

July 11<sup>th</sup>, 2022

The Federation of Japanese Chambers of Commerce and Industry in ASEAN (FJCCIA)  
Japan External Trade Organization (JETRO)

## Requests and Proposals from FJCCIA & JETRO to ASEAN (2022)

### Toward Maximizing the Potential of the Intra-ASEAN Market and Broader Economic Integration (ACRF – III)

#### Keeping markets open for trade and investment (3a. of ACRF)

- We recognize the successive establishment of anti-dumping duties, safeguards, Export and import restrictions, and non-tariff measures within ASEAN's member countries and non-ASEAN countries. We support ASEAN's initiative to refrain from such protectionist moves and to ensure market openness for trade and investment. [\[Revised request\]](#)
- We welcome that the ASEAN Trade in Service Agreement (ATISA) came into effect and expect ATISA to be implemented in respective AMSs. We hope that each country will promulgate clear rules for its operation. We request deregulation of remote services and cross-border services, and facilitation of repair services, technical support. [\[Revised request\]](#)
- We welcome the revised ASEAN-Japan Comprehensive Economic Partnership (AJCEP) Agreement that came into effect in all the member countries. We request the smooth upgrade transition to HS2017 for product specific rule purposes in each country. [\[New request\]](#)
- In recent years, there have been moves to tighten VISA requirements for expatriates, such as the employment requirement of local employees. These trends may contribute to localization from a short-term perspective but could worsen the convenience of business activities and decrease foreign investment. There have been cases where the transfer of technology and know-how to local resources was impeded. The stricter requirements would not bring positive results from a long-term perspective. We expect that the opinion of foreign companies will be considered when studying the legislation on visas and labor matters for foreigners. While we are aware that the ASEAN Secretariat is not able to directly solve these issues, we would like you to raise these issues in investment promotion-related meetings and other occasions.

#### Strengthen the connectivity and resilience of the supply chain (3b)

- We welcome the progress of electronic exchange of Certificate of Origin (e-Form D) under ASEAN Trade in Goods Agreement (ATIGA). While the Japanese businesses continue to make proposals to the CCA, we can cooperate by providing feedback on problems and ease of use of electronic systems from the user's perspective. [\[Revised request\]](#)

- We recognize the high usability of ATIGA and expect further improvements, such as relaxation of the rules of origin and acceptance of full accumulation. We also expect shorter lead time and simplified procedure to issue the ATIGA certificate of origin, and smooth operation of back-to-back certificates. **[New request]**
- We request the elimination of the FOB price requirement in the certificate of origin for all ASEAN member countries.
- Currently, the PDF file or copy of the certificate of origin may be temporarily accepted as an exception for Customs clearance. We would like to propose that this will become a standard process for Form AJ. We also request that issuance and acceptance in PDF format be expanded to bilateral FTAs with Japan and AJCEP.
- We expect continued and further effort for the development and reinforcement of the land transport infrastructure (e.g., roads and railways) and trade facilitation at the border customs offices. **[Revised request]**
- We look forward to the early opening of the second Thai-Cambodian border crossing (Ban Nong Ian = Satung Bot), which has been pointed out as congested on the Mekong land transport route. We hope that the ASEAN Secretariat will encourage the early development of this route.
- Despite the increase in cross-border transport, the implementation of the ASEAN Customs Transit System (ACTS) and the Cross-Border Transport Agreement (CBTA) (e.g., through the traffic of trucks) has been delayed. We expect facilitation of logistics, while keeping the current disease control measures. We also expect the inspections for quarantine to be completed within a reasonable timeframe and relevant fees (e.g., witness by inspectors, disinfection) to be set reasonably. **[Revised request]**
- Dry ports have started operation in Lao PDR., but operational problems have arisen such as the related cost increase and additional lead time. We would like ASEAN to coordinate to reduce cost and improve service at dry ports in Lao PDR or other AMS. **[New request]**

### **Achieving Trade Facilitation under the New Normal (3c)**

- We request the harmonization of the standards and criteria for industrial products. We also would like to see more items covered, not only automotive parts and construction materials.
- We would like to seek elimination of local recognition or mandatory standards' requirements imposed by the ASEAN member countries or trade partners or promoting introduction of mutual recognition (e.g., steel, steel products, general machinery) **[Revised request]**
- The ASEAN Mutual Recognition Arrangement on Type Approval for Automotive Products (APMRA) came into effect in January 2022. We expect enforcement and implementation in all ASEAN member countries. **[Revised request]**
- We look forward to the promotion of the MRA for Building and Construction Materials (BCM MRA). We would like you to disseminate the detailed information widely. The standardization and mutual recognition of construction standards are expected to progress. **[Revised request]**

