



Australian Government

## ADDRESSING NON-TARIFF BARRIERS

Australia's action plan to remove unjustified trade restrictions hampering our exports



# EXPORTS UNDERPIN AUSTRALIA'S ECONOMY

Australia is a trading nation, and committed to open markets. In 2018, Australia's two-way goods and services trade surged to a record \$853 billion, with exports accounting for more than \$438 billion.

In value terms in 2018, we were the world's largest exporter of coal and iron ore, and the 12th largest agricultural exporter. Our services exports were worth \$92.8 billion, and our manufacturing \$50.1 billion. Around one in five Australian workers, or 2.2 million people, have jobs in a trade-related activity.

## UNJUSTIFIED RESTRICTIONS ON OUR EXPORTS

Non-tariff barriers are a growing issue for many Australian exporters – by some estimates costing as much as three times the cost of formal trade barriers such as tariffs.

Our trading partners have the right to set trade rules to improve the health, safety and wellbeing of their citizens, and protect animal and plant life, just as we do in Australia. These rights are enshrined in the rules of the World Trade Organization (WTO) and other international bodies. However, they can become barriers to trade when they:

- are unclear or unevenly applied
- exceed what is necessary to meet their stated objective, or
- are introduced to unfairly advantage local industries.

Australia's 2017 Foreign Policy White Paper recognised that these restrictive trade rules have emerged as a prominent issue for many Australian businesses.

## AUSTRALIA HAS HAD GREAT SUCCESS REMOVING TRADE BARRIERS

We have a growing number of comprehensive free trade agreements that eliminate tariffs and provide mechanisms for closer engagement with trading partners. Australian ministers, government officials and embassies overseas work with Australian businesses to raise concerns with foreign governments in support of our commercial interests. We do not simply respond to trade barriers once they are imposed, but we also proactively shape international standards to prevent them occurring. This complements Australia's efforts to strengthen trading rules, open markets and facilitate global commerce in international bodies like the WTO.

## AN ENHANCED APPROACH TO ADDRESS NON-TARIFF TRADE BARRIERS

Building on these successes, this action plan aims to strengthen the partnership between Australia's government agencies and export industries to address government rules in other countries that unjustifiably restrict our exports.

## WHAT ARE NON-TARIFF BARRIERS?

Non-tariff barriers can be any kind of 'red tape' or trade rules that unjustifiably restrict the flow of goods and services. They can appear as policies that restrict imports and may be contrary to the rules of international trade. Such policies can include animal and plant health requirements that are not based on science, non-transparent or inconsistently applied product or packaging standards, or competition and government procurement policies that are in breach of trade agreements.

Non-tariff barriers can occur either at the border, where products or services are permitted to enter an overseas market, or behind the border, where products or services are traded within overseas markets. Non-tariff barriers are increasingly influencing who trades what and where, and posing new challenges for governments and businesses alike. Government representatives or industry associations can offer further guidance on what issues constitute non-tariff barriers and how they can arise.

