



AUSTRALIAN
**FOOD &
GROCERY**
COUNCIL

AFGC SUBMISSION

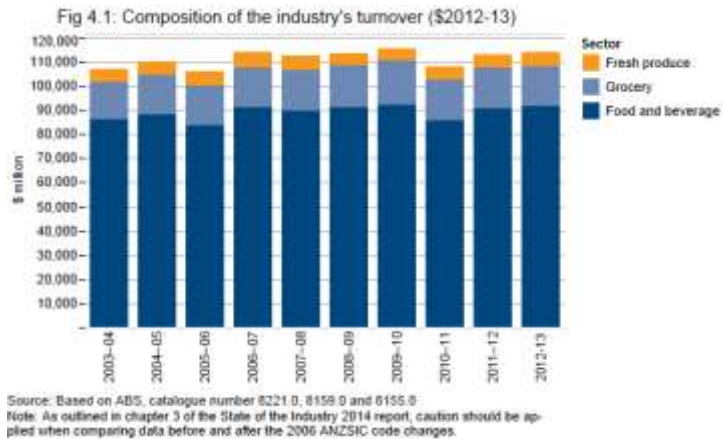
SUPPLEMENTARY SUBMISSION –
INQUIRY INTO TRADE WITH THE MIDDLE
EAST

Sustaining Australia

PREFACE

The Australian Food and Grocery Council (AFGC) is the leading national organisation representing Australia's food, drink and grocery manufacturing industry.

The membership of AFGC comprises more than 178 companies, subsidiaries and associates which constitutes in the order of 80 per cent of the gross dollar value of the processed food, beverage and grocery products sectors.



With an annual turnover in the 2013-14 financial year of \$114 billion, Australia's food and grocery manufacturing industry makes a substantial contribution to the Australian economy and is vital to the nation's future prosperity.

Manufacturing of food, beverages and groceries in the fast moving consumer goods sector is Australia's largest manufacturing industry. Representing 27.5 per cent of total manufacturing turnover, the sector accounts for over one quarter of the total manufacturing industry in Australia.

The diverse and sustainable industry is made up of over 27,469 businesses and accounts for over \$55.9 billion of the nation's international trade in 2013-14. These businesses range from some of the largest globally significant multinational companies to small and medium enterprises. Industry spends \$541.8 million in 2011-12 on research and development.

The food and grocery manufacturing sector employs more than 299,731 Australians, representing about 3 per cent of all employed people in Australia, paying around \$12.1 billion a year in salaries and wages.

Many food manufacturing plants are located outside the metropolitan regions. The industry makes a large contribution to rural and regional Australia economies, with almost half of the total persons employed being in rural and regional Australia. It is essential for the economic and social development of Australia, and particularly rural and regional Australia, that the magnitude, significance and contribution of this industry is recognised and factored into the Government's economic, industrial and trade policies.

Australians and our political leaders overwhelmingly want a local, value-adding food and grocery manufacturing sector.

This submission provides an update on the international trade data provided in the Australian Food and Grocery Council Submission of 15 May 2014.

Countries of the Middle East covered:

- Algeria
- Bahrain
- Egypt
- Iran
- Iraq
- Israel
- Jordan
- Kuwait
- Lebanon
- Libya
- Morocco
- Oman
- Qatar
- Saudi Arabia
- Syria
- Tunisia
- United Arab Emirates
- Yemen

'Food' is considered the following HS Tariff Chapters:

- 2 - Meat and edible meat offal
- 3 - Fish and crustaceans, molluscs and other aquatic invertebrates
- 4 - Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included
- 7 - Edible vegetables and certain roots and tubers
- 8 - Edible fruit and nuts; peel of citrus fruit or melons
- 9 - Coffee, tea, mate and spices
- 11 - Products of the milling industry; malt; starches; inulin; wheat gluten
- 15 - Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes
- 16 - Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates
- 17 - Sugars and sugar confectionery
- 18 - Cocoa and cocoa preparations
- 19 - Preparations of cereals, flour, starch, or milk; pastrycooks' products
- 20 - Preparations of vegetables, fruit, nuts or other parts of plants
- 21 - Miscellaneous edible preparations
- 22 - Beverages, spirits and vinegar

