The New Zealand - Thailand

CLOSER ECONOMIC PARTNERSHIP AGREEMENT

Joint Review

1 January 2005 – 31 December 2010

Executive Summary

New Zealand and Thailand have enjoyed long-standing, warm and friendly relations including in terms of trade and economic cooperation.

In 2004 New Zealand and Thailand concluded negotiations to establish a free trade area based on the principles of common interest and cooperation and the goals of free and open trade and investment.

The successful outcomes of these negotiations were jointly announced by respective Prime Ministers in November 2004 and the New Zealand Thailand Closer Economic Partnership Agreement (CEP) entered into force on 1 July 2005. A review of the CEP was mandated to occur within five years.

This Joint Review reports on the implementation, operation and impact of the CEP from 2005 to 2010. It considers the extent to which CEP implementation and mechanisms are serving the objectives of the CEP and the extent to which the CEP has facilitated the expansion of trade and investment. It also considers the need for further implementation or cooperation measures, and/or changes to the CEP to enhance the achievement of objectives.

The Joint Review concludes that the operation and implementation of the CEP to date has been consistent with, and promoted achievement of the objectives of the CEP.

Substantial progress has been made on delivery of CEP commitments including in relation to tariff elimination, market access requests, the movement of natural persons, the establishment of a temporary employment entry scheme for Thai chefs, and the creation of institutional frameworks and mechanisms for management of the CEP. There is productive dialogue and cooperation across the range of matters covered by the CEP.

While noting this progress, the Joint Review also identifies further actions that would enhance the operation and implementation of the CEP and ensure the benefits of the CEP are fully realised.

Practical areas identified include work to enhance business understanding of the requirements and opportunities presented under the CEP, exploring possible extension of advance ruling provisions to cover the origin of goods, discussion to deepen understanding of each country's documentary requirements for imported food and non-food animal products, joint analysis of preference utilization rates, and continued work to improve understanding and alignment of each other's regulatory regimes in areas such as compliance standards for electrical goods.

The Joint Review finds that the CEP was a significant factor in the doubling in bilateral two-way merchandise trade and investment since 2004, a noteworthy achievement given the challenging external economic environment in the latter part of the period. It also finds that there is considerable interest in and scope for more trade, both bilaterally and beyond into third country markets.

The Joint Review finds that the CEP environment offers significant potential benefits directly to business in terms of, *inter alia*, improved market access, improved customs procedures and trade facilitation, increased efficiency, and enhanced transfer of technology and skills. There have also been indirect benefits such as increased engagement between respective government agencies.

The Joint Review concludes that the CEP provides a sound platform from which to promote and develop bilateral merchandise trade, and to address any trade and economic matters arising in the bilateral trading relationship. It also represents one of the building blocks for wider regional economic integration initiatives including the Agreement establishing an ASEAN-Australia New Zealand Free Trade Area to which both countries are parties

The Joint Review reports on processes currently underway in respect of advancing prospective negotiations in the areas of services and government procurement, and on work being undertaken on the review of special agricultural safeguard measures. It is expected that these processes will form the basis for recommendations on next steps in these areas for subsequent consideration by Ministers.

Finally, the Joint Review notes that the CEP will continue to evolve and develop as the bilateral trade relationship grows and deepens. Sustained efforts will be required on both sides to ensure the full potential of the CEP is realised.

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Chapter One: Introduction

The New Zealand–Thailand Closer Economic Partnership (CEP) is a very important strand in the wider relationship between New Zealand and the Kingdom of Thailand. It was negotiated against the background of a long-standing, warm and friendly relationship with extensive people-to-people, education, political and security linkages and close cooperation on bilateral, regional and global economic issues.

For many years both countries have been committed to strengthening the multilateral trading system through their membership of the World Trade Organisation, and their shared membership of the Cairns Group of agricultural exporting countries. They have been similarly committed to supporting regional economic development through the Asia-Pacific Economic Cooperation process and its goals of free and open trade and investment.

This background of a long and positive history of economic and trade cooperation provided an important platform for the development of a bilateral trade agreement. The agreement reflected the positive trends in the wider relationship as well as the trend towards deepening economic integration as a result of each country's comparative advantage and the resulting complementary trade relationship between the two. In negotiating the CEP, both Parties recognised that a bilateral trade agreement would strengthen their economic partnership and bring economic and social benefits and improve the living standards of their people.

The CEP, in turn, also represents one of the building blocks for wider regional economic integration initiatives including the Agreement establishing an ASEAN-Australia New Zealand Free Trade Area to which both countries are parties.

Negotiations on the CEP were concluded in November 2004 with respective Prime Ministers jointly announcing the successful outcomes of the negotiations when they met at the time of the ASEAN Summit on 30 November 2004.

The Agreement was signed on 19 April 2005 and entered into force on 1 July 2005.

In parallel with the CEP, New Zealand and Thailand concluded arrangements on Labour, Environment and Customs Cooperation.

Since entry into force of the CEP in July 2005, both parties have continued to work to implement and promote the CEP. Both sides are committed to continue to raise the profile of the CEP and to generate further benefits from it for business in both countries.

1.1 Joint Review of the CEP

Article 16.5 of the CEP states that the "Parties shall undertake a general review at ministerial level of the Agreement, including matters relating to liberalisation, cooperation and trade facilitation, within five years of its entry into force and at least every five years thereafter".

In accordance with Article 4.14.5, the parties agreed to complete the Review on the basis of trade data, from 1 January 2005 to 31 December 2010. The full calendar year of data since 2005 to 2010 is indicated in order to have appropriate data analysis. Terms of reference were agreed at the 2nd CEP Joint Commission meeting in Wellington in August 2010.

The purpose of this Joint Review is to report on the implementation, operation and impact of the CEP over the period of 2005-2010 and recommend areas of work and cooperation as a basis for future discussion. It is not intended to legally bind the parties.

1.2 Terms of Reference

The terms of the reference for the Joint Review were agreed as follows:

"The review will consider:

a. the benefits the Agreement brings to Thailand and New Zealand having regard to such factors as trade and investment flows, trade facilitation, movement of natural persons, economic policies and practices, and cooperation;

   i. Implementation of tariff and other commitments: includes chefs, masseuses, Working Holiday Scheme (WHS) further unilateral tariff liberalisation, Import Health Standard (IHS)

   ii. trends in bilateral trade (goods and services), investment, movement of natural persons and trade facilitation

   iii. Cooperation frameworks

b. the extent to which the objectives of the Agreement have been met in accordance with Article 1.1 and elsewhere in the Agreement and associated annexes and documents;

   i. Progress toward the creation of a free trade area between Thailand and New Zealand

   ii. Progress on mandated negotiations and reviews

c. the need for modifications to the operation or implementation of this Agreement to ensure the objectives of the Agreement are met;

d. the need for additional measures in furtherance of the objectives of this Agreement;

e. Any other matter relating to this Agreement"

The period of the Joint Review (referred to as “the period” throughout this Report) is 1 January 2005 to 31 December 2010.

1.3 Preparation and Contents of the Joint Report

This Report on the Joint Review of the CEP is based on extensive trade data analysis as well as consultation with interested parties including business, government and other stakeholders.

The Report has been prepared jointly by Thailand and New Zealand, led on the Thai side by Department of Trade Negotiations and on the New Zealand side by the Ministry of Foreign Affairs and Trade (MFAT).

The Report is comprised of five Chapters:

- Chapter 1: Introduction
- Chapter 2: Implementation of and Commitments and Cooperation *(Part (a)(i) and (iii) of the Terms of Reference)*
- Chapter 3: Trends in bilateral trade, investment, movement of natural persons and trade facilitation *(Part (a)(ii) of the Terms of Reference)*
- Chapter 4: Objectives, Negotiations and Reviews *(Part (b) of the Terms of Reference)*
- Chapter 5: Conclusions: Need for modifications *(Parts (c)-(e) of the Terms of Reference)*

Chapter Two: Implementation of Commitments and Areas of Cooperation

Section 1: Trade in Goods (Chapter 2)

Chapter 2 of the CEP outlines commitments made by parties to eliminate customs duties as per their respective Tariff Schedules as detailed in Annex 1.1 (Thailand) and Annex 1.2 (New Zealand). It also details commitments with respect to Administrative Fees and Formalities, Agricultural Export Subsidies and Non-Tariff Measures.

1.1 Elimination of Customs Duties

Commitments to eliminate customs duties progressively in accordance with respective Tariff Schedules at Annex 1 have been met with six rounds of tariff cuts under the CEP to date; the first upon entry into force of the CEP on 1 July 2005 and five subsequently on the first day of January of each year from 2006-2010.

Further unilateral reduction of customs duties has taken place as follows:

- Thailand: Unilaterally reduced the tariff on HS0405909ex “Anhydrous Milk Fats” to 5% in 2008.
- New Zealand: Unilaterally reduced the tariffs on a range of goods from 1 July 2006 as follows:
    - All goods with an *ad valorem* tariff between 17-19 percent were incrementally reduced from 01 July 2006 down to 10 percent as from 01 July 2009.
    - All goods with an *ad valorem* tariff between 10-12.5 percent were incrementally reduced from 01 July 2006 down to 5 percent as from 01 July 2008.
    - All goods with an *ad valorem* tariff between 5-7.5 percent were reduced from at 01 July 2006 down to 5 percent as from 01 July 2008.

1.2 Tariff Quotas for Certain Sensitive Products

Thailand has established a Tariff Quota system for certain sensitive agricultural products as provided for under Article 2.3 and in Annex 1.3 of the CEP. There are five groupings of products as follows:

- Category One: Milk and cream, neither concentrated nor containing added sugar nor other sweetening matters: HS040110, HS040120, HS040130; and Beverages containing milk: HS220290x

- Category Two: Milk and cream, concentrated or containing added sugar or other sweetening matter, in powder, granules or other solid forms, of a fat content by weight not exceeding 1.5 percent HS040210

- Category Three: Potatoes, fresh or chilled: HS070110, HS070190

- Category 4: Onions and shallots, fresh or chilled: HS070310; onions dried, whole cut, sliced, broken or in powder, but not further prepared: HS071220

- Category 5: Onion seeds: HS120991

According to New Zealand trade data, consistently around 17 percent of New Zealand's total exports to Thailand are products listed under Annex 1.3 Tariff Quotas. The overwhelming majority of the trade is in Skim Milk Powder (SMP). However, the quota volume for SMP of 55,000 tonnes is separately promulgated under the WTO (not Annex 1.3). Analysis of trade data indicates that quota volumes for potatoes and onion seed have been consistently under-filled.

New Zealand welcomes efforts by Thailand to improve administrative measures for management of tariff quotas, most particularly, the Thai Ministry of Commerce's decision to adopt a two year period for announcing allocation of Annex 1.3 quotas for potatoes, onions and onion seeds in 2010/2011.[1] Thailand confirms that this approach will be continued in future. New Zealand and Thailand agree to explore ways in which to enhance administration of the scheme to improve predictability and quota uptake, and to avoid trade restrictive effects on imports additional to those caused by the imposition of quota amounts.

For New Zealand, Thailand is an important market for fresh or chilled potatoes and there is strong New Zealand business interest in exporting greater volumes of potatoes, seed onions and liquid milk.

Section 2: Customs Procedures and Cooperation (Chapter 3)

Chapter 3 of the CEP outlines customs procedures for efficient and economical customs border administration, and the expeditious clearance of goods.

2.1 General Provisions (Article 3.4)

A "Cooperative Arrangement between the New Zealand Customs Service and the Customs Department of Thailand" was signed by the Comptroller of the New Zealand Customs Service and the Director General of the Thai Customs Department on 23 June 2005.

