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THE AUSTRALIAN PREFERENTIAL TARIFF REGIME

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ABSTRACT

The purpose of this paper is to consider the preferential trade arrangements available to developing countries exporting into the Australian market. The paper opens with an overview of these arrangements, followed by a detailed statistical review. It then moves to examine several topics of particular interest in the discussion of Australian preferences. A simulation of the welfare impacts of preference erosion is then presented, followed by some brief concluding remarks.

Compared to the Quad countries, Australia is a relatively small market for developing countries. At the same time, it is a relatively open market and some developing countries have come to rely on it as a destination for exports. Given the structure of exports from developing countries, MFN access is often available at duty-free or low-duty rates and provides an attractive channel for entry. Concessional and preferential schemes provide important additional channels for developing countries exporting some goods that are subject to constraining MFN tariffs.

Most developing countries have not come to rely on the Australian preferences for a large share of their trade. However, a few smaller countries -- particularly some with geographic proximity to Australia -- have come to rely on the Australian preferential regime for fairly significant shares of their exports. This reliance is associated with a degree of sector-specific concentration in the utilisation of preferences.

Keywords: tariffs, nonreciprocal preferences, preference erosion, developing countries.

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THE AUSTRALIAN PREFERENTIAL TARIFF REGIME

Introduction

1. In terms of import volumes, Australia is a much smaller player in world trade than the Quad countries (Canada, Japan, the European Union and the United States). Its monthly average imports of about USD 8.6 billion amount to less than 2% of the total imports into the Quad plus Australia area (Chart 1).[1] Nevertheless, Australia is a major market for some developing countries. Its preferential programmes are locally important, with a total of about USD 19 billion in preferential imports claimed during 2004. Consequently, the impacts of its preferential arrangements merit a closer examination. The purpose of this paper is to consider the preferential trade arrangements available to developing countries exporting into the Australian market. The paper opens with an overview of these arrangements, followed by a detailed statistical review. It then moves to examine several topics of particular interest in the discussion of Australian preferences. A simulation of the welfare impacts of preference erosion is then presented, followed by some brief concluding remarks.

Description of the OECD tariff preference database

2. In order to analyse Australian preferential trade with developing countries, the OECD Secretariat developed an internal database on preferential trade using data provided by the Australian Bureau of Statistics (ABS). The building blocks for the database consist of the bilateral import flows by HS-10 digit product, taking into account country of origin and tariff treatment claimed at the time of import (Annex 1). For each year, about 100,000 lines of data were included, with each line representing the aggregate annual imports of an HS-10 digit product from one developing country. Aggregate data and sub-totals in the following analysis are calculated by summing up the individual trade flows. While the original source data provide at least some information on substantially all Australian imports from developing countries, the OECD analysis generally excludes products classified as confidential (HS-99).[2] Table 1, discussed below, provides a comparison of the flows including and excluding these confidential imports. The exclusion of the confidential trade flows from the analysis was generally necessary due to the lack of complete information on their nature. In addition, the schedule of most-favoured-nation (MFN) tariff rates was not available to the OECD in a database-compatible format (*i.e.* they were not available in an Excel-compatible electronic format at the HS-10 digit level for many lines). Hence, the MFN rates were inferred as being the maximum applied rate for each product.

3. The OECD database covers tariff lines for which there were imports from developing countries during the years 1996, 2002, 2003 and 2004. The selection of the years covered by the database was driven by its evolution over time in the context of the larger OECD trade preference erosion project, but nonetheless captures information on a period of notable change in the Australian preferential tariff schemes. The year 1996 marks the original implementation of the framework legislation for the current tariff regime. The year 2003 marks the implementation of expanded duty-free and quota-free access for the least developed countries as well as the entry into force of a free trade agreement (FTA) with Singapore, while 2002 and 2004 provide an impression of the situation before and after the latter developments.

4. At the HS-10 digit product level, the determination of the applied tariff rate is a relatively complicated affair in Australia. In the ABS database, imports are classified by product line according to

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[1] Australia accounted for about 3% of imports *from developing countries* into the Quad plus Australia area.

[2] The Australian authorities place restrictions on the release of statistics where the imports or exports of an individual or a business are identifiable and that individual or business has requested that the details relating to the movement of these goods be suppressed. For more details, see the following ABS release: http://www.abs.gov.au/Ausstats/abs@.nsf/0/e5adebbd0bf28aeaca256889000db4be?OpenDocument

their country of origin and status with respect to each of three classifications: preference (*i.e.* which scheme was claimed), treatment (*i.e.* special considerations such as type of duty concession, but the most common of which is "no treatment code"), and nature (*i.e.* normal, concessional, quota or government). Together these features affect the tariff rate that is applied.

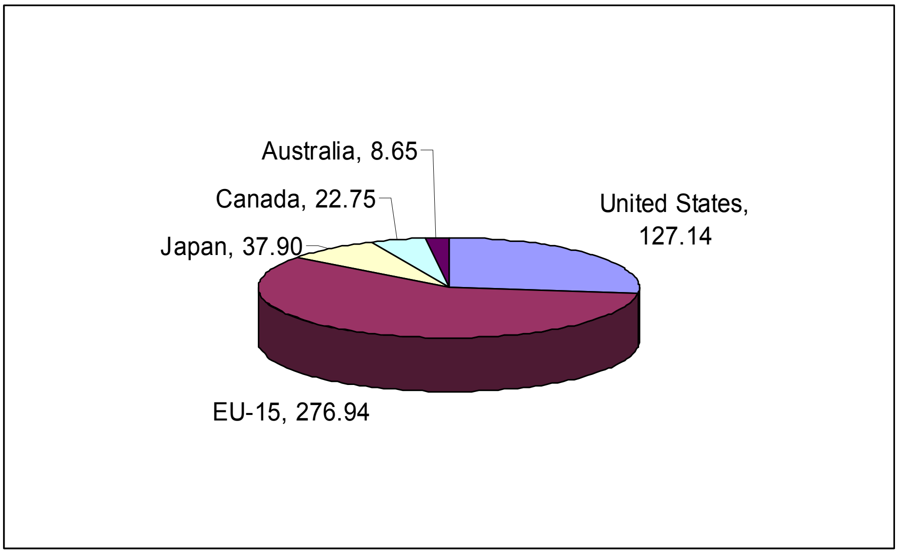
5. Broadly, the MFN rates are defined as the general rates of duty that apply when no preference has been claimed. These rates are associated with goods entering Australia under one of two specific preference codes (X or Z). Unfortunately, these rates are not always available in the database and must be inferred in order assess the importance of preferences.[3] Therefore, the MFN rates were determined using two methods: inferred statutory and calculated. Under the inferred statutory approach, MFN rates were determined for each HS-10 digit product by scanning the import lines across all developing countries. The inferred statutory MFN rate for each product was the maximum statutory rate. Specific duties, being comparatively rare under the Australian preference regime, were not taken into account under this approach.[4] The calculated MFN rates were determined for each HS-10 digit product based on actual duties collected as a percentage of the customs value of the goods. Here again, the maximum duty rate across the various developing countries was taken to be the MFN rate. Under this approach, the specific duties *were* taken into account. For the purposes of the present analysis, both approaches were employed on a comparative basis.

6. In order to test the bias that each of the two approaches might introduce, a comparison was made between the results for each approach and the general rates of duty with respect to the lines for which both rates were available on an *ad valorem* basis. For the available tariff lines, the inferred statutory approach yielded an upward bias in the MFN rates of less than one-quarter of one percentage point in any year. The calculated MFN approach yielded an upward bias of less than one percentage point in any year. Each of the derived MFN approaches offers much greater product coverage than would otherwise be available from the database. The inferred statutory MFN approach yields estimates quite close to the actual MFN rates for those lines with *ad valorem* tariffs. The calculated MFN approach yields approximate estimates, but provides information on lines where specific duties apply. This can be important in some sectors in some years; for example, *Dairy products*, *Beverages, spirits and vinegar*, or *Tobacco*, each had 10% or more of imports from developing countries entering under specific duties in 2004.

3 The products without available MFN rates (codes X or Z) varied by year. In 1996, of 8 180 HS-10 digit products imported, 1 819 products did not have MFN rates available in the database. In 2002, of 6 769 different products imported, 943 did not have MFN rates available. In 2003, of 6 799 different products imported, 701 did not have MFN rates available. In 2004, of 6 881 different products imported, 565 products did not have MFN rates available.

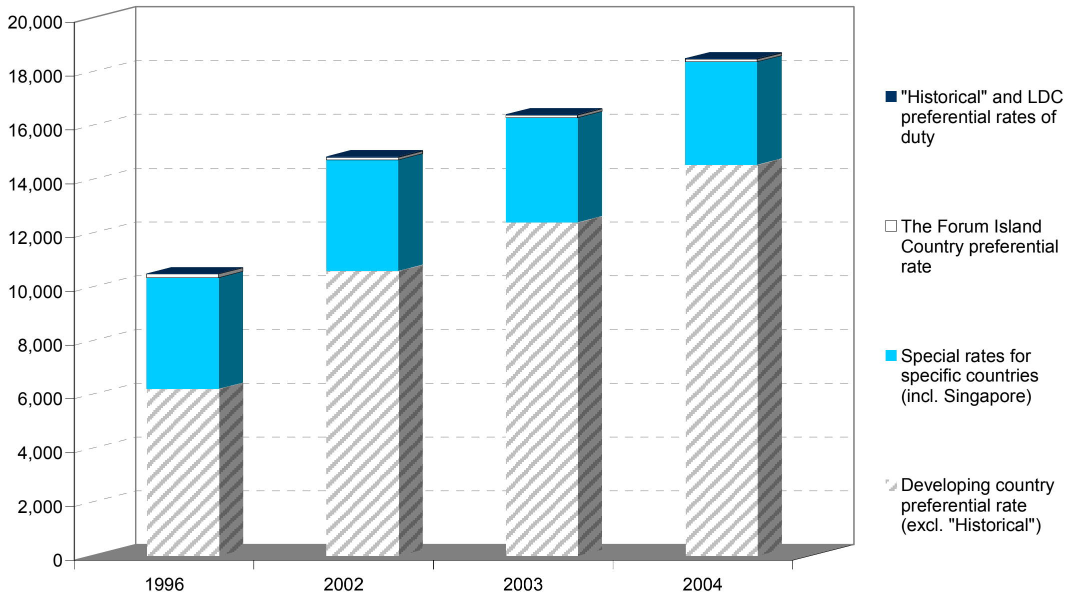
4 The extent of specific duties in the Australian tariff schedule is quite limited. (See Annex 1).

Chart 1. Monthly average merchandise imports (c.i.f.), USD bns, 2004



Note: The figure for the EU-15 includes intra-European trade. The values for Australia and Canada are f.o.b.
Source: Source OECD (2005), *Main Economic Indicators*, interactive edition, on-line at: http://new.sourceoecd.org/rpsv/statistic/s16_about.htm?jnlissn=16081234 .

Chart 2. Total imports under the main types of Australian preferential tariff rates, USD millions, current



Notes: Here and throughout this paper: 1) ABS data on imports are classified according to the type of tariff treatment *claimed* for the imports; 2) imports under HS-99 (confidential) are excluded from the analysis except where otherwise indicated. NB, the Singapore-Australia Free Trade Agreement entered into force on 28 July 2003.
Source: Australian Bureau of Statistics, OECD Secretariat calculations.

An overview of Australian tariff preferences

7. The WTO's latest Trade Policy Review of Australia [WTO (2002)] comments that "Australia's trade and trade-related policies as well as their formulation are, by and large, highly transparent." The customs tariff remains the main trade policy instrument. Australia first extended unilateral trade preferences to developing countries in 1976 under the Australian System of Tariff Preferences [ACS (2004)]. The primary legislation governing the current Australian tariff regime is the Customs Tariff Act of 1995, as amended, which initially took effect on 1 July 1996 [ACS (1996)]. The Australian Customs Tariff Classification is based on the International Convention on the Harmonised Commodity Description and Coding System (2002). The Australian duty rates refer to the free-on-board value of goods in the exporting port (*i.e.* no duties are levied on the insurance and freight).[5] In Australia, the legislative basis for determining product origin is the Customs Act of 1901 and certain regulations (107A-B).

8. According to the APEC Individual Action Plan report for Australia [APEC (2004)], the general tariff rates for most items were reduced to 5% or less by the 1995 Tariff Act. As of January 2004, nearly 48% of tariff lines were duty free and the simple average applied rate was 4.25%. Tariffs remained above 5% in several areas including textiles, clothing, footwear, and passenger motor vehicles. However, the government is committed to reducing tariffs in these areas to no more than 5% by 2010, with the exception of tariffs on clothing and certain finished textile articles which will be reduced to that level by 2015. Tariff rates applying to 99% of imported products (by value) are bound, including 100% of agricultural tariff lines. Except for certain cheese products (0.1% of overall tariff lines), agricultural goods are not subject to a tariff quota. (It is notable that despite this, Australia is not a major importer of some of the more sensitive tropical agricultural products. See Box 2.)

Non-reciprocal preferential tariff schemes

9. Australia's non-reciprocal preferential tariff schemes can be grouped into four categories, by order of the size in terms of trade flows (Chart 2): developing country preferences, special rates for specific countries, Forum Island Country (FIC) preferences, and preferences applicable mainly to Least Developed Countries (LDCs). The advantages extended to developing country exporters under these tariff schemes are evident from an examination of some basic parameters presented in the following overview.

10. Table 1 provides a more specific breakdown of the Australian preferences, highlighting the relative size of flows under the various tariff schemes and their evolution between 1996 and 2004. As can be deduced from the table, HS-99 "confidential" imports account for about USD 1.2 billion of imports from developing countries, including USD 500 million of preferential imports (2.9% of total preferential imports). For consistency with the subsequent analysis, the following overview excludes the confidential imports:

- Among the Australian preferential measures, the **Developing Country tariff** is the broadest preference in terms of the number of economies that are eligible. It is by far the most heavily used preference, with some USD 14.5 billion in imports in 2004, accounting for more than three quarters of the total preferential imports into Australia in that year. The volume of imports under this preferential arrangement increased substantially during the period considered in this paper, more than doubling between 1996 and 2004. As a proportion of overall Australian imports from developing countries, flows under this programme ranged between 33% and 40% of the total during these years.

5 Many countries levy their customs duties on the cost including insurance and freight (c.i.f.) value of imported products, which results in a higher effective duty rate than where the free-on-board values are used. Examples of counties that use the c.i.f. valuation are as diverse as the Bahamas, Chile and Iceland. More examples can be found via the Trade Information Center of the US Department of Commerce at: http://www.ita.doc.gov/td/tic/tariff/country_tariff_info.htm .

- The second largest Australian preference category comprises **special rates for selected economies** in Asia including Hong Kong-China, Republic of Korea, Singapore and Chinese Taipei. A free trade agreement with Singapore came into effect on 28 July 2003, offering exporters in that country improved or duty-free access to the Australian market, subject to the terms of this new reciprocal arrangement.[6] In 2002, the last year prior to Singapore's change in status, these countries exported USD 4.1 billion under the special rates scheme. Singapore was the largest exporter under this scheme. In 2004, excluding imports from Singapore under the FTA, imports under the "special rates" category amounted to USD 0.8 billion in 2004. As a proportion of total Australian imports from developing countries, flows under this scheme declined from 23% to 2% between 1996 and 2004.

- The third largest category comprises the **preference scheme targeting the FICs**. These preferences cover imports from a number of Pacific island economies and were initially introduced under the South Pacific Regional Trade and Economic Co-operation Agreement (SPARTECA), which entered into force on 30 June 1982. Papua New Guinea is a special case covered by the Papua New Guinea-Australia Agreement on Trade and Commercial Relations (PATCRA) which originally entered force on 1 February 1977; it was subsequently included among the FIC beneficiaries.[7] While the overall trade volumes are relatively modest under these preferences (USD 102 million in 2004) with little growth, they are in some cases quite important to certain of these economies. Imports under the scheme account for less than 1% of total Australian imports from developing countries in each of the selected years from 1996 to 2004 (their share of the total declining from 0.8% to 0.2% during these years).

- The final category of **preferences refers primarily to LDCs**. The "**Historical" preference** for developing countries provides preferential access for a limited number of tariff lines for these economies and selected additional economies, in addition to the benefits available under the Developing Country preferences. Flows under the "Historical" scheme amounted to just USD 23 million in 2004. In 2003, a new and more generous **LDC preference** was introduced. The take up has not resulted in a large increase in import volumes from LDCs, with only USD 9 million in imports receiving the LDC preference in 2004. Goods receiving either LDC or Historical developing country preference accounted for about 0.1% of developing country exports to Australia in each of the selected years.

Reciprocal preferences

11. Australia is actively pursuing a policy of negotiation of Free Trade Agreements (FTAs), including with a number of developing countries [Vaile (2005)]. The 2005 report by the Minister for Trade calls the Government's agenda for FTAs "the most exciting and dynamic development in Australia's trade policy history." The analysis of the FTA policy goes beyond the scope of the present paper, as FTAs are by definition reciprocal. It is worth noting, however, that the FTAs touch on some developing countries that have been beneficiaries of non-reciprocal preferential access to the Australian market. In addition to the agreement with Singapore noted above, an agreement with Thailand entered into force on 1 January 2005.[8] Negotiations began this year for an FTA with ASEAN (and which will also include New Zealand). Separate negotiations are underway with the United Arab Emirates. FTA negotiations are being considered with respect to China and Malaysia.

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6 For comparability, in Table 1 Singapore's exports under the FTA receiving developing country or duty-free treatment in 2003 and 2004 were grouped with the special rates category.

7 Papua New Guinea originally gained access to preferential rates of duty in 1926 [ACS (2004)].

8 The new Australia-United States FTA entered into force on the same day, 1 January 2005.

Non-preferential market access

12. In 2004, over half of the imports from developing countries entered Australia under **non-preferential** tariffs, either because of a failure to claim a preference or because the goods were not eligible for preferences. As can be inferred from the table, the share of imports from developing countries without preferential treatment increased over the selected years from 41% to 57% of the total. Many of these imports entered under duty-free or low MFN rates.

13. Australia operates a **Schedule of Concessional Instruments** designed to facilitate importation of two types of goods: 1) goods with no competing or substitutable Australian products and for which an importer has applied for a tariff concession order and 2) those under the government's industrial policy identified as being important for lowering of business input costs in specific sectors. Certain goods are excluded from this scheme such as foodstuffs, clothing and passenger motor vehicles. Concessional duty rates are generally duty-free or low (*e.g.* 3%) and they are temporary (each month the concessional schedule has about 150 updates[9]). About 17% of Australia's imports from developing countries were classified as concessional in 2004, amounting to about USD 7.3 billion (excluding HS-99); more than two-thirds of which was concentrated in imports of just 4 HS-2 digit categories.[10] In 2004, nearly two-thirds of the concessional imports were under what normally would have been MFN rates, a proportion that had increased since 1996. Interestingly, concessional rates can offer importers better access than the preferential programmes in some cases. For example, in 2004, about 5.8% of imports from developing countries entered under preferential schemes but at concessional duty rates; one quarter of all concessional imports entered under the Developing Country preferential tariff scheme.

