



TRADE AND INVESTMENT AT A GLANCE 2019

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CREATIVE COMMONS



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DATA

Unless otherwise specified, all data is for the financial year 2017-18, for investment and international data the relevant time period is the calendar year 2017.

CURRENCY

Unless otherwise specified, all amounts are in Australian dollars.

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Enquiries regarding the licence and use of this booklet are welcome in writing to:

Assistant Secretary, Trade and Investment Advocacy Branch
Department of Foreign Affairs and Trade
R. G. Casey Building
John McEwen Crescent
Barton ACT 0221 Australia
Phone: 02 6261 1111

To request additional copies of this publication or to enquire about its content, please contact trade@dfat.gov.au

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FOREWORD

Trade and Investment at a Glance 2019 highlights Australia's strong trade and investment performance.

Exports have grown to \$438.1 billion in 2018 and foreign investment is at record levels, demonstrating that Australian exporters are navigating challenging global economic conditions and foreign investors are confident about investing here.

Ever since Australia's first free trade agreement, with New Zealand in 1983, trade agreements have reduced costs for Australian exporters and eased the pathway for Australian goods and services into foreign markets. When the agreements Australia is currently pursuing are finalised they will cover 88 per cent of Australian trade, up from around 70 per cent now.

Recent developments include: the entry into force of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership and signing of the Peru-Australia Free Trade Agreement in 2018; and the signature of the Indonesia-Australia Comprehensive Economic Partnership and Hong Kong-Australia Free Trade Agreement in 2019.

With our World Trade Organization counterparts we are seeking feasible and practical reforms to the WTO to modernise and improve its ability to deliver real outcomes for business. The commitment in January 2019 by 76 members to commence WTO negotiations on trade-related aspects of e-commerce, an area of growing importance to businesses in Australia and around the world, was an important step forward. Australia leads the WTO discussions on e-commerce.

Trade continues to play a vital role in Australia's continued economic success, with over one quarter of our economic growth over the past five years generated by trade and one in five jobs relating to trade.

This publication seeks to explain in simple statistical representations and in plain English the importance of trade and investment to Australia's ongoing prosperity.

Frances Adamson
Secretary

THE AUSTRALIAN ECONOMY

In 2017-18, the Australian economy continued to strengthen and completed 27 years of continuous annual economic growth.

Reflecting a robust domestic economy, almost one thousand jobs were created every day on average, and by early 2018, the Australian Bureau of Statistics had catalogued the longest period of jobs growth ever recorded in this country.

Additionally, over the financial year, the Reserve Bank of Australia maintained the official cash rate at a stable and historically low level, while the labour market remained strong with the unemployment rate at 5.5 per cent, and signs of a pick-up in wages growth.

Over the next five years, Australia's GDP growth is forecast to exceed that of all major advanced economies in the world.



Australia is a top 20 country that performs strongly across a broad range of global measures.

Australia has:



the world's
13th highest GDP

(International Monetary Fund,
2017, US\$)



the smallest population
of the world's 15 largest
economies

(International Monetary Fund,
World Economic Outlook 2017)



completed 27 years of
economic growth, one of
the few economies since
WWII to have done so

(Australian Bureau of
Statistics, 2017-18)



8th place on a
global scale of
economic resilience

(IMD World Competitiveness Yearbook,
2018)



12th ranking internationally
for offering a positive
business environment

(2018-22
Economist Intelligence Unit)

Australia is:

the world's largest
exporter of iron ore, coal,
unwrought lead and wool

(UN Comtrade, 2017)



the world's 2nd largest
exporter of aluminium ores,
beef, lentils and cotton

(UN Comtrade, 2017)



the world's 3rd largest
provider of international
education services

(UNESCO, 2016)



the world's 4th largest
global exporter of
liquefied natural gas

(UN Comtrade, 2017)



the world's 5th largest
exporter of wine

(UN Comtrade, 2017)



Australia's Key Economic Indicators 2015-16 to 2017-18

		2015-16	2016-17	2017-18
GDP and trade^(a)				
Gross domestic product ^(b)	% change	2.8	2.3	2.8
Exports of goods & services ^(b)	% change	6.8	5.5	3.4
Imports of goods & services ^(b)	% change	-0.1	4.7	6.6
Labour force				
Population ^(c)	'000	24,191	24,602	24,992
Labour force ^(d)	'000	12,633	12,799	13,158
Employed persons ^(d)	'000	11,892	12,071	12,436
- Annual growth	%	2.2	1.5	3.0
Unemployment rate ^(d)	%	5.9	5.7	5.5
Prices and interest rates				
Consumer prices	% change	1.0	1.9	2.1
Interest rates - 90 day bills ^(d)	% pa	2.2	1.8	1.8

(a) Chain Volume Measures (CVM), reference year 2016-17.

(b) Derived from annual movements in original data.

(c) At end of period.

(d) Derived from original data on an annual average.

Based on ABS and Reserve Bank, various catalogues.

Australia's Industry Structure 2017-18

	Gross value added ^(a)		Employed persons ^(b)	
	\$m	% share ^(c)	'000	% share
Agriculture, forestry & fishing	47,987	2.8	329.3	2.6
Mining	151,586	8.8	222.9	1.8
Manufacturing	106,749	6.2	906.4	7.3
Services	1,264,776	73.4	10,990.6	88.3
Electricity, gas, water & waste	46,191	2.7	148.8	1.2
Construction	139,313	8.1	1,171.0	9.4
Wholesale trade	71,278	4.1	365.5	2.9
Retail trade	79,888	4.6	1,286.7	10.3
Accommodation & food services	42,243	2.5	890.4	7.2
Transport, postal & warehousing	84,962	4.9	640.3	5.1
Information, media & telecommunications	43,680	2.5	221.0	1.8
Financial & insurance services	163,351	9.5	430.8	3.5
Rental, hiring & real estate	54,507	3.2	212.1	1.7
Professional, scientific & technical	125,639	7.3	1,028.0	8.3
Administrative & support	59,337	3.4	415.5	3.3
Public administration & safety	92,509	5.4	737.8	5.9
Education & training	87,683	5.1	1,025.0	8.2
Health care & social assistance	127,547	7.4	1,672.4	13.4
Arts & recreation	14,543	0.8	246.7	2.0
Other services	32,105	1.9	498.5	4.0
Ownership of dwellings	151,993	8.8		
Gross value added at basic prices ^(d)	1,723,090	100.0		
Taxes less subsidies on products and statistical discrepancy	124,585			
Total ^(e)	1,847,675		12,449	100.0

(a) Based on current price GDP. Industry breakdown based on ANZSIC 2006.

(b) Derived from original data on an annual average. Year ended June 2018.

(c) As a share of GDP at basic prices.

(d) Basic prices are amounts received by producers, including the value of any subsidies on products, but before any taxes on products.

(e) GDP at purchasers' (market) prices is derived by adding Taxes less subsidies on products and statistical discrepancy to Gross value added at basic prices.

Based on ABS catalogues 5206.0, 6202.0 and 6203.0.

PROFILE OF AUSTRALIA'S TRADE

Australia's two way trade in goods and services grew at a strong but more moderate pace in 2017-18, compared to 2016-17.

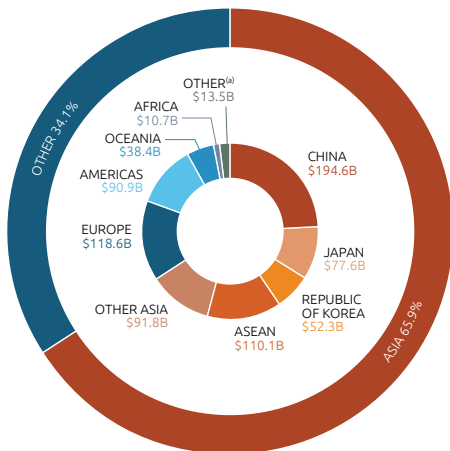
Two-way trade expanded by 8.4 per cent to \$798.6 billion, up from \$736.6 billion in 2016-17, to reach a new record high.

Australia's top five trading partners were China, Japan, the United States, the Republic of Korea and India.



Australia's Top 5 Two-Way Trading Partners
2017-18

Australia's Two-Way Trade by Region 2017-18



Regional breakdowns:

Asia includes Central Asia; Middle East; North Asia; South East Asia and Southern Asia.

Europe includes Eastern Europe; Northern Europe; South Eastern Europe, Southern Europe and Western Europe.

Americas includes North America; the Caribbean; Central America and South America.

Oceania includes Antarctica and Pacific Island countries and territories.

Africa includes Central and West Africa; North Africa and Southern and East Africa.

