



Parliament of Australia
Parliamentary Budget Office

Phil Bowen PSM FCPA
Parliamentary Budget Officer

Senator Peter Whish-Wilson
Senator for Tasmania
Australian Greens
Parliament House
CANBERRA ACT 2600

Dear Senator Whish-Wilson

Please find attached a response to your request for budget analysis, *Revenue impact of recently-signed trade agreements* (correspondence dated 6 July 2015).

As requested, this response has not been prepared on a confidential basis and will therefore be posted on the Parliamentary Budget Office website, www.aph.gov.au/pbo.

If you have any queries about this response, please do not hesitate to contact Andrew Watterson on (02) 6277 9543 or Colin Brown on (02) 6277 9530.

Yours sincerely

Phil Bowen

7 August 2015



RESPONSE TO BUDGET ANALYSIS REQUEST – OUTSIDE THE CARETAKER PERIOD

Name of request:	Australia's tariff revenue impact of recently-signed trade agreements
Summary of request:	The request sought information on the amount of forgone tariff revenue for the Korea, Japan and China free trade agreements (FTA) broken down by industry classification over the 2015–16 Budget forward estimates period.
Person/party requesting analysis:	Senator Peter Whish-Wilson, Senator for Tasmania
Date request received:	6 July 2015
Date response provided:	7 August 2015
Did the applicant ask for the request to be confidential?	No
Agencies from which information was obtained:	Department of the Treasury
Expiry date for the analysis:	Release of the next economic and fiscal outlook report

Overview

The 2014–15 Budget *Korea-Australia Free Trade Agreement* measure, the 2014–15 Mid-year Economic and Fiscal Outlook *Japan-Australia Economic Partnership Agreement* measure and the recently announced China-Australia free trade agreement involve the reduction or elimination of tariffs on a wide range of goods being imported into Australia resulting in reduced tariff revenue over the forward estimates period.

As requested, the estimated reduction in tariff revenue from each of the FTAs broken down by industry classification is detailed at [Attachment A](#).

In considering these tariff revenue implications it is important to note that, as requested, the impacts only represent the amount of tariff revenue forgone and do not include any other direct or broader economic impacts arising from increased bilateral trade with Korea, Japan or China or impacts on trade with any other country.

The published measure descriptions for the Korea and Japan FTA measures are at [Attachment B](#). The China FTA is still subject to ratification by the Parliament.

This advice is considered to be of medium reliability. The estimates are based on historical import volume data and several assumptions as outlined below.

This advice is valid until the release of the next economic and fiscal outlook report.

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Assumptions

- The estimated impacts included at Attachment A represent the Parliamentary Budget Office's estimates of the foregone tariff revenue broken down by industry classification for the three trade agreements over the 2015–16 Budget forward estimates period.
- The estimates only relate to the impact on tariff revenue and do not include any impacts on other taxes, such as company tax.
- The estimates do not include any assessment of broader economic impacts arising from bilateral trade agreements.
 - The estimates do not take into account additional lost tariff revenue if imports from Korea, Japan or China displace imports from other countries.
 - The estimates do not take into account the potential domestic economic growth that the FTAs could generate and any additional taxation revenue resulting from this growth.
- Caution should be exercised in using the industry based tariff revenue impacts to assess the potential impacts of the FTAs on individual industries. For example, industries subject to significant tariff reductions would not necessarily be negatively affected by the FTAs as a whole even though they may face increased price competition from lower priced imports under the FTAs.
 - Australian tariff revenue is only associated with the importation of goods. FTAs could have significant benefits to Australian export industries such as improved market access in goods and services.
 - Not all goods that are imported are for final consumption. Reducing tariffs on imports that are used as inputs to Australian production would benefit domestic producers.

A thorough assessment of the impacts of these FTAs would require a broad economy wide analysis that included all direct and broader economic impacts and take into account whether imported goods were being used in production or for final consumption.

