

CHAPTER 16

ECONOMIC COOPERATION

Article 16.1: Objectives

1. The Parties shall promote cooperation under this Agreement for their mutual benefit in order to liberalise and facilitate trade and investment between the Parties and foster economic growth.
2. Economic cooperation under this Chapter shall be built upon a common understanding between the Parties to support the implementation of this Agreement, with the objective of maximising its benefits, supporting pathways to trade and investment facilitation, and further improving market access and openness to contribute to the sustainable, inclusive economic growth and prosperity of the Parties.

Article 16.2: Scope

1. Economic cooperation under this Chapter shall support the effective and efficient implementation and utilisation of this Agreement through activities that relate to trade and investment.
2. Economic cooperation under this Chapter shall initially focus on the following areas:
 - (a) manufacturing industries;
 - (b) agriculture, forestry and fisheries;
 - (c) trade and investment promotion;
 - (d) human resource development;
 - (e) tourism;
 - (f) information and communications technology;
 - (g) promotion of electronic commerce;
 - (h) financial services, and
 - (i) trade in environmental goods and services.

Article 16.3: Annual Work Programme on Economic Cooperation Activities

1. The Subcommittee on Economic Cooperation established under Article 16.10 shall adopt an Annual Work Programme on Economic Cooperation Activities (“Annual Work Programme”) based on proposals submitted by the Parties.
2. In the Annual Work Programme, the Subcommittee on Economic Cooperation established under Article 16.10 may change the areas listed in Article 16.2.2, including by adding other areas related to the economic cooperation.
3. Each activity in an Annual Work Programme shall:
 - (a) be guided by the objectives set forth in Article 16.1;
 - (b) be related to trade or investment and support the implementation of this Agreement;
 - (c) involve both Parties;
 - (d) address the mutual priorities of the Parties, and
 - (e) avoid duplicating existing economic cooperation activities.

Article 16.4: Competition Policy

1. The Parties recognise the importance of cooperation in the area of competition policy. The Parties may cooperate to exchange information relating to the development of competition policy, subject to their laws and regulations and available resources. The Parties may conduct such cooperation through their competent authorities.
2. The Parties may consult on matters related to anti-competitive practices and their adverse effects to trade. The consultations shall be without prejudice to the autonomy of each Party to develop, maintain and enforce its competition laws and regulations.

Article 16.5: Trade and Environment

Cooperation on Trade and Environment

1. Recognizing the importance of strengthening capacity to promote sustainable development with their three interdependent and mutually reinforcing components, which

are economic growth, social development, and environmental protection, the Parties agree to cooperate in the field of trade and environment.

2. The Parties reaffirm their respective commitments under the multilateral environment agreements to which the Parties are party.

3. Each Party recognises the sovereign right of the other Party to set its own environmental laws, regulations and policies. The Parties shall ensure that their environmental laws, regulations and policies are not used for trade protectionist purposes. The Parties recognize that it is inappropriate to encourage trade or investment by weakening or reducing the protection afforded in their respective environmental laws and regulations.

4. Considering their national priorities and available resources, the Parties shall cooperate in areas of mutual interest and benefit regarding trade and environment. These areas may include:

- (a) circular economy;
- (b) air quality;
- (c) biodiversity;
- (d) water management;
- (e) waste management;
- (f) marine and coastal ecological conservation and pollution control;
- (g) green technologies;
- (h) sustainable fisheries;
- (i) environmental education and awareness;
- (j) sustainable agriculture;
- (k) the relationship between economic activity, market forces and the environment;

- (l) the relationship of their respective environmental and trade policies;
- (m) the environmental provisions of trade agreements, and they implementation, and
- (n) other areas that the Parties may agree.

5. Each Party may invite social partners, relevant agencies or stakeholders, as appropriate, to participate in relevant cooperation activities or in the identification of potential areas of cooperation.

Trade and Climate Change

6. The Parties recognize that climate change poses significant risks to communities, infrastructure, the economy, the environment, and human health, with possible impacts on international trade, and that efforts to increase resilience are required. The Parties reaffirm the principles and objectives of the *United Nations Framework Convention on Climate Change*, done at New York on 9 May 1992, the *Kyoto Protocol to the United Nations Framework Convention on Climate Change*, done at Kyoto on 11 December 1997, and the *Paris Agreement*, done at Paris on 12 December 2015.

7. The Parties shall cooperate to address matters of common interest related to trade and environment. These areas of cooperation may include, among others:

- (a) research and development of cost-effective low carbon emission technologies;
- (b) energy efficiency;
- (c) development of clean and renewable energy;
- (d) co-benefits in enhancing air quality through air pollution control measures;
- (e) monitoring and reporting and verification (MRV);
- (f) methodologies of accounting for greenhouse gas (GHG) emissions reduction in the framework of international agreements, and
- (g) market and non-market carbon pricing mechanisms.

Responsible Business Conduct

8. Each Party shall encourage enterprises operating within its territory or subject to its jurisdiction to voluntarily incorporate into their business practices and internal policies, internationally-recognised principles, standards and guidelines of responsible business conduct, in its environmental dimension, that have been endorsed or are supported by that Party.

