



**Australian Government**

**Department of Foreign Affairs and Trade**

***ASEAN-AUSTRALIA-NEW ZEALAND FREE TRADE AGREEMENT (AANZFTA)***

***AANZFTA FACT SHEETS (CONSOLIDATED)***

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### **Disclaimer**

This publication is a guide intended to provide general background information to the Agreement establishing the ASEAN–Australia–New Zealand Free Trade Area. Views offered herein are without prejudice to any legal interpretation of the Agreement by the Australian Government. The information contained in the document does not constitute and is not intended to be legal or commercial advice.

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### AANZFTA - OVERVIEW

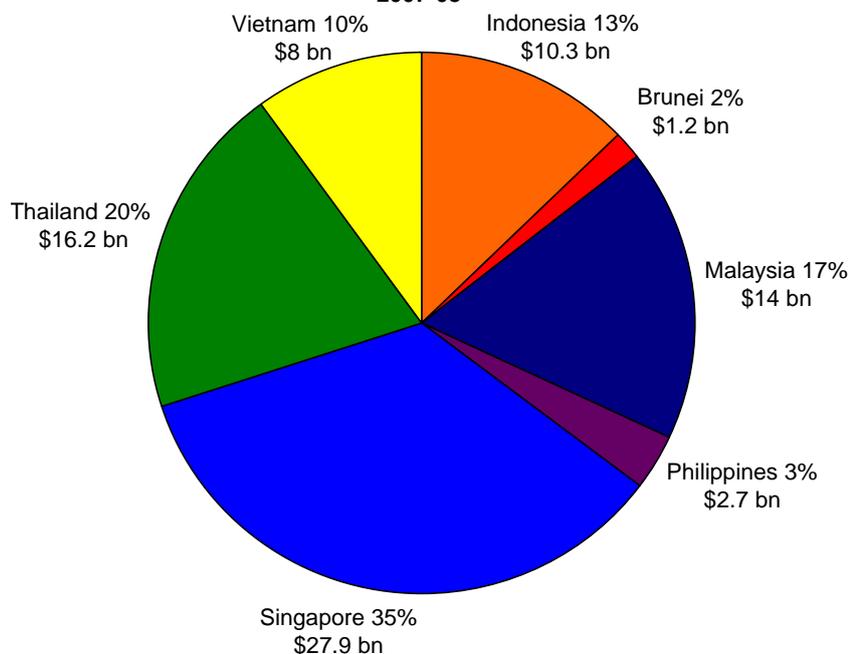
**AANZFTA: a key new regional commitment to open markets**

- AANZFTA is the first Free Trade Agreement Australia has signed since the onset of the global financial crisis
  - demonstrates the Government’s commitment to providing a solid platform to support growth in Australia’s trade and investment with the region.

**ASEAN and New Zealand are key trading partners**

- As a group, ASEAN and New Zealand constitute a larger trading partner for Australia than any single country<sup>1</sup>
  - valued at \$103 billion in 2007–08, accounting for 21% of Australia’s total trade
  - Australia’s two-way trade with ASEAN has grown by an annual average of 10 per cent over the past decade – faster than Australia’s trade with any of its top 10 commercial partners, except China.
- AANZFTA will cover an area with a combined population of 600 million, with an estimated GDP of US\$2.7 trillion.

**AUSTRALIA'S TRADE WITH ASEAN - SHARE BY MEMBER COUNTRIES  
2007-08**



Note: Trade with the least developed countries of ASEAN (Burma, Cambodia and Laos) is negligible, amounting to around \$360 million in 2007–08.  
Source: ABS Trade data on DFAT STARS database & ABS Regional Services series.

<sup>1</sup> Although AANZFTA is between Australia, New Zealand and ASEAN as an entity, it has separate market access commitments for each of the ten ASEAN member countries, with appropriate differentiation for the newer ASEAN member countries (Vietnam and the three least developed countries: Burma, Cambodia and Laos).

## AANZFTA Overview

### *Comprehensive and forward-looking FTA*

- . AANZFTA is the most comprehensive FTA ASEAN has concluded
  - covers goods, services, investment, intellectual property, e-commerce, temporary movement of business people, and economic cooperation
  - binds ASEAN tariffs and contains substantial tariff elimination commitments and WTO-plus commitments in other areas, which will strengthen Australia's commercial ties with the region
  - commitments will expand and deepen over time in line with development of the ASEAN Economic Community.

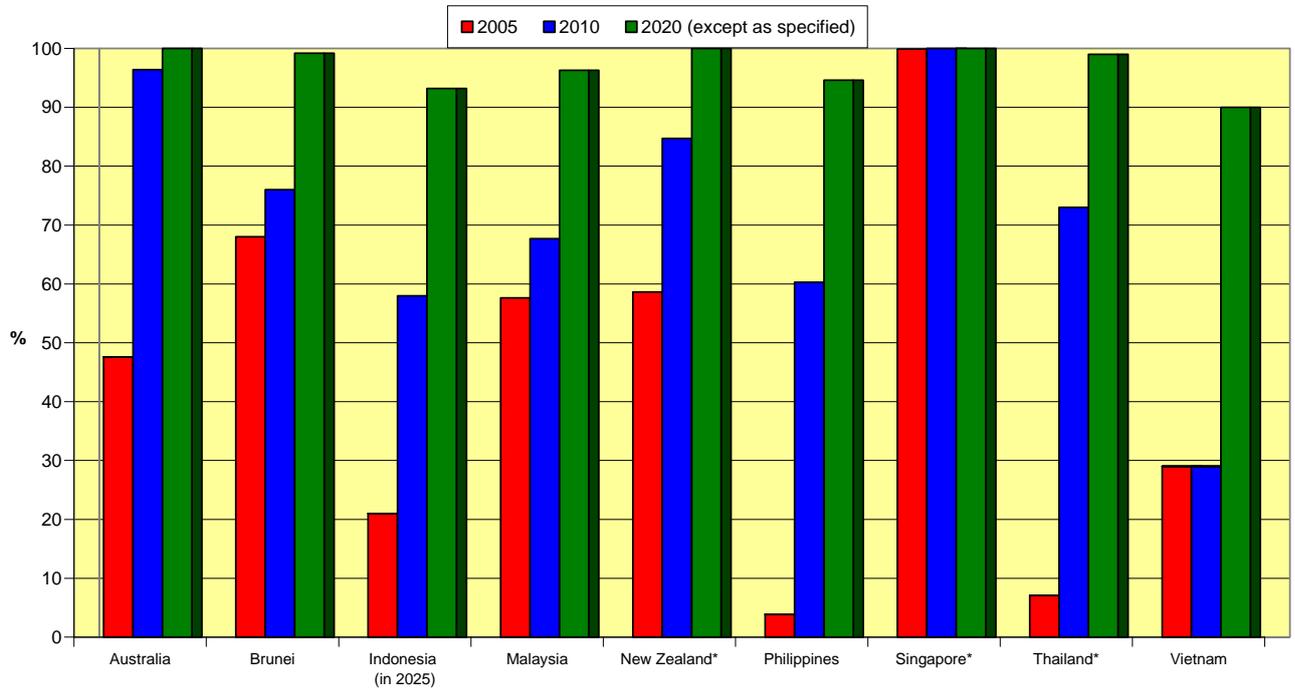
### *AANZFTA benefits include...*

- \* binding current low **tariffs**, and delivering over time tariff elimination from the more developed ASEAN member countries and Vietnam on between 90 and 100 per cent of tariff lines covering 96 per cent of current Australian exports to the region
- \* supporting the development of more efficient and competitive industries through tapping into global supply chains through **regional rules of origin**
- \* commercially meaningful improvements to existing WTO commitments across a range of **services** sectors, including professional services, construction and mining-related services, education, financial services and telecommunications
- \* a significant regime of **investment** protections, an investor-state dispute resolution mechanism, and a forward work program for market access commitments on investment
- \* a framework for countries to make commitments on **temporary business entry** of natural persons that go beyond services suppliers, to include goods sellers and investors
- \* a substantial **economic cooperation** component to assist countries with the implementation of AANZFTA and to further economic integration, including the development of sound **intellectual property** systems and capacity to enforce intellectual property rights
- \* built-in agendas and review mechanisms – in such areas as services, investment, rules of origin and non-tariff measures – to ensure that AANZFTA remains a '**living document**' that will have ongoing commercial relevance
- \* helping to ensure that Australia's competitiveness in the region is not undermined as ASEAN countries negotiate FTA arrangements with other trading partners, and
- \* enhancing Australia's participation in the region's evolving economic architecture.

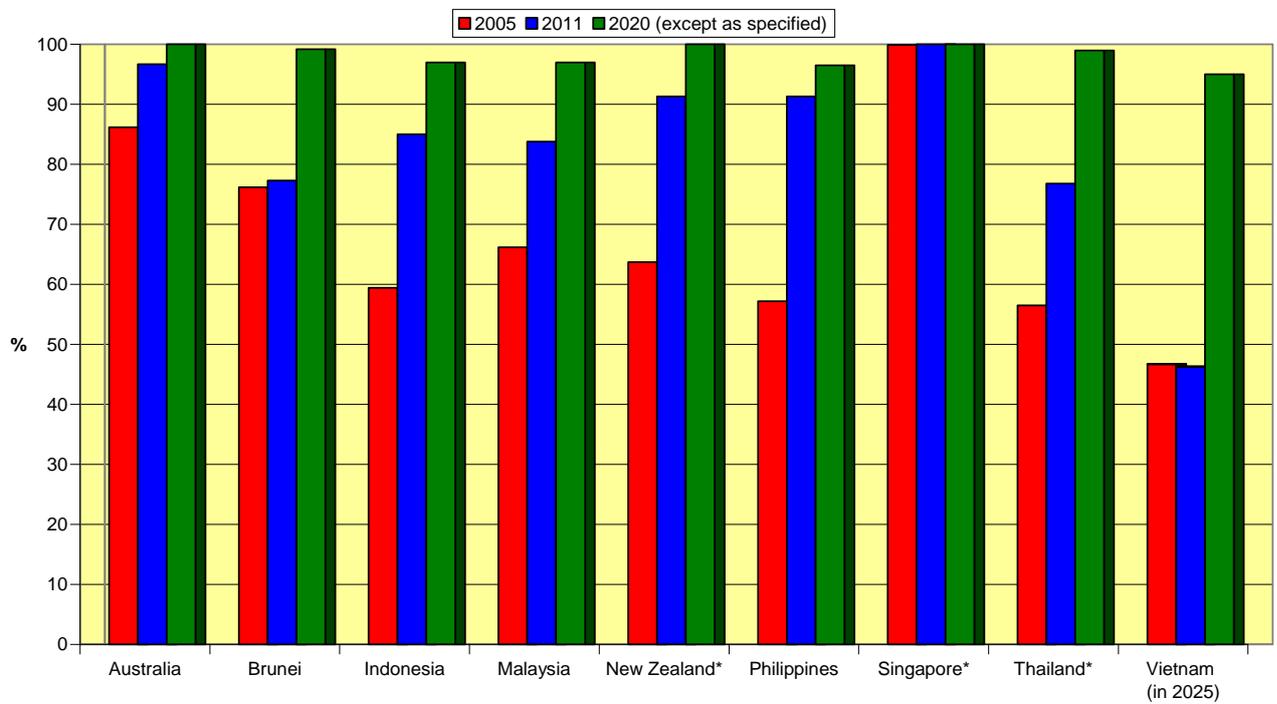
### *Entry into force*

- . AANZFTA will enter into force between Australia and New Zealand and a minimum of four ASEAN members when national ratification processes have been completed.
- . In view of the time required for a number of AANZFTA parties to conclude their ratification processes it is expected that AANZFTA will enter into force late in 2009 and, in any event, no later than 1 January 2010.

**AANZFTA: Proportion of Tariff Lines with Tariff-Free Treatment**



**AANZFTA: Proportion of Tariff Lines with 0-5% Tariffs**



\*Australia also has bilateral FTAs with these countries.



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## ***AANZFTA FACT SHEET – OVERVIEW OF TARIFF OUTCOMES***

AANZFTA provides for the progressive reduction or, for most products, elimination of tariffs facing Australian goods exports to ASEAN countries over a transition period, and the elimination of all Australian tariffs on imports from AANZFTA Parties. Key features of the tariff outcomes:

- Tariffs will be eliminated on a high percentage of tariff lines, with phasing commencing early in the transition period, using as a starting point applied most-favoured-nation (MFN) tariffs in the 2005 base period.
- Many tariffs currently at possibly prohibitive levels will be reduced to levels that should allow trade to flow within a few years.
- Exclusions from tariff commitments have been kept to a minimum, and generally do not exceed 1% of a country's national tariff lines.
- For those tariff lines where tariffs are not eliminated, but which are not in the exclusion category, tariffs will either be bound at the base period rate, or will be subject to tariff reductions.
- The tariff commitments in the Agreement apply to those goods which meet the rules of origin (ROO). See the AANZFTA FACT SHEET – Rules of Origin
- The tariff outcomes provide for longer transition periods, and lower tariff elimination outcomes, for Vietnam and the three least developed countries (Burma, Cambodia and Laos), in recognition of their status as newer ASEAN members with less developed economies.

A snapshot of the tariff elimination outcomes is provided by [Table 1](#), which shows, for each Party, the number of tariff lines with MFN tariff-free treatment in the base year of 2005, and with bound tariff-free treatment in AANZFTA in 2010, in 2013, and at the end of the transition period for each country. The Table demonstrates:

- the high levels of tariff elimination that will be achieved by AANZFTA; and
- that high levels of tariff-free treatment - generally around 90% - will be achieved as early as 2013 for the more developed ASEAN markets.

**Table 1**  
**Percentage of Tariff Lines with Tariff-Free Treatment**

Country	2005 Base Tariffs (%)	2010 (%)	2013 (%)	Final Tariff Elimination (%)	Year Achieved
Australia	47.6	96.4	96.5	100	2020
Brunei	68	75.7	90	98.9	2020
Burma	3.7	3.6	3.6	85.2	2024
Cambodia	4.7	4.7	4.7	88	2024
Indonesia	21.2	58	85	93.2	2025
Laos	0	0	0	88	2023
Malaysia	57.7	67.7	90.9	96.3	2020
New Zealand	58.6	84.7	90.3	100	2020
Philippines	3.9	60.3	91	94.6	2020
Singapore	99.9	100	100	100	2009
Thailand	7.1	73	87.2	99	2020
Vietnam	29.3	29	29	89.8	2020

An additional perspective on the significance of AANZFTA's tariff commitments is provided by [Table 2](#):

- it shows the percentage of each country's tariff lines in the 0-5% range (i.e. tariffs that are zero or at such a low level they should not restrict trade) in the 2005 base period, in 2011, 2013, 2017, 2020 and 2025;
- it demonstrates that, within about 2 years of AANZFTA's entry into force (EIF), the tariff commitments should deliver some significant improvements in access to ASEAN markets for Australian exporters.

**Table 2**  
**Percentage of Tariff Lines with Tariffs in the 0-5% Range**

Country	2005 Base Tariffs (%)	2011 (%)	2013 (%)	2017 (%)	2020 (%)	2025 (%)
Australia	86.2	96.7	96.8	97.6	100	100
Brunei	76.2	77	93.2	95.8	99	99
Burma	68.6	68.1	68.1	89	89.1	96.9
Cambodia	4.7	4.7	4.7	35.4	71.4	95
Indonesia	59.4	85	92.4	95.6	96.2	96.7
Laos	49.6	49.4	49.4	84.8	88.3	95.8
Malaysia	66.2	83.8	91	97	97.2	97.2
New Zealand	65.4	91.3	94.6	98.3	100	100
Philippines	57.2	91.3	94.5	95.7	96.5	96.5
Singapore	99.9	100	100	100	100	100
Thailand	56.5	76.8	91.4	92.3	99	99
Vietnam	46.7	46.3	55	90.8	90.8	95

Table 3 provides information on the percentage of base period (2005) imports from Australia with tariff-free treatment in 2005 (in relation to MFN tariffs) and, for AANZFTA tariff bindings, in 2010, 2013, and at the final year of tariff elimination for each of the more developed ASEAN 6 countries and Vietnam.

- These countries account for 99% of Australia's exports to ASEAN.
- This table demonstrates the high level of current trade flows covered by tariff elimination commitments.

**Table 3**  
**Percentage of Base Period (2005) Imports from Australia with**  
**Tariff-Free Treatment**

Country	2005 (%)	2010 (%)	2013 (%)	Final Tariff Elimination (%)
Brunei	93.2	93.8	96	99.7
Indonesia	67	81.3	85.4	93.4
Malaysia	87.8	90.9	96	96.9
Philippines	4.3	65.9	75.8	92
Singapore	99.9	100	100	100
Thailand	50	87.2	88.4	98.5
Vietnam	19.8	19.8	19.8	96.8

The Tariff Schedules for each country are included in Annex 1 of AANZFTA, and they set out, for each tariff line:

- The 2005 MFN base rate.
- The AANZFTA bound tariff for each year of the transition period, with reductions implemented on 1 January of each year (the phasing table).
- The final bound tariff (in the final column of the phasing table).

Tariff lines excluded from tariff commitments are marked in relevant Tariff Schedules with a "U" in the phasing tables.

Other Fact Sheets provide an overview of tariff outcomes in particular sectors.



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## ***AANZFTA 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 AANZFTA 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%.

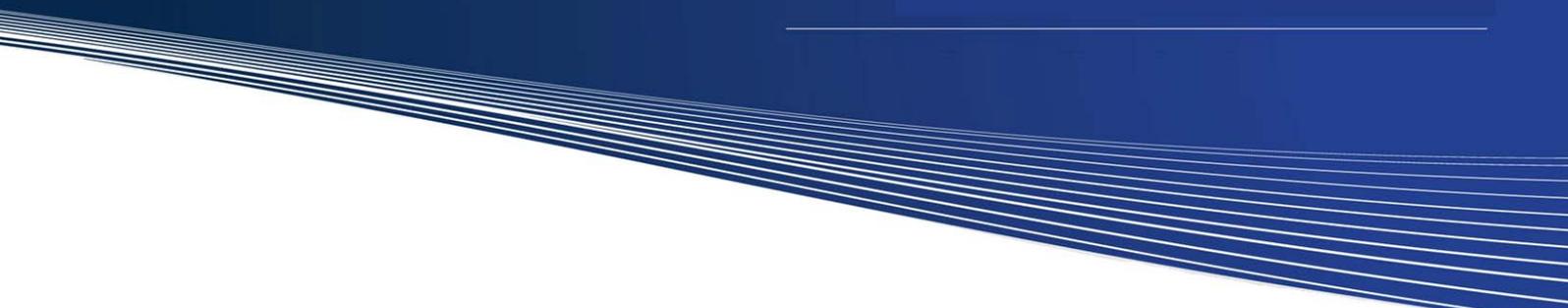
### Sectoral Fact Sheets

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 AANZFTA 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.



## ***AANZFTA FACT SHEET – RULES OF ORIGIN***

The Rules of Origin (ROO) under AANZFTA will facilitate trade between the Free Trade Agreement (FTA) partners by:

- bringing a high level of flexibility to the origin tests applying to most goods;
- encouraging greater regional integration of the ASEAN, Australian and New Zealand economies;
- implementing a robust system of certification and verification.

### **The Importance of Rules of Origin**

The ROO provide the basis for determining which goods will qualify for the tariff commitments negotiated as part of the FTA.

The ROO criteria guarantee that materials from outside the AANZFTA region are substantially transformed within the region prior to trade between the FTA partners. ROO are typically based on one of three tests:

- that materials from outside the FTA region undergo a change in their tariff classification under the Harmonized Commodity Description and Coding System (HS Code) – the so-called *change in tariff classification* (CTC) approach. The HS Code is used to classify goods for the collection of tariffs and statistical information, and is divided into a structure consisting of chapters (2 digits), headings (4 digits) and sub-headings (6 digits);
- that the proportion of the value of an exported good added within the FTA region reach at least a specified threshold level – the *regional value content* (RVC) approach – with the general threshold being that originating materials, costs and charges must represent at least 40 per cent of the *free on board* (FOB) value of the exported good;
- that materials from outside the FTA region undergo *specified processing* within the region.

### **A Flexible Approach to Rules of Origin**

The AANZFTA ROO will allow a high degree of flexibility in determining the origin of goods for export:

- for around 83 per cent of sub-headings the ROO will be based on a “co-equal” approach under which exporters will be free to choose to meet either a CTC-based rule or an equivalent RVC rule. About half of these sub-headings are covered by co-equal rules of either a change in tariff classification from any other heading or a RVC of 40 per cent, while the rules for all other sub-headings are outlined in an annex of product-specific rules attached to the ROO chapter in the Agreement;
- a CTC-only approach will apply to about 10 per cent of sub-headings, including most textile and clothing products;
- approximately 1 per cent of sub-headings – mainly in the automotive sector – will have a RVC rule only;
- approximately 1.4 per cent of sub-headings will be covered by special rules for waste and scrap products;
- for the remaining 4.5 per cent of sub-headings – covering many agriculture and aquaculture goods – normal product-specific ROO are not relevant and these products will need to meet the provisions covering goods wholly produced or obtained within the AANZFTA region.

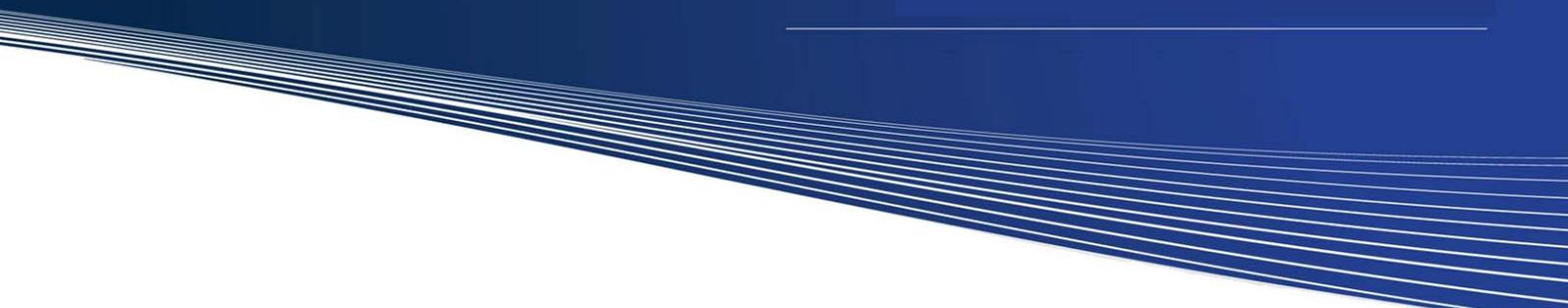
For around two-thirds of chemicals sub-headings, exporters will be able to make use of the popular chemical reaction test to meet the ROO. There will be a work program after the Agreement’s entry-into-force (EIF) to examine the extension of the chemical reaction test and other chemical process rules to additional sub-headings.

The key benefit of the “co-equal” approach is that it marries the objectivity of Australia’s preferred CTC approach – there is a single, clear rule for each tariff line – with ASEAN’s greater familiarity and comfort with the RVC-based approach. The agreement to adopt alternative approaches to ROO also provides additional flexibility for Australian exporters who may choose to export their goods by meeting the RVC-based test.

The AANZFTA ROO will encourage a greater level of regional integration by allowing regional cumulation – ie originating materials from an AANZFTA country used in the manufacture of goods in another member country can be treated the same as materials from that second country in determining the origin of the final goods:

- materials originating in any AANZFTA country can count towards Australian goods meeting the ROO for export to ASEAN countries or New Zealand;
- similarly, exports by ASEAN countries and New Zealand to other AANZFTA parties can count originating materials from Australia towards meeting AANZFTA ROO.

Regional cumulation should be particularly valuable to the manufacturing sector by supporting greater integration into supply chains in the region.



## **Certification Procedures**

The AANZFTA ROO will be supported by a requirement that exports be accompanied by a Certificate of Origin issued by a designated authority, providing an additional guarantee on the integrity of claims made under the FTA. For Australian exporters the Certificates of Origin will be issued by a number of industry associations in an approach similar to that applying under the Thai-Australia FTA.

In a further boost to ensuring the integrity and freer flow of trade between AANZFTA partners, Customs agencies will cooperate in verification actions where the origin of goods is in question.



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### *AANZFTA FACT SHEET – LIVE ANIMALS AND MEAT*

ASEAN is an important market for Australia's trade in meat and animals, particularly in respect of live bovine animals (almost 70% of Australian exports, with most exported to Indonesia) and pigmeat (almost 60% of Australian exports, with most exported to Singapore). Existing liberal access for live bovine animals will be guaranteed into the future through reduction and elimination of tariffs, which will provide greater certainty in market access. Tariffs on most meat tariff lines will be eliminated, although a few lines are subject to tariff reductions only, and a number of lines in Indonesia are excluded from tariff commitments.

