

Guiding Principles for Negotiation on ASEAN-Australia and New Zealand Free Trade Area (FTA)

The FTA will be mutually beneficial for all parties. With that objective in mind, the negotiations will be guided by the following principles:

- (a) The FTA should be comprehensive in scope, covering trade in goods, services and investment.
- (b) The objective of the FTA should be to move towards deeper economic integration between the two regions through progressive elimination of all forms of barriers to trade in goods, services and investment; and through trade and investment facilitation and economic cooperation measures.
- (c) The FTA should, where relevant, build on members' commitments in the WTO.
- (d) Due consideration should be given to the different levels of development and capacity of the Member Countries to participate in comprehensive trade and investment liberalisation. The FTA should therefore include provision for flexibility, including special and differential treatment, especially for the newer ASEAN members.
- (e) Recognising the different levels of development among the Member Countries of the two regions, provision should be made for technical assistance and capacity building programs to enable all parties to participate fully and to obtain full benefit from the FTA.
- (f) The FTA will be designed to enhance and improve transparency in trade and investment relations between the parties.

- (g) The modalities and timeframes of the FTA, including differentiated timeframes for Australia and New Zealand, ASEAN-6 and CLMV, and products, should be settled at an early stage of the negotiations.
- (h) The FTA will be open to inclusion of issues not covered by the existing AFTA and CER Agreements, to be agreed by all parties.
- (i) The terms of the FTA will be subject to periodic review.
- (j) The FTA should be consistent with WTO provisions, including GATT Article XXIV and GATS Article V.
- (k) The FTA should draw, as appropriate, on elements of the economic integration agreements of ASEAN and CER. In addition, the elements of any FTAs involving ASEAN Member Countries, Australia and New Zealand may be used as reference points.
- (l) AFTA and CER will continue to exist as distinct, functioning agreements, as will the FTAs between ASEAN Member Countries, Australia and New Zealand. No provision in the FTA will detract from the terms and conditions of bilateral and plurilateral FTAs between ASEAN Member Countries, Australia and New Zealand.

The FTA will be fully implemented within 10 years. The negotiations will commence in early 2005 and be completed within two years.

(ANNEX to the Joint Declaration of the Leaders at the ASEAN-Australia and New Zealand Commemorative Summit, Vientiane, 30 November 2004)