



RED MEAT A WINNER WITH NEW LOOK TPP11

24 January 2018

The Australian red meat industry has today (24 January 2018) welcomed the announcement that a new look Trans-Pacific Partnership (TPP) 11 deal will be signed in Chile in March.

The renamed Comprehensive and Progressive Trans-Pacific Partnership (CPTPP) will lock in the market access commitments for the 11 parties for red meat products as negotiated in the original TPP outcome.

On behalf of the Australian beef, sheep, lamb and goatmeat businesses, Red Meat Advisory Council (RMAC) Independent Chair Mr Don Mackay welcomed the announcement of the new market access gains.

“The CPTPP benefits will add significant value to the Australian red meat and livestock industry and complement the gains derived from the other free trade agreements Australia has concluded to date.”

“Benefits from improved market access arrangements through the Trans-Pacific Partnership (TPP) are set to flow for the Australian red meat and livestock sectors in key red meat markets such as Japan, Mexico and Canada.”

“The implementation of the CPTPP agreement will also help to ensure that the Australian red meat supply chain remains internationally competitive with more seamless trade rules, reduced costs and less red tape making it easier for our sector to respond to the growing consumer demand across much of the Asia-Pacific region.”

Upon entry into force, the CPTPP will initiate significant improvements to current access arrangements and generate new export opportunities. The CPTPP will deliver on the majority of the red meat industry’s priorities – via securing either a plurilateral reduction or elimination of import tariffs imposed (by CPTPP member countries) on our products in line with various implementation timeframes.

Mr Mackay congratulated the Australian Government on the achievement in securing the reforms after the United States formally withdrew from the TPP in 2017.

“Thanks must go to the Minister for Trade, Tourism and Investment the Hon Steven Ciobo MP and his negotiating team for their tireless efforts in what has been a difficult and protracted series of negotiations over the past couple of years - following the original conclusion of negotiations in October 2015.”

“The CPTPP is critical to the long-term positioning of Australian red meat globally and of acute importance is securing ratification and subsequent entry into force of the CPTPP as soon as possible.”

“This will pave the way for future trade transformation should the CPTPP membership base widen.”

The Australian red meat and livestock industry has been an engaged and contributory party from the outset of the TPP / CPTPP process. It is anticipated the gradual reduction of this cost burden will positively impact the profitability of the Australian red meat supply chain as well as alleviate the inflated (tariff affected) prices paid for Australian red meat, livestock and associated products by CPTPP member country businesses and consumers.

ENDS

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KEY GAINS BY MARKET

Japan

- Under the CPTPP, the tariffs levied on Australian beef entering Japan will be further reduced from those negotiated under the Japan-Australia Economic Partnership Agreement (JAEPA).
- The tariff on both frozen and chilled beef will fall to 9% over 15 years - as opposed to the end point of 19.5% for frozen beef and 23.5% for chilled beef secured under the JAEPA. All CPTPP member countries supplying beef to Japan will be similarly advantaged by these CPTPP tariff cuts. A global beef safeguard provision will apply to this trade.
- In addition, processed red meat import tariffs applied by Japan, which currently range from 6-50%, will be eliminated within 15 years; the majority of offal tariffs eliminated within 10-15 years; and the tariffs applied to live cattle imports will also be eliminated.

Canada

- In Canada, the current 35,000 tonne beef quota (0% in-quota tariff) will remain, however, the above quota tariff of 26.5% will be phased out. Additionally, the 2.5% tariff on Australian sheepmeat will be eliminated on entry into force (EIF).

Mexico

- For Australia's trade to Mexico, the current 20-25% beef tariff will be eliminated within 10 years; the 10% sheepmeat and goat meat tariffs will be eliminated within 8 years; the majority of offal tariffs will be eliminated on EIF; and the 10-15% tariffs on live animals will also be eliminated on EIF.

Peru

- In Peru, the CPTPP will complement the recently concluded Peru-Australia Free Trade Agreement, which will see the 11-17% tariffs on beef phased out and the 9% sheepmeat and goat meat tariffs eliminated on EIF under both agreements. Peru represents a new market opportunity for Australian red meat (pending the development of protocol arrangements).

Brunei, Chile, Malaysia, New Zealand, Singapore and Vietnam

- For these remaining CPTPP members, existing bilateral and / or regional agreements have, or are already delivering, market access improvements.