

JOHNSON WINTER & SLATTERY  
L A W Y E R S

FREE TRADE  
AGREEMENTS  
ANALYSIS

# FREE TRADE AGREEMENTS IN FORCE

Free Trade Agreement	About the Free Trade Agreement	Key benefits
ASEAN-Australia-NZ Free Trade Agreement (AANZFTA)	<ul style="list-style-type: none"> <li>The AANZFTA is Australia's most ambitious trade deal to date and the most comprehensive FTA that ASEAN has ever negotiated.</li> <li>AANZFTA is Australia's first multi-country FTA.</li> <li>Entered into force on 1 January 2010.</li> </ul>	<ul style="list-style-type: none"> <li>Extensive tariff reduction and elimination commitments.</li> <li>Regional rules of origin will provide new opportunities for Australian exporters to tap into international supply chains in the region.</li> <li>Promotes greater certainty for Australian service suppliers and investors, including through certain legal protections for investment in ASEAN territories.</li> <li>Provides a platform for ongoing economic engagement with ASEAN through a range of built-in agendas, economic cooperation projects and business outreach activities.</li> </ul>
Australia-Chile Free Trade Agreement (ACI-FTA)	<ul style="list-style-type: none"> <li>Australia's first free trade agreement with a Latin American country.</li> <li>Entered into force on 6 March 2009.</li> </ul>	<ul style="list-style-type: none"> <li>Elimination of almost all tariffs on Australia's exports to Chile.</li> <li>Promotes investment and trade in services with each party prohibited from imposing a range of restrictions on market access for services providers and investors.</li> </ul>
Australia-New Zealand Closer Economic Relations Trade Agreement	<ul style="list-style-type: none"> <li>ANZCERTA is a comprehensive FTA that covers almost all Trans-Tasman trade in goods.</li> <li>Entered into force on 1 January 1983.</li> </ul>	Free trade of all goods between Australia and New Zealand and the free trade of most services since 1990.
Australia-United States FTA	<ul style="list-style-type: none"> <li>AUSFTA establishes a framework for long term economic integration across all sectors between the United States and Australia. It was modelled on the North American Free Trade Agreement.</li> <li>Entered into force on 1 January 2005.</li> </ul>	<ul style="list-style-type: none"> <li>Promotes two way trade between Australia and the United States through the removal of all tariffs and export subsidies.</li> <li>Ensures certainty for service providers by locking in existing market access.</li> <li>Provides a framework for future integration of the Australian and United States' financial services markets and the promotion of two way investment.</li> <li>Creates new opportunities for Australian goods and services providers with access to the US federal and state government's procurement market now open to Australia.</li> </ul>
Japan Australia Economic Partnership Agreement	<ul style="list-style-type: none"> <li>JAPEA is one of the most liberalising FTA Japan has ever concluded with another country and was the first time Japan had concluded a FTA with a major economy.</li> <li>Entered into force on 15 January 2015.</li> </ul>	<ul style="list-style-type: none"> <li>Commitments for preferential access and the elimination and reduction of tariffs on Australian exports.</li> <li>Promoting trade in services with guaranteed market access and obligations for best treatment.</li> <li>Promotes growth and diversification of Japanese investment into Australia by raising the screening threshold at which Japanese investment is considered by the FIRB.</li> </ul>

