

## **APPENDIX I**

### **ROADMAP FOR INTEGRATION OF AUTOMOTIVE PRODUCTS SECTOR**

#### **I. OBJECTIVES**

The objectives of integrating the automotive sector are:

- Strengthen regional integration efforts through liberalisation, facilitation and promotion measures to ensure full integration of the automotive sector by 2010.
- Promote private sector participation.

#### **II. MEASURES**

This roadmap includes issues specific to the automotive industry sector, as well as horizontal issues cutting across all sectors. Suggested measures are:

##### **I. Measures for increasing intra-ASEAN Trade and Investment**

- Tariff Elimination
- Non-Tariff Measures (NTMs)
- Custom Cooperation
- Effective Implementation of AICO and CEPT Scheme
- Improvement of Rules of Origin
- Standards and Conformance
- Future investment
- Improvement of Logistics Services

##### **II. Measures for increasing ASEAN Automotive Industry's Technological Capabilities**

- Enhancing ASEAN Car Manufacturing Capability

##### **III. Measures for improving human resources capability**

- Training and Skill Certification System

#### **III. COVERAGE**

The scope of products includes passenger cars, commercial cars, special purpose vehicles, motorcycles, parts/components for both two wheelers and four wheelers. Detail of the product coverage appears as **Attachment 1**.

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
<b>COMMON ISSUES</b>			
<b>I</b>	<b>Tariff Elimination</b>		
1	Eliminate CEPT-AFTA tariffs on all identified products	Coordinating Committee on the Implementation of the CEPT Scheme for AFTA (CCCA)	ASEAN 6: 1 January 2007  CLMV: 1 January 2012
<b>II</b>	<b>Non-Tariff Measures (NTMs)<sup>1</sup></b>		
2	Establish the Database of ASEAN NTMs to ensure transparency	CCCA	Completed on 30 June 2004
3	Regularly update the Database of ASEAN NTMs to ensure transparency		Starting 1 January 2007
4	Establish clear criteria to identify measures that are classified as barriers to trade		Completed on 27 September 2005 (19th AFTA Council)
5	Establish a clear and definitive work programme for the assessment of existing NTMs and identification of Non-Tariff Barriers (NTBs)		Completed on 21 August 2006 (20 <sup>th</sup> AFTA Council)
6	Eliminate NTBs on all identified products		<b>First Package:</b> 1 January 2008 for ASEAN 5; 1 January 2010 for the Philippines; and 1 January 2013 for CLMV
			<b>Second Package:</b> 1 January 2009 for ASEAN 5; 1 January 2011 for the Philippines; and 1 January 2014 for CLMV  <b>Third Package:</b>

<sup>1</sup> Measures on NTMs apply to all products in accordance to the decisions of 20th AFTA Council, 21 August 2006, Kuala Lumpur, Malaysia. Priority Integration Sectors (PIS) measures on NTMs and NTBs shall be implemented in conformance with said AFTA Council decisions.

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
			1 January 2010 for ASEAN 5; 1 January 2012 for the Philippines; and 1 January 2015 with flexibility up to 2018 for CLMV
7	Conduct regular review and assessment of NTMs based on the criteria set by the AFTA Council		Starting 1 January 2008
<b>III</b>	<b>Rules of Origin</b>		
8	Improve the CEPT Rules of Origin by: <ul style="list-style-type: none"> <li>- making it more transparent, predictable, standardised and trade-facilitating, taking into account the need to encourage regional sourcing and the best practices of other Regional Trade Agreements including the rules of origin of the WTO; and</li> <li>- adopting substantial transformation as alternative criteria for conferring origin status</li> </ul>	Task Force on CEPT Rules of Origin (ROO-TF)	31 December 2006
9	Identify and implement measures to promote the utilisation of Form D	CCCA and Coordinating Committee on Customs (CCC) <sup>2</sup>	Ongoing
<b>IV</b>	<b>Customs Procedures</b>		
10	Extend the application of the ASEAN Harmonised Tariff Nomenclature (AHTN) for extra-ASEAN trade	CCC/Customs Procedures and Trade Facilitation Working Group	31 December 2007
11	Develop a simplified, improved and harmonised customs declaration form		Completed on 8 June 2005
12	Ensure full implementation of the Green Lane System for CEPT Products, or similar systems, at entry		Completed

