

other relevant disciplines.

ARTICLE 4

Trade In Services

With a view to expediting the expansion of trade in services, the Parties agree to enter into negotiations to progressively liberalise trade in services with substantial sectoral coverage. Such negotiations shall be directed to:

- (a) progressive elimination of substantially all discrimination between or among the Parties and/or prohibition of new or more discriminatory measures with respect to trade in services between the Parties, except for measures permitted under Article V(1)(b) of the WTO General Agreement on Trade in Services (GATS);
- (b) expansion in the depth and scope of liberalisation of trade in services beyond those undertaken by ASEAN Member States and China under the GATS; and
- (c) enhanced co-operation in services between the Parties in order to improve efficiency and competitiveness, as well as to diversify the supply and distribution of services of the respective service suppliers of the Parties.

ARTICLE 5

Investment

To promote investments and to create a liberal, facilitative, transparent and competitive investment regime, the Parties agree to:

- (a) enter into negotiations in order to progressively liberalise the investment regime;
- (b) strengthen co-operation in investment, facilitate investment and improve transparency of investment rules and regulations; and
- (c) provide for the protection of investments.

ARTICLE 6

Early Harvest

With a view to accelerating the implementation of this Agreement, the Parties agree to implement an Early Harvest Programme (which is an integral part of the ASEAN-China FTA) for products covered under paragraph 3(a) below and which will commence and end in accordance with the timeframes set out in this Article.

For the purposes of this Article, the following definitions shall apply unless the context otherwise requires:

- (a) "ASEAN 6" refers to Brunei, Indonesia, Malaysia, Philippines, Singapore and Thailand;
- (b) "applied MFN tariff rates" shall include in-quota rates, and shall:

- (i) in the case of ASEAN Member States (which are WTO members as of 1 July 2003) and China, refer to their respective applied rates as of 1 July 2003; and
 - (ii) in the case of ASEAN Member States (which are non-WTO members as of 1 July 2003), refer to the tariff rates as applied to China as of 1 July 2003.
- 3. The product coverage, tariff reduction and elimination, implementation timeframes, rules of origin, trade remedies and emergency measures applicable to the Early Harvest Programme shall be as follows:
 - (a) Product Coverage
 - (i) All products in the following chapters at the 8/9 digit level (HS Code) shall be covered by the Early Harvest Programme, unless otherwise excluded by a Party in its Exclusion List as set out in Annex 1 of this Agreement, in which case these products shall be exempted for that Party:

Chapter	Description
01	Live Animals
02	Meat and Edible Meat Offal
03	Fish
04	Dairy Produce
05	Other Animals Products
06	Live Trees
07	Edible Vegetables
08	Edible Fruits and Nuts
 - (ii) A Party which has placed products in the Exclusion List may, at any time, amend the Exclusion List to place one or more of these products under the Early Harvest Programme.
 - (iii) The specific products set out in Annex 2 of this Agreement shall be covered by the Early Harvest Programme and the tariff concessions shall apply only to the parties indicated in Annex 2. These parties must have extended the tariff concessions on these products to each other.
 - (iv) For those parties which are unable to complete the appropriate product lists in Annex 1 or Annex 2, the lists may still be drawn up no later than 1 March 2003 by mutual agreement.
 - (b) Tariff Reduction and Elimination
 - (i) All products covered under the Early Harvest Programme shall be divided into 3 product categories for tariff reduction and elimination as defined and to be implemented in accordance with the timeframes set out in Annex 3 to this Agreement. This paragraph shall not prevent any Party from accelerating its tariff reduction or elimination if it so wishes.

- (ii) All products where the applied MFN tariff rates are at 0%, shall remain at 0%.
 - (iii) Where the implemented tariff rates are reduced to 0%, they shall remain at 0%.
 - (iv) A Party shall enjoy the tariff concessions of all the other parties for a product covered under paragraph 3(a)(i) above so long as the same product of that Party remains in the Early Harvest Programme under paragraph 3(a)(i) above.
- (c) Interim Rules of Origin

The Interim Rules of Origin applicable to the products covered under the Early Harvest Programme shall be negotiated and completed by July 2003. The Interim Rules of Origin shall be superseded and replaced by the Rules of Origin to be negotiated and implemented by the Parties under Article 3(8)(b) of this Agreement.
- (d) Application of WTO provisions

The WTO provisions governing modification of commitments, safeguard actions, emergency measures and other trade remedies, including anti-dumping and subsidies and countervailing measures, shall, in the interim, be applicable to the products covered under the Early Harvest Programme and shall be superseded and replaced by the relevant disciplines negotiated and agreed to by the Parties under Article 3(8) of this Agreement once these disciplines are implemented.
- 4. In addition to the Early Harvest Programme for trade in goods as provided for in the preceding paragraphs of this Article, the Parties will explore the feasibility of an early harvest programme for trade in services in early 2003.
- 5. With a view to promoting economic co-operation between the Parties, the activities set out in Annex 4 of this Agreement shall be undertaken or implemented on an accelerated basis, as the case may be.

PART 2

ARTICLE 7

Other Areas Of Economic Co-operation

1. The Parties agree to strengthen their co-operation in 5 priority sectors as follows:
 - (a) agriculture;
 - (b) information and communications technology;
 - (c) human resources development;
 - (d) investment; and
 - (e) Mekong River basin development.
2. Co-operation shall be extended to other areas, including, but not limited to, banking, finance, tourism, industrial co-operation, transport, telecommunications, intellectual property rights, small and medium