(a) Includes confidential items of trade.

Based on ABS catalogues 5368.0 and 5368.0.55.003 and unpublished ABS data.

Australia's Top 10 Two-Way Trading Partners 2017-18

(\$ billion)					
Rank	Trading partners ^{(a)(b)}	Goods	Services	Total	% share
1	China	174.5	20.2	194.6	24.4
2	Japan	71.3	6.2	77.6	9.7
3	United States	44.0	26.2	70.2	8.8
4	Republic of Korea	49.3	3.0	52.3	6.5
5	India	21.9	7.2	29.1	3.6
6	New Zealand	17.3	11.0	28.3	3.5
7	United Kingdom	13.8	14.0	27.8	3.5
8	Singapore	17.3	10.5	27.8	3.5
9	Thailand	20.4	4.3	24.7	3.1
10	Germany	17.2	5.1	22.4	2.8
	Total top 10 trading partners	446.9	107.8	554.7	69.5
	Total two-way trade^(c)	617.6	181.1	798.6	100.0
of which: APEC		477.6	109.3	586.9	73.5
ASEAN		80.4	29.7	110.1	13.8
EU28		72.0	34.1	106.1	13.3
OECD		270.3	87.0	357.2	44.7

(a) All data is on a balance of payments basis, except for goods by country which are on a recorded trade basis.

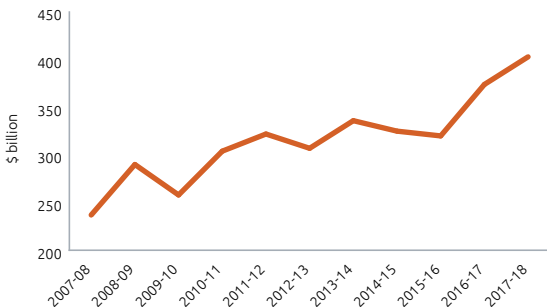
(b) May exclude selected confidential export and import commodities. Refer to the DFAT website (<http://dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx>) for more information and a list of the excluded commodities.

(c) Totals may not add due to rounding.

AUSTRALIA'S EXPORTS

The value of Australian goods and services exports continued to rise in 2017-18. Exports reached a record \$403.2 billion, up from \$373.7 billion in 2016-17, an increase of nearly 8 per cent. Australia was the world's twenty-third largest exporter in 2017.

Australia's Exports^{(a)(b)}



(a) Balance of payments basis.

(b) By value.

Based on ABS catalogues 5302.0 & 5368.0.

Australia's top five export markets remained the same in 2017-18, compared to the previous year. China was Australia's largest export destination, receiving 30.6 per cent of our total exports. A further 29.1 per cent of total exports went to Japan, the Republic of Korea, the United States and India, collectively. More than 75 per cent of Australia's exports went to Australia's top ten export destinations in 2017-18.

Australia's Top 10 Export Markets 2017-18

(\$ billion)					
Rank	Markets ^{(a)(b)}	Goods	Services	Total	% share
1	China	106.3	16.9	123.3	30.6
2	Japan	49.1	2.3	51.3	12.7
3	Republic of Korea	21.5	2.1	23.6	5.9
4	United States	12.3	9.2	21.4	5.3
5	India	16.3	4.8	21.1	5.2
6	Hong Kong ^(c)	11.4	3.1	14.5	3.6
7	New Zealand	9.3	5.0	14.4	3.6
8	Singapore	8.0	5.2	13.2	3.3
9	United Kingdom	6.5	5.3	11.8	2.9
10	Taiwan	9.4	1.5	11.0	2.7
Total top 10 markets		250.0	55.5	305.5	75.8
Total exports^(d)		315.2	88.0	403.2	100.0
of which: APEC		257.1	55.7	312.8	77.6
ASEAN		33.2	13.5	46.7	11.6
EU28		18.1	11.5	29.6	7.3
OECD		115.7	32.9	148.5	36.8

(a) All data is on a balance of payments basis, except for goods by country which are on a recorded trade basis.

(b) May exclude selected confidential export commodities. Refer to the DFAT website (<http://dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx>) for more information and a list of the excluded commodities.

(c) Special Administrative Region of China.

(d) Totals may not add due to rounding.

Based on ABS trade data on DFAT STARS database, ABS catalogue 5368.0.55.003 and unpublished ABS data.

Australia's Global Export Ranking 2017

How we compare with the rest of the world (US\$ billion)					
Rank	Economy	Goods ^(a)	Services ^(b)	Total exports	% share
1	China	2,263	228	2,491	10.8
2	United States	1,546	781	2,327	10.1
3	Germany	1,448	304	1,752	7.6
4	Japan	698	185	883	3.8
5	Netherlands	652	218	870	3.8
6	United Kingdom	441	351	792	3.4
7	France	535	249	785	3.4
8	Republic of Korea	574	87	661	2.9
9	Hong Kong ^(c)	550	104	654	2.8
10	Italy	506	111	617	2.7
11	Belgium	430	119	549	2.4
12	Singapore	373	165	538	2.3
13	Canada	421	87	508	2.2
14	India	299	184	483	2.1
15	Spain	320	139	459	2.0
23	Australia	232	65	297	1.3
Total exports		17,707	5,351	23,058	100.0
<p>(a) Goods on recorded trade basis.</p> <p>(b) Services on balance of payments basis.</p> <p>(c) Special Administrative Region of China.</p> <p>Source: World Trade Organization (WTO) online database.</p>					

Australia's Top 20 Exports 2017-18

Rank	Commodity ^(a)	\$ million	% share	% change
1	Iron ores & concentrates	61,357	15.2	-2.0
2	Coal	60,356	15.0	11.3
3	Education-related travel services ^(b)	32,434	8.0	15.5
4	Natural gas	30,907	7.7	38.5
5	Personal travel (excl education) services	21,580	5.4	-0.2
6	Gold	19,293	4.8	1.7
7	Aluminium ores & concentrates (incl alumina)	9,448	2.3	25.5
8	Beef	7,963	2.0	11.9
9	Crude petroleum	6,507	1.6	26.3
10	Copper ores & concentrates	5,720	1.4	25.0
11	Professional services	5,211	1.3	5.4
12	Wheat	4,652	1.2	-23.4
13	Financial services	4,574	1.1	15.5
14	Meat (excl beef)	4,526	1.1	18.1
15	Technical & other business services	4,262	1.1	-5.5
16	Telecom, computer & information services	4,173	1.0	25.2
17	Aluminium	4,097	1.0	25.2
18	Wool & other animal hair (incl tops)	3,985	1.0	22.1
19	Other ores & concentrates	3,141	0.8	20.7
20	Alcoholic beverages	3,111	0.8	19.1
Total exports^(c)		403,241	100.0	7.9

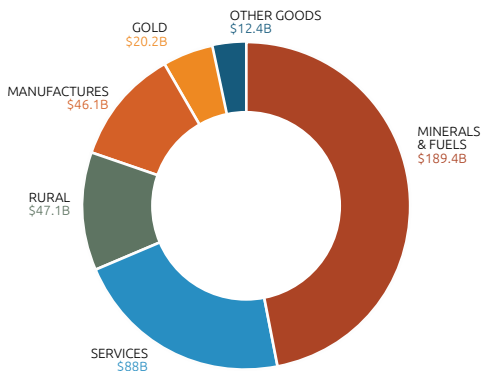
(a) Goods trade is on a recorded trade basis. Services trade is on a balance of payments basis.

(b) Includes student expenditure on tuition fees and living expenses.

(c) Total exports on a balance of payments basis.

Based on ABS trade data on DFAT STARS database and ABS catalogues 5302.0 & 5368.0.

Australia's Exports by Sector^(a) 2017-18



(a) Balance of payments basis.

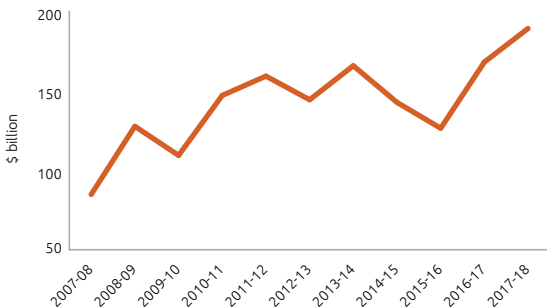
Based on ABS catalogues 5302.0 & 5368.0.

Minerals and Fuels accounted for 47 per cent of Australia's total exports, with a value of \$189.4 billion in 2017-18. Services accounted for a 21.8 per cent share of exports, worth \$88 billion. Rural exports and manufactures accounted for 11.7 per cent and 11.4 per cent, or \$47.1 billion and \$46.1 billion respectively. Gold was Australia's sixth-largest export, at 5 per cent or \$20.2 billion.

