawing or design resembling, or used on, Singapore currency notes and coins; non-automatic import licensing for full colour photocopying machines was discontinued from 31 December 1998.

38. As of 17 April 1998, a permit is required for imports of mastering equipment for CDs, CD-ROMs, VCDs, DVDs and DVD-ROMs; according to the authorities, this requirement is part of a multi-pronged effort to counter intellectual property rights violations (section (4)(v)(e)).

39. Procedures for obtaining automatic and non-automatic import licences are essentially unchanged. In general, all persons and companies are equally eligible to apply for an import licence, applications for which are usually made to a single government agency. According to the authorities, import licences are normally granted if the applicant meets all the stipulated criteria. Subsequently, if licences issued are not utilized by the applicant, no penalties are imposed. Licences that are not utilized, however, may not be traded.

40. Singapore issues import quotas for chemicals listed under Schedule 1 of the Chemical Weapons Convention.

**Table III.7**  
**Products covered by automatic and non-automatic licensing**

Product	Controlling authority
<b>Automatic licensing</b>	
Fresh fruit and vegetables, plants and plant produce, meat and meat products, animals/birds/eggs/biologics, medicaments, animal feed, endangered species, imports, export or transshipments of fish other than ornamental fish, import, export or transshipments of ornamental fish, milk powder – skimmed (coloured for animal feed).	Primary Production Department, Ministry of National Development
Amusement machines, coin- or disc-operated, including pin-tables, shooting galleries and cinematography machines.	Trade Development Board, Ministry of Trade and Industry
Scrambler or encryption hardware or software capable of re-arranging the signs, signals, writing, sounds or intelligence for the purpose of secrecy.	Trade Development Board, Ministry of Trade and Industry
Mastering equipment and replication equipment for any of the following: - CD - CD-Rom - VCD - DVD, and DVD-Rom	Trade Development Board, Ministry of Trade and Industry
Publications, gramophone records, paintings and prints.	Films and Publications Department, Ministry of Information and the Arts
Films, video tapes and video discs.	Films and Publications Department, Ministry of Information and the Arts
Cellulose nitrates, matches, axes, SOS shrill alarms, handcuffs, Christmas crackers, articles of clothing intended as protection against attack, including bullet-proof vests; steel helmets, toy guns including pistols and revolvers.	Arms and Explosives Branch, Singapore Police Force, Ministry of Home Affairs
Certain ozone depleting substances (imports for re-exports): - Halon 1211 and fire extinguishers using Halon 1211 - Halon 1301 and fire protection systems using Halon 1301 - Halon 2402 - Carbon tetrachloride - 1, 1, 1 – trichloroethane (methyl chloroform) - Chlorofluorocarbons (CFCs) 11, 12, 113, 114, 115 as a refrigerant in new air-conditioning and refrigeration equipment except for automotive air conditioners in vehicles registered before 1 January 1995 and domestic refrigerators. - Other CFCs (e.g. CFCs 13, 111, 112, 211 – 217) - Hydrobromofluorocarbons (HBFCs)	Pollution Control Department, Ministry of the Environment and Trade Development Board, Ministry of Trade and Industry
<b>Non-automatic licensing</b>	
Artificial sweetening agents, irradiated foods	Food Control Department, Ministry of the Environment
Plants for further propagation including seeds, soil, flowers, fruit and vegetables from Brazil, Caribbean Islands, Columbia, Costa Rica, Guatemala, French Guyana, Honduras, Mexico, Nicaragua, Panama, Peru, El Salvador, Venezuela, etc.	Phytosanitary and Plant Quarantine Section, Primary Production Department, Ministry of National Development
Endangered species.	Phytosanitary and Plant Quarantine Section, Primary Production Department, Ministry of National Development
Fruit or jackpot machines.	Commissioner of Estate Duties, Inland Revenue Authority, Ministry of Finance

**Table III.7 (cont'd)**

Product	Controlling authority
Hazardous substances (poisons).	Pollution Control Department, Ministry of Environment
Radioactive materials and irradiating apparatus.	Radiation Protection Inspectorate, Institute of Science and Forensic Medicine, Ministry of Health
Medicines, poisons, drugs, Chinese proprietary medicines and Category 1 cosmetic products.	National Pharmaceutical Administration, Ministry of Health
Controlled telecommunication equipment (other than those specified under the prohibited import list).	Telecommunications Authority of Singapore, Ministry of Communications and Information Technology
Merchandise/product containing a photograph, drawing or design resembling or used in/on Singapore currency notes and coins.	Board of Commissioners of Currency, Ministry of Finance
Rice.	Trade Development Board, Ministry of Trade and Industry
Poppy seeds (Kaskas).	Central Narcotics Bureau, Ministry of Home Affairs
Controlled equipment, materials or substances used for the manufacturing of controlled drugs.	Central Narcotics Bureau, Ministry of Home Affairs
Scheduled chemicals under the Chemical Weapons Convention (CWC).	National Authority (Chemical Weapons Convention)
Arms and explosives.	Arms and Explosives Branch, Singapore Police Force, Ministry of Home Affairs

Source: Singapore authorities.

## (vii) Anti-dumping, countervailing and safeguard measures

### (a) Procedures

41. The Countervailing and Anti-dumping Duties Act, was passed by Parliament in October 1996. Under the provisions of the Act, the Minister for Trade and Industry may impose countervailing or anti-dumping duties on an import if it is determined that the export price of the good is less than the normal value, in the case of dumping, or that a countervailable subsidy is being provided; and that the import, through the effects of the subsidy or dumping, causes, or threatens to cause, material injury to Singapore industries producing like goods, or retards the development of such domestic industry in Singapore. The total period for completing a preliminary investigation from the date of publication of the initiation is, in general, 90 days; final measures must be imposed within 120 days of the date of publication of the notice of preliminary measures for countervailing and 180 days for most anti-dumping cases (Annex III.1). The tasks of conducting preliminary and final investigations are carried out by the same agency, in this case, the Ministry of Trade and Industry.

42. Investigations are to be terminated immediately if it is determined that the margin of dumping or countervailable subsidy is *de minimis* or that the volume of imports, actual or potential, or the injury, is negligible.<sup>21</sup>

43. If any interested party disagrees with the decisions taken by the Minister, they may request a review of the case by the Anti-Dumping Tribunal. All such applications for a review must be filed

<sup>21</sup> The margin of dumping is considered to be *de minimis* if it is less than 2% of the export price; the volume of imports is regarded as negligible if the volume of imports of the good in question from any one country accounts for less than 3% of imports of like goods into Singapore, unless goods from countries that individually account for less than 3% of imports of like goods collectively account for more than 7% of like good imports into Singapore (Article 24 of the Countervailing and Anti-dumping Duties Act, 1996).

within 30 days of the findings (or their publication or notification, depending on the circumstances). The Tribunal consists of a Chairman and two members all of whom are appointed by the Minister for Law to hold office for up to three years. The current Chairman of the Tribunal is the Senior District Judge and its members are professionals from the private sector. The Tribunal bases its decision on the evidence presented at the time of the original investigation and may not request further evidence regarding the case. There appears to be no time-limit within which the Tribunal must report its findings.

(b) Measures

44. Singapore currently has definitive anti-dumping duties on imports of steel reinforcement bars from Malaysia and Turkey (Table III.8). The measures were imposed following a review investigation of anti-dumping action taken previously against imports of these products from the two countries.

**Table III.8**  
**Anti-dumping measures, 1996 to 30 June 1999**

Product	Exporting country	Date of initiation	Provisional measures	Final measures
			Date, dumping margin	Date, dumping margin
Steel reinforcement bars	Malaysia	16.12.1994	27.01.1995 (S\$111 per tonne)	29.07.1995 (S\$54 per tonne)
Steel reinforcement bars	Turkey	30.12.1994	10.02.1995 (S\$13 to S\$96 per tonne)	12.12.1995 (S\$0 to S\$59 per tonne)
Steel reinforcement bars (R)	Malaysia	24.01.1997	Nil	23.01.1998 (S\$54 per tonne)
Steel reinforcement bars (R)	Turkey	24.01.1997	Nil	23.01.1998 (S\$0 to S\$37 per tonne)

(R): Review.

Source: Based on notifications made by the Government of Singapore.

45. Singapore notified the Committee on Subsidies and Countervailing Measures that no countervailing actions had been taken during the period 1 January 1996 to 30 June 1999.<sup>22</sup>

(c) Safeguards

46. Singapore has also notified the Committee on Safeguards that it does not have any legislation or regulations on safeguard measures and has no intention of enacting legislation on safeguards in the foreseeable future.<sup>23</sup>

47. In addition to the WTO Agreement on Safeguards, Singapore may invoke emergency safeguard measures under Article 6 of the Common Effective Preferential Tariff (CEPT) under AFTA.<sup>24</sup> ASEAN members may invoke emergency safeguard measures if a particular CEPT import increases in a manner as to cause, or threaten to cause, serious injury to an industry producing like products in the importing ASEAN country. The ASEAN country may, in such a case, suspend CEPT preferences provisionally for a maximum period of 200 days. During this time, the member country must initiate an investigation to determine whether there is clear evidence that increased imports have

<sup>22</sup> WTO document G/SCM/N/40/Add.1/Rev.2, 20 October 1999.

<sup>23</sup> WTO document G/SG/W/138, 11 March 1996.

<sup>24</sup> In 1998, it was agreed that the Interpretative Notes of the CEPT Agreement on Article 6 (Emergency Measures) would be aligned with the WTO Agreement on Safeguards.

caused, or are threatening to cause, serious injury. The authorities consider the ASEAN emergency safeguard mechanism to be in line with Articles 6 and 7 of the WTO Agreement on Safeguards.<sup>25</sup>

**(viii) Government procurement**

**(a) Introduction**

48. Singapore deposited its instrument of accession to join the WTO Agreement on Government Procurement on 20 September 1997.<sup>26</sup> The Government Procurement Act, 1997, was gazetted on 2 January 1998. There is no centralized procurement agency in Singapore; procurement is carried out by individual ministries, departments and statutory bodies. Procurement policies are formulated by the Ministry of Finance, which seeks to ensure that public procurement remains transparent, open, and fair. Some centralized purchasing is carried out by the Ministries of Finance (the Expenditure and Procurement Policies Unit, EPPU), Defence, and Health, and by the National Computer Board.

49. The annual value of government procurement has been declining since 1995, falling from almost 6% of GDP in 1995 to around 3% in 1998 (Table AIII.3).

**(b) Tendering procedures**

50. With the exception of a 2.5% preference margin granted to ASEAN members, for the procurement of goods and auxiliary services, under the ASEAN Preferential Trading Arrangement, Singapore grants national treatment to all suppliers, with tenders open to domestic and foreign suppliers alike. The preferential ASEAN margin of 2.5% may not exceed US\$40,000 per tender and is applied on the basis of the lowest evaluated and acceptable tender.

51. Depending on the overall value of the purchase, one of three procurement procedures are generally followed: small value purchases, quotations, or tendering. For procurement of goods and services with a value up to S\$1,000, procurement may be carried out by direct purchases from known sources. For goods or services valued between S\$1,000 and S\$30,000, quotations are invited from three or more domestic and/or foreign suppliers. The suppliers are approached directly by the procuring agency. Responsibility for such purchases lies with two officials, one to invite, receive, evaluate and recommend a supplier, and the other to approve the choice made by the first official. For procurement valued at above S\$30,000, formal tenders are called.

52. Three different types of tender may be invited by procurement agencies: open, selective or limited. Open tenders are advertised in the local newspapers and published in either the *National Gazette* or the Government Internet Tendering Information System (GITIS). Any supplier may participate in such tenders. Optionally, particularly for more complex tenders, procurement agencies may call for a two-stage, selective tender. For such tenders, an open invitation is first published in the local newspapers, inviting interested suppliers to submit themselves for pre-tender qualification. All qualified suppliers may apply for such pre-tender qualification. Following an evaluation of their capabilities to fulfil the tender requirements, a shortlist is drawn up from among the suppliers who responded to the initial invitation from which suppliers are invited to submit their tenders. Limited tenders are used in exceptional circumstances, in accordance with the criteria in Article XV of the WTO Government Procurement Agreement. The circumstances and reasons for

<sup>25</sup> Article 6 also allows for the use of quantitative restrictions or other import limiting measures to deal with such a situation or stop a serious decline in its monetary reserves.

<sup>26</sup> WTO document WT/Let/179, 26 September 1997. The Government Procurement Agreement entered into force for Singapore on 20 October 1997.

granting the procurement agency use of limited tenders are endorsed by the Permanent Secretary and submitted for approval to the Tenders Board.<sup>27</sup>

53. Apart from making available notices of open and selective tenders, the GITIS also publishes related details of tender offers received and the subsequent awards. The GITIS site also contains information on suppliers who have been evaluated by the relevant Government Registration Authorities for procurement purposes. Singapore has also developed the Mindef Internet Procurement System (MIPS), which allows electronic submission of quotations, issuing of purchase orders to suppliers, and invoicing by suppliers. The MIPS, currently used by the Ministry of Defence, is being enhanced and extended to all other Singapore public sector procurement agencies. Singapore participated in demonstrations of the Use of Information Technology in Government Procurement at the WTO in June 1998.

