

SE **Business**
HD **Coal, food export the big winners**
BY Paul Gilder
WC 426 words
PD 18 November 2014
SN Daily Telegraph
SC DAITEL
ED Telegraph
PG 42
LA English
CY Copyright 2014 News Ltd. All Rights Reserved
LP

TRADE

EXPORTERS of **dairy**, meat and seafood and coal miners are the major winners after Australia signed an historic free trade agreement with its biggest trading partner **China**.

TD

The deal, estimated to be worth at least \$18 **billion** over the next decade, will see import tariffs either scrapped upon its ratification or gradually phased out on 95 per cent of Australian goods, providing a fillip for the nation's primary industries.

Coming after nearly a decade of intense negotiations, the breakthrough with **China** coincided with **Chinese** president Xi Jinping's speech to parliament yesterday and marked the third free trade agreement inked by Trade Minister Andrew Robb this year following accords with South Korea and Japan.

Tariffs on **dairy** products will be phased out over nine years, while a 15 per cent impost to contribute to the likely spike in demand for baby formula will be gradually lifted within four years.

This is similar to the tariff reduction scheme **China** signed with New Zealand six years ago which sparked a fivefold increase in the value of Kiwi **dairy** exports to **China** during that time. Tariffs on beef, presently between 12 and 25 per cent, will be gone within nine years, and a year earlier for lamb exports, presently at 23 per cent. Seafood will be tariff-free by 2018.

China's acknowledgment for greater access to energy sources will aid local coal miners, who will cash in on the immediate removal of the 3 per cent impost on coking coal.

A 6 per cent tariff on thermal coal will be phased out over the next two years. Treasurer Joe Hockey said Australians would benefit from cheaper imported goods, such as televisions, and there are "immense" opportunities for service exporters.

"They want what we have in terms of our ability to provide financial services, healthcare services and aged care providers," Mr Hockey said.

A significant facet of the deal will allow private **Chinese** companies to **buy** Australian assets of up to \$1.08 **billion** before those transactions require Foreign Investment Review **Board** approval. The move puts those businesses on a par with their US and New Zealand counterparts.

A decision to extend that offer to state-owned **Chinese** enterprises has been shelved, as has concession from **China** on imports of Australian sugar, rice, wheat and cotton. **Business** Council of Australia chief Jennifer Westacott said the agreement would maximise Australia's comparative advantages in hi-tech manufacturing and services, which accounts for 80 per cent of the Australian economy.

NS gtrade : Tariffs/Trade Barriers | e512 : Physical Trade | e51 : Trade/External Payments | ecat : Economic News | gcat : Political/General News | gdip : International Relations | gpir : Politics/International Relations

RE austr : Australia | china : China | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcoz : Developing Economies | easiaz : Eastern Asia

PUB News Ltd.

AN Document DAITEL0020141117eabi0002z