

ASEAN



A Guide for ASEAN Business

ASEAN – AUSTRALIA – NEW ZEALAND
Free Trade Area



CD-ROM included



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ASEAN – AUSTRALIA – NEW ZEALAND
Free Trade Area

The Association of Southeast Asian Nations (ASEAN) was established on 8 August 1967. The Member States of the Association are Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Viet Nam. The ASEAN Secretariat is based in Jakarta, Indonesia.

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In aid of understanding, some examples have been provided but these are mere illustrations and do not provide judgment and do not constitute commercial advice. Views or conclusions may have also been expressed but these should not be taken as legal or commercial advice.

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FOREWORD

The Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) is a historical undertaking for ASEAN. This is the first single undertaking and by far the most comprehensive economic agreement concluded by ASEAN with its Dialogue Partners.

The AANZFTA goes beyond the usual components of ASEAN's free trade agreements traditionally limited to trade in goods and services and investment. The new areas in the Agreement include standards, sanitary and phytosanitary measures, electronic commerce, intellectual property, competition policy, and movement of business persons as well as economic cooperation.

This Guide for ASEAN Business intends to introduce the AANZFTA and guide the business community and other stakeholders of ASEAN on its implementation and utilisation. It highlights the salient provisions of the Agreement, including market opportunities that have been created for ASEAN manufacturers, traders, investors and professionals. The Guide is designed to complement the legal text of the AANZFTA but does not attempt to interpret, in any way, the legal text of the Agreement.

As a continuing contribution to the economic well being and prosperity of the peoples of ASEAN, I enjoin you to maximise the opportunities that the AANZFTA will bring. Share the information with your business partners, and help us to create awareness and facilitate better understanding of a milestone agreement in ASEAN's history.



Dr. Surin Pitsuwan

Secretary-General of ASEAN

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The ASEAN Secretariat

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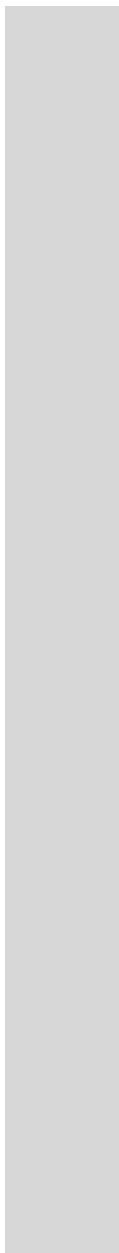
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LIST OF ABBREVIATIONS & ACRONYMS

AANZFTA	Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area
ASEAN	Association of Southeast Asian Nations
CTC	Change in Tariff Classification
EIF	Entry Into Force
FTA	Free Trade Agreement
GATS	WTO's General Agreement on Trade in Services
HS	Harmonized System
ICSID	International Centre for the Settlement of Investment Disputes
MFN	Most-favoured-nation
ROO	Rules of Origin
RVC	Regional Value Content
STRACAP	Standards, Technical Regulations and Conformity Assessment Procedures
SPS	Sanitary and Phytosanitary
TRIPS	WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights
UNCITRAL	United Nations Commission on International Trade Law
WCO	World Customs Organization
WIPO	World Intellectual Property Organization
WTO	World Trade Organization



A GUIDE FOR ASEAN BUSINESS TO THE AGREEMENT
ESTABLISHING THE ASEAN – AUSTRALIA –
NEW ZEALAND FREE TRADE AREA (AANZFTA)



PART 1

Overview of the AANZFTA



The Agreement Establishing ASEAN – Australia – New Zealand Free Trade Area (AANZFTA) was signed by ASEAN Economic Ministers and their counterparts from Australia and New Zealand on 27 February 2009 and is expected to enter into force on 1 January 2010¹. The FTA covers an area with a combined population of 600 million and a regional GDP estimated at \$ 2.7 trillion.² The new Agreement builds on existing agreements negotiated between selected ASEAN countries and Australia and New Zealand and aims to further enhance opportunities for trade in a region that has witnessed a very rapid expansion of commercial exchange in recent years.

Since the start of the AANZFTA negotiations in 2005, intra-regional trade among the Parties to the Agreement has been growing at an annual average of about 16 percent. Australia and New Zealand, taken together, comprise ASEAN's sixth largest trading partner. ASEAN as a group is the second and third largest trading partner of Australia and New Zealand, respectively. AANZFTA is the first region-to-region FTA that both ASEAN, and Australia and New Zealand concluded.

The new agreement is a modern, comprehensive free trade agreement that opens a wide range of new opportunities for ASEAN business. Market access improvements are supplemented importantly by trade facilitation provisions and measures designed to provide greater transparency and certainty for companies doing business in the region. AANZFTA is also a “living agreement” that will evolve over time through built-in mechanisms that will permit further liberalisation and practical problem-solving over time. Through the FTA, regional economic integration and cooperation will expand and deepen in the years to come.

1 AANZFTA will enter into force 60 days after Australia and New Zealand and at least four ASEAN Member States complete their requisite domestic procedures and notified the other Parties. Ideally, the AANZFTA will enter into force for all twelve participating countries on 1 January 2010; however, in the event that some ASEAN members are not in a position to implement the FTA at that time, the agreement provides that it may be implemented progressively starting with implementation by Australia, New Zealand and a minimum of 4 ASEAN member countries. This guide is written with the expectation that this threshold will be reached and that the AANZFTA will enter into force for at least some participating countries on 1 January 2010.

2 Unless otherwise indicated, all values cited in this guide are expressed in United States dollars.

But an agreement negotiated among governments does not by itself create trade. International trade is the business of business and it is important that commercial operators understand the features of AANZFTA that will allow them to benefit in practical ways from the opportunities created by the FTA. The purpose of this guide is to explain – in practical terms – how the regional trading environment will be changed in the period after the Agreement's entry into force (EIF) at the start of 2010. Knowledge of the FTA's main elements and an appreciation of the flexibilities built into its implementation will make it possible for importers, exporters, investors and consumers to reap the benefits government leaders intended to facilitate when they signed the AANZFTA.

PART 2

Main Elements of the AANZFTA



The AANZFTA is a modern, comprehensive regional free trade agreement. It will completely eliminate tariffs on ASEAN exports to Australia and New Zealand, with more than 96 percent of Australia's tariffs eliminated at entry into force in 2010 and more than 90 percent of New Zealand's tariffs on products from ASEAN eliminated by 2013. All remaining tariffs will be eliminated by 2020. These tariff commitments will only apply to goods that meet the requirements of AANZFTA's rules of origin (ROO). The new agreement also liberalizes regional trade in services. Other provisions address investment, intellectual property, customs procedures, electronic commerce, competition policy, standards and temporary movement of business persons in the region. New regional institutions created under the AANZFTA will ensure its effective implementation and enable the agreement's liberalization to evolve over time. Main elements of the FTA are summarized below. Specific new market access opportunities in merchandise trade and trade in services are addressed in Part 4 of this guide.

Merchandise Trade *(Chapter 2 of the AANZFTA)*

Tariffs. As noted above, the AANZFTA will create new opportunities for exporters for AANZFTA originating goods through the rapid reduction and elimination of tariffs, with tariffs on most products eliminated either at entry into force of the agreement or in the early years of its implementation. The agreement also provides for the possibility of accelerated tariff reduction or elimination. For information on tariffs applied to specific goods, interested exporters can consult the tariff schedules of the twelve Parties available on the ASEAN Secretariat's website at www.asean.org. More general information on the opportunities created in each sector is provided in Part 4 below.

Non-tariff Measures. In addition to its provisions on tariff reduction and elimination, Chapter 2 of the AANZFTA also covers quantitative restrictions and non-tariff measures. As a way of reducing or eliminating non-tariff measures over time, a procedure is established in the AANZFTA which allows for any government to request that particular non-tariff measures be reviewed by the AANZFTA Trade in Goods Committee with a view to reducing or eliminating the measure's negative impact on trade. For business, this is a potentially significant provision. Commercial operators who become aware in the marketplace of non-tariff measures in the AANZFTA Parties that impact their business can bring

these measures to the attention of their government which can then raise the matter, as appropriate in the Trade in Goods Committee.

Enhanced Transparency. Business will also benefit from the AANZFTA's enhanced transparency provisions. The FTA obliges participating governments to publish – including publication on the internet – laws, regulations, decisions and rulings relating to trade. Most countries also impose fees and charges on imports in addition to product-specific tariffs and the AANZFTA requires that information on these fees and charges must be available on the internet. These transparency obligations build on the obligations required by the World Trade Organization (WTO).

Standards & Sanitary & Phytosanitary Measures

Standards (*Chapter 6 of the AANZFTA*). Standards, technical regulations and conformity assessment procedures are created by governments and private sector bodies with a view to achieving important public policy objectives, such as ensuring that products do not pose health or safety risks to consumers. However, where these measures differ importantly in different countries, the differences can pose important (and costly) challenges for exporters. Chapter 6 of the AANZFTA recognizes this problem and includes important obligations relative to standards, technical regulations and conformity assessment procedures that build upon governments' obligations under the WTO Agreement on Technical Barriers to Trade. For business, the AANZFTA standards-related provisions are commercially significant.

Consistent with relevant WTO provisions, the AANZFTA incorporates a basic obligation to use international standards as the basis for national technical regulations. Where international standards are not used because they are considered ineffective or inappropriate – and where national standards then differ among AANZFTA members – then governments are required to consider accepting technical regulations of another Party as equivalent to their own measures. The same is true of differing conformity assessment procedures. These provisions promoting “equivalence” are important to business because they have as their objective the avoidance of multiple (and costly) testing of products to different standards.

