

8 November 2016

Mr David Holly
Assistant Secretary
Intellectual Property, Aid for Trade and Other Issues Branch
Office of Trade Negotiations
Department of Foreign Affairs and Trade
R G Casey Building
John McEwen Crescent
BARTON ACT 0221

Dear Mr Holly *David*

RE: WORLD TRADE ORGANIZATION (WTO) ENVIRONMENT GOODS AGREEMENT (EGA) NEGOTIATIONS

The Australian Petroleum Production & Exploration Association (APPEA) is the peak national body representing Australia's oil and gas exploration and production industry. It has about 60 full member companies. These are oil and gas explorers and producers active in Australia. APPEA members account for an estimated 98 per cent of the nation's petroleum production. APPEA also represents more than 160 associate member companies that provide a wide range of goods and services to the upstream oil and gas industry. Further information about APPEA can be found on our website, at www.appea.com.au.

I am writing to you to support calls for the inclusion of large gas turbines and spare parts for gas engines be added to the EGA product list 'landing zone' currently being negotiated.

I understand the current list does not include gas turbines above 50 megawatts (MW). Such turbines are used extensively in the US and Europe and are actively seeking opportunities for further use in developing countries, particularly in Asia. In addition, we understand the list does not include spare parts for these engines. Not including spare parts would largely negate the benefits of including turbines themselves.

Gas turbines are a key component of combined cycle gas-fired electricity generation technologies. These turbines are highly efficient, operating at efficiency levels of over 60 per cent. Technological developments will over time see this efficiency improve even further.

Such developments improve the opportunities available to Australia to utilise efficient and cleaner electricity generation technologies and, by increasing the opportunity for the uptake of these technologies globally, improves the opportunity for Australia's liquefied natural gas (LNG) exports to support cleaner energy developments in our export customers throughout the Asia-Pacific region.

The environmental benefits of increased access to and utilisation of large gas turbines (and associated spare parts) should not be undermined by countries seeking to shield domestic producers from international competition. A comprehensive EGA that includes large gas turbines and spare parts will be of direct benefit to Australia and enhance the WTO's contribution to the global response to climate change.

If you or your team require additional information about our submission, please do not hesitate to contact me on 6267 0900 / mroberts@appea.com.au, or Damian Dwyer, Director – Economics on 6267 0902 / ddwyer@appea.com.au.

Yours sincerely



Malcolm Roberts
Chief Executive