- Given that the ASEAN-Wide Self-Certification (AWSC) has become common already, we would like you to consider introduction of the self-certification system under the AJCEP. Since more options will be provided for origin certification, the introduction of self-certification under the AJCEP would be desirable and contribute to more resilient connectivity of supply chains.
- We request the ASEAN Single Window (ASW) operated for all items and at all international borders, with clear and fair fee collection. We have heard from Japanese companies that ASW has been officially announced to be accepted at most discharge ports/borders within ASEAN but in practice is not. [\[Revised request\]](#)
- We would like to see further exchanges of documents related to trade between Japan and ASEAN, including those regarding certificates of origin. We would like to ask you to expand and upgrade the ASEAN Single Window to reduce the burdens on business.
- [Regarding ASEAN-Wide Self-Certification] JETRO, in collaboration with the ASEAN Secretariat, has conducted a webinar on the utilization of the AWSC, with the aim of capacity building for Japanese companies. We would like to continue to have such cooperation, including the provision of information and sending trainers, from the ASEAN Secretariat and the relevant governmental agencies. [\[Revised request\]](#)
- From the perspective of reducing compliance costs, we would like to see upgrading and expansion of ASW, and the introduction of digital technology.
- We request progress in the initiatives to expand the ASW system for exchanging trade-related documents electronically, including the ASEAN Customs Declaration Document (ACDD), electronic Phytosanitary (e-Phyto) Certificate, electronic Animal Health (e-AH) Certificate, and the electronic Food Safety (e-FS) Certificate.
- Regarding the electronic ASEAN Customs Declaration Documents (e-ACDD), six countries have participated in the exchange as of February 2022. Please share the status of preparation of the remaining four countries. [\[Revised request\]](#)
- We would also like to know the schedule for the introduction of electronic phytosanitary (e-Phyto) and others. Sanitary and phytosanitary measures (SPS) and technical barriers to trade (TBT) are expected to be discussed by all the relevant government agencies.
- We would like to see further facilitation of the Customs clearance procedures. The increasing volume of cargo at all parts within ASEAN requires shorter lead times. We would like to ask the relevant authorities to cope with this situation, such as by operating on Saturdays, Sundays, and holidays. [\[New request\]](#)
- The Japanese Government has promoted mutual recognition of the AEO program from the perspective of trade facilitation. We would like to see promotion of AEO mutual recognition with ASEAN's member countries other than Singapore, Malaysia, and Thailand, with which Japan has introduced mutual recognition already, for reducing the time, and facilitating Customs clearance. The AEO program was adopted by the World Customs Organization (WCO) in 2005 and intends to recognize the operators that have well-established security management and compliance systems, and grant them privileges such as simplification of Customs clearance procedures. [\[Revised request\]](#)

### **Eliminate non-tariff barriers and reduce market-distorting policies (3d)**

- There are moves to restrict imports by setting up non-tariff barriers in the ASEAN member countries and dialogue partners. We would like you to continue your current efforts, including simplification of the licensing procedures.
- We hope that the NTM toolkit will work effectively, and that new NTBs will not be established, at least among the ASEAN member countries. [\[Revised request\]](#)

### **Recovery by sector (tourism, SMEs) (3g)**

- We expect that the traffic of businesspersons and technical experts will resume. In the manufacturing industry, it was not possible to invite engineers from Japan to install machinery, which was causing delays in investment. Many countries have started relaxing travel restrictions with certain conditions, such as vaccination. In addition, initiatives for facilitating the traffic between and among Japan and the ASEAN member countries are expected to be enhanced from the perspective of investment and business promotion. [\[Revised request\]](#)

