



Office of Hon Jim Sutton
Minister of Agriculture
Minister for Biosecurity
Minister for Trade Negotiations
Associate Minister for Rural Affairs
MP for Aoraki

31 MAY 2005

His Royal Highness Prince Mohamed Bolkiah
Minister for Foreign Affairs
BRUNEI DARUSSALAM

Dear Minister

I refer to the letter from Pehin Abdul Rahman Taib, the Minister of Industry and Primary Resources of Brunei Darussalam, of 23 May 2005. On behalf of New Zealand I wish to express our pleasure at your Government's desire to join and become a party to the Trans-Pacific Strategic Economic Partnership (referred to as the Agreement).

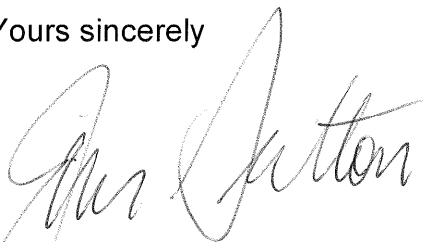
I note the flexibilities that have been given by Chile, New Zealand and Singapore to Brunei Darussalam to enable it to join the Strategic Economic Partnership which were reiterated in the letter as follows:

- "Brunei Darussalam's Schedule under Chapter 3 of Trade in Goods will be completed and agreed upon by the parties before the Agreement is opened for signature. Upon completion of such schedule Brunei Darussalam will become a signatory to the Agreement.
- Upon signature, the Agreement shall apply provisionally to Brunei Darussalam after it submits to the parties an instrument confirming such provisional application. The Agreement however shall not initially be applicable in respect of Chapter 11 - Government Procurement and Chapter 12 - Trade in Services whereby the provisions below explain the conditions applicable to these two Chapters.
- All the parties agree that Brunei Darussalam shall have two years, after entry into force of the Agreement, to prepare, negotiate and finalise its Schedule to Annex 11.A of Chapter 11 - Government Procurement and Annex III and Annex IV of Chapter 12 - Trade in Services. Upon completion and agreement by all the parties of its Annexes for both Chapters, Brunei Darussalam shall within two months submit its Instrument of Ratification, Approval or Acceptance to the Agreement.

- It was further agreed by all the parties that Brunei Darussalam shall exclude the Mini Tender Board, which has a procurement value limited to B\$250,000.00 or less, from the Government Procurement Chapter of the Agreement. As such this limit or value shall therefore be maintained and be included as a qualification in its Schedule to Annex 11.A of the Government Procurement Chapter, and
- Brunei Darussalam, owing to its small economy, shall within its capacity endeavour to adhere to the applicable provisions of Chapter 9 - Competition Policy of the Agreement and affirms its commitment to adhere to the APEC Principles to Enhance Competition and Regulatory Framework. To this end Brunei Darussalam shall continue to inform the Parties of any development and changes to its policies on competition and further acknowledge that establishment of a competition law and a competition authority shall constitute application of the provision of the Competition Chapter to Brunei Darussalam.”

I have the honour to confirm that the understandings outlined above are shared by my Government and should be incorporated into the text of the Agreement. May I take this opportunity to express our sincere welcome to Brunei Darussalam as a member of the Trans-Pacific Strategic Economic Partnership Agreement and look forward to the strengthening of our trade relationship.

Yours sincerely

A handwritten signature in black ink, appearing to read "Jim Sutton". The signature is fluid and cursive, with a large loop at the end.

Hon Jim Sutton
Minister for Trade Negotiations