

MEDIA RELEASE

Two-way trade between Singapore and Shanghai grows; New area of collaboration in digital economy

Singapore, Tuesday, 9 July 2024

1. Economic ties between Singapore and Shanghai continued to strengthen, with total trade in 2023 increasing by 7.8% year on year, underscoring the enduring and growing economic ties between the two cities.
2. Mr Edwin Tong, Minister for Culture, Community and Youth and Second Minister for Law co-chaired the 5th Singapore-Shanghai Comprehensive Cooperation Council (SSCCC) meeting today with Mr Gong Zheng, Mayor of Shanghai, in Shanghai. The session also saw participation from Vice Co-Chairmen Ms Low Yen Ling, Senior Minister of State (SMS) for Trade and Industry & Culture, Community and Youth, and Mr Hua Yuan, Vice Mayor of Shanghai, alongside about 150 officials and business representatives from Singapore and China. The leaders engaged in productive discussions and agreed to bolster trade and investment links between Singapore and Shanghai, as well as the greater Yangtze River Delta (YRD) region.

Digital economy as a new area of cooperation

3. The leaders agreed to expand cooperation to include the digital economy, as it is a key priority for both Singapore and Shanghai. Singapore's digital economy grew at a compound annual growth rate (CAGR) of close to 13% since 2017, outpacing growth of the overall economy, while Shanghai's digital economy is expected to reach RMB 3 trillion by 2025, accounting for more than 60% of its GDP.
4. This new focus will encompass the exchange of knowledge, technical expertise, and regulatory updates between government agencies and companies from Singapore and China. On digital trade, the leaders at the meeting agreed that Singapore and Shanghai should support pilot projects that facilitate digital trade through the secured

exchange of electronic Bills of Lading (eBL). This will ease the trading process for companies and enable more trade flows. In line with this, CrimsonLogic, Shanghai E&P International and Shanghai Electronic Certification Authority signed a term sheet today to pilot projects that will further enhance document and identity security, as well as custom clearance processes in cross-border trade. Singapore and Shanghai will also look at facilitating trusted commercial data flows by promoting common baseline standards and the exchange of knowledge on cross-border data flow mechanisms for businesses operating in both regions, as well as exploring policy innovations.

5. “The SSCCC has been an important platform in promoting greater bilateral business and investment flows, catalysing deeper partnerships in areas of common interests, and driving more frequent people-to-people exchanges between Singapore and Shanghai,” said Minister Tong. “Our areas of collaboration have also expanded over the years to keep up with our evolving strengths and interests, as evident in the new area of cooperation in digital economy. We encourage more Singapore companies to work with the council and Enterprise Singapore (EnterpriseSG) to explore different modes of partnership with Shanghai.”
6. Lawrence Ng, CEO of CrimsonLogic, said: "We are deeply honoured to be able to leverage the SSCCC as a platform to work hand in hand with Shanghai E&P International and Shanghai Electronic Certification Authority to jointly start a new chapter in the digital development of Shanghai-Singapore trade. In this collaboration, CrimsonLogic will not only contribute our deep expertise in document signature security, digital identity services and trade facilitation, but also integrate the resources of the three parties to jointly explore and implement more innovative solutions, inject strong momentum into the digital transformation of Shanghai-Singapore trade, and jointly create a new future of smart trade."

Good progress in projects in urban planning and finance

7. The meeting noted the good progress across the council's six focus areas over the past year. Some key highlights include:
 - a. Urban planning – There were frequent knowledge exchanges in this area, with Shanghai Vice Mayor Chen Yujian participating as a panellist in the World Cities Summit held last month in Singapore. Vice Mayor Chen and SMS Low also attended the 6th Singapore-Shanghai High Level Dialogue co-organised by the Centre for Liveable Cities (CLC) and the Shanghai Municipal Housing and Urban-Rural Development.

- b. Belt and Road Initiative – In November 2023, the Singapore Business Federation, with the support of EnterpriseSG, led over 500 business representatives from 56 Singapore companies, the largest Singapore delegation since 2020 to exhibit at the 6th China International Import Expo (CIIE) held in Shanghai. Thirteen MOUs between Singapore and Chinese companies covering areas such as trade connectivity, food technology, and supply chain management, were inked at the CIIE.
 - c. Financial services cooperation – UOB established two Renminbi-Indonesian Rupiah (RMB-IDR) cash pools in Lingang this year to support its institutional clients in China and Indonesia to fund business activities across markets using onshore foreign exchange rates. China Universal Asset Management established its operations in Singapore in April 2024, while Guotai Junan Futures (Singapore)¹ achieved SGX derivatives trading and clearing membership in Singapore, as part of its efforts to expand its international presence.
8. At the SSCCC meeting, 15 agreements were also signed between Singapore and Shanghai, covering areas such as digital economy, urban planning and financial services.

