



# EU|AUSTRALIA

## Trade Agreement



JUNE 2023

On 18 June 2018 the EU and Australia launched negotiations for a trade agreement. After 15 rounds of negotiations, the two sides have committed to conclude by the summer of 2023. This factsheet outlines some of the main reasons why we're negotiating this agreement - and how Europeans will benefit.

### KEY FACTS ON AUSTRALIA (Data for 2022)



Population:  
**25.7 million**



Bilateral Trade flows in goods:  
**€56.4 billion**



GPD:  
**€1.6 trillion**



EU Goods exports:  
**€38.5 billion**



GPD per capita:  
**€62,700**



EU Services exports:  
**€18.9 billion** (2021)



EU Foreign Direct Investment stocks in Australia:  
**€121 billion** (2021)

The EU is Australia's **third-biggest trade partner** after China and Japan.

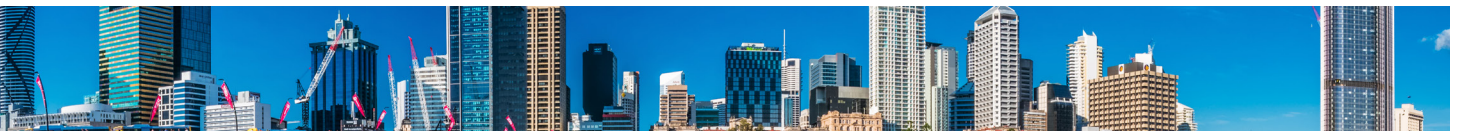




## WHY A TRADE DEAL WITH AUSTRALIA?

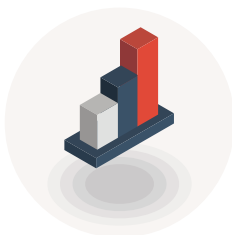
A trade agreement with this **like-minded partner** will:

- Open up one of the **world's fastest-growing developed economies**, with a growing market-in-waiting for EU goods and services
- Help to **deliver jobs, growth and investment**, benefitting EU businesses and citizens alike
- End the EU's competitive disadvantage compared to main competitors such as US, China, Japan and Korea, and all members of the Trans-Pacific Partnership who already benefit from **preferential access to the Australian market**
- Help secure the EU's supply chains of **critical raw materials**. Australia is a world-leading supplier of materials such as lithium, rare earth elements, cobalt, hydrogen, all of which are vital to the EU's industry
- From the broader geopolitical and geo-economic context, allow the EU to **deepen ties in the Indo-Pacific region**, one of the most dynamic economic regions of the world, in line with the 2021 Indo-Pacific Strategy



## MAIN EU SECTORS TO BENEFIT FROM THE DEAL

- Machinery and appliances
- Chemicals
- Motor vehicles and transport equipment
- Food and drink
- Electronic equipment
- Metals



## ECONOMIC BENEFITS

With this deal, trade in goods between Australia and the EU can increase by up to 33% and services trade by up to 8%.

This could add up to €3.9bn to the EU's GDP by 2030.



## BENEFITS FOR SMALL BUSINESS

- The removal of customs duties
- Better access to apply for government contracts in Australia
- Simpler procedures for product testing
- Ensuring that names of traditional food and drink products (“Geographical Indications”) are properly protected
- Dedicated webpage providing relevant information at one place



## BENEFITS FOR FARMERS

- Protecting EU farmers against unfair competition
- Full liberalisation of trade for sensitive agricultural products is not on the table
- We aim for specific treatment for sensitive products- this could include long tariff dismantling periods, tariff rate quotas, or other arrangements
- New opportunities for EU agri-food exports, including through protecting Geographical Indications and dismantling Australian tariffs on such products
- High sustainability standards and cooperation on topics such as animal welfare, sustainable food systems, pesticides and fertilisers



## BENEFITS FOR CONSUMERS

- Opening markets has the potential to keep prices down and give consumers more choice
- This does not mean lowering or changing standards that protect people’s health and safety, social rights, their rights as consumers or the environment
- The agreements will not affect the way in which the EU regulates food safety or consumer protection. Imports to the EU will still have to satisfy all EU product rules and regulations – without exception

