



Australian Dairy Industry Council Inc.

Media Release

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Dairy wins in Indonesia-Australia trade deal

For Immediate Release

ALL remaining tariffs on dairy exports into Indonesia will eventually be scrapped as part of a new economic partnership agreement signed today by Trade Minister Simon Birmingham.

As part of the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA), tariffs will be removed on entry into force for skim milk powder (SMP), whole milk powder (WMP) and grated and powdered cheese, while remaining tariffs will be eliminated by 2026 for non-liquid milk and by 2033 for liquid milk

Peak dairy industry body the Australian Dairy Industry Council (ADIC) welcomed the deal, saying it will create a closer relationship with one of Australia's largest trading partners.

"As Australia's close 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," ADIC Chair Terry Richardson said.

"The Australian Government should be congratulated for achieving this positive result."

The agreement also includes a cooperative mechanism to enable regular discussion of non-tariff measures (NTMs).

"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," Mr Richardson said.

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.

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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.