

**JOINT PRESS RELEASE
TREASURER &
MINISTER FOR TRADE &
MINISTER FOR AGRICULTURE, FISHERIES
AND FORESTRY**

**Productivity Commission Inquiry into
the Australian Pigmeat Industry**

The Treasurer, the Minister for Trade and the Minister for Agriculture, Fisheries and Forestry today announced that the Productivity Commission will undertake a safeguards inquiry into the impact of imports of pigmeat on the Australian pork industry. The inquiry also will examine more broadly structural adjustment that has been occurring recently in the industry.

As a World Trade Organization (WTO) Member, Australia has made binding commitments in relation to the trade of goods and services. The WTO safeguards agreement allows members to introduce safeguard measures. Safeguards may be used to respond to unexpected and unforeseen increased imports which have caused serious material injury to the relevant domestic industry, should an investigation by a competent authority report such measures are justified.

In accordance with the procedures notified to the WTO in 1998, the Australian Government has nominated the Productivity Commission to be Australia's competent authority to investigate whether safeguard measures are justified under WTO rules.

The Commission will be conducting the inquiry in accordance with Australia's safeguards procedures, which have been notified to the WTO. Australia will be notifying the WTO of this investigation within the next couple of days as well as advising relevant trading partners.

The Commission has been asked to provide an accelerated report examining whether critical circumstances exist to justify provisional safeguard measures. The Commission is to provide the accelerated report to the Government by 14 December 2007 with a final report due by the end of March 2008.

The Commission will seek expressions of interest from parties wishing to participate in the inquiry. All interested parties are invited to make a submission. The terms of reference are attached.

To register an interest in the inquiry or to find out more, details are available from the Commission at www.pc.gov.au or phone 02 6240 3239.

Contacts:

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Attachment

safeguards inquiry into the import of pigmeat

Productivity Commission Act 1998

I, Peter Costello, Treasurer, pursuant to Parts 2 and 3 of the *Productivity Commission Act 1998*, request the Productivity Commission to undertake an inquiry into the question of whether safeguard action is warranted against imports of meat of swine, frozen, falling within tariff subheading 0203.29 of the Australian Customs Tariff.

The inquiry is to be undertaken in accordance with the World Trade Organization (WTO) safeguard investigation procedures published in the *Gazette* of S297 of 25 June 1998, as amended by GN39 of 5 October 2005.

The Commission is to report on:

- whether conditions are such that safeguard measures would be justified under the WTO Agreements;
- if so, what measures would be necessary to prevent or remedy serious injury and to facilitate adjustment; and
- whether, having regard to the Government's requirements for assessing the impact of regulation which affects business, those measures should be implemented.

In undertaking the inquiry, the Commission is to consider and provide an accelerated report on whether critical circumstances exist where delay in applying measures would cause damage which it would be difficult to repair. If such circumstances exist, and pursuant to a preliminary determination that there is clear evidence that increased imports have caused or are threatening to cause serious injury, the Commission is to recommend what provisional safeguard measures (to apply for no more than 200 days) would be appropriate.

In addition, the Commission is to have regard to the work being undertaken by the Cooperative Research Centre for an internationally competitive pork industry (Pork CRC) and examine and report on whether:

there have been any changes that have taken place in the structure or operating methods of the industry since the Commission's August 2005 inquiry into the *Australian Pigmeat Industry*; and

there are any immediate actions that could be taken to complement the work of the Pork CRC to alleviate the impact of changes in the price and availability of feed grains.

The Commission is to provide the accelerated report to the Government by 14 December 2007 and a final report by the end of March 2008. The reports will be published as soon as practicable.

The Commission is to consult widely, hold hearings and call for submissions for the purpose of the inquiry.

PETER COSTELLO