

## APPENDIX I ROADMAP FOR INTEGRATION OF ELECTRONICS SECTOR

### I. OBJECTIVES

The objectives of integrating the electronics sector are:

- Develop, strengthen and enhance the competitiveness of the ASEAN Electronics sector and promote ASEAN as an integrated platform in which to do business in electronics;
- Strengthen regional integration efforts through liberalisation, facilitation and promotion measures to ensure full integration of the Electronics sector by 2010.
- Promote private sector participation.

### II. MEASURES

This roadmap includes specific measures that are of direct relevance to the Electronics sector, as well as common measures that cut across all priority integration sectors. The integration approaches are premised on:

- Combining the economic strengths of ASEAN member countries for regional advantage;
- Facilitate and promote intra-ASEAN investments;
- Improve the condition to attract and retain manufacturing and other economic activities within the region;
- Promote outsourcing program within ASEAN.

### III. COVERAGE

The scope of products include electronic data processing (EDP) equipment, electrical and electronic home appliances, medical and industrial equipment, telecommunication equipment, communications and radar, automotive electronics, instrumentation and controls, mechanical parts of electronic and electrical products, semiconductor devices (including inputs for the manufacture of semiconductor devices), and other machineries and equipment for the manufacture of semiconductors and printed circuit boards (PCBs).

Details of product coverage appear as **Attachment I** to this Roadmap.

**APPENDIX 1  
ROADMAP FOR INTEGRATION OF ELECTRONICS SECTOR**

| NO.                  | MEASURES   | IMPLEMENTING BODY   | TIMELINE  |
|----------------------|--|---|---|
| <b>COMMON ISSUES</b> |  |   |   |
| <b>I</b>             | <b>Tariff Elimination</b>  |   |   |
| 1                    | Eliminate CEPT-AFTA tariffs on all identified products   | Coordinating Committee on the Implementation of the CEPT Scheme for AFTA (CCCA) | ASEAN 6:<br>1 January 2007<br><br>CLMV:<br>1 January 2012   |
| <b>II</b>            | <b>Non-Tariff Measures (NTMs)<sup>1</sup></b>  |   |   |
| 2                    | Establish the Database of ASEAN NTMs to ensure transparency  | CCCA  | Completed on<br>30 June 2004  |
| 3                    | Regularly update the Database of ASEAN NTMs to ensure transparency   |   | Starting 1 January<br>2007  |
| 4                    | Establish clear criteria to identify measures that are classified as barriers to trade   |   | Completed on<br>27 September 2005<br>(19th AFTA Council)  |
| 5                    | Establish a clear and definitive work programme for the assessment of existing NTMs and identification of Non-Tariff Barriers (NTBs) |   | Completed on<br>21 August 2006<br>(20 <sup>th</sup> AFTA Council)   |
| 6                    | Eliminate NTBs on all identified products  |   | <b><u>First Package:</u></b><br>1 January 2008 for ASEAN 5;<br>1 January 2010 for the Philippines; and<br>1 January 2013 for CLMV<br><br><b><u>Second Package:</u></b><br>1 January 2009 for ASEAN 5;<br>1 January 2011 for the Philippines; and<br>1 January 2014 for CLMV<br><br><b><u>Third Package:</u></b> |

<sup>1</sup> Measures on NTMs apply to all products in accordance to the decisions of 20th AFTA Council, 21 August 2006, Kuala Lumpur, Malaysia. Priority Integration Sectors (PIS) measures on NTMs and NTBs shall be implemented in conformance with said AFTA Council decisions.

| NO.        | MEASURES   | IMPLEMENTING BODY   | TIMELINE  |
|------------|--|---|---|
|            |  |   | 1 January 2010 for ASEAN 5;<br>1 January 2012 for the Philippines; and<br>1 January 2015 with flexibility up to 2018 for CLMV |
| 7          | Conduct regular review and assessment of NTMs based on the criteria set by the AFTA Council  |   | Starting 1 January 2008   |
| <b>III</b> | <b>Rules of Origin</b>   |   |   |
| 8          | Improve the CEPT Rules of Origin by: <ul style="list-style-type: none"> <li>- making it more transparent, predictable, standardised and trade-facilitating, taking into account the need to encourage regional sourcing and the best practices of other Regional Trade Agreements including the rules of origin of the WTO; and</li> <li>- adopting substantial transformation as alternative criteria for conferring origin status</li> </ul> | Task Force on CEPT Rules of Origin (ROO-TF)                   | 31 December 2006  |
| 9          | Identify and implement measures to promote the utilisation of Form D   | CCCA and Coordinating Committee on Customs (CCC) <sup>2</sup> | Ongoing   |
| <b>IV</b>  | <b>Customs Procedures</b>  |   |   |
| 10         | Extend the application of the ASEAN Harmonised Tariff Nomenclature (AHTN) for extra-ASEAN trade  | CCC/Customs Procedures and Trade Facilitation Working Group   | 31 December 2007  |
| 11         | Develop a simplified, improved and harmonised customs declaration form   |   | Completed on 8 June 2005  |
| 12         | Ensure full implementation of the Green Lane System for CEPT Products, or similar systems, at entry points of all Member States  |   | Completed   |