- The schedule of merchandise goods included in FTAs is categorised by international harmonised system (HS) codes. The estimates include Australian industry based revenue impacts that were derived by mapping these HS codes to Australian New Zealand Standard Industry Classifications (ANZSIC) using a concordance from the Australian Bureau of Statistics (ABS). This is not a precise one-to-one mapping, and may include some misclassification particularly for products that are confidential in the underlying base data.
- Start dates for each FTA are:
 - the Korea FTA entered into force in the second half of 2014
 - the Japan FTA entered into force in early 2015
 - the China FTA enters into force in late 2015, subject to ratification by the Parliament.

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Methodology

The revenue impact of each free trade agreement was estimated by calculating tariff revenue raised using the tariff rates specified in the free trade agreements and various assumptions over the 2015–16 Budget forward estimates period and subtracting the amount of tariff revenue expected to be raised in the absence of the free trade agreements over the same period.

The growth rates for import volumes for each country are based on budget estimates of the growth in imports, adjusted to take account of country specific trends in shares of total imports.

Industry specific revenue impacts have been rounded to the nearest \$10,000. Aggregate impacts have been rounded to the nearest \$10 million.

Data

- Treasury projections of aggregate endogenous imports over the forward estimates period.
- Country specific import data by international HS code for the most recent year available.
- Aggregate country specific import data from ABS catalogue number 5368.0 International Trade in Goods and Services, Australia.

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ATTACHMENT A: TARIFF REVENUE IMPACTS BY INDUSTRY

The following table provides a breakdown of the estimated impacts of the changes to the tariff revenue over the 2015–16 Budget forward estimates period. Zero values in the tables can be a result of either no change in tariff rates under the FTA or no goods being imported for that ANZSIC category. Values that rounded to zero are prefixed with a negative sign.

Korea

Table A1: Introducing the Korea FTA from the second half of 2014 (\$ million)

ANZSIC code and description	2014–15	2015–16	2016–17	2017–18	2018–19
01110 Nursery and Floriculture Production	0.00	0.00	0.00	0.00	0.00
01210 Mushroom and Vegetable Growing	-0.05	-0.08	-0.08	-0.08	-0.09
01310 Fruit and Tree Nut Growing	0.00	0.00	0.00	0.00	0.00
01410 Sheep, Beef Cattle and Grain Farming	0.00	0.00	0.00	0.00	0.00
01510 Other Crop Growing	0.00	0.00	0.00	0.00	0.00
01710 Poultry Farming	0.00	0.00	0.00	0.00	0.00
01910 Other Livestock Farming	0.00	0.00	0.00	0.00	0.00
02010 Aquaculture	-0.00	-0.00	-0.00	-0.00	-0.00
03010 Forestry and Logging	0.00	0.00	0.00	0.00	0.00
04110 Fishing	0.00	0.00	0.00	0.00	0.00
04200 Hunting and Trapping	0.00	0.00	0.00	0.00	0.00
05210 Agriculture and Fishing Support Services	0.00	0.00	0.00	0.00	0.00
06000 Coal Mining	0.00	0.00	0.00	0.00	0.00
07000 Oil and Gas Extraction	0.00	0.00	0.00	0.00	0.00
08010 Metal Ore Mining	0.00	0.00	0.00	0.00	0.00
09110 Construction Material Mining	0.00	0.00	0.00	0.00	0.00
09900 Other Non-Metallic Mineral Mining and Quarrying	-0.00	-0.00	-0.00	-0.00	-0.00
11110 Meat and Meat Product Manufacturing	-0.00	-0.00	-0.00	-0.00	-0.00
11200 Seafood Processing	-0.01	-0.02	-0.02	-0.02	-0.02
11310 Dairy Product Manufacturing	-0.02	-0.02	-0.03	-0.03	-0.03
11400 Fruit and Vegetable Processing	-0.07	-0.10	-0.11	-0.11	-0.11
11500 Oil and Fat Manufacturing	-0.02	-0.03	-0.03	-0.03	-0.03
11610 Grain Mill and Cereal Product Manufacturing	-0.29	-0.43	-0.45	-0.47	-0.48
11710 Bakery Product Manufacturing	-0.11	-0.17	-0.17	-0.18	-0.19