Annex 1: List of signings at the 5th SSCCC meeting

Annex 2: Closing remarks by Minister Edwin Tong at the 5th SSCCC meeting

Annex 3: Background on Shanghai and Singapore-Shanghai economic relations

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About Enterprise Singapore

Enterprise Singapore is the government agency championing enterprise development. We work with committed companies to build capabilities, innovate and internationalise.

¹ Guotai Junan Futures (Singapore), a wholly owned subsidiary of Guotai Junan Futures Co., Ltd., is the sole futures and derivatives platform in Singapore of Guotai Junan Securities, one of the largest investment banks and securities companies in China providing corporate finance, brokerage, FICC and asset management for its clients.

We also support the growth of Singapore as a hub for global trading and startups, and build trust in Singapore's products and services through quality and standards.

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About Singapore-Shanghai Comprehensive Cooperation Council

Established in April 2019, the Singapore-Shanghai Comprehensive Cooperation Council (SSCCC) is co-chaired by Minister for Culture, Community and Youth and Second Minister for Law Edwin Tong, and Mayor of Shanghai Municipal People's Government Gong Zheng. Senior Minister of State for Trade and Industry & Culture, Community and Youth Low Yen Ling and Vice Mayor of Shanghai Municipal People's Government Hua Yuan are the Vice Co-Chairmen.

The Council aims to deepen bilateral cooperation between Singapore and Shanghai and enhance connectivity between both markets. The SSCCC is Shanghai's first comprehensive institutionalised platform with a foreign country.

List of signings at the 5th SSSCC meeting

No.	Title and Description
1.	MOU between Enterprise Singapore and Shanghai Municipal Commission of Commerce To promote economic and trade cooperation between Singapore and Shanghai
2.	MOU between Singapore Enterprise Centre@Shanghai and Donghao Lansheng (Group) Co., Ltd To provide a professional service platform for both Chinese enterprises to expand to Singapore and beyond, and Southeast Asia enterprises to invest in China
3.	MOU between Singapore Enterprise Centre@Shanghai and Shanghai Small and Medium-sized Enterprise Development Service Center To support collaboration and exchange among Singapore and Shanghai SMEs
4.	MOU between Singapore Chamber of Maritime Arbitration and Shanghai International Arbitration Centre To promote arbitration and mediation, information exchange, and respective arbitration institutions for resolving disputes arising from international economic and commercial transactions
5.	MOU between Singapore Chamber of Maritime Arbitration and Shanghai Maritime University To promote events and initiatives, as well as information exchange
6.	MOU between Institute of Singapore Chartered Accountants and Shanghai Institute of Certified Public Accountants To promote membership pathway and training of both associations, facilitate knowledge exchange and activities, joint research and support the growth of small-and medium-sized practices
7.	MOU between Sydrogen Energy and Shanghai Hydrogen Propulsion Technology To collaborate on fuel cell system technology for marine engine systems
8.	MOU between UOB Group and Lingang Economic Development Group To expand existing strategic collaboration in extending financial services to facilitate investments in the Lingang Special Area
9.	MOU between Centre for Liveable Cities and Shanghai Municipal Commission of Housing, Urban-Rural Development and Management To enhance mutual knowledge exchange and facilitate collaboration in urban governance
10.	MOU between Amtronic Group and Qingpu Industrial Zone Development Group To collaborate on a green building materials innovation centre in Qingpu Industrial Zone
11.	MOU between RSP Architects Planners & Engineers (Pte) Ltd and Shanghai Shenteng Information Technology Co., Ltd To collaborate on low-carbon, energy-saving and sustainable design integrated with digitalised and smart building technology

12.	<p>MOU between A*STAR's Institute of Materials Research and Engineering and Fudan University's College of Chemistry and Materials Sciences To deepen collaboration in sustainable chemistry and materials research, and facilitate talent exchanges</p>
13.	<p>MOU between National University Hospital Singapore and Ruijin Hospital (Shanghai Jiao Tong University School of Medicine) To collaborate on learning and academic exchanges, joint research and develop shared care programme</p>
14.	<p>MOU between Target Media Culcreative and AI Prime To cooperate on effective compliance review, efficient advertising content creation, resource allocation and value</p>
15.	<p>Term sheet between CrimsonLogic, Shanghai E&P International and Shanghai Electronic Certification Authority To pilot projects that will further enhance document and identity security, as well as custom clearance processes in cross-border trade.</p>