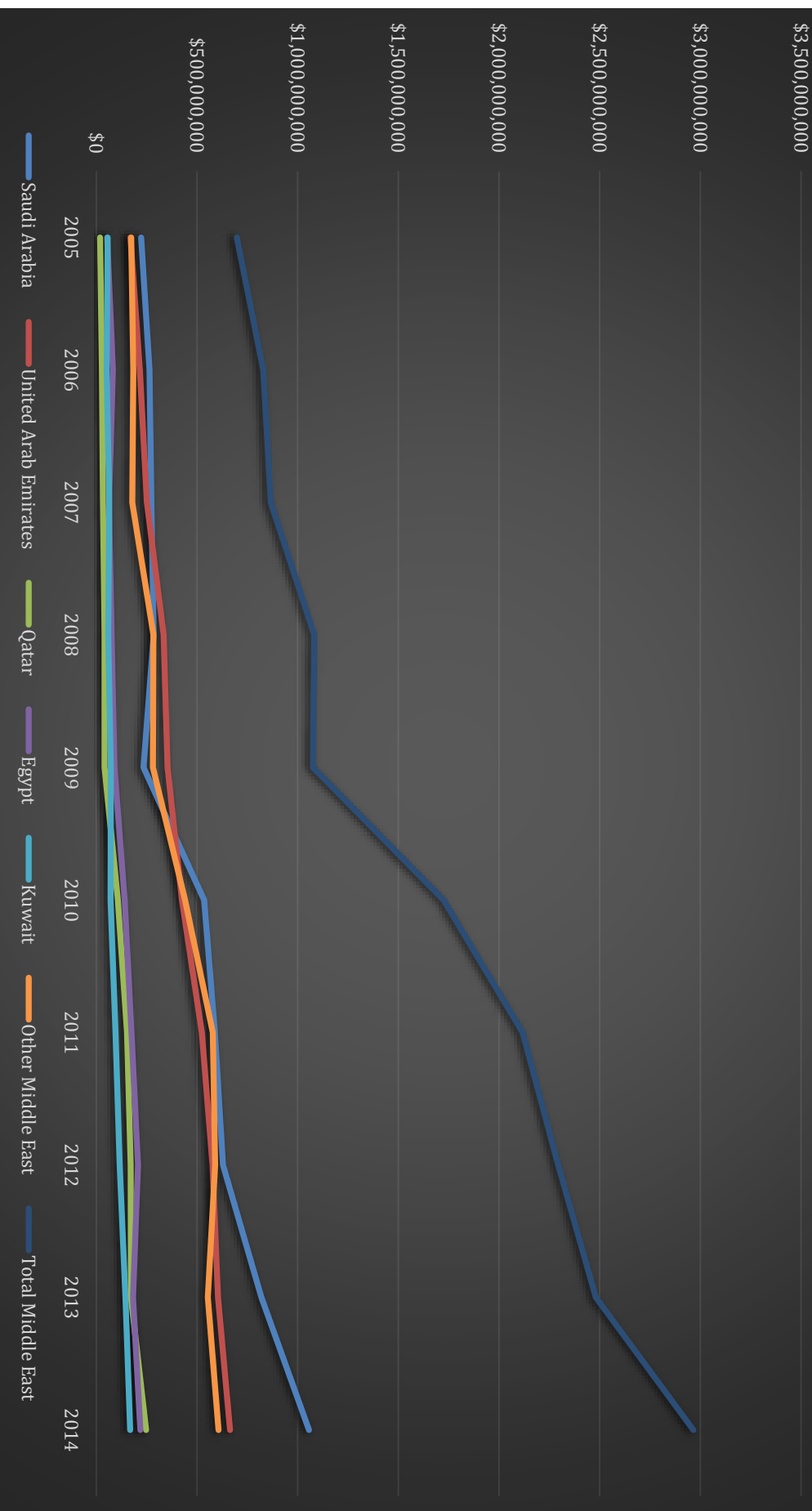
'Processed Food' is considered the following HS Tariff Chapters:

- 18 - Cocoa and cocoa preparations
- 19 - Preparations of cereals, flour, starch, or milk; pastrycooks' products
- 20 - Preparations of vegetables, fruit, nuts or other parts of plants
- 21 - Miscellaneous edible preparations
- 22 - Beverages, spirits and vinegar

