



MEDIA RELEASE

MINERALS COUNCIL OF AUSTRALIA

NEW FRONTIERS FOR AUSTRALIAN MINING AND MINING SERVICES EXPORTS **Statement from David Byers, Interim Chief Executive, Minerals Council of Australia**

The Minerals Council of Australia is launching a research project to identify opportunities for Australia to boost mining and mining services exports and outward mining investment in Asia.

The New Frontiers project will examine the fast-growing countries of South and East Asia – from India to the Philippines – to assess the opportunities and the challenges for mining in these dynamic economies.

The research, by Trading Nation Consulting, will conduct country-level stocktakes of trade barriers and other impediments to boosting Australian mining and mining services trade and investment.

Mining is already Australia's biggest export industry, generating \$146 billion in exports in 2016, and Asia is already the sector's most important market, accounting for over 80 per cent of these exports.

But a key insight of the New Frontiers research is that Australia's mining export success story in Asia has a long way to run.

As Asia's economies grow, they will increase investment in infrastructure and resources and energy-intensive production activities, creating additional demand for Australian resources.

And, as these economies develop their own mining sectors, there will be opportunities for Australia to export mining equipment, technology and services.

Australian mining services businesses, from geoscientific and engineering services to specialised technical analysis and environmental management services, are well-placed to partner with Asian businesses in developing those countries' mining sectors.

However, realising these opportunities will require tackling a raft of trade barriers and other impediments.

The New Frontiers research will identify these barriers, which include tariffs on minerals commodities, non-tariff barriers to services trade, and restrictions on foreign investment.

The first two reports from the project, released today, provide an [overview of India and the ASEAN nations](#) and a detailed [country study of Indonesia](#).

Main findings include:

- Projected growth in India and the ASEAN economies will see surging demand for coal, steel and other metals into the 2020s
- Ensuring Australia can meet this demand will require further liberalisation of trade in goods as well as services trade and cross-border investment
- Tariffs on minerals and metals have fallen markedly across ASEAN but remain high in India, where they are exacerbated by a battery of border fees and charges
- As tariffs have fallen, non-tariff measures have grown, muting the effects of tariff cuts
- Restrictions on services trade and investment are much higher than on goods, and adversely affect mining services such as engineering, construction, accounting, legal and computing services
- Indonesia is imposing significant new restrictions on foreign investment in mining, in a climate of growing economic and resources nationalism
- Non-tariff measures should be a central focus of Australia's approach to merchandise trade while services liberalisation should also be a high priority, especially in areas relevant to mining and mining equipment, technology and services.

Australia is currently negotiating new free trade agreements with India and Indonesia, and is in discussions with ASEAN to review the ASEAN-Australia-New Zealand Free Trade Agreement. The New Frontiers reports include recommendations on issues for policy-makers to address in these negotiations.



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As the Australian Government's Foreign Policy White Paper has noted, Australia is a minerals and energy superpower.

That means tackling barriers to mining and mining services trade in regional markets is a key economic interest.

Further liberalisation of mining and mining services trade will support the next stage of Australian mining's economic engagement with Asia.

This will boost growth and jobs in Australia while contributing to economic development and poverty reduction in our trading partners.

Ends