

CHAPTER THIRTEEN

ECONOMIC COOPERATION

Article 13.1 **Objectives**

1. The Parties agree to establish a framework for cooperation as a means to expand and enhance the benefits of this Agreement and to promote capacity building activities in areas of mutual interest taking into account existing economic cooperation between them.
2. The Parties will establish close cooperation aimed *inter alia* at:
 - (a) promoting and enhancing economic cooperation between them to further development objectives in accordance with the applicable laws and regulations of each Party;
 - (b) complementing existing, and building new, cooperative relationships between the Parties;
 - (c) advancing human resource development, creating new opportunities for trade and investment, promoting competitiveness and innovation including the involvement, where appropriate, of the private sector;
 - (d) contributing to the important role of the private sector in promoting and building strategic alliances to encourage mutual economic growth and development;
 - (e) encouraging through this cooperative process the presence of the Parties and their goods and services in each others' respective markets; and
 - (f) increasing and deepening the level of cooperation activities between the Parties in areas of mutual interest.

Article 13.2 **Scope**

1. The Parties affirm the importance of all forms of cooperation with particular attention given initially to the areas identified in Annex 8 (Areas of Cooperation). Annex 8 (Areas of Cooperation) is an open-ended, illustrative list of areas for cooperation. Other areas of cooperation for possible implementation can be identified and discussed by the Economic Cooperation Committee

including, but not limited to:

- (a) education;
- (b) agriculture;
- (c) forestry;
- (d) science and technology;
- (e) health;
- (f) manufacturing industry;
- (g) small and medium scale industries; and
- (h) other areas to be mutually agreed upon by the Parties.

Cooperation in the areas identified in Annex 8 (Areas of Cooperation) will commence upon the entry into force of this Agreement, in which some of the identified projects could be implemented as soon as possible thereafter.

2. Cooperation between the Parties should contribute to achieving the objectives of this Agreement and in particular the objectives in Article 13.1 (Objectives), taking into account the different levels of development, through the identification and development of innovative cooperation programmes capable of providing added value to the Parties' relationship.

3. Cooperation between the Parties under this Chapter will supplement the cooperation and cooperative activities between the Parties set out in this Agreement.

Article 13.3 Resources

Cooperation will be undertaken subject to the availability of resources of each Party and the applicable laws and regulations of each Party.

Article 13.4 Functions of the Economic Cooperation Committee

1. The Parties shall establish an Economic Cooperation Committee ("the Committee") for the purpose of implementation and operation of this Chapter. The functions of the Committee shall be to:

- (a) establish an agreed work programme of cooperative activities;

- (b) exchange information in the field of cooperation;
- (c) identify new areas of cooperation and new ways to further cooperation between the Parties;
- (d) serve as a channel for dialogue on matters of mutual interest;
- (e) oversee the implementation and coordination of the economic cooperation framework and activities as agreed by the Parties; and
- (f) regularly report to the Joint Commission on the outcomes of the economic cooperation activities undertaken.

2. The Committee shall be co-chaired by officials of the Governments; its members shall have the necessary and relevant expertise related to the issues, and decisions shall be taken by consensus between the Parties.

Article 13.5 **Mechanisms for Implementation of Cooperation**

1. The Parties agree that the mechanisms for cooperation will take the form of:

- (a) meetings of the Committee;
- (b) meetings, as required between the relevant institutions of the Parties (including, but not limited to, relevant Government agencies and universities), to further the implementation of cooperation activities with a view to ensuring the successful implementation of economic cooperation under this Chapter; and
- (c) maximum use of diplomatic channels to promote dialogue and cooperation consistent with this Agreement.

2. In accordance with Article 15.1 (Joint Commission), in the area of economic cooperation the Joint Commission shall:

- (a) receive and deliberate on the reports of the Committee;
- (b) make decisions on issues referred to it by the Committee;
- (c) encourage undertaking of cooperation activities under the framework as well as new initiatives as agreed by the Parties; and
- (d) make recommendations on the cooperation activities under this Chapter for implementation through the Committee, in accordance

with the strategic priorities of the Parties.

3. Each Party will designate a Contact Point to facilitate communication on cooperation activities undertaken by the Committee. The Contact Points will work with their respective Government agencies, private sector representatives and educational and research institutions in the operation of this Chapter.
4. The Committee shall meet within one year of entry into force of this Agreement and then each year, or as otherwise mutually determined by the Parties.
5. To the greatest extent possible, the work of the Committee shall be conducted using electronic means, including e-mail, teleconference and video-conference. Where a physical meeting is required, it shall, unless otherwise agreed by the Parties, take place contiguous to a meeting of the Joint Commission.

Article 13.6 **Non-Application of Dispute Settlement**

No Party shall have recourse to the dispute settlement procedures under Chapter 16 (Dispute Settlement) in respect of this Chapter.