



Australia - United States Free Trade Agreement Fact Sheet 4

MANUFACTURED GOODS

- Virtually all of Australia's exports to the United States, worth \$5.84 billion in 2003, will be duty free from day one of the Agreement.
- Tariffs on textiles, some footwear and a handful of other items will be phased out, with all trade in goods free of duty by 2015.
- A mechanism to address non-tariff barriers will be established.

Summary of chapter

Australia and the United States have agreed to eliminate customs duties on all goods from the other Party. Duties will be zero for more than 97 percent of Australia's exports to the United States from day one of the Agreement. All tariffs will be zero by 2015.

Australia and the United States retain their WTO rights to anti-dumping and countervailing action, in the event of unfair trade or injury to particular industries. There will also be a special transitional safeguard measure for textiles and clothing to address any undue interruption to the industry in either country.

A Committee on Trade in Goods will be established to consider any issues on tariffs, non-tariff measures, rules of origin and customs administration. Both countries have retained the right to regulate the import and export of certain items, in particular forest products as well as retain marketing arrangements for wheat, barley, rice, sugar and export arrangements for horticulture and livestock.

Gains for Australia

Australia's trade in non-agricultural goods or merchandise trade with the US was valued at approximately \$5.84 billion in 2003. Duty free entry will allow this to grow across all sectors, but in particular in autos, metals, minerals, seafood paper and chemicals. Australia is already competitive in these areas but has been prevented from deeper levels of market penetration because of high US tariffs in key products.

For example, Australian manufacturers will be able to export light commercial vehicles (utes) to the United States once the high 25 percent duty has gone. Australia's canned tuna industry will be able to export to the \$650 million US import market following the removal of a prohibitive 35 per cent tariff.

Even in sectors where existing tariffs were modest, Australian manufacturers and exporters will now enjoy an advantage over competitors in US import markets. The removal of US tariffs on aluminium for example, will allow Australian exporters to have a competitive edge against overseas competitors. This will allow aluminium exporters to build on their trade with the United States, currently valued at \$134 million.

Who to contact

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