[1] Announced in the Royal Gazette No 127 (Special Edition 74) of 14 June 2010

2.2 Customs Procedures and Facilitation (Article 3.5)

The New Zealand Comptroller of Customs and the Thai Director General of Customs met formally in November 2005 and April 2008 to discuss *inter alia*, issues relating to the implementation and operation of the CEP.

The presence of an officer from New Zealand Customs Service within the New Zealand Embassy in Bangkok has helped facilitate regular dialogue on, and resolution of customs issues including in relation to the implementation of the CEP, and prior to that, the Trade Agreement between the Government of New Zealand and the Government of the Kingdom of Thailand (1981).

2.3 Customs Cooperation (Article 3.7)

There has been regular, productive and positive cooperation and consultation between respective Customs administrations on the implementation of the CEP in line with the objectives of this Chapter. Specific cooperation activities include the following:

- Cooperation between Customs administrations on enhancing the security of trade between the Parties. New Zealand provided information on its trade security programme during a Thai Customs Department visit in 2007. Thailand is currently implementing its own Authorised Economic Operators Programme.

- Ongoing work and data exchange between Customs administrations in 2010 and 2011 with a view to gaining a better understanding of tariff preference utilisation under the CEP.

There has also been active cooperation between respective Customs administrations in the context of the World Customs Organisation (WCO), including the WCO Asia Pacific Regional grouping.

2.4 Advance Rulings (Article 3.9)

Procedures relating to the provision of Advance Rulings on the classification of goods under Article 3.9 have been put in place. There is New Zealand and Thai business interest in extending such provisions to Advance Rulings on the origin of goods given the potential benefits to business in providing such rulings in terms of transparency and certainty.

New Zealand welcomes the start of a Thai pilot project relating to the provision of Advance Rulings on the origin of goods.

Respective Customs administrations have agreed to exchange information on each country's system for Advance Rulings on the origin of goods and to explore a way to formalise procedures for access to such rulings under the CEP.

2.5 Publication and Enquiry Points (Article 3.14)

The New Zealand Customs Service and the Customs Department of Thailand promulgate all statutory and regulatory provisions, and administrative procedures on their respective Internet websites along with designated enquiry points to address enquiries from interested persons of the other party concerning customs matters.

2.6 Comment

Chapter 3 of the CEP, together with the cooperative arrangement between the customs administrations of the Parties, provides a good framework for implementing and managing customs issues arising under the CEP.

New Zealand and Thailand note that improved customs facilitation and transparency under the CEP delivers major benefits and thus deserves continued cooperation.

Section 3: Rules of Origin (Chapter 4)

Chapter 4 of the CEP covers Rules of Origin (ROO) and operating procedures for the documentation and granting of tariff references under the CEP. Product Specific Rules of Origin are covered in Annex 2.

3.1 Rules of Origin

Product Specific Rules of Origin were negotiated in HS2002 nomenclature and subsequently transposed to HS2007 nomenclature. Parties welcome the close cooperation between respective Customs and other agencies with responsibility for ROO which enabled agreement to be reached on harmonised transposed Product Specific Rules of Origin (PSR).

The constructive engagement by respective agencies to reach agreement on a harmonised text for PSR is acknowledged and resulted in benefits to business in terms of enhanced transparency and ease of doing business. Agencies agree that harmonised text would also be a useful outcome from current work to transpose Annex 2 PSR to HS2012 nomenclature by 01 January 2012.

New Zealand and Thailand acknowledge the benefits of greater convergence of PSR across trade agreements, including in particular between the CEP and the Agreement establishing an ASEAN, Australia, New Zealand Free Trade Area (AANZFTA), noting that this enhances regional economic integration and further reduces business complexity while promoting ease of doing business between Thailand and New Zealand.

3.2 Treatment of Goods for which Preference is claimed

Article 4.5 of the Rules of Origin Chapter allows for preferential tariff treatment to be claimed on the basis of a declaration of origin by the “exporter or producer, or other competent person, public or private body”. This was the first time such a provision had been included in one of Thailand’s FTAs.

Understandings reached on procedures to be followed by the Customs administrations of New Zealand and Thailand in respect to declarations of origin of goods for which preference is claimed were confirmed by an exchange of letters between Ms Chutima Bunyapraphasara, Deputy Director General, Department of Trade Negotiations and Ms Rachel Fry, Chief Negotiator, Closer Economic Partnerships, Ministry of Foreign Affairs and Trade dated 19 April 2005.

New Zealand and Thailand note that procedures for (self) declaration of origin for goods for which preference is sought are working well and have resulted in improved trade facilitation and significant business savings both in terms of direct costs and administrative overheads.

However, ongoing inquiries in this regard point to a continued lack of understanding of the procedures and corresponding documentary requirements for Declarations of Origin amongst some businesses, importers and/or agents resulting in underutilization of tariff preferences. This highlights the need for further work to promote business understanding of the requirements around use of Declarations of Origin on goods for which preference is being claimed.

Section 4: Trade Remedies (Chapter 5)

Chapter 5 outlines commitments by parties towards each other with respect to trade remedies. It reiterates the WTO Agreement on Article VI of the GATT 1994 and provides supporting mechanisms for these commitments in practice. It also outlines rules relating to bilateral safeguard measures.

Contact points on trade remedies were exchanged along with other contact points for the CEP following entry into force.

WTO jurisprudence on trade remedies practice continues to develop. New Zealand and Thailand are open to considering cooperation activities in the trade remedies area in the medium to longer term (subject to resource availability) with a view to furthering the objectives of this Chapter.

4.1 Anti-dumping Notifications

Article 5.1 of the CEP provides that “each party retains its rights and obligations under the WTO Agreement on Implementation of Article VI of GATT 1994.

At the time of entry into force of the CEP, New Zealand had imposed anti-dumping duties on plasterboard and “steel bar and coil” (rebar).

Since 2005, New Zealand has formally reviewed the imposition of anti-dumping duties on both plasterboard and rebar. Anti-dumping duties are scheduled to cease on 11 September 2011 (plasterboard) and 17 November 2014 (rebar), subject to the usual understandings governing anti-dumping procedures in New Zealand.

4.2 Bilateral Safeguards

No bilateral safeguard measures have been introduced since entry into force of the CEP outside those special agricultural safeguard measures permitted under Article 5.11 and Annex 3 of the CEP.

4.3 Special Agricultural Safeguard Measures

Article 5.11 provides that a Party may apply a special safeguard measure to certain sensitive agricultural products as designated in Annex 3 to the CEP.

According to New Zealand statistics, consistently around 30% of New Zealand's total exports to Thailand worth in excess of NZ$220 million (2010) are covered under Annex 3 and therefore subject to potential application of special safeguards, including snap-back tariffs.

Special agricultural safeguard measures were applied to Thailand's imports of certain New Zealand agricultural products over the period of the review as follows:

- Meat of bovine animals; fresh, chilled or frozen; bone in or out; HS020110, HS020120, HS020130, HS020210, HS020220, HS020230 - 2010
- Edible Offal (bovine etc; fresh, chilled or frozen): HS020610, HS020621, HS020622, HS020629 - 2009, 2010
- Milk and Cream: concentrated, unsweetened (HS040291) - 2008
- Butter (HS040510) - 2008, 2009 and 2010
- Fresh Cheese, including whey cheese, and curd (HS040610) - 2007, 2008 and 2009
- Processed cheese not powdered or grated (HS040630) - 2010
- Cheese and Curd - other cheese, including cream cheese, not processed: (HS0406900) - 2007, 2008, 2009 and 2010

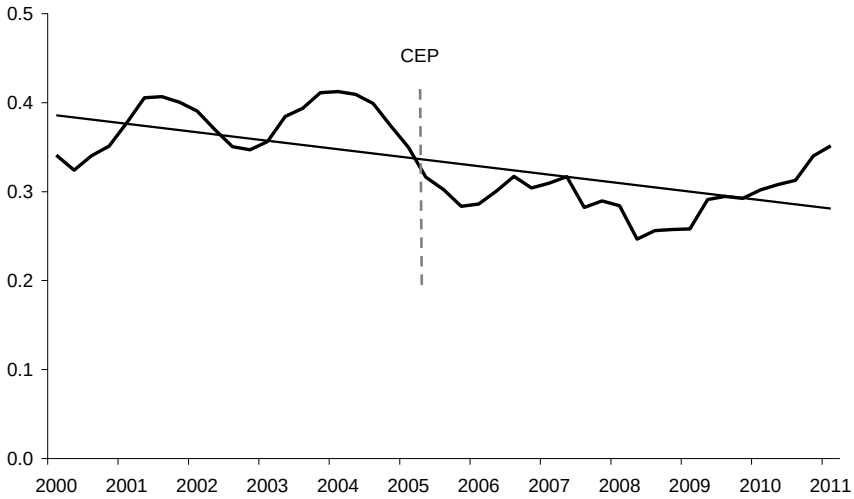
New Zealand acknowledges and welcomes those improvements that have taken place in Thailand's administration of special safeguards, particularly since Thai Customs moved to place the relevant trade data on-line in 2008.

New Zealand also notes some improvements in the timeliness and consistency of notification regarding goods approaching designated trigger volumes and for which snap-back tariffs were to apply.

New Zealand notes that the application of the special agricultural safeguards can result in peaking of demand early in the preference year which has potentially distortionary price and supply chain consequences.

At the 2nd CEP Joint Committee meeting in August 2010, it was agreed that respective agencies would continue to cooperate to ensure the smooth and transparent operation of the special safeguards mechanism. In this regard, it is noted that a review of the Special Agricultural Safeguard Measures provisions is mandated under Article 5.11.10 of the CEP and that work is underway to take this review forward.

Figure 1: NZ Exports covered by Annex 3 (SSG) as a share of total exports to Thailand



Section 5: Sanitary and Phyto-Sanitary Measures (Chapter 6)

Chapter 6 Sanitary and Phyto-Sanitary Measures (SPS) outlines the objectives and mechanisms for strengthening cooperation and consultation on SPS matters between the parties with a view to facilitating trade in all products through resolution of trade access issues while protecting human, animal or plant life or health. The Chapter establishes a Joint SPS Committee to act as a steering and decision-making body with respect to matters relating to the implementation of the Chapter.

5.1 Competent Authorities and Contact Points: (Article 6.5)

Information has been exchanged between the Parties on designated contact points for government-to-government communication on SPS matters in accordance with Article 6.5 of the CEP. Respective national competent authorities for SPS matters are identified in the “Implementing Arrangement: Competent Authorities and Contact Points” (refer below).

There is a positive tempo of engagement between respective national competent authorities with resultant progress on SPS matters. Recent engagement has included:

- March 2011: visit by New Zealand Ministry of Agriculture and Forestry (MAF) officials to meet with Thailand competent authorities to discuss bilateral SPS market access issues

- June 2011: Visit by a MAF official and a New Zealand industry representative to gain a better understanding of the Thai Food and Drug Administration (FDA) policies and procedures in regards to establishing maximum residue limits in food.

- March and May 2009: Visit by New Zealand Food Safety Authority (NZFSA) officials to discuss bilateral SPS market access issues.

5.2 Joint SPS Committee (Article 6.8)

In accordance with Article 6.8 of the CEP, a Joint SPS Committee was established on entry into force of the CEP. Since then, the Committee has met twice; in May 2006 in Bangkok and in August 2010 in Wellington.