54. All suppliers are required to be evaluated and registered with the relevant Government Registration Authorities as a criterion for award of tender. There are three registration authorities: the Expenditure and Procurement Policies Unit (EPPU), for general goods and services; the Pharmaceutical Department of the Ministry of Health, for medical supplies and healthcare related goods and services; and the Construction Industry Development Board, for construction and construction services. The financial and track records of the suppliers are evaluated by these registration authorities, which issue suppliers with certificates allowing them to participate in future procurement tenders without undergoing separate evaluation for each tender. Registration, which requires payment of processing fees, is valid for three years.<sup>28</sup>

55. Complaints related to Government procurement may be directed to the Ministry of Finance, which investigates all complaints and appeals from suppliers, and initiates any remedial action if judged necessary. In addition, a Government Procurement Adjudication Tribunal, set up under the Government Procurement Act, will handle complaints of non-compliance with the WTO Agreement on Government Procurement.<sup>29</sup>

**(ix) State trading**

56. Singapore has notified the Secretariat that it does not have any state trading enterprises within the meaning of the working definition in paragraph 1 of the Understanding on the Interpretation of Article XVII.<sup>30</sup>

**(x) Import surveillance**

57. Singapore does not carry out any import surveillance activities.

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<sup>27</sup> WTO document, GPA/W/10, 5 March 1996.

<sup>28</sup> The requirements for registration include: proof of financial and technical competence; a record of previous supplies of the product for which the contractor wishes to register; a summary record of trading transactions undertaken in the past; the names and addresses of two reputable clients who can attest to the quality and reliability of services provided by the contractor; and registration with the Registry of Companies and Businesses. In addition, in some cases, foreign contractors intending to register for a financial category above S\$500,000 need to be incorporated under Singapore Law (Endeshaw, 1999).

<sup>29</sup> APEC Secretariat (1998).

<sup>30</sup> WTO document G/STR/N/3/SGP, 1 December 1997.



**(xi) Standards, sanitary, and phytosanitary measures****(a) Standards, testing, and conformity assessment**

58. The Singapore Productivity and Standards Board (PSB) was established on 1 April 1996, the result of a merger between the National Productivity Board and the Singapore Institute of Standards and Industrial Research (SISIR). The PSB operates from within the Ministry of Trade and Industry, and is charged with developing and establishing standards, and enhancing Singapore's competitiveness.<sup>31</sup> It is also Singapore's WTO enquiry point for standards.<sup>32</sup>

59. The PSB is headed by a Chairman and a 17-member Board of Directors (including the Chairman, Deputy Chairman and the Chief Executive of the PSB) representing industry, trade unions, government, professionals, and academics. The industry-led Standards Council, appointed by the PSB Board is responsible for providing strategic directions for the formulation and implementation of national standards. The process of formulating and establishing national standards and codes of practice is carried out by 11 Council Committees appointed by the Standards Council: two Products Standards Committees (PSCs), seven Standards Committees (SCs) and two Practice Committees (PCs).<sup>33</sup> The PSCs are responsible for establishing product standards, the PCs for establishing codes of practice, and the SCs for establishing product standards and codes of practice. Each of the Committees includes representation from government departments, trade and manufacturing organizations, professional institutions, and consumers.

60. National Standards, which are voluntary, are developed by consensus, involving participation by industry, academia, government, and other relevant organizations. A standard may be requested by any party and will be considered by the Standards Council as long as the need for it is justified.

61. National standards are developed by the PSB's Standards Division through inputs from industry, government, consumers, and other tertiary institutions. Following a request for a new standard, the Standards Council considers the request against the overall national priority; the relevant standard is prepared by a Technical Committee set up under each Council Committee, which submits the draft standard for approval to the Standards Committee. The draft standard is then submitted for public comment, some or all of which may be incorporated into the draft standard by the Council Committee. Draft standards are available for public comment for 60 days. The PSB publishes the status of the standardization programmes at intervals of six months, as required under the WTO Code, and notices on standards are published in its bimonthly newsletter – the *Standards and Testing News*. Following any changes, the standard is approved by the Council Committee and appears in the *National Gazette* before it is printed as a Singapore Standard. The process of developing and approving a standard takes around 36 months; the standard is gazetted about one month later.

62. In establishing standards, Singapore's policy is to adopt internationally accepted standards such as those developed by the International Organization for Standardization (ISO), the International Electrotechnical Commission (IEC), and Codex Alimentarius. At the end of March 1999, Singapore

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<sup>31</sup> According to the authorities, total factor productivity growth between 1990 and 1998 averaged around 1.2%.

<sup>32</sup> WTO document G/SPS/ENQ/1, 15 March 1995.

<sup>33</sup> The Committees are: the Building Materials Product Standards Committee; the Electrical and Electronic Product Standards Committee; the Chemical Standards Committee; the Food Standards Committee; the Industrial Safety Standards Committee; the Information Technology Standards Committee; the Mechanical Standards Committee; the Medical Technology Standards Committee; the Packaging Standards Committee; the Construction Industry Practice Committee; and the Electrical Industry Practice Committee.

had 850 standards, of which over 30% were aligned with international standards (Tables III.9 and III.10). This ratio has increased from around 24% in March 1997. Although the ratio of Singapore standards that are similar to international standards is relatively low, alignments in certain areas, notably in electrical and electronic products, environment, information technology, machinery, medical, and quality control are much higher than 50% (Table III.10). Alignment with international standards is relatively low in industries such as construction and industrial safety, in which standards tend to be more country and environment specific and in which the authorities say there is a lack of corresponding international standards.

**Table III.9**  
**Standards in Singapore, 1995-99**

	1995	1996	1997	1998	1999 <sup>a</sup>
Total number of standards	704	736	755	829	850
Per cent equivalent to ISO standards	..	15.5	15.6	20.9	21.53
Per cent equivalent to IEC standards	..	4.9	7.8	8.6	8.47
Total per cent equivalent to international standards	..	20.4	23.4	29.5	30.0 <sup>b</sup>

.. Not available.

a As at 31 March 1999.

b The percentage figure for the total number of standards equivalent to international standards is derived from the total number of standards classified under ISO/IEC guide 21, 1981, as either equivalent or identical. This figure is different from the figures showing alignment of national standards with international standards in Table III.10.

Source: Data provided by the Singapore authorities.

**Table III.10**  
**Alignment of Singapore standards with international standards, 1997-99**

Sector/Industry	31 March 1997		31 March 1998		31 March 1999	
	No. of Singapore standards	Percentage aligned with international standards	No. of Singapore standards	Percentage aligned with international standards	No. of Singapore standards	Percentage aligned with international standards
Quality	6	100.0	6	100.0	7	100.0
Environment	5	100.0	5	100.0	5	100.0
Information technology	7	42.9	7	42.9	23	56.6
Electrical/electronic industry	164	41.5	170	51.8	178	56.2
Mechanical	76	36.8	96	52.1	128	59.4
Chemicals	172	26.7	172	26.7	175	26.3
Food	67	16.4	68	16.2	69	17.4
Industrial safety	21	9.5	22	9.1	23	8.7
Packaging	33	3.0	34	2.9	45	20.0
Building/construction	132	0.8	141	1.4	142	1.4
Other	53	22.6	53	18.9	53	18.9
Medical	..	..	2	100.0	2	100.0
<b>Total</b>	736	24.9	776	29.1	850	33.4

.. Not available.

Source: Data provided by the Singapore authorities.

63. In 1997 the PSB introduced the Product Listing Scheme (PLS); products that are tested and are found to comply with the relevant standard are listed in the Directory of certified PLS products

and issued with a PSB Certificate of Compliance.<sup>34</sup> The PSB, through its Testing and Evaluation Division, also provides testing services for mechanical and fire-fighting equipment; electrical and electronic products; and in the fields of chemicals and microbiology.

64. Other activities include upgrading of the national measurement infrastructure and helping companies to meet local and overseas quality and safety requirements. In this respect, the PSB provides training courses on calibration and measurement and has recently developed a joint certificate programme on calibration with Ngee Ann Polytechnic; for quality and safety requirements, the PSB has trained over 200 food-industry personnel and assisted ten companies to establish their hazard analysis critical control point systems to meet local and overseas requirements.

65. The PSB has also sought international accreditation. It has been accredited by the Dutch Council for Accreditation (RvA) for its ISO 9000 and QS 9000 schemes and is currently in the final stages of receiving accreditation from the RvA for its ISO 14000 scheme. The PSB is also a member of the International Certification Network (IQNet), an international organization of 26 major national certification bodies, and has issued more than 150 IQNet certificates. Bilateral memoranda of understanding (MOUs) have also been signed with certification bodies in major markets.<sup>35</sup>

66. Singapore has been involved in the APEC voluntary action plan for member States. In 1997, the first ever Asia-Pacific Laboratory Accreditation Cooperation (APLAC) multilateral mutual recognition arrangement was signed; the Singapore Laboratory Accreditation Scheme (SINGLAS) was one of the signatories. The SINGLAS Secretariat, which was managed by the PSB, was handed over to the Singapore Accreditation Council (SAC) in 1998-99.<sup>36</sup> Singapore also participates in the activities of key standards organizations including the ISO, the IEC and the Codex Alimentarius Commission of the Food and Agriculture Organization/World Health Organization.<sup>37</sup>

67. As part of the goal to raise productivity growth, industry is actively encouraged to raise the quality of goods and services and to bring them up to international standards through various national quality management system certification schemes. Through its Quality Assurance Division, the PSB offers a series of related certification schemes for organizations wishing to improve their business performance and quality of products. The certification schemes are open for application by all industries, including for imports. In 1998, the PSB launched the ISO 9000 certification scheme, which has since resulted in almost 1,000 certificates being issued. Other schemes include the PSB ISO 14000 and 14001, relating to environmental management; and the QS 9000 quality management

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<sup>34</sup> As of April 1999, 59 products were on the PLS list. They include fire-fighting equipment, sanitary fittings, and building materials.

<sup>35</sup> For example, Singapore has MOUs with the Japan Audit and Certification Organization (JACO) on ISO 14000 environmental management certification, allowing parallel ISO 14000 certification from JACO at no extra cost for companies already certified by PSB in Singapore; the Electrical and Mechanical Services Department of Hong Kong, which recognized PSB as a certification body for testing of electrical and electronic product safety and electromagnetic compatibility; and the Japan Electrical Safety and Environment Technology Laboratories (JET) on "T-Mark" and product testing concerning electrical and electronic safety, allowing manufacturers exporting to Japan to be accepted by JET without further testing.

<sup>36</sup> The SAC was established in October 1996 as a result of a memorandum of understanding between the Ministry for Trade and Industry and the Singapore Confederation of Industries.

<sup>37</sup> The PSB is a member of 214 ISO/IEC standards committees and working groups, and has been a member of the International Bureau of Weights and Measures (BIPM). It was among 36 signatories of a draft document to establish mutual recognition of national measurement standards and calibration certificates issued by national metrology institutes. Singapore has also been active in developing standards for services and hosting seminars on the subject.

systems certification scheme, launched in June 1997, which relates to mandatory schemes introduced by the three largest U.S. automobile manufacturers.<sup>38</sup>

(b) Technical regulations

68. Mandatory technical regulations apply to a number of sectors including machinery, telecommunications, medical devices, electrical and electronic products, and food; the regulations apply equally to imported and domestically produced goods. The PSB administers the mandatory Singapore Consumer Protection (Safety Requirements) Registration Scheme, under the Consumer Protection (Safety Requirements) Regulations, (Cap 53). A total of 31 items are covered by the scheme, most of them electrical and electronic appliances, compared with 17 at the time of the previous Review.<sup>39</sup> The Consumer Protection (Safety Requirements) Regulations (Cap 53), gazetted in 1991, currently has around 7,300 models of controlled goods registered, all required to carry the Singapore Safety Mark. According to the authorities, the scheme has been successful: the total number of reported accidents involving electrical, electronic, and gas appliances has declined from 42 in 1993 to around 10 since 1995.<sup>40</sup>

69. Mandatory technical regulations are also administered by the Department of Industrial Safety (DIS), the Telecommunications Authority of Singapore (TAS), the Ministries of Health and Environment, and the Public Utilities Board (Table III.11).

