

RTA DEVELOPMENTS IN THE ASIA-PACIFIC REGION: STATE OF PLAY

1. Introduction

In the space of four years the outlook for the configuration of trading arrangements in the Asia-Pacific region has changed dramatically. Upon a previously seemingly stable pattern of existing arrangements there has been superimposed a bewildering kaleidoscope of proposals for new and in some cases overlapping preferential trading arrangements (PTAs) at various stages of negotiation, study or discussion. A small number of these new proposals have resulted in concluded agreements, while many others are advancing at varying speeds, and some have stalled. New proposals continue to emerge at frequent intervals.

Thus the Asia-Pacific region has quickly become enmeshed in the proliferation of PTAs that has already been observed over a longer period in other regions of the global trading system. These new developments in the Asia-Pacific region exhibit many of the tendencies and raise all the same issues (summarised for example in Panagariya 1999, Krueger 1999 and Findlay 2001) that have been identified in the proliferation of PTAs elsewhere. Which of the tendencies will predominate and how the issues raised will be resolved are crucial questions, the answers to which will largely determine the future evolution of Asia-Pacific trading relationships.

The next section of the paper briefly summarises the existing situation and how it has arisen. The focus in the remainder of the paper is on the key tendencies that can be observed in the current developments

2. The State of Play: A Brief Overview

In the years immediately prior to 1998 the Asia-Pacific economies had achieved an apparently stable accommodation between regionalism and multilateralism. Three

established PTAs were operating in Asia-Pacific sub-regions: NAFTA in North America, AFTA in Southeast Asia, and ANZCERTA (usually known by its shortened acronym, CER) in Australasia. Two new PTAs, the Canada-Chile and Mexico-Chile could be seen as by-products of NAFTA, partially compensating for the failed attempt to bring Chile into NAFTA. Northeast Asia on the other hand was an “empty-box” in the regional map of PTAs. Japan and Korea maintained their stance of rejecting participation in PTAs in favour of continuing full support for the non-discrimination principle enshrined in GATT Article I, while China was generally viewed as too preoccupied with its transition to a market economy to be seriously interested in participating in new PTAs. There appeared to be a regional consensus that APEC would be the vehicle for further regional trade liberalisation outside the confines of the existing PTAs. APEC’s formulation of its “open regionalism” principle suggested that this further liberalisation would be non-discriminatory rather than preferential and thus fully consistent with the WTO-centred multilateral approach to trade liberalisation. The combination of the apparent consensus around the APEC approach and the continuing rejection of the preferential approach to trade liberalisation by Japan and Korea had been sufficient to ensure that an earlier proposal in 1993 for development of an East Asian trade bloc, tentatively known as the East Asian Economic Grouping (EAEG), failed to attract widespread support in East Asia and consequently did not proceed at that time.

A number of events in 1998 and 1999 were decisive in disrupting this apparently stable scenario. The failure of APEC’s Early Voluntary Sector Liberalisation (EVSL) initiative in 1998, and the collapse of the WTO’s Seattle Ministerial meeting in 1999, undoubtedly dented confidence in the ability of APEC members to reach the Bogor goals through the established channels of APEC and the WTO. East Asian perceptions of the US response to the East Asian economic crisis of 1997/98 appeared to give rise to a growing sense among East Asian leaders of the need to establish an independent East Asian economic identity, a development documented for example in Bergsten (2000 and 2001). The emergence in 1998 of a proposal for a Japan-Korea free trade agreement (FTA) was a dramatic development not only in the context of relations between those two countries but also in signalling a historic shift by Japan and Korea away from their

longstanding aversion to involvement in PTAs – and this historic shift was subsequently underlined when each country moved separately to open negotiations for FTAs with selected partners.

Since 1998 the number of PTA proposals in the Asia-Pacific region has reached well over 30, ranging from bilateral PTAs to proposals for a large-scale East Asian trade bloc. A summary of these developments is given in Appendix 2, with the cautionary note that any such list becomes out of date almost as soon as it is produced,

Apart from the Japan-Korea proposal the bilateral proposals generally involve at least one smaller Asia-Pacific economy, attempting to pair with either one of the large economies of the region (Singapore-Japan, Singapore-U.S., Australia – U.S., New Zealand – U.S., Chile – U.S., Chile-Korea, Chile - Japan) or with another small economy (for example Singapore-New Zealand, Singapore-Australia, Chile – New Zealand, Thailand-Australia, Hong Kong – New Zealand). There are also a number of proposals for bilateral PTAs between one of the western Pacific economies and one or other of the US's NAFTA partners, Canada and Mexico, and there have been a small number of plurilateral proposals such as the “P5” proposal informally floated some years ago for an FTA involving the U.S., Australia, Singapore, Chile and New Zealand, and the current proposal for an FTA between Singapore, New Zealand and Chile. Of all these proposals, only six - Singapore-Japan, Singapore-U.S, Chile-U.S., Chile-Korea, Singapore-New Zealand, Singapore-Australia – have so far culminated in completed agreements.

At the other end of the scale, a proposal emerged within the “ASEAN Plus Three” group – comprising China, Japan, Korean and the ten ASEAN economies – for an FTA based on that group, and an East Asia Vision Group was given the task of developing the concept. An “ASEAN Plus Three” FTA would cover all the East Asian APEC economies except Chinese Taipei, and would thus effectively constitute an “East Asian trade bloc”. The formation of an East Asian trade bloc in parallel with establishment of the proposed Free Trade Area of the Americas would herald the emergence of a “bipolar Pacific”, divided between large scale trade blocs on opposing sides of the ocean. At the

global level it would entail the formalisation of a “tripolar” world trading system, based on three “mega-blocs” – the EU, the FTAA, and the East Asian bloc – together accounting for approximately 90% of world GDP.

Initially the proposal for an “ASEAN Plus Three” FTA appeared to be gaining considerable traction. More recently however attention has been diverted to proposals for FTAs between ASEAN and individual Northeast Asian economies, beginning with China’s proposal for a China – ASEAN FTA, to which Japan responded with its own somewhat vaguely defined proposal for an economic partnership agreement with ASEAN, which could potentially include an FTA. The Japanese concept now appears to include bilateral FTAs with individual ASEAN economies as well as an overall framework agreement with ASEAN as a group. Work on the China-ASEAN FTA is proceeding relatively quickly. In November 2002 the U.S. announced an “Enterprise for ASEAN” initiative, which is also envisaged as including an overall framework agreement with ASEAN as a group as well as bilateral FTAs with individual ASEAN countries.

The entry of the U.S. into the field in this way, along with its recent conclusion of FTAs with Singapore and Chile as well as the announcement of FTA negotiations with Australia and possibly later with New Zealand, has highlighted the potential for a “hub-and-spoke” pattern of PTAs to emerge in the Asia-Pacific region as an alternative to the “bipolar Pacific”. This would involve the establishment by the major economies of the region – the U.S., Japan, China and possibly Korea - of networks of bilateral PTAs centred on themselves.

ASEAN’s strategy appears to involve a variation on this theme, whereby ASEAN itself would serve as the “hub”. In addition to the proposed arrangement with China, Japan and the U.S., a proposal was recently floated for an ASEAN-India FTA, and there is also a longstanding proposal to link the AFTA and CER arrangements, although the two groups have not yet been able to agree that the linkage should include the removal of tariffs in a combined AFTA-CER FTA. It is yet to be seen whether ASEAN, essentially a collection of smaller economies, can successfully establish itself as an alternative “hub” in this way.

The possibility remains that the “gravitational” force of the larger economies will prove too strong and that the traditional “hub and spoke” architecture will eventually assert itself, with the larger economies in their traditional role as the “hubs”. Already the U.S. and Japan have raised the possibility of establishing PTAs with individual ASEAN countries on a bilateral basis, and some of the latter have signaled a willingness to follow Singapore down the bilateral route. Negotiations are already under way between Japan and Thailand.

In any event, a “hub and spoke” architecture in the region is likely to become increasingly complex. In addition to the potential major “hubs” – the U.S., China, Japan and Korea – and the ambitions of ASEAN to serve as an alternative “hub”, several of the smaller economies in the region could be viewed as setting themselves up as “secondary hubs”. Chile, Mexico and Singapore are obvious examples of “secondary hubs”.

3. A Survey of Asia-Pacific PTAs

Appendix 2 provides a tabulation of the concluded PTAs involving APEC members, arranged so as to allow useful comparisons to be made.

Among other things, a tabulation of this kind can provide a useful basis for assessing the likelihood and possible extent of a “spaghetti bowl” phenomenon in the Asia-Pacific region – a pattern of intersecting and overlapping PTAs, involving multiple PTA membership by individual APEC economies, in which the provisions of the individual agreements may often be inconsistent with each other. A key question is the extent to which the “spaghetti bowl” will raise business transaction costs and in so doing undermine the APEC objective of lowering the cost of doing business in the Asia-Pacific region.

It is also clear that distinct “models” of PTAs have already emerged. Agreements involving the U.S. follow a pattern that can be broadly described as “NAFTA-based”. The agreements of Mexico and Chile with the EU are examples of a distinctive “EU

model". While some features of these models may be benign, other features, especially their rules of origin, are less so, and other provisions may contain potentially controversial elements, for example on intellectual property, trade and labour, trade and environment and capital movements. Outlines can also be discerned of a "CER-based" or "AFTA-based" model. It remains to be seen whether further "models" will emerge in East Asia – a Chinese model for example, or a Japanese model, an ASEAN model, or perhaps even an East Asian model, and whether such "models" will offer advantages over, and establish themselves as competitors to, the existing "models".

In the case of smaller economies such as Chile, Mexico, and Singapore that are involved in multiple PTAs, it is already clear that there are significant differences between the provisions of the different PTAs that they have concluded. It would also appear that when these smaller economies negotiate PTAs with larger partners, they find themselves obliged to a large extent to follow the "models" of the larger partner.

An important question for APEC members is whether it is possible to draw on the best features of the existing "models" to develop a "best practice model" of PTA. The question of which "model" (if any) to follow will arise whenever negotiations begin between economies that are already involved in PTAs that follow one or more different models.

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**APPENDIX 1:
PROVISIONAL CATALOGUE OF NEW PTA PROPOSALS IN THE
ASIA-PACIFIC REGION SINCE 1998**

Concluded “New” Agreements (6)

Singapore-New Zealand
Singapore-Japan
Singapore-Australia
Chile-Korea
Singapore-U.S.A.
Chile-U.S.A.

New Developments in Old Agreements (1)

Bangkok Agreement

Under Negotiation or Negotiations Announced (12)

ASEAN-China
ASEAN-Japan
U.S. Australia
FTAA
Singapore-Canada
Singapore-Mexico
Singapore-Korea
Korea-Mexico
Japan-Mexico
Japan-Thailand
Thailand-Australia
Singapore-Chile-New Zealand

Proposed and Under Discussion (6)

ASEAN Plus Three (‘East Asian FTA’)
Japan-Korea
US-ASEAN (‘Enterprise for ASEAN’)
US-Andean Community
Canada- Andean Community
Mexico-New Zealand

Previously Proposed But Not Currently Under Active Development (as PTAs) (10)

AFTA-CER

Japan-Canada

P5 (U.S., Australia, Chile, New Zealand, Singapore)

U.S.-New Zealand

Japan-Chile

Korea-U.S.

Korea-New Zealand

Hong Kong-New Zealand

Chinese Taipei-New Zealand

China – Hong Kong

APPENDIX 2:

INVENTORY OF RTAs INVOLVING APEC MEMBERS

CONTENTS:

Table A.1	East Asian Agreements
Table A.2	NAFTA Country Agreements
Table A.3	Chilean and Mexican Agreements

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
Tariffs	<p>* Negative list approach * Goal of 0% tariffs * 6 initial signatories to reach 0% in 2003 (2006 for Vietnam, 2008 for Lao PDR and 2010 for Cambodia). * The agreement allows each country to maintain a temporary exclusion list (TEL), a sensitive list (SL) and a general exclusion list (GE). * Goods on the temporary exclusion list will be phased into the Inclusion list by: 2000 for most manufactured products (2003 Vietnam, 2005 Laos and Myanmar, 2008 Cambodia) and 2003 for most agricultural products (2006 Vietnam, 2008 Laos and Myanmar, 2010 Cambodia)</p>	<p>* Negative list approach. * Elimination of all tariffs achieved in 1992.</p>	<p>* Negative list approach. * Elimination of all tariffs from date of entry into force.</p>	<p>* Negative list approach. * Elimination of all tariffs from date of entry into force.</p>	<p>* Negative list approach. * Singapore binds all tariffs at zero immediately, the US will eliminate tariffs on 92% of Singaporean goods immediately and will phase out the remaining tariffs over the next 8 years. * Singapore will benefit most in the electronics, chemicals, processed foods and mineral products sectors. * US chewing gum with 'therapeutic value' such as sugarless, nicotine or teeth whitening will be able to be imported into Singapore for the first time since 1992. Singapore will also harmonise excise taxes on distilled spirits by 2005.</p>	<p>* Japan's schedule set out as a positive list approach. Tariffs on Singapore's imports from Japan will be immediately bound at 0%. *The agreement aims towards complete tariff elimination, with a transition period of 10 years. * Japan maintains some exceptions, including fresh/chilled/frozen meat, meat and edible offal of poultry, most fish including preserved fish and fish products, dairy products, fruit and vegetables, cane or beet sugar and sucrose in pure form, cocoa powder and chocolate, preparations of cereals, flour, starches, milk, fruit and vegetables, articles of leather, handbags and footwear.</p>	<p>* Positive list approach. * On the 4th November 2002 a framework agreement (FA) was signed between ASEAN and China to begin tariff elimination. * Tariffs will be reduced, or eliminated by 2010 for the original ASEAN-6 and by 2015 for Vietnam, Laos, Cambodia and Myanmar. *The FA commits China and ASEAN to reduce tariffs on "early harvest" products, which are mainly agricultural and represent about 10% of all tariff lines. They include live animals, meat, fish, dairy, trees, vegetables and fruit and nuts (i.e. chapters 1-8 of the harmonised system). A country may specify products to put on its exclusion list. *These early harvest products will have a tariff elimination schedule beginning no later than January 1st 2004, spanning 3 years. *negotiations for non-early harvest goods must be completed by 30 June 2004. *Countries can choose which products to put on a 'sensitive track', but a ceiling on the number of products allowed on this track will be imposed. *WTO requirements to</p>

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
	<p>* Article 9(B) of the CEPT allows products to be excluded from tariff concessions for reasons of protection of national security, protection of human, animal and plant life and health and protection of articles of artistic, historic or archaeological importance. Malaysia has placed 53 tariff lines on this list – 32 on alcohol and 21 on weapons. Only Thailand, Philippines and Myanmar have not included alcohol on this list.</p> <p>* Malaysia was given the flexibility to delay until 2005 the inclusion of the 218 tariff lines on completely knocked down (CKD) and completely built up (CBU) automotive products, which it has not yet included in the CEPT scheme.</p> <p>* The Protocol on Special Arrangements for Sensitive and Highly Sensitive Products and Unprocessed Agricultural Products signed in 1999 provides that sensitive products will be offered for tariff concessions between January 2001 and January 2003 (Vietnam has until 2013, Laos and Myanmar 2015, and Cambodia until 2017). Highly sensitive</p>						eliminate tariffs on “substantially all trade” shall be met.

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
	<p>products will be introduced for tariff concessions in 2005, but the ending rate can be determined individually. Sensitive products include poultry and swine products, coffee, tea, copra, manioc and rice. Malaysia has also included tropical fruits, tobacco, tobacco products and sugar. Indonesia, Malaysia and the Philippines have included rice in the highly sensitive list. Malaysia has the right to impose a 20% duty on rice if the need arises.</p> <p>* In December 2002 it was announced that Malaysia would reduce tariffs on automobiles to 20% by 2005, but would offset the concessions with increased excise duties. The current tariffs range between 43% and 300%.</p>						
Agriculture	<p>*Agricultural products still make up majority of those products on the "sensitive lists".</p> <p>* By 2003 87% of unprocessed agricultural goods will be phased into the CEPT agreement. Sensitive agricultural goods must be phased in by 2010</p>	<p>* No special provisions for agriculture. The general rules apply to all products.</p>	<p>* No special provisions for agriculture. The general rules apply to all products.</p>	<p>* No special provisions for agriculture. The general rules apply to all products.</p>	<p>* Not particularly relevant as Singapore doesn't have large agricultural sector</p>	<p>* Most of the exceptions to Japan's list of concessions are agricultural.</p> <p>* The FTA contains only 14% of the number of Japan's zero-tariff commitments compared to its WTO commitments.</p>	<p>* The "early harvest" provision in the framework agreement deals mostly with agricultural products. This is a positive step towards liberalisation, not an exception or restriction.</p>

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
Quantitative Restrictions	* Immediate elimination of quantitative restrictions for those goods in the CEPT scheme, and the elimination of other non-tariff barriers within a period of five years upon enjoyment of the CEPT concession.	*No quantitative restrictions allowed	*No quantitative restrictions allowed	*No quantitative restrictions allowed	* The US imposes tariff rate quotas on beef, dairy products, peanuts, sugar and cotton, which will be increased and eventually phased out within 10 years.	*No quantitative restrictions "which are inconsistent with a party's obligations under the WTO agreement" are to be imposed	* Subsequent negotiations are to consider the treatment of quantitative restrictions, import prohibitions and out-of-quota rates.
Other NTBs	* The Malaysian government announced that from the 1 st of January 2005 technical requirements and road-worthiness tests will be required for all commercial and passenger cars. A three year age restriction will be imposed on all completely built up (CBU) cars entering Malaysia, however price supervision mechanisms will be discontinued from January 2004.	-	-	-	* The 'merchandise processing fee' charged on all Singaporean exports will be waived by the US, while the US will also immediately eliminate its 'vessel repair duty' for Singapore.	*NTBs permitted under the WTO agreement may be used, but must be transparent, with a view to minimising trade distortion.	-
Anti-dumping	-	The agreement does not allow for antidumping actions.	* Both parties are members of the WTO agreement on the implementation of Article VI of the GATT 1994 (WTO anti-dumping agreement). They have agreed to a few changes as follows: 1. The de minimus dumping margin is raised from 2% to 5%, and applies also to refund and review cases. 2. The 'reasonable time frame' for determining the volume of imported goods shall normally be	* The parties reaffirm their commitments to the WTO agreement on antidumping and have agreed as follows: 1. The 'lesser duty rule' should normally be applied when antidumping measures are to be taken. That is, a duty less than the dumping margin, where the duty would be adequate to remove injury to the domestic industry. 2. The timeframe to be used to determine the volume of dumped	* Antidumping is not covered by the agreement. * As of March 2003 the only antidumping duty in place on goods from Singapore is as applied to ball bearings.	* Antidumping is not covered by the agreement.	* Anti-dumping measures will be based on the existing GATT disciplines.

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
			at least 12 months. 3. The period for review and/or termination of antidumping duties, as provided for in the WTO agreement, is reduced from 5 years to 3 years.	imports shall normally be at least 12 months.			
Countervailing Duties	-	* Countervailing measures can be taken by each party, but must be in accordance with the WTO agreement, and when there is no other mutually acceptable solution	* The parties reaffirm their commitment to abide by the WTO provisions on subsidies and countervailing measures.	* The parties reaffirm their commitment to abide by the WTO provisions on subsidies and countervailing measures.	* Countervailing measures are not covered by the agreement.	* Countervailing measures are not covered by the agreement.	* Countervailing duties and subsidies provisions will be based on the existing GATT disciplines.
Subsidies	-	* There are no export subsidies or export incentives on goods traded in the area. The parties agreed not to make payments to industry tied to production and not to use industry specific measures that have adverse effects on competition in the free trade area. * Research and development is excluded.	* the parties have agreed to prohibit subsidies on all goods, including agricultural produce. * The parties reaffirm their commitment to abide by the provisions of the WTO Subsidies and Countervailing Duties Agreement in respect of	* The countries agree not to use export subsidies. * The parties reaffirm their commitment to abide by the WTO provisions on subsidies and countervailing measures.	-	* The agreement includes generic provisions on subsidies applicable to both goods and services trade.	* The negotiations covering trade in goods will also decide on provisions for subsidies. * Until final negotiations are completed the products of the Early Harvest Program will be covered by WTO provisions with respect to anti-dumping, subsidies and countervailing duties.

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
			actionable subsidies.				
Safeguards	-	* No safeguard measures are to be applied by either country.	* No safeguard measures are to be applied by either country.	* No safeguard measures are to be applied by either country.	<p>* There is a chapter on bilateral safeguard measures following the standard format of other US FTA agreements.</p> <p>* Safeguard measures may be taken within the transition period, for no more than two years, following consultation and an investigation by the competent authorities and upon payment of compensation.</p> <p>* There is a safeguard mechanism in place for textile and apparel goods.</p> <p>* If imports of textile or apparel goods into one party increase in such quantities as to cause, or threaten to cause, 'serious damage' or threat thereof to the domestic industry of the importing country, safeguard action may be taken.</p> <p>* Safeguard measures may be taken in the transition period only, may not exceed the MFN rate and may not usually be taken for more than 2 years.</p>	* The 'emergency measures' article provides that during the (10 year) transition period a country may suspend further reductions or increase customs duties to some rate below the MFN level if 'serious injury', or substantial 'threat of serious injury' is proven (measures may be maintained for a maximum of 3 years)	* Products on the Early Harvest Program will be covered by WTO provisions on safeguard measures until negotiations between the parties are completed.

