



### AANZFTA - OVERVIEW

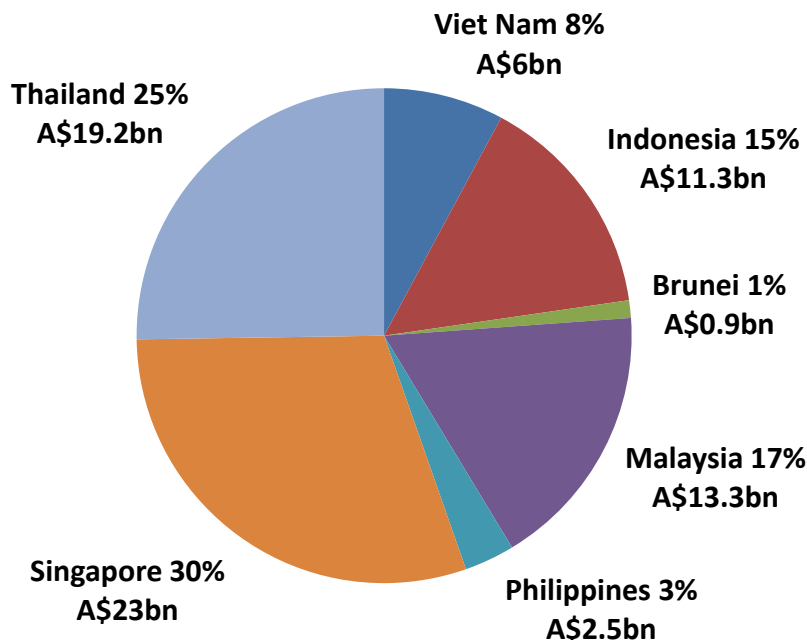
**AANZFTA: a key new regional commitment to open markets**

- AANZFTA is the first Free Trade Agreement Australia has signed since the onset of the global financial crisis
  - demonstrates the Government's commitment to providing a solid platform to support growth in Australia's trade and investment with the region.

**ASEAN and New Zealand are key trading partners**

- Australia's total two-way trade with ASEAN and New Zealand was valued at \$97 billion in 2009, accounting for just under 20% of Australia's total trade with the world.
- Australia's two-way trade with ASEAN has grown by an annual average of over 10 per cent over the past five years
- AANZFTA covers an area with a combined population of over 600 million, with an estimated GDP of \$3.3 trillion.

### Australia's Total Two-Way Trade with ASEAN 2009



Note: Trade with the less developed countries of ASEAN (Burma, Cambodia and Laos) is negligible, amounting to around \$164 million in 2009.

Source: ABS Trade data on DFAT STARS database & ABS Regional Services series.

**Comprehensive  
and forward-  
looking FTA**

- . AANZFTA is the most comprehensive FTA ASEAN has concluded
  - covers goods, services, investment, intellectual property, e-commerce, temporary movement of business people, and economic cooperation
  - binds ASEAN tariffs and contains substantial tariff elimination commitments and WTO-plus commitments in other areas, which will strengthen Australia's commercial ties with the region
  - commitments will expand and deepen over time in line with development of the ASEAN Economic Community.