The chapter on standards also obliges the participating governments to make efforts to undertake trade-facilitating initiatives in respect of standards, technical

regulations and conformity assessment procedures, including agreements on regulatory issues. For example, two or more AANZFTA members enter into an agreement or arrangement designed to align standards or recognize the equivalence of technical regulations or conformity assessment procedures, they are obliged to open participation in the agreement to other AANZFTA partners that can satisfy the terms of the arrangement.

To ensure that the FTA remains a “living agreement” that can evolve over time, the Parties have also established a Sub-Committee on Standards, Technical Regulations and Conformity Assessment Procedures (the STRACAP Sub-Committee) charged with meeting periodically to promote and monitor the implementation of the AANZFTA standards-related provisions. Experience in other FTAs has shown that the creation of such a body frequently enables the Parties to resolve trade problems associated with differing national standards and conformity assessment procedures.

Sanitary & Phytosanitary (SPS) Measures (*Chapter 5 of the AANZFTA*). These measures, designed to protect human, animal and plant life and health, need to take account of the individual circumstances of countries and, as a result, can differ importantly from one country to another. As with product standards, differing SPS measures can precipitate trade problems. Chapter 5 of the AANZFTA aims to mitigate this possibility in a number of ways that have practical consequences for the business community.

As a first step, AANZFTA member governments are encouraged to develop equivalence arrangements and make equivalence decisions in order to try to avoid trade-related problems in the SPS area. There is also an obligation to enter into negotiations at the request of another Party aimed at developing bilateral recognition arrangements of the equivalence of specified SPS measures.

As a second step, the AANZFTA establishes a consultation mechanism to deal with trade-related SPS issues. In the event that an exporter considers that an AANZFTA government is applying an SPS measure in a way that unnecessarily and negatively impacts on its trade in the region, it can raise this with its own government which then has the possibility of invoking the consultation mechanism in an effort to resolve the matter bilaterally. A matter not resolved through bilateral consultation can be forwarded for action in the FTA Joint Committee.

Finally, the SPS chapter of the AANZFTA establishes a Sub-Committee on SPS Matters for the purpose of reviewing progress in the implementation of the FTA's SPS provisions, including through the setting up of working groups which could advance the objectives of the chapter over time. As with the case of product standards, living agreement institutions like the SPS Sub-Committee have been found to facilitate trade liberalisation in the context of other free trade agreements.

Trade in Services *(Chapter 8 of the AANZFTA)*

Through the AANZFTA, the Parties go beyond the liberalization in trade in services that they have committed to in the WTO. Their commitments, including on market access, national treatment, provisions on most-favoured-nation (MFN) treatment and safeguards and various regulatory disciplines and other obligations will enhance certainty and transparency for ASEAN exporters of services.

Although the trade in services provisions in the AANZFTA are in many respects "WTO-Plus" (in the sense that they go beyond what the Parties are obligated to do in the WTO's General Agreement on Trade in Services (GATS)), the FTA is structured in the same way as the GATS. The Trade in Services chapter lays out the Agreement's general rights and obligations as they apply across-the-board.

Box 1: Understanding Positive List Trade in Services Commitments

In the GATS-type "positive list" approach to services commitments employed in the AANZFTA, countries inscribe commitments by "mode of supply" and according to whether the commitment affects the ability to do business in the country (market access) or reflects measures that discriminate against foreign services providers (national treatment). In some cases, commitments are inscribed as either "None" (meaning that there are no barriers and/or no discrimination) or "Unbound" (which signifies an absence of commitments by the relevant government. The four "modes of supply" are:

Mode 1 – Cross-border supply (where a services exporter in country A sells to a services consumer in country B and neither leaves their own country) – example: an architect in Singapore sells a building plan to a construction company in New Zealand;

Mode 2 – Consumption abroad (where a services consumer from country B travels to country A to purchase and consume the service in country A) – example: students from Malaysia travel to Australia for a university education;

Mode 3 – Commercial presence (where a services supplier in country A establishes an office in country B to sell services to consumers in country B) – example: an Australian law firm opens an office in Hanoi; and,

Mode 4 – Temporary movement of natural persons (where people employed by a services supplier in country A temporarily travel to country B to supply services to consumers in country B) – example: a hotel chain in New Zealand sends a manager to run a newly opened hotel in Brunei for the hotel's first two years.

In addition, each Party to the AANZFTA has a schedule of specific commitments in which it lists the market access and national treatment commitments it is prepared to undertake in respect of individual services sectors and sub-sectors according to the different “modes” of supply for services as used in the AANZFTA and the GATS. New opportunities open to ASEAN exporters due to Australian and New Zealand commitments that go beyond their WTO commitments are discussed below in Part 4 of this guide.

In sectors where full market access commitments are undertaken, the Parties to the AANZFTA undertake not to impose barriers such as: limitations on the number of services suppliers allowed to participate in the market; limitations on the value of services transactions permitted or the quantity of services supplied; limitations on foreign capital employed in the operation; limitations on the number of people that can be employed in the services operation; and, measures that require the service to be supplied through a particular type of legal entity. Where full commitments are made on “national treatment”, governments agree that foreign services suppliers will be treated no less favourably than they treat their domestic services suppliers. However, as indicated above, a Party’s schedule may contain some limitations on market access or national treatment either horizontally (across all sectors) or in specific sectors.

Domestic Regulation. AANZFTA Chapter 8 on trade in services also contains some important obligations on governments in respect of domestic regulation. These obligations and their effective implementation are of considerable practical interest to business. For example, all regulatory measures of general application must be administered in a “reasonable, objective and impartial manner”. Similarly, in sectors where specific commitments are made, qualification requirements and procedures, technical standards and licensing requirements and procedures must be based on objective and transparent criteria; must not be more burdensome than necessary; and should not constitute in themselves a restriction on the supply of a service.

Authorization to Supply. In those cases where a business in a services sector is required to apply for authorization to supply services in the market, the authorizing authorities are required by the AANZFTA to:

- Ensure that the applicant has the time and information needed to complete and file a complete application;
- Inform the applicant of the decision taken within a reasonable period of time;

- Provide information on the status of an application under consideration; and,
- Where an application is denied, supply the applicant with information on the reasons for the action and provide the applicant with an opportunity to submit a new application if they so desire.

Transparency. Business is provided with an opportunity to learn of rules, regulations and other measures affecting trade in services through the requirement in the AANZFTA that information on these measures – and any international agreements that might affect trade in services – are published and available on the internet. Governments are also required to establish contact points that are charged with responding promptly to requests for information received from other Parties to the AANZFTA.

Recognition. An important part of the AANZFTA services chapter encourages recognition of education and/or experience requirements associated with licenses and certifications to practice certain types of services. The Parties are encouraged to engage in either harmonization of these requirements or negotiations to establish recognition agreements so that professional services suppliers in one AANZFTA country can more easily practice their trade in another AANZFTA country. Where two or more AANZFTA countries engage in these kinds of recognition activities, they are obliged to allow other AANZFTA countries to negotiate their accession to the agreement. Where a Party accords recognition autonomously, it must afford adequate opportunity for any other Party to demonstrate that they can satisfy the same requirements.

Treatment of Monopolies and Certain Business Practices. Where an AANZFTA government allows the monopoly provision of certain services on the market, it is obligated by the FTA to ensure that the monopoly does not act in ways that undermine the government's specific commitments on services. Similarly, where a government is accused of permitting a services supplier to act in ways that restrain competition and restrict trade, it is required to enter into consultations with a view to eliminating the anti-competitive behaviour.

Denial of Benefits. As is the case for all preferential trade agreements, the AANZFTA is designed to provide benefits to regional firms and services suppliers, not those of non-Parties. To ensure that this is the case, Article 21 of Chapter 8 allows Parties to deny the benefits of the agreement:

- To the supply of any service, if it establishes that the service is supplied from or in the territory of a non-Party;
- In the case of the supply of a maritime transport service, if it establishes that the service is supplied:
 - o By a vessel registered under the laws of a non-Party, and
 - o By a person of a non-Party which operates and/or uses the vessel in whole or in part.
- To a service supplier, that is a juridical person, if it establishes that it is not a service supplier of another Party.

Important Institutional Provisions. Like other important aspects of the AANZFTA, the Services Chapter also establishes institutions that will ensure that AANZFTA is a living agreement capable of further evolution over time. A Committee on Trade in Services is set up and charged with conducting a review of commitments made by AANZFTA parties three years after the entry into force of the agreement. The Committee will also consider the question of emergency safeguards for trade in services in the event that WTO negotiations on this question have not produced a result within three years of the AANZFTA's entry into force. Naturally, the Committee is also able to take up any other matters relating to the implementation of this part of the FTA.

Financial and Telecommunications Services. The nature of the financial services sector (with its prudential and other regulatory requirements) and the telecommunications services sector (where network access questions and competition issues are very significant) frequently sees these two sectors treated specially in a free trade agreement. The AANZFTA is no different in this regard and special sectoral annexes are addressed to financial and telecommunications services.

Investment (*Chapter 11 of the AANZFTA*)

Trade and investment are indisputably linked in the commercial world. Increasingly, countries that are negotiating modern free trade agreements typically include provisions related to investment. AANZFTA Chapter 11 addressed to investment is far-reaching and is of great commercial interest to business operating in the region.

The definition of “investment” used in the AANZFTA is a broad, non-exhaustive asset-based definition. For covered investments, AANZFTA provides a range of protections for investors, including the possibility of dealing with a dispute through investor-state dispute settlement action. The main obligations of the Parties to the AANZFTA in respect of covered investments include:

- A requirement to accord “fair and equitable treatment” to covered investments (meaning that justice cannot be denied in legal and administrative proceedings and that investments are provided with full protection and security according to customary international law);
- A requirement to treat investors of other AANZFTA partners no less favourably than its own investors or those of any other Party or non-Party in relation to compensation for losses suffered by investments due to armed conflict, civil strife or state of emergency;
- An obligation to freely allow all transfers of funds relating to a covered investment without delay, subject only to certain defined exceptions relating to issues such as taxation, protection of the rights of creditors, and recovery of the proceeds of crime, etc.; and,
- An obligation to ensure that any nationalisation or expropriation of an investment is done for a public purpose and in a non-discriminatory manner, is promptly, adequately and effectively compensated, and is carried out in accordance with due process of law.

