



ASEAN-Australia-New Zealand FTA (AANZFTA)

AANZFTA ECONOMIC COOPERATION SUPPORT PROGRAM (AECSP)

ASSESSMENT

Undertaken by the
FTA Joint Committee

3 July 2015

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1. Introduction

1. At its meeting in May 2014 the FTA Joint Committee (FJC) agreed to undertake an assessment of the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) Economic Cooperation Support Program (AECSP) to determine whether it considers it appropriate to recommend to Ministers at the 20th ASEAN Economic Ministers – Closer Economic Relations (AEM-CER) Consultations in 2015 to provide for support beyond 2015 for economic cooperation activities relevant to the AANZFTA.
2. The meeting noted the growing maturity of the AECSP and the importance of maintaining the program's momentum, which is now well established and delivering strong results.
3. This assessment takes stock of the obligations under AANZFTA, and assesses the extent to which those obligations have been fulfilled by the Parties. The assessment then goes on to consider how effective the AECSP has been in supporting the implementation of the AANZFTA.
4. The key messages and recommendations highlighted in this Assessment suggest ways forward for future economic cooperation activity under AANZFTA. The recommendations are intended to be considered by the 20th AEM-CER (through the Senior Economic Officials Meeting (SEOM-CER) when it meets in August 2015.

2. Key Messages and Recommendations

5. At the 6th FJC Meeting (Auckland, May 2014), the FJC agreed to undertake an assessment of AECSP to determine whether it considers appropriate to recommend to Ministers at the 20th AEM-CER Consultations (through SEOM-CER) to provide support beyond 2015 for economic cooperation activities relevant to AANZFTA. The three FJC co-Chairs (Australia, Brunei Darussalam, New Zealand) were tasked to consult inter-sessionally to make a recommendation to the FJC in early 2015.

6. The 6th FJC co-Chairs consulted inter-sessionally and met three times to make an assessment of AECSP, covering the following elements:

- (i) progress in AANZFTA implementation;
- (ii) degree of AANZFTA's relevance to business;
- (iii) extent of AANZFTA's contribution to enhancing regional economic integration; and
- (iv) effectiveness of the AECSP in supporting these elements.

7. A draft document prepared by the co-Chairs with the assistance from the ASEAN Secretariat, including draft recommendations was considered by the FJC at its 7th meeting in Bandung, Indonesia (29 June – 3 July 2015). This document is the outcome of the FJC's deliberations, which outlines the key features of the assessment of the AECSP, including recommendations for consideration by Ministers at the 20th AEM-CER Consultations (through SEOM-CER).

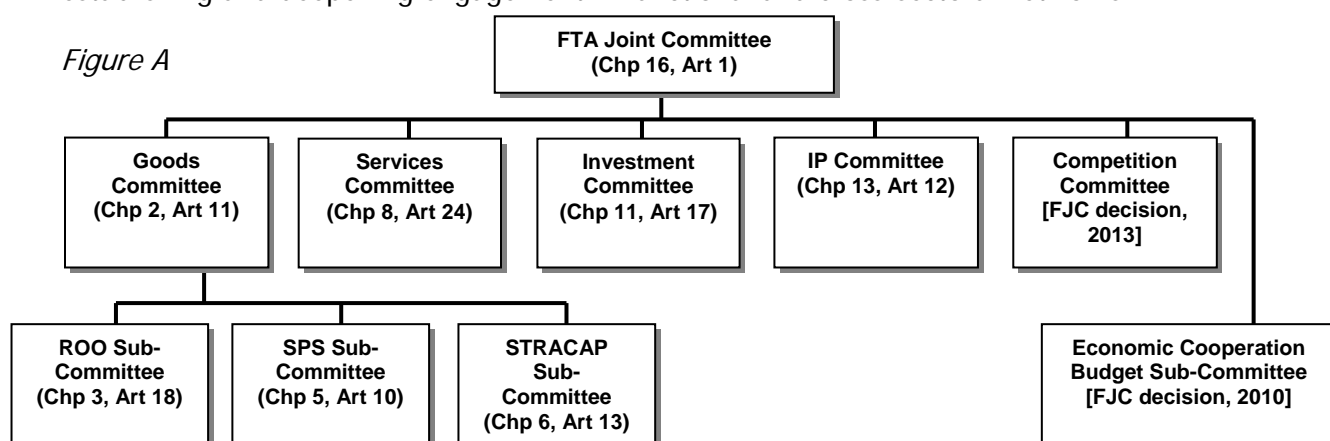
2.1 Key Messages

8. AECSP has delivered results and tangible outcomes in terms of capacity-building, at individual and institutional levels, by developing technical expertise among officials and enhancing ASEAN Member States (AMS) institutions in the areas of trade in goods, services, investment, intellectual property and competition.

9. AECSP supports a maturing policy dialogue between ASEAN, Australia and New Zealand. It has deepened the mutual understanding of Parties on issues in AANZFTA's built-in agenda and has supported negotiations to amend the agreement to make it more business-friendly as demonstrated by the signing of the First Protocol to Amend the AANZFTA.

10. AECSP develops and strengthens working relationships among the relevant FTA committees through a well-structured institutional framework that is supporting the development of the substantive FTA work program (See Figure A). This includes establishing and deepening engagement in functional and cross-sectoral networks.

Figure A



11. AECSP continues to be the preferred model for ASEAN-based FTA implementation and related support because of its demand-driven nature and alignment with the Parties' priorities, strong synergies with ASEAN Economic Community (AEC) objectives and support to national economic reform agendas.

12. AECSP is characterized by strong country and regional ownership with substantial in-kind contributions for planning and implementation by the ASEAN Secretariat, AMS, Australia and New Zealand.

(i) Progress in AANZFTA implementation and built-in agenda

13. AECSP has contributed a considerable number of capacity-building activities to support the operationalisation of AANZFTA chapters, particularly trade in goods and rules of origin. However, the benefits from AECSP interventions have not been fully realised because of delays in progressing the FTA's built-in agenda (work programme).

14. Despite the resources allocated to supporting preparatory work (including workshops and dialogues) many of the built-in agenda items of the FTA are not completed. In particular, there has been slow progress in the mandated review of non-tariff measures (NTM), product specific rules (PSRs) and full cumulation. There is also the outstanding obligation (which was recently extended to 2016) to negotiate improvements to schedules of specific commitments under the services chapter and to conclude schedules of reservations to the investment chapter.

15. Further work is required to achieve concrete and meaningful outcomes in AANZFTA implementation. There is a need to step up progress in the FTA's built-in agenda in the following areas:

- a. NTM Review – including ensuring strong support for work on a business survey as input to the review of non-tariff measures, and a readiness to engage on follow-up recommendations to address NTMs.
- b. Rules of Origin – including submission by the Sub-Committee on Rules of Origin of final reports on the review of the cumulation rule and the PSRs to the Committee on Trade in Goods (CTG) by 1 July 2015 (the timeframe set out in AANZFTA for completing the review was within three years of entry into force of the Agreement i.e., January 2013).
- c. Services – including conducting the review of services commitments as part of the AANZFTA's general review in 2016 (this extended timeframe was decided at the 6th FJC Meeting). In preparation for the review Parties have been undertaking work focusing on liberalising in 'sectoral-clusters' of particular importance in global value chains and in key sectors of the economy such as education.
- d. Investment – including concluding schedules of reservations to the Investment Chapter by the end of 2016 (this extended timeframe was decided at the 6th FJC Meeting).

16. Significant discussions and implementation of cooperation initiatives gained momentum and progressed the AANZFTA chapters on intellectual property and

competition which are also well-aligned with relevant ASEAN sectoral action plans, thereby maintaining relevance and ensuring appropriate follow-up.

17. There is potential for more strategic work in the areas of customs, sanitary and phytosanitary measures (SPS) and standards, technical regulations and conformity assessment (STRACAP).

(ii) Degree of AANZFTA's relevance to business

18. The most recent publicly available information on Australian import clearances provides strong evidence of AANZFTA's genuine relevance to business with the encouraging level of use of AANZFTA tariff preferences. At the same time, AANZFTA is less utilised than Australia's bilateral FTAs, with several AANZFTA Parties (see Figure B), raising issues about whether AANZFTA's documentation or other requirements, and/or inadequate business outreach, are hindering business use of the Agreement. In particular, it would appear that AANZFTA's potential as a regional FTA is not being realised (see Figure C).

Figure B

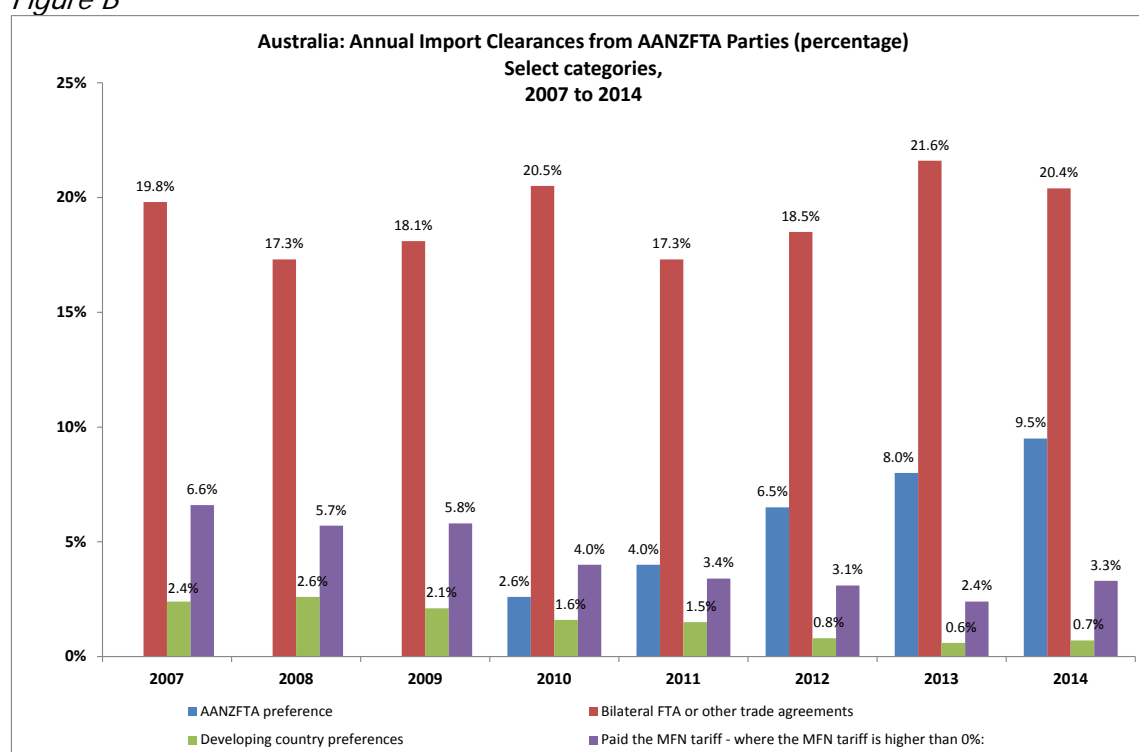
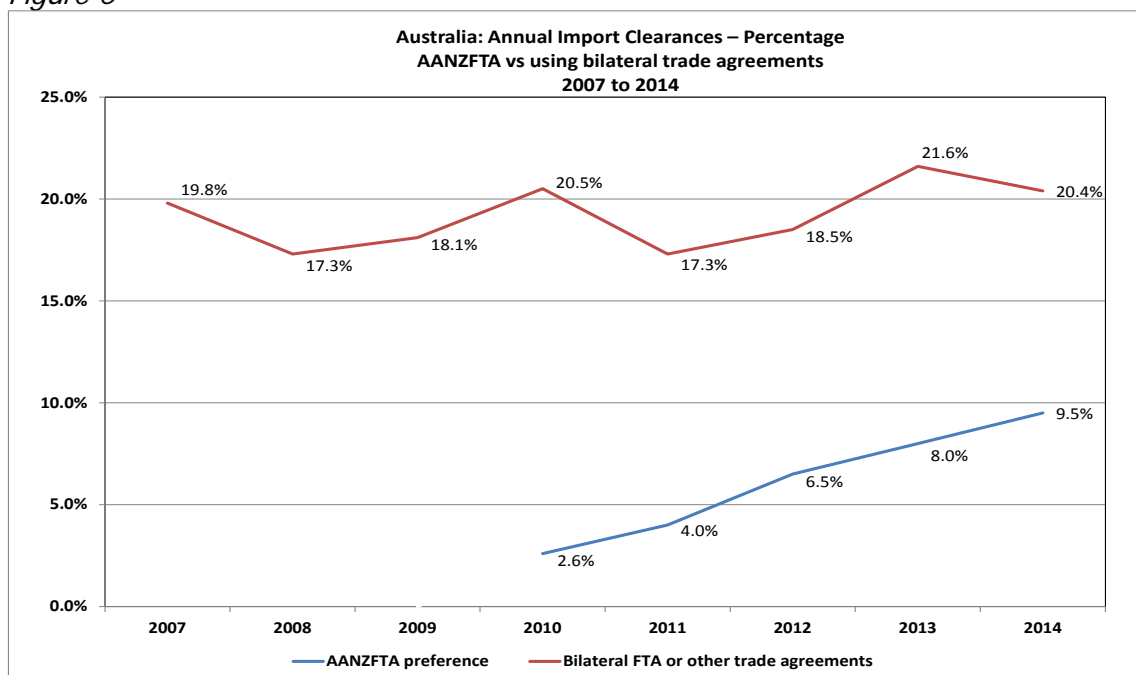


Figure C



19. Establishment of the regional mechanism to monitor the utilisation of AANZFTA tariff utilisation based on import clearance declarations is still proceeding with AECSP support. This needs to be expedited to improve understanding of business use of AANZFTA.

20. There is a need to strengthen engagement with the private sector through continuing and deepening outreach activities, as well as putting in place mechanisms to facilitate business use (e.g., full cumulation and self-certification) and maintaining AANZFTA's commercial relevance by addressing trade issues of concern to business, for example ensuring business is strongly involved with the non-tariff measure review. This includes timely entry into force of the First Protocol in 2015 and efficient periodic tariff transpositions (i.e. for HS 2017, HS 2022 etc).

(iii) Extent of the AANZFTA's contribution to enhancing regional economic integration

21. Broadening economic integration is central to AECSP with most project proposals specifying it as one of the strategic objectives of economic cooperation. AECSP's contribution has been recognised not only in enhancing economic relations among the AANZFTA Parties, but also in promoting deeper integration within and beyond ASEAN. AECSP has been beneficial to ASEAN's internal process (e.g. contributing to achievement of AEC goals) and to other ASEAN engagements (e.g. other ASEAN+1 FTAs and the Regional Comprehensive Economic Partnership (RCEP)).

22. There is a need to communicate better how AECSP supports the establishment of AEC in 2015 and analyse how the current and future projects would still be relevant and aligned with the AEC's post-2015 agenda (i.e. AEC 2025).

(iv) Effectiveness of the AECSP

23. The FJC and its subsidiary bodies play a crucial role in moving forward the FTA work program and ensuring sustainability of AECSP outcomes. Most committees and sub-committees have been proactive in steering the direction of their respective areas of responsibility – with some being particularly strategic (e.g. investment, intellectual property and competition) – and others moving more slowly (e.g. goods and RoO) - while others remain at a nascent stage of strategic planning (e.g. services and STRACAP).

24. Considering the increasing demand and limited AECSP resourcing, the FJC and its subsidiary bodies need to prioritise activities across components and within each component.

25. There is room to improve administrative efficiency of AECSP for more effective and timely delivery of activities. Recognizing the complex program governance arrangements and multiple information requirements, there is a need to streamline the reporting requirements of the program.

26. AECSP, particularly in the design of the projects, would be enhanced by the input of development programme design and gender expertise, as appropriate, including to ensure that the contribution of projects to longer-term capacity-building and institutional reform will be sustainable. The FJC and the subject-area subsidiary bodies could be assisted in ensuring enhanced project design, and a stronger focus on promoting sustainable reform, by giving the Ad-hoc Economic Cooperation Budget Sub-Committee a broader mandate to provide advice on those design elements of the AECSP.

27. There is a need for a more effective monitoring and evaluation (M&E) system in order to better capture the lessons learned in the evaluation of program activities, and support a strong focus on ensuring that the AECSP contributes to longer-term sustainable capacity-building and reform. This would provide a stronger empirical basis to conduct program evaluations, aimed at ensuring the achievement of sustainable reform, and to communicate the benefits to stakeholders.

28. The Parties, especially the beneficiaries, need to demonstrate and provide evidence on the benefits and impact of AECSP, including beyond the immediate term.

2.2 Recommendations

29. The following are FJC recommendations for consideration by Ministers at the 20th AEM-CER Consultations (through SEOM-CER):

A. Extend AECSP up to 30 June 2018, with additional financial contributions from Australia and New Zealand for their 2015-16, 2016-17, 2017-18 financial years, subject to annual deliberations, budget availability and relevant financial approval processes.

- i. Encourage other AANZFTA Parties to make additional contributions to strengthen AECSP resourcing and demonstrate strategic and maturing partnership, while recognising economic diversity among the Parties.
- B. FJC co-Chairs to consult inter-sessionally to make recommendations to the FJC in early 2016 on the terms of reference for the design of a possible new economic cooperation program (to replace AECSP), alongside the General Review of AANZFTA, pursuant to Article 9 of Chapter 13.
- C. Subject to agreement on recommendation (A) above:
 - i. Australia and New Zealand to conclude cooperation and/or funding contribution arrangements with the ASEAN Secretariat which will be effective from 1 January 2016.
 - ii. Approve the revised terms of reference for the renamed Ad-hoc Economic Cooperation Sub-Committee to enable the Sub-Committee to consider and provide advice on project proposals beyond budgetary aspects.
 - iii. Prioritise providing any identified support requirements in areas of FTA implementation that have not been achieved, particularly the built-in agenda in trade in goods (review of non-tariff measures, product specific rules and full cumulation), services (improvements to schedules of specific commitments) and investment (conclude schedules of reservations).
- D. Following are recommendations related to the Economic Cooperation Work Programme (ECWP):
 - i. Relevant FTA committees and sub-committees should be tasked to take responsibility to ensure sustainability of AECSP outcomes and consider lessons learned from successful projects and options for incorporating such lessons into relevant future projects including transfer of skills (e.g. training for trainers) and institutionalizing formal or informal network of experts (e.g. in ASEAN Qualifications Reference Framework (AQRf), ASEAN Regional Diagnostic Network (ARDN), IP projects).
 - ii. Undertake case studies or focused group discussions in select projects to gather evidence and evaluate (both at individual and institutional levels) and draw lessons learned for future activities.
 - iii. Provide opportunities for collective and greater business engagement and outreach.
 - iv. Review, simplify and streamline the reporting requirements of AECSP.
 - v. Involve design and gender expertise, as appropriate, in the development stage of future project proposals and/or program.
- E. Following are recommendations related to the AANZFTA Support Unit (ASU):
 - i. Approve the revised structure for the AANZFTA Support Unit in the ASEAN Secretariat to engage a full-time M&E and communications

officer, to work closely with the externally contracted M&E Adviser (funded by Australia) to improve the application of a robust M&E system to performance assessment aimed at contributing to enhancing the role of the AECSP in promoting sustainable capacity-building and reform.

- ii. Provide appropriate funding to support the engagement of design and gender expertise, as appropriate.
- iii. The ASEAN Secretariat, through the ASU, to:
 - a. include suggestions and recommendations on how to improve the program in the AECSP Progress Report in March 2016;
 - b. assess how AECSP contributes to achieving the four strategic objectives, *ex-ante* (as identified in the proposal) and *ex-post* (in terms of actual potential benefits achieved from the projects); and
 - c. collect information and/or quantify if possible, ASEAN's in-kind contribution (e.g. staff and technical expertise) in AECSP projects.

F. Subject to agreement on recommendation (B) above, relevant FTA committees/sub-committees are encouraged to provide inputs to the FJC co-Chairs, through the ASU, on:

- i. prioritising a small number of core projects that meet the ECWP strategic objectives
- ii. preparatory scoping work on possible longer-term programmatic approaches (such as the Competition Law Implementation Program) in selected areas for further economic cooperation (e.g. STRACAP activities); and
- iii. good practices in modes of delivery, such as country champions or appointment of relevant/specialised government agencies as "supplier of goods and services".

3. Progress in AANZFTA Implementation

30. The AANZFTA progressively entered into force between the Parties from January 2010 to January 2012¹.

31. Over this time the FJC has met annually and various committees and sub-committees have met to progress the implementation of the AANZFTA, including areas of the built-in-agenda.

32. This section of the Assessment considers the extent to which obligations and commitments under the AANZFTA have been fulfilled and the contribution of the AECSF in fulfilling those commitments.

3.1 Trade in Goods

Obligations

33. The objective of Chapter 2 is to reduce barriers to goods trade between the Parties to the Agreement.

34. The Chapter includes the following obligations:

- reduce/eliminate customs duties;
- accelerate tariff commitments;
- eliminate agricultural export subsidies;
- accord national treatment to the goods of the other Parties to the Agreement in accordance with Article III of GATT;
- ensure fees and charges connected with importation and exportation are consistent with GATT;
- ensure laws, regulations, decisions and rulings are available;
- refrain from adopting or maintaining prohibitions or quantitative restrictions;
- not adopt or maintain non-tariff measures;
- ensure all automatic and non-automatic import licenses are implemented in a transparent and predictable manner and applied in accordance with the World Trade Organization (WTO) Agreement on Import Licensing Measures; and,
- a provision that, if a Party faces unforeseen difficulties in implementing its tariff commitments, that Party may – with the agreement of all other interested Parties – modify or withdraw a concession contained in its scheduled of tariff commitments.

Built-in-Agenda

Non-tariff measures (NTMs)

35. Article 7(4) of the Trade in Goods Chapter of AANZFTA obliges the CTG to review non-tariff measures with a view to considering the scope for additional means to enhance the facilitation of trade in goods between the Parties. The CTG is to submit to

¹ AANZFTA Agreement entered into force on 1 January 2010 for (and between) the following countries - Australia, Brunei Darussalam, Myanmar, Malaysia, New Zealand, Singapore, the Philippines, and Viet Nam. The Agreement entered into force for Thailand on 12 March 2010 and Lao PDR and Cambodia on 1 and 4 January 2011, respectively, and entered into force for Indonesia on 10 January 2012.

the FJC an initial report on progress in its work, including any recommendations, within two years of entry into force of AANZFTA.

36. The review is now under way, and began to take shape in December 2011, when the CTG at its 4th meeting adopted a two-tiered approach to the NTM review. A year later in December 2012, a Policy Discussion Workshop on NTMs was conducted along the sidelines of the 6th CTG meeting, where the Meeting agreed that the review should be able to result in practical outcomes on issues that are meaningful to businesses (which may be done through the proposed business survey on NTMs).

37. Subsequently, an external consultant funded through the AECSP, with support from the ASU, has been engaged to provide inputs to the review that will consist of three parts:

- i. Concept note/paper - on NTMs to assist the CTG and its subsidiary bodies in developing and implementing the mandated NTM Review Work Programme;
- ii. Business survey - taking into consideration, feedback and directions given by the Parties in the concept note/paper on NTM, design and oversee the undertaking of the business survey to gather inputs from the private sector on barriers affecting the supply chain; and
- iii. Technical assistance - to the CTG and its subsidiary bodies as required, to assist in implementing the mandated NTM Review Work Programme.

38. The concept note is now complete and a pilot study of two sectors/products (seafood - shrimp - and furniture) is underway in order to prepare for the full business survey which will occur in late 2015. The value of the NTM review is that it provides an additional means by which to facilitate trade in goods between the Parties. Using a business survey will allow Parties to better understand NTMs which may affect them and seek their views on solutions – an example of how AANZFTA is evolving to meet the needs of business.

Assessment

The NTM built-in-agenda is considered to be an important area of AANZFTA implementation, however the obligation in Chapter 2, Article 7(4) for the CTG to submit a report on progress in its work, including any recommendations has only been partially fulfilled.

While work has begun on the review of NTMs, including scoping and the procurement of a consultant who is providing inputs to the review, including a business survey, the outcomes of the consultant's work are still to be completed, and recommendations to be developed.

Additional Developments Under the Goods Chapter

First Protocol to Amend AANZFTA

39. The Goods Chapter of AANZFTA provides a good example of how FTAs are living documents, able to be tailored in order to meet the needs of business. The First Protocol to Amend the AANZFTA Agreement has been an illustration of this, with Parties recognising that parts of AANZFTA could be improved. The Parties' commitment

to driving forward this treaty amendment will improve administrative efficiency of implementing the FTA and importantly improve the utilisation of the FTA by business. The AECSP has been used to support the development and effective implementation of the Protocol through both the support provided by the ASU and a joint meeting, involving business representatives, held in April 2015.

Transposition of tariff reduction schedules

40. The Parties have now completed tariff transposition to HS2012, except for Myanmar, who is close to finalization, and discussions by Australia and New Zealand with Indonesia is continuing on two outstanding tariff lines in Indonesia's transposed tariff schedule. The transposition of the AANZFTA tariff schedules was an extended process that was not without its difficulties. The ASEAN Secretariat is already engaged in preparations for implementation of HS2017 and has prepared a useful paper on draft guidelines for transposition of tariff reduction schedules, based on similar guidelines in various ASEAN+1 FTAs and the outcomes of the AANZFTA Workshop on Future Transposition held in May 2012.

41. There is scope for future work around improving:

- i. the timeline when Parties should submit draft tariff reduction schedules and concordance tables;
- ii. how long a Party has to give comments or confirmation to draft schedules and concordance tables after the initial submission; and
- iii. the approach Parties apply when selecting a WTO option from the prescribed hierarchy.

42. These are issues which are being discussed in the CTG and the Sub-Committee on Rules of Origin (SCRoO) in the context of implementation of the First Protocol to Amend the AANZFTA Agreement. It is important that this work is prioritised.

