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Article Name: Singapore and Peru Sign Free Trade Agreement

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SINGAPORE AND PERU SIGN FREE TRADE AGREEMENT

In a signal to strengthening bilateral ties, Peru and Singapore today signed the Peru-Singapore Free Trade Agreement (PeSFTA).

It was signed by Peru's Minister for Foreign Trade and Tourism, Ms Mercedes Araoz and Singapore's Minister for Trade and Industry, Mr Lim Hng Kiang. The signing ceremony was witnessed by Peruvian President Alan Garcia Perez.

The PeSFTA is a broad-based and comprehensive agreement, covering issues such as trade in goods, rules of origin, trade remedies, sanitary and phytosanitary (SPS) measures, technical barriers to trade (TBT), trade in services, investment, government procurement, customs procedures, temporary entry of persons, competition policy, institutional provisions and dispute settlement.

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. All Peruvian exports will be granted tariff-free access to Singapore immediately;
- ? 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;
- ? An Investment Chapter with modern provisions, replacing the current bilateral investment treaty.

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 then Peruvian President Alejandro Toledo Manrique at the sidelines of the APEC Economic Leaders Meeting in Santiago, Chile. Formal FTA negotiations commenced in February 2006.

Peru is Singapore's 17th largest trading partner in Latin America, with trade in 2007 valued at US\$37.2 million, while Singapore is Peru's largest destination for manufactured exports in Southeast Asia.

The PeSFTA will provide Peruvian and Singapore companies with enhanced access to each other's markets, and will enhance trade and investment links between Singapore and Peru. The Agreement will also form another economic link across the Pacific between Latin America and Asia, and advance shared objectives in APEC and the WTO.

**MINISTRY OF FOREIGN TRADE AND TOURISM, PERU
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