

Chapter 11 Government Procurement

Article 131 Procurement Principles

The Parties recognize that it is important for a Party to accord national treatment and most-favored-nation treatment to goods, services and suppliers of the other Party with respect to the measures regarding government procurement, and that it is desirable to provide transparency of the measures regarding government procurement, with a view to achieving greater liberalization and expansion of trade between the Parties. The Parties also recognize the need to take into account the development, financial and trade needs of the Parties. Each Party shall ensure a fair and effective implementation of the measures regarding government procurement.

Article 132 Negotiations on Non-discrimination

In the event that a Party offers a non-Party any advantages of access to its government procurement market or any advantageous treatment concerning the measures regarding government procurement, the former Party shall consent to enter into negotiations with the other Party with a view to extending these advantages or advantageous treatment to the other Party.

Article 133 Sub-Committee on Government Procurement

1. For purposes of the effective implementation and operation of this Chapter, a Sub-Committee on Government Procurement (hereinafter referred to in this Article as "the Sub-Committee") shall be established pursuant to Article 13.
2. The functions of the Sub-Committee shall be:
 - (a) exchanging information on the measures regarding government procurement of each Party;
 - (b) analyzing available information on each Party's government procurement market;
 - (c) discussing any issues relating to government procurement, including:

- (i) possibility of according national treatment and most-favored-nation treatment to goods, services and suppliers of the other Party;
 - (ii) enhancement of transparency;
 - (iii) fair and effective implementation of the measures regarding government procurement including challenge procedures; and
 - (iv) consistency of each Party's measures regarding government procurement with international principles on government procurement, such as, but not limited to, the Agreement on Government Procurement in Annex 4 to the WTO Agreement (hereinafter referred to in this Chapter as "the GPA");
- (d) reporting the findings of the Sub-Committee to the Joint Committee; and
 - (e) performing other functions as may be delegated by the Joint Committee pursuant to Article 13.

3. The Sub-Committee shall meet at such venue as may be agreed by the Parties and shall make efforts to meet once a year.

Article 134 Further Negotiations

The Parties shall enter into negotiations at the earliest possible time, not later than five (5) years after the date of the entry into force of this Agreement, with a view to liberalizing their respective government procurement markets. In such negotiations, the Parties shall review all aspects of their measures regarding government procurement and shall consider the following factors:

- (a) according national treatment and most-favored-nation treatment to goods, services and suppliers of the other Party;
- (b) enhancement of transparency;
- (c) consistency of each Party's measures regarding government procurement with international principles on government procurement, such as, but not limited to, the GPA; and

- (d) other matters necessary for a fair and effective implementation of the measures regarding government procurement including challenge procedures.

Chapter 12
Competition

Article 135
Promotion of Competition
by Addressing Anti-competitive Activities

1. Each Party shall, in accordance with its applicable laws and regulations, take measures which it considers appropriate to promote competition by addressing anti-competitive activities, in order to facilitate trade and investment flows between the Parties and the efficient functioning of its market. Any such measures shall be taken in conformity with the principles of transparency, non-discrimination and procedural fairness.

2. Each Party shall, when necessary, review and improve or adopt laws and regulations to effectively promote competition by addressing anti-competitive activities.

Article 136
Cooperation on Promoting Competition
by Addressing Anti-competitive Activities

1. The Parties shall, in accordance with their respective laws and regulations, cooperate in the field of promoting competition by addressing anti-competitive activities, subject to their respective available resources.

2. The details and procedures of cooperation under this Article shall be specified in the Implementing Agreement.

Article 137
Non-Application of Chapter 15

The dispute settlement procedures provided for in Chapter 15 shall not apply to this Chapter.