Box 2: AANZFTA's Definition of “Investment”

“Investment” means every kind of asset owned or controlled by an investor, including but not limited to the following:

- Movable and immovable property and other property rights such as mortgages, liens or pledges;
- Shares, stocks, bonds and debentures and any other forms of participation in a juridical person and rights derived therefrom;
- Intellectual property rights which are recognized pursuant to the laws and regulations of each Party and goodwill;
- Claims to money or any contractual performance related to a business and having financial value;
- Rights under contracts, including turnkey, construction, management, production or revenue-sharing contracts; and,
- Business concessions required to conduct economic activity and having financial value conferred by law or under a contract, including any concession to search for, cultivate, extract, or exploit natural resources.

For the purposes of the definition of investment [in this Article], returns that are invested shall be treated as investments and any alteration of the form in which assets are invested or reinvested shall not affect their character as investments.

Notes: The term “investment” does not include an order or judgment entered in a judicial or administrative action. “Investment” does not mean claims to money that arise solely from (a) commercial contracts for sale of goods or services; or (b) the extension of credit in connection with such commercial contracts.

Work Programme. Like other parts of the AANZFTA discussed previously in this guide, the investment chapter kicks off a work programme that will see the agreement evolve over time. Article 16 of the chapter initiates a work programme that will include “discussions” on schedules of reservations and market access issues, among others.

Transparency. Business will benefit importantly from the obligation on AANZFTA governments to publish – including on the internet – all relevant measures pertaining to investment, as well as information on any international agreements to which they belong and which pertain to investment. Where new measures relating to investment are under consideration, AANZFTA governments are expected to provide an opportunity for comments from interested parties before the measures are adopted.

Fair Treatment in Administrative Proceedings. The rights of business persons and firms under the AANZFTA investment provisions are well-protected in administrative proceedings. Governments are obligated to ensure that investors directly affected by the application of investment-related measures are notified of the initiation of an administrative proceeding and have a reasonable opportunity to present their position on the question. AANZFTA governments are also required to maintain judicial or administrative tribunals or procedures for the purpose of the prompt review and possible correction of final administrative actions relating to investment issues. Parties to the proceedings are to be given a reasonable opportunity to support or defend their positions; have a right to a decision in accordance with the country’s laws; and, should be given an opportunity to appeal any adverse outcomes.

Investor – State Dispute Settlement. The FTA recognizes that there may be cases where an investor takes issue with an investment-related action of one of the Parties to the AANZFTA. Detailed provisions address how the investor should initiate consultations with the government in question and how the investor establishes a claim which it can submit to conciliation or arbitration. In the case of disputes between investors and governments participating in the AANZFTA, the disputing investor has the choice of the following procedures to settle the dispute:

- In the case of claims against the Philippines or Viet Nam, the courts or tribunals of those Parties;

- Action under the International Centre for the Settlement of Investment Disputes (ICSID) Convention and the ICSID Rules of Procedure for Arbitration Proceedings, provided that both the disputing Party and the non-disputing Party are parties to the ICSID Convention; or
- Action under the ICSID Additional Facility Rules, provided that either of the disputing Party or non-disputing Party are a party to the ICSID Convention; or,
- Action under the United Nations Commission on International Trade Law (UNCITRAL) Arbitration Rules; or
- If the disputing parties agree, to any other arbitration institution or under any other arbitration rules.

The investment chapter also contains detailed rules relative to conditions and limitations on submission of a claim in investor-state dispute settlement; rules for selection of arbitrators and the conduct of an arbitration and awards procedures.

Intellectual Property *(Chapter 13 of the AANZFTA)*

Updating TRIPS. For the most part, the AANZFTA provisions in respect of intellectual property found in Chapter 13 serve to reinforce the Parties' obligations and rights under the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS). However, as the TRIPS agreement now dates from 1993, the FTA also makes an effort to update intellectual property rights protection in the region – in particular through its cooperation provisions aimed at supporting AANZFTA governments' accession to and implementation of a number of international intellectual property rights agreements. Of particular significance to the business community are the following:

- The 2006 Singapore Treaty on the Law of Trademarks;
- The 1996 WIPO Copyright Treaty; and,
- The 1996 WIPO Performances and Phonograms Treaty.

Transparency. The intellectual property rights chapter of the AANZFTA also contains a number of specific obligations on protection of intellectual property rights, government use of software and transparency. Of particular interest to the business community are the governments' obligations to ensure that all laws and regulations of general application that pertain to the availability, scope, acquisition, enforcement and prevention of the abuse of intellectual property rights are made publicly available in at least the national language or in English.

Box 3: Electronic Authentication & Digital Certificates

Article 5 of Chapter 10 of the AANZFTA provides:

1. Each Party shall maintain, or adopt as soon as practicable, measures based on international norms for electronic authentication that:
 - (a) permit participants in electronic transactions to determine the appropriate authentication technologies and implementation models for their electronic transactions;
 - (b) do not limit the recognition of authentication technologies and implementation models; and
 - (c) permit participants in electronic transactions to have the opportunity to prove that their electronic transactions comply with the Party's domestic laws and regulations.
2. The Parties shall, where possible, endeavour to work towards the mutual recognition of digital certificates and electronic signatures that are issued or recognized by governments based on internationally accepted standards.
3. The Parties shall encourage the interoperability of digital certificates used by business."

Parties are also obligated to make public information on judicial decisions and administrative rulings pertaining to intellectual property rights protection. Where possible, this information is to be made available on the internet. Parties are also obliged to make an effort to make available on the internet databases of all pending and registered trademark rights in their jurisdictions.

Electronic Commerce (*Chapter 10 of the AANZFTA*)

A framework for regional cooperation and coordination on electronic commerce is established in Chapter 10 of the AANZFTA. As soon as practicable, governments are obligated to maintain or adopt domestic laws and regulations governing electronic transactions that take into account the 1996 Model Law on Electronic Commerce developed by the UNCITRAL. As part of this regulatory framework, the AANZFTA partner countries will maintain or introduce measures for electronic authentication, online consumer protection and online data protection.

The AANZFTA also obliges member governments to work towards the implementation of initiatives that provide for the use of paperless trading. Business operating in the region will appreciate the fact that the agreement aims toward an objective of acceptance of electronic versions of trade administration documents based on methods agreed in international organizations such as the World Customs Organization (WCO).

Transparency in electronic commerce is promoted through obligations on the Parties to publish or make publicly available measures of general application pertaining to electronic commerce and to make electronic versions of trade administration documents publicly available.

All of these initiatives should help to ensure that the AANZFTA region is among the leading regions in the world in promoting an environment in which business can benefit from the efficiencies and cost savings associated with paperless trading and electronic commerce.

Competition Policy *(Chapter 14 of the AANZFTA)*

In the AANZFTA region, there are wide differences in countries' approaches to competition policy and significant gaps in governments' technical capacity to adopt or maintain competition policy regimes. In the light of this, the AANZFTA does not attempt to create new obligations in respect of competition policy among its members. Instead, the FTA establishes a framework for cooperation wherein Australia and New Zealand may agree to provide cooperation as appropriate to assist ASEAN member governments with any competition-related initiatives they may decide to undertake.

Temporary Movement of Business Persons *(Chapter 9 of the AANZFTA)*

In today's globalized world, it is frequently necessary to send business representatives to short-term postings in foreign markets in order to effectively transact business in these markets (for example, negotiate contracts for the sale of goods, deliver services to clients). The widespread nature of this business practice has long been recognized in the WTO GATS agreement and in most modern FTAs. The AANZFTA incorporates both general obligations in respect of

Box 4: Temporary Movement of Business Persons: Who is Covered?

The commitments made under the AANZFTA typically affect:

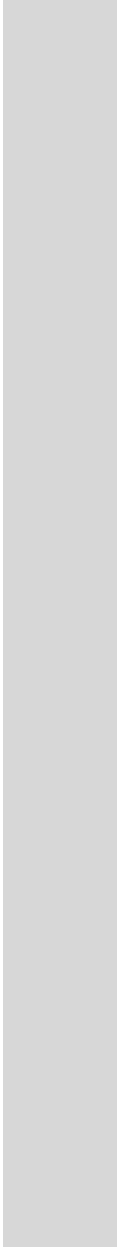
- Business visitors;
- Installers and servicers;
- Executives of a business headquartered in a Party establishing a branch or subsidiary, or other commercial presence of that business in another Party;
- Intra-corporate transferees; or
- Contractual service suppliers

the temporary movement of business persons and schedules of commitments made by each government participating in the FTA.

Among the general obligations established in the AANZFTA chapter on movement of business persons are procedures relative to the grant of temporary entry, processing of applications and transparency. The FTA also makes clear that nothing in the agreement should be read as interfering with a government's ability to operate an effective domestic immigration policy.

Procedurally, AANZFTA governments are obliged to ensure that fees imposed in respect of temporary entry formalities are reasonable and that applications are processed fairly and within a reasonable period of time. In order to assist business in taking advantage of the possibilities for temporary movement of personnel, the Parties to the AANZFTA are obliged to publish explanatory material on relevant immigration formalities and the requirements for temporary entry pursuant to the AANZFTA's provisions.

The specific commitments made by Australia and New Zealand in respect of temporary movement of natural persons are set out in schedules found in Annex 4 to the AANZFTA which interested business representatives may consult at www.asean.org.



