

**JOINT STATEMENT OF THE JAPANESE AND SINGAPORE
MINISTERS AT THE MINISTERIAL REVIEW MEETING ON THE
AGREEMENT BETWEEN JAPAN AND THE REPUBLIC OF
SINGAPORE FOR A NEW-AGE ECONOMIC PARTNERSHIP**

11 December 2003

1. The Minister for Foreign Affairs and the Minister of Economy, Trade and Industry of Japan and the Minister in Prime Minister's Office and Second Minister for Foreign Affairs and the Minister for Trade and Industry of Singapore met on 11 December 2003 in Tokyo to mark the first anniversary of the Agreement between Japan and the Republic of Singapore for a New-Age Economic Partnership (JSEPA). The JSEPA came into force on 30 November 2002. This bilateral meeting allowed the Ministers to review the implementation of the JSEPA thus far, and explore ways to further expand trade in goods and services, stimulate bilateral investment flows as well as encourage greater co-operation in key growth areas such as science and technology, information and communications technology, tourism and human resource development.

2. By working together towards greater trade and investment liberalisation, Ministers seek to reaffirm the strategic commitment of Japan and Singapore to create and maintain open and competitive markets. This is all the more important in the aftermath of the Cancun talks and in the light of the current challenges facing the WTO. The comprehensive nature of the JSEPA provides a vital catalyst to accelerate closer economic partnership in this region, and serves to inject greater momentum to regional and multilateral trade initiatives, in particular, APEC and the WTO.

Strengthened Economic Relations

3. Ministers noted that bilateral economic relations have been further strengthened since the conclusion of the JSEPA. Despite the weak growth of the two economies, trade in tariff-free goods under the JSEPA has steadily expanded since the implementation of the agreement. To enjoy the tariff-free concessions under the JSEPA, 69 companies in Singapore have obtained Certificates of Origin to qualify for preferential tariff treatment when exporting to Japan. In Japan, more than 50 Certificates of Origin have been issued for tariff-free exports to Singapore. The estimated annual total savings for these Singapore companies is expected to be S\$4.8 million. In particular, Singapore exported more chemical, petroleum and plastic products to Japan while Japan's exports

to Singapore in alcohol products, especially beer & ale, have grown by 7%.

4. As a result of the JSEPA, the profile of Japan and Singapore in each other's market has been raised. A growing number of companies are exploring the market potential of both countries. This has been helped by the many business seminars and outreach programs conducted by both countries. These events have also clearly provided greater networking opportunities between Singapore and Japanese businesses. They have stimulated greater interest among the business communities in exploring new opportunities, or enhancing co-operation for bilateral investment and collaboration.

5. All these have contributed to the improved understanding of both business and investment opportunities in the two countries. Among the Asian Newly Industrialized Economies (NIEs), Singapore leads in being the largest investor in Japan. From Japan, many Japanese businesses look towards Singapore as an R&D centre to serve the ASEAN region.

Achievements and Way Forward

6. The JSEPA provides for the formation of 14 Joint Committees. To date, 12 Joint Committees mandated under the JSEPA have met either in Tokyo or in Singapore as is expedient. Through the 12 Joint Committees and other channels, both sides have consolidated their positions and achievements in each area since the inception of the JSEPA, and have agreed on following future courses of action with a view to paving the way for greater trade and investment flows between the two countries as well as for increased co-operation:

Trade in Goods

- Ministers noted that while the JSEPA has covered substantially all trade, developments over the past year have shown that there is possibility to improve this. Companies in Singapore and Japan have indicated that trade in goods can be increased to the benefit of both countries.
- Ministers also noted that both countries share the view to continue reviewing the progress of trade in goods under the JSEPA, so that companies and consumers can better gain from the trade between the two countries.

