It is great honor for me to be given the opportunity to join you at this Regional Workshop on the Importance of Rules of Origin and Standards in Regional Integration and to share with you experience and lessons learned from regional cooperation on standards and conformity assessment to support regional economic integration in ASEAN. Before I start, let me express my sincere thanks to the World Bank and Boao Forum for Asia for their kind invitation and great efforts to make this event happen today in this fascinating island of China.

Let me first give you short introduction on some initiatives on regional economic integration in ASEAN and later I will share with you how ASEAN cooperation on standards and conformance can contribute effectively to this integration process.

**ASEAN Free Trade Area (AFTA)**

In 1992, ASEAN Leaders agreed to establish the AFTA within 15 years (1993-2008). Since then, there have been important changes in the realization of AFTA. In 1994, the ASEAN Economic Ministers decided to shorten the timeframe for AFTA from 15 to 10 years. At the Second Informal Summit in 1997, the ASEAN Leaders agreed that the implementation of the AFTA be accelerated to increase intra-ASEAN trade as an important way of maintaining the momentum of regional economic integration in response to the financial and economic crisis. At the Sixth ASEAN Summit in December 1998, the ASEAN leaders further agreed to accelerate the establishment of the ASEAN Free Trade Area from its target date of 2003 to the year 2002 and a firm timetable leading up to the realization of AFTA by the year 2002 was agreed upon by ASEAN.

AFTA has now been virtually achieved after more than 10 year. As 1 January 2005, tariff on 98.98% of the products in the Common Effective Preferential Tariff (CEPT) Inclusion List (IL) of ASEAN-6, comprising Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand, have been brought down to the 0-5% tariff range.

ASEAN’s newer members, namely Cambodia, Lao PDR, Myanmar and Viet Nam, are not far behind in the implementation of their CEPT commitments as 86.91% of their total number of products traded in the region have been moved into their respective CEPT Inclusion Lists. Of these items, 81.35% already have tariffs within the 0-5% tariff band. Having joined ASEAN at a later date, these countries have longer timeframe to bring down to 0-5% tariffs on 100% of their products in the CEPT Inclusion List, i.e. Viet Nam, 2006; Lao PDR and Myanmar, 2008; and Cambodia, 2010.

Overall, 92.99% of all products in the IL of the ASEAN Member Countries have tariff between 0-5%.
ASEAN Economic Community (AEC)

To deeper the regional economic integration, the 9th ASEAN Summit held in October 2003 agreed to establish the ASEAN Economic Community as the end-goal of economic integration. The ASEAN Economic Community shall establish ASEAN as a single market and production base in which there is free flow of goods, services and skilled labour and freer flow of capital.

In moving towards the ASEAN Economic Community, ASEAN Leaders agreed on new mechanisms and measures to strengthen the implementation of its existing economic initiatives including the ASEAN Free Trade Area (AFTA) and ASEAN Framework Agreement on Services (AFAS) and to accelerate regional integration in the priority sectors as well as to strengthen the institutional mechanisms of ASEAN.

In November 2004, ASEAN reached a new milestone in economic integration with the signing of Framework Agreement for the Integration of Priority Sectors and its Protocols. Under this Framework Agreement, integration in eleven (11) priority sectors, namely, agro-based, air travel, automotive products, e-ASEAN, electronics, fisheries, healthcare, rubber-based products, textiles and apparels, tourism and wood-based products is to be achieved by 2010. Measures to facilitate this integration include tariff reduction for 85% of products in the priority sectors; simplification of custom procedures and elimination of non-tariff barriers including those posted by standards, technical regulation and conformity assessment procedures in Member Countries.

ASEAN Cooperation on Standards and Conformance

(i) Strategies and approaches

As I mentioned above, ASEAN is on its way to an integrated market. However, economic integration is not just about cutting or removing tariffs on trade. ASEAN Member Countries have to make sure that non-tariff barriers including technical barriers posted by standards, technical regulations and conformity assessment are removed.

