



Australian Government

Department of Foreign Affairs and Trade

## ***FACT SHEET – ELECTRICAL MACHINERY AND EQUIPMENT, AND THEIR PARTS***

ASEAN is a valuable market for Australian exports of electrical machinery and equipment and parts, worth some \$240 million in annual average exports (this figure does not include re-exports which are a significant amount in this sector). There is great variability in the level of ASEAN tariffs in this sector, with many low tariffs but also a significant number of tariff lines with tariffs in the 15%-40% range. Almost all tariffs will be eliminated in this sector, in the major markets of Indonesia, Malaysia, the Philippines and Vietnam, with the remaining tariffs generally reduced to low levels (5%). The reduction and elimination of tariffs should benefit Australian industry through guaranteeing continued access and providing additional market access opportunities.

### Australia's Exports to ASEAN (Australian Produce)

Product (HS 85)	Exports to ASEAN  3 Year Average 2006-2008 (\$A million)	Exports to ASEAN as Percentage of Australia's Global Exports of Each Product 3 Year Average 2006- 2008 %
Electrical motors, generators and parts (HS 8501 – 8504)	24.3	11.5
Batteries and accumulators (HS 8506)	0.5	5.4
Electrical starting, ignition, lighting and signalling equipment (incl for MV) (HS 8510 – 8511)	8.7	33.1
Electric water heaters (HS 8516)	4.3	8.0
Telephony and broadcast equipment (HS 8517, 8525, 8527)	34.4	9.0
Audio recording / playback equipment (HS 8518 – 8520)	2.3	6.1
Video recording / playback equipment (HS 8521)	0.4	5.3
Parts for audio / video equipment (HS 8522)	0.3	14.6
TVs (HS 8528)	2.8	13.2
Capacitors, resistors, transistors, printed circuits (HS 8535 – 8538, 8541 – 8542)	53.0	8.7
Lights and lamps (HS 8539)	1.2	13.2
Other Electrical Equipment	107.6	13.4
Total	239.7	11.0

## Summary of Outcomes:

### **Australia**

- 2005 base tariffs (338 tariff lines):
  - 0% on 166 tariff lines
  - 5% on 149 tariff lines
  - 10% on 23 tariff lines.
- Tariffs will be eliminated on all but 2 lines by 2010 and on all lines by 2020:
  - Tariffs of 0% will be bound at entry-into-force (EIF).
  - Tariffs of 5% will be eliminated at EIF (112 lines) or in 2010 (35 lines) or in 2020 (2 lines, covering certain radios and video cameras).
  - Tariffs of 10% will be eliminated at EIF.

### **Indonesia**

- 2005 base tariffs (768 tariff lines):
  - 0% on 175 tariff lines
  - 5% on 252 tariff lines
  - 10% on 239 tariff lines
  - 15% on 102 tariff lines.
- Tariffs are bound at 0% on EIF or phase to 0% for all but 20 lines, with these 20 lines phased to 4% or 5%:
  - Tariffs of 0% will be bound at EIF.
  - Tariffs of 5% will be eliminated in 2010, except for 7 lines, covering control panels and some motors, of which 1 line will phase to 0% by 2020, 3 lines will phase to 0% by 2023 and 3 lines will reduce to 4% in 2015 but are not eliminated.
  - Tariffs of 10% phase to 0% by 2012, except for 1 line which will phase to 0% by 2020, and 8 lines, covering video disks and some electric motors, which phase to 5% by 2015 but are not eliminated.
  - Tariffs of 15% will phase to 0% by 2013 (93 lines), with 9 lines (digital cameras, video monitors and projectors) to phase to 5% by 2016 but will not be eliminated.
  - Tariffs on all lines will be in the 0-5% range by 2016, with 743 lines at 0% by 2013.

### **Malaysia**

- 2005 base tariffs (496 tariff lines):
  - 0% on 228 tariff lines
  - 5% on 87 tariff lines
  - 10% on 6 tariff lines
  - 15% on 63 tariff lines
  - 17% on 1 tariff line
  - 20% on 42 tariff lines
  - 25% on 15 tariff lines
  - 30% on 53 tariff lines
  - 50% on 1 tariff line.

- Tariffs will be eliminated on all 496 lines by 2020:

- Tariffs of 0% bound on EIF.
- Tariffs of 5% will be eliminated on EIF (29 lines) or phase to 0% by 2010 (58 lines, mainly telephone and radio cables and wiring).
- Tariffs of 10% will phase to 0% by 2011 on 5 lines, while the tariff on 1 line (parts of heaters) will be eliminated on EIF.
- Tariffs of 15-17% (covering mainly switches) will be eliminated on EIF (19 lines) or will phase to 0% by 2010 (1 line) or by 2012 (44 lines).
- Tariffs of 20% will phase to 0% by 2011 (1 line) or 2012 (32 lines), while the tariffs on 9 lines (portable lamps, some hairdressing apparatus and parts of batteries) will be eliminated on EIF.
- Tariffs of 25% will phase to 0% by 2012 (3 lines) or 2013 (11 lines), while the tariff on 1 line (hair dryers) will be eliminated on EIF.
- Tariffs of 30% and above will be eliminated on 4 lines on EIF, or will phase to 0% by 2012 (8 lines, mainly kitchen appliances) 2013 (37 lines, mainly insulated wiring), or 2020 (5 lines, including power cords).
- Tariffs on 491 lines will be at 0% by 2013.