Customs Procedures

- Ministers noted that the Japan and Singapore Customs have played a leading role in Asia in developing advanced electronic customs clearance systems, which have facilitated trade flows between the two countries. The Joint Committee on Customs Procedures had fruitful discussions over a wide range of issues, including development in the bilateral trade since the implementation of the JSEPA, implementation issues of certificates of origin, Container Security Initiative (CSI), Free Trade Agreements with the third countries and customs mutual assistance agreements. The customs authorities of Japan and Singapore will seek to further enhance co-operation and improve communication under the JSEPA.

Paperless Trading

- Ministers noted that a wide range of co-operation and activities in the field of Paperless Trading are being carried out between the two countries. The pilot project between Japan's document exchange server (the Trade Electronic Data Interchange; TEDI) and Singapore's document exchange server (Crimson Logic; CL) in 2002, involving the cross-border exchange of electronic trade data between Japanese and Singapore companies was a success and is currently expected to be used by the companies concerned. With regard to paperless trading initiatives, Japanese Customs have started the operation of CuPES (Customs Procedure Entry System), and introduced Japan's single-window system by interconnecting relevant trade-related electronic systems including NACCS (Nippon Automated Cargo Clearance System) and the Port EDI. In Japan, exporters and importers are capable of transmitting data from TEDI to CuPES and will also be able to transmit to NACCS by March 2004. In Singapore, front-end connectivity to TradeNet, a single window system, has been liberalised and companies interested in linking-up to TradeNet could approach Singapore Customs for the specifications since the beginning of FY2002.

Mutual Recognition

- Ministers noted that the Joint Committee met early in the year and sorted out the detailed implementation procedures and have completed all the needed tasks for the implementation of the mutual recognition for conformity assessment for Electrical Products. Singapore and Japan have also designated conformity assessment bodies and made proposals for registration under the Agreement. Senior officials plan to conduct seminars to familiarize the business community with the benefits of the mutual

recognition on conformity assessment so that they can take full advantage of it. In addition, senior officials will continue and expedite work to implement the mutual recognition on conformity assessment for Telecommunications Terminal Equipment and Radio Equipment.

Movement of Natural Persons

- Ministers noted that Japan and Singapore recognised the potential benefits from promoting mutual recognition of professional qualifications between the two countries. It is important for officials on both sides to continue the exchange of views and information on mutual recognition of professional qualifications, including Singapore's possible participation in a multilateral framework such as APEC framework on professional engineering qualifications.

Intellectual Property (IP)

- Ministers welcomed the expansion of co-operation in the field of IP. The Joint Committee exchanged views and information on data base access, combating piracy of copyrighted works and copyright protection under Internet environment, and reaffirmed strengthening co-operation in IP protection. In March, both countries jointly organized Optimal 2003, an exhibition and conference on IP in Singapore. This event provided opportunities for the IP industry and IP owners to build a network of personal contacts and to facilitate the launch of new ideas, products and services.

Competition Policy

- Ministers noted that notification systems between the respective competition authorities of Japan and Singapore under the JSEPA had begun its operation. Both authorities will continue to encourage co-operation under the JSEPA.

Financial Services Co-operation

- Ministers noted with satisfaction that co-operation in financial services has been deepened significantly. Japan and Singapore financial services authorities have signed a Memorandum of Understanding on the sharing of information on securities and securities derivatives markets. In addition, the Tokyo Stock Exchange and the Singapore Exchange have started consideration towards building a strategic alliance that aims at

broadening the distribution and enhancing the liquidity of products traded on both markets. Japan and Singapore have concluded a bilateral swap arrangement of up to US\$ 1 billion in November 2003 under the Chiang Mai Initiative. In addition, under the Asian Bond Markets Initiative, Japan and Singapore are co-operating in serving as co-chairs in a working group relating to the local and regional rating agencies and disseminating information.

Information and Communications Technology (ICT)

- Ministers reaffirmed the importance of promoting closer co-operation in the field of ICT as a vital foundation for the development of the two countries' economies. Officials exchanged information on ICT policy developments, such as e-Japan Strategy II and Connected Singapore Initiative. Japan is enhancing ICT co-operation in the Asian region under the Asia IT Initiative and the Asia Broadband Program in order to accelerate information flows. The two countries will also continue to promote dialogue in ICT policy and regulation as well as co-operation in the field of interoperability of Public Key Infrastructure, protection of personal data, advanced telecommunications networks, interactive broadband multimedia services and developing IT skill standards, on the basis of achievements attained under the implementation of the JSEPA.

