

# FREE TRADE AGREEMENTS



Australian Government



# Free Trade Agreements

**Michael Growder**

FTA Outreach Unit

Free Trade Agreement Division

Department of Foreign Affairs and Trade

## OPENING QUESTION...

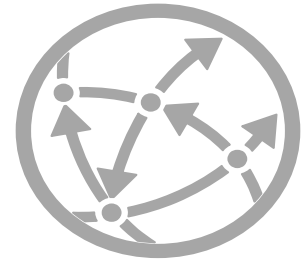
You may well be asking **yourself...why are DFAT and Austrade here today ?**

Very simple – **we want to work with you to boost FTA use by your exporting clients as much as possible**



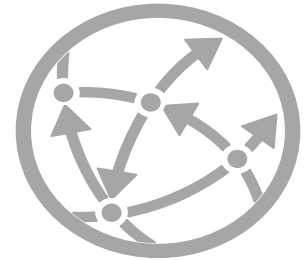
# CURRENT TRADE NEGOTIATIONS

- **Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA)**
- **Regional Comprehensive Economic Partnership (RCEP)**
- **Australia-India Comprehensive Economic Cooperation Agreement (CECA)**
- **Environmental Goods Agreement (EGA); Trade in Services Agreement (TiSA)**



# PROSPECTIVE TRADE NEGOTIATIONS

- **European Union (scoping study complete)**
- **United Kingdom (joint Trade Working Group established)**
- **Hong Kong (negotiations launched yesterday!)**
- **certain Latin American countries?**



# WTO TRADE FACILITATION AGREEMENT

- The WTO Trade Facilitation Agreement entered into force on 22 February 2017 (110+ members ratified)
- The Agreement aims to reduce red tape and the burden of administrative costs associated with exporting and importing:
  - more published information
  - advance rulings
  - appeal mechanisms
  - fee charging guidance
  - set clearance procedures.

# NORTH ASIA FTAS – OVERALL RESULTS/UTILISATION

**90%+  
use**

## Japan EPA

- Very high rates of use for eligible Australian goods exports
- Impressive export outcomes where tariffs are being cut

**85%+  
use**

## China FTA

- Very high rates of use for eligible goods trade in both directions
- Impressive export outcomes where tariffs are being cut

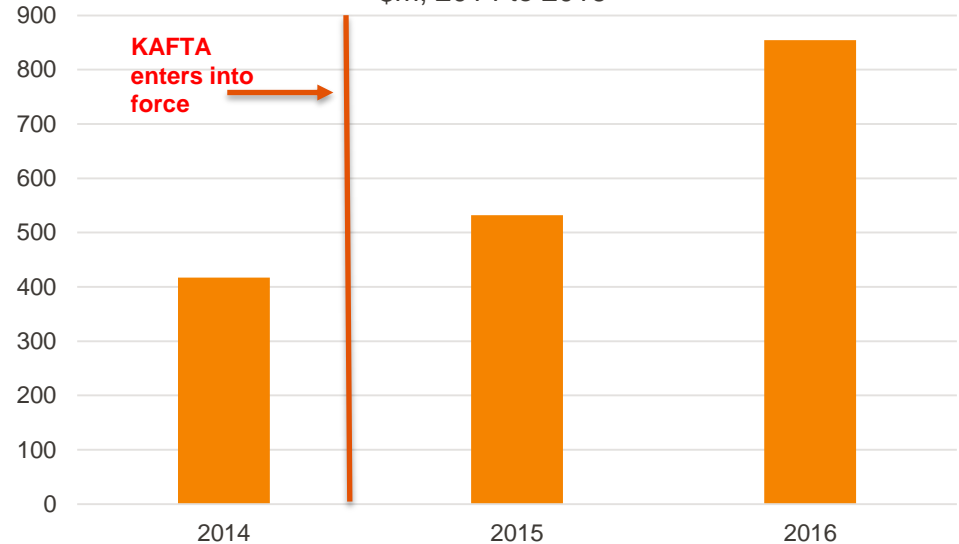
# KAFTA TRADE OUTCOMES



3% Korean tariff on Australian **sugar** eliminated on entry into force (December 2014)