# APPROACH: ROAD-TESTING A NEW ACTION PLAN

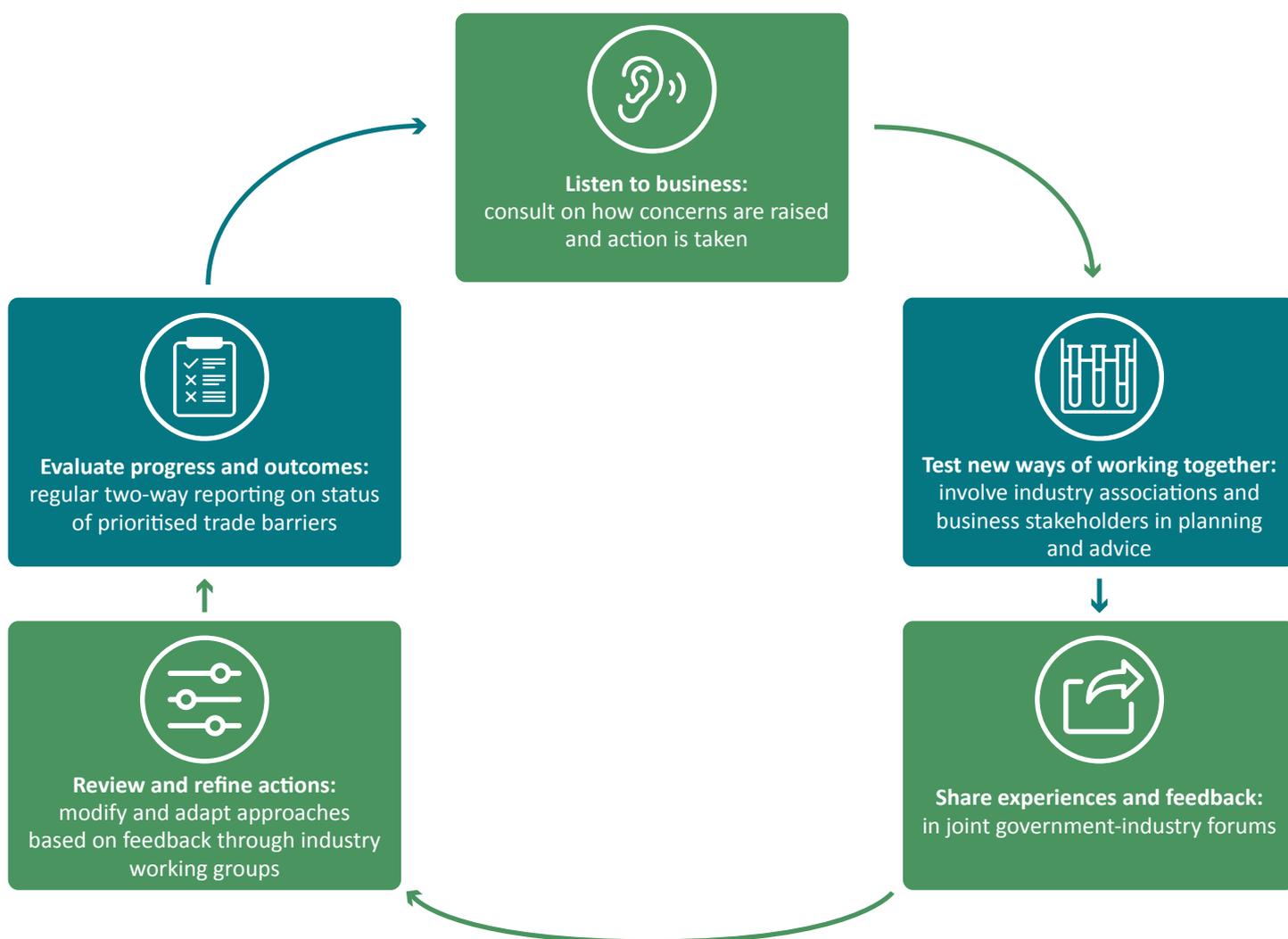
A strategy to address non-tariff barriers needs to adapt to the global economy's fast-changing landscape. So our response will be flexible and dynamic, continually testing, learning and improving.

Australian businesses have new opportunities stemming from technological advances, demographic shifts, economic development and new consumer preferences. However, our exporters also face emerging challenges and risks when governments respond with new barriers to trade.

Government and industry have an opportunity to work more closely together to address concerns about the impact of non-tariff barriers and take collaborative action.

## TESTING AN INITIAL APPROACH

This action plan outlines concrete proposals that will be road-tested and improved in response to new information and business feedback. We will develop new processes and products in stages, providing an opportunity for continued consultation, engagement and improvement – for both business and government approaches.



## PRAGMATIC AND COLLABORATIVE

Addressing non-tariff barriers can be time consuming, and views on what constitute fair and reasonable measures may differ. Government and industry need to be clear and transparent about expectations and limitations for both government and business.

This action plan prioritises cooperation and collaboration between government and industry, to support Australian exporters and expand their access to international markets.

