# Submission No 68

## Review of Australia's Relationship with the Countries of Africa

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**Question:** DAFF

**Division/Agency:** Trade and Market Access Division
**Topic:** World Trade Organisation – Doha Round of Trade Negotiations
**Hansard Page:** 14-15

**Senator Ferguson asked:**
You advised that, when the Doha Round was concluded, developing countries will be given advantages in terms of special and differential treatment. Can you tell me the nature of the advantages of special and differential treatment for developing countries?

I am interested to know what special advantages we are going to give to countries in Africa that we do not give to some other countries which may be in similar situations.

**Answer:**
The WTO Uruguay Round Agriculture Agreement which entered into force on 1 January 1995 provided limited concessions to developing countries (DCs). In most cases DCs were required to make the same cuts to domestic support and tariffs as developed countries. However, DCs were given ten years to implement commitments while developed countries were required to implement their commitments over a six year period.

In addition DCs which provided assistance to domestic industries to encourage agricultural and rural development as part of a development program were exempt from domestic support reduction commitments on these programs and DCs were not required to undertake commitments in respect of export subsidies to reduce the costs of marketing agricultural exports and to reduce internal transport and freight charges below those for domestic shipments.

The Australian tariff schedule provides tariff concessions for several categories of countries. Most African countries fall into three of these categories. The three categories are least developed countries (LDCs), developing countries subject to developing country (DC) rates of duty and developing countries subject to developing country status (DCS) rates of duty. Countries in these three categories benefit from lower tariffs. For almost all agricultural tariff lines the tariff rates for LDCs and DCs are zero. DCS countries receive tariff concessions on most agricultural tariff lines for which there is a tariff. This concession usually results in a tariff 1% below that applied to imports from developed countries but sometimes results in a tariff of zero.

Under the current draft agriculture negotiating text for the WTO Doha Development Round of trade negotiations, special and differential treatment will be available to DCs and least developed countries (LDCs) in a number of areas to ensure that the development objectives of the Round are met. LDCs will benefit from more generous provisions than DCs.

African countries, as DCs and LDCs, will benefit from this special and differential treatment. There will, however, be no special provisions specifically for African countries.

Following are some examples of the preferential treatment that will be available to DCs and LDCs under the current draft agriculture negotiating text and once the Doha is concluded.

**Domestic Support**
DCs and LDCs will not be required to limit their domestic support for agriculture to the same degree as developed country members, for example, the reduction in the final bound total AMS (Aggregate Measurement of Support) for DCs and LDCs will be two-thirds of the reduction applicable for developed countries. In addition, DCs and LDCs will implement reductions in domestic support in nine instalments over eight years while developed countries will implement reductions in domestic support in six instalments over a five year period.

**Tariff Cuts**
Under the current draft text DCs will be required to reduce their final bound tariffs in eleven annual instalments over ten years as follows:

- Where the final bound tariff or ad valorem equivalent is greater than 0 and less than or equal to 30% the reduction will be 33%.
- Where the final bound tariff or ad valorem equivalent is greater than 30% and less than or equal to 80%, the reduction will be 38%.
- Where the final bound tariff or ad valorem equivalent is greater than 80% and less than or equal to 130%, the reduction will be 50%.
- Where the final bound tariff or ad valorem equivalent is greater than 130% the reduction shall be 47%.

The maximum overall average cut on final bound tariffs for DCs is 36% while the minimum average cut on final bound tariffs that a developed country will be required to undertake is 54%.

Developed countries will be required to reduce their final bound tariffs in six equal annual instalments over five years as follows:

- where the final bound tariff or ad valorem equivalent is greater than 0 and less than or equal to 20%, the reduction will be 50%.
- where the final bound tariff or ad valorem equivalent is greater than 20% and less than or equal to 50%, the reduction will be 57%.
- where the final bound tariff or ad valorem equivalent is greater than 50% and less than or equal to 75%, there reduction will be 64%.
- where the final bound tariff or ad valorem equivalent is greater than 75%, the reduction shall be 70%.

**Sensitive Products**
DCs will be able to designate up to one-third more tariff lines, than developed countries, as sensitive products. Products designated as sensitive will not be subject to the same tariff cuts as other products

Developed countries shall have the right to designate up to 4% of tariff lines as sensitive products and in some circumstances up to 6%.

**Tariff Quotas**
For developed countries all bound in-quota tariffs shall be reduced by either 50% or to a threshold of 10%, whichever results in the lower tariff. DCs will only be required to reduce their in-quota tariffs by 15 per cent.