**Closing Remarks by Mr Edwin Tong, Minister for Culture, Community and Youth and
Second Minister for Law, Co-Chair of the Singapore-Shanghai Comprehensive
Cooperation Council (SSCC) at the 5th SSCCC Meeting on 9 July 2024**

Your Excellency Mayor Gong Zheng,
Vice Mayor Hua Yuan,
Distinguished Guests,
Ladies and Gentlemen,

1. A very good evening to all of you. It has been a pleasure to co-chair the 5th Singapore-Shanghai Comprehensive Cooperation Council (SSCCC). This meeting, I co-chair with Mayor Gong and it is a privilege for me to do so, and I would like to thank Mayor and his team for organising today's session.
2. The earlier discussions were insightful, as we reviewed the progress across the different workgroups, as well as identified new areas and opportunities to further our bilateral partnership.
3. I would like to thank all the government and business delegates for your continuous participation and contributions towards the Singapore-Shanghai cooperation.

Significance and progress of SSCCC

4. Today's meeting is also particularly meaningful, as it marks the 5th anniversary of the SSCCC.
5. Since its establishment in 2019, the SSCCC has served as an important platform in
 - (1) promoting greater bilateral business and investment flows,
 - (2) catalysing deeper collaborations in areas of common interests,
 - (3) and driving more frequent people-to-people exchanges between Singapore and Shanghai.
6. I am heartened that at this milestone, the secretariats have worked together to refresh the key areas of collaboration, with a newly added Digital Economy pillar. This brings our areas of collaboration to six which include –
 - (1) Belt & Road Initiative,
 - (2) Financial Services Cooperation,
 - (3) Technology and Innovation,
 - (4) Urban Governance,
 - (5) People-to-People Exchanges,
 - (6) and Digital Economy.
7. These refreshed areas of collaboration reflect the evolving and dynamic nature of our complementary strengths and interests, and further elevate our bilateral cooperation to the next level.

Progressive ties between Singapore and Shanghai

8. Economic ties between Singapore and Shanghai have made steady progress despite uncertainties in the global environment.

9. In 2023, total trade between Singapore and Shanghai increased by 7.8% year-on-year, while cumulative Singapore investments to Shanghai exceeded USD 25 billion across more than 6,300 projects.

10. We have also made good progress in driving two-way business exchanges and collaborations.

11. Shanghai, who is leading the development of the Yangtze River Delta (YRD) region, is the key partner for Singapore in driving bilateral trade and investments, as well as the main port-of-call for Singapore companies expanding into China.

12. Despite the challenging global economic conditions, Singapore companies remain interested to grow their businesses and provide value to Shanghai and the broader YRD region. For example:

- (1) Keppel launched the International Bund Gateway in October 2023, a high-quality development with exciting retail and F&B elements which supports the thriving consumer hub in the area.
- (2) During my earlier visit to Shanghai in January this year, I also attended the opening of Allen and Gledhill's first China office based in Shanghai.

13. Similarly, Singapore is a natural springboard and trusted partner for internationalising Shanghai companies that are seeking to tap on the growing opportunities in Southeast Asia.

14. We have seen greater flow of companies expanding into Singapore and Southeast Asia.

- (1) To date, Shanghai companies, such as HH Chemicals and Envision, have cumulatively embarked on more than 500 projects in Singapore, an increase of 30% from last year.

15. The two-way exchanges apply to the area of Financial Cooperation as well, where Singapore and Shanghai, as key financial gateways in Southeast Asia and China respectively, continue to strengthen capital market connectivity through internationalisation and mutual establishment of financial institutions in our respective markets.

- (1) For example, China Universal Asset Management and Guotai Junan Futures have started their operations in Singapore in recent months.

16. The MOU signed between Enterprise Singapore and the Shanghai Municipal Commission of Commerce (SMCC), which the meeting earlier witnessed, signifies the commitment from both sides to further strengthen economic and trade cooperation, and in other areas of common interests.

Expanding partnerships in emerging areas

17. Leveraging the strong foundation built up over the years, Singapore and Shanghai can further expand into emerging areas such as the Digital and Green Economies.

18. Digital Economy is a key development priority for both Singapore and Shanghai.

- (1) At the forefront of China's digital transformation, Shanghai's digital economy is expected to reach RMB 3 trillion by 2025, accounting for more than 60% of its GDP.
- (2) Singapore's digital economy has also been growing at a CAGR of close to 13% per annum since 2017, outpacing growth of the overall economy.

19. The new Digital Economy work group should therefore work closely with agencies and companies on both sides to exchange knowledge, technical expertise, policy, and regulatory updates, particularly in the areas of digital trade and cross-border data transfer.

