

UK and Australia sign world-class trade deal

The UK has signed an historic trade agreement with Australia, our first from scratch since leaving the EU, setting new global standards in digital and services and creating new work and travel opportunities for Brits and Aussies.

The deal was agreed in principle by the Prime Minister and Australian Prime Minister Scott Morrison in London in June, and negotiators have now finalised all chapters of the agreement.

The final deal was signed in a virtual ceremony by International Trade Secretary Anne-Marie Trevelyan on Thursday night, and will now be laid in Parliament for a period of scrutiny.

The deal is expected to unlock £10.4 billion of additional trade, boosting our economy and increasing wages across the UK, while eliminating tariffs on 100% of UK exports.

It is a deal tailored to the UK economy, with cutting-edge agreements in areas where Britain is a world leader, including in digital and tech, along with increased access to Australia for the UK's powerhouse service sectors.

This agreement will help create new opportunities for businesses in both the UK and Australia:

- It gives UK firms guaranteed access to bid for an additional £10 billion worth of Australian public sector contracts per year.
- It will allow young people to work and travel in Australia for up to three years at a time, removing previous visa conditions.
- For the first time UK service suppliers including architects, scientists, researchers, lawyers and accountants will have access to visas to work in Australia without being subject to Australia's changing skilled occupation list. This is more than Australia has ever offered any other country in a free trade agreement.
- The deal removes tariffs on all UK exports, making it cheaper to sell iconic products like cars, Scotch whisky and UK fashion to Australia, while making Australian favourites like Jacob's Creek and Hardys wines, Tim Tams and surfboards more accessible for British consumers.

The deal is also a gateway into the fast-growing Indo-Pacific region and will boost our bid to join CPTPP, one of the largest free trade areas in the world, covering £8.4 trillion of GDP and 11 Pacific nations from Australia to Mexico.

International Trade Secretary Anne-Marie Trevelyan said:

Our UK-Australia trade deal is a landmark moment in the historic

and vital relationship between our two Commonwealth nations. This agreement is tailored to the UK's strengths, and delivers for businesses, families, and consumers in every part of the UK – helping us to level up. We will continue to work together in addressing shared challenges in global trade, climate change and technological changes in the years ahead.

Today we demonstrate what the UK can achieve as an agile, independent sovereign trading nation. This is just the start as we get on the front foot and seize the seismic opportunities that await us on the world stage.

RenewableUK's CEO Dan McGrail said:

Australia has the potential to be a clean energy powerhouse, able to provide all its electricity needs using just 1% of its offshore wind potential.

This free trade agreement will make it easier for UK and Australian companies to export green technologies and expertise, speeding up the transition of both countries to our net zero goals. We look forward to seeing even more UK companies out in Australia, ensuring they maximise all the economic benefits we've seen flow from our low-cost wind energy and green hydrogen developments.

TheCityUK Managing Director, International Trade and Investment, Nicola Watkinson, said:

This agreement with Australia is further evidence of the UK breaking ground with new trade deals with key trade partners. It is the first wholly new agreement negotiated with an advanced economy, and it furthers the UK objective to join the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP).

The agreement rightly focuses on issues important to the services sectors representing 80% of the UK economy, such as recognition of professional qualifications, data and digital provisions, which all create new opportunities for UK exporters. As the UK's largest exporter of services, the financial and related professional services industry welcomes this agreement.

Stephen Phipson, CEO of Make UK, the manufacturers' organisation, said:

Achieving a new preferential trade arrangement with Australia is welcome for Britain's manufacturers who will benefit from day one with tariff free access on goods sold and witness improvements in business mobility between the two countries.

With enhanced export opportunities for the UK's medical device manufacturing sector and strengthened frameworks for bilateral co-operation on technical standards and regulations, there is much that the UK and Australia can work on in the future to boost exports from the UK. In the coming months, we look forward to working with Government to look at how the wider benefits of this new and closer relationship can be positioned and communicated with the manufacturing sector to maximise understanding of the opportunities available ahead of the deal coming into force in the future.