

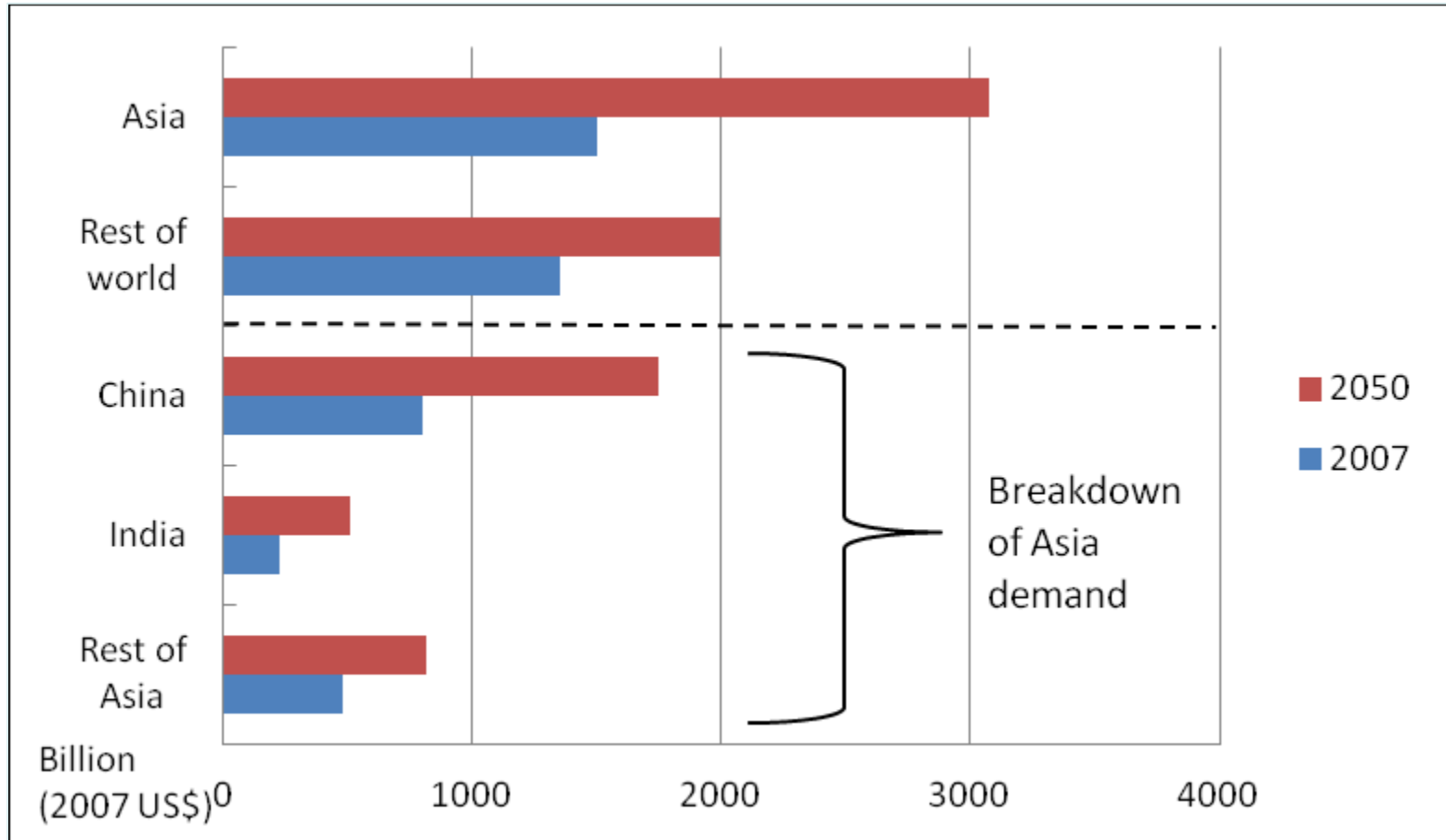


INTERNATIONAL COMPETITION: REDUCING NON-TARIFF BARRIERS

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World agrifood demand by region



Source: ABARES

Key challenge is non-tariff barriers to trade (NTBs)

