

ASEAN FOR BUSINESS

# Monthly Bulletin

July 2022



In Focus: Accessing Southeast Asia's Market with ASEAN Trade in Goods Agreement (ATIGA)



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ASEAN has continuously evinced its commitment to keep its market open. In 2009, amidst the worst global economic crisis since the Great Depression, ASEAN signed the ASEAN Trade in Goods Agreement (ATIGA) to further its commitment to an open and integrated regional economy. The ATIGA consolidates and streamlines all the provisions in the Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Agreement (CEPT-AFTA). It promotes trade in the region by reducing barriers to intra-ASEAN trade through tariff reduction, redefining rules of origin, standardising customs and clearance process, and reducing/eliminating non-tariff barriers.

To be eligible for preferential tariff under the ATIGA, business must meet the Rules of Origin (ROO) criteria; the indicators used to determine where a product was made. The product-specific rules (PSR) in the ATIGA specify that a product could be classified as *originating goods* from ASEAN if it either (i) undergone a Change in Tariff Classification (CTC), meaning that the non-originating material used in the production of a good must not have the same classification under the HS as the final good into which it is incorporated; (ii) satisfied a Regional Value Content of not less than 40% threshold; (iii) completed a specific process of production in the ASEAN Member States (AMS) or (iv) combination criteria.

## About the Bulletin

ASEAN for Business is a bulletin published by the Enterprise and Stakeholder Engagement Division of the ASEAN Secretariat.

This monthly bulletin provides quick updates on specific topics related to the ASEAN Economic Community (AEC) for businesses operating in the region.

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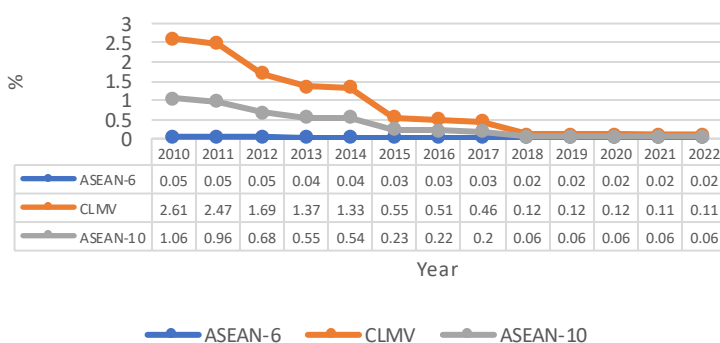
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## Progress and Impact of the Implementation of the ATIGA

### (i) Tariff Reduction

ERIA, from their [study on the impact of the ATIGA on the region](#), reported that commitments for tariff liberalisation under the ATIGA have mostly been achieved and thus, brought ASEAN closer to its goal of becoming a ‘single market and a production base’. Brunei Darussalam, Indonesia, Malaysia, Singapore, Thailand, and the Philippines had eliminated import duties on 99% of the tariff lines by 2010, leaving only a few products not subject to elimination under ATIGA. Further, the Average tariffs for Cambodia, Lao PDR, Myanmar, and Viet Nam, noting the flexibilities accorded to them, fell from 2.61% in 2010 to 0.11% in 2022. This resulted in the Average intra-ASEAN tariffs further decreasing from 1.06% in 2010 to 0.06% in 2022. Additionally, the ATIGA increased the Margin of Preferences (MOP) in the highly protected sectors, such as Agricultural products, which led to high rates of ATIGA utilisation in this sector. For example, the utilisation rates of processed agriculture as a whole in 2018 in Cambodia, Malaysia, the Philippines, Thailand, and Vietnam were above 60%.

Average Intra-ASEAN Tariffs (%)  
2010-2022



### (ii) Competitive Rules-of-Origin

As ATIGA also looks at eliminating NTMs, ATIGA seeks to ensure that the ROOs are trade-facilitative and easily complied with, and its Operational Certification Procedures (OCP) are user-friendly. ATIGA streamlined the

documentation requirements, such as those related to minimum data requirements for application of [Certificate of Origin \(Form D\)](#) and amended OCP provisions to provide further clarity in the interpretation of certain provisions.

### Implementation of the ATIGA e-Form D

In December 2019, all AMS joined the ASEAN Single Window (ASW) Live Operation, which enabled the granting of preferential tariff treatment based on the ATIGA electronic Certificate of Origin (e-Form D) exchanged through the ASW. This allowed for streamlining trade procedures and documentation processes as well as reducing the cost and time of doing business for the traders. In 2021, AMS have exchanged 880,000 e-Form D through the ASW. In addition, as of July 2022, four AMS, namely Indonesia, Malaysia, Thailand, and Viet Nam, are fully issuing e-Form D, where the hardcopy e-form D is only issued when the ASW has technical issues.