## Korean imports of Australian sugar

\$m, 2014 to 2016





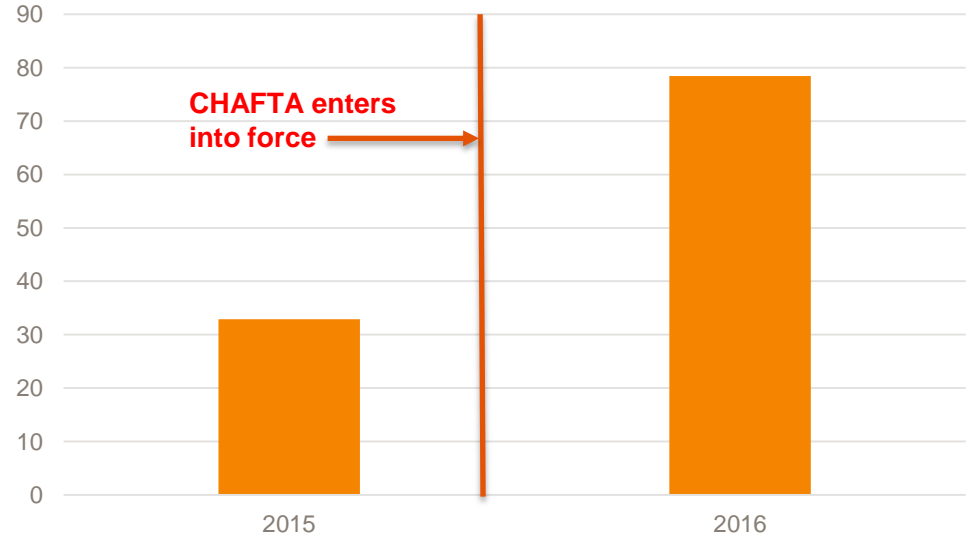
# CHAFTA TRADE OUTCOMES



4% Chinese tariff on  
**provitamins and vitamins**  
eliminated on entry into force  
(December 2015)

## Australian exports of provitamins and vitamins to China

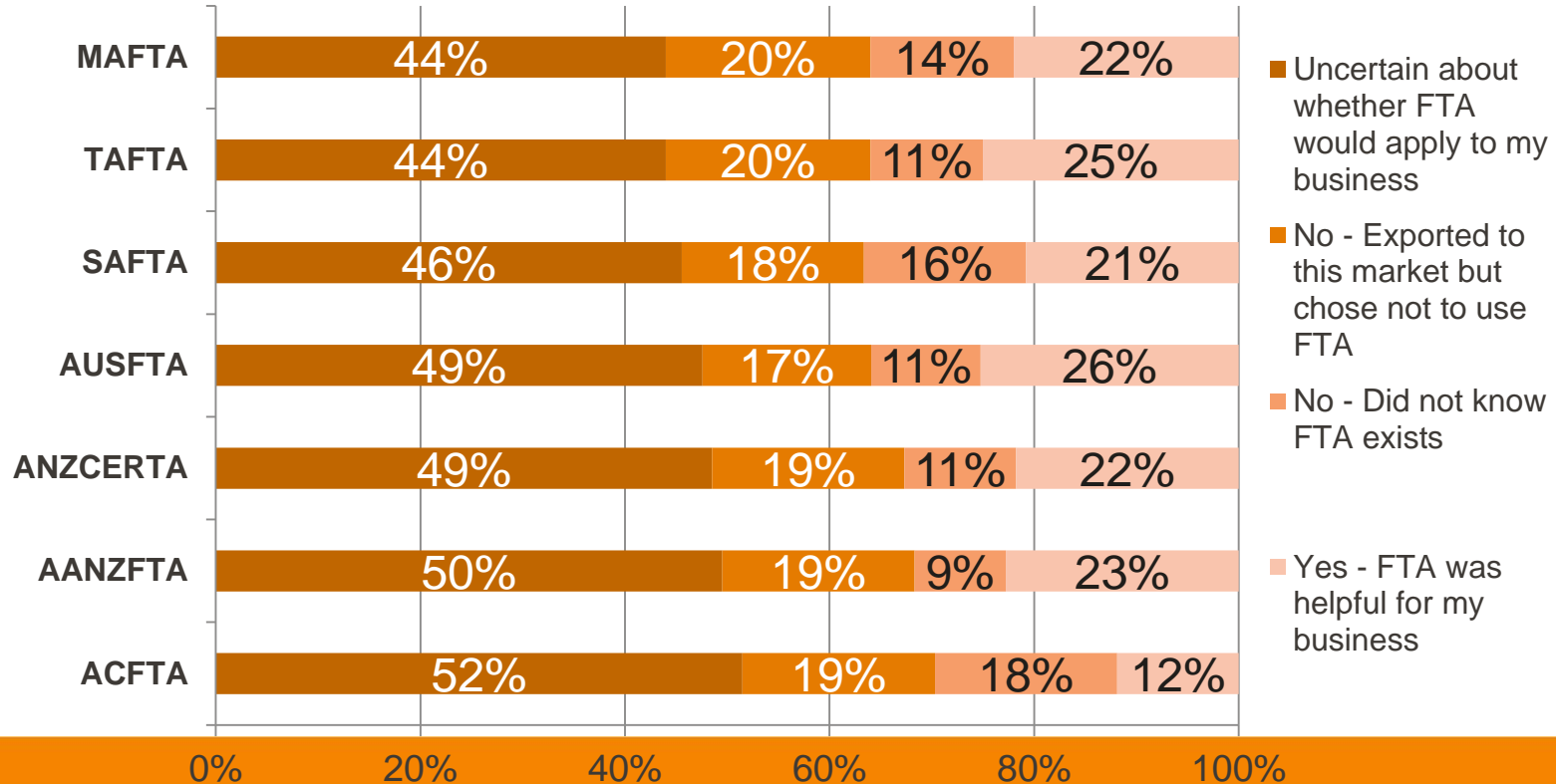
\$m, 2015 to 2016



## BACK TO...WHY ARE DFAT AND AUSTRALIA HERE?

- So the utilisation rates are pretty high, and the export outcomes are pretty good...BUT not complete utilisation, which we want to address
- A range of reasons for that...with (lack of) knowledge around certification being the key area that we focus on

