

**FIRST MEETING OF THE JOINT COMMITTEE,
FREE TRADE AGREEMENT
BETWEEN THE GOVERNMENT OF THE REPUBLIC OF CHILE AND THE GOVERNMENT OF
MALAYSIA**

On 12th and 13th of November of 2018, the first meeting of the Joint Committee of the Free Trade Agreement between Chile and Malaysia (CMFTA) was held in Santiago, as established in Article 11.1 of the Agreement.

The Plenary Session of the Commission was co-chaired, from the Chilean side by the Director for Bilateral Economic Affairs, Mr. Felipe Lopeandía and from the Malaysian side by the Chief Negotiator Malaysia-Chile FTA, Ministry of International Trade and Industry (MITI) of Malaysia, Mr. Syahril Syazli Ghazali.

In the exchange of opening remarks, both sides coincided that it is timely and appropriate to hold the Joint Committee Meeting of the CMFTA, given the interest of work in a fluid and effective manner in improving trade between Chile and Malaysia.

I. Evaluation of the implementation of the Chile-Malaysia FTA.

Chile and Malaysia recognized that the FTA has been useful in deepening the economic and commercial ties between both countries.

Both parties agreed that it is timely to assess and review the Agreement with a view to maximize its benefits to both parties, as well as to improve the current implementation. In this regard, both parties recognized the importance of this first meeting of the Joint Committee in order to discuss the way forward.

Chile informed that in 2017, bilateral trade reached USD406.7mil, with a growth of 28.5% over the previous year. Chilean exports to Malaysia reached USD200.6mil, with a growth of 65%; while imports from Malaysia valued at USD206mil, with an increase of 6%.The main Chilean products exported to Malaysia are Copper Minerals and concentrates, Frozen Salmons, Boric Acids, Cellulose, frozen Salmon fillets, and Fish Oil.

As for Malaysia, the implementation of the MCFTA has seen significant increase in bilateral trade from USD225mil in 2012 to USD272.5mil in 2017. In term of exports, the value increased 103% from USD67.5mil to USD137.5mil in the last six years, while imports from Chile was decreased marginally from USD158mil in 2012 to USD135mil in 2017. Nevertheless, the number of Certificate of Origins (COOs) issued under MCFTA has increased from 1,626 COOs in 2012 to 3,465 COOs in 2017. Among Malaysia's main export items are electrical & electronic products (E&E), wooden furniture, rubber glove, LED,

chemical & chemical products, palm-oil and palm based and agriculture products. Meanwhile, major imports from Chile are metalliferous ores & metal scrap, fresh or frozen seafood, manufactures of metal, paper and pulp products and process food.

II. Exchange of Information on Current Negotiations or Implementation

Both countries exchanged information on each side's current situation and development of on-going FTA negotiations.

The Chilean side mentioned the state of play of the following negotiations: Chile – EU Association Agreement, Chile – Brazil FTA; Pacific Alliance and Candidates to State Associates, Upgrade in Chile – Korea FTA. Additionally, Chile presented the current status of the CPTPP ratification process.

The Malaysian side explained the state of play of the RCEP, Malaysia – EU Trade Agreement, Malaysia – Turkey; and Negotiations on PTA Malaysia – Iran. Regarding the CPTPP, Malaysia explained the status of the ratification process.

Furthermore, Malaysia informed that ASEAN has recently signed the ASEAN Agreement on E-Commerce.

Both countries also exchanged views on the effects of trade wars and shared their concerns on the impact of this situation on the Multilateral Trading System. Chile and Malaysia recognized that trade war could give some commercial opportunities in the short term, but the main risk is the bigger negative effects to the Multilateral Trading System.

III. CMFTA Implementation Issues

The Parties subscribed Decision No.1 of 2018 of the Joint Committee adopting the Rules of Procedure of the Joint Committee, the Rules of Procedure for Arbitral Tribunal Proceedings, and the Code of Conduct.

In relation to the negotiation commitments on the subjects of Services, Investments and Financial Services, both parties acknowledged that the subjects were thoroughly discussed in the context of the CPTPP and they have adopted commitments on these issues. Hence, both parties agreed to wait for the implementation of the CPTPP before addressing these issues in the bilateral FTA.