Having recognized this important role of standards and conformance in facilitating the regional economic integration, ASEAN Economic Ministers at their 24th meeting in Manila, Philippines on 22-23 October 1992 decided to establish ASEAN Consultative Committee on Standards and Quality (ACCSQ) to undertake all necessary measures to eliminate technical barriers to trade.

The contribution of standards and conformance to regional economic integration has been further recognized by ASEAN Leaders. This has been reflected in many agreements and declarations such as Bangkok Declaration 1995, Ha Noi Action Plan 1998 and Bali Concord II 2003. I take Bangkok Declaration 1995 as an example. It stated that "ASEAN shall introduce greater transparency in standards and conformance, align product standards with international standards and undertake projects to facilitate mutual recognition agreements on a bilateral or plurilateral basis, to facilitate greater intra-regional trade. ASEAN shall identify the work programmes to achieve these objectives and commence work in 1996."

In moving forward this standards and conformance cooperation, an regional action plan on standards and conformance was developed under the leadership of the Heads of Standards Bodies and
great participations of regulatory authorities and in industry in ASEAN. The Action Plan focuses on the following areas:

- Harmonise standards and technical regulations through alignment with international practices;
- Develop and implement Mutual Recognition Arrangements (MRAs) on Conformity Assessment;
- Enhance the technical infrastructure and competency in laboratory testing, calibration, certification and accreditation based on internationally accepted procedures and guides; and
- Strengthen information networking on standards and technical regulations with the aim of meeting the requirements of the WTO Agreement on Technical Barriers to trade and WTO Agreement on the application of Sanitary and Phytosanitary Measures.

The following diagram shows how ACCSQ organizes its activities towards regional economic integration:

ACCSQ has been dealing with three interrelated but distinct process loops. The first loop deals with the harmonization of national standards and their implementation as voluntary reference or mandatory requirement for market transactions. The second loop deals with the establishment of MRA on conformity assessment, so Member Countries can accept each other the conformity assessment process. The third loop deals with the measurement and accreditation, which help assure competence of conformity assessment activity.

To enable ACCSQ to complete its tasks, ACCSQ has formed its Working Groups (WG) and Product Working Group to undertake specific missions. The current structure of ACCSQ is as follows:
Progress made

For last few years, ACCSQ has made significant progress in moving forward the regional cooperation on standards and conformity assessment. These achievements can be summarized as follows:

A. Harmonization of standards with international standards

To date, 140 international standards have been harmonized in ASEAN. Another 24 standards for electrical and electronic equipment were recently identified for harmonization from 2004-2007. There are also ongoing studies to identify more standards for harmonization in ASEAN till 2010.

In addition, the national standardization infrastructures of many ASEAN Member Countries are now integrated into the network of international standardization. A number of national standards in ASEAN Member Countries are aligned with international standards such as Malaysia close to 50% while Singapore and Vietnam are 82.4% and 90% respectively.

B. Mutual Recognition Arrangement and Harmonization of Technical Regulations

ASEAN has also recognized the need to conclude mutual recognition arrangements on conformity assessment to facilitate the movement of goods within the region. The industry has known the frustration of having products tested, certified and registered more than once as they move from one country to another, resulting in delays, wasting precious time and jacking up costs.

In December 1998, ASEAN decided to meet this problem head-on by signing the Framework Agreement on Mutual Recognition Arrangements and the ACCSQ was the driving force for this. This Agreement lays down basic principles for the development and conclusion of sectoral MRAs for specific sectors such as criteria of identification of sectors; listing, suspension and removal of CABs; monitoring CABs; technical competency; Joint Sectoral Committee; technical assistance; dispute settlement and consultation etc.
Among five sectors that have been identified for Sectoral Mutual Recognition Arrangements (MRA), namely Electrical and Electronic Equipment, Telecommunication Equipment, Cosmetics, Pharmaceuticals and Prepared Foodstuff, three MRAs are in the different stages of implementation (Electrical and Electronic Equipment and Telecommunication Equipment and Cosmetics). The MRA for pharmaceutical sector is being developed. Efforts have also been taken towards harmonization of technical requirements/ regulations in various sectors.

