



Australia-European Union Free Trade Agreement

Benefits for manufacturers and other industrial goods producers

The Australia-European Union Free Trade Agreement (A-EU FTA) delivers commercially significant outcomes for Australian manufacturers and other industrial goods producers. It will diversify and expand trade to the valuable high income EU market of around 450 million people.



The agreement will eliminate tariffs for Australia's advanced manufactured and other industrial goods. Key Australian non-agricultural goods exports to the EU, such as machinery, silicon, auto-parts, and chemicals, will be duty-free. This will create a more level-playing field for our companies against EU producers and Australia's competitors in third countries.



Australian Government

March 2026. More information on the Australia-European Union Free Trade Agreement is available at

dfat.gov.au/aeufta



Overview

The EU maintains a number of high tariffs on non-agricultural goods which are of export interest to Australia. This includes tariffs of up to 10 per cent on wood and paper and up to 12.8 per cent on chemicals and pharmaceuticals, which impact Australian exporters' competitiveness in the EU market.

The A-EU FTA will remove tariffs on nearly all non-agricultural goods, the majority immediately on entry into force (EIF) of the agreement, which will facilitate trade expansion and diversification.

Excluding steel¹, the A-EU FTA will see 99.9 per cent of the value of Australia's non-agricultural exports enter the EU duty-free at EIF.

The agreement will ensure that 95.7 per cent of non-agricultural products (by tariff line) will be duty-free into the EU, rising to 95.8 per cent after five years with steel products accounting for the remaining tariff lines.

Key outcomes

- ▶ Immediate elimination of tariffs on non-agricultural goods, except ferro-silicon, tropical plywood, electric passenger vehicles, and goods vehicles where tariffs of up to 22 per cent will be eliminated over three to five years.
- ▶ Simple documentation requirements for traders to demonstrate the originating status of their goods.
- ▶ Commitments to reduce non-tariff barriers.
- ▶ Commitments on the fair and justifiable use of product standards, technical regulations and conformity assessment procedures.

Machinery and electrical goods

Globally, Australia exported \$15.8 billion worth of machinery and electrical goods in 2025, which includes \$1.4 billion in exports to the EU.

The A-EU FTA will eliminate EU tariffs of up to 14 per cent on machinery and electrical goods immediately on EIF.



Textiles and textile articles

Australia exported \$7 billion worth of textiles and textile articles globally in 2025, including \$237.1 million in exports to the EU.

The A-EU FTA will eliminate EU tariffs of up to 12 per cent on textiles and textile articles immediately on EIF.

The A-EU FTA also contains origin quotas, which allow more flexible rules of origin for specific products within set annual quantitative limits. These quotas enable textile manufacturers to access preferential tariff treatment under the FTA even when their products do not meet the standard rules of origin.

A comprehensive guide for textiles exporters on how to apply the rules of origin will be available closer to implementation of the agreement.

Footwear

Australia's total global footwear exports were \$186.3 million in 2025, which included \$14.9 million worth of exports to the EU.

The A-EU FTA will eliminate EU tariffs of up to 17 per cent on footwear exports immediately on EIF.

Aluminium

Globally, Australia exported \$7.7 billion worth of aluminium products in 2025, and \$200 million in exports to the EU.

The A-EU FTA will eliminate EU tariffs of up to 10 per cent on aluminium exports immediately on EIF.

Auto parts

Australia has a large, diverse and internationally competitive automotive components manufacturing and export sector.

Australia exported \$1.3 billion worth of auto parts globally in 2025, including \$116.3 million in exports to the EU.

The A-EU FTA will eliminate EU tariffs of up to 4.5 per cent on auto parts immediately on EIF.

Zinc

In 2025, Australia's total global exports of zinc products were \$2 billion, including \$528,500 in exports to the EU.

The A-EU FTA will eliminate EU tariffs of up to 5 per cent on zinc products immediately on EIF.

Lead

Globally, Australia exported \$1.2 billion worth of lead products in 2025, including \$2.1 million in exports to the EU.

The A-EU FTA will eliminate EU tariffs of up to 5 per cent on lead products immediately on EIF.

Silicon

Globally, Australia exported \$103.5 million worth of silicon products in 2025, including \$47.9 million in exports to the EU.

The A-EU FTA will eliminate EU tariffs of up to 5.5 per cent on silicon exports immediately on EIF.

Toys, games and sports related products

Australia exported \$892.8 million worth of toys, games and sports related products globally in 2025, including \$40.5 million to the EU.

The A-EU FTA will eliminate EU tariffs of up to 4.7 per cent on exported toys, games and sports related products immediately on EIF.

Wood and paper

Globally, Australia exported \$2.8 billion worth of wood and paper in 2025, including \$24.9 million in exports to the EU.

The A-EU FTA will eliminate EU tariffs of up to 10 per cent on wood and paper immediately on EIF, with the exception of tropical plywood, for which the 7 per cent tariff will be eliminated over 3 years.

Chemical and pharmaceutical products

Globally, Australia exported \$20.6 billion worth of chemical and pharmaceutical products in 2025, which includes \$1.1 billion exported to the EU.

The A-EU FTA will eliminate EU tariffs of up to 12.8 per cent on chemical and pharmaceutical exports immediately on EIF.

Plastics and rubber products

In 2025, Australia exported \$1.6 billion worth of plastics and rubber products globally, including \$90.4 million to the EU.

The A-EU FTA will eliminate EU tariffs of up to 6.5 per cent on exported plastics and rubber products immediately on EIF.

Making use of the A-EU FTA

Goods exported to the EU seeking to claim preferential tariff treatment under the agreement will need to meet the applicable rules of origin.

A comprehensive guide for business on how to apply the rules of origin for goods will be made available closer to implementation.