5 July 2004

Dear Minister Watana,

I refer to the signing on this date of the Thailand-Australia Free Trade Agreement (hereinafter "the Agreement") and the discussions during the negotiation of the Agreement in relation to the administration of tariff rate quotas (TRQs).

I wish to propose that:

Thailand shall administer the TRQs set out in the Attachment to Annex 2 in a way that is transparent, timely, responsive to market conditions and minimally burdensome to trade;

In line with Article 203 (4), and consistent with the objectives of the Agreement, Thailand and Australia shall cooperate with a view to developing shared understandings on procedures for the administration of TRQs and their implementation. Such cooperation shall take place in a subsidiary body to be established under the FTA Joint Commission to discuss all relevant issues; and

At the request of either Party, Australia and Thailand shall enter into consultations by mutual consent on any matter regarding the administration of TRQs;

If the above proposals are acceptable to Thailand, then I propose that this letter and your confirmatory reply shall constitute an integral part of the Agreement.

Yours sincerely,

Mark Vaile Minister for Trade

Mr. Watana Muangsook Minister of Commerce Kingdom of Thailand

5 July 2004

Dear Minister Vaile,

I refer to the signing on this date of the Australia-Thailand Free Trade Agreement (hereinafter "the Agreement") and your letter of this date, which reads:

"Dear Minister Watana,

I refer to the signing on this date of the Thailand-Australia Free Trade Agreement (hereinafter "the Agreement") and the discussions during the negotiation of the Agreement in relation to the administration of tariff rate quotas (TRQs).

I wish to propose that:

Thailand shall administer the TRQs set out in the Attachment to Annex 2 in a way that is transparent, timely, responsive to market conditions and minimally burdensome to trade;

In line with Article 203 (4), and consistent with the objectives of the Agreement, Thailand and Australia shall cooperate with a view to developing shared understandings on procedures for the administration of TRQs and their implementation. Such cooperation shall take place in a subsidiary body to be established under the FTA Joint Commission to discuss all relevant issues; and

At the request of either Party, Australia and Thailand shall enter into consultations by mutual consent on any matter regarding the administration of TROs:

If the above proposals are acceptable to Thailand, then I propose that this letter and your confirmatory reply shall constitute an integral part of the Agreement."

The Honourable Mark Vaile MP Minister for Trade Australia I have the honour to confirm that your proposals are acceptable to Thailand. Therefore, your letter and this reply shall constitute an integral part of the Agreement.

Yours sincerely,

Watana Muangsook Minister of Commerc