



ASEAN-AUSTRALIA-NEW ZEALAND FREE TRADE AREA (AANZFTA)

THE TENTH MEETING OF THE FTA JOINT COMMITTEE 4–8 April 2018, Da Nang, Viet Nam

The Tenth Meeting of the FTA Joint Committee (FJC) was held in Da Nang, Viet Nam, on 4–8 April 2018. Representatives from all ASEAN Member States, Australia and New Zealand, and staff from the ASEAN Secretariat attended the Meeting, which was co-chaired by:

- a) Ms Nor Ashikin Johari, (Acting) Permanent Secretary, Ministry of Foreign Affairs and Trade, Brunei Darussalam, on behalf of the ASEAN Member States (AMS);
- b) Mr Todd Mercer, Assistant Secretary, FTA Policy and Implementation Branch, Department of Foreign Affairs and Trade, for Australia; and
- c) Mr Keawe Woodmore, Manager, FTA Implementation Unit, Ministry of Foreign Affairs and Trade, for New Zealand.

The 7th ASEAN-Closer Economic Relations (CER) Integration Partnership Forum (IPF) was held on 5 April 2018 in the margins of the 10th FJC Meeting. The theme of the IPF was “*Good Regulatory Practice and Non-Tariff Measures*”.

SUMMARY OF MAIN OUTCOMES

1. Implementation of the AANZFTA Agreement

NOTED that Indonesia is undertaking utmost efforts to complete the ratification of the *First Protocol to Amend the Agreement Establishing the AANZFTA*.

STRESSED the importance of Parties exercising flexibility in the implementation of the First Protocol in order not to disrupt trade flows.

2. Rules and Procedures for the FJC

ADOPTED the revised Rules and Procedures for the FJC.

3. General Review of the AANZFTA Agreement

AGREED to report to Ministers progress on implementing issues highlighted in the General Review Stage One Report, including on the proposed establishment of new subsidiary bodies or other mechanisms to discuss e-commerce, customs procedures, telecommunications services and financial services.

RECALLED the Terms of Reference for the General Review, endorsed by Ministers in 2016, which includes the following as an objective:

“to make recommendations to update, improve, upgrade and unlock the potential of AANZFTA taking into account the AEC Blueprint 2025 and other relevant developments.”

NOTED proposals by Parties on the scope of these recommendations for Ministers and **AGREED** FJC Co-Chairs would prepare draft recommendations for intersessional consideration by the FJC.

4. Engagement with Stakeholders

RECALLED that one of the findings of the General Review Stage One Report was on the need to enhance engagement with business in advancing the Agreement.

AGREED in principle to an AANZFTA Business Engagement Strategy (2018-2023) which encompasses four key areas, i.e. raising business awareness of AANZFTA; business to government dialogue; engagement in economic cooperation; and collaboration among businesses. **AGREED** to make the Strategy public once finalised.

RECALLED that the General Review Stage One Report noted it could be timely to consider appropriate arrangements to engage with civil society, and discussed possible mechanisms for this. **AGREED** to consider a draft strategy intersessionally.

5. Work Programme of the Subsidiary Bodies

WELCOMED the progress of the Committee on Trade in Goods (CTG) discussions on monitoring the utilisation of AANZFTA tariff preferences.

NOTED that the CTG has agreed on concrete timelines for work to take forward the implementation of the recommendations from the Non-Tariff Measures review ahead of the next CTG meeting. (The [CTG's recommendations](#) as well as the report on the NTM review by the Consultant commissioned by the CTG can be found on the AANZFTA website: <http://aanzfta.asean.org/publications/>).

AGREED all Parties would implement HS 2017 nomenclature product specific rules fully from 1 January 2019.

STRESSED the importance of all Parties finalising the transposition of Tariff Reduction Schedules in HS 2017 promptly, for implementation by 1 January 2019.

NOTED the Guidelines for Transposing the AANZFTA Tariff Reduction Schedules would be made public on the AANZFTA website: <http://aanzfta.asean.org/wp-content/uploads/2016/12/AANZFTA-Transposition-Guidelines-final.pdf>.

WELCOMED the agreement of the final draft of the Strategic Plan for the Sub-Committee on Sanitary and Phytosanitary Measures (2018–2022), to be endorsed intersessionally by the Sub-Committee.

AGREED to expand the scope of the Sub-Committee on Rules of Origin's work to cover Customs Procedures as an interim measure while considering whether to establish a separate Sub-Committee on Customs Procedures.

ACKNOWLEDGED the work of the Committee on Investment and Committee on Trade in Services on improving monitoring and evaluation (M&E) of AANZFTA Economic Cooperation Support Program (AECSP) projects and encouraged the Committees to continue this work.

NOTED the progress of CLIP Phase II, including the 28 capacity building activities that have been implemented under the programme, as well as how these activities have benefited AMS. The approved CLIP Phase III will continue to support capacity building activities for AMS from July 2018 to December 2019.

NOTED that the ASEAN Regional Cooperation Framework (ARCF), developed under CLIP Phase II, was adopted at the 8th Competition Committee Meeting in March 2018. The ARCF provides a non-binding guide for AMS to cooperate on cross-border competition cases, and will serve as a basis for ASEAN to establish a Regional Cooperation Agreement (RCA) in 2020.

NOTED the completed projects under the Intellectual Property Committee on patent examination training and the new projects underway on patent examination mentoring and phase II of the regional awareness and public education project.

6. Economic Cooperation

NOTED the importance of a continued commitment to support the AECSP in implementing the Chapter on Economic Cooperation of the AANZFTA.

AGREED to an independent review of the AECSP in the second half of 2018, which will be useful for the design of the successor program.

NOTED the Economic Cooperation Sub-Committee will draft terms of reference for the design of the successor program.

APPROVED the Project Adjustment Proposal on Regional Patent Examination Training Mentoring (RPET Mentoring) and **NOTED** the Economic Cooperation Sub-Committee's approval of the Project Adjustment Proposal for the IP Public Education and Awareness (IPPE&A) Phase II project.

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