

13. Replace Chapter 13 (Intellectual Property) with:

## **CHAPTER 13**

### **TRADE AND SUSTAINABLE DEVELOPMENT**

#### **Article 1 Basic Principles**

1. The Parties recall the United Nations General Assembly Resolution 70/1 titled “Transforming our world: the 2030 Agenda for Sustainable Development”, adopted on 25 September 2015 (the “2030 Agenda for Sustainable Development”) and its Sustainable Development Goals.
2. The Parties recall their commitment to the multilateral environmental and labour agreements to which they are individually a party, as well as the 2030 Agenda for Sustainable Development.
3. The Parties recognise trade and sustainable development as a new area for economic co-operation under this Agreement. The Parties recognise the importance of co-operation as a mechanism to strengthen the Parties’ joint and individual efforts and capacities to protect the environment and to collaborate on labour and women’s economic empowerment issues, as they strengthen their trade and investment relations.
4. The Parties recognise that sustainable development encompasses economic development, social development and environmental protection, all three being interdependent and mutually reinforcing, and affirm their desire to promote the development of international trade and investment in a way that contributes to the objectives of sustainable development.
5. The Parties respect the sovereign rights of each Party to develop, set, administer and enforce its laws, regulations and policies, in the area of trade and sustainable development.

6. The Parties share a common aspiration to promote high standards of environmental and labour protection commensurate with each Party's needs, capabilities and national circumstances, and according to each Party's laws and regulations; and to uphold these in the context of sustainable development.

7. The Parties recognise that it is inappropriate to use environmental or labour standards as a disguised means of trade protectionism. The Parties also recognise that it is inappropriate to weaken or reduce levels of protection in their environmental or labour standards to encourage trade or investment.

## **Article 2 Co-operation**

1. The Parties may engage in economic co-operation activities consistent with Article 1 (Basic Principles) in the area of trade and sustainable development.

2. Economic co-operation may be undertaken through ways and means considered appropriate by the FTA Joint Committee.

3. Economic co-operation may cover topics related to:

- (a) the climate and environment;
- (b) the green and blue economy;
- (c) circular economy in manufacturing;<sup>1</sup>
- (d) energy;
- (e) labour;

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<sup>1</sup> For greater certainty, co-operation related to circular economy in manufacturing shall include capacity-building on the concepts of remanufacturing and repairing or altering of goods.

- (f) issues under the Sustainable Development Goals;  
and
- (g) any other areas as mutually agreed by the Parties.

4. Economic co-operation under this Chapter is subject to the availability of funds and human and other resources, and to each Party's laws and regulations.

5. Where the implementation of this Chapter is inhibited by capacity constraints, the Parties may co-operate under Chapter 12 (Economic Co-operation) to assist ASEAN Member States with such implementation. Such co-operation is subject to the identification of trade and sustainable development policy-related needs; the availability of funds and human and other resources; and each Party's laws and regulations.

### **Article 3 Contact Points**

To ensure that technical co-operation under this Chapter occurs on an ongoing basis, each Party shall designate a contact point or contact points for technical co-operation and information exchange under this Chapter. Each Party shall notify the other Parties of its contact point or contact points and of any change to its contact point or contact points.

### **Article 4 Non-Application of Chapter 20 (Consultations and Dispute Settlement)**

Chapter 20 (Consultations and Dispute Settlement) shall not apply to any matter arising under this Chapter.