



18 April 2018

The Committee Secretary
Joint Standing Committee on Treaties
PO Box 6021
Parliament House
Canberra ACT 2600

Dear Madam / Sir

Re: European Australian Business Council (EABC) Submission on the European Union-Australia Framework Agreement

The European Union (EU) and Australia are like-minded partners with strong cultural, historical and political linkages. We share common values and respect for human rights, democracy, the rule of law, the strength of international institutions, and the mutual benefits of free and open trade.

Beyond such linkages, the EU is first and foremost Australia's largest economic partner when looking at the whole trade and investment relationship. Two-way trade in goods and services totals almost A\$100bn, making it Australia's second largest trade partner behind China, ahead of both the United States and Japan. Services trade is a considerable and rapidly growing component of this, amounting to A\$30bn annually. Underpinning this relationship is a vast two-way investment partnership, having grown from A\$585bn in 2004 to A\$1.7 trillion today, confirming the EU as Australia's most significant investor.

Despite this positive record, the bilateral architecture has been markedly underdeveloped.

The signing of a Framework Agreement by High Representative of the EU for Foreign Affairs Federica Mogherini, and Australian Minister for Foreign Affairs Julie Bishop, in 2017, contributes to significantly closing the institutional gap between the EU and Australia.

By reaffirming Australia's shared values with the EU and creating a platform for an enhanced institutional dialogue, the Framework Agreement also encourages mutual co-operation in a range of strategic sectors and policy areas of critical importance to Australia's stability and long-term prosperity, including foreign and (cyber)security policy, innovation, transport, sustainable development, climate change, migration, and economic and trade matters. All of these areas, whether directly or indirectly, are important to the economic relationship and the free flow of trade and investment.

In a context of surging protectionist and nationalist forces, the Framework Agreement reaffirms Australia and the EU's like-mindedness and joint commitment to defending the international rules-based order and trade liberalisation, whilst laying the foundation for further collaboration.

Following the entry into force of the EU Crisis Management Agreement in 2015, the prompt ratification and entry into force of the Framework Agreement would indeed send a highly positive signal and contribute to the process towards a Free Trade Agreement (FTA) between Australia and the EU.

Building on the signing of the Framework Agreement, the European Australian Business Council (EABC) welcomes the formal process towards a comprehensive Australia-EU FTA, expected to commence this year. A logical development to a political agreement, a far-reaching, ambitious and modern economic partnership between the EU and Australia will help the relationship achieve its full potential. By dismantling trade barriers (including behind-the-border barriers), improving market access for both sides, and creating a level playing field for companies operating overseas, an FTA would create a flow of business opportunities and strongly benefit both economies.

Australia

(t) +61 2 8272 0600
(f) +61 2 8272 0611
43 Phillip Street
Sydney NSW 2000
Australia
ABN 50088522098

Europe

(t) +32 2 550 3870
(f) +32 2 550 3636
Level 4, Schuman
Rue de la Loi 227
Brussels B-1040
Belgium

European
Australian
Business
Council

eabc.com.au



Since 2002, the EABC has been focusing on building further political, institutional and business linkages between the EU and Australia, working closely with both the European and Australian governments to enhance the bilateral relationship. Through its corporate partners and engagement with businesses, the EABC has witnessed a strong interest and appetite from European and Australian companies to further develop trade and investment ties, while increasingly looking at collaboration opportunities towards third markets.

A comprehensive FTA would constitute a framework for Australia and the EU to address existing and emerging issues and aim at reducing regulatory burdens faced by companies and individuals alike, by adopting common or mutually recognised standards. In line with the objectives of the Framework Agreement, an ambitious agreement would also enhance co-operation in areas beyond the scope of traditional trade and investment agreements, to help both parties develop solutions to shared industrial and societal challenges, including the future of manufacturing, energy and climate change, defence and security, healthcare, transport, infrastructure, the digital economy, intellectual property and many others.

As part of its annual programme, the EABC organises business missions to Europe, bringing high-level delegations overseas, comprised of business leaders and officials and strongly supported by the Australian Government and EU institutions and Member States. Over the years, EABC delegations have visited over 27 European capitals and major cities, including Brussels, London, Paris and Berlin as regular destinations. The missions have allowed high-level discussions with European Governments and peak business organisations, whose main outcome was consistently strong support expressed on both sides for enhanced relations and increased trade and investment linkages, and eventually for an FTA.

In the current global context, shared values should not be overlooked. The economic and social well-being of both the Australian and European economies depends on their ability to engage with trade partners in a fair, mutually-beneficial and constructive way. The ratification of the Framework Agreement is a fundamental step that will contribute to strengthen and enhance the bilateral relationship between the two like-minded partners.

Sincerely yours,

Jason COLLINS
Chief Executive Officer
Tel: 02 8272 0600

Australia

(t) +61 2 8272 0600
(f) +61 2 8272 0611
43 Phillip Street
Sydney NSW 2000
Australia
ABN 50088522098

Europe

(t) +32 2 550 3870
(f) +32 2 550 3636
Level 4, Schuman
Rue de la Loi 227
Brussels B-1040
Belgium

European
Australian
Business
Council

eabc.com.au