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# Key messages

- Australia has a clear interest in promoting further action to liberalise world markets in forums such as the proposed ‘Millennium Round’ of World Trade Organisation negotiations.
- Australia can bolster its case by demonstrating its own openness to trade, and by exposing the costs of countries’ protectionist policies not only to their trading partners but also to their own communities.
- New estimates of the level and impact of (non-prudential) barriers to trade in some services in various countries reveal that restrictions can increase the price of services by more than 50 per cent in the country that imposes the restrictions.
  - Australia has liberal regimes in banking and telecommunications, and a moderately restrictive regime in the maritime sector.
  - South American and Asian economies have the most restrictive trade regimes in the three service sectors studied.
- Effective assistance is low and either stable or falling in most Australian agricultural and manufacturing industries, and the quantum of Commonwealth budgetary assistance to industry is also stable.
  - Exceptions include the dairy, tobacco, passenger motor vehicles, and textiles, clothing and footwear industries which remain highly assisted.
  - Other exceptions include information technology, biotechnology, books and venture capital for which additional assistance has recently been provided and/or foreshadowed.
- While the Commonwealth’s new Strategic Investment Incentive Program offers some potential benefits, more transparent assessment procedures would help mitigate the risks which inevitably arise under such programs.