The "Terms of Reference and Mode of Operation" for the SPS Committee and the "Implementing Arrangement: Competent Authorities and Contact Points" were discussed during the 2nd SPS Committee in August 2010. The Terms of Reference and Implementing Arrangement were formally agreed and adopted by exchange of letters in March 2011.

In accordance with Article 6.8(d) of the CEP, a priority list has been established for consideration of market access requests of the other party. The list includes products listed in an exchange of letters between the Minister of Commerce of Thailand and the Minister for Trade Negotiations of New Zealand dated 19 April 2005. The priority list was updated at the 2nd SPS Joint Committee meeting in August 2010.

The following arrangements have been concluded between the parties since June 2005 on new or improved market access.

a. Thai exports to New Zealand:

- Fresh fruit Lychee, (Litchi chinensis) - Protocol established in August 2005
- Fresh fruit Longan (Dimocarpus longan) - Protocol established in August 2005
- Ginger Zingiber officinale – Protocol established in February 2006
- Fresh fruit Mangosteen (Garcinia mangostana) - Protocol established in February 2006
- Fresh Fruit Durian, (Durio zibethinus) - Protocol established in April 2008
- Frozen tilapia fillets - Protocol established in February 2011.

Development of an Import Health Standard for processed salmon that has undergone third country processing is on the current work programme and nearing conclusion. Correspondence has been forwarded to Thai officials requesting them to submit a proposed Official Assurance Programme for the processing. Once this has been agreed with New Zealand, importation can begin.

Analysis of New Zealand import trade data since protocols were completed for durian, lychee, mangosteen, longans, and ginger (market access requests agreed by Ministers) confirms that trade has resulted in each of these products, though not always in each year or in large volumes.

b. New Zealand exports to Thailand

- Processed Potatoes – Import conditions for potatoes for processing from New Zealand were notified by Thailand in 2009.

- Day-old poultry chicks and hatching eggs – an export certificate agreed to in November 2010

A long standing area of engagement has also been resolved with respect to the occasional low level detection of semicarbazide in dairy products. The Thai Food and Drug Administration advised that historical testing had not indicated any concerns with New Zealand dairy product and agreed that intensive testing that had been conducted in New Zealand prior to export need not continue.

5.3 Technical Working Groups (Article 6.9)

At the first SPS Committee meeting in May 2006 it was agreed that a Technical Working Group would be established under Article 6.9, co-chaired by the parties, to further explore and scope New Zealand's application for recognition of its regulatory systems for food and food-related products as being equivalent to that operated in Thailand. This was discussed further at the 2nd SPS Committee meeting in August 2010. Thailand is reflecting further on issues raised in that context including in terms of both the Constitutional need for Thai agencies to seek Thai Parliamentary approval before proceeding further with this activity and in relation to the Thai Food Act B.E. 2522 (1979) which is currently being amended.

5.4 Other Cooperation (Article 6.11)

A substantial programme of cooperation on SPS matters has taken place since 2005. This includes:

- "Growing Up" milk powder: NZFSA hosted a visit in 2006 by the Secretary Generals of the National Bureau of Agricultural Commodity & Food Standards (ACFS) and Thai FDA to discuss regulation of dairy products and development of standards for "Growing Up" milk powder.

- Food Safety: Six officials from ACFS visited New Zealand in 2007 to learn about New Zealand's regulatory systems for food products.

- Electronic Certification: Two Thai officials attended a one-week training course held by NZFSA on electronic certification in 2006. NZFSA officials then visited Bangkok to conduct further training on electronic certification in 2007.

- Shellfish Training Programme: In 2007 three Thai officials attended a shellfish training programme hosted by NZFSA. At the 2nd SPS Committee meeting Thailand requested further capacity building in the area of biotoxin, Norovirus and Hepatitis A Virus testing of bivalve molluscan shellfish. In March 2011 MAF provided information on the

proficiency programme used in New Zealand and provided advice regarding training courses that would be useful in this area.

The Thai Department of Livestock Development is also working with MAF counterparts to deepen the understanding of each country's documentary requirements for imported food and non-food animal products into Thailand and to identify areas that could benefit from being developed into formal work streams under Article 6.9 of the CEP. Two meetings have been held at which competent authorities have engaged in preliminary discussions looking at the requirements placed on each country for imported products. If these preliminary discussions identify opportunities for formal work, a proposal will be submitted to the SPS Committee for consideration.

5.5 Comment

New Zealand and Thailand agree that the SPS Chapter and associated institutional mechanisms are being implemented, and are operating in a manner consistent with the stated objectives of the Chapter and that there has been a sound basis of cooperation between the countries on SPS issues since 2005.

They also agree that successive meetings have allowed for a productive exchange across a number of SPS issues including in relation to respective regulatory frameworks and border risk management procedures for SPS matters, market access requests, semicarbazide residues, electronic certification, and equivalence in regulatory controls in food or animal product exports.

New Zealand and Thailand see value in exploring further opportunities to deepen dialogue and working relationships between respective agencies responsible for SPS matters with a view to maintaining recent momentum on SPS issues..

Section 6: Technical Barriers to Trade (Chapter 7)

Chapter 7 establishes mechanisms to reduce the impact of technical barriers to trade in goods, and provides for increased cooperation between regulatory authorities to improve understanding and greater alignment of each others' regulatory regimes.

In accordance with Article 7.8, relevant agencies have exchanged updated information on contact points with responsibility to implement and monitor the operation of this Chapter, most recently following the 3rd CEP Joint Commission in August 2011.

Thailand and New Zealand continue to work collaboratively in broader regional forums, including under the auspices of APEC and AANZFTA.

Respective accreditation bodies also cooperate in wider regional groupings including the Asia Pacific Laboratory Accreditation Cooperation and the Pacific Accreditation Cooperation. They have highlighted in particular the close relationship between the National Bureau of Agricultural Commodities and Food Standards (ACFS) and the Joint Accreditation System of Australia and New Zealand (JAS-ANZ).

New Zealand and Thailand note business interest in mutual recognition of compliance standards for electrical and electronic goods, particularly washing machines and air-conditioning units.

In this context, and recognising that Article 7.6 provides that parties should use existing mutual recognition arrangements to the maximum extent possible, it is noted that New Zealand is a full signatory to the APEC Electrical and Electronic Equipment Mutual Recognition Arrangement while Thailand is a signatory to Part I of that Arrangement. Once both parties are full signatories to that Arrangement, this will facilitate freer trade in electrical and electronic goods such as whiteware.

New Zealand and Thailand acknowledge that continued work towards mutual recognition of each others' regulatory regimes will bring mutual benefits and agree to explore opportunities for further cooperation under this Chapter.

Section 7: Investment (Chapter 9)

Chapter 9 of the CEP establishes a framework of rules which aims to encourage and promote investment between the parties; ensure transparent rules conducive to increased investment flows; accord certain protections to the investments of the other party; and enhance cooperation on investment between the Parties. Specific commitments relating to investment are scheduled at Annex 4 to the CEP.

The framework provides, in principle, for both countries to treat investors and investments of the other party at least as well as their own investors ("national treatment") subject to qualifications as specified in Annex 4. The CEP also provides for additional protections for investors as well as a framework for settlement of investment disputes.

7.1 Cooperation (Article 9.4)

The Thai Board of Investment led three business delegations to New Zealand in 2010 and 2011. Activities carried out (with support from New Zealand Trade and Enterprise, Investment New Zealand and the Ministry of Foreign Affairs and Trade) included business matching and workshops to improve business understanding of the opportunities for investment under the CEP and the role that the Board of Investment can play in supporting potential investors.

7.2 Comment

Both sides have worked to implement the provisions of Chapter 9 applying to measures affecting investors and their investments.

New Zealand and Thailand recognise the importance of two-way foreign investment to the competitiveness and internationalisation of firms in both countries, and as a means of encouraging bilateral trade and economic development.

New Zealand welcomes the opportunities provided to New Zealand companies based in Thailand's special industrial and investment promotion zones, and would like to discuss further with Thailand the extension of the

relevant benefits to a wider range of New Zealand companies seeking to establish a presence in Thailand.

Section 8: Electronic Commerce (Chapter 10)

Chapter 10 puts in place a framework for minimising the regulatory burden on electronic commerce, providing on-line consumer protection, accepting trade administration documents in electronic format and encouraging cooperation on electronic commerce issues.

Work on promoting the use of electronic documents for the administration of trade is being carried out under other Chapters including Chapter 5 (Sanitary and Phyto-Sanitary Measures) as well as in other forums such as APEC.

New Zealand and Thailand reaffirm the importance they place on continued dialogue on matters relating to electronic commerce. Respective national agencies with responsibility for electronic commerce matters have exchanged information on points of contact.

Section 9: Competition Policy (Chapter 11)

Chapter 11 provides a framework for the promotion of fair competition, the curtailment of anti-competitive practices and the promotion of the APEC principles of non-discrimination, comprehensiveness, transparency and accountability. It outlines undertakings on the application of each party's competition laws to commercial activities and provides for cooperation and consultation on competition issues.

Information on matters relating to New Zealand's competition policy can be found on the following websites:

- Ministry for Economic Development www.med.govt.nz
- New Zealand Commerce Commission www.comcom.govt.nz
- APEC: www.apec.org

Information on matters relating to Thailand's competition policy can be found at the website of the Office of the Trade Competition Commission (http://gis.dit.go.th/otcc/indexen.asp)

9.1 Cooperation

The New Zealand Commerce Commission provided training support to Thailand's Trade Competition Bureau in 2005 as follows:

- Two officials from the Trade Competition Bureau were funded for a two week internship at the Commerce Commission where they focussed on policy and practice relating to restrictive trade practices, including the implications of the New Zealand Commerce Act, and New Zealand procedures for investigation of such matters.

- Two Commerce Commission experts completed a two week visit to the Trade Competition Bureau providing assistance including *inter alia* training covering the principles, objectives and framework of the Commerce Act in relation to mergers.

New Zealand is and Thailand are open to exploring opportunities for respective competition agencies to work together to further the objectives of this CEP Chapter.

Section 10: Intellectual Property (Chapter 12)

Chapter 12 reaffirms both countries' WTO commitments on intellectual property and makes commitments relating to enforcement of intellectual property rights as well as cooperation and exchange of information on issues of mutual IP interest.

Since entry into force of the CEP, information has been exchanged on designated points of contact within respective departments responsible for policy development, enforcement and cooperation on matters relating to intellectual property rights.

New Zealand notes that the Ministry of Economic Development has a section on its website (www.med.govt.nz) which provides information on current and planned New Zealand legislation on intellectual property including the Copyright (New Technologies) Amendment Act 2008, the Patents Bills 2008 and the Copyright (Infringing File Sharing) Amendment Act 2011.

Similarly, information on current Thailand legislation on intellectual property is made available on the official website of the Department of Intellectual Property (www.ipthailand.go.th)

Enhanced law enforcement in relation to IP with respect to the services and technology sectors could further promote trade and investment between the two countries.

New Zealand and Thailand acknowledge the importance of commitments made under TRIPS and Chapter 12 of the CEP with respect to protection of intellectual property, and agree to explore opportunities to work together to mutual benefit in this area.

Both Thailand and New Zealand have made additional commitments on intellectual property under the AANZFTA. Their joint participation in the

AANZFTA Committee on Intellectual Property can be expected to provide opportunities for further collaboration on intellectual property issues of mutual interest.

Section 11: Transparent Administration of Laws and Regulations (Ch 14)

Chapter 14 sets out measures ensuring the transparent and open communication of matters relating to the CEP and other measures relevant to the implementation of the CEP between the Parties.