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
						agreement on the same.	
Rules of Origin	<p>*A product shall be deemed to be originating from ASEAN Member States, if at least 40% of its content originates from any Member States.</p> <p>*The value of non-originating materials, parts or produce shall be the CIF value at the time of importation.</p> <p>*cumulative rules of origin state that products which are used in a Member State as inputs for a finished product eligible for preferential treatment in another Member State shall be considered as products originating in the Member State where working or processing of the finished product has taken place, provided that the aggregate ASEAN content of the final product is not less than 40%.</p>	<p>* There are two minimum requirements for goods to be considered to have originated in the free trade zone:</p> <ul style="list-style-type: none"> - The last process of manufacture of the good must be in either Australia or New Zealand - At least half the cost of the goods must be made up from expenditure on originating materials, labour or inner containers. 	<p>* Goods may be considered as originating from a member country if :</p> <ul style="list-style-type: none"> - The good is wholly produced or obtained in the party, or - If the last process of manufacturing was performed in a member country and the expenditure on materials originating in the member country is not less than 40% of the factory/ works cost of the good. 	<p>* For most goods the 50% value added rule will apply, as under CER. For a limited number of electronic and electrical goods the threshold will be 30%.</p> <p>* Origin content can be calculated on the basis of bilateral accumulation, except for a range of products including textiles, footwear, clothing, passenger motive vehicle items and jewellery.</p>	<p>* Product specific rules of origin.</p> <p>* The agreement will be NAFTA +</p> <p>* NAFTA rules of origin only consider "last process of manufacture", whereas the US-Singapore FTA will consider the accumulation of value add of a product at all different stages of production. For example if the first stage of production is in Singapore, then the product is shipped to Malaysia for further manufacture, then back to Singapore for the final stages, all production in Singapore will be considered – not just the final stage as is considered under NAFTA.</p> <p>* Only exports with 'substantial transformation' and sufficient value-added in Singapore can qualify as originating under the agreement.</p> <p>* For some electronic products origin can be conferred if a certain percentage of value-added, usually about</p>	<p>* Product specific rules of origin apply, or the originating content must be no less than 60% of the total value of the materials.</p> <p>* The material must undergo its last production process in the territory of either party.</p> <p>* Simple cutting, mixing, packaging etc are not considered sufficient transformation for rules of origin purposes.</p> <p>* Origin can cumulate bilaterally, ie. Either party shall consider the production in its territory as the production in the territory of the other party.</p>	<p>* The negotiations on the rules of origin for trade in goods shall be completed by December 2003.</p> <p>* Interim rules of origin applicable to the products covered in the Early Harvest Program will be negotiated by July 2003 but will later be replaced by more comprehensive rules of origin provisions.</p>

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
					<p>35-60% is done in Singapore. Chemicals and petro-chemicals are considered to be originating if a specific process is carried out in Singapore.</p> <p>* Overhead activities such as R&D, design, engineering and purchasing can count towards the value added.</p> <p>* The 'Integrated Sourcing Initiative' applies to components from non-sensitive sectors which both the US and Singapore already trade freely in. About 100 IT products and certain medical devices are included. These particular components can be considered to be of Singaporean origin when combined into final products and help boost the originating content.</p> <p>* Textiles and apparel will be subject to the 'yarn forward rule of origin', whereby products made from US or Singapore originating yarn will be eligible for immediate tariff elimination.</p>		
Standards and Conformance	* ASEAN Cooperation on Standards and Conformity Assessment is undertaken mainly through the ASEAN Consultative Committee for Standards and	* Work towards the harmonisation of food standards is being achieved through the Joint Food Standards, mandated by a 1995 agreement and	* The principles of mutual recognition, unilateral recognition or harmonisation shall be implemented as appropriate. * The Parties shall	* The parties will wherever possible work towards the harmonisation of 'mandatory requirements', where 'mandatory	* The parties are discussing a cooperative program of information exchange on issues covered by the WTO Technical Barriers to Trade	* The countries shall agree to mutual recognition of conformity assessment procedures. * Voluntary standards are not subject to	* The framework agreement says that there will be measures to strengthen cooperation and aid trade facilitation in the areas of standards,

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
	<p>Quality (ACCSQ) * In 1998 the Hanoi Plan of Action directed ACCSQ to develop and implement mutual recognition agreements in priority sectors from 1999, and to begin working towards harmonisation of standards in priority sectors from 2000. * Regulated sectors should see harmonisation of product standards by 2005. * In April 2002 the ASEAN Sectoral Mutual Recognition Arrangement for Electrical and Electronic Equipment was implemented. This MRA is expected to significantly reduce the cost of doing business in electronic and electrical equipment by enabling an ASEAN member country to recognize the testing and certification conducted in the country of origin or in another member country.</p>	<p>managed by a bi-national agency, the Australia-New Zealand Food Authority. *A good that can legally be sold in one country can also be sold in the other, and a person who is registered to practise an occupation in one country is entitled to practise an equivalent occupation in the other. (Five product areas and one occupational group [medical practitioners] are exempted.) *1990 Agreement on Standards, Accreditation and Quality, 1991 Joint Accreditation System for quality accreditation and the 1997 Arrangement on Food Inspection Measures have also helped harmonise standards between the countries. * There is a commitment towards the harmonisation of standards, technical specifications and mutual acceptance of certification and accreditation.</p>	<p>exchange information concerning their mandatory requirements and conformity assessment procedures * Each Party retains all authority under its laws to interpret and implement its mandatory requirements. * There are obligations set out under the articles on Mutual Recognition of Mandatory Requirements and Mutual Recognition of Conformity Assessment. * Where regulatory compliance is required and where there is equivalence of outcomes, each Party shall accept the standards of the other Party as equivalent to its own corresponding standards</p>	<p>requirements' refer to all technical measures and SPS measures as set out in each party's laws, regulations and administrative requirements. * The FTA builds on the Australia-Singapore Mutual Recognition Agreement on Conformity Assessment. It provides for the development of arrangements for the acceptance of equivalence of mandatory requirements. Requirements for food standards and horticulture are currently under negotiation. * The parties will give favourable consideration to accepting the equivalence of the other party's mandatory requirements.</p>	<p>Agreement. The agreement covers standards, conformity assessments and other TBT. No other additional obligations are being considered. * The parties are to engage in consultation to develop mutually acceptable standards and criteria for licensing and certification of professional service providers, especially architects and engineers.</p>	<p>mutual recognition under the agreement, and thus Japan's voluntary standards may still act as a trade barrier. * A Joint Committee on Mutual Recognition of Qualification Standards has been established to facilitate the harmonisation of qualifications standards.</p>	<p>conformity assessment and other technical barriers to trade.</p>
Other Technical Barriers to Trade	* ASEAN member countries have agreed to a mechanism to effectively	-	* Each party shall implement the principles of mutual recognition, unilateral recognition or harmonisation that provide the most appropriate or cost-efficient approach to	-	* The parties are discussing a cooperative program of information exchange on issues covered by the WTO Technical Barriers to Trade Agreement. The agreement covers	-	-

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
	address private sector complaints on issues that are thought to constitute non-tariff or technical barriers to trade. Complaints or notifications are to be channelled directly to member countries and to the ASEAN Secretariat.		the removal or reduction of technical barriers to trade. * The parties shall establish a work program to identify priority sectors with a view to removing regulatory barriers to trade.		standards, conformity assessments and other TBT. No other additional obligations are being considered.		
Quarantine and SPS	* In the area of aquaculture development, ASEAN continued to work on the harmonization of testing and quarantine procedures. ASEAN countries continue to work towards harmonisation of sanitary and phytosanitary regulations.	* Members can adopt SPS and quarantine measures under the general exception to CER obligations which allows measures necessary to protect human, animal or plant life or health, as long as they are not disguised means to restrict trade. They must be scientifically justified. * Members have committed to harmonisation of quarantine and inspection standards and procedures.	* Each Party shall, consistent with the relevant provisions of the WTO Agreement on Technical Barriers to Trade and the WTO Agreement on the Application of Sanitary and Phytosanitary Measures, use international standards, or the relevant parts of international standards, as a basis for its mandatory requirements * There will be mutual recognition of equivalence of	* The parties will work towards harmonisation and will accept the equivalence of SPS measures. They will also undertake cooperative activities.	-	* There is no specific chapter covering sanitary and phytosanitary measures, however they are included in the mutual recognition agreement for standards and conformance.	* The negotiations on trade in goods will cover scientifically unjustifiable sanitary and phytosanitary measures, and other technical barriers to trade.

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
	<p>* With technical assistance from New Zealand, ASEAN undertook a phytosanitary needs assessments for the four newer ASEAN member countries from May to June 2001.</p>	<p>* A regular senior official Biosecurity Dialogue was established in 1999 to manage quarantine issues.</p>	<p>mandatory requirements.</p>				
Customs Procedures	<p>*ASEAN customs Vision 2020 is a scheme to promote efficiency, professionalism and harmonisation in customs procedures. The customs vision identified 15 areas for cooperation and development. These include customs valuation, cargo processing, tariff classification and transit. * There is a long-term objective to reduce or eliminate paper transactions in customs procedures and fully automate the process. This may take some time due to differing starting points and methodologies existing within the region.</p>	<p>* CER harmonises customs policies and procedures. * The agreement provides for the parties to adopt common policies and practices for valuation in accordance with the WTO Customs Valuation Agreement.</p>	<p>* The countries have agreed to work together to simplify customs regulations, and cooperate in the area of customs related measures. *In order to facilitate the clearance of low risk transactions, the Parties agree that</p>	<p>* The Parties agree to conform to the World Customs Organisation rules and regulations, and will also review periodically their own laws with a view to simplification. * The countries will work towards having electronic means for all customs reporting requirements as soon as is practicable. They also agree to exchange information to assist the investigation and prevention of breaches of customs law.</p>	<p>* Customs cooperation will be based on NAFTA. * Both sides will exchange information and use risk management techniques to enforce against trade in illicit goods. * The agreement requires customs laws and publications to be published on the internet. * The US pushed for advanced customs cooperation for national security reasons, to combat the transshipment of textile goods and the movement of pirated optical media. * Singapore has generally performed fewer checks on</p>	<p>* The countries aim to make use of information technology to simplify customs procedures, and will promote paperless trading to increase efficiency in this area. * Cooperation, not harmonisation, at this stage</p>	<p>* The parties will negotiate measures to strengthen cooperation in the area of customs regulations.</p>

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
	<p>* ASEAN customs cooperation was further strengthened through the signing of the ASEAN Agreement on Customs in March 1997 at the first ASEAN Finance Ministers Meeting. The Agreement provides a legal framework by which cooperative activities in this area will be governed. The objectives of the Agreement include the simplification and harmonization of customs valuation systems, tariff nomenclature systems and customs procedures; ensuring consistency, transparency and the fair application of customs laws and regulations.</p>		<p>customs compliance activities should be focused on high risk goods and travellers.</p>		<p>imports and exports than most other ports and the US wants to increase spot checks and information exchange.</p>		
Government Procurement	-	<p>* The Government Procurement agreement provides for a single trans-Tasman government procurement market. * Tenderers must be selected on the basis of value for money. New Zealand content is treated as equivalent to Australian for the purposes of local content preferences maintained by the Australian states.</p>	<p>* The Parties agree to establish a single New Zealand/Singapore government procurement market, in order to maximise competitive opportunities for New Zealand/Singapore suppliers, and reduce costs of doing business for both government and industry. * Each party has a schedule of commitments and government procurement obligations will apply for procurement above the SDR 50,000 threshold.</p>	<p>* Non-discriminatory national treatment is guaranteed in tendering for government business for a specified list of agencies in each country. Australia gains access to such treatment in procurement by 47 Singapore ministries, agencies and statutory authorities. * The governments will seek to promote e-procurement as part of their initiatives to promote e-commerce. * Transparency should be ensured. * Disputes settlement may only be used in certain situations.</p>	<p>* Negative list approach * The procurement chapter will build on the WTO government procurement agreement ensuring transparency, non-discrimination, predictability</p>	<p>* Article XXIII of the WTO Agreement on Government Procurement shall apply, with some exceptions. * 100,000 SDR threshold</p>	<p>* No specific provisions in the framework agreement.</p>

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
			<p>* There is 'prohibition on offsets' article whereby measures used to encourage local development or improve balance of payment accounts by requiring domestic content are prohibited.</p> <p>* Disputes will be subject to consultations and if no satisfactory resolution can be reached the matter will be referred to the ministers involved.</p>		<p>predictability and accountability, and provides reciprocal, competitive government procurement opportunities.</p> <p>* Transparency must be maintained through disciplines such as requiring advance public notice of purchases.</p> <p>* The monetary thresholds for government procurement disciplines have been lowered to US\$56, 190 for goods and non-construction services, and to US\$6,481,000 for construction contracts and are adjusted</p>		

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
					biennially for inflation.		
Services	<ul style="list-style-type: none"> * GATS (positive list) approach * MFN, National treatment and market access provisions apply * Emergency safeguard provisions are included, but subsidy disciplines are not. * Government procurement of services is not covered. * Treatment of investment in services is covered as 'commercial presence' in a separate investment chapter. * The third round of services liberalisation began on the 1st of January 2002 and will conclude on the 31st of December 2004. This round will cover all services and all modes of supply. * Member States shall extend to all other Member States preferential treatment in trade in services as set forth in the Schedules of Specific Commitments. * ICT-related services have been included in the third package of commitments in the negotiations under the ASEAN Framework 	<ul style="list-style-type: none"> * Negative list approach * The basic principles of the agreement are national treatment and market access. MFN treatment applies to the excluded sectors only. * Emergency safeguards cannot be applied. Export subsidies are prohibited and all other subsidies are excluded from the agreement on services. * Government procurement of services is not 	<ul style="list-style-type: none"> * GATS (positive list) approach * Each party has set out a list of specific commitments, which shall be reviewed bi-annually with a view towards further liberalisation. The countries shall extend national treatment to service providers of the other country, within those sectors. * New Zealand's schedule of commitments 	<ul style="list-style-type: none"> * Negative list approach * Both countries are to extend national treatment to the other's service providers and market access provisions are included. * Safeguard action may not be taken, however in the event of serious balance of payments difficulties, serious external financial difficulties or threat thereof restrictions on trade in services may be taken. * The services chapter does not apply to subsidies and grants. * All exceptions to national treatment and market access must be listed. * Australia maintains reservations on telecommunications, medicine, postal services, supply of therapeutic goods etc. Singapore maintains reservations including a reservation saying 'only a service supplier who is a Singaporean citizen, permanent resident or employment pass holder shall be 	<ul style="list-style-type: none"> * Negative list approach. * Ensures core obligations of national and MFN treatment, and market access. * The services chapter does not apply to subsidies and grants. * Government procurement is included in a separate chapter. * Local presence must not be required. * In the area of financial services, US banks will be able to set up more branches within 2 years and can gain access to the Singapore ATM network in 4 years. Non-discrimination, MFN treatment and additional market access commitments are core provisions of the financial services chapter * There will be increased market access in the insurance sector, including 'best practices' for the insurance rule making 	<ul style="list-style-type: none"> * GATS (positive list) approach * The main principles of the agreement are national treatment and improved market access. * Emergency safeguard provisions are not included. There are no provisions for subsidy disciplines either. * Government procurement of services is covered in a separate chapter. * Investment in services is covered as 'commercial presence' in a separate chapter on investment. * The 'right of non-establishment' is not included, i.e. local presence may be required. * The Singapore-Japan agreement does not apply to maritime services, aviation services related to air traffic rights. Telecommunications are provided for separately in Annexes IV a and IV b. 	<ul style="list-style-type: none"> * The parties will enter into negotiations to progressively liberalise trade in services, beyond each country's GATS commitments. * Negotiations will be undertaken to eliminate 'substantially all' discrimination with respect to trade in services except for measures permitted under GATS. * China shall accord MFN treatment consistent with WTO rules to all non-WTO Asean member states. * The parties will look at the feasibility of an 'early harvest program' for trade in services, in early 2003.

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
	Agreement on Services.	<p>covered.</p> <p>* Investment in services is covered as 'commercial presence', but there are no common disciplines on investment.</p> <p>* The 'right of non-establishment' is granted.</p> <p>* New Zealand retains only two inscriptions (air services and coastal shipping) and Australia only six (air services, broadcasting and television (x2), third party insurance, postal services and coastal shipping).</p>	<p>include:</p> <p>- No limitations on national treatment and market access in the cross border, consumption abroad and commercial presence modes of supply for courier services, telecommunications (national treatment does not extend to commercial presence mode of supply), motion picture projection services, construction and related engineering services, distribution, retail, franchising, and environmental</p>	<p>allowed to register a business without appointing a local manager. Other areas in which reservations remain are architecture, financial auditing, tax related services, royalty collecting, land surveying, mailing services etc.</p> <p>* Additional commitments are included in a separate annex.</p> <p>* 'Significant progress' has been made in the areas of financial services, legal services and professional services. Singapore is making full national treatment and market access commitments for university, adult and vocational and technical education, with only some limited exceptions.</p> <p>* Singapore has given full market access and national treatment commitments in a range of other sectors of interest to Australian exporters, such as construction, sporting services, computer and related services and auxiliary transport services.</p>	<p>process.</p> <p>* Exceptions to the services chapter are mainly in sectors requiring government certification or licenses (lawyers, accountants etc) or sectors which involve governmental institutions or national policy (public hospitals, atomic energy etc).</p> <p>* US companies have the right to own equity stakes in entities that may be created through the privatisation of Singaporean government-owned services.</p> <p>* Improved market access opportunities in the area of professional services. Singapore has agreed to recognise degrees from 4 US law schools for admission to the Singaporean bar.</p> <p>* Excluded service sectors for Singapore include: Air and maritime services, broadcasting, social security services, financial institutions extending Singapore dollar credit facilities, public schools, operation of government hospitals etc. The US has excluded: Air and maritime services, patent agencies and customs brokers licensing, broadcasting, mining, registering securities,</p>		

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
			<p>services.</p> <p>- National treatment and market access obligations are included subject to some conditions. Transport, including air transport, recreational and tourism service commitments have also been made (with limitations).</p> <p>* Service sectors not covered by Singapore include telecommunications, air transport, maritime, archive services and financial services.</p>		social services, atomic energy etc.		

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
Labour Mobility	<p>*For the purposes of tourism and business, under the ASEAN tourism agreement of November 2002 visa exemption arrangements will be extended on a bilateral basis, the procedures for issuing visas to international travellers will be harmonised, travel levies and travel taxes on members of ASEAN states will be phased out and the states will work towards the easing of travel barriers and issuing of travel documents.</p> <p>* The project <i>Promoting Mutual Recognition of Skills as a Means to Enhance Employability and Regional Mobility</i> commenced implementation in late 2002 under the ASEAN-Australia Development Cooperation Programme (AADCP) Framework on Strengthening ASEAN Economic Integration</p>	<p>* A long history of arrangements, collectively known as the Trans-Tasman Travel Arrangement allow Australians and New Zealanders to visit, reside and work in each other's country without restriction. These arrangements have been supplemented by the Social Security Agreement, the Reciprocal Health Agreement and the Child Support Agreement.</p>	<p>* The CEP does not cover immigration or general access to Singapore's labour market. However, it does make it easier for New Zealand professionals to supply services on a temporary basis in Singapore, either as business visitors (services providers not selling directly to the public), or as senior or specialist employees working in the Singapore offices of a New Zealand firm.</p>	<p>* The initial period of stay granted to Australian business people and professionals visiting Singapore will be extended from 1 month to 3 months.</p> <p>* Long term business residents from Australia will be granted an initial 2 year period, extendable up to at least 14years on application.</p> <p>* Conditions for spouses of long-term business residents wishing to work will become more favourable and are guaranteed the right to work in managerial, professional and specialist occupations.</p>	<p>* Singaporean citizens who are visiting the US for business purposes are eligible to enter the States for up to 90 days without the need for a labour market test.</p> <p>* Under the FTA separate categories are created for citizens of each country to engage in business and investment activities, on a temporary basis.</p>	<p>* The agreement covers the facilitation of the movement of natural persons for the purposes of business. There will also be mutual recognition of professional qualifications and under human resource development initiatives there will be a promotion of the exchange of scholars and students.</p>	-

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
Investment	<p>* Negative list approach for investments</p> <p>* MFN status must be granted to all ASEAN investors.</p> <p>* The Framework Agreement on the ASEAN Investment Area was signed in 1998 and aims to establish ASEAN as a competitive investment area by 2010. The features of the agreement are the extension of national treatment to ASEAN investors by 2010 and to other investors by 2020, opening all industries to ASEAN investors by 2010 and 2020 for others, exclusion allowed through the Temporary Exclusion List (TEL) until 2010.</p>	<p>* Both countries have modified their investment regimes with respect to investments from the other country so that a large majority of investment proposals do not require approval from the investment authority. Neither country has rejected an investment proposal from the other country for at least ten years.</p> <p>* Investors and investments of each member are subject to the general foreign investment policies and requirements of the other country.</p>	<p>* Each party shall extend to the other the better of MFN status or National Treatment.</p> <p>* Each party shall allow the other party to freely repatriate all investments and proceeds from investments</p> <p>* limitations to the provisions on investments can be found in annex 3 to the agreement.</p> <p>* Any legal disputes arising between the investor of one party and the other party should be settled as far as possible by negotiations. If the dispute</p>	<p>* Investors will be extended national treatment with a few exemptions.</p> <p>* Transfers and remittances shall be freely allowed, however a balance of payments safeguard article is included.</p> <p>* Government procurement is not covered by the investment chapter.</p> <p>* Investors are protected against expropriation or 'measures having effect equivalent to nationalisation or expropriation' and will be entitled to compensation should expropriation or other loss occur.</p> <p>* There in an investor-state disputes settlement mechanism, whereby an investor of one party can seek disputes settlement concerning an alleged breach of an obligation of the party which causes loss or damage to the investor or its investment</p>	<p>* Each party shall grant investors of the other party the better of national treatment or MFN treatment.</p> <p>* Each party shall accord investors of the other party 'fair and equitable treatment' and 'full protection and security' in accordance with international law.</p> <p>* No unfair performance related requirements may be imposed.</p> <p>* Transfers must be freely allowed.</p> <p>* Both sides agree to grant compensation of fair market value in the event of an expropriation or nationalisation for a public purpose.</p> <p>* Provides for an investor-state disputes settlement mechanism, whereby investors entering into disputes with either government can take disputes</p>	<p>* Each country shall accord the other National Treatment, and equal access to the courts of justice both in pursuit of and in defence of investor rights.</p> <p>* Neither party is to impose or enforce performance requirements as a condition for the establishment, expansion management or operation of investments in its territory of an investor of the other party.</p> <p>* Temporary safeguard measures may be applied in the case of serious balance of payments difficulties.</p> <p>* Neither party shall expropriate or nationalise investments in its territory, or take "any measure equivalent to expropriation or nationalisation" of investments made by investors of the other party, except for public purpose, on a non-discriminatory basis and upon the payment of compensation.</p> <p>* The investment chapter does not apply to government procurement.</p>	<p>* Negotiations on an agreement for investment shall commence in 2003 and be concluded as quickly as possible.</p> <p>* The agreement will take into account the sensitive sectors of each of the parties and will include special and differential treatment and flexibility for the newer Asean member states.</p> <p>* Investor protection will be included into the agreement.</p>

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
			cannot be settled in this way, then the matter will be passed on for arbitration or conciliation by the International Centre for Settlement of Investment Disputes.		directly to an international arbitration panel to provide a transparent and impartial procedure for dispute settlement.		
Competition Policy/ Law	-	<p>* Each country maintains and determines its own competition laws, with some trans-Tasman provisions regarding the abuse of dominant positions in the market place. Domestic competition law prohibitions on the misuse of market power have been extended to trans-Tasman markets</p> <p>* CER provides for the harmonisation of business law requiring governments to harmonise companies and securities law, competition policy and consumer protection.</p>	<p>* The agreement promotes cooperation, but does not provide for harmonisation of competition laws or policy.</p>	<p>* The two governments commit to addressing anti-competitive business practices and to consult with each other.</p> <p>* Singapore has only recently commenced developing a general competition policy regime and thus the agreement on competition policy will be reviewed once Singapore enacts a generic competition law.</p>	<p>* There are guarantees to ensure government entities will not act in an anti-competitive way.</p> <p>* Singaporean commitment to enact a competition law and set up a competition commission by 2005.</p> <p>* The parties maintain the</p>	<p>* Each party maintains its own competition policy and laws, but the countries agree to cooperate in the field of controlling anti-competitive behaviour.</p> <p>* There is no recourse to disputes settlement under this chapter.</p>	<p>* There is no framework for an agreement on competition policy yet.</p>

