



**THE COORDINATING COMMITTEE ON THE IMPLEMENTATION OF THE ATIGA
SUBMISSION FORM FOR CASES OF THE 'MATRIX OF ACTUAL CASES'
ON TRADE BARRIERS**

CASE REFERENCE ID <i>(For Secretariat's use)</i>	REPORTING COUNTRY	INVOLVING COUNTRY
8620ID	INDONESIA	VIETNAM
DATE OF REPORT SUBMISSION	HS CODE AND PRODUCT DESCRIPTION <i>(where applicable)</i>	
23 November 2020	HS CODE : 4813.10.00 ; 4813.20.00 ; 4813.90.10 and 4813.90.90 PRODUCT DESCRIPTION : CIGARETTE PAPER	
DESCRIPTION OF TRADE BARRIER FACED		
<i>Please provide a description of the situation</i>		
<p>Ministry of Industry and Trade Vietnam promulgate Circular No. 57/2018/TT-BCT which entered into force from February 19, 2019 on article 3 point 1:</p> <p><i>(unofficial translate)</i></p> <p>“Based on the amount of annual tax quotas, the enterprise’s production output, its ability to meet domestic raw materials and its registration need to produce tobacco products for domestic consumption, the Ministry Industry and Trade will consider and approve for businesses to use tobacco raw materials, cigarette rolling paper for the right purpose without exchanging and trading in any form. Enterprises send their registration documents using the form in Appendix 1 attached to this circular.”</p> <p>Refer to article mentioned, import cigarette paper under HS CODE 4813.10.00 ; 4813.20.00 ; 4813.90.10 and 4813.90.90 into Vietnam will be granted based on tariff quotas defined each year, production output of each enterprise, capabilities of meeting demands for tobacco ingredients in the country and application needs of each enterprise.</p> <p>These article 3 can be considered as a form of obstructing or causing difficulty to import cigarette paper because cigarette companies need to put a lot of time and effort to get import quota approval. If the approval takes too long or only granted at limited quantity (which lead to inefficient cost), the cigarette companies will be indirectly forced to buy cigarette paper from domestic since no approval quota needed if they buy cigarette paper from local supplier. Hence we views that its also violate Article 44 regarding Import Licensing Procedures on ATIGA.</p> <p>The circular letter is contrary with ASEAN Trade in Goods Agreement (ATIGA) to eliminate non-tariff barrier which Vietnam has agreed to remove Tariff Rate Quota (TRQ) stated on article 20 ATIGA since 1 January 2020</p> <p>In addition, there was no notification shared when the circular letter issued refer to ASEAN Trade in</p>		

Goods Agreement Article 11 (Notification Procedures) and Vietnam shall eliminate Tariff Rate Quotas refer to Article 20 as well as eliminate of other Non-Tariff Barriers stated on Article 42 of ATIGA.

Since this circular letter applied, the import becomes less attractive and export cigarette paper from Indonesia to Vietnam had decreased USD 205,848 from year 2018 (USD 5,810,590) until year 2019 (USD 5,604,742) and it continue decreasing.

In contrary, import cigarette paper from Vietnam to Indonesia has increased significantly since no import quota license required.

Therefore, we request Vietnam to open the market access of cigarette paper as it is done in Indonesia to contribute intra trade in ASEAN and in-line with commitment under ASEAN Trade in Goods Agreement(ATIGA).

REFERENCE TO ATIGA PROVISION

Please provide a reference to the ATIGA provision to support your case, where applicable

Article 11: Notification Procedures

Article 20: Elimination of Tariff Rate Quotas

Article 42: Elimination of Other Non-Tariff Barriers

Article 44: Import Licensing Procedures

LIST OF SUPPORTING DOCUMENTS PROVIDED (where applicable)

1. Circular No. 57/2018/TT-BCT

2. ASEAN Trade in Goods Agreement