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ANZSIC code and description	2014–15	2015–16	2016–17	2017–18	2018–19
11810 Sugar and Confectionery Manufacturing	-0.09	-0.13	-0.13	-0.14	-0.14
11910 Other Food Product Manufacturing	-0.10	-0.15	-0.15	-0.16	-0.17
12110 Beverage Manufacturing	-0.10	-0.15	-0.16	-0.16	-0.17
12200 Cigarette and Tobacco Product Manufacturing	0.00	0.00	0.00	0.00	0.00
13110 Textile Manufacturing	-0.88	-1.33	-1.37	-1.42	-1.47
13200 Leather Tanning, Fur Dressing and Leather Product Manufacturing	-0.06	-0.09	-0.09	-0.09	-0.10
13310 Textile Product Manufacturing	-0.57	-0.86	-0.90	-0.95	-1.00
13400 Knitted Product Manufacturing	-0.46	-0.69	-0.77	-0.87	-0.94
13510 Clothing and Footwear Manufacturing	-0.02	-0.04	-0.08	-0.13	-0.17
14110 Log Sawmilling and Timber Dressing	-0.00	-0.00	-0.00	-0.00	-0.00
14910 Other Wood Product Manufacturing	-0.03	-0.04	-0.05	-0.05	-0.05
15100 Pulp, Paper and Paperboard Manufacturing	-0.60	-1.22	-1.72	-2.24	-2.56
15210 Converted Paper Product Manufacturing	-0.37	-0.55	-0.57	-0.59	-0.61
16110 Printing and Printing Support Services	-0.05	-0.08	-0.08	-0.09	-0.09
16200 Reproduction of Recorded Media	0.00	0.00	0.00	0.00	0.00
17010 Petroleum and Coal Product Manufacturing	-0.12	-0.18	-0.18	-0.19	-0.20
18110 Basic Chemical Manufacturing	-0.55	-0.82	-0.85	-0.88	-0.91
18210 Basic Polymer Manufacturing	-1.66	-3.09	-3.75	-4.14	-4.42
18310 Fertiliser and Pesticide Manufacturing	-0.04	-0.06	-0.06	-0.06	-0.06
18410 Pharmaceutical and Medicinal Product Manufacturing	-0.02	-0.03	-0.03	-0.03	-0.04
18510 Cleaning Compound and Toiletry Preparation Manufacturing	-0.31	-0.46	-0.48	-0.50	-0.52
18910 Other Basic Chemical Product Manufacturing	-0.34	-0.50	-0.52	-0.54	-0.56
19110 Polymer Product Manufacturing	-7.02	-10.71	-11.30	-11.85	-12.35
19200 Natural Rubber Product Manufacturing	-0.24	-0.41	-0.51	-0.61	-0.68
20100 Glass and Glass Product Manufacturing	-0.09	-0.13	-0.14	-0.15	-0.16
20210 Ceramic Product Manufacturing	-0.04	-0.06	-0.06	-0.06	-0.06
20310 Cement, Lime, Plaster and Concrete Product Manufacturing	-0.00	-0.00	-0.00	-0.00	-0.00
20900 Other Non-Metallic Mineral Product Manufacturing	-0.15	-0.22	-0.23	-0.24	-0.25

