

Attachment 1 (Industrial products)

1. General

In the field of industrial products, both sides will eliminate tariffs on almost all the goods within 10 years from the date of the entry into force of the JTEPA.

2. Specific

(a) Market access improvement by Thailand includes:

(i) Automobiles

- For passenger cars with engines exceeding 3,000 cc, the tariff rates will be reduced in equal annual installments from 80% annually until it reaches 60% in 2009 and will then be maintained at 60%.
- For passenger cars with engines not exceeding 3,000 cc, both sides will renegotiate on market access improvement and the renegotiation will commence on a date to be agreed upon before the signing of the JTEPA.
- A political declaration on automobiles will be issued at the time of signing of the JTEPA.

(ii) Auto parts

- Subject to the AFTA coming into effect in 2010, a preferential tariff elimination scheme for auto-parts (Original Equipment Manufacturing – OEM) will be implemented whereby:
 - For items with tariff rates over 20%, the tariff rates will be reduced to 20% on the date of entry into force of the JTEPA and maintained at 20% and eliminated in 2011;
 - For items with tariff rates 20% and below, the tariff rates will be maintained and eliminated in 2011;
 - For sensitive items (5 items), the tariff rates will be maintained and eliminated in 2013.

(iii) Iron and steel products

- Tariffs on some steel products will be eliminated on the date of entry into force of the JTEPA.
- Tariffs on the others will be eliminated, at latest, by the first day of the 11th year after the entry into force of the JTEPA.
- For some specific hot-rolled coils and plates, zero-tariff quota schemes will be established and their quantity will be jointly reviewed annually.

(b) Market access improvement by Japan includes:

(i) Textiles and apparels

- Tariffs on almost all items will be mutually eliminated immediately on the date of entry into force of the JTEPA.

(ii) Articles of jewelry

- Tariffs will be eliminated immediately on the date of entry into force of the JTEPA (5 items).

(iii) Petroleum and petrochemical products

- Tariffs on most items will be eliminated immediately on the date of entry into force of the JTEPA and tariffs on the remaining items will be eliminated five years after the date of entry into force of the JTEPA in equal annual installments.