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MEDIA RELEASE

Red meat industry welcomes historic trade agreement with Japan

The Australian red meat industry will soon realise significant benefits following today's historic signing of the Japan-Australia Economic Partnership Agreement (JAEPA) in Canberra.

"We wish to congratulate the Governments of Japan and Australia for securing deeper economic interdependence in what is a win-win outcome for both countries," Australian Beef Industry Japan EPA Taskforce chairman Lachie Hart said.

"Independent modelling suggests the JAEPA will benefit Australian beef export sales to the tune of \$5.5 billion over 20 years and thereby deliver an increase in the annual gross value of Australian beef production by up to 7%", Mr Hart said.

Under the JAEPA the tariffs on frozen Australian beef entering Japan will drop from 38.5% to 19.5% over 18 years (involving an 8% cut in year 1), while the tariffs for chilled beef will fall from 38.5% to 23.5% over 15 years - including a 6% cut in year 1.

"This represents a very positive change to the long established trading environment with Japan and will provide Australian beef with a useful preferential tariff advantage over other imported beef suppliers into the market."

The agreement will also ultimately advantage other components of the supply chain, with Japanese consumers being beneficiaries via the alleviation of part of the ¥54.8 billion (A\$590 million) per annum import tariff burden on Australian beef prices.

"This will not only improve the affordability of Australian beef for Japanese consumers but will also help stimulate overall demand for beef - both domestically-produced and imported", Mr Hart said.

In addition to the benefits for beef, the binding of sheepmeat tariffs at zero provides certainty for this burgeoning trade, while the tariff reductions applicable to offal and further processed meat products will provide Australia with preferences in a market characterised by increasing competitive pressure.

Following today's signing of the JAEPA, the detailed outcomes will be released - thereby allowing both countries to subject the agreement to their respective parliamentary approval processes before it subsequently enters into force.

"It is hoped, however, that the signing of the JAEPA will only be the forerunner of further trade enhancing agreements between our two countries."

"Our industry continues to seek the elimination of all global import tariffs - including those which Japan will maintain on our products. Additional trade reform with Japan, involving potential gains from the current Trans-Pacific Partnership and Regional Comprehensive Economic Partnership negotiations, will be vigorously pursued."

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Australia's red meat industry employs approximately 200,000 people in the farming, processing and retail sectors and contributes A\$17 billion to Australia's economy each year. Japan is Australia's largest beef export customer in volume and value terms, taking 26% (288,795 tonnes) of all beef exported in 2013 worth \$1.4 billion in export returns.