AANZFTA: The benefits for investment
2. AANZFTA overview

- Entered into force on 1 January 2010
- Most comprehensive FTA concluded by ASEAN
- Largest FTA concluded by Australia
3. Key AANZFTA outcomes

- Significant tariff outcomes
- Regional Rules of Origin
- "WTO-plus" commitments in a range of service sectors
- Investment protections
- Temporary business entry
- Economic cooperation
- Built-in agendas and review mechanisms

* Expressed as a percentage of Australia’s total two-way trade in goods and services of A$506.6 billion in 2009
5. Australia’s investment partners (2009)

* Expressed as percentage of Australia’s total investment abroad (stock) and total foreign investment in Australia (stock) respectively
6. AANZFTA Investment outcomes

• AANZFTA provides strong framework to increase investment over time
  – Greater transparency and certainty for investors through a regime of investment protections
  – Forward-looking built-in agendas on market access
  – Economic Cooperation
7. AANZFTA Investment protections

- Minimum standard of treatment
- Transfer of funds without delay
- Compensation for expropriation
- Non-discriminatory treatment for loss caused by armed conflict, civil strife or states of emergency
- Investor-state dispute settlement
- Transparency provisions
8. AANZFTA Built-in Agendas

- Built-in agenda for improving on services commitments, including mode 3
- Work program for market access schedules for investment
- Implementation by Investment and Services Committees
  - Oversight by AANZFTA Joint Committee
9. AANZFTA Economic Cooperation

• Australia to provide up to A$20 million over five years to assist ASEAN countries implement the Agreement
  – “Economic Cooperation Work Program” covers projects in nine subject areas
  – including rules of origin, intellectual property, services and investment
10. Investment review proposal for AANZFTA

• Australian and New Zealand proposal for investment review process:
  – interested ASEAN countries to receive funding to participate in OECD Investment Policy Review process;
  – additional funding to implement recommendations.
11. Conclusion

• AANZFTA paves the way for deeper economic integration with ASEAN
• Built-in agendas and committee structures will ensure ongoing commercial relevance
• Economic Cooperation Work Program to support ASEAN take advantage of the benefits.
• More information at:


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