**Table III.11**  
**Technical regulations in Singapore**

Regulation/Legislation	Implementing agency	Description of the regulations
Consumer Protection (Safety Requirements) Regulations, (Cap 53)	Singapore Productivity and Standards Board	Currently 31 categories of consumer products (27 categories of electrical and electronic products and 4 categories of gas products).
Medicines Act, (Cap 176)	Ministry of Health	The Medicines Act defines criteria for safety, quality and efficacy. Product registration and inspection of the manufacturer must be in conformance with Good Manufacturing Practice (GMP) Standards.
Public Utilities (Electricity) Regulations, 1997	Public Utilities Board	14 electrical accessories and equipment that must be tested to conform to required standards.
Sewerage and Drainage Act, 1999	Public Utilities Board; Sewerage Department	Sanitary wares, pipes and fittings, and frames and covers must be tested before being installed.
Type approval of Line Terminal Equipment	Telecommunications Authority of Singapore	Type Approval Schemes – (i) Equipment Submission Procedure; (ii) Manufacturer's Declaration of Conformity (MDC) Procedure; and (iii) Equipment under the General Approval (GAP) Scheme.
Type Approval of Radio-communication Equipment	Telecommunications Authority of Singapore	Type Approval Schemes – (i) Equipment Submission Procedure and (ii) Manufacturer's Declaration of Conformity (MDC) Procedure.
Environment Pollution Control (Vehicular Emissions) Regulations, 1999	Ministry of Environment	Emission standards conform with EEC Emission Directives 93/59 EEC (for new diesel-driven passenger cars and for new light commercial vehicles equal to or below 3.5 tonnes) and 91/542 EEC (for new heavy-duty vehicles above 3.5 tonnes).

Source: Singapore authorities.

<sup>38</sup> Singapore Productivity and Standards Board (1998).

<sup>39</sup> The list consists of adaptors, air coolers, coffee makers and similar appliances, components of the LPG gas system, cooking ranges, decorative lighting fixtures, gas canisters, gas cookers, hair dryers, high fidelity sets, home computer systems, immersion water heaters, electric irons, electric kettles, laser disc sets, microwave ovens, mixers and similar appliances, mobile split air conditioners, portable gas cooking appliances, refrigerators, rice cookers, room air conditioners, table/standing lamps, table/standing fans, televisions, toasters, grills and similar appliances, vacuum cleaners, video cassette recorders, wall/ceiling fans, and washing machines (Consumer Protection (Safety Requirements) Regulations, 1991, with amendments in 1992, 1995 and 1999).

<sup>40</sup> Singapore Productivity and Standards Board (1998).

(c) Sanitary and phytosanitary measures

70. Singapore maintains stringent standards on agricultural and food safety while recognizing foreign national standards and testing carried out by competent foreign authorities in accordance with internationally accepted protocols.

71. Imports of live animals and animal products are regulated under the Animals and Birds Act to prevent the introduction and spread of disease in Singapore. Under the Act and its Regulations, a licence or permit is required from the Director of the Primary Production Department (PPD), within the Ministry of National Development, for imports and transshipment of animals, birds, and related products. The Primary Production Department also administers quarantine programmes under the Animals and Birds (Quarantine) Rules to prevent the introduction and spread of disease. Singapore accredits abattoirs and other establishments in a number of countries to export specific meat and meat products to Singapore, which, once they are imported, are subject to laboratory testing.<sup>41</sup>

72. The import and sale of all food products is regulated under the Sale of Food Act and its Regulations. Imports of meat and fish products, currently regulated under the Animals and Birds Act for meat and the Fisheries Act for fish, are to be regulated under the Wholesome Meat and Fish Act, which came into force later on 10 December 1999. Under the new Act, licences and permits will be required from the PPD for all imports, exports, and transshipments of animal and fish products. The licence will be renewable annually. Permits will be issued for each consignment and may restrict or prohibit imports from, or exports to, any country, territory, place, farm, slaughterhouse or processing establishment. The restriction, which will be imposed for public health reasons, will remain in place as long as the threat to public health is perceived to remain.

73. Phytosanitary regulations on imported and domestically produced plants and agricultural products are maintained under the Control of Plants Act. All imports of plants must be declared to be free of pests listed in the Control of Plants Act (Plant Importation Rules); the list may be amended by the Minister of National Development from time to time. The Control of Plants Act also restricts imports of certain types of plants unless accompanied by a licence issued by the Primary Production Department.<sup>42</sup> In addition, to prevent the introduction and spread of disease in Singapore, phytosanitary certificates from the country of origin are required for imports of plants intended for further cultivation, including seeds intended for sowing, mushroom spawn, and fresh ornamental foliage and branches. All imports of fresh fruit and vegetables must be tagged to indicate their source and may be subject to inspection at the border by the Primary Production Department to ensure that pesticide levels are safe.<sup>43</sup>

74. Phytosanitary and sanitary regulations for transshipment of fruit and vegetables were recently included under the Control of Plants (Imports and Transshipment of Fresh Fruit and Vegetables) Rules, 1999. As for imports, annual licences are issued for the transshipment of fruit and vegetables. Each consignment, must also be accompanied by an import permit issued by the PPD. Under the new regulations, the Director of the PPD may restrict or prohibit transshipment of fruit and vegetables if

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<sup>41</sup> Accredited establishments have been approved in Argentina, Australia, Belgium, Botswana, Brazil, Canada, China, Chinese Taipei, Denmark, Finland, France, Germany, Ireland, Israel, Japan, Malaysia, the Netherlands, New Zealand, South Africa, Sweden, Switzerland, Thailand, the United Kingdom, the United States, and Uruguay.

<sup>42</sup> Plants requiring import certificates under the Third Schedule include, banana, cassava, citrus, cocoa, coconut, coffee, cotton, maize, oil palm, pineapple, rice, rubber, sugarcane, and tea; plants, fresh fruit, vegetables, flowers and seeds from the American tropics; potted plants; soil and organic manures; and insects and micro-organisms.

<sup>43</sup> Ministry of National Development, Primary Production Department (undated).

considered necessary to protect public health and to control the spread of disease. Singapore has developed some broad guidelines on imports of agricultural products derived from genetically modified organisms. The specifics of the guidelines, such as labelling, are still being studied.

(d) Labelling and packaging requirements

75. Labelling and packaging requirements, which apply equally to domestically produced and imported products, are specified in various laws including the Sale of Food Act for food products and the Poisons Act and its Rules and the Medicines Regulations for pharmaceutical and medical products.

76. Labelling of all food products is required under the Sale of Food Act, which was first enacted in 1973, and is administered by the Ministry of the Environment. The general requirements are that labels should be displayed in English and should contain: the common name or description of the food; statement of ingredients; the net content; as well as the name and address of the manufacturer, packer or local vendor for locally produced food or the name and address of local importer, distributor or agent and the country of origin for imported products. In addition, 19 groups of food products, basically perishable food products and food products with shorter shelf-life, are to be date-marked. Foodstuffs with nutritional claims should bear a nutrition information panel on the label. Products containing tartrazine should be clearly labelled and caution notes should be on labels of products containing aspartame and royal jelly. For fresh and chilled dressed poultry, the label should include details of the service abattoir and the date of slaughter for locally slaughtered poultry and the country of origin for imported dressed poultry. There are also special labelling requirements for certain products such as mineral water. For imported meat and fish, the requirements are: product description, country of origin, brand name (if any), the establishment name and number, slaughter, packaging and processing dates, net weight and batch number or, in the case of canned meat, the can code. Meat derived from locally slaughtered animals is examined and marked by inspectors from the PPD (for pork, beef, and mutton).

77. In 1992, the Singapore Green Label Scheme was launched by the Ministry of the Environment. It is currently administered by the Singapore Environment Council. There are presently 29 product categories in the scheme. The qualifying criteria for each product category are drawn up by Specialist Technical Workgroups and approved by the Advisory Committee and Approving Board of the Scheme. Testing requirements vary for the different product categories but are generally based on methods described in established international standards where these are applicable. The scheme is voluntary and is available for a number of products except for food, beverages, and pharmaceutical products. Medical and pharmaceutical labelling and packaging requirements are administered by the National Pharmaceutical Administration in the Ministry of Health. Since the previous Review, labelling requirements were put in place for cosmetics and Chinese proprietary medicines, in 1997 and 1999, respectively.

(xii) Other measures

(a) Countertrade

78. Countertrade by the private sector is encouraged by the authorities. Indeed, the Singapore Trade Development Board (TDB) provides a five year tax holiday for firms engaged in countertrade under the Countertrade Pioneer Scheme. Firms may qualify for the tax holiday if they meet certain conditions set by the Trade Development Board; according to the authorities, in general, firms must establish a separate company to engage solely in countertrade, have established international trading

links, and employ an agreed number of trained personnel. Currently there appears to be one company engaged in countertrade under this scheme.<sup>44</sup>

(b) Free-trade zones

79. There are nine free-trade zones in Singapore, which provide duty-free storage facilities for dutiable goods, and where traders may repackage and re-export goods with minimum customs requirements.<sup>45</sup> However, as several of these zones are inter-connected, there are effectively five free-trade zones, at Singapore-Changi Airport; Keppel; Jurong; Pasir Panjang; and Sembawang (Table III.12). Three of these free-trade zones (Keppel, Sembawang and Pasir Panjang) are administered by the PSA Corporation Limited while the Jurong and the Changi free-trade zones (for airborne cargo) are administered by the Jurong Town Corporation and the Civil Aviation Authority of Singapore (CAAS), respectively.

**Table III.12**  
**Free-trade zones in Singapore, 1999**

Zone	Activity
Port of Singapore	Containerized cargo
Port of Singapore (Keppel Distripark)	Less than full container (LCL) cargo
Port of Singapore (Keppel Distripark Linkbridge)	Less than full container (LCL) cargo
Port of Singapore (Sembawang Terminal)	Conventional cargo
Port of Singapore (Pasir Panjang Wharves)	Conventional cargo
Port of Singapore (Brani Terminal)	Containerized cargo
Port of Singapore (Pasir Panjang Terminal)	Containerized cargo
Port of Singapore (Jurong Port)	Conventional cargo, dry bulk cargo
Changi Airport Cargo Terminal Complex	Air cargo

*Source:* Information provided by the Singapore authorities.

80. Most goods entering the zones are allowed to do so without any customs formalities. The exceptions are: the movement of goods from a free-trade zone into a customs territory or to another free-trade zone; transshipment of dutiable goods through the same free-trade zone, except for dutiable goods transshipped by air under a through airway bill, or by sea under a through bill of lading in containerized packaging; movement of certain goods, such as dutiable goods, goods from a bonded warehouse, and goods that had been temporarily imported, from the customs territory into a free-trade zone. Permission to assemble products in the free-trade zones may be granted depending on the nature of assembly/manufacture to be carried out.<sup>46</sup>

81. A number of incentives are provided to encourage the use of the free-trade zones. These include free storage for up to 72 hours for imports and exports of conventional cargo and imports of containerized cargo; free storage for up to seven days for exports of containerized cargo; free storage for up to 28 days for transshipment or re-export of all cargo; extended storage of goods until market

<sup>44</sup> A total of 11 companies have been granted Pioneer status since the inception of the scheme in 1986; currently only one company remains under the scheme.

<sup>45</sup> These are: Port of Singapore–Free-Trade Zone; Port of Singapore (Sembawang Terminal)–Free-Trade Zone; Port of Singapore (Pasir Panjang wharves)–Free-Trade Zone; the Port of Singapore (Brani Terminal)–Free-Trade Zone; Port of Singapore (Keppel Distripark)–Free-Trade Zone; Port of Singapore (Keppel Distripark Linkbridge)–Free-Trade Zone; Port of Singapore (Pasir Panjang Terminal)–Free-Trade Zone; Port of Singapore (Jurong Port)–Free-Trade Zone; and Changi Airport Cargo Terminal Complex–Free-Trade Zone.

<sup>46</sup> Details of these activities are given in the Free-Trade Zones (Manufacture) Regulations.

conditions for re-export or local use become favourable; and freedom from customs duty and customs documentation while goods remain in the free-trade zones. In addition, goods stored in the zones may be exhibited or sold within the zones. Alcoholic products that are transiting through Singapore may be stored in any of the zones for any period of time pending transshipment. In all other cases they must be removed from the free-trade zone within 14 days of the vessel's arrival in Singapore.

82. No data was available on the percentage of total trade conducted through the free-trade zones.

### **(3) MEASURES DIRECTLY AFFECTING EXPORTS**

#### **(i) Registration and documentation procedures**

83. All exporters are required to register with the Trade Development Board (TDB) for a Central Registration Number. Under the Regulation of Imports and Exports Act, 1995, an export permit from the TDB, and Customs, where necessary, is required for all exports. Permits for items not subject to export restrictions may be obtained within three days of exporting the product. The permit is approved subject to the condition that the product in question is not a strategic high-technology product requiring import certificate and delivery verification (ICDV).<sup>47</sup> For items subject to export prohibitions or testing requirements, a licence must be obtained from the relevant controlling agencies. As is the case for imports, export formalities have been greatly simplified by the introduction of an electronic data network (Tradenet), which provides a single window for all import and export documentation processing.