Tariff summary statistics

14. Table 2 provides an indication of the scope of the various tariff treatments, highlighting the number of tariff lines with imports in recent years (including those imports classified as "combined confidential" or entering at concessional rates). The non-preferential treatment and Developing Country preferential had about 6000 "active" tariff lines (at the HS-10 digit level), whereas other types of tariff treatment had substantially fewer. That is, other preferences were much narrower in the range of "active" tariff lines concerned. The FIC, "special rate for specific countries", LDC, and Developing Country-Historical preferences each covered less than 600 HS-10 tariff lines with imports in 2004. The change in treatment of imports from Singapore in 2003 is reflected in the shift from reliance on non-reciprocal tariffs towards the new reciprocal FTA between that country and Australia. The shift revealed the comparatively modest range of imports from the other beneficiaries under the "special rates for specific countries" (which include certain advanced Asian developing countries).

15. Table 3 presents key features of the main Australian preferential tariff schemes focusing on the "mainstream" imports from developing countries. That is, the table excludes the comparatively modest flow of imports considered "combined confidential" and it excludes imports at concessional tariff rates which are available independently of the non-reciprocal preference schemes.

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9 For information on concessional entry of goods into Australia, see the relevant section of the APEC summary on the issue available as of 1 September 2005 at: http://www.apectariff.org/au/austconc.htm. There is also some discussion of the schemes for concessional imports of goods in WTO (2002), which notes that these schemes became more generous during the period covered by the latest *Trade Policy Review*.

10 Four product groups accounted for more than 2/3 of concessional imports from developing countries. Together the concessional trade in these four sectors accounted for 12.2% of total developing country imports into Australia: HS-27 – *Mineral fuels, oils and related products* (5.8%), HS-84 – *Nuclear reactors, boilers and machinery* (2.0%), HS-85 – *Electrical machinery, equipment and parts thereof* (3.2%), and HS-95 – *Toys, games and sports requisites* (1.2%).

16. As can be seen from Table 3, throughout the Australian tariff schedule the vast majority of tariffs are on lines with imports from developing countries are on an *ad valorem* basis. Since 1991, there have been a number of adjustments to the Australian tariff regime with the effects of liberalising general access to the Australian market and phasing out access to "full" non-reciprocal preference margins for some developing countries [ACS (2004), p. 10]. This phasing out began first for certain advanced Asian developing economies (*i.e.* Hong Kong-China, Republic of Korea, Singapore and Chinese Taipei) and subsequently for most other developing countries. The most generous provisions for non-reciprocal preferential access are now reserved for two main target groups of developing countries: LDCs and FICs.

17. In 2004, the Australian tariff scheme for LDCs offered a simple average preference margin of about 13.5 percentage points on the tariff lines with eligible imports. The developing country-historical preference offered a margin of about 3.4 percentage points, to a similar group of countries on a broader set of tariff lines with imports in that year. The scheme for the FICs offered a preference margin of about 10.7 percentage points. In comparison, the other developing countries tended to have less generous access under the available non-reciprocal preferences, with preference margins ranging from 0.6 percentage points under the Developing Country preference to 4.7 percentage points on a more narrow set of lines under the special rates for specific countries.

Rules of origin

18. Rules of origin (ROOs) are employed under preferential tariff schemes in order to require a minimum level of local content in products imported from eligible suppliers. They help to ensure that the products imported under the preferences are not merely transhipped from non-eligible countries via the eligible suppliers with little or no local value added. That is, ROOs can play an important role in ensuring the intended beneficiary countries actually reap the benefits from preferential programmes. Where developed country imports from beneficiary countries are indeed stimulated due to preferences, ROOs can work to boost local productive activity. On the other hand, as Inama (2003) suggests with respect to the Quad countries, where preferences are underutilised tight rules of origin are often the main reason.

19. An in other preference-granting countries, Australia uses rules-of-origin provisions to ensure that goods entering at preferential rates are associated with production in the intended beneficiary economies. The Australian ROOs specify that products must either be wholly obtained in a beneficiary country or must be substantially transformed in the beneficiary country. Substantial transformation essentially requires that the last process of manufacture is performed in the country claiming origin and that a minimum level of value-added is attained (generally 50% of the total factory cost in terms of materials, labour and overheads) [ACS (2004)]. The LDC preferential arrangement allow materials from all developing countries, FICs and Australia to count as local content, but the non-LDC developing country portion is limited to no more than 25% of the total factory cost of the goods.

20. According to the Australian Customs Service (ACS) fact sheet on rules of origin, "Australia employs a system of self-assessment for entry clearance that places responsibility for correct clearance of goods through Customs on the importer."[11] Under the corresponding formalities, the importer provides a certificate of origin from the manufacturer. After the clearance of the goods, the ACS monitors compliance with the requirements of the various preference schemes.

Composition of flows

21. As noted above, in 2004, over half of imports from developing countries entered Australia without preferential treatment either because of a failure to claim a preference or because the goods were not

[11] Australian Customs Service (2000), *Factsheet: Rules of Origin*: http://www.customs.gov.au/webdata/resources/files/commer08.pdf , November.

eligible. Table 4 provides a more concrete indication of why this might be. Overall, about ¾ of non-preferential imports from developing countries had duty-free access to the Australian market. In comparison, only 46% of preferential imports benefited from duty-free access. Importers appear to prefer to import under non-preferential arrangements where the MFN tariff rates are duty-free. This has the advantage of avoiding ROOs and other administrative requirements associated with preferential programmes. Another peak in the flows occurs at the 5% duty rate, at which roughly 25% of the preferential trade takes place and a further 13% of non-preferential trade. The next largest flow is at the 25% duty rate, with smaller but notable flows at the 3%, 4%, 10% and 15% rates of duty. About 4/5 of all imports from developing countries take place on a duty-free or 5% tariff rate.

22. Table 5 provides an indication of reliance on Australian preferences in the context of each country's global trade. As can be seen from the totals shown in the Table, Australian tariff preference schemes account for a relatively small share in developing countries' global exports. In each year shown in the table, the overall share was 0.8% or less. In 2004, only 14 countries relied on Australian preferential schemes for 1% or more of their global exports. Exporters tended to be fairly consistent in their use of the preferential schemes, but there were a number of notable exceptions whereby countries increased or decreased their Australian preference reliance. For example, Samoa reduced its reliance on Australian preferential trade -- excluding HS-99 -- from 31% to about 1% between 2002 and 2004 (however, see Box 1). Other notable examples during this period include Papua New Guinea (which more than doubled its preference reliance from 16% to 35%) and Swaziland (which boosted its preference reliance from 0% to 7%).

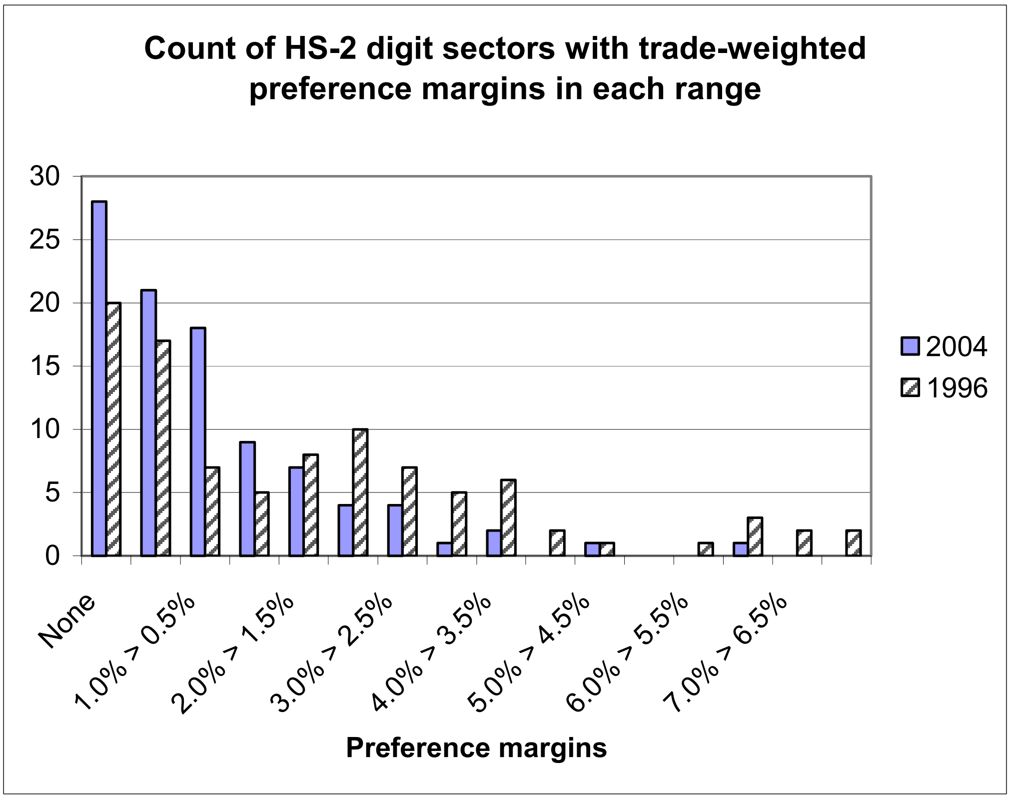
23. Table 6 lays out the results of the two approaches by which the MFN applied tariff rates and preference margins were derived. Generally, the two sets of estimates are not substantially different, with the exception of three sectors with substantial shares of trade entering under specific duties (HS chapters 4, 22 and 24) and one special case. The latter reference is to the sector *Mineral fuels, oils & related products* (HS-27). From a glance at the table, it can be seen that the trade-weighted MFN tariff under the calculated approach is much higher for *Mineral fuels, oils & related products* than the rate under the inferred statutory approach (which does not take specific duties into account). Similar to the other three exceptional sectors, in the case of *Mineral fuels, oils & related products* this is due to the number of lines potentially facing specific duties. For example, about 12% of the imports in this sector face the equivalent of a 90% *ad valorem* tariff and a further 12% face the equivalent of a 150% *ad valorem* tariff. However, in practice nearly all of the imports of *Mineral fuels, oils and products* entered Australia on a duty-free or very low tariff basis (with tariffs less than 1%) due to the application of concessional tariff rates in cases where the MFN rate would have been quite high.

24. Table 6 also presents the trade-weighted preference *margins* calculated for the two types of MFN tariffs (calculated for each HS-2 digit product group as a trade-weighted average difference between the preferential rates and MFN rates at the product level). The preference margins calculated using the two MFN approaches are not strikingly different with the notable exception of the four sectors with significant numbers of products potentially facing specific duties. Chart 3 highlights changes in the distribution of preference margins by sector between 1996 and 2004 for the inferred statutory MFN rates. Whereas some change in the average preference margin by sector may reflect changes in the within-sector structure of trade, the consistency of the pattern here appears to point to a measure of preference erosion from reductions in MFN rates during the period under consideration here (a time during which the Uruguay Round commitments were being implemented).[12] The number of sectors benefiting from preference

12 The latest Trade Policy Review of Australia also noted that despite improvements in the Australian preferential tariff schemes, the value of preferential tariffs continued to be eroded as a consequence of MFN tariff reductions during the period covered by the report [WTO (2002)]. According to the report, average applied MFN rates fell from 5.6% in 1997/98 to 4.3% in 2002.

margins greater than 1.5 percentage points has declined notably between the two time periods and, conversely, the number of sectors with low or non-existent preference margins has increased substantially.

Chart 3. Preference margins based on inferred statutory MFN rates, by sector



Note: Excludes confidential imports (HS-99) and products facing specific duties.
Source: Australian Bureau of Statistics, OECD Secretariat calculations.

25. Table 7 presents rough estimates, by sector, of the tariff revenue forgone as a consequence of preferences. These amounts are calculated individually for each developing country's exports of each (HS-10 digit) product according to each type of preferential treatment received, with each of these flows then multiplied times the applicable preference margin. The forgone revenue for these flows is then summed across all the detailed product lines for each HS-2 digit sector. This is done for both approaches to MFN estimation, inferred statutory rates and calculated MFN rates. With respect to the *calculated* MFN rates, it is notable that these are based on the maximum duty rates paid on tariff lines with imports. This means that at least some of the product (defined at the HS-10 digit level) was actually imported at the high "calculated MFN" duty rate, albeit generally only in small volumes and not necessarily from the same supplier in every year. The evolution of the indicators in Table 7 reflects the interaction of changes in the tariff rates and changes in the overall level and underlying structure of trade.[13] The latter changes involve the particular mix of HS-10 digit products shipped in each year and the volumes shipped of each product, the countries shipping them (with varying preference eligibility), and the impact of other measures or treatments for the specific products.

26. Under both MFN approaches, the value of forgone duty declined from 1996 to 2002, subsequently increasing again in 2003 and 2004. Under the inferred statutory MFN approach, the volume of forgone duties in 2004 had not yet returned to the level of 1996. Under the calculated MFN approach, the figure

13 Since the figures are presented in US dollar amounts, the exchange rate also exerts an influence (Annex 1).

rose significantly in the latter two years with 2004 exceeding the 1996 level by a substantial amount. Table 7 also presents indicators showing forgone duties as a percentage of MFN rates. Using inferred statutory MFN rates, duties in 16 HS chapters were reduced by 50% or more under preferential schemes; using calculated MFN rates, there are 21 HS chapters with such reductions.

27. The calculation of the value of preferences is complicated by the influence of other tariff measures besides preferences on the final duty paid. In particular, the availability of concessional rates can be an important consideration for developing country tariff treatment.[14] For example, the overall figure for foregone revenue under the calculated MFN approach is substantially larger than for the inferred statutory approach due mainly to the volume of trade in *Mineral fuels, oils and related products* (HS-27) potentially facing specific duties. However, as noted above, imports in this sector in particular also benefited from concessional access to the Australian market, including imports entering under preferential programmes. For example, in 2003 approximately 6% of total *Mineral fuels, oils and related products* imports from developing countries entered at concessional rates, even though they were also classified as imports under a preferential programme[15]; 28% of the total imports of these products entered under preferential schemes but did not receive concessional rates. In 2004, these percentages decreased substantially to 0.3% and 17%, respectively. Thus, the value of the foregone duty revenues for a particular product from a given source country may not be wholly attributable to preferences in a given year (if concessional tariff treatment was granted and offered even more advantageous access than the preferential rate for the imports of that product from that source).

28. Table 8 presents a breakdown by supplier of the estimated value of Australian non-reciprocal tariff preferences in terms of forgone duties. In order to provide some context to these values, indicators for 2004 are provided relating the forgone duties to each supplier's total exports, each supplier's potential "MFN" duty liability on the corresponding exports to Australia, and each supplier's share in Australia's total duties forgone. Just a few countries account for the bulk of value of forgone duties under the inferred statutory approach to MFN and most of these beneficiary countries are among the larger developing economies: China (38%), Republic of Korea (10%), Thailand (8%), Malaysia (8%), Chinese Taipei (6%), Fiji (5%), Singapore[16] (5%), Indonesia (3%), India (3%), Hong Kong-China (2%), the Philippines (2%) and Mexico (2%). A similar situation exists under the calculated MFN approach, except the distribution is distorted by a large volume of imports from Singapore of *Mineral fuels, oils and related products* (HS-27) that could be subject to high MFN specific duties in the absence of preferences and concessional rates. Some of the larger developing countries have experienced substantial reductions of roughly one quarter or more in the value of duties forgone during the period covered in the table, even though they still account for a large share of the total duties forgone (*e.g.* Hong Kong-China, India, Pakistan and the Philippines). Fiji remains a key beneficiary, but it too has seen a decline in comparison to 1996. The table shows Samoa experiencing declines as well, but this in part reflects a shift of Samoa's trade toward the HS-99 confidential classification (Box 1).

29. In relating each developing country's forgone duties in Australia based on inferred statutory MFN rates to each country's global exports, there is little evidence of particular preference reliance except in the case of Fiji. Using the calculated MFN rates, reveals a few additional cases; there are a total of 7 countries

[14] Additional factors complicating the calculation of the precise value of preferences even within this rough definition based on preference margins include the lack of data on confidential trade and the influence of special treatments for particular import cases or uses (*e.g.* government).

[15] Also in 2003, about 30% of the imports of *Mineral fuels, oils and related products* benefiting from concessional treatment entered under a preferential programme.

[16] Imports from Singapore that do not satisfy the rules of origin for the FTA may be imported under the developing country preference scheme.

where the forgone duties amount a value equivalent to 0.5% or greater of a developing country's exports.[17] Jamaica, Malawi and Swaziland have witnessed an increase in the forgone duties, with the values in 2004 amounting to 0.38%, 0.23% and 0.29% of their global exports, respectively, based on calculated MFN rates. Among these two groups (7+3), 9 are small economies including several islands and two small, landlocked developing countries (Malawi, moreover, is an LDC). The forgone duties generally amounted to 60% or more of the potential MFN duty for each country under the calculated MFN approach. That is, in these cases the preferences appeared to offer a significant reduction in the overall duty liability for the imports concerned.

Coverage, utilisation and utility

30. Table 9 presents summary indicators of product coverage, utilisation and utility for the main country groups eligible for Australian preferential tariff schemes: FICs (Forum Island preference), LDCs (Developing Country-Historical and Developing Country preferences and, from 2003, the LDC scheme) and other developing countries (Developing Country preferences, excluding FICs and LDCs). The indicators take into account the preferences available to each country group for products imported into Australia from these countries in the selected years.

31. As can be seen from the table, the product coverage of preferential programmes (eligible imports from each country group as a percentage of total imports from the group) is relatively high. Few of the products being exported by developing countries into Australia are not covered by some preference. However, the utilisation of preferences by developing countries for eligible products is limited in comparison. Excluding the FICs and LDCs, only about 2/5 of eligible imports from developing countries enter under preferential treatment. For LDCs the rate is roughly one quarter, albeit with some fluctuation by year. Given the high share of imports eligible for preferences, the situation is similar for the utility rates (imports from each group receiving preferences as a percentage of total imports from the group). For the FICs, the utilisation apparently fell as the product coverage expanded (due, in part, to improvement in the access for textiles, clothing and footwear products, but also due to changes in the treatment of Samoa's exports (Box 1).

32. A main explanation for the fairly modest utility of preferences in Australia would appear to be found in Table 4, which highlights the high share of imports without preferential treatment that are able to enter Australia on an MFN duty free basis or at low duty rates. Importers have an incentive to exploit this possibility in order to avoid ROO limitations that apply under the preferential schemes as well as any associated administrative requirements. Moreover, there may be advantages to importing at concessional rates but not under preferential schemes. In 2004, about 11% of developing country imports into Australia entered without preferential treatment but at generally low concessional rates.

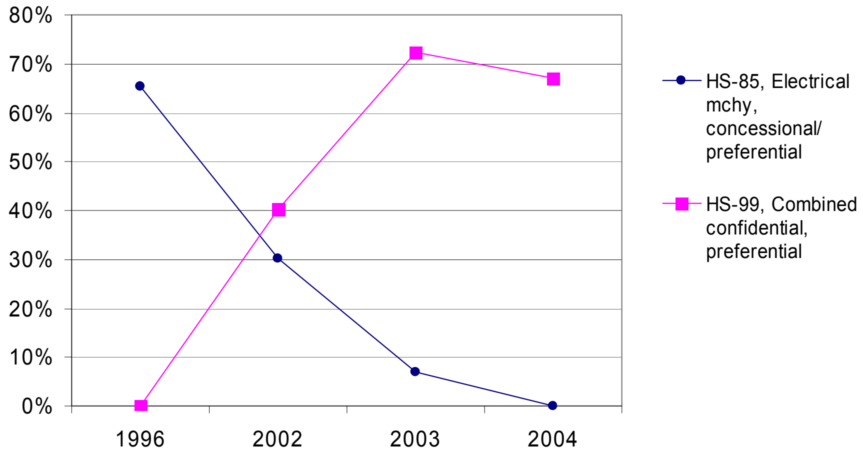
[17] The countries that satisfy this criterion include: Barbados, Cuba, Dominica, East Timor, Fiji, Papua New Guinea and Singapore.

