

## **Chapter 16 Economic Cooperation**

### **Article 16.1 General Objectives**

1. The Parties shall establish close cooperation aimed, inter alia, at:
  - (a) promoting economic and social development;
  - (b) increasing the level of and deepening cooperation actions while taking into account the association relation between the Parties;
  - (c) increasing the level of and deepening collaboration activities between the Parties in areas of mutual interest;
  - (d) strengthening the capabilities and competitiveness of the Parties to maximize the opportunities and benefits derived from this Agreement;
  - (e) stimulating productive synergies, creating new opportunities for trade and investment, and promoting competitiveness and innovation;
  - (f) accomplishing a greater impact in scientific and technological knowledge transfer, research and development, innovation, and entrepreneurship;
  - (g) increasing the export capabilities of the small and medium enterprises (hereinafter “SMEs”)<sup>8</sup>; and
  - (h) generating a greater and deeper level of supply chain linkages.
  
2. The Parties agree that the economic and technical cooperation in this agreement, taking into account the national capacities of each Party, aims to maximize mutual benefits from the implementation and utilization of this Agreement.

### **Article 16.2 Scope**

1. The Parties reaffirm the importance of all forms of cooperation as a means to contribute to implementing the objectives and principles derived from this Agreement.
  
2. Cooperation between the Parties under this Chapter will supplement the cooperation and cooperative activities between the Parties set out in other Chapters of this Agreement.

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<sup>8</sup> For the purposes of this chapter, for Ecuador, “small and medium enterprises” includes micro enterprises as well as the social and solidarity economies as defined in Ecuador’s domestic legislation.

### **Article 16.3 Economic Cooperation**

1. The aims of economic cooperation will be:

(a) to build on existing agreements or arrangements already in place for trade and economic cooperation; and

(b) to advance and strengthen trade and economic relations between the Parties, taking into account all forms and levels of cooperation.

2. In pursuit of the objectives in Article 16.1 (General Objectives), the Parties will encourage and facilitate, as appropriate, the following activities, including, but not limited to:

(a) providing capacity building and technical assistance;

(b) conferences, seminars, expert dialogues, training programs and workshops;

(c) technology transfer in the areas of mutual interest;

(d) mutual access to academic, industrial, and business networks;

(e) the design of models of technological innovation based on public and/or private cooperation;

(f) policy dialogue and regular exchanges of information and views on ways to promote and expand trade between the Parties;

(g) keeping each other informed of important economic and trade issues, and any impediments to furthering their economic cooperation;

(h) supporting dialogue and exchanges of experience among the respective business communities of the Parties;

(i) stimulating and facilitating actions of public and /or private sectors in areas of economic interest;

(j) joint elaboration of studies and technical projects of economic interest in accordance with the economic development needs identified by the Parties;

(k) providing assistance and facilities to businesspersons and trade missions that visit the other Party with the knowledge and support of the relevant agencies; and

(l) other forms of cooperation as may be agreed by the Parties.

### **Article 16.4 Agricultural Cooperation**

The Parties recognize that agriculture constitutes a core activity for both Parties, and that enhancing this economic field will improve quality of life and social and economic development in their territories.

To accomplish these objectives, and in accordance with their domestic laws, regulations and relevant procedures, the Parties shall cooperate, among others, in activities to:

(a) promote sustainable rural development through the exchange of experience, generation of partnerships and the execution of projects in areas of mutual interest such as: agricultural innovation and technology transfer for the development of small farming, the conservation and management of water resources for agricultural use, the application of good agricultural and agro-industrial practices, including a gender approach in development policies and strategies, among others;

(b) promote the exchange of relevant information for agricultural exports between the two markets;

(c) develop a training program addressed to leader producers, technicians, and professionals for the application of innovative technologies to increase and improve agriculture and animal husbandry productivity and competitiveness, in particular of value-added products;