Article 16.6: Cooperation on Labour Matters

Cooperation on Labour Matters

1. The Parties share the general common objective that trade liberalisation and investment facilitation should lead to job creation, decent work, and meaningful occupations for workers, with terms and conditions of employment that comply with the Party's obligations under the main labour principles of the International Labor Organization (ILO). Therefore, the Parties agree to cooperate in the labour field.

2. The Parties reaffirm their obligations as members of the ILO, in particular their respect for the principles of the ILO Declaration on Fundamental Principles and Rights at Work and its monitoring, and will work to ensure that their laws, regulations, policies and labour practices are in harmony with its international commitments.

3. Each Party shall respect the sovereign right of the other Party to establish, administer and enforce its own labour laws, regulations, policies and priorities, and shall ensure that its labour laws, regulations and policies are not used for protectionist trade purposes.

4. The Parties shall not seek to promote or obtain trade advantages by weakening or failing to apply or administer their labour laws, regulations and policies, in a manner that affects trade between the Parties.

5. Considering their national priorities and available resources, the Parties will jointly explore and determine areas of cooperation of mutual interest and benefit related to labour. These areas may include, but are not limited to:

- (a) exchange of best practices and information on labour laws and practices, including the promotion of labour rights and obligations and decent work;

- (b) consultations on labour matters, exchange of information and good practices in labour relations policies and cooperation in labour management;
- (c) social security, health and occupational safety;
- (d) development of human capital, training and employability;
- (e) experiences regarding the relationship between trade and labour issues and employment, and
- (f) such other matters as the Parties may agree, in accordance with their labour laws and regulations.

Forced or Compulsory Labour

6. Each Party recognises the goal of eliminating all forms of forced or compulsory labour, including forced or compulsory child labour. The Parties agree to share information, experiences and good practices related to this matter.

Responsible Business Conduct

7. Each Party shall encourage enterprises operating within its jurisdiction to adopt policies of responsible business conduct that contribute to achieving sustainable development in its labour dimension, and are consistent with internationally-recognised principles, standards and guidelines that have been endorsed or are supported by that Party.

Article 16.7: Resources

1. Resources for economic cooperation under this Chapter shall be provided in a manner as agreed by the Parties and in accordance with the laws and regulations of the Parties.
2. The Parties, on the basis of mutual benefit, may consider cooperation with, and contributions from, non-parties, to support the implementation of the Annual Work Programme.

Article 16.8: Means of Cooperation

The Parties shall endeavour to encourage technical, technological and scientific

economic cooperation, through the following:

- (a) joint organization of conferences, seminars, workshops, meetings, training sessions and outreach and education programmes;
- (b) exchange of delegations, professionals, technicians and specialists from the academic sector, institutions dedicated to research, private sector and governmental agencies, including study visits and internship programmes for professional training;
- (c) dialogue and exchange of experiences between the Parties' private sectors and agencies involved in trade promotion;
- (d) dialogue and knowledge-sharing aiming to transfer experience and best practices in the field of government development and modernization, through any available programmes from both Parties, such as the UAE's Government Experience Exchange Programme;
- (e) promotion of joint business initiatives between entrepreneurs of the Parties, and
- (f) any other form of cooperation that may be agreed by the Parties.

Article 16.9: Cooperative Framework

1. Recognizing the critical role of the private sector in leveraging the full potential of this Agreement, this Article establishes a voluntary framework for collaborative engagement between the respective Parties' Chambers of Commerce, which aims to promote this Agreement and achieve tangible benefits.

2. This collaborative framework aims to include, but is not limited to:

- (a) organization of seminars and workshops to educate their respective business communities of the operational aspects of this Agreement, share success stories and challenges;
- (b) coordination of joint trade missions and networking events with a focus on establishing partnership and identifying joint venture opportunities, and
- (c) providing support services to assist businesses of both Parties in understanding and utilising this Agreement.

3. For the purposes of this Article, the contact points shall be designated by the Joint Committee at its first meeting.

Article 16.10: Subcommittee on Economic Cooperation

1. For the purposes of the effective implementation and operation of this Chapter, the Parties hereby establish a Subcommittee on Economic Cooperation (“Subcommittee”) composed by government representatives of each Party.

2. The Subcommittee shall have the following functions:

- (a) monitor and assess the implementation of this Chapter;
- (b) identify new opportunities and agree on new ideas for prospective cooperation or capacity building activities;
- (c) formulate and develop proposals for the Annual Work Programme and their implementation mechanisms;
- (d) coordinate, monitor and review the progress of the Annual Work Programme to assess its overall effectiveness and contribution to the implementation and operation of this Chapter;
- (e) change the Annual Work Programme;
- (f) cooperate with other subcommittees or subsidiary bodies established under this Agreement to perform stocktaking, monitoring, and benchmarking on any issues related to the implementation of this Agreement, as well as to provide feedback and assistance in the implementation and operation of this Chapter, and
- (g) report to and, if deemed necessary, consult with the Joint Committee in relation to the implementation and operation of this Chapter.

Article 16.11: Corporate Social Responsibility

The Parties reaffirm the importance of each Party encouraging enterprises operating within its territory or subject to its jurisdiction to voluntarily incorporate into their internal policies those internationally-recognised standards, guidelines and principles of corporate social responsibility that have been endorsed or are supported by that Party.

Article 16.12: Non-Application of Dispute Settlement

Neither Party shall have recourse to dispute settlement under Chapter 18 (Dispute Settlement) for any matter arising under this Chapter.