### **Streamlining and expediting the investment process, facilitation and co-promotion efforts (3h)**

- While the importance of Japanese companies in ASEAN has been increasing, only one ASEAN member country has signed Social Security Agreement with Japan, and another two are at the stage of preliminary discussion. If double payment of social insurance premiums occurs, the burden on the company will be heavy, and We would like ASEAN secretariat to encourage ASEAN member countries, which have not signed the agreement, to promote negotiations. [\[New request\]](#)
- Japanese companies may have not been provided with sufficient information about investment promotion privileges implemented by each country to attract high-tech industries. We would like to see clarification of the investment privileges and improvement of transparency. We expect investment promotion by the ASEAN Investment Facilitation Framework Agreement (AIFF). [\[New request\]](#)
- We would like to see further relaxation from a financial aspect (e.g., exchange control) so that Japanese companies can obtain loans and investments from a foreign parent and/or affiliate. We would like to see deeper financial integration for easier loans and investment by companies within ASEAN. [\[Revised request\]](#)

### **Signature and early entry into force of the RCEP (3)**

- The FJCCIA has introduced the RCEP webinars by the ASEAN Secretariat for Japanese companies to promote the utilization of the RCEP. We would like to receive updated information and documents from, and have deeper collaboration, with the ASEAN Secretariat. [\[Revised request\]](#)

- The RCEP has not yet come into effect in some countries. We expect full enforcement and implementation. [\[Revised request\]](#)
- It is important to ensure implementation of the RCEP after it comes into effect. We would like the RCEP Secretariat to establish a function to monitor it effectively.

## **Toward Accelerating Inclusive Digital Transformation (ACRF – IV)**

### **Preparing for the Fourth Industrial Revolution (4a)**

- Japanese companies have caught the wave of the fourth industrial revolution and are continuously working on smart manufacturing and employee reskilling and upskilling within ASEAN. In addition to their own capacity building, they will actively collaborate with local companies within ASEAN to drive the digital transformation of the region. We would like to request support measures from the ASEAN side for these efforts.

### **Promoting e-commerce and the digital economy (4b)**

- In addition to participation by Japanese companies in the ASEAN Online Sales Day (AOSD), we would like to increase opportunities to promote mutual EC trading between Japan and ASEAN.
- We would like to see the stable implementation of the ASEAN Agreement on Electronic Commerce so that Japanese companies within ASEAN can enjoy the benefits therefrom. We would like to see improved EC business environments within ASEAN, including the establishment of the data transfer protocol. [\[Revised request\]](#)
- Japan is co-chairing WTO e-commerce negotiations with Singapore and Australia, and we would like the ASEAN member countries to actively participate in these negotiations.

### **Promotion of e-government, electronic services (4c)**

- We would like the ASEAN member countries to promote the introduction of an electronic approval system for various administrative procedures. There are many administrative procedures that require wet signatures and original documents which is a burden on corporate activities. We would like the ASEAN Secretariat to approach the ASEAN member countries accordingly.

### **Promoting financial inclusion including through digital financial services and regional payment connectivity (4d)**

- We look forward to the expansion of the immediate settlement system among ASEAN member countries and its expansion to ASEAN-wide. The expansion of immediate settlement, which is mainly promoted bilaterally, to ASEAN-wide will lead to lower intra-regional transaction costs. [\[New request\]](#)

## Improving the legal framework and institutional capacity for digital (4h)

- When developing, formulating, and implementing personal information protection laws in each country, we expect that consideration will be given to minimizing the impact on foreign companies (e.g., exclusion of the server location requirement). We also expect the rules will be clarified. We expect that business activities will not be hindered. (e.g., recognizing Japan as a country with an adequate level of data protection, and reducing additional burdens and procedures for intra-group data sharing, etc.) [Revised request]

## Promoting the introduction of digital technology for ASEAN business (4k)

- Japanese companies have a large presence in robotics and factory automation within the ASEAN region. They can contribute to the promotion of smart manufacturing by companies in the region.
- We would like you to hear the opinions of Japanese companies regarding the establishment of regulations related to system connection by factories across countries and the movement of industrial data associated with IoT.

