

Marine Ltd; Proposed Merger between Thompson Corration and Routers Group PLC; Proposed Merger between Kraft Foods Global Inc. and Groupe Danone S.A.; Proposed Merger between Flextronics International Ltd and Solectron Corporation; and Joint Venture between Intel Corporation, ST Microelectronics N.V., and Francisco Partners LLP.

In light of the enforcement described above, it can be said that the implementation of the Competition Act has been effective in promoting competition and dealing with anti-competitive conduct in Singapore.

In connection with international cooperation, there are competition chapters in several of the FTAs and RTAs entered into by Singapore. These competition chapters generally relate to the promotion of co-operation and mutual assistance amongst competition agencies. Examples include the Agreement between Japan and Singapore for a New-Age Economic Partnership (JSEPA), the Singapore-Australia Free Trade Agreement (SAFTA), the Korea- Singapore Free Trade Agreement (KSFTA) and the Agreement between New Zealand and Singapore on a Closer Economic Partnership (ANZSCEP).

This indicates Singapore's strong commitment to regulating competition in accordance with Bogor Goals and the APEC Principles 1999. The economy has adopted a non-discrimination policy in regulating business between domestic and foreign companies. Singapore competition policy is also comprehensive, and has been able to create a free and fair competitive business environment. Although some factors, such as a small market, favor natural monopoly structure, Singapore ensures that a contestable market exists. The existence of some exceptions is explained by the continuing transition to full implementation.

The implementation of the competition policy to date has met with some remarkable success. To date, 12 guidelines have been published. Enforcement and competition policy has been similarly successful. Singapore has been able to provide a sufficiently conducive environment for the development of SMEs by guaranteeing a healthy level of competition. In light of this fact, it can be asserted that competition policy is transparent and accountable.

3.9 Government Procurement

Bogor Goal

APEC Economies will:

- (a) Develop a common understanding on government procurement policies and systems, as well as on each APEC economy's government procurement practices; and*
- (b) Achieve liberalization of government procurement markets throughout the Asia-Pacific region in accordance with the principles and objectives of the Bogor Declaration, contributing in the process to the evolution of work on government procurement in other multilateral fora.*

Singapore has adopted an open procurement regime and has been a signatory to the WTO Agreement on Government Procurement (GPA) since September 1997, supported by the Government Procurement Act, enacted in 2002. The government procurement regime is consistent with the APEC Non-Binding Principles on Government Procurement, including transparency, value for money, open and effective competition, fair dealing, accountability and due process, and non-discrimination. The economy has completed a voluntary review of government procurement procedures and has adopted e-procurement in order to enhance the transparency of the government procurement regime. Singapore reviews its government tendering procedures to maintain efficient, open, fair and competitive procurement practices. So far about 90 percent of government procurement occurs under open tender. Only certain military and security procurements are excluded. ✓

✓ The Singapore public sector's invitations for quotations and tenders are posted openly on the Government Electronic Business System (GeBIZ, website: www.gebiz.gov.sg), which is the government's one-stop e-procurement portal. Suppliers can search for government procurement opportunities, download tender documents, and submit their bids online. Apart from tender notices, tender schedules and awards are also published in GeBIZ. In addition, information on Singapore's procurement regime can also be found on GeBIZ. GeBIZ allows any supplier, whether local or overseas, including SMEs and partners of all sizes, to access public sector business opportunities easily. GeBIZ has increased the transparency of Singapore's GP regime.

✓ Singapore has been practicing procedures aimed at achieving best available value for money in the procurement of goods and services. The Invitation to Tender contains information necessary to permit interested suppliers to submit responsive tender proposals, and it also contains the evaluation criteria which will be used to assess the tender bid. Singapore has an open procurement regime and there is no discrimination between a foreign and local supplier. The tender is awarded to the supplier that is deemed to be most advantageous to Government, such as the supplier providing overall best value for money. No consideration is given to whether the supplier is from an APEC economy. Singapore does not assess the response rate of suppliers by countries.

As Singapore's one stop system for e-procurement, GeBIZ has also launched a Government Procurement Guide for SMEs. The guide is available for download at the following website: http://www.gebiz.gov.sg/index_sg_procure_info.html#4.

Open tender is the default mode of sourcing, and tender notices are published on GeBIZ, which is accessible to all potential suppliers. Suppliers are also able to benchmark their competitiveness with other suppliers, since the tender schedules and award notices are posted on GeBIZ. Singapore has fully implemented its obligations under the WTO-GPA (Agreement on Government Procurement), and one of the key principles is non-discrimination. Singapore's Government procurement regime offers equitable access opportunities to all suppliers. All suppliers, foreign or domestic, are treated fairly and are given the same information to prepare their bids with the same equitable access opportunities.