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

Product (HS 0102 - 0105, 0201 - 0204, 0206 - 0207, 1601 - 1602)	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 %
Live bovine animals (HS 0102)	370.9	69.1
Other live animals (HS 0103 – 0105)	14.4	4.7
Beef (HS 0201 – 0202)	193.1	4.0
Pigmeat (HS 0203)	80.3	59.0
Sheep and goat meat (HS 0204)	84.0	6.2
Edible offal (excluding poultry) (HS 0206)	57.4	11.4
Poultry (including offal) (HS 0207)	4.3	14.6
Meat preparations (HS 1601- 1602)	3.1	3.1
TOTAL	807.6	10.4

#### Summary of Outcomes

##### **Australia**

- **All live animals and meat:** tariffs bound at 0% on entry-into-force (EIF).

## Indonesia

- **Live bovine animals:** 0% tariffs on breeding animals and oxen bound at EIF; 5% tariff on buffaloes eliminated in 2010; the 5% tariff on 'other' reduced to 2.5% in 2025.
- **Other live animals:** tariffs of 0% bound at EIF; tariffs at 5% eliminated in 2010; 1 line (asses, mules etc) excluded from tariff commitments.
- **Beef:** 5% tariffs eliminated in 2010, except for the 5% tariff on boneless (fresh, chilled, or frozen) which is bound on EIF and eliminated in 2020, and 'other cuts with bone-in' (frozen) which is excluded from tariff commitments.
- **Pigmeat:** 5% tariffs eliminated in 2010 except for the 5% tariff on frozen boneless pork which is reduced to 4% in 2015 then to 3.75% in 2025.
- **Sheep and goat meat:**
  - Fresh or chilled sheepmeat: 5% tariffs eliminated in 2010 except for 'other cuts with bone-in', where the 5% tariff is bound at EIF and reduced to 2.5% in 2025.
  - Frozen sheepmeat: 5% tariff bound at EIF and reduced to 2.5% in 2025 for carcasses and half-carcasses, but other lines excluded from tariff commitments.
  - Goat meat: 5% tariff bound at EIF and reduced to 2.5% in 2025.
- **Poultry meat:** 5% tariffs eliminated in 2010; 25% tariffs on frozen chicken thighs reduced to 12.5% in 2025.
- **Edible offal:** 5% tariffs on beef offal eliminated in 2010 (2 tariff lines) or phased out by 2020 (2 tariff lines); 5% tariffs on pork offal eliminated in 2010; 5% tariffs on poultry offal eliminated in 2010.
- **Meat preparations:** 5% tariffs on 18 tariff lines eliminated in 2010; 5% tariff on one tariff line phases to 4% in 2015 and eliminated in 2023.

## Malaysia

- **Live bovine animals:** 0% tariff bound at EIF.
- **Other live animals:** improved tariff rate quota access for swine and day old chicks. Tariffs of 0% on other animals bound at EIF.
- **Beef:** 0% tariffs bound at EIF.
- **Pigmeat:** 0% tariffs bound at EIF; country-specific tariff quota (initially 500 kg for fresh or chilled, and 4000 kg for frozen) provided to Australia for pork carcasses and half carcasses with in-quota tariffs at 25% phasing to 0% in 2013 and out-of-quota tariffs at 50% phasing to 25% in 2013.
- **Poultry meat:** 0% tariff bound at EIF, and improved country-specific tariff quota access for other lines.
- **Sheep and goat meat:** 0% tariffs bound at EIF.
- **Edible offal:** 0% tariffs on beef, pork and poultry offal bound from EIF.
- **Meat preparations:** 0% tariffs bound at EIF; tariffs of 15% and 20% phase to 0% by 2012 and 2020 respectively.

## New Zealand

- **All live animals and meat:** tariffs bound at 0% on EIF

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

## Philippines

- **Live bovine animals:** 3% tariff eliminated in 2010.
- **Other live animals:** Tariffs of 1% on live sheep and breeding animals eliminated in 2010. Tariffs of 30% - 40% on most other animals phase to 0% by 2020 (swine, chickens) or by 2013 (other poultry), or phase to 5% by 2018 (goats, other than for breeding).
- **Beef:** 10% tariffs phase to 0% by 2012.
- **Pigmeat:** tariffs of 40% on most fresh or chilled pork phase to 0% by 2020; 40% tariffs on frozen pork and boneless cuts (fresh or chilled) reduced to 32% (out of quota) in one step in 2020.
- **Sheep and goat meat:** 5% tariffs on sheep meat eliminated in 2010, and the 35% tariff for goat meat phasing to 5% by 2018.
- **Poultry:** tariffs of 40% will phase to 0% by 2013 or 2020 for some lines, or to 5% or 32% for other lines.
- **Edible offal:**
  - tariffs of 5% and 7% on beef offal phase to 0% in 2010 or 2011, except for 1 line (other frozen offal) that phases to 0% in 2019;
  - 3% and 10% tariffs on pork offal phase to 0% by 2010, 2011 or 2012, except for 5% tariff on frozen livers that is reduced to 4% in 2015;
  - tariffs of 40% on poultry offal phase to 0% in 2015 or 2020; phase to 5% in 2018; or reduce to 32% in one step in 2020 (offal other than livers);
  - tariffs of 1%, 5% and 7% on other poultry offal eliminated in either 2010 or 2011.
- **Meat preparations:** tariffs of 35%, 40% or 45% phase to 0% by 2015 (12 tariff lines) or 2020 (1 line); 40% tariff on sausages, preparations of pork or chicken (11 tariff lines) reduce to 32% in one step in 2020.

## Singapore

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

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

## Thailand

- **Live bovine animals:** tariffs of 0% and 5% bound at 0% on EIF.
- **Other live animals:** Tariffs of 0% (breeding animals) bound at EIF. Tariffs of 10% on other swine and 30% on sheep and goats eliminated at EIF. Tariffs of 30% on other poultry phase to 0% by 2013.
- **Beef:** tariffs of 50% eliminated in 2020 in one step.
- **Pigmeat:** tariffs of 30% and 40% on fresh, chilled or frozen pork eliminated in one step in 2020.
- **Sheep and goat meat:** tariffs of 30% phase to 0% in 2013.
- **Edible Offal:** tariffs of 30% on fresh, chilled or frozen bovine offal and frozen swine offal eliminated in one step in 2020; tariff of 40% on fresh or chilled swine offal

eliminated in 2020 in one step; tariffs of 30% and 40% on poultry offal phase to 0% in 2013.

- **Meat preparations:** 30% tariffs on meat preparations phase to 0% in 2013.

Note: Duty free treatment comes into effect earlier under TAFTA.

### Vietnam

- **Live bovine and other animals:** 0% tariffs on breeding animals bound on EIF; 5% tariffs on other live animals eliminated in 2016.
- **Beef:** Tariffs of 15% and 20% phase to 0% by 2018 or 2019, with reductions commencing in 2010 or 2011.
- **Pigmeat:** 30% tariffs on fresh, chilled or frozen pork phase to 0% by 2020, with reductions commencing in 2010.
- **Sheep and goat meat:** 10% tariffs phase to 0% by 2016, with reductions commencing in 2012.
- **Edible offal:** tariffs of 10%, 15% or 20% phase to 0% by 2016, 2018, 2019 or 2020, except for some poultry offal on which tariffs will be bound at base rate of 20% or phase from 15% to 5% by 2020.
- **Meat preparations:** 50% tariffs on homogenised preparations and preparations of liver (2 lines) phase to 0% by 2019 or 2020, 50% tariffs on other items (17 lines) phase to 5% by 2022.



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### ***AANZFTA FACT SHEET – FISH AND FISH PRODUCTS***

ASEAN is only a small market for Australian exports of fish, with average annual exports of \$45 million. While many ASEAN tariffs are low, there are quite a few in the 15%-40% range. Tariffs on the majority of tariff lines in this sector will be bound at 0% on entry-into-force (EIF), or phased to 0%, with tariffs on the remaining lines phased to low rates (generally 5% or lower). This should benefit Australian industry through reduced barriers to trade and greater certainty in market access.

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

Product (HS 03, 1604-1605)	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 %
Fish (HS 03)	44.0	4.2
Preparations of Fish (HS 1604-1605)	18.8	21.3
Total	62.7	5.6

#### Summary of Outcomes

##### **Australia**

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

##### **Indonesia**

**Tariffs on 166 tariff lines either bound at 0% on EIF or phase to 0%, and on the remaining 11 lines reduced to 7.5% or 2.5%.**

- Tariffs of 5% on most tariff lines eliminated in 2010.
- Tariffs of 15% on fresh, chilled or frozen fish and fish fillets and fish meat phase to 7.5% by 2025, commencing in 2013 (7 tariff lines);
- Tariffs of 15% on live fish phase to 0% by 2013;
- Tariffs of 5% on preserved or tinned fish phase to 0% in 2010, except for canned sardines, tuna and mackerel, which reduce 2.5% in one step in 2020 (4 tariff lines);
- Tariffs of 0% on flour/meal/pellets bound at 0% on EIF.

## **Malaysia**

### **All tariffs bound at 0% on EIF or phase to 0%**

- Tariffs of 0% on most live, fresh, chilled or frozen fish and molluscs (except most octopus) bound at EIF.
- Tariff of 20% on octopus phases to 0% by 2015;
- Tariffs of 7% - 8% on smoked, dried or salted, fish, some lobsters, crabs and prawns phase to 0% by 2011.
- Tariffs of 0% - 20% on canned or preserved fish, molluscs and crustaceans bound or eliminated on EIF, except for shark fins and caviar on which tariffs phase to 0% by 2011.

## **New Zealand**

### **All tariffs bound at 0% or eliminated at EIF**

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

## **Philippines**

### **Tariffs phase to 0% for all tariff lines except for 2 lines on which the tariff phases to 4% or 5%**

- tariffs of 1% - 15% on fresh, chilled, frozen or dried fish (137 lines) phase to 0% by 2015 at the latest, except for 2 lines, with many tariffs eliminated in 2010 and 2011:
  - 5% tariff on frozen mackerel reduce to 4% in one step in 2015
  - 15% tariff on fish fillets (dried, salted, in brine, but not smoked) phase from 15% to 5% by 2016
- 10% tariffs on some prepared or preserved fish phase to 0% by 2012;
- 15% tariffs on most prepared or preserved fish phase to 0% by 2015, except for 1 line (salmon in airtight containers) which phases to 0% by 2020.

## **Singapore**

### **All tariffs bound at 0% at EIF**

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

## **Thailand**

### **All tariffs phase to 0%**

- Tariffs of 5% on 84 lines eliminated in 2010;
- Tariff of 10% on one line (tuna in sealed containers) phases to 0% by 2010;
- Tariffs of 20% phase to 0% by 2012 except for 2 lines (chilled or frozen shrimp/prawns, 'other' fish) on which tariffs are eliminated in one step in 2020
- Tariffs of 30% phase to 0% by 2020 except for 3 lines (live ornamental fish, canned tunas, canned mackerel), on which tariffs are eliminated in one step in 2020.

*Note: Duty free treatment for most products comes into effect earlier under TAFTA.*

## Vietnam

### **All tariffs phase to 0% (125 tariff lines) or 5% (40 lines)**

- **Live, fresh, frozen, dried, salted, smoked fish; crustaceans and molluscs:**
  - 6 tariff lines (breeding fish) at 0% bound at EIF;
  - 30% tariffs on 17 lines phase to 5% by 2022;
  - 30% tariffs on remaining 113 lines phase to 0% mostly by 2018, with reductions commencing in 2010.
- **Prepared or preserved fish, caviar, crustaceans:** 29 tariff lines at 40%:
  - Tariffs on 6 lines, caviar, brisling/sprats, shark fins, crab) phase to 0% by 2018 or 2019;
  - Tariffs on 23 lines phase to 5% by 2022, commencing in 2015.



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### ***AANZFTA FACT SHEET – DAIRY PRODUCTS***

ASEAN represents a very significant market for the Australian dairy industry, worth about \$856 million in annual exports, and accounts for 34% of our total exports of dairy products. It is a particularly important market for milk powders and other concentrated milk, taking about \$578 million in average annual exports, and accounting for over 50% of Australia's total exports of these products. In all major ASEAN markets most tariff lines will be bound at 0% or phase to 0%, with the remainder generally reduced to low levels (4% or 5%) or subject to improved tariff quota access. The Australian dairy sector should benefit from reduced barriers to trade with ASEAN countries and greater certainty in market access. Benefits will commence on entry-into-force (EIF) of the Agreement, with further reductions and elimination of tariffs implemented in following years depending on the different commitments for individual countries.

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

Product (HS 0401-0406, ex 1901.10, ex.1901.20, ex 1901.90, 2105, 3501.10)	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 %
Milk powder, other concentrated milk (HS0402.10, 0402.21, 0402.29)	578.7	53.0
Milk and cream, not concentrated or sweetened (HS0401)	32.4	34.9
Other milk and cream (HS 0402.91, 99)	4.3	10.4
Cheese (HS 0406)	87.2	10.0
Butter, dairy spreads, fats and oils (HS 0405)	62.4	31.7
Whey (HS 0404.10)	54.7	47.8
Yoghurt (HS 0403.10)	5.7	53.0
Ice Cream (HS 2105.00)	2.6	7.1
Casein (HS 3501.10)	2.9	8.0
Other	24.5	57.9
TOTAL	855.5	33.7

***NB: Export figures do not include exports under HS1901***

## Summary of Outcomes

### Australia

- **All dairy products:** tariffs bound at 0% on EIF.

### Brunei

- **All dairy products:** tariffs bound at 0% on EIF.

### Cambodia

**Tariffs on most lines phase to 0% or 5%, but a few lines are excluded from tariff commitments.**

- **Milk:** liquid milk excluded from tariff commitments; 7% tariffs on cream (fat content exceeding 6%) bound on EIF and reduced to 5% in 2023.
- **Milk powder:** tariffs of 15% phase to 0% by 2021 or 5% by 2024, except for 1 line (unsweetened skim milk powder (SMP), fit for human consumption) which is bound at 15%.
- **Whey:** 35% tariffs phase to 0% by 2021.
- **Butter:** excluded from tariff commitments.
- **Dairy spreads, fats and oils:** 35% tariffs phase to 0% by 2021 or 2024, or to 5% (for 1 line).
- **Cheese:** 35% tariffs on most cheeses phase to 0% in 2021; but for fresh cheese phases to 5% in 2024, and 'other' cheese (040690) excluded from tariff commitments.
- **Other dairy products (milk preparations, yoghurt, ice cream, casein):** 35% tariffs phase to 0% by 2021 (ice cream and casein) or by 2024 (some yoghurt) or to 5% by 2024 (some yoghurt).

### Indonesia

**Tariffs on 39 tariff lines phase to 0% by 2019, and on the remaining 11 lines phase to 4%.**

- **Milk:** tariffs of 5% reduce to 4% in 2015 and, for cream (fat content exceeding 6%), will be eliminated in 2018.
- **Milk powder:** tariffs of 5% bound on EIF, and, for SMP (not fit for human consumption) and whole milk powder (WMP) (unsweetened) will be eliminated in 2010, and for SMP (for human consumption, unsweetened) and WMP (sweetened) reduce to 4% in 2015 and 0% in 2019. Tariffs on remaining milk powder tariff lines either eliminated or reduced to 4%.
- **Whey:** tariffs of 5% bound on EIF, reduce to 4% in 2015, and for whey fit for human consumption will be eliminated in 2017.
- **Butter, dairy spreads, fats and oils:** tariffs of 5% will be eliminated in 2010, except for one line with tariff elimination in 2017.
- **Cheese:** tariffs of 5% will be eliminated in 2010, except for grated/powdered cheese which reduces to 4% in 2015.

- **Other dairy products (milk preparations, yoghurt, ice cream, casein):** 5% tariffs on yoghurt, milk preparations and ice cream will be eliminated in 2010; 0% tariff on casein bound at EIF.

### Malaysia

**Tariffs phase to 0% by 2010 or 2011, except for 3 liquid milk lines subject to improved tariff quota access.**

- **Milk:** three specific annual tariff quotas provided for Australia, of 600,000 litres (milk not exceeding 1% fat), 3 million litres (exceeding 1% fat but not exceeding 6%); and 20,000 litres (exceeding 6% fat), with some increase in the tariff quota volumes annually to 2020. The in-quota tariffs phase from 20% to 0%, and the out-of-quota tariffs phase from 45% to 20%, by 2013.
- **Milk powders:** 0% tariff bound at EIF.
- **Whey:** 0% tariff bound at EIF.
- **Butter, dairy spreads, fats and oils:** tariffs of 2%-3% will be eliminated at EIF.
- **Cheese:** tariffs generally 5% or 10% and all will be eliminated at EIF.
- **Other dairy products (milk preparations, yoghurt, ice cream, casein):** tariffs will be eliminated either at EIF or in 2010, except for some milk preparations on which tariffs of 7% phase to 0% by 2011.

### New Zealand

- **All dairy products:** tariffs bounds at 0% on EIF.

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

### Philippines

**Tariffs phase to 0% by 2019 except for tariffs on two tariff lines (dairy spreads and liquid yoghurt) which will phase to 5%.**

- **Milk:** tariffs of 3% on liquid milk and cream reduce to 2% in 2015 and will be eliminated in 2019.
- **Milk powders:** tariffs of 1% will be eliminated in 2010.
- **Whey:** 1% tariff will be eliminated in 2010.
- **Butter, dairy spreads, fats and oils:** 7% tariff on butter reduces to 5% in 2012 and will be eliminated in 2019; 7% tariff on dairy spreads reduces to 5% in 2012; 1% tariff on butter oil will be eliminated in 2010.
- **Cheese:** 7% tariffs on processed cheese reduce to 5% in 2012 and will be eliminated in 2019; 3% tariffs on fresh cheese, bulk grated cheeses and blue-vein cheese will be eliminated in 2010; 7% tariffs on other cheese phase to 0% by 2011.
- **Other dairy products (including milk preparations, yoghurt, ice cream, casein):**
  - 10% tariff on ice cream phases to 0% by 2012;
  - 7% tariff on filled milk reduces to 5% in 2012 and will be eliminated in 2019;
  - 1% tariff on casein will be eliminated in 2010;
  - 7% tariff on liquid yoghurt reduces to 5% in 2012, with tariffs on other yoghurt phasing to 0% by 2015.

## Singapore

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

Note: these tariff commitments are the same as in SAFTA

## Thailand

**All tariffs phase to 0% by 2020, except for liquid milk and SMP which are excluded from tariff commitments.**

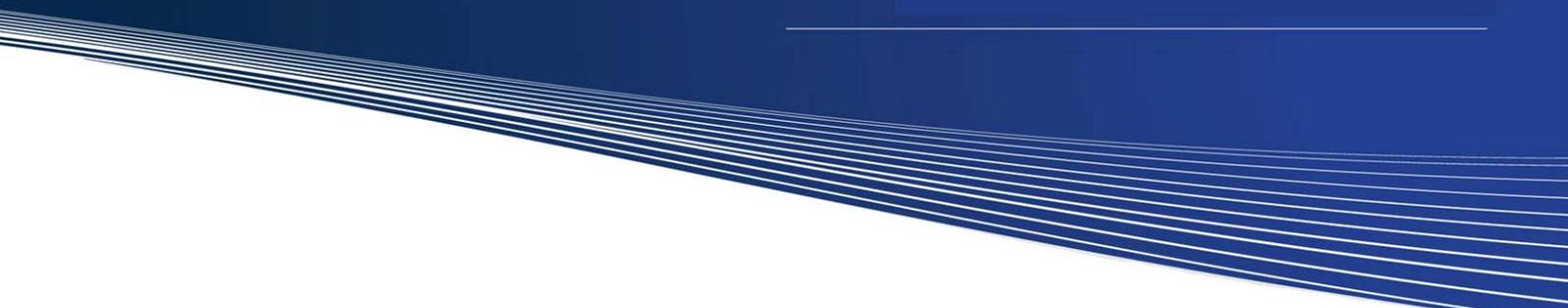
- **Milk:** excluded from tariff commitments.
- **Milk powders:** SMP excluded from tariff commitments. Tariffs of 18% on most WMP bound on EIF and will be eliminated in 2020.
- **Whey:** 30% tariff bound on EIF and will be eliminated in 2020, while 5% tariff will be eliminated on EIF.
- **Butter, dairy spreads:** 30% tariff on butter bound on EIF and will be eliminated in 2020; 20% tariff on dairy spreads phases to 0% in 2019.
- **Cheese:** 30% tariffs on most cheese bound on EIF and will be eliminated in 2020; 30% tariff on blue-veined cheese phases to 0% in 2013.
- **Other dairy products (inc milk preparations, yoghurt, ice cream, casein):**
  - 30% tariff on ice cream phases to 0% by 2013;
  - 5% tariff on yoghurt will be eliminated on EIF or phased to 0% by 2013;
  - 5% tariff on casein will be eliminated on EIF;
  - 5% tariff on milk preparations will be eliminated 2010.

Note: for some products the tariff commitments are better in TAFTA (e.g. all tariffs will be phased to 0% under TAFTA).

## Vietnam

**All tariffs phase to 0% by 2020.**

- **Milk:** tariffs of 20% phase to 0% by 2017 or 2019, with reductions commencing in 2010.
- **Milk powders:** 10% tariff on SMP (for human consumption, unsweetened) and the 15% tariff on WMP (unsweetened) phase to 0% by 2016, with reductions commencing in 2011 or 2012; 30% tariffs on SMP (for human consumption, sweetened) and WMP (sweetened) phase to 0% by 2019, with reductions commencing in 2010.
- **Whey:** tariff of 20% phases to 0% by 2017 or 2018, with reductions commencing in 2010.
- **Butter, dairy spreads:** tariffs of 20% phase to 0% in 2017 (butter) or 2019 (dairy spreads), with reductions commencing in 2010.
- **Cheese:** 10% tariffs phase to 0% by 2016 or 2017, except for fresh cheese (phases to 0% by 2019) and blue-veined cheese (phases to 0% by 2020), with reductions commencing in 2012.
- **Other dairy products (inc milk preparations, yoghurt, ice cream, casein):**
  - 50% tariff on ice cream phases to 0% by 2018;

- 
- tariff of 30% on yoghurt phases to 0% by 2017, with reductions commencing in 2010;
  - tariffs of 15% and 30% on milk preparations phase to 0% by 2016, 2018, 2019 or 2020, with reductions commencing in 2010 or 2011;
  - 10% tariff on casein phases to 0% by 2019, with reductions commencing in 2012.



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## AANZFTA FACT SHEET – GRAINS AND MILLED PRODUCTS

ASEAN is an important export market for Australian grains and milled products such as flour and malt, worth some \$702 million in average annual exports. It is the major export market for wheat flour (84% of global exports) and unroasted malt (66% of global exports). The Australian grains industry will benefit from reduced barriers to trade with ASEAN countries and greater certainty in market access. For most grains access is already at low or 0% tariffs, and AANZFTA will generally bind these tariffs at entry-into-force (EIF) and provide for their elimination over time. While rice and maize are excluded from tariff commitments in some countries, for almost all other products tariffs will be eliminated or, in a few cases, reduced to 5%.

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

Product (HS10 – 11)	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 %
Wheat and meslin (HS1001)	380.6	12.5
Malt, not roasted (HS1107.10)	193.9	65.8
Wheat or meslin flour (HS1101)	84.3	83.5
Barley (HS1003)	8.9	1.0
Oats (HS1004)	2.0	4.9
Grain sorghum (HS 1007)	1.8	13.1
Rice (HS1006.20)	0.1	0.4
Other grains and products	31.1	9.0
Total	702.6	14.8

### Summary of Outcomes

#### Australia

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

#### Indonesia

**All tariffs phase to 0% except for rice, rice flour and maize, which are excluded from tariff commitments, with most 5% tariffs eliminated in 2010.**

- **Wheat:** 0% tariff bound at EIF.
- **Malt: unroasted,** 5% tariff phases to 0% by 2023; **roasted,** 5% tariff will be eliminated at EIF.
- **Wheat flour:** 5% tariff phases to 0% by 2020.

- **Barley:** 0% tariff bound at EIF.
- **Oats:** 5% tariff will be eliminated on EIF.
- **Grain sorghum:** 0% tariff bound at EIF.
- **Other products:** 0% tariffs bound at EIF; 5% tariffs will be eliminated in 2010.
- **Rice, rice flour and maize:** excluded from tariff commitments.

### Malaysia

**All tariffs eliminated by 2010 except for rice.**

- **All grains except rice:** tariffs of 0% bound at EIF, and tariffs of 5% (flour and meal of sago and manioc) will be eliminated in 2010.
- **Rice:** excluded from tariff commitments.

### New Zealand

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

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

### Philippines

**All tariffs phase to 0%, except for rice, maize and some maize products, and manioc starch.**

- **Wheat:** 3% tariff will be eliminated in 2010, and the 7% tariff on wheat, not for human consumption, will be phased to 0% by 2011.
- **Malt, roasted and unroasted:** 1% tariff will be eliminated in 2010.
- **Wheat flour:** 7% tariff phases to 0% by 2011.
- **Barley and oats:** 7% tariff phases to 0% by 2011.
- **Grain sorghum:** 7% tariff phases to 0% by 2011.
- **Other products:** tariffs between 1% and 3% will be eliminated in 2010; tariffs of 7% phase to 0% by 2011; 10% tariffs phase to 0% by 2012; 20% tariffs on maize starch and manioc starch phase to 5% by 2017; 40% tariffs phase to 0% in 2013 or 5% in 2018.
- **Maize:** the 50% out-of-quota tariff on maize reduces to 40% in 2020.
- **Rice:** excluded from tariff commitments.