		Australia's Food Exports to the Middle East (AUD)											
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014			
Saudi Arabia	\$223,273,773.75	\$264,559,332.50	\$273,403,866.25	\$286,210,973.75	\$235,470,071.25	\$536,716,722.50	\$589,788,910.00	\$629,976,035.00	\$820,307,955.00	\$1,056,873,377.50			
United Arab Emirates	\$170,545,576.25	\$216,671,500.00	\$251,835,008.75	\$335,275,816.25	\$354,856,638.75	\$426,542,986.25	\$524,350,025.00	\$577,637,137.50	\$605,356,353.75	\$664,731,970.00			
Qatar	\$19,635,122.50	\$28,010,318.75	\$34,136,672.50	\$41,004,833.75	\$41,514,991.25	\$107,657,080.00	\$152,866,230.00	\$171,613,692.50	\$172,522,152.50	\$247,747,575.00			
Egypt	\$54,038,387.50	\$83,576,980.00	\$63,994,673.75	\$77,173,087.50	\$90,790,535.00	\$141,807,457.50	\$175,853,318.75	\$207,756,967.50	\$182,635,025.00	\$219,913,763.75			
Kuwait	\$57,006,790.00	\$52,044,858.75	\$64,646,432.50	\$59,192,761.25	\$72,186,910.00	\$71,502,471.25	\$96,661,910.00	\$117,336,341.25	\$145,949,041.25	\$168,511,226.25			
Jordan	\$14,314,532.50	\$17,965,395.00	\$26,055,116.25	\$37,586,036.25	\$83,425,567.50	\$75,845,058.75	\$108,764,450.00	\$132,752,913.75	\$135,679,341.25	\$151,331,138.75			
Bahrain	\$18,008,143.75	\$18,675,853.75	\$21,535,481.25	\$28,802,495.00	\$28,835,420.00	\$57,947,613.75	\$84,601,330.00	\$89,713,691.25	\$117,281,337.50	\$114,753,260.00			
Oman	\$47,996,437.50	\$43,876,793.75	\$31,794,882.50	\$77,791,420.00	\$28,695,391.25	\$89,501,827.50	\$165,088,825.00	\$100,411,990.00	\$72,423,870.00	\$103,880,347.50			
Morocco	\$11,800,517.50	\$16,148,928.75	\$11,904,907.50	\$9,777,780.00	\$25,794,865.00	\$32,362,700.00	\$30,359,375.00	\$42,041,380.00	\$56,598,737.50	\$93,295,467.50			
Yemen	\$24,515,357.50	\$33,090,686.25	\$32,128,660.00	\$40,253,907.50	\$29,735,115.00	\$31,312,511.25	\$37,737,740.00	\$44,889,743.75	\$50,898,928.75	\$55,190,481.25			
Lebanon	\$6,219,598.75	\$8,804,706.25	\$11,684,146.25	\$15,507,355.00	\$16,357,361.25	\$20,839,615.00	\$31,843,138.75	\$22,470,653.75	\$24,818,820.00	\$24,610,493.75			
Israel	\$3,718,898.75	\$3,603,557.50	\$7,062,571.25	\$13,011,295.00	\$13,928,987.50	\$12,061,768.75	\$15,988,060.00	\$15,544,272.50	\$10,266,081.25	\$19,642,845.00			
Libya	\$7,944,223.75	\$6,305,898.75	\$8,637,296.25	\$27,205,231.25	\$11,846,822.50	\$10,557,123.75	\$3,422,132.50	\$21,950,545.00	\$8,767,315.00	\$14,594,001.25			
Iraq	\$2,151,158.75	\$2,299,793.75	\$3,060,425.00	\$1,714,616.25	\$8,292,145.00	\$8,325,372.50	\$5,476,675.00	\$9,727,257.50	\$9,605,273.75	\$10,722,006.25			
Iran	\$8,593,682.50	\$6,322,297.50	\$5,031,505.00	\$14,283,530.00	\$11,058,712.50	\$82,484,061.25	\$62,918,681.25	\$101,282,435.00	\$58,862,223.75	\$8,305,298.75			
Algeria	\$24,423,062.50	\$24,301,693.75	\$16,221,896.25	\$13,393,543.75	\$15,022,510.00	\$11,304,702.50	\$27,074,081.25	\$4,654,776.25	\$3,993,141.25	\$6,423,550.00			
Tunisia	\$2,549,098.75	\$1,839,881.25	\$2,509,600.00	\$3,264,130.00	\$6,710,806.25	\$2,040,938.75	\$3,017,943.75	\$2,804,020.00	\$5,226,222.50	\$5,069,141.25			
Syria	\$1,685,768.75	\$1,464,403.75	\$1,923,162.50	\$1,772,775.00	\$2,262,995.00	\$6,692,795.00	\$2,899,385.00	\$2,573,820.00	\$652,692.50	\$94,950.00			
Totals	\$698,420,131	\$829,562,880	\$867,566,304	\$1,083,221,588	\$1,076,785,845	\$1,725,502,806	\$2,118,712,211	\$2,295,137,673	\$2,481,844,513	\$2,965,690,894			
Australia's Exports to the World (billions)	\$15.79	\$16.06	\$17.28	\$18.71	\$16.39	\$18.67	\$22.12	\$22.52	\$23.64	\$26.09			
Per cent of Food Exports to ME	4.42	5.17	5.02	5.79	6.57	9.24	9.58	10.19	10.50	11.37			

