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**Inquiries:**

Media and Publications  
Productivity Commission  
Locked Bag 2  
Collins Street East Post Office  
Melbourne Vic 8003

Tel: (03) 9653 2244  
Fax: (03) 9653 2303  
Email: [maps@pc.gov.au](mailto:maps@pc.gov.au)

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***The Productivity Commission***

The Productivity Commission, an independent Commonwealth agency, is the 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](http://www.pc.gov.au) or by contacting Media and Publications on (03) 9653 2244.

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# Foreword

The Productivity Commission is required to report annually on industry assistance and its effects on the economy.

This review of trade and assistance issues and developments over the past year contains the Commission's latest estimates of agricultural, manufacturing and budgetary assistance.

It also presents new estimates of barriers to trade in selected services for Australia and its trading partners. These new estimates are the first output of a collaborative project with the University of Adelaide and the Australian National University, supported by the Australian Research Council. The estimates should prove useful for trade negotiators as they gear up for the World Trade Organisation's proposed 'Millennium Round' of multilateral trade negotiations.

*Trade & Assistance Review 1998-99* forms part of the Commission's annual report series. Its companion volumes are the Commission's *Annual Report 1998-99*, and *Regulation and its Review 1998-99*, both of which are to be released shortly.

Gary Banks  
Chairman

4 November 1999



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# Abbreviations

ABARE	Australian Bureau of Agricultural and Resource Economics
ABS	Australian Bureau of Statistics
ACIS	Automotive Competitiveness and Investment Scheme
ACS	Australian Customs Service
ADA	Anti-Dumping Authority
AMAMS	agricultural and manufacturing assistance measurement system
ANZSIC	Australia and New Zealand Standard Industrial Classification
APEC	Asia Pacific Economic Cooperation
ASA	Air Services Arrangements
ASIC	Australian Standard Industrial Classification
ATC	Australian Tourist Commission
ATO	Australian Taxation Office
AWB	Australian Wheat Board
ANU	Australian National University
BIE	Bureau of Industry Economics
CRC	Cooperative Research Centres
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DISR	Department of Industry, Science and Resources
EFIC	Export Finance and Insurance Corporation
EMDG	Export Market Development Grants
ERA	effective rate of assistance
EU	European Union
FOB	free on board
GATS	General Agreement on Trade in Services
GSE	gross subsidy equivalent
IAC	Industries Assistance Commission
IAP	Individual Action Plan

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IBS	International Business Services
IC	Industry Commission
IRA	import risk analysis
MPF	Major Projects Facilitation
NCP	National Competition Policy
NRA	nominal rate of assistance
NSE	net subsidy equivalent
NSW	New South Wales
OECD	Organisation for Economic Co-operation and Development
OSIC	Office of the Strategic Investment Coordinator
PC	Productivity Commission
PDF	Pooled Development Fund
PMV	passenger motor vehicles
R&D	research and development
SIIP	Strategic Investment Incentive Program
SMEs	small and medium-sized enterprises
SPS	sanitary and phytosanitary
TCF	textiles, clothing and footwear
TMRO	Trade Measures Review Officer
TRIPS	Trade-Related Aspects of Intellectual Property Rights
UNCTAD	United Nations Conference on Trade and Development
US	United States
WTO	World Trade Organization