<sup>2</sup> The Expert Committee on Customs Matters (ECCM) was restructured and renamed as CCC

| NO.      | MEASURES  | IMPLEMENTING BODY   | TIMELINE  |
|----------|---|---|---|
| 13       | Develop implementation guidelines, as appropriate, for Member States which are not members of the WTO to fulfil the obligations of the WTO Agreement on Customs Valuation   |   | Completed   |
| 14       | Adopt service commitment (client charter) by ASEAN customs authorities  |   | Completed   |
| 15       | Develop the Single Window approach, including the electronic processing of trade documents at national and regional levels  | Inter-Agency Task Force on Single Window                      | Completed on 9 December 2005                          |
| 16       | Implementation of the ASEAN Single Window   | ASEAN Single Window Steering Committee                        | 1 January 2008 for ASEAN-6<br>1 January 2012 for CLMV |
| <b>V</b> | <b>Standards and Conformance</b>  |   |   |
| 17       | Accelerate the development and implementation of sectoral Mutual Recognition Arrangements (MRAs), as appropriate  | ASEAN Consultative Committee on Standards and Quality (ACCSQ) | beginning 1 January 2005                              |
| 18       | Encourage domestic regulators to recognise test reports issued by testing laboratories which are already accredited by National Accreditation Bodies in ASEAN that are signatories to ILAC and APLAC MRA for products not covered under the sectoral MRAs |   | Ongoing   |
| 19       | Set clear targets and schedules for harmonisation of standards, wherever required; where international standards are not available, and when requested by industry, align national standards among Member States  |   | Completed   |
| 20       | Harmonise already identified standards among Member Countries   |   | 31 December 2007                                      |
| 21       | Identify and harmonise additional standards, wherever required; where international standards are not available, and when requested by industry, align national standards among Member States   |   | 31 December 2010                                      |

| NO.       | MEASURES   | IMPLEMENTING BODY                         | TIMELINE  |
|-----------|--|---|---|
| 22        | Harmonise and/or develop, wherever appropriate, technical regulations for national application   |   | 31 December 2010                                      |
| 23        | Ensure compliance with the requirements, rights and obligations of WTO Agreement on Technical Barriers to Trade  |   | Ongoing   |
| 24        | Develop ASEAN policy on standards and conformance to further facilitate the realisation of the ASEAN Economic Community  |   | Completed on 28 September 2005 (37 <sup>th</sup> AEM) |
| <b>VI</b> | <b>Logistics Services<sup>3</sup></b>  |   |   |
| 25        | <p>Expedite the development of integrated transport logistics services within ASEAN through:</p> <ul style="list-style-type: none"> <li>- Promotion of efficient door-to-door cargo transport and cross-border transport facilitation through the expeditious implementation of the ASEAN Framework Agreement on the Facilitation of Goods in Transit, and the ASEAN Framework Agreement on Multimodal Transport;</li> <li>- Improvement of land transport network infrastructures and services to achieve better inter-connectivity, interoperability and inter-modality with the national, regional and international maritime and air transport gateways;</li> <li>- Strengthening intra-ASEAN maritime and shipping transport services; and</li> <li>- Establishment of enabling and conducive policy environment for increased</li> </ul> | Senior Transport Officials Meeting (STOM) | Beginning 2005  |

<sup>3</sup> A comprehensive roadmap on logistics services as a separate Priority Integration Sector is currently being developed and shall be completed by June 2007

| NO.   | MEASURES  | IMPLEMENTING BODY   | TIMELINE   |
|---|---|---|--|
|   | private sector involvement and/or public-private partnerships in the development of transport infrastructure and the provision and operation of transport logistics facilities and services   |   |  |
| <b>VII Outsourcing and Industrial Complementation</b> |   |   |  |
| 26  | Identify and develop areas of specialisation on production processes, research and development (R&D), and testing facilities based on comparative advantages of individual Member States  | Working Group on Industrial Cooperation (WGIC), with inputs from the private sector | Ongoing  |
| 27  | Develop guidelines to promote outsourcing arrangements among Member States, as applicable   |   | 31 December 2008   |
| <b>VIII ASEAN Integration System of Preferences</b>   |   |   |  |
| 28  | Endeavour to simplify the procedures and expand the coverage of the ASEAN Integration System of Preferences (AISP) Scheme by including products in the priority integration sectors   | CCCA  | Between 1 January 2007 and 1 January 2009                                      |
| <b>IX Investments</b>                                 |   |   |  |
| 29  | Accelerate the opening up of sectors currently in the Sensitive List (SL) by transferring these sectors into the Temporary Exclusion List (TEL) under the Framework Agreement on the ASEAN Investment Area, using the ASEAN-X formula | Coordinating Committee on Investment (CCI)  | Ongoing  |
| 30  | Reduce restrictive investment measures in the SL  |   | Ongoing  |
| 31  | Complete the progressive elimination of restrictive investment measures in the TEL  |   | 2010 for ASEAN-6, 2013 for Viet Nam and 2015 for Cambodia, Lao PDR and Myanmar |
| 32  | Identify and implement programmes and activities to promote investments in ASEAN  |   | Ongoing  |

