



Report of the 14th round of negotiations for a trade agreement between the European Union and Australia

6 - 10 February 2023 (in Canberra)

Officials from the European Commission and Australia held the 14th round of negotiations for a trade agreement between the European Union and Australia between 6 and 10 February 2023. It took place in Canberra, and due to Covid it was the first time the EU negotiating team could physically travel to Australia since the 6th round of talks in February 2020. The EU team was led by Mr Christophe Kiener, Chief Negotiator and Head of Unit at the Directorate-General for Trade of the European Commission, while the Australian team was led by Ms Alison Burrows, Chief Negotiator and First Assistant Secretary at the Department of Foreign Affairs and Trade.

Discussions were held in a good and constructive atmosphere. Both sides showed a shared commitment to negotiate an ambitious and comprehensive agreement and work as intensely as possible towards its conclusion. 22 working groups and sub-groups met over the course of the week, covering all areas of the future agreement that had not been provisionally closed yet. Negotiators continued discussing the textual proposals that had been submitted for the different chapters, and the respective comments received. They clarified the underlying concepts and practices underpinning their respective positions, the linkage with international agreements where relevant, and the involvement of different levels of government.

Wherever that was possible, negotiators agreed in principle on text parts that were acceptable to both sides. The (sub-)chapters on maritime services, telecommunication services, and on competition were provisionally concluded during the round. The revised offers on services and investment, as well as on goods (tariff) and government procurement, which had been exchanged in the course of 2022, were further discussed. A high number of follow-up actions were agreed on, including the convening of intersessional discussions in the coming weeks, to ensure that both sides would continue making steady progress ahead of the 15th round of negotiations, which is planned for April 2023 in Brussels.

Details per negotiating area:

1) Trade in Goods

The two sides discussed provisions of the consolidated text related to national treatment and taxation issues, origin marking, export monopolies, non-tariff measures, remanufactured goods, as well as customs fees and charges. They also continued

discussing the market access offers for goods that had been exchanged ahead of the previous round.

2) Rules of Origin

Negotiators discussed a number of product specific rules and procedural provisions allowing traders to claim preferential tariff treatment for originating products of the Parties, as well as the verification of the originating status of the products of the Parties. Some provisions of the general rules of origin were agreed, with several key substantive points still outstanding. The EU side underlined the importance of agreeing on provisions that avoid having importers and exporters being burdened with unnecessary obligations. Product specific rules of origin for agricultural and processed agricultural products, fish, chemicals, machinery, textiles, footwear and clothing were discussed.

3) Customs Anti-fraud and Mutual Administrative Assistance

Negotiators worked constructively and agreed on several elements of a revised proposal concerning the anti-fraud provisions.

4) Technical Barriers to Trade

Negotiators discussed all outstanding articles and annexes in the chapter. The articles on International standards, Transparency and Market surveillance were agreed and closed. Intensive discussions were held on the Motor Vehicle annex with agreement on the Regulatory convergence article. The annexes on Conformity assessment, Cosmetics and Complementary medicine were also discussed.

5) Sanitary and Phytosanitary Measures, Sustainable Food System, and Animal Welfare

Negotiators advanced on agreeing on the areas of cooperation in the SFS Chapter. Discussions continued on further aspects of SFS and on institutional arrangements and dispute settlement.

6) Services and Investment

Negotiations have now reached the final stage, with nearly all text relating to services and investment having been agreed. Telecommunication and maritime services sub-chapters have been provisionally concluded during the round. Current efforts are now focused on concluding the market access negotiations.

7) Digital Trade

Negotiators discussed the provisions on data flows and privacy, notably rules and exceptions as well as the article on scope of the digital trade chapter.

8) Government Procurement

Negotiators had again a comprehensive exchange on all aspects of market access, in which both sides explained their expectations and constraints. Both sides explored options for a final Market Access package, and discussed the provisions related to small and medium size enterprises.

9) Intellectual Property Rights

Negotiators discussed all remaining open issues on general provisions and cooperation, copyright and related rights, trademarks, patents and IPR enforcement at the border. Constructive discussions allowed for significant progress in a number of sections, mainly copyright and related rights as well as border enforcement. Several open issues in the general provisions have also been addressed.

10) Geographical Indications

Discussions continued to advance on text and on solutions for prior use conflicts, with the further narrowing of gaps in respective positions. Elements of interest to First Australian Nations People were also discussed.

11) Competition, Subsidies and State-owned Enterprises

On Anticompetitive Conduct and Merger Control, all outstanding issues were resolved and the chapter was provisionally closed. On subsidies, progress was made on the transparency and consultations articles of the section. As for State Owned Enterprises, the great majority of the text has been agreed with two outstanding issues that will require further work.

12) Trade and Sustainable Development

Negotiators discussed all the outstanding elements in the TSD chapter and achieved important progress on multilateral labour standards, trade and climate, trade and forests, and trade in environmental goods and services. Negotiators held a joint session with the legal teams from both sides to consolidate the dispute settlement provisions proposed by the EU, which cover the Trade and Sustainable Development chapter in line with the TSD review of the EU of June 2022. A number of follow up actions were agreed.

13) Energy and Raw Materials

Good progress was made during this round on a number of issues, with agreement on authorisation procedures, environmental impact assessments, offshore risk and safety, and renewable fuels. Further discussion took place on possible ways forward regarding energy regulatory provisions and pricing issues.

14) Dispute Settlement and Mediation

Both sides continued detailed and constructive discussions on the Dispute Settlement Chapter and its two Annexes (Rules of Procedure and Code of Conduct). Negotiators reached an agreement on the objectives for the Chapter, which include transparent, efficient and effective dispute settlement procedures. Both sides also agreed in principle on most issues relating to the concrete operation of the dispute settlement mechanism but some selected areas remain outstanding.

15) Legal and Institutional Provisions

Negotiators had detailed and constructive discussions on the horizontal chapters of the Agreement, i.e. Institutional provisions, Final provisions, Exceptions, Initial provisions and

the Preamble, based on textual proposals made by the EU. Many provisions in these chapters are in principle agreed, but some important issues remain outstanding.