



Business Council of Australia

19 December 2025

Ravi Kewalram  
First Assistant Secretary  
FTA and Stakeholder Engagement Division  
Department of Foreign Affairs and Trade  
Via email: [FTAModernisation@dfat.gov.au](mailto:FTAModernisation@dfat.gov.au)

Dear Mr Kewalram

The Business Council of Australia (BCA) welcomes the opportunity to input into the Southeast Asia Free Trade Agreements (FTAs) modernisation review being conducted by the Department of Foreign Affairs and Trade.

The BCA represents more than 120 of Australia's major corporations, together employing over 1.1 million people, including some of Australia's top universities and companies operating throughout the Indo-Pacific. The BCA is working towards a stronger Australia that is competitive, productive, fair and inclusive – now and for future generations.

Australia is a trading nation where one in four jobs depends on trade. This review presents an opportunity to enhance the prospective benefits of Australia's network of FTAs in Southeast Asia, including the creation of well-paid jobs, economic resilience and higher living standards.

At a time of global economic uncertainty when the international trading system is being reshaped, the need to recommit to Australia's leadership role as an open trading country and a reliable trade partner has never been greater. The BCA is a long-standing supporter of deepening Australia's trade and investment relationships with Southeast Asia. Our membership includes many companies with major investment and trade partnerships across the region.

The BCA welcomes the steps taken to date under Nicholas Moore's landmark report *Invested: Australia's Southeast Asia Economic Strategy 2040*, including a Southeast Asia Investment Finance Facility, a Southeast Asia Business Exchange, Business Champions, Investment Deal Teams and an ASEAN-Australia Centre. The BCA urges Government to accelerate its full implementation at pace.

Australia enjoys a strong network of bilateral, regional, and multilateral FTAs with Southeast Asian trading partners which have reduced barriers to trade across a number of key markets, increased market access and facilitated investment inflows. Despite this network of FTAs, significant barriers to greater trade and investment persist with several Southeast Asian economies due to restrictive regulatory systems, non-tariff barriers, limits on foreign ownership and the dominance of state-owned enterprises in certain sectors, as well as risks associated with governance and transparency.

For the benefits of trade with Southeast Asia to continue to accrue, it is essential that Australia better utilise its network of FTAs with Southeast Asian partners.

In addition, Australia must also continually seek to reduce trade barriers and ensure its FTAs keep pace with emerging trends, as well as with third country agreements that may offer better market access to Australia's competitors. This effort must include modernising existing trade and economic cooperation agreements to cover increasingly important areas such as digital trade, innovation, technology cooperation, standards, and the green economy.

Seeking new market access commitments with Southeast Asian partners will remain important to maintaining the competitiveness of Australian businesses. Notwithstanding existing multilateral FTAs, consideration should be given to scoping new bilateral FTAs with Vietnam and The Philippines, two partners that offer strong growth potential for Australian trade and investment, due to the size of their markets and development trajectories.

Vietnam has undergone rapid growth and transformation to become an industrial powerhouse and a top 20 destination for FDI globally. With a growing manufacturing base, a large and young internal market and a strong base of skilled workers, Vietnam is a key market for firms looking to expand, including across energy, education, healthcare, food and beverage, and the digital economy.

The Philippines offers a large, highly skilled workforce with English language capabilities and there are promising opportunities for Australian businesses to grow operations in professional services and the digital economy. The Philippines requires large scale investment in quality infrastructure. Expanded labour mobility would also offer significant benefits to the Australian economy, helping to ensure Australia has the workforce needed to build future-oriented industries.

- **Recommendation 1: Negotiate upgrades to existing bilateral FTAs with Southeast Asian partners to increase liberalisation in priority sectors and reduce non-tariff barriers.**
- **Recommendation 2: Enhance existing agreements with Southeast Asian partners with a greater focus on economic cooperation beyond tariff reductions, including digital trade, innovation, investment, technology cooperation, standards and the green economy.**
- **Recommendation 3: Commission feasibility studies for new bilateral FTAs with Vietnam and The Philippines, notwithstanding existing multilateral FTAs.**

I trust this submission is of assistance. The BCA would welcome further engagement with DFAT on the detail of proposed recommendations.

Yours sincerely



**Bran Black**

Chief Executive  
Business Council of Australia