Contribution of the AECSP

43. The ECWP for Trade in Goods has had an active work programme. The revised ECWP Component Implementation Plan (CIP) includes the following projects:

- Capacity-building on Monitoring the Utilisation of AANZFTA Tariff Preferences, such as through collecting data on the usage of the AANZFTA Certificate of Origin Form AANZ – approved 2010, status: Completed
- Review on Non-Tariff Measures – approved 2011, status: Ongoing
- Capacity Building on Risk Management – approved 2012, status: Completed
- Developing a Regional Approach to Monitoring Utilisation of AANZFTA Tariff Preferences – approved 2011, status: Partially Implemented
- Enhancing Small and Medium Enterprises (SMEs) Awareness and Participation in AANZFTA — Capacity Building for Cambodia, Lao PDR and Myanmar – approved 2013, status: In planning and design stage
- Policy Dialogue on Future Transposition of Harmonized System (HS) of AANZFTA Tariff Reduction Schedules and Rules of Origin Product Specific Rules – approved 2014, status: Completed
- In-Country Training on Tariff and Trade Data Analysis for Government Officials of Interested AMS (Indonesia, Lao PDR and Viet Nam) – approved 2014, status: Partially Implemented

- Joint Session to Discuss Implementation of the First Protocol to Amend the AANZFTA Agreement – approved 2015, status: Completed.

44. In addition, under the rapid/quick response facility of AECSP (under ASU), the following have been implemented:

- In-country Trainings on Trade and Tariff Analysis for Cambodia and Indonesia
- In-country Trainings on Transposition of AANZFTA Tariff Reduction Schedules from 2007 version of the Harmonized System to HS 2012 for Cambodia, Lao PDR, Myanmar and Viet Nam.

3.1.1 Rules of Origin

Obligations

45. Chapter 3 of AANZFTA establishes the rules of origin (RoO) to be met for goods to benefit from the lower rates of tariff-duty (tariff preferences) provided by Chapter 2 of the treaty.

46. The RoO essentially covers three categories of goods:

1. Goods wholly produced or obtained (Articles 2 and 3);
2. Goods not wholly produced or obtained (Articles 2 and 4); and
3. Goods produced in a Party exclusively from originating materials in one or more of the Parties (Article 2).

47. The category of goods not wholly produced or obtained is supported by a schedule of PSRs found in Annex 2, linked to the tariff classification of the traded good (based on the international HS nomenclature).

48. Article 18 establishes a SCRoO for the purpose of the effective and uniform implementation of rules of origin. The Sub-Committee has been active in addressing implementation issues, particularly around certificate of origin processes across ASEAN and in individual ports.

Built-in-Agenda

49. Two aspects of the rules of origin were deferred on entry into force but have been under consideration via a built-in agenda set out in Article 18.

Cumulation

50. Paragraph 3 of Article 18 states that the RoO Sub-Committee shall commence a review of the Cumulative Rules of Origin no earlier than 12 months, and no later than 18 months following entry into force of AANZFTA.

51. This has been under consideration since the 1st SCRoO meeting (May 2010) where discussion commenced on a work-plan covering all items under the built-in-agenda. Active promotion of this initiative has been supported by several Australia-New Zealand papers dating back to the 2nd SCRoO meeting in November 2010, with the most recent being the 'Draft Report of the SCRoO on the Review of Cumulation' as at March 2014. Three workshops (in Wellington, 30 May 2011 preceding the 3rd SCRoO

meeting; in the Philippines, 13 September 2011 in the context of the ASEAN Plus Working Group on Rules of Origin; and in Cairns, 11 October 2014 in the context of the Regional Comprehensive Economic Partnership sub-working group on RoO) have been held to help progress the review.

52. However progress has been slow, partly due to uncertainty about how to assess the implications of full cumulation (as opposed to the partial cumulation arrangement under the ASEAN Trade in Goods Agreement (ATIGA)). Some Parties have proposed a need for economy-wide analysis on the impact of full cumulation, while others have questioned the value of such analysis, and emphasised the need to assess full cumulation in light of ASEAN's aspiration to be a single market and production base, as well as AANZFTA's objective to support this as well as wider regional economic integration (9th SCRoO, November 2014).

PSRs, including chemical reaction rule

53. Paragraph 4 of Article 18 states that the RoO Sub-Committee shall commence a review of the application of the chemical reaction rule and other chemical process rules to Chapters 28 to 40 of the HS Code and other Product Specific Rules identified by Parties, no earlier than 12 months and no later than 18 months, following entry into force of AANZFTA.

54. As with cumulation, a work-plan covering all items under the built-in agenda was discussed at the 1st SCRoO (May 2010). Australia presented a paper on 'Chemicals and Production Process Rules' at the 2nd SCRoO (November 2010), and an Australia-New Zealand paper on PSRs review lines was presented at the 4th SCRoO (December 2011). A workshop on chemical reaction rules was conducted in November 2010 (Ho Chi Minh City, Viet Nam).

55. Progress on this review has been slow with long delays in obtaining responses to proposals.

Final Reports

56. For both reviews, the SCRoO is required to submit to the CTG a final report, including any recommendations, within three years of entry into force of AANZFTA (January 2013).

57. The 10th SCRoO provided an interim report to the CTG on 1 July 2015 detailing efforts to date in seeking to narrow the knowledge gap on full cumulation and proposing a possible pilot project on a limited number of sectors. The CTG tasked SCRoO to develop a proposed framework for possible implementation of the pilot project. It also reported on progress on PSRs with agreement for a limited number of revisions as well as to pass other PSRs to the ASEAN Sub-Committee on ATIGA Rules of Origin (SCARoO) for consideration. The results of these considerations will be communicated to the SCRoO for further review.

Assessment

The rules of origin built-in-agenda items within Chapter 3 of AANZFTA have not been fulfilled within the agreed timeframe. The SCRoO submitted a report on cumulation and PSRs to the CTG with recommendation on how to take these issues forward on 1 July 2015.

First Protocol to Amend AANZFTA

58. Parties have agreed, via the First Protocol to Amend the AANZFTA Agreement, to amend aspects of Chapter 3 relating to the schedule of PSRs and altering the minimum data requirements by removing the need to always state the consignment's value on Certificate of Origin (CoO). Implementing this Protocol requires Parties to adopt and accept a slightly revised CoO format. The likelihood of staggered implementation of the Protocol by AANZFTA Parties is raising issues with different versions of the CoO. Parties agree the Protocol should be introduced with minimal disruption to trade and a workshop was held in late-April 2015 to help manage this process. Importantly, a critical mass of Parties should be ready for the First Protocol to enter into force by 1 October 2015, with remaining parties targeting entry into force for them by 1 January 2016. All Parties have accepted the need to show maximum flexibility during the initial stages of implementation.

Contribution of the AECSP

59. The ECWP for rules of origin has had an active work programme. The revised ECWP Component Implementation Plan (CIP) includes the following projects:

- Seminar/Workshop on Chemicals and Plastics Production Process Rules for the AANZFTA Rules of Origin – approved 2010, status: Completed
- Workshop on RoO Cumulation (back-to-back with 3rd SCRoO Meeting) – approved 2010, status: Completed
- Workshop on AANZFTA Self-Certification of Origin – approved 2011, status: Completed
- Workshop on Streamlining of CO Application and Issuance Procedures – approved 2011, status: Completed
- Development of Training Modules and Training for Trainers on AANZFTA Rules of Origin – approved 2011, status: Nearly Completed.

60. In addition, under the rapid/quick response facility of AECSP, in-country trainings on AANZFTA Rules of Origin for Cambodia, Lao PDR, Myanmar and Philippines have been implemented.

3.1.2 Customs Procedures

Obligations

61. Chapter 4 of AANZFTA establishes obligations to ensure predictability, consistency and transparency in the application of customs laws and regulations of the Parties. This is promoted through provisions such as the use of risk management, review and appeal, advanced rulings and customs cooperation.

62. Provisions relating to predictability, consistency and transparency also link to the RoO chapter, e.g. – rulings on origin, the giving of notice and review / appeal rights.

63. Pursuant to Article 5, Parties may, as deemed appropriate, cooperate:
- on the implementation and operation of this Chapter;
 - developing and implementing customs best practice and risk management techniques;
 - providing, where possible, prior notice of changes to laws, regulations, and relevant procedures and guidelines that would affect the operation of this Agreement;
 - simplifying and harmonising customs procedures;
 - advancing technical skills and the use of technology; and
 - application of the Agreement on Customs Valuation.

64. Article 8 establishes that each Party shall adopt or maintain procedures for determining advance rulings.

65. Article 9 establishes a risk management approach for customs facilitation, whereby Parties administer customs procedures so as to facilitate the clearance of low-risk goods and focus on high-risk goods.

66. Chapter 4 does not establish a Committee on Customs matters and as such there has been limited dialogue between the Parties on customs procedures.

Built-in-Agenda

67. There are no built-in-agenda elements in this Chapter.

Contribution of the AECSP

68. There has been minimal AECSP activity specifically under the Customs Procedures Chapter. Customs elements of economic cooperation are also covered in activities under the chapters on RoO and Goods (e.g. on transposition and utilisation).

69. The revised ECWP CIP includes the following projects:

- Capacity Building on Risk Management – approved 2012, status: Completed
- Capacity Building and Technical Assistance on Advance Rulings on Rules of Origin, Tariff Nomenclature and Customs Valuation – approved 2012, status: Not yet started

3.1.3 Sanitary and Phytosanitary Measures (SPS)

Obligations

70. The objectives of chapter 5 are to:

- facilitate trade among the Parties while protecting human, animal or plant life or health in the territory of each party;
- provide greater transparency in the understanding of the application of each Party's regulations and procedures relating to SPS measures;

- strengthen cooperation among the competent authorities of the Parties which are responsible for matters covered by the Chapter; and
- enhance practical implementation of the principles and disciplines contained in the WTO SPS Agreement.

71. The Chapter also includes obligations relating to equivalence (Article 5), establishing contact points (Article 6), notifications (Article 7), cooperation (Article 8) and consultation (Article 9).

72. The notification provisions in the Chapter have been useful for informing the Parties of potential export risks and changes to SPS regulations.

73. Article 10 establishes a Sub-Committee on SPS consisting of representatives from the relevant government agencies of each Party, to review the progress made by the Parties in implementing their commitments under this Chapter. Paragraph 1 states the SPS Sub-Committee shall meet within one year of the entry into force of this Agreement and thereafter as mutually determined by the Parties. The Sub-Committee on SPS first met from 31 May to 1 June 2011, and has subsequently met on three occasions, most recently from 30 June to 1 July 2015. These meetings have provided a forum to consolidate the Parties progress on implementing commitments e.g. information on changes to SPS legislation is exchanged, activities on SPS matters of mutual interest are reviewed, and current and new areas where the Parties can collaborate are agreed.

Built-in-Agenda

74. There are no built-in-agenda elements in this Chapter.

Contribution of the AECSP

75. The ECWP for Sanitary and Phytosanitary Measures has an active work programme. The revised CIP includes the following projects:

- ASEAN Regional Diagnostic Network – approved 2010, status: Substantially completed
- ASEAN Import Health Standard: Priority Line and Capacity Development – approved 2010, status: Partially implemented
- Sanitary and Phytosanitary Regulatory Cooperation: Dairy phase 1 – approved 2014, status: Partially implemented

3.1.4 Standards, Technical Regulations and Conformity Assessment Procedures (STRACAP)

Obligations

76. Chapter 6 of the Agreement establishes mechanisms to facilitate trade in goods amongst the Parties by:

- ensuring that standards, technical regulations, and conformity assessment procedures do not create unnecessary obstacles to trade;
- promoting mutual understanding of each Party's standards, technical regulations, and conformity assessment procedures;

- strengthening information exchange and cooperation among the Parties in relation to the preparation, adoption and application of standards, technical regulations and conformity assessment procedures;
- strengthening cooperation among the Parties in the work of international bodies related to standardisation and conformity assessments; and
- providing a framework to implement supporting mechanisms to realize these objectives.

77. It also provides a framework to implement supporting mechanisms to realise the objectives and affirms the rights and obligations set out in Annex 1 to the *Agreement on Technical Barriers to Trade* (Article 4).

78. The Sub-Committee on STRACAP (SC-STRACAP), established under Article 13, is one of the less active Committees within the AANZFTA structure, having only met twice. The SC-STRACAP met for the first time in Sydney, Australia on 6-8 December 2011. Parties agreed to develop a work programme taking into account priority sectors identified by ASEAN, although little progress was made. The 2nd SC-STRACAP was held in Yangon, Myanmar on 27 September 2014, following a Dialogue Workshop on Priority Sectors held on 26 September. The SC-STRACAP (again) agreed to develop a forward work programme. Parties are currently identifying ideas and proposals for consideration to be placed on the work programme. Parties also agreed that the SC-STRACAP meet again within 12 months.

Built-in-Agenda

79. There are no built-in-agenda elements in this Chapter.

Contribution of the AECSP

80. The ECWP for STRACAP has had limited activity in the absence of an agreed work programme. The revised ECWP Component Implementation Plan (CIP) includes the following projects:

- Participation by AANZFTA Parties in the APEC Workshop on Harmonised Electrical Equipment Regulatory Risk Assessment Tools – approved 2012, status: Completed
- Workshop on International Standards Development Best Practices – approved 2012, status: Completed
- Dialogue Workshop on Priority Setting for AANZFTA Standards, Technical Regulations and Conformity Assessment Procedures – approved 2014, status: Completed

3.1.5 Safeguard Measures

Obligations

81. Chapter 7 sets out the grounds under which a safeguard could be justified.

82. The Chapter defines when a Party may:

- suspend the further reduction of any rate of customs duty provided for under the Agreement on the good; or

- increase the rate of customs duty on the good to a level not exceeding the lesser of:
 - (i) the most-favoured-nation applied rate of duty on the good in effect at the time the action is taken; or
 - (ii) the most-favoured-nation applied rate of duty on the good in effect on the day immediately preceding the date of entry into force of AANZFTA.

83. The Chapter imposes guidelines for Parties regarding how to implement such measures. Should a Party use Safeguards; the Chapter sets out requirements for compensatory measures.

84. There have been no major issues resulting from indiscriminate use of Safeguards.

Built-in-Agenda

85. There are no built-in-agenda elements in this Chapter.

Contribution of the AECSP

86. There has been no AECSP activity relating to safeguard measures.

3.2 Trade in Services

Obligations

87. Chapter 8 of AANZFTA contains obligations relating to the trade in services, including:

- National Treatment
- Market Access
- Additional Commitments
- Domestic Regulation
- Transparency
- Development and Application of Regulations
- Recognition
- Monopolies and Exclusive Service Suppliers
- Business Practices

88. AANZFTA includes the Parties' schedules of specific commitments in Annex 3 (Schedules of Specific Services Commitments).

89. The Chapter also includes an obligation for a Party to enter into consultation with another Party or Parties, if requested in relation to the extension to AANZFTA Parties of any more favourable commitments made to a non-Party. It also includes an obligation for Parties to enter into consultation with another Party or Parties on safeguard measures, if requested.

90. The Chapter includes a requirement for contact points to be established.

Built-in-Agenda

91. This Chapter relies heavily on the AANZFTA's built-in-agenda which is designed to capture the progressive nature of liberalisation within the service sector throughout the AANZFTA region. Consequently, two provisions were included within the services chapter that relate to the built-in-agenda and use the resourcing provided by the AECSP.

92. Article 6 specifies that Parties shall enter into successive rounds of negotiation, beginning not later than three years from the date of entry into force with a view to further improving services specific commitments.

93. Article 24 provides the avenue for this review of commitments by establishing the Committee on Trade in Services (CTS). The CTS is established to fulfil a number of functions, namely:

- i. to conduct reviews of commitments in accordance with Article 6;
- ii. pending the outcome of WTO negotiation on the issue, enter into discussions on the question of emergency safeguard measures;
- iii. to enter into discussions on the application of most-favoured-nation treatment;
- iv. to review implementation of the services Chapter;
- v. to consider any other matter identified by Parties; and
- vi. to report to the FJC as required.

94. AANZFTA Parties have yet to review the services commitments as required by Article 6. However, preparatory work has been done by exploring proposals on possible elements for the services review, Sectoral-Clusters, Education and Most Favoured Nation (MFN) treatment. This work will ensure that when the review of commitments commence, Parties will be adequately prepared for further improved commitments in order to benefit their own economies and the Asia-Pacific region more broadly.

95. At its 6th Meeting in May 2014 the FTA Joint Committee concurred with the decision of the CTS to undertake the review of services commitments as part of the AANZFTA's general review in 2016 pursuant to Article 9 of Chapter 18 of the AANZFTA, noting that this would be timely taking into account other evolving regional economic integration initiatives. The Meeting also concurred that Parties should continue their preparatory work on both built-in agenda and ECWP projects ahead of this general review.

Assessment

The built-in-agenda item contained in the Chapter on Services has not been fulfilled within the timeframe set out in the Agreement (not later than three years from the date of entry into force). However, Parties have agreed to extend the timeframe and to conduct the review of services commitments as part of the AANZFTA's general review in 2016.

In preparation for the review Parties have also been undertaking work focusing on liberalising in 'sectoral-clusters' of particular importance in GVCs and in key sectors of the economy such as education.

Contribution of the AECSP

96. The ECWP for Services has an extensive work programme. Many of these projects provide a benefit in and of themselves but they also lay the groundwork for the review of commitments when it takes place. One project which gives a clear example of this is the National Qualifications Framework (NQF) stream of projects. The principal outcome of the NQF projects is the establishment of an ASEAN Qualifications Reference Framework (AQRF) which will enable mutually comparable national qualifications frameworks across the ASEAN region. The potential benefits of this to a rapidly growing and integrating regional economy are significant.

97. The revised CIP includes the following projects:

- Education and Training Governance: Capacity Building for National Qualifications Frameworks – approved 2010, status: Completed
- Capacity Building Workshop on International Trade in Services Statistics Collection and Management – approved 2010, status: Completed
- Education and Training Governance: Capacity Building for National Qualifications Frameworks (NQF) - Phase II – approved 2011, status: Substantially completed
- Capacity Building Workshop on International Trade in Services Statistics Collection and Management - Phase II – approved 2011, status: Completed
- Education and Training Governance: Capacity Building for National Qualifications Frameworks (NQF) – Phase III – approved 2012, status: Partially implemented
- Education and Health Services Policy Review – approved 2012, status: Partially implemented
- Technical Assistance to Enhance ASEAN Logistics Services Sector – approved 2012, status: Completed
- Enhancing Domestic Regulations – approved 2012, status: Completed
- AANZFTA Capacity Building on Statistics of International Trade in Services (SITS) Phase III: Enhancing Data Compilation of SITS through Pilot Surveys in Cambodia, Lao PDR, and Myanmar – approved 2013, status: Partially implemented
- Case Study on the Benefits of Services Liberalisation – approved 2014, status: Partially implemented

3.3 Movement of Natural Persons

Obligations

98. Chapter 9 contains commitments regarding the movement of natural persons.

99. The objectives of this Chapter are to:

- provide for rights and obligations additional to those set out in Chapter 8 (Trade in Services) and Chapter 11 (Investment) in relation to the movement of natural persons between the Parties for business purposes;
- facilitate the movement of natural persons engaged in the conduct of trade and investment between the Parties;

- establish streamlined and transparent procedures for applications for immigration formalities for the temporary entry of natural persons to whom this Chapter applies; and
- protect the integrity of the Parties' borders and protect the domestic labour force and permanent employment in the territories of the Parties.

100. Article 4 sets out in accordance with the Party's schedule of specific commitments in Annex 4 (Schedules of Movement of Natural Persons Commitments) when a Party will grant temporary entry or extension of temporary stay.

101. Further commitments relating to the movement of natural persons are contained in this chapter regarding the processing of applications (Article 6), immigration measures (Article 7) and transparency (Article 8).

Built-in-Agenda

102. The chapter on Movement of Natural Persons does not in itself have any provisions associated with the in-built agenda. But the chapters close relationship with the services chapter should see any issues relating to movement of natural persons addressed within the context of the CTS.

Contribution of the AECSP

103. The ECWP does not include any activities directly related to the movement of natural persons. However, many of the projects relating to Trade in Services will have an impact on the movement of natural persons, for example recognition of qualifications and education liberalisation, which will lead to the movement of students.

3.4 Electronic Commerce

Obligations

104. Chapter 10 contains commitments on electronic commerce.

105. In recognition of the important and growing role of electronic commerce (e-commerce) in international trade and investment, the AANZFTA chapter on e-commerce has the objectives of promoting the use of e-commerce among the Parties and globally, as well as enhancing cooperation among the Parties in the development of e-commerce. To this end, the chapter contains requirements on the publication and provision of information to help improve transparency, as well provisions encouraging paperless trading in order to reduce business transaction costs.

106. The chapter takes a cooperative approach to ensuring Parties maintain – or adopt as soon as practicable – domestic legal frameworks in support of e-commerce, as well as to take into account relevant international models in doing so. The chapter also provides for the adoption of measures based on international norms to provide for electronic authentication. Importantly, the chapter also commits Parties to make best efforts to provide protection for consumers using e-commerce and to protect the personal data of users of e-commerce.

107. There are also provisions for cooperation among the Parties in the promotion of e-commerce, including in areas such as assisting small and medium-sized enterprises (SMEs) to overcome obstacles in their use of e-commerce, as well as encouraging the development by the private sector of methods of self-regulation that foster e-commerce.

Built-in-Agenda

108. There are no built-in-agenda elements in this Chapter.

Contribution of the AECSP

109. There have been no dedicated e-commerce ECWP projects.

3.5 Investment

Obligations

110. The AANZFTA Investment Chapter contains a framework of disciplines to cover the treatment of investment within the region, as well as a set of investment protection provisions. These include provisions to enhance the transparency of investment regimes through publication of Parties' international investment agreements and domestic investment measures. Access to this information is facilitated through the designation by each Party of specific contact points.

111. Among the important investment protection provisions are those that enable the free transfer of payments relating to an investment, including capital necessary for establishing the investment, as well as the returns generated from that investment. The protection provisions also include articles that ensure "fair and equitable treatment" of covered investments; provide protection against arbitrary expropriation and allow for compensation for losses arising from armed conflict, civil strife or state of emergency.

112. The Investment Chapter also provides for investor state dispute settlement. This can only be accessed, however, if a dispute cannot be settled through consultation and negotiation or be otherwise agreed between the Parties. There are also safeguards to minimise governments' exposure to frivolous claims, as well as to preserve governments' regulatory prerogative to adopt non-discriminatory measures designed and applied to achieve legitimate public welfare objectives, such as the protection of public health, safety and the environment.

Built-In Agenda

113. The AANZFTA does not contain specific investment market access commitments. These are yet to be negotiated as part of a work programme which provides for Parties to enter into discussions on schedules of reservations under the chapter, based on a negative list approach. Accordingly, the article on national treatment (which requires all covered investments to be treated no less favourably than investments by a Party's own nationals) is not in force until negotiations have been completed on Parties' schedules of reservations.

114. Article 16 of the Investment Chapter establishes a work programme covering negotiations on:

- schedules of investment reservations;
- the treatment of investment in services which does not qualify as commercial presence under Chapter 8 (Trade in Services);
- the application of MFN treatment to the Chapter; and
- procedures for the modification of schedules of reservations.

115. Paragraph 3 states that Parties shall conclude the discussions within five years from the date of entry into force of this Agreement unless the Parties otherwise agree. These discussions shall be overseen by the Committee on Investment (COI). Schedules of reservations shall enter into force on a date agreed to by the Parties.

116. At the COI meeting in May 2014, the COI recommended the adoption of an understanding providing for an additional period of two years, to the end of 2016, for the completion of the work programme under Article 16. At the same time, the Parties agreed to work expeditiously to progress the three framework issues under this work programme (the treatment of investment in services that do not qualify as commercial presence, the application of MFN treatment and procedures for the modification of schedules of reservations). In July 2015, the COI agreed a work plan to conclude the work programme by the end of 2016.

Assessment

The built-in-agenda item contained in the Chapter on Investment has not been fulfilled within the timeframe set out in the Agreement (to be concluded within five years from the date of entry into force). However, Parties have agreed to extend the timeframe for a further two years until the end of 2016.

Contribution of the AECSP

117. The ECWP for investment has an active work programme. The revised CIP includes the following projects:

- Seminar/Workshop on the Two-Annex Approach in the Scheduling of Reservation List under the Investment Chapter – approved 2010, status: Completed
- Investment Facilitation and Technical Assistance for Newer ASEAN Members – approved 2011, status: Substantially completed
- Study on Investment Trends, Issues and Prospects in AANZFTA – approved 2011, status: Substantially completed
- Investment Policy Reviews for Interested ASEAN Countries – Malaysia – approved 2011, status: Completed
- Workshop on Investment Commitments in International Agreements - Key Issues for AANZFTA's Investment Work Programme – approved 2012, status: Completed
- Investment Policy Review of Myanmar – approved 2012, status: Substantially completed
- Technical Workshop on Investment Disputes, Resolution (including Arbitration) and Prevention – approved 2013, status: Completed

- Investment Policy Review of the Philippines – approved 2012, status: Partially implemented
- Workshop on Non-Mode 3 Investment in Services – approved 2013, status: Completed
- Increasing Foreign Investment Flows: CLMV Capacity Building to Facilitate the Implementation and Business Utilization of AANZFTA – approved 2014, status: Nearly Completed
- Investment Policy Review of Viet Nam – approved 2014, status: Partially implemented
- Investment Policy Review of Lao PDR – approved 2014, status: Partially implemented
- Investment Policy Review of Cambodia – approved 2014, status: Partially implemented.

3.6 Economic Cooperation

Obligations

118. Chapter 12 includes commitments amongst the Parties to provide economic cooperation activities to support the implementation of the Agreement and recognises the development gaps among the ASEAN Member States and among the Parties.

