

26 October 2009

YB Dato' Mustapa Mohamed
Minister of International Trade and Industry
Malaysia

Dear YB Dato' Mustapa,

I refer to the *Agreement Establishing the ASEAN – Australia – New Zealand Free Trade Area* (“AANZFTA”) done at Phetchaburi, Thailand on 27 February 2009 and to the *New Zealand Malaysia Free Trade Agreement* (“MNZFTA”) done at Kuala Lumpur on this date (“the Agreements”). I have the honour to confirm the following interpretative understandings relating to the Agreements reached by New Zealand and Malaysia during the course of the negotiations on the MNZFTA.

Nothing in the MNZFTA will derogate from the rights and obligations of New Zealand or Malaysia under the AANZFTA. To the greatest extent possible the Agreements will be interpreted consistently. Where either the MNZFTA or the AANZFTA provides different treatment for an exporter, service supplier or investor of New Zealand or Malaysia, that exporter, service supplier or investor is entitled to claim the more favourable of the treatment accorded to that exporter, service supplier or investor under either Agreement.

I have the honour to propose that this letter and your letter of confirmation in reply will constitute the understandings between our two Governments on the interpretation of the MNZFTA and the AANZFTA.

Yours sincerely,
Hon. Tim Groser