



Australian Government

Department of Foreign Affairs and Trade

***FACT SHEET – OVERVIEW OF TARIFF OUTCOMES***

AANZFTA provides for the progressive reduction or, for most products, elimination of tariffs facing Australian goods exports to ASEAN countries over a transition period, and the elimination of all Australian tariffs on imports from AANZFTA Parties. Key features of the tariff outcomes:

- Tariffs will be eliminated on a high percentage of tariff lines, with phasing commencing early in the transition period, using as a starting point applied most-favoured-nation (MFN) tariffs in the 2005 base period.
- Many tariffs currently at possibly prohibitive levels will be reduced to levels that should allow trade to flow within a few years.
- Exclusions from tariff commitments have been kept to a minimum, and generally do not exceed 1% of a country's national tariff lines.
- For those tariff lines where tariffs are not eliminated, but which are not in the exclusion category, tariffs will either be bound at the base period rate, or will be subject to tariff reductions.
- The tariff commitments in the Agreement apply to those goods which meet the rules of origin (ROO). See the Fact Sheet – Rules of Origin
- The tariff outcomes provide for longer transition periods, and lower tariff elimination outcomes, for Vietnam and the three least developed countries (Burma, Cambodia and Laos), in recognition of their status as newer ASEAN members with less developed economies.

A snapshot of the tariff elimination outcomes is provided by Table 1, which shows, for each Party, the number of tariff lines with MFN tariff-free treatment in the base year of 2005, and with bound tariff-free treatment in AANZFTA in 2010, in 2013, and at the end of the transition period for each country. The Table demonstrates:

- the high levels of tariff elimination that will be achieved by AANZFTA; and
- that high levels of tariff-free treatment - generally around 90% - will be achieved as early as 2013 for the more developed ASEAN markets.

**Table 1**  
**Percentage of Tariff Lines with Tariff-Free Treatment**

Country	2005 Base Tariffs (%)	2010 (%)	2013 (%)	Final Tariff Elimination (%)	Year Achieved
Australia	47.6	96.4	96.5	100	2020
Brunei	68	75.7	90	98.9	2020
Burma	3.7	3.6	3.6	85.2	2024
Cambodia	4.7	4.7	4.7	88	2024
Indonesia	21.2	58	85	93.2	2025
Laos	0	0	0	88	2023
Malaysia	57.7	67.7	90.9	96.3	2020
New Zealand	58.6	84.7	90.3	100	2020
Philippines	3.9	60.3	91	94.6	2020
Singapore	99.9	100	100	100	2009
Thailand	7.1	73	87.2	99	2020
Vietnam	29.3	29	29	89.8	2020

An additional perspective on the significance of AANZFTA's tariff commitments is provided by [Table 2](#):

- it shows the percentage of each country's tariff lines in the 0-5% range (i.e. tariffs that are zero or at such a low level they should not restrict trade) in the 2005 base period, in 2011, 2013, 2017, 2020 and 2025;
- it demonstrates that, within about 2 years of AANZFTA's entry into force (EIF), the tariff commitments should deliver some significant improvements in access to ASEAN markets for Australian exporters.

**Table 2**  
**Percentage of Tariff Lines with Tariffs in the 0-5% Range**

Country	2005 Base Tariffs(%)	2011(%)	2013(%)	2017(%)	2020(%)	2025(%)
Australia	86.2	96.7	96.8	97.6	100	100
Brunei	76.2	77	93.2	95.8	99	99
Burma	68.6	68.1	68.1	89	89.1	96.9
Cambodia	4.7	4.7	4.7	35.4	71.4	95
Indonesia	59.4	85	92.4	95.6	96.2	96.7
Laos	49.6	49.4	49.4	84.8	88.3	95.8
Malaysia	66.2	83.8	91	97	97.2	97.2
New Zealand	65.4	91.3	94.6	98.3	100	100
Philippines	57.2	91.3	94.5	95.7	96.5	96.5
Singapore	99.9	100	100	100	100	100
Thailand	56.5	76.8	91.4	92.3	99	99
Vietnam	46.7	46.3	55	90.8	90.8	95

Table 3 provides information on the percentage of base period (2005) imports from Australia with tariff-free treatment in 2005 (in relation to MFN tariffs) and, for AANZFTA tariff bindings, in 2010, 2013, and at the final year of tariff elimination for each of the more developed ASEAN 6 countries and Vietnam.

- These countries account for 99% of Australia's exports to ASEAN.
- This table demonstrates the high level of current trade flows covered by tariff elimination commitments.

**Table 3**  
**Percentage of Base Period (2005) Imports from Australia with**  
**Tariff-Free Treatment**

Country	2005 (%)	2010 (%)	2013 (%)	Final Tariff Elimination (%)
Brunei	93.2	93.8	96	99.7
Indonesia	67	81.3	85.4	93.4
Malaysia	87.8	90.9	96	96.9
Philippines	4.3	65.9	75.8	92
Singapore	99.9	100	100	100
Thailand	50	87.2	88.4	98.5
Vietnam	19.8	19.8	19.8	96.8

The Tariff Schedules for each country are included in Annex 1 of AANZFTA, and they set out, for each tariff line:

- The 2005 MFN base rate.
- The AANZFTA bound tariff for each year of the transition period, with reductions implemented on 1 January of each year (the phasing table).
- The final bound tariff (in the final column of the phasing table).

Tariff lines excluded from tariff commitments are marked in relevant Tariff Schedules with a "U" in the phasing tables.

Other Fact Sheets provide an overview of tariff outcomes in particular sectors.