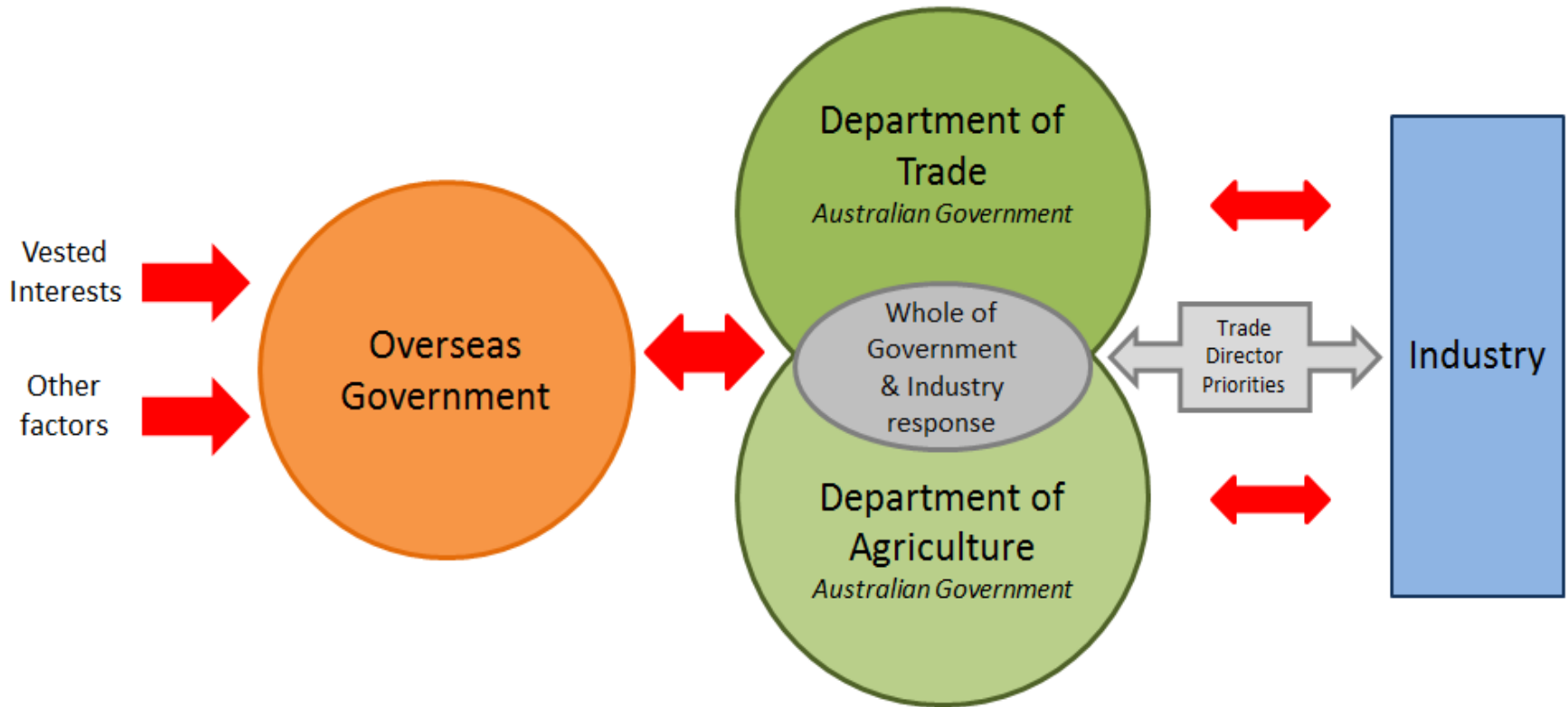
Key points:

- ◆ Many agri-food sectors concerned about NTBs
- ◆ Number of recent studies including AFGC, dairy, RIRDC
- ◆ APEC just commenced a study on NTBs in agri-food
- ◆ Red meat processors fund a resource to tackle NTBs
- ◆ Industry Market Access and Advisory Committee formed April 2015
- ◆ China, the Middle East and Indonesia are the focus
- ◆ Look at emerging issues and markets, including competitors.

