



Free Trade Agreements

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Australian Almond Conference 2018

australian nut industry council

Exports

life blood for almonds

~ 66% in FY2018

~ 80% by FY2028

Access to markets critical

Restraints to Trade

- Tariffs
 - make our product more expensive to overseas consumers
- Non Tariff Barriers to Entry
 - Quarantine restrictions (real and imagined)

Removal of tariffs and other market access barriers to markets provides:

- Benefits for consumers by way of lower costs from the lower tariffs

Removal of tariffs and other market access barriers to markets provides:

- Benefits for consumers by way of lower costs from the lower tariffs
- **Lowering the cost to consumers increases the total demand.**

Removing Tariffs

Multi National

The Doha Round for multilateral reductions in tariffs have stalled if not formally failed

A photograph of Donald Trump speaking at a podium. He is wearing a dark suit, a white shirt, and a blue tie. He is gesturing with his right hand, pointing upwards. The background is a blue wall with a microphone visible on the right.

Removing Tariffs Multinational

- **Multilateral trade deals are unlikely in the days of Trump**

Removing Tariffs FTAs

FTAs are the way to go for free trading economies such as Australia.

SLOW



FTAs are slow

	First ANIC Submission	FTA Concluded
ASEAN	2001	2009
Gulf CC	2003	failed
China	2004	2015
Japan	2005	2014
India	2008	stalled
Korea	2009	2014
EU	2014	formal talks commenced 2018

Something occasionally happens





**Korea
Japan
China**

Korea

April 2014

	MFN Rate	FTA Rate	Elimination period
Almonds kernels	8%	0	immediate
Almonds in shell	8%	0	10 years
Macadamia, shelled and inshell	30%	0	5 years
Walnuts, shelled and inshell	50%	50%	excluded
Pecans, shelled and inshell	30%-50%	0	7 years
Pistachios, shelled and inshell	30%	0	18 years
Chestnuts	50%	50%	excluded
Hazels	30%	0	7 years

Japan

January 2015

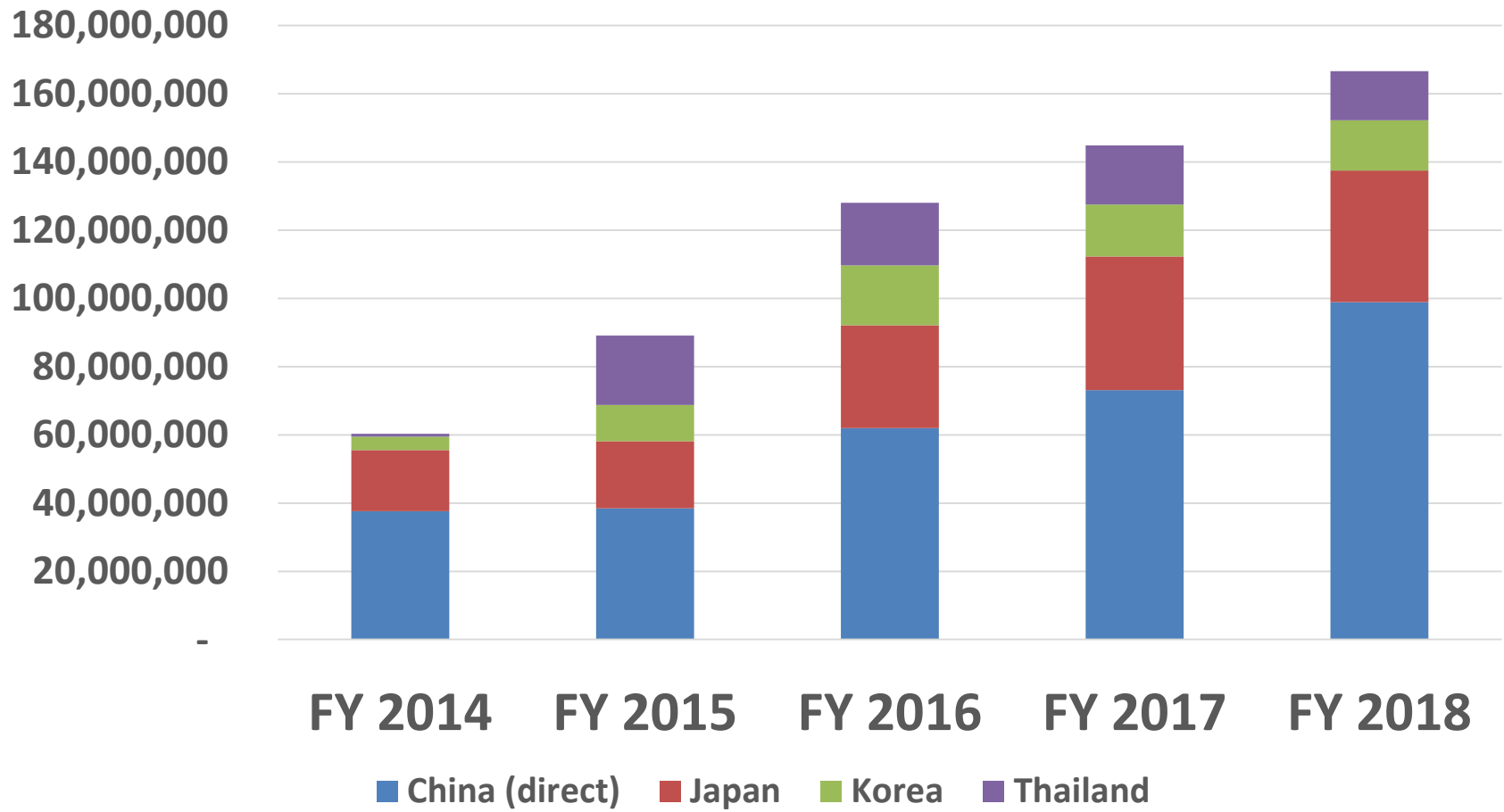
	MFN Rate	FTA Rate	Elimination Period
Almonds kernels	2.40%	0	immediate
Almonds in shell	2.40%	0	immediate
Macadamia, shelled and inshell	5%	0	immediate
Walnuts, shelled and inshell	10%	0	10 years
Pecans, shelled and inshell	5%	0	immediate
Pistachios, shelled and inshell	0%	0	na
Chestnuts	9.60%	0	10 years
Hazels	0%	0	na