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
					power to designate monopolies. * There is no recourse to disputes settlement under this chapter.		
Intellectual Property	<p>* The ASEAN Working Group on Intellectual Property Cooperation is working on establishing a regional filing system on trademarks and patents including industrial design and identifying areas for harmonization of ASEAN laws on trademarks.</p> <p>* Further cooperation includes the fields of copyright and related rights, patents, trademarks, industrial designs, geographical</p>	<p>* Intellectual property rights are not covered by CER, however work is proceeding in the area.</p>	<p>*The Parties agree that the WTO Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) shall govern and apply to all intellectual property issues arising from this Agreement</p>	<p>* As well as confirming their WTO commitments on intellectual property protection, Australia and Singapore will cooperate on eliminating trade in goods infringing intellectual property rights. They also agree to take measures to prevent the export of goods that infringe copyright or trade marks.</p>	<p>* Comprehensive 'IP protection for the digital age'. The agreement ensures disputes between trademarks and internet domain names involve the government. This is important to prevent 'cyber-squatting' of trademarked domain names.</p> <p>* Better legal tools for enforcing IP rights.</p> <p>* The principle of 'first-in-time, first-in-right' applies to trademarks and geographical indicators applied to products, whereby the first person to apply for the IP rights is granted the first right to use that name, phrase etc.</p> <p>* Under the agreement, only authors, composers and other copyright owners have the right to make their work available online.</p> <p>* Protection of encrypted program-carrying satellite</p>	<p>* The parties have agreed to develop their cooperation in the field of IP.</p> <p>* The cooperation may take the form of information sharing and joint training initiatives etc.</p> <p>* The parties have identified areas such as e-commerce, patents, trade secrets, trademarks, copyrights and related rights as important areas for cooperation.</p>	<p>* There are no provisions for IP in the framework agreement, however cooperation shall be extended to intellectual property rights in the final agreement.</p>

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
E-commerce	<p>indications, undisclosed information and lay-out designs of integrated circuits.</p> <p>* The ASEAN framework agreement was signed in November 2000 in order to facilitate the establishment of the ASEAN information infrastructure, promote growth in e-commerce</p>	<p>* Work is proceeding on electronic transactions law.</p>	<p>* With a view to implementing the APEC Blueprint for Action on Electronic Commerce, in particular the Paperless Trading Initiative, the customs administrations of both Parties are developing an electronic environment that supports electronic business applications between each customs administration and its trading community.</p>	<p>* The countries agree to continue to not impose customs duties on electronic transmissions between themselves.</p> <p>* To promote confidence and trust in bilateral e-commerce, each government will maintain e-commerce consumer protection and electronic authentication legislation; work towards the mutual recognition of electronic signatures; encourage the interoperability of digital certificates by business; and take</p>	<p>signals extends not only to the programming, but also to the signals themselves. Both parties agree to criminalise the unauthorised reception and redistribution of satellite signals.</p> <p>* Under the FTA trade secrets and test data submitted to the government for product approval are protected against disclosure for 5 years in the case of pharmaceuticals and 10 years for agricultural products.</p> <p>* The obligations are expected to complement the WTO TRIPS agreement and the implementation of the WIPO Copyright Treaty.</p> <p>* The agreement will contain a separate chapter on e-commerce.</p> <p>* National treatment and MFN obligations for those products delivered electronically.</p> <p>* Permanent duty free status for those digital products delivered electronically.</p> <p>* For digital products delivered in hard media form (eg. On CD or DVD) the duties are to be based on the value of the media, not the content (eg. The value of the CD, not the music contained on it).</p>	<p>* Under chapter 14 of the agreement the parties agree to cooperate in the field of ICT and to promote e-commerce</p>	<p>* Measures to improve cooperation shall include the promotion of e-commerce and information technology.</p>

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
	<p>industries, develop an e-society and close the 'digital divide' between member countries'.</p> <p>* ASEAN experts have been working on the overall design principles of the technical architecture, network infrastructure, security infrastructure, e-payments infrastructure, and their respective services interoperability frameworks, so that information infrastructures within the region can be developed and</p>			measures for personal data protection.			

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
	linked.						
Transport and Communications	<p>* Under article 3 of the ASEAN tourism agreement 2002 the member countries agree to cooperate in promoting accessibility by air, to and amongst Member States, through the progressive liberalisation of air services.</p> <p>* Enhancing cooperation in developing measures in support of efficient and safe travel, and also developing policies to encourage travel by ferries and leisure craft by providing adequate infrastructure.</p>	<p>* The parties are governed by the 'Australia-New Zealand Single Aviation Market Arrangements' and the year 2000 Open Skies Agreement with respect to air transport.</p> <p>* Telecommunications services are subject to the general services provisions under CER. They are not listed by either country as services exempt from obligations in the services protocol.</p>	-	<p>* Telecoms having major supplier status in a particular segment of the market must provide other suppliers with interconnection on terms that are non-discriminatory, in a timely fashion, and at cost-oriented rates.</p> <p>* There is an article to ensure transparency.</p> <p>* Each party shall ensure that service providers of the other party may use public telecommunications networks or services for the cross border movement of information.</p> <p>* The countries commit to enforcing competitive safeguards, facilitating consultation and developing industry standards in the field of telecommunications.</p>	<p>* For the telecommunications market there is improved market access, with US gaining network access, rights of way and access to cable landing stations at cost-based rates on non-discriminatory terms.</p> <p>* Basic telecommunications interconnection rights are guaranteed.</p> <p>* US firms seeking to build telecommunication networks in Singapore are to be granted non-discriminatory access to the buildings containing telephone switches and submarine cable heads.</p>	<p>* The parties have agreed to cooperate in the area of broadcasting.</p>	<p>* Information and communications technology is one of 5 a priority areas for strengthening cooperation.</p>
Energy	<p>* The ASEAN Ministers on Energy have reaffirmed the important role of an integrated trans-ASEAN energy network of power grid and gas pipelines in creating sustainable energy supply, security, and trade among</p>	-	-	-	-	-	<p>* Cooperation shall be extended to energy provisions, but this is not a priority.</p>

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
	<p>ASEAN countries. * The ministers also reaffirmed their commitments to liberalising the energy markets in order to ensure affordable energy prices and attract investment in infrastructure. * There are plans for a Trans-ASEAN Gas Pipeline Project, and in March 2002 a joint cooperation programme between the European Community and ASEAN was launched. *The master plan study to establish the ASEAN Power Grid is expected to be completed in March 2003</p>						
Environmental Issues	<p>* Under the Resolution on Environment and Development 1994 the ASEAN nations will work “ to establish long term goals on environmental quality and work towards harmonised environmental quality</p>	<p>* No specific environmental provisions</p>	<p>* No specific environmental provisions</p>	<p>* No specific environmental provisions</p>	<p>* The parties will maintain their own environmental laws, but will cooperate on environmental issues and ensure that environmental standards are not lowered in pursuit of trade. Each party is obliged to effectively enforce their domestic environmental laws. * Environmental disputes are subject to the core disputes settlement provisions of the FTA. The enforcement mechanism includes monetary penalties.</p>	<p>* No specific environmental provisions</p>	<p>* No specific environmental provisions</p>

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
	<p>standards for the ASEAN region”</p> <p>* Regional initiatives on the environment are guided by ASEAN Vision 2020 and the 15 objectives set out in the Ha Noi Plan of Action (HPA)</p> <p>* The major areas of ASEAN cooperation are: (a) transboundary haze; (b) nature conservation and biodiversity; (c) coastal and marine environment; (d) global environmental issues.</p> <p>* The governments of the ten ASEAN member countries signed the ASEAN Agreement on Transboundary Haze Pollution on 10 June 2002 during the occasion of the World Conference and Exhibition on Land and Forest Fire Hazards on 10-12 June 2002 in Kuala Lumpur. The Agreement contains provisions on monitoring, assessment and prevention, technical co-operation and scientific research,</p>						

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
	mechanisms for coordination and lines of communication.						
Labour Standards	<p>* There are no specific provisions for labour standards under AFTA, however the ASEAN countries are working together in the field of labour.</p> <p>* The labour ministers of the signatory countries meet annually to discuss labour related issues and oversee the implementation of labour related projects and technical assistance.</p> <p>* The countries each have separate agreements with the International Labour Organisation (ILO) with respect to labour standards.</p>	<p>* No specific provisions on labour standards.</p>	<p>* No specific provisions on labour standards.</p>	<p>* No specific provisions on labour standards.</p>	<p>* Both countries are committed to enforcing their own laws, and will cooperate.</p> <p>* Both parties will reaffirm their obligations under the ILO, and will strive towards ensuring domestic labour laws are in accordance with internationally recognised labour principles.</p> <p>* Labour disputes come under the main disputes settlement mechanism of the FTA and enforcement is enacted through monetary penalties.</p>	<p>* No specific provisions on labour standards.</p>	<p>* No specific provisions on labour standards.</p>
Disputes Settlement	<p>* Member states must provide adequate opportunity for consultation with respect to any matter affecting the implementation, interpretation or application of the Agreement.</p> <p>* Member States which are party to a dispute may at any time agree to good offices, conciliation or</p>	<p>* There are no specific dispute resolution procedures. The 'close and long-standing political relationship' between Australia and New Zealand means that any issues of grievance or concern are addressed through discussion between the two governments.</p>	<p>* Differences in interpretation, implementation or application of the agreement should as far as possible be settled through consultation.</p> <p>* The parties may at any time agree to conciliation or</p>	<p>* The first stage of the disputes settlement procedure is to engage in consultations, with a view to reaching a mutually acceptable resolution.</p> <p>* The parties may at any stage move to mediation, good offices or conciliation in order to facilitate an amicable solution.</p> <p>* If no resolution has been reached within 60 days of commencing consultations either party may request the establishment of an arbitration tribunal consisting of 3</p>	<p>* The parties shall first seek to settle disputes through consultations.</p> <p>* Where consultations fail the matter may be brought before a disputes settlement panel, comprising 3 members.</p> <p>* The panel shall consider the situation and publish a report of its findings. The parties shall then agree on a resolution, which will normally comply with the findings of the report.</p> <p>* The disputes settlement process is transparent, and</p>	<p>* Each party may request consultation with the other party over the interpretation or application of the agreement.</p> <p>* If the parties fail to resolve this matter through consultation it may be brought before the consultative committee which is made up of representatives of each party, including one legal expert from each party.</p> <p>* Good offices, conciliation or mediation may be requested at any time,</p>	<p>* A formal dispute settlement mechanism will be agreed upon by mid 2004. Until then any disputes will be settled by either consultation or mediation.</p>

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
	<p>mediation. They may begin at any time and be terminated at any time. Once procedures for good offices, conciliation or mediation are terminated, a complaining party may then proceed to raise the matter to the Senior Economic Officials Meeting (SEOM).</p> <p>* The SEOM may either establish a panel, or if applicable raise the matter to the special body in charge of special or additional rules and procedures.</p> <p>* Member States, who are</p>		<p>mediation</p> <p>* If the dispute has not been settled within 60 days after the date of receipt of the request for consultation then the parties may agree to appoint an arbitration panel consisting of 3 members.</p> <p>* The findings and rulings of the arbitration tribunal shall be binding on both parties.</p>	<p>members.</p> <p>* The parties shall comply with the findings of the arbitration panel within a 'reasonable period of time'.</p>	<p>includes open public hearings, public access to submissions and the opportunity for third parties to make submissions.</p> <p>* The dispute settlement procedure is to focus on cooperation and allows a party to pay a monetary assessment into a common fund, which will be used for trade facilitation.</p>	<p>by either party.</p> <p>* If parties fail to resolve the dispute through consultation, either party may request the establishment of an arbitral tribunal.</p> <p>* the arbitral tribunal shall be made up of three arbitrators – one from each party, and a third who shall chair the panel.</p> <p>* The award of the arbitral tribunal shall be final and binding.</p>	

	AFTA	CER	Singapore-NZ	Singapore-Australia	Singapore-US	Singapore-Japan	China-ASEAN
	<p>parties to the dispute, may appeal the ruling by the SEOM to the ASEAN Economic Ministers ("AEM") within thirty (30) days of the ruling</p> <p>* The decision of the AEM on the appeal shall be final and binding on all parties to the dispute.</p>						

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
Tariffs	<ul style="list-style-type: none"> * Negative list approach. * National treatment accorded to goods of the other party. * The extension of national treatment will not apply to restrictions placed on exports of Canadian logs, unprocessed fish and some alcohol. Costa Rica has imposed limitations on the import refining and wholesale distribution of crude oil, fuel derivatives, asphalt and gasoline, the importation of used merchandise, the exporting of logs, coffee and hydrocarbons. * Each country has a tariff elimination schedule which breaks tariff liberalisation down into those goods to be liberalised immediately, those on longer time frames (up to 9 years), and those exempted. * The countries will allow for temporary admission of goods necessary to conduct business or for use in cinematography or sports. 	<ul style="list-style-type: none"> * Negative list approach. * Aiming for complete tariff elimination. * Scheduled reductions for each country, 2003 being end date for most goods. * There was one acceleration in 1999 making certain goods duty free by January 1st 2001. * Few items excluded from tariff liberalization, Canada maintains 96 items out of this process, while Chile does the same for 75 items. (Total items for Canada: 8100; for Chile: 6933) * List of exceptions mostly involves agricultural goods. Milling wheat, sugar and beef are exempted. Canada retains its over-quota tariffs for dairy, poultry and egg products, Chile retains its tariffs on these goods. 	<ul style="list-style-type: none"> * Negative list approach. * Each party will grant national treatment to the goods of the other party, except for those goods in Annex 3-03. Market access provisions are included. * All goods shall become duty free from the date of entry into force of this treaty – except for goods provided for in annex 3-04(3) and 3-04(4) * Liberalisation should be completed within 6 years of the agreement being signed i.e. 2004 * Moreover, at any time, a signatory country that so desires may transfer a product appearing on its own list of exemptions onto the liberalisation schedule. * As of January 1st 1996 automobiles originating in either of the member countries are exempt from duties and non-tariff restrictions. * Exempt goods 	<ul style="list-style-type: none"> * Negative list approach. * All tariffs will be phased out within 12 years. * More than 85% or trade in consumer and industrial products becomes tariff free immediately. “Most” trade will be tariff free within 4 years. * Tariffs on both US and Chilean wine to be equalised at the existing lower US levels, and then eliminated. * Chile’s ‘luxury tax’ on automobiles will be phased out over 4 years. * Chile agrees to eliminate immediately the 50% surcharge on imports of used goods 	<ul style="list-style-type: none"> * Negative list approach. * Duties reduced to 0% * National treatment accorded (with some exceptions eg. Logs from Canada) “virtually all” Canada-US trade is tariff free, exceptions include Canada’s supply managed sectors (eg. Dairy and poultry) as well as sugar, dairy peanuts and cotton in the US. * As of January 1st 2001 Mexican tariffs on Canadian products fell to 0-4%, except for some agricultural products subject to tariff-rate quotas (eg. Corn, barley and dry edible beans) and also on dairy and poultry products. * Mexican tariffs on corn are to be phased out over 15 years. Tariffs between the US and Mexico will be eliminated over a five or ten year period. 	<ul style="list-style-type: none"> * Negative list approach. * Trade between Bolivia, Colombia, Ecuador and Venezuela is fully deregulated. Peru is incorporating into the Andean Free Trade Zone according to a Liberalization Program. * It is expected that Peru will join fully into the Andean Free Trade Zone in 2005.

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
			include: - Chile: Seafood (lobster, shrimp, prawn), dairy products, wheat, barley, sugar, oils (palm, sunflower, safflower, olive, sesame), tobacco, fuel oil, worn clothing and worn textile articles - Mexico: Seafood (lobster, shrimp, prawn), dairy products, wheat, barley, sugar, oils (palm, sunflower, safflower, olive, sesame), tobacco, fuel oil.			
Agriculture	<p>* Beef and the supply managed sectors, dairy, poultry and egg products, are exempted from tariff reduction.</p> <p>* A large number of fisheries products are also exempt.</p> <p>* Canadian tariffs on sugar syrups are generally on a 9 year liberalisation schedule to be completed in 2011.</p> <p>* Costa Rica has exempted</p>	<p>* List of exceptions to tariff removals mostly involves agricultural goods.</p> <p>* The parties share the goal of multilateral elimination of export subsidies for agricultural goods, although they continue to be imposed by both parties.</p> <p>* Dairy, poultry and egg products are exempt from Canada's tariff elimination schedule.</p>	<p>* Both parties share the goal of achieving the elimination of export subsidies for agricultural goods. In that sense, they will cooperate in order to complete a WTO-consistent agreement</p>	<p>* Agricultural products still make up the bulk of sensitive products, however ¾ of US agricultural products will enter Chile tariff free within 4 years.</p> <p>*Agricultural tariffs to be completely eliminated within 12 years</p> <p>* Expected to create improved market access for US pork, beef, soybeans, wheat, potatoes, pasta and</p>	<p>* Commitments to reduce tariffs are bilateral among the parties.</p> <p>* Between the US and Mexico all non-tariff measures affecting agricultural trade were eliminated in January 1994. *</p>	<p>* Intra-ANDEAN trade of agricultural goods is fully deregulated.</p> <p>* Andean countries are applying a Common</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
	some meat and poultry products, and put a large proportion of the rest on long timeframe tariff reductions. Dairy products are also left out in many instances. Many fruits and vegetables are very sensitive.	* For Chile, beef will be subject to a tariff rate quota, starting at 4000 tonnes in 1998, and increasing to 10000 tonnes by 2001. Pork, canola oil and potassium chloride are also subject to tariff rate quotas, but without substantial liberalisation. Poultry, dairy, preserved meats, some cereals are all either excluded, or on very long time schedules.		breakfast cereals etc.	All agricultural tariffs are to be phased out over 5, 10 and 15 years, resulting in free trade by 2008. * Sensitive areas such as corn, dried beans, vegetables, orange juice and sugar receive longer transition periods. * Between the US and Canada agricultural barriers remain, between Canada and Mexico market access provisions apply only to goods qualifying under the strict rules of origin. * Members are required to consult before additional measures may be taken. * The US and Canada maintain a 'snap-back' provision whereby a temporary duty can be applied to fresh fruit and vegetables when import prices fall below a certain percentage of the monthly import price and planted acreage of the product is within certain limits.	Agricultural Policy (Política Comín Agropecuaria) whose main components are the "Sistema Andino de Sanidad Agropecuaria" (Andean Agricultural Health System) and the "Sistema Andino de Franjas de Precios" (Andean System of Price Bands). * The Andean System of Price Bands aims to stabilize import costs of an array of agricultural goods inside the Andean market (rice, barley, wheat, soy, yellow corn, white corn, soy oil, palm oil, sugar, milk, pork and poultry [specifically chicken (leg quarters)]) These goods are characterized by their price instability in the international market.
Quantitative Restrictions	* Import/export restrictions as permitted under article XI of GATT 1994, imposed by Canada on logs and unprocessed fish. Costa Rica's list of exemptions include crude oil, wood and	* No import or export restrictions may be imposed except in accordance with GATT article XI	* Quantitative restrictions are maintained on trade in services. Both parties have listed these restrictions in annex V. At least every two years the parties will make an effort to negotiate the	* Quotas are to be eliminated.	* Import and export restrictions may only be used in accordance with article XI of GATT. * Members must eliminate existing quantitative restrictions unless they are	* Quantitative restrictions are not imposed on any goods, with no exceptions.

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
	<p>coffee.</p> <p>* Either party may adopt or maintain import measures to allocate in-quota imports pursuant to a tariff rate quote as set out in Annex III.3.1 to the agreement.</p>		<p>liberalization of the restrictions included in this annex.</p>		<p>specifically permitted.</p>	
Other NTBs	<p>*Costa Rica may apply export taxes to bananas. No other export taxes are permitted.</p>	<p>* Chile is allowed to keep its Band Price System for some products, however new products may not be added to the list and the method by which the price bands are calculated may not be modified in a manner that makes trade more restrictive.</p> <p>* Neither Party may adopt or maintain any measure requiring that distilled spirits imported from the territory of the other Party for bottling be blended with any distilled spirits of the Party.</p> <p>* Import and export restrictions are prohibited, except in accordance with GATT 1994, rights and obligations.</p> <p>* Neither party may maintain customs user fees for originating goods.</p> <p>* Neither party may adopt or maintain export taxes (except where the duty is also applied to those goods for domestic consumption).</p> <p>* Other export measures may be adopted or maintained if it is in accordance with GATT so long as the restriction does not reduce the total proportion of the total export shipments of that specific good (compared to</p>	<p>* Mexico is allowed to maintain, until 2004, the dispositions of the 'Decreto para el Fomento y Modernización de la Industria Automotriz' (implemented 1989 and modified in 1995) which is incompatible with this agreement.</p> <p>* Chile and Mexico have the faculty to restrict the imports of second-hand vehicles</p> <p>* Mexico can limit export and import licenses for trading some fuels.</p> <p>* Until January 1st, 2004, Mexico is allowed to apply restrictions to the importation of second-hand durable goods included in chapters HS 84, 85, 87 such as office machines, vehicles, cranes and trailers.</p>	<p>* Chile will eliminate its price band system.</p> <p>* Meat and dairy inspection issues, and meat grading processes addressed.</p> <p>* USA may impose restrictions to exports of trunks from all-species and trade of goods subject to the <i>Merchant Marine Act of 1920</i> and the <i>Passenger Vessel Act</i>.</p> <p>* Chile may impose restrictions on imports of used vehicles.</p>	<p>* Customs user fees are to be phased out with no new fees permitted. Canada doesn't maintain such fees.</p> <p>* Specific provisions for the removal of blending requirements for imported and domestically distilled spirits mean that the distilled products of each member country have been mutually recognised as distinctive, and can only be sold when they are manufactured in their country of origin.</p>	<p>*Decision 506 on "Recognition and acceptance of certificates of products marketed in the Andean Community" adopted in 2001 to help reduce technical barriers such as the compulsory application of conformity evaluation rules and technical</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
		that proportion prevailing in the most recent 36 month period for which data is available). The party may not impose a higher price on the export of the good than it charges domestically by means of licenses, fees, taxation or minimum price requirements.				
Anti-dumping	<p>* The WTO agreement on anti-dumping shall govern the rights and provisions of the member countries with respect to dumping and anti-dumping duties.</p> <p>* The parties recognise the desirability of providing for the possibility of imposing anti-dumping duties that are less than the full margin of dumping, in appropriate circumstances.</p> <p>* The parties agree to reiterate the importance of transparency and procedural fairness in the conduct of anti-dumping investigations.</p> <p>* All disputes arising with respect to the anti-dumping measures of the agreement shall be resolved in keeping with the WTO agreement.</p>	<p>* The CCFTA contains a mutual exemption from the application of anti-dumping laws. For each good, the exemption takes effect as of the final elimination of import duties in both Parties for that good at the tariff subheading level, or on January 1, 2003.</p>	<p>* In accordance with WTO obligations.</p>	<p>* In accordance with WTO obligations.</p>	<p>* Each country maintains its own regime and legislation for initiating dumping and countervailing actions, however, must consult with other members when making modifications. Amendments must be consistent with the GATT.</p> <p>* NAFTA provides for initiation of actions and for dispute settlement between the member countries over dumping or countervailing actions through bi-national panels. Any NAFTA government can seek review of a dumping or countervailing decision made by another government agency.</p> <p>* Review panels undertake judicial review, as would any domestic court. Actions found to be illegal are referred back to the decision maker for a new determination.</p> <p>* Decisions by a panel are binding and cannot be appealed to a domestic court.</p>	<p>* Anti-dumping duties may be imposed after an investigation usually lasting around 6 months, if evidence of dumping is found.</p> <p>* The member countries, or any individual or company, with legitimate interests, are able to ask the Andean Community General Secretariat for authorization to apply anti-dumping measures when dumping practices originated inside any other member country are harming or threatening to harm local production that is located in the local market or in any other member country's market. (Decision 456, art. 2)</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
Countervailing Duties	* In accordance with WTO obligations.	* A committee on anti-dumping and countervailing duty measures has been established to consult with a view to defining subsidy disciplines. It will also work in multilateral fora such as the WTO and NAFTA to try and minimise the impediments to trade created by trade remedies.	* In accordance with WTO obligations.	* In accordance with WTO obligations.	* Each country maintains its right to impose countervailing duties to subsidised agricultural imports.	* If a country is found to be using export subsidies and causing 'serious harm' to another Andean country's economy countervailing duties can be imposed. * Any individual or company, with legitimate interests, or the member countries are able to ask the Andean Community General Secretariat for authorization to apply countervailing measures when a subsidy applied in any other member country is harming or threatening to harm local production that is located in the local market or in any other country member's market. (Decision 457, art. 2)
Subsidies	* Costa Rica has an extensive Free Trade Zones (FTZ) regime which has the effect of subsidising manufacturers on condition of export. For those goods being shipped to Canada from FTZs Canada will defer the start of tariff reduction until the subsidy is fully eliminated. * Each party agrees to eliminate all export subsidies for agricultural goods destined for the partner country, however domestic support remain in place for some agricultural goods in line with WTO provisions.	* Effective January 1, 2003, neither Party shall introduce or maintain any export subsidy on any agricultural goods originating in, or shipped from, its territory that are exported directly or indirectly to the territory of the other Party.	* The parties will cooperate within the WTO framework to work towards the multilateral elimination of export subsidies on agriculture. From January 1 st 2003 no export subsidies may be adopted or maintained on bilateral trade. * If an importing party requests an export subsidy be maintained on a particular good, the exporting party will be allowed to maintain or adopt such a subsidy. * Export subsidies may not be applied to automotive goods.	* Export subsidies are eliminated on US-Chile farm trade, however the right to respond is preserved, ie. If a third country threatens to displace US exports in Chile subsidies can be imposed.	* The NAFTA countries recognise that the use of export subsidies within the free trade area is unacceptable, except to counter subsidised imports from another NAFTA country. * A NAFTA exporting country must give 3 days notice of its intention to impose an agricultural export subsidy. * The bilateral prohibition on export subsidies in the US-Canada free trade agreement will remain in place on US-Canada agricultural trade under NAFTA. * NAFTA does not specifically apply to provincial subsidy programs.	* If a country is found to be using export subsidies and causing 'serious harm' to another Andean country's economy countervailing duties can be imposed.

