Submission to

The Department of Foreign Affairs and Trade– Towards an Australia-India Feasibility Study

Trade Assessment and Recommendations

March 28 2008

Contents

1. Executive Summary

Australian Pork Limited (APL) supports the establishment from a free-trade agreement with India. Trade engagement with India could benefit Australian pig producers as an emerging economy.

APL supports efforts by the Australian government to develop export markets where they will deliver substantial benefit to Australian industry. Australia's economic, political and geographic proximity to Asia is critical to the Australian pork industry's future growth. India is Australia's sixth largest export market by value overall.

A key opportunity for Australian pork may be to supply high-quality, value-added cuts, and the option of Australian-made produce to Indians with higher disposable incomes. Pork is currently the third most consumed protein in India with consumption levels per capita continuing to rise.

As an export focused industry, tariff liberalisation from 30% on HS line 0203 will make India less export prohibitive. Gaining technical market access that is science-based is critical for the Australian industry.

Tariff liberalisation via offers by Australia to improve cold storage and agribusiness infrastructure development is one strategy Australia could pursue in its negotiations with India.

Highlighted are trade recommendations for the government for advantageous market access of Australian pork to India. They include tariff and tax reform and a review of India's free trade agreements with other countries and markets of interest. Commentary on other free trade agreements Australia is negotiating and to which India is party to be also included for the government's information.

2. Introduction: Background

Australian Pork Limited (APL) welcomes the request for public comment and consultation by the Department of Foreign Affairs and Trade (DFAT) regarding the Feasibility Study into the Australia-India Free Trade Agreement (FTA).

APL supports efforts by the Australian Government aimed at establishing a free trade agreement between Australia and India, conditional on good outcomes for the Australian pork industry.

Like the Australian government, APL supports the establishment of a free trade agreement, if the free trade agreement:[1]

1. will deliver major economic benefits to Australians;
2. is equivalent with World Trade Organisation (WTO) rules;
3. will result in sizeable trade liberalization in goods; and
4. represents Australia's quarantine interests, and for APL, pig production and quarantine.

Further an agreement should (in terms of food safety):

- Not negotiate on specific SPS measures or on trade-offs between market access and the application or lowering of SPS measures and standards.
- Build cooperation on animal, food and plant safety matters.
- Encourage ongoing innovation of Australian pork production and promote awareness with Australia's trading partners of traceability, quarantine and meat quality protocols that ensure pork product integrity.
- Recognise Australia's unique health status as superior over India
- Not move to adopt India environmental policies or standards.

In terms of trade fairness:

- Reinforce efforts to liberalise agricultural markets multilaterally (including subsidy payments to competitors) via the World Trade Organisation (WTO);
- Increase market access via tariff reduction from 30% to 0%, reductions on value added taxes, import registration tax.
- Seek agreement that India will not use safeguards against Australian pork exports;
- Seek commitment that no new tariffs or non-tariff barriers will be established against Australian exports, including subsidies and producer support;
- Penalties for anti-dumping activity;

[1] Australian Government: Department of Agriculture, Fisheries and Forestry (2007). Free Trade Agreements. Leaflet. For more information: www.daff.gov.au

- Recognition of AQIS' biosecurity protocols and export accreditation of Australian abattoirs and boning rooms with those required by India, commitment that no new tariffs or non-tariff barriers will be established against Australian exports.

The government should consider the following:

- As Australia does not represent a market of significant value to the Indian pork industry, restricted access to the Australian market for pork will not be an obstacle to completing a free trade agreement.
- APL's proactive involvement and timely consultation and communication from the Department concerning India-Australia FTA negotiations.
- Arrangements outlined in an Australian-India must be science based and address Australia's quarantine concerns

3. Australian Pork Limited

Australian Pork Limited (APL) is the national representative body for Australian pig producers. It 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. APL works in close association with key industry and government stakeholders.

APL is a unique rural industry service body for the Australian pork industry. The framework for APL was established under the Pig Industry Act 2001[2]. Operating and reporting guidelines are provided for in the Funding Agreement with the Commonwealth of Australia. This forms the basis of APL's operations.

