

Address to the Australian Maritime and Transport Arbitration
Commission (AMTAC)
Thursday 26 September 2019

Supporting Australian exporters/shippers in the current global trading environment

Introduction

It is my pleasure to be here today to speak at The Australian Maritime and Transport Arbitration Commission's Annual Address, held here in Sydney and live streamed across the country.

I would like to acknowledge the Traditional Custodians of the land we are meeting on, the Gadigal people of the Eora Nation, and the contribution they make to the life of this region. I pay respect to their Elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples here today.

Global challenges and opportunities are of key importance to me in my role as Assistant Secretary, Agriculture and Food Trade in the Office of Trade Negotiations. As much as possible I work to be responsive to business and industry in both Australian government policy development and in international forums where the rules for trade are set, particularly the World Trade Organization (WTO).

My address here today for The Australian Maritime and Transport Arbitration Commission seeks to achieve two aims; to illustrate, through some clear case study examples, the work of government in a complex global environment, and to brief you on the government's current focus, outlined in the Foreign Policy

White Paper and the accompanying Economic and Commercial Diplomacy Agenda.

Australia is the thirteenth largest global economy. The Australian economy is in its 29th year of uninterrupted growth. Since 1992 it has grown faster than any other developed country.

Trade has been an important part of Australia's economic success, with one in five Australian jobs depending on trade and one in ten depending on foreign investment into Australia.

We live in a time of rapid change.

We have seen the first instalment of Asia's rise – bringing remarkable prosperity to the Indo-Pacific. The economic growth that has come with globalisation is in turn changing power relationships.

Australia's international engagement is more complex now than ever before.

The global trading system is under pressure, with rising tensions in some regions affecting supply chains and taking a toll on global growth projections.

Trade tensions between the United States and China have escalated and remain a key risk for global trade and economic growth.

We are seeing sharper competition over the character of the future regional and global order.

Uncertainty surrounding Brexit is impacting the British economy, the euro zone, and overall European business sentiment. A 'no deal' Brexit is still a live

possibility. This would have major practical impacts on United Kingdom and European Union shipping links and logistics.

Vulnerabilities associated with increased global debt – including in emerging economies – are another risk.

Maritime and land border disputes are a growing source of potential instability in a more contested Indo–Pacific. They draw in the region’s three big Asian powers—China, Japan and India—as well as Korea, Taiwan, Southeast Asian nations and Pakistan.

While Australia does not take sides on competing territorial claims, we do have a substantial interest in the stability of the South China Sea, a crucial international waterway, and in the norms and laws that govern it.

Like others in our region and around the world, Australia will need to navigate these changes and chart a course to advance our national interests.

Foreign Policy White Paper

As the Government made very clear in the **Foreign Policy White Paper**, released in November 2017, our prosperity and security, and that of our region, are best served when Australia has a strong influence in our region and beyond.

The White Paper sets out an active agenda to help shape the kind of region we want – a strategy for the Indo-Pacific that is a government-wide and, in many ways, a nation-wide effort.

The White Paper's fundamental objectives are to:

- Work to keep our Indo-Pacific region secure, open and prosperous;

- Maximise opportunities for Australian businesses and workers by fighting protectionism, and implementing policies that help Australians take advantage of the benefits of an open, competitive economy;
- Ensure Australians remain safe, secure and free in the face of threats like terrorism;
- Promote a world with fair rules and strong cooperation to ensure the rights of all states are respected; and
- Increase support for a more stable and prosperous Pacific.

To achieve these objectives, the Government has:

- Increased our efforts to ensure we remain a leading partner for Southeast Asia, including through an increase in our investments in regional maritime security capacity-building, and stronger bilateral ties;
- Extended our 'step up' in the Pacific on economic and security issues;
- Established a new civilian deployment program, called Australia Assists, to provide specialised support to countries and communities affected by disasters;
- Extended our network of FTAs to cover more partners, with a goal of ensuring that by 2022 around 90 per cent of our trade will be covered by free trade agreements;
- Implemented a non-tariff barriers strategy to better identify barriers to trade for Australian businesses and respond to them; and

- We are developing a stronger "nation brand" to market our commercial, educational and cultural credentials in a competitive global market.

