

DOCUMENTATION

Press Releases on the CEPT Scheme

SINGAPORE ELIMINATES TARIFFS UNDER CEPT SCHEME FOR AFTA

31 December 1992, Singapore Trade Development Board

The CEPT Scheme, the main mechanism to establish the ASEAN Free Trade Area (AFTA) within 15 years, begins implementation on 1 January 1993. Singapore's tariff rates for 373 tariff lines ranging from 1 per cent to 2.5 per cent will be reduced to the zero rate for imports from the ASEAN countries with effect from 1 January 1993.

These products are sugar confectionery; chocolate confectionery; pastries, biscuits and the like; birds' eggs; organic chemicals; articles of apparel and clothing accessories; and electric accumulators. Details of the duty changes to these products are in the Government Gazette published by the Ministry of Finance today.

More than S\$1 billion of imports from the other ASEAN countries will enter Singapore duty-free under the CEPT Scheme as a result of this duty elimination. Tariffs for imports from non-ASEAN countries remain unchanged.

All applications for imports under the Scheme will have to be accompanied by a CEPT Certificate of Origin, Form D. During the transitional period from 1 January to 30 June 1993, applications for duty-free entry of imports into Singapore may be made on the ASEAN Preferential Trade Arrangement (APTA) Certificate of Origin, Form C.

With the inclusion of the 373 tariff lines at the zero rate, Singapore will be offering a total of 5,713 tariff lines at the zero rate to the other ASEAN countries under the CEPT Scheme. Singapore's imports from the ASEAN countries for these products amount to more than S\$21 billion.

The CEPT Scheme will stimulate intra-ASEAN trade and investments. It will further enhance ASEAN's industrial competitiveness and efficiency. ASEAN will become more attractive to foreign investments because of the increased complementation of industrial activities.

TDB briefed traders and exporters on the workings of the scheme on 30 December 1992. Companies interested in finding more about the CEPT Scheme can contact the TDB at Tel: 2790356 and 2790357.

PRESS STATEMENT BY BRUNEI ON THE ASEAN FREE TRADE AREA

1. THE ASEAN Heads of Government, at the fourth ASEAN Summit held on 27–28 January 1992 in Singapore, have agreed to the establishment of an ASEAN Free Trade Area (AFTA) for manufactured and processed agricultural products. AFTA is to be established within 15 years beginning 1 January 1993 by using the Common Effective Preferential Tariff Scheme (CEPT) as the mechanism to reduce tariffs to a level of 0–5%. The ASEAN Heads of Government have also agreed to set up the AFTA Council at the Ministerial level to monitor the implementation of the CEPT Scheme.
2. The Third AFTA Council Meeting held in Jakarta recently had finalised the agreed programmes of tariff reduction and product coverage for the CEPT Scheme in which all countries have confirmed their participation in all 98 product sectors. The level of participation in 81 of the 98 product sectors is very high, with minor exceptions in the remaining sectors.
3. Currently Brunei Darussalam has a total of 6,544 traded goods, 98.5% of which carry duties of 20% and below. A total of 4,510 products including raw agricultural products are already at 0% duties.
4. In fulfilling the agreement reached at the 3rd AFTA Council Meeting, Brunei Darussalam has drawn up 3 programmes of tariff reductions, 2 of which relate to the Normal Track and the other, the Fast Track.
5. Under the Normal Track, products with existing tariffs of above 20% will have their tariffs reduced by 1994 whereas those products dutiable at 20% and below will be subject to tariff reduction starting from 1996.
6. As for the products covered under the Fast Track which have existing tariffs of 20% and below, their tariffs will be reduced starting from 1995.
7. In respect of products under the Fast Track, Brunei Darussalam is ready to participate in the following 15 product groups:
 - Vegetable oils
 - Cement
 - Chemicals
 - Pharmaceuticals
 - Fertilisers
 - Plastics
 - Rubber Products
 - Pulp
 - Leather Products
 - Textiles
 - Ceramic and Glass Products
 - Gems & Jewellery
 - Copper Cathodes
 - Electronics
 - Wooden and Rattan Furniture
8. With regards to the above product groups, Brunei Darussalam will continue to review their tariff reduction programme with the intention of adding more products to the existing list.
9. Under the Normal Track, Brunei Darussalam will participate in all product groups but tentatively will exercise certain reservations in 3 groups of products namely Petroleum products, Cosmetic products, and Motor Vehicles and parts.