**Electrical and Electronic Equipment**

The ASEAN Electrical and Electronic Mutual Recognition Arrangement (ASEAN EE MRA) was signed by ASEAN Economic Ministers in April 2003. To date, all ASEAN Member countries have already notified their participation in recognition of test reports and eight countries have notified their participation in acceptance of certification.

At present, one Certification Body and seven Testing Laboratories have been listed under the ASEAN EE MRA and another four testing laboratories are under verification of technical competence. According to the arrangements, products tested and certified by the Listed CABs in compliance with the requirements of the importing country can enter the importing country without having to undergo similar conformity assessment procedures in the importing country.

In parallel with the implementation of the ASEAN EE MRA, the harmonization of the Electrical and Electronic Regulatory Regime is being conducted. The Agreement on ASEAN Harmonized Electrical and Electronic Equipment Regulatory Regime was signed by the ASEAN Economic Minister on 9 December 2005 in Kuala Lumpur. The Agreement seeks to ensure that there will be only one regulatory regime for the electrical and electronic equipment in ASEAN after 2010. To facilitate the implementation of the Agreement, 5 years Action Plan was developed and agreed upon by all Electrical and Electronic Regulatory Authorities in ASEAN.

**Cosmetics**

Member Countries have made significant progress in preparing for the implementation of the Agreement on ASEAN Harmonized Cosmetic Regulatory Scheme was signed in September 2003. The vision is to have one regulatory scheme for the cosmetics from 1st January 2008. Harmonization of 8 testing methods was completed in 2005. 14 training modules on ASEAN Cosmetic Good Manufacturing Practice and Cosmetic Notification Format as well as Notification Guideline were developed. An Alert System for Unsafe Cosmetic Product was established.

**Pharmaceuticals**

Efforts to harmonize pharmaceutical regulations in ASEAN are on-going. An ASEAN Common Technical Dossiers (ACTD), covering administrative data, quality, safety and efficacy and an ASEAN Common Technical Requirements (ATCRs), covering quality, safety and efficacy have been developed. The ACTD is the part of marketing authorization application dossier that is common to all ASEAN member countries while the ATCR is the set of written materials, intended to guide applicant(s) to prepare application dossiers in a way that is consistent with the expectations of all ASEAN Drug Regulatory Authorities. Series of guidelines for the implementation of the ATCR are being finalized. At present, 5 countries, namely Malaysia, Singapore, Thailand, Indonesia and Viet Nam have indicated their readiness to implement the ACTD earlier than schedule. In addition, harmonization of labeling requirements for pharmaceuticals has been completed.
To further facilitate the movement of pharmaceutical products in the region and reduce the regulatory cost for industry in ASEAN, ASEAN Regulatory Authorities has recently agreed to work on the development of a Sectoral Mutual Recognition Arrangement on Good Manufacturing Practice (GMP) Inspection. The outlines and criteria towards the development of the said MRA has been developed and adopted.

To enhance the cooperation between Pharmaceutical Regulatory Authorities in ASEAN towards unsafe and defective pharmaceutical products in the region, a Post-Marketing Alert (PMA) System for defective and unsafe pharmaceutical products in region was recently adopted. The objective of the Post-Marketing Alert (PMA) System is to establish an efficient and effective system of alert on post-marketing issues affecting the safety and quality of healthcare products within ASEAN; and to enhance the pharmacovigilance capabilities among Member Countries through mutual exchange of pharmaceutical safety data.