APL's primary funding is derived from statutory pig slaughter levies collected under the Primary Industry (Excise) Levies Act 1999[3]. The levy amounts to $2.525 cents per carcase levy at slaughter and comprised of $1.65 for Marketing activities, $0.70 cents for Research and Innovation activities, and $0.175 for the National Residue Survey (NRS)[4]. Additional research-specific funds are received from the Australian Government under the portfolio of the Federal Minister for Agriculture, Fisheries and Forestry.

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[2] http://www.comlaw.gov.au/ComLaw/Legislation/ActCompilation1.nsf/0/935C1FDED0B51DF1CA256F71005501E2/$file/PigIndustry2001.pdf

[3] http://www.comlaw.gov.au/ComLaw/Legislation/ActCompilation1.nsf/0/E231CA546E7CC2DBCA25703F001AA557/$file/PrimIndExciseLevies1999_WD02.pdf

[4] http://www.daff.gov.au/agriculture-food/nrs/industry-info/animal

The following objectives for the 2005-2010 Strategic Plan focus on a central strategy to drive up domestic demand for Australian pork, while building the industry's capacity to expand exports and compete successfully against pork imports:

1. increasing fresh pork demand;
2. increasing carcase value;
3. reducing supply chain costs;
4. contracts and measurements systems;
5. ensuring industry capability; and
6. managing risks for sustainability.

4. Structure and Regional Distribution of the Industry

As at March 2008 Australian Pork Limited (APL) the peak national body, had 472 members representing 92 per cent of Australian pig production. In 2006 there was an estimated 1,500 producers compared to 1,923 in 2005. The average herd size was 159 sows. It is estimated that the top 50 producers in Australia account for some 54 percent of production.

The estimated Gross Value of Production (GVP), for Australian pig production was $906 million for the period 2004-05 declining to $889 million in 2005-06. This compares with $944 million for the period 2006-07. Pork currently represents approximately 2.38 per cent of total Australian farm production. This figure has remained relatively consistent since 2005.

The Australian pork industry provides a significant positive impact to local, regional, state and national economies through substantial income generation and employment. In 2004, the pig production sector generated $3.2 billion in output, $967 million in value added and 15,074 full time jobs when flow on effects are taken into account. This compares with an estimated $2.9 billion in generated output, $840 million in value added product and 7,928 full time jobs in 2006/07.[5]

5. India Economy overview

India is the world's fourth largest economy by purchasing power parity (PPP), 12th largest on a market exchange basis and the third largest in Asia. Averaging an annual GDP growth rate of 7-8 %, it is one of the fastest industrialising economies

[5] APL (2008). Third Submission to the Productivity Commission Safeguards Inquiry into the Import of Pigmeat, pg. 66 [Online]. Last accessed 28 March 2008. http://www.pc.gov.au/inquiry/pigmeatsafeguards/docs/submissions/97_australian_pork_limited/sub097.pdf

worldwide.[6] There is a growing middle class of approximately 200 and 300 million people[7] out of a total 1.13 billion people, with total population growing at an average of 1.606% annually.[8] India is the world's second largest producer of agricultural products, contributing 25% of India's gross domestic product and providing 65% percent of the working population.[9] India aims for self-sufficiency with its food production.[10]

6. Exports to India

Currently the main exporters to India are the Netherlands, Denmark and Germany which account for more than half of all meat imports to India. Canada is India's second largest meat supplier behind the Netherlands with 17% import share. This should be regarded with caution since in 2003, the value of Canada's meat exports to India was valued at CAD $9000. Canada reported that the most meat products supplied to India were frozen lamb carcasses and frozen cuts of boneless pork. [11]

Exports of pig meat are difficult given an import ban due to disease as well as avian flu concerns.

7. Consumers

Meat is primarily sold fresh through unorganised meat markets, wet markets and street vendors. Hotels and restaurants are the main customers for processed meat products, importing specialty high value end products including sausages, ham and meat patties.

APL can report of regular exports to the Oberoi chain of luxury hotels in India.