The White Paper has delivered a framework to ensure our prosperity and security by guiding our international efforts over the next decade and beyond.

Now to look more deeply at some of the key challenges in the global trade environment.

Trade tensions between United States and China

First, the **trade tensions between United States and China**, and Australia's relationships with these critically important trade partners.

The world's most important bilateral relationship – the United States - China relationship is strained: trade tensions have escalated; the global trading system is under real pressure and global growth projections are being wound back.

The International Monetary Fund estimates growth on global trade volumes has slipped from 5.5 per cent in 2017 to 3.7 per cent in 2018, and is expected to slow further to 2.5 per cent in 2019.

The IMF has also consistently revised downward global growth forecasts to reflect trade tension escalations and their effects on global business confidence.

This matters for open economies like Australia, where, as I said earlier, trade supports one in five jobs.

Australia is advocating for the trade tensions between the United States and China to be resolved in a way that:

- reinforces open markets and the free flow of trade based on World Trade Organization – consistent rules;
- supports a strong multilateral trading system;
- and does not undermine the interests of others, including Australia.

As Trade Minister Simon Birmingham said in Melbourne on Tuesday night “The continuation of a United States-China trade war is in nobody’s interest, while its successful settlement is in everybody’s.”

- Australia is not a bystander. Our approach is based on key principles:
- A commitment to open markets with trade and investment relationships based on rules.
- An approach which builds resilience and sovereignty, regardless of a nation’s size.
- Respect for international law and the peaceful resolution of disputes, without the threat or use of coercive power.
- And a commitment to cooperation and burden sharing within a strong and resilient regional architecture.

The United States Alliance

The United States Alliance remains the cornerstone of Australian security. United States Secretary of State Mike Pompeo described the Alliance as “unbreakable”.

It’s been important for Australia for the past 68 years, but never more important than now, as we face an Indo-Pacific that has so much opportunity, but which is now more competitive and contested.

Prime Minister Morrison’s official visit to the United States over the course of the last week celebrated 100 years of friendship with the United States and highlighted the strong economic, commercial and personal links between our two countries.

Our economic relationship is thriving - the United States is by far our top investment partner with AU\$1.7 trillion in two-way investment, supporting hundreds of thousands of jobs in the two countries.

The United States is both the largest single source of investment and Australia’s largest investment destination

The United States is our third largest trade partner with AU\$73.9 billion in two-way trade in 2018. The Australia-United States Free Trade Agreement has seen two-way trade grow by almost 80 per cent since it was signed.

Under this agreement, which entered into force in 2005, all United States exports enter Australia tariff-free and quota-free. More than 96 per cent of Australia’s exports enter tariff-free and this will increase to over 98 per cent by 2023.

We're looking forward to further, deep engagement over the next 12 months as we approach the Australia-United States Ministerial Consultations - AUSMIN 2020 – and as we near the 70th anniversary of the 1951 Australia, New Zealand, United States Security Treaty, ANZUS.

Australia's relationship with China

Australia is committed to our Comprehensive Strategic Partnership with **China**.

Australia welcomes China's economic growth, which has delivered it an economic maturity and status as a major world power.

We have a robust and mutually beneficial economic relationship with China – underpinned by strong fundamentals including broad economic complementarity.

China is our largest two-way trading partner by a significant margin.

Two-way trade with China reached a record high of \$214.6 billion in 2018. Australian exports to China reached the highest level ever of \$136.3 billion in 2018, driven by resource exports (iron ore, coal and LNG) and education-related travel services.

The growth in our economic relationship reflects the benefits provided by the China-Australia Free Trade Agreement (ChAFTA), which entered into force on 20 December 2015. ChAFTA is China's highest quality FTA with a developed economy.

Business has taken advantage of lower tariffs under ChAFTA.

On 1 January 2019, the fifth round of ChAFTA tariff cuts came into force.

Australia has now removed all tariffs on imports from China. This year, China removed tariffs on many of Australia's fastest-growing exports.

Commercial realities mean China will continue to be an attractive destination for exporters, however we also need to support global demand for Australian exports.

Australia's ambitious trade agenda is ensuring our businesses can access key international markets across the globe.

