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Australia-Hong Kong Free Trade Agreement
Office of Trade Negotiations
Department of Foreign Affairs and Trade
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Via email: a-hkfta@dfat.gov.au

Australia-Hong Kong Free Trade Agreement Negotiations

This submission has been compiled by Meat & Livestock Australia (MLA) on behalf of the Australian red meat and livestock industry¹, in response to DFAT's invitation to provide comment on priorities regarding a free trade agreement (FTA) with Hong Kong.

The Australian red meat and livestock industry strongly supports the Australian Government's launch of FTA negotiations with Hong Kong. Hong Kong is an important red meat customer and a strategically important trading partner in the Asian region. During 2016, Australia exported 4,494 tonnes of chilled / frozen beef, 105 tonnes of mutton, 1,159 tonnes of lamb, and 31,297 tonnes of offal to Hong Kong.

Closer economic ties forged with Hong Kong (via a comprehensive FTA) will ensure continued access for red meat products on a transparent and unencumbered basis – which in turn will afford security, certainty and continuity to the trading relationship. Further, an FTA with Hong Kong will complement Australia's existing FTA with China.

Key issues for the Australian red meat and livestock industry regarding an FTA with Hong Kong include:

Import tariffs

Overarching objective: Continued unencumbered access for Australian livestock, beef, sheepmeat, goat meat, offal, processed red meat exports and co-products to Hong Kong.

Hong Kong already offers duty (tariff) free treatment to all red meat and livestock imports. A key objective of any FTA with Hong Kong must therefore be to 'lock-in' Australia's access via both applied and bound tariffs being reconfirmed as 0%. This includes all tariff lines applicable to livestock, red meat and associated co-products as described in various forms under Chapters 1, 2, 5, 15, 16 and 41 of the Harmonised Tariff Schedule.

Non-Tariff Barriers

Although there are no significant tariff barriers, the lack of agreed certification for a number of co-products continues to restrict access. This includes green runners, trophies and rendered edible animal fats and oils including tallow. Dialogue on securing access for these products should be pursued.

Future proofing of the existing favourable trade environment via enshrining mechanisms designed to avoid the introduction of unnecessary technical (non-tariff) barriers to trade – particularly in relation to standards and regulations – will be an added advantage of a closer economic partnership.

¹ Red Meat Advisory Council; Australian Livestock Exporters' Council; Australian Lot Feeders' Association; Australian Meat Industry Council; Cattle Council of Australia; Goat Industry Council of Australia; Sheepmeat Council of Australia

This will necessitate reference to international standards as the base for technical regulations, recognising equivalence and ensuring dialogue between Australian and Hong Kong authorities in order to avoid future import or food regulations becoming non-tariff barriers.

Provisions to confirm ongoing cooperation and information sharing on trade facilitation issues will in turn encourage trade and should be leveraged in order to help reduce transaction costs.

Sanitary and Phytosanitary (SPS) Measures

An FTA with Hong Kong must also establish a framework for ongoing cooperation and information exchange on SPS measures to help address any future (potentially trade restrictive) SPS problems.

Consultation with Industry

Following the partnership approach adopted by the Australian Government and industry regarding previous free trade agreement negotiations, industry seeks the ongoing commitment of close consultation with the A-HKFTA team. This in turn will help secure tangible benefits from potential preferential trade discussions with Hong Kong.

For additional information in relation to the red meat industry's position on Australia's trade with Hong Kong, please contact:

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