As provided for under Article 14.1, parties have ensured that the laws, regulations, procedures and administrative rulings of general application with respect to matters covered by the CEP have been promptly published or otherwise made available in such a manner as to allow interested persons to become acquainted with them.

New Zealand notes that it has established a section on the Ministry of Foreign Affairs and Trade website relating to the CEP to promote better understanding of the Agreement and facilitate closer engagement with business and other interested stakeholders.

A matrix of contact points for the CEP, including for each chapter of the FTA was completed and updated immediately prior to the 3rd CEP Joint Commission.

There has also been an extensive programme of constructive and cooperative engagement between relevant agencies, including through designated Contact Points and within the institutional frameworks established under the CEP. They welcome the constructive and cooperative nature of such engagement.

New Zealand and Thailand agree that further work can be done to promote transparency and greater understanding of each other's legal and regulatory systems as they relate to matters covered by the CEP.

Section 12: General Exceptions (Chapter 15)

The general exceptions detailed under Article 15 of the CEP have not been invoked by either party since the CEP entered into force.

Section 13: Institutional Provisions (Chapter 16)

In accordance with Article 16.1, a CEP Joint Commission was established upon entry into force of the CEP to oversee the proper implementation of the CEP and to review periodically the economic relationship and partnership between the Parties.

13.1 Mandate of the CEP Joint Commission

The mandate of the CEP Joint Commission as outlined in Article 16.2 provides a sound and appropriate framework for the activities of the Joint Commission.

Both sides have seen value in providing for opportunities for private sector participation in the deliberations of the Joint Commission. Recent practice has been to allocate time within the agenda of the CEP Joint Commission for such engagement.

13.2 Meetings of the CEP Joint Commission

The CEP Joint Commission met within one year of the date of entry into force of the CEP as required under Article 16.3. This meeting was held at officials-level for the first time in Bangkok on 25 May 2006 and subsequently in Wellington on 30 August 2010, and Bangkok on 31 August 2011. The 4th CEP Joint Commission is scheduled to take place in New Zealand in August 2012.

There has been broad participation in successive meetings of the CEP Joint Commission by key agencies from both Parties with responsibility for implementation and operation of the CEP including:

- for New Zealand: the Ministry of Foreign Affairs and Trade, the Ministry of Agriculture and Forestry, the New Zealand Food Safety Authority (now part of MAF), the New Zealand Customs Service, the Department of Labour, and New Zealand Trade and Enterprise; and

- for Thailand: The Department of Trade Negotiations, the Thai Department of Customs, the Office of Agricultural Economics, the Comptroller General's Department, the Thai Trade Center (Sydney), the Federation of Thai Industries, and the Thai Chamber of Commerce.

This wide representation has promoted constructive engagement and progress across a wide range of issues under consideration by the Joint Commission.

New Zealand and Thailand both recognise the value of regular engagement by officials and experts across the breadth of the trade and economic relationship and reaffirm their desire for regular dialogue.

New Zealand and Thailand also acknowledge the resource constraints upon respective departments arising from the need to support institutional frameworks established under the growing number of trade agreements. They see a need to explore ways in which to enhance dialogue within these constraints including potentially to strengthen mechanisms for carrying out work intersessionally and by leveraging advances in communications technology.

13.3 Contact Points

In accordance with Article 16.4 of the CEP, there have been regular exchanges of information relating to designated contact points for facilitating communications between the parties on matters relating to the operation and implementation of the CEP.

Section 14: Consultations and Dispute Settlement (Chapter 17)

The consultation and dispute settlement procedures established under Article 17 of the CEP have not been invoked by either party since entry into force.

Section 15: Final Provisions (Chapter 18)

The CEP entered into force on 1 July 2005 at which point the "Trade Agreement between the Government of New Zealand and the Government of the Kingdom of Thailand" done in Wellington on 10 February 1981 was terminated.

The CEP was formally notified to the World Trade Organisation (WTO) on 1 December 2005 and the Factual Presentation (Goods) considered by the Committee on Regional Trade Agreements on 14 May 2007.

Section 16: Other Matters

16.1 Temporary Employment Entry: Thai Chefs

New Zealand has established a Temporary Employment Entry scheme for Thai chefs meeting specified qualification and job offer requirements to enter New Zealand for up to a maximum of four years as agreed in an exchange of letters between the Thai Minister of Commerce and the New Zealand Minister for Trade Negotiations dated 19 April 2005.

The scheme has been running smoothly with the total number of Thai chefs entering New Zealand each year listed in Table 2.

Table 2: Uptake of Temporary Entry and Temporary Employment Entry Schemes

	2005/6	2006/7	2007/8	2008/9	2009/10	2010/11
Thai Chefs	30	55	82	96	58	27
WHS	109	105	95	81	99	101
Total Temporary Work Applications approved for Thai nationals	1340	2701	3082	3444	3291	2315

16.2 System to Recognise the Qualifications of Traditional Thai Massage Therapists

Further to the exchange of letters between the Thai Minister of Commerce and the New Zealand Minister for Trade Negotiations, dated 19 April 2005, dialogue has been taking place between the Thai Department of Skill

Development and the New Zealand Qualifications Authority to establish a basis for a qualifications framework that could enable recognition of qualifications for traditional Thai massage therapists.

16.3 New Zealand Business Visitors to Thailand

In accordance with the exchange of letters between the Thai Minister of Commerce and the New Zealand Minister for Trade Negotiations, dated 19 April 2005, Thailand has introduced multiple entry and other visa options and procedures for New Zealand business visitors holding a non-immigrant visa; intra-corporate transferees, New Zealand investors, and spouses thereof;

New Zealand remains interested in exploration of a possible extension of the period for which New Zealand business visitors may travel to Thailand without an APEC Business Travel Card for certain specified purposes from 15 to 90 days.

New Zealand and Thailand have noted increasing usage of, and positive business feedback on the utility of the APEC Business Travel Card.

16.4 Working Holiday Scheme

The Thailand-New Zealand Working Holiday Scheme (WHS) was established in July 2005 providing up to 100 places for Thai citizens to live and work in New Zealand for up to one year. The scheme has on average been fully subscribed with continued high demand for places.

16.5 Other Cooperation

Cooperation between respective agencies on wider agricultural and dairy issues since entry into force of the CEP has taken place as follows:

- Agricultural officials undertook two days of discussions and field visits on dairy issues in conjunction with the 1st SPS Joint Committee meeting.
- New Zealand hosted a visit in 2006 by the Secretaries General of the ACFS and Thai Food and Drug Authority to discuss regulation of dairy products and development of standards for Growing Up milk powder.
- New Zealand hosted a group from the Fiscal Policy Research Institute in 2007 looking at productivity in the dairy sector.
- Mr Alistair Polson, New Zealand's Special Agricultural Trade Envoy visited Thailand in 2008 for a day for policy discussions.
- New Zealand hosted a visit by nine Thai agricultural officials in February 2009. The visit included policy and industry discussions in Wellington and site visits to education and research institutes, farms and a cheese factory. The visit contributed to increased awareness of Thai officials about New Zealand policy and farming systems, and identified possible commercial linkages.

- Two meetings were held in Bangkok on the 25th April 2011 to discuss Fonterra's proposed collaborative project to improve Thai milk quality. The meetings were led by Fonterra with attendance and participation from Thailand Bureau of Agricultural Commodity Food Safety and the Department of Livestock Development, Fonterra Brands Thailand, New Zealand MFAT and New Zealand MAF.

These activities have provided a sound basis of cooperation between the countries on agricultural issues since 2005 and have delivered meaningful exchanges for both countries. Activities have focused on policy dialogues and deepening understanding of each country's systems and policies.

Chapter Three: Trends in bilateral trade, investment, movement of natural persons and trade facilitation

Section 1: Overview

Chapter 3 of the Joint Review examines bilateral trade in goods and services and foreign investment from 1 January 2005 to 31 December 2010.

The review is based on analysis of bilateral trade data, feedback from business surveys and interviews, and analysis of the operation of the CEP by the relevant departments of both parties. Trade and investment data was sourced from:

- The World Bank
- The WTO
- Statistics New Zealand
- New Zealand Customs
- The New Zealand Ministry of Education
- Thai Customs Department
- Global Trade Information Services (GTIS)

1.1 Caveats on the analysis of bilateral trade and investment

In addition to the important trade-liberalising provisions of the CEP, a number of other factors have also shaped patterns of bilateral trade and investment over the period. These factors include the global financial crisis, variations in global commodity and energy prices, changes in technology and the development of global supply chains. These factors also need to be taken into consideration when assessing the impact of the CEP on trade and investment trends.

The trade figures analysed in this Report reflect the static gains arising from reciprocal trade liberalisation, and may not fully reflect the dynamic productivity gains that have resulted from improvements in the regulatory environment in both countries.

The primary trade analysis is conducted using data from Global Trade Information Services (GTIS). Parties acknowledge that there may be some differences in data between the GTIS data and national sources but agree these do not materially alter the analysis. All figures are for years ending 31 December unless otherwise specified.

1.2 Historical perspective

Prior to the CEP, New Zealand and Thailand were both notable exporters and importers in world trade, although their trading relationship with each other was relatively limited.[2]

In the decades prior to the CEP, total bilateral trade grew from NZD$63 million (USD$32million) in 1985 to NZD$215 million (USD$129million) five years later. By 2000, trade had reached NZD$749 million (USD$343 million) and by 2004 had expanded to NZD$980 million. (USD$651 million) Within these broad trends, levels of both exports and imports fluctuated, and at times showed flat growth or declined.

In 2004, Thailand was New Zealand's 13th largest trading partner, accounting for 1.2 percent of New Zealand's exports to the world, and the source of 1.8 percent of New Zealand's total imports from the world. New Zealand was Thailand's 41st largest trading partner in the same year, accounting for 0.34 percent of Thailand's exports to the world and the source of 0.25 percent of Thailand's imports from the world.[3]

Five years after entry into force of the CEP, however, both had increased in relative importance to each other. In 2010, Thailand was New Zealand's 10th largest trading partner while New Zealand was Thailand's 35th largest partner. Relative to 2004, two-way trade had more than doubled by 2010, to NZD$1.98 billion[4] (USD$1.43 billion).

The top products exported by each country have not significantly changed over the course of the CEP, although individual rankings in the top ten may have changed and there are a few notable new products emerging (see Table 1 below).

In 2005, New Zealand's total investment (foreign direct investment, portfolio investment and other investment) in Thailand was valued at NZ$33 million (USD$23 million). Thailand's total investment in New Zealand in the same year was valued at NZ$109 million (USD$77 million), although Thailand's investment varied significantly over the period. By 2010, New Zealand's total investment in Thailand was NZD$70 million (USD$51 million), and Thailand's in New Zealand was NZD$112 million.[5] (USD$81 million)

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[2] World Trade Organisation

[3] Statistics New Zealand.

[4] Statistics New Zealand.

[5] Statistics New Zealand. Figures are as at 31 March (in 2005/2010).

Table 1: Comparative top ten exports, pre- and post-CEP

Rank	New Zealand exports to Thailand		Thai exports to New Zealand	
	2004	2010	2004	2010
1	Dairy	Dairy	Vehicles and parts	Vehicles and parts
2	Infant formula, food preparations	Mineral fuels	Machinery	Machinery
3	Machinery	Infant formula, food preparations	Electrical machinery	Electrical machinery
4	Wood	Wood pulp	Plastic	Plastic
5	Pulp	Wood	Oil	Perfumes and cosmetics
6	Wool	Fruit	Prepared meat or fish	Rubber
7	Fish	Machinery	Iron and steel products	Prepared meat or fish
8	Meat	Fish	Perfumes and cosmetics	Oil
9	Aluminium and articles	Wool	Rubber	Precious stones and metals
10	Electrical machinery	Meat	Iron and steel	Iron & steel

1.3 Regional Trade Architecture

The commitments undertaken by the parties under the CEP have been built on through the both parties' participation in various regional trade and economic integration processes including AANZFTA and APEC.

