

AGRICULTURE - IMPORTANT TRADE AGREEMENTS

The following are the major trade agreements which play an increasingly important role in Australian broadacre agriculture.

EUROPEAN COMMUNITY (EC) REFORMS

In May 1992 the European Community announced changes to its Common Agricultural Policy (CAP). However, it is expected that these changes will have a marginal impact on the market for Australian agriculture.

The changes are worth about \$180-400 m a year to Australia's grain exporters after the full production and export responses have been taken into account. This is an increase of 7-16% relative to recent levels.

GENERAL AGREEMENT ON TARIFF AND TRADE (GATT) URUGUAY ROUND

Agreements under this Round has a fair greater effect on Australian agricultural exporters. The Blair House Accord reached between the EC and the US in November 1992 is a good indicator of the final agreement in the Round on agriculture. If agreements are reached on that basis; ABARE estimates that the overall effect will be to increase the value of Australia's agricultural exports by about \$900m a year by the turn of the century.