

# Australia-European Union Free Trade Agreement (A-EU FTA): Frequently Asked Questions

## Why is a free trade agreement with the EU important for Australia?

The Australia-European Union Free Trade Agreement (A-EU FTA) unlocks new opportunities for Australian businesses in a massive market with a GDP of about \$30 trillion and around 450 million high-income consumers.

A free trade agreement with the EU means that 88 per cent of the value of Australia's trade will be covered by our network of free trade agreements.

More trade with more trading partners means more higher-paying jobs, more opportunities for our businesses, more investment to build things here in Australia and cheaper bills for Australian households.

At a time of rising uncertainty for global trade, the A-EU FTA diversifies our trading relationships and builds economic resilience in a rapidly changing international environment.

The A-EU FTA provides Australian farmers and agricultural producers new opportunities to access a market that had been effectively closed for decades.

At entry into force, 97.8 per cent of Australia's goods exported to the EU will enter duty-free, rising to 98 per cent upon full implementation.

The A-EU FTA strengthens Australia's economic and strategic partnership with the EU. It sends a clear signal of our mutual commitment to open and transparent rules-based trade.

For more information on the benefits of the agreement, please see [key outcomes and benefits](#).

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### **When can Australians access the benefits under the A-EU FTA?**

Once it enters into force. This could take up to two years.

Australia and the EU will now undertake domestic processes required for signature. After the A-EU FTA is signed, Australia and the EU will ratify the Agreement through their parliaments.

For Australia, this will involve Parliamentary scrutiny and changes to Australian legislation to implement the deal.

You can find more information on bringing the A-EU FTA into force in [next steps](#).

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### **Will the A-EU FTA make it easier to travel to the EU?**

There will be no change to entry requirements for Australian travellers, such as tourists, students or working holiday makers.

The A-EU FTA will make it easier for Australian services providers and professionals to travel to and within the EU.

You can find more information on visas and entry requirements in Europe on [Smartraveller](#).

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### **What have Australia and the EU agreed on geographical indications (GIs)?**

Australia will develop a system to protect geographical indications (GIs) for food and spirit products.

Australian producers and businesses can continue using some terms that are commercially or culturally significant, minimising impact on current producers.

You can find more information on GIs in the A-EU FTA on the [GIs overview page](#):

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### **What have Australia and the EU agreed on critical minerals?**

The A-EU FTA boosts trade and cooperation on critical minerals. The A-EU FTA will eliminate EU tariffs on critical minerals, making Australian exports more competitive in the EU.

Australia will also raise its foreign investment screening thresholds for private EU investors, increasing the attractiveness of investing in Australian energy and resources projects.

For more information on energy and resources in the A-EU FTA, refer to the [energy and resources factsheet](#).

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## Will Australian farmers have to follow EU sustainability rules?

No. The A-EU FTA will not require Australia to make any legislative or regulatory changes on sustainability.

The A-EU FTA will provide a platform for cooperation and consultation with the EU on trade and sustainability issues. This will provide opportunities to showcase Australia's leadership in developing and adopting innovative production and supply practices to improve sustainability outcomes.

You can find more information on trade and sustainability in the A-EU FTA in [benefits for trade, environment and climate](#).

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## What have Australia and the EU agreed on climate?

The A-EU FTA includes the most ambitious and progressive commitments Australia has ever agreed on climate and environment. It incorporates our Paris Agreement commitments and supports trade in environment-friendly goods and services.

You can find more information on Australia and the EU's agreed environmental and climate commitments in [benefits for trade, environment and climate](#).

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## How can I import and export goods using preferential tariffs under the agreement?

Exporters seeking to claim preferential tariff treatment for goods under the agreement will need to meet the applicable rules of origin.

You will be able to claim preferential tariff treatment based on either:

- ▶ importer's knowledge that the good is originating
- ▶ a statement of origin made out by the exporter or producer that certifies the good is originating (a form of self-certification).

A comprehensive guide for businesses on how to apply the rules of origin for goods will be available closer to implementation of the A-EU FTA.

In the meantime, Australian businesses can access a summary of the key benefits under the A-EU FTA, as well as the latest market insights from Austrade's Europe and UK network, and related sector webinars via the [Go Global Toolkit](#).

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## Will Australia eliminate the Luxury Car Tax?

There has been no elimination of the Luxury Car Tax.

The A-EU FTA introduces a new luxury car tax category with a threshold of \$120,000 for zero emissions vehicles. This will help lower the cost and increase the uptake of electric vehicles.

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## Who did the Government consult on the A-EU FTA?

The Government conducted extensive consultations over 8 years with Australian businesses and industry groups, civil society and other stakeholders, Commonwealth agencies, and state and territory governments prior to and throughout the negotiations.

In addition, the Government held specific consultations on GIs.

First Nations stakeholders and community representatives were consulted through public meetings, industry specific consultations and written submissions.

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## What is the EU?

The European Union (EU) is a group of 27 European countries. The EU as a group is the second largest economy in the world. It is home to around 450 million people, or 5 per cent of the world's population.

Since 1993, the EU has had an 'internal' or single market. This facilitates the free movement of goods, capital, services and people within the EU. The internal market is intended to drive economic integration amongst member states to become a single EU-wide economy.

For more information on the EU please refer to the [EU brief](#).

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## Which countries are in the EU?

The EU has 27 countries, or 'Member States'. These are Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain and Sweden.

The UK, Switzerland, Norway, Ukraine, Türkiye and Iceland are not part of the EU.

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## How can I find out more?

Further information is available at [dfat.gov.au/aeufta](https://dfat.gov.au/aeufta)

Or contact us via email: [a-eufta@dfat.gov.au](mailto:a-eufta@dfat.gov.au)

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