119. The Chapter refers to the resources and support for economic cooperation activities and states that Parties shall contribute appropriately to the implementation of the Work Programme.

120. To realise the economic cooperation activities envisaged in this Chapter, an economic cooperation work programme is to be established by the Parties prior to the entry into force of the AANZFTA.

121. This is set out in a side instrument, the *Implementing Arrangement For The ASEAN–Australia–New Zealand Free Trade Area (AANZFTA) Economic Cooperation Work Programme Pursuant to Chapter 12 (Economic Cooperation) of The Agreement Establishing The ASEAN–Australia–New Zealand Free Trade Area*. The implementing arrangement contains a work program to support implementation in eight focus areas (components) – Goods related issues, including Rules of Origin and Other Aspects of Implementation of Tariff Commitments; Sanitary and Phytosanitary Measures; Standards, Technical Regulation and Conformity Assessment Procedures; and Customs; Services; Investment; Intellectual Property and Sectoral Integration – which were subsequently increased to nine components with the addition of Competition Policy. It also sets out the role of the ASEAN Secretariat in supporting economic cooperation. A further resource, the *AANZFTA Economic Cooperation Support Programme: Design Document* (November 2009) provides greater detail about the operationalization of the work programme.

122. Recognising the support that ASEAN receives from its other Dialogue Partners, the Chapter states that where possible, the work programme shall avoid duplicating existing economic cooperation activities (Article 4).

123. Consistent with AANZFTA's Institutional Provisions, the FJC in 2010 established an Ad-Hoc Economic Cooperation Budget Sub-Committee as "the forum for deliberating on the annual budget for the AANZFTA Economic Cooperation Support Programme,

including the annual budget for the AANZFTA Support Unit and other matters as directed by the FTA Joint Committee". The FJC also decided that "the Budget Sub-Committee will cease to meet after the completion of its task/mandate from the FJC or as determined by the FTA Joint Committee".

Built-in-Agenda

124. Article 7 allows, at the direction of the FJC, the Work Programme to be reviewed to assess its overall effectiveness and recommendations may be made. It also states that the FJC may make modifications to the Work Programme taking into account the review and available resources.

Contribution of the AECSP

125. The programme design document establishes the ASU located within the ASEAN Secretariat to provide the support envisaged in the implementing arrangement. The ASU plays a significant role in supporting the effective implementation of the AANZFTA, providing secretariat support to the FJC and managing the ECWP.

3.7 Intellectual Property

Obligations

126. Chapter 13 of AANZFTA reaffirms the Parties' WTO commitments on intellectual property and builds on them in a number of areas (e.g. certain obligations relating to protection of copyright, trademarks and geographical indications as well as transparency). The Chapter contains provisions for cooperation and technical assistance between the Parties, including supporting accession to and implementation of intellectual property treaties listed in Article 9.7.

Built-in-Agenda

127. The Chapter provides for a Committee on Intellectual Property (IP Committee) consisting of representatives of the Parties to meet annually to monitor the implementation and administration of this Chapter and to promote a dialogue between the Parties on intellectual property issues. Parties are required to report annually on their progress towards compliance with the copyright commitments and developments regarding accession to the Intellectual Property treaties listed in Article 9.7.

128. Under Article 12.6, Parties are required to notify the IP Committee annually on progress towards their commitments under Article 5 (Copyright). Only Australia and New Zealand met the notice requirement on an annual basis. Nevertheless, Australia, Brunei Darussalam, Cambodia, Lao PDR, Malaysia, New Zealand, Philippines, and Thailand have previously notified their compliance with Article 5. Myanmar's last notice in 2013 indicated steps were being taken to amend its copyright law to comply, but confirmation that necessary amendments have been made has not yet been received. Singapore, Indonesia and Vietnam have not provided notices in recent years, but are considered to have met their copyright commitments.

Assessment

The Intellectual Property implementation agenda has been very active with a notable achievement in relation to supporting accession to the Madrid Protocol, as one of the Intellectual Property treaties listed in Article 9.7. The Accession to Madrid Protocol is among the key actions in the AEC Blueprint as well as in the ASEAN Intellectual Property Rights Action Plan. The Madrid Protocol makes it potentially faster, cheaper and easier for regional businesses to file trademark applications in multiple jurisdictions.

AECSP has been supporting AMS through activities to raise stakeholders' awareness, provide basic and advance trainings on Madrid operations, and develop roadmaps to accession. The project is also assisting Intellectual Property Offices improve their trademark processes to achieve efficiency, which is critical, not only for accession to the Protocol, but more broadly in terms of ease of doing business and facilitating economic integration.

The Regional Patent Examination Training (RPET) program provides patent examiner trainees with the necessary skills and competency to examine using the Patent Cooperation Treaty (PCT) standards. Launched in April 2013, RPET was offered to IP Offices that conduct substantive patent search and examination and enable them to consistently meet international best practice and standards consistent with the PCT.

Contribution of the AECSP

129. The ECWP for intellectual property has an active work programme. The revised ECWP Component Implementation Plan (CIP) includes the following projects:

- AANZFTA Intellectual Property Crime Conference – approved 2010, status: Completed
- Workshop on Accession to the Madrid Protocol – approved 2010, status: Completed
- IP Training for Small to Medium-Sized Enterprises – approved 2011, status: Completed
- Accession to the Madrid Protocol – approved 2011, status: Completed
- Regional Patent Examination Training – approved 2012, status: Substantially implemented
- Capacity Building for Patent Examiners – An Ideal Training Model – approved 2012, status: Partially implemented
- IP Public Education and Awareness - Community of Practice and Strategy – approved 2012, status: Completed
- Policy Workshops on IP and Genetic Resources (GR), Traditional Knowledge (TK) and Traditional Cultural Expressions (TCEs) – approved 2013, status: Completed
- IP Public Education and Awareness (Phase II) – Regional Information Campaign and Supporting Campaign Materials – approved 2014, status: Not yet started
- Accession to Madrid Protocol (Phase II) – approved 2014, status: Substantially implemented

130. A number of issues arose around the design and development of Intellectual Property projects during 2010-13, largely due to lack of project management experience by some of the Parties. To address these issues the IP Committee sought and received approval in 2012 to appoint an Intellectual Property Expert on a two-year contract. The Intellectual Property Expert works alongside the ASEAN Secretariat and assists ASEAN members to develop project proposals for consideration by the IP Committee. The Intellectual Property Expert has also worked closely with ASEAN members to manage approved projects. The appointment of the Intellectual Property Expert has been a major factor contributing to the overall success of many of the projects, such that funding for the position was extended in 2014 for a further 12 months.

3.8 Competition

Obligations

131. Chapter 14 of AANZFTA on competition affirms core competition-related principles, including that the FTA does not diminish the rights of each Party to develop, set, administer and enforce its own competition laws and policies (Chapter 14, Article 1). It also establishes that the Parties will engage in a range of cooperation activities in the field of competition (Chapter 14, Article 2) and establishes contact points for the exchange of information between Parties (Chapter 14, Article 3). In addition, in line with the cooperative nature of the chapter, competition is not subject to the AANZFTA dispute settlement mechanism (Chapter 14, Article 4).

Built-in-Agenda

132. There are no built-in-agenda elements in this Chapter. However, consistent with AANZFTA's Institutional Provisions and in light of the recommendations of the 2nd AANZFTA-ASEAN Expert Group on Competition (AEGC) Workshop held in June 2012, the FJC in 2013 established a Committee on Competition (Competition Committee) with the following functions:

- reviewing the implementation of the Competition Chapter (Chapter 14), including the activities taken to further the cooperation objectives;
- exchanging information and national experiences regarding the promotion and enforcement of competition law and policy;
- providing high level input on the design, organisation and monitoring of specific competition-related activities, in particular projects included in the AANZFTA Economic Cooperation Work Programme (ECWP) Component Implementation Plan on Competition Policy;
- identifying and recommending new cooperation project proposals to address competition policy-related needs of the Parties, especially the newer ASEAN Member States, in areas such as advocacy, institution-building and enforcement;
- considering any other matters identified by the Parties; and
- reporting to the FTA Joint Committee as required.

Assessment

Competition is another strong area of implementation activity under the AECSP. Since 2011, AECSP has supported the annual ASEAN Competition Conferences which serves as a key platform for strategic discussions among government authorities in ASEAN responsible for administering competition policy and law (CPL).

In 2013, Australian competition regulatory experts were seconded to Malaysia Competition Commission (MyCC) and Vietnam Competition Authority (VCA), to help strengthen the two agencies' capacity to implement and enforce competition regulation. Through advice, mentoring and in-country trainings, MyCC and VCA officials gained operational awareness of international best practices in CPL compliance which requires not only technical skills, but also specific know-how to detect, investigate and remedy anti-competitive conduct skills, which staff of the MyCC and VCA either do not yet have or are currently still developing.

Building on successful AECSP capacity-building initiatives, the AANZFTA Competition Law Implementation Program (CLIP) was designed to boost skills transfer and institutional capacity of ASEAN's emerging competition authorities through phased and practically-focused technical assistance. The CLIP aims to help ASEAN Member States effectively implement their national competition law, commitments under AANZFTA (and other trade agreements), and the goals in the AEC Blueprint. The Program will also work to strengthen regional cooperation mechanisms, including on cross-border competition enforcement activities.

Contribution of the AECSP

133. The ECWP for competition has an active work programme. The revised CIP includes the following projects:

- Series of Annual ASEAN Competition Conferences – approved 2011, status: Completed
- AANZFTA Series of Workshops on Competition Policy and Law for ASEAN Member States – approved 2011, status: Completed
- Building Competition Law Enforcement Capability through Investigation Skills Training – approved 2012, status: Completed
- Competition Regulatory Experts Secondment to the Malaysia Competition Commission (MyCC) and Vietnam Competition Authority (VCA) – approved 2012, status: Completed
- 4th ASEAN Competition Conference: "Building Blocks for Effective Enforcement of Competition Policy and Law – approved 2014, status: Completed
- 5th ASEAN Competition Conference: "Advancing Competition Policy and Law Post-2015: Progress Opportunities and Challenges" – approved 2015, status: Completed
- AANZFTA Competition Law Implementation Program (CLIP) – approved 2014, status: Partially implemented

134. In 2014 the Parties agreed to CLIP. The CLIP was designed by the Parties to deliver multi-year technical assistance and capacity building to support the implementation of competition law and policy in AMS. Under the CLIP, AMS propose

training and mentoring activities to help them to implement national competition law and commitments under AANZFTA.

135. Under the CLIP, five workshops have so far been delivered in Vietnam, Indonesia, Lao PDR, Cambodia and Myanmar. The Vietnam workshop (October 2014) offered participants from nine AMS options and strategies to develop in-house training tools for their competition authority. The Indonesia workshop (March 2015) was attended by all AMS and focused on enhancing the institutional capacity of competition regulators in ASEAN by providing practical explanations and examples of the core competencies considered essential to the work of competition agencies in the region.

136. The three sub-regional advocacy workshops held in Lao PDR (November 2014), Cambodia (January 2015) and Myanmar (February 2015) promoted understanding of the benefits of markets, competition and competition law for economic development. Around 350 government officials and industry representatives attended the workshops (around 100 participants in Lao PDR, 180 in Cambodia and 70 in Myanmar). All three workshops underscored the need for additional and country-specific assistance, with these new activities now approved for delivery under CLIP in the second half of 2015.

137. A study visit by AMS to Sydney (May 2015) provided ASEAN delegates with opportunities to discuss experiences with Australian and New Zealand representatives regarding the development, promotion and enforcement of competition policy and law. The study visit was attended by 24 competition experts from nine AMS. Participating in the program from Australia and New Zealand were senior representatives from academia, law firms, business and consumer advocacy groups, government and the judiciary. The study visit program also enabled participants to explore issues of agency effectiveness, building on discussions and priorities identified at the March 2015 workshop on Institutional Core Competencies.

138. Between January-July 2015 CLIP also seconded two Australian competition experts to the MyCC to assist further development of institutional capacity to effectively implement and enforce its competition law.

3.9 Other Provisions

3.9.1 General Provisions and Exceptions

Obligations

139. Chapter 15, Article 1 sets out a range of general exceptions, relating mostly to WTO instruments such as the GATT and GATS. Article 2 also provides for security exceptions.

140. The Chapter also includes a provision in Article 5 relating to New Zealand's Treaty of Waitangi.

Built-in-Agenda

141. There are no built-in-agenda elements in this Chapter.

Contribution of the AECSP

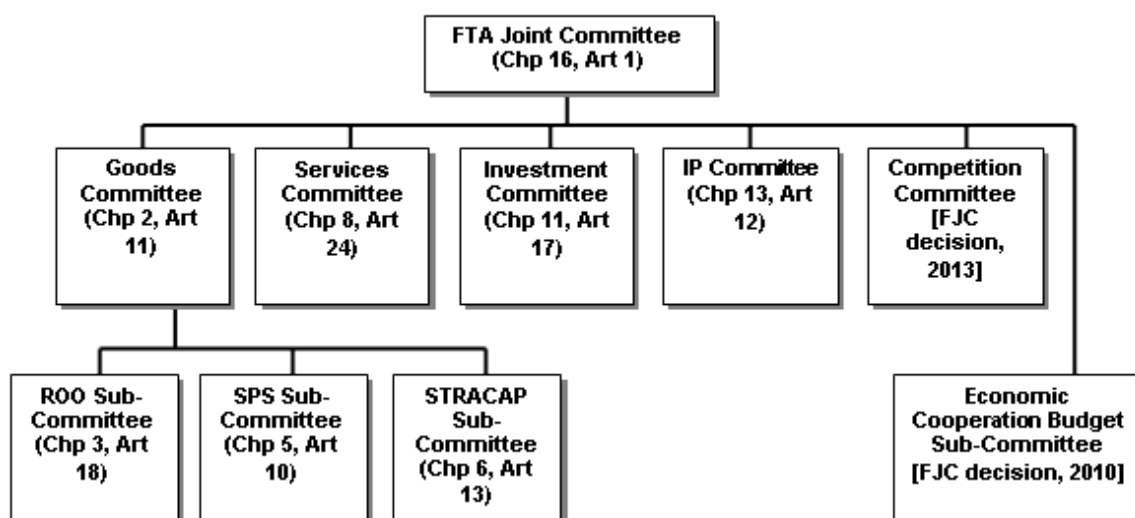
142. The AECSP has not been used to support implementation of this Chapter.

3.9.2 Institutional Provisions

Obligations

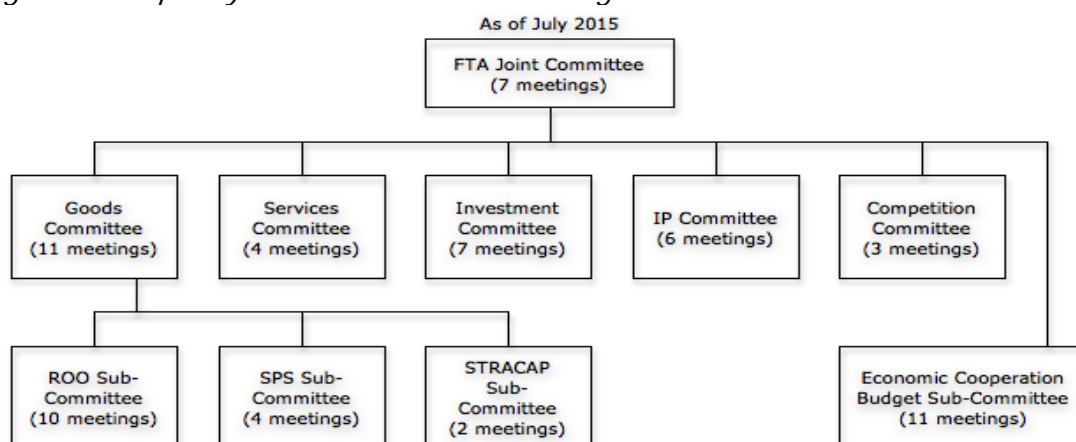
143. Chapter 16 establishes the institutional structures to support the implementation of the Agreement. The core element to the institutional structure is the FTA Joint Committee which is established in Article 1. The various other bodies such as the Committee on Trade in Goods, etc. are also established in this Chapter. Under the terms of Article 1.3, the FTA Joint Committee established an Ad-Hoc Economic Cooperation Budget Sub-Committee in 2010 and a Committee on Competition in 2013.

Figure D: AANZFTA Committee Structure



The committees have met with varying levels of frequency. Some committees and sub-committees have met more than others, and the Competition Committee despite being the newest established committee has now met for its third meeting since its establishment in 2013.

Figure E: Frequency of AANZFTA bodies meeting



144. The Chapter also establishes the regular reporting line of the FJC to the consultations of the ASEAN Economic Ministers, the Trade Minister of Australia and the Trade Minister of New Zealand through the meetings of their Senior Economic Officials.

Built-in-Agenda

145. There are no built-in-agenda elements in this Chapter.

Contribution of the AECSP

146. The ASU and the wider ASEAN Secretariat desk officers have supported the committees established under this Chapter of the Agreement.

3.9.3 Consultations and Dispute Settlement

Obligations

147. Chapter 17 establishes procedures for consultations and dispute settlement.

148. The objective of this Chapter is to provide an effective, efficient and transparent process for consultations and settlement of disputes arising under this Agreement.

149. The provisions in this Chapter have to date not been used by any of the Parties.

Built-in-Agenda

150. There are no built-in-agenda elements in this Chapter.

Contribution of the AECSP

151. The AECSP has not been used to support implementation of this Chapter.

3.9.4 Final Provisions

Obligations

152. Chapter 18 includes a small number of final provisions relating to:

- Relation to other agreements, amended or successor international agreements
- Disclosure of information
- Confidentiality
- Amendments, entry into force, withdrawal, termination and review

Built-in-Agenda

153. There are no built-in-agenda elements in this Chapter.

Contribution of the AECSP

154. The AECSP has not been used to support implementation of this Chapter.

4. AANZFTA's Relevance to Business

155. The relevance of FTAs to business has been subject to a great deal of public comment and addressed in a range of studies. These have generally drawn on surveys of business suggesting mixed results about the extent of business knowledge and use of FTAs. As soon as the AANZFTA entered-into-force, the Parties recognized "the importance of adequate information on the utilization of tariff preferences to assist with reporting to Ministers and public outreach activities, and to assist in identifying the need for possible follow-up actions to improve the utilization of the Agreement".² In response, at the first Committee meetings in May 2010 the Parties agreed to initiate an ECWP project for capacity building on monitoring the utilization of AANZFTA tariff preferences.

156. This initial project providing for a single workshop was subsequently followed by a second workshop, and then agreement to undertake a larger ECWP project to establish a regional mechanism to monitor the utilization of AANZFTA tariff utilization based on import declarations.

157. Establishment of the regional mechanism is still proceeding. However, Australia has been reporting to the CTG on an annual basis the results of its analysis of AANZFTA tariff preferences based on import declarations. The analysis is based on publicly available information on Australian import clearances from the Australian Bureau of Statistics (ABS). The import clearance data is sourced from the Customs import declarations made when goods are cleared by Customs for entry into the Australian market for home consumption and record the tariff treatment applied to the goods.

4.1 Evidence from Australian Customs Clearance Data

158. A summary of the analysis for the years 2007-2014 is set out in **Tables 1A** and **1B**, with more detailed tables in **Annex A**. Data for 2007-2009 has been included to provide a snapshot of the tariff treatment for imports from AANZFTA Parties immediately prior to the Agreement's entry-into-force.³ The information provided by Australia provides strong evidence that AANZFTA has genuine relevance to business, and has contributed to increased trade flows between the Parties:

- a) There is significant utilisation of AANZFTA by business – an annual average of A\$4.3 billion over the most recent three-year period of 2012-2014, or 8% of total annual average import clearances into Australia from other AANZFTA Parties.
- b) A key indicator of the impact of AANZFTA is the fact that imports from AANZFTA Parties paying MFN tariffs (greater than 0%) has reduced from an annual average of A\$2.9 billion in the three year period immediately prior to the Agreement's entry-into-force (2007-2009) to A\$1.57 billion in 2012-2014 (a reduction from 6% to 2.9% of total annual average import clearances into Australia).

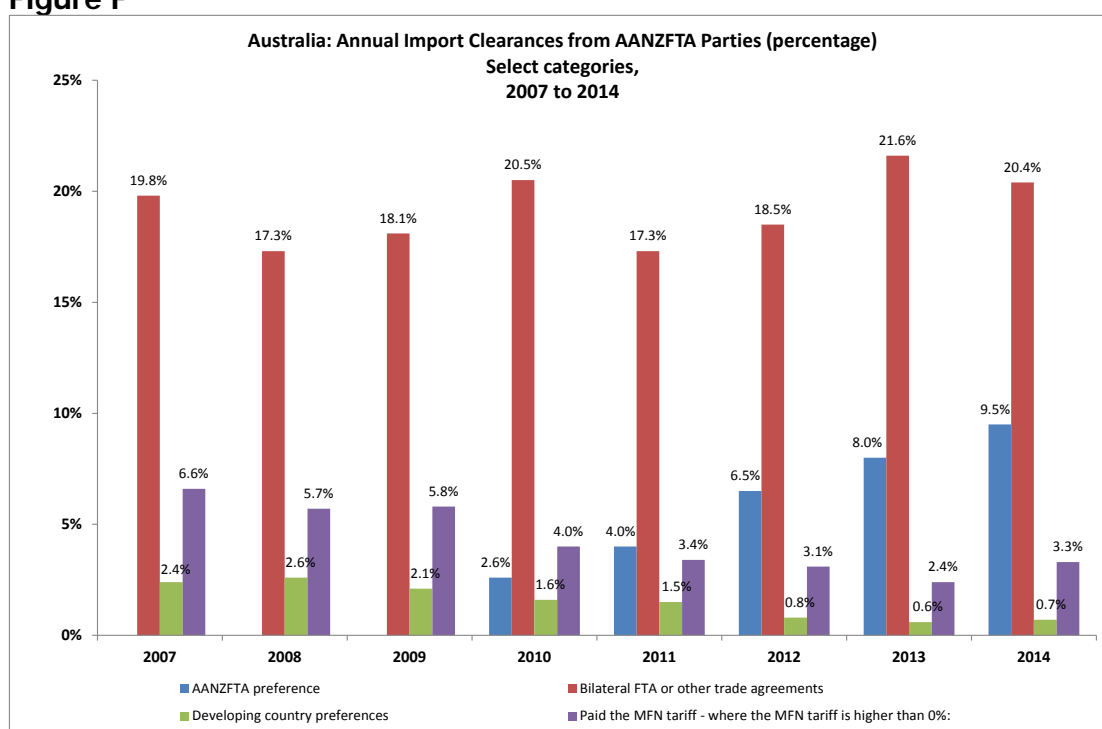
² Summary of Decisions of the First Meeting of the AANZFTA Committee on Trade in Goods, 24-25 May 2010, Makati City, the Philippines, paragraph 20.

³ The data for 2014 is preliminary and is subject to revision.

c) The evidence would seem to indicate that AANZFTA has contributed to a noticeable increase in imports into Australia from other Parties, and not just a shift to the use of AANZFTA tariff treatment of existing trade that was previously paying tariffs:

- i. In 2007-2009, average annual import clearances paying MFN tariffs (above 0%) or using developing country preferences were A\$4.1 billion.⁴ In 2012-2014, average annual import clearances paying MFN tariffs (above 0%) or using developing country preferences or using AANZFTA were A\$6.3 billion. This was an increase of 54%.
- ii. By contrast, total average annual import clearances from AANZFTA Parties increased between the two periods by 11% (from A\$48.4 billion to A\$53.6 billion). See **Figures F and G**.

Figure F



⁴ These two categories of import clearances are the categories of existing trade that would have most likely shifted to making use of AANZFTA tariff treatment. However, in the case of import clearances under developing country preferences, the comparison should use only those import clearances which did not have a 0% tariff but instead were entitled to a reduced tariff (higher than 0% but less than the MFN tariff rate) – this analysis has not yet been completed.

