



GRAIN TRADE AUSTRALIA

Impact of Non-Tariff Measures

Mr Pat O'Shannassy – CEO Grain Trade Australia



INDUSTRY DRIVEN & MANAGED

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GRAIN TRADING STANDARDS ~ TRADE RULES & CONTRACTS ~ TRADE & MARKET ACCESS ~ TRAINING & DEVELOPMENT ~ DISPUTE RESOLUTION

GTA Role – Facilitation of Trade

Grain Trading Standards

Reflect Requirements & capabilities in:

1. Regulation
2. Production Sector
3. Supply Chain
4. Consumptive Sector

Trade Rules & Contracts

Ensure confidence in commercial dealings by providing legal rigour

Dispute Resolution Services

Underpins Contractual Arrangements

Trade & Market Access

Engaging with Policy makers to ensure fair & equitable trade and access to domestic & global markets

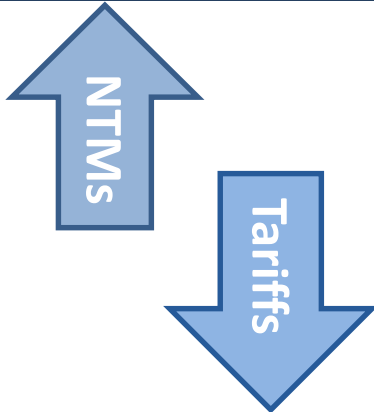
Stewardship & Capability

Industry Code of Practice & Increase Industry capacity by providing vocational training and development programs

*Industry driven and managed
“Self Regulatory Framework”*

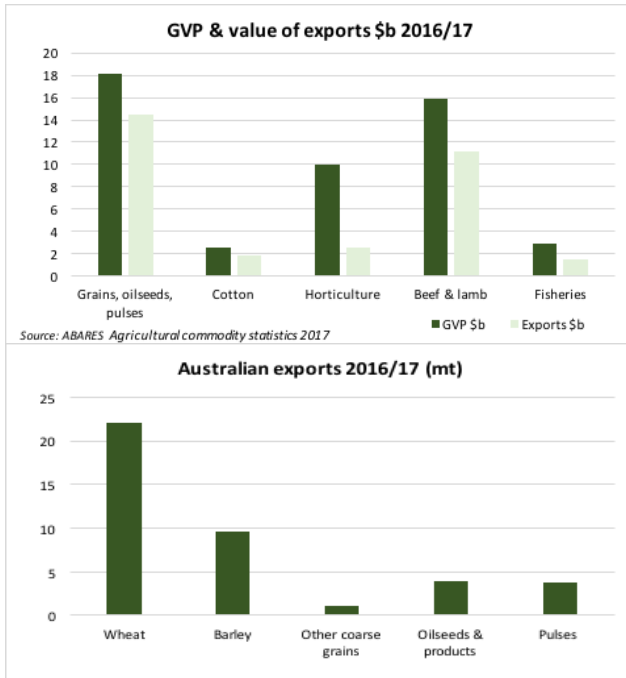
NTMs: new market access challenge

Australia actively seeking
FTA's with trading partners to
improve competitiveness -
opportunity to address NTMs



- Increasing influence of **domestic support policies** in key importing countries
- NTMs increasing in **number & complexity**
- NTMs a **trade policy tool**, but also aimed at **other outcomes** e.g. protection of human, animal and plant life
- NTMs with these (legitimate/least trade restrictive) objectives can **still impact trade**

Grains industry value and export footprint



- One of Australian agriculture's most important sectors
- **Exports** account for more than **70%** of production
- Grains industry has a broad global footprint
- Focus has **shifted to Asia**
- Wheat and coarse grain exports to:
 - Asia >80% today, up from 68% 2010/11
 - Middle East <10% down from 17% in 2010/11