### Singapore

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

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

### Thailand

**All tariffs phase to 0% except for maize (other than seed) and rice, which are excluded from tariff commitments.**

- **Wheat:** 0.1 Baht/kg tariff will be eliminated at EIF.
- **Malt, roasted and unroasted:** 2.75 Baht/kg will be eliminated at EIF.

- **Wheat flour:** 5% tariff will be eliminated at EIF.
- **Barley and oats:** 2.75 Baht/kg will be eliminated at EIF.
- **Grain Sorghum:** 2.75 Baht/kg will be eliminated at EIF.
- **Other products:** tariffs of 30% or 40% phase to 0% by 2013.
- **Maize (other than seed):** excluded from tariff commitments
- **Rice:** excluded from tariff commitments.

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

### Vietnam

**All tariffs phase to 0% by 2020.**

- **Wheat:** 5% tariff will be eliminated in 2016.
- **Malt, roasted and unroasted:** 5% tariff will be eliminated in 2016.
- **Wheat flour:** 20% tariff phases to 0% by 2018.
- **Barley and oats:** 3% tariffs will be eliminated in 2016.
- **Grain Sorghum:** 5% tariff will be eliminated in 2016.
- **Other products:** tariffs of 5% to 50% phase to 0% by 2016, 2017, 2018 or 2020.
- **Rice:** 40% tariff phases to 0% by 2019 or 2020.

### Other ASEAN countries:

#### Brunei

- 0% tariffs on rice, wheat, wheat flour and malt will be bound at EIF.

#### Burma

- 0% tariff on wheat will be bound at EIF.
- 5% tariff on wheat flour will be eliminated in 2024.
- 5% tariffs on rice and malt will be bound at EIF.

#### Cambodia

- 7% tariffs on wheat and malt: excluded from tariff commitments.
- 35% tariff on wheat flour will be bound.
- 7% tariff on rice will phase to 0% between 2019 and 2021.

#### Laos

- 5% tariffs on wheat, wheat flour and malt will be eliminated in 2021.
- 5% tariff on rice will phase to 0% by 2023, with reductions commencing in 2020.



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### *AANZFTA FACT SHEET – FRESH AND DRIED FRUIT, NUTS*

ASEAN is an important market for Australian fresh and dried fruit and nuts. It is worth about \$116 million in average annual exports and accounts for about one fifth of Australia's global exports of these products. ASEAN is a particularly significant market for fresh grapes, accounting for over 40% of global exports. AANZFTA will ensure the maintenance of current market access in ASEAN countries and enhance this access through the reduction and elimination of tariffs. Tariffs on most products will be eliminated, the major exceptions being mandarins and mangoes in Indonesia, and a range of tropical fruits in Malaysia on which the high specific rates are phased out leaving only a 5% tariff. Many 5% tariffs will be eliminated in 2010, particularly in Indonesia and Malaysia.

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

Product (HS Ch 08)	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 %
Oranges, mandarins, grapefruit, lemons, limes, other citrus nes, fresh or dried (HS 0805.10 – 90)	32.9	19.6
Grapes, fresh or dried (HS 0806.10, 20)	50.5	42.8
Fresh apricots, cherries, peaches, plums and sloes (HS 0809.10 – 40)	9.7	23.0
Desiccated coconut; Brazil nuts, almonds, cashews, almonds, hazelnuts, walnuts, chestnuts, pistachios, macadamia nuts, shelled or in shell (HS0801.11 – 0802.90)	4.5	2.6
Fresh or dried bananas, dates, figs, pineapples, avocados, guavas, mangoes, mangosteens (HS 0803.00 – 0804.50)	5.0	28.6
Fresh watermelons, other melons (HS 0807.11, 19)	4.0	24.7
Strawberries, raspberries, blackberries, mulberries, loganberries, black, red or white currants and gooseberries, fresh or frozen (HS0810.10 – 0811.20)	5.3	21.3
Fresh apples (HS 0808.10)	2.1	22.6
Fresh pears, quinces (HS 0808.20)	1.2	16.4
Other Fruit and Nuts	0.8	15.0
Total	116.1	19.8

## Summary of Outcomes

### Australia

- **All fresh and dried fruit and nuts:** tariffs bound at 0% at entry-into-force (EIF).

### Indonesia

**All tariffs eliminated in 2010 (60 tariff lines) except for 7 tariff lines subject to tariff reductions only.**

- **Fresh or dried mangoes:** 25% tariff reduces to 12.5% in one step in 2025.
- **Fresh or dried mandarins, tangerines, clementines, wiklings and similar citrus hybrids:** 25% tariff reduces to 18.75% in one step in 2025.
- **Pineapples, bananas, avocados, strawberries and a residual 'other' line:** 5% reduces to 4% in 2015.
- **All other fruit, fresh, dried or frozen; and nuts:** 5% tariffs eliminated in 2010.

### Malaysia

**Many tariffs will be eliminated in 2010, and most others will phase to 0% by 2012 or 2020, with remaining tariffs phasing to 5% or RM40/tonne (pineapples).**

- **Fresh oranges, tamarind, nuts (shelled or in shell):** 0% tariff bound at EIF.
- **Dried oranges; fresh or dried mandarins, grapefruit, lemons, limes:** 5% tariffs phase to 0% by 2010.
- **Other citrus fruit:** 10% tariff phases to 0% by 2011.
- **Fresh or dried grapes, apples, pears, quinces, apricots, cherries, peaches, plums, berries:** tariffs of 5% phase to 0% by 2010.
- **Kiwifruit:** 15% tariff phases to 0% in 2012.
- **Bananas:** specific duty of RM1322.77/tonne phases out by 2020, leaving a 5% tariff.
- **Pineapples:** specific duty of RM827/tonne phases to RM40/tonne by 2018.
- **Guavas, mangoes, mangosteens:** specific duties of RM220.45/tonne or RM440.9/tonne phase out by 2020, leaving a 5% tariff.
- **Tropical fruit (pawpaws, melons, watermelons, rambutan, langsat, jack fruit, star fruit etc):** specific duties of RM330.7/tonne or RM661.4/tonne phase out by 2016 or 2019, leaving a 5% tariff.
- **Durian:** tariff of 5% or RM 330.7/tonne (whichever is higher); specific rate phases out by 2016; leaving only a 5% tariff.
- **Mixtures of nuts or dried fruit (of which bananas, pineapples, mangoes predominate):** 20% tariffs phase to 0% by 2020;
- **Other mixtures of nuts or dried fruit:** tariffs of 0% bound at EIF; tariffs of 5% phase to 0% by 2010; tariffs of 7% phase to 0% by 2011.

### New Zealand

- **All fresh and dried fruit and nuts:** tariffs bound at 0% at EIF

Note: these tariff commitments the same as in ANZCERTA

## Philippines

All tariffs phase to 0% by 2013, except mandarins and clementines on which tariffs phase to 0% by 2015.

- **Fresh or dried oranges, lemons, limes:** 10% tariffs phase to 0% by 2012.
- **Fresh or dried mandarins, clementines:** 10% tariffs phase to 0% by 2015.
- **Fresh or dried grapefruit and other citrus fruit:** 7% tariffs phase to 0% by 2011.
- **Fresh grapes:** 7% tariff phases to 0% by 2011.
- **Dried grapes, fresh or dried dates, figs:** 3% tariff eliminated in 2010.
- **Other dried fruit, mixtures of dried fruit or nuts:** 7% tariffs phase to 0% by 2011.
- **Fresh melons, watermelons, pawpaws, fresh or dried avocados:** 15% tariffs phase to 0% by 2013.
- **Fresh apples, pears, quinces, apricots, cherries, peaches, plums:** 7% tariffs phase to 0% by 2011.
- **Fresh strawberries, fresh or dried avocados, guavas, mangosteens:** 15% tariffs phase to 0% by 2013.
- **Other fresh berries, kiwifruit:** 7% tariff phases to 0% by 2011.
- **Nuts, shelled or in shell (brazil, almonds, hazelnuts, walnuts, chestnuts, pistachios, other nuts):** 3% tariff eliminated in 2010.
- **Cashew nuts, shelled or in shell:** 7% tariff phases to 0% by 2011.

## Singapore

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

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

## Thailand

All tariffs phase to 0%; many tariffs are eliminated at EIF or by 2013; tariffs on fresh grapes and fresh mandarins phase to 0% by 2020.

- **Oranges, fresh or dried:** 30% tariffs phase to 0% by 2013.
- **Mandarins, clementines, fresh or dried:** 40% tariffs eliminated 2020.
- **Grapefruit, lemons, fresh or dried:** 40% tariffs will be eliminated at EIF.
- **Fresh grapes:** 30% tariffs eliminated in 2020.
- **Dried grapes:** 30% tariffs phase to 0% by 2013.
- **Fresh apples:** 10% tariffs will be eliminated at EIF.
- **Fresh pears and quinces:** 30% tariffs phase to 0% by 2013.
- **Fresh apricots, peaches:** 40% tariff will be eliminated at EIF.
- **Fresh cherries, plums:** 40% tariffs phase to 0% by 2013.
- **Melons, watermelons, pawpaws:** 40% tariffs eliminated at EIF.
- **Dried fruit, mixtures of nuts or fruits:** 40% tariffs eliminated at EIF or in 2012.
- **Fresh or processed strawberries, raspberries, blackberries, mulberries, loganberries, currants, gooseberries:** 40% tariffs eliminated at EIF.
- **Brazil nuts, cashew nuts (shelled, in shell):** 40% tariffs eliminated at EIF.
- **Almonds, hazelnuts, walnuts, chestnuts, pistachios (shelled, in shell):** 10% tariffs eliminated at EIF.

*Note: for some products the tariff commitments are better in TAFTA*

## Vietnam

**All tariffs phase to 0% by 2020, except for 1 miscellaneous citrus fruit tariff line.**

- **Oranges and mandarins, fresh or dried:** 40% tariffs phase to 0% by 2020.
- **Grapefruit, lemons and limes, fresh or dried:** 40 tariffs phase to 0% by 2019.
- **Citrus fruit other than oranges, mandarins (including tangarines and satsumas), clementines, wiklings and similar citrus hybrids, grapefruit, lemons or limes:** 40% tariff phases to 32% in 2022.
- **Grapes, fresh or dried:** 25% tariff phases to 0% by 2018.
- **Apples, pears, quinces, fresh:** 25% tariffs phase to 0% by 2016.
- **Apricots, peaches, plums, fresh:** 40% tariffs phase to 0% by 2018 or 2019.
- **Cherries, fresh:** 40% tariffs phase to 0% by 2016.
- **Berries (strawberries, raspberries, blackberries, mulberries, loganberries), fresh :** 15% tariffs phase to 0% by 2016; **processed:** 40% tariffs phase to 0% by 2016.
- **Dried fruit, mixtures of nuts or fruits:** 40% tariffs phase to 0% by 2019.
- **Nuts (shelled or in shell) brazil nuts, almonds, hazelnuts, walnuts, chestnuts, pistachios, other nuts:** 40% tariffs phase to 0% between 2016 and 2019.
- **Cashew nuts (in shell):** 30% tariff phases to 0% by 2017; **(shelled):** 40% tariff phases to 0% by 2018.



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### ***AANZFTA FACT SHEET – VEGETABLES, FRESH, DRIED, CHILLED OR FROZEN***

ASEAN is an important market for vegetables, worth about \$60 million in average annual exports. AANZFTA will ensure the maintenance of current market access in ASEAN countries for these products and enhance this access through the reduction and elimination of tariffs. Tariffs on all products will be bound at 0% on entry-into-force (EIF), or phase to 0%, in Malaysia and Vietnam, and tariffs on most products will phase to 0% in other countries. However, high tariffs on a number of products (including potatoes and carrots in Indonesia, and potatoes, celery, carrots, cauliflowers, broccoli and lettuce in the Philippines) will only be subject to modest reductions.

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

Product (HS Ch 07)	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 %
Dried shelled peas, beans and leguminous vegetables (HS 0713.10 – 0713.90)	18.6	4.8
Carrots and turnips, fresh or chilled (HS 0706.10)	15.5	38.1
Potatoes, seed potatoes, fresh or chilled (HS0701.10 – 90)	7.4	48.6
Cabbages, cauliflowers, broccoli, other brassicas, fresh or chilled (HS 0704.10 – 90)	5.7	60.6
Vegetables, nes, fresh or chilled (HS 0709.10 and 0709.90)	4.4	38.5
Asparagus, fresh or chilled (HS 0709.20)	0.8	4.1
Frozen vegetables (potatoes, peas, beans, sweet corn, leguminous, mixed) (HS 0710.10 – 90)	0.7	12.5
Other	7.2	13.6
Total	60.3	11.1

## Summary of Outcomes

### Australia

- **All fresh, dried, chilled, frozen or provisionally preserved vegetables:** tariffs bound at 0% on EIF

### Indonesia

**Tariffs will be eliminated on 79 tariff lines by 2010, another 9 lines will have tariffs reduced to 4% or 2.5%, and 3 lines will have tariffs reduced to 12.5% or 18.75%.**

- **Seeds and bulbs:** tariffs of 0% on 14 lines bound at EIF;
- **Potatoes, non seed:** 25% tariff reduced in one step to 18.75% in 2025;
- **Fresh or chilled shallots, carrots:** 25% tariffs reduce in one step to 12.5% in 2025
- **Turnips:** 5% tariff reduced in one step to 2.5% in 2025;
- **Dried and shelled beans/peas:** 5% tariffs eliminated in 2010;
- **Other vegetables:** 5% tariffs on 65 lines will be eliminated in 2010; or reduce to 4% in 2015 for 8 lines (fresh or chilled chillies, tomatoes, cabbages, cauliflowers, some lettuce, broccoli and brussel sprouts).

### Malaysia

- **All tariffs either bound at 0% on EIF (69 tariff lines) or phase to 0% by 2010 or 2011 (remaining 15 lines).**

### New Zealand

- **All fresh, dried, chilled, frozen or provisionally preserved vegetables:** all tariffs eliminated or bound at 0% on EIF.

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

### Philippines

**Tariffs will be eliminated on 86 tariff lines by 2020, will be phased to 5% on 4 lines, and there will be modest tariff reductions on the remaining 8 lines.**

- **Potatoes (non-seed) and carrots:** 40% tariff reduces to 32% in one step in 2020;
- **Cauliflowers, broccoli and lettuce:** 25% tariffs reduce from 25% to 20% in one step in 2020;
- **Celery:** 20% tariff reduces in one step to 16% in 2020;
- **Onions and garlic:** 40% tariffs reduce to 5% by 2018;
- **Other vegetables:** Tariffs on remaining 86 lines phase to 0% by 2010 or 2012 (55 lines); remainder phase to 0% by 2015 or 2020.

### Singapore

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

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

## Thailand

- **Potatoes, including seed, fresh, chilled or frozen, onions, shallots, garlic:** excluded from tariff commitments
- **Cabbages, Brussels sprouts, other edible brassicas, lettuce, carrots, turnips, peas, beans, asparagus, celery, spinach, mushrooms:** 40% tariffs phase to 0% by 2013;
- **Vegetables, provisionally preserved:** 40% tariffs phase to 0% by 2013;
- **Dried leguminous vegetables:** 30% tariffs eliminated on EIF or phased to 0% by 2013
- **Potatoes, prepared, preserved or frozen:** 30% tariffs eliminated in one step in 2020;
- **Other vegetables, prepared, preserved or frozen:** 30% tariffs phase to 0% by 2013.

Note: Under TAFTA tariffs on these items are eliminated earlier, and there are no exclusions from tariff elimination.

## Vietnam

**Tariffs will be eliminated on all 91 tariff lines by 2018.**

- **Seed potatoes, bulbs for propagation:** 0% tariffs bound at EIF;
- **Potatoes, non-seed:** 20% tariff phasing to 0% by 2017.
- **Carrots, turnips, cabbages, cauliflowers, other edible brassicas:** 20% tariff phase to 0% by 2017, commencing in 2010;
- **Fresh or chilled asparagus, celery, spinach:** 15% tariffs phase to 0% by 2016, with reductions commencing in 2011;
- **Leguminous vegetables, fresh, chilled or frozen; frozen sweet corn, mixtures of vegetables; dried leguminous vegetables, lentils, beans:** 30% tariffs phase to 0% by 2018 with reductions commencing in 2010.
- **Fresh, chilled, dried or provisionally preserved vegetables:** all tariffs phase to 0% by 2016, 2017 or 2018.



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## ***AANZFTA FACT SHEET – FRUIT AND VEGETABLE JUICES; PREPARED AND PROCESSED FRUITS, NUTS AND VEGETABLES***

ASEAN is a valuable market for Australian processed fruit and vegetables and fruit and vegetable juices, particularly for orange, apple and grape juice and juice mixtures, and is worth about \$22 million in average annual exports. All tariffs on these products will be bound at 0% on entry-into-force (EIF), or phase to 0%, under AANZFTA in most ASEAN countries (including Brunei, Indonesia, Malaysia, the Philippines and Vietnam). Burma will reduce almost all tariffs to 5%, and Laos and Cambodia will phase most tariffs to 0% or low rates, but will exclude some lines from tariff commitments. These commitments will ensure the maintenance of current market access in ASEAN countries and enhance this access.

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

Product (HS Ch 20)	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 %
Jams, jellies, fruit or nut purees and pastes (HS 2007)	3.9	24.3
Mixtures of fruit or vegetable juices (HS 2009.90)	4.0	12.5
Fruit, prepared or preserved (HS 2008.20 – 99)	2.6	4.1
Orange Juice, fresh or frozen (HS 2009.11, 12, 19)	2.6	17.0
Apple juice (HS 2009. 71, 79)	1.7	21.6
Vegetables, prepared or preserved (HS 2004 – 2005)	1.6	5.4
Grape juice, incl. must (HS 2009. 61, 69)	1.4	10.9
Other	3.6	5.1
Total	21.5	8.7

### Summary of Outcomes

## Australia

- **Fruit and vegetable juices:** tariffs bound at 0% at EIF, except for 2 lines on which 5% tariffs are eliminated in 2010 (frozen orange juice, juice of any 'other' fruit or vegetable);
- **Processed and preserved fruit and vegetables:** tariffs bound at 0% at EIF, except for 2 lines on which 5% tariffs are eliminated in 2010: homogenised vegetables and 'other' preserved vegetables and mixtures of vegetables.

## Brunei

- **Fruit and vegetable juices:** tariffs bound at 0% at EIF
- **Processed and preserved fruit and vegetables:** tariffs bound at 0% at EIF.

## Burma

- **Fruit and vegetable juices:** tariffs of 15% reduce to 10% in 2022 and to 5% in 2023, except 1 line (mixtures of juices) which reduces to 10% in 2022 and to 5% in 2024.
- **Processed and preserved fruit and vegetables:** tariffs of 15% reduce to 10% in 2022 and to 5% in 2023.

## Cambodia

- **Fruit and vegetable juices:** 17 tariff lines at 35%, of which 9 lines excluded from tariff commitments; tariffs on 7 lines phase to 0% between 2013 and 2021; tariff on 1 line reduces to 30% in 2018 then phases to 5% in 2024.
- **Processed and preserved fruit and vegetables:**
  - **4 tariff lines at 7%:**
    - 1 line phases to 0% between 2019 and 2021 (glace or crystallised citrus fruit)
    - 2 lines bound at 7% (homogenised fruit preparations);
    - 1 line excluded from tariff commitments (other fruit, vegetables, nuts etc preserved by sugar).
  - **68 tariff lines at 35%**
    - 3 lines excluded from tariff commitments ('other' preserved vegetables),
    - 2 lines bound at 7%;
    - 4 lines bound at 35% (prepared/preserved onions, tomato paste, shelled beans, 'other' vegetable preparations);
    - 5 lines phase to 5% between 2018 and 2025 (tomato paste, canned pineapple);
    - Remaining lines phase to 0% between 2011 and 2021 or 2018 and 2021.

## Indonesia

**Tariffs on all 89 tariff lines eliminated by 2023, with tariffs on 75 lines eliminated in 2010.**

- **Fruit and vegetable juices:** tariffs phase to 0% by 2010, 2020 or 2023.
  - **Orange juice, not frozen (of a Brix value not exceeding 20), grapefruit, pineapple juice:** 5% tariffs eliminated in 2010;
  - **Tomato, grape, mixtures of juices:** 5% tariffs phase to 0% by 2020;
  - **Frozen orange juice, orange juice, not frozen, of a Brix value exceeding 20, apple juice:** 5% tariffs phase to 0% by 2023.

- **Processed and preserved fruit and vegetables:**
  - tariffs of 5% eliminated on most lines in 2010; and on remaining lines by 2022.

### Laos

- **Fruit and vegetable juices:** tariffs of 30% phase to 0% between 2013 and 2021.
- **Processed and preserved fruit and vegetables:** 89 lines at 30%; tariffs phase to 0% on 72 lines between 2013 and 2021; tariffs on 17 lines phase to 5% between 2020 and 2025.

### Malaysia

**Tariffs on all 164 tariff lines eliminated by 2020, with tariffs eliminated on 161 lines by 2011.**

- **Fruit and vegetable juices:** tariffs phase to 0% by 2020.
  - **Fresh and frozen orange, grapefruit and other citrus juices, tomato juice:** tariffs at 0%, 5% and 6% bound at 0% at EIF;
  - **Other juices:** tariffs of 5%, 6% and 8% eliminated on EIF or phase to 0% by 2011;
  - **Mixtures of juices:** 10% tariff phase to 0% by 2011.
  - **Pineapple juice:** 30% tariff phases to 0% by 2020
- **Processed and preserved fruit and vegetables:** tariffs between 0% and 20% are bound or eliminated at EIF, or phase to 0% by 2010 or 2011.

### New Zealand

- **Fruit and vegetable juices:** tariffs eliminated on EIF on all but 2 lines (1 at 6.5% and 1 at 7%), which are eliminated in 2010.
- **Processed and preserved fruit and vegetables:** tariffs eliminated on EIF on all but 3 lines (2 at 5% and 1 at 6.5%), which are eliminated in 2010.

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

### Philippines

**Tariffs on all 90 tariff lines eliminated by 2020, with tariffs eliminated on 83 lines by 2013.**

- **Fruit and vegetable juices:** tariffs phase to 0% by 2010, 2011 or 2012.
  - **Grape juice:** 3% tariff eliminated in 2010.
  - **Frozen orange juice; grapefruit juice:** 7% tariffs phase to 0% by 2011;
  - **Other citrus, pineapple, tomato, other single fruit or vegetable juice, mixtures of juices:** 10% tariffs phase to 0% by 2012;
- **Processed and preserved fruit and vegetables:** tariffs between 1% and 15% are eliminated or phase to 0% between 2010 and 2013 or 2015.

## Singapore

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

Note: these tariff commitments the same as in SAFTA

## Thailand

- **Fruit and vegetable juices:** tariffs phase to 0% in 2010 or 2013.
  - **Frozen orange juice; grapefruit, apple, grape, other juices with brix value exceeding 20:** 10% tariffs phase to 0% by 2010;
  - **Other orange, grapefruit, tomato, apple, grape, other single fruit or vegetable juices, mixtures:** 30% tariffs phase to 0% by 2013.
- **Processed and preserved fruit and vegetables:** tariffs at 30% phase to 0% from EIF or 2010 and 2013; tariff at 30% on 3 lines (prepared or preserved potatoes) eliminated in one step in 2020.

Note: Tariffs on these items are eliminated earlier Under TAFTA

## Vietnam

**Tariffs on all 89 tariff lines eliminated by 2020, with tariffs eliminated on 83 lines by 2018.**

- **Fruit and vegetable juices:** 40% tariffs phase to 0%, by 2018, 2019 or 2020.
  - **Orange juice, fresh, brix exc. 20; apple juice, Brix exc. 20; blackcurrant juice:** 40% tariffs phase to 0% by 2019;
  - **Mixtures of juices, grape juice exc. Brix 20:** 40% tariffs phase to 0% by 2020;
  - **All other juices:** 40% tariffs phase to 0% by 2018.
- **Processed and preserved fruit and vegetables:** tariffs of 40% and 50% all phase to 0% between EIF or 2010 and 2018, except for 1 line (homogenised jams, jellies etc) which phases to 0% between 2010 and 2019.



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### ***AANZFTA FACT SHEET – SUGAR***

ASEAN is an important market for Australian raw and refined sugar, especially Malaysia and Indonesia, and is worth \$438 million in annual average exports, accounting for about 31% of global sugar exports. While some ASEAN countries (Indonesia, the Philippines, Cambodia and Thailand) have excluded sugar from tariff commitments, others (including Malaysia, Brunei, and Burma) will bind current zero or very low tariffs against increase. Laos will phase its 10% tariff to 0%, and Vietnam will reduce its tariffs. While Thailand has excluded sugar from AANZFTA's tariff commitments, it will be eliminating its tariffs as part of its commitments under TAFTA.

