

FINANCIAL REVIEW

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HD Austrade confident **China** trade deal can outstrip NZ
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Australia can do better than New Zealand in its proposed trade deal with **China**, Austrade chief executive Bruce Gosper says. Mr Gosper said while New Zealand had **sold** the benefits of its deal largely on a big boost in **dairy** exports, Australia was looking for a much broader outcome on agriculture.

The Austrade chief was speaking at a Committee for Economic Development of Australia conference in Canberra on Monday.

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Mr Gosper said after 20 rounds of talks, people were anxious to see a conclusion and he hoped the Australia-**China** free-trade agreement would be concluded before the end of 2014.

"The negotiations are well advanced," he said. "Our interests stretch across a wide area of agriculture, more than just **dairy** and more than just livestock ... [including] some quite sensitive areas in the **Chinese** context such as grains, rice and sugar.

"It's a much wider negotiation than perhaps New Zealand faced," he added, while conceding New Zealand had done "fabulously well" in lifting **dairy** exports by \$NZ2 **billion** (\$1.9 **billion**).

He said Australia's gains from the deal could go well beyond the livestock sectors, noting the country could also do well in banking, insurance, environment and education services, as well as logistics – and could even make some gains in advanced manufacturing.

"That's never an easy thing to negotiate with any FTA partner, because when you come to services you are dealing with a whole range of jurisdictions at federal and provincial level," Mr Gosper said.

But **China** was grappling with rapid modernisation, meaning demand for new services was growing.

"I suspect you will see in the services sector a series of outcomes that enable us to fill holes in niche sectors in parts of **China**, such as high-growth regions," Mr Gosper said. "This deal will put us ahead of other countries because no other developed country has a deal with **China** other than New Zealand.

"[But] it's across broad areas of agriculture and services where the largest gains will be had," he added.

Trade Minister Andrew Robb has been saying for some time that Australian farmers can expect at least as good a deal as their New Zealand counterparts.

Australia has held on-again, off-again talks with **China** since 2005. The New Zealand deal, which dropped or phased out tariffs altogether on a range of products, came into force in 2008.

Prime Minister Tony Abbott has set an ambitious goal to secure all three north Asian free-trade deals by September, with Australia already securing agreements with Japan and Korea.

One of the biggest hitches had been concerns over raising the foreign investment threshold for **China** from \$248 **million** to \$1 **billion** before it triggers Foreign Investment Review **Board** scrutiny. The Coalition has promised to introduce a farmland register to allay voter concerns over foreign investment in Australia.

China is Australia's largest export market, with two-way trade worth \$113 **billion** in 2013.

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