[6] http://www.austrade.gov.au/India-leads-the-charge-of-the-right-brigade/default.aspx
[7] http://www.nfis.com.au/india/market_opportunities.html
[8] CIA World Fact book (2007) Estimate.
[9] http://www.austrade.gov.au/Agribusiness-to-India/default.aspx
[10] http://www.nfis.com.au/india/market_opportunities.html
[11] http://www.ats.agr.gc.ca/asia/4162_e.htm

Regional markets influence cultural demand for pork meat and exporters are encouraged to target one or more regions.[12]

[12] http://www.ats.agr.gc.ca/asia/4162_e.htm

8. Regional Pork Demand

Table 1: Region and Consumption Patterns in India

Region	Consumption Pattern
North-East India: Kerala, Assam, Meghalaya , Nagaland	• 28% of India's pig population at 3.82 million in 2003 is in North-East India.[13] • Imported pork for tourists and high value consumers is possible for Goa. • The Meghalaya cuisine in North-East India favours pork products.[14] Pork is Meghalaya's staple meat. • Kohima in Nagaland state reports of black market trade in pork during disease outbreaks.[15]
South India: Goa, Karnataka, Andhra Pradesh, Tamilnadu, Kerala, Bangalore	• States are meat-eaters and small Christian sectors will also consume pork. • Pork is a popular meat in Goa and the eastern states of India.[16] It is eaten by the Portuguese Christians in Goa.[17] • Commercial breeding is non-existent in Kodagu and it is considered more economical and convenient to buy from local markets instead of backyard farming, where swine can often have poor health status[18]. Pandi curry (pork) is the number one delicacy of Kodava cuisine.
Chinese of Kolkata of West Bengal in Tangra[19]	• Community of immigrants and descendants; only city in India with a Chinatown. • Declining Chinese population down to 7000.[20]

13 http://www.aphca.org/workshop/pigWS_nov2006/files_pdf/India_Pig_NorthEast_Nov06.pdf
14 http://www.north-east-india.com/information/cuisines.html
15 http://www.thepigsite.com/swinenews/10148/municipal-corporation-bans-pork-in-kohima
16 http://indianfood.about.com/od/porkdishes/Pork_Dishes.htm
17 http://infohost.nmt.edu/~shipman/food/cooking/vindaloo.html
18 http://www.thepigsite.com/swinenews/12647/epidemic-hits-pigs-in-kodagu
19 http://www.ipsnews.net/print.asp?idnews=30346
20 http://www.taipeitimes.com/News/world/archives/2004/07/31/2003181147

9. Religious Adherence and Dietary Customs

Indians generally eschew pork consumption and as such there is no organised pork industry, although as described in the Table 1, there are regional areas of demand.[21] This may encourage Indians to import more fresh pork to offset these concerns, and the butcher trade may grow alongside traditional wet markets.

Including Christians and Buddhists, and a very small number of Parsees, there are approximately 10-20 million people who may consume pork. There are also some regional differences in Indian cuisine where pork is a favoured or popular meat. Religious custom prevents Hindus, Muslims, Sikhs and Jains from consuming meat or meat products.

Table 2 – Religious adherence and diet

Religion	Approximate no. of adherents in India	Dietary restrictions/customs
Buddhism	10 million	• No dietary restrictions, but practices vary and some Buddhists might be vegetarian or lacto vegetarian.
Christianity	10 million	• No dietary restrictions
Parsees	Less than 1 million in India	• Eat all types of meat, fish and vegetables.[22]

10. Protein Consumption in India

Protein consumption is limited by affluence and religious adherence prohibiting pork consumption. Of proteins consumed, protein consumption has been through increased poultry, eggs, and milk consumption. Poultry has gained popularity and has grown an average of 18 % since 1999.[23] It is projected to grow considerably and remains a competitive protein in the general Indian diet.