#### **(ii) Export taxes and other charges**

84. Singapore has no export taxes or levies.

#### **(iii) Export prohibitions, restrictions and licensing**

85. Under the Regulation of Imports and Exports Act, 1995, Singapore prohibits exports of certain products to certain countries, including exports of all products to Iraq, except those included in the "Oil for Food" Programme; since 1996, Singapore has imposed new export prohibitions on selected products to Angola, Rwanda, Liberia, Libya, Sierra Leone, and Yugoslavia in accordance with United Nations Security Council Resolutions.<sup>48</sup>

86. Singapore also prohibits exports of some other products for public health, public security or environmental reasons. Again, these prohibitions are applied as part of Singapore's obligations under international treaties or agreements, such as the Montreal Protocol on Substances that Deplete the Ozone Layer, and the Chemical Weapons Convention. Singapore has also stopped all exports of ivory and derivatives of tiger and rhinoceros horn listed under the CITES Convention.

87. Export licensing is governed by the legislation of the respective controlling authorities. Export licences are applied for health, safety and environmental protection reasons and in compliance with international obligations. The products subject to export licensing include arms and ammunition,

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<sup>47</sup> High-technology products that are subject to export controls in certain countries may be exported once the TDB has issued an import certificate and delivery verification (ICDV). For exports under the ICDV, the exporter is obliged to export only to the declared end-user as approved by the supplying country. In the case of imports, the importer must ensure that the product enters Singapore for local use and is not transshipped to another destination.

<sup>48</sup> As of April 1999, the United Nations Security Council has suspended sanctions against Libya until further notice.



for which a licence must be obtained from the Arms and Explosives Branch of the Singapore Police Force<sup>49</sup>; morphine, heroin and other products listed under the Single Convention on Narcotics Drugs, 1961 and the Convention on Psychotropic Substances, 1971; and all animals, birds, plants, and wildlife covered by the CITES Convention, for which licences may be obtained from the Primary Production Department of the Ministry of National Development.

**(iv) Export restraints**

88. Under the WTO Agreement on Textiles and Clothing (ATC), Singapore maintains three bilateral export restraints, with Canada, the European Union, and the United States.

**(v) Export-processing zones**

89. There are no export-processing zones in Singapore, although packaging activities for re-export are carried out in the free-trade zones. All goods destined for the free-trade zones enter free of all customs duties and charges but, in the case of dutiable goods, are subject to normal customs formalities and tariffs if they subsequently enter the local market.

**(vi) Export assistance**

**(a) Drawback and other schemes**

90. Duty drawback may be granted to exporters under the Customs Act. According to the authorities, however, Singapore has not used this provision since the 1960s.

**(b) Tax concessions**

91. In general, tax relief and tax concessions are offered under a number of programmes to companies investing in Singapore (section (4)(iv) below). Nevertheless, Singapore notified the WTO that it does not grant or maintain any subsidy within the meaning of Article 1.1 of the Agreement on Subsidies and Countervailing Measures, which is specific within the meaning of Article 2 of the Agreement. Previously notified subsidies, such as the International Trade Incentive and Production for Export Incentive programmes, were discontinued, while the Double Tax Deduction scheme was amended to bring it into conformity with the WTO Agreement on Subsidies and Countervailing Measures.<sup>50</sup> Under the latter scheme, companies may deduct against their taxable income, twice the eligible expenses incurred in activities aimed at developing their international trade. These activities include participating in local and/or overseas exhibitions and missions, market research, master licensing/franchising, advertising in publications, and printing of corporate brochures.

92. Some tax concessions are currently granted to companies engaged in international trade. The Trade Development Board (TDB) offers a concessional tax rate of 10% (normally 26%) for income derived from international trading activities in petroleum products, for up to five years, under the Approved Oil Trader Incentive, and for non-petroleum products for five years, under the Approved Trader Incentive programme (Table III.13). A tax holiday is also offered to encourage countertrade (section (2)(xii)(a) above).

<sup>49</sup> Products such as military clothing, steel helmets, handcuffs, and toy guns need export licences.

<sup>50</sup> WTO document G/SCM/N/48/SGP, 1 July 1999. The key change to the Double Tax Deduction Scheme was the removal of the export condition to qualify for the scheme.

**Table III.13**  
**Incentives provided by the Trade Development Board**

Scheme	Eligibility	Incentive
Pioneer Status Scheme for countertrade	Companies engaging solely in countertrade may obtain pioneer status.	Exemption of income tax on profits arising from countertrade for five years.
Approved Oil Trader Incentive	Established oil traders with good worldwide networks, strong track record, with a substantial volume of physical trade carried out on a principle basis.	Concessionary tax rate of 10% on income derived from international trading activities in approved oil products for up to five years.
Approved International Trader Incentive	Similar to those for Approved Oil Trader Incentive.	Concessionary tax rate of 10% on income derived from international trading activities in approved non-oil products for up to five years (renewable).
Approved International Shipping Enterprise Incentive	International shipping companies establishing operations in Singapore.	Exemption of income tax on profits arising from international shipping.
Approved Aircraft Incentive	International aircraft operating lessors.	Concessionary tax rate on income derived from offshore aircraft leasing operations.
Approved Cyber Trader (ACT) Incentive	Companies establishing principal internet electronic commerce operations in Singapore.	Concessionary tax rate of 10% on offshore income derived from electronic commerce activities in qualifying products and services for five years.

*Source:* The Singapore authorities.

(c) Export finance, insurance, and guarantees

93. Export insurance for companies selling on credit, and for non-payment caused by political and/or commercial factors, is provided by ECICS Credit Insurance Limited, a subsidiary of the Export Credit Insurance Corporation of Singapore (ECICS) Holdings Limited (a subsidiary of Temasek Holdings, a Government holding company). ECICS Credit Insurance provides comprehensive policies for exporters engaged in the export and re-export of goods and services on a regular basis and for cases where credit is not normally granted for over six months; and specific policies for exports of capital goods and intermediates or services that are non-repetitive exports and involve credit granted for longer than a year. ECICS does not receive any government funding or reinsurance support for underwriting commercial and political risks. ECICS also provides bond and guarantee underwriting through a subsidiary company the ECICS – COFACE Guarantee Co. (S) Ltd.<sup>51</sup>

94. ECICS also provides political risk insurance for Singapore investors investing overseas. This is through an Overseas Investment Insurance policy, which covers expropriation, war and civil war risks, and restrictions on remittances of profits and dividends.

(d) Export facilitation and marketing assistance

95. In addition to its tax incentive programmes, the TDB offers assistance to Singapore-based companies trying to expand trade. The Board currently has an overseas network of 32 offices that market products abroad; trade fairs are organized to publicize Singapore products and companies. As a result partly of the Asian financial crisis, the TDB has also stepped up efforts to explore and expand trade opportunities in non-traditional markets outside the region, including through trade and investment missions to various countries.

96. Extensive use is made of the electronic media to facilitate customs procedures and provide information to companies. These including TradeNet, an electronic data interchange network for trade documentation; the Trade Register System, which enables traders to obtain registration and

<sup>51</sup> Singapore International Chambers of Commerce (1998).

licensing requirements; and the Electronic Visa Information System for exports of textiles and clothing to the United States.

**(vii) Measures maintained by importing countries**

97. Exports from Singapore receive preferential treatment under the Generalized System of Preferences (GSP). However, the value of its exports under the GSP has been falling over the years because of declining tariff rates in its export markets. The value of Singapore's exports under the GSP fell from around 5.4% of GDP in 1995 to 0.4% in 1998 (Table III.14).

**Table III.14**  
Singapore's exports under the Generalized System of Preferences, 1995-99  
(S\$ million)

	1995	1996	1997	1998	1999 <sup>a</sup>
European Union	5,677	1,015	740	298	0
Japan	417	353	312	239	207
Canada	81	42	42	42	38
Other countries	198	157	76	38	25
Total	6,373	1,567	1,170	617	270
(% of GDP)	5.4	1.2	0.8	0.4	0.3

a January to September 1999.

Source: Data provided by the Singapore authorities.

98. Between 1996 and October 1999 exports from Singapore were subject to anti-dumping measures taken by Australia, the European Union, and the Republic of Korea. The products involved were polystyrene resin, fax machines, and electric smoothing irons. One investigation by South Africa concerning exports of tyres was terminated in December 1997. Two investigations are currently being carried out, by Australia and India (Table III.15).

**Table III.15**  
Anti-dumping measures maintained on exports from Singapore, 1996 to October 1999

Product	Country	Date of initiation	Measure taken
Polystyrene resin	Australia	11/12/97	Final (24/12/98)
Polyvinyl chloride homopolymer resin	Australia	01/04/99	..
Fax machines	European Union	01/02/97	Final (30/04/98)
Polystyrene resin	India	18/03/99	..
Electric smoothing irons	Korea Rep. of	23/10/97	Final (06/08/98)
Tyres	South Africa	24/01/97	No final (12/12/97)

.. Not available

Source: WTO notifications.

**(4) MEASURES AFFECTING PRODUCTION AND TRADE**

**(i) Registration and licensing procedures for establishment**

99. All businesses, including foreign companies, established in Singapore must be included in the Registry of Companies and Businesses (RCB), managed by the Registrar of Companies and Businesses. Enterprises may be established either under the Companies Act (Chapter 50) or the

Business Registration Act (Chapter 32). Under the Companies Act, enterprises may incorporate as Singapore companies or register as foreign companies, while under the Business Registration Act, enterprises may be established as sole proprietorships or partnerships.

100. Under the Companies Act, which forms the basis for company law in Singapore, any two or more persons may form an incorporated company by subscribing to at least one share each, stating their names in a Memorandum of Association, and complying with registration requirements. Any business with over 20 partners is required to register as a company. Regarding liability, three types of company may be formed under the Act: a company limited by shares, where liability is limited to the number of shares taken up by the shareholders; a company limited by guarantee, where liability is limited to the amount undertaken by members to contribute to the assets of the company on winding up; and an unlimited company. Foreign companies wishing to register in Singapore under the Companies Act must have registered offices in Singapore and at least two agents who are natural persons, both of whom are ordinarily resident in Singapore.<sup>52</sup>

## **(ii) Taxation**

### **(a) Indirect taxes**

#### *Goods and services tax*

101. The goods and services tax (GST) is levied on domestic consumption of most goods and services (section (2)(v)(a)).

#### *Excise tax*

102. Excise taxes are applied to alcohol, tobacco, petroleum products, and motor vehicles (section 2(v)(a)).

#### *Stamp duty*

103. Stamp duty is levied on instruments relating to immovable property, and stocks and shares. The current stamp duty rates on the transfer of immovable property are 1% for the first S\$180,000, 2% for the next S\$180,000 and 3% on the remaining value. Stamp duty on contract notes and on the transfer of stocks and shares is 0.05% and 2%, respectively. However, the stamp duty on contract notes for share transactions was suspended for two years until 30 June 2000, as part of the package of measures introduced by the Government of Singapore to help businesses cut costs during the Asian financial crisis.

### **(b) Direct taxes**

104. Income taxes in Singapore are imposed on income derived in Singapore and foreign income received in Singapore.<sup>53</sup> Personal income tax, which is charged on a sliding scale, ranges from 2% (on the first S\$7,500 of chargeable income per year) to 28% (on every dollar of chargeable income

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<sup>52</sup> In addition, at least one secretary in the company must be a natural person with the principal or only place of residence being in Singapore (Singapore International Chambers of Commerce, 1998).

<sup>53</sup> Only income earned abroad by a non-resident individual and received in Singapore is not taxed in Singapore.

exceeding S\$400,000 per year). As of assessment year 1997, non-residents are generally liable to a flat rate of 26%.<sup>54</sup> Capital gains, in general, are not taxable in Singapore.

105. The Corporate Income Tax applies to income derived by all companies incorporated or registered in Singapore. The tax, which is charged on adjusted net profits less depreciation allowances, is 26%, reduced from 27% in assessment year 1996 and from 30% in assessment year 1993. As part of the Government's assistance to business in the Asian financial crisis, a 10% rebate was granted on corporate income tax excluding Singapore dividends and income subject to final withholding tax for assessment year 1999. Singapore operates an imputation system so that when a dividend is paid by a company resident in Singapore, the tax paid by the company is imputed to the shareholder (whether tax resident or non-resident). The shareholder is thus taxed on the grossed-up dividend and a credit for the tax of 26% paid by the company is then allowed against the personal tax assessed on the shareholder. Imputation credits are accorded to Singapore residents and non-residents alike.

106. Accelerated depreciation allowances of 33.33% are available for all plant and machinery, with the exception of certain motor vehicles, in line with the Government of Singapore's traffic management policy. In addition, up to 100% depreciation (a one-year write-off) is available for expenditure on robots, computers, prescribed automation equipment, standby generators, qualifying pollution control equipment, and qualifying energy conservation equipment. In addition to accelerated depreciation, Singapore provides a wide range of other tax incentives aimed at attracting foreign investment (section (iv)(a) below).