#### Australia's Exports to ASEAN

*(Note: calendar 2008 export data is not yet available due to confidentiality restrictions)*

Product (HS 1701)	Exports to ASEAN  3 Year Average (2005-2007) (\$A million)	Exports to ASEAN as Percentage of Australia's Total Exports of Each Product 3 Year Average (2005-2007) %
Raw cane sugar (HS 1701.11)	377.7 of which: Indonesia 197.1 Malaysia 180.6	28.4
Refined sugar (HS 1701.91- 1701.99)	59.9	74.8
Total	437.7	31.0

#### Summary of Outcomes

##### **Australia**

- Existing tariffs of 0% will be bound at entry-into-force (EIF).

##### **Indonesia**

- Sugar is excluded from Indonesia's tariff commitments.

##### **Malaysia**

- Existing tariffs of 0% will be bound at EIF.

### New Zealand

- Existing tariffs of 0% will be bound at EIF.

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

### Philippines

- Sugar is excluded from the Philippines' tariff commitments.

### Singapore

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

Note: these commitments are the same as in SAFTA

### Thailand

- Sugar is excluded from Thailand's tariff commitments.

Note: under TAFTA, tariff rate quotas will be liberalised and eliminated by 2020.

### Vietnam

- **Raw cane and beet sugar:** subject to an MFN tariff rate quota with 30% in-quota tariff and 80% out-of-quota tariff. In-quota tariff phases to 0% by 2020 and out-of-quota tariff will reduce in one step to 50% in 2020.
- **Refined sugar:** subject to an MFN tariff rate quota with 40% in-quota tariff and 100% out-of-quota tariff. In-quota tariff phases to 0% by 2020 and out-of-quota tariff will reduce in one step to 50% in 2020.

### Other ASEAN countries:

#### Brunei

- Existing tariffs of 0% will be bound at EIF.

#### Burma

- 2005 base tariff rates are 0.5%.
- **Raw cane and beet sugar:** will be bound at the existing tariffs of 0.5% at EIF.
- **Refined white sugar:** will be bound at the existing tariffs of 0.5% at EIF.
- The tariffs on all other tariff lines will be reduced to 0% in 2020 or 2024.

#### Cambodia

- 2005 base tariff rates are 7%.
- **Raw cane sugar:** is excluded from Cambodia's tariff commitments.
- **Refined sugar:** white sugar is bound at 7% at EIF and the tariff on other refined sugar is reduced to 5% in 2023.
- The tariffs on 2 lines will phase to 0% by 2020 commencing in 2019, and the remaining tariff line is excluded from Cambodia's tariff commitments.

#### Laos

- 2005 base tariff rates are 10%.
- All tariffs will phase to 0% by 2023 commencing in 2015.



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### *AANZFTA FACT SHEET – WINE AND SPIRITS*

ASEAN is only a small market for Australian exports of wine and spirits, worth about \$89 million in average annual exports. In a number of ASEAN countries tariffs on these products are very high. Several of these countries have excluded wine and spirits from tariff commitments in AANZFTA, citing religious or cultural concerns. However, the Philippines will phase all its tariffs to 0% and Vietnam will reduce its tariffs significantly.

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

Product (HS 2204; 2208)	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 %
Wine in containers not exc. 2 litres (HS 2204.21)	83.3	3.4
Wine in containers exc. 2 litres (HS 2204.29)	1.7	0.7
Sparkling Wine (HS 2204.10)	1.8	2.3
Spirits (HS 2208)	2.2	5.4
Other Wine and Spirits	0.03	10.2
Total	89.1	3.2

#### Summary of Outcomes

##### Australia

- **All tariffs bound at 0% at entry-into-force (EIF)**
  - Tariffs at 5% eliminated at EIF.

##### Indonesia

- **All lines excluded from tariff commitments**
  - Wine: 6 tariff lines at 90%; 7 tariff lines at 140%;
  - Spirits: 23 lines at 170%.

##### Malaysia

- **All lines excluded from tariff commitments**
  - Wine: Champagne: 1 tariff line at RM 23/lt; Other wine: 5 tariff lines at RM 7/lt.

- Spirits: 6 tariff lines with specific duties at RM 58/lt; 7 tariff lines with specific duties between RM 3/lt and RM 93/lt.

### **New Zealand**

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

- Wine: Champagne: 1 line at 0% bound at EIF; Grape must: 1 line at 6% eliminated at EIF; Other wine: 8 lines at 7%, eliminated at EIF;
- Spirits: Tariffs at 0% bound at EIF.

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

### **Philippines**

- **All tariffs phase to 0% by 2015:**

- Wine: Sparkling wine: 1 tariff line at 5% eliminated in 2010;
- Other wine: 6 tariff lines at 7% phase to 0% by 2015;
- Grape must: tariffs at 5% on 2 lines eliminated at EIF; tariffs at 7% on 2 lines phase to 0% by 2015.

### **Singapore**

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

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

### **Thailand**

- **All tariffs phase to 0%**

- Wine: 3 tariff lines at 54% and 3 tariff lines at 60% phase to 0% by 2020;
- Spirits: 1 tariff line at 54%, 6 tariff lines at 60% phase to 0% by 2013.

*Note: tariffs are eliminated earlier in TAFTA*

### **Vietnam**

- **2005 Base Tariffs: 11 lines with tariffs at 80%**

- Wine: Tariffs on 9 lines reduce to 20% in one step in 2022; tariffs on 2 lines (grape must) reduce to 40% in one step in 2022.
- Spirits: 22 tariff lines at 80% reduce to 40% in one step in 2022; 1 tariff line at 80% (vodka) phases to 5% by 2022.

### **Other ASEAN countries:**

#### **Brunei**

- All wine and spirits excluded from tariff commitments.

#### **Burma**

- Tariffs of 30% on wine and 40% on spirits bound at EIF.

### **Cambodia**

- Sparkling wine and wine in containers of 2 litres or less excluded from tariff commitments; 35% tariff on other wine and 'other' grape must either bound at 35% or phased to 5% by 2024.
- 35% tariffs on spirits phased to 0% by 2021.

### **Laos**

- Tariffs of 30% on wine (13 lines) bound at EIF.
- 30% tariffs on 'other' grape must phased to 0% by 2021, with reductions commencing in 2013.
  - Tariffs of 30% and 40% on spirits bound at EIF.



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### *AANZFTA FACT SHEET – WOOL AND COTTON*

ASEAN is a very significant market for Australian exports of raw cotton, worth some \$300 million in average annual exports, and accounting for over 40% of global cotton exports. It is also a major market for degreased wool (about 22% of exports). ASEAN tariffs are generally not high, particularly for raw materials, but elimination of tariffs and guarantees against future increase will provide increased certainty in market access and improved market opportunities over time. All tariffs will be eliminated in this sector, except for a few tariff lines (cotton waste, and cotton, carded or combed) in Burma, which will be bound at their 1% base rates.

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

Product (HS 5101-5107, and 5201-5206)	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 %
Greasy wool (HS 5101.11)	7.2	0.3
Degreased wool, not carded or combed (HS 5101.21)	42.3	22.0
Combed wool, in fragments (HS 5105.21)	1.5	14.4
Cotton, not carded or combed (HS 5201.00)	300.0	44.8
Other	0.8	0.4
Total	351.8	11.2

#### Summary of Outcomes

##### Australia

- **Wool – raw, carded or combed, waste:** 0% tariffs bound at entry-into-force (EIF).
- **Wool yarn:** 5% tariffs will be eliminated in 2010.
- **Cotton – raw (not carded or combed), waste, carded or combed:** 0% tariffs bound at EIF.
- **Cotton – other:** 5% tariffs will be eliminated at EIF.

##### Indonesia

- **All wool:** 5% tariffs will be eliminated in 2010.
- **Cotton – raw (not carded or combed):** 0% tariffs bound at EIF.
- **Cotton – other:** 5% tariffs will be eliminated in 2010.

### Malaysia

- **Wool:** 0% tariffs bound at EIF.
- **Cotton – raw (not carded or combed), waste, carded or combed:** 0% tariffs bound at EIF.
- **Cotton – other:** 10% tariffs (yarn, not for retail sale) and 15% tariffs (sewing thread) phase to 0% by 2011 and 2012 respectively.

### New Zealand

- **Wool – raw, carded or combed, waste:** 0% tariffs bound at EIF.
- **Wool yarn:** 7% tariffs phase to 0% by 2017 or 2020.
- **All cotton:** 0% tariffs bound at EIF.

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

### Philippines

- **Wool:** 1% tariffs will be eliminated in 2010.
- **Raw cotton (not carded or combed):** 1% tariffs will be eliminated in 2010.
- **Cotton – carded or combed, waste, garnetted stock:** 3% tariffs will be eliminated in 2010.
- **Cotton – other:** 7% tariffs (cotton yarn, not for retail sale) and 10% tariffs (sewing thread) phase to 0% by 2011 and 2012 respectively.

### Singapore

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

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

### Thailand

- **Wool – raw, carded or combed, waste:** 1% tariffs will be eliminated at EIF.
- **Wool yarn:** 5% tariffs will be eliminated at EIF (yarn of carded wool) or phase to 0% by 2015 (yarn of combed wool).
- **Cotton – raw (not carded or combed), waste, carded or combed:** 0% tariffs bound at EIF.
- **Cotton – other:** 5% tariffs will be eliminated at EIF.

Note: for some products tariff commitments are better in TAFTA.

### Vietnam

- **Wool – raw, carded or combed:** 0% tariffs bound at EIF.
- **Wool – waste:** 10% tariffs phased to 0% by 2016 commencing in 2012.
- **Wool – garnetted stock:** 3% tariff will be eliminated in 2016 (in one step).

- **Wool – yarn (not for retail sale):** 20% tariffs phase to 0% by 2017.
- **Cotton – raw, carded or combed:** 0% tariffs bound at EIF.
- **Cotton – waste, garnetted stock:** 10% tariffs phase to 0% by 2016 commencing in 2012.
- **Cotton – other:** 20% tariffs (yarn, not for retail sale) phase to 0% by 2017; 30% tariffs (sewing thread) phase to 0% by 2018.

**Other ASEAN countries:**

**Brunei**

- **All wool and cotton:** 0% tariffs bound at EIF.

**Cambodia**

- **All wool and cotton:** 7% tariffs phase to 0% by 2021.



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### AANZFTA FACT SHEET – MINERALS

Australian trade in minerals with ASEAN countries is extensive, with average annual exports of \$4.6 billion. Particularly prominent are petroleum based products, and ASEAN countries account for 37% of Australia's petroleum exports. Coal and non-ferrous ores also feature prominently in our ASEAN export profile. Tariffs currently applied on these goods in most ASEAN countries are generally low, with those in the 0-5% range predominating, and many of these will be eliminated early in many ASEAN tariff reduction schedules under AANZFTA. Tariffs on all tariff lines will be bound at 0% on entry-into-force (EIF) or phase to 0% in Malaysia, and on almost all lines in Indonesia and the Philippines. Vietnam will phase most tariffs to 0% but exclude 41 lines from tariff commitments and bind 8 lines at their base rates.

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

Products (HS Chapters 25-27)	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 %
Petroleum oils and oils from bituminous minerals, crude (HS 2709.00)	3,114.2	37.2
Oils/preparations obtained from bituminous minerals other than crude, >70% of such oils (HS 2710.11)	639.2	20.8
Bituminous coal, whether or not pulverised, but not agglomerated (HS 2701.12)	463.9	1.5
Copper ores and concentrates (HS 2603.00)	130.3	3.2
Oils/preparations obtained from bituminous minerals other than crude, <70% of such oils (HS 2710.19)	108.3	73.8
Zinc ores and concentrates (HS 2608.00)	83.6	4.0
Tin ores and concentrates (HS 2609.00)	27.8	99.5
Other	55.6	0.2
Total	4,622.9	5.7

## Summary of Outcomes:

### **Australia**

- 2005 base tariffs (251 tariff lines):
  - 0% on 237 tariff lines
  - 5% on 14 tariff lines
- Tariffs will be eliminated on all but one tariff at EIF, with the remaining tariff eliminated in 2010.

### **Cambodia**

- 2005 base tariffs (213 tariff lines):
  - 0% on 21 tariff lines
  - 7% on 102 tariff lines
  - 15% on 77 tariff lines
  - 35% on 13 tariff lines.
- Tariffs will be bound at 0% on EIF or phased to 0% on 179 lines by 2025, with remaining lines bound at base rates (between 7% and 35%):
  - Phase-in of tariff reductions will commence in 2013 for some higher tariffs of 35% and in later years for lower tariffs
  - The following lines are bound at their base rates from EIF: 10 lines with 7% tariffs; 16 lines with 15% tariffs; and 8 lines with 35% tariffs.

### **Indonesia**

- 2005 base tariffs (213 tariff lines):
  - 0% on 75 tariff lines
  - 5% on 130 tariff lines
  - 10% on 1 tariff lines
  - 15% on 3 tariff lines
  - 30% on 4 tariff lines
- 205 tariff lines will either be bound at 0% on EIF or eliminated by 2010, with another 2 lines phasing to 0% by 2013, and the remaining 6 tariff lines phasing to 5% or 15% by 2025:
  - tariffs of 0% bound on EIF
  - tariffs of 5% will be eliminated in 2010
  - the 10% tariff phases to 5% in 2015
  - of the three 15% tariffs, 2 phase to 0% in 2013 and one to 5% in 2016
  - tariffs of 30% phase to 15% in 2025.

### **Malaysia**

- 2005 base tariffs (204 tariff lines):
  - 0% on 179 tariff lines
  - 5% on 15 tariff lines

- 15% on 2 tariff lines
- 20% on 1 tariff line
- 25% on 5 tariff lines
- 30% on 1 tariff line
- 50% on 1 tariff line.
- Tariffs will be eliminated on 199 tariff lines by 2012, with tariffs on the remaining 5 lines phasing to 0% by 2020:
  - All 0% tariffs will be bound at 0% on EIF and 5% tariffs will be eliminated in 2010 (194 tariff lines to 0% by 2010).
  - 15% tariffs will be eliminated in 2012
  - 3 of the 25% tariffs phase to 0% in 2011
  - all remaining tariffs phase to 0% in 2020.

### **New Zealand**

- 2005 base tariffs (185 tariff lines):
  - 0% on 176 tariff lines
  - 5% on 1 tariff lines
  - 6.5% on 3 tariff lines
  - 7% on 5 tariff lines
- Tariffs will be eliminated on all but one tariff line at EIF, with the tariff on the remaining line eliminated in 2010:

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

### **Philippines**

- 2005 base tariffs (213 tariff lines):
  - 1% on 53 tariff lines
  - 3% on 144 tariff lines
  - 5% on 11 tariff lines
  - 7% on 5 tariff lines
- Tariffs on a majority of tariff lines will be eliminated in 2010, with tariffs on remaining lines phasing to 0% by 2018, except for 3 lines phasing to 4% in 2020:
  - the majority of 1%, 3% and 5% tariffs will be eliminated in 2010
  - a further tranche of 1% (7) and 3% (17) tariffs are eliminated in 2015
  - twenty 3% tariffs and all the 7% tariffs phase to 0% in 2018
  - three 5% tariff lines will phase to 4% in 2020.
- tariffs on Australia's top two exports - crude petroleum (2709.00) and copper ores and concentrates (2603.00) - both have a base rate of 3% which will be eliminated in 2010 and 2015 respectively.

### **Singapore**

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

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

## **Thailand**

- 2005 base tariffs (173 tariff lines):
  - 0% on 9 tariff lines
  - 1% on 123 tariff lines
  - 5% on 8 tariff lines
  - 10% on 13 tariff lines
  - 12.5% on 2 tariff lines
  - 20% on 3 tariff lines.
  - 15 specific tariffs.
- 168 tariff lines will be bound at 0% at EIF or eliminated in 2010, with tariffs on remaining lines phasing to 0% by 2020:
  - Most tariffs will be eliminated on EIF (154) or in 2010 (a further 14)
  - Three 1% tariffs phase to 0% in 2015
  - One 12.5% tariff phases to 0% by 2017
  - One 20% tariffs phases to 0% by 2012
  - tariffs on Australia's top three exports - petroleum oils crude (2709.00) bituminous coal (2701.12) and zinc ores/concentrates (2608.00) - are all bound at 0% at EIF.

AANZFTA outcomes do not improve on TAFTA.

## **Vietnam**

- 2005 base tariffs (220 tariff lines):
  - 0% on 37 tariff lines
  - 1-3% on 79 tariff lines
  - 5-10% on 71 tariff lines
  - 15-20% on 13 tariff lines
  - 30-40% on 13 tariff lines
  - 50-60% on 7 tariff lines
- Tariffs will be eliminated on 171 lines by 2020, 41 lines are excluded from tariff commitments, and one 15% line and seven 5% lines are bound at that rate at EIF:
  - 36 tariffs are bound at 0% on EIF
  - a further 121 tariffs are either eliminated in one step or phase to 0% in 2016
  - one 30% and one 40% tariff phase to 0% by 2018
  - a further 12 tariffs (10-40%) phase to 0% by 2020
- Treatment of tariffs on Australia's top three exports:
  - petroleum oils - crude (2709.00) – 15% tariff phased to 0% in 2016;
  - oils/preparations other than crude, containing >70% by weight of such oils (2710.11) – exclusion from tariff commitments;
- lead ores/concentrates (2607.00) – bound at 0% on EIF.



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### ***AANZFTA FACT SHEET – IRON AND STEEL, AND ARTICLES OF IRON AND STEEL***

ASEAN is a significant market for Australian exports of iron and steel, and articles of iron and steel. It is worth some \$869 million in average annual exports, accounting for 34% of global exports of these products. The binding of current zero tariffs on some products, and reduction and/or elimination of many other tariffs, will provide greater certainty of market access and improved opportunities over time. While many tariffs in this sector are already at low levels, tariffs on some products can be as high as 20% in some ASEAN countries and 50% in others. AANZFTA provides for a majority of tariff lines in this sector to be bound at 0% on entry-into-force (EIF) or phased to 0%, and for most others to be bound at, or phased to, 10% or less. However, a number of countries have excluded between 7% and 10% of their iron and steel tariff lines from tariff commitments.

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

Product (HS Ch 72 - 73)	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) %
Stainless steel, ingots or other forms, semi-finished products, flat rolled products (HS 7218-7219)	2.1	30.2
Bars and rods of iron or non-alloy steel (HS 7213-7215)	6.3	36.1
Tubes, pipes and hollow profiles of iron or steel (HS 7304-7305)	11.5	24.2
Screws, nuts, bolts, etc of iron or steel (HS 7318)	11.0	22.2
Iron or steel wire, ropes, cable, chain (HS 7312-7314)	15.6	38.8
Flat-rolled products of iron or non-alloy steel (HS 7208-7209)	190.4	27.3
Other articles of iron or steel (HS 7326)	92.0	35.3
Waste and scrap (HS 7204)	389.4	57.1
Other	150.5	19.9
Total	868.8	34.0

## Summary of Outcomes:

### **Australia**

#### 2005 base tariffs (305 tariff lines):

- 0%: 55 lines
- 5%: 243 lines
- 10%: 7 lines.

#### Tariffs on all tariff lines eliminated on EIF, except for 3 lines phased to 0% in 2020:

- Tariffs on 302 lines bound at 0% on EIF or eliminated on EIF.
- 5% tariffs on 3 lines reduced to 3% in 2010 and eliminated in 2020.

### **Indonesia**

#### 2005 base tariffs (795 tariff lines):

- 0%: 88 lines
- 5%-7%: 246 lines
- 10%: 112 lines
- 12.5%-15%: 249 lines
- 20%: 100 lines

#### Tariffs on 608 lines either bound at 0% on EIF or phase to 0% by 2020, and the remaining 187 lines phase to 5% or less:

- Tariffs on 277 lines either bound at 0% on EIF or eliminated in 2010;
- Tariffs on 323 lines phase to 0% by 2012, 2013 or 2015;
- 8 lines phase to 0% by 2020.
- Tariffs on 187 lines phase to levels no higher than 5%.
- Tariffs on all 795 lines will be bound in the 0-5% range by 2025.

### **Malaysia**

#### 2005 base tariffs (637 tariff lines):

- 0%: 121 lines
- 5%-10%: 115 lines
- 15%-20%: 94 lines
- 25%-30%: 109 lines
- 50%: 198 lines.

#### Tariffs on 448 lines either bound at 0% on EIF or phase to 0% by 2020, and the remaining 189 lines phase to 10% or less:

- Tariffs on 436 lines either bound at 0% on EIF or phase to 0% by 2010, 2011, 2012 or 2013.
- Tariffs on 12 lines phase to 0% by 2020.
- Tariffs on 189 lines phase to 5% (3 lines) or 10% (186 lines) by 2019.
- Tariffs on 452 lines will be bound in 0-5% range by 2019.

## **New Zealand**

2005 base tariffs (445 tariff lines):

- 0%: 201 lines
- 5% :122 lines
- 6.5%-7%: 116 lines
- 10%: 3 lines
- 17.5%: 3 lines.

Tariffs on 204 lines bound at 0%, or eliminated, at EIF, and the remaining lines phased to 0% by 2018:

- Tariffs with 0% and 10% tariffs bound at 0%, or eliminated, at EIF.
- Tariffs with 17.5% tariffs phased to 0% by 2010.
- Tariffs with 6.5%-7% tariffs phase to 0% by 2013.
- Tariffs with 5% tariffs phase to 0% by 2018.

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

## **Philippines**

2005 base tariffs (736 tariff lines):

- 0%: 12 lines.
- 1%-3%: 390 lines
- 5%-7%: 138 lines
- 10%: 144 lines
- 15%: 52 lines.

Tariffs on 497 tariff lines either bound at 0% on EIF or phase to 0% by 2015, 162 lines phase to 8% or less, and the remaining 77 lines excluded from tariff commitments:

- Tariffs on 320 lines bound at 0% on EIF (7 lines) or eliminated in 2010 (313 lines).
- Tariffs on an additional 177 lines phase to 0% by 2011, 2012, 2013 or 2015.
- Tariffs on 162 lines reduce to between 2% and 8% (with 108 lines at 5% or less).
- Tariffs on 77 lines (with tariffs of 0%-3%) excluded from tariff commitments.
- Tariffs on 605 lines will be bound in the 0-5% range by 2016.

## **Singapore**

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

Note: these tariff commitments are the same as in SAFTA

## **Thailand**

2005 base tariffs (316 tariff lines):

- Tariffs between 0% and 20%.

Tariffs on 136 tariff lines either bound at 0% on EIF or phase to 0% by 2015, and the remaining lines phase to 0% by 2020:

- 1 line at 0% bound at EIF;
- 1 line at 17% phases to 0% by 2010;
- 35 lines at 20% phase to 0% by 2012;
- 99 lines at 1% eliminated between EIF and 2015;

- 53 lines at 5% phase to 0% by 2017;
- 127 lines at 7%, 9% and 10% phase to 0% by 2020;

Note: for some products there is earlier elimination of tariffs under TAFTA.

## **Vietnam**

### 2005 base tariffs (730 tariff lines):

- 0%: 246 lines
- 1%-3%: 65 lines
- 5%-7%: 146 lines
- 10%: 105 lines
- 15%-20%: 49 lines
- 30%: 58 lines
- 40%: 50 lines
- 50%: 11 lines.

Tariffs on 487 tariff lines either bound at 0% on EIF or phase to 0% by 2020. Tariffs on the remaining lines will be reduced (95 lines), bound at base rates (95 lines), or excluded from tariff commitments (53 lines):

- Tariffs on 246 lines bound at zero on EIF;
- Tariffs on 145 lines eliminated in 2016;
- Tariffs on a further 96 lines phase to 0% by 2017, 2018, 2019 or 2020;
- Tariffs on 93 lines reduce to 5%, and on 2 lines reduce to 32%;
- Tariffs on a further 95 lines bound at base rates, which range from 3% to 30%.
- 53 lines (generally with tariffs of 40%) excluded from tariff commitments.
- Tariffs on 669 lines will be bound in the 0-5% range by 2022.



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## ***AANZFTA FACT SHEET – ALUMINIUM AND ALUMINIUM PRODUCTS***

ASEAN is a valuable export market for a range of aluminium and aluminium products, and is worth over \$1.7 billion in annual exports. AANZFTA's outcomes in this sector will provide for the elimination of all tariffs in all ASEAN markets, except for 1 tariff line in Laos and 5 tariff lines in Cambodia. It will ensure the maintenance of current market access for basic aluminium products where market access is often already on a duty-free basis. Australia exports small quantities of more highly processed aluminium products to ASEAN (e.g. doors, windows, nails, screws, bolts) where elimination of currently high tariffs should open up new market opportunities.

