

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

## Transportation Equipment

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### Trade and Tariffs

The transportation sector covers motor vehicles and parts, including tires. Transportation equipment accounted for 8.4 percent of U.S. exports to Australia in 2003, totaling \$1 billion. The top U.S. exports in this sector are auto parts including cars, engines, and machinery for assembling motor vehicles. Australia's tariffs range between zero and 15 percent with an average of 8.4 percent in 2003.

Australian exports to the United States totaled \$424 million in 2003 or 7.2 percent of total exports to the United States. Australia's top exports are motor vehicles, auto parts and miscellaneous auto equipment. U.S. tariffs applied to the transportation sector range from 0 to 25 percent, with an average of 2.4 percent.

### Tariff Elimination

The United States will eliminate all tariffs immediately on transportation equipment except HS 90291040 - - taximeters, which will be eliminated by January 1, 2010. The tariff on this product will be removed in equal annual stages from the date the Agreement enters into force until 2010 when the product will duty free.

Australia will eliminate tariffs using two staging categories: immediately and by January 1, 2010. All of the products with this staging are used motor vehicles. Australia expressed specific concerns about allowing used vehicles into its market. These products account for less than one percent of U.S. exports to Australia.

### 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.