

17 April 2009

The Secretary  
Joint Standing Committee on Treaties  
Suite R1-109  
Parliament House  
PO Box 6021  
Canberra ACT 2600

Dear Committee Secretary

The National Farmers' Federation (NFF) has welcomed the recently concluded trade deal with the Association of South East Asian Nations (ASEAN).

With many economies around the world resorting to increased levels of protectionism in the face of the global economic crisis, the temptation for them to pull down the shutters on their markets is very real.

Therefore the NFF believes that it should not be understated that with this agreement, Australia has locked in low tariffs in the face of mounting global economic turmoil, effectively preventing ASEAN from sliding into protectionism – while, over time, reducing many tariff levels to zero.

Under international trading rules, some ASEAN countries could set tariffs for Australian imports over 200%. This new deal, in some markets locking them in 5% or less when the deal comes into force, kills that option. The NFF believes this will boost the confidence of exporters about the ASEAN market's longer term opportunities.

ASEAN accounts for 15% of Australia's total agricultural trade – including 84% of our wheat flour exports, 70% of live cattle exports, 34% of dairy exports, and 31% of sugar exports. With growth across ASEAN economies averaging over 5% and a population explosion across the region, its importance to Australia's agricultural exports is bound to expand.

Looking further ahead, many tariffs are put on a sliding scale under the new agreement – meaning they are eliminated over varying timeframes. Ultimately, that's good news for Australia's vital agricultural exports, which are becoming increasingly important as the minerals boom winds down and agriculture is positioned to take up the slack.

Despite the gains, the NFF notes that there is still more to be done.

Barriers still exist in ASEAN for several of our commodities, in countries like Indonesia, and exclusions have disappointed some sectors of our industry. Further,

often it's not just tariffs that restrict trade but technical issues or so called 'behind the border' restrictions.

Given this, the Australia-Indonesia Free Trade Agreement feasibility study, currently underway, will now come under the spotlight. Strategically, the Australian Government must seek to maintain and build on the momentum created from these ASEAN gains, taking it into Japan, China and South Korean markets.

For further information please contact the NFF Manager – Economics and Trade, Charlie McElhone, on 02 6273 3855.

Yours sincerely

A handwritten signature in black ink, appearing to read "D Crombie", is written over a light blue rectangular stamp or watermark.

**DAVID CROMBIE**  
**President**