

AGREEMENT ON TRADE AND ECONOMIC COOPERATION BETWEEN
THE GOVERNMENT OF NEW ZEALAND AND THE
GOVERNMENT OF MALAYSIA

The GOVERNMENT OF NEW ZEALAND and the GOVERNMENT OF
MALAYSIA (hereinafter referred to as "the Parties"),

Desiring to enhance the friendship and spirit of cooperation between
both Parties;

Desiring to further develop and strengthen their bilateral trade and
economic relations on the basis of equality and mutual benefit;

Reaffirming the importance of promoting a more liberal and
predictable environment for international trade in goods and services and
investment;

Considering the need to facilitate greater access to their respective
markets and to avoid the establishment of new barriers to trade and
investment;

Convinced of the essential role of private investment, both domestic and foreign, in furthering growth, creating jobs, expanding trade, improving technology and enhancing economic development;

Recognising that foreign direct investment confers positive benefits on each country;

Seeking to establish a bilateral consultative mechanism to enhance trade and economic cooperation between their two countries; and

Acknowledging their membership of the World Trade Organisation ("the WTO") and noting that this Agreement is without prejudice to the rights and obligations of either Party under the Marrakesh Agreement Establishing the WTO ("the WTO Agreement").

HAVE AGREED AS FOLLOWS:

ARTICLE 1

The Parties shall, subject to the laws and regulations in force in their respective countries, including their obligations as members of the World Trade Organisation, take all appropriate measures to facilitate, promote, strengthen and diversify trade and generally to foster economic cooperation between the two countries.

ARTICLE 2

The Parties shall encourage the relevant enterprises and organisations of each country to explore the scope for increased trade and investment and, where appropriate, to conclude such contracts or other arrangements as may be mutually agreed upon.

ARTICLE 3

1. Each Party shall grant the other most favoured nation treatment in all matters relating to the importation and/or exportation of goods and to measures affecting trade in services, consistent with the obligations agreed by each Party under the WTO.

2. In implementation of this article, the Government of New Zealand shall apply its Normal tariff except for products benefiting in the New Zealand tariff from special preferences accorded under the Generalised System of Tariff Preferences to developing countries, which preferences shall continue to apply so long as, and to the extent that, the New Zealand Government considers that the conditions appropriate for them exist.

ARTICLE 4

The provisions of this Agreement shall not apply to:

- (a) preferences or advantages accorded by either Party resulting from its association in a customs union or a free trade area or in an interim agreement leading to the formation of a customs union or a free trade area;
- (b) tariff preferences or advantages which have been accorded by the Government of New Zealand consistent with its relevant international rights and obligations, to any present or former country or territory of the Commonwealth of Nations;

- (c) preferences or advantages granted by the Government of New Zealand pursuant to the South Pacific Regional Trade and Economic Cooperation Agreement which are WTO consistent; and
- (d) preferences or advantages under the Global System of Trade Preferences or any others which may be accorded and which are WTO consistent.

ARTICLE 5

The Parties shall endeavour to facilitate transit of commercial goods under this Agreement and agree to:

- (a) facilitate freedom of transit of goods originating from the territory of either Party and destined for the territory of a third party; and
- (b) facilitate freedom of transit of goods originating from the territory of a third party and destined for the territory of either Party.

ARTICLE 6

In order to develop further trade between the two countries, the Parties shall, subject to the laws and regulations in force in their respective countries, exempt from the payment of import duty and other taxes on articles for display in fairs and exhibitions which have been imported temporarily, either directly or indirectly, from the territory of the other Party. Such articles and samples shall not be disposed of in any way in the country into which they are imported without the prior permission of the competent authorities of that country and the payment of the appropriate import duties, and other taxes, if any.

ARTICLE 7

All payments arising from trade and other transactions between the Parties shall be effected in freely usable currency and in accordance with the foreign exchange legislation in force in each country.

ARTICLE 8

Subject to the requirement that such measures are not applied in a manner which would contravene any rights or obligations of either Party

under the WTO Agreement, or constitute a means of arbitrary or unjustifiable discrimination, or a disguised restriction on international trade, nothing in this Agreement shall be construed to prevent the adoption or enforcement by either Party of measures:

- (a) for reasons of public health, public morals, order or security;
- (b) for the protection of plants and animals against diseases and pests;
- (c) to protect national treasures of artistic, historical or archaeological value;
- (d) which otherwise fall within the exceptions allowed by Articles XX and XXI of the General Agreement on Tariffs and Trade 1994 in reference to trade in goods and Articles XIV and XIV bis of GATS in relation to trade in services; and
- (e) for prudential reasons or to ensure the integrity of the financial system, as provided for by the General Agreement on Trade in Services Annex on Financial Services.

