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PERU AND SINGAPORE CONCLUDE NEGOTIATIONS ON THE PERU-SINGAPORE FTA

Peru's Minister for Foreign Trade and Tourism, Ms Mercedes Araoz and Singapore's Minister for Trade and Industry, Mr Lim Hng Kiang today announced the successful conclusion of negotiations for the Peru-Singapore Free Trade Agreement.

The Ministers met on the sidelines of the APEC Ministerial Meeting in Sydney, Australia on 4 September.

The Ministers from both countries commended the outcome of the negotiations, which delivers the following:

- A comprehensive agreement on trade in goods, covering 100% of traded products between the parties. Over 87% of Singapore's total exports to Peru will benefit from duty free treatment immediately upon entry into force of the FTA. Tariffs for the rest of the goods currently exported by Singapore to Peru will be phased out over a 10 year period.
- Trade facilitation aimed by enhancing cooperation and improving transparency relating to sanitary and phytosanitary measures, standards and conformance and customs procedures;
- A liberalising framework that will encourage trade in services among the countries;
- A commitment from the parties to ensure that companies from the other party would be able to compete on an equal footing with domestic suppliers for government procurement contracts, above certain thresholds;
- Cooperation on competition policy;
- "Pisco", "Maiz Blanco Gigante Cusco" and "Chulucanas" will be recognized as Peru's geographical indications in Singapore to the extent permitted by and according to the terms and conditions set out in Singapore's domestic laws.

The Ministers will recommend the results of the negotiations to their respective governments for signature. The Peru-Singapore FTA is expected to be signed within the next few months and will enter into force subject to the completion of each party's respective domestic processes.

Peru is Singapore's 17th largest trading partner in Latin America, while Singapore is Peru's largest destination for manufactured exports in Southeast Asia. Total trade grew 55% from 2005 to stand at US\$45.2 million (S\$68.8 million) in 2006.

Peru and Singapore announced the launch of negotiations for an FTA on 19 November 2004. The announcement was made following a meeting between Singapore Prime Minister Lee Hsien Loong and Peruvian President Alejandro Toledo Manrique at the sidelines of the APEC Economic Leaders Meeting in Santiago, Chile. Formal FTA negotiations commenced in February 2006.

The Peru-Singapore FTA will enhance the relations between Peru and Singapore and form another economic link across the Pacific between Latin America and Asia. The Agreement will also help advance shared objectives in APEC and the WTO.