



9 October 2019

Two trade agreements to help bolster global trading system

[The Joint Standing Committee on Treaties](#) has today tabled a [report](#) on Australia's proposed free trade agreements with Indonesia and Hong Kong.

[Committee Chair Mr Dave Sharma MP](#) stated that at this time of growing global economic uncertainty and mounting trade tensions, countries like Australia needed to stand up for the principle of free trade and shore up the foundations of the global trading system.

"While dealing with different issues and contexts, these free trade agreements will create new opportunities for Australian-owned businesses in the region, and help bolster the global trading system at a time of growing uncertainty," Mr Sharma said.

Indonesia has a population of 270 million people, a solidly growing economy, and is on track to become one of the world's most significant economies in the years ahead.

The agreement with Indonesia has the potential to transform our economic relationship, and lift it to a level that better reflects the strategic importance of our countries to one another.

Australian grain and citrus growers, cattle producers, mining equipment providers and vocational education suppliers all stand to benefit from improved access to the Indonesian market which the agreement provides.

But beyond this, and as the name implies, the Indonesia Australia Comprehensive Economic Partnership Agreement goes on to lay the foundations for a comprehensive economic partnership with our largest northern neighbour.

It will support Indonesia's own economic growth, by supporting Indonesian capacity in key areas, and position Australia as a partner of choice. It will improve the business and investment environment. It will provide a vehicle to tackle emerging issues in trade such as non-tariff and regulatory barriers, the digital economy, competition policy, transparency and telecommunications cables.

Indonesia is one of Australia's highest priority relationships, and this agreement will help grow our ties in a part of the relationship that has been historically underdone.

Our economic and trading relationship with Hong Kong, one of Asia's most open economies, is already well-established and advanced. In 2018, Hong Kong was Australia's twelfth largest trading partner overall, with total two-way trade in goods and services worth \$17.8 billion.

The Australia Hong Kong Free Trade Agreement largely codifies existing trade and market access arrangements, providing certainty into the future.

It also modernises the treatment regime for foreign investors, making investor state dispute settlement mechanisms more transparent and more constrained, and improving safeguards for governments wishing to adopt legitimate public policy measures in areas such as tobacco control.

In considering this agreement, JSCOT heard from witnesses about the ongoing civil disturbances and political instability in Hong Kong. The Committee supports a peaceful resolution of these issues, within the “one country, two systems” framework and Hong Kong’s institutions.

The Committee recognises that the preservation of Hong Kong’s unique status under the Basic Law, under which it enjoys a high measure of autonomy, is in Australia’s national interest, and views ratification of the agreement as a means of supporting this unique status.

The Committee has recommended ratification of both treaties.

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For background information

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