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
Safeguards	<p>* In the case of injurious import surges a party may take safeguard actions twice on any one product, over the transition period (usually 7 years, but up to 14 for some products) and for a maximum of 3 years each time.</p> <p>* For textiles and apparel goods the safeguards are based on NAFTA</p> <p>*Each party may, for the agricultural goods specified by each Party in Appendix III.3.2.1 adopt a special safeguard in the form of a tariff rate quota, if the volume of imports of that good from the other Party exceeds the trigger level for that good.</p> <p>* Trigger levels are to be increased by 5% a year for 10 years. The safeguard may only be maintained until the end of the calendar year in which it was imposed.</p> <p>* No country may impose an over-quota tariff rate under a special safeguard</p>	<p>* A chapter on Emergency Action (safeguard measures) permits the imposition of border controls to provide relief from increases and import surges of imports from the other party that are causing, or threaten to cause 'serious injury' to domestic producers.</p> <p>* Quantitative restrictions may be imposed on non-originating textile goods imported under a tariff preference level set out in Appendix 5.1, where the absolute quantity being imported has increased relative to domestic production so as to cause 'serious</p>	<p>* If as a result of the tariff reductions implemented through this treaty, a party is receiving quantities of imports that cause or threaten to cause 'serious damage' to the economy of the importing party, the 'minimum necessary' safeguard measures may be taken.</p> <p>* A safeguard measure may only be applied in a non-discriminatory manner.</p> <p>* The party taking the safeguard actions must notify the other parties before doing so.</p> <p>* Safeguard measures may</p>	<p>* A special safeguard mechanism will protect US farmers and ranchers from import surges from Chile.</p> <p>* In some situations, safeguards measures can be applied to agricultural and textile goods (art. 3.18 and 3.19).</p> <p>* Safeguards measures may be applied only during transition period if, as result of the reduction or elimination of tariffs agreed, a product is imported from the other party in quantities that harms or threaten to harm local producers. These measures can be applied for a period no longer than 3 years (art 8.1 and 8.2).</p>	<p>* NAFTA gives each member the right to take safeguard action (emergency controls), to impose duties on imports, if increased imports from one member "cause (or in the case of Mexico, "threatens") serious injury" or hurt the domestic industry of the other.</p> <p>* Detailed criteria must be met before any action can be taken.</p> <p>* Actions can be taken bilaterally between NAFTA suppliers, but can only be triggered by a reduction in duties. Alternatively, action may be taken against all suppliers i.e. 'global actions'.</p> <p>* Actions are initiated by the domestic industry, investigated by a tribunal in the member affected, and then determination made as to whether action may be taken.</p>	<p>* Decision 389 regulates the application of safeguards in a transitory and non-discriminatory way to intra-regional trade, in the case that member country experiences imbalances in its global balance of payments.</p> <p>* Decision 406 (art. 109) provides that one Andean member may apply safeguards, when imports from another Andean member come in amounts or conditions that harm local production. In addition, art. 110 allows member countries to apply these measures if a devaluation process caused by one of the Andean members affects normal competition conditions.</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
	for goods included in Appendix III.3.2.1 exceeding the MFN levels. * Special provisions for clothing and textiles allow for bilateral emergency measures to be taken on quantitative restrictions where "serious damage or threat thereof" can be proven.	injury or actual threat thereof. Consultations shall take place and if no mutually satisfactory resolution can be reached within 90 days, annual quantitative restrictions, subject to some conditions, may be applied.	include the suspension of future tariff reductions, or an increase in tariff rates up to the lesser of the country's MFN rate, or the MFN rate the day before this agreement was signed. * Safeguard measures may only be taken during the transition period for tariff reductions and may not be maintained for more than 1 year. * A safeguard measure may not be applied more than once to a single good during the transition phase.			
Rules of Origin	* The rules of origin for this agreement closely resemble those of NAFTA and are based on the Canada-Chile agreement. * Origin is determined using the change of customs heading method. Rules are product specific * The rules of origin for fish and marine products are more liberal than those for agriculture, agri-products, textiles, apparel, chemicals and plastic products.	* Based principally on changes in tariff classification under the Harmonized System * For certain manufactured products, the rules of origin have been made less restrictive than	* A good can qualify as originating if it satisfies the specific rules of origin requirements of change of customs heading or regional content requirements. * In most cases the regional content requirement is 50% where the value of transaction method is used, or alternatively 40% when the method of net cost evaluation is used. * The rules of origin allow for bilateral accumulation within the territories of the parties. * A certificate of origin is required to prove that rules of origin	* Rules of origin are specific to individual products (ie. Specific process), but are designed to be easier to apply than NAFTA ones, except in the case of some textile goods. * Some rules of origin which are reportedly easier to apply than NAFTA ones relate to blended juices, fruit cocktails, leather shoes, bicycles, white ware, cotton and wool garment. * Certain products may qualify as originating if they meet the regional value content requirement which is usually between 35 and	* A good is classified as originating if it is wholly obtained in the territories of one or more of the member parties, or if it is wholly produced in the NAFTA territories from originating materials. It can also qualify as originating if the non-originating materials used in the production process undergo sufficient change in tariff classification as set out in Annex 401. * The NAFTA rules of origin are very restrictive. * Products must be made within NAFTA countries or	* LAIA based (although some similarities to NAFTA). * Change in tariff heading measurement used, generally applied across the board. * The CIF value of the non-native materials must not exceed 50% of the FOB value of the final products for Colombia, Venezuela and Peru, and 60% for Bolivia and Ecuador. * The General Secretariat can establish specific rules

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
		<p>those under the NAFTA. This allows manufacturers to benefit from the preferential terms of access of the CCFTA without requiring major changes to their current sourcing of materials and parts.</p> <p>* Goods can qualify as originating if they comply with specific change in tariff classification requirements, or if they meet regional value content requirements as set out in chapter D article 2. To qualify as originating the regional value content must be no less than 55% under the net cost method (January</p>	<p>requirements are met. This certificate is valid for two years from the moment it is signed.</p>	<p>55% depending on the method of calculation.</p>	<p>from NAFTA materials, rather than foreign ones. If they are made of foreign materials then the final product must be significantly processed in a NAFTA country such that it meets certain requirements, such as a regional value content of a certain percentage (50 per cent or 60 per cent depending on the method used).</p> <p>* NAFTA also sets out special rules of origin that apply to automotive products, textiles and clothing and some agricultural products.</p> <p>* There are special, more stringent, rules of origin for automotive goods and textiles and apparel. After a transition period, automotive and light vehicles will need to be comprise 62.5 per cent NAFTA origin, and other vehicles and automotive parts, 60 per cent.</p> <p>* Rules for textiles and apparel dictate that they must be produced from fibre made in a NAFTA country.</p> <p>* The test is a “de minimus” rule, which allows the amount of non-originating textiles used to be up to 7 per cent. There are several exceptions to the rule such as products with small quantities of non-NAFTA yarn or fabric, or items in “short supply”.</p> <p>* Rules of origin for a number of electronic products (eg. Computers,</p>	<p>of origin when the current guidelines are sufficient or inadequate to classify a good.</p> <p>* Cumulative origin is provided for, whereby imported native materials from another member country are considered as native of the member country.</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
		2000 onwards).			telecommunications equipment and tvs) are based strictly on a tariff change structured to require that key processes are carried out in North America. For example television receivers with a picture tube of more than 14 inches in diameter can only be considered to be originating if the picture tube is produced/ assembled in North America. * NAFTA allows for bilateral, but not full accumulation. Absorption applies.	
Standards and Conformance	* Technical barriers to trade will be governed by each country's rights under the WTO.	* Technical barriers to trade will be governed by each country's rights under the WTO.	* Technical barriers to trade will be governed by each country's rights under the WTO.	* Annex 3.17 establishes commitments from each party to recognize the other party's grading programs for beef.	* NAFTA standards obligations apply only to standards that affect trade. * NAFTA allows members to maintain standards for health, safety and security reasons, provided they don't discriminate in trade and are based on international standards. * NAFTA does not mandate a scientific assessment in deciding whether discriminatory standards are justified, and allows for potentially wider consideration on environmental and consumer grounds. * NAFTA doesn't seek to harmonise standards between members, but encourages them to be made compatible.	* The Andean Standardisation Networks activities aim to harmonise the standards of the region and adopt international standards of interest to the region. * Some 50 Andean standards are currently in effect.

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
Other Technical Barriers to Trade	* Technical barriers to trade will be governed by each country's rights under the WTO.	* Technical barriers to trade will be governed by each country's rights under the WTO	* Technical barriers to trade will be governed by each country's rights under the WTO.	* Chapter 7 aims to increase and facilitate trade through the improvement of the implementation of the TBT agreement, the elimination of unnecessary TBT and the enhancement of bilateral cooperation * The parties agree to establish a Committee on TBT, which will be in charge of addressing any issue that a party raises related to the development, adoption, application or enforcement of standards, technical regulations or conformity assessment procedures.	-	* Harmonisation of regulatory technical instruments is currently underway through the 'Andean System of Standardisation, Accreditation, Testing, Certification, Technical Regulations and Metrology'
Quarantine and SPS	* The parties agree to be governed by their obligations under the WTO. * A committee on sanitary and phyto-sanitary issues was established to create a forum for discussion between the two countries. * The committee may consider the development of 'operational guidelines' to facilitate the implementation of mutual recognition or equivalence agreements, the promotion of transparency in SPS measures, the promotion of bilateral consultation etc.	* No specific provisions for sanitary and phytosanitary measures in agriculture. The parties agree to be governed by their obligations under the WTO.	* Each party will use internationally recognised norms, directives or recommendations in order to harmonise standards with the other party. Both parties will be able to use SPS measures only when it is necessary in order to protect human, animal or vegetable life or health * Where identical	* The parties agree to establish a Committee on Sanitary and Phytosanitary Matters. Its objectives will be to enhance the implementation of the SPS agreement, protect human, animal and plant life and health, enhance consultation and cooperation in SPS matters and facilitate trade between the parties (art 6.3)	* NAFTA SPS provisions are based on the WTO SPS rules imposing disciplines on measures taken to protect human, animal or plant life or health. They allow members to impose measures themselves, provided they are not disguised attempts to restrict trade. * NAFTA encourages the member countries to base their rules on international standards. Each country may determine its own level of protection provided the measures are in accordance with scientific principles and based on a risk assessment. * The parties are working towards accepting each other's measures as equivalent where they achieve the same level of protection.	* Sanitary and phytosanitary measures will be in accordance with WTO obligations (Decision 515).

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
			<p>conditions exist sanitary or phyto-sanitary measures may not be used to justify discrimination against the goods of a party.</p> <p>* Sanitary and phyto-sanitary measures must be based on scientific principles and will be based on appropriate risk evaluation.</p> <p>* Without reducing the appropriate levels of protection, the Parties will accept to the greatest possible degree the equivalence of their respective sanitary and phyto-sanitary measures.</p>			
Customs Procedures	<p>* The parties shall cooperate in customs related measures such as the collection and exchange of statistics and information.</p> <p>* The countries shall enter into a Customs Mutual Assistance Agreement to help facilitate the flow of trade and consider the harmonisation of customs related automation requirements and documentation.</p>	<p>* The agreement contains a chapter on customs procedures and states that the parties shall cooperate in the enforcement of their respective customs laws and regulations.</p> <p>* The parties may agree to cooperate in the collection of statistics and harmonisation of documentation.</p> <p>* A customs sub-committee has been established to investigate further harmonisation of procedures and any other customs related measures.</p>	<p>* The countries agree to cooperate in the field of customs procedures to provide mutual assistance, share information and work towards the harmonisation of customs documentation.</p> <p>* The parties will also do whatever possible to prevent the trafficking of illicit substances.</p>	<p>* Taking into account international standards, each Party's customs authority shall endeavour to automate customs operations.</p> <p>* Customs laws and regulations must be published on the internet to ensure full transparency and fairness.</p> <p>* The parties agree to share information to combat illegal shipment of goods.</p>	<p>* Customs provisions relate primarily to the certificate of origin necessary for an exporter to obtain so that rules of origin requirements can be met.</p> <p>* There is agreement between the parties to develop uniform regulations on rules of origin and a requirement to grant rights of review, equivalent to that accorded to importers, for any person completing a certificate of origin.</p>	<p>* The Andean community have a series of agreements covering customs procedures. These include provisions for classification of goods, customs valuations (plus documentation harmonisation in this area), customs traffic, and customs crime prevention.</p>
Government Procurement	<p>* The countries will cooperate in regional and multilateral negotiations with the aim of achieving greater transparency in government procurement.</p> <p>* No particular provisions for liberalisation, however the issue will be re-</p>	<p>* No chapter for government procurement, however exceptions are allowed for in the investments chapter whereby state enterprises are exempt from particular provisions (national treatment, MFN treatment)</p>	<p>* Similar to Canada-Chile. No particular chapter on procurement, but reservations within the investment chapter say that state enterprises are exempt from certain requirements (national treatment, MFN treatment, senior</p>	<p>* Core principles of non-discrimination and national treatment.</p> <p>* Transparency to be increased through advanced public notice on sales.</p> <p>* The agreement covers 13 regional governments, 11 ports and airports and more</p>	<p>* Core principles of non-discrimination and national treatment.</p> <p>* NAFTA requires covered entities to follow procedures with respect to awarding contracts, bid challenge, qualification of suppliers, time limits for</p>	-

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
	examined within 3 years of the entry into force of this agreement.	and the senior management and boards of directors article). Certain performance requirements are not prohibited for government procurement purposes.	management and boards of directors requirements and certain performance requirements etc)	than 350 municipalities in Chile. * Provisions ensure that bribery in government procurement is recognised as a criminal offense under both Chilean and US laws. * Agreed monetary thresholds (for central level government) are US\$56,190 for goods and services and US\$6,481,000 for construction services.	tendering etc. * Each party has listed specific commitments in terms of covered entities, goods and services which the government procurement chapter will apply to. * The applicable thresholds for procurement purposes, at the Federal government level are US\$50,000 for goods and services, and US\$6.5 million for construction services.	
Services	<ul style="list-style-type: none"> * The parties recognise their obligations under GATS (the WTO) * The countries shall cooperate with a view to developing mutually acceptable standards for licensing of professional service providers. * Cultural industries are exempted (by Canada). * There will be discussions on the need for further disciplines on trade in services within 3 years of the implementation of the agreement. 	<ul style="list-style-type: none"> * Negative list approach * Each party shall provide the service provider of the other party the better of either national treatment or MFN. * Market access provisions included. * There are no emergency safeguards or disciplines on subsidies. * Government procurement is also exempt. * Neither Party may require local presence, 'right of non establishment' also applies. * Investment in services is covered in a separate chapter. * Financial services and air services are excluded from the agreement. * Some quantitative restrictions remain but negotiations shall continue bi-annually to remove these restrictions. * Licensing and certification must be based on objective and transparent criteria and must not constitute a disguised 	<ul style="list-style-type: none"> * Negative list approach * MFN treatment and national treatment apply. The parties will extend the better of the two to the other parties. * Each party maintains a list of services in Annex II which are exempted from MFN, national treatment and local presence requirements. * Local presence must not be required. 	<ul style="list-style-type: none"> * Negative list approach * The chapter covers both cross-border services and the right to invest and establish local services presence. * There are 'strong and detailed' disciplines on regulatory transparency which requires regulatory authorities to transparent administrative procedures, conduct consultations before issuing new regulations, provide advance notice and comment periods before issuing new rules, and publish regulations. * The financial services section contains obligations of non-discrimination, MFN treatment and additional market access obligations (not national treatment). * US banks and securities firms may establish branches and subsidiaries and may invest in local firms without restriction, except in a few 	<ul style="list-style-type: none"> * Negative list approach * Each party shall accord service providers of another NAFTA party the better of national treatment or MFN treatment. * Market access provisions are included. * Emergency safeguards are not included, although there is a provision in the financial services chapter allowing Mexico to impose market share caps if foreign ownership thresholds (25% for banks and 30% for securities firms) are reached before 2004.Mexico has not made use of these provisions to date. * Government procurement of services is covered in a separate chapter. * 'Right of non-establishment' is included i.e. local presence is allowed, but not required. * Obligations for trade in services do not apply to subsidies or grants including government support loans, guarantees 	<ul style="list-style-type: none"> * Negative list approach. * All services related measures are subject to the agreements on MFN, national treatment and market access. * Emergency safeguards may not be imposed. There are no provisions for subsidy disciplines in the services agreement. * Government procurement is not covered. * 'right of non-establishment' is not included. * Investment in services is covered as 'commercial presence'. * Bolivia and Ecuador are accorded special treatment and have longer to remove restrictions, they are also allowed some special exemptions. * In October 2001 the agreement on 'Adoption of the Inventory of Measures Restricting the Trade in Services' was signed. The measures contained in the inventory will be gradually

