

## ASEAN – AUSTRALIA – NEW ZEALAND FTA (AANZFTA)

**1. Signed:** 27 February 2009

**2. Effective date:** 01 January 2010

**3. Purpose:** This is a comprehensive Agreement with the goal of strengthening the deep connection between the two regions through measures to eliminate all types of tariff barriers, facilitate trade, investment and economic cooperation programs, technical assistance.

**4. Coverage:** goods and services (including financial and telecommunications services), investment, e-commerce, movement of natural persons, intellectual property, competition policy and economic cooperation.

### **5. General overview**

The AANZFTA is a comprehensive and single-undertaking free trade agreement that opens up and creates new opportunities for approximately 663 million peoples of ASEAN, Australia and New Zealand - a region with a combined Gross Domestic Product of approximately USD 4 trillion as of 2016. In line with the ASEAN Community Vision 2025, the AANZFTA aims for sustainable economic growth in the region by providing a more liberal, facilitative and transparent market and investment regimes among the twelve signatories to the Agreement.

Through the AANZFTA:

- tariffs will be progressively reduced from entry into force of the Agreement, and eliminated for at least 90% of all tariff lines within specified timelines;
- movement of goods will be facilitated via a more modern and flexible rules of origin, simplified customs procedures, and more transparent mechanisms;
- barriers to trade in services will be progressively liberalised allowing for greater market access to service suppliers in the region;
- movement of business persons, those engaged in trade and investment activities, will be facilitated; and
- covered investments will be accorded a range of protection, including the possibility of dealing with disputes via an investor-state dispute settlement mechanism.

## 6. Revision versions:

### *(i) First time:*

In August 2014, revised two Chapters, Trade in Goods and Rules of Origin, as well as the annexes on Certification Procedures to streamline certification processes to facilitate the movement of goods and Regulations. product specific rules (PSR) to incorporate a unified PSR.

### *(ii) Second time:*

On 21 August 2023, on the sidelines of the ASEAN - Australia - New Zealand Economic Ministers Meeting (AANZFTA) held in Semarang, Indonesia, the Economic Ministers from Brunei Darussalam (ASEAN National Coordinator on AANZFTA) and Indonesia (ASEAN Chair 2023), together with Australia and New Zealand, signed the 2nd Protocol amending the Agreement establishing the ASEAN-Australia-New Zealand Free Trade Area (referred to as the 2nd Protocol). The remaining ASEAN member states will sign the Second Protocol at the appropriate time.

Under the Second Protocol, 13 Chapters in the original AANZFTA – including Rules of Origin, Customs Procedures and Facilitation of Trade, Investment, Competition and Consumer Protection, E-commerce has be upgraded. Three new Chapters, namely Government Procurement, Micro, Small and Medium Enterprises (MSME), Trade and Sustainable Development, as well as new provisions on educational services in the Trade in Services Chapter has also been added. This meets the needs of businesses to make AANZFTA more efficient and easier to trade in order to reduce transaction costs.

The upgrade also includes elements to strengthen supply chain resiliency, promote the use of digital technology, strengthen cooperation on trade and sustainability, and ensure the flow of money. Essential goods flow more smoothly, especially in crisis situations.

Economic cooperation will continue to play an important role in ensuring that, through technical cooperation and capacity-building initiatives, ASEAN Member States – especially the least developed members - be able to promptly fulfill the commitments and obligations they have made.

MSMEs will benefit most from economic cooperation programs that promote the use of technology, including supporting digital transformation and innovative start-ups, helping MSMEs seize opportunities in new areas, such as green economy and capacity building of MSMEs to maximize opportunities from FTAs and take advantage of FTAs.

## **COMPREHENSIVE AND PROGRESSIVE AGREEMENT FOR TRANS-PACIFIC PARTNERSHIP (CPTPP)**

**1. Signed:** 08 March 2018

**2. Effective date:** 30 December 2018

**3. Purpose:** It is called progressive because it goes beyond reducing costs for businesses. It includes commitments to safeguard high labour and environmental standards across the Asia-Pacific region

**4. Coverage:** all industries

### **5. General overview**

CPTPP is a free trade agreement (FTA) between 11 countries, including Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore and Vietnam. It evolved from the Trans-Pacific Partnership (TPP), which was never ratified due to the withdrawal of the United States.

United Kingdom officially signed the agreement to join on 16 July 2023, increasing the number of signatories to 12 countries, which account for 15% of the global GDP, with a combined population of 480 million people, making CPTPP one of the largest trade agreement, along with NAFTA and RCEP.