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

Product (HS 2818.20, 2818.30 and HS 76)	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) %
Unwrought aluminium (HS 7601.10)	1,004	27.7
Unwrought aluminium alloys (HS 7601.20)	432	24.5
Plates, sheets and strips (HS 7606)	211	47.1
Aluminium hydroxide (HS 2818.30)	34	32.0
Waste and scrap (HS 7602)	36	9.9
Other (remainder of HS 76)	17	13.3
Total	1,733	27.0

(\*) Export figures do not include exports of HS 2818.20 ("Aluminium oxide, other than artificial corundum") as individual country data is confidential. Average global exports of this product between 2006 and 2008 were \$6.0 billion. Average Imports by ASEAN members were estimated to be \$225m between 2005 and 2007.

### Summary of Outcomes

#### Australia

- 2005 base tariffs:
  - 0% on unwrought forms, waste and scrap, powders, flakes etc.
  - 5% on bars, rods, profiles, wire, plates sheet, foil, tubes and pipes, nails, tacks, tableware, sanitary ware, etc.
- Tariffs will be eliminated on all tariff lines on entry-into-force (EIF) or in 2010.

## **Indonesia**

- **2005 base tariffs:**
  - 0% on unwrought forms and aluminium oxides.
  - 5% on e.g. primary forms.
  - 10% on e.g. pipes, wire.
  - 15% on e.g. tableware.
  - 20% on e.g. windows, structures.
- **Tariffs will be eliminated on all tariff lines by 2015:**
  - All tariffs bound at 0% on EIF or phase to 0%, reaching this level by 2010, 2012 or 2015 depending on the product.

## **Malaysia**

- **2005 base tariffs:**
  - 0% on unwrought forms, aluminium oxides, powders and some sanitary ware.
  - 5% on e.g. pressure vessels, netting, mesh.
  - 20% on e.g. tanks, vats, nails, screws.
  - 25% on e.g. on bars, rods, wire, foil, doors, windows.
  - 30% on e.g. on sheets, plates, tableware.
- **Tariffs will be eliminated on all tariff lines by 2013:**
  - All tariffs bound at 0% on EIF or phase to 0%, reaching this level by 2010, 2012 or 2013 depending on the product.

## **New Zealand**

- **2005 base tariffs:**
  - 0% on raw forms, waste and scrap, powders, flakes, etc.
  - 6.5% and 7% on other products
- **Tariffs will be eliminated on all tariff lines by 2020:**
  - Tariffs on all except 3 lines bound at 0% at EIF or phase to 0% by 2010 or 2012.
  - 3 tariff lines at 7% tariffs (certain alloys and hollow profiles, other articles of aluminium) phase to 0% by 2020.

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

## **Philippines**

- **2005 base tariffs:**
  - 1% on e.g. aluminium oxides, unwrought aluminium, powders, can-stock
  - 3-7% on e.g. on bars, rods, plates, sheets, wire, tubes, pipes
  - 10% on e.g. on doors, windows, tanks, nails, screws
  - 15% on e.g. on casks, netting, tableware.
- **Tariffs will be eliminated on all tariff lines by 2015:**
  - All tariffs phase to 0%, reaching this level in 2010 or 2011 for many products, or by 2015 at the latest for other products.

## **Singapore**

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

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

## **Thailand**

- 2005 base tariffs:
  - 0%, 1% or 5% on unwrought aluminium, aluminium alloy plates, sheet and strip.
  - 0%, 10%, 15%, 17% or 20% on windows, plates, rods, profiles, etc.
- Tariffs will be eliminated on all tariff lines by 2012:
  - Tariffs bounds at 0% at EIF or phase to 0%, reaching this level by 2012.

*Note: for all products, tariff commitments are as good or better under TAFTA.*

## **Vietnam**

- 2005 base tariffs:
  - 0% on unwrought aluminium, aluminium oxide, waste and powders bound against increase.
  - 3% on e.g. on plates, sheet, strip, alloy wire, tubes, pipes
  - 10% on e.g. on profiles, wire
  - 20% on e.g. on casks, reservoirs, doors, windows
  - 40% (e.g. on tableware, sanitaryware).
- Tariffs will be eliminated on all tariff lines by 2020:
  - Tariffs bounds at 0% at EIF or phase to 0%, reaching this level by 2016, 2017, 2018 or 2020 (depending on the product).



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### ***AANZFTA FACT SHEET – COPPER, LEAD AND ZINC***

ASEAN is an important market for Australia's metals industries, especially for copper cathodes where ASEAN accounts for about 45% of Australia's exports. Australian exports to ASEAN of copper, lead and zinc, and articles of copper, lead or zinc, were \$1.7 billion a year in 2006-8, with some \$1.2 billion of that in copper cathodes. Tariffs for raw materials and simply transformed products generally are not high, but elimination of tariffs and guarantees against future possible tariff increases will provide increased opportunities and security of market access. There are significant tariffs on more elaborately transformed metal articles in some ASEAN countries and phased removal of these tariffs will open up these markets. All tariffs will be removed in this sector except for Indonesia's 5% tariff on refined copper cathodes which will be bound against future increase (exports of \$152 million in 2006-8). While the 1% tariff on copper cathodes to Thailand (exports of \$361 million in 2006-8) will not be eliminated until 2015, Australia already enjoys tariff-free access for this product under TAFTA.

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

Product (HS 74, 78, 79)	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) %
Unwrought refined copper cathodes (HS 7403.11)	1,200 (Indonesia: 151.7) (Malaysia: 438.4) (Thailand: 361.0) (Vietnam: 190.3)	45.7
Copper bars, rods and profiles (HS 7407.10)	90	21.9
Copper tubes and pipes (HS 7411.10)	25	31.3
Unwrought lead (HS 7801)	184	19.4
Unwrought zinc (HS 7901.11, 7901.12, 7901.20)	182	13.2
Other	27	6.5
Total	1,709	29.2

## Summary of Outcomes

### Australia

#### **All tariffs eliminated by 2010.**

- **Copper:**

- Tariffs of 0% (raw forms, waste and scrap, powders, flakes, etc) bound at entry-into-force (EIF).
- Tariffs of 5% (copper bars, rods, profiles, wire, plates, sheet, foil, tubes and pipes, nails, tacks, springs, tableware, sanitaryware, etc) will be eliminated at EIF or in 2010.

- **Lead:**

- Tariffs of 0% (raw forms, waste and scrap, powders, flakes, etc) bound at EIF.
- Tariff of 5% on some articles of lead will be eliminated at EIF.

- **Zinc:**

- Tariffs of 0% (raw forms, waste and scrap, powders, flakes, etc) bound at EIF.
- Tariff of 5% on some articles of zinc will be eliminated at EIF.

### Cambodia

#### **All tariffs phase to 0% by 2021.**

- **Copper:**

- Tariffs of 7% (raw forms, waste, bars, rods, plates, sheets, foil, tubes, etc) phase to 0% by 2021, with reductions commencing in 2019.
- Tariffs of 35% (cloth, nails, screws, bolts, tableware, sanitaryware, vats, other articles) phase to 0% by 2021, with reductions commencing in 2011.

- **Lead:**

- Tariffs of 7% (raw forms, waste, powders, bars, rods, plates, sheets, foil, tubes, etc) phase to 0% by 2021, with commencing in 2019.
- Tariffs of 35% (some lead articles) phase to 0% by 2021, with reductions commencing in 2011.

- **Zinc:**

- Tariffs of 0% bound at EIF (plates, sheets, strip, foil).
- Tariffs of 7% (raw forms, waste, powders, bars, rods, profiles, etc) phase to 0% by 2021, with reductions commencing in 2019.
- Tariffs of 35% (some zinc articles) phase to 0% by 2021 commencing in 2011.

### Indonesia

#### **All tariffs phase to 0% by 2014, except for copper cathodes which is bound at 5%.**

- **Copper:**

- Tariffs of 0% (e.g. waste and scrap, powders) bound at EIF.
- Tariffs of 5% (e.g. unrefined copper, bars, profiles, plates, sheet, strip, foil) will be eliminated in 2010.
- Tariff of 5% on refined copper cathodes bound at EIF but will not be reduced.
- Tariffs of 10-20% phase to 0% by 2012, 2013 or 2014.

- **Lead:**
  - Tariffs of 0% (waste and scrap) bound at 0% at EIF.
  - Tariffs of 5-10% on other lead will be eliminated in 2010 or phase to 0% by 2012.
- **Zinc:**
  - Tariffs of 0% (unwrought lead, waste, dust, powders, etc) bound at 0% at EIF.
  - Tariffs of 5% (e.g. tubes, wire, bars), 10% (e.g. surface worked, gutters) and 15% (domestic articles) phase to 0% by 2010, 2012 and 2013 respectively.

### **Malaysia**

**All tariffs phase to 0% by 2013, except for copper wire which phases to 0% by 2020.**

- **Copper:**
  - Tariffs of 0% bound at EIF (including cathodes).
  - Tariffs of 5% (e.g. cloth, alloy pipe fittings, sanitaryware) phase to 0% by 2010.
  - Tariffs of 18-25% phase to 0% by 2012 or 2013, except for copper wire on which the tariff phases to 0% by 2020.
- **Lead:**
  - Tariffs of 0% bound at EIF.
  - Tariffs of 15% (some unwrought lead) phase to 0% by 2012.
- **Zinc:**
  - Tariffs of 0% bound at EIF.
  - Tariffs of 5% (other zinc articles) phase to 0% by 2010.
  - Tariffs of 20-25% (sheets, plate, strip, building materials, household articles, etc) phase to 0% by 2012 or 2013.

### **New Zealand**

**All tariffs phase to 0% by 2012.**

- **Copper:**
  - Tariffs of 0% (raw forms, waste and scrap, powders, flakes, etc) bound at EIF.
  - Tariffs of 5-7% (copper bars, rods, profiles, wire, plates, sheet, tubes and pipes, nails, tacks, tableware, sanitaryware, etc) will be eliminated at EIF or in 2010, with the exception of 1 tariff line (other articles of copper) for which the tariff phases to 0% by 2012.
- **Lead:**
  - Tariffs of 0% (raw forms, waste and scrap, powders, flakes, etc) bound at EIF.
  - Tariff of 7% on some articles of lead will be eliminated at EIF.
- **Zinc:**
  - Tariffs of 0% (raw forms, waste and scrap, powders, flakes, etc) bound at EIF.
  - Tariff of 7% on some articles of zinc will be eliminated in 2010.

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

## Philippines

### **All tariffs phase to 0% by 2013.**

- **Copper:**
  - Tariffs between 1% and 15% phase to 0% by 2010 (unrefined, cathodes, bars, rods, wire, plate tubes, foil, etc), by 2011 (washers, screws, bolts, etc), by 2012 (nails, tacks, cookware, etc), or by 2013 (vats, other articles).
- **Lead and zinc:**
  - Tariffs between 1% and 5% will be eliminated 2010.

## Singapore

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

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

## Thailand

### **All tariffs phase to 0% by 2015.**

- **Copper:**
  - Tariffs of 1% (mattes, powders, flakes, etc) will be eliminated at EIF, except for tariffs on refined copper (including cathodes) which will be eliminated in 2015.
  - Tariffs of 5% (e.g. bars, rods, wire, plates, sheets, tubes and pipes, foil) will be eliminated at EIF or in 2010.
  - Tariffs of 10-20% (cloth, tableware, nails, staples, bolts, other articles, etc) phase to 0% by 2010 or 2012.
- **Lead and zinc:**
  - Tariffs of 1%-5.5% will be eliminated at EIF (unwrought, powders, bars, rods, wire, plates, sheet, foil, tubes, etc).
  - Tariffs of 20% (other articles) phase to 0% by 2012.

*Note: tariff commitments are as good or better under TAFTA (including on copper cathodes).*

## Vietnam

### **All tariffs phase to 0% by 2018.**

- **Copper:**
  - Tariffs of 0% (e.g. bars, rods, cathodes, waste, foil, powders) bound at EIF.
  - Tariffs of 3-40% phase to 0% by 2016 (e.g. tubes, washers, bolts, screws, wire), by 2017 (e.g. nails, tacks, staples), or by 2018 (e.g. tableware, sanitaryware).
- **Lead:** tariffs of 0% bound at EIF.
- **Zinc:**
  - Tariffs of 0% bound at EIF.
  - Tariffs of 10% (e.g. anodes, nails, gutters and building components, nuts, bolts, screws, some zinc articles) phase to 0% by 2016, with reductions commencing in 2012.



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## **AANZFTA FACT SHEET – PASSENGER MOTOR VEHICLES AND SIMILAR VEHICLES**

ASEAN is currently a minor market for Australian exports of motor vehicles. Tariff barriers within ASEAN countries are significant, with most tariffs in the 30%-80% range, and there are prospects for increased regional integration and exports to the ASEAN region as barriers are progressively removed. The rules of origin under AANZFTA are also designed to complement this trade liberalisation and facilitate integration of regional supply chains (see the Fact Sheet on Rules of Origin).

All tariffs will be eliminated in the Philippines, either at entry-into-force (EIF) or by 2012. In Indonesia and Malaysia, the elimination of tariffs on completely-knocked-down (CKD) passenger motor vehicles (PMV) will generally be achieved by 2012 or 2013. However, for the more valuable completely-built-up (CBU) PMV the outcomes are more mixed. Malaysia will phase tariffs on CBU PMV with engine capacity exceeding 2500 cc to 0% by 2013, and will phase tariffs on smaller engine CBU PMV to 5%, but not until 2017. Indonesia will phase tariffs on CBU PMV (spark-ignition engines) with engine capacity between 3000 and 4000cc to 0% in 2014, but on smaller engine cars not until 2019. It is only making modest reductions to tariffs on CBU PMV with spark-ignition engines above 4000cc, and all diesel engine CBU's.

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

Product (HS 8703, excluding 8703.10)	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 %
Vehicles with spark-ignition engine, and capacity exceeding 1500cc but not exceeding 3000cc (HS 8703.23)	0.4	0.0
Vehicles with spark-ignition engine, and capacity exceeding 3000cc (HS 8703.24)	5.1	0.3
Vehicles with diesel or semi-diesel engine, and capacity not exceeding 1500cc (HS 8703.31)	1.1	85.1
Vehicles with diesel or semi-diesel engine, and capacity exceeding 2500cc (HS 8703.33)	0.3	2.3
Other	0.5	3.8
Total	7.4	0.2

Vietnam will only make modest reductions to its PMV CBU tariffs. While Australia will have tariff-free access to Thailand for all motor vehicles from 2010 under the Thailand-Australia Free Trade Agreement (TAFTA), Thailand will not eliminate all of its motor vehicle tariffs in AANZFTA until 2020, which will reduce the scope of Australian exporters to take advantage of regional supply chains in bilateral trade.

## Summary of Outcomes

### **Australia**

#### 2005 base rate tariffs (for 32 tariff lines):

- Used passenger motor vehicles (PMV): a specific rate (10% plus \$12000/vehicle);
- New PMV: tariff of 10%.
- Other vehicles: tariff of 5%.

All tariffs will be eliminated on EIF, except for vehicles manufactured in Indonesia, Malaysia, and Thailand, which are subject to tariff elimination at later dates.

- Special slower phasing arrangements apply for tariffs on vehicles manufactured in Indonesia, Malaysia and Thailand:
  - Tariffs on used PMV will be eliminated at EIF for these 3 countries;
  - Tariffs on new PMV phase to 0% by:
    - 2013, 2014, 2019 or 2020, depending on engine size or engine type, if manufactured in Indonesia;
    - 2010 or 2017, depending on engine size, if manufactured in Malaysia;
    - 2020 if manufactured in Thailand;
  - Tariffs on other vehicles phase to 0% by:
    - 2013 or 2015 if manufactured in Indonesia;
    - 2010 if manufactured in Malaysia;
    - 2020 if manufactured in Thailand.
- For imports from other ASEAN countries, all tariffs will be eliminated at EIF.

### **Indonesia**

#### 2005 base rate tariffs (for 474 tariff lines):

- For CKD PMV (diesel and spark ignition):
  - 35% for engine capacity not exceeding 1500cc;
  - 40% for engine capacity 1500-3000cc (except 50% for diesel vehicles of 2500-3000cc);
  - 50% for engine capacity over 3000cc.
- For CBU PMV (diesel and spark ignition):
  - 65% for engine capacity not exceeding 1500cc;
  - 70% for engine capacity 1500-3000cc;
  - 80% for engine capacity over 3000cc.
- Other vehicles: Tariffs ranging from 25% to 80% apply to vehicles such as ambulances, prison vans, hearses, motor-homes, 4WD, used vehicles, and vehicles with non-spark ignition non-diesel engines.

Tariffs phase to 0% by 2013 for 157 lines, 2014 for 17 lines, 2015 for 131 lines, and 2019 for 45 lines. Tariffs will be reduced but not eliminated for 124 lines:

- Tariffs on CKD PMV phase to 0% by 2013, except for vehicles with spark ignition engines exceeding 4000cc on which tariffs phase to 0% by 2015.
- Tariffs on CBU PMV:
  - Phase to 0% by 2014 for vehicles with spark ignition engines 3000-4000cc;
  - Phase to 0% by 2019 for vehicles with spark ignition engines not exceeding 3000cc;
  - Reduce to 50% in one step in 2025 for vehicles with spark ignition engines exceeding 4000cc, and for all PMV with diesel engines.
- Tariffs on other vehicles phase to 0% (e.g. on hearses, prison vans, motor-homes, ambulances), or will be reduced but not eliminated (e.g. on CBU vehicles with engines other than spark ignition, electric or diesel).

### **Malaysia**

#### 2005 base rate tariffs (for 172 tariff lines):

- For CKD vehicles, tariffs are generally 10% (vehicles with engine capacity not exceeding 2500cc) or 35% (larger engines);
- For CBU vehicles, tariffs are generally 30% (vehicles with engine capacity not exceeding 2500cc) or 50% (larger engines);
- For ambulances tariffs are 5%, motor-homes 35%, and other vehicles 20%-50%.

#### Tariffs phase to 0% for 130 tariff lines or to 5% for 42 tariff lines:

- For CKD vehicles, tariffs phase to 0% by 2012 (engine capacity not exceeding 2500cc) or by 2010 (larger engine capacity);
- For CBU vehicles, tariffs phase to 0% by 2013 (engine capacity exceeding 2500cc) or phase to 5% by 2017 (engine capacity not exceeding 2500cc);
- Tariffs on ambulances phase to 0% by 2010, and on motor-homes by 2013.

### **New Zealand**

#### 2005 base rate tariffs (for 24 tariff lines):

- 17.5% for ambulances and motor-homes;
- 0% for other vehicles.

#### All tariffs will be eliminated by 2012 at the latest.

- Tariffs of 0% will be bound at EIF, while tariffs of 17.5% will be eliminated in 2010 (for ambulances) or phase to 0% by 2012 (for motor-homes).

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

### **Philippines**

#### 2005 base rate tariffs (for 319 tariff lines):

- 3% on some components imported for assembly (30 lines);
- 30% on CKD and CBU vehicles (289 lines).

#### Tariffs will be eliminated at EIF or phase to 0% for all tariff lines:

- Tariffs on 187 tariff lines will be eliminated at EIF (ambulances, hearses, prison vans, components imported for assembly, and CKD vehicles);

- Tariffs will be eliminated in 2010 for CBU vehicles with an engine capacity exceeding 3000 cc (34 tariff lines);
- Tariffs phase to 0% by 2012 on remaining 98 tariff lines (other smaller engine CBU vehicles).

### **Singapore**

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

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

### **Thailand**

2005 base rate tariffs (for 20 tariff lines):

- 10% on ambulances (6 tariff lines);
- 80% on other vehicles (14 tariff lines).

All tariffs will be eliminated by 2020:

- Tariffs on ambulances phase to 0% by 2017;
- Tariffs on other vehicles phase to 0% by 2020.

*Note: tariff commitments are better in TAFTA.*

### **Vietnam**

2005 base rate tariffs (for 174 tariff lines):

- Tariffs on new CBU vehicles are 100% (127 tariff lines);
- Lower tariffs of 10% apply to ambulances (10 tariff lines), hearses and prison vans (22 tariff lines);
- Tariffs of 100% or 150% apply to used vehicles (15 tariff lines);
- CKD vehicles are accorded the same tariff treatment as automotive parts.

Tariffs phase to 0% (for 23 tariff lines) or to 50% (for 126 tariff lines). Tariffs will be bound at the base rate of 10% for a further 10 tariff lines. Another 15 tariff lines are excluded from tariff commitments:

- Tariffs on new CBU vehicles of highest potential export interest will be reduced to 80% in 2018 and further reduced to 50% in 2022 (39 tariff lines). Tariffs on other new CBU vehicles will be reduced in one step to 50% in 2022 (88 tariff lines);
- Tariffs of 10% on hearses and prison vans phase to 0% by 2020, with reductions commencing in 2012;
- Tariffs on ambulances will be bound at 10% at EIF, but will not be reduced;
- Used vehicles are excluded from tariff commitments.



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### ***AANZFTA FACT SHEET – AUTOMOTIVE PARTS AND COMPONENTS***

ASEAN is a valuable market for Australian exports of automotive parts and components, worth some \$205 million in annual average exports. While many ASEAN tariffs are low, a very significant number of tariff lines have high tariffs, particularly in the 15%-30% range. AANZFTA will achieve very high levels of tariff elimination, with tariffs on almost all tariff lines being bound at 0% on entry-into-force (EIF) or phasing to 0% in the major ASEAN markets, including Indonesia, Malaysia, the Philippines and Vietnam, with the remaining lines generally phasing to 5% or lower. Furthermore, much of this tariff elimination will be achieved early in the transition period, with most tariffs either eliminated or in the 0-5% range by 2013 or, for Vietnam, by 2018. In addition to improving access opportunities through the reduction and elimination of tariffs, AANZFTA should create opportunities for Australian industry to integrate into supply chains in the region through the Agreement's use of regional rules of origin (see the Fact Sheet on Rules of Origin).

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

Product (ex HS 40, ex HS 68, ex HS 70, ex HS 83, ex HS 84, ex HS 85, ex HS 87, ex HS 90, ex HS 94)	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 %
Spark ignition engines (8407.34)	24.8	5.5
Miscellaneous auto parts and accessories (8708.99)	21.4	10.7
Gears and gearing (8483.40)	12.7	34.7
Brakes (8708.3)	12.3	16.0
Body parts, except seat belts (8708.29)	6.1	9.6
Parts for diesel engines (8409.99)	2.7	11.0
Other key auto parts	125.0	13.4
Total	205.1	11.5

*Note: the export figures and the analysis in this Fact Sheet are based on a broad set of tariff lines covering automotive parts and components. However, given the diversity of the sector it does not claim to cover an exhaustive list of possibly relevant tariff lines (in particular, it does not cover plastic fittings that are in Chapter 39 of the Tariff System, which are covered in the Fact Sheet on Plastics). Industry needs to check the Tariff Schedule of each country to confirm the treatment of specific auto part tariff lines.*

## Summary of Outcomes

### Australia

#### **2005 base tariff rates (137 tariff lines):**

- 0%: 19 lines
- 5%: 18 lines
- 10%: 100 lines.

**Tariffs on 135 lines bound at 0% or eliminated on EIF, and tariffs on the remaining 2 lines eliminated in 2010.**

### Indonesia

#### **2005 base tariff rates (323 tariff lines):**

- 0%: 62 lines
- 5%: 61 lines
- 10% 19 lines
- 15%: 171 lines
- Dependent on type of vehicle in which used: 10 lines.

#### **Tariffs phased to 0% on 318 tariff lines, to 4% on 3 lines, and 22.5% on 2 lines:**

- Tariffs at 0% at selected dates:
  - 2010: 121 lines
  - 2013: 261 lines
  - 2020: 318 lines.
- Tariffs in the 0-5% range at selected dates:
  - 2010: 143 lines
  - 2013: 278 lines
  - 2020: 321 lines.

### Malaysia

#### **2005 base tariff rates (168 tariff lines):**

- 0%: 46 lines
- 5%: 37 lines
- 10%-15%: 9 lines
- 17%-20%: 16 lines
- 25%-30%: 56 lines
- 40%-50%: 3 lines
- Specific rate: 1 line.

### **Tariffs phased to 0% on 168 tariff lines:**

- Tariffs at 0% at selected dates:
  - 2010: 88 lines
  - 2013: 148 lines
  - 2020: 168 lines.
- Tariffs in the 0-5% range at selected dates:
  - 2010: 96 lines
  - 2013: 148 lines
  - 2020: 168 lines.

### **New Zealand**

#### **2005 base tariff rates (185 tariff lines):**

- 0%: 63 lines
- 5%-7.5%: 49 lines
- 10%: 42 lines
- 11.5%: 3 lines
- 17.5%: 20 lines
- Dependent on type of vehicle in which used: 8 lines.

#### **Tariffs on 118 lines bound at 0% or eliminated on EIF, and tariffs on the remaining lines eliminated by 2020:**

- Tariffs at 0% at selected dates:
  - 2010: 160 lines
  - 2013: 179 lines
  - 2020: 185 lines.

