

New era of free trade with the UK

Joint media release with:

The Hon. Scott Morrison MP, Prime Minister

17 December 2021

Australia today signed a landmark free trade agreement with the United Kingdom that will make Australian exports to the UK cheaper, create new opportunities for workers, young people and businesses and further strengthen the special relationship between our two countries.

This is the most comprehensive and ambitious free trade agreement that Australia has concluded, other than with New Zealand. It demonstrates our countries' commitment to free trade as a driver of economic growth and stronger bilateral relationships.

The Australia-UK FTA delivers benefits for Australians across the board:

- Exporters will benefit from immediate elimination of tariffs on over 99 per cent of Australian goods exports to the UK, valued at around \$9.2 billion, when the agreement enters into force.
- Farmers will have improved access to more than 65 million UK consumers who value safe, sustainably produced foods and beverages with the strong provenance Australia offers.
 - Around \$43 million in annual customs duties will be removed from Australian wine when the agreement enters into force.
 - For beef, a tariff-free quota of 35,000 tonnes at entry into force will expand to 110,000 tonnes in year 10. Tariffs on beef will be eliminated after ten years.
 - For sheep meat, a tariff-free quota of 25,000 tonnes at entry into force will expand to 75,000 in year 10. Tariffs on sheep meat will be eliminated after ten years.
 - For sugar, a tariff-free quota of 80,000 tonnes at entry into force will expand to 220,000 tonnes in year 8. Sugar tariffs will be eliminated after eight years.
- Professionals will have the same access to the UK's lucrative jobs market as their European competitors, except from the Republic of Ireland. This means Australian job seekers can compete on an equal footing with EU nationals in the UK for the first time in more than 40 years.

- Australian households and businesses will save around \$200 million a year as tariffs on British imports into Australia, such as cars, whisky, confectionery, biscuits and cosmetics, are phased out within five years, with tariffs on almost all UK goods being eliminated on entry into force.
- Young people will have more time to travel to the UK for a working holiday and will be able to stay longer, with eligibility to participate in working holiday opportunities raised from 30 to 35 years of age, and stays allowed for up to three years in each country.
- Australian businesses will have the guaranteed right to bid for a greater variety of UK government contracts in a procurement market worth an estimated half-a-trillion dollars annually.
- UK businesses will be encouraged to invest in Australia thanks to best practice investment rules, including to set up regional headquarters in Australia to leverage our network of free trade agreements.

Minister for Trade, Tourism and Investment Dan Tehan signed the agreement on behalf of Australia during a virtual ceremony with the UK Secretary of State for International Trade Anne-Marie Trevelyan in Adelaide today.

The Morrison Government will now work to bring the agreement into force in 2022, so Australian exporters, farmers, workers, businesses and consumers can access the benefits of this gold standard agreement as soon as possible.

When the Australia-UK FTA enters into force, around 75 per cent of Australia's two-way trade will be covered by free trade agreements, representing preferential access to 2.9 billion customers, up from 27 per cent when the Morrison Government came to office.

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