While Australia and China will have differences from time to time, and these will often dominate headlines, we should not lose sight of the fundamental strengths which underpin our ties.

The Prime Minister, Scott Morrison, has made clear the Australian Government's strong commitment further strengthen our cooperation.

Earlier this year, the Minister for Foreign Affairs and Minister for Women, Senator Payne, announced that Australia would establish a National Foundation for Australia-China Relations.

The new Foundation, which replaces the Australia-China Council, reflects the high importance we attach to the bilateral relationship.

The Foundation will be a platform to facilitate new forms of constructive two-way engagement and more connections, including working with the private sector, peak bodies, NGOs, cultural organisations, state and federal agencies and Chinese Australian communities.

The World Trade Organization

Australia's ambitious agenda is made much easier when international institutions, like the United Nations and the **World Trade Organization (WTO)**, are strong and effective in setting and enforcing international rules to help govern relations between countries.

One of the major issues in the current trade tensions is whether the current rules based system, with the WTO at its core, is working effectively for all members. Australia relies on an open and predictable global trading environment and is therefore strongly committed to the WTO and its framework of rules, which underpin Australia's economic prosperity.

The WTO provides a stable framework for 98 per cent of world trade, and is vital to supporting economic growth and jobs. WTO rules and processes provide certainty for businesses participating in international trade and include binding mechanisms to resolve trade disputes. WTO rules also help push back against protectionism and spur pro-growth economic reforms.

However, the organization faces a number of serious, long-standing challenges. Achieving a multilaterally agreed trade liberalisation deal among the entire membership of the WTO has become almost impossible.

Key challenges to the WTO include:

- a) recent unilateral trade measures;
- b) sharpening trade tensions; and
- c) concerns about the functioning of the WTO.

To provide some context on the current WTO challenges, in 2017, the United States dramatically sharpened its long-standing criticism of the WTO, including on the dispute settlement appeals mechanism; treatment of developing

countries; lack of progress on negotiations, and Members' non-compliance with transparency obligations.

The United States has taken some forceful actions to demonstrate its resolve, including through action against China and refusal to start selection processes to fill vacancies on the WTO Appellate Body, referred to as the Appellate Body impasse.

Australia recognises that the rules-based trading system must evolve if it is to adequately respond to new challenges including the rise of large emerging economies, changing patterns of trade and new technologies.

But Australia also strongly believes in the enduring value of a strong, rules-based multilateral trading system, with the WTO at its core. As a medium-sized nation that depends heavily on openness in world trade, we have a major interest in preserving and building upon the strength of the rules-based WTO system.

This is why Australia is front and centre in efforts to preserve and strengthen the multilateral trading system.

Our priorities are:

- resolution of the Appellate Body impasse;
- enhancing the WTO's negotiating function by progressing rule making on e-commerce, services domestic regulation and fisheries subsidies;
- improving the way the WTO functions through reforms to enhance transparency and notifications;

- and managing the contested question of flexibility for developing countries.

Australia is particularly concerned about the **Appellate Body impasse**. As mentioned earlier, the impasse has come about in part because the United States is concerned with the way the body functions. The United States is preventing the appointment of new members until it operates as agreed by Members at the time the WTO was established.

Unless the United States changes its position, in December 2019, the Appellate Body will cease to have a quorum to hear new appeals.

It is a challenging issue and it is possible that there will be a period of time where the Appellate Body will not be able to function.

Australia wants to ensure we preserve the enforceability and viability of the rules-based trading system and has been working on a number of fronts to secure this outcome.

For Australia, **restoring confidence in the WTO's negotiating arm** is key to our reform efforts: updating the WTO rulebook to reflect the realities of modern trade is how we demonstrate the ongoing value of the system to business and other stakeholders.

Despite the rapid expansion of e-commerce and its contribution to global trade, there are significant gaps in the existing WTO rules.

As noted by the Prime Minister on Monday “It is clear that our rules are not keeping pace with technological change that is happening at an unprecedented pace. That is why Australia is taking a leading role in developing e-commerce rules at the WTO”.

At the 11th WTO Ministerial Conference in December 2017, 70 WTO Members agreed to be part of the Australian-led **E-Commerce Joint Statement Initiative** together with Japan and Singapore.

