

The Hon Simon Crean MP

AUSTRALIAN MINISTER FOR TRADE

27 May 2008

Australia and Chile Conclude Free Trade Agreement

Australia and Chile have concluded negotiations for a free trade agreement.

Announcing the completion of negotiations today, the Minister for Trade, Simon Crean said “the first FTA concluded by the Rudd Labor Government was the most comprehensive FTA Australia has ever negotiated”.

“This is a high-quality agreement that covers goods, services and investment. The commitments go beyond what each country has committed at the WTO,” Mr Crean said.

“As such, it will reinforce the contribution of both countries to the multilateral trading system and serve as an excellent model for other APEC economies as they work towards deeper economic integration.”

“This agreement demonstrates the folly of the Opposition’s argument that Labor has taken its eye off the bilateral trade agenda.

“Quite the reverse – Labor will champion bilateral FTAs where they are consistent with multilateral principles. This is the sort of agreement which will be applauded in Geneva – and rightly so.”

Two-way trade is currently more than \$850 million a year and Australia invests US\$3 billion in Chile.

Mr Crean said the Agreement was also a significant milestone in the fast-growing relationship between Australia and Chile and would benefit our increasingly dynamic involvement with wider Latin America.

The outstanding issues in the negotiations were resolved this morning in a telephone discussion between Mr Crean and his counterpart, Alejandro Foxley.

Under the FTA, all existing goods trade will be liberalised by 2015 and significant

commitments on services and investment will be made upon entry into force.

“Unlike the previous government, we are not selling out Australian agriculture to pursue an FTA at any cost,” said Mr Crean. “The last government was prepared to exclude sugar from the Australia-US FTA and to agree to 18-year phase-ins for access improvements in beef and dairy.”

Key aspects of the Agreement include:

- ✦ Tariffs will be eliminated on 97% of existing merchandise trade upon entry into force and 100% of existing merchandise trade in each direction by 2015.
- ✦ Chile and Australia have locked in their liberal services and investment regimes for each other – these are WTO GATS plus commitments.
- ✦ Suppliers of goods and services from each country will gain guaranteed access to government procurement markets in the other.
- ✦ Transparent, high-standard protection has been locked in for intellectual property rights including patents, trademarks, geographical indications and copyright.

The Agreement also establishes a framework for cooperative activities to ensure that its benefits are enhanced and expanded over coming years.

Mr Crean said he expected the Agreement to be signed in late July, and to enter into force on 1 January 2009 following ratification in each country.

Further Information:

- ✦ [Chile Country Fact Sheet](#) (pdf)
- ✦ [Australia-Chile FTA - Facts at a glance](#)
- ✦ [Australia-Chile FTA - The Deal at a glance](#)

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