

MTI Seeks Feedback on the ASEAN Trade in Goods Agreement (ATIGA)

Introduction

As an integral part of the Association of Southeast Asian Nations ("**ASEAN**") Economic Community (AEC), the ASEAN Trade in Goods Agreement ("**ATIGA**") is the key regional trade agreement that facilitates economic integration within the ASEAN region, which Singapore is a party to.

The ATIGA entered into force on 17 May 2010 for ASEAN Member States ("**AMS**"), and provides a comprehensive framework to achieve the free flow of goods within ASEAN by eliminating tariffs on most goods traded between AMS, as well as by reducing non-tariff barriers.

Various regional and global developments have prompted a review and upgrade of the ATIGA. Key amongst these are the proliferation of other trade agreements, including the Regional Comprehensive Economic Partnership (RCEP) agreement which was entered into in 2022, and created a new regional trade bloc (including ASEAN and its major trading partners). Separately, the COVID-19 pandemic, which posed challenges to supply chains and made trading across borders more difficult, and the global digitalisation trend on the trading of goods have necessitated the review to ascertain how to better improve the supply chains and keep open critical trade channels.

To keep the ATIGA relevant and more responsive to, and stay ahead of, the changes ASEAN launched negotiations between AMS in March 2022 to upgrade the ATIGA. Substantive negotiations between AMS are targeted to be completed by the end of 2024. From **17 July 2023 to 16 August 2023**, the Ministry of Trade and Industry (MTI) is conducting a public consultation to seek feedback on how the ATIGA could be improved and other beneficial provisions that could be incorporated into the ATIGA.

Public Consultation on the ATIGA Upgrade

The ATIGA contains various elements to facilitate the free flow of goods within the ASEAN region. Several significant features of ATIGA include tariff liberalisation, removal of non-tariff barriers, rules of origin, trade facilitation, customs, standards and conformance, sanitary and phytosanitary measures. Additionally, the ATIGA also includes a comprehensive coverage of commitments related to trade in goods and mechanisms for its implementation as well as institutional arrangements.



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Besides a comprehensive review of all the existing provisions within the ATIGA as listed in the preceding paragraph, the proposed upgrade will also address issues such as supply chain resilience, digitalisation and sustainability.

On supply chain resilience, this would go into measures to help maintain trade flows during crises. On digitalisation, this would go into a review of challenges and opportunities of digital trade such as in relation to e-commerce and digital technologies. On sustainability, this would go into issues such as promoting sustainability trade practices, and issues relating to environmental protection and climate change. Each of these areas requires innovative solutions, and whilst traditional approaches to ensure free flow of goods must remain, they are insufficient to meet the changing environments.

The upgrade also aims to streamline and make the ATIGA more user-friendly, so that more businesses, including Micro, Small and Medium Enterprises (MSMEs), can utilise and benefit from it.

The consultation thus seeks to understand businesses' pain points, such as whether streamlining customs clearance processes, simplifying rules of origin, enhancing trade facilitative features, or enhancing the transparency of Non-Tariff Measures would enhance the export of businesses' goods. The consultation also seeks input on other measures that businesses believe would help facilitate the flow of their goods in the region. The AMS have also discussed the possibility of reducing barriers to trade, with a focus on Non-Tariff Measures, on goods that contribute towards achieving climate and environmental goals, which hence promotes a greener economy. The consultation also seeks to understand businesses' views on the utility of such provisions.

Our Comments

Overall, the ATIGA upgrade is intended to be that major step forward for ASEAN and for businesses in the region, as the ATIGA continues on its journey to establish a single market and production base, with free flow of goods across the region. It is expected to make it easier and more cost-effective for businesses to enter into cross-border trade, and is thus an important opportunity for businesses to improve their competitiveness and to benefit from the growing ASEAN market. What is especially important is the desire to ensure that trade continues to flourish regardless of whether it happens through the e-world or physical world and in a sustainable manner.