Figure G

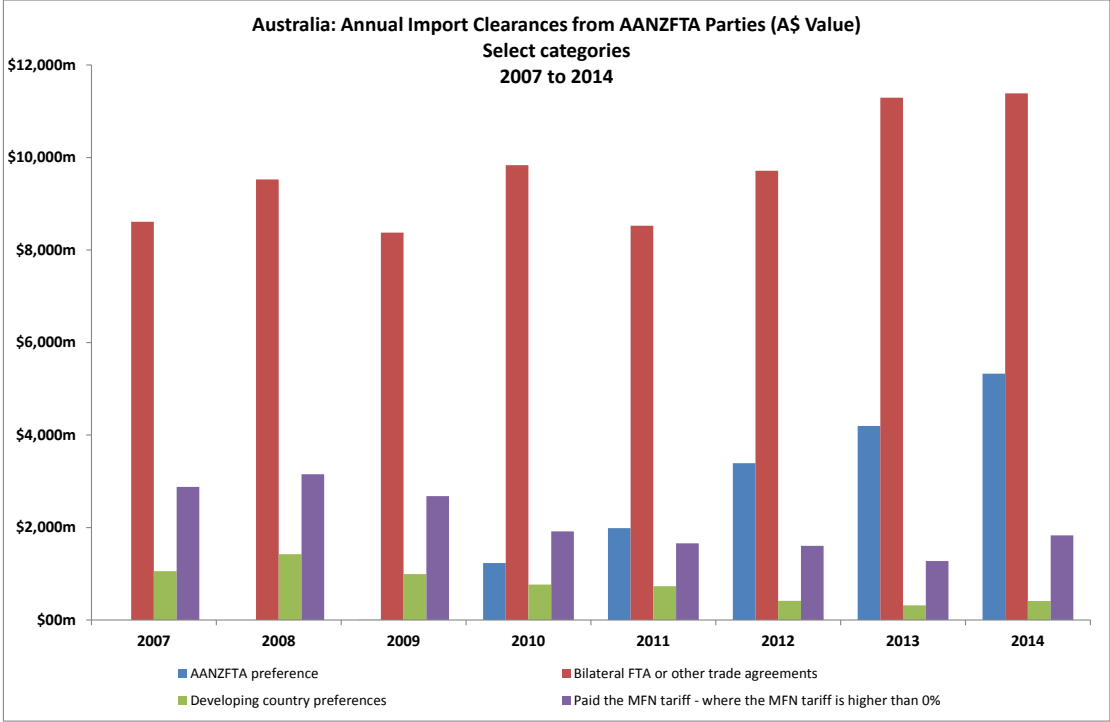


Table 1A – Australian Annual Import Clearances – A\$ Value – All AANZFTA Parties – Calendar Years 2007-2014

Treatment Category	2007	2008	2009	2010	2011	2012	2013	2014
AANZFTA preference	-	-	161,142	1,233,691,792	1,987,563,861	3,389,091,615	4,194,988,479	5,326,991,830
Duty-free MFN tariff rates	26,979,579,560	36,903,423,600	28,558,892,447	29,206,085,539	31,159,305,477	32,557,388,092	29,995,309,572	32,013,742,734
Other trade agreements	8,611,741,871	9,525,929,867	8,375,432,179	9,832,397,339	8,522,445,074	9,712,785,238	11,293,832,930	11,384,197,258
Developing country preferences	1,055,723,310	1,425,629,820	995,478,546	766,478,757	731,755,638	416,455,575	318,367,658	411,954,935
Domestic tariff concession arrangements	3,393,119,292	3,721,361,576	5,462,658,303	4,688,548,461	4,741,782,168	4,516,248,587	5,093,529,909	4,719,096,234
Paid the MFN tariff - where the MFN tariff is higher than 0%	2,878,855,511	3,152,653,957	2,677,724,168	1,918,357,599	1,660,035,773	1,603,165,155	1,276,150,438	1,832,681,794
Confidential data	562,165,497	466,997,415	324,911,689	302,614,028	345,623,896	321,552,838	230,458,509	147,402,074
Total imports	43,481,185,041	55,195,996,235	46,395,258,474	47,948,173,515	49,148,511,887	52,516,687,100	52,402,637,495	55,836,066,859

Table 1B – Australian Annual Import Clearances – Percentage – All AANZFTA Parties – Calendar Years 2007-2014

Treatment Category	2007	2008	2009	2010	2011	2012	2013	2014
AANZFTA preference	0.0%	0.0%	0.0%	2.6%	4.0%	6.5%	8.0%	9.5%
Duty-free MFN tariff rates	62.0%	66.9%	61.6%	60.9%	63.4%	62.0%	57.2%	57.3%
Other trade agreements	19.8%	17.3%	18.1%	20.5%	17.3%	18.5%	21.6%	20.4%
Developing country preferences	2.4%	2.6%	2.1%	1.6%	1.5%	0.8%	0.6%	0.7%
Domestic tariff concession arrangements	7.8%	6.7%	11.8%	9.8%	9.6%	8.6%	9.7%	8.5%
Paid the MFN tariff - where the MFN tariff is higher than 0%:	6.6%	5.7%	5.8%	4.0%	3.4%	3.1%	2.4%	3.3%
Confidential data	1.3%	0.8%	0.7%	0.6%	0.7%	0.6%	0.4%	0.3%
Total imports	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	8.0%	100.0%

159. A snapshot of the situation in 2009, immediately prior to AANZFTA entry-into-force, and in the most recent year 2014 is provided in **Figures H** and **I**.

Figure H

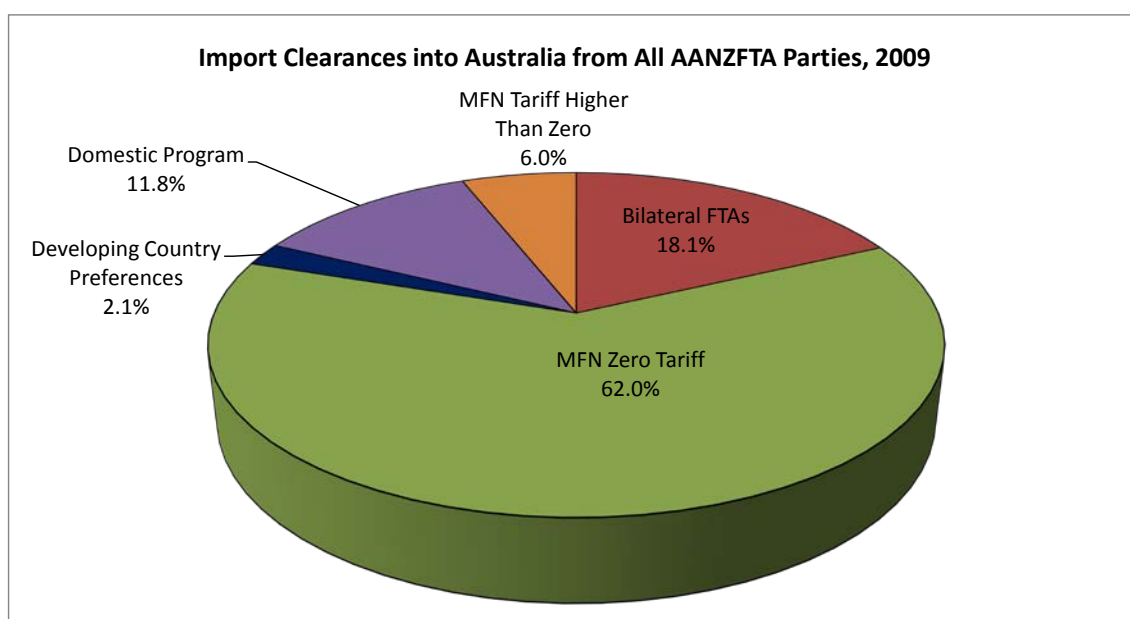
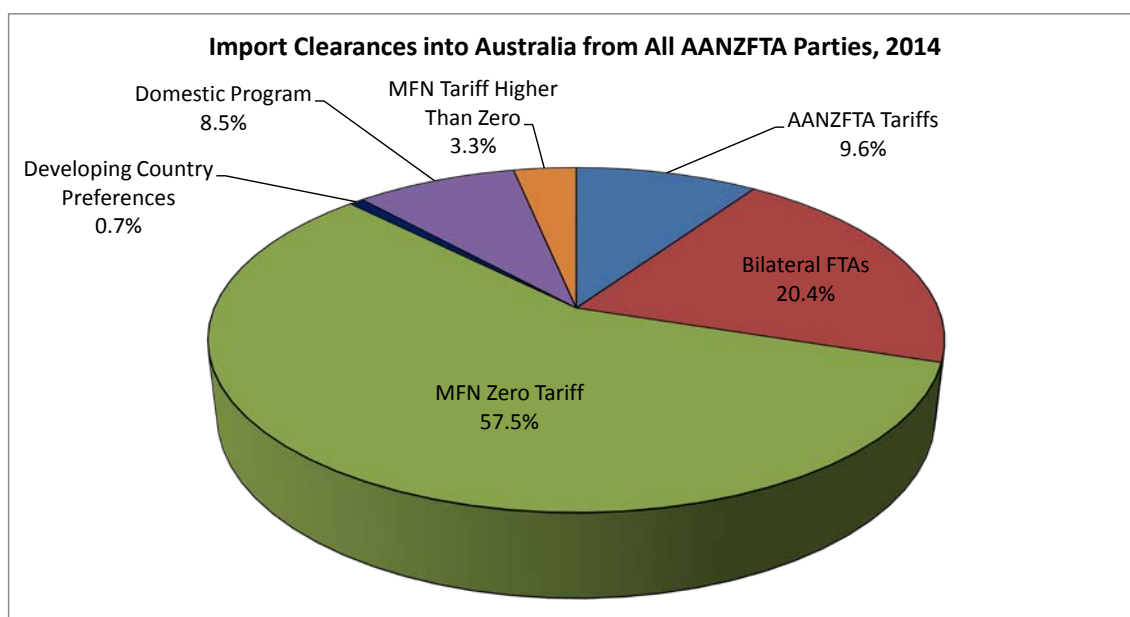


Figure I



160. However, the information from Australia also raises issues as to whether AANZFTA is fully meeting the needs of business:

- a) The amount still paying MFN tariffs in 2014 (A\$1.8 billion) remained at a significant level, and raises the question as to whether this is due to remaining AANZFTA tariffs for some products, restrictive rules of origin requirements, cumbersome RoO procedural requirements, or lack of business awareness of AANZFTA opportunities.

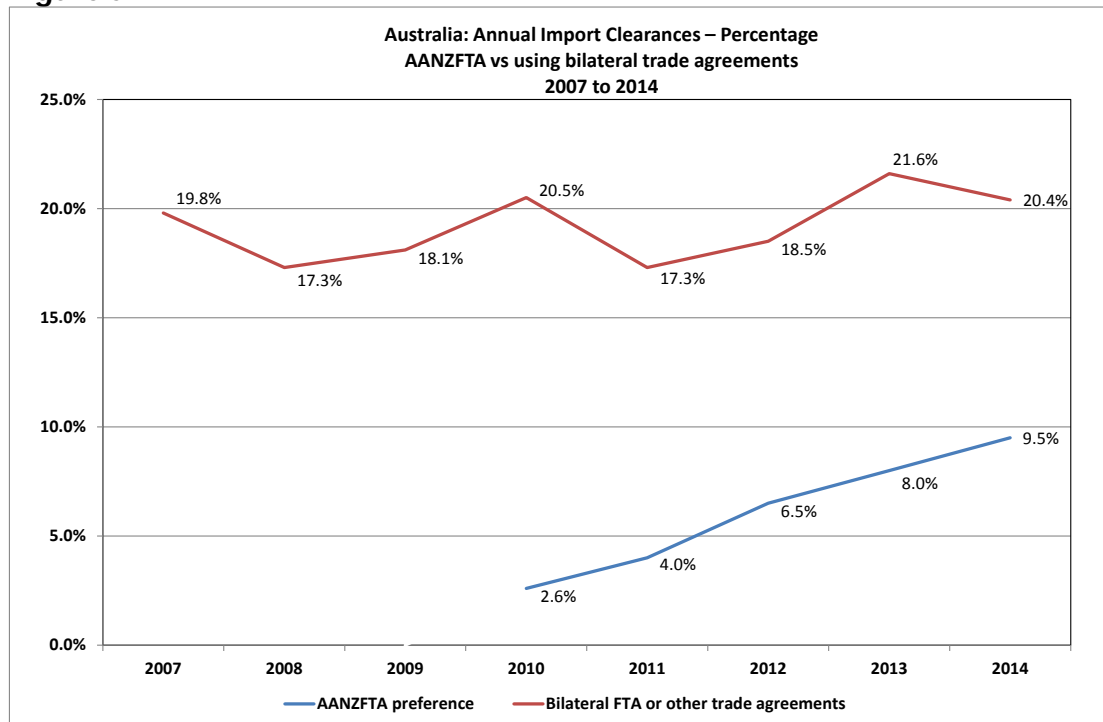
- b) The picture in relation to the speed with which AANZFTA tariff preferences were used following AANZFTA's entry-into-force in 2010 is a mixed one. Looking at import clearances from the 9 AANZFTA Parties for whom the Agreement entered into force in 2010, import clearances using AANZFTA were 2.9% of the total in 2010, but rose to 4.6% in 2011 and 5.6% in 2012. While some delay in utilization would seem reasonable, as businesses adjusted their production processes and sourcing arrangements, this delay would also suggest that there were gaps in communicating the new opportunities to business in a timely manner.
- c) This delay in uptake is even more noticeable for individual Parties. For example, import clearances from Indonesia that used AANZFTA increased from 12.9% of total clearances from that country in 2012, to 21.7% in 2013 and to 32.3% in 2014.⁵

161. The following are some important points to note when assessing the information on import clearances:

- a) In addition to AANZFTA, Australia has bilateral FTAs with four AANZFTA Parties, New Zealand (since 1983), Singapore (since 2003) and Thailand (since 2005) and Malaysia (since 2013). Many imports from these four countries enter under the bilateral FTAs rather than AANZFTA.
 - i. In 2014, for example, total import clearances using AANZFTA were A\$5.3 billion (9.5% of total import clearances) and using the four bilateral FTAs A\$11.4 billion (20.4% of the total). This meant that A\$16.7 billion of import clearances entered Australia from AANZFTA Parties using either AANZFTA or one of the bilateral FTAs (29.9% of total import clearances).
 - ii. Overall, therefore, FTA usage by AANZFTA Parties is very substantial – but it is an important fact that significantly more of this trade is occurring under the bilateral FTAs rather than under AANZFTA. See **Figure J**.

⁵ AANZFTA entered-into-force for Indonesia in January 2012.

Figure J



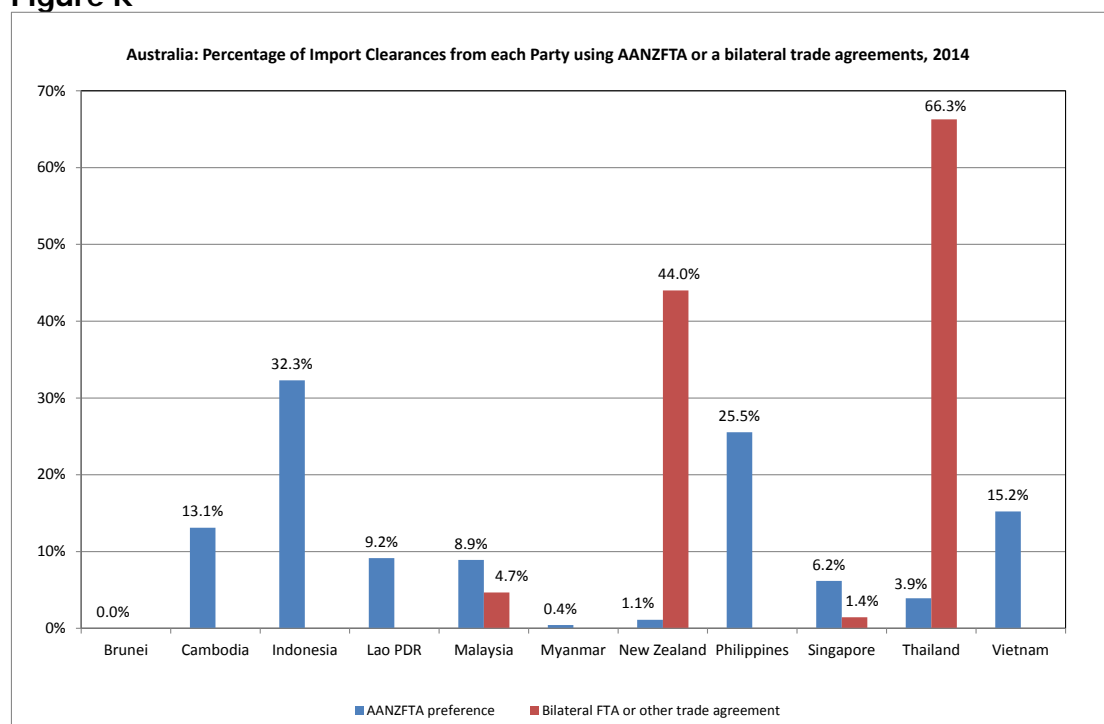
- b) The import clearance data suggests that business is making some use of AANZFTA to benefit from regional cumulation, but that bilateral trade flows rather than regional supply chains predominate in FTA tariff utilization. This is partly reflected in the figures above showing that significantly more trade is occurring under the bilateral FTAs than under AANZFTA (in 2014 the bilateral FTA import clearances were 2.1 times as large as the AANZFTA import clearances).

162. However, some divergent stories emerge at the country-specific level for the four countries which have bilateral FTAs with Australia (see Tables in **Annex A and Figure K**):

- a) In 2014, 81.1% of import clearances from Singapore using an FTA made use of AANZFTA, and 19.9% made use of the bilateral FTA. However, the regional uptake was initially slow – in 2010 the figures were 57.6% using AANZFTA and 42.4% using the bilateral FTA. This suggests that business may not at first have fully understood the potential opportunities opened up by AANZFTA compared to the bilateral FTA – whether due to different RoO or the regional cumulation in AANZFTA – and it took them time to begin using AANZFTA. Compared to the 2010 import clearances, the import clearances using AANZFTA have increased from A\$289.9 million to A\$774.3 million (a 167% increase), while those using the bilateral FTA have dropped from A\$213.4 million to A\$180.7 million (a reduction of 15.3%).
- b) In 2014, 2.5% of import clearances from New Zealand using an FTA made use of AANZFTA, and 97.5% made use of the bilateral FTA. However, while import clearances from New Zealand using AANZFTA remain small, it is interesting that there has been significant growth in the last few years – in 2010 only A\$7.2 million used AANZFTA, but by 2014 this had grown to A\$86.8

million. This suggests that, like Singapore, the regional potential of AANZFTA is taking time to be recognised and tentatively made use of by business.

Figure K



c) In 2014, 5.6% of import clearances from Thailand using an FTA made use of AANZFTA, and 94.4% made use of the bilateral FTA. These are surprising figures as most of the imports from Thailand making use of FTA tariffs are in the automotive sector, which is generally seen as a sector with significant use of supply chains, so that one might have expected a greater level of use of AANZFTA *v/s-à-v/s* the bilateral FTA. However, for some tariff lines – including a number of automotive lines – tariffs into Australia have been eliminated under the bilateral FTA but not yet under AANZFTA. Interestingly, import clearances using AANZFTA have been increasing at a faster rate each year – but obviously from a very low base – so again this may partly be a story of a time-lag before business recognises AANZFTA's added potential as a regional FTA.

d) In 2013 – the year when the bilateral FTA entered-into-force – 70.1% of import clearances from Malaysia using an FTA made use of AANZFTA, and 29.9% made use of the bilateral FTA. In 2014 the figures were 65.6% for AANZFTA and 34.4% for the bilateral FTA. However figures covering only two years are not sufficient to draw firm conclusions as to why Malaysia's situation is different compared to the situations with Thailand and New Zealand. While it may be an indication that regional supply chains may be significantly more important for Malaysia's trade – at least with Australia – than it is for Thailand and New Zealand, it could also primarily be a reflection of the fact that AANZFTA was in force for three years prior to the bilateral FTA, so that business were first using that Agreement and continued using that to a large extent in 2013 and 2014.

- i. However, 2013 and 2014 saw a significant increase in import clearances from Malaysia using an FTA – from A\$988 million in 2012 to A\$1.26 billion in 2013 and A\$1.5 billion in 2014 – as well as a reasonable reduction in trade paying MFN tariffs (from A\$326 million in 2012 to A\$206.4 million in 2013, jumping slightly back up to A\$260.3 million in 2014).
- ii. In other words, the entry-into-force of the bilateral FTA seems to be associated with both the emergence of new trade flows and a shift of some imports still paying MFN tariffs – and unable to benefit from AANZFTA – to the bilateral FTA. Immediate tariff elimination for some products under the bilateral FTA which are still subject to tariffs under AANZFTA may be an important factor here. It will be interesting to see how FTA use in the import clearances evolve in future years compared to Singapore, Thailand and New Zealand.

163. A significant factor in understanding FTA usage by AANZFTA Parties is the product composition of their exports. Overall, a reasonably high percentage of the products exported by AANZFTA Parties to Australia are ones on which Australia's MFN tariffs are 0% and therefore there is no benefit in using an FTA to import the goods – 57.3% of total import clearances from AANZFTA Parties entered Australia across tariffs with 0% MFN tariff rates in 2014. However, there was significant variation between different Parties and this was a key factor in different rates of use of AANZFTA or other FTAs:

- a) A very high percentage of import clearances from Brunei, Singapore and, to a somewhat lesser extent Vietnam, entered under 0% MFN tariffs. For example, in 2014, 99.9% of import clearances from Brunei entered under 0% MFN tariffs, 85.5% from Singapore, and 76.3% for Vietnam. The percentage was also high for Myanmar but it is difficult to place too much significance on this, given the overall low and very concentrated trade flows.
- b) At the other extreme, import clearances from Thailand entering under 0% MFN tariffs were low – 13.6% in 2014 – and were also modest for the Philippines at 35.1%. This is a key explanation for the very high use of FTA tariff treatment by import clearances from these two countries – 70.2% of import clearances from Thailand and 25.5% from the Philippines in 2014. The figures for Cambodia and Lao PDR using 0% MFN tariffs are very low – only 2.0% and 2.6 % 2014 – but like Myanmar this needs to be qualified by the fact that overall trade flows are low and very concentrated.
- c) For most other AANZFTA Parties there is a mix of import clearances under 0% MFN tariffs and FTAs. For example, in 2014 the split was:
 - i. New Zealand: 52.1% of import clearances entering under 0% MFN tariffs and 45.1% using FTAs.
 - ii. Indonesia: 45.8% of import clearances entering under 0% MFN tariffs and 32.3% using FTAs.
 - iii. Malaysia: 69.1% of import clearances entering under 0% MFN tariffs and 13.6% using FTAs.

164. It is interesting to note that even for those countries where the product composition of their trade means that a very high percentage enters across 0% MFN tariffs, the AANZFTA would appear to have brought valuable new trade opportunities. For example, for Viet Nam:

- a) In 2007-2009 average annual import clearances paying MFN tariffs above 0% or entering under developing country preferences were A\$372.4 million. In 2012-2014 average annual import clearances entering under developing country preferences or AANZFTA were A\$627.9 million. This was an increase of 69% on 2007-2009.
- b) By contrast total import clearances from Viet Nam between the 2007-2009 and 2012-2013 periods fell by 7.3% (from A\$4.3 billion in 2007-2009 to A\$3.9 billion in 2012-2014).

4.2 General Assessment

165. In conclusion, the data on AANZFTA tariff utilisation presents a mixed picture:

- a) Overall, there is an encouraging level of use of AANZFTA tariff treatment.
- b) However, use of Australia's bilateral FTAs with four AANZFTA Parties remains more significant than use of AANZFTA - A\$11.4 billion for the bilateral FTAs (20.4% of clearances) in 2014 compared to A\$5.3 billion for AANZFTA (9.5% of clearances). This raises questions about the extent to which trade between the Parties is integrated into regional supply chains, and certainly in relation to the extent to which AANZFTA is facilitating such regional integration.
- c) But if only import clearances from AMS is looked at, then the ratios are not as unequal – 10.9% (A\$5.2 billion) using AANZFTA compared to 16.5% (A\$7.9 billion) using the bilateral FTAs in 2014. On the other hand, this is in large part due to significant use of AANZFTA by Indonesia (A\$2 billion), which does not have a bilateral FTA with Australia.
- d) The percentage of import clearances from AANZFTA Parties still paying MFN tariffs (above 0%) is low. This is a key indicator of the business relevance of AANZFTA, but at A\$1.8 billion in 2014 the figure was still a significant amount and warrants further investigation to understand why business has not been able to utilize AANZFTA for these imports.
- e) While there was good use of AANZFTA from its initial year of entry-into-force, there still seems to have been a one to two year delay for many businesses to make use of the Agreement's tariff treatment. This raises questions as to whether the Parties could be doing more to promote business understanding and use of the Agreement.

166. The above issues have been a focus of AANZFTA implementation by the Parties, including through the AECSP. Important outreach events were initiated in the lead-up to AANZFTA's entry-into-force, including the establishment of an AANZFTA website hosted by the ASEAN Secretariat, publication of two primers on the use of AANZFTA and on its rules of origin, and a range of public outreach events. At the first three FTA Joint Committee (FJC) meetings in 2010 and 2011 AANZFTA Business

Seminars were held to coincide with the FJC. However, since then business outreach has largely been left to each AANZFTA Party to undertake individually and the committees, as well as the AECSP, have not been active in this space. This is an area which the Parties might want to review.

167. A work program was mandated under the Agreement to review the rules of origin in relation to both the product specific rules and regional cumulation, but this work is still on-going. Given the evidence presented above, suggesting that AANZFTA is not realizing its full potential to promote regional integration, especially supply chain trade, this would seem to be an area warranting priority attention. Further work by the Parties in this area would be assisted by input from business on:

- a) The quality and usefulness of information readily available to them on using AANZFTA;
- b) The impact of documentary and other requirements in business decision-making on whether to use AANZFTA; and
- c) Impediments to their use of AANZFTA's regional cumulation provisions – such as in relation to information availability about the opportunities presented by these provisions; the impact of documentary requirements; or the substantive cumulation provisions.

168. There has also been work looking at other ways to facilitate business use of AANZFTA's tariff preferences, including the scope to set up a pilot scheme on self-certification. However, no consensus has yet been reached on a possible approach for establishing a pilot scheme.

169. The AECSP has been used to support the CTG and SCRoO in their work. However, the failure of these bodies to progress these issues suggests that it would be useful to review how best to ensure the effectiveness of the AECSP in supporting this type of policy work by the committees.

170. An important response to business concerns about AANZFTA requirements has been the First Protocol to Amend the AANZFTA Agreement which was signed in August 2014 and is expected to enter into force in 2015. The First Protocol responds to business concerns about AANZFTA's requirements to include the FOB value on the certificate of origin (COO), as well as simplifying the presentation of the product specific rules (PSRs) to facilitate business understanding and use. It will also update the PSRs in the current Harmonized System nomenclature (HS 2012), reducing the complexity that business currently face of having to work in both HS 2007 and HS 2012 when making use of AANZFTA to trade goods. The First Protocol should also assist in achieving improvements in the transposition of the tariff commitments and PSRs into the periodically updated HS, as well as improving the administrative arrangements for the Parties to respond in a more timely fashion in the future to business concerns about the list of data requirements for the COO.

171. While the First Protocol is an important demonstration of the Parties' efforts to maintain and increase the relevance of AANZFTA to business, the fact that it will have taken five years to negotiate, and bring into force, also raises issues about the effectiveness of AANZFTA to respond to modern business needs in a timely manner.