China

December 2015

	MFN Rate	Temporary Rate	FTA Rate	Elimination Period
Almonds kernels	10%	10%	0	5 years
Almonds in shell	24%	12%	0	5 years
Macadamia, shelled and inshell	24%	12%	0	5 years
Walnuts, shelled and inshell	25%-20%	25%-20%	0	5 years
Pecans, shelled and inshell	24%	24%	0	5 years
Pistachios, shelled and inshell	10%	10%	0	5 years
Chestnuts	24%	24%	0	5 years
Hazels	24%	24%	0	5 years

Australian Nut Exports to FTA markets AUD\$\$



FTAs – level the playing field

Almond kernels

Korea

Pre FTA USA 0% tariff, Australia 8% tariff

Post FTA USA 0% tariff, Australia 0% tariff

Peru

Pre FTA USA 0% tariff, Australia 8% tariff

Post FTA USD 0% tariff, Australia 0% tariff

(expected implementation early 2019)

FTA – Create competitive advantage

Almond Kernels

Japan (from 1st January 2019)

Australia 0% USA 2.4%

China (from 1st January 2019)

Australia 0% USA 45% (pre Trump 10%)

Thailand current

Australian 0% USA 8.5 Baht/kg (~10%)



More to come ?
India
European Union
United Kingdom

Future FTAs

India - Almonds in shell

Current duty Rs35/kg ~ 25%

Negotiations since 2008

No progress until next Indian elections 2019

A BIG challenge

Future FTAs

European Union - Almond Kernels

Current duty for first 90,000MT 2.0% then 3.5%

Started in 2014 to discuss if we should discuss
Formal negotiations commenced 2018

Took Canada a decade, hopefully quicker

EU starting by seeking EU standards on
environment, sustainability, traceability,
food safety,

Future FTAs

United Kingdom

Cannot start talking until post Brexit
Depending on Brexit terms, could be very quick.

Free Trade Agreements

- **Reduce tariffs**
- **Reduce costs to consumers**
- **Increase demand**