Brunei Darussalam is happy with the safeguards provided within the Agreement and will ensure that this programme will not conflict with national interests and sensitivities.
10. AFTA is an outward-looking trading arrangement and GATT-consistent where there will be no new trade barriers erected against any non-ASEAN economies. Hence, coupled with their collective comparative advantages and complementarity, ASEAN economies as a whole will become more attractive to foreign as well as ASEAN investors.

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11. The creation of a larger and more integrated ASEAN market as a result of AFTA presents itself as the much needed inducement for our local entrepreneurs to be more aggressive in their ventures into export oriented activities. At the same time the enlarged opportunities will attract more potential foreign investors to set up joint ventures with local entrepreneurs thereby expediting and facilitating the transfer of technology and management expertise to local businesses. The ability of our economic environment to support industrial growth and innovation would therefore be enhanced.
 12. The improvement in the trading environment brought about by the creation of AFTA marks an important milestone in the ASEAN economic cooperation and undoubtedly would help to accelerate the progress of our economy and transformation to industrialisation as well as ensuring the prosperity of the people in the region.

PRESS STATEMENT ON PHILIPPINE PRODUCTS FOR INCLUSION AND EXCLUSION UNDER THE CEPT-AFTA

22 December 1992

DTI Secretary Rizalino S. Navarro formally announced that a total of 4,483 products based on an 8-digit Harmonized System (HS) classification would be included in the Philippine program for tariff reduction under the CEPT-AFTA. This represents 80.20% of the total tariff lines of the Philippines. This figure more or less approximates the product inclusions submitted by Indonesia on 11 December 1992 during the Third AFTA Council Meeting in Jakarta.

The tariffs of 915 products would be reduced to 0–5% under the fast track program (7 and 10 years), while 3,568 products would be covered under the normal track (10 and 15 years).

Under the fast track program, reduction to 0–5% would be applied on some major items, namely: vegetable oils (10); cement (7); chemicals (315); textile and textile articles (155); electronics (89); plastics (65); fertilizers (25); etc.

A number of products whose tariffs would be reduced to 0–5% under the normal track are: iron and steel (260); machinery and mechanical appliances (520); electrical machines (263); articles of iron and steel (132); optical and photographic instruments (166); etc.

Certain sensitive products requiring time to adjust to competition have been temporarily excluded from tariff reduction for a maximum of 8 years. Under the CEPT Scheme, a country has the right to exclude these products. For the Philippines, a total of 681 products have been identified, representing only 12.18% of total tariff lines.

Some of these sensitive items are vehicles and parts; apparel; paper and paperboard and its articles; preparations of meat and fish; preparation of fruits and vegetables; leather products, etc.

The lists are now available at the DTI and the ASEAN Secretariat in Jakarta, Indonesia. The DTI will be providing said lists to other government agencies and major industry associations.

Secretary Navarro stated that now that the CEPT products have been finalized, our Philippine industry would have to gear up to serve a much larger market and for tougher competition. The greater challenge rests now with the private sector. In addition, it is important that the capability of the support sectors like shipping, banking, air cargo and communications be strengthened.

Summary of Philippine Lists of Products
Accelerated Tariff Reduction, Normal Rate Reduction and Exclusion List
under the CEPT-AFTA

<i>Inclusion</i>				<i>Exclusion</i>		
Accelerated Tariff Reduction Program (ATRP)	Normal Rate Reduction Program (NRRP)	Sub-Total	% (c)/(g)	Temporary	Permanent + General Exception	TOTAL
(a)	(b)	(c)	(d)	(e)	(f)	(g)
915	3,568	4,483	80.20%	681	426	5,590

BITR/DTI/12 Dec. 1992

18 TOP PRODUCTS HAD BEEN IDENTIFIED [BY INDONESIA] TO ENTER THE AFTA ERA

Eighteen top export industrial products had been named by Indonesia to enter [the] AFTA era on 1 January 1993. Through these various commodities, Indonesia is certain that she will acquire quite a high competitive power in the market which is getting more open among the ASEAN countries which have a population of 320 million.