| NO.      | MEASURES   | IMPLEMENTING BODY   | TIMELINE               |
|----------|--|---|------------------------|
| 33       | Promote manufacturing processes across different ASEAN countries to take advantage of their comparative strengths through: <ul style="list-style-type: none"> <li>- the establishment of a network of ASEAN free trade zones to facilitate outsourcing activities</li> <li>- undertaking more efficient joint ASEAN facilitation and promotion measures to promote FDI</li> </ul>  | CCC; CCI; WGIC<br><br>CCI   | Ongoing<br><br>Ongoing |
| 34       | Promote and facilitate joint/cross border investments in manufacturing activities through: <ul style="list-style-type: none"> <li>- special incentives, where appropriate, to be given by CLMV for investments from ASEAN</li> <li>- special measures, where appropriate to be given by ASEAN 6 to promote and facilitate relocation of investment to CLMV countries especially for labour intensive manufacturing activities</li> </ul> | CCI   | Ongoing                |
| <b>X</b> | <b>Trade and Investment Promotion</b>  |   |                        |
| 35       | Intensify intra- and extra ASEAN joint promotion efforts regularly   | CCI; ASEAN Chambers of Commerce and Industry (ASEAN-CCI); and relevant Industry Clubs/ Associations | Ongoing                |
| 36       | Organise regular private sector initiatives to: <ul style="list-style-type: none"> <li>- undertake more efficient joint ASEAN facilitation and promotion measures to promote FDI into ASEAN</li> <li>- undertake joint trade and investment missions; and</li> <li>- assist CLMV in organising promotional activities</li> </ul>   | CCI; ASEAN Business Advisory Council (ASEAN-BAC); and ASEAN-CCI                                     | Ongoing                |

| NO.         | MEASURES  | IMPLEMENTING BODY  | TIMELINE                                       |
|-------------|---|--|--|
| 37          | Undertake more effective joint ASEAN facilitation in promotion measures and develop new sources of inward foreign direct investments, particularly from potential countries such as the People's Republic of China, India and the Republic of Korea   |  | Ongoing  |
| <b>XI</b>   | <b>Intra-ASEAN Trade and Investment Statistics</b>  |  |  |
| 38          | Develop an effective system to monitor intra-ASEAN trade and investment through: <ul style="list-style-type: none"> <li>- establish an efficient trade and investment database</li> <li>- provision of updates to the ASEAN Secretariat of the latest trade (goods and services) and investment statistics</li> <li>- preparation of consolidated industry profile, by the respective associations, which among other matters, cover information such as production capacity and product range</li> </ul> | ASEAN Heads of Statistical Offices Meeting (AHSOM); Working Group on Foreign Direct Investment Statistics and CCCA               | 31 December 2009<br><br>Ongoing<br><br>Ongoing |
| <b>XII</b>  | <b>Intellectual Property Rights</b>   |  |  |
| 39          | Expand the scope of ASEAN intellectual property rights cooperation beyond trademarks and patents by including cooperation in copyrights information exchange and enforcement  | ASEAN Working Group on Intellectual Property Cooperation (AWGIPC)  | Ongoing  |
| <b>XIII</b> | <b>Movement of Business Persons, Experts, Skilled Labour, Talents and Professionals</b>   |  |  |
| 40          | Develop an ASEAN Agreement to facilitate the movement of business persons, including the adoption of an ASEAN Business Travel Card, taking into account Member States' domestic laws and regulations  | Directors-General of Immigration Departments and Heads of Consular Affairs Division of the Ministries of Foreign Affairs (DGICM) | Ongoing  |



