SINGAPORE

TRADE SUMMARY

U.S. goods exports in 2013 were $30.7 billion, up 0.7 percent from the previous year. Corresponding U.S. imports from Singapore were $17.8 billion, down 11.9 percent. The U.S. goods trade surplus with Singapore was $12.9 billion in 2013, an increase of $2.6 billion from 2012. Singapore is currently the 13th largest export market for U.S. goods.

U.S. exports of private commercial services (*i.e.*, excluding military and government) to Singapore were $12.25 billion in 2012 (latest data available), and U.S. imports were $4.9 billion. Sales of services in Singapore by majority U.S.-owned affiliates were $56.3 billion in 2011 (latest data available), while sales of services in the United States by majority Singapore-owned firms were $8.9 billion.

The stock of U.S. foreign direct investment (FDI) in Singapore was $138.6 billion in 2012 (latest data available), up from $118.6 billion in 2011. U.S. FDI in Singapore is primarily concentrated in nonbank holding companies and the manufacturing sectors.

Trade Agreements

The United States-Singapore Free Trade Agreement (FTA) entered into force on January 1, 2004. Exports from the United States increased 85.5 percent between 2003 and 2013, with steady growth in exports of medical devices, machinery, and electronics components. The United States and Singapore meet regularly to review the implementation of the FTA and resolve outstanding trade issues.

Singapore is a participant in the Trans-Pacific Partnership (TPP) negotiations, through which the United States and 11 other Asia-Pacific partners are seeking to establish a comprehensive, next-generation regional agreement to liberalize trade and investment. This agreement will advance U.S. economic interests with some of the fastest-growing economies in the world; expand U.S. exports, which are critical to the creation and retention of jobs in the United States; and serve as a potential platform for economic integration across the Asia-Pacific region. The TPP agreement will include ambitious commitments on goods, services, and other traditional trade and investment matters. It will also include a range of new and emerging issues to address trade concerns our businesses and workers face in the 21st century. In addition to the United States and Singapore, the TPP negotiating partners currently include Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, and Vietnam.

IMPORT POLICIES

Import Licenses and Internal Taxes

Singapore maintains a tiered motorcycle operator licensing system based on engine displacement which, along with a road tax based on engine size, adversely affects U.S. exports of large motorcycles. Singapore also restricts the import and sale of non-medicinal chewing gum. 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, with the second lowest rate of software piracy in Asia. Still, some concerns have been raised by U.S. rights holders about the absence of legislation making the illicit camcording of a film in a theater a criminal offense, limitations of trade secrets protection, the transshipment of infringing goods through Singapore, insufficient deterrent penalties for end-user software piracy, the lack of effective enforcement against online peer-to-peer infringement, and media box piracy (whereby “boxes,” often with capability to play high definition content, are loaded with large quantities of pirated works). U.S. rights holders have noted concerns regarding pirated online content access from Singapore. The Media Development Authority (MDA), a sub-agency of the Ministry of Communications and Information, after consulting on this issue with stakeholders for over a year, issued three recommendations in 2013 to reduce online piracy through: strengthening public education efforts; encouraging publishers to provide more legitimate, affordable and timely digital content sources; and increasing regulatory/enforcement measures. Singapore has yet to implement these recommendations.

SERVICES BARRIERS

Pay Television

In August 2011, MDA implemented new regulations requiring pay television providers to “cross carry” exclusive broadcasting content acquired after March 12, 2010. These rules require a pay television company with an exclusive contract for channels/content to offer that content to other pay television companies for their subscribers at similar commercial rates. MDA plans to review the cross-carriage provisions in 2014. U.S. content providers remain concerned about the negative impact these regulations have on private contractual arrangements, innovation in the packaging and delivery of new content to consumers, and investment in the market. The United States will continue to monitor the implementation of this policy, including the impact it may have on content services provided over the Internet.

Audiovisual and Media Services

Singapore restricts the use of satellite dishes and has not authorized direct-to-home satellite television services. MDA licenses the installation and operation of broadcast receiving equipment, including satellite dishes for television reception. Parties who require television services received via satellite need to apply for a Television Receive-Only System License. MDA issues this license only to organizations that need to access time-sensitive information for business decisions. These include financial institutions, embassies and tertiary education institutions. Singapore has cited its high urban density as the rationale for deciding not to adopt satellite infrastructure for home television services, and to opt for nationwide wired networks (cable and optic fiber) to enable home access to television services.

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 based on perceived defamation of the Singapore government by the publication.

Licensing of Online News Websites

Citing the need to align the regulatory frameworks of online and traditional news platforms, MDA released new guidelines in May 2013 requiring all online news websites that provide regular reports on Singapore and have significant reach to acquire an individual license. Any news website that reports an average of at least one article per week on Singapore news and current affairs over a period of two months and reaches at least 50,000 unique Internet Protocol addresses in Singapore over a period of two months requires a special license. The licensed sites must also put up a performance bond of $42,000, similar to that required for niche television broadcasters. The new license requires holders to take down content that breaches certain standards within 24 hours of being notified by the Singaporean government. MDA identified an initial 10 sites as needing the new license in May 2013 and noted the possibility of the

Broadcasting Act being amended at a later date to give the Singaporean government powers to apply the new licensing framework on overseas-based news sites targeting the Singaporean market. It is not yet clear how the regulations will impact technology service providers.

Legal Services

U.S. and other foreign law firms with offices in Singapore cannot practice Singapore law or employ Singapore lawyers to practice Singapore law unless they have a "Qualified Foreign Law Practice" (QFLP) license. Singapore issued QFLP licenses to six foreign law firms in 2008 and to four more in 2013, allowing them to practice Singaporean law, except in certain excluded areas such as litigation, family law, and probate. U.S. law firms hold five of the ten QFLP licenses granted.

Banking

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

The Minister in charge of the Monetary Authority of Singapore (MAS) must approve the merger or takeover of a local bank or financial holding company, as well as the acquisition of voting shares in such institutions above specific thresholds of 5 percent, 12 percent or 20 percent of shareholdings. Singapore has also indicated that, although it has lifted the formal ceilings on foreign ownership of local banks and finance companies, the Singaporean government must approve controllers of local banks.

Cloud Computing Services for Financial Institutions

Despite the acceptance of public cloud computing (*i.e.*, data from multiple customers stored in shared computing facilities) by financial regulators in major markets, MAS has been resistant to approving cloud computing deployments for financial institutions in Singapore. The United States will continue to raise this issue with Singapore, including ways that vendors can demonstrate how they can meet MAS regulatory goals while implementing innovative computing technologies.

Healthcare: Procedural Transparency and Fairness

U.S. stakeholders have expressed interest in greater transparency regarding Ministry of Health (MOH) policies. In particular, U.S. industry is seeking a feedback mechanism and greater clarity regarding MOH's process for adding drugs to the Standard Drugs List, including timelines for evaluation and specific criteria for inclusion. Medical device manufacturers have urged MOH to accelerate the review periods for approvals of new medical devices in Singapore and to enhance transparency and procedural fairness related to the determination of reimbursement levels.