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Ministry of Foreign Affairs and Trade

EXCHANGE OF LETTERS

CONSTITUTING AN AMENDMENT TO THE PRODUCT SPECIFIC RULES
IN ANNEX G OF THE AUSTRALIA NEW ZEALAND CLOSER ECONOMIC
RELATIONS TRADE AGREEMENT

Canberra, 16 June 2010
[Entered into force for New Zealand 1 September 2011]

Presented to the House of Representatives

EXCHANGE OF LETTERS
CONSTITUTING AN AMENDMENT TO THE PRODUCT SPECIFIC RULES IN
ANNEX G OF THE AUSTRALIA NEW ZEALAND CLOSER ECONOMIC RELATIONS
TRADE AGREEMENT

No. 1

Hon Tim Grosser
Minister of Trade

to

Hon Simon Crean
Minister for Trade

The Hon Simon Crean
Minister for Trade
Canberra
AUSTRALIA

Dear Minister

I have the honour to refer to the Australia New Zealand Closer Economic Relations Trade Agreement (ANZCERTA), done at Canberra on 28 March 1983, as amended, and to the discussions that have taken place between representatives of our two Governments regarding Article 3 ('Rules of Origin' (ROO)) of ANZCERTA.

At their annual CER meeting, held in Melbourne on 15 August 2008, Australian and New Zealand Ministers discussed the review of the ANZCERTA ROO. Ministers urged a prompt start to the review so as to allow Australia and New Zealand to assess thoroughly the impact of the 2007 revised Rules, and further to explore the scope to liberalise them in a manner that supports both Governments' desire to enhance the international competitiveness of their economies.

In subsequent discussions, Australia and New Zealand agreed that the review would: cover ANZCERTA Article 3 and ANZCERTA Annex G, the Product Specific Rules (PSR) schedule; revise the PSR schedule so as to align the ANZCERTA ROO with other trade agreements negotiated over the last three years, and address the unresolved issues within the 2007 ROO; consider removal of the transitional arrangement within the 2007 ROO which retained, on a grandfathered basis until 2012, the pre-2007 factory-cost based ROO; and ensure liberalisation of the ANZCERTA ROO.

New Zealand and Australia completed the review negotiations on 31 March 2010.

I understand that giving effect to the proposed changes to the PSR schedule is a relatively straightforward process for both sides, while for Australia implementing other aspects of the proposed changes to the ANZCERTA ROO may require amendments to primary legislation, the timing of which is uncertain.

In light of these circumstances, and in order to promote the earliest possible benefits from the completed negotiations, I suggest the adoption of two separate Agreements to amend ANZCERTA as follows:

- A. I propose, on behalf of the Government of New Zealand, that the Product Specific Rules in Annex G of ANZCERTA be amended by replacing the whole of the existing text of Annex G with the text in Attachment A to this letter. If this proposal is acceptable to the Government of Australia, I propose that this letter and your letter in reply accepting my proposal shall together constitute an Agreement to amend the Product Specific Rules in Annex G of ANZCERTA. This Agreement to amend ANZCERTA shall enter into force on the date that the Governments of New Zealand and Australia have notified each other by an exchange of notes that they have completed their respective domestic processes to bring the amendment into force.
- B. I also propose, on behalf of the Government of New Zealand, that Article 3 of ANZCERTA be amended by replacing the whole of the existing text of that Article with the text in Attachment B to this letter. If this proposal is acceptable to the Government of Australia, I propose that this letter and your letter in reply accepting my proposal shall together constitute an Agreement to amend Article 3 of ANZCERTA. This Agreement to amend ANZCERTA shall enter into force on the date that the Governments of New Zealand and Australia have notified each other by an exchange of notes that they have completed their respective domestic processes to bring the amendment into force.

Yours sincerely

Hon Tim Grosser
Minister of Trade

[Signature not reproduced]

No. 2

Hon Simon Crean
Minister for Trade

to

Hon Tim Grosser
Minister of Trade

The Hon Tim Grosser
Minister of Trade
Parliament Buildings
Wellington
New Zealand

Dear Tim

I have the honour to refer to your letter of 5 June 2010 which reads as follows:

[As in No. 1]

I confirm that the above proposal is acceptable to the Government of Australia, and that your letter and this reply shall together constitute two separate Agreements to amend ANZCERTA.

Yours sincerely

Simon Crean

[Signature not reproduced]

ATTACHMENT A

Not reproduced here due to sizing constraints, please contact the Ministry of Foreign Affairs and Trade for more information.

ATTACHMENT B

See the *Exchange of letters constituting an Amendment to Article 3 of the Australia New Zealand Closer Economic Relations Trade Agreement*, recorded at NZTS 2012, No. 05. (A. 636)