



Australia-United Kingdom Free Trade Agreement

Summary of Negotiating Aims and Approach

Australia is seeking an ambitious and comprehensive Free Trade Agreement (FTA) with the United Kingdom of Great Britain and Northern Ireland (UK) that drives increased trade in goods and services, two-way investment, economic growth and job creation. An FTA with the UK also signals our shared commitment to open markets, free trade and the rules-based global trading system.

This document summarises Australia's negotiating aims and approach and has been prepared for business, civil society and individuals to access information on our trade negotiations with the UK.

Australia continues to welcome input from any stakeholders, including business and civil society, on issues of relevance to the FTA negotiations. To provide input, or make a submission, please email ukfta@dfat.gov.au.

Trade in Goods

Goods Market Access

- The UK is Australia's 12th-largest merchandise trading partner, with two-way goods trade worth \$15.1 billion in 2018-19. Australia will aim to secure the elimination of tariffs for all goods, and establish mechanisms that address non-tariff barriers to trade between Australia and the UK.

Customs and Trade Facilitation

- Australia will seek to include commitments that facilitate increased trade with the UK, while also allowing both Parties to maintain effective customs control. We will aim to ensure that these provisions are consistent with our obligations under the World Trade Organization (WTO) Trade Facilitation and Customs Valuation Agreements.

Technical Barriers to Trade and Sanitary and Phytosanitary Measures

- Australia will aim to reduce technical barriers to trade with the UK by assessing and removing trade-restrictive measures, while also ensuring robust health and safety standards continue to protect Australian consumers and industry, as well as our unique environment.



Rules of Origin

- Australia will advocate for liberal Rules of Origin (RoO) that facilitate market access and reflect modern production processes, global value chains and commercial transportation arrangements.

Trade Remedies

- Australia will aim to include a chapter that affirms both Parties' rights and obligations under the framework of the WTO. Additional safeguard mechanisms would only be considered when there are ambitious market access commitments in the agreement.

Trade in Services

- The UK is Australia's third largest services trading partner, with two-way services trade worth over \$15.2 billion in 2018-19. Australia will seek to secure ambitious commitments from the UK that strengthen our trade relationship across all services sectors, including in financial and professional services.

Professional Services

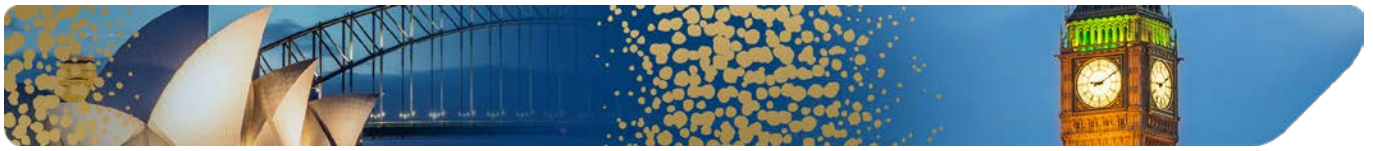
- Australia's objective is to develop a best practice framework to support both Parties' world-leading professional services industries. This will include establishing ambitious provisions on mutual recognition of professional qualifications.

Financial Services

- Australia will aim to secure provisions that strengthen our existing two-way trade in financial services, and explore the cross-application of key digital trade rules such as data flows and the location of computing facilities.
- The negotiations will also provide an opportunity to address behind-the-border barriers to financial services trade, including exploring ways to increase regulatory coherence.

Telecommunications

- Australia will seek modern provisions on telecommunications that support greater accessibility and connectivity at both the wholesale and retail level. Our commitments should also reflect the changing nature of the global telecommunications sector.



Business Mobility

- Australia will seek to enhance certainty on conditions of stay for business visitors, service suppliers and investors. We will also work to reduce barriers to temporary labour mobility for skilled professionals, in a manner consistent with existing immigration and workplace relations frameworks.

Investment

- The UK is the second largest source of foreign investment in Australia, with foreign direct investment valued at \$127 billion in 2019. Australia will seek modern and comprehensive investment rules that further strengthen our investment partnership with the UK.

Digital Trade

- Australia will seek to lock in ambitious commitments that increase opportunities for digital trade across all sectors of the economy, while also ensuring appropriate protections for consumers and for legitimate public policy objectives.
- The establishment of strong rules on data flows and localisation is also a priority for Australia. This will create a more certain and secure online environment for Australian businesses, and support increased growth of e-commerce between Australia and the UK.

Trade and Competition, including subsidies and state-owned enterprises

- The inclusion of provisions on competition and state-owned enterprises (SOEs) in the FTA will ensure that market access outcomes for Australian goods and services exports are not undermined by anti-competitive activities.
- Australia will also seek provisions relating to the enforcement by each side of its competition law, including transparency principles, due process, procedural fairness and non-discrimination.

Small and Medium-sized Enterprises (SMEs)

- Australia's objective is to see small and medium-sized enterprises (SMEs) maximise the benefits of an Australia-UK FTA. We will seek to enhance SMEs' access to information on rules, regulations and procedures, and reduce costs and red tape for SMEs.



Government Procurement

- Australia will seek improved access to government procurement opportunities in the UK. This includes agreeing to rules, procedures and requirements that are consistent with both Parties' existing international government procurement obligations. This will provide business with certainty and transparency when tendering for government procurement opportunities.

Intellectual Property

- Australia will seek to include intellectual property (IP) provisions that promote the adequate, effective and balanced protection and enforcement of IP rights, and that also encourage innovation and creativity.
- We will seek an outcome that facilitates trade and investment in IP, and that balances the legitimate interests of rights holders, users and the public interest. As with previous FTAs, Australia will protect its right to regulate in important public policy areas.
- Australia is also committed to protecting the integrity of Australia's health and pharmaceuticals systems, including the Pharmaceutical Benefits Scheme.

Trade and Sustainable Development

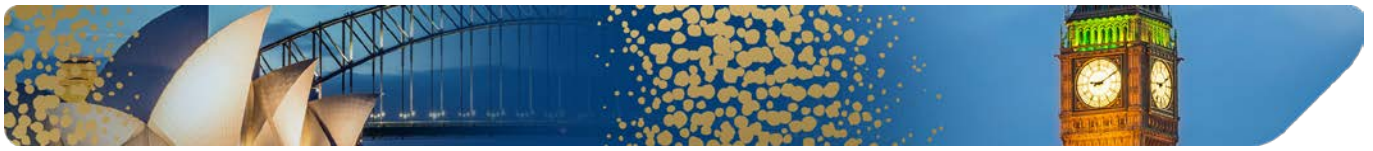
- Australia and the UK share high standards on environmental protection. Australia's approach is to include FTA commitments that are consistent with internationally agreed principles, standards and rules that have a clear link to trade.
- Both Parties are also committed to fundamental labour rights and adherence to relevant ILO Conventions. We will work to ensure high levels of labour protection that align with internationally agreed labour rights and principles.

Regulatory Cooperation

- Both Australia and the UK have strong regulatory frameworks. Australia will seek to establish a high standard, modern approach to regulatory coherence that promotes stability and certainty for Australian business.

Transparency

- Australia's objective is to establish best practice, standard-setting approaches to transparency and anti-corruption that support the rules-based international trading system.



Dispute Settlement

- Australia will aim to establish a best-practice state-to-state dispute settlement mechanism with the UK, to ensure any disputes under the agreement can be resolved simply, efficiently and transparently.

General Provisions and Exceptions

- Australia will secure appropriate exceptions to the commitments in the FTA, which will ensure the Government retains flexibility in relation to legitimate public policy objectives.