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
		<p>barrier to trade.</p> <p>* As in NAFTA, Canada has excluded cultural industries from the services agreement. Likewise there is a broad carve out for social services.</p> <p>* IN June 2001 a Memorandum of Understanding was signed between the Chilean College of Engineers and the Canadian Council of Professional Engineers.</p>	<p>* Each party has listed in Annex V any quantitative restrictions which they maintain at the federal or state level.</p> <p>* Financial services were originally excluded but the countries agreed to being negotiations for their inclusion no later than June 30th, 1999.</p> <p>* Some headway has been made in the liberalisation of audio-visual services, a big step forward from many other FTAs.</p> <p>* There is a chapter on aerial transport, but in general air transport is not subject to services liberalisation. There is a treaty signed in 1997 between the countries governing it. There is a committee on air transportation set up to review air transport regulation and other issues.</p>	<p>circumstances.</p> <p>* All insurance sectors are opened to US firms for the purpose of establishing subsidiaries and joint ventures; Chile has committed to phase in insurance branching rights.</p>	<p>and insurance.</p> <p>* Aviation transport, maritime, and basic telecommunications are exempted. Each country also has a list of sensitive services, which are also excluded. Canada has excluded cultural industries, while the US has excluded maritime transportation services as well as government services including health and social services.</p> <p>* Existing quantitative restrictions may be maintained, and new ones introduced, but they must be listed when at a federal level.</p> <p>* Licensing or certification must be based on competence and the ability to provide a service so as not to create an unnecessary barrier to trade.</p> <p>* Investment in services is covered in a separate chapter.</p> <p>* The parties recognise the principle that an investor of another party should be permitted to establish a financial institution in the territory of a party, and to be allowed to expand geographically in that party's territory.</p> <p>* Each party shall extend national treatment to financial service providers of another party in their territory. MFN treatment must also be extended to NAFTA members.</p> <p>* A Financial Services Committee has been</p>	<p>phased out in annual rounds until, concluding 2005.</p> <p>* Air transport is not included.</p> <p>* Trade in services among members will be fully deregulated by 2005.</p> <p>* Air transport and services provided by the government, or their public institutions in exercise of their faculties, are not included.</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
			<p>* In Annex II, 'reservations relating to future measures' Chile and Mexico reserve some rights in service sectors. Chile reserves rights in communications, education, government finance, social services and construction. Mexico reserves rights in communications, social services, and energy.</p> <p>* There is also a list of services reserved by the Mexican state, in which investment of private capital is not allowed under Mexican law. If the law is changed to allow private investment, the Mexican government still reserves the right to impose exceptions.</p>		<p>established to oversee the implementation of this chapter, participate in disputes settlement and consider other issues related to financial services. The committee meets annually.</p>	
Labour Mobility	<p>* Facilitation of temporary entry will provide for intra-company transfers, the spouses or common law partners of intra-company transferees and after sales service providers directly related to the exportation of goods.</p> <p>* The existing and future immigration laws of each country continue to apply.</p> <p>* The developments in this area will be reviewed 3 years after the entry into force of the agreement.</p>	<p>* Chapter K provides for the temporary entry of business people in their capacities as service providers or investors.</p> <p>* When temporary entry is refused the Party must inform in writing the business person of the reason for the refusal, as well as notifying the other</p>	<p>* The chapter on temporary entrance of business people states that each party will authorise the temporary entrance of business people of the other party so long as they fulfil the applicable criteria (with relation to security,</p>	<p>* The agreement contains provisions for entry into either country for business visitors, traders and investors etc.</p> <p>* The US will grant a certain number of provisional FTA visas each year for this purpose, but reserves the right to amend immigration laws.</p> <p>* US professionals will be able to enter Chile without a numerical limit.</p>	<p>* Chapter 16 contains provisions for the cross border movement of business persons, which aims to facilitate trade and investment.</p> <p>* Four kinds of business people are identified – business visitors, professionals, intra-company transfers, traders and investors. There are slightly different requirements for each of these groups.</p> <p>* The temporary entry provisions do not impact on the countries' individual immigration laws.</p>	<p>* As mandated by the Andean Presidential Council and instructed by the Ministers of Labour, work is currently being done to update the Labour Migration instrument following the guidelines approved by representatives of the Member Countries in April 2001.</p> <p>* With a view towards forming a common market the community will aim for full labour mobility.</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
		<p>Party promptly of the reason for refusal.</p> <p>* Fees for the processing of applications for temporary entry should be limited to the cost of the service provided.</p>	<p>nationality and public health)</p> <p>* Temporary business entrants are divided into 4 categories. Business visitors, Investors, intra-company transfers and professionals. There are specific requirements for each category, with minimum qualifications for professionals specified.</p> <p>* Numerical limits are not imposed.</p> <p>* There is a Temporary Entry committee set up which will effectively administer and apply the chapter.</p>			
Investment	<p>* The free trade agreement does not have specific provisions for investment because of the existence of the FIPA (Foreign Investment Protection Agreement) of 1998 between Canada and Costa Rica. Under the FIPA there are no obligations to eliminate existing restrictions on foreign investment, however there is a <i>standstill</i> principle whereby countries undertake not to adopt new or more restrictive investment measures. A further key principle is that of transparency and all countries must list 'to the extent possible' their exceptions to the general principles of the FIPA.</p>	<p>* National treatment and MFN treatment apply</p> <p>* Neither party may impose performance requirements on investors of a Party or non-Party in its territory</p> <p>* No party may require that an enterprise of that party appoint to senior management positions individuals of a particular nationality.</p> <p>* Transfers and remittances must be allowed between the parties, however Chile reserves the right to maintain existing restrictions on the transfers of proceeds from investments in Chile.</p> <p>* The concepts of 'fair and equitable treatment' and 'full protection and security' are required, in accordance with the minimum standard of treatment of aliens under</p>	<p>* National treatment and MFN treatment must both be extended reciprocally.</p> <p>* Specific performance requirements are prohibited.</p> <p>* No party may require that an enterprise of that party appoint to senior management positions an individual of a</p>	<p>* National treatment and MFN treatment apply.</p> <p>* Neither party may impose performance requirements on investors of a Party or non-Party in its territory</p> <p>* No party may require that an enterprise of that party appoint to senior management positions individuals of a particular nationality.</p> <p>* Transfers and remittances must be allowed to be made freely and without delay between the parties.</p> <p>* The 'minimum standard of treatment' clause, like the NAFTA, requires "fair and equitable treatment" as well as "full protection and security", with clarifications of these terms included.</p> <p>* Investor protection provisions include the right to receive a fair market</p>	<p>* National treatment and MFN treatment apply and the parties must accord each other a minimum standard of treatment in accordance with international law.</p> <p>* Performance requirements are prohibited, however these prohibitions don't apply to subsidised conditions on requirements to locate production, provide a service or employ workers. Some measures requiring domestic content are permitted providing they don't constitute disguised restrictions on trade.</p> <p>* Chapter 11 commitments also explicitly permit the remittance of profits, dividends and proceeds when capital is liquidated.</p> <p>* Chapter 11 of the NAFTA guarantees full, swift and fair compensation</p>	<p>* The laws of the community effectively give the Andean countries full freedom to regulate this field through their own national regulations</p> <p>* Since the 1980s national legislations have tended to move towards facilitating foreign investment, and extending national treatment in most cases and as a consequence the laws of the different countries have converged.</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
		<p>international law. * Expropriation and compensation articles included. 'Neither party may directly or indirectly nationalise or expropriate an investment of an investor of the other party, or take a measure tantamount to nationalisation or expropriation'. * An investor-state disputes settlement mechanism is included. * Quantitative restrictions to investment are included in Annex IV.</p>	<p>particular nationality. * Each party shall permit all transfers relating to an investment of an investor of either party. However, Chile reserves certain rights for the purpose of currency stability. * There is a 'fair and equitable treatment clause', requiring that each party provide investors from the other party with fair and equitable treatment as well as 'full protection and security'. * There are provisions for expropriation, whereby nationalisation of an investment may not take place, either directly or indirectly, except for a public purpose, in a non-discriminatory manner and upon the payment of compensation * The chapter includes a disputes settlement mechanism (arbitration) for settling disputes between a contracting party and an investor.</p>	<p>value for property in the event of expropriation. No party may directly or indirectly expropriate an investment of an investor of the other Party except in a non-discriminatory manner, for a public purpose and on payment of compensation. The phrase 'tantamount to a nationalisation or expropriation' is not included. * There are 'open and transparent' procedures for settling investment disputes through the investor-state disputes settlement. Submissions to disputes panels and hearings will be open to the public. * The agreement prohibits requirements to buy local inputs.</p>	<p>to be paid after any government action that constitutes ('is tantamount to') an expropriation or nationalisation. However, the chapter doesn't allow investors to sue simply on the basis of diminished profits. * The NAFTA investor-state dispute settlement system bypasses domestic courts completely and allows any individual or business that is a resident of a NAFTA country to launch a claim against any other NAFTA government through a process of arbitration. The dispute must have an international element, for example Canadian investors are not allowed to lodge a complaint against the Canadian government, however Mexican or American investors can. The arbitration process is closed to public participation. * Specifically listed exceptions are not bound and are not covered by NAFTA. Members retain the right to perform functions such as law enforcement and provide services such as health and social welfare. Other exceptions from chapter 11 obligations include transportation, telecommunications and Canada has also excluded cultural industries. * Coverage of the investment provisions</p>	

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
					extends to investments made by any company incorporated in a NAFTA country, regardless of the country of origin.	
Competition Policy/ Law	<p>* Each party maintains their own competition law, however they are each obliged to adopt or maintain a law proscribing anti-competitive activities.</p> <p>* The agreement also contains an obligation for each party to establish an independent competition authority to ensure effective application and enforcement of such laws.</p> <p>* The parties shall cooperate and consult at least once every 2 years.</p>	<p>* The Agreement requires the Parties to consult on the effectiveness of their competition laws and to cooperate in the enforcement of competition laws in the free trade area.</p> <p>* These obligations are not subject to dispute settlement.</p> <p>* The CCFTA affirms the right of a Party to 'designate' monopolies and state enterprises (i.e., establish new monopolies and state enterprises in the future).</p>	<p>* The Parties will cooperate in the application of competition policy and will take part in consultation, including exchange of information relevant to competition laws.</p> <p>* There is no recourse to disputes settlement with respect to any matter regarding conformity to the article that legislates on competitive matters (Article 14-02).</p> <p>* Monopolies may be designated and state enterprises maintained in accordance with the conditions set forth in the chapter.</p>	<p>* Each country has committed to maintaining a competition law that prohibits anti-competitive business conduct and a competition agency to enforce that law.</p> <p>* A Party maintains the right to designate a monopoly and to establish and maintain state enterprises.</p> <p>* There is no recourse to disputes settlement under this chapter.</p>	<p>* The parties will cooperate in the area of competition policy, each country maintains and enforces its own competition laws.</p> <p>* There is no recourse to dispute settlement</p> <p>* The parties may designate monopolies, but if the designation will affect other NAFTA members written notification must be given wherever possible and trade distorting effects must be minimised.</p> <p>* A Working Group on Trade and Competition, comprising representatives of each party, has been established. The working group will make recommendations on competition policies.</p>	<p>* In June 2001 an agreement was signed with the European Commission to help finance a project aimed at harmonising competition laws in the Andean region.</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
Intellectual Property	-	<p>* No specific intellectual property provisions, the parties will be governed by their obligations under the WTO Trade Related Intellectual Property Rights (TRIPS) agreement.</p> <p>* The parties have agreed to protect Canadian Whiskey and Chilean pisco as special geographical indicators under the agreement.</p>	<p>* Each party will accord the members of the other party protection and suitable and effective defence of IP rights.</p> <p>* Measures to protect IP rights should not be an obstacle to legitimate commerce.</p> <p>MFN and national treatment.</p> <p>* Protection is extended to authors, computer programmers, satellite signals, trademarks etc.</p>	<p>* The agreement covers protection of trademarks, copyrights, patents and trade secrets including digital and e-commerce related IP.</p> <p>* The provisions for trademarks apply the principle of 'first-in-time, first-in-right', meaning that the first person to file for a trademark is given the right to use that name or phrase etc.</p> <p>* "Protection for copyright works in a digital economy" provisions ensure that only authors, composers or other copyright owners have the right to make their works available online.</p> <p>* There will be anti-circumvention provisions to prevent tampering with devices used to stop digital piracy.</p> <p>* There will be tough penalties to enforce IPRs including the criminalisation of end-user piracy. The Chilean government has guaranteed that it has the authority to seize, forfeit and destroy counterfeit goods and the equipment used to make them.</p>	<p>* NAFTA is modelled on the TRIPS agreement and commits each member to provide protection and enforcement of intellectual property rights.</p> <p>* NAFTA mandates minimum standards of intellectual property protection, but doesn't prevent countries adopting higher ones.</p> <p>* National treatment shall be extended for intellectual property rights with certain exceptions recognised by the WIPO conventions.</p> <p>* As well as patents, trademarks, copyrights, and trade secrets, NAFTA also protects satellite broadcasts, semiconductors and industrial designs etc.</p> <p>* Judicial review, recourse to damages and other remedies as well as interim measures and criminal and civil penalties must be available.</p>	<p>* As of December 1st 2000 a new intellectual property system came into place incorporating many new elements such as integrated circuits and border control measures against pirates.</p> <p>* The measures guarantee identical implementation across the region.</p>
E-commerce	<p>* The 'Canada-Costa Rica Joint Statement on Global Electronic Commerce' was signed at the same time as the FTA, in order to foster collaboration and cooperation in the area of e-commerce.</p>	<p>* No specific e-commerce provisions</p>	<p>* No specific e-commerce provisions</p>	<p>* The countries agreed on provisions for e-commerce to recognise its importance in trade. They agreed not to impose customs duties on digital products and to cooperate in related policy areas.</p> <p>* For digital products delivered on hard media,</p>	<p>* No specific provisions within the text of NAFTA</p> <p>* On the 27th of February 2003 Canada and Mexico signed a bilateral agreement to exchange public service administration best practice and increase connectivity in the hemisphere through e-learning and the E-campus</p>	<p>* No specific e-commerce provisions</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
				customs duties will be based on the value of the media (eg CD) not the value of the movie, music or software on the disk.	Americas pilot project.	
Transport and Communications	<p>* Cooperation in transport issues will be considered in order to aid trade facilitation.</p>	<p>* Provisions for telecommunications state that the other Party may use public telecommunications transport networks or services for the movement of information in its territory or across its borders.</p> <p>* Basic interconnection rights and obligations are included.</p>	<p>* Subject to certain requirements each party must guarantee that the people of the other party are allowed to buy, rent and to connect terminal equipment or other equipment that interfaces with public telecommunications networks.</p> <p>* Each party will ensure that the prices of the provision of public telecommunications services reflects the economic costs directly related to the benefit of the services.</p> <p>* Each party will guarantee that people of the other party can use the networks or public telecommunications networks to transmit information in their territory or through its borders.</p>	<p>* Each Party shall ensure that members of the other party have access to and use of any public telecommunications services and access to submarine cable systems, on non-discriminatory terms.</p> <p>* Each party shall ensure that members of the other party are able to use public telecommunications networks to transport information within its territories and across its borders.</p> <p>* Nothing in the telecommunications chapter should be construed as to prevent a party adopting measures to protect the security and confidentiality of messages, or the privacy of network subscribers. The technical integrity of the networks and the responsibilities of the public services must also be protected.</p> <p>* The chapter also includes provisions for competitive safeguards.</p>	<p>* NAFTA provides common rules for providers and users of telecommunications and computer services, and sets out the way in which telecommunications firms can gain access to networks and services.</p> <p>* Access to public networks and services must be available on a non-discriminatory basis. Cross subsidisation between public networks is permitted. Restrictions on access must only be to protect public responsibility, the integrity of the network, privacy and confidentiality of messages.</p> <p>* Tariffs on telecommunications equipment must be eliminated over 10 years.</p> <p>* The Land Transportation Standards Subcommittee was set up under NAFTA to address the development of more compatible standards related to truck, bus and rail operations. The subcommittee has been meeting annually since 1994.</p> <p>* The US requires criminal background checks on commercial drivers seeking to transport placardable</p>	<p>* In May 1999 the Andean community decided to liberalise all telecommunications with the exceptions of sound radio and tv broadcasting</p> <p>* In March 2001, the Andean Committee of Telecommunication Authorities (CAATEL) approved the 2001-2006 Strategic Plan for the Development of Andean Telecommunications that will guide government decisions for promoting and developing this sector.</p> <p>* There are specific provisions for all modes of transport with the aim of improving infrastructure and deregulating.</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
			<p>* Nothing in the telecommunications chapter should be construed as to prevent a party adopting measures to protect the security and confidentiality of messages, or the privacy of network subscribers. The technical integrity of the networks and the responsibilities of the public services must also be protected.</p> <p>* Air transportation is not covered by the agreement.</p> <p>* The members reciprocally agree to grant free access to both public and private cargo arising from foreign trade with vessels flying the flag of either country, or vessels which may fly the national flag of either country under their respective laws.</p> <p>* Interested air transport companies of both countries may conduct regular and non-regular passenger, cargo and mail service between both territories with third, fourth and fifth freedom traffic rights (with the exception of points beyond</p>		<p>quantities of hazardous materials.</p> <p>* Liberalisation of land transportation is now underway after the process was delayed by American safety concerns in 1995.</p> <p>* All motor carriers operating in any NAFTA country are subject to the same federal and state/provincial regulations as domestic carriers.</p>	

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
			<p>Santiago and Mexico City), as frequently and using the aircraft they deem appropriate.</p> <p>* Land transport is subject to quantitative restrictions.</p>			
Energy	* Energy provisions are not included.	* Energy provisions are not included.	<p>* The energy sector is protected under the Mexican constitution, and therefore is included in the list of exceptions to services liberalisation.</p> <p>* Mexico reserves the right to deny authorization for investing in the energy sector.</p>	* Energy provisions are not included.	<p>* Chapter 6 addresses measures relating to energy and basic petrochemical goods. A party may impose restrictions in keeping with GATT, and may administer a system of import and export licensing provided such a system is in keeping with the rest of the provisions in this agreement eg article 1502, Monopolies and State Enterprises.</p> <p>* Energy regulatory measures are subject to the disciplines of national treatment, import and export restrictions and export taxes.</p> <p>* Exceptions may be made to agreement on energy for national security reasons eg. To respond to a situation of armed conflict involving the party taking the measure.</p> <p>* Canada and the US are party to a 'proportional access' clause that allows them to impose export restrictions for certain reasons, whilst maintaining continued access to the market for the other party.</p> <p>* NAFTA opens the parties up to private investment in</p>	<p>* On September 22nd, 2001, the country members agreed to adapt their domestic rules in order to allow free trade of electric energy and access to the use of electric energy transport networks within the community.</p> <p>* In December 2002, Decision 536 announced the approval of the framework which regulates the subregional interconnection of energy systems and the intra-subregional exchange of electricity.</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
					nonbasic petrochemicals and electricity.	
Environmental Issues	<p>* Modelled on NAFTA, there is a side agreement on environmental issues- the Canada-Costa Rica Agreement on Environmental Cooperation</p> <p>* Each country shall maintain their own laws with regards to the environment.</p> <p>* The parties shall cooperate to help foster sustainable development and protection of the environment.</p> <p>* Each party commits to effectively enforcing their own environmental laws, and will ensure that 'judicial, quasi-judicial or administrative enforcement proceedings' are available under its law to oversee this enforcement. Private access to remedies is provided for in article 5.</p> <p>* Implementation will be through intergovernmental cooperation.</p>	<p>* Modelled on NAFTA, there is a side agreement on environmental issues- the Agreement on Environmental Cooperation</p> <p>* The Agreement confirms the right of each country to establish its own level of environmental protection, policies and priorities. It does not authorize a Party to undertake activities to enforce environmental laws and regulations in the other Party's territory.</p>	<p>* No particular environmental agreement, except to recognise some other international environmental agreements and say measures should be in keeping with these.</p> <p>* In a case of incompatibility between the FTA and specific obligations in trade matters included in the Convention on International Trade in Endangered Species of Flora and Fauna; the Montreal Protocol on Substances that Deplete the Ozone Layer and the Basel Convention on the Control of Transborder Movements of Hazardous Wastes and Their Disposal, these obligations will prevail as far as the party involved choses, however the party should chose a course of action which shows the least incompatibility with the regulations included in the FTA.</p>	<p>* Environmental obligations are part of the core text of the agreement. Parties keep their own laws, but agree to strive to provide high levels of environmental protection.</p> <p>* Cooperative projects will be undertaken, including building capacity for wildlife protection and resource management through collaboration efforts, working towards the elimination of methyl bromide use and the development of Pollutant Release and Transfer Register (PRTR) in Chile.</p> <p>* Monetary penalties for breaching the agreement</p>	<p>* The North American Agreement on Environmental Cooperation (NAAEC) supplements the NAFTA agreement and is designed to promote environment cooperation.</p> <p>* Each country will maintain and enforce their own environmental laws, recognising the importance of conservation and sustainable development.</p> <p>* NAFTA (like the GATT) includes an exemption that allows governments to protect their environments, even when the necessary measures conflict with the agreement.</p> <p>* The NAAEC imposes general obligations in relation to reporting emergency environmental measures and promotion of environmental education, science and technology.</p>	<p>* Each country maintains their own environmental laws and standards.</p> <p>* At the eleventh Andean Presidential Council in Cartagena (1999) efforts to harmonise community policies on environmental management and sustainable development were introduced.</p> <p>* On July 3, 2001, the environmental authorities of the five Andean countries approved the "Guidelines for Environmental Management and Sustainable Development in the Andean Community," the Subregion's first collective effort in this sector.</p> <p>* These guidelines consist of measures to be taken over the next five years in four major areas: Conservation and the sustainable use of biodiversity, environmental quality, trade and the environment, and international environmental forums.</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
Labour Standards	<p>* Modelled on NAFTA there is a side agreement on labour standards - The Canada -Costa Rica Agreement on Labour Cooperation.</p> <p>* Under this agreement the parties shall maintain their own labour laws, but shall endeavour to cooperate in pursuit of improved working conditions and living standards in each territory.</p> <p>* Each country shall monitor compliance or suspected violations of labour laws through appropriate government action.</p> <p>* The countries agree to undertake joint training initiatives, working groups and seminars, joint research projects and provide reciprocal technical assistance where appropriate.</p>	<p>* Modelled on NAFTA there is a side agreement on labour standards, which aims to improve working conditions and living standards in both countries.</p> <p>* Each country is responsible for its own labour legislation, however cooperation on labour matters is promoted.</p>	<p>* No labour standards agreement.</p>	<p>* Labour obligations are part of the core text of the agreement.</p> <p>* The Parties agreed to effectively enforce their own labour laws. Both parties reaffirm their obligations as members of the ILO.</p> <p>* The agreement makes clear that it is inappropriate to reduce domestic worker protection to encourage trade or investment.</p> <p>Cooperative activities to promote workers' rights will be undertaken.</p> <p>* Procedural guarantees in the agreement will ensure that workers and employers will have fair, equitable and transparent access to labour courts/ tribunals. *</p> <p>Monetary penalties for breaching the agreement.</p>	<p>* The North American Agreement on Labour Cooperation which supplements the NAFTA agreement is designed to link the enforcement of labour standards to fair trade. It aims to promote a set of labour principles and cooperation in the field of labour issues as well as the effective enforcement of labour laws.</p> <p>* The agreement provides for a Commission for Labour Cooperation comprising the three labour ministers and supported by a secretariat based in Dallas.</p>	<p>* The Twelfth Andean Presidential Council, meeting in Lima in June 2000, set up the Advisory Council of Labour Ministers, which has been coordinating measures in five identified areas of priority: job promotion, labour studies and training, social security, job health and safety, and labour migration.</p>
Disputes Settlement	<p>* Disputes arising for anti-dumping measures, emergency measures, consultations or sanitary and phyto-sanitary measures can be settled either in the forum of the WTO or under this agreement.</p> <p>* The first step under this agreement is for parties to request consultation and to make every attempt to reach</p>	<p>* A Party may request in writing consultations with the other Party regarding any actual or proposed measure or any other matter that it considers might affect the operation of this Agreement and the Parties shall make every attempt to arrive at a mutually satisfactory resolution.</p> <p>* If the parties fail to resolve the dispute within</p>	<p>* The first stage of the disputes settlement procedure is consultation with the other party.</p> <p>* If consultations cannot reach a mutually satisfactory solution within 15 days the Administrative committee shall review the charges and may request technical reports with a view to reaching a mutually satisfactory resolution.</p>	<p>* All core obligations of the agreement, including the environmental and labour provisions, are subject to the dispute settlement provisions.</p> <p>Emphasis on promoting compliance through consultations and joint action plans.</p> <p>* Includes monetary penalties to enforce labour and environmental</p>	<p>* When general disputes concerning the NAFTA are not resolved through consultation within a specified period of time, the matter may be referred at the request of either Party to a non-binding panel under Article 2008. Model Rules of Procedure for Chapter 20 Panels have been being developed by the Canadian, the United</p>	<p>* The Court of Justice of the Andean Community is the jurisdictional arm of the community.</p> <p>* When a dispute arises the General secretariat is charged with the administrative investigation (also known as the pre-litigation phase) to determine whether parties are responsible for non-compliance. It is also</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
	<p>a mutually satisfactory resolution quickly.</p> <p>* If the consultations fail, and unless the parties agree to undergo good offices, conciliation or mediation, an arbitral panel shall be established.</p> <p>* The arbitral panel shall release a final report of its findings and recommendations, following which the party complained against shall have 30 days within which to notify the other party of its intentions with respect to implementing the recommendations of the panel. If it is impracticable to comply immediately with the findings, the party shall have a reasonable period of time within which to comply before concessions will be suspended.</p> <p>* The reasonable period of time shall be either mutually agreed upon within 45 days, or determined through arbitration within 90 days.</p>	<p>30 days of delivery of a request for consultation, or such other period as they may agree, either party may request in writing a meeting of the commission (the free trade commission consists of cabinet level representatives of the Parties).</p> <p>* Unless it decides otherwise the commission shall meet within 10 days of receiving the request and shall endeavour to settle the dispute promptly.</p> <p>* If the matter has still not been resolved with 30 days a Party may request in writing the establishment of an arbitral panel comprising 5 independent experts.</p> <p>* On receipt of the final report of a panel, the Parties shall agree on the resolution of the dispute, which</p>	<p>possibly through mediation.</p> <p>* If this procedure also fails to reach a resolution within 30 days an arbitral tribunal will be set up.</p> <p>* The findings of the arbitration are not able to be appealed and are binding.</p>	<p>obligations.</p> <p>* Dispute panel procedures are to be open and transparent, with open public hearings and public release of legal submissions.</p> <p>* The process begins with consultations, aimed at reaching a mutually agreeable resolution. Where consultations fail, the dispute may be brought before the Free Trade Commission, and where there recommendations do not lead to an amicable resolution of the dispute an arbitration panel (6 members) may be established.</p> <p>* On receipt of the final report of a panel, the Parties shall agree on the resolution of the dispute, which normally shall conform with the determinations and recommendations of the panel</p>	<p>States and the Mexican Governments. Chapter 20 also allows for scientific review boards, which may be consulted to assist the panel in rendering its decision.</p> <p>* Under chapter 19, regarding anti-dumping and countervailing duties, a Party may request that an amendment to the other Party's AD or CVD statute be referred to a panel for a declaratory opinion on whether the amendment is consistent with the GATT and the NAFTA. The NAFTA Article 1904 Panel Rules are designed to result in final panel decisions within 315 days of the date on which a request for a panel is made. As a safeguard against impropriety or gross-panel error that could threaten the integrity of the process, Article 1904 also provides for an "extraordinary challenge procedure". In defined circumstances, a participating Party can appeal a panel's decision to a three-member committee of judges or former judges.</p> <p>* A NAFTA investor who alleges that a host government has breached its investment obligations under chapter 11 of the NAFTA agreement has recourse to one of the following arbitral measures: the World Bank's International Centre for Settlement of Investment Disputes (ICSID), the</p>	<p>charged with monitoring the Andean juridical system to ensure that it remains consistent.</p> <p>* Under the treaty creating the Court of Justice of the Cartagena Agreement, the court has jurisdiction over actions of three kinds: nullification, non-compliance and pre-trial interpretation.</p> <p>* The treaty creating the court of justice also establishes the supra-national characteristics of the Community allowing, among other things, decisions made by the Council of Foreign Ministers to become operative or enter into force without prior-ratification from national parliaments.</p> <p>* The Cochabamba protocol signed in 1996 gives the court the competence to settle, via arbitration, any disputes which may arise as a result of the interpretation or application of contracts, accords or agreements signed between bodies and institutions of the Andean integration system.</p> <p>* The court and the general secretariat may also settle via arbitration any disputes citizens may submit with regards to the application or interpretation of private contracts regulated by the Andean juridical system.</p>

	Canada-Costa Rica	Chile- Canada	Chile- Mexico	Chile-US	NAFTA	ANDEAN Community
		normally shall conform with the determinations and recommendations of the panel			ICSID's additional facility rules, or the United Nations Commission for International Trade law (UNCITRAL) rules. Alternatively the investor may choose the remedies available in the host country's domestic courts. * An important feature of the Chapter 11 arbitral provisions is the enforceability in domestic courts of final awards by arbitration tribunals.	

