



Australian Government

Department of Foreign Affairs and Trade

### ***FACT SHEET – MACHINERY AND MECHANICAL APPLIANCES, AND THEIR PARTS***

ASEAN is an important export market for Australia for a range of mechanical appliances and machinery parts, especially pumps for liquids, data processing and office machines and certain machinery parts, with average annual exports of \$639 million. While tariffs are low in ASEAN countries for many of the tariff lines covered by this sector, there are high tariffs for some products. Under AANZFTA the reduction and elimination of tariffs will guarantee continued access and provide additional market access opportunities. The vast majority of tariff lines in this sector will have 0% tariffs by 2012, with most of the remaining tariffs phased to 0% by 2020.

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

Product (HS 84)	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 %
Turbo-jets, gas turbines (HS 8411)	9.6	19.0
Pumps for liquids (HS 8413)	62.5	26.4
Centrifuges, filters and purifying machinery (HS 8421)	20.1	14.1
Parts for pulleys, cranes, lifting, loading, moving, grading, boring machinery (HS 8431)	77.8	21.0
ADP and office machines ,and parts therefor (HS 8469-8473)	44.3	11.5
Machines for sorting, crushing, washing, shaping (HS 8474)	49.7	19.2
Machinery with individual functions (HS 8479)	43.6	16.9
Taps, cocks valves (HS 8481)	37.3	23.6
Transmission shafts, bearing housings, gear boxes, clutches (HS 8483)	22.5	20.5
Other	271.9	12.9
Total	639.4	15.6

## Summary of Outcomes:

### **Australia**

- 2005 base tariffs (614 lines):
  - 0% on 269 tariff lines
  - 5% on 308 tariff lines
  - 10% on 37 tariff lines.
- Tariffs will be eliminated on all but 3 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 (240 lines) or in 2010 (65 lines) or in 2020 (3 lines).
  - Tariffs of 10% will be eliminated at EIF.

### **Indonesia**

- 2005 base tariffs (1439 lines):
  - 0% on 977 tariff lines
  - 5% on 246 tariff lines
  - 10% on 141 tariff lines
  - 15% on 75 tariff lines.
- Tariffs are bound at 0% on EIF or phase to 0% by 2025 for all but 57 lines:
  - Tariffs of 0% will be bound at EIF except for 18 lines which are excluded from tariff commitments.
  - Tariffs of 5% will be eliminated in 2010, except for 7 lines which will phase to 0% by 2020, 3 lines which will phase to 0% by 2023, 11 lines which will reduce to 4% in 2015 but are not eliminated and 4 lines which are excluded from tariff commitments.
  - Tariffs of 10% phase to 0% by 2012, except for 14 lines which will phase to 0% by 2020 or 2025, and 18 lines which phase to 5% by 2015 but are not eliminated.
  - Tariffs of 15% will phase to 0% by 2013 (51 lines) or by 2015 (12 lines) or by 2020 (5 lines) or by 2025 (1 line) except for 6 lines which will phase to 5% by 2025 but not eliminated.

### **Malaysia**

- 2005 base tariffs (718 lines):
  - 0% on 467 tariff lines
  - 5% on 90 tariff lines
  - 10% on 15 tariff lines
  - 15-17% on 3 tariff lines
  - 17% on 1 tariff lines
  - 20% on 44 tariff lines
  - 25% on 34 tariff lines
  - 30% on 63 tariff lines
  - 35% on 1 tariff line
  - a mixed ad valorem/specific rate on one tariff line.

- Tariffs will phase to 0% on all tariff lines by 2020:
  - Tariffs of 0% bound at EIF.
  - Tariffs of 5% will be eliminated on EIF (5 lines) or phase to 0% by 2010 (85 lines).
  - Tariffs of 10% will be eliminated at EIF (3 lines) or phase to 0% by 2011 (12 lines).
  - Tariffs of 15-17% will phase to 0% by 2012 (2 lines) or by 2020 (1 line).
  - Tariffs of 20-25% will phase to 0% by 2020 (51 lines) except for 6 lines which will be eliminated at EIF or phase to 0% by 2010, and 21 lines which will phase to 0% by 2012, 2013 or 2016.
  - Tariffs of 30% and above will phase to 0% by 2020 (54 lines) except for 10 lines which will phase to 0% by 2011 or 2012, and 1 line by 2016.