Both sides welcomed the entry into force of the AANZFTA in 2010.[6] The FTA marks a significant step in promoting regional trade and economic integration, and – in the case of Thailand and New Zealand – builds on the earlier liberalisation undertaken through the CEP.

With the advent of AANZFTA, businesses in both countries now enjoy the benefits of a wider range of trade provisions such as cumulative rules of origin, with the potential for more than one set of trade rules to confer advantages for the development of bilateral trade and investment opportunities. Traders have the chance to determine which arrangement

[6] For New Zealand, AANZFTA entered into force on 1 January 2010; for Thailand entry-into-force was 12 March 2010.

offers the most favourable provisions under which to trade. The provisions of either the CEP or AANZFTA may offer more attractive commercial opportunities depending on the given situation.

From a policy perspective, there are also some mutually reinforcing areas of work and/or cooperation of direct relevance and mutual benefit to the implementation and continued deepening of the two Agreements.

Both sides consider that the CEP will continue to serve as an important building block to promote trade and investment, both bilaterally and in wider regional economic integration contexts, including AANZFTA, the Closer Economic Partnership for East Asia, the Free Trade Agreement of the Asia Pacific, and APEC.

Section 2: Trade in Goods

2.1 Two-way bilateral merchandise trade

The CEP substantially opened both markets on entry into force.

- For New Zealand, over half of its exports to Thailand became duty free on entry into force, compared to 4 percent prior to the CEP. The remaining barriers will be phased out in stages with the last tariffs and quotas removed in 2025.

- For Thailand, 85 percent of goods became tariff free upon entry into force, compared to 65 percent prior to the CEP. The remaining tariffs will be phased out in stages with final elimination of tariffs in 2015

There has been a significant growth in trade since the CEP entered into force. Total merchandise trade has risen from NZD$980 million (US$ 651 million) in 2004 to NZD$1.98 billion (US$1.43 billion) in 2010. Relative to the 2004 figure, the 2010 total represents an increase of more than 100 percent overall. See Figure 1 below.

Total trade increased annually since the CEP's entry into force, by between 14 percent and 35 percent, with the exception of 2009. In 2009, trade was not as dynamic due to a number of factors including the global recession and variations in commodity prices.

The average annual rate of expansion in trade with Thailand under the CEP was over 12 percent, which was higher than the average annual growth for New Zealand's total trade with the rest of the world, which stood at 4.5 percent over that same period. On a country-by-country basis, the average annual growth rate for New Zealand's trade with Thailand exceeded that for New Zealand's trade with Australia, Korea, the United States and Japan.

Figure 1

Each country has grown in relative importance to the other as a trading partner over the past five years.

- Thailand has consistently been one of New Zealand's top ten trading partners over the past five years, and in 2010 was ranked 10th trading partner overall. In 2010, New Zealand sent 1.6 percent of its total exports to Thailand, and Thailand was the source of 3.3 percent of New Zealand's total imports from the world, an increase from 2.6 percent five years earlier.

- In 2010, New Zealand was Thailand's 35th largest trading partner. New Zealand was the destination for 0.41 percent of Thailand's total world exports and the source of 0.28 percent of Thailand's imports.[7]

Section 2.2 New Zealand exports to Thailand

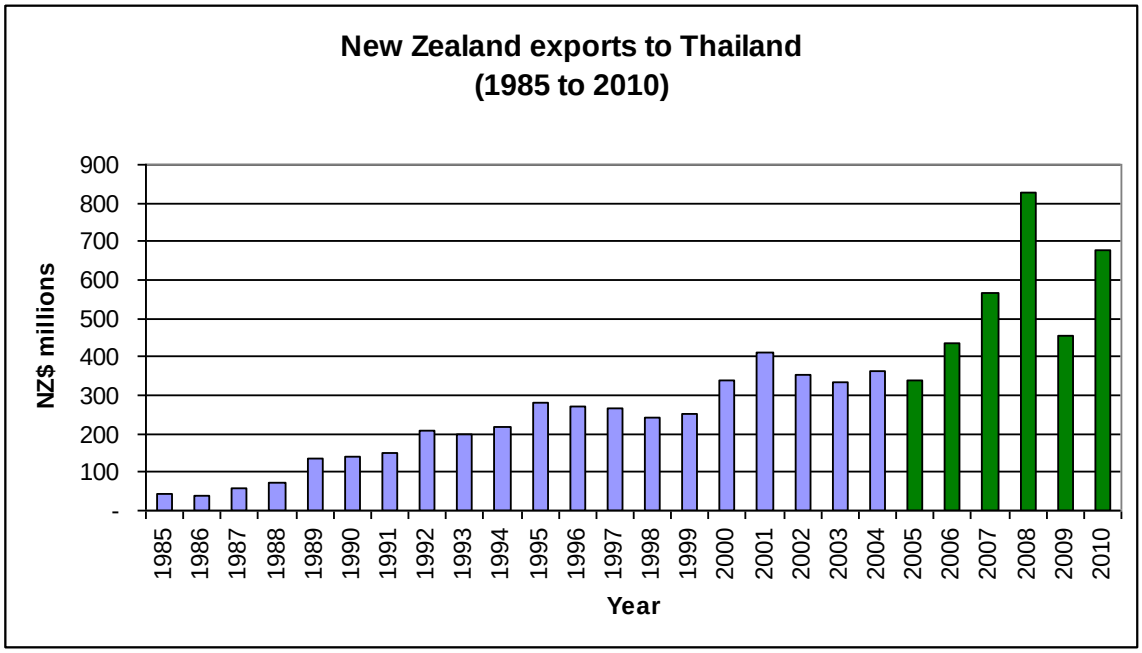
The CEP has constituted a significant step forward in cementing an already strong trading partnership. It has brought about a significant liberalisation in goods trade with some strong performance in individual key sectors and products for both countries.

After a decade of fairly flat growth, from the entry into force of the CEP onwards, New Zealand exports expanded rapidly to peak at over NZD$825 million (USD$590 million) in 2008. Total exports in 2010 stood at NZD$679 million (USD$490 million) – still a notable improvement over pre-CEP levels (see Figure 2).

[7] Figures for New Zealand ranking in Thai export/import statistics are for calendar years.

The sharp increase in New Zealand exports in 2008 was attributable to a number of factors, including historically high global commodity prices, particularly dairy prices, and significant (irregular) oil exports worth NZD$106 million (USD$76 million). The subsequent easing in dairy prices (but not traded dairy volumes) coupled with the global recession has seen an easing in export totals, although the overall trend is positive.

Figure 2



The New Zealand export base to Thailand has remained fairly narrow, at similar levels to the pre-CEP levels. Ten years ago, the top ten products at the HS4 level (including dairy, forestry, petroleum, fresh fruit, aluminium) comprised 76 percent of total exports to Thailand. In 2010 this figure was also 76 percent of exports.

The majority of New Zealand merchandise exports have been consistently from the primary sector, including dairy products (49 percent of total exports in 2010); food preparations (5 percent); fresh fruit such as apples, persimmons, cherries, avocados and kiwifruit (4 percent) and timber and wood pulp (10 percent combined). Primary sector products accounted for around 89 percent of all New Zealand exports to Thailand in 2010.

A number of these products enjoyed immediate tariff elimination on entry into force of the CEP. Tariffs on kiwifruit and other fruit, for example, previously in the range of 30 – 40 percent, were immediately eliminated, as were tariffs on nearly three-quarters of New Zealand's manufactured goods exports at the time of negotiation of the CEP. For other products, tariffs were to be phased out – for example, the 18 percent tariff on whole milk powder is due to be phased out by 2015, and just over one-quarter of manufactured exports became duty free by 2010.

Some New Zealand products have enjoyed strong growth as exports to Thailand since 2005, despite not performing strongly over the preceding five years.

- Dairy: New Zealand exports of dairy products in the five years prior to the CEP showed an annual average growth of 11 percent per annum.[8] With the entry into force of the CEP and increased market demand, exports have continued to grow by around 10 percent per annum[9]. Nearly three-quarters of the trade is in milk powder. Prior to the CEP, skim milk powder was limited to tariff quota access with over-quota tariffs of 216 percent. Those tariffs have been reduced to zero on entry into force but the trade is subject to special agricultural safeguards. New Zealand dairy exports in 2010 comprised around 44 percent of Thailand's total dairy imports, up from around one-third prior to the CEP in 2004.

- Wood: New Zealand exports (primarily of timber, HS4407) grew by an average of 15 percent per annum in the five years prior to the CEP, and have since grown at an annual average rate of 13 percent. In contrast New Zealand's wood exports to the rest of the world have not grown over the same period. (Thai tariff rates on this product were mostly 1 percent prior to the CEP but fell to zero on entry into force; although small in nominal terms, the tariff had been significant in terms of marginal costs for exporters.) New Zealand wood exports in 2010 comprised 7 percent of Thailand's total wood imports, up from 3 percent in 2004.

- Apples: New Zealand exports of apples declined by 17 percent[10] on average in the five years prior to the CEP, but have since grown by an average of approximately 60 percent per year in the six years since duty-free access under the CEP took effect. (Apples had previously faced a tariff of 10% plus 3 baht/kg.) This compares to a drop of 7 percent per annum on average in New Zealand's global exports over the same period. New Zealand apples exports in 2010 comprised 14 percent of Thailand's total apple imports, up from 2 percent in 2004.

Exports of manufactured products account for a modest but growing share of New Zealand's total exports to Thailand. Total exports of manufactures have grown 2 percent per annum since 2004 and in 2010 stood at NZD$73 million (USD$53 million) or around 11 percent of total New Zealand exports. Manufactures included aluminium products, machinery (including cooling equipment, washing machines, plastic moulding and gas pumps and compressors), fibreboard, paper, yarn and caseinates.

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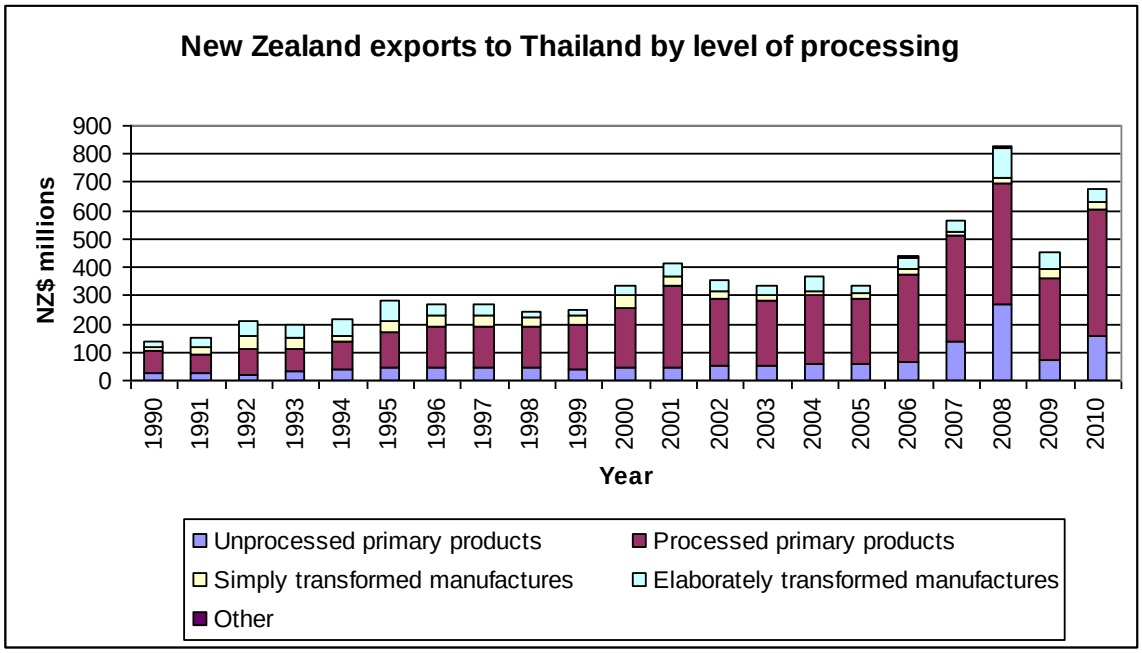
[8] 16 percent per annum when using USD.

