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

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

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

a) Ms Dk Mazlizah binti Pg Mahalee, Director, Ministry of Finance and Economy, Brunei Darussalam, on behalf of the ASEAN Member States;

b) Mr Todd Mercer, Assistant Secretary, FTA Policy and Implementation Branch, Department of Foreign Affairs and Trade, for Australia; and

c) Mr Keawe Woodmore, Manager, FTA Implementation Unit, Ministry of Foreign Affairs and Trade, for New Zealand.

The following subsidiary bodies and experts’ groups also met in parallel and subsequently reported to the FJC. These subsidiary bodies are:


b) Committee on Investment;

c) Committee on Trade in Services;

d) Committee on Competition;

e) Economic Cooperation Sub-Committee;

f) Experts Group on E-Commerce;

g) Experts Group on Financial Services;

h) Experts Group on Telecommunications Services;

i) Experts Group on Government Procurement.

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

An FJC Business Engagement Session and the 8th ASEAN-CER Integration Partnership Forum (IPF) were also held in the margins. The theme of the IPF was ‘digital trade and inclusive growth’. A range of speakers from the public and private sector presented to officials as well as thinktanks and academics from around ASEAN,
New Zealand and Australia. The IPF concluded with a wide-ranging discussion on future directions for AANZFTA economies.

**SUMMARY OF MAIN OUTCOMES**

1. **Implementation of the AANZFTA Agreement**

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

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

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

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

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

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

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

3. **Engagement with Stakeholders**

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

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

   **NOTED** that the FJC adopted “**AANZFTA Business Engagement Strategy**” and “**Guiding Principles and Enabling Framework for Stakeholder Engagement**” in 2018, and that the 10th anniversary events and the business engagement session organized at the sideline of the 11th FJC Meeting were part of Parties’ efforts to implement these two documents.
4. AANZFTA Institutional Arrangements

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

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

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

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

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

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

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

5. Work Programme of the Subsidiary Bodies

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

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

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

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

WELCOMED the draft work plan to upgrade the Investment Chapter.

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

NOTED the draft Terms of Reference and work plan for the Sub-Committee on Financial Services.
ENDORSED the outcomes of the 11th Meeting of the Intellectual Property Committee held in March 2019 in Bangkok, Thailand.

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

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

6. Economic Cooperation

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

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

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

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

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

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