

Chapter 11

Economic Cooperation

Article 11.1: General Objectives

1. The Parties agree to establish a framework for collaborative activities as a means to expand and enhance the benefits of this Agreement for building a strategic economic partnership.
2. The Parties will establish close cooperation aimed, *inter alia*, at:
 - (a) strengthening and building on existing cooperative relationships between the Parties, including a focus on promoting economic and social development, fostering innovation and encouraging research and development;
 - (b) creating new opportunities for trade and investment, promoting competitiveness and innovation;
 - (c) supporting the important role of the private sector in promoting and building strategic alliances to encourage mutual economic growth and development;
 - (d) encouraging the presence of the Parties and their goods and services in their respective markets of Asia Pacific and Latin America;
 - (e) reinforce and expand cooperation, collaboration and mutual exchange in the cultural and educational areas; and
 - (f) increasing the level of and deepening cooperation activities between the Parties in areas of mutual interest.

Article 11.2: Scope

1. The Parties affirm the importance of all forms of cooperation, including, but not limited to, the fields of cooperation enlisted in Article 11.3 and any other fields that the Parties agree or include.
2. Cooperation between the Parties should contribute to achieving the objectives of this Agreement through the identification and development of innovative cooperation programmes capable of providing added value to their relationships.
3. Cooperative activities will be agreed between the Parties and may include, though not limited to, those enlisted in Article 11.4
4. Cooperation between the Parties under this Chapter will complement the cooperation and cooperative activities between the Parties set out in other Chapters of this Agreement.

Article 11.3: Fields of Cooperation

Fields of cooperation and capacity building under this Chapter may include, among others:

- (a) Trade and Investment Promotion;
- (b) Science, Innovation, Research and Development;
- (c) Agriculture, Aquaculture and Fishery, Food Industry and Forestry;
- (d) Mining;
- (e) Energy;
- (f) Small and Medium-sized Enterprises;
- (g) Tourism;
- (h) Education, and Human Capital Development;
- (i) Community Development and Cultural Cooperation;
- (j) Trade-related Gender Issues;
- (k) Logistics and International Transportation;
- (l) Environment;
- (m) Labour Issues;
- (n) Government Procurement;
- (o) Information and Communication Technology (ICT);
- (p) E-commerce; and
- (q) Geographical Indications.

Article 11.4: Activities of Cooperation

1. Areas and forms of cooperation under this Chapter shall be set forth in the implementing arrangements consistent with the objectives set in Article 11.1.

2. Parties will encourage and facilitate, as mutually agreed by both Parties, the following activities, including, but not limited to:

- (a) exchange of people, information, documentation, experiences;
- (b) cooperation in regional and multilateral fora;

- (c) direct cooperative activities;
- (d) technical assistance;
- (e) dialogues, conferences, seminars and training programmes with experts; and
- (f) any other activity the Cooperation Committee might define.

Article 11.5: Environmental Issues

1. Recognising the importance of strengthening capacity to promote sustainable development with their three (3) interdependent and mutually reinforcing components: economic growth, social development and environmental protection, the Parties agree to cooperate in the field of environment.

2. The Parties agree that it is inappropriate to set or use their environmental laws, regulations, policies and practices for trade protectionist purposes; as well as it is inappropriate to relax, or fail to enforce or administer, their environmental laws and regulations to encourage trade and investment.

3. Each Party shall endeavour to promote public awareness of its environmental laws, regulations, policies and practices domestically.

4. The Parties shall endeavour to cooperate in the field of the environment as mutually agreed by both Parties. The aim of cooperation will be the prevention and/or reduction of pollution and degradation of natural resources and ecosystems, and rational use of the latter; through developing and endorsing special programmes and projects dealing, *inter alia*, with the transfer of knowledge and technology.

5. Cooperation on environment may include:

- (a) climate change;
- (b) biodiversity and conservation of natural resources;
- (c) management of hazardous chemicals;
- (d) air quality;
- (e) water management;
- (f) waste management;
- (g) marine and coastal ecological conservation and pollution control;
- (h) strategic environmental impact assessment;

- (i) improvement of environmental awareness, including environmental education and public participation; and
- (j) green technology.