Box 1. The situation of Samoa

Samoa, as a Forum Island country and LDC, has enjoyed the full margin of Australian tariff preferences as well as – in some cases – concessional access. Imports from Samoa have profited from this situation, with strong take up of the available tariff advantages. However, in recent years its trade situation has become less clear due to a shift in the composition of exports with increasing shares of exports under the "combined confidential" (HS-99) classification. Given the exclusion of HS-99 from most of the statistical tables in this paper, the presentation of Samoa's situation should be viewed with this in mind.

The following chart highlights this shift in composition of exports, presenting exports in two key sectors as a percentage of Samoa's global exports. In 1996, Electrical machinery, equipment and parts (HS-85) constituted 2/3 of Australia's imports from Samoa, with virtually all benefiting from concessional rates. For the years 2002 to 2004, the bulk of Samoa's exports benefited rather from preferential rates under the Forum Island scheme, including those in both sectors (*i.e.* HS-85 and HS-99). However, during these latter years the composition shifted out of the HS-85 classification and into the confidential sector and it is not known what sector these confidential imports represent.

Samoa - export concentration



Note: The chart presents exports in each sector as a percentage of Samoa's global exports. The global exports are based on mirror data.
Source: Australian Bureau of Statistics, OECD Secretariat calculations.

Improved LDC market access

33. In recent years, many developed countries have deepened their trade preferences for LDCs. Hoekman *et al.* (2001) underscore the tension between deepening preferences for LDCs and MFN-based liberalisation, whereby the benefit of the former is eroded by the latter. Preferential schemes can have significant positive effects on specific beneficiaries, but much depends on their supply-side capacity, their ability to reinvest the rents usefully and the nature of the administrative requirements such as ROOs. Overall, such constrains have limited the actual benefit to many LDCs from preferences, leading the authors to suggest that there should be only limited concern with the erosion of current preferences when it comes as a consequence of MFN liberalisation. Indeed, the authors note that one reason it has been possible to expand duty-free access for LDCs is that they account for less than 0.5% of world trade.

34. Following a decision announced by Prime Minister John Howard at an APEC summit meeting on 25 October 2002, the Australian government amended the Customs Tariff to provide duty-free and quota-free

access to the Australian market for the LDCs and East Timor.[18] As noted above, the ROOs for LDC permit use of materials all developing countries, FICs and Australia to count as local content, with the restriction that the non-LDC developing country portion is limited to no more than 25% of the total factory cost of the goods.

Box 2. Sugar and Bananas

Bananas and sugar are sensitive tropical products often cited as being important as regards preference erosion. In a recent IMF Working Paper, for example, Alexandraki and Lankes (2004) identify middle-income developing countries that are potentially vulnerable to export losses from preference erosion. The authors use partial equilibrium simulations, by product, to estimate the impacts of changes in trade-weighted preference margins between each country in question and the Quad countries. They find that vulnerability to preference erosion among this group of developing countries is particularly concentrated with respect to sugar and banana exports (especially into the European Union and US markets); in many cases the producers are small island economies that may have significant difficulties to adjust. They also find vulnerability to preference erosion among middle-income countries with respect to textiles and clothing, but "to a far lesser extent" than for the other two products. Similarly, a recent Commonwealth Secretariat study (August 2004) found significant value (measured by quota rents) for beneficiary countries in preferences for sugar, bananas, textiles and clothing (as well as beef), and that many preference-dependent economies will suffer multiple economic handicaps to adjusting to a more liberalised trading environment.

Australia on the other hand appears to have a competitive domestic industry for both products. It has substantial banana production and is a notable exporter of sugar.[19] Despite having a relatively open trading regime for these products, the Australian import volumes for both products remain modest both in terms of the absolute volumes (Table 11) and the shares of exports for developing country suppliers. In the case of bananas, imports are negligible. Most (99%) enter under the developing country preference, despite the availability of duty-free under MFN treatment. In the case of sugar (HS-17), the volumes are somewhat larger and rising in aggregate. Imports in this sector enter Australia quota-free, but face a trade-weighted MFN tariff of about 5%. In 2004, about 75% of the imports of HS-17 from developing countries entered under preferential schemes. The effective developing country preference margins are modest (less than 1 percentage point on a trade-weighted basis in recent years), despite the availability of duty-free treatment for imports from LDCs. As can be seen from Table 7, preferences have the effect of reducing the duties collected on sugar imports by less than 10%.

Notwithstanding the availability of preferences for imports of these two products, the relative openness of the Australian MFN regime and the small import volumes mean that the potential for negative impacts from erosion of Australian preferences in these areas is quite limited.

35. The potential economic effects of this action were considered by the Australian Productivity Commission in a report released in October 2002 [Productivity Commission (2002)]. The report pointed to the generally small flow of imports from LDCs and noted that much of this flow was already covered under the Developing country and Forum Island preferences. Given the existing pattern of trade and tariffs, the Productivity Commission concluded that the main effect on LDCs was likely to be on imports of clothing and that their ability to benefit would depend on their ability to provide an environment that enables an adequate supply response. In a related paper by two of the contributors to the report, Zhang and Verikios (2003), the potential impacts of the duty-free access were examined using the GTAP model. They found that LDCs would generally benefit from the new policy, with the major LDC clothing exporters (*e.g.* Bangladesh or Cambodia) in particular showing gains. The effects on other non-LDC developing country suppliers were estimated to be modest. The model revealed that some countries

[18] For background, see *Parliament of Australia, Bills Digest No. 160 2002-03, Customs Tariff Amendment Bill (No. 1) 2003*, available at: http://www.aph.gov.au/library/pubs/bd/2002-03/03bd160.htm. For the Trade Minister's press release upon enactment of the measure, see: http://www.trademinister.gov.au/releases/2003/mvt051_03.html

[19] Industry association web sites provide an overview of these two sectors in Australia: http://www.abgc.org.au/pages/industry/bananaIndustry.asp and http://www.canegrowers.com.au/overview.htm. For an overview of Australian exports of sugar, see: http://www.fas.usda.gov/htp2/sugar/1997/97-11/nov97cov.htm

competing with LDCs (such as China) may not lose in terms of real GDP from the change in policy, because they are able to boost their exports of intermediate inputs to the exporting sectors in LDCs.

36. Table 10 provides an indication of the situation with respect to Australian imports from LDCs in the years before and after implementation of duty-free access for LDCs and East Timor. Aggregate imports from LDCs declined in each successive year shown in the table from 1996 to 2003, before increasing in 2004 to a level approaching that of 1996. While many factors influence overall trade, expanded market access has not yet led to expansion of imports beyond recent historical levels for these countries as a group. One factor distorting the situation is the large decline in recorded imports from Samoa (formerly an important supplier of automotive components). Excluding Samoa, Australian imports from LDCs increased from USD 38 million in 1996 to USD 61 million in 2002, rising somewhat further in 2003 to USD 67 million before expanding to USD 85 million in 2004. Several LDCs managed to boost their exports to Australia by more than USD 1 million between 2002 and 2004 including Bangladesh (esp. wearing apparel), Cambodia (esp. wearing apparel), East Timor (mineral fuels and oil), Solomon Islands (fish & crustaceans, wood, other) and Yemen (mineral fuels and oil).[20]

37. Despite the increases in imports from certain LDC suppliers, imports under the new LDC scheme remain modest (USD 9 million in 2004, see Table 1). Moreover, the use of the special measures for LDCs combined (LDC and Developing Country-Historical schemes) has declined in terms of import volumes from USD 33 million in 2002 to USD 32 million in 2004. Thus, the experience to-date under the new arrangement has not been inconsistent with the prior analysis. The economic impacts on suppliers appear to be fairly modest with some gains for apparel suppliers, but also with gains for mineral fuel and oil suppliers.

Sector-specific preference reliance

38. Table 12 presents those sectors where preferential imports into Australia from any developing economy exceed 0.5% of that economy's global exports of all products. This provides an overview of the concentration of preference reliance on the part of suppliers to the Australian market. Some 25 developing economies exhibited a degree of sector-specific preference reliance in at least one of the years shown. The strongest, continued preference reliance can be seen in relation to *Apparel* imports from Fiji and *Mineral fuels, oils and related products* and *Natural and cultured pearls and precious stone* from Papua New Guinea. In each year shown, these two countries demonstrated a particular reliance on preferences in each of the corresponding sectors. Fiji is represented in the broadest range of sectors among the countries shown in the table. Samoa exhibited strong but temporary preference reliance on one sector (as noted in Box 1). In recent years, East Timor (*Coffee, tea and spices*), Swaziland (*Miscellaneous edible preparations* and *Essential oils and resinoids*) and Vietnam (Mineral fuels, oils and related products) each demonstrated notable reliance in at least one sector. That is, they each had preferential imports into Australia in at least one sector amounting to 2% of exports or more in 2003 and 2004.

Assessment of the possible economic implications of preference erosion

39. Lippoldt and Kowalski (2005) use the Global Trade Analysis Project computable general equilibrium (CGE) model[21] and the GTAP 6.05 database (which corresponds to the global economy in 2001)[22] to consider the implications of a hypothetical 50% reduction in the equivalent measure of

[20] NB, the importation of mineral fuels and oil from East Timor and Yemen was largely on a non-preferential basis.

[21] The GTAP CGE model is a multiregion, multisector model, with perfect competition and constant returns to scale.

[22] The trade protection data in the GTAP 6.05 database integrate information on bilateral *ad valorem* tariffs (both MFN and preferential), *ad valorem* equivalents of specific tariffs (MFN and preferential), and information on

protection for Australia -- a scenario that would entail significant preference erosion.[23] The use of a CGE framework permits assessment of the economic implications in a relatively "holistic" fashion, taking into account not only the reduced size of preference margins but also the potentially offsetting effects of trade liberalisation more generally. Changes in market access conditions for each product category are linked to developments in other sectors through goods and factors markets. Where producers in selected preference-receiving sectors are affected negatively, for example, resources may be freed from that sector and employed in other sectors that may be better positioned to benefit from improved access to world markets or may be simply more productive.

40. For each product and trading partner, the GTAP database provides a measure of protection reflective of the degree of protection. By comparing the rates faced by each supplier for a given product with the market average, an indication of the preference margin can be calculated. In Chart 4, the trade-weighted preference margins based on this approach are presented for imports into Australia by each source region as of 2001. Where these margins are positive, the source regions enjoyed better than average market access; where they are negative, the suppliers experienced higher-than-average market restrictiveness. The Chart reveals fairly consistent treatment of developing country exports, with relatively high preferential margins - reaching up to 6 percentage points - afforded to developing countries in South and East Asia, Latin America and Africa. A few exceptions include Thailand, Vietnam, Brazil and South Africa, which on average face barriers that are higher than those faced by other trading partners due in part to the composition of their exports to Australia.[24]

41. Table 13 presents the results of the simulated 50% tariff liberalisation highlighting those regions experiencing gains or losses in welfare (for other regions not shown, the welfare impacts were found to be neutral). The measure of change in welfare is expressed as the equivalent variation in income on a per capita basis. In general, the welfare impacts indicated by the model are in line with the expectations based on the statistical review – that is, they are fairly modest. In some cases, such as for the Forum Island countries, the gains from improved market access under the unilateral liberalisation appear to more than offset the losses from preference erosion. Under the simulation, a number of the regions losing out are in Africa including the Rest of SACU (which includes Swaziland) and Malawi. In the statistical review presented in the previous section, some indication of preference reliance was also found with respect to these economies. However, it should be kept in mind that the GTAP database does not reflect some of the more recent enhancements in market access extended by Australia to LDCs and Forum Island countries (including improved market access for textile and apparel products). Likewise, the protection data in GTAP do not yet reflect the recent Singapore-Australia FTA.

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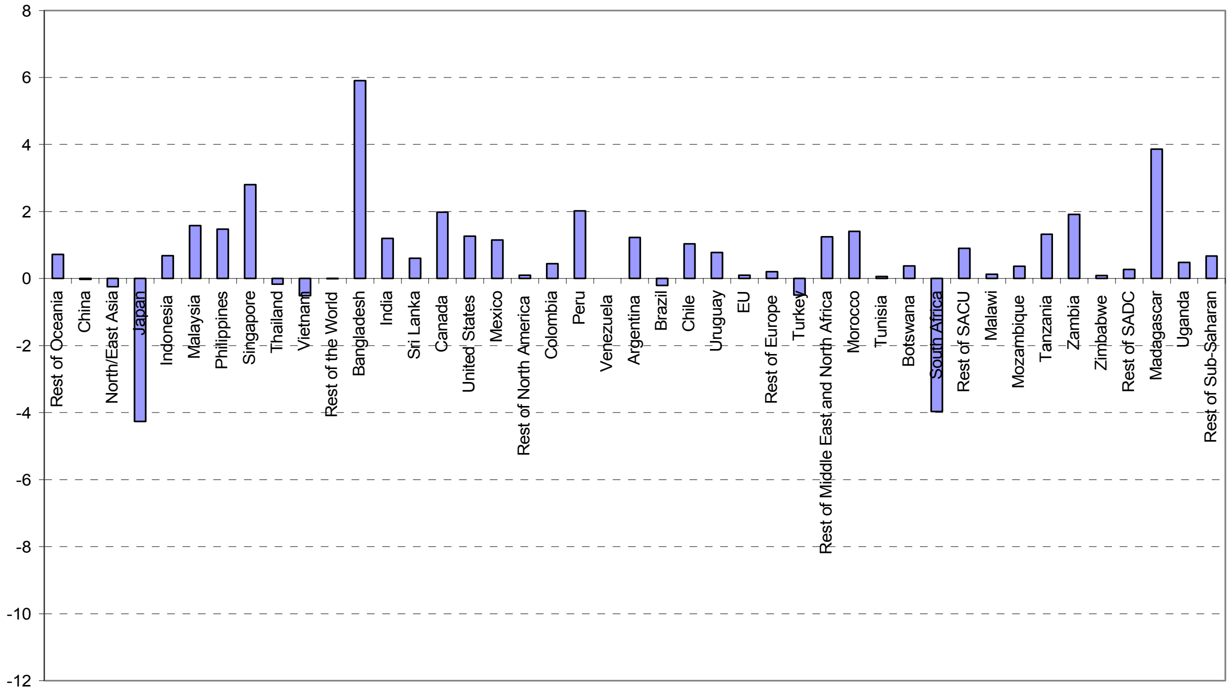
tariff rate quotas from CEPII/ITC Market Access Maps (MAcMaps) database. The treatment of tariffs in the database is documented in detail in Bouët, A., Decreux, Y., Fontagné, L., Jean, S., and Laborde, D. (2005) *V6 Documentation - Chapter 16.D: Tariff Data*, http://www.gtap.agecon.purdue.edu/resources/res_display.asp?RecordID=1824.

23 The simulations do not include any change in export credits or non-tariff barriers.

24 The main contributors to these preferential developing country margins are manufacturing categories such as textiles, apparel, leather products as well as other manufacturing.

Chart 4. Australia: average trade-weighted preference margins by beneficiary country, 2001
(percentage points, based on GTAP 6.05 database)



Source: Lippoldt and Kowalski (2005).

Conclusions

42. Compared to the Quad countries, Australia is a relatively small market for developing countries. At the same time, it is a relatively open market and some developing countries have come to rely on it as a destination for exports. Given the structure of exports from developing countries, MFN access is often available at duty-free or low-duty rates and provides an attractive channel for entry. Where MFN access may risk to be constrained by tariffs, concessional rates are sometimes available. Preferential schemes provide an important additional channel for many developing countries exporting goods subject to constraining MFN tariffs. Most of these countries have not come to rely on the Australian preferences for a large share of their trade. However, a few smaller countries -- particularly some with geographic proximity to Australia -- have come to rely on the Australian preferential regime for fairly significant shares of their exports. This reliance is associated with a degree of sector-specific concentration in the utilisation of preferences.

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TABLES AND CHARTS

Table 1. Australian imports from developing countries by type of tariff treatment, USD millions, current

	Total imports				Imports excluding HS-99 (confidential)			
	1996	**2002**	**2003**	**2004**	**1996**	**2002**	**2003**	**2004**
Developing Country preference (excluding "historical")	6 321	10 817	12 714	14 874	6 201	10 581	12 395	14 538
Forum Island Country (FIC) preferences	137	122	156	164	137	96	97	102
Special rates for specific economies								
The special rate for the specific country claimed	4 270	4 314	3 007	800	4 135	4 133	2 870	800
Singapore exports receiving dev'g country rate	n/a	n/a	1 038	3 052	n/a	n/a	997	2 943
Singapore FTA free rate of duty	n/a	n/a	33	121	n/a	n/a	22	77
Preferences for Least Developed Countries (LDCs) and other priority beneficiaries								
LDC preferential rate of duty claimed	n/a	n/a	3	9	n/a	n/a	3	9
Developing Country preference, historical	17	33	28	23	17	33	28	23
All preferences	*10 746*	*15 285*	*16 979*	*19 042*	*10 490*	*14 843*	*16 411*	18 491
Non-preferential treatment								
The special rate that applies has not been claimed and the general rate of duty has been used	6 384	11 086	15 353	24 665	6 238	10 652	14 791	24 015
No preferential rate of duty has been claimed	1 172	522	1 495	531	1 110	500	1 475	528
Total	**18 303**	**26 893**	**33 827**	**44 238**	**17 838**	**25 994**	**32 677**	**43 034**

Notes: n/a = not applicable. Throughout the tables, import values are based on customs value
Source: Australian Bureau of Statistics data; OECD Secretariat calculations.

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Table 2. Australian preferential trade: counts of HS-10 digit tariff lines with imports from developing countries in recent years (all imports)

Type of preference	2002	2003	2004
Developing Country preference (excluding "historical")	6,056	6,100	6,176
Forum Island Country preference	608	629	585
Special rates for specific economies			
The special rate for the specific country claimed	4,944	4,605	577
Singapore exports receiving dev'g country rate	n/a	3,754	4,555
Singapore FTA free rate of duty	n/a	423	260
Preferences for Least Developed Countries and other priority beneficiaries			
LDC preferential rate of duty claimed	n/a	158	296
Developing Country preference, historical	536	470	503
Non-preferential treatment			
The special rate that applies has not been claimed and the general rate of duty has been used	5,748	6,028	6,273
No preferential rate of duty has been claimed	1,673	1,337	1,307

Source: Australian Bureau of Statistics data; OECD Secretariat calculations.

