

U.S.-Australia Free Trade Agreement Market Access Results

Chemicals and Pharmaceuticals

Trade and Tariffs

This sector is defined by the Chemical Harmonization and Pharmaceutical Uruguay Round sectoral agreements. Chemicals accounted for 10.5 percent of total U.S. exports to Australia in 2003, totaling \$1.3 billion. The top U.S. exports in this sector are phosphates, potassium, and cosmetics. Pharmaceuticals accounted for 3.7 percent in total U.S. exports, totaling \$471 million in 2003. The top U.S. pharmaceutical exports are pre-measured medication, sterile dressings and vitamins. Australia's tariffs range between zero and 25 percent with an average of 1.85 percent in 2003.

Australian exports to the United States totaled \$508 million, or 8.7 percent of total exports to the United States. Australia's top exports are aluminum oxide, manganese dioxide, and cupric oxide. Australian exports of pharmaceuticals totaled \$144 million, or 2.4 percent of Australia's exports to the United States. The United States is a signatory of the Uruguay Round Chemical Harmonization and Pharmaceuticals Agreements.

Tariff Elimination

Chemicals

The United States will eliminate immediately all tariffs on chemical products except HS 29189020 - - aromatic pesticides, which will be eliminated by January 1, 2010. Tariffs on this product will be removed in equal annual stages from the date the Agreement enters into force until 2010, when it will be duty free. Australia will eliminate all tariffs immediately except HS 29189000 - - other pesticides, which will be eliminated by January 1, 2010 using the same modality as the similar U.S. product.

Pharmaceuticals

Both Australia and the United States will eliminate all tariffs on pharmaceuticals immediately upon implementation of the agreement.

Cosmetics

Both Australia and the United States will eliminate all tariffs on cosmetics immediately upon implementation of the agreement.

Fertilizer

Both Australia and the United States will eliminate all tariffs on fertilizer immediately upon implementation of the agreement.

Paints and Varnishes

Both Australia and the United States will eliminate all tariffs on paints and varnishes immediately upon implementation of the agreement.

Non-Tariff Barriers

The U.S.-Australia FTA will establish a Committee on Trade in Goods to address any non-tariff measures, as well as other market access issues that may arise in the context of this agreement.