

Doubts raised over US trade deal

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US Ambassador Tom Schieffer has raised doubts about whether the free trade deal between Australia and the US will get off the ground on time.

Mr Schieffer has hinted that Labor amendments could delay the start of the free trade agreement (FTA), which was due to come into effect from January 1, next year.

In August, the Howard Government agreed to Labor amendments to the deal protecting prescription drugs and local media content requirements but described them as unnecessary.

Australian and US legislators have both passed laws allowing the FTA to come into effect but it still needs a final tick off by both governments.

Mr Schieffer indicated the US still had a way to go before it would be ready to certify the deal, saying the legislation would need to be reviewed.

He raised the prospect that the deal could be forfeited, if the US withheld certification. "I don't know frankly whether those letters will be issued or not," he said.

"Both sides I think would like for the agreement to come into effect on January 1st, I'm not sure that's going to happen right now."