107. Singapore levies income taxes on a worldwide (or residence) basis, so that, in order to be taxable, income must be accrued in or derived from Singapore, or received in Singapore from abroad; this is necessary for the achievement of capital export neutrality (CEN).<sup>55</sup> To relieve the burden of international double taxation on foreign-sourced income received in Singapore, a credit is allowed for foreign taxes collected on income derived from a country with which Singapore has a double taxation agreement.<sup>56</sup> Singapore has signed double taxation agreements with most of its main trading partners (Chapter II(5)(iv)). In the absence of a double taxation agreement, a unilateral tax credit is provided on foreign tax paid on foreign branch profits, foreign employment income, foreign dividends, and specified service income from certain countries.

#### *Property tax*

108. Property tax is payable biannually and is based on the percentage of gross annual value of the property.<sup>57</sup> The standard rate is 12% of the annual value, although a concessional rate of 4% is charged for single owner-occupied residential property only. Vacant land is taxed at a rate of 12% of 5% of the value of the land. Properties with annual values of up to S\$18 and buildings or parts of buildings used exclusively for religious worship, public education and charitable purposes as well as for purposes conducive to the social development of Singapore are exempt from payment of property

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<sup>54</sup> In assessment year 1998, as part of measures taken by the Government to ease pressures resulting from the Asian financial crisis, resident individuals were granted an across-the-board, one-off 5% tax rebate as a measure of relief.

<sup>55</sup> CEN obtains when the same amount of foreign and domestic taxes are paid on an identical investment no matter where the investment is undertaken.

<sup>56</sup> The credit is limited to the tax payable in Singapore on that income, had it been earned instead in Singapore, or the tax paid in the foreign country, whichever is lower.

<sup>57</sup> Gross annual value is defined as the gross amount at which the property could reasonably be expected to be let from year to year with the landlord paying for repairs, insurance, maintenance or upkeep and all taxes other than the GST.

tax. Effective February 1998, the property tax exemption for land under development (which was withdrawn on 2 March 1995 and reinstated from 27 February 1998) will be granted for a period of up to five years.

### (iii) Industrial strategy and the public sector

#### (a) Statutory boards

109. The Government's industrial strategy, although largely private-sector driven, has nonetheless entailed various policies and may include incentives.<sup>58</sup> The strategy has consisted of providing general policy direction and developing certain key sectors, mainly through the establishment of statutory boards and public sector enterprises.

110. Statutory boards were created by the Government of Singapore to implement the desired economic and social policy. Their present role is mainly to regulate and/or promote economic activities in desired high-growth areas, and to provide technical and marketing assistance to investors and exporters in desired economic activities as outlined in the Government's industrial strategy. As part of this strategy, they may also administer tax and non-tax incentives. Two key statutory boards responsible for industrial development are the Economic Development Board (EDB) and the Trade Development Board (TDB). Their roles are, respectively, to spearhead industrialization and to develop and promote Singapore's international trade. In addition, a number of statutory boards were created to regulate key services sectors such as financial services, telecommunications, and transport (Table III.16).

**Table III.16**  
**Major trade-related statutory boards in Singapore**

Statutory Board	Function/Sector
Trade Development Board (TDB)	Trade policy; trade promotion; trade facilitation
Economic Development Board (EDB)	Investment promotion; investment policy; industry development
Jurong Town Council (JTC)	Development and management of industrial estates
Monetary Authority of Singapore (MAS)	Regulation and supervision of the banking, insurance, securities and futures industries
Land Transport Authority (LTA)	Land transport; licensing and regulation of motor vehicle traffic
Maritime Port Transport Authority (MPA)	Shipping and ports
Civil Aviation Authority of Singapore (CAAS)	Air transport
Singapore Tourism Board (STB)	Tourism
Telecommunications Authority of Singapore (TAS)	Telecommunications
National Computer Board (NCB)	Electronic commerce; information technology
National Science and Technology Board (NSTB)	Science and technology; technopreneurship development
Central Provident Fund (CPF)	National savings for old age, health care and home-ownership
Singapore Productivity and Standards Board (PSB)	Standards and conformance; improvements in productivity
Public Utilities Board (PUB)	Regulation of electricity and piped gas industries; water authority

Source: Government of Singapore.

111. The Economic Development Board (EDB), within the Ministry of Trade and Industry, is the main government agency with responsibility for implementing the Government's industrial and development policies (Box III.1). The EDB provides investment promotion services to identify business opportunities in Singapore and in the Asian region, and incentives to attract investment to

<sup>58</sup> Singapore International Chambers of Commerce (1998).

certain activities (section (iv)(a) below). For example, to respond to the economic recession in 1985, an Economic Committee was formed, which recommended strengthening of the manufacturing and services sectors, having identified these sectors as twin engines of growth. It was envisaged that such strengthening would be achieved particularly through the promotion of investment in new growth areas and improvements in the range and quality of supporting industries, especially high-technology industries. The growth industries identified included electronics, telecommunications and information technology, biotechnology, pharmaceuticals and medical products, optics and related areas, business and professional services, medical services, financial and banking services, and hotel management services.

**Box III.1: The activities of the Economic Development Board**

The activities of the EDB are managed under seven programmes:

**Manufacturing:** aims to maintain the contribution of the manufacturing sector to GDP at no less than 25% and employment at more than 20% in the medium to long term. The programme also focuses on electronics (systems and components); chemicals and life sciences; and engineering (transport, precision and process).

**International Business Hub Programme:** aims to develop Singapore into an international business and services hub for the Asia-Pacific region. Elements of the programme include headquarters services; logistics; communication and media; and education and healthcare.

**Promising local enterprises:** aims to help companies develop into Asian multinational companies with internationally competitive capabilities and a potential for growth both regionally and globally. The programme offers financial assistance; resource support; image building; technology acquisition; strategic alliances; and business partnerships.

**Regionalization:** seeks out business opportunities in the region and supports Singapore-based investment in these opportunities through a "partnership" approach under a number of incentive schemes and other forms of assistance.

**Co-investment programme:** managed by EDB Investments Private Limited (EDBI), a wholly owned investment arm, aims to strengthen Singapore's partnerships with multinationals and promising local enterprises through risk-sharing equity co-investment in Singapore and internationally. EDBI currently manages over S\$2 billion in funds, including the Cluster Development Fund, two venture capital funds, a dedicated biotechnology fund, and a regional investment company.

**Resource development programme:** in partnership with other agencies, plans and develops Singapore's economic resources such as labour, utilities and housing to support industrial growth under three programmes: resource management, capability development, and the international manpower programme.

**Innovation programme:** aims to identify and promote innovation projects proactively for each industry cluster. The EDB administers the Innovation Development Scheme (IDS) jointly with five other government agencies to support innovation by Singapore based companies.

*Source:* Singapore International Chambers of Commerce (1998), *The Investor's Guide to Singapore*, 1999.

112. The latest efforts to develop skills and enhance competitiveness include the launching of the Industry 21 (I21) programme in June 1998. The goal of I21 is to transform Singapore into a knowledge-based economy focusing on knowledge-intensive activities in the manufacturing and

exportable services sectors.<sup>59</sup> The sectors and activities identified by the programme are electronics, chemicals, life sciences, engineering, education, healthcare, logistics, communications and the media, headquarters, and promising local enterprises. Over the next ten years the Government expects knowledge-based industries to contribute around 40% of Singapore's GDP, of which 25% will be provided by the manufacturing sector and 15% by exportable services. These sectors are expected to contribute between 20,000 to 25,000 jobs annually; two out of every three jobs in manufacturing and three out of every four jobs in services are expected to be created for skilled workers.<sup>60</sup>

113. The Trade Development Board (TDB) was established in 1983 as the national agency for trade. The TDB currently assists Singapore-based companies to expand internationally by developing their exports, imports and investment abroad and by attracting trade and trade-related investment to Singapore.

114. Another statutory board that plays an important role in industrial development is Jurong Town Corporation (JTC), which manages Singapore's 35 industrial parks supporting almost 7,000 local and multinational companies. JTC is also currently developing specialized industrial parks to cater to the specialized needs of companies.<sup>61</sup> JTC plans to spend S\$1.78 billion in 1999/2000 (an increase of around 34% over the previous year) to support Singapore's transition to a "knowledge-based" economy.<sup>62</sup> Other activities include supporting Singapore's regionalization strategy through the development and management of similar industrial parks in the region, thereby facilitating investment by Singapore-based companies in other countries in the region.<sup>63</sup>

(b) State-owned enterprises

115. In addition to the statutory boards, the Government initially established a number of state-owned enterprises or government linked corporations (GLCs), many of which were later partially privatized.<sup>64</sup> The state-owned companies were, in the main, formed for strategic reasons to develop key sectors that were believed to be integral to Singapore's long-term development and where private investment was felt to be insufficient. Government equity in the companies, which was initially held by the Minister for Finance, was subsequently transferred to government holding companies.<sup>65</sup> Temasek Holdings, the Singapore Government's premier investment holding company was formed in 1974. It is wholly government owned and manages most Singapore Government direct investments in Singapore and a significant number overseas (Box III.2). At the time of its incorporation, Temasek managed investments in 36 companies, with an estimated value of S\$345 million. In 1999, there were 23 Temasek companies. Among the Temasek companies are some of Singapore's largest companies listed on the Singapore Stock Exchange, including Singapore

<sup>59</sup> Economic Development Board (1999).

<sup>60</sup> Economic Development Board (1998).

<sup>61</sup> Examples of such parks include business parks, of which the largest is Changi Business Park; petrochemical parks such as on Jurong Island; and wafer fabrication parks (Singapore International Chambers of Commerce, 1998).

<sup>62</sup> *Business Times*, 7 October 1999.

<sup>63</sup> JTC has been involved in managing and developing the Xinsu Industrial Development (Sozhou) Co Ltd. in the China-Singapore Sozhou Industrial Park in China; Carmelray Industrial Park II in the Philippines; International Tech Park Bangalore in India; Thai-Singapore 21 Industrial Estate in Thailand; and Techpark Cikarang in Indonesia (Jurong Town Corporation, undated).

<sup>64</sup> The companies were involved in a number of sectors including manufacturing, banking, trading, transportation, shipbuilding, and other service sectors.

<sup>65</sup> The holding companies fell into three categories: Temasek Holdings, Singapore Technology Holdings (for defence-related industries) and Health Corporation Holdings (for hospitals and medical services). In addition, a number of unprofitable GLCs were closed down (World Bank, 1993). Singapore Technologies Holding is currently a subsidiary of Temasek.



Telecommunications, Singapore Airlines, and financial sector companies such as Keppel Corporation and DBS Bank.<sup>66</sup> In addition, among its unlisted companies, Temasek has a majority share in a number of large services providers including full ownership of the PSA Corporation and Singapore Power. Temasek companies are currently present in a wide range of sectors including industry, transportation, power, telecommunications, media, financial services, property development, consultancy services, and leisure and recreation.

**Box III.2: Temasek Holdings**

Incorporated in 1974, Temasek's original goal was to provide a single roof to house government linked corporations (GLCs), to keep track of the Government's investments, and to inform the Minister for Finance and the Cabinet about the performance of the companies. Individual GLCs therefore operated according to prevailing economic conditions with little interference from the holding company. One of its key roles was to appoint the chairman and directors to represent the Government on the board of these companies. The daily running and management of the companies was left up to their individual boards.

Temasek's role changed in the late 1970s to provide more focus and direction, to foster closer cooperation between its companies, and to actively seek out investments and alliances with profitable companies. As part of the Government's overall strategy to encourage high-technology and value-added investment, Temasek increased investment in ventures considered to be strategic and of a high-risk nature in the 1980s.

During the 1990s, while continuing its efforts to encourage investment by its companies in high-technology areas, Temasek's focus shifted to building "world class companies". The recently completed report by the Committee on Singapore's Competitiveness also recommended that Temasek play a more proactive role in developing its companies into world class companies. Changes being implemented or planned include:

- closer monitoring of companies' diversification plans to ensure that they capitalize on what they know best;
- specifying performance benchmarks to ensure they focus on the correct targets;
- limiting the terms of the chairman and directors to ensure fresh thinking prevails at the top; and
- separating the appointments of the chairman and chief executive officers to ensure that their boards retain an objective view of proposals brought before them by senior management.

Temasek actively helps local companies to expand overseas, including through its participation in the Promising Local Enterprise (PLE) Investment Fund established by the Economic Development Board in 1999, and a private equity fund called Century Private Equity Holding(s) Private Limited, formed in 1999. Temasek has also established joint ventures with foreign companies in order to invest in the Asia-Pacific region. Recent examples include joint ventures with Daimler Benz of Germany and Norsk Hydro of Norway.