Junior Minister of Industry, Tunky Ariwibowo, had stated this to the chief editors of the mass media at the Department of Information on Tuesday. The Junior Minister was accompanied by the Minister of Information, Harmoko, Minister of Trade, Arifin Siregar, Junior Minister of Trade, J. Soedradjad Djiwandono, and Junior Minister of Finance, Nasrudin Sumintapura.

AFTA was agreed upon during the 4th ASEAN Summit Meeting which was held on 27-28 January 1992 in Singapore. In its mechanism, AFTA will be using CEPT as a basis and will be effective for a period of 15 years with effect from 1 January 1993. The announcement of the passing of AFTA is made simultaneously in all the capital cities of ASEAN countries.

The 18 industrial products will cover textile, wooden (plywood, furniture, furniture components), leather goods (shoes and other products), steel and steel products (machinery, transportation and heavy equipments, including ship, motor cycle, bicycle, automobile components, etc.), electronic and electronic components (TV, radio, car radio, tape, amplifier, computer), rubber products (tyres, van belts, rubber shoes, gloves, condom and other rubber products), food products (various types of agricultural and fishery products), pulp and paper (such as tissue paper, typing and photocopy papers and exercise books), chemical products (petrochemical and chemical products which are produced from agriculture raw material such as crude palm oil), plastic products, ceramic, marble and window glass, sports goods, toys, watches, umbrella, decorations, household and office equipments made of metal, plastic, aluminium,

etc., cement and other construction products, aluminium products, handicraft products, cosmetic, and engineering assembling products such as construction of factories and buildings.

Tunky Ariwibowo explained that the 18 top industrial products were obtained on the basis of the policy adopted by Indonesia where the development of all industries be accelerated through broad spectrum policy. From this development, a picture on, which industrial sectors are developing rapidly and which industrial sectors are developing slowly, will be acquired. "From this evaluation 18 industrial sectors which can compete in international market, especially in the inter-ASEAN market during the AFTA era, are identified," said Junior Minister of Industry.

Nothing to worry about

Before this, Minister of Trade, Arifin Siregar admitted that a fear that there was a rush to execute AFTA had developed among the business circle in Indonesia and several other ASEAN countries namely Thailand and Philippines. Their reason is that they are not ready yet. "But, it is relative whether it is sooner or later. Since the 1983 deregulation, we are already open to the international market. So, there is nothing to fear with the other ASEAN countries," said the Minister of Trade. He was certain that various Indonesian industrial products would be able to compete with similar products from the other 5 ASEAN countries.

The Minister of Trade also reminded that the export of non fuel commodities had been accelerated and was successful. In 1983, the export of non-fuel commodities was only US\$3.9 billion, or 18% of the total export. It had increased to US\$19.2 billion in 1991/92 or 65% of the total export. In the last few years, the increase in the export of non-fuel commodities is above 20% when compared to the previous years. For example, in the first 9 months of 1991, the increase in the export of non-fuel commodity had reached 23.4% when compared to the same period of the previous year.

He admitted [that] one of the conditions which was absolutely needed to maintain this competitive power was to maintain the exchange rate of rupiah as realistically as possible. The implication is to maintain a low inflation level. To maintain a realistic exchange rate, the government had made a depreciation of the value of rupiah at 3-5 % per annum.

Negative elements

The Minister of Trade also admitted that the big challenge to face the stiff competition was the bottleneck in electricity. "Let's hope it can be solved, because it will not become a negative element in the effort to accelerate competitive power of Indonesian products abroad," he emphasised.

Besides electricity, Trade Minister Siregar also admitted unofficial collection could become a hindrance in the effort to increase export of non fuel commodities. "Because this would cause our industry to become inefficient. Efficiency is one of the important aspects in this effort," he said.

