



Australian Government

Department of Foreign Affairs and Trade

### ***FACT SHEET – CLOTHING AND FOOTWEAR***

Australian exports of clothing and footwear to ASEAN are small, although ASEAN accounts for a high percentage of exports of parts for footwear (33% of annual average exports). Tariffs on clothing and footwear in ASEAN countries are generally high, with most in the 15%-30% range and some as high as 60%. All tariffs will be eliminated in these sectors in the major ASEAN markets of Malaysia and Vietnam, and also in the Philippines with the exception of 11 footwear tariffs that will be phased to 5%, and in Indonesia except for 77 clothing lines phased to 5%. Most countries will liberalise their market relatively early in the tariff phasing period. Phased removal of tariffs should provide some new market opportunities and greater market access certainty.

#### Australia's Exports to ASEAN (Australian Produce)

Product (HS 61-62, 64)	Exports to ASEAN  3 Year Average 2006-2008 (\$A million)	Exports to ASEAN as Percentage of Australia's Global Exports of Each Product 3 Year Average 2006- 2008 %
Men's or boys' clothing (HS 6101, 6103, 6105, 6107, 6201, 6203, 6205, 6207)	0.7	4.4
Women's or girls' clothing (HS 6102, 6104, 6106, 6108, 6202, 6204, 6206, 6208)	1.0	2.7
Jerseys and pullovers, knitted or crocheted (HS 6110)	0.3	3.7
T-shirts, singlets and other vests (HS 6109)	0.3	3.1
Tracksuits, skisuits and swimwear (HS 6112, 6211)	2.3	10.0
Other clothing accessories, parts of clothing or parts of accessories (HS 6117, 6217)	0.5	9.0
Other clothing (HS 6111, 6113-6116, 6209-6210, 6212-6216)	1.0	5.1
Footwear (HS6401-6405)	0.7	3.0
Parts of footwear (6406)	1.0	33.0
Total	7.7	5.4

## Summary of Outcomes:

### **Australia**

#### **Clothing**

- Tariffs will be eliminated on all tariff lines by 2020:
  - Tariffs of 0% (31 tariff lines) and 5% (3 lines): will be bound at 0% at entry-into-force (EIF).
  - Tariffs of 7.5% on 28 tariff lines: will be eliminated in 2010.
  - Tariffs of 17.5% on 216 tariff lines: will be eliminated at EIF (61 lines) or phase to 0% by 2012 (6 lines) or by 2015 (22 lines) or by 2020 (127 lines).

#### **Footwear**

- Tariffs will be eliminated on all tariff lines at EIF:
  - Tariffs of 0% (11 tariff lines): will be bound at 0% at EIF.
  - Tariffs 5% (2 tariff lines): will be bound at 0% at EIF.
  - Tariffs of 7.5% (5 tariff lines): will be bound at 0% at EIF.
  - Tariffs of 10% (22 tariff lines): will be bound at 0% at EIF.

### **Indonesia**

#### **Clothing**

- Tariffs will be eliminated by 2013 (338 tariff lines) or by 2020 (1 tariff line), or will phase to 5% by 2016 (77 tariff lines):
  - Tariff of 5% on 1 tariff line: will be eliminated in 2010.
  - Tariffs 10% on 74 tariff lines: will phase to 0% by 2012 (73 lines) or phase to 0% by 2020 (1 tariff line covering panties, bathrobes, dressing gowns, etc).
  - Tariffs of 15% on 341 tariff lines: will phase to 0% by 2013 (264 lines) or phase to 5% by 2016 (77 lines).

#### **Footwear**

- Tariffs will be eliminated on all tariff lines by 2013:
  - Tariffs of 5% on 7 tariff lines: will phase to 0% by 2010.
  - Tariffs of 10% on 15 tariff lines: will phase to 0% by 2012.
  - Tariffs of 15% on 16 tariff lines: will phase to 0% by 2013.

### **Malaysia**

#### **Clothing**

- Tariffs will be eliminated on all tariff lines by 2012:
  - Tariffs of 0% on 49 tariff lines: bound at EIF.
  - Tariff of 10% on 1 tariff line: will phase to 0% by 2011.
  - Tariffs of 15% on 25 tariff lines: will phase to 0% by 2012.
  - Tariffs of 20% on 176 tariff lines: will phase to 0% by 2012.

