

Review of Australia's General Tariff Arrangements



SUBMISSION NO:

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SUPPLEMENTARY TO:

SUBMISSION BY :

**UNION CARBIDE CHEMICALS
(AUSTRALIA) PTY LTD**

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DRAFT TO PRODUCTIVITY COMMISSION ON GENERAL TARIFFS INQUIRY

Mr. H Plunkett
Assistant Commissioner
Review of Australia's General Tariff Inquiry
Productivity Commission
PO Box 80
Belconnen ACT2616
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April 2000

Dear Mr. Plunkett,

RE: General Tariffs Inquiry

Union Carbide Chemical Australia Pty. Ltd. responds to the Commission's invitation for comment to the above Inquiry and wishes to direct its comment in particular to para 5(b) of the reference.

Union Carbide was once a significant manufacturer in Australia of a range of input materials in the chemicals and plastics industries but several years ago ceased its manufacturing activities and reverted to importing its products. It is a wholly owned subsidiary of Union Carbide Corporation, a major US based chemical company making commodity and specialty chemicals and plastics.

Most Australian manufacturing of chemicals has ceased. The demand for a wide and diversified range of competitively priced input materials now required by Australian industry means that there is only a very limited range of materials with sufficient volumes to support a commodity chemicals manufacturing base.

As a consequence there is a range of chemical input materials for which there is no Australian manufacture and for which there is no likelihood of Australian substitutes becoming available.

Continuing imposition of tariffs on these goods is only an impost on the Australian manufacture of intermediate and finished products and negatively affects Australian industries competing with imported finished product, much of which is either already duty free or attracts only an additional 2% duty to that applying to the input products.

The attached, (in confidence), sets out a list of products and their classification for which there is no Australian manufacture and on which duty free rates are requested: