

# **ASEAN'S FREE TRADE AGREEMENTS**

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# ASEAN ECONOMIC INTEGRATION FRAMEWORK

## ■ Internal Integration – ASEAN Economic Community

- + Single market and production base
- + Competitive economic region
- + Equitable economic development
- + Integration into the global economy

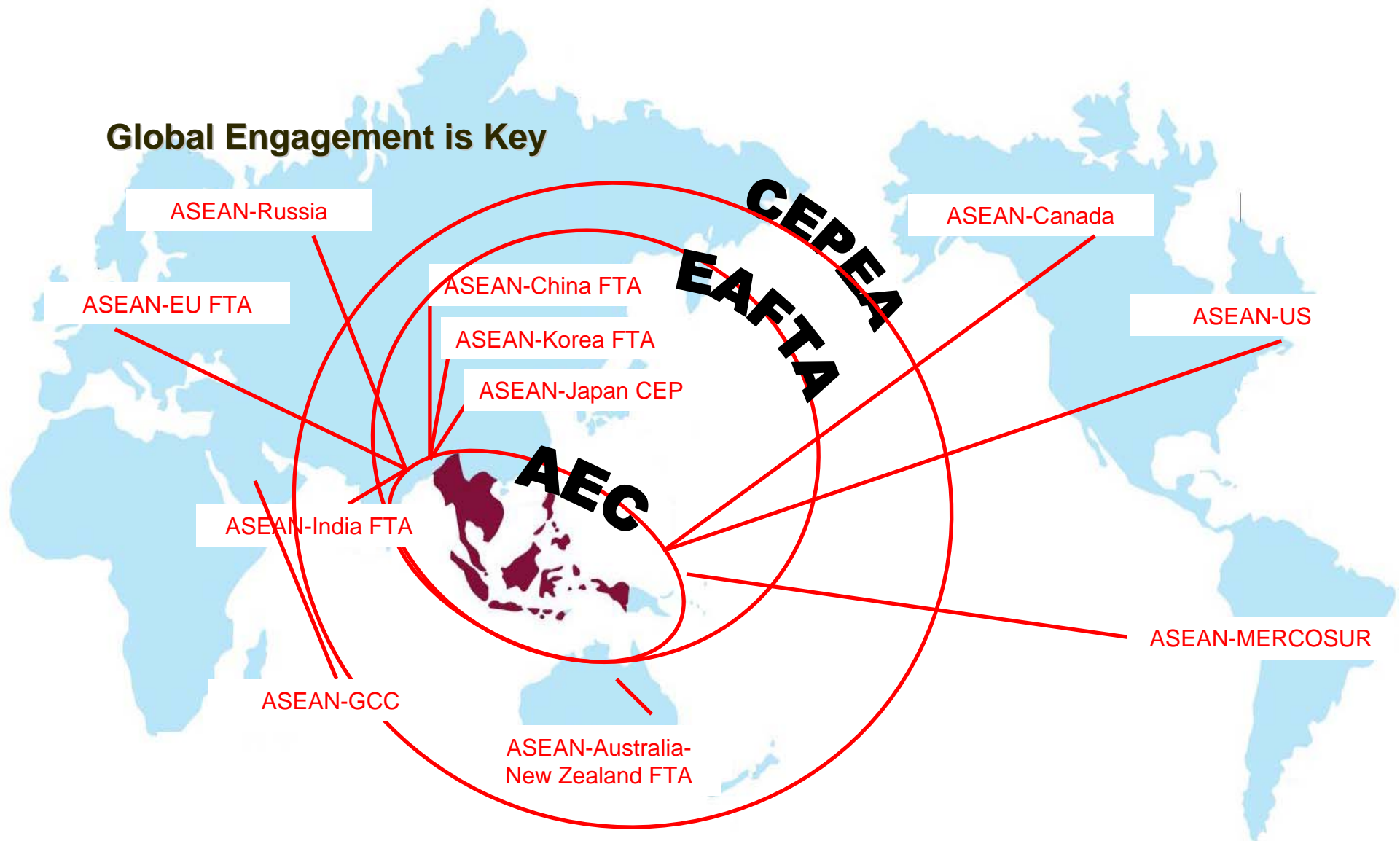
## ■ External – FTAs and CEPs

- + Enhance market access
- + To remain competitive vis-à-vis countries/blocs directly competing with ASEAN
- + ASEAN Centrality



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# ASEAN EXTERNAL ECONOMIC RELATIONS



# APPROACH TO FTA NEGOTIATIONS

## Sequential

- Framework Agreement
- Trade in Goods
- Trade in Services
- Investment

## Single Undertaking

- Comprehensive agreement covering goods, services, investment, economic cooperation, other related disciplines

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# **FTAS IN ASEAN**

- ✘ **ASEAN Free Trade Agreement (AFTA) – 1993**
- ✘ **ASEAN-China Free Trade Agreement (ACFTA) – 2005**
- ✘ **ASEAN-Korea Free Trade Agreement (AKFTA) – 2007**
- ✘ **ASEAN-Japan Comprehensive Economic Partnership (AJCEP) – 2008**
- ✘ **ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA) – 2010**
- ✘ **ASEAN-India Free Trade Agreement (AIFTA) – 2010**



# **ASEAN FREE TRADE AREA**

- **Established in 1992, realised on 1 January 2010 (ASEAN-6) as 99% of total tariff lines eliminated for intra-ASEAN trade**
- **Average tariff for ASEAN-6 is now 0.95% from 12% in 1992**
- **AFTA for CLMV will be realised as early as 1 January 2015 (part of the S&D given to CLMV as new ASEAN members and as least developed ASEAN Members)**
- **Ultimate goal is free flow of goods in 2015 as ASEAN realises the ASEAN Economic Community**



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# **ASEAN TRADE IN GOODS AGREEMENT (ATIGA)**

- **Signed in Thailand on 26 February 2009 and entered into force on 17 May 2010**
- **Supersedes the 1993 Agreement on Common Effective Preferential Tariff Scheme (CEPT)**
- **Provides the legal framework to realise free flow of goods in the ASEAN Economic Community**
- **Covers more than tariff liberalisation; includes substantive Chapters on enhanced ROO, trade facilitation work programme, Customs procedures, STRACAP (standards, technical regulations and conformity assessment procedures) and SPS**



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# CHINA FREE TRADE AGREEMENT

using a “sequential approach”  
only FTA that provided for an Early Harvest  
Phase, implemented in 2004  
Goods Agreement signed in 2004 and  
entered into force in 2005; ROO enhanced in 2011  
Services Agreement signed 2007; 2nd  
Protocol of Specific Commitments to be signed in  
2011  
Investment Agreement signed in 2009  
Implementation started on 1 January 2010  
Population of 1.91 billion with a combined  
GDP of \$7.6 trillion (2010)



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