

## FACTSHEET

### CONCLUSION OF THE ASEAN TRADE IN SERVICES AGREEMENT (ATISA)

- **The 17<sup>th</sup> ASEAN Economic Community Council Meeting saw the conclusion of negotiations on the ASEAN Trade in Services Agreement (ATISA).**
  - This has added to Singapore’s success this year in deepening the integration of our ASEAN services markets. The ASEAN Ministers signed the Protocol to Implement the Tenth Package of Commitments under the ASEAN Framework Agreement on Services (AFAS)<sup>1</sup> on the sidelines of the 50<sup>th</sup> ASEAN Economic Ministers (AEM) Meeting on 29 Aug 2018, and the ATISA bolsters this achievement.
- Both the ATISA and AFAS are landmark agreements in bolstering trade in services in ASEAN. They are also long-standing initiatives that ASEAN Member States (AMS) have pursued over the last few years, and we are pleased to be able to deliver them this year during Singapore’s chairmanship of ASEAN.
- Services is an increasingly important sector in ASEAN economies, accounting for more than 50% of ASEAN’s Gross Domestic Product (GDP).<sup>2</sup> For Singapore, ASEAN is our third largest services trading partner<sup>3</sup>, and the services sector now accounts for more than 73% of employment – or more than 2.7 million workers – in Singapore<sup>4</sup>.
- Together, the ATISA and AFAS will benefit Singapore businesses and our workers, reducing barriers and further promoting services trade in ASEAN – which is worth more than USD700 billion today<sup>5</sup> – and lays the ground for its continued growth.

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<sup>1</sup> The AFAS provides the legal framework for each ASEAN Member State to broaden the coverage of liberalised services sectors that are open for access by businesses and services suppliers from other AMS. Under the AFAS, AMS have reduced or eliminated restrictions on trade in services through “Packages” of commitments, and each AMS’ commitments have gone beyond similar efforts at the World Trade Organization (WTO). On 29 Aug 2018, ASEAN Economic Ministers signed the Protocol to implement the tenth and final package of services liberalisation commitments under the AFAS.

<sup>2</sup> **Source:** ASEAN Secretariat’s ASEAN Services Report 2017.

<sup>3</sup> **Source:** Department of Statistics Singapore, 2016.

<sup>4</sup> **Source:** Ministry of Manpower Statistics, 2017.

<sup>5</sup> **Source:** ASEAN Secretariat’s ASEAN Services Report 2017.

## **Benefits of the ASEAN Trade in Services Agreement (ATISA)**

- The ATISA builds upon and enhances the AFAS by further reducing “beyond-the-border” barriers for our services suppliers, creating a more stable and predictable environment for trade in services, and setting the stage for future services integration and liberalisation in ASEAN.
  - This includes establishing commitments around AMS’ services liberalisation commitments under the AFAS – which are a legally-binding guarantee of the widest preferential services market access into ASEAN markets to-date.
  - Such commitments include the reduction of discriminatory regulatory barriers, and creating a more transparent regime for ASEAN services suppliers.
- The ATISA also includes a built-in agenda for AMS to convert their AFAS commitments to a negative list approach.
  - Under a negative list approach, all services sectors are considered as liberalised by default. A State would then list only those sectors/sub-sectors in which it has taken measures that it considers to run counter to the obligations of the agreement (also known as non-conforming measures).
    - This contrasts with the positive list approach, in which a State has to explicitly list the sectors/sub-sectors in which it intends to liberalise.
  - In negative lists, Parties would usually include references to the relevant legislation that supports such non-conforming measures.
  - The eventual negative listing approach under the ATISA thus fosters transparency and can potentially improve market access for businesses and service suppliers.
- When implemented, the ATISA will make up the third and final part of the “troika” of ASEAN agreements that improve ASEAN’s economic and sectoral integration, along with the ASEAN Trade in Goods Agreement (ATIGA) and the ASEAN Comprehensive Investment Agreement (ACIA).

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