Non-tariff measures
definition, impact, emerging challenges

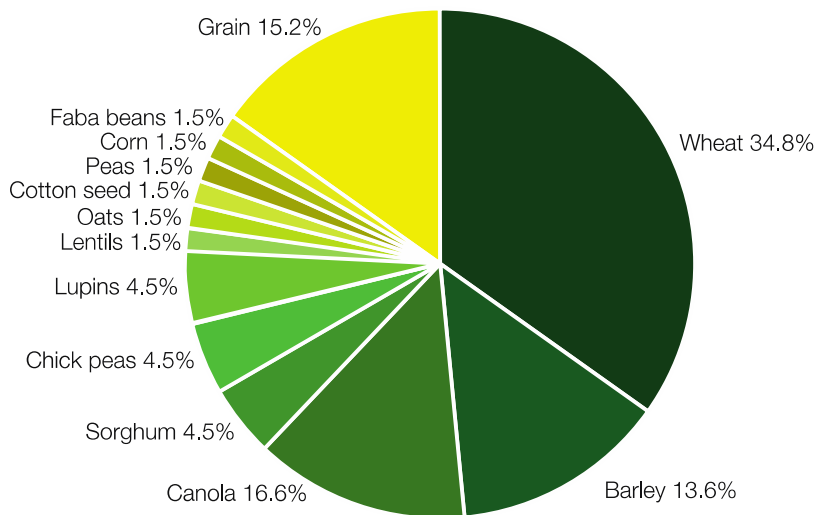
Understanding NTMs impacting grains

- Grains NTM project
- Objective:
 - Improve **transparency** of non-tariff measures
 - **Identify** industry's perception of NTMs and impacts
- Achieved through identification and classification of NTM
- **Survey** to gather perception of exporters to identify:
 - NTMs and related trade obstacles perceived as burdensome
 - Sectors/commodities impacted
 - Reasons making NTMs burdensome

**Study identified over 50 NTMs
across more than 15 countries**

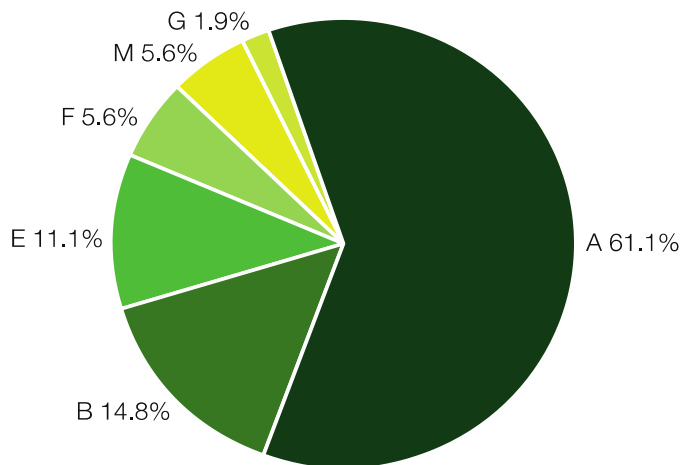
NTMs identified for the grains industry by commodity

