



MEDIA RELEASE

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Gillard Government reforms Australia's trade policy

In an important economic reform, the Gillard Government has overhauled Australia's trade policy, re-connecting with the Hawke-Keating philosophy of free and open trade.

Releasing the Government's trade policy statement, Trade Minister Craig Emerson said: "Sound trade policy and solid economic reform work hand-in-hand."

"Prime Minister Gillard has committed Australia to free trade as a pathway to more and better jobs and greater prosperity.

"Our new trade strategy will help deliver this commitment."

The trade strategy embraces five principles: the pursuit of ongoing, trade-related economic reform without waiting for other countries to reform their trade policies; non-discrimination among countries in trade negotiations; foreign policy considerations not overriding trade policy; transparency in free trade negotiations; and the seamless execution of trade policy and wider economic reform.

Applying these principles, the Gillard Government will champion ongoing multilateral trade liberalisation as the preferred vehicle for non-discriminatory trade among nations.

If progress on multilateral reform remains slow, then – consistent with the Productivity Commission's 2010 report – the Gillard Government will press ahead in negotiating high-quality, truly liberalising bilateral and regional trade agreements that do not detract from, but support, the multilateral system.

The Government's trade policy principles logically give rise to a set of disciplines governing the negotiation and content of trade agreements, including:

- multilateral agreements offer the largest benefits;
- bilateral and regional agreements must not weaken the multilateral system;
- Australia will not seek to entrench preferential access to markets in trade negotiations, simply an opportunity to compete on terms as favourable as anyone else's;
- the public will be well informed about trade negotiations and have an opportunity for input;
- Australia will press ahead with trade-related economic reform irrespective of whether other countries reform their policies in this area.

Based on these principles and disciplines, the Government's trade priorities involve support for the multilateral system, the Trans-Pacific Partnership of nine Asia-Pacific countries, and the negotiation of bilateral trade deals with Korea, Japan, China, Malaysia, Indonesia and the Gulf Cooperation Council. If India is agreeable, Australia will launch free-trade negotiations between the two countries.

Any such trade deals will be expected to pass the test of high-quality, truly-liberalising agreements that support the multilateral system.

The trade policy statement agrees with nine of the 10 recommendations of the Productivity Commission's 2010 report on bilateral and regional trade agreements and agrees in part with the remaining recommendation.

Later in 2011, in light of progress made, the Government will again assess each set of trade negotiations against the principles and disciplines outlined in the trade strategy.

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