ASEAN-Australia-New Zealand Free Trade Agreement Australian Government Department of Foreign Affairs and Trade

# FACT SHEET – VEGETABLES, FRESH, DRIED, CHILLED OR FROZEN

ASEAN is an important market for vegetables, worth about \$60 million in average annual exports. AANZFTA will ensure the maintenance of current market access in ASEAN countries for these products and enhance this access through the reduction and elimination of tariffs. Tariffs on all products will be bound at 0% on entry-into-force (EIF), or phase to 0%, in Malaysia and Vietnam, and tariffs on most products will phase to 0% in other countries. However, high tariffs on a number of products (including potatoes and carrots in Indonesia, and potatoes, celery, carrots, cauliflowers, broccoli and lettuce in the Philippines) will only be subject to modest reductions.

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

Draduet		
Product (HS Ch 07)	Exports to ASEAN	Exports to ASEAN as
		Percentage of Australia's
		Total Exports of Each
		Product
		3 Year Average 2006-
	3 Year Average	2008
	2006-2008	%
	(\$A million)	
Dried shelled peas, beans and	18.6	4.8
leguminous vegetables		
(HS 0713.10 – 0713.90)		
Carrots and turnips, fresh or	15.5	38.1
chilled		
(HS 0706.10)		
Potatoes, seed potatoes, fresh or	7.4	48.6
chilled		
(HS0701.10 – 90)		
Cabbages, cauliflowers, broccoli,	5.7	60.6
other brassicas, fresh or chilled		
(HS 0704.10 – 90)		
Vegetables, nes, fresh or chilled	4.4	38.5
(HS 0709.10 and 0709.90)		
Asparagus, fresh or chilled	0.8	4.1
(HS 0709.20)		
Frozen vegetables	0.7	12.5
(potatoes, peas, beans, sweet		
corn, leguminous, mixed)		
(HS 0710.10 – 90)		
Other	7.2	13.6
Total	60.3	11.1

#### Summary of Outcomes

## <u>Australia</u>

• All fresh, dried, chilled, frozen or provisionally preserved vegetables: tariffs bound at 0% on EIF

## <u>Indonesia</u>

Tariffs will be eliminated on 79 tariff lines by 2010, another 9 lines will have tariffs reduced to 4% or 2.5%, and 3 lines will have tariffs reduced to 12.5% or 18.75%.

- Seeds and bulbs: tariffs of 0% on 14 lines bound at EIF;
- **Potatoes, non seed**: 25% tariff reduced in one step to 18.75% in 2025;
- Fresh or chilled shallots, carrots: 25% tariffs reduce in one step to 12.5% in 2025
- **Turnips:** 5% tariff reduced in one step to 2.5% in 2025;
- Dried and shelled beans/peas: 5% tariffs eliminated in 2010;
- **Other vegetables**: 5% tariffs on 65 lines will be eliminated in 2010; or reduce to 4% in 2015 for 8 lines (fresh or chilled chillies, tomatoes, cabbages, cauliflowers, some lettuce, broccoli and brussel sprouts).

#### <u>Malaysia</u>

• All tariffs either bound at 0% on EIF (69 tariff lines) or phase to 0% by 2010 or 2011 (remaining 15 lines).

#### New Zealand

• All fresh, dried, chilled, frozen or provisionally preserved vegetables: all tariffs eliminated or bound at 0% on EIF.

Note: these tariff commitments the same as in ANZCERTA.

#### **Philippines**

Tariffs will be eliminated on 86 tariff lines by 2020, will be phased to 5% on 4 lines, and there will be modest tariff reductions on the remaining 8 lines.

- Potatoes (non-seed) and carrots: 40% tariff reduces to 32% in one step in 2020;
- **Cauliflowers, broccoli and lettuce:** 25% tariffs reduce from 25% to 20% in one step in 2020;
- Celery: 20% tariff reduces in one step to 16% in 2020;
- Onions and garlic: 40% tariffs reduce to 5% by 2018;
- Other vegetables: Tariffs on remaining 86 lines phase to 0% by 2010 or 2012 (55 lines); remainder phase to 0% by 2015 or 2020.

## **Singapore**

#### • All tariffs bound at 0% on EIF

Note: these tariff commitments the same as in SAFTA

## <u>Thailand</u>

- Potatoes, including seed, fresh, chilled or frozen, onions, shallots, garlic: excluded from tariff commitments
- Cabbages, Brussels sprouts, other edible brassicas, lettuce, carrots, turnips, peas, beans, asparagus, celery, spinach, mushrooms: 40% tariffs phase to 0% by 2013;
- Vegetables, provisionally preserved: 40% tariffs phase to 0% by 2013;
- Dried leguminous vegetables: 30% tariffs eliminated on EIF or phased to 0% by 2013
- Potatoes, prepared, preserved or frozen: 30% tariffs eliminated in one step in 2020;
- Other vegetables, prepared, preserved or frozen: 30% tariffs phase to 0% by 2013.

Note: Under TAFTA tariffs on these items are eliminated earlier, and there are no exclusions from tariff elimination.

## <u>Vietnam</u>

Tariffs will be eliminated on all 91 tariff lines by 2018.

- Seed potatoes, bulbs for propagation: 0% tariffs bound at EIF;
- **Potatoes, non-seed**: 20% tariff phasing to 0% by 2017.
- Carrots, turnips, cabbages, cauliflowers, other edible brassicas: 20% tariff phase to 0% by 2017, commencing in 2010;
- Fresh or chilled asparagus, celery, spinach: 15% tariffs phase to 0% by 2016, with reductions commencing in 2011;
- Leguminous vegetables, fresh, chilled or frozen; frozen sweet corn, mixtures of vegetables; dried leguminous vegetables, lentils, beans: 30% tariffs phase to 0% by 2018 with reductions commencing in 2010.
- Fresh, chilled, dried or provisionally preserved vegetables: all tariffs phase to 0% by 2016, 2017 or 2018.