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MEDIA RELEASE

TRADE SUB-COMMITTEE

JOINT STANDING COMMITTEE ON FOREIGN AFFAIRS, DEFENCE AND TRADE

Inquiry into Australia's trade and investment relationship with the United Kingdom

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Interim report on Australia's trade and investment with the UK

Federal parliament's Joint Standing Committee on Foreign Affairs, Defence and Trade has today released an interim report for its inquiry on Australia's trade and investment relationship with the United Kingdom.

The UK is currently Australia's fifth largest individual trading partner with Australia's two-way trade in goods and services with the UK worth more than \$29 billion in 2016.

The Chair of the Trade Sub-Committee, Senator Bridget McKenzie, said the inquiry into an important trading partner attracted significant interest with a contribution of 72 submissions from people, governments and organisations across Australia, the United Kingdom, Ireland and also Australian businesses in France and Germany.

The sub-committee also heard from a diverse range of 58 organisations and individuals during 13 public hearings, including the British High Commissioner.

This interim report is a summary of the Sub-Committee's findings to date on the opportunities, barriers and challenges facing Australia's future trade and investment relationship with the UK, especially in light of the UK referendum in 2016 when a majority of British people voted in favour of leaving the European Union or the so-called as 'Brexit'.

"Evidence to this inquiry so far suggests that the ongoing negotiations between the UK and EU over 'Brexit' will determine the future parameters of Australia's trade relationship with the UK. The Committee will present its final report and recommendations closer to the conclusion of those negotiations," Senator McKenzie said.

"And the Inquiry uncovered a desire for closer trade links on the part of the Australian businesses and the primary producer sector as well, with witnesses from a broad range of industries including beef and sheepmeat and dairy producers, the wine sector, rice growers and sugar farmers all eager to build on their existing commercial relationships in the UK and to increase their export volumes if the changes ushered in by "Brexit" gave them the opportunity to do so."

The sub-committee heard that many of these industries and producers lost a lot of access to British markets in 1973, when Britain joined what was then the European Economic Community, and imports into Britain were subjected to strictly-enforced European quotas and tariffs that remain in place today.

"It heard that beef exports have declined from 149,000 tonnes in 1959 to just 7,699 tonnes last year out of a total export quota to the EU of a little over 20,000 tonnes; sheepmeat exports over the same period fell from 47,000 tonnes to 12,378 tonnes last year out of a total EU quota of roughly 16,500 tonnes," Senator McKenzie said.

“Whilst the UK remains Australia’s largest agricultural export market within the EU, this has declined to just under one and a half per cent of all agricultural exports in 2015-16, valued at \$727 million.

“Australia’s current trading relationship with the UK is robust, with other key Australian exports including precious metals, stones and jewellery, and pharmaceuticals.”

The interim report is at:

https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Foreign_Affairs_Defence_and_Trade/tradewithUK/Interim_Report

Media enquiries:

Senator Bridget McKenzie (Victoria), Chair of the Trade Sub-Committee of the JSCFADT - contact Russ Street Chief of Staff phone: (02) 6277 3200 or

email: russ.street@aph.gov.au