

Australia's Free Trade Agreement

Australia has nine Free Trade Agreements (FTAs) currently in force with:

New Zealand

Singapore

The United States of America

Thailand

The Association of South East Asian Nations (ASEAN)

Chile

Malaysia

Korea

Japan

The countries covered by these FTAs account for 42 per cent of Australia's total trade.

Australia is currently engaged in six other FTA negotiations. The most relevant of these negotiations for the vegetable industry are the bilateral FTA with India and the Trans-Pacific Partnership Agreement (TPP).

Although FTAs do not guarantee access for a new commodity to market or make regulatory restrictions easier to overcome, the tariff reductions delivered by FTAs make Australian vegetables more competitive and will help to increase vegetable exports. Further, the signing of FTAs typically signifies willingness between partners to overcome market access issues.

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Country	Date Agreement entered into force	Agreement Overview	Outcome for Vegetable Industry
New Zealand (ANZCERTA)	1 January 1983	ANZCERTA is one of the most comprehensive bilateral free trade agreements in existence. It covers substantially all trans-Tasman trade in goods, including agricultural products.	Ensures close collaboration across quarantine, customs, and transport and product standards amongst both countries.
Singapore (SAFTA)	28 July 2003	SAFTA is a central pillar of the economic relationship with Singapore, Australia's largest trade and investment partner in South-East Asia. Upon this Agreements entry into force, all tariffs on horticultural produce were eliminated.	Eliminated tariffs on all goods from entry into force of the Agreement. This makes all vegetable exports to Singapore free from tariffs.
USA (AUSFTA)	1 January 2005	The Australia United States Free Trade Agreement (AUSFTA) entered into force on 1 January 2005. As a result of this Agreement, Australia received immediate zero tariff treatment for horticultural products. Australia is not a key supplier of vegetables to the United States. This is due to their ability to produce in high volume and at low cost.	The majority of vegetable products saw tariffs eliminated upon the Agreements entry into force. When the Agreement entered into force, some commodities such as potatoes did not see immediate tariff reductions. These commodities have since seen an annual reduction in tariffs over the past several years. Meaning that, as at 2015, the majority of horticultural products are now free from tariffs.
Thailand (TAFTA)	1 January 2005	TAFTA has eliminated the majority of Thai tariffs on goods imported from Australia. The agreement entered into force on 1 January 2005 and was Australia's third Free Trade Agreement. Currently, Thailand is not a significant importer of Australian vegetables, however does import of Australian horticultural products, such as table grapes and citrus.	As of 2012, the majority of vegetable commodities are free from tariffs.
ASEAN – Australia - New Zealand FTA (AANZFTA)	27 February 2009	The Agreement Establishing the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) is Australia's most ambitious trade deal to date. The countries of ASEAN - Brunei, Myanmar, Cambodia, Indonesia, Laos, Malaysia, the Philippines, Singapore, Thailand and Vietnam - constitute one of the most dynamic economic regions in the world.	The AANZFTA delivers an enhancement of market access for all horticulture products. There is however a high level of tariffs on particular products (such as potatoes to Indonesia). Despite the AANZFTA agreement, each country within the ASEAN region maintains their own tariff schedule, therefore there is not one tariff regulation for this agreement.

Chile (Australia – Chile FTA)	6 March 2009	<p>The Australia-Chile Free Trade Agreement was Australia's fifth FTA and the first with a Latin American country.</p> <p>From 1 January 2015, all tariffs were eliminated except sugar, which retains a tariff of six per cent for Australian exports to Chile.</p> <p>Since its entry into force there has been a significant increase in Australian companies operating in Chile and expanding their business in Latin America.</p>	<p>The FTA resulted in immediate elimination of tariffs for a range of products. All remaining tariffs are to be eliminated by 2015 apart from sugar.</p> <p>As a low cost producer of vegetables, Chile is not a significant export destination for Australian fresh vegetables. However, those that do reach Chile are free from tariffs.</p>
Malaysia (MAFTA)	1 January 2013	<p>The Malaysia-Australia Free Trade Agreement (MAFTA) was signed on 22 May 2012 and entered into force on 1 January 2013.</p> <p>Upon the Agreement entering into force, 97.6 per cent of Australian goods currently exported to Malaysia became free from tariffs. In 2017, this figure will rise to 99 per cent.</p>	<p>Malaysia is a key destination for Australia vegetable exports; the MAFTA agreement has eliminated all tariffs on Australian vegetable commodities.</p>
Korea (KAFTA)	12 December 2014	<p>The Korea-Australia Free Trade Agreement (KAFTA) entered into force on 12 December 2014.</p> <p>The Agreement protects and enhances the competitive position of Australia's businesses in South Korea. Australian exporters gain significantly improved market access in goods, with tariff elimination on nearly all Australia's current exports by full implementation of the Agreement.</p> <p>Upon the Agreements entry into force 98 per cent of Australia's vegetable exports to South Korea will have a total tariff reduction.</p>	<p>Phasing out of vegetable tariffs in equal stages over five years.</p> <p>Carrot industry to see a reduction by 30 per cent on tariffs over five years to 2019.</p> <p>Potatoes to see up to a 304 per cent decrease in tariffs for fresh, chipped and chilled potatoes.</p>
Japan (JAEPA)	15 January 2015	<p>The Japan-Australia Economic Partnership Agreement (JAEPA) entered into force on 15 January 2015.</p> <p>The Agreement provides valuable preferential access for Australia's exports will support further growth in two-way investment.</p>	<p>Immediate tariff elimination for most Australian vegetable commodities.</p> <p>Tariff elimination to increased price competitiveness for Australian vegetables.</p>
China (ChAFTA)	Not yet in force (as at August 2015)	<p>The China-Australia Free Trade Agreement (ChAFTA) was signed in Canberra on 17 June 2015.</p> <p>Both China and Australia will now commence domestic processes to bring the FTA into force as soon as possible.</p>	<p>It is anticipated that upon entry into force the ChAFTA agreement will see tariffs on vegetables decreased annually over the next four years. Currently, vegetable tariffs are on average 10-13%.</p> <p>It is anticipated that the ChAFTA agreement will have similar outcomes to that of the China – New Zealand FTA.</p>