This is an opportunity for all who are involved in any form of cross-border trade to look at what your pain points are and to highlight them. It is also the time to put together your wish list and share them. This is especially critical for e-commerce businesses, whether small or large, to provide their input as to their suggestions and recommendations. We would be happy to sit with you and discuss possible approaches.

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Feedback to the consultation should be submitted through the form at the link [here](#).

For more information, please refer to the following links:

- MTI's news release on "[Public Consultation on the ASEAN Trade in Goods Agreement \(ATIGA\)](#)"
- [ASEAN Trade in Goods Agreement \(ATIGA\)](#)
- [FAQ on the ATIGA](#)
- ASEAN news release on "[ASEAN launches negotiations to upgrade ASEAN trade in goods agreement](#)" (16 March 2022)

If you have any questions in relation to the above development, please do not hesitate to contact our team below or email us at competitionlaw@rajahtann.com.

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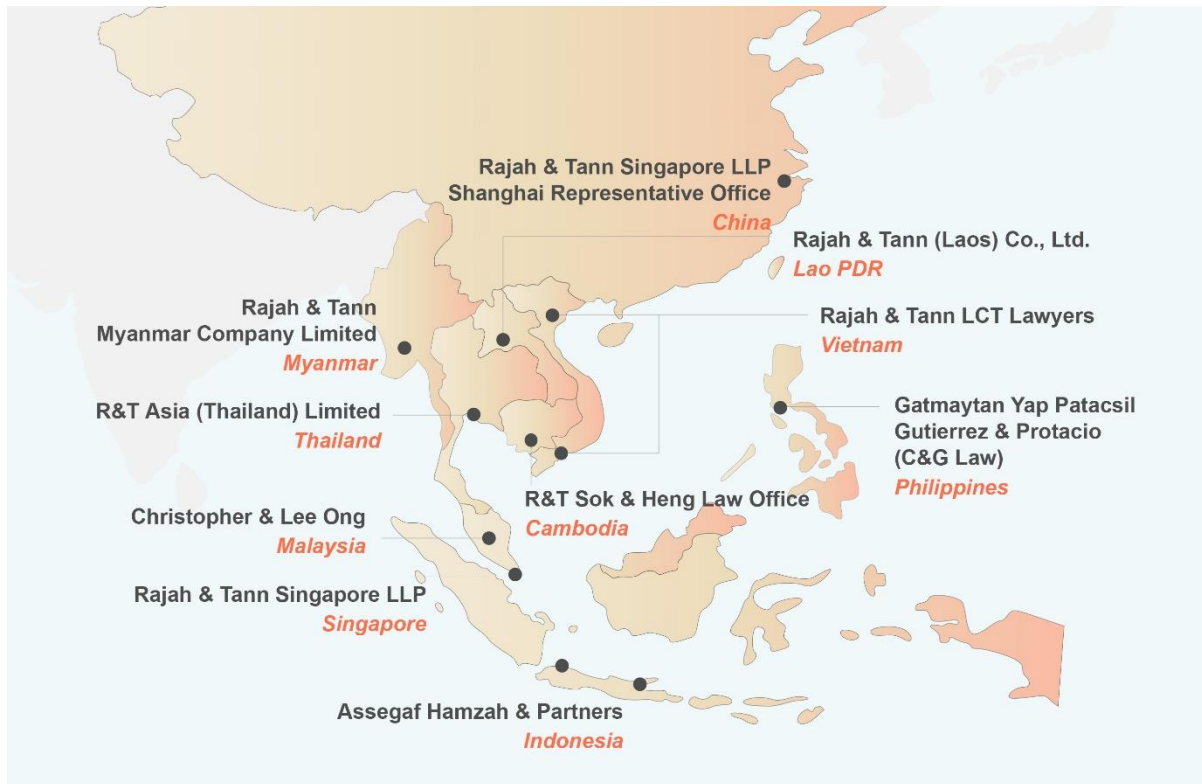
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