MINERALS AND FUELS

Minerals and Fuels exports grew by 12.6 per cent in 2017-18. Exports from this sector have more than doubled over the past ten years.

Australia's Minerals and Fuels Exports^{(a)(b)}



(a) Balance of payments basis.

(b) By value.

Based on ABS catalogues 5302.0 & 5368.0.

All but two of Australia's top ten Minerals and Fuels exports recorded a greater than ten per cent increase in 2017-18, with natural gas exports expanding by 38.5 per cent to \$30.9 billion and crude petroleum growing by 26.3 per cent to \$6.5 billion.

Australia's Top 20 Minerals and Fuels Exports 2017-18

Rank	Commodity ^{(a)(b)}	\$ million	% share	% change
1	Iron ores & concentrates	61,357	32.4	-2.0
2	Coal	60,376	31.9	11.3
3	Natural gas	30,907	16.3	38.5
4	Aluminium ores & concentrates (incl alumina)	9,448	5.0	25.5
5	Crude petroleum	6,507	3.4	26.3
6	Copper ores & concentrates	5,720	3.0	25.0
7	Other ores & concentrates ^(c)	3,141	1.7	20.7
8	Refined petroleum	2,626	1.4	11.9
9	Crude minerals	1,707	0.9	131.1
10	Precious metal ores & concentrates (excl gold)	1,535	0.8	-7.9
11	Non-ferrous waste & scrap	1,223	0.6	10.2
12	Ferrous waste & scrap	895	0.5	32.6
13	Liquefied propane & butane	798	0.4	26.6
14	Nickel ores & concentrates	263	0.1	8.2
15	Stone, sand & gravel	149	0.1	18.0
16	Natural abrasives	98	0.1	15.5
17	Residual petroleum products	41	0.0	110.5
18	Petroleum gases	14	0.0	-5.8
19	Crude fertilisers	13	0.0	11.1
20	Uranium or thorium ores & concentrates	2	0.0	-2.0
Total Minerals & Fuels exports^(d)		189,359	100.0	12.6

(a) Recorded trade basis.

(b) Excludes confidential items of trade.

(c) Mainly Zinc ores & concentrates, Manganese ores & concentrates and Lead ores & concentrates.

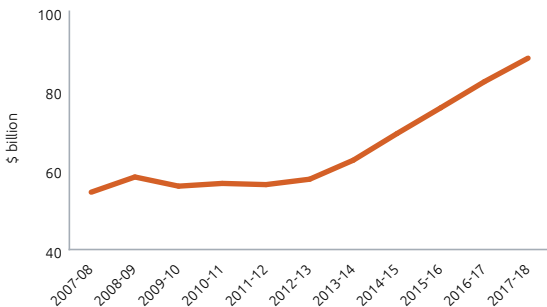
(d) Total minerals and fuels exports on a balance of payments basis.

Based on ABS trade data on DFAT STARS database and ABS catalogues 5302.0 & 5368.0.

SERVICES

Services exports grew by 7 per cent to reach \$88 billion in 2017-18. Over the past ten years, Australian exports of services have expanded by over 60 per cent. More than half of this growth occurred in the last five years.

Australia's Services Exports^{(a)(b)}



(a) Balance of payments basis.

(b) By value.

Based on ABS catalogues 5302.0 & 5368.0.

Exports of travel and other services grew in 2017-18. Exports of transport services were unchanged from 2016-17. Education-related travel services, our top services export in 2017-18, grew by 15.5 per cent to reach \$32.4 billion. Personal travel (excluding education-related services) was our second-largest services export, valued at \$21.6 billion.

Royalties for intellectual property services reached \$1.4 billion in exports and \$6.3 billion in import royalties in 2017-18. Australia remained a net exporter of IP to non-OECD countries.

Australia's Services Exports^(a) 2017-18

	\$ million	% share	% change
Manufactured services on physical inputs owned by others	5	0.0	-76.2
Maintenance & repair	44	0.0	-27.9
Transport	7,530	8.6	-0.0
Passenger ^(b)	2,924	3.3	3.2
Freight	271	0.3	-8.4
Other transport	2,828	3.2	-1.9
Postal & courier services	1,507	1.7	-0.9
Travel	56,811	64.5	7.6
Business	2,797	3.2	-8.6
Personal	54,014	61.3	8.6
Education-related	32,434	36.8	15.5
Other personal ^(c)	21,580	24.5	-0.2
Other services	23,658	26.9	8.1
Construction	726	0.8	84.7
Insurance & pension	553	0.6	6.6
Financial	4,574	5.2	15.5
Intellectual property charges	1,139	1.3	-9.4
Telecommunications, computer & information	4,173	4.7	25.2
Other business services	10,297	11.7	-0.5
Personal, cultural and recreational	1,065	1.2	11.1
Government services	1,131	1.3	1.9
Total services exports	88,048	100.0	7.0

(a) Balance of payments basis.

(b) Passenger services includes air transport-related agency fees & commissions.

(c) Inbound tourism for mainly recreational purposes.

Based on ABS catalogues 5302.0 & 5368.0.

Tourism

Tourism is Australia's largest services export. In 2017-18, we welcomed the largest number of international visitors in any year to date. Over 9 million international visitors came to Australia, representing an increase of 6 per cent over 2016-17.

Over the year, international tourism expenditure grew by 4.5 per cent to a new record high of \$42.5 billion, representing an additional \$1.8 billion to the Australian economy compared to 2016-17.

Australia's International Visitors 2017-18

Rank	Economy	Number of visitors ('000)	% change on 2016-17
1	China	1,422	12.9
2	New Zealand	1,371	1.4
3	United States	788	3.7
4	United Kingdom	742	2.1
5	Japan	442	3.2
6	Singapore	429	-0.6
7	Malaysia	389	-4.0
8	India	335	19.6
9	Republic of Korea	304	5.4
10	Hong Kong ^(a)	298	15.1

(a) Special Administrative Region of China.

Source: Department of Home Affairs.

Top 10 Economies by Expenditure, year ending June 2018

Rank	Economy	Total trip spend (\$ million)	% change on 2016-17
1	China	11,269	15.2
2	United States	3,672	-2.8
3	United Kingdom	3,495	-1.0
4	New Zealand	2,548	-4.4
5	Japan	1,762	0.6
6	Republic of Korea	1,656	9.8
7	India	1,502	5.0
8	Singapore	1,415	-3.2
9	Malaysia	1,335	0.0
10	Hong Kong ^(a)	1,301	-1.3

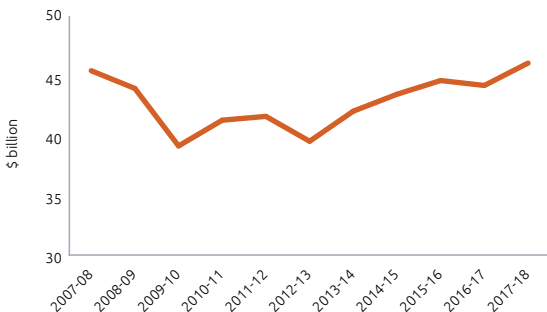
(a) Special Administrative Region of China.

Source: Tourism Research Australia: International Visitor Survey.

MANUFACTURES

Manufactures exports grew by 4.3 per cent to reach \$46.1 billion in 2017-18. The sector is rebounding following a sustained dip in exports from 2009 following the global financial crisis.

Australia's Manufactures Exports^{(a)(b)}



(a) Balance of payments basis.

(b) By value.

Based on ABS catalogues 5302.0 & 5368.0.

Australia's manufacturing export industry is broad-based. The difference in the share of exports generated by the first and twentieth-largest export in the sector was just 7.5 percentage points. In 2017-18, the strongest performers included aluminium, our top export in this sector, which grew 25.2 per cent over 2016-17 to \$4.1 billion, and zinc exports which expanded by 34.9 per cent to reach \$1.7 billion.

