JAPAN-MALAYSIA ECONOMIC PARTNERSHIP AGREEMENT (JMEPA)

The Free Trade Agreement between Japan and Malaysia came into force on 13 July 2006 which provides the elimination of import tariffs on goods within 10 years. Tariffs on timber and timber products are among the products which will be gradually reduced or eliminated except for certain categories of plywood.

Japan has been Malaysia's largest market for timber and timber products. In 2005, total timber exports to the market amounted to RM4.3 billion and the main products exported are plywood, logs, sawntimber, medium density fibreboard and furniture. With the implementation of the Agreement, trade between Malaysia and Japan is anticipated to increase.

For **Japan,** the agreed modality for tariff reduction and elimination of tariff lines are categorized into two categories:

A - custom duties will be eliminated on the date of entry into force of this agreement, that is July 2006

R - custom duties will be re-negotiated on the occasion of the general review of the JMEPA

For **Malaysia,** the agreed modality for tariff elimination will follow the following categories:

A - custom duties will be eliminated on the date of entry into force of this agreement, that is July 2006

B7 - custom duties will be eliminated in 8 equal annual instalments from the base rate to zero, from the date of entry into force of the Agreement

<u>Japan's</u> List of Products under the respective modality:

Tariff item number	Description of goods	MFN Applied Rate	Category	Note
Chapter 44	Wood and articles of wood; wood charcoal	0	A	
4401	Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms.	0	A	
4402	Wood charcoal (including shell or nut charcoal), whether or not agglomerated.	0	A	
4403	Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared.	0	A	
4404	Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking-sticks, umbrellas, tool handles or the like; chipwood and the like.	0 – 7.5	A	
4405	Wood wool; wood flour.	2.5	A	
4406	Railway or tramway sleepers (cross-ties) of wood.	0	A	
4407	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm.	0-6	A	

Tariff item number	Description of goods	MFN Applied Rate	Category	Note
4408	Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for other similar laminated wood and other wood, sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6 mm.	0 – 6	A	
4409	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed.	0 – 7.5	A	
4410	Particle board and similar board (for example, oriented strand board and waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances.	5 – 7.9	A	
4411	Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances.	2.6	A	
4412	Plywood, veneered panels and similar laminated wood. - Playwood consisting solely of sheets of wood, each ply not exceeding 6 mm thickness:			
4412.13	-- With at least one outer ply of tropical wood specified in Subheading Note 1 to this Chapter	6 – 10	R	1

Tariff item number	Description of goods	MFN Applied Rate	Category	Note
4412.14	-- Other, with at least one outer ply of non-coniferous wood	6	R	1
4412.19	-- Other	6	R	1
	- Other, with at least one outer ply of non-coniferous wood:			
4412.22	-- With at least one ply of tropical wood specified in Subheading Note 1 to this Chapter	6	A	
4412.23	-- Other, containing at least one layer of particle board	6	A	
4412.29	-- Other	6	A	
Chapter 94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; prefabricated buildings	0	A	

<u>Malaysia</u> has placed the following timber products under the respective categories:

Tariff item number	Description of goods	MFN Applied Rate	Category	Note
Chapter 44	Wood and articles of wood; wood charcoal			
4401	Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms.	20	A	
4402	Wood charcoal (including shell or nut charcoal), whether or not agglomerated.	20	A	
4403	Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared.	0	A	
4404	Hoopwood; split poles; piles, pickets and stakes of wood, pointed but not sawn lengthwise; wooden sticks, roughly trimmed but not turned, bent or otherwise worked, suitable for the manufacture of walking-sticks, umbrellas, tool handles or the like; chipwood and the like.	10 – 20	A	
4405	Wood wool; wood flour.	5 – 10	A	
4406	Railway or tramway sleepers (cross-ties) of wood.	5	A	
4407	Wood sawn or chipped lengthwise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm.	0	A	

Tariff item number	Description of goods	MFN Applied Rate	Category	Note
4408	Sheets for veneering (including those obtained by slicing laminated wood), for plywood or for other similar laminated wood and other wood, sawn lengthwise, sliced or peeled, whether or not planed, sanded, spliced or end-jointed, of a thickness not exceeding 6 mm.	0 – 20	A	
4409	Wood (including strips and friezes for parquet flooring, not assembled) continuously shaped (tongued, grooved, rebated, chamfered, V-jointed, beaded, moulded, rounded or the like) along any of its edges, ends or faces, whether or not planed, sanded or end-jointed)	0	A	
4410	Particle board and similar board (for example, oriented strand board and waferboard) of wood or other ligneous materials, whether or not agglomerated with resins or other organic binding substances.	20	A	
4411	Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances.	20	A	
4412	Plywood, veneered panels and similar laminated wood. - Plywood consisting solely of sheets of wood, each ply not exceeding 6 mm thickness:			

