

4009 : Overview of the Elimination or Reduction in Tariffs Under the Japan-Malaysia Economic Partnership Agreement

Based on the EPA between Japan and Malaysia, the tariff is scheduled to be eliminated for roughly 97% of the value of commerce between the two countries (approx. 99% of export from Japan and approx. 94% of import from Thailand) within 10 years from enforcement of the Agreement.

I. Agriculture, forestry and fisheries

1. Japan's key concessions

- Mangoes, Mangosteens, Forestry products other than Plywood , etc.: Immediate tariff elimination
- Fresh bananas: Tariff quota
 - Quota tax rate: (tax free 1,000 tons/year [renegotiation on the volume of quota in the fourth year after the agreement comes into force])
 - Tariff rate outside quota: 10% (April-September), 20% (October-March)
- Margarine : Tariff reduction from 29.8% to 25.0% in five years, and renegotiation in the fifth year

2. Malaysia's key concessions

- Apples, pears and persimmons Immediate tariff elimination

II. Industrial products

1. Japan's key concessions

- Tariff elimination for virtually all industrial products within 10 years

2. Malaysia's key concessions

(a) Automobiles and their parts

Parts for Vehicles (CKD [✳])	Immediate tariff elimination
Vehicles not using CKD [✳]	Tariff reduction to around 0 to 5 % in 2008 Tariff elimination in 2010
<ul style="list-style-type: none"> • Motor cars exceeding 2000 cc but not exceeding 3000 cc • Special purpose motor vehicles designed for the transport of persons or goods, exceeding 3000 cc • Truck and bus exceeding 20 tons 	Gradual tariff elimination by 2010
Motor cars exceeding 3000 cc	Tariff reduction to around 0 to 5 % in 2008
Other vehicles other than above	Gradual tariff elimination by 2015

[✳]Complete Knock Down

(b) Iron and steel

- Tariffs on essentially all iron and steel products will be eliminated within 10 years.
- Malaysia provides import duty exemption for products from Japan which are directly used in the manufacturing activities subject to agreed conditions.