Table 3. Overview of preferential tariffs, for product groups (HS 10-digit) with imports in 2004 -- Australia (excluding imports classified 'combined confidential' or entering at concessional rates)

Treatment	Number of lines with imports in 2004 (1)	Simple average, applied tariff (statutory rate) (2)	Simple average, inferred statutory "MFN" tariff (3)	Maximum tariff in these lines, under the stated treatment	Count of *ad valorem* tariffs	Count of non *ad valorem* tariffs
Developing Country preference (excluding "historical")	6,035	6.1%	6.7%	40%	5,962	73
Forum Island Country preference	565	0.0%	10.7%	0%	561	4
Special rates for specific economies						
The special rate for the specific country claimed	223	1.4%	6.1%	5%	222	1
Singapore exports receiving dev'g country rate	4,339	5.3%	5.9%	25%	4,313	26
Singapore FTA duty rate	247	0.0%	7.3%	0%	243	4
Preferences for LDCs and other priority beneficiaries						
LDC preferential rate of duty claimed	289	0.0%	13.5%	0%	289	0
Developing Country preference, historical	483	6.3%	9.7%	20%	476	7
Non-preferential treatment						
The special rate that applies has not been claimed and the general rate of duty has been used	6,105	6.5%	6.8%	25%	6,051	54
No preferential rate of duty has been claimed	1,208	0.0%	0.1%	5%	1,205	3

Notes: Australian tariffs are determined based on the HS line, the preferential scheme, country of origin, nature of entry, nature of tariff and treatment code. The original ABS database used in these tables for 2002 lists 156 countries as eligible for the Developing Country preferential rate (17 out of 156 countries did not export under this scheme). According to the original ABS database, the following countries were eligible for the "Forum Island Country preferential rates": Cook Island, Fiji, Kiribati, Marshall Islands, Nauru, Niue, Samoa, Solomon Island, Tonga, Tuvalu and Vanuatu. According to the original ABS database, the following developing countries were eligible for "special rates": Hong Kong SAR, Taiwan Province of China, Korea, Malaysia, Papua New Guinea and Singapore. Country eligibility for the various tariff preferences as of December 2004 is shown in Annex 1.

(1) Number of lines at the HS 10-digit level where there were imports entering in 2004 under the treatment indicated.

(2) Simple average of lines where there have been imports. Calculation based on *ad valorem* tariffs only.

(3) "MFN" tariffs refer to the maximum rate. This column presents the simple averages of "MFN" tariffs for the lines corresponding to those in the preferential programmes with imports. The calculation is based on *ad valorem* tariffs only.

(4) The category "historical" covers a set of developing countries that tend to be relatively less developed, have been traditionally treated as developing countries under the Australian tariff system, and receive special preferences on a comparatively limited set of tariff lines.

Source: Australian Bureau of Statistics (ABS); OECD Secretariat calculations.

Table 4. Australian imports from developing countries by applied tariff rates and treatment, percentages (excluding HS-99)

Applied Tariff Rates	Shares of imports from developing countries 2003			2004		
	Preferential	Non-preferential	Total	Preferential	Non-preferential	Total
0%	49.0%	76.1%	62.5%	45.8%	75.7%	62.9%
1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
3%	5.6%	4.2%	4.9%	5.8%	4.3%	5.0%
4%	6.0%	0.0%	3.0%	6.9%	0.0%	3.0%
5%	24.1%	13.3%	18.7%	25.7%	13.5%	18.7%
6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
10%	3.3%	0.3%	1.8%	3.7%	0.4%	1.8%
12%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
14%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15%	4.1%	2.4%	3.2%	4.1%	2.5%	3.2%
16%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
18%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
20%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
22%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
24%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
25%	7.6%	3.5%	5.5%	7.7%	3.3%	5.2%
40%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
42%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
>42%	0.3%	0.2%	0.2%	0.3%	0.2%	0.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Australian Bureau of Statistics data; OECD Secretariat calculations.

Table 5. Preference reliance among developing countries exporting to Australia (share of Australian preferential trade in each country's global exports)

Country of origin	1996			2002			2003			2004		
	Preferential Trade (USD'000) excluding 99	Total Exports (USD '000)	%	Preferential Trade (USD'000) excluding 99	Total Exports (USD '000)	%	Preferential Trade (USD'000) excluding 99	Total Exports (USD '000)	%	Preferential Trade (USD'000) excluding 99	2003 Total Exports (USD '000)	%
Papua New Guinea	438,841	2,657,451	16.5%	260,782	1,556,203	16.8%	645,939	2,239,994	28.8%	774,567	2,239,994	34.6%
Fiji	135,649	657,413	20.6%	73,754	484,602	15.2%	89,900	558,746	16.1%	100,191	558,746	17.9%
Swaziland	197	957,880	0.0%	18,202	417,610	4.4%	29,587	550,390	5.4%	40,241	550,390	7.3%
East Timor				27	3,949	0.7%	221	5,224	4.2%	305	5,224	5.8%
Viet Nam	104,924	7,257,108	1.4%	619,311	14,987,723	4.1%	801,983	20,393,601	3.9%	803,141	20,393,601	3.9%
Solomon Islands	2,054	221,903	0.9%	601	69,907	0.9%	2,933	108,518	2.7%	3,476	108,518	3.2%
Bahrain	7,209	2,003,551	0.4%	25,901	2,057,809	1.3%	31,683	2,498,957	1.3%	47,780	2,498,957	1.9%
Brunei Darussalam	91	2,915,303	0.0%	100,838	3,203,592	3.1%	88,815	4,206,097	2.1%	75,615	4,206,097	1.8%
Vanuatu	508	44,307	1.1%	2,143	30,042	7.1%	941	73,130	1.3%	1,288	73,130	1.8%
Thailand	622,224	55,971,209	1.1%	929,422	64,661,260	1.4%	1,154,647	76,894,533	1.5%	1,295,517	76,894,533	1.7%
Indonesia	554,877	51,228,280	1.1%	924,066	55,138,429	1.7%	934,896	66,576,977	1.4%	975,968	66,576,977	1.5%
China	2,708,491	247,156,667	1.1%	5,033,846	446,052,690	1.1%	6,143,823	572,538,493	1.1%	7,694,154	572,538,493	1.3%
Malaysia	791,771	88,170,203	0.9%	865,634	98,633,258	0.9%	1,029,998	121,556,811	0.8%	1,278,885	121,556,811	1.1%
India	356,042	35,140,951	1.0%	386,177	44,095,527	0.9%	456,690	58,418,350	0.8%	566,765	58,418,350	1.0%
Sri Lanka	33,239	3,806,091	0.9%	37,850	4,214,820	0.9%	42,712	4,864,973	0.9%	42,199	4,864,973	0.9%
Pakistan	100,568	8,048,466	1.2%	73,405	8,202,760	0.9%	83,678	9,683,210	0.9%	83,507	9,683,210	0.9%
Israel	116,278	19,535,970	0.6%	195,513	27,254,883	0.7%	198,443	29,811,087	0.7%	215,414	29,811,087	0.7%
Cook Islands	157	7,635	2.1%	183	8,376	2.2%	214	9,489	2.3%	67	9,489	0.7%
Taiwan	1,469,077	127,156,437	1.2%	1,221,425	150,564,941	0.8%	1,097,667	173,545,638	0.6%	1,147,720	173,545,638	0.7%
Samoa	1,134	70,702	1.6%	19,695	63,286	31.1%	6,333	81,245	7.8%	531	81,245	0.7%
Korea, Republic of	1,358,081	113,377,359	1.2%	1,341,265	141,499,808	0.9%	1,226,290	181,498,525	0.7%	1,158,772	181,498,525	0.6%
Lebanon	3,691	618,339	0.6%	3,788	654,720	0.6%	5,913	881,027	0.7%	5,582	881,027	0.6%
Anguilla										39	6,696	0.6%
Togo				2,057	148,382	1.4%	1,761	194,540	0.9%	1,030	194,540	0.5%
Singapore	531,228	89,009,446	0.6%	956,141	71,042,183	1.3%	654,826	91,362,475	0.7%	480,215	91,362,475	0.5%
Tonga	412	18,598	2.2%	146	28,390	0.5%	130	29,644	0.4%	152	29,644	0.5%
French Polynesia	203	155,023	0.1%	547	171,746	0.3%	913	187,538	0.5%	888	187,538	0.5%
Hong Kong	320,331	52,872,980	0.6%	350,283	50,792,741	0.7%	255,291	56,717,415	0.5%	254,034	56,717,415	0.4%
Philippines	114,100	23,777,679	0.5%	223,506	40,231,229	0.6%	190,610	47,701,600	0.4%	205,132	47,701,600	0.4%
Bermuda	51	354,374	0.0%	1	165,754	0.0%	1	460,153	0.0%	1,888	460,153	0.4%
New Caledonia	50	610,151	0.0%	183	424,274	0.0%	435	572,155	0.1%	2,311	572,155	0.4%
Montserrat Is				3	2,449	0.1%	3	7,473	0.0%	24	7,473	0.3%
Turkey	44,482	19,994,267	0.2%	81,689	32,392,842	0.3%	107,113	43,349,000	0.2%	139,040	43,349,000	0.3%
Brazil	219,717	48,481,538	0.5%	133,284	57,077,531	0.2%	164,244	74,428,876	0.2%	233,881	74,428,876	0.3%
Argentina	51,206	23,720,536	0.2%	62,183	24,452,696	0.3%	97,679	29,810,932	0.3%	87,044	29,810,932	0.3%
Peru	12,789	5,635,571	0.2%	14,741	6,353,834	0.2%	17,232	7,455,977	0.2%	21,539	7,455,977	0.3%
Netherlands Antilles				2,105	684,954	0.3%	4,372	1,304,292	0.3%	3,681	1,304,292	0.3%
Poland	13,487	22,099,885	0.1%	24,675	36,668,770	0.1%	38,281	49,646,504	0.1%	117,517	49,646,504	0.2%
Slovenia	13,821	7,943,314	0.2%	20,589	9,144,229	0.2%	26,767	11,973,560	0.2%	26,631	11,973,560	0.2%
Namibia	941	1,766,100	0.1%	1,321	774,322	0.2%	700	824,136	0.1%	1,818	824,136	0.2%
Cuba	1,074	1,809,687	0.1%	3,248	1,206,318	0.3%	1,673	1,118,312	0.1%	2,303	1,118,312	0.2%
Chile	63,697	17,157,215	0.4%	26,982	17,360,249	0.2%	66,885	21,213,504	0.3%	43,061	21,213,504	0.2%
FYR Macedonia	1,372	1,214,563	0.1%	1,942	782,388	0.2%	2,076	963,191	0.2%	1,887	963,191	0.2%
Nicaragua	1	666,124	0.0%	730	898,952	0.1%	1,329	1,216,056	0.1%	2,350	1,216,056	0.2%
Ghana	3,767	1,526,188	0.2%	2,359	1,432,719	0.2%	2,555	1,684,065	0.2%	3,173	1,684,065	0.2%
Myanmar	774	1,260,044	0.1%	5,121	1,360,441	0.4%	4,681	2,669,841	0.2%	4,763	2,669,841	0.2%
Nepal	781	412,004	0.2%	942	290,964	0.3%	1,023	623,431	0.2%	1,080	623,431	0.2%
Ethiopia	631	463,614	0.1%	373	408,289	0.1%	424	417,235	0.1%	696	417,235	0.2%
Croatia	5,022	3,510,314	0.1%	5,337	3,138,752	0.2%	7,287	4,890,286	0.1%	8,095	4,890,286	0.2%
Uganda	373	641,176	0.1%	4,513	348,751	1.3%	3,225	412,705	0.8%	616	412,705	0.1%
Uruguay	3,626	2,659,277	0.1%	3,343	2,024,741	0.2%	3,417	2,535,710	0.1%	3,633	2,535,710	0.1%
Korea, Dem Rep	412	921,463	0.0%	1,255	911,439	0.1%	2,127	931,790	0.2%	1,309	931,790	0.1%
Mexico	75,269	92,021,834	0.1%	142,189	158,451,097	0.1%	155,088	166,076,246	0.1%	232,016	166,076,246	0.1%
Bulgaria	3,021	4,217,604	0.1%	4,998	5,238,078	0.1%	7,066	6,964,445	0.1%	9,615	6,964,445	0.1%
Bolivia	629	1,022,695	0.1%	1,066	1,083,771	0.1%	2,189	1,462,486	0.1%	1,996	1,462,486	0.1%
Cote d'Ivoire	2,796	4,736,272	0.1%	6,318	3,700,106	0.2%	8,837	4,650,773	0.2%	6,297	4,650,773	0.1%
Cambodia	350	286,350	0.1%	1,468	1,886,729	0.1%	2,386	2,259,436	0.1%	2,788	2,259,436	0.1%
Egypt	6,569	6,035,571	0.1%	13,329	5,935,408	0.2%	7,769	7,354,880	0.1%	8,843	7,354,880	0.1%
Kenya	4,196	1,837,202	0.2%	5,989	1,524,515	0.4%	8,145	2,101,021	0.4%	2,410	2,101,021	0.1%
Bangladesh	6,743	4,142,582	0.2%	10,358	6,225,833	0.2%	8,856	7,735,029	0.1%	8,833	7,735,029	0.1%
Cyprus	866	1,312,684	0.1%	1,088	1,020,248	0.1%	1,481	1,387,625	0.1%	1,461	1,387,625	0.1%
Czech Republic	33,517	20,364,568	0.2%	36,762	35,998,601	0.1%	44,312	47,697,150	0.1%	49,560	47,697,150	0.1%
Marianas Northern	102	7,112	1.4%	76	7,550	1.0%	57	9,239	0.6%	9	9,239	0.1%
Tanzania	446	696,522	0.1%	1,096	530,948	0.2%	817	765,521	0.1%	763	765,521	0.1%
Haiti	6	196,452	0.0%	17	287,726	0.0%	392	375,373	0.1%	336	375,373	0.1%
Hungary	17,121	15,966,925	0.1%	30,007	32,236,122	0.1%	31,607	40,512,654	0.1%	34,372	40,512,654	0.1%
Bahamas	532	689,524	0.1%	1,566	1,108,156	0.1%	1,648	1,349,793	0.1%	1,137	1,349,793	0.1%
United Arab Emirates	4,847	23,714,649	0.0%	18,733	26,938,473	0.1%	76,712	43,726,632	0.2%	36,654	43,726,632	0.1%
Mauritius	1,125	1,623,599	0.1%	430	1,595,731	0.0%	1,678	1,728,910	0.1%	1,420	1,728,910	0.1%
Macau (Sar of China)	4,673	2,027,681	0.2%	2,616	2,373,587	0.1%	1,909	2,699,663	0.1%	2,186	2,699,663	0.1%

Table 5. Preference reliance among developing countries exporting to Australia (continued)

Country of origin	1996 Preferential Trade (USD'000) excluding 99	1996 Total Exports (USD '000)	1996 %	2002 Preferential Trade (USD'000) excluding 99	2002 Total Exports (USD '000)	2002 %	2003 Preferential Trade (USD'000) excluding 99	2003 Total Exports (USD '000)	2003 %	2004 Preferential Trade (USD'000) excluding 99	2004 2003 Total Exports (USD '000)	2004 %
Eritrea				1	8,498	0.0%				11	15,242	0.1%
Barbados	202	241,071	0.1%	228	245,495	0.1%	216	300,920	0.1%	214	300,920	0.1%
Saudi Arabia	42,262	57,582,884	0.1%	376,175	57,963,100	0.6%	226,840	80,014,041	0.3%	48,681	80,014,041	0.1%
Iran	12,646	19,576,197	0.1%	9,667	17,207,499	0.1%	10,992	25,621,534	0.0%	14,500	25,621,534	0.1%
Jordan	250	876,769	0.0%	603	1,137,705	0.1%	1,063	1,773,894	0.1%	992	1,773,894	0.1%
Costa Rica	3,387	4,186,759	0.1%	3,768	6,859,388	0.1%	4,629	10,348,836	0.0%	5,741	10,348,836	0.1%
Bhutan				4	3,129	0.1%				31	57,613	0.1%
Laos	153	286,853	0.1%	73	165,206	0.0%	157	300,642	0.1%	164	300,642	0.1%
Colombia	7,712	11,152,399	0.1%	5,721	11,550,159	0.0%	6,254	13,374,451	0.0%	7,207	13,374,451	0.1%
Qatar				33,053	9,985,825	0.3%	4,299	13,527,383	0.0%	7,169	13,527,383	0.1%
Romania	5,602	7,605,219	0.1%	3,991	13,544,649	0.0%	5,261	17,984,784	0.0%	9,426	17,984,784	0.1%
Seychelles	11	65,462	0.0%	345	347,643	0.1%	1	390,839	0.0%	190	390,839	0.0%
Honduras	634	2,730,626	0.0%	2,041	4,013,003	0.1%	1,966	4,370,281	0.0%	2,116	4,370,281	0.0%
Slovak Republic	1,224	9,067,806	0.0%				10,286	21,493,758	0.0%	10,074	21,493,758	0.0%
Albania	26	310,959	0.0%	2,537	355,662	0.7%	13,969	472,609	3.0%	216	472,609	0.0%
Ecuador	1,046	5,538,329	0.0%	1,456	5,712,090	0.0%	2,179	7,189,545	0.0%	3,103	7,189,545	0.0%
Guyana	4	558,439	0.0%	15	475,644	0.0%	14	508,861	0.0%	214	508,861	0.0%
Bosnia and Herzegovina	312	425,338	0.1%	517	880,007	0.1%	656	1,232,414	0.1%	518	1,232,414	0.0%
Malta	819	1,699,008	0.0%	695	2,606,675	0.0%	803	3,158,124	0.0%	1,315	3,158,124	0.0%
Jamaica	166	2,004,400	0.0%	832	1,387,968	0.1%	592	1,580,689	0.0%	607	1,580,689	0.0%
St. Helena										7	17,840	0.0%
Afghanistan	11	96,421	0.0%	22	46,148	0.0%	19	203,215	0.0%	70	203,215	0.0%
Morocco	1,606	7,304,401	0.0%	3,093	8,288,760	0.0%	3,165	9,913,307	0.0%	3,205	9,913,307	0.0%
Trinidad and Tobago	537	2,157,307	0.0%	652	3,433,383	0.0%	1,891	5,797,174	0.0%	1,847	5,797,174	0.0%
Zimbabwe	5,428	1,979,933	0.3%	2,158	1,495,981	0.1%	5,710	1,540,541	0.4%	480	1,540,541	0.0%
Dominica	0	95,436	0.0%	15	41,093	0.0%	7	41,411	0.0%	12	41,411	0.0%
Guatemala	1,061	3,397,481	0.0%	1,576	3,811,229	0.0%	1,206	5,142,299	0.0%	1,366	5,142,299	0.0%
Guam				5	38,000	0.0%	8	75,700	0.0%	19	75,700	0.0%
Nauru	26	44,309	0.1%	1,904	12,179	15.6%	38	19,360	0.2%	5	19,360	0.0%
Tunisia	75	5,419,747	0.0%	1,318	6,586,984	0.0%	1,414	8,066,024	0.0%	1,969	8,066,024	0.0%
Dominican Republic	482	4,241,589	0.0%	1,724	4,850,950	0.0%	1,415	5,285,348	0.0%	1,234	5,285,348	0.0%
Cameroon	454	2,228,603	0.0%	159	1,859,368	0.0%	423	2,478,175	0.0%	461	2,478,175	0.0%
Syria	752	3,523,008	0.0%	395	6,263,783	0.0%	860	5,885,387	0.0%	1,033	5,885,387	0.0%
Micronesia	23	58,200	0.0%				7	83,641	0.0%	14	83,641	0.0%
Belize				66	165,365	0.0%	28	255,259	0.0%	42	255,259	0.0%
Sierra Leone	312	213,636	0.1%	1	144,113	0.0%	20	195,682	0.0%	30	195,682	0.0%
Mongolia				1	497,205	0.0%	59	578,614	0.0%	79	578,614	0.0%
Kiribati	1	8,520	0.0%	28	24,737	0.1%	47	24,626	0.2%	3	24,626	0.0%
Marshall Islands				17	156,091	0.0%	57	176,765	0.0%	23	176,765	0.0%
Burkina Faso							15	167,567	0.0%	19	167,567	0.0%
Madagascar	140	693,699	0.0%	214	833,191	0.0%	49	1,157,411	0.0%	121	1,157,411	0.0%
Mauritania	1	683,284	0.0%	1	505,219	0.0%	1	522,622	0.0%	54	522,622	0.0%
Oman	63	6,524,766	0.0%	1,177	7,381,558	0.0%	6,180	10,416,082	0.1%	1,027	10,416,082	0.0%
El Salvador	584	1,921,189	0.0%	344	2,622,949	0.0%	342	3,222,226	0.0%	307	3,222,226	0.0%
Mali	29	318,490	0.0%	29	109,664	0.0%	1	206,597	0.0%	17	206,597	0.0%
Somalia	1	140,923	0.0%	0	30,199	0.0%	0	48,476	0.0%	3	48,476	0.0%
Lesotho							28	432,012	0.0%	27	432,012	0.0%
Panama	1,014	3,188,092	0.0%	89	1,952,324	0.0%	151	2,592,314	0.0%	150	2,592,314	0.0%
Malawi	1,370	466,318	0.3%	1,233	402,586	0.3%	2,716	478,905	0.6%	26	478,905	0.0%
Maldives										10	205,040	0.0%
Mozambique	2	230,424	0.0%				2	964,901	0.0%	48	964,901	0.0%
Gabon	6,358	3,131,797	0.2%	11,766	2,666,296	0.4%	135	3,284,167	0.0%	141	3,284,167	0.0%
Venezuela	403	21,976,421	0.0%	1,283	22,751,762	0.0%	1,313	24,839,909	0.0%	815	24,839,909	0.0%
Paraguay	113	1,328,569	0.0%				55	1,546,105	0.0%	45	1,546,105	0.0%
Congo	145	2,002,168	0.0%	73	1,639,304	0.0%	94	2,061,417	0.0%	50	2,061,417	0.0%
Grenada Is				5	29,253	0.0%				1	32,315	0.0%
Palau						#DIV/0!	1	16,188	0.0%	0	16,188	0.0%
Senegal	4	628,115	0.0%	7	459,989	0.0%	9	591,375	0.0%	9	591,375	0.0%
Niger	2	93,938	0.0%	3	91,459	0.0%	30	107,847	0.0%	1	107,847	0.0%
Kuwait	20	12,589,425	0.0%	60	13,049,256	0.0%	192	17,029,542	0.0%	198	17,029,542	0.0%
Suriname	0	573,581	0.0%	3	446,425	0.0%	4	533,763	0.0%	6	533,763	0.0%
Antigua and Barbuda							0	405,198	0.0%	3	405,198	0.0%
Sudan				6	1,946,083	0.0%				19	2,529,075	0.0%
Botswana				1	1,717,428	0.0%				16	2,154,517	0.0%
Zambia	303	1,007,325	0.0%	267	488,802	0.1%	24	663,720	0.0%	4	663,720	0.0%
Yemen							0	3,648,490	0.0%	8	3,648,490	0.0%
Nigeria	12,677	17,689,756	0.1%	13	14,213,264	0.0%	25	22,298,635	0.0%	28	22,298,635	0.0%
Zaire	56	1,618,302	0.0%	17	1,408,165	0.0%	17	1,024,013	0.0%	1	1,024,013	0.0%
Algeria				28,641	17,008,322	0.2%				8	22,368,524	0.0%
Cayman Islands	912	163,137	0.6%	0	225,293	0.0%				0	729,001	0.0%
Iraq										2	8,493,103	0.0%
Total economies shown above	**10,483,682**	**1,508,231,007**	**0.7%**	**14,841,623**	**1,974,862,710**	**0.8%**	**16,409,247**	**2,468,219,900**	**0.7%**	**18,489,764**	**2,504,828,866**	**0.7%**