Australia's Top 20 Manufactures Exports 2017-18

Rank	Commodity ^{(a)/(b)}	\$ million	% share	% change
1	Aluminium	4,097	8.9	25.2
2	Copper	2,891	6.3	-7.6
3	Medicaments (incl veterinary)	2,343	5.1	7.3
4	Aircraft, spacecraft & parts	2,043	4.4	13.5
5	Telecom equipment & parts	1,813	3.9	3.6
6	Zinc	1,709	3.7	34.9
7	Pharmaceutical products (excl medicaments)	1,583	3.4	20.2
8	Medical instruments (incl veterinary)	1,476	3.2	-7.8
9	Miscellaneous manufactured articles	1,094	2.4	9.2
10	Measuring & analysing instruments	1,059	2.3	13.2
11	Pigments, paints & varnishes	995	2.2	16.3
12	Lead	977	2.1	-22.3
13	Paper & paperboard	947	2.1	6.5
14	Perfumery & cosmetics (excl soap)	881	1.9	27.0
15	Specialised machinery & parts	869	1.9	7.9
16	Vehicle parts & accessories	863	1.9	14.5
17	Computers	847	1.8	9.6
18	Inorganic chemical elements	725	1.6	50.9
19	Civil engineering equipment & parts	667	1.4	-7.7
20	Pearls & gems	665	1.4	-9.2
Total manufactures exports^(c)		46,118	100.0	4.3

(a) Recorded trade basis.

(b) Excludes confidential items of trade.

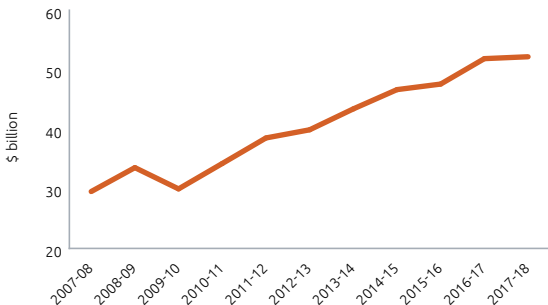
(c) Total manufactures exports on a balance of payments basis.

Based on ABS trade data on DFAT STARS database and ABS catalogues 5302.0 & 5368.0.

AGRICULTURE

Australia's agriculture, forestry and fisheries exports increased by 0.6 per cent to \$52.2 billion in 2017-18. Beef was Australia's largest agricultural export at \$8 billion, accounting for 15.3 per cent of the sector's total exports. Other strong export performers include meat (excluding beef), which grew by 18.1 per cent to reach \$4.5 billion, and wool which grew by 22.1 per cent to \$4 billion. The sector has grown by more than 75 per cent over the past decade.

Australia's Agriculture, Forestry and Fisheries Exports^{(a)(b)}



(a) Definition of agriculture, forestry and fisheries includes alcoholic beverages as set out in the WTO International Trade statistics publication.

(b) By value.

Based on ABS catalogues 5302.0 & 5368.0.

Australia's Top 20 Agriculture, Forestry & Fisheries Exports 2017-18

Rank	Commodity ^{(a)(b)}	\$ million	% share	% change
1	Beef	7,963	15.3	11.9
2	Wheat	4,652	8.9	-23.4
3	Meat (excl beef)	4,526	8.7	18.1
4	Wool & other animal hair (incl tops)	3,985	7.6	22.1
5	Edible products & preparations	3,007	5.8	19.1
6	Wine	2,825	5.4	19.5
7	Cotton	2,131	4.1	19.1
8	Vegetables	2,032	3.9	-37.9
9	Barley	1,975	3.8	-6.2
10	Fruit & nuts	1,880	3.6	6.3
11	Sugars, molasses & honey	1,837	3.5	-29.1
12	Live animals (excl seafood)	1,720	3.3	6.3
13	Oil-seeds & oleaginous fruits, soft	1,407	2.7	-38.2
14	Wood in chips or particles	1,343	2.6	19.7
15	Milk, cream, whey & yoghurt	1,326	2.5	7.0
16	Animal feed	1,249	2.4	4.9
17	Crustaceans	1,061	2.0	7.4
18	Cheese & curd	947	1.8	11.8
19	Hides & skins, raw (excl furskins)	815	1.6	4.9
20	Cereal preparations	782	1.5	7.4
Total agriculture, forestry & fisheries exports^(c)		52,188	100.00	0.6

(a) Recorded trade basis.

(b) Excludes confidential items of trade except sugar.

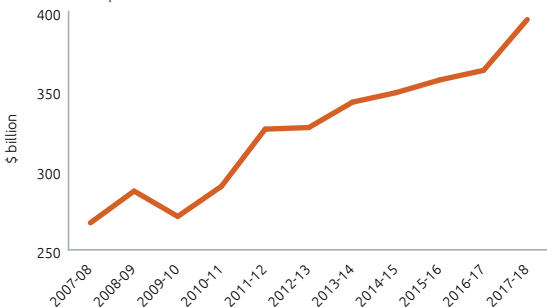
(c) Definition of agriculture, forestry and fisheries includes alcoholic beverages as set out in the WTO International Trade Statistics publication.

Based on ABS catalogue 5368.0 and ABS special data services.

Australia's Imports

The value of goods and services imported into Australia continued to rise in 2017-18. Imports reached \$395.4 billion after increasing by 9 per cent over the year. Australia's top import, worth \$42.5 billion, was the provision of travel services for Australians travelling overseas for personal tourism (excluding education-related travel). This category grew by 12.6 per cent over the year and represented more than ten per cent of Australia's total imports. According to World Trade Organization data, Australia was the twenty-first largest importer in the world in 2017.

Australia's Imports^{(a)(b)}



(a) Balance of payments basis.

(b) By value.

Based on ABS catalogues 5302.0 & 5368.0.

Australia's top import source in 2017-18 was China, accounting for 18 per cent of total imports worth \$71.3 billion. These imports were overwhelmingly dominated by goods, worth \$68.1 billion, with services at \$3.2 billion. Of Australia's top ten import sources, the United Kingdom was the only country from which Australian importers sourced more services than goods imports.

Australia's Top 10 Import Sources^{(a)(b)} 2017-18

(\$ billion)					
Rank	Sources ^{(a)(b)}	Goods	Services	Total	% share
1	China	68.1	3.2	71.3	18.0
2	United States	31.8	17.0	48.8	12.3
3	Republic of Korea	27.8	0.9	28.7	7.3
4	Japan	22.3	4.0	26.3	6.6
5	Germany	14.7	3.5	18.2	4.6
6	Thailand	15.0	3.1	18.1	4.6
7	United Kingdom	7.3	8.7	16.0	4.1
8	Singapore	9.4	5.3	14.6	3.7
9	New Zealand	7.9	6.0	13.9	3.5
10	Malaysia	11.5	1.0	12.6	3.2
	Total top 10 sources	215.8	52.6	268.4	67.9
	Total imports^(c)	302.4	93.0	395.4	100.0
	of which:				
	APEC	220.4	53.6	274.1	69.3
	ASEAN	47.2	16.2	63.4	16.0
	EU28	53.9	22.6	76.4	19.3
	OECD	154.6	54.1	208.7	52.8

(a) All data is on a balance of payments basis, except for goods by country which are on a recorded trade basis.

(b) May exclude selected confidential import commodities. Refer to the DFAT website (<http://dfat.gov.au/about-us/publications/trade-investment/Pages/dfat-adjustments-to-abs-official-trade-data.aspx>) for more information and a list of the excluded commodities.

(c) Totals may not add due to rounding.

Based on ABS trade data on DFAT STARS database, ABS catalogue 5368.0.55.003 and unpublished ABS data.

Australia's Global Import Ranking 2017

How we compare with the rest of the world (US\$ billion)					
Rank	Economy	Goods ^(a)	Services ^(b)	Total imports	% share
1	United States	2,408	538	2,947	12.7
2	China	1,844	468	2,311	9.9
3	Germany	1,167	324	1,490	6.4
4	France	624	240	864	3.7
5	Japan	672	191	863	3.7
6	United Kingdom	644	215	859	3.7
7	Netherlands	575	211	786	3.4
8	Hong Kong ^(c)	590	77	667	2.9
9	India	447	154	601	2.6
10	Republic of Korea	478	122	600	2.6
11	Italy	452	115	567	2.4
12	Canada	442	106	548	2.4
13	Belgium	406	117	523	2.3
14	Singapore	328	171	498	2.1
15	Mexico	432	37	469	2.0
21	Australia	221	68	289	1.2
Total imports		18,065	5,182	23,247	100.0

(a) Goods on recorded trade basis.

(b) Services on balance of payments basis.

(c) Special Administrative Region of China.

Source: WTO online database.