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[21] http://www.fao.org/DOCREP/ARTICLE/AGRIPPA/X9500E01.HTM#P140_29595

[22] http://www.theauthenticfoodcompany.com/indianfood.htm

[23] http://www.extension.iastate.edu/AGDM/articles/others/DraNovDec04.htm

11. Pork Production India

Buffalos account for more than 30% of total meat production, followed by cattle, (30%), poultry (125), pigs (10%), goats (10%) and sheep (5%).[24] Despite a growing population (4% annualised) approaching 1.1 billion[25], growth in meat consumption is relatively slow due to religious vegetarianism.

Imports of meat have been steadily declining by more than 50% since 2001, falling to $50 thousand in 2003. This is due to cases of transmissible spongiform encephalophy diseases and HPAI.[26] In that year, almost every meat category dropped its level of imports, except for imports of salted or dried meats, which grew by 46%. Accounting for over 28% of meat imports, salted or dried pig meat has done well in this market, growing by 176%.[27]

In 2003, imports of prepared and processed meat (HS codes 1601, 1602, 1603) fell nearly 43% to $518 million, after jumping to more than double its value in 2002. Meat extracts, sausages and pig shoulders led imports in this category, accounting for approximately 75% of prepared/processed meat imports.[28]

12. Animal Husbandry

Piggery development is of significance in north-eastern India. It has a particular role in improving socio-economic outcomes within the region. The state governments, agricultural universities and Krishi Vigyan Kendra have up to 200 pig breeding farms combined. A new "National Project for Improvement of Poultry and Small Animals", funded by government will improve piggery development from 2005-6 onwards. One of the major constraints is the lack of high quality breeding stocks, which was overcome with imports of Largewhite, Landrace and Hampshire from the USA in 2000. [29]

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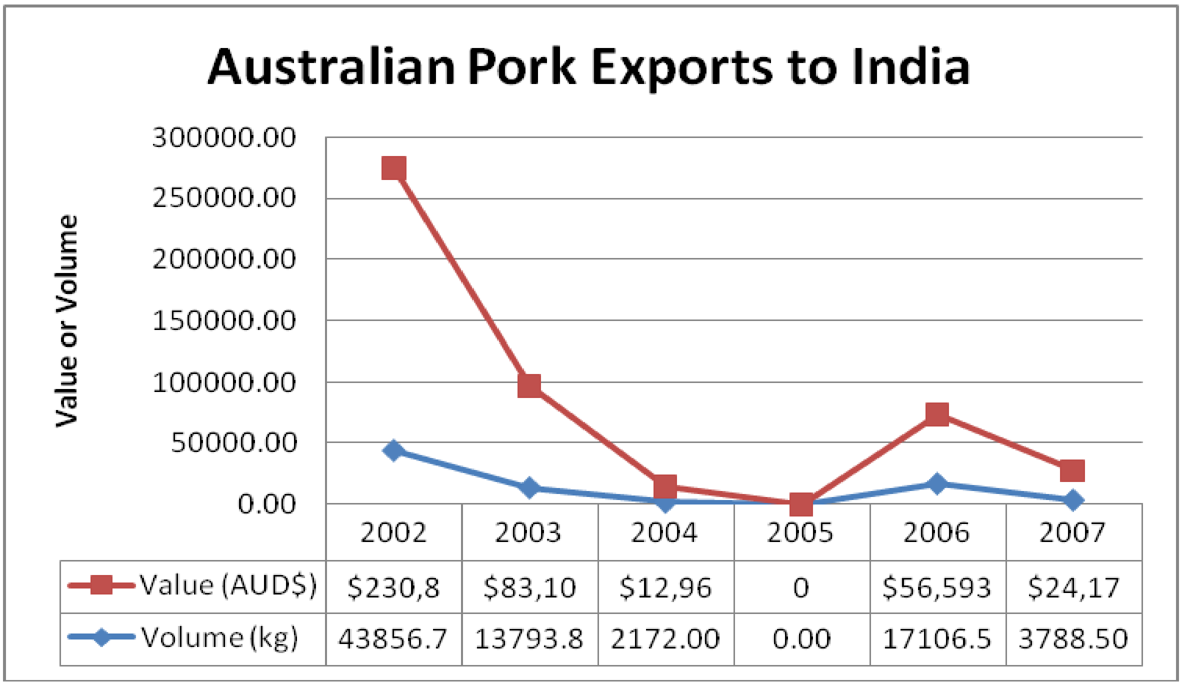
[24] http://www.ats.agr.gc.ca/asia/4162_e.htm
[25] http://www.ats.agr.gc.ca/asia/4162_e.htm
[26] http://www.ats.agr.gc.ca/asia/4162_e.htm
[27] http://www.ats.agr.gc.ca/asia/4162_e.htm
[28] http://www.ats.agr.gc.ca/asia/4162_e.htm
[29] http://dahd.nic.in/pig.htm

