

Benjamin Cronshaw

1

12th February 2022

Inquiry into the Free Trade Agreement between Australia and the United Kingdom

This is an Inquiry into a Free Trade Agreement between Australia and the United Kingdom.

Given the departure of the United Kingdom from the European Union, naturally it will seek to renegotiate and seek new trade opportunities elsewhere - including with Australia - that they were not able to do so before as an EU member. In a time of the COVID-19 pandemic, seeking new avenue for trade with other countries is a good way of building new supply lines and economic opportunities.

The United Kingdom is a country with which Australia has long had strong social, cultural and economic links. It is natural for Australian businesses and professionals to seek opportunities with the United Kingdom, which this deal will make easier. This includes lowering tariffs on Australian goods, which makes it easier for them to be exported to the United Kingdom. Overall, this seems like an effective and beneficial Free Trade Agreement for both Australia and the United Kingdom, which also is a good sign of our cooperation and close relationship.

Given we are talking about trade with the United Kingdom, there is one issue with trade that will likely come up soon. As we seek to decarbonise our economies to meet the challenge of climate change, countries pursuing stronger emissions reductions (which takes some effort and risk) will look critically at countries that have weaker commitments. Australia being an outlier with our low emissions reductions targets, even with the pressure from other countries and climate conferences to raise our ambition, may be faced with tariffs on our goods. This will compel Australia to internalise the costs that we are putting on the rest of the world with a more emissions intensive economy - with our stance on emissions contributing to climate change and slowing down climate action. To truly prepare for global trade in the future, including with countries such as the United Kingdom, Australia should strengthen our emissions reduction commitments - and pursue the economic opportunities that comes with pursuing low-emissions technologies and resources that can assist other countries in their decarbonisation transition.

Kind Regards,

Benjamin Cronshaw.