The Future Direction of the ASEAN Automotive Industry in the Era of FTA

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1. The ASEAN Automobile Market

- The ASEAN market is the growth center of the global automobile market.
- Large market scale is extremely important.
- “Speed” is a key factor.
2. The Current Status of AFTA

- ASEAN Six plan to completely eliminate tariffs on autos and auto parts by 2010.
- Moving up the tariff elimination schedule by three years from 2010 to 2007 is desirable.
3. ASEAN Countries and FTAs

- A total of 162 FTAs signed worldwide.
- ASEAN FTAs
  - CHINA
  - INDIA
  - AUSTRALIA and NEW ZEALAND
  - JAPAN
4. WTO Doha Development Agenda

- ASEAN's trade volume was USD 84 billion in 2003 (world share of 14.4%).
- Japan’s automobile industry is advocating an ambitious auto and auto parts tariff reduction scheme aimed especially at industrialized countries.
- We look forward to your full support for the Japanese tariff reduction scheme aimed at industrialized countries.
5. Our Expectations of an EPA between JAPAN and ASEAN

- ASEAN-made auto parts have excellent potential to be exported.
- Establishment of R&D centers in ASEAN to develop competitive parts.
- Promotion of mutual complementation
- Maintaining characteristic to attract investment conditions while optimizing own advantages.
6. Advantages of ASEAN/ASEAN countries and JAPAN EPAs

- Elimination of tariffs on auto parts, materials and finished vehicles not manufactured inside ASEAN to meet diverse consumer needs:
  - Expansion of market
  - Expansion of exports

- Increased global competition

- WIN-WIN relationship for both ASEAN and Japan.
7. Japan's Proposals and Cooperation

- **ASEAN Market Integration:**
  - Tariff
  - Non-Tariff: Technical harmonization (safety and environment)
  - Mutual recognition
  - Improved fuel quality
  - Streamlined customs procedures

- **EPA between ASEAN and JAPAN**

- **Industrial Cooperation:**
  - Experts Dispatch Program
  - Automobile Skill Certification System
  - Road Safety
  - Environmental Protection
Thank you for your attention.