



Australian Dairy Industry Council Inc.

Media Release

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Australian dairy welcomes Indonesia-Australia Comprehensive Economic Partnership signing

For Immediate Release

The Australian Dairy Industry Council (ADIC) welcomes the signing of the Indonesia-Australia Comprehensive Economic Partnership (IA-CEPA). The IA-CEPA will see the ultimate elimination of all dairy tariffs, building on the outcomes of AANZFTA - the ASEAN Australia New Zealand Free Trade Agreement, Australia's existing trade agreement with the ASEAN member states.

Indonesia is a major destination for Australian dairy exports and ranks only behind Greater China and Japan as Australia's third largest dairy export market on value terms. In 2017/18, Australia exported over 60,000 tonnes of dairy to that market, valued at over A\$200 million.

Indonesia's demand for dairy is set to continue to build on the back of its increasingly affluent 260 million strong population.

As Australia's nearest neighbour with strong existing ties with our dairy industry, the conclusion of IA-CEPA will enhance the naturally emerging opportunities that are presenting themselves in Indonesia.

Specifically, the IA-CEPA will deliver the following benefits for Australian dairy exports destined for Indonesia:

- Elimination of remaining tariffs on entry into force for SMP and WMP;
- Elimination of remaining tariffs on entry into force for grated or powdered cheese; and
- Elimination by 2026 for remaining tariffs on non-liquid milk, (6% or less fat) and by 2033 for tariffs on liquid milk (6% or less fat).

Dairy is also pleased to see that that under IA-CEPA, a cooperative mechanism to enable regular discussion of non-tariff measures (NTMs) will be established. These NTMs, including measures such as licencing arrangements and product testing regulations, can be significant hurdles for Australian dairy exports into markets like Indonesia and add significant costs to doing business.

The Australian dairy industry congratulates the Australian Government and the Australian negotiators for their contribution to this positive result.

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The Australian Dairy Industry Council (ADIC) is the dairy industry's peak policy body. It co-ordinates industry's policy and represents all sectors of the industry on national and international issues through its two constituent bodies, Australian Dairy Farmers Ltd (ADF) and the Australian Dairy Products Federation (ADPF). It aims to foster, promote and protect the interests of the Australian dairy industry by driving a whole of industry approach to dairy policy and the development of the dairy industry.