

Australia-UK Free Trade Agreement

- Prime Ministers Scott Morrison and Boris Johnson signed an agreement in principle today, marking a significant step towards an Australia-UK FTA.
- This is a genuine gold-standard free trade agreement that seeks to achieve a comprehensive, high-quality and mutually beneficial economic partnership between Australia and the United Kingdom.
- The two countries will now finalise the legal text, and carry out the technical processes required to enable signature and the subsequent entry into force of the Agreement. However, in principle it has been agreed:
- The UK will liberalise Australian imports of beef, sheep meat and sugar, increasing their tariff-free threshold and tapering tariffs over time. This will give Australian farmers fairer access to the UK market in competition with the EU and will give British consumers the choice of buying high-quality, well-priced Australian products.
- Australia and the UK have committed to provisions on temporary entry that will support economic recovery, enhance opportunities for business travel, and encourage people to travel and work in each other's territory, on the basis of reciprocity.
- The working holiday visa age limit will increase to 35 and provide three year's working rights, an agriculture visa will be established for UK visa holders.
 - So, for example, shearers in the UK could work in Australia on that visa in their down season, and vice versa.
- An ambitious bilateral free trade agreement will start to pave the way for the UK's accession to the CPTPP.
- The negotiations will result in enhanced bilateral mobility for young people and business people in key industries, as well as digital trade rules that will deliver new e-commerce opportunities across all sectors of the economy while ensuring appropriate protections for consumers.
- The UK was Australia's fifth largest trading partner in 2019-20, with two-way trade in goods and services worth \$36.7 billion. The UK is Australia's third-largest source of foreign direct investment, valued at \$123 billion in 2020, and our second-largest source of investment in terms of total stock, valued at \$738 billion in 2020.

Examples of UK tariffs applying to Australian products imported into UK

Product	UK Tariff
Wine	10-26 GBP/litre
Sheepmeat and goat meat	12% + 140 - 260 GBP/100kg*
Beef	12% + 118 -254 GBP/100kg*
Parts and accessories for motor vehicles	2% or 4 %
Electrical machines and apparatus, having individual functions	2%
Electric instantaneous water heaters; and parts	2%
Electric lighting or signalling equipment for motor vehicles	2%
Passenger motor vehicles	10%
Almonds, shelled	2%
Copper oxides and hydroxides	2%
Honey	16%
Rice, short and medium grain	121 GBP/tonne*
Cheese	116 - 185 GBP/100kg*
Broken rice	54 GBP/tonne*
Raw cane sugar, for refining	28 GBP/100kg*

*Also subject to WTO tariff-rate-quotas

Examples of Australian tariffs applying to UK products imported into Australia

Product	Australian Tariff
Passenger vehicles, incl. SUVs	5%
Whiskies	5%
Machinery for sorting, screening, crushing or grinding, etc.	5%
Bread, pastry, cakes, biscuits and other bakers' wares	5%
Dumpers designed for off-highway use	5%
Self-propelled bulldozers	5%
Insulated electric cable	5%
Chocolate and chocolate products	5%
Perfumes and toilet waters	5%
Flexible tubing of iron or steel	5%

Key trade and investment statistics

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Australia's top five goods and services exports to the UK by value*

Good	\$m, 2020	Service	\$m 2019-20
Gold	12,059	Personal travel excluding education	1,376
Lead	512	Other business services	1,343
Alcoholic beverages	507	Financial services	819
Measuring & analysing instruments	346	Telecom. computer & information services	594
Meat (excluding beef)	88	Education-related travel services	267

NSW's top five goods exports to the UK and top five services exports to the world, by value*

Good	\$m, 2020	Service	\$b, 2019-20
Measuring & analysing instruments	272	Education-related travel services	13.4
Gold	168	Other business services	7.5
Alcoholic beverages	110	Personal travel excluding education	5.4
Meat (excluding beef)	34	Telecom. computer & information services	4.1
Telecom equipment & parts	29	Financial services	3.6

*Data excludes some confidential items

Queensland's top five goods exports to the UK and top five services exports to the world, by value*

Good	\$m, 2020	Service	\$b, 2019-20
Lead	508	Education-related travel services	5.4
Coal	82	Personal travel excluding education	3.6
Vehicle parts & accessories	17	Transport services	1.3
Vegetables	15	Other business services	0.4
Measuring & analysing instruments	13	Telecom, computer and information services	0.4

*Data excludes some confidential items. Services data for individual states and territories is not provided at country market

South Australia's top five goods exports to the UK and top five services exports to the world, by value*

Good	\$m, 2020	Service	\$m, 2019-20
Alcoholic beverages	280	Education-related travel services	2,127
Meat (excl beef)	28	Personal travel excluding education	642
Pharm products (excl medicaments)	10	Other business services	382
Electrical machinery & parts (other)	10	Transport services	226
Inorganic chemical elements	9	Personal, cultural, and recreational services	134

WA's top five goods exports to the UK and top five services exports to the world, by value*

Good	\$m, 2020	Service	\$m, 2019-20
Gold	11,892	Education-related travel services	2,096
Jewellery	15	Personal travel excluding education	1,890
Meat (excluding beef)	13	Transport services	900
Measuring & analysing instruments	12	Other business services	760
Alcoholic beverages	10	Financial services	509

Tasmania's top five goods exports to the UK and top five services exports to the world, by value*

Good	\$m, 2020	Service	\$m, 2019-20
Pharm products (excl medicaments)	2	Education-related travel services	673
Alcoholic beverages	1	Personal travel excluding education	263
Ships, boats & floating structures	0.5	Transport services	47
Crude vegetable matter, other	0.4	Personal, cultural, and recreational services	19
Perfumery & cosmetics (excl soap)	0.4	Telecom, computer and information services	4.9
Medicaments (incl veterinary)	19	Other business services	2.7
Non-electrical machinery & parts	17	Transport services	2.0
Meat (excluding beef)	14	Financial services	0.9

*Data excludes some confidential items. Services data for individual states and territories

NT's top five goods exports to the UK and top five services exports to the world, by value*

Good	\$k, 2020	Service	\$m, 2019-20
Artwork & antiques	185	Personal travel excluding education	275
Arms & ammunition	160	Education-related travel services	172
Non-electrical machinery & parts	78	Transport services	56
Aircraft, spacecraft & parts	66	Insurance and pension services	8
Passenger motor vehicles	48	Other business services	8

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