13. Pork Meat Production and Trade (Metric Tonnes)

In 2003 there were an estimate 13.5 million pigs being produced for food.[30] Overall, the Indian feed industry has been focused on dairy and poultry feed manufacturing with the beef and pork industry non-existent.[31] Pigs are popular among tribal people and the relatively poorer areas of India.[32]

14. Australian Exports to India

Figure 1. Australian Pork Exports to India (2002-2007)[33]



Source: APL from ABS Statistics

Australia has exported an erratic and declining supply of pork to India since 2002. Moving 43,357kg in the 2002 calendar year, by 2007, ABS had recorded 3,788kg

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30 Department of Agriculture & Cooperation, Ministry of Agriculture, Government of India (2007). [Online]. Last Accessed – February 20, 2008: http://agricoop.nic.in/Agristatistics.htm

31 http://www.fao.org/DOCREP/ARTICLE/AGRIPPA/X9500E01.HTM

32 http://www.infoagrar.ch/Informationcenter/mediadir.nsf/0/61fce90065bed645c12566ce00511a69?OpenDocument

33 Please note figures for December 2007 were not available preparing this submission, and may indicate a higher total volume and value figure.

shipped to India. This reflects the current import ban on all pig meat products due to Avian flu concerns and difficulty in obtaining the required import licence. It also reflects the somewhat the high, 30% tariffs on pigmeat products.

Meat imports have to comply with the Meat and Meat Products Order[34]. AusTrade reported to APL on March 2, 2008 that all meat exports from Australia are banned. According to the AusTrade website, all Australian pig meat products (except cooked pig meat products) are banned due to avian flu concerns. APL's further contact with AusTrade Agricultural counsellors based in New Delhi have suggested that EU and Canadian Agricultural counsellors have also reported concern with gaining technical market access for meat products to India and that export via "gray" channels continues and that we should pursue formal market access.

Although lamb is being considered as a major meat category of interest to the Indian market, APL requests that pork exports are also given due consideration. It is hoped that the market potential in India for Australian pork is realised via simple market access and further encouraged via tariff liberalisation.

Australia is perceived in the Indian market as a supplier of quality product with opportunities for agribusiness services – modern farming methods, irrigation and water management, soil improvement techniques, organic farming as well as animal husbandry including animal health-related products and animal feed.[35] Pork safety and quality is an advantage Australia should leverage in its negotiations.

Despite this, APL can report small volumes are being exported to the Oberoi chain of luxury hotels throughout India, however at great expense and difficulty with import licences.

15. India Infrastructure

The movement of frozen, chilled swine meat may be limited by poor infrastructure, transport systems and cold storage throughout India.[36] This may be an opportunity to request a reduction in tariff duties as the cost of transporting product throughout India would be high as a result.

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[34] http://www.austrade.gov.au/Agribusiness-to-India/default.aspx
[35] http://www.austrade.gov.au/Agribusiness-to-India/default.aspx
[36] http://www.abare.gov.au/publications_html/ac/ac_07/a2_dec.pdf

16. Factor Endowments – Australia/India Comparison

Table 3 – Australia/India Factor Endowments

Australia	India
Pork Qualities	
• High health status, grain-fed.	• Poor health status, not necessarily grain-fed. • While there are some religious practices which permit pork consumption, there are general suspicions as to its cleanliness. • The corn feed needed to raise quality pork in India is not grown cost efficiently to sustain domestic swine herds.[37] There are some piggeries that have been established in India, but these have been frequently criticised for their negative environmental effects, including waste and hygiene.[38]
Industry Structure	
• The Australian industry is somewhat vertically integrated.[39] APL's delegates represent a majority of the industry in Australia.	• Backyard operations, limited commercial farming. India is not a large producer of pork products.
Related and Supporting Infrastructure	
• Established road networks, processing facilities and cold storage	• Overstretched, under-resourced national infrastructure in roads, air transport and cold storage.

