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To
PRODUCTIVITY COMMISSION
Fax # 02 6240 3311.

REVIEW OF AUSTRALIA'S GENERAL TARIFF ARRANGEMENTS.

Written submission.

This contribution focuses on tariff proposals for July 2001 insofar as they affect the Australian truck building industry.

Dear Sirs,

We understand that the tariff on imported trucks is currently 5%. From July 2001 proposal is for a zero tariff.

There is a handful of remaining truck builders in Australia. Imports daily threaten the existence of these few as a result of the "import's" off-shore economies of scale &/or their willingness to "buy" market share. The tariff proposals for trucks will not generate a scintilla of benefit by way of driving further efficiencies in local manufacture. The table which has been delicately balanced – will turn even further given that Australian built trucks can never find secure export markets because of 22% and 25% tariffs (on trucks) in the countries that will benefit most from unilateral zero setting by Australia.

The people in the real world of manufacturing in this country (and finding import replacement markets), understand the delicate balances within the global market. When you upset that balance within a whole (yes, small) subsection of the economy then jobs and businesses will be exported.

Why give dominant global economies an even greater unfair advantage in a niche high-tech market? We are yet to hear a plausible reason.

Assemco Pty Ltd was set up in 1996 specifically to supply the local truck building market with services that result in import replacement. The business has grown and has created local jobs. It exists on fine margins and a capability to do, what we do, better than US and European counterparts. We're better and smarter and more cost efficient yet proposed tariff changes will ensure their future and sound the death knell for us.



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It is frustrating in the extreme to state the obvious about a poor proposition while having no expectation that the obvious is obvious to those who most assuredly need it to be.

Sincerely,
Assemco Pty Ltd

Trevor Trigg
Director