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

### **Philippines**

#### **2005 base tariff rates (327 tariff lines):**

- 0%: 5 lines
- 1%-3%: 149 lines
- 5%-7%: 11 lines
- 10%: 137 lines
- 15%: 25 lines.

#### **Tariffs phased to 0% on 304 tariff lines, to 5% or less on 22 lines, and 8% on 1 line:**

- Tariffs at 0% at selected dates:
  - 2010: 236 lines
  - 2013: 298 lines
  - 2020: 304 lines
- Tariffs in the 0-5% range at selected dates:
  - 2010: 285 lines
  - 2013: 305 lines
  - 2020: 326 lines.

## **Singapore**

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

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

## **Thailand**

### **2005 base tariff rates (113 tariff lines):**

- 0%: 3 lines
- 1-5%: 19 lines
- 10%: 73 lines
- 20%-30%: 16 lines
- 40%: 1 line
- 80%: 1 line.

### **Tariffs phased to 0% on 113 tariff lines:**

- Tariffs at 0% at selected dates:
  - 2010: 95 lines
  - 2013: 113 lines
  - 2020: 113 lines.
- Tariffs in the 0-5% range at selected dates:
  - 2010: 95 lines
  - 2013: 113 lines
  - 2020: 113 lines.

*Note: for all products, tariff commitments are as good or better under TAFTA.*

## **Vietnam**

### **2005 base tariff rates (323 tariff lines)**

- 0%: 27 lines
- 3%-5%: 29 lines
- 10%: 21 lines
- 20%: 53 lines
- 30%: 172 lines
- 40%-50%: 21 lines.

### **Tariffs phased to 0% on 283 tariff lines, to 5% on 37 lines, and 3 lines excluded from tariff commitments.**

- Tariffs at 0% at selected dates:
  - 2010: 27 lines
  - 2013: 27 lines
  - 2017: 97 lines
  - 2020: 283 lines
  - 2022: 283 lines.
- Tariffs in the 0-5% range at selected dates:
  - 2010: 56 lines
  - 2013: 72 lines
  - 2017: 283 lines
  - 2020: 283 lines
  - 2022: 320 lines.



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### ***AANZFTA FACT SHEET – CHEMICALS***

ASEAN is a valuable market for a number of chemicals, with annual average Australian exports to ASEAN of \$424 million. Tariffs on many chemicals are already at low levels but there is a significant number of tariff lines where higher tariffs apply. Several ASEAN countries will be eliminating tariffs on all chemicals tariff lines and other countries will be eliminating tariffs on almost all lines. The binding of tariffs and elimination of higher tariffs will provide new opportunities for Australian exporters and greater certainty in market access.

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

Product (HS 28-29 and 31-38, excluding 2818.20 and 2818.30 and 3501.10)	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 %
Inorganic chemicals and compounds of precious metals (HS 28)	30	4.8
Vitamins, not medicaments (HS 2936)	24	42.0
Ammonium nitrate (HS 3102.30)	47	74.6
Pigments (HS 3206.11)	92	23.5
Cosmetics, toiletries (HS 3303-3307)	25	9.4
Surface active agents (HS 3401-3402)	18	14.7
Albuminoidal substances, modified starches, glues (HS 35)	26	9.5
Miscellaneous chemical products (HS 38)	77	21.2
Other	85	10.8
Total	424	14.4

#### **Summary of Outcomes:**

##### **Australia (829 tariff lines)**

- 2005 base tariffs:
  - 0% tariffs on 615 tariff lines
  - 4% tariff on 1 tariff line

- 5% tariffs on 212 tariff lines
- 7.5% tariffs on 1 tariff line.
- Tariffs will be eliminated on all tariff lines by 2020:
  - Tariffs of 0% will be bound at entry-into-force (EIF).
  - Tariffs on 211 tariff lines will be eliminated at EIF or in 2010.
  - Tariffs of 5% on 3 tariff lines will be eliminated in one step in 2020.

### **Indonesia (1,186 tariff lines)**

- 2005 base tariffs:
  - 0% tariffs on 251 tariff lines
  - 5% tariffs on 711 tariff lines
  - 10% tariffs on 189 tariff lines
  - 15% tariffs on 33 tariff lines
  - 170% tariffs on 2 tariff lines (odoriferous substances).
- Tariffs will be eliminated on all but 2 tariff lines by 2020:
  - Tariffs of 0% will be bound at EIF.
  - Tariffs of 5% will be eliminated in 2010.
  - Tariffs of 10% phase to 0% by 2012, except for 3 lines that phase to 0% by 2020.
  - Tariffs of 15% phase to 0% by 2013.
  - Tariffs of 170% phase to 85% by 2025, with reductions commencing in 2015.

### **Malaysia (1,030 tariff lines)**

- 2005 base tariffs:
  - 0% tariffs on 837 tariff lines
  - 5% tariffs on 69 tariff lines
  - 8% tariffs on 2 tariff lines
  - 10% tariffs on 29 tariff lines
  - 15% tariffs on 16 tariff lines
  - 20% tariffs on 37 tariff lines
  - 25% tariffs on 26 tariff lines
  - 30% tariffs on 9 tariff lines
  - 50% tariffs on 4 tariff lines
  - Mixed tariff of 5% and RM39.37/tonne on 1 tariff line (alums).
- Tariffs will be eliminated on all tariff lines by 2020:
  - Tariffs of 0% will be bound at EIF.
  - Tariffs of 5% will be eliminated at EIF or in 2010 (69 lines).
  - Tariffs of 8-10% phase to 0% by 2011 (16 lines) or by 2020 (15 lines).
  - Tariffs of 15-20% phase to 0% by 2012 (6 lines) or 2020 (47 lines).
  - Tariffs of 25-30% phase to 0% by 2013 (1 line), 2015 (2 lines) or 2020 (32 lines).
  - Tariffs of 50% phase to 0% by 2020.
  - The mixed tariff phases to 0% by 2013.

### **New Zealand (873 tariff lines)**

- **2005 base tariffs:**
  - 0% tariffs on 770 tariff lines
  - 5% tariffs on 38 tariff lines
  - 6.5% tariffs on 19 tariff lines
  - 7 % tariffs on 46 tariff lines.
- **Tariffs will be eliminated on all tariff lines by 2020:**
  - Tariffs of 0% will be bound at EIF.
  - Tariffs on 95 tariff lines eliminated at EIF or in 2010.
  - Remaining tariffs phase to 0% by 2012 (2 tariff lines), by 2013 (1 tariff line), or by 2020 (5 tariff lines).

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

### **Philippines (1,186 tariff lines)**

- **2005 base tariffs:**
  - 0% tariffs on 9 tariff lines
  - 1-3% tariffs on 957 tariff lines
  - 5% tariffs on 48 tariff lines
  - 7-10% tariffs on 151 tariff lines
  - 15% tariffs on 11 tariff lines
  - 30% tariffs on 10 tariff lines.
- **Tariffs will be eliminated on all but 6 tariff lines by 2020, with tariffs on the remaining 6 lines reduced to 4% or 5%:**
  - Tariffs of 0% will be bound at EIF.
  - Tariffs of 1-3% will be eliminated in 2010 (943 lines) or phase to 0% by 2015 (14 lines).
  - Tariffs of 5% will be eliminated in 2010, except for 3 tariff lines for which tariffs phase to 0% by 2015, and 3 tariff lines for which tariffs will be reduced to 4% in 2015.
  - Tariffs of 7-10% phase to 0% by 2011 or 2012, except for 2 tariff lines for which tariffs phase to 0% by 2015, and 3 tariff lines for which tariffs will be reduced to 5% in 2012.
  - Tariffs of 15% phase to 0% by 2013.
  - Tariffs of 30% phase to 0% by 2020.

### **Singapore**

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

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

### **Thailand (898 tariff lines)**

- **2005 base tariffs:**
  - 0% tariffs on 43 tariff lines
  - 1-5.5% tariffs on 734 tariff lines
  - 10-15% tariffs on 41 tariff lines

- 20-30% tariffs on 71 tariff lines
- Specific tariffs on 9 tariff lines.
- Tariffs will be eliminated on all tariff lines by 2018:
  - Tariffs on 854 lines will be eliminated at EIF or in 2010.
  - On remaining lines, tariffs will be phased to 0%:
    - o by 2012 (29 tariff lines with base rate of 20%);
    - o by 2013 (6 tariff lines with base rate of 30%);
    - o by 2016 (1 tariff line with base rate of 5%); or
    - o by 2017 (8 tariff lines with base rate of 10%).

Note: for some products tariff commitments are better in TAFTA.

### **Vietnam (1,164 tariff lines)**

- 2005 base tariffs:
  - 0% tariffs on 636 tariff lines
  - 1-5% tariffs on 275 tariff lines
  - 7-10% tariffs on 78 tariff lines
  - 15-20% tariffs on 73 tariff lines
  - 30% tariffs on 62 tariff lines
  - 40-50% tariffs on 40 tariff lines.
- Tariffs will be eliminated on all but 18 tariff lines by 2020:
  - Tariffs of 0% will be bound at EIF, except for 5 tariff lines covering fuses, explosives, propellant powders excluded from tariff commitments.
  - Tariffs on 1-5% will be eliminated in one step in 2016, except for 2 lines on which tariffs phase to 0% by 2019 or 2020.
  - Tariffs of 7-20% phase to 0% by 2016, 2017, 2019 or 2020.
  - Tariffs of 30-50% phase to 0% by 2018 or 2020, except for waste and pyrotechnics which are excluded from tariff commitments.



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### *AANZFTA 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
TOTAL	598.8	16.1

## 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.



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### AANZFTA FACT SHEET – PLASTICS

ASEAN is a valuable export market for plastics with average annual exports of \$158 million, accounting for 16% of Australian global exports of these products. While tariffs are low in ASEAN countries for many of the tariff lines covered by this sector, there are some high tariffs mostly in the 15%-30% range in some ASEAN countries. Tariffs will be eliminated on all tariffs in this sector in Malaysia, and for all but 6 tariff lines in Vietnam. Tariffs will also be eliminated on the majority of tariff lines in Indonesia, with the remainder reduced to the 8%-15% range. While many tariffs will be eliminated in the Philippines, tariffs on 155 tariff lines will only be subject to modest reductions (to the 4%-12% range). Outcomes under AANZFTA should ensure maintenance of current market access and provide new market access opportunities for some products.

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

Product (HS 39)	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 %
Polymers of propylene and other olefins (HS 3902)	15.7	18.4
Acrylic polymers (HS 3906)	8.0	21.7
Polyacetals, polycarbonates and other polyethers and polyesters (HS 3907)	7.1	18.4
Polyurethanes (HS 3909.50)	7.8	34.0
Cellulose and derivatives (HS 3912)	2.6	34.1
Waste, parings and scrap (HS 3915)	2.5	4.8
Tubes, pipes, hoses and fittings (HS 3917)	9.6	8.5
Plates, sheets, strip, foil, etc, not self-adhesive (HS 3920)	48.2	27.6
Plates, sheets, strip, foil, cellular, laminated, reinforced, etc (HS 3921)	3.0	10.1
Boxes, crates, sacks, bags, bottles, stoppers, spools (HS 3923)	27.4	18.5
Other articles (HS 3926)	11.3	11.6
Other	14.8	8.2
Total	158.1	16.0

## Summary of Outcomes:

### **Australia**

- 2005 base tariffs (140 tariff lines):
  - 0% on 12 tariff lines
  - 5% on 117 tariff lines
  - 10% on 10 tariff lines
  - 17.5% on 1 tariff line.
- Tariffs will be eliminated on all tariff lines by 2020 at the latest:
  - Tariffs will be bound at 0% at entry-into-force (EIF) or will be eliminated in 2010 for all but 3 tariff lines.
  - Remaining tariffs phase to 0% by 2020 (1 tariff line at 17.5% covering plastic apparel) or will be eliminated in one step in 2020 (2 tariff lines at 5% covering certain plates, sheets, strip, etc).

### **Indonesia**

- 2005 base tariffs (384 tariff lines):
  - 0-5% on 166 tariff lines
  - 10% on 73 tariff lines
  - 15% on 27 tariff lines
  - 20% on 115 tariff lines
  - 30% on 3 tariff lines.
- Tariffs will be eliminated by 2020 on all but 44 tariff lines on which tariffs will be reduced:
  - Tariffs of 0% bound at EIF.
  - Tariffs of 5% will be eliminated in 2010.
  - Tariffs of 10% phase to 0% by 2012, except for 1 tariff line on which tariff phases to 0% by 2020.
  - Tariffs of 15% phase to 0% by 2013, except for tariffs on 10 lines which phase to 8% by 2025, or will be reduced in one step to 8% in 2025.
  - Tariffs of 20% phase to 0% by 2014 or 2015, except for tariffs on 31 lines which phase to 10% by 2025 commencing in 2015.
  - Tariffs of 30% phase to 15% by 2025, with reductions commencing in 2015.

### **Malaysia**

- 2005 base tariffs (372 tariff lines):
  - 0% on 89 tariff lines
  - 2% on 1 tariff line
  - 3% on 1 tariff line
  - 5% on 48 tariff lines
  - 10% on 20 tariff lines
  - 15% on 1 tariff line
  - 20% on 112 tariff lines.
  - 25% on 32 tariff lines

- 30% on 68 tariff lines.
- Tariffs will be eliminated on all tariff lines by 2020:
  - Tariffs of 0-3% bound at 0% at EIF.
  - Tariffs of 5% will phase to 0% except for 1 tariff line which phases to 0% by 2020 commencing in 2012.
  - Tariffs of 10% phase to 0% by 2011 (11 lines), except for tariffs on 13 lines which phase to 0% by 2020 commencing in 2015.
  - Tariff of 15% phases to 0% by 2020 commencing in 2012.
  - Tariffs of 20% phase to 0% by 2020 except for tariffs on 5 lines which phase to 0% by 2015.
  - Tariffs of 25% phase to 0% by 2016 except for tariffs on 7 lines which phase to 0% by 2020 and on 1 line which phases to 0% by 2013.
  - Tariffs of 30% phase to 0% by 2016 except for 7 tariff lines which phase to 0% by 2020.

### **New Zealand**

- 2005 base tariffs (236 tariff lines): between 0% and 19%.
- Tariffs will be eliminated on all tariff lines by 2020, with most bound at 0% at EIF or eliminated in 2010.

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

### **Philippines**

- 2005 base tariffs (390 tariff lines):
  - 1% on 16 tariff lines
  - 3% on 117 tariff lines
  - 5% on 15 tariff lines
  - 7% on 49 tariff lines
  - 10% on 9 tariff lines
  - 15% on 184 tariff lines.
- Tariffs will be eliminated by 2020 on 236 tariff lines; tariffs will be reduced but not eliminated on 155 lines:
  - Tariffs of 1-5% will be eliminated in 2010 except 1 line on which the tariff will be reduced to 4% in 2020.
  - Tariffs of 7% will phase to 0% by 2011 (37 lines) except for 12 lines where the tariff will be reduced to 6% in 2020.
  - Tariffs of 10% will phase to 0% by 2012 except for 1 line where the tariff will be reduced to 8% in 2020.
  - Tariffs of 15% will be reduced to 12% in 2020 (141 lines) except for 43 lines where the tariff will be phased to 0% by 2013.

### **Singapore**

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

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

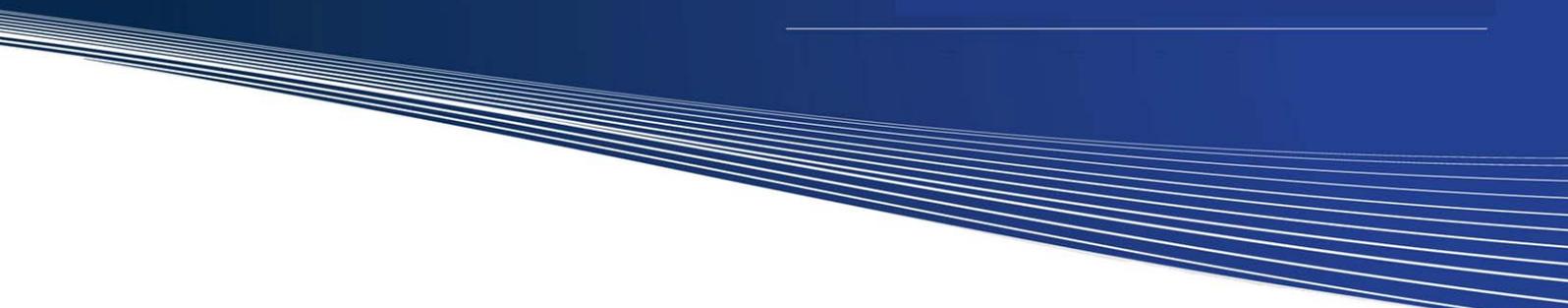
## **Thailand**

- 2005 base tariffs (177 tariff lines):
  - 0% on 4 tariff lines
  - 1% on 5 tariff lines
  - 5% on 67 tariff lines
  - 7.5% on 1 tariff line
  - 10% on 8 tariff lines
  - 12.5% on 33 tariff lines
  - 15% on 4 tariff lines
  - 17.5% on 28 tariff lines
  - 20% on 14 tariff lines
  - 30% on 13 tariff lines.
- Tariffs will be eliminated by 2010 except for 28 tariff lines which will be eliminated by 2012-2019:
  - Tariffs of 0% bound at EIF.
  - Tariffs of 1% will be eliminated at EIF or in 2010.
  - Tariffs of 5% will be eliminated at EIF (17 lines) or in 2010 (50 lines).
  - Tariff of 7.5% will phase to 0% by 2010.
  - Tariffs of 10% will phase to 0% by 2010 except for 1 tariff line which will phase to 0% by 2017 commencing in 2014.
  - Tariffs of 12.5% will phase to 0% by 2010.
  - Tariffs of 15% will phase to 0% by 2010.
  - Tariffs of 17.5% will phase to 0% by 2010.
  - Tariffs of 20% will phase to 0% by 2012 except for 1 line where the tariff will phase to 0% by 2019 commencing in 2012.
  - Tariffs of 30% will phase to 0% by 2013.

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

## **Vietnam**

- 2005 base tariffs (381 tariff lines):
  - 0% on 112 tariff lines
  - 3% on 9 tariff lines
  - 5% on 60 tariff lines
  - 8% on 4 tariff lines
  - 10% on 102 tariff lines
  - 15% on 4 tariff lines
  - 20% on 39 tariff lines
  - 30% on 20 tariff lines
  - 40% on 25 tariff lines
  - 50% on 6 tariff lines.
- Tariffs will be eliminated on all tariff lines by 2022, except for 6 lines where the tariff will be reduced to 5%:
  - Tariffs of 0% bound at EIF.
  - Tariffs of 3-5% will be eliminated in 2016.

- 
- Tariffs of 8% will phase to 0% in 2022 commencing in 2020.
  - Tariffs of 10% will phase to 0% by 2016 (95 lines) except for 1 line where the tariff will phase to 0% by 2019 commencing in 2012, and for 6 lines where the tariff will be reduced to 5% by 2022 commencing in 2021.
  - Tariffs of 20% will phase to 0% by 2017.
  - Tariffs of 30-50% will phase to 0% by 2018.



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### ***AANZFTA FACT SHEET – TEXTILES AND TEXTILE ARTICLES***

Australian exports of textiles and textile articles to ASEAN are not large, but ASEAN is an important market for some specific textile products. Many textile tariffs in most ASEAN countries are high, with many in the 15%-40% range. With some minor exceptions, all countries are removing tariffs on all textiles within a reasonable time period, with much of this liberalisation taking place early in the tariff phasing period. Phased removal of tariffs on all but a limited number of items should provide some new market opportunities and greater market access certainty.

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

Product HS 50, 5108-5113, 5207-5212, 53-60, 63)	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 %
Woven fabrics of synthetic fibres (man made filaments) (HS 5407)	2.0	8.3
Woven fabrics of synthetic or artificial fibres (HS 5512-5516)	3.2	18.7
Non-woven textiles (5603)	3.5	18.3
Carpets, floor coverings (HS 5701-5705)	2.2	3.4
Rubberised textile fabrics (HS 5906)	8.9	85.7
Endless textile products used in paper machines (HS 5911.32)	14.6	34.9
Knitted or crocheted fabrics (man made filaments) (HS 6001-6004)	3.0	32.1
Other knitted or crocheted fabrics (HS 6005-6006)	1.8	9.6
Worn clothing/textiles and rags (HS 6309-6310)	5.0	13.9
Other	12.8	9.2
Total	57.0	15.0

## Summary of Outcomes:

### Australia

- 2005 base tariffs:
  - 0% on 114 tariff lines
  - 5% on 114 tariff lines
  - 7.5% on 86 tariff lines
  - 10% on 273 tariff lines
  - 17.5% on 18 tariff lines.
- Tariffs will be eliminated on all tariff lines by 2020:
  - Many tariffs will be bound at 0% on entry-into-force (EIF) or will be eliminated in 2010 (563 tariff lines).
  - Remaining tariffs phase to 0% by 2015 (2 tariff lines) or 2020 (40 tariff lines).
- Carpets: tariffs of 0% on some carpets (handmade, of coir, sisal, jute, cotton) will be bound at 0% on EIF while tariffs of 10% phase to 0% by 2020.

### Cambodia

- 2005 base tariffs:
  - 7% on 585 tariff lines
  - 15% on 53 tariff lines
  - 35% on 122 tariff lines.
- Tariffs will be eliminated on all tariff lines by 2020:
  - Phase-in of tariff reductions will commence in 2011 for the higher tariffs of 35% and in later years for the lower tariffs.
- Carpets: tariffs of 35% phase to 0% by 2021, with reductions commencing in 2011.

### Indonesia

- 2005 base tariffs:
  - 0-5% on 260 tariff lines
  - 10% on 319 tariff lines
  - 15% on 181 tariff lines.
- Tariffs will be eliminated on all but 12 tariff lines by 2020:
  - Many tariffs will be bound at 0% on EIF or will be eliminated in 2010 (260 tariff lines).
  - Most remaining tariffs phase to 0% by 2012 (314 tariff lines) or 2013 (169 tariff lines).
  - Some tariffs (on only 5 lines) will phase to 0% by 2020.
  - 12 tariff lines: tariffs of 15% will be reduced to 5% (cotton bed linen, curtains, bedspreads, knitted or crocheted sacks and bags, worn clothing and rags).
- Carpets: tariffs of 15% phase to 0% by 2013.

## **Malaysia**

- 2005 base tariffs:
  - 0-5% on 183 tariff lines
  - 7-10% on 292 tariff lines
  - 15-20% on 208 tariff lines
  - 25-30% on 28 tariff lines.
- Tariffs will be eliminated on all tariff lines by 2013:
  - Many tariffs will be bound at 0% on EIF or will be eliminated in 2010 (183 tariff lines).
  - Most remaining tariffs phase to 0% by 2011 or 2012 (525 tariff lines), with only 3 remaining lines phasing to 0% by 2013.
- Carpets: tariffs of 25% phase to 0% by 2012 or 2013.

## **New Zealand**

- 2005 base tariffs:
  - 0% on 428 tariff lines
  - 5-7.5% on 120 tariff lines
  - 12-12.5% on 122 tariff lines
  - 17-17.5% on 40 tariff lines
  - A specific tariff of \$NZ3.55/kg on 2 tariff lines.
- Tariffs will be eliminated on all tariff lines by 2020:
  - Many tariffs will be bound at 0% on EIF or will be eliminated in 2010 (457 tariff lines).
  - Remaining tariffs phase to 0% by 2012 (59 tariff lines), 2016 (2 tariff lines), 2017 (172 tariff lines), or 2020 (remaining 22 tariff lines).
- Carpets: tariffs of 17% on some carpets phase to 0% by 2017. Tariffs of 17.5% on carpets cut and shaped for use in motor vehicle assembly will be eliminated in 2010. Tariffs of 12.5% on felt carpets phase to 0% by 2017.

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

## **Philippines**

- 2005 base tariffs:
  - 0-5% on 136 tariff lines
  - 7-10% on 411 tariff lines
  - 15-20% on 185 tariff lines.
- Tariffs will be eliminated on all but 8 tariff lines by 2015:
  - Most tariffs will be eliminated in 2010 or phase to 0% by 2012 (547 tariff lines).
  - Tariffs on a further 177 lines phase to 0% by 2013 or 2015.
  - Tariffs will be reduced but not eliminated for 8 tariff lines (some twines, some floorcoverings) where tariffs phase to 12% or 5%.
- Carpets: tariffs of 15% on most carpets phase to 0% by 2013, phase to 0% by 2015 for some cotton carpets, or phase from 15% to 5% by 2016 (tufted wool carpet, jute floorcoverings).