WTO Members' engagement on the Joint Statement Initiative has exceeded expectations and resulted in the launch of WTO E-commerce negotiations in Davos in 2019. The group now consists of over 80 participants, including China, the European Union and the United States.

These negotiations have key systemic and commercial importance by reinforcing the credibility of the WTO as an institution, and providing a crucial opportunity to set rules that address the modern trade needs of business.

While there is still significant work to do, good progress has already been made, with proposals covering a broad range of trade-related e-commerce issues such as data flows, goods trade facilitation, openness, trust, telecommunications and market access.

Australia is seeking to secure outcomes that achieve a balance between facilitating the unprecedented increase in digital trade and ensuring trust in the online environment for consumers.

Australia is playing a key role in navigating differing objectives among the group and has taken steps to ensure that all issues remain on the table.

Australia also successfully pushed for a Joint Ministerial Statement in the margins of the OECD meetings in Paris in May, committing to finalise rules on **services domestic regulation** by next year.

An outcome in the services domestic regulation negotiations is important to address Australian and global industry concerns regarding behind-the-border

barriers facing services suppliers in overseas markets, particularly burdensome, opaque qualification and licensing procedures and requirements that undermine market access.

Greater transparency of domestic measures also has the potential to help domestic businesses, particularly SMEs, to access overseas markets.

Australia is also playing a leading role in active negotiations on fisheries subsidies and agriculture, particularly domestic support.

Australia is helping to improve the way the WTO functions by co-sponsoring proposals to enhance transparency and improve compliance with notification commitments, and to enhance the operation and efficiency of WTO Councils and Committees. This work aims to increase certainty and predictability for stakeholders.

Australia is focused on achieving outcomes for the 12th WTO Ministerial Conference in June 2020. This will be a critical juncture for the WTO Membership to deliver outcomes on negotiations and reforms to ensure the ongoing effectiveness of the WTO.

The Australian Government's ambitious trade and investment agenda is providing substantial new opportunities for Australian businesses, including exporters.

This agenda includes the active negotiation, implementation and review **of free trade agreements**, otherwise known as **FTAs**.

FTAs generally benefit Australian exporters by:

- creating a competitive edge for their goods and services exports;

- providing access to a wider range of more competitively priced imports;
- deepening their engagement in global value chains;
- safeguarding against protectionist tendencies in other countries;
- improving access to overseas investment capital and new technologies;
- and providing new growth and employment opportunities.

Australian exporters have benefited from free trade agreements that Australia has struck over the past fifteen years, including with the United States, Japan, Korea, China and ASEAN countries.

Over the past six years, the government has sought to maximise the access Australian producers and exporters have to diverse markets through new bilateral and regional FTAs, and through multilateral trade liberalisation.

The Australian Government seeks to ensure our nation obtains the full benefits of greater openness to international trade and investment, including:

- maximising the benefits Australia obtains from existing FTAs by promoting business awareness and utilisation of free trade agreements and where possible, reviewing and upgrading free trade agreements.
- working to ratify new deals, such as the Indonesia-Australia Comprehensive Economic Partnership Agreement, the Peru-Australia Free Trade Agreement and the Australia-Hong Kong FTA.

- negotiating new FTAs, including with the European Union and Regional Comprehensive Economic Partnership countries. These latter negotiations include ten ASEAN countries, as well as, China, India, Japan, South Korea and New Zealand).

The **Comprehensive and Progressive Agreement for Trans-Pacific Partnership**, also known as the CPTPP, is one example of the Government's active trade agenda and most recent free trade agreement to enter into force for Australia.

The CPTPP will eliminate more than 98 percent of tariffs between member countries and deliver major new opportunities for Australian exporters, including:

- accelerated reductions in Japan's tariffs on beef exports that go further, and faster, than under our bilateral FTA with Japan;
- eliminating beef tariffs in Canada and Mexico within ten years of entry into force;
- eliminating tariffs on sheep meat exports to Mexico within eight years of entry into force;
- and eliminating all tariffs on seafood, horticulture, and manufactured goods.

Australia and Indonesia signed the **Indonesia-Australia Comprehensive Economic Partnership Agreement**, otherwise known as IA-CEPA, in March 2019, which will enter into force after both sides complete their respective domestic treaty-making processes.

