

Committee on Ways and Means

The United States-Australia Free Trade Agreement

- The Australia free trade agreement (FTA) is a solid agreement that will benefit American workers, consumers, businesses and the U.S. economy.
 - More than 99 percent of industrial goods in both the United States and Australia will become duty-free immediately.
 - Industrial goods currently account for 93 percent of total U.S. goods exports to Australia.
 - U.S. manufacturers estimate that the elimination of tariffs could result in nearly \$2 billion per year in increased U.S. exports of manufactured goods.
 - Australia will accord substantial access to U.S. services suppliers. The FTA employs a so-called “negative list” in which all services trade is covered unless specifically excluded.

JOBS:

- It is estimated that U.S. exports to Australia support more than 150,000 U.S. jobs; in addition, Australian firms in the United States employ about 85,000 Americans.

AGRICULTURE:

- The FTA provides new opportunities for U.S. farmers.
 - All U.S. agricultural exports to Australia, totaling more than \$400 million, will receive immediate duty-free access.
 - Key agricultural products that will benefit from immediate tariff elimination include:
 - soybeans and oilseeds products
 - fruits, vegetables, and nuts
 - pork products
 - processed food products such as soups and bakery products
 - U.S. dairy farmers are granted immediate duty-free access to the Australian market, but access for Australian dairy farmers is capped by permanent tariff rate quotas for sensitive products.

INTELLECTUAL PROPERTY RIGHTS (IPR):

- American authors, inventors, and other producers of creative material will benefit from the higher and extended standards the FTA requires for protecting IPR such as copyrights, patents, trademarks, and trade secrets.

GOVERNMENT PROCUREMENT:

- U.S. suppliers are granted rights to bid on contracts to supply Australian government ministries, agencies, and departments. These government procurement commitments are commercially important because Australia is one of the only developed countries that is not a party to the WTO Agreement on Government Procurement.