(d) strengthen the institutional capabilities of government agencies, research institutions, universities, and businesses, in the areas of scientific investigation and transfer and validation of technologies including, among others, soil management and nutrition, irrigation and drainage, animal nutrition, horticulture under protected environments, traceability and safety, bio-fuels, and control of best manufacturing practices, food safety, diagnostic protocols (diseases) and control systems in the agriculture and livestock sectors;

(e) develop and validate technologies for agriculture and livestock production of higher quality and lower environmental impact;

(f) support, through market access, the production of non-traditional crops with an important level of biodiversity components;

(g) assist, through the improvement of laboratories and the construction of industrial and technological parks, the innovation of agro-industrial products as well as the traceability systems; and

(h) strengthen bilateral cooperation on sanitary and phytosanitary issues between each Party's relevant institutions with a view to facilitating access to each other's markets.

## **Article 16.5 Fishery and Aquaculture Cooperation**

The Parties, recognizing the social and economic importance of fish and fishery products, shall endeavor to cooperate in the field of fishery and aquaculture, through:

(a) strengthening the research and productive capacities for the development of new products with the aim of increasing direct human consumption, as well as to facilitate information exchange and the conservation of natural resources, under the approach of responsible fishing;

(b) strengthening public and private institutions related to fishery and aquaculture development;

(c) combating illegal, unreported, and unregulated fishing through the implementation of more efficient and effective monitoring systems;

(d) exchanging experiences and best practices to strengthen the responsible development of artisanal and small-scale fisheries and aquaculture and the diversification of their products and activities; and

(e) exchanging of knowledge and technical assistance in the field of epidemiological surveillance of specific diseases in aquatic animals, animal health, and the development of contingency plans.

### **Article. 16.6 Small and Medium Enterprises**

1. The Parties recognize that SMEs contribute significantly to economic growth, employment, and innovation, and therefore seek to promote information sharing and cooperation in increasing the ability of small and medium enterprises to utilise and benefit from the opportunities created by this Agreement

2. Each Party shall promote the sharing of information related to this Agreement that is relevant to SMEs, including through the establishment and maintenance of a publicly accessible information platform and information exchange to share knowledge, experiences, and best practices among the Parties.

3. Cooperation shall include, among others, activities to:

(a) share information and experience in the development of policies and programs to support SMEs;

(b) improve SMEs' access to markets and participation in global value chains, including promoting and facilitating partnerships among businesses;

(c) develop human resources and management skills to increase the knowledge of the Chinese and Ecuadorian markets;

(d) promote the use of electronic commerce by SMEs;

(e) explore opportunities for exchanges of experiences among Parties' entrepreneurial programs;

(f) define technological transference: programs oriented to transfer technological innovation to SMEs and to improve their productivity;

(g) design and execute mechanisms to encourage partnerships and the development of productive linkage processes;

(h) encourage partnerships and information exchanges between financial agents

(credits, banks, guarantee organizations, angel networks and venture capital firms) to support SMEs;

- (i) support new exporting SMEs (sponsorship, exporters' club); and
- (j) support the participation of SMEs in fairs, commercial and trade missions, and other mechanisms of promotion.

#### **Art. 16.7            Export Promotion**

1. With the aim of obtaining greater benefits from this Agreement, the Parties recognize the importance of supporting the existing programs related to export and investment promotion, and of launching new ones.

2. Cooperation shall include, among others, activities to:

- (a) strengthen export capabilities, through training and technical assistance programs;
- (b) establish and develop mechanisms related to market research, including exchange of information and access to international data bases, among others;
- (c) create exchange programs for exporters aiming to provide knowledge of the Chinese or Ecuadorian market;
- (d) link national producers to international markets, through the promotion of productive linkages to the export activity; and
- (e) promote the implementation of research and development and technological and innovation programs, with the objective of increasing the export supply and encouraging investment.

#### **Article 16.8        Tourism Cooperation**

1. In this field, the objective of the cooperation will be to strengthen the promotion of the tourist potentialities of the Parties, as well as to facilitate information exchange and the conservation of natural and cultural attractions.