[9] 12 percent per annum when using USD. This rate is still less than the growth rate for global dairy exports, of 13 percent per annum

[10] 13 percent per annum when using USD.

Figure 3



Since the CEP entered into force, the share of value-added processed products for New Zealand exports has increased in both the primary and manufacturing sectors (see Figure 3 above).

- Primary Sector: Over 70 percent of New Zealand's primary exports to Thailand are now processed, with average growth of 11 percent per annum since 2005, reversing an annual average decline of 4 percent in the five years prior to the CEP.[11]

- Exports of simply transformed manufactures have increased with average growth of 7 percent per annum, while elaborately transformed manufactures have also increased.

Section 2.3: Thai exports to New Zealand

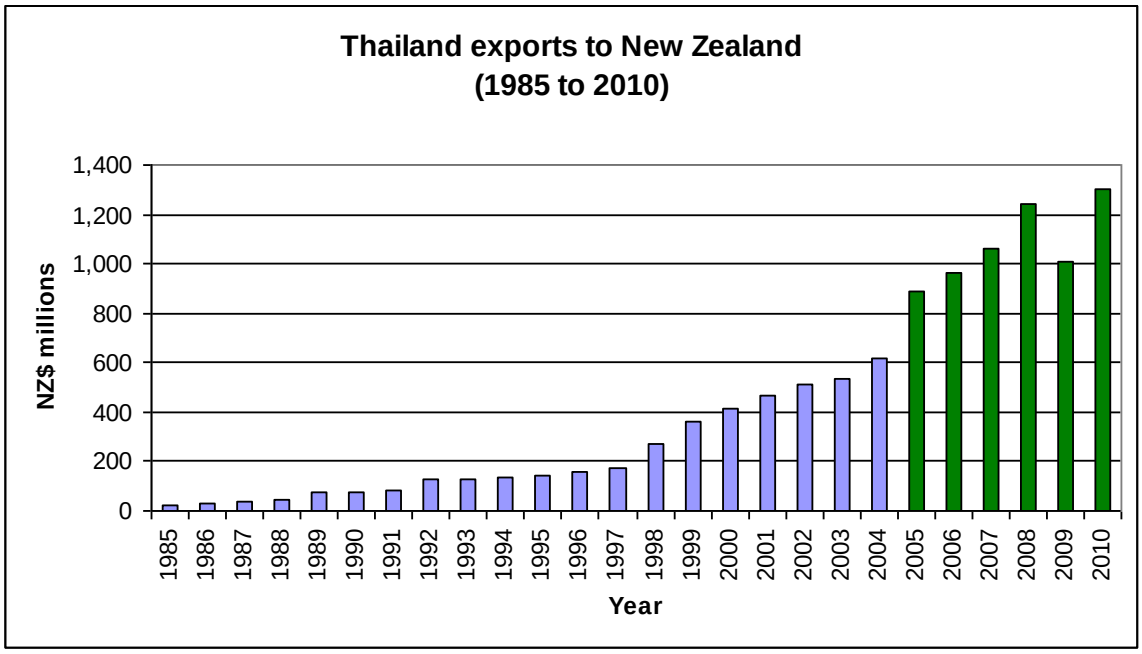
There have been three phases of growth in Thai exports to New Zealand, with significant acceleration in growth from 1997 and again in 2005, following the entry into force of the CEP.

Thai exports to New Zealand have nearly doubled in the six years under review, rising from NZD$616 million (USD$409 million) in 2004 to NZ$1.03 billion (USD$939 million) in 2010, despite a drop in 2009 as a result of the global financial crisis.[12] Thailand is New Zealand's ninth largest source of imports.

[11] 14 percent per annum if using USD.

[12] Despite the slight decline in 2009, the trend resumed its upwards direction in 2010, from NZD$1,115 million to NZ$1,153 million.

Figure 4



Just over one-quarter of Thai exports to New Zealand comprise cars, trucks and vans under HS8703 and HS8704 totaling NZD$121 million (USD$87 million) (9 percent total Thai exports to New Zealand) and NZD$224 million (USD$162 million) (17 percent total exports) respectively in 2010.

- Thai exports of cars to New Zealand enjoyed an annual average growth rate over the past six years of approximately 37 percent per annum.

- Thailand is now New Zealand's fourth-largest source for imported vehicles, comprising 9 percent of imported vehicles.

Investment by New Zealand company Fisher and Paykel has contributed to the fact that Thailand is now New Zealand's largest source of washing machines (51 percent) with exports peaking in 2009 of NZ$41 million (USD$26 million). This compares to 2004 when Thailand was New Zealand's fifth-largest source of imports of washing machines..

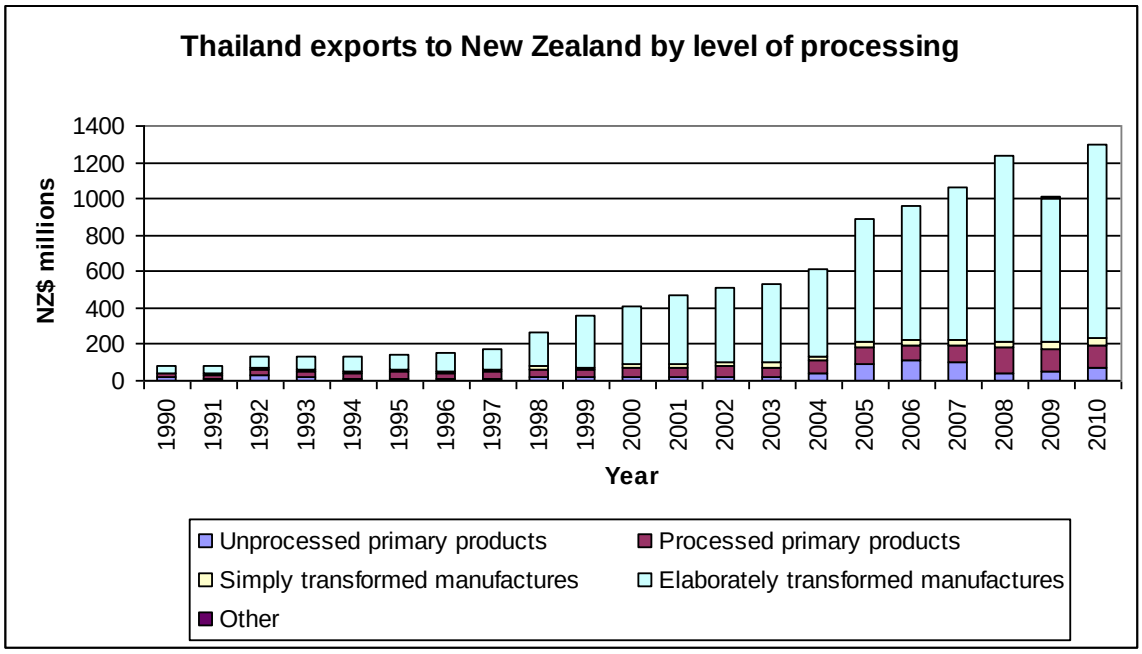
Thailand is also New Zealand's largest source of air vacuum pumps.

Thailand is now the third-largest source of imports of refrigerators and freezers to New Zealand (HS8418) with total Thai exports in 2010 of NZD$24 million (USD$17 million). This is more than double the level of imports in dollar terms relative to 2004.

Thailand's export base in respect of New Zealand is considerably more diverse than New Zealand's export base in respect of Thailand. The top ten products exported by Thailand to New Zealand were worth NZ$643 million (USD$464 million) and represented approximately 49 percent of total Thai

exports to New Zealand in 2010. (Of note, in the first year of the CEP, the top ten Thai export products represented 59 percent of the total although the value of those exports was almost the same, at NZ$522 million. (USD$368 million))

Figure 5



Consistently around 80 percent of Thai exports to New Zealand have comprised of elaborately transformed manufactures including motor vehicles (NZD$345 million (US$249 million)), machinery including air conditioning units (NZD$67 million (USD$49 million)), household washing machines (NZD$30 million (USD$22 million)), computers (NZD$35 million (USD$26 million)) and refrigerators and freezers (NZ$24 million(USD$17 million)). Other significant Thai export product groups include plastics and electrical equipment (telephones, transformers, transmitting equipment).

The proportions of Thai exports of unprocessed primary products, processed primary products, simply transformed manufactures and elaborately transformed manufactures have not changed significantly over the period.

New Zealand Customs and the Ministry of Commerce have exchanged tariff preference data and completed a review of preference uptake in August 2011. The review found that there has been a steady increase in the utilisation of tariff preferences resulting in savings for business in both countries as a result of the CEP. In 2010 (January – December):

- Over 90 percent of Thai exports to New Zealand by value were either duty free and/or entered under CEP preference;

- Over 60 percent of New Zealand exports to Thailand by value were either duty free and/or entered under CEP preference.

Evidence from the review coupled with business feedback indicates that there is still scope to improve the uptake of preference utilisation under the CEP. To this end, both sides have agreed to work together to promote business understanding of the opportunities and requirements for access to tariff preferences.

Analysis has confirmed that the tariff preference utilisation rate under the CEP is improving. New Zealand conservatively estimates that 40 percent of Thai imports have benefited from savings under the CEP. Thailand estimates that the utilisation rate of the CEP has increased from 38 percent of total trade with New Zealand in 2006 to 46 percent in 2009.[13]

New Zealand and Thailand note that the trading environment under the CEP has offered significant potential benefits to business. They agree to work together to enhance understanding of the requirements and opportunities under the CEP among both business and officials. Analysis indicates that businesses with existing established relationships with Thailand appear to have been better able to realise potential benefits arising from the CEP, although there has also been growth in the number of new business entrants to the market according to anecdotal evidence.

New Zealand and Thailand welcome strong business interest in further opportunities to grow bilateral trade. New Zealand and Thailand note the importance of business relationships including partnerships or active engagement with Thai counterparts in order to operate most effectively in the market.

New Zealand and Thailand recognise the importance of robust regulatory frameworks are important to securing wider dynamic productivity gains throughout the national economy. Provisions aimed at improving the regulatory environment for exporters and importers in both countries have accordingly been included in the CEP. New Zealand and Thailand see value in exploring ways to enhance further administrative, regulatory, and other practices and processes in order to:

- improve transparency, timeliness, and reduce the complexity of regulatory requirements;
- reduce transaction costs;
- strengthen the protection of intellectual property rights; and
- harmonise standards and technical regulations.