*Source: Business Times, 25 June 1999; Straits Times, 25 June 1999; and Temasek internet site: [www.temasekholdings.com](http://www.temasekholdings.com).*

116. The GLCs are generally profitable, and Temasek divested a number of companies that were not profitable during the 1980s. The authorities stress that all GLCs operate under the Companies Act and hence must compete on a commercial basis with the private and public sector companies. Moreover, they do not receive any subsidies, either directly from the Government or from Temasek,

<sup>66</sup> Temasek has a 79.74% share in SingTel, 53.8% in Singapore Airlines, 32.31% in Keppel Corp, and 18.42% in DBS Bank (*Business Times*, 25 June 1999).

although Temasek does provide strategic guidance and plays a role in appointing directors to the boards of the GLCs. Nevertheless, the GLCs appear to have a dominant position in the Singapore economy. A study carried out in the late 1980s showed that GLCs accounted for 12% of sales, 19.5% of profits, and 23% of the assets of the largest 500 firms in Singapore.<sup>67</sup> More recently, it is estimated that the Temasek group accounts for about one tenth of Singapore's economic output, and its first-tier listed units for about 25% of Singapore stock exchange's market capitalization.<sup>68</sup> Temasek's strategic stake in its companies was S\$47 billion in May 1999.

117. Given the extent of involvement of the GLCs in the Singapore economy, concerns have been raised about any advantage that may arise because of their connection with the public sector or backing provided by Temasek Holdings.<sup>69</sup> The possibility of cross-subsidization between the GLCs and their subsidiaries is another issue that may cause concern.<sup>70</sup> It may also be that small local companies, selling mainly on the domestic market may be "crowded out" by the dominance of the GLCs and other large players including the multinational companies (see also section (vii) below).

**(iv) Assistance**

**(a) Tax incentives**

118. Like several other countries in the region, Singapore makes extensive use of tax incentives to encourage investment in certain activities and sectors. Tax incentives, which apply equally to foreign and local companies, have been an important tool in implementing the Government's development policy since independence. Initially set up to encourage labour-intensive industrial development under the Pioneer Status award, currently tax incentives are used to encourage foreign direct investment (FDI) in high-technology sectors, and skills development and training activities. The Economic Expansion Incentives (Relief from Income Tax) Act, (Cap 86) and the Income Tax Act, (Cap 134) are the two principal laws under which the Government of Singapore offers incentives for investment (Table III.17). The foremost of these incentives remains the Pioneer Industries Programme, which grants exemptions from corporate tax for between five and ten years for new manufacturing and service investments introducing high skills. Most other programmes grant tax exemptions or tax concessions for companies investing in high-technology industries or services, or providing high-skill employment opportunities for Singaporeans.

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<sup>67</sup> Cited in Soon and Tan (1993).

<sup>68</sup> *Straits Times*, 25 June 1999.

<sup>69</sup> Questions raised in Parliament, for example, suggest that GLCs have moved into sectors or areas outside of their original remit, and access to cheap Post Office Savings Bank (POSB) funds may be giving them an added unfair advantage in relation to the private sector (Committee of Supply, Ministry of Finance 1997). The Post Office Savings Bank, a public sector statutory board, has been privatized and acquired by the Development Bank of Singapore (part of the Temasek group). According to the authorities, all POSB loans were made on a commercial basis.

<sup>70</sup> For example, Philip Yeo, outgoing Chairman of the GLC SembCorp Industries and creator of Singapore Technologies, suggested recently that SingNet (SingTel's subsidiary providing internet services) had an unfair advantage over other internet service providers because it was being cross-subsidized by SingTel (*Business Times*, 27 September 1999). In a subsequent response, the Telecommunications Authority of Singapore issued a statement saying that it found no evidence of such cross-subsidization in an investigation conducted in 1999 (*Business Times*, 1 October, 1999).

**Table III.17**  
**Incentives offered by the Economic Development Board**

Scheme	Eligibility	Incentive
Pioneer Status <sup>a</sup>	New manufacturing and service investments introducing skills substantially more advanced than the average industry level.	Exemption from corporate tax on profits (26%) for five to ten years.
Development and Expansion Incentive <sup>a</sup>	Firms engaging in new projects or expanding existing projects providing significant economic benefit for Singapore.	Concessional tax rate of 13% for up to ten years (renewable).
Expansion Incentive <sup>a b</sup>	Manufacturing and services providers investing a minimum of S\$10 million in new production equipment and machinery.	Exemption from corporate tax on profits in excess of the pre-expansion level for up to ten years.
Investment Allowance Incentive <sup>a</sup>	Proposed investment to be made within a qualifying period of not more than five years.	Exemption on a specified proportion of expenditure (up to 50%) of new fixed investment in productive equipment.
Approved Foreign Loan Scheme <sup>a</sup>	Company granted a minimum loan of S\$200,000 from a foreign lender for purchase of productive equipment.	Complete or partial exemption from withholding tax on interest payable to the lender.
Approved Royalties <sup>a</sup>	Company paying royalties to a foreign party.	Full or partial exemption from withholding tax on royalties.
Venture Capital Incentive <sup>a</sup>	Companies with at least 50% local equity and incorporated in Singapore for tax purposes that invest in approved new technology projects.	May offset losses incurred from the sale of shares with liquidation of up to 100% of equity invested against other taxable income.
Overseas Investment Incentive <sup>a</sup>	Companies with at least 50% equity ownership by Singapore nationals or permanent residents, incorporated in Singapore for tax purposes, with tax investments overseas.	May offset losses incurred from the sale of shares or liquidation of up to 100% of equity invested overseas against other taxable income.
Overseas Enterprise Incentive <sup>a</sup>	Approved overseas investments and projects; companies must be at least 50% owned by Singapore citizens or Singapore permanent residents and incorporated in Singapore for tax purposes.	Exemption of corporation tax on qualifying income for up to ten years.
Operational Headquarters (OHQ) Incentives <sup>c</sup>	Companies providing management and other approved headquarters related services to subsidiary, associated or related companies in other countries.	Concessional tax rate of 10% on income from providing qualifying OHQ services to approved network companies and from qualifying investment activities on the OHQs own account for up to ten years (renewable).
Business Headquarters Incentive <sup>c</sup>	Eligible manufacturing and services companies qualifying for an incentive under the Economic Expansion Incentives Act and providing business and management direction and key support services.	Varies depending on the incentive granted
Double Deduction for R&D Expenditure <sup>c</sup>	Eligible manufacturing and services companies engaged in R&D.	Double deduction for qualifying R&D expenses against income.
Double Deduction for Overseas Investment Development Expenditure <sup>c</sup>	Eligible manufacturing and services companies.	Double deduction for qualifying expenditure incurred in approved feasibility studies and maintenance of overseas project offices against income.

a Granted under the Economic Expansion Incentives (Relief from Income Tax) Act.

b New cases no longer considered for the Expansion Incentive; last remaining case to expire in 2004.

c Granted under the Income Tax Act.

Source: Economic Development Board, Government of Singapore.

119. It would appear that the authorities prefer tax incentives to direct financial assistance on the grounds that firms must be profitable in order to derive any benefit from the incentives.<sup>71</sup> Although

<sup>71</sup> But as firms must be in a taxpaying position in order to derive any immediate benefit from tax incentives, it is often of little use to startup or rapidly growing firms, whose capital expenditures are high in relation to income. Such firms would tend to pay little, if any income taxes, unless the incentives are refundable

Singapore receives significant amounts of foreign investment<sup>72</sup>, in the absence of fiscal transparency, it is difficult to judge the effectiveness of such tax measures in attracting "incremental" investment; that is, investment in addition to that which would have occurred without the incentive. No information was available on the cost (in terms of tax revenue forgone) of individual incentives; nor were any studies available that evaluate the effectiveness of such incentives. The authorities state that measuring the tax revenue forgone against the investment amount attracted, is a static and inaccurate cost-benefit analysis as there are other multiplier/spillover effects such as job creation, skills and technology transfer that are not accounted for. However, no longer-term, non-static analyses to measure the more dynamic costs and benefits appear to be available. Tax holidays are widely regarded as a particularly ineffective type of tax incentive compared to tax credits, for example.<sup>73</sup> In any event, the authorities consider that Singapore's stable and open business and social environment was responsible for most decisions to invest in Singapore: the incentive was provided simply as an added "sweetener"; the fact that incentives may not be a major factor in investment decisions suggests that the costs of tax incentives (in terms of tax revenue forgone) may outweigh their benefits.

120. To the extent that government direction of investment through tax incentives has stimulated investment in certain activities or sectors at the expense of others, it may well have unduly distorted the allocation of resources and hence contributed to lower overall productivity. Investment might perhaps be encouraged in a more neutral manner by the combination of an across-the-board, revenue-neutral reduction in the corporate income tax rate from its current level of 26% and fewer incentives. As mentioned above (section(4)(ii)(b)), the corporate tax rate has in fact been cut several times since 1993, when the rate was 33%. These cuts, according to the authorities, were to improve competitiveness of Singaporean firms and to reduce the overall tax burden on companies.<sup>74</sup> Despite the wide range of incentives it embodies, the corporate income tax accounts for almost one quarter of total tax receipts, a share which is high by international standards.<sup>75</sup> This suggests that these incentives may not be as generous as they appear.

(b) Non-tax incentives

*Development assistance*

121. While the majority of incentives are provided in the form of tax exemptions and concessions, some assistance is also provided through grants or loans mainly to local enterprises. In 1998/99 S\$24 million was committed under the Local Enterprise Technical Assistance Scheme (LETAS) to help small and medium sized enterprises to raise productivity through the use of external experts. As with tax incentives, the objective of these grants and loans is to encourage companies to improve productivity and increase value added. The programmes are mainly meant for small and medium sized enterprises, with at least 30% local equity participation, fixed asset investment of not more than S\$15 million, and, if in the services sector, employment of not more than 200.

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or any unused tax relief can be fully carried forward with interest. In the case of Singapore, the incentives are not refundable and unused tax relief cannot be carried forward with interest.

<sup>72</sup> According to a recent estimate, Singapore was the second largest recipient of foreign direct investment in the region after China in 1998 (UNCTAD, 1999).

<sup>73</sup> See Mintz (1990) and Mintz and Tsiopoulos (1992).

<sup>74</sup> For example, Hong Kong offers across-the-board corporate tax rates of 16% and 15% for incorporated and unincorporated businesses, respectively (WTO, 1999).

<sup>75</sup> Corporate income taxes as a percentage of total taxes in OECD countries, for example, was 8.2% in 1996.

**Table III.18**  
**Non-tax assistance for industrial development**

Scheme	Eligibility	Assistance	Agency
Innovation Development Scheme	All Singapore-registered businesses and organizations.	Grants to cover between 30% and 50% of various qualifying costs.	Economic Development Board
Enterprise Development Fund			
- Local Enterprise Finance Scheme	Small and medium sized firms with at least 30% local share; fixed productive assets with net book value of less than S\$15 million; and if in service sector, with less than 200 employees.	Fixed interest financing in the form of factory, machinery loans, working capital, etc. through 28 participating financial institutions; total loan per firm not exceeding S\$15 million.	Productivity and Standards Board
- Local Enterprise Technical Assistance Scheme	Small and medium sized firms with at least 30% local share; fixed productive assets with net book value of less than S\$15 million; and if in service sector, with less than 200 employees.	Grants of up to 70% of the cost of engaging external consultant for approved short-term assignment.	Productivity and Standards Board
Special Interest Rate	Qualifying machinery and equipment used by small and medium sized firms in mechanization and automation with a quality above the industry norm.	Low interest rate loan of 4% per annum up to a maximum loan of S\$10 million.	Economic Development Board
Regionalization Finance Scheme	Local enterprises with fixed productive assets of not more than S\$30 million; if in the services sector, with less than 200 employees.	Fixed interest financing to assist local enterprises to set up operations overseas.	Economic Development Board
Business Development Scheme	Local enterprises with at least 30% active local equity and fixed productive assets not greater than S\$15 million; enterprises in the services sector should not have more than 100 employees.	Grants to cover the costs of studies or overseas visits to explore new technologies, markets, establish business contacts, etc.	Economic Development Board
Total Business Programme	Local enterprises.	Assistance in seeking external expertise in drawing up a "Total Business Plan".	Economic Development Board

Source: Singapore International Chambers of Commerce (1998), *The Investors Guide to Singapore, 1999*.

#### *Assistance for research and development*

122. Singapore places strong emphasis on investment in science and technology and believes that its future comparative advantage lies in knowledge-based, high-technology industries and services. Investment in research and development by the private sector is therefore strongly encouraged and supported by government training programmes and grants for basic and applied research. The majority of the funding comes from the private sector, aided by substantial assistance from the Government in terms of tax concessions for companies investing in technology upgrading or training programmes.