Australia's Top 20 Imports 2017-18

Rank	Commodity ^{(a)(b)}	\$ million	% share	% change
1	Personal travel (excl education) services	42,496	10.7	12.6
2	Passenger motor vehicles	23,299	5.9	7.0
3	Refined petroleum	21,655	5.5	24.5
4	Ships, boats & floating structures ^(c)	14,897	3.8	210.3
5	Telecom equipment & parts	13,412	3.4	12.1
6	Crude petroleum	11,738	3.0	36.9
7	Goods vehicles	10,181	2.6	27.2
8	Freight transport services	9,431	2.4	11.9
9	Computers	8,836	2.2	12.5
10	Medicaments (incl veterinary)	7,169	1.8	-2.3
11	Passenger transport services ^(d)	7,167	1.8	5.6
12	Professional services	6,644	1.7	8.5
13	Gold	6,540	1.7	-9.7
14	Technical & other business services	5,177	1.3	9.2
15	Charges for intellectual property	4,613	1.2	7.3
16	Furniture, mattresses & cushions	4,497	1.1	7.0
17	Pharmaceutical products (excl medicaments)	4,283	1.1	9.0
18	Civil engineering equipment & parts	4,244	1.1	47.4
19	Telecom, computer & information services	4,233	1.1	18.9
20	Business travel services	4,215	1.1	0.9
Total imports^(e)		395,400	100.0	9.0

(a) Goods trade is on a recorded trade basis. Services trade is on a balance of payments basis.

(b) Excludes imports of large aircraft which are treated confidentially by the ABS. DFAT estimates aircraft imports would rank within Australia's top 20 imports with a value around \$4.4 billion in 2017-18.

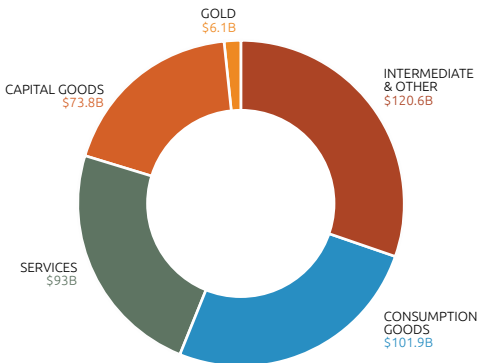
(c) DFAT estimate for 2016-17 and 2017-18.

(d) Includes Related agency fees & commissions.

(e) Total imports on a balance of payments basis.

Based on ABS trade data on DFAT STARS database and ABS catalogues 5302.0 & 5368.0.

Australia's Imports by Sector^(a) 2017-18



(a) Balance of payments basis.

Based on ABS catalogues 5302.0 & 5368.0.

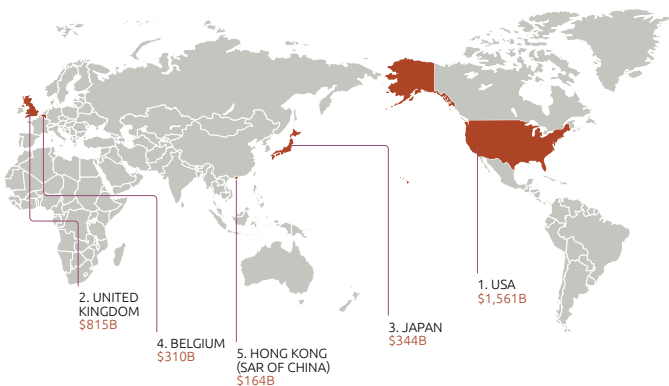
Imports were fairly evenly spread among four of the five sectors in 2017-18, with just a twelve percentage point difference in the share of the sector between them. Intermediate and other goods remained Australia's largest import sector and accounted for \$120.6 billion in imports. Consumption goods, services, and capital goods followed in order, with gold contributing the smallest share.

AUSTRALIA'S FOREIGN INVESTMENT

Foreign investors had a total of \$3.3 trillion invested in Australia at the end of 2017. A key benefit of foreign investment is employment, with foreign direct investment in Australia supporting the employment of 1.2 million Australians (or 1 in 10 jobs in Australia). Our world-leading minerals and energy sector, in particular, has long been powered by foreign investment.

The United States was Australia's largest foreign investor by a wide margin, accounting for \$896.9 billion in investments in Australia at the end of 2017. The United States also received the largest portion of Australian investment overseas, again by a wide margin, accounting for \$664.5 billion at the end of 2017. The total amount of Australian money invested overseas was around \$2.3 trillion at the end of 2017.

Australia's Top 5 Two-Way Investment Partners at the end of 2017



Source: ABS catalogue 5352.0

Australia's Top 10 Investment Sources^(a) 2017

(\$ million)			
Rank ^(b)	Country	Direct investment	Total investment ^(c)
1	United States	189,919	896,850
2	United Kingdom	83,174	481,387
3	Belgium ^(d)	2,445	305,323
4	Japan	92,520	219,236
5	Hong Kong ^(e)	25,972	116,602
6	Singapore	26,286	82,038
7	Luxembourg	9,570	80,985
8	Netherlands	53,502	79,025
9	China	40,688	64,954
10	Switzerland	9,224	53,693
Total all countries		849,098	3,266,431
of which: APEC		437,747	1,541,982
ASEAN		41,991	110,044
EU28		188,746	1,087,933
OECD		527,000	2,382,589

(a) Foreign investment in Australia: level of investment (stocks) as at 31 December 2017.

(b) Ranked on level of total investment in Australia.

(c) Includes portfolio investment.

(d) The majority of total investment from Belgium is portfolio investment liabilities in the form of debt securities (Belgium hosts a major clearing house and depository for euro-denominated bonds and other securities, Euroclear).

(e) Special Administrative Region of China.

Source: ABS catalogue 5352.0.

Australia's Top 10 Investment Destinations^(a) 2017

(\$ million)			
Rank ^(b)	Country	Direct investment	Total investment ^(c)
1	United States	127,291	664,512
2	United Kingdom	83,855	333,117
3	Japan	830	125,122
4	New Zealand	62,094	103,040
5	China	13,506	77,099
6	Germany	np	73,643
7	Cayman Islands	np	63,317
8	Singapore	20,221	59,418
9	France	2,432	50,983
10	Hong Kong ^(d)	4,079	47,407
Total all countries		590,566	2,280,237
of which: APEC		274,991	1,217,323
ASEAN		40,259	98,321
EU28		117,797	612,121
OECD		329,055	1,592,406

(a) Australian investment abroad: level of investment (stocks) as at 31 December 2017.

(b) Ranked on total Australian investment abroad.

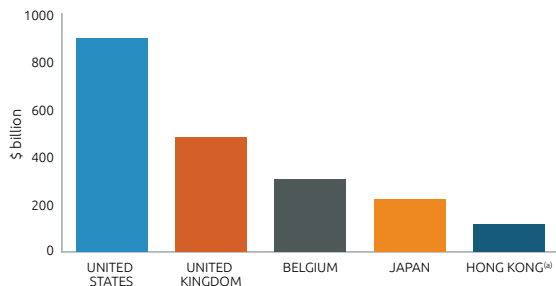
(c) Includes portfolio investment.

(d) Special Administrative Region of China.

np = not published.

Source: ABS catalogue 5352.0.

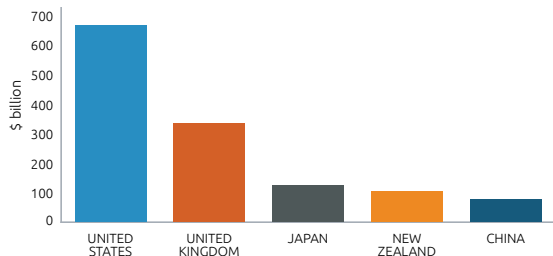
Australia's Top 5 Total Foreign Investment Sources at the end of 2017



(a) Special Administrative Region of China.

Based on ABS catalogue 5352.0.

Australia's Top 5 Total Investment Abroad Destinations at the end of 2017



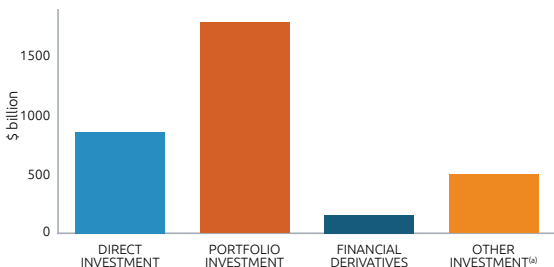
Based on ABS catalogue 5352.0.

FOREIGN DIRECT INVESTMENT

Australia had the thirteenth-highest share of direct foreign inward investment in the world in 2017. Foreign direct investment takes place when an individual or entity from outside Australia establishes a new business or acquires ten per cent or more of a local enterprise and has some control over its operations. Foreign direct investment was Australia's second-largest type of foreign investment at the end of 2017.

The most common type of investment in Australia at the end of 2017 was portfolio investment, which refers to the purchase of securities (such as stocks or bonds) or equity and debt transactions that do not offer the investor any control over the operation of the enterprise. This type of investment was worth \$1.8 trillion, followed by direct investment at \$849.1 billion, and other investment and financial derivatives at \$494.8 billion and \$153 billion, respectively.