## Advancing towards a more Sustainable and Resilient Future (ACRF – V)

### Promotion of sustainable development across all aspects (5a)

- We would like to see clarification of the roadmap towards carbon neutrality in each country. We would like to see an enhancement of the subsidies and tax incentives for the promotion of renewable energy. We expect the promotion of solar and other power generation. We also would like to request relaxation of the regulations and systems to enable businesses to trade electricity and renewable energy certificates easily. [New request]
- We would like to see not only the introduction of state-of-the-art technologies (e.g., CCUS, EVs) but also an achievement of the circular economy at the daily-life level (e.g., waste segregation and recycling, energy saving). We expect measures to improve environmental awareness and change behavior patterns, as well as collaboration with the governmental and private sectors of Japan. [New request]
- The Japanese Government and Japanese companies are highly interested in ASEAN's green policies. The FJCCIA and JETRO would like to contribute to achieving ASEAN's goal of both a green economy and a circular economy. Also, we would like to convey the activities of Japanese companies that are contributing to such fields.
- We appreciate the progress to date of the "Dialogue for Innovative and Sustainable Growth (DISG)." We look forward to seeing involvement and support by the ASEAN Secretariat and the ASEAN member countries for further development of the DISG in the future.

### Facilitating the transition to sustainable energy (5b)

- We would like the government of each ASEAN country to support efforts by businesses for carbon neutrality, such as enhancing incentives. **[New request]**
- As ASEAN aims to achieve carbon neutrality, Japanese companies are working on decarbonization using a variety of technologies such as energy conservation and energy efficiency, and some of these technologies may be leveraged to ASEAN. The Japanese Government and related organizations are also supporting businesses that are making such efforts to contribute to decarbonization and energy transition. We would like to share the experience of the Japanese industry in energy conservation and environmental protection. **[Revised request]**
- We would like to cooperate with ASEAN to create opportunities for new partnerships and programs related to electric vehicles (EVs), hydrogen, and batteries that the ASEAN side is aiming for.
- As for the EV policies being examined in each country, it is desirable to proceed in parallel while protecting the current automobile parts supply chain, which is the source of ASEAN's strong international competitiveness, as well as a major employment base. Since this could have a significant impact on the existing industrial base and consumers, we would like to urge the ASEAN member countries to promote a balanced and realistic policy, including infrastructure development, within the overall energy supply and demand policy, after fully exchanging opinions with industry.

#### **Building green infrastructure and addressing basic infrastructure gaps (5c)**

- Through activities such as the ASEAN-Japan Smart City Network of the Japanese Government, we would like to contribute to the establishment of smart cities in ASEAN with cooperation through public-private partnerships.

#### **Promoting sustainable and responsible investment (5d)**

- Since promoting investment that contributes to the SDGs has a high affinity with Japanese companies, we would like to actively support social contribution in business.
- Japanese companies are working on “Responsible Business Conduct (RBC)” and “Corporate Social Responsibility (CSR)” within the ASEAN countries. They expect the active exchange of information. In cooperation with the FJCCIA and JETRO, Japanese companies believe that they can contribute to the planning of the forum.
- The awareness of human rights' risks is increasing among Japanese companies within ASEAN more than ever before. The FJCCIA and JETRO would like to contribute to better competitiveness by Japanese companies as well as the ASEAN region by appealing to the importance of human rights' due diligence and promoting responsible business practices through seminars and workshops. We would like to request the support of the ASEAN side for these efforts. **[New request]**
- It is important for Japan and ASEAN to jointly build human rights' due diligence and the impact assessment process based on mutual cultural understandings. **[Revised request]**

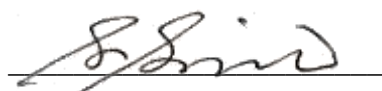
## Toward Strengthening Human Security (ACRF – II)

### Promoting human capital development (2c)

- We still expect engineers, technical experts, and IT specialists to be fostered. Japanese companies tend to foster employees from the long-term perspective. [Revised request]
- Japanese companies are working on reskilling and upskilling employees continuously. Many are implementing internal training programs and/or sending technical trainees to Japan. Some companies accept internships. We hope to work with the government of each AMS and expect that support and incentives will be enhanced. [Revised request]
- We expect a basic education policy to be enhanced in each country, such as enhancement of science education at elementary schools (e.g., experimental learning), and scholarship programs at higher education establishments. [New request]
- We expect the promotion of employment and fostering of human resources with a variety of backgrounds. We also expect the promotion of flexible employment systems, not limited to the regular recruiting of new graduates. [New request]

### Ensuring responsive labour policies for the new normal through social dialogue (2d)

- Japanese companies recognize the importance of safety in working environments. Any poor environments (e.g., long work hours) should be improved and the regulations on working days and hours should be stricter in each country to ensure the work-life balance for workers. [New request]
- We would like you to clarify the mechanism by which the rules regarding labor management set by ASEAN are reflected in the legal systems of each country.



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