# ACTION PLAN AT A GLANCE

**Vision:** a government and business partnership to remove unjustifiable trade restrictions



## ACCESS

**Build the capability of frontline expertise** in industry and government

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**Make it easier to report trade barriers**



## COLLABORATION

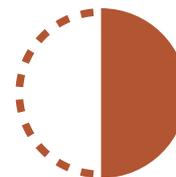
**Coordinate and track barriers** through dedicated systems and resources

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**Support industry** to analyse and prioritise barriers and develop solutions

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**Agree collective action** through a joint advisory group



## TRANSPARENCY

**Set clear expectations** for information sharing

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**Be upfront** about processes, constraints and limitations

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**Report regularly** on progress and outcomes

# ACCESS

There are numerous channels for business to raise concerns about unjustified trade rules hampering their exports. In many cases, efforts begin with businesses informing industry organisations, which then submit advice to the government. Businesses may also enlist the help of private service providers, such as customs brokers, lawyers and consultants.

Concerns can be raised directly with government departments, agencies and embassies, but not all businesses know where to go. Small businesses in particular can have difficulty finding services to meet their needs.

**Our goal: Make it simpler for businesses to find help to overcome non-tariff barriers**

To achieve this goal, we will:

## **BUILD THE CAPABILITY OF FRONTLINE EXPERTISE IN BUSINESS AND GOVERNMENT**

Australia's overseas network – including trade officials, technical experts and diplomats from a range of government agencies – is the frontline of government efforts to overcome trade barriers. We will equip these officers with the tools and knowledge to identify and address trade barriers. We will also support industry to leverage commercial expertise and solutions, ensuring Australian businesses have access to a comprehensive suite of public and private sector assistance.

## **MAKE IT EASIER TO REPORT TRADE BARRIERS**

We will map existing avenues for reporting trade barriers to government, providing improved access to resources and services, including those provided by industry associations. For those businesses that are unsure of what they need or where to go, a new online trade barrier gateway will allow businesses to voluntarily and confidentially report their trade barrier concerns to government and find help. The gateway will facilitate government and industry reporting, complementing and supporting industry-led mechanisms.

## **A WHOLE OF GOVERNMENT APPROACH**

Australian businesses can access support in a range of ways from relevant government agencies to overcome trade barriers. For example:

- Austrade can leverage commercial knowledge and relationships to help businesses access markets overseas.
- The Department of Industry, Innovation and Science's Trade and International Branch can provide advice on standards, conformance and rules of origin issues.
- The Department of Agriculture and Water Resources assists exporters on trade and market access for agricultural goods and processed food, and regulates their export.

The non-tariff barriers action plan will make it clearer and easier for businesses to understand the support available, and will point businesses in the right direction, depending on the specific challenges they face.

# COLLABORATION

Industry and government both play important roles in eliminating trade barriers. Businesses are best placed to explain the nature and impact of a trade barrier, and some measures are more easily addressed through commercial solutions. On the other hand, there are many specific concerns that require Government agencies to liaise directly with our trading partners. These processes take time and are costly, requiring us to focus resources where they are most effective.

**Our goal: Build a framework for government and industry to identify concerns and agree collective action**

To achieve this goal, we will:

## **COORDINATE AND TRACK BARRIERS THROUGH DEDICATED SYSTEMS AND RESOURCES**

Australia will establish a trade barrier coordination team, drawing on expertise from across government. The team will develop case management systems to register and track action on trade barriers, coordinate with business and ensure the appropriate authority is managing priority issues. The team will monitor progress and regularly report to the business community.

## **SUPPORT INDUSTRY TO ANALYSE AND PRIORITISE BARRIERS AND DEVELOP SOLUTIONS**

Building on the significant work of industry organisations that have conducted research on the identification of trade barriers, the government will continue to support the identification of trade barriers in priority industries and assessments of the impact of those barriers on economic activity.

We will continue working with industry to refine assessment methodologies and propose new ways to raise, resolve and remove barriers. This analysis will improve our joint understanding, help prioritise concerns, facilitate commercial solutions and inform government policy and advocacy.

## **AGREE COLLECTIVE ACTION THROUGH A JOINT ADVISORY GROUP**

A joint government-business advisory group will provide strategic oversight of this action plan. The group will improve coordination on prioritised barriers in key markets, consider innovative strategies to address them and identify opportunities to improve collaboration. Sector-specific working groups will feed advice and recommendations into this group, with new forums established as needed.

