



Australian Government

Department of Foreign Affairs and Trade

### ***FACT SHEET – PHARMACEUTICAL PRODUCTS***

ASEAN is a significant market for Australian exports of pharmaceutical products, with annual average total exports of \$599 million. Tariffs on all tariff lines in this sector will be eliminated except for 1 tariff line (waste pharmaceuticals) excluded from tariff commitments by Indonesia and Vietnam, 3 other lines reduced to 5% in Vietnam, 1 line that will be bound at 1.5% in Burma, and a few lines reduced to 3% in Laos. While current tariffs are generally 0% or low, Australian industry will benefit from the binding and elimination of these tariffs, in many cases early in the implementation of the Agreement.

#### Australia's Major Exports to ASEAN (Total Exports)

Product (HS Chapter 30)	Exports to ASEAN  3 Year Average 2006-2008 (\$A million)	Exports to ASEAN as Percentage of Australia's Total Exports of Each Product  3 Year Average 2006- 2008 %
Medicaments NES, for retail sale (HS 3004.90)	493.0	16.1
Antibiotics, other than penicillin and streptomycins) (HS 3004.20)	51.1	32.8
Medicaments not containing hormones or alkaloids, not for retail sale (HS 3003.90)	15.4	37.6
Antisera and other blood fractions (HS 3002.10)	9.6	13.4
Vitamins, for retail sale (HS 3004.50)	5.8	32.9
Vaccines for human medicine (HS 3002.20)	7.5	7.1
Dental cements, other dental fillings, bone reconstruction cements (HS 3006.40)	2.3	9.3
Medicaments containing adrenal cortical hormones, for retail sale (HS 3004.32)	2.5	7.3
Other	11.6	5.6
<b>TOTAL</b>	<b>598.8</b>	<b>16.1</b>

## Summary of Outcomes

### Australia

- 2005 base tariffs (35 tariff lines):
  - 0% on 27 tariff lines
  - 5% on 8 tariff lines.
- Tariffs will be eliminated on all tariff lines by 2010:
  - 0% tariffs will be bound at entry-into-force (EIF)
  - 5% tariffs on 6 lines will be eliminated at EIF
  - 5% tariffs on 2 lines will be eliminated in 2010.

### Cambodia

- **All pharmaceuticals:** tariffs bound at 0% at EIF.

### Indonesia

- 2005 base tariffs (125 tariff lines):
  - 0% on 16 lines
  - 5% on 104 lines
  - 10% on 4 lines
  - 15% on 1 line.
- Tariffs will be bound at 0% at EIF or eliminated by 2011 on all but one line:
  - 5% tariffs will be eliminated in 2010
  - 10% tariffs will phase to 0% by 2011
  - 15% tariff on waste pharmaceuticals excluded from tariff commitments.

### Malaysia

- 2005 base tariffs (198 tariff lines):
  - 0% on 198 tariff lines.
- 0% tariffs on all lines bound at EIF.

### New Zealand

- 2005 base tariffs:
  - 0% on 48 tariff lines
- 0% tariffs on all lines bound at EIF.

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

### Philippines

- 2005 base tariffs (120 tariff lines):
  - 0% on 1 tariff line
  - 1% on 30 tariff lines
  - 3% on 21 tariff lines

- 5% on 67 tariff lines.
- 20% on 1 tariff line.
- Tariffs on all lines will be bound at 0% at EIF or eliminated by 2013:
  - 0% tariff will be bound at EIF.
  - Tariffs on an additional 118 lines will be eliminated by 2010.
  - 20% tariff on waste pharmaceuticals will be eliminated by 2013.

### **Singapore**

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

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

### **Thailand**

- 2005 base tariffs (63 tariff lines):
  - 0% on 21 tariff lines
  - 1% on 5 tariff lines
  - 5% on 1 tariff line
  - 10% on 35 tariff lines
  - 30% on 1 tariff line.
- All tariffs eliminated by 2013:
  - Tariffs at 0% bound at EIF
  - Tariffs at 1%, 10% and 30% eliminated from 2010
  - Tariff of 5% on one line eliminated from 2013.

*Note: for some products tariffs are eliminated earlier under TAFTA.*

### **Vietnam**

- 2005 base tariffs (120 tariff lines):
  - 0% on 58 tariff lines
  - 5% on 14 lines
  - 10% on 45 lines
  - 15% on 2 lines
  - 20% on 1 line.
- Tariffs eliminated on all lines by 2020, except for 1 line excluded from tariff commitments and 3 lines phased to 5%:
  - Tariffs at 0% bound at EIF.
  - Tariffs at 5% and 15%, and most tariffs at 10%, phased to 0% by 2016, and others phased to 0% by 2020, except for 3 lines phased to 5%.
  - Tariff of 20% on one line (waste pharmaceuticals) excluded from tariff commitments.

### **Other ASEAN countries:**

#### **Brunei:**

- Current tariffs at 0% (122 lines) will be bound at EIF.

### **Burma:**

- Tariffs at 0% (6 lines covering vaccines for human or veterinary use) will be bound at EIF.
- Tariffs at 1% (3 lines covering extracts of, or dried, glands or other organs) will be eliminated in 2020
- Remaining tariffs of 1.5% (112 lines) will be eliminated in 2020, or in 2024 for 2 lines covering morphine and medicines for children.

### **Cambodia:**

- Current tariffs at 0% (120 lines) will be bound at EIF.

### **Laos:**

- Tariffs at 5% (29 lines) will be eliminated in either 2019 or 2021, except for 8 lines that will be reduced to 3% in 2024;
- Tariffs at 10% (91 lines) will be phased out by 2021, commencing mostly in 2015.