[13] Joint Commission report, August 2010

Section 3: Trade in Services

3.1 Two-way services trade

Full analysis of bilateral services trade is constrained by the lack of comprehensive data available. Empirical information is limited due *inter alia* to the nature of the services transactions involved, the difficulty in capturing services data and commercial confidentiality of some of that data. Accordingly, the discussion on services below is based on analysis of sectoral and other data as available, coupled with anecdotal evidence and business feedback.

Specific provisions governing trade in services are not included in the CEP[14]. Accordingly, it is difficult to identify direct impacts on bilateral services trade flowing from the CEP, though the general climate created by conclusion of the CEP and some of its broader provisions relating to trade facilitation, transparency, investment and temporary entry may indeed have contributed to the development of bilateral services trade in the period since the CEP's entry into force.

Further, from March 2010, the services commitments entered into by Thailand and New Zealand respectively under the AANZFTA Agreement have applied in the case of each side's services suppliers seeking to access respective markets.

Major services sectors in bilateral services trade between New Zealand and Thailand throughout the period have included tourism and education. Anecdotal evidence indicates that other New Zealand services exports have included distribution services, business and computer services (eg website and software design), accounting services, aviation and aeronautical engineering services, bank assurance services, engineering services, clean technology and other environmental consulting services, sporting services, legal and banking services.

Education is a very important element in the services relationship between New Zealand and Thailand.

- The number of Thai students in New Zealand increased from 2,880 in 2004 to 3,387 in 2010. This is an annual growth rate of around 4 percent. Thailand ranked seventh overall in 2010 as a source of all international students to New Zealand and is New Zealand's largest source of students from South-East Asia.

- Most Thai students (86 percent) are studying in schools or private tertiary establishments; relatively few study in polytechnics and universities.[15]

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[14] Refer Chapter 4.4.3 regarding mandated negotiations on services

[15] New Zealand Ministry of Education website, educationcounts.govt.nz

The New Zealand Qualifications Authority and the Thai Board of Educational Testing have recently exchanged letters updating the criteria for recognition of equivalence between the New Zealand Certificate of Educational Achievement (Level Two) and the Thai Matthayom 6 High School qualification. This is an important development in further facilitating a seamless education relationship between the two countries.

Tourism has also been an important sector, particularly in respect of New Zealand tourist visitors to Thailand over the period concerned:

- In 2004, 14,142 New Zealanders went to Thailand as tourists. By 2010, this figure had increased to 19,834, comprising around 71 percent of all short-term New Zealand visitors to Thailand.

The number of Thai tourists visiting New Zealand has in general declined over the last decade. This level has risen since 2008, however, with the total number of Thai tourists in 2009 reaching 10,853 and in 2010 reaching 11,489 or around 54 percent of all short-term Thai visitors.

3.2 Comment

Services trade is a growing component of the bilateral trading relationship. The WTO acknowledges services as the largest and most dynamic component of both developed and developing country economies, important in their own right and serving as crucial inputs into the production of most goods. The services sector, including a strong and dynamic bilateral services trade, offers both New Zealand and Thailand the potential for further economic growth.

While it is difficult to obtain a comprehensive picture of the bilateral services trade, there is evidence of a modest expansion in services trade both in terms of overall value and diversity of sectors, and the emergence of a number of new entrants into the market. There continues to be strong interest by business in both countries in pursuing further opportunities for bilateral services trade and investment in respective markets, as well as in the value continued improvement in the framework of commitments governing services trade can offer for services suppliers looking to pursue further bilateral trade and economic opportunities.

Improvements in the collection and reporting of more comprehensive data on services trade would help to inform further analysis of bilateral services trade.

3.3 Business and Visitor Travel

Specific commitments in respect of temporary entry of natural persons travelling between New Zealand and Thailand are set out in an exchange of letters between Mr Thanong Bidaya, Minister of Commerce and Mr Jim Sutton, Minister for Trade Negotiations dated 19 April 2005 concluded at the time of the completion of the CEP. These commitments are working well.

Figure 6

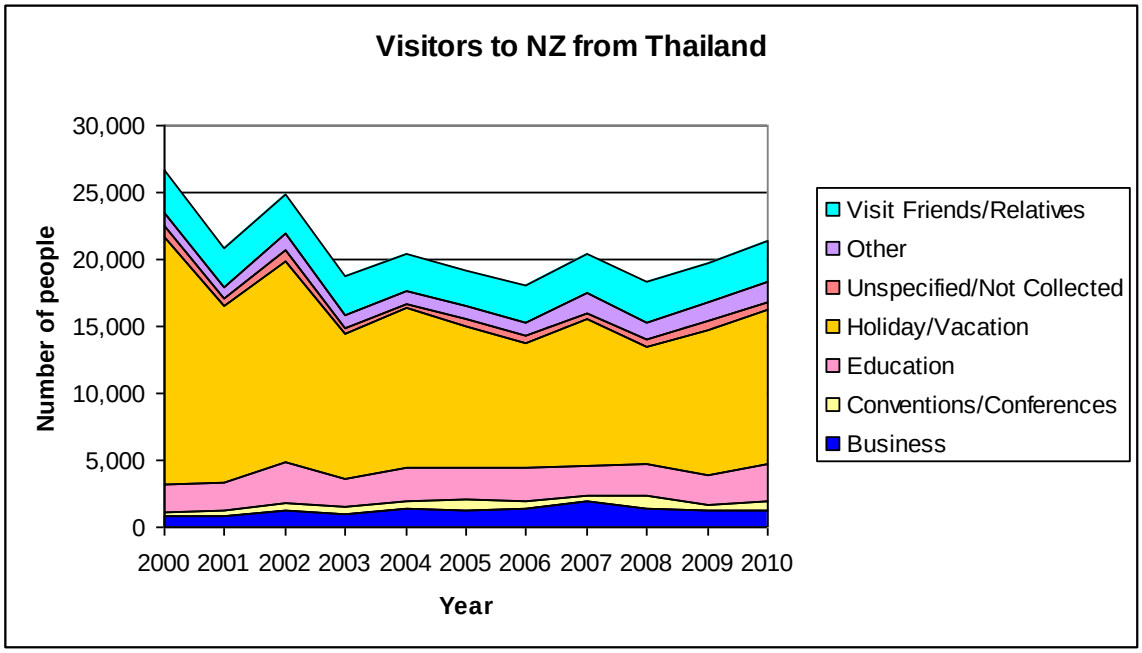
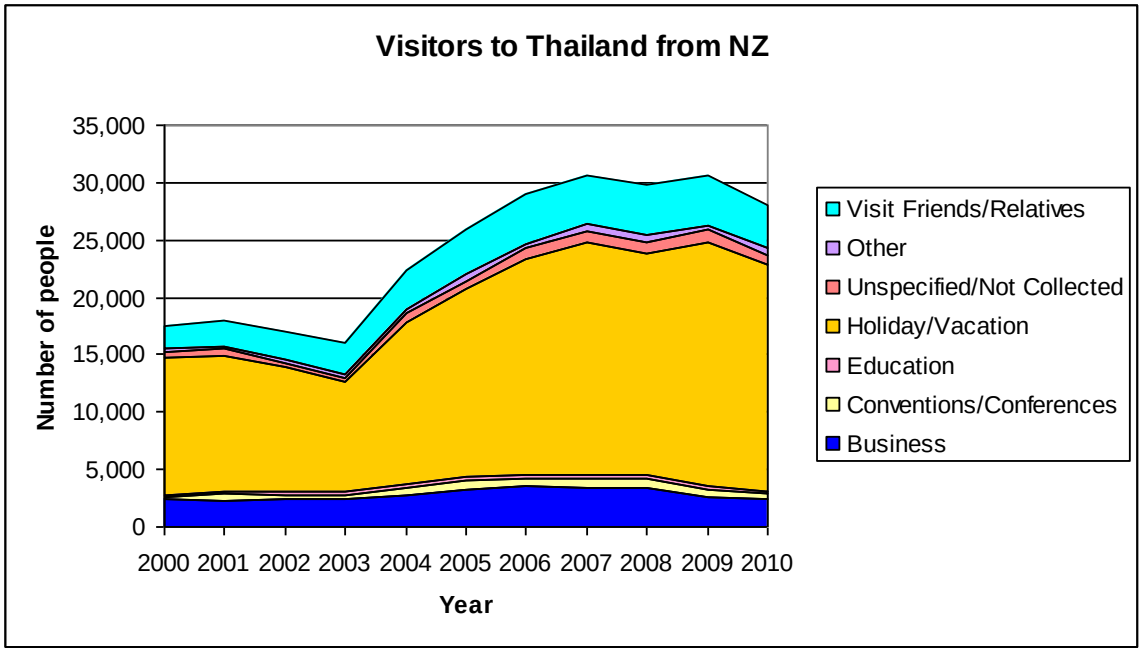


Figure 7



In 2010, 21,434 Thai nationals visited New Zealand. Just over half were tourists. Visitors traveling to New Zealand for educational purposes accounted for just over 13 percent of visitors, while those traveling for business reasons accounted for 6 percent. These percentages have not changed significantly since 2004. See Figure 6 above.

In the same period, 28,084 New Zealand nationals visited Thailand. This was a substantial increase over the 2004 level (22,286). Most short-term visits by New Zealand travelers were for tourism (71 percent – no change, up from 63% in 2004). Visits for business purposes or conferences accounted for 9 percent of visitors (down from 12 percent in 2004). See Figure 7 below.

Section 4: Investment

4.1 Two-way investment

The CEP contains a number of measures governing two-way investment including:

- an in-principle obligation for Thailand and New Zealand to provide “national treatment" and requirements for the equitable treatment of investments once they have been made in the other country;
- protection from arbitrary expropriation;
- equitable treatment for compensation for losses in respect of covered investments in its territory by persons of any other country owing to war or other armed conflict, revolution, a state of national emergency, civil disturbance or other similar events;
- free transfers, and non-discriminatory access to courts and tribunals;
- a provision requiring that treatment be no less favourable than that accorded to established investments from other countries; and
- a mechanism for the settlement of disputes between foreign investors and the country in which the investment is made.

The two countries have also undertaken to foster cooperation in investment, particularly in key industries such as biotechnology, software and electronic manufacturing and agro-processing.

The flow of investment in both directions has fluctuated throughout the period but overall has increased since the CEP entered into force.

It is difficult to obtain comprehensive data on foreign investment however, within the limitations of the information available, total Thai investment in New Zealand stood at NZD$112 million (USD$80.8 million) in 2010 while total New Zealand investment in Thailand stood at NZD$70 million (USD$50.5 million) in the same year. This represented an annual average increase of almost 17 percent over the 2005-2010 period.[16]

[16] Years ending 31 March.

New Zealand companies primarily seek to invest in Thailand through joint ventures or representative offices in Thailand. At the same time, Thailand's role as a strategically-positioned regional hub with a skilled workforce has led to some investment by New Zealand companies seeking access to third country markets. At least some New Zealand firms are now manufacturing in part or fully in Thailand for export to such markets.

4.2 Comment

There has been growth in two-way bilateral investment though there is considerable scope for further investment in both directions based on complementarities between the two economies, particularly New Zealand's strengths in the primary (especially agricultural and food sectors) and Thailand's strengths in manufacturing and services.

New Zealand notes that New Zealand businesses have identified significant benefits in investing in Thailand including in terms of proximity to major markets and manufacturers, a strong and competitive supply base, and access to skilled labour.

New Zealand would like to further examine with Thailand the ease and support available to companies seeking to invest with in Thailand, including in terms of investment promotion.