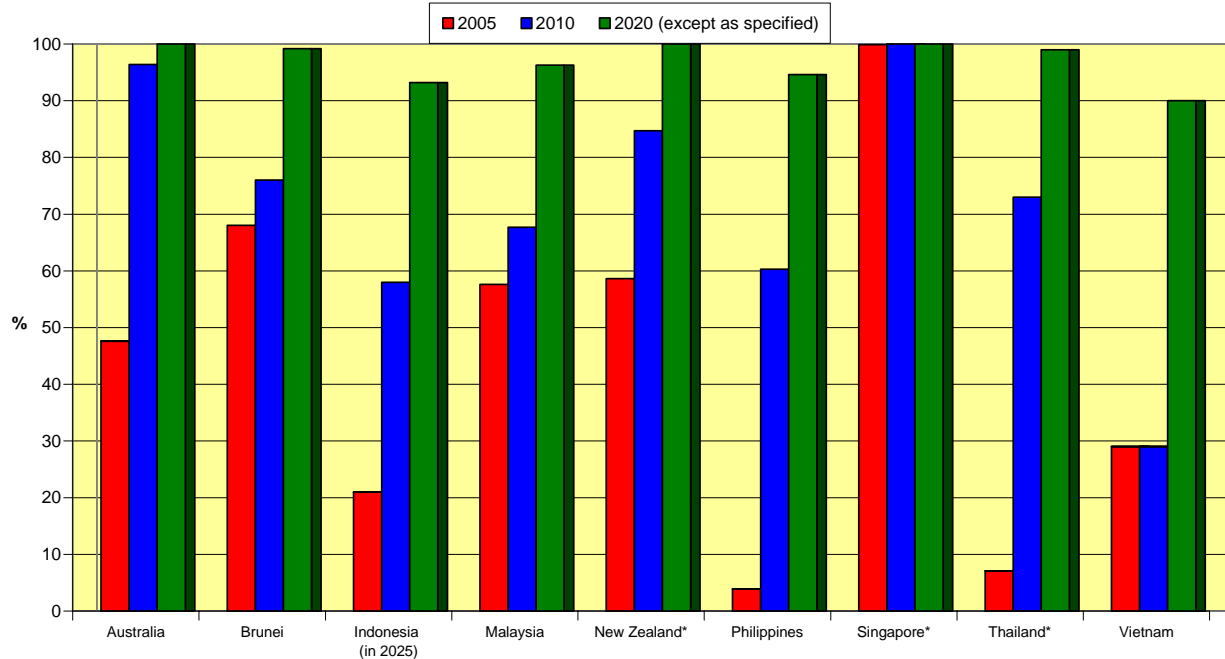
**AANZFTA  
benefits  
include...**

- \* binding current low **tariffs**, and delivering over time tariff elimination from the more developed ASEAN member countries and Vietnam on between 90 and 100 per cent of tariff lines covering 96 per cent of current Australian exports to the region
- \* supporting the development of more efficient and competitive industries through tapping into global supply chains through **regional rules of origin**
- \* commercially meaningful improvements to existing WTO commitments across a range of **services** sectors, including professional services, construction and mining-related services, education, financial services and telecommunications
- \* a significant regime of **investment** protections, an investor-state dispute resolution mechanism, and a forward work program for market access commitments on investment
- \* a framework for countries to make commitments on **temporary business entry** of natural persons that go beyond services suppliers, to include goods sellers and investors
- \* a substantial **economic cooperation** component to assist countries with the implementation of AANZFTA and to further economic integration, including the development of sound **intellectual property** systems and capacity to enforce intellectual property rights
- \* built-in agendas and review mechanisms – in such areas as services, investment, rules of origin and non-tariff measures – to ensure that AANZFTA remains a '**living document**' that will have ongoing commercial relevance
- \* helping to ensure that Australia's competitiveness in the region is not undermined as ASEAN countries negotiate FTA arrangements with other trading partners, and
- \* enhancing Australia's participation in the region's evolving economic architecture.

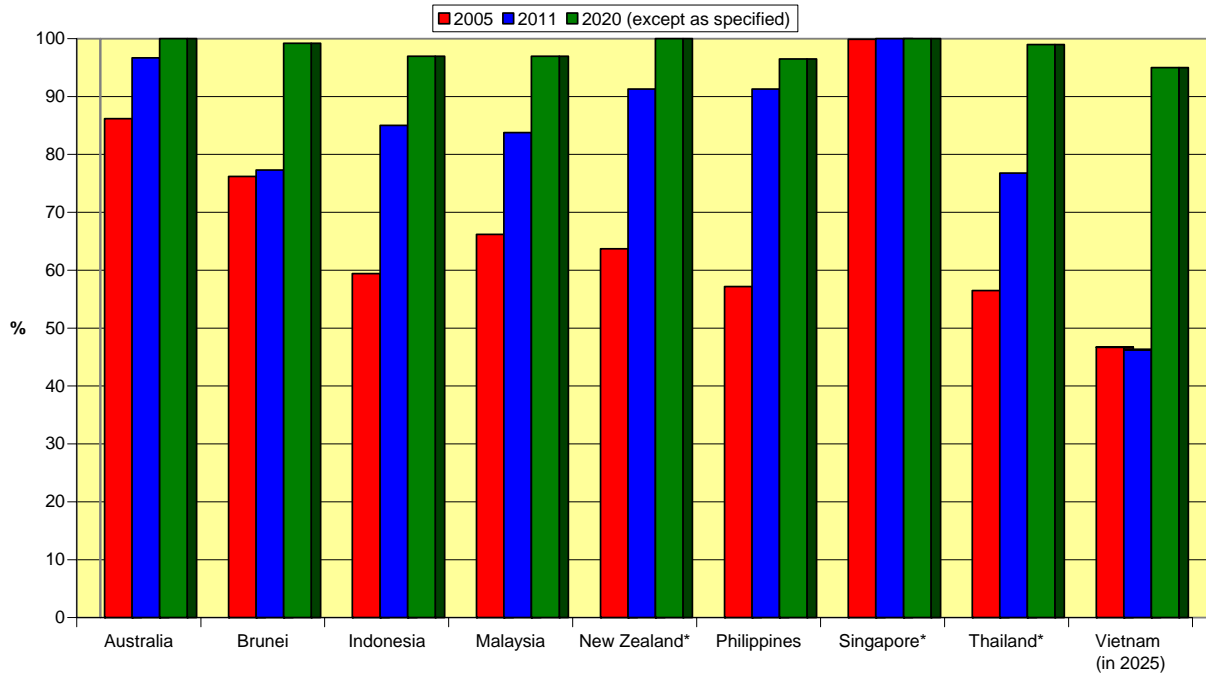
**Entry into force**

- . AANZFTA entered into force on 1 January 2010 for eight Parties: Australia, New Zealand, Brunei, Burma, Malaysia, the Philippines, Singapore and Vietnam. Thailand implemented the FTA from 12 March 2010.
- . Cambodia, Indonesia and Laos have yet to ratify.

**AANZFTA: Proportion of Tariff Lines with Tariff-Free Treatment**



**AANZFTA: Proportion of Tariff Lines with 0-5% Tariffs**



\*Australia also has bilateral FTAs with these countries.