### **New Zealand**

- 2005 base tariffs: 431 tariff lines ranging between 0% and 17.5%.
- Tariffs will be eliminated on all tariff lines by 2020:

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

### **Philippines**

- 2005 base tariffs (779 tariff lines):
  - 0% on 170 tariff lines
  - 1% on 205 tariff lines
  - 3% on 121 tariff lines
  - 5% on 76 tariff lines
  - 7% on 68 tariff lines
  - 10% on 58 tariff lines
  - 15% on 81 tariff lines.
- Tariffs will be eliminated on all but 10 lines by 2013, with the remaining 10 lines phased to 5% or 8%:
  - Tariffs of 0% bound on EIF.
  - Tariffs of 1-5% will be eliminated by 2010, with 4 lines at 1%, 2 lines at 3% and 7 lines at 5% eliminated on EIF.
  - Tariffs of 7% will be eliminated on EIF on 8 tariff lines and will phase to 0% by 2011 for the other 60 lines.
  - Tariffs of 10% will be eliminated on EIF for 12 tariff lines and will phase to 0% by 2012 for an additional 42 lines, while 2 tariff lines will be phased to 5% by 2015 and 2 lines will be reduced to 8% in 2020.
  - Tariffs of 15% will be eliminated on EIF for 4 tariff lines and will phase to 0% by 2013 for 71 lines, while tariffs on the 6 remaining lines will phase to 5% by 2016.

## **Singapore**

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

Note: these tariff commitments are the same as in SAFTA.

## **Thailand**

- 2005 base tariffs (413 tariff lines):
  - 0% on 89 tariff lines
  - 1% on 93 tariff lines
  - 3% on 9 tariff lines
  - 3.11% on 1 tariff line
  - 10% on 168 tariff lines
  - 15% on 6 tariff lines
  - 20% on 20 tariff lines
  - 30% on 27 tariff lines
- Tariffs will be eliminated on all lines by 2020:
  - Tariffs of 0% bound on EIF.
  - Tariffs of 1-3.11% will be eliminated by 2010, with 54 lines at 1% and 4 lines at 3% eliminated on EIF.
  - Tariffs of 10% will be eliminated on EIF for 29 tariff lines, will phase to 0% by 2010 for 136 lines and will be eliminated in 2020 on the remaining 3 tariff lines.
  - Tariffs of 15%, 20% and 30% will be eliminated in 2010, 2012 and 2013 respectively.

Note: Tariff commitments are better in TAFTA for many products.

## **Vietnam**

- 2005 base tariffs (766 tariff lines):
  - 0% on 226 tariff lines
  - 1% on 15 tariff lines
  - 3% on 1 tariff lines
  - 5% on 105 tariff lines
  - 10% on 126 tariff lines
  - 15% on 14 tariff lines
  - 20% on 103 tariff lines
  - 30% on 116 tariff lines
  - 40% on 42 tariff lines
  - 50% on 18 tariff lines
- Tariffs will be eliminated on all but 3 lines by 2020, with the remaining 3 lines phasing to 5% by 2022:
  - Tariffs of 0% bound on EIF.
  - Tariffs of 1-3% will be eliminated in 2016 (16 lines).
  - Tariffs of 5% will be eliminated in 2016 on 104 lines (including most electric motors and parts, computer equipment and batteries), with the tariffs on the remaining line to be eliminated in 2017.

- Tariffs of 10% will phase to 0% by 2016 for 120 lines (including communications equipment and storage devices), and will phase to 0% by 2020 on the remaining 6 tariff lines (including portable radios).
- Tariffs of 15% will phase to 0% by 2016 for 12 tariff lines and by 2020 on the remaining 2 lines.
- Tariffs of 20% will phase to 0% by 2017 for 90 tariff lines and will phase to 0% by 2020 for the remaining 13 tariff lines.
- Tariffs of 30% will phase to 0% by 2018 for 54 tariff lines and by 2020 for an additional 59 lines, while tariffs for the remaining 3 lines will phase to 5% by 2022, commencing in 2017.
- Tariffs of 40% will phase to 0% by 2018 for 14 lines or by 2020 for the other 28 tariff lines.
- Tariffs of 50% will phase to 0% by 2018 for 13 tariff lines and by 2020 for the remaining 5 lines.
- By 2017 tariffs on 763 lines will be in the 0-5% range, with 569 lines at 0%.