

Media release

Growing Australia's minerals and METS trade with Indonesia and Hong Kong

Statement from Tania Constable, Chief Executive Officer

The Minerals Council of Australia supports the Joint Standing Committee on Treaties (JSCOT) recommendation to ratify Australia's free trade agreements with Indonesia and Hong Kong.

These agreements will grow Australia's trade in minerals and mining services, helping to create new Australian jobs and boosting the Australian economy.

Reducing barriers to trade and opening new markets is critical to supporting all Australians and will also provide an important buffer to economic and protectionist pressure.

Australia needs free trade agreements to support and grow resources exports, which reached a record of \$273 billion in 2018-19 and accounted for 58 per cent of Australia's total exports. More broadly trade has increased the income of the average Australian family household by an estimated \$8,448 a year. One in five Australian jobs are directly linked to trade – Australia is a trading nation.

Liberalised trade with Indonesia and Hong Kong will increase trade and investment, benefiting Australia's minerals industry and the Mining, Equipment, Technology and Services (METS) sector.

Indonesia has agreed to reduce tariffs on iron ore and steel, which are as high as 20 per cent, to five per cent or less by 2025.

Indonesia will also allow Australian businesses to own up to 67 per cent of mining services companies based in Indonesia – the first time Indonesia has ever made such a commitment in a trade agreement, providing significant opportunities for more than 140 Australian METS companies which export to Indonesia.

Australia's exports to Hong Kong are dominated by gold, with gold exports worth \$7 billion in 2018, accounting for nearly 70 per cent of Australia's total exports to Hong Kong. The FTA with Hong Kong locks in duty-free access for gold and other resources including iron ore, coal and petroleum.

The Australian Parliament should now ratify these agreements without delay.

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