6. New areas of cooperation may be developed through existing agreements and through appropriate implementing arrangements.

7. In order to facilitate communication for purposes of this Article, each Party will designate a contact point no later than six (6) months from the date of entry into force of this Agreement. Each Party will notify the other Party promptly of any change of contact point.

Article 11.6: Labour Issues

1. In accordance with Article 11.3 the Parties hereby reaffirm their commitment to establish cooperation on labour.

2. Parties will cooperate on labour and employment-related matters in the areas of mutual interest and benefit, which may include, but not limited to promotion of decent work, labour policies, best practices of the labour systems, the development and management of human capital for enhanced employability, business excellence and greater productivity for the benefit of workers and employers.

3. The cooperation will be carried out through mutually agreed activities, which may include exchanges of information and expertise, and joint organisation of seminars, workshops and meetings for experts, regulatory authorities and other persons concerned.

4. The Parties recognise that it is inappropriate to encourage trade or investment by weakening or reducing the protections afforded in domestic labour laws.

5. In order to facilitate communication for purposes of this Article, each Party will designate a contact point no later than six (6) months from the date of entry into force of this Agreement. Each Party will notify the other Party promptly of any change of contact point.

Article 11.7: Electronic Commerce

1. Recognizing the global nature of electronic commerce, the Parties shall endeavour to:

- (a) work together to assist small and medium enterprises to overcome obstacles encountered in its use;
- (b) exchange information and share experiences on regulations, policies, enforcement and compliance regarding electronic commerce, including:

- (i) personal data protection;
 - (ii) online consumer protection including means for consumer redress and building consumer confidence;
 - (iii) unsolicited commercial electronic messages;
 - (iv) security in electronic communications;
 - (v) authentication; and
 - (vi) e-government;
- (c) participate actively in regional and multilateral fora to promote the development of electronic commerce;
- (d) encourage development by the private sector of methods of self-regulation that foster electronic commerce, including codes of conduct, model contracts, guidelines and enforcement mechanisms;
- (e) encourage interoperability of electronic authentication and digital certificates in the business and government sectors, work towards the mutual recognition of digital certificates at government level, based on internationally accepted standards, and maintain domestic legislation for electronic authentication that:
 - (i) permits parties to electronic transactions to determine the appropriate authentication technologies and implementation models for their electronic transactions, without limiting the recognition of such technologies and implementation models; and
 - (ii) permits parties to electronic transactions to have the opportunity to prove in court that their electronic transactions comply with any legal requirements;
- (f) facilitate cross-border electronic transactions and paperless trading:
 - (i) each Party shall accept the electronic format of trade administration documents as the legal equivalent of paper documents except where:
 - there is a domestic or international legal requirement to the contrary; or
 - doing so would reduce the effectiveness of the trade administration process; and

- (ii) the Parties shall cooperate bilaterally and in international fora to enhance acceptance of electronic versions of trade administration documents;
- (g) encourage cooperation in research and training that would enhance the development of electronic commerce including by sharing best practices on electronic commerce development;
- (h) encourage development of domestic frameworks which are compatible with evolving international norms and standards;
- (i) provide an environment which promotes trust and confidence among electronic commerce participants;
- (j) take appropriate measures and take into account international standards on personal data protection:
 - (i) notwithstanding the differences in existing systems for personal data protection in the territories of the Parties, each Party shall take such measures as it considers appropriate and necessary to protect the personal data of users of electronic commerce; and
 - (ii) in the development of data protection standards, each Party shall, to the extent possible, take into account international standards and the criteria of relevant international organizations; and
- (k) provide protection for consumers using electronic commerce that is at least equivalent to that provided for consumers of other forms of commerce under their respective laws, regulations, and policies, to the extent possible and in a manner considered appropriate by each Party.

2. In order to facilitate communication for purposes of this Article, each Party will designate a contact point no later than six (6) months from the date of entry into force of this Agreement. Each Party will notify the other Party promptly of any change of contact point.