Science and Technology

- Ministers reaffirmed commitment to deepen co-operation in Science and Technology under the JSEPA to build on the vibrant relationship of collaboration and friendship between the scientific communities of Japan and Singapore. Joint projects have been flourishing since 2001. These include collaborations between Singapore's SIMTech and Tohoku University in microgrinding technology, between the Biomedical Imaging Laboratory, Institute for Infocomm Research (I2R), Agency for Science, Technology and Research, Singapore and Nagasaki University Hospital of Medicine and Dentistry in biomedical imaging and between the Institute of Infocomm Research and Yokosuka Radio Communication Research Center in Radio-on-Fibre technology. Ministers also welcomed that there are more than 30 ongoing collaboration projects in the field of Science and Technology between research institutions in both countries. Officials will continue to encourage and facilitate further collaborations and joint projects to foster even closer research ties between Japan and Singapore.

Trade and Investment Promotion

- Ministers noted the established mechanisms to promote trade and Investment, and co-operation between companies of both countries. International Enterprise Singapore (IE Singapore) set up a Business Support Office (BSO) in Tokyo in August to assist Singapore companies to enter the Japanese market. The Japan External Trade Organisation (JETRO) and IE Singapore have also organised numerous joint seminars, business matching and networking meetings. These include Seminars on Investment to Japan, OSAKA workshop, KUMAMOTO Seminar, in Singapore, and Singapore economic seminar, IT Seminar, IP Seminar, Seminar on Electrical, Electronic and Precision Technology, in Japan and business matching for business alliance in the third countries such as China. The two countries have also established data linkage for online databases of Japanese and Singapore companies keen to establish ties. Both countries will continue to promote trade and investment co-operation under the JSEPA.

SMEs

- Ministers noted that Japan and Singapore have established mechanisms to assist small and medium enterprises (SMEs) from both countries in maximising business opportunities. This includes the setting up of a Business Support Centre (BSC) in Singapore by JETRO. The BSC has provided assistance to Japanese SMEs that plan to invest directly in Singapore. 19 SMEs have graduated from the BSC, and among them 16 have established their businesses in Singapore. Japan and Singapore will continue to promote SME co-operation under the JSEPA by organising activities such as business matching, business study programs and networking.

Broadcasting

- Ministers reaffirmed the importance of promoting co-operation in the field of broadcasting. Officials exchanged information on broadcasting policy, newly emerging broadcasting services and introduction of digital broadcasting. Ministers welcomed the holding of the Asia media festival event called "Broadcast Asia 2004" in Singapore in June 2004 and also confirmed to have further discussion on that opportunity.

Tourism

- Ministers reaffirmed the importance of tourism to both countries' economies. In this respect, both Japan and Singapore decided to study the feasibility of joint tourism promotion and the launching of the "Visit Singapore Campaign". Japan and Singapore also decided to set up in-market Joint Working Groups for both markets, comprising representatives from the governments and National Tourist Organisations (NTOs) as well as the private sector, to address issues and proposals raised for increasing visitor numbers to both countries.

Human Resource Development

- Ministers shared the view that it is important to expedite the collaboration between Japanese and Singapore universities. In particular, Waseda University has expressed its interest to launch either a joint or double degree Management of Technology (MOT) / MBA programme by end of 2004 in Singapore.

7. The JSEPA has laid a solid foundation for firmer economic linkage and integration between the two countries, which will create new opportunities for business, promote stability and predictability for business transaction, and enhance the attractiveness and vibrancy of the two markets.

8. Ministers affirmed that Japan and Singapore are fully committed to building on the momentum that has been created to ensure that the JSEPA achieves its full potential.