

## **CHAPTER 10**

### **ECONOMIC AND TECHNICAL COOPERATION**

#### **Section A: General Provisions**

##### **Article 121: Objectives**

1. The Parties agree to strengthen economic cooperation with the aim to enhance the mutual benefits of this Agreement in accordance with their national strategies and policy objectives. This Chapter shall build upon and complement existing or already planned bilateral cooperation initiatives and activities.
2. The objective of this Chapter is to establish a framework and mechanisms for present and future development of cooperative relations between the Parties.
3. The cooperation under this Chapter shall pursue the following objectives:
  - (a) facilitating the implementation of this Agreement with a view to promoting economic and social development of the Parties; and
  - (b) creating and enhancing sustainable trade and investment opportunities by facilitating trade and investment between the Parties and by strengthening competitiveness and capacities, with a view to promoting sustainable economic growth and development.

##### **Article 122: Scope**

1. 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.
2. The Parties affirm the importance of all forms of cooperation, with particular attention to economic, trade, financial, technical, educational and cultural cooperation, as means to contribute to implementing the objectives and principles derived from this Agreement.
3. Cooperation may cover any area jointly identified by the Parties that may serve the Parties in attaining the objectives of this Chapter. Cooperation may include, but are not limited to the areas listed in Section B.

### **Article 123: Mechanisms for Cooperation**

1. The Parties shall cooperate with the objective of identifying and employing effective methods and means for the implementation of this Chapter. To this end the Parties shall coordinate efforts with relevant international organizations and develop, where applicable, synergies with other forms of bilateral cooperation existing between the Parties.
2. In order to administrate this Chapter and to facilitate the management of cooperation activities, the Parties hereby establish a Committee on Economic and Technical Cooperation, under the FTA Joint Commission.
3. The Committee shall have the following functions:
  - (a) to oversee the implementation of this Chapter;
  - (b) to encourage the Parties to undertake cooperation activities under the cooperation framework established in this Chapter;
  - (c) to make recommendations on the cooperation modalities and activities under this Chapter, in accordance with the strategic priorities of the Parties; and
  - (d) to review the operation of this Chapter and the application and fulfillment of its objectives between the relevant authorities, including but not limited to the relevant government agencies, research institutes, and universities in order to foster closer cooperation in thematic areas; the review may be carried out through periodic reports from the Parties.
4. In order to implement cooperation activities, the Committee may suggest to conduct cooperation through appropriate means in accordance with each Party's capabilities and available resources.

### **Article 124: Non-Application of Dispute Settlement**

1. No Party shall have recourse to any dispute settlement procedures under this Agreement in respect of the provisions of this Chapter. For this purpose, Chapter 13 (Dispute Settlement) shall not apply to this Chapter.
2. Any dispute between the Parties concerning the interpretation or application of this Chapter shall, as far as possible, be settled through consultations between the Parties. Consultations shall take place in the FTA Joint Commission.

## **Section B: Areas of Cooperation**

### **Article 125: Trade and Investment Promotion**

Recognizing that strong trade and investment flows are important for the development of the respective economies, the Parties agree to explore cooperation in trade and investment promotion through, *inter alia*:

- (a) enhancing the availability and transparency of information on investing and doing business in the Parties;
- (b) enhancing the trade and investment environment by sharing best practices;
- (c) encouraging the utilization of promotional forums for exports and investment opportunities in the Parties, and facilitating dialogue between firms and industry groups of the Parties; and
- (d) enhancing maritime and aviation connections between the Parties to reduce the cost of trade and investment.

### **Article 126: Tourism Cooperation**

The Parties, recognizing that strong tourism industry and people-to-people flows are important for the development of their respective economies, will endeavor to further cooperation in the field of tourism and tourism related service through, *inter alia*:

- (a) strengthening the communications and exchanges between tourism authorities of the Parties;
- (b) promoting information sharing on relevant statistics, promotional materials, policies, and laws and regulations in tourism and related sectors;
- (c) enhancing the cooperation on research related to the development of tourism in form of seminars and joint studies;
- (d) encouraging mutual investment in the tourism industry of each Party;
- (e) strengthening cooperation on travellers protections and providing greater convenience and high quality services to the travellers;
- (f) exploring possibility of tourism related human resources development

cooperation; and

- (g) facilitating tourism destination promotion.

### **Article 127: Fisheries and Agriculture Cooperation**

The Parties, recognizing the importance of fisheries and agriculture sectors for their respective economies, will consider to seek greater cooperation in areas of mutual interests in fisheries and agriculture sectors under the current bilateral cooperation frameworks between their competent authorities.

### **Article 128: Industry Cooperation**

The Parties, recognizing that there are opportunities for sharing knowledge and experiences in the development of industrial activities and in enhancing the competitiveness and trade of manufactured goods, will endeavor to explore cooperation through, among others:

- (a) encouraging public and private sector collaboration in value addition, technology transfer and industrial research, especially in the mechanization and commercialization of traditional manufacturing industries; and
- (b) sharing experiences of SME development of the Parties in the manufacturing and industrial sector.

### **Article 129: Traditional Medicine Cooperation**

1. The Parties agree to strengthen communication and cooperation between competent authorities and relevant institutions in the area of traditional medicine, and agree to explore the possibility of establishing a working mechanism to promote specific cooperation and exchange in the area.
2. The Parties encourage and support the cooperation in the areas of tourism, health care and training programs in relation to traditional medicine.

### **Article 130: Financial Cooperation**

The Parties, recognizing the facilitative role that financial services play in trade, investment and economic development, agree to explore cooperation in the sector by, *inter alia*:

- (a) enhancing communication and experience sharing between the competent authorities of the Parties;
- (b) facilitating dialogue between financial services firms of the Parties in identifying areas of mutual gain and enhancing cooperation in the financial sector;
- (c) promoting financial intermediation and cross border payment services to facilitate trade and investment between the Parties; and
- (d) exploring the potential for human resource and capacity development cooperation in the financial sector.

### **Article 131: Taxation Cooperation**

The Parties recognizing the importance of taxation for their respective economies, will endeavor for greater cooperation in taxation through, *inter alia*:

- (a) strengthening communication and exchanges between competent authorities of the Parties;
- (b) building dialogue mechanism between competent authorities of the Parties to facilitate tax dispute settlement.

### **Article 132: Research, Science and Technology Cooperation**

The Parties, acknowledging the role of the advancement of research, science and technology in the promotion of trade, investment and economic growth, will endeavor towards further cooperation through, *inter alia*:

- (a) encouraging cooperation between higher education and research institutions of the Parties;
- (b) facilitating the sharing of scientific knowledge and research in the areas of mutual interest; and
- (c) supporting collaborations in research projects, seminars and workshops.

### **Article 133: Cooperation in Capacity Building**

The Parties, realizing the importance of capacities of institutions and human

resources for the realization of the full benefits of this Agreement, agree to support and encourage capacity building cooperation in areas jointly identified, namely but not limited to SPS/TBT, Customs and Trade Facilitation and Trade Remedies.