Article 11.8: Government Procurement

1. The Parties recognise the importance of government procurement to their economies.
2. The Parties shall endeavour to promote transparency, value for money, open and effective competition, fair dealing, accountability and due process, and non-discrimination in their government procurement procedures.
3. The Parties will cooperate on government procurement-related matters in the areas of mutual interest and benefit.

4. The cooperation will be carried out through mutually agreed activities, which may include the exchange of information on their respective laws and regulations, policies and practices on government procurement, as well as on any reforms to their existing government procurement regimes.

5. For the purposes of this Article, the Parties hereby establish a Working Group on Government Procurement. This Working Group shall report to the Commission on the outcomes of its discussions.

Article 11.9: Geographical Indications²⁷

1. Each Party shall ensure, in accordance with its laws and regulations and in conformity with the WTO TRIPS Agreement, protection of geographical indications with regard to any goods. Each Party shall accept applications without the requirement for intercession by a Party on behalf of its persons.

2. The Parties shall cooperate to exchange views on issues relating to protection of geographical indications, including any strengthening of such protection.

3. The terms listed in Annex 11.9 are geographical indications of Chile and Thailand, within the meaning of paragraph 1 of Article 22 of the WTO TRIPS Agreement²⁸.

4. At the request of a Party, the Commission may decide to add or remove geographical indications from Annex 11.9.

5. In the case of homonymous geographical indications, each Party shall determine the practical conditions under which the homonymous indications in question will be differentiated from each other, subject to respective domestic laws and regulations of each Party.

Article 11.10: Cooperation Committee

1. For the purpose of this Agreement, the Parties hereby establish the Cooperation Committee comprising representatives of each Party.

2. The Cooperation Committee shall be coordinated and co-chaired by:

- (a) in the case of Chile, the Ministry of Foreign Affairs through the General Directorate for International Economic Affairs, or its successor; and

²⁷ Parties acknowledge that this article does not create an obligation for either Party to amend their respective laws and regulations, nor does it affect the implementation thereof.

²⁸ For greater certainty, geographical indications will be recognised and protected in Chile and Thailand, only to the extent permitted by and in accordance with the terms and conditions set out in their respective domestic laws and regulations, in a manner that is consistent with the TRIPS Agreement.

- (b) in the case of Thailand, the Ministry of Commerce through the Department of Trade Negotiations, or its successor.
- 3. In order to facilitate the communications and ensure the proper functioning of the Cooperation Committee, the Parties will designate a contact person no later than nine (9) months following the date of entry into force of this Agreement. Each Party will notify the other Party promptly of any change of contact point.
- 4. The Cooperation Committee shall meet at least once a year unless the Parties otherwise agree. During the first meeting, the Cooperation Committee shall agree its specific terms of reference.
- 5. The Cooperation Committee's functions shall include:
 - (a) to determine the fields of cooperation and the cooperative activities;
 - (b) to oversee the implementation of the strategic collaboration agreed by the Parties;
 - (c) to encourage the Parties to undertake cooperation activities under this Chapter; and
 - (d) to maintain updated information regarding any cooperation agreements, arrangements or instruments between the Parties.
- 6. The Cooperation Committee may agree to establish ad hoc working groups in accordance with the Cooperation Committee's terms of reference.
- 7. The Cooperation Committee may interact, where appropriate, with the relevant entities to address specific matters.
- 8. The Cooperation Committee shall report periodically to the Commission the results of its meetings. Consequently, the Commission may formulate recommendations regarding cooperation activities under this Chapter in accordance with the strategic priorities of the Parties.

Article 11.11: Non-application of Dispute Settlement

The dispute settlement procedure provided for in Chapter 14 (Dispute Settlement) shall not apply to this Chapter, with the exception of Article 11.9.

Article 11.12: Costs of Cooperation

- 1. The implementation of cooperation under this Chapter shall be subject to the availability of funds and the applicable laws and regulations of each Party.
- 2. Costs of cooperation under this Chapter shall be borne by the Parties within the limits of their own capacities and through their own channels, in an equitable manner to be mutually agreed by the Parties.