### **New Zealand**

- 2005 base tariffs (618 lines):
  - 0% on 294 tariff lines
  - 5% on 34 tariff lines
  - 6.5% on 28 tariff lines
  - 7% on 311 tariff lines
  - 10% on 13 tariff lines
  - 10 tariff lines on parts which the tariff depends on what the part is used for.
- Tariffs will phase to 0% on all tariff lines by 2020:
  - Tariffs of 0% bound at EIF.
  - Tariffs of 5% will be eliminated at EIF or in 2010.
  - Tariffs of 6.5% will be eliminated on EIF or in 2010 except for 1 line which will phase to 0% by 2020.
  - Tariffs of 7% will be eliminated at EIF or in 2010 (287 lines) except for 21 lines which will phase to 0% by 2012 and 1 line by 2020.
  - Tariffs of 10% will be eliminated at EIF or by 2012 (11 lines) except for 2 lines for which the tariff will phase to 0% by 2020.
  - The tariffs on the 10 lines where rates vary depending on end use will be eliminated in 2012.

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

### **Philippines**

- 2005 base tariffs (1449 lines):
  - 0% on 88 tariff lines
  - 1% on 934 tariff lines
  - 3% on 155 tariff lines
  - 5% on 116 tariff lines
  - 7% on 35 tariff lines
  - 10% on 73 tariff lines
  - 15% on 48 tariff lines.
- Tariffs will phase to 0% by 2013 on all tariff lines except for 6 lines which will phase to 4% or 5%:

- Tariffs of 0% bound at EIF.
- Tariffs of 1-5% will be eliminated in 2010 except one tariff of 5% which will be reduced to 4% in 2015.
- Tariffs of 7% will phase to 0% by 2011 (33 lines) except for 2 tariff lines for which tariffs will be eliminated at EIF.
- Tariffs of 10% will phase to 0% by 2012 (50 lines) except for 18 tariff lines for which tariffs will be eliminated at EIF and 5 tariff lines for which tariffs will be phased to 5% by 2015.
- Tariffs of 15% phase to 0% by 2013.

### **Singapore**

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

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

### **Thailand**

- 2005 base tariffs (632 lines):
  - 0% on 67 tariff lines
  - 1% on 301 tariff lines
  - 3% on 31 tariff lines
  - 5% on 125 tariff lines
  - 10% on 84 tariff lines
  - 20% on 9 tariff lines
  - 30% on 15 tariff lines
- Tariffs will be eliminated on all tariff lines by 2013:
  - Tariffs of 0% bound at EIF.
  - Tariffs of 1-5% will be eliminated at EIF (393 lines) except on 64 lines which will be eliminated in 2010.
  - Tariffs of 10% will phase to 0% by 2010 (80 lines) except on 4 lines which will be eliminated at EIF.
  - Tariffs of 20% and 30% will be eliminated in 2012 and 2013 respectively.

*Note: 96.2% of tariff lines under AANZFTA will be eliminated by 2010 compared with 100% in TAFTA.*

### **Vietnam**

- 2005 base tariffs (1436 lines):
  - 0% on 783 tariff lines
  - 1% on 10 tariff lines
  - 3% on 105 tariff lines
  - 5% on 144 tariff lines
  - 10% on 89 tariff lines
  - 15% on 26 tariff lines
  - 20% on 130 tariff lines
  - 30% on 95 tariff lines

- 40% on 18 tariff lines
- 50% on 29 tariff lines
- 100% on 7 tariff lines.
- Tariffs will phase to 0% by 2022 on all tariff lines except for 68 lines which will phase to 3% or 5%:
  - Tariffs of 0% bound at EIF.
  - Tariffs of 1-3% will be eliminated in 2016 (114 lines) except for 1 line where the tariff remains at 3%.
  - Tariffs of 5% will be eliminated in 2016 (138 lines) except for 2 lines for which the tariff will be eliminated in 2018, 3 lines for which the tariff will reduce to 3% by 2019, and 1 line where the tariff will be bound at 5% but not eliminated.
  - Tariffs of 10% will phase to 0% by 2016 (76 lines) except for 12 lines for which the tariff will phase to 0% by 2020 and 1 line for which the tariff will phase to 5% by 2022 commencing in 2021 but not eliminated.
  - Tariffs of 15% will phase to 0% by 2016.
  - Tariffs of 20% will phase to 0% by 2017 (88 lines) except for 15 lines which will phase to 0% by 2018 or 2020, and for 27 lines which phase to 5% by 2022.
  - Tariffs of 30% will phase to 0% by 2018 (37 lines) or by 2020 (31 lines) except for 27 lines which will phase to 5% by 2022 commencing in 2017.
  - Tariffs of 40% will phase to 0% by 2018 (7 lines) or by 2020 (9 lines) except for 2 lines which will phase to 5% by 2022 but not eliminated.
  - Tariffs of 50% will phase to 0% 2020 (26 lines) except 2 lines which will phase to 0% by 2018 or 2019, and 1 line which will phase to 5% by 2022 starting 2014.
  - Tariffs of 100% will phase to 0% by 2020 (2 lines) except for 5 lines which will phase to 5% by 2022.