2. The Parties will develop tourism through:

- (a) strengthening of public and private institutions related to the development of tourism;
- (b) promotion of the main tourist destinations of each Party; and
- (c) language exchange programs for tourism students and professionals.

## **Article 16.9 Science, Technology, and Innovation Cooperation**

1. The Parties recognize the importance of conducting cooperation in science, technology, and innovation, in compliance with their national policies, as means for developing and furthering productivity and trade. Consequently, both Parties aim to:

(a) build upon their existing agreements already in place for cooperation on research, science, and technology;

(b) encourage, where appropriate, government agencies, research institutions, universities, private companies, and other research organizations in the Parties to conclude direct arrangements in support of cooperative activities, programs, or projects within the framework of this Agreement, specially related to trade and commerce; and

(c) focus cooperative activities towards sectors where mutual and complementary interests exist, with special emphasis on information and communication technologies, software development to facilitate trade between the Parties; as well as on big data technology, information security, cybersecurity, and artificial intelligence.

2. The Parties will encourage and facilitate, as appropriate, the following activities including, but not limited to:

(a) identifying strategies, in consultation with universities and research centers, to encourage joint postgraduate studies and research visits;

(b) exchange of technical and scientific personnel with the purpose of training and improvement in scientific and technical institutes, universities, factories, government agencies, and other institutions of each Party;

(c) exchange of experts of each Party with a view to provide technical and scientific know-how, providing services specialized in certain fields of science and technology;

(d) exchange and supply of non-confidential scientific and technical data, as well as exchange of scientific samples;

(e) promotion of advanced science and technology studies and projects that contribute to the long-term sustainable development of the Parties;

(f) promoting public/private sector partnerships in support of the development of innovative products and services and study joint efforts to enter new markets;

(g) scientific and technical cooperation for the software industry of the Parties and encouraging cooperation in software development for populations with specific needs;

(h) enhancing research, technology, and innovation capacities by facilitating technological equipment and infrastructure; and

(i) organizing workshops and seminars in matters of interest for both parties related to the innovation, science, technology, and ICT.

## **Article 16.10 Education**

1. In pursuit of the objectives in Article 16.1 (General Objectives), the Parties shall endeavor to build on existing agreements or arrangements already in place for cooperation in education; and promote networking, mutual understanding, and close working relationships in education between the Parties.

2. The Parties shall encourage and facilitate, as appropriate, exchanges between and among their respective education-related agencies, institutions, and organizations in fields such as:

- (a) education quality assurance processes;
- (b) pre-school, primary and secondary education systems;
- (c) higher education;
- (d) technical education; and
- (e) enterprise and industry collaboration for technical training.

3. The Parties shall encourage cooperation in education focusing on:

- (a) exchange of information, teaching aids, and demonstration materials;
- (b) joint planning and implementation of programs and projects, and joint coordination of targeted activities in agreed fields;
- (c) development of collaborative training, exchange of experiences, joint research, and development, across graduate and postgraduate studies;
- (d) cooperation between the institutions of higher education of the Parties through the exchange of teaching staff, researchers, and students in relation to academic programs;
- (e) developing a better understanding of each Party's education systems and policies including information on evaluation of qualifications;
- (f) development of innovative quality assurance resources;
- (g) means and methods to support learning and assessment, as well as the professional development of teachers and trainers;
- (h) collaboration between higher education institutions and enterprises, to develop the level of specialized knowledge and skills on labor market;
- (i) development of an information system on educational statistics;
- (j) language teaching; and
- (k) scholarships and internships.

## **Article 16.11 Cultural Cooperation**

1. In pursuit of the objectives in Article 16.1 (General Objectives), the Parties shall endeavor to build on existing agreements or arrangements already in place for cultural cooperation; as well as to promote information and cultural exchanges between the Parties.

