

**AGREEMENT BETWEEN NEW ZEALAND AND SINGAPORE ON A CLOSER ECONOMIC PARTNERSHIP
(ANZSCEP)**

**Joint Statement by New Zealand Minister for Trade Negotiations, Jim Sutton, and Singapore
Minister for Trade and Industry, BG George Yeo. 13 July 2004.**

The Minister for Trade and Industry of Singapore, George Yeo, and the New Zealand Minister for Trade Negotiations, Hon Jim Sutton, today conducted the second ministerial review of the implementation of the Agreement between New Zealand and Singapore on a Closer Economic Partnership (ANZSCEP) that came into force on 1 January 2001.

Ministers reflected on the rapidly changing economic drivers in the region. They noted in particular the central role of China. The region including India today accounted for over half the world's population and for one quarter of the world's GDP. Its growth rates were very high and likely to remain so for a substantial period ahead. Against this context Ministers reinforced the strategic value of deepening formal economic connections under trade and closer economic partnership agreements. These provided not only a means of opening up business opportunities but strengthening productive government to government relationships.

The two Ministers reviewed the ANZSCEP against a background of progress towards trade liberalisation at the global and regional levels and the expanding network of bilateral trade and economic agreements in the Asia/Pacific region. The ministers identified some areas where more work was required to remove any constraints to trade in goods and services and encourage bilateral investment flows between the two countries.

ANZSCEP Leads the Way

At the time of its signature, the ANZSCEP was Singapore's first bilateral Closer Economic Partnership agreement and New Zealand's second. Since 2001 both countries have taken steps to advance their trading and strategic interests by initiating a range of new bilateral and regional free trade agreements.

Singapore has concluded agreements with Japan, the European Free Trade Association, Australia, the United States and Jordan; it is currently negotiating free trade agreements with no fewer than ten other countries. For its part, New Zealand is also progressing studies and bilateral negotiations with Thailand and China.

Singapore, New Zealand and Chile have also commenced negotiations towards a three-way, trans-Pacific closer economic partnership agreement - the "Pacific 3" (P3) initiative. The P3 agreement will build on the ANZSCEP. Against this background, the second ministerial review of the ANZSCEP has focused on activities that New Zealand and Singapore can undertake bilaterally to improve the implementation of the existing agreement and promote two-way trade and investment.

Ministers welcomed the recent decision to consider the possible launch of free trade negotiations between ASEAN countries and Australia and New Zealand. They were pleased that officials from all

twelve countries were now discussing principles on the basis of which their leaders might agree to launch such negotiations in November.

Ministers acknowledged that the New Zealand/Singapore Agreement set a standard for such agreements and demonstrated that good quality bilateral agreements can complement the multilateral and regional tracks and effectively accelerate the pace of market liberalisation.

Two New Agreements

The cooperation framework established with the ANZSCEP has provided a helpful context for the conclusion of two further agreements today.

The New Zealand-Singapore Film Co-production agreement is an excellent example of the determination of the two governments to facilitate creative and innovative cooperation between Singapore and New Zealand.

Similarly the MOU signed between NZTE and International Enterprise (IE) Singapore will facilitate cooperation between the two agencies in efforts to develop commercial opportunities in third countries.

ANZSCEP Reviewed

Ministers noted that the bilateral economic relationship is well established. The ANZSCEP has contributed a solid framework for the relationship to be expanded and developed. New opportunities have opened up in services trade and bilateral investment. Since 2001, the Singapore Economic Development Board has mounted eight investment promotion missions to New Zealand.

The Agreement has provided a clearer focus for our respective private sectors on what each country has to offer in terms of innovation and how this might be leveraged to mutual dynamic advantage. The number of New Zealand companies incorporated in Singapore has risen from 97 in 2001 to 135 in 2003. Among these are large companies providing engineering consultancy services; travel and technology services; and IT services.

Ministers encourage businesses to be more proactive about identifying opportunities and to consult officials on issues that may arise. The review has highlighted trade and investment opportunities in goods, services and government procurement markets.

Work Programme

Noting the comprehensive and evolving nature of the ANZSCEP, Ministers agreed to consider further ways in which the agreement could be enhanced to assist both countries to expand trade and investment flows and to enhance the competitiveness of their respective enterprises within the region and globally.

Ministers recognised that with the elimination of trade access barriers for goods priority attention has now shifted to reducing the barriers and costs associated with different regulatory approaches

to facilitate trade and investment. Ministers agreed that the priority now is to promote dialogue between Singapore and New Zealand regulators with a view to supporting regulatory cooperation. They agreed to identify processes to support this.

Professional Services

Ministers agreed to lend their weight to encouraging more proactive dialogue between professional service bodies with a view to supporting mutual recognition. Ministers noted that the new Architect's Bill in New Zealand will remove any statutory constraint on mutual recognition and look forward to progress in this area. Ministers also agreed that officials should explore the possibility of mutual recognition on accreditation in other areas such as education.

Timber Standards

Singapore noted New Zealand's interest in promoting a dialogue with Singapore regulators on timber standards and the fire safety properties and standards of timber.

Cosmetics

It was proposed that New Zealand and Singapore work together to clarify any regulatory issues in the area of cosmetics, taking in to account the approach under the ASEAN Mutual Recognition Agreement designed to facilitate harmonisation of regulatory regimes.

Horticulture

Ministers agreed to advance consultations between officials on phytosanitary issues in relation to horticultural trade with a view to removing uncertainties and reducing costs. New Zealand officials agreed to initiate this dialogue with a view to identifying how problems might be addressed under normal consultative processes. The parties remain open to the possibility in due course of formalising arrangements under the CEP.

Customs

Ministers agreed to promote a deeper dialogue between their respective customs administrations with a view to improving understanding of their respective regimes.