**Prepared Foodstuff**

ASEAN Reference Testing Laboratories (ARLs) was established in the areas of mycotoxins, pesticide residues, veterinary drugs, microbiology, heavy metals and genetically modified organisms. Six laboratories located in Malaysia, Singapore, Thailand and Vietnam have been selected to serve as ARLs. Steps are being considered to further develop the network of ASEAN Reference Laboratories (ARL) – National Reference Laboratories (NRLs) and to identify additional ARLs specialised on other areas.

In addition, the ASEAN Common Food Control Requirements (ACFCR), namely the ASEAN Common Principles for Food Control Systems, the ASEAN Common Principles and Requirements for the Labelling of Prepackaged Food, and the ASEAN Common Principles and Requirements for Food Hygiene were finalized. The said documents would serve as guiding principles for ASEAN as a whole and in particular for the relevant ASEAN food bodies.

**Traditional Medicines and Health Supplements**

Substantive work has been taken to facilitate the integration of traditional medicines and health supplement in ASEAN by 2010. Harmonization of definition and terminologies on traditional medicines was completed. Similar harmonization for health supplements is on the way. In parallel, four comparative studies are being conducted to identify priority areas for harmonization of technical requirements/ regulations on traditional medicines and health supplement in ASEAN. A Post-Marketing Alert (PMA) System for Defective and Unsafe Medical Device was recently adopted for the implementation in the region starting from July 2006.

**Medical Device**

Efforts are being taken to facilitate the integration of medical device. The following activities are being conducted:

- Comparative study on control of medical devices in ASEAN Member Countries.
- Development of ASEAN Common Submission Dossier Template for Medical Devices.
- Formulation of Post Marketing Alert System for defective and Unsafe Medical Devices.
Automotive

The harmonization of technical regulations and conformity assessment procedures are undertaken in the following areas:

- Fuel Properties and Emission Regulations
- Certification Procedures
- Safety Regulations (i.e. safety belt, tyre and safety glass)

Wood-Based

Comparative study on the current legislation on standards, technical regulations and conformity assessment procedures of Member Countries is being conducted. The study will help to identify possible areas for harmonization of technical requirements and mutual recognition arrangements for wood-based products.

C. Enhancing technical infrastructure and competency

ASEAN Member Countries have been working to build up technical confidence among testing laboratories and certification bodies. A number of projects to address infrastructure needs have been carried out. In addition, Member Countries also assist each other in participating in various regional and international forums/specialized bodies.

D. Transparency of standards and technical regulations

An important part of elimination of technical barriers to trade is to make regulations transparent, accessible to all parties concerned. In line with this, Member Countries continue to exchange directories related to standards, technical regulations and conformity assessment.

E. Cooperation with other partners and organizations

ACCSQ conducts consultations and undertakes collaborative programmes/projects with its counterparts from METI-Japan, EU, USA, CER and PTB.

Conclusion

It is noticeable that harmonization of standards and regulations as well as MRAs, are a major contribution to the integration of the ASEAN market. Even if tariffs are done away with and even with the most efficient transportation, true market integration will be out of ASEAN’s reach if the flow of products is hampered and slowed down by inconsistent regulations and varying standards. ASEAN Standards Bodies and Regulatory Authorities have been working closely with private sectors to address these technical barriers. None of the above achievements can happen without regional cooperation and strong collaboration of stakeholders. Moreover, regional cooperation on standards and conformance compels standards officers, regulators as well as industry to meet frequently and network effectively.

In undertaking of measures on standards and conformance to facilitate the regional trade, ASEAN at the same time has to cast its eyes outward to an increasingly competitive global economic environment and make sure that measures undertaken will also help to gain better international market access for its products. Having done so, ASEAN has been working toward harmonizing its
activities with the international practices utilizing ISO standards and guidelines as basis and complying with the principles of WTO TBT Agreement.

In conclusion, with the current momentum and working in synergy amongst stakeholders, this ASEAN cooperation on standards and conformance will continue to contribute effectively to the regional economic integration in the coming years.

Thank you for your kind attention!

------------------------