2. The Parties shall encourage and facilitate, as appropriate, the following activities, including, but not limited to:

- (a) dialogue on cultural policies and promotion of local culture;
- (b) exchange of cultural events and promote awareness of artistic works;
- (c) exchange of experience in conservation and restoration of national heritage;
- (d) exchange of experience on management for the arts;
- (e) protecting archaeological monuments and cultural heritage;
- (f) having a consultation mechanism between the Parties' culture authorities; and
- (g) generating programs for digitizing historic documents aimed at preserving national heritage.

#### **Article 16.12 Traditional Medicine Cooperation**

1. In pursuit of the objectives in Article 16.1 (General Objectives), the Parties shall endeavor to build on existing agreements or arrangements already in place for Traditional Medicine cooperation; as well as to promote information exchanges on Traditional Medicine between the Parties.

2. The Parties will encourage and facilitate, as appropriate, the following activities, including, but not limited to:

- (a) encouraging dialogue on Traditional Medicine policies and promotion of respective Traditional Medicine;
- (b) raising awareness of active effects of Traditional Medicine;
- (c) encouraging exchange of experience in the conservation and restoration of Traditional Medicine;
- (d) encouraging exchange of experience on management, research, and development for Traditional Medicine;
- (e) encouraging cooperation in the Traditional Medicine education field, through training programs and means of communication;
- (f) encouraging cooperation in Traditional Medicine therapeutic services and products manufacturing; and



(g) encouraging cooperation in research in the fields of Traditional Medicine to contribute to efficacy and safety assessments of natural resources and products used in health care.

### **Art. 16.13 Environmental Cooperation**

The Parties will promote the establishment of joint actions to promote green development.

The Parties will take the energy transition as an opportunity to stimulate new impulses of growth in green development, through the exchange of knowledge and cooperation in bio-economy and clean energy, strengthening environmental control and monitoring, and comprehensive repair.

The Parties will encourage and facilitate, as appropriate, the following activities, including, but not limited to:

- (a) cooperation in green development and bio-economy, including clean energy-related areas such as photovoltaic, wind, nuclear, hydrogen, and biomass energy;
- (b) technological transfer and technical assistance for the fuel-powered industry vehicle, new energy sources such as, but not exclusively, the electric battery, the smart charging service, and the battery recycling and final disposal service, as well as energy storage systems;
- (c) encouraging green finance programs;
- (d) designing and executing strategies and programs for single-use plastic manufacturing alternatives and circular economy; and
- (e) construction of infrastructure with low environmental impact.

### **Article 16.14 Other Areas for Cooperation**

The Parties may agree to cooperate in other areas of mutual interest other than the ones set out in this Agreement. Cooperation in these areas shall be conducted through the relevant authorities of each Party and upon agreement.

### **Article 16.15 Mechanisms for Cooperation**

1. In order to administrate this Chapter and to facilitate the management of cooperation activities, the Parties hereby establish a Committee on Cooperation (hereinafter, “the Committee”).

2. The Committee shall comprise representatives of the Ministry of Commerce of China, and representatives of the Ministry of Production, Trade, Investment and Fisheries of Ecuador (MPCEIP), or their successors.

3. The Parties will designate nationals contact points to facilitate communication on possible cooperation activities. The contact points will work with government agencies, business sector representatives and educational and research institutions for the operation of this Chapter.

4. This Committee shall meet at least once every year, unless otherwise agreed by the Parties. When special circumstances arise, the Committee shall meet at any time upon the request of either Party or the Commission.

5. For the purposes of this Chapter, the Committee shall have the following functions:

(a) to oversee the implementation of the cooperation framework agreed by the Parties;

(b) to encourage the Parties to undertake cooperation activities under the cooperation framework agreed by the Parties;

(c) to make recommendations on the cooperation activities under this Chapter, in accordance with the strategic priorities of the Parties; and

(d) to review through regular reporting from each Party the operation of this Chapter and the application and fulfillment of its objectives between the relevant institutions of the Parties to help foster closer cooperation in thematic areas.

#### **Art. 16.16      Dispute Settlement**

No Party shall have recourse to Chapter 13 (Dispute Settlement) for any issue arising from or relating to this Chapter.