	Chile-US	Chile - Canada	Chile- Mexico	Chile- Korea	Chile-Mercosur	Chile-EU	Mexico-EU
Tariffs	<ul style="list-style-type: none"> * Negative list approach * All tariffs will be phased out within 12 years. * More than 85% or trade in consumer and industrial products becomes tariff free immediately. "Most" trade will be tariff free within 4 years. * Tariffs on both US and Chilean wine to be equalised at the existing lower US levels, and then eliminated. * Chile's 'luxury tax' on automobiles will be phased out over 4 years. * Chile agrees to eliminate immediately the 50% surcharge on imports of used goods 	<ul style="list-style-type: none"> * Negative list approach * Aiming for 0% tariffs * Scheduled reductions for each country, 2003 being end date for most goods. * There was one acceleration in 1999 making certain goods duty free by January 1st 2001. * Few items excluded from tariff liberalization, Canada maintains 96 items out of this process, while Chile does the same for 75 items. (Total items for Canada: 8100; for Chile: 6933) * List of exceptions mostly involves agricultural goods. Milling wheat, sugar and beef are exempted. Canada retains its over-quota tariffs for dairy, poultry and egg products, Chile retains its tariffs on these goods. 	<ul style="list-style-type: none"> * Negative list approach * Each party will grant national treatment to the goods of the other party, except for those goods in Annex 303. Market access provisions are included. * All goods shall become duty free from the date of entry into force of this treaty – except for goods provided for in annex 3 04(3) and 304(4) * Liberalisation should be completed within 6 years of the agreement being signed i.e. 2004 * Moreover, at any time, the signatory country that so desires may transfer a product appearing on its own list in Annex 1 to the tariff reduction program, established in Article 3(b); or a product appearing on its own list in Annex 3 to its 	<ul style="list-style-type: none"> * Negative list approach * National treatment The schedule for tariff elimination establishes that 77.5% of Chilean exports and 66.7% of Korean exports will face immediate and complete liberalization. At the end of the fifth year 88.4% of Chilean exports and 83.7% of Korean exports will be duty free. * Chile maintains 5 different lists. The first list of products are to be liberalised immediately, and the other 4 at 5,7,10 and 13 yrs respectively. Korea maintains 6 different lists. The first to be liberalised immediately and the other 5 at 5,7,9,10 and 16 yrs. Each country also has a list of sensitive products which are excluded from the tariff reduction program. * Korea has included 21 goods on the exception list (rice being the most important one), while Chile has included 54. Exports of grapes from Chile have been given 10 years until liberalisation. Fridges washing machines and retreaded tyres are on Chiles exclusion list, while some textiles, some steel and new tyres have 13 years with 	<ul style="list-style-type: none"> * Negative list approach * Negative list approach but there are no permanent exceptions to the liberalisation schedules. * National and MFN treatment applies. * 5 different lists: general, sensitive , special sensitive, highly sensitive and a special dispensation for Chilean wheat and wheat flour which has 18 years before tariffs must be removed. * Sugar tariff reductions begin in 2007 and should be completed in 2016. * Goods in Annex 1 to the agreement were already accorded preferential treatment under ALADI, and will be freely traded by 2004. * Goods in Annex 2 to the agreement include meat, poultry, chocolate, furs, cured hides, glass, iron and steel, and will have 0% tariffs by 2006. * Goods in Annex 3 mostly include shoes and textiles. These will also have 0% tariffs by 2006, but the tariff 	<ul style="list-style-type: none"> * Negative list approach * 10 year transition period over which time 97.1% of trade will be fully liberalised. * End result should see 100% full liberalisation of industrial trade, 80.9% full liberalisation of agricultural trade and 90.8% full liberalisation of fisheries trade. * Industrial goods being imported into the EU from Chile will be divided into 2 categories, duties on the first category will be eliminated immediately, the duties on the second will be eliminated progressively by 2006. * Industrial imports from the EU into Chile are divided into 3 categories, with the first eliminating duties immediately, the second progressively by 2008, and the third by 2010. * There is extensive liberalisation of fisheries products. * According to the "Evolution Clause", during the third year after the entry into force of the agreement, the parties will examine product by product, the possibility of deepening tariff concessions for agricultural and processed agricultural goods. 	<ul style="list-style-type: none"> * Negative list approach * "Substantially all trade" to be liberalised in accordance with GATT article XXIV by 2010, meaning: <ul style="list-style-type: none"> - 100% of trade in industrial goods (by 1-1-2003 on the EU side, by 1-1-2007 on Mexico's side - for agricultural products, by 2010, 80% of EU imports and 42% of Mexico's imports -for fisheries products, by 2010 100% of EU imports and 89% of Mexico's imports. * The EU will not impose any MFN or GSP customs duties expressed in ad valorem terms, but may impose the MFN or GSP duties expressed in specific terms to imports from Mexico of yoghurt and other buttermilk, curdled milk and cream, margarine, certain sugar confectionary, malt extract and prepared foods obtained by swelling or roasting cereals. * Mexico shall allow importation of sugar confectionary with a preferential customs duty no greater than

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
			<p>own list in Annex 1 or to the tariff reduction program described in Article 3(b). * As of January 1st 1996 automobiles originating in either of the member countries are exempt from duties and non-tariff restrictions. * Exempt goods include: - Chile: Seafood (lobster, shrimp, prawn), dairy products, wheat, barley, sugar, oils (palm, sunflower, safflower, olive, sesame), tobacco, fuel oil, worn</p>	<p>5 years grace. * After 7 years 97% of the value of Chilean exports to Korea will enter the market duty free. * If the parties involved reduces MFN tariffs for goods included in the agreement, it will have to make consultations with the other party in order to consider adjustments to tariffs applied to reciprocal trade.</p>	<p>reductions were not begun until January 2000. * Products such as beef, rice, certain fruits, cooking oils, wooden furniture, wine and special use vehicles found in Annex 6 are subject to a tariff reduction program beginning in 2006 and ending with 0% tariffs by 2011. Sugar tariff reductions don't begin until January 2007, and will not be complete until 2016.</p>		<p>16% ad valorem, plus 0.39586 US\$/kg of content of sugar. It shall also allow imports of sorbitol in aqueous solution with a preferential customs duty no greater than 50% of MFN customs duty.</p>

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
			clothing and worn textile articles - Mexico: Seafood (lobster, shrimp, prawn), dairy products, wheat, barley, sugar, oils (palm, sunflower, safflower, olive, sesame), tobacco, fuel oil.				
Agriculture	<p>* Agricultural products still make up the bulk of sensitive products, however ¾ of US agricultural products will enter Chile tariff free within 4 years. *Agricultural tariffs to be completely eliminated within 12 years * Expected to create improved market access for US pork, beef, soybeans, wheat, potatoes, pasta and breakfast cereals etc.</p>	<p>* List of exceptions to tariff removals mostly involves agricultural goods. * The parties share the goal of multilateral elimination of export subsidies for agricultural goods, although they continue to be imposed by both parties. * Dairy, poultry and egg products are exempt from Canada's tariff elimination schedule. * For Chile, beef will be subject to a tariff rate quota, starting at 4000 tonnes in 1998, and increasing to 10000 tonnes by 2001. Pork, canola oil and potassium chloride are</p>	<p>* Both parties share the goal of achieving the elimination of export subsidies for agricultural goods. In that sense, they will cooperate in order to complete a WTO-consistent agreement</p>	<p>* Many of the exempt goods are agricultural.</p>	<p>* Agricultural goods make up a large proportion of those goods on the sensitive lists, however they also have a time schedule for liberalisation albeit longer. * Agreement on agriculture one of most comprehensive in the region. * Chile's most sensitive goods are wheat, (18 years)</p>	<p>* The EU has special provisions for agriculture whereby 33% of agr. Trade will be liberalised upon entry into the agreement, a further 55% in 2007, 12% in 2010 and the remaining 0.2% in 2012. *Chile will extend similar preferential liberalisation to the EU resulting in 81.9% of tariffs being eliminated by 2012. * It appears that the majority of chapter 4 ('Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included') is not</p>	<p>*Agriculture will be partially liberalised, but many restrictions will still remain. *Mexican agriculture will benefit with preferential access for exports to the EU of coffee, avocado, cut flowers, fruits and juices, and honey. *The EU will gain preferential access for beer, certain vegetables, fruits and fruit juices, liquors and spirits (vodka, cognac, certain whisky, gin), cut flowers, tomatoes, pectic substances and tobacco. * Overall only 62% of bilateral trade in agriculture will be</p>

	Chile-US	Chile - Canada	Chile- Mexico	Chile- Korea	Chile-Mercosur	Chile-EU	Mexico-EU
		also subject to tariff rate quotas, but without substantial liberalisation. Poultry, dairy, preserved meats, some cereals are all either excluded, or on very long time schedules.				<p>covered by the agreement. Some tariff rate quotas are to be introduced for cheese, natural honey is to be liberalised within 7 years, while 'other animal products' are generally included.</p> <p>* For EU imports tariff rate quotas are to be used on many agricultural goods and certain fisheries goods, within three different categories, those for which the quota will increase by 10% a year, those increasing by 5% and no increase. It seems that certain types of cow, fowl, geese, ducks, and turkeys are not included in the liberalisation. Ham, pig fat, bacons, common wheat, rye and barley, most rice, flour, and 'other cereals', malt, sugar beet, sugar cane and most other forms of sugar are excluded. Tropical fruit and nuts, olive oil and crude oil do not appear to be included either. Flavoured or coloured sugar syrups are excluded.</p> <p>* On the part of Chile, dairy products are excluded, some tariff rate quotas will be introduced for cheeses.</p>	<p>liberalised. Sugar, dairy, beef and grains – some of the major agricultural commodities - have been left out.</p> <p>* The EU will not impose any MFN or GSP customs duties expressed in ad valorem terms, but may impose the MFN or GSP duties expressed in specific terms to imports from Mexico of yoghurt and other buttermilk, curdled milk and cream, margarine, certain sugar confectionary, malt extract and prepared foods obtained by swelling or roasting cereals.</p> <p>* Mexico shall allow importation of sugar confectionary with a preferential customs duty no greater than 16% ad valorem, plus 0.39586 US\$/kg of content of sugar. It shall also allow imports of sorbitol in aqueous solution with a preferential customs duty no greater than 50% of MFN customs duty.</p> <p>* The EU's imports of agricultural goods are separated into categories 1-5, whereby goods included in category one are liberalised immediately upon entry into the agreement, and goods in category 5 are subject to a liberalisation schedule</p>

	Chile-US	Chile - Canada	Chile- Mexico	Chile- Korea	Chile-Mercosur	Chile-EU	Mexico-EU
							which will be completed in 10 years. Certain products in category 'O' are not subject to liberalisation as they are protected by the community. These products include certain cheeses, Chios mastic (gum/resin), champagne, a variety of wines – particularly white wines and spirits made from distilled grape juice,
Quantitative Restrictions	* Quotas are to be eliminated.	* No import or export restrictions may be imposed except in accordance with GATT article XI	* Quantitative restrictions are maintained on trade in services. Both parties have listed these restrictions in annex V. At least every two years the parties will make an effort to negotiate the liberalization of the restrictions included in this annex.	* Korea maintains quotas on 24 goods. * Chile can keep or apply measures related to the import of second-hand vehicles.	-	* Tariff rate quotas imposed by the EU on meat, cheese, sugar and some fruits. Chile imposes tariff rate quotas on olive oil and cheese. Preferential treatment will be extended bilaterally. * Tariff rate quotas will be introduced on certain fisheries products originating in Chile, managed on a first-come, first served basis.	* EU will grant preferential tariff rate quotas for certain agricultural products not subject to general tariff liberalisation (eggs, certain fresh flowers, peas, some melons, strawberries, certain prepared/preserved fish including tuna, cane molasses, asparagus, some tropical fruit and nuts and fruit juice) *Mexico may restrict the granting of import/export licenses for certain oils, petroleum and bitumen products, rubber extended oils and 'other hydrocarbon mixtures' * Mexico has made some tariff rate quota concessions on certain preserved fish., *Mexico may maintain prohibitions or restrictions on imports on automotive goods until 31 December 2003.

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
Other NTBs	<p>* Chile will eliminate its price band system.</p> <p>* Meat and dairy inspection issues, and meat grading processes addressed.</p> <p>* USA may impose restrictions to exports of trunks from all-species and trade of goods subject to the <i>Merchant Marine Act of 1920</i> and the <i>Passenger Vessel Act</i>.</p> <p>* Chile may impose restrictions on imports of used vehicles.</p>	<p>* Chile is allowed to keep its Band Price System for some products, however new products may not be added to the list and the method by which the price bands are calculated may not be modified in a in a manner that makes trade more restrictive.</p> <p>* Neither Party may adopt or maintain any measure requiring that distilled spirits imported from the territory of the other Party for bottling be blended with any distilled spirits of the Party.</p> <p>* Import and export restrictions are prohibited, except in accordance with GATT 1994 rights and obligations.</p> <p>* Neither party may maintain customs user fees for originating goods.</p> <p>* Neither party may adopt or maintain export taxes (except where the duty is also applied to those goods for domestic consumption).</p> <p>* Other export measures may be adopted or maintained if it is in accordance with GATT so long as the restriction does not reduce the total proportion of the total export shipments of that specific good (compared to that proportion prevailing in the most</p>	<p>* Mexico is allowed to maintain, until 2004, the dispositions of the 'Decreto para el Fomento y Modernización de la Industria Automotriz' (implemented 1989 and modified in 1995) which is incompatible with this agreement.</p> <p>* Chile and Mexico have the faculty to restrict the imports of second-hand vehicles</p> <p>* Mexico can limit export and import licenses for trading some fuels.</p> <p>* Until January 1st, 2004, Mexico is allowed to apply restrictions to the importation of second-hand durable goods included in chapters HS 84, 85, 87 such as office machines, vehicles, cranes and trailers.</p>	<p>* No import or export restrictions may be imposed, except in accordance with GATT article XI</p>	<p>* Chile may maintain its price band system, but will not add any new products.</p> <p>* Titles XII and XIV to the agreement obligate the signatories to execute a protocol on physical integration in conjunction with the signing of the agreement, with the goal of establishing a seamless bi-oceanic corridor from the Atlantic to the Pacific.</p> <p>* Prohibits the implementation of new trade restrictions and commits the parties to identify and dismantle nontariff barriers (NTBs)</p>	<p>* Chile may maintain a price band system in accordance with its obligations under the WTO, but no new products may be added</p> <p>* agreement grants reciprocal and exclusive protection to geographical indications (like Champagne), traditional expressions (like "Reserva") and other protected names (for example, Grappa)</p> <p>* National treatment on internal taxation.</p> <p>* Imported products must be given treatment no less favourable than domestic producers in terms of internal sale, offering for sale, purchase, transportation or distribution.</p>	-

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
		recent 36 month period for which data is available). The party may not impose a higher price on the export of the good than it charges domestically by means of licenses, fees, taxation or minimum price requirements.					
Anti-dumping	* In accordance with WTO obligations.	* The CCFTA contains a mutual exemption from the application of anti-dumping laws. For each good, the exemption takes effect as of the final elimination of import duties in both Parties for that good at the tariff subheading level, or on January 1, 2003.	* In accordance with WTO obligations	* In accordance with WTO obligations	* In accordance with WTO obligations	* In accordance with WTO obligations	* In accordance with WTO obligations
Countervailing Duties	* In accordance with WTO obligations.	* A committee on anti-dumping and countervailing duty measures has been established to consult with a view to defining subsidy disciplines. It will also work in multilateral fora such as the WTO and NAFTA to try and minimise the impediments to trade created by trade remedies.	* In accordance with WTO obligations	* In accordance with WTO obligations.	* In accordance with WTO obligations	* In accordance with WTO obligations.	* In accordance with WTO obligations.
Subsidies	* Export subsidies are eliminated on US-Chile farm trade, however the right to respond is preserved, ie. If a third country threatens to displace US exports in Chile subsidies can be imposed.	* Effective January 1, 2003, neither Party shall introduce or maintain any export subsidy on any agricultural goods originating in, or shipped from, its territory that are exported directly or	* The parties will cooperate within the WTO framework to work towards the multilateral elimination of export subsidies on agriculture. From January 1 st 2003 no export subsidies may be	-	* Export incentives will be subject to WTO obligations. * If one of the signatories considers that the other party is importing from third markets in conditions of dumping or subsidies,	* Subsidies may be imposed as per the WTO agreements. * Subsidies may also be used as countervailing duties under the WTO agreement on anti-dumping. * Subsidy payments	* Subsidies may be imposed as per the WTO agreements.

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile -Mercosur	Chile-EU	Mexico-EU
		indirectly to the territory of the other Party.	adopted or maintained on bilateral trade. * If an importing party requests an export subsidy be maintained on a particular good, the exporting party will be allowed to maintain or adopt such a subsidy. * Export subsidies may not be applied to automotive goods.		this signatory can request consultations regarding the conditions in which these products are being introduced.	may be made to domestic producers, including payments to domestic producers from the proceeds of internal taxes, and subsidies effected through governmental purchases of domestic goods.	
Safeguards	<p>* A special safeguard mechanism will protect US farmers and ranchers from import surges from Chile. * In some situations, safeguards measures can be applied to agricultural and textile goods (art. 3.18 and 3.19). * Safeguards measures may be applied only during transition period if, as result of the reduction or elimination of tariffs agreed, a product is imported from the other party in quantities that harms or threaten to harm local producers. These measures can be applied for a period no longer than 3 years (art 8.1 and 8.2).</p>	<p>* A chapter on Emergency Action (safeguard measures) permits the imposition of border controls to provide relief from increases and import surges of imports from the other party that are causing, or threaten to cause 'serious injury' to domestic producers. * Quantitative restrictions may be imposed on non-originating textile goods imported under a tariff preference level set out in Appendix 5.1, where the absolute quantity being imported has increased relative to domestic production so as to cause 'serious injury or actual threat thereof'. Consultations shall take place and if no mutually satisfactory resolution can be reached within 90 days, annual quantitative restrictions, subject to some conditions, may be applied.</p>	<p>* If as a result of the tariff reductions implemented through this treaty, a party is receiving quantities of imports that cause or threaten to cause 'serious damage' to the economy of the importing party, the 'minimum necessary' safeguard measures may be taken. * A safeguard measure may only be applied in a non-</p>	<p>* In accordance with WTO obligations and GATT article XIX. * There is an agricultural safeguard mechanism, whereby if one of the parties imports agricultural goods from the other party in such quantities as to cause or threaten to cause serious injury or disturbance in the markets, that party may suspend further reductions on tariffs of the products concerned or increase the tariff to a level that does not exceed the lesser of the MFN rate or the basic customs duty to which consecutive reductions are to be applied, pursuant to its Tariff Elimination Schedule.</p>	<p>* The safeguard measures regime came into effect in September 1999. * Safeguards consist on: a) suspending the increase of preferences as scheduled in the agreement or b) reducing or suspending the agreed preference margin * These safeguards measures only can be applied until the day before the product gets a 100% preference. After that, a party can impose safeguards measures only with the consent of the other party. * The maximum implementation period for any safeguard measure is 2 years and can be renewed just once for 1 year</p>	<p>* The national security clause allows the countries to protect national security secrets, whilst the article on Balance of Payment difficulties allows a country to impose trade restrictions in the face of external financial difficulties. * Article 73 'Emergency clause for processed agricultural products' allows for "appropriate measures" to be taken where a product of one party is being imported into the other party in such quantities as to</p>	<p>* When an import into one of the parties has increased by such an amount as to cause or threaten to cause 'serious injury' to the domestic industry of like or directly competitive products in the importing party, or 'serious disturbances' in any sector of the economy, or difficulties which could bring about serious deterioration in the economic situation of a region of the importing party safeguard measures may be taken for a period not exceeding one year. * In exceptional circumstances the measures may remain for up to three years. * Safeguard measures should normally consist of a suspension in the reduction of customs duty, or an increase in the duty on that product. * The party intending to take safeguard measures shall offer the other party compensation normally consisting of</p>