Once IA-CEPA is fully implemented, over 99 per cent of Australia's goods exports will enter Indonesia duty free or under preferential arrangements.

Key outcomes include:

- improved market access opportunities for key exports such as live cattle, red meat, feed grains, citrus products, carrots, potatoes and steel. For example,
 - frozen beef and frozen sheep meat exports to Indonesia will have their tariff halved from 5 to 2.5 per cent on entry into force, and eliminated entirely after 5 years.
- improved market access outcomes on services and investment will give Australian businesses increased certainty in the Indonesian market, including in vocational education, mining and related services, and tourism.

The **Australia-Hong Kong Free Trade Agreement** (A-HKFTA) was signed in March 2019 and will enter into force after Australia completes its domestic treaty-making processes. Hong Kong has already ratified the agreement.

This FTA provides a comprehensive, ambitious agreement to govern the trade and investment relationship, including:

- modern e-commerce rules governing free data flows across borders

- guaranteed access for services suppliers into key sectors, including financial services, education, transport, tourism and professional services
- improved conditions for two-way investment
- efficient customs settings, especially for food and beverages
- tariffs on goods bound at zero.

Australian businesses are using FTAs to a high degree, which is having a positive impact on Australian business confidence and activity.

As they are implemented over time, FTAs provide enduring benefits, including through phase-ins and in-built agendas that encourage domestic reform and trade liberalisation.

Australia and our trade partners actively review our FTAs, where possible, to ensure they remain up to date and continue to benefit business.

Since entering into force in 2003, we have reviewed the Singapore-Australia FTA three times. It was most recently amended in 2017 to give Australian education, financial and other service providers better access to the Singaporean market.

Australia's total two-way trade with countries with which we have an in-force or concluded FTA represented 70 per cent of total trade in 2018, up from 27 per cent in 2013. The government has committed to ensure that around 90 per cent of Australia's trade is covered by free trade agreements by 2022.

As part of the Foreign Policy White Paper implementation, the Government has introduced a revamped **Economic and Commercial Diplomacy Agenda** to strengthen trade, investment and commercially-focused results.

The five pillars of the Government's Economic and Commercial Diplomacy Agenda are:

- Promoting investment;
- Addressing non-tariff barriers (NTBs) to trade;
- Active support/facilitation to businesses engaged internationally;
- Increasing science, technology and innovation links;
- and advocating for the global rules-based trade system.

The government puts a high priority on collective efforts to bolster Australia's prosperity helping our businesses achieve commercial success internationally and early results look positive across all five pillars.

I'd like to focus briefly on one of these pillars – addressing **non-tariff barriers**. Australia's Foreign Policy White Paper recognised that non-tariff barriers (NTBs) have emerged as a prominent issue for many Australian exporters.

NTBs are any kind of 'red tape' or trade rules that unjustifiably restrict the flow of goods and services. By some estimates NTBs cost industry as much as three times more than tariffs.

To enhance whole-of-government efforts to address NTBs, in December 2018 the Ministers for Trade, Agriculture and Industry launched the NTB Action Plan, a whole-of-government strategy to remove NTBs hampering our exports. The NTB Action Plan was developed in close consultation between industry and government and provides Australian businesses with improved access to report barriers through the online NTB Gateway to provide better coordination

between government agencies through a multi-agency Coordination Team, and greater transparency of government actions on NTBs.

Since launching the Action Plan, there have been more than 10,000 visits to the NTB Gateway and DFAT, Austrade, the Department of Agriculture, and the Department of Industry, Innovation and Science are working together to progress efforts on over 300 potential NTBs.

Commercial Impact

Australia's reputation as a reliable trading partner and the excellence of our institutions and standards magnify our international influence – helping support our dynamic commercial sector and unlock new opportunities for business.

I'd like to walk through a few case study examples to illustrate the work government does to advocate on behalf of Australian businesses:

- when there is market disruption
- when trading partners don't comply with their WTO obligations
- when market access for Australian exports needs to be maintained
- when there are opportunities to improve market access conditions

Market disruption

First, in terms of managing market disruption, I'll talk about exports of **pulses** to India and other markets. Since 2017, the Indian Government has implemented a series of trade restrictive measures on pulses to bolster farmer incomes during a period of domestic over-production.

