

ACG ANNUAL CONFERENCE 2006

CHINA TRADE & ACCESS UPDATE

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Know-how for Horticulture™



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China Access Eligibility Country/Region

Oranges

- **US (4 states)**
- **New Zealand**
- **Thailand**
- **Uruguay**
- **South Africa**
- **Australia**
- **Argentina?**

Mandarins

- **US (4 states)**
- **New Zealand**
- **Thailand**
- **Uruguay**
- **South Africa**
- **Taiwan**
- **Australia**
- **Pakistan**
- **Spain? (Clementines)**



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China's Imports of Oranges are growing (1)

Source:	2002 (US\$m)	2005 (US\$m)
World	22.5	35.2
USA	10.2	22.4
RSA	1.4	7.3
NZ	11.0	5.2
Argentina	0	0.2
Uruguay	0	0.1
Thailand	0	0.1



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China's Imports of Oranges are growing (2)

Source:	2002 (t)	2005 (t)
World	44,178	50,347
USA	20,228	31,467
RSA	3,107	10,975
NZ	20,796	7,299
Argentina	0	270
Uruguay	0	174
Thailand	0	102



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Comments on Chinese imports of oranges

- **Possibly the official Chinese statistics of about 50,000 tonnes of orange imports in 2005 are about right. However there can be questions over detail.**
- **There are no NZ exports of oranges or mandarins to China, hence this entry is other country product**
- **RSA described a difficult export season in 2005. Chinese import and RSA export statistics are difficult to reconcile.**
- **Unit import prices into China during 2005 by all major suppliers were around US cents 66 to 76/Kg**



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Comments on Chinese imports of mandarins

- **China's official import statistics show imports of mandarins at US\$1.7M or 2,622 tonnes in 2005, down by half from the peak of 2003**
- **Again, New Zealand is shown as a principal supplier (50%) while it does not export mandarins**
- **Other stated sources include Thailand, Argentina and Australia (!)**
- **Unit import prices into China during 2005 were around US cents 53 to 69**



China's exports of citrus are growing Know-how for Horticulture™

	2002	2005
Oranges		
Value (US\$M)	2.6	18.5
Volume (tonnes)	6,923	55,325
Mandarins		
Value (US\$M)	47.3	107.5
Volume (tonnes)	181,831	365,381

Major Export Markets:

Oranges: HK, Vietnam, Malaysia, Russia

Mandarins: Malaysia, Vietnam, Indonesia, Philippines, Russia

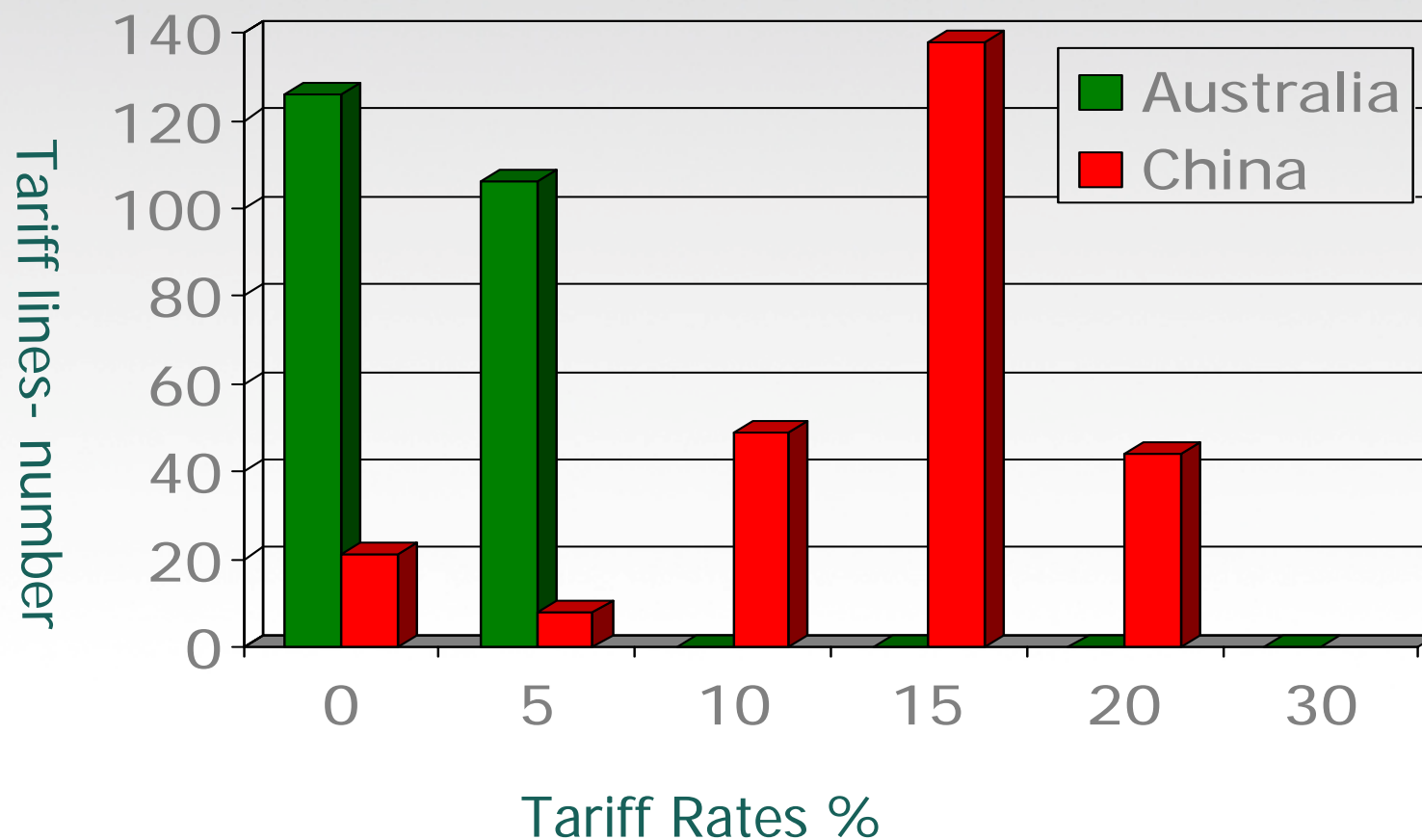


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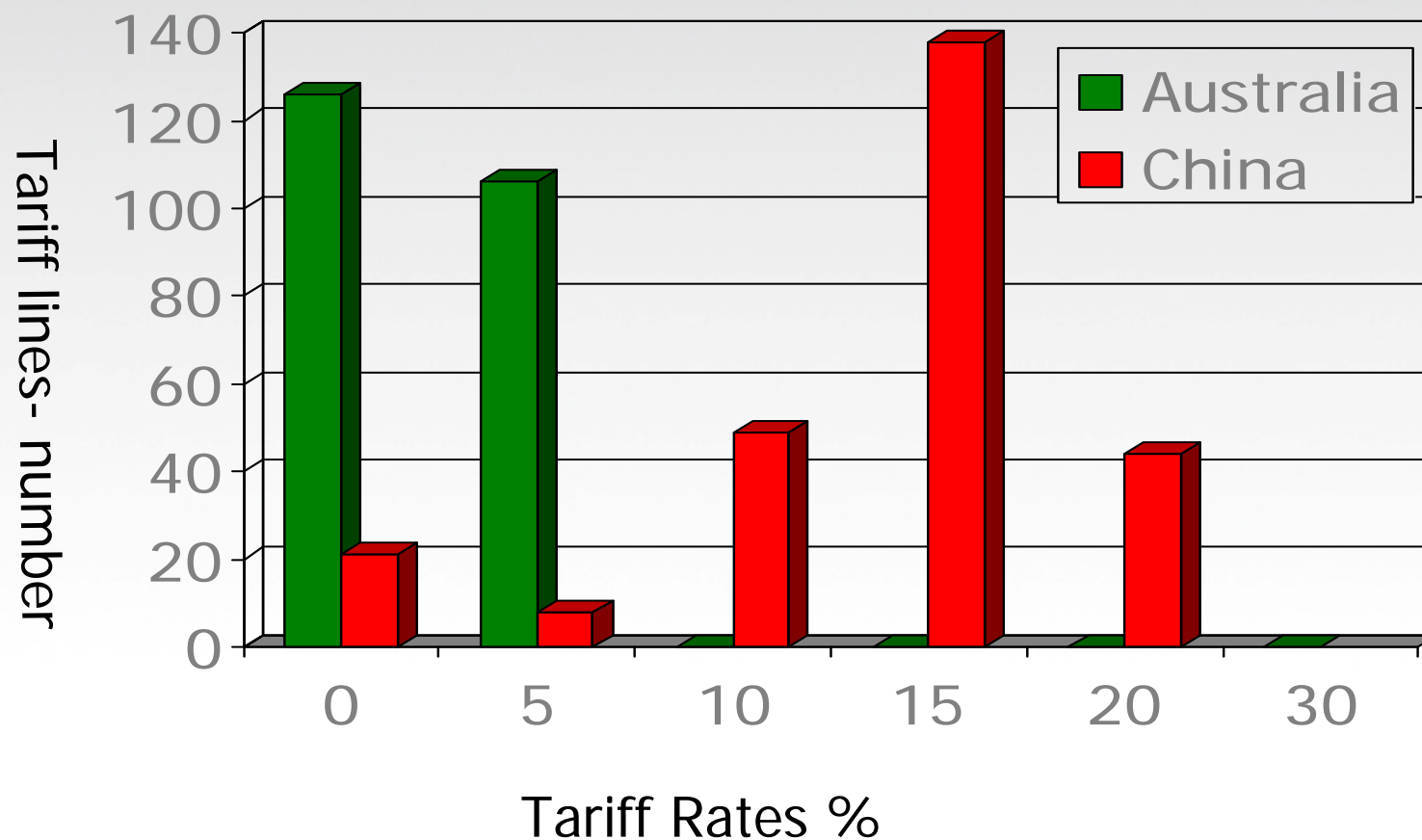
What about an Australia China FTA?

- **The 4th Round of negotiations has just been concluded. 'Substantive discussions' will begin in the 5th Round possibly late May, possibly with discussion on tariffs**
- **Tariffs are currently 11% on oranges and 12% on mandarins**
- **Horticulture's position is to seek equivalence ie immediate tariff remove to mirror tariff rates into Australia.**
- **There is also a 13% VAT into China. The FTA doesn't negotiate on this.**

Negotiations may be difficult



Negotiations may be difficult





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Complementarity may Assist

Global Exports by Principal Months 2004

Fruit	J	F	M	A	M	J	J	A	S	O	N	D
Oranges	China	China				Australia	Australia	Australia	Australia	Australia	Overlap	China
Mandarins	China	China	China		Australia	Australia	Australia	Australia	Australia	China	China	China

Legend: Australia: blue, China; brown, Overlap: yellow

Note: 2004 China exports oranges US\$12M; mandarins US\$83M

2004 Aust exports oranges US\$81M; mandarins US\$31M



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China's other FTAs

- **China's FTA with Chile is not a good precedent, Chile agreed to a tariff reduction to zero in 10th year (2015) for oranges and mandarins even though:**
 - **Chile is not a major citrus exporter**
 - **Chile has given China zero tariff access**
- **China has also completed a FTA with ASEAN and is negotiating FTAs with New Zealand, the Gulf Council and Pakistan (Early Harvest)**



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And China seeks access to Australia

- **Quarantine access already requested- March 2005**
- **China's priority for citrus access is unclear but will be confirmed**
- **Application is expected for all citrus.**
- **PRA is needed to assess China's pest & disease status**
- **China is keen to promote citrus exports (global exports 2005 US\$ 143M)**