<sup>2</sup> The Expert Committee on Customs Matters (ECCM) was restructured and renamed as CCC

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
	points of all Member States		
13	Develop implementation guidelines, as appropriate, for Member States which are not members of the WTO to fulfil the obligations of the WTO Agreement on Customs Valuation		Completed
14	Adopt service commitment (client charter) by ASEAN customs authorities		Completed
15	Develop the Single Window approach, including the electronic processing of trade documents at national and regional levels	Inter-Agency Task Force on Single Window	Completed on 9 December 2005
16	Implementation of the ASEAN Single Window	ASEAN Single Window Steering Committee	1 January 2008 for ASEAN-6 1 January 2012 for CLMV
<b>V</b>	<b>Standards and Conformance</b>		
17	Accelerate the development and implementation of sectoral Mutual Recognition Arrangements (MRAs), as appropriate	ASEAN Consultative Committee on Standards and Quality (ACCSQ)	beginning 1 January 2005
18	Encourage domestic regulators to recognise test reports issued by testing laboratories which are already accredited by National Accreditation Bodies in ASEAN that are signatories to ILAC and APLAC MRA for products not covered under the sectoral MRAs		Ongoing
19	Set clear targets and schedules for harmonisation of standards, wherever required; where international standards are not available, and when requested by industry, align national standards among Member States		Completed
20	Harmonise already identified standards among Member Countries		31 December 2007
21	Identify and harmonise additional standards, wherever required; where		31 December 2010

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
	international standards are not available, and when requested by industry, align national standards among Member States		
22	Harmonise and/or develop, wherever appropriate, technical regulations for national application		31 December 2010
23	Ensure compliance with the requirements, rights and obligations of WTO Agreement on Technical Barriers to Trade		Ongoing
24	Develop ASEAN policy on standards and conformance to further facilitate the realisation of the ASEAN Economic Community		Completed on 28 September 2005 (37 <sup>th</sup> AEM)
<b>VI</b>	<b>Logistics Services<sup>3</sup></b>		
25	<p>Expedite the development of integrated transport logistics services within ASEAN through:</p> <ul style="list-style-type: none"> <li>- Promotion of efficient door-to-door cargo transport and cross-border transport facilitation through the expeditious implementation of the ASEAN Framework Agreement on the Facilitation of Goods in Transit, and the ASEAN Framework Agreement on Multimodal Transport;</li> <li>- Improvement of land transport network infrastructures and services to achieve better inter-connectivity, inter-operability and inter-modality with the national, regional and international maritime and air transport gateways;</li> </ul>	Senior Transport Officials Meeting (STOM)	Beginning 2005

<sup>3</sup> A comprehensive roadmap on logistics services as a separate Priority Integration Sector is currently being developed and shall be completed by June 2007

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
	<ul style="list-style-type: none"> <li>- Strengthening intra-ASEAN maritime and shipping transport services; and</li> <li>- Establishment of enabling and conducive policy environment for increased private sector involvement and/or public-private partnerships in the development of transport infrastructure and the provision and operation of transport logistics facilities and services</li> </ul>		
<b>VII</b>	<b>Outsourcing and Industrial Complementation</b>		
26	Identify and develop areas of specialisation on production processes, research and development (R&D), and testing facilities based on comparative advantages of individual Member States	Working Group on Industrial Cooperation (WGIC), with inputs from the private sector	Ongoing
27	Develop guidelines to promote outsourcing arrangements among Member States, as applicable		31 December 2008
<b>VIII</b>	<b>ASEAN Integration System of Preferences</b>		
28	Endeavour to simplify the procedures and expand the coverage of the ASEAN Integration System of Preferences (AISP) Scheme by including products in the priority integration sectors	CCCA	Between 1 January 2007 and 1 January 2009
<b>IX</b>	<b>Investments</b>		
29	Accelerate the opening up of sectors currently in the Sensitive List (SL) by transferring these sectors into the Temporary Exclusion List (TEL) under the Framework Agreement on the ASEAN Investment Area, using the ASEAN-X formula	Coordinating Committee on Investment (CCI)	Ongoing

