

SE Finance
HD **China** will **buy** our beef, Joyce tells Japan over FTA

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Trade talks now hinge on Tokyo's high tariffs on imported meat

AGRICULTURE Minister Barnaby Joyce has been quoted by Koya Nishikawa, a senior Japanese politician, as saying during discussions in Canberra last week about a free trade agreement that "there is plenty of demand for Australian beef from **China**".

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Respected Japanese publication The Nikkei **Business** Daily went on to cite Mr Nishikawa -- who is head of the governing Liberal Democratic Party's Trans-Pacific Partnership committee -- as being told by Mr Joyce: "So if necessary, Australia does not need to go to the trouble of selling it to Japan."

Beef is the chief sticking point in concluding the FTA. Japan buys \$1.5 **billion** of beef annually from Australia, making it the industry's biggest customer. But the 38.5 per cent tariff means the industry is also paying the Japanese government \$590 **million** a year.

The Japanese report said Mr Nishikawa was "thrown by Mr Joyce's response".

Mr Joyce responded that he "made clear to Mr Nishikawa Australia's concerns" if Japan were unable to make "a significant market access offer to Australia on beef and **dairy**".

The report also noted that Mr Nishikawa met Tony Abbott and two cabinet ministers, and "he received an unusually cordial welcome for an LDP parliamentarian who is not a cabinet minister".

The other minister he met was Trade and Investment Minister Andrew Robb, about whom the Nikkei said: "In the closing stages of the discussion, (he) said he 'understood Japan's situation' and indicated that he would not seek to have Japan scrap its beef tariff entirely, as South Korea has agreed to do" in its recently concluded FTA with Australia.

Mr Robb described that report as highly speculative. He said: "In regard to beef we are striving for full liberalisation, but there's a long way to go. We are aiming to be the first major agricultural exporter to conclude an FTA with Japan and it is a tough negotiation but we are making good progress."

Agricultural liberalisation in Japan historically has been met with strong resistance from powerful lobbies in the country and Japan has not liberalised key products including beef and pork, wheat, **dairy**, sugar or rice in any previous trade agreements.

The report said that "among those close to the Japan-Australia negotiations the view is growing that the final battle will be fought at 20 per cent tariff levels".

Mr Robb is flying to Japan next Wednesday to meet Agriculture Minister Yoshimasa Hayashi and others.

Early next month Mr Abbott will meet his Japanese counterpart Shinzo Abe in Tokyo.

The report said ``both governments are pencilling in this timing for reaching an agreement".

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NS gcat : Political/General News

RE jap : Japan | auscap : Australian Capital Territory | austr : Australia | china : China | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRIC Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

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