Singapore's practices are consistent with the fair dealing principle. GeBIZ is an open procurement system. In addition, procurement personnel are required to discharge their official duties in an impartial manner, without pursuing their private interests (that is, they must declare any conflict of interest), nor accept/solicit gifts which might influence the conduct of their duties. Government procurement, like all government expenditures, is subject to the same control and requirements. It is subject to auditing by the Auditor-General who will submit a report to Parliament if there are any discrepancies, inefficiencies or non-conformances detected. There are also strict laws in Singapore that govern anti-corruption practices. ✓

Government agencies are required to keep proper records of the entire procurement process, including decisions and actions taken during the process. These records are retained for a specific number of years (usually 3 years) and they are subject to independent audit checks. ✓

✓ Since April 2005, all suppliers who register as a GeBIZ Trading Partner are entitled to one free user account. Each account in addition to the first free account is chargeable at \$280 per annum. The fee is affordable and does not jeopardize the operations of SMEs. GeBIZ also provides an on-line channel for GeBIZ Trading Partner to promote and market their products and services.

Singapore has fully implemented the principle of non-discrimination, offers equitable access opportunities to all suppliers and has met the Bogor Goals in government procurement and the APEC Non-Binding Government Procurement Principles.

3.10 Deregulation/Regulatory Review

Bogor Goal

APEC economies will facilitate free and open trade and investment in the Asia-Pacific Region by, inter alia:

- (a) enhancing the transparency of regulatory regimes; and*
- (b) eliminating domestic regulations that may distort or restrict trade, investment or competition and are not necessary to achieve a legitimate objective.*

Singapore is recognized as number one in the Ease of Doing Business in the World survey by International Finance Corporation (IFC, World Bank) in 2006 and 2007. The economy develops its economy based on a liberal trade and investment regime and the Government constantly seeks to improve the operating laws and regulations to ensure that the business environment is market-driven, supportive of entrepreneurship and consistent with international best practices. These efforts help to ensure that Singapore has a regulatory investment environment based on clarity, fair competition and sound business practices.

The sectoral exclusions listed in the Third and Fourth Schedules are not intended to be permanent. The policy intent is to review the need for such sectoral exclusions after the Competition Act has been in place for some time, taking into account market developments at that point in time. This review is slated to take place in 2009.

The CCS, in 2005, initiated the set-up of the Interagency Competition Forum, to provide a platform for discussing competition issues and policy concerns, so as to promote consistency and alignment in the application of generic and sector-specific competition laws where possible, to promote co-ordination among agencies, so as to ensure a coherent approach to regulation, and to promote co-operation among agencies.

8. As regards APEC, what is the level of progress achieved in developing regulations on competition policy? Are there any plans to develop competition policy outside the collective action plan within the APEC framework?

Ans: From 1-3 August 2007, Singapore, together with Japan, organised the 3rd APEC training course with the two themes- "Competition Policy and SMEs" and "Effective Implementation of Competition Policy and Law", which was hosted in Singapore.

The purpose of this project was to build capacity in the area of competition policy by better utilizing the accumulated APEC knowledge and expertise on competition policy.

The CCS also participates in the various APEC conferences, for example, the CCS was a panelist during one of the sessions at the recent APEC Economic Committee II Seminar on the Role of Competition Policy in Structural Reform, held in Cairns on 27 June 2007.

I. GOVERNMENT PROCUREMENT

1. As we know, invitations for quotations and tenders in the public sector are posted openly on GeBIZ. Please describe the benefit GeBIZ has in attracting business in Singapore. Does the program engender a more open and transparent GP regime? Will the government take the next step necessary to improve this program? Has Singapore made an assessment of the degree to which APEC member economies are utilizing its e-services such as GeBiz in identifying business opportunities? Could you please give us the outcome of the review?

Ans: GeBIZ is an open procurement system. It is the Singapore's Government's one-stop e-procurement portal. All public sector invitations for quotations and tenders are posted on GeBIZ. Suppliers can search for government procurement opportunities, download tender documents, and submit their bids online. GeBIZ allows any supplier, whether local or overseas, to access public sector business opportunities easily. Apart from tender notices, tender schedules and awards are also published in GeBIZ. GeBIZ has certainly made Singapore's GP regime more open and transparent. We have not assessed the practices of other APEC countries.

2. Please review the steps taken to improve Government Procurement in compliance with APEC Non-Binding Principles.

Ans: Singapore's government procurement regime is consistent with APEC Non-Binding Principles and Singapore constantly reviews its government tendering procedures to maintain efficient, open, fair and competitive procurement practices.

3. How does Singapore rate the performance of its current government procurement regime in terms of transparency, speed of award procedures and overall economic efficiency?

Ans: We have met the requirements expected of us as an APEC economy and we have fully conformed to the practices and requirements of the WTO-GPA which many APEC economies are not a party to.

✓ 4. Do companies from APEC member countries enjoy specific privileges in bidding on government contracts in Singapore? If so, are such privileges applied on a non-discriminatory basis to all APEC members? Is there any opposition (especially from domestic producers) towards opening the international e-government procurement in Singapore?

Ans: No APEC economy enjoys any specific privileges in bidding for government contracts in Singapore. All suppliers, foreign or domestic, are treated fairly and are given the same information to prepare their bids. They have the same equitable access opportunities.

