

Free trade pact with ASEAN sparks changes

by Rob McKay | 10:32AM, 02 Mar 2009

The signing of the Australian and New Zealand Free Trade Agreement (AANZFTA) with the South East Asian Nations (ASEAN) on Friday marked an era of change in Australia's economic relations with the country's closest neighbours.

Andrew Hudson, customs and international trade lawyer at Hunt & Hunt, said that negotiations had been continuing since last August to resolve outstanding issues, particularly Australia's efforts to secure additional tariff reductions for the Australian automotive industry.

However the agreement negotiations had been concluded and were formalised with the signing of the AANZFTA in Thailand on Friday.


The Australian Department of Foreign Affairs and Trade (DFAT) said the AANZFTA would include:

- The ability for Australian pharmaceutical companies across the region to export to Association of South East Asian Nations (ASEAN) countries with almost total reduction in tariffs.
- Significant reductions in tariffs on Australian beef, live cattle exports, sheep and goat meat to countries such as the Philippines, Indonesia and Vietnam.
- Lower tariffs on Australian aluminium exports to Indonesia and reduction of Malaysian tariffs on aluminium tanks, vats, nails and screws over the next four years.
- A dispute resolution provision so that Australian firms investing in ASEAN countries will have access to arbitration against ASEAN countries if their investments are adversely affected by actions which breach the AANZFTA. This will expand current protection measures in Indonesia, Laos, the Philippines and Vietnam.
- A general commitment to certainty and transparency for Australia service providers. In addition, several Australian service industries have received specific commitments to improve their market access including benefits for lawyers.
- Rules of origin generally constructed on "co-equal" access to rules based on either Change in Tariff Classification or Regional Value Content tests. For most goods there will be an option of using either test although some goods will need to fit one test.
- The use of a "certificate of origin" regime for those wishing to claim preference. These certificates would be issued by relevant approved bodies, as in Australia's Thai Free Trade Agreement.

As part of the deal, Australia has conferred "market economy" status on Vietnam for anti-dumping purposes which is a huge development in that field and a recognition of

the work Vietnam has done since its accession to the World Trade Organisation to convince Australia it has achieved that status," Mr Hudson said.

Content on this website is subject to copyright © Lloyd's List Daily Commercial News. You are allowed to print or download extracts from any page on this site for your personal use only. No part of the Lloyd's List Daily Commercial News site may be reproduced, stored in a retrieval system, or transmitted in any form or by any means electronic, mechanical, photographic, recorded or otherwise without prior permission. Requests to republish Lloyd's List Daily Commercial News material for distribution should be addressed to: webmaster@informa.com.au

 Close Window