Source: UN Comtrade Statistical Database. (Data in USD converted to AUD at AUD/USD .80)

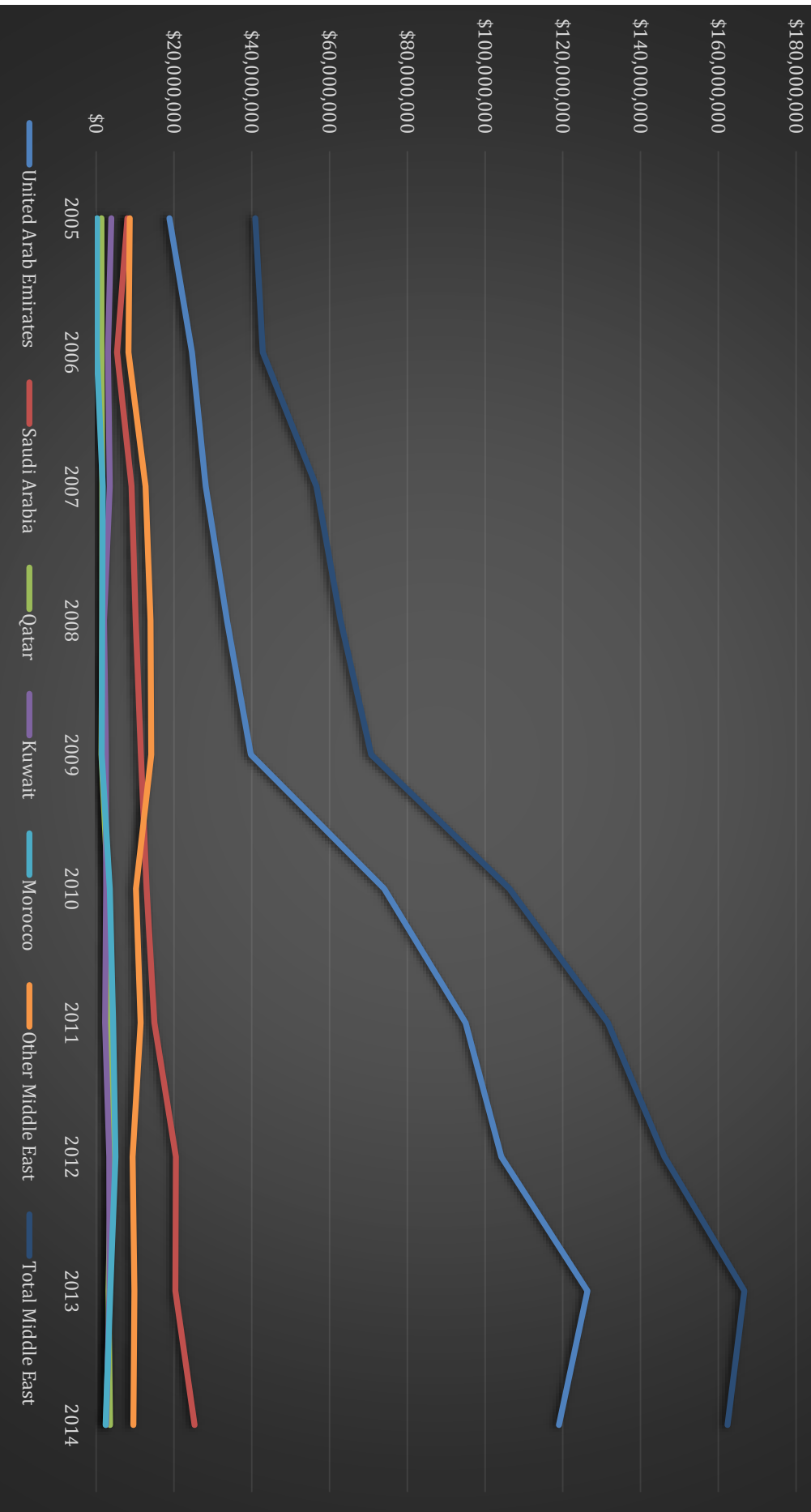
Food Exports to the Middle East



Source: UN Comtrade Statistical Database. (Data in USD converted to AUD at AUD/USD .80)

Excludes live animals, bulk grains and non-food agriculture.

Australia's Processed Food Exports (excluding meat and dairy)



Source: UN Comtrade Statistical Database. (Data in USD converted to AUD at AUD/USD .80)