37 http://infohost.nmt.edu/~shipman/food/cooking/vindaloo.html

38 http://www.thepigsite.com/swinenews/14128/environmental-row-over-pig-farm-at-angamaly

39 http://www.pc.gov.au/__data/assets/pdf_file/0009/73359/Canberra071127.pdf

Areas of production	
• Pork is produced in the major grain belts and regional centres throughout Australia.	• Concentrated to regional areas and states, such as North-East India.
Feed source	
• Feed is sourced from nearby grain growing regions of Australia; however drought has recently had a significant cost impact.	• Pigs usually fed food scraps and waste.
Traceability	
• Traceability in Australia - The PigPass Quality Assurance (QA) system also allows the pig industry to meet new national requirements to be able to trace individual pigs to property of origin if an exotic disease or chemical residue is detected in the supply chain.[40]	• No national traceability program.
Investment	
• APL has focused attention into increasing domestic pork consumption in Australia, approximately 42% since 2002.	• Limited information on national investment on pig production. Local and regional investment to sustain commercial pig production.

[40] http://www.australianpork.com.au/index.cfm?id=96BFD8E2-9027-E533-1FDADEB135000596

Attention has also been focused on defending market share in Singapore. Increased economies of scale have also occurred in the industry over many decades.	
Labour	
• High cost labour; dearth of skilled labour in agriculture – many of APL's delegates have reported to APL about bringing in skilled labour on 457 temporary work visas.	• Low cost labour, labour force by occupation in 2003[41]: ○ Agriculture – 60% (65% by AusTrade estimates in 2008)[42] ○ Industry – 12% ○ Services – 28%
Geography	
• Australia's isolated geography has contributed to its animal health status, as well strategic management of Australia's science-based quarantine system.	• Bordered by Pakistan, Nepal, China, Bhutan, Bangladesh and Burma.[43]
Disease Status	
• Australia is disease free. It is a distinct competitive advantage when marketing to Indian consumers of	• Disease outbreaks often devastate local pig populations, are civic pests, and tribal villagers often live-in very close proximity to pigs, encouraging disease outbreaks of cholera.

41 CIA World Factbook (2008).
42 http://www.austrade.gov.au/Agribusiness-to-India/default.aspx
43 https://www.cia.gov/library/publications/the-world-factbook/geos/in.html

pork.	
Quarantine	
• Australia's concern is the risk globalisation has on downgrading sanitary arrangements and quarantine, particularly where it is perceived that quarantine is only a barrier to trade	• The government has banned imports of pigs where there are disease concerns such as bird flu, swine fever.
Analysis	
• Australia is at a distinct competitive disadvantage with the production of pig meat, with dearth of skilled employment and low unemployment levels nationally, high cost of production with high grain inputs due to drought. However Australia has high health status of the herd, proximity to Asian markets, relatively strong levels of vertical integration and an export focused agenda.	• Not a large exporter of pig meat, limited focus and investment in pig production nationally. • Opportunity to gain first mover advantage in pork exports to certain regions in India. • May face price competition as areas of India are relatively poor. • Useful to target high net worth pork consumers. • Opportunity to increase Australian pork production husbandry investment in India.

Table 4 - Market Access Issues for Australian Pork

Barrier	Administrative Barriers	FTA Goal
National Infrastructure	• Given the size of the Indian market, dispersal of cities and poor infrastructure, moving product to specific regions will be challenging.	• A cut in agricultural foodstuffs and agribusiness tariffs should be afforded by India with offers from the Australian government and Australian industry to improve India's national infrastructure for the essential movement of produce. • This could be in the form of increased foreign direct investment in the Indian region by Australian companies.
Laws	• Regulations for the production of meat products are covered by the Meat Food Products Order, 1973.[44] • Further, imports and exports are governed by the Export-Import Policy 2002-2007 (EXIM Policy) framed every five years.[45]	• Need to secure technical market access benchmarked to international standards.
State Regulations	• Indian tax systems are complex and tax structures vary state to	• Push for regulatory harmonisation for all India.