Tariff item number	Description of goods	MFN Applied Rate	Category	Note
441213000	-- With at least one outer ply of tropical wood	35	B7	
	Specified in Subheading Note 1 to this			
	Chapter			
441214	-- Other, with at least one outer ply of non-coniferous wood:			
441214100	Faced with teak	35	B7	
441214900	Other	35	B7	
441219000	-- Other	35	B7	
	- Other, with at least one outer ply of non- coniferous wood:			
441222000	-- With at least one ply of tropical wood specified in Subheading Note 1 to this Chapter	40	B7	
441223	- Other, containing at least one layer of particle board			
	Veneered panels:			
441223110	Plain	25	B7	
	Other			
441223191	Faced with plastics	30	B7	
441223199	Other	25	B7	
	other:			
	plain			

Tariff item number	Description of goods	MFN Applied Rate	Category	Note
441223911	faced with teak	35	B7	
441223919	other	25	B7	
	other:			
441223991	Faced with plastics	30	B7	
441223999	Other	25	B7	
441229	- - Other:			
	veneered panels			
441229110	plain	25	B7	
	other :			
441229191	faced with plastics	30	B7	
441229199	other	25	B7	
	other:			
	plain:			
441229911	faced with teak	35	B7	
441229919	other	25	B7	
	other :			
441229991	faced with plastics	30	B7	
441229999	other	25	B7	
	other:			
441292000	-- With at least one ply of tropical wood specified in Subheading Note 1 to this Chapter	40	B7	
441293	-- Other, containing at least one layer of particle board:			

Tariff item number	Description of goods	MFN Applied Rate	Category	Note
	Veneered panels:			
441293110	Plain	25	B7	
	other:			
441293191	Faced with plastics	30	B7	
441293199	Other	25	B7	
	Other:			
	Plain:			
441293911	Faced with teak	35	B7	
441293919	Other	25	B7	
	other:			
441293991	Faced with plastics	30	B7	
441293999	Other	25	B7	
441299	-- Other:			
	Veneered panels:			
441299110	Plain	25	B7	
	other:			
441299191	Faced with plastics	30	B7	
441299199	Other	25	B7	
	Other:			
	Plain:			
441299911	Faced with teak	35	B7	
441299919	Other	25	B7	
	other:			

Tariff item number	Description of goods	MFN Applied Rate	Category	Note
441299991	Faced with plastics	30	B7	
441299999	Other	25	B7	
4413	Densified wood, in blocks, plates, strips or profile shapes.	20	A	
4414	Wooden frames for paintings, photographs, mirrors or similar objects.	20	A	
4415	Packing cases, boxes, crates, drums and similar packings, of wood; cable-drums of wood; pallets, box pallets and other load boards, of wood; pallet collars of wood.	20	A	
4416	Casks, barrels, vats, tubs and other coopers' products and parts thereof, of wood, including staves.	20	A	
4417	Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood.	20	A	
4418	Builders' joinery and carpentry of wood, including cellular wood panels, assembled parquet panels, shingles and shakes.	20	A	
4419	Tableware and kitchenware, of wood.	20	A	
4420	Wood marquetry and inlaid wood; caskets and cases for jewellery or cutlery, and similar articles, of wood; statuettes and other ornaments, of wood; wooden articles of furniture not falling in Chapter 94.	0 – 20	A	

Tariff item number	Description of goods	MFN Applied Rate	Category	Note
4421	Other articles of wood.	5 – 20	A	
Chapter 94	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated signs, illuminated name-plates and the like; prefabricated buildings			
9401	Seats (other than those of heading 94.02), whether or not convertible into beds, and parts thereof.			
940110000	- Seats of a kind used for aircraft	0	A	
940120000	- Seats of a kind used for motor vehicles	30%	B7	
940130000	- Swivel seats with variable height adjustment	0	A	
940140000	- Seats other than garden seats or camping equipment, convertible into beds	0	A	
940150000	- Seats of cane, osier, bamboo or similar materials	0	A	
	- Other seats, with wooden frames:			
940161000	- - Upholstered	0	A	
940169000	- - Other	0	A	
	- Other seats, with metal frames:			
940171000	- - Upholstered	0	A	
940179000	- - Other	0	A	

Tariff item number	Description of goods	MFN Applied Rate	Category	Note
940180	- Other seats:			
	Of a kind used in parks, gardens or vestibules:			
94018010	of worked monumental or building stone	0	A	
940180120	of cement or concrete or of artificial stone	0	A	
940180130	of asbestos-cement, of cellulose fibre-cement or the like	0	A	
940180140	of ceramic	0	A	
940180190	other	0	A	
940180900	Other	0	A	
940190000	- Parts	0	A	
9403	Other furniture and parts thereof.	0	A	

Rules of Origin

For Rules of Origin, Malaysia and Japan has agreed on the following rules:

44.01-44.11	**Change in Tariff Heading**
4412.13-4412.19	**40% Value-Added**
4412.22-4412.99	**Change in Tariff Sub-Heading**
44.13-44.21	**Change in Tariff Heading**
9401 – 9403	**Change in Tariff Sub-Heading or 40% Value Added**