

## APPENDIX I

### ROADMAP FOR INTEGRATION OF TEXTILES AND APPAREL PRODUCTS SECTOR

#### I. OBJECTIVES

The objectives of this initiative are :

- Strengthen regional integration on through liberalisation and facilitation measures in the area of trade in goods, services and investments; and
- Promote private sector participation.

#### II. MEASURES

In bringing greater regional integration, the proposed measures include specific measures that are of direct relevance to the textiles and apparel sector, as well as common measures that cut across all priority integration sectors. The integration approaches are premised on:

- Combining the economic strengths of ASEAN member countries for regional advantage;
- Facilitate and promote intra-ASEAN trade and investments;
- Improve the condition to attract and retain manufacturing and other economic activities within the region;
- Promote outsourcing programme within ASEAN; and
- Promote the development of “Made in ASEAN” products and services.

#### III. COVERAGE

The textiles and apparel products cover materials of textiles; fabrics; linen; cloth; garments; articles of textiles; and other worn articles. Details of product coverage appear 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		<u><b>First Package:</b></u> 1 January 2008 for ASEAN 5; 1 January 2010 for the Philippines; and 1 January 2013 for CLMV
			<u><b>Second Package:</b></u> 1 January 2009 for ASEAN 5; 1 January 2011 for the Philippines; and 1 January 2014 for CLMV
<u><b>Third Package:</b></u> 1 January 2010 for ASEAN 5; 1 January 2012 for			

<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
			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 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 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 points of all Member States		Completed
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

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

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
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 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 international standards are not available, and when requested by industry, align national standards among Member States		31 December 2010
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		Completed on 28 September 2005

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
	the realisation of the ASEAN Economic Community		(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> <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>	Senior Transport Officials Meeting (STOM)	Beginning 2005
<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

<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
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
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:	CCC; CCI; WGIC	
	<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>		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> </ul>	CCI	Ongoing

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
	<ul style="list-style-type: none"> <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>		
<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
36	<p>Organise regular private sector initiatives to:</p> <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	<p>Develop an effective system to monitor intra-ASEAN trade and investment through:</p> <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> </ul>	ASEAN Heads of Statistical Offices Meeting (AHSOM); Working Group on Foreign Direct Investment Statistics and CCCA	<p>31 December 2009</p> <p>Ongoing</p>

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
	- preparation of consolidated industry profile, by the respective associations, which among other matters, cover information such as production capacity and product range		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 enforcement	ASEAN Working Group on Intellectual Property Cooperation (AWGIPC)	Ongoing
<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	Ongoing



NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
		Officials for Education (ASOED) Senior Economic Officials Meeting (SEOM) Initiatives for ASEAN Integration (IAI) Task Force	
<b>SPECIFIC ISSUES</b>			
<b>XVI</b>	<b>ASEAN Cumulation</b>		
46	Engage major importing countries to address issues of concern to ASEAN exporters, especially relating to ASEAN Cumulation for FTA partners and GSP.	SEOM/ Trade Negotiating Groups (TNGs)/AFTEX	Ongoing
<b>XVII</b>	<b>Coordination of Outsourcing Activities among ASEAN Companies</b>		
47	Facilitate outsourcing among ASEAN companies through: <ul style="list-style-type: none"> <li>- Simplifying and harmonising customs procedures.</li> <li>- Implementing the ASEAN Cargo Processing Model</li> <li>- Introducing pre-arrival clearance system</li> <li>- Implementation of the ASEAN Customs Declaration Document.</li> <li>- Pursuing the Implementation of electronic processing of CEPT Form D as in the ASEAN Single Window Project</li> </ul>	CCC / Customs Procedures and Trade Facilitation /AFTEX CCC/Customs Procedures and Trade Facilitation/ Task Force on ROO	Beginning 2005 and on-going
<b>XVIII</b>	<b>Original Design Manufacturers (ODMs) and Own Brand Manufacturers (OBMs)</b>		
48	Promote development of original designs and brands among ASEAN manufacturers.	WGIC and AFTEX	Beginning 2005
<b>XIX</b>	<b>Cooperation of ASEAN Private Sector</b>		
49	Develop and expand the ASEAN textile	AFTEX	on-going

NO.	MEASURES	IMPLEMENTING BODY	TIMELINE
	and apparel website.		
50	Jointly organise textile and apparel trade fair and exhibition  - ASEAN Member Countries to provide possible support to private sector in participating in international fair  - ASEAN brands to be promoted during this trade fair.  Continue ASEAN efforts to jointly outsource from possible Dialogue Partners	AFTEX	Beginning 2005 and ongoing
<b>XX</b>	<b>Study on the Impact of Multi Fibre Agreement (MFA) Expiry on the ASEAN Textiles Industry</b>		
51	To undertake study on the impact of the expiry of the MFA to ASEAN textiles & apparel industries.	ASEAN Secretariat	Completed in January 2005
<b>XXI</b>	<b>Study on China's Export of Textile and Apparel Products in Asia and its Impact on ASEAN: Opportunities and Threats</b>		
52	To undertake study on China's Export of Textile and Apparel Products in Asia and its Impact on ASEAN: Opportunities and Threats	ASEAN Secretariat	1 June 2007

⌘