ARTICLE 9

1. The Parties establish a Joint Trade Committee (the Committee) to discuss measures for the expansion of trade in goods, services and investment between their two countries and issues which may arise from the implementation of this Agreement.

2. The Joint Trade Committee shall meet at Ministerial or senior official level at least once every eighteen months, alternately in New Zealand and Malaysia. The Committee shall:

- (a) monitor and review progress in bilateral economic, trade and investment cooperation between the Parties;
- (b) identify opportunities that may contribute to the development of economic, trade and investment relations between the Parties and make recommendations on these for submission to the relevant bodies;
- (c) serve as a forum for consultations between the Parties on specific bilateral trade and investment issues;

- (d) identify and work towards the removal of distortions to trade and investment flows; and
- (e) review, as appropriate, developments of common interest in multilateral and regional economic, trade and investment cooperation.

3. The Parties may seek the advice of the business sector in their respective countries on issues discussed or work undertaken by the Committee. Business representatives may be asked to participate in Committee meetings whenever both Parties agree that it is appropriate.

ARTICLE 10

1. The Parties may consult at any time, at the request of either of them, on any matter affecting the operation of this Agreement or on trade and investment relations between them and should seek to resolve, without any unreasonable delay, any dispute that may arise.

2. A request for consultations shall be accompanied by a written explanation of the subject to be discussed and consultations shall be held within thirty days of the request or as otherwise mutually agreed.

ARTICLE 11

The **MINISTRY OF FOREIGN AFFAIRS AND TRADE**, on behalf of the Government of New Zealand and

The **MINISTRY OF INTERNATIONAL TRADE AND INDUSTRY**, on behalf of the Government of Malaysia,

shall be responsible for the coordination and implementation of this Agreement.

ARTICLE 12

1. The Parties may agree on any modification of, or addition to, this Agreement, including to broaden its scope.
2. When so agreed, and approved in accordance with the applicable legal procedures of the Parties, a modification or addition shall constitute an integral part of this Agreement.
3. Any alteration or modification of this Agreement shall be without prejudice to the rights and obligations arising from this Agreement prior

to the date of such alteration or modification until such rights and obligations are fully implemented.

ARTICLE 13

This Agreement shall not apply to Tokelau, unless the Parties exchange notes agreeing to the terms on which it shall so apply.

ARTICLE 14

This Agreement shall enter into force upon the completion of an exchange of notes between the Parties notifying each other that all internal procedures necessary to implement this Agreement have been completed.

ARTICLE 15

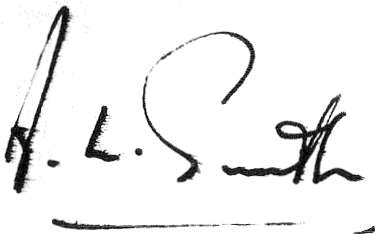
This Agreement shall remain in force for a period of five (5) years from the date of its entry into force. Thereafter it shall continue in force until the expiration of 180 days from the date on which one Party informs the other in writing of its intention to terminate the Agreement.

ARTICLE 16

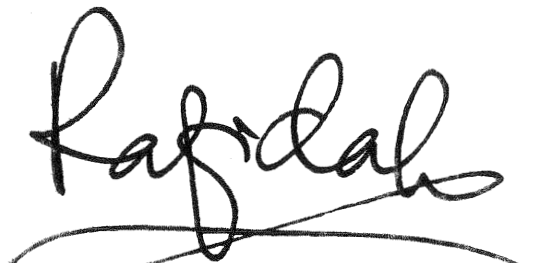
The provisions of this Agreement shall apply, even after its termination, to contracts entered into during the period of the validity of this Agreement but not fully completed on the day of the termination of this Agreement.

In WITNESS WHEREOF, the undersigned, being duly authorised by their respective Governments, have signed this Agreement in two originals, one in English and one in Bahasa Malaysia , both texts being equally authentic. In the event of any discrepancy between the texts of this Agreement, the English text shall prevail.

DONE at KUALA LUMPUR this 17th day of October 1997,



FOR THE GOVERNMENT OF
NEW ZEALAND



FOR THE GOVERNMENT OF
MALAYSIA