He admitted that the inter-ASEAN trade to-date was still relatively small from the total trade made by ASEAN with other countries outside the region. In 1991, Indonesia's trade with ASEAN countries had only reached US\$5.4 billion. However, in the last two years, Indonesia's trade with ASEAN countries has obtained a surplus (Table 1). "In the international market, we have proven that we are able to compete, so we have to prove our ability in the ASEAN countries," he said.

Can be closer

The Trade Minister further said that with AFTA, at least investors would consider investing in ASEAN countries, because the market of 320 million population would be very potential. Besides that

TABLE 1
Indonesian Export and Import Position among the ASEAN Countries
(In US\$ millions)

	1990			1991			January–July 1992		
	<i>Exports</i>	<i>Imports</i>	<i>Total</i>	<i>Exports</i>	<i>Imports</i>	<i>Total</i>	<i>Exports</i>	<i>Imports</i>	<i>Total</i>
ASEAN	2,465	1,813	4,278	3,196	2,264	5,460	1,688	1,864	3,552
Thailand	139	184	373	267	261	528	130	428	558
Singapore	1,902	1,283	3,185	2,409	1,609	4,018	1,310	273	1,583
Philippines	161	55	216	168	50	228	65	828	893
Malaysia	253	290	543	342	333	675	173	29	202
Brunei D.	10	1	11	10	–	10	10	306	316

SOURCE: Central Bureau of Statistic

investment cooperation among the ASEAN countries could be made closer. For example, Sijori co-operation would receive a bigger encouragement.

In the reduction of tariff scheme, the AFTA Council, in its meeting in Jakarta on 11 December, had agreed on 2 programmes i.e. the fast track and normal track programmes. The first programme is implemented on 15 categories of products which had been identified in the last ASEAN Summit Meeting. Products, which are not ready yet, were placed in the exclusion list.

The 15 categories of products are vegetable oil, cement, medicine, chemical products, fertilizers, plastic, rubber products, pulp, textile, glass and ceramic products, jewellery and gemstone, copper cathodes, electronic products, wooden and rattan furniture.

In the fast track programme, products which were imposed with a tariff of more than 20% will be decreased to 0–5% within 10 years so that, on 1 January 2003, the tariff of the 15 products will only become 0–5%. Products of which the tariffs are presently 20% or less, will be decreased to 0–5% in 7 years i.e. by 1 January 2000.

On the normal track programme which is for manufacturing and agricultural processed products which have not entered in the fast track programme, whose tariffs are presently 20% or less, will be reduced to 0–5% within 10 years. However, products which have a tariff of more than 20% will be reduced in 2 stages. First, 20% in 5–8 years, and second stage, 0–5% in the following 7 years i.e. by 1 January 2008.

PRESS RELEASE ON IMPLEMENTATION OF THE CEPT SCHEME BY MALAYSIA

22 December 1992

1. The ASEAN Heads of Government at the Fourth ASEAN Summit in Singapore in January 1992 agreed to establish the ASEAN Free Trade Area beginning January 1993. The main mechanism to achieve AFTA is through the implementation of the CEPT Scheme. Under the Scheme the effective ASEAN tariff rate will be reduced to a range of 0%–5% within a time-frame of 15 years.
2. AFTA Council created to supervise and coordinate implementation of the CEPT had finalized all the implementation procedures of the CEPT Scheme at its Third Meeting in Jakarta on 11 December 1992. The Council agreed that a simultaneous announcement be made on 22 December 1992 from each ASEAN capital of tariff reduction programmes of the CEPT.
3. Reduction of import duties under the CEPT will be undertaken according to the Fast Track or the Accelerated Tariff Reduction Programme (ATRP) and the Normal Track Programme.