| NO.                    | MEASURES   | IMPLEMENTING BODY  | TIMELINE         |
|------------------------|--|--|------------------|
| 41                     | Identify and develop other mechanisms that will complement existing ASEAN initiatives to further facilitate the movement of experts, professionals, skilled labour and talents             | Coordinating Committee on Services (CCS)   | 31 December 2007 |
| 42                     | Accelerate completion of MRAs to facilitate free movement of experts, professionals, skilled labour and talents in ASEAN, taking into account Member States' domestic laws and regulations |  | 31 December 2008 |
| <b>XIV</b>             | <b>Facilitation of Travel in ASEAN</b>   |  |                  |
| 43                     | Harmonise procedures for the issuance of visas to international travellers   | DGICM  | Ongoing          |
| 44                     | Provide visa exemption for intra-ASEAN travel by ASEAN nationals   |  | Ongoing          |
| <b>XV</b>              | <b>Human Resource Development</b>  |  |                  |
| 45                     | Develop and upgrade skills and capacity building through joint trainings and workshops   | Senior Labour Officials Meeting (SLOM)<br><br>ASEAN Senior Officials for Education (ASOED)<br><br>Senior Economic Officials Meeting (SEOM)<br><br>Initiatives for ASEAN Integration (IAI) Task Force | Ongoing          |
| <b>SPECIFIC ISSUES</b> |  |  |                  |
| <b>XVI</b>             | <b>Customs Procedures</b>  |  |                  |
| 46                     | Institutionalise RosettaNet or other internationally compatible system in ASEAN for the exchange of trade documents  | CCC/Customs Procedures and Trade Facilitation Working Group  | 31 December 2007 |
| 47                     | Implement 24x7 customs operations, as may be applicable or deemed feasible, through operationalisation of  | CCC/Customs Procedures and Trade Facilitation Working  | 31 December 2007 |

| NO.  | MEASURES   | IMPLEMENTING BODY   | TIMELINE  |
|--|--|---|---|
|  | systems of the electronic processing and those similar on the basis of the ASEAN Cargo Processing Model.   | Group   |   |
| 48   | Implement the ASEAN Customs Declaration Document and measures of trade facilitation  | CCC/Customs Procedures and Trade Facilitation Working Group   | 31 December 2007  |
| <b>XVII Investment</b>   |  |   |   |
| 49   | Intensify regional investment promotion activities by focusing on ASEAN's competitive advantage which includes a large manufacturing base and a long established presence of MNCs, vis-à-vis other investment locations.   | CCI   | Ongoing   |
| 50   | Undertake regional investment promotion activities such as the following:<br><ul style="list-style-type: none"> <li>- ASEAN Electronic Database</li> <li>- Joint ASEAN Electronics Investment Promotions Collateral</li> <li>- Regular ASEAN Electronics Investments Forum</li> </ul>  | CCI, AEF and relevant bodies                                  | Beginning December 2006   |
| <b>XVIII Market and Production Base Integration</b>            |  |   |   |
| 51   | Further enhance the AICO Scheme  | WGIC  | Ongoing   |
| 52   | Promote intra ASEAN trade and increase outsourcing for electronics through:<br><ul style="list-style-type: none"> <li>- linking up existing individual country database</li> <li>- enhancing the ASEAN Supporting Industries Database (ASID) to become more user-friendly</li> <li>- holding regular trade exhibitions with Reverse Trade component, where applicable</li> </ul> | ASEAN Electronics Forum (AEF)<br><br>CCI and SMEWG<br><br>AEF | Beginning 31 December 2006<br><br>31 December 2007<br><br>Beginning December 2006 |
| <b>XIX Standards and Mutual Recognition Arrangements (MRA)</b> |  |   |   |

| NO.       | MEASURES  | IMPLEMENTING BODY                    | TIMELINE                             |
|-----------|---|--------------------------------------|--------------------------------------|
| 53        | Accelerate the implementation of MRAs for Electrical and Electronic Equipment   | ACCSQ                                | Beginning December 2005 <sup>4</sup> |
| 54        | Harmonise technical regulations for electronics and electrical sector in ASEAN  | ACCSQ                                | 31 December 2010                     |
| 55        | Ensure transparency or regulatory schemes in ASEAN  | ACCSQ, AEF and other relevant Bodies | Ongoing                              |
| 56        | Cooperate in capacity-building of ASEAN countries in terms of testing and accreditation                                   | ACCSQ and AEF                        | Ongoing                              |
| <b>XX</b> | <b>Capacity Building</b>  |                                      |                                      |
| 57        | Develop and promote ASEAN centre of excellence in the areas of R&D, design and prototyping, outsourcing from within ASEAN | WGIC and AEF                         | Beginning 30 June 2005               |
| 58        | Promote networking of Electronics skills development entities to explore possible collaboration among these entities      | WGIC and AEF                         | Beginning December 2007              |

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<sup>4</sup> The MRA had been signed and currently in the implementation stage. To date, eight Testing Bodies from Malaysia, Singapore, Thailand and Viet Nam and one Certification Body from Singapore have been listed under ASEAN EE MRA.