172. An important initiative is the conduct of a business survey to assist the CTG and its subsidiary bodies undertake the review of NTMs mandated by the Agreement. The business survey is a potentially very innovative approach, as it is seeking to develop a supply chain understanding of NTMs, drawing in business perspectives across the supply chain linking trade flows between the Parties. This is being supported through the AECSP, but implementation of the survey is progressing slowly, partly due to irregular communication between the Parties and the consultant undertaking the survey. Engagement by the Parties to assist the consultant make effective contact with businesses throughout the region will be a critical factor in the success of the survey.

5. AANZFTA's Contribution to Regional Economic Integration

173. AANZFTA is the most comprehensive FTA that ASEAN has concluded and enhances the participation of Australia and New Zealand in the evolving broader regional economic architecture, particularly architecture relating to ASEAN-centred approaches such as the Regional Comprehensive Economic Partnership (RCEP). The AANZFTA treaty text (in its Preamble) expressed confidence that the FTA "will serve as an important building block towards regional economic integration."

174. A key focus of the RCEP negotiations is to build on and add value to AANZFTA and the other four existing ASEAN+1 FTAs. These FTAs are of varying scope, scale, depth, and degree of comprehensiveness. It is proving to be a difficult task to both find points of commonality and convergence across the ASEAN+1 FTAs, while also seeking to go beyond them.

175. The ASEAN capacity building generated through the ECWP projects is not confined to AANZFTA implementation alone, but is also of value to other negotiations involving ASEAN, including RCEP.

5.1 How AECSP Contributes to Broadening Economic Integration

176. Economic Ministers from ASEAN, Australia and New Zealand have acknowledged AECSP's contribution not only in enhancing the economic relations among AANZFTA Parties but in promoting deeper integration within ASEAN and the emerging regional infrastructure in the Asia-Pacific region.

177. Specifically, AECSP has been supporting ASEAN priorities in building an ASEAN Economic Community (AEC) as well as national reforms of AMS to enable them to respond to AEC and other FTAs. AEC envisages a single market and production base, a highly competitive economic region, a region of equitable economic development, and a region fully integrated into the global economy.

178. Since May 2010, at least 62% (or 37 out) of the 59 projects endorsed by the FJC, specified ***broadening economic integration*** as an objective under the FJC's *Strategic Approach to Economic Cooperation*.⁶ This objective, broadly described as *enabling ECWP provide clear contributions to regional economic integration and strengthened the links between the Parties*.⁷

179. **Table 2** lists the AECSP activities that directly support AEC Blueprint actions and/or ASEAN Economic Ministers (AEM) and AEM- Closer Economic Relations (CER) deliverables. Aimed at enhancing the AMS capacity to participate in intra-regional trade and implement FTAs, AECSP activities include improving market access by addressing specific issues of trade in goods, such as rules of origin, non-tariff measures, sanitary and phytosanitary measures, facilitating movement of skilled labour and professionals, and supporting national reforms through investment policy reviews. AECSP also supports enhancing competitiveness and business confidence through accession to and/or implementation of international accords on intellectual property, intensified

⁶ Endorsed by the ASEAN Economic Ministers – Closer Economic Relations (AEM-CER) Ministers in June 2011, the Strategic Approach has four key objectives, i.e., (i) *facilitate the FTA's operationalization*, (ii) *progress its built-in agenda*, (iii) *increase business utilization of AANZFTA opportunities*, and (iv) ***achieve deeper economic integration among the Parties***.

⁷ See *ECWP Project Management Guide and Templates* as endorsed by FJC in June 2011.

knowledge-sharing and regional cooperation in the area of competition, and engagement of more stakeholders in the integration process by providing fora to discuss emerging regional trade issues. These initiatives also address regional implementation gaps among AMS, with the most benefit for the newer ASEAN members. It should be noted that, most projects, if not all, contribute to building institutional and technical capacity in ASEAN so they can better engage in emerging regional architecture such as other ASEAN engagements (ASEAN+1) and the RCEP negotiations.

180. Below are highlights of completed and on-going AECSP activities' contribution towards achieving deeper economic integration by enabling each Party, especially AMS to comply with their obligations and maximise the benefits thereof. Factual inputs were relayed by direct beneficiaries or gathered from official statements and project reports:

5.1.1 Enhancing capacity to implement FTA and engage in trade and RoO issues

181. Timely transposition of schedule of tariff commitments and product specific rules would ensure predictability and transparency for the private sector and encourage use of tariff preferences. The series of AECSP capacity building such as the *Policy Dialogue on Future Transposition of Harmonized System (HS) of AANZFTA Tariff Reduction Schedules and Rules of Origin Product Specific Rules* and *Rapid Response Interventions on Transposition of AANZFTA Tariff Schedules from HS 2007 to HS 2012 for Cambodia, Lao PDR, Myanmar and Viet Nam* increased the number of technical officials who could undertake the transposition of national tariff schedules to comply with their respective country's obligation under the AANZFTA agreement as well as under the WTO and other FTAs. There are at least 15 participants from relevant agencies in Cambodia, 15 from Lao PDR, 23 from Viet Nam and 26 from Myanmar who benefited from the technical training and hands-on exercises. With enhanced understanding of the countries system from the Policy Dialogue, the Parties are currently considering a set of guidelines for future transposition.

182. A set of practical and user-friendly training modules on the AANZFTA Rules of Origin was developed and distributed to ASEAN to enable them to participate more fully in RoO issues. To date, the project has delivered a regional training for trainers attended by 50 officials representing all of ASEAN, translated versions of the training modules in 4 national languages to reach out to SMEs, and in-country trainings led by the national RoO trainers which were attended by around 400 participants from across 8 ASEAN countries.

183. An **official from the Ministry of Trade of Indonesia** (via email in January 2015) noted that: *The Project helped enhanced Indonesian officials' knowledge and understanding of the RoO chapter and strengthened their technical and professional capacity to apply and interpret the practical provisions of RoO. The in-country training particularly benefited Indonesia's front-line actors and private sector entities including chamber of commerce and training institutes involved with the implementation as well as outreach activities on RoO.*

184. A **former RoO negotiator for Cambodia** (via email in January 2015) also shared the observation that: *Among the benefits include the increased the number of officials who are competent in RoO issues and enhanced awareness on trade issues among the private sector, esp. the AANZFTA exporters.*

5.1.2 Establishing capacity for improved market access by addressing SPS issues

185. AECSP has been supporting the ASEAN Regional Diagnostic Network (ARDN) project by delivering its training component – particularly, to enhance the diagnostic capacity of ASEAN in identifying plant pests and diseases and using a variety of new techniques. Over the past couple of years, the project undertook six workshops, 15 in-country mentoring activities, pest surveys in four countries, two audits of diagnostic facilities and the provision of microscopes and other specialist equipment. This project has seen the establishment of a regional network of experts in plant pest diagnostics and enhanced technical infrastructure for performing pest diagnostics within ASEAN. In this aspect, the project is helping ASEAN gain access to international markets, justify quarantine measures and border practices, and remove unwarranted sanitary and phytosanitary (SPS) barriers to trade. The project is also serving as a springboard for the adoption of technologies for more efficient and consistent border clearance practices.

186. The Experts Working Group on Harmonisation of Phytosanitary Measures in ASEAN and the ASEAN Sectoral Working Group on Crops at meetings in May 2015, acknowledged the importance and good progress of the ARDN Project to establish a regional diagnostic network to assist AMSs. These meetings noted that the project would assist AMSs to gain access to diagnostic services for plant pests, that this would enable the development of the national pest lists required for harmonization of phytosanitary measures in the region and expressed appreciation for the support from AANZFTA. Development of ARDN is included in the draft Strategic Plan of Action of the ASEAN Sectoral Working Group on Crops, especially because of its contribution to the AEC Blueprint Area A7 Food Agriculture and Forestry (Harmonise quarantine and SPS measures).

5.1.3 Supporting national reforms through investment policy reviews

187. A free and open investment regime is a key to enhancing ASEAN's competitiveness by attracting foreign direct investment and stimulating investment within ASEAN. Achieving these goals will require domestic reforms in AMS to improve the investment climate and enhance policy coherence across the region. The Investment Policy Review (IPR) process is a self-assessment by government, undertaken in cooperation with the OECD (Organisation for Economic Co-operation and Development). With support from AECSP, Malaysia and Myanmar completed IPRs in 2013 and 2014, respectively. IPRs for the Philippines, Cambodia, Lao PDR, and Viet Nam (a second version), are underway.

188. **YB Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry, Malaysia**, at the launch of the IPR for Malaysia in November 2013, stated that: "These reviews provide the necessary impetus for countries within the region to work towards realising the AEC in 2015. Indeed, the AEC is not merely about free movement of goods, services and talents within ASEAN. If we want the AEC to be successful, then, the onus is on us to ensure that such initiatives are also complemented within an investment regime that is fairly liberal, business-friendly and provides adequate levels of protection to investors."

189. **Dr. Kan Zaw, Minister of National Planning and Economic Development**, Republic of the Union of Myanmar, in the Joint Preface with OECD wrote that, "This IPR, Myanmar's first international cooperation initiative on investment policy, will help guide the country's current efforts to modernise the legal and regulatory framework for investment. In undertaking the review, the government established a cross-government Task Force coordinated by the Ministry of National Planning and Economic Development which allowed for full ownership and whole of government approach to investment policy making."

190. The IPR of Myanmar began in the second half of 2012 and was launched in March 2014 with the participation of a 17-agency Task Force led by the Ministry of National Planning and Economic Development of Myanmar. One of the core policy recommendations of the IPR was to replace the dual approach to investment regulation. Consistent with the IPR recommendations, Myanmar is now in the process of merging two laws (i.e., Foreign Investment Law and Myanmar Citizens Investment Law) into one and incorporating other suggestions for the legal framework of a new investment law. Furthermore, the government has also taken steps to reduce restrictions on foreign investment with the revisions of types of economic activities (MIC issued revised Notification (49/2014), (50/2014) and (51/2014).

5.1.4 Strengthening capacity to collect and use trade data for improved policy analysis

191. Trade statistics are recognized as essential tool for the development and implementation of evidence-based policy analysis including assessing their market access commitments. AECSP supports training and building infrastructure in the areas of trade in goods data, tariff preferences and statistics on trade in services (SITS). The In-Country Trainings on Tariff and Trade Data Analysis in Cambodia, Lao PDR and Indonesia enabled the participants to simulate and make practical assessments particularly on the impact of FTAs and to produce comprehensive analysis of the national trade and tariff data. Underscoring the need to sustain the benefits of the technical training and to promote transference of skills, follow-up activities are currently being planned. Meanwhile, under the Project on Developing a Regional Approach to Monitoring Utilization of AANZFTA Tariff Preferences, a Philippines workshop brought together the relevant agencies involved in: import clearances and data collection (Bureau of Customs), data compilation (Philippine Statistics Authority), tariff classification (Tariff Commission), and trade data reporting (Department of Trade and Industry) to undertake a pilot-testing data collection, the lessons and experience of which could be shared with other Parties to assist in the roll-out of data collection and eventually benefit all ASEAN trading partners beyond AANZFTA.

192. A series of workshops for the development of statistics on international trade in services (SITS) continue to be supported, including through an international seminar in October 2013, jointly organized with APEC-Technical Assistance and Training Facility (TATF) and United Nations Statistics Division (UNSD) with close to 90 statisticians from ASEAN and APEC Member States taking part. Technical assistance is underway for Cambodia, Lao PDR and Myanmar in terms of building their institutional capacity through design and conduct of pilot surveys on SITS.

193. An **official from the Central Bank of Myanmar**, after the training of the newly recruited enumerators and staff from key line Ministries, commented that: "This knowledge esp. from Australia and New Zealand will be used in the actual field work."

The next step is the finalisation of data input and processing systems design, which will be used as a template for undertaking surveys of enterprises, with initial focus on travel services.

5.1.5 Facilitating movement of skilled labour and professionals

194. The ASEAN Qualifications Reference Framework (AQRF) is a common reference framework that functions as a device to enable comparisons of qualifications across ASEAN Member States. It promotes mobility within the region, supporting the implementation of the ASEAN Economic Community Blueprint goal of the free flow of skilled labour towards harmonisation and standardisation, as well as the ASEAN Socio-Cultural Community Blueprint which targets to establish national skills frameworks as an incremental approach towards an ASEAN skills recognition framework. The development and plan for the implementation of AQRF has been supported by AECSP since 2012. The AQRF was endorsed by the relevant ASEAN ministerial bodies (and via ad-referendum endorsement in May 2015 by the **ASEAN Labour Ministerial Meeting**):

- Excerpt from the Report of **46th ASEAN Economic Ministers (AEM)**
- 25 August 2014, Nay Pyi Taw, Myanmar:

“39. The Meeting endorsed the AQRF noting that given the cross-cutting nature of the agreement, it will also be endorsed by the respective sectoral Ministerial meetings. The Meeting agreed to express its appreciation to Australia and New Zealand at the 19th AEM-CER Consultations.”

- Excerpt from the Joint Ministerial Statement of the **19th AEM-CER Consultation** - 26 August 2014, Nay Pyi Taw, Myanmar:

“13. Ministers welcomed the endorsement of the AQRF at the 46th ASEAN Economic Ministers’ Meeting. The AQRF, which will enable comparisons of qualifications across ASEAN Member States, is a step further towards the ASEAN Economic Community goal of free flow of skilled labour. The Ministers acknowledged the work undertaken by the Task Force on AQRF... ASEAN thanked Australia and New Zealand for their continued support to the Task Force through the AECSP.”

- Excerpt from the Joint Statement of **8th ASEAN Education Ministers Meeting (ASED)** - 11 September 2014, Vientiane, Lao PDR:

“6. The Ministers expressed its appreciation to the Task Force of the AQRF for its efforts in producing the Framework. Recognizing its importance towards the vision of ASEAN Community 2015, the Ministers agreed to endorse the Framework as a guideline for the ASEAN Member States to voluntarily adopt.”

195. In parallel with the AQRF initiative, AECSP is also providing support through tailored, practical and technical support on national qualifications framework (NQF). The project aims to develop participating ASEAN countries’ capability in implementing

and refining their qualifications frameworks through exchanges of officials and technical experts with partner countries. These exchanges will provide an opportunity for sharing best practice models in the development and implementation of qualification frameworks and quality assurance processes from within the AANZFTA Parties. The pilot bilateral programme between Thailand and New Zealand took place from 2013 to 2014.

196. The lead agency for Thailand, **Office of the Education Council** in September 2014, reported that: "Thailand has gained the knowledge and experience from the Technical exchange workshop so much, particularly, about role, mission and collaboration of the New Zealand agencies for implementing the New Zealand qualifications framework into practice."

197. A series of bilateral exchanges on NQF will be hosted by Australia, Malaysia and New Zealand in 2015 to benefit education and qualification agencies from the Philippines, Indonesia, Lao PDR, Myanmar and Viet Nam.

5.1.6 Enhancing competitiveness and business confidence through accession to and/or implementation of international accords on Intellectual Property

198. The Accession to Madrid Protocol is among the key actions in the AEC Blueprint as well as in the ASEAN Intellectual Property Rights Action Plan. The Madrid Protocol makes it potentially faster, cheaper and easier for regional businesses to file trademark applications in multiple jurisdictions. AECSP has been supporting AMS through activities to raise stakeholders' awareness, provide basic and advance trainings on Madrid operations, and develop roadmaps to accession. The project is also assisting IP Offices improve their trademark processes to achieve efficiency, which is critical, not only for accession to the Protocol, but more broadly in terms of ease of doing business and facilitating economic integration.

199. During the project's implementation, the Philippines acceded to the Madrid Protocol and was the first country to implement post-accession activities in the region. Meanwhile, a number of countries, including Cambodia and Lao PDR, used the roadmaps as their guide in accession process – which ASEAN countries endeavour to achieve by December 2015.

200. With the recent signing of Cambodia's instrument of accession to the Protocol (in January 2015), the President of Secretariat of **National Committee for Intellectual Property Rights** and concurrently, the Director of Department of Intellectual Property of Ministry of Commerce stated that "Cambodia is happy with the Madrid project. The project has contributed to the accession of Cambodia earlier than planned."

201. A key in further building predictable IP systems that protect and encourage innovation are well-trained patent examiners conducting robust and effective examination. The Regional Patent Examination Training (RPET) program is an innovative and intensive online training program, implemented by IP Australia, which provides patent examiner trainees with the necessary skills and competency to examine using the Patent Cooperation Treaty (PCT) standards. Launched in April 2013, RPET was offered to IP Offices that conduct substantive patent search and examination and enable them to consistently meet international best practice and

standards consistent with the PCT. Patent examiners from Indonesia, Malaysia and the Philippines participated in the first intake of the competency-based training program. A second intake of 13 trainees including participation of Thailand and Vietnam examiners commenced in April 2014.

202. In December 2014, the **first ever graduate** to complete the RPET Program, Mr. Jan Rayyan Barraca from the Intellectual Property Office of the Philippines, commented that:

"The RPET Program has greatly improved my search and examination competencies in general. I am now more confident in presenting my arguments and decisions when writing reports especially to complex cases. I have learned to apply concepts of construction, novelty and inventive step in my field of expertise, to determine clarity issues, to identify *unity of invention*, and to effectively utilize search databases."⁸

5.1.7 Intensifying knowledge-sharing and regional cooperation in competition

203. Since 2011, AECSP has supported the annual ASEAN Competition Conferences which serves as a key platform for strategic discussions among government authorities in ASEAN responsible for administering competition policy and law (CPL). Spearheaded by the ASEAN Experts Group on Competition, the ACCs helped promote regional awareness on the importance of CPL in underpinning economic growth and integration in ASEAN and beyond. The goal of intensifying the development of CPL remains crucial with the development of an ASEAN Competition Action Plan Post-2015.

204. At the 3rd ACC in Singapore in July 2013, **Mr. Lim Hng Kiang, Minister for Trade and Industry of Singapore**, underscored that:

"Engagement with ASEAN's dialogue partners should also continue as cooperation with our partners has proven particularly helpful in advancing the development of competition policy and law. For instance, as part of the AANZFTA Agreement, a work programme has been established. One of its initiatives is to set up a Competition Committee between ASEAN, Australia, and New Zealand, to look into cooperation projects to address competition-related needs of the Parties."

205. In 2013, Australian competition regulatory experts were seconded to Malaysia Competition Commission (MyCC) and Vietnam Competition Authority (VCA), to help strengthen the two agencies' capacity to implement and enforce competition regulation. Through advice, mentoring and in-country trainings, MyCC and VCA officials gained operational awareness of international best practices in CPL compliance which requires not only technical skills, but also specific know-how to detect, investigate and remedy anti-competitive conduct skills, which staff of the MyCC and VCA either do not yet have or are currently still developing.

206. **MyCC** reported that the secondees' contribution was invaluable on several levels, in particular, tactics on specific investigations, suggested processes, and training

⁸ Text from a News Release of IP Australia.

and mentoring on investigation and interview techniques. The secondee also helped introduced positive changes, which has greatly increased the efficiency and effectiveness of the MyCC.

207. Building on successful AECSP capacity-building initiatives, the AANZFTA Competition Law Implementation Program (CLIP) was designed to boost skills transfer and institutional capacity of ASEAN's emerging competition authorities through phased and practically-focused technical assistance. CLIP aims to help ASEAN effectively implement their national competition law, commitments under AANZFTA (and other trade agreements) and the goals in the AEC Blueprint. The Program will also work to strengthen regional cooperation mechanisms, including on cross-border competition enforcement activities.

5.1.8 Providing fora to discuss emerging regional trade issues

208. AECSP conducted confidence-building activities to promote better understanding on a number of issues which prepared ASEAN in entering into discussions, not only in the context of AANZFTA's built-in agenda, but also in emerging issues of discussion for RCEP negotiations. A series of workshops were held since 2010 including on: *Investment Commitments in International Agreements – Key Issues for AANZFTA's Investment Work Programme; Two-Annex Approach in the Scheduling of Reservation List under the Investment Chapter; Enhancing Domestic Regulation; and IP and Genetic Resources (GR), Traditional Knowledge (TK) and Traditional Cultural Expressions (TCEs).*

5.1.9 Addressing regional implementation gaps

209. AECSP addresses regional development gaps to facilitate more effective economic integration, consistent with AANZFTA's objectives (Chapter 1, Article 1(e)), by having a specific focus on those members with less developed capacity and/or newer ASEAN members.

210. At the 19th AEM-CER Consultations (Naypyitaw, 26 August 2014), speaking on behalf of Cambodia, Lao PDR and Myanmar (CLM), **H.E. Sun Chanthol, Senior Minister and Minister of Commerce, Cambodia** expressed gratitude and appreciation to Australia and New Zealand for their support of the AECSP. He further noted that CLM countries had benefited considerably from the various activities, which have assisted them greatly in implementing AANZFTA. Cambodia also conveyed the interest and strong desire of ASEAN for the Programme to continue beyond 2015.

211. A series of ECWP factsheets is being produced to communicate the benefits of AECSP. In this exercise, the crucial role of the Parties, especially the beneficiaries, in demonstrating and providing evidence of the benefits of AECSP, way beyond the project completion, cannot be overemphasised. Further, noting the ongoing process in the development of Post-2015 Vision of the ASEAN Community, and the work undertaken by the different community pillars, including for AEC 2025, it would be useful to make another assessment on how the current and future projects of AECSP would be still be relevant and aligned with the post-2015 agenda.

Table 2: AECSP projects supporting AEC Blueprint and AEM/AEM-CER Deliverables

Name of Project	AEC Blueprint Area	AEM/AEM-CER deliverables
Development of Training Modules and Training for Trainers on Rules of Origin (RoO)	A1. Rules of Origin	
Workshop on Streamlining of CO Application and Issuance Procedures	A1. Rules of Origin	
Capacity Building and Technical Assistance on Advance Rulings on Rules of Origin, Tariff Nomenclature and Customs Valuation	A1. Rules of Origin	
Workshop on AANZFTA Self-Certification of Origin	A1. Rules of Origin	
Policy Dialogue on future transposition of Harmonized System (HS) of AANZFTA tariff reduction schedules and rules of origin product specific rules	A1. Commencement of the Review of ASEAN Harmonised Tariff Nomenclature (AHTN) 2012 for the establishment of AHTN 2017	2015
APEC workshop on harmonised electrical equipment regulatory risk assessment tools	A1. Standards and Conformance	2014 – 2015
Investment Facilitation and Technical Assistance to Newer ASEAN Members	A3. Free Flow of Investment - <i>facilitation and cooperation</i>	
Investment Policy Reviews for Interested ASEAN Parties	A3. Free Flow of Investment - <i>facilitation and cooperation (more transparent, consistent and predictable investment rules, regulations, policies and procedures)</i>	
Technical Workshop on investment disputes, resolution (including arbitration) and prevention	A3. Free Flow of Investment – <i>Investment protection (action on investor-state dispute settlement mechanism)</i>	
ASEAN Qualification Reference Framework (AQRF)	A5. Free flow of skilled labour - Harmonisation and Standardisation	2014 – 2015
Series of Annual ASEAN Competition Conference and Workshops	B1. Competition policy	2012 – 2014
AANZFTA Competition Law Implementation Program (CLIP)	B1. Competition policy - Strengthen core competencies in the areas	2014 – 2015

Name of Project	AEC Blueprint Area	AEM/AEM-CER deliverables
	of institutional building, enforcement and advocacy	
Accession to Madrid Protocol (Phase I and Phase II)	B3. Intellectual Property – <i>Accession to Madrid Protocol</i> Completion of workload analysis of trademark processes in AMS	2013 – 2015
Capacity Building for Patent Examiners-an Ideal Training Model Regional Patent Examination Training (RPET)	B3. Intellectual Property	2013
IP Public Education and Awareness-Community of Practice and Strategy	B3. Intellectual Property	2013
Policy Workshop on IP and Genetic Resources (GR), Traditional Knowledge (TK) and Traditional Cultural Expressions (TCEs)	B3. Intellectual Property - <i>Promote regional cooperation in GT, TK, TCEs</i>	
Report on the review of non-tariff measures, including the plan for the business survey	D1. External Economic Relations A1. Elimination of Non-Tariff Barriers (NTBs)	2013 – 2014
Regional mechanism to monitor utilization of tariff preferences	D1. External Economic Relations	2013 – 2014

Table 3: AECSP projects supporting newer ASEAN countries (CLMV) and IAI

Name of Project / Activity	Focus on CLMV or inclusion in IAI Work Plan II
In-country trainings on RoO in CLMV	AEC - D1 i. External Economic Relations - conduct training programs for the CLMV countries in the application of the rules of origin of trade agreements concluded or being negotiated by ASEAN
Translation of AANZFTA Primer on RoO into the national languages of CLMV	AEC - D1 i. External Economic Relations - conduct training programs for the CLMV countries in the application of the rules of origin of trade agreements concluded or being negotiated by ASEAN
In-country Training on Transposition of AANZFTA Tariff Reduction Schedules from 2007 version of the Harmonized System to HS 2012 for CLMV	Capacity building is primarily to assist CLMV in complying with their obligations under the AANZFTA, as skills learnt will be useful in transposition exercise in ASEAN and other FTAs AEC – A1. The full implementation of the ATIGA tariff reductions schedules in AHTN 2012 by all AMS
Investment Facilitation and Technical Assistance to Newer ASEAN Members	AEC – A.3 iii. Free flow of investment - conduct capacity building programs to review, streamline and simplify procedures for investment applications and approvals.
Investment Policy Reviews for Myanmar (completed) and Viet Nam, Cambodia and Lao PDR (ongoing)	AEC – A.3 ii. Undertake a review on possible strategies to attract investment, improve the investment climate, build capacities and maximize the benefits of FDI for development.
ASEAN Regional Diagnostic Network	AEC – A.7 38 iv. Harmonize quarantine and SPS measures.
Enhancing SMEs Awareness and Participation in AANZFTA - Capacity Building for CLM	AEC – C.1 iii. Continue implementation of workshops on standardization and quality, and training programs on quality improvement for SME in the CLMV countries.
Capacity Building on Statistics of International Trade in Services (SITS) Phase III: Enhancing Data Compilation of SITS through Pilot Surveys in CLM	Building institutional capacity among CLM in terms of data collection and reporting will prepare them in the negotiations or coming up with an informed decision in policy-making.
Increasing Foreign Investment Flows: Capacity Building to CLMV to Facilitate the Implementation and Business Utilization of AANZFTA Myanmar (completed) and Viet Nam (ongoing)	AEC – D. 1. ii. Conduct capacity building programs to provide policy advice to CLMV governments in the negotiations of free trade agreements in accordance with their respective needs and interest.