- (1) For example, CrimsonLogic and Shanghai Electronic Port signed a commercial agreement to embark on a potential pilot to digitalise cross-border trade and logistics to help enterprises reduce time taken and streamline processes for customs clearance.

20. Sustainability and green development are common development goals for Singapore and Shanghai in tackling the growing climate challenge.

21. In particular, the urban environment presents huge potential for green transition and decarbonisation.

- (1) Shanghai is looking at the rejuvenation of historical buildings, revitalisation of old commercial and residential areas as part of city planning, and decarbonisation of industrial parks to meet its carbon goals.
- (2) In Singapore, we are similarly rejuvenating our Central Business District in line with evolving lifestyle and consumer demands, and reimagining what our future city would look like with energy-efficiency equipment, zero-energy buildings, and intelligent energy management systems.

22. These are amongst the many aspects which we can work together on, and I hope that more Singapore companies can leverage their urban development experience and innovation green solutions to participate and contribute as a trusted partner to Shanghai's green journey.

People-to-people exchanges

23. Beyond economic fronts, the strong Singapore-Shanghai cooperation is undergirded by frequent people-to-people exchanges.

24. Following the resumption of physical SSCCC meeting in Singapore last year and the mutual 30-day visa-exemption arrangement between Singapore and China, I am happy that Singapore and Shanghai have stepped up people-to-people interactions and exchanges across different levels and different fields of interests.

25. The Health and Education agencies on both sides have established bilateral exchanges via mutual visits and participation in high-level platforms such as the Singapore-Shanghai Basic Education Roundtable Forum.

26. Faced with similar socioeconomic and governance priorities, there is indeed much value for Singapore and Shanghai to further deepen institutional exchanges on best practices and approaches in building a healthier and more inclusive society.

27. The launch of the inaugural Shanghai-Singapore Senior Officials Exchange Programme, as well as the Singapore-Shanghai Lawyers Exchange Programme provided opportunities for deepening people-to-people exchanges.

28. In fact, I am happy to note that 9 of our Singapore lawyers are here in Shanghai on a 3-month attachment with Shanghai law firms.

29. I look forward to seeing more of these initiatives that allow our talents on both sides establish deeper mutual understanding, familiarity, and trust in working together to foster more future collaborations and partnerships.

30. Several Singapore and Shanghai schools are also exploring potential partnerships on student exchange and overseas immersion programmes.

31. I encourage youths and students on both sides to proactively leverage these opportunities to exchange knowledge, establish valuable cross-border networks and deepen understanding of each other's culture.

Conclusion

32. To conclude, the SSCCC has been an important and effective platform in encouraging regular high-level exchanges and fostering new collaborations in key areas of interest.

33. Our areas of collaboration have also expanded and deepened over time to keep up with both our evolving strengths and emerging interests. This itself speaks to the can-do spirit and dynamism both our cities share.

34. I look forward to continuing the good partnership with Mayor Gong and Shanghai leaders in bringing Singapore and Shanghai's comprehensive cooperation to even greater heights.

35. Thank you very much.

ANNEX 3

Background on Shanghai

With total land size of 6,340 sq km and residential population of 24.76 million, Shanghai is China's economic centre². Shanghai's GDP increased by 5.0% in 2023 and continued to grow 5.0% in 1Q 2024 to RMB 1,110 billion.

Services industry (e.g. software, IT, wholesale, retail, finance) accounted for 78.3% of Shanghai's GDP in 1Q 2024. In 2023, strategic emerging industries (e.g. new energy vehicles, innovation) recorded a y-o-y increase of 6.9%.

Shanghai also has the strongest spending power among Chinese cities, with an urban per capita disposable income of RMB 25,781 in 1Q 2024, a y-o-y increase of 4.7%³.

Singapore-Shanghai economic relations

Singapore and Shanghai economic relations are strong, given that Shanghai is a key port-of-call for Singapore companies keen to expand their operations in China. In 2023, total trade between Singapore and Shanghai increased by 7.8% year-on-year, while cumulative Singapore investments to Shanghai exceeded USD 25 billion across more than 6,300 projects.

Singapore companies continue to see Shanghai as an attractive investment destination due to rising demand for mid-to high-end goods and services driven by the growing affluence of Shanghai's resident population. Most of Singapore's investments in Shanghai are in real estate, financial services, manufacturing, lifestyle and consumer sectors.

² Followed by Beijing, Shenzhen, Chongqing, and Guangzhou. Source: Shanghai Statistics Bureau, National Bureau of Statistics

³ Source: Shanghai Bureau of Statistics.