SINGAPORE

TRADE SUMMARY

The U.S. goods trade surplus with Singapore was $12.3 billion in 2011, an increase of $692 million from 2010. U.S. goods exports in 2011 were $31.4 billion, up 8.2 percent from the previous year. Corresponding U.S. imports from Singapore were $19.1 billion, up 9.7 percent. Singapore is currently the 11th largest export market for U.S. goods.

U.S. exports of private commercial services (*i.e.*, excluding military and government) to Singapore were $9.7 billion in 2010 (latest data available), and U.S. imports were $3.8 billion. Sales of services in Singapore by majority U.S.-owned affiliates were $34.4 billion in 2009 (latest data available), while sales of services in the United States by majority Singapore-owned firms were not available in 2009 ($2.7 billion in 2007, latest data available).

The stock of U.S. foreign direct investment (FDI) in Singapore was $106.0 billion in 2010 (latest data available), up from $88.9 billion in 2009. U.S. FDI in Singapore is primarily concentrated in nonbank holding companies and the manufacturing sectors.

In December 2009, the United States announced its intention to enter into an Asia-Pacific trade agreement called the Trans-Pacific Partnership (TPP), with the objective of shaping a high standard, broad-based regional agreement. This agreement will create a potential platform for economic integration across the Asia-Pacific region, a means to advance U.S. economic interests with the fastest-growing economies in the world, and a tool to expand U.S. exports, which are critical to U.S. economic recovery and the creation and retention of high-paying, high-quality jobs in the United States. In addition to Singapore, the TPP negotiating partners currently include Australia, Brunei, Chile, Malaysia, New Zealand, Peru, and Vietnam. Japan, Canada, and Mexico also have expressed interest in joining the negotiations.

FREE TRADE AGREEMENT

The United States and Singapore signed a Free Trade Agreement (FTA) on May 6, 2003, which entered into force on January 1, 2004. Exports from the United States increased 90 percent between 2003 and 2011, with steady growth in exports of medical devices, machinery, and electronics components. The United States and Singapore meet annually to review the implementation of the FTA and resolve outstanding trade issues.

IMPORT POLICIES

Import Licenses/Internal Taxes

Singapore maintains some restrictions on imports that affect U.S. exports. It maintains a tiered motorcycle operator licensing system based on engine displacement, which, along with a road tax based on engine size, places U.S. exports of large motorcycles at a competitive disadvantage. Singapore also restricts the import and sale of non-medicinal chewing gum. For social and/or environmental reasons, it levies high excise taxes on distilled spirits and wine, tobacco products, and motor vehicles.

INTELLECTUAL PROPERTY RIGHTS PROTECTION

In connection with its FTA commitments and obligations under international treaties and conventions, Singapore has developed a generally strong intellectual property rights (IPR) regime. Nevertheless, the

United States continues to have concerns regarding the government's IPR enforcement efforts. These concerns include the trans-shipment of infringing goods through Singapore, insufficient deterrent penalties for end-user software piracy, and the effectiveness of enforcement against online infringers.

Singapore is a signatory to the Anti-Counterfeiting Trade Agreement (ACTA), concluded in November 2010. The ACTA establishes an international framework that will assist Parties in their efforts to effectively combat the infringement of intellectual property rights, in particular the proliferation of counterfeiting and piracy, which undermines legitimate trade and the sustainable development of the world economy.

SERVICES BARRIERS

Pay Television

In March 2010, the Ministry of Information, Communications, and the Arts, through its sub-agency, the Media Development Authority, released new regulations to require pay television providers to "cross carry" exclusive broadcasting content acquired after March 12, 2010. Under the new rules, a pay television company with an exclusive contract for a channel would be required to offer that content to customers of other pay television companies. The United States is concerned that that the regulations may interfere in the competitive marketplace by denying content holders, many of which are U.S. based, the ability to negotiate freely, and that the regulation is an overly broad remedy for addressing the perceived problem of content fragmentation (inability of consumers to get a range of popular content from a single pay TV supplier). In addition, the regulations raise serious concerns with respect to Singapore's commitments to protect the right of content holders to determine access to their product. The policy has been in effect since August 1, 2011. The United States will continue to monitor the implementation of this regulation, particularly how it will be applied to content services provided over the Internet, where the rationale for regulatory intervention would appear less relevant, given the ability of consumers to easily access Internet-based services.

Basic Telecommunications

When fully completed in 2012, Singapore's next generation national broadband fiber network should allow fuller, more reasonably priced network access to provide telecommunication services to homes and businesses, bypassing the bottleneck of SingTel-owned circuits. About 70 percent of Singapore homes were connected to the network as of August 2011.

Audiovisual and Media Services

Singapore restricts the use of satellite dishes and has not authorized direct-to-home satellite television services. Singapore's Media Development Authority must license the installation and operation of broadcast receiving equipment, including satellite dishes.

Distribution, importation, or possession of any "offshore" or foreign newspaper must be approved by the government. Singapore has curtailed or banned the circulation of some foreign publications when it perceived defamation of the Singapore government in the publication.

Legal Services

U.S. and other foreign law firms with offices in Singapore cannot practice Singapore law, employ Singapore lawyers to practice Singapore law, or litigate in local courts, unless specifically approved to do so. Six foreign law firms have been granted "Qualifying Foreign Law Practice" licenses to practice certain areas of domestic law.

Banking

Singapore maintains legal distinctions between foreign currency transactions conducted in the Asian Dollar Market and Singapore dollar transactions and the type of license held (full, wholesale, or offshore). Except in retail banking, Singapore laws do not distinguish operationally between foreign and domestic banks.

Foreign banks and other financial institutions that issue credit cards in Singapore are unable to provide ATM services through local networks for holders of those cards. Foreign banks can only provide ATM services to locally issued credit card holders through their own network or through a foreign bank's shared ATM network. However, foreign banks that have been awarded Qualifying Full Bank privileges can negotiate with the local banks on a commercial basis to let their credit card holders obtain cash advances through the local bank's ATM networks. Foreign banks do not face the same restrictions for credit cards that they issue outside of Singapore.

The Minister in charge of the Monetary Authority of Singapore must provide specific types of approval for acquisitions of the voting shares of a local bank above specific thresholds. Although it has lifted the formal ceilings on foreign ownership of local banks and finance companies, the government of Singapore has indicated that it will not allow a foreign takeover of its three major local financial institutions.

OTHER BARRIERS

Competition

Singapore has an extensive network of government-linked corporations that are active in many sectors of the economy. The United States will continue to closely monitor Singapore's implementation of its commitments on competition under the United States-Singapore Free Trade Agreement.