# Survey of utilisation of Australian FTAs by Australian Companies 2015



Source: Australia's International Business Survey 2015

# Why are FTAs under utilised?



Do not have an understanding of FTAs

1



Do not know how my business can benefit from FTAs

2



Do not know the Rules of Origin requirements to access FTA benefits

3



Exporters do not know how to comply with FTAs, so avoid them

4



Exporters believe that accessing FTA benefits is too costly and burdensome

5

## BACK TO...WHY ARE DFAT AND AUSTRALIA HERE? #2

- We've found pretty patchy knowledge of origin certification requirements among business community...
- ...so in addition to outreach directly to exporting sectors and businesses, also keen to work with others in the “export chain” who help or work with exporters
- Brokers and forwarders critical in this, as the ones who supply services to exporters – particularly small/inexperienced/intermittent exporters who don't know all that much about trade

# WHAT DO WE WANT TO DO?

- We want to work with you to increase knowledge of FTA origin requirements, so export customers don't miss out on lower tariffs and then go elsewhere (i.e. other source countries)
- We hope brokers and forwarders can make it a regular part of your "export checklist", to ask clients about using FTAs
- Your clients will hopefully get more export orders – and you will have more trade to service.

# What are we ourselves doing about it?

## The FTA PROGRAM 2015-17

### **Y1 Raising awareness**

- Seminar series
- Campaign
- Offshore promotion
- Online Toolkit
- DFAT Hotline
- DFAT Portal – North Asia

### **+ Y2 Driving utilisation**

- Training Provider Grant
- Customs data
- Sector-specific information
- DFAT Portal – all FTAs
- Export Value-Chain

# SOME CURRENT OUTREACH TO BUSINESS...

## FREE TRADE AGREEMENTS

### Using FTAs to reduce the landed cost of your exports for your overseas customer

Did you know getting lower tariffs under an FTA is not automatic?

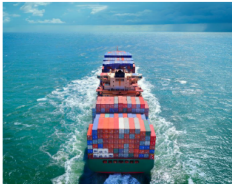
#### What you need to do

Free Trade Agreements (FTAs) cut tariffs, which are taxes or duties to be paid on traded goods.

Australia's FTAs with China, Japan and Korea have opened up new and exciting opportunities for Australian exporters across a wide range of sectors. But the tariff-cutting benefits of FTAs, which result in lower landed costs, do not automatically happen. If you want to get these benefits, there are steps you must actively take.

Why is this the case? The basic idea of an FTA is to provide a tariff preference to the FTA partner country – and **only** to them. So, countries want to confirm the good being exported genuinely originates from the FTA partner. This is why North Asia FTAs establish 'rules of origin' requirements. Documentation certifying your product meets these requirements **must** cover your exports.

The following explains the steps involved, and where to go for more information and assistance.



#### Step 1: Determine if your product benefits from the North Asia FTA tariff cuts on offer

A lot of international trade already occurs without tariffs being applied, so you should first determine if these FTAs cut the tariff that usually applies to your product. Traded products are classified using an internationally-recognised system known as the Harmonised Commodity Description and Coding system, or 'HS code'.

Using DFAT's FTA Portal – [portal.dfat.gov.au](http://portal.dfat.gov.au) – type in key words about your product (or HS code if you already know it) and the North Asia FTA partner country to which you are exporting. The Portal will provide guidance on the likely applicable tariff rate under the FTA you've selected.

*Note: the FTA Portal currently only covers North Asia FTAs, and is intended as a guide only.*

*Ultimately, the decision around the HS classification of the good and the tariff rate that will apply is made by the importing country's customs authority.*

#### Step 2: Assess if your product meets the FTA's Rules of Origin

Once you've searched and found your product on the Portal, click on the 'rules of origin' tab. This will take you through a step-by-step process to assess if your product is likely to meet the rules of origin requirements of the FTA you're planning to export under.

#### Step 3: Obtain an FTA-specific Certificate/Declaration of Origin to accompany your exports

Once your assessment is complete, click on the 'certify' tab of the Portal. You need to get an FTA-specific Certificate/Declaration of Origin (COO/DOO). This document will identify the goods you are exporting and certify that they meet the FTA's rules of origin requirements. It will be used (when the good arrives) by the importing country's customs authority to determine eligibility for preferential tariff treatment.

Different FTAs require different processes for obtaining a COO/DOO. Most commonly, businesses obtain certification through an authorised certifying body (COO), some FTAs also allow you to self-certify (DOO).

The authorised bodies that issue FTA COOs are:

- AI Group  
[www.aigroup.com.au](http://www.aigroup.com.au)  
Ph: 03 9867 0132
- Australian Chamber of Commerce and Industry [www.acci.asn.au](http://www.acci.asn.au)  
Ph: 02 6273 2311
- Australian Grape and Wine Authority (AGWA) (CHAFTA wine FTA COOS only)  
[www.wineaustralia.com](http://www.wineaustralia.com)  
Ph: 08 8228 2000

#### Find out more

- Department of Foreign Affairs and Trade  
[www.dfat.gov.au](http://www.dfat.gov.au)  
Ph: 02 6261 1888
- FTA Portal (DFAT)  
[www.dfat.gov.au/fta-portal](http://www.dfat.gov.au/fta-portal)  
(currently covers Australia's FTAs with Korea, Japan and China)
- Austrade  
[www.austrade.gov.au/au](http://www.austrade.gov.au/au)  
Ph: 13 28 78



15.11.2016

Free trade agreements



# KOREA-AUSTRALIA

## FREE TRADE AGREEMENT



## CHOCOLATE TO KOREA

### KAFTA BENEFITS FOR CHOCOLATE

The Korea-Australia Free Trade Agreement (KAFTA) came into force in December 2014, bringing significant benefits for Australian exporters. When KAFTA is fully implemented, tariffs on 99.8 per cent of exports to Korea will be eliminated. The agreement helps level the playing field for food exporters competing with companies from the US, EU, Chile and the Association of Southeast Asian Nations, which all benefit from existing trade deals with Korea.

