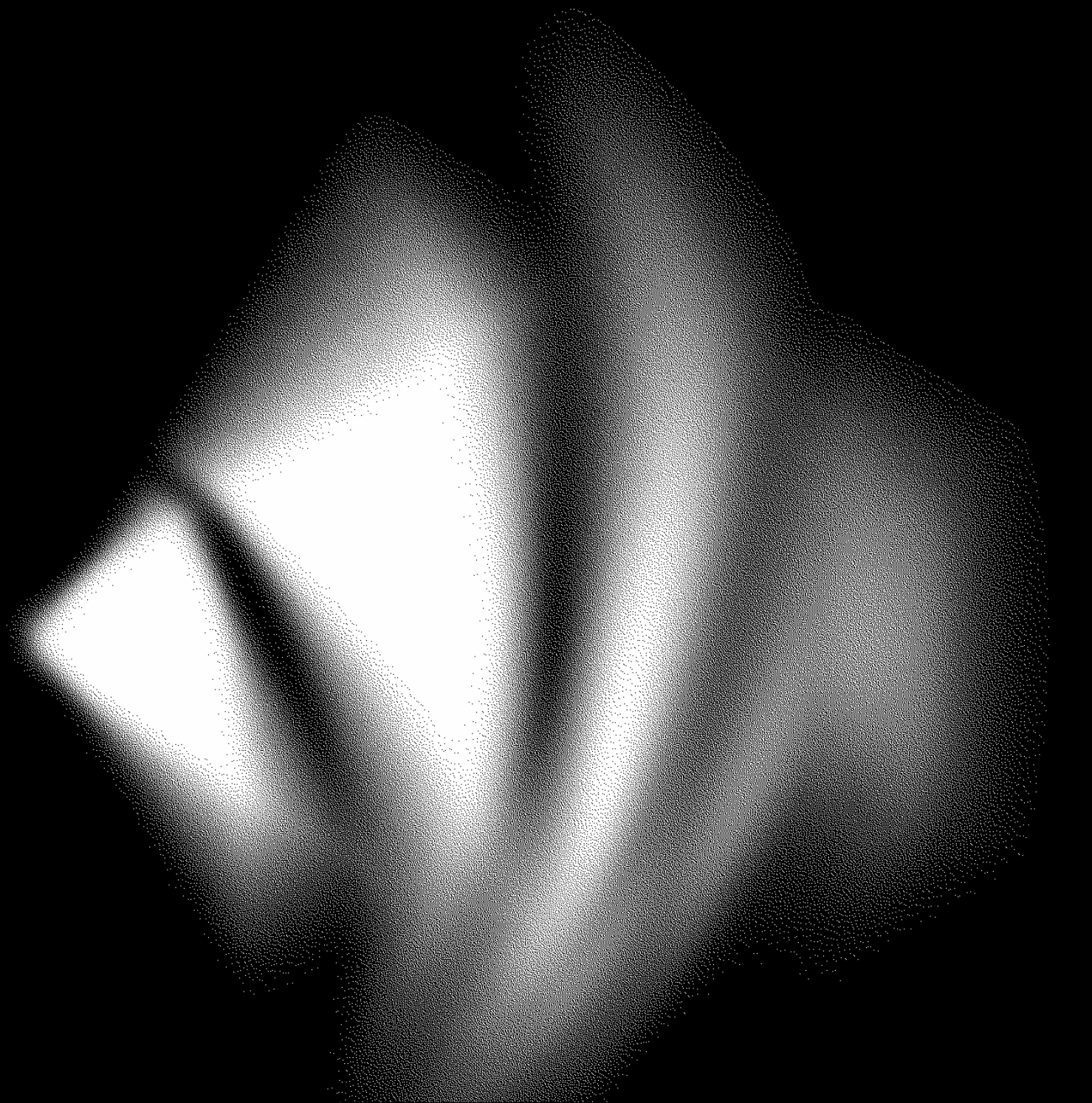




Australian Government  
Productivity Commission

# Trade & Assistance Review 2002-03

Productivity  
Commission  
*Annual Report Series*



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**ISBN 1 74037 140 2**

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**Publications Inquiries:**

Media and Publications  
Productivity Commission  
Locked Bag 2 Collins Street East  
Melbourne VIC 8003

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

**General Inquiries:**

Tel: (03) 9653 2100 or (02) 6240 3200

**An appropriate citation for this paper is:**

Productivity Commission 2003, *Trade & Assistance Review 2002-03*, Annual Report Series 2002-03, Productivity Commission, Canberra.