PART 3

Key Trade Facilitating Features of the AANZFTA



Byond the new market access opportunities for ASEAN exporters created by the elimination of barriers to trade in goods and services, the AANZFTA incorporates a large number of important features designed to make it easier and less costly to trade in our region. Modernized and flexibly applied rules of origin, simplified customs procedures and transparency enhancements are some of the key trade facilitating features of the FTA.

Rules of Origin *(Chapter 3 of the AANZFTA)*

The rules of origin (ROO) that apply in the AANZFTA were crafted in a way that enhances exporters' ability to take advantage of opportunities under the FTA by providing exporters with two alternative approaches for most goods for testing whether a good is originating.

For some 83 percent of all tariff sub-headings, the AANZFTA ROO is based on a "co-equal" approach, where exporters will be given the choice of meeting either a "regional value content" (RVC) rule or the so-called "change in tariff classification" (CTC) approach. For another ten percent of tariff sub-headings, a CTC-only approach will apply and for about one percent of sub-headings (mainly in the automotive sector) an RVC-only rule will apply. Waste and scrap products accounting for about 1.4 percent of sub-headings are covered by special rules. Normal product-specific ROOs are not relevant for the remaining 4.5 percent of tariff sub-headings which will need to be wholly produced or obtained within the AANZFTA region. Finally, about two-thirds of chemicals sub-headings will be able to make use of a chemical reaction test to demonstrate that they are "originating goods" if the goods cannot satisfy the RVC or CTC ROO.

Flexibility in the application of the AANZFTA ROOs is further enhanced by "the fact that AANZFTA ROOs provide for regional cumulation in calculations to determine eligibility for preferential treatment is expected to be of considerable value to the manufacturing sector as it will support greater integration into regional supply chains. In the AANZFTA ROOs regime, originating materials or components from any AANZFTA country used in the production of goods in another member country are treated the same way as materials or components from that second country in determining the origin of the final goods. For example, a producer in Viet Nam is able to treat imported components from Singapore and Malaysia

that are AANZFTA originating in the same way as Vietnamese components in calculating the eligibility of his final product to meet ROOs requirements when exporting to an AANZFTA Party.

As a contribution to assisting exporters and producers to become acquainted with AANZFTA ROOs, a separate business guide dedicated to ROOs has been produced by the ASEAN Secretariat.

Trade Facilitation in the AANZFTA *(Chapter 4 of the AANZFTA)*

An efficient, transparent, and predictable trade environment, based on internationally accepted norms, standards and good practices as well as the simplification of customs procedures and reduction of the cost of international trade transactions contribute to create a competitive business environment.

The AANZFTA has a chapter for customs procedures, whose objectives include: to ensure predictability, consistency and transparency in the application of customs laws and regulations of the Parties; to promote efficient, economical administration of customs procedures and the expeditious clearance of goods; and, to simplify customs procedures.

To achieve these objectives, the Parties have committed to take a number of specific actions. It is considered that the effective implementation of these actions will contribute to facilitate ASEAN trade with Australia and New Zealand and create a competitive business environment.

- In terms of customs procedures and practices, each Party shall ensure that these are predictable, consistent, transparent and facilitate trade, including through the expeditious clearance of goods. Where it is possible and to the extent permitted by its customs law, AANZFTA governments' customs procedures will be based on the standard and recommended practices of the WCO. The review of customs procedures by the customs administration of each Party with the aim of their simplification is also part of the commitment undertaken in the AANZFTA to facilitate trade.
- On valuation of goods, the Parties have committed to determine the custom value of goods traded pursuant according to the provisions of the WTO Agreement on Customs Valuation.

- AANZFTA partners will consider using automated systems that support electronic customs transactions, according to the standards and best practices recommended by the WCO as well as the available infrastructure and capabilities of each Party;
- Advance rulings. According to this provision, where it is available, each party through its customs administration shall provide a written ruling on tariff classification, origin and valuation issues. The inclusion of advance rulings is considered important to provide certainty for traders regarding the treatment by Customs of a specific good in advance of its importation. Also, it will contribute to minimize delays, complaints and appeal.
- Risk management provisions have also been included in the AANZFTA. It is agreed that in order to enhance the flow of goods across their borders, the customs administration of each Party shall regularly review its customs procedures. Thus, where a customs administration of a Party deems that the inspection of goods is not necessary to authorise clearance of the goods from customs control, that Party shall endeavour to provide a single point for the documentary or electronic processing of those goods.
- The AANZFTA contains an article on enquiry points that are established to facilitate consultation and exchange of information. It stipulates that each party will designate one or more enquiry points to address enquiries from interested persons concerning customs matters and shall make available on the internet and/or in print form, information concerning procedures for making such enquiries. Also, it mandates that each Party shall publish on the internet and/or in print form all the statutory and regulatory provisions and any customs administrative procedures applied or enforced by its customs administration.
- A provision on review and appeal has been included in this free trade agreement. From a commercial standpoint, this is an important issue because through it, the importers in the territory of an AANZFTA party will be assured of access to administrative and/or judicial review. Also, the FTA provides that the decision on appeal will be given to the appellant and the reasons for such decision will be provided in writing.

All of these actions in the AANZFTA designed to facilitate trade will contribute to a freer, expedited and less costly regime for importing and exporting in the region.



Merchandise Trade Opportunities

Prior to the EIF of the AANZFTA, nearly 48 percent of all Australian MFN tariffs applied to ASEAN were duty-free and 59 percent of all New Zealand tariff lines were characterized by duty-free rates. Another 39 percent of Australian tariffs and another 7 percent of New Zealand tariff rates were less than five percent ad valorem.

Table 1

A Snapshot of Australia & New Zealand Tariff Elimination Outcomes

Country	2005 Base Tariffs (%)	2010 (%)	2013 (%)	Final Tariff Elimination (%)	Year Achieved
Australia	47.6	96.4	96.5	100	2020
New Zealand	58.6	84.7	90.3	100	2020

Source: dfat Aus, Australian Guide to AANZFTA

The table shows the number of lines: with MFN tariff-free treatment in the base year (2005), with bound tariff-free treatment in AANZFTA in 2010 and 2013, and the end of transition period for full elimination of tariff.

Table 2

Percentage of Tariff Lines with Tariffs in the 0-5% Range

Country	2005 Base Tariffs (%)	2011 (%)	2013 (%)	2017 (%)	2020 (%)	2025 (%)
Australia	86.2	96.7	96.8	97.6	100	100
New Zealand	65.4	91.3	94.6	98.3	100	100

Source: dfat Aus, Australian Guide to AANZFTA

The second table shows each country's tariff lines in the 0-5% range (i.e. tariffs that are zero or at such a low level they should not restrict trade): in the base year (2005), in 2011, 2013, 2017, 2020, and 2025.

Among the sectors which will see the most significant liberalization after the entry into force of AANZFTA for Australia and New Zealand are the following:

1. Fruit & Vegetable Juices, Processed & Preserved Fruit & Vegetables (HS 20)
2. Cotton (HS 52)
3. Minerals & Fuel (HS 25-27)
4. Machinery (HS 84)
5. Electric Machinery (HS 85)
6. Plastics & Articles of Plastics (HS 39)
7. Rubber (HS 40)
8. Textile & Textile Articles (HS 50, 5108-5113, 5207-5212, 53-60,)
9. Clothing & Footwear (HS 61, 62, 64)
10. Vehicles for Passenger (HS 8703)
11. Vehicles for Transporting Goods (HS 8704)
12. Furniture (HS 94)

Sector by Sector Liberalization

In the following section of this guide, tariff reduction and elimination schedules for Australia and New Zealand are discussed with a view to helping ASEAN business identify new opportunities for export to these markets.

AGRICULTURE

1. Fruit and Vegetable Juices, Processed & Preserved Fruit and Vegetables (HS 20)

Australia imports around \$52.6 million (annual average for 2006-2008) worth of these products from ASEAN. It is a big export market with great potential for ASEAN exporters. Australia's imports of these goods from the world are worth an average of \$550.6 million annually. In Australia, most tariff lines are at 5 percent, all of which will be eliminated at EIF in 2010.

New Zealand imports around \$11.8 million worth of these products each year from ASEAN (annual average 2006-2008), and it imports around \$182 million of these goods from the world each year. In New Zealand most tariff lines in this sector are at 5 and 7 percent, with tariff elimination scheduled for 2010.

Australia

- Fruit and vegetable juices: tariffs bound at 0% at EIF, except for 2 lines on which 5% tariffs will be eliminated in 2010 (frozen orange juice, juice of any other fruit or vegetable).
- Processed and preserved fruit and vegetables: tariffs bound at 0% at EIF, except for 2 lines on which 5% tariffs will be eliminated in 2010 (homogenised vegetables and “other” preserved vegetables and mixtures of vegetables).

New Zealand

- Fruit and vegetable juices: tariffs eliminated at EIF on all but 2 lines (1 at 6.5% and 1 at 7%), which will be eliminated in 2010. (HS 2009.90.21 & HS 2009.80.21).
- Processed and preserved fruit and vegetables: tariffs eliminated at EIF on all but 3 lines. 2 at 5% (which will be eliminated in 2010).

2. Cotton including threads, yards and fabrics (HS 52)

Australia imports \$10.3 million worth of cotton each year from ASEAN (annual average for 2006-2008) and in total it imports around \$112.4 million worth of cotton from the world. In Australia, most tariff lines are applied at 5% or 10%. Only a few lines are duty-free (5 lines out of 139). All tariffs in this product group will be eliminated from 2010 except for 2 lines which have a tariff of 10%:

5208	Woven fabrics of cotton, containing 85% or more by weight of cotton, weighing not more than 200 g/m ² .
5208.52.00	--Plain weave, weighing more than 100 g/m²

5209	Woven fabrics of cotton, containing 85 % or more by weight of cotton, weighing more than 200 g/m ² .
5209.22.00	--3-thread or 4-thread twill, including cross twill

The tariffs on these two lines will be reduced to 8% in 2011, to 5% in 2012, and 0% in 2015.