Notes: 1) Since total export data for 2004 were not yet available, the total export figures for 2003 were held constant from 2003 to 2004. 2) Table excludes HS-99 (confidential imports). 3) The table excludes the following economies for which data were not available for 2003-2004: Samoa (American), United States Virgin Is, British Virgin Is, St. Vincent & Grenadines, Gibraltar, Burundi, Rwanda, Tokelau, Midway Islands, St. Lucia, Falkland Islands, Guinea, Gambia, Tuvalu, St Christopher and Nevis, St Pierre and Miquelon, Cape Verde, Niue, Turks and Caicos Islands. However, in 2002, none of these economies relied on Australian preferential trade for more than 1% of their total exports.

Source: Australian Bureau of Statistics data; OECD Secretariat calculations.

Table 6. Derived MFN tariff rates and preference margins, by HS 2-digit chapters

	Trade-weighted average of inferred statutory MFN tariff rates				Trade-weighted average of calculated MFN tariff rates				Trade-weighted average preference margins, based on inferred statutory MFN tariff rates				Trade-weighted average preference margins, based on calculated MFN tariff rates			
HS2 Product Name	1996	2002	2003	2004	1996	2002	2003	2004	1996	2002	2003	2004	1996	2002	2003	2004
1 Live animals	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2 Meat and edible me	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
3 Fish & crustacean,	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
4 Dairy prod; birds' eg	0%	0%	0%	0%	38%	38%	13%	34%	0%	0%	0%	0%	37%	38%	13%	34%
5 Products of animal	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
6 Live tree & other pla	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
7 Edible vegetables a	3%	2%	3%	2%	3%	2%	3%	2%	1%	1%	1%	1%	1%	1%	1%	1%
8 Edible fruit and nuts	1%	1%	1%	2%	1%	1%	1%	2%	0%	0%	0%	0%	0%	0%	0%	0%
9 Coffee, tea, matn a	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
10 Cereals	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
11 Prod.mill.indust; ma	2%	1%	2%	1%	2%	1%	2%	1%	0%	1%	1%	1%	0%	1%	1%	1%
12 Oil seed, oleagi fruit	1%	2%	2%	1%	1%	2%	2%	1%	0%	0%	0%	0%	0%	0%	0%	0%
13 Lac; gums, resins &	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
14 Vegetable plaiting n	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
15 Animal/veg fats & o	1%	1%	2%	1%	3%	1%	2%	1%	0%	0%	0%	0%	2%	0%	0%	0%
16 Prep of meat, fish c	2%	2%	2%	2%	2%	2%	2%	2%	1%	0%	0%	0%	1%	0%	0%	0%
17 Sugars and sugar c	7%	5%	4%	5%	8%	5%	4%	5%	3%	0%	0%	0%	3%	0%	0%	0%
18 Cocoa and cocoa p	0%	0%	0%	1%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%
19 Prep.of cereal, flour	6%	5%	4%	4%	8%	5%	4%	4%	3%	3%	3%	3%	6%	3%	3%	3%
20 Prep of vegetable, f	7%	5%	5%	5%	7%	7%	7%	6%	1%	1%	1%	0%	2%	2%	2%	1%
21 Miscellaneous edibl	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%	2%
22 Beverages, spirits a	3%	2%	2%	2%	522%	271%	260%	307%	0%	0%	0%	0%	369%	179%	159%	206%
23 Residues & waste fi	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
24 Tobacco and manu	0%	0%	0%	0%	20%	32%	39%	150%	0%	0%	0%	0%	16%	24%	29%	117%
25 Salt; sulphur; earth	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
26 Ores, slag and ash.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
27 Mineral fuels, oils &	0%	0%	0%	0%	15%	7%	11%	29%	0%	0%	0%	0%	14%	7%	11%	29%
28 Inorgn chem; comp	0%	1%	1%	1%	0%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
29 Organic chemicals.	1%	1%	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%	0%	0%	0%	0%
30 Pharmaceutical pro	2%	1%	1%	1%	2%	1%	1%	1%	2%	1%	1%	1%	2%	1%	1%	1%
31 Fertilisers.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
32 Tanning/dyeing extr	6%	5%	5%	5%	7%	5%	5%	5%	3%	1%	1%	1%	3%	1%	1%	1%
33 Essential oils & resi	7%	4%	5%	4%	7%	4%	5%	4%	2%	0%	0%	1%	2%	0%	0%	1%
34 Soap, organic surfa	7%	4%	3%	3%	7%	5%	5%	5%	2%	0%	0%	0%	2%	1%	2%	2%
35 Albuminoidal subs;	5%	3%	3%	3%	5%	3%	3%	3%	2%	1%	0%	0%	3%	1%	0%	0%
36 Explosives; pyrotec	7%	5%	5%	5%	7%	5%	5%	5%	4%	0%	0%	0%	3%	0%	0%	0%
37 Photographic or cin	5%	5%	5%	5%	5%	5%	5%	5%	3%	3%	4%	4%	3%	3%	4%	4%
38 Miscellaneous chem	3%	3%	3%	3%	4%	3%	4%	4%	2%	1%	1%	1%	2%	1%	1%	1%
39 Plastics and articles	8%	5%	5%	5%	9%	5%	5%	5%	3%	1%	1%	1%	5%	1%	1%	1%
40 Rubber and articles	9%	10%	10%	10%	9%	10%	10%	10%	5%	5%	5%	5%	5%	5%	5%	5%
41 Raw hides and skin	8%	5%	5%	5%	8%	5%	5%	5%	2%	3%	3%	3%	2%	3%	3%	3%
42 Articles of leather; s	7%	5%	5%	5%	8%	5%	5%	5%	4%	2%	2%	2%	4%	2%	2%	2%
43 Furskins and artifici	8%	5%	5%	5%	8%	5%	5%	5%	3%	0%	0%	0%	3%	0%	0%	0%
44 Wood and articles c	5%	4%	4%	5%	6%	5%	4%	5%	2%	1%	1%	1%	3%	1%	1%	1%
45 Cork and articles of	4%	3%	4%	4%	5%	3%	4%	4%	4%	2%	2%	2%	5%	2%	2%	2%
46 Manufactures of str	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
47 Pulp of wood/of oth	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
48 Paper & paperboard	7%	4%	4%	4%	8%	5%	4%	4%	2%	1%	1%	1%	3%	1%	1%	1%
49 Printed books, news	1%	1%	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%	1%	0%	0%	0%
50 Silk.	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
51 Wool, fine/coarse a	13%	6%	6%	6%	13%	7%	6%	6%	1%	3%	3%	3%	2%	3%	3%	3%
52 Cotton.	19%	11%	11%	10%	19%	11%	11%	10%	16%	7%	7%	6%	16%	7%	7%	6%
53 Other vegetable tex	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
54 Man-made filament	21%	10%	10%	11%	22%	10%	10%	11%	10%	4%	4%	4%	12%	4%	4%	4%
55 Man-made staple fil	14%	8%	8%	7%	15%	8%	8%	7%	7%	3%	2%	2%	8%	3%	2%	2%
56 Wadding, felt & nor	7%	5%	5%	5%	7%	5%	5%	5%	1%	1%	1%	1%	2%	1%	1%	1%
57 Carpets and other t	7%	7%	7%	7%	7%	7%	7%	7%	2%	3%	3%	3%	2%	3%	3%	3%
58 Special woven fab;	10%	8%	8%	8%	11%	8%	8%	8%	3%	1%	1%	1%	4%	1%	1%	1%
59 Impregnated, coate	7%	7%	7%	8%	7%	7%	7%	8%	4%	2%	2%	2%	4%	2%	2%	2%

Table 6. Derived MFN tariff rates and preference margins, by HS 2-digit chapters (continued)

	Trade-weighted average of inferred statutory MFN tariff rates				Trade-weighted average of calculated MFN tariff rates				Trade-weighted average preference margins, based on inferred statutory MFN tariff rates				Trade-weighted average preference margins, based on calculated MFN tariff rates			
HS2 Product Name	1996	2002	2003	2004	1996	2002	2003	2004	1996	2002	2003	2004	1996	2002	2003	2004
60 Knitted or crochetec	21%	13%	13%	13%	21%	13%	13%	13%	3%	2%	1%	2%	5%	2%	1%	2%
61 Art of apparel & clot	38%	24%	25%	24%	39%	24%	24%	24%	6%	1%	1%	1%	15%	1%	1%	1%
62 Art of apparel & clot	39%	24%	24%	24%	40%	24%	24%	24%	7%	1%	1%	2%	14%	2%	1%	1%
63 Other made up texti	21%	15%	16%	17%	21%	15%	16%	17%	6%	1%	1%	2%	10%	1%	1%	2%
64 Footwear, gaiters ar	29%	15%	15%	15%	28%	15%	15%	15%	4%	1%	1%	1%	5%	1%	1%	1%
65 Headgear and parts	1%	0%	0%	0%	1%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
66 Umbrellas, walking-	8%	4%	4%	4%	8%	4%	4%	4%	6%	1%	1%	1%	6%	1%	1%	1%
67 Prepr feathers & do	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
68 Art of stone, plaster	6%	5%	5%	5%	6%	5%	5%	5%	2%	1%	1%	1%	2%	1%	1%	1%
69 Ceramic products.	7%	5%	5%	5%	8%	5%	5%	5%	3%	1%	1%	1%	3%	1%	1%	1%
70 Glass and glasswar	5%	4%	5%	5%	12%	5%	5%	6%	2%	2%	2%	2%	9%	2%	2%	3%
71 Natural/cultured pe	1%	0%	0%	1%	1%	0%	0%	1%	1%	0%	0%	0%	1%	0%	0%	0%
72 Iron and steel.	3%	4%	3%	4%	3%	5%	5%	5%	2%	1%	1%	2%	2%	2%	2%	3%
73 Articles of iron or st	8%	6%	6%	6%	9%	6%	6%	6%	3%	1%	1%	1%	4%	2%	1%	2%
74 Copper and articles	3%	2%	2%	4%	3%	3%	3%	5%	1%	0%	0%	1%	1%	1%	1%	1%
75 Nickel and articles t	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
76 Aluminium and artic	6%	5%	5%	5%	7%	5%	5%	5%	2%	1%	1%	1%	2%	1%	1%	1%
78 Lead and articles th	4%	1%	2%	3%	4%	1%	2%	3%	3%	0%	0%	0%	3%	0%	0%	0%
79 Zinc and articles the	6%	4%	3%	2%	6%	4%	3%	2%	1%	0%	0%	0%	1%	0%	0%	0%
80 Tin and articles ther	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
81 Other base metals;	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
82 Tool, implement, cu	6%	4%	4%	4%	7%	4%	4%	4%	4%	1%	2%	2%	5%	1%	2%	2%
83 Miscellaneous articl	9%	6%	6%	7%	9%	6%	6%	7%	3%	1%	1%	1%	4%	1%	1%	2%
84 Nuclear reactors, bo	2%	2%	2%	2%	2%	2%	2%	2%	1%	1%	1%	1%	1%	1%	1%	1%
85 Electrical mchy equ	6%	3%	2%	2%	6%	3%	2%	2%	4%	2%	1%	1%	4%	2%	1%	1%
86 Railw/tramw locom,	1%	2%	1%	2%	1%	2%	1%	2%	0%	0%	0%	0%	0%	0%	0%	0%
87 Vehicles o/t railw/tra	20%	9%	9%	9%	20%	9%	9%	9%	2%	1%	1%	1%	2%	3%	5%	5%
88 Aircraft, spacecraft,	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
89 Ships, boats and flo	2%	0%	2%	1%	2%	0%	2%	1%	1%	0%	0%	0%	1%	0%	0%	0%
90 Optical, photo, cine,	3%	1%	1%	1%	3%	1%	1%	1%	2%	0%	0%	1%	2%	0%	0%	1%
91 Clocks and watches	1%	0%	1%	0%	1%	0%	1%	0%	1%	0%	0%	0%	1%	0%	0%	0%
92 Musical instruments	3%	2%	2%	2%	3%	2%	2%	2%	2%	1%	1%	1%	3%	1%	1%	1%
93 Arms and ammuniti	1%	2%	2%	2%	1%	2%	2%	2%	1%	1%	1%	1%	1%	1%	1%	1%
94 Furniture; bedding,	8%	5%	5%	5%	9%	13%	11%	5%	2%	0%	0%	0%	3%	8%	6%	0%
95 Toys, games & spo	8%	4%	4%	4%	9%	4%	4%	4%	6%	3%	3%	3%	7%	3%	3%	3%
96 Miscellaneous man	7%	4%	4%	4%	7%	4%	4%	4%	4%	1%	1%	1%	4%	1%	1%	1%
97 Works of art, collec	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Note: The inferred statutory MFN rates do not take into account specific duties.
Source: Australian Bureau of Statistics data; OECD Secretariat calculations.

Table 7. The estimated value of Australian tariff preferences calculated in terms of forgone duties, by sector

HS2	Product Name	Amount of forgone duty based on inferred statutory MFN rates (USD '000)				Amount of forgone duty based on calculated MFN rates (USD '000)				Amount of forgone duty as a % of inferred statutory MFN duty				Amount of forgone duty as a % of calculated MFN duty			
		1996	2002	2003	2004	1996	2002	2003	2004	1996	2002	2003	2004	1996	2002	2003	2004
1	Live animals	0	0	0	0	0	0	0	0								
2	Meat and edible meat offal	0	0	0	0	0	0	0	0								
3	Fish & crustacean, mollusc & other	0	0	0	0	0	0	0	0								
4	Dairy prod; birds' eggs; natural ho	0	0	0	0	1,436	4,799	3,392	5,206					100%	100%	100%	100%
5	Products of animal origin, nes or	1	0	0	0	1	0	0	0	21%	0%	0%	0%	21%	0%	0%	0%
6	Live tree & other plant; bulb, root	0	0	0	0	0	0	0	0								
7	Edible vegetables and certain roots	195	135	203	241	228	138	202	240	32%	23%	25%	25%	35%	23%	25%	25%
8	Edible fruit and nuts; peel of citr	128	1	181	516	130	4	180	504	11%	0%	12%	24%	11%	0%	12%	24%
9	Coffee, tea, matn and spices.	0	0	0	0	0	0	0	0								
10	Cereals	0	0	0	0	0	0	0	0								
11	Prod.mill.indust; malt; starches;	9	56	198	173	9	56	198	173	7%	67%	89%	83%	7%	67%	89%	83%
12	Oil seed, oleagi fruits; miscell gr	54	136	151	79	54	150	151	79	20%	20%	20%	20%	20%	21%	20%	20%
13	Lac; gums, resins & other vegetable	2	0	0	0	2	0	0	0	42%	14%	19%	16%	42%	14%	18%	16%
14	Vegetable plaiting materials; veget	0	0	0	0	0	0	0	0								
15	Animal/veg fats & oils & their clea	227	50	314	170	2,018	51	313	171	15%	5%	16%	8%	60%	5%	16%	8%
16	Prep of meat, fish or crustaceans,	650	7	25	19	650	69	25	19	27%	0%	1%	0%	27%	2%	1%	0%
17	Sugars and sugar confectionery.	396	84	86	134	428	121	86	134	36%	6%	5%	7%	37%	9%	5%	7%
18	Cocoa and cocoa preparations.	16	0	131	368	45	2	131	368	9%	0%	25%	46%	22%	1%	25%	46%
19	Prep.of cereal, flour, starch/milk;	1,583	1,980	2,547	3,404	2,625	2,008	2,547	3,404	57%	61%	62%	66%	69%	62%	62%	66%
20	Prep of vegetable, fruit, nuts or o	1,501	605	619	739	1,666	2,282	2,307	2,154	22%	13%	11%	10%	23%	36%	29%	23%
21	Miscellaneous edible preparations.	1,402	2,332	2,790	3,008	1,415	2,388	2,790	3,008	96%	91%	91%	87%	96%	91%	91%	87%
22	Beverages, spirits and vinegar.	63	39	42	65	80,250	42,579	51,277	92,715	9%	7%	6%	8%	71%	66%	61%	67%
23	Residues & waste from the food inc	0	0	0	0	0	0	0	0								
24	Tobacco and manufactured tobacc	0	0	0	0	7,105	11,680	13,745	28,040					79%	74%	73%	78%
25	Salt; sulphur; earth & ston; plaste	43	42	69	72	46	42	69	72	23%	23%	25%	24%	24%	23%	25%	24%
26	Ores, slag and ash.	0	0	0	0	0	0	0	0								
27	Mineral fuels, oils & product of th	0	1	4	3,729	460,649	334,641	650,326	2,593,711	0%	14%	25%	93%	91%	99%	99%	100%
28	Inorgn chem; compds of prec mtl,	81	45	64	76	80	162	62	74	24%	9%	10%	6%	24%	26%	10%	6%
29	Organic chemicals.	373	584	1,294	1,425	428	588	1,423	1,661	27%	20%	34%	33%	29%	20%	36%	36%
30	Pharmaceutical products.	542	523	614	698	744	526	614	698	98%	86%	83%	81%	98%	86%	83%	81%
31	Fertilisers.	0	0	0	0	0	0	0	0								
32	Tanning/dyeing extract; tannins &	1,227	676	746	963	1,425	699	746	963	42%	22%	22%	25%	46%	22%	22%	25%
33	Essential oils & resinoids; perf,	453	24	35	672	588	86	36	672	28%	1%	1%	12%	34%	2%	1%	12%
34	Soap, organic surface-active agent	879	38	53	101	930	478	1,352	1,954	30%	2%	3%	4%	32%	18%	39%	41%
35	Albuminoidal subs; modified starch	325	137	104	60	338	145	104	60	53%	19%	13%	6%	54%	20%	13%	6%
36	Explosives; pyrotechnic prod; matc	205	21	17	21	194	22	17	27	55%	5%	3%	3%	53%	5%	3%	3%
37	Photographic or cinematographic g	596	2,227	2,584	2,608	601	2,237	2,582	2,605	59%	71%	75%	75%	60%	71%	75%	75%
38	Miscellaneous chemical products.	1,123	729	946	1,160	1,362	1,058	1,570	1,752	51%	24%	24%	21%	55%	29%	32%	27%
39	Plastics and articles thereof.	14,762	4,255	5,054	7,349	24,100	7,526	6,792	10,199	37%	12%	12%	14%	49%	20%	16%	19%
40	Rubber and articles thereof.	14,917	18,553	23,429	27,467	15,692	19,688	24,322	27,884	54%	49%	50%	49%	56%	52%	52%	50%