IV. Committee on Trade in Goods



Report is attached in Annex 2

V. Committee on Rules of Origin and Customs Administration

Report is attached in Annex 3

VI. Committee on Sanitary and Phytosanitary Measures

Report is attached in Annex 4

VII. Committee on Technical Barriers to Trade

Report is attached in Annex 5

VIII. Cooperation Committee

Report is attached in Annex 6

IX. Chilean Proposal to Negotiate an MoU on Global Value Chains (GVCs)

Malaysia acknowledged Chile's proposal to establish an MoU on Global Value Chains and Productive Linkages.

Chile replied the questions submitted by Malaysia regarding a better clarification in matters related to operationalization and practical scope of the proposal.

Chile emphasized on the importance of this 1st Joint Committee Meeting for both parties to move forward the discussions and outline potential strategies under the proposed MoU on GVC.

Chile and Malaysia agreed to continue the discussion on the proposed MoU and exchange contact points. Chile offered to send a first work plan proposal during the month of November.

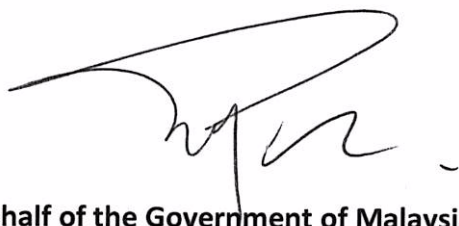
Malaysia thanks Chile for hosting the 1st Joint Committee Meeting, and both Co-Chairs agreed that it is important to keep the momentum of bilateral discussions and urged all relevant parties to engage on a regular basis.



The meeting concluded on Tuesday, November 13. Both parties acknowledged the progress and commitments made in the framework of this meeting. They will remain in contact to establish the next meeting of the Joint Committee.



**On behalf of the Government of the
Republic of Chile**



On behalf of the Government of Malaysia



ANNEX 1

List of Participants

Delegation from Chile

1. Mr. Felipe Lopeandía. Head of Delegation. Director of Bilateral Economic Affairs – DIRECON. Ministry of Foreign Affairs.
2. Mrs. Francisca Ortega. Head of Asia and Oceania Department – DIRECON. Ministry of Foreign Affairs.
3. Mrs. Andrea Cerda. Head of Market Access Department – DIRECON. Ministry of Foreign Affairs.
4. Ms. Ingrid Garrido. Advisor of Market Access Department – DIRECON. Ministry of Foreign Affairs.
5. Mr. Rafael Marín. Advisor of Market Access Department – DIRECON. Ministry of Foreign Affairs.
6. Ms. Catalina Pérez. Advisor of Market Access Department – DIRECON. Ministry of Foreign Affairs.
7. Mr. Fernando Catalán. Advisor of Regulatory Department – DIRECON. Ministry of Foreign Affairs.
8. Ms. Magdalena Puyalto. Advisor of Legal Department – DIRECON. Ministry of Foreign Affairs.
9. Mr. Sebastián Gómez. Advisor of Legal Department – DIRECON. Ministry of Foreign Affairs.
10. Ms. Claudia Ayala. Advisor of Energy, Trade and Sustainable Development Department – DIRECON. Ministry of Foreign Affairs.
11. Mr. Christian Fresard. Advisor, Asia and Oceania Department – DIRECON. Ministry of Foreign Affairs.
12. Ms Constanza Manosalva. Advisor, Global Value Chains Department – DIRECON. Ministry of Foreign Affairs.



13. Mr. Óscar Douglas. Advisor; Services, Investment and Air Transport Department – DIRECON. Ministry of Foreign Affairs.
14. Mr. Piero Guasta. Advisor; Services, Investment and Air Transport Department – DIRECON. Ministry of Foreign Affairs.
15. Mr. Nicolás Schubert. Advisor; Services, Investment and Air Transport Department – DIRECON. Ministry of Foreign Affairs.
16. Mrs. Andrea Concha. Direction of Asia Pacific. Ministry of Foreign Affairs.
17. Mrs. Julybeth Márquez. Advisor Foreign Affairs Department – ODEPA. Ministry of Agriculture.
18. Mr. Álvaro Gómez. Malaysia Desk, Division of Foreign Affairs – SAG Ministry of Agriculture.
19. Mrs. Yerka Yukich. Executive Secretariat, Digital Economy Center. Santiago Chamber of Commerce.

Delegation from Malaysia

1. Mr. Syahril Syazli Ghazali. Head of Delegation. Chief Negotiator MCFTA. Ministry of International Trade and Industry.
2. Mr. Mohd Rafizal Rahim. Senior Principal Assistant Director, Ministry of International Trade and Industry.
3. Ms. Iffah Husna Rossid. Assistant Director, Ministry of International Trade and Industry.