Fast Track or ATRP

4. The Fast Track covers the 15 product groups (see annex) identified by the ASEAN Summit to be implemented faster than the 15-year time-frame. The import duties of these products will be reduced to 0%–5% within 7 to 10 years only. For products with existing import duties of above 20%, the duties will be reduced to 0%–5% within 10 years. For products with import duties of 20% and below, the duties will be reduced to 0%–5% within 7 years.
5. Under the Fast Track, Malaysia is offering 3,251 items or 27.7% of 11,746 total tariff lines. There are items that qualify under the Fast Track but excluded by Malaysia due to its sensitivity. Reduction of import duties on these products will either be effected under the Normal Track or undertaken after the eighth year temporary exclusion period.
6. The import duties of products under the Fast Track will be reduced based on the formula below:

- i. For products with import duties above 20%, the duties will be reduced based on the formula $[X - 5\% / 10 \text{ years}]$ where X = existing duties, eg:

Existing Tariff	'93	'94	'95	'96	'97	'98	'99	'2000	'01	'02
25%	23%	21%	19%	17%	15%	13%	11%	9%	7%	5%

- ii. For products with import duties of 20%, the duties will be reduced based on the $[X - 5\% / 7 \text{ years}]$ where X = existing duties, eg.

Existing Tariff	'93	'94	'95	'96	'97	'98	'99
15%	13.6%	21.2%	10.8%	9.4%	8%	6.6%	5%

7. The detailed product by product tariff reduction schedule will be drawn upon consultation with the private sector.
8. Apart from Singapore and Malaysia which will be implementing the Fast Track Reduction of import duties beginning 1993, Brunei will only be implementing it in 1994, Indonesia and Thailand in 1995 and Philippines in 1996. The depth and starting date may differ among ASEAN countries but all these import duties must be reduced to 0%–5% by the end of year 1999 or 2002 whichever is applicable.

Normal Track

9. Malaysia is offering 6,895 items for reduction in import duties under the Normal Track covering 59% of total tariff lines. The import duties of these products will be reduced to 0%–5% within 10 to 15 years. The import duties will be reduced based on a formula as follows:

- i. For products with import duties above 20%, the duties will be reduced to 20% based on the formula $[X - 20\% / 8 \text{ years}]$ where X = existing duties. Upon reaching 20%, the duties will be reduced to 15%, 10% and 5% in year 2003, 2005 and 2007 respectively.
- ii. For products with import duties of 20% and below, the duties will be reduced to 0%–5% within 10 years based on the formula $[X - 5\% / 10 \text{ years}]$ where X = existing duties

10. Under the Normal Track, Malaysia and Singapore will be implementing the reduction of duties in 1993. Reduction of duties above 20% will be effected by Brunei in 1994, Philippines in 1996, Indonesia and Thailand in 1998. For duties at 20% and below, Brunei, Indonesia and Philippines will commence import duty reduction in 1996 while Thailand will only be effecting it in 1999.

11. The delayed starting dates for Philippines and Thailand was on the account that these countries will be undertaking unilateral tariff reductions beginning 1993.

Exclusion List

12. Malaysia has excluded temporarily 648 items from the CEPT Scheme but these items will be phased-in into the CEPT by year 2001. These items are either considered as sensitive to the domestic manufacturers, strategic or products earmarked for investment promotion. Nevertheless, the exclusion is temporary in nature.

13. Malaysia has also excluded 952 items comprising products classified as raw agriculture and products excluded under the General Exception Clause. These products will be permanently excluded from the CEPT Scheme. This category of products will be continuously reviewed with the view to reducing it.

Conclusion

14. While the dates of commencement of tariff reductions differ among ASEAN countries, the target year for inclusion of all eligible items and the target levels of tariffs to be reached during implementation of the CEPT have been agreed upon. Malaysia will continue efforts at persuading Indonesia, Philippines and Thailand to review the current proposed year of commencement of tariff reduction with a view to bringing them closer to 1993.

15. To the Malaysian manufacturers they must now prepare themselves to face competition from ASEAN. They should not view the tariff reductions by Malaysia in isolation and as sacrifices only. They should look forward to new opportunities created by the lowering of tariff barriers in the other ASEAN countries. Malaysia's export to ASEAN destinations have increased from US\$4.3 billion in 1987 to US\$10 billion in 1991 while imports from ASEAN countries increased from US\$2.6 billion to US\$7.2 billion for the same period. The total intra-ASEAN trade in 1991 is estimated at US\$64.67 billion.

