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Australia-Hong Kong Free Trade Agreement
Office of Trade Negotiations
Department of Foreign Affairs and Trade
RG Casey Building
John McEwen Crescent
Barton ACT 0221

via email: a-hkfta@dfat.gov.au

Dear Sir/Madam

Australia-Hong Kong Free Trade Agreement

Australian Pork Limited (APL) welcomes the opportunity to make a submission to the Department of Foreign Affairs and Trade (DFAT) on the Australia-Hong Kong Free Trade Agreement (FTA).

APL is the national representative body for Australian pork producers. APL is a producer-owned not-for-profit company combining marketing, export development, research and innovation and policy development to assist in securing a profitable and sustainable future for the Australian pork industry.

The Australian pork industry employs over 35,000 people in Australia and contributes approximately \$5.2 billion in gross domestic product to the Australian economy. In 2016-17, Australia exported more than 37,000 tonnes of pork valued at \$135 million.

Hong Kong is the third largest overseas destination for Australian pork. Exports to Hong Kong reached \$12.3 million in 2016-17, representing growth of 8.7 percent compared to 2015-16. A number of larger Australian pork exporters, as well newer exporters of niche pork products, are finding success in the Hong Kong market. While Australia is less competitive on price, our advantage lies in the ability to supply a premium, fresh, airfreighted product to a market that is otherwise predominately serviced by cheap frozen imports.

APL is committed to further developing awareness and demand for Australian pork in Hong Kong. For example, in May 2017, APL attended the Hong Kong Food Expo (HOFEX 2017) and held a series of product taste tests to better understand local consumer preferences.

The Australian pork industry strongly supports the negotiation of a bilateral FTA with Hong Kong. APL hopes that the FTA will secure current trading arrangements, while offering avenues to solve future problems and providing ample room for growth in the market.

Currently, Hong Kong offers tariff and quota-free treatment for imports of Australian pork. **APL encourages negotiators to seek a commitment from Hong Kong for tariff rates to be bound at zero and not subject to quota restrictions.**

While trade with Hong Kong is relatively free of non-tariff barriers, FTAs can create a framework to deal with technical and other barriers should they arise in future. For Australian pork exports to Hong Kong, speedy resolution of at-the-border issues is especially important, as chilled product has a limited shelf life. **APL encourages**

negotiators to establish a robust framework for speedily addressing non-tariff barriers to trade.

The Australian pork industry welcomes foreign investment. Significant sources of investment in the industry include Singapore, the UK, and Brazil. **APL encourages negotiators to facilitate investment from Hong Kong by offering treatment equal to the US, Chile, and New Zealand, in terms of Foreign Investment Review Board monetary screening thresholds for investments in agribusiness and vacant agricultural land.**

APL believes that by locking in current tariff levels, pro-actively setting up avenues to address at-the-border and non-tariff barriers, and facilitating greater investment inflows, an FTA with Hong Kong will benefit the long-term sustainability of the Australian pork industry. We welcome all opportunities to collaborate with DFAT on setting priorities for the FTA program.

Should you have any questions about this submission, please do not hesitate to contact me on 02 62708888 or via email andrew.robertson@australianpork.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to be 'A. Robertson', with a long horizontal flourish extending to the right.

ANDREW ROBERTSON
Acting General Manager, Policy