

AUSTRALIA-UNITED STATES FREE TRADE AGREEMENT

Inaugural meeting of the AUSFTA Joint Committee 7 March 2006, Washington

Deputy Prime Minister and Minister for Trade Mark Vaile and United States Trade Representative Rob Portman co-chaired the inaugural AUSFTA Joint Committee in Washington on 7 March 2006. The meeting provided the first formal opportunity for both Parties to review the Agreement's operation.

Both parties agreed that the implementation of the Agreement was progressing smoothly and mechanisms to assist with the implementation of AUSFTA and further integration of the two economies were working well.

Key AUSFTA developments during the first year of operation:

- AUSFTA has generated increased interest in new market opportunities for both sides
- Early indications of an increased interest from US investors in Australia
- Services exports to the US increased by 4.1 per cent in 2005
- Significant government procurement contacts achieved
- A related development was the creation of the new E-3 visa category which has generated considerable interest from Australian professionals and their dependants

Outstanding Australian exports performers that directly benefited from AUSFTA:

Commodity	Percentage gain	2004 value A\$ m	2005 value A\$ m
Lamb and mutton	19%	304	361
Unprocessed Cheese	85%	29	53
Motorboats	70%	42	71
Nickel bars and rods	21%	55	67
Magnesium Dioxide	63%	23	37
Unwrought Aluminum	59%	18	29
Silicon	77%	11	19
Co-axial electric conductors	229%	5	18
Sharpening machines	81%	9	17

AUSFTA's inbuilt agenda

Committee on Agriculture

The Committee on Agriculture was held on 3 March in Washington. The meeting reviewed bilateral agricultural trade in 2005 and recognised the anticipated positive effect of the AUSFTA on bilateral trade over the coming years. The Committee considered ways to improve agricultural market access.

Sanitary and Phytosanitary (SPS) Committee and the Standing Technical Working Group on Animal and Plant Health (STWGAPH)

The SPS Committee and the STWGAPH met on 14 February 2005 and 6 March 2006 to discuss a range of quarantine issues of interest to both parties. These meetings increased mutual understanding of each country's SPS measures and regulatory processes. Progress was achieved on the consideration of SPS issues. We agreed to continue to cooperate closely in international fora.

Working Group on Professional Services (WGPS)

The Working Group on Professional Services (WGPS) met in June 2005 and March 2006. The WGPS has agreed to initially consider licensing and registration criteria, procedures and conditions, including qualifications, for the professions of engineering, law and accounting. During the second WGPS meeting, the United States affirmed its support for progressing mutual recognition initiatives and provided useful information that will inform the Group's forward work program. At the Joint Committee meeting, Mr Vaile and Ambassador Portman emphasised the importance of progressing mutual recognition initiatives for our professional services suppliers.

Financial Services Committee

The Financial Services Committee was held in Washington in June 2005. The Committee is examining policy issues that will lead to greater integration of US and Australian financial markets. Mr Vaile and Ambassador Portman reaffirmed their commitment to progressing discussions on financial services.

Joint Working Group on Competition Law and Anticompetitive Business Practices

The JWG met by videoconference in 2005 and examined the scope for strengthening support for, and minimising legal impediments to, the effective enforcement of Australia and US competition laws and policies. The Group agreed to enter into discussions on possible cooperation on cross-border consumer protection. Article 14.7 of the AUSFTA commits the parties to work together to examine the scope for establishing greater bilateral recognition of foreign monetary judgments within their own jurisdictions.

Medicines Working Group

The first meeting of the Medicines Working Group (MWG) was held on 13 January 2006 in Washington, DC. The MWG held useful and constructive discussions in line with its mandate to promote discussion and a mutual

understanding of issues relating to Annex 2-C on Pharmaceuticals. The discussions also provided a useful opportunity for both countries to gain a greater understanding and appreciation of each other's health systems.

Next Steps

- Committees and Working Groups will continue to meet in 2006 to progress issues.
- A review of the implementation of the Government Procurement Chapter by January 2007.
- The Joint Committee is expected to meet next in 2007.