Under KAFTA, the tariff on chocolate will reduce from 3.2 per cent currently to 1.6 per cent on 1 January 2017, and will be completely eliminated by 1 January 2018 (for HS code 1806.20 Chocolate and chocolate confectionery).

The tariff cuts help improve Australia's competitiveness and make it an ideal time for exporters to enter Korea. Korean consumers have an appetite for imported premium products, and Australian companies offering high-quality chocolate with distinctive packaging and branding will find a growing market for their goods.

**'The gift-giving sector is extremely important for chocolates, with some brands making 90 per cent of their annual profits on Valentine's Day alone. Winter (November to March) is the peak season. In Korea, women traditionally give men gifts such as chocolates on Valentine's Day and men return the favour a month later on White Day (14 March). Christmas is another important season, and significant sales are also made to Chinese and South East Asian tourists via duty free.'**

– Industry expert, Korea

This document provides an overview of the chocolate confectionery market in Korea to help Australian companies plan their export strategy. Exporters are encouraged to undertake their own market research and refer to the Free Trade Agreement Portal (<http://ftportal.dfat.gov.au>) developed by the Department of Foreign Affairs and Trade (DFAT) for more information on tariff cuts. Austrade can also provide insights and assistance to support a successful market entry.



### MARKET SNAPSHOT

Korea imports more than 70 per cent of its food and agriculture products.<sup>1</sup> The market for imported packaged food is rapidly growing and diversifying. Consumer tastes are changing and demand for luxury and high-quality food products is increasing.

Chocolate confectionery is a growing product category within the snack food segment, with the overall market worth US\$574.3 million.<sup>2</sup> Milk chocolate is the most popular product (75.5 per cent), followed by dark (14 per cent), plain white (6 per cent) and filled (4.5 per cent).<sup>3</sup> The dominant companies in the Korean chocolate confectionery market include Lotte (Korea), Orion (Korea), Haitai (Korea), Masterfoods Korea (USA), Ferrero (Italy) and Crown (Korea).

**'Chocolate consumption is becoming more diverse, with chocolate-making classes and handmade chocolates, along with Koreans studying and travelling abroad, increasing awareness of premium brands and imported chocolates. While milk chocolate is the main flavour, there is an increasing awareness of the health benefits of dark chocolate.'**

– Industry expert, Korea

These companies offer largely high-volume, lower-cost products. Strong performing local brands, such as Ghana and Dream Cacao, are manufactured by Lotte and Orion.

Imported chocolates are popular in Korea. Total imports (of product less than 2kg) were worth US\$79 million in 2015.<sup>4</sup> The top three countries exporting chocolate confectionery to Korea in 2015 were Italy (US\$23 million), Germany (US\$16 million) and the US (US\$15 million), followed by Switzerland, Belgium, China, Malaysia, France, Japan and Turkey.

BRAND	PRICE (KRW)	A\$	SIZE	A\$ per 100g	TASTE	COUNTRY
Michel Cluizel Noir De Cacao 72 per cent	11,000	12.87	70g	18.39	72 per cent cocoa	France
Royal CNC	9,500	9.95	66g	15.08	Molgechi (Korean rice wine) flavoured chocolate	Korea
Vivani Voltinich Genuss	6,175	7.23	100g	7.23	Organic milk chocolate with whole hazelnuts	Germany
Maich Confectionery	4,000	4.68	70g	6.69	Dried strawberries in dark chocolate and strawberry-flavoured white chocolate	US
White Angel Cutie	1,350	1.58	27g	5.85	Milk and white chocolate lollypop/bubble blower	Korea
Royal CNC	15,000	17.55	330g	5.32	Tangerine chocolate	Korea
Ferrero Rocher	2,490	2.90	62.5g	4.64	Chocolate-covered hazelnuts with chopped nuts	Italy
Frey Chocoblock White	3,500	4.10	100g	4.10	White chocolate with almond-honey-nougat	Switzerland
Waltrose	6,600	7.72	200g	3.86	Belgian milk chocolate with hazelnuts	UK
Hershey's Kisses	1,120	1.31	36g	3.64	Milk chocolate	US/China
Lotte Almond Chock Ball	2,400	2.81	78g	3.60	Roasted almonds double-coated with milk chocolate	Korea
Ghana	1,380	1.61	70g	2.30	Milk chocolate	Korea
Chocofeta ION	500	0.59	38g	1.55	Milk chocolate-covered wafer with hazelnuts	Greece

**'This is a product where it is critical to get everything right, from the product taste, high-quality gift-giving packaging, being in good condition on arrival, and working with your distributor a year in advance on marketing and promotions that will support a premium positioning in this competitive market.'**

– Industry expert, Korea

European countries hold strong country of origin branding in the minds of Korean consumers – for example, Italy's Ferrero Rocher is one of the country's most popular brands. Products from countries such as the US and Japan are also highly regarded. US brand Hershey's in particular has a long history in Korea. Australian products can expect to compete with niche, premium, high-cost imported products.

