

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

Capital Goods

Trade and Tariffs

This sector includes the Uruguay Round Agriculture and Construction Equipment Sector Initiatives, as well as hand tools and miscellaneous other machinery and equipment.

Capital goods accounted for 14 percent of total U.S. exports to Australia in 2003, totaling \$1.8 billion. The top U.S. exports in this sector are engines, compressors, and railway equipment. Australia's tariffs range between zero and 15 percent with an average of 3.2 percent in 2003.

Australian exports to the United States totaled \$226 million in 2003, or 3.89 percent of total exports to the United States. Australia's top exports to the United States are packaging and sealing machinery and parts for machinery in chapter 84. The United States applies tariffs on capital goods of 0 to 14 percent, with an average of 1.8 percent.

Tariff Elimination

The United States will eliminate all tariffs immediately on capital goods except HS 82055955 - - iron and steel hand tools and HS 82057000 - - vises and clamps. Tariffs on these products will be removed in equal annual stages over a four-year period. Australia will eliminate all tariffs immediately.

Agriculture Equipment

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

Construction Equipment

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

Printing, Publishing and Converting Technology

Both Australia and the United States will eliminate all tariffs on printing, publishing and converting technology immediately upon implementation of the agreement.

Wood working Machinery

Both Australia and the United States will eliminate all tariffs on wood working machinery 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.