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## The European Parliament has approved the EU-Singapore Free Trade Agreement

As a reminder, the EU-Singapore Free Trade Agreement (FTA) is the first bilateral trade agreement between the EU and an ASEAN country. In 2017, the initial plans to conclude the EU-Singapore FTA were put on hold after an opinion of the Court of Justice of the European Union of 16 May 2017. According to this opinion, non-direct and investor-State dispute settlement mechanisms are considered shared competences, on which the EU shares decision-making powers with the Member States. The opinion made it unlikely that the EU-Singapore FTA (and, by analogy, similar agreements such as the EU-Vietnam FTA) could be ratified by the EU alone, since all the provisions on shared competences must also be ratified by all Member States.

Thus, to allow this agreement to enter into force as soon as possible, the Commission has decided to split the original text into two parts, an FTA which includes only exclusive EU powers and can therefore be ratified quickly by the EU alone, and a separate investment protection agreement. Both texts were adopted by the European Commission on 17 October 2018 and submitted to the Council of the EU on 12 November 2018.

After eight years of development, on February 13, 2019 [the European Parliament finally gave the green light](#) to the trade agreement with Singapore.

In customs matters, on the day of the entry into force of the agreement, about 84% of Singapore's tariffs on exports to the EU will be abolished, with a complete phasing out of duties over a period of 5 years.

Examples of sectors that will benefit from the immediate elimination of tariffs :

- electronics;
- pharmaceutical products;
- petrochemicals; and
- processed agricultural products

For its part, Singapore will fully consolidate its current level of duty-free access for all products originating in the EU and will eliminate all remaining tariffs on beer, stout and samsu.

The trade agreement provides flexible rules of origin that will allow EU and Singapore products to benefit from preferential tariff treatment. In addition, the agreement recognizes the integrated nature of supply chains in South-East Asia by incorporating the concept of "ASEAN cumulation" for certain products listed in Annex D of the Protocol on Rules of Origin. For example, manufacturers of Singapore-listed products listed in Annex D are permitted to incorporate raw materials and parts from other ASEAN Member States as content originating in Singapore to determine whether their products meet the rules of origin.

Once the trade agreement has been concluded by the Council of the EU, it can enter into force on the first day of the second month following its conclusion. An entry into force is expected before the end of the year

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