

CHAPTER 14 ECONOMIC COOPERATION

ARTICLE 14.1 Objectives

1. The Parties shall promote cooperation under this Agreement for their mutual benefit in order to liberalise and facilitate trade and investment between the Parties and foster economic growth.
2. Economic cooperation under this Chapter shall be built upon a common understanding between the Parties to support the implementation of this Agreement, with the objective of maximising its benefits, supporting pathways to trade and investment facilitation, and further improving market access and openness to contribute to the sustainable inclusive economic growth and prosperity of the Parties.

ARTICLE 14.2 Scope

1. Economic cooperation under this Chapter shall support the effective and efficient implementation and utilisation of this Agreement through activities that relate to trade and investment.
2. Economic cooperation under this Chapter shall initially focus on the following areas:
 - (a) manufacturing industries;
 - (b) agriculture, forestry and fisheries;
 - (c) trade and investment promotion;
 - (d) human resource development;
 - (e) tourism;
 - (f) information and communications technology;
 - (g) the promotion of electronic commerce;
 - (h) trade in environmental goods and services;
 - (i) media; and
 - (j) energy.

The Parties may agree in the Annual Work Program on Economic Cooperation Activities to modify the above list, including by adding other areas for economic cooperation.

ARTICLE: 14.3

Annual Work Program on Economic Cooperation Activities

1. The Joint Committee shall adopt an Annual Work Program on Economic Cooperation Activities (Annual Work Program) based on proposals submitted by the Parties.
2. Each activity in the Annual Work Program developed under this Chapter shall: (i) be guided by the objectives agreed in Article 14.1 (Objectives); (ii) be related to trade or investment and support the implementation of this Agreement; (iii) involve both Parties; (iv) address the mutual priorities of the Parties; and (v) avoid duplicating existing economic cooperation activities.

ARTICLE 14.4

Competition Policy

1. The Parties recognise the importance of general cooperation in the area of competition policy. The Parties may cooperate to exchange information relating to the development of competition policy, enforcement of competition law and capacity building in the area of competition policy, subject to their laws and regulations and available resources. The Parties may conduct such cooperation through their competent authorities.
2. The Parties may consult on matters related to regulation of mergers and anti-competitive practices, including abuse of dominant position and anti-competitive agreements having adverse effects on competition in their respective jurisdictions. The consultations shall be without prejudice to the autonomy of each Party to develop, maintain and enforce its domestic competition laws and regulations.
3. The Parties may interact and cooperate in relation to competition assessment of global mergers and acquisitions to achieve efficient, uniform and non-contradictory results. The cooperation shall take into account the Parties' laws and regulations on the protection of confidential information.

ARTICLE 14.5

Environmental Cooperation

1. The Parties recognise the importance of mutually supportive trade and environmental policies and practices to improve environmental protection in the furtherance of sustainable development.
2. The Parties recognise the sovereign right of each Party to establish its own levels of domestic environmental protection and its own environmental priorities, and to establish, adopt or modify its environmental laws and policies accordingly.
3. Each Party shall strive to ensure that its environmental laws and policies provide for, and encourage, high levels of environmental protection and to continue to improve its respective levels of environmental protection.
4. Each Party shall endeavour to effectively enforce its environmental laws.

5. The Parties recognise that each Party retains the right to exercise discretion and to make decisions regarding: (a) investigatory, prosecutorial, regulatory and compliance matters; and (b) the allocation of environmental enforcement resources with respect to other environmental laws determined to have higher priorities. Accordingly, the Parties understand that with respect to the enforcement of environmental laws a Party is in compliance with paragraph 4 if a course of action or inaction reflects a reasonable exercise of that discretion, or results from a bona fide decision regarding the allocation of those resources in accordance with priorities for enforcement of its environmental laws.

6. The Parties recognise that multilateral environmental agreements to which they are party play an important role, globally and domestically, in protecting the environment and that the respective implementation of these agreements is critical to achieving the environmental objectives of these agreements. Accordingly, each Party affirms its commitment to implement the multilateral environmental agreements to which it is a party.

7. Nothing in this Section shall be construed to empower a Party's authorities to undertake environmental law enforcement activities in the territory of the other Party.

ARTICLE 14.6 **Air Services Cooperation**

Recognizing the importance of air transport operations to their respective economies, the Parties agree to cooperate in this sector.

ARTICLE 14.7 **Resources**

1. Resources for economic cooperation under this Chapter shall be provided in a manner as agreed by the Parties and in accordance with the laws and regulations of the Parties.

2. The Parties, where it is of mutual benefit, may consider cooperation with, and contributions from, external parties to support the implementation of the Annual Work Program.

ARTICLE 14.8 **Committee on Economic Cooperation**

1. For the purposes of the effective implementation and operation of this Chapter, the Parties shall establish a Committee on Economic Cooperation (CEC).

2. The CEC shall undertake the following functions:

- (a) monitor and assess the implementation of this Chapter;
- (b) identify new opportunities and agree on new ideas for prospective cooperation or capacity building activities;
- (c) formulate and develop Annual Work Program proposals and their implementation mechanisms;

- (d) coordinate, monitor and review progress of the Annual Work Program to assess its overall effectiveness and contribution to the implementation and operation to this Chapter;
- (e) suggest amendments to the Annual Work Program to the Joint Committee through periodic evaluations;
- (f) cooperate with other Committees and/or subsidiary bodies established under this Agreement to perform stocktaking, monitoring and benchmarking on any issues related to the implementation of this Agreement, as well as to provide feedback and assistance in the implementation and operation of this Chapter; and
- (g) report to and, if deemed necessary, consult with the Joint Committee in relation to the implementation and operation of this Chapter.

ARTICLE 14.9
Non-Application of Chapter 15 (Dispute Settlement)

Neither Party shall have recourse to dispute settlement under Chapter 15 (Dispute Settlement) for any matter arising under this Chapter.