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ANZSIC code and description	2014–15	2015–16	2016–17	2017–18	2018–19
21100 Basic Ferrous Metal Manufacturing	-1.69	-2.73	-3.09	-3.48	-3.74
21210 Basic Ferrous Metal Product Manufacturing	-0.90	-1.55	-1.83	-2.04	-2.20
21310 Basic Non-Ferrous Metal Manufacturing	0.00	0.00	0.00	0.00	0.00
21410 Basic Non-Ferrous Metal Product Manufacturing	-2.33	-3.49	-3.61	-3.74	-3.87
22210 Structural Metal Product Manufacturing	-0.43	-0.65	-0.67	-0.69	-0.72
22310 Metal Container Manufacturing	-0.37	-0.56	-0.58	-0.60	-0.62
22400 Sheet Metal Product Manufacturing (except Metal Structural and Container Products)	-0.04	-0.07	-0.07	-0.07	-0.07
22910 Other Fabricated Metal Product Manufacturing	-1.52	-2.32	-2.46	-2.58	-2.69
23110 Motor Vehicle and Motor Vehicle Part Manufacturing	-64.17	-105.43	-115.72	-120.12	-124.48
23910 Other Transport Equipment Manufacturing	-0.05	-0.08	-0.08	-0.09	-0.09
24110 Professional and Scientific Equipment Manufacturing	-0.56	-0.84	-0.87	-0.90	-0.94
24210 Computer and Electronic Equipment Manufacturing	-5.12	-7.68	-7.95	-8.23	-8.52
24310 Electrical Equipment Manufacturing	-2.66	-4.55	-5.49	-6.48	-7.12
24410 Domestic Appliance Manufacturing	-2.39	-3.57	-3.70	-3.83	-3.96
24510 Pump, Compressor, Heating and Ventilation Equipment Manufacturing	-0.92	-1.37	-1.42	-1.47	-1.52
24610 Specialised Machinery and Equipment Manufacturing	-2.01	-3.03	-3.17	-3.31	-3.44
24910 Other Machinery and Equipment Manufacturing	-1.99	-3.04	-3.24	-3.44	-3.61
25110 Furniture Manufacturing	-0.16	-0.30	-0.39	-0.49	-0.55
25910 Other Manufacturing	-0.36	-0.53	-0.55	-0.57	-0.59
54110 Newspaper, Periodical, Book and Directory Publishing	-0.00	-0.00	-0.00	-0.00	-0.00
98890 Sum of items not readily classified	-0.02	-0.03	-0.03	-0.03	-0.03
Total (\$ million)	-100	-170	-180	-190	-200

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Japan

Table A2: Introducing the Japan FTA from early 2015 (\$ million)

ANZSIC code and description	2014–15	2015–16	2016–17	2017–18	2018–19
01110 Nursery and Floriculture Production	0.00	0.00	0.00	0.00	0.00
01210 Mushroom and Vegetable Growing	0.00	0.00	0.00	0.00	0.00
01310 Fruit and Tree Nut Growing	0.00	0.00	0.00	0.00	0.00
01410 Sheep, Beef Cattle and Grain Farming	0.00	0.00	0.00	0.00	0.00
01510 Other Crop Growing	0.00	0.00	0.00	0.00	0.00
01710 Poultry Farming	0.00	0.00	0.00	0.00	0.00
01910 Other Livestock Farming	0.00	0.00	0.00	0.00	0.00
02010 Aquaculture	0.00	0.00	0.00	0.00	0.00
03010 Forestry and Logging	0.00	0.00	0.00	0.00	0.00
04110 Fishing	0.00	0.00	0.00	0.00	0.00
04200 Hunting and Trapping	0.00	0.00	0.00	0.00	0.00
05210 Agriculture and Fishing Support Services	0.00	0.00	0.00	0.00	0.00
06000 Coal Mining	0.00	0.00	0.00	0.00	0.00
07000 Oil and Gas Extraction	0.00	0.00	0.00	0.00	0.00
08010 Metal Ore Mining	0.00	0.00	0.00	0.00	0.00
09110 Construction Material Mining	0.00	0.00	0.00	0.00	0.00
09900 Other Non-Metallic Mineral Mining and Quarrying	-0.00	-0.00	-0.00	-0.00	-0.00
11110 Meat and Meat Product Manufacturing	0.00	0.00	0.00	0.00	0.00
11200 Seafood Processing	-0.00	-0.00	-0.00	-0.00	-0.00
11310 Dairy Product Manufacturing	-0.00	-0.00	-0.00	-0.00	-0.00
11400 Fruit and Vegetable Processing	-0.02	-0.10	-0.10	-0.11	-0.11
11500 Oil and Fat Manufacturing	-0.00	-0.00	-0.00	-0.00	-0.00
11610 Grain Mill and Cereal Product Manufacturing	-0.02	-0.10	-0.10	-0.10	-0.11
11710 Bakery Product Manufacturing	-0.03	-0.11	-0.12	-0.12	-0.12
11810 Sugar and Confectionery Manufacturing	-0.01	-0.04	-0.04	-0.04	-0.04
11910 Other Food Product Manufacturing	-0.08	-0.32	-0.33	-0.33	-0.34
12110 Beverage Manufacturing	-0.02	-0.10	-0.10	-0.10	-0.11
12200 Cigarette and Tobacco Product Manufacturing	0.00	0.00	0.00	0.00	0.00
13110 Textile Manufacturing	-0.05	-0.20	-0.21	-0.21	-0.22