CLMV= Cambodia, Lao PDR, Myanmar, Viet Nam; IAI – Initiative for ASEAN Integration

6. Effectiveness of the AECSP

212. During the negotiation of AANZFTA a guiding principle was developed for economic cooperation amongst the Parties: *“Recognising the different levels of development among the Member Countries of the two regions, provision should be made for technical assistance and capacity building programmes to enable all parties to participate fully and to obtain full benefit from the FTA”*. It is from that foundation that the AECSP was developed.

213. The *AANZFTA Economic Cooperation Support Program: Design Document* (November 2009) was produced to deliver the ECWP set out in the Implementing Arrangement associated with the AANZFTA Agreement and signed by the Parties in February 2009. The AECSP Design Document is an appropriate baseline for assessing the effectiveness of the AECSP as it sets out a plan to achieve the guiding principle above. It includes a purpose, objectives and description of how the program will operate.

214. The program design document was developed in consultation with representatives from Australia, New Zealand, ASEAN and the ASEAN Secretariat. The document draws on a range of other relevant documents and Australian and New Zealand commitments including the Paris Declaration and Accra Agenda for Action, and reflects the Parties' discussions during the design process. Meetings and interviews with key stakeholders were held in Canberra and Jakarta during 2009. It lays out two main functions (or purposes) for the AECSP:

- 1) the creation and funding of an AANZFTA Support Unit within the current structure of the ASEAN Secretariat; and
- 2) funding for annual programmes of economic cooperation activities approved by the FTA Joint Committee.

215. The objectives of the AECSP are also set out in the Design Document. There is a hierarchy of objectives. The highest level outcome or vision for the AECSP is: *The full benefits of AANZFTA are realized*.

216. The goal for AECSP is to⁹:

- operationalise and implement AANZFTA (including enhancing ASEAN Secretariat capacity to support ASEAN Free Trade Agreement implementation);
- progress AANZFTA's built-in agenda;
- promote business use of AANZFTA;
- advance economic integration amongst the parties.

217. The success of the AECSP in achieving the goal outlined above is stated in the Design Document to be measurable in terms on five higher level success areas, which are:

1. Enhanced government desire to engage in economic integration generally and AANZFTA implementation in particular (for example on the built-in-agenda).

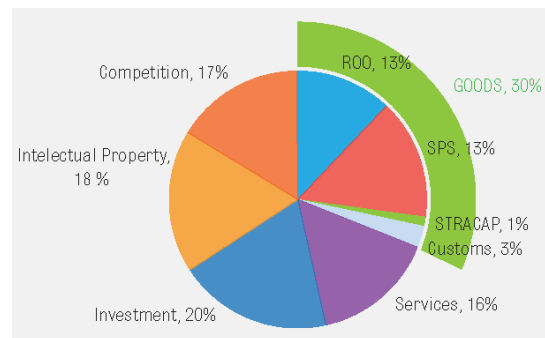
⁹ The goal of the AECSP was revised in the monitoring and evaluation framework (November 2011)

2. Increased business awareness leading to increased utilisation of AANZFTA opportunities (and increased trade and investment flows).
3. Enhanced capacity of ASEAN Member State institutions to engage in trade liberalisation generally and to implement the AANZFTA.
4. Strengthened working relationships between the Parties through the establishment of, and deeper engagement in, functional sectoral networks (particularly the AANZFTA committees and sub-committees).
5. Increased confidence in AANZFTA Economic Cooperation (Support Unit and Work Program activities) as the preferred model for ASEAN-based FTA implementation.

218. Much of the evidence-base in this part of the assessment is drawn from the Australian Government's *AusAID AECSP independent progress report 2013* (further referred to as the Independent Progress Report), supplemented by Australia's 2014 Annual Review and the ASEAN Secretariat's Progress Report on the Implementation and Outcome of 2014 AECSP Projects and Activities (March 2015).

6.1 AANZFTA implementation

219. Momentum at the outset of the program was slow, as institutions under the Agreement were set up and began to function, plan activities, and identify particular projects. There is now an active program of economic cooperation activities with the budget for the program until its conclusion at the end of 2015 now fully committed.



ECWP Projects by approved amount (%)
June 2015

220. There is also a good balance of activities (by approved amount) across the implementation components of the ECWP, see chart above. In the AECSP's early stages Parties focused on projects related to trade in goods as this was the area where most work was required to support effective implementation of AANZFTA commitments. The Independent Progress Report noted that this also reflected in part the greater familiarity among trade officials with these issues and therefore the relative ease in designing and implementing projects to address issues such as rules of origin. Over time the sectoral scope of projects has widened to encompass newer issues such as services, intellectual property, investment and competition policy. The Independent Progress Report also noted that over time there has been a shift from projects focused directly on implementation to those that will deliver longer-term gains from enhanced regional economic integration.

6.1.1 The built-in-agenda

221. While the AECSP has been beneficial in supporting implementation of AANZFTA, including a range of activities across various components of the FTA, finalising the built-in-agenda items of the FTA is still to be achieved.

222. At the 19th AEM-CER Consultations in August 2014, Ministers highlighted the importance of continuing to expedite work on various built-in-agendas of the AANZFTA – such as product specific rules and cumulation – and the need to address the issues related to Non-Tariff Measures (NTMs).

223. On rules of origin, there has been considerable work undertaken by Australia and New Zealand to present the case for full cumulation and improved Product-Specific Rules but it proved very difficult to progress this work. However on 1 July 2015 the Sub-Committee on Rules of Origin presented the CTG with reports on proposed ways forward.

224. The NTM Review is under way with a consultant now undertaking a large scale business survey. This work has however taken some time to get underway with the Parties slow to provide inputs to the consultant. It is likely that the survey, which will be an important input into the Review, will not be concluded by the end of 2015.

225. The built-in-agenda items in the services and investment Chapters are a significant outstanding area of negotiation for the Parties to AANZFTA. The services Chapter includes an obligation for Parties to negotiate and further improve services specific commitments. On investment, specific investment market access commitments do not exist and the Chapter sets out a work programme of further negotiations.

226. The AECSP has proved a useful resource supporting workshops and dialogue on a number of services and investment issues that have helped prepare the ground for further work in these areas.

227. In 2014 the FJC agreed to extend the timeframe of the built-in-agenda negotiations on services and to conduct the review of services commitments as part of AANZFTA's General Review in 2016. The FJC also agreed to extend the timeframe for the built-in-agenda on investment until the end of 2016.

6.1.2 Increased business awareness and utilisation

228. The Independent Progress Report found that there was no systematic strategy for disseminating information to facilitate greater business and community awareness or to raise the visibility of either AANZFTA or AECSP. Several stakeholders, especially private sector representatives, highlighted the need for more concrete action in this area.

229. Several ad-hoc activities have been supported (for example, the preparation and translation of guides and a business promotion event in Ho Chi Minh City), and most project activities include elements of promotion and outreach (for example, engagement of the private sector in competition and investment related activities).

230. Parties, in particular Australia, have responded to this point by developing a communications strategy for the AECSP. Resources have now been created which highlight the benefits and project achievements of the AECSP.

6.1.3 Enhanced capacity of ASEAN Member State institutions

231. ***Bridging development gaps*** - the Independent Progress Report found that the AECSP addresses equity issues, aiming to help close the development gap between the region's poorest and richest countries with targeted support for capacity building.

6.1.4 Strengthened working relationships (AANZFTA committees and sub-committees)

232. The AECSP governance arrangements are unique. Consistent with the governance arrangements for AANZFTA, the FJC is the prime body for the AECSP. Program planning and oversight is the responsibility of the FJC, which is responsible for implementing AANZFTA with representatives of AMS, Australia and New Zealand.

233. The Independent Progress Report noted that the involvement of the FJC in priority setting helps ensure that approved project proposals are of direct practical relevance to the AANZFTA Parties and that this increases the probability of effective and sustainable delivery of program objectives. It found that there is generally strong ownership of program activities by the various project proponents, committees and sub-committees and ultimately by the FJC. It also found that committees had played an important role in helping (with AANZFTA Support Unit assistance) to develop and filter projects proposals.

234. While the structural arrangements of the AECSP has meant that committees and sub-committees, which meet frequently, have had the opportunity for regular dialogue and have been able to approve projects that are relevant to the Parties, not all committees and sub-committees have met with such frequency (see diagram in Section 3.7.2).

235. Committees including the CTG, the SCRoO, the COI and the IP Committee have met frequently. However, the CTS and the SPS and STRACAP Sub-Committees have met much less frequently.

236. The Independent Progress Report found that regular interaction between AECSP and AANZFTA Parties, overseen by the various committees and sub-committees established under the agreement, is contributing to the broader AANZFTA work program. Cooperation activities have been most successful when the right people are engaged, that is AANZFTA officials with policy-making, operational or coordinating responsibility covering the specific area of economic cooperation. Engaging the right people has been a feature of goods-related, intellectual property and competition activities.

6.1.5 AECSP as a preferred model for FTA implementation

237. At the 18th AEM-CER Consultations in 2013, ASEAN co-Chair, Pehin Dato Lim Jock Seng (Brunei Darussalam) highlighted that AANZFTA continues to be ASEAN's highest quality FTA and that against the backdrop of the continuous evolving regional architecture, it is important to ensure that AANZFTA remains relevant.

238. The Independent Progress Report noted that the AECSP design and implementation arrangements are generally consistent with good practices for aid effectiveness and that regional leaders have repeatedly referred to the AECSP contributions in progressing the regional integration agenda, and have highlighted the quality of training support. The AECSP continues to support a maturing policy dialogue with AMS. The program's key role in driving the AANZFTA's substantial built-in agenda again received recognition at the Ministerial level in August 2014. This included recognition of the demonstrated effectiveness of the AECSP in supporting negotiations to amend AANZFTA to make it more business friendly, which resulted in the August

2014 signing of the First Protocol to Amend the AANZFTA Agreement. The AECSP also effectively supported the work program of AANZFTA committees and ASEAN's broader engagement in other FTA negotiations (such as the RCEP).

239. Australia's Annual Review (2014) confirmed that the AECSP remains an effective tool for implementing the AANZFTA and is a model ASEC staff have recommended for other FTA economic support programs, due to its alignment with ASEAN priorities, and work through AMS sectoral bodies. The review also noted that the program has advanced implementation/uptake of the AANZFTA, and contributed to increasing CLMV's capacity and confidence in trade-related areas and negotiations.

AANZFTA Support Unit (ASU)

240. The ASU has played an important role in pushing forward AANZFTA implementation. The administrative and technical support provided by the ASU has been a significant benefit taking away much of the burden that Parties would have to carry themselves, such as meeting preparation, support for economic cooperation projects and providing technical support for the various components of FTA (RoO, Services and Investment, etc). Being embedded within the ASEAN Secretariat has allowed for technical skills to be shared and other transaction costs have been minimised by the ASU coordinating with the wider ASEAN Secretariat to ensure events coincide with other regional meetings and activities.

241. *ASEAN Secretariat the most appropriate institution to implement AECSP* – participants in the Independent Progress Report process argued that the secretariat was the obvious implementing partner, “stressing the strong complementarity between AANZFTA institutional building priorities and ASEAN priorities as identified in the ASEAN Economic Community blueprint”. Participants also noted the potential to build on this capacity to further support ASEAN efforts to develop wider regional trade agreements.

242. *Structure of the ASU* - the Independent Progress Report concluded that the structure of the AANZFTA Support Unit appears generally appropriate given the context and the needs of AECSP. More resources may be needed to improve program communications, proposal preparation and evaluation, outreach and visibility. Staff classifications appear consistent with existing ASEAN Secretariat appointments and salaries.

243. *Increasing workload of the ASEAN Secretariat* – the Independent Progress Report found that technical expertise from ASEAN and the ASEAN Secretariat is crucial in the implementation and sustainability of Economic Cooperation Work Programme initiatives and activities. The ASEAN Secretariat's workload is increasing due to ASEAN's expanding agenda and competing priorities with the implementation of the new ASEAN Charter as well as the ASEAN Economic Community. Human resource bottlenecks were having a negative impact on the delivery of ECWP activities. While several people (including ASEAN Secretariat desk officers) argued that key program activities complement core ASEAN Secretariat responsibilities (including preparations for the ASEAN Economic Community), ASEAN Secretariat leadership expressed concerns to AusAID about AECSP diverting Secretariat desk officers from core responsibilities. In some AECSP supported activities, no ASEAN Secretariat officials with the relevant expertise were made available to support Economic Cooperation Work Programme activities, resulting in suboptimal outcomes.

244. *Linkages across the ASEAN Secretariat system* - the program actively seeks to minimise transaction costs through integration with ASEAN Secretariat systems and by coordinating program activities with ongoing ASEAN working agendas wherever feasible.¹⁰

245. *Appropriately qualified ASEAN staff* – the Independent Progress Report highlighted that as long as the ASEAN Secretariat is able to continue providing appropriately qualified staff to AECSP supported activities, and AECSP continues to move to more strategic approaches to capacity building, most core goals related to effective implementation of AANZFTA are likely to be achieved.

246. *Wider support/new ways of delivering services* – The AECSP is an innovative program and a unique modality. The AECSP involves partnership and collective ownership of 12 governments through governance arrangements involving AANZFTA's institutional bodies and the ASEAN Secretariat, and oversight by ASEAN Economic Ministers and Australian and New Zealand Trade Ministers. Involvement of government partners in Australia, New Zealand and ASEAN countries facilitate efficient use of resources, including in some cases providing direct management support of projects, while international organizations (e.g. Organisation for Economic Co-operation and Development (OECD), World Intellectual Property Organization (WIPO)) are directly involved in delivering some of the activities. Special services agreements with designated service providers are seen as useful in facilitating timely and efficient delivery of activities.

247. *Cross fertilisation with other economic cooperation partners* - there are also opportunities for further cross fertilisation with ASEAN's other economic cooperation partners and to collaborate with them on capacity building efforts, such as the European Union, Germany, WIPO and the OECD.

Gender Considerations – see Section 6.1.6

ECWP Activities

248. Economic cooperation projects have provided the substantial effort required to build parties capacity in order to move AANZFTA implementation forward. The AECSP has now built momentum and a number of projects have been approved, and either completed or underway.

249. *Projects are well aligned to Parties' priorities* – the governance arrangements of the AECSP ensures the Parties, through representation on the FJC and other committees, set the priorities for the program and determine the projects of practical relevance. The Independent Progress Report noted that this interactive process—where key stakeholders actively identify and guide AECSP projects and these in turn shape and inform the Parties' collective action in implementing AANZFTA—can be expected to continue to drive the evolution of both AECSP and AANZFTA. Annual planning processes provide an adaptive and flexible way to respond to evolving priorities and challenges.

¹⁰ For example, planning sessions, workshops and training activities are regularly 'piggy-backed' to other ASEAN or AANZFTA meetings to minimise travel time and costs for participants.

250. *Demand driven nature of the AECSP* – projects are proposed through the committee structure on a demand driven basis, although it is intended that committees and sub-committees develop work programs to provide strategic direction. Growth in the level of funding requests indicates continuing strong ASEAN Member States demand for AECSP support, which has in the final year of the program put considerable pressure on the program budget and raised questions amongst some about the scarcity of resources and the need for prioritisation.

251. *Challenges of regionally focused projects* – the Independent Progress Report highlighted the substantial coordination, travel and efficiency costs in implementing regional level activities and noted that given the large regional differences in institutional capacity and regimes, most institution building activities will be more effective if implemented at the national (and in some cases sub-national) level. It noted that the AECSP needs to ensure the focus is on supporting activities where there are clearly demonstrated benefits from regional or sub-regional cooperation in institution building.

252. *Improved project planning and design* – the Independent Progress Report recommended that Parties explore options to improve the quality of the proposals so they are more strategic and focused on results aligned with AECSP objectives and component implementation plans, and include built in results focused monitoring and evaluation systems (see also Section 6.1.6).

253. *Strategic/long-term focus* – the Independent Progress Report concluded that more of a focus on longer-term outcomes as opposed to requests for support for single activities was beneficial, noting that the IP Australia (IP expert and program of activity) and then Australian Department of Agriculture, Fisheries and Forestry (ASEAN Regional Diagnostic Network project) special service agreements provide potentially replicable models.

254. The AECSP has taken on the recommendations from previous reviews and has moved to a more programmatic approach in capacity building, with several activities continuing to more than one phase, an indication of initial success and demand for further work. As the AECSP has matured, more focus has been given to designing more holistic initiatives that encompass vertical (country) and horizontal (sectoral) development requirements linked together in a structured way. This is providing a better foundation for more effective capacity building support.

255. Stakeholders consulted during Australia's 2014 Annual Review process confirmed the perception that participating AMS officials have improved their ability to negotiate on and manage AANZFTA related issues. ASEC officers also believe this has carried over into participants' capacity to deal with broader AEC issues.

256. *Individual vs institutional capacity building* - during the initial stage of AECSP implementation, resources tended to be targeted towards activities that supported individual professional development through workshops and conferences. Such activities would generally help promote personal development and provide short-term incentives; the Independent Progress Report noted that they do not necessarily impact upon institutional capacity, particularly when the partner agencies and systems are weak. In response, the AECSP attempted to ensure professional development impacts were sustainable by using and establishing train the trainer methodologies within a cascading training modality. This can work well in stable and mature institutions,

where appropriate resources are allocated to professional development programs. Training materials developed and used to support training initiatives are (anecdotally) considered of a very high quality, and suitable to support ongoing professional development activities in a variety of training contexts (for example, on-the-job training).

257. Australia's 2014 Annual Review found that AECSP benefits are likely to last beyond the project life. The capacity building for ASEAN sectoral bodies is likely to have long term benefits. Individual capacity building activities, such as the Intellectual Property training for patent examiners, are being supplemented in later iterations with networking between Australia, New Zealand and AMS institutions. These institutional arrangements can be expected to continue long term and are enhanced by the individual relationships created through networking and training.

258. The AECSP's shift to a more programmatic approach with an institutional networking and relationship building focus will increase the likelihood of sustainability. Similarly, the shift in balance from Australia and New Zealand-identified projects to AMS-initiated projects is a good indicator for sustainability. The initial country level OECD Investment Policy Review is an example of an AMS-led initiative, which in turn led to requests for similar reviews from all four CLMV countries.

6.1.6 Project Planning and Design, including Gender Considerations

259. The FJC suggested greater attention be given to the planning and design of projects under the AECSP to help ensure sustainability.

260. In 2013, the FJC, in its response to the AECSP Independent Progress Report, acknowledged the importance of promoting gender equality but also recognized that it was not clear at that stage how this could be operationalized in ECWP projects and activities. However, it suggested the FJC and its subsidiary bodies should consider, where relevant and appropriate, potential gender equity dimensions of ECWP projects, particularly where this could enhance the developmental impacts of the AECSP. The FJC noted that while the difficulties of actively incorporating gender equality activities into technically-focused and regionally-managed programs such as the AECSP was well recognized, it assessed that AECSP used a number of tools to address the gender issue, including through the ECWP proposal template and Monitoring & Evaluation (M&E) framework.

261. Australia's Annual Review (2014) also assessed that achieving greater gender awareness and seeking opportunities to address gender issues, including women's empowerment, in the AECSP remains a challenging task. The Review recommended that the gender issue be addressed on two fronts. First, project designers and implementers be tasked to consider potential gender impacts. Second, for the M&E framework to also address this issue.

262. The FJC co-Chairs in May 2015 considered the issues arising from Australia's 2014 Annual Review. The co-Chairs concluded that the ASU's work could be strengthened, especially in helping to ensure the sustainability of AECSP outcomes and assessments of lesson learned by:

- improving the application of a robust M&E system, including through engaging a full time M&E and Communication Officer in the ASU.

- the ASU playing a stronger role to assist Parties with the design of projects. In particular the ASU should have appropriate funding to be able to engage design and gender expertise, where relevant and appropriate. Gender expertise was considered particularly important for those projects where Parties assess that gender awareness would assist in ensuring the effectiveness of the project (e.g. projects related to economic sectors where women are important actors, and projects with SME dimensions where women headed enterprises can be prominent).

263. These issues were considered by the FJC at its 7th meeting (29 June – 3 July 2015). It was noted that ASEAN's 2015 Kuala Lumpur Declaration on a *People-Oriented, People-Centred ASEAN* identified encouraging the participation of women, the elderly and youth in building a competitive, innovative and dynamic ASEAN as one of the economic priorities for ASEAN. It was further noted that in 2012, the United Nations estimated that the Asia-Pacific economy would grow by an additional US\$89 billion annually if women were to achieve their economic potential. When women provide labour in the sectors that expand with economic growth, this contributes significantly to the economic success of these transformations.

264. The FJC concluded that the AECSP, particularly in the design of the projects, would be enhanced by the input of development programme design and gender expertise, as appropriate, including to ensure that the contribution of projects to longer-term capacity-building and institutional reform will be sustainable.

6.2 Monitoring and Evaluation (M&E)

265. The AECSP Design Document describes the monitoring and evaluation requirements for the program and includes a draft version of the monitoring and evaluation framework. The Design Document highlights the need for a comprehensive framework to legitimately and accurately monitor and evaluate progress towards achieving the goals of AECSP.

266. The aim was to establish a system that would help identify what is different after five years of AECSP, compared with what would have happened without this support. However, it is also recognised that, given AECSP is a relatively minor contributor to the overall regional and national trade and investment reform agenda, it will be difficult to directly attribute regional developments in trade and investment to the AECSP.

267. Part-time international advisors were appointed by DFAT (AusAID) to assist with the development of the monitoring and evaluation system.

268. An initial framework developed by the first international monitoring and evaluation consultant was seen by AECSP stakeholders as too complex. Monitoring and evaluation challenges were compounded by a lack of familiarity by some stakeholders of the AusAID results reporting requirements.

269. The final AECSP monitoring and evaluation framework was completed by the second international specialist and the AANZFTA Support Unit, and endorsed by the program in November 2011.

270. The AECSP Performance Assessment Framework (PAF) has undergone significant changes since the program's initial design. Australia's Annual Review (2014) recommended fine-tuning the existing tools and methodologies within the PAF.

271. Australia's 2014 Annual Review further confirmed that collection and recording of monitoring data has been relatively good for the purpose of managing the program. Reporting to AMS senior officials has also been of a good standard and well-recognised. The Review found the M&E plan and data generated from monitoring has been sufficient for recording project and activity progress, and to enable FJC decision making, as well as to meet the needs of ASEAN officials. AECSP factsheets and program highlights have also been useful to explain AECSP's contribution and for public diplomacy purposes.

272. A shift in focus towards a performance assessment framework that will facilitate the collection of relevant data and enable results to be documented and provided to program stakeholders may help build broader support for monitoring and evaluation amongst partners. An M&E Adviser was contracted by Australia from 2014 to December 2015 to support the ASU to strengthen program result reporting and conduct the program's annual review. Australia's 2014 Annual Review recommended that a full time M&E officer be engaged in the ASU to work with the M&E Adviser to improve M&E analysis and outcome reporting. The objective is to develop more robust M&E for performance assessment. One of the specific suggestions in Australia's 2014 Annual Review was for AECSP evaluation to include a small number of ECWP projects, focused on more direct collection of evidence from beneficiaries in different AMS, including case studies and national level analyses, to demonstrate the benefits of the program. It will be particularly important that those undertaking the independent completion report for AECSP have better access to information on the benefits for stakeholders, including the business community and on economic outcomes in AANZFTA Parties.

6.3 Risk Management

273. A set of risks were identified during the design phase of the program and were set out in the program design document (2009). Assessing how the programme has tracked against these risks provides a useful perspective on its implementation. The majority of these risks were assessed as low to medium and manageable, given the commitment of the Parties to the AANZFTA, its associated ECWP, and the AECSP. The only high risks identified were whether achieving a 1 January 2010 start date for the ASU and developing an annual plan before the 2010 meeting of the FJC would be possible but these were both managed effectively.

274. The other main risks identified were:

- i. AECSP approval processes and ASEAN Secretariat recruitment procedures delaying the start of the Support Unit beyond the EIF of AANZFTA (high risk);
- ii. annual plans not finalised for FTA Joint Committee approval (high risk);
- iii. demands on the Support Unit being broader than its remit to support AANZFTA implementation (medium risk);
- iv. the need to secure highly competent Support Unit staff and that they be effectively managed (medium risk);

- v. over or under demand for ECWP projects and duplication and overlaps (lower risk for under-demand and medium risk for over-demand);
- vi. insufficient engagement of key stakeholders including the commercial sector for AANZFTA benefits to be fully realised (medium risk);
- vii. Support Unit work demands exceeding capacity (medium risk);
- viii. ASEAN funding to continue the Support Unit functions from 2015; and
- ix. AECSP M&E system either inadequately developed to meet the needs of the Parties and/or implementation challenges (medium risk).