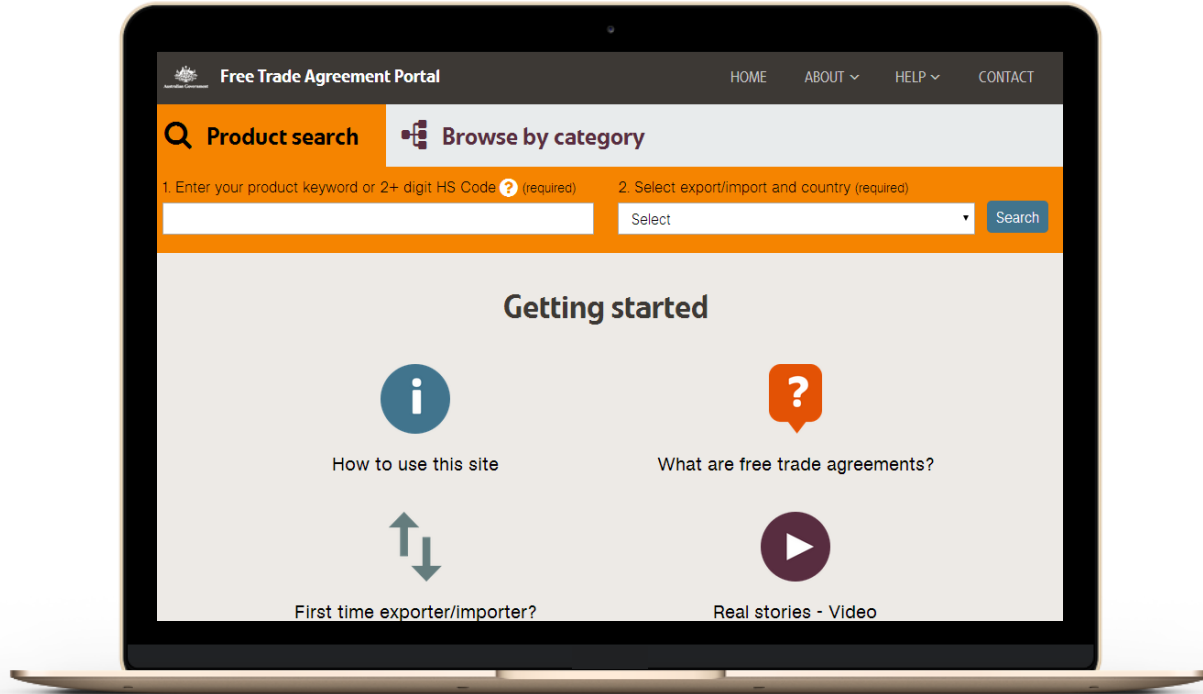
Chocolate products are available in a range of outlets in Korea. Low-cost products from South East Asian countries that use milk powders can be found at HomePlus (Tesco), while tablet chocolate can be bought in supermarkets. More expensive boxed chocolates for gift-giving are available in high-end department stores. Ultra-premium brands such as Godiva, Läderach and Teuscher have stand-alone branded stores.

### PRODUCT SNAPSHOT

This table contains a sample cross-section of [fresh juice/chocolate] products available in Korea. Retail prices in this market change frequently. A broader range of examples in this product category can be found by searching the websites of local researchers such as Shinsegae ([shinsegae.co.kr/english](http://shinsegae.co.kr/english)) or Costco ([costco.co.kr/eng](http://costco.co.kr/eng)).

# FINDING TARIFFS (FOR THE UNINITIATED)

ftaportal.dfat.gov.au



# TARGET NEW CHANNELS IN THE END-TO-END VALUE CHAIN

## **Onshore intermediaries**

- Freight forwarders
- Customs brokers
- Banks / Accountants
- Export advisers
- Consolidators

## **Offshore demand**

- Analyse Customs data
- Target importer groups
- Buyer development
- Identify opportunities in the import chain

# AUSTRADE NORTH ASIA



## Free Trade Agreement Checklist for Customs Brokers and Freight Forwarders

**Not all Australian exporters take advantage of Free Trade Agreements (FTAs) and therefore miss the opportunity to reduce the landed cost of goods in export markets where we have preferential trade deals. Intermediaries, such as freight forwarders and customs brokers, play a vital role in facilitating international trade and are uniquely positioned to assist exporters in providing the necessary documentation required to access these FTA benefits.**

**Below is an indicative guide developed to assist the freight forwarding and customs broking industry help exporters access the reduced duty rates offered through Australia's network of FTAs.**

