

JOINT PRESS STATEMENT THE FOURTH AFTA COUNCIL MEETING Singapore, 6 October 1993

1. The Fourth Meeting of the AFTA Council was held in Singapore on 6 October 1993.
2. The Meeting was attended by H.E Pehin Dato Abdul Rahman Taib, Minister of Industry and Primary Resources, Brunei Darussalam; H.E. Prof.Dr.S B Joedono, Minister of Trade, Indonesia; H.E. Dato Seri Rafidah Aziz, Minister of International Trade and Industry, Malaysia; H.E. Hon Cesar B. Bautista, Deputy Secretary of Trade and Industry, Philippines; H.E. Mr Lim Boon Heng, Second Minister for Trade and Industry, Singapore; H.E. Mr Trairong Suwankiri, Deputy Minister of Finance, Thailand and H.E. Mr Chalermphol Sanitwongchai, Deputy Minister of Commerce, Thailand; and their respective delegations. H.E. Dato Ajit Singh, Secretary-General of ASEAN and members of his staff were also present.
3. The Meeting noted that since 1993 some member countries have implemented unilateral tariff cuts. Member countries have now agreed to bring forward the implementation of tariff reductions to 1 January, 1994. This demonstrates to the private sector that ASEAN was implementing the CEPT Scheme. ([See Annex 1](#)).
4. There were improvements to the commitments of member countries. As a proportion of each country's total tariff lines, the figures ranged between 78 percent to 90 percent among the six member countries. ([See Annex 2](#)).
5. A comparison of the indicative submissions by member countries between the Third AFTA Council Meeting in Jakarta, December 1992 and the confirmed submissions of 15 September 1993 shows that ([see Annex 3](#)):
 - a) There is an increase in the total number of products in the Fast Track Programme by 336 items.
 - b) There is an decrease in the total number of products in the Normal Track Programme by 15 items.
 - c) There is an increase in the total number of products in the Inclusion Lists by 321 items.
6. Member countries agreed that their confirmed Programmes and Inclusion Lists as of 6 October 1993 could be made available to non-member countries, the GATT Committee on Trade and Development, and the private sector by 1 November 1993. In line with the CEPT Agreement, Member Countries agreed that the Inclusion Lists should be presented at the HS 6 digit level. In addition, Member Countries would also provide details of the CEPT Inclusions at the 8-9 digit level for more effective implementation by customs officials and transparency and convenience for the private sectors.
7. In order the facilitate the implementation of the CEPT/AFTA, Members Countries had agreed that the respective Customs Authorities should be flexible and should recognise PTA Form C in lieu of Form D for the CEPT till end of 1993. From 1 January 1994 only Form D will be recognised by all

Member Countries.

8. In terms of the Fast and Normal Track Programmes, these confirmed submissions showed that the following number of tariff lines which have been offered for tariff reduction commencing on 1 January 1994 by Member Countries are:

Countries	Number of tariff lines
Brunei Darussalam	1,408 product groups (at HS 6-digit level, effective on 1 June 1994)
Indonesia	2,001 (at HS 9-digit level)
Malaysia	3,776 tariff lines (at HS-9 digit level)
Philippines	1,052 tariff lines(at HS-8 digit level)
Singapore	373 tariff lines (at HS-9 digit level, effective 1 January 1993)
Thailand	1,327 tariff lines (at HS-6 digit level)

9. The lists of Temporary Exclusions at the tariff line HS-8/9 or beyond was exchanged among member countries simultaneously with the Inclusion Lists. Based on the reconfirmation of the lists of products by 15 September 1993, the summary of the Temporary Exclusions is illustrated below:

Countries	Number of tariff lines	Percentage	Change from Dec 1992
Brunei Darussalam	208	3.23	42
Indonesia	1,654	17.63	-54
Malaysia	627	6.30	-19
Philippines	714	12.77	-485
Singapore	0	0.00	0
Thailand	118	0.99	0
	3,321	-	-516

** at HS-6 digit level

10. Although agricultural products are not include in the CEPT Scheme, members countries have unilaterally offered these products in their submissions. A large number of processed agricultural products have been included in the CEPT Scheme for both the Fast and Normal Track. Work on the definition of processed agricultural products is being undertaken by the ASEAN Secretariat.
11. The Ministers agreed that the CEPT Scheme would take precedence over the AIJV and decided to

reconcile this by changing the relevant clause in the Revised BAAIJV that for AIJV products placed or changed on the CEPT scheme, the tariff will be allowed to slide in accordance with the CEPT Scheme and the main benefit of the AIJV, which is the 90 percent MOP for 4 years will slide in tandem.

12. Ministers agreed to amend the revised BAAIJV as follows:

a. to extend from 31 December 1993 to 31 December 1996 the 40 percent ASEAN equity;
and

b. to be based on the CEPT rule of origin of 40 percent instead of the PTA rule of origin.

For this purpose, a third protocol has been drafted for AEM approval.

13. The CEPT Scheme would create an enlarged and more integrated ASEAN regional market. Both ASEAN and foreign business interests could capitalize on the comparative advantages in the ASEAN countries, reap economies of scale and thus, remain internationally competitive. The progressive development of the AFTA over the next fifteen years presents a unique and timely opportunity for foreign companies to enter the ASEAN market. ASEAN's linkages with the world would become enhanced and greater opportunities generated for exporters from outside the region.