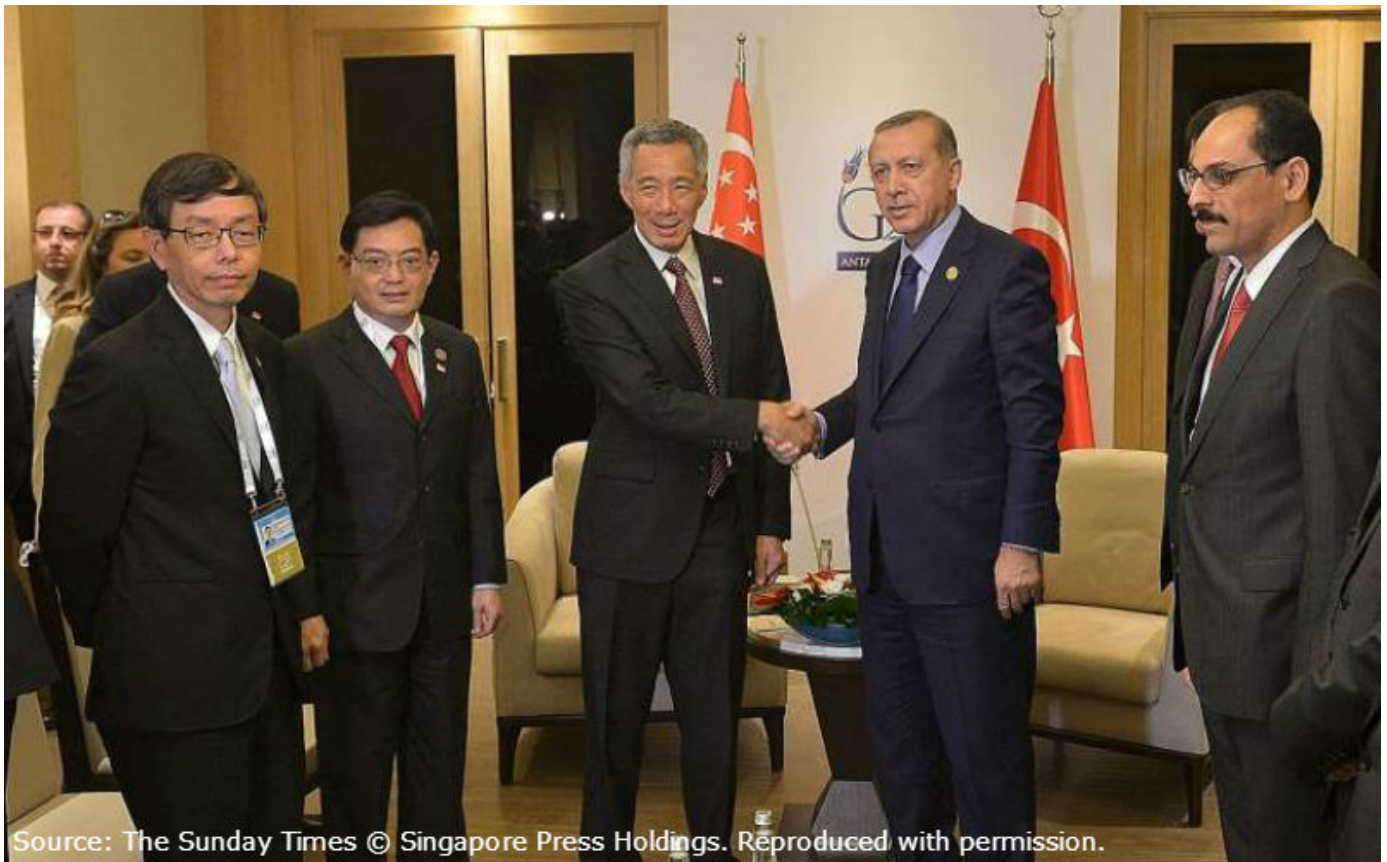


News

From The Media

The Sunday Times - Singapore and Turkey sign comprehensive trade pact

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Singapore and Turkey yesterday signed a free trade agreement (FTA) that will reduce barriers to trade and investment between the two sides as well as strengthen bilateral ties and economic cooperation.

Finance Minister Heng Swee Keat and Turkish Minister of Economy Nihat Zeybekci inked the deal on the sidelines of the Group of 20 (G-20) Leaders' Summit in Antalya, which begins today.

Prime Minister Lee Hsien Loong and Turkish President Recep Tayyip Erdogan witnessed the signing.

Mr Lee also met Mr Erdogan, and thanked him for the invitation to the summit and G-20 meetings.

"They affirmed the growing relations between the two countries," Mr Lee's press secretary said.

"Both President Erdogan and PM Lee welcomed the signing of the FTA and expressed hope for its speedy ratification. The FTA will strengthen the respective positions of Singapore and Turkey as gateways to larger markets such as Europe and Asean," she added.

The agreement, which is expected to be ratified by 2017, will enhance access for Singapore and Turkish companies to each other's services sectors and procurement markets, and promote greater connectivity between businesses and people, Singapore's Ministry of Trade and Industry (MTI) said.

Turkey will remove tariffs for Singapore exports on over 80 per cent of products immediately after the FTA enters into force. This will rise to more than 95 per cent over 10 years, MTI added in a statement.

Singapore exporters in sectors like electronics, pharmaceuticals, chemicals and processed food will also benefit from the removal of Turkey's tariffs under Rules of Origin that consider Singapore's unique regional supply chain and local production processes.

About 10 major Singapore companies are in Turkey, including port operator PSA, Temasek Holdings, ST Electronics, urban developer Surbana Jurong and serviced apartment operator The Ascott.

Close to 70 Turkish companies are in Singapore, including Beko, a consumer goods brand under conglomerate Koc Holding; GenPower, Turkey's largest diesel and gasoline generator manufacturer; Vesbo, the specialised water thermoplastic pipe arm of oil and gas equipment supplier Kar Group; and reinsurance company Milli Reasurans.

These numbers are set to grow.

Latest figures show that Singapore invested \$345 million in Turkey in 2013, while Turkey invested \$19 million in Singapore in 2013. Bilateral trade in goods last year was \$1.21 billion, while bilateral trade in services in 2013 was \$394 million.

MTI said it will organise activities to help Singapore companies understand the potential benefits of the FTA. It is Turkey's first comprehensive agreement in a single undertaking, and covers

commitments in government procurement, intellectual property rights, e-commerce, competition and transparency.

Singapore companies will also be able to bid for procurement contracts from Turkish government entities, including its 30 metropolitan municipalities. Turkish companies can likewise access Singapore's government procurement market.

Turkey is Singapore's 52nd largest trading partner, and Singapore Business Federation chief executive officer Ho Meng Kit told The Sunday Times that trade and investment figures can be expected to grow with the FTA.

Turkey, he added, is an emerging country with growing domestic demand as well as links to areas like Central Asia, Iran and North Africa.

The ruling Justice and Development Party was also returned to power with a majority in the Nov 1 election, and Mr Ho said: "With the current government firmly in power, we hope there will be stability that will lead to better conditions for businesses to invest."

Singapore also appointed its first resident ambassador to Ankara this year, and trade agency IE Singapore has an office in Istanbul.

"The infrastructure is in place and will provide good support for businesses," Mr Ho added.

PM Lee and Turkish Prime Minister Ahmet Davutoglu signed a declaration on a strategic partnership when Mr Lee visited Turkey in October last year, and MTI said the signing of the FTA built upon this partnership.

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