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
			<p>discriminatory manner.</p> <p>* The party taking the safeguard actions must notify the other parties before doing so.</p> <p>* Safeguard measures may include the suspension of future tariff reductions, or an increase in tariff rates up to the lesser of the country's MFN rate, or the MFN rate the day before this agreement was signed.</p> <p>* Safeguard measures may only be taken during the transition period for tariff reductions and may not be maintained for more than 1 year.</p> <p>* A safeguard measure may not be applied more than once to a single good during the transition phase.</p>			<p>quantities as to cause or threaten to cause 'serious injury'.</p> <p>*'Serious injury' will be understood to mean "a significant overall impairment in the position of the producers as a whole of the like or directly competitive products operating in a party. *Before safeguard action can be taken the issue must be brought before the Association Committee for further examination. If either party requests consultations may be entered</p>	<p>concessions having substantially equivalent trade effects.</p> <p>* Should the offer of compensation not be agreeable to the other party the parties may decide through consultations on alternative compensation. If an agreement cannot be reached, the party against which safeguard measures are being applied may take compensatory tariff action.</p> <p>* Where compliance with chapter 1 or article 12 leads to a critical shortage of foodstuffs, a shortage of essential domestic materials during a time when price of those materials is held below world price as part of a government stabilisation plan, or re-export to a third party of a product against which the exporting party maintains export restrictions, and this gives rise to major difficulties for the exporting party, export restrictions or export customs duties may be imposed.</p> <p>* There is a joint committee to oversee the application of safeguard measures.</p>

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
						into and if no mutually acceptable resolution is found within 30 days the importing country may suspend further reductions of import duties, or increase the import duties to the lesser of the MFN tariff rate, or the basic customs duty (referred to in article 60-03).	
Rules of Origin	<p>* Rules of origin are specific to individual products (ie. Specific process), but are designed to be easier to apply than NAFTA ones, except in the case of some textile goods.</p> <p>* Some rules of origin which are reportedly easier to apply than NAFTA ones relate to blended juices, fruit cocktails, leather shoes, bicycles, white ware, cotton and wool garment.</p>	<p>* Based principally on changes in tariff classification under the Harmonized System</p> <p>* For certain manufactured products, the rules of original</p>	<p>* A good can qualify as originating if it satisfies the specific rules of origin requirements of change of customs heading or regional content requirements.</p> <p>* In most cases the regional content requirement is 50% where the value of transaction method is used, or alternatively 40% when the method of net cost evaluation is used.</p> <p>* The rules of origin</p>	<p>* Goods will mainly be subject to Change in Customs Heading evaluation in order to qualify as originating, however in some situations specific process, or regional content requirement methods of evaluation may be used.</p> <p>* The rules of origin allow for bilateral accumulation within the territories of the parties.</p>	<p>* Goods will mainly be subject to Change in Customs Heading evaluation in order to qualify as originating.</p> <p>* Certain products such as vegetable oils, textiles, and kitchen appliances are required to not only undergo a change in tariff classification heading, but also comply with a 60% regional content requirement.</p> <p>*</p>	<p>* Goods can be considered as originating if they are wholly obtained in the territory of a party, or if they contain non-originating materials but undergo sufficient transformation as set out in appendices II and II(a)</p> <p>* Assembly, washing, packing, simple painting, ironing of textiles, husking, bleaching, polishing, peeling, stoning,</p>	<p>* Goods may be considered as originating if they are either wholly obtained in the territory of one of the parties, or if they have undergone 'sufficient working or processing' as set out in the appendices to Annex III, using the harmonised system.</p> <p>* The rules of origin allow for bilateral accumulation within the territories of the parties.</p>

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
	<p>* Certain products may qualify as originating if they meet the regional value content requirement which is usually between 35 and 55% depending on the method of calculation.</p>	<p>have been made less restrictive than those under the NAFTA. This allows manufacturers to benefit from the preferential terms of access of the CCFTA without requiring major changes to their current sourcing of materials and parts.</p> <p>* Goods can qualify as originating if they comply with specific change in tariff classification requirements, or if they meet regional value content requirements as set out in chapter D article 2. To</p>	<p>allow for bilateral accumulation within the territories of the parties.</p> <p>* A certificate of origin is required to prove that rules of origin requirements are met. This certificate is valid for two years from the moment it is signed.</p>		<p>Petrochemicals and chemical products must undergo a molecular transformation producing a substantial transformation and creating a new chemical identity</p> <p>* Packaging, filtering and dilution are explicitly excluded from free trade treatment.</p> <p>* No more than 40 percent of the final product's F.O.B. price can reflect the C.I.F value of non-regional inputs. It should be pointed out, however, that there are some products for which the regional content requirement is 50% or 55% until at least January 1, 1999.</p>	<p>polishing etc are considered insufficient to confer status of originating goods.</p> <p>* The rules of origin allow for bilateral accumulation within the territories of the parties.</p>	

	Chile-US	Chile - Canada	Chile- Mexico	Chile- Korea	Chile-Mercosur	Chile-EU	Mexico-EU
		qualify as originating the regional value content must be no less than 55% under the net cost method (January 2000 onwards).					
Standards and Conformance	* Annex 3.17 establishes commitments from each party to recognize the other party's grading programs for beef.	* Technical barriers to trade will be governed by each country's rights under the WTO.	* Technical barriers to trade will be governed by each country's rights under the WTO.	* Standards and norms are to implemented on the principles of the WTO agreement on standards and conformance, that is standards must be based on scientific or technical criteria. * The parties will work to make their standards-related measures compatible * There is a committee on standards-related measures set up to monitor, implement, enforce and administer the chapter.	* The parties are working towards the harmonisation of norms and service manuals for SPS provisions. * The parties will adhere to the WTO agreement on Technical Barriers to Trade. * The Administrative Comisión will develop regulations for the notification of new technical standards and rules and their subsequent harmonization. * Each party agrees with regard to the importance given to the establishment of coordinated criteria for harmonizing technical	* Cooperation in the field of standards and conformance shall take place within the framework of the WTO agreement on technical barriers to trade (TBT). * The countries shall cooperate to increase mutual understanding and recognition of standards. * Cooperation will seek to promote compatibility of technical regulations on the basis of European and international standards as well as technical assistance to create a network of conformity assessment bodies. * The parties are working towards adopting common views on transparency, enforcement, necessity and international regulations with respect to standards. * In order to achieve this cooperation a	* The parties shall intensify bilateral cooperation in this field and a special committee on Standards and Technical Regulations shall provide a forum for discussion and enhance cooperation on the development, application and enforcement of standards. * The parties have reaffirmed their rights under the WTO Technical Barriers to Trade (TBT) Agreement. * The agreement essentially addresses cooperative issues, with their respective standards, technical regulations and conformity assessment procedures based on international standards. * The parties will consider an MIRA for licensing and certification of service providers.

	Chile-US	Chile - Canada	Chile- Mexico	Chile- Korea	Chile-Mercosur	Chile-EU	Mexico-EU
<p>Other Technical Barriers to Trade (TBT)</p>	<p>* Chapter 7 aims to increase and facilitate trade through the improvement of the implementation of the TBT agreement, the elimination of unnecessary TBT and the enhancement of bilateral cooperation</p> <p>* The parties agree to establish a Committee on TBT, which will be in charge of addressing any issue that a party raises related to the development, adoption, application or enforcement of standards, technical</p>	<p>* Technical barriers to trade will be governed by each country's rights under the WTO</p>	<p>* Technical barriers to trade will be governed by each country's rights under the WTO.</p>	<p>* Technical barriers to trade will be governed by each country's rights under the WTO.</p>	<p>standards and rules. They agree to make an effort to identify productive areas in which harmonizing control and inspection procedures and evaluation of conformance is possible. For this task, the parties will take into account the progress made in this area within MERCOSUR.</p> <p>* The signatory parties will aim to stimulate the development of joint operations to aid cooperation in the area of science and technology. The cooperation will be based on knowledge sharing, information exchange on technology, patents and licencing, and the necessary interchange of goods, services and equipment to this effect. The parties will also organise conferences and symposiums on the subject of knowledge sharing and technological advancement.</p>	<p>Special Committee on Technical regulation, Standards and Conformity Assessment has been established, which shall meet at least once a year.</p> <p>* Technical barriers to trade will be governed by each country's rights under the WTO.</p>	<p>* Technical barriers to trade will be governed by each country's rights under the WTO.</p>

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
	regulations or conformity assessment procedures.						
Quarantine and Sanitary and Phytosanitary (SPS)	<p>* The parties agree to establish a Committee on Sanitary and Phytosanitary Matters. Its objectives will be to enhance the implementation of the SPS agreement, protect human, animal and plant life and health, enhance consultation and cooperation in SPS matters and facilitate trade between the parties (art 6.3)</p>	<p>* No specific provisions for sanitary and phytosanitary measures in agriculture. The parties agree to be governed by their obligations under the WTO.</p>	<p>* Each party will use internationally recognised norms, directives or recommendations in order to harmonise these standards with the other parties. Both parties will be able to use SPS measures only when it is necessary in order to protect human, animal or vegetable life or health</p> <p>* Where identical conditions exist sanitary or phyto-sanitary measures may not be used to justify discrimination against the goods of a party.</p> <p>* Sanitary and phyto-</p>	<p>* The parties agree to abide by WTO principles for SPS measures, that is standards must be based on scientific principles.</p> <p>* Each party will base their measures on international standards and principles, and on appropriate risk assessments.</p> <p>* Each party shall accept the SPS measures of the other party as equivalent to their own, as long as the exporting party can demonstrate objectively that its measures achieve the other party's standards of protection.</p> <p>* A special committee on SPS measures is created.</p>	<p>* The members agree that SPS measures should not constitute an unjustified barrier to trade, and to this end they will commit to harmonisation of SPS measures within the framework of the WTO agreement.</p>	<p>* The parties agree to implement the WTO agreement on sanitary and phytosanitary measures to safeguard public, animal and plant health.</p> <p>* Annex IV contains the 'Agreement on Sanitary and Phytosanitary Measures Applicable to Trade in Animals and Animal Products , Plants, Plant Products and Other Goods and Animal Welfare' which aims to facilitate trade in animals, animal products, plants and plant products.</p> <p>* The objectives of the agreement are to ensure transparency, improve communication and cooperation between the parties on sanitary and phytosanitary measures.</p> <p>* There will be technical assistance for the strengthening of SPS systems, with a view towards the promotion of equivalence and mutual recognition arrangements.</p>	<p>* The parties reaffirm their rights under the WTO agreement on the application of sanitary and phytosanitary measures.</p> <p>* A Special Committee on Sanitary and Phytosanitary measures has been established to provide a forum in which to discuss problems specifically relating to sanitary or phytosanitary measures, to facilitate information exchange and to consider as necessary the assessment of equivalence.</p>

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
			<p>sanitary measures must be based on scientific principles and will be based on appropriate risk evaluation.</p> <p>* Without reducing the appropriate levels of protection, the Parties will accept to the greatest possible degree the equivalence of their respective sanitary and phyto-sanitary measures.</p>				
Customs Procedures	<p>* Taking into account international standards, each Party's customs authority shall endeavour to automatise customs operations.</p> <p>* Customs laws and regulations must be published on the internet to ensure full transparency and fairness.</p> <p>* The parties agree to share information to combat illegal shipment of goods.</p>	<p>* The agreement contains a chapter on customs procedures and states that the parties shall cooperate in the enforcement of their respective customs laws and regulations.</p> <p>* The parties may agree to cooperate in the collection of statistics and harmonisation of documentation.</p> <p>* A customs sub-committee has been established to investigate further harmonisation of procedures and any other customs related measures.</p>	<p>* The countries agree to cooperate in the field of customs procedures to provide mutual assistance, share information and work towards the harmonisation of customs documentation.</p> <p>* The parties will also do whatever possible to prevent trafficking of illicit substances.</p>	<p>* The countries aim to facilitate trade through simplification of customs procedures and by means of cooperation.</p> <p>* The parties will exchange information to improve transparency, are committed to the automatization of procedures, will as far as possible apply international standards and rules to tariff classification and will apply the customs valuation agreement of the WTO.</p>	<p>* Customs valuation will be subject to WTO principle and procedures although the signatories agree not to make use of the options and reserves in Article 20 and paragraphs 1 and 2 of Annex III in GATT.</p> <p>Nothing more specific about customs procedures.</p>	<p>* The parties agree to cooperate on customs related issues including data collection, customs valuation and rules of origin related matters.</p> <p>* The countries have also agreed to cooperate wherever possible on legislative and operational issues, technical assistance, computerisation of customs procedures and as far as possible establish common positions in international organisations in the field of customs.</p> <p>* The parties have established a Special Committee on Customs Cooperation and Rules of Origin to monitor the implementation and administration of the agreement and to provide a forum for consultation and discussion.</p>	<p>* The parties have agreed to cooperate with respect to customs matters.</p> <p>* Cooperation may involve things such as information sharing, technical assistance, simplification of formalities etc</p> <p>* The parties may also look at introducing the single Administrative Document (SAD) –EU model.</p> <p>* The parties also agree to provide mutual administrative assistance.</p> <p>* There will be a Special Committee on Customs Cooperation which will meet at least once a year to discuss matters related to customs cooperation.</p>

	Chile-US	Chile - Canada	Chile- Mexico	Chile- Korea	Chile-Mercosur	Chile-EU	Mexico-EU
Government Procurement	<ul style="list-style-type: none"> * Core principles of non-discrimination and national treatment. * Transparency to be increased through advanced public notice on sales. * The agreement covers 13 regional governments, 11 ports and airports and more than 350 municipalities in Chile. * Provisions ensure that bribery in government procurement is recognised as a criminal offense under both Chilean and US laws. * Agreed monetary thresholds (for central level government) are US\$56,190 for goods and services and US\$6,481,000 for construction services. 	<ul style="list-style-type: none"> * No chapter for government procurement, however exceptions are allowed for in the investments chapter whereby state enterprises are exempt from particular provisions (national treatment, MFN treatment and the senior management and boards of directors article). Certain performance requirements are not prohibited for government procurement purposes. 	<ul style="list-style-type: none"> * Similar to Canada-Chile. No particular chapter on procurement, but reservations within the investment chapter say that state enterprises are exempt from certain requirements (national treatment, MFN treatment, senior management and boards of directors requirements and certain performance requirements etc) 	<ul style="list-style-type: none"> * Core principles of non-discrimination and national treatment. * The objective of the government procurement chapter is to achieve the real and reciprocal opening of government procurement markets and ensure transparency. * The agreement gives the exporters and producers of one party non-discriminatory access to opportunities to tender for public procurement contracts. * Each country has listed the entities which will be subject to the agreement. * The threshold (at central government level) for services and supplies is SDR50,000 and for construction services SDR5,000,000. 	<ul style="list-style-type: none"> * No government procurement chapter. 	<ul style="list-style-type: none"> * Each country shall extend national treatment and be non-discriminatory when awarding government procurement contracts, ie no preference is given to domestic suppliers. * The parties shall ensure the effective and reciprocal opening of their government procurement markets, except for broadcasting, contracts for arbitration and conciliation, employment contracts, financial services and research and development services. * Transparency is ensured by requiring each party to publish promptly any laws, regulations, judicial decisions or administrative rulings on the topic of procurement. 	<ul style="list-style-type: none"> * National treatment is to be extended reciprocally for those goods covered by the agreement. The principle of non-discrimination also applies. * Each party maintains a list of entities covered by the agreement, while those goods and services which the government procurement chapter applies to are listed in Annexes VII, VIII and IX. * Thresholds for development services at the Federal government level, are US\$100,000 for goods and services and US\$6,500,000 for construction services. For the EU these thresholds are US\$130,000 and US\$5,000,000 respectively.
Services	<ul style="list-style-type: none"> * Negative list approach * The chapter covers both cross-border services and the right to invest and establish local services presence. * There are 'strong and detailed' disciplines on regulatory transparency which requires regulatory authorities to transparent administrative procedures, conduct consultations before issuing new regulations. 	<ul style="list-style-type: none"> * Negative list approach * Each party shall provide the service provider of the other party the better of either national treatment or MFN. * Market access provisions included. * There are no emergency safeguards or disciplines on subsidies. * Government procurement is also exempt. 	<ul style="list-style-type: none"> * Negative list approach * MFN treatment and national treatment apply. * The parties will extend the better of the two to the other parties 	<ul style="list-style-type: none"> * Negative list approach * MFN treatment and national treatment are extended. * Market access and right of establishment is guaranteed, local presence must not be required. * The parties shall periodically make an effort, but in any event at least every two years, to negotiate the removal or liberalization of the quantitative restrictions 	<ul style="list-style-type: none"> * The agreement contains provisions on trade in services in title XIII. Trade in services must be accordance with the GATS agreement, and the parties agree to work towards defining aspects of a program for the liberalisation of trade in services. * Some headway has been made into 	<ul style="list-style-type: none"> * GATS approach. * National treatment shall be extended to all services contained in each country's schedule * The chapter for liberalising trade in services applies to all services except audio-visual services, national maritime services and air transport services. * International maritime services, * Telecommunications and financial services 	<ul style="list-style-type: none"> * The list of obligations is held at standstill pending future GATS negotiations. * MFN and national treatment apply. * No emergency safeguard provisions are included. Subsidy disciplines are not covered by the agreement. * Government procurement is covered in a separate chapter. * The 'right of non-

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
	<p>provide advance notice and comment periods before issuing new rules, and publish regulations.</p> <p>* The financial services section contains obligations of non-discrimination, MFN treatment and additional market access obligations (not national treatment).</p> <p>* US banks and securities firms may establish branches and subsidiaries and may invest in local firms without restriction, except in a few circumstances.</p> <p>* All insurance sectors are opened to US firms for the purpose of establishing subsidiaries and joint ventures. Chile has committed to phase in insurance branching rights.</p>	<p>* Neither Party may require local presence, 'right of non establishment' also applies.</p> <p>* Investment in services is covered in a separate chapter.</p> <p>* Financial services and air services are excluded from the agreement.</p> <p>* Some quantitative restrictions remain but negotiations shall continue bi-annually to remove these restrictions.</p> <p>* Licensing and certification must be based on objective and transparent criteria and must not constitute a disguised barrier to trade.</p> <p>* As in NAFTA, Canada has excluded cultural industries from the services agreement. Likewise there is a broad carve out for social services.</p> <p>* IN June 2001 a Memorandum of Understanding was signed between the Chilean College of Engineers and the Canadian Council of Professional Engineers.</p>	<p>parties.</p> <p>* Each party maintains a list of services in Annex II which are exempted from MFN, national treatment and local presence requirements.</p> <p>* Local presence must not be required.</p> <p>* Each party has listed in Annex V any quantitative restrictions which they maintain at the federal or state level.</p> <p>* Financial services were originally excluded but the countries agreed to being negotiations for their inclusion no later than</p>	<p>included in Annex III.</p> <p>* The services liberalisation does not apply to cross-border trade in financial services, air transport services and services provided in the exercise of governmental authority.</p> <p>* With respect to professional services the parties are to encourage the relevant bodies in their territories to develop mutually acceptable standards for licensing and certification of service providers.</p> <p>* The agreement will be reviewed one year following implementation.</p>	<p>been made into the liberalisation of audio-visual services, an area usually left out of FTAs.</p>	<p>each have their own chapter.</p> <p>* Under the chapter on services each party shall encourage the relevant bodies in their respective territories to develop mutually acceptable standards and licensing criteria with respect to certification of professional service providers. These standards and criteria may developed with regards to education, experience, examinations, conduct and ethics, professional development, local knowledge and consumer protection.</p>	<p>establishment' is not included.</p> <p>* Financial services liberalisation will take place with commercial presence allowed and MFN and National treatment extended reciprocally. Limitations on the total value of financial service transactions, total number of service operations, number of natural persons employed or participation of foreign capital are not allowed.</p> <p>* Cross border provision of financial services is allowed and key personnel must not be required to be of a particular nationality.</p> <p>* There is regulatory carve-out, but regulations must be transparent and effective.</p> <p>* Specific exceptions apply with respect to public retirement plans, and central banks or monetary authorities.</p> <p>* Services trade will be liberalised in all sectors within 10 years, with the exception of audio-visual, maritime and air transport services.</p> <p>* The parties agree to take steps towards entering into negotiations for mutual recognition agreements within 3 years. These agreements will be regarding qualifications,</p>

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
			<p>June 30th, 1999. * Some headway has been made in the liberalisation of audio-visual services, a big step forward from many other FTAs.</p> <p>* There is a chapter on aerial transport, but in general air transport is not subject to services liberalisation. There is a treaty signed in 1997 between the countries governing it. There is a committee on air transportation set up to review air transport regulation and other issues.</p> <p>* In Annex II, 'reservations relating to future measures' Chile and Mexico reserve some rights in service sectors. Chile reserves rights in communications, education, government finance, social services and construction. Mexico reserves rights in communications, social services, and energy.</p> <p>* There is also a list of services reserved by the Mexican state, in which</p>				<p>licences and other requirements necessary for service providers of one party to comply with licensing, operation and certification requirements in the other country .</p> <p>* With respect to maritime services each country will continue to provide the other party with unrestricted, non-discriminatory access to the international maritime market, and will provide national treatment with regards to access to ports, infrastructure and auxiliary services of ports as well as related customs facilities and user charges. Commercial presence shall be allowed.</p>

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile -Mercosur	Chile-EU	Mexico-EU
			investment of private capital is not allowed under Mexican law. If the law is changed to allow private investment, the Mexican government still reserves the right to impose exceptions.				
Labour Mobility	<p>* The agreement contains provisions for entry into either country for business visitors, traders and investors etc.</p> <p>* The US will grant a certain number of provisional FTA visas each year for this purpose, but reserves the right to amend immigration laws.</p> <p>* US professionals will be able to enter Chile without a numerical limit.</p>	<p>* Chapter K provides for the temporary entry of business people in their capacities as service providers or investors.</p> <p>* When temporary entry is refused the Party must inform in writing the business person of the reason for the refusal, as well as notifying the other Party promptly of the reason for refusal.</p> <p>* Fees for the processing of</p>	<p>* The chapter on temporary entrance of business people states that each party will authorise the temporary entrance of business people of the other party so long as they fulfil the applicable criteria (with relation to security, nationality and public health)</p> <p>* Temporary business entrants are divided into 4 categories. Business visitors, Investors, intra-company transfers and professionals. There are specific requirements for each category, with minimum qualifications for professionals</p>	<p>* Temporary entry for business person shall be granted under the categories of 'business visitors', 'investors and traders' and 'intra-company transferees'. * Where entry is refused the reason must be sent in writing to the business person in question, and the other party must be promptly notified of the reason for refusal.</p>	<p>* No chapter on the temporary entry of business people.</p>	<p>* Chile and the EU have agreed to cooperate in order to prevent illegal immigration such that a member country will readmit nationals residing illegally in the other party's territory.</p>	<p>* No chapter on the temporary entry of business people.</p>

