



Australian Government

Department of Foreign Affairs and Trade

FACT SHEET – SUMMARY OF KEY MARKET ACCESS GAINS FOR GOODS

AANZFTA provides for the progressive reduction or, for most products, elimination of tariffs facing Australian goods exports to ASEAN over a transition period, and the elimination of all Australian tariffs on imports from AANZFTA Parties. In addition to achieving high overall levels of tariff elimination, as summarised in the Fact Sheet – Overview of Tariff Outcomes, significant commitments have been achieved in individual product sectors. The following list is a summary of key sectoral outcomes for Indonesia, Malaysia, the Philippines and Vietnam, which are the major ASEAN markets with which Australia does not currently have bilateral free trade agreements (FTAs):

- **Meat and Livestock:** existing liberal access for live bovine animals will be guaranteed through tariffs bound at 0% or phased to 0% or 2.5%. Tariffs on most meat tariff lines bound at 0% on entry-into-force (EIF) or phased to 0%, although some lines are subject to tariff reductions only, and a few lines are excluded from tariff commitments in some countries.
- **Fish:** tariffs on the vast majority of tariff lines bound at 0% or phased to 0%, with tariffs on remaining lines mainly reduced to 5% or less.
- **Dairy products:** tariffs on all tariff lines bound at 0% on EIF or phased to 0%, except for 11 lines in Indonesia that will be phased to 4%, 2 lines in the Philippines that will be phased to 5%, and 3 lines (liquid milk) in Malaysia subject to improved tariff quota access.
- **Grains:** for most products tariffs bound at 0% on EIF or phased to 0%. Rice is excluded from tariff commitments by Indonesia, Malaysia and the Philippines. Maize is excluded from tariff commitments by Indonesia.
- **Horticulture:**
 - Fruit and nuts: tariffs on most products phased to 0%, with the major exceptions being mandarins and mangoes in Indonesia (only modest tariff reductions) and a range of tropical fruits in Malaysia (reduced to 5%).
 - Vegetables: tariffs on all products phased to 0% in Malaysia and Vietnam. Tariffs on most products phased to 0% in Indonesia and the Philippines, but there will only be modest reductions on some products with high tariffs (including potatoes and carrots in Indonesia; potatoes, celery, carrots, cauliflowers, broccoli and lettuce in the Philippines), and a few other products phase to 5% or less.
 - Fruit and vegetable juices; prepared and processed fruit and vegetables and nuts: tariffs on all products bound at 0% on EIF or phased to 0%.

- **Sugar:** Malaysia will bind its tariffs at 0% on EIF, while Vietnam will reduce its tariffs. Indonesia and the Philippines have excluded sugar from their tariff commitments.
- **Wine and spirits:** the Philippines will phase all tariffs to 0% by 2015, and Vietnam will reduce its tariffs in 2022. Indonesia and Malaysia have excluded wine and spirits from tariff commitments.
- **Wool and cotton:** tariffs on all tariff lines bound at 0% on EIF or phased to 0%.
- **Pulp and paper:** low tariffs on pulp and waste will be bound at 0% or eliminated by 2010. Higher tariffs on paper products phase to 0% except for a small number of tariff lines in Vietnam where tariffs will be reduced significantly.
- **Minerals:** tariffs on almost all tariff lines will be bound at 0% on EIF or phased to 0% in Indonesia, Malaysia and the Philippines. Vietnam will phase tariffs on most tariff lines to 0% but exclude 41 lines from tariff commitments.
- **Iron and steel, and products:** tariffs on a majority of tariff lines will be bound at 0% on EIF or phased to 0%, with most other lines bound at, or phased to, 10% or less. However, between 7% and 10% of tariff lines excluded from tariff commitments by the Philippines and Vietnam.
- **Copper, lead and zinc, and products:** tariffs on all tariff lines bound at 0% on EIF or phased to 0% except for 1 tariff line in Indonesia (refined copper cathodes) which will be bound at 5%.
- **Aluminium and products:** tariffs on all tariff lines bound at 0% on EIF or phased to 0%.
- **New Passenger motor vehicles (PMV):**
 - early elimination (on EIF, 2010 or 2012) of all tariffs in the Philippines;
 - tariffs phased to 0% on larger PMV (above 2500cc engines) in Malaysia by 2013, and on PMV with engines between 3000-4000cc in Indonesia by 2014;
 - smaller PMV phased to 5% in Malaysia, but not until 2017, and to 0% in Indonesia, but not until 2019;
 - only modest reductions to tariffs on PMV with engines above 4000cc, and all diesel-engine PMV, in Indonesia;
 - only modest reductions to tariffs in Vietnam.
- **Automotive parts and components:** tariffs phased to 0% on almost all tariff lines, with the remaining lines generally phased to 5%, and with most tariffs eliminated or in the 0-5% range as early as 2013 (or, in Vietnam, 2018).
- **Chemicals:** tariffs on all tariff lines bound at 0% on EIF or phased to 0% in Malaysia, and on all except a small number of tariff lines in Indonesia, the Philippines and Vietnam.