## Singapore

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

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

## Thailand

- 2005 base tariffs:
  - 1-5% on 438 tariff lines
  - 9-10% on 39 tariff lines
  - 17.5-20% on 4 tariff lines
  - 30% on 78 tariff lines.
- Tariffs will be eliminated on all but 1 tariff line by 2020:
  - Many tariffs will be eliminated on EIF or in 2010, or phase to 0% by 2015-2017.
  - Some tariffs (on only 45 lines) will phase to 0% by 2020.
  - 1 tariff line is excluded from tariff commitments (raw silk).
- Carpets: tariffs of 30% on carpet phase to 0% by 2015, with one exception (tufted wool carpet) where tariffs phase to 0% by 2020.

*Note: tariff commitments are better in TAFTA except for 1 tariff line (cotton face washers and some cotton towels).*

## Vietnam

- 2005 base tariffs:
  - 0-5% on 91 tariff lines
  - 10-20% on 108 tariff lines
  - 30-40% on 448 tariff lines
  - 50-100% on 70 tariff lines).
- Tariffs will be eliminated on all but 5 tariff lines by 2018:
  - Many tariffs will be bound at 0% on EIF or phase to 0% by 2016 or 2017 (199 tariff lines).
  - Tariffs on remaining 513 lines phase to 0% by 2018.
  - 5 tariff lines are excluded from tariff commitments (worn clothing, textiles and rags).
- Carpets: tariffs of 40% phase to 0% by 2018, with reductions commencing in 2010.



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### ***AANZFTA 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.



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### ***AANZFTA FACT SHEET – PULP AND PAPER***

ASEAN is a valuable export market for pulp, waste, paper and paper products with average annual exports of \$186 million, accounting for 19% of Australian global exports of these products. Most ASEAN tariffs are in the 0% to 25% range, with some higher tariffs applying to specific products. Tariffs will be eliminated on all tariff lines in this sector in Indonesia, Malaysia and the Philippines, and for the majority of tariff lines in Vietnam, with tariffs on remaining lines phased to 5%. Outcomes under AANZFTA should ensure maintenance of current market access and small improvements in access for pulp, waste and scrap, as well as a range of new and enhanced market access opportunities for a range of paper and paperboard products.

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

Product (HS 47-48)	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 %
Pulp (HS 4701-4706)	9.6	73.7
Paper or paperboard waste and scrap (HS 4707)	63.5	29.9
Uncoated paper and paperboard (HS 4802, 4804, 4805)	88.7	17.9
Coated or covered paper (HS 4810-4811)	7.4	16.8
Other	17.2	9.1
Total	186.4	19.5

#### Summary of Outcomes

##### **Australia (274 tariff lines)**

- **2005 base tariffs:**
  - 60 tariff lines at 0% (20 lines covering pulp)
  - 214 lines at 5%
- **Tariffs will be eliminated on all tariff lines by 2010:**
  - Tariffs of 0% bound at entry-into-force (EIF), while tariffs of 5% will be eliminated at EIF or in 2010.

## **Indonesia**

- 2005 base tariffs:
  - 32 tariff lines at 0% (including pulp and some waste)
  - 208 tariff lines at 5%
  - 4 tariff lines at 15% (some waste and scrap)
- Tariffs will be eliminated on all tariff lines by 2013:
  - Tariffs on 240 lines bound at 0% at EIF (32 lines) or eliminated in 2010 (208 lines).
  - Tariffs of 15% on 4 lines phase to 0% by 2013.

## **Malaysia**

- 2005 base tariffs (310 tariff lines):
  - 113 tariff lines at 0% (including pulp and waste)
  - 15 lines with tariffs at 5%
  - 77 lines with tariffs at 7-10%
  - 6 lines with tariffs at 15%
  - 98 lines with tariffs at 20-25% (including 1 line with a compound tariff of 25% or RM0.15/kg if higher)
  - 1 line with tariff at 30%
- Tariffs will be eliminated on all tariff lines by 2020, with tariffs on 309 lines eliminated by 2013:
  - Tariffs of 0-5% bound at EIF or eliminated in 2010.
  - Tariffs of 7-10% phase to 0% by 2011, except for newsprint in rolls for which tariff phases to 0% by 2020.
  - Other tariffs phase to 0% by 2012 or 2013.

## **New Zealand**

- 2005 base tariffs are 0% on all 206 tariff lines. These tariffs will be bound at 0% at EIF.

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

## **Philippines**

- 2005 base tariffs (317 tariff lines):
  - 170 lines with tariffs at 1%, 3% or 5% (including pulp and waste)
  - 47 lines with tariffs at 7%
  - 74 lines with tariffs at 10%
  - 26 lines with tariffs at 15%
- Tariffs will be eliminated on all tariff lines by 2020, with tariffs on 286 lines eliminated by 2013:
  - Tariffs of 1-5% phase to 0% by 2010.
  - Tariffs of 7% phase to 0% by 2011, 2015 or 2020.
  - Tariffs of 10% phase to 0% by 2012, 2015 or 2020.
  - Tariffs of 15% phase to 0% by 2013 or 2015.

## **Singapore**

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

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

## **Thailand (149 tariff lines)**

- 2005 base tariffs:
  - 0-1% tariff on 23 lines (mainly pulp and waste)
  - 5% tariff on 79 lines
  - 10% tariffs on 44 lines (paper articles, books, cartons, etc)
  - Tariffs of 30% and Baht 0.33/kg on 3 lines (some newsprint)
- Tariffs will be eliminated by 2013 at the latest:
  - Most tariffs eliminated at EIF or by 2010.
  - Tariffs on 2 lines (some newsprint) phase to 0% by 2011 or 2013.

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

## **Vietnam**

- 2005 base tariffs (231 tariff lines):
  - 0% tariffs on 4 lines
  - Tariffs of 1%, 3% or 5% on 53 lines (including pulp and waste)
  - Tariffs of 10-15% on 58 lines
  - Tariffs of 20% on 19 lines
  - Tariffs of 30% on 42 lines
  - Tariffs of 40% on 47 lines
  - Tariffs of 50% on 8 lines
- Tariffs will be eliminated on most lines (197) by 2020, with tariffs on the remaining 34 lines phased to 5%:
  - Tariffs of 0% bound at EIF
  - Tariffs of 1-5% will be eliminated in one step in 2016
  - Tariffs of 10-15% phase to 0% by 2016
  - Tariffs of 20% phase to 0% by 2017
  - Tariffs of 30% phase to 0% by 2018 or 2020
  - Tariffs of 40% phase to 0% by 2018 (21 lines) or phase to 5% by 2022 (26 lines)
  - Tariffs of 50% phase to 5% by 2022, with reductions commencing in 2014.



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### ***AANZFTA FACT SHEET – MACHINERY AND MECHANICAL APPLIANCES, AND THEIR PARTS***

ASEAN is an important export market for Australia for a range of mechanical appliances and machinery parts, especially pumps for liquids, data processing and office machines and certain machinery parts, with average annual exports of \$639 million. While tariffs are low in ASEAN countries for many of the tariff lines covered by this sector, there are high tariffs for some products. Under AANZFTA the reduction and elimination of tariffs will guarantee continued access and provide additional market access opportunities. The vast majority of tariff lines in this sector will have 0% tariffs by 2012, with most of the remaining tariffs phased to 0% by 2020.

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

Product (HS 84)	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 %
Turbo-jets, gas turbines (HS 8411)	9.6	19.0
Pumps for liquids (HS 8413)	62.5	26.4
Centrifuges, filters and purifying machinery (HS 8421)	20.1	14.1
Parts for pulleys, cranes, lifting, loading, moving, grading, boring machinery (HS 8431)	77.8	21.0
ADP and office machines ,and parts therefor (HS 8469-8473)	44.3	11.5
Machines for sorting, crushing, washing, shaping (HS 8474)	49.7	19.2
Machinery with individual functions (HS 8479)	43.6	16.9
Taps, cocks valves (HS 8481)	37.3	23.6
Transmission shafts, bearing housings, gear boxes, clutches (HS 8483)	22.5	20.5
Other	271.9	12.9
Total	639.4	15.6

## Summary of Outcomes:

### Australia

- 2005 base tariffs (614 lines):
  - 0% on 269 tariff lines
  - 5% on 308 tariff lines
  - 10% on 37 tariff lines.
- Tariffs will be eliminated on all but 3 lines by 2010 and on all lines by 2020:
  - Tariffs of 0% will be bound at entry-into-force (EIF).
  - Tariffs of 5% will be eliminated at EIF (240 lines) or in 2010 (65 lines) or in 2020 (3 lines).
  - Tariffs of 10% will be eliminated at EIF.

### Indonesia

- 2005 base tariffs (1439 lines):
  - 0% on 977 tariff lines
  - 5% on 246 tariff lines
  - 10% on 141 tariff lines
  - 15% on 75 tariff lines.
- Tariffs are bound at 0% on EIF or phase to 0% by 2025 for all but 57 lines:
  - Tariffs of 0% will be bound at EIF except for 18 lines which are excluded from tariff commitments.
  - Tariffs of 5% will be eliminated in 2010, except for 7 lines which will phase to 0% by 2020, 3 lines which will phase to 0% by 2023, 11 lines which will reduce to 4% in 2015 but are not eliminated and 4 lines which are excluded from tariff commitments.
  - Tariffs of 10% phase to 0% by 2012, except for 14 lines which will phase to 0% by 2020 or 2025, and 18 lines which phase to 5% by 2015 but are not eliminated.
  - Tariffs of 15% will phase to 0% by 2013 (51 lines) or by 2015 (12 lines) or by 2020 (5 lines) or by 2025 (1 line) except for 6 lines which will phase to 5% by 2025 but not eliminated.

### Malaysia

- 2005 base tariffs (718 lines):
  - 0% on 467 tariff lines
  - 5% on 90 tariff lines
  - 10% on 15 tariff lines
  - 15-17% on 3 tariff lines
  - 17% on 1 tariff lines
  - 20% on 44 tariff lines
  - 25% on 34 tariff lines
  - 30% on 63 tariff lines
  - 35% on 1 tariff line
  - a mixed ad valorem/specific rate on one tariff line.

- Tariffs will phase to 0% on all tariff lines by 2020:
  - Tariffs of 0% bound at EIF.
  - Tariffs of 5% will be eliminated on EIF (5 lines) or phase to 0% by 2010 (85 lines).
  - Tariffs of 10% will be eliminated at EIF (3 lines) or phase to 0% by 2011 (12 lines).
  - Tariffs of 15-17% will phase to 0% by 2012 (2 lines) or by 2020 (1 line).
  - Tariffs of 20-25% will phase to 0% by 2020 (51 lines) except for 6 lines which will be eliminated at EIF or phase to 0% by 2010, and 21 lines which will phase to 0% by 2012, 2013 or 2016.
  - Tariffs of 30% and above will phase to 0% by 2020 (54 lines) except for 10 lines which will phase to 0% by 2011 or 2012, and 1 line by 2016.

### **New Zealand**

- 2005 base tariffs (618 lines):
  - 0% on 294 tariff lines
  - 5% on 34 tariff lines
  - 6.5% on 28 tariff lines
  - 7% on 311 tariff lines
  - 10% on 13 tariff lines
  - 10 tariff lines on parts which the tariff depends on what the part is used for.
- Tariffs will phase to 0% on all tariff lines by 2020:
  - Tariffs of 0% bound at EIF.
  - Tariffs of 5% will be eliminated at EIF or in 2010.
  - Tariffs of 6.5% will be eliminated on EIF or in 2010 except for 1 line which will phase to 0% by 2020.
  - Tariffs of 7% will be eliminated at EIF or in 2010 (287 lines) except for 21 lines which will phase to 0% by 2012 and 1 line by 2020.
  - Tariffs of 10% will be eliminated at EIF or by 2012 (11 lines) except for 2 lines for which the tariff will phase to 0% by 2020.
  - The tariffs on the 10 lines where rates vary depending on end use will be eliminated in 2012.

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

### **Philippines**

- 2005 base tariffs (1449 lines):
  - 0% on 88 tariff lines
  - 1% on 934 tariff lines
  - 3% on 155 tariff lines
  - 5% on 116 tariff lines
  - 7% on 35 tariff lines
  - 10% on 73 tariff lines
  - 15% on 48 tariff lines.
- Tariffs will phase to 0% by 2013 on all tariff lines except for 6 lines which will phase to 4% or 5%:

- Tariffs of 0% bound at EIF.
- Tariffs of 1-5% will be eliminated in 2010 except one tariff of 5% which will be reduced to 4% in 2015.
- Tariffs of 7% will phase to 0% by 2011 (33 lines) except for 2 tariff lines for which tariffs will be eliminated at EIF.
- Tariffs of 10% will phase to 0% by 2012 (50 lines) except for 18 tariff lines for which tariffs will be eliminated at EIF and 5 tariff lines for which tariffs will be phased to 5% by 2015.
- Tariffs of 15% phase to 0% by 2013.

### **Singapore**

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

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

### **Thailand**

- 2005 base tariffs (632 lines):

- 0% on 67 tariff lines
- 1% on 301 tariff lines
- 3% on 31 tariff lines
- 5% on 125 tariff lines
- 10% on 84 tariff lines
- 20% on 9 tariff lines
- 30% on 15 tariff lines

- Tariffs will be eliminated on all tariff lines by 2013:

- Tariffs of 0% bound at EIF.
- Tariffs of 1-5% will be eliminated at EIF (393 lines) except on 64 lines which will be eliminated in 2010.
- Tariffs of 10% will phase to 0% by 2010 (80 lines) except on 4 lines which will be eliminated at EIF.
- Tariffs of 20% and 30% will be eliminated in 2012 and 2013 respectively.

*Note: 96.2% of tariff lines under AANZFTA will be eliminated by 2010 compared with 100% in TAFTA.*

### **Vietnam**

- 2005 base tariffs (1436 lines):

- 0% on 783 tariff lines
- 1% on 10 tariff lines
- 3% on 105 tariff lines
- 5% on 144 tariff lines
- 10% on 89 tariff lines
- 15% on 26 tariff lines
- 20% on 130 tariff lines
- 30% on 95 tariff lines

- 40% on 18 tariff lines
- 50% on 29 tariff lines
- 100% on 7 tariff lines.
- Tariffs will phase to 0% by 2022 on all tariff lines except for 68 lines which will phase to 3% or 5%:
  - Tariffs of 0% bound at EIF.
  - Tariffs of 1-3% will be eliminated in 2016 (114 lines) except for 1 line where the tariff remains at 3%.
  - Tariffs of 5% will be eliminated in 2016 (138 lines) except for 2 lines for which the tariff will be eliminated in 2018, 3 lines for which the tariff will reduce to 3% by 2019, and 1 line where the tariff will be bound at 5% but not eliminated.
  - Tariffs of 10% will phase to 0% by 2016 (76 lines) except for 12 lines for which the tariff will phase to 0% by 2020 and 1 line for which the tariff will phase to 5% by 2022 commencing in 2021 but not eliminated.
  - Tariffs of 15% will phase to 0% by 2016.
  - Tariffs of 20% will phase to 0% by 2017 (88 lines) except for 15 lines which will phase to 0% by 2018 or 2020, and for 27 lines which phase to 5% by 2022.
  - Tariffs of 30% will phase to 0% by 2018 (37 lines) or by 2020 (31 lines) except for 27 lines which will phase to 5% by 2022 commencing in 2017.
  - Tariffs of 40% will phase to 0% by 2018 (7 lines) or by 2020 (9 lines) except for 2 lines which will phase to 5% by 2022 but not eliminated.
  - Tariffs of 50% will phase to 0% 2020 (26 lines) except 2 lines which will phase to 0% by 2018 or 2019, and 1 line which will phase to 5% by 2022 starting 2014.
  - Tariffs of 100% will phase to 0% by 2020 (2 lines) except for 5 lines which will phase to 5% by 2022.



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## ***AANZFTA FACT SHEET – ELECTRICAL MACHINERY AND EQUIPMENT, AND THEIR PARTS***

ASEAN is a valuable market for Australian exports of electrical machinery and equipment and parts, worth some \$240 million in annual average exports (this figure does not include re-exports which are a significant amount in this sector). There is great variability in the level of ASEAN tariffs in this sector, with many low tariffs but also a significant number of tariff lines with tariffs in the 15%-40% range. Almost all tariffs will be eliminated in this sector, in the major markets of Indonesia, Malaysia, the Philippines and Vietnam, with the remaining tariffs generally reduced to low levels (5%). The reduction and elimination of tariffs should benefit Australian industry through guaranteeing continued access and providing additional market access opportunities.

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

Product (HS 85)	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 %
Electrical motors, generators and parts (HS 8501 – 8504)	24.3	11.5
Batteries and accumulators (HS 8506)	0.5	5.4
Electrical starting, ignition, lighting and signalling equipment (incl for MV) (HS 8510 – 8511)	8.7	33.1
Electric water heaters (HS 8516)	4.3	8.0
Telephony and broadcast equipment (HS 8517, 8525, 8527)	34.4	9.0
Audio recording / playback equipment (HS 8518 – 8520)	2.3	6.1
Video recording / playback equipment (HS 8521)	0.4	5.3
Parts for audio / video equipment (HS 8522)	0.3	14.6
TVs (HS 8528)	2.8	13.2
Capacitors, resistors, transistors, printed circuits (HS 8535 – 8538, 8541 – 8542)	53.0	8.7
Lights and lamps (HS 8539)	1.2	13.2
Other Electrical Equipment	107.6	13.4
Total	239.7	11.0

## Summary of Outcomes:

### **Australia**

- 2005 base tariffs (338 tariff lines):
  - 0% on 166 tariff lines
  - 5% on 149 tariff lines
  - 10% on 23 tariff lines.
- Tariffs will be eliminated on all but 2 lines by 2010 and on all lines by 2020:
  - Tariffs of 0% will be bound at entry-into-force (EIF).
  - Tariffs of 5% will be eliminated at EIF (112 lines) or in 2010 (35 lines) or in 2020 (2 lines, covering certain radios and video cameras).
  - Tariffs of 10% will be eliminated at EIF.

### **Indonesia**

- 2005 base tariffs (768 tariff lines):
  - 0% on 175 tariff lines
  - 5% on 252 tariff lines
  - 10% on 239 tariff lines
  - 15% on 102 tariff lines.
- Tariffs are bound at 0% on EIF or phase to 0% for all but 20 lines, with these 20 lines phased to 4% or 5%:
  - Tariffs of 0% will be bound at EIF.
  - Tariffs of 5% will be eliminated in 2010, except for 7 lines, covering control panels and some motors, of which 1 line will phase to 0% by 2020, 3 lines will phase to 0% by 2023 and 3 lines will reduce to 4% in 2015 but are not eliminated.
  - Tariffs of 10% phase to 0% by 2012, except for 1 line which will phase to 0% by 2020, and 8 lines, covering video disks and some electric motors, which phase to 5% by 2015 but are not eliminated.
  - Tariffs of 15% will phase to 0% by 2013 (93 lines), with 9 lines (digital cameras, video monitors and projectors) to phase to 5% by 2016 but will not be eliminated.
  - Tariffs on all lines will be in the 0-5% range by 2016, with 743 lines at 0% by 2013.

### **Malaysia**

- 2005 base tariffs (496 tariff lines):
  - 0% on 228 tariff lines
  - 5% on 87 tariff lines
  - 10% on 6 tariff lines
  - 15% on 63 tariff lines
  - 17% on 1 tariff line
  - 20% on 42 tariff lines
  - 25% on 15 tariff lines
  - 30% on 53 tariff lines

- 50% on 1 tariff line.
- Tariffs will be eliminated on all 496 lines by 2020:
  - Tariffs of 0% bound on EIF.
  - Tariffs of 5% will be eliminated on EIF (29 lines) or phase to 0% by 2010 (58 lines, mainly telephone and radio cables and wiring).
  - Tariffs of 10% will phase to 0% by 2011 on 5 lines, while the tariff on 1 line (parts of heaters) will be eliminated on EIF.
  - Tariffs of 15-17% (covering mainly switches) will be eliminated on EIF (19 lines) or will phase to 0% by 2010 (1 line) or by 2012 (44 lines).
  - Tariffs of 20% will phase to 0% by 2011 (1 line) or 2012 (32 lines), while the tariffs on 9 lines (portable lamps, some hairdressing apparatus and parts of batteries) will be eliminated on EIF.
  - Tariffs of 25% will phase to 0% by 2012 (3 lines) or 2013 (11 lines), while the tariff on 1 line (hair dryers) will be eliminated on EIF.
  - Tariffs of 30% and above will be eliminated on 4 lines on EIF, or will phase to 0% by 2012 (8 lines, mainly kitchen appliances) 2013 (37 lines, mainly insulated wiring), or 2020 (5 lines, including power cords).
  - Tariffs on 491 lines will be at 0% by 2013.

### **New Zealand**

- 2005 base tariffs: 431 tariff lines ranging between 0% and 17.5%.
- Tariffs will be eliminated on all tariff lines by 2020:

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

### **Philippines**

- 2005 base tariffs (779 tariff lines):
  - 0% on 170 tariff lines
  - 1% on 205 tariff lines
  - 3% on 121 tariff lines
  - 5% on 76 tariff lines
  - 7% on 68 tariff lines
  - 10% on 58 tariff lines
  - 15% on 81 tariff lines.
- Tariffs will be eliminated on all but 10 lines by 2013, with the remaining 10 lines phased to 5% or 8%:
  - Tariffs of 0% bound on EIF.
  - Tariffs of 1-5% will be eliminated by 2010, with 4 lines at 1%, 2 lines at 3% and 7 lines at 5% eliminated on EIF.
  - Tariffs of 7% will be eliminated on EIF on 8 tariff lines and will phase to 0% by 2011 for the other 60 lines.
  - Tariffs of 10% will be eliminated on EIF for 12 tariff lines and will phase to 0% by 2012 for an additional 42 lines, while 2 tariff lines will be phased to 5% by 2015 and 2 lines will be reduced to 8% in 2020.
  - Tariffs of 15% will be eliminated on EIF for 4 tariff lines and will phase to 0% by 2013 for 71 lines, while tariffs on the 6 remaining lines will phase to 5% by 2016.

## Singapore

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

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

## Thailand

- 2005 base tariffs (413 tariff lines):

- 0% on 89 tariff lines
- 1% on 93 tariff lines
- 3% on 9 tariff lines
- 3.11% on 1 tariff line
- 10% on 168 tariff lines
- 15% on 6 tariff lines
- 20% on 20 tariff lines
- 30% on 27 tariff lines

- Tariffs will be eliminated on all lines by 2020:

- Tariffs of 0% bound on EIF.
- Tariffs of 1-3.11% will be eliminated by 2010, with 54 lines at 1% and 4 lines at 3% eliminated on EIF.
- Tariffs of 10% will be eliminated on EIF for 29 tariff lines, will phase to 0% by 2010 for 136 lines and will be eliminated in 2020 on the remaining 3 tariff lines.
- Tariffs of 15%, 20% and 30% will be eliminated in 2010, 2012 and 2013 respectively.

*Note: Tariff commitments are better in TAFTA for many products.*

## Vietnam

- 2005 base tariffs (766 tariff lines):

- 0% on 226 tariff lines
- 1% on 15 tariff lines
- 3% on 1 tariff lines
- 5% on 105 tariff lines
- 10% on 126 tariff lines
- 15% on 14 tariff lines
- 20% on 103 tariff lines
- 30% on 116 tariff lines
- 40% on 42 tariff lines
- 50% on 18 tariff lines

- Tariffs will be eliminated on all but 3 lines by 2020, with the remaining 3 lines phasing to 5% by 2022:

- Tariffs of 0% bound on EIF.
- Tariffs of 1-3% will be eliminated in 2016 (16 lines).

- Tariffs of 5% will be eliminated in 2016 on 104 lines (including most electric motors and parts, computer equipment and batteries), with the tariffs on the remaining line to be eliminated in 2017.
- Tariffs of 10% will phase to 0% by 2016 for 120 lines (including communications equipment and storage devices), and will phase to 0% by 2020 on the remaining 6 tariff lines (including portable radios).
- Tariffs of 15% will phase to 0% by 2016 for 12 tariff lines and by 2020 on the remaining 2 lines.
- Tariffs of 20% will phase to 0% by 2017 for 90 tariff lines and will phase to 0% by 2020 for the remaining 13 tariff lines.
- Tariffs of 30% will phase to 0% by 2018 for 54 tariff lines and by 2020 for an additional 59 lines, while tariffs for the remaining 3 lines will phase to 5% by 2022, commencing in 2017.
- Tariffs of 40% will phase to 0% by 2018 for 14 lines or by 2020 for the other 28 tariff lines.
- Tariffs of 50% will phase to 0% by 2018 for 13 tariff lines and by 2020 for the remaining 5 lines.
  - By 2017 tariffs on 763 lines will be in the 0-5% range, with 569 lines at 0%.



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## ***AANZFTA FACT SHEET – OPTICAL, PHOTOGRAPHIC, MEASURING AND MEDICAL INSTRUMENTS AND APPARATUS***

ASEAN is a market worth some \$100 million in average annual exports from Australia in instruments and apparatus covered by Chapter 90 of the tariff system. Industry will benefit from the almost complete elimination of tariffs in this sector across ASEAN. Tariffs on all tariff lines will be bound at 0% on entry-into-force (EIF), or phased to 0%, by no later than 2013 in several countries (including Indonesia, Malaysia and the Philippines), and by 2018 in Vietnam. Tariffs on all tariff lines will be phased to 0% by 2020 in Brunei and by 2024 in Burma, and by 2021 in Cambodia, except for 1 tariff line excluded from tariff commitments. In Laos, tariffs will be eliminated on all except 17 lines, on which tariffs will phase to 3%-5%.