Table 7. The estimated value of Australian tariff preferences calculated in terms of forgone duties, by sector (continued)

		Amount of forgone duty based on inferred statutory MFN rates (USD '000)				Amount of forgone duty based on calculated MFN rates (USD '000)				Amount of forgone duty as a % of inferred statutory MFN duty				Amount of forgone duty as a % of calculated MFN duty			
HS2	Product Name	1996	2002	2003	2004	1996	2002	2003	2004	1996	2002	2003	2004	1996	2002	2003	2004
41	Raw hides and skins (other than fu	629	1,322	1,130	1,144	736	1,332	1,130	1,144	26%	64%	63%	63%	30%	64%	63%	63%
42	Articles of leather; saddlery/harne	8,063	3,867	4,866	6,794	9,742	4,068	4,866	6,794	50%	29%	32%	33%	55%	30%	32%	33%
43	Furskins and artificial fur; manuf	148	15	5	6	156	17	5	6	35%	3%	1%	1%	37%	4%	1%	1%
44	Wood and articles of wood; wood c	3,929	2,693	3,260	4,844	5,401	2,759	3,258	4,842	40%	27%	26%	27%	48%	27%	26%	27%
45	Cork and articles of cork.	16	11	15	28	18	11	15	28	94%	51%	47%	61%	94%	51%	47%	61%
46	Manufactures of straw, esparto/othe	0	0	0	0	0	0	0	0								
47	Pulp of wood/of other fibrous cellu	0	0	0	0	0	0	0	0								
48	Paper & paperboard; art of paper p	5,158	2,542	2,939	4,065	6,929	4,610	2,940	4,064	33%	17%	15%	17%	40%	27%	15%	17%
49	Printed books, newspapers, picture	454	75	107	92	774	105	107	92	34%	7%	8%	6%	47%	9%	8%	6%
50	Silk.	0	1	6	35	1	1	6	35	13%	42%	31%	61%	17%	42%	31%	61%
51	Wool, fine/coarse animal hair, hors	250	816	743	708	596	832	743	708	8%	51%	42%	42%	19%	52%	42%	42%
52	Cotton.	34,534	12,257	11,782	11,110	36,339	12,358	11,780	11,102	80%	64%	63%	61%	84%	64%	63%	61%
53	Other vegetable textile fibres; pap	8	21	17	13	8	21	17	13	58%	77%	72%	69%	58%	77%	72%	69%
54	Man-made filaments.	16,653	4,316	3,736	4,325	19,477	4,349	3,736	4,325	49%	38%	35%	36%	56%	39%	35%	36%
55	Man-made staple fibres.	14,457	3,107	2,452	1,925	17,658	3,122	2,455	1,926	45%	37%	31%	24%	55%	37%	31%	24%
56	Wadding, felt & nonwoven; yarns; t	374	352	374	416	530	375	374	416	18%	13%	12%	13%	26%	14%	12%	13%
57	Carpets and other textile floor co	948	1,202	1,529	2,130	985	1,214	1,529	2,130	32%	38%	39%	40%	33%	38%	39%	40%
58	Special woven fab; tufted tex fab;	948	331	422	369	1,414	338	422	369	29%	11%	14%	12%	40%	11%	14%	12%
59	Impregnated, coated, cover/laminat	1,251	433	590	901	1,282	437	590	900	50%	23%	24%	27%	51%	23%	24%	27%
60	Knitted or crocheted fabrics.	1,600	638	519	842	2,501	646	519	843	14%	13%	10%	16%	22%	13%	10%	16%
61	Art of apparel & clothing access,	27,488	5,142	8,259	6,796	67,188	5,706	7,545	6,797	16%	3%	4%	3%	38%	4%	4%	3%
62	Art of apparel & clothing access, n	38,217	11,920	14,835	17,313	82,622	12,633	14,842	17,100	17%	6%	6%	6%	36%	6%	6%	6%
63	Other made up textile articles; set	12,153	3,206	3,740	7,069	18,655	3,365	3,740	7,070	32%	8%	7%	10%	47%	8%	7%	10%
64	Footwear, gaiters and the like; par	12,941	3,734	3,819	4,943	16,218	4,010	3,820	4,943	13%	6%	5%	6%	16%	6%	5%	6%
65	Headgear and parts thereof.	20	4	7	4	41	5	7	4	8%	3%	4%	2%	15%	3%	4%	2%
66	Umbrellas, walking-sticks, seat-sti	682	149	157	163	713	161	157	163	76%	28%	32%	28%	76%	30%	32%	28%
67	Prepr feathers & down; arti flower;	0	0	0	0	0	0	0	0								
68	Art of stone, plaster, cement, asbe	805	615	1,085	1,411	860	630	1,084	1,411	35%	18%	20%	20%	37%	18%	20%	20%
69	Ceramic products.	2,566	1,094	1,476	1,640	3,107	1,145	1,476	1,640	36%	13%	13%	12%	41%	13%	13%	12%
70	Glass and glassware.	2,530	2,448	3,198	3,938	9,588	3,425	4,586	7,439	47%	36%	35%	36%	77%	44%	44%	52%
71	Natural/cultured pearls, prec stone	3,203	55	2,149	1,817	3,251	137	2,149	1,817	50%	1%	24%	15%	50%	3%	24%	15%
72	Iron and steel.	2,086	2,569	3,392	11,776	2,095	4,004	5,935	13,881	45%	39%	38%	57%	45%	46%	48%	59%
73	Articles of iron or steel.	9,359	6,327	9,322	13,570	12,457	8,963	9,543	15,660	41%	22%	25%	25%	48%	29%	26%	28%
74	Copper and articles thereof.	698	339	291	964	908	1,134	1,542	1,638	33%	13%	10%	19%	39%	34%	37%	29%
75	Nickel and articles thereof.	0	0	0	0	0	0	0	0	0%	0%	0%	0%	0%	0%	0%	0%
76	Aluminium and articles thereof.	835	1,118	1,547	2,166	992	1,212	1,646	2,659	32%	15%	14%	14%	36%	16%	15%	17%
78	Lead and articles thereof.	2	1	0	0	2	1	0	0	81%	18%	2%	2%	81%	20%	2%	2%
79	Zinc and articles thereof.	8	4	2	2	10	4	2	2	19%	8%	3%	3%	23%	8%	3%	3%
80	Tin and articles thereof.	0	0	0	0	0	0	0	0								

Table 7. The estimated value of Australian tariff preferences calculated in terms of forgone duties, by sector (continued)

		Amount of forgone duty based on inferred statutory MFN rates (USD '000)				Amount of forgone duty based on calculated MFN rates (USD '000)				Amount of forgone duty as a % of inferred statutory MFN duty				Amount of forgone duty as a % of calculated MFN duty			
HS2	Product Name	1996	2002	2003	2004	1996	2002	2003	2004	1996	2002	2003	2004	1996	2002	2003	2004
81	Other base metals; cermets; article	0	0	0	0	0	0	0	0								
82	Tool, implement, cutlery, spoon & f	4,689	2,154	2,482	3,690	6,116	2,241	2,482	3,690	58%	32%	34%	40%	64%	33%	34%	40%
83	Miscellaneous articles of base meta	3,284	1,434	2,172	3,279	3,659	1,743	2,658	4,224	38%	16%	19%	22%	41%	19%	23%	28%
84	Nuclear reactors, boilers, mchy & m	34,259	25,137	33,891	46,939	36,580	26,533	39,467	68,790	62%	37%	37%	37%	64%	39%	42%	47%
85	Electrical mchy equip parts thereof	90,098	58,968	61,616	88,754	95,766	62,278	64,737	92,500	68%	58%	55%	56%	69%	61%	57%	58%
86	Railw/tramw locom, rolling-stock &	8	3	0	0	8	3	0	0	15%	1%	0%	0%	15%	1%	0%	0%
87	Vehicles o/t railw/tramw roll-stock	10,699	11,761	13,970	20,727	12,358	30,772	66,946	97,918	8%	12%	11%	11%	9%	30%	52%	54%
88	Aircraft, spacecraft, and parts the	0	0	0	0	0	0	0	0								
89	Ships, boats and floating structure	176	47	55	255	176	48	55	255	35%	10%	9%	18%	35%	10%	9%	18%
90	Optical, photo, cine, meas, checkin	5,100	1,657	2,029	4,957	6,386	1,706	2,030	4,947	67%	42%	47%	67%	72%	43%	47%	67%
91	Clocks and watches and parts there	401	82	119	125	418	83	119	125	84%	29%	32%	45%	84%	30%	32%	45%
92	Musical instruments; parts and acc	526	368	436	521	642	377	435	516	75%	53%	48%	50%	78%	53%	48%	49%
93	Arms and ammunition; parts and a	30	26	27	48	30	26	27	48	58%	45%	39%	48%	58%	45%	39%	48%
94	Furniture; bedding, mattress, matt	6,725	1,816	1,525	1,920	8,357	50,815	47,781	3,327	30%	5%	4%	3%	35%	61%	54%	6%
95	Toys, games & sports requisites; pa	26,279	15,342	19,157	24,924	30,251	15,662	19,155	24,922	80%	68%	70%	71%	82%	69%	70%	71%
96	Miscellaneous manufactured article	3,131	808	862	1,031	3,539	857	861	1,032	54%	19%	19%	18%	57%	20%	19%	18%
97	Works of art, collectors' pieces an	0	0	0	0	0	0	0	0								
	Total	430,169	225,610	268,414	365,802	1,132,775	710,496	1,106,678	3,202,801								

Note: No % indicators are shown in cases where amount of estimated MFN duty is zero for a particular product group.
Source: Australian Bureau of Statistics data; OECD Secretariat calculations.

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Table 8. The estimated value of Australian tariff preferences calculated in terms of forgone duties, by country

Country of Origin	Amount of duty forgone based on inferred statutory MFN rates: Duty forgone (USD '000) 1996	2002	2003	2004	2004 duties forgone for each country…: As % of each country's total exports	As % of duty to be paid at inferred statutory MFN rates	As % in total duties forgone by Australia in 2004 (stat. MFN rates)	Amount of duty forgone based on calculated MFN rates: Duty forgone (USD '000) 1996	2002	2003	2004	2004 duties forgone for each country…: As % of each country's total exports	As % of duty to be paid at calculated MFN rates	As % in total duties forgone by Australia in 2004 (calc. MFN rates)
Afghanistan	0.0	0.0	0.0	2.4	0.00%	55.3%	0.0%	0.0	0.0	0.0	2.4	0.00%	55.4%	0.0%
Albania	1.1	0.0	0.2	0.1	0.00%	2.0%	0.0%	1.1	0.0	0.2	0.1	0.00%	2.1%	0.0%
Algeria	0.0	0.0	0.0	0.6	0.00%	46.4%	0.0%	0.0	0.0	0.0	0.6	0.00%	46.6%	0.0%
Angola	0.0	0.0	1.4	0.1	0.00%	36.1%	0.0%	0.0	0.0	1.4	0.1	0.00%	36.1%	0.0%
Anguilla	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0	0.00%	0.0%	0.0%
Antigua and Barbuda	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0	0.00%	0.3%	0.0%
Argentina	855.5	1,705.9	1,884.9	2,126.1	0.01%	43.2%	0.6%	955.4	1,732.9	1,907.3	2,158.9	0.01%	43.7%	0.1%
Bahamas	0.2	0.0	0.0	2.8	0.00%	3.0%	0.0%	539.3	1,084.6	24.8	5.9	0.00%	6.1%	0.0%
Bahrain	93.8	203.0	266.2	374.3	0.01%	19.4%	0.1%	115.9	209.0	266.1	375.5	0.02%	19.5%	0.0%
Bangladesh	223.7	179.0	353.1	1,280.1	0.02%	76.1%	0.3%	253.9	182.0	353.1	1,280.1	0.02%	76.1%	0.0%
Barbados	22.0	1.4	6.1	0.0				952.7	838.2	2,512.5	2,704.9	0.90%	76.5%	0.1%
Belize	0.0	1.8	0.3	0.6	0.00%	25.7%	0.0%	0.0	1.8	0.3	0.6	0.00%	25.8%	0.0%
Benin	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0			
Bermuda	0.0	1.7	0.0	0.1	0.00%	55.9%	0.0%	569.5	1.7	0.0	0.1	0.00%	56.4%	0.0%
Bhutan	0.0	0.2	0.0	3.7	0.01%	53.6%	0.0%	0.0	0.2	0.0	3.7	0.01%	53.6%	0.0%
Bolivia	28.4	7.7	17.9	6.7	0.00%	8.5%	0.0%	29.9	7.8	17.9	16.5	0.00%	16.9%	0.0%
Bosnia and Herzegovina	3.3	9.2	9.7	16.4	0.00%	40.7%	0.0%	3.3	31.1	9.7	33.6	0.00%	50.2%	0.0%
Botswana	0.0	0.0	0.1	0.1	0.00%	13.4%	0.0%	0.0	0.0	0.1	0.1	0.00%	13.5%	0.0%
Brazil	6,522.5	2,954.8	3,667.9	5,020.3	0.01%	29.2%	1.4%	32,673.7	3,279.0	4,126.0	8,237.7	0.01%	40.7%	0.3%
Brit.Ind.Ocean Territory	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0			
British Virgin Is	0.0	0.1	0.0	0.0				0.0	12.7	0.0	0.0	0.00%	0.1%	0.0%
Brunei Darussalam	3.9	3.4	1.5	0.6	0.00%	3.0%	0.0%	4.5	3.7	1.8	0.7	0.00%	3.0%	0.0%
Bulgaria	31.9	45.8	60.4	82.5	0.00%	12.6%	0.0%	1,067.9	4,001.2	2,722.0	5,097.2	0.07%	89.9%	0.2%
Burkina Faso	0.0	0.0	0.8	1.0	0.00%	79.1%	0.0%	0.0	0.0	0.8	1.0	0.00%	79.2%	0.0%
Burundi	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0			
Cambodia	4.8	52.5	225.7	342.1	0.02%	63.0%	0.1%	9.9	53.1	232.1	485.9	0.02%	67.2%	0.0%
Cameroon	4.2	6.4	10.6	18.5	0.00%	98.8%	0.0%	4.2	6.5	10.6	18.6	0.00%	99.2%	0.0%
Cape Verde	0.0	0.0	0.1	0.0				0.0	0.0	0.1	0.0			
Cayman Islands	0.2	0.0	0.0	0.0				0.8	0.0	0.0	0.0	0.00%	2.9%	0.0%
Cen African Rep	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0			

Table 8. The estimated value of Australian tariff preferences calculated in terms of forgone duties, by country (continued)

	Amount of duty forgone based on inferred statutory MFN rates							Amount of duty forgone based on calculated MFN rates						
	Duty forgone (USD '000)				2004 duties forgone for each country…			Duty forgone (USD '000)				2004 duties forgone for each country…		
Country of Origin	1996	2002	2003	2004	As % of each country's total exports	As % of duty to be paid at inferred statutory MFN rates	As % in total duties forgone by Australia in 2004 (stat. MFN rates)	1996	2002	2003	2004	As % of each country's total exports	As % of duty to be paid at calculated MFN rates	As % in total duties forgone by Australia in 2004 (calc. MFN rates)
Chad	0.0	0.0	0.2	0				0.0	0.0	0.2	0.0			0.0%
Chile	284.1	214.3	230.1	233	0.00%	14.8%	0.1%	389.3	332.6	259.2	368.4	0.00%	21.0%	0.0%
China	119,985.8	78,703.8	93,964.1	138,015	0.02%	15.1%	37.7%	231,685.9	121,605.9	135,004.8	178,824.0	0.03%	18.7%	5.6%
Colombia	128.9	37.1	45.8	81	0.00%	24.0%	0.0%	356.5	73.3	93.0	104.5	0.00%	28.4%	0.0%
Comoros	1.6	0.0	0.0	0.0				1.6	0.0	0.0	0.0			
Congo	0.3	1.3	0.6	0	0.00%	100.0%	0.0%	0.3	1.3	0.6	0.1	0.00%	100.0%	0.0%
Cook Islands	15.2	4.0	1.1	2	0.02%	87.7%	0.0%	15.3	4.1	1.1	2.3	0.02%	87.7%	0.0%
Costa Rica	9.0	208.3	176.2	201	0.00%	57.6%	0.1%	11.2	211.9	224.9	202.0	0.00%	57.4%	0.0%
Cote d'Ivoire	4.7	0.5	0.8	1	0.00%	8.9%	0.0%	5.8	0.5	0.8	0.6	0.00%	9.0%	0.0%
Croatia	98.5	74.7	111.0	302	0.01%	44.5%	0.1%	1,079.9	228.0	247.9	619.0	0.01%	42.5%	0.0%
Cuba	3.6	50.8	8.8	4	0.00%	15.7%	0.0%	1,539.3	4,645.8	7,049.2	7,330.6	0.66%	80.9%	0.2%
Cyprus	31.3	1.5	1.9	4	0.00%	8.7%	0.0%	105.4	326.1	432.7	94.1	0.01%	52.9%	0.0%
Czech Republic	1,216.2	722.6	666.9	1,640	0.00%	42.3%	0.4%	1,586.4	1,035.4	1,259.0	3,466.6	0.01%	52.3%	0.1%
Zaire	0.0	0.0	0.2	0				0.1	0.0	0.2	0.0	0.00%	2.6%	0.0%
Djibouti	0.0	0.0	0.0	0				0.0	0.0	0.0	0.0	0.00%	0.5%	0.0%
Dominica	0.0	0.0	0.0	0	0.00%	54.2%	0.0%	0.1	54.1	411.5	736.2	1.78%	59.8%	0.0%
Dominican Republic	17.4	2.5	10.4	13	0.00%	13.2%	0.0%	200.3	1,348.8	1,793.4	2,772.5	0.05%	86.7%	0.1%
East Timor	0.0	0.3	0.1	2	0.03%	57.5%	0.0%	0.0	0.3	17.9	86.3	1.65%	67.7%	0.0%
Ecuador	11.4	2.8	0.7	8	0.00%	20.6%	0.0%	13.4	38.5	56.3	15.5	0.00%	17.3%	0.0%
Egypt	378.9	32.1	55.4	54	0.00%	5.6%	0.0%	414.5	251.0	193.9	13,268.8	0.18%	91.8%	0.4%
El Salvador	2.8	1.1	2.4	2	0.00%	2.3%	0.0%	4.0	1.9	2.4	1.6	0.00%	2.3%	0.0%
Equatorial Guinea	0.0	0.0	0.0	0	0.00%	72.6%	0.0%	0.0	0.0	0.0	0.2	0.00%	73.0%	0.0%
Eritrea	0.0	0.1	0.0	1	0.00%	100.0%	0.0%	0.0	0.1	0.0	0.6	0.00%	100.0%	0.0%
Ethiopia	1.0	0.0	0.1	0				1.0	0.0	0.1	17.5	0.00%	71.3%	0.0%
Falkland Islands	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0			
Fiji	44,758.3	15,179.2	17,741.5	19,434	3.48%	99.4%	5.3%	45,817.5	16,695.7	22,202.6	23,734.5	4.25%	94.8%	0.7%
FYR Macedonia	29.2	10.1	11.4	11	0.00%	12.4%	0.0%	80.9	27.1	14.3	77.3	0.01%	28.7%	0.0%
French Polynesia	2.5	7.0	5.2	11	0.01%	96.1%	0.0%	3.1	10.9	5.2	24.4	0.01%	95.6%	0.0%
Gabon	0.0	0.8	0.8	7	0.00%	100.0%	0.0%	0.0	0.8	0.8	6.8	0.00%	100.0%	0.0%
Gambia	0.0	0.0	0.0	0				0.0	0.0	0.0	0.0	0.00%	0.3%	0.0%

