

Foreign Secretary signs deal to boost business

Press release

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It is the first state level agreement between the UK and Australia, and will deepen ties with South Australia in industries such as space, cyber and green technologies.

South Australia is the home of naval shipbuilding and advanced manufacturing, including BAE Hunter class frigates and for AUKUS submarines.

The agreement, signed by Truss on a four-day visit to Australia, will maximise the benefits such as strategic collaboration on future industries; increase cultural ties; and build on trade and investment opportunities arising from the recently signed free trade agreement between the UK and Australia. The FTA was signed in December 2021 and once ratified it is expected to stimulate new trade worth £10.4bn.

Foreign Secretary, Liz Truss said:

Our ambitious new initiative with South Australia will boost export opportunities and unblock barriers for British and Australian businesses. It will support jobs, create opportunities, boost supply chains and drive economic growth.

Strengthening our relationship with Australia – including through our recently signed FTA – paves the way for UK accession to the CPTPP in 2022.

Notes to Editors:

- The agreement will also further cultural and educational links, including fostering people-to-people links between the UK and South Australia.
- UK companies including Oxford's Deep Planet, plus Mott MacDonald and Laing O'Rourke (headquartered in London) are already making the most of business opportunities in South Australia.
- Likewise Southern Australian companies such as Nova Systems (offices in Bournemouth, Bristol, High Wycombe & Porton Down) and Pickstar (based in London) are well established in the UK.
- South Australia accounts for 5.6% of Australian GDP but recorded the strongest state growth result of 3.9% in 2020-21.
- South Australia has long been renowned for its agricultural sector. The state has ambitious plans to develop its defence manufacturing, space and technology industries to drive future economic growth.
- British and Australian business have long established partnerships in place, driving innovation and growth in key sectors including defence, infrastructure, cyber security, space and technology.

Trade statistics

- In 2020 the UK was Australia's 5th largest trading partner.
- Total trade between the UK and Australia was £14.0bn in 2020.
- In 2020 the UK was the 3rd largest direct investor in Australia and the 2nd largest recipient of Australian foreign direct investment.
- In 2016 exports to Australia supported more than 100,000 jobs in the UK.
- In 2020 15,300 UK businesses, employing 3.4 million people, exported goods to Australia.
- 13,300 UK SMEs already export goods to Australia, representing 87% of all UK goods exporters to Australia in 2020.

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