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ANZSIC code and description	2014–15	2015–16	2016–17	2017–18	2018–19
13200 Leather Tanning, Fur Dressing and Leather Product Manufacturing	-0.01	-0.02	-0.02	-0.02	-0.02
13310 Textile Product Manufacturing	-0.06	-0.25	-0.26	-0.27	-0.30
13400 Knitted Product Manufacturing	-0.00	-0.01	-0.01	-0.01	-0.02
13510 Clothing and Footwear Manufacturing	-0.00	-0.00	-0.00	-0.01	-0.02
14110 Log Sawmilling and Timber Dressing	-0.00	-0.00	-0.00	-0.00	-0.00
14910 Other Wood Product Manufacturing	-0.00	-0.02	-0.02	-0.02	-0.02
15100 Pulp, Paper and Paperboard Manufacturing	-0.27	-1.10	-1.13	-1.15	-1.17
15210 Converted Paper Product Manufacturing	-0.12	-0.48	-0.50	-0.51	-0.52
16110 Printing and Printing Support Services	-0.05	-0.21	-0.22	-0.22	-0.23
16200 Reproduction of Recorded Media	0.00	0.00	0.00	0.00	0.00
17010 Petroleum and Coal Product Manufacturing	-0.00	-0.00	-0.00	-0.00	-0.00
18110 Basic Chemical Manufacturing	-0.10	-0.42	-0.43	-0.44	-0.45
18210 Basic Polymer Manufacturing	-0.37	-1.52	-1.60	-1.69	-1.77
18310 Fertiliser and Pesticide Manufacturing	-0.04	-0.15	-0.15	-0.16	-0.16
18410 Pharmaceutical and Medicinal Product Manufacturing	-0.03	-0.12	-0.12	-0.12	-0.12
18510 Cleaning Compound and Toiletry Preparation Manufacturing	-0.18	-0.73	-0.75	-0.76	-0.78
18910 Other Basic Chemical Product Manufacturing	-0.66	-2.67	-2.73	-2.79	-2.84
19110 Polymer Product Manufacturing	-7.28	-29.65	-30.88	-32.06	-32.87
19200 Natural Rubber Product Manufacturing	-0.91	-3.77	-4.21	-4.68	-5.14
20100 Glass and Glass Product Manufacturing	-0.02	-0.11	-0.13	-0.16	-0.20
20210 Ceramic Product Manufacturing	-0.12	-0.50	-0.51	-0.52	-0.53
20310 Cement, Lime, Plaster and Concrete Product Manufacturing	-0.01	-0.03	-0.03	-0.03	-0.03
20900 Other Non-Metallic Mineral Product Manufacturing	-0.04	-0.14	-0.15	-0.15	-0.15
21100 Basic Ferrous Metal Manufacturing	-0.89	-3.63	-3.88	-4.14	-4.39
21210 Basic Ferrous Metal Product Manufacturing	-2.06	-9.11	-12.40	-15.83	-19.35
21310 Basic Non-Ferrous Metal Manufacturing	0.00	0.00	0.00	0.00	0.00
21410 Basic Non-Ferrous Metal Product Manufacturing	-0.14	-0.57	-0.58	-0.60	-0.61

