



MINISTRY OF
INTERNATIONAL TRADE AND INDUSTRY



**JOINT STATEMENT ON THE SUBSTANTIAL CONCLUSION OF THE
ASEAN-AUSTRALIA-NEW ZEALAND FREE TRADE AREA (AANZFTA)
UPGRADE NEGOTIATIONS**

PHNOM PENH, CAMBODIA – Leaders from ASEAN, Australia, and New Zealand, together with their respective Ministers, gathered at the sidelines of the 40th and 41st ASEAN Summits and Related Meetings in Phnom Penh, Cambodia, on 13 November 2022, to announce the substantial conclusion of negotiations upgrading the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA).

AANZFTA is not only the first region-to-region free trade agreement for both ASEAN and CER (Australia and New Zealand) but also remains as ASEAN's most ambitious single undertaking since it embarked on an outward-looking economic regime aimed at integrating the ASEAN Member States, individually and collectively, into the global economy. In September 2020, Ministers launched the upgrade negotiations and the first negotiating meeting took place in April 2021, amidst unprecedented challenges brought about by the COVID-19 pandemic. The substantial conclusion of the upgrade negotiations, even as the region continues to grapple with the effects of the pandemic and multiple regional and global challenges, is a testament to the AANZFTA Parties' resolve to accelerate post-pandemic economic recovery by deepening and broadening economic integration and cooperation to bolster more robust

and resilient supply chains, keep markets open for trade and investment and catalyse longer-term growth by leveraging digital trade and sustainable development.

The upgraded AANZFTA will open up new opportunities as Parties to the Agreement have ensured it remains of high quality, responsive towards emerging challenges, takes into account modern trade practices, and remains commercially meaningful to businesses in the region. The upgraded AANZFTA will, among other benefits, accelerate supply chain integration and resilience; ensure the smooth flow of essential goods during periods of crises; deepen services and investment liberalisation; and support electronic commerce and digital transformation. With the inclusion of new Chapters on (i) Government Procurement; (ii) Micro, Small, and Medium-Enterprises (MSMEs); and (iii) Trade and Sustainable Development, it will also facilitate growth and development of an inclusive and sustainable regional economy.

Recognising that the real benefits from the upgraded AANZFTA could only be achieved and realised upon the early signing and timely implementation of the Second Protocol to Amend the Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area, Leaders tasked Ministers to work towards the signing of the Second Protocol in 2023.

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17 NOVEMBER 2022

About MITI:

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation.

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