

AUSTRALIA AND SINGAPORE STRENGTHEN THEIR COMPREHENSIVE STRATEGIC PARTNERSHIP

03 June 2016 | Australia, Brisbane, Sydney, Melbourne, Perth, Singapore, Sydney
Legal Briefings - By **Donald Robertson, Partner** and **Leon Chung, Partner**

Earlier this month, Australia and Singapore agreed to a substantial new package of bilateral cooperation initiatives to give effect to their Comprehensive Strategic Partnership (**CSP**), which was signed by the two countries in June 2015 on the fiftieth anniversary of diplomatic relations. The package is the culmination of the third review of the Singapore-Australia Free Trade Agreement (**SAFTA**), which was brought forward so as to commence upon the signing of the CSP last year.

This package is intended to advance the CSP by ‘building on existing areas of cooperation while also driving new ones’. It also establishes a ‘ten-year plan’ for Australia and Singapore to enhance their ‘strategic, trade, economic, defence and people-to-people links, to deepen collaboration in all areas of bilateral relations and enhance the integration of our economies in order to achieve a Closer Economic Relationship’.

Although the text of the updated SAFTA has yet to be released, as it is presently undergoing legal review, the following developments have been announced:

- a revision of the Investment Chapter, updating and modernising SAFTA’s existing investor-state dispute settlement (**ISDS**) provisions to incorporate safeguards preserving the right of each government to continue regulating in the public interest (we anticipate that these provisions will closely mirror the wording in the Trans-Pacific Partnership

(**TPP**), which Singapore and Australia have both signed but not yet ratified),

- updated trade rules with respect to goods, services and investment aimed at reducing red tape and increasing trade, such as the incorporation of the TPP Technical Barriers to Trade Chapter Annexes on goods including wine and distilled spirits, cosmetics and pharmaceuticals;
- improved cross-border opportunities for certain businesses, including universities, financial services providers, and law firms,
- increased capacity for businesses to bid for government procurement contracts in each other's jurisdictions,
- increased opportunities for professionals to move between and work in both countries, and
- new inter-governmental collaborations, for example in the fields of defence and innovation.

The package represents a real step forward in the ongoing push in the Asia-Pacific region towards greater harmonisation of trade rules and reduction of trade barriers. Australia continues to lead the way in this development, with the announced package with Singapore representing just one of a variety of initiatives currently being pursued to advance this objective.

Another such initiative is the TPP, which was signed by 12 Pacific Rim states in February 2016 and is currently being progressed through each signatory's domestic ratification procedures. Another is the Regional Comprehensive Economic Partnership (**RCEP**), a proposed free trade agreement due to be finalised in September 2016 between the ten member states of the Association of South-East Asian Nations (**ASEAN**) and the six states with which ASEAN has existing free trade agreements (including Australia).

These treaties are best understood as complementary - rather than competing - agreements motivated by a common objective: to facilitate trade within the Asia-Pacific region. This was confirmed as their purpose last November at the Asia-Pacific Economic Cooperation (**APEC**) Summit held in Manila, in which the member states reaffirmed their commitment to the long-discussed Free Trade Area of the Asia-Pacific (**FTAAP**) through the implementation of regional trade schemes, including the TPP. With the latest update to Australia and Singapore's CSP, that goal is one step closer to becoming reality.

KEY CONTACTS

If you have any questions, or would like to know how this might affect your business, phone, or email these key contacts.



LEON CHUNG
PARTNER, SYDNEY

+61 2 9225 5716
Leon.Chung@hsf.com

LEGAL NOTICE

The contents of this publication are for reference purposes only and may not be current as at the date of accessing this publication. They do not constitute legal advice and should not be relied upon as such. Specific legal advice about your specific circumstances should always be sought separately before taking any action based on this publication.

© Herbert Smith Freehills 2021

SUBSCRIBE TO STAY UP-TO-DATE WITH LATEST THINKING, BLOGS, EVENTS, AND MORE

Close

© HERBERT SMITH FREEHILLS LLP 2021