

EXECUTIVE OFFICE OF THE PRESIDENT
THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

May 6, 2003

The Honorable
George Yeo
Minister for Trade and Industry

Dear Minister Yeo:

I have the honor to confirm the following with regard to the denial of benefits provisions set out in Article 8.11(a), Article 15.11(a), and incorporated by reference in Article 10.1.2(a) of the United States - Singapore Free Trade Agreement (the "Agreement") between our two Governments signed on this day.

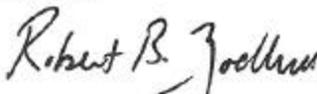
United States legislation regarding the imposition of trade and economic sanctions against foreign countries is set out in certain federal statutes passed by the United States Congress. The United States wishes to clarify that such sanctions legislation does not impinge on Singapore's sovereign right to conduct its foreign policy nor does it prohibit companies of foreign countries that are subject to U.S. sanctions from establishing themselves in Singapore.

The United States Department of Treasury's Office of Foreign Assets Control ("OFAC") and the United States Department of Commerce's Bureau of Industry and Security ("BIS") administer the principal U.S. trade and economic sanctions. OFAC administers and enforces economic and trade sanctions against foreign countries, as well as entities and individuals identified on a list of "Specially Designated Nationals". BIS administers and enforces controls on exports and re-exports of dual-use items to certain countries and entities for national security and foreign policy reasons. In addition, individuals and companies subject to export restrictions are identified on "Denied Persons" and "Denied Entities" lists. Comprehensive, up-to-date information on U.S. economic and trade sanctions can be obtained through the OFAC and BIS websites and through publications in the *Federal Register*.

Article 20.3 of the Agreement provides that either Party may request consultations with respect to any matter that it considers might affect the operation of the Agreement, including how the trade and economic sanctions of the other Party might affect the operation of the Agreement.

I trust that this letter provides the assurances that Singapore has sought with regard to the Agreement's denial of benefits provisions.

Sincerely,


Robert B. Zoellick