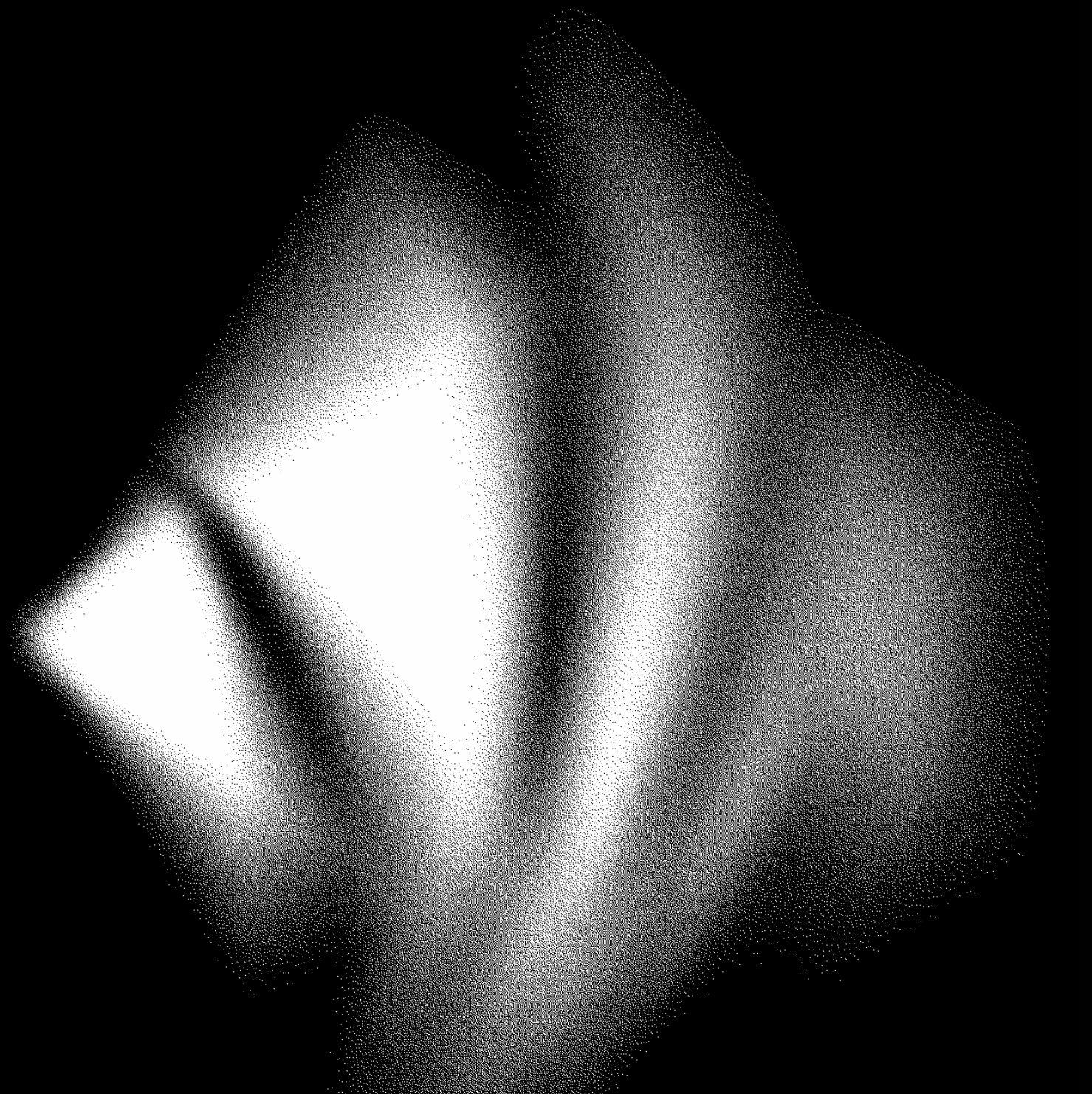




Australian Government
Productivity Commission

Trade & Assistance Review 2003-04

Productivity
Commission
Annual Report Series



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ISBN 1 74037 166 6

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An appropriate citation for this paper is:

Productivity Commission 2004, *Trade & Assistance Review 2003-04*, Annual Report Series 2003-04, Productivity Commission, Canberra, December.

The Productivity Commission

The Productivity Commission, an independent agency, is the Australian Government's principal review and advisory body on microeconomic policy and regulation. It conducts public inquiries and research into a broad range of economic and social issues affecting the welfare of Australians.