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

Product (HS 90)	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 %
Optical Instruments and other optical goods (HS9001,9002,9003,9004,9005)	10.1	12.2
Photographical apparatus and equipment (HS9006, 9007)	1.7	7.3
Instruments and appliances for medical, surgical, dental or veterinary purposes (HS9018, 9019, 9021, 9022)	19.9	1.6
Measuring, checking, controlling instruments (HS9014, 9015, 9016, 9017,9023, 9024, 9025, 9026, 9027, 9028, 9029, 9030, 9031, 9032)	61.6	9.5
Other	6.9	4.8
Total	100.0	4.7

### Summary of Outcomes:

#### **Australia**

- 2005 base tariffs (191 tariff lines):
  - 0% on 156 tariff lines
  - 5% on 25 tariff lines
  - 7.5% on 2 tariff lines
  - 10% on 8 tariff lines.

- Tariffs will be eliminated on all lines by 2010:
  - Tariffs of 0% will be bound at EIF.
  - Tariffs of 5% will be eliminated at EIF (15 lines) or in 2010 (10 lines, covering some spectacles and frames and water or electricity meters).
  - Tariffs of 7.5% covering orthopaedic insoles will be eliminated in 2010
  - Tariffs of 10% will be eliminated at EIF, except for one line covering orthopaedic footwear, which will be eliminated in 2010.

### **Indonesia**

- 2005 base tariffs (131 tariff lines):
  - 0% on 73 tariff lines
  - 5% on 204 tariff lines
  - 10% on 34 tariff lines.
- Tariffs will be bound at 0% on EIF or phase to 0% by 2012:
  - Tariffs of 0% will be bound at EIF.
  - Tariffs of 5% will be eliminated in 2010.
  - Tariffs of 10% phase to 0% by 2012.

### **Malaysia**

- 2005 base tariffs (204 tariff lines):
  - 185 lines at 0%;
  - 15 lines at 5% (measuring, surveying, image projection equipment);
  - 1 line at 10% (projection aligning equipment);
  - 1 line at 20% (photo lab equipment);
  - 2 lines at 25% (water meters).
- Tariffs will be either bound at 0% on EIF or phase to 0% by 2013:
  - Tariffs on 185 lines bound at 0% on EIF.
  - Measuring, surveying, image projection equipment: 5% tariffs phase to 0% by 2010.
  - Projection aligning equipment: 10% tariff will phase to 0% by 2011.
  - Photo lab equipment: 20% tariff will phase to 0% by 2012.
  - Water meters: 25% tariffs phase to 0% by 2013.

### **New Zealand**

- 2005 base tariffs (185 tariff lines):
  - 135 lines at 0%
  - 11 lines at 5%
  - 4 lines at 6.5%
  - 25 lines at 7%
  - 6 lines covering parts have differing rates depending on their end use.
- Tariffs will be eliminated on all tariff lines by 2012:
  - Tariffs on 171 lines bound at 0% on EIF

- Tariffs on 4 lines covering some meters and measuring and regulating apparatus remain at 7% on EIF, to be eliminated in 2010
- Tariff on the 6 parts lines eliminated in 2012.

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

### **Philippines**

- 2005 base tariffs (311 tariff lines):
  - Gauges for motor vehicles (3 lines): 10%;
  - Rulers (1 tariff line): 7%;
  - Spectacles, spectacle frames, some cameras, electricity meters, binoculars (16 lines): 5%;
  - Other: 0% (50 lines) or 1-3% (241 lines).
- Tariffs will be bound at 0% on EIF or phase to 0% by 2012:
  - Tariffs of 0% are bound on EIF.
  - Gauges for motor vehicles: tariffs either eliminated on EIF or phase to 0% by 2012.
  - Rulers: tariffs phase to 0% by 2011.
  - Other: All other tariffs eliminated in 2010.

### **Singapore**

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

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

### **Thailand**

- 2005 base tariffs (206 tariff lines):
  - 54 lines at 0%
  - 20 lines at 1%
  - 62 lines at 3%
  - 32 lines at 5%
  - 38 lines at 10%.
- Tariffs will be eliminated on all lines by 2010:
  - 164 lines at 5% or less and 3 lines at 10% covering gas meters and some regulating and controlling apparatus bound at 0% on EIF
  - 1 line at 1% (results boards with LCD screens), 1 line at 3% (some astronomical instruments) and 2 lines at 5% (certain cinematographic equipment) remain at base levels at EIF and are eliminated in 2010
  - 35 lines at 10% reduce to 7% on EIF and are eliminated in 2010.

Note: for some products there is earlier elimination of tariffs under TAFTA.

## **Vietnam**

- 2005 base tariffs (311 tariff lines):
  - 241 tariff lines with tariffs at 0%, including for optical fibres, most lenses, most medical equipment, orthopaedic appliances, measuring and checking apparatus, spectrometers, survey equipment, etc.
  - Remaining 70 tariff lines with tariffs of 1% to 30%, including for example:
    - Corrective spectacles: 1%;
    - Syringes, developing apparatus, measuring tapes, spectacle lenses: 5%.
    - Photocopy apparatus, spectacle frames, balances: 10%;
    - Cameras and parts: 15-30%;
    - Taximeters, sunglasses: 20%;
    - Electric meters, speedometers, manostats, voltage regulators: 30%.
- Tariffs will be bound at 0% on EIF or phase to 0% by 2018:
  - Tariffs of 0% are bound on EIF.
  - Tariffs of 1% and 5% will be eliminated in one step in 2016.
  - Tariffs of 10% and 15% phase to 0% by 2016.
  - Tariffs of 20% and 30% phase to 0% by 2017 and 2018 respectively.

## **Other ASEAN countries:**

### **Brunei:**

- 2005 base tariffs: 311 tariff lines with tariffs between 0% and 20%.
- Tariffs on all tariff lines phase to 0% by 2020: 173 lines bound at 0% on EIF, 15 lines at 5% eliminated in 2010, 97 lines at 20% phase to 0% by 2013, 26 lines at 20% eliminated in 2020.

### **Burma:**

- 2005 base tariffs: 312 tariff lines with tariffs between 1% and 20%.
- Tariffs on all tariff lines phase to 0% by 2024.

### **Cambodia:**

- 2005 base tariffs: 68 tariff lines between 7% and 35%.
- Tariffs on all tariff lines phase to 0% by 2021, except for 1 line (other microscopes) excluded from tariff commitments.

### **Laos**

- 2005 base tariffs: 311 tariff lines between 5% and 10%.
- Tariffs on 294 tariff lines eliminated by 2021, and the remaining 17 lines phase to 3% (15 lines) or 5% (2 lines).



## *AANZFTA FACT SHEET – SERVICES*

AANZFTA will promote greater certainty and transparency for Australian service suppliers doing business in the region.

This is achieved through a range of commitments by ASEAN countries that:

- bind existing levels of market openness in various service sectors;
- discipline domestic regulatory measures;
- guarantee certain legal protections for investment in their territories (see AANZFTA FACT SHEET – Investment for further detail).

### **Market openness**

ASEAN countries have made substantial, commercially meaningful improvements on existing WTO commitments in a range of sectors.

Many of these AANZFTA commitments go beyond the offers made by ASEAN countries in the WTO Doha Round.

A built-in review provision will ensure that further improvements can be negotiated over time as ASEAN countries progressively liberalise their services sectors.

Some of the “WTO plus” commitments by ASEAN countries include:

### Professional Services

- Malaysia has committed to aggregate 40 per cent foreign equity participation in locally registered partnerships or Malaysian accounting firms and to 30 per cent foreign equity participation in multidisciplinary joint ventures in architecture and engineering firms. Brunei has committed to allow 40 per cent foreign equity in architectural firms.
- The Philippines has bound arrangements under which Australian accountants, landscape architects, civil, mechanical, metallurgical and sanitary engineers can practice under temporary permits issued by its Professional Regulation Commission.

- . In legal services, Indonesia has committed to permit foreign lawyers to work or take part in Indonesian law firms as employees or experts in international law<sup>3</sup> and Vietnam has bound arrangements under which foreign law firms can employ Vietnamese lawyers and foreign lawyers can practice in Vietnamese law firms to advise on foreign/international law.

#### Construction, mining and energy-related services

- . In construction services, Indonesia and Malaysia have committed to allowing joint ventures with aggregate foreign equity of 55 and 49 per cent respectively. Brunei Darussalam has committed to allow foreign equity in construction firms of 50 per cent.
- . In mining and energy related services, the Philippines has made commitments that allow up to 100 per cent foreign equity for construction of large scale mining development projects covered by a financial and technical assistance agreement under the Philippine Mining Act. Thailand has committed to allowing 49 per cent foreign equity for firms providing 'related scientific and technical consulting services' in relation to oil and gas exploration (e.g. geological and geophysical prospecting and surveys).
- . The Philippines also made commitments that allow up to 100 per cent foreign equity, subject to the President's approval, for oil and gas exploration and development and 40 per cent foreign equity for geothermal exploration and development; coal exploration and development; pipeline transport; and services related to energy distribution or power generation (up to 100 per cent foreign equity is allowed for construction of power plants under the "build-operate-transfer" scheme).

#### Education Services

- . Malaysia has committed to allow joint ventures in higher education with foreign equity up to 51 per cent, subject to relevance of courses to Malaysia's education objectives. It has also committed to allow temporary entry and stay of lecturers and experts and professionals (subject to numerical caps) and contractual service suppliers in the education sector for periods of stay of up to 10 years.
- . Laos has committed to allowing foreign higher education service suppliers to establish a commercial presence with up to 100 per cent foreign equity.
- . The Philippines has committed to allowing 40 per cent foreign equity in the establishment of education institutions to engage in twinning programs in the fields

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<sup>3</sup> The share of foreign lawyers in Indonesian law firms must not exceed 20 per cent and must be limited to five foreign lawyers per firm.

of agriculture, industrial, environment, natural resource management, engineering, architecture, science and technology and health-related programs and to allowing temporary entry and stay of experts in these fields for periods of stay of one year, which may be extended.

- . Vietnam has committed to reduce the experience requirement for Australian teachers in higher, secondary and other education services (including foreign language training) from five to three years and to expand the (WTO-committed) fields of study that can be delivered by foreign education suppliers.<sup>4</sup>
- . Thailand has committed to allowing 49 per cent foreign equity in foreign language tuition services and to allowing temporary entry for teachers employed by firms established in the secondary, higher, adult education and foreign language tuition services sub-sectors (period of stay of one year with possibility of extension).

#### Financial services

- . In banking services, the Philippines and Indonesia have committed to foreign equity of 55 and 51 per cent respectively for acquisition of an existing domestic bank.
- . In insurance services, Indonesia has committed to allowing foreign equity participation of 80 per cent for Australian service suppliers.

#### Telecommunications

- . Malaysia has committed to allowing foreign equity of 49 per cent for acquisition of shares in existing licensed operators (the option of a locally incorporated joint venture with foreign equity of up to 49 per cent is also bound in some sub-sectors, e.g., mobile telephone services and data and message transmission services).

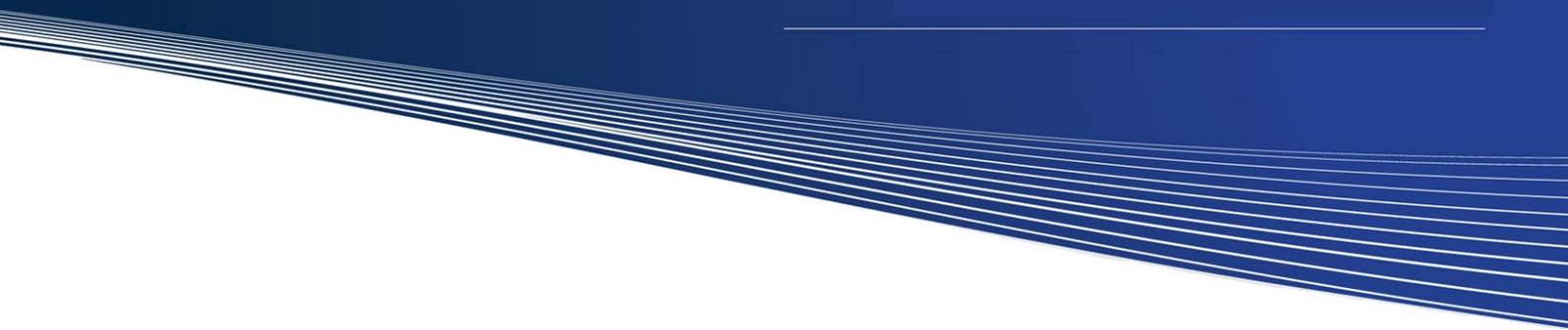
#### **Regulatory disciplines**

ASEAN countries have committed to a range of “WTO plus” regulatory disciplines that provide:

- . a platform for the negotiation of mutual recognition agreements between interested competent bodies in Australia and ASEAN countries;

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<sup>4</sup> Agriculture, architecture, building, business administration, management, computer science, construction, information systems, dental services, economics, education, engineering, environment, surveying, health, community services, land and marine resources, animal husbandry, language studies, law, legal studies, life sciences, manufacturing, mathematics, medical science, medicine, multi-field education, nursing, pharmacy, physical sciences, science, services, culinary and hospitality, transport, veterinary science, visual and performing arts.

- 
- . obligations on regulators not to place undue restrictions on the use of business names;
  - . enhanced procedural transparency and review and appeal disciplines in relation to licensing procedures;
  - . legal protections for Australian investments in ASEAN countries, including the right to international arbitration (investor-state dispute settlement) for alleged breaches.

In addition, specific “WTO plus” regulatory disciplines apply to **financial** and **telecommunications** services.

Australian financial institutions will benefit from disciplines to promote greater transparency and timely processing of license applications in ASEAN countries.

Australian telecommunications providers will benefit from disciplines that aim to ensure a level playing field with major domestic suppliers in ASEAN countries, which may own or control essential network facilities. For example, Parties will be required to prevent anti-competitive conduct and ensure that major suppliers provide interconnection, leased circuit services and co-location of equipment on reasonable, non-discriminatory terms and conditions. Some obligations are subject to transitional arrangements for some countries (see AANZFTA FACT SHEET – Telecommunications Regulatory Disciplines for more detail).



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## ***AANZFTA FACT SHEET – TELECOMMUNICATIONS REGULATORY DISCIPLINES***

In order to establish and trade effectively in overseas markets, telecommunications services suppliers need to be on a “level playing field” with major domestic suppliers, who may own or control essential network facilities.

The WTO seeks to address this issue through a Telecommunications Reference Paper (TRP), which sets out a range of pro-competitive regulatory disciplines.

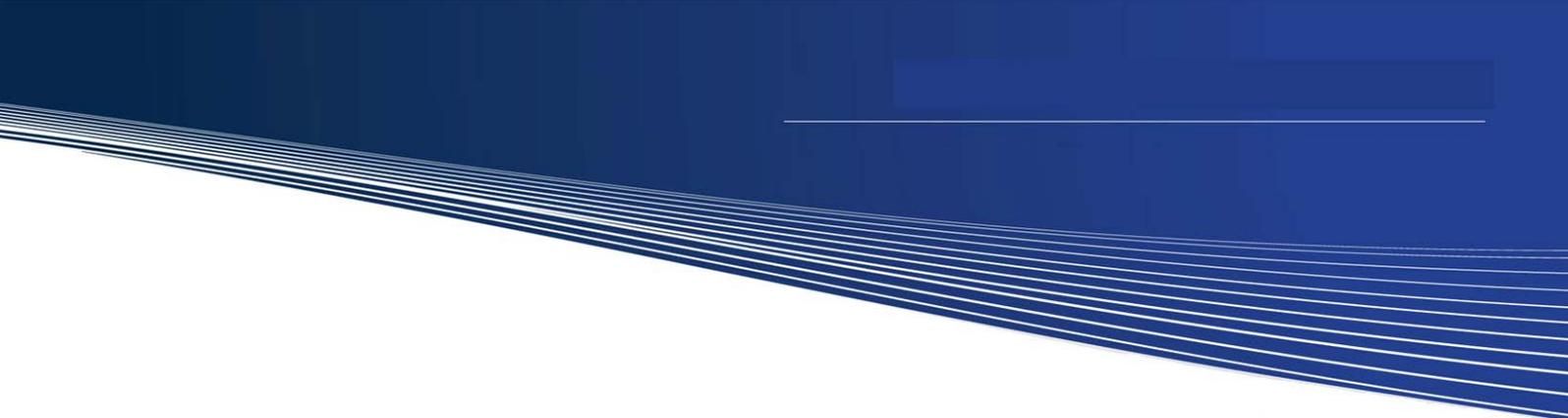
- The WTO TRP is a plurilateral agreement. Some ASEAN countries that are WTO members have not adopted the TRP or have made only partial commitments to it.

Recognising the role and importance of the telecommunications sector as an enabler of economic development and technological advancement, AANZFTA contains an Annex on Telecommunications that builds upon and strengthens the WTO TRP.

Under AANZFTA, all Parties have agreed to:

- maintain safeguards against anti-competitive conduct by major suppliers in their territory;
- ensure transparent licensing procedures;
- provide interconnection to the networks of major suppliers in a timely manner and at cost-oriented rates that are reasonable, non-discriminatory and transparent;
- enable physical co-location of equipment necessary for interconnection;
- make leased circuits services available to suppliers in a timely manner, and at rates that are reasonable, non-discriminatory and transparent;
- maintain procedures to resolve disputes about interconnection or address issues relating to co-location or leased circuit services;
- establish or maintain a telecommunications regulatory body that is separate from and not accountable to major suppliers.

Transitional arrangements for some ASEAN countries apply to some of these obligations, given differing stages of development and levels of WTO commitment.



Australia will benefit from full commitments to the Annex from Brunei Darussalam, Indonesia, Malaysia, Philippines and Singapore from AANZFTA's entry into force. Thailand will apply some obligations from 2018, the expiry of the last concession contract. Vietnam will apply some obligations three years after passage of legislation.



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## ***AANZFTA FACT SHEET – MOVEMENT OF NATURAL PERSONS***

The ability of investors, goods sellers and service suppliers from one country to enter and stay temporarily in another country to explore business opportunities, negotiate and enter into contracts and transact business (supply services) is a key hallmark of deeper economic integration.

AANZFTA provides a framework for countries to make commitments on temporary business entry covering all sectors of the economy (e.g., service suppliers, goods sellers and investors).

These are set out in each Party's schedule of "Movement of Natural Persons" (MNP) commitments, which is separate to the Party's schedule of Services commitments.

The MNP schedules of most ASEAN countries improve on their WTO commitments on temporary entry of service suppliers, including by:

- . making commitments on new categories of services suppliers
  - The Philippines has made commitments that cover not only services suppliers, but also goods sellers and investors. These include provision for business visitors (59 days with possible extension of up to one year); intra-corporate transferees (one year period of stay, which may be extended) and investors (one year period of stay, which may be extended); contractual service suppliers, including persons in technical advisory or supervisory positions and professionals (accountants, landscape architects and certain engineering sub-sectors), subject to the issue of temporary permits by the Filipino Professional Regulation Commission (one year period, which may be extended); and specialists under contract as part of a higher education twinning or bridging program, in the fields of agriculture, industrial, environment, natural resource management, engineering, architecture, nursing, midwifery, science and technology and health-related programs (one year period, which may be extended).
  - Malaysia has made commitments providing for temporary entry and stay of lecturers and experts and professionals (subject to numerical caps) and contractual service suppliers in higher education for periods of stay up to ten years.
  - Thailand has committed to allowing temporary entry for teachers employed or invited by firms established in the secondary, higher, adult education, and foreign language tuition services sub-sectors (one year period of stay with possibility of extension).

- . increasing the length of stay for various categories
  - Indonesia has made a general commitment to allow entry and stay of intra-corporate transferees (“directors, managers and technical experts”) for up to six years and business visitors for 60 days, with possible extension to 120 days<sup>5</sup>
  - Malaysia has increased the period of stay for intra-corporate transferees, specialists and other professionals to enter and stay to a maximum of ten years, although there are some exceptions to this commitment, including professional services, telecommunications and banking services.
  - Singapore has committed to a longer length of stay for intra-corporate transferee under AANZFTA than under the GATS, namely, a maximum of eight years, as distinct from five under the GATS.
  - Thailand has made increased provision to extensions of the period of stay for intra-corporate transferees (up to four years).
- . increasing the number of sectors covered by the commitments (most ASEAN countries).

AANZFTA provides a platform for countries to improve their MNP commitments as part of the broader process of future reviews of commitments.

AANZFTA also contains regulatory disciplines which will help to facilitate freer and more efficient movement of Australians seeking to travel to ASEAN countries for temporary business purposes. The disciplines include obligations on Parties to:

- . process completed applications for temporary entry and stay promptly;
- . notify applicants, on request, about the status or outcome of the application; and
- . ensure that fees for visas and entry permits are reasonable.

AANZFTA also preserves the right of each Party to protect the integrity of its borders and ensure the orderly movement of persons across those borders.

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<sup>5</sup> There are some sectoral exceptions to these general commitments. For example, the improvement on WTO commitments in relation to “managers” does not apply in relation to computer and related services and insurance services and the improvement on “technical experts” does not apply to banking services.



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### *AANZFTA FACT SHEET – INVESTMENT*

AANZFTA will provide a more transparent and certain environment for Australian investors in ASEAN countries through a range of legal protections and transparency disciplines.

The investment protections in AANZFTA apply to investment in services and non-services sectors of the economy and are directed at the post-establishment phases of the investment. They include requirements on Parties to:

- . apply fair and equitable treatment and full protection and security (the minimum standard of treatment at customary international law) to investments;
- . ensure non-discriminatory treatment in relation to measures for investors that have suffered losses due to armed conflict, civil strife or states of emergency;
- . allow funds of an investor relating to an investment to be transferred freely and without delay, subject to specified exceptions;
- . ensure that investors receive prompt, adequate and effective compensation in the event of expropriation or nationalisation of an investment.

Investors will have a right to international arbitration (investor-state dispute settlement) to resolve disputes about alleged breaches of these obligations.

Australian investors will also benefit from transparency provisions which cover, among other things, minimum standards of procedural transparency and rights of review of administrative decisions and prior comment before the adoption of new measures.

AANZFTA provides for a work program to develop market access schedules, covering pre-establishment issues such as foreign equity limits, within five years of entry into force of the Agreement, subject to agreement of the Parties.

Australia's Investment Protection and Promotion Agreements with four ASEAN countries (Indonesia, Laos, Philippines and Vietnam), which include post-establishment legal protections comparable to those in AANZFTA, will remain in force as distinct, functioning agreements.



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### *AANZFTA FACT SHEET – ECONOMIC COOPERATION*

AANZFTA is the first free trade agreement in which Australia has included an Economic Cooperation chapter. The chapter, together with a separate Economic Cooperation Work Program (ECWP), establishes the framework for trade- and investment-related cooperation. The ECWP will provide technical assistance and capacity building to developing ASEAN countries to assist in implementation of the AANZFTA.

Economic cooperation is integral to the AANZFTA. Through the negotiation period, Australia and New Zealand provided a number of capacity building activities to ASEAN counterparts through an FTA Facility provided by the Australian Agency for International Development (AusAID). The workshops and seminars covered issues such as tariff and trade data analysis, rules of origin, intellectual property, scheduling of investment commitments and telecommunications regulatory disciplines. These workshops enhanced ASEAN members' capacity to participate in FTA negotiations and helped countries to narrow differences and develop shared understandings.

The ECWP was determined by the parties during the course of the AANZFTA negotiations, with priority accorded to activities that would enhance ASEAN's implementation capacity and boost economic integration between the parties. Assistance will be provided in eight broad components linked to different aspects of the AANZFTA: Rules of Origin; Sanitary and Phytosanitary Measures; Standards, Technical Regulations and Conformity Assessment Procedures; Services; Investment; Intellectual Property; Sectoral Integration; and Customs.

The ECWP will be implemented over five years after entry into force of AANZFTA at an estimated cost of up to \$20-25 million. Australia's contribution will be in addition to Australia's ongoing development cooperation assistance to ASEAN, through the ASEAN Australia Development Cooperation Program Phase II (\$57 million 2008-2015).

Australia has important long-standing development cooperation relationships with ASEAN and ASEAN countries. Other economic cooperation activities include AusAID's bilateral programs and the East Asia Initiative, the Brunei-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), and the East Asia Summit Research Initiative.

Australia's broader regional economic cooperation falls under the ASEAN-Australia Comprehensive Partnership (AACP) and associated Plan of Action (2008–13) which provide a comprehensive framework for the relationship between ASEAN and Australia, including in political and security, economic, socio-cultural and development cooperation.