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ANZSIC code and description	2014–15	2015–16	2016–17	2017–18	2018–19
22210 Structural Metal Product Manufacturing	-0.19	-0.78	-0.79	-0.81	-0.82
22310 Metal Container Manufacturing	-0.01	-0.04	-0.04	-0.04	-0.05
22400 Sheet Metal Product Manufacturing (except Metal Structural and Container Products)	-0.00	-0.00	-0.00	-0.00	-0.00
22910 Other Fabricated Metal Product Manufacturing	-0.99	-4.06	-4.29	-4.52	-4.68
23110 Motor Vehicle and Motor Vehicle Part Manufacturing	-81.57	-339.17	-382.33	-419.77	-429.96
23910 Other Transport Equipment Manufacturing	-0.04	-0.17	-0.17	-0.18	-0.18
24110 Professional and Scientific Equipment Manufacturing	-0.36	-1.47	-1.52	-1.57	-1.62
24210 Computer and Electronic Equipment Manufacturing	-0.47	-1.89	-1.93	-1.98	-2.02
24310 Electrical Equipment Manufacturing	-1.26	-5.12	-5.30	-5.49	-5.67
24410 Domestic Appliance Manufacturing	-0.92	-3.72	-3.80	-3.88	-3.95
24510 Pump, Compressor, Heating and Ventilation Equipment Manufacturing	-1.64	-6.66	-6.80	-6.95	-7.07
24610 Specialised Machinery and Equipment Manufacturing	-3.39	-13.74	-14.10	-14.46	-14.79
24910 Other Machinery and Equipment Manufacturing	-2.55	-10.45	-11.15	-11.86	-12.56
25110 Furniture Manufacturing	-0.04	-0.15	-0.19	-0.23	-0.28
25910 Other Manufacturing	-0.35	-1.40	-1.44	-1.48	-1.51
54110 Newspaper, Periodical, Book and Directory Publishing	0.00	0.00	0.00	0.00	0.00
98890 Sum of items not readily classified	-0.25	-1.03	-1.05	-1.08	-1.09
Total (\$ million)	-110	-450	-500	-540	-560

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China

Table A3: Introducing the China FTA from late 2015 (\$ million)

ANZSIC code and description	2014–15	2015–16	2016–17	2017–18	2018–19
01110 Nursery and Floriculture Production	-	0.00	0.00	0.00	0.00
01210 Mushroom and Vegetable Growing	-	-0.02	-0.04	-0.04	-0.04
01310 Fruit and Tree Nut Growing	-	-0.13	-0.19	-0.20	-0.21
01410 Sheep, Beef Cattle and Grain Farming	-	0.00	0.00	0.00	0.00
01510 Other Crop Growing	-	-0.00	-0.00	-0.00	-0.00
01710 Poultry Farming	-	0.00	0.00	0.00	0.00
01910 Other Livestock Farming	-	0.00	0.00	0.00	0.00
02010 Aquaculture	-	0.00	0.00	0.00	0.00
03010 Forestry and Logging	-	-0.01	-0.02	-0.02	-0.02
04110 Fishing	-	0.00	0.00	0.00	0.00
04200 Hunting and Trapping	-	0.00	0.00	0.00	0.00
05210 Agriculture and Fishing Support Services	-	0.00	0.00	0.00	0.00
06000 Coal Mining	-	0.00	0.00	0.00	0.00
07000 Oil and Gas Extraction	-	0.00	0.00	0.00	0.00
08010 Metal Ore Mining	-	0.00	0.00	0.00	0.00
09110 Construction Material Mining	-	-0.02	-0.04	-0.04	-0.04
09900 Other Non-Metallic Mineral Mining and Quarrying	-	-0.04	-0.06	-0.06	-0.07
11110 Meat and Meat Product Manufacturing	-	-0.02	-0.03	-0.03	-0.03
11200 Seafood Processing	-	-0.01	-0.02	-0.02	-0.02
11310 Dairy Product Manufacturing	-	-0.12	-0.18	-0.19	-0.20
11400 Fruit and Vegetable Processing	-	-3.26	-4.79	-5.07	-5.33
11500 Oil and Fat Manufacturing	-	-0.04	-0.06	-0.07	-0.07
11610 Grain Mill and Cereal Product Manufacturing	-	-0.45	-0.65	-0.69	-0.72
11710 Bakery Product Manufacturing	-	-1.27	-1.85	-1.95	-2.05
11810 Sugar and Confectionery Manufacturing	-	-1.89	-2.75	-2.89	-3.04
11910 Other Food Product Manufacturing	-	-0.82	-1.20	-1.26	-1.32
12110 Beverage Manufacturing	-	-0.26	-0.38	-0.40	-0.42
12200 Cigarette and Tobacco Product Manufacturing	-	0.00	0.00	0.00	0.00
13110 Textile Manufacturing	-	-3.83	-5.57	-5.86	-6.16

