

AUSTRALIA-ASEAN-NZ FREE TRADE AGREEMENT

AUSTRALIAN INDUSTRY GROUP



FURTHER INFORMATION

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FTA Negotiations Launched

On 30 November 2004, the leaders of ASEAN, Australia and New Zealand announced that negotiations would commence for a free trade agreement (FTA).

This historic development will serve to integrate Australia's economy with key Asian nations, boost two-way trade in goods and services and bilateral flows of investment.

Negotiations are to begin in early 2005 and be concluded in two years. Importantly, the leaders have committed to a comprehensive agreement covering goods and services trade as well as the progressive elimination of all forms of barriers to trade. The leaders also agreed to implement the FTA fully within 10 years.

ASEAN is a major market for Australian exporters, accounting for over 11% of Australia's total merchandise exports and just under 15% of services exports. Key Australian exports to ASEAN include refined copper, dairy produce, unwrought aluminium, wool, live cattle, pork, salt and alumina. Key imports from ASEAN include crude & refined petroleum, computer, non-monetary gold and vehicles for transporting goods.

An FTA with ASEAN will not only further integrate Australia into Southeast Asian economies, but will complement our FTAs with Singapore and Thailand, as well as the mooted FTA with Malaysia.

While the Australian Industry Group is a strong supporter of progress in the multilateral trade negotiations, given the difficult and protracted nature of the current round, we are also strong supporters of FTAs that deliver Australian industry improved market access ahead of the timeframe possible through the World Trade Organization negotiations.

Over the last two decades, Australia has unilaterally reduced tariff protection for Australian manufacturers so that we now are one of the most open markets in the world. Bilateral and regional trade agreements have become a critical part of the global trading architecture, especially with a stalling in the WTO liberalisation program. It is important that any market access initiatives are assessed to provide Australian industry the opportunities to capitalise on growth markets offshore. At the same time the Australian Government must ensure it aggressively removes impediments in our own domestic market, guards against predatory pricing on imports, and maximises Australia as a globally competitive manufacturing location.

The Australian Industry Group will work closely with industry and the Government during the negotiation process, as it has done during Australia's other FTA negotiations, to ensure industry's best interests are safeguarded.