**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](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 contains the Commission's latest quantitative estimates of Australian Government assistance to industry. It also discusses recent developments in assistance in some key sectors of the economy over the past year, and outlines some recent international policy developments affecting Australia's trade.

*Trade & Assistance Review 2002-03* forms part of the Commission's annual report series. Its companion volumes are the Commission's *Annual Report 2002-03*, and *Regulation and its Review 2002-03*.

Gary Banks  
Chairman

December 2003



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# Contents

## *Key points*

<b>1</b>	<b>Introduction</b>	1.1
<b>2</b>	<b>Assistance estimates</b>	2.1
2.1	Australian Government budgetary assistance	2.2
2.2	Tariff assistance	2.8
2.3	Agricultural pricing and regulatory assistance	2.10
2.4	Trends in anti-dumping activity	2.11
2.5	Combined assistance	2.12
<b>3</b>	<b>Recent developments in assistance arrangements</b>	3.1
3.1	Drought relief	3.1
3.2	Agricultural adjustment assistance	3.8
3.3	Tourism	3.10
3.4	Ethanol	3.16
3.5	Pharmaceuticals	3.20
3.6	Textiles, clothing and footwear	3.22
3.7	Medical indemnity arrangements	3.24
3.8	Investment attraction and project-specific assistance	3.27
3.9	Anti-dumping arrangements	3.32
<b>4</b>	<b>Recent developments in trade policy</b>	4.1
4.1	Multilateral trade negotiations	4.1
4.2	Preferential trading agreements	4.4
<b>A</b>	<b>Estimates of Australian Government budgetary assistance</b>	
<b>B</b>	<b>Combined assistance estimates</b>	
<b>C</b>	<b>Anti-dumping and countervailing activity</b>	

## *References*



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# 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
AMC	Australian Magnesium Corporation
ANAO	Australian National Audit Office
APEC	Asia-Pacific Economic Cooperation
APRA	Australian Prudential Regulation Authority
ATC	Australian Tourist Commission
ATO	Australian Taxation Office
BoM	Bureau of Meteorology
COMET	Commercialising Emerging Technologies
CER	Closer Economic Relations
CRC	cooperative research centre
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DFA	direct financial assistance
DSAP	Dairy Structural Adjustment Program
EC	exceptional circumstances
ECRP	Exceptional Circumstances Relief Payment
EFIC	Export Finance and Insurance Corporation
EMDG	Export Market Development Grants
ERA	Effective Rate of Assistance
EU	European Union
FI	funding to institutions
FMD	Farm Management Deposit scheme
GATS	General Agreement on Trade in Services

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GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GP	general practitioner
GTL	gas-to-liquid
GVA	Gross Value Added
IC	Industry Commission
ICT	information and communication technology
INBR	incurred-but-not-reported
LDCs	least developed countries
LPG	liquefied petroleum gas
MVP	motor vehicles & parts
NCC	National Competition Council
NSE	Net Subsidy Equivalent
NSW	New South Wales
P <sup>3</sup>	Pharmaceuticals Partnership Program
PBS	Pharmaceuticals Benefits Scheme
PC	Productivity Commission
PIIP	Pharmaceutical Industry Investment Program
PMV	passenger motor vehicles
PTA	preferential trading agreement
R&D	research and development
RRV	Run-off Reinsurance Vehicle
RTP	Regional Tourism Program
SAFTA	Singapore-Australia Free Trade Agreement
SARS	Severe Acute Respiratory Syndrome
SIIP	Strategic Investment Incentive Program
SIP	Strategic Investment Program
SITA	Societe Internationale de Telecommunications Aeronautiques
SPS	sanitary and phytosanitary
TCF	textiles, clothing & footwear
TE	tax expenditures
TFES	Tasmanian Freight Equalisation Scheme
TRADEX	Trade and Export Concession Scheme

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TRIPS	Trade Related Aspects of Intellectual Property Rights
TRQ	tariff-rate quotas
UK	United Kingdom
UMP	United Medical Protection
USA	United States of America
WTO	World Trade Organization