



THE FIRST MEETING OF THE FTA JOINT COMMITTEE 25-26 May 2010, Makati City, Philippines

The Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA), signed on 27 February 2009, entered into force on 1 January 2010 for the following Parties: Australia, Brunei Darussalam, Malaysia, Myanmar, New Zealand, the Philippines, Singapore and Viet Nam. For Thailand, the AANZFTA entered into force on 12 March 2010.

Article 1 in Chapter 16 of the AANZFTA established the FTA Joint Committee to be the main body responsible for overseeing the implementation and operation of the AANZFTA.

The First Meeting of the FTA Joint Committee was held in Makati City, the Philippines on 25-26 May 2010. Representatives from the ten ASEAN Member States, Australia and New Zealand attended the Meeting, which was co-Chaired by:

- (a) Mr. Nazmi Mohamad, Deputy Permanent Secretary, Ministry of Foreign Affairs and Trade, Brunei Darussalam, on behalf of the ASEAN Member States;
- (b) Mr. Michael Mugliston, Special Negotiator, Free Trade Agreement Division, Department of Foreign Affairs and Trade, for Australia; and
- (c) Mr. Peter Lund, Head, FTA and Economic Unit, Asia Division, Ministry of Foreign Affairs and Trade, for New Zealand.

Summary of Main Outcomes

ADOPTED the Rules and Procedures for the FTA Joint Committee. The Rules and Procedures for the subsidiary bodies under the FTA Joint Committee, when deemed necessary, will be drafted consistent with the Rules and Procedures for the FTA Joint Committee.

NOTED that Cambodia, Indonesia and Lao PDR are redoubling efforts to complete their respective domestic ratification processes for the entry into force of the AANZFTA for them.

NOTED that the AANZFTA has been notified to the World Trade Organization pursuant to GATT Article XXIV and GATS Article V.

CONSIDERED the report of two (2) subsidiary bodies under the FTA Joint Committee: (i) Committee on Trade in Goods; and (ii) Committee on Intellectual Property.

NOTED that, in relation to the outcomes of the Committee on Trade in Goods:

- the AANZFTA website <http://aanzfta.asean.org> would be launched on 28 May 2010.
- legal enactments to implement Parties' tariff commitments would be posted on the AANZFTA website.
- the first meeting of the Standards, Technical Regulations and Conformity Assessment Procedures (STRACAP) Sub-Committee was expected to take place back-to-back with the upcoming meeting of the ASEAN Consultative Committee on Standards and Quality.
- agreement to establish a Sanitary and Phytosanitary Measures (SPS) Sub-Committee under the Committee on Trade in Goods to look into the implementation of the provisions in the Sanitary and Phytosanitary Measures Chapter in the AANZFTA.
- the Committee on Trade in Goods' agreement to maximize use of contact points in raising and addressing practical implementation issues related to trade in goods.
- the Committee on Trade in Goods had exchanged preliminary views on the review of non-tariff measures which has been provided for in Article 7.4 of the Trade in Goods Chapter (Chapter 2) of the AANZFTA.

NOTED that the Sub-Committee on Rules of Origin had reported to the Committee on Trade in Goods and that this Sub-Committee had:

- considered and addressed a number of implementation issues, including in relation to: Certificates of Origin using third-party invoicing; updating of information on specimen signatures and official seals of issuing authorities/bodies; arrangements for following up issues and problems that may arise; completion of Certificates of Origin, including the need to fill in all relevant boxes and placement of seals and signatures; concerns of some companies/business sector about the inclusion of the Free on Board value on the Certificates of Origin.
- exchanged views on how to approach the two reviews contained in Article 18 of the Rules of Origin Chapter (Chapter 3): (i) cumulation; and (ii) chemicals and plastics production process rules and any other issues related to the Product Specific Rules.

NOTED that: (i) in aid of implementing the built-in agenda on Rules of Origin, in particular the review of chemicals and plastics production process rules, consultations with domestic chemicals and plastics industry will be undertaken by Parties to better understand their needs with regard to trade facilitation; and (ii) Australian issuing authorities and bodies would commence issuing Certificates of Origin using electronic signatures and seals within the next two (2) months.

NOTED that, in relation to the outcomes of the 3 May Committee on Intellectual Property:

- the Committee on Intellectual Property would meet back-to-back with the first meeting of the ASEAN Working Group on Intellectual Property Cooperation each year (or in April).

- the Committee on Intellectual Property had agreed guiding principles for its forward work program.

NOTED that the first meeting of the Committee on Investment could be held in the margins of the next FTA Joint Committee in the last quarter of 2010

AGREED that further work would be undertaken to support a strategic approach to economic cooperation.

ENDORSED four (4) project proposals under the AANZFTA Economic Cooperation Work Programme: (i) Seminar/Workshop on Chemicals and Plastics Production Process Rules for the AANZFTA Rules of Origin (Chemical Reaction Rules); (ii) Capacity-building on Monitoring the Utilization of the AANZFTA Tariff Preferences; (iii) Intellectual Property Crime Conference; and (iv) Workshop on Accession to the Madrid Protocol.

ENDORSED in principle the proposal to organise a workshop on the two-Annex approach to the scheduling of Reservation Lists under the Investment Chapter, which would be organised back-to-back with the first meeting of the Investment Committee.

CONSIDERED the following project proposals which will be the subject of further consideration by the FTA Joint Committee intersessionally:

- i. Education and Training Governance: Capacity Building for National Qualifications and Frameworks;
- ii. ASEAN Regional Diagnostics Network on Sanitary and Phytosanitary Measures;
- iii. Priority Line and Capability Development for ASEAN Import Health Standard Risk Assessments; and
- iv. Capacity-building Workshop on International Trade in Services Statistics Collection and Management.

APPROVED the 2010 budget for the AANZFTA Support Unit to be established at the ASEAN Secretariat on 1 July 2010.

AGREED that the Ad-hoc Economic Cooperation Budget Sub-Committee would undertake preliminary vetting of budgetary aspects of Economic Cooperation proposals ahead of their consideration by the FTA Joint Committee.

AGREED to publish, through the AANZFTA website and the websites of individual Parties, decisions made by the FTA Joint Committee that are relevant to the business sector.

Next FTA Joint Committee Meeting

The 2nd FTA Joint Committee Meeting will be held either in Australia or New Zealand in November 2010. The exact date and venue of the said meeting will be posted on the AANZFTA website once determined.