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ANZSIC code and description		2014–15	2015–16	2016–17	2017–18	2018–19
13200	Leather Tanning, Fur Dressing and Leather Product Manufacturing	-	-12.97	-18.85	-19.84	-20.85
13310	Textile Product Manufacturing	-	-32.94	-57.27	-66.61	-70.92
13400	Knitted Product Manufacturing	-	-79.60	-172.42	-217.32	-228.48
13510	Clothing and Footwear Manufacturing	-	-97.90	-211.95	-271.74	-295.45
14110	Log Sawmilling and Timber Dressing	-	-0.65	-0.95	-1.00	-1.05
14910	Other Wood Product Manufacturing	-	-4.97	-7.23	-7.60	-7.99
15100	Pulp, Paper and Paperboard Manufacturing	-	-2.05	-3.34	-3.92	-4.49
15210	Converted Paper Product Manufacturing	-	-7.88	-11.57	-12.32	-13.10
16110	Printing and Printing Support Services	-	-1.59	-2.31	-2.43	-2.56
16200	Reproduction of Recorded Media	-	0.00	0.00	0.00	0.00
17010	Petroleum and Coal Product Manufacturing	-	-0.02	-0.03	-0.03	-0.03
18110	Basic Chemical Manufacturing	-	-2.55	-3.83	-4.11	-4.32
18210	Basic Polymer Manufacturing	-	-2.14	-3.31	-3.61	-3.79
18310	Fertiliser and Pesticide Manufacturing	-	-2.20	-4.49	-5.54	-5.82
18410	Pharmaceutical and Medicinal Product Manufacturing	-	-0.68	-0.99	-1.04	-1.09
18510	Cleaning Compound and Toiletry Preparation Manufacturing	-	-3.78	-5.49	-5.78	-6.08
18910	Other Basic Chemical Product Manufacturing	-	-2.33	-3.39	-3.56	-3.74
19110	Polymer Product Manufacturing	-	-42.27	-62.15	-66.04	-69.87
19200	Natural Rubber Product Manufacturing	-	-7.62	-11.60	-12.54	-13.18
20100	Glass and Glass Product Manufacturing	-	-3.93	-6.00	-6.51	-6.90
20210	Ceramic Product Manufacturing	-	-7.44	-10.82	-11.39	-11.97
20310	Cement, Lime, Plaster and Concrete Product Manufacturing	-	-0.50	-0.73	-0.76	-0.80
20900	Other Non-Metallic Mineral Product Manufacturing	-	-1.97	-2.87	-3.01	-3.17
21100	Basic Ferrous Metal Manufacturing	-	-3.64	-5.94	-6.85	-7.59
21210	Basic Ferrous Metal Product Manufacturing	-	-5.81	-8.78	-9.47	-10.01
21310	Basic Non-Ferrous Metal Manufacturing	-	0.00	0.00	0.00	0.00
21410	Basic Non-Ferrous Metal Product Manufacturing	-	-4.78	-8.43	-9.84	-10.41