Grain NTMs by commodity



NTMs identified for the grains industry by UNCTAD*

Grain NTMs by UNCTAD classification

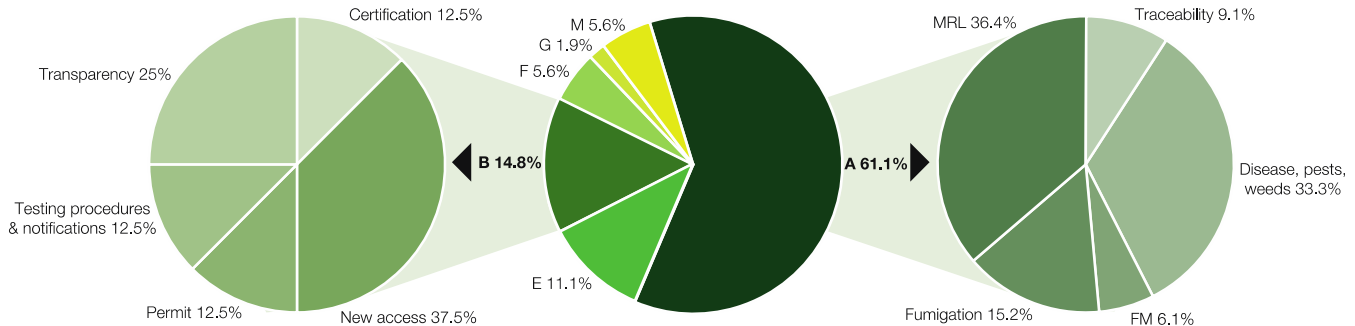


- A - Sanitary and Phytosanitary (SPS)
- B - Technical Barriers to Trade (TBT)
- E - Licensing, Quotas, Prohibitions and Quantity Controls
- F - Price Control Measures including additional taxes and charges
- G - Finance Measures
- M - Government Procurement Restriction Measures

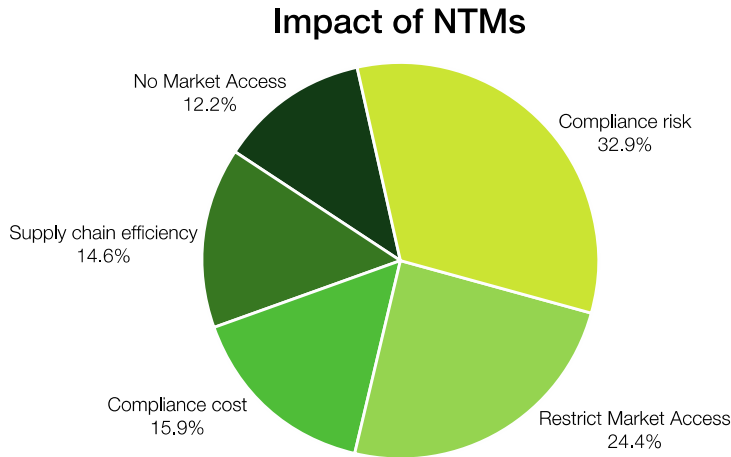
* UN Conference on Trade and Development

NTMs identified for the grains industry by type

Grain NTMs by UNCTAD and grains industry classification



NTMs identified for the grains industry by impact



- Higher operational and commercial **risk** for exporters
- Risk of trade **ban** or trade **restriction**
- Increased **costs** (compliance, administration, production)
- Lack of **confidence** by industry (particularly growers) to invest in developing production capacity
- Difficulty of **implementation**

Emerging global challenges

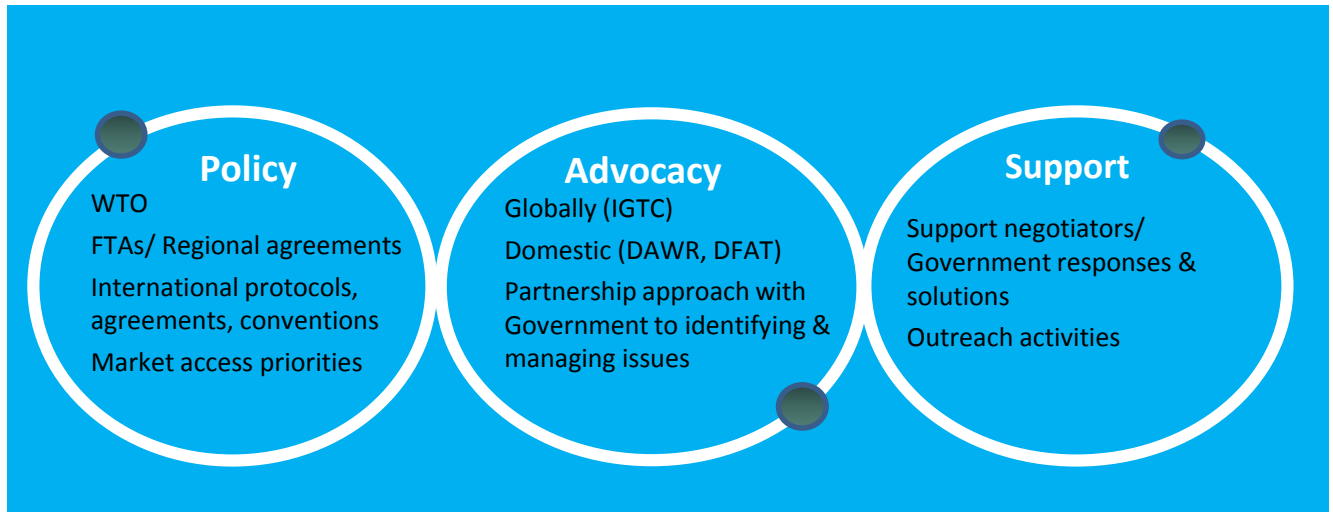
- **Food safety**
 - Diverging and tightening maximum residue limits
- **Biotechnology**
 - Policies often based on zero **tolerance** or reduced limits
 - Regulation of biotech products or new innovations not based on science
- **Sustainability**
 - **Emerging** environmental and sustainability requirements to meet societal expectations
 - **Alignment** of environment, social and agriculture goals
 - **Misalignment** in ways of demonstrating compliance
 - Associated **costs** for certification



