Australian Government
Department of Foreign Affairs and Trade

FACT SHEET – MINERALS

Australian trade in minerals with ASEAN countries is extensive, with average annual exports of $4.6 billion. Particularly prominent are petroleum based products, and ASEAN countries account for 37% of Australia's petroleum exports. Coal and non-ferrous ores also feature prominently in our ASEAN export profile. Tariffs currently applied on these goods in most ASEAN countries are generally low, with those in the 0-5% range predominating, and many of these will be eliminated early in many ASEAN tariff reduction schedules under AANZFTA. Tariffs on all tariff lines will be bound at 0% on entry-into-force (EIF) or phase to 0% in Malaysia, and on almost all lines in Indonesia and the Philippines. Vietnam will phase most tariffs to 0% but exclude 41 lines from tariff commitments and bind 8 lines at their base rates.

<u>Australia's Exports to ASEAN (Australian Produce)</u>

Products (HS Chapters 25-27)	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 %
Petroleum oils and oils from bituminous minerals, crude (HS 2709.00)	3,114.2	37.2
Oils/preparations obtained from bituminous minerals other than crude, >70% of such oils (HS 2710.11)	639.2	20.8
Bituminous coal, whether or not pulverised, but not agglomerated (HS 2701.12)	463.9	1.5
Copper ores and concentrates (HS 2603.00)	130.3	3.2
Oils/preparations obtained from bituminous minerals other than crude, <70% of such oils (HS 2710.19)	108.3	73.8
Zinc ores and concentrates (HS 2608.00)	83.6	4.0
Tin ores and concentrates (HS 2609.00)	27.8	99.5
Other	55.6	0.2
Total	4,622.9	5.7

6 March 2009

Summary of Outcomes:

Australia

- 2005 base tariffs (251 tariff lines):
  - 0% on 237 tariff lines
  - 5% on 14 tariff lines
- Tariffs will be eliminated on all but one tariff at EIF, with the remaining tariff eliminated in 2010.

Cambodia

- 2005 base tariffs (213 tariff lines):
  - 0% on 21 tariff lines
  - 7% on 102 tariff lines
  - 15% on 77 tariff lines
  - 35% on 13 tariff lines.
- Tariffs will be bound at 0% on EIF or phased to 0% on 179 lines by 2025, with remaining lines bound at base rates (between 7% and 35%):
  - Phase-in of tariff reductions will commence in 2013 for some higher tariffs of 35% and in later years for lower tariffs
  - The following lines are bound at their base rates from EIF: 10 lines with 7% tariffs; 16 lines with 15% tariffs; and 8 lines with 35% tariffs.

Indonesia

- 2005 base tariffs (213 tariff lines):
  - 0% on 75 tariff lines
  - 5% on 130 tariff lines
  - 10% on 1 tariff lines
  - 15% on 3 tariff lines
  - 30% on 4 tariff lines
- 205 tariff lines will either be bound at 0% on EIF or eliminated by 2010, with another 2 lines phasing to 0% by 2013, and the remaining 6 tariff lines phasing to 5% or 15% by 2025:
  - tariffs of 0% bound on EIF
  - tariffs of 5% will be eliminated in 2010
  - the 10% tariff phases to 5% in 2015
  - of the three 15% tariffs, 2 phase to 0% in 2013 and one to 5% in 2016
  - tariffs of 30% phase to 15% in 2025.

Malaysia

- 2005 base tariffs (204 tariff lines):
  - 0% on 179 tariff lines
  - 5% on 15 tariff lines

- 15% on 2 tariff lines
- 20% on 1 tariff line
- 25% on 5 tariff lines
- 30% on 1 tariff line
- 50% on 1 tariff line.

- Tariffs will be eliminated on 199 tariff lines by 2012, with tariffs on the remaining 5 lines phasing to 0% by 2020:
  - All 0% tariffs will be bound at 0% on EIF and 5% tariffs will be eliminated in 2010 (194 tariff lines to 0% by 2010).
  - 15% tariffs will be eliminated in 2012
  - 3 of the 25% tariffs phase to 0% in 2011
  - all remaining tariffs phase to 0% in 2020.

New Zealand

- 2005 base tariffs (185 tariff lines):
  - 0% on 176 tariff lines
  - 5% on 1 tariff lines
  - 6.5% on 3 tariff lines
  - 7% on 5 tariff lines
- Tariffs will be eliminated on all but one tariff line at EIF, with the tariff on the remaining line eliminated in 2010:

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

Philippines

- 2005 base tariffs (213 tariff lines):
  - 1% on 53 tariff lines
  - 3% on 144 tariff lines
  - 5% on 11 tariff lines
  - 7% on 5 tariff lines
- Tariffs on a majority of tariff lines will be eliminated in 2010, with tariffs on remaining lines phasing to 0% by 2018, except for 3 lines phasing to 4% in 2020:
  - the majority of 1%, 3% and 5% tariffs will be eliminated in 2010
  - a further tranche of 1% (7) and 3% (17) tariffs are eliminated in 2015
  - twenty 3% tariffs and all the 7% tariffs phase to 0% in 2018
  - three 5% tariff lines will phase to 4% in 2020.
- tariffs on Australia's top two exports - crude petroleum (2709.00) and copper ores and concentrates (2603.00) - both have a base rate of 3% which will be eliminated in 2010 and 2015 respectively.

Singapore

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

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

<u>Thailand</u>

- <u>2005 base tariffs (173 tariff lines)</u>:
  - 0% on 9 tariff lines
  - 1% on 123 tariff lines
  - 5% on 8 tariff lines
  - 10% on 13 tariff lines
  - 12.5% on 2 tariff lines
  - 20% on 3 tariff lines.
  - 15 specific tariffs.
- <u>168 tariff lines will be bound at 0% at EIF or eliminated in 2010, with tariffs on remaining lines phasing to 0% by 2020:</u>
  - Most tariffs will be eliminated on EIF (154) or in 2010 (a further 14)
  - Three 1% tariffs phase to 0% in 2015
  - One 12.5% tariff phases to 0% by 2017
  - One 20% tariffs phases to 0% by 2012
  - tariffs on Australia's top three exports - petroleum oils crude (2709.00) bituminous coal (2701.12) and zinc ores/concentrates (2608.00) - are all bound at 0% at EIF.

<u>AANZFTA outcomes do not improve on TAFTA.</u>

<u>Vietnam</u>

- 2005 base tariffs (220 tariff lines):
  - 0% on 37 tariff lines
  - 1-3% on 79 tariff lines
  - 5-10% on 71 tariff lines
  - 15-20% on 13 tariff lines
  - 30-40% on 13 tariff lines
  - 50-60% on 7 tariff lines
- <u>Tariffs will be eliminated on 171 lines by 2020, 41 lines are excluded from tariff commitments, and one 15% line and seven 5% lines are bound at that rate at EIF:</u>
  - 36 tariffs are bound at 0% on EIF
  - a further 121 tariffs are either eliminated in one step or phase to 0% in 2016
  - one 30% and one 40% tariff phase to 0% by 2018
  - a further 12 tariffs (10-40%) phase to 0% by 2020
- Treatment of tariffs on Australia's top three exports:
  - petroleum oils - crude (2709.00) – 15% tariff phased to 0% in 2016;
  - oils/preparations other than crude, containing >70% by weight of such oils (2710.11) – exclusion from tariff commitments;
  - lead ores/concentrates (2607.00) – bound at 0% on EIF.