**Special Agricultural Safeguard**
The Special Agricultural Safeguard (safeguard) is included in the WTO Uruguay Round outcomes. It provides for an additional tariff where certain criteria are met, eg import surges, import price falls below a trigger price, etc. Thirty eight countries have access to the safeguard on a designated number of products. Developed countries will be required to phase out the safeguard within 7 years of implementation and its use is limited to 1 per cent of tariff lines.

DCs will be able to apply the safeguard to 2.5 per cent of tariff lines and will not be required to phase it out.

**Special Safeguards Mechanism**
DCs will also benefit from the Special Safeguards Mechanism (SSM) which will only be available to developing countries and will provide protection from surges in imports. Details of how this mechanism will operate are still being negotiated.

**Tropical Products**
Additional cuts beyond the general tariff rate cuts will apply to a range of tropical products as these products are of significance to developing countries.

**Least Developed Countries**
LDCs will not be not required to undertake any reductions in bound tariffs.

Developed countries and DC members, declaring themselves in a position to do so

- Should provide duty-free and quota free market access on a lasting basis, for all products originating from all LDCs.

- Provide meaningfully enhanced market access for all LDCs.

- Ensure that preferential rules of origin applicable to imports from LDCs will be transparent simple and contribute to facilitating market access in respect of agricultural products.

**Question:** DAFF

**Division/Agency:** Trade and Market Access Division
**Topic:** World Trade Organisation – Doha Round of Trade Negotiations
**Hansard Page:** 15

**Mr Ruddock asked:** I recall reading that Kenya was not included amongst the list of African countries that get totally free tariff entry. I wonder whether you make the judgment about which ones are tariff free and which ones are not.

**Answer:** Under the World Trade Organisation (WTO) Uruguay Round Agriculture Agreement no special tariff concessions were afforded to developing countries (DCs) or least developed countries (LDCs) by developed countries. However, in addition to our commitments under the WTO, Australia provides tariff concessions to a number of countries. Under Australia's tariff schedule Kenya is classified as a developing country subject to developing country status (DCS) rates of duty. Most Australian agricultural tariffs are zero. However, in most of the cases where the tariff is above zero Kenya receives a small tariff concession.

Under the current WTO Doha draft agriculture negotiating text tariff free entry is being afforded to LDCs. A number of African countries are classified as LDCs. The WTO recognises as LDCs those countries which have been designated as such by the United Nations.

Kenya is not classified as an LDC and will therefore not be afforded tariff free entry. Kenya is classified as a DC and will benefit from the preferential treatment afforded to DCs under any new agreement negotiated as a result of the Doha Round of trade negotiations.

**Question:** DAFF

**Division/Agency:** Trade and Market Access Division/Bilateral Branch
**Topic: Training to the countries in Africa**
**Hansard Page:** 17-18

**Senator Moore asked:** What about training in terms of bringing people from African countries? I know that the department does lots of training, but have there been training activities bringing people specifically from African countries to learn about our quarantine system and develop knowledge about how to develop their own quarantine systems? It has been raised in the past that some countries develop their own effective quarantine because of the range of issues that have been raised in Africa.

**Answer:** The department's agricultural cooperation efforts are directed to support and improve market access. Our objectives are pursued by identifying areas in common between Australian agricultural industries and potential trading partners, and providing technical assistance and capacity building to support key and emerging markets.

In September 2007 the department's International Agricultural Cooperation program funded a study visit to Australia by a group of 30 South African farmers to view agricultural production and management techniques. Also in 2007 and 2008 officers from the South African Ministry of Agriculture were invited, although did not take up the opportunity, to attend the 'master class' program run by the department for the foreign government officials.

There are no specific DAFF programs directed to countries in Africa. However, the department works with AusAID, the latter being the lead Australian Government agency in delivering training under its international aid and cooperation program.

Recently, AusAID under its Australia-Africa Partnership Facility supported project on Strengthening Plant Quarantine Capability in Botswana. On 1 March 2010, the Hon. Kevin Rudd MP, announced a two year $250,000 extension of support in plant biosecurity and quarantine assistance for Botswana.

**Question:** DAFF

**Division/Agency:** Biosecurity Services Group (BSG) – Animals / Animal Quarantine and Export Operations
**Topic:** Export of livestock by sea
**Hansard Page:** 20

**Mr Hawker asked:** Can you give us some more information on what sort of percentage of exports are triggering this inquiry? (mortality investigation)

**Answer:** Following the Australian Government's response to the recommendations of the Keniry Livestock Export Review, BSG conducts an investigation if the mortality rate of livestock on a vessel is equal to, or greater, than the reportable level. In the Australian Standards for the Export of Livestock (ASEL) the reportable level for the export of livestock means, in respect of any species, the percentage listed below or three (3) animals, whichever is the greater number of animals:

- Sheep and goats: two (2) per cent;
- Cattle and buffalo, voyages greater than or equal to 10 days: one (1) per cent;
- Cattle and buffalo, voyages less than 10 days: zero point five (0.5) per cent;
- Camelids: two (2) per cent
- Deer: two (2) per cent

The attached table shows the number of head of livestock exported by sea for the period 2005 – 2009 including the percentage of voyages that have had a reportable mortality incident.

