

Dato' Sri Mustapa Mohamed
Minister of International Trade and Industry
Kuala Lumpur
MALAYSIA

Dear Minister Mustapa

In connection with the signing on this date of the Malaysia-Australia Free Trade Agreement (the "Agreement"), I have the honour to confirm the following understanding reached by the Governments of Malaysia and Australia (the 'Parties').

The Government of Malaysia affirms that from the entry into force of the Agreement, imports from Australia of products covered by HS Heading 2204 in Malaysia's tariff schedule will be subject to treatment as favourable as that provided to imports of like products from any non-party with respect to customs duties and charges of any kind imposed on or in connection with importation, with respect to the method of levying such duties and charges, and with respect to the application of import licensing and other non-tariff measures.

The Government of Malaysia further affirms that customs duties and other charges applied to items covered by HS Headings 2203, 2205, 2206 and 2207 and 2208 will be subject to review two years after the date of entry into force of this Agreement. However Malaysia shall, at all times, reserve its rights to the imposition of any tariffs on these products.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.

Yours sincerely

Craig Emerson

The Hon Dr Craig Emerson MP
Minister for Trade and Competitiveness
Australia

Dear Minister Emerson

I refer to the signature on this date of the Malaysia-Australia Free Trade Agreement (“the Agreement”) and your letter of today’s date which reads:

“In connection with the signing on this date of the Malaysia-Australia Free Trade Agreement (the “Agreement”), I have the honour to confirm the following understanding reached by the Governments of Malaysia and Australia (the ‘Parties’).

The Government of Malaysia affirms that from the entry into force of the Agreement, imports from Australia of products covered by HS Heading 2204 in Malaysia’s tariff schedule will be subject to treatment as favourable as that provided to imports of like products from any non-party with respect to customs duties and charges of any kind imposed on or in connection with importation, with respect to the method of levying such duties and charges, and with respect to the application of import licensing and other non-tariff measures.

The Government of Malaysia further affirms that customs duties and other charges applied to items covered by HS Headings 2203, 2205, 2206 and 2207 and 2208 will be subject to review two years after the date of entry into force of this Agreement. However Malaysia shall, at all times, reserve its rights to the imposition of any tariffs on these products.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.”

I have the further honour to confirm that my Government shares this understanding and that your letter and this letter in reply shall constitute an integral part of the Agreement.

Yours sincerely

Dato’ Sri Mustapa Mohamed

The Hon Dr Craig Emerson MP
Minister of Trade and Competitiveness
Australia

Dear Minister Emerson

In connection with the signing of the Malaysia-Australia Free Trade Agreement (“the Agreement”) I have the honour to confirm the following understanding reached by the Governments of Malaysia and Australia regarding environmental issues.

In the course of exploring the inclusion of appropriate environmental protection provisions in the Agreement, we have confirmed our shared commitment to environmental protection, our interest in cooperation on environmental issues of mutual interest and our commitment to ensuring that environmental laws, regulations, rules or policies are not used for trade protectionist purposes nor environmental standards weakened to gain a trade advantage.

Considering that Malaysia and Australia are also currently involved in negotiations on environmental provisions under the Trans Pacific Partnership Agreement (“the TPP”), and once the TPP has been ratified by both countries they will be bound by the outcomes of those negotiations, Malaysia and Australia have jointly concluded that it is appropriate that environmental issues not be addressed in the Agreement at this time.

Malaysia and Australia further agree that the inclusion of environmental provisions in the Agreement will be reviewed no later than two years after the entry into force of the Agreement, or at such other time as the Parties agree.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.

Yours sincerely

Dato’ Sri Mustapa Mohamed

Dato' Sri Mustapa Mohamed
Minister of International Trade and Industry
Kuala Lumpur
MALAYSIA

Dear Minister Mustapa

I have the honour to acknowledge receipt of your letter of this date which reads as follows:

“In connection with the signing of the Malaysia-Australia Free Trade Agreement (“the Agreement”) I have the honour to confirm the following understanding reached by the Governments of Malaysia and Australia regarding environmental issues.

