



Australian Government

Department of Foreign Affairs and Trade

FACT SHEET – CHEMICALS

ASEAN is a valuable market for a number of chemicals, with annual average Australian exports to ASEAN of \$424 million. Tariffs on many chemicals are already at low levels but there is a significant number of tariff lines where higher tariffs apply. Several ASEAN countries will be eliminating tariffs on all chemicals tariff lines and other countries will be eliminating tariffs on almost all lines. The binding of tariffs and elimination of higher tariffs will provide new opportunities for Australian exporters and greater certainty in market access.

Australia's Exports to ASEAN (Australian Produce)

Product (HS 28-29 and 31-38, excluding 2818.20 and 2818.30 and 3501.10)	Exports to ASEAN 3 Year Average 2006-2008 (\$A million)	Exports to ASEAN as Percentage of Australia's Total Exports of Each Product 3 Year Average 2006- 2008 %
Inorganic chemicals and compounds of precious metals (HS 28)	30	4.8
Vitamins, not medicaments (HS 2936)	24	42.0
Ammonium nitrate (HS 3102.30)	47	74.6
Pigments (HS 3206.11)	92	23.5
Cosmetics, toiletries (HS 3303-3307)	25	9.4
Surface active agents (HS 3401-3402)	18	14.7
Albuminoidal substances, modified starches, glues (HS 35)	26	9.5
Miscellaneous chemical products (HS 38)	77	21.2
Other	85	10.8
Total	424	14.4

Summary of Outcomes:

Australia (829 tariff lines)

- 2005 base tariffs:
 - 0% tariffs on 615 tariff lines
 - 4% tariff on 1 tariff line

- 5% tariffs on 212 tariff lines
- 7.5% tariffs on 1 tariff line.
- Tariffs will be eliminated on all tariff lines by 2020:
 - Tariffs of 0% will be bound at entry-into-force (EIF).
 - Tariffs on 211 tariff lines will be eliminated at EIF or in 2010.
 - Tariffs of 5% on 3 tariff lines will be eliminated in one step in 2020.

Indonesia (1,186 tariff lines)

- 2005 base tariffs:
 - 0% tariffs on 251 tariff lines
 - 5% tariffs on 711 tariff lines
 - 10% tariffs on 189 tariff lines
 - 15% tariffs on 33 tariff lines
 - 170% tariffs on 2 tariff lines (odoriferous substances).
- Tariffs will be eliminated on all but 2 tariff lines by 2020:
 - Tariffs of 0% will be bound at EIF.
 - Tariffs of 5% will be eliminated in 2010.
 - Tariffs of 10% phase to 0% by 2012, except for 3 lines that phase to 0% by 2020.
 - Tariffs of 15% phase to 0% by 2013.
 - Tariffs of 170% phase to 85% by 2025, with reductions commencing in 2015.

Malaysia (1,030 tariff lines)

- 2005 base tariffs:
 - 0% tariffs on 837 tariff lines
 - 5% tariffs on 69 tariff lines
 - 8% tariffs on 2 tariff lines
 - 10% tariffs on 29 tariff lines
 - 15% tariffs on 16 tariff lines
 - 20% tariffs on 37 tariff lines
 - 25% tariffs on 26 tariff lines
 - 30% tariffs on 9 tariff lines
 - 50% tariffs on 4 tariff lines
 - Mixed tariff of 5% and RM39.37/tonne on 1 tariff line (alums).
- Tariffs will be eliminated on all tariff lines by 2020:
 - Tariffs of 0% will be bound at EIF.
 - Tariffs of 5% will be eliminated at EIF or in 2010 (69 lines).
 - Tariffs of 8-10% phase to 0% by 2011 (16 lines) or by 2020 (15 lines).
 - Tariffs of 15-20% phase to 0% by 2012 (6 lines) or 2020 (47 lines).
 - Tariffs of 25-30% phase to 0% by 2013 (1 line), 2015 (2 lines) or 2020 (32 lines).
 - Tariffs of 50% phase to 0% by 2020.
 - The mixed tariff phases to 0% by 2013.