These measures have included tariff increases for a range of pulses, and quantitative restrictions on pigeon peas, mung beans, and peas, which have limited the volume of imports.

While the tariff increases have been within India's WTO bound rates, the way they have been applied, with no notice and no concession to goods on the water, have had a significant impact on trading partners.

In 2017, India was Australia's largest market for pulses, with exports worth \$1.38 billion. But on December 21 of that year, right at the start of Australia's peak pulse export season, the Indian government announced a 30 per cent tariff on chickpeas and lentils.

At the time of the announcement, industry body Pulse Australia estimated there were 83,000 tonnes of chickpeas worth \$58 million destined for India already on the water. The tariffs were applied immediately and there were no concessions for goods in transit.

The impact for the Australian pulse industry was immediate and severe. Industry reported that crop values dropped from \$700 in December to the mid-\$500's in early January.

Indian importers did not want to import products with a higher tariff and Australian exporters were desperate to find alternative markets, especially for the goods already on the water.

The Australian government, through Austrade and the Department of Agriculture, worked closely with the industry to identify new buyers, negotiate import protocols, and issue permits and phytosanitary certificates for new destination countries.

Between December 2017 and May 2018, 60 pulse consignments comprising of lentils and chickpeas were successfully redirected to alternative markets,

predominantly to Pakistan and the United Arab Emirates, but also Sri Lanka, Nepal and Bangladesh.

In addition to addressing the immediate commercial issues, the Australian Government has raised serious concerns about India's trade restrictions on pulses through high-level representations, including at Prime Ministerial and Ministerial level, and in numerous WTO committees in Geneva.

WTO non-compliance

While the example I have outlined is for pulses, the Indian government has enacted similar policies across a number of its agriculture industries, including **sugar**.

The global sugar industry is experiencing a glut, with a major contributing factor being the overproduction of highly subsidised sugar in India. Indian production increased from 22.2 million tonnes in 2016-17 to 32.4 million tonnes in 2017-18, leaving a surplus of more than 10 million tonnes. For comparison, Australia, the world's third largest exporter after Brazil and Thailand, exports 3.7 million tonnes annually.

This stockpile, combined with expected production of 30.7 million tonnes in 2018-19, kept downward pressure on the market. The global price hit a decade-low in September 2018, following India's announcement of an additional AU\$1 billion in sugar subsidies. These subsidies included AU\$260 million in freight support to assist the export of up to five million tonnes of Indian sugar.

Under the WTO Agreement on Agriculture, India is limited to providing subsidies of 10 per cent of its total value of production of sugar, known as '*de minimis*'.

Australian Government analysis indicates India's sugar subsidies are inconsistent with its WTO obligations.

In November 2018, Australia submitted a 'counter-notification' to the WTO's Committee on Agriculture, asserting that India provided subsidies via Market Price Support vastly in excess of its *de minimis*, violating WTO rules.

The counter-notification was discussed at the WTO Committee on Agriculture and received support from 13 other WTO members.

In February 2019, the Australian Government announced that Australia, together with Brazil, and later, Guatemala, was launching formal WTO dispute settlement action by requesting consultations with India regarding its sugar subsidies.

Australia's consultations with India took place in April 2019 but failed to resolve the matter. Brazil and Guatemala also held consultations with the same outcome.

In July 2019, Australia, together with Brazil and Guatemala, requested the WTO establish a panel to resolve the dispute with India.

A panel is now being established enabling the case to proceed through the WTO dispute settlement system.

The next stage in the dispute settlement process is the formation of a panel of three suitably qualified individuals, who will be responsible for making an objective assessment of the matter.

It is difficult to predict a timeline for the dispute, given the complexities of the case - WTO disputes are a lengthy process.

Of course our ultimate objective in taking the dispute forward is for the Indian Government to appreciate the seriousness of our concerns and promptly address the WTO-inconsistency of its sugar subsidies.

We are also continuing to encourage the Indian government to reform its agriculture policies across all sectors to be more sustainable and consistent with its WTO obligations.

Market Maintenance

The Government also works proactively to maintain market access for products with an established market. When regulations change in an overseas market so too can the impact on Australian exports.