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
30	Reduce restrictive investment measures in the SL		Ongoing
31	Complete the progressive elimination of restrictive investment measures in the TEL		2010 for ASEAN-6, 2013 for Viet Nam and 2015 for Cambodia, Lao PDR and Myanmar
32	Identify and implement programmes and activities to promote investments in ASEAN		Ongoing
33	Promote manufacturing processes across different ASEAN countries to take advantage of their comparative strengths through: <ul style="list-style-type: none"> <li>- the establishment of a network of ASEAN free trade zones to facilitate outsourcing activities</li> <li>- undertaking more efficient joint ASEAN facilitation and promotion measures to promote FDI</li> </ul>	CCC; CCI; WGIC  CCI	Ongoing  Ongoing
34	Promote and facilitate joint/cross border investments in manufacturing activities through: <ul style="list-style-type: none"> <li>- special incentives, where appropriate, to be given by CLMV for investments from ASEAN</li> <li>- special measures, where appropriate to be given by ASEAN 6 to promote and facilitate relocation of investment to CLMV countries especially for labour intensive manufacturing activities</li> </ul>	CCI	Ongoing
<b>X</b>	<b>Trade and Investment Promotion</b>		
35	Intensify intra- and extra ASEAN joint promotion efforts regularly	CCI; ASEAN Chambers of Commerce and Industry (ASEAN-CCI); and relevant Industry Clubs/ Associations	Ongoing

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
36	Organise regular private sector initiatives to: <ul style="list-style-type: none"> <li>- undertake more efficient joint ASEAN facilitation and promotion measures to promote FDI into ASEAN</li> <li>- undertake joint trade and investment missions; and</li> <li>- assist CLMV in organising promotional activities</li> </ul>	CCI; ASEAN Business Advisory Council (ASEAN-BAC); and ASEAN-CCI	Ongoing
37	Undertake more effective joint ASEAN facilitation in promotion measures and develop new sources of inward foreign direct investments, particularly from potential countries such as the People's Republic of China, India and the Republic of Korea		Ongoing
<b>XI</b>	<b>Intra-ASEAN Trade and Investment Statistics</b>		
38	Develop an effective system to monitor intra-ASEAN trade and investment through: <ul style="list-style-type: none"> <li>- establish an efficient trade and investment database</li> <li>- provision of updates to the ASEAN Secretariat of the latest trade (goods and services) and investment statistics</li> <li>- preparation of consolidated industry profile, by the respective associations, which among other matters, cover information such as production capacity and product range</li> </ul>	ASEAN Heads of Statistical Offices Meeting (AHSOM); Working Group on Foreign Direct Investment Statistics and CCCA	31 December 2009  Ongoing  Ongoing
<b>XII</b>	<b>Intellectual Property Rights</b>		
39	Expand the scope of ASEAN intellectual property rights cooperation beyond trademarks and patents by including cooperation in copyrights information exchange and	ASEAN Working Group on Intellectual Property Cooperation (AWGIPC)	Ongoing



NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
	enforcement		
<b>XIII</b>	<b>Movement of Business Persons, Experts, Skilled Labour, Talents and Professionals</b>		
40	Develop an ASEAN Agreement to facilitate the movement of business persons, including the adoption of an ASEAN Business Travel Card, taking into account Member States' domestic laws and regulations	Directors-General of Immigration Departments and Heads of Consular Affairs Division of the Ministries of Foreign Affairs (DGICM)	Ongoing
41	Identify and develop other mechanisms that will complement existing ASEAN initiatives to further facilitate the movement of experts, professionals, skilled labour and talents	Coordinating Committee on Services (CCS)	31 December 2007
42	Accelerate completion of MRAs to facilitate free movement of experts, professionals, skilled labour and talents in ASEAN, taking into account Member States' domestic laws and regulations		31 December 2008
<b>XIV</b>	<b>Facilitation of Travel in ASEAN</b>		
43	Harmonise procedures for the issuance of visas to international travellers	DGICM	Ongoing
44	Provide visa exemption for intra-ASEAN travel by ASEAN nationals		Ongoing
<b>XV</b>	<b>Human Resource Development</b>		
45	Develop and upgrade skills and capacity building through joint trainings and workshops	Senior Labour Officials Meeting (SLOM) ASEAN Senior Officials for Education (ASOED) Senior Economic Officials Meeting (SEOM) Initiatives for ASEAN	Ongoing