Developing solutions

Industry and Government working together

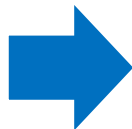
Trade & market access requires multi-faceted approach



Industry/Government response to NTMs

Encourage forward-looking policies in FTAs to minimise non-tariff measures

Use FTAs to reduce the trade distorting impact of non-tariff measures by:



Recognition of **equivalency** in technical regulations

Safety and biosecurity **not quality**

Consistent notification and reporting approaches

Harmonisation of standards, sampling, testing, thresholds

Dispute resolution

Electronic certification exchange

Developing solutions - foundations

Need for a united approach in identifying, prioritising and developing solutions to address NTMs

Transparency

markets / impacts / industry perceptions

Communication

intra industry / with Government / markets

Quantification and prioritisation

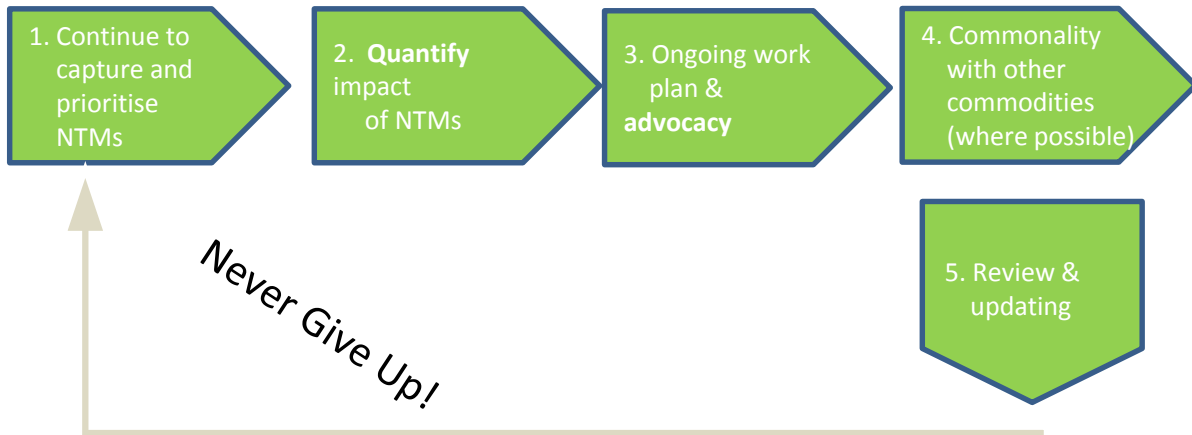
trade opportunity / costs / industry impact


Benefits for Australia and trade partners

Lower cost/ security supply/ lower risk/innovation

Industry actions and issue management

Next steps for the Grains NTM Project Group





**Thank you
Questions**