

JOINT PRESS STATEMENT THE EIGHTH AFTA COUNCIL MEETING Bangkok, 10 December 1995

1. The Eighth Meeting of the AFTA Council was held on 10 December 1995 in Bangkok, Thailand
2. The Meeting was attended by H. E. Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources, Brunei Darussalam; H. E. T. Ariwibowo, Minister of Industry and Trade, Republic of Indonesia; H. E. Asmat Kamaludin, Secretary General, Ministry of International Trade and Industry, Malaysia; H. E. Cesar Bautista, Undersecretary, Department of Trade and Industry, Philippines; H. E. Yeo Cheow Tong, Minister for Trade and Industry, Singapore; H. E. Dr. Surakiart Sathirathai, Minister of Finance, Thailand; H. E. Anusorn Wongwan, Deputy Minister of Industry; H. E. Ho Te, Minister of Finance, Vietnam; and H. E. Dato' Ajit Singh, Secretary-General of ASEAN.
3. The Eighth AFTA Council met to consider the progress in the implementation of AFTA, including the acceleration of CEPT for AFTA, increase in intra-ASEAN trade during the first half of 1995, elimination of non-tariff barriers (NTBs), the development of an ASEAN Dispute Settlement Mechanism (DSM) and harmonisation of custom matters. The Council discussed the protocols to amend the Framework Agreement on enhancing ASEAN Economic Cooperation, the CEPT Agreement and the PTA Agreement. The Meeting also discussed the Protocols for Vietnam's Accession to both the Framework Agreement and the CEPT Agreement. The Meeting of the AFTA Council was preceded by a preparatory meeting of the ASEAN Senior Economic Officials on 6-7 December 1995 in Bangkok.

Progress in the Implementation of AFTA

4. The Council noted that under the new ten-year time frame 38,397 tariff lines are scheduled to be in the 0-5% range by the year 2000 (["see Annex 1"](#)). This represents nearly 88% of all tariff lines in the CEPT Scheme and 81% of all tariff lines in ASEAN. The Council also noted that Member Countries are already undertaking unilateral tariff reduction to 0-5% by the year 2000 and welcomed this initiative. In this regard, the Council encourages other Member Countries to do the same.
5. The Council noted that intra-ASEAN exports (both CEPT and non-CEPT products) in the first half of 1995 reached US\$ 31.1 billion, which is 22.7% higher than the \$ 25.3 billion level during the same period in 1994 (["see Annex 2"](#)). A significant part of this growth has been contributed by the growth in the exports of the Philippines (78.9%) and Malaysia (30.34%). Intra-ASEAN export of CEPT product in the first half of 1995 reached \$ 25.5 billion, which is 21.4% higher than the \$ 21.0 billion level during the same period in 1994 (["see Annex 3"](#)). The share of CEPT products in intra-ASEAN trade continues to be above 80 percent.
6. The Council welcomed Vietnam's package of product for inclusion into the CEPT Scheme starting 1 January 1996 and the finalisation of its Inclusion, Temporary Exclusion, Sensitive and General Exception Lists which have been submitted to the Council.
7. The Council noted the request of Indonesia to transfer fifteen tariff lines from the Temporary Exclusion List. The Council further noted the sensitivity of these products for Indonesia.
8. In noting Indonesia's request, the Council reiterated the principle that commitments already made by

Member Countries in the CEPT Scheme should be maintained in the interest of the AFTA process. However, the Council agreed that, with its approval, it will be possible for Member Countries to literally move products from the Temporary Exclusion List of processed products to the Temporary Exclusion List of Unprocessed Agriculture Products, provided these products are covered by State Trading Enterprises (STEs) which have been notified to the GATT/WTO.

9. The Council agreed to create a specific category in the Temporary Exclusion List of Unprocessed Agricultural Products to cover such approved products. Furthermore, the Council also agreed that the status of these products in the specific category shall be reviewed in 2003 to decide whether to bring them into the Inclusion List or to determine the period for which they will be moved into the Inclusion List, on the understanding that the period should not exceed the period for which products in the Sensitive List is brought into the Inclusion List.

10. The Council approved Indonesia's request to laterally transfer these products from the current Temporary Exclusion List to this specific category in the Temporary Exclusion List of the Unprocessed Agricultural products.

11. The Council observed that the CEPT Consolidated Product List, which contains the new 10 year tariff reduction Schedule, would be a valuable reference for the private sector. This will be available in diskette form by the end of the year and can be ordered from the AFTA Unit at the ASEAN Secretariat.

12. The AFTA Council agreed that Member Countries should aim to eliminate NTBs earlier than currently allowed for and no later than the year 2003. The Council called on the private sector, which is an important source of information on barriers to trade, to assist the National AFTA Units and the AFTA Unit in the Secretariat in identifying these barriers. They also called for the establishment of a mechanism for monitoring them at the National AFTA Unit in the ASEAN Secretariat.

13. The AFTA Council endorsed the tentative of the ASEAN Directors-General of Customs to start implementing an accelerated Customs lane for CEPT products, i.e. Green Lane for CEPT products by 1 January 1996. In the case of Thailand, the Green Lane will be in operation on the first day of the Summit on 14 December 1995. The Green Lane will expedite clearance for CEPT products by simplifying customs procedures and formalities.

14. The Council also endorsed the finalisation of an ASEAN Agreement on Customs Cooperation by September 1996. The Agreement provides for harmonisation of tariff nomenclature at the HS 8-digit level by 1997, the implementation of the GATT Valuation Agreement by the same year as well as greater transparency, efficiency and simplicity of customs administrations. The ASEAN Directors-General of Customs have also agreed to prioritise three areas for completion by 1996: formalities prior to lodgement of goods declaration at time of import; customs clearance for home use; and examination of goods.

15. The Council discussed the proposed ASEAN Dispute Settlement Mechanism (DSM) and agreed that the DSM should be finalised as soon as possible for implementation in 1996. The Council also agreed that the private sector could address its AFTA-related complaints to the National AFTA Units and the AFTA Unit at the ASEAN Secretariat.

Protocols to Amend ASEAN Economic Agreements

16. The AFTA Council also discussed the protocols to amend the Framework Agreement on Enhancing ASEAN Economic Cooperation, the Agreement on the Common Effective Preferential Tariff (CEPT) Scheme

under the ASEAN Free Trade Area and the preferential Trading Arrangements (PTA). The changes in the agreement were necessitated by the acceleration of the time frame of the CEPT Scheme from fifteen to ten years, the inclusion of unprocessed agricultural products into the CEPT Scheme, the accession of Vietnam into ASEAN and the phasing in of PTA products into the CEPT Scheme. The protocols amending these three agreements will be signed on 15 December 1995 at the Summit. Vietnam will also sign the protocols of Accession to the framework Agreement and the CEPT Agreement on 15 December 1995 at the Summit.