# FREE TRADE AGREEMENTS IN FORCE

Free Trade Agreement	About the Free Trade Agreement	Key benefits
Korea-Australia Free Trade Agreement (KAFTA)	<ul style="list-style-type: none"> <li>KAFTA substantially liberalises trade with South Korea, Australia's fourth largest trading partner.</li> <li>Entered into force on 12 December 2014.</li> </ul>	<ul style="list-style-type: none"> <li>Provides for the widespread elimination of tariffs.</li> <li>Promotes trade in services through guaranteed market access and obligations for best treatment.</li> <li>Provides greater certainty for Australian investors through investor protections and an investor-state dispute resolution mechanism.</li> </ul>
Malaysia-Australia Free Trade Agreement (MAFTA)	<ul style="list-style-type: none"> <li>MAFTA is a comprehensive trade agreement which further integrates Australia into the Asian region and builds on the benefits Australia obtained with Malaysia through AANZFTA.</li> <li>Entered into force on 1 January 2013.</li> </ul>	<ul style="list-style-type: none"> <li>Elimination of tariffs on a further range of goods than addressed in AANZFTA.</li> <li>Guaranteed majority Australian ownership for investors in a range of industries supplying services in Malaysia.</li> <li>Greater labour mobility through the easing of visa requirements.</li> </ul>
Singapore-Australia Free Trade Agreement (SAFTA)	<ul style="list-style-type: none"> <li>SAFTA was Australia's first bilateral trade agreement in twenty years, securing an economic partnership with Australia's largest trade and investment partner.</li> <li>Entered into force on 28 July 2003.</li> </ul>	<ul style="list-style-type: none"> <li>Elimination of all tariffs.</li> <li>Enhanced trade in services through commitments on national treatment.</li> <li>Promotes a more secure investment environment through provisions for investor protection and compensation.</li> <li>Greater labour mobility through the easing of visa requirements for Australian professionals.</li> </ul>
Thailand Australia FTA (TAFTA)	<ul style="list-style-type: none"> <li>TAFTA was Thailand's first comprehensive free trade agreement and first with a developed nation.</li> <li>TAFTA has facilitated strong growth in two way trade between the two countries, which has doubled since TAFTA came into force.</li> <li>Entered into force on 1 January 2005.</li> </ul>	<ul style="list-style-type: none"> <li>Commitments for the elimination of all tariffs and import quotas.</li> <li>TAFTA provides new opportunities for Australian service providers by permitting majority Australian ownership of Thai companies in a range of sectors.</li> <li>Promotes a more secure and transparent investment environment through provisions for investor protection and investor state dispute resolution.</li> <li>Provides for ongoing access for Australian service providers with a commitment to further liberalise services in the future.</li> </ul>

# FREE TRADE AGREEMENTS UNDER NEGOTIATION

Free Trade Agreement	About the Free Trade Agreement	Key benefits
Australia-Gulf Cooperation Council (GCC) FTA	<ul style="list-style-type: none"> <li>FTA negotiations with the Gulf Cooperation Council (GCC), commenced in July 2007.</li> <li>The GCC is Australia's ninth largest merchandise export market, accounting for \$A4.8 billion of Australia's merchandise exports in 2005-6.</li> <li>In March 2014, the GCC Ministerial Council approved the resumption of FTA negotiations, but made no announcement on when negotiations would resume and with which countries.</li> <li>As at February 2015 negotiations have still not resumed.</li> </ul>	<ul style="list-style-type: none"> <li>The GCC is a key market for agricultural exports such as livestock, meat, dairy products, vegetables, sugar, wheat and other grains.</li> <li>The agreement provides an opportunity to address a range of tariff and non-tariff barriers related to our food exports.</li> <li>Other issues on the negotiations agenda include liberalising trade in services, easier movement of business persons and the mutual recognition of professional qualifications.</li> </ul>
Australia-India Comprehensive Economic Cooperation Agreement	<ul style="list-style-type: none"> <li>Negotiations to sign a FTA with India began in 2011, driven by the rapid increase in two way trade between Australia and India, which has grown in value from \$5.1 billion in 2003 to \$15.2 billion in 2013.</li> <li>The last round of negotiations was held in May 2013. In September 2014, the Prime Ministers of Australia and India each renewed their countries' commitment to an FTA.</li> </ul>	<ul style="list-style-type: none"> <li>The agreement aims to encourage trade in goods and services between the two countries through the removal of tariffs and reducing the barriers to trade faced by Australian exporters and service suppliers.</li> <li>Facilitating investment between the two countries through investment protections and provisions for increased transparency to create a more certain investment environment.</li> </ul>
Indonesia-Australia Comprehensive Economic Partnership Agreement	<ul style="list-style-type: none"> <li>Negotiations for an economic partnership with Indonesia commenced in September 2014, driven by two way trade in goods and services reaching \$14.9 billion and Australian investment in Indonesia worth \$10.9 billion in 2013.</li> <li>The second round of negotiations was held in July 2013.</li> </ul>	A bilateral agreement with Indonesia would build on the outcomes obtained through AANZFTA and extend it into further areas, facilitating the further growth of trade in goods and services and increased investment by addressing existing barriers.
Pacific Agreement on Closer Economic Relations (PACER) Plus	<ul style="list-style-type: none"> <li>Current participants in the negotiations are Australia, Cook Islands, Federated States of Micronesia, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.</li> <li>The primary objective of PACER Plus is the enhanced economic development of the Pacific Island countries through increased regional trade and economic integration.</li> <li>The last round of negotiations was held in October 2014.</li> </ul>	PACER Plus is expected to secure long term job creation, an increased standard of living and enhanced private sector and economic growth in Pacific Island countries.