- **Pharmaceutical products:** tariffs on all tariff lines bound at 0% on EIF or phased to 0%, except for 1 tariff line (waste pharmaceuticals) excluded from tariff commitments by Indonesia and Vietnam, and 3 lines phased to 5% in Vietnam.
- **Plastics:** tariffs phased to 0% on all tariff lines in Malaysia, all but 6 lines in Vietnam, and on the majority of lines in Indonesia (with the remainder reduced to the 8%-15% range). The Philippines will phase tariffs to 0% on a majority of tariff lines, with the remainder phased to the 6%-12% range.
- **Textiles, clothing and footwear:** tariffs on all tariff lines phased to 0% in Malaysia, and in other countries on all lines with the exception: in Indonesia, of 12 textile and 77 clothing lines that phase to 5%; in the Philippines, of 8 textile lines that phase to 12% or 5%, and 11 footwear tariffs that phase to 5%; and in Vietnam of 5 lines that are excluded from tariff commitments.
- **Machinery and mechanical appliances, and parts:** tariffs on the majority of tariff lines bound at 0% on EIF or phased to 0% by 2012, with most of the other lines phased to 0% by 2020, and remaining lines phased to 5% or less, except for a few lines excluded from tariff commitments in Indonesia.
- **Electrical machinery and equipment, and parts:** tariffs on almost all tariff lines phased to 0%, with remaining tariffs generally reduced to 5% or less.
- **Instruments and apparatus (including optical, photographic, measuring and medical):** tariffs on all tariff lines bound at 0% on EIF or phased to 0%.

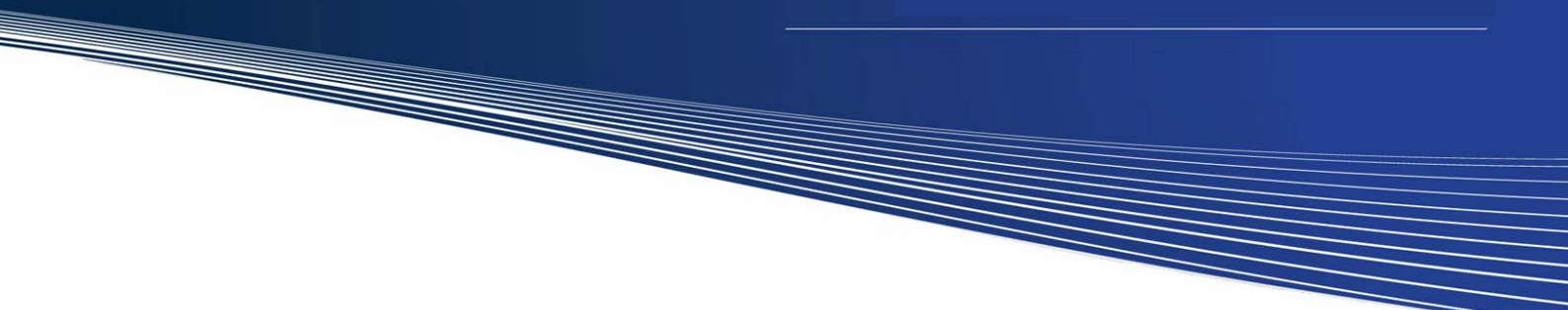
Sectoral Fact Sheets

Separate Fact Sheets provide more detail on the tariff outcomes in each of these sectors. The information in this and other Fact Sheets summarises the outcomes for broad sectoral groups that often contain many hundreds of tariff lines. Companies need to check the Tariff Schedule of each country that is in Annex 1 of the Agreement to confirm the treatment of specific tariff lines of interest to them.

Existing Bilateral FTAs

Australia already has bilateral FTAs with New Zealand, Singapore and Thailand. AANZFTA will not affect the ability of companies and traders to continue to trade under these FTAs, as long as they meet the rules of origin (ROO) applicable under the relevant FTA. Australian companies and traders will, however, be able to make use of AANZFTA's regional ROO when trading with these three countries under their AANZFTA tariff commitments. See the Fact Sheet – Rules of Origin.

- Tariff outcomes in AANZFTA are the same for Singapore as in the Singapore-Australia Free Trade Agreement (SAFTA) (tariff free treatment on all tariff lines).

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- For New Zealand, Australia already enjoys tariff free treatment on all tariff lines under the Australian-New Zealand Closer Economic Relations – Trade Agreement (ANZCERTA). In AANZFTA, while New Zealand will eliminate tariffs on a majority of tariff lines on EIF, elimination of tariffs on all tariff lines will not be achieved until 2020.
 - In relation to Thailand, for many tariff lines tariff elimination is achieved earlier in the Thailand-Australia Free Trade Agreement (TAFTA) than in AANZFTA, and for a few tariff lines tariffs will be eliminated in TAFTA but not in AANZFTA.