The elimination of tariffs in this sector will generate a significant opportunity for ASEAN cotton exporters wanting to explore the Australian market.

New Zealand imports \$2.9 million of cotton products each year from ASEAN. In total it imports around \$32 million of cotton from the world each year. In New Zealand, all tariff lines in this product group are already duty-free.

RESOURCES & INDUSTRIAL GOODS

3. Machinery (HS 84)

Australia imports \$3.7 billion worth of machinery from ASEAN each year (annual average for 2006-2008). In total it imports \$24 billion worth of machinery from the world. Most of the tariffs for machinery coming into Australia are already applied at 0% and 5%, with only several tariff lines carrying a duty of 10%.

Australia

- 2005 base tariffs (614 lines):
 - 0% on 269 tariff lines
 - 5% on 308 tariff lines
 - 10% on 37 tariff lines.
- Tariffs will be eliminated on all but 3 lines by 2010 and on all lines by 2020:
 - Tariffs of 0% will be bound at EIF.
 - o including turbo jets, gas turbine, agricultural machinery.
 - Tariffs of 5% will be eliminated at EIF (240 lines) in 2010 (65 lines).
 - o except for 3 lines that will remain at 5% before completely reduced to 0% in 2020. These 3 lines cover certain types of lifting, handling, loading, unloading machinery, mixing kneading, crushing, grinding sifting, homogenising, emulsifying or stirring machines, and sorting, screening, separating or washing machines.
 - Tariffs of 10% and will be eliminated at EIF.
 - o including for products such as ball bearings used as components for passenger motor vehicles, Air conditioning machines used for persons in motor vehicles, and pressure reducing valves.

New Zealand

Machinery is one of New Zealand's top 20 imported goods categories from ASEAN. Imports amount to an annual average value of \$492 million. In total New Zealand imports around \$3.9 billion of machinery products each year from the world.

More than half of the tariff lines in this product group are at 7% tariffs (including steam boilers, air conditioning machines, industrial furnaces, refrigerators, freezing equipment, weighing machines, cranes and forklifts). The other half mainly enters duty-free (for agriculture, forestry machineries, milking machinery, machines for wine/fruit juice, computers, etc) although several tariff lines have tariffs of 5% and 10%.

- 2005 base tariffs (618 lines):
 - 0% on 294 tariff lines
 - 5% on 34 tariff lines
 - 6.5% on 28 tariff lines
 - 7% on 311 tariff lines
 - 10% on 13 tariff lines
 - 10 tariff lines on parts where the tariff depends on what the part is used for.

- Tariffs will phase to 0% on all tariff lines by 2020:
 - Tariffs of 0% bound at EIF.
 - Tariffs of 5% will be eliminated at EIF or in 2010.
 - Tariffs of 6.5% will be eliminated on EIF or in 2010 except for 1 line which will phase to 0% by 2020 (Road Rollers).
 - Tariffs of 7% will all be eliminated at EIF or in 2010 (287 lines) except for 21 lines which will phase to 0% by 2012 with the following schedule: 5% in 2010 and, 3% in 2011 and 0% in 2012. Those 21 lines include several types of air conditioning machines, refrigerators, freezers and other freezing machines, clothes dryers, water and other beverage filters or purifiers.
 - 1 tariff line will phase to 0% by 2020:

84.81	Taps, cocks, valves and similar appliances for pipes, boiler shells, tanks, vats or the like, including pressure-reducing valves and thermostatically controlled valves:
8481.80.19	--Other

- Tariffs of 10% will be eliminated at EIF or by 2012 (11 lines).
 - o This includes some spark-ignition reciprocating or rotary internal combustion piston engines, some compression-ignition internal combustion piston engines (diesel or semi-diesel engines), and parts suitable for those engines.
- 2 lines will phase to 0% by 2020.
 - o Including oil/petrol filters for internal combustion engines and intake air filters for international combustion engines. The tariff rate for these 2 lines will be reduced to 8% in 2014, to 5% in 2015 and 0% in 2020.
- The tariffs on the 10 tariff lines where rates vary depending on end use will be eliminated in 2012.

4. Electric Machinery (HS 85)

Australia

Australia's imports of electrical machinery from ASEAN are worth about \$2.2 billion annually with the country's total imports from the world reaching around \$16.9 billion each year.

- 2005 base tariffs (338 tariff lines):
 - 0% on 166 tariff lines
 - 5% on 149 tariff lines
 - 10% on 23 tariff lines.
- Tariffs will be eliminated on all but 2 lines by 2010 and on all lines by 2020:
 - Tariffs of 0% will be bound at EIF.
 - Tariffs of 5% mostly will be eliminated at EIF (112 lines).
 - o some in 2010 (35 lines, including soldering irons and guns, portable electric lamps, water heaters, electric heaters, hair dryers, coffee makers, loud speakers, etc).
 - o some in 2020 (2 lines, covering certain radios and video cameras). Tariffs of 10% will be eliminated at EIF.

New Zealand

Electric machinery is one of New Zealand's main imports from ASEAN. It is worth about \$361.7 million annually on average. In total, New Zealand imports around \$2.6 billion in electrical machinery from the world. Tariff lines

for electric machines coming into New Zealand range between 0% and 17.5%. The elimination of all tariffs in this sector by 2020 will create a great opportunity for ASEAN electric machinery manufacturers.

- 2005 base tariffs: 431 tariff lines ranging between 0% and 17.5%.
 - Most are at 7% and will be eliminated by 2010
 - o except for several lines which will be eliminated by 2012 and 2020 (covering certain types of electric accumulators, electric ignitions/sparking plug, domestic stove and ranges, loudspeakers, several types of radio, some type of electric filament lamps, several types of insulated wire/cables).
 - Tariffs of 17.5% will be eliminated by 2020.
 - o including certain types of electric accumulators, ignition coils for passenger motor vehicles, ignition wiring sets for passenger motor vehicles.

5. Rubber (HS 40)

Australia

Australia's annual imports of rubber from ASEAN are worth about \$343.2 million. In total, Australia imports about \$2.3 billion in rubber from the world. In Australia around 57% of tariff lines for this product sector are at 5%.

- 2005 base tariffs (99 tariff lines)
 - 0% on 13 tariff lines
 - 5% on 59 tariff lines
 - o Covering products such as synthetic rubber, compound rubber, vulcanised rubber
 - 7.5% on 3 tariff lines
 - o Including surgical gloves, diving suits, and other type of apparel from vulcanised rubber
 - 10% on 23 tariff lines
 - o Covering products such as floor mats, used pneumatic tyres, pneumatic tyres used in motor cars
 - 17.5% on 1 tariff line
 - o Certain types of articles of apparel and clothing accessories (including gloves), for all purposes, of vulcanised rubber other than hard rubber.

- Most tariffs will be eliminated by 2010
 - except for 2 lines that are scheduled to go to duty free in 2020 (certain garments used for X-ray protection or pilches, and surgical gloves of vulcanised rubber).

New Zealand

New Zealand imports of rubber from ASEAN are worth around \$50.4 million annually. The country's imports of rubber from world are worth about \$2.3 billion each year. Almost half of the tariff lines in this sector are duty-free.

- 2005 base tariffs (161 tariff lines):
 - 0% on 79 tariff lines
 - Including natural rubber, balata, gutta-percha, guayule, chicle and similar natural gums, in primary forms or in plates, sheets or strip, inner tubes of rubber, transmission belts, certain types of pneumatic tyres.
 - 5% on 2 tariff lines
 - Including teats and parts and accessories of motor vehicles from vulcanised rubber, and components of vulcanised rubber for use in the assembly, completion or manufacture of motor vehicles.
 - 6% - 7.5% on 69 tariff lines
 - Covering certain types of conveyor or transmission belts or belting, of vulcanised rubber, plates, sheets, strip, rods and profile shapes, of vulcanised rubber other than hard rubber.
 - 10% - 11.5% on 11 tariff lines
 - Including certain types of re-treaded or used pneumatic tyres of rubber; solid or cushion tyres, tyre treads and tyre flaps, of rubber, automotive brake hoses, certain types of new pneumatic tyres of rubber.
 - 17.5% on 2 lines
 - Including new pneumatic tyres, of rubber used in motor cars, and parts and accessories of passenger vehicles from vulcanised rubber.
- All tariffs will be eliminated by 2010 except for 11 lines which will phase to 0% by 2020.
 - These 11 lines cover several types of new pneumatic tyres of rubber, used pneumatic tyres (0% in 2012), certain types of apparel for all purposes, of vulcanised rubber other than hard rubber, and other articles of vulcanised rubber other than hard rubber.

6. Plastics & Articles of Plastics (HS 39)

Australia

Australia imports around \$771 million worth of plastics and articles of plastics each year from ASEAN and around \$3.9 worth of these goods from the world. More than 80% of tariff lines for this sector in Australia are set at 5%, although several can be found at 0%, 10% and one at 17.5%. All of these tariffs will be eliminated by 2010 except for 3 lines which will be eliminated by 2020.