	USA (AUSFTA)	Chile (AUSFTA)	China (ChAFTA)	Japan (JAEPA)	Republic of Korea (KAFTA)
What questions should you ask the exporter?	<ul style="list-style-type: none"> <li>Are the goods you are exporting grown, produced or manufactured in Australia? (if yes, go to next dot point)</li> <li>Have you looked at whether an FTA provides a reduced duty rate when the goods enter USA, Chile, China (excluding Hong Kong, Macau and Taiwan), Japan or Korea? (ftaportal.dfat.gov.au)</li> <li>Have you got FTA origin documentation in order that the importer can claim the reduced duty in USA, Chile, China, Japan or Korea?</li> <li>If not, you may need to get one before your goods are exported?</li> </ul>				
What information do I require to obtain a Certificate of Origin (CoO)?  (Note: a specific template may be required)	<ul style="list-style-type: none"> <li>Exporter's or producer's name and address</li> <li>Importer's name and address in the USA</li> <li>Goods description and Harmonised System (HS) code</li> <li>Rule of origin</li> <li>Complete an "exporter origin declaration" (no official format) and self-certified</li> </ul>	<ul style="list-style-type: none"> <li>Exporter's name, address and legal tax identification number</li> <li>Importer's name and address in Chile</li> <li>Marks and numbers, number and kind of package, goods description, HS codes</li> <li>Rule of origin</li> <li>Obtain an "ACIFTA CoO"</li> </ul>	<ul style="list-style-type: none"> <li>Exporter's or producer's name and address</li> <li>Importer's name and address in China</li> <li>Shipment date, vessel's name/aircraft, port of discharge</li> <li>Item number, marks and numbers on package, goods description, HS code, quantity (gross or net weight or other quantity units)</li> <li>Invoice number(s) and date of invoice(s)</li> <li>Rule of origin</li> <li>Obtain a "ChAFTA CoO" or a ChAFTA Declaration of Origin (self-certification) if an advanced ruling has been secured</li> </ul>	<ul style="list-style-type: none"> <li>Exporter's or producer's name and address</li> <li>Item number, marks and numbers on package, goods description, HS code, quantity (gross or net weight or other quantity units)</li> <li>Invoice number(s) and date of invoice(s)</li> <li>Rule of origin</li> <li>Obtain a "JAEPA CoO" or a "JAEPA Origin Certification Document" (self-certification) if an advanced ruling has been secured</li> </ul>	<ul style="list-style-type: none"> <li>Exporter's or producer's name and address</li> <li>Importer's name and address in Korea</li> <li>Goods description, quantity, invoice number or other reference number, HS code</li> <li>Rule of origin</li> <li>Obtain an "KAFTA CoO"</li> </ul>
Time validity of CoO?	<ul style="list-style-type: none"> <li>No validity period is set under AUSFTA</li> <li>Applies to a single shipment, or multiple importations of goods of the same description</li> </ul>	<ul style="list-style-type: none"> <li>Valid for 1 year</li> <li>Applies to a single consignment only</li> </ul>	<ul style="list-style-type: none"> <li>Valid for 1 year</li> <li>Applies to a single consignment only</li> </ul>	<ul style="list-style-type: none"> <li>Valid for 1 year</li> <li>Applies to a single consignment only</li> </ul>	<ul style="list-style-type: none"> <li>Valid for at least 2 years</li> <li>Applies to a single shipment, or multiple importations of goods of the same description</li> </ul>
Waiver of CoO?	<ul style="list-style-type: none"> <li>Not applicable under AUSFTA</li> </ul>	<ul style="list-style-type: none"> <li>CoO is not required for shipments with total customs value below US \$1,000</li> </ul>	<ul style="list-style-type: none"> <li>CoO is not required for shipments with total customs value below RMB 6,000</li> </ul>	<ul style="list-style-type: none"> <li>CoO is not required for shipments with total customs value below ¥100,000</li> </ul>	<ul style="list-style-type: none"> <li>CoO is not required for shipments with total customs value below US \$1,000</li> </ul>
Who can approve and issue FTA origin documentation (CoO, DoO or OCD) in Australia?	<ul style="list-style-type: none"> <li>Exporters or producers</li> </ul>	<ul style="list-style-type: none"> <li>The Australian Chamber of Commerce and Industry (ACCI) and State representatives</li> <li>Australian Industry Group (Ai Group)</li> </ul>	<ul style="list-style-type: none"> <li>ACCI and State representatives</li> <li>Ai Group</li> <li>Wine Australia</li> <li>Self-certification by exporters or producers where an advance ruling has been obtained</li> </ul>	<ul style="list-style-type: none"> <li>ACCI and State representatives</li> <li>Ai Group</li> <li>Self-certification by exporters or producers where an advance ruling has been obtained</li> </ul>	<ul style="list-style-type: none"> <li>ACCI and State representatives</li> <li>Ai Group</li> </ul>
Who do you ask for help?	<ul style="list-style-type: none"> <li>Austrade</li> <li>Australian Border Force (ABF)</li> <li>Department of Foreign Affairs and Trade (DFAT) us_fta@dfat.gov.au</li> </ul>	<ul style="list-style-type: none"> <li>Austrade</li> <li>ABF</li> <li>South America and COALAR Section, Americas Division, DFAT</li> </ul>	<ul style="list-style-type: none"> <li>Austrade</li> <li>ABF</li> <li>DFAT chinafta@dfat.gov.au</li> </ul>	<ul style="list-style-type: none"> <li>Austrade</li> <li>ABF</li> <li>DFAT JapanEPA@dfat.gov.au</li> </ul>	<ul style="list-style-type: none"> <li>Austrade</li> <li>ABF</li> <li>DFAT KoreaFTA@dfat.gov.au</li> </ul>