New Zealand (873 tariff lines)

- 2005 base tariffs:
 - 0% tariffs on 770 tariff lines
 - 5% tariffs on 38 tariff lines
 - 6.5% tariffs on 19 tariff lines
 - 7 % tariffs on 46 tariff lines.
- Tariffs will be eliminated on all tariff lines by 2020:
 - Tariffs of 0% will be bound at EIF.
 - Tariffs on 95 tariff lines eliminated at EIF or in 2010.
 - Remaining tariffs phase to 0% by 2012 (2 tariff lines), by 2013 (1 tariff line), or by 2020 (5 tariff lines).

Note: Australia already benefits from bound 0% tariffs under ANZCERTA.

Philippines (1,186 tariff lines)

- 2005 base tariffs:
 - 0% tariffs on 9 tariff lines
 - 1-3% tariffs on 957 tariff lines
 - 5% tariffs on 48 tariff lines
 - 7-10% tariffs on 151 tariff lines
 - 15% tariffs on 11 tariff lines
 - 30% tariffs on 10 tariff lines.
- Tariffs will be eliminated on all but 6 tariff lines by 2020, with tariffs on the remaining 6 lines reduced to 4% or 5%:
 - Tariffs of 0% will be bound at EIF.
 - Tariffs of 1-3% will be eliminated in 2010 (943 lines) or phase to 0% by 2015 (14 lines).
 - Tariffs of 5% will be eliminated in 2010, except for 3 tariff lines for which tariffs phase to 0% by 2015, and 3 tariff lines for which tariffs will be reduced to 4% in 2015.
 - Tariffs of 7-10% phase to 0% by 2011 or 2012, except for 2 tariff lines for which tariffs phase to 0% by 2015, and 3 tariff lines for which tariffs will be reduced to 5% in 2012.
 - Tariffs of 15% phase to 0% by 2013.
 - Tariffs of 30% phase to 0% by 2020.

Singapore

- **All tariffs bound at 0% on EIF.**

Note: these tariff commitments the same as in SAFTA.

Thailand (898 tariff lines)

- 2005 base tariffs:
 - 0% tariffs on 43 tariff lines
 - 1-5.5% tariffs on 734 tariff lines
 - 10-15% tariffs on 41 tariff lines

- 20-30% tariffs on 71 tariff lines
- Specific tariffs on 9 tariff lines.
- Tariffs will be eliminated on all tariff lines by 2018:
 - Tariffs on 854 lines will be eliminated at EIF or in 2010.
 - On remaining lines, tariffs will be phased to 0%:
 - o by 2012 (29 tariff lines with base rate of 20%);
 - o by 2013 (6 tariff lines with base rate of 30%);
 - o by 2016 (1 tariff line with base rate of 5%); or
 - o by 2017 (8 tariff lines with base rate of 10%).

Note: for some products tariff commitments are better in TAFTA.

Vietnam (1,164 tariff lines)

- 2005 base tariffs:
 - 0% tariffs on 636 tariff lines
 - 1-5% tariffs on 275 tariff lines
 - 7-10% tariffs on 78 tariff lines
 - 15-20% tariffs on 73 tariff lines
 - 30% tariffs on 62 tariff lines
 - 40-50% tariffs on 40 tariff lines.
- Tariffs will be eliminated on all but 18 tariff lines by 2020:
 - Tariffs of 0% will be bound at EIF, except for 5 tariff lines covering fuses, explosives, propellant powders excluded from tariff commitments.
 - Tariffs on 1-5% will be eliminated in one step in 2016, except for 2 lines on which tariffs phase to 0% by 2019 or 2020.
 - Tariffs of 7-20% phase to 0% by 2016, 2017, 2019 or 2020.
 - Tariffs of 30-50% phase to 0% by 2018 or 2020, except for waste and pyrotechnics which are excluded from tariff commitments.