



AUSTRALIAN EMBASSY PHNOM PENH

MEDIA RELEASE

Australia Concludes Southeast Asia Trade Deal

Australian Minister for Trade Simon Crean announced on 28 August that Australia had concluded the negotiations for the region-wide ASEAN-Australia-New Zealand Free Trade Agreement (AANZFTA).

Australia stands to gain considerably from this agreement across many sectors. It has locked in goods market access gains in a wide range of sectors including agriculture and industrial products.

It has also secured a good outcome on services, which will create more certainty for exporters in sectors such as engineering, education and the financial sector. The agreement includes provisions providing greater certainty and transparency for Australian investors. Australia has achieved significant tariff reductions and are working to secure further improvements with two countries.

In particular, we are also seeking to strengthen the outcome for our automotive industry with Indonesia and Malaysia.

Importantly, Australia has a commitment from our negotiating partners to build on these outcomes into the future.

AANZFTA seeks to capitalise on new trade and economic opportunities that will arise from the establishment of the ASEAN Economic Community.

To put this Free Trade Agreement (FTA) in perspective, it is the most comprehensive trade agreement that ASEAN has ever negotiated. In terms of coverage, it is the largest FTA Australia has ever negotiated – covering 16 per cent of Australia's trade in goods and services, worth \$71 billion. This is a big market of 570 million people with a combined GDP of US\$1 trillion. AANZFTA will strengthen our trade and investment ties with ASEAN.

There is considerable potential to create new trade and investment opportunities not provided through bilateral FTAs. Today's agreement sends a positive signal of the economic dynamism of our region and provides a building block for regional integration.

Two-way merchandise trade between Australia and Cambodia amounted to \$61 million in 2007. Major Australian companies are now investing in Cambodia, particularly in the banking, natural resources and property development sectors.

Increasing regional trade will be crucial to Cambodia's and the Southeast Asian region's efforts to reduce poverty and expand economic growth. The AANZFTA will play an important role in advancing these efforts.

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