## **ROUTES TO RESOLVING NON-TARIFF BARRIERS: NOT ONE SIZE FITS ALL**

Australia has a number of tools to address non-tariff barriers. Options include:

- directly raising our concerns with the other country's government or their industry representatives
- pressing for action through WTO committees
- negotiating with other countries through free trade agreement committees and meetings.

Government and industry regularly work together to build evidence against measures that break international rules, or exceed what is necessary to achieve policy objectives. We also pursue joint efforts to influence international approaches to avoid the emergence of new barriers, for example through international standards-setting forums or international industry alliances.

# TRANSPARENCY

Non-tariff barriers are generally less visible than straightforward tariffs, and when difficulties arise the scope of potential responses and stakeholders is not always clear. The government works closely with industry to verify the nature of barriers, evaluate options and discuss the benefits and risks of taking action. This consultation and feedback is critical to success.

**Our goal: Clearly define responsibilities, expectations and processes to improve outcomes**

To achieve this goal, we will:

## **SET CLEAR EXPECTATIONS FOR INFORMATION SHARING**

Exporters have a right to know how the government is addressing concerns about barriers affecting their business and which areas of government are responsible. To determine our approach and set clear expectations, we will clarify roles and responsibilities across government and set out how we will share information with business in a timely, accessible and comprehensive manner.

## **BE UPFRONT ABOUT PROCESSES, CONSTRAINTS AND LIMITATIONS**

Some barriers can be overcome by seeking information or clarifying requirements. Others are allowable under WTO rules and can take years to resolve depending on the nature of the barrier and the willingness of our trading partners to take action. Despite our best efforts, some may even be intractable. Government and business will maintain open and frank lines of communication to ensure all parties are clear on what is and is not possible.

## **REPORT REGULARLY ON PROGRESS AND OUTCOMES**

To keep the business community informed on progress eliminating trade barriers, the government will make regular reports available to the public. When industry associations conduct analysis of barriers affecting their exports, government will report back on how action is being taken. Reporting and feedback will be provided to individual businesses reflecting their specific concerns, and in aggregate based on industry-wide trends.

# WANT TO KNOW MORE?

## WHO CAN HELP: TRADE BARRIERS GATEWAY

If you register a barrier that is affecting your business, government may be able to reduce or remove it. The trade barriers coordination team is available to assist with your queries. You can register your trade barrier online at [www.tradebarriers.dfat.gov.au](http://www.tradebarriers.dfat.gov.au) or contact us at [ntb@dfat.gov.au](mailto:ntb@dfat.gov.au) or call [02 6178 4300](tel:0261784300).

Alternatively, you may wish to contact the relevant department listed below.



### AGRICULTURE AND FOOD

The Department of Agriculture, Water and the Environment is equipped to help exporters to identify and take steps to address trade barriers for agriculture and food products through a worldwide network of agriculture counsellors in key markets. If you are experiencing a non-tariff barrier get in touch with the Trade and Market Access Division [ntm@agriculture.gov.au](mailto:ntm@agriculture.gov.au)



### MANUFACTURING AND RESOURCES

If you are facing a non-tariff trade barrier with your manufacturing exports get in touch with the Department of Industry, Science, Energy and Resources [tradedfacilitation@industry.gov.au](mailto:tradedfacilitation@industry.gov.au)



### SERVICES

If you encounter a trade barrier that is unfairly preventing you from exporting your services offshore, contact the Department of Foreign Affairs and Trade: [services.competitiveness@dfat.gov.au](mailto:services.competitiveness@dfat.gov.au)



### CUSTOMS

For questions on customs export requirements across all industries call the Department of Home Affairs on 131 881, Monday to Friday between 9am-5pm.

Australian Trusted Trader is open to all businesses involved in the international supply chain that can demonstrate compliant trade practices and a secure supply chain.

For information on Trusted Trader please phone 1300 319 024 or visit [www.abf.gov.au/trustedtrader](http://www.abf.gov.au/trustedtrader)