



## **Tariff reductions and future business opportunities from Korea-Australia Free Trade Agreement**

The Korea-Australia Free Trade Agreement (KAFTA) will eliminate the high tariffs on a wide range of Australian exports, according to the report released today by the Joint Standing Committee on Treaties.

*Report 142* notes that Korea is one of Australia's most important trading partners: its third-largest export market, its fourth-largest trading partner and a growing investment partner. Currently Australia faces various tariff and non-tariff barriers and restrictions in Korea.

"KAFTA will eliminate the very high tariffs on exports including beef, wheat, sugar, dairy, wine, horticulture and seafood," said Committee Chair, Mr Wyatt Roy MP.

"Apart from the direct value of tariff reductions, the increased competitive advantage and potential future opportunities for Australian businesses, industry and exporters will provide tangible positive results from KAFTA's implementation."

Free trade agreements are becoming increasingly popular as a means of encouraging trade liberalisation, opening up market access and strengthening bilateral relationships. This is the eighth free trade agreement that Australia has signed.

The Committee received nearly 80 submissions to its inquiry and spoke to a range of witnesses including academic experts, industry and business representatives, community organisations and unions to assess the impact of KAFTA on the broader economy and community.

Concerns raised at the inquiry included the inclusion of an investor-state dispute settlement mechanism and possible changes to intellectual property rights.

"Overall, the Committee is satisfied that KAFTA will provide substantial economic benefit, not only to Australian business and industry, but also to the broader community."

The Committee's views on all these treaties are covered in *Report 142*, which is available on the committee's website: <http://www.aph.gov.au/jsct> or by contacting the Committee Secretariat on (02) 6277 4002. Canberra.

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