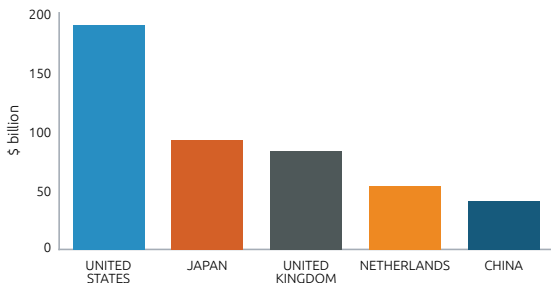
Foreign Investment in Australia by Type at the end of 2017



(a) Includes loans, trade credit, currency, deposits and reserve assets.

Based on ABS catalogue 5352.0.

Australia's Top 5 Foreign Direct Investment Sources at the end of 2017



Based on ABS catalogue 5352.0.

Economic activity of foreign-owned businesses in Australia

Foreign direct investment in Australia supports the employment of nearly 1.2 million people, or 1 in 10 jobs, a 2018 Australian Bureau of Statistics study commissioned by the Department of Foreign Affairs and Trade and Austrade showed.

According to the study, foreign-owned businesses pay higher wages on average than Australian-owned businesses.

The study gathered the most up-to-date data available, from 2014-15, on the impact of foreign investment in Australia.

See the investment section of the DFAT website for more information:
<https://dfat.gov.au/trade/resources/investment-statistics/Pages/economic-activity-of-foreign-owned-businesses-in-australia-2014-15.aspx>

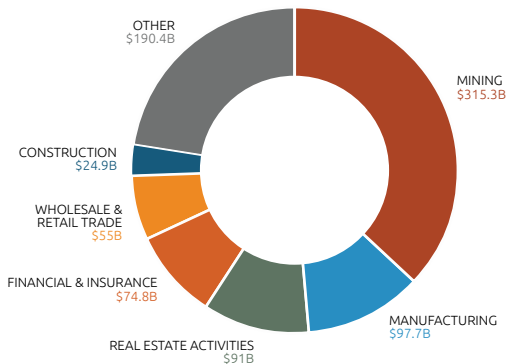
Australia's Inward Foreign Direct Investment Global Ranking 2017

How we compare with the rest of the world				
Rank	Country	US\$b	% change	% share
1	United States	7,807	19.1	24.8
2	Hong Kong ^(a)	1,969	21.1	6.2
3	United Kingdom	1,564	6.0	5.0
4	China	1,491	10.1	4.7
5	Singapore	1,285	14.4	4.1
6	Canada	1,084	11.3	3.4
7	Switzerland	1,060	7.3	3.4
8	Netherlands	975	17.1	3.1
9	Germany	931	18.5	3.0
10	Ireland	880	4.4	2.8
11	France	875	24.1	2.8
12	Brazil	778	10.7	2.5
13	Australia	662	14.8	2.1
World inward stock		31,524	14.0	100.0

(a) Special Administrative Region of China.

Source: UNCTADstat database.

Australia's Foreign Direct Investment by Industry at the end of 2017



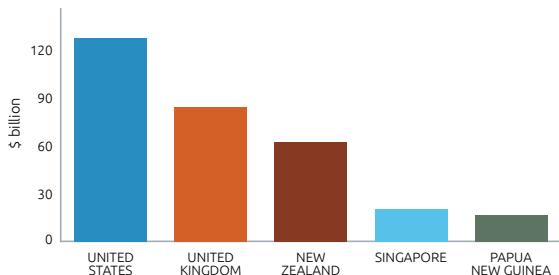
Based on ABS catalogue 5352.0.

Australia's top sectors for foreign direct investment in 2017 were mining, with a 37.1 per cent share of the total worth \$315.3 billion, followed by manufacturing with a 11.5 per cent share worth \$97.7 billion, and real estate activities with a 10.7 per cent share worth \$91 billion.

AUSTRALIAN DIRECT INVESTMENT ABROAD

Australia was the seventeenth-largest international direct investor in the world at the end of 2017. Australia's top direct investment abroad destinations are English-speaking countries, however Australian investment in other regions, including in Asia, is increasing. Australia's major direct investment destinations at the end of 2017 were the United States, the United Kingdom, New Zealand, Singapore and Papua New Guinea.

Australia's Top 5 Direct Investment Abroad Destinations at the end of 2017



Based on ABS catalogue 5352.0.

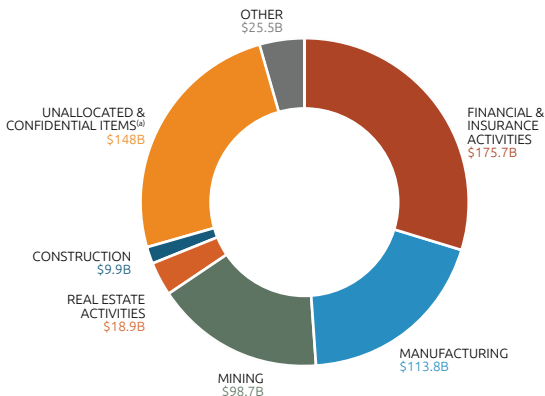
Australia's Direct Investment Abroad Global Ranking 2017

How we compare with the rest of the world				
Rank	Country	US\$b	% change	% share
1	United States	7,799	22.6	25.3
2	Hong Kong ^(a)	1,804	16.7	5.9
3	Germany	1,607	20.3	5.2
4	Netherlands	1,605	14.8	5.2
5	United Kingdom	1,532	2.7	5.0
6	Japan	1,520	15.6	4.9
7	Canada	1,487	18.8	4.8
8	China	1,482	9.2	4.8
9	France	1,452	13.4	4.7
10	Switzerland	1,272	6.1	4.1
11	Ireland	899	6.8	2.9
12	British Virgin Islands	880	8.7	2.9
13	Singapore	841	13.0	2.7
14	Belgium	691	17.0	2.2
15	Spain	597	13.3	1.9
17	Australia	461	14.8	1.5
World outward stock		30,838	15.0	100.0

(a) Special Administrative Region of China.

Source: UNCTADstat database.

Australia's Direct Investment Abroad by Industry at the end of 2017



(a) Amounts either suppressed by confidentiality or not attributable to a specific category.

Based on ABS catalogue 5352.0.

The largest share of Australian direct investment abroad went into financial and insurance activities at the end of 2017. Investment in this sector increased by 3.1 per cent to \$175.7 billion at the end of 2017 to account for 29.8 per cent of the total. Investment in manufacturing grew by 19.4 per cent to reach \$113.8 billion, accounting for 19.3 per cent of the total.

AUSTRALIA'S TRADE AND INVESTMENT FRAMEWORK

Australia's strong economy is the foundation of our international reputation and influence.

Australia is among the world's top 20 largest economies and a member of the major international, multilateral and regional forums for cooperation on economic and trade issues.

In each of these organisations we use our soft-power assets to promote Australia's interests, including trade liberalisation and the promotion of the rules-based trading system.

The World Trade Organization (WTO) is the only global international organisation concerned with the rules of trade between nations. It has 164 members representing 98 per cent of world trade, and over 20 countries are seeking to join.

Australia is proud to be a founding member of both the WTO, as well as its predecessor, the General Agreement on Tariffs and Trade (GATT).

The rules embodied in the WTO limit arbitrary and unfair trade restrictions and are of fundamental importance to Australia's interests as a trading nation.

In the WTO, Australia is leading work to set international rules for e-commerce. These new rules for digital trade will aim to reduce barriers, remove red tape, and provide an enabling environment for Australian businesses and consumers.

These rules are critical in ensuring the future benefits of digital trade are maximised, and support our evolving economy. A 2018 report by the Hinrich Foundation estimates that digital trade accounts for \$6 billion of Australian exports today, and could reach \$19 billion by 2030.

Also in the WTO, in 2018 WTO Agreement on Government Procurement (GPA) parties unanimously agreed to Australia's final offer to accede to the agreement, after three years of negotiations.

Once Australia completes its accession, the GPA will provide Australian businesses with the legal right to compete in government procurement markets the WTO estimates are worth US\$1.7 trillion a year.

At the same time, we are pursuing multilateral outcomes to strengthen global rules governing trade in services, and supporting the extension of WTO rules into new areas such as investment and competition policy. Australia also provides support for the WTO's trade capacity building activities in developing countries.

Australia also works in the OECD, the World Customs Organization, the World Intellectual Property Organization and numerous other bodies to support policies, cooperation, and dialogue to enable economic growth and help facilitate trade and investment.