123. The two key government agencies promoting research and development support in Singapore are the National Science and Technology Board (NSTB), and the EDB.<sup>76</sup> Through the NSTB and the private sector, Singapore's investment in R&D is around 1.8% of GDP (over S\$2.5 billion in 1998, of

<sup>76</sup> The NSTB functions as Singapore's master planner for R&D, capability development, and exploitation matters. It is also the lead government agency in championing the Technopreneurship 21 initiative. The EDB promotes industry-related R&D activities and administers the Government's financial assistance schemes such as the Research Incentive Scheme for Companies (RISC) and the Research Development Assistance Scheme (RDAS).

which over 62% came from the private sector). The NSTB provides assistance for basic research and training, and for development through venture capital funding. Research is funded through grants, such as the Research Incentive Scheme for Companies (RISC) and the Research Development Assistance Scheme (RSDAS), while training assistance is provided both through grants and through funding of research programmes and institutions.<sup>77</sup> There are currently 13 Research Institutes and Centres (RICs), which are supported by the NSTB; the NSTB provided funding of S\$348 million in 1997 to the RICs. The RICs also have collaborative projects with industry as part of the effort to improve national skills. In addition, in collaboration with the Ministry of Education, strategic research, bridging the gap between research and development, is funded jointly by the NSTB and private companies.<sup>78</sup>

124. The NSTB also provides training grants, such as the Joint Industry Study Grant (JISG), to individuals for courses leading to formal degrees, or for training courses in specific industry areas. Singapore also emphasizes recruitment of highly skilled foreign workers. Companies wishing to employ such workers may apply to the NSTB for the Foreign Researchers Recruitment Programme, which provides assistance for recruitment and relocation costs.

125. Applied research and product development is supported by the NSTB. For example, in September 1997, the NSTB helped launch the S\$100 million Technology Fund II, which followed on from the S\$50 million Technology Fund I. Both funds, which were set up to invest in seed and early-stage technology companies, are managed by TDF Management Private Limited, a venture capital fund management company established by the NSTB. Infrastructural support to encourage high-technology companies to invest in Singapore is provided through Science and Technology Parks. There are currently two such parks in Singapore: Science Park 1 is fully owned by Arcasia Land, a wholly owned subsidiary of Jurong Town Corporation, while Science Park 2 is jointly owned by the NSTB, and Arcasia Land; both parks are administered by Arcasia Land. The parks provide office space for companies engaged in science and technology development and commercialization. They also house supporting facilities such as legal services, venture investment, public relations and management consultancy services, and incubator facilities. There are currently 230 tenants in Singapore's science parks.

126. The National Science and Technology Plan 2000, launched in 1996, aims to spend over S\$4 billion over five years to strengthen technological capabilities. The Plan also intends to increase the contribution made by industry to R&D and to increase the number of research scientists and engineers in the country by the end of the five year period.

**(v) Trade-related investment measures**

127. Singapore notified the Committee on Trade-Related Investment Measures that it does not maintain any measures that are not in conformity with the provisions of the Agreement on Trade-Related Investment Measures (TRIMs), that is, it does not have any local-content or performance requirements.<sup>79</sup> Grants and fixed interest financing schemes are provided for small and medium sized enterprises with local equity of at least 30% (section (iv)(b)).

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<sup>77</sup> The Research Incentive Scheme offers grants to support the development of in-house R&D capabilities of Singapore-based companies; the Research and Development Assistance Scheme offers support for specific projects that lead to the enhancement of the company's competitiveness and in-house capability development.

<sup>78</sup> National Science and Technology Board (1998).

<sup>79</sup> WTO document G/TRIMS/N/1/SGP/1, 22 October 1996.

**(vi) Intellectual property rights****(a) Introduction**

128. With Singapore's emphasis on new technologies and skills-based training for its labour force, the development of strong laws protecting and enforcing intellectual property rights has become an important priority. The Government believes that a strong IPR regime is a key infrastructural component required to transform Singapore into an Information Technology MegaHub.<sup>80</sup>

129. Singapore is a party to the Paris Convention, the Patent Cooperation Treaty, and the Budapest Treaty on the International Recognition of Microorganisms for the purposes of Patent Procedure; Singapore became a member of the World Intellectual Property Organization (WIPO) in December 1990. Singapore acceded to the Paris Act of the Berne Convention on 21 September 1998. Singapore is not a member of the Rome Convention or of the Treaty on Intellectual Property in respect of Integrated Circuits.

130. Under the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), Singapore as a developing country member of the WTO, had until 1 January 2000 to implement the provisions of this Agreement; however, Singapore amended all its relevant intellectual property legislation, making its regime fully compliant with the TRIPS Agreement one year ahead of the deadline.<sup>81</sup> In addition, Singapore notified the TRIPS Council that since its Patent Act did not exclude from patentability inventions relating to pharmaceutical and agricultural chemical products, no measures were necessary in relation to Article 70.8 of the Agreement.<sup>82</sup>

**(b) Copyright and related rights**

131. Singapore's main copyright legislation is contained in the Copyright Act 1987, which provides copyright protection during the author's lifetime plus 50 years; sound recordings and audio-visual broadcasts, including cable programmes, are protected for 50 years from first broadcast or publication; published editions of works are protected for 25 years from the year in which the edition was first published (Table III.19). Singapore, grants protection for broadcasts only if the headquarters of the broadcasting organization is situated in another WTO Member country as provided for under the Rome Convention.<sup>83</sup>

132. In April 1998, amendments to the Copyright Act brought Singapore's copyright legislation into conformity with its obligations under the TRIPS Agreement. The amendments included provisions on rental rights for computer programs and sound recordings, and tighter laws concerning seizure by the authorities of infringing material. In addition, a new section (Part XII) was introduced, which extends protection to performers with regard to live performances. Singapore grants protection for performances in Singapore by foreigners resident in or visiting Singapore and to nationals from all WTO Members.

<sup>80</sup> Ministry of Trade and Industry (1998b).

<sup>81</sup> This was to fulfil an undertaking Singapore had given to APEC.

<sup>82</sup> WTO document IP/N/1/SGP/1, 16 July 1996.

<sup>83</sup> WTO document IP/N/2/SGP/1, 2 March 1998.

**Table III.19**  
**Summary of intellectual property rights protection in Singapore corresponding to its TRIPS obligations**

IPR	Main legislation	Duration of protection	Minimum duration of protection under TRIPS	Comments
Copyright	Copyright Act, (Cap 63)	Life of author plus 50 years	Life of author plus 50 years	
- Related rights				
(Sound recordings, cinematographic films, television and sound broadcast and cable programmes)		50 years after first publication, first broadcast or first inclusion in a cable programme service	20 years from year of broadcast; 50 years from year of performance or fixation	
(Published editions of works)		25 years from the year in which the edition was first published		
Patents	Patents Act, (Cap 221)	20 years from date of filing	20 years from date of filing	
Industrial designs	United Kingdom Design (Protection) Act, (Cap 339)	25 years	10 years	New legislation being considered
Trade Marks	Trade Marks Act, 1998	Indefinite as long as renewal fees paid every 10 years	At least 7 years; renewable indefinitely	
Geographical Indications	Geographical Indications Act 1998	Unlimited	Unlimited	
Layout designs for integrated circuits	Layout Designs of Integrated Circuits Act 1999	Either 10 years from commercial exploitation or 15 years after creation	10 years from first commercial exploitation	
Confidential data/test data	Medicines (Amendment) Act 1998; Control of Plants (Amendment) Act 1998	5 years	No specific period	

Source: Government of Singapore.

(c) Trade marks

133. Trademarks may be granted indefinitely as long as the owner makes an initial payment of S\$275 (S\$150 to lodge the application and S\$125 to publish the application in the *Government Gazette*), and renews the trade mark through the payment of S\$200 to the Registrar of Trade Marks every ten years. The main change since the previous Review has been the enactment of a new Trade Marks Act, 1998. The Act contains provisions for the protection of well-known marks for both goods and services. In addition, the Act protects three-dimensional marks.

134. In cases where a trade mark application has been made in any of the member countries of the WTO, parties to the Paris Convention, or approved countries for priority claim<sup>84</sup>, the owner of the trade mark may register the mark in Singapore prior to other applicants; the registration date of such priority trade marks is the same as the original date of application in the priority country. Such applications receive priority status only if the application is made within six months of the date of the original application.<sup>85</sup>

<sup>84</sup> Thus far no country has been gazetted as an approved country.

<sup>85</sup> Intellectual Property Office of Singapore (undated (a)).



135. Previously, protection for trade marks was provided for under the United Kingdom Trade Marks Act, 1938. The main changes in the new Act, according to the authorities, are modernization and simplification of filing procedures in line with international trends, and a simpler examination process.

(d) Patents and other industrial property rights

*Patents*

136. In February 1995, Parliament passed the Patents Act, subsequently amended by the Patents (Amendment) Act 1995. The main changes include amendments to sections 55-60 dealing with compulsory licencing, and sections 61-63 and 65 dealing with the use of patented inventions for government services and during emergencies.

137. Under the Patents Act, 1995, protection is granted for a period of 20 years from the date of filing.<sup>86</sup> All products and processes, including new plant varieties, are patentable under the Act. Patent applications are filed with the Registrar of Patents, along with the prescribed fee, which has to be paid not later than one month from the date of filing.

138. Compulsory licence applications may be made to the High Court after three years of the patent being granted, or four years from filing, whichever is the later. If the Court believes that there are sufficient grounds to issue a compulsory licence, that is, that a market for the patented invention is not being supplied or not being supplied on reasonable terms, the Court may grant a licence to the applicant under terms and conditions deemed fit.<sup>87</sup> The reasonable terms would relate to ensuring that reasonable remuneration is received by the beneficial owner of the patent. Licences of this nature may not be granted unless the applicant has failed to obtain a licence after having taken all reasonable steps to obtain the licence directly from the patent holder on reasonable commercial terms and conditions; and for patents relating to an integrated circuit, except to remedy a situation judged anti-competitive by a court of law. According to the authorities, no compulsory licences have been granted under this provision.

139. Products or processes patented in Singapore may also, at any time, be used by the Government or any person authorized in writing by the Government, with the consent of the patent holder. The Government also has powers to use any patented product or process during an emergency under Section 65 of the Act in relation to the security or defence of Singapore; or to assist in the exercise of powers and the implementation of civil defence measures in a state of emergency. In this case, the use of the patented product or process by the Government must be for public non-commercial use and non-exclusive.<sup>88</sup>

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<sup>86</sup> Article 36 of the Patents Act, 1995.

<sup>87</sup> Previously, the grounds on which the Registrar could base his decision included that there was no production of the patented product or application of the patented process in Singapore without any legitimate reason; that there was no product produced in Singapore under the patent for sale in Singapore, or if there were, they were unreasonably priced or did not meet public demand; that by reason of the refusal of the patent holder to grant a licence, a market for the export of any patented product made in Singapore was not being met, the working in Singapore of any other patented invention which made a substantial contribution was hindered or prevented, the establishment or development of commercial activities were prevented; and that by reason of conditions imposed by the patent holder on the grant of licences, or the use of the patented product or process or its manufacture, was unfairly prejudiced (Section 55 (2) of the Patents Act).

<sup>88</sup> Use by the Government of a patented product or process also requires appropriate remuneration, as determined by a court of law, to be paid to the patent holder (Section 65A).

*Geographical indications*

140. The protection of geographical indications under the recently passed Geographical Indications Act, 1998, is extended to all Members of the WTO, parties to the Paris Convention for the Protection of Industrial Property and to qualifying countries listed in the *National Gazette*.<sup>89</sup> Protection granted under the Law is automatic. Prior to this Act, geographical indications could be protected under the Consumer Protection Act and under common law. Geographical indications may also be registered as trade marks under the Trade Marks Act, 1998.<sup>90</sup>

*Industrial designs*

141. Industrial designs are currently protected under the United Kingdom Design (Protection) Act, 1938. Protection is granted for a period of 25 years. Singapore is presently considering new legislation for industrial designs.

*Layout designs of integrated circuits*

142. The Layout Designs of Integrated Circuits Act, 1999 provides protection for layout designs created after 15 February 1999. Protection under the Act is granted for designs owned by nationals and residents of Singapore, Members of the WTO and any other qualifying countries as designated by the Minister of Law.<sup>91</sup> There are no registration requirements as such and protection is automatically granted, if the design is judged to be original, for a period of ten years after exploitation if exploitation occurs within five years of the design being created, or for 15 years for all other designs.<sup>92</sup>

*Other*

143. Protection of confidential and test data is accorded under the Medicines (Amendment) Act (No. 7 of 1998), and the Control of Plants Act (No. 32 of 1998), for up to five years.

(e) Penalties and enforcement

*Copyright*

144. Penalties for infringing copyright include a fine of up to S\$10,000 for each article, or S\$100,000, whichever is lower, or a prison term not exceeding five years, or both. The distribution of infringing material for trading purposes is subject to a maximum penalty of S\$50,000 and/or a maximum prison term of three years. The making of or possession of equipment used for making infringing copies attracts a maximum penalty of S\$20,000 and/or up to two years imprisonment. The police may also arrest persons who, in public, sell infringing material or have or are suspected of having in their possession infringing materials for the purpose of sale or hire, without the need for an arrest warrant (Section 138). The police may not raid suspected sites without warrants.

