2 November 2018

Committee Secretary
Joint Standing Committee on Treaties
PO Box 6021
Parliament House
Canberra ACT 2600

Via email: jsct@aph.gov.au

Peru-Australia Free Trade Agreement (PAFTA): Revisited

I am writing on behalf of the Australian red meat and livestock industry[1] in response to the Joint Standing Committee on Treaties consideration of further aspects pertaining to the Peru-Australia Free Trade Agreement (PAFTA).

The comments below relate to whether there are *"ongoing concerns over the increasing complexity created by the number of trade agreements, particularly multiple agreements with the same partner"*.

While enhanced trade relations between Australia and Peru are encapsulated via the recently ratified Comprehensive and Progressive Trans-Pacific Partnership agreement (CPTPP or TPP-11), PAFTA offers a significant improvement for Australian beef - specifically a quicker tariff phase-out than under TPP-11.

Unfortunately during the plurilateral TPP-11 negotiations, a lengthy (10 year) beef tariff elimination schedule was agreed with Peru. However, via the subsequent bilateral between Peru and Australia an expedited (5 year) preferential tariff elimination arrangement was negotiated.

Securing this expedited tariff phase out is critical as it ensures Australian beef entering Peru will have duty free access to the Peruvian market at the same time as US beef (a major global competitor) under the US-Peru FTA. It will also place Australian beef at a distinct competitive advantage compared to other TPP-11 member countries which will face a 10 year phase out should they utilise TPP-11 provisions.

Both these advantages will assist the future competitiveness of Australian beef entering Peru - in what will be a new export market opportunity for our industry.

With TPP-11 sitting alongside PAFTA, Australian beef exporters servicing Peru will have the choice of using the tariff schedule under either agreement. This will not be complex - as the benefits of utilising PAFTA are obvious.

Multiple agreements with the same trading partner will also prove beneficial for our beef trade to Japan, where TPP-11 will offer consistent, deeper and quicker tariff reductions for Australian beef compared to that secured under the Japan-Australia Economic Partnership Agreement (which is currently being implemented).

[1] Red Meat Advisory Council: Australian Livestock Exporters' Council; Australian Lot Feeders' Association; Australian Meat Industry Council; Cattle Council of Australia; Goat Industry Council of Australia; Sheep Producers Australia

Providing the subsequent agreement between trading partners improves market access and other trade facilitation conditions for our products (which PAFTA in this case does) multiple agreements should be supported.

As a consequence, the Australian red meat and livestock industry strongly recommends that the Joint Standing Committee on Treaties re-endorse PAFTA so that binding treaty action be taken without delay.

Yours sincerely

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