



**THE HON DR CRAIG EMERSON MP**  
MINISTER FOR TRADE

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HOST: Dr Emerson, thank you very much for joining us. There has been a lot of emphasis on improving the trade relationship between APEC nations but trade barriers are notoriously difficult to break down. Can we expect any big changes?

EMERSON: I think so. This year, 2010, was a reporting period for what are known as the Bogor Goals. They were set in 1994 and the goal was for free and open trade and investment in the region. I was able to release Australia's scorecard there. We've cut our tariff barriers, on average, from seven per cent to 3.5 and the rest of the region has gone from 11 to around seven. So, I think many people in the Australian community have this perception that there are these horrific trade barriers imposed by other countries in the region and we're the only good guys. In fact, there are relatively low trade barriers and there has been real progress since that period of the Bogor declarations in 1994 to 2010 in liberalising trade, tearing down those barriers to trade.

HOST: What are the main sticking points in, as you say, tearing down those barriers?

EMERSON: Agriculture is a very prominent one. Obviously there are lots of poor farmers in the region and here in Australia we are a very efficient agricultural producer. But in some areas I think the threat from Australian farming is more perceived than real. And we need

to reassure some of our trading partners such as Japan that their agriculture won't completely disappear as a result of opening up their markets. And one of the really important developments was that on the Tuesday, which was really at the beginning of the APEC Ministerial Meeting, Japan announced a fundamental, really a momentous shift in its policy. Where it is actually saying they will, over time, reduce the tariff barriers, they will support the farmers particularly to become more efficient. But this is potentially, potentially really good news for Australia. So if we can do more in agriculture, that's good for farmers, that's good for regional Australia and I'll be working very hard to do that.

HOST: Because one of the proposals that is talked about is that Trans-Pacific Free Trade Zone?

EMERSON: Yeah, that's right.

HOST: How realistic is that?

EMERSON: There's an enormous amount of energy and enthusiasm for the Trans-Pacific Partnership. It started with four countries, it's nine now, and other countries are seeking to get into it. So, it does indicate that there is something going on around there and that something is a commitment to further liberalisation. The partners in this Trans-Pacific Partnership are all members of APEC. So it could over time, and I mean over a long period of time, even lead to the aspiration of a Free Trade Area for Asia and the Pacific. But in the shorter time the Americans are very keen on this Trans-Pacific Partnership, to make real progress ahead of them hosting APEC in Honolulu next year. So, there is a lot of activity going on there as a new way of tearing down those trade barriers.

HOST: Well as you mention the Americans, because the US President was speaking about wanting to get more American exports into the Asia-Pacific region. I mean, does that mean that we're going to be competing for business with the US now?

EMERSON: We've only ever sought an opportunity to compete. We're confident in the ability of our farmers, our manufacturers, our service industries to compete. We've never sought privileged access to markets. That is a Labor tradition. I think it was more or less carried on by the Coalition, and that's our position now. We seek only an opportunity to compete. What Barack Obama is saying is that he understands that the Asia-Pacific region is a very dynamic region. Much, if not most, of the world's growth is occurring in this region and it's great the United States is committing and recommitting to engagement in the region, to liberalising trade in the region. That's more prosperity and more jobs. You see one of the real attractions

of opening up countries to trade, is that you're not arguing about a fixed number of jobs. The total number of jobs increases through the gains from trade, through specialisation. So instead of arguing about which country is going to get the jobs, there is more jobs in total. That's good for the poorest people on earth, it's good for our farmers, it's good for the United States as they try to get their economy going. It is still pretty sluggish there and Barack Obama has correctly identified trade as a way of kick-starting the US economy

HOST: Trade Minister Craig Emerson in Canberra, thank you very much.

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