[44] http://www.nfis.com.au/india/pdfs/4_what_are_the_food_regulations.pdf
[45] http://www.austrade.gov.au/India-profile/default.aspx

	state. Some states levy the "Octroi" tax on cross-border product transportation. The Indian government is working on a simpler uniform GST.[46] • State sales taxes, ranging from four per cent to 15 per cent, are levied on most products. There is no sales tax payable by the original importer. However, when imported goods are resold in the Indian market sales tax will apply.[47]	
Import Bans	• India has issued bans on pork imports in response to avian influenza concerns. This has occurred even though	• The FTA should recognise Australia's clean health status and amend laws to allow imports of disease-free swine products. • Particularly a problem for export to niche Indian markets in luxury hotels and resorts.

46 http://www.marketnewzealand.com/common/files/india-cb.pdf
47 http://www.austrade.gov.au/default.aspx?ArticleID=4610

	some countries are considered disease free.[48],[49],[50]	
Customs Duty	• This is charged on goods imported into India as per the provisions of the Customs Act at rates specified by the Customs Tariff Act. • All pork products, under HS tariff heading 0203: Meat of Swine, Fresh, Chilled or Frozen attract a 30% rate of duty.[51]	• Tariff rates in India are among the highest worldwide. • This is export prohibitive and this must be progressively reduced. • A timeline of less than 10 years for pork should be adopted. • Given that pork production in India is low, and is not one of their main agricultural commodities, this may be easier to pursue.
Value Added Taxes[52]	• Meat products when not cured or frozen are exempted items under the	• View to reduce tariffs in the shortest time frame.

48 http://www.thepigsite.com/swinenews/7990/india-government-bans-import-of-chicken-eggs-and-pork-for-6-months
49 http://www.thepigsite.com/swinenews/7062/india-bans-all-swine-poultry-imports
50 http://www.ats.agr.gc.ca/asia/4162_e.htm

51 http://www.customs.gov.in/customs/cst-0708/chap-2.pdf
52 http://www.nfis.com.au/india/pdfs/5_VAT_list.pdf

	VAT.	
Quarantine	• Australia is unable to meet certification requirements and cannot export meat to India. Some requirements include: • farm freedom for two years from animal disease; • ban of the feeding of ruminant material to pigs (currently inconsistent with international practice)[53]	• Need certification from the Indian Department of Animal Husbandry, Dairying and Fisheries to have the certification requirements for meat reviewed and approved. • The Department of Agriculture, Forestry and Fisheries (DAFF) has made submissions to the Indian government, invited a delegation of technical experts from India to Australia to encourage certification.

[53] http://www.nfis.com.au/india/pdfs/4_are_there_foodtrade_issues.pdf

17. India Free Trade Agreements[54]

India is focused on bilateral, regional relations with South Asia. By 2016, India will be trading at zero duty with twelve nations. Currently, India enjoys free trade with Thailand and Sri Lanka, with negotiations being finalised with China and Singapore.[55]

India continues bilateral FTA negotiations with China, Japan, South Korea, the European Union, South Asia (South Asia Fee Trade Agreement – SAFTA), BIMSTEC, ASEAN, Mercosur, the Gulf Cooperation Council and the South African Customs Union (SACU).[56]

[54] http://exim.indiamart.com/free-trade-agreement/relation-with-other-countries.html
[55] http://exim.indiamart.com/free-trade-agreement/relation-with-other-countries.html
[56] http://www.dfat.gov.au/geo/india/india_brief.html

