

Australia's Free Trade Agreements



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

ANZCERTA	AUSFTA	AANZFTA	MAFTA	JAEPa
SAFTA	TAFTA	AACI – FTA	KAFTA	ChAFTA

The following countries are involved in at least one FTA with Australia:

BRUNEI	JAPAN	NEW ZEALAND	THAILAND
CAMBODIA	KIRIBATI	NIUE	THE PHILIPPINES
CANADA	LAOS	PERU	TONGA
CHILE	MALAYSIA	SAMOA	TUVALU
CHINA	MEXICO	SINGAPORE	UNITED STATES
COOK ISLANDS	MYANMAR	SOLOMON ISLANDS	VANUATU
INDONESIA	NAURU	SOUTH KOREA	VIETNAM

- Australia is currently engaged in nine other FTA negotiations
- Pacific Agreement on Closer Economic Relations (PACER) Plus was signed in 2017 but has not yet entered into force.
- The Trans-Pacific Partnership has now become the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and is expected to be signed in March 2018.
- Although FTAs do not guarantee access for a new commodity to market or make regulatory restriction easier to overcome, the tariff reductions delivered by FTAs make Australian vegetables more competitive and will help to increase vegetable exports.
- The signing of FTAs typically signifies willingness between partners to overcome market access issues.

For further information please contact AUSVEG on (03) 9882 0277 or via email at export@ausveg.com.au

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What is a Free Trade Agreement?

A Free Trade Agreement (FTA), is an agreement between two or more countries with the aim of liberalising the trade of goods and services and access to investment between those countries, and ultimately growing the economies of the countries involved.

An FTA does this by removing barriers to trade, such as eliminating most (if not all) tariffs and removing quotas on goods that can be exported or imported. Many FTAs also address other barriers to trade, including:

- Intellectual property protection
- Restrictions on foreign service providers
- Government procurement policies that favour domestic industry
- Customs procedures

Each FTA is negotiated separately and while there are common elements, each reflects the negotiating powers and the particular issues for the countries involved. As such, each is slightly different and care needs to be taken when identifying opportunities.

Benefits of Free Trade Agreements

- Make Australian vegetables more competitive
- Increase vegetable exports
- Signifies willingness between partners to overcome market access issues
- Opportunities for new markets

Taking advantage of FTAs

- Understand how to correctly classify products
 - Classifying your product correctly can be complex
 - Every item that is exported need to have a tariff number assigned to it
 - The Tariff Classification system is universal and uses the same code for the same product in every country
- Understand when Certificates of Origin are required
- Choose the most advantageous FTA agreement for your trade
 - Some countries are part of multiple FTA's, and may have differing tariff schedules for the same commodity, it is important to look at each FTA which may apply to your product and choose the one with the most advantageous conditions

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Free Trade Agreements in force:

Free Trade Agreement	Countries involved	Date entered into force	Outcomes for vegetable industry
ANZCERTA Australia-New Zealand Closer Economic Relations Trade Agreement	New Zealand	1-Jan-83	Elimination of tariffs on all fresh vegetables. Ensures close collaboration across quarantine, customs, and transport and product standards amongst both countries
SAFTA Singapore-Australia Free Trade Agreement	Singapore	28-Jul-03	Eliminated tariffs on all goods from entry into force of the Agreement. This makes all vegetable exports to Singapore free from tariffs
AUSFTA Australia-United States FTA	United States	1-Jan-05	All fresh vegetables have a tariffs eliminated with the exception of mushrooms which is working towards a 0% tariff by 1 January 2022
TAFTA Thailand -Australia Free Trade Agreement	Thailand	1-Jan-05	As of 2012, the majority of vegetable commodities are free from tariffs
AANZFTA ASEAN - Australia - New Zealand Free Trade Agreement	Brunei Darussalam Cambodia Indonesia Laos Malaysia Myanmar the Philippines Singapore Thailand Vietnam New Zealand	1-Jan-10	By January 2018 tariffs on all fresh vegetable commodities will be eliminated to Malaysia, New Zealand, Singapore and Vietnam. Indonesia and the Philippines continue to have high tariffs on some commodities such as (but not exclusively) potatoes, carrots and brassicas. Thailand has excluded potatoes, onions, shallots, and garlic from commitments, however have eliminated tariffs on all other fresh vegetable commodities.
ACI -FTA Australia- Chile Free Trade Agreement	Chile	6-Mar-09	As a low cost producer of vegetables, Chile is not a significant export destination Australian fresh vegetables. However, those that do reach Chile are free from tariffs.
MAFTA Malaysia - Australia Free Trade Agreement	Malaysia	1-Jan-13	Malaysia is a key destination of Australian vegetable exports, the MAFDTA agreement has eliminated all tariffs on Australian vegetable commodities.
KAFTA Korea - Australia Free Trade Agreement	South Korea	12-Dec-14	Upon the Agreements entry into force 98% of Australia's vegetable exports to South Korea saw a total tariff reduction. The carrot industry will see a reduction by 30% on tariffs over five years to 2019. Potatoes will see up to a 304% decrease in tariffs for fresh, chipped and chilled potatoes.

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Free Trade Agreements in force, continued:

Free Trade Agreement	Countries involved	Date entered into force	Outcomes for vegetable industry
JAIPA Japan - Australia Economic Partnership Agreement	Japan	15-Jan-15	Immediate tariff elimination for most of Australian vegetable commodities came into effect when the Agreement entered into force. Tariff elimination has and will continue to increase produce competitiveness for Australian vegetables.
ChAFTA China- Australia Free Trade Agreement	China	20-Dec-15	The Agreement will see an elimination of all vegetable tariffs by January 2019.

Free Trade Agreements under negotiation:

Free Trade Agreement	Countries involved	Expected outcomes for vegetable industry
CPTPP Comprehensive and Progressive Agreement for Trans-Pacific Partnership	Brunei Darussalam Canada Chile Japan Malaysia Mexico New Zealand Peru Singapore Vietnam	Most Australian vegetable exports already have duty free access under existing FTAs with all tariffs on vegetable exports to Vietnam, Malaysia, Singapore, New Zealand, Brunei and Chile already eliminated. It is expected that upon entry into force the CPTPP will see the elimination of all of Canada's vegetable tariffs, and most of Peru's and Mexico's vegetable tariffs.
PAFTA Peru - Australia Free Trade Agreement	Peru	It is expected that there will be an elimination of most of Peru's horticultural tariffs upon entry into force.
PACER Plus Pacific Agreement on Closer Economic Relations Plus	New Zealand Cook Islands Kiribati Nauru Niue Samoa Solomon Islands Tonga Tuvalu Vanuatu	Tariff reductions vary between countries, however most vegetable commodities are expected to see a elimination upon entering into force, or a significant tariff reduction schedule.

To get further information on all of Australia's' free trade agreements visit www.dfat.gov.au/trade/agreements/Pages/trade-agreements.aspx
To view up to date information on tariffs for individual commodities and countries visit the FTA portal at <https://ftaportal.dfat.gov.au/>