Further information on the outcomes of voyages can be found on the Department of Agriculture Fisheries and Forestry website at http://www.daff.gov.au/animal-plant-health/welfare/export-trade/mortalities

This includes links to the reports on livestock export mortalities which is tabled in each House of the Parliament every six months.

## Voyage Mortality trends for the period 2005 - 2009

| Sheep | | | | | |
|---|---|---|---|---|---|
| **All Voyages** | **2005** | **2006*** | **2007*** | **2008*** | **2009*** |
| Head Exported | 4,179,256 | 4,158,671 | 3,768,953 | 4,190,226 | 3,577,677 |
| Average mortality rate | 0.94% | 0.90% | 0.99% | 0.85% | 0.94% |
| Number of voyages | 72 | 68 | 61 | 63 | 53 |
| Number of voyages with reportable mortality event | 2 | 3 | 4 | 0 | 1 |
| % Voyages with reportable mortality event | 2.78% | 4.41% | 6.35% | 0.00% | 1.89% |

| Cattle - Short Haul (<10 days) | | | | | |
|---|---|---|---|---|---|
| **All Voyages** | **2005** | **2006*** | **2007*** | **2008*** | **2009*** |
| Head Exported | 285,987 | 267,642 | 338,898 | 421,916 | 568,515 |
| Average mortality rate | 0.07% | 0.06% | 0.08% | 0.08% | 0.06% |
| Number of voyages | 148 | 131 | 161 | 182 | 246 |
| Number of voyages with reportable mortality event | - | - | 4 | 3 | 1 |
| % Voyages with reportable mortality event | 0.00% | 0.00% | 2.48% | 1.65% | 0.41% |

| Cattle - Long Haul (>=10 days) | | | | | |
|---|---|---|---|---|---|
| **All Voyages** | **2005** | **2006*** | **2007*** | **2008*** | **2009*** |
| Head Exported | 277,062 | 355,410 | 373,343 | 443,438 | 371,000 |
| Average mortality rate | 0.21% | 0.26% | 0.12% | 0.16% | 0.16% |
| Number of voyages | 86 | 90 | 102 | 106 | 93 |
| Number of voyages with reportable mortality event | 1 | 4 | 0 | 1 | 1 |
| % Voyages with reportable mortality event | 1.16% | 4.44% | 0.00% | 0.94% | 1.08% |

| Buffalo - Short Haul (<10 days) | | | | | |
|---|---|---|---|---|---|
| **All Voyages** | **2005** | **2006*** | **2007*** | **2008*** | **2009*** |
| Head Exported | 2,533 | 2,341 | 1,244 | 1,238 | 1,598 |
| Average mortality rate | 0.16% | 0.13% | 0.08% | 0.08% | 0.00% |
| Number of voyages | - | - | - | - | - |
| Number of voyages with reportable mortality event | - | - | - | - | - |
| % Voyages with reportable mortality event | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

| Buffalo - Long Haul (>=10 days) | | | | | |
|---|---|---|---|---|---|
| **All Voyages** | **2005** | **2006*** | **2007*** | **2008*** | **2009*** |
| Head Exported | 711 | 4,925 | 2,229 | 3,395 | 2,179 |
| Average mortality rate | 0.00% | 0.32% | 0.18% | 0.21% | 0.09% |
| Number of voyages | - | - | - | - | - |
| Number of voyages with reportable mortality event | - | - | - | - | - |
| % Voyages with reportable mortality event | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

| Goats | | | | | |
|---|---|---|---|---|---|
| **All Voyages** | **2005** | **2006*** | **2007*** | **2008*** | **2009*** |
| Head Exported | 14,324 | 26,418 | 24,307 | 3,180 | 577 |
| Average mortality rate | 0.77% | 0.50% | 0.71% | 0.50% | 0.17% |
| Number of voyages | 26 | 26 | 23 | 8 | 2 |
| Number of voyages with reportable mortality event | - | 1 | 2 | 1 | - |
| % Voyages with reportable mortality event | 0.00% | 3.85% | 8.70% | 12.50% | 0.00% |

Source: AMSA Masters' Reports

* AQIS Investigation Report published on the DAFF Website