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile -Mercosur	Chile-EU	Mexico-EU
		applications for temporary entry should be limited to the cost of the service provided.	specified. * Numerical limits are not imposed. * There is a committee set up Temporary Entry which will effectively administer and apply the chapter.				
Investment	<p>* National treatment and MFN treatment apply.</p> <p>* Neither party may impose performance requirements on investors of a Party or non-Party in its territory</p> <p>* No party may require that an enterprise of that party appoint to senior management positions individuals of a particular nationality.</p> <p>* Transfers and remittances must be allowed to be made freely and without delay between the parties.</p> <p>* The 'minimum standard of treatment' clause, like the NAFTA, requires "fair and equitable treatment" as well as "full protection and security", with clarifications of these terms included.</p> <p>* Investor protection provisions include the right to receive a fair market value for property in the event of expropriation. No party may directly or indirectly expropriate an investment of an</p>	<p>* National treatment and MFN treatment apply</p> <p>* Neither party may impose performance requirements on investors of a Party or non-Party in its territory</p> <p>* No party may require that an enterprise of that party appoint to senior management positions individuals of a particular nationality.</p> <p>* Transfers and remittances must be allowed between the parties, however Chile reserves the right to maintain existing restrictions on the transfers of proceeds from investments in Chile.</p> <p>* The concepts of 'fair and equitable treatment' and 'full protection and security' are required, in accordance with the minimum standard of treatment of aliens under international law.</p> <p>* Expropriation and compensation articles included. 'Neither party may directly or indirectly nationalise or</p>	<p>* National treatment and MFN treatment must both be extended reciprocally.</p> <p>* Specific performance requirements are prohibited.</p> <p>* No party may require that an enterprise of that party appoint to senior management positions an individual of a particular nationality.</p> <p>* Each party shall permit all transfers relating to an investment of an investor of either party. However, Chile reserves</p>	<p>* National and MFN treatment apply</p> <p>* Investment in financial services is not covered by the agreement, but will be reconsidered for inclusion in 4 years.</p> <p>* Neither party may impose or enforce those performance requirements listed in the agreement.</p> <p>* Free mobility of capital, but a party may prevent a transfer through the equitable, non-discriminatory and good faith application of its laws related to: (1) bankruptcy and</p>	<p>* Investment will be covered by a series of bilateral agreements between the countries of Mercosur and Chile.</p> <p>* In order to stimulate reciprocal investments the parties will work towards implementing double taxation agreements.</p>	<p>* The parties shall allow free movement of capital relating to direct investment in accordance with the laws of the host country as well as the liquidation and repatriation of this capital as well as profits. Payments and transfers of the current account will be freely allowed in accordance with the IMF agreements.</p> <p>* Safeguard measures may be imposed in exceptional circumstances, where capital movements and payments threaten to cause 'serious difficulties' for the operation of monetary policy or exchange rate policy. These measures may be taken for a period not exceeding one year.</p> <p>* The countries aim to improve the investment environment on the basis of the principles of non-discrimination.</p> <p>* The countries will develop a legal</p>	<p>* Restrictions on payments related to investment shall be progressively eliminated and no new restrictions introduced.</p> <p>* Where investment payments between the parties threaten to cause serious difficulties for the operation of monetary or exchange rate policy the party may take safeguard measures for a period not longer than six months.</p> <p>* The agreement provides that the Joint Council shall adopt measures for the progressive liberalisation of investment and related payments.</p> <p>* The countries will abide by their international commitments with regard to investment, in particular the OECD codes of liberalisation and the OECD National Treatment Instrument.</p> <p>* There is a review clause committing the parties to reviewing the</p>

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	<p>investor of the other Party except in a non-discriminatory manner, for a public purpose and on payment of compensation. The phrase 'tantamount to a nationalisation or expropriation' is not included.</p> <p>* There are 'open and transparent' procedures for settling investment disputes through the investor-state disputes settlement. Submissions to disputes panels and hearings will be open to the public.</p> <p>* The agreement prohibits requirements to buy local inputs.</p>	<p>expropriate an investment of an investor of the other party, or take a measure tantamount to nationalisation or expropriation'.</p> <p>* An investor-state disputes settlement mechanism is included.</p> <p>* Quantitative restrictions to investment are included in Annex IV.</p>	<p>certain rights for the purpose of currency stability.</p> <p>* There is a 'fair and equitable treatment clause', requiring that each party provide investors from the other party with fair and equitable treatment as well as 'full protection and security'.</p> <p>* There are provisions for expropriation, whereby expropriation or nationalisation of an investment may not take place, either directly or indirectly, except for a public purpose, in a non-discriminatory manner and upon the payment of compensation</p> <p>* The chapter includes a disputes settlement mechanism (arbitration) for settling disputes between a contracting party and an investor.</p>	<p>bankruptcy and insolvency; (2)</p> <p>issuing, trading or dealing in securities; (3)</p> <p>criminal offenses; (4)</p> <p>reports of transfer of currency or other monetary instruments; (5)</p> <p>ensuring the satisfaction of judgments in adjudicatory proceedings</p> <p>* If the movement of capital between the parties causes or threatens to cause serious difficulties to monetary policy or exchange rate policy in either party, the party concerned may take safeguards measures with regard to capital movements for a period not exceeding one year.</p> <p>* The parties must extend investors of the other party the minimum standard of treatment required under international law.</p> <p>* Neither party may directly or indirectly nationalise or</p>		<p>framework for the Parties which favours investment and will work towards concluding bilateral agreements between the member states and Chile to this end.</p> <p>* The Parties will cooperate in the development of uniform and simplified administration procedures, and will provide reciprocal technical assistance in training initiatives.</p> <p>* The parties commit to reviewing the legal investment framework, the investment environment and the flow of investment between them no later than 3 years following the implementation of this agreement.</p> <p>* The chapter on 'establishment' applies to all sectors except service and financial service sectors, and requires national treatment for members of another party performing an economic activity in the territory of another member party.</p>	<p>legal framework, investment climate and reciprocal investment flows within 3 years of entry into the agreement.</p> <p>Not NAFTA chapter 11 based</p>

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				<p>expropriate an investment of an investor of the other party except for a public purpose, on a non-discriminatory basis and on payment of compensation of fair market value.</p> <p>* There is an investor-state disputes settlement mechanism, under which a claim should first be subject to consultations, and then to arbitration in an international arena.</p>			
Competition Policy/ Law	<p>* Each country has committed to maintaining a competition law that prohibits anti-competitive business conduct and a competition agency to enforce that law.</p> <p>* A Party maintains the right to designate a monopoly and to establish and maintain state enterprises.</p> <p>* There is no recourse to disputes settlement under this chapter.</p>	<p>* The Parties agree to cooperate in the application of competition policy and will take part in consultation, including exchange of information relevant to competition laws.</p> <p>* There is no recourse to disputes settlement with respect to any matter regarding conformity to the article that legislates on competitive matters (Article 14-02).</p> <p>* Monopolies may be designated and state enterprises maintained in accordance with the conditions set forth in the chapter.</p>	<p>* The Parties will cooperate in the application of competition policy and will take part in consultation, including exchange of information relevant to competition laws.</p> <p>* There is no recourse to disputes settlement with respect to any matter regarding conformity to the article that legislates on competitive matters (Article 14-02).</p> <p>* Monopolies may be designated and state enterprises maintained in accordance with the conditions set forth in the chapter.</p>	<p>* The parties agree to cooperate in the application and enforcement of their competition laws. * Cooperation will include information exchange, technical assistance etc.</p> <p>* There is no recourse to disputes settlement.</p>	<p>* Title VI covers 'defence of competition and the consumer'. The parties agree to apply internationally recognised standards for the prevention of anti-competitive practices. Cooperation.</p> <p>* The parties agree to promote the appropriate measures to design a normative scheme, based on internationally accepted regulations and practice, which constitutes a proper framework to discipline anti-competitive practices.</p> <p>* The parties agree to develop joint measures in order to establish specific regulations and commitments that assure their goods receive treatment no less favourable than that given to similar local goods.</p>	<p>* The countries will continue to apply their own competition laws but will cooperate in order to minimise anti-competitive behaviour.</p> <p>* This cooperation includes consultation, notification, exchange of non-confidential information and technical assistance. Coordination of enforcement activities with respect to competition law shall not prevent a party from making an autonomous decision.</p> <p>* There is no recourse to dispute settlement under this article.</p>	<p>* The parties maintain their own competition laws but agree to cooperate.</p> <p>* Article 6 of Annex XV provides for consultations when important interests of one party are adversely affected in the territory of the other party.</p>

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile -Mercosur	Chile-EU	Mexico-EU
		'designate' monopolies and state enterprises (i.e., establish new monopolies and state enterprises in the future).					
Intellectual Property	<p>* The agreement covers protection of trademarks, copyrights, patents and trade secrets including digital and e-commerce related IP.</p> <p>* The provisions for trademarks apply the principle of 'first-in-time, first-in-right', meaning that the first person to file for a trademark is given the right to use that name or phrase etc.</p> <p>* "Protection for copyright works in a digital economy" provisions ensure that only authors, composers or other copyright owners have the right to make their works available online.</p> <p>* There will be anti-circumvention provisions to prevent tampering with devices used to stop digital piracy.</p> <p>* There will be tough penalties to enforce IPRs including the criminalisation of end-user piracy. The Chilean government has guaranteed that it has the authority to seize, forfeit and destroy</p>	<p>* No specific intellectual property provisions, the parties will be governed by their obligations under the WTO Trade Related Intellectual Property Rights (TRIPS) agreement.</p> <p>* The parties have agreed to protect Canadian Whiskey and Chilean pisco as special geographical indicators under the agreement.</p>	<p>* Each party will accord the members of the other party protection and suitable and effective defence of IP rights.</p> <p>* Measures to protect IP rights should not be an obstacle to legitimate commerce.</p> <p>MFN and national treatment.</p> <p>* Protection is extended to authors, computer programmers, satellite signals, trademarks etc.</p>	<p>* Chile and Korea reaffirm their commitments under the WTO TRIPS agreement.</p> <p>* Each country has set out in an annex to the agreement geographical indicators which will be recognised and protected by the other party.</p>	<p>* The signatory parties will be governed by the WTO agreement on intellectual property.</p>	<p>* The parties shall ensure adequate and effective protection of intellectual property rights in accordance with the TRIPs (WTO) and various other international conventions and agreements.</p>	<p>* There is a special consultation mechanism for the protection of intellectual property in the form of a Special Committee on Intellectual Property Matters. The Special Committee shall be convened within 30 days of either party raising a concern with regards to intellectual property rights, and shall work towards reaching mutually satisfactory resolutions.</p> <p>* The parties reaffirmed their commitments to various multi-lateral treaties on IP.</p>

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
	counterfeit goods and the equipment used to make them.						
E-commerce	<p>* The countries agreed on provisions for e-commerce to recognise its importance in trade. They agreed not to impose customs duties on digital products and to cooperate in related policy areas.</p> <p>* For digital products delivered on hard media, customs duties will be based on the value of the media (eg CD) not the value of the movie, music or software on the disk.</p>	* No specific e-commerce provisions	* No specific e-commerce provisions	* No specific e-commerce provisions	* No specific e-commerce provisions	* The parties recognise the importance of e-commerce in many areas of trade, and as such agree to cooperate on market access and regulatory issues raised by it.	* There are no specific provisions for e-commerce, however Article 20 'the Information Society' recognises the importance of information and communications technology and lays out areas in which cooperation in this area could be advanced. * Some of these areas include information exchanges, technical assistance, dialogues, knowledge dissemination, joint research and training ventures etc
Transport and Communications	<p>* Each Party shall ensure that members of the other party have access to and use of any public telecommunications services and access to submarine cable systems, on non-discriminatory terms.</p> <p>* Each party shall ensure that members of the other party are able to use public telecommunications networks to transport information within its territories and across its borders.</p> <p>* Nothing in the telecommunications chapter should be</p>	<p>* Provisions for telecommunications state that the other Party may use public telecommunications transport networks or services for the movement of information in its territory or across its borders.</p> <p>* Basic interconnection rights and obligations are included.</p>	* Subject to certain requirements each party must guarantee that the people of the other party are allowed to buy, rent and to connect terminal equipment or other equipment that interfaces with public	<p>* The agreement on telecommunications follows Chile's previous FTA commitments, allowing access to basic telecommunications networks and interconnection.</p> <p>* Air transport is excluded from the agreement</p> <p>* If a monopoly provides public telecommunications transport networks or services and the monopoly, itself or by an affiliate, competes in providing value-added telecommunications-related services, the party shall ensure that</p>	<p>* The parties agree that transport issues will be governed by the "Transporte Internacional Terrestre del Cono Sur" agreement and its later amendments. The signatory parties will be able to establish, by means of additional protocols to the present agreements specific norms and commitments in the areas of terrestrial, marine and fluvial transport.</p> <p>* The parties cannot apply transit restrictions which create difficulties for the free circulation of goods produced</p>	<p>* The article on telecommunications services says that a country's major supplier must, where technically feasible, provide interconnection services under non-discriminatory terms.</p> <p>* There is an agreement on international maritime transport which says that each party must extend national treatment to ships flying the flag of the other party with respect to use of ports and infrastructure, auxiliary maritime services and related charges etc.</p>	* Cooperation on transport will be aimed at supporting the improvement and restructuring of transport systems, promoting operating standards, designing economic, legal and technical training programs and exchanging information on the Global Navigation Satellite System (GNSS).

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile -Mercosur	Chile-EU	Mexico-EU
	<p>construed as to prevent a party adopting measures to protect the security and confidentiality of messages, or the privacy of network subscribers. The technical integrity of the networks and the responsibilities of the public services must also be protected.</p> <p>* The chapter also includes provisions for competitive safeguards.</p>		<p>with public telecommunications networks.</p> <p>* Each party will ensure that the prices of the provision of public telecommunications services reflects the economic costs directly related to the benefit of the services.</p> <p>* Each party will guarantee that people of the other party can use the networks or public telecommunications networks to transmit information in their territory or through its borders.</p> <p>* Nothing in the telecommunications chapter should be construed as to prevent a party adopting measures to protect the security and confidentiality of messages, or the privacy of network subscribers. The technical integrity of the networks and the responsibilities of the public services must also be protected.</p> <p>* Air transportation is not covered by the agreement.</p> <p>* The members reciprocally agree to grant free access to both public and private cargo arising from foreign trade with vessels flying the flag of either country, or vessels</p>	<p>the monopoly does not use its power to engage in anti-competitive conduct.</p> <p>* There is a committee on telecommunications standards set up to oversee the application and enforcement of that chapter.</p>	<p>inside Mercosur or Chilean territory, which are being carried to third markets.</p>	<p>* Transport cooperation will focus on 'restructuring and modernising' Chile's transport systems. There will also be cooperation projects for transferring European technology in the Global Navigation Satellite System and urban public transport policies.</p>	

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
			<p>which may fly the national flag of either country under their respective laws.</p> <p>* Interested air transport companies of both countries may conduct regular and non-regular passenger, cargo and mail service between both territories with third, fourth and fifth freedom traffic rights (with the exception of points beyond Santiago and Mexico City), as frequently and using the aircraft they deem appropriate.</p> <p>* Land transport is subject to quantitative restrictions.</p>				

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Energy	* Energy provisions are not included.	* Energy provisions are not included.	* The energy sector is protected under the Mexican constitution, and therefore is included in the list of exceptions to services liberalisation. * Mexico reserves the right to deny authorization for investing in the energy sector.	* Energy provisions are not included.	* The rules of origin concerning the exports of electric energy are regulated in the 19 th Additional Protocol (Decimo Noveno Protocolo Adicional), signed in September 1999. * It is stated that the certification of origin concerning electric energy is not regulated under the dispositions established in Annex 13 (about rules of origin).	* Article 22 of the "EU-Chile Association Agreement" (signed November 2002) covers cooperation with regards to energy. This cooperation is to consolidate economics relations in key sectors such as hydroelectric, oil and gas, and renewable energy etc. * The cooperation will entail information sharing, technology transfers and joint research initiatives.	* Cooperation in the field of energy will focus on development of the energy sectors in each region, promotion of technology transfer and information exchange with respect to legislations. * Cooperation will also extend to training of human resources, promoting the rational use of energy, promoting recycling and the use of renewable energy resources.
Environmental Issues	* Environmental obligations are part of the core text of the agreement. * Parties keep their own laws, but agree to strive to provide high levels of environmental protection. * Cooperative projects will be undertaken, including building capacity for wildlife protection and resource management through collaboration efforts, working towards the elimination of methyl bromide use and the development of Pollutant Release and Transfer Register (PRTR) in Chile. * Monetary penalties for breaching the agreement	* Modelled on NAFTA, there is a side agreement on environmental issues- the Agreement on Environmental Cooperation * The Agreement confirms the right of each country to establish its own level of environmental protection, policies and priorities. It does not authorize a Party to undertake activities to enforce environmental laws and regulations in the other Party's territory.	* No particular environmental agreement, except to recognise some other international environmental agreements and say measures should be in keeping with these. * In a case of incompatibility between the FTA and specific obligations in trade matters included in the Convention on International Trade in Endangered Species of Flora and Fauna; the Montreal Protocol on Substances that Deplete the Ozone Layer and the Basel Convention on the Control of Transborder Movements of Hazardous Wastes and Their Disposal, these obligations will prevail as far as the party involved choses, however the party	* In chapter 10 (investment), both parties agree that it is inappropriate to encourage the promotion of investment by relaxing domestic health, safety or environmental measures.	* Chile and Argentina signed the "Protocolo Especifico Adicional al Tratado sobre Medio Ambiente, sobre Conservación de la Flora y Fauna Silvestre" in which both parties agree to take measures related to protecting shared wild flora and fauna	* No particular agreement on the environment.	* There is no specific agreement covering environmental issues, however the parties agree that the need to preserve the environment and recognise the importance of sustainable development should be taken into account in all cooperation measures undertaken. * If deemed appropriate this environmental cooperation may lead to the signing of a sectoral agreement on environmental issues.

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
			should chose a course of action which shows the least incompatibility with the regulations included in the FTA.				
Labour Standards	<ul style="list-style-type: none"> * Labour obligations are part of the core text of the agreement. * The Parties agreed to effectively enforce their own labour laws. Both parties reaffirm their obligations as members of the ILO. * The agreement makes clear that it is inappropriate to reduce domestic worker protection to encourage trade or investment. Cooperative activities to promote workers' rights will be undertaken. * Procedural guarantees in the agreement will ensure that workers and employers will have fair, equitable and transparent access to labour courts/ tribunals. * Monetary penalties for breaching the agreement. 	<ul style="list-style-type: none"> * Modelled on NAFTA there is a side agreement on labour standards, which aims to improve working conditions and living standards in both countries. * Each country is responsible for its own labour legislation, however cooperation on labour matters is promoted. 	<ul style="list-style-type: none"> * No labour standards agreement. 	<ul style="list-style-type: none"> * No labour standards agreement. 	<ul style="list-style-type: none"> * No labour standards agreement. 	<ul style="list-style-type: none"> * There is an article covering social cooperation in which the parties agree to cooperate in promoting higher living standards and compliance with the International Labour Organisation. 	<ul style="list-style-type: none"> * No labour standards agreement.
Disputes Settlement	<ul style="list-style-type: none"> * All core obligations of the agreement, including the environmental and labour provisions, are subject to the dispute settlement provisions. Emphasis on promoting compliance through consultations and joint 	<ul style="list-style-type: none"> * A Party may request in writing consultations with the other Party regarding any actual or proposed measure or any other matter that it considers might affect the operation of this Agreement and the Parties shall make every 	<ul style="list-style-type: none"> * The first stage of the disputes settlement procedure is consultation with the other party. * If consultations cannot reach a mutually satisfactory solution within 15 days the Administrative 	<ul style="list-style-type: none"> * The disputes settlement mechanism follows the standard structure of consultations followed by the appointment of an arbitration panel (3 people chosen from a pre-determined list). * The findings of the 	<ul style="list-style-type: none"> * Dispute settlement provision included in agreement which creates a mechanism for arbitration in the case of a disagreement. * The parties will try to resolve their controversies through a 	<ul style="list-style-type: none"> * The parties shall firstly attempt to settle disputes through consultation and arrive at mutually satisfactory resolutions. * Each party may request consultation with the Association Committee which is 	<ul style="list-style-type: none"> * The parties will first try to settle disputes through joint consultation and will endeavour to arrive at a mutually satisfactory agreement. * Each party may request consultation within the joint

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile -Mercosur	Chile-EU	Mexico-EU
	<p>action plans. * Includes monetary penalties to enforce labour and environmental obligations. * Dispute panel procedures are to be open and transparent, with open public hearings and public release of legal submissions. * The process begins with consultations, aimed at reaching a mutually agreeable resolution. Where consultations fail, the dispute may be brought before the Free Trade Commission, and where there recommendations do not lead to an amicable resolution of the dispute an arbitration panel (6 members) may be established. * On receipt of the final report of a panel, the Parties shall agree on the resolution of the dispute, which normally shall conform with the determinations and</p>	<p>attempt to arrive at a mutually satisfactory resolution. * If the parties fail to resolve the dispute within 30 days of delivery of a request for consultation, or such other period as they may agree, either party may request in writing a meeting of the commission (the free trade commission consists of cabinet level representatives of the Parties). * Unless it decides otherwise the commission shall meet within 10 days of receiving the request and shall endeavour to settle the dispute promptly. * If the matter has still not been resolved with 30 days a Party may request in writing the establishment of</p>	<p>committee shall review the charges and may request technical reports with a view to reaching a mutually satisfactory resolution, possibly through mediation. * If this procedure also fails to reach a resolution within 30 days an arbitral tribunal will be set up. * The findings of the arbitration are not able to be appealed and are binding.</p>	<p>arbitration panel will be final and binding, and shall not usually be subject to appeal. Where failure to comply with the agreement is found there will be commercial sanctions imposed as a penalty. * Conciliation or mediation may be used at any time to solve a dispute.</p>	<p>mechanism of reciprocal consultations and direct negotiations in order to reach a satisfactory agreement. If this is not possible, both parties will designate experts to decide the case.</p>	<p>comprised of senior government officials from both the EU and Chile. The committee shall convene within 30 days of delivery of the request and shall endeavour to resolve the dispute promptly by means of a decision. * If the dispute has not been settled 15 days after the Association Committee has convened a party may request an arbitration panel be established. * As a general rule the arbitration panel shall transmit its ruling no later than 3 months from the date of establishment of the arbitration panel. * The ruling is final and binding.</p>	<p>committee which shall convene within 30 days of delivery of the request and shall endeavour to resolve the dispute promptly by means of a decision. * If the dispute cannot be resolved by consultation, either party may request the establishment of an arbitration panel. * The arbitration panel should, in general, submit an initial report within 3 months of the establishment of the panel, or at the latest within 5 months. * The final report shall be presented to the parties within 30 days of the presentation of the initial report. * Each party is bound to take out the measures presented in the final report.</p>

	Chile-US	Chile - Canada	Chile - Mexico	Chile - Korea	Chile-Mercosur	Chile-EU	Mexico-EU
	recommendations of the panel	<p>an arbitral panel comprising 5 independent experts.</p> <p>* On receipt of the final report of a panel, the Parties shall agree on the resolution of the dispute, which normally shall conform with the determinations and recommendations of the panel</p>					