Table 8. The estimated value of Australian tariff preferences calculated in terms of forgone duties, by country (continued)

	Amount of duty forgone based on inferred statutory MFN rates							Amount of duty forgone based on calculated MFN rates						
	Duty forgone (USD '000)				2004 duties forgone for each country…			Duty forgone (USD '000)				2004 duties forgone for each country…		
Country of Origin	1996	2002	2003	2004	As % of each country's total exports	As % of duty to be paid at inferred statutory MFN rates	As % in total duties forgone by Australia in 2004 (stat. MFN rates)	1996	2002	2003	2004	As % of each country's total exports	As % of duty to be paid at calculated MFN rates	As % in total duties forgone by Australia in 2004 (calc. MFN rates)
Ghana	11.1	33.0	18.3	39.7	0.00%	43.2%	0.0%	14.5	33.4	18.3	39.7	0.00%	43.2%	0.0%
Gibraltar	2.1	0.0	1.3	0.0			0.0%	2.2	0.0	1.3	0.0	0.00%	0.0%	0.0%
Grenada Is	0.0	0.0	0.0	0.0			0.0%	0.0	0.0	0.0	0.0	0.00%	0.0%	0.0%
Guam	0.8	0.3	0.5	2.3	0.00%	62.9%	0.0%	1.2	0.3	0.5	2.3	0.00%	63.0%	0.0%
Guatemala	7.9	2.2	2.5	1.9	0.00%	9.2%	0.0%	8.7	2.7	2.5	1.9	0.00%	9.3%	0.0%
Guinea	0.0	0.0	0.0	0.4	0.00%	94.2%	0.0%	0.0	0.0	0.0	0.4	0.00%	94.5%	0.0%
Guyana	0.0	0.0	0.3	5.0	0.00%	83.8%	0.0%	0.0	0.0	0.3	5.0	0.00%	83.8%	0.0%
Haiti	0.2	0.5	98.0	83.7	0.02%	46.6%	0.0%	0.3	0.6	98.0	83.7	0.02%	46.6%	0.0%
Honduras	0.5	0.1	0.7	0.0	0.00%	0.0%	0.0%	32.2	251.0	430.2	224.4	0.01%	26.9%	0.0%
Hong Kong	12,866.6	6,633.3	4,845.0	7,271.6	0.01%	17.9%	2.0%	16,161.3	8,433.5	6,154.2	7,821.7	0.01%	18.9%	0.2%
Hungary	665.6	568.4	924.2	993.7	0.00%	24.2%	0.3%	923.4	1,476.7	1,987.8	1,780.0	0.00%	41.7%	0.1%
India	12,170.4	5,324.1	6,570.6	9,421.3	0.02%	21.9%	2.6%	23,422.3	6,381.8	7,144.9	10,272.2	0.02%	23.3%	0.3%
Indonesia	18,094.4	9,622.5	9,267.8	11,060.9	0.02%	21.9%	3.0%	25,642.9	12,859.0	51,785.0	140,235.9	0.21%	77.8%	4.4%
Iran	85.8	21.5	30.8	13.2	0.00%	3.7%	0.0%	89.3	25.4	42.8	13.2	0.00%	3.7%	0.0%
Iraq	0.0	0.0	0.0	0.1	0.00%	66.7%	0.0%	0.0	0.0	0.0	0.1	0.00%	66.7%	0.0%
Israel	3,722.2	1,785.5	2,532.5	3,269.3	0.01%	34.9%	0.9%	4,425.3	1,857.7	2,548.8	3,346.5	0.01%	35.3%	0.1%
Jamaica	0.5	10.0	0.1	0.0			0.0%	1,114.7	793.4	4,369.7	6,015.9	0.38%	65.0%	0.2%
Jordan	4.2	1.6	2.8	6.5	0.00%	16.6%	0.0%	4.5	140.2	49.0	42.6	0.00%	20.8%	0.0%
Kenya	15.6	19.4	2.1	1.1	0.00%	9.5%	0.0%	30.6	19.6	2.1	3.9	0.00%	25.7%	0.0%
Kiribati	0.0	0.0	0.0	0.1	0.00%	9.9%	0.0%	0.0	0.0	0.0	0.1	0.00%	10.0%	0.0%
Korea, Dem Rep	22.0	25.8	136.4	64.7	0.01%	25.8%	0.0%	26.9	26.1	136.4	77.1	0.01%	27.9%	0.0%
Korea	43,513.8	21,439.2	30,322.0	36,887.3	0.02%	22.0%	10.1%	65,318.2	54,095.0	81,830.7	183,692.6	0.10%	64.1%	5.7%
Kuwait	0.0	0.1	0.5	1.6	0.00%	18.0%	0.0%	4.7	0.1	0.9	2.0	0.00%	23.0%	0.0%
Laos	8.4	3.6	14.6	15.4	0.01%	23.9%	0.0%	9.5	3.9	14.6	15.4	0.01%	20.4%	0.0%
Lebanon	65.5	25.6	38.6	33.5	0.00%	11.2%	0.0%	203.1	58.6	68.6	111.3	0.01%	27.6%	0.0%
Lesotho	0.0	0.0	1.4	3.4	0.00%	57.0%	0.0%	0.0	0.0	1.4	3.4	0.00%	57.0%	0.0%
Liberia	0.0	0.0	0.0	0.1	0.00%	69.3%	0.0%	0.0	0.0	0.0	0.1	0.00%	69.7%	0.0%
Libya	1.3	0.0	0.0	0.0				1.3	0.0	0.0	0.0			
Macau (Sar of China)	117.4	1.7	20.4	10.4	0.00%	1.5%	0.0%	267.5	8.3	19.2	13.1	0.00%	1.9%	0.0%

Table 8. The estimated value of Australian tariff preferences calculated in terms of forgone duties, by country (continued)

	Amount of duty forgone based on inferred statutory MFN rates							Amount of duty forgone based on calculated MFN rates						
	Duty forgone (USD '000)				2004 duties forgone for each country…			Duty forgone (USD '000)				2004 duties forgone for each country…		
Country of Origin	1996	2002	2003	2004	As % of each country's total exports	As % of duty to be paid at inferred statutory MFN rates	As % in total duties forgone by Australia in 2004 (stat. MFN rates)	1996	2002	2003	2004	As % of each country's total exports	As % of duty to be paid at calculated MFN rates	As % in total duties forgone by Australia in 2004 (calc. MFN rates)
Madagascar	0.5	1.8	0.1	1.9	0.00%	16.6%	0.0%	1.4	1.8	0.1	1.9	0.00%	16.7%	0.0%
Malawi	0.6	0.1	0.0	1.0	0.00%	100.0%	0.0%	6.7	0.1	0.0	1,088.6	0.23%	100.0%	0.0%
Malaysia	33,340.6	21,781.2	24,687.9	28,543.9	0.02%	39.0%	7.8%	36,493.8	39,931.1	35,960.9	68,521.8	0.06%	60.8%	2.1%
Maldives	0.0	1.0	0.7	0.6	0.00%	31.3%	0.0%	0.0	1.0	0.7	0.6	0.00%	31.4%	0.0%
Mali	3.5	24.1	0.2	2.2	0.00%	48.8%	0.0%	4.1	24.2	0.2	2.2	0.00%	48.9%	0.0%
Malta	61.6	11.8	19.1	45.3	0.00%	23.0%	0.0%	68.7	44.5	46.7	79.3	0.00%	40.3%	0.0%
Marianas Northern	6.8	3.1	19.3	0.6	0.01%	1.0%	0.0%	9.4	3.1	19.3	0.6	0.01%	1.0%	0.0%
Marshall Islands	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0	0.00%	0.0%	0.0%
Mauritania	0.0	0.0	0.0	0.0				0.0	0.1	0.0	0.1	0.00%	25.0%	0.0%
Mauritius	16.2	1.6	4.8	1.3	0.00%	0.5%	0.0%	201.1	30.7	62.0	68.6	0.00%	17.3%	0.0%
Mexico	3,101.1	2,522.7	4,202.8	5,580.6	0.00%	24.3%	1.5%	28,360.8	38,790.3	41,101.0	77,354.8	0.05%	67.5%	2.4%
Micronesia	8.3	0.0	0.6	0.8	0.00%	97.7%	0.0%	8.4	0.5	7.7	0.8	0.00%	97.7%	0.0%
Midway Islands	0.6	0.0	0.0	0.0				0.8	0.0	0.0	0.0			
Mongolia	0.0	0.0	0.4	2.0	0.00%	70.8%	0.0%	0.0	0.0	0.4	2.0	0.00%	70.9%	0.0%
Montserrat Is	0.0	0.0	0.0	0.0	0.00%	3.0%	0.0%	0.0	0.0	0.0	0.0	0.00%	3.1%	0.0%
Morocco	36.5	7.3	13.6	12.7	0.00%	3.2%	0.0%	42.6	47.6	44.1	13.0	0.00%	3.3%	0.0%
Mozambique	0.1	0.0	0.1	5.1	0.00%	98.3%	0.0%	0.1	0.0	0.1	5.1	0.00%	98.3%	0.0%
Myanmar	4.3	33.3	43.6	48.7	0.00%	51.9%	0.0%	5.0	44.0	43.6	48.8	0.00%	51.9%	0.0%
Namibia	0.2	0.0	0.6	0.0				0.2	11.7	7.9	19.6	0.00%	44.3%	0.0%
Nauru	1.4	1.6	0.5	0.1	0.00%	46.4%	0.0%	1.4	1.6	0.5	0.1	0.00%	46.7%	0.0%
Nepal	104.5	47.1	51.1	61.3	0.01%	68.5%	0.0%	112.8	47.7	52.2	62.2	0.01%	68.8%	0.0%
Netherlands Antilles	0.0	0.5	0.0	0.0				0.0	9.6	0.0	36.0	0.00%	10.5%	0.0%
New Caledonia	21.8	8.0	37.3	11.8	0.00%	22.7%	0.0%	2.5	8.2	37.3	11.8	0.00%	22.7%	0.0%
Nicaragua	0.0	2.7	11.9	19.6	0.00%	17.0%	0.0%	0.0	192.3	28.6	42.4	0.00%	29.4%	0.0%
Niger	0.2	0.0	0.5	0.0			0.0%	0.2	0.0	3.3	0.0	0.00%	0.8%	0.0%
Nigeria	0.1	0.9	0.6	0.9	0.00%	20.4%	0.0%	0.1	0.9	0.6	0.9	0.00%	20.6%	0.0%
Niue	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0			
Oman	0.4	18.4	27.4	14.0	0.00%	27.8%	0.0%	0.4	18.7	27.4	17.9	0.00%	33.0%	0.0%
Pakistan	13,234.6	2,973.0	2,941.2	2,649.3	0.03%	14.3%	0.7%	14,658.1	3,225.6	3,262.5	2,648.7	0.03%	14.3%	0.1%
Palau	0.0	0.0	0.0	0.0	0.00%	13.3%	0.0%	0.0	0.0	0.0	0.0	0.00%	14.5%	0.0%

Table 8. The estimated value of Australian tariff preferences calculated in terms of forgone duties, by country (continued)

Country of Origin	Amount of duty forgone based on inferred statutory MFN rates							Amount of duty forgone based on calculated MFN rates						
	Duty forgone (USD '000)				2004 duties forgone for each country…			Duty forgone (USD '000)				2004 duties forgone for each country…		
	1996	2002	2003	2004	As % of each country's total exports	As % of duty to be paid at inferred statutory MFN rates	As % in total duties forgone by Australia in 2004 (stat. MFN rates)	1996	2002	2003	2004	As % of each country's total exports	As % of duty to be paid at calculated MFN rates	As % in total duties forgone by Australia in 2004 (calc. MFN rates)
Panama	20.4	0.9	2.8	1.0	0.00%	11.1%	0.0%	20.7	1.0	3.2	1.0	0.00%	11.1%	0.0%
Papua New Guinea	176.7	214.8	365.3	639.8	0.03%	89.6%	0.2%	465.2	2,395.7	370.1	14,542.2	0.65%	99.5%	0.5%
Paraguay	1.2	0.0	1.0	0.1	0.00%	0.6%	0.0%	1.2	0.0	1.0	0.1	0.00%	0.6%	0.0%
Peru	67.1	35.5	40.8	42.4	0.00%	7.5%	0.0%	93.8	41.4	44.3	43.8	0.00%	7.7%	0.0%
Philippines	10,689.0	4,234.1	5,502.4	6,423.5	0.01%	42.7%	1.8%	12,642.5	5,846.6	7,295.0	8,106.2	0.02%	46.6%	0.3%
Pitcairn Island	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0			
Poland	497.6	632.4	837.8	855.2	0.00%	5.7%	0.2%	1,272.0	1,385.9	1,117.4	17,179.1	0.03%	78.0%	0.5%
Qatar	0.2	0.1	0.0	0.3	0.00%	0.1%	0.0%	0.2	0.3	0.0	161.1	0.00%	26.5%	0.0%
Romania	265.2	54.4	219.5	283.4	0.00%	12.7%	0.1%	657.2	594.5	465.4	424.9	0.00%	17.9%	0.0%
Rwanda	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0			
Samoa	6,975.0	2,892.8	301.0	12.7	0.02%	95.8%	0.0%	7,153.8	2,898.0	308.2	17.6	0.02%	51.3%	0.0%
Samoa (American)	0.0	0.2	1.3	1.3		92.3%	0.0%	0.0	3.5	1.3	1.3		92.3%	0.0%
Sao Tome and Principe	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0	0.00%	2.2%	0.0%
Saudi Arabia	140.0	241.3	283.7	1,363.9	0.00%	60.7%	0.4%	98,116.3	316.6	540.4	94,844.0	0.12%	99.1%	3.0%
Senegal	0.2	0.9	0.4	0.1	0.00%	45.1%	0.0%	0.5	1.0	0.4	0.1	0.00%	45.6%	0.0%
Seychelles	0.0	0.0	0.0	0.0			0.0%	0.0	0.0	0.0	0.0	0.00%	0.0%	0.0%
Sierra Leone	0.0	0.1	0.3	0.1	0.00%	1.1%	0.0%	0.0	0.1	0.3	0.2	0.00%	1.1%	0.0%
Singapore	27,441.2	6,549.8	7,111.4	16,852.5	0.02%	51.9%	4.6%	353,709.2	303,211.3	552,121.6	2,043,314.3	2.24%	98.9%	63.8%
Slovak Republic	69.7	0.0	364.8	385.1	0.00%	39.6%	0.1%	86.5	0.0	410.8	474.1	0.00%	43.4%	0.0%
Slovenia	398.2	466.6	606.6	526.6	0.00%	24.1%	0.1%	458.5	611.1	823.3	1,565.3	0.01%	49.4%	0.0%
Solomon Islands	65.8	18.7	37.0	56.6	0.05%	99.9%	0.0%	65.9	19.1	37.0	56.6	0.05%	99.9%	0.0%
Somalia	0.0	0.0	0.0	0.1	0.00%	12.6%	0.0%	0.0	0.0	0.0	0.1	0.00%	12.9%	0.0%
Sri Lanka	873.2	439.2	505.6	598.7	0.01%	23.7%	0.2%	1,175.8	477.6	555.0	617.4	0.01%	24.2%	0.0%
St Christopher &Nevis	0.0	0.3	0.0	0.0				0.0	0.3	0.0	0.0			
St Pierre and Miquelon	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0			
St. Helena	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0	0.00%	0.0%	0.0%
St. Lucia	0.8	0.0	0.0	0.0				1.0	0.0	0.0	0.0			
St. Vincent Grenadines	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0	0.00%	0.0%	0.0%
Sudan	0.0	0.0	0.0	0.0	0.00%	100.0%	0.0%	0.0	0.0	0.0	0.0	0.00%	4.3%	0.0%

Table 8. The estimated value of Australian tariff preferences calculated in terms of forgone duties, by country (continued)