#### **Footwear**

- Tariffs will be eliminated on all tariff lines by 2013:
  - Tariffs of 0% on 21 tariff lines: bound at EIF.
  - Tariffs of 2% on 1 tariff line: will be eliminated at EIF.

- Tariffs of 5% on 2 tariff lines: will be eliminated in 2010.
- Tariffs of 10-20% on 3 tariff lines: will phase to 0% by 2011 or 2012.
- Tariffs of 25% on 8 tariff lines: will phase to 0% by 2013
- Tariffs of 30% on 15 tariff lines: will phase to 0% by 2013.

## **New Zealand**

### **Clothing**

- Tariffs will be eliminated on all tariff lines by 2020:
  - Tariffs of 0-5% will be bound at 0% at EIF.
  - Tariffs of 7%-7.5% will phase to 0% by 2017.
  - Tariffs of 19% will phase to 0% by 2017 (176 lines) or by 2020 (101 lines) or by 2012 (2 lines).

### **Footwear**

- Tariffs will be eliminated on all tariff lines by 2018:
  - Tariffs of 0% bound at EIF.
  - Tariffs of 7%-7.5% will phase to 0% by 2017.
  - Tariffs of 17.5%-19% phase to 0% by 2017 or 2018.

Note: Australia already benefits from bound 0% tariffs under ANZCERTA.

## **Philippines**

### **Clothing**

- Tariffs will be eliminated on all tariff lines by 2013:
  - Tariffs of 1% on 3 tariff lines: will be eliminated in 2010.
  - Tariffs of 15% on 394 lines: will phase to 0% by 2013.

### **Footwear**

- Tariffs will be eliminated on all tariff lines by 2016, except for 11 lines on which the tariff is phased to 5 by 2016:
  - Tariffs of 1-5% on 8 tariff lines: will be bound at 0% at EIF (3 lines) or eliminated in 2010 (5 lines).
  - Tariffs of 10% on 5 tariff lines: will be eliminated at EIF (2 lines) or phase to 0% by 2012 (3 lines).
  - Tariffs of 15% on 26 tariff lines: will be eliminated at EIF (13 lines) or phase to 0% by 2015 (2 lines) except for 11 lines which will be phased to 5% by 2016.

## **Singapore**

- **All tariffs bound at 0% on EIF.**

Note: these tariff commitments are the same as in SAFTA.

## **Thailand**

### **Clothing**

- Tariffs will be eliminated on all tariff lines by 2020:
  - Tariffs if 10% (15 tariff lines): will phase to 0% by 2017.

- Tariffs of 20% (2 tariff lines): will phase to 0% by 2019.
- Tariffs of 30% (241 lines): will phase to 0% by 2020 (238 lines) or by 2013(3 lines).
- Tariffs of 60% (3 lines): will phase to 0% by 2020.

#### **Footwear**

- Tariffs will be eliminated on all tariff lines by 2013:
  - Tariffs of 10% (3 lines): will phase to 0% by 2010.
  - Tariffs of 30% (27 lines): will phase to 0% by 2013.
  - Tariffs of 40% (1 line): will phase to 0% by 2013.

*Note: tariff commitments are better in TAFTA for most products.*

#### **Vietnam**

##### **Clothing**

- Tariffs will be eliminated on all tariff lines by 2018:
  - Tariffs of 5% on 11 tariff lines: will be eliminated in one step in 2016.
  - Tariffs of 50% on 383 tariff lines: will phase to 0% by 2018.

##### **Footwear**

- Tariffs will be eliminated on all tariff lines by 2018:
  - Tariffs of 10% on 3 tariff lines: will phase to 0% by 2016.
  - Tariffs of 20% on 3 tariff lines: will phase to 0% by 2017.
  - Tariffs of 30% on 1 tariff lines: will phase to 0% by 2018.
  - Tariffs of 50% on 31 tariff lines: will phase to 0% by 2018.