145. The Copyright (Amendments) Act, 1998 further strengthens enforcement measures allowing seizure at the border by the Customs and Excise Department if the owner of the copyright material files a written notice with the Director General of Customs objecting to the import of the infringing material. The seized material will be held for a period of ten working days; it will be released after that period unless Customs is informed that the copyright holder has begun court proceedings against

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<sup>89</sup> Thus far no qualifying country has been gazetted.

<sup>90</sup> Intellectual Property Office of Singapore (undated (b)).

<sup>91</sup> Thus far no qualifying country has been gazetted.

<sup>92</sup> Section 7, Layout Designs of Integrated Circuits Act, 1999.

the importer of the infringing material. Customs officers are given the power to search any incoming vessels, aircraft, and vehicles in connection with enforcement at the border.

*Patents and other industrial property*

146. Under the Patents Act, 1994, patent holders have recourse to the High Court in cases where they believe their patent has been infringed. Under Part XIII of the Act the patent holder may claim an injunction restraining the defendant from continuing the alleged infringement activities and for damages to be determined by the Court.

147. Counterfeiting of registered trade marks is liable to a fine between S\$10,000 and S\$100,000 and/or imprisonment for up to five years, depending upon the offence committed.<sup>93</sup> The Trade Marks Act also provides powers of seizure to the police and to the Customs and Excise Department, following written notice from the trade mark holder. As in the case of copyright infringements, the Act gives wide ranging powers to Customs officers to search any incoming vessels, aircraft, and vehicles for infringing goods.

148. Civil remedies may be sought by holders of intellectual property rights under the Layout Designs of Integrated Circuits Act, 1999, and the Geographical Indications Act, 1998, through Singapore's High Court.

149. In response to concerns about illegal copying of copyrighted works, the Singapore Government has stepped up efforts to enforce intellectual property rights.

150. In April 1998, new legislation was introduced to licence optical disc (OD) manufacturers in Singapore and control the import of optical media production and master equipment through amendments to the Control of Manufacture Act (CMA) and the Regulation of Imports and Exports Regulations. Under the CMA, OD manufacturers, such as producers of compact discs, video compact discs, CD-Roms, DVDs and DVD-Roms must be approved by the Economic Development Board (EDB). In addition, under amendments to the Regulation of Imports and Exports Regulations importers will require a permit to bring in mastering and replicating equipment for use in Singapore unless they are approved OD manufacturers. A Code of Conduct has also been signed by all licenced optical disc manufacturers, which commits them to put in place practices that would prevent illegal activities in their plants.<sup>94</sup>

151. Enforcement measures were stepped up with the creation of a dedicated police IPR warrant unit within the Criminal Investigation Department. The unit provides a central point in the police that focuses on IPR violations, thereby speeding up the process of search and seizure. Enforcement is also carried out by the Customs and Excise Department, at the border, the Films and Publications Department, and the Hawkers Department. According to a press release (PR No: 019/99) issued by the Government of Singapore in March 1999, the authorities carried out nearly 700 raids and inspections, seizing over two million infringing articles and arresting nearly 160 persons in the course of 1998. Police investigations have also helped to break up five syndicates involved in illegal copying and sales of protected material. Simultaneously the Government launched a nationwide programme in December 1998 to educate the population and raise public awareness about the importance of intellectual property rights. The programme is being implemented by the Singapore Trade Development Board, the agencies in charge of intellectual property in Singapore, and media owners.

<sup>93</sup> Sections 46-52, Trade Marks Act, 1998.

<sup>94</sup> According to an Info-communications Development Authority (IDA) Press Release, however, this restriction on imports of cryptographic products was lifted on 21 January 2000 (IDA 2000, Media Releases/2000/19Jan2000 [Online]. Available at: [www.ida.gov.sg/](http://www.ida.gov.sg/)).

A poster campaign was also launched with the help of private advertising companies and additional methods of raising public awareness are currently being explored.

**(vii) Competition and regulatory issues**

152. Singapore has no legislation on competition policy; according to its APEC Individual Action Plan, Singapore depends on its free and open market to ensure a competitive environment in the domestic economy.<sup>95</sup>

153. Nevertheless, the growth and recent liberalization of several services sectors has underlined the need for regulatory mechanisms to ensure that incumbent, previously monopolistic, service providers allow competition to flourish. This is especially important for basic infrastructure and utility services such as telecommunications, transport, gas, and electricity, which are major business inputs as well as consumer products. Efficient provision of these services at competitive prices is essential for the international competitiveness of Singapore enterprises. Thus, sector specific, government imposed, regulatory policies were adopted for the services sectors. In several of these sectors, statutory boards were established to provide regulation and monitoring services. Examples include the Telecommunications Authority of Singapore (TAS) for telecommunications services; the Civil Aviation Authority of Singapore (CAAS) for air transport; and the Maritime and Port Authority (MPA) for maritime transport and port services.

154. As regards water and energy, according to the authorities, there is competition in water supply, except in the case of potable water, and piped gas supply is open to competition. Competition is also being gradually introduced into electricity supply. The path normally taken is the corporatization of a public utility followed by its partial privatization and the entry of other service providers in the market. In this respect, the Public Utilities Board's electricity and piped gas undertakings were corporatized in October 1995, separating regulation and supply in these markets. The PUB is the regulator for the supply of piped gas for cooling and heating purposes. The supply of bottled gas and piped natural gas for power generation is not subject to regulation. For electricity supply, further liberalization planned by 2001 will ensure separation of the ownership of the generating companies from that of the transmission and distribution company (Chapter IV(4)). Currently, there is only one transmission and distribution company – Power Grid – for electricity supply.

155. In the goods sector, although Singapore relies on open market policies rather than anti-trust legislation to ensure competition in the market, there has been a recent debate on the role of government-linked corporations and their possible adverse impact on competition in the economy. Their role, particularly in "non-strategic" markets, has been questioned by small local companies, especially given their connection with (through ownership) and backing from Temasek Holdings, the government holding company.

156. There appears to be an internal debate in Singapore about the role of Temasek and the GLCs. Questions have been raised in Parliament, by several members, regarding public accountability and disclosure standards of government holding and linked companies.<sup>96</sup> The extent to which the Government, through Temasek, is involved in the Singapore economy is not clear; Temasek does not appear to publicly disclose details about its ownership of GLCs. Concerns have also been expressed

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<sup>95</sup> APEC Secretariat (1998) Attachment 8.

<sup>96</sup> It has also been suggested that annual reports, even of several publicly listed companies, do not provide adequate information to their shareholders or to potential investors ("When firms tell more, the grapevine will matter less" *Business Times*, September 28 1999).

about pressure from GLCs on local enterprises and it has been suggested that GLCs should confine their activities to overseas markets.<sup>97</sup>

157. The Government's response to suggestions that it divest its share in GLCs has been positive. There appears to be a willingness to divest in all but "strategic" GLCs; however, given the considerable effort and resources expended in developing the GLCs thus far, the Government would want to transfer ownership to one owner or a group of shareholders with significant ownership in order to ensure that "the GLCs remain in relatively good hands."<sup>98</sup> The Chairman of Temasek, in a first public interview since the formation of the company, has also declared that Temasek will separate the functions of chairman and chief executive of its companies and will limit their terms in office to improve corporate governance in these companies.<sup>99</sup>

158. Policies to address corporate governance and improve transparency in corporate disclosures are most advanced in the financial services sector. The Stock Exchange of Singapore has issued a "Best Practices Guide", including guidelines on the minimum amount of information expected to be published in a company's reports and the frequency of such disclosures.<sup>100</sup> Moreover, a report by the Corporate Finance Committee, issued in October 1998, recommends high disclosure standards that would allow investors to make informed decisions. The establishment of a Singapore Institute of Directors, moreover, is expected to encourage good governance among companies through an improvement in training and standards for directors and a Code of Best Practices for corporate governance.<sup>101</sup> In addition, improved corporate governance requirements is a key factor in the recent banking reforms undertaken by the Monetary Authority of Singapore (Chapter IV(4)(iv)).

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<sup>97</sup> Republic of Singapore (1998a).

<sup>98</sup> Oral Answers by the Minister of Finance to questions raised in Parliament, 27 February 1998, p. 460.

<sup>99</sup> The terms of the non-executive chairmen will be limited to six years (two terms of three years each), with a further term to be considered only under exceptional circumstances (*The Straits Times*, 25 June 1999.)

<sup>100</sup> Stock Exchange of Singapore (1998).

<sup>101</sup> Republic of Singapore (1998b).

### **Annex III.1: Anti-dumping and countervailing procedures in Singapore<sup>1</sup>**

Singapore's anti-dumping and countervailing legislation is contained in the 1996 Countervailing and Anti-dumping Duties Act, (Cap 65B, 1997 Ed.) and the 1997 Countervailing and Anti-dumping Duties Regulations, (Cap 65B Regulation).

**Preliminary investigation and measures:** The Minister may initiate a countervailing or anti-dumping investigation on imports under Sections 4 and 19 of the Act, respectively. Petitions on behalf of the local industry may be submitted by anyone representing the industry, and should contain information regarding, *inter alia*, the volume and value of domestic production of like goods accounted for by the petitioner; details of the producers, volume and value of the imported goods; as well as any factual information relevant to the alleged countervailable subsidy or dumping. In addition, a non-confidential version of the petition must be submitted to the Minister, enabling the information to be publicly disseminated. Any decision on whether to initiate an investigation must be made by the Minister within 30 days of receipt of the petition. In the event that a decision is taken not to initiate an investigation the Minister must notify the petitioner of the reasons for rejection.

When a decision is taken to initiate an investigation, the Minister must provide a complete, non-confidential version of the petition to all known exporters, interested foreign governments and, upon request, to all other interested parties. A notice of initiation of the investigation follows. During the investigation period, the Minister may solicit further information through questionnaires, issued to any relevant parties within a reasonable period of time from the date of publication of the notice of initiation of the investigation. At least 30 days must be given for responses to the questionnaire from the date of its receipt (the questionnaire is deemed to have been received seven days from the date on which it was sent). A supplementary questionnaire, a request seeking additional information, or a request seeking clarification may be issued by the Minister requiring a response within the time specified in the questionnaire or request, as the case may be. A preliminary determination on the investigation must be made and published within 90 days (extendable by a maximum of 90 days in special circumstances) from the date the notice regarding initiation of the investigation was issued.

Provisional measures must not exceed four months and six months, for countervailing and anti-dumping investigations, respectively; in the case of anti-dumping measures, the Minister may decide, upon the request of exporters representing a significant percentage of the trade involved, to extend the period to nine months (Regulation 12(2)(b)(ii)).

**Final measures:** For countervailing cases, a final determination must be made within 120 days from the date the preliminary determination is published. For anti-dumping measures, final determination must be made within 180 days from the date the preliminary determination is published; however, in the case of preliminary measures imposed under Regulation 12(2)(b)(ii) (see above), final measures must be taken within 270 days from the date of publication of the preliminary determination. For both anti-dumping and countervailing investigations, final measures may last up to five years unless extended pursuant to a review by the Minister (Sections 12(7) and 26(7) of the Act for countervailing and anti-dumping measures, respectively).

**Reviews:** A review of an anti-dumping or countervailing measure must normally be undertaken no earlier than one year after the date of publication of the determination or decision in question. Where a countervailing duty has been imposed on goods exported by an exporter who was not investigated

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<sup>1</sup> WTO documents G/ADP/N/1/SGP/2, 27 November 1996 (Countervailing and Anti-Dumping Duties Act, 1996), and G/ADP/N/1/SGP/2/Suppl.1, 13 May 1997 (Countervailing and Anti-Dumping Duties Regulations).

for reasons other than a refusal to cooperate, an expedited review is carried out and completed within six months of publication of the notice of initiation of the review. For anti-dumping duties, in the case of new exporters, a review may be initiated if the exporters or producers can show that they are not related to any exporters or producers already subject to the anti-dumping duty; such a review must be completed within nine months of the date of publication of initiation of the review, during which time no anti-dumping duties may be levied on the exporters under investigation.

**Five-year reviews:** Notice of the impending termination of any countervailing or anti-dumping duties at the end of the five-year period must be published at least six months prior to the date of termination, allowing interested parties to present their views on the proposed termination within the notice period. Any decision by the Minister to initiate a review to extend the duties must be published and the review would normally be completed within 180 days (one year at the latest) of publication of the notice of the initiation of the review. Pending the outcome of the review, the countervailing or anti-dumping duties being investigated, would continue to be in force.

**Anti-dumping Tribunal:** A Tribunal, whose members are appointed by the Minister for Law, may review determinations or decisions taken by the Minister for Trade and Industry under the Countervailing and Anti-Dumping Duties Act. Any such application for a review by the Tribunal must be filed within 30 days of the findings in question or their notification or publication, depending on the circumstances.