# FREE TRADE AGREEMENTS UNDER NEGOTIATION

Free Trade Agreement	About the Free Trade Agreement	Key benefits
Regional Comprehensive Economic Partnership (RCEP)	<ul style="list-style-type: none"> <li>The Regional Comprehensive Economic Partnership Agreement aims to create an ASEAN centred regional free trade area.</li> <li>The proposed Agreement is between the ten ASEAN countries (Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam) and the six states with which ASEAN has free trade agreements (Australia, China, India, Japan, South Korea and New Zealand). Together the RCEP countries make up 30% of global GDP and one quarter of the world's total exports.</li> <li>The sixth round of negotiations was held in December 2014.</li> <li>Negotiations are expected to be concluded by the end of 2015.</li> </ul>	<ul style="list-style-type: none"> <li>RCEP is expected provide a basis for open trade across the region, and provides an opportunity to address any issues surrounding the multiple overlapping bilateral agreements in the region.</li> <li>The Agreement aims to gradually eliminate barriers to trade in goods and restrictions to trade in services and will aim to create a more open and competitive regional investment environment.</li> <li>Other issues on the negotiations agenda include intellectual property, competition, dispute settlement and electronic commerce.</li> </ul>
Trade in Services Agreement (TiSA)	<ul style="list-style-type: none"> <li>TiSA aims to create a comprehensive services only trade agreement which is compatible with the WTO General Agreement on Trade in Services (GATS).</li> <li>The Agreement is currently being negotiated between Australia, Canada, Chile, Chinese Taipei, Colombia, Costa Rica, European Union (representing its 28 Member States), Hong Kong, Iceland, Israel, Japan, Liechtenstein, Mexico, New Zealand, Norway, Pakistan, Panama, Paraguay, Peru, Republic of Korea, Switzerland, Turkey and the United States.</li> <li>The tenth round of negotiations was held in February 2015. The eleventh round of negotiations is scheduled for April 2015.</li> </ul>	<ul style="list-style-type: none"> <li>Promoting services trade through ambitious market access commitments across all service sectors.</li> <li>Providing certainty and efficiency for service providers through the development of new trade rules, and provisions on domestic regulation to ensure domestic laws do not impede trade in services.</li> </ul>
Trans-Pacific Partnership (TPP) Agreement	<ul style="list-style-type: none"> <li>A multilateral Trans Pacific FTA currently being negotiated between Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam.</li> <li>Collectively TPP parties account for 70% of the world's trade in services.</li> <li>TPP membership is open to other economies which are able to demonstrate a commitment to achieving comprehensive outcomes.</li> <li>The last round of negotiations was held in January-February 2015. The next Chief Negotiators' meeting is scheduled for March 2015.</li> </ul>	<ul style="list-style-type: none"> <li>The creation of new export destinations: Australia does not currently have FTAs with three TPP parties – Canada, Mexico and Peru. This will give goods and services exporters access to these new markets.</li> <li>Promoting trade in goods and services through the removal of technical barriers to trade and other restrictions.</li> <li>The TPP provides an opportunity to address novel trade issues, including ensuring the benefits of the agreement extend to small and medium sized entities and promoting regulatory coherence among the parties.</li> </ul>

# CONCLUDED FREE TRADE AGREEMENTS

Free Trade Agreement	About the Free Trade Agreement	Key benefits
China-Australia Free Trade Agreement (ChAFTA)	<ul style="list-style-type: none"><li>• Negotiations were concluded in November 2014 and now awaiting entry into force.</li><li>• China is currently Australia's largest export market for goods and services.</li><li>• Prime Minister Abbott announced the conclusion of negotiations for ChAFTA on 17 November 2014. A Declaration of Intent has since been signed.</li></ul>	<ul style="list-style-type: none"><li>• Commitments for the widespread removal of tariffs on Australian exports.</li><li>• Promoting growth in services through improved market access across a range of industries.</li><li>• Promotes growth and diversification of two way investment through investor protections and provisions raising the screening threshold at which Chinese investment is screened by the FIRB.</li></ul>

SYDNEY

PERTH

MELBOURNE

BRISBANE

ADELAIDE

[jws.com.au](http://jws.com.au)