



# FTATool



A website designed to help Australian exporters navigate the basics of Australia's Free Trade Agreements (FTAs) quickly and easily, without the need to know HS codes. [www.ftatool.com.au](http://www.ftatool.com.au)

## THE VOICE FOR AUSTRALIA'S EXPORTERS

[www.export.org.au](http://www.export.org.au)

Leading Trade Policy Research

Developing International Trade

Skills

Breaking Down Barriers to Trade

Building Global Networks

Amplifying Global Trade

Success

# Export Council of Australia

The voice for Australia's Exporters

The Peak Membership Body for Australia's Exporters

## MEMBERSHIP

### RESEARCH

Leading International Policy Research

### SKILLS DEVELOPMENT

Building trade capacity and capability

### ADVOCACY

Breaking down barriers to trade

#### TRADE RESEARCH

- Australia's International Business Survey
- Advancing Trade Development: a study into trade promotion
- Shanghai FTZ
- Demystifying Korea
- Mexico: Gateway into the Americas

#### BUSINESS TOOLS

- Online Business Tools
- International Business Today

#### EDUCATION & TRAINING

- Online courses
- Face-to-face training
- Consulting
- Workshops
- Publications
- Accredited Training

#### NETWORKING & EVENTS

- Export Awards
- Export Heroes
- Seminars/networking
- Webinars
- Business Missions

#### INDUSTRY & GOVERNMENT RELATIONS

- Government Liaison
- Trade Policy
- Trade Policy Committee
- Trade Policy Forum

THINK GLOBAL TRADE: THINK ECA

# UNDERSTANDING FREE TRADE AGREEMENTS

## What is a Free Trade Agreement?

- An agreement between two or more countries with the aim of liberalising the trade of goods and services and access to investment between those countries
- An FTA does this by removing barriers to trade, such as eliminating most (if not all) tariffs and removing quotas on goods that can be exported or imported.
- Many FTA's also address other barriers to trade, including:
  - Intellectual property protection,
  - Restrictions on foreign service providers,
  - Government procurement policies that favour domestic industry,
  - Customs procedures..

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of Export**



# UNDERSTANDING FREE TRADE AGREEMENTS

## What is a Free Trade Agreement?

- By accessing these markets, Australian exporters and investors can achieve significant growth and commercial benefit.
- Usually Australian exporters will have an advantage over exporters from other countries that are not granted the preferential trade treatment. (For example the JAEPA)
- It is however important to remember that an FTA is an agreement between countries and not between companies or individuals.
- So despite the opportunities and advantages an FTA can offer, it does not address the **risks of doing business globally**.
- It is important to be aware that non-tariff barriers will still exist in each country that Australia has an FTA with.
- These barriers can be a significant deterrent to doing business in a country.

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# CURRENT AGREEMENTS

## FTAs in force:

[Australia-New Zealand Closer Economic Relations Trade Agreement \(ANZCERTA\)](#): Entered into force 1 January 1983

[Australia-Chile Free Trade Agreement](#): Entered into force 6 March 2009

[Singapore-Australia Free Trade Agreement \(SAFTA\)](#): Entered into force 28 July 2003

[Thailand-Australia Free Trade Agreement \(TAFTA\)](#): Entered into force 1 January 2005

[Australia-United States Free Trade Agreement \(AUSFTA\)](#): Entered into force 1 January 2005

[ASEAN-Australia-New Zealand Free Trade Area \(AANZFTA\)](#). ASEAN States: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam: Entered into force 10 January 2012

[Malaysia-Australia Free Trade Agreement \(MAFTA\)](#): Entered into force 1 January 2013

[Korea-Australia Free Trade Agreement \(KAFTA\)](#): Entered into force on 12 December 2014

[Japan-Australia Economic Partnership Agreement \(JAEPA\)](#): Entered into force 15 January 2015

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# AGREEMENTS UNDER NEGOTIATION

[Australia-Gulf Cooperation Council \(GCC\) FTA](#): GCC: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates

[Pacific Agreement on Closer Economic Relations \(PACER\) Plus](#): Participating States: Australia, Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu

[Trans-Pacific Partnership Agreement \(TPP\)](#): Participants: Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, the United States and Vietnam

[Australia-India Comprehensive Economic Cooperation Agreement](#)

[Indonesia-Australia Comprehensive Economic Partnership Agreement \(IA-CEPA\)](#)

[Regional Comprehensive Economic Partnership \(RCEP\)](#): Participating States: ASEAN member states (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam) and countries with existing FTAs with ASEAN: Australia, China, India, Japan, Republic of Korea and New Zealand

[Trade in Services Agreement \(TiSA\)](#): Participants: Australia, Canada, Chile, Chinese Taipei, Colombia, Costa Rica, the European Union, Hong Kong, Iceland, Israel, Japan, Liechtenstein, Mexico, New Zealand, Norway, Pakistan, Panama, Paraguay, Peru, Republic of Korea, Switzerland, Turkey and the United States.

