

# Singapore FTA with GCC by Early Next year

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DUBAI — Singapore hopes to ratify the Free Trade Agreement (FTA) with the Gulf Cooperative Countries (GCC) by early next year. In an interview with *Khaleej Times*, Singapore's Senior Minister of State for Foreign Affairs, Dr. Balaji Sadasivan, said that the negotiations had concluded earlier this year and an appropriate event to sign the treaty is being finalised.

"The substantial part of the agreement is complete. The pact is being given final touches and there are no sticky issues in the deal," he added.



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**Dr. Balaji Sadasivan**

The proposed FTA will facilitate preferential market access to goods and services, including lucrative government procurement programmes.

"The agreement will substantially open the Singapore market for GCC companies and unlock GCC markets for Singaporean companies," noted Dr. Balaji.

While declining to get into the details, the minister said: "The service sector industries such as banking, insurance,

port management and communications would be the main beneficiaries of this agreement as both parties have very low trade barriers on goods."

Bilateral trade between GCC and Singapore has seen rapid growth in recent years.

It is expected to exceed \$40 billion in 2008 compared to \$22 billion in 2004. The bilateral trade between Singapore and the UAE was \$12 billion in 2007, non-oil trade constituting nearly 40 per

cent of the total.

The minister noted that Singapore would be an ideal springboard for GCC companies to expand in the Far East as they can take advantage of Singapore's trade deal with Australia, China, South Korea, New Zealand and Japan.

The minister noted that GCC companies could also collaborate with Singaporean counterparts to capitalise on the Iskander Malaysia project - a multi-billion dollar infrastructure project to boost economic growth in rural areas of Malaysia.

Singaporean companies are increasingly tying up with Gulf companies for business opportunities in third countries. In early 2008, the Qatar Investment Authority bought a stake in Singapore's eco-city project in China and Singtel - the government-controlled telecom operator - bought 30 per cent of Abu Dhabi-based Warid Telecom Group's Pakistan operations in 2007.

There are over 100 Singaporean companies in the UAE engaged in wide-ranging businesses including banking, real estate development, IT networking and logistics.

The minister is visiting Dubai to promote Pravasi Bharatiya Divas, a networking event for the Indian diaspora.

The event will be a business-centric conference which will be held from October 9 to 11 in Singapore and is jointly organised by the governments of Singapore and India.

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