- 2005 base tariffs (140 tariff lines):
 - 0% on 12 tariff lines
 - o Including cellulose and its chemical derivatives plasticised and non-plasticised, artificial guts (sausage casing), other plates, sheets, film, foil and strip of regenerated cellulose, of vulcanised fibre, and of cellulose acetate.
 - 5% on 117 tariff lines
 - o Covering products such as polymers of ethylene in primary forms, of styrene, of vinyl chloride or of other halogenated olefins, of vinyl acetate or of other vinyl esters, silicone, natural polymers.
 - 10% on 10 tariff lines
 - o Including certain types of tubes, pipes and hoses, and fitting of propylene, of other plastics, of a kind used in passenger motor vehicles, other plastic articles used as components in passenger motor vehicles.
 - 17.5% on 1 tariff line.
 - o Certain type of plastic apparel.
- Tariffs will be eliminated on all tariff lines by 2020:
 - Tariffs will be bound at 0% at EIF or will be eliminated in 2010 for all but 3 tariff lines.
 - Those 3 remaining tariffs will phase to 0% by 2020 (1 tariff line at 17.5% covering plastic apparel) or will be eliminated in one step in 2020 (2 tariff lines at 5% covering certain plates, sheets, strip, etc).

New Zealand

Plastics & plastic articles are one of New Zealand's main imports. New Zealand imported around \$194 million worth of plastics from ASEAN (annual average 2006-2008). In total, the country imports around \$1.1 billion in

plastics and article of plastics from the world each year. There are 240 tariff lines in this sector, with more than half of them dutiable at 5%-7.5% tariff rates. Most tariffs in this sector will be eliminated by 2010. About 16 tariff lines will see duties eliminated by 2012 with tariffs on the remaining 21 tariff lines eliminated by 2020.

- 2005 base tariffs (236 tariff lines) between 0% and 19%.
 - 0% on 83 tariff lines
 - o Including polymers of propylene or of other olefins, in primary forms, of styrene, natural polymers (for example, alginic acid) and modified natural polymers (for example, hardened proteins, chemical derivatives of natural rubber).
 - 5%-7% on 143 tariff lines
 - o Monofilament of which any cross-sectional dimension exceeds 1mm, rods, sticks and profile shapes, whether or not surface worked of plastics, self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, of plastics.
 - 19% at 5 tariff lines
 - o Which includes other articles of plastics and articles of other materials of headings nos. 39.01 to 39.14 (shoulder pads, coats and jackets, trousers and leggings).
- Most tariffs are bound at 0% at EIF or eliminated in 2010.
 - The remaining tariffs will be eliminated by 2020 (covering certain types of acrylic polymers, polyacetals, other polyethers and epoxide resins, self-adhesive plates, sheets, film, foil, tape, strip and other flat shapes, other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials, other plates, sheets, film, foil and strip, of plastics, Baths, shower-baths, sinks, wash-basins, bidets, lavatory pans, seats and covers, flushing cisterns and similar sanitary ware, of plastics: articles for the conveyance or packing of goods, of plastics; stoppers, lids, caps and other closures, of plastics, tableware, kitchenware, other household articles and toilet articles, of plastics:, builders' ware of plastics.

7. Furniture (HS 94)

Australia

Australian imports of furniture from ASEAN are worth an average of \$265 million annually. In total, Australia imports around \$2.5 billion worth of furniture each year from world. More than half of the tariff lines in this sector are dutiable at 5%.

- 2005 base tariffs (40 tariff lines):
 - 0% on 7 tariff lines
 - o Including seats for aircraft, dentist/ barber chairs, candlestick of glass.
 - 5% on 29 tariff lines
 - o Including furniture of metal, plastic, wooden, cane, bamboo, osier, or other similar materials, prefabricated buildings, chandeliers, ceiling and wall lightings.
 - 7.5% on 2 tariff lines
 - o Covering sleeping bags and certain types of bedding/mattress.
 - 10% on 2 tariff lines
 - o Covering seats used for motor vehicles.
- Tariffs will be eliminated by 2010 except for 2 lines which will be reduced to 0 % in 2020.
 - Those 2 lines cover: seats with wooden frames upholstered and wooden furniture for office use where tariffs will remain at 5% until 2019.

New Zealand

New Zealand imports of furniture from ASEAN are worth about \$54 million annually averaged over the past three years. In total, the country imports around \$1.3 billion in furniture annually from the world.

- 2005 base tariffs (61 tariff lines):
 - 0% on 7 tariff lines
 - o Including dentists', barbers' or similar chairs and parts thereof, miners' safety lamps, non-electrical lamps and lighting fittings of metal and of glass.

- 5%-6.5% on 8 tariff lines
 - o Including non-electrical lamps and lighting fittings of plastics, prefabricated buildings of wood, illuminated signs, illuminated name-plates and the like of plastics.
 - 7% on 42 on tariff lines
 - o Including furniture of metal, wooden, plastics, other materials including cane, osier, bamboo or similar materials, illuminated name-plates like of ceramics.
 - 10%-12% on 3 tariff lines
 - o Including seats/parts thereof used for motor vehicles.
 - 17.5% on 1 tariff lines
 - o Seats as parts for use in the assembly of motor vehicles.
- Tariffs will be eliminated on all lines by 2010, except for six lines where tariff rates will phase to duty-free in 2020
 - Tariffs of 7% will phase to 0%:
 - o in 2012 for 8 lines (including swivel seats, mattress supports, rubber mattresses, some metal furniture for office use).
 - o in 2013 for 3 lines (furniture of other materials; from cane, osier, bamboo or similar materials).
 - o in 2019 for 6 lines (wooden furniture for kitchen, bathroom, or office use).
 - o and in 2020 for 4 lines (upholstered seats, plastic furniture, sleeping bed).
 - Tariffs of 12% will phase to 0% in 2020 (for certain types of mattresses and bedding/pillows).
 - Tariffs of 17.5 % will phase to 0% in 2012 (for seats used in the assembly of motor vehicles).

8. Vehicles for the Transport of Goods (HS 8704)

Australia

This product group is among Australia's most important categories of imports from ASEAN. Australia's average annual imports from ASEAN are worth around \$1.6 billion. In total, the value of Australian imports in this category from the world reaches about \$4.4 annually. In Australia, more than half of the tariff lines this sector are subject to 5-10% tariffs. All tariffs in this sector will be eliminated by 2010.

- 2005 base tariffs (10 lines): 5 % on all lines.
- Tariffs will be eliminated on all lines by EIF.

New Zealand

New Zealand imports from ASEAN of goods in this category are worth about \$195.6 million annually. In total, New Zealand's imports from world of these products are worth about \$663.7 annually. In New Zealand most of the tariff lines in this sector are on already duty-free with less than 10% of tariff lines dutiable at 7%.

- 2005 base tariffs (20 lines): 7% on 6 lines and 0% on the rest
 - o Tariffs of 7% including :

	-Dumpers designed for off-highway use:
8704.10.01	--G.v.w. not exceeding 10,500 kg

8704.21	--G.v.w. not exceeding 5 tonnes:
8704.21.80	---Other

8704.22	--G.v.w. exceeding 5 tonnes but not exceeding 20 tonnes:
8704.22.11	---G.v.w. not exceeding 10,500 kg

8704.31	--G.v.w. not exceeding 5 tonnes:
8704.31.80	---Other

8704.32	--G.v.w. exceeding 5 tonnes:
8704.32.11	---G.v.w. not exceeding 10,500 kg

8704.90	--Other:
8704.90.21	---G.v.w. not exceeding 10,500 kg

- Tariffs on all lines will be eliminated at EIF.

9. Vehicles for the Transport of Passenger/Passenger Motor Vehicles (PMV) (HS 8703)

Australia

Australia imports of PMV from ASEAN are worth about \$810.6 million annually. In total, Australia imports about \$11.1 billion in passenger motor vehicles from the world each year. Half of the tariff lines in this sector are at a 5% base rate, with the rest at 10%. Tariffs on used vehicles are set at 10% plus a specific tariff.

- 2005 base rate tariffs (32 tariff lines):
Used passenger motor vehicles (PMV): a specific rate (10% plus \$12000/vehicle);
 - New PMV: tariff of 10%.
 - Other vehicles: tariff of 5%.
- All tariffs will be eliminated on EIF, except for specified vehicles manufactured in Indonesia, Malaysia, and Thailand, which are subject to tariff elimination at later dates.
 - A more detailed list of products for this special treatment, along with their tariff elimination schedule can be found in the Australian tariff schedules available on the ASEAN Secretariat website at www.asean.org.
- Special slower phasing arrangements apply for tariffs on vehicles manufactured in Indonesia, Malaysia and Thailand:
 - Tariffs on used PMV will be eliminated at EIF for these 3 countries;
 - Tariffs on new PMV phased to 0% by:
 - o 2013, 2014, 2019 or 2020, depending on engine size or engine type, if manufactured in Indonesia;
 - o 2010 or 2017, depending on engine size, if manufactured in Malaysia;
 - o 2020 if manufactured in Thailand;
 - Tariffs on other vehicles phased to 0% by:
 - o 2013 or 2015 if manufactured in Indonesia;
 - o 2010 if manufactured in Malaysia;
 - o 2020 if manufactured in Thailand.
- For imports from other ASEAN countries, all tariffs will be eliminated at EIF.

New Zealand

New Zealand imports of passenger motor vehicles from ASEAN are worth about \$17.5 million annually. In total, New Zealand imports about \$2.1 billion in passenger motor vehicles from the world each year. Slightly more than half of the tariff lines are set at a rate of 17.5% and the rest are already duty-free.

- 2005 base rate tariffs (24 tariff lines):
 - 0% on 8 tariff lines (covering other vehicles).
 - 17.5% on 16 tariff lines (ambulances and motor-homes).
- All tariffs will be eliminated by 2012 at the latest.
Tariffs of 0% will be bound at EIF, while tariffs of 17.5% will be eliminated in 2010 (for ambulances) or phase to 0% by 2012 (for motor-homes).

10. Clothing & Footwear (HS 61,62,64)

Australia

Australian imports of clothing and footwear from ASEAN are worth around \$220.4 million annually on average, with imports from world worth around \$4.4 billion each year. Most clothing products coming into Australia are subject to a 17.5% tariff rate, and most footwear products are subject to a 10% tariff rate.