[WTO Agreement on Government Procurement \(GPA\)](#): The GPA is a significant WTO plurilateral agreement which offers legally-binding access to government procurement markets estimated at USD1.7 trillion. Current members of the WTO GPA include the EU's 28 Member States, Canada, Japan, South Korea, the United States, Hong Kong, Iceland, Israel, Norway, Singapore, Switzerland, Liechtenstein & Taiwan



# “FREE-ER” TRADE NOT FREE TRADE NON TARIFF BARRIERS

## Examples of non tariff barriers to trade

- Import bans
- General or product-specific quotas
- Rules of Origin
- Quality conditions imposed by the importing country on the exporting countries
- Sanitary and phytosanitary conditions
- Packaging conditions
- Labelling conditions
- Product standards
- Complex regulatory environment
- Determination of eligibility of an exporting country by the importing country
- Determination of eligibility of an exporting establishment (firm, company) by the importing country.
- Additional trade documents like Certificate of Origin, Certificate of Authenticity etc.
- Occupational safety and health regulation
- Employment law
- Import licenses
- State subsidies, procurement, trading, state ownership
- Export subsidies
- Fixation of a minimum import price
- Product classification
- Quota shares
- Foreign exchange market controls and multiplicity
- Inadequate infrastructure
- Buy national" policy
- Over-valued currency
- Intellectual property laws (patents, copyrights)
- Restrictive licenses
- Seasonal import regimes
- Corrupt and/or lengthy customs procedures



# TAKING ADVANTAGE OF FTA'S

## Basic practicalities

### ➤ Understanding how to correctly classify products:

- Classifying goods correctly can be very complex.
- Every item that is exported needs to have a tariff number assigned to it.
- The Tariff Classification system is universal and the code used basically means the same in every country

### ➤ Understanding Certificates of Origin:

- From a practical perspective one of the key confusions for an exporter is understanding when to secure and how to complete a Certificate of Origin if they wish to take advantage of an FTA.
- There are specific Certificates of Origin for Japan and Korea however not all of our FTA's require specific Certificates of Origin to be able to verify origin.

Further information on the requirements for each country can be found at:

[www.ftatool.com.au](http://www.ftatool.com.au)

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# KEY TIPS

## Final things to consider:

- Business activities and risks
  - Location
  - Legal Structure
    - Direct tax
    - Funding
  - Repatriation of profits
    - Transfer pricing
    - Withholding tax
      - Indirect tax
      - Staffing
- Customs requirements and penalties
  - Anti-bribery and corruption
  - Intellectual property
  - Dispute resolution

**LOOK AT THE POTENTIAL NON-TARIFF BARRIERS**

# KEY CONSIDERATIONS

## Example market checklist:

	A	B	C	D
Market Size				
Current Demand				
Future Demand				
Company Potential				
Level of Competition				
Transportation				
Product Suitability				
Import Restrictions				
Product Protection				
Legal Requirements				
Non-Tariff Barriers				
Pricing				
Exchange Controls				
Business Practices				
Local Services				
Language				
Social and Cultural Issues				

# FTA TOOL

## The FTA Tool – What is it?

To assist Australian businesses, ANZ has partnered with the Export Council of Australia (ECA) to develop a simple online FTA tool which displays the key points of each FTA in “plain English”.

### What triggered the need for this Tool?

- Australia has signed nine FTAs with other nations since 2005. Despite this, **only 19% of exporters** have taken advantage of these FTAs.
- FTAs are **long and complex** legal documents, meaning many businesses are unaware of the benefits and opportunities available to them.
- The tool provides specific insights on how to take advantage of the relevant FTAs for your industry and product.

## FTAs made simple

A tool to help Australian exporters navigate Australia's Free Trade Agreements

[FTA Basics ▾](#)[Countries ▾](#)[Industries ▾](#)[Links ▾](#)[Contact](#)

### Free Trade Agreement Tool

This website is designed to help Australian exporters navigate the basics of Australia's Free Trade Agreements (FTAs) quickly and easily.

You have the ability to search either by country (Free Trade Agreement) or by industry.

The site also provides a quick and easy reference to FTAs in general and to doing business overseas.



