



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

### **THE ELEVENTH MEETING OF THE FTA JOINT COMMITTEE 1 – 3 May 2019, Melbourne, Australia**

The Eleventh Meeting of the FTA Joint Committee (FJC) was held in Melbourne, Australia on 1 – 3 May 2019. Representatives from all ASEAN Member States (AMS), Australia, and New Zealand, and staff from the ASEAN Secretariat attended the Meeting, which was co-chaired by:

- a) Ms Dk Mazlilah binti Pg Mahalee, Director, Ministry of Finance and Economy, Brunei Darussalam, on behalf of the ASEAN Member States;
- 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 following subsidiary bodies and experts' groups also met in parallel and subsequently reported to the FJC. These subsidiary bodies are:

- a) Committee on Trade in Goods and its Sub-Committees on Rules of Origin, Sanitary and Phytosanitary Measures, Standards, Technical Regulations, and Conformity Assessment Procedures;
- b) Committee on Investment;
- c) Committee on Trade in Services;
- d) Committee on Competition;
- e) Economic Cooperation Sub-Committee;
- f) Experts Group on E-Commerce;
- g) Experts Group on Financial Services;
- h) Experts Group on Telecommunications Services;
- i) Experts Group on Government Procurement.

Special events to mark the 10<sup>th</sup> anniversary of the signing of AANZFTA were held prior to the FJC Meeting. These included an academic panel discussion and a panel discussion with former negotiators. Panellists discussed the broader regional and global trade and economic environment and shared insights and experiences to inform discussions on upgrading AANZFTA and other future work under the Agreement.

An FJC Business Engagement Session and the 8<sup>th</sup> ASEAN-CER Integration Partnership Forum (IPF) were also held in the margins. The theme of the IPF was 'digital trade and inclusive growth'. A range of speakers from the public and private sector presented to officials as well as thinktanks and academics from around ASEAN,

New Zealand and Australia. The IPF concluded with a wide-ranging discussion on future directions for AANZFTA economies.

## SUMMARY OF MAIN OUTCOMES

### 1. Implementation of the AANZFTA Agreement

**WELCOMED** Indonesia's ratification of the First Protocol to Amend AANZFTA, which entered into force for Indonesia on 1 March 2019.

### 2. Implementation of Recommendations from the General Review of the AANZFTA Agreement

**RECALLED** Ministers' mandate from the 23<sup>rd</sup> AEM-CER Consultations to devise a Work Plan to implement the recommendations from Stage Two General Review of AANZFTA.

**AGREED** that, recognizing the resource constraints of Parties due to ongoing RCEP negotiations, Round 1 of the negotiations to upgrade AANZFTA and discussion on trade and sustainable development would take place at the 12<sup>th</sup> FJC Meeting in New Zealand in 2020.

**AGREED** that the conclusion of RCEP remains the top priority for 2019 for all Parties.

**NOTED** that some AANZFTA subsidiary bodies had agreed to undertake intersessional work in 2019, to cover areas where RCEP negotiations have concluded, namely: competition, government procurement, customs procedures and trade facilitation.

**AGREED** that these subsidiary bodies could proceed with their work, having its outcomes reported at the 24<sup>th</sup> AEM-CER Consultations.

### 3. Engagement with Stakeholders

**AGREED** to explore ways to ensure that business engagement under AANZFTA is a two-way and targeted discussion.

**NOTED** the upcoming 24<sup>th</sup> AEM-CER Consultations should similarly include a two-way and targeted discussion.

**NOTED** that the FJC adopted "[AANZFTA Business Engagement Strategy](#)" and "*Guiding Principles and Enabling Framework for Stakeholder Engagement*" in 2018, and that the 10<sup>th</sup> anniversary events and the business engagement session organized at the sideline of the 11<sup>th</sup> FJC Meeting were part of Parties' efforts to implement these two documents.

#### 4. AANZFTA Institutional Arrangements

**ADOPTED** the Terms of Reference for the *Sub-Committee on Rules of Origin*.

**NOTED** that the Committee on Trade in Goods agreed to the establishment of the *Sub-Committee on Customs Procedures and Trade Facilitation* under the Committee on Trade in Goods to negotiate the upgrade of Chapter 4 on Customs Procedures and Trade Facilitation.

**ADOPTED** the Terms of Reference for the *Sub-Committee on Telecommunications*.

**NOTED** that the Experts' Group on E-Commerce agreed to establish a *Committee on E-Commerce*.

**ADOPTED** the Terms of Reference for the Committee on E-Commerce.

**NOTED** that the Experts' Group on Government Procurement agreed to establish a *Working Group on Government Procurement*.

**ADOPTED** the Terms of Reference for the Working Group on Government Procurement.

#### 5. Work Programme of the Subsidiary Bodies

**ACKNOWLEDGED** that all Parties have submitted their transposed Tariff Reduction Schedules in Harmonized System 2017.

**NOTED** that the Committee on Trade in Goods had set the target for full implementation of the AANZFTA Tariff Reduction Schedules and Product Specific Rules using Harmonized System 2017 by 1 July 2019.

**WELCOMED** the outcome of the Joint Session held on 1 May 2019 in Melbourne for business stakeholders and the members of the Committee on Trade in Goods and its subsidiary committees responsible for Rules of Origin, Standards, Technical Regulation and Conformity Assessment Procedures, Sanitary and Phytosanitary Measures, to discuss cross-cutting matters related to non-tariff measures in the region, with a view to facilitating trade among AANZFTA Parties.

**NOTED** that the Committee on Trade in Goods is now working on a Work Plan on Non-Tariff Measures (NTMs).

**WELCOMED** the draft work plan to upgrade the Investment Chapter.

**NOTED** the Committee on Trade in Services discussed the draft work plan to upgrade the Services Chapter.

**NOTED** the draft Terms of Reference and work plan for the Sub-Committee on Financial Services.

**ENDORSED** the outcomes of the 11<sup>th</sup> Meeting of the Intellectual Property Committee held in March 2019 in Bangkok, Thailand.

**NOTED** the broad parameters and the work plan for upgrading the Competition Chapter to focus on the incorporation of consumer protection provisions and consider incorporating provisions agreed in the RCEP Competition Chapter.

**NOTED** that the Working Group on Government Procurement will develop a Chapter on Government Procurement to support improved transparency and cooperation, without market access obligations.

## 6. Economic Cooperation

**NOTED** Australia and New Zealand's commitment to the continuation economic cooperation under the AANZFTA through the AANZFTA Economic Cooperation Support Programme (AECSP) and its successor programme.

**NOTED** New Zealand's reaffirmation of its commitment to extend the AECSP until December 2021 to facilitate the process of designing the successor programme of the AECSP. New Zealand reaffirmed its willingness to prepare the draft terms of reference for the successor program, in consultation with all Parties.

**NOTED** the AECSP implementation progress and its continued contribution to the implementation of AANZFTA.

## 7. AANZFTA Joint Committee (FJC) Work Programme and Deliverables For 2019

**AGREED** that the FJC Report to the Ministers at the 24<sup>th</sup> AEM-CER Consultations will include the Work Plan and a progress report on the upgrade negotiations, including the implementation of any built-in agenda items under AANZFTA as well as the progress in implementing the "*AANZFTA Business Engagement Strategy*" and the "*Guiding Principles and Enabling Framework for Stakeholder Engagement*".

**AGREED** that the FJC Report to Ministers at the 24<sup>th</sup> AEM-CER Consultations will also include confirmation of the new AANZFTA institutional structure, a progress report on implementation of Product Specific Rules and Tariff Reduction Schedules using Harmonized System 2017 by all Parties and an update on the AECSP achievements.