	Amount of duty forgone based on inferred statutory MFN rates							Amount of duty forgone based on calculated MFN rates						
	Duty forgone (USD '000)				2004 duties forgone for each country...			Duty forgone (USD '000)				2004 duties forgone for each country...		
Country of Origin	1996	2002	2003	2004	As % of each country's total exports	As % of duty to be paid at inferred statutory MFN rates	As % in total duties forgone by Australia in 2004 (stat. MFN rates)	1996	2002	2003	2004	As % of each country's total exports	As % of duty to be paid at calculated MFN rates	As % in total duties forgone by Australia in 2004 (calc. MFN rates)
Suriname	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0	0.00%	1.4%	0.0%
Swaziland	1.6	726.0	1,160.6	1,573.2	0.29%	97.6%	0.4%	2.1	732.2	1,160.3	1,573.2	0.29%	97.6%	0.0%
Syria	14.5	0.4	2.3	8.4	0.00%	10.0%	0.0%	17.7	0.8	2.5	8.4	0.00%	10.1%	0.0%
Chinese Taipei	45,917.8	15,975.3	16,855.0	23,811.3	0.01%	29.7%	6.5%	65,568.4	24,908.4	51,205.3	183,156.5	0.11%	76.7%	5.7%
Tanzania	1.0	6.9	11.9	22.3	0.00%	49.3%	0.0%	1.7	6.9	12.7	23.8	0.00%	43.3%	0.0%
Thailand	17,796.1	15,422.5	22,469.6	30,426.5	0.04%	22.5%	8.3%	26,236.5	33,395.5	64,303.6	73,322.8	0.10%	48.9%	2.3%
Togo	0.0	0.0	0.1	0.4	0.00%	59.6%	0.0%	0.0	0.0	0.1	0.4	0.00%	59.9%	0.0%
Tokelau	0.0	0.5	0.2	0.0				0.0	0.5	0.2	0.0			
Tonga	19.3	0.6	1.4	2.1	0.01%	83.1%	0.0%	26.2	0.6	1.4	2.1	0.01%	83.1%	0.0%
Trinidad and Tobago	0.0	1.5	0.2	1.4	0.00%	4.4%	0.0%	777.1	10.1	741.2	401.7	0.01%	88.8%	0.0%
Tunisia	4.5	7.0	7.4	5.0	0.00%	0.9%	0.0%	5.2	9.7	7.5	5.0	0.00%	0.9%	0.0%
Turkey	1,059.7	1,233.1	1,876.2	2,503.7	0.01%	17.7%	0.7%	1,371.6	1,747.6	2,053.0	2,705.3	0.01%	18.6%	0.1%
Turks and Caicos	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0			
Tuvalu	0.0	0.0	0.0	0.0				0.0	0.0	0.0	0.0			
Uganda	0.0	0.0	0.0	1.4	0.00%	96.6%	0.0%	0.0	0.0	0.0	1.4	0.00%	96.6%	0.0%
United Arab Emirates	175.0	163.4	297.5	416.0	0.00%	18.6%	0.1%	212.3	748.7	330.8	618.8	0.00%	24.5%	0.0%
United States Virgin Is	0.0	0.0	0.0	0.1		4.4%	0.0%	22,039.1	0.0	0.0	0.1		4.5%	0.0%
Uruguay	51.8	198.1	100.0	116.3	0.00%	34.3%	0.0%	58.1	203.4	99.9	116.3	0.00%	34.3%	0.0%
Vanuatu	9.4	9.6	13.3	12.2	0.02%	78.4%	0.0%	12.7	9.7	13.2	12.1	0.02%	78.3%	0.0%
Venezuela	29.0	54.7	84.5	42.3	0.00%	39.4%	0.0%	213.0	446.5	253.3	42.3	0.00%	39.4%	0.0%
Viet Nam	1,244.8	2,633.1	2,901.9	3,314.1	0.02%	18.9%	0.9%	2,054.7	3,219.9	3,509.3	3,444.4	0.02%	19.5%	0.1%
Virgin Islands	0.0	0.0	2.4	2.2		8.5%	0.0%	0.0	0.0	2.4	2.2		8.5%	0.0%
Wallis & Futuna Is	0.0	0.0	0.0	0.3	0.05%	100.0%	0.0%	0.0	0.0	0.0	0.3	0.05%	100.0%	0.0%
Yemen	0.0	0.0	0.0	0.4	0.00%	57.7%	0.0%	0.0	0.0	0.0	0.4	0.00%	57.8%	0.0%
Zambia	0.2	0.1	0.1	0.2	0.00%	5.1%	0.0%	0.3	0.1	0.1	0.2	0.00%	5.2%	0.0%
Zimbabwe	66.1	8.3	8.7	3.0	0.00%	7.9%	0.0%	81.0	9.0	13.4	3.0	0.00%	8.0%	0.0%
Total for economies shown above	**430,169.4**	**225,609.6**	**268,413.5**	**365,802.1**			**100.0%**	**1,132,775.3**	**710,495.8**	**1,106,678.4**	**3,202,800.9**			**100.0%**

Notes: Excludes HS-99 imports (confidential). Where % indicators are not shown, an underlying element is not available. For each country, total exports are based on 200**3** mirror data.
Source: Australian Bureau of Statistics data; OECD Secretariat calculations.

Table 9. Coverage, utilisation and utility rates of key Australian tariff preferences

Scheme	Indicator	1996	2002	2003	2004
Developing Country Preference (excl. Forum & LDCs)	DCS product coverage	96%	97%	98%	98%
	DCS utilisation rates	39%	44%	40%	36%
	DCS utility rates	37%	42%	39%	35%
Forum Island Country Preference	Forum product coverage	18%	15%	69%	67%
	Forum utilisation rates	62%	78%	12%	11%
	Forum utility rates	11%	12%	9%	7%
LDCs (developing country-historical, developing country & least developed country preferences)	LDC product coverage	99%	100%	95%	95%
	LDC utilisation rates	14%	28%	30%	24%
	LDC utility rates	14%	28%	28%	23%

Notes: Product coverage is defined as eligible imports as a percentage of total imports from the group of eligible countries. The utilisation rate is defined as imports receiving the preference as a percentage of imports from the group of eligible countries. The utility rate is defined as imports receiving the preference as a percentage of total imports from the group.
Source: Australian Bureau of Statistics data; OECD Secretariat calculations.

Table 10. Australian imports from LDCs and East Timor

Country	Customs Value ('000 USD)				Index (2002 = 100)			
	1996	2002	2003	2004	1996	2002	2003	2004
Afghanistan	146	98	95	146	150	100	98	150
Angola	0	47	32	3	1	100	67	7
Bangladesh	16,908	24,475	28,049	32,318	69	100	115	132
Benin			0			100		
Bhutan		4	147	139		100	3,505	3,312
Burkina Faso			16	24		100		
Burundi	0	57	48	1	0	100	84	1
Cambodia	623	1,631	2,649	3,121	38	100	162	191
Cape Verde		0	1			100	253	-
Cen African Rep		5	0	2		100	3	36
Chad			50	11		100		
Comoros	53	8			620	100		
Zaire	230	18	27	20	1,308	100	154	116
Djibouti				3		100		
East Timor		390	550	6,510		100	141	1,670
Equatorial Guinea	2		21	4		100		
Eritrea	7	2	1	11	283	100	50	462
Ethiopia	1,063	890	965	1,312	119	100	108	147
Gambia	2	11	1	9	23	100	12	81
Guinea	3	6	9	8	57	100	164	138
Haiti	13	20	558	781	64	100	2,842	3,975
Kiribati	256	125	111	191	204	100	88	152
Laos	217	313	324	411	69	100	103	131
Lesotho	17		29	32		100		
Liberia	2		5	3		100		
Madagascar	614	1,009	685	284	61	100	68	28
Malawi	4,014	4,324	2,958	4,386	93	100	68	101
Maldives		33	50	39		100	150	116
Mali	118	669	580	318	18	100	87	48
Mauritania	90	11	35	164	806	100	312	1,481
Mozambique	21	1	17	55	2,146	100	1,761	5,647
Nepal	909	1,431	1,446	1,709	63	100	101	119
Niger	43	152	117	17	28	100	77	11
Rwanda		66	28	0		100	42	1
Samoa	50,210	21,067	6,783	707	238	100	32	3
Sao Tome and Principe	0			1		100		
Senegal		175	74	20		100	42	11
Sierra Leone	336	9	38	184	3,566	100	400	1,955
Solomon Islands	2,435	726	3,182	3,784	335	100	438	521
Somalia	2	1	3	38	315	100	551	6,539
Sudan	14	76	0	47	19	100	0	61
Tanzania	4,403	3,730	3,258	2,279	118	100	87	61
Togo		9,638	9,209	8,284		100	96	86
Tuvalu		8	2	2		100	28	26
Uganda	4,383	7,754	7,999	3,975	57	100	103	51
Vanuatu	620	2,542	3,848	2,408	24	100	151	95
Yemen	33	3	12	11,096	929	100	338	317,188
Zambia	607	346	122	837	175	100	35	242
Total	88,394	81,876	74,137	85,698	108	100	91	105

Note: Not all LDCs supplied imports in each year, as indicated by blank cells in the left panel. It was not possible to calculate the index for countries without 2002 import flows.
Source: Australian Bureau of Statistics data; OECD Secretariat calculations.

Table 11. Evolution of Australian imports of Bananas and Sugar

Australian Imports of Fresh or dried bananas incl. plantains (HS-0803000016; customs value, USD)

Country	2002	2003	2004
Colombia			19,141
Ecuador		1,343	
India	1,670	1,204	3,680
Indonesia		244	3,371
Israel		934	
Philippines	36,301	28,326	11,735
Sri Lanka		397	
Thailand	2,757	3,517	3,725
Viet Nam	14,554	13,834	9,652
Total	**55,282**	**49,800**	**51,304**

Sugars and sugar confectionery (HS-17, customs value, USD)

Country	2002	2003	2004
Argentina	313,318	162,730	236,948
Bangladesh	909	0	253
Brazil	805,864	877,999	1,065,960
Bulgaria	20,483	6,956	0
Chile	307,199	203,123	404,872
China	11,516,776	14,435,358	22,319,595
Colombia	151,694	123,746	211,953
Costa Rica	30,521	13,105	40,088
Croatia	23,339	108,248	122,647
Cyprus	117,131	14,468	34,807
Czech Republic	656,065	837,119	1,357,740
Ecuador	1,240	0	0
Egypt	3,576	13,405	7,640
Fiji	1,506,598	1,463,794	2,177,239
Former Yug Rep	414,009	263,385	93,995
Hong Kong (Sar	171,986	150,234	294,369
Hungary	121,697	14,968	41,234
India	355,788	491,018	310,544
Indonesia	4,965,858	7,385,264	4,087,510
Iran	43,289	36,723	96,106
Israel	73,695	114,202	113,583
Jordan	1,848	2,811	2,385
Kenya	0	0	15,476
Korea, Dem Peo	521	0	0
Korea, Republic	1,045,504	1,118,292	1,064,673
Lebanon	130,027	213,546	181,059
Malaysia	1,313,133	2,367,716	2,279,425
Malta	853	0	0
Mauritius	101,761	257,971	126,083
Mexico	332,508	215,590	245,430
Oman	50,334	161,378	260,963
Pakistan	890,680	1,477,529	1,342,391
Paraguay	7,269	7,847	0
Philippines	98,142	205,007	249,041
Poland	156,641	232,037	259,079
Saudi Arabia	46,291	23,415	25,450
Senegal	179	0	0
Singapore	253,106	308,344	549,309
Slovenia	17,837	1,874	15,634
Sri Lanka	53,182	43,039	46,770
Swaziland	23,231	390,249	674,416
Syria	13,544	53,809	27,754
Chinese Taipei	350,263	446,003	475,852
Thailand	821,292	1,624,794	1,314,440
Turkey	191,911	351,855	702,415
United Arab Emir	156,162	71,683	80,164
Uruguay	1,657	3,355	4,399
Viet Nam	194,851	215,440	186,144
Total	**27,853,765**	**36,509,430**	**43,145,835**

Source: Australian Bureau of Statistics data; OECD Secretariat calculations.

Table 12. Reliance on Australian preferential tariff schemes: preferential exports by sector as a % of each country's total exports

Countries	HS2	Product Name	1996	2002	2003	2004
Albania	84	Nuclear reactors, boilers, mchy & m		0.71%	2.93%	
Anguilla	33	Essential oils & resinoids; perf,				0.58%
Bahrain	76	Aluminium and articles thereof.		0.98%	1.04%	1.49%
Brunei Darussalam	27	Mineral fuels, oils & product of th		3.14%	2.11%	1.80%
Cayman Islands	03	Fish & crustacean, mollusc & other	0.56%			
Cook Islands	71	Natural/cultured pearls, prec stone	1.47%	1.83%	2.10%	0.52%
East Timor	03	Fish & crustacean, mollusc & other		0.68%		
	09	Coffee, tea, matn and spices.			3.29%	5.15%
Fiji	07	Edible vegetables & certain roots				0.53%
	15	Animal/veg fats & oils & their clea	0.53%			
	19	Prep.of cereal, flour, starch/milk;				1.24%
	44	Wood and articles of wood; wood ch	0.59%		0.53%	
	61	Art of apparel & clothing access,	3.67%	2.31%	2.10%	2.05%
	62	Art of apparel & clothing access, n	10.70%	8.10%	8.39%	8.75%
	63	Other made up textile articles; set	2.02%			
	64	Footwear, gaiters and the like; par	0.97%	1.61%	1.39%	1.87%
	71	Natural/cultured pearls, prec stone			0.52%	
	94	Furniture; bedding, mattress, matt	0.52%			
Indonesia	27	Mineral fuels, oils & product of th		0.50%		
Malawi	24	Tobacco and manufactured tobacco			0.55%	
Marianas Northern	61	Art of apparel & clothing access,	0.88%	0.81%	0.52%	
	62	Art of apparel & clothing access, n	0.56%			
Nauru	25	Salt; sulphur; earth & ston; plaste		15.35%		
Pakistan	52	Cotton.	0.72%			
Papua New Guinea	09	Coffee, tea, matn and spices.	0.92%			
	27	Mineral fuels, oils & product of th	9.90%	2.19%	11.56%	14.13%
	44	Wood and articles of wood; wood ch				0.50%
	71	Natural/cultured pearls, prec stone	5.51%	13.26%	16.10%	19.07%
Samoa	21	Miscellaneous edible preparations.	0.91%	0.51%		
	85	Electrical mchy equip parts thereof		30.27%	6.94%	
Samoa (American)	23	Residues & waste from the food indu		0.71%		
Saudi Arabia	27	Mineral fuels, oils & product of th		0.63%		
Singapore	27	Mineral fuels, oils & product of th		0.60%		
Solomon Islands	03	Fish & crustacean, mollusc & other			1.23%	
	44	Wood and articles of wood; wood ch	0.72%		1.13%	2.39%
	71	Natural/cultured pearls, prec stone				0.52%
Swaziland	21	Miscellaneous edible preparations.		4.34%	5.27%	4.42%
	33	Essential oils & resinoids; perf,				2.73%
Togo	25	Salt; sulphur; earth & ston; plaste		1.37%	0.90%	0.53%
Tonga	08	Edible fruit and nuts; peel of citr	0.62%			
	42	Articles of leather; saddlery/harne	0.96%			
Uganda	03	Fish & crustacean, mollusc & other		1.23%	0.75%	
Vanuatu	15	Animal/veg fats & oils & their clea		4.46%		
	23	Residues & waste from the food indu		0.75%	0.61%	0.69%
	41	Raw hides and skins (other than fu	0.71%			
	90	Optical, photo, cine, meas, checkin		0.61%		
Viet Nam	27	Mineral fuels, oils & product of th	0.58%	3.08%	2.88%	2.53%

Note: This table reflects all sectors where preferential imports to Australia amount to more than 0.5% of an exporter's global exports. Global exports are based on mirror data and held constant for 2004 due to limited availability of data for that year.
Source: Australian Bureau of Statistics data; OECD Secretariat calculations.

Table 13. Welfare impacts of a 50% reduction in the ad valorem equivalent measure of protection by Australia (GTAP simulation)

Region	Estimated per capita change in welfare
Regions gaining	
Vietnam	0.5%
Rest of Oceania (American Samoa, Cook Islands, Fiji, French Polynesia, Guam, Kiribati, Marshall Islands, Federated States of Micronesia, Nauru, New Caledonia, New Zealand, Norfolk Island, Northern Mariana Islands, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tokelau, Tonga, Tuvalu, Vanuatu, Wallis and Futuna)	0.4%
Indonesia	0.1%
Sri Lanka	0.1%
Thailand	0.1%
Regions losing	
Singapore	- 0.2%
Rest of North America (Greenland, Bermuda, St. Pierre and Miquelon)	- 0.1%
Botswana	- 0.1%
Rest of SACU (Lesotho, Namibia, Swaziland)	- 0.1%
Malawi	- 0.1%
Mozambique	- 0.1%
Zambia	- 0.1%
Zimbabwe	- 0.1%

Source: Lippoldt and Kowalski (2005).

ANNEX 1. PREFERENTIAL TRADE DATABASE INPUTS - AUSTRALIA

- In order to analyse imports by partner, product, preferential scheme and associated tariff, an *Access* database was constructed covering all imports from developing countries into Australia during four years (1996, 2002, 2003, 2004).

- The original data were supplied by the Australian Bureau of Statistics.

- No comprehensive table on tariff rates was available in a database compatible format:

  - No tariff information was available on tariff lines without trade,

  - MFN rates were not available in the database for a substantial share of tariff lines.[25] The OECD Secretariat therefore estimated the rates that would apply for goods entering without preferences (*i.e.* the maximum rate). Two specific methods were employed: inferred statutory and calculated. Under the inferred statutory approach, MFN rates were determined for each HS-10 digit product by scanning the import lines across all developing countries. The inferred statutory MFN rate for each product was the maximum statutory rate. Specific duties, being comparatively rare under the Australian preference regime, were not taken into account under this approach. Second, the calculated MFN rates were determined for each HS-10 digit product based on actual duties collected as a percentage of the customs value of the goods. Here again, the maximum duty rate across the various developing countries was taken to be the MFN rate.

- The extent of specific duties in the Australian tariff schedule is generally quite limited. The exceptions are Dairy products (HS-4) with 45% of trade entering from developing countries under specific duties in 2004 and Beverages, spirits and vinegar (HS-22), with 65% of trade entering under specific duties in that year. With respect to HS-10 digit tariff lines with imports from developing countries, the following data provide an overview of the importance of specific duties:

	1996	2002	2003	2004
HS-10 tariff lines with specific duties as a % of total lines	0.52%	0.76%	0.63%	0.63%
Value of imports facing specific duties as % of total imports	0.30%	0.42%	0.44%	0.56%

- Except for the calculation of total imports by programme in Table 1, confidential imports (classified as HS-99) were excluded due to the lack of further information on the characteristics of these imports. Confidential imports represented 2.7% of the total value of imports from developing countries in 2004 and accounted for 2.9% of the total value of preferential imports.

25 The incidence of product lines (imports) without available MFN rates (codes X or Z) varied by year. In 1996, of 8,180 HS-10 digit products, 1,819 products did not have MFN rates available in the database. In 2002, of 6,769 different products imported, 943 did not have MFN rates available. In 2003, of 6,799 different products imported, 701 did not have MFN rates available. In 2004, of 6,881 different products imported, 565 products did not have MFN rates available.

- The basic table on imports provides a variety of information on the annual flows by product (HS-10 digit) and partner.

- Data fields available:

  – product code

  – country of origin

  – nature of entry (goods cleared directly for home consumption, goods cleared from bonded warehouses for home consumption)

  – nature of tariff: confidential, government, normal, quota, concessional (*i.e.* reduced rates for selected goods not produced or available in Australia)

  – preference code: developing country preferential rate of duty was claimed – historical; confidential; Forum Island Country preferential rate of duty was claimed; special rate for the specific country was claimed; developing country preferential rate of duty was claimed; special rate that applied was not claimed; general rate of duty was used - no preferential rate of duty was claimed

  – statutory rate

  – treatment code (65 treatment codes are available, of which the most frequent is "no treatment code", but also including such categories as goods granted a tariff concession order, goods re-imported - unaltered - after being exported on a permanent basis, among others)

  – duty (AUS$'000)

  – customs value (AUS$'000).

- For purposes of international comparability, the OECD Secretariat converted monetary values to current USD equivalents. The exchange rates used for this operation were as follows:

2004	$1.36 Australian = $1 US dollar
2003	$1.54 Australian = $1 US dollar
2002	$1.84 Australian = $1 US dollar
1998	$1.28 Australian = $1 US dollar