The Commission's independence is underpinned by an Act of Parliament. Its processes and outputs are open to public scrutiny and are driven by concern for the wellbeing of the community as a whole.

Information on the Productivity Commission, its publications and its current work program can be found on the World Wide Web at www.pc.gov.au or by contacting Media and Publications on (03) 9653 2244.

Foreword

The Productivity Commission is required to report annually on industry assistance and its effects on the economy. This review contains the Commission's latest quantitative estimates of Australian Government assistance to industry. It also discusses recent developments in assistance in a range of sectors of the economy over the past year, and some recent international policy developments affecting Australia's trade.

Trade & Assistance Review 2003-04 forms part of the Commission's annual report series. Its companion volumes are the Commission's *Annual Report 2003-04*, and *Regulation and its Review 2003-04*.

Gary Banks
Chairman

December 2004

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References

Abbreviations

AAA	Agriculture — Advancing Australia
ABARE	Australian Bureau of Agricultural and Resource Economics
ABS	Australian Bureau of Statistics
ACIS	Automotive Competitiveness and Investment Scheme
ACS	Australian Customs Service
ACT	Australian Capital Territory
AFFC	Australian Film Finance Corporation
AFTA	ASEAN Free Trade Area
AGO	Australian Greenhouse Office
APEC	Asia-Pacific Economic Cooperation
ASEAN	Association of South East Asian Nations
ATO	Australian Taxation Office
ATC	Australian Tourist Commission
AUSFTA	Australia-United States Free Trade Agreement
BAA	Backing Australia's Ability
COMET	Commercialising Emerging Technologies
CER	Closer Economic Relations (Trade Agreement between Australia and New Zealand)
CRC	cooperative research centre
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CTC	change of tariff classification
DAFF	Department of Agriculture, Fisheries and Forestry
DFA	direct financial assistance
DFAT	Department of Foreign Affairs and Trade
DITR	Department of Industry, Tourism and Resources
DRP	Drought Review Panel
DSAP	Dairy Structural Adjustment Program

EC	exceptional circumstances
ECRP	Exceptional Circumstances Relief Payment
EFIC	Export Finance and Insurance Corporation
EFTA	European Free Trade Agreement
EMDG	Export Market Development Grants
ERA	effective rate of assistance
EU	European Union
FI	funding to institutions
FMD	Farm Management Deposit scheme
FTA	free trade agreement
GATS	General Agreement on Trade in Services
GATT	General Agreement on Tariffs and Trade
GDP	gross domestic product
GST	goods and services tax
GVA	gross value added
IC	Industry Commission
ICT	information and communication technology
IT	information technology
MERCOSUR	Acuerdo Commercial–Mercado Común del Sur (Southern Common Market Agreement)
MFN	most favoured nation
MPF	major project facilitation
MRA	mutual recognition agreement
MVP	motor vehicles & parts
NAFTA	North America Free Trade Agreement
NSE	net subsidy equivalent
NSW	New South Wales
NZ	New Zealand
OECD	Organisation for Economic Co-operation and Development
PANEURO	Pan-European
PATCRA	Papua New Guinea–Australia Trade and Commercial Relations Agreement

PBS	Pharmaceuticals Benefits Scheme
PC	Productivity Commission
PECC	Pacific Economic Cooperation Council
PIIP	Pharmaceutical Industry Investment Program
PMV	passenger motor vehicles
PRRT	petroleum resource rent tax
PTA	preferential trading agreement
R&D	research and development
RoO	rules of origin
SAFTA	Singapore–Australia Free Trade Agreement
SIIP	Strategic Investment Incentive Program
SIP	Strategic Investment Program (TCF)
SIRP	Sugar Industry Reform Program
SPARTECA	South Pacific Regional Trade and Economic Cooperation Agreement
SPS	sanitary and phytosanitary
TAFTA	Thailand–Australia Free Trade Agreement
TCF	textiles, clothing & footwear
TE	tax expenditures
TFES	Tasmanian Freight Equalisation Scheme
TRADEX	Trade and Export Concession Scheme
TRIPS	Trade Related Aspects of Intellectual Property Rights
TRQ	tariff rate quotas
TTMRA	Trans-Tasman Mutual Recognition Agreement
UK	United Kingdom
USA	United States of America
WCO	World Customs Organization
WET	wine equalisation tax
WTO	World Trade Organization