

The Free Trade Agreement between Australia and the European Union

Digital Discussion on the State of Negotiations and Outlook

At the latest with the Indo-Pacific guidelines of the German federal government, the importance of Southeast Asia and Oceania for Germany and Europe has yielded more public interest. However, the most successful area of European involvement in the region for years - trade policy - was hardly discussed. Still, the EU has built up structured trade relations with almost all states in the region. Free trade agreements with Japan, Vietnam, South Korea and Singapore already exist and others are currently being negotiated with the Southeast Asian confederation ASEAN as well as with Australia and New Zealand.

The advanced negotiations on the free trade agreement with Australia as a democratic value partner in the Indo-Pacific, at whose side Germany and Europe are committed to the rule-based trade and security policy, are groundbreaking. Both for the future position of the EU in the Indo-Pacific region and with a view to the global networking and strengthening of democracies.

On June 24, the Konrad-Adenauer-Stiftung brought together decision-makers and top-class experts from Germany, Europe and Australia in a digital discussion to discuss the current status of the negotiations and the advantages and disadvantages of the agreement for citizens, the economy and the climate. Participants of the event were:

H.E. Philip Green | Australian Ambassador to Germany, Switzerland and Liechtenstein

Ms. Alison Burrows | Australia EU-FTA Chief Negotiator, Department of Foreign Affairs and Trade

H.E. Dr. Michael Pulch | EU Ambassador to Australia

The Hon. MP Volkmar Klein | Chair of the Economic Cooperation and Development Committee for the CDU/CSU Parliamentary Group, Chair of the German-Pacific Parliamentary Friendship Group, German Bundestag

The Hon. Senator Eric Abetz | Chair of the Foreign Affairs, Defence and Trade Legislation Committee for the Liberal Party, Australian Senate

Dr. Michael Zettinig | Director, German Australian Chamber of Industry & Commerce

All participants agreed that the free trade agreement was only one part of a wider approach for deeper cooperation between the two continents. It was also underlined that the FTA is not mainly about improving the position of producers, but above all about giving consumers in both regions a wider choice of cheaper and better products.

Still, it also emerged, that a full consensus on several issues is still to be reached. The EU's seems to push for a more ambitious approach regarding climate protection, on the other hand, Australia demands a better access for agricultural products to the EU market. These positions reflect domestic pressure of the respective governments. Something that cannot be neglected in negotiations between democratic countries.

Technical issues such as rules of origin or taxation represent another aspect of open issues. For example, the EU considers Australia's luxury car tax discriminatory against European car-manufacturers whereas Australia holds the position that the tax applies to all importers of luxury cars and the fact that European manufacturers are mostly affected by it because they mostly do export luxury cars does not make it discriminatory.

Overall, there was a clear sentiment that the negotiations – even though they are tough in the details – will see a result soon. The political will to come to a conclusion is strong amongst all partners.

You can watch the recording of the complete discussion via the link on this website.