Clothing

- Tariffs will be eliminated on all tariff lines by 2020:
 - Tariffs of 0% (31 tariff lines) and 5% (3 lines): will be bound at 0% at entry-into-force EIF).
 - Tariffs of 7.5% on 28 tariff lines: will be eliminated in 2010.
 - Tariffs of 17.5% on 216 tariff lines: will be eliminated at EIF (61 lines) or phase to 0% by 2012 (6 lines) or by 2015 (22 lines) or by 2020 (127 lines).

Footwear

- Tariffs will be eliminated on all tariff lines at EIF:
 - Tariffs of 0% (11 tariff lines): will be bound at 0% at EIF.
 - Tariffs 5% (2 tariff lines): will be bound at 0% at EIF.
 - Tariffs of 7.5% (5 tariff lines): will be bound at 0% at EIF.
 - Tariffs of 10% (22 tariff lines): will be bound at 0% at EIF.

New Zealand

New Zealand imports of clothing and footwear from ASEAN are worth around \$30.6 million annually on average with imports from world worth around \$2.5 billion each year. Most clothing products coming into New Zealand are subject to a 19% tariff rate, and most footwear products are subject to a rates of 17.5%-19%.

Clothing

- Tariffs will be eliminated on all tariff lines by 2020:
 - Tariffs of 0-5% will be bound at 0% at EIF.
 - Tariffs of 7%-7.5% will phase to 0% by 2017, including for products like: gloves, mittens and mitts, knitted or crocheted covered with plastic / rubber.
 - Tariffs of 19% will phase to 0% by 2017 (176 lines), or by 2020 (101 lines), or by 2012 (2 lines).

Footwear

- Most tariffs in this product group are at 17.5%-19% which will phase to 0% by 2017 or 2018.
- Tariffs will be eliminated on all tariff lines by 2018:
 - Tariffs of 0% bound at EIF.
 - Tariffs of 7%-7.5% will phase to 0% by 2017. Including products like: parts of footwear (including uppers whether or not attached to soles other than outer soles); removable in-soles, heel cushions and similar articles; gaiters, leggings and similar articles, and parts thereof.

11. Textile & Textile Articles (HS 50, 5108-5113, 5207-5212, 53-60, 63)

Australia

- 2005 base tariffs:
 - 0% on 114 tariff lines
 - 5% on 114 tariff lines
 - 7.5% on 86 tariff lines
 - 10% on 273 tariff lines
 - 17.5% on 18 tariff lines.

- Tariffs will be eliminated on all tariff lines by 2020:
 - Many tariffs will be bound at 0% on EIF or will be eliminated in 2010 (563 tariff lines).
 - Remaining tariffs phase to 0% by 2015 (2 tariff lines) or 2020 (40 tariff lines).
 - Carpets: tariffs of 0% on some carpets (handmade, of coir, sisal, jute, cotton) will be bound at 0% on EIF while tariffs of 10% phase to 0% by 2020.

New Zealand

- 2005 base tariffs:
 - 0% on 428 tariff lines
 - 5% - 7.5% on 120 tariff lines
 - 12 %-12.5% on 122 tariff lines
 - 17 %-17.5% on 40 tariff lines
 - A specific tariff of \$NZ3.55/kg on 2 tariff lines.
- Tariffs will be eliminated on all tariff lines by 2020:
 - Many tariffs will be bound at 0% on EIF or will be eliminated in 2010 (457 tariff lines).
 - Remaining tariffs phase to 0% by 2012 (59 tariff lines), 2016 (2 tariff lines), 2017 (172 tariff lines), or 2020 (remaining 22 tariff lines).
 - Carpets: tariffs of 17% on some carpets phase to 0% by 2017. Tariffs of 17.5% on carpets cut and shaped for use in motor vehicle assembly will be eliminated in 2010. Tariffs of 12.5% on felt carpets phase to 0% by 2017.

12. Minerals & Fuels (HS 25-27)

Australia

Australia imports around \$14 billion worth of minerals and fuels from ASEAN annually. In total Australian imports of these products amount to around \$23.3 billion from world each year. For Australia the majority of tariff lines in this sector are duty-free, with 14 lines at 5% (including coal gas, water gas, producer gas and similar gases, other than petroleum gases and other gaseous hydrocarbons, phenol). Tariffs on these 14 lines will be eliminated in 2010.

- 2005 base tariffs (251 tariff lines):
 - 0% on 237 tariff lines
 - 5% on 14 tariff lines, covering products such as marbles and travertine, coal gas, water gas, and other gasses other than petroleum gases and other gaseous hydrocarbons.
- Tariffs will be eliminated on all but one tariff at EIF, with the remaining tariff eliminated in 2010.

New Zealand

For New Zealand the majority of tariff lines are duty-free, with 9 lines carrying duties ranging from 5-7% (including jet fuel, kerosene, white spirit, petroleum jelly, greases & solid lubricant).

- 2005 base tariffs (185 tariff lines):
 - 0% on 176 tariff lines
 - 5% on 1 tariff lines (petroleum jelly)
 - 6.5% on 3 tariff lines (greases, solid lubricants, and other lubricants, certain type of marble used for concrete aggregate)
 - 7% on 5 tariff lines (including jet fuel, kerosene and white spirit).
- Tariffs will be eliminated on all but one tariff line at EIF, with the tariff on the remaining line eliminated in 2010.

13. Wood & Articles of Wood (HS 44)

Australia

Most products in this product group face tariffs in Australia of 5%.

- 2005 base tariffs (102 lines)
 - 0% on 26 tariff lines
 - 5% on 76 tariff lines.
- All tariffs will be eliminated in 2010 except for 1 line:
 - That 1 line (covering certain types of fibreboard of wood or other ligneous materials) will remain at 5% tariff rate until 2019 before eliminated completely in 2020.

New Zealand

Most products in this product group face tariffs in New Zealand of 5%-7%.

- 2005 base tariffs (139 lines)
 - 0% on 69 tariff lines
 - 5% on 29 tariff lines
 - 6.5%-7% on 41 tariff lines.

- All tariffs will be eliminated in 2010 except for 28 lines which will be eliminated in 2012, 2017 & 2020:
 - In 2012:
 - o 12 lines at 5% and 5 lines at 7% will phase to 0% (covering fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances, and certain types of particle board and similar board (for example, oriented strand board and waferboard).

 - In 2017:
 - o 2 lines at 5% will be eliminated to 0% (including plywood that contains tropical wood).

 - In 2020:
 - o 9 lines at 5%, 6.5% and 7% will phase to 0% (including certain types of plywood, veneered panels and similar laminated wood, doors, door frames, moulded wood, and certain types of wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood).

14. Iron & Steel (HS 72-73)

Australia

Most of the tariff lines in this product group (almost 80%) face tariffs of 5%.

- 2005 base tariffs (305 tariff lines):
 - 0% on 55 lines
 - 5% on 243 lines
 - 10% on 7 lines.

- Tariffs on all lines eliminated on EIF, except for 3 lines which will remain at 5% tariff before being completely reduced to 0% in 2020.
 - These lines include line pipe for oil/gas pipelines, other iron/steel tubes and pipes, and other tubes, pipes and hollow profiles of iron or steel:

7304.10.00	-Line pipe of a kind used for oil or gas pipelines
7305	Other tubes and pipes (for example, welded, riveted or similarly closed), having circular cross-sections, the external diameter of which exceeds 406.4 mm, of iron or steel
7305.12.00	--Other, longitudinally welded
7306	Other tubes, pipes and hollow profiles (for example, open seam or welded, riveted or similarly closed), of iron or steel
7306.60.00	--Other, welded, of non-circular cross-section

New Zealand

Most tariff lines in this product group face tariffs in New Zealand of 5-7%, with only a few lines at 10% and 17.5%.

- 2005 base tariffs (445 tariff lines):
 - 0% on 201 lines
 - 5% on 122 lines
 - 6.5%-7% on 116 lines
 - 10% on 3 lines
 - 17.5% on 3 lines.
- Tariffs on 204 lines bound at 0%, or eliminated, at EIF, and the remaining lines phased to 0% by 2018:
 - Tariff of 0% and 10% tariffs bound at 0%, or eliminated, at EIF.
 - Tariff Of 17.5% are bound to 0% by 2010, covering products such as:

73.20	Springs and leaves for springs, of iron or steel:
7320.10	-Leaf-springs and leaves therefor:
	--Laminated undercarriage springs (but not including shackles therefor):
	---For use in the assembly of motor vehicles as may be determined by the Minister in accordance with section 14 of this Act:
7320.10.02	---For the passenger motor vehicles of heading 87.03, and other vehicles of heading 87.04 of a g.v.w. not exceeding 3,500kg

7320.20	-Helical springs:
	--Coiled suspension and seat springs:
	---For use in the assembly of motor vehicles as may be determined by the Minister in accordance with Section 14 of this Act:
7320.20.02	---For the passenger motor vehicles of heading 87.03, and other vehicles of heading 87.04 of a g.v.w. not exceeding 3,500kg

7320.90	-Other:
	--Coiled suspension and seat springs:
	---For use in the assembly of motor vehicles as may be determined by the Minister in accordance with Section 14 of this Act:
7320.90.02	---For the passenger motor vehicles of heading 87.03, and other vehicles of heading 87.04 of a g.v.w. not exceeding 3,500kg

- Tariff lines with 6.5% tariffs phase to 0% by 2012.
 - o An example is flat-rolled products of iron plated or coated with tin, which tariff will be reduced to 5% in 2010, to 3% in 2011 before being reduced to 0% in 2012.