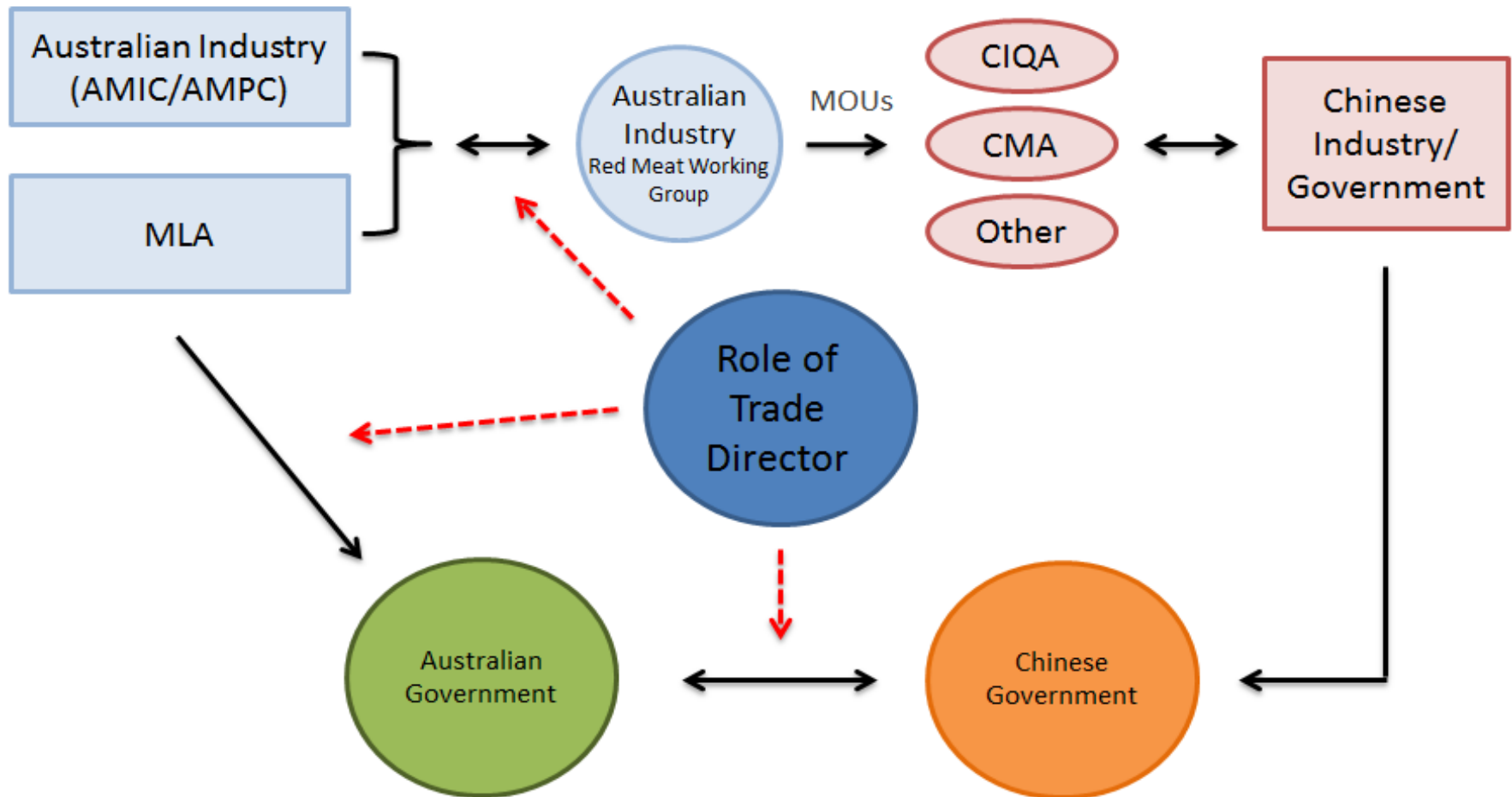


Red Meat Processing Industry Approach

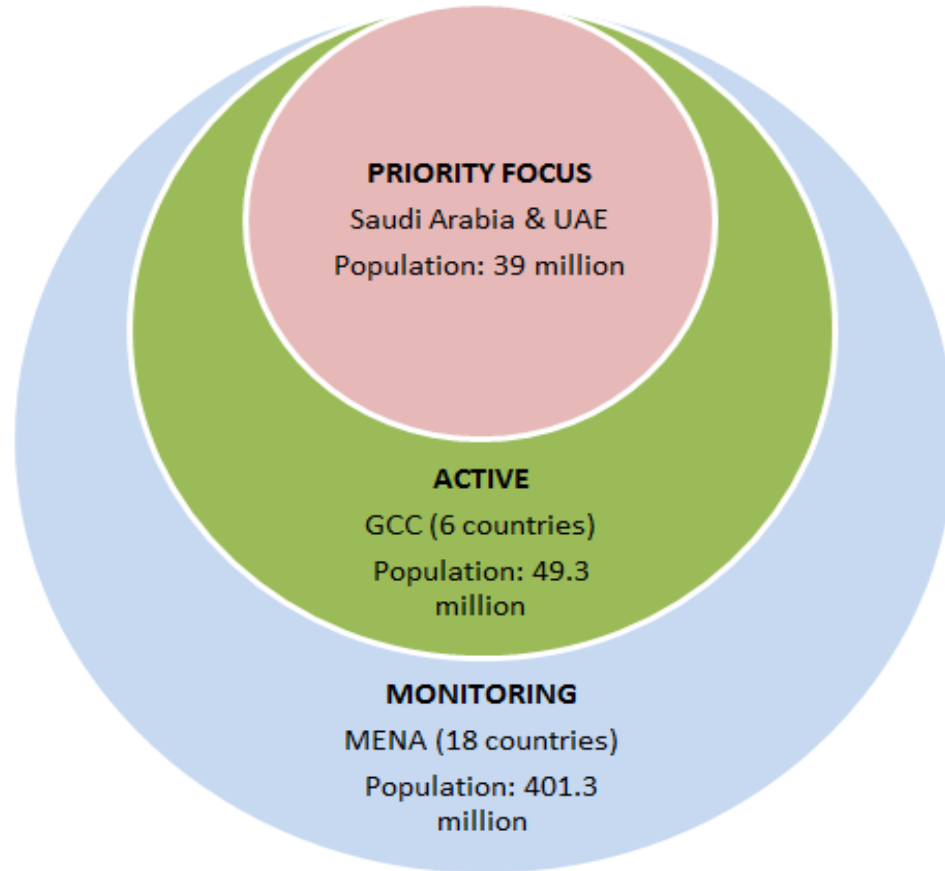
NTBs worth over \$3.4B (2016 AMIC-MLA updated study) - \$2B beef, \$1B sheep, \$100M goat, \$300M offal



China Strategic Focus for Meat Industry



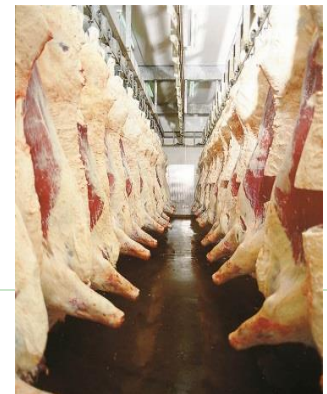
MENA Strategic Focus



Current Projects for IMAAC

IMAAC has listed the strategic priorities as:

- ◆ China chilled meat (\$39M cost to industry)
- ◆ China establishment listing restrictions (\$192M)
- ◆ China tripe trade restrictions (\$31M)
- ◆ GCC shelf life restrictions (\$62M)
- ◆ GCC electronic transfer and document legalisation (\$7M)
- ◆ Egypt minimum 2kg manufacturing beef size (\$41M)
- ◆ Indonesia Halal certification and establishment listing (\$54M)
- ◆ Mexico flat stacking sheep/goat carcasses (\$27M)



International Competition: Case Study 1

China establishment listing restrictions (\$192M cost):

- ◆ Major competitors: NZ, Uruguay, Brazil
- ◆ All processing facilities listed from NZ but NOT Australia
- ◆ Brazil regained access despite foot-and-mouth disease concerns
- ◆ Australia has only 47 of at least 71 establishments listed
- ◆ Competitive disadvantage for Australia – price and volume
- ◆ Advantage on chilled product but may not last (11 establishments)



International Competition: Case Study 2

India has gained market access to Indonesia (\$54+M cost):

- ◆ Indonesia is foot-and-mouth disease free – India is NOT
- ◆ Trade can occur under international standards, but risks
- ◆ Competing against a cheaper supplier that is FMD affected
- ◆ Clean, green image even in emerging markets is important
- ◆ Indonesia imports live cattle, but bans on secondary cuts, offal
- ◆ Despite relaxation of bans, delays issuing import permits (\$33M)
- ◆ Halal issues and differential treatment of countries



Any Questions?