Our interests are advanced by our voice in the G20, the world's premier forum for international economic cooperation. The G20 consists of 19 countries and the European Union, and represents over 85 per cent of global output, more than 75 per cent of global trade and almost two-thirds of the world's population.

Under the 2018 Argentinian G20 Presidency, Australia continued to reaffirm our commitment to a rules-based multilateral trading system anchored in the WTO, and advocated its essential role in maintaining continued economic stability and global prosperity.

Our interests are also served by the G20's continuing high-level support for institutions and policies that contribute to global prosperity and the integrity of the international financial and tax systems. Australia is cooperating closely with Japan, which has the G20 Presidency in 2019.

Australia is also able to support our trade and investment interests through the Asia-Pacific Economic Cooperation (APEC) forum.

APEC is the premier economic forum in the Asia-Pacific region, with an agenda focusing on trade and investment liberalisation, business facilitation and economic and technical cooperation.



APEC has delivered substantial benefits to businesses and consumers in the region, including through its work to address trade barriers at and behind the border, and build the capacity of developing economies to improve their participation in global trade networks.

Australia's 2017 Foreign Policy White Paper recognises that Australia's interests are served by our independent and global efforts to encourage sustainable development and reduce poverty.

In 2017-18, Australia's two-way merchandise trade with our ongoing bilateral development partnership countries¹ was valued at \$37.2 billion. Over the past decade since 2007-08, two-way trade with these countries has increased by 3.1 per cent per annum. Australia's exports to these countries grew by 4.1 per cent per annum, while imports grew by 2.1 per cent per annum over the same period.

Australia has provided Least Developed Countries² (LDC) full duty-free and quota-free access into Australia since 2003. LDC exports to Australia increased markedly from \$151.4 million in 2007-08 to \$1.3 billion in 2017-18, averaging 25.5 per cent growth every year.

An LDC Services Waiver allows WTO members to grant preferences to provide LDCs access to their markets with the objective of enhancing LDC participation in global services trade.

Australia's notification of preferential treatment for LDC service suppliers covers tourism, transport (maritime, air, rail, road and auxiliary services) and business services (computer, professional and other business services).

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- 1 Afghanistan, Bangladesh, Bhutan, Cambodia, Comoros, Cook Islands, Fiji, Indonesia, Kenya, Kiribati, Laos, Madagascar, Maldives, Mauritius, Mongolia, Mozambique, Myanmar, Nauru, Nepal, Niue, Pakistan, Papua New Guinea, Philippines, Samoa, Seychelles, Solomon Islands, Somalia, South Africa, Sri Lanka, Tanzania, Timor-Leste, Tokelau, Tonga, Tuvalu, Vanuatu, Vietnam.
 - 2 Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Eritrea, Ethiopia, Former Sudan, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Laos, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Sao Tome & Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sudan, Tanzania, Timor-Leste, Togo, Tuvalu, Uganda, Vanuatu, Yemen, Zambia.

FREE TRADE AGREEMENTS

Recognising the slow movement of multilateral negotiations in the WTO, free trade agreements (FTAs) with a smaller number of participants can offer the best and fastest means to improve Australia's competitive position and open up new commercial opportunities.

Australia's FTAs aim to maximise tariff reductions for Australian exporters, open up services markets, set rules to enhance trade and investment, and reduce regulatory risk.

Australia will not enter into an FTA unless it is a high-quality agreement that supports global trade liberalisation, meets benchmarks set by the WTO, and advances rules in areas and ways not possible in the multilateral system.

Australia has eleven regional and bilateral FTAs in force. A further four are concluded but not yet in force, including the Indonesia-Australia Comprehensive Economic Partnership Agreement which was signed in Jakarta on 4 March, 2019. Seven FTAs are currently under negotiation and we would like to negotiate an FTA with the United Kingdom when the time is right.

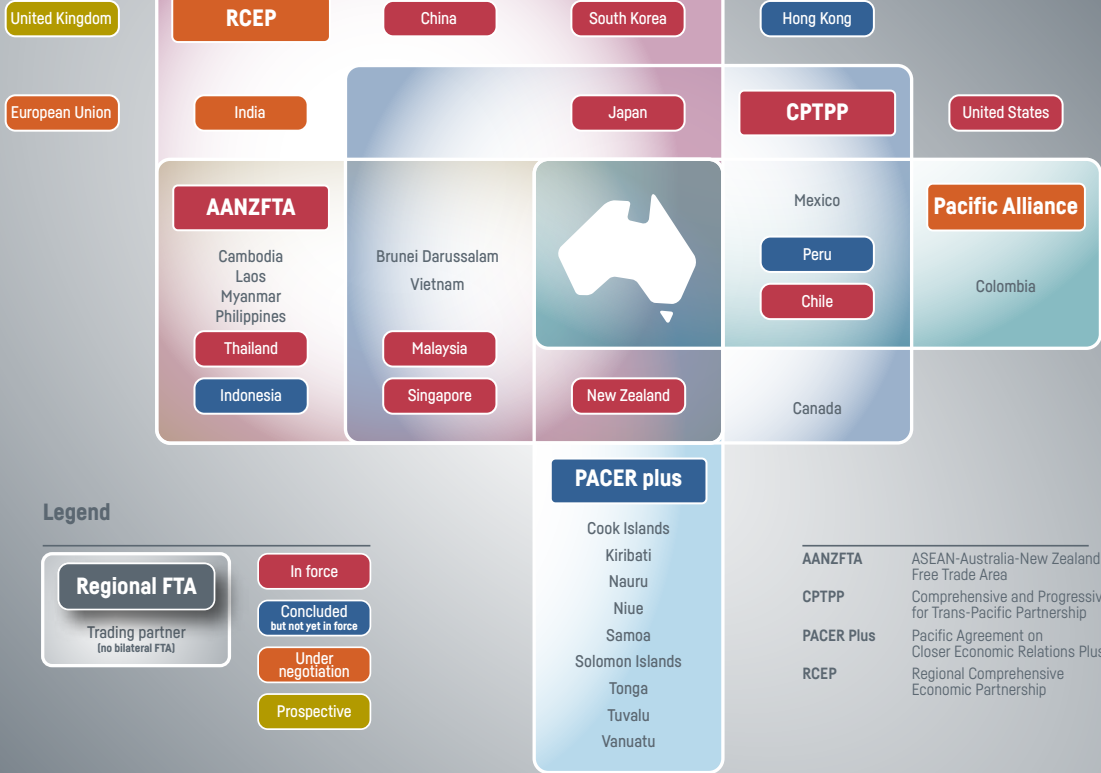
Australia's FTAs with Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) members, the ten ASEAN countries plus New Zealand and nine bilateral FTAs (Chile, China, Japan, Republic of Korea, Malaysia, New Zealand, Singapore, Thailand and the United States) account for over 68 per cent of our total trade.

The Australian Government is committed to expanding our network of FTAs to account for over 80 per cent of our trade by 2020.

The CPTPP is an FTA between Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, Peru, New Zealand, Singapore and Vietnam. The CPTPP will eliminate more than 98 percent of tariffs in the free trade area and enhance the level of transparency and predictability for Australian services exporters.

The CPTPP entered into force for businesses in Australia, Canada, Japan, Mexico, New Zealand and Singapore on 30 December 2018, and Vietnam on 14 January 2019. It will enter into force for the other signatories 60 days after each country completes its domestic legal procedures.

Australia's Free Trade Agreements



FTA Portal

DFAT's FTA Portal helps businesses explore the benefits of Australia's FTAs. Goods and services exporters and importers can find comprehensive information on tariffs and services commitments and guidance on rules of origin and market data.

The Portal will be updated as new agreements come into force. For more information visit www.ftaportal.dfat.gov.au

Overview of Trade Negotiations

FTAs concluded but not yet in force:

PERU-AUSTRALIA Free Trade Agreement
PACIFIC AGREEMENT ON CLOSER ECONOMIC RELATIONS PLUS PACER Plus
INDONESIA-AUSTRALIA Comprehensive Economic Partnership Agreement
HONG KONG-AUSTRALIA Free Trade Agreement

Australia and Peru signed the Peru-Australia Free Trade Agreement (PAFTA) on 12 February 2018 and domestic treaty making processes are underway to bring the agreement into force. PAFTA will enable Australian businesses to access opportunities in Peru, one of Latin America's fastest growing economies over the last decade.

The Pacific Agreement on Closer Economic Relations Plus (PACER Plus) opened for signature in Nuku'alofa in Tonga on 14 June 2017, and has been signed by Australia, New Zealand and nine Pacific Island countries — Cook Islands, Kiribati, Nauru, Niue, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu.

