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JOINT STATEMENT EU-Australia FTA "Time to Get This Done"

In advance of Trade Minister Senator Don Farrell’s visit to Europe this week, Australia’s peak industry groups agree there has never been a more critical time for the Australian Government to conclude a comprehensive Free Trade Agreement with the European Union (EU).

The peak bodies, led by the European Australian Business Council (EABC), and representing a diversity of goods, services, and investment sectors, and research-intensive universities, say reaching an agreement with the EU is essential in the current global business environment - to help weather trade shocks, supply chain disruptions, and geopolitical volatility.

Minister Farrell has reiterated his commitment to securing an ambitious trade deal with the European Union – the world’s largest trading bloc – and he has the backing of Australian industry for his discussions with EU counterparts during this week’s OECD Ministerial Council Meeting in Paris.

EABC Chair Duncan Lewis AO DSC CSC, and Chair of the Australian Board of global defence and aerospace firm Thales, said that “the turmoil driven by massive trade disruption and security concerns means Australia needs to secure the best possible economic ties and strategic partnerships with like-minded countries”.

Preliminary estimates show that an FTA could deliver up to a \$A7.4 billion boost to Australia’s GDP by 2030¹, with the benefits extending across the Australian economy. Whether in superannuation, financial, professional, and business services, institutional property investment, manufacturing, innovation, technology, energy and critical minerals, pharmaceuticals and healthcare, tourism, transport, defence industry, and agrifood – all sectors stand to gain.

Recognising these benefits, leaders of Australian peak business and industry groups have also joined the call, emphasising the whole of economy benefits the deal will bring.

Quotes attributable to peak groups in support of the statement include:

Australian Institute of Company Directors Managing Director, **Mark Rigotti**: “According to our own Director Sentiment Index, around 90 per cent of directors’ judge that escalating global trade tensions between major economies are likely to threaten both the Australian and global economic outlooks. In that context, securing a comprehensive Free Trade Agreement with the European Union would be an important way to boost Australia’s economic resilience while also signalling our ongoing commitment to the benefits of international trade.”

¹ EU’s 2017 Impact Assessment on the EU-Australia FTA (displayed in AUD based on current exchange rate, originally shown in EUR - €2.7- €4.2 billion)

Australian Industry Group Chief Executive, **Innes Willox**: "Concluding a Free Trade Agreement with the EU will be the final piece in linking all our major trading partners." "Liberalisation in the movement of people and mutual recognition of professional qualifications will encourage more services exports, which represents 70% of our economy." "It's hoped that when finalised the bulk of the agreement will support the 21st century aspirations of our businesses and include digital regulations that encourage innovation and connectivity."

Australian Services Roundtable Executive Director, **Jane Drake-Brockman**: "The time for a deal is finally come. The fastest growing component of global trade today is digital services; the EU is the world's single largest exporter of digital services² and Australia ranks among the top tier digital services traders in the Asia Pacific region. Greater digital regulatory cooperation and collaboration on international digital standards has become of paramount importance, as AI adoption increases and the focus shifts to quantum."

Business Council of Australia Chief Executive, **Bran Black**: "The BCA strongly supports Minister Farrell's push to secure a long-awaited and comprehensive Free Trade Agreement with the EU. One in four Australian jobs rely on trade, and with rising global uncertainty, securing a trade deal with Australia's third largest trading partner will help build our economic resilience and provide opportunities for Australian businesses and consumers."

Export Council of Australia Chair, **Dianne Tipping**: "The Export Council of Australia strongly supports the re-opening and expedited negotiation of the free trade agreement between Australia and the EU. The net benefit from this trade agreement to Australia will be significant. The Australian Government must take account of the opportunities, especially in increased investment flows to Australia, technology partnerships, and Australian First Nations exports. The EU holds immense potential for Australian businesses seeking to expand internationally and represents a smart geopolitical strategic move for Australia."

Federal Chamber of Automotive Industries Chief Executive, **Tony Weber**: "Australia's automotive sector strongly encourages all participants to deliver a trade outcome that is future-focused rather than prolonging outdated and inefficient policy arrangements and one that allows Australians to share in world leading mobility, safety and environmental technologies."

Group of Eight Chief Executive (and EABC Deputy Chair), **Vicki Thomson**: "With Australia seeking to secure its pathway to energy transition, developing critical minerals, and expanding advanced manufacturing, Europe is an obvious partner for the industrial, technological and innovative capabilities it brings to the table."

Medicines Australia Acting CEO & Head of Strategic Policy Implementation, **Anne-Maree Englund**: "If Australia is to continue to enjoy the social and economic benefits of the globally interconnected pharmaceutical industry, it must be able to keep up with its ongoing developments. Aligning Australia's trade rules and policies with the EU will strengthen Australia's medical supply chains and increase foreign direct investment into research and development. This is because our industry is a global one, and the EU is a world leader."

Minerals Council of Australia CEO, **Tania Constable**: "Globally we are at a critical juncture on trade. The mining industry supports the government finalising the Australia-EU FTA to create investment and secure long term minerals supply chains."

