

# Annex 1:

## Summary of Existing Bilateral Trade and Economic Agreements/Arrangements<sup>100</sup>

- Agreement between the Government of Australia and the Government of the People's Republic of China relating to Air Services 2004.
- Memorandum of Understanding on Two Way Investment Promotion Cooperation Between Austrade, Invest Australia, and the Investment Promotion Agency, MOFCOM of China 2004.
- Memorandum of Understanding on Investment Promotion Cooperation between the National Development and Reform Commission of the People's Republic of China and Invest Australia, the inwards investment agency of the Commonwealth of Australian Government 2004.
- Memorandum of Understanding on Customs Cooperation and Mutual Assistance between Australian Customs and the General Administration of Chinese Customs 2004.
- Trade and Economic Framework between Australia and the People's Republic of China 2003.
- Arrangement on Higher Education Qualifications Recognition between Australia and the People's Republic of China 2003.
- Memorandum of Understanding on the Management and Implementation of the Australia-China Natural Gas Technology Partnership Fund between the Commonwealth, Western Australia and the ALNG consortium, and China's National Development Reform Commission 2003.
- Memorandum of Understanding on Scientific and Technological Cooperation in Food Safety between Food Standards Australia and the Ministry of Science and Technology of the People's Republic of China 2003.
- Protocol on Australian Wheat and Barley Exports to China between Australia's Department of Agriculture, Fisheries and Forestry and China's Administration of Quality Supervision Inspection and Quarantine 2003.
- Memorandum of Understanding on Sanitary and Phytosanitary Cooperation between Australia's Department of Agriculture, Fisheries and Forestry and China's General Administration of Quality Supervision Inspection and Quarantine 2003.
- Memorandum of Understanding on Cooperative Activities in Water Resources between Australia's Department of Agriculture, Fisheries and Forestry and China's Ministry of Water Resources 2003.
- Memorandum of Understanding relating to Air Services between Australia and the People's Republic of China 2003.
- Memorandum of Understanding on Cooperation on Animal and Plant Quarantine and Food Safety for the 2008 Beijing Olympic and Paralympic Games between Australia's Department of Agriculture, Fisheries and Forestry and China's General Administration of Quality Supervision Inspection and Quarantine 2002.

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<sup>100</sup> This annex only includes major bilateral trade and economic agreements/arrangements between agencies of the Australian Government and China's Central Government. The annex does not include more technical agreements, including for projects under technical cooperation programs, or records of discussion, joint announcements or implementation programs or arrangements that simply amend or implement previous agreements and other arrangements. The number at the end of each entry represents the year in which the agreement/arrangement entered into force or was last amended.

- Memorandum of Understanding on Cooperation in Education and Training between Australia's Department of Education, Science and Technology and China's Ministry of Education 2002. MOU also signed in 1999 and 1995.
- Memorandum of Understanding between the Department of Transport and Regional Services of Australia and the State Development Planning Commission of the People's Republic of China on Cooperation in the Transport Sector 2001.
- Memorandum of Understanding between the Department of Transport and Regional Services of Australia and the Ministry of Communications of the People's Republic of China on Cooperation in Highway and Waterway Transport 2001.
- Memorandum of Understanding between the Department of Transport and Regional Services of Australia and the Ministry of Railways of the People's Republic of China on Cooperation in Rail Transport 2001.
- Memorandum of Understanding between the Australian Department of Industry, Science and Resources and the State Development Planning Commission of the People's Republic of China on the establishment of a Bilateral Dialogue Mechanism on Resources Cooperation 2000.
- Memorandum of Understanding on Cooperation in the Mining Sector between Australia's Department of Industry, Tourism and Resources and China's Ministry for Land and Resources 1999.
- Memorandum of Understanding between the Department of Communications, Information Technology and the Arts of Australia and the Ministry of Information Industry of the People's Republic of China concerning Cooperation in the Information Industries 1999.
- Exchange of Letters on Approved Destination Status (ADS) Group Tourism Arrangements between Australia and the People's Republic of China 1999.
- Exchange of Letters between the Australian Embassy, Beijing, and the China National Tourism Administration concerning Outward Bound Travel by Chinese Citizens to Australia 1999.
- Memorandum of Understanding between the Department of Industry, Science and Resources of Australia and the State Development Planning Commission of the People's Republic of China on Cooperation on Trade and Investment in the Mining and Energy Sectors 1999.
- Memorandum of Understanding between the Department of Industry, Science and Resources of Australia and the Ministry of Land and Resources of the People's Republic of China on Cooperation in the Mining Sector 1999.
- Memorandum of Understanding between the Department of the Environment, Sport and Territories of Australia and the National Environment Protection Agency of the People's Republic of China on Environmental Cooperation 1995.
- Exchange of Notes constituting an agreement to amend Article 3 of the Agreement between the Government of Australia and the Government of the People's Republic of China on a Program of Technical Cooperation for Development of 2 October 1981 (1990).
- Agreement between the Government of Australia and the Government of the People's Republic of China for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income 1990.
- Agreement on Fisheries between the Government of Australia and the Government of the People's Republic of China 1988.
- Agreement with the People's Republic of China on the Reciprocal Encouragement and Protection of Investments 1988.
- Exchange of Notes constituting an arrangement between the Department of Primary Industry of Australia and the Ministry of Forestry of the People's Republic of China on Forestry Cooperation 1987.

- Exchange of Notes constituting an Agreement between the Government of Australia and the Government of the People's Republic of China to amend the Trade Agreement of 24 July 1973 (1986).
- Agreement between the Government of Australia and the Government of the People's Republic of China for the Avoidance of Double Taxation of Income and Revenues Derived by Air Transport Enterprises and International Air Transport 1986.
- Joint Announcement on the formation of the Sino-Australia Joint Ministerial Economic Commission (JMEC) 1986: JMEC meetings were held annually from 1987 to 1993. The 8th meeting was held in 1995, 9th meeting in 1999 and 10th meeting in 2004.
- Memorandum of Understanding between the Government of Australia and the Government of the People's Republic of China regarding Wool Cooperation 1985.
- Joint Communiqué of the Australia-China Joint Agricultural Commission - Inaugural Session 1984.
- Memorandum of Understanding on the establishment of a Legal Exchange Program between Australia's Attorney-General's Department and China's Ministry of Justice 1984.
- Protocol between the Government of Australia and the Government of the People's Republic of China on a Program of Cooperation in Agricultural Research for Development 1984.
- Agreement between the Government of Australia and the Government of the People's Republic of China Relating to Civil Air Transport 1984.
- Agreement between the Government of Australia and the Government of the People's Republic of China on Agricultural Cooperation 1984.
- Understanding relating to Quarantine and Health Requirements for Cattle Exported from Australia to the People's Republic of China 1983.
- Agreement between the Government of Australia and the Government of the People's Republic of China on a Program of Technical Co-operation for Development 1981.
- Protocol on Economic Cooperation with the Government of the People's Republic of China 1981.
- Agreement between the Government of Australia and the Government of the People's Republic of China on Cooperation in Science and Technology 1980.
- Exchange of Notes constituting an Agreement between the Government of Australia and the Government of the People's Republic of China concerning the Registration of Trademarks 1974.
- Trade Agreement between the Government of Australia and the Government of the People's Republic of China 1973.

# Annex 2:

## Australia's and China's Merchandise Trade Statistics

Currently both Australia and China produce their own merchandise trade statistics. For Australia these statistics are produced by the Australian Bureau of Statistics (ABS) and for China by China's Customs Service.

An analysis of both sets of merchandise trade statistics, as illustrated in the table below, shows that differences exist, even at the total export and import level.

**Table A2.1: Summary of China/Australia Trade Statistics**

Australia's Merchandise Trade with China – US\$ billion, 2003		
	ABS Trade Statistics	China's Customs Statistics
Exports (a)	6.0	7.3
Imports	9.3	6.3

(a) China Customs import data (Australia's exports) is on a c.i.f. basis, while ABS data is on a f.o.b. basis.

China's Merchandise Trade with Australia – US\$ billion, 2003		
	ABS Trade Statistics	China's Customs Statistics
Exports	9.3	6.3
Imports (b)	6.0	7.3

(b) China Customs import data is on a c.i.f. basis, while ABS data is on a f.o.b. basis.

As with any bilateral comparison of trade statistics it is recognised that coverage, valuation and timing differences will lead to differences in each countries' trade statistics.<sup>101</sup>

With regard to Australia and China trade statistics these differences are compounded further by trade through entrepots in the region such as Hong Kong and to a lesser extent Singapore. These entrepots act as distribution centres, with little or no transformation of the goods that are shipped through them. In this regard, China's Customs Service and ABS export statistics do not accurately record the *country of final destination*, with a large proportion of exports being reported on a *port of unloading* (i.e. Hong Kong), rather than *country of final destination* basis. Accordingly, exports shipped through Hong Kong are not being fully covered in both countries' export statistics.

- For 2003, US\$565 million of Australia's exports to China were shipped via Hong Kong, while US\$2.1 billion of China's exports to Australia were shipped via Hong Kong.<sup>102</sup>

Further, confidentiality requirements in Australia limit the level of commodity detail on Australian exports to China (for example alumina and barley). For these confidential commodities, the ABS aggregates them into one category called *confidential items*.

<sup>101</sup> For more details on the types of differences that can occur in comparing different countries' trade statistics, please refer to the ABS publication, *International Merchandise Trade, Australia Concepts, Sources and Methods, 2001* pages 88-90.

<sup>102</sup> Source: ABS for Australia's trade data; *World Trade Atlas* for trade data relating to China (and Hong Kong).

- In 2003, the ABS classified US\$1.3 billion of Australian exports to China and US\$147 million of imports from China as confidential items.

Furthermore, the approach to statistical valuation is different. For example, Australia import statistics are based on an f.o.b. valuation, while in China import statistics are based on c.i.f. valuation.

These factors account for most of the differences in Australian and Chinese trade statistics. A bilateral reconciliation for China/Australia trade statistics was not attempted for this study as it is beyond the scope and resources.



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