PACER Plus is an important part of Australia's engagement in the Pacific and provides commercial opportunities for Australian exporters and investors in a range of sectors. Australia ratified PACER Plus, notifying the Depositary in Tonga on 20 December 2018. Australia is the second country after New Zealand to ratify the agreement.

In March 2019, the Australian and Indonesian Governments signed the Indonesia-Australia Comprehensive Economic Partnership Agreement. Domestic treaty making process are underway to bring the agreement into force. The agreement will strengthen Australia's commercial links

and help stimulate increased two-way investment with one of the fastest growing economies in the world.

Australia and Hong Kong announced the conclusion of negotiations on an FTA on 15 November 2018 and the agreement was signed on 26 March 2019. Through the FTA, Australia has secured the best commitments on services that Hong Kong has offered to any country to date, as well as permanently locked-in zero tariffs on all Australian exports to Hong Kong.

FTAs under negotiation:

AUSTRALIA-EUROPEAN UNION FREE TRADE AGREEMENT
AUSTRALIA-INDIA COMPREHENSIVE ECONOMIC COOPERATION AGREEMENT
PACIFIC ALLIANCE FREE TRADE AGREEMENT
REGIONAL COMPREHENSIVE ECONOMIC PARTNERSHIP
ENVIRONMENTAL GOODS AGREEMENT
TRADE IN SERVICES AGREEMENT

Australia-European Union Free Trade Agreement negotiations formally launched in June 2018 and our respective leaders agreed at the November 2018 G20 Summit to seek to accelerate progress on the FTA. We are committed to moving as quickly as possible to achieve comprehensive and ambitious outcomes in the negotiations to maximise tariff reductions for Australian exporters, open up services markets, and set rules to enhance two-way investment.

An Australia-EU FTA also signals our shared commitment to open markets, free trade and the rules-based global trading system.

The Regional Comprehensive Economic Partnership (RCEP) negotiations were launched by leaders from ASEAN and ASEAN's FTA partners in the margins of the East Asia Summit in 2012.

RCEP has the potential to deliver significant opportunities for Australian businesses, with the 16 RCEP participating countries accounting for almost half of the world's population, over 30 per cent of global GDP, and over a quarter of world exports.

We are continuing to work to enhance economic ties with India, including through bilateral and regional FTA negotiations including RCEP. The

Australian Government's response, issued on 22 November 2018, to the independent report 'An India Economic Strategy to 2035: Navigating from Potential to Delivery' will unlock opportunities that will help India and Australia grow together.

An FTA with the Pacific Alliance bloc involving Chile, Colombia, Mexico and Peru would enable Australian businesses to access the opportunities presented by those growing markets.

The Australian Government continues to support efforts to finalise the Environmental Goods Agreement with 17 WTO members (including the United States, China, the European Union and Japan). This is the largest goods market access negotiation underway in the WTO. Once completed, the agreement will result in significant trade liberalisation of an extensive array of goods with environmentally beneficial technologies.

The Trade in Services Agreement (TiSA) is a services-only trade agreement with 23 negotiating parties, jointly led by Australia, the European Union and the United States. Accounting for around 70 per cent of global services trade, the TiSA will address barriers to international services trade and promote the expansion of Australia's services exports.

TiSA negotiations have been on hold since December 2016. Only a small number of issues remained outstanding at the last round of negotiations, and parties agreed to discuss next steps when the positions of all parties were clear.

Australia will be ready to launch negotiations for a comprehensive FTA with the United Kingdom as soon as possible after it has left the European Union. Australia and the UK have been preparing for negotiations through a Trade Working Group established in September 2016.

BENEFITS OF TRADE AND INVESTMENT

1. Trade promotes economic growth and raises household incomes

- As a result of trade liberalisation since 1986, Australia's GDP is 5.4 per cent higher and the average real income of Australian households has been lifted by over \$8,400 per annum, compared to a scenario where liberalisation had not occurred.

2. Trade and investment create and support Australian jobs

- 1 in 5 jobs in the Australian economy involve trade-related activities.
- 1 in 4 businesses in Australia with 200 or more employees are more than 50 per cent foreign owned.

3. Trade makes products cheaper for Australian households and businesses

- Real prices for consumer products such as clothing, footwear, motor vehicles, household appliances and audio visual equipment have fallen over the past decade. Compared to a decade earlier:
 - Garments are over 13.7 per cent cheaper;
 - Small electrical appliances (including coffee machines, food processors and irons) are 11.5 per cent cheaper;
 - Prices for toys and games have fallen 17.6 per cent; and
 - Inflation has risen by 25.1 per cent over the same period.

4. Trade gives consumers and business greater choice

- Trade provides consumers and businesses more choice, by widening the export options for exporters and increasing the supplier options for importers.

5. Trade and investment open global markets for Australian products

- Access to global markets allows Australian businesses to grow and benefit from economies of scale.
- Countries with high FDI stocks relative to the size of their economies tend to have a greater participation in global value chains (GVCs). The rate of Australia's industry participation in GVCs rose from 30.3 per cent in the mid-90s to 43.6 per cent in 2011.

6. Trade allows us to earn income on commodities that are too plentiful for Australia to consume

- Australia exports approximately two thirds of our total agricultural production, around 95 per cent of iron ore, and almost all metallurgical coal production.

7. Trade and investment encourage innovation, which leads to productivity benefits

- Access to global markets encourages businesses to be more competitive, to innovate, and to adopt new technologies and methods.
- Increasing foreign investment as a share of GDP is significantly and positively associated with productivity growth.

8. Foreign investment supports Australia's economic development

- Since the 1960s, foreign investment from the US, the UK, Japan and elsewhere has provided the capital necessary to develop our largest export industry: minerals and resources.

9. Foreign investment has supported the growth of successful Australian industries

- Foreign investment in wool and other agriculture helped build our early export industries.
- While FDI in mining increased 8 times, the number of Australians employed in the sector grew from 79,600 in 2001 to 226,700 in 2016.

10. Foreign investment encourages innovation

- FDI – particularly in the form of a multinational enterprise establishing a local R&D/manufacturing subsidiary – can substantially increase technology and knowledge transfers.
- Australia's world class R&D organisations – including the CSIRO, which ranks in the top 1 per cent of world scientific institutions across 14 of 22 research fields – have a strong tradition of partnering with foreign investors.

Our suite of trade and investment information includes:

Navigate through milestones in Australia's trading history on an interactive timeline at **Australia's Trade Through Time** website:
<https://tradethroughtime.gov.au/>

Trade Talk brings you a selection of the latest trade news from Australia and the world on a fortnightly basis:
www.dfat.gov.au/tradetalk

business envoy quarterly magazine connects DFAT's diplomatic network to Australian business:
www.dfat.gov.au/businessenvoy

Composition of Trade Australia analyses the composition, direction and commodity breakdown of Australia's trade in goods and services, bi-annually on a calendar and financial year basis:
<https://dfat.gov.au/about-us/publications/Pages/composition-of-trade.aspx>

Trade in Services Australia details the composition and direction of Australia's services trade, bi-annually on a calendar and financial year basis:
<https://dfat.gov.au/about-us/publications/Pages/trade-in-services-australia.aspx>

International Investment Australia provides a detailed snapshot of Australia's inwards and outwards investment on a calendar year basis:
<https://dfat.gov.au/about-us/publications/Pages/international-investment-australia.aspx>

Australia's trade by State and Territory gives a breakdown of each Australian state and territory's goods and services trade on a financial year basis:
<https://dfat.gov.au/about-us/publications/Pages/australia-s-trade-by-state-and-territory.aspx>

Trade and investment articles aimed at enhancing understanding of trade trends:
<https://dfat.gov.au/trade/resources/publications/Pages/trade-and-investment-articles.aspx>

DEPARTMENT OF FOREIGN AFFAIRS AND TRADE AUSTRALIAN OFFICE NETWORK

HEAD OFFICE

Canberra 02 6261 1111

AUSTRALIAN OFFICES

NEW SOUTH WALES STATE OFFICE
Sydney (DFAT switchboard) 02 6261 1111

NORTHERN TERRITORY OFFICE
Darwin 08 8982 4199

QUEENSLAND STATE OFFICE
Brisbane 07 3405 4799

SOUTH AUSTRALIA STATE OFFICE
Adelaide (DFAT switchboard) 02 6261 1111

TASMANIA STATE OFFICE
Hobart 03 6238 4099

VICTORIA STATE OFFICE
Melbourne 03 9221 5444

WESTERN AUSTRALIA STATE OFFICE
Perth 08 9231 4499

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