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## **ASEAN**

The Commission has given high priority to the ASEAN region, gathering important emerging countries, with growing GDP per capita.

EU FTAs have been launched with Singapore, Malaysia and Vietnam. “Scoping Exercises” have been launched with Indonesia, Philippines and Thailand.

The EU applies a GSP import tariff rate of 0% for auto parts coming from India, Indonesia, Malaysia, Philippines, Thailand and Vietnam, (6.5% for motor vehicles). Conversely, for EU exports, import duties into these countries average between 15-30%.

## **EU FTA Singapore**

CLEPA is in favour of an EU FTA with Singapore, albeit, EU industrial goods are already imported duty free into Singapore.

The Commission has proposed “cumulation” to be allowed throughout the ASEAN region, i.e.: Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Thailand, VietNam. In principle, CLEPA is in favour of cumulation, comprising of a “positive list” of products falling under HS tariff code 8708 – “automotive parts and accessories”. However, the Rules of Origin applied would have to be the standard EU rules, which would not facilitate countries such as China becoming a “back door” for products with a significant local content and thereby giving them preferential treatment.

The aim is for EU FTA Singapore to act as a good precedent for other bilateral FTAs in the ASEAN region.

Singapore is not a contracting party to the UNECE 1958 Agreement, however, to date they have accepted all the UNECE approvals. To avoid NTBs if Singapore changes its policy, we recommend it accedes to the UNECE 1958 Agreement and sign all the Regulations that the EU has signed

## **EU FTA Malaysia**

CLEPA is in favour of an EU FTA with Malaysia, bringing full, reciprocal liberalisation (Malay tariff rates are currently between 15-30%) and dismantling of NTBs.

The Malaysians are currently reforming their own National Automotive Policy, which has not yet been published. Expectation is after the Malay elections in September 2012. Until then the EU FTA negotiations will be delayed.

Some red lines have emerged on NTBs: export duties, Public Procurement, sustainable development and IPR. Further barriers re: complex import licenses procedures and the CBU customs valuation, which inflates the price of a vehicle to maximize tariff revenue, which is not WTO compliant.

Malaysia have acceded to the UNECE 1958 Agreement and has signed more Regulations than EU has.

CLEPA is feeding input to the Commission's drafting of a NTB Annex, which shall eventually be attached to the FTA text.

## **EU FTA Vietnam**

On 31<sup>st</sup> May 2012 the European Commission received the endorsement from the Foreign Affairs Council of EU to open negotiations for a Free Trade Agreement (FTA) with Vietnam. CLEPA contributed to the Commission's Public Consultation on an EU FTA with Vietnam, in September 2012, in which we expressed a general interest to conduct bi-lateral trading relations with the country. CLEPA calls for cumulation with all ASEAN countries under the FTA, irrespective of whether these countries have already signed an EU FTA. There should also be a possibility for full cumulation with the EU.

Certain obstacles have been cited, such as lack of public information and transparency on import restrictions; measures burdening imports, due to lack of standard processes. Unclear rules and regulations for customs valuation.

### **Trade flows between EU and ASEAN countries continue to be monitored.**

Imports from Vietnam increased by 45% in 2011 compared to 2010; imports from EU increased by 35%, EU Trade surplus: \$129,645,012 in 2011.

Imports from Malaysia increased by 58% in 2011 compared to 2010; imports from EU increased by 30%. EU Trade surplus: \$200,381,145 in 2011, increased by 17.8% from last year.

Imports from Singapore increased by 49% in 2011 compared to 2010, imports from EU increased by 15%. EU Trade surplus: \$412,354,939 in 2011, increased by 13.5% from past year.

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