275. Risk management strategies have been identified for each:

- i. the ASEAN Secretariat ready to start recruitment immediately and the External Economic Relations Division (EERD) to commence monitoring AANZFTA implementation at EIF;
- ii. good EERD and Support Unit management, and clarity in letters of exchange, to ensure the Support Unit focuses on its remit to support AANZFTA;
- iii. international recruitment of ASEAN nationals, and for the Parties participating in selection panels to find and recruit highly competent staff, including an Assistant Director (Support Unit) with good program management skills;
- iv. AANZFTA Economic Cooperation Support Program: Design Document
- v. a series of processes for the development, implementation and M&E of the annual ECWP work plans;
- vi. a communication and promotion/outreach strategy to engage key stakeholders included in the design;
- vii. the Support Unit to have the authority to engage short term staff and advisors to meet peak workloads;
- viii. engagement of the Parties and the commercial sector to continue to implement the AANZFTA; and
- ix. M&E experts have been periodically engaged since 2010 to develop an AECSP M&E system. Most recently, an M&E Adviser was contracted by Australia from 2014 to December 2015 to support the ASU to strengthen program result reporting and conduct the program's annual review. Australia's 2014 Annual Review recommended that a full time M&E officer be engaged in the ASU to work with the M&E Adviser to improve M&E analysis and outcome reporting. The objective is to develop more robust M&E for performance assessment.

**ANNEX A: Detailed Tables on AANZFTA Parties Utilization of Australian FTA
Tariff Commitments (based on import Clearance data)**

Tables A1A and A1B: Import Clearances 2007

Tables A2A and A2B: Import Clearances 2008

Tables A3A and A3B: Import Clearances 2009

Tables A4A and A4B: Import Clearances 2010

Tables A5A and A5B: Import Clearances 2011

Tables A6A and A6B: Import Clearances 2012

Tables A7A and A7B: Import Clearances 2013

Tables A8A and A8B: Import Clearances 2014

Tables A9A and A9B: Import Clearances: Brunei CY2007-2014

Tables A10A and A10B: Import Clearances: Cambodia CY2007-2014

Tables A11A and A11B: Import Clearances: Indonesia CY2007-2014

Tables A12A and A12B: Import Clearances: Lao PDR CY2007-2014

Tables A13A and A13B: Import Clearances: Malaysia CY2007-2014

Tables A14A and A14B: Import Clearances: Myanmar CY2007-2014

Tables A15A and A15B: Import Clearances: New Zealand CY2007-2014

Tables A16A and A16B: Import Clearances: Philippines CY2007-2014

Tables A17A and A17B: Import Clearances: Singapore CY2007-2014

Tables A18A and A18B: Import Clearances: Thailand CY2007-2014

Tables A19A and A19B: Import Clearances: Viet Nam CY2007-2014

Tables A20A and A20B: Import Clearances: ASEAN CY2007-2014

Tables A21A and A21B: Import Clearances: AANZFTA CY2007-2014

Table A1A - Import Clearances By Category – A\$ Value – All AANZFTA Parties – Calendar Year 2007

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	-	1,126,049,667	-	-	104,270	153,372	-	1,126,307,309
Cambodia	-	11,132,960	-	7,684,304	14,684	767,603	-	19,599,551
Indonesia	-	2,922,304,119	34,749	388,002,275	793,910,664	594,140,294	141,602,500	4,839,994,601
Lao PDR	-	5,486,847	-	420,956	7,317	197,740	-	6,112,860
Malaysia	-	4,926,440,747	3,141,137	371,773,250	1,059,319,803	813,159,697	118,331,877	7,292,166,511
Myanmar	-	16,388,391	-	4,987,178	2,209	288,122	-	21,665,900
New Zealand	-	2,387,542,731	3,710,428,740	159,639	82,747,427	42,840,020	3,958,473	6,227,677,030
Philippines	-	500,939,982	46,246	26,322,073	87,050,631	155,861,165	27,253,306	797,473,403
Singapore	-	9,127,915,878	206,936,291	101,556,656	739,313,405	399,568,403	143,988,773	10,719,279,406
Thailand	-	1,853,632,333	4,691,154,708	95,821,082	545,473,739	585,253,934	122,856,533	7,894,192,329
Vietnam	-	4,101,745,905	-	58,995,897	85,175,143	286,625,161	4,174,035	4,536,716,141
Total	-	26,979,579,560	8,611,741,871	1,055,723,310	3,393,119,292	2,878,855,511	562,165,497	43,481,185,041

Table A1B – Import Clearances By Category – Percentage – All AANZFTA Parties – Calendar Year 2007

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	0.00%	99.98%	0.00%	0.00%	0.01%	0.01%	0.00%	100.00%
Cambodia	0.00%	56.80%	0.00%	39.21%	0.07%	3.92%	0.00%	100.00%
Indonesia	0.00%	60.38%	0.00%	8.02%	16.40%	12.28%	2.93%	100.00%
Lao PDR	0.00%	89.76%	0.00%	6.89%	0.12%	3.23%	0.00%	100.00%
Malaysia	0.00%	67.56%	0.04%	5.10%	14.53%	11.15%	1.62%	100.00%
Myanmar	0.00%	75.64%	0.00%	23.02%	0.01%	1.33%	0.00%	100.00%
New Zealand	0.00%	38.34%	59.58%	0.00%	1.33%	0.69%	0.06%	100.00%
Philippines	0.00%	62.82%	0.01%	3.30%	10.92%	19.54%	3.42%	100.00%
Singapore	0.00%	85.15%	1.93%	0.95%	6.90%	3.73%	1.34%	100.00%
Thailand	0.00%	23.48%	59.43%	1.21%	6.91%	7.41%	1.56%	100.00%
Vietnam	0.00%	90.41%	0.00%	1.30%	1.88%	6.32%	0.09%	100.00%
Total	0.00%	62.05%	19.81%	2.43%	7.80%	6.62%	1.29%	100.00%

Table A2A – Import Clearances By Category – A\$ Value – All AANZFTA Parties – Calendar Year 2008

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	-	1,263,020,547	-	31,150	225,533	183,676	82,935	1,263,543,841
Cambodia	-	142,379	-	12,917,206	36,056	1,278,650	3,670	14,377,961
Indonesia	-	3,552,595,681	732,866	546,076,594	372,262,655	661,889,880	116,954,156	5,250,511,832
Lao PDR	-	334,867	-	255,780	1,110	214,945	-	806,702
Malaysia	-	6,007,323,088	2,285,555	514,040,717	1,451,574,422	869,852,744	127,550,424	8,972,626,950
Myanmar	-	13,738,854	-	7,157,584	27,492	162,863	-	21,086,793
New Zealand	-	3,678,354,589	3,761,311,672	165,522	81,358,491	49,851,696	2,201,500	7,573,243,470
Philippines	-	439,229,628	13,048	14,235,709	83,157,291	147,184,050	28,549,249	712,368,975
Singapore	-	14,113,779,166	274,889,076	169,515,085	905,686,801	451,060,004	142,088,708	16,057,018,840
Thailand	-	3,125,925,053	5,486,690,478	104,996,746	743,556,753	633,014,490	48,347,610	10,142,531,130
Vietnam	-	4,708,979,748	7,172	56,237,727	83,474,972	337,960,959	1,219,163	5,187,879,741
Total	-	36,903,423,600	9,525,929,867	1,425,629,820	3,721,361,576	3,152,653,957	466,997,415	55,195,996,235

Table A2B – Import Clearances By Category – Percentage – All AANZFTA Parties – Calendar Year 2008

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	0.00%	99.96%	0.00%	0.00%	0.02%	0.01%	0.01%	100.00%
Cambodia	0.00%	0.99%	0.00%	89.84%	0.25%	8.89%	0.03%	100.00%
Indonesia	0.00%	67.66%	0.01%	10.40%	7.09%	12.61%	2.23%	100.00%
Lao PDR	0.00%	41.51%	0.00%	31.71%	0.14%	26.64%	0.00%	100.00%
Malaysia	0.00%	66.95%	0.03%	5.73%	16.18%	9.69%	1.42%	100.00%
Myanmar	0.00%	65.15%	0.00%	33.94%	0.13%	0.77%	0.00%	100.00%
New Zealand	0.00%	48.57%	49.67%	0.00%	1.07%	0.66%	0.03%	100.00%
Philippines	0.00%	61.66%	0.00%	2.00%	11.67%	20.66%	4.01%	100.00%
Singapore	0.00%	87.90%	1.71%	1.06%	5.64%	2.81%	0.88%	100.00%
Thailand	0.00%	30.82%	54.10%	1.04%	7.33%	6.24%	0.48%	100.00%
Vietnam	0.00%	90.77%	0.00%	1.08%	1.61%	6.51%	0.02%	100.00%
Total	0.00%	66.86%	17.26%	2.58%	6.74%	5.71%	0.85%	100.00%

Table A3A – Import Clearances By Category – Value – All AANZFTA Parties – Calendar Year 2009

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	-	724,268,904	-	-	381,355	453,278	-	725,103,537
Cambodia	-	572,289	-	21,037,908	1,162,483	1,871,954	-	24,644,634
Indonesia	-	3,131,739,956	16,249	354,668,923	370,801,997	633,818,653	70,790,434	4,561,836,212
Lao PDR	-	196,278	20,541	1,609,370	1,494	165,342	-	1,993,025
Malaysia	-	4,494,662,461	2,250,373	404,041,822	1,777,866,328	755,224,203	63,975,832	7,498,021,019
Myanmar	-	10,765,836	-	14,735,160	53,698	73,359	-	25,628,053
New Zealand	-	3,086,985,431	3,327,055,865	17,986	139,436,410	36,603,304	1,953,295	6,592,052,291
Philippines	-	218,918,133	495,235	15,575,857	64,785,282	144,739,205	23,461,958	467,975,670
Singapore	-	10,153,388,920	228,841,084	62,256,442	761,832,092	414,680,518	121,128,597	11,742,127,653
Thailand	-	4,080,700,044	4,816,736,615	78,825,370	2,263,786,495	355,456,982	42,887,915	11,638,393,421
Vietnam	161,142	2,656,694,195	16,217	42,709,708	82,550,669	334,637,370	713,658	3,117,482,959
Total	161,142	28,558,892,447	8,375,432,179	995,478,546	5,462,658,303	2,677,724,168	324,911,689	46,395,258,474

Table A3B – Import Clearances By Category – Percentage – All AANZFTA Parties – Calendar Year 2009

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	0.00%	99.88%	0.00%	0.00%	0.05%	0.06%	0.00%	100.00%
Cambodia	0.00%	2.32%	0.00%	85.37%	4.72%	7.60%	0.00%	100.00%
Indonesia	0.00%	68.65%	0.00%	7.77%	8.13%	13.89%	1.55%	100.00%
Lao PDR	0.00%	9.85%	1.03%	80.75%	0.07%	8.30%	0.00%	100.00%
Malaysia	0.00%	59.94%	0.03%	5.39%	23.71%	10.07%	0.85%	100.00%
Myanmar	0.00%	42.01%	0.00%	57.50%	0.21%	0.29%	0.00%	100.00%
New Zealand	0.00%	46.83%	50.47%	0.00%	2.12%	0.56%	0.03%	100.00%
Philippines	0.00%	46.78%	0.11%	3.33%	13.84%	30.93%	5.01%	100.00%
Singapore	0.00%	86.47%	1.95%	0.53%	6.49%	3.53%	1.03%	100.00%
Thailand	0.00%	35.06%	41.39%	0.68%	19.45%	3.05%	0.37%	100.00%
Vietnam	0.01%	85.22%	0.00%	1.37%	2.65%	10.73%	0.02%	100.00%
Total	0.00%	61.56%	18.05%	2.15%	11.77%	5.77%	0.70%	100.00%

Table A4A – Import Clearances By Category – Value – All AANZFTA Parties – Calendar Year 2010

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	22,755	1,054,775,745	-	-	675,385	408,744	-	1,055,882,629
Cambodia	-	1,560,194	-	23,529,357	246,548	1,762,404	-	27,098,503
Indonesia	7,484	3,769,874,793	43,025	340,330,347	516,644,114	607,983,384	77,134,747	5,312,017,894
Lao PDR	-	302,313	-	1,327,757	11,789	419,771	-	2,061,630
Malaysia	599,574,671	6,111,021,564	4,339,424	195,787,148	1,631,826,926	465,438,367	96,222,325	9,104,210,425
Myanmar	31,008	10,991,402	-	4,365,510	1,355	298,911	-	15,688,186
New Zealand	7,176,159	3,552,657,208	3,480,054,257	255,702	112,084,915	32,844,081	3,670,408	7,188,742,730
Philippines	124,843,298	181,630,863	89,796	5,346,304	82,707,053	69,660,764	2,580,929	466,859,007
Singapore	289,873,239	8,975,675,530	213,403,083	71,528,540	734,077,032	312,099,347	88,859,203	10,685,515,974
Thailand	25,251,156	2,937,960,533	6,134,457,036	87,599,095	1,525,899,562	225,768,543	33,882,138	10,970,818,063
Vietnam	186,912,022	2,609,635,394	10,718	36,408,997	84,373,782	201,673,283	264,278	3,119,278,474
Total	1,233,691,792	29,206,085,539	9,832,397,339	766,478,757	4,688,548,461	1,918,357,599	302,614,028	47,948,173,515

Table A4B – Import Clearances By Category – Percentage – All AANZFTA Parties – Calendar Year 2010

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	0.00%	99.90%	0.00%	0.00%	0.06%	0.04%	0.00%	100.00%
Cambodia	0.00%	5.76%	0.00%	86.83%	0.91%	6.50%	0.00%	100.00%
Indonesia	0.00%	70.97%	0.00%	6.41%	9.73%	11.45%	1.45%	100.00%
Lao PDR	0.00%	14.66%	0.00%	64.40%	0.57%	20.36%	0.00%	100.00%
Malaysia	6.59%	67.12%	0.05%	2.15%	17.92%	5.11%	1.06%	100.00%
Myanmar	0.20%	70.06%	0.00%	27.83%	0.01%	1.91%	0.00%	100.00%
New Zealand	0.10%	49.42%	48.41%	0.00%	1.56%	0.46%	0.05%	100.00%
Philippines	26.74%	38.90%	0.02%	1.15%	17.72%	14.92%	0.55%	100.00%
Singapore	2.71%	84.00%	2.00%	0.67%	6.87%	2.92%	0.83%	100.00%
Thailand	0.23%	26.78%	55.92%	0.80%	13.91%	2.06%	0.31%	100.00%
Vietnam	5.99%	83.66%	0.00%	1.17%	2.70%	6.47%	0.01%	100.00%
Total	2.57%	60.91%	20.51%	1.60%	9.78%	4.00%	0.63%	100.00%

Table A5A – Import Clearances By Category – A\$ Value – All AANZFTA Parties – Calendar Year 2011

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	68,750	1,269,236,715	-	-	343,156	118,581	-	1,269,767,202
Cambodia	1,375,910	1,556,352	-	29,500,077	661,627	5,127,373	-	38,221,339
Indonesia	101,052	3,786,480,212	7,131	388,953,654	1,024,697,765	616,758,668	89,263,687	5,906,262,169
Lao PDR	470,147	3,691,544	-	1,279,048	93,456	411,168	-	5,945,363
Malaysia	808,385,246	5,842,285,768	16,754,542	124,328,939	1,340,843,160	325,817,433	72,601,597	8,531,016,685
Myanmar	73,291	9,542,527	-	3,138,563	11,718	140,618	-	12,906,717
New Zealand	4,275,214	3,781,434,738	3,460,645,334	15,023	276,113,782	41,259,746	14,583,876	7,578,327,713
Philippines	149,998,969	160,542,999	7,067	3,259,103	74,435,269	46,715,061	790,404	435,748,872
Singapore	631,759,259	11,986,669,306	224,347,517	83,241,185	804,901,025	256,540,189	122,490,808	14,109,949,289
Thailand	79,465,123	2,053,593,575	4,820,612,620	79,383,712	1,125,476,931	230,305,190	45,803,082	8,434,640,233
Vietnam	311,590,900	2,264,271,741	70,863	18,656,334	94,204,279	136,841,746	90,442	2,825,726,305
Total	1,987,563,861	31,159,305,477	8,522,445,074	731,755,638	4,741,782,168	1,660,035,773	345,623,896	49,148,511,887

Table A5B – Import Clearances By Category – Percentage – All AANZFTA Parties – Calendar Year 2011

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	0.01%	99.96%	0.00%	0.00%	0.03%	0.01%	0.00%	100.00%
Cambodia	3.60%	4.07%	0.00%	77.18%	1.73%	13.41%	0.00%	100.00%
Indonesia	0.00%	64.11%	0.00%	6.59%	17.35%	10.44%	1.51%	100.00%
Lao PDR	7.91%	62.09%	0.00%	21.51%	1.57%	6.92%	0.00%	100.00%
Malaysia	9.48%	68.48%	0.20%	1.46%	15.72%	3.82%	0.85%	100.00%
Myanmar	0.57%	73.93%	0.00%	24.32%	0.09%	1.09%	0.00%	100.00%
New Zealand	0.06%	49.90%	45.67%	0.00%	3.64%	0.54%	0.19%	100.00%
Philippines	34.42%	36.84%	0.00%	0.75%	17.08%	10.72%	0.18%	100.00%
Singapore	4.48%	84.95%	1.59%	0.59%	5.70%	1.82%	0.87%	100.00%
Thailand	0.94%	24.35%	57.15%	0.94%	13.34%	2.73%	0.54%	100.00%
Vietnam	11.03%	80.13%	0.00%	0.66%	3.33%	4.84%	0.00%	100.00%
Total	4.04%	63.40%	17.34%	1.49%	9.65%	3.38%	0.70%	100.00%

Table A6A – Import Clearances By Category – A\$ Value – All AANZFTA Parties – Calendar Year 2012

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	163,412	1,053,444,642	26,415	-	801,753	438,208	-	1,054,874,430
Cambodia	3,883,266	1,575,580	-	30,246,448	3,026,800	8,420,194	-	47,152,288
Indonesia	815,196,663	4,220,607,867	41,750	121,327,148	670,322,518	497,753,795	7,297,458	6,332,547,199
Lao PDR	286,535	43,781,472	-	48,273	1,059	189,490	-	44,306,829
Malaysia	970,183,139	6,548,570,842	17,923,808	110,456,376	1,398,743,218	326,030,741	156,057,230	9,527,965,354
Myanmar	-	11,426,064	-	2,906,268	6,314	46,390	-	14,385,036
New Zealand	93,163,130	3,472,809,541	3,331,403,900	69,993	265,729,286	64,841,120	12,039,907	7,240,056,877
Philippines	174,835,830	195,502,979	12,507	2,588,172	76,918,306	38,029,473	531,597	488,418,864
Singapore	689,262,768	12,454,044,447	200,405,040	46,433,461	774,623,133	252,268,710	31,388,151	14,448,425,710
Thailand	192,065,685	2,122,070,633	6,162,965,821	80,400,415	1,227,932,730	276,519,969	114,177,243	10,176,132,496
Vietnam	450,051,187	2,433,554,025	5,997	21,979,021	98,143,470	138,627,065	61,252	3,142,422,017
Total	3,389,091,615	32,557,388,092	9,712,785,238	416,455,575	4,516,248,587	1,603,165,155	321,552,838	52,516,687,100

Table A6B – Import Clearances By Category – Percentage – All AANZFTA Parties – Calendar Year 2012

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	0.02%	99.86%	0.00%	0.00%	0.08%	0.04%	0.00%	100.00%
Cambodia	8.24%	3.34%	0.00%	64.15%	6.42%	17.86%	0.00%	100.00%
Indonesia	12.87%	66.65%	0.00%	1.92%	10.59%	7.86%	0.12%	100.00%
Lao PDR	0.65%	98.81%	0.00%	0.11%	0.00%	0.43%	0.00%	100.00%
Malaysia	10.18%	68.73%	0.19%	1.16%	14.68%	3.42%	1.64%	100.00%
Myanmar	0.00%	79.43%	0.00%	20.20%	0.04%	0.32%	0.00%	100.00%
New Zealand	1.29%	47.97%	46.01%	0.00%	3.67%	0.90%	0.17%	100.00%
Philippines	35.80%	40.03%	0.00%	0.53%	15.75%	7.79%	0.11%	100.00%
Singapore	4.77%	86.20%	1.39%	0.32%	5.36%	1.75%	0.22%	100.00%
Thailand	1.89%	20.85%	60.56%	0.79%	12.07%	2.72%	1.12%	100.00%
Vietnam	14.32%	77.44%	0.00%	0.70%	3.12%	4.41%	0.00%	100.00%
Total	6.45%	61.99%	18.49%	0.79%	8.60%	3.05%	0.61%	100.00%

Table A7A – Import Clearances By Category – A\$ Value – All AANZFTA Parties – Calendar Year 2013

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	57,315	854,624,499	-	60,578	258,376	493,376	-	855,494,144
Cambodia	7,800,328	1,475,895	-	53,108,481	4,772,489	12,288,803	-	79,445,996
Indonesia	1,256,180,273	3,407,747,827	317,362	42,405,140	840,686,039	235,021,897	2,489,216	5,784,847,754
Lao PDR	171,211	51,368,505	-	461,714	3,038	489,716	-	52,494,184
Malaysia	878,882,104	6,383,175,302	379,589,324	64,421,291	1,502,804,792	206,368,131	64,755,217	9,479,996,161
Myanmar	26,430	17,330,832	-	3,168,305	651,219	81,823	-	21,258,609
New Zealand	92,313,738	3,561,458,304	3,421,894,698	114,439	203,167,629	68,016,655	12,173,427	7,359,138,890
Philippines	324,114,443	272,026,501	2,000	2,648,495	98,904,332	42,344,338	174,841	740,214,950
Singapore	735,828,047	10,880,197,350	188,740,671	34,181,208	699,420,480	218,150,269	66,561,904	12,823,079,929
Thailand	334,606,259	1,631,558,436	7,303,239,122	74,692,682	1,638,750,215	326,489,908	84,203,823	11,393,540,445
Vietnam	565,008,331	2,934,346,121	49,753	43,105,325	104,111,300	166,405,522	100,081	3,813,126,433
Total	4,194,988,479	29,995,309,572	318,367,658	11,293,832,930	5,093,529,909	1,276,150,438	230,458,509	52,402,637,495

Table A7B – Import Clearances By Category – Percentage – All AANZFTA Parties – Calendar Year 2013

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	0.01%	99.90%	0.00%	0.01%	0.03%	0.06%	0.00%	100.00%
Cambodia	9.82%	1.86%	0.00%	66.85%	6.01%	15.47%	0.00%	100.00%
Indonesia	21.72%	58.91%	0.01%	0.73%	14.53%	4.06%	0.04%	100.00%
Lao PDR	0.33%	97.86%	0.00%	0.88%	0.01%	0.93%	0.00%	100.00%
Malaysia	9.27%	67.33%	4.00%	0.68%	15.85%	2.18%	0.68%	100.00%
Myanmar	0.12%	81.52%	0.00%	14.90%	3.06%	0.38%	0.00%	100.00%
New Zealand	1.25%	48.40%	46.50%	0.00%	2.76%	0.92%	0.17%	100.00%
Philippines	43.79%	36.75%	0.00%	0.36%	13.36%	5.72%	0.02%	100.00%
Singapore	5.74%	84.85%	1.47%	0.27%	5.45%	1.70%	0.52%	100.00%
Thailand	2.94%	14.32%	64.10%	0.66%	14.38%	2.87%	0.74%	100.00%
Vietnam	14.82%	76.95%	0.00%	1.13%	2.73%	4.36%	0.00%	100.00%
Total	8.01%	57.24%	0.61%	21.55%	9.72%	2.44%	0.44%	100.00%

Table A8A – Import Clearances By Category – A\$ Value – All AANZFTA Parties – Calendar Year 2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	-	1,013,672,316	-	27,799	528,874	441,458	-	1,014,670,447
Cambodia	15,616,153	2,398,369	-	83,943,707	3,647,460	13,507,430	-	119,113,119
Indonesia	1,979,829,055	2,810,329,268	39,295	50,930,397	722,913,305	566,117,664	2,019,879	6,132,178,863
Lao PDR	217,465	61,916	-	1,470,795	8,174	617,409	-	2,375,759
Malaysia	991,358,665	7,686,390,163	518,907,201	73,483,274	1,554,585,101	260,333,178	39,027,834	11,124,085,416
Myanmar	106,616	19,524,408	-	4,755,319	117,543	565,939	2,701	25,072,526
New Zealand	86,791,397	4,088,912,717	3,453,256,695	64,016	130,499,072	86,062,833	168,386	7,845,755,116
Philippines	299,861,151	412,011,808	82,895	4,826,695	396,399,300	59,900,453	960,879	1,174,043,181
Singapore	774,256,566	10,727,686,546	180,736,023	68,960,628	546,351,657	242,569,194	7,262,942	12,547,823,556
Thailand	426,551,477	1,480,422,130	7,230,917,218	72,386,207	1,220,040,580	377,914,429	97,471,125	10,905,703,166
Vietnam	752,403,285	3,772,333,093	257,931	51,106,098	144,005,168	224,651,807	488,328	4,945,245,710
Total	5,326,991,830	32,013,742,734	11,384,197,258	411,954,935	4,719,096,234	1,832,681,794	147,402,074	55,836,066,859

Table A8B – Import Clearances By Category – Percentage – All AANZFTA Parties – Calendar Year 2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
Brunei	0.00%	99.90%	0.00%	0.00%	0.05%	0.04%	0.00%	100.00%
Cambodia	13.11%	2.01%	0.00%	70.47%	3.06%	11.34%	0.00%	100.00%
Indonesia	32.29%	45.83%	0.00%	0.83%	11.79%	9.23%	0.03%	100.00%
Lao PDR	9.15%	2.61%	0.00%	61.91%	0.34%	25.99%	0.00%	100.00%
Malaysia	8.91%	69.10%	4.66%	0.66%	13.97%	2.34%	0.35%	100.00%
Myanmar	0.43%	77.87%	0.00%	18.97%	0.47%	2.26%	0.01%	100.00%
New Zealand	1.11%	52.12%	44.01%	0.00%	1.66%	1.10%	0.00%	100.00%
Philippines	25.54%	35.09%	0.01%	0.41%	33.76%	5.10%	0.08%	100.00%
Singapore	6.17%	85.49%	1.44%	0.55%	4.35%	1.93%	0.06%	100.00%
Thailand	3.91%	13.57%	66.30%	0.66%	11.19%	3.47%	0.89%	100.00%
Vietnam	15.21%	76.28%	0.01%	1.03%	2.91%	4.54%	0.01%	100.00%
Total	9.54%	57.34%	20.39%	0.74%	8.45%	3.28%	0.26%	100.00%