**RESPONSE TO BUDGET ANALYSIS REQUEST
– OUTSIDE THE CARETAKER PERIOD**

ANZSIC code and description	2014–15	2015–16	2016–17	2017–18	2018–19
22210 Structural Metal Product Manufacturing	-	-13.97	-26.70	-32.13	-33.78
22310 Metal Container Manufacturing	-	-1.44	-2.30	-2.56	-2.69
22400 Sheet Metal Product Manufacturing (except Metal Structural and Container Products)	-	-1.29	-2.13	-2.40	-2.53
22910 Other Fabricated Metal Product Manufacturing	-	-34.75	-51.52	-54.84	-57.67
23110 Motor Vehicle and Motor Vehicle Part Manufacturing	-	-13.50	-25.06	-29.79	-31.32
23910 Other Transport Equipment Manufacturing	-	-18.34	-26.75	-28.24	-29.80
24110 Professional and Scientific Equipment Manufacturing	-	-7.15	-10.41	-10.96	-11.53
24210 Computer and Electronic Equipment Manufacturing	-	-21.12	-30.82	-32.49	-34.15
24310 Electrical Equipment Manufacturing	-	-32.74	-48.60	-51.77	-54.47
24410 Domestic Appliance Manufacturing	-	-21.40	-31.57	-33.50	-35.22
24510 Pump, Compressor, Heating and Ventilation Equipment Manufacturing	-	-6.26	-9.11	-9.58	-10.07
24610 Specialised Machinery and Equipment Manufacturing	-	-20.85	-30.32	-31.90	-33.53
24910 Other Machinery and Equipment Manufacturing	-	-17.06	-24.91	-26.28	-27.63
25110 Furniture Manufacturing	-	-31.53	-45.97	-48.44	-50.92
25910 Other Manufacturing	-	-26.68	-38.85	-40.91	-43.01
54110 Newspaper, Periodical, Book and Directory Publishing	-	-0.06	-0.09	-0.09	-0.10
98890 Sum of items not readily classified	-	-0.07	-0.10	-0.11	-0.12
Total (\$ million)	-	-610	-1050	-1210	-1280

**RESPONSE TO BUDGET ANALYSIS REQUEST
– OUTSIDE THE CARETAKER PERIOD**

ATTACHMENT B: MEASURE DESCRIPTIONS

- The following is the Korea-Australia free trade agreement measure description that was published at page 10 of the 2014–15 Budget Paper 2.

Korea-Australia Free Trade Agreement

Revenue (\$m)	2013-14	2014-15	2015-16	2016-17	2017-18
Australian Customs and Border Protection Service	-	-100.0	-165.0	-180.0	-190.0
<i>Related expense (\$m)</i>					
Australian Taxation Office	-	-	0.3	0.3	0.3

On 8 April 2014 the governments of Australia and the Republic of Korea signed the Korea-Australia Free Trade Agreement. Under the Agreement, both parties agreed to eliminate tariffs on a wide range of goods and provide additional access for investment and services. Parties are working toward bringing the Agreement into effect by the end of 2014. This measure is estimated to reduce revenue from tariffs by \$635.0 million, and increase expenses by \$0.9 million, over the forward estimates period.

Further information can be found in the press release of 8 April 2014 issued by the Minister for Trade and Investment.

- The following is the Japan-Australia Economic Partnership Agreement measure description that was published at page 110 of the 2014–15 Mid-Year Economic and Fiscal Outlook report.

Japan-Australia Economic Partnership Agreement

Revenue (\$m)	2013-14	2014-15	2015-16	2016-17	2017-18
Australian Customs and Border Protection Service	-	-110.0	-445.0	-495.0	-540.0

On 8 July 2014 the governments of Australia and Japan signed the Japan-Australia Economic Partnership Agreement. Under the Agreement, both parties agreed to eliminate tariffs on a wide range of goods and provide additional access for investment and services. Australia and Japan are aiming to complete their domestic treaty processes to allow the Agreement to enter into force in early 2015. More than 97 per cent of Australia's exports to Japan will receive preferential access or enter duty-free when the Agreement is fully implemented. This measure is estimated to reduce revenue from tariffs by \$1,590.0 million over the forward estimates period.

Further information can be found in the media release of 8 July 2014 issued by the Minister for Trade and Investment.

- The China free trade agreement is yet to be published in the budget. The National Interest Analysis that accompanied the agreement states that the loss of tariff revenue for Australia is approximately \$610 million in 2015–16 and \$4,150 million over the forward estimates period.