Fast Track Products

1. Vegetable Oils
2. Cement
3. Chemicals
4. Pharmaceutical

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5. Fertilisers
 6. Plastics
 7. Rubber Products
 8. Leather and Leather Products
 9. Pulp
 10. Textiles and Textile Articles
 11. Ceramic and Glass Products
 12. Gems and Jewellery
 13. Copper Cathodes
 14. Electronics
 15. Wooden and Rattan Furniture

THAI MINISTRY OF FINANCE PRESS RELEASE ON THE IMPLEMENTATION OF ASEAN FREE TRADE AREA SCHEME

1. National leaders of six ASEAN member countries at the fourth ASEAN Summit held in Singapore during 27–28 January 1992 unanimously agreed that the ASEAN Free Trade Area Scheme be put into implementation with the chief objective of reducing tariffs of a number of goods that are currently traded within ASEAN. The ultimate objective is to bring tariffs to a minimum range of 0–5% within 15 years through the implementation of the Common Effective Preferential Tariff — the CEPT scheme. The date of implementation of the CEPT is scheduled for 1 January 1993.
2. During the past year, the six ASEAN member countries have regularly held brainstorming sessions to map out a workable plan on tariff reduction under the AFTA scheme. Officials concerned also held discussions concerning local content, customs procedure and the possibility of using uniform application forms by exporters and importers of all the six ASEAN member countries. The six ASEAN member countries have also, during the past year prepared their respective final list of goods to be subjected to tariff reduction.
3. The latest concrete development is that at the third meeting of the AFTA Council held on 11 December 1992, member countries exchanged the lists of items for tariff reduction and the exclusion lists. It was agreed that each ASEAN capital would announce the implementation of the AFTA scheme on 22 December 1992.
4. As far as Thailand is concerned, the implementation stages are as follows:
 - i. *List of goods under AFTA scheme.* Thailand's list is quite a comprehensive one, including goods categorised as manufactured goods, processed agricultural products and capital goods. Noteworthy is the fact that Thailand's list covers nearly 90% of all items listed in the tradeable items compiled by the Thai Customs Department.
 - ii. *Items not listed in the AFTA scheme list.* These items are:
 - a. non-processed agricultural goods;
 - b. goods excluded from the list on the grounds of security, morality, cultural heritage conservation.
 - iii. *Temporary items.* Thailand's exclusion list includes 118 items, which are deemed not ready for foreign competition. All 118 items will be subjected to a review after 8 years.

iv. Tariff reduction will be on two tracks, details of which are:

a. *Fast track.* Goods under speedy tariff reduction scheme cover 15 major categories, namely, vegetable oil, cement, chemicals, pharmaceutical products, fertilizers, plastics, rubber and rubber-made goods, leather and leather goods, paper pulp, textile, ceramics and glass products, jewellery and decorative items, copper cathode, electronics and wood furniture and rattan furniture.

Thailand will participate in the scheme to effect tariff reduction for all 15 categories mentioned above, with the exception of some items. For example, some items under vegetable oil category would be placed on the exclusion list and some items under the category of petro-chemical products, plastics and electronics would be placed in the normal track. The number of items in the fast track amounts to about 1,936 items (described as 6-digit H.S. category) which comprise 93% of goods put under the fast track.

b. *Normal track.* Goods in the normal track include all items under the AFTA scheme with the exception of items that are in the fast track as detailed in para (a), and items listed in the exclusion list as mentioned in para (iii).

Thailand will place 2,764 items in the normal track. This amounts to 100% of items under normal track, with the exception of 118 items in the exclusion list.

v. *Tariff reduction scheme*

a. Thailand's plan to effect tariff reduction under the fast track is as follows:

- Goods whose current tariff rate is more than 20% will be reduced to 0–5% within 7 years as of 1 January 93.

As far as the first year of implementation (1993) is concerned, attempts will be made to reduce industrial goods, whose current tariff rate is higher than 30%, down to 30% in compliance with former Thai prime minister Anand Panyarachun's commitment made at the conclusion of the fourth ASEAN Summit.

b. Thailand's plan to effect tariff reduction under normal track is as follows:

- Goods with current tariff rate exceeding 20% will be reduced to 20% within 8 years as from 1 January 93, to be followed by reduction of about 5% every two-year period during the remaining 7 year period, so that upon entering the 16th year the tariff will be down to the range of 0–5%.