Property Council of Australia CEO, **Mike Zorbas**: "All Australians have an interest in making this FTA happen as soon as possible. The best parts of our cities have been built by Australian companies partnering with overseas investors. Our real estate investment trusts are world class and at a time where state governments are reducing expenditure, we need to make those valued European partnerships easier than ever."

Super Members Council CEO, **Misha Schubert**: "Eliminating free trade barriers with the EU - the world's largest trading bloc - would open the door to more investment opportunities to grow the retirement savings of millions of everyday Australians with super. The EU already attracts billions of dollars of super investment every year. A comprehensive free trade agreement would make the EU even more attractive, coming right as Australian super funds look to deploy hundreds of billions of dollars more into global markets in coming years to diversify portfolios and deliver strong long-term, risk adjusted returns for their members."

² WTO Global Trade Outlook 2023

Tourism and Transport Forum Chief Executive, **Margy Osmond**: “An EU-Australia FTA is not just a trade win – it’s a gateway to a high-value market of over 450 million high-income consumers and 32 million businesses. For our tourism and transport industries, this is about unlocking real growth potential in a post-pandemic world hungry for international mobility.” “The EU represents a vast unlocked opportunity for our industry. With the elimination of tariffs and reduction of cross-border red tape, we’ll see more seamless transport of goods and services, stronger aviation links, and increased tourist flows between Australia and Europe.” “This is about future-proofing our international competitiveness. While other nations prosper through similar deals with the EU, Australia cannot afford to fall behind. Our industry needs the certainty, access, and opportunity this agreement provides.”

European Australian Business Council Chair, **Duncan Lewis AO DSC CSC**, added “Global shocks are rapidly reshaping Europe’s priorities, including in defence and security with a massive €800 billion on the table to re-arm European defence capabilities. Australia can play a role here too, but getting a fit for purpose framework around the economic relationship is a necessary first step to unlock these opportunities for Australian industry and researchers.” “It’s time to get this done.”

FTA Background

The EU-Australia FTA has been in discussion since 2018 with high-hopes of being completed in October 2023 when negotiations broke down over a small number of the most politically difficult issues for both sides, including agricultural market access.

Australia and Europe trade and invest with one another from a position of competitive disadvantage - with nuisance tariffs (protecting no-one); lower FIRB thresholds for European investment into Australia (hindering access to quality capital) and improved conditions for Australian investment into the EU; and many other outdated obstacles – which Australian business does not face with other trading partners as a result of Australia’s network of FTAs.

As Australia’s third largest trading partner after China and Japan, an FTA with the EU is conservatively estimated to deliver a \$A4.8-A\$7.4 billion boost to Australia’s GDP by 2030. The FTA will eliminate around 98% of tariffs, reduce red tape for companies doing business across borders, and will include the most ambitious agreement the EU has offered to date on mutual recognition of qualifications.

The EU represents a massive and underdeveloped opportunity for Australian exporters, with an FTA opening access to a market of over 450 million high-income consumers and 32 million businesses. It would also guarantee access and remove barriers for Australia’s services sectors and improve access and conditions for Australian companies to the EU’s €2 trillion public procurement market.

Other concluded FTAs have shown the economic impact to be exponentially higher over time. Bilateral trade between the EU and Australia is already worth over \$A108 billion annually, and total two-way investment stocks are over \$A1.35 trillion. The deal will also include commitments on both sides to high environmental and sustainability standards and give a critically-important boost to the global rules-based trading system.

Australians understand that the country’s openness to trade and investment is central to its long-term economic prosperity and resilience. Findings released in 2024 by the University of Adelaide’s Institute of International Trade show that Australian citizens overwhelmingly support an FTA with the EU, with over 82% either strongly or somewhat supporting the deal, and less than 2% opposing it³.

The recent MOU signed between the EU and Australia on Critical Raw Materials has already shown the benefits that can flow from such deals. Under this agreement, Australian companies are already benefitting from EU funding mechanisms and institutional investment for getting projects off the ground.

³ The University of Adelaide Institute for International Trade - [A Survey of Australians’ Attitudes to Trade with the European Union](#)

EABC Background

The European Australian Business Council (EABC) is a peak business association promoting the trade and investment relationship between Australia and Europe as a whole. As a region, Europe (including the EU, UK, Switzerland, Norway, and others) represents Australia's most significant economic partner, with a high-income market of over 740 million consumers, and is the largest investor in the Australian economy.

The Council provides an effective forum for private and public sector leaders to engage in high-level discussion on economic and public policy issues affecting the bilateral business relationship, and joint co-operation on a range of mutual interests.

As an independent, private sector-led initiative, the Council also works with Australian and European governments, diplomatic missions and trade agencies, international organisations, as well as bilateral chambers and other peak business associations.

The EABC is led by Chair Duncan Lewis AO DSC CSC, who also serves as Chair of Thales Australia and Professor in the Practice of National Security at the Australian National University. Duncan has previously served as Director-General of ASIO, Ambassador to the European Union and NATO, Secretary of the Department of Defence, National Security Adviser to two Prime Ministers, and held the rank of Major-General and Special Operations Commander Australia in the Australian Army.

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