



## **Joint Media Statement on the Signing of the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area**

1. Economic Ministers from ASEAN and CER (Australia and New Zealand) met in Cha-am, Phetchaburi, Thailand on 27 February 2009 - against the backdrop of the 14<sup>th</sup> ASEAN Summit - and signed the landmark twelve country Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA Agreement). The signing of the AANZFTA Agreement comes exactly six months after the conclusion of negotiations which was announced by the Ministers in Singapore on 28 August 2008.
2. The signing of the AANZFTA Agreement comes at a time of widespread concern about the global economy and world economic growth. The Ministers regard the AANZFTA Agreement as an integral part of the region's response to the global financial crisis. Ministers were confident that the AANZFTA Agreement not only provides a solid platform for ASEAN, Australia and New Zealand to work together towards sustainable growth and development - thereby, strengthening regional economic integration - but also serves as a building block for the WTO Doha Development Agenda and a stronger multilateral trading system.
3. The Ministers noted that the AANZFTA Agreement is the first region-to-region free trade agreement for both ASEAN and, Australia and New Zealand. It is ASEAN's fourth free trade agreement with dialogue partners (after China, Korea and Japan) and it is the first that Australia and New Zealand have jointly negotiated with other countries.
4. The AANZFTA Agreement is the single most ambitious undertaking made by ASEAN since expanding its outward-looking economic regime to include region-to-region free trade agreements with major trading partners. Comprising eighteen substantive Chapters, with schedules of specific commitments annexed, the AANZFTA

Agreement covers trade in goods, services (including financial and telecommunications services), electronic commerce, movement of natural persons, investment, a dispute settlement mechanism as well as specific provisions in other areas, such as, Sanitary and Phytosanitary (SPS) Measures, Standards, Technical Regulations and Conformity Assessment Procedures, Intellectual Property and Competition. It also includes a chapter on Economic Cooperation which provides a framework for trade and investment-related cooperation. This has been given practical effect through signature of an Implementing Arrangement for a five-year Economic Cooperation Work Programme to support implementation of the AANZFTA Agreement across the region.

5. Through the AANZFTA Agreement, ASEAN, Australia and New Zealand effectively create a free trade area of over 600 million people with a combined GDP of US\$ 2.3 trillion (based on IMF 2007 figures), which is expected to have reached US\$ 2.7 trillion, according to the IMF forecast for 2008. Intra-regional (ASEAN, Australia and New Zealand) trade has been growing an average of about 16 per cent per annum since the start of the FTA negotiations in 2005. The Ministers noted the increase in Australian and New Zealand investments to ASEAN which reached US\$ 1.1 billion in 2007. With the liberalization of barriers to trade and investment under the AANZFTA Agreement, the Ministers expressed confidence regarding the further growth and expansion of intra-regional trade and investment. Taken together, Australia and New Zealand comprise ASEAN's sixth largest trading partner. ASEAN as a group is the second and the third largest trading partner of Australia and New Zealand, respectively.

6. The AANZFTA Agreement opens a plethora of new opportunities for businesses located in the region. In addition to new market access, the Agreement provides greater transparency and certainty for companies doing business in the region. Through its various review provisions, the agreement will also remain a 'living' document ' that will continue to have ongoing commercial relevance. The Ministers encouraged businesses and investors to take advantage of these opportunities and realize the full potential of the AANZFTA Agreement. The Ministers also considered the AANZFTA Agreement to

be a key catalyst for enhanced and accelerated regional integration - not only in East Asia but the Asia-Pacific region as well.

7. The Ministers agreed to press ahead to expedite domestic procedures for the early entry into force of the AANZFTA Agreement. The Ministers noted that the AANZFTA Agreement will enter into force sixty (60) days after Australia and New Zealand, and at least four (4) ASEAN Member States have notified completion of their ratification processes.

8. The Ministers also affirmed the commitment of their respective governments to ensure the timely implementation of commitments. The Ministers directed Senior Officials to ensure that work on the built-in agenda in the AANZFTA Agreement is promptly carried out. The Ministers underscored that the benefits accruing from the AANZFTA Agreement can only be maximised if commitments are implemented in a timely manner. Towards this end, the Ministers agreed on the need to put in place at the earliest time possible an effective management and implementation support system for the AANZFTA Agreement.

9. ASEAN Ministers also welcomed Australia and New Zealand's recognition of Viet Nam's market economy status and again encouraged other trading partners of ASEAN to give the same recognition of Viet Nam's full market economy status.