- Goods with current tariff rate 20% or less will be reduced down to 0–5% within 7 years as from 1 January 93.

As far as the first year of implementation (1993) is concerned, attempts will be made to reduce tariffs of industrial goods whose current rate is higher than 30% to 30%, similar to the case of the fast track, with the exception of some items such as petro-chemicals, electronics and processed agricultural products which will be reduced to 30% by 1996.

vi. Items in the exclusion list, which will enjoy temporary protection, will upon entering the eighth year be subjected to review to see if all or some items would be withdrawn and placed in the AFTA scheme. There are altogether 118 items under this category:

Agricultural goods	16 items
Drinks, liquor	3 items
Tobacco	8 items
Copper and copper-made products	1 items
Aluminium and aluminium-made products	2 items
Electrical appliances	30 items
Cars and their contents	58 items
Total	<u>118 items</u>

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- vii. *Local content.* To enjoy AFTA concession among fellow ASEAN member countries, goods to be recognised as originated in ASEAN countries must have local content of not less than 40% which can be either from a single ASEAN country or cumulative.
 - viii. The establishment of ASEAN free trade area augurs well for greater ASEAN cooperation. It is imperative that as the prime initiator of AFTA, Thailand shows its sincerity at all relevant discussions. Hence, Thailand's exclusion list is relatively shorter compared with other ASEAN countries' lists; and, by the same token, Thailand's list of goods under the fast track is relatively longer.
 - ix. Thailand's tariff reduction plan under the AFTA scheme is meticulously mapped out in such a way that it would be gradually implemented so that local industries can adapt to changing circumstances. The first year of implementation (1993) will witness almost no change, except for the tariff of industrial goods whose current rate will be brought down to 30%.
 - x. The tariff reduction under AFTA scheme will be compatible with the restructuring of Thailand's customs tariff rate currently being carried out by the Ministry of Finance. Tariff changes are already made in industrial sector, like machinery, computers and accessories, iron and steel and chemicals. There are imminent changes in tariff rates involving other sectors of local industries.
 - xi. It is envisaged that within 15 years or, hopefully, before that, all ASEAN goods transacted under the AFTA scheme, will be subjected to not more than 5% import duty. Hence, Thailand's local industries need to increase their production efficiency for competitiveness' sake. It is also envisaged that intra-ASEAN trade will quickly expand and the ASEAN region which houses more than 300 million people will be attractive to foreign investors who would benefit from the comprehensive network of manufacturing industries in the ASEAN region, all of which promises long-term benefits for Thailand.

Summary of all Thai goods under AFTA scheme

1. Goods listed by Customs Dept under 6-digit H.S. category	5,200 items
2. Goods not put under AFTA scheme	400 items
3. Exempted goods under Article 9 due to security etc reasons	100 items
4. Hence, number of Thai goods put under AFTA scheme 1-2-3	4,700 items
5. Goods under Fast Track channel (comprehensive ASEAN)	2,086 items
6. Thai goods under Fast Track channel	1,936 items
7. Number of Thai goods not participating in Fast Track being 5-6	150 items
8. Goods under Normal Track channel	2,614 items
9. Goods under Normal Track channel plus goods under Fast Track channel, being 8 + 7	2,764 items
10. Number of Thai goods participating in Normal Track	2,764 items
11. Goods temporarily placed in exclusion list being of 10-digit H.S. category	118 items
11.1 8 items under fast track channel	
11.2 110 items under normal track channel	

Summing-up report

Goods put under fast track channel accounts for 92.8 per cent of all goods under fast track channel. Goods put under normal track channel accounts for 100 per cent of all goods under normal track channel except 118 items temporarily put under exclusion list.

SOURCE: Due to space constraints, only excerpts of the press releases are reproduced here. The complete text is obtainable from the ASEAN Secretariat, Jakarta.