CPTPP is called progressive because it goes beyond reducing costs for businesses. It includes commitments to safeguard high labour and environmental standards across the Asia-Pacific region.

Basically, the CPTPP Agreement keeps the content of the TPP Agreement (including 30 chapters and 9 appendices) but allows member countries to suspend 20 groups of obligations to ensure a balance of rights and obligations of each member. member countries in the context of the United States withdrawing from the TPP Agreement. These 20 groups of suspended obligations include 11 obligations related to the Intellectual Property Chapter, 2 obligations related to the Government Procurement Chapter and the remaining 7 obligations related to 7 Chapters, Customs Administration and Trade Facilitation, Investment, Cross-Border Trade in Services, Financial Services, Telecommunications, Environment, Transparency and Anti-Corruption. However, all commitments on market opening in the TPP Agreement remain unchanged in the CPTPP Agreement.

### **6. Revision versions**

- No revision

## REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP AGREEMENT (RCEP)

**1. Signed:** 15 November 2020

**2. Effective date:** 01 January 2022

**3. Purpose:** The objective of the RCEP Agreement is to establish a modern, comprehensive, high-quality, and mutually beneficial economic partnership that will facilitate the expansion of regional trade and investment and contribute to global economic growth and development. It is expected to eliminate about 90% of the tariffs on imports between its signatories within 20 years of coming into force, and establish common rules for e-commerce, trade, and intellectual property

**4. Coverage:** all industries

### 5. General overview

The Regional Comprehensive Economic Partnership (RCEP) Agreement is an agreement to broaden and deepen ASEAN's engagement with Australia, China, Japan, Korea and New Zealand. Together, these RCEP participating countries account for about 30% of the global GDP and 30% of the world population, making it the largest trade bloc in history

**Modern.** The RCEP Agreement is an agreement not made just for today but is also an agreement for tomorrow. It updates the coverage of the existing ASEAN Plus One FTAs (ASEAN's FTAs with the five dialogue partners) and takes into consideration changing and emerging trade realities, including the age of electronic commerce, the potential of micro, small and medium enterprises, the deepening regional value chain, and the complexity of market competition. The RCEP Agreement will complement the World Trade Organization (WTO), building on the WTO Agreement in areas where the Parties have agreed to update or go beyond its provisions.

**Comprehensive.** The RCEP Agreement is comprehensive, in terms of both coverage and depth of commitments. On its coverage, the RCEP Agreement comprises of 20 Chapters and includes many areas that were not previously covered in the ASEAN Plus One FTAs. The RCEP Agreement has specific provisions covering trade in goods, including rules of origin; customs procedures and trade facilitation; sanitary and phytosanitary measures; standards, technical regulations and conformity assessment procedures; and trade remedies. It also covers trade in services including specific provisions on financial services; telecommunication services; and professional services, as well as the temporary movement of natural persons. In addition, there are chapters on investment; intellectual property; electronic commerce; competition; small and medium enterprises (SMEs); economic and technical cooperation; government procurement; and legal and institutional areas including

dispute settlement. In terms of market access, the RCEP Agreement achieves liberalisation in trade in goods and services and has extended coverage to investment.

**High-Quality.** The RCEP Agreement contains provisions that go beyond the existing ASEAN Plus One FTAs, while recognising the individual and diverse levels of development and economic needs of the RCEP Parties. The RCEP Agreement addresses the issues required to support the Parties' engagement in global and regional supply chain and complements market access commitments with trade and investment enabling rules that are business-FINAL Page 2 of 10 facilitating while at the same time preserving legitimate public policy objectives. The RCEP Agreement strives to boost competition in a way that drives productivity, which is sustainable, responsible, and constructive. In addition, the RCEP Agreement has the added value of bringing together a single rulebook to help facilitate the development and expansion of regional supply chains among Parties.

**Mutually beneficial.** The RCEP Agreement brings together countries with diverse levels of development. Thus, the RCEP Parties have recognised that its success will be determined by its ability to mutually bring benefits. The RCEP Agreement is designed to achieve this objective in a number of ways, including through appropriate forms of flexibility and provisions for special and differential treatment especially for Cambodia, Lao PDR, Myanmar, and Viet Nam, as appropriate, and additional flexibility for the least developed Parties. In addition, the RCEP Agreement includes technical cooperation and capacity building that will be made available to support the implementation of commitments made under the RCEP Agreement and for the Parties to maximise the benefits accruing therefrom. The RCEP Agreement also includes provisions that will ensure that economies with different levels of development, businesses of differing sizes, and the broader stakeholders can all benefit from the Agreement.

## 6. Revision versions

- No revision