**The above is a guide only and should not be substituted for professional advice.**

# Free Trade Agreement Checklist for Customs Brokers and Freight Forwarders

What questions should you ask the exporter?	New Zealand (ANZCERTA/AANZFTA)	Singapore (SAFTA/AANZFTA)	Thailand (TAFTA/AANZFTA)	Malaysia (MAFTA/AANZFTA)	ASEAN Member Countries (ANZFTA)
What questions should you ask the exporter?	<ul style="list-style-type: none"> <li>Are the goods you are exporting grown, produced or manufactured in Australia? (if yes, go to next dot point)</li> <li>Have you looked at whether an FTA provides a reduced duty rate when the goods enter New Zealand or ASEAN member countries (being Brunei Darussalam, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam)? (ftaportal.dfat.gov.au)</li> <li>If so, which FTA (bilateral FTA or plurilateral AANZFTA) provides the best benefit?</li> <li>Have you got FTA origin documentation in order that the importer can claim the reduced duty in New Zealand or ASEAN member countries?</li> <li>If not, you may need to get one before your goods are exported?</li> </ul>				
What information do I require to obtain a CoO?  (Note: a specific template may be required)	<ul style="list-style-type: none"> <li>Exporter's or producer's name and address</li> <li>Mark and numbers of packages, quantity, goods description</li> <li>Invoice number(s) and date of invoice(s)</li> <li>Rule of origin</li> <li>Complete an "exporter origin declaration" (no official format) for both ANZCERTA and AANZFTA and self-certified or an AANZFTA CoO "Form AANZ"</li> </ul>	<ul style="list-style-type: none"> <li>Exporter's name and address</li> <li>Consignee's name and address in Singapore</li> <li>Shipment date, vessel's name/aircraft, port of discharge</li> <li>Goods description, HS code, brand name and product number if applicable</li> <li>Rule of origin</li> <li>Under SAFTA, obtain a "SAFTA CoO"</li> <li>Under AANZFTA, obtain an AANZFTA CoO "Form AANZ"</li> </ul>	<ul style="list-style-type: none"> <li>Importer's/consignee's name and address in Thailand</li> <li>Shipment date, vessel's name/aircraft, port of discharge</li> <li>Item number, marks and numbers on package, goods description and brand name (if any), HS code, quantity (gross weight or other measurement), FOB value</li> <li>Invoice number(s) and date of invoice(s)</li> <li>Rule of origin</li> <li>Under TAFTA, obtain a TAFTA CoO "Form FTA"</li> <li>Under AANZFTA obtain an AANZFTA CoO "Form AANZ"</li> </ul>	<ul style="list-style-type: none"> <li>Exporter's name and address</li> <li>Goods description and HS code</li> <li>Rule of origin</li> <li>Under MAFTA, obtain a "MAFTA Declaration of Origin" (DOO) which can take the form of a declaration on the invoice or company letterhead ("Statement of Australian Origin")</li> <li>Under AANZFTA, obtain an AANZFTA CoO "Form AANZ"</li> </ul>	<ul style="list-style-type: none"> <li>Exporter's name and address</li> <li>Consignee's name and address in ASEAN member countries</li> <li>Shipment date, vessel's name/aircraft, port of discharge</li> <li>Goods description, HS code, brand name and product number if applicable, FOB value</li> <li>Rule of origin</li> <li>Obtain an AANZFTA CoO "Form AANZ"</li> </ul>
Time validity of CoO?	<ul style="list-style-type: none"> <li>AANZFTA CoO: valid for 1 year</li> <li>No validity period is set under ANZCERTA</li> <li>An "exporter origin declaration" applies to a single shipment, or multiple importations</li> </ul>	<ul style="list-style-type: none"> <li>Valid for 1 year</li> <li>Applies to a single shipment or multiple importations of goods of the same description</li> </ul>	<ul style="list-style-type: none"> <li>Valid for 1 year</li> <li>Applies to a single consignment only</li> </ul>	<ul style="list-style-type: none"> <li>Valid for 1 year</li> <li>Applies to a single consignment only</li> </ul>	<ul style="list-style-type: none"> <li>Valid for 1 year</li> <li>Applies to a single consignment only</li> </ul>
Waiver of CoO?	<ul style="list-style-type: none"> <li>Not applicable under ANZCERTA, SAFTA or TAFTA</li> <li>Under AANZFTA, CoO is not required for shipments with total FOB value below US \$200</li> </ul>			<ul style="list-style-type: none"> <li>CoO is not required for shipments with total FOB value below US \$200</li> </ul>	
Who can approve and issue FTA origin documentation in Australia?	<ul style="list-style-type: none"> <li>Exporters or producers</li> <li>AANZFTA CoO: ACCI and Ai Group</li> </ul>	<ul style="list-style-type: none"> <li>ACCI and State representatives</li> <li>Ai Group</li> </ul>	<ul style="list-style-type: none"> <li>ACCI and State representatives</li> <li>Ai Group</li> </ul>	<ul style="list-style-type: none"> <li>MAFTA: exporters or producers</li> <li>AANZFTA: ACCI and Ai Group</li> </ul>	<ul style="list-style-type: none"> <li>ACCI and State representatives</li> <li>Ai Group</li> </ul>
Who do you ask for help?	<ul style="list-style-type: none"> <li>Austrade</li> <li>ABF</li> <li>DFAT asean.fta@dfat.gov.au</li> </ul>	<ul style="list-style-type: none"> <li>Austrade</li> <li>ABF</li> <li>DFAT trade.consult@dfat.gov.au, asean.fta@dfat.gov.au</li> </ul>	<ul style="list-style-type: none"> <li>Austrade</li> <li>ABF</li> <li>DFAT tafta@dfat.gov.au, asean.fta@dfat.gov.au</li> </ul>	<ul style="list-style-type: none"> <li>Austrade</li> <li>ABF</li> <li>DFAT malaysia.fta@dfat.gov.au, asean.fta@dfat.gov.au</li> </ul>	<ul style="list-style-type: none"> <li>Austrade</li> <li>ABF</li> <li>DFAT asean.fta@dfat.gov.au</li> </ul>

