

MEDIA RELEASE

PRIORITY TO ADDRESS NON-TARIFF BARRIERS IN ASEAN

1. The Minister of International Trade and Industry, YB Dato' Sri Mustapa Mohamed is attending the 48th ASEAN Economic Ministers, 30th ASEAN Free Trade Area (AFTA) Council and 19th the ASEAN Investment Area (AIA) Council Meeting from 3-7 August 2016 in Vientiane, Lao PDR.
2. This is the first formal meeting of the ASEAN Economic Ministers (AEM) to review progress after the establishment of the ASEAN Economic Community (AEC) on 31 December 2015. The Ministers underscored the need to sustain economic growth in the region by continuing to deepen regional economic integration and work towards removing impediments to free flow of goods, services and investments. Malaysia reiterated that the monitoring and evaluation need to be given priority in order to fully realise AEC.
3. With tariffs on substantially all products currently at zero within the region, the Ministers are now according high priority on trade facilitation, especially on efforts to reduce and eliminate non-tariff barriers. Addressing NTBs have been frequently raised by the business community from within and outside the region. Malaysia stressed at the economic ministers meeting the need to accelerate the pace of work to fully implement trade facilitation initiatives, namely, ASEAN Single Window, ASEAN Trade Repository, ASEAN Self-Certification and ASEAN Customs Transit System as soon as possible. These initiatives will contribute to efficient movement of goods across the region as well as ensure costs of doing business in the region will remain competitive.
4. Minister Mustapa welcomed the strong commitment shown by the economic ministers to address non-tariff barriers (NTBs) in the region. The need to have a systematic mechanism to address NTBs was first raised by Minister Mustapa in 2012. He was pleased at the progress in resolving non-tariff barriers since this issue was first raised among ASEAN Member States 4 years ago. Since then, a total of 69 NTB cases have been reported, whereby 49 cases have been resolved through intensive consultation and peer review. Examples of NTBs that were resolved involving Malaysia include lengthy time and cost incurred on testing of food and pharmaceutical products, transit charges at the borders, import licensing requirements, pre-shipment inspection and non-recognition of test reports and certification for cosmetic products. While ministers acknowledge that there is progress in addressing NTBs, there is a lot more that will need to be done to ensure that ASEAN will be an attractive single market and production base.
5. To facilitate the private sector, a portal called ASEAN Solutions for Investments, Services and

Trade (ASSIST) was presented at the economic ministers meeting in Vientiane, Lao PDR. The private sector can now use this portal to lodge their complaints or problems faced in importing or exporting products within the region. The portal is expected to be operational soon. The Ministers agreed that issues raised in this portal must be resolved expeditiously through intensive consultation.

6. To facilitate the participation and for Micro, Small and Medium Enterprises (MSMEs) to benefit from AEC and the various free trade agreement, the Ministers welcomed the ASEAN Tariff Finder portal which contain information on tariffs and the rules of origin under the various free trade agreements.

7. The outlook for global trade growth remains challenging. In 2015, ASEAN's trade was registered at USD2.28 trillion, of which 24% was intra-ASEAN trade. The removal of impediments will enable ASEAN to sustain growth within the region. The forecast growth for 2016 is 4.1% and it is expected to be 4.6% in 2017. Minister Mustapa said that with greater awareness of AEC and expansion of intra-ASEAN investments, intra-ASEAN trade target of 30% can be achieved over the next few years.

Dato' Sri Mustapa Mohamed, Minister of International Trade and Industry
4 August 2016

-END-

About MITI:

The Ministry of Commerce and Industry was established in April 1956 then was renamed as The Ministry of Trade and Industry in February 1972. On 27 October 1990, the Ministry was separated into two Ministries which are; Ministry of International Trade and Industry (MITI) and Ministry of Domestic Trade and Consumer Affairs (KPDN).

MITI is the key driver in making Malaysia the preferred destination for quality investments and enhancing the nation's rising status as a globally competitive trading nation. Its objectives and roles are oriented towards ensuring Malaysia's rapid economic development and help achieve the country's stated goal of becoming a developed nation by 2020.