In the course of exploring the inclusion of appropriate environmental protection provisions in the Agreement, we have confirmed our shared commitment to environmental protection, our interest in cooperation on environmental issues of mutual interest and our commitment to ensuring that environmental laws, regulations, rules or policies are not used for trade protectionist purposes nor environmental standards weakened to gain a trade advantage.

Considering that Malaysia and Australia are also currently involved in negotiations on environmental provisions under the Trans Pacific Partnership Agreement (“the TPP”), and once the TPP has been ratified by both countries they will be bound by the outcomes of those negotiations, Malaysia and Australia have jointly concluded that it is appropriate that environmental issues not be addressed in the Agreement at this time.

Malaysia and Australia further agree that the inclusion of environmental provisions in the Agreement will be reviewed no later than two years after the entry into force of the Agreement, or at such other time as the Parties agree.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding, shall constitute an integral part of the Agreement.”

I have the further honour to confirm that my Government shares this understanding and that your letter and this reply shall constitute an integral part of the Malaysia-Australia Free Trade Agreement.

Yours sincerely

Craig Emerson

Dato' Sri Mustapa Mohamed
Minister of International Trade and Industry
Kuala Lumpur
MALAYSIA

Dear Minister Mustapa

In connection with the signing of the Malaysia-Australia Free Trade Agreement ("the Agreement") I have the honour to confirm the following understanding reached by the Governments of Malaysia and Australia regarding labour issues.

In the course of exploring the inclusion of appropriate labour provisions in the Agreement, we have affirmed our commitments as members of the International Labour Organisation and under the *Declaration on Fundamental Principles and Rights at Work and its Follow-up (1998)*. We have also affirmed our interest in facilitating cooperation and consultation on labour issues of mutual interest. Malaysia and Australia have also recognised each Party's responsibility to adopt, administer and enforce its own labour laws, regulations and practices and both are committed to ensuring that such labour laws, regulations and practices are not used for trade protectionist purposes or labour standards weakened to gain a trade advantage.

Considering that Malaysia and Australia are also currently involved in negotiations on labour provisions under the Trans Pacific Partnership Agreement ("the TPP"), and once the TPP has been ratified by both countries they will be bound by the outcomes of those negotiations, Malaysia and Australia have jointly concluded that it is appropriate that labour issues not be addressed in the Agreement at this time.

Malaysia and Australia further agree that the inclusion of labour provisions in the Agreement will be reviewed no later than two years after the entry into force of the Agreement, or at such other time as the Parties agree.

I have the honour to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.

Yours sincerely

Craig Emerson

The Hon Dr Craig Emerson MP
Minister for Trade and Competitiveness
Australia

Dear Minister Emerson

I am pleased to receive your letter of today's date, which reads as follows:

"In connection with the signing of the Malaysia-Australia Free Trade Agreement ("the Agreement") I have the honour to confirm the following understanding reached by the Governments of Malaysia and Australia regarding labour issues.

In the course of exploring the inclusion of appropriate labour provisions in the Agreement, we have affirmed our commitments as members of the International Labour Organisation and under the *Declaration on Fundamental Principles and Rights at Work and its Follow-up (1998)*. We have also affirmed our interest in facilitating cooperation and consultation on labour issues of mutual interest. Malaysia and Australia have also recognised each Party's responsibility to adopt, administer and enforce its own labour laws, regulations and practices and both are committed to ensuring that such labour laws, regulations and practices are not used for trade protectionist purposes or labour standards weakened to gain a trade advantage.

Considering that Malaysia and Australia are also currently involved in negotiations on labour provisions under the Trans Pacific Partnership Agreement ("the TPP"), and once the TPP has been ratified by both countries, they will be bound by the outcomes of those negotiations, Malaysia and Australia have jointly concluded that it is appropriate that labour issues not be addressed in the Agreement at this time.

Malaysia and Australia further agree that the inclusion of labour issues in the Agreement will be reviewed no later than two years after the entry into force of the Agreement, or at such other time as the Parties agree."

I have the further honour to confirm that my Government shares this understanding and that your letter and this letter in reply shall constitute an integral part of the Malaysia-Australia Free Trade Agreement.

Yours sincerely

Dato' Sri Mustapa Mohamed