✓ 5. What has been the response rate (in bidding terms) of suppliers from other APEC members? Please provide examples of foreign bidders gaining the upper hand over domestic suppliers.

Ans: Singapore has a open procurement regime and there is no discrimination between a foreign and local supplier. The tender is awarded to the supplier which provides best overall value for money and which meets all the specifications and requirements stated in the tender. No consideration is given to whether the supplier is from an APEC economy. We do not assess the response rate of suppliers by countries.

6. Has the Singapore government or an independent auditor agency documented the benefits of e-procurement in efficiency terms as well as in combating corruption practices?

Ans: Government procurements, like all government expenditures, are subject to the same control and requirements. It is subject to auditing by the Auditor-General who will submit a report to Parliament if there are any discrepancies, inefficiencies or non-conformances detected. There are also strict laws in Singapore that govern anti-corruption practices.

7. As we know, using the GeBIZ service requires the payment of some fee. Does this program discourage SMEs to operate in Singapore? Please review the cost and benefit of GeBIZ for SMEs

Ans: Since 1 Apr 2005, all suppliers who register as a GeBIZ Trading Partner are entitled to one free user account. Each account in addition to the first free account is chargeable at S\$280 per annum. The fee is an affordable one and does not jeopardize the operations of SMEs. GeBIZ also provides an on-line channel for GeBIZ Trading Partner to promote and market their products and services.

8. Question from Hong Kong, China:

We commend Singapore's efforts in recent years to modernize its GP regime and to share its procurement information with other APEC members. We appreciate that Singapore will continue with its efforts in moving towards a further open and transparent GP regime.

Ans: Singapore thanks Hong Kong, China for its comments.

J. DEREGULATION / REGULATORY REVIEW

1. Please describe recent examples of what Singapore considers best practice industry or sector specific regulatory reforms which have been able to eliminate distortions in trade and investment or restrictions in competition. Who is responsible for developing such instruments and how are they tailored to suit various sectors of the economy especially in telecommunication, transport and energy?

Ans: Singapore has a liberal trade and investment regime. In addition to our open regime, we enacted a generic competition law - the Competition Act - in October 2004. The substantive prohibitions in the Act against anti-competitive agreements and abuse of dominance came into force on 1 January 2006. The Act was amended this year pursuant to the passing of the Competition (Amendment) Bill 2007 by Parliament on 21 May 2007. The amendments were made to facilitate the coming into force of the prohibition against anti-competitive mergers on 1 July 2007. Subsidiary legislation was also enacted or amended to this effect.

Overall responsibility for trade policy formulation and implementation in Singapore remains with the Ministry of Trade and Industry, though certain sectors are overseen by specific regulatory agencies. For instance, the telecommunications sector is regulated by the Infocomm Development Authority of Singapore (IDA), which introduced full competition in the telecommunications market in 2000.

2. What criteria are used to determine whether or not regulations achieve the objectives?

MDA's broadcast Program Codes and standards apply across the board to all local and foreign broadcasters.

✓ *Construction and related engineering*

The Building and Construction Authority (BCA) develops and regulates the building and construction industry in Singapore, mainly through administering the Building Control Act and Regulations. The Building Control Act and Regulations set out legislation to control building works and specify the building codes and standards to ensure the safety and quality of buildings in Singapore. Construction companies do not need a license to operate in Singapore. In accordance with existing regulations, foreign construction companies do not face any discrimination whatsoever in operating in Singapore. The same treatment applies for government projects. All companies, local or foreign, must register with the Building and Construction Authority (BCA) if they work on government projects. Only sensitive Ministry of Defence (MINDEF) projects are off-limits to foreign companies.

For Government procurement purposes, construction companies are required to register with the BCA's Contractors Registry System. There are no additional regulatory requirements for foreign construction companies, besides those listed in the generic section.

3.4 Investment

Bogor Goal

APEC economies will achieve free and open investment in the Asia-Pacific region by:

- (a) Liberalizing their respective investment regimes and the overall APEC investment environment by, inter alia, progressively providing for MFN treatment, and ensuring transparency; and*
- (b) Facilitating investment activities through, inter alia, technical assistance and cooperation.*

Singapore has a liberal investment regime. It actively promotes domestic and foreign investment by supporting policies which are predictable, transparent and market-friendly. The policy enhances Singapore's attractiveness as an investment destination, which can be seen from the fact that the value of FDI inflow was US\$25 billions in 2007. There are around 34,500 international companies and 161,000 Small and Medium Enterprises (SMEs) in Singapore. Of 7,000 Multinational Corporations (MNCs), 60 percent have their regional/global headquarters functions in Singapore.

Singapore adopted "open door" policies in the early 1970s. Foreign investors are allowed to own 100 percent equity in most sectors and there are no limitations on profit repatriation. The Economic Development Board (EDB) promotes investment by providing information pertaining to investment and a range of services to investors. The government continues to support a pro-business environment with less red tape, simpler