ATIGA further simplified the origin certification process through the launch of [the ASEAN-wide Self-Certification \(AWSC\) scheme](#) that enabled certified exporters to self-certify the origin status of their goods to be eligible for ATIGA tariff preferences. As of July 2022, there are more than 600 certified exporters registered in ASEAN.

### Challenges and the Way Forward for the ATIGA

Several challenges remain in the implementation of ATIGA. One example is the administration cost of compliance due to the use of hard copy Form D. It is also noted that, while ATIGA is found to be most effective where MSMEs are involved, [ASEAN Business Sentiment Study 2020/2021](#) identified that MSMEs in ASEAN have low awareness on the agreement.

Acknowledging these challenges, [ASEAN Economic Ministers \(AEM\) launched the negotiation to upgrade ATIGA](#) to ensure that the agreement remains relevant, forward-looking, more responsive to recent developments, and more inclusive for MSMEs. The upgraded ATIGA is expected to elevate ASEAN’s position in the global supply chains, lower trade costs, reduce regulatory barriers, unlock logistics bottlenecks, and place ASEAN on a more sustainable and inclusive economic growth path.

## Recent Updates

### **The Launch of ASEAN Consumer Protection Upgraded Website and Online Consumer Complaints Function**

The ASEAN Committee on Consumer Protection (ACCP) has [launched the upgraded ASEAN Consumer Protection Website](#) on 20 June 2022, and [the new online consumer complaints function](#) on 28 June 2022. The ACCP website has been the main point of reference for information pertaining to ASEAN's Consumer Protection Work, and it provides up-to-date information on consumer protection development at the national and regional level, updated consumer protection policies, and information customized to consumer, business, and regulators. The upgrading of the ACCP website is supported by the Consumer Protection in ASEAN (PROTECT) Project, implemented by GIZ and funded by the Federal Ministry for Economic Cooperation and Development (BMZ) of Germany. The new online consumer complaints function enables the consumer to file a complaint for products purchased from any ASEAN Member States (AMS). The complaints are then referred to the national consumer protection authority of the AMS to facilitate redress and can be tracked by consumers until it is resolved. The ACCP website can be accessed [here](#), and to file a consumer complaint, click [here](#).

### **Impact Summary Report of “Go Digital ASEAN”**

The ASEAN Coordinating Committee on Micro, Small, and Medium Enterprises (ACCMSME) and the Asia Foundation [released the Go Digital ASEAN Impact Summary Report](#) on 27 June to commemorate the International Micro, Small, and Medium-sized Enterprise Day (MSME) Day. Phase I of Go Digital ASEAN was implemented in ten AMS in 2020-2021 with a USD 3,3 Million grant from Google.org and has equipped 225,778 individuals with digital skills. The impact report surveyed 3,372 participants across the region and revealed that 81% of participating MSMEs saw an increase in their customer engagement,

77% moved their business online, and 25% kept their business running amid the crisis brought upon by COVID-19 as a result of the training. Phase 2 of Go Digital ASEAN commenced in July 2022 and will expand the focus to more advanced enterprises. Read the Impact Summary [here](#) and learn more about Go Digital ASEAN [here](#).

### **The Adoption of ASEAN Pharmaceutical Regulatory Policy**

[The adoption of the jointly developed ASEAN Pharmaceutical Regulatory Policy \(APRP\)](#) by the ASEAN Health Ministers and ASEAN Economic Ministers marks a new milestone for ASEAN. Particularly in the ASEAN's work towards the longer-term target to establish and adopt a common policy that provides a basis for structuring regulatory systems for pharmaceutical products across ASEAN. APRP will not only enable the reduction of trade barriers and enhance harmonisation of regulatory requirements and collaboration between regulators, but also to ensure timely access to high quality, safe efficacious, and available pharmaceutical products to support healthcare systems and protect public health in ASEAN. The APRP has been developed by ASEAN Member States with the support of the EU-funded ARISE Plus project. The scope of APRP includes pharmaceutical products such as, vaccines, antidotes, and other critical pharmaceuticals, and all activities related to the products' development, testing, manufacture, and distribution.

### **ASEAN Consumer Interactive Online Distance Learning Tools Launched**

[The ASEAN Committee on Consumer Protection \(ACCP\) launched the Consumer Online Distance Learning Tools](#), a self-paced learning course on four basic consumer protection topics, provided for free to registered users. The learning tools cover topics such as (i) Understanding Consumer Issues, (ii) Becoming a Consumer Champion, (iii) Building a Consumer Movement, and (iv) Mediating Disputes. Additional E-learning modules will be added to the system in the coming years. The learning management system can be accessed [here](#).

## Upcoming Events

Senior Economic Officials Meeting (SEOM) 3/53 and Related Meetings

Siem Reap,  
29 July – 5 August 2022

42<sup>nd</sup> High Level Task Force-Economic Integration

Siem Reap,  
**4-5**  
August 2022

ASEAN Day

Jakarta,  
**8**  
August 2022