



Australian Dairy Industry Council Inc.

Media Release

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Korea free trade deal a step forward for Australian dairy

For immediate release

The Australian Dairy Industry Council (ADIC) has described today's announcement by the Federal Government of a Free Trade Agreement (FTA) with Korea, as a step forward on the path towards further trade liberalisation in Asia.

ADIC Chairman, Noel Campbell, said while the industry acknowledged the deal had not delivered all that had been hoped for, it will provide access to a range of new opportunities in an important regional market.

"We welcome today's announcement of an FTA with Korea as a step forward on the path towards trade liberalisation in Asia," Mr Campbell said.

"Korea is a significant dairy market for Australia and currently ranks 10th by value with \$88 million worth of exports in 2012/13."

Relevant highlights in the agreement for dairy include:

- A majority of dairy tariff lines are on a pathway to duty free access over specified time lines; and
- Tariff-free access for specified volumes of cheese, infant formula and butter under Country Specific Quotas (CSQ) from day one of the agreement.

Mr Campbell said however that the implementation periods for 'out of quota' lines still remain significantly longer than the USA and EU.

"The commercial reality of this is that Australian dairy liberalisation will be five to seven years behind key trade rivals, the USA and EU," he said.

"To ensure we do not fall further behind our competitors, it is vital that the FTA is implemented as soon as possible to kick-start the liberalisation process.

"There are a number of aspects to this deal that are still unknown. We await further detail, full text and confirmation on implementation schedules before we can fully assess the impact across all dairy lines."

Mr Campbell said the ADIC appreciates the Federal Government's engagement with the dairy industry during the negotiation process.

"We thank them for their hard work and look forward to their contribution in helping secure a better deal for dairy in negotiations for the China and Japan FTAs, which are vital to the future of our industry," he said.

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