- Tariff lines with 7% tariffs phase to 0% in 2012
 - o Including certain types of iron/steel articles such as sheet piling, line pipe for oil and gas pipelines, other tubes and pipes, welded.
- All tariffs of 5% will be reduced to 0% by 2020.
 - o Some will phase to 0% in 2012 (flat-rolled products of iron or non-alloy steel, some Angles, shapes and sections of iron or non-alloy steel: several tubes, pipes, and certain type of boiler tube).
 - o Some will remain at 5% until 2013 (certain types of bars and rods, hot-rolled, in irregularly wound coils, of iron or non-alloy steel).

Opportunities for Trade in Services

Through the AANZFTA, both Australia and New Zealand have agreed to a number of new or revised commitments on trade in services which will create opportunities for ASEAN exporters not enjoyed by other WTO Members. Areas where Australia and New Zealand have agreed to go beyond their GATS commitments are discussed below.

Summary of Australian Services Commitments in AANZFTA (Beyond GATS)

Sectoral commitments

1. Business services

- Legal services
 - Legal advisory and representational services in domestic (host country) law:
 - o A new commitment has been added with full commitments by Australia across modes 1, 2 and 3.
 - Legal advisory services in foreign law and international law
 - o In AANZFTA commitments, a person practicing law may only join a local law firm as a consultant and may not enter into partnership with or employ local lawyers in South Australia. In GATS, this restriction applies for Australia as a whole instead of being specific to South Australia.
 - o Also in GATS, a legal advisory service must have at least one equity partner who is a permanent resident (PR) (in Victoria, NSW) or a PR for at least 180days/ calendar year (in QLD). This national treatment restriction does not hold in AANZFTA.

- Nurses & Midwives
 - Added as a new sub-sector in AANZFTA, but with unbound commitment for modes 1,2,3 both in market access and natural treatment limitations. This new commitment ensures coverage of these occupations under Australia's temporary movement of natural persons commitments.
- Services to mining
 - For example consultancy on a fee/contract basis relating to mining & oil field development. This includes CPC 5115 under AANZFTA, instead of only CPC 883 under GATS.

2. Communications

- Australia has removed various out-dated limitations contained in its GATS schedule and improved the maximum aggregate foreign ownership limits for the former government-owned carrier.
 - There are no limitations on market access or in national treatment for both cross border supply and consumption abroad for Australia's telecommunications sub-sectors.
 - However, there are requirements concerning commercial presence that follow:
 - o An entity holding a new carrier licence must be a public body or a constitutional corporation under Australian law or a partnership where each partner is a constitutional corporation under Australian law.
 - o The maximum aggregate foreign ownership allowed in Telstra is 35%. The maximum individual foreign ownership allowed in Telstra is 5%.
 - o The chairperson and majority of directors of Telstra must be Australian citizens. Telstra must maintain its head office, main base of operations and place of incorporation in Australia.

3. Educational services

- Several types of other educational services are added under AANZFTA commitments. This covers tuitions and testing in English and other languages, tuition in cuisine and traditional therapies (including massage, acupuncture), music, dance and martial arts).

4. Environmental services

- New sub-sectors are added under AANZFTA:
 - Protection of ambient air & climate
 - o Covers services at power stations or industrial complexes to remove air pollutants, monitoring of mobile emissions and implementation of control systems or reduction programs.
 - Remediation & clean up of soil & water
 - o Covers cleaning-up systems in situ or mobile, emergency response, clean-up and longer term abatement of spills and natural disasters and rehabilitation programmes (e.g. recovery of mining sites) including monitoring.
 - Noise & vibration abatement
 - o Covers monitoring programmes, and installation of noise reduction systems and screens.
 - Protection of biodiversity & landscape
 - o Covers ecology and habitat protection and promotion of forests and promoting sustainable forestry.
 - And, Other services which includes services related to environmental impact assessment.
 - All of these newly added sub-sectors (previously not found in GATS) face no limitations on market access or on national treatment for modes of supply 1, 2 and 3.

- There are also some changes of treatment:
 - In wastewater and waste management services, under AANZFTA cross-border supply faces no limitations in market access or from national treatment (In GATS it was “unbound due to lack of technical feasibility).

5. Financial Services

- For banking and other financial services, there is an added clarification that Australia’s commitments cover remittance centres and remittance centre services.

6. Transport

- Improved commitments in maritime services, cargo handling, rental of commercial vehicles, warehouse services, freight transport agency services.
 - In maritime transport services additional commitments are added, which make the following services available to international maritime suppliers on reasonable and non-discriminatory terms and conditions:
 - o Pilotage, towing and tug assistance
 - o Provisioning, fuelling and watering
 - o Garbage collection and ballast waste disposal
 - o Port captain's services
 - o Navigation aids (shore based operational services essential to ship operations, including communications water and electrical supplies, emergency repair facilities, anchorage, berth and berthing services).

- Rail transport services is included as a new sub-sector in AANZFTA. This sub-sector covers: freight transportation; pushing and towing services; and supporting services for rail transport services.
 - All modes of supply in this sector face no limitations on market access or national treatment.
 - o However, for "below track": although there are no restrictions on the right to establish new networks, access to public land may not be guaranteed
 - o And for "above track" (rail transport services such as trains): none except that access to rail infrastructure is allocated under pro-competitive principles for safety, efficiency and the long term interest of users.

- Rental of commercial vehicles services with operator is added as a new commitment with full commitments across modes 1, 2 and 3;
 - Cargo-handling services in relation to rail, road and air transport only is added as a new commitment, with full commitments in modes 2 and 3 (and a notation on technical infeasibility in mode 1).

Summary of New Zealand's Services Trade Commitments in AANZFTA (beyond GATS)

1. Business services

- Legal services
 - Under legal services commitments is added a Foreign Law services commitment, of which supply mode 1,2,3 face no limitations on market access or national treatment.
- Engineering services
 - There is a removal of restriction relating to registration and of certification requirement. In GATS for mode 1,3 & 4 there is a restriction in market access and national treatment through certification of certain works involving health and safety, which is limited to registered engineers who to become registered must be ordinarily resident in NZ. In AANZFTA these restrictions are omitted.
- Veterinary services
 - This was “unbound due to lack of technical feasibility” for cross border supply both in market access and national treatment in GATS but changed into “none” in AANZFTA commitment
- New sub-sectors are added under business services, including: Photographic services, Convention services, Credit reporting services, Collection agency services, Interior design services, Telephone answering services, Duplicating services, Other business services, including business brokerage services, appraisal services, secretarial services, demonstration/exhibition services, etc.
 - All of the sub-sectors listed above face no limitations on market access or national treatment for mode 1,2,3.
 - There are additional commitments for Credit reporting services, which requires that the treatment of personal information complies with The Privacy Act 1993 (New Zealand's regulatory framework for the treatment of personal information, in general accordance with the recommendation of the council of OECD Concerning Guidelines Governing the Protection of Privacy and Trans-border Flows of Personal Data).

2. Construction & related engineering services

- Construction & related engineering services includes: General construction work for buildings, for civil engineering, Installation and assembly work, Building completion and finishing work, as well as other services (site preparation, maintenance and repair of fixed structures, and renting services for equipments.
 - in GATS the cross-border supply of all sub-sectors under this sector are “Unbound due to lack of technical feasibility” (both on market access and national treatment), but under AANZFTA they are turned into “none for consultancy services”. Which means that the cross border supply of consultancy services on those sub-sectors will no longer face limitations on market access or on national treatment.
- Renting services related to equipment for construction is added in AANZFTA, with mode 1,2,3 facing no limitations on market access or national treatment.

3. Educational services

- Other education services added under AANZFTA. This includes language training provided in specialist language institutions and tuition in subjects taught at the primary and secondary levels in specialist institutions operating outside the new Zealand compulsory school system.

4. Environmental services

What is new under AANZFTA is the provision of consultancy services across the full range of environmentally-related services. This includes:

- Wastewater and waste management services.
- Protection of ambient air & climate, Remediation & clean up of soil and water, Noise & vibration abatement, Protection of biodiversity & landscape, Other environmental services. All of which are for consultancy only.
- All of the above services face no limitations on market access or national treatment for modes of supply 1,2, & 3.

5. Financial services

- In Non-life insurance services there is a removal of restriction related to the Apple & Marketing board. In GATS, under the Apple & Pear Marketing Act, the Marketing Board has the power to organise compulsory hail insurance on behalf of growers and to require growers to pay a levy to recover the premium amount of this insurance.
- In Insurance intermediation sub-sector, a new requirement regarding “Wheat producer levy” is added. This states that United Wheat Growers NZ Ltd. has the power to organise compulsory disaster insurance on behalf of the growers and require them to pay a levy to recover the premium amount of insurance.

Notes on Accompanying CD

This CD-ROM contains the following:

Part A: Text and schedules of the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA). It also includes the text of the Understanding on Article 1 (Reduction and Elimination of Customs Duties) of Chapter 2 (Trade in Goods Chapter) of the AANZFTA and the Implementing Arrangement for ASEAN-Australia-New Zealand Free Trade Area Economic Co-operation Work Programme Pursuant to Chapter 12 (Economic Cooperation) of the AANZFTA.

Part B: Product Specific Rules (PSR), Certificate of Origin (CO) Form, Exporter's Declaration Form, and Guidelines for Completing the CO Form of the AANZFTA ROO. For tariff reduction schedules for Trade in Goods, please refer to Part A above. Note that tariff reduction schedules as annexed are in HS 2002. Readers/users are advised to refer to the www.asean.org at entry into force of AANZFTA for the HS 2007 version of the tariff reduction schedules.

Utmost care has been done in the preparation/compilation of the files in the CD, should there be any discrepancies, the original legal text, including the schedules of the AANZFTA signed by the Parties shall prevail.

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