Chapter 4: Objectives, Negotiations and Reviews

4.1 Objectives of the CEP

The objectives of the parties in concluding an Agreement to establish a free trade area as laid out in Article 1.1 of the CEP were to:

> "(a) strengthen their trade and economic relationship;
>
> (b) liberalise trade and investment and to create favourable conditions for the stimulation of trade and investment flows;
>
> (c) support the wider liberalisation and facilitation process in APEC;
>
> (d) build upon their commitments at the WTO, and to support its efforts to create a predictable, and more free and open global trading environment;
>
> (e) encourage and facilitate cooperation in areas of mutual interest in support of the aims of the Agreement;
>
> (f) improve the efficiency and competitiveness of their trade sectors by promoting conditions for fair competition, for innovation and for mutually beneficial business collaboration; and
>
> (g) facilitate trade and investment by establishing a framework of transparent rules and seeking to minimise transaction costs. "

The objectives specified in Article 1.1 remain valid and provide a sound basis for strengthening the trade and economic relationship, and promoting free and open trade and investment in the bilateral and wider contexts.

Open, transparent and competitive markets are the key drivers of economic efficiency, innovation, wealth creation and consumer welfare. This requires a predictable, transparent and consistent business environment which enables businesses to conduct transactions freely, to use resources efficiently and to take investment and planning decisions with certainty.

Against that background, it is assessed that good progress has been made towards meeting the CEP's objectives.

Chapters 2 and 3 of this Report reflect the work that has been undertaken towards implementing the CEP and thereby both strengthening the bilateral trade and economic relationship, liberalising trade and investment, and creating favourable conditions for the stimulation of trade and investment flows, including through the development of a framework of transparent rules.

The positive impact that this has had on bilateral trade and investment flows and people movement is reflected in Chapter 3 of this Report.

The impact of the CEP on improving the efficiency and competitiveness of trade sectors is difficult to assess at this stage, but anecdotal evidence from business suggests that the conditions for fair competition, mutually beneficial business collaboration and innovation are emerging. At the same time, there is recognition that the full realisation of these aspects of the objectives of the

CEP will require continued attention and effort. Ways in which this effort can be focused are set out in the following Chapter of the Report.

The CEP is an important building block not only in terms of promoting bilateral trade and investment but also in terms of promoting of wider regional economic integration including in the contexts of AANZFTA, the Closer Economic Partnership for East Asia, the Free Trade Agreement of the Asia Pacific and APEC.

The liberalisation of trade and investment flows through the CEP also builds upon the Parties' commitments at the WTO and their efforts to create a more free, open and predictable global trading environment.

4.2 Review of Special Agricultural Safeguards Measures

Article 5.11.10 of the CEP mandates that "no later than three years following the entry into force of this Agreement, the parties shall review the operation of the Article [special agricultural safeguards measures], including the list of products set out in Annex 3 and the trigger levels, including the growth factors set out in Annex 3. The review shall take into account relevant international, regional and bilateral trade developments".

Work is underway to establish a clearer information base and industry consultations to support this review are also underway.

4.3 Liberalisation of Trade in Services

The CEP provides for work under Article 8.1 with the aim of concluding an agreement to liberalise trade in services between the Parties and which is consistent with Articles V.1 and V.3 of GATS.

Since the conclusion of the CEP, negotiations to put in place a framework of commitments on trade in services applicable between New Zealand and Thailand have taken place in the context of completion of the wider AANZFTA agreement.

This has resulted in schedules of commitments entered into by Thailand and New Zealand respectively which provide greater certainty of access conditions for services suppliers to each other's markets across a range of sectors of business interest. These include commitments in the following service sectors by:

- Thailand: professional services (including engineering and urban planning and landscape architectural services), computer and related services, some other business services (including management consulting), telecommunications, construction, education, environmental, tourism and travel related services, certain aspects of transport services;

- New Zealand: professional services (including legal, accounting, architectural, engineering, urban planning and landscape architectural services and veterinary services), computer and related services, real estate services, other business services (including advertising, management consulting and convention services),

telecommunications, construction, distribution, education, environmental, financial, tourism and travel related services and transport services.

These commitments entered into force for Thailand and New Zealand on 1 March 2010.

More recently, initial informal discussions have begun to identify what prospects there may be to go beyond these AANZFTA commitments in the pursuit of further liberalisation of trade in services in a bilateral context.

In this regard, there continues to be strong interest expressed by business in both countries in pursuing further opportunities for services trade and investment in respective markets. Feedback from New Zealand business suggests this can be more readily achieved within a framework of liberalising rules for services trade which would give greater certainty and which in turn would generate new trade and economic development opportunities.

4.4 Government Procurement

Chapter 13 of the CEP provides that parties will work progressively to reduce and eliminate barriers to the supply of goods and services between the Parties arising from government procurement laws, regulations, policies, practices and procedures, and to increase transparency in government procurement.

A Government Procurement Working Group (GPWG) consisting of officials from relevant Government departments from both parties was established and met for the first time in Bangkok in May 2006. The GPWG provided an opportunity for an exchange of information on respective government procurement systems and to review the Chapter in accordance with Article 13.4 of the CEP.

The Working Group reported back to the inaugural CEP Joint Commission recommending that bilateral negotiations to expand the application of Chapter 13 (Government Procurement) should commence with a view to completing such negotiations by the 2nd CEP Joint Commission.

A second meeting of the GPWG took place in Bangkok on 2 September 2011, immediately following the 3rd CEP Joint Commission. This meeting provided an opportunity to further exchange information on any changes that have taken place in respective countries' government procurement regimes since 2006, as well as to undertake discussions on ways to take forward the provisions regarding future negotiations on government procurement under Article 13.5 (echoed in the recommendations arising from the first meeting of the GPWG).

4.5 General Review of the CEP at Ministerial level

As noted in the introduction, Article 16.5 of the CEP requires that parties undertake "a general review at ministerial level of the Agreement, including

matters relating to liberalisation, cooperation and trade facilitation, within five years of its entry into force …"

In 2010, it was agreed that the first general review should be completed on the basis of a full five years of trade data (from 2005 to 2010). Terms of reference for the review were agreed at the 2nd Joint Commission meeting in Wellington in August 2010.

This Joint Report was considered by officials at the 3rd CEP Joint Commission in August 2011 and subsequently agreed intersessionally prior to consideration by Ministers.

Chapter 5: Conclusions and need for modifications

As part of this Review, parties have agreed to consider the need for modifications to the operation or implementation of the CEP to ensure the objectives of the CEP are met and further, to consider the need for additional measures in furtherance of the objectives of the CEP.

5.1 The implementation, operation and impact of the CEP to date

Substantial progress has been made in implementing the CEP to date including in terms of the creation of robust processes on both sides to progress implementation and operation of the CEP. Chapter 2 of this Report sets these out in greater detail.

The CEP has resulted in significantly improved market access opportunities through lower tariffs and preferential trade arrangements and through improved customs procedures and other trade-facilitating and trade-enhancing measures. The CEP has also promoted communication and cooperation among government agencies on both sides, and has generated greater confidence in each other's trade and investment regimes.

New Zealand and Thailand welcome the positive impact that the CEP has had on bilateral trade and investment flows. Chapter 3 details the notable expansion of trade at the national level over the first five years of the CEP, and the strong performance in key sectors and products in both countries.

At the level of individual businesses, anecdotal evidence suggests that the CEP has resulted in increased profitability and efficiency, and a greater awareness of new trade opportunities both in each other's markets and beyond, using the CEP as a springboard to the region.

This success is all the more creditable given the challenging external economic environment through the latter part of the review period.

5.2 The need for modification to the operation or implementation of the CEP

While welcoming the benefits of the CEP to date, there is also recognition that there appears to be significant unfulfilled potential in the bilateral trade and economic relationship.

New Zealand and Thailand assess that both existing traders and new entrants to the market have found that the CEP environment offers significant potential benefits in terms of improved customs procedures, trade facilitation, transparency in SPS and TBT regimes and other relevant areas. At the same time, they agree that more work can be done to address challenges at and behind the border for exporters and importers which potentially impede the full realisation of the objectives of the CEP.

To deliver maximum benefits, trade agreements should be able to function as living arrangements capable of further development to respond to new opportunities and challenges in the trade and economic relationship. With this in mind, it will be important for both sides to continue work to develop the CEP, not only for mutual benefit in the bilateral context, but also to enhance the competitiveness and performance of both economies domestically and in the regional and global context at a time when regional economic integration initiatives are gathering pace.

Fostering strong and dynamic bilateral goods and services trade will be an important part of that process as will the development of robust regulatory frameworks which secure wider dynamic productivity gains throughout national economies and enable business sectors to compete most effectively on the regional and world stage.

Accordingly, the need for a work programme to pick up on the specific implementation or operational issues identified in the course of the Joint Review, and explores practical ways to further facilitate trade and promote regional economic integration within existing CEP frameworks is acknowledged.

The Joint Review also identifies an ongoing need to deepen understanding by business and traders of the requirements and opportunities presented under the CEP for goods and services trade and investment.

Similarly, in respect of government engagement, there may be ways to enhance regular dialogue, including between scheduled CEP Joint Committee meetings, in order to maintain momentum and progress on the trade and economic policy agenda as detailed in the Annex.

5.3 The need for additional measures in furtherance of CEP objectives

Parties have agreed on the text of amendments to Product Specific Rules of Origin (Annex 2) to correct a small number of errors in headings of the original schedules. These corrections are technical in nature and do not impact on implementation of the CEP.

No further formal implementation measures or changes to the Treaty have been recommended as a result of this Joint Review pending consideration of the mutual gains potentially to be realized in respect of the CEP's forward work agenda.

In that context, the Joint Review noted the discussion processes currently underway to identify prospects to take forward future negotiations in the areas of services and government procurement, as well as the work being undertaken on the review of special agricultural safeguard measures. It is expected that these processes will form the basis for recommendations on next steps in these areas for subsequent consideration by Ministers.

Once agreement has been reached on next steps in these areas, it may also be timely to undertake further discussions to consider at that point what additional measures may be needed in furtherance of CEP objectives.

Annex: Areas of Work and Cooperation

General

- promote better understanding of the provisions of and opportunities offered by the CEP and of each other's legal and regulatory systems as they relate to matters covered by the CEP (Ch 2, Section 11; and Ch 3)[17]

- enhance intersessional dialogue between agencies on CEP matters (Ch 2, Section 13)

In respect of goods trade: trade facilitation

- enhance administrative, regulatory and other practices and processes to reduce transaction costs and complexity, improve transparency and timeliness and harmonise standards and technical regulations (Ch 3, Section 2.4)

- exchange information on systems for advance rulings on the origin of goods and discuss ways to formalise procedures for access to such rulings (Ch 2, Section 3.4)

- cooperate under the CEP Customs Chapter to facilitate legitimate trade and deepen business understanding of customs requirements under the CEP (Ch 2, Section 3.6)

- promote business understanding of the requirements relating to the use of Declarations of Origin (Ch 2, Section 3.2)

- cooperate in strengthening protection of intellectual property rights (Ch 2, Section 10; and Ch 3, Section 2.4)

- cooperate in the trade remedies area with a view to furthering the objectives of Chapter 5 of the CEP (Ch 2, Section 4)

- deepen dialogue and working relationships between respective agencies responsible for SPS matters (Ch 2, Section 5)

In respect of services trade, temporary entry, and temporary employment entry

- explore the possibility of extension of business visas from 15 to 90 days (in line with the APEC business card) (Ch 2, Section 16)

In respect of investment

- explore ways to allow streamlined processes for New Zealand business investments in Thailand (Ch 3, Section 4.2)

[17] All references relate to corresponding sections the Joint Report; not the CEP