# FTA TOOL

FTA Basics ▾

Countries ▾

Industries ▾

Links ▾

Contact

## Japan

JAEPA - Japan Australia Economic Partnership Agreement

## Malaysia

MAFTA - Malaysia Australia Free Trade Agreement

## Singapore

SAFTA - Singapore Australia Free Trade Agreement

## USA

AUSFTA - Australia US Free Trade Agreement

## Chile

Australia - Chile Free Trade Agreement

## Thailand

TAFTA - Thailand Australia Free Trade Agreement

## Korea

KAFTA - Korea Australia Free Trade Agreement

## New Zealand

ANZCERTA - Australia New Zealand Closer Economic Relations Trade Agreement

## China

CHaFTA - China Australia Free Trade Agreement

## ASEAN

AANZFTA - ASEAN Australia New Zealand Free Trade Area



Search FTA by country

FTA Basics ▾

Countries ▾

Industries ▾

Links ▾

Contact

Alcohol

Horticulture

Minerals

Cereals

Industry

Petroleum

Cosmetics

Live animals

Textiles

Dairy

Manufactured goods

Vegetables

Fats and Oils

Meat

Wool

Fruit

Medicaments



Search by Industry

# FTA TOOL

Industry:

Product:

Keyword:

Country	Industry	Product	Tariff classification	General tariff	Current tariff	Future reductions
Japan	Dairy	Butter	0405 <i>*simplified summary, subject to exceptions. Information correct as at 1 April 2015, subject to change from 1 April 2016</i>	29.8% + 985 yen/kg – 29.8% + 1,159 yen/kg	Excluded from preferential treatment 29.8% + 985 yen/kg – 29.8% + 1,159 yen/kg	Subject to review on 1 April 2018, or earlier if agreed by parties

See the tariff associated with a specific industry or product using the easy to use search function

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Go to: [www.ftatool.com.au](http://www.ftatool.com.au)

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## ▾ What is an FTA?

Free Trade Agreement definition

## ▾ Am I eligible?

How to determine if a Free Trade Agreement applies to your business

## ▾ FTAs concluded

A list of all Australian Free Trade Agreements currently concluded but not yet signed



## ▾ What does it mean to my business?

Reasons to consider using a Free Trade Agreement

## ▾ How to do business overseas

Helpful hints & watch points for successfully exporting

## ▾ FTAs under negotiation

A list of all Australian Free Trade Agreements currently under negotiation



## ▾ What are the benefits?

Summary of business benefits

## ▾ FTAs in force

A list of all Australian Free Trade Agreements currently in force



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Export Council of Australia





# FTA TOOL

The new "FTA Tool" ([www.ftatool.com.au](http://www.ftatool.com.au)) is designed to help Australian exporters navigate the basics of Australia's FTAs quickly and easily.

It also provides valuable information on:

- Doing international business,
- Links to a range of resources,
- Handy video tutorials on a variety of topics, including the Harmonised Code system and applying for certificates of origin.

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# FTA TOOL

While not intended to be a definitive guide, the FTA Tool website provides easy to understand information on the tariffs and non-tariff benefits that apply to a range of goods and services across most industry sectors, focusing on Australia's primary exports to particular markets.

The FTA Tool will allow you to:

- Search by FTA for information
- Search by country for information
- Search by industry for specific information
- Find information that is relevant to services exports
- Get information on the indirect benefits that FTA's provide
- Get top tips on doing business in each country

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# ASSISTANCE

## **Education & Training:**

- Australian Institute of Export/ Export Council of Australia

## **Federal Government Agencies:**

- Austrade
- AusIndustry
- Australian Customs and Border Protection Service
- Department of Foreign Affairs and Trade (DFAT)
- Export Finance and Insurance Corporation (Efic)
  - IP Australia
- Office of Infrastructure and Regional Development

## **Freight and Logistics:**

- Cargohound

## **Chambers of Commerce & Organisations (Certificates of Origin):**

- Australia Industry Group
- Chamber of Commerce and Industry Queensland
  - NSW Business Chamber
  - Chamber of Commerce WA
    - Business SA
- Victorian Employers' Chamber of Commerce and Industry (VECCI)
- Tasmanian Chamber of Commerce and Industry TCCI
  - Chamber of Commerce Northern Territory
    - Canberra Business Chamber
  - eCertify (Online Certificates of Origin)



# RESOURCES

**FTA Tool:** This website is designed to help Australian exporters navigate the basics of Australia's Free Trade Agreements (FTAs) quickly and easily. Visit: [www.ftatool.com.au](http://www.ftatool.com.au)

**Export Procedures and Documentation Course:** Having the skills and knowledge in export procedures and staff trained in export documentation is vital for any company doing or planning to do business overseas. Whether you perform this function in house or outsource part of the process to your freight forwarder, it is vital that you and your staff have the knowledge to manage this important element of international business. Visit: [www.aiex.com.au](http://www.aiex.com.au).

**Australian Export Handbook:** The essential export tool kit is a comprehensive guide to practical aspects of exporting essential for both new and experienced exporters. The Export Handbook is recommended as the authoritative reference on export practice. Visit: [www.aiex.com.au](http://www.aiex.com.au)

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Think Global Trade.  
Think ECA.

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