Table A9A – Import Clearances By Category – A\$ Value – Brunei - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	-	1,126,049,667	-	-	104,270	153,372	-	1,126,307,309
2008	-	1,263,020,547	-	31,150	225,533	183,676	82,935	1,263,543,841
2009	-	724,268,904	-	-	381,355	453,278	-	725,103,537
2010	22,755	1,054,775,745	-	-	675,385	408,744	-	1,055,882,629
2011	68,750	1,269,236,715	-	-	343,156	118,581	-	1,269,767,202
2012	163,412	1,053,444,642	26,415	-	801,753	438,208	-	1,054,874,430
2013	57,315	854,624,499	-	60,578	258,376	493,376	-	855,494,144
2014	-	1,013,672,316	-	27,799	528,874	441,458	-	1,014,670,447

Table A9B – Import Clearances By Category – Percentage– Brunei - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	0.00%	99.98%	0.00%	0.00%	0.01%	0.01%	0.00%	100.00%
2008	0.00%	99.96%	0.00%	0.00%	0.02%	0.01%	0.01%	100.00%
2009	0.00%	99.88%	0.00%	0.00%	0.05%	0.06%	0.00%	100.00%
2010	0.00%	99.90%	0.00%	0.00%	0.06%	0.04%	0.00%	100.00%
2011	0.01%	99.96%	0.00%	0.00%	0.03%	0.01%	0.00%	100.00%
2012	0.02%	99.86%	0.00%	0.00%	0.08%	0.04%	0.00%	100.00%
2013	0.01%	99.90%	0.00%	0.01%	0.03%	0.06%	0.00%	100.00%
2014	0.00%	99.90%	0.00%	0.00%	0.05%	0.04%	0.00%	100.00%

Table A10A – Import Clearances By Category – A\$ Value – Cambodia - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	-	11,132,960	-	7,684,304	14,684	767,603	-	19,599,551
2008	-	142,379	-	12,917,206	36,056	1,278,650	3,670	14,377,961
2009	-	572,289	-	21,037,908	1,162,483	1,871,954	-	24,644,634
2010	-	1,560,194	-	23,529,357	246,548	1,762,404	-	27,098,503
2011	1,375,910	1,556,352	-	29,500,077	661,627	5,127,373	-	38,221,339
2012	3,883,266	1,575,580	-	30,246,448	3,026,800	8,420,194	-	47,152,288
2013	7,800,328	1,475,895	-	53,108,481	4,772,489	12,288,803	-	79,445,996
2014	15,616,153	2,398,369	-	83,943,707	3,647,460	13,507,430	-	119,113,119

Table A10B – Import Clearances By Category – Percentage – Cambodia - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	0.00%	56.80%	0.00%	39.21%	0.07%	3.92%	0.00%	100.00%
2008	0.00%	0.99%	0.00%	89.84%	0.25%	8.89%	0.03%	100.00%
2009	0.00%	2.32%	0.00%	85.37%	4.72%	7.60%	0.00%	100.00%
2010	0.00%	5.76%	0.00%	86.83%	0.91%	6.50%	0.00%	100.00%
2011	3.60%	4.07%	0.00%	77.18%	1.73%	13.41%	0.00%	100.00%
2012	8.24%	3.34%	0.00%	64.15%	6.42%	17.86%	0.00%	100.00%
2013	9.82%	1.86%	0.00%	66.85%	6.01%	15.47%	0.00%	100.00%
2014	13.11%	2.01%	0.00%	70.47%	3.06%	11.34%	0.00%	100.00%

Table A11A – Import Clearances By Category – A\$ Value – Indonesia - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	-	2,922,304,119	34,749	388,002,275	793,910,664	594,140,294	141,602,500	4,839,994,601
2008	-	3,552,595,681	732,866	546,076,594	372,262,655	661,889,880	116,954,156	5,250,511,832
2009	-	3,131,739,956	16,249	354,668,923	370,801,997	633,818,653	70,790,434	4,561,836,212
2010	7,484	3,769,874,793	43,025	340,330,347	516,644,114	607,983,384	77,134,747	5,312,017,894
2011	101,052	3,786,480,212	7,131	388,953,654	1,024,697,765	616,758,668	89,263,687	5,906,262,169
2012	815,196,663	4,220,607,867	41,750	121,327,148	670,322,518	497,753,795	7,297,458	6,332,547,199
2013	1,256,180,273	3,407,747,827	317,362	42,405,140	840,686,039	235,021,897	2,489,216	5,784,847,754
2014	1,979,829,055	2,810,329,268	39,295	50,930,397	722,913,305	566,117,664	2,019,879	6,132,178,863

Table A11B – Import Clearances By Category – Percentage – Indonesia - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	0.00%	60.38%	0.00%	8.02%	16.40%	12.28%	2.93%	100.00%
2008	0.00%	67.66%	0.01%	10.40%	7.09%	12.61%	2.23%	100.00%
2009	0.00%	68.65%	0.00%	7.77%	8.13%	13.89%	1.55%	100.00%
2010	0.00%	70.97%	0.00%	6.41%	9.73%	11.45%	1.45%	100.00%
2011	0.00%	64.11%	0.00%	6.59%	17.35%	10.44%	1.51%	100.00%
2012	12.87%	66.65%	0.00%	1.92%	10.59%	7.86%	0.12%	100.00%
2013	21.72%	58.91%	0.01%	0.73%	14.53%	4.06%	0.04%	100.00%
2014	32.29%	45.83%	0.00%	0.83%	11.79%	9.23%	0.03%	100.00%

Table A12A – Import Clearances By Category – A\$ Value – Lao PDR - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	-	5,486,847	-	420,956	7,317	197,740	-	6,112,860
2008	-	334,867	-	255,780	1,110	214,945	-	806,702
2009	-	196,278	20,541	1,609,370	1,494	165,342	-	1,993,025
2010	-	302,313	-	1,327,757	11,789	419,771	-	2,061,630
2011	470,147	3,691,544	-	1,279,048	93,456	411,168	-	5,945,363
2012	286,535	43,781,472	-	48,273	1,059	189,490	-	44,306,829
2013	171,211	51,368,505	-	461,714	3,038	489,716	-	52,494,184
2014	217,465	61,916	-	1,470,795	8,174	617,409	-	2,375,759

Table A12B – Import Clearances By Category – Percentage – Lao PDR - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	0.00%	89.76%	0.00%	6.89%	0.12%	3.23%	0.00%	100.00%
2008	0.00%	41.51%	0.00%	31.71%	0.14%	26.64%	0.00%	100.00%
2009	0.00%	9.85%	1.03%	80.75%	0.07%	8.30%	0.00%	100.00%
2010	0.00%	14.66%	0.00%	64.40%	0.57%	20.36%	0.00%	100.00%
2011	7.91%	62.09%	0.00%	21.51%	1.57%	6.92%	0.00%	100.00%
2012	0.65%	98.81%	0.00%	0.11%	0.00%	0.43%	0.00%	100.00%
2013	0.33%	97.86%	0.00%	0.88%	0.01%	0.93%	0.00%	100.00%
2014	9.15%	2.61%	0.00%	61.91%	0.34%	25.99%	0.00%	100.00%

Table A13A – Import Clearances By Category – A\$ Value – Malaysia - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	-	4,926,440,747	3,141,137	371,773,250	1,059,319,803	813,159,697	118,331,877	7,292,166,511
2008	-	6,007,323,088	2,285,555	514,040,717	1,451,574,422	869,852,744	127,550,424	8,972,626,950
2009	-	4,494,662,461	2,250,373	404,041,822	1,777,866,328	755,224,203	63,975,832	7,498,021,019
2010	599,574,671	6,111,021,564	4,339,424	195,787,148	1,631,826,926	465,438,367	96,222,325	9,104,210,425
2011	808,385,246	5,842,285,768	16,754,542	124,328,939	1,340,843,160	325,817,433	72,601,597	8,531,016,685
2012	970,183,139	6,548,570,842	17,923,808	110,456,376	1,398,743,218	326,030,741	156,057,230	9,527,965,354
2013	878,882,104	6,383,175,302	379,589,324	64,421,291	1,502,804,792	206,368,131	64,755,217	9,479,996,161
2014	991,358,665	7,686,390,163	518,907,201	73,483,274	1,554,585,101	260,333,178	39,027,834	11,124,085,416

Table A13B – Import Clearances By Category – Percentage – Malaysia - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	0.00%	67.56%	0.04%	5.10%	14.53%	11.15%	1.62%	100.00%
2008	0.00%	66.95%	0.03%	5.73%	16.18%	9.69%	1.42%	100.00%
2009	0.00%	59.94%	0.03%	5.39%	23.71%	10.07%	0.85%	100.00%
2010	6.59%	67.12%	0.05%	2.15%	17.92%	5.11%	1.06%	100.00%
2011	9.48%	68.48%	0.20%	1.46%	15.72%	3.82%	0.85%	100.00%
2012	10.18%	68.73%	0.19%	1.16%	14.68%	3.42%	1.64%	100.00%
2013	9.27%	67.33%	4.00%	0.68%	15.85%	2.18%	0.68%	100.00%
2014	8.91%	69.10%	4.66%	0.66%	13.97%	2.34%	0.35%	100.00%

Table A14A – Import Clearances By Category – A\$ Value – Myanmar - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	-	16,388,391	-	4,987,178	2,209	288,122	-	21,665,900
2008	-	13,738,854	-	7,157,584	27,492	162,863	-	21,086,793
2009	-	10,765,836	-	14,735,160	53,698	73,359	-	25,628,053
2010	31,008	10,991,402	-	4,365,510	1,355	298,911	-	15,688,186
2011	73,291	9,542,527	-	3,138,563	11,718	140,618	-	12,906,717
2012	-	11,426,064	-	2,906,268	6,314	46,390	-	14,385,036
2013	26,430	17,330,832	-	3,168,305	651,219	81,823	-	21,258,609
2014	106,616	19,524,408	-	4,755,319	117,543	565,939	2,701	25,072,526

Table A14B – Import Clearances By Category – Percentage – Myanmar - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	0.00%	75.64%	0.00%	23.02%	0.01%	1.33%	0.00%	100.00%
2008	0.00%	65.15%	0.00%	33.94%	0.13%	0.77%	0.00%	100.00%
2009	0.00%	42.01%	0.00%	57.50%	0.21%	0.29%	0.00%	100.00%
2010	0.20%	70.06%	0.00%	27.83%	0.01%	1.91%	0.00%	100.00%
2011	0.57%	73.93%	0.00%	24.32%	0.09%	1.09%	0.00%	100.00%
2012	0.00%	79.43%	0.00%	20.20%	0.04%	0.32%	0.00%	100.00%
2013	0.12%	81.52%	0.00%	14.90%	3.06%	0.38%	0.00%	100.00%
2014	0.43%	77.87%	0.00%	18.97%	0.47%	2.26%	0.01%	100.00%

Table A15A – Import Clearances By Category – A\$ Value – New Zealand - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	-	2,387,542,731	3,710,428,740	159,639	82,747,427	42,840,020	3,958,473	6,227,677,030
2008	-	3,678,354,589	3,761,311,672	165,522	81,358,491	49,851,696	2,201,500	7,573,243,470
2009	-	3,086,985,431	3,327,055,865	17,986	139,436,410	36,603,304	1,953,295	6,592,052,291
2010	7,176,159	3,552,657,208	3,480,054,257	255,702	112,084,915	32,844,081	3,670,408	7,188,742,730
2011	4,275,214	3,781,434,738	3,460,645,334	15,023	276,113,782	41,259,746	14,583,876	7,578,327,713
2012	93,163,130	3,472,809,541	3,331,403,900	69,993	265,729,286	64,841,120	12,039,907	7,240,056,877
2013	92,313,738	3,561,458,304	3,421,894,698	114,439	203,167,629	68,016,655	12,173,427	7,359,138,890
2014	86,791,397	4,088,912,717	3,453,256,695	64,016	130,499,072	86,062,833	168,386	7,845,755,116

Table A15B – Import Clearances By Category – Percentage – New Zealand - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	0.00%	38.34%	59.58%	0.00%	1.33%	0.69%	0.06%	100.00%
2008	0.00%	48.57%	49.67%	0.00%	1.07%	0.66%	0.03%	100.00%
2009	0.00%	46.83%	50.47%	0.00%	2.12%	0.56%	0.03%	100.00%
2010	0.10%	49.42%	48.41%	0.00%	1.56%	0.46%	0.05%	100.00%
2011	0.06%	49.90%	45.67%	0.00%	3.64%	0.54%	0.19%	100.00%
2012	1.29%	47.97%	46.01%	0.00%	3.67%	0.90%	0.17%	100.00%
2013	1.25%	48.40%	46.50%	0.00%	2.76%	0.92%	0.17%	100.00%
2014	1.11%	52.12%	44.01%	0.00%	1.66%	1.10%	0.00%	100.00%

Table A16A – Import Clearances By Category – A\$ Value – Philippines - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	-	500,939,982	46,246	26,322,073	87,050,631	155,861,165	27,253,306	797,473,403
2008	-	439,229,628	13,048	14,235,709	83,157,291	147,184,050	28,549,249	712,368,975
2009	-	218,918,133	495,235	15,575,857	64,785,282	144,739,205	23,461,958	467,975,670
2010	124,843,298	181,630,863	89,796	5,346,304	82,707,053	69,660,764	2,580,929	466,859,007
2011	149,998,969	160,542,999	7,067	3,259,103	74,435,269	46,715,061	790,404	435,748,872
2012	174,835,830	195,502,979	12,507	2,588,172	76,918,306	38,029,473	531,597	488,418,864
2013	324,114,443	272,026,501	2,000	2,648,495	98,904,332	42,344,338	174,841	740,214,950
2014	299,861,151	412,011,808	82,895	4,826,695	396,399,300	59,900,453	960,879	1,174,043,181

Table A16B – Import Clearances By Category – Percentage – Philippines - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	0.00%	62.82%	0.01%	3.30%	10.92%	19.54%	3.42%	100.00%
2008	0.00%	61.66%	0.00%	2.00%	11.67%	20.66%	4.01%	100.00%
2009	0.00%	46.78%	0.11%	3.33%	13.84%	30.93%	5.01%	100.00%
2010	26.74%	38.90%	0.02%	1.15%	17.72%	14.92%	0.55%	100.00%
2011	34.42%	36.84%	0.00%	0.75%	17.08%	10.72%	0.18%	100.00%
2012	35.80%	40.03%	0.00%	0.53%	15.75%	7.79%	0.11%	100.00%
2013	43.79%	36.75%	0.00%	0.36%	13.36%	5.72%	0.02%	100.00%
2014	25.54%	35.09%	0.01%	0.41%	33.76%	5.10%	0.08%	100.00%

Table A17A – Import Clearances By Category – A\$ Value – Singapore - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	-	9,127,915,878	206,936,291	101,556,656	739,313,405	399,568,403	143,988,773	10,719,279,406
2008	-	14,113,779,166	274,889,076	169,515,085	905,686,801	451,060,004	142,088,708	16,057,018,840
2009	-	10,153,388,920	228,841,084	62,256,442	761,832,092	414,680,518	121,128,597	11,742,127,653
2010	289,873,239	8,975,675,530	213,403,083	71,528,540	734,077,032	312,099,347	88,859,203	10,685,515,974
2011	631,759,259	11,986,669,306	224,347,517	83,241,185	804,901,025	256,540,189	122,490,808	14,109,949,289
2012	689,262,768	12,454,044,447	200,405,040	46,433,461	774,623,133	252,268,710	31,388,151	14,448,425,710
2013	735,828,047	10,880,197,350	188,740,671	34,181,208	699,420,480	218,150,269	66,561,904	12,823,079,929
2014	774,256,566	10,727,686,546	180,736,023	68,960,628	546,351,657	242,569,194	7,262,942	12,547,823,556

Table A17B – Import Clearances By Category – Percentage – Singapore - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	0.00%	85.15%	1.93%	0.95%	6.90%	3.73%	1.34%	100.00%
2008	0.00%	87.90%	1.71%	1.06%	5.64%	2.81%	0.88%	100.00%
2009	0.00%	86.47%	1.95%	0.53%	6.49%	3.53%	1.03%	100.00%
2010	2.71%	84.00%	2.00%	0.67%	6.87%	2.92%	0.83%	100.00%
2011	4.48%	84.95%	1.59%	0.59%	5.70%	1.82%	0.87%	100.00%
2012	4.77%	86.20%	1.39%	0.32%	5.36%	1.75%	0.22%	100.00%
2013	5.74%	84.85%	1.47%	0.27%	5.45%	1.70%	0.52%	100.00%
2014	6.17%	85.49%	1.44%	0.55%	4.35%	1.93%	0.06%	100.00%

Table A18A – Import Clearances By Category – A\$ Value – Thailand - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	-	1,853,632,333	4,691,154,708	95,821,082	545,473,739	585,253,934	122,856,533	7,894,192,329
2008	-	3,125,925,053	5,486,690,478	104,996,746	743,556,753	633,014,490	48,347,610	10,142,531,130
2009	-	4,080,700,044	4,816,736,615	78,825,370	2,263,786,495	355,456,982	42,887,915	11,638,393,421
2010	25,251,156	2,937,960,533	6,134,457,036	87,599,095	1,525,899,562	225,768,543	33,882,138	10,970,818,063
2011	79,465,123	2,053,593,575	4,820,612,620	79,383,712	1,125,476,931	230,305,190	45,803,082	8,434,640,233
2012	192,065,685	2,122,070,633	6,162,965,821	80,400,415	1,227,932,730	276,519,969	114,177,243	10,176,132,496
2013	334,606,259	1,631,558,436	7,303,239,122	74,692,682	1,638,750,215	326,489,908	84,203,823	11,393,540,445
2014	426,551,477	1,480,422,130	7,230,917,218	72,386,207	1,220,040,580	377,914,429	97,471,125	10,905,703,166

Table A18B – Import Clearances By Category – Percentage – Thailand - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	0.00%	23.48%	59.43%	1.21%	6.91%	7.41%	1.56%	100.00%
2008	0.00%	30.82%	54.10%	1.04%	7.33%	6.24%	0.48%	100.00%
2009	0.00%	35.06%	41.39%	0.68%	19.45%	3.05%	0.37%	100.00%
2010	0.23%	26.78%	55.92%	0.80%	13.91%	2.06%	0.31%	100.00%
2011	0.94%	24.35%	57.15%	0.94%	13.34%	2.73%	0.54%	100.00%
2012	1.89%	20.85%	60.56%	0.79%	12.07%	2.72%	1.12%	100.00%
2013	2.94%	14.32%	64.10%	0.66%	14.38%	2.87%	0.74%	100.00%
2014	3.91%	13.57%	66.30%	0.66%	11.19%	3.47%	0.89%	100.00%

Table A19A – Import Clearances By Category – A\$ Value – Viet Nam - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	-	4,101,745,905	-	58,995,897	85,175,143	286,625,161	4,174,035	4,536,716,141
2008	-	4,708,979,748	7,172	56,237,727	83,474,972	337,960,959	1,219,163	5,187,879,741
2009	161,142	2,656,694,195	16,217	42,709,708	82,550,669	334,637,370	713,658	3,117,482,959
2010	186,912,022	2,609,635,394	10,718	36,408,997	84,373,782	201,673,283	264,278	3,119,278,474
2011	311,590,900	2,264,271,741	70,863	18,656,334	94,204,279	136,841,746	90,442	2,825,726,305
2012	450,051,187	2,433,554,025	5,997	21,979,021	98,143,470	138,627,065	61,252	3,142,422,017
2013	565,008,331	2,934,346,121	49,753	43,105,325	104,111,300	166,405,522	100,081	3,813,126,433
2014	752,403,285	3,772,333,093	257,931	51,106,098	144,005,168	224,651,807	488,328	4,945,245,710

Table A19B – Import Clearances By Category – Percentage – Viet Nam - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	0.00%	90.41%	0.00%	1.30%	1.88%	6.32%	0.09%	100.00%
2008	0.00%	90.77%	0.00%	1.08%	1.61%	6.51%	0.02%	100.00%
2009	0.01%	85.22%	0.00%	1.37%	2.65%	10.73%	0.02%	100.00%
2010	5.99%	83.66%	0.00%	1.17%	2.70%	6.47%	0.01%	100.00%
2011	11.03%	80.13%	0.00%	0.66%	3.33%	4.84%	0.00%	100.00%
2012	14.32%	77.44%	0.00%	0.70%	3.12%	4.41%	0.00%	100.00%
2013	14.82%	76.95%	0.00%	1.13%	2.73%	4.36%	0.00%	100.00%
2014	15.21%	76.28%	0.01%	1.03%	2.91%	4.54%	0.01%	100.00%

Table A20A – Import Clearances By Category – A\$ Value – ASEAN - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	-	24,592,036,829.00	4,901,313,131.00	1,055,563,671.00	3,310,371,865.00	2,836,015,491.00	558,207,024.00	37,253,508,011.00
2008	-	33,225,069,011.00	5,764,618,195.00	1,425,464,298.00	3,640,003,085.00	3,102,802,261.00	464,795,915.00	47,622,752,765.00
2009	161,142.00	25,471,907,016.00	5,048,376,314.00	995,460,560.00	5,323,221,893.00	2,641,120,864.00	322,958,394.00	39,803,206,183.00
2010	1,226,515,633.00	25,653,428,331.00	6,352,343,082.00	766,223,055.00	4,576,463,546.00	1,885,513,518.00	298,943,620.00	40,759,430,785.00
2011	1,983,288,647.00	27,377,870,739.00	5,061,799,740.00	731,740,615.00	4,465,668,386.00	1,618,776,027.00	331,040,020.00	41,570,184,174.00
2012	3,295,928,485.00	29,084,578,551.00	6,381,381,338.00	416,385,582.00	4,250,519,301.00	1,538,324,035.00	309,512,931.00	45,276,630,223.00
2013	4,102,674,741.00	26,433,851,268.00	7,871,938,232.00	318,253,219.00	4,890,362,280.00	1,208,133,783.00	218,285,082.00	45,043,498,605.00
2014	5,240,200,433.00	27,924,830,017.00	7,930,940,563.00	411,890,919.00	4,588,597,162.00	1,746,618,961.00	147,233,688.00	47,990,311,743.00

Table A20B – Import Clearances By Category – Percentage – ASEAN - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	0.00%	66.01%	13.16%	2.83%	8.89%	7.61%	1.50%	100.00%
2008	0.00%	69.77%	12.10%	2.99%	7.64%	6.52%	0.98%	100.00%
2009	0.00%	63.99%	12.68%	2.50%	13.37%	6.64%	0.81%	100.00%
2010	3.01%	62.94%	15.58%	1.88%	11.23%	4.63%	0.73%	100.00%
2011	4.77%	65.86%	12.18%	1.76%	10.74%	3.89%	0.80%	100.00%
2012	7.28%	64.24%	14.09%	0.92%	9.39%	3.40%	0.68%	100.00%
2013	9.11%	58.69%	17.48%	0.71%	10.86%	2.68%	0.48%	100.00%
2014	10.92%	58.19%	16.53%	0.86%	9.56%	3.64%	0.31%	100.00%

Table A21A – Import Clearances By Category – A\$ Value – All AANZFTA Parties - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	-	26,979,579,560	8,611,741,871	1,055,723,310	3,393,119,292	2,878,855,511	562,165,497	43,481,185,041
2008	-	36,903,423,600	9,525,929,867	1,425,629,820	3,721,361,576	3,152,653,957	466,997,415	55,195,996,235
2009	161,142	28,558,892,447	8,375,432,179	995,478,546	5,462,658,303	2,677,724,168	324,911,689	46,395,258,474
2010	1,233,691,792	29,206,085,539	9,832,397,339	766,478,757	4,688,548,461	1,918,357,599	302,614,028	47,948,173,515
2011	1,987,563,861	31,159,305,477	8,522,445,074	731,755,638	4,741,782,168	1,660,035,773	345,623,896	49,148,511,887
2012	3,389,091,615	32,557,388,092	9,712,785,238	416,455,575	4,516,248,587	1,603,165,155	321,552,838	52,516,687,100
2013	4,194,988,479	29,995,309,572	11,293,832,930	318,367,658	5,093,529,909	1,276,150,438	230,458,509	52,402,637,495
2014	5,326,991,830	32,013,742,734	11,384,197,258	411,954,935	4,719,096,234	1,832,681,794	147,402,074	55,836,066,859

Table A21B – Import Clearances By Category – Percentage – All AANZFTA Parties - CY2007-2014

	AANZFTA preference	Duty-free MFN tariff rates	Other trade agreements	Developing country preferences	Domestic tariff concession arrangements	No preference where the MFN tariff is higher than 0%:	Confidential data	Total imports
2007	0.00%	62.05%	19.81%	2.43%	7.80%	6.62%	1.29%	100.00%
2008	0.00%	66.86%	17.26%	2.58%	6.74%	5.71%	0.85%	100.00%
2009	0.00%	61.56%	18.05%	2.15%	11.77%	5.77%	0.70%	100.00%
2010	2.57%	60.91%	20.51%	1.60%	9.78%	4.00%	0.63%	100.00%
2011	4.04%	63.40%	17.34%	1.49%	9.65%	3.38%	0.70%	100.00%
2012	6.45%	61.99%	18.49%	0.79%	8.60%	3.05%	0.61%	100.00%
2013	8.01%	57.24%	21.55%	0.61%	9.72%	2.44%	0.44%	100.00%
2014	9.54%	57.34%	20.39%	0.74%	8.45%	3.28%	0.26%	100.00%