The above is a guide only and should not be substituted for professional advice.

**AUSTRADE CONTACT** Call 13 28 78  
Send us an email info@austrade.gov.au  
<https://www.austrade.gov.au/Australian/Export/free-trade-agreements>

**DFAT CONTACT** Call +61 2 6261 1111  
<http://dfat.gov.au/trade/agreements/Pages/trade-agreements.aspx>



# Insights from the market – Korea, Japan and China

- 1. Exporter doesn't have the paper work in order
- 2. HS codes are not correct – or not accepted by local customs authorities. Calls for advance rulings.
- 3. Exporters FOB focused. They don't see themselves as exporters, rather their customer is an importer....



# Challenges facing utilisation

## Lack of Certification – Duty paid upfront



### Facts

- Australian exporter of medical equipment
- Importer does not claim FTA preferences on equipment
- No Certificate of Origin at the time of import

### Results

- Duty is paid upfront
- Certificate of Origin becomes available later, but no refunds allowed
- Duty leakage for importer
- Importer seeks more reliable suppliers



# Challenges facing utilisation: Change in component parts



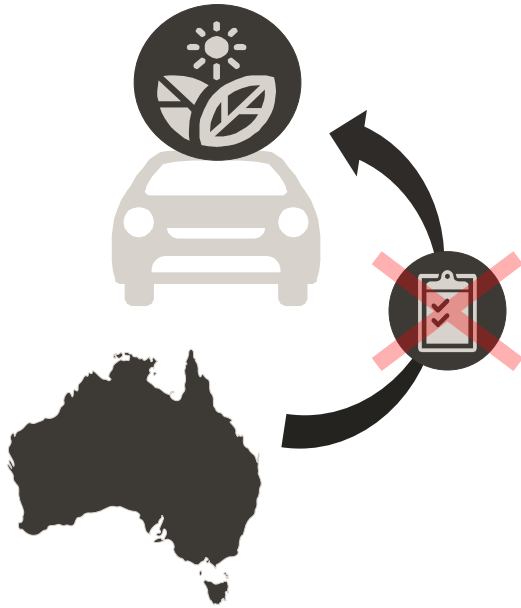
## Facts

- Australian exporter of machinery
- Assumed zero rate of duty based on meeting FTA requirements
- Change in country sources for major inputs into the machinery

## Results

- RVC rule no longer qualifies
- Importer forced to pay duty of final goods after price negotiated based on meeting FTA requirements

# Challenges facing utilisation: Integrity of Certification



## Facts

- Australian food exporter
- Overseas importer relies on Australian food exporter's manufacturing statements regarding origin being satisfied
- Overseas Customs Authority discover that goods do not actually satisfy FTA requirements upon closer analysis

## Results

- Overseas importer faced compliance risk & duty owing
- Importer was subject to increased customs interventions
- Sours the business relationships
- Damages Australia's brand for food safety and integrity

# Challenges facing utilisation: Indifference



## Facts

- Business owner exports their products on FOB terms
- Feels indifferent to FTA benefits as they believe the importers and customs brokers are responsible for claiming FTA benefits

## Results

- Lost opportunity to strengthen relationship with customers (i.e. the importers)
- Lost opportunity to increase levels of demand as goods become more price competitive

# FTAs offer your clients a competitive edge in key markets

- Supporting exporting SMEs take advantage of FTAs could be an additional service you can offer clients  
**= more business for you**
- Government agencies keen to help

# OPEN AS WE CLOSED

So— **we want to work with you to boost FTA use by your exporting clients as much as possible**

And we'd be keen to hear ideas on that from you.



# Keen for feedback and enquiries

## Email contacts:

KoreaFTA@dfat.gov.au

JapanEPA@dfat.gov.au

ChinaFTA@dfat.gov.au

FTA Hotline: 02 6261 1888

[www.fta.gov.au](http://www.fta.gov.au)

[www.austrade.gov.au](http://www.austrade.gov.au)

[www.openforbusiness.gov.au](http://www.openforbusiness.gov.au)

Questions?