6 November 2024

H.E. Dr. Thani bin Ahmed Al Zeyoudi

Minister of State for Foreign Trade

Ministry of Economy

United Arab Emirates

Your Excellency,

In connection with the signing of the Australia-United Arab Emirates Comprehensive Economic Partnership Agreement (“the Agreement”), I have the honour to confirm the following understandings reached between the Government of Australia (“Australia”) and the Government of the United Arab Emirates (“UAE”) regarding trade in services:

*Australia’s Most-Favoured-Nation Treatment on Aviation and Maritime Services*

1. Across Australia’s trade agreements, Australia reserves the right to adopt or maintain any measure that accords more favourable treatment to the service suppliers of non-Parties under any existing or future bilateral or multilateral international agreement in respect of aviation (“aviation MFN reservation”) and maritime matters, including salvage (“maritime MFN reservation”). The Agreement contains such reservations at entry 13 of List B of Annex 9E Schedule of Non-Conforming Measures and Reservations of Australia.
2. Australia recognises the importance of aviation and maritime services to the UAE and our two-way trade relationship.
3. If Australia, following signature of the Agreement, enters into a future bilateral or multilateral trade agreement with a non-Party that:
4. imposes an obligation on Australia to accord to service suppliers of that non-Party treatment no less favourable than that it accords to like services and service suppliers of another non-party (consistent with Article 9.5 (Trade in Services - Most-Favoured-Nation Treatment) of the Agreement) in respect of aviation or maritime matters, including salvage; and
5. does not contain an aviation MFN reservation and/or a maritime MFN reservation,

then:

1. Australia and the UAE share the understanding that the corresponding reservation or reservations at entry 13 of List B of Annex 9E Schedule of Non-Conforming Measures and Reservations of Australia in the Agreement shall cease to apply from the date that trade agreement enters into force; and
2. at a mutually determined time, Australia and the UAE shall amend the Agreement to remove the corresponding reservation or reservations in accordance with Article 26.3 (Final Provisions – Amendments) of the Agreement.
3. Paragraph 3 shall not apply to measures affecting air traffic rights or measures affecting services directly related to the exercise of air traffic rights, other than measures affecting services listed in subparagraphs (e)(i) through (vi) of Article 9.2 (Trade in Services - Scope and Coverage) of the Agreement. Paragraph 3 shall not apply to existing or future bilateral and multilateral air services agreements.

*Trade in Services Commitments at the Regional Level*

1. In the interest of greater transparency, Australia[[1]](#footnote-2) shall, within 12 months of the date of entry into force of the Agreement, provide to the UAE a list of individual measures which exist at the regional level of government as at the date of entry into force of the Agreement and which do not conform with Article 9.4 (Trade in Services - National Treatment), Article 9.7 (Trade in Services - Local Presence), Article 9.5 (Trade in Services - Most-Favoured-Nation Treatment) (“non-conforming measures”).
2. The list shall include individual non-conforming measures at the regional level of government consistent with measures identified in Australia’s existing bilateral trade agreements in force as at the date of this letter (“existing agreements”) as not conforming with the obligations imposed by the national treatment, local presence, and most-favoured-nation treatment provisions of those existing agreements with respect to trade in services.[[2]](#footnote-3)
3. To avoid doubt, this list may also include individual non-conforming measures at the regional level of government that have been enacted or amended after the date of those existing agreements and prior to entry into force of the Agreement.
4. The list does not alter the obligations of Australia and its States and Territories as applicable under this Agreement and therefore it does not give rise to legally binding obligations.

I have the honour to propose that this letter, and your letter in reply confirming that your Government shares these understandings, which shall come into effect on the date on which the Agreement enters into force, shall constitute an integral part of the Agreement.

I look forward to your letter in reply confirming that your Government shares these understandings.

Yours sincerely,

Senator the Hon Don Farrell

Minister for Trade and Tourism

Australia

1. For greater certainty, Australia refers to the Commonwealth Government of Australia. [↑](#footnote-ref-2)
2. For greater certainty, “consistent with” shall not be interpreted to mean “the same as” noting that particular measures may be described differently in different agreements. Notwithstanding any differences in description, the measures shall be substantially similar in scope and effect to those contained in previous agreements. [↑](#footnote-ref-3)