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
		Integration (IAI) Task Force	
<b>SPECIFIC ISSUES</b>			
<b>Measure to develop a regional strategy</b>			
<b>XVI</b>	<b>Study on Overall Strategy of ASEAN Automotive Industry</b>		
46	Develop a study on the overall strategy of the automotive industry in ASEAN in the context of Asia and global market developments	SEOM CCI WGIC ASEAN Secretariat	31 December 2007
<b>Measures to increase Intra-ASEAN Trade and Investment</b>			
<b>XVII</b>	<b>Effective Implementation of AICO and CEPT Scheme</b>		
47	Develop schemes to involve more SMEs automotive vendors including enhancement of the AICO and CEPT Schemes	CCCA, WGIC and Working Group on SME (SME-WG)	30 June 2007
48	Identifying current problems and approval criteria on AICO and CEPT in Automotive Industry and provide recommendations		31 July 2006
<b>XVIII</b>	<b>Standards and Conformance</b>		
49 (a)	Harmonise ASEAN safety standard for automotive operating in ASEAN to a common regulatory framework based on UN-ECE Regulation	ACCSQ and ASEAN Automotive Federation (AAF) Technical Committee	1 January 2008
(b)	Harmonise ASEAN emission and fuel property standard based on UN ECE Regulation		
50	Study of current ASEAN practices on Standards and Conformance in Automotive sector and pursuing ASEAN Mutual Recognition Agreement, taking into consideration of the existing international and regional MRAs such as ILAC, APLAC MRA, IAF and PAC	ACCSQ and AAF	1 January 2008
<b>XIX</b>	<b>Future Investment</b>		

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
51	Identify specific programmes and activities to promote investment within ASEAN for the components industry with the view to promote cross border joint investments such as mergers and acquisitions	Coordinating Committee on Investment (CCI)	Ongoing
<b>XX</b>	<b>Improvement of Logistics Services</b>		
52	Recommend measures on Logistic and Infrastructure that would enhance logistic services related to automotive industry in ASEAN	STOM and AAF	31 December 2006
<b>Measures for increasing ASEAN Automotive Industry's Technological capabilities</b>			
<b>XXI</b>	<b>Enhancing the ASEAN Automotive Industry Capability</b>		
53	Maintain the ASEAN database on automotive products and develop ASEAN portal for ASEAN Automotive Component Industries	SMEWG, WGIC and AAF	31 December 2007
54	Update the ASEAN Supporting Industries Database (ASID)	CCI and SMEWG	Ongoing
55	<p>Promote optimal utilisation of ASEAN potential in automotive related R&amp;D, production and testing facilities in order to achieve global competitiveness of ASEAN Automotive industry</p> <ul style="list-style-type: none"> <li>- Study and develop database on ASEAN potential in automotive R&amp;D, production and testing facilities for automotive industry</li> <li>- Develop guidelines to enhance utilisation of ASEAN automotive R&amp;D, production, and testing facilities</li> <li>- Promote close cooperation in automotive R&amp;D activities</li> </ul>	WGIC, AAF and Sub-Committee on Material Science and Technology (SCMST)	<p>Beginning 2005 and ongoing</p> <p>December 2006</p> <p>Beginning 2007</p> <p>Beginning 2006 and ongoing</p>

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
56	Encourage industry players to optimally utilise raw material and automotive parts/components within ASEAN for regional and global market such as:  - Develop clear guidelines for optimal utilisation of the raw material, part and component for automotive industry	AAF, WGIC and SMEWG	31 December 2007
57	Promote automotive products and services with high ASEAN value added	AAF	Beginning 2005 and ongoing
<b>Measures for improving Human Resources Capability</b>			
<b>XXII</b>	<b>Training and Skill Certification</b>		
58	Developing skill certification system for automotive industry sector	AAF and WGIC	Beginning 2005 and ongoing
59	Cooperative arrangement for developing training on automotive industry		Beginning 2006 and ongoing
60	Develop programs to facilitate and promote exchange of skills among ASEAN members i.e. on the job training in the factory		Beginning 31 December 2005 and ongoing

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