For many years, the European Union has been a valuable market for Australian canola exports, which are primarily used for biofuel production. In 2016/17, Australian canola exports to the European Union were typically worth over \$1 billion, with nearly all those exports being used for biodiesel production.

In January 2018, the European Union introduced a new greenhouse gas savings target for all biofuel source material—requiring Australian growers and exporters to verify the low emission status of canola compared with fossil fuels, to ensure continued access to the European Union market.

The Australian Canola industry and government worked in partnership, to maintain market access to this important market.

The Australian Oilseeds Federation and Australian Export Grains Innovation Centre commissioned scientific studies to produce a country report to verify the

level of greenhouse gas emissions for canola cultivation in Australia. This confirmed Australian canola produced approximately half the amount of greenhouse gases compared to fossil fuels.

The report was provided to the European Commission, where it was accepted and endorsed.

This allowed Australia's trade in canola to the European Union to continue, and also ensured that Australian-grown canola can continue to be part of the European Union's renewable energy mix into the future.

Improved Access

The last case study is about improving market access for Australian **red meat exports** to the United Arab Emirates. The UAE is one of Australia's largest red meat markets in the Middle East, but requirements imposing a short shelf life have restricted potential market opportunities for Australian exporters in the past.

The UAE's requirements on product shelf life and long voyage times meant there was little actual shelf life left for chilled meat once it arrived in market. This limited the competitiveness of Australian products and the industry estimated this was costing Australian exporters up to \$60 million per year.

The Australian Government, working closely with the Australian meat export industry, advocated the commercial and scientific merits of the UAE increasing its shelf life period for vacuum-packed chilled meat.

This paid off in 2017 when UAE increased its maximum shelf life from 90 days to 120 days for vacuum-packed beef and from 70 days to 90 days for sheep meat.

This provided Australia's meat exporters more flexibility in exporting meat to the Middle East, helping to reduce costs by allowing bulk shipments via sea instead of smaller shipments sent by air.

These case studies highlight the importance of the Australian government working closely with business to reach mutually beneficial outcomes.

We have worked, and will continue to work with business to provide a level playing field, reduce barriers to trade in international markets and to inform the department's strategic policy advice to Government.

The Australian business community is an essential advocate for economic reform at home and an important partner for government in maintaining public support for open trade and foreign investments.

Public polling, such as that carried out by the Lowy Institute in its July 2019 poll, found a fall in support for globalisation among the Australian community, although most Australians continue to back free trade.

Business, in partnership with government has a role to play in making the case that our open economic policy settings have served Australia and Australians well over many years.

The Australian private sector plays a crucial role in shaping our relations with other Indo-Pacific partners and contributing to an open, inclusive and prosperous region.

Equally, we want to consult with business to understand how we can best help you take advantage of the great global opportunities on offer.

Conclusion

Looking ahead, the Government will continue to push for a global free trade agenda.

As I've discussed, Australia will work to deepen and broaden our trade and investment links with the world with a focus on securing more FTA agreements and helping businesses realise the opportunities they present for new or expanded business.

Australia will continue to take every opportunity to build support to protect the authority of global trade rules and the fitness of purpose of the WTO.

But while we agree the WTO is in need of reform, it has an enduring value. Australia, like many others in our region, needs rules.

Australia is committed to WTO reform to ensure the WTO remains at the centre of the global trading system, including with the strong engagement of key Members like the United States.

It's important that we continue to work within a rules-based trading system to ensure ongoing maritime security for trade routes.

In closing, I note that Australia is celebrating the 50th anniversary of the arrival of the *Encounter Bay* — the first purpose-built container ship to visit Australia (Fremantle, Melbourne and Sydney) in March 1969.

The shipping container has revolutionised international trade by making the movement of freight cheaper and faster.

I highly commend to trade enthusiasts the Australian National Maritime Museum's innovative touring exhibition 'Container — The Box that Changed the World' which celebrates this simple but remarkable invention.

The exhibition shows how the Australian government needed to adjust rules, regulations and practices in order to accommodate this new style of moving freight.

Just one further example of how Australia is adept at adjusting to changes in global trade and ensuring we keep ahead of the game.

Amy Guihot

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