Table 5 – India's FTA and Australia-India FTA Goals

FTA Goal	Implications for Pork Trade	FTA Goal with India
Chile	• Chile was successful in lowering import tariffs for pork, frozen pork and pork platters[57] in a partial trade agreement (PTA) in April 2007. They form the basis of a future, fully fledged FTA. • Tariff duties were reduced from 30% to 15% on HS 0203[58]. • Imports and exports are governed by the Export-Import Policy 2002-2007 (EXIM Policy) framed every five years.[59]	• The government should seek a Chile-plus agreement which reduces import duties on Australian pork exports.
Association of South-East Asian Nations (ASEAN)	• Still under negotiations. Currently in the 4th round.[60] • At the third ASEAN-India summit, the Indian Prime Minister Manmohan Singh proposed a long-term vision for an Asian economic community including ASEAN, China, Japan, Korea and India.	• The government should closely monitor any market access developments on pork.
European Union	• The EU meat with India in March 2007 to explore trade and investment opportunities in the agri-food sector. • Danish Crown will import pork and will investigate establishing a small meat-processing unit for export and is targeting the high-end section of the market.[61]	• Secure technical market access equivalent to Denmark.
Sri Lanka	• An FTA with Sri Lanka has been operational since 2002.[62] • HS Codes 020311, 020311, 020312, 020319, 020321, 020322 and 020329 attract no duty concessions for Sri Lankan pork exports to India.[63]	• Aim to have the same zero tariff concessions applied to Australian pork exports.

57 http://www.chileangovernment.gov.cl/index.php?option=com_content&task=view&id=1518
58 http://commerce.nic.in/flac/India's%20Offer.pdf
59 http://www.austrade.gov.au/India-profile/default.aspx
60 http://www.mofa.go.jp/announce/event/2007/8/1175291_854.html
61 http://www.dnaindia.com/report.asp?NewsID=1084197
62 http://www.dfat.gov.au/geo/india/india_brief.html
63 http://www.boi.lk/IndFTA/index.asp?offset=24

Table 6 - Other Economic Engagements

Country	Details
Malaysia	• On August 11, 2007, a feasibility study to establish an economic agreement with India was published.
Korea	• There are ongoing bilateral trade discussions.
Russia	• A feasibility study was finalised on 6 February 2006 into a Comprehensive Economic Cooperation Agreement (CECA).[64]
Singapore	• Singapore signed a Comprehensive Economic Cooperation Agreement in June 2005.[65]
Thailand	• The first phase of an India-Thailand FTA entered into effect from September 2004, but no further implementation of this FTA has been advanced.[66]

64 http://commerce.nic.in/whatsnew/WhatsNew_detail.asp?id=15
65 http://www.dfat.gov.au/geo/india/india_brief.html
66 http://www.dfat.gov.au/geo/india/india_brief.html

Conclusion

A key opportunity for Australian pork may be to supply high-quality, value-added cuts, and the option of Australian-made produce to Indians with higher disposable incomes. Pork is currently the third most consumed protein with consumption levels per capita continuing to rise.

APL recognises the medium term threat of continued bans of all pigmeat imports into India. Coupled with the trade prohibitive tariff rate of 30% as well as poor regulatory standards in relation to meat integrity, this will limit Australia's capacity to further open export markets. In the FTA, India should recognise Australia's herd health status as disease free.

One strategy would be offering Australia tariff cuts (from 30%) in exchange for Australian industry to supply knowledge and expertise in the development of India's essential national infrastructure.

APL suggests a timeline of less than ten years should be adopted for tariff liberalisation (preferably "Chile-plus" (reduced to 15%) or equivalent to Sri Lanka (0%)), given that pork production in India is relatively small in comparison to poultry.

Regulatory inconsistency with technical market access should be addressed in the FTA, and be benchmarked to international standards such as Codex and the SPS agreement in the WTO. This would address difficulties in exporting fresh pork to luxury hotel chains in India. APL recognises efforts by DAFF to encourage visits by Indian technical experts to review Australia's accreditation standards; APL believes that technical market access issues could be addressed again